

# Exhibit B

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## **21.67.100 D(7) - PRODUCT SUPPLY CHAIN**

### **Where Cultivation Occurs**

Cultivation will take place within the existing & proposed greenhouse structures on the property.

### **Where the Product is Processed**

Processing will take place within the two metal buildings on the property. Drying, trimming and storing of cannabis are the activities that will take place within the buildings. 3rd party processing will also take place within the two structures.

### **Required Testing of Cannabis or Cannabis Products**

California regulations provide that compliance testing must be completed by a licensed distribution license. Cultivators are allowed to perform R&D tests however those tests do not qualify the cannabis or cannabis products to go to market. Most of the cannabis or cannabis products will be sold to licensed distributors who will be responsible for getting the testing lab to sample material.

If we decide to transfer the product to our own distribution license, we will follow all testing requirements outlined in the regulations:

- Cannabinoids and terpenes
- Residual solvents and processing chemicals
- Residual pesticides
- Heavy metals
- Microbial impurities
- Mycotoxins
- Moisture content and water activity
- Foreign material

### **Transportation**

Cannabis can only be transported by licensed distributors or transport only companies. If selling a product to a licensed distributor we will ensure the product is transported compliantly. One of two things will happen, either the distributor will come pick up the product from our facility or we will transport it ourselves with our distribution license.

All transportation will be recorded via shipping manifests which will list:

- Name, license number, and premises address for:
  - The licensee who possesses the cannabis goods

- The licensee transporting the cannabis goods
- The licensee receiving the cannabis goods
- Name and license number of any licensee involved in the activity or transaction who is not shipping, transporting, or receiving the cannabis goods
- Date and time of activity
- Date and time of departure from first premises, and estimated time of departure for subsequent premises if cannabis goods are being shipped from multiple premises in one transport vehicle
- Estimated date and time of arrival at each receiving premises
- Driver license number for any person driving the transport vehicle
- Make, model, and license plate number of transport vehicles
- Name and type of cannabis goods to be transported

Upon receipt, the receiving licensee shall ensure the cannabis goods received are as described in the shipping manifest and accept the cannabis goods in the track and trace system. If there is a discrepancy between the cannabis goods received and the shipping manifest, the receiving licensee shall document the discrepancy in the track and trace system and any other relevant business records.

If the facility performs transportation via a distribution license, alternative fuel vehicles will be utilized as required by Monterey County Code section 21.67. Initial plans do not include making deliveries from the site. Using the operators distribution license will only be used to move cannabis from greenhouses to processing buildings. This does not require the use of motor vehicles.

**Packaging & Labeling Criteria**

All packaging & labeling of cannabis and cannabis products will follow all DCC (formally CDPH) regulations. DCC is responsible for establishing statewide standards for packaging and labeling of cannabis and cannabis products. In addition to DCC regulations, The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) includes basic requirements for how cannabis and cannabis products must be packaged before sale.

The specific criteria we will follow is outlined on the following pages. These are documents provided directly from DCC (formally CDPH) which include packaging checklists, labeling checklists for cannabis (for flower and flower-only pre-rolls) and labeling checklists for cannabis products (for manufactured cannabis products such as edibles, concentrates, and topicals).

## C h e c k l i s t

# Packaging Requirements: Final Form Cannabis Goods

The Medicinal and Adult-Use Cannabis Regulation and Safety Act ([MAUCRSA](#)) includes basic requirements for how cannabis goods must be packaged before retail sale. These guidelines apply to all nonmanufactured and manufactured cannabis goods that will be sold at a licensed retailer.

### Packaging Checklist

- **Tamper Evident** – A consumer can tell if the package has been opened.  
*Examples: a plastic seal, a sticker across the lid that is ripped when opened, or a jar with a lid that pops up after opening.*
- **Child-resistant** – The package is designed to be difficult for children under five years of age to open. See “Child-resistant Packaging Guidelines” for more information about what qualifies as child-resistant.
- **Resealable (for packages that contain more than one serving)** – The package can be closed after each use.  
*Examples: a lid, adhesive closure, or box top closure.*
- **Opaque (for edibles only)\*** – The package is not transparent; consumers cannot see the product through the packaging.  
*\*Colored bottles are considered opaque, provided that the bottle obscures the color of the liquid inside.*  
*\*Opaque bottles used for beverages may use a single, vertical, clear strip less than 0.25” wide to indicate serving sizes.*

### DOs

- Protect products from contamination and exposure to any toxic or harmful substances.
- Use any layer of packaging, to meet the packaging requirements listed above.

### DON'Ts

- Cannot imitate packaging used for products typically marketed to children.

The Department of Cannabis Control (DCC) licenses and regulates commercial cannabis activity within California. To learn more about the California cannabis market, state licenses or laws, visit [cannabis.ca.gov](http://cannabis.ca.gov). Email questions to [info@cannabis.ca.gov](mailto:info@cannabis.ca.gov) or call 1-844-61-CA-DCC (1-844-612-2322).



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Packaging Requirements: Final Form Cannabis Goods  
Revised 10.22.2021

1

## C h e c k l i s t

# Child-resistant Packaging (CRP)

State law requires that all cannabis goods are sold in child-resistant packaging (CRP). CRP is packaging that is designed to be hard for children under five years of age to open. It is the responsibility of the licensee that packaged the cannabis good to make sure that the package meets CRP requirements.

### There are three types of packaging that qualify as child-resistant:

- Packages that have been certified as child-resistant under the requirements of the [Poison Prevention Packaging Act](#) (PPPA, 16 CFR 1700.15(b)(1)). To meet this standard, packaging must be tested and certified as meeting the PPPA standards. You can ask your packaging supplier if the packaging you are considering has PPPA-compliant certification.
- A bottle sealed with a pry-off metal crown cork-style bottle cap (for packages containing only a single serving).
- Plastic packaging that is at least 4 mils thick and heat-sealed without an easy-open tab, dimple, corner, or flap (for packages of cannabis goods that qualify for single-use CRP or that contain only a single serving).

### Types of child-resistant packaging:

- **Single Use (“Initial CRP”)** – the package is initially child-resistant, but once opened, it is no longer child-resistant. If used, the package’s label must say “This package is not child-resistant after opening.”
- **Multiple Use (“Lifetime CRP”)** – the package maintains its child-resistance throughout the life of the package. It can be opened and closed, but still remains child-resistant.

### What type of child-resistant packaging does my product require?

#### Single-use CRP

- Cannabis Flower
- Pre-rolls
- Topicals
- Dab, Shatter, Wax
- Vape Cartridges

**Note:** Package must be labeled with the statement “This package is not child-resistant after opening.”



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Child-resistant Packaging  
Revised 10.22.2021

1

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## Multiple-use CRP

- Edibles
- Orally-consumed concentrates, such as tinctures or capsules
- Suppositories

**Note:** *A package that contains more than a single serving is not required to be child-resistant if each individual serving is packaged in child-resistant packaging.*

*More information about CRP requirements for cannabis and cannabis products can be found in Department regulations section [17412](#).*

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Child-resistant Packaging  
Revised 10.22.2021

2

## C h e c k l i s t

# Labeling Requirements: Non-manufactured Products in Final Form

Cannabis must be properly labeled to make sure consumers are informed about what they are buying and to prevent unintended use. These guidelines cover labeling requirements for non-manufactured cannabis goods that are ready to be sold by a licensed retailer.

### Labeling placement Where does the required labeling go?

Most of the required labeling must be placed on the outer layer of packaging or be easily visible through the outer layer of packaging (for example, if the outer-most layer is a clear cellophane wrapper). The outer labeling requirements are divided into two categories, based on the part of the package where it belongs.

- Primary Panel – The part of the label most likely to be displayed to the consumer at retail; usually the front or top of the package
- Informational Panel – Any other part of the label that is not the primary panel

If the product is packaged in a way that the immediate container holding the cannabis good can be separated from the outer packaging (such as a jar placed inside of a box), the immediate container must be labeled with the universal symbol.

### Labeling dos

- Display information clearly and legibly
- Use English
- Use at least 6-point font
- Make sure all labeling information is shown on the outer layer of packaging
- Additional product information may be added as long as it is truthful and not misleading

### Labeling don'ts

- Don't use California city or county names —The name of a California city or county can only be used on the label if 100% of the cannabis is grown there.
- Don't make the label attractive to children — This includes using cartoons, images popularly used to advertise to children, imitating candy labeling, and using the words "candy," "candies" or a variation, such as "kandy" or "kandeez," anywhere on the label.
- Don't include false or misleading information — This includes anything untrue or unproven, or information that leads consumers to have an inaccurate impression.



Department of  
Cannabis Control  
CALIFORNIA

Labeling Requirements: Non-manufactured Products in Final Form  
Revised 10.22.2021

1

- Don't make unproven health claims — Health-related statements, such as claims about a product's ability to treat or cure disease, may not be made unless there is significant scientific agreement and the claims are supported by a totality of publicly-available peer-reviewed evidence. Anecdotal information and preliminary study results do not meet these criteria. *Note: Health-related statements are heavily regulated by the FDA, and cannabis businesses are not exempt from federal prosecution for misleading health statements.*
- Don't indicate that the cannabis is organic. This includes using the word "organic" or any variations, such as "organix".
- Don't make any claims that the cannabis is "OCal" unless the cannabis meets the standards set in Business and Professions Code §26062.

### Labeling checklist (for outer layer of packaging)

**Primary panel** — The part of the label displayed to consumers at retail; usually the front or top of the package

- Product Identity — A generic or common name that describes the item. Examples include flower or pre-roll.
- Net weight of the cannabis in the package — List weight in both metric and U.S. customary units. (Example: NET WT. 4.0 oz. (113.4 g))
- Universal Symbol (in black, at least 0.5" X 0.5") — The California symbol that identifies cannabis and cannabis products. *Note: The symbol can be downloaded at [www.cannabis.ca.gov](http://www.cannabis.ca.gov)*

**Informational panel** — any part of the label that is not the primary panel

- UID number — The unique tracking number issued through the track and trace system
- Licensee name and phone number or website — The licensee name can be either the name of the licensed cultivator or licensee packaging the product and must be a name listed on the license certificate (either the legal business name or the registered DBA)
- Date of packaging for retail sale — Include month, day and year
- Government warning statement (in capital and bold letters)

**Cannabinoid content labeling** — May be on either the primary or informational panel and can be placed on the label before releasing to distribution or by the distributor on the licensed distribution premises after issuance of a regulatory compliance testing Certificate of Analysis for the batch.

Labeled before testing:

- Total THC expressed as a percentage (*Total THC is the sum of THC and THCA. For information on how to calculate Total THC, see DCC regulations section 15700(rrr)*)



Labeled after testing:

- Total THC expressed as a percentage
- Any cannabinoid that is 5% or more of the cannabinoid content

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Department of  
Cannabis Control  
CALIFORNIA

Labeling Requirements: Non-manufactured Products in Final Form  
Revised 10.22.2021

3