Exhibit C

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EXHIBIT C
DRAFT RESOLUTION

Before the Planning Commission in and for the County of Monterey, State of California

In the matter of the application of:
KIND OP CORP (PLN170110)

RESOLUTION NO. ----

Resolution by the Monterey County Planning Commission:

1) Find that a change of use within existing greenhouse and warehouse facilities is not an expansion of use beyond what existed at the time of the lead agency's determination, which qualifies as a Class 1 Categorical Exemption per Section 15301 of the CEQA Guidelines and none of the exceptions under Section 15300.2 apply; and
2) Approve a Use Permit to allow
    a. Approximately 260,000 square feet of canopy area for mixed-light commercial cannabis cultivation; and
    b. Approximately 21,000 square feet of nursery operations
    c. Non-volatile manufacturing operations

    within existing greenhouses, warehouses and office space

[PLN170110, Kind Op Corp, 2346 Alisal Road, Salinas, CA (APN: 137-141-007-000)]

The Kind Op Corp application (PLN170110) came on for public hearing before the Monterey County Planning Commission on July 11, 2018. Having considered all the written and documentary evidence, the administrative record, the staff report, oral testimony, and other evidence presented, the Planning Commission finds and decides as follows:

FINDINGS

1. **FINDING:** **CONSISTENCY** – The Project, as conditioned, is consistent with the applicable plans and policies which designate this area as appropriate for development.

EVIDENCE:

a) An application for a Use Permit to allow a commercial cannabis operations at 2346 Alisal Road, Salinas was filed on March 21, 2017 and was deemed complete on March 29, 2018.

b) During the course of review of this application, the project has been reviewed for consistency with the text, policies, and regulations in:
    - the 2010 Monterey County General Plan;

- Greater Salinas Area Plan;
- Monterey County Zoning Ordinance (Title 21);

No conflicts were found to exist. No communications were received during the course of review of the project indicating any inconsistencies with the text, policies, and regulations in these documents.

c) The property is located at 2346 Alisal Road, Salinas (Assessor's Parcel Number 137-141-007-000), Greater Salinas Area Plan area. The parcel is zoned Farmlands 40 acre minimum (F-40), which allows commercial cannabis cultivation and non-volatile manufacturing subject to the requirements of Chapter 21.67 of the Monterey County Code. Therefore, the project is an allowed land use for this site.

d) The proposed application involves no changes to the exterior of the existing space.

e) An Operation Plan has been submitted for the proposed commercial cannabis use that address the minimum regulations contained in Section 21.67.040.B of the Zoning Ordinance Title 21.

f) Location: The green house will be located in a Farmlands zoning district, is more than 600 feet from the nearest school, public park or drug recover facility.

g) Records: The Operation Plan proposes the use of BioTrackTHC software to "track and trace" all product transactions. BioTrackTHC is specifically designed for the cannabis industry and can keep accurate records of inventory and product flow. Financial record keeping will be managed by a bookkeeper using Quickbooks. A mandatory condition is included that requires the operation to allow access to Monterey County officials for inspection of the records.

h) Security: The Security Plan provides a detailed description of security measures to be implemented on-site. The proposed security measures have been reviewed by the RMA, and include 24-hour on-site security, video surveillance, security lighting, perimeter fencing, interior area access control, comprehensive security system, and Seed-to-Sale software for inventory control.

i) Packaging and Labeling: Dried flower will be packaged in a child resistant container with an unbroken seal prior to providing the product to patients. Product will be tested by a third party laboratory and test results will be clearly labeled on the packaging.

j) Sheriff Notification: The Operation Plan describes the proposed operational procedures for preventing theft & diversion, on-site consumption, and loitering. The plan indicates that employees will be trained on procedures and requirements and the Sheriff's office will be notified within 24 hours of any discrepancies, theft, suspicious activity, or other breach in security.

k) Other Illegal drugs: The Operations Plan does not propose to permit the dispensing or delivery of any non-cannabis related controlled substances.

l) There is no LUAC for the Greater Salinas area.

m) The application, project plans, and related support materials submitted by the project applicant to Monterey County RMA-Planning for the proposed development found in Project File PLN170110.

2. **FINDING:** **SITE SUITABILITY –** The site is physically suitable for the use proposed.

EVIDENCE:

a) The project has been reviewed for site suitability by the following departments and agencies: RMA- Planning, Monterey County Regional Fire District, RMA-Public Works, RMA-Environmental Services, Environmental Health Bureau, Sheriff's Office, Agricultural Commissioner's Office, and Water Resources Agency. There has been no indication from these departments/agencies that the site is not suitable for the proposed development. Conditions recommended have been incorporated.

b) Staff identified potential impacts to nearby properties because of odor. To address odors, RMA-Planning requires the use of odor prevention devices and techniques that ensure odors from cannabis are not detectable off-site (Condition 9). FogCo misting technology will be used for odor elimination.

c) The proposed location is an agricultural property with existing greenhouse structures. The proposed use is similar in character to existing and surrounding uses. Parking and access are provided on-site. RMA-Public Works requires improvements to existing roadside drainage ditches and culverts (Condition 10), as well as existing roadway connection to Alisal Road (Condition 11).

d) Operational plans including security, tracking, reporting, sustainability measures, and other relevant information are proposed to address regulatory requirements and minimize impacts at the site and in the surrounding areas (See also Finding 1 with relevant evidences)

e) The application, project plans, and related support materials submitted by the project applicant to the Monterey County RMA - Planning for the proposed development found in Project File PLN170110.

3. **FINDING:** **HEALTH AND SAFETY -** The establishment, maintenance, or operation of the project applied for will not under the circumstances of this particular case be detrimental to the health, safety, peace, morals, comfort, and general welfare of persons residing or working in the neighborhood of such proposed use, or be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the County.

EVIDENCE:

a) The project was reviewed by the Planning, Monterey County Regional Fire District, Public Works, Environmental Health Bureau, and Water Resources Agency. The respective agencies have recommended conditions, where appropriate, to ensure that the project will not have an adverse effect on the health, safety, and welfare of persons either residing or working in the neighborhood.

b) Necessary public facilities are available including Peninsula Septic Tank Service and water provided by a private well.

c) Operational plans including security, tracking, reporting, sustainability measures, and other relevant information are proposed to address

regulatory requirements and minimize impacts at the site and in the surrounding areas (See also Finding 1 with relevant evidences).

d) Any commercial cannabis activities operating at the site will be required to obtain a Business Permit pursuant to Chapter 7.90 of the Monterey County Code, a Business License pursuant to Chapter 7.100 of the Monterey County Code, and beginning January 1, 2018 a license from the State. These other licenses and entitlements will ensure ongoing monitoring of compliance with the plans and operational requirements.

e) The Environmental Health Bureau will require that the facilities be designed to meet or exceed the requirements of the California Health and Safety Code, Division 104, Part 7, California Retail Food Code and the Agricultural Commissioner's Office will inspect packaging, labeling, and weighing devices used onsite.

f) The application, project plans, and related support materials submitted by the project applicant to the Monterey County RMA - Planning for the proposed development found in Project File PLN170110.

4. **FINDING:** **NO VIOLATIONS -** The subject property is in compliance with all rules and regulations pertaining to zoning uses.

EVIDENCE:

a) Staff reviewed Monterey County RMA - Planning and Building Services Department records and is aware that commercial cannabis cultivation is operating on subject property without a Use Permit.

b) Zoning violation abatement costs, if any, have been paid.

c) The application, plans and supporting materials submitted by the project applicant to Monterey County RMA-Planning for the proposed development are found in Project File PLN170110.

5. **FINDING:** **STATE AND COUNTY REQUIREMENTS**: - The cannabis business, as proposed, has demonstrated that it can and will comply with all of the requirements of the State and County to operate a commercial cannabis cultivation, nursey, and non-volatile manufacturing business.

EVIDENCE

a) Operational plans including security measures, track and trace programs, monitoring and reporting requirements, packaging and labeling standards, sustainability measures, and other relevant information are proposed to address regulatory requirements contained in Section 21.67.040 of the Inland Zoning Ordinance Title 21 (See also Finding 1 with relevant evidences).

b) Any commercial cannabis uses operating at the site will be required to obtain a Business Permit pursuant to Chapter 7.90 of the Monterey County Code, a Business License pursuant to Chapter 7.100 of the Monterey County Code, and beginning January 1, 2018 a license from the State. These other licenses and entitlements will ensure ongoing monitoring of compliance with the plans and operational requirements on the local and State level. Failure to obtain and maintain all required permits, licenses, and entitlements may be ground for revocation of this permit.

6. **FINDING:** **REQUIRED SET BACKS: -** Commercial cannabis busienss will not take place within six hundred feet from any school, public park, or drug recovery facility.

EVIDENCE:

a) The greenhouse will be located at 2346 Alisal Road, Salinas, CA (Assessor's Parcel Number: 137-141-007-000).

b) The nearest school is Bardin Elementary on Bardin Rd, over 3 miles away.

c) Los Padres Neighborhood Park and Spreckels Memorial Park are the nearest parks. Both are located more than 600 feet from the proposed cultivation site.

d) There are no known drug recovery facilities in the area.

7. **FINDING:** **LESS THAN SIGNIFICANT IMPACTS: -** Operation of this commercial cannabis business, as approved and conditioned, will not result in significant unavoidable impacts on the environment.

EVIDENCE:

a) The project would allow a commercial cannabis cultivation site on private property zoned F/40. No physical improvements are proposed.

b) As proposed and conditioned, the project can be categorically exempt from the California Environmental Quality Act (See Finding 11).

c) The project entails only a change in agricultural plant types within existing structures on the site. The change in plant types would involve no material expansion of the existing use. Physical improvements to the site are limited to minor upgrades to existing structures. No grading or development outside of existing building footprints will be taking place, and therefore no new runoff will be created as an impact to adjacent roadways. Since this site was previously used for a plant cultivation operation, the amount of traffic generated by staff will not increase over historical use, so no new impacts are will occur with regard to traffic volumes in the area. The applicant anticipates having less than 25 employees on site for the operation of the business. This means the water service would not qualify as a Public Water System. The project has been conditioned (Condition No. 13) to ensure that if at some time the number of employees expands to more than 25 employees, the owner/applicant will apply for and obtain a State Public Water System permit.

8. **FINDING:** **MINIMIZE NUISANCES: -** The cultivation use includes adequate measures that minimize, to the extent feasible, nuisances to the immediate neighborhood and community including minimizing the detection of odor from offsite, minimizing the effects of loitering, providing adequate security measures, and not exceeding the Use Permit's limits on hours of operation.

EVIDENCE:

a) Plans and materials contained in the file (PLN170110) include measures to minimize nuisances within the area. A 24-hour contact will be available to address issues and concerns that may arise as a result of the operation.

b) Odor control measures are proposed to include FogCo misting devices in the building exhaust system.

c) Security measures and protocols are proposed that would minimize risk of theft, diversion, and loitering.

d) Ongoing monitoring and inspection for compliance with the plans and regulations will be required.

9. **FINDING:** **FEDERAL COMPLIANCE –** The cultivation use will provide adequate measures that address the federal enforcement priorities for cannabis activities including providing for restriction on drugged driving, restricting access to minors, prohibiting use or possession of firearms for security purposes at the premises, and ensuring that commercial cannabis and commercial cannabis products are supplied from permitted and licensed sources.

EVIDENCE:

a) There will be no sale of cannabis on-site. Labels on products sold to a dispensary will contain warnings regarding impaired ability to operate machinery. Track and Trace measures are proposed and required to ensure all products purchased or provided to a dispensary come from permitted sources.

b) Background checks of all employees, volunteers, principles, directors, and board members will be conducted. Any person previously convicted of a felony will not be employed, nor will any vendors or contractors who have been convicted of a felony be allowed regular or extended access to restricted areas of the facility.

c) Any commercial cannabis business operating at the site will be required to obtain a Business Permit pursuant to Chapter 7.90 of the Monterey County Code, a Business License pursuant to Chapter 7.100 of the Monterey County Code, and beginning January 1, 2018 a license from the State. These other licenses and entitlements will ensure ongoing monitoring of compliance with the plans and operational requirements on the local and State level.

d) Violations of Federal Enforcement priorities may be grounds for revocation of this permit.

10. **FINDING:** **CEQA (Exempt): -** The project is categorically exempt from environmental review and no unusual circumstances were identified to exist for the proposed project

EVIDENCE:

a) California Environmental Quality Act (CEQA) Guidelines Section 15301, categorically exempts permitting, licensing, and minor alterations of existing structures and facilities involving negligible or no expansion of use beyond that existing.

b) The project entails a change in agricultural use within existing greenhouse structures on the lot. Improvements are limited to the installation of rolling benches in greenhouses to achieve 80% canopy coverage.

c) None of the exceptions under CEQA Guidelines Section 15300.2 apply to this project. The project is located within an existing structure that has adequate services available to serve the proposed use. There are no physical changes proposed that may cause an impact to historic resources or visual resources.

d) The applicant has proposed appropriate operational plans and details to minimize nuisances in the vicinity including odor and security measures (See the preceding Findings and Evidence).

e) The project entails only a change in agricultural plant types within existing structures on the site. The change in plant types would involve no material expansion of the existing use. Physical improvements to the site are limited to minor upgrades to existing structures. No grading or development outside of existing building footprints will be taking place, and therefore no new runoff will be created as an impact to adjacent roadways. Since this site was previously used for a plant cultivation operation, the amount of traffic generated by staff will not increase over historical use, so no new impacts are will occur with regard to traffic volumes in the area. The applicant anticipates having less than 25 employees on site for the operation of the business. This means the water service would not qualify as a Public Water System. The project has been conditioned (Condition No. 13) to ensure that if at some time the number of employees expands to more than 25 employees, the owner/applicant will apply for and obtain a State Public Water System permit.

f) The application, project plans, and related support materials submitted by the project applicant to Monterey County RMA-Planning for the proposed development found in Project File PLN170110.

11. **FINDING:** **APPEALABILITY -** The decision on this project may be appealed to the Board of Supervisors

EVIDENCE:

a) Section 21.80.040.D of the Monterey County Zoning Ordinance states that the proposed project is appealable to the Board of Supervisors.

b) The project is not located in the Coastal Zone.

DECISION

NOW, THEREFORE, based on the above findings and evidence, the Planning Commission does hereby:

1. Find that a change of use within existing greenhouse and warehouse facilities is not an expansion of use beyond what existed at the time of the lead agency's determination, which qualifies as a Class 1 Categorical Exemption per Section 15301 of the CEQA Guidelines and none of the exceptions under Section 15300.2 apply; and
2. Approve a Use Permit to allow
    a. Approximately 260,000 square feet of canopy area for mixed-light commercial cannabis cultivation; and
    b. Approximately 21,000 square feet of nursery operations; and
    c. Non-volatile manufacturing operations

    within existing greenhouses, warehouses and office space, in general conformance with the attached sketch and Operations Plans**,** and subject to the attached conditions all being attached hereto and incorporated herein by reference.

PASSED AND ADOPTED this 11th day of July, 2018 upon motion of _____, seconded by _____, by the following vote:

AYES:
NOES:
ABSENT:

ABSTAIN:

Jacqueline R. Onciano, Planning Commission Secretary

COPY OF THIS DECISION MAILED TO APPLICANT ON

THIS APPLICATION IS APPEALABLE TO THE BOARD OF SUPERVISORS.

IF ANYONE WISHES TO APPEAL THIS DECISION, AN APPEAL FORM MUST BE COMPLETED AND SUBMITTED TO THE CLERK TO THE BOARD ALONG WITH THE APPROPRIATE FILING FEE ON OR BEFORE [DATE]

This decision, if this is the final administrative decision, is subject to judicial review pursuant to California Code of Civil Procedure Sections 1094.5 and 1094.6. Any Petition for Writ of Mandate must be filed with the Court no later than the 90th day following the date on which this decision becomes final.

NOTES

1. You will need a building permit and must comply with the Monterey County Building Ordinance in every respect.

   Additionally, the Zoning Ordinance provides that no building permit shall be issued, nor any use conducted, otherwise than in accordance with the conditions and terms of the permit granted or until ten days after the mailing of notice of the granting of the permit by the appropriate authority, or after granting of the permit by the Board of Supervisors in the event of appeal.

   Do not start any construction or occupy any building until you have obtained the necessary permits and use clearances from Monterey County RMA-Planning and RMA-Building Services Department office in Salinas.

2. This permit expires 3 years after the above date of granting thereof unless construction or use is started within this period.

Monterey County RMA Planning

DRAFT Conditions of Approval/Implementation Plan/Mitigation Monitoring and Reporting Plan

PLN170110

1. PD001 - SPECIFIC USES ONLY

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: This Use Permit (PLN170110) allows commercial cannabis cultivation and nurserytotaling up to 260,000 total square feet of canopy area, within existing greenhouses, and to allow processing and non-volatile manufacturing within an existing warehouse. The property is located at 2346 Alisal Road (Assessor's Parcel Number 137-141-007-000), Greater Salinas Area Plan. This permit was approved in accordance with County ordinances and land use regulations subject to the terms and conditions described in the project file. Neither the uses nor the construction allowed by this permit shall commence unless and until all of the conditions of this permit are met to the satisfaction of the Director of RMA - Planning. Any use or construction not in substantial conformance with the terms and conditions of this permit is a violation of County regulations and may result in modification or revocation of this permit and subsequent legal action. No use or construction other than that specified by this permit is allowed unless additional permits are approved by the appropriate authorities. To the extent that the County has delegated any condition compliance or mitigation monitoring to the Monterey County Water Resources Agency, the Water Resources Agency shall provide all information requested by the County and the County shall bear ultimate responsibility to ensure that conditions and mitigation measures are properly fulfilled. (RMA - Planning)

Compliance or Monitoring Action to be Performed: The Owner/Applicant shall adhere to conditions and uses specified in the permit on an ongoing basis unless otherwise stated.

2. PD002 - NOTICE PERMIT APPROVAL

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: The applicant shall record a Permit Approval Notice. This notice shall state:
"A Use Permit (Resolution Number ***) was approved by the Planning Commission for Assessor's Parcel Number 137-141-007-000 on July 25, 2018. The permit was granted subject to 12 conditions of approval which run with the land. A copy of the permit is on file with Monterey County RMA - Planning."

Proof of recordation of this notice shall be furnished to the Director of RMA - Planning prior to issuance of grading and building permits, Certificates of Compliance, or commencement of use, whichever occurs first and as applicable. (RMA - Planning)

Compliance or Monitoring Action to be Performed: Prior to the issuance of grading and building permits, certificates of compliance, or commencement of use, whichever occurs first and as applicable, the Owner/Applicant shall provide proof of recordation of this notice to the RMA - Planning.

3. PD006(A) - CONDITION COMPLIANCE FEE

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: The Owner/Applicant shall pay the Condition Compliance fee, as set forth in the fee schedule adopted by the Board of Supervisors, for the staff time required to satisfy conditions of approval. The fee in effect at the time of payment shall be paid prior to clearing any conditions of approval.

Compliance or Monitoring Action to be Performed: Prior to clearance of conditions, the Owner/Applicant shall pay the Condition Compliance fee, as set forth in the fee schedule adopted by the Board of Supervisors.

4. PDSP001 - OPERATIONAL COMPLIANCE INSPECTIONS

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: The owner and permittees shall allow access to the premises and access to records if requested by the County, its officers, or agents, and shall pay for an annual inspection and submit to inspections from the County or its officers to verify compliance with all relevant rules, regulations, and conditions.

Compliance or Monitoring Action to be Performed: Ongoing during cannabis operations. The owner and/or permittee shall allow access to the site if requested by the County and pay any required inspection fees.

5. PDSP002 - INSPECTION OF RECORDS

Responsible Department: Code Enforcement

Condition/Mitigation Monitoring Measure: The applicant, owner, and permittees agree to submit to and pay for, inspection of the operations and relevant records or documents necessary to determine compliance with Chapter 21.67 from any enforcement officer of the County or their designee.

Compliance or Monitoring Action to be Performed: On-going during cannabis operations. The owner and/or permittee shall allow access to cannabis business records and pay any required inspection fees.

6. PDSP003 – COMMERCIAL CANNABIS PERMIT

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: Any person, business, or entity operating a commercial cannabis activity on the property shall obtain a valid and fully executed Commercial Cannabis Business Permit pursuant to Chapter 7.90 of the Monterey County Code prior to commencing commercial cannabis activities at the site and must maintain such permits in good standing in order to continue operations.

Compliance or Monitoring Action to be Performed: Within 90 days of approval of a Use Permit/Coastal Development Permit, the person, business, and/or entities operating commercial cannabis activities shall obtain all required Commercial Cannabis Business Permits.

7. PDSP004 - GROUNDS FOR REVOCATION

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: The property owner shall be responsible for ensuring that all commercial cannabis activities at the site operate in good standing with all permits and licenses required by the Monterey County Code and State law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial cannabis activities at the site who do not maintain permits and licenses in good standing with the County and State shall be grounds for the suspension or revocation of this permit.

Compliance or Monitoring Action to be Performed: On-going during cannabis operations at the site. The owner shall ensure that all commercial cannabis operations have obtained and maintain all required permits, licenses, and entitlements or take appropriate actions to evict operators who do not maintain appropriate permits, licenses, and entitlements.

8. PDSP005 - COMPLIANCE WITH OPERATIONS PLANS

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: The commercial cannabis activities shall be maintained in accordance with the operation plans approved by the County.

Compliance or Monitoring Action to be Performed: On-going during cannabis operations. Cannabis activities shall comply with the operations plans attached to this permit and as may be approved under a Commercial Cannabis Business Permit.

9. PDSP006 - ODOR CONTROL

Responsible Department: RMA-Planning

Condition/Mitigation Monitoring Measure: The property owner shall ensure that any cannabis business operating on-site confirms to Section 7.90.100.A.8 of the Monterey Code, as may be amended. Odor prevention devices and techniques, such as ventilation system with a carbon filter, shall be incorporated to ensure that odors from cannabis are not detectable off-site.

Compliance or Monitoring Action to be Performed: Prior to issuance of Commercial Cannabis Business Permits, the owner/applicants shall provide plans and information to the satisfaction of the Chief of Planning, describing how odors will be controlled and how the odor control devices will be maintained.

Odor prevention devices shall be maintained in accordance with approved odor control plans during the life of the operations.

10. PWSP0001 – DRAINAGE

Responsible Department: RMA-Public Works

Condition/Mitigation Monitoring Measure: Restore existing road-side drainage ditches and culverts to full functionality along Alisal Road. Fill material must be removed from the bottom of the ditch and kept out of the road right-of-way, subject to the approval of RMA-Public Works. The property area alongside the ditch shall be maintained in a manner such that no material from the property will negatively affect the drainage functionality of drainage ditches and culverts.

Compliance or Monitoring Action to be Performed: Prior to Building Issuance Owner/Applicant shall obtain an encroachment permit from RMA. Improvements are to be completed prior to occupancy or commencement of use. Applicant is responsible to obtain all permits and environmental clearances.

11. PWSP0002 – DRIVEWAY IMPROVEMENTS

Responsible Department: RMA-Public Works

Condition/Mitigation Monitoring Measure: Applicant/Owner improve the existing roadway connection/pavement to Alisal Road. Trim or remove the trees and vegetation at the intersection of Alisal Road and Fuji Lane to provide sight visibility.

Compliance or Monitoring Action to be Performed: Prior to Building Issuance Owner/Applicant shall obtain an encroachment permit from RMA. Improvements are to be completed prior to occupancy or commencement of use. Applicant is responsible to obtain all permits and environmental clearances

12. CC01 INDEMNIFICATION AGREEMENT

Responsible Department: County Counsel

Condition/Mitigation Monitoring Measure: The property owner agrees as a condition and in consideration of approval of this discretionary development permit that it will, pursuant to agreement and/or statutory provisions as applicable, including but not limited to Government Code Section 66474.9, defend, indemnify and hold harmless the County of Monterey or its agents, officers and employees from any claim, action or proceeding against the County or its agents, officers or employees to attack, set aside, void or annul this approval, which action is brought within the time period provided for under law, including but not limited to, Government Code Section 66499.37, as applicable. The property owner will reimburse the County for any court costs and attorney's fees which the County may be required by a court to pay as a result of such action. The County may, at its sole discretion, participate in the defense of such action; but such participation shall not relieve applicant of his/her/its obligations under this condition. An agreement to this effect shall be recorded upon demand of County Counsel or concurrent with the issuance of building permits, use of property, filing of the final map, recordation of the certificates of compliance whichever occurs first and as applicable. The County shall promptly notify the property owner of any such claim, action or proceeding and the County shall cooperate fully in the defense thereof. If the County fails to promptly notify the property owner of any such claim, action or proceeding or fails to cooperate fully in the defense thereof, the property owner shall not thereafter be responsible to defend, indemnify or hold the County harmless. (County Counsel)

Compliance or Monitoring Action to be Performed: Upon demand of County Counsel or concurrent with the issuance of building permits, use of the property, recording of the final/parcel map, or recordation of Certificates of Compliance, whichever occurs first and as applicable, the Owner/Applicant shall submit a signed and notarized Indemnification Agreement to the County Counsel for review and signature by the County.

Proof of recordation of the Indemnification Agreement, as outlined, shall be submitted to the Office of County Counsel.

USE PERMIT FOR:

ALVAREZ BROTHERS LLC

2346 ALISAL ROAD
SALINAS, CA 93907

PROJECT TEAM

OPERATOR
ALVAREZ BROTHERS LLC
CONTACT: JOE ALVAREZ
PHONE: (831) 444-2965

ARCHITECT
BELLI ARCHITECTURAL GROUP
CONTACT: LINO BELLI
PHONE: (831) 424-4620
FAX: (831) 424-4408

SHEET INDEX

1 PARCEL MAP
SCALE: 1" = 40'-0"

PROJECT NORTH

PROJECT DATA #PLN170110

PROPERTY OWNER & OPERATOR: ALVAREZ BROTHERS LLC, 8065 SAN MIGUEL CANYON ROAD, SALINAS, CA 93907
PROJECT ADDRESS: 2346 ALISAL ROAD, SALINAS, CA 93907
APN: 137-141-007-000
PARCEL SIZE: 534,446 S.F. (12.3 ACRES)
ZONING: F/40
LOT COVERAGE: 333,552 S.F. (62%)
USE DESIGNATION: FARMLAND (40-160 ACRE)
FLOOR AREA RATIO: 333,552 S.F. (62%)
JURISDICTION: COUNTY OF MONTEREY
IMPERVIOUS COVERAGE: BUILDINGS: 333,552 S.F. OTHER: 23,705 S.F. TOTAL: 357,257 S.F.
USE: GREENHOUSE CULTIVATION
PARKING PROPOSED: 37 SPACES
LANDSCAPING AREA: N/A
INCLUDES ADA PKG: 2 (1 VAN ACCESSIBLE)
TREE REMOVAL: NONE
WATER SERVICE: NONE
GRADING VOLUMES: NONE
SEWER SERVICE: NONE

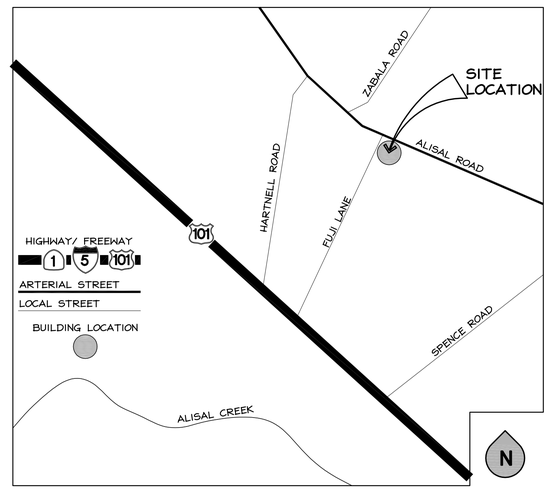
PROJECT DESCRIPTION: USE EXISTING GREENHOUSES AND ACCESSORY STRUCTURES FOR CULTIVATION AND PROCESSING OF CANNABIS IN SIMILAR MANNER AS PREVIOUSLY USED FOR THE CULTIVATION AND PROCESSING OF CUT FLOWERS. INSTALL NEW SECURITY CAMERAS AND NEW EXTERIOR LIGHTING.

CODES: 2016 CBC - CALIFORNIA BUILDING CODE
2016 CPC - CALIFORNIA PLUMBING CODE
2016 CMC - CALIFORNIA MECHANICAL CODE
2016 CEC - CALIFORNIA ELECTRICAL CODE
2016 CFC - CALIFORNIA FIRE CODE
2016 CALIFORNIA TITLE 24 ENERGY REQ'MENTS
2016 CALIFORNIA AMENDMENTS

PROJECT BUILDING DATA

BLDG	USE DESCRIPTION	(E) OCC.	(N) OCC.	CONST. TYPE	BLDG. HT.	GROSS S.F.
A	CULTIVATION	U	U	II-B	35'-0"	47,561 S.F.
B	NURSERY	U	U	II-B	35'-0"	26,062 S.F.
C	BOILERS	S-1	S-1	V-B	35'-0"	2,961 S.F.
D	PROCESSING/RESTROOMS	F-1	F-1	II-B	35'-0"	6,589 S.F.
E	CULTIVATION	U	U	II-B	35'-0"	32,416 S.F.
F	CULTIVATION	U	U	II-B	35'-0"	32,377 S.F.
Q	CULTIVATION	U	U	II-B	35'-0"	42,017 S.F.
H	RESIDENCE	R	R	V-B	35'-0"	3,270 S.F.
J	STORAGE	S-1	S-1	V-B	35'-0"	512 S.F.
K	CULTIVATION	U	U	II-B	35'-0"	60,642 S.F.
L	CULTIVATION	U	U	II-B	35'-0"	41,914 S.F.
M	CULTIVATION	U	U	II-B	35'-0"	36,912 S.F.

EXISTING BUILDING AREA	336,642 S.F.
TOTAL GREENHOUSE AREA	272,659 S.F.



VICINITY MAP
NO SCALE

REVISIONS	DATE	BY	DESCRIPTION

LICENSED ARCHITECT RAYMOND LINO BELLI JR. C-18071 Exp. 6/30/19 STATE OF CALIFORNIA

BELLI ARCHITECTURAL GROUP 831. 424. 4620
235 MONTEREY STREET, SUITE B, SALINAS, CA 93901
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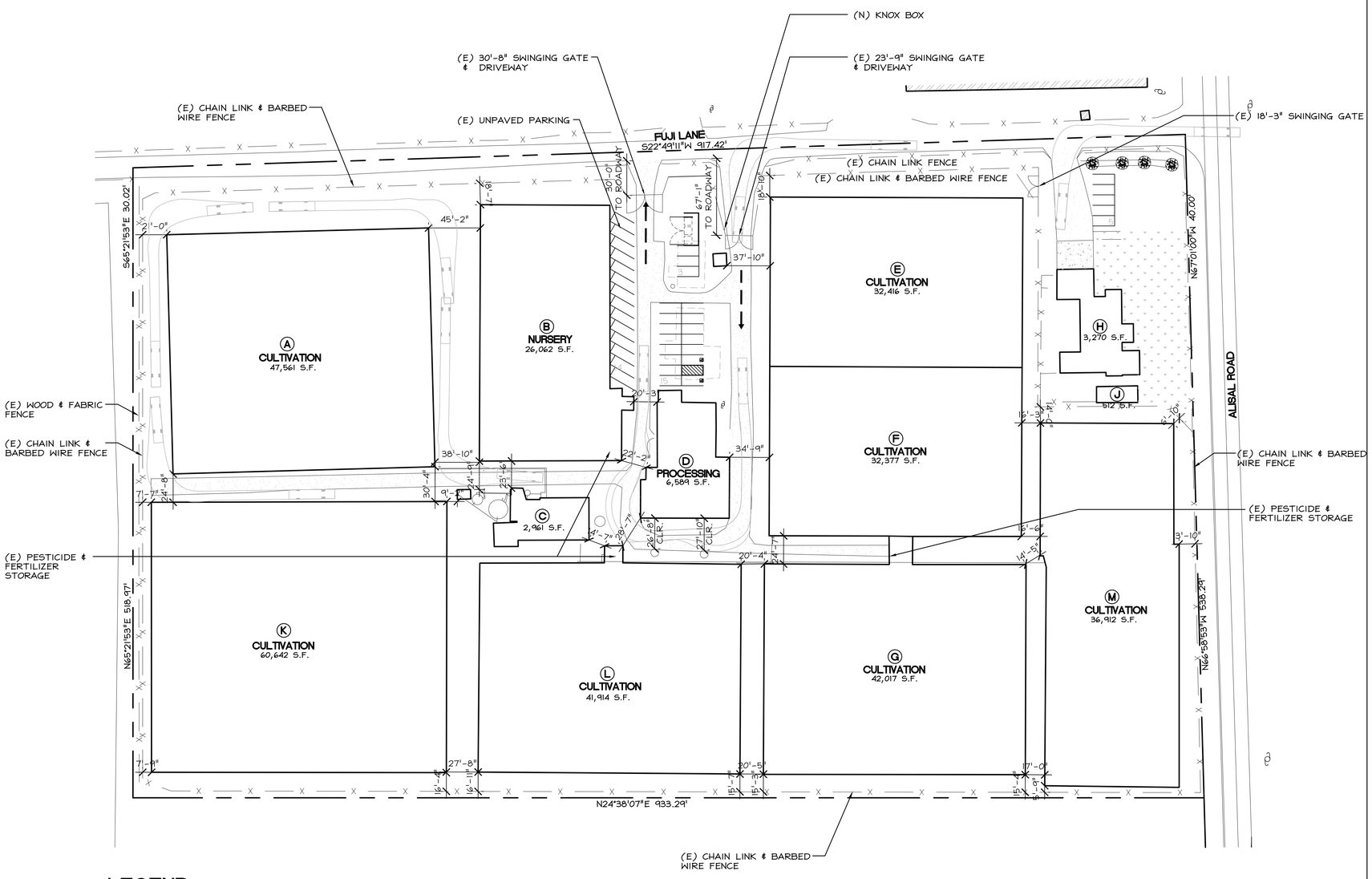
TITLE SHEET
USE PERMIT FOR:
ALVAREZ BROTHERS LLC
2346 ALISAL ROAD
SALINAS, CA 93907

DATE	6/26/17
SCALE	AS NOTED
DRAWN	JC
JOB	17024
SHEET	T1.1
OF	SHEETS



LEGEND

- (E) PROPERTY LINE
- (E) FENCE
- ACCESSORY STRUCTURES TO BE REMOVED
- (E) BUILDING
- (E) ADJACENT BUILDING
- (E) LANDSCAPING
- (E) A/C PAVING
- (E) CONCRETE DRIVEWAY

PROJECT NORTH

1 FIRE ACCESS PLAN
SCALE: 1" = 50'-0"

FIRE DEPARTMENT NOTES

1. ROAD ACCESS: ACCESS ROADS SHALL BE REQUIRED FOR EVERY BUILDING WHEN ANY PORTION OF THE EXTERIOR WALL OF THE FIRST STORY IS LOCATED MORE THAN 150'-0" FROM FIRE DEPARTMENT ACCESS. ALL ROADS SHALL BE CONSTRUCTED TO PROVIDE A MINIMUM WIDTH OF 20'-0" WITH AN UNOBSTRUCTED VERTICAL CLEARANCE OF NOT LESS THAN 15'-0". THE ROADWAY SURFACE SHALL PROVIDE UNOBSTRUCTED ACCESS TO CONVENTIONAL DRIVE VEHICLES INCLUDING SEDANS AND FIRE APPARATUS AND SHALL BE AN ALL-WEATHER SURFACE DESIGNED TO SUPPORT THE IMPOSED LOAD OF FIRE APPARATUS (22 TONS).

2. FIRE PROTECTION EQUIPMENT & SYSTEMS - FIRE SPRINKLER SYSTEM: THE BUILDING(S) AND ATTACHED GARAGE(S) SHALL BE FULLY PROTECTED WITH AUTOMATIC FIRE SPRINKLER SYSTEM(S). INSTALLATION SHALL BE IN ACCORDANCE WITH THE APPLICABLE NFPA STANDARD. A MINIMUM OF FOUR (4) SETS OF PLANS FOR FIRE SPRINKLER SYSTEMS MUST BE SUBMITTED BY A CALIFORNIA LICENSED C-16 CONTRACTOR TO THE FIRE CODE OFFICIAL AND APPROVED PRIOR TO INSTALLATION. THIS REQUIREMENT IS NOT INTENDED TO DELAY ISSUANCE OF A CONSTRUCTION PERMIT. A ROUGH SPRINKLER INSPECTION MUST BE SCHEDULE BY THE INSTALLING CONTRACTOR AND COMPLETED PRIOR TO REQUESTING A FRAMING INSPECTION.

3. FIRE ALARM SYSTEM (COMMERCIAL): THE BUILDING(S) SHALL BE FULLY PROTECTED WITH AN APPROVED CENTRAL STATION, PROPRIETARY STATION, OR REMOTE STATION AUTOMATIC FIRE ALARM SYSTEM AS DEFINED BY NFPA 72. PLANS AND SPECIFICATIONS FOR THE FIRE ALARM SYSTEM SHALL BE SUBMITTED BY A CALIFORNIA LICENSED C-10 CONTRACTOR TO THE FIRE CODE OFFICIAL AND APPROVED PRIOR TO REQUESTING A ROUGH SPRINKLER OR FRAMING INSPECTION.

4. DEFENSIBLE SPACE REQUIREMENTS: MANAGE COMBUSTIBLE VEGETATION FROM WITHIN 100'-0" OF STRUCTURE, OR TO THE PROPERTY LINE, WHICHEVER IS CLOSER. TRIM TREE LIMBS TO A MINIMUM OF 6'-0" FROM THE GROUND. REMOVE TREE LIMBS FROM WITHIN 10'-0" OF CHIMNEYS. ADDITIONAL AND/OR ALTERNATE FIRE PROTECTION OR FIREBREAKS APPROVED BY THE FIRE CODE OFFICIAL MAY BE REQUIRED TO PROVIDE REASONABLE FIRE SAFETY. ENVIRONMENTALLY SENSITIVE AREAS MAY REQUIRE ALTERNATIVE FIRE PROTECTION TO BE DETERMINED BY THE FIRE CODE OFFICIAL AND THE DIRECTOR OF THE RESOURCE MANAGEMENT AGENCY.

5. ADDRESSES FOR BUILDINGS: ALL BUILDINGS SHALL BE ISSUED AN ADDRESS IN ACCORDANCE WITH MONTEREY COUNTY ORDINANCE NO. 1241. EACH OCCUPANCY, EXCEPT ACCESSORY BUILDINGS, SHALL HAVE ITS OWN PERMANENTLY POSTED ADDRESS. WHEN MULTIPLE OCCUPANCIES EXIST WITHIN A SINGLE BUILDING, EACH INDIVIDUAL OCCUPANCY SHALL BE SEPARATELY IDENTIFIED BY ITS OWN ADDRESS. LETTERS, NUMBERS AND SYMBOLS FOR ADDRESSES SHALL BE A MINIMUM OF 4-INCH HEIGHT, 1/2-INCH STROKE, CONTRASTING WITH THE BACKGROUND COLOR OF THE SIGN, AND SHALL BE ARABIC. THE SIGN AND NUMBERS SHALL BE REFLECTIVE AND MADE OF A NONCOMBUSTIBLE MATERIAL. ADDRESS SIGNS SHALL BE PLACED AT EACH DRIVEWAY ENTRANCE AND AT EACH DRIVEWAY SPLIT. ADDRESS SIGNS SHALL BE VISIBLE AND LEGIBLE FROM BOTH DIRECTIONS OF TRAVEL ALONG THE ROAD. IN ALL CASES, THE ADDRESS SHALL BE POSTED AT THE BEGINNING OF CONSTRUCTION AND SHALL BE MAINTAINED THEREAFTER. ADDRESS SIGNS ALONG ONE-WAY ROADS SHALL BE VISIBLE FROM BOTH DIRECTIONS OF TRAVEL. WHERE MULTIPLE ADDRESSES ARE REQUIRED AT A SINGLE DRIVEWAY, THEY SHALL BE MOUNTED ON A SINGLE SIGN. WHERE A ROADWAY PROVIDES ACCESS SOLELY TO A SINGLE COMMERCIAL OCCUPANCY, THE ADDRESS SIGN SHALL BE PLACED AT THE NEAREST ROAD INTERSECTION PROVIDING ACCESS TO THE SITE. PERMANENT ADDRESS NUMBERS SHALL BE POSTED PRIOR TO REQUESTING FINAL CLEARANCE.

6. GATES: ALL GATES PROVIDING ACCESS FROM THE ROAD TO A DRIVEWAY SHALL BE LOCATED AT LEAST 30'-0" FROM THE ROADWAY AND SHALL OPEN TO ALLOW A VEHICLE TO STOP WITHOUT OBSTRUCTING TRAFFIC ON THE ROAD. GATE ENTRANCES SHALL BE AT LEAST THE WIDTH OF THE TRAFFIC BUT IN NO CASE LESS THAN 12'-0" WIDE. WHERE A ONE-WAY ROAD WITH A SINGLE TRAFFIC LANE PROVIDES ACCESS TO A GATED ENTRANCE, A 40'-0" TURNING RADIUS SHALL BE USED. WHERE GATES ARE TO BE LOCKED, THE INSTALLATION OF A KEY BOX OR OTHER ACCEPTABLE MEANS FOR IMMEDIATE ACCESS BY EMERGENCY EQUIPMENT MAY BE REQUIRED.

7. EMERGENCY ACCESS KEY BOX: EMERGENCY ACCESS KEY BOX ("KNOX BOX") SHALL BE INSTALLED AND MAINTAINED. THE TYPE AND LOCATION SHALL BE APPROVED BY THE FIRE DEPARTMENT. THE FIRE DEPARTMENT SHALL BE NOTIFIED WHEN LOCKS ARE CHANGED SO THAT EMERGENCY ACCESS KEY BOX CAN BE UPDATED WITH CURRENT KEYS.

REVISIONS	DATE	BY	DESCRIPTION

LICENSED ARCHITECT RAYMOND LINDSEY BELLI III C-18071 Exp. 6/30/19 STATE OF CALIFORNIA

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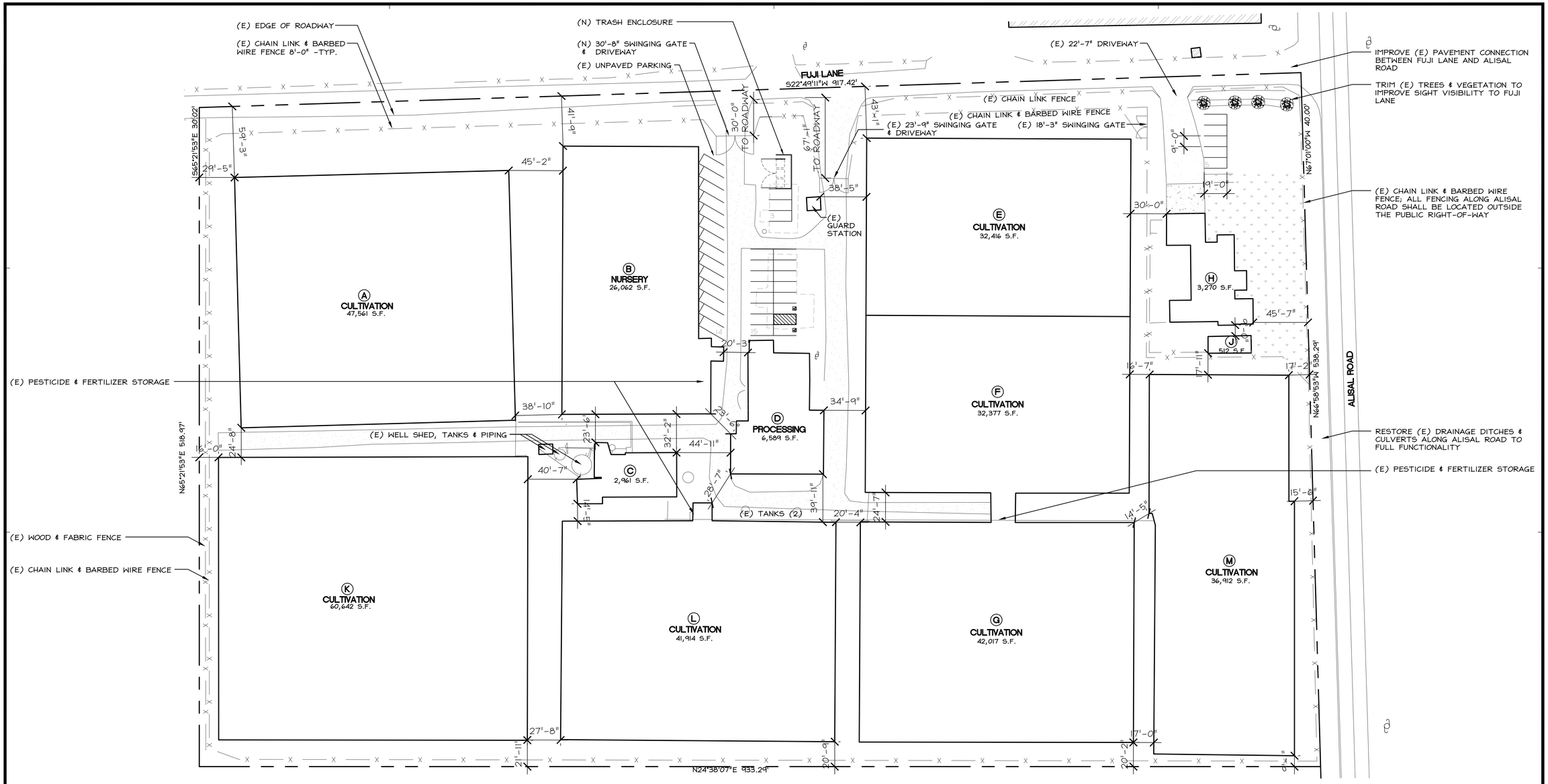
FIRE ACCESS PLAN
USE PERMIT FOR:
ALVAREZ BROTHERS LLC
2346 ALISAL ROAD
SALINAS, CA 93907

DATE	6/26/17
SCALE	AS NOTED
DRAWN	JC
JOB	17024
SHEET	A0.1
OF	SHEETS



LEGEND

- (E) PROPERTY LINE
- (E) FENCE
- ACCESSORY STRUCTURES TO BE REMOVED
- (E) BUILDING
- (E) ADJACENT BUILDING
- (E) LANDSCAPING
- (E) A/C PAVING
- (E) CONCRETE DRIVEWAY

NOTES

1. NEUTRAL GRADE: ±86.7'

ACCESSIBLE PARKING SYMBOL

1. 3'-0" X 3'-0" SQUARE WITH BLUE THERMOPLASTIC BACKGROUND (COLOR #15090 IN FEDERAL STANDARDS) TO BE CENTERED IN ADA PARKING STALL.
2. THE INTERNATIONAL WHEELER CHAIR SYMBOL TO BE WHITE THERMOPLASTIC AND OF 4" WIDE STROKES.

ACCESSIBLE PARKING SIGN

1. 1'-0" X 1'-6" ADA PARKING SIGN TO BE MOUNTED ON A 2" DIAMETER GALVANZIED PIPE AND SECURED BY A 1'-0"W X 2'-3"D 2000 PSI CONCRETE FOOTING.
2. 0.125" ALUMINUM SIGN WITH REFLECTORIZED PAINTED FINISH.
3. PROVIDE SIGN BELOW AT VAN PARKING, 12"X8"
4. PROVIDE SIGN "MINIMUM FINE $250" PER C.B.C. 11B-502.6.2

1 SITE PLAN
SCALE: 1" = 40'-0"

REVISIONS	DATE	BY	DESCRIPTION

LICENSED ARCHITECT RAYMOND LINDSEY BELLI III C-18071 Exp. 6/30/19 STATE OF CALIFORNIA

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SITE PLAN

USE PERMIT FOR:
ALVAREZ BROTHERS LLC
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SALINAS, CA 93907

DATE	6/26/17
SCALE	AS NOTED
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JOB	17024
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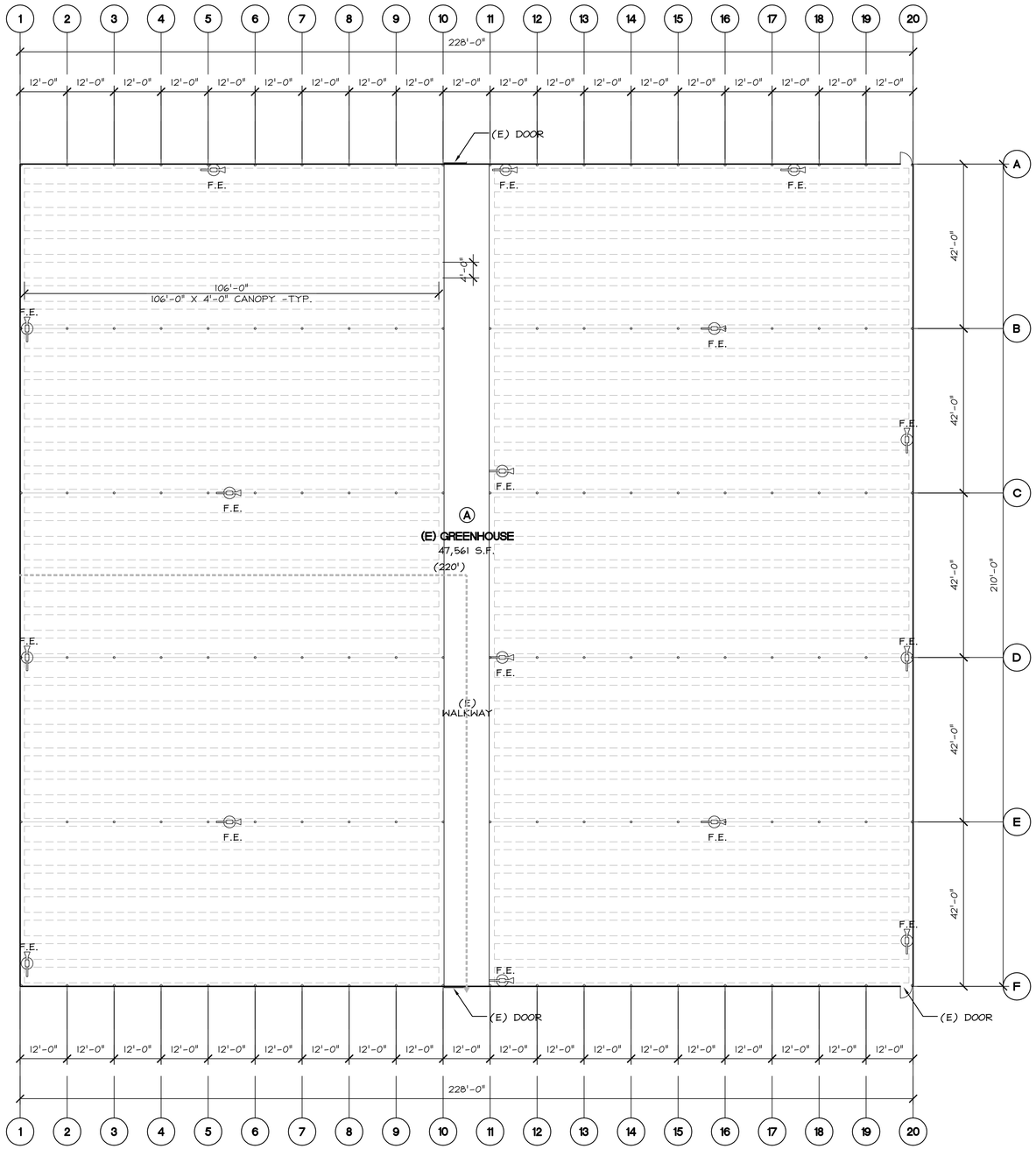


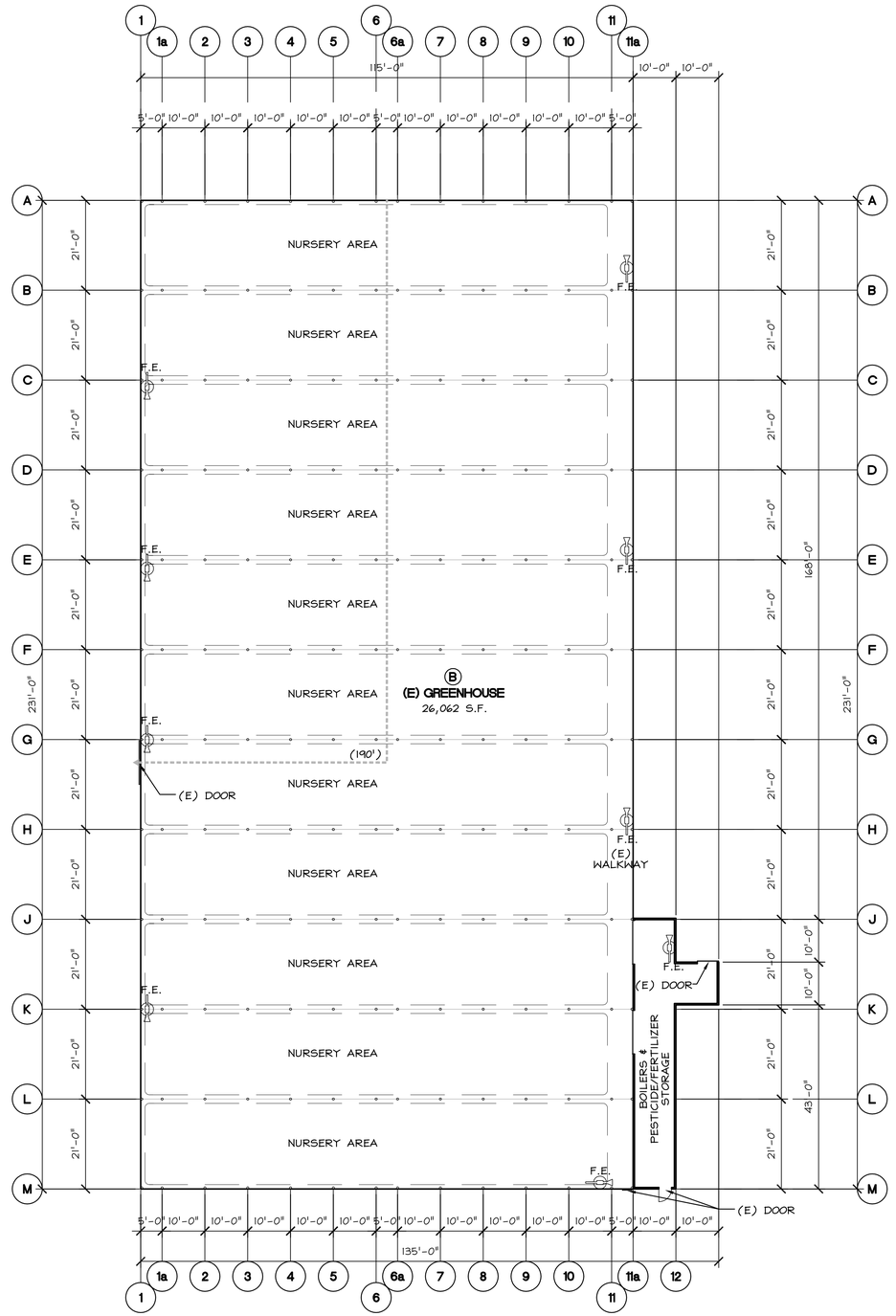
NOTE:

1. THE MAXIMUM TRAVEL DISTANCE FROM ANY POINT IN THE BUILDING TO AN APPROVED EXIT SHALL NOT EXCEED 300'-0"/.

2. ONE EXIT IS REQUIRED FOR EACH 15,000 S.F. OF AREA OR FRACTION THEREOF.

3. 2A:10BC FIRE EXTINGUISHER W/ VALID CERTIFICATION TAGS ATTACHED: (1) PER 3,000 S.F. OR FRACTION THEREOF; MAX. TRAVEL DISTANCE 75'-0"; MOUNTED ON A WALL w/ TOP NOT MORE THAN 5'-0" A.F.F

1 GREENHOUSE FLOOR PLAN - BUILDING "A"
SCALE: 1/16" = 1'-0"



PROJECT NORTH

2 GREENHOUSE FLOOR PLAN - BUILDING "B"
SCALE: 1/16" = 1'-0"

REVISIONS	DATE	BY	DESCRIPTION

LICENSED ARCHITECT
RAYMOND LINDSAY BELLI JR
C-18071
Exp. 6/30/19
STATE OF CALIFORNIA

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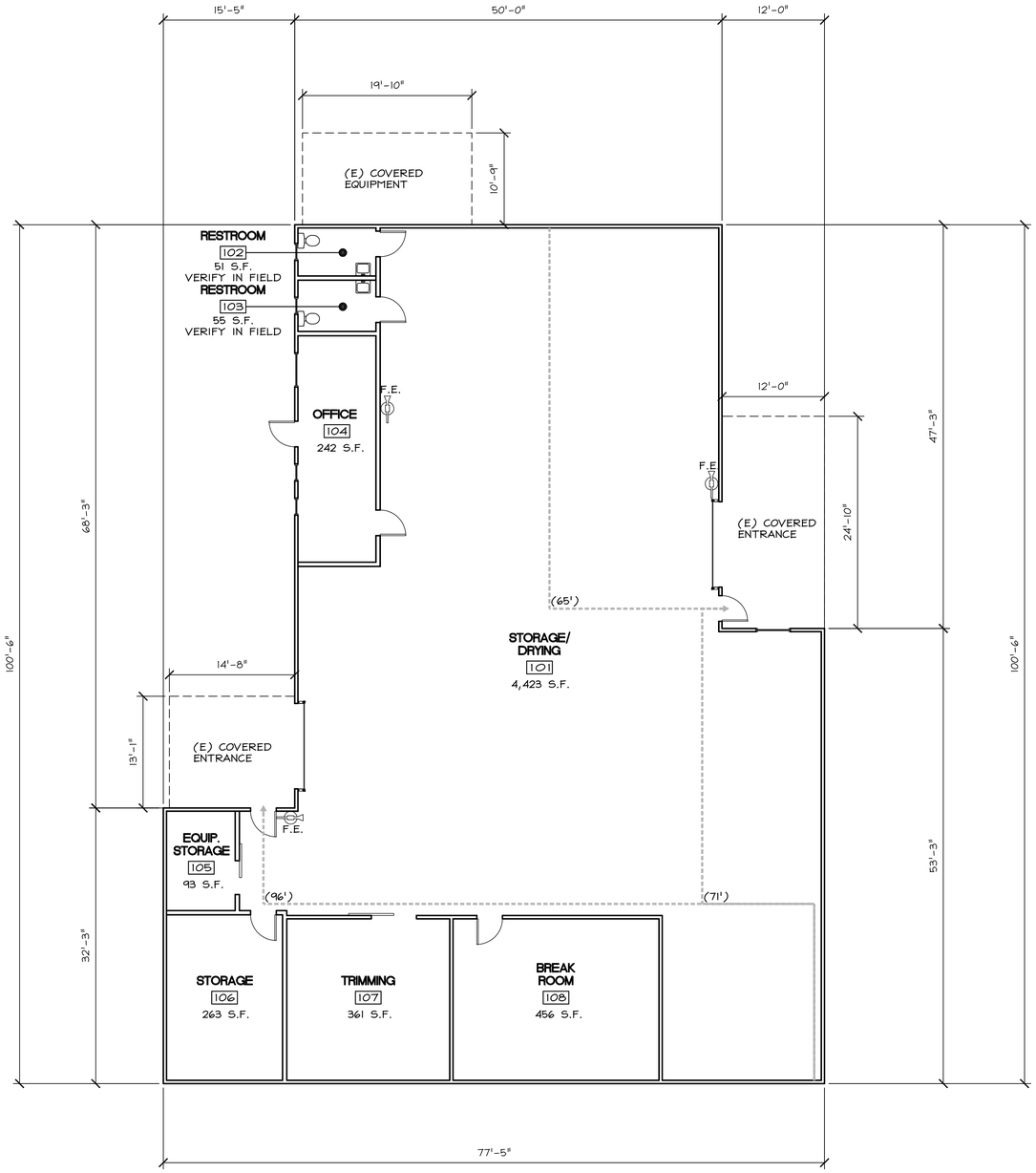
GREENHOUSE FLOOR PLANS - BUILDINGS "A" & "B"

USE PERMIT FOR:
ALVAREZ BROTHERS LLC
2346 ALISAL ROAD
SALINAS, CA 93907

DATE	6/26/17
SCALE	1/16" = 1'-0"
DRAWN	JC
JOB	17024
SHEET	A2.1
OF	SHEETS



NOTE:
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2. ONE EXIT IS REQUIRED FOR EACH 15,000 S.F. OF AREA OR FRACTION THEREOF.

3. 2A:10BC FIRE EXTINGUISHER W/ VALID CERTIFICATION TAGS ATTACHED: (1) PER 3,000 S.F. OR FRACTION THEREOF; MAX. TRAVEL DISTANCE 75'-0"; MOUNTED ON A WALL w/ TOP NOT MORE THAN 5'-0" A.F.F

PROJECT NORTH

1 **PROCESSING FLOOR PLAN - BUILDING "D"**
SCALE: 1/8" = 1'-0"

REVISIONS	DATE	BY	DESCRIPTION

LICENSED ARCHITECT RAYMOND LINO BELLI JR. C-18071 Exp. 6/30/19 STATE OF CALIFORNIA

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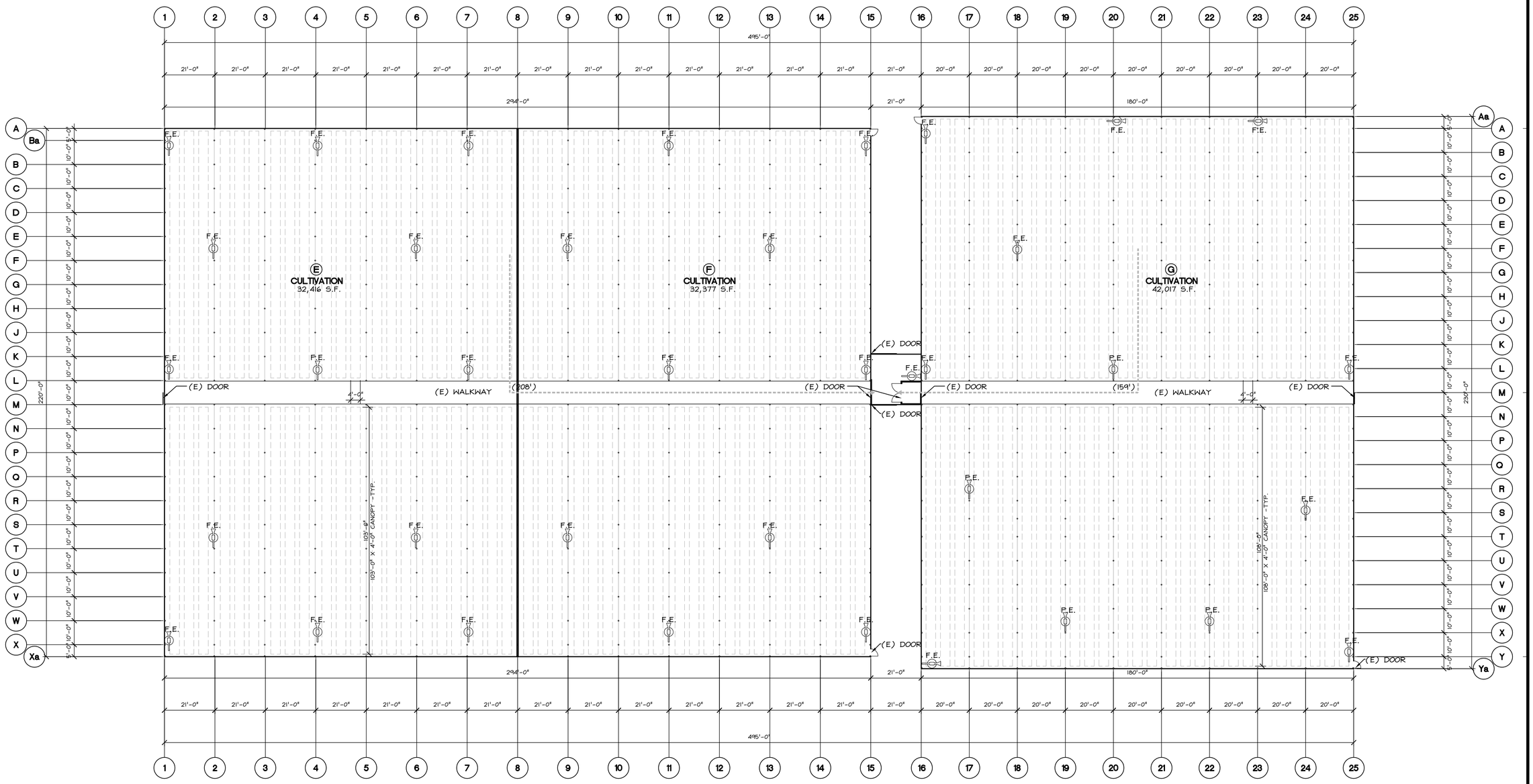
PROCESSING FLOOR PLAN - BUILDING "D"

USE PERMIT FOR:

ALVAREZ BROTHERS LLC

2346 ALISAL ROAD
SALINAS, CA 93907

DATE	6/26/17
SCALE:	1/8" = 1'-0"
DRAWN	B.G./J.C.
JOB	17024
SHEET	A2.2
OF	SHEETS



NOTE:
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3. 2A:10BC FIRE EXTINGUISHER W/ VALID CERTIFICATION TAGS ATTACHED: (1) PER 3,000 S.F. OR FRACTION THEREOF; MAX. TRAVEL DISTANCE 75'-0"; MOUNTED ON A WALL W/ TOP NOT MORE THAN 5'-0" A.F.F

PROJECT NORTH

1 GREENHOUSE FLOOR PLANS - BUILDING "E", "F", + "G"
SCALE: 1" = 20'-0"

REVISIONS	DATE	BY	DESCRIPTION

LICENSED ARCHITECT
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Exp. 6/30/19
STATE OF CALIFORNIA

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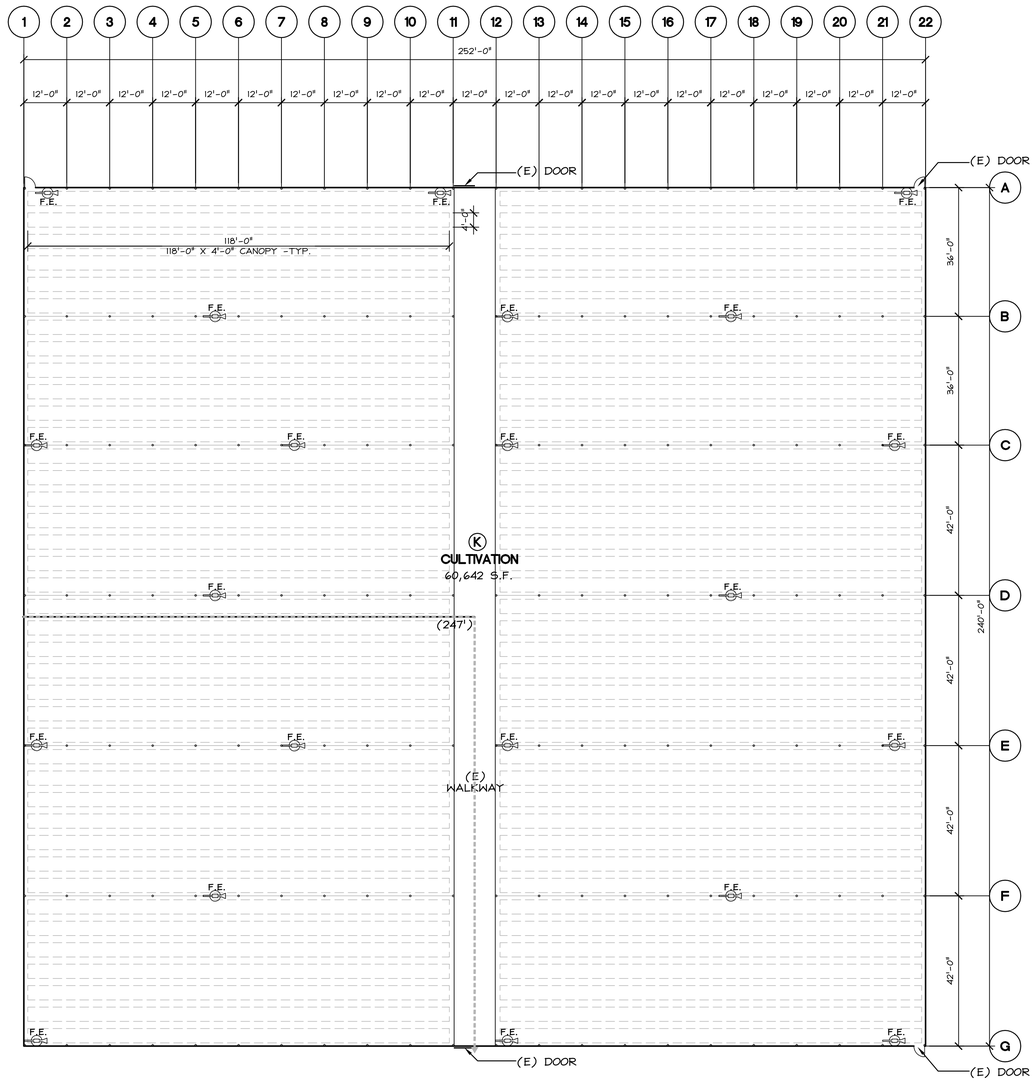
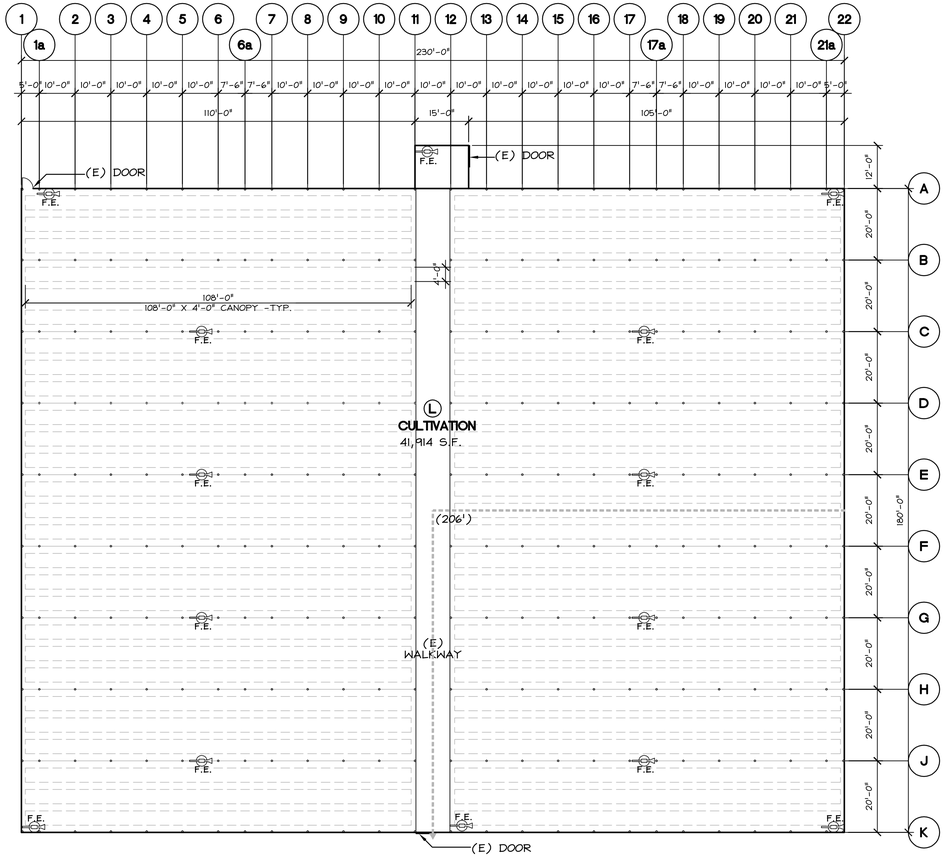
GREENHOUSE FLOOR PLANS - BUILDINGS "E", "F" & "G"

USE PERMIT FOR:
ALVAREZ BROTHERS LLC
2346 ALISAL ROAD
SALINAS, CA 93907

DATE	6/26/17
SCALE	AS NOTED
DRAWN	JC
JOB	17024
SHEET	A2.3
OF	SHEETS



1 GREENHOUSE FLOOR PLAN - BUILDING "K"
SCALE: 1/16" = 1'-0"



NOTE:
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2 GREENHOUSE FLOOR PLAN - BUILDING "L"
SCALE: 1/16" = 1'-0"

PROJECT NORTH

REVISIONS	DATE	BY	DESCRIPTION

LICENSED ARCHITECT
RAYMOND LINDSAY BELLI JR
C-18071
Exp. 6/30/19
STATE OF CALIFORNIA

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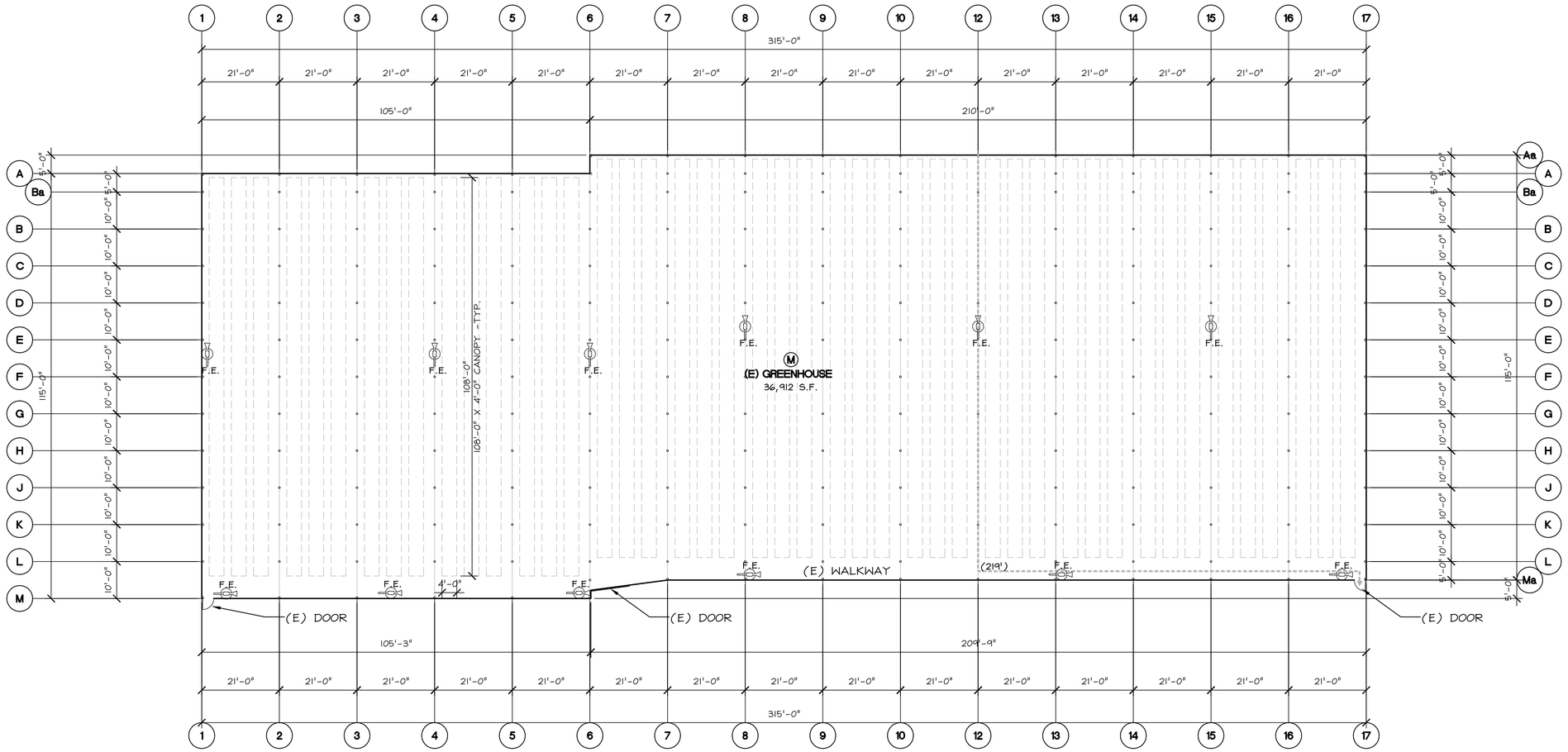
GREENHOUSE FLOOR PLANS - BUILDINGS "K" & "L"

USE PERMIT FOR:
ALVAREZ BROTHERS LLC
2346 ALISAL ROAD
SALINAS, CA 93907

DATE	6/26/17
SCALE	1/16" = 1'-0"
DRAWN	JC
JOB	17024
SHEET	A2.4
OF	SHEETS



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PROJECT NORTH

1 GREENHOUSE FLOOR PLAN - BUILDING "M"
SCALE: 1/16" = 1'-0"

REVISIONS	DATE	BY	DESCRIPTION

LICENSED ARCHITECT
RAYMOND LINO BELLI JR.
C-18071
Exp. 6/30/19
STATE OF CALIFORNIA

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GREENHOUSE FLOOR PLAN - BUILDING "M"

USE PERMIT FOR:
ALVAREZ BROTHERS LLC
2346 ALISAL ROAD
SALINAS, CA 93907

DATE	6/26/17
SCALE:	1/16" = 1'-0"
DRAWN	JC
JOB	17024
SHEET	A2.5
OF	SHEETS

KIND OP CORP

ENVIRONMENTAL PLAN

TABLE OF CONTENTS

INTRODUCTION

A main focus for Kind Op Corp is to limit the impact that our facility will have on the environment. A internal preliminary evaluation has been made of possible significant impacts to the environment and mitigation measures that can be incorporated into the planning, design and construction of the proposed facility. The primary purpose of this Environmental Plan is to demonstrate how Kind Op Corp will comply with the County's environmental rules and regulations pertaining to the proposed cultivation facility.

The tenant improvement of this existing greenhouse facility for commercial cannabis production will be completed with sustainability as a primary focus. This facility is not only reusing an existing, underused greenhouse structure, but it will return much dignity and beauty to the area of Alisal Road and Fuji Lane. With the growing requirement for buildings to reduce the impact they have on the environment, from an energy and water consumption standpoint, this facility will respectfully attempt to go above and beyond what is possible to be good stewards to the environment.

This Environmental Plan will cover the most important aspects of cannabis cultivation and the environment. We will demonstrate how we plan to setup and operate our facility with environmentally good agricultural practices.

ENERGY MANAGEMENT

Kind Op Corp recognizes that the reduction of energy use and maximization of energy efficiency is a proven strategy for cutting and controlling costs while also being good stewards of the land. Several strategies will be explored to achieve maximum energy efficiency. These strategies include the following:

- Supplemental Lighting and Projected Energy Demand
- Performing Internal Energy Audits
- Cogeneration

Supplemental Lighting and Projected Energy Demand

The most efficient lamps used for supplemental lighting in greenhouses are the high intensity discharge (HID) lamps. Two such lamps are the metal halide (MH) and the high-pressure sodium (HPS) lamps. MH lamps produce a more white-colored light, while HPS lamp light is more yellowish orange (similar to street lamp light). HPS lamps are slightly more efficient in converting electric energy into PAR light and have an average rated lamp life up to three times longer than MH lamps. Because of their higher efficiency and rated lamp life, HPS lamps are most often used for supplemental lighting in greenhouse operations. KOC intends to utilize the

combination of MH and HPS lamps for the supplemental lighting needing for the greenhouse operations on site.

Supplemental lighting for the nursery space will utilize fluorescent light fixtures as the vegetative stages of the plant do not require as intense lighting as the flowering phases do. As the horticulture lighting technology improves and begins to innovate KOC is dedicated to evolving with it.

For a 22,000 sq ft canopy we estimate that roughly 220 lights will be needed. This mean KOC would have 220,000 watts per 22,000 sq ft, which would be 2,640 kWh - 3,860 kWh, per day, depending on the time of year.

KOC anticipates having the following State licenses for the property: four type 3B, two type 4 and seventeen type 2B. Based upon the license and the sizes the energy demand is expected to be roughly 30,880 kWh - 45,162 kWh per day when all license types are in operation and a PG&E energy upgrade is completed.

Energy Audits

KOC will conduct in house energy audits on the operation in order to constantly improve the energy efficiency. These audits will be meant to measure the actual usage and aide in improving the usage. It will also be used as a way to ensure proper protocols are being met, equipment is working optimally and all employees are following procedure.

KOC has been in contact with the Energy Efficiency Engineer for PG&E, here in Salinas. We are working together to ensure that our property is as energy efficient as it can be at this point in the business.

Cogeneration - addressing energy demands

KOC will request a power upgrade from PG&E to increase the lighting capacity of the greenhouses. In addition, within the first 3 years of operation, KOC will begin to implement cogeneration at the site. Cogen will provide KOC an on-site, independent power system that generates profits and revolutionizes greenhouse efficiencies. Based on lean-burn, natural gas-powered generators, CHP (combined heat and power) utilizes nearly every system output through the capture and reuse of waste exhaust heat and carbon dioxide (CO2). Compared to traditional utility- and boiler-powered greenhouses, CHP achieves up to 90 percent energy efficiency and utilization, delivering a as high as 30 percent reduction in energy costs — and up to 30 percent increases in yields.

CHP will consolidate the following for our greenhouse operation:

- Electricity for lights and other greenhouse operations
- Thermal energy provides on-site heating
- CO2 fertilization boosts crop production up to 30 percent
- Surplus energy may be sold back to the local utility

In addition to cogeneration, KOC will perform R&D related to the use of LED grow lights in the greenhouse. LED grow lights will be tested at the site and results will be compared to traditional lighting, such as High Intensity Discharge lights.

WATER MANAGEMENT

Water Sources

KOC has an on-site, private well at the 2346 Alisal Rd location which we will be using for all of our watering needs at the facility. Based on a Pump Test Report that KOC had performed the well has a capacity of 168 GPM (gallons per minute). This will ensure that our facility is self-sufficient because we will only use the water from our own well and not need any outside resources. Additionally, the location has one 5,000 gallon and one 20,000 gallon water tank which you will see displayed on our site plans.

For more detailed information regarding water quality, a Title 22 water test has been attached to these plans. The water test is also included with in 24x36 site plans.

Water Conservation Irrigation

KOC will use a pulse watering technique with it's spaghetti tube irrigation system which utilizes low, flow drippers. Instead of watering plants once or twice a day with large amounts of water, plants will be watered more frequently with small amounts of water. This will allow water to be redistributed within the pots between waterings, resulting in a more uniform water distribution within the pots. This technique is what makes it possible for KOC to thoroughly wet the grow medium without experiencing irrigation run-off. In addition it allows the property to utilize a slower flow rate of water which was not previously utilized at this facility. KOC will utilize coco coir as it's growing medium which is fantastic at retaining water, in fact, it can hold seven times its dry weight in water.

KOC will utilize WaterSense labeled products; WaterSense is a U.S. Environmental Protection Agency (EPA) program designed to encourage water efficiency in the United States through the use of a special label on consumer products. It was launched in June 2006. Products with the

WaterSense label have been certified to be at least 20% more efficient - without sacrificing performance.

Protecting Groundwater from Contamination

One of the areas most sensitive to contamination is the immediate source of water. In our case, this includes the private wellhead. KOC is aware that wells provide a direct entry point for pollutants to the groundwater. Pesticide and fertilizer mixing and storage will take place away from the wellhead to reduce the chance of contamination. In fact, most liquid pesticide labels now contain a chemigation provision that details system requirements. (See sections on "Fertilizer Management" and "Pesticide Management").

Backflow Preventers: All potable water will be protected against backflow to ensure that contaminated water is not mixed with that used for human consumption. Water lines or hoses used to fill tanks during mixing will never be immersed in the solution because back-siphoning may occur. Backflow prevention devices will be tested annually; the date and results of the tests will be recorded and saved.

Protecting Groundwater from Contamination Checklist:

- ❏ Protect all potable water against backflow to ensure that contaminated water is not mixed with that used for human consumption. Install backflow preventers when chemicals are injected into the irrigation water regardless of source.
- ❏ Water lines or hoses used to fill tanks during mixing should never be immersed in the solution because back-siphoning may occur.
- ❏ Test backflow prevention devices annually. Record and save the date and results of the tests.
- ❏ Select the correct fertilizer for your cropping situation, apply the correct amount and monitor fertilizer injection system to ensure maximum efficiency.

Employees and Visitors

KOC expects to have a total of 20-24 employees to run the normal day-to-day operations on the property. Occasionally there will be non-employee visitors to the facility which can include County officials, State officials, delivery of supplies and media members. For details on how they will be allowed on the property please reference our Security Plan.

Restrooms with flushable toilets will be located in our processing building as displayed on our site plan.

On-site Caretaker

There is an existing single family dwelling located at our property of 2346 Alisal Road. This will remain as a residence.

PESTICIDE MANAGEMENT

Introduction

KOC will obtain an operator ID and pesticide applicator permit from the Monterey County Ag Commissioners office. We will follow any and all directions from the AG Commissioner regarding our cultivation operation.

KOC understands that poorly stored pesticides and improper mixing/loading practices can present a potential risk to our health and to the integrity of the environment. The quality of surface water, groundwater and soil can be degraded in areas where: pesticides are stored under inappropriate conditions, improperly mixed and loaded into application tanks, or where equipment is washed and rinsed after application. Accidents involving spills or leakages may have serious health and environmental consequences. The purpose of this section is to provide understanding to Monterey County officials looking for information on what KOC techniques and approaches for the mixing, loading and storage of pesticides. The company's goal is to manage the storage areas and conduct the mixing/loading operations in ways that will help minimize exposure to pesticides and reduce the risks to public health and the environment.

Pesticide Storage

KOC understands that safety is the key element in pesticide storage. The safest approach to any pesticide problem is to limit the amounts and types of pesticides stored. The storage facility will be locked and limit access to only those individuals who are properly trained in the use of pesticides.

Storage Practices

The storage area will be properly identified with signs such as “Pesticide Storage Area.” In addition, a NFPA Hazardous Rating Placard (National Fire Protection Association) will be posted at entrances to the pesticide storage container. This will enable emergency responders to be able to make an assessment on how to respond to an incident (spill, fire, etc.) based on this placard.

KOC plans to purchase an Pesticide Storage Cabinet which is meant to safely store insecticides, herbicides, and other turf chemicals. This steel cabinet is constructed of all welded, double walled 18 gauge steel with 1-1/2" air space and dual 2" diameter capped vents with flame

arrestors. Doors are double walled with 14 gauge outside and 18 gauge inside. Pesticide safety cabinet has heavy-duty 4" welded hinges with brass pins and 3-point locking doors for added security. Pesticide safety storage cabinet features flush mounted, grip padded handle. Galvanized steel shelves have 350 lb. capacity and adjust on 2-1/2" centers. Cabinet includes a polyethylene tray liner for each shelf and the bottom sump. Ground connection dissipates static charge. Includes 2" leak proof doorsills and adjustable leveling feet. Pesticide safety cabinet has a green powder coat finish and meet or exceed NFPA and OSHA requirements. FM approved. Manual Close doors open to full 180 degrees.

A list (inventory) of the products being stored will be posted on the outside of the storage container. KOC will also have Material Safety Data Sheets for stored pesticides available in a location adjacent and/or outside of the storage facility. Initially KOC anticipates housing four 2 ½ gallon containers for pesticides.

Pesticides will be stored in accordance with their label requirements in their original container with the label clearly visible. Unless otherwise indicated on pesticide labels, temperatures in the storage area should be kept between 40° F and 100° F.

They will always be kept off the ground to prevent the accumulation of water in or under the containers.

Pesticides will not be stored in the same place as ammonium nitrate fertilizer.

Because shelf life is difficult to predict, pesticides will not be stored longer than two years and therefore the purchase date will be written on the pesticide container.

Pesticide Handling

Guidelines for Mixing Safely

- Obtain the proper training before mixing pesticides. See section on pesticide licensing.
- Wear personal protection equipment specified on the label.
- Mix in a well ventilated area.
- Measure using appropriate scale or measuring cup.
- Ideally your waist should be even with the opening of the tank.
- Pour pesticide down the side of the tank to avoid splashing.
- Make sure you have a solid footing while pouring.
- Do your calculations prior to mixing.

- Mix during daylight hours.
- Water supply is required to have a back flow prevention device - to prevent back flow into the water supply.
- Water should be carefully added to the pesticide mix by pouring down the side of the tank.
- Do not submerge the end of the water supply hose into the pesticide mix as it could back siphon. Pipe or hosing should be suspended over the opening of the tank
- Wash gloves before removing them.

Pesticide Mixing and Loading Sites

Mixing will not occur on gravel or other surfaces that allow spills to move quickly through the soil. Appropriate personal protective equipment (PPE) will be worn before opening a pesticide container. PPE will include chemical resistant gloves and front protection such as a bib top apron made of butyl, nitrile, or foil laminate material. A face shield, shielded safety glasses or goggles will be worn. When pouring any pesticide from its container, container and pesticide will be kept below face level. A respirator will ensure protection against dusts or vapors. A tank will never be left unattended while it is being filled. If the pesticide user should splash or spill pesticides on his/her person, he/she will stop the operation, wash thoroughly with a mild liquid detergent and water, put on clean PPE and clean up the spill.

All transfers of pesticides between containers, including mixing, loading and equipment cleaning, will be conducted over a spill containment surface designed to intercept, retain and recover spillage, leakage and wash water. Containment needs depend on the quantities of pesticides that are being mixed and loaded.

Washing and Rinsing Operations

Washing and rinsing of pesticide residues from application equipment, mixing equipment or other items used in storing, handling or transporting pesticides will occur on a pad. In order to reduce the need to frequently wash the application equipment and to avoid cross contamination, application equipment will be dedicated for use for certain types of pesticides. For example, if a backpack sprayer is used only for applying herbicides it would not necessarily be washed after each use. On the other hand if the backpack sprayer was used to apply both herbicides and insecticides it would be necessary to always clean the equipment to avoid cross contamination.

Emergency Response Plan

An emergency response plan will be developed. The plan will list actions to take and personnel to contact in the event of a spill or accident. The plan will begin with a current listing of the pesticides used or stored at the facility and will include the following information:

- Names and quantities of pesticides;
- Location of the property including a map with directions;
- Names, addresses and telephone numbers of the owner and key employees;
- Plan of the facility showing pesticides locations, flammable materials, electrical service, water supply, fuel storage tanks, fire hydrants, storm drains, and nearby wetlands, ponds, or streams;
- Location of emergency equipment supplies including breathing equipment and protective equipment; Copies of the emergency response plan should be located near the entrance to the pesticide facility and with business records. Copies should also be given to the local police department and fire department. Contacts should include the following: fire department; police; spill clean up firm; nearest hospital; MDAR Pesticides Program; board of health; owner of the facility. The plan should be available in both English and the language or languages understood by workers if this is not English.

Personal Safety

Personal protection equipment such as respirators, chemical resistant (CR) gloves, CR footwear, coveralls with long sleeves, protective eyewear, CR headgear, CR aprons and a first-aid kit will be available immediately outside the storage area. The first-aid kit includes the following items: adhesive strips, tape, eye pads, gauze bandages and tweezers. The phone number 800-222-1222 for the Poison Control Center will be posted in a prominent location.
It is essential that protective eyewear be worn during mixing/loading. The protective eyewear will consist of safety glasses that provide front, brow and temple protection, goggles or a face shield. Workers will be instructed in the correct procedure for the removal of contaminated clothing. Eye wash stations or portable eye wash bottles will be easily accessed by each person engaged in the operation and will be capable of flushing eyes for a minimum of fifteen minutes. Routine wash up facilities, equipped with soap, hand cleanser and single use paper towels will be available near the storage area.

Pesticide Spills and other Accidents

KOC will utilize a pesticide storage container to house all pesticides. This will keep it locked and kept safe away from other chemicals. An absorbent material such as re-usable gelling agents, vermiculite, clay, pet litter or activated charcoal will be on hand along with a garbage can and shovel to quickly contain and clean up any spills. All discharges to the environment or spills will be recorded. The records will include the date and time of the incident and the cleanup.

Site Security

The storage cabinets will be kept locked and the door to the storage area will contain a weather proof sign warning of the existence and danger of pesticides inside. The door will be kept locked. The sign will be visible at a distance of twenty five feet and have a notice such as: **DANGER PESTICIDE STORAGE AREA, ALL UNAUTHORIZED PERSONS KEEP OUT, KEEP DOORS LOCKED WHEN NOT IN USE**

The sign will be posted in both English and Spanish.

Pesticide Disposal

Proper disposal of pesticides and their containers is an important phase of pesticide management. An improperly disposed product can be hazardous to people and the environment. KOC will rinse liquid pesticide containers three times when emptied: fill the containers about one-third full and swish it around. Allow the containers to drain well between each rinse (30 or more seconds). The rinse material will be poured into a spray tank and applied our registered site. Triple-rinsed containers are considered non-hazardous and will be disposed of according to state recommendations. KOC will never reuse an empty pesticide container. If an empty triple-rinsed container cannot be disposed of immediately, we will store it in a safe, locked area. Before throwing out powders or granular pesticide containers, we will be sure to remove all contents from the containers.

KOC will always plan ahead in preparing spray mixtures. We will only mix the amount of pesticide you need to do the job. When cleaning equipment we will make sure rinse water will not collect or contaminate groundwater or surface water.

A pesticide product that can no longer be used according to the label instructions because it is no longer registered (or for some other reason) is considered hazardous waste. KOC will use pesticides in the same year of purchase and store pesticides properly in order to avoid the accumulation of unusable pesticide products.

Pest Management Practices

While the State is working on creating specific regulations for pesticide use with cannabis we will follow the "Legal Pest Management Practices For Marijuana Growers in California" document as a guideline on what can and cannot be utilized for pest management in cannabis cultivation. This document is provided by the Medical Cannabis Cultivation Program (MCCP) on the Department of Pesticide Regulation (DPR) website. We have included an attachment for reference.

Recycle Pesticide Containers

KOC will follow the Pesticide Container Collection and Recycling Procedures provided by the Monterey County Agriculture Commissioner's office and located on their website. A copy of the document is attached for reference.

FERTILIZER MANAGEMENT

Fertilizer storage areas contain concentrated nutrients that must be stored and managed properly. KOC plans to minimize potential problems through adequate environmental awareness, employee training, and emergency preparedness. Until specific regulations are created regarding the handling, storage, moving and disposal of fertilizers for cannabis operations, KOC will adhere to the following guidelines for the proper storage and handling of greenhouse fertilizers. KOC will follow any new regulations drafted by the local or State government. KOC will continue to add, modify or delete the our existing procedures as new laws are implemented.

Storage Location

Fertilizer storage areas contain relatively large quantities of concentrated chemicals. KOC procedures will minimize the risks in storage areas such as the release through broken, damaged, or leaking containers; loss of security leading to irresponsible use; accumulation of outdated materials leading to excessive quantity of fertilizer thus unnecessarily raising risk level.

KOC will have the least amount of risk by having an area dedicated to fertilizer storage; separated from offices, surface water, neighboring dwellings and bodies of water; separate

from pesticides and protected from extreme heat and flooding. The storage area will have an impermeable floor with secondary containment, away from plant material and high traffic areas. Clean-up equipment will be readily available.

Storage areas will not contain pesticides, or other greenhouse chemicals; storage areas may contain general greenhouse supplies; there will be no food, drink, tobacco products, or livestock feed present.

Storage areas will utilize the following:

- The use of pallets to keep large drums or bags off the floor. Shelves for smaller containers will have a lip to keep the containers from sliding off easily. KOC will use steel shelves because they are easier to clean, compared to wood, if a spill occurs.
- For large bulk tanks, we will provide a containment area large enough to confine 125 percent of the contents of the largest bulk container. The area will be a concrete floor with a curb around the area to prevent any spills from spreading.
- Preventing unauthorized use of fertilizers reduces the chance of accidental spills or theft. KOC will keep the building or storage area locked and clearly labeled as a fertilizer storage area. There will be labels on the windows and doors of the building to give firefighters information about fertilizers and other products present during an emergency response to a fire or a spill. KOC will keep a separate list of the chemicals and amounts stored.
- KOC has adequate road access for deliveries and use, making the fertilizer storage accessible.
- Fertilizers will never been stored inside a well house.

If a container is accidentally ripped open or knocked off a shelf, the spill will be confined to the immediate area and promptly cleaned up. For liquid fertilizers we will utilize spill containment devices.

Containers

Fertilizer will be stored in their original containers unless damaged; labels will be visible and readable; food or beverage containers will never be used for storage. Labels will be in plain sight; no containers will come in contact with the floor; all containers will be stored up-right; aisles will be wide enough to comfortably accommodate workers.

Damaged Containers

Containers will be checked often for damage; when damaged containers are noticed, contents will be repackaged and labeled or placed in suitable secondary containment which can be sealed and labeled.

Containment

There will be no floor drain; there will be containment systems routinely used for all open containers; damaged or leaking containers will be repaired and/or replaced as soon as possible; all spilled material will be cleaned up upon discovery; and cleanup materials will be discarded promptly and properly.

Fire Prevention and Suppression

KOC will have fire detection and an alarm system; fire extinguishers will be immediately available.

Inventory and Recordkeeping

Inventory will be actively maintained as chemicals are added or removed from storage; containers will be dated when purchased; outdated materials will be removed on a regular basis; inventory will be controlled to prevent the accumulation of excess material that may become difficult to use.

Lighting

Electrical lighting will be used to allow view into all areas and cabinets within the storage area.

Monitoring

KOC will do a regular inspections of storage for 1) signs of container corrosion or other damage - leaking or damaged containers will be repackaged as appropriate, 2) faulty ventilation, electrical, and fire suppression systems.

Security

The storage room will be locked and access restricted to trained personnel only.

Signage

Signs posted will be posted; warning signs will be used as needed; emergency contact information will be posted.

Temperature Control

There will be active mechanical temperature control and no direct sources of heat (sunny windows, steam pipes, furnaces, etc.).

Ventilation

Mechanical ventilation will be used and maintained to assist with proper storage conditions for fertilizer inventory.

Storage and Record Keeping

Fertilizer stock tanks will be labeled with fertilizer formulation and concentration; records will be kept of fertilizer formulation, concentration, date, and location of application; records will be kept of media nutrient analyses.

Spill Prevention and Preparedness

Opening fertilizer product containers, measuring amounts, and transferring fertilizer to the delivery system involves some level of risk from spills. Secondary containment will be used for fertilizer stock tanks routinely; spill clean-up materials will be used for liquids (e.g., absorbent materials) and solids (e.g., shovel, dustpan, broom and empty and/or buckets) will be available within the general area. All fertilizer drums will be placed on a Poly Spill Containment Pallet.

Delivery System

The fertigation equipment will be checked monthly for accuracy; containment tanks, back flow preventors and any equipment that holds fertilizer in the dry or liquid form will be inspected; stock tanks will be inspected weekly for deterioration and cracks; the manufacturer recommendations will be followed when calibrating or working on fertilizer injector equipment; stock solution tanks and the areas surrounding fertilizer injectors and concentrated solutions will be kept clean and free of debris.

WASTE MANAGEMENT

Plant Debris

Kind Op Corp has consulted with Monterey County Waste Management to establish a proper receptacle to place all cannabis waste into. KOC will utilize a 1-yard trash bin, 1-yard recycle bin and a 30-yard dumpster for organic waste. Until finalized regulations regarding cannabis waste management are established by the State of California, KOC will utilize procedures that are identical to the previous, draft regulations proposed by the CalCannabis agency.

KOC will not dispose of cannabis waste in an unsecured receptacle; the container will be secured with disc-lock whenever it is not actively being used to dispose of waste. Cannabis that KOC intends to render into cannabis waste in a designated space for a minimum of 72 hours. KOC will affix to each batch one or more documents with batch information and weight. At no time during the 72 hour hold period will the cannabis be handled, moved, or rendered into cannabis waste.

KOC will use the track-and-trace system and onsite documents to ensure the cannabis waste materials are identified, weighed, and tracked while on the property. The date and time that the cannabis was rendered cannabis waste and the weight of the resulting cannabis waste will be entered into the track-and-trace database.

Mandatory Garbage Removal

Monterey County requires that a business or industrial site participate in the mandatory program to remove garbage on a weekly basis. A container or open top roll off bin will be ordered to help remove waste and recycle items on a weekly basis. KOC has been spoken with Monterey County Waste Management and confirmed they will be able to work with our property. Cannabis waste will always be kept separate from any other trash accumulated at the site.

Chemical Disposal

Marijuana cultivation in itself offers no greater risk to the environment than virtually any other plant growing operation. That being said, we understand the importance of making sure that our disposal of pesticides, fertilizers and any other chemicals be done in a responsible manner. KOC has contacted the Salinas Valley Solid Waste Authority (http://svswa.org/) and confirmed that they will accept any chemical waste that may come from our facility. This includes contaminated pesticides and fertilizers. While it is our goal to have zero waste of chemicals, we

still want to have a procedure for handling the disposal of such chemicals in a responsible manner.

RECYCLING

In an effort to continue operating in a green and environmentally manner we will insure that we recycle as much of our waste as possible. We will separate waste bins to make sure that the items we are capable of recycling get disposed of in a responsible way.

Kind Op Corp will do the following:

- Separation of recyclables from other solid waste;
- Ensuring an adequate number of containers for separated recyclables; and
- Follow the Pesticide Container Collection and Recycling Procedures provided by the Monterey County Agriculture Commissioner's office

We have displayed our waste and recycling areas on our site plans. Please reference them for more detail on location within the property.

ODOR MANAGEMENT

Kind Op Corp plans to use a FogCo misting technology to mitigate any odor issues that could arise from our operation. Fogco is a manufacturer of high pressure mist and fog systems for industrial, commercial, and residential markets.

Over the last 25 years, Fogco has developed an effective means of odor control. By injecting their proprietary blend of all natural and biodegradable ingredients into their high pressure fog system, they provide billions of atomized droplets that attach to and eliminate noxious odors, including the pungent odor associated with flowering marijuana plants. This is not a masking effort. It eliminates the molecules that contain the odor.

This system will plug into our exhaust fans of the greenhouses which will ensure that all air exiting will be treated. By doing this the only smell from the plants should be within the greenhouse while the outside of the premises is smell free.

HISTORICAL USES OF PROPERTY

2346 Alisal Road has historically been used to grow various cut flowers. Drip irrigation (t-tape) combined with overhead sprayers were utilized for the plants with soil as the growing medium. When cut flowers were watered via irrigation there was run-off which would be drained through the culvert on the property.

KIND OP CORP

NON-VOLATILE MANUFACTURING PLAN

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INTRODUCTION

Kind Op Corp will abide by all regulations set forth by Monterey County and the State of California. As the State begins to release and pass more detailed regulations KOC will modify our operational plans accordingly.

KOC property is located in the Farmland ("F") zone which allows for non-volatile manufacturing on site. KOC plans to utilize a manufacturing method for 'Rosin' which only uses heat and pressure to create a cannabis extract.

The material used for extraction will only be sourced from the cultivation facility on site.

EXTRACTION PROCESS

KOC will utilize a manufacturing method known as 'Rosin' which does not require the use of any solvent or chemicals. This method is considered to be one of the easiest and safest ways to create cannabis extracts.

KOC will purchase a hydraulic rosin press which will utilize heated plates and an air compressor to set the PSI of the rosin press. The plates are able to be heated to a temperature that is set digitally with the machine. The air compressor works with the hydraulic mechanism of the rosin press so that we can set the pressure that the cannabis flowers are pressed at.

The cannabis flowers are placed inside a nylon, mesh which is then sandwiched between a piece of parchment paper. From there that is placed onto the rosin plates and then a foot pedal is pressed to activate the hydraulic pump which begins to press (squish) the cannabis flowers. With the combination of heat and pressure the essential oils of the plant begin to drip away from the plates and onto the parchment paper.

This oil that is created is then scraped and placed onto another piece of parchment paper that is used to group the oil together in one place. There is no other processes necessary other than simply packaging the oil.

The rosin process is simple, safe and solventless. There are no chemicals used at all during this procedure.

NON-VOLATILE PACKAGING

The rosin oil is simply placed onto a small 4"x4" piece of parchment paper. The paper is then folded to contain the rosin oil and the parchment is placed into a coin sized envelope. All labeling will follow Monterey County and State law, which is covered in our Product Safety and Labeling Plan.

TRAINING PROGRAMS

KOC will ensure that all employees involved with the non-volatile manufacturing process are properly trained. The training will include the following topics:

1. Proper handling and safe use of the rosin press
2. How to use BioTrack THC in order to convert flowers and trim into the extract for tracking purposes.
3. Personal Protective Equipment
4. Sanitation

PERSONAL PROTECTIVE EQUIPMENT

SAFETY GLASSES ARE MANDATORY! The use of safety glasses is a standard throughout industrial production systems and hash oil workers will not be exempt. KOC will pay for safety glasses, install signs requiring their use, and keep a bin of safety glasses next to the entrance to the rosin press area. Prescription glasses are usually NOT safety glasses. Safety glasses can be purchased that fit over prescription glasses.

Lab coats will be required for operators. Full-length pants, closed-top shoes and long sleeves will be worn at all times in the rosin press area. Long hair will be worn up, under a hat. Gloves will also be required to protect employees hands.

SANITATION

KOC employees will be instructed on avoiding clutter, regular disinfection of surfaces, periodic deep cleaning, and personal hygiene.

Signs requiring employees to wash hands are posted in each restroom and each sink area. KOC will enforce all hand-washing rules.

Wiping down of all working surfaces with commercially available disinfectant is required at least on a daily basis. Floors must be mopped with cleaning solution on a daily basis.

A deep cleaning of all equipment and surfaces is required, at least on a weekly basis. As well, all extraction equipment, and utensils used for drying or whipping of wax will be thoroughly washed between each use.

EQUIPMENT DETAILS

KOC plans to purchase the "Rosin Technologies Pneumatic Heat Press" which is designed and engineered in the United States. The machine features adjustable and accurately calibrated heat plates, an air filter/regulator system for pressure control and an adjustable downstroke speed, this machine gives the operator the most precise technology available to control every aspect of the extraction. Rosin Technologies has assured operator safety through an OSHA certified two hand safety tie down design.

Equipment Specs:

Pneumatic Heat Press Features:

- Dual Heating Platens
- Digital Temperature Control
- Temperature Range: Room Temperature – 300º F or 149º C
- Adjustable Pressure
- Adjustable Downstroke Speed
- Up to 2,400 lbs of Force
- Open Workspace for Added Convenience
- OSHA Certified Two Hand Tie Down Safety Controls
- Two Removable Gray U-shaped Cooling Plates Included
- Voltage: 120, 220, 230 & 240 Volt Options Available
- Approx. Shipping Weight: 145 lbs

Recommended Parts Needed

- Surge Protected Outlet
- 33 Gallon 1.7 HP Oil-Free Vertical Air Compressor 165 Max PSI
- ¼ in. x 25ft. Polyurethane Air Hose
- ¼ in. X ¼ in. NPT Female Industrial Steel Coupler
- ¼ in. X ¼ in. NPT Female Industrial Plug
- 25 lb or Thicker Silicone Parchment Paper Sheets
- Tea Bag Filters

Temperature Controller User Instructions:

- All Rosin Technologies Temperature Controllers are Preset to 220ºF
- Press  Toggle Switch for Power
- Press  Button to Activate Temperature Control
- Press  Buttons to Raise & Lower Desired Temperature*
- Press  Button to Navigate Through Each Degree
- Press SET Button to Lock Desired Temperature In Place

Operator Instructions 1. Turn on Temperature controller and set desired temperature* (give time to settle on temp) 2. Set desired pressure 3. Place filled tea bag filter in between pre folded parchment paper 4. Place folded parchment paper between heat sources and press both triggers simultaneously 5. Hold triggers for desired amount of time 6. Immediately pull parchment away from heat source and put between cooling plates 7. Repeat process on same tea bag filter until satisfied.

Photos of the rosin equipment are attached to these plans.

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NON-VOLATILE MANUFACTURING PLAN

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KIND OP CORP

PRODUCT SAFETY & LABELING PLAN

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INTRODUCTION

Product safety is a vitally important component of the medical cannabis industry because patients with compromised immune systems utilize medical cannabis to improve their condition. As such, the medicine must be safe and free of contaminants to prevent further complications to patients with already weakened health. Too often this medicine that they rely on to provide treatment or relief contains mold, bacteria, pesticides or other harmful concerns. One of the most attributable causes is the lack of lab testing and quality assurance when distributing cannabis. Patients simply cannot afford to rely on a medicine for relief that is only exacerbating their existing health problems.

To address this concern, Kind Op Corp will hire a third party laboratory to test all of our cannabis before a medical cannabis patient ever receives any of our products. The test results and data will be clearly labeled on our packaging so every patient knows that their medicine is safe for consumption. Some of these details are contained in our Cultivation Plan.

Additionally, Kind Op Corp will abide by strict product safety and testing standards that currently do not exist in the emerging cannabis industry. There are no federal guidelines defining acceptable levels of chemical or biological residues for cannabis. Moreover, there are no federal guidelines regarding appropriate analytical methods for detecting these residues in or on cannabis medicines. Kind Op Corp sees this lack of official industry requirements and protocols as a unique opportunity to self-impose these standards; to not only represent our industry well, but to ensure patient safety and medical efficacy. Kind Op Corp will self-impose product safety and testing protocols that will ensure all products produced by the proposed facility will be of known potency and free of chemical and biological contaminants. These protocols will produce a level of quality control far superior than existing industry standards.

The State of California is beginning to draft the regulations with distinctive testing protocols. KOC will abide by all future regulations set by the State of California. We have hired a Compliance Officer to stay completely focused on the latest regulations at both the local, State and Federal level regarding cannabis.

The quality control process involves the examination of products and processes for certain minimum levels of quality. The goal of the quality control team is to identify products, or the processes used to develop products, that do not meet specified standards of quality. If a problem is identified, the job of the quality control team may involve stopping production temporarily and/or recalling finished products.

Kind Op Corp has an effective and environmentally sensitive approach to mold, disease and pests that emphasizes prevention, observation, and intervention. Kind Op Corp will employ this strategy to manage these problems in a manner that meets Organic Foods production Act standards, while minimizing the use of pesticides to reduce potential hazards for human, wildlife, and ecosystem health.

PREVENTATIVE MEASURES AND GROWING CONDITIONS

Kind Op Corp believes the best solution for controlling mold, disease, pests and heavy metals is not having them at all. Kind Op Corp believes that a strict policy of prevention is the number one way to control the invasion of any harmful organisms. Many of these problems can be avoided by just maintaining appropriate growing conditions, requiring clean environment protocols, and through environmental design. This holistic approach can reduce or eliminate the conditions that these pests and contaminants need for sustainment. Kind Op Corp believes a successful preventative design includes:

1. Isolating Plants & Mitigation
2. Systematic Pruning
3. Introduction of Predator Species
4. Selecting Pest & Disease Resistant Strains

Isolating Plants & Mitigation

Just as pests and contaminants can easily travel through humans and equipment, they can quickly spread across plants. That's why pests and contaminants often affect batches of plants at a time. When a single plant becomes affected, it's very easy for these problems to spread quickly to nearby plants. To combat this, Kind Op Corp will inspect plants regularly to detect problems early on; and if a problem is found, quickly work to quarantine the plant inside of our mitigation department. The mitigation department is an enclosed area that isolates compromised plants from the rest of the population. If the plant can be remediated or recovered, it is placed back into the production area it came from. If it cannot be corrected the plant will be recycled for compost. In an event that a plant is removed for mitigation, staff will be instructed to closely monitor other plants in the same lot to make sure the same problems do not occur.

Systematic Pruning

Yeast, mold, and bacteria require: water, a suitable temperature, and substrate to thrive. Decaying plant matter is an ideal substrate. Decaying plant matter provides food and shelter for many unwanted pests, as well as an area for them to breed. Systematic pruning of plants and removal of any plant material from trays, reservoirs, and surrounding work areas will prevent onset and spread of pests and microbiological contaminants.

Introduction of Predator Species

Use of predator species to control unwanted pests (known as Biological Pest Control) is an effective means of pest control that does not require the use of harmful chemicals. Ladybugs for example, and in particular their larvae, are voracious predators of aphids, mites, scale insects and small caterpillars. Various other insects and predatory mites feed on spider mites and provide a high level of natural control as well. Kind Op Corp will implement these biological controls to naturally prevent the onset and spread of unwanted pests in the proposed facility, thereby minimizing the need for chemical pesticides.

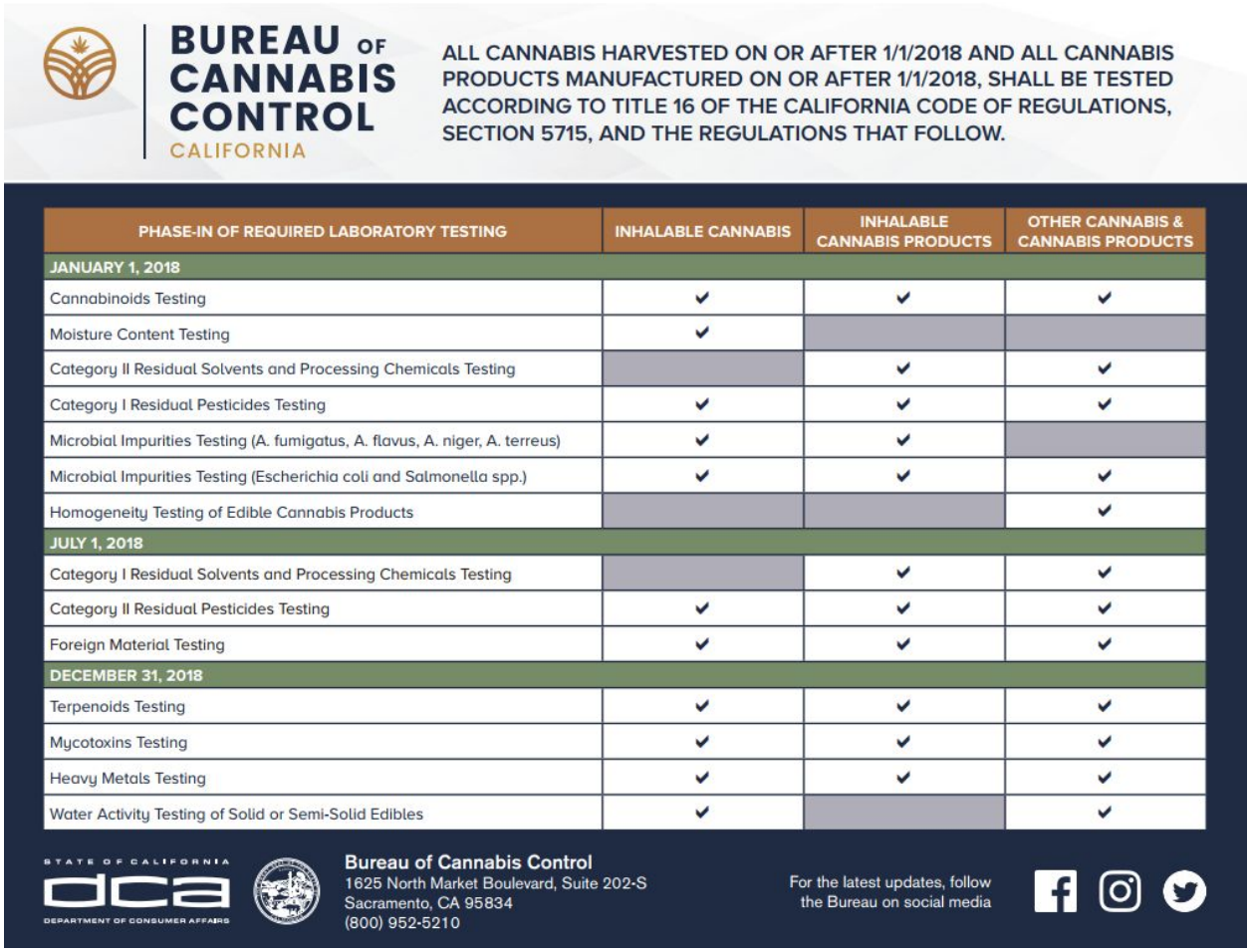
Selecting Pest & Disease Resistant Strains

A part of Kind Op Corp's Strain Development & Breeding Program will be to develop new Medicinal Varieties and modify existing strains for desired traits. Through selective breeding, Kind Op Corp can increase desired traits into a cultivator and reduce the chances of undesired traits. One of these desirable characteristics in a strain is pest and disease resistance. Kind Op Corp will utilize such strains to minimize the onset and spread of pests in the proposed facility.

LABORATORY TESTING

Kind Op Corp has been in contact with several State licensed testing facilities. KOC will only work with licensed cannabis testing labs to ensure that all product passes the required testing prior to entering the commercial market.

KOC will follow Title 16, Section 5715 of the California Code of Regulations. Below is a chart that has been provided by the Bureau of Cannabis Control; this chart displays the required testing that KOC will adhere to.



BUREAU OF CANNABIS CONTROL
CALIFORNIA

ALL CANNABIS HARVESTED ON OR AFTER 1/1/2018 AND ALL CANNABIS PRODUCTS MANUFACTURED ON OR AFTER 1/1/2018, SHALL BE TESTED ACCORDING TO TITLE 16 OF THE CALIFORNIA CODE OF REGULATIONS, SECTION 5715, AND THE REGULATIONS THAT FOLLOW.

PHASE-IN OF REQUIRED LABORATORY TESTING	INHALABLE CANNABIS	INHALABLE CANNABIS PRODUCTS	OTHER CANNABIS & CANNABIS PRODUCTS
JANUARY 1, 2018			
Cannabinoids Testing	✔	✔	✔
Moisture Content Testing	✔		
Category II Residual Solvents and Processing Chemicals Testing		✔	✔
Category I Residual Pesticides Testing	✔	✔	✔
Microbial Impurities Testing (A. fumigatus, A. flavus, A. niger, A. terreus)	✔	✔	
Microbial Impurities Testing (Escherichia coli and Salmonella spp.)	✔	✔	✔
Homogeneity Testing of Edible Cannabis Products			✔
JULY 1, 2018			
Category I Residual Solvents and Processing Chemicals Testing		✔	✔
Category II Residual Pesticides Testing	✔	✔	✔
Foreign Material Testing	✔	✔	✔
DECEMBER 31, 2018			
Terpenoids Testing	✔	✔	✔
Mycotoxins Testing	✔	✔	✔
Heavy Metals Testing	✔	✔	✔
Water Activity Testing of Solid or Semi-Solid Edibles	✔		✔

STATE OF CALIFORNIA dca DEPARTMENT OF CONSUMER AFFAIRS

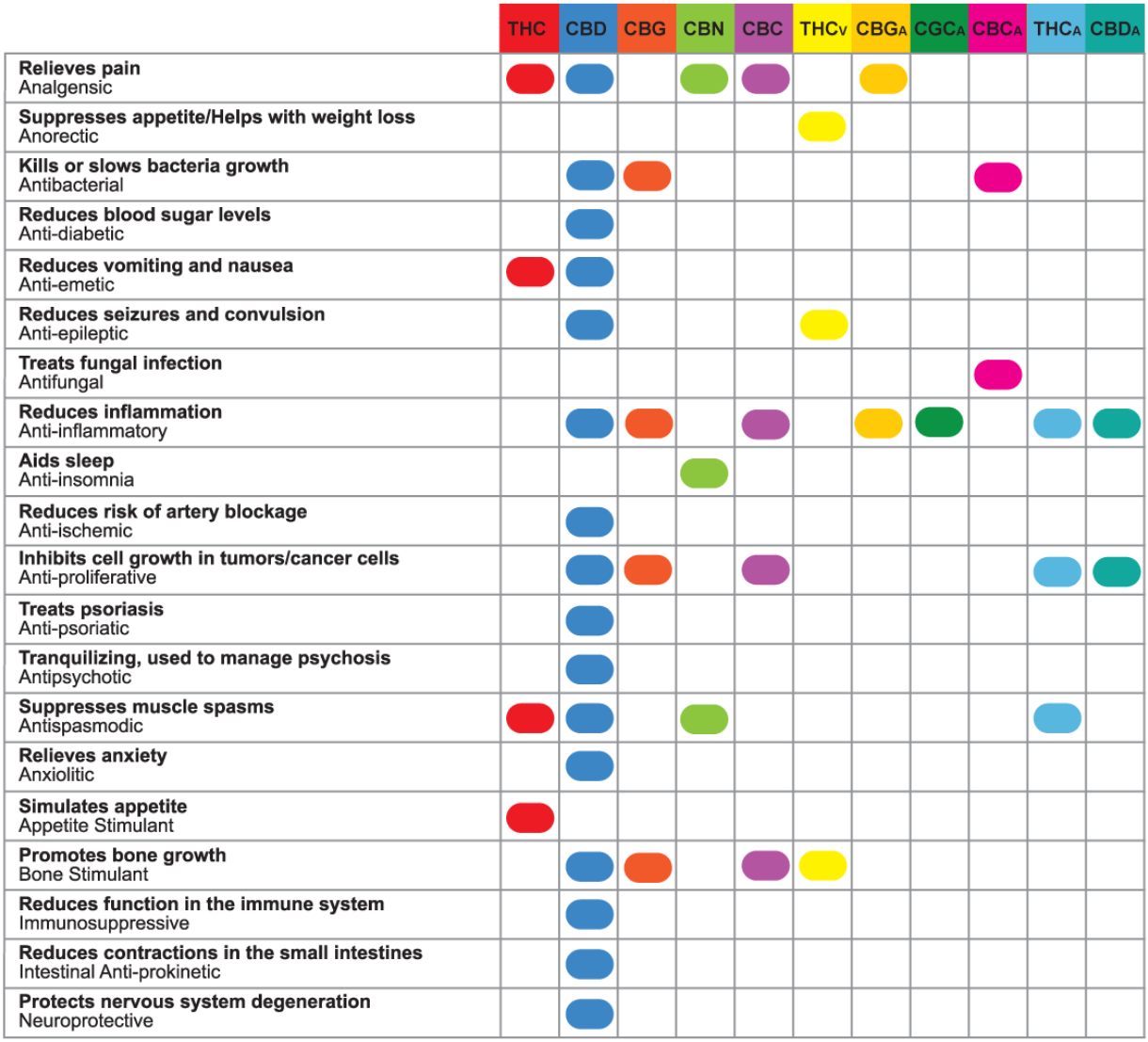
Bureau of Cannabis Control
1625 North Market Boulevard, Suite 202-S
Sacramento, CA 95834
(800) 952-5210

For the latest updates, follow the Bureau on social media

Below is more detailed information on the testing that will be done:

Cannabinoid Profiling

Cannabinoid profiling informs patients about the concentration of active cannabinoids in their medicine. Researchers have identified over 70 cannabinoid compounds, many of which possess distinct medicinal benefits. This table provides an overview of the most common cannabinoid compounds and their pharmacological effects. You can see that while THC is the most well-known cannabinoid, it is only responsible for a fraction of cannabis' medicinal benefits. For this reason, we also test for CBD, CBDA, CBN, and THCA.



	THC	CBD	CBG	CBN	CBC	THCV	CBGA	CGCA	CBCA	THCA	CBDA
Relieves pain Analgensic	●	●		●	●		●				
Suppresses appetite/Helps with weight loss Anorectic						●					
Kills or slows bacteria growth Antibacterial		●	●						●		
Reduces blood sugar levels Anti-diabetic		●									
Reduces vomiting and nausea Anti-emetic	●	●									
Reduces seizures and convulsion Anti-epileptic		●				●					
Treats fungal infection Antifungal									●		
Reduces inflammation Anti-inflammatory		●	●		●		●	●		●	●
Aids sleep Anti-insomnia				●							
Reduces risk of artery blockage Anti-ischemic		●									
Inhibits cell growth in tumors/cancer cells Anti-proliferative		●	●		●					●	●
Treats psoriasis Anti-psoriatic		●									
Tranquilizing, used to manage psychosis Antipsychotic		●									
Suppresses muscle spasms Antispasmodic	●	●		●						●	
Relieves anxiety Anxiolitic		●									
Simulates appetite Appetite Stimulant	●										
Promotes bone growth Bone Stimulant		●	●		●	●					
Reduces function in the immune system Immunosuppressive		●									
Reduces contractions in the small intestines Intestinal Anti-prokinetic		●									
Protects nervous system degeneration Neuroprotective		●									

"At SC Labs, we utilize High Performance Liquid Chromatography, a diode array detector

(HPLC/DAD), to provide full cannabinoid profiling. HPLC works by extracting a sample into a solvent, isolating the target compound, and employing a UV detector to measure concentration. Unlike gas chromatography, liquid chromatography does not heat the sample. HPLC is therefore still reliable when measuring heat sensitive compounds such as THCA and CBDA."

As is the case with any pharmaceutical product, the active ingredients in cannabis should be clearly labeled. Cannabinoid profiling allows doctors to determine accurate dosage, ensures that providers can verify the quality of their products, and helps patients to select the right treatment for their symptoms. Researchers continue to make groundbreaking discoveries about the medical benefits of cannabinoids, but these revelations can only be harnessed when consumers, providers, and healthcare practitioners possess reliable data on the contents of their medicine.

Pesticide Testing

Our pesticide test can detect trace amounts of chemical pesticides in dried flowers and cannabis concentrates. SC Labs analyzes pesticides using High Performance Liquid Chromatography in tandem with Triple-Quadrupole Mass Spectrometry (HPLC-MS/MS) to identify and quantify trace pesticide, fungicide and PGR residues.

At SC Labs, their comprehensive screening is designed to produce rapid results and is consistent with EPA, ELAP, and international testing standards.

Once we begin to cultivate on our property we will visit the Ag Commissioners Office in order to register our Operator ID and report all pesticide use on our property. KOC has been in contact with the Ag Commissioner Office to ensure we meet their comments from the DRC.

Microbiological Screening

SC Laboratories offers a full range of reliable microbial testing using 3M Petrifilm and Real-Time Polymerase Chain-Reaction (qPCR) technology. The same conditions that are ideal for the cultivation of medical cannabis can also be ideal for the germination of microorganisms such as bacteria and fungi (yeast & mold). If your cannabis is not properly tested, the medicine you are consuming can be contaminated with a variety of harmful pathogens, and for many patients ingesting contaminated medicine can lead to serious illness and health complications.

SC Labs can help KOC identify and detect Yeast & Molds, E.coli, Coliforms and Enterobacteriaceae; such as Salmonella and Shigella, which have all been shown to be potential contaminants of cannabis.

3M Petrifilm plates are ISO 9002-certified for design and manufacturing and are included in the official methods of analysis of AOAC International. They are also recognized in the United States by the American Public Health Association; the USDA Agricultural Marketing, Food Safety & Inspection Service; and the US Food & Drug Administration.

Product Recall

Once a batch sample is submitted to the Testing License, KOC will store the remaining batch on-site until the test results have been completed. If for any reason, the test results come back positive for pesticides or mold at unsafe levels, a product recall will be necessary.

If the test results indicate there are pesticides present than KOC will take the batch that was tested and dispose of it according to our waste management procedures for all cannabis material. KOC will take a note of the quantity and specific batch number by inputting this record into our track and trace system.
If the test results indicate there is mold present at an unsafe level, KOC will first seek to work with a permitted manufacturer to have a portion of the batch processed into concentrate. During the extraction process it is common for mold spores to remain in the plant material and not be transferred into the concentrated byproduct. Of course once the extraction is complete and before the final product is ever sent to a dispensary the extraction will be tested to ensure no harmful molds are present. Should the extraction process eliminate the mold that was present in the batch, the concentrated product will move on in the supply chain. If, for any reason, the extraction process is unsuccessful in eliminating the safety concerns, a product recall will be implemented. All cannabis from the original batch will be disposed of according to our waste management procedures. KOC will take note of batch number and quantity being disposed of by inputting a record into our track and trace system.

Once the new state regulations become effective, KOC will rely on a licensed distributor to handle the testing and product recall of the product.

PACKAGING AND LABELING

Kind Op Corp's packaging will be designed for:

- Protecting the product;
- Providing safe and accurate packaging and labeling;
- Providing legal disclosures to promote Non-Diversion;
- Being environmentally friendly;

- Preventing children accessibility

Protecting the Product

After all of the trimmed cannabis from a single plant is weighed, it is carefully placed in a compostable plastic bag, called a BioBag, and vacuum-sealed to retain freshness and eliminate odor. It is then combined with other bags to reach as close as possible to a 1 lb increment.

Each package will have an unbroken seal that will alert dispensaries and distributors that it has been tampered with. This also serves as a seal of approval so dispensaries and distributors know this is a verifiable Kind Op Corp product that comes with the integrity associated with our name. If there is any doubt, each package has a serial number so dispensaries, distributors and law enforcement will be able to call our customer service line and inquire about any of our products.

Providing Legal Disclosures to Promote Non-Diversion

Each product by Kind Op Corp will have a standard legal disclosure. This legal disclosure may change from time to time depending on laws and company procedures. A sample of the legal disclosure is provided below:

- This product may only be possessed by a member of Kind Op Corp in good standing. It may not be transferred to any person who is not a Kind Op Corp member under any circumstances.
- This product may not be possessed, transported, or used outside of California
- This product may only be consumed by qualified patients as defined by California Medical Marijuana Regulations.
- This product is for medical purposes only.
- Under federal law, the manufacture, distribution, or possession of marijuana is a criminal offense.
- The possession or use of this product carries with it an inherent risk of negative health consequences, criminal prosecution, and other possible risks.

Branding

Kind Op Corp is very keen on providing a reputable brand that stands for the integrity of our products and operations. Patients and dispensaries should be able to recognize the Kind Op Corp branding and understand that they are receiving the highest quality cannabis product available in the marketplace and that the product has been lab-tested and is safe for

consumption and patient use. Additionally, our customers will know that by purchasing with Kind Op Corp they are doing business with a company that compensates their employees with living wages, is environmentally responsible, and gives back to their local community.

Environmentally-Friendly Packaging

The eco-friendly packaging will be responsibly designed, streamlined, biodegradable and easily recycled or reused. Greener packaging ensures our products are kept safely and delivered to our customers without sacrificing our environment in the process.

For all bags, Kind Op Corp intends to use an initial mock-plastic bag to hold cured cannabis called BioBags. BioBags are:

- 100% biodegradable
- Certified compostable bags made from the material Mater-Bi; the first “bag from corn” to achieve national distribution of retail products through natural food stores across the country
- Are certified Genetically Modified Organism (GMO) free
- Will decompose in a controlled composting environment in 10-45 days, leaving no harmful residues behind.

Labeling

All cannabis products packaged and labeled by KOC will meet all of the following:

1. All applicable requirements pursuant to Sections 26070, 26120, 26121 of Business and Professions Code;
2. Any other requirements for cannabis product specified by the bureau and the California Department of Public Health.
3. Packaging and labeling requirements pursuant to Chapter 6 (commencing with Section 12601), Division 5 of the Business and Professions Code.

KOC will also include the origin of the cannabis by labeling it as being from Monterey County.

KIND OP CORP

CULTIVATION PLAN

TABLE OF CONTENTS

CANNABIS CULTIVATION

This is the written Cultivation Plan for Kind Op Corp ("KOC"). This plan addresses and meets the application requirements for the Monterey County, Title 21, Chapter 21.67 ("County"). Cannabis cultivation is our primary business operation. We have assembled a talented team to create a cultivation site that is compliant, environmentally friendly and produces clean, greenhouse cannabis.

Proposed Cultivation Location

The proposed cultivation location for Kind Op Corp is 2346 Alisal Road, Salinas CA 93908. The APN for this property is 137-141-007-000 and it is located within the Farmland ("F") zoning district. The proposed location is more than six hundred (600) feet from any school, public park, or drug recovery facility. No cannabis plants and/or visual markers indicating that cannabis is cultivated on the site is or will be visible from offsite.

Specific details for the site and each structure are located within our site and floor plan documentation, provided within this application.

There are a total of seven fully enclosed, permanent, greenhouse structures at this location. The pre-existing greenhouses on the site are a total of 319,901 square feet, combined. KOC will seek business permits to to cover the total canopy which is expected to be 259,922 sq ft, amongst all greenhouses. The canopy size will be achieved once we have installed rolling benches into our greenhouses, this will allow us to maximize our space by having canopy coverage for 80% of the our total greenhouse space. Greenhouse A will be 38,050 sf for cultivation, Greenhouse B will be dedicated to nursery space and will be 20,850 sf, Greenhouse E will be 29,933 sf, Greenhouse F will be 25,900 sf, Greenhouse G will be 33,613 sf, Greenhouse K will be 48,515, Greenhouse L will be 33,531 sf and Greenhouse M will be 29,530 sf.

Kind Op Corp is the property owner of the proposed location. KOC has provided a notarized written statement which authorizes the use of the property for cannabis activities.

Where Marijuana will be Cultivated and Stored

Cultivation activity involving the planting, growing and harvesting will take place within the greenhouse structures on site. Cultivation activity involving the drying, curing and trimming will take place within the butler building located at the center of the property. In no case shall a building intended for residential use be used for the cultivation of cannabis.

The butler building will be the processing center for postharvest activities. It will also serve as the storage facility for all finished product that is cultivated at the property. KOC has contracted Bay Fire Sprinklers, INC to assist with the formation and installation of the fire suppression system for the butler building.

Marijuana Storage Conditions

marijuana will be cut, hang dried, trimmed and stored inside our processing building. These plants will be naturally dried in a temperature-controlled room with adequate air circulation. It is important that finished plants are not dried too quickly as this can affect a plant's smell and taste, but also that they do not dry too slowly as this can attract mildew and mold. The idea is to remove the water slowly enough to let biological processes take place that convert the sugars and starches into harmless and flavorful compounds. Sugar or starch will give a harsh smoke that irritates the lungs which is why drying cannabis correctly is important. Trimming will be done in a sterile room full of ample lighting, tables and chairs. Trimming entails cutting off any remaining plant matter (leaves, stems, etc.) from the dried marijuana plant. Portions of the byproduct from the trimming process will be packaged and used for manufacturing. The waste from the trimming process will be safely disposed of as outlined in our Environmental Plan. After the final medicine is trimmed from the plant, it will be placed in bins to remove any remaining moisture before weighing, packaging and labeling. This room where marijuana is dried and stored will be highly secured. For more security information please see Security Plan.

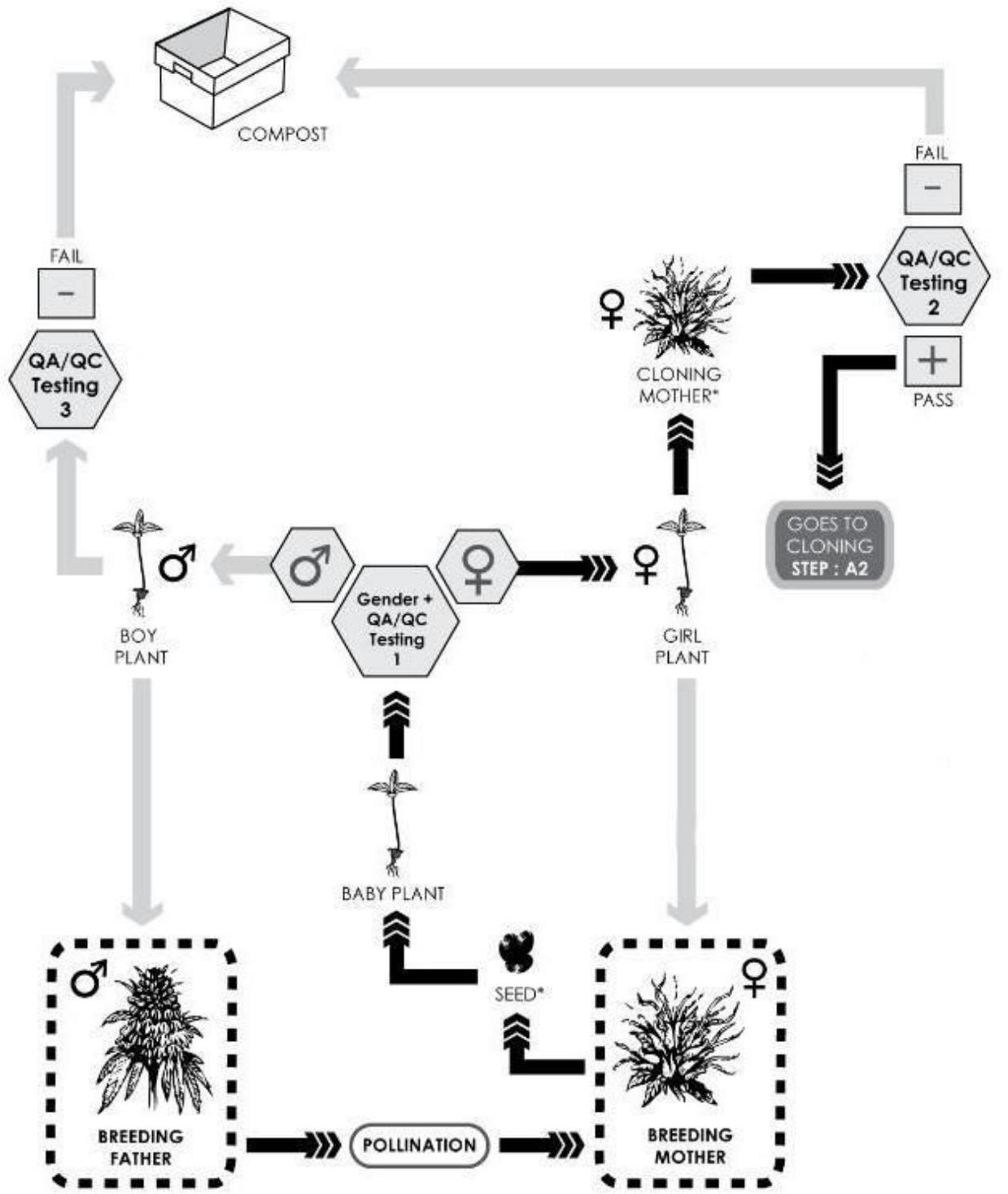
CULTIVATION OVERVIEW

To help the County conceptualize our cultivation process, we have provided a Cultivation Overview diagram that depicts a supply chain process. The diagram will walk you through the various stages of plant development as it travels down the supply chain from seed to sale. The complete process consists of nine (9) steps, the first seven (7) of which are referred to as the production process, and the remaining two (2) are included as a part of our overall supply chain process.

The Overview uses two different types of arrows to represent two different types of flows. The bold arrows with three (3) tips depict our supply chain flow, or the steps in which plants proceed down the supply chain to be packaged and sold. The faded gray arrows depict possible flows that aren't a part of the supply chain process. This represents the fact that we cannot always produce outcomes that are desirable, but they are still in fact possible.

A detailed explanation of the Cultivation Overview is provided in the subsequent section. The technology, systems and techniques used to promote For each QA/QC Test, the details of such testing are described in our Product Safety Plan. The diagrams are just used to provide an idea of a plant's flow; we understand there may be some discrepancies in the diagram with the County's rules as to disposal, edible & concentrate production, composting, testing, packaging,

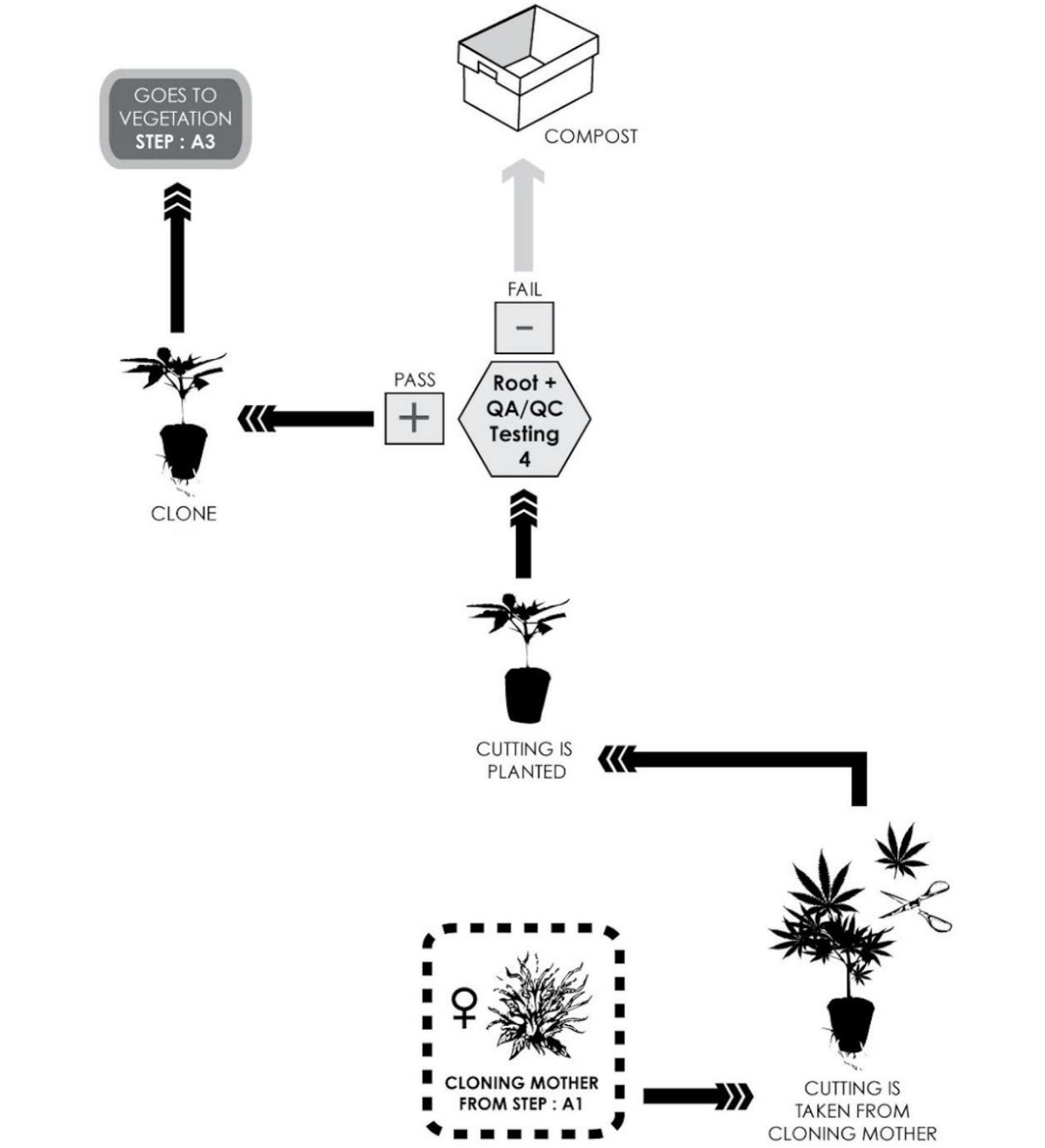
etc.



Breeding Process STEP : A1

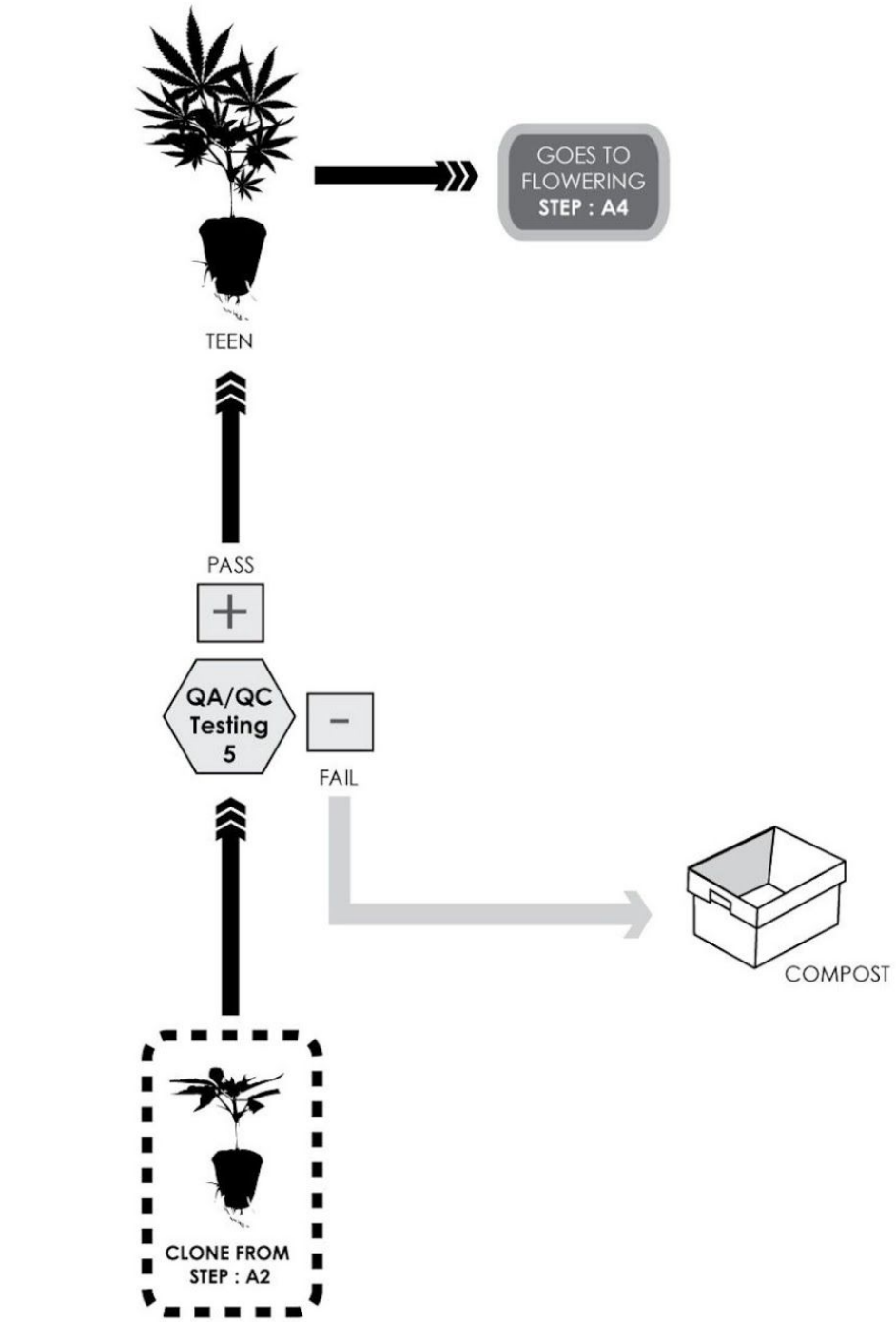
* Seeds & Cloning Mother will also be packaged and sold

= Starting Point = Possible Flows = Supply Chain Flows



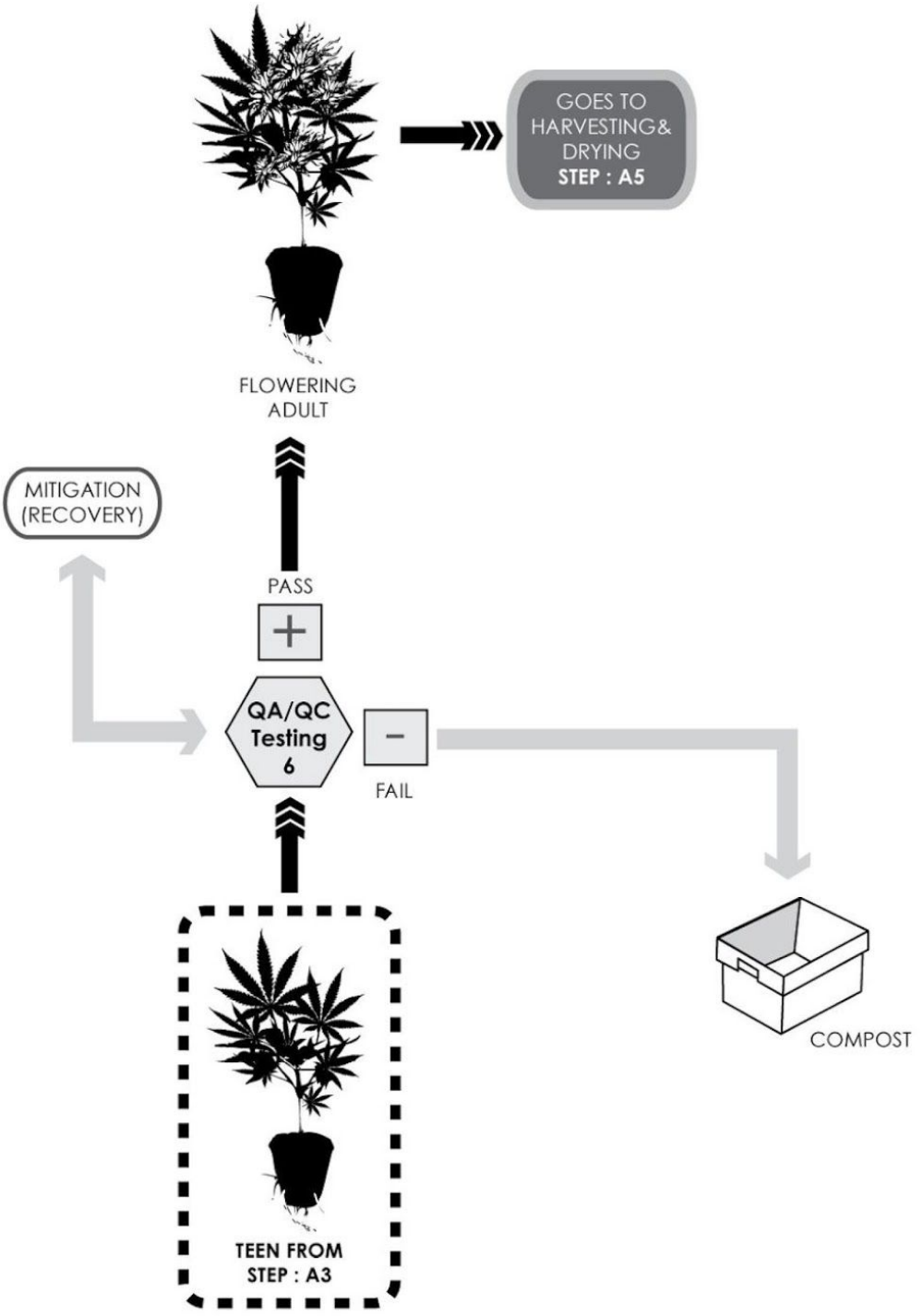
Cloning Process STEP : A2

= Starting Point = Possible Flows = Supply Chain Flows



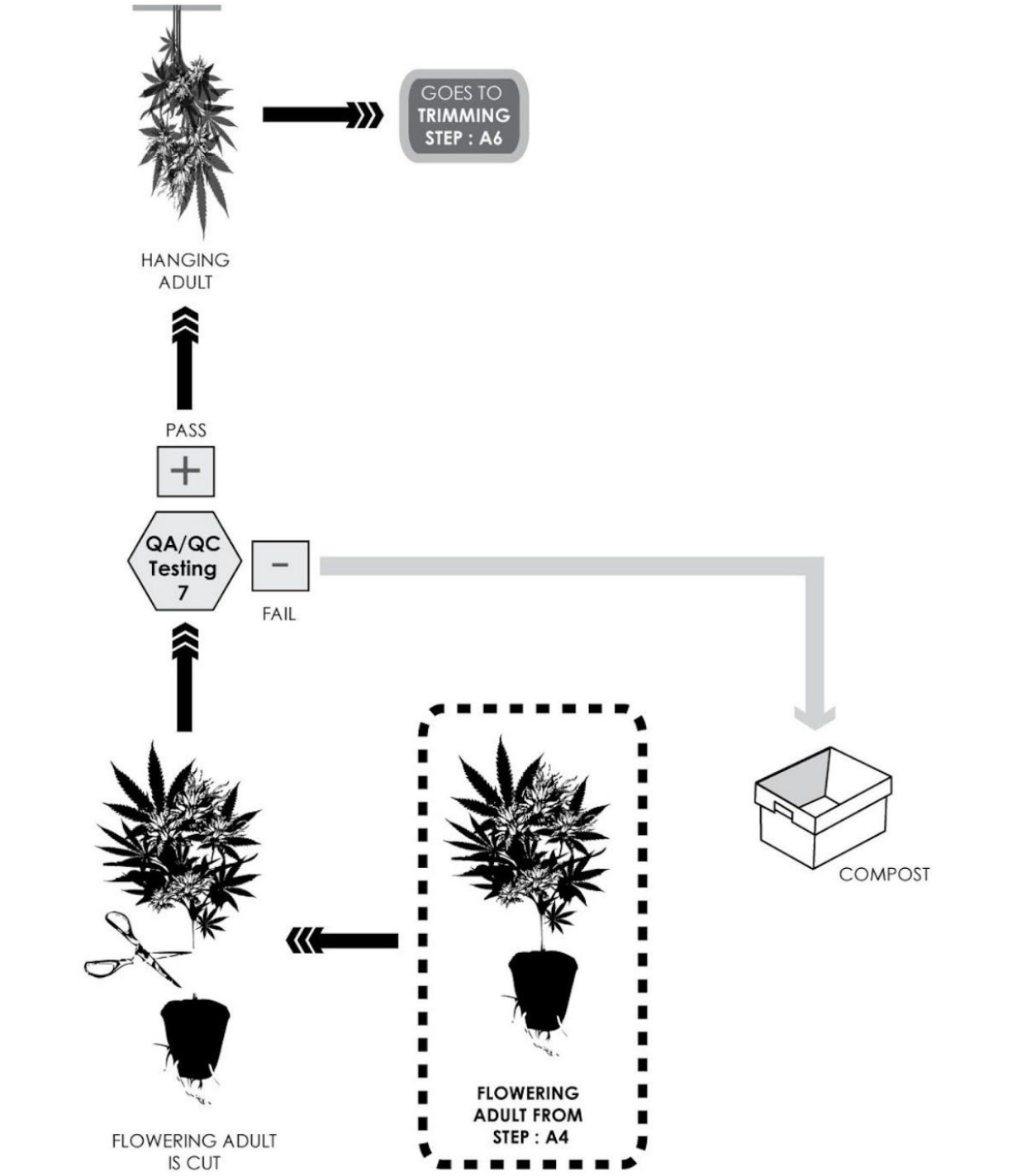
Vegetation Process STEP : A3

= Starting Point = Possible Flows = Supply Chain Flows



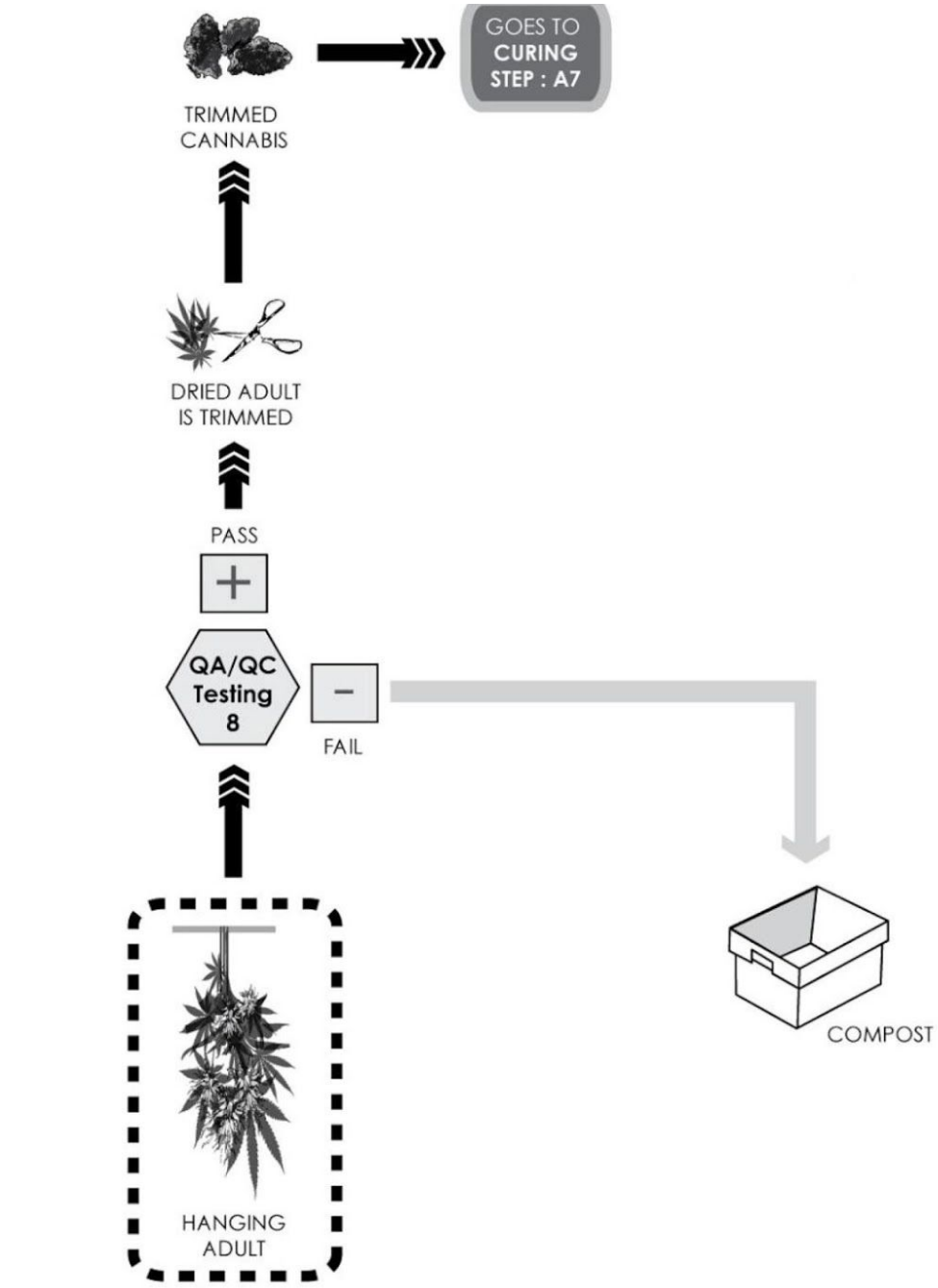
Flowering Process **STEP : A4**

= Starting Point = Possible Flows = Supply Chain Flows



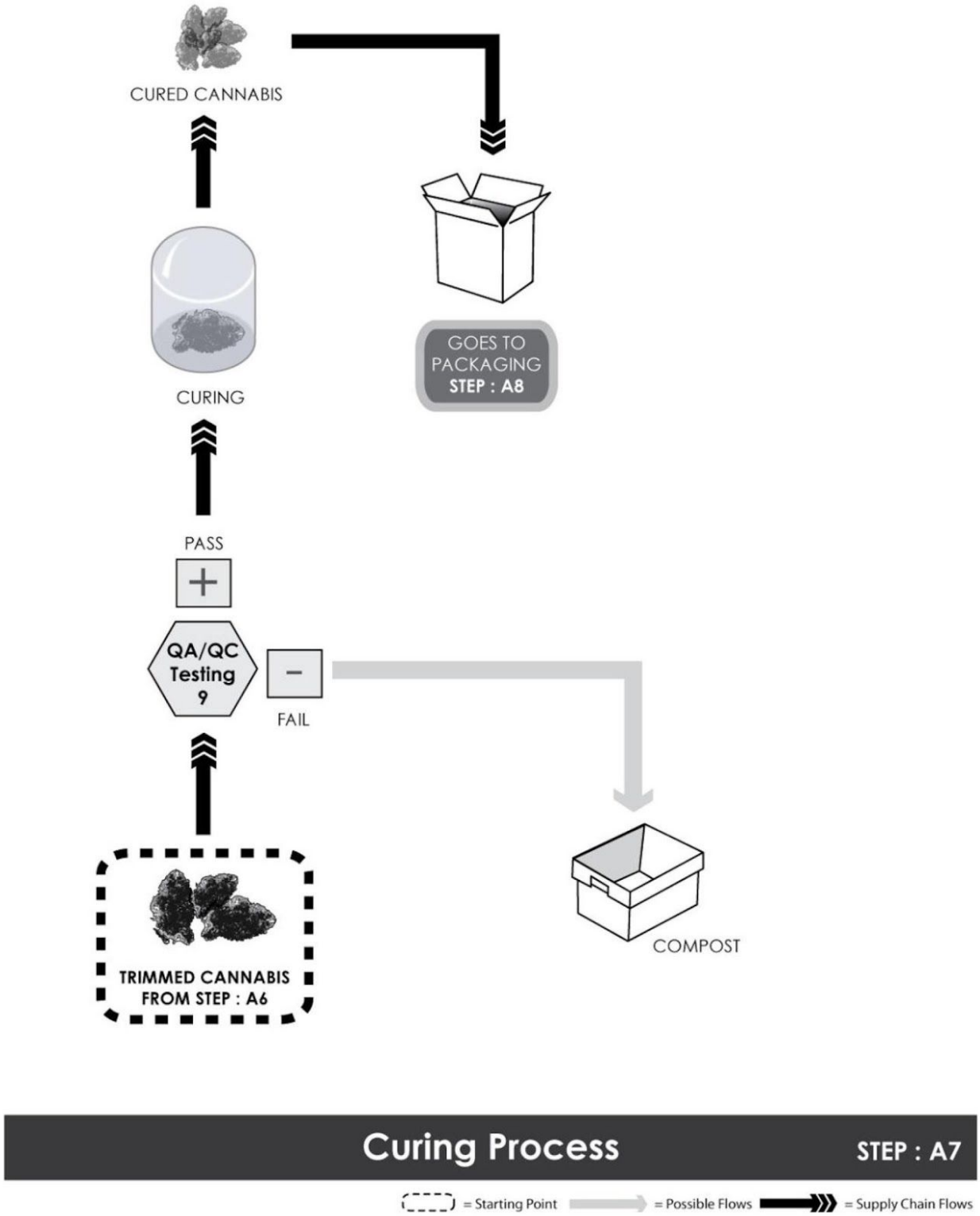
Harvesting & Drying Process STEP : A5

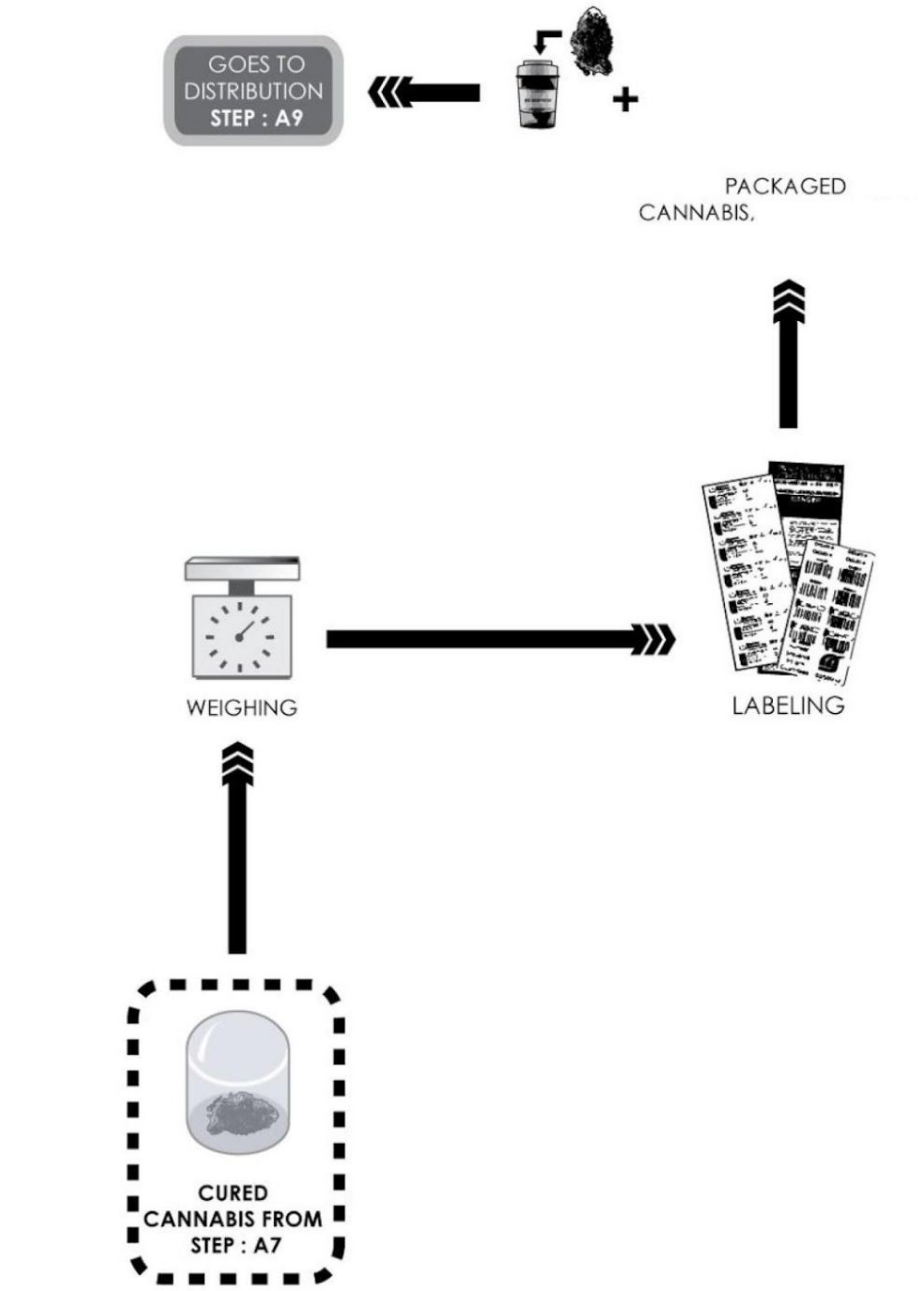
= Starting Point = Possible Flows = Supply Chain Flows



Trimming Process **STEP : A6**

= Starting Point = Possible Flows = Supply Chain Flows


CURED CANNABIS
GOES TO PACKAGING STEP : A8
CURING
PASS
QA/QC Testing 9
FAIL
TRIMMED CANNABIS FROM STEP : A6
COMPOST
Curing Process
STEP : A7
= Starting Point
= Possible Flows
= Supply Chain Flows



Culvitation Packaging Process STEP : A8

= Starting Point = Possible Flows = Supply Chain Flows

Cultivation Process

We plan to streamline the plant production process so that it is entirely self-sustained and does not rely on bringing in outside plant matter. Our vision is to leverage the power of the sun while also utilizing artificial lighting to maximize our production and also minimizing the amount of power consumption grow lights use.

All of the plant material needs of the facility are fulfilled from existing plants, creating a perpetual plant production model that constantly recycles itself and begins from a single cannabis seed. By creating our own seeds, we are able to service all of our production, allowing us to avoid problems associated with bringing in outside plant matter and helping keep more jobs and production in the local community.

Production Process

The production process begins from Breeding (Seed creation) all the way to Curing (ready for Packaging). Steps covered in the *production process* include the:

- The Breeding Process
- The Cloning Process
- The Vegetation Process
- The Flowering Process
- The Harvesting & Drying Process
- The Trimming Process
- The Curing Process

Supply Chain Process

Additionally, the final three (3) steps are included as part of our supply chain process. The Testing Process is listed below. All of the production process steps, combined with the three (3) steps below, are considered to be our total *supply chain process*. The remaining 3 are:

- The Cultivation Distribution Process
- The Testing Process
- The Cultivation Packaging Process

The Breeding Process

Breeding Mothers and Breeding Fathers are the source of all Production for the KOC and the first step of the production process. The Breeding Mother and Father, grown large enough for mating, are arbitrarily induced into a *Photoperiod Lighting Schedule* (12 hours of light, 12 hours

of darkness) in order to produce seeds. Unlike other female plants used within our facility, a Breeding Mother's purpose is to create seeds rather than Cannabis. The Breeding Mother is responsible for producing resin glands and flowers, while the Breeding Father releases pollen into the air that sticks to the resin on the Breeding Mother, resulting in offspring in the form of Cannabis Seeds. These seeds are planted to create new plants.

The Cloning Process

We intend to produce plants from seed rather than cloning. Cloning is when female plants are grown large enough under a *Vegetative Lighting Cycle* (18-24 hours of lighting) to be able to produce enough cuttings for new plants. Cuttings are areas of new growth on a mature Cloning Mother that are cut and then planted to make new plants. This Vegetative Reproduction process allows for the cutting to maintain the exact same genetic qualities as the Cloning Mother (which is why cuttings are often referred to as Clones). While the KOC does not intend to use Vegetative Reproduction for creating plants, it will explore this option if necessary

The Vegetation Process

Vegetation is when small plants are grown into full size plants, under a Vegetative Lighting Cycle, so they are large enough for maximum flower production. Since a plant usually will grow an extra few inches in the Flowering Process, the optimal size for a Vegetative Plant is between 2' to 3', depending on the medicinal variety.

During the growth process, as a plant grows it is imperative that the plant is managed correctly through several techniques such as Topping, Fimming, Pruning, and Bending.

Topping

Topping involves locating the top of the plant and cutting the main stem just below the newest growth, making it a "headless" plant. The new branch will then form a "Y" shape, allowing for two new stems to grow. Whenever you cut one stem, the smaller leaves below the cut area begin to grow out new branches. So if you cut one stem it will turn it into two stems; cut those two stems, they will turn into four; and so on.

Fimming

Fimming is very similar to Topping, and involves removing the top new growth of a plant to force the hormones to expand down and outward. This causes the plant to grow more tops and flowering sites. Fimming can be done multiple times to one plant to increase the plant's yield capacity.

Pruning

Pruning is a process that is required when the plant is about 1' to 1½' tall. The lower region of the teen will be pruned of all leaves and smaller branches, promoting upward growth. This

allows the plant to utilize its resources and energy toward growing its upper portion or the area that is more likely to produce flowers since it is closest to the grow light. The pruned plant matter will be sent to extractions or recycled as compost.

Bending

Bending is angling the teen toward a specific area of concentrated light that will allow maximum light penetration for the entire plant. As the teen's top branch turns toward the light, it allows the light to illuminate other areas of the plant that are not receiving as much lighting.

The Flowering Process

Flowering is a process when adult plants begin producing cannabis flowers. Once adult plants are placed into Flowering, the lighting cycle is changed from the Vegetative Lighting Cycle to the Photoperiod Lighting Schedule, or to 12 hours of daylight and 12 hours of darkness, to induce flowering. The flowering cycle of each Strain will range typically from fifty two (52) days to seventy two (72) days.

The Harvesting & Drying Process

Once a flowering plant has completed its Flowering Cycle, it is ready to be harvested or cut and hang dried. Harvesting is done in a temperature-controlled room with controlled humidity and adequate air circulation. It is important that the finished plants are not dried too quickly as this can affect the plant's smell and taste; but also that they do not dry too slowly as this can attract mildew and mold.

The finished plants are cut from their main branch and hung upside down on racks to dry out excess water weight. Each plant is placed at least four (4) feet above the ground and separated by a few inches. The plants are not vertically stacked on top of each other because that would impede the drying process and make the plants more susceptible to mold and mildew. After the plant is hung upside down the sun leaves that droop and cover the cannabis flowers are cut off.

The Trimming Process

After a hanging plant is fully dried it is ready to be trimmed. Trimming is done in a large sterile room full of ample lighting, tables and chairs. Trimming entails cutting off any remaining plant matter (leaves, stems, etc.) leaving the cannabis buds. Mostly hand instruments will be used for precision trimming. Automated machines are helpful for initial manicuring and can save time, but hand instruments are still necessary for quality detailed finish work.

The Curing Process

The final step of the production process is Curing. The trimmed cannabis contained within the sealed curing bins is properly aerated to remove any remaining water. The lids of the curing bins are manually opened and closed, to slowly let out the remaining water weight and increase the flavor and aroma of the trimmed cannabis. The trimmed cannabis is rotated in the curing bin from time to time and turned over, to facilitate the curing process. The bins are opened and closed every 2-4 hours, typically, over the course of a week.

Cultivation Packaging

After the marijuana has finished curing it is brought into a temperature controlled room with minimal humidity and adequate air circulation efficient for the safekeeping and storage of our cannabis. The cannabis is then weighed, packaged, labeled, stored. Packaging and labeling is described in Product Safety & Labeling Plan.

HARVESTING CYCLES

Harvesting Cycles are representations of the day and night cycles of the sun. As with all plants, they depend on these cycles to know when the season changes from seed to harvest. Light dep greenhouse gardening gives us the ability to control what plants perceive as seasonal cycles to allow for quicker harvests. The two methods explained below are ways that we can harvest plants more frequently: by changing *Photoperiods*, and by maintaining a constant supply of inventory through *staggering harvests*.

Photoperiods

Just like all living things, plants depend on the sun's cycles to trigger different life changes. Since cannabis is an annual plant, the changing of the sun from spring to summer to fall has different hours of daylight and darkness. A cannabis plant will be signaled that it is Spring or Summer by having longer periods of daylight in a single day, so the plant thereby remains in a vegetative state. As the days get shorter, the plant is signaled that it is Autumn and the end of the season; this causes the hormones to change in the cannabis plant, producing flowers, much like any seasonal vegetable.

A photoperiod is a light cycle that replicates the sun's hours of daylight and darkness. The two-photoperiod lighting cycles we use, as discussed in the Cultivation Process, are (A) Vegetative Lighting Cycle and (B) Photoperiod Lighting Cycle.

Vegetative Lighting Cycle

A Vegetative Lighting Cycle entails 18-24 hours of light, and 0-6 hours of darkness.

Photoperiod Lighting Cycle

A Photoperiod Lighting Schedule entails 12 hours of light, and 12 hours of darkness.

To maximize the amount of harvests within a calendar year, we plan to implement these photoperiods so a plant receives the minimum amount of Vegetative and Flowering times necessary for maximum growth and production. A plant will hit its maximum threshold and experience diminishing marginal returns if placed under a certain lighting cycle for too long. Generally, a plant should be in a Vegetative state of growth long enough to grow and produce ample flower sites, and stay in a Flowering state of growth long enough to finish its' flower production. Under this model we are able to harvest several times a year since we can manipulate photoperiods to have our plants perceive an accelerated seasonal change. We have based this assumption, as shown in the Proforma, with the ability to harvest 3 times a year.

Green Lights

To keep lighting schedules precise, we will utilize accurate automatic lighting timers to turn

lights on and off. During darkness hours, it is imperative that there is complete darkness to prevent trauma to the plant or any interruption of its photoperiod cycle. This can cause a large amount of stress on the plant and confuse it. If there is an emergency and a horticulturalist needs to access the cultivation facility during darkness hours, green lights will be used, minimizing the impact on the plants. The green spectrum of light is the only spectrum that is not absorbed or recognized by the plants. Portable green LED lights will be available for personnel and also installed inside the room.

Staggering Harvests

We plan on staggering harvests so there is a steady flow of product and inventory. Since the average flowering time for the plant is 8-10 weeks depending on the medicinal variety, by having the Flowering Department divided into different sections we can strategically plan for each section to harvest with a three week offset. We elect this approach, as opposed to having all of the plants within the cultivation facility harvest at once, because then the labor and product does not volley between an overabundance during harvest and a shortage right before harvest. With staggered harvests, we can keep a constant and consistent supply chain flow.

WEIGHTS AND MEASURES

KOC will maintain all weighing devices in compliance with local, state or federal law and comply with Chapter 7.60 of the Monterey County Code regarding device registration with the County.

KOC will also follow the California Weights and Measures Regulatory Requirements for Cannabis. This Requirements document covers the following areas:

- Scale Selection
- Scale Registration and Testing
- Service Agencies
- Packaging and Labeling Inspections
- Weighmasters

The document can be located on the MCCP (Cannabis Cultivation Program) section of the CDFA website. It has also been attached for reference.

CANNABIS ACTIVITY TRACKING

KOC will implement a County approved unique identification protocol. All cultivation activities permitted under this Use Permit will comply with the state requirements for unique identifiers and the trace and track program.

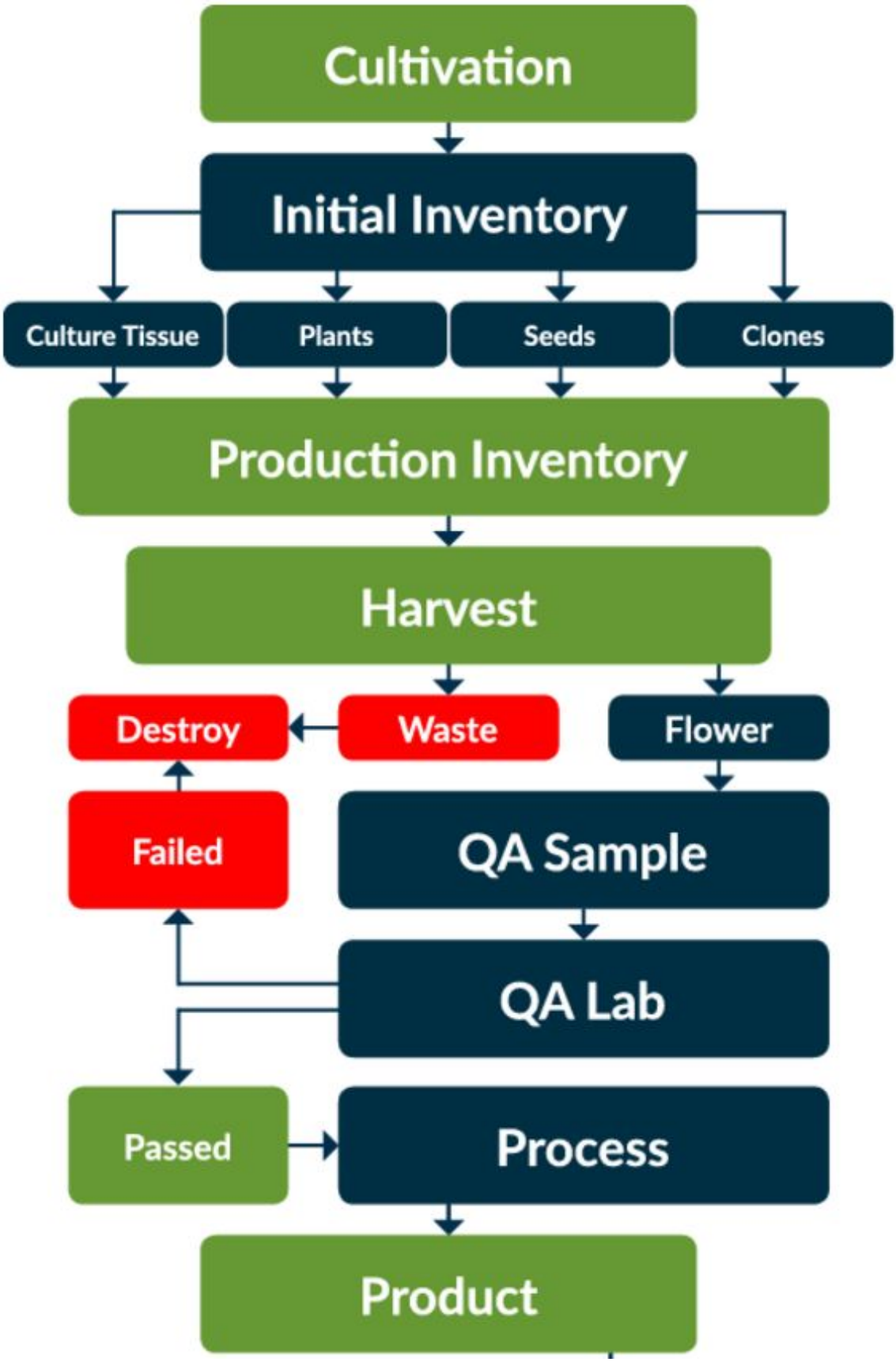
KOC will use the seed to sale tracking software known as BioTrackTHC for the entire cultivation process. BioTrackTHC is used in many other legal states to keep operators transparent and compliant. The system acts as a digital representation of the physical site with custom rooms and tables making it incredibly fast and easy to locate individual plants. With BioTrackTHC each individual plant and room is assigned a unique barcode, allowing effortless tracking of the lifecycle for every plant in the facility.

BioTrackTHC's industry leading seed-to-sale security protocols record activity by unique PIN or biometric finger print. This added level of security increases accuracy and transparency, while keeping employees accountable for every nutrient application and room to room movement. This will also allow KOC to track which employee handled which plant(s), when they did something and why they did it, providing excellent accountability. Additionally with this system KOC will be able to track inbound/outbound transfers through a securely encrypted connection. The entire chain of custody will be documented: starting from the seedlings or clones, transferring to the flowering houses, to the trimming/processing building (steel building on site) and finally, the finished weighed product. BioTrack will also generate a Transport Manifest which will accompany any and all product that leaves our facility. For more information on our transportation plans please see our Security Plan.

This system allows KOC to easily maintain a compliant operation by recording flower, trim, and other byproduct weights; then, tracking converted items, like extracts for edibles, in one simple interface. BioTrackTHC makes it easy to trace converted products to the source material while recording the complete chain of custody in the event of a recall.

KOC will utilize the 298 page BioTrackTHC manual which details how the system works and how to do specific tasks related to track and trace. This manual can be found here: http://server.biotrackthc.net/biotrackthc.pdf

The following page is a flowchart that is meant to help demonstrate the flow of product, which will be recorded each step along the way.


Cultivation
Initial Inventory
Culture Tissue
Plants
Seeds
Clones
Production Inventory
Harvest
Destroy
Waste
Flower
Failed
QA Sample
QA Lab
Passed
Process
Product

Our goal is to leverage this software to keep our cultivation facility operating at the highest efficiency and also provide important information to both the County and State, as needed. This system will allow us to generate hundreds of different reports about our operation which can be provided to County officials and/or law enforcement at any time. For more detailed information regarding how the system works, what it looks like and it's features, please visit: https://www.biotrack.com/tutorials/cultivation/; which has a dozen videos demonstrating how to do specific tasks within the system. These tasks displayed on their site will become our standard operating procedures for handling inventory control.

Financial Record Keeping

KOC has hired a bookkeeper to manage all finances related to the cannabis activity on the property. This bookkeeper will report to the CFO. The software used for all financial record keeping will be Quickbooks. Data from BioTrack THC can be exported in an excel format which will then be imported into Quickbooks Financial. KOC will keep detailed records of product sold, who the product was sold to, the price it was sold for, the cost to KOC to produce and operating expenses. KOC will keep all of these records stored on a secured server, on-site. The server files will be backed up daily to the cloud in order to protect the information and keep it readily available at all times. KOC agrees to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with Chapter 21.65.050 from any enforcement officer of the County or their designee.

CONCLUSION

Kind Op Corp is committed to providing patients with medicines that are of known potency and free of chemical and biological contaminants. This commitment is evidenced by the detailed product safety protocols highlighted in this section. Kind Op Corp has put together a comprehensive quality assurance plan that goes far and above any seen in the cannabis industry to-date. Kind Op Corp is confident that, among other things, our protocols will allow for high quality medical products that are free of molds, bacteria, pests, and harmful pesticides. Furthermore, Kind Op Corp is confident in our ability to transform the data generated from laboratory analyses into useful information, which is easily digestible and relevant. Through this process, Kind Op Corp will be able to inform the Department of Health and regulatory agencies on some of the most provocative issues surrounding the medical cannabis industry today: the establishment of best practices and standards.