



PLANNING COMMISSION SUPPLEMENTAL MEMORANDUM

MEETING DATE: OCTOBER 22, 2018

ITEM NUMBER: PH-2

SUBJECT: PLANNING APPLICATION 18-34 FOR A MARIJUANA MANUFACTURING AND DISTRIBUTION FACILITY (SW VENTURES, LLC) AT 3505 CADILLAC AVENUE, SUITE F5

DATE: OCTOBER 22, 2018

FROM: PLANNING DIVISION / DEVELOPMENT SERVICES DEPARTMENT

PRESENTATION BY: MEL LEE, SENIOR PLANNER

STAFF CONTACT: MEL LEE, AICP (714) 754-5611
mel.lee@costamesaca.gov

The objective of this supplemental memo is to provide the Commission with revised plans for the proposed use, based on two issues:

1. There was a change in the applicant's architect (the architect of record is now Jonathan L. Zane); and
2. There is a revision to the floor plan with regard to access to the security room, which is now accessed through the packaging room within the Limited-Access Area. This change is shown on the revised floor plan (Attachment 1) and on the applicant's revised Limited-Access area exhibit (Attachment 2, which replaces Handwritten Page Number 46). No other changes to the floor plan layout have been made.
3. The new architect's submittal also includes an equipment plan and a reflected ceiling plan.

MEL LEE, AICP
Senior Planner

BARRY CURTIS, AICP
Director of Economic and Development Services

- Attachments:**
1. Revised Project Plans
 2. Revised Limited-Access Exhibit

Distribution: Director of Economic and Development Services
Assistant Director of Development Services
Assistant City Attorney
Director of Public Services
City Engineer
Transportation Services Manager
Fire Protection Analyst
File

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FIRE DEPARTMENT NOTES

1. FIRE DEPARTMENT INSPECTIONS ARE REQUIRED. SCHEDULE ALL INSPECTIONS 2 DAYS IN ADVANCE.
2. THIS PLAN REVIEW OR APPROVAL ENCOMPASSES THE TENANT IMPROVEMENT PLANS ONLY. FIRE SPRINKLER SYSTEM(S), ALARM SYSTEM(S), UNDERGROUND FIRE LINES OR ANY OTHER FIRE PROTECTION SYSTEM OR REQUIRED FIRE DEPARTMENT PERMIT(S), REQUIRES A SEPARATE PLAN SUBMITTAL AND ARE NOT ENCOMPASSED IN THIS PLAN REVIEW OR APPROVAL.
3. PLANS FOR NEW OR MODIFICATIONS TO EXISTING FIRE PROTECTION, DETECTION, ALARM OR MONITORING SYSTEM(S) SHALL BE APPROVED BY THE LOCAL FIRE DEPARTMENT PRIOR TO INSTALLATION OR MODIFICATION. A SEPARATE PLAN SUBMITTAL IS REQUIRED PRIOR TO THE COMMENCEMENT OF ANY WORK. CFC, ARTICLE I
4. IF ADDITIONS OF WALLS AND/OR OTHER TENANT IMPROVEMENTS OBSTRUCT OR EFFECT COVERAGE OR PERFORMANCE OF THE FIRE SPRINKLER SYSTEM AND/OR IF ANY MODIFICATIONS TO THE FIRE SPRINKLER SYSTEM IS NECESSARY, FIRE SPRINKLER TENANT IMPROVEMENT PLANS SHALL BE SUBMITTED TO THE LOCAL FIRE DEPARTMENT FOR APPROVAL PRIOR TO INSTALLATION OR ALTERATIONS). NFPA 13

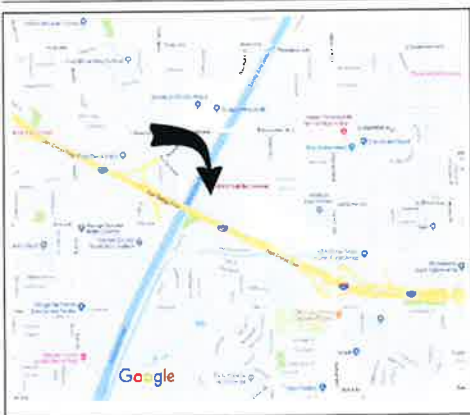
GENERAL CONSTRUCTION NOTES

1. ALL DIMENSIONS ARE TO BE FACE OF STUD OR FACE OF FRAMING, UNLESS OTHERWISE NOTED.
2. DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS TAKE PRECEDENCE OVER SCALE DRAWINGS.
3. PLUMBING, MECHANICAL AND ELECTRICAL SHALL COMPLY WITH CURRENT CODES. THESE DISCIPLINES ARE SUBJECT TO FIELD VERIFICATION.
4. CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND CONDITIONS AT SITE. ALL DISCREPANCIES WILL BE BROUGHT TO THE ATTENTION OF THE OWNER BEFORE PROCEEDING WITH ANY WORK.
5. ANY WORK DONE TO THE AUTOMATIC SPRINKLER SYSTEM WILL BE A DEFERRED SUBMITTAL.
6. A MINIMUM OF 50% OF THE NON-HAZARDOUS CONSTRUCTION WASTE GENERATED AT THE SITE SHALL BE DIVERTED TO RECYCLE OR SALVAGE.
7. EXISTING PATH OF TRAVEL FROM THE STREET TO THE BUILDING COMPLIES WITH THE REQUIREMENTS OF THE CHAPTER 11, 2016 CBC CODE.
8. PLANS FOR MODIFICATIONS TO EXISTING FIRE PROTECTION EQUIPMENT SUCH AS STANDPIPES, SPRINKLER SYSTEMS AND FIRE ALARM SYSTEMS SHALL BE SUBMITTED TO THE BUILDING DIVISION AND APPROVED BY THE FIRE DEPARTMENT BEFORE THIS EQUIPMENT IS ALTERED OR MODIFIED.
9. LANDINGS SHALL NOT EXCEED 2% SLOPE. CBC 1008.15.
10. ALL EQUIPMENT AND APPLIANCES SHALL BE ACCESSIBLE FOR INSPECTION, SERVICE, REPAIR AND REPLACEMENT WITHOUT REMOVING PERMANENT CONSTRUCTION AS PER SECTION (CMC 304.1)
11. CONTRACTOR SHALL REFERENCE LANDLORD CONSTRUCTION PROCEDURES AND FOLLOW ALL REGULATIONS ESTABLISHED BY LANDLORD REPRESENTATIVE.

PROPERTY DATA

PROPERTY DESCRIPTION
SITE ADDRESS: 3505 CADILLAC AVE., SUITE F-5
COSTA MESA, CA.
A.P.N.: 134-661-03
TYPE OF USE: CANNABIS MANUFACTURING (TYPE 6 INFUSED)
PACKAGING, DISTRIBUTION
TYPE 13 TRANSPORTATION
OCCUPANCY TYPE: F-1
AREA: 6,185 -OVERALL
ARCHITECT: JONATHAN L. ZANE ARCHITECTURE
458 N. LA CADENA DR., SUITE A
COLTON, CA 92324
909-825-1500
ENGINEER -ELEC, MECH: RIVERSIDE ENGINEERING GROUP
458 N. LA CADENA DR., SUITE B
COLTON, CA 92324
909-254-2100

VICINITY MAP

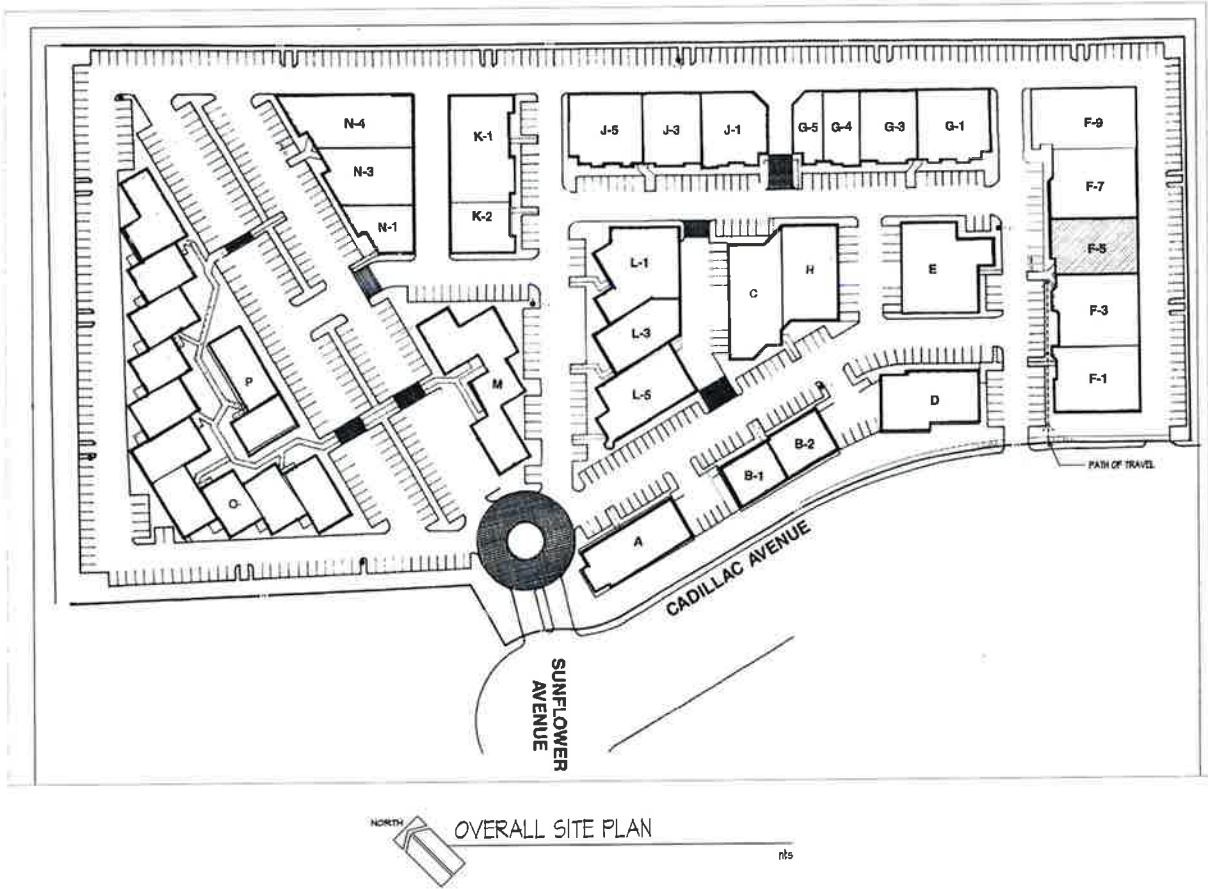


SCOPE OF WORK

- IMPROVEMENTS TO EXISTING SWELL BUILDING
- DEMO OF PARTITION WALL IN EXISTING LOBBY AREA
- CONVERT EXISTING FITNESS CENTER INTO NEW BUSINESS CENTER
- REMODEL STAFF KITCHEN
- REMODEL INTERIOR FLOORING, PAINT AND TRIM THROUGHOUT
- REMODEL INTERIOR LIGHTING, POWER AND MECHANICAL DUCTING
- UPDATE STOREFRONT DOORS IN-KIND

GOVERNING CODES

ALL WORK SHALL COMPLY WITH:
2016 CBC, CMG, CFC AND CEC, AS AMENDED BY CITY ORDINANCE 2016 TITLE 24 ENERGY REGULATIONS AND THE CALIFORNIA GREEN BUILDING STANDARDS CODE



REVISIONS

DATE: BY:

JONATHAN L. ZANE
ARCHITECTURE
JONATHAN L. ZANE ARCHITECT - CA, LIC #C-11,046
958 NORTH LA CADENA DRIVE
COLTON, CA 92324 (909) 825-1500



DATE: 09/26/2018

A PROJECT FOR:
SW VENTURES
LOCATED AT:
3505 CADILLAC AVE., SUITE F-5
COSTA MESA, CA

NOTICE: The design and ideas indicated by these drawings were created for the use of this project only and are the sole property of Jonathan L. Zane, Architect. These designs may not be used for any other purpose whatsoever or reproduced without the written consent of Jonathan L. Zane, Architect.

DATE: 09/26/2018

SCALE: as noted

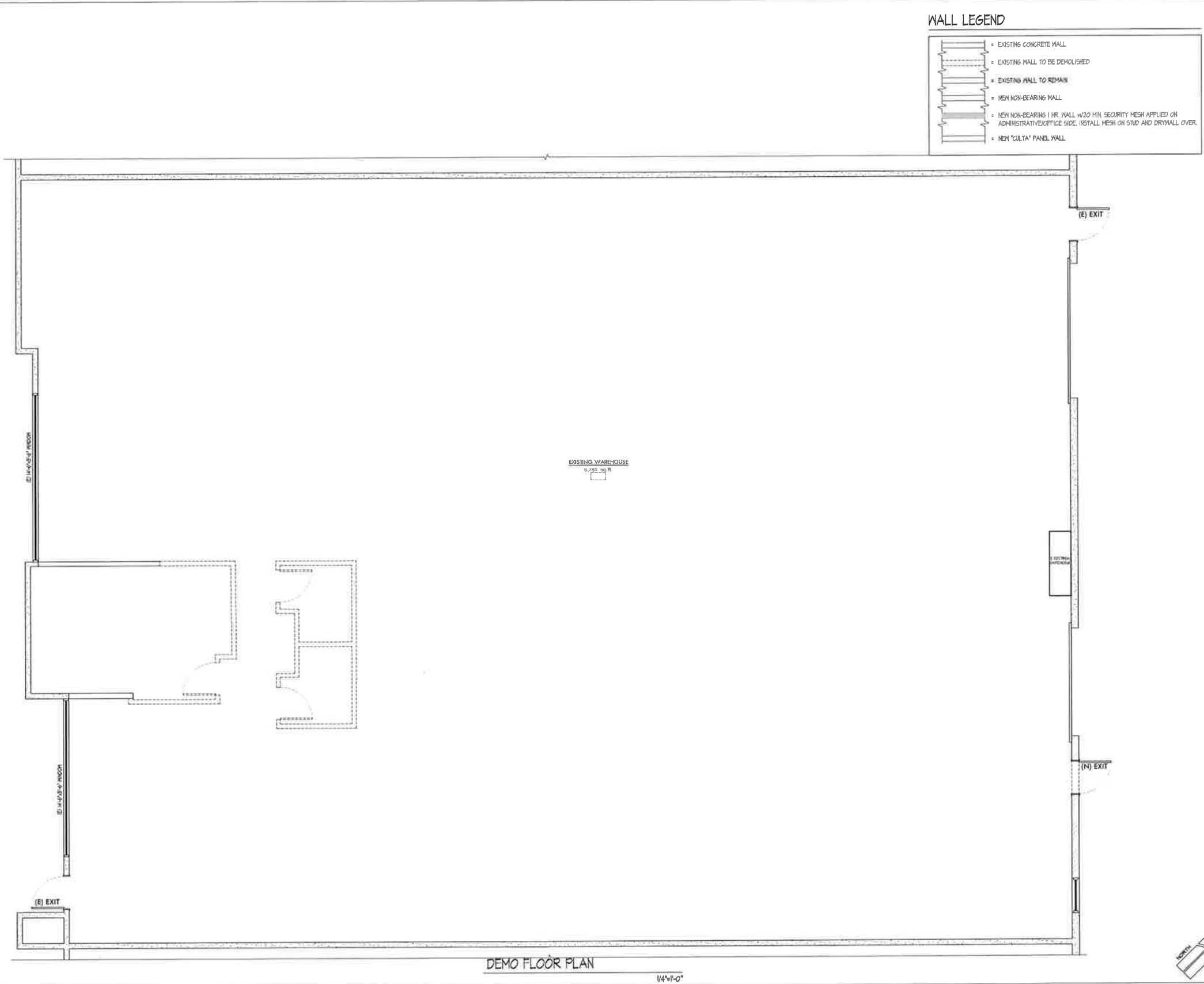
DRAWN: S Quiroz

JOB: 180806

SHEET:

C-1

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REVISIONS	
DATE:	BY:

JONATHAN L. ZANE
ARCHITECTURE

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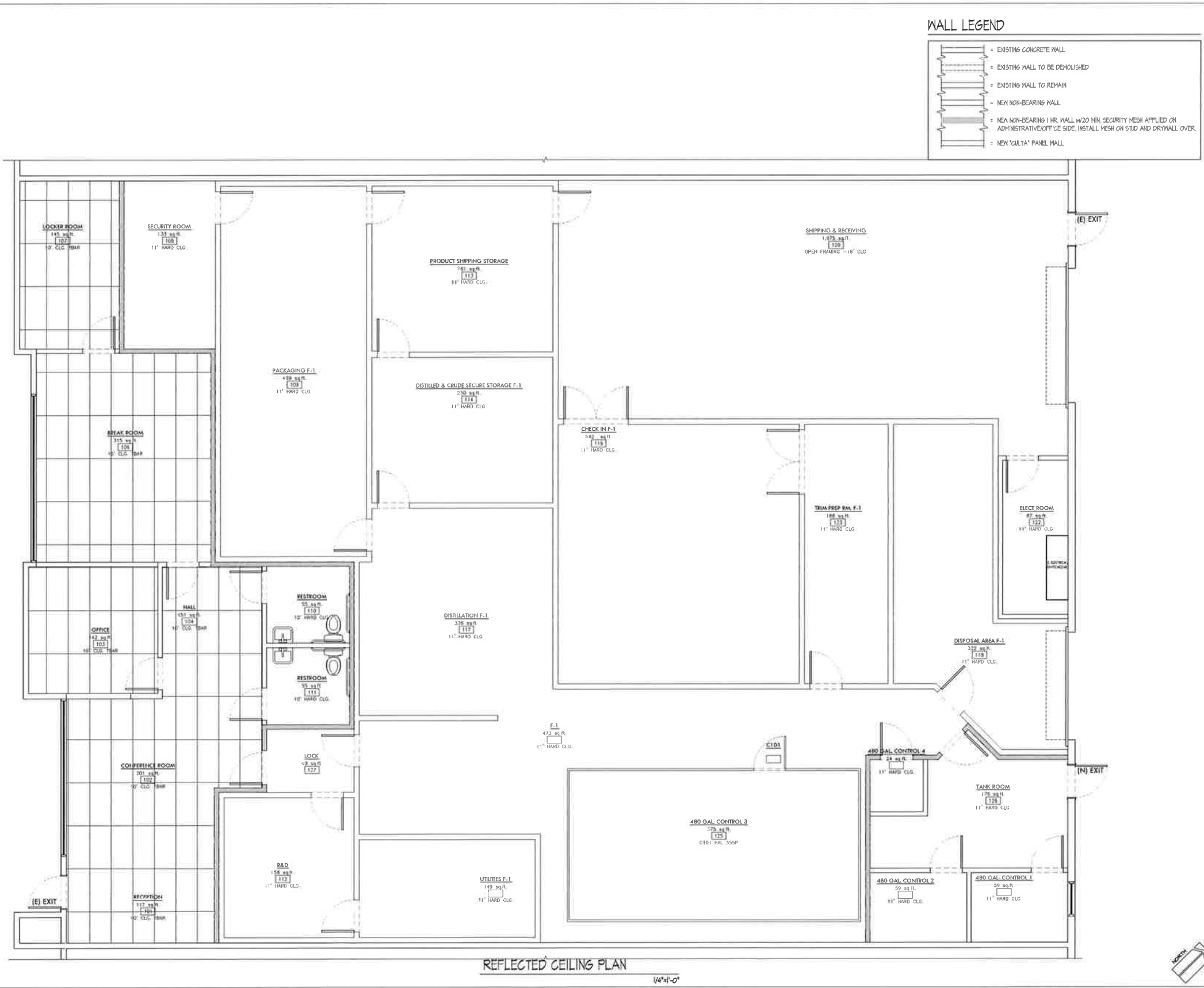
DATE: 09/26/2018

A PROJECT FOR:
SW VENTURES
LOCATED AT:
1505 CADILLAC AVE., SUITE F-5
COSTA MESA, CA

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DATE: 09/26/2018
SCALE: as noted
DRAWN: S. Quiroz
JOB: 180806
SHEET: **A-1.0**

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REVISIONS	
DATE:	BY:

JONATHAN L. ZANE
ARCHITECTURE

NO. 011046
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JONATHAN L. ZANE, ARCHITECT - CA, LIC. #C-11,046
958 NORTH LA CADENA DRIVE
COLTON, CA 92324 (909) 825-7500

DATE: 09/26/2018

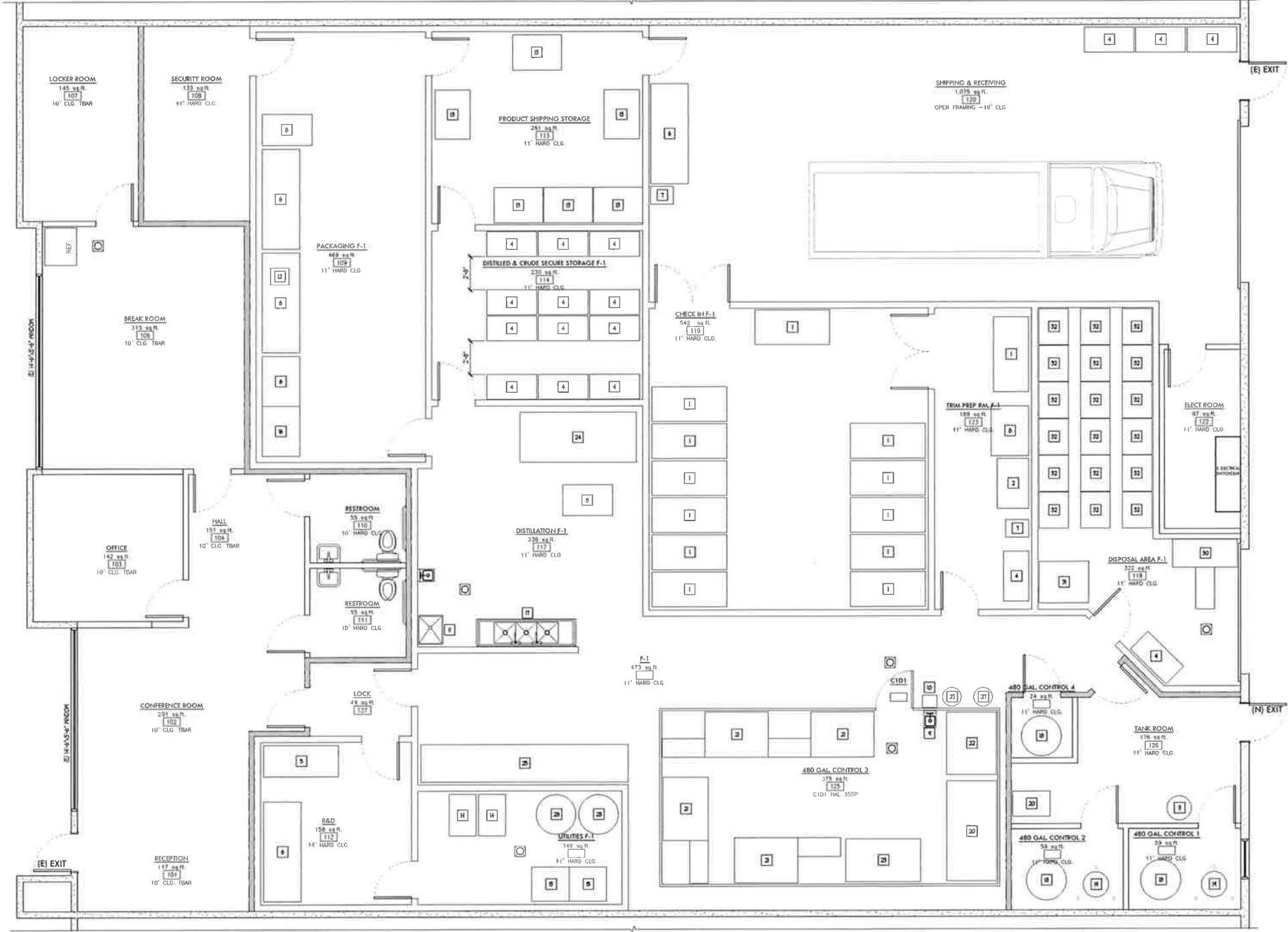
A PROJECT FOR:
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LOCATED AT:
3505 CADILLAC AVE, SUITE F-5
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DATE: 09/26/2018
SCALE: as noted
DRAWN: S. Quiroz
JOB: 180806
SHEET: **A-3.0**

EQUIPMENT SCHEDULE

ID	DESCRIPTION	MODEL NO.	AMPS	VOLTAGE	KVA	OPER. PERIOD	QUANTITY	ID	DESCRIPTION	MODEL NO.	AMPS	VOLTAGE	KVA	OPER. PERIOD	QUANTITY	ID	DESCRIPTION	MODEL NO.	AMPS	VOLTAGE	KVA	OPER. PERIOD	QUANTITY
1	3 YARD RUBBERWAD TLT TRUCKS	035					14	1	ACORN BARBER FREE EXSPACE WASH STATION/SHOWER COMBO	12542-48-BF					1	21	WRS EVAPORATIVE WSA		30	4 @	200/200 and 150/150	24 HRS.	1 TO 4
2	PHOTO CONICAL HILL	11401	8.0	240-0	15	12 HRS.	1	12	RUBBERWAD TLT TRUCKS		0.28	120		24 HRS.	1	22	FILTRATION & HEAT EXCHANGER SKID						1
3	SANITARY DRAIN PUMP W/ DRAIN DIP FEED PIPE	SP-0250-01 1 SP-ARFP					1	13	4 FT HORIZONTAL REFRIGERATOR W/ LISTED	HR444C-4-0	5	120		24 HRS.	1	23	BOILING EVAPORATOR/CONDENSER SKID		5	10		18 HRS.	1
4	3/4 INCH 4 FOOT SOLID STORAGE RACKS/SHELVES	11-5461					17	14	5 HP VERTICAL AIR COMPRESSOR AND DRYER	050434E	5.2	208		24 HRS.	2	24	WATER WFT SHORT PATH DISTILLATION SKID		40/81	208	220	24 HRS.	1
5	8 FOOT BY 30 INCH REF TABLE	6007500725					1	15	ELDORSETT NATURAL GAS STEAM GENERATOR 200/200 BTU	0200-200WAT	0.5	110		24 HRS.	2	25	WATER WFT SHORT PATH DISTILLATION SKID		28/48	208	220	24 HRS.	1
6	3 FOOT BY 8 FOOT REF PREP TABLE	6007550665					9	16	4 PANE HOOD	4000H	5	110		12 HRS.	1	26	3 GALLON JACKETED CRUDE STORAGE VESSELS						20
7	CHANG COMMERCIAL FLOOR SCALE W/ NETWORKING	250FSCBL	1.5	120		24 HRS.	2	17	TRIPLE COMPARTMENT SINK, REQUIRES FACET	TC-3-H-25-24RL-K					1	27	50 GAL PIVOTABLE STAINLESS VESSEL						2
8	4 FOOT ROLLING TABLE W/ REF	W-050424-0503					4	18	200 GAL PIVOTABLE STAINLESS VESSEL						2	28	500 GAL COOLING TOWER RESERVOIR						2
9	WASH HAND SINK	6006070K					2	19	40 GAL PIVOTABLE STAINLESS VESSEL						1	29	40 TON COOLING TOWER ROOF MOUNT		5.2	230	1000	24 HRS.	2
10	ACORN BARBER FREE EXSPACE WASH STATION	12542-48-BF					1	20	AES EXTRACTOR KIT		20	208		18 HRS.	1	30	SOLAGROPROF HEAT		6.5	230	1000	12 HRS.	1



PROPOSED EQUIPMENT PLAN

1/4"=1'-0"

REVISIONS

DATE:	BY:

JONATHAN L. ZANE
ARCHITECTURE
JONATHAN L. ZANE, ARCHITECT - CA, LIC. #C-11,046
958 NORTH LA CADENA DRIVE
COLTON, CA 92324 (909) 825-7500



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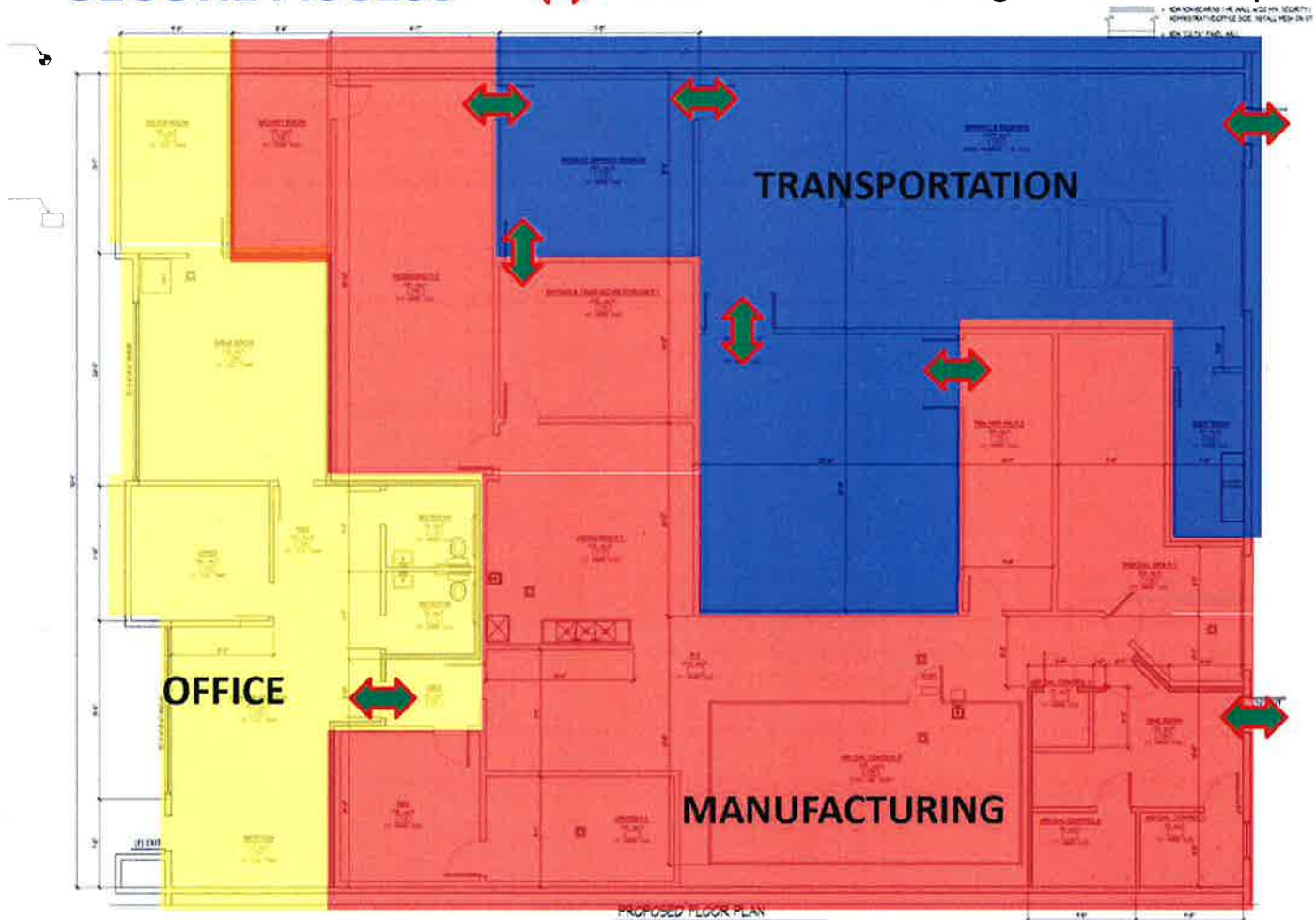
DATE: 09/26/2018
SCALE: as noted
DRAWN: S Quiroz
JOB: 180806
SHEET:

A-4.0

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Limited Access Diagram

SECURE ACCESS =  **RED** = Manufacturing **BLUE** = Transportation





PLANNING COMMISSION AGENDA REPORT

MEETING DATE: OCTOBER 22, 2018

ITEM NUMBER: PH-2

SUBJECT: PLANNING APPLICATION 18-34 FOR A MARIJUANA MANUFACTURING AND DISTRIBUTION FACILITY (SW VENTURES, LLC) AT 3505 CADILLAC AVENUE, SUITE F5

DATE: OCTOBER 15, 2018

FROM: PLANNING DIVISION / DEVELOPMENT SERVICES DEPARTMENT

PRESENTATION BY: MEL LEE, SENIOR PLANNER

STAFF CONTACT: MEL LEE, AICP (714) 754-5611
mel.lee@costamesaca.gov

DESCRIPTION

Planning Application 18-34 is a request for a Conditional Use Permit for a marijuana manufacturing and distribution facility (SW Ventures, LLC) within a 7,178-square-foot tenant space of an existing industrial building. The proposed facility will include ethanol cannabis extraction, distillation, packaging and formulation, and distribution of the final product in vaping pens, tablets/capsules, and edibles. Rooms include extraction and distillation, storage and packaging, and ancillary offices. Vehicles used for the distribution of cannabis products will be pulled into a secured area inside the building. The facility will have security systems (card readers, security cameras, etc.) throughout the facility. No cultivation of marijuana, or marijuana dispensary, is permitted.

APPLICANT/AUTHORIZED AGENT

The applicant/authorized agent is SW Ventures, LLC; representing 82 Investments, LLC, the property owner.

RECOMMENDATIONS

Staff recommends that the Planning Commission adopt a Resolution to:

1. Find that the project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 (Class 1), Existing Facilities; and
2. Approve Planning Application 18-34, subject to conditions of approval.

BACKGROUND

Project Site/Environs

The subject building is located within an existing multi-tenant industrial park (Cambridge Park) zoned as PDI (Planned Development Industrial), and has a General Plan Land Use Designation of Industrial Park. The site contains a vacant 7,178-square-foot tenant space (Suite F5) constructed in 1982. The prior tenant was a manufacturing and distribution use for a ski company. The site is bounded by industrial buildings used for warehousing and light manufacturing. There are no open Code Enforcement cases on the property.

City of Costa Mesa Medical Marijuana Measure (Measure X)

On November 8, 2016, voters approved Measure X, also known as the City of Costa Mesa Medical Marijuana Measure. Measure X allows the following medical marijuana-related uses: distributors, manufacturers, processors, research and development laboratories, as well as testing laboratories and transporters. These uses may only be located in specific Industrial Park (MP) and Planned Development Industrial (PDI) zoned properties north of South Coast Drive, west of Harbor Boulevard, excluding the South Coast Collection (SOCO) property located at 3303 Hyland Avenue. Measure X prohibits the sale and cultivation of marijuana anywhere within the City.¹

Under Measure X, medical marijuana uses are required to obtain all of the following approvals before conducting business within the City:

1. A Medical Marijuana Business Permit;
2. A Conditional Use Permit; and
3. A Business License. Measure X imposes a 6 percent annual gross receipts tax on any marijuana business.

Subsequently on April 3, 2018, the City Council adopted Ordinance No. 18-04 to allow and permit adult use marijuana products to be manufactured, distributed, transported, tested and developed in the same manner and in the same areas as medical marijuana uses pursuant to Measure X. Non-medical adult use marijuana was not legal under state law at that time of the adoption of Measure X but is now legal under the State's Medicinal and Adult-Use Cannabis Regulation and Safety Act. With the City's newly adopted ordinance, Measure X CUP applications are allowed to include adult use and medical marijuana related land uses. Ordinance No. 18-04 also removed the prohibition of Measure X uses within 500 feet of Moon Park.

Planning Application 18-34

Marijuana Business Permit (Part 1)

Per the process described above, the applicant applied for a Marijuana Business Permit (MX-18-0008) on August 6, 2018. The MBP application was reviewed by the Community Improvement Division (CID). Review of the MBP included a background check of the

¹ The Zoning Code, with limited exceptions for personal cultivation as mandated by Proposition 64, also prohibits dispensaries, sales and cultivation. See CMMC § 13-200.84.

proposed business owner(s) with each owner/officer of the company being required to complete and pass the background check, as well as the required submittal of a business plan and a security plan. Once the above items were approved by City staff, a Notice to Proceed letter was issued. The Notice to Proceed letter allows an applicant to file an application for a CUP and was issued for this application on August 22, 2018.

Marijuana Business Permit (Part 2) and Business License (if CUP Approved)

Upon approval of a CUP, the applicant would begin the remaining steps of the marijuana business approval process, which include obtaining any required building and fire safety permits and inspections. Upon completion of all of the above steps, the MBP would be approved. To complete the approval process, the applicant must receive a business license from the City. After approval of the MBP, the CUP, and the business license, as well as the necessary permit issued by the state Bureau of Cannabis Control, the applicant may begin operation. A MBP approval is good for a two-year period and may be renewed for additional two-year periods provided it is extended prior to expiration of the approval period. During the two-year permit period, the CID, along with other City staff, will conduct site visits to verify the operation is in compliance with all Conditional Use and Business Permit requirements. Violations identified during these site visits, including failure to renew their business permit, may be grounds for the revocation of the Business and/or Conditional Use Permits.

ANALYSIS

Proposed Use

The applicant is proposing to use the tenant space for cannabis product extraction, manufacturing, processing, distribution, and transportation. With regard to State Licensing requirements, the applicant will be applying to operate under a Type 13 Cannabis License (Distributor – Transport Only) and Type 6 (Manufacturing – Cannabis Infusion).

Raw cannabis materials consisting of flower (whole buds from marijuana plants) and trim (small buds and fan leaves from marijuana plants) will be brought to this facility by a licensed distributor for non-volatile, chilled ethanol extraction. Once the raw material is delivered to the shipping and receiving area, it is within the "Limited Access" area of the building, e.g., only authorized personnel issued identification badges by the City will have access to these areas. From there, the raw material is placed within a secured storage room where it eventually moves to a preparation room for the extraction process. After extraction, the product is distilled into the final product (purified cannabis distillate oil) which will then be either incorporated into vape cartridges on-site or transported off-site to be sold to other vendors and incorporated into products provided by other manufacturers such as tablets/capsules, and edibles (i.e., food or beverage products). Rooms for extraction, distillation, packaging, shipping and receiving would be provided. The remainder of the space will be used for ancillary offices and secured storage rooms.

Vehicles used for shipping and receiving will be brought into the building through the existing roll-up door. Per Condition of Approval No. 1, no distribution will be allowed to occur between 12 AM midnight and 5 AM. No loading and unloading of raw materials or finished products into the vehicles will take place outside of the building. Video surveillance

cameras will be installed on the exterior of the building with direct views of the exterior roll-up door.

The attached description letter provided by the applicant, which has also been reviewed by HdL, includes more detail regarding the above described activities and the areas within the building where these activities occur (Attachment 3).

The hours of operation are 24 hours a day. Interior tenant improvements include creating the areas within the existing space to accommodate the proposed cannabis manufacturing and distribution use. Other security measures proposed to be installed throughout the facility include: a video surveillance system installed at all exterior entrances and in all interior rooms, monitored burglar alarm system, and entry card readers. A detailed security plan was submitted to the Development Services Department as part of the Marijuana Business Permit and was reviewed and approved by HdL, the City's security consultant. HdL also inspected the building with the applicant and Planning staff on September 25, 2018 and recommended additional operational conditions of approval as discussed later in this report.

GENERAL PLAN AND ZONING CODE CONFORMANCE

Conformance with the City of Costa Mesa General Plan

The Costa Mesa General Plan establishes the long-range planning and policy direction that guides change and preserves the qualities that define the community. The 2015-2035 General Plan sets forth the vision for Costa Mesa for the next two decades. This vision focuses on protecting and enhancing Costa Mesa's diverse residential neighborhoods, accommodating an array of businesses that both serve local needs and attract regional and international spending, and providing cultural, educational, social, and recreational amenities that contribute to the quality of life in the community. Over the long term, General Plan implementation will ensure that development decisions and improvements to public and private infrastructure are consistent with the goals, objectives, and policies contained in this Plan.

The following analysis evaluates the proposed project's consistency with specific policies and objectives of the 2015-2035 General Plan.

1. **Policy LU-1.1:** *Provide for the development of a mix and balance of housing opportunities, commercial goods and services and employment opportunities in consideration of the need of the business and residential segments of the community.*

Consistency: The proposed use will provide a new entrepreneurial business in Costa Mesa as allowed under Measure X and provide new employment opportunities in the community.

2. **Policy LU-3.1:** *Protect existing stabilized residential neighborhoods, including mobile home parks (and manufactured housing parks), from the encroachment of incompatible or potentially disruptive land uses and/or activities.*

Consistency: The proposed use is not located near any residentially-zoned properties. Therefore, the use is consistent with the General Plan Policy.

3. **Policy LU-6.15:** *Promote unique and specialized commercial and industrial districts within the City which allow for incubation of new or growing businesses and industries.*

Consistency: The proposed use is part of a growing industry and is proposed in a location as specifically identified for such uses by the City's electorate through Measure X. Therefore, approval encourages new businesses and entrepreneurial opportunities in an area of the City identified for such by local voters.

Conformance with the Zoning Code

Staff believes the proposed use, as conditioned, meets the intent of the City's Zoning Code with regard to the PDI zone, as the use would entail manufacturing and distribution within an existing industrial building zoned for that use. Manufacturing related to marijuana requires approval of a Conditional Use Permit.

JUSTIFICATIONS FOR APPROVAL

Pursuant to Title 13, Section 13-29(g), Findings, of the Costa Mesa Municipal Code, in order to approve the project, the Planning Commission must find that the evidence presented in the administrative record substantially meets specified findings as follows.

Required Findings

- The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area. The proposed use is a manufacturing and distribution use and, with the recommended conditions of approval, will be consistent with the other industrial uses in the immediate vicinity. Compliance with the conditions of approval, as discussed in the following section, will allow this use to operate with minimal impact on surrounding properties and uses.
- Granting the conditional use permit will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood. The proposed use is within an existing building and is consistent with the PDI zoning of the property and the properties immediately abutting the site. Compliance with the recommended conditions of approval and code requirements will ensure that the project is not materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.
- Granting the conditional use permit will not allow a use, density or intensity which is not in accordance with the General Plan designation and any applicable specific plan for the property. The use is consistent with the General Plan goals and policies as discussed earlier in this report. The proposed use is within an existing building and there are no proposed additions to the building; therefore, there is no change to

density or intensity. In addition, the proposed use is a conditionally permitted use in the industrial zone.

Conditions of Approval

More than 30 conditions of approval are included in the Administrative Regulations for uses subject to Measure X, beyond standard conditions of approval for CUPs. These new conditions were developed specifically for marijuana uses. New conditions include, but are not limited to, the following:

- Business identification signage shall be limited to that needed for identification only. Business identification signage shall not include any references to marijuana, whether in words or symbols. All signs shall comply with the Costa Mesa Municipal Code. No sign shall be installed until the owner/operator or its designated contractor has obtained any permit required from the City. (Condition Number 7).
- Cannabis shall not be consumed on the premises at any time, in any form. (Condition Number 14).
- No outdoor storage of cannabis or cannabis products is permitted at any time. (Condition Number 15).
- Persons under the age of twenty-one (21) years shall not be allowed on the premises of this business, including employees of the business. (Condition Number 18).
- No cannabis or cannabis products, or graphics depicting cannabis or cannabis products, shall be visible from the exterior of this property, or on any of the vehicles owned or used as part of the marijuana business. (Condition Number 20).
- Each entrance to the business shall be visibly posted with a clear and legible notice stating the following (Condition No. 21):
 - That smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the marijuana business is prohibited.
 - That no person under the age of twenty-one (21) years of age is permitted to enter upon the premises.
 - That loitering by persons outside the facility both on the premises and within fifty feet (50') of the premises is prohibited.
- All employees must wear an identification badge while on the premises of the business, in a format prescribed by the City Manager. (Condition Number 25).
- The business must obtain any and all licenses required by state law and/or regulation prior to engaging in any cannabis activity at the property. (Condition Number 30).
- Any change in the operational characteristics of the use shall be subject to Planning Division review and may require an amendment to the conditional use permit, subject to either Zoning Administrator or Planning Commission approval, depending on the nature of the proposed change (Condition Number 33).

Note that this is a revised condition that will be reflected in future CUP's and in the standard conditions in the Administrative Regulations.

In addition to standard conditions of approval, staff has added the following condition which requires implementation of certain security-related requirements as recommended by the City's security-consultant, HdL.

6

- The Applicant shall submit project plans that comply with the security-related requirements as recommended by the City's security-consultant, HdL, including, but not limited to, the following:
 - The applicant shall strengthen security at glass door(s) and windows in the form of bars, a wall to cover the glass, install a product similar to 3M™ Scotchshield™ safety and security window film or other method or product approved by the City.
 - A short wall with a door should be constructed between the tank room and the disposal and trim prep rooms.
 - The distribution and manufacturing areas should be clearly delineated between the two uses.

Completion of the Marijuana Business Permit and Business License

As noted above, obtaining approval of the CUP is only part of the process involved with obtaining a Marijuana Business Permit and commencement of business operations. If the CUP is approved by the Planning Commission, the applicant will be required to obtain the necessary final approvals from CID, Building Safety, Fire Prevention, and the Finance Department in order to finalize the Marijuana Business Permit and obtain a business license from the City. Additionally, the applicant must also receive approval from the State of California to operate the marijuana business.

ENVIRONMENTAL DETERMINATION

The project is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 (Class 1) for Existing Facilities. The project is consistent with the applicable General Plan designation and all applicable General Plan policies as well as with applicable zoning designation and regulations.

LEGAL REVIEW

The draft resolution has been reviewed and approved as to form by the City Attorney's Office.

PUBLIC NOTICE

Pursuant to Title 13, Section 13-29(d), of the Costa Mesa Municipal Code, three types of public notification have been completed no less than 10 days prior to the date of the public hearing:

1. Mailed notice. A public notice was mailed to all property owners and occupants within a 500-foot radius of the project site. The required notice radius is measured from the external boundaries of the property. (See attached Notification Radius Map.)
2. On-site posting. A public notice was posted on each street frontage of the project site.
3. Newspaper publication. A public notice was published once in the Daily Pilot newspaper.

As of the date of this report, no written comments have been received from the public. Any public comments received after the date of this report but prior to the Planning Commission hearing will be provided separately.

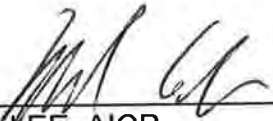
ALTERNATIVES

The Planning Commission may take one of the following actions.

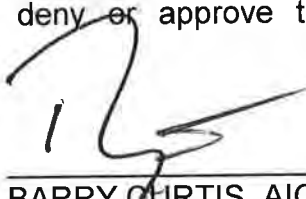
1. Approve the project, as proposed. The Planning Commission may approve the project, subject to the conditions of approval as recommended by staff. A Resolution for approval is provided as Attachment 5.
2. Approve the project with modifications. The Planning Commission may suggest specific changes that are necessary to alleviate concerns raised at the public hearing regarding the proposed use. If any requested changes are substantial, the item should be continued to a future meeting to allow for a redesign or additional analysis. In the event of significant modifications to the proposal, staff will return with a revised resolution incorporating new findings and/or conditions.
3. Deny the project. If the Planning Commission believes that there are insufficient facts to support the findings for approval, the Planning Commission must deny the application and provide facts in support of denial and direct staff to return to the Planning Commission at its next meeting with a Resolution for denial to be placed on the Commission's consent calendar. If the project were to be denied, the applicant could not submit substantially the same type of application for six months.

CONCLUSION

The use, as conditioned, reflects a use that is consistent with the intent of the Zoning Code, the City's General Plan, and the City of Costa Mesa Marijuana Measure (Measure X) as revised. The Commission may approve, deny or approve the application with modifications.



MEL LEE, AICP
Senior Planner



BARRY CURTIS, AICP
Director of Economic and Development
Services

Attachments: 1. Vicinity, Zoning, and Notification Radius Map
 2. Site Photos
 3. CUP Letter and Safety Plan
 4. Conceptual Drawings
 5. Draft Planning Commission Resolution and Exhibits

Distribution: Director of Economic and Development Services
 Assistant Director of Development Services
 Assistant City Attorney
 Director of Public Services

City Engineer
Transportation Services Manager
Fire Protection Analyst
File

Applicant: SW Ventures, LLC
6755 Mira Mesa Blvd., Suite 123-106
San Diego, CA 92121

Owner: 82 Investments, LLC
1260 Logan Avenue, Suite A-1,
Costa Mesa, CA 92626



Legend
 Costa Mesa

Notes



1: 8,388

The City of Costa Mesa makes no guarantee as to the accuracy of any of the information provided and assumes no liability for any errors, omissions, or inaccuracies.

0.3 Miles

0.13

0

WGS_1984 Web Mercator_Auxiliary_Sphere
 © City of Costa Mesa



1: 8,388

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© City of Costa Mesa

Legend

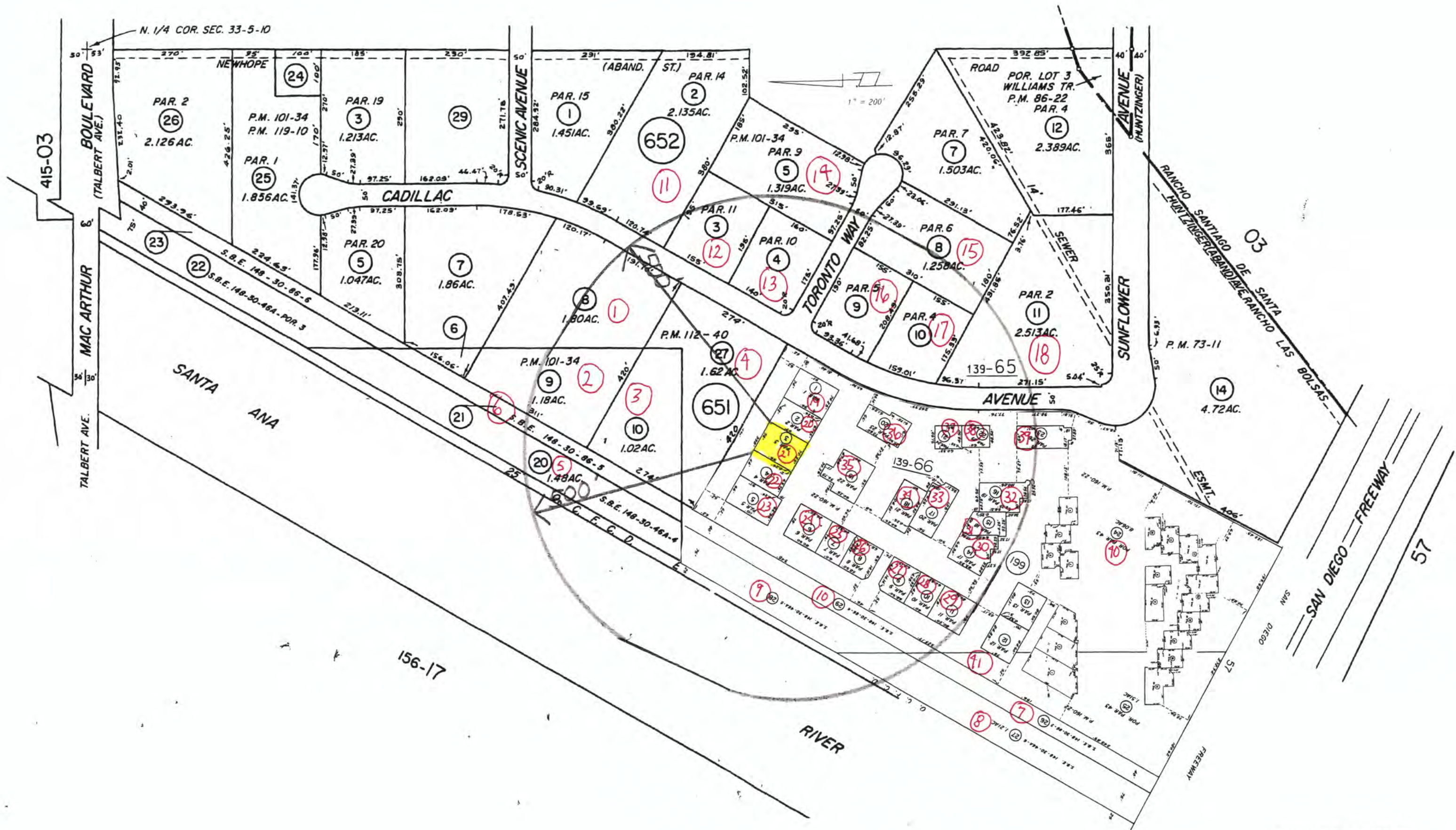
Costa Mesa

Zoning

- AP - Administrative Professional
- IR-MLT - Institutional Recreational I
- R1 - Single-Family Residential
- R2-MD - Multiple-Family Residential
- R2-HD - Multiple-Family Residential
- R3 - Multiple Family Residential
- MG - General Industrial
- MP - Industrial Park
- PDI - Planned Development Industrial
- C1 - Local Business
- C2 - General Business
- C1-S - Shopping Center
- TC - Town Center
- PDR-NCM - Planned Development Mesa
- I&R - Institutional Recreational
- I&R-S - Institutional Recreational - S
- P - Parking
- CL - Commercial Limited
- PDC - Planned Development Commercial
- PDR-LD - Planned Development Residential
- PDR-MD - Planned Development Residential Density
- PDR-HD - Planned Development Residential

Notes

The City of Costa Mesa makes no guarantee as to the accuracy of any of the information provided and assumes no liability for any errors, omissions, or inaccuracies.



ATTACHMENT 2





SW VENTURES

ATTACHMENT 3

Conditional Use Permit Letter

Applicant Name: SW VENTURES

Business Entity: LLC

Operators Business Name: SW Ventures

Business and Operations Address: 3505 Cadillac Ave, Unit F5, Costa Mesa, CA 92626

APN: Parcel 139-661-03

Square Feet: 7,178 square feet

Year Built: 1982

Construction Type: TYPE IIIB, ONE STORY BUILDING, SPRINKLED

Occupancy: F-1, Manufacturing (Type 6- Infused) & Distribution (Type 13- Transportation Only)

Business Description: Licensed and Permitted Manufacturer and Distributor/ Transporter of Cannabis.

Types of marijuana business seeking permit in the city of Costa Mesa:

1. A Marijuana Manufacturer / Processor
2. A Marijuana Distributor (Transport Only)

Types of California State License:

1. Type 6: Manufacturer - Infused
2. Type 13: Distribution – Transportation Only

Notice to Proceed and Background Check Clearance Letter:

- ✓ Operator successfully applied, received rigorous scrutiny, and received notice to proceed on August 23, 2018.

Cost Mesa Business License:

- ✓ Operator to apply after CUP approval, prior to operations as the process requires.

PRIOR LAND USE: Property originally built in 1982. Recently Operated as Manufacturing & Distribution for a Ski Company.

PROPOSED USE: Manufacturing, Processing and Transportation of Cannabis products.



SITE HISTORY:

Industrial Use: Building F5 most recently operated as Fabrication, Manufacturing & Distribution Facility.

Cambridge Park:

Cambridge Park is located in the south west corner of the Measure X Zone

Cambridge Park borders the 405 Freeway and the Santa Ana River Trail making this an ideal location for Cannabis Use.

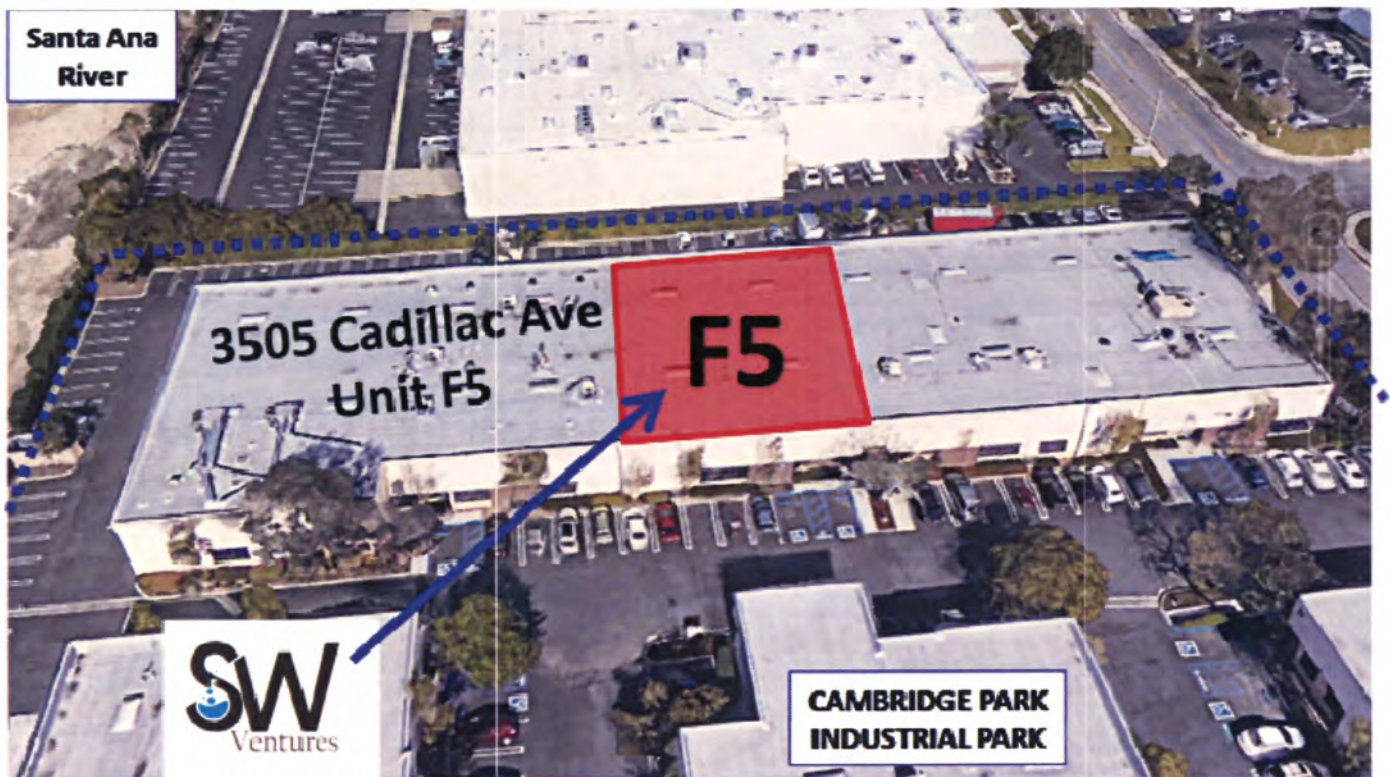
Cannabis Uses are often on a lower end of a range of square foot requirements making Cambridge Park an ideal location for Cannabis use.

Cambridge Park is an industrial condo complex comprised of approximately 40 Units, ranging from 2,000 sf to 7,000 sf.

The Concentration of Use will increase the local security through economies of scale. Together, the Cannabis use operations will work together to provide synergistic security, surveillance and crime prevention activates.

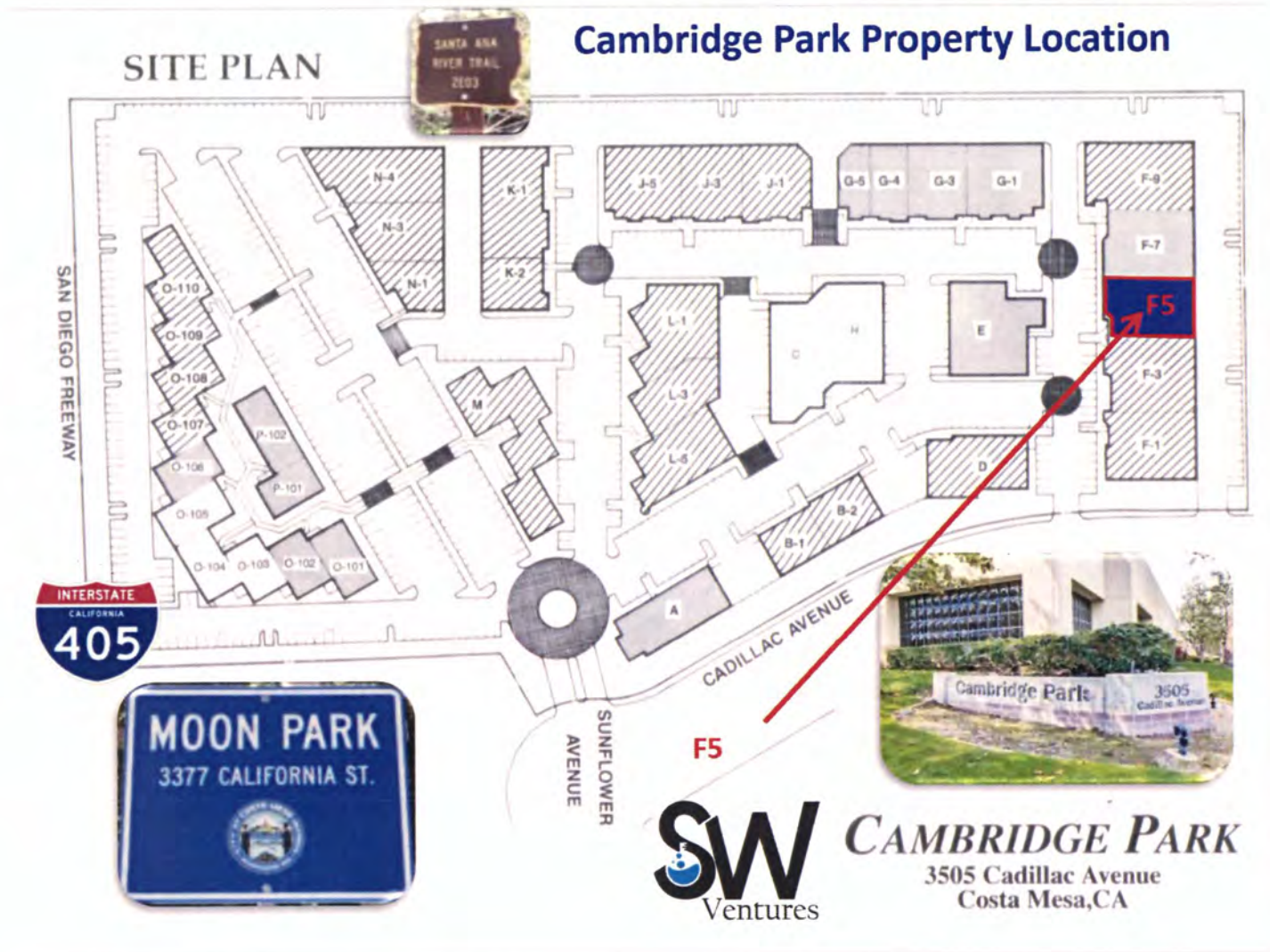
Building F5

Building F, Unit F5 is a 7,178 sf building located at 3505 Cadillac Ave, within Cambridge Park.



SITE PLAN

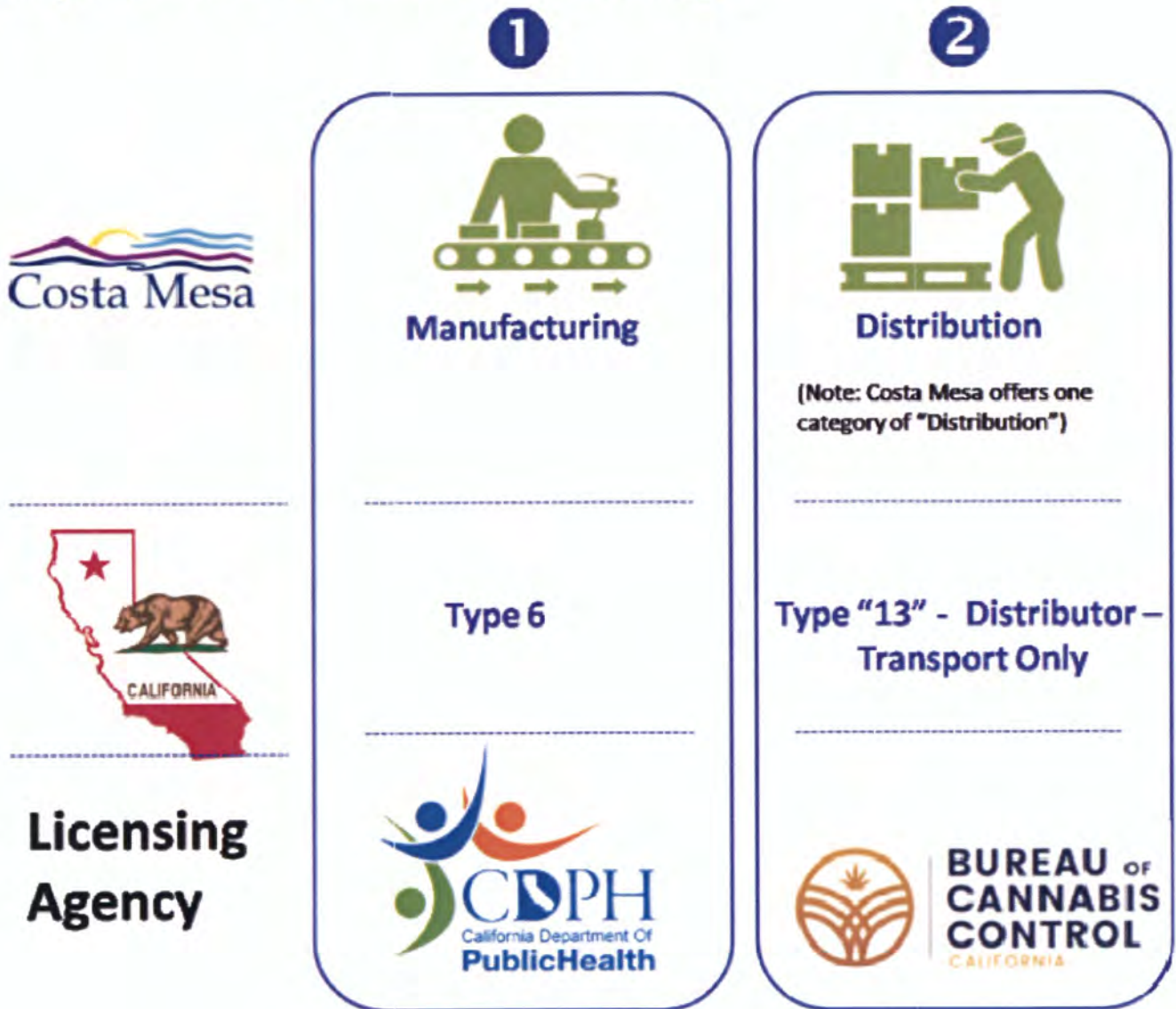
Location of Building F within Cambridge Park, and Unit F5



Types of California State License:

1. Type 6: Manufacturer – Non-Volatile
2. Type 13: Distribution – Transportation Only

City Permits vs State Licensing



SECURITY:

The company has previously submitted an extensive Security Plan to the City for rigorous review and approval. This is a highlight of the extensive Security Plan:

Measure X Specific Requirements:

(b)(1)

- (i) Established limited access areas accessible only to marijuana personnel.
- (ii) All cannabis and cannabis products shall be stored in a secured and locked room and will be kept in a manner as to prevent diversion, theft of loss
- (iii) sensors will be installed to detect entry and exit from all secure areas
- (iv) a professionally installed alarm system will be monitored and maintained
- (v) all bars installed only on the interior of the building
- (vi) security personnel will be licensed by the California Bureau of Security and Investigative Services Personnel
- (vii) business has the capability to remain secure and operational during a power outage. All doors will not be released during a power outage

Monitored Burglar Alarm:

Installed by a licensed professional, the Intrusion alarm will provide 24/7 monitoring in remote areas where staff is not always present. The alarm sensors include door/window contacts, motion detection. These alarm sensors systems will be monitored after hours.

Security Lighting:

Lighting will be provided at all exterior exit doors with a minimum 1-FC lumen. Perimeter building lighting will be utilized as crime prevention solution. Exterior led lighting will serve as a crime deterrent as well as to aid in monitoring of the CCTV system.

Doors and windows will have contacts placed, if broken alarm and siren is activated, security and 24/7 monitoring company notified.

Surveillance:

The standard will be that surveillance cameras will monitor all locations where cannabis is present. All cameras will be of adequate quality, color rendition, night vision and resolution to identify all individuals on property or adjacent to the exterior of the property. Cameras will record 24/7, daily. Cameras recording system will be able to play back quality suitable for viewing up to 90 days. No objects will be placed to obstruct cameras view. Cameras will be placed strategically on the exterior of building to view and record all ingress and egress of all vehicles, staff and visitors. Cameras will be placed to view and record all activity in parking lots. Cameras will be placed inside building to record and identify all personnel in warehouse and rooms. Recording system will be housed in a designed, locked and secured room with access to authorized employees with access cards. A sign in sheet with date and time will be completed and maintained when recording room is entered by service personal. Recording system will be serviced and inspected every quarter. Camera monitors will be reviewed and inspected daily for any camera malfunctions by Managers and security.

Controlled Access:

Security features installed to control access to the facility. While inside the facility, access to areas containing cannabis will be controlled with technology, operating procedures and training. All Access controls devices to be placed, will consist of electrical, mechanical devices create a perception of risk to offenders and deny them access to targets and escape routes providing a safe and secured environment. Access control will provide locked, secured doors with capability of tracking all employees with a date and time upon entry to any room. Control access will also allow only authorized personnel to certain rooms. All employees will be assigned their own identification number.

All Product Stored in a Secured and Locked Room:

- All cannabis will be stored in a secured authorized access only room.

Crime Prevention:

- Quarterly meeting invitations with operators, community, property managers, City Staff and Costa Mesa PD, Costa Mesa Fire, etc
 - Voluntary
 - We will combine with other Operators for Efficiencies –

Notification of City Manager within 24 Hours:

Per Measure X, company will notify City Manager within 24 hours of significant discrepancies during inventory. For diversion, theft, loss or criminal activity. For the loss or unauthorized alteration of records related to cannabis.

Visitor Security

Visitors are not allowed into the facility without appointment and first being identified at the front entrance. Every visitor and their vehicles are video recorded. The video is stored for 90 days.

Once inside the facility, the visitor must sign in. The Visitor must be accompanied by an Employee at all times. Video surveillance will monitor visitors at all times, including their exit from the facility and property.

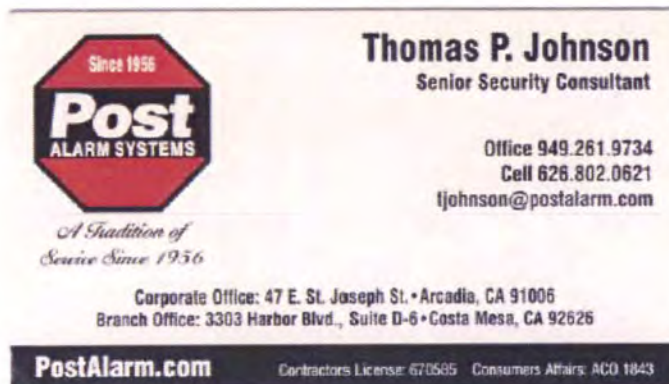
Employee Identification Badges

City issued Employee Identification Badges will be worn at all times while employee is on the premises.

SW VENTURES 3505 Cadillac, Unit F5 Costa Mesa, CA 92626



Thomas P Johnson, MBA (3 Decades Experience)



Commercial Security Systems

- Intrusion/ Burglar Systems
- Fire Alarm Systems
- Video Surveillance
- Access Control Systems



LAYERED ONION SECURITY PLAN

A Plan not a System, an integrated weave of Security



Strategy Elements of “Layered Onion”

OFFICE **MANUFACTURING** **DISTRIBUTION**

**GENERIC EXAMPLE
NOT ACTUAL**



26

Harden Asset

Interior Window Bars

Skylight Bars

Scissor Doors on Whse


ManTrap

TruckTrap

Card Readers Secure Access

Panic Button

Intercom

Burglar ALARM



Motion Detector

Video Surveillance
BULLET

With "VOICE DOWN"
TURRET

With "ANALYTICS"
360 Degree


Secure Cabinet 6 Months Storage


Fire System



SECURE Delivery

SAFETY PLAN:

FIRE LIFE SAFETY PLAN: The existing building is currently a non-sprinklered structure, but will be renovated with a new fire-raiser and full sprinkler system. The fire protection will be in strict compliance with the National Fire Alarm and Signal Code and the Costa Mesa Fire Department for the occupancy of a business. The fire safety plan will be for a UL listed central station monitored fire alarm system consisting of NFPA approved smoke detectors and manual pull stations in compliance with NFPA fire code.

- **SUPPRESSION:** Provide approved portable fire extinguishers readily available rated Class 2A located no further than 75-linear feet from each other. Provide a yearly fire inspection certification for each portable fire extinguisher.
- **HVAC:** HVAC will consist of one 50 Ton package which will be placed in a central position on our roof. Structural engineering will be done to ensure code compliance, and sufficient load bearing support for the added roof load. Up to 10 5-Ton air handling units will be placed throughout the facility, to provide adequate HVAC on site.
- **ODOR CONTROL:** Marijuana facilities shall install and maintain appropriate ventilation and filtration systems to eliminate odor nuisance standards set forth by the City of Costa Mesa and governing jurisdiction. Generally, the standards may require that the odor of marijuana must not be perceptible at the exterior of the building, at the licensed premises or at any adjoining use of the property. Packaging/manufacturing process does not generate any odor. Our warehouse and pre-processing rooms will feature high throughput exhaust ducts, pre-filtered using activated carbon canister filters. Make-up air supply will also go through a light filtration, to ensure the facility is being fed with clean particulate free air, only.
- **CONTROL AND ALARM SYSTEM:** 24-hour constant access and fire alarm system shall be provided with constant off-site monitor service. Refer to the Security Plan for specifics.
- **INTERIOR FINISHES:** Interior finishes must comply with flame spread ratings in accordance with Table 803.3 of the CFC.

Operating Procedures

Employees:

Manufacturing, Distribution & Office Spaces: (6.5hr shifts for operational staff, 3 shifts per day)

- Extraction Techs & Refining/Distillation Techs [Operational Staff]: 4
- Biomass Preparation Techs & Warehouse [Operational Staff]: 2
- Packaging & Distribution/Transport Prep [Operational Staff]: 2
- Office Spaces (Site manager & Warehouse Manager, Sales Management staff): 2

Hours of Operations:

24 Hour Operations. Daily production utilizing extraction equipment will take 16-20 hours, allowing for 4 hours of down time in which a janitorial crew (1-2 persons) will be responsible for cleaning the facility, and preparing for the next day's operational period. This down time also permits time for administrative engineers to review any equipment errors, and provide for repairs to equipment as needed.

Transportation will not occur between the hours of midnight and 5 am.

Third Party Peer Review Consultants:

Pressure Safety Inspectors (PSI) LLC, Pinnacle Stainless LLC & HAL Extraction Technology Ltd. are our selected 3rd party consultants, and combining resources will provide the following services:

Professional Site Planning Review & Walkthrough Certification

- Safety and Compliance review for extraction equipment.
- Review site floor-plans to ensure local code compliance.
- Review environmental conditions, ensuring all occupational safety hazards are addressed.
- Provide installation services and design assistance in developing a suitable Class 1, Division 1 booth for ethanol extraction use.
- Provide guidance on how to incorporate Pinnacle Stainless extraction equipment in the Hal Extraction C1D1 booth.
- Provide cut-sheet schematics of the modular designed Hal Extraction C1D1 booth, that can be used to ensure regulatory compliance, and adhere to safety standards.
- Once our site has been fully designed, PSI will begin to produce a thorough Standard Operating Procedure, working together with Pinnacle Stainless and SW Ventures Chief Scientific Officer.
- Finalized floor-plan drawings will be reviewed by engineers from all consulting companies, to ensure all equipment is placed suitably, complying to local jurisdiction's planning & fire code, and meets all safety standards.
- After the site has been built to drawing spec, and equipment has been installed, PSI will perform a Professional Engineer moderated walk through, and provide necessary Professional Engineer Stamped review sheets reflecting our installed equipment that is reviewed on site.

Installation & On-site Training (1-2 weeks with equipment manufactures)

- Equipment Delivery, after the site floor-plan and support/ancillary equipment is built in the facility.
- Schedule installation and training with Pinnacle Stainless LLC.
 - Uncrating, and parts confirmation.
 - Equipment is visually inspected for condition after freight shipping.
 - Supplier will aid in guiding our contractors in placement of equipment.
 - Supplier will provide on site welding and custom fabrication of transfer lines for said equipment, ensuring to meet the highest equipment standards in the industry. On-site field welding will occur under the inspection service of a qualified deputy inspector.
 - Supplier will ensure all equipment is properly routed, and transfer lines are properly sealed.
 - Supplier will review the developed SOP, once a walkthrough is completed by PSI.
 - Supplier will aid in first transfer of solvent, into their system.
 - Supplier will, hands-on, assist our extraction technicians in their first extraction processes.
 - We will prepare the biomass and load the extractor bags with Pinnacle.
 - We will load the extractor with said bags, and transfer solvent from holding tanks into the extractor.
 - We will transfer the saturated solvent into the holding tank.
 - We will initialize our evaporation apparatus, and begin an initial evaporation, leaving us with a crude extracted oil to then use/process as we wish.
 - We will transfer the processed biomass bags, with residual solvents, into our centrifuge, for residual solvent recovery.
 - Supplier will review clean in place procedures, as their equipment does not need to be taken apart to clean devices.
 - Supplier will aid in post processing purification, giving tips on how to optimize our distillation methods.
 - Supplier will review replacing any sensitive/consumable devices & equipment (vacuums, chillers, transfer pumps, automated valves, etc...)
 - Supplier will review PSI's supplied SOP for our safety procedures, when dealing with unforeseen problems and issues that may arise.

Extraction Manufacturing

Inside of our F-1 facility, we will place a C1D1 booth in which all functional Ethanol Alcohol extraction of resin/oil from cannabis biomass will take place. Refinement of crude oil will take place in the adjacent distillation room.

The proposed extraction method will be utilizing Ethanol Alcohol, extraction taking place within a C1D1 rated booth.

- Ethanol Alcohol – A non-volatile solvent (the same composition as drinking alcohol), utilized to facilitate separation of resinous oils from the plant biomass, in a closed-loop extraction apparatus design, only allowing ambient off-gassing when the extracted biomass bags are being removed from the apparatus. Biomass bags do have residual solvents removed via centrifuge techniques.
- Extraction Equipment – There are currently no specified certification standards for extraction apparatus equipment, however, all electronic components require a UL-listed certification (or equivalent), and are required

to be peer reviewed by a California licensed Professional Engineer. Proposed equipment is PSI peer reviewed, and will also be peer reviewed once installed, through an on-site walk through.

Manufactured goods will include:

Category	Description
Extracts	Extracts such as distilled cannabis oil; which is manufactured through extraction of resinous cannabinoids from the trichomes (resin producing glands, of the cannabis plant) on the cannabis flowers and trim. Extracted crude oil is immediately distilled through multiple 'passes', increasing in purity with each 'pass' through distillation. Our plan is to manufacture 1 grade of purified cannabis 'distillate' oil. Intended for multiple end uses. (E-cig vape formulation, concentrate 'dabbing', edible production, topical production, etc....)
Edibles	Edibles are consumable dietary supplements manufactured by incorporating/infusing the cannabis derived oil (distillate and/or crude oil in our case) with desired edible supplements. (Baked goods, savory snacks, confections, oil based tinctures)
Others	BCC/CDPH approved items such as capsules, patches, topical oils/ointments/lotions, and sublingual strips.

End Products:

SW Ventures LLC is proposing to produce various end products with our purified cannabis 'distillate'.

- E-Cig Vaporizer Cartridges
- Dosed formulated packaged distillate.
- Dosed capsules formulated with an edible oil.
- Dosed tincture formulated in an edible oil.

Throughput Estimates:

The selected Equipment extraction apparatus processes up to 80 pounds of biomass material per run, between the two reactor vessels, with an average run time of 10 minutes per cycle (for both reactor vessels). Unloading the used biomass bags and loading new biomass bags into each of the apparatus' reactors takes roughly 10 minutes. This puts us at 3 full runs per hour.

Raw Material

Flower – Whole buds from a plant.

Trim – Mostly small buds and fan leaves.

Extraction Process

Chilled Ethanol Extraction

Ethanol extraction will be done in a C1/D1 environment / extraction pod. The pod is equipped with wall mounted solvent detectors. The pod is equipped with vent system in the event of a solvent leak to prevent an explosion. The extraction process removes oil concentrate from raw material (cannabis plant) using ethanol solvent in a closed-loop system. The extraction process is:

1. Biomass bags are moved to packing room, which is ventilated to prevent dust from contaminating our lab environment. Material sleeves are packed with milled biomass, and then transported into the C1/D1 pod for extraction with the chilled ethanol extraction system.
2. The system is sealed, and then turned on. A rated transfer pump moves the cold/chilled liquid ethanol from our Control Room storage area freezer to Chilled Ethanol system where the biomass is saturated with liquid ethanol.
3. Extracted saturated solvent solution is collected, pushed through a sock filter, and then ported directly into sealed boiling flasks for loading into the SR evaporator.
4. Spent material (biomass which has been processed) will retain some residual solvent, around .24 Gallons, and is removed in a centrifuge residual solvent extractor. Extracted residuals are collected in a closed system into 5 gallon stainless vessels
5. Crude flasks are loaded into the Pinnacle Stainless SRS evaporator which recovers all solvent in a fully closed loop system. Recovered solvent is sent into the freezer to be returned to the ethanol stock for future runs.
6. All solvent removed and no longer a volatile. This is the "crude" and can be further processed as distillate.
7. The same crude is loaded into our short path wiped film distillation apparatus. It is distilled through either 1 pass, or 2 passes for a higher purity distillate. No solvent is in the material being distilled as it can interfere with pulling clean fractions

Solvent Flow within Extraction Process

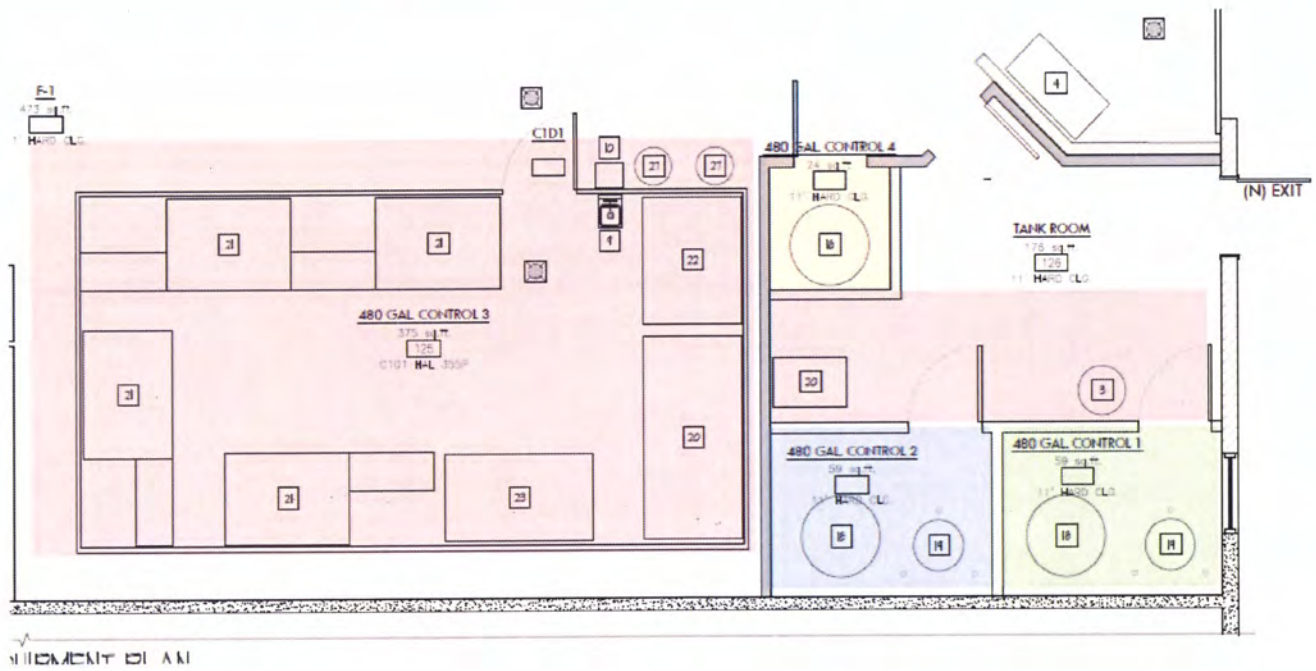
1. Solvent Intake

- a. All solvents entering the facility will begin at the **Tank Room Control Room** through use of the installed tank manifold present in the control room. Solvent suppliers will provide solvent in a sealed Poly Drums, with standard port, allowing a closed connection to our tank manifold. The drum will be connected to the manifold via a pneumatic powered transfer pump inserted into the drums bung port, with cam-lock quick disconnect hoses, and checked for leaks. Operators will be trained by appropriately to handle the closed loop transfer of solvent from the drum to our ASME holding tanks, linked together via stainless steel sanitary piping and a control manifold. Pressure equalization will be handled through either connecting a pressure equalization hose between our manifold and the drums top vent; or through ducting both vents from the drum and our storage tank manifolds to the C1D1 rooms exhaust ducting, keeping in compliance with SCAQMD vapor release requirements.
- b. Once solvent is loaded into our storage tanks, the drum is disconnected from the transfer pump, ports sealed, and presence in the tank room control rooms is minimized to refilling the closed loop system and maintenance.

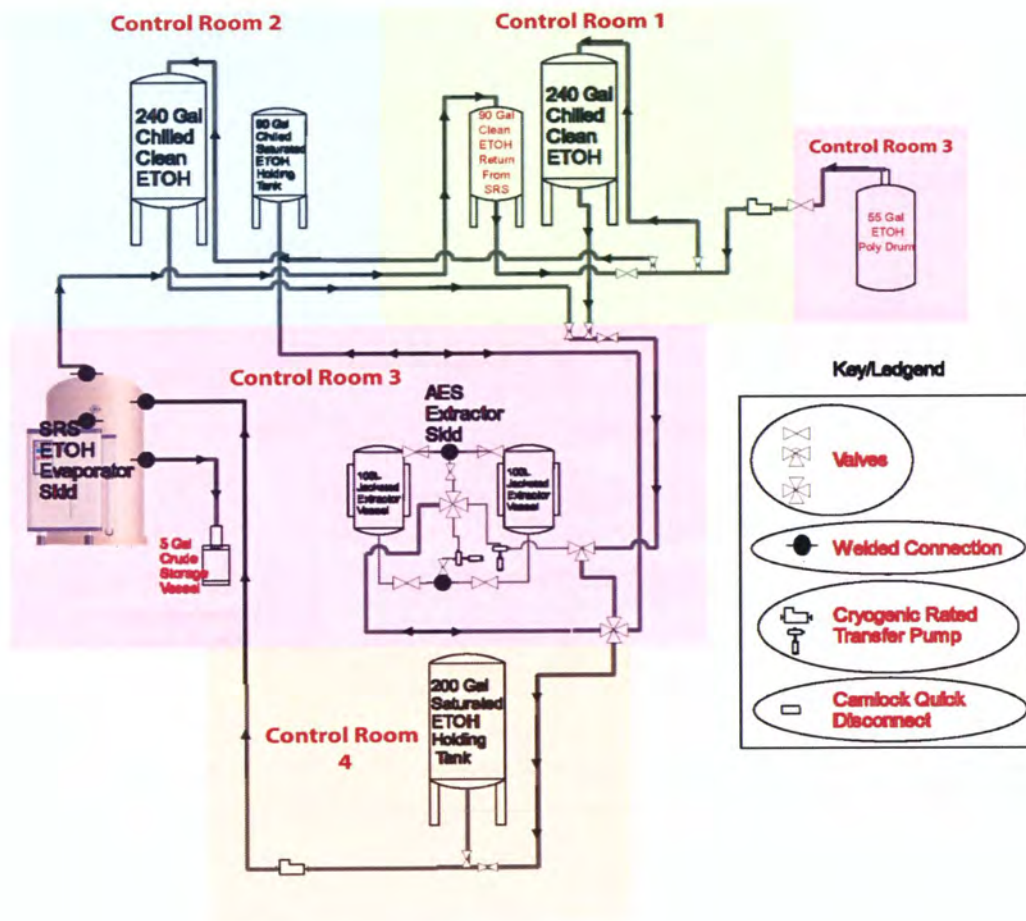
2. Closed Loop Transfer within the Manufacturing rooms and control rooms located in the Tank Room

- a. Tanks from the tank room will be routed through the C1D1 wall using appropriate fire rated methods, into the adjacent **HAL355 booth** using welded permanent stainless steel sanitary piping, reviewed by PSI, and welded by ASME certified welders/contractors. In the HAL booth, there will be a main control manifold, and a remote control panel showing tank room control room fill levels. Control of solvent flow between rooms will be managed by the automated manifold/shutoff valves in the **HAL355 booth**.
- b. Between the manifold in the **HAL355 booth** and extractors, all piping will be manufactured on site out of stainless steel sanitary pipe, and welded permanently to ASME standards. Routing of pipes to extractor, falling-film evaporator, and saturated holding tanks will then be PSI (peer) reviewed, on site after Pinnacle Stainless has finished the installation.
- c. Transfer of saturated solvent, between the ASME saturated tank (or directly from the AES Extractor), and the one ASME saturated holding tank in **Tank Room**, will be handled by C1D1 certified cryogenic transfer pumps. ASME certified permanent stainless steel sanitary piping will then route this saturated solvent solution from the saturated solvent holding tank (in the **Tank Room**) into the Pinnacle SRS evaporator in the C1D1 room **HAL355 booth**.
- d. The Pinnacle SRS evaporator will separate/evaporate the ethanol from the crude oil, and then route the clean ethanol flow directly through a manifold, into the ASME clean ethanol holding tank placed in the **Control Room** located in the **Tank Room**.

SW VENTURES 3505 Cadillac, Unit F5 Costa Mesa, CA 92626



SW VENTURES 3505 Cadillac, Unit F5 Costa Mesa, CA 92626



Records and Recordkeeping:

Supply Chain Track and Trace Procedures

All cannabis products manufactured by SW Ventures LLC will be done so with the intent of total compliance with the regulations, licensing procedures, and standards set forth by the California Department of Public Health (CDPH), Manufactured Cannabis Safety Branch (MCSB) as per MAUCRSA.

SW Ventures LLC intends to take every step to ensure that the cannabis biomass it obtains from cultivators complies with State (MAUCRSA) and local regulations. All vendors, sources, and the acquisition of cannabis must go through a verification process, prior to commencing any business activity.

One of our managers will be designated as the 'track-and-trace account administrator' and account manager; along with administration privileges given to our Chief Scientific Officer, and Warehouse Manager. Administrators, primarily the designated account manager, will hold the following responsibilities:

- 1) Designate authorized track-and-trace system users and require designated users to be trained in the proper and lawful use of the selected METRIC 3rd party API software.
- 2) Maintain an accurate and complete list of all software account admins and users. They must update the list immediately as changes to access occur.
- 3) Ensure that each admin and user has a unique log-on username and password. Passwords shall not be shared with anyone, and records of said credentials should be held by a member of the executive team.
- 4) Cancel any system account, if advised by a member of the executive team, in the case an admin or user is terminated and no longer operating at our facility.
- 5) Obtain UID tags for products/items to be labeled with, from the Department of Food and agriculture, or its designated supplier, and ensure that sufficient supplies of UID tags are available at all times.
- 6) Ensure that all inventories are tagged and entered into the software as required by State METRIC requirements.
- 7) Correct any information entered incorrectly in the software within 3 days of discovery of error.
- 8) Monitor notifications from the software, and resolve all issues identified in notifications. Notifications shall not be dismissed, until issues have been addressed.

The manager or a user shall record all of the following activities in the software within 24 hours of the activity:

- 1) Receipt of cannabis material.
- 2) The transfer to or receipt of cannabis products for further manufacturing from another licensed manufacturer.

- 3) All changes in the disposition of cannabis or cannabis products. A change in disposition includes, but is not limited to:
 - a. Processing of the cannabis or further processing of the cannabis product.
 - b. Packaging cannabis products.
- 4) Transfer of cannabis products to a distributor.
- 5) Any other activity required by the software to be captured.

The following information shall be recorded for each activity entered into the track-and-trace software:

- 1) The licensed entity from which the cannabis material or product is received, including that entity's license number; and the licensed entity to which the cannabis product is transferred, including that entity's license number.
- 2) The name and license number of the distributor that transported the cannabis material or cannabis product.
- 3) The type of cannabis material or cannabis product received, processed, manufactured, or transferred.
- 4) The weight or count of the cannabis material or cannabis product received, processed, packaged, or transferred.
- 5) The date of receipt, processing, packaging, or transfer.
- 6) The unique identifier assigned to the cannabis material or cannabis product.
- 7) Any other information required by other applicable licensing authorities.

SW Ventures LLC will acquire all cannabis materials from licensed cultivators within the State of California. All vendors must be in full compliance with State and local regulations, and remain in compliance in order for SW Ventures LLC to continue a working business relationship.

Requiring compliance with the above protocols provides accountability and traceability of the vendor-provided product. Under this model, at no time does any cannabis leave the control and accountability of a legally organized business prior to reaching the patient.

Prior to sale or distribution to retailers and/or distributors, we will arrange for a testing laboratory to obtain a representative sample of each cannabis batch at a licensed distributor's premises. All products will be tested by a licensed Type 8 Testing Facility using a panel of State mandated tests, including:

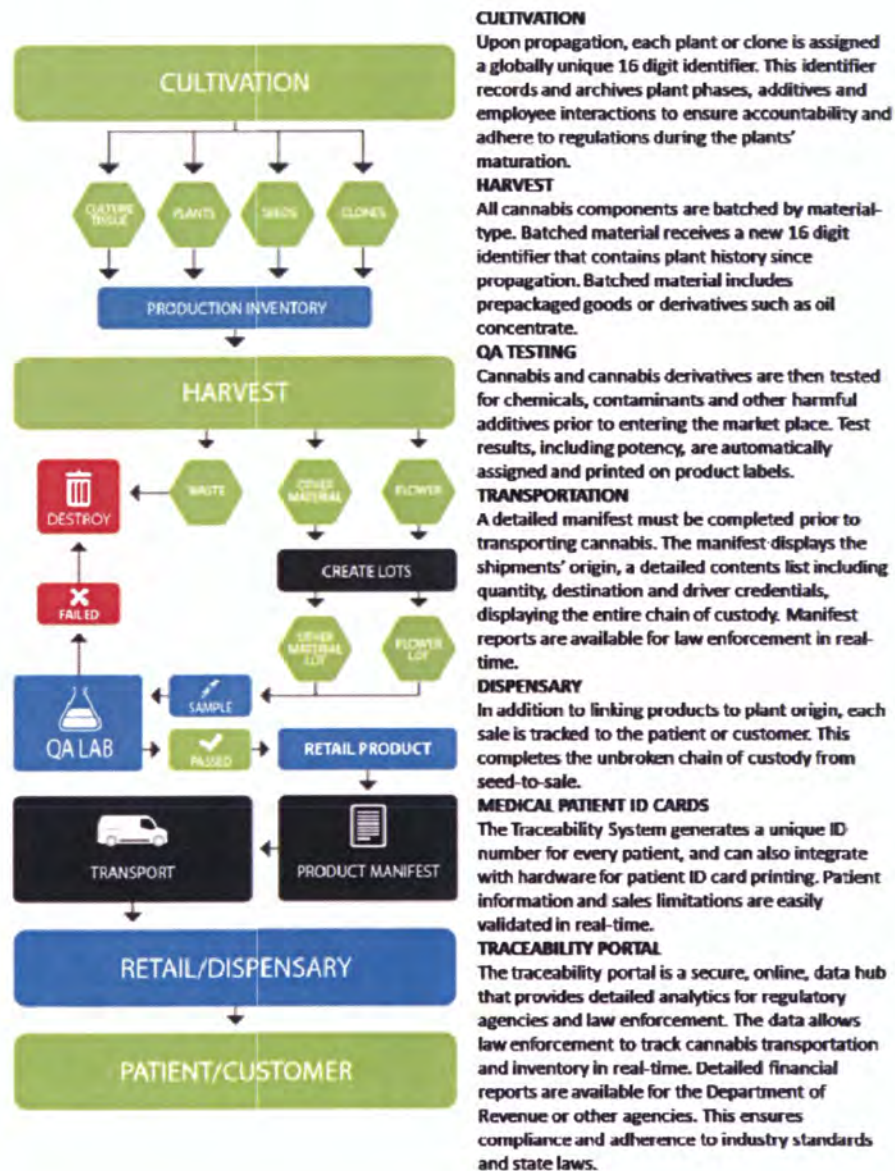
- 1) Cannabinoid concentration
- 2) Foreign material
- 3) Heavy metals
- 4) Microbial impurities
- 5) Mycotoxins
- 6) Moisture content and water activity
- 7) Residual pesticides
- 8) Residual solvents and processing chemicals
- 9) Terpenoids
- 10) Homogeneity

Audits & Tax Compliance

Maintenance of Records and Audit Process as required by State and Local Cannabis Ordinances and Legislative actions. Company will utilize a state of the art Track and Trace system provides full supply chain management and will be the basis of BOE and other agency reporting, auditing and payments as required.

Marijuana Tax:

This business shall pay an annual business tax of 6% based on gross receipts of the business, unless modified by City Council.



Noise:

We do not anticipate any operational requirements that will generate noise traveling beyond the property.

Substantial Tax Revenue Generation:

Measure X cannabis uses will all currently generate 6% of gross revenues. This will become a significant revenue source for the city. On the low end, we have projected \$5 million in revenue. Taking a conservative estimate, that we achieve that revenue goal and maintain it for 10 years, this reasonable estimate alone will generate \$3 million over 10 years to the City.

As we consider the cumulative positive benefit of the collective Cannabis Industry, reasonable estimates are within three years, the industry will be generating \$200 million. With some scenarios higher.

\$200 million in revenue at the current 6% tax rate is \$12 million a year generated.

For perspective, South Coast Plaza generates \$18 million a year in city Tax revenue. So the Cannabis is quickly contributing two thirds of the tax generated by South Coast Plaza

Job Creation:

At launch we will have four employees (in addition to the principals), all background checked. Outside of the principals, employees will typically receive between \$40,000 and \$100,000 a year in total compensation.

We have a hire local, to Costa Mesa, priority policy.

Environmental Determination:

The project is exempt from the provisions of the California Environmental Quality Act under Section 15301, for Existing Facilities.

Public Notice:

Pursuant to Title 13, Section 13-29(d), of the Costa Mesa Municipal Code, three types of public notification will be completed no less than 10 days prior to the date of the public hearing:

1. Mailed notice. A public notice will be mailed to all property owners within a 500-foot radius of the projects site, as measured from the external boundaries of the property (See attached Notification Radius Map)
 - On-site posting. A public notice will be posted on each street frontage of the project site
 - Newspaper Publication. A public notice will be published once in the Daily Pilot

Police and Fire Inspection: Police and Fire Inspections shall be performed for the completed facility to assure compliance with the local ordinances.

Tenant Businesses and Security Contacts:

At any time, if any parties are concerned about operations, direct contact can be made the following:

- Steve Hellings – Principal/Owner – (949) 798-9599

Conditional Use Permit Letter

SUPPLEMENTAL – MANUFACTURING WORK FLOW

Applicant Name: SW Ventures

Business Entity: LLC

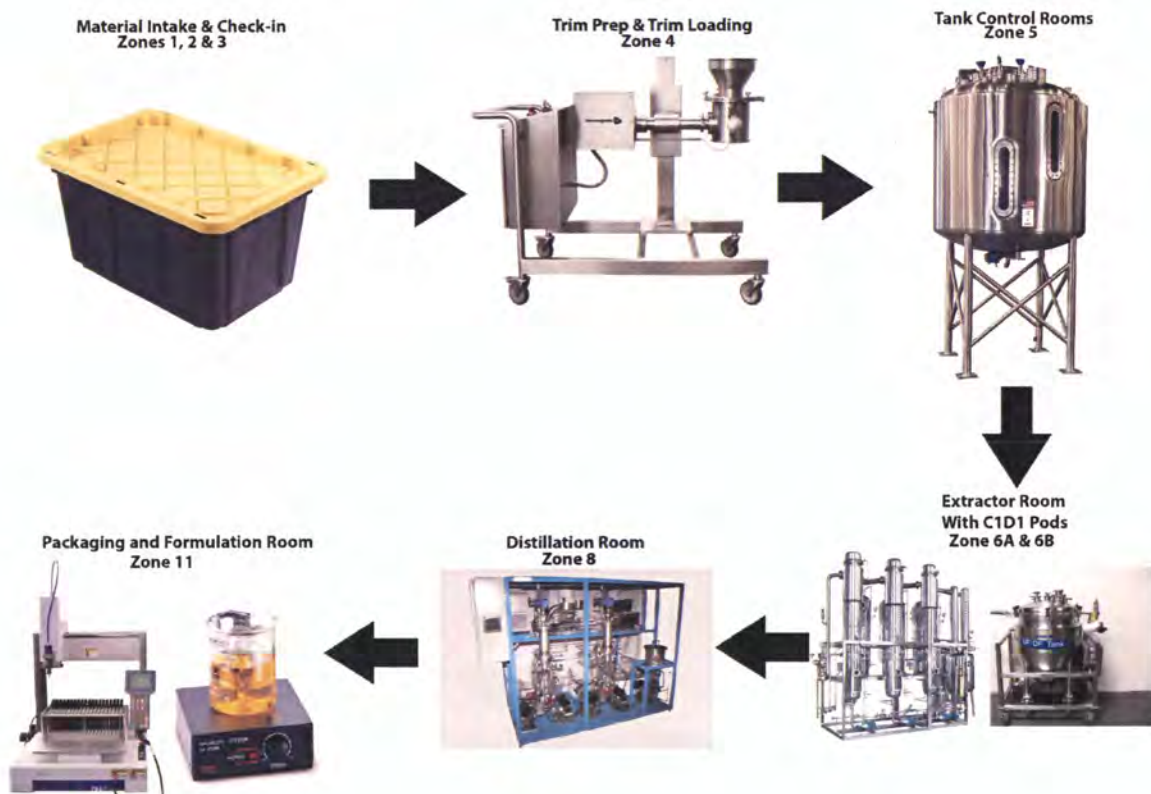
Operators Business Name: SW Ventures

Business and Operations Address: 3505 Cadillac Ave, Unit F5, Costa Mesa, CA 92626

#####

The Diagrams to follow are designed to communicate the Process Flow of how Cannabis enters the facility, the anticipated movements, the steps, the process from start to end.

Description ...



MANUFACTURING BY ZONE – OVERVIEW

SW Ventures Zone Overview and Cannabis Flow through Facility

1. **Zones 1 & 2 [Room 120 - Transportation & Distribution] Receiving and Shipping, [Room 119 - Transportation & Distribution] Check In**
 - a. Product will come in, via truck. Once the rolling door has been secured/locked, product/biomass (in bags) will be unloaded, weighed, and checked in via track and trace. Once checked in our track and trace software, an in-house track and trace/batch # will be assigned to the biomass bags taken in, and bags from the batch will be packed into 1\2 cubic yard tilt trucks. Tilt trucks will be labeled with a UPC/Barcode, and a batch # for the biomass will be associated that track and trace UPC, within the in-house tracking software, as well as the track and trace software. Tilt trucks will then be moved using a pallet jack, to the raw material secure storage room.
2. **Zones 3 [Room 121 - Transportation & Distribution] Raw Material Secure Storage**
 - a. Tilt trucks will be moved to appropriate free space in the Raw Material Secure Storage room. Tilt trucks will be organized by date of intake, and raw material will be extracted based off the time that the material has been sitting. A log will be maintained, for in house tracking on the bays, keeping log of new/old material location, for ease in selecting which batch to be extracted next. Oldest material should be utilized first.
3. **Zones 4 [Room 123 - Manufacturing] Trim Prep/Trim Loading**
 - a. Totes will be moved to the trim loading room, using a pallet jack. Bags sealed with biomass will be taken out of the tilt truck, scanned in track and trace for extraction use, and unsealed under duct ventilation exhausts, to minimize micro-particulate spreading into any other part of the facility. If material is deemed necessitating being broken apart, it can be milled to a coarse grind using the cone mill. Material will be loaded into the hopper for the elevator feeder. Under the exhaust ventilation, the extractor bags will be packed with the prepped biomass, using a raised hopper chute, filled by the elevator feeder. Packed bags will be weighed, logged, and loaded onto a suitable sanitary service cart to be moved in the extractor/C1D1 rooms.
4. **Zones 5 [Room 126 – Manufacturing] , Tank Control Room**
 - a. The storage tanks are split into 3 Control Rooms, each has a C1D1 rated walk-in freezer, built to maximum Control Room dimensions. Freezers will hold each room at a -30c temperature, effectively pre-chilling the ethanol utilized for extraction in the AES skid. Each of the two Control Rooms will house one ASME stamped vessel, storing our clean Ethanol for extractor use. Both of the Control Rooms will also house a holding tank. All vessels will be routed to a control manifold, through permanently placed/installed and custom welded sanitary pipes. Refilling of our storage tanks will be facilitated through a closed loop procedure involving quick disconnect hoses between the transfer pump installed into the delivered 55 gal Ethanol Drum, which will be moved outside of one the **Control Room 1**. Solvent

will be routed to the C1D1 booths through use of permanently installed sanitary piping. Piping to the manifolds in the C1D1 rooms will allow a completely closed loop operational flow of solvent between the AES extractor, falling film SRS, and storage tanks in the 2 tank storage Control Rooms.

5. Zone 6 [Room 125 - Manufacturing], Extractor Room, With C1D1 Pod

- a. Biomass packed into extractor bags will be moved into the C1D1 extraction booth, and the extractor will be prepared for loading the new biomass. Biomass will be loaded into the extractor, using appropriate SOP, and put through extraction. 'Spent' biomass bags will be unloaded from the extractor, centrifuged in the Centrifuge units, to remove residual saturated solvent, and then placed back on the sanitary service cart. Saturated solvent centrifuged from the extraction bags will flow, through a closed tube, into an attached stainless vessel to be evaporated at a later time once enough gallons are collected to run the FFE from these smaller vessels. Spent biomass will be rendered unidentifiable per state regulations, then disposed of into a rated dumpster in the disposal area. Saturated solvent from the AES is stored in the holding tank in the tank room and used again until desired concentration has been reached. Up to 3-4 runs per batch of ethanol. Once concentration has been reached, solvent solution is transferred into the saturated holding tank outside of **Control Room 2**, to be sent to the solvent recovery skid.
- b. Post-extraction saturated solvent in the holding tank is to be sent to the Pinnacle Solvent Recovery Skid/s using a closed loop system, all connected through solid piping. Solvent will be recycled, through the closed loop, to refill the chilled reservoirs stored in the Tank room Control Rooms.
- c. Concentrated crude will be loaded into a jacketed stainless-steel vessel, from the output of the Pinnacle Solvent Recovery Skid. These crude vessels will be loaded onto a sanitary service cart and transported to either the distillation room to be distilled or put into the crude storage room for later distillation. Track and Trace labels should be placed on these vessels, post collection.

6. Zone 7 [Room 118 – Manufacturing] Disposal Area

- a. Centrifuged bags of biomass will be brought into the Disposal Area via the sanitary carts from either C1D1 booth. Used biomass will be unloaded from bags into an empty dumpster in the disposal area.
- b. Empty bags will be collected, and washed daily for residue. They will be hang dried, over the sink. Once dried they will be stored in the Trim Prep/Trim Loading room, on the appropriate storage rack. They will be replaced when wear is noticed on the bag mesh, or efficiency of particulate filtration decreases.

7. Zone 9 [Room 114 - Manufacturing]Crude Secure Storage

- a. Crude in jacketed stainless-steel vessels will be stored on u-line storage racks and be held until it is selected to be distilled. Jacketed vessels will be labeled with a barcode and assigned the appropriate track and trace batch # to correlate with the biomass utilized in extraction.

8. Zone 8 [Room 117 - Manufacturing]Distillation Room

- a. Selected crude will be moved to the distillation room. Vessels will be pre-warmed, by pumping warm fluid through the jacketing. Once at a easily mobile temperature, the vessel will be moved next to the KDT-6 loading feed. The feed vessel will be filled with the crude, by pouring it into the feed vessel. KDT-6 will distill cannabinoids to desired potency, and fill selected media bottles with said distillate. Media bottles will be bar-coded, and match the crude vessel's track and trace information.

9. Zone 11 [Room 109 - Manufacturing] Packaging/Formulation Room

- a. There are two options for distillate; to be formulated into an e-cig formula, or to be stored as a finished distillate product.
- b. E-cig formulation will be carried out under a fume hood, while following an SOP to direct the project. Formulated solution will be loaded into e-cigs by using an auto-filling machine. E-cigs will be boxed into bulk boxing, collectively tagged with the track and trace ID, and put into one of the deli-refrigerators for finished storage
- c. Distillate from the KTD-6 can be retailed as finished raw distillate, but does need to be labeled with a track and trace ID. Finished raw distillate is stored in the deli-refrigerators, in the finished product storage room.

10. Zone 10 [Room 113 - Transportation & Distribution] Finished Product & Distillate Storage

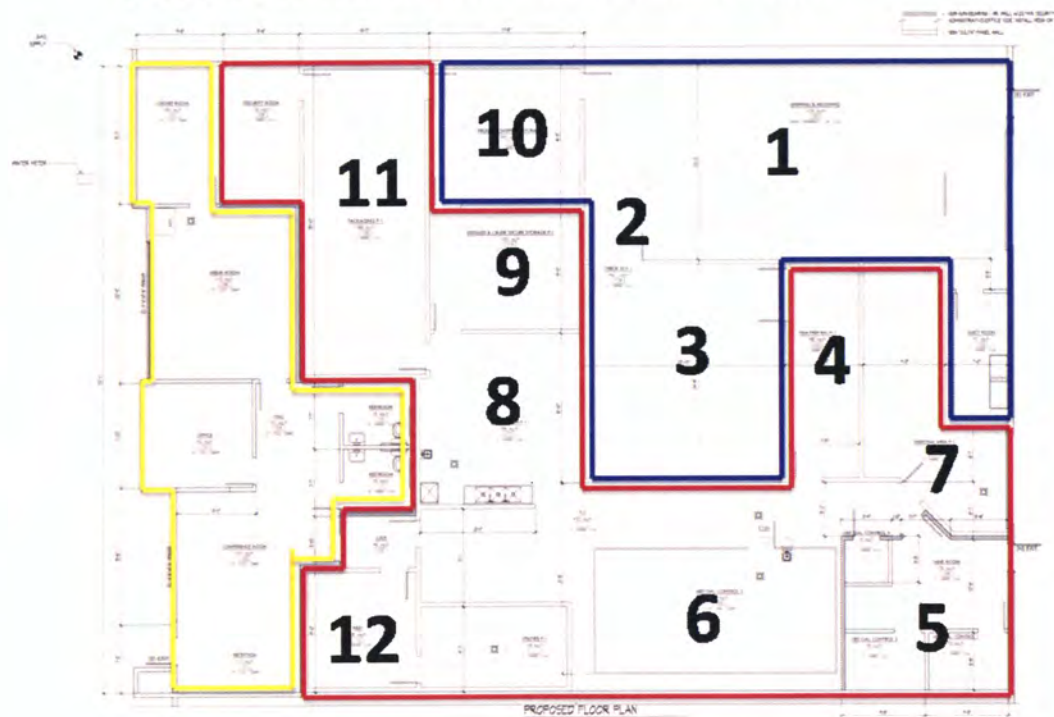
- a. Track and Trace ID labels will be issued to products coming into the room, from the packaging room, as needed. Products will go into cold storage refrigerators, while a sample is sent to be tested for compliance, and until product is selected to go to the shipping and receiving dept to leave the facility as a finished product.

11. Zone 1 [Room 120 – Transportation & Distribution] Receiving and Shipping


- a. Working with the distribution and transportation coordinator in the office, tested product, selected to be distributed, will be isolated from the product shipping storage room(finished product and distillate storage), scanned for track and trace identity confirmation, and be issued track and trace labels to be distributed or transported to a properly licensed client. Finished product will be coordinated to be delivered by our own transportation agent, or picked up by a licensed client's vehicle.

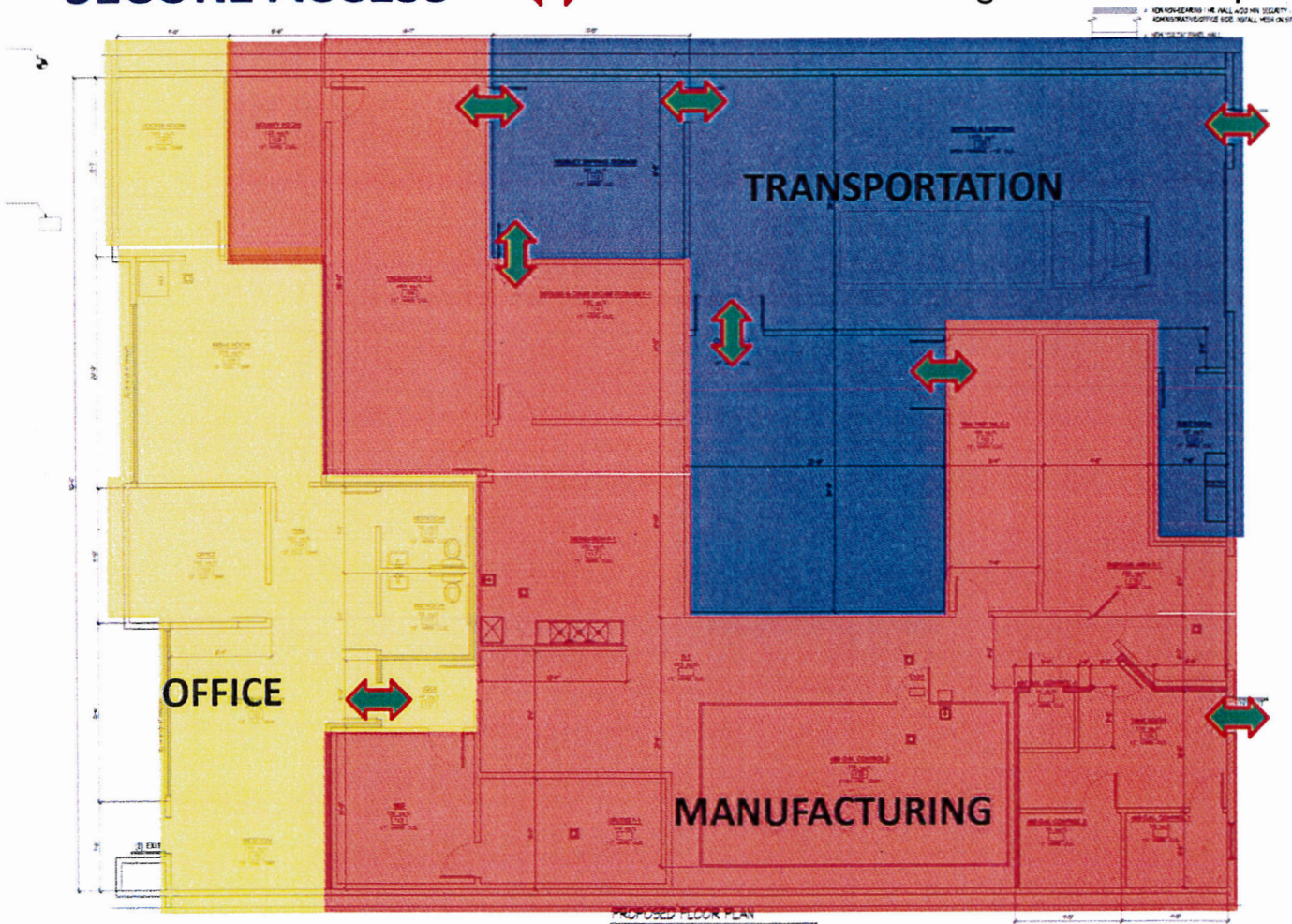
SW VENTURES 3505 Cadillac, Unit F5 Costa Mesa, CA 92626

ZONES : 3505 Cadillac Ave Unit F5 Costa Mesa CA 92627



Limited Access Diagram

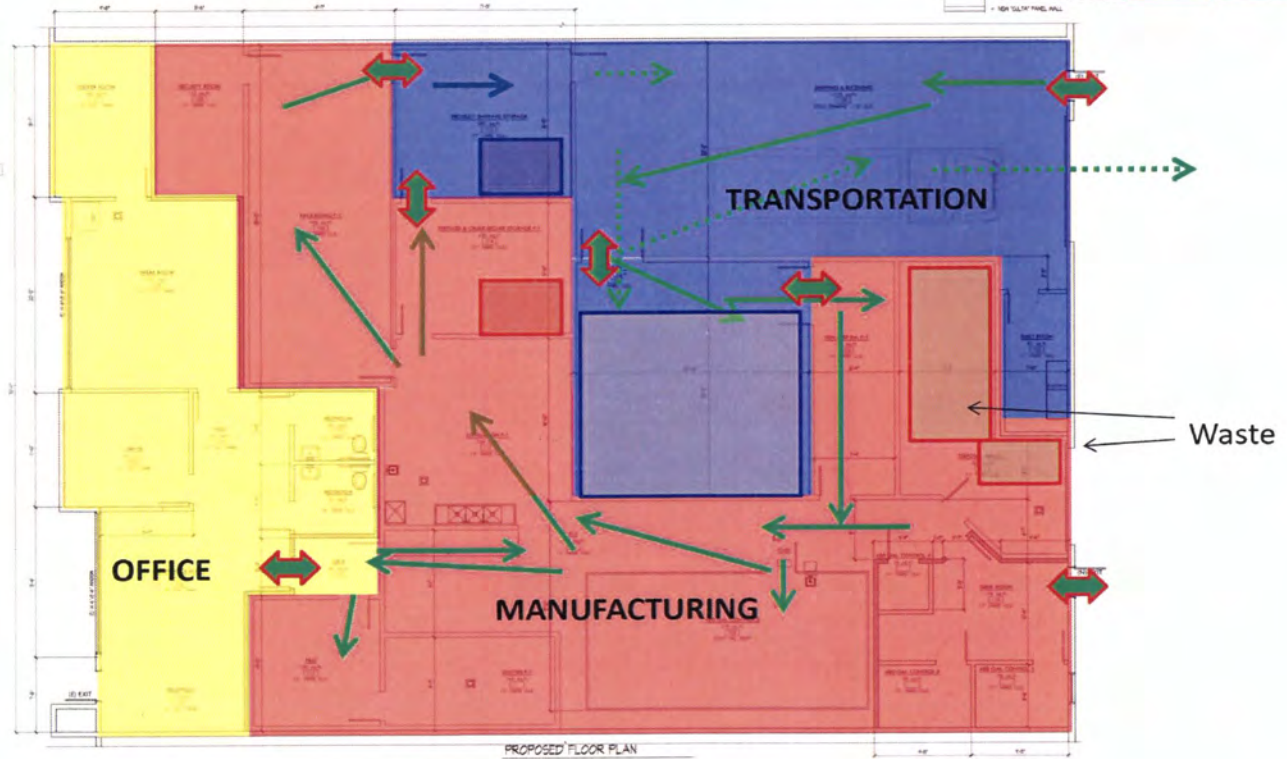
SECURE ACCESS =  **RED** = Manufacturing **BLUE** = Transportation



Product Movement by ZONES

Cannabis Movement IN → OUT→

STORAGE =  



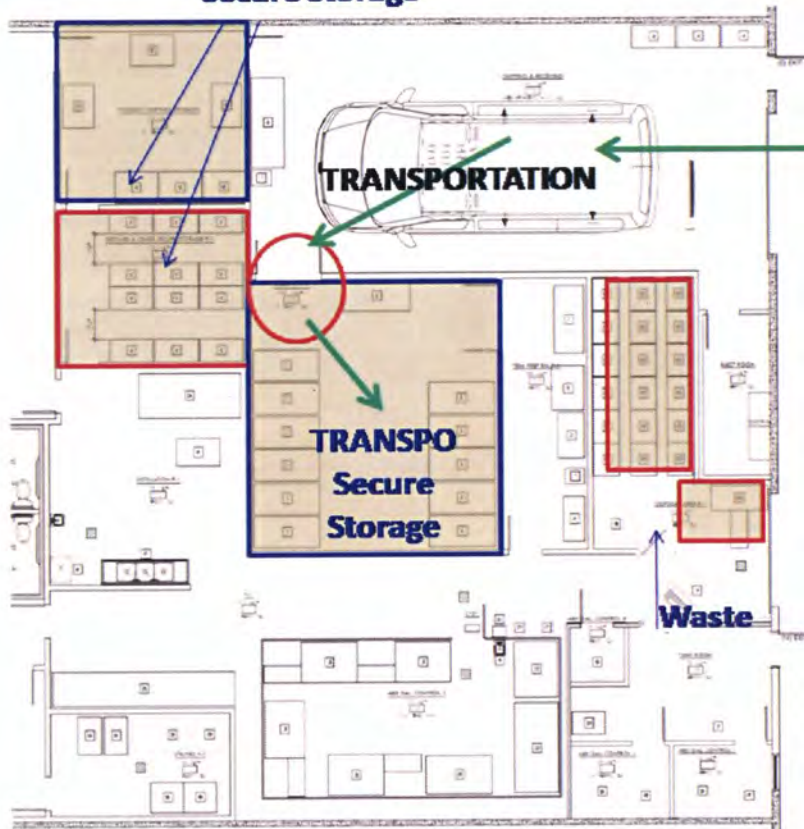
SW VENTURES 3505 Cadillac, Unit F5 Costa Mesa, CA 92626

Secure Shipping & Receiving of Cannabis

Secure Storage

RED = Manufacturing **BLUE** = Transportation

STORAGE =



RECEIVING:

Licensed BioMass

- By Licensed Distributor
- By SW Ventures Transportation

RECEIVING STEPS

1. RECEIVING by Appointment Only
2. Vehicle enters Facility
3. Choreographed Process
4. Overhead Door Closed
5. Cannabis UnLoaded
6. Entered into Track & Trace
7. Moved to Secure Storage

SW VENTURES 3505 Cadillac, Unit F5 Costa Mesa, CA 92626

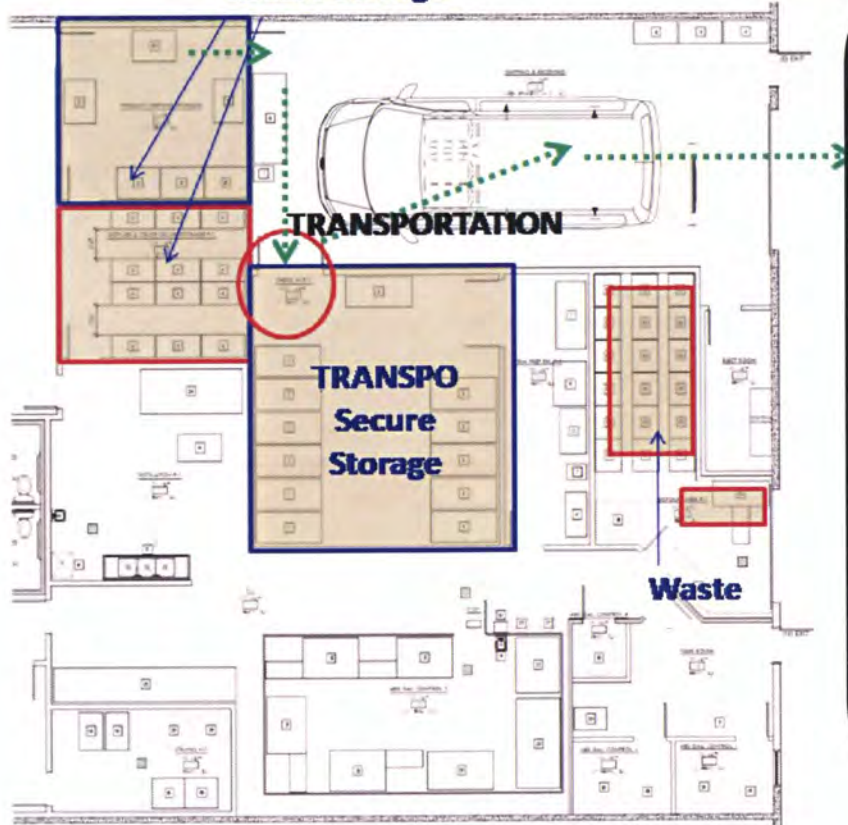
Secure Shipping & Receiving of Cannabis

RED = Manufacturing **BLUE** = Transportation

STORAGE =



Secure Storage



SHIPPING:

Finished Goods

- By Licensed Distributor
- To Licensed Dispensaries

Bulk Packaged Powder

- By PIVOT Transportation
- Or by Licensed Distributor
- To Licensed Manufacturer, Packing, or Distributor

SHIPPING STEPS

1. SHIPPING by Appointment Only
2. Trailer Enters Secure Yard
3. Choreographed Process
4. Gate Closed
5. Overhead Door Opened
6. Trailer Enters Transpo Whse
7. Door Closed
8. Goods Loaded
9. Reverse Process for Exit

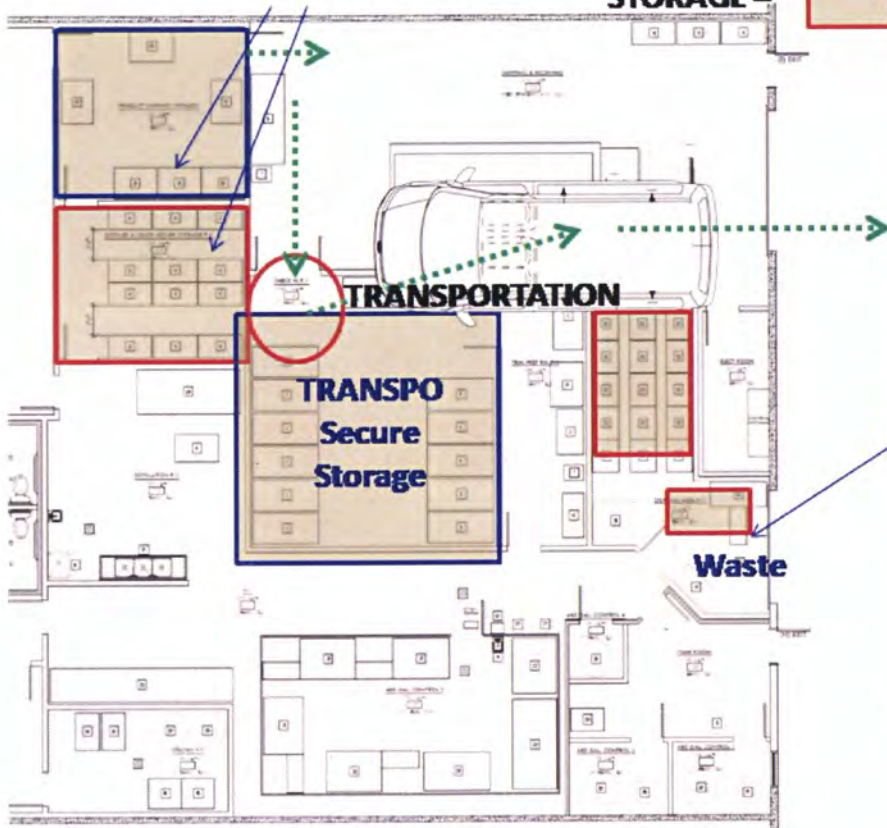
SW VENTURES 3505 Cadillac, Unit F5 Costa Mesa, CA 92626

WASTE

RED = Manufacturing **BLUE** = Transportation

Secure Storage

STORAGE =



Waste:

Waste

•Stored in 55 Gallon Drums

Handling

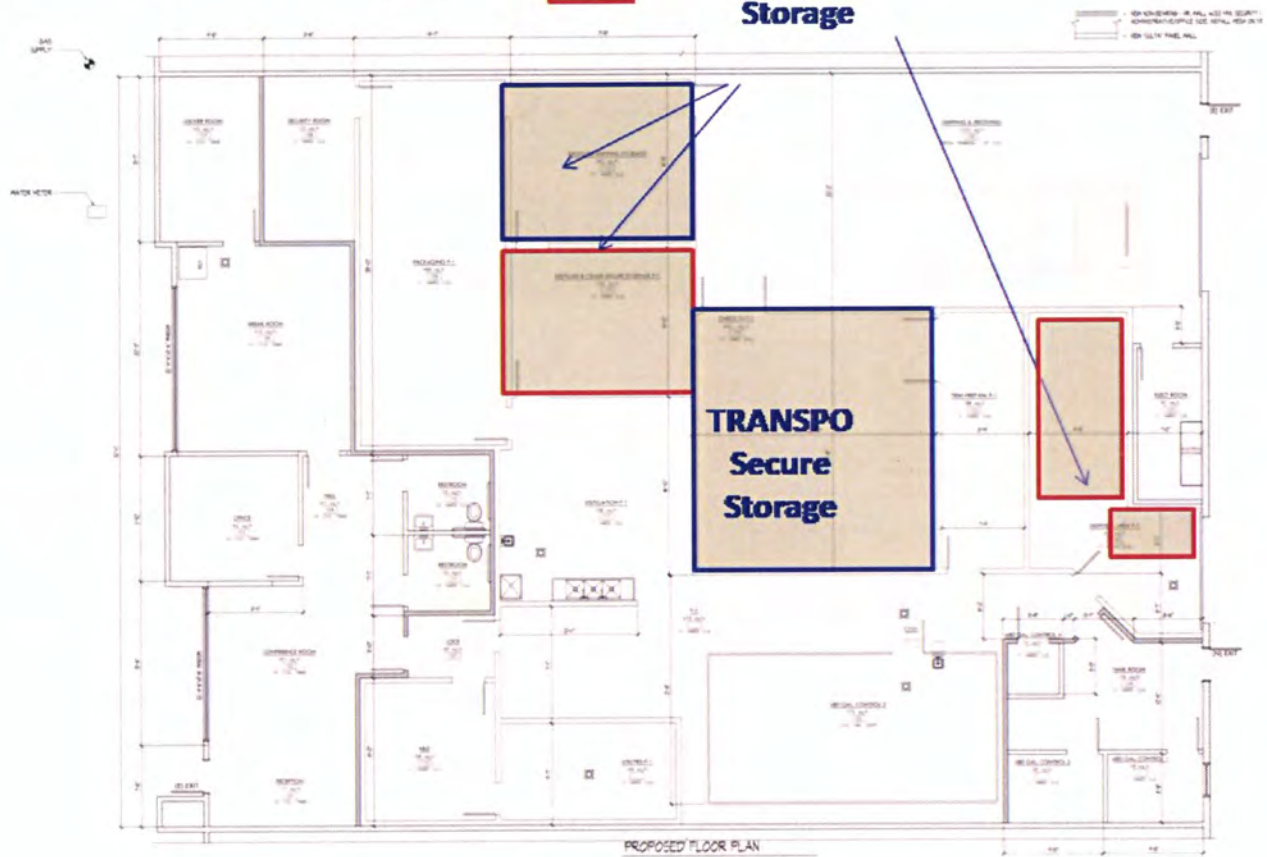
1. As described in Plan
2. Diverted from Landfill

SW VENTURES 3505 Cadillac, Unit F5 Costa Mesa, CA 92626

STORAGE PLAN

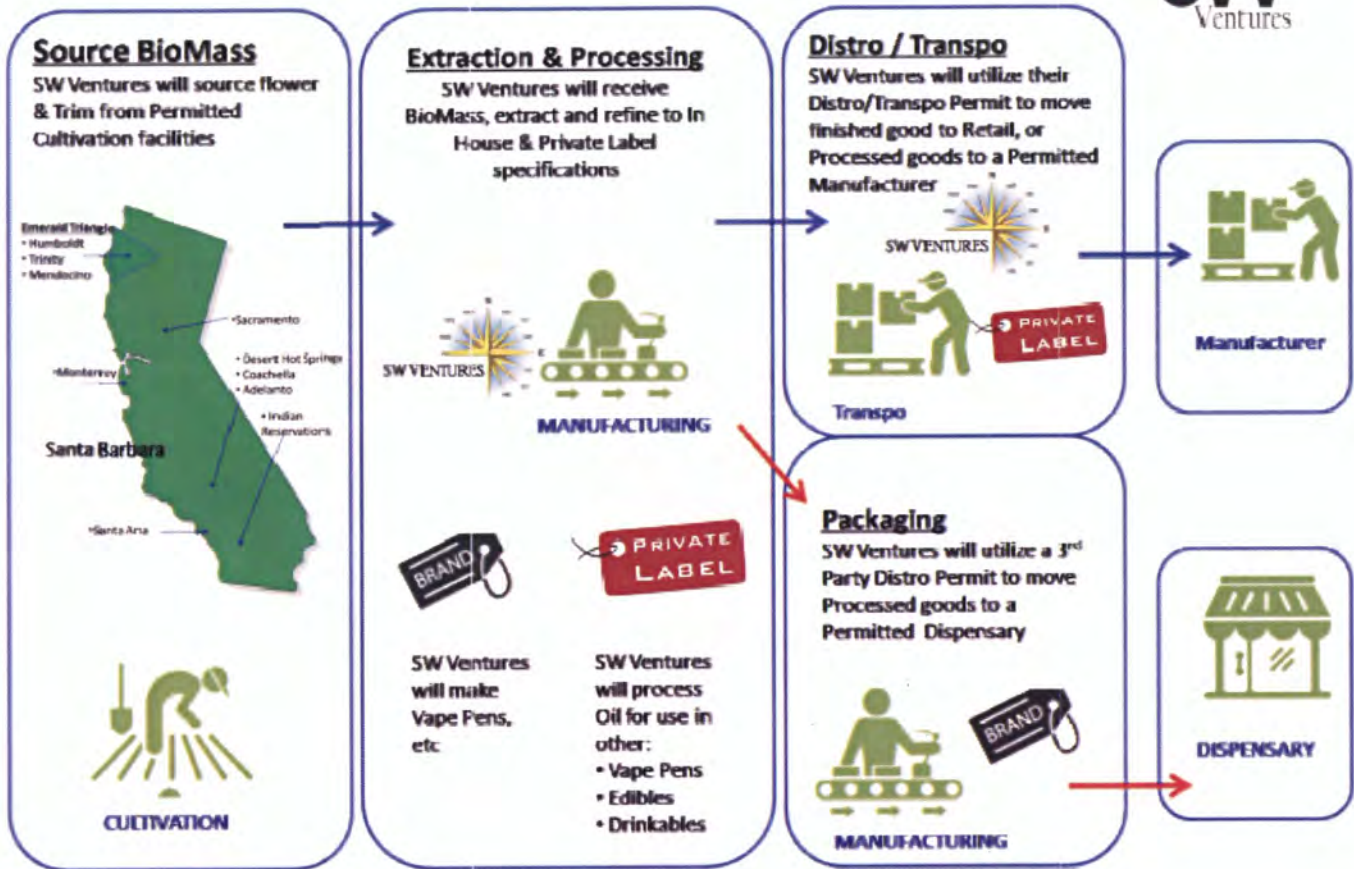
STORAGE = 

**Secure
Storage**

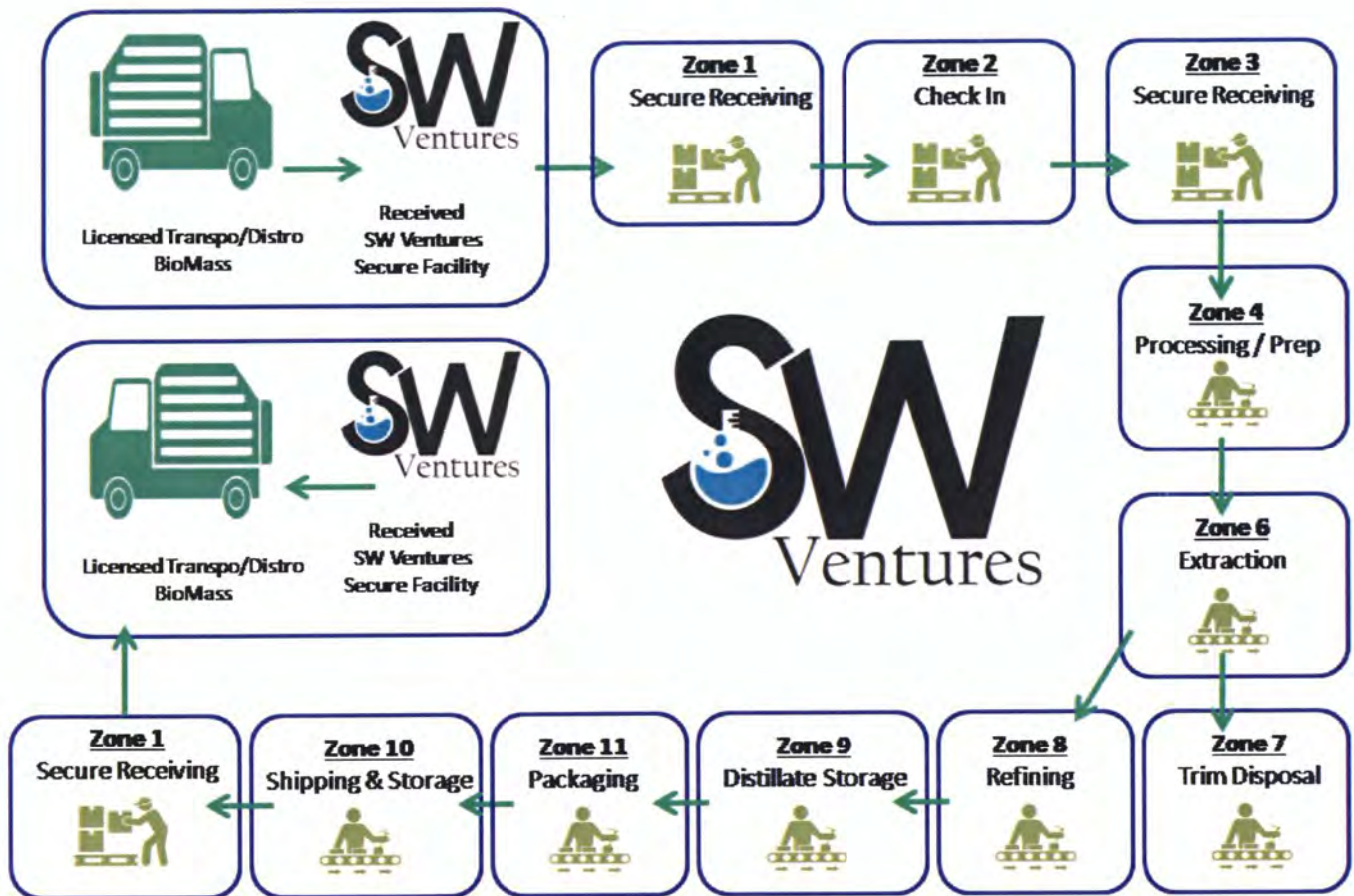


Manufacturing Process

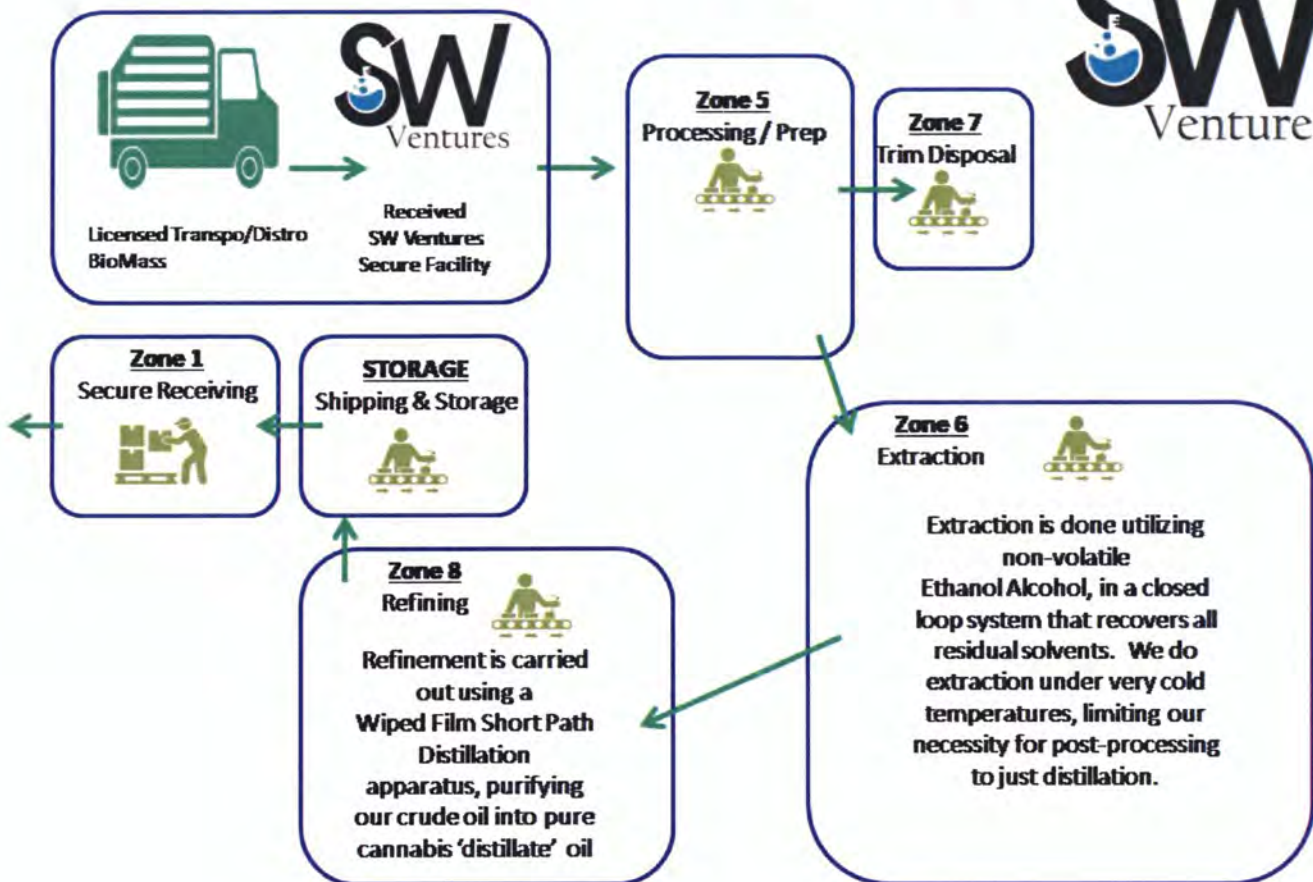
Supply Chain



Cannabis Movement



Manufacturing Flow Table



SW VENTURES PRODUCTS

FINISHED PRODUCTS

Crude Oil

Crude oil is the product removed directly from the extraction collection column in the Ethanol Extraction process. Crude oil can be sold as a final product to customer who are not involved with the base extraction process. This allows product manufacturers of edibles, vape/e-cig and other consumables to utilize cannabis without having to do the entire extraction process.

Oil / Vape Cartridges

Oil that is refined to be slightly viscous and placed into a vape cartridge for a vape pen. Production packaging and formulation of vape pens occurs in Zone 11. Storage of finished , and packaged vape pens will be in Zone 10.

- 1) Collect raw distillate oil, from distillation apparatus.
- 2) Select desired terpene mixture to be formulated.
- 3) Mix the raw distillate and terpene mixture together under fume hood in Zone 11.
- 4) Add Oil to Vape Cartridge Filler.



OPERATING REQUIREMENTS & STANDARDS:

SW Ventures has received approval of a Marijuana Business Permit. During that rigorous review, many documents and signatures we required, the Operator wrote an approved Business Plan, and an approved Security Plan. The Operator has paid \$21,525 for the Marijuana Business Permit Application Fee and \$300 per Background Check of owners / principles.

The Measure X Zone is a small geography with concentrated cannabis uses. This geography has physical boundaries like the 405 and Santa Ana River. The Medial Marijuana Business Permit Application went into extensive detail.

For safety and security purposes, we offer the following information to demonstrate we are complying with and exceeding the requirements of Measure X:

PROJECT LOCATION: Measure X Zone is a small geography located in the North West corner of Costa Mesa. These boundaries are the 405, Santa Ana River, MacArthur Blvd and Harbor Blvd.

This project is located within Cambridge Park, an Industrial Condo Complex tucked in the corner of the Zone, up against the 405 and Santa Ana River.

With the concentration of Cannabis use, this allows the several cannabis uses to improve security on their own property, and work together as a group to increase the security in the Measure X Zone.

COMPLIANCE WITH LAWS:

It is the responsibility of the owners and operators of the marijuana businesses to ensure that at all times, businesses are operating in a manner compliant with all applicable state and local laws, and any regulations promulgated there under.

Distribution / Transport Only:

Discrete Transportation Vehicle:

Below is an example of the discrete Transportation Vehicle that is complaint to MCRSA standards:

- Locked, Safe & Secure, no exterior markings indicating Cannabis

FORD TRANSIT



Cannabis Transportation Vehicle Security and Safety Measures

Secure Storage of Cannabis:

- Cannabis or cannabis products will be transported within a dedicated, registered and licensed commercial vehicle with no exterior markings indicating cannabis.
- COMPANY has consulted with Security Experts to assist in threat assessments and process to anticipate and prevent incidents, as well as other crime prevention equipment, training and process.

Shipping and Transportation Security Measures

Company will use Seed-to-sale software to create transport manifests and store transferee information internally. Manifests will be archived and quickly available upon. Company will also complete shipping manifests prescribed by State requirements.

Prior to shipping any cannabis or cannabis-infused product, Company will:

1. Complete a shipping manifest as prescribed
2. Shipping Manager will follow the same procedure with every shipment:
 - a. Assemble the order
 - b. Box the order
 - c. Attach two copies of the manifest to the box

Information collected and tracked, the manifest will include

1. Drivers (2) license numbers and Department Identification Numbers(2)
2. Transport vehicle VIN#
3. Transport vehicle license number
4. Transport vehicle description
5. Transport Vehicle Asset Tracking GPSID#
6. Origin licensed permitted facility
7. Destination Licensed Permitted Facility
8. Product quantity, names, and serial numbers

Company will use a non-descript delivery van with a locked cargo container. The cargo container will not be visible from outside the motor vehicle. All delivery times and routes will be randomized. Shipping procedures will include the following:

1. The delivery vehicle will have a fleet tracking GPS unit attached to the vehicle
2. The delivery vehicle will have a CCTV system that will record at all times the vehicle is outside the Origin and Destination facilities.
3. Transportation employee that will be transporting the cannabis products or samples will check all shipments and manifests for accuracy and seal the shipments in the Secure Product and Shipping Area(SPSSA).
4. Boxed and sealed orders will be moved from the SPSSA to the Secure Loading Bay (SLB) through secure corridor.
5. Transport will travel directly from Licensed Permitted Origin to the Licensed Permitted Destination or testing facility and then back to the Licensed Permitted Origin.
6. Transport agent will collect a signed manifest for all deliveries. Dispensary or laboratory agent will confirm that all cannabis products or cannabis samples were delivered and the seal was unbroken at the time of delivery.
7. Transport may stop at other licensed permitted dispensary facilities, laboratories, gas stations for refueling, and in the case of emergency. In the case of emergency transport agents will report the emergency immediately to law enforcement through the 911 emergency systems and the cultivation center.
8. All delivery times and routes will be randomized.
9. Each transport agent will keep in their identification card in their possession at all times when transporting or delivering cannabis and will produce issued identification for the authorized representative or law enforcement official upon request.

WASTE MANAGEMENT PLAN

Costa Mesa Waste Management Basis and Purpose:

The purpose of this section is to demonstrate sanitary requirements and waste management processes for The Company's manufacturing and processing part of the business. The Company is sustainably minded where recycling and waste diversion are a priority. For distribution and transportation, there is very little cannabis waste. The Company will further ensure that damaged and/or otherwise faulty product shall be returned to the vendor from which it was received. Any product recalls, or product that fails in testing has specific regulatory return and destruction methodology that must and will be followed.

Onsite Storage of Biomass Waste:

After extraction, all passive waste will be stored in a closet that will have active venting. All marijuana waste will be made unusable and unrecognizable prior to leaving the licensed facility.

Methods to Make Waste Unusable and Unrecognizable:

Marijuana waste shall be rendered unusable and unrecognizable through one of the following methods:

- Grinding and incorporating the marijuana waste with non-consumable, solid wastes, so long as the resulting mixture is at least fifty percent non-marijuana waste. Examples of non-consumable, solid wastes are as follows:
 - Paper waste, plastic waste, cardboard waste, food waste, grease or other compostable oil waste, bokashi, or other compost activators, soil.

After all marijuana waste is made unusable and unrecognizable, The Company will ensure it is properly disposed of.

Proper Waste Disposal:

Prior to disposal, any marijuana or marijuana infused concentrate product waste will be stored, secured and managed in accordance with all applicable state and local laws, regulations, ordinances or other requirements.

The Company will not dispose of any marijuana or marijuana infused concentrate product waste in any unsecured waste receptacle not in possession and control of the licensee.

Liquid Waste: Any liquid waste from marijuana activities will be disposed of in compliance with all applicable federal, state and local laws, regulations, rules and other requirements. No liquid cannabis, solvents nor chemicals will be discharged into the Sanitary Sewer. Manager approvals are required prior o any wash down waste water be discharged into the Sanitary Sewer

Chemicals, Dangerous and Hazardous Waste: Disposal of any chemicals, dangerous and hazardous waste will be conducted in a manner consisted with federal, state and local laws, regulations, rules and other requirements. Any solvents used in the extraction process will be recaptured and properly sent back to the vendor.

The Company's goal with solid waste is to achieve the next level up for diversion of organic material from landfills by utilizing the following strategies:

- Organic material will be stored in a secure area in 65 and 95 gallon containers provided from a licensed waste hauler.
- At a minimum, The Company will participate in a program the licensed waste hauler has prepared to meet the requirements of AB 1826, which requires implementation of green waste recycling at all multi-family residential complexes.
- The Company will also participate in a unique solution that has been formulated to route green waste to CR&R's Anaerobic Digestion Plant in Perris, CA

Note: The Company is actively exploring additional options where the passive waste can be collected and rendered into a product to be offered for fertilizer or other reusable items. The Costa Mesa Cannabis Community as a whole is exploring creative ways to work together with the City to achieve diversion of waste that would create Costa Mesa specific reuse products and solutions.

Inventory Tracking of Waste:

In addition to all other tracking requirements The Company will perform, company will also identify, weigh and track all waste materials while on the licensed premises until they are properly disposed of. All marijuana will be weighed before leaving the premises and The Company will maintain accurate and comprehensive records regarding waste material that accounts for reconciles and evidences that all waste activity related to the disposal of marijuana.

55 Gallon Drum Storage



Zone 7 **Disposal Area**

- Bags from the centrifuge in Zone 6 are moved to the disposal area, and the now dry biomass is emptied into the designated 55gal disposal containers.

SW VENTURES



PREPARED ON:

July 31, 2018

By:

SW Ventures

Certified By

Jonathan L. Zane

Architecture

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CA Lic. No. C11,046

(909) 376-7138

jlzane@roadrunner.com

www.zanearchitecture.net



I. BUSINESS ENTITY

SW VENTURES - MANUFACTURING & DISTRIBUTION FACILITY

Address: **3505 Cadillac Ave Unit F5 Costa Mesa, CA 92626**

The existing tenant space is single story warehouse / office structure currently vacant. The proposed business is for a legal cannabis manufacturing and distribution facility.

Definition

"Manufacturer" means a licensee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or re-labels its container.

"Distribution" means the procurement, sale, and transport of cannabis and cannabis products between licensees.

Products and goods

Packaged marijuana plants are delivered to facility for extraction and post-extraction processing for application in a variety of medicinal application, including but not limited to, wax, vapes, shatters, edibles, etc.

II. APPLICABLE BUILDING CODES

2016 California Building Code (CBC)
2016 California Fire Code (CFC)
2016 California Mechanical Code (CMC)
2016 California Plumbing Code (CPC)
2016 California Electrical Code (CEC)

III. PROJECT DATA AND BUILDING INFORMATION

Use:	Manufacturing	CBC Ch. 306
Occupancy:	F-1	CBC Ch. 306
Size of space:	7,178-SF	
CBC Allowable Area:	7,178-SF (allow) OK	CBC Table 506.2
Construction:	Type III-B, 1 stories	
Sprinkled:	Fire sprinkled system	
High Pile Storage:	No high pile storage will be provided	

IV. FIRE PREVENTION, SUPPRESSION, HVAC, ODOR CONTROL AND ALARM SYSTEM THE FACILITY

- FIRE PREVENTION: 2016 California Building Code analysis requires an automatic fire sprinkler system for the F-1 *occupancy* within a 1-story Type III-B building construction. Fire sprinkler system.
- FIRE LIFE SAFETY PLAN: The existing building is currently a non-sprinkled structure. The entire structure Building M will require a new automatic fire sprinkler system. The new fire protection will be constructed in strict compliance with the National Fire Alarm and Signal Code and the Costa Mesa Fire Department for the occupancy of a business with F-1 occupancy. The fire safety plan will be for a sprinkler building with a UL listed central station monitored fire alarm system consisting of NFPA approved smoke detectors and manual pull stations in compliance with NFPA fire code.
- SUPPRESSION: Provide approved portable fire extinguishers readily available rated Class 2A located no further than 75-linear feet from each other. Provide a yearly fire inspection certification for each portable fire extinguisher.
- HVAC: Existing HVAC system is a 5-ton AC rooftop package unit serving the office area only. The rated CFM flow rate is found to be 12,000 CFM > that 2,000 CFM. Additional HVAC rooftop AC will be added to the facility, as various manufacturing equipment will be increasing the ambient temperature considerably. A duct detector is required by the California Fire Code.
- ODOR CONTROL: Marijuana facilities shall install and maintain appropriate ventilation and filtration systems to eliminate odor nuisance standards set forth by the City of Costa Mesa and governing jurisdiction. Generally, the standards may require that the odor of marijuana must not be perceptible at the exterior of the building, at the licensed premises or at any adjoining use of the property.
- Pre-processed plants (trimmed and dried) will be stored prior to extraction in a secured storage room. All pre-package plants will have little or no detectable odor. During the extraction process, the raw product will be inside a C1/D1 extraction room. The area where the extraction rooms are located will have odor control fans. The extraction room will be provided with a closed system carbon filter order control system with minimum air cycle scrubbing of 10-cycle per hour for 24-hour constant cycle.
- CONTROL AND ALARM SYSTEM: 24-hour constant access and fire alarm system shall be provided with constant off-site monitor service. Refer to the Security Plan for specifics. In our C1D1 booth, Infrared sensors are used to detect and control butane, propane, ethanol, and CO2. Our C1/D1 explosion-prevention sensor provides a real-time LEL% read-out and is programmed to alarm at 10% and 25% of the LEL.

- INTERIOR FINISHES: Interior finishes must comply with flame spread ratings in accordance with Table 803.3 of the CF.

FUMIGATION AND INSECTICIDAL FOGGING

Fumigation and insecticidal fogging used to kill insects, rodents, other vermin, plant parasites, weed seeds, and fungi that adversely affect growth. Some fumigants are flammable under certain circumstances, and all fumigants are poisonous or toxic. Protection the public and fire fighters are required that must be followed when performing these operations:

- Written notice must be given to building occupants with enough notice to allow evacuation and must include information about the duration of the operation and all hazards associated with the operation. Only those directly conducting the operation are allowed to remain in the building.

- Provide 12"wx10"h exterior signage (within minimum ½" tall Helvetic font) 24-hours prior to fumigation of pending fumigation. Indicate the date and time of the fumigation. Provide a contact name and phone number of the signage. Provide signage at all primary entry to Building – SEE SAMPLE.

**NOTICE TO ALL OCCUPANT AND
VISITORS - FUMIGATION AND
INSECTICIDAL FOGGING WILL OCCUR
IN BLDG F5 FOR PERIOD OF DATE XX
THROUGH DATE XX**

**Responsible Contact Person and #:
XXXXXXXXXX / #####**

- Sources of ignition must be secured before these operations commence and must remain secure until after the space has been ventilated. Sources of ignition include electricity, portable electronic devices (such as cell phones), telephone lines, and any other sources of spark or flame. Certain types of electrical appliances deemed safe for hazardous atmospheres may be allowed when approved by the fire department.
- Materials used to seal the affected structure or space must comply with flame propagation performance standards and must be approved by the fire department prior to installation.
- Every access point to the affected structure or space must have both some warning signs and watch personnel to protect against unauthorized entry. The style and content of the warning signs and the duration of their posting must be approved by the fire department.
- Personnel engaged in these fumigation operations must have proper respiratory protection available.
- At the end of the operation, the affected structure or space must be safely and properly ventilated, and all fumigation or fogging product containers, residues, debris, and other materials must be properly disposed of.

V. ASSESSMENT OF FACILITY'S FIRE SAFETY

Consider all possible fire, hazardous material, and inhalation issues / threats

➤ EXITS AND EXIT SIGNAGE, EGRESS

- Provide 2 exits shall be in accordance with Table 1006.2.1 and Table 1006.3.2 (2) and Section 1017.2 of the CFC.
- *Provide panic hardware in the legal path of egress door from the F-1 room to exterior of building.*
- The means of egress shall be clear and visible and cannot be concealed in any way.
- Exit egress doors are shall have the swing in of the door in the direction of egress travel.
- Provide illuminated exit signs that are readily visible from any direction of egress travel.
- Provide intermediary exit signs may also be required per Section 1013 of the CFC.
- Provide battery back light for the exit path of travel. Lighted path of travel must be illuminated at least 1-FC.

➤ AISLES

- Provide clear aisles to facilitate rapid evacuation of occupants and provide emergency egress in the event of an emergency. Provide aisles with a minimum clear width of 36" and 44" wide where required as part of the accessible path for exit corridor and final review by the Building Officials.

➤ ELECTRICAL WIRING, EXTENSION CORDS, APPLIANCE, LIGHTING

- Provide sign at door of ELECTRICAL ROOM
- Provide warning safety signed in the areas of volatile storage cabinets and extraction pods.
- Electrical panels and electrical disconnect switches must be accessible at all times and with a clearance of 30 inches wide (wider for panels and equipment)

that exceeds 30 inches in width), 36 inches deep, and 78 inches high is required to be maintained free from storage.

- Provide good maintenance and repair of exposed wiring, open junction boxes, or damaged equipment that could present an electrical shock or fire hazard.
- Provide power strips with built-in over current protection ("circuit breakers") are allowed, provided they are plugged directly into a permanent electrical receptacle. Power strips may not be plugged into additional power strips (daisy chaining). A power strip's cord may not be run through walls, above ceilings, or under doors or floor coverings. If power strips show evidence of physical damage, they must be replaced.
- Extension cords may only be used to provide temporary power to portable electric appliances. Extension cords may not be used as a substitute for permanent wiring, and may not be affixed to structures, extended through walls, ceilings or floors, or under doors or floor coverings. Multi-outlet extension cords that do not have built-in over current protection ("circuit breakers") are not allowed. If extension cords show evidence of physical damage, they must be replaced immediately.

☐ PREMISE IDENTIFICATION

- Provide with address identification on the front of the Building per the Fire Department.

☐ EMERGENCY POWER SYSTEM

- 90-minute emergency lighting battery power invertors for emergency life safety exit lights.
- Provide separate UPS system for all security systems for egress hardware (doors), security cameras, monitors and alarms. The UPS system will be sized to power the equipment for a minimum of 24-hours after power failure.

☐ FIRE DEPARTMENT ACCESS

- Buildings/facilities must have at least one all-weather road that is wide enough and strong enough to support the size and weight of fire department apparatus. Roads must extend close enough to buildings to allow for firefighting operations. Roads may have special requirements for "fire lane" signage to disallow parking. A means for turning fire department apparatus around may be

required for roads that contain dead ends or no outlet. Gates or barricades that obstruct roads must be approved by the fire department.

- All required exterior doors must remain operable for emergency access by firefighters. Eliminating the function of any exterior doors requires prior approval that cannot be granted in every circumstance, and where allowed, the door must be marked with a sign stating 'THIS DOOR BLOCKED'.
- Certain equipment rooms contained within a building may require identifying signage to aid firefighters.
- Rooms containing fire protection equipment (fire alarm panels, fire sprinkler valves, etc.)
- Rooms containing controls for air-conditioning equipment.
- Rooms containing utility equipment for gas or electrical service.

VI. EXTRACTION MANUFACTURING

An F-1 rated room will be designed and constructed for the purpose of performing extraction and post-extraction refine of the crude oils.

The proposed extraction method will be for Ethanol, housed in a C1/D1 rated containment extraction pods.

- **Ethanol** — Solvent to separate THC from the plant in a closed-loop system.
- **Extraction Equipment** — All components require UL listed approved components and will receive a peer review by a California licensed engineer.
- **Extraction Pod – HAL EXTRACTOR POD (SEE ATTACHED EXHIBITS)**
 - Extraction pods are required to be located in a room dedicated to the extraction process. There must be no other equipment within the room (i.e. refrigerators, cooking appliances, electrical panels, computers, cell phones, etc) that is not associated with the extraction process. Additionally, there must be no penetrations into the room that are not essential for the extraction process (i.e. gas lines, HVAC systems, plumbing, etc.)

- Pods are to be of continuous, noncombustible, and smooth construction, and room finish should also consider Department of Health requirements for cleaning purposes. Booths constructed in compliance with flammable finish requirements of DFC Section 24 will be accepted as meeting these construction requirements. Acoustic-type drop ceilings that could conflict with large LPG extraction exhaust systems will not be permitted. Hand sinks and eye wash stations (if required by other Codes) can be located in the room.
 - Doors to the extraction room using hazardous materials (i.e. CO₂, LPG, or flammable liquids) must swing in the direction of egress, be self-closing/latching, and be provided with panic hardware.
- Other Controls:
- Flammable storage cabinets
 - Secondary containment for waste or processed liquids
 - Administrative Controls designed to reduce worker exposure to hazards and create more efficient work flow
 - Personal protective equipment
 - Provide standard operating procedures (SOP)
 - Prepare Emergency action plans
 - Selection of ergonomic equipment
 - Hazard communication programs
 - Hygiene-sanitation programs

Condensed Extraction Equipment List

Major Pieces	Equipment	Initial Units
Extraction:		
	Alcohol Extraction Skid Kit	1
	Bag Centrifuge	1
Recovery:		
	Solvent Recovery Skid Kit	1-4
Distillation:		
	Two Stage Distillation Pilot Plant	1
Storage Tanks		
	5 gallon Crude Storage vessels	15-20
	Clean ETOH Stainless Vessel	2
	B-Grade material Stainless Vessel	2
	Evaporator Holding Vessel Stainless Vessel	1

Additional UL Listed Equipment List

Equipment	Initial Units
Listed/Certified Equipment	
Conical Mill	1
Listed Commercial floor scale w/ networking	2
Listed E-Cig loading machine	1
Merchandise refrigerator UL Listed	6
Scroll Air compressor w/Dryer	1-2
4' fume hood	1
Biomass Centrifuge	1
Natural Gas Steam generator 200,000 BTU	2
Evaporator PLC Panel	1
Biomass Centrifuge PLC Panel	1

Expanded Equipment List

Equipment	Initial Units
1 yard tilt trucks	12
Conical Mill	1
Sanitary Drum Pump w/ drum dip feed pipe	1
4 foot solid storage racks/shelves	17
6 foot by 30 inch NSF Table	1
3 foot by 8 foot NSF prep table	5
Commercial floor scale w/ networking	2
4 foot rolling table NSF	4
Hand Wash Sink	2
barrier free eye/face wash station	1
barrier free eye/face wash station/shower combo	1
Listed E-Cig loading machine	1
Merchandise refrigerator UL Listed	6
Scroll Air compressor w/Dryer	2
Natural Gas Steam generator 200,000 BTU	2
4' fume hood	1
Triple compartment sink, requires faucet	1
refrigeration chiller/compressor	1
HVAC compressor/evaporator unit	1
HVAC FAU air handler	8
T240 Cooling Tower 40 Ton	2
Extractor Kit	1
Evaporator Kit	1-4
Filtration & Heat Exchanger Skid	1
Biomass Centrifuge	1
WFE short path distillation skid	1
5 gallon jacketed Crude Storage vessels	20
ETOH Holding Stainless Vessel	2
B-Grade Evaporator Stainless Vessel	2
Evaporator Holding Vessel Stainless Vessel	1

MANUFACTURING BY ZONE – OVERVIEW

SW Ventures Zone Overview and Cannabis Flow through Facility

1. **Zones 1 & 2 [Room 120 - Transportation & Distribution] Receiving and Shipping, [Room 119 - Transportation & Distribution] Check In**
 - a. Product will come in, via truck. Once the rolling door has been secured/locked, product/biomass (in bags) will be unloaded, weighed, and checked in via track and trace. Once checked in our track and trace software, an in-house track and trace/batch # will be assigned to the biomass bags taken in, and bags from the batch will be packed into tilt trucks. Tilt trucks will be labeled with a UPC/Barcode, and a batch # for the biomass will be associated that track and trace UPC, within the in-house tracking software, as well as the track and trace software. Tilt trucks will then be moved using a pallet jack, to the raw material secure storage room.
2. **Zones 3 [Room 121 - Transportation & Distribution] Raw Material Secure Storage**
 - a. Tilt trucks will be moved to appropriate free space in the Raw Material Secure Storage room. Tilt trucks will be organized by date of intake, and raw material will be extracted based off the time that the material has been sitting. A log will be maintained, for in house tracking on the bays, keeping log of new/old material location, for ease in selecting which batch to be extracted next. Oldest material should be utilized first.
3. **Zones 4 [Room 123 - Manufacturing] Trim Prep/Trim Loading**
 - a. Totes will be moved to the trim loading room, using a pallet jack. Bags sealed with biomass will be taken out of the tilt truck, scanned in track and trace for extraction use, and unsealed under duct ventilation exhausts, to minimize micro-particulate spreading into any other part of the facility. If material is deemed necessitating being broken apart, it can be milled to a coarse grind using the cone mill. Material will be loaded into the hopper for the elevator feeder. Under the exhaust ventilation, the extractor bags will be packed with the prepped biomass, using a raised hopper chute, filled by the elevator feeder. Packed bags will be weighed, logged, and loaded onto a suitable sanitary service cart to be moved in the extractor/C1D1 rooms.
4. **Zones 5 [Room 126 – Manufacturing] , Tank Control Room**
 - a. The storage tanks are split into 3 Control Rooms, each has a C1D1 rated walk-in freezer, built to maximum Control Room dimensions. Freezers will hold each room at a cold temperature, effectively pre-chilling the ethanol utilized for extraction in the AES skid. Each of the two Control Rooms will house one ASME stamped Clean ETOH holding vessel, storing our clean Ethanol for extractor use. Both of the Control Rooms will also house a smaller ASME stamped holding tank. All vessels will be routed to a control manifold, through permanently placed/installed and custom welded sanitary pipes. Refilling of our storage tanks will be facilitated through a closed loop procedure involving quick disconnect hoses between the transfer pump installed into the delivered 55 gal Ethanol Drum, which will be moved outside of one the **Control Room 1**. Solvent will be routed to the C1D1 booths through use of permanently installed sanitary piping. Piping to the manifolds in the C1D1 rooms will allow a completely closed loop operational flow of solvent between the AES extractor, falling film SRS, and storage tanks in the 2 tank storage Control Rooms.

5. Zone 6 [Room 125 - Manufacturing], Extractor Room, With C1D1 Pod

- a. Biomass packed into extractor bags will be moved into the C1D1 extraction booth, and the extractor will be prepared for loading the new biomass. Biomass will be loaded into the extractor, using appropriate SOP, and put through extraction. 'Spent' biomass bags will be unloaded from the extractor, centrifuged in the Centrifuge units, to remove residual saturated solvent, and then placed back on the sanitary service cart. Saturated solvent centrifuged from the extraction bags will flow, through a closed tube, into an attached stainless vessel (installed adjacent to the 3 tank holding control rooms) to be evaporated at a later time once enough gallons are collected to run the FFE from the vessel. Spent biomass will be rendered unidentifiable per state regulations, then disposed of into a rated dumpster in the disposal area. Saturated solvent from the AES is stored in the smaller holding tank in the tank room, and used again until desired concentration has been reached. Once concentration has been reached, solvent solution is transferred into the larger saturated holding tank in **Control Room 4**, to be sent to the solvent recovery skid.
- b. Post-extraction saturated solvent in the larger holding tank is to be sent to the Evaporators using a closed loop system, all connected together through solid piping. Solvent will be recycled, through the closed loop, to refill the chilled reservoirs stored in the Tank room Control Rooms.
- c. Concentrated crude will be loaded into 20L jacketed stainless steel vessels, from the output of the Evaporators. These crude vessels will be loaded onto a sanitary service cart, and transported to either the distillation room to be distilled or put into the crude storage room for later distillation. Track and Trace labels should be placed on these vessels, post collection.

6. Zone 7 [Room 118 – Manufacturing] Disposal Area

- a. Centrifuged bags of biomass will be brought into the Disposal Area via the sanitary carts from either C1D1 booth. Used biomass will be unloaded from bags into an empty dumpster in the disposal area.
- b. Empty bags will be collected, and washed daily for residue. They will be hang dried, over the sink. Once dried they will be stored in the Trim Prep/Trim Loading room, on the appropriate storage rack. They will be replaced when wear is noticed on the bag mesh, or efficiency of particulate filtration decreases.

7. Zone 9 [Room 114 - Manufacturing] Crude Secure Storage

- a. Crude in 20L jacketed stainless steel vessels will be stored on u-line storage racks, and be held until it is selected to be distilled. Jacketed vessels will be labeled with a barcode, and assigned the appropriate track and trace batch # to correlate with the biomass utilized in extraction.

8. Zone 8 [Room 117 - Manufacturing] Distillation Room

- a. Selected crude will be moved to the distillation room. Vessels will be pre-warmed, by pumping warm fluid through the jacketing. Once at a easily mobile temperature, the vessel will be moved next to the Distillation loading feed. The feed vessel will be filled with the crude, by pouring it into the feed vessel. Distillation apparatus will distill cannabinoids to desired potency, and fill selected media bottles with said distillate. Media bottles will be bar-coded, and match the crude vessel's track and trace information.

9. Zone 11 [Room 109 - Manufacturing] Packaging/Formulation Room

- a. There are two options for distillate; to be formulated into an e-cig formula, or to be stored as a finished distillate product.
- b. E-cig formulation will be carried out under a fume hood, while following an SOP to direct the project. Formulated solution will be loaded into e-cigs by using an auto- filling machine. E-cigs will be boxed into bulk boxing, collectively tagged with the track and trace ID, and put into one of the deli-refrigerators for finished storage
- c. Distillate from the distillation apparatus can be retailed as finished raw distillate, but does need to be labeled with a track and trace ID. Finished raw distillate is stored in the deli-refrigerators, in the finished product storage room.

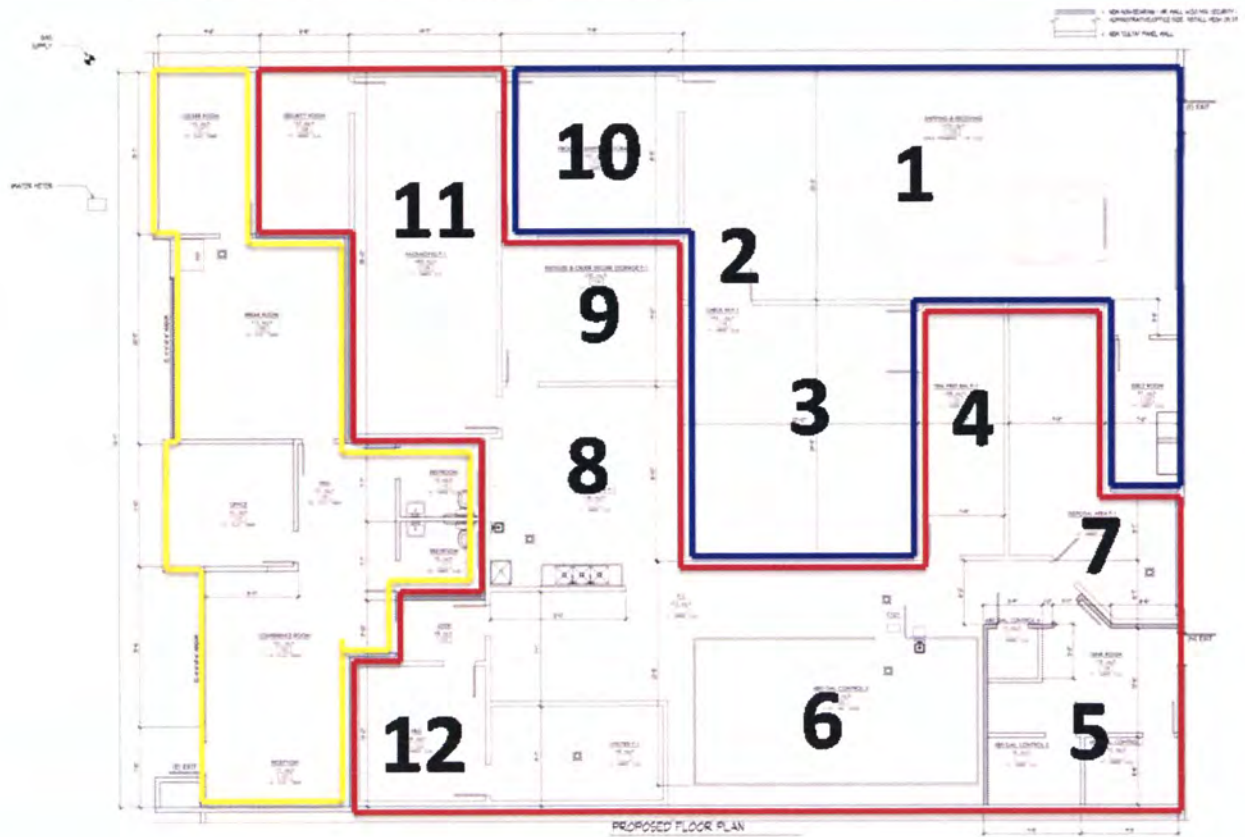
10. Zone 10 [Room 113 - Transportation & Distribution] Finished Product & Distillate Storage

- a. Track and Trace ID labels will be issued to products coming into the room, from the packaging room, as needed. Products will go into cold storage refrigerators, while a sample is sent to be tested for compliance, and until product is selected to go to the shipping and receiving dept to leave the facility as a finished product.

11. Zone 1 [Room 120 – Transportation & Distribution] Receiving and Shipping

- a. Working with the distribution and transportation coordinator in the office, tested product, selected to be distributed, will be isolated from the product shipping storage room(finished product and distillate storage), scanned for track and trace identity confirmation, and be issued track and trace labels to be distributed or transported to a properly licensed client. Finished product will be coordinated to be delivered by our own transportation agent, or picked up by a licensed client's vehicle.

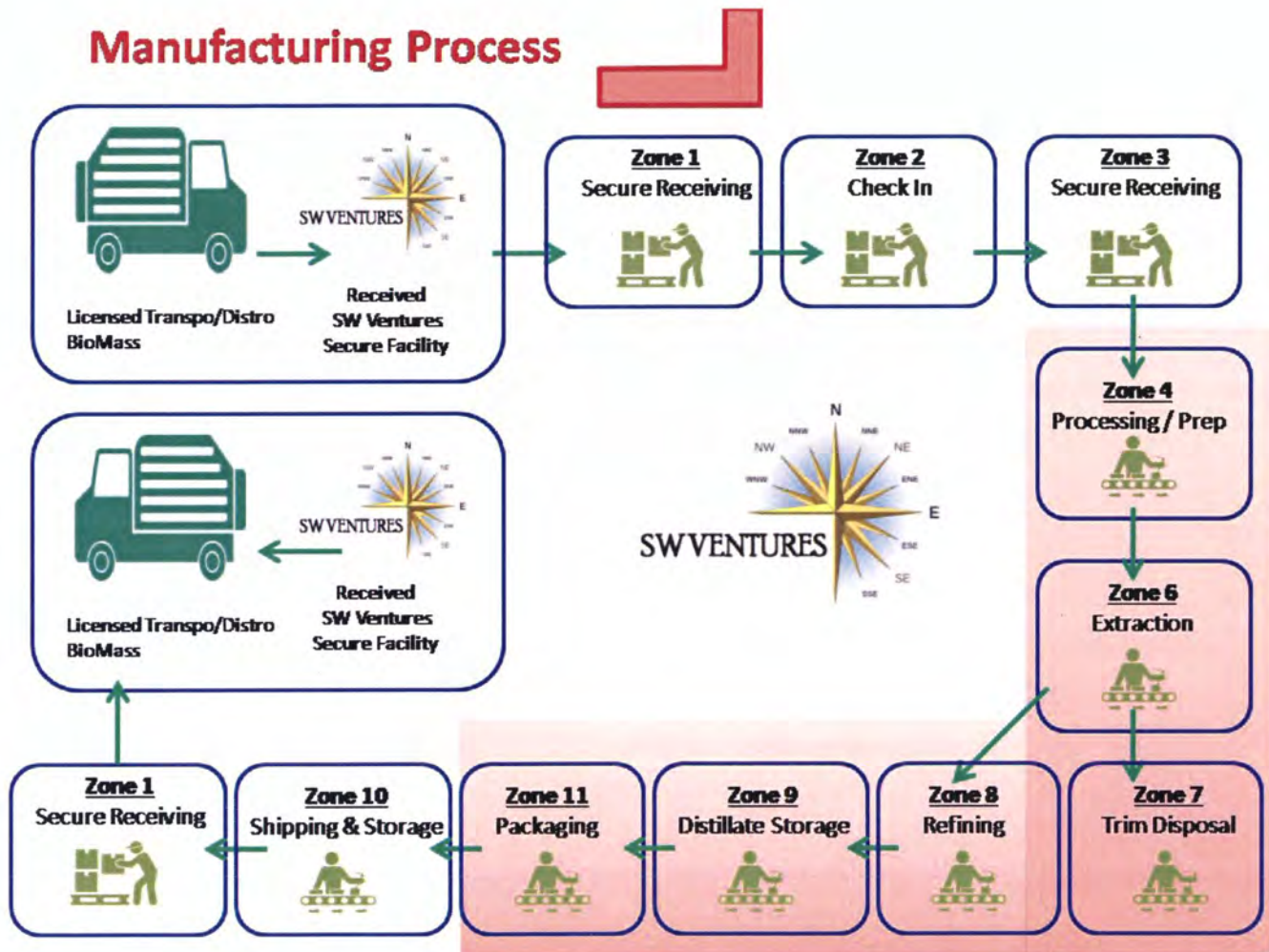
ZONES : 3505 Cadillac Ave Unit F5 Costa Mesa CA 92627



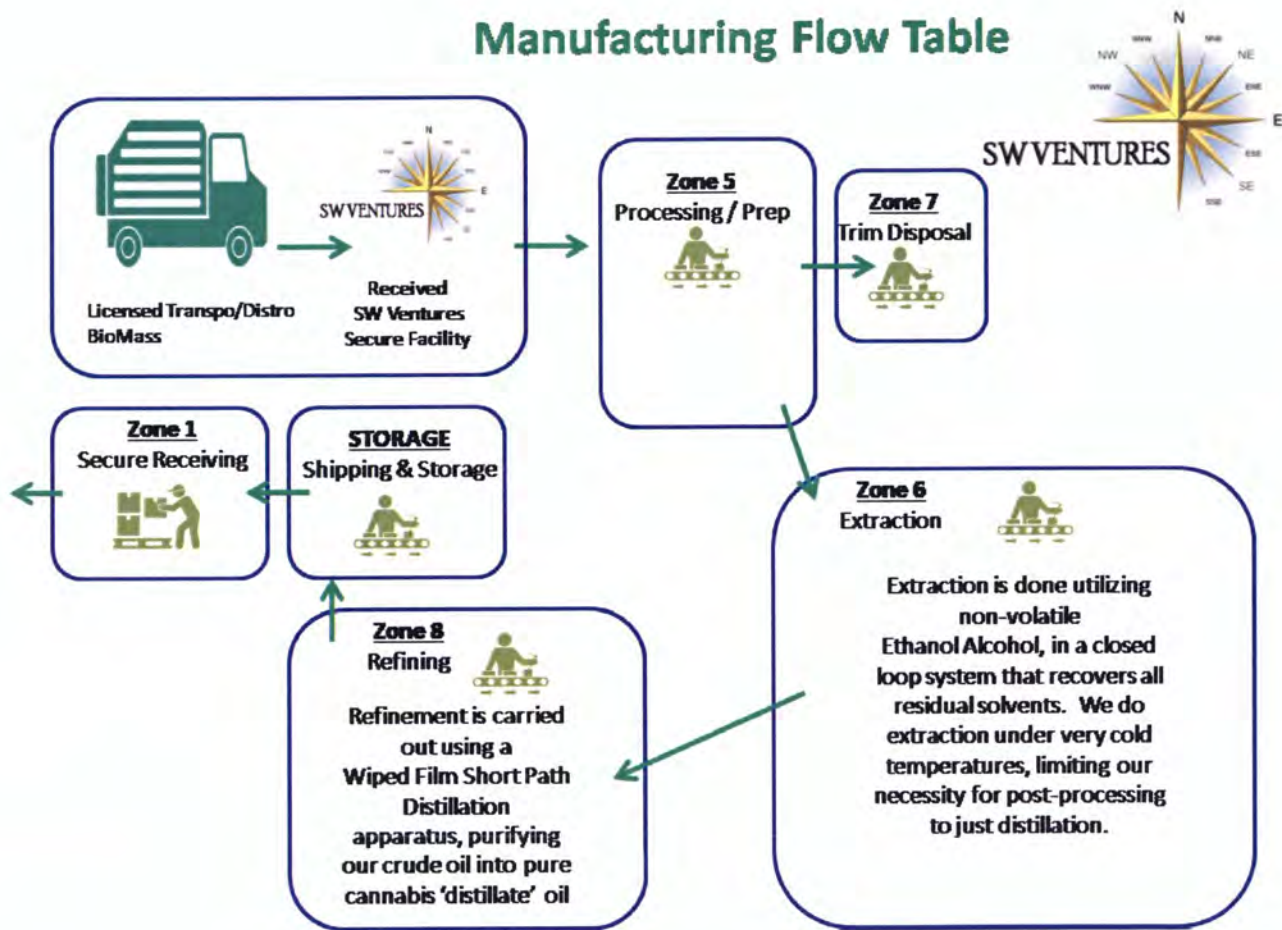
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Manufacturing Process



Manufacturing Flow Table



Material Intake & Check-in
Zones 1, 2 & 3



Trim Prep & Trim Loading
Zone 4



Tank Control Rooms
Zone 5



Extractor Room
With C1D1 Pods
Zone 6A & 6B



Distillation Room
Zone 8



Packaging and Formulation Room
Zone 11





Zones 1 & 2

Receiving and Shipping, Check-in



- Material will be unloaded from transport vehicle.
- A batch label will be created for the material batch being intaken, and labels will be created for each individual bag.
- Material bags will be scanned into our Track and Trace program, and the weight will be logged.
- Tagged bags will then be loaded into material 'trucks', and the trucks will proceed to Zone 3



Zone 3

Raw Material Secure Storage

- Material loaded in tilt 'trucks' will come from the check-in zone, and be placed in an appropriate position within the raw material secure storage warehouse.
- Tilt trucks will be grouped by intake date, and will await approval on contamination testing, before being approved for processing.
- Approved batches will be moved to the 'ready' zone, and scheduled for processing & extraction.

Zone 4

Trim Prep & Trim Loading

- Tilt trucks approved and scheduled for processing will be moved to Zone 4.
- Material batches will be scanned into track and trace, and will be checked for clean contamination test confirmation.
- Batches will be milled, and loaded into the extractor bags.
- Loaded extractor bags will be weighed, and will be logged into our track and trace system, for extraction efficiency records.





Zone 5

Tank Control Rooms

- Solvent storage tanks are arranged in separate Control Rooms. Maximum capacity in any one room is 480 gallons.
- Solvent tanks will all be routed to the C1D1 extraction room via permanent sanitary stainless piping, to be installed on site.
- Refilling of the solvent tanks will take place within one of the solvent control rooms, via a closed loop transfer procedure from a sealed IBC Tote supplied from our solvent supplier.
- Control manifolds and isolation valves will allow separation of specific tanks, in the event any servicing or cleaning is deemed necessary

Zone 6

Extractor Room with C1D1 HAL Pod

- Packed bags will be moved from Zone 4 into the extractor pod.
- Bags will be loaded in extractor, and put through extraction process, following a written SOP.
- Bags after extraction will be centrifuged, to remove excess residual solvent.
- Centrifuged bags will proceed to Zone 7, for disposal
- Saturated solvent solution is put through a solvent evaporation apparatus, leaving us with clean solvent, and concentrated crude.
- Crude solution in storage vessels is moved into the Zone 9 storage area



FFE 5



FFE 6

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Zone 8 Distillation Room

- Selected crude vessels will be moved to the Distillation Room, and will be prepared for distillation.
- Warmed crude vessels will be connected to the feed vessel on our distillation apparatus. Pneumatic pressure will be used to feed the crude oil into the feed vessel, providing a continuous flow of oil to the apparatus flow path.
- Oil is distilled twice in our apparatus, and a purified product is collected at the end of the apparatus flow path, into into designated media bottles.





Zone 7

Disposal Area

- **Bags from the centrifuge in Zone 6 are moved to the disposal area, and the now dry biomass is emptied into the designated 55gal disposal containers.**

Zone 9

Crude Secure Storage



- Crude storage vessels from the Zone 6 extractor room are stored on u-line racks until selected to be distilled in Zone 8.

Zone 10

Finished Product & Distillate Storage

- Zone 10 is used to store finished product before it is selected for distribution to a properly licensed destination.
- Raw distillate & finished formulated products are stored in chilled refrigerators to prolong the shelf life of the product before distribution.
- Finished product should all be labeled with the appropriate track and trace labels, it is ready for distribution after it has been tested for contaminants and solvent residuals.





Zone 11

Packaging & Formulation Room

- There are multiple routes for finished product. It can be distributed to other licensed manufactures as raw and purified distillate/oil, or it can be formulated into many various finished products to be labeled and branded for the legal market.
- Purified oil can be formulated into a variety of different products; e-cigs, tinctures, dosed capsules, etc...
- Product formulation will likely take place under a fume hood to ensure minimal exposure to the open environment, and minimize vapors from terpenes escaping into the ambient work environment.
- Filling of e-cigs, tincture bottles, and capsules will be handled through the use of a ANSI/UL listed automated filling machine.
- All products, whether formulated or raw oil, will have batch samples sent for all relevant testing before being allowed to leave the facility, through licensed routes. All products will be labeled with appropriate track and trace labels.

VII. Hal Extraction Booth

Key Features of Extraction Pods:

- Class 1 division 1 area meets all MED, NEC, OSHA and NFPA
- California fire code 2016
- NFPA 58 Liquefied Petroleum Code 2016
- California Electric Code
- 100% ETL- Listed and PE certified equipment
- Hazardous location fixtures and hazardous location fixtures and hazardous gas detection ensures operator safety


Fits multiple extraction units and technicians



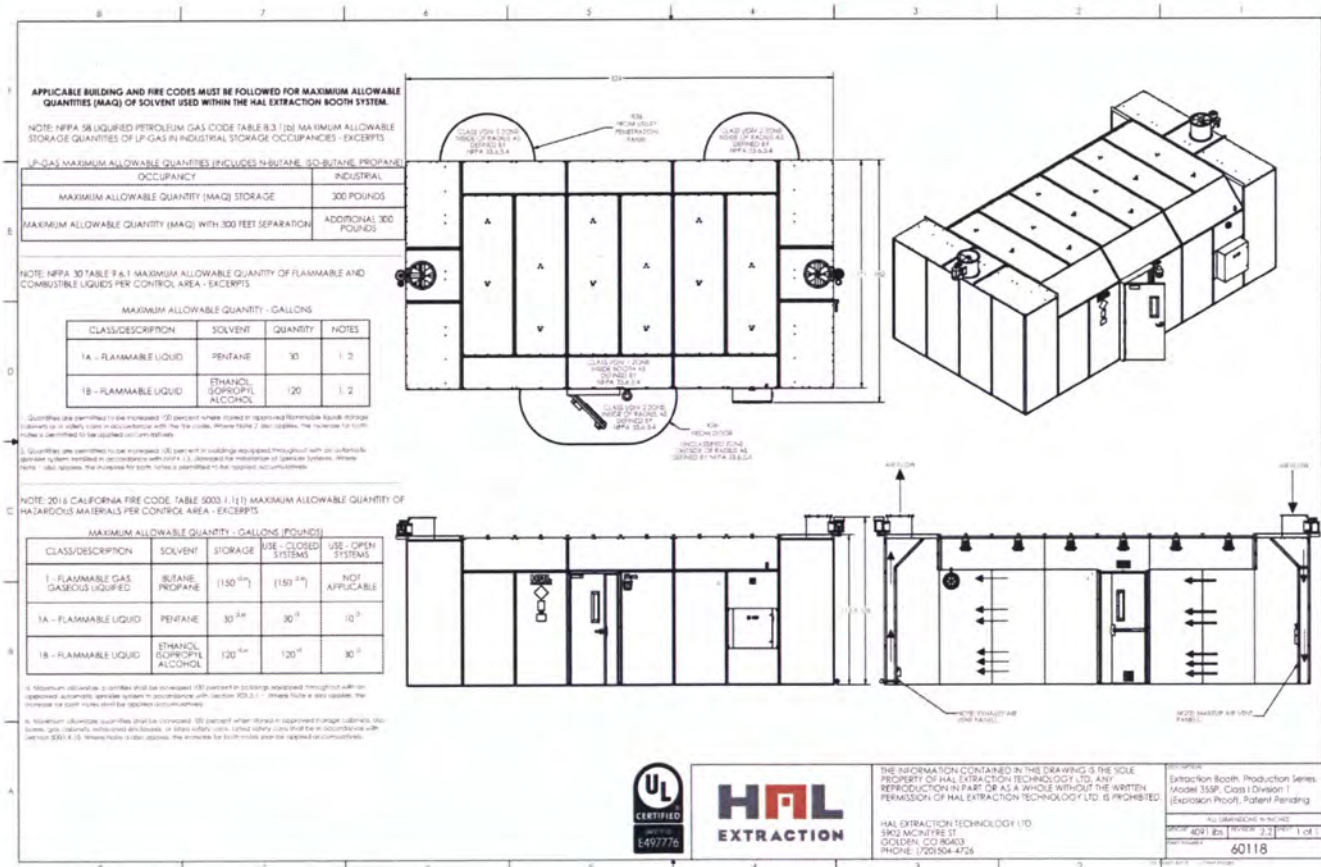
MODEL 355P

CLASS I, DIVISION 1 GROUP D EXTRACTION BOOTH



DIMENSIONS	
INTERIOR SF	355 FT ²
EXTERIOR DIMENSIONS	14'3" W x 27'0" L x 9'4.5" H
INTERIOR DIMENSIONS	14'0" W x 25'6" L x 9'1.5" H
DOOR DIMENSIONS	5'0" W x 7'0" H
MAX HEIGHT W/ FAN	9'8" H
MAX LENGTH W/ FAN	28'3" L
CONSTRUCTION	
PANELS (70)	18-ga powder coated steel. Meets NFPA 33 (2018) 5.3.2 construction requirements. Note: These panels do not have a fire rating.
DOOR (1)	90-min, fire-rated, 18-ga steel LHR door with 7"x22" window & panic bar.
ANCHORS (93)	1" Drop Anchors (460lbs Pullout, 490lbs Shear, estimated at 25% of ultimate value, 3 Anchors per panel.)
UTILITY PENETRATIONS (2)	(2) 3/4", (4) 1 1/8", (8) 1 3/8", (2) 1 3/4" penetrations with fire-rated hole seals. (All penetrations shall be sealed in accordance with the NEC.)
ELECTRICAL	
ELECTRICAL SUPPLY	(1) 30-amp 208VAC, 60Hz, 1 PH circuit. (Circuit should exclusively provide power for booth. All system components are powered by Control Panel.)
FULL LOAD AMPERAGE	FLA @ Purge Air Flow Rate: 22 amps, FLA @ Base Air Flow Rate: 11 amps
CONTROL PANEL (1)	UL-Listed, UL 508A, (2) 1 to 3 Phase Variable Speed Drives, Micro PLC. Control Panel outputs can be connected to HVAC control systems and building fire control panels as required by your AHJ.
CONTROL SETTINGS (3)	Off / Fan On / Fan and Lights On
GAS SENSOR (1)	UL Listed Infrared, Class I, Division 1 explosion proof sensor
LIGHT FIXTURES (6)	UL Listed 2-tube, Class I, Division 1, Ceiling drop mount
EMERGENCY LIGHT (1)	UL Listed Infrared, Class I, Division 1, Ceiling mount, CFL, 120-277V
CONDUIT & FITTINGS	All hazardous location electrical conduit and sealing fittings for the booth components are provided. Conduit runs from the control panel to booth penetrations are provided by customer and can be of EMT construction.
<div><div>Extraction Technology Ltd. • Golden, CO 80403 • 720-504-4726 Email: Emily@ExtractionBooth.com HAL Extraction Technology Ltd. reserves the right to modify or change any of the technical features mentioned in this brochure. ©2018</div></div>	

VENTILATION	
HVAC HARDWARE	(2) 18" Explosion-proof fan package. (Fans, motors, pulleys, and belts)
AIR FLOW RATES (2 Speeds)	Min. Base Air Flow Rate: 1000 CFM, Min. Purge Air Flow Rate: 3000 CFM (Minimum flow rates ensure exhaust concentrations never exceed 25% LEL of flammable solvents)
PLENUM DESIGN	Supply and exhaust designed to place greatest amount of air movement near floor surface and working surfaces. (At Purge Air Flow Rate, the bottom 12" cross-section of the booth tests at over 100 linear feet per minute.)
ALARMS	
LIGHT ALARM (1)	Amber, rated for Class I, Division 2 hazardous locations
SOUND ALARM (1)	24V DC, 109 Db @ 1M, rated for unclassified locations
ALARM SET POINTS (2)	Base Air Flow Rate up to 10% of Lower Explosive Limit Amber Light Alarm + Purge Air Flow Rate at 10% of LEL Amber Light Alarm + Purge Air Flow Rate + Sound Alarm at 25% of LEL
OTHER	
FIRE SUPPRESSION	Available upon request at an additional price. Any Fire Suppression Systems installed on the HAL Extraction Booth must be an automatic stand-alone unit, listed for use in hazardous locations, or an automatic sprinkler system from the building.
ODOR MITIGATION	Not included
INSTALLATION AND ASSEMBLY	HAL Extraction does not provide installation. A licensed electrician is required to connect the booth to the building power supply and connect control panel to booth components. HAL Extraction recommends using a mechanical engineer to design ducting connected to a HAL Extraction Booth.
COMPLIANCE	
UL CERTIFICATION	Booth System certified by UL category code QMCV, File # E497776
ENGINEERING PEER REVIEW	Peer Reviewed by Pressure Safety Inspectors (PSI) licensed in AZ, CA, CO, FL, HI, IL, MA, MD, ME, MI, NY, OH, OR, PA, WA
DESIGNED CODE COMPLIANCE	The HAL Extraction Booth is designed to comply with applicable codes in NFPA 1 (2018); NFPA 30 (2018); NFPA 33 (2018); NFPA 36 (2017); NFPA 70E (2018); NFPA 91 (2018); AZ Fire Code 2016; CA Fire Code 2016; International Fire Code 2018; OR Fire Code 2014; WA Fire Code 2015
OTHER	Computational Fluid Dynamics Analysis Report available for submittal to AHJ. Seismic Calculations and Structural Analysis Report available for submittal to AHJ.



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X. POST EXTRACTION 'REFINEMENT' PROCESS

All post extraction refinement process will take place inside the C1D1 room under a continuous exhaust hood system

XI. FINISHED PRODUCT

Crude Oil

Crude oil is the product removed directly from the extraction collection column in the Ethanol Extraction process. Crude oil can be sold as a final product to customer who are not involved with the base extraction process. This allows product manufacturers of edibles, vape/e-cig and other consumables to utilize cannabis without having to do the entire extraction process.

Edible Oil

Crude oil refined by distillation. Dosed in tinctures with fatty oils, and bottled or injected into gel capsules.

Oil / Vape Cartridges

Oil that is refined to be slightly viscous and placed into a vape cartridge for a vape pen.

- 1) Select 1st fraction on extraction system and run.
- 2) Collect 1st fraction.
- 3) Select 2nd fraction on extraction system and run.
- 4) Collect 2nd fraction.
- 5) Remove any water if any from 1st fraction.
- 6) Melt down 2nd fraction.
- 7) Mix fraction 1 and 2 together.
- 8) Add Oil to Certified Vape Cartridge Filler.



Topical

- 1) Heat any finished oil
- 2) Mix with ingredients

XII. CANNABIS WASTE MANAGEMENT

SW Ventures will be utilizing a certified 3rd party hazardous waste management company to remove and properly dispose of our biomass plant waste, and any other waste solvents/materials that may arise.

Categories of waste

The types of waste that must be evaluated for proper disposal include:

- ☐ Waste solvents that were used in processing, such as a flammable solvent for the purpose of producing a concentrate
- ☐ Any laboratory wastes that were used during processing for quality assurance testing
- ☐ Any plant waste or extract that is not being used, because it does not meet quality assurance or has been contaminated in some way that would make it unusable in a safe and medical capacity
- Liquids or water that could contaminate ground water due to pesticide use
- *CONTAINER – NFPA approved 16-GA steel housing drum, 55-gal capacity, sealable lid*

End of Safety Plan

XIII. ATTACHMENTS / APPENDIX

1. Site Plan –
 - Hydrants
 - Escape Routes Diagram
2. MSDS Sheets

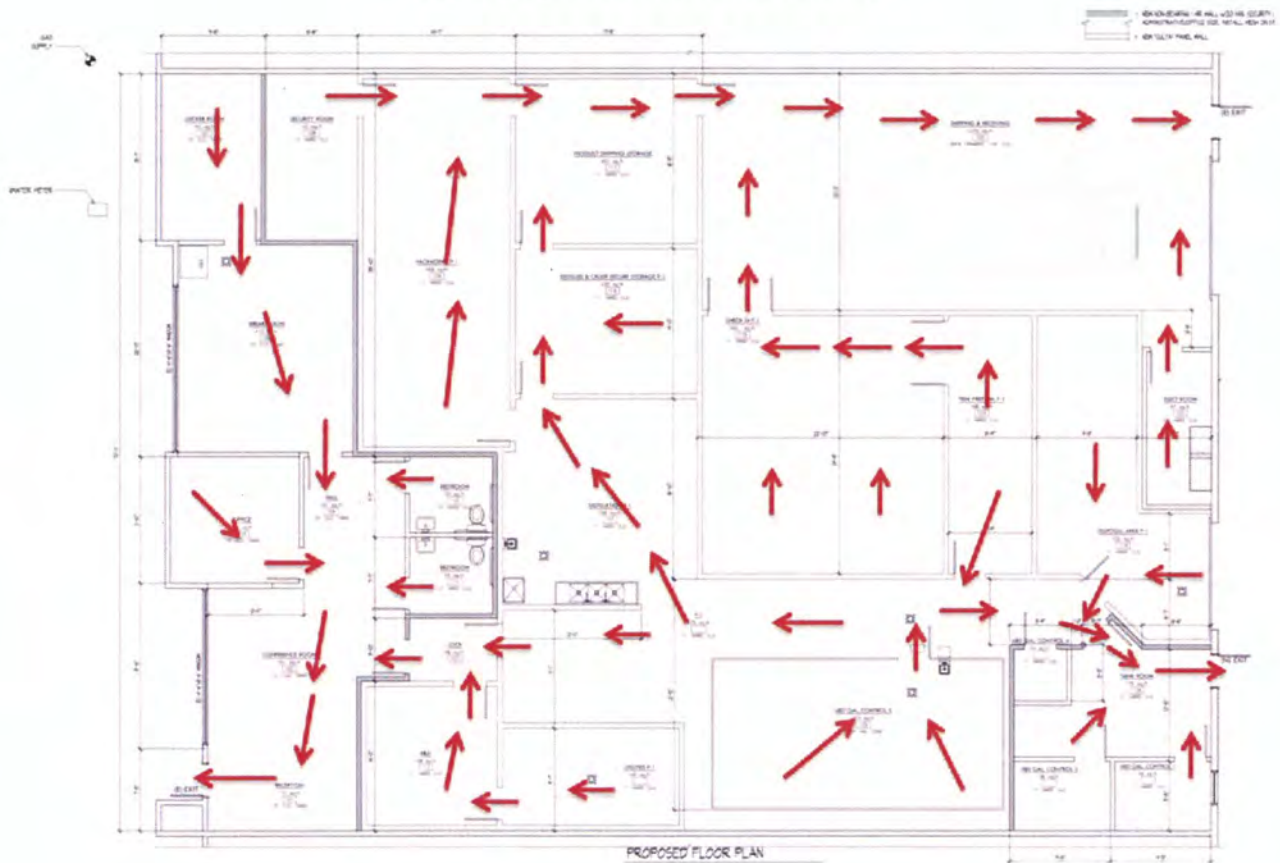
Hydrants Locations



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Evacuation Floorplan Escape Routes Diagram



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SAFETY DATA SHEET

SECTION 1 - PRODUCT AND COMPANY IDENTIFICATION

PRODUCT NAME:	Ethanol 200 Proof
PRODUCT SYNONYM(s):	Ethyl Alcohol, pure alcohol
CAS NUMBER:	64-17-5
RECOMMENDED USE:	Fuel Additive, Solvent, Food Additive, Cosmetics, Beverages
SUPPLIER/MANUFACTURER'S NAME:	Carbon Chemistry Ltd.
ADDRESS:	34501 E Quincy Ave Bldg 28, Watkins, Colorado 80137
BUSINESS PHONE:	+1 (888) 446-8421
EMERGENCY PHONE:	24 HR. EMERGENCY TELEPHONE NUMBERS CHEMTREC: CCN832309 (800) 424-9300
DATE OF PREPARATION:	May 16, 2018
DATE OF LAST REVISION:	New

SECTION 2 - HAZARDS IDENTIFICATION

Classification of the mixture

This product does meet the definition of a hazardous substance or preparation as defined by 29 CFR 1910.1200 and WHMIS 2015.

Component(s) Contributing to Classification(s)

Ethanol

GHS Label elements, including precautionary statements

Pictogram(s):



Signal Word:

Danger!

GHS Hazard Classification(s):

Flammable Liquid Category 2

Eye Irritation Category 2

Hazard Statement(s):

H225: Highly flammable liquid and vapour

H319: Causes serious eye irritation

Prevention Statement(s):

P210: Keep away from heat, hot surfaces, sparks, open flames and other ignition sources. No smoking.

P233: Keep container tightly closed.

P240: Ground and bond container and receiving equipment.

P241: Use explosion-proof equipment.

P242: Use non-sparking tools.

P243: Take action to prevent static discharges.

P264: Wash hands thoroughly after handling.

P280: Wear protective gloves/protective clothing/eye protection/face protection.

Response Statement(s):

P303+P361+P353: IF ON SKIN (or hair): Take off immediately all contaminated clothing. Rinse skin with water [or shower].

P370+P378: In case of fire: Use media defined in Section 5 to extinguish.

P305+P351+P338: IF IN EYES: Rinse cautiously with water for several minutes. Remove contact lenses, if present and easy to do. Continue rinsing.

P337+P313: If eye irritation persists: Get medical advice/attention.

Storage Statement(s):

P403+P235: Store in a well-ventilated place. Keep cool.

Disposal Statement(s):

P501: Dispose of contents/container in accordance with local/regional/national/international regulations.





SAFETY DATA SHEET

Other Hazards

None applicable.

SECTION 3 - COMPOSITION and INFORMATION ON INGREDIENTS

HAZARDOUS INGREDIENTS:	CAS #	WT %	GHS CLASSIFICATION
Ethanol	64-17-5	99.8-100%	FLAM LIQ CAT 2, EYE IRRIT CAT 2A

Additional Information: See SECTION 16 for full classification phrases.

SECTION 4 - FIRST-AID MEASURES

Description of first aid measures

Contaminated individuals of chemical exposure must be taken for medical attention if any adverse effect occurs. Rescuers should be taken for medical attention, if necessary. Take copy of label and SDS to health professional with contaminated individual.

EYE CONTACT: If product enters the eyes, open eyes while under gentle running water for at least 15 minutes. Seek medical attention if irritation persists.

SKIN CONTACT: Wash skin thoroughly after handling. Seek medical attention if irritation develops and persists. Remove contaminated clothing. Launder before re-use.

INHALATION: If breathing becomes difficult, remove victim to fresh air. If necessary, use artificial respiration to support vital functions. Seek medical attention.

INGESTION: If product is swallowed, call physician or poison control center for most current information. If professional advice is not available, do not induce vomiting. Never induce vomiting or give diluents (milk or water) to someone who is unconscious, having convulsions, or who cannot swallow. Seek medical advice. Take a copy of the label and/or SDS with the victim to the health professional.

Most important symptoms and effects, both acute and delayed

This product may cause eye irritation.

Medical conditions aggravated by exposure:

This material or its emissions may aggravate pre-existing disorders involving any target organs mentioned in this Safety Data Sheet as being at risk.

Indication of immediate medical attention and special treatment needed

Treat symptoms and reduce over-exposure.

SECTION 5 - FIRE-FIGHTING MEASURES

Extinguishing media

Dry powder / dry sand, alcohol-resistant foam, dry chemical or CO₂. Do NOT use water jet.

Specific hazards arising from the chemical

None known.

Explosion Sensitivity to Mechanical Impact:

Not Sensitive.

Explosion Sensitivity to Static Discharge:

Not Sensitive.

Minimum Ignition Energy (M.I.E.):

No Data at this time

Special firefighting Procedure

Incipient fire responders should wear eye protection. Structural firefighters must wear Self-Contained Breathing Apparatus and full protective equipment. Isolate materials not yet involved in the fire and protect personnel. Move containers from fire area if this can be done without risk; otherwise, cool with carefully applied water spray. If possible, prevent runoff water from entering storm drains, bodies of water, or other environmentally sensitive areas.

SECTION 6 - ACCIDENTAL RELEASE MEASURES

Small Spill:

Absorb liquid on paper, vermiculite, floor absorbent or other absorbent material. Transfer to secondary container to be properly disposed.



SAFETY DATA SHEET

Large Spill:

Persons not wearing protective equipment should be excluded from area of spill until clean-up has been completed. Stop spill at source. Dike area of spill to prevent spreading. Pump liquid to salvage tank. Remaining liquid may be taken up on sand, clay, earth, floor absorbent, or other absorbent material and shoveled into containers. Notify proper authorities that a spill has occurred.

Environmental precautions

Do not let product enter drains, do not allow to sewers/surface or ground water. See Section 12, Ecological information.

Methods and material for containment and cleaning up

Pick up released product with appropriate implements & return to original container if reusable, or dispose. Dispose of in accordance with applicable Federal, State, and local procedures (see Section 13, Disposal Considerations).

SECTION 7 - HANDLING and STORAGE

General Procedures:

For transport, handling and storage, use polyethylene, plastic, lined steel or stainless steel. Protect containers from damage.

Handling:

Ground lines, containers, and other equipment used during product transfer to reduce the possibility of a static induced spark. Use non-sparking tools and explosion proof equipment.

Storage:

Store in tightly closed containers in cool, dry, isolated and well-ventilated area away from heat, sources of ignition and incompatible materials. Store drums with bungs in up position.

Specific end uses

Fuel Additive, Solvent, Food Additive, Cosmetics, Beverages.

SECTION 8 - EXPOSURE CONTROLS - PERSONAL PROTECTION

Control parameters

EXPOSURE LIMITS/GUIDELINES:

Chemical Name	CAS#	ACGIH	OSHA
Ethanol	64-17-5	1000 ppm	1000 ppm 1900 mg/m ³

Exposure Controls

Currently, International exposure limits are established for the components of this product. Please check with competent authority in each country for the most recent limits in place.

VENTILATION AND ENGINEERING CONTROLS: Use with adequate ventilation to ensure exposure levels are maintained below the limits provided below. Use local exhaust ventilation to control airborne dust. Ensure eyewash/safety shower stations are available near areas where this product is used.

The following information on appropriate Personal Protective Equipment is provided to assist employers in complying with OSHA regulations found in 29 CFR Subpart I (beginning at 1910.132) or equivalent standard of Canada, or standards of EU member states (including EN 149 for respiratory PPE, and EN 166 for face/eye protection), and those of Japan. Please reference applicable regulations and standards for relevant details.

RESPIRATORY PROTECTION: Maintain airborne contaminant concentrations below guidelines listed above, if applicable.

If necessary, use only respiratory protection authorized in the U.S. Federal OSHA Respiratory Protection Standard (29 CFR 1910.134), equivalent U.S. State standards, Canadian CSA Standard Z94.4-93, the European Standard EN149, or EU member states.

EYE PROTECTION: Safety glasses are required. If necessary, refer to U.S. OSHA 29 CFR 1910.133 or appropriate Canadian Standards.

HAND PROTECTION: Use protective gloves as appropriate to minimize skin contact. If necessary, refer to U.S. OSHA 29 CFR 1910.138 or appropriate Standards of Canada.

BODY PROTECTION: Use body protection appropriate to prevent contact (e.g. lab coat, overalls). If necessary, refer to appropriate Standards of Canada, or appropriate Standards of the EU, Australian Standards, or relevant Japanese Standards.



SAFETY DATA SHEET

SECTION 9 - PHYSICAL and CHEMICAL PROPERTIES

Information on basic physical and chemical properties

PHYSICAL STATE:	Liquid
ODOR:	Agreeable
ODOR THRESHOLD (PPM):	Not Available
APPEARANCE / COLOR:	Colorless
pH:	7.3
MELTING / FREEZING POINT (F°):	Not Applicable
BOILING POINT (F°):	172°F (77.7°C)
FLASH POINT (F°):	55.4°F (13°C)
EVAPORATION RATE (nBuAc = 1):	Not Available
FLAMMABILITY (solid, gas):	Not Applicable
FLAMMABLE LIMITS (in air by volume, %):	Not Applicable
VAPOR PRESSURE (mmHg):	Not Applicable
VAPOR DENSITY (AIR=1):	Not Applicable
RELATIVE DENSITY	Not Available
SOLUBILITY IN WATER (%)	Miscible
PARTITION COEFFICIENT: N-OCTANOL/WATER:	Not Applicable
AUTOIGNITION TEMPERATURE:	Not Applicable
DECOMPOSITION TEMPERATURE:	Not Applicable
VISCOSITY:	1.2 mPa.S (at 20 C, 1.074 mPa.S(at 25 C)
EXPLOSIVE PROPERTIES:	Not Applicable
OXIDISING PROPERTIES:	Not Applicable
Other Information	
SPECIFIC GRAVITY 4°C: (Water = 1)	0.785 g/mL at 20°C
VOC:	Not Applicable
WEIGHT PER GALLON:	Not Applicable

SECTION 10 - STABILITY and REACTIVITY

Reactivity: No data is available.

Chemical Stability: Product is stable under recommended storage conditions.

Possibility of Hazardous Reactions: No data available.

Conditions to avoid: Heat, flames and sparks.

Incompatible materials: Strong oxidizing agents, alkali metals, peroxides.

Hazardous Decomposition Products: Hazardous decomposition products formed under fire conditions. - Carbon oxides

SECTION 11 - TOXICOLOGICAL INFORMATION

Information on Toxicological Effects

TOXICITY DATA:

Ethanol: LD50 Oral – Rat – 10,470 mg/kg
LC50 Inhalation – Rat – 4 h – 30,000 mg/l
LD50 Dermal – Rabbit – 15,800 mg/kg

POTENTIAL HEALTH HAZARDS OR RISKS FROM EXPOSURE:

IRRITANCY OF PRODUCT: Exposure with this product can be irritating to exposed eyes.

SENSITIZATION OF PRODUCT: This product is not considered a skin sensitizer.

CARCINOGENICITY: Ingredients within this product are not found on the following lists: FEDERAL OSHA Z LIST, NTP, IARC, or CAL/OSHA and therefore are not considered to be, nor suspected to be, cancer-causing agents by these agencies.

GERM CELL MUTAGENICITY INFORMATION: This product does not contain components which are documented as Germ Cell Mutagenicity hazards.

REPRODUCTIVE TOXICITY INFORMATION: This product does not contain components which are documented as reproductive hazards.

SPECIFIC TARGET ORGAN TOXICITY – SINGLE EXPOSURE: No specific data available for this product.

SPECIFIC TARGET ORGAN TOXICITY – REPEATED EXPOSURE: No specific data available for this product.

ASPIRATION HAZARD This product is not anticipated to be an aspiration hazard.



SAFETY DATA SHEET

SECTION 12 - ECOLOGICAL INFORMATION

ALL WORK PRACTICES MUST BE AIMED AT ELIMINATING ENVIRONMENTAL CONTAMINATION.

Toxicity

Ethanol:

LC50 – Pimephales promelas (fathead minnow) – 14,200 mg/l – 96h

LC50 – Ceriodaphnia dubia (water flea) – 5,012 mg/l – 48h

EC50 – Chlorella vulgaris (fresh water algae) – 275 mg/l – 72h

Persistence and degradability

No specific data available on this product.

Bioaccumulative potential

No specific data available on this product.

Mobility in soil

No specific data available on this product.

Results of PBT and vPvB assessment

No specific data available on this product.

Other adverse effects

No specific data available on this product.

SECTION 13 - DISPOSAL CONSIDERATIONS

PRODUCT DISPOSAL: Burn in a chemical incinerator equipped with an afterburner and scrubber but exert extra care in igniting as this material is highly flammable. Please be advised that state and local requirements for waste disposal may be more restrictive or otherwise different from federal laws and regulations. Consult state and local regulations regarding the proper disposal of this material.

COMMENTS: The generation of waste should be avoided or minimized wherever possible. Avoid dispersal of spilled material and runoff and contact with soil, waterways, drains and sewers. Disposal of this product, solutions and any by-products should at all times comply with the requirements of environmental protection and waste disposal legislation and any regional/local authority requirements.

SECTION 14 - TRANSPORTATION INFORMATION

US DOT/IMDG/IATA:

PROPER SHIPPING NAME: Ethanol

HAZARD CLASS NUMBER and DESCRIPTION: Category 3 Flammable Liquid

UN IDENTIFICATION NUMBER: UN1170

PACKING GROUP: II

DOT LABEL(S) REQUIRED: Flammable Liquid

NORTH AMERICAN EMERGENCY RESPONSE GUIDEBOOK NUMBER (2016): 127

MARINE POLLUTANT: Ingredients are not classified by the DOT as a Marine Pollutant (as defined by 49 CFR 172.101, Appendix B)

SECTION 15 - REGULATORY INFORMATION

Safety, health and environmental regulations/legislation specific for the substance or mixture

UNITED STATES REGULATIONS

SARA REPORTING REQUIREMENTS: This product is not subject to the reporting requirements of Sections 302, 304 and 313 of Title III of the Superfund Amendments and Reauthorization Act.

TSCA: All components in this product are listed on the US Toxic Substances Control Act (TSCA) inventory of chemicals.

SARA 311/312:

Acute Health: Yes Chronic Health: No Fire: Yes Reactivity: No

U.S. CERCLA REPORTABLE QUANTITY (RQ):

CERCLA Reportable Quantity RQ: None

CLEAN WATER ACT:

None of the chemicals in this product are listed as Hazardous Substances under the CWA.

STATE REGULATIONS: None.

CALIFORNIA SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT (PROPOSITION 65): None of the ingredients are on the California Proposition 65 lists.



**CARBON
CHEMISTRY**

SAFETY DATA SHEET

CANADIAN REGULATIONS:

CANADIAN DSL/NDL INVENTORY STATUS: All of the components of this product are on the DSL Inventory

CANADIAN ENVIRONMENTAL PROTECTION ACT (CEPA) PRIORITIES SUBSTANCES LISTS: No component of this product is on the CEPA First Priorities Substance Lists.

CANADIAN WHMIS CLASSIFICATION and SYMBOLS: This product is categorized as per WHMIS 2015 Controlled Product Regulations.

SECTION 16 - OTHER INFORMATION

HMIS RATING

HEALTH	1
FLAMMABILITY	3
PHYSICAL HAZARD	0
PERSONAL PROTECTION	X

NFPA RATING



Caution: HMIS and NFPA ratings are based on a 0-4 rating scale
0= Minimal Hazard, 1= Slight, 2= Moderate, 3= High, 4= Extreme

GENERAL STATEMENTS:

Key or Legend to abbreviations and acronyms

AIHA	- American Industrial Hygiene Association
ACGIH	- American Conference of Governmental Industrial Hygienists
CASRN	- Chemical Abstract Services Registry Number
CFR	- Code of Federal Regulations
D.O.T.	- United States Department of Transportation
IARC	- International Agency for Research on Cancer
OSHA	- Occupational Safety and Health Administration
NIOSH	- National Institute for Occupational Safety and Health
NTP	- National Toxicology Program
PPM	- Parts per million
mg/m ³	- milligram per cubic meter
kg	- kilogram
L or l	- Liter
n.o.s.	- not otherwise specified
Lbs.	- Pounds
mm ² /s	- millimeters squared per second
PMCC	- Pensky-Martens Closed Cup
LC50	- Lethal Concentration 50 (concentration in water having a 50% chance of causing death to aquatic life)
EC50	- Effective Concentration that causes 50% inhibition in growth or mobilization
OECD	- Organization for Economic Cooperation and Development
SOCMI	- Synthetic Organic Chemical Manufacturing Industry
VOC	- Volatile Organic Compound

PREPARED BY: Chris Eigbrett

MSDS to GHS Compliance (www.msdstoghs.com)

Disclaimer: Although reasonable care has been taken in the preparation of this document, we extend no warranties and make no representations as to the accuracy or completeness of the information contained therein, and assume no responsibility regarding the suitability of this information for the user's intended purposes or for the consequences of its use. Each individual should make a determination as to the suitability of the information for her/his particular purpose(s).

Revision History:

May 16, 2018

- Document creation.

END OF SDS

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A-3.0 PROPOSED REFLECTED CEILING PLAN
A-4.0 PROPOSED EQUIPMENT PLAN
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E-1.0 ELECTRICAL LEGEND, GENERAL NOTES AND ABBREVIATIONS
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M-4.2 MECHANICAL TITLE 24'S
P-1.0 PLUMBING NOTES & SPECIFICATIONS
P-2.0 PLUMBING PLAN-DIV

FIRE DEPARTMENT NOTES

1. FIRE DEPARTMENT INSPECTIONS ARE REQUIRED. SCHEDULE ALL INSPECTIONS 2 DAYS IN ADVANCE.

2. THIS PLAN REVIEW OR APPROVAL ENCOMPASSES THE TENANT IMPROVEMENT PLANS ONLY. FIRE SPRINKLER SYSTEM(S), ALARM SYSTEM(S), UNDERGROUND FIRE LINES OR ANY OTHER FIRE PROTECTION SYSTEM OR REQUIRED FIRE DEPARTMENT PERMIT(S), REQUIRES A SEPARATE PLAN SUBMITTAL AND ARE NOT ENCOMPASSED IN THIS PLAN REVIEW OR APPROVAL.

3. PLANS OF NEW OR MODIFICATIONS TO EXISTING FIRE PROTECTION, DETECTION, ALARM OR MONITORING SYSTEM(S) SHALL BE APPROVED BY THE LOCAL FIRE DEPARTMENT PRIOR TO INSTALLATION OR MODIFICATION. A SEPARATE PLAN SUBMITTAL IS REQUIRED PRIOR TO THE COMMENCEMENT OF ANY WORK. CFC, ARTICLE 1.

4. IF ADDITIONS OF WALLS AND/OR OTHER TENANT IMPROVEMENTS OBSTRUCT OR EFFECT COVERAGE OR PERFORMANCE OF THE FIRE SPRINKLER SYSTEM AND/OR IF ANY MODIFICATIONS TO THE FIRE SPRINKLER SYSTEM IS NECESSARY, FIRE SPRINKLER TENANT IMPROVEMENT PLANS SHALL BE SUBMITTED TO THE LOCAL FIRE DEPARTMENT FOR APPROVAL PRIOR TO INSTALLATION OR ALTERATION(S). NFPA 13

GENERAL CONSTRUCTION NOTES

1. ALL DIMENSIONS ARE TO BE FACE OF STUD OR FACE OF FRAMING, UNLESS OTHERWISE NOTED.

2. DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS TAKE PRECEDENCE OVER SCALE DRAWINGS.

3. PLUMBING, MECHANICAL AND ELECTRICAL SHALL COMPLY WITH CURRENT CODES. THESE DISCIPLINES ARE SUBJECT TO FIELD VERIFICATION.

4. CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND CONDITIONS AT SITE. ALL DISCREPANCIES WILL BE BROUGHT TO THE ATTENTION OF THE OWNER BEFORE PROCEEDING WITH ANY WORK.

5. ANY WORK DONE TO THE AUTOMATIC SPRINKLER SYSTEM WILL BE A DEFERRED SUBMITTAL.

6. A MINIMUM OF 50% OF THE NON-HAZARDOUS CONSTRUCTION WASTE GENERATED AT THE SITE SHALL BE DIVERTED TO RECYCLE OR SALVAGE.

7. EXISTING PATH OF TRAVEL FROM THE STREET TO THE BUILDING COMPLIES WITH THE REQUIREMENTS OF THE CHAPTER 11, 2016 CBC CODE.

8. PLANS FOR MODIFICATIONS TO EXISTING FIRE PROTECTION EQUIPMENT SUCH AS STANDPIPES, SPRINKLER SYSTEMS AND FIRE ALARM SYSTEMS SHALL BE SUBMITTED TO THE BUILDING DIVISION AND APPROVED BY THE FIRE DEPARTMENT BEFORE THIS EQUIPMENT IS ALTERED OR MODIFIED.

9. LANDINGS SHALL NOT EXCEED 2% SLOPE. CBC 1008.1.5.

10. ALL EQUIPMENT AND APPLIANCES SHALL BE ACCESSIBLE FOR INSPECTION, SERVICE, REPAIR, AND REPLACEMENT WITHOUT REMOVING PERMANENT CONSTRUCTION AS PER SECTION (CBC 304.1)

11. CONTRACTOR SHALL REFERENCE LANDLORD CONSTRUCTION PROCEDURES AND FOLLOW ALL REGULATIONS ESTABLISHED BY LANDLORD REPRESENTATIVE.

PROPERTY DATA

PROPERTY DESCRIPTION

SITE ADDRESS: 3505 CADILLAC AVE, SUITE F-5
COSTA MESA, CA.

APN: 134-661-03

TYPE OF USE: CANNABIS MANUFACTURING (TYPE 6 INFUSED)
PACKAGING, DISTRIBUTION
TYPE 13 TRANSPORTATION

OCCUPANCY TYPE: F-1

AREA: 6,105 -OVERALL

ARCHITECT: JONATHAN L. ZANE ARCHITECTURE
450 N. LA CADENA DR., SUITE A
COLTON, CA. 92324
909-825-1500

ENGINEER -ELEC, MECH: RIVERSIDE ENGINEERING GROUP
450 N. LA CADENA DR., SUITE B
COLTON, CA. 92324
909-254-2100

VICINITY MAP

SCOPE OF WORK

- IMPROVEMENTS TO EXISTING SHELL BUILDINGS
- DEMO OF PARTITION WALL IN EXISTING LOUNGE AREA
- CONVERT EXISTING FITNESS CENTER INTO NEW BUSINESS CENTER
- REMODEL STAFF KITCHEN
- REMODEL INTERIOR FLOORING, PAINT AND TRIM THROUGHOUT
- REMODEL INTERIOR LIGHTING, POWER AND MECHANICAL DUCTING
- UPDATE STOREFRONT DOORS IN-KIND

GOVERNING CODES

ALL WORK SHALL COMPLY WITH:

2016 CBC, CMC, OBC AND CEC, AS AMENDED BY CITY ORDINANCE 2016 TITLE 24 ENERGY REGULATIONS AND THE CALIFORNIA GREEN BUILDING STANDARDS CODE

OVERALL SITE PLAN

REVISIONS

DATE:	BY:

JONATHAN L. ZANE
ARCHITECTURE

NO. A-11046
REV. 8-31-18
STATE OF CALIFORNIA

DATE: 09/26/2018

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A PROJECT FOR:
SW VENTURES
LOCATED AT:
3505 CADILLAC AVE, SUITE F-5
COSTA MESA, CA.

DATE: 09/26/2018
SCALE: as noted
DRAWN: S. Quiroz
JOB: 180806
SHEET: C-1

Modified per supplemental memo dated October 22, 2018

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WALL LEGEND

- [Solid Line] = EXISTING CONCRETE WALL
- [Dashed Line] = EXISTING WALL TO BE DEMOLISHED
- [Thin Solid Line] = EXISTING WALL TO REMAIN
- [Thick Solid Line] = NEW NON-BEARING WALL
- [Hatched Area] = NEW NON-BEARING 1 HR. WALL w/20 MIN. SECURITY MESH APPLIED ON ADMINISTRATIVE/OFFICE SIDE. INSTALL MESH ON STUD AND DRYWALL OVER.
- [Stippled Area] = NEW 'CULTA' PANEL WALL

EXISTING WAREHOUSE
6,785 sq ft

(E) EXIT

(N) EXIT

ELECTRICAL OUTLET

DEMOS FLOOR PLAN

1/4"=1'-0"

[illegible]

JONATHAN L. ZANE
ARCHITECTURE

JONATHAN L. ZANE, ARCHITECT - CA. LIC. #C-11,046
958 NORTH LA CADENA DRIVE
COLTON, CA 92324 (909) 825-7500

DATE: 09/26/2018

A PROJECT FOR:
SW VENTURES
LOCATED AT:
3505 CADILLAC AVE., SUITE F-5
COSTA MESA, CA.

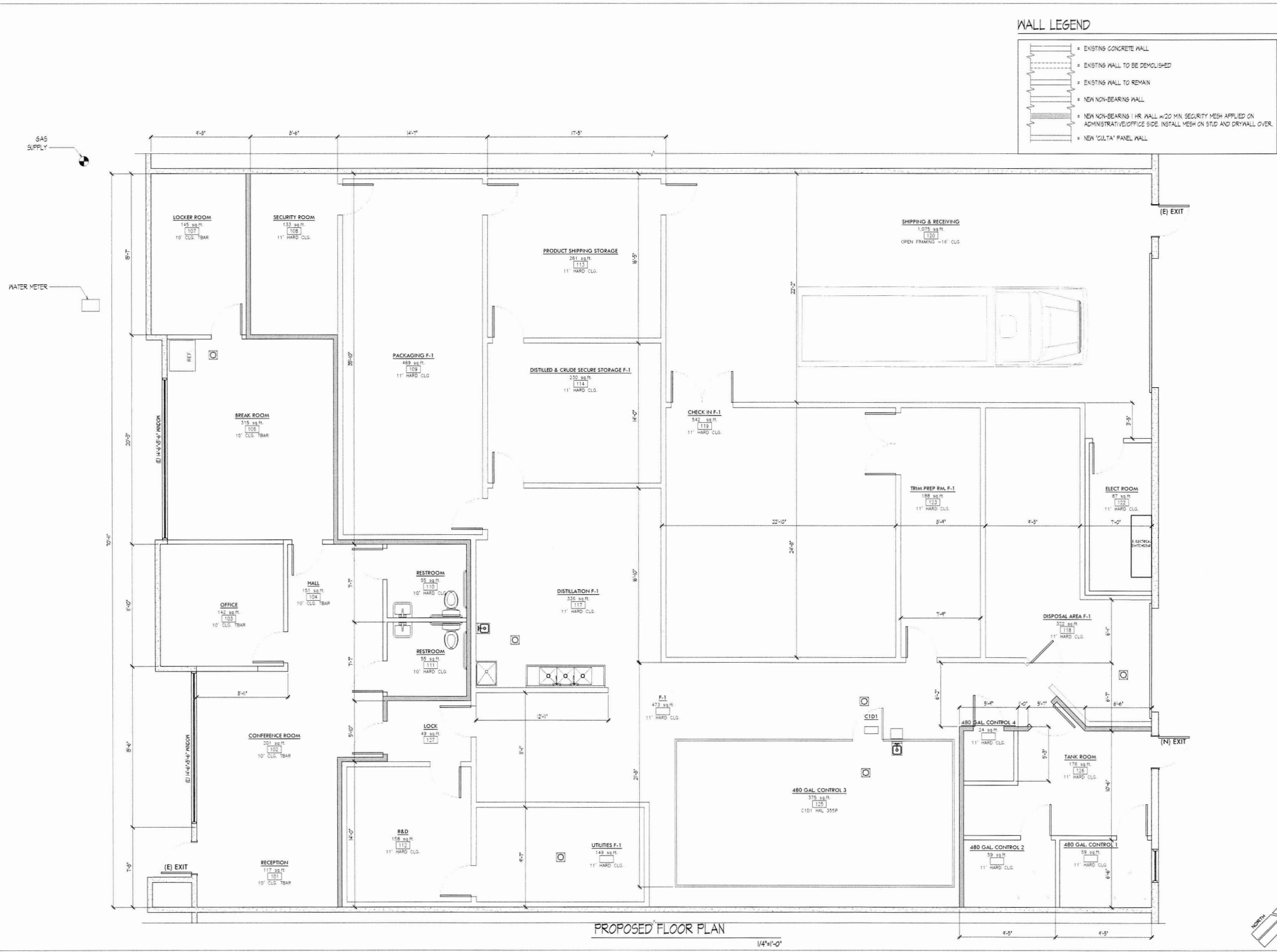
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DATE :	09/26/2018
SCALE :	as noted
DRAWN :	S.Quiroz
JOB :	180806
SHEET :	

A-1.0

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REVISIONS	
DATE	BY

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SW VENTURES
LOCATED AT:
3505 CAMILLE AVENUE, SUITE F-5
COSTA MESA, CA

DATE: 09/26/2018

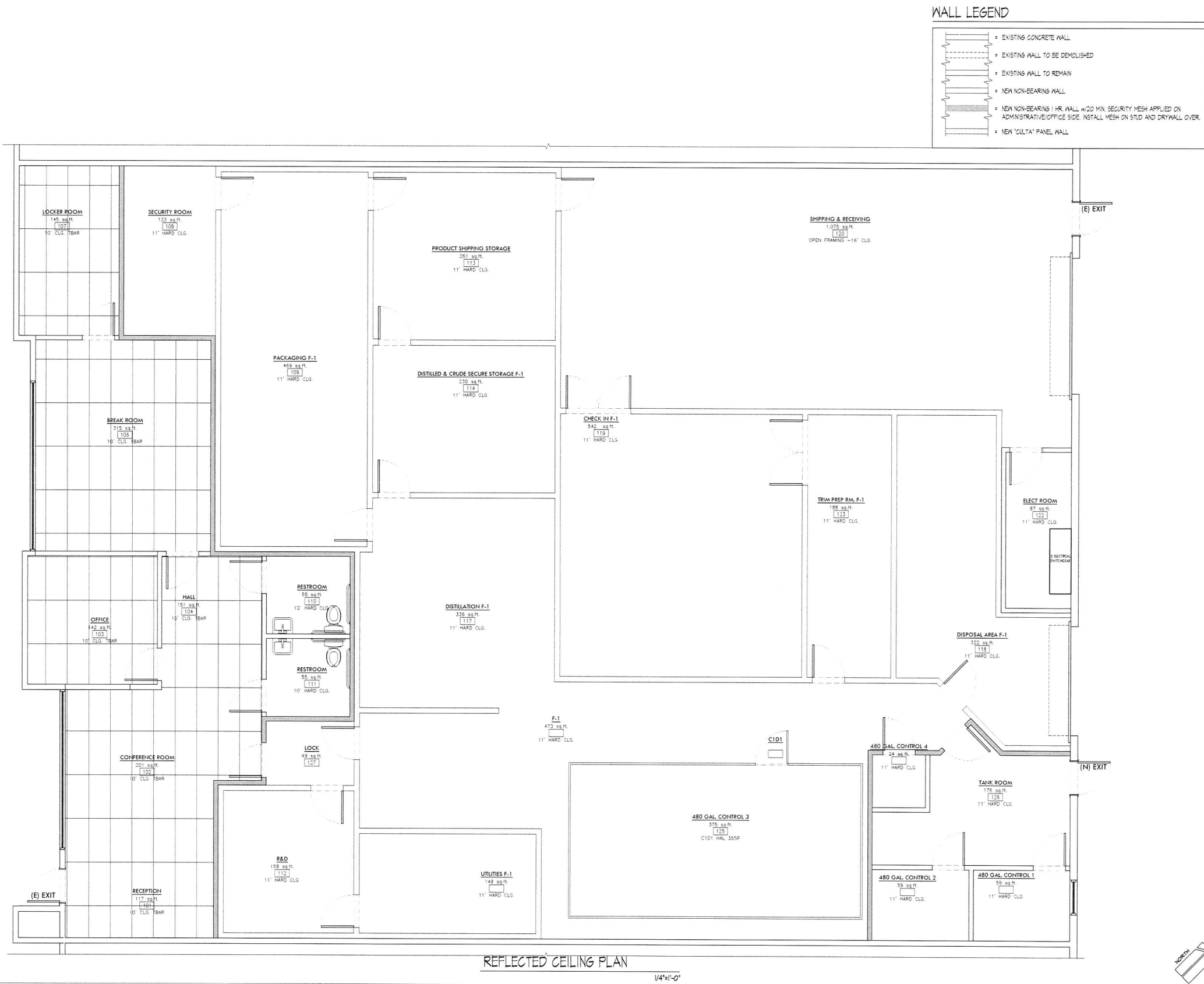
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DRAWN: S. Quiroz

JOB: 180806

SHEET: A-2.0

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REVISIONS	
DATE	BY

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6558 NORDEN LA CAYENA DRIVE
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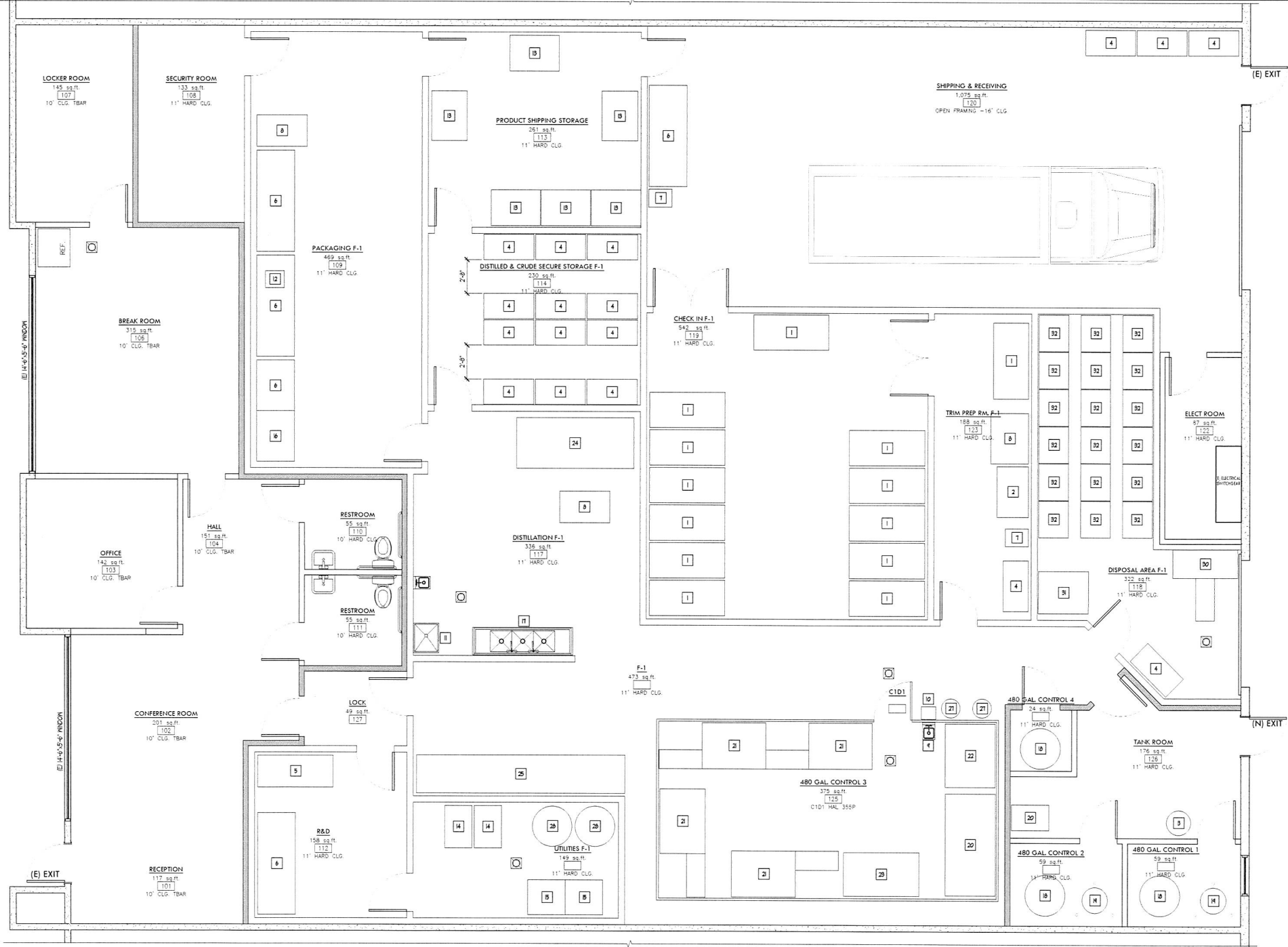
SW VENTURES
LUCAS/DAVID
3505 CADILLAC AVE, SUITE L-5
COSTA MESA, CA

DATE: 09/26/2018

SCALE: as noted
DRAWN: S Quiroz
JOB: 180806
SHEET: **A-3.0**

EQUIPMENT SCHEDULE

ID	DESCRIPTION	MODEL NO.	AMPS	VOLTAGE	KVA	OPER. PERIOD	QUANTITY	ID	DESCRIPTION	MODEL NO.	AMPS	VOLTAGE	KVA	OPER. PERIOD	QUANTITY	ID	DESCRIPTION	MODEL NO.	AMPS	VOLTAGE	KVA	OPER. PERIOD	QUANTITY						
1	YARD RUBBERMAID FLT. TRUCKS	135					14	1	ACORN BARRIER FREE DYE/FACE WASH STATION/SHOWER COMBO	52340-AS-BF					1	23	985 EVAPORATOR UNIT A		30 & 8	130/208 and 15/110		24 HRS.	1 TO 4						
2	MAQU CONICAL MILL	MAV01	6.0	240-3	1.5	12 HRS.	1	12	ROSCAP FL-30/17 LOADING MACHINE		0.25	10		24 HRS.	1	23	FILTRATION 1 HEAT EXCHANGER SKID						31	80 TONS FOR COMPOST/SHAW DUST STORAGE					1
3	SANITARY DRAIN PUMP W/ DRAIN O/F FEED PIPE	SP-3550-3H 1 3P-WFF					1	13	417 RECONVAUSE REFRIGERATOR 18 LISTED	MR644C-1-B	5	10		24 HRS.	8	23	BOMPASS EVAPORATOR/CRYOTER 3K-0		8	10		18 HRS.	1	32	15 GAL TRASH CAN				1
4	3/4" IN 4 FOOT SOLID STORAGE RACKS/SHELVES	HA-844					17	14	SWP SCROLL AIR COMPRESSOR W/ MOTOR	88863041	5.2	208		8 HRS.	2	24	KOT-H WFE SHORT PATH DISTILLATION SKID		40.21	208 (250 1666)	22.4	24 HRS.	1						
5	8 FOOT BY 30 INCH WFF TABLE	800T830T35					5	15	BLOOMETT NATURAL GAS STEAM GENERATOR 200,000 BTU	GB26-2009WAT	0.5	10		24 HRS.	2	25	KOT-H WFE SHORT PATH DISTILLATION SKID		21.415	208 (250 1666)	41.375	24 HRS.	1						
6	3 FOOT BY 8 FOOT WFF PREP TABLE	800T830T15					5	16	4 PANE HOOD	40NTH	8	10		12 HRS.	1	26	5 GALLON JACKETED CRUDE STORAGE VESSELS						20						
7	3 PANE COMMERCIAL FLOOR SCALE W/ NETWORKING	DSF500BL	1.5	110		24 HRS.	2	17	TRIPLE COMPARTMENT SINK, RESOURCES FAUCET	TC-3-600-3SRL-K					1	27	30 GAL PINNACLE STAINLESS VESSEL						2						
8	4 FOOT ROLLING TABLE WFF	MT-250-24-3613					4	18	200 GAL PINNACLE STAINLESS VESSEL						2	28	500 GAL COOLING TOWER RESERVOIR						2						
9	HAND WASH SINK	800H51YK					2	18	NO GAL PINNACLE STAINLESS VESSEL						1	29	40 TON COOLING TOWER ROOF UNIT		5.2	230 1666		24 HRS.	2						
10	ACORN BARRIER FREE DYE/FACE WASH STATION	52340-BF					1	20	ASB EXTRACTOR KIT		20	208		8 HRS.	1	30	SOLICOMPONENT MIXER		6.0	230 1666		12 HRS.	1						



PROPOSED EQUIPMENT PLAN
1/4"=1'-0"

REVISIONS

DATE:	BY:

JONATHAN L. ZANE
ARCHITECTURE
JONATHAN L. ZANE ARCHITECT - CA, LIC. #C-11,046
9508 NORTH LA CADENA DRIVE
COLTON, CA 92324 (909) 825-7500



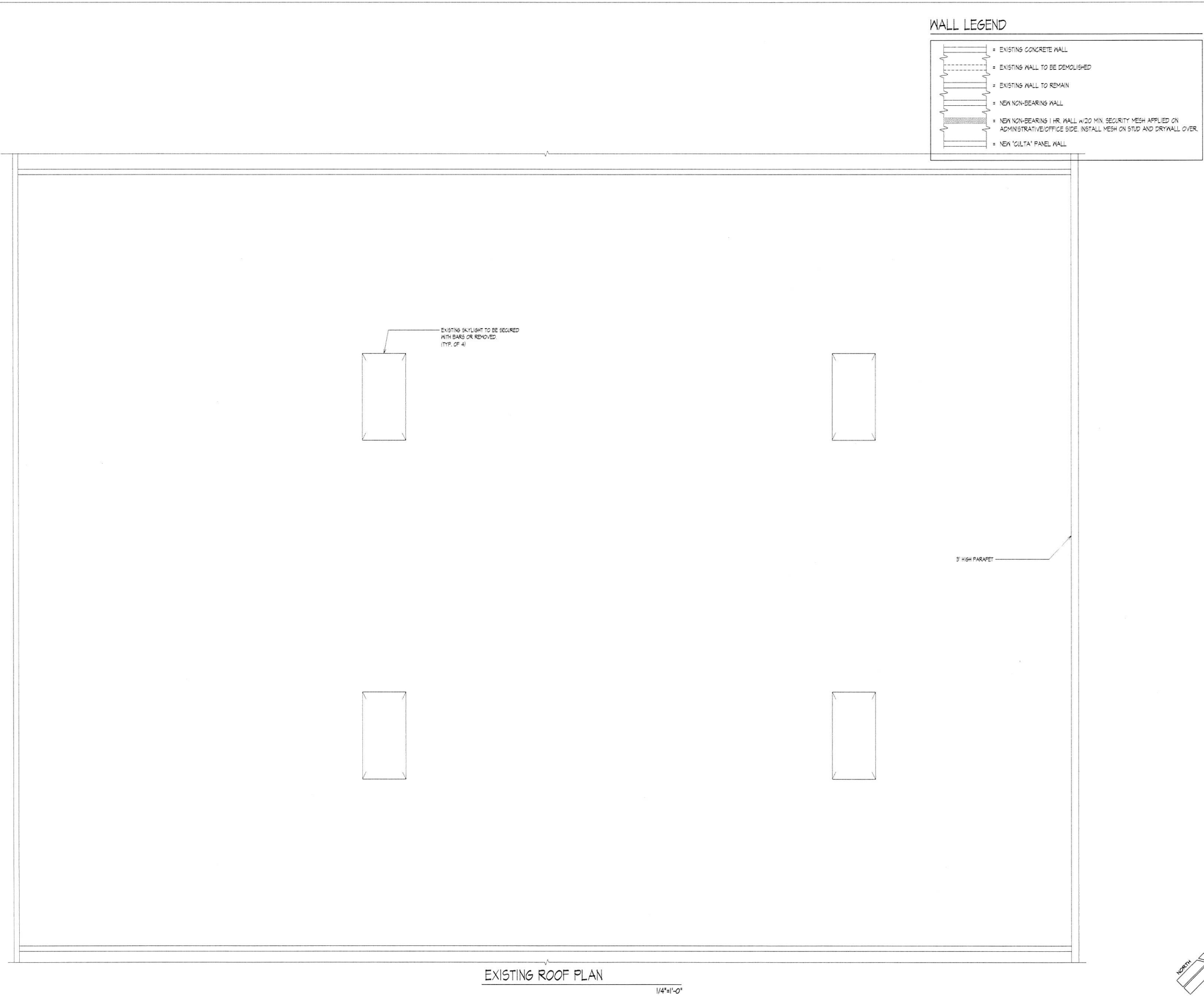
A PROJECT FOR:
SW VENTURES
LOCALIDAD
3505 CAMILLO AVE., SUITE 1-5
COSTA MESA, CA

NOTICE: The designs and ideas indicated by these drawings were created for the use of this project only and are the sole property of Jonathan L. Zane, Architect. These designs may not be used for any other purpose without the written consent of Jonathan L. Zane, Architect.

DATE: 09/26/2018
SCALE: as noted
DRAWN: S.Quiroz
JOB: 180806
SHEET:

A-4.0

NOTICE: The designs and ideas indicated by these drawings were created for the use of this project only and are the sole property of Jonathan L. Zane, Architect. These designs may not be used for any other purpose whatsoever or reproduced without the written consent of Jonathan L. Zane, Architect.



EXISTING ROOF PLAN

1/4"=1'-0"

WALL LEGEND

- EXISTING CONCRETE WALL
- EXISTING WALL TO BE DEMOLISHED
- EXISTING WALL TO REMAIN
- NEW NON-BEARING WALL
- NEW NON-BEARING 1 HR. WALL w/20 MIN. SECURITY MESH APPLIED ON ADMINISTRATIVE/OFFICE SIDE. INSTALL MESH ON STUD AND DRYWALL OVER.
- NEW 'CULTA' PANEL WALL



REVISIONS	
DATE:	BY:

JONATHAN L. ZANE
ARCHITECTURE

JONATHAN L. ZANE ARCHITECT - CA, LIC. #C-11,046
908 NORTH LA CADEMA DRIVE
COLTON, CA 92324 (909) 825-7500

SW VENTURES
1000 AVENUE
3505 CALIFORNIA AVE., SUITE 1-5
COSTA MESA, CA

DATE: 09/26/2018

SCALE: as noted

DRAWN: S.Quiroz

JOB: 180806

SHEET: **A-5.0**

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RESOLUTION NO. PC-18-

**A RESOLUTION OF THE PLANNING COMMISSION OF THE
CITY OF COSTA MESA, CALIFORNIA, APPROVING
PLANNING APPLICATION 18-34 TO ALLOW A MARIJUANA
MANUFACTURING AND DISTRIBUTION FACILITY AT 3505
CADILLAC AVENUE, SUITE F5**

THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA,
HEREBY RESOLVES AS FOLLOWS:

WHEREAS, on or about November 8, 2016, Costa Mesa voters approved Measure X; which allows for the distribution, manufacture, processing, research and development laboratories, testing laboratories and transportation of marijuana related uses located in Industrial Park (MP) and Planned Development Industrial (PDI) zoned properties north of South Coast Drive, west of Harbor Boulevard, excluding the South Coast Collection (SOCO) property located at 3303 Hyland Avenue.

WHEREAS, an application was filed by SW Ventures, representing 82 Investments, LLC, the property owner, requesting approval of the following in accordance with Measure X:

Planning Application 18-34 is a request for a Conditional Use Permit for a marijuana manufacturing and distribution facility (SW Ventures, LLC) within a 7,178-square-foot tenant space of an existing industrial building. The proposed facility will include ethanol cannabis extraction, distillation, packaging and formulation, and distribution of the final product in vaping pens, tablets/capsules, and edibles. Rooms include extraction and distillation, storage and packaging rooms, and ancillary offices. Vehicles used for the distribution of cannabis products will be pulled into a secured area inside the building. The facility will have security systems (card readers, security cameras, etc.) throughout the facility. No cultivation of marijuana, or marijuana dispensary, is permitted.

WHEREAS, on August 22, 2018, the applicant was issued a Notice to Proceed and Background Clearance Letter for the property located at 3505 Cadillac Avenue, Suite F5 (Permit Number MX-18-0008) from the Community Improvement Division, which allows the applicant to proceed with submittal of a conditional use permit consistent with the procedures set forth in Section 13-200.92(c) of the CMMC and Administrative Regulation A.R. 4.2.

WHEREAS, pursuant to the California Environmental Quality Act (CEQA), the project is exempt from the provisions of CEQA under CEQA Guidelines Section 15301 (Class 1) for Existing Facilities.

WHEREAS, a duly noticed public hearing was held by the Planning Commission on October 22, 2018 with all persons having the opportunity to speak for and against the proposal.

BE IT RESOLVED that, based on the evidence in the record and the findings contained in Exhibit A, and subject to the conditions of approval contained in Exhibit B, the Planning Commission hereby **APPROVES** Planning Application 18-34.

BE IT FURTHER RESOLVED that the Costa Mesa Planning Commission does hereby find and determine that adoption of this Resolution is expressly predicated upon the activity as described in the staff report for Planning Application 18-34 and upon the applicant's compliance with each and all of the conditions in Exhibit B, and compliance of all applicable federal, state, and local laws. Any approval granted by this resolution shall be subject to review, modification or revocation if there is a material change that occurs in the operation, or if the applicant fails to comply with any of the conditions of approval.

BE IT FURTHER RESOLVED that the CEQA determination for this project reflects the independent judgment of the Planning Commission of the City of Costa Mesa.

BE IT FURTHER RESOLVED that if any section, division, sentence, clause, phrase or portion of this resolution, or the documents in the record in support of this resolution, are for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions.

PASSED AND ADOPTED this 22nd day of October, 2018.

Stephan Andranian, Chair
Costa Mesa Planning Commission

STATE OF CALIFORNIA)
COUNTY OF ORANGE)ss
CITY OF COSTA MESA)

I, Barry Curtis, Secretary to the Planning Commission of the City of Costa Mesa, do hereby certify that the foregoing Resolution No. PC-18-____ was passed and adopted at a regular meeting of the City of Costa Mesa Planning Commission held on October 22, 2018 by the following votes:

AYES: COMMISSIONERS

NOES: COMMISSIONERS

ABSENT: COMMISSIONERS

ABSTAIN: COMMISSIONERS

Barry Curtis, Secretary
Costa Mesa Planning Commission

Resolution No. PC-18-____

EXHIBIT A

FINDINGS (APPROVAL)

- A. The proposed project complies with Title 13, Section 13-29(g)(2), Conditional Use Permit, of the Municipal Code due to the following:

Finding: The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area.

Facts in Support of Findings: The proposed use is a manufacturing and distribution use and, with the recommended conditions of approval, will be consistent with the other warehousing, manufacturing, and distribution uses in the immediate vicinity. Compliance with the conditions of approval will allow this use to operate with minimal impact on surrounding properties and uses.

Finding: Granting the conditional use permit will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.

Facts in Support of Findings: The proposed use is within an existing building and is consistent with the PDI zoning of the property and the other properties in the vicinity. Compliance with the recommended conditions of approval and code requirements, will ensure that the project is not materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.

Finding: Granting the conditional use permit will not allow a use, density or intensity which is not in accordance with the general plan designation and any applicable specific plan for the property.

Facts in Support of Findings: The project is consistent with the following policies and objectives of the General Plan, Land Use Element. The proposed use is within an existing building and there are no proposed additions to the building; therefore, there is no change to density or intensity. In addition, the proposed use is a permitted use in the industrial zone.

Policy LU-1.1: *Provide for the development of a mix and balance of housing opportunities, commercial goods and services and employment opportunities in consideration of the need of the business and residential segments of the community.*

Consistency: The proposed use will provide a new entrepreneurial business in Costa Mesa and provide new employment opportunities in the community.

Policy LU-3.1: *Protect existing stabilized residential neighborhoods, including mobile home parks (and manufactured housing parks), from the encroachment of incompatible or potentially disruptive land uses and/or activities.*

Consistency: The proposed use is not located near any residentially-zoned properties. Therefore, the use is consistent with the General Plan Policy.

Policy LU-6.15: *Promote unique and specialized commercial and industrial districts within the City which allow for incubation of new or growing businesses and industries.*

Consistency: The proposed use is part of a growing industry and is proposed in a location as specifically identified for such uses by the City's electorate through Measure X. Therefore, approval encourages new businesses and entrepreneurial opportunities in an area of the City identified for such by local voters.

- B. The project is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 (Class 1) for Existing Facilities. The project is exempt because it involves minor alterations to an existing industrial building to accommodate a manufacturing and distribution use where an industrial use existed previously. As such, the project involves a negligible expansion of the prior use and does not have the potential to cause significant environmental impacts. The use, as conditioned, is consistent with the applicable General Plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
- C. The project is exempt from Chapter XII, Article 3, Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

EXHIBIT B

CONDITIONS OF APPROVAL

- Plng.
1. The use of this property as a marijuana manufacturing, processing, and distribution business shall comply with the approved plans and terms described in this resolution and these conditions of approval. No product distribution shall occur between 12:00 AM midnight and 5:00 AM. The Planning Commission may modify or revoke any planning application based on findings related to public nuisance and/or noncompliance with conditions of approval [Title 13, Section 13-29(o)].
 2. This CUP will expire and be of no further force and effect if the applicant does not obtain a valid marijuana business permit for this location within 12 months from issuance of this CUP.
 3. Use of this property as a marijuana distributor, manufacturer, or processor business shall comply with the approved plans and terms described in this resolution and the conditions of approval included herein.
 4. The subject business shall not engage in the retail sale of cannabis or marijuana products, in any form.
 5. Prior to the issuance of certificates of use and occupancy, the applicant shall provide the City with photographs depicting the interior and exterior of the property, including, but not limited to, the entire interior of the proposed property entrances, exits, street frontage, parking front, rear and side of the proposed property.
 6. No cultivation of cannabis or marijuana may occur on the premises.
 7. Business identification signage shall be limited to that needed for identification only. Business identification signage shall not include any references to marijuana, whether in words or symbols. All signs shall comply with the Costa Mesa Municipal Code. No sign shall be installed until the owner/operator or its designated contractor has obtained any permit required from the City.
 8. A Marijuana Business Permit may be revoked upon a hearing by the Director of Development Services pursuant to Section 9-120 of the Costa Mesa Municipal Code for failing to comply with the terms of the permit, the applicable provisions of the Municipal Code, state law or regulation and/or any condition of any other permit issued pursuant to this code. Revocation of the Marijuana Business Permit shall trigger the City's proceedings to revoke this CUP. The CUP granted herein shall not be construed to allow any subsequent owner/operator to continue operating under PA-18-34 until a valid Marijuana Business Permit is received from the City of Costa Mesa.
 9. This business operator shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees and permits required under federal, state and local law. This business operator shall cooperate with the City with respect to any reasonable request to audit the marijuana business' books and records for the purpose of verifying

compliance with the CMMC and this CUP, including but not limited to a verification of the amount of taxes required to be paid during any period.

10. a. The owner/operator of this marijuana business shall maintain accurate books and records, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis, or at any time upon reasonable request of the City, the owner/operator shall file a sworn statement detailing the number of sales by the marijuana business during the previous twelve month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes paid or due to be paid.
 - b. The owner/operator shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the marijuana business, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the marijuana business. The register required by this condition shall be provided to the City Manager upon a reasonable request.
 - c. The owner/operator shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the production or manufacturing, laboratory testing and distribution processes. Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPPA), the owner/operator shall allow City officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted marijuana activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (24) hours after receipt of the City's request, unless otherwise stipulated by the City.
 - d. The owner/operator shall have in place a point-of-sale tracking system to track and report on all aspects of the marijuana business including, but not limited to, such matters as cannabis tracking, inventory data, and gross sales (by weight and by sale). The owner/operator shall ensure that such information is compatible with the City's record-keeping systems. The system must have the capability to produce historical transactional data for review by the City Manager.
11. The owner/operator shall obtain and maintain at all times during the term of the permit comprehensive general liability insurance and comprehensive automotive liability insurance protecting the permittee in an amount of not less than one million dollars (\$1,000,000.00) per occurrence, combined single limit, including bodily injury and property damage and not less than one million dollars (\$1,000,000.00) aggregate for each personal injury liability, products-completed operations and each accident, issued by an insurance provider admitted and authorized to do business in California and shall be rated at least A-:viii in A.M. Best & Company's Insurance Guide.

Proof of said insurance must be provided to the Planning Division before the business commences operations. Any changes to the insurance policy must be submitted to the Community Improvement Division within 10 days of the date the change is effective.

12. The operator shall maintain a valid Marijuana Business Permit and a valid Business License at all times. The Marijuana Business Permit application number associated with this address is MX-18-0008. Upon issuance, the Marijuana Business Permit will be valid for a two-year period and must be renewed with the Community Improvement Division prior to its expiration date, including the payment of permit renewal fees.
13. No person may engage in any marijuana business or in any marijuana activity within the City including manufacture, processing, laboratory testing, transporting, dispensing, distribution, or sale of cannabis or a cannabis product unless the person:
 - a. Has a valid Marijuana Business Permit from the City.
 - b. Pays all Marijuana Business Permit and all application fees and deposits established by resolution of the City Council, including, but not limited to, annual Community Improvement Division Inspection deposits.
 - c. Has obtained all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such marijuana business intends to operate.
 - d. Has obtained a City business license pursuant to Chapter I of the Municipal Code.
 - e. Has met all requirements of Community Improvement Division regarding the property.
 - f. Has satisfied all conditions of approval of this CUP.
14. Cannabis shall not be consumed on the premises at any time, in any form.
15. No outdoor storage of cannabis or cannabis products is permitted at any time.
16. All cannabis and cannabis products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with State and local regulations.
17. The sale, dispensing, or consumption of alcoholic beverages on or about the premises is prohibited.
18. Persons under the age of twenty-one (21) years shall not be allowed on the premises of this business. It shall be unlawful and a violation of this CUP for the owner/operator to employ any person who is not at least twenty-one (21) years of age.
19. The owner/operator shall prohibit loitering by persons outside the facility both on the premises and within fifty feet (50') of the premises.
20. No cannabis or cannabis products, or graphics depicting cannabis or cannabis products, shall be visible from the exterior of this property, or on any of the vehicles owned or used as part of the marijuana business.

21. Each entrance to the business shall be visibly posted with a clear and legible notice stating the following:
 - a. That smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the marijuana business is prohibited.
 - b. That no person under the age of twenty-one (21) years of age is permitted to enter upon the premises.
 - c. That loitering by persons outside the facility both on the premises and within fifty feet (50') of the premises is prohibited.
22. Odor control devices and techniques shall be incorporated to ensure that odors from marijuana are not are not detected outside the property, anywhere on adjacent property or public right-of-way, or within any other units located within the same building as the marijuana business. Building and mechanical permits must be obtained from the Building Division prior to work commencing on any part of the odor control system.
23. Security and Safety Measures: The Security Plan and Safety Plan identified in the approved Marijuana Business Permit must be implemented at all times and must conform to the requirements of both Title 9, Chapter VI and the City's Administrative Regulation Number 4.2.
24. Every manager, supervisor, employee or volunteer of the marijuana business must submit fingerprints and other information specified on the Marijuana Business Permit for a background check by the Costa Mesa Police Department to verify that person's criminal history.
 - a. No employee or volunteer may commence paid or unpaid work for the business until the background checks have been approved.
 - b. No marijuana business or owner thereof may employ any person who has convicted of a felony within the past 7 years, unless that felony has been dismissed, withdrawn, expunged or set aside pursuant to Penal Code sections 1203.4, 1000 or 1385, or who is currently on probation or parole for the sale, distribution, possession or manufacture of a controlled substance.
25. All employees must wear an identification badge while on the premises of the business, in a format prescribed by the City Manager.
26. Should any employee, volunteer or other person who possess an identification badge be terminated or cease their employment with the business, the applicant shall return such identification badge to the Community Improvement Division within 24 hours, not including weekends and holidays.
27. Inspections of this marijuana business by the City's Community Improvement Division will be conducted, at a minimum, on a quarterly basis. Code Enforcement officers, the Building Official and/or the Fire Marshall may enter and inspect the location of this business between the hours of 8:00 AM and 5:00 PM Monday through Friday upon 24 hours telephonic notice to the owner or operator, to ensure compliance with this CUP.

28. The City Manager or his or her designees may enter this business at any time during the hours of operation without notice, and inspect the location of this business as well as any recordings and records required to be maintained pursuant to Title 9, Chapter VI or under applicable provisions of State law. The City Manager or his or her designees may conduct inspections at the site, as well as any recordings and records required to be maintained pursuant to Title 9, Chapter VI or under applicable provisions of State law.
29. Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a marijuana business to operate within the City, until the State of California, or its respective department or division, reinstates or reissues the State license. Should the State of California, or any of its departments or divisions, revoke or terminate the license of a marijuana business, such revocation or termination shall also revoke or terminate the ability of a cannabis business to operate within the City. This CUP will expire and be of no further force and effect if any state issued license remains suspended for a period of 6 months. Documentation of three violations during routine inspections or investigations of complaints shall result in the Community Improvement Division scheduling a hearing before the Director of Development Services to consider revocation of the Marijuana Business Permit.
30. The business must obtain any and all licenses required by state law and/or regulation prior to engaging in any cannabis activity at the property.
31. Pursuant to Title 9, Chapter VI It is unlawful for any person having responsibility for the operation of a marijuana business, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a marijuana business under this chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsifies any records, recordings or other documents required to be maintained by a marijuana business under this chapter or under state or local law.
32. The uses authorized by this Conditional Use Permit must be conducted in accordance with all applicable state and local laws, including, but not limited to compliance with the most current versions of the provisions of the California Code of Regulations that regulate the uses permitted hereby. Any violation thereof shall be a violation of the conditions of this permit and may be cause for revocation of this permit.
33. Any change in the operational characteristics of the use shall be subject to Planning Division review and may require an amendment to the conditional use permit, subject to either Zoning Administrator or Planning Commission approval, depending on the nature of the proposed change.
34. Any change in equipment, operation, or hazard shall be submitted to the City for review and approval prior to the change taking place.

35. The operator shall maintain free of litter all areas of the premises under which applicant has control.
36. The use shall be conducted, at all times, in a manner that will allow the quiet enjoyment of the surrounding neighborhood. The operator shall institute whatever security and operational measures are necessary to comply with this requirement.
37. The applicant shall defend, indemnify, and hold harmless the City, its elected and appointed officials, agents, officers and employees from any claim, action, or proceeding (collectively referred to as "proceeding") brought against the City, its elected and appointed officials, agents, officers or employees arising out of, or which are in any way related to, the applicant's project, or any approvals granted by City related to the applicant's project. The indemnification shall include, but not be limited to, damages, fees and/or costs awarded against the City, if any, and cost of suit, attorney's fees, and other costs, liabilities and expenses incurred in connection with such proceeding whether incurred by the applicant, the City and/or the parties initiating or bringing such proceeding. This indemnity provision shall include the applicant's obligation to indemnify the City for all the City's costs, fees, and damages that the City incurs in enforcing the indemnification provisions set forth in this section. City shall have the right to choose its own legal counsel to represent the City's interests, and applicant shall indemnify City for all such costs incurred by City.
38. Prior to occupancy, the applicant shall provide a scaled and dimensioned digital floor plan(s) for the tenant space, on either a CD or thumb drive, to the Planning Division.
39. The Applicant shall submit project plans that comply with the security-related requirements as recommended by the City's security-consultant, HdL, including, but not limited to, the following:
 - The applicant shall be required to increase security at glass door(s) and windows in the form of bars, a wall to cover the glass, or install a product similar to 3M™ Scotchshield™ safety and security window film where appropriate.
 - A short wall with a door should be constructed between the tank room and the disposal and trim prep rooms.
 - The distribution and manufacturing areas should be clearly delineated between the two uses.

CODE REQUIREMENTS

The following list of federal, state and local laws applicable to the project has been compiled by staff for the applicant's reference. Any reference to "City" pertains to the City of Costa Mesa.

- Plng. 1. All contractors and subcontractors must have valid business licenses to do business in the City of Costa Mesa. Final inspections, final occupancy

and utility releases will not be granted until all such licenses have been obtained.

2. Approval of the planning/zoning application is valid for two (2) years from the effective date of this approval and will expire at the end of that period unless applicant establishes the use by one of the following actions: 1) a building permit has been issued and construction has commenced, and has continued to maintain a valid building permit by making satisfactory progress as determined by the Building Official, 2) a certificate of occupancy has been issued, or 3) the use is established and a business license has been issued. A time extension can be requested no less than thirty (30) days or more than sixty (60) days before the expiration date of the permit and submitted with the appropriate fee for review to the Planning Division. The Director of Development Services may extend the time for an approved permit or approval to be exercised up to 180 days subject to specific findings listed in Title 13, Section 13-29 (k) (6). Only one request for an extension of 180 days may be approved by the Director. Any subsequent extension requests shall be considered by the original approval authority.
3. Hours of construction shall comply with Section 13-279, Title 13, of the Costa Mesa Municipal Code.
4. Permits shall be obtained for all signs according to the provisions of the Costa Mesa Sign Ordinance.
5. Street address shall be visible from the public street and/or shall be displayed on the freestanding sign. If there is no freestanding sign, the street address may be displayed on the fascia adjacent to the main entrance or on another prominent location. When the property has alley access, address numerals shall be displayed in a prominent location visible from the alley. Numerals shall be a minimum twelve (12) inches in height with not less than three-fourth-inch stroke and shall contrast sharply with the background. Identification of individual units shall be provided adjacent to the unit entrances. Letters or numerals shall be four (4) inches in height with not less than one-fourth-inch stroke and shall contrast sharply with the background.
6. Any mechanical equipment such as air-conditioning equipment and duct work shall be screened from view in a manner approved by the Planning Division.
7. Trash enclosure(s) or other acceptable means of trash disposal shall be provided. Design of trash enclosure(s) shall conform with City standards.
8. All fences shall be repaired or replaced as necessary under the direction of the Planning Division.
9. Comply with the requirements of the following adopted codes: 2016 California Building Code, 2016 California Electrical Code, 2016 California Mechanical Code, 2016 California Plumbing Code, 2016 California Green Building Standards Code, and 2016 California Energy Code (or the applicable adopted California Building Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Green Building Standards, and California Energy Code, at the time of plan

Bldg.

submittal or permit issuance) and California Code of Regulations, also known as the California Building Standards Code, as amended by the City of Costa Mesa. Requirements for accessibility to sites, facilities, buildings, and elements by individuals with disability shall comply with Chapter 11B of the 2016 California Building Code.

10. The conditions of approval and ordinance or code provisions of Planning Application 18-34 shall be blueprinted on the face of the site plan as part of the plan check submittal package.

11. Prior to the Building Division issuing a demolition permit, contact South Coast Air Quality Management District (AQMD) located at:

21865 Copley Dr.

Diamond Bar, CA 91765-4178

Tel: 909- 396-2000

or

Visit their web site:

<http://www.costamesaca.gov/modules/showdocument.aspx?documentid=23381>. The Building Div. will not issue a demolition permit until an Identification Number is provided by AQMD.

12. Plans shall be prepared by a California licensed Architect or Engineer. Plans shall be wet stamped and signed by the licensed Architect or Engineer prior to the issuance of building permits.

13. Equipment used for the processing or manufacturing of cannabis products shall be approved for use by a recognized testing laboratory.

Fire

14. Comply with the requirements of the 2016 California Fire Code, including the 2016 Intervening Update and referenced standards as amended by the City of Costa Mesa.

15. Non-volatile extraction operations shall be conducted according to the Fire Department approved Safety Plan and the approved building construction plans.

16. Any change in equipment, operation, or hazard shall be submitted to the City for review and approval before the change taking place.

17. There shall be no volatile extraction operations conducted at this facility.

18. A copy of the approved technical report and Safety Plan shall be maintained onsite at all times, and it shall be available at the request of any City Official.

19. The storage, use, and disposal of hazardous materials at this facility shall be conducted according to the California Fire Code and the Orange County Environmental Health Department regulations.

20. Marijuana liquid or solid waste must be made unusable and unrecognizable before leaving a secured storage area and shall be disposed of at facility approved to receive such waste.

21. Quarterly Fire & Life Safety Inspections will be conducted by the Community Risk Reduction Division to verify compliance with the approved operation. The applicant will pay for the inspection according to the Additional Required Inspections as adopted in the Fee Schedule.

22. Annual Fire & Life Safety Inspections will be conducted by the Fire Station Crew for emergency response pre-planning and site access familiarization. The applicant will pay for the inspection according to the adopted Fee Schedule.

SPECIAL DISTRICT REQUIREMENTS

The requirements of the following special districts are hereby forwarded to the applicant:

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| Sani. | 1. | The applicant is required to contact the Costa Mesa Sanitary District at (949) 654-8400 to arrange final sign-off prior to certificate of occupancy being released. |
| | 2. | Applicant shall contact Costa Mesa Sanitary District at (949) 654-8400 for any additional district requirements. |
| AQMD | 3. | Applicant shall contact the Air Quality Management District (AQMD) at (800) 288-7664 for potential additional conditions of development or for additional permits required by AQMD. |
| Water | 4. | Customer shall contact the Mesa Water District – Engineering Desk and submit an application and plans for project review. Customer must obtain a letter of approval and a letter of project completion from Mesa Water District. |
| State | 5. | Comply with the requirements of the California Department of Food and Agriculture (CDFA) to determine if red imported fire ants (RIFA) exist on the property prior to any soil movement or excavation. Call CDFA at (714) 708-1910 for information. |