

**Mijosa, LLC**  
**Hayward Commercial Cannabis Operations**  
**2459 Radley Court**

**Business Plan & Operations Summary**  
*Revised October 2021*

**OPERATIONS & LICENSES:**

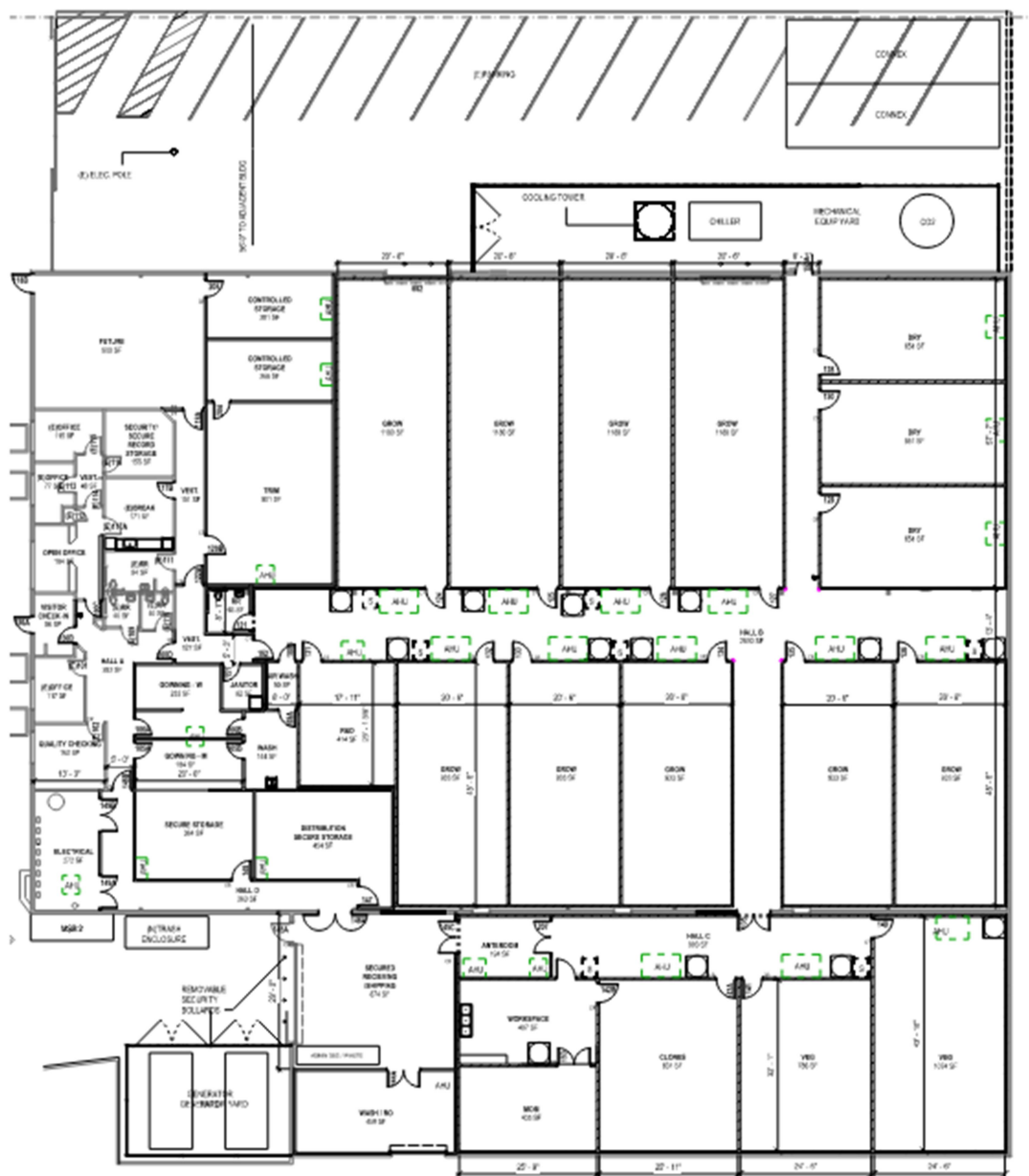
While Mijosa, LLC Hayward Cultivation, Manufacturing and Distribution facilities will be physically distinct as required by state and local law, Mijosa, LLC production-side vertical integration will also allow it to operate an integrated production supply chain through distribution and sale to non-retail, and retail businesses within the fully licensed regulated marketplace in Hayward and other California jurisdictions.

Note: Distribution includes Transport of product through legal regulated distribution and not home delivery direct to the consumer.

At the Radley Court facility, as set forth in the Site Plans, Mijosa, LLC will apply for and hold the following state licenses:

<b><u>Activity</u></b>	<b><u>License Type</u></b>	<b><u>Room (Site Plans)</u></b>	<b><u>Products<sup>1</sup></u></b>
Cultivation	2 – Type 2A -3A (up to @ 2,900 sq. ft. flowering canopy per room)	1-12	Bulk Cultivated Flower
Cultivation	1 – Type 3A (up to 22,000 sq. ft. flowering canopy)	Mother & Clone Future Expansion	Bulk Cultivated Flower
Cultivation	1 – Type 4 Nursery	Clones Mothers	Clones
Processing	1 – Type P Processor (drying, curing, trimming, packaging of flower)	Dry, Trim	Dried Flower
Distribution/Transportation	1 – Type 11 (Distribution non-retail) 1 – (Transportation) Delivery to Retail Stores only. No retail sales.	Secure Storage and Delivery Staging	Cannabis Products, Distribution Services

<sup>1</sup> See Final Products, below, for further descriptions.



**DESCRIPTIONS OF ACTIVITIES IN EACH ROOM:**

Narrative descriptions for the licensed activities occurring the following rooms is provided<sup>2,3</sup>

**CULTIVATION (NURSERY, TYPE 4) (VEGGING, GROW ROOMS, CLONES AND MOTHERS)**

- Vegging process will begin from seed. It will take approximately four (4) to six (6) weeks for cannabis plants to be matured and healthy enough to cut/begin the cloning process.
- Clones will take roughly ten (10) to twelve (12) days to grow. Throughout the clone cycle, a horticulture specialist shall be responsible for the monitoring of weight, feeding, humidity control, temperature control and discarding of clones that have any signs of disease. All rejected clones are to be collected and discarded according to the Non-Hazardous Waste/Cannabis Waste and placed into a specialized secure container. Employees will document in a cloud-based journal all temperature, humidity, reservoirs on a daily basis.
- In addition, this management level employee is responsible for compliance with tagging cannabis plants in connection with Track and Trace requirements.

Clone growing parameters

- Light cycle to 24 hours a day.
- Light fixture must be 1-2 inches from clones.
- Clones kept between 72- and 80-degrees Fahrenheit.
- Clones kept between 70-80% humidity.
- Trays must be weighed. (Min 1400, Max 2700)
- Trays must be fed every two days. (Never let dry)
- Sprayed with water 2 -3 times a day.
- Once rooted, plants should be sprayed once a day.
- Once rooted, plants are fed diluted vegetation nutrients mix.
- Lights must be at least 13 inches from canopy.
- Room kept between 70- and 85-degrees Fahrenheit.
- Room kept between 40-60% humidity.

Potting Station (Transplant Process for Vegetative State)

- Transplant the clones into final grow media. This process will require a team of trained employees to ensure that all plants are properly transplanted and relocated to the Veg Room for the vegetation stage.

Setting up potting station.

<sup>2</sup> Where no narrative is provided here, the room title self-describes the non-licensed occurring within the room, i.e. "Reception," "Break Room," "Hallway," etc.

<sup>3</sup> All licensed activities will be logged in the state mandated METRC track and trace system according to state rules and regulations.

- Clones that are going to be transplanted must be fed before process starts.
- Bins and grow medium or whatever is needed are set in a designated area.
- Prepare IPM\*\*, if needed.
- Place 25 pots/containers per tray.
- Pre-pot containers with a quarter of dirt.
- Bring strains/trays from clone area to begin potting process.

#### Potting.

- Starting with one batch tray at a time.
- Detach individual cube from sheet. Dip in Organic mixture.
- Place all cubes/strains in grow medium.
- Once one strain/tray is finished.
- Tag each plant with a BCC batch tag.
- Bring tray to designated Vegetative Cycle Area (table) in Veg Room.
- Once batch is completely placed to the selected table.
- Adjust light to required intensity
- The vegetative stage will take two (2) to four (4) weeks.

#### Mother Plants Care

- Mother plants should be heavily fed with fresh water only for two days before cuttings to remove the nitrogen, which will retard the rooting.
- Pick your desired strain/mother.
- Place a tag batch on the container.
- With a single edge razor blade, start by taking a clone which is 3 - 6'' long with at least one leaf.
- Cut off rest of leaves or anything else flushed with the stem. (Try not to tear or crush)
- Make a quick 45-60-degree angle cut on the end of your clone.
- Place in the plastic container of pH water.
- Pre-soak your growing medium before starting. Rockwool needs to be soaked for 24 hours with pH water of 5- 5.5.
- Rinse pre-soaked growing medium to desired weight. (3100 with trays)
- Make liquid rooting hormone. (Dip & Grow)
- Make Organic Pesticide Mixture for dipping your cuttings.
- Dip cuttings in Organic Pesticide Mixture for 10-15 seconds.
- Place cuttings in hormone for 30-60 seconds.
- Remove cuttings from hormone and replace with next batch of cuttings.
- Insert the cuttings into the grow medium
- Once cuttings are in the growing medium, place batch tag.
- Bring to clone area and mist them with fresh water only.
- These plants must be tagged and treated in accordance with Track and Trace requirements. In the event any of the Plants show signs of disease, infestation or death they shall be disposed of in accordance with Non-Hazardous Waste/Cannabis Waste Plan and placed into a specialized secure container.

- With management supervision the team will then transport cannabis plants from the Veg Room to the designated Flower Room.

### **CULTIVATION (FLOWERING, TYPE 2A, 3A) ROOMS (GROW 1-10)**

- Once in the flower room, mature plants shall be connected to an irrigation system line (which shall run through each table and connect to each plant) so mature plants may be consistently fed twice each day. The irrigation line shall be constantly checked by authorized and trained employees to ensure the irrigation system is properly running to each plant.
- Plants shall remain here until harvest. This time period may vary from seven (7) to twelve (12) weeks depending on the strain. During the flowering process the mature plants shall be de-leafed based on the de-leafing technique determine by the head grower to ensure that the mature plants are stress free and healthy. Additionally, mature plants shall be continuously checked for dead leaves and signs of disease or bug infestation during this time and Integrated Pest Management (IPM\*\*) implemented as set forth below.

#### **Flower Room Scheduled Environment**

Week 1-3: Temperature Day / Night -75F / 65F, Humidity Level – 50%

Week 4-6: Temperature Day / Night – 75F / 65F, Humidity Level – 50%

Week 7-9: Temperature Day / Night – 75F / 65F, Humidity Level – 50%

- After the first (1st) week of the flowing process, a trellis system shall be placed above the mature plants to support flower produced during the growth process to ensure that the weight of the flower does not tilt and create damage on the mature plants.
- As the mature plants continue to grow, about the (3rd) week a second (2nd) trellis may be placed above the first (1st) trellis for additional support from top to bottom.
- Prior to harvest, authorized and trained team will enter the flower room with buckets container and sanitary scissors to cut leaves off, leaving just flower (buds) on the branches of each mature plant.
- At this point, the mature plants are ready for harvest.
- During harvest, the two team managers will oversee harvest and begin weighing harvested batch and entering necessary information into the Track and Trace system.
- The cleaning crew shall commence the cleaning process: (a) wash all tables and drip lines (b) clean any and all mechanical equipment, fan units and filters, (c) clean dehumidifies, (d) disassemble fans for cleaning, (e) adjust table height, (f) wipe/ clean bulbs and (g) vacuum all floors.
- Any and all green waste shall be disposed of according to the Non-Hazardous Waste/Cannabis Waste Plan and placed into a specialized secure container.

**CULTIVATION (PROCESSING TYPE P)****Drying Room**

- Once the flowering cycle is completed, mature plants must be systematically hanged in the drying rooms. Drying takes approximately 14 days to complete.

**Trim/Packaging Room**

- After the drying process is complete authorized and trained employees will commence the trimming process. After the trimming process is complete the material will be converted into Product, Byproduct and Waste.
- Product and Byproduct will be weighted, batched and placed into a specialized container.
- All waste shall be disposed of according to the Non-Hazardous Waste/Cannabis Waste Plan and placed into a specialized secure container.
- The room will be used to package material once the flower is trimmed.

**Secure Admin Storage**

- This area will serve as holding station while products and byproducts are being tested. The batch will remain in airtight container in its own shelving not to create any cross contamination between batches.
- Only authorized personal will have access to this area.
- Product will remain in a climate-controlled environment until it is ready to be picked up by the distributor or manufacturer once testing is complete.

**Secure Shipping/Receiving** – Secure area for preparing to deliver to dispensaries or other distributors without entering the production area. All employees enter the facility through the main entry at the front of the building. Material will be picked up in the secure storage area and moved to the Secure Shipping and Receiving area.

**\*\*Integrated Pest Management (IPM)**

- Employee who will apply the Bio safe IPM schedule will be licensed for IPM application from the State of California to insure safe environment for staff and best practice. This employee will be responsible for:
  - Purchasing of IPM products
  - Receiving Deliveries
  - Handling
  - Storing
  - Application
- All products are to be stored on site in a fireproof locker located in a designated Cultivation Material Storage area.

**Bio Safe IPM Application Schedule**

Every Monday and Thursday.

Monday:

Vegetative:

Weeks 1 & 2 = AzaGuard + Zerotol 2.0 + Oxiphos

Week 3 = AzaGuard + Zerotol 2.0

Week 4 = AzaGuard + Zerotol 2.0

Flower:

Weeks 1 & 2 = AzaGuard + Zerotol 2.0 + Oxiphos

Weeks 3 - 8 = Zerotol 2.0

Thursday

Vegetative:

Weeks 1 & 2 = Double Nickel + Botanigard

Week 3 = Cease + PFR-97

Week 4 = Cease + PFR-97

Flower:

Week 1 & 2 = Double Nickel + Botanigard

Week 3 - 8 = Zerotol 2.0

**Drying - Processing Material Storage**

- Raw Material (cannabis flower and trim) Storage: Temp 55F - 65F; Humidity 15% - 30%
- All raw cannabis material is to remain in its batched packaging in a secured dedicated area until ready to be extracted.
- Once material is selected for processing, management level employee will begin to record the extraction process steps and environmental records required by state regulations, including all batch records and logs. This data will be entered into Track and Trace as well as a cloud-based journal.
- The selected material will be thoroughly prepared for the packing process.
- Material Humidity Level 15%.
- The material is to be ground down.
- Remove any stem or chlorophyll-filled leaves.
- All material larger than a penny is to be selected and ground down.
- The prepared material batch will then be packed tightly into a selected "column."
- All cannabis waste resulting from this process shall be documented and disposed of in accordance with Non-Hazardous Waste/Cannabis Waste Plan and placed into a specialized secure container.
- Each batch "column" is then transferred to the Extraction Room

**Secured Product Storage**

- The product is to be packaged and stored according to processed batch. All concentrate are to be stored in environmental conditioned room where temperature will remain of 65 F and Humidity level are 20%.
- Only management level employee will have access to the secured room.

**DISTRIBUTION (TYPE 11) TRANSPORTATION (TYPE 12)****Secure Records**

- This room will serve administrative purposes only. Here management will store required records. Only Management employee will have access to the office area.

**Conference**

- This area will be used as a multi-purpose conference room. Company staff will meeting with clients to discuss branding, imaging and packaging. This room will serve as a creative environment for the company. Training and team meetings will be conducted in this area as well.

**Break Room**

- Lunch break area. Staff will spend lunch and required rest periods in this room. No consumption of cannabis allowed anywhere on premises.

**Lockers (Men's and Women's)**

- Employee changing room for clothing required by manufacturing standard operating procedures.

**Trim/Packaging**

- Packaging staff will use this area for assembly line packaging of dried cannabis flowers and/or pre-rolls. This room will contain a shelving area where packaging containers, stickers, tops are stored in order to quickly feed the line and easily track of all packaging products. All bulk flowers for packaging will be contained to this to avoid contamination and to control odor.
- Once a batch is ready to be package the manager will direct the team on what container the product must be placed in and oversee the compliance protocols. Each batch shall be a minimum of 25 lbs. and will be completed within the shift once commenced. No batch is to be resealed and placed back into storage once packaging has begun.
- Once cannabis product is packaged, labeled and batched it will then be placed in a 20x20x20 cardboard box. The box will have batch labeled on the top and only then moved to the vault area.



**Secured Waste Storage**

- All cannabis waste shall be stored in this room and disposed of according to the Non-Hazardous/Cannabis Waste Plan.

**Final Product Secure Storage**

- Vault will hold all final packaged products. All products are to be stored by product release date. Product will be boxed and taped with tamper proof tape. Only management level employee will handle all vault operations. Once order needs fulfillment, management will load the cart with product that as directed by the manifest. Once all items are prepared the order will then move to the Secured Delivery Room.

**Admin Holding Area within Secure Storage**

- For use when product is not ready for the commercial market and is held pending remediation or destruction, pursuant to BCC regulations. This room will also serve as a quarantine room for recalled products.

**Shipping and Receiving Area**

- For use for the delivery of product to the retail market and is held pending distribution to drivers on the day of delivery. Orders will be filled the day before delivery into vehicle designated bins before staging. Said vehicle specific bins will be held in wheeled racks in the Final Products Vault until the next day. The morning of delivery, mobile racks with vehicle specific bins with customer orders will be pushed into the Delivery Staging Room for distribution to drivers. Drivers will proceed with their delivery bins to the secure parking area to access company vehicles to then load up and drive out for delivery.

**Secure Parking Area**

- The secure parking area is used to access company vehicles to load up product for deliveries to dispensaries and distributors. Company vehicles will be stored in the Secure Parking Area overnight and when not in use.

**Final Products**

The ***Cultivation Facility*** will produce commercial cannabis flower material for bulk sale to manufacturers, and retailers/distributors as: (A) dried cannabis flowers by weight; (2) dried cannabis flowers for pre-rolls (the “Bulk Flower”); and (3) cannabis biomass for manufacturing/extraction into distillates and extracts to be used manufactured products such as vape pens, cannabis concentrates, and infused edible products (the “Biomass”). No manufacturing to be done onsite at this time.

The ***Processing Facility*** will dry, cure, trim, and prepare cultivated flower for packaging or extraction and/or will conduct packaging services for bulk flower products and pre-rolls (“Dried Flower”).

The ***Distribution Facility*** will package and label Bulk Flower received from the Cultivation facility for sale as (1) dried cannabis by weight, e.g. 1 gram, ¼ ounce, 1/8 ounce, large bulk of various sizes and 1-ounce packages and (2) as cannabis pre-rolls (the “Cannabis Products”). The

Distribution Facility will also receive packaged manufactured products. For all products, the Distribution Facility will perform all required testing coordination, quality assurance, tax collection, and transportation services as required by state law (the “Distribution Services”).

Under the Distribution activities, Mijosa LLC may transport cannabis products between licensed premises. Mijosa LLC does not plan to do self-transport when operations begin, but instead using outside State Licensed Distributor’s transport to pick up finished product to their facilities where it will be tested and packaged for retail sale. If at any point Mijosa LLC will choose to start transporting finished products, transport will occur in a secured unmarked delivery van and will abide by the following protocols:

1. No person under the age of 21 years old will be in the vehicle transporting cannabis goods or cannabis products; and only an employee of Mijosa LLC will be in the vehicle while transporting cannabis goods or cannabis products.
2. Hours of delivery operations, including days of the week where deliveries will take place Monday through Friday 8:00 AM to 5:00 PM only.
3. Estimated number of delivery trips per hour over a typical 24-hour period separated by mode (e.g. please indicate the number of deliveries by delivery van). Mijosa, LLC will be taking 2-3 deliveries and pickups combined per week.
4. Drivers will carry a Motor Carrier Permit issued by the Department of Motor Vehicles (DMV).
5. Product will always be securely stored in locked compartment(s) for delivery to another licensed premise.
6. Any transport vehicle will carry commercial general liability insurance in the aggregate in the amount of no less than \$2,000,000 and in the amount of no less than \$1,000,0000 for each loss.
7. Any transport vehicle will also be equipped with a GPS tracker and have an audible alarm system.
8. Upon request, Mimoso LLC will provide the City of Hayward and/or Department of Cannabis Control with a copy of the certificate of ownership or registration card issued by the California Department of Motor Vehicles, the year, make, model, license plate number, and Vehicle Identification Number in writing, as well as proof of insurance for any new vehicle that will be used to transport cannabis goods or cannabis products prior to using the vehicle or trailer to transport cannabis goods.
9. Prior to transporting cannabis goods or cannabis products, Mijosa LLC will generate a shipping manifest through METRC the State’s track and trace system for the following activities:

(A) Testing and sampling;

(B) Sale of cannabis goods or cannabis products to a licensee;

(C) Destruction or disposal of cannabis goods or cannabis products; and

(D) Any other activity, as required pursuant to the City of Hayward or by any other licensing authority the Department Cannabis Control.

10. Mijosa LLC will transmit the shipping manifest to the Department and the licensee that will receive the cannabis goods or cannabis products prior to transporting the cannabis goods or cannabis products.
11. Mijosa LLC will ensure and verify that the cannabis goods or cannabis products being taken into possession for transport at the originating licensed premises are as described and accurately reflected in the shipping manifest.
12. Mijosa LLC will verify that the cannabis goods or cannabis products are accurately reflected in the shipping manifest by confirming that the number of boxes of cannabis goods or cannabis products, type of cannabis goods or cannabis products, weight and/or units of cannabis goods or cannabis products matches the label on the boxes containing the cannabis goods or cannabis products.
13. Mijosa LLC will not take into possession or transport:
  - (A) Any cannabis goods or cannabis products that are not on the shipping manifest; or
  - (B) Any cannabis goods or cannabis products that are less than or greater than the amount reflected on the shipping manifest.
14. Mijosa LLC will be responsible for any discrepancies between the shipping manifest and the cannabis goods or cannabis products in its possession during transport, and is aware that we may be subject to any enforcement or disciplinary action related to such discrepancy.
15. Mijosa LLC will not void or change a shipping manifest after departing from the originating licensed premises.
16. A shipping manifest shall accompany every transport of cannabis goods or cannabis products.

### **Proposed hours of operation**

***Cultivation (Cultivation, Nursery, Processing) Facility:*** Operational 24/7. Staff will maintain 40-hour workweeks, and most operations involving human input will occur during regular business hours: 8:00 a.m. – 5:00 p.m.

***Distribution Facility:*** 5:00 a.m. to 8:00 p.m., or as approved by City of Hayward. Deliveries and pickups will 2-3 times per week.

### **Type of specialized equipment to be used**

***Cultivation Facility:*** Flowering cultivation lights will have scheduled timers to remain inactive for 12 uninterrupted hours. Vegetative lights may remain on for 18-24 hours, depending on specific cultivation plans. Watering will occur through hydroponic irrigation – plants will rest inside mineral wool blocks on raised flood tables. Once per hour, irrigation tables will flood with nutrient-enriched, reverse-osmosis-treated water and then collect in reservoirs. During business hours, staff will monitor nutrient levels, measure electrical conductivity (EC) of the irrigation water and recirculate the nutrients. After nutrients are depleted, the reservoirs will filter into the reverse osmosis treatment system. The reverse osmosis water treatment system will have the dual

purpose of purifying water for irrigation, and removing nutrients before draining to the municipal sewer system. This technique will help Mijosa, LLC maintain quality assurance standards and mitigate harmful concentrations of nutrients via runoff, respectively. Packaging Associates will use National Type Evaluation Program (NTEP)-approved 1200g balances to calculate the mass of finished cannabis products. At least once per year, an independent third-party will calibrate these devices using National Institute of Standards and Technology (NIST)-traceable reference weights. Staff will wear nitrile gloves while handling raw cannabis and they will prepare applicable utensils before beginning operational tasks.

### ***Manufacturing Facility:***

#### *Major Equipment*

- Blixer 3 Series D Grinder

#### Hash washer- 30 gal

- dimensions-height 28.5"
- diameter- 18.75"

#### Harvest Right small pharmaceutical freeze dryer

- dimensions-16.5"w x 18.5"d x 25"h
- 110v

#### Stainless Steel Cabinet Workbench

- Dimensions- 73" x 30"
- Weight- 208 lbs.
- Capacity- 500 lbs.

#### Stainless steel table

- Dimensions 72" x 30"
- Weight- 84 lbs.
- Capacity- 300 lbs.

### **Hazardous Materials**

A detailed description of all chemical and hazardous materials is provided in the **Fire Department Questionnaire & Chemical Inventory** submitted herewith.

### **State licensed transportation and distribution providers serving the facility**

Mijosa, LLC product shall only be transported by state licensed Distributors in compliance with state law.

### **Anticipated frequency of deliveries servicing the facility**

Please see **Traffic Report/Trip Study**.

### **Regulatory Compliance**

Mijosa, LLC's operations will fully comply with all requirements under the Medicinal and Adult Use Cannabis Regulation & Safety Act ("MAUCRSA") and all rules and regulations

promulgated thereunder by the Bureau of Cannabis Control, CalCannabis Cultivation Licensing, Department of Public Health and Department of Tax and Fee Administration applicable to its commercial cannabis operations. Mijosa, LLC has retained the cannabis business and regulatory law firm Clark Neubert LLP, which has been nationally recognized as a top cannabis regulatory and business firm. Mijosa, LLC continues to work closely with Clark Neubert LLP to ensure that all aspects of its operation are in compliance with all laws and regulations.

In addition to ensuring that each line of business comports with all applicable regulations particular to the operation, the entire staff will be attentive to the state's regulations related to moving cannabis from facility to facility. All drivers of vehicles transporting cannabis will be directly employed by Mijosa, LLC. The drivers will have a valid motor carrier permit pursuant to *Chapter 2 of Division 14.85 of the Vehicle Code*. Mijosa, LLC will make all vehicle registration, insurance, and driver rosters available to the Department of the California Highway Patrol (DCHP). To comply with *Section 34501.12 of the Vehicle Code*, staff may participate in the Basic Inspection of Terminals (BIT) program sponsored by the DCHP. Prior to transporting any cannabis to customers or licensees, Mijosa, LLC, as a distributor, will complete an electronic shipping manifest as prescribed by the City. The manifest will include the unique identifier, pursuant to *Section 26069*, issued by the California Department of Food and Agriculture for the original cannabis products. Staff will submit the manifest to the Bureau and destination recipients (customers and/or associates of licensed entities) before delivering cannabis.

Additionally, every licensed activity bears a particular responsibility when it comes to remitting and collection of the (1) cultivation tax (a fixed rate per ounce ranging from \$1.29 to \$9.25 depending on the type of product) and the (2) cannabis excise tax (15% of the "average market price" or actual sale price depending on whether or not an arm's length transaction). Mijosa, LLC will ensure that each line of business strictly adheres to every requirement of the MAUCRSA and California Department of Tax and Fee Administration rules. In particular its distributor will hold a Cannabis Tax Certificate for the collection and remitting of both the cultivation and excise tax. The cultivator and manufacturer timely and properly remit any and all cultivation tax due to the distributor, which is charged with remitting to the state. Distributor will properly track, collect, and remit all tax to the California Department of Tax and Fee Administration.

Under no circumstances will Mijosa, LLC employ any person under the age of 21, nor permit any person under the age of 21 years old to be on facility grounds.

## **Insurance**

In addition to maintain state-law required bonds, Mijosa, LLC shall obtain the following insurance with the assistance of legal counsel with expertise in the placement of commercial liability and property insurance for businesses operating in the cannabis industry. Specifically: Commercial general liability (CGL) insurance specifically designed to cover businesses in the cannabis industry through insurance broker Crimson Business Insurance. Such CGL insurance shall have limits of liability of at least \$1 million per occurrence and in the aggregate; products liability insurance to cover liability arising out of the cannabis products it grows, manufactures, distributes, and/or sells. Such products liability insurance shall be written to expressly cover such products. It is likely, based upon the current state of the markets for insurance in the cannabis industry that Mijosa, LLC will obtain coverage on a "claims-made" rather than occurrence basis.

Such products liability insurance shall have limits of liability of at least \$1 million per claim and in the aggregate. Such coverage shall likely be provided by a surplus lines insurance carrier, as currently-available liability insurance provided by California-admitted insurers is both under-inclusive and overly-expensive relative to non-admitted markets serving the cannabis industry; broad form commercial property insurance to cover the proposed premises to cover losses to property of Mijosa, LLC and Mijosa, LLC's landlord; and Worker's Compensation Insurance as set forth herein.

### **Startup Activities**

As soon as approved to do so by the City of Hayward, Mijosa, LLC will implement its submitted improvements and build-out plans. Mijosa, LLC will complete this operation in phases, including: facility design and construction; installing equipment; hiring staff; training a team of cannabis experts; and facilitating inspections prior to opening.

Mijosa, LLC will install the vault as soon as construction allows. During this time, the Director of Security will oversee the procurement, installation, and testing of surveillance and security systems. Mijosa, LLC will install storage equipment and designate restricted access areas with signage after it installs the security and surveillance systems. Mijosa, LLC will install signs at entryways that warn individuals that they are being recorded and that individuals suspected of illegal activity will be prosecuted to the fullest extent of the law.

Mijosa, LLC will choose a POSTS and digital recordkeeping systems, and install their necessary equipment. These systems will monitor inventory, store sales, transportation manifests, staff records, and other pertinent data. Mijosa, LLC will choose systems based on compatibility with the state's track and trace system requirements, regulations related to product identifiers, delivery manifests, and point of sale procedures. This system will serve as Mijosa, LLC's principal inventory management tool. Mijosa, LLC will immediately begin training staff responsible for data entry into the system as soon as possible.

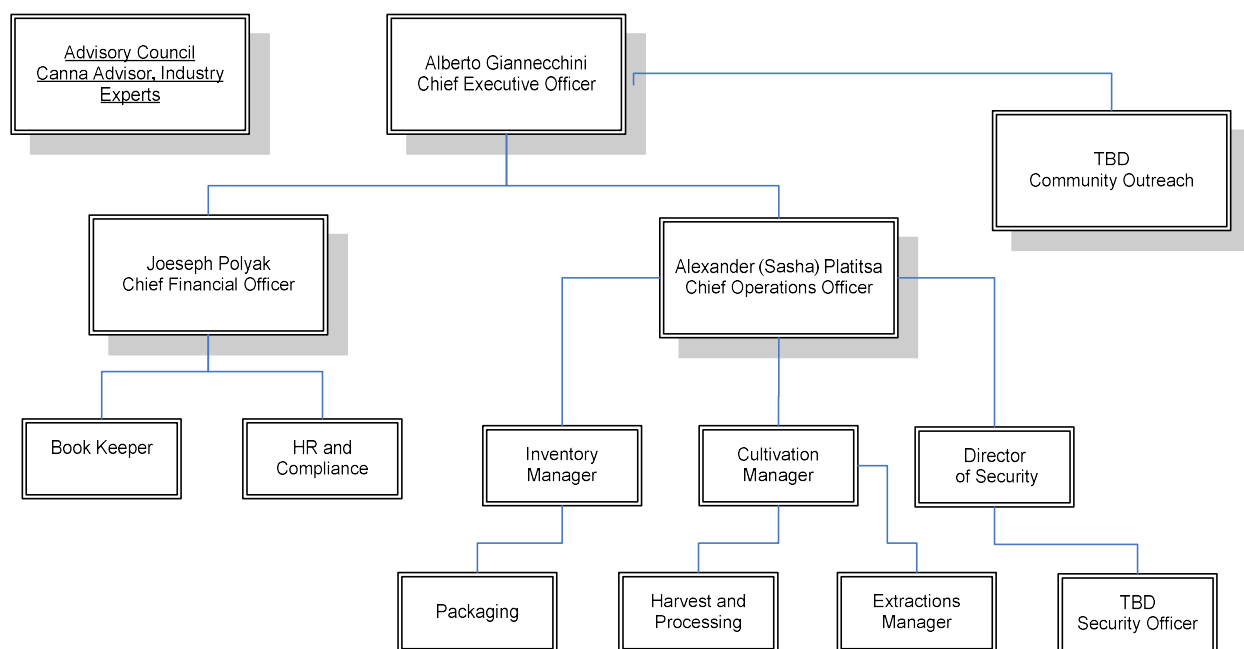
Executives will immediately begin reviewing prospective staff for employment after receiving a license and Mijosa, LLC will finalize a comprehensive staffing plan. Prospective staff will submit to a background check, which could take several weeks, so Mijosa, LLC intends to hire local talented individuals as soon as practicable.

Instructors will train staff in person and they will provide each participant access to a centralized electronic repository of training materials. Also, during this time, Mijosa, LLC's executives will supply each staff member with job descriptions, an explanation of benefits, conduct protocols, store contact information, and a complete copy of the City and State regulations.

Then, once the facility is fully set up for operation, and professionals install security systems, the vault, and other critical operational tools, Mijosa, LLC will provide hands-on SOP training. This training will include: state-mandated track and trace training, quality control procedures, hazard analysis, proper and safe usage of all extraction and post-processing equipment, cleaning and maintenance requirements, and emergency operations. Inventory storage training will include: how to access active and back-stock inventory during business hours; how to enter deliveries in the ITS; and, the proper chain of custody for all cannabis products. Staff will have training to verify product weights and volumes using digital instruments and the POSTS. Lastly, staff will receive education on inventory audits, which staff will continually exercise to maintain complete product traceability. Training on the recordkeeping system will include reinforcement

of inventory control training, including: proper cash handling procedures, accounting principles, transaction limits, and expense reimbursement. Staff will conclude their training through hands-on learning. In this segment, which will take place within the facility, staff will rehearse SOPs for: tracking inventory; utilizing machinery and equipment; emergency and evacuation procedures; and, cleaning policies. Inventory management training will include: interactive training modules, how to review transportation manifests, package products, label containers, and other documents that may accompany cannabis distributions. Staff will also learn how to detect discrepancies in inventory documentation, and how to accept/reject deliveries in roleplaying scenarios. Prior to processing any cannabis or cannabis products, Mijosa, LLC will publish and market educational materials for the public (weeks 20-24). These materials will also be available on the company website and available to print.

Mijosa, LLC will schedule regulatory inspections, including from the local planning department, police department, and fire department. These inspections will occur with enough time for the Chief Operations Officer to correct any deficiencies in its SOPs or security plan before opening on time. The building inspection will include city officials visiting the site and inspecting the facility to meet applicable building, mechanical, and electrical guidelines. Police will inspect the facility to see whether Mijosa, LLC's security plan is consistent with the plan it submits during the application process. Police inspections will include: identifying use of safe storage; testing the alarm system; obtaining a roster of staff members; ensuring the display of business licenses; and, advising about diversion prevention signage. The fire department inspection will include: identifying proper occupancy, hazard warning, emergency exit and sanitation signage; identifying hazardous materials onsite (i.e., cleaning materials and ethanol); testing smoke detection systems and fire extinguishers; and, verifying that Mijosa, LLC maintains gas and electrical utilities in a safe manner.



**Alberto Giannecchini** will serve as Mijosa, LLC's **Chief Executive Officer, Chief Financial Officer and Chief Operations Officer** until the use permit process is complete.

Once the permit process is completed, those officers will be named and added to the permit. Alberto's objective is to run the Hayward business as a legacy to continue 30 years of family business ownership in Hayward with a focus on integrity, transparency and helping the community. He brings to the team over 28 years of professional experience in real estate investment, real estate management and business operation. Alberto's main specialty is Bio/Pharma controlled environments which is a highly regulated niche business. Alberto's experience in the Bio/Pharma industry lends itself directly to cannabis operations.

Alberto's professional career began in 1992 when Alberto open In Time Supply, Inc in Hayward, CA. Within one year of being in the business, his company captured 90% of the cabinet edging and wood veneer business in the Bay Area. Alberto managed all aspects of the business as he was the CEO and CFO.

In 1997 Alberto started his career in controlled environments working into the position as the Department Manager of MESA3 in San Jose, CA. At MESA3, Alberto created and managed all content for the company's HVAC testing, commissioning, calibration and validation services for large semi-conductor and Bio/Pharma companies. Alberto went on to perform consulting services to Johnson and Johnson and eventually became a full time employee for Johnson and Johnson, managing a subsidiaries daily calibration and maintenance operation for drug manufacturing. Additional responsibilities included: building operations infrastructure redesign, Food Drug Administration and European Union audit representation, FDA regulatory departure notice generation and submission, validation assistance and building management system maintenance. During his tenure, Alberto helped manage the closure of Alza Corporation Bay Area, a Johnson and Johnson subsidiary, Bay Area operations by negotiating early lease terminations, building sales to Google and restoration of properties to various other large real estate companies. In the 18 month closure process, he managed \$18M is early lease termination and restoration costs.

This experience relates directly to the cannabis industry in that it required significant of reporting and interaction with government regulatory enforcement and the handling of a high risk, high value products and business transactions.

After five years with Johnson and Johnson (Alza), Alberto joined BioMed Realty as an Engineering Manager. In this position, Alberto managed 3 million square feet in the Bay Area. From 2010 to 2012, Alberto pursued his career in residential real estate with The Mercury Alliance. While with The Mercury Alliance, Alberto and his partner maintained 60-90 residential listings of bank owned homes at any given time. Services included negotiating cash for keys, restoration/upgrades to properties resulting in retail sales of the homes. Alberto also purchased a 5 unit apartment building and performed a condo conversion to increase the value of the property.

In 2012, Alberto took a position with Able Services as a chief engineer. Alberto worked with large real estate development companies completing due diligence assessments and managing millions of square feet of labs and office buildings to date.

Alberto is a member of the California Bureau of Real Estate. He is also fluent in English and Italian. Alberto believes that Cannabis has tremendous therapeutic value, provides a welcomed alternative to alcohol and opioid prescription medication use, and that legalization will provide much needed tax revenue that may help to improve many of the community's social services. Alberto Gianneccchini has lived Oroville, CA and in neighboring Castro Valley, CA for over 45 years. His family has owned and operated business within Oroville, CA for the past 20 years and in Hayward, CA over the past 32 years. The building where Mijosa, LLC will operate has been



owned and operated as a cabinet manufacturing shop by the Giannecchini family since 1988. Businesses names for which have been owned by the Giannecchini family in Oroville, CA are Sunset Olive Grove, LLC and Oroville Professional Plaza, LLC. The businesses owned by the Giannecchini family in Hayward, CA have been West Cabinets, Inc., Caliber Cabinets, In Time Supply, Inc., S&G Properties and Giannecchini Properties.

**Joseph (Joe) Polyak** will serve as Mijosa's **Chief Financial Officer**. Joe's mission is to run the Hayward business with a focus on integrity and giving back to the community. He brings to the team over seven years of professional experience in real estate and rare coin investment, which is a highly regulated niche business. Joe's experience in this rare commodity lends itself directly to cannabis operations. This career began when Joe worked as the General Manager at Oxbridge Coins, Inc. (Oxbridge) in San Francisco, CA. At Oxbridge, Joe created and managed all content for the company website, overall web presence, and company print advertising; oversaw the hiring of the company bookkeeper and outside accounting firm; oversaw all gold buying; and prepared prospectuses for investors. Additional responsibilities included: building operations infrastructure, implementing point of sale systems and client intake protocol, implementing inventory management systems and software, addressing security concerns, and creating operations manuals. During his tenure, he helped transform the company from a small coin shop to the top rare coin and precious metals company in the San Francisco Bay Area.

This experience relates directly to the cannabis industry in that it required significant of reporting and interaction with local law enforcement and the handling of a high risk, high value products and business transactions. For every purchase, the store recorded identification information, a thumbprint of the person selling, photos and descriptions of the pieces being sold. Every night this data was shared with the San Francisco Police Department. In addition, due to the high value of precious metals and rare coins, the business handled hundreds of thousands of dollars in inventory every day. Among his many duties, Joe implemented robust security system and operation that included the use of safes, contracted security firms, bullet proof walls and transaction windows, security gates and windows, and alarm systems very similar to that required of a cannabis operation.

After five years with Oxbridge, Joe joined Keller Williams Realty as a Real Estate Agent. In this position, Joe founded the Polyak Real Estate Group. Under his successful leadership, the Polyak Real Estate Group was recognized as achieving the top 10% of Sales in San Mateo County and top 1% of sales in the nation. Joe currently manages all marketing, sales, and financial aspects of the business.

In addition to his professional achievements, Joe frequently volunteers with the Samaritan House and regularly sponsors food drives, toy drives, coat drives, and other charitable initiatives to help bring the community together in the spirit of civic duty and strengthening our community. The Samaritan House utilizes the resources in its community to lead its members in need out of poverty. They provide food, access to shelter, healthcare, and a broad range of supportive services. This organization is close to Joe's heart because his family came to the United States as refugees and utilized similar organizations to help them get on their feet in a new environment. Joe is also strongly involved in Habitat for Humanity and he helps to build and repair homes for low-income families and individuals. He regularly volunteers his time and resources as he is particularly interested in helping create affordable housing solutions for those who need it most. Joe is a member of the California Bureau of Real Estate and the San Mateo Chamber of Commerce. He is also fluent in English and Russian. Joe is passionate about the

Cannabis industry because he believes that Cannabis has tremendous therapeutic value, provides a welcomed alternative to alcohol and opioid prescription medication use, and that legalization will provide much needed tax revenue that may help to improve many of the community's social services.

**Alexander (Sasha) Plotitsa** will serve as Mijosa's **Chief Operations Officer**. Sasha has 20 years of business experience in the Bay Area, and has been successfully managing Medithrive, an award winning medical cannabis dispensary ("MCD") located in San Francisco, since 2009. On January 5, 2018, Medithrive was one of the only six MCDs to receive authorization from the City and County of San Francisco to sell adult-use products on the first authorized day (31 applications were submitted by existing MCDs). Sasha co-founded Medithrive and has been instrumental in maintaining Medithrive's focus on providing superior quality medical cannabis and medical cannabis products in a high-end, service-focused atmosphere. Sasha designed the build out of the facility and currently manages the store's operations and financials. Medithrive prides itself on exemplary security procedures, patient satisfaction, and superior-quality products. Medithrive is credited with "cleaning up" their neighborhood due to the company's rigorous security standards, and has even garnered the support of a local school. The school's administrators state that Medithrive makes the area safer and more comfortable for their students to walk to and from school. Medithrive is an elegant, innovative, and completely compliant dispensary. Since opening in 2009, Medithrive is two-time winner of "Best Dispensary in SF" by *SF Cannabis Clubs*. Medithrive constantly adapts to changing rules and regulations that govern cannabis businesses in San Francisco – in 2012, bowing to federal regulatory pressure, Medithrive proactively reduced operations to delivery-only for a time. Despite regulatory setbacks, Medithrive grew in popularity, and today it remains one of the most popular medical cannabis dispensaries in the Bay Area. Medithrive recently built out a high-end brick-and-mortar dispensary just down the street from the San Francisco Armory, called Medithrive Mission. Prior to founding Medithrive, Sasha earned his Bachelor of Science degree in General Design from San Jose State University and proceeded to found D-Zin Graphic Design. Sasha ran D-Zin Graphic Design for three successful years before founding D-Zin Signs, which specializes in Americans With Disabilities Act-compliant signage. At D-Zin Signs, Sasha managed all business operations including bidding for projects, manufacturing sourcing, designing signage, and financial oversight. It was common for Sasha to be overseeing 40 projects simultaneously. Sasha ran D-Zin Signs for eight years before beginning his current career in the cannabis industry.

### **Management Experience in the Hayward Community**

Mijosa's team has over 30 years of business history in the Bay Area, and all the company's executives live within an hour's drive of Hayward. Most of the Mijosa team is predominantly composed of individuals of Russian Jewish descent. Their families each emigrated from the Soviet Union in the 70s and 80s to flee persecution. Alina Savitskaya, Mijosa's Community Outreach Coordinator, survived a particularly harrowing story, having emigrated from Latvia when she was very young. Latvia was once home to a thriving Jewish population, but after brutal Nazi occupation in World War II – 90% of Latvian Jews were killed in the Holocaust – and five decades of Soviet occupation, nearly all its cultural history has been lost. Latvian Jews are now mostly a diaspora of hardworking entrepreneurs around the world. And Alina is no exception.

Alina grew up in San Francisco in a working-class immigrant community and attended public schools in San Francisco throughout her childhood and Skyline College in San Bruno. It was there that she gained ties to the Bay Area legal community. Today, Alina and her husband Yevgeniy Savitskiy live 15 miles northeast of Hayward, in Danville. The couple parented two sons, a four-year-old and a one-year-old, and before taking time to raise her children, Alina worked as a Paralegal and Legal Secretary in San Francisco. Alina also focused on juvenile delinquency and researched alternative sentencing strategies for youth offenders and still has a passion for social justice. In their personal life, Alina and Jim are heavily involved in the Hayward Jewish community. Their efforts include helping operate a local Chabad house in the Bay Area (Chabad is dedicated to making the beauty and joys of Jewish traditions and heritage accessible, relevant, and meaningful).

Mijosa is a current member of the City of Hayward Chamber of Commerce. With the Chamber, Mijosa will sponsor and support to the following events and programs: Downtown Street Parties (June 29, July 19, August 16); Latino Business Round Table Mariachi Festival (September 14); Annual Business Expo (Oct 10); Leadership Hayward; Light up the season (Dec 1); and, Hayward Non-Profit Alliance. Eventually, Mijosa hopes to acquire the Leadership Circle Designation (Sponsorships totaling \$3,000+).

**Resumes provided upon request (and were previously submitted with Mijosa's Operator Application).**

### **Community Benefits**

#### **Health Education and Prevention Strategies for Youth and Adult Education and Substance Abuse Prevention**

Mijosa and its management team is committed to combating and preventing both youth and adult substance abuse in the City of Hayward through the development of actionable measures to be enforced during all stages of commercial cannabis operations. To expand the impact of Mijosa's commitment to the mitigation of substance abuse in the City of Hayward beyond the store, Mijosa has reached out to several existing local substance abuse treatment and education organization to discuss educational partnerships and community involvement.

Recent studies addressing current opiate and heroin epidemics show cannabis as an effective tool in limiting deaths associated with the abuse of opiates. Opioid-related overdose deaths in the United States have drastically increased over the past decade but not among one surprising demographic – Researchers have discovered a reduction in the number of deaths resulting from opioid overdoses in states allowing the regulated cultivation and/or sale of cannabis. According to research published in August 2014 by *JAMA Internal Medicine*, cannabis laws are associated with lower state-level opioid overdose mortality rates. By examining death certificate data from 1999-2010, researchers concluded that states allowing the regulated sale of cannabis before 2010 had 24.8 percent lower annual opioid overdose deaths, on average, compared to opioid overdose deaths over the same period of time in states without cannabis laws.

According to a 2013 study published in *The American Journal on Addictions*, cannabis has also been shown to decrease opiate withdrawal symptoms in individuals undergoing methadone maintenance treatment. Mijosa acknowledges the potential of cannabis to reduce withdrawal severity during methadone treatment and is fully committed to investing in the advancement of opiate use reduction and addiction treatment research. Mijosa will support and advocate for

clinical trials to demonstrate effectiveness of cannabis in the treatment of substance abuse disorders.

Mijosa will align with local substance abuse organizations, and encourage volunteer participation among its staff to partner in the prevention of youth substance use. Some groups that Mijosa has identified as possible candidates for partnership and with which its executives have made outreach are: the Second Chance Hayward Recovery Center, the Seventh Step Foundation Inc, Terra Firma Diversion/Education Services, the Women on the Way Recovery Center, and Project Eden. Mijosa will continue to engage with these community groups to support or design programming that fits the Hayward community and is in line with those efforts already ongoing.

Mijosa's mission is support Hayward's families and communities in nurturing the full potential of a healthy, drug-free childhood. Mijosa understands that as a cannabis provider in an emerging industry, it will bear a responsibility to ensure its activities do not make parents' jobs more difficult. To advance these efforts, Mijosa will partner with local substance abuse prevention organizations and national organizations that focus on effective communication and education about cannabis. Mijosa will build coalitions at the local level in Hayward, while also volunteering to share and maximize resources, information, and ideas on how to prevent youth's access to cannabis as the industry matures in California. Mijosa will regularly organize fundraising events dedicated to spreading awareness of specified local substance abuse prevention organizations.

**Economic Benefits: Activities to strengthen employment opportunities for Hayward residents, increase revenue to the City, and/or strengthen Hayward's economic dynamism.**

As a vertically integrated producer (cultivation, manufacturing, distribution and non-store front delivery) Mijosa, LLC will have a unique opportunity to become a major employer in Hayward across multiple disciplines and skill levels, including: production, cultivation, manufacturing, packaging, processing, delivery and sanitation. Thus, with tremendous respect this opportunity and responsibility, Mijosa, LLC will focus on employing local Hayward residents, including individuals and businesses. Mijosa, LLC will prioritize diversity when hiring employees and contractors, and promote a socially inclusive workforce.

Mijosa, LLC operation will substantially increase Hayward's tax revenue. Mijosa, LLC predicts a Gross sales volume of over \$32.4 million annually. Over \$4 billion worth of cannabis and cannabis products were legally sold nationwide in the last year alone. Mijosa, LLC will help contribute to the millions of dollars needed for school construction projects, law enforcement agencies, and other municipal projects. Municipalities nationwide are eager to spend cannabis tax revenue on a variety of projects including: public park repair and maintenance, playground construction, and homeless relief programs. Hayward should not be an exception, and Mijosa, LLC is particularly excited about the potential for the tax revenue to benefit drug abuse prevention efforts in Hayward and the Bay Area.

Healthcare savings in regulated jurisdictions have been attributed, in part, to the accessibility of medical and adult-use cannabis. Mijosa, LLC believes that access to adult-use cannabis will improve the quality of life of Hayward residents. A study published in the July 2016 issue of *Health Affairs* found that Medicare spending was reduced in states that have implemented regulated cannabis programs. In 2013 alone, Medicare saved over \$165 million in the 17 legal states examined. The study looked at over 87 million prescriptions from the Medicare Part D

database, focusing only on conditions where cannabis might serve as an alternative to prescription medications. Cannabis has shown significant potential to reduce the amount of prescription drugs one might take to treat health conditions. The study concludes that if all states legalized cannabis, annual savings could be triple that amount, totaling \$500 million.

Mijosa, LLC will prioritize purchasing “made in California” and “made in the USA” equipment and supplies from locally owned businesses. Mijosa, LLC will use local hardware stores to supply maintenance tools, local plumbers and electricians for infrastructure needs, local landscaping crews to maintain the grounds, and local contractors for engineering needs. Mijosa, LLC will have a significant impact on the amount of tax revenue that the City collects as the commercial cannabis market matures. Additionally, Mijosa, LLC will have injected hundreds of thousands of dollars into the local economy before operations even begin. This is being achieved through site planning, construction materials, hiring initial staff, and contracting security vendors to equip the company’s facilities.

### **Alignment with City of Hayward Strategic Initiatives**

The City of Hayward has recently compiled a list of strategic initiatives it seeks to complete in the coming years. The City Council has four guiding priorities that guide City action: *Safe, Clean, Green, and Thrive*. As is clear from the policies and procedures provided in this Application, Mijosa, LLC’s focus too is products and operations that are “Safe”, “Clean,” “Green”, and help the City to “Thrive.” From the City’s perspective, Mijosa, LLC understands these are overarching priorities emphasized by the City Council’s vision for the Hayward community. In particular, the City’s specific plans for 2018: *Complete Streets, Complete Communities, and Tennyson Corridor* will help the Council, the community, and staff identifies clear actions towards the accomplishment of the Council’s priorities. In March 2017, the City Manager established three interdepartmental strategy teams representing to most, if not all, City departments to develop two-year action plans to further advance the initiatives. Using the action plans as a foundation for support initiatives, Mijosa, LLC intends to support and participate to the extent possible in the City’s initiatives as follows.

To foster a sense of place and support for neighborhood pride, Mijosa, LLC will provide quality goods, be a host of multiple well-paying jobs, and the company will develop a reputation of cleanliness, professionalism, and top-notch quality as a cornerstone of Mijosa, LLC’s brand.

The City’s additional objective – increasing collaboration with businesses, non-profits and neighborhood groups on place making projects – will be achieved by Mijosa, LLC’s participation in community-led initiatives and events. Mijosa, LLC, a member of the Hayward Chamber of Commerce, has made many outreach efforts to local organizations and is excited to bolster the community they will call home. The Chamber has provided Mijosa, LLC with a letter supporting Mijosa, LLC and team’s pursuit of these permits.

Last, Mijosa, LLC will actively value diversity and promote inclusive activities. Mijosa, LLC will commit to a goal of hiring a spectrum of employees of all genders, ethnicities, and socioeconomic backgrounds for all levels of employment, with unbiased consideration given to required skills and relevant experience. When hiring or sourcing vendors, diversity policy will mandate that postings and outreach will be inclusive of these groups. For instance, marketing and advertising materials will always represent a diverse group of individuals when faces are included in marketing campaigns. Mijosa, LLC will source potential employees and contractors from organizations that empower racial minorities, women, disabled individuals, service disabled veterans, and members of the LGBTQ (QIAP) community.

Mijosa, LLC will provide a welcoming workplace and will promote the involvement of diverse staff and diverse groups in processing operations. Mijosa, LLC is committed to providing a safe workplace for all individuals regardless of race, age, gender, gender identity, sexual orientation, or ability. The company will implement a zero-tolerance policy relating to discrimination and will encourage staff to report any and all occurrences of workplace discrimination. Mijosa, LLC has executed and provided along with this Application a copy of the City's "Non-Discrimination Declaration." The HR Director will monitor discrimination in the workplace and immediately address any discovery of discrimination. Mijosa, LLC will train staff to identify workplace discrimination in the context of two general categories: overt discrimination and covert discrimination. Staff will have training to recognize overt discrimination such as verbal or written threats, intimidation, harassment, or assault, and Mijosa, LLC will also train staff to recognize covert discrimination that put diverse individuals at a disadvantage in the workplace. Mijosa, LLC's staff manuals and training seminars will emphasize that workplace discrimination can range from objectively offensive to seemingly invisible.

**Neighborhood Benefits or Improvements: Steps your business will take to support the needs of the adjacent community.**

To coordinate their neighborhood improvement action plan, Mijosa, LLC reviewed and analyzed the *Community Services Commission – Community agency Funding Process Draft Recommendations Fiscal Year 2018*. In the draft recommendations, the City lists the anticipated costs to fund community initiatives. To summarize, the City anticipates the necessity of \$1,409,000 for all funding - \$315,000 to jobs, infrastructure and economic development grants; \$450,000 to social services grants; \$82,000 for arts, music, and cultural grants; \$511,000 for city-operated services; and \$51,000 for HUD-required fair housing activities. To address the spectrum of needs that the City requires, Mijosa, LLC will pledge an annual donation commensurate with Mijosa, LLC's revenue to the City of Hayward directly for these initiatives. In pledging the amount, Mijosa, LLC intends its donation to go towards funding for community grant services. These services include those related to children, youth, and family; food access; housing and homelessness; seniors and differently abled communities; legal services for the indigent; and, health and wellness campaigns. Additionally, Mijosa, LLC's executives have a special place for music education and the arts in their hearts. In addition to a general donation to the City of Hayward for neighborhood improvements, Mijosa, LLC will pledge an additional amount specifically to expand youth enrichment and art education through the Hayward Band and Orchestra Festival. Mijosa, LLC wants to partner with Hayward Unified School District music teachers and the Hayward Band and Orchestra Festival to assemble instrumental music students from Hayward public schools to play under world-renowned conductors and music educators.

Mijosa, LLC intends to see all residents and businesses of Hayward thrive in a safe, accessible community. Improving the neighborhoods and business communities of Hayward is in Mijosa, LLC's immediate best interests. By cultivating a community of inclusion and advancing a working relationship with the City Council, the executives of Mijosa, LLC foresee the company being a strategic business partner in initiating community improvement programs across the entire Bay Area.

## Community Outreach and Support

Joe Polyak has on behalf of Mijosa connected with South Hayward Parish, has met with the founder several times and is in discussions around planning to cosponsor and organize fund raisers. The team plans to dedicate hours to volunteer over the next several months and will update the City on these developments.

Additionally, Joe Polyak on behalf of Mijosa has met with Kim Huggett with the Chamber of Commerce several times and has donated the yearly dues for five non-profit members. The team is committed to continuing to be involved in Chamber events including co-sponsorship

Sasha Plotitsa on behalf of Mijosa has connected with Spectrum Community Services to discuss volunteer opportunities and Mijosa's interest in becoming involved. In the meanwhile, Mijosa has made a financial contribution of \$1000.

Jim Savitskiy on behalf of Mijosa has connected the organization with Fesco / La Familia, which is a local shelter that assists homeless families with housing, resume building, job assistance, and transition to temporary housing while they secure permanent homes, and has made several financial and in-kind donations of approximately \$3000 including the following: Sponsored all new bedding for the entire facility; 22 new bed sets for families that are coming to the shelter; purchased needed supplies like laundry detergent; sponsored a family of five for their Christmas list; sponsored a single mother and her son for their entire Christmas list; purchased over 60 gift cards ranging from 15-100 dollars for families for food, gas to get to work, clothing, etc. Additionally, Mijosa is committed to hiring qualified applicants who are in their program and will look forward to receiving resumes and information once hiring begins in earnest.

Additionally, Alina Savitskaya will serve as Mijosa's Community Outreach Coordinator. Alina is a social justice advocate who worked as a Paralegal in the Bay Area and has a passion and commitment for reversing the legacy of oppression and injustice towards indigenous people and people of color. She will make it an absolute priority in her role to reach out to Hayward's Latino, African American, and Asian communities to build strong bonds with the business and show that Mijosa supports local initiatives and actively promotes involvement with these communities at large.

## Labor and Employment Practices

### Hiring Plan

Staff will be composed of the positions set forth in the organization chart provided at *Management Experience*. Mijosa, LLC will implement strict hiring criteria. Mijosa, LLC will only hire individuals at least 21 years old that demonstrate the qualities of a professional staff. Hiring staff will highly prefer candidates with prior experience in cannabis sales, cultivation, and/or processing. The company will prefer Hayward residents. Our organization will explicitly prohibit the use, possession, solicitation for, or sale of narcotics, illegal drugs, alcohol, prescription medication without a prescription, or cannabis of any kind on the premises or while performing a work assignment. Company policy may ask staff to submit to a drug and/or alcohol test at any time, and the organization will immediately terminate any staff member that violates the company's drug policy. Management will require all staff to submit to a criminal background check and each staff member will have a store-specific registry identification card, which they will display on their person while present at the store. No individual will begin work for the organization until they have a valid registry identification card.

As a best practice, the organization will make a roster of current staff available to the City and will provide all prospective staff members a notice of intent to hire form and submit the completed version to the City for their records. The organization will also send a notice of separation of employment form to the City when any staff member ceases work for company.

### **Labor Peace Agreement**

An executed Labor Peace Agreement (LPA) will be signed when presented to Mijosa, LLC.

### **Local Hiring Preference**

Mijosa, LLC is committed to becoming a proactive leader in the Hayward business community. Executives of Mijosa, LLC believe that the assembly of a diverse team of talented residents of Hayward and local businesses will open opportunities to share experience, knowledge, and expertise to help the company grow and succeed. Mijosa, LLC will promote a culture of inclusion and diversity by giving employees an opportunity to improve the communities where they live and work. Mijosa, LLC is interested in pursuing the development of initiatives that would provide grants and scholarships to children of veterans, and other historically disadvantaged students. Mijosa, LLC encourages a sustainable and growing foundation of local, diverse staff members through targeted support of vocational schools, high schools, community colleges, and state schools. The company will leverage its corporate knowledge to engage and empower the next generation of diverse groups to live, grow, and work in Hayward.

The local hiring plan will coincide with a diverse workforce hiring plan, by which executives responsible for hiring staff will judge candidates solely on merit and potential, with no possibility for gender, ethnicity, sexual orientation, or disability to influence the selection process. Executives who hire staff will remove identifying information from resumes except for residency addresses. Qualified candidates that list Hayward as their home will have preferred status for hiring. Rather than implementing a quota, Mijosa, LLC will strive to hire a diverse workforce of residents and non-residents of Hayward. The broad knowledge of the Bay Area that non-Hayward residents may have will be an asset for reaching out to markets beyond Hayward. Hiring plans will include specific diversity principles for sourcing, hiring, and training diverse individuals.

Mijosa, LLC is pursuing contracts with local businesses, veteran-owned businesses, minority-owned businesses, and women-owned businesses. These companies will assist with integral business operations once Mijosa, LLC is awarded a license. Mijosa, LLC will support local, diverse organizations through an integrated philanthropic approach. Mijosa, LLC will solicit advice and guidance from City officials to ensure their business practices meet the standards established by the City.

Mijosa, LLC will promote to become more diversity-affirming by requesting networks of local diverse groups to lead and assist expert-developed workplace training programs. Local workplace diversity experts will facilitate greater sensitivity and awareness throughout Mijosa, LLC operations. Mijosa, LLC will also create original sensitivity and awareness trainings. Sensitivity trainings will instruct employees on proper workplace conduct. Sensitivity training will educate participants about cultural differences in the workplace so that they can better understand and appreciate each other. The purpose of sensitivity training is to teach employees



how to properly act and communicate in a multi-employee environment with diverse personnel. Topics covered in sensitivity training sessions will include: proper work etiquette, appropriate terminology, communication skills, anti-bullying management, and how to prevent, detect, and eliminate sexual harassment within the company.

To ensure inclusivity of the LGBTQ community, Mijosa, LLC will display Safe Zone stickers and posters in public access areas, such as the lobbies, windows, and entrances to the facility. Safe Zone trainings will be company-wide programs committed to making Mijosa, LLC a safer, more welcoming and inclusive workplace for members of all communities. Not everybody fits a certain role in society, and Mijosa, LLC will embrace gender and sexual identity as an expression of personal freedom.

## **Training and Continuing Education**

Mijosa, LLC will develop a robust training program to advance the operation's reputation for superior quality product. Training will be an ongoing process for every staff member, as even after a staff member starts work, there will be requirements for continuing education and for evaluation and retraining.

Mijosa, LLC will train and document every staff member in the state regulations and standard operating procedures (SOPs) related to the production, cultivation, manufacturing, storage and disposal of cannabis, and the company will keep staff training attendance records for at least three years.

Staff will also receive training on: the proper use of security measures and controls to prevent theft (2+ hrs.); confidentiality requirements (6+ hrs.); instruction on different forms, methods of administration, and strains of cannabis (2+ hrs.); regulatory inspection preparedness and law enforcement interaction (1+ hrs.); awareness of the legal requirements for maintaining status as a compliant staff member (1+ hrs.); and, other topics that the City specifies

In addition to onboarding training, staff will receive continuing education. Ongoing education will include the following topics: the safe handling of cannabis, including an overview of common industry hazards (4+ hrs.), current health and safety standards (4+ hrs.); legal updates pertaining to state regulations (4+ hrs.); and, other topics that the City specifies.

Prior to training any staff, Mijosa, LLC will develop the following information in a comprehensive training plan: the names and qualifications of the persons responsible for training content; the primary objective of the training and how Mijosa, LLC intends to improve the participants' competency as staff members through the training; the number of trainings for the next 12-month period and the number of participants for each training; any brochures describing the activity; the method or manner of presenting materials; the agenda with a detailed schedule; a set of training materials; and, any other items that the City specifies.

All staff will also receive, prior to working, training as applicable on: cleaning procedures (2+ hrs.), cash handling (2+ hrs.), business management platforms (2+ hrs.), inspecting deliveries (2+ hrs.), and chain of custody policies (2+ hrs.). Training programs will evolve over the span of Mijosa, LLC's operation and Managers will make sufficient time during trainings to include processes that refine operations.

Mijosa, LLC will incorporate learning management software for continuing education. Digital communication; including webinars. Mijosa, LLC will encourage staff to attend industry-specific conferences and seminars related to cannabis science and cannabis production methods and technologies. Mijosa, LLC will reimburse staff that attends scientific exhibits,

seminars, and other educational programs that pertain to cannabis operations. For auditing purposes, Mijosa, LLC will keep records of such attendance in each staff member's file for at least three years.

## **Living Wage**

Using the living wage calculator from the Massachusetts Institute of Technology, The San Francisco – Oakland – Hayward area has a general living wage of \$16.00 for a single individual. <http://livingwage.mit.edu/metros/41860>. According to the same wage calculator, service associates make ~\$29,000 and retail associates in the Hayward area make ~\$37,700 annually. Meanwhile, healthcare support professionals make ~\$38,000. Receptionists, Sales Associates, and Store Assistant Managers will have end-of-year wages in this range, depending on experience and living wage needs. According to the wage calculator, business and financial operations specialists make ~\$88,000 in the Hayward area. Office and administrative support professionals make ~\$46,000. The Store Manager and General Manager will make ~\$50,000 annually, and Mijosa, LLC's executives anticipate salaries between the two figures, at least for the first few years of operation.

Mijosa, LLC will offer all staff a living wage. By offering staff a living wage, Mijosa, LLC will become an attractive place for talented individuals to work. Mijosa, LLC will incorporate the philosophy of taking care of its workers into its brand – Mijosa, LLC will provide superior-grade cannabis *and* superior customer service. Mijosa, LLC will provide employ individuals with former cannabis experience and with advanced technical skills. These individuals will already have an expectation of a living wage, and to retain their level of talent, Mijosa, LLC is prepared to offer generous employment contracts. Mijosa, LLC also has a profit sharing allocation of to share with high performing employees to help encourage business prosperity.

Mijosa, LLC will employ full-time staff and part-time staff and accommodate staff's preferred work availability to the best of its ability. Mijosa, LLC's executives believe deeply that the company's responsibility is to take care of the people that take care of them. As such, staff will be compensated with a determined amount of sick leave hours and paid time off (PTO). After a 30-day probationary period, staff will be available to enroll in employer-sponsored healthcare benefits. Mijosa, LLC's executives prefer that job vacancies for advanced positions within the store to be filled by staff with previous experience within the company. By attracting local individuals to staff the store, Mijosa, LLC will promote a culture of loyalty, which in turn supports Mijosa, LLC's Safety and Security Plan, as discussed therein. As Mijosa, LLC develops brand recognition and the regulated retail market matures, Mijosa, LLC intends to offer staff expanded benefit packages to include: 401k plans, dental insurance, and enhanced family healthcare plans.

## **Non-Discrimination**

Mijosa, LLC will implement the following Non-Discrimination Policy.

*The Company is an equal opportunity employer and does not discriminate in hiring, evaluating, promoting, disciplining, or terminating employment on the basis of race, color, nationality, sex, religion, age, pregnancy, disability, sexual orientation, marital status or any other basis protected by law.*

*The Company prohibits harassment of any employee. Prohibited harassment includes ethnic slurs, racial epithets or derogatory jokes. It includes unwelcome requests for sexual favors, or similar conduct of a sexual nature, when such requests or conduct are made part of an individual's terms and conditions of employment, or form the basis for an employment decision, or are so offensive as to create a hostile environment. Any and all harassment; whether verbal or non-verbal or physical is strictly prohibited.*

*Violations of this policy will not be tolerated. Anyone engaging in such activity is acting beyond the scope of any authority they may have from the Company. Any person in a supervisory position who is made aware of a complaint of harassment and fails to take immediate action will be subject to disciplinary action, which may include termination.*

*Any individual employee of the Company who believes that he or she is the victim of any harassment should immediately report the matter to any person in a supervisory capacity of the Company. Such a complaint will be investigated and offenders will be subject to disciplinary action, which may include termination.*

### **Worker's Compensation**

Mijosa, LLC will obtain workers compensation insurance for its employees as required under California law. Such workers compensation insurance shall have statutory limits and be written on forms as required by the State of California. Such workers compensation insurance shall cover the insured employer's liability under the California Workers' Compensation Act, providing remedies to employees who get sick or injured as a result of their employment. Mijosa, LLC intends to obtain workers compensation insurance through retail insurance broker Crimson Business Insurance. Mijosa, LLC will attempt to obtain coverage through private insurers. If such private insurance is unavailable, Mijosa, LLC will obtain coverage through the California's State Fund insurance program.

### **Product Testing and Safety**

Mijosa, LLC will ensure quality across the multiple license types they are pursuing in the City of Hayward using their own cannabis testing equipment prior to third party testing. This internal quality assurance process will help set Mijosa, LLC apart from others pursuing cannabis permits in Hayward. Mijosa, LLC also intends to contract Harrens Lab, a Hayward business and Chamber of Commerce member, for third party testing of their products. Mijosa, LLC will hold themselves to the highest standards cultivating the best quality cannabis possible using the results of all testing. Staff will apply test result labels to packages to alert customers of the exact contents of the cannabis products they are purchasing.

### ***State Standards***

The State of California requires cannabis and cannabis products be tested for: cannabinoids; foreign material; heavy metals; microbial impurities; mycotoxins; moisture content and water activity; residual pesticides; heavy metals residual solvents and processing chemicals; and terpenoids and homogeneity if applicable. Sampling and testing are to be performed by a licensed third-party testing facility contracted by Mijosa, LLC for all products. Upon receiving

acceptable testing results, Mijosa, LLC will then package, label, and distribute said products with testing results included with each unit label, and send to the store.

#### *Pre-Testing Protocols & Methods (Testing Room)*

In addition to the state mandated testing required of all products, Mijosa, LLC will establish its own pre-testing program. This will include the use of a third party testing lab or creating and implementing its own internal testing protocol for all products Mijosa, LLC cultivates and processes. Mijosa, LLC will base any such sampling standards upon those required by the Bureau of Cannabis Control. Pre-testing will include potency, residual pesticides, and residual solvents/processing chemicals analysis. For products originating from other licensees, Mijosa, LLC will require that the testing standards at least as robust as the state requirements and require all products to undergo testing by a state licensed testing laboratory.

For any in-house pre-testing program, Mijosa, LLC will establish sample quality criteria for all cannabis and cannabis products to ensure that samples are of a sufficient size, quantity, diversity, and consistency to effectively reduce imprecision error and sample bias error, thereby achieving a result that reliably reflects the batch/lot being tested.

Mijosa, LLC may use gas chromatography mass spectrometry (GC-MS) to test for pesticides and solvents. Staff will use the QuEChERS (Quick, Easy, Cheap, Effective, Rugged, and Safe) sample preparation method for pesticide GC-MS testing. Staff may use residual solvent certified reference materials (CRMs) specific to cannabis extraction to test for residual solvents in concentrated cannabis products.

Mijosa, LLC will store samples in a way that preserves analyte integrity by maintaining consistent conditions, protecting samples from interference, and reducing the time between sampling and testing as much as possible. Mijosa, LLC will contract qualified lab professionals for testing, perform routine quality assurance/control checks, and deliver random blank samples for testing to maintain evidentiary integrity. Those same lab professionals will compile sample data by batch/lot to generate reports that demonstrate sampling confidence and standard deviation for that batch/lot. Finally, Mijosa, LLC will store all testing data on company servers and take appropriate action based upon the results they receive such as batch/lot release for licensed third-party testing, hold for retesting, or recall for destruction.

#### **Inventory Management Plan and Tools**

Mijosa, LLC will use both digital and physical inventory controls to track and monitor inventory to prevent theft or diversion of cannabis. Mijosa, LLC will use an inventory tracking system (ITS) to act as the inventory control and reporting system required by the City and to comply with the electronic database requirements of *Article 7.5. Unique Identifier and Track and Trace Program* issued by the California Department of Food and Agriculture (METRC). Inventory standard operating procedures (SOPs) will include instructions for the recall of cannabis and cannabis products, and its compliant destruction.

Mijosa, LLC will implement an inventory control system that prevents diversion. In the finished goods area of the facility, Mijosa, LLC will divide sellable inventory into two separate types: active and back stock. Active inventory will be products ready for distribution. Back stock will contain orders not ready for distribution. Inventory counts will occur during non-business hours, so they can be taken at a time when no inventory is being removed or added to the ITS, business management platforms, or physical allotments. During audits, the Lead Cultivator will

count active inventory and compare physical numbers to digital records in the ITS and business management platforms.

The Lead Manufacturer will supervise and authenticate raw and processed material inventory. Inventory counts will reflect the reason why staff adjusted inventory, should the counts reflect a discrepancy. The Lead Manufacturer will consider acceptable losses in inventory due to regular operations (e.g., broken/damaged product package, moisture loss during drying/extraction, number of propagating, vegetating, flowering, and harvested plants; as well as the weights of cannabis waste, trim, and finished usable cannabis). The Lead Manufacturer will report any known or suspected diversion, theft, loss, or criminal activity to the Chief Operations Officer as soon as possible, but always within 24 hours. In such instances, the Chief Operations Officer will then contact law enforcement, if needed, and also relay security camera footage to the police.

The Lead Manufacturer may also perform audits following a regulatory inspection, staff termination, or security incident. The Lead Manufacturer will generate specific SOPs for inventory reports and physical audits of cannabis. Staff will store finished product in sealed containers that provide protection against physical, chemical, and microbial contamination. Containers will be lockable and durable against unauthorized entry. Mijosa, LLC will limit the number of staff that can access cannabis ready for distribution and keep a roster of authorized individuals. All cannabis will have traceable data that will integrate with the ITS and other inventory accountability platforms.

The secure storage area will not be visible to unauthorized staff or visitors. In addition to blocking the view of the storage area, Mijosa, LLC will install odor control devices in storage areas to reduce smell. Staff will keep the secure storage area clean, uncluttered, and free from dust, dirt, debris or pests of any kind. Managers will set up cleaning schedules and maintain a cleaning checklist for all operational areas, including the secure storage area.

#### *Data Management Systems Used for Inventory*

Mijosa, LLC will use an industry specific ITS to manage inventory throughout manufacturing and distribution. This system will track all cannabis products within the facility, along with every gram of cannabis waste that the facility produces. The ITS will allow Managers to monitor changes in inventory levels, inventory locations, and sales as they occur. The Lead Manufacturer will have access to the ITS both within the facility and remotely.

The Chief Operations Officer will assign staff access privileges and editing abilities within the ITS and they will train staff to use the ITS system to record and track all cannabis products. Mijosa, LLC will use the system to monitor the receipt, movement, sale, transfer, recall, and destruction of cannabis within the facility.

Mijosa, LLC will use the ITS to record sales invoices and receipts for distributions to licensees. Each sales invoice will include: the name and address of the seller; the name and address of the purchaser; the date of sale and invoice number; the kind, quantity, size, and capacity of packages of cannabis sold; the cost to the purchaser, together with any discount applied to the price as shown on the invoice; and, any other information specified by the City. *Business and Professions Code §BPC 26161(b)*. Staff will perform all deliveries pursuant to a specified chain of custody protocol, outlined in company SOPs. The ITS will time- and date-stamp all changes in inventory, and it will identify the individuals making changes.

Staff will use the ITS to create electronic shipping manifests. Shipping manifests will go with all distributions of cannabis. Shipping manifests will have all information about the products

being delivered, as well as the individuals delivering the cannabis. Staff will enter shipping data into the ITS, including: exact contents of deliveries, transfers, and returns of all products. Staff will make physical copies of each shipping manifest for facility records and each shipping recipient.

### *Recordkeeping*

Mijosa, LLC will keep the following records as a part of daily operations: background checks for staff, operating procedures, inventory records, audits, and staffing plans. Operational records will include: the amount of raw and processed product on site, weights, dates, and batch numbers; volumes of waste; and, perpetual quantities of finished cannabis products. Operating procedures will be housed in multiple locations within the facility: 1) a copy will always be housed in the restricted access storage area filing cabinet, in the drawer designated for SOPs, and 2) copies will be maintained at different locations throughout the facility where the relevant operations are taking place. Acquisition records will include: a description of the materials (grow media, light bulbs, nutrients, etc.); number of containers and numbers of units or volume of each product there within; the name of the providing vendor; and the date of acquisition. Sales records will contain: a description of each product; the exact quantity sold for each transaction to licensees; the name and license number of the staff member responsible for each transaction; and the date of sale. Electronically stored files will be on the company drive. These files will be password protected and accessible by the Lead Manufacturer, the Chief Operations Officer, and Mijosa, LLC management.

Mijosa, LLC will also keep business records, including: documentation of assets and liabilities, a third-party vendors list, monetary transactions, and electronic accounts. Electronic accounts will include: bank statements, journals, ledgers, agreements, checks, invoices, and vouchers. Mijosa, LLC will also keep evidence of all training for every staff member, including: transcripts; certificates of completion; or documentation that includes the participant's name, course title, course content, dates of training, provider's name, and signature of the course instructor. All documents related to Mijosa, LLC's business and operation will be confidential, except as necessary for authorized staff of the State of California or the City to perform official duties. *Business and Professions Code §BPC 26162(a)*.

### *Consumer Safety*

Mijosa, LLC will standardize quality control procedures. These will include industry best practices, parameters of quality, identifying unusable cannabis, and product labeling accuracy. Staff will watch for errors, omissions, or data inaccuracies on product labels as they package cannabis. The Lead Manufacturer will analyze inventory records as part of Mijosa, LLC's quality control program, and will use inventory audits to serve as an evaluation tool to indicate corrective responses and identify procedures that require refinement.

If any state agency recalls a product, the Lead will enforce recall procedures, including first a warning to affected licensees to stop sale of applicable products and to initiate quarantine procedures. The facility's secure storage room will contain an area specific for recalled products. The Lead will place products that are expired, damaged, deteriorated, mislabeled, contaminated, recalled, or whose containers or packaging have been opened or breached in this storage area. Additionally, the Lead will wrap defective products in yellow caution tape and feature brightly colored alerts that read in bold lettering, "QUARANTINED – NOT FOR SALE." When moving

cannabis into or out of the quarantine area, a Manufacturer will immediately document the changes in the ITS so that it accurately reflects current levels of sellable inventory.

If, in the event of a recall, Distribution staff will separate affected products and proceed as required by state law and regulations with regard to remediation or destruction.

Mijosa, LLC will maintain a robust product liability insurance policy.

### **Product Labeling Standards**

Mijosa, LLC will adhere in all respects to all statutory and regulatory requirements for labeling and packaging contained the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”) and the Fair Labeling and Packaging Act.

### **Cannabis Waste**

In compliance with state regulations, Mijosa, LLC will implement two plans: **Hazardous Waste Plan** & **Non-Hazardous Cannabis Waste Plan** produced by GAIACA and provided herewith.