CR Manufacturing Applicant Letter

CR Manufacturing Inc. is petitioning for the approval of a Conditional Use Permit from the City of Costa Mesa for the operation of a Manufacturing facility.

CR Manufacturing Inc. will be a licensed Type 6 (Non-volatile) manufacturing facility located in the designated Measure X Zone of Costa Mesa, at 3550 Cadillac Avenue, and will abide by all stipulations of the Measure X in our operation. Moreover, our facility will be an efficient, clean operation of that focuses on the creation of cannabis products over and above industry standards for quality, security, and safety.

The below criteria for the Conditional Use Permit have been satisfied:

1) The site/property for the proposed Manufacturing use is sufficient in design, size, layout, and shape for the safe and proper execution of the business's goals.
2) The site for the proposed Manufacturing use relates to surrounding community, which has been zoned specifically for cannabis businesses in Costa Mesa. The design of the building will fit in a complementary fashion to the surrounding area.
3) The Applicant's presence will not detrimentally impact the surrounding neighborhood, and advanced safety, security, and nuisance avoidance measures will be in place to continuously ensure that (odor control, crime abatement, strict training procedures, on-site security, etc.).
4) The Applicant's business, property, location, and design are consistent with the General Plan.

The operation of our facility follows that of a simple and straight forward production line. We will not be a Type 7 Manufacturer, so no extraction of any cannabis constituent components will take place on our premises. Rather, we will be purchasing already extracted cannabis constituent products (oils, concentrates, and CBD) to be assembled into their respective retail sale products, which includes largely vapor pens and vapor cartridges, and product packaging. We are effective engaging assembly and packaging of finished cannabis products.

We plan to operate from the hours of 8:00AM to 6:00PM, Monday through Friday, and 8:00Am to 4:00PM on Saturday. We will be accepting deliveries of raw production materials according on a schedule and will be coordinating the Distribution pickup of finalized product in a similar scheduled manner.

The pre-existing building CR Manufacturing we will be moving into will require some renovation. The focal point of this renovation is the demolition and reconstruction of walls so that that building interior is more conducive to our business operational flow. Our renovation process will be swift, involving no major equipment, and all debris will be disposed of properly.

We also have several avenues in mind to take for improving the Costa Mesa community. Such initiatives include local hiring, non-profit support, and street and park beautification voluntarism.

CR Manufacturing Project Description

CR Manufacturing will be a medicinal and adult-use commercial cannabis Manufacturing business, located in a renovated unit that is designed for secure and efficient operational flow. We will specialize in the production, assembly, and packaging of vapor pens and cartridges (with possibly extending our offering into concentrates admixture and pre-rolls packaging at a later date). We are located in the designated Measure X area, conveniently located less than a mile from Interstate 405. This location is best for Costa Mesa and for us as a business since it gives us direct access to a major thoroughfare for deliveries and helps alleviate traffic concerns in the heart of the City.

We will only be engaged in Type 6 License Manufacturing license, meaning we will not engage in any extraction or manufacturing process that involves volatile solvents.

We will be purchasing the cannabis materials we use in final products (raw flower, oils/concentrates, CBD, etc.) from other vendors, mostly from other licensees that hold Type 7 Manufacturing licenses. This cannabis material enters our facility into a secured designated intake area via a Roll Up Door, enabling the vehicle to drive into the facility for unloading. This material is offloaded, reviewed for quality and order accuracy, and then moved into the appropriate area in the Storage Area. The appropriate area in the Storage Area will be determined based on the needs of the product itself, and will be in the DEA storage cage. The product will remain in the Storage Room until it is time to start production.

Each product line will include its own separate production line requirements. Vape cartridges will be filled, and then some assembled into pens and some going in to packaging as vape cartridge refills. If and when the product line expands, concentrates will be packaged according to pre-determined weights, and some concentrates will be mixed with other enhancing cannabis byproducts; and pre-rolls will be assembled as raw cannabis flower being filled into various types of rolling papers, and some of these raw cannabis pre-rolls will have additional cannabis byproducts like CBD.

Once the product is assembled, finalized, and packaged, we will contact a licensed cannabis Distributor to pick up the product for delivery to retailers once they complete all the steps required of them (storage and testing).

All cultivators, manufacturers, distributors, and retailers we do business with will be properly licensed with the State and the cities they exist in.

We have been issued a Notice to Proceed from the City of Costa Mesa for our facility. We will pursue a Type 6 Manufacturing License from the Bureau of Cannabis Control once we receive local approval.

CR Manufacturing seeks to be an engaged and supportive member in the city of Costa Mesa. With the growth we envision for our company, Costa Mesa will benefit immensely at every level.

We look forward to the future we - and the industry at large - have with the City and its citizens.

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third-party, cannabis-specialized security consultant includes the details of our meeting or exceeding these provisions.

Chapter 1, Article 6. Track and Trace Requirements

§ 5048. Track and Trace System (and related § 5049. Track and Trace Reporting Sections (a-d))

Sections (a-g) give the in-depth specifications and requirements for tracking of all cannabis products, details, and movement.

Please see our Operational Plan Section for how the tracking of product is integrated into our operational process, as well as the details on the software tracking system we will use in Appendix C.

§ 5050. Loss of Access

Sections (a-c) pertain to the procedures licensees are to follow when access to the track-and-trace system is lost:

> All transfer and transport is to be halted until access is restored.
>
> The licensee should report the times of loss and of restoration, and the cause to the Bureau immediately.

CR Manufacturing will train employees in these procedures, and instill the understanding that, though inconvenient, the halting of our operation to remain in compliance takes precedent.

§ 5051. Track and Trace System Reconciliation

Sections (a) and (b) require the reconciliation of track-and-trace records with inventory and inventory records every 14 days, and an audit to be performed in the case of a discrepancy.

Many measures will be in place to ensure no discrepancies arise, and, with the inventory management experience CR Manufacturing has, we would prefer to conduct an audit every 7 days – more frequently than is required – catching potential diversion and product losses much earlier than other businesses should it exist.

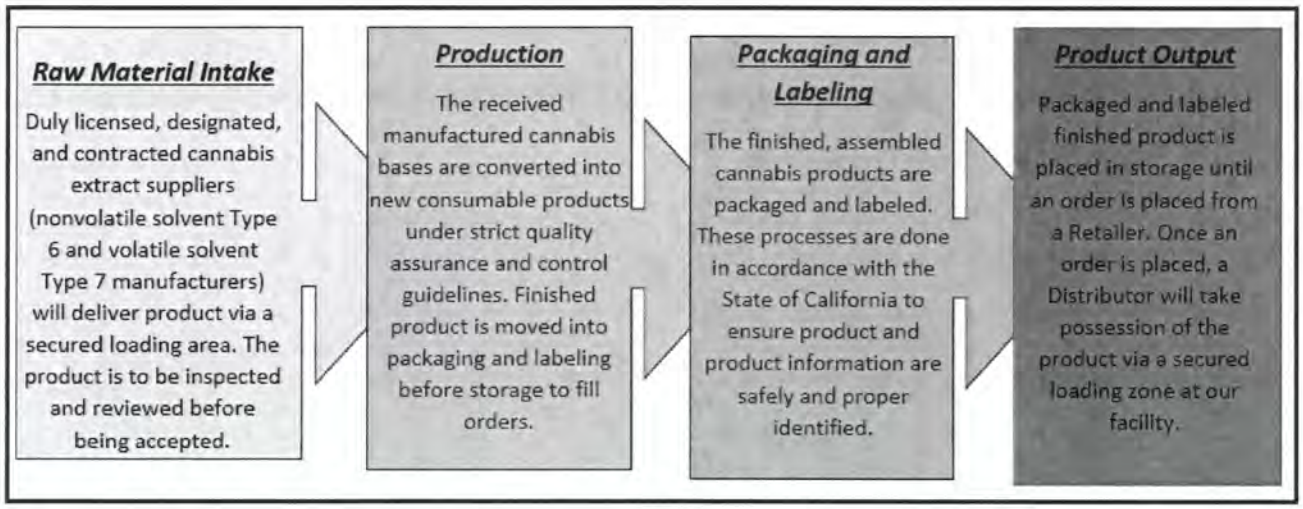
6.7 Operational Plan

Manufacturing Process

CR Manufacturing will operate with the utmost standards of care and compliance. We believe that the way forward in creating a legitimate and successful business in an evolving legal market is to put product quality and safety above all else. In the pursuit of that goal, we turn to several sources to create the best practices that will come to define our business: The State laws for safe and proper manufacturing, our own experience in the cannabis industry, and academic business research.

The manufacturing process at CR Manufacturing can be broken down into four distinct parts, each of which can be extrapolated on to give the City a full picture of our business and compliance capacity:

1. *Raw Material Intake*
2. *Production*
3. *Packaging and Labeling/Quality Assurance*
4. *Finished Product Output*



Raw Material Intake

First and foremost, the sourcing of our cannabis oils informs and sets the initial conditions for all other aspects of our product creation. From a manufacturing standpoint, it is an incredibly important step that is often overlooked, and ultimately defines the quality of the end product. We must start with cleanly manufactured cannabis oils and concentrates, which they themselves must be derived from high-quality and properly grown cannabis plants.

CR Manufacturing has reviewed the regulations set forth by the California Department of Food and Agriculture that all cannabis cultivators must abide by. Since we will be working with manufacturers only in our contracting for products, it is important that we are familiar with the quality control and compliance of the cultivators that those manufacturers received product from. Again, if the plant is not high quality from the start, any oil or concentrate extracted from it will suffer, and thus so too will the finished consumer products we create. Hence, we will request and review the practices and records for cultivators that our manufacturing partners receive their raw product from. We may request information on their seed sourcing, their pesticide use, and their grow methods. Any violation that the cultivation licensee will be considered by its nature and severity,

and any contract we have will contain an exit clause if such violation(s) are substantive enough.

Equally as important, if not more, are the regulations for Type 7 license Manufacturers (volatile solvent use) – the license type that we will be receiving product from to supply our Type 6 license activities. These manufacturers will use various extraction methods to produce oils and concentrates that will end up in our vape pens and cartridges, and the integrity of those extracts plays a huge role in the quality of our end product. Resultingly, we must also be fully aware of the practices and regulatory compliance of our extract suppliers.

There are several aspects to a manufacturing business we will look at before contracting with them. First and foremost, we will ensure that they are properly and duly licensed with the State for the activity they engage in and have a solid compliance record. Secondly, significant research and discussion will be undertaken to determine the production and quality control methods that our Type 7 Manufacturing partners use. There are three facets we will consider selecting these manufacturing contracts:

1. The quality of raw cannabis flower (testing results, minimization of pesticide residue, proper growing and trimming)
2. The integrity of extraction product (proper concentration of THC and CBD levels, minimization of solvent and chemical residue, testing results, Track-and-Trace records)
3. Cleanliness and organization of the overall operation

When dealing with volatile solvents like butane, propane, and glycerol to name a few, it is imperative that these manufacturers take steps to remove any holdover chemical compounds. The independent testing and resulting Certificate of Analysis done by the distributors these manufacturers use is the best way to confirm the extract integrity. Any repeated failures in this regard will result in a review and possible termination of the contract depending on the nature, severity, and number of occurrences. The ongoing Track-and-Trace product information throughout our relationship will aid in any re-evaluation of that partnership on a real-time basis.

With partners selectively contracted, CR Manufacturing still has the onus to ensure and uphold quality for products upon intake. As soon as product arrives in our facility, the physical product is reviewed to match that of the product that was ordered. This is to ensure for our own records that we receive the proper type and proper amount of product, and that all product remains accounted for. If product is physically delivered that is not on the order, it is not accepted by us. This review takes place in the Cannabis Shipping and Receiving Room.

The ordered product is visually inspected, and its Track-and-Trace records are reviewed. This review includes the following:

- The cultivator's name and license number who grew the batch;
- The manufacturer's name and license number who created the product from the batch;
- The distributor's name and license number who transported the batch;
- The unique identifiers and batch number associated with the batch;
- A description of the cannabis goods with enough detail to easily identify the batch;
- The weight of or quantity of units in the batch;
- The best-by, sell-by, or expiration date of the batch; and
- Any noted special storage conditions; if any.

Once this information is reviewed to the satisfaction of our Production Specialists, the product is officially accepted as in our possession in the Track-and-Trace system and noted in our own internal records. If the physical product information does not match that of the Track-and-Trace, it is refused, as well if it is inspected and does not grossly pass visible inspection.

With the product accepted, it is moved into a secured storage room/DEA cage and stored according to any necessary conditions. Since the product is, at this point, merely just cannabis oils, concentrates, and extracts, there is little anticipated special storage conditions as all these types of products have the same storage demands (limited sunlight, humidity control, temperature control, etc.).

All extracts will be stored in secured individualized storage containers that are labeled according to the received product's information. Written on the outside of the storage container, noted in our records, and in the Track-and-Trace system will be the following information:

- Product name, type, and description (strain, content percentage, etc.)
- UID(s)
- Weight (fl. oz.)
- Manufactures business name and license number
- Name of internal employee who place product in storage
    - *Name of internal employee who received and reviewed product if different*
- Date and time product was received
- Date and time product was placed in storage unit
- The best-by, sell-by, or expiration date of the batch; and
- Any noted special storage conditions; if any.

All of this information will aid in our ability to keep track of product and product information. The product is to stay in storage until such time that it is to be removed and used for the manufacture of vape pens and cartridges.

A similar but less intense review of our non-cannabis supplies will also take place to assure we are receiving quality products on this end of production as well. This review will take place in the Non-Cannabis Shipping and Receiving.

Production

Once the constituent products have be securely stored in bulk quantities in their requisite spaces, the actual production process can begin when necessary.

Before any cannabis is even removed from the Storage Area, the Production Specialist must properly setup the Filling machines will empty cartridges, as well as have sufficient empty cartridges on hand to use the complete batch of cannabis oil/concentrate that is to be used in that production session. This is done to minimize the time that cannabis is out and to aid in a swift production schedule.

With Filling machines fully set for production, batches of cannabis oil are removed from the requisite Storage Area and brought into a Packaging Room. Upon removal of the oils and concentrates from the Storage Room, the Production Specialist and Production Manager will update the internal records and the Track-and-Trace software demonstrating the product movement and quantity. The quantity will be in a set amount at each time based upon the products received packaged weight (if the product comes in 16oz packaging, the full 16oz. will be removed; we do not plan to take mere portions of packages).

The packaged cannabis product will be moved into the Packaging Room and placed into the Filling machines. The Filling machines will fill cartridges/vials with the cannabis oil/concentrate. These Filling machines will automatically fill the vials to the specified size of the cartridges, and the process will be supervised by the Production Specialist.

Once the machine has completed the task of filling the vials, the Production Specialist will move the tray of filled cartridges to the Capping machine. The Capping machine will cap the vials securely, thereby completing the physical aspects of the manufacturing process of cartridges.

The cartridges now move in either one of two directions. The first is to be packaged and labeled as individual units in line with the cannabis product details. These cartridges will be sold as refills for vaporizing pens, with near-universal compatibility. These refill cartridges will be sold in packs of one and will feature a full product description.

Second, the cartridges can move forward for additional production into vapor pens. The unfilled vapor pens will be manufactured and supplied by an outside third-party vendor with an excellent product satisfaction record. The filled cartridges are assembled into these pen units. Once assembled, the pre-filled vapor pens are packaged and labeled with the relevant legal and product information.

Cannabis product information is tracked at every stage of the process, with real-time updates on product movement and product details.

Packaging and Labeling/Quality Assurance

Manufactured products are packaged and labeled as soon as they are created, and then moved into proper storage conditions.

All products will be packaged and labeled in strict accordance with the regulations mandated by the Department of Public Health in the Packaging Rooms. All products will have labels affixed to their exterior packaging, written in English, and will be conspicuously readable.

There are two labels for which the manufacturer is responsible for, the Primary Panel Label, and the Informational Panel Label, to go on all products. Each label requires different information, and is broken down as follows:

Primary Panel Label:

(1) The identity of the product in a text size reasonably related to the most prominent printed matter on the panel;

(2) The universal symbol

(3) The net weight or volume of the contents of the package;

(4) The THC content and CBD content for the package in its entirety, expressed in milligrams per package.

Informational Panel Label:

(1) The licensed manufacturer and its contact number or website address;

(2) The date of the cannabis product's manufacture and packaging;

(3) The following statement in bold print: "GOVERNMENT WARNING: THIS PRODUCT CONTAINS CANNABIS, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. CANNABIS PRODUCTS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. THE INTOXICATING EFFECTS OF CANNABIS PRODUCTS MAY BE DELAYED UP TO TWO HOURS. CANNABIS USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF CANNABIS PRODUCTS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY. PLEASE USE EXTREME CAUTION."

(4) A list of all product ingredients in descending order of predominance by weight or volume;

(5) Instructions for use, such as the method of consumption or application, and any preparation necessary prior to use;

(6) The product expiration date, "use by" date, or "best by" date, if any; and
(7) The UID and, if used, the batch number.

For packages containing only dried flower, the net weight of cannabis in the package, the source and date of cultivation, and the type of cannabis or cannabis product are displayed.

If the product is to be used for medicinal purposes or contains more than 1,000 mg THC per package, the statement "FOR MEDICAL USE ONLY" will be appropriately affixed to the package as a label.

If the product is an edible or any other cannabis-infused ingestible product, the following will additionally by noted on the Informational Panel Label:

(1) the word "contains," followed by a list of the applicable major food allergens, ingredients, flavorings, colorings, and/or an incidental additive that bears or contains a major food allergen;
(2) the names of any artificial food colorings contained in the product;
(3) the amount, in grams, of sodium, sugar, carbohydrates, and total fat per serving;
(4) A warning about nuts or other known possible allergens used in the production of the production or the facility used in the production of the product.

In addition to the above noted requirements for labels, a significant number of mandates are noted for the packaging that cannabis products are put in. These include the following:

- Packages and labels are not attractive to children (no cartoons, "candy" labeling, etc.)
- Only generic food names are used to describe the ingredients in edible cannabis products
- Identification of the source and date of cultivation, the type of cannabis or cannabis product and the date of manufacturing and packaging are displayed

The above outlined packaging and labeling regulations are intensive, CR Manufacturing wants the State, the City, and its residents to know that we are fully committed and well positioned to adhere to these mandates.

With these packaging and labeling requirements in mind, we begin our packaging and labeling process as soon as the production of the product is complete. In the interest of being systematic, increasing efficiency, and having better control of quality and information, the Production Specialist that creates the product is to package and label the product immediately upon completion of production.

Each product type will have a specific type of respective packaging. The nature of the product will dictate the nature of the packaging, as each product's package is designed to be integrated with the branding and marketing strategy of that product. Thus, packaging for vapor pens and cartridges will designed with our target audience in mind. Regardless, all packaging will fall in-line with aforementioned legal mandates.

The Production Specialist has all the required product information readily available to them while working with the product and thus seamlessly begin the packaging and labeling process with zero time or information loss in switching tasks. Our internal product tracing records and our Track-and-Trace records software keep track of all product constituents that go into a manufactured product and provide foolproof sources for content confirmation and quality control. Once the Production Specialist reviews the information about the manufactured product against the internal records, then verifies it against the Track-and-Trace data, our specific Track-and-Trace software has the capability to print the appropriate and compliant Primary and Informational Label to affixed to the package.

At this point, the manufactured product is completed and ready for movement to the storage area.

Finished Product Output

Product that is packed, packaged, and labeled is considered finalized and ready to be sent to our distribution vendor. However, it not immediately transferred to them. It is moved to the designated space of the finished product storage area until such time that enough quantity of the same product is created for bulk pickup from the distributor.

Our total warehouse storage capacity will be 4,260 sq. ft. This is split between 1,231 sq. ft. for cannabis storage space and 3,029 sq. ft. for non-cannabis storage (supplies, records, etc.) We will have no other off-site warehouse or storage location, and all vehicle transportation of product will be handled by the distributor.

Our internal records and the records of the Track-and-Trace system will be updated when the individually packaged product is moved to storage area, and when there is enough individualized product in bulk to transfer to the Distribution vendor.

With this, the product is now in the hands of the Distribution vendor. As with cultivators and manufacturing vendors, we will be selective on our contracting with distributors and ensure that they are legally compliant and uphold stringent testing standards.

We will rely on the Distribution vendor to for the final testing and quality assurance review, further ensuring that our products are pristine when they get to the consumer.

Track and Trace System

CR Manufacturing aims not just to utilize Track-and-Trace to the extent that it is required by the State; rather it is a system that is integrated into our business as a key part of our

success. Track-and-Trace requirements put any cannabis business in a position to gather as much product information and sales metrics as possible, and CR Manufacturing sees opportunity in this rather than challenge.

The Track-and-Trace software we plan to use is BioTrackTHC. BioTrack THC has full interoperability with the State's Metrc reporting software, and has the capability to track all product information, including plants, harvests batches, strains, packages, lab results, and sales.

Specific to manufacturing, BioTrack provides the following indispensable attributes:

- Conversion Tracking – Covering the transition of products into single or multiple by-products, while maintaining a complete chain of custody, logging cost per gram calculations and product notifications or recalls.
- Transactional Reports – Invoice and purchase orders generation at all levels for record keeping and safe, compliant business practices.
- Transport Manifests – Creation, submission, and storing of compliant transportation manifests noting vehicle, driver, and cargo contained for regulatory review.
- Product Details and Labeling – Option of adding non-predefined product details to inventory items, printing key information directly on labels including ingredients, potency results, plus a reactive expiration date that can lock a product if it's past expiration, and much more.

Outside of this interoperability and comprehensive tracking capacity, BioTrack THC boasts numerous other benefits and accolades that stand out amid the other tracking software options. We believe BioTrack THC is the best option for us to be compliant with the State and the City of Costa Mesa in tracking requirements and business needs.

Overall Facility and Product Standards

The key to the prosperous emergence of the cannabis market and CR Manufacturing survival within that market is integrity. One product recall, one failed inspection, or one security breach could have disastrous consequences for us, and could set the market back by years, especially in a somewhat reluctant metropolitan area like Costa Mesa.

We will go to great lengths to prevent this by way of creating an overall culture of compliance and control that is rigid and uncompromising. Such an approach has served us well in other locations, and coupling that experience with the guidance from the California Department of Public Health, we are pushing the boundaries of what a cannabis company can be and achieve.

Getting into specifics, Subchapter 3, Article 3 §40232 to §40242 of the CDPH's Manufactured Cannabis Safety rules outlines the practices of good manufacturing that all

manufacturers are to adhere to. They are outlined below by subject as covered in the law. Further, Article 4 §40250 to 40268, provides even further refinement of manufacturing processes and protocols to maintain quality of end products.

Cleanliness and Sanitation

Strict hygiene practices will be established that all employees must abide by in the creation of all manufactured cannabis products, including the use of gloves, hairnets, and the removal of jewelry even though we are not manufacturing food items, as well as the regular washing of hands before returning to the work station from an absence. All employees will be trained on the standard operating procedure for hygiene and cleanliness.

All cleaning products used to sanitize areas and equipment will be non-toxic and will be performed in a manner to prevent cross contamination or allergen and chemical crossover.

We will further have a regular interval cleaning schedule in which equipment and manufacturing components will be full disassembled and properly cleaned.

Production procedures will be executed in a manner that eliminates the potential for allergen or chemical contamination.

We will have in place procedures for the observation, reporting, containment, and temporary suspension of any individuals with transferable health problems.

Facility and Grounds

Employees will be trained to keep all areas of the facility as clean and organized as possible throughout the day. This includes everything from cleaning the employee kitchen/break room immediately after use to sterilizing storage containers and equipment to proper waste disposal to landscaping and exterior building upkeep. It will be instilled in all employees the importance of keeping all corners of the facility clean and properly maintained.

Premises Layout

The Premises Layout is a highlight of our business as it is designed to exquisitely match the needs of a cannabis manufacturer. Each area is separated for its specific purpose with a flow between rooms that is tightly-controlled and efficient. There are designated rooms for the reception and storage of non-cannabis supplies and the reception and storage of cannabis products. These reception areas each include there

own delivery doors, and are located right next to their ultimate storage destination, minimizing product movement within the unit. The flow and clear delineation of the processes in the unit aids a great deal in keeping quality controlled, and the operation organized and efficient.

Employment Opportunities

CR Manufacturing highly values the communities that allow us to exist within their borders, and Costa Mesa is no exemption. The emerging cannabis market – all its real and perceived baggage – presents unique challenges for Costa Mesa especially, given its political and social history. Indeed, only one other city in Orange County has allowed for the establishment of any cannabis-related businesses, and Costa Mesa's caution is further expressed in its ban on retail cannabis sales. We understand the roots of this caution and commit to being a positive presence for the City and community of Costa Mesa.

As part of this, we intend to hire local. We anticipate hiring residents of Costa Mesa at a rate of 75% to meet the needs of our business, and where a certain select few positions cannot be filled by Costa Mesa residents, we will turn to surrounding local Orange County communities.

Throughout the two divisions of our business, we will have a need for approximately 25 full-time employees. The breakdown of these roles is as follows:

General

- **President**, full-time: compensation TBD based on company profits
    - Management of all executive and management staff
    - Work directly with Production Manager and receiving daily or weekly updates on production
    - Work directly with marketing, sales team, and Controller to ensure marketing and financial goals are being met
    - Complete quarterly reviews with all of the manager and executives
    - Be the representative and spokesperson for the company in a high-level capacity
    - Attend political gatherings to meet important people within the city of Costa Mesa, and the State.
    - Develop new partnerships with power brands
    - Strategize for future of the business

- **Controller**, full-time: $100,000 annual salary
    - Report directly to the President.

- Create and maintain a documented system of accounting policies and procedures
- Manage outsourced functions
- Maintain financial reports, records, and general ledgers.
- Prepare and analyze budgets.
- Perform general bookkeeping.
- Billing activities, such as accounts payable and accounts receivable.
- Prepare tax returns that can lead to potential overtime during tax season.

- **Marketing Director**, full-time: $50,000 annual salary, with $25,000 in performance based bonuses
  - Managing trade show budget and activities including collateral events
  - Manage all advertising projects
  - Serve as Social Media Director, and ensure maximum capitalization of those channels for large growth in our social media following.
  - Work with webpage developer to ensure site is set up ideally for marketing needs.
  - Manage the creation of all media content (press releases, social media, branding, etc.)
  - Manage private events and trade shows during the year
  - Develop relationships with local cannabis associations and create speaking engagements and trial opportunities with key influencers

- **Sales Manager**, 1 full-time: $50,000 annual salary, with potential bonus
  - Achieve growth and hit sales targets by successfully managing the sales team
  - Oversee Sales Associate and manage any higher level concerns or decisions
  - Design and implement a strategic business plan that expands company's customer base and ensure its strong presence
  - Own recruiting, objectives setting, coaching and performance monitoring of sales representatives
  - Build and promote strong, long-lasting customer relationships by partnering with them and understanding their needs
  - Present sales, revenue and expenses reports and realistic forecasts to the management team
  - Identify emerging markets and market shifts while being fully aware of new products and competition status

- **Sales Associate**, 1 full-time: $35,000 annual salary with potential for bonus
    - Services existing accounts, obtains orders, and establishes new accounts by planning and organizing daily work schedule to call on existing or potential sales outlets and other trade factors
    - Adjusts content of sales presentations by studying the type of sales outlet or trade factor
    - Focuses sales efforts by studying existing and potential volume of dealers
    - Submits orders by referring to price lists and product literature
    - Keeps management informed by submitting activity and results reports, such as daily call reports, weekly work plans, and monthly and annual territory analyses
    - Monitors competition by gathering current marketplace information on pricing, products, new products, delivery schedules, merchandising techniques, etc.
    - Recommends changes in products, service, and policy by evaluating results and competitive developments
    - Resolves customer complaints by investigating problems; developing solutions; preparing reports; making recommendations to management
    - Maintains professional and technical knowledge by attending educational workshops; reviewing professional publications; establishing personal networks; participating in professional societies
    - Provides historical records by maintaining records on area and customer sales
    - Assist in the creation and assessment of marketing strategy
    - Develop competitive pricing strategies
    - Follow through with customer and ensure satisfaction
    - Advise businesses on local, national, and international trends
    - Develop relationships with vendors
    - Demonstrate company products and solutions
    - Record customer interactions in lead tracking and customer issue tracking systems
    - Follow up with leads assertively

- **Production Manager**, 1 full-time: $60,000 annual salary
    - Planning, organizing and directing the overall operation of product manufacturing
    - Guide staff to meet production goals

- Perform various in-house product testing to obtain data, as well as analysis and interpretation of that data to create client reports and product improvements
- Ensure and oversee product quality
- Contain costs and are carry out in an expeditious manner
- Maintaining performance improvement activities within the department
- Maintaining efficient and effective operations that are in compliance with all state, federal, and local regulatory laws, standards and protocols, including a safe and clean working environment
- Expand professional and technical knowledge by attending educational workshops; reviewing professional publications; establishing personal networks; participating in professional societies

- **12-15 Production Specialists**: $13/hour each
  - Assist in raw product intake, review, analysis, and tracking
  - Assemble products as designated with an eye to quality, and assist in achieving desired quality and production goals
  - Package and label product appropriately, and check product information against internal and Track-and-Trace records
  - Clean and maintain machinery and production equipment
  - Troubleshoot and resolve mechanical problems
  - Conduct Tours, education workshops, and attend special events as needed
  - Interact with vendors, trucking lines, purchasing agents, customers and appropriate personnel to ensure effective communications and dissemination of goods as required
  - Maintain a clean and safe working environment
  - Perform various other duties as assigned by Production Manager

Supply Chain, Vendors and Equipment

CR Manufacturing has a number of vendors through which it will obtain its cannabis materials/oils for the purposes of manufacturing product. Currently, the following oils manufacturers will be supplying us with cannabis oils and concentrates:

- The Werc Shop

  Based in Pasadena, CA, The Werc Shop is an innovative cannabis product development and manufacturing company. It is led by Jeffery Raber, PhD. in Chemistry, and several other well-

educated scientists and well-experienced businesspeople. The services they offer range from cannabis oil extraction, purification, in-house testing, new product development, and brand-specific labeling. We have worked with The Werc Shop in previous ventures and are wholly trusting of the quality of the oil extracts and vapor cartridges that they produce. CR Manufacturing partnership with The Werc Shop will yield us high-end, pristine oils for us to round out our manufactured product (vapor pens) with.

The following is the list of equipment we intend to use in our manufacturing process, in addition to those mentioned previously for there role in the production processs:

- Pallet/Storage Racks
- Pallet Jacks
- Packaging Tables
- Box Equipment & Tools
- Computer(s)
- Printer(s)/Labelers
- Refrigerator(s)/Cold Storage
- Misc. Warehouse Tools

For the distribution of product once it has been packaged, finalized, reviewed, and is ready to ship out, we will be using two companies that are leaders in the industry:

- Indus Holding Co./Indus Distribution

  Indus Holding Co. provides distribution services in addition to their own cultivation, extraction, and manufacturing activities. Indus Distribution "has played a pioneering role in the emergence and evolution of the regulated cannabis market, partnering with game-changing technology and logistics platforms while forming extensive relationships with state and industry leaders." With their breadth and depth of knowledge all aspects of the cannabis production process and their integrated logistics understanding, we have tremendous faith in their ability to store and transport cannabis products securely, expeditiously, and under the proper conditions.

- Yerba Buena Logistics (YBL)

  YBL is "committed to providing superior cannabis distribution and transport services for cannabis brands and licensed store owners in California." As a family-owned and operated distribution company, YBL has made a name for itself for sustainable growth, efficient logistics, and a personable business touch. Their services range from state adult and medical compliancy, fast

order and delivery turnaround, full coverage across the state, and climate-controlled transit vehicle, among others. CR Manufacturing has worked with YBL previously with great success, and look forward to further strengthening our relationship in this new venture.

As well as having sourcing vendors lined up, we have already begun the process of contracting with endpoint vendors/retailers that will carry our products. Many of these vendors are top of the line, premier, fully licensed retailers in their respective cities, and we are excited to be working with businesses that share our passion for quality cannabis product. The vendors we have a working relationship with thus far include:

RETAIL VENDOR NAME	ADDRESS	LICENSE NUMBER(S)?
420 Central	420 W Central Ave Santa Ana	A10-17-0000060-TEMP
Bud and Bloom	1327 E St. Gertrude Pl Santa Ana	A10-18-0000099-TEMP
Chronic Pain Releaf Center	1501 Santa Fe Ave Long Beach	M10-18-0000366-TEMP
Connected Belmont	5227 E. Second St Belmont Shore	M10-18-0000178-TEMP
Connected Santa Ana	2400 Pullman Way, STE B Santa Ana	A10-17-0000088-TEMP
Downtown Patient Group	1320 Mateo St Los Angeles	A10-18-0000174-TEMP
Evergreen	1320 E Edinger Ave Santa Ana	A10-18-0000105-TEMP
From the Earth	3023 S Orange Ave Santa Ana	A10-17-0000069-TEMP
Green Dot	4200 Lincoln Blvd Marina del Rey	A10-18-0000248-TEMP
Jayden's Journey	5054 Pentecost Dr, STE E Modesto	A10-18-0000308-TEMP
Kannabis Works	2106 S Susan Santa Ana	A10-18-0000220-TEMP
La Corona Wellness	3326 Mission San Francisco	M10-18-0000413-TEMP
Lighthouse	84160 Avenue 48 Coachella Valley	A10-18-0000324-TEMP
Mankind	7128 Miramar Road, STE 10 San Diego	A10-18-0000340-TEMP
Med Men Beverly Hills	110 Robertson Blvd Los Angeles	A10-18-0000164-TEMP
Med Men DTLA	735 S Broadway Los Angeles	A10-18-0000167-TEMP

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Med Men LAX	8740 S Sepulveda Blvd Los Angeles	A10-18-0000215-TEMP
Med Men OC	2141 S Wright St Santa Ana	A10-17-0000068-TEMP
Med Men Venice	1310 Abbot Kenney Blvd Venice 410 Lincoln Blvd Venice	A10-18-0000165-TEMP
Med Men WEHO	8208 Santa Monica Blvd West Hollywood	A10-17-0000039-TEMP
Medical Caregivers Cooperative	1039 N Mission Rd Los Angeles	A10-18-0000240-TEMP
New Age Compassionate Care Corp.	1719 Pacific Coast Highway Lomita	A10-18-0000236-TEMP
OC3	3122 S Halladay, STE A Santa Ana	A10-17-0000061-TEMP
One Love Beach Club	2767 E Broadway Long Beach	M10-18-0000165-TEMP
Ramona Cannabis Collective	736 Montecito Way Ramona	M10-18-0000350-TEMP
ShowGrow Long Beach	3411 E Anaheim St Long Beach	M10-18-0000275-TEMP
ShowGrow Santa Ana	1625 E St. Gertrude St Pl Santa Ana	A10-17-0000055-TEMP
Sunset Herbal Corner	11503 Burbank Blvd North Hollywood	A10-18-0000297-TEMP
The Healing Center	3703 Camino del Rio, STE 215A San Diego	A10-18-0000339-TEMP
The Kind Center	1944 N Cahuenga Blvd Los Angeles	A10-18-0000278-TEMP
The Pottery	5042 Venice Blvd Los Angeles	A10-18-0000188-TEMP
Two Rivers Wellness	315 N 10th St Sacramento	M10-17-0000135-TEMP
Urban Pharm SF	122 10th St San Francisco	A10-18-0000234-TEMP
West Coast CC	68828 Ramon Rd, STE A2 Cathedral City	A10-17-0000020-TEMP

Waste Handling and Disposal

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There are three ways in which cannabis waste will be generated by us: 1) in the manufacturing process, 2) in products that fail testing twice, and 3) in products that are recalled. Regardless of how the waste is generated, there are very specific procedures for the handling and disposal of it.

Waste that is generated in the manufacturing process (residual oils, spills, etc.) is already contained on-site for us to clean, and recalls or testing failures of products are returned to us from the distribution entity. Waste that is generated onsite will be marginal, but nonetheless will be mixed in with another non-cannabis oil substance (vegetable or canola etc.) and placed in a secured and locked designated cannabis-specific receptacle. This receptacle is stored in a strictly controlled limited-access area. Cannabis waste that returns to us is likely already packaged and is therefore to be removed from its packaging and stripped of any identifying labels before it is poured into and mixed in the same receptacle as the on-site waste/non-cannabis oil mixture.

The mixing of the cannabis with non-cannabis material will occur at a ratio of at least 1:2 and is done so to make the cannabis waste total unusable. All requisite information regarding the cannabis waste will be entered in the Track-and-Trace system to have it fully accounted for in the system and marked as destroyed.

We will contract with a duly approved and properly licensed disposal facility to haul and process/dispose of this unusable waste mixture. A receipt, including the weight of the cannabis material delivered to the disposal facility will be generated for each haul.

The procedures described herein are in compliance with the California Department of Public Health's California Code of Regulations, Title 17, Division 1, Chapter 13, Subchapter 3, Article 6, §40290.

Community Benefits

Employment

Mentioned previously, there will exist many opportunities for the hiring of Costa Mesa residents to fill the positions CR Manufacturing will create. We aim to fill all of our Product Specialist positions with local residents. These positions require little to no formal training or prior manufacturing experience. In fact, we prefer if candidates do not have that prior experience so we are not inheriting any unfortunate habits and can train them to suit the exact needs of our business.

To mine the local candidate pool as extensively as possible, we look to the mainstay of local employment resources, the Orange County Job Center. Managed by the County of Orange government, the OC Job Center helps connect employers with willing job candidates in Orange County. In working with them, we are able access a pool of candidates who live in Costa Mesa and who meet the few qualifications we desire.

Besides the focus on Costa Mesa residents, we aim to give further preference to veterans. Veteran status is often overlooked in employment decisions, and CR Manufacturing

wants to actively seek them out. The Working Wardrobes VetNet Career Success Network provides multiple services to help veterans find jobs including resume assistance, job training opportunities, workshops, and career placement. Located right in Irvine, VetNet is an incredible resource right at our fingertips to find local veterans in need of quality and high-growth-potential jobs.

Overall, the cannabis sector stands on the cusp of being a solid and limitless jobs provider across the country, with an estimated 300,000 jobs created by 2020. We, in partnership with Costa Mesa, can cement a robust economy for the benefit of all in the city with the addition of the cannabis businesses.

Community Organizations

Costa Mesa is home to a number of organizations designed to help residents locally and beyond. There are two community issues that overlap most significantly with the cannabis: criminal justice and healthcare. There are continuous and renewed efforts to reform the unnecessarily punitive consequences of cannabis use, as well as a push for the study the use of cannabis and its derivative compounds to treat a number of medical ailments. With this in mind, there are two organizations in Orange County that are dedicated to these issues that we seek to work with.

On the criminal justice side, we will look to support the Whittier Legal Access Program based in Costa Mesa out of Whittier Law School. Lower income residents are hit hardest by criminal penalties, and often for minor offenses like cannabis possession. The Whittier Legal Access Program partners with the Legal Aid Society of Orange County to help lower income Orange County residents with legal representation, justice system navigation, and discounted legal advice. Further, it helps recent graduates of Whittier Law School expand their knowledge base, increase their business networks, and give back to the community via pro bono legal work. In the financial support we intend to provide to the Legal Access Program, we are thus working to resolve issues broad issues on three fronts, all locally focused in Costa Mesa and Orange County: direct support to citizens in legal representations, indirect advocacy for the reformation of heavy-handed drug penalties, and the growth of legal businesses and networks. We are extremely proud of our commitment to bolster the work and impact of this organization, most especially because it touches so closely on an issue important to us.

On the medicinal assistance side, there is no better organization than Share Our Selves (SOS) and the clinics they provide for low income and homeless residents to get the medical help that they need. A nationally established organization, SOS has a Community Health Center located in Costa Mesa that provides a full spectrum of services to those most in need, from physicals to dental care to substance abuse guidance to financial assistance for medical bills. The scale and quality of services that SOS offers to Cosa Mesa residents through its health center are tough to match, and we are excited to provide financial assistance to them to continue those services. CR Manufacturing got into the

cannabis industry to help people with medical ailments, and there is no better or broader way for us to do that than to support these local health centers.

All of the support we will provide will be financial, at least at these initial stages, and will take whatever form the organizations want. If these organizations prefer our contributions and sponsorship to be anonymous, that will be arranged in discussions we will have with the respective program administrators.

Public Engagement

CR Manufacturing believes that one of the most important responsibilities of a newly operational cannabis business is to inform the community about what it does, dispel myths and misconceptions about cannabis, assuage safety concerns, and educate residents cannabis generally. This is especially true in the case of Costa Mesa, where there remains some reticence about the cannabis market. We know that the proper response to this hesitation is information and full transparency.

To address this, there are two feasible avenues we plan on undertaking. First, we will visit all neighbors in a 500-foot vicinity of our building to speak directly with them about our presence and discuss any concerns they may have. While we will send mailings to similar effect to these residents and businesses, we do not feel that those mailings adequately meet the threshold of informative and transparent communication. Rather, by meeting with the addressees in person, we are much better able to hit the relative points we need to hit, establish a productive relationship with our neighbors, and allow any opposing views to be heard.

Second, we want to reach all the residents of Costa Mesa to address any lingering fears they may have about cannabis in their city. Since it is impossible to meet with every resident and informatively deficient to send mailers, we would like to hold informational and Q-and-A sessions at City Hall, inviting all to attend. This method is likely to attract those interested or concerned about cannabusinesses in their neighborhoods, would allow for extreme openness in communication, and would build an interpersonal bridge between our business and the citizenry.

The infancy of cannabusiness in Costa Mesa requires that those responsible for its proper development take charge of that responsibility and guide it in a direction that is beneficial for all. Engaging with the public is one of the most important facets assuring that direction is positive.

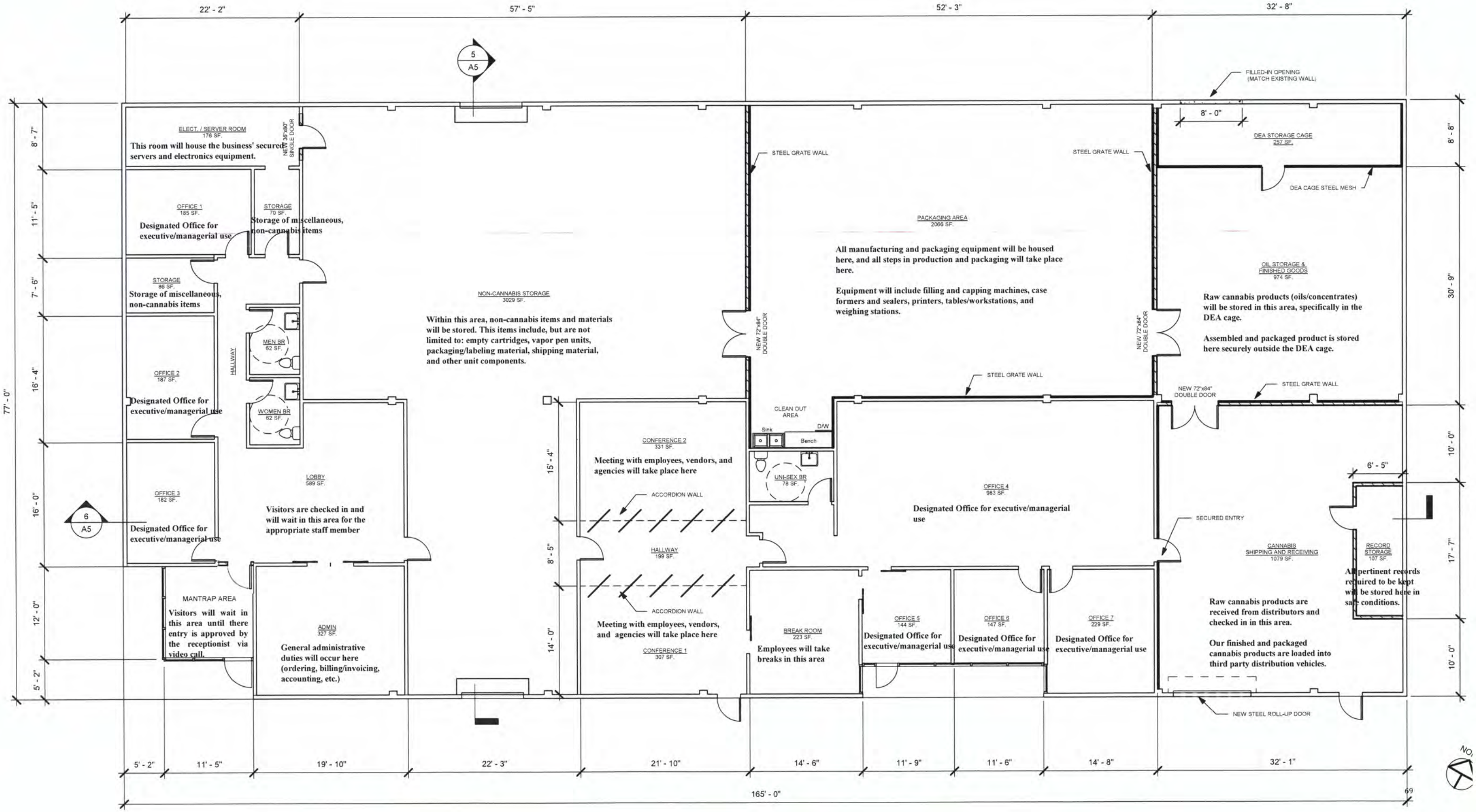
Law Enforcement Support

The relationship that law enforcement has with cannabis businesses does not have to be defined currently by the adversity that has defined it in the past. CR Manufacturing would like to take bold steps in working with law enforcement as partners and support them in several ways.

Most importantly, we would like to offer our support to the Costa Mesa Police Department, which will be serving our neighborhood, by offering financial support to the Costa Mesa Police Association, or CMPA. The CMPA ensures that all the needs of the CMPD are met in its mission to protect the City with professional, ethics, and all the necessary tactical training. The CMPA is better able to execute its mission by receiving additional financial support from "Business Supporters" opportunities. Naturally, we understand the CMPA is selective in who serves as these Business Supporters, but we see it as a ripe circumstance for us and others in the cannabis community to work toward a common goal. In this regard, we would like to offer our financial support to them by becoming Business Supporters should they allow it.

As well, the Orange County Sheriffs Department (OCSD) has numerous foundational associations that we would like to offer our support to, as well. Most importantly is the Orange County Sheriffs Advisory Council. The Advisory Council's activities are incredibly admirable, collecting and donating resources for "financial assistance to the families of officers killed or injured in the line of duty, the Medal of Valor recognition awards and the Peace Officers' Memorial." These activities that honor the fallen protectors of our communities are incredibly admirable, and any loss of life amongst our public safety officers is a near unspeakable tragedy. CR Manufacturing wants to contribute to the Advisory Council's activities in supporting families of slain officers and memorializing their sacrifice.

In an effort more directly related to our business, the Orange County Sheriffs' Department is involved with a few drug abuse resistance and assistance organizations, like the Drug Liaison Officer Program, Gang Reduction Intervention Partnership, and the Drug Abuse is Life Abuse program. Ideally, we would like to work with the OCSD in supporting these non-profits in whatever capacity it is needed.


22' - 2"
57' - 5"
52' - 3"
32' - 8"
77' - 0"
165' - 0"
5
A5
6
A5
ELECT. / SERVER ROOM
176 SF.
This room will house the business' secured servers and electronics equipment.
NEW 30"x80" SINGLE DOOR
OFFICE 1
185 SF.
Designated Office for executive/managerial use
STORAGE
70 SF.
Storage of miscellaneous, non-cannabis items
STORAGE
86 SF.
Storage of miscellaneous, non-cannabis items
OFFICE 2
187 SF.
Designated Office for executive/managerial use
HALLWAY
MEN BR
62 SF.
WOMEN BR
62 SF.
OFFICE 3
182 SF.
Designated Office for executive/managerial use
LOBBY
589 SF.
Visitors are checked in and will wait in this area for the appropriate staff member
MANTRAP AREA
Visitors will wait in this area until there entry is approved by the receptionist via video call.
ADMIN
327 SF.
General administrative duties will occur here (ordering, billing/invoicing, accounting, etc.)
NON-CANNABIS STORAGE
3029 SF.
Within this area, non-cannabis items and materials will be stored. This items include, but are not limited to: empty cartridges, vapor pen units, packaging/labeling material, shipping material, and other unit components.
STEEL GRATE WALL
NEW 72"x84" DOUBLE DOOR
CONFERENCE 2
331 SF.
Meeting with employees, vendors, and agencies will take place here
ACCORDION WALL
HALLWAY
199 SF.
ACCORDION WALL
Meeting with employees, vendors, and agencies will take place here
CONFERENCE 1
307 SF.
CLEAN OUT AREA
Sink
D/W
Bench
UNI-SEX BR
78 SF.
BREAK ROOM
223 SF.
Employees will take breaks in this area
PACKAGING AREA
2066 SF.
All manufacturing and packaging equipment will be housed here, and all steps in production and packaging will take place here.
Equipment will include filling and capping machines, case formers and sealers, printers, tables/workstations, and weighing stations.
OFFICE 4
983 SF.
Designated Office for executive/managerial use
OFFICE 5
144 SF.
Designated Office for executive/managerial use
OFFICE 6
147 SF.
Designated Office for executive/managerial use
OFFICE 7
229 SF.
Designated Office for executive/managerial use
FILLED-IN OPENING (MATCH EXISTING WALL)
8' - 0"
DEA STORAGE CAGE
257 SF.
DEA CAGE STEEL MESH
OIL STORAGE & FINISHED GOODS
974 SF.
Raw cannabis products (oils/concentrates) will be stored in this area, specifically in the DEA cage.
Assembled and packaged product is stored here securely outside the DEA cage.
6' - 5"
SECURED ENTRY
CANNABIS SHIPPING AND RECEIVING
1079 SF.
Raw cannabis products are received from distributors and checked in in this area.
Our finished and packaged cannabis products are loaded into third party distribution vehicles.
RECORD STORAGE
107 SF.
All pertinent records required to be kept will be stored here in safe conditions.
NEW STEEL ROLL-UP DOOR
8' - 7"
11' - 5"
7' - 6"
16' - 4"
16' - 0"
12' - 0"
5' - 2"
15' - 4"
8' - 5"
14' - 0"
8' - 8"
30' - 9"
10' - 0"
17' - 7"
10' - 0"
5' - 2"
11' - 5"
19' - 10"
22' - 3"
21' - 10"
14' - 6"
11' - 9"
11' - 6"
14' - 8"
32' - 1"
69

OPERATONAL DIAGRAM 1: PRODCUT INTAKE

1 Proposed Floor Plan
1/8" = 1'-0"

1
A5

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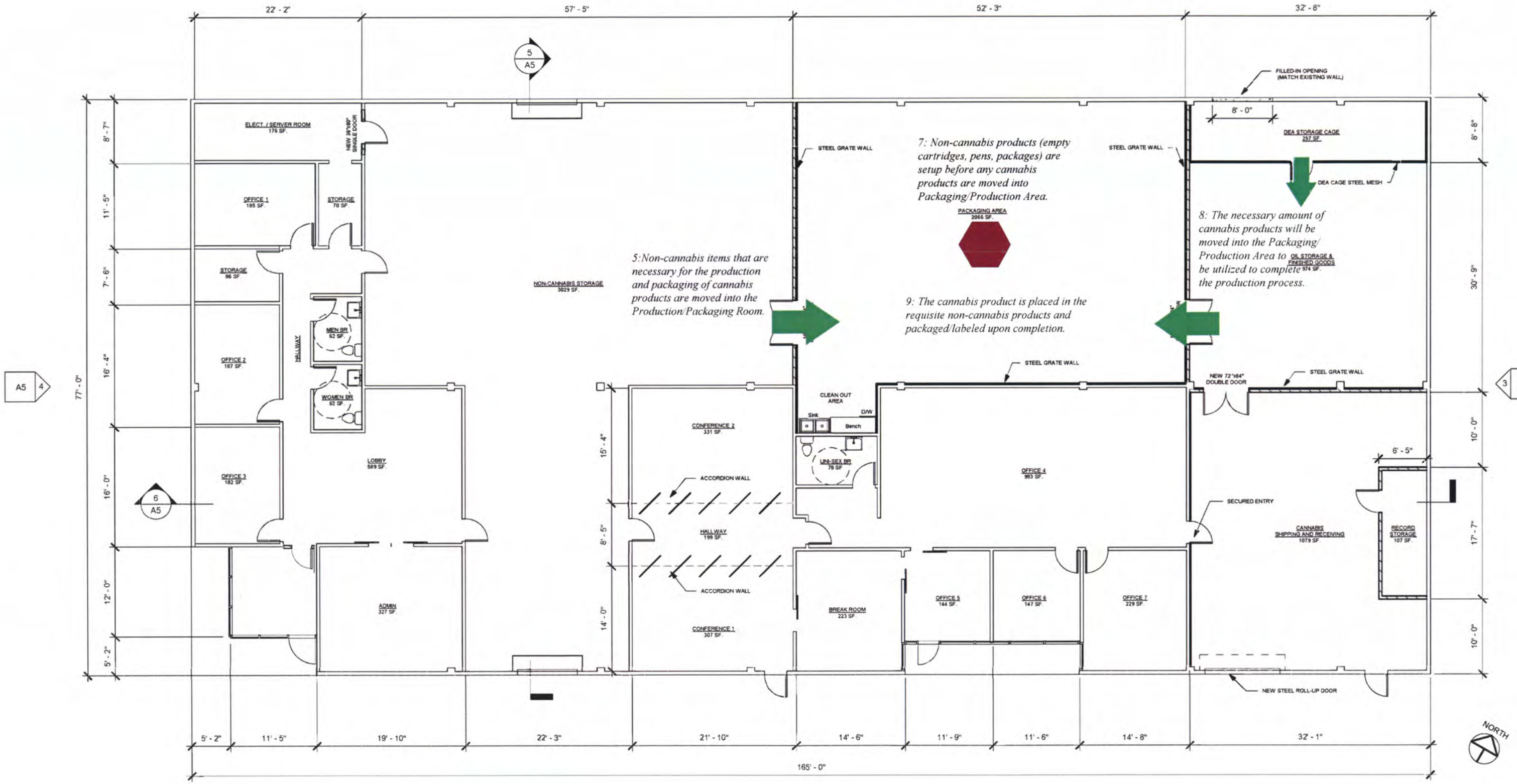
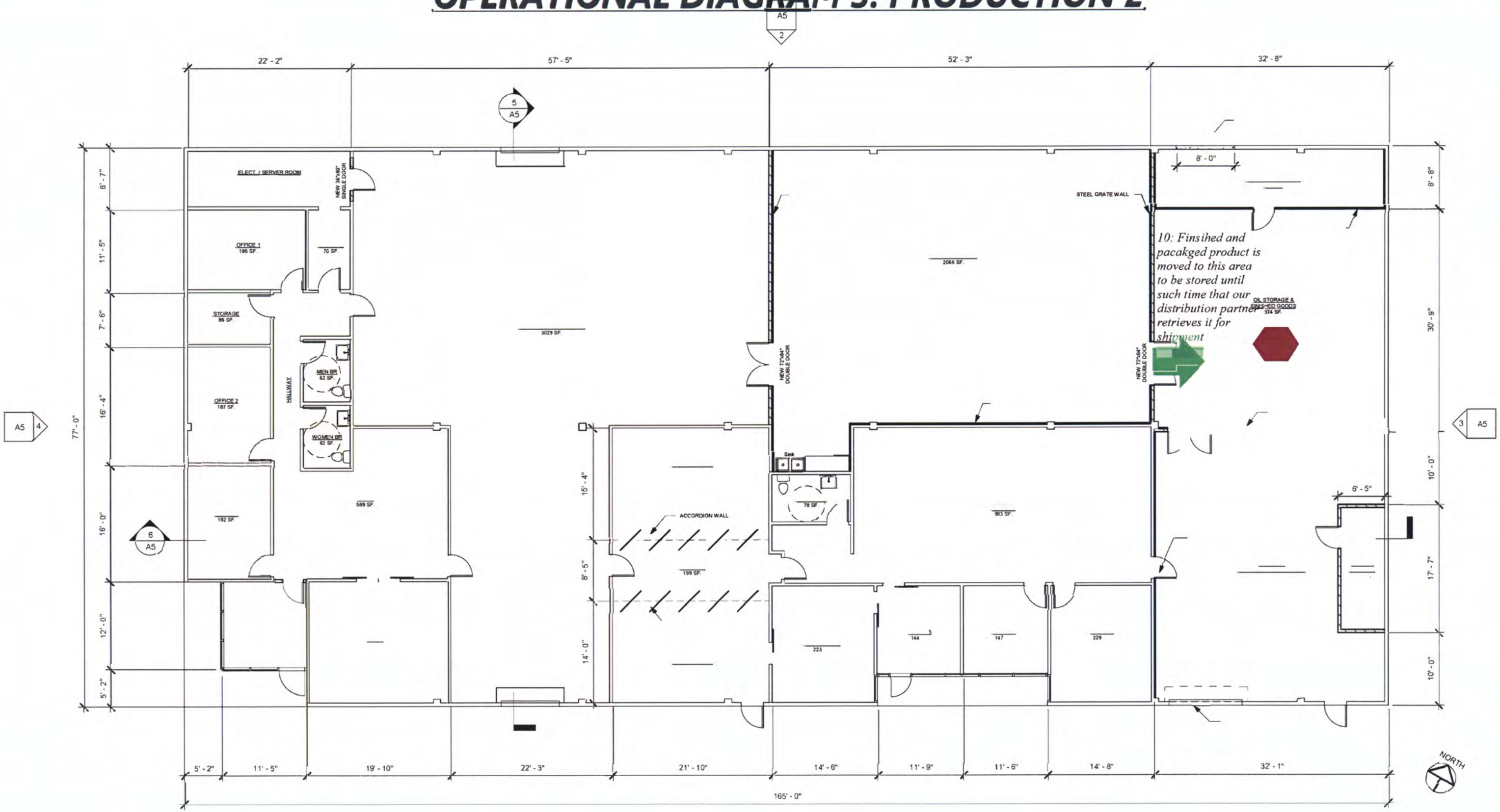
OPERATIONS DIAGRAM 2: PRODUCTION



1 Proposed Floor Plan
1/8" = 1'-0"

OPERATIONAL DIAGRAM 3: PRODUCTION 2



1 Proposed Floor Plan
1/8" = 1'-0"

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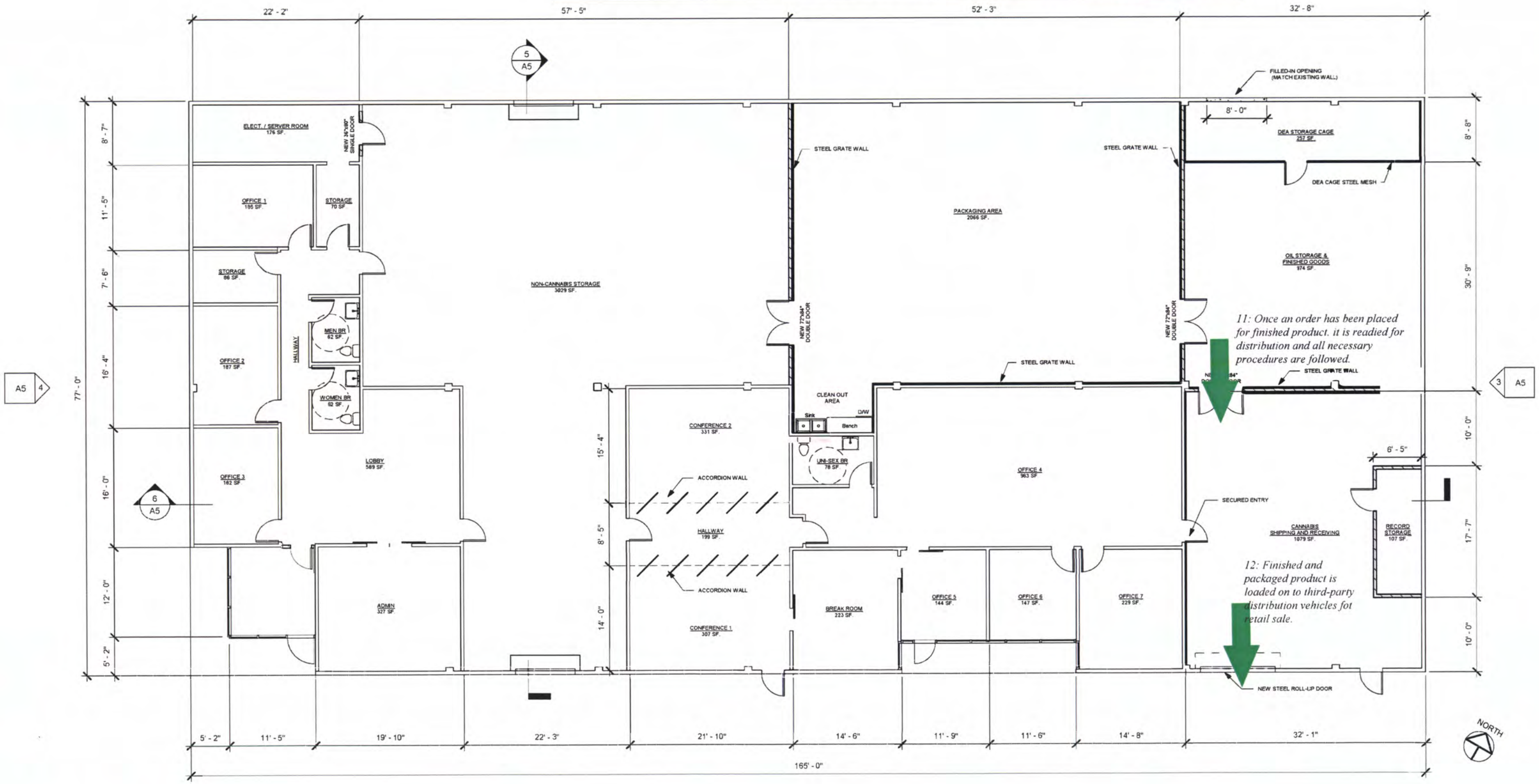
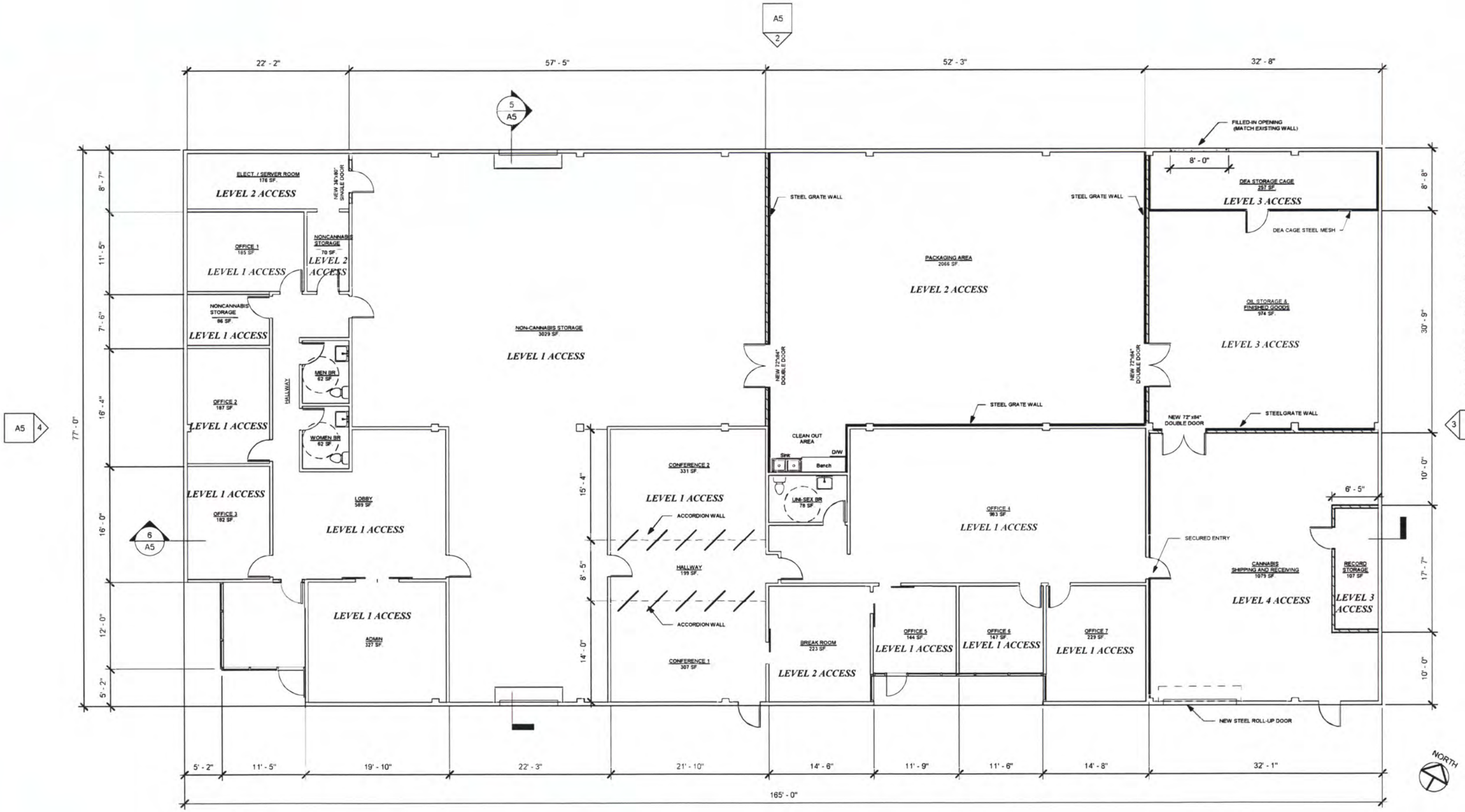
OPERATIONAL DIAGRAM 4: PRODUCT OUTPUT



1 Proposed Floor Plan
1/8" = 1'-0"



Proposed Floor Plan
1/8" = 1'-0"

Level 1 Access Restriction: ***Authorized visitors allowed under employee supervision only***

Level 2 Access Restriction: ***Employees only***

Level 3 Access Restriction: ***Employee access under Managerial staff supervision only***

Level 4 Access Restriction: ***Authorized vendors allowed only under Managerial and staff supervision***

****These tiers are not staggered (having access at one level DOES NOT mean a person also has access to all levels below it, i.e. having Level 4 access does not mean one has Level 3 access and so on).***

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Air Quality and Odor Control Plan

Air quality and odor control is an extremely important consideration in any cannabis business. Whether it be a cultivator on the high end, that will contend with a large amount of order production, or a manufacturer like us on the lower end, where most odor is already contained within packages when it arrives, residents and city governments alike cite the smell of cannabis as one of the bigger concerns in allowing business operations. An odor control plan and system are musts for any business that wants to remain in operation and not become a public detriment through its operation.

Nevertheless, all cannabis – packaged and unpackaged – exudes an odor that must be fully and totally controlled, and even as a manufacturer, we must enact strong measures to contain it. In so doing, we will layout a plan that is to the City's satisfaction based upon industry best practices, practices we have used in the past, an overview of the ventilation system we will be using, and other measures we will take to keep odors abated.

Let us first start out by saying that an odor containment strategy has been legally built into the business permitting process from the City, which is to keep cannabis businesses in a buffer zone away from residential areas. This definitely assists in preventing the creation of public nuisance, as the malodors created are lessened substantially by the time they hit residential areas, if they exist at all. We will likely be surrounded by other businesses, and though the number of constituents effected by any potential odor seepage is lessened, it is not zero.

To fully cope with potential odor concerns, we will have our own multi-pronged strategy that includes air filtration, negative air pressure systems, sealants, and standard operating protocols.

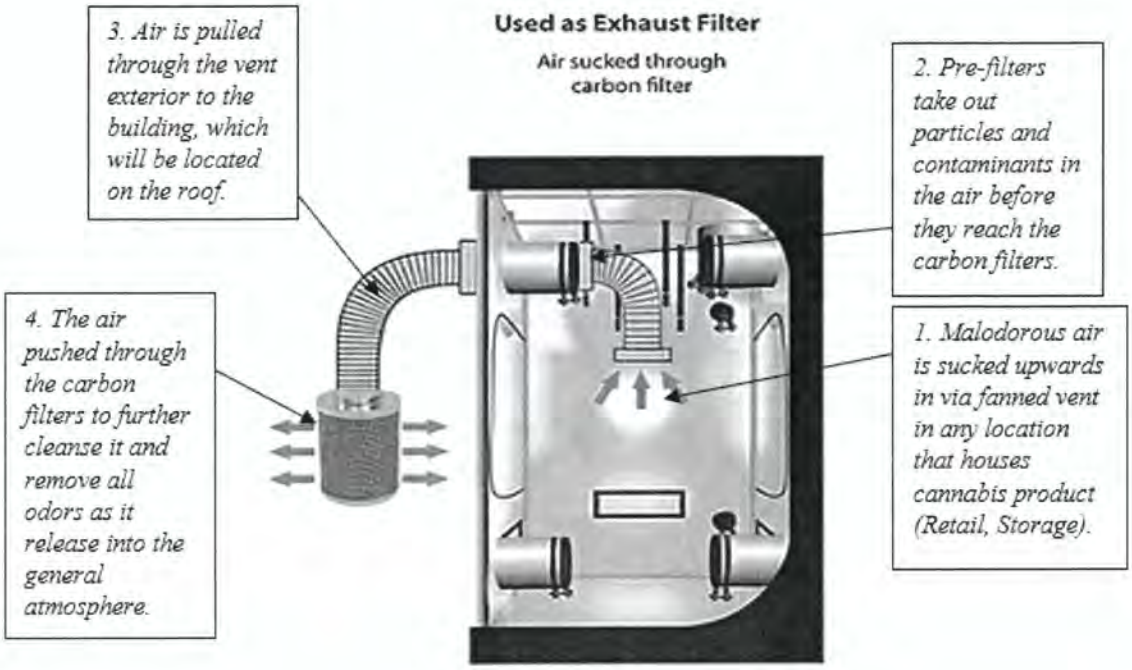
Ventilation System Specifics

A carbon filtration intake exhaust system is incredibly effective at odor neutralization and control. Though we do not yet have specific brand/unit name in mind for the system we will use, we will most definitely be using this type of system.

There are two ways that a carbon filtration system work: one that purifies the air as it is taken into the filtration system and one that purifies the air as it is pushed out of the filtration. While there is a marginal difference in the effectiveness of these two methods, we are going to use an exhaust filter.

Carbon filters work by pulling air over a bed of activated carbon, which cleans, or 'scrubs' the air free of odors before releasing it externally. As this process takes place, odors are removed from the air. Equipping our storage space multiple vents and multiple carbon filters, the air that later gets exhausted will not have a troublesome smell that could potentially create a public nuisance via malodors.

The below diagram shows how an exhaust filter operates:



Many carbon filters also come equipped with pre-filters. They are important because they remove particles like dust before the air enters the carbon filter. These pre-filter sleeves prolong the life of the carbon filter and the inline fan and other equipment, keeping equipment in durable and effective for longer. These pre-filters are also among the reasons that an exhaust system was chosen, as we can pre-filter the particles in the air before they get to the carbon filters themselves. Additionally, the fans that take in the air, while not making a lot of noise, would enable us to contain that noise inside, further decreasing our potential for public nuisance development.

Another benefit of placing the carbon filter outside the buildings is that all ventilation points lead to and pass through it. We are able to place a vent in every single room that takes in the air and moves it out through to the carbon filter rather than having a carbon filter placed in every room.

Our HVAC/carbon filter plan for odor control, coupled with the below mentioned odor control designs, essentially creates a sealed environment in the building and eliminates odor concerns.

Additionally, CR Manufacturing will have installed an air system that creates negative air pressure between the commercial cannabis business's interior and exterior so that the odors generated inside the commercial cannabis business are not detectable by anyone in the vicinity of the business. Such a system is also becoming wisely used across the industry.

Odor Containment

Besides having an advanced ventilation system that cleanses the air where the bulk of the cannabis will be, which will capture almost all of the cannabis odors, we must consider methods to minimize odor seepage.

In the design and layout of our building, the minimization of odor seepage was undoubtedly a factor. As can be seen on the Site Plans, it is for this reason, among others, that the rooms containing the most cannabis product are deeper inside the building and have multiple doors for access. The Storage Area/Vault is separated via distance and doors from the Main Entrance and the Vendor Entrance and Roll-up Door. The Intake area and the doors in-between make odor seepage to the Vendor Entrance further minimized, and seepage from the Storage Area/Vault to the Main Entrance is virtually impossible due to the number of rooms, doors, hallways, and mantrap between them.

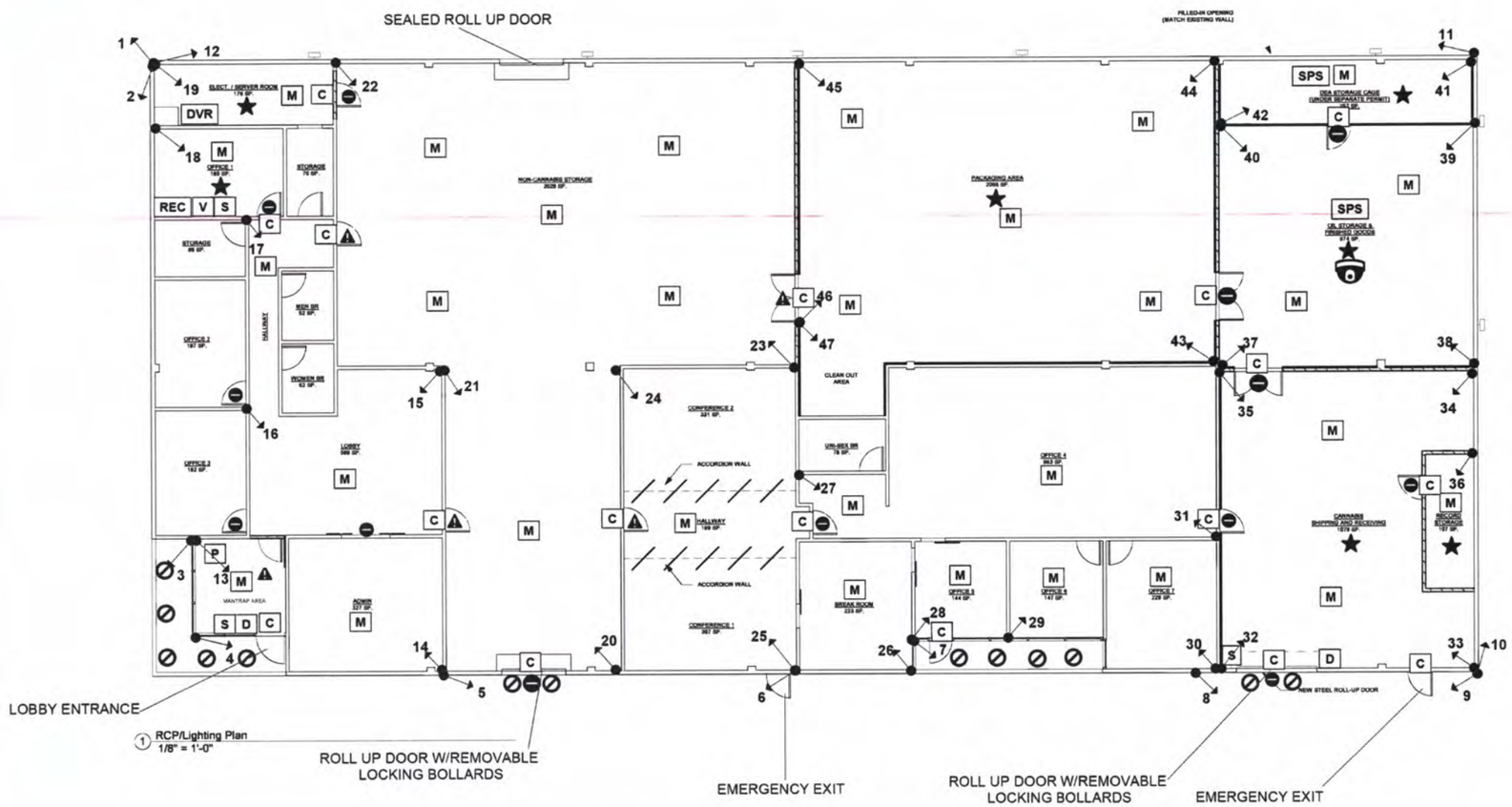
Our building was designed to keep potentially noxious odors that somehow fail to enter the HVAC filtration system from escaping and containing them as deep within the building as possible. We believe our that design will be extremely effective.

Additional Requirements

All records pertaining to our HVAC system, odor control, odor containment, and complaints and remedial action will be made available to the City and the State with haste and without hesitation.

A 24-hour contact person will be designated to handle public nuisance complaints, including odors, and will keep detailed records of complaints. The nature of these complaints will be review by all responsible business parties, and they will work with whatever entities they need to in order to properly and sufficiently resolve these complaints in an appropriate timeframe.

Any and all records of resultant remedial actions will be maintained and made available to the City. This includes actions necessitated by public complaints, inspection violations, and system failures/malfunctions.



1 RCP/Lighting Plan
1/8" = 1'-0"

LIGHTING LEGENDS:

NEW EXTERIOR SURFACE-MOUNT LIGHTING FIXTURE

SECURITY DIAGRAM LEGEND:

- SPS — SECURE PRODUCT STORAGE
- REC — SECURE RECORDS STORAGE
- DVR — DIGITAL VIDEO RECORDER AND BATTERY BACKUP
- FIXED CAMERA PLACEMENT, VIEW ANGLE & CAMERA # (1-47)
- D — DISPLAY (EXTERIOR VIEW)
- V — VIEWING AREA (ALL VIEWS)
- LIMITED ACCESS AREA
- C — CONTACT POINT (CLOSED TO ARM)
- M — 360 DEGREE MOTION DETECTOR (20FT+ RADIUS)
- P — PANEL WITH PANIC FEATURES (POLICE/FIRE/EMS)
- S — SILENT ROBBERY ALARM TRIGGER
- MANAGEMENT CREDENTIALED KEY/FOB REQUIRED TO ACCESS
- EMPLOYEE CREDENTIALED KEY/FOB REQUIRED TO ACCESS
- K4 BOLLARD
- 360-DEGREE CAMERA

REVISIONS

DATE

OWNER
NILS ANDERSON

PROJECT
CR MANUFACTURING CA, INC.
3550 CADILLAC AVE.
COSTA MESA, CA 92626

SAN MINA ENGINEERING, INC.
24110 MOULTON PKWY STE
O-105 LAGUNA HILLS, CA 92637
TEL: (909)327 8167
FAX: (866)549 3967

PROJECT NO:
CAD DWG FILE:
DRAWN BY : KT
CHECKED BY:
SCALE: NOTED
DATE :

SHEET TITLE:

RCP/
LIGHTING PLAN

SHEET
A7

HORIZONTAL SCALE

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CR Manufacturing CA, Inc.

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FIRE/LIFE SAFETY AND BUILDING CODE COMPLIANCE REPORT

Created by: Craig Fry & Associates LLC

Report Objectives

The purpose of this report is to document the code compliance aspects of the project and ensuring the City of Costa Mesa, Costa Mesa Building & Safety, Costa Mesa Planning, the Costa Mesa Fire Department, Costa Mesa Fire Authority and the County of Los Angeles of the safety of this project. This report will provide details on the fire prevention, suppression, HVAC, odor control and alarm systems the facility will have in place. It will also provide an assessment of the facility's fire safety, considering all possible fire hazardous materials and inhalation issues and threats.

CRAIG FRY & ASSOCIATES LLC™
DEVELOPMENT CONSULTING
1010 S. ARROYO PKWY STE. 6 | PASADENA, CA. 91105 | 323-451-7376 | CONTACT@CRAIGFRYANDASSOCIATES.COM

City of Costa Mesa
Development Services Department
Community Improvement Division
77 Fair Drive
Costa Mesa, CA 92626

To Whom it May Concern:

I created Craig Fry and Associates over six years ago after retiring from the Los Angeles City Fire Department. My business helps companies obtain building permits and licenses throughout the state. During my 32 years at the Los Angeles City Fire Department I had the pleasure of working my way to Deputy Fire Chief and Fire Marshall.

As the Fire Marshall for Los Angeles City, I was tasked with heading the largest Fire Prevention Bureau in the Country. This position also allowed me to help develop the amendments to the International Building Code and develop the California Building Code standards. This position involved researching and planning for the best and most efficient solutions for fire safety.

I have had the pleasure of being a member of the National Fire Protection Association, as well as a Board member for several committees. All these experiences and opportunities have allowed me to become an expert in, and testify to, fire safety and prevention.

I now use my expertise to create fire safety plans for businesses all over California to ensure the safety and protection of the projects, employees, and those in the immediate surroundings of these businesses.

Thank you,

Craig Fry
President

Location Description

The CR Manufacturing CA, Inc. LLC. project will be a constructed adult-use and medical-use cannabis manufacturing facility within a one-story commercial building. The project will consist of one building located at 3550 Cadillac Avenue in Costa Mesa. The total square footage of the building is accumulated in approximately 12, 238 square feet. The occupancies are consisted of, but not limited to B, M, S-1, and L. It is the owner's desire to ensure the project is designed with the highest safety standards and is within full compliance with the California Building and Fire Code.

Code Compliance & Specific Performance

The project is consisted of one building, one-story with a total square footage of approximately 12.238 square feet. Since the building construction Type is II-B, we meet all the requirements of CBC Table 504.3,504.4, and 506.2 as far building height, square footage, and number of stories. The applicant will be obtaining a Certificate of occupancy pursuant to approval of the proposed cannabis licenses and will meet all IBC (International Building Code) regulations. Every aspect of the building has been closely studied to be in full compliance with the required guidelines and we have agreed to the most restrictive requirements to ensure the safety of the project.

A) Fire Protection:

A manual fire alarm system that activates the occupant notification system in accordance with CBC 907.5 and 907.2.5 will be provided and the system will be capable of voice evacuation system using speaker strobes. In addition, an automatic smoke and gas detection system will also be provided to ensure the safety of the occupants of the building. A dedicated space (approved by the Fire Department) will be used to install a Matrix and Graphic annunciator in order to make it simpler for Firefighters to detect the area of the fire in the shortest possible time. An Automatic Sprinkler System will be installed in accordance with CBC 903.2.5 and NFPA 13. The Sprinkler System will have a monitoring system, which will be tied into the building Fire Alarm system. The fire protection systems will all be compliant with of the Costa Mesa Municipal Code.

Portable fire extinguishers with a rating of not less than 2-A or 2-A10 BC will be provided within 75 feet travel distance to all portions of the building; also during construction and tenant improvements. For electrical and mechanical rooms, portable fire extinguishers with a rating not less than 10BC will be provided. For any area containing flammable liquids or hazardous materials, portable fire extinguishers with a rating of not less than 20-B, located not less than 10 feet, nor more than 30 feet will be provided. All installations and placing will be complying with CBC Section 906.

Located within fifty (50) feet of the property on the east side of Cadillac Avenue is a 4x2 ½ fire hydrant with a minimum sixteen (16) inch main supply.

(Fire Hydrant located on within 50 feet of premises on Cadillac Ave)

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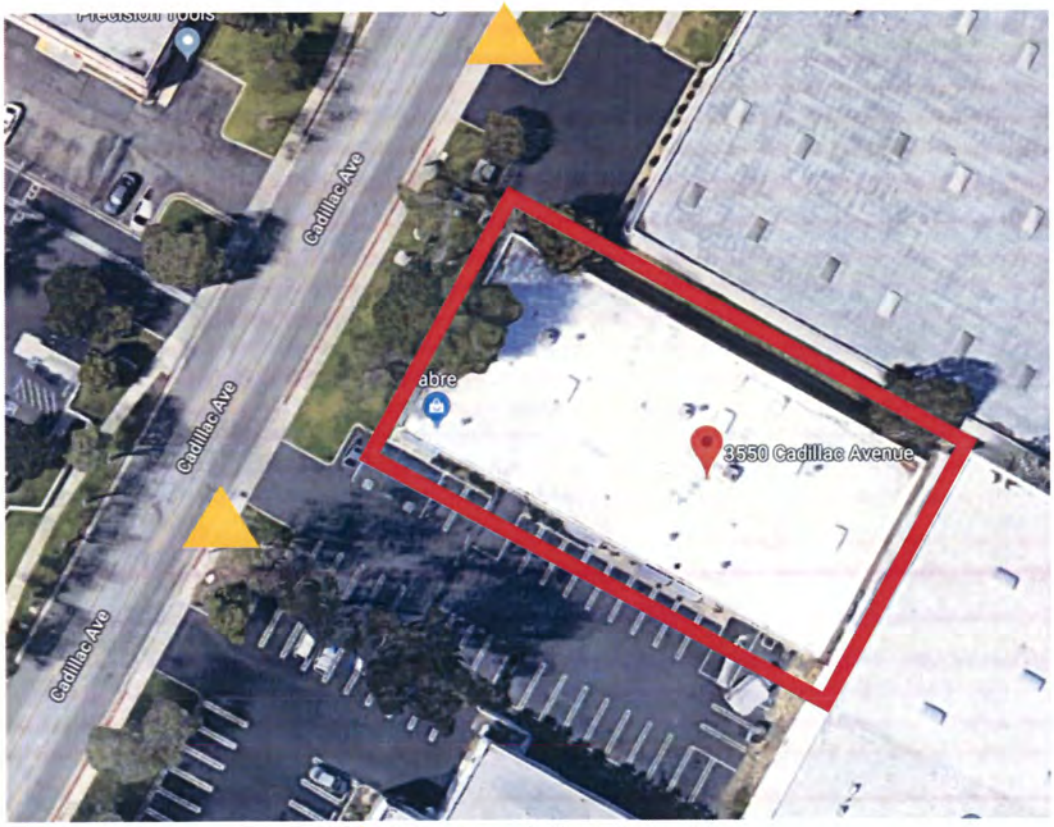
There is an additional fire hydrant located on the east side of Cadillac Avenue within one-hundred fifty (150) feet of the premises. This is a 4x2x2 ½ hydrant that has a minimum sixteen (16) inch main supply.

(Fire Hydrant located on within 150 feet of premises on Cadillac Ave)



(Location of Fire Hydrants)

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B) Means of Egress:
The occupant loads for every space will be calculated accordingly per CBC Table 1004.2 and be used to determine means of egress sizing per CBC 1005. The capacity of egress components will be based on the 0.2 inch per occupant. The common path of travel and travel distances from the most remote point will comply with CBC 1006.2.1. Each portion of the building has direct exit discharge to an open sky. This allows the occupant of the building to immediately discharge the building and have an accessible path of egress to the public street (Cadillac Avenue).

C) Interior Finishes:
All interior finish materials applied to wall and ceilings will be in compliance with CBC Section 803. The flame-spread rating of paneling materials on the walls will be complying with CBC Section 803.9. All the decorations (if provided) will be noncombustible or flame- retardant treated in an approved manner.

D) Exit Signs:
Exit signs will be in full compliance with 1012. Exit signs will be connected to an emergency power system that will provide an illumination of not less than 90 minutes in case of primary power loss. The emergency power system shall consist of storage batteries, unit equipment or an on-site generator. The installation of the emergency power system shall be in accordance with CBC 2702. If a back-up generator is utilized, it will only be used as a short-term emergency back-up system.

E) Fire Resistance Ratings:
The building is Type II-B construction and is in full compliance with Table 506.2, 504.4 and 504.3. Corridors will be 1-hour rated per CBS Section 1020 with 20-minute rated doors and 45-minute rated openings. The exterior walls of the building will have 2-hour rated ratings, which will eliminate spreading of fire to both interior exposures as well as neighboring properties.

Project Operations

Operations-
The following is a description of the processes that will occur in the building.

Manufacturing-
The manufacturing space will be utilized for Type 6 manufacturing which includes the packaging of cannabis and cannabis goods. The manufacturing process will comply with the standards, rules and regulations set forth by State and local agencies. CR Manufacturing CA will only engage in the manufacturing of cannabis authorized by their local and state license issued to the applicant. No additional manufacturing activities will be conducted without applying for, and receiving written permission, from the City and State for said additional activity. The project will ensure there is no significant threat to the health, safety, and welfare of the public or to neighboring properties.

Hazardous Material-
CR Manufacturing CA's packaging process will not require any flammable or hazardous materials on site. This reduces the threat and risk to this building and those surrounding it. The applicant acknowledges that a condition of approval will require that no flammable or hazardous materials may be used or stored on site.

(Proposed Manufacturing License)

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Fire Department Access

Fire Department access for the facility is provided via Cadillac Avenue via Hyland Avenue which is directly west of the property and runs north and south.

Allowable Height & Area-

The building will utilize non-separated use provision in accordance with section 508.3. Per Section 508.3.3, fire-resistant occupancy separations will not be required. The allowable height and area of the building is limited to that permitted. Quantities permitted as detailed further in this report. Per Table 503, this building does not exceed the allowable base building area for a Type II-B building.

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Fire Suppression Systems

The building will be protected with an automatic sprinkler system. One (1) 6" diameter fire riser located within a dedicated riser room is provided for the building. The riser room will provide direct exterior access.

The sprinkler system will provide coverage in accordance with NFPA 13 - *Standard for the installation of Sprinkler Systems.* The sprinkler zoning will be maintained. Sprinklers will provide the following densities:

Use	Sprinkler Density
Office/Reception	Light Hazard 0.1 gpm/ft^2 over most hydraulically remote 1500 ft^2
Production/Storage	Ordinary Hazard, Group 2 0.2gpm/ft^2 over the hydraulically remote 1500 ft^2

The sprinkler system will be modified as necessary to provide the minimum design criteria noted above

The riser rooms are of 1-hour fire-resistance rated construction and provide direct exterior access in accordance with IFC Section 916.3. The riser rooms will be maintained and provided with necessary HVAC equipment to maintain the temperature of the room between 40 degrees - 100 degrees Fahrenheit. Permanent lighting with backup power will be provided, if not already provided.

The sprinkler monitoring systems serving the buildings will be maintained.

Signage that will identify the riser rooms will be maintained on the exterior door of the room. And on the exterior doors leading to the area being discussed.

Knox Boxes will be provided outside of the riser rooms and will be maintained.

The building sprinkler system will be supported by a Fire Department Connection (FDC) with two (2) 2-½" outlets. The FDCs will be located along the exterior wall of the complex.

The building renovation will not impact required fire flow as the original building classification was Group F-1/S-1 and the remodel will not include a building expansion. The building will continue to utilize the existing city water supply on site to serve as the required fire flow.

Located within fifty (50) feet of the property on the east side of Cadillac Avenue is a 4x2 ½ fire hydrant with a minimum sixteen (16) inch main supply. There is an additional fire hydrant located on the east side of Cadillac Avenue within one-hundred fifty (150) feet of the premises. This is a 4x2x2 ½ hydrant that has a minimum sixteen (16) inch main supply.

(Fire Department Connection)

(Fire Hydrant located on within 50 feet of premises on Cadillac Ave)

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(Fire Hydrant located on within 150 feet of premises on Cadillac Ave)

(Knox Box)

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BUILDING DESCRIPTION

The Building is located at 3550 Cadillac Avenue in the city of Costa Mesa and is a rectangular approximately 12,238 square feet, one-story Type II-B rated building.

Access will be available from the west side of the building via Cadillac Ave

Ude

FIRE SAFETY ASSESSMENT PLAN

INTRODUCTION

This Fire Safety Assessment Plan will cover the occupancy identified as the CR Manufacturing. This project will consist of the address of 3550 Cadillac Avenue in Costa Mesa California. The occupancy will be existing construction and tenant improvement for the interior and will be in compliance with the most recent Fire Codes, Building Codes, and National Fire Protection Association Codes associated with this type of occupancy. All applicable codes will be applied to the construction, use, and processing of these facilities.

Site Specific Engineering Report

Occupancy

- Type Occupancy- Type II-B
- Occupant Load- Will follow CBC requirements for occupancy type
- Egress Capacity- Existing corridors and doors will meet California Building Code and will maintain a minimum at 44 inches.
- High Rise- Not a high rise (maximum height 26 ft)
- Windows- There are no openable windows.
- Underground- No underground
- Skylights- No skylights.

Building Construction

- Type II-B (see NFPA 220)

Building Exterior

- Premises- Fully separated from any other premises.
- Doors- Will be metal clad with panic hardware and use commercial grade locks. Minimum one (1) hour rated
- Location & Ratings of Fire Areas- See *Project Operations* section.
- Fire Walls- See *Project Operations* section.
- Fire Partitions- See *Project Operations* section.
- Interior Finishes- See *Project Operations* section.
- Protection of openings
    - Fire Doors- all exterior and interior opening between different components of the production area.
    - Fire Windows- N/A
    - Fire Dampers- See *Project Operations* section.
    - Fire Stops- See *Project Operations* section.

Address

- Visible from street - Each building will be clearly identified with address and emergency information including NFPA 704 Placard.

Emergency Generator

- An emergency generator may be provided and will augment all emergency lighting, exciting and monitoring systems in any short-term temporary emergency back-up systems.

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Heating System

- Electric - Heaters will be installed in each occupancy and will meet California building Code requirements and will be UL rated.

Electrical

- Main Panel Identified from Exterior - All building will have clear indicator of panel locations.
- Location of all Sub-Panels - Will be clearly identified.

HVAC

- Each portion of the building will be supplied with HVAC and will be approved during Building Plan checks and will be UL rated.

Fire Department Access

- Knox's –will be approved area by fire department.
- Fire Lane - The Fire Lane will be located on west sides of the occupancy

Water Supply

- Hydrant Locations- a 4x2 1/2 inch hydrant located within 50 feet of the occupancy on Cadillac Avenue. An additional 4x2-2 ½ fire hydrant located within 100 feet of the property.
- Sufficient Water Supply- minimum 16' water main supply.

Sprinkler System

- A sprinkler system will be provided in the building. The sprinkler system will be manufactured and will be maintained as per California Building Codes including maintenance (Certified every 5 years), properly tagged, proper signage, and OS&Y open/locked.
- Extra Sprinkler Heads/Wrench- Each building will have a sprinkler head cabinet with shut off tools.
- Exterior door signage- Will be provided and illuminated.

Emergency Lights

- Will be provided supplemented by short-term temporary emergency back-up system.

Exit Signs

- Will be installed at all exit corridors and exit doors.

Fire Alarm and Detection System-

- Annual Certification- occupant will follow City of Costa Mesa, County of Los Angeles and State Fire codes.
- Location of panel- will be at or near the main entrance of the building.
- Exterior Signage- NFPA 704
- Coverage (mapped)- Will cover the entire building.
- Monitored- Security and central signaling alarm system monitoring.
- Method- Types of initiation devices will include smoke, heat, manual, water flow, and special systems. The special systems will be Hydrocarbon detectors placed in the HVAC system in areas where manufacturing will take place.

Fire Extinguishers (see report objectives)

- Fire Extinguishers will be located in required locations throughout the occupancy and will follow California Fire Marshal requirements including mounted properly, inspection date current (within 1 year), adequate number, and proper type for hazard protected.

Housekeeping

- Housekeeping will be maintained and will include but not limited to areas free of excessive combustibles, no smoking throughout the complex, all building code requirements will be followed for storage requirements, and trash removed on a regular basis.

Means of Egress

- Will include fully sprinklered building, will be readily visible, clear and unobstructed, remote exits available, travel distance within distance (max 150' from any exit), common path of travel within limits, dead ends within limits, adequate illumination will be provided, all exit enclosures free of storage, doors swing in direction of egress travel (where required), panic/fire exit hardware operable, doors open easily, self-closers operable, doors closed or held open with automatic closers, corridors and aisles of sufficient size, proper exit signs (min 44'), and proper exit distances no more than 150'.

Applicable Codes

The Applicable Codes relative to this project are:

- 2016 California Building Code
- 2016 California Fire Code
- NFPA 72
- NFPA 13
- NFPA 48
- NFPA 58
- AB 2679

Employee Fire Safety Training

New employees will be screened, evaluated and trained to perform the essential functions of their specific job duties. CR Manufacturing's Fire Safety Policies will be discussed with the employees, emphasizing fire safety is fundamental to the way the company conducts its operations. New employees will be knowledgeable and well versed in Fire Safety rules and regulations. These regulations will be discussed at periodic safety meetings to ensure all employees are able to demonstrate the necessary Fire Safety knowledge. Emergency alarms will also be discussed such as, the audible and visible, and shall be well versed in handling alarm situations. Employees shall be knowledgeable in egress and evacuation routes, as well as points of assembly area illustrated in the facility plot plan. First aid kits will be accessible and available onsite to employees and eye wash /fire blanket stations shall be identified in accessible locations for fire emergencies. Periodic performance reviews will be conducted by senior level management to ensure that policies and procedures will be adhered to and will ensure each employee has a working knowledge of fire safety regulations and procedures.