BUSINESS PLAN

Prepared by:

RHF Partnership, LLC
2881 Niagara Avenue
City of Colusa, California 95932

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1.0 INTRODUCTION

RHF Partnership, LLC (RFH), a California Corporation, was established in 2020 with the objective of operating a cannabis cultivation facility that adheres to strict industry standards and uses best available control technology to supply high quality cannabis products to California's cannabis market. RHF aims to meet this objective through the application of scientific knowledge, cannabis industry best practices, and legal compliance.

RHF has prepared this Business Plan to obtain a Special Use Permit for indoor cannabis cultivation facility located at 2881 Niagara Avenue, Colusa, California 95932 (Project Site). RHF's cultivation facility will provide jobs and tax revenue to the City of Colusa (City), which will contribute to the City's strong financial foundation and long-term financial stability.

The purpose of this Business Plan is to demonstrate RHF's ability to meets our objective while complying with the City's cannabis facilities requirements. This Business Plan discusses the proposed project and operation, organizational structure, cultivation operations, odor management, security measures, waste management, inventory tracking, and recordkeeping.

1.1 REGULATORY COMPLIANCE

The Business Plan is intended to comply with the following agency permit requirements and regulations:

- City of Colusa Cannabis Facilities Regulatory Permit and other relevant City Codes.
- Department of Cannabis Control Specialty or Small Indoor Cultivation License. California Code of Regulations, Title 3, Division 8 Sections 5000-5814.

Any changes to this Business Plan will be submitted to the City for review and approval prior to implementation.

2.0 PROJECT DESCRIPTION

The project description provides an overview of the existing conditions and proposed project.

2.1 EXISTING CONDITIONS

The Assessor Parcel Number is 017-130-012-000. The Project Site is nearly level, approximately 5 acres, and consists of two buildings that were used for storage of agricultural products. RHF's proposed operations will be conducted in the smaller structure located on the northwest portion of the property as shown in Figure 1 below. The proposed building is approximately 11,200 square feet, and there are no shared uses or common areas within the building. The other building on the property is approximately 50,000 square feet.

This property was strategically identified and selected to provide safe operations. Access to the Project Site is provided by Niagara Avenue and West Niagara Avenue, which connect to State Highway 20. The Project Site is zoned industrial and is located adjacent to industrial, warehousing, and agricultural uses. The proposed building is located approximately 1,140 feet away from a small airstrip and 1,800 feet from State Highway 20. Figure 1 below shows the Project Site in relationship to the surrounding area.

The Project Site is not located near any sensitive receptors or schools. The nearest school is Colusa High School, which is approximately 1.74 miles to the northwest of the Project Site (measured from the nearest property lines). A depiction of the distance to Colusa High School is shown in Figure 2.

The Project Site has existing heating, ventilation and air conditioning (HVAC) systems located outside the building. Additionally, there are existing exhaust fans and ventilation ports located on the roof. The exterior of the building also has existing lighting.

Electricity is provided by Pacific Gas and Electric Company and includes an existing 400-amp meter supplied by a three-phase 480-volt connection. Additionally, there is an existing solar photovoltaic array on the roof of the building.

Water and sewer are provided by the City of Colusa, and the building already has an existing restroom. Trash and recycling are serviced by Recology or other local waste provider.

Figure 1. Aerial view of 2881 Niagara Avenue (Google Earth, 2021).

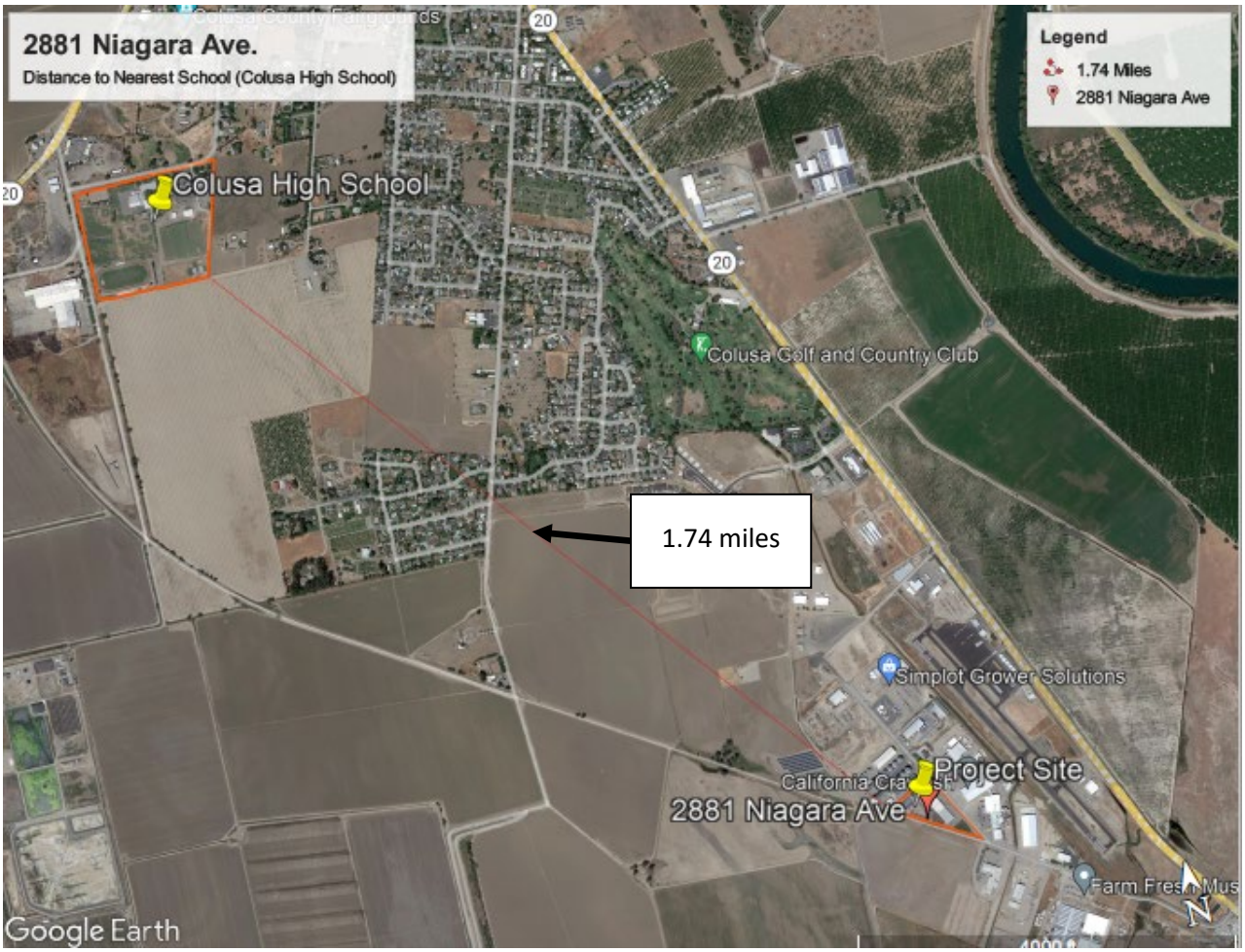

Figure 2. Distance of Project Site to Colusa High School (Google Earth, 2021).

2.2 PROPOSED PROJECT AND OPERATIONS

RFH proposes to cultivate a total of approximately 4,896 square feet of mature flowering cannabis canopy in two phases. Phasing the project allows RHF time to structure their operations in a manner that promotes operational efficiency and financial stability in an evolving cannabis industry.

Phase 1 construction will be implemented following project approval. RHF anticipates that the buildout and operation of Phase 1 will occur within 6 to 9 months following approval of the Development Agreement and Special Use Permit. Phase 1 improvements will include the following:

1. Construction of two 1,482 square foot cultivation rooms, for a total floor space of 2,964 square feet. Each cultivation room will have approximately 1,040 square feet of flowering canopy, for a total canopy of approximately 2,080 square feet.
2. Construction of a 780 square foot supportive (ancillary) nursery.
3. Construction of a 260 square foot drying room.

4. Construction of a 260 square foot processing room for trimming, curing, storage, and processing of non-manufactured cannabis products.
5. Construction of a 260 square foot office space and secure product storage.
6. Additional improvements include:
    a. a delivery loading/unloading area;
    b. access (e.g., parking and walkways);
    c. installation of security equipment, fencing, and lighting;
    d. installation of cultivation equipment (e.g., irrigation equipment, lights, fans/filters, etc.); and
    e. installation of mechanical equipment for heating, ventilation, and air conditioning (HVAC).
7. The building has an existing restroom that is approximately 130 square feet and will be used for the project.

Phase 2 construction will be implemented approximately one year from the start of operations associated with Phase 1. RHF anticipates that the buildout and operation of Phase 2 will occur within 2 years following approval of the Development Agreement and Special Use Permit. Phase 2 improvements will include the following:

1. Construction of two 1,950 square foot cultivation rooms, for a total floor space of 3,900 square feet. Each cultivation room will have approximately 1,408 square feet of flowering canopy, for a total canopy of approximately 2,816 square feet.
2. Additional improvements include:
    a. installation of additional cultivation equipment (e.g., irrigation equipment, lights, fans/filters, etc.);
    b. installation of additional HVAC equipment; and
    c. additional power upgrade, as necessary

2.2.1 CULTIVATION AND HARVESTING

At full buildout, there will be a total of four rooms to cultivate flowering plants, for a total of approximately 4,896 square feet of canopy.

During Phase 1, two cultivation rooms will be constructed, for a total of approximately 2,080 square feet of mature cannabis canopy. Each room is expected to have approximately 65 lights, for a total of 130 lights, and each light covers 16 square feet of canopy (or 4 X 4-foot area).

During Phase 2, two additional cultivation rooms will be constructed for a total of approximately 2,816 square feet of mature cannabis canopy. Each room is expected to have approximately 88 lights, for a total of 176 lights, and each light covers 16 square feet of canopy (or 4 X 4-foot area).

Additional information on RHF's cultivation operations is discussed further below in Section 4.0.

RHF's minimum production goal is to harvest each room 4 times per year and produce a 1.5 pounds per light. Overall annual harvest production is based on the canopy size, cannabis strain being cultivated (which is typically based on market demand), proper plant management, and number of harvests per year.

Based on the number of lights in each room and minimum production goals, RHF anticipates producing the 1,836 pounds per year at full buildout. This estimate is based on the following calculations:

Phase 1: 130 lights X 1.5 pounds per light X 4 harvests per year = **780 pounds per year**.

Phase 2: 176 lights X 1.5 pounds per light X 4 harvests per year = **1,056 pounds per year**.

Total: 780 pounds + 1,056 pounds = **1,836 pounds**.

A discussion on the projected annual gross revenue is discussed further below in Section 2.2.17.

2.2.2 DRYING AND PROCESSING

As part of Phase 1, there will be a 260-square foot room for drying the cannabis plants once they are harvested. Additionally, there will be a 260-square foot room for processing to trim, cure, store, and process non-manufactured cannabis products once the cannabis plants are dried. Having a separate drying and processing room will ensure efficient operations and allow RHF to maximize the number of harvests per year.

2.2.3 ANCILLARY NURSERY

As part of Phase 1, there will be a 760 square foot nursery room to support the ongoing cultivation operations. The nursery room be used to cultivate mother plants, clones, and teens. All nursery plants will remain in a vegetative state and will not be used for flower production. Having a nursery room will ensure efficient operations and allow RHF to maximize the number of harvests per year.

Additional information on RHF's cultivation operations is discussed further below in Section 4.0.

2.2.4 OFFICE AND STORAGE

As part of Phase 1, there will be a 260-square foot room for general office use, storage of video surveillance recordings and equipment, and secure storage of cannabis products.

Video surveillance secure storage of cannabis products is discussed further below in Section 7.0.

2.2.5 HOURS OF OPERATION

Hours of operation will be from 8 a.m. to 6 p.m., Monday through Sunday, for all activities occurring onsite. However, there may be job specific requirements and general maintenance duties that require employees to work outside these hours.

All visitors entering and exiting the site will occur between the hours of 9 a.m. to 5 p.m., Monday through Friday.

2.2.6 DELIVERIES

Deliveries of non-cannabis goods (e.g., cultivation equipment and office supplies) will occur during operating business hours. All vehicles making deliveries of non-cannabis products will make deliveries to the designated loading and unloading area. All deliveries will be coordinated with the General Manager or their authorized designee.

Deliveries of cannabis products to and from the Project Site will occur during operating business hours. All vehicles making deliveries of cannabis products will make deliveries to the designated loading and unloading area. Only authorized employees will be present when cannabis products are being delivered. Deliveries of cannabis products will be accompanied by a transportation manifest and will be tracked and traced according to state requirements.

2.2.7 DOORS, GATE, ENTRY, AND EXIT

The facility premise will be secured by fencing and a rolling gate, which will only allow authorized personnel to enter the premise. The building will have one main entry/exit door for all employees and visitors. The building will also have one roll-up door for deliveries. All interior doors will be accessible to authorized employees.

Security and authorized access areas are discussed further below in Section 7.0.

2.2.8 WASTE STORAGE

Trash and recycling dumpsters will be placed in receptacles located inside and outside the building. Cannabis waste will be stored inside the building and disposed in accordance with federal, state, and local waste regulations.

Waste management is discussed further below in Section 6.0.

2.2.9 PARKING, CIRCULATION, AND EMERGENCY ACCESS

There will be a total of a minimum of 11 designated parking spaces. This is consistent with the City's parking standards for industrial/warehousing uses, which requires one parking space every 1,000 feet of gross floor area. Additionally, the Project Site has adequate space for additional parking if needed. Parking is for RHF managers, employees, contractors, and agency inspectors. Public parking will not be available unless a visit has been approved by the General Manager.

Access to the Project Site will be from Niagara Avenue. The Project Site driveway provides a turnaround to allow for emergency vehicle ingress and egress. A Knox Box will be located the driveway gates to allow for emergency access. RHF will coordinate with emergency services for Knox Box location and emergency access.

2.2.10 LIGHTING

Exterior lighting will be used for security purposes and normal business operations. All exterior lighting will be and shielded downward in compliance with City requirements to minimize offsite lighting and glare.

Interior lighting for cultivation will consist of light emitting diode (LED) technology, which are more efficient and reduce energy consumption. Cultivation operations are discussed further below in Section 4.0.

2.2.11 LANDSCAPING AND SIGNAGE

RHF does not propose landscaping or signage.

2.2.12 ENERGY USE AND CONSERVATION MEASURES

The Project Site currently has an existing 480-volt service and 400-amp electrical meter that will supply power to the building. Electrical improvements will be installed to provide power for lighting, ancillary equipment (e.g., HVAC, fans, security equipment, etc.), and normal business operations. It is anticipated that an electrical service upgrade will be needed for implementation of Phase 2.

RHF is dedicated to minimizing energy use as part of operations. To minimize energy use, and to the maximum amount feasible, RHF will implement the following:

1. Use energy efficient lighting fixtures for normal business operations.

2. Use LED lighting fixtures for cultivation operations.
3. Utilize best available environmental control systems to minimize use of heating and cooling.
4. Use energy efficient mechanical equipment.
5. Utilize the existing solar power.

Additionally, RHF proposes to install a backup generator in the event of a power outage. The backup generator will not be used for normal operations.

2.2.13 WATER USE AND CONSERVATION MEASURES

The Project Site has existing water service to serve the project. RHF will use a reverse osmosis system to purify the water for irrigation activities. Irrigation water will be stored in tanks located inside the building, and fertilizers will be added to the tanks prior to watering the plants.

The amount of water used for irrigation is dependent on the canopy size, size of the plant, life cycle of the plant (i.e., vegetative, or flowering stage), and environmental factors (i.e., temperature and humidity).

In order to minimize water use, RHF will implement the following:

1. Install water fixtures that minimize water consumption, such as low-flow toilets and sink aerators in compliance with the California Building Code.
2. Irrigate cultivation areas using drip irrigation, to the maximum extent feasible.
3. Monitor water usage and adjust as necessary to ensure plants are not overwatered.
4. Utilize best available environmental control systems to control temperature and humidity.
5. Recycle and reuse irrigation water, to the maximum extent feasible.
6. Develop procedures for inspecting and maintaining all irrigation equipment.

2.2.14 WASTEWATER, RUNOFF, AND STORMWATER

Wastewater from restroom activities will be managed through an existing sewer connection.

Plants will be irrigated using a drip system, and runoff will be minimal. Any excess runoff will drain into portable buckets and will either be reused or disposed of in accordance with agency regulations.

RHF does not propose any substantial grading, the creation of impervious surfaces, or changes to the Project Site that will create additional stormwater runoff from current existing site conditions.

2.2.15 PROPERTY MAINTENANCE

RHF will keep the Project Site in a clean and safe condition by, at a minimum, performing all of the following tasks:

1. Cleanup and dispose of all trash, litter, and debris at the end of each business day.
2. Provide security lighting at the Project Site to ensure the safety of the public and the employees.
3. Perform facility and equipment inspections and maintenance on a regularly scheduled basis.
4. Otherwise operate in a manner that does not create or result in any significant adverse impacts at the Project Site or its adjacent areas.

2.2.16 SUPPLY CHAIN

RHF has been in contact with existing licensed distributors to purchase their cannabis flowers and non-manufactured cannabis products once they are ready for market. All shipments of cannabis products will be entered into the state's track and trace system (i.e., Metrc System). Inventory Management is discussed further below in Section 8.0.

2.2.17 GROSS REVENUE

RHF's projected gross revenues are based on the current market price of cannabis flower, which is dictated by market demand and the quality of the cannabis product, and the total output of cannabis flowers calculated in Section 2.2.1 above. Currently, and based on discussions with existing licensed distributors, the current market price of cannabis flower is $2,000 a pound. Based on RHF's projected flower production output and the current market price for a pound of cannabis, RHF estimates annual gross revenues of $1,560,000 following implementation of Phase 1, and $3,672,000 following the implementation of Phase 2. These numbers are based on the following calculations:

Phase 1 – 780 pounds X $2,000 a pound = **$1,560,000**

Phase 2 – 1,056 pounds X $2,000 a pound = **$2,112,000**

Total – $1,560,000 + $2,112,000 = **$3,672,000**

It should be noted that the estimated annual gross revenues are subject to change with any changes in the market price or flower production output.

3.0 ORGANIZATIONAL STRUCTURE

RHF has developed a team of industry leaders in cannabis cultivation, business management, and regulatory compliance. RHF's organizational structure is set up to ensure operations meet the highest standard for quality, safety, and professionalism, and regulatory compliance.

3.1 COMMUNITY RELATIONS LIAISON

RHF understands the need for open communication with regulatory agencies and the public. RHF will have a dedicated on-call Community Relations Liaison in the event there are problems, concerns, or complaints associated with the operations. In addition, RHF will have a secondary liaison in the event the primary liaison is unavailable.

RHF's liaison contact information will be provided to the City, neighbors within 100 feet of the Project Site (as measured in a straight line without regard to intervening structures, between the front doors of each establishment), and any member of the public that needs to contact RHF on matters regarding their operations. The two current Community Relations Liaisons are:

Primary Liaison
Brad Ravin – Chief Executive Officer
Tel: (925) 785-4869
Email: wbravin925@gmail.com

Secondary Liaison
Paul Hand – Chief Operations Officer / General Manager
Tel: (209) 217-6756
Email: paul9hand@yahoo.com

Any changes to the above Community Relations Liaisons will be provided to the City and neighbors within 100 feet of the Project Site.

3.2 RESPONSIBILITY OF MANAGERS

General Managers are those individuals who, directly or indirectly, are engaged in the management or oversight of RHF's activities. RHF's General Manager will be responsible for overseeing the daily activities, including cultivation operations, inventory control, employee hiring and training, security, and compliance and recordkeeping. The General manager may elect to authorize another person or persons to act in the various management capacities as discussed below.

3.2.1 CULTIVATION MANAGER

The Cultivation Manager oversees the day-to-day cultivation operations at the facility, including but not limited to, management of the staff, scheduling, planting, harvesting, maintenance, fertilizer and pesticide application, and cannabis waste.

3.2.2 INVENTORY CONTROL MANAGER

The Inventory Control Manager is responsible for ensuring inventory is entered into the California track and trace system. The Inventory Control Manager will be responsible for coordinating and tracking the

delivery of cannabis products. The Inventory Control Manager will also be responsible quality assurance, diversion prevention, and disposal of expired, deteriorated, or damaged cannabis products.

3.2.3 EMPLOYEE TRAINING MANAGER

The Employee Training Manager is responsible for ensuring that employees authorized to track and trace cannabis products using the track and trace system are trained per state guidelines. They will also be responsible for ensuring that employees are trained on their roles and responsibilities, compliance, security, and record keeping.

3.2.1 SECURITY MANAGER

The Security Manager is responsible for ensuring that security measures are up to date and systems are functioning properly. The Security Manager will be responsible for notifying state and local agencies of any security breaches.

3.2.2 COMPLIANCE OFFICER

The Compliance Officer is responsible for regulatory compliance, reporting, agency notifications, and recordkeeping. In the event of a regulatory audit, the Compliance Officer will be responsible for providing agencies with the requested documents.

3.3 STAFFING

At full buildout, RHF proposes to have up to 15 employees composed of a varying number of full-time and part-time staff. The General Manager will assign responsibilities to employees, including which areas employees are authorized to work.

RHF employees will be 21 years of age or older. All employees will be required to go through an employment review process that includes being interviewed by the General Manager, providing employment references, and providing a government issued identification card.

RHF will maintain a current register of the names of persons required to have employee permits. The register will always be available to the City Manager or designee immediately upon request.

In accordance with state and local law, RHF will enter into a labor peace agreement if the organization employs at least twenty people. RHF will follow all federal, state, and local labor and wage laws.

3.5 TRAINING

Once hired, employees will receive training pertaining to their authorized job duties. Training will follow regulatory agency requirements, as required. Training will include, but is not limited to, the following:

1. Laws and regulations regarding cannabis cultivation and activities.
2. Job specific procedures for cultivation and transportation.
3. Inventory tracking.
4. Security and emergency procedures.
5. Use and application of pesticides and fertilizers.
6. Personal protective equipment, as needed.
7. Compliance.
8. Waste management.
9. Record keeping.
10. Quality assurance and control.

Training requirements for the above-mentioned topics are also discussed further below.

4.0 CULTIVATION OPERATIONS

RHF is committed to designing a cultivation process that uses best-available control technology, industry best practices, is environmentally friendly, and produces the highest quality cannabis possible. To do this, RHF will implement cultivation activities consistent with this section and will comply with the applicable laws and regulations pertaining to the proposed cultivation facility.

4.1 VEGETATIVE PHASE

RHF's 780-square foot ancillary nursery will be used to support the ongoing flowering operations at the site. Nursery plants will be maintained in a vegetative state. Plants in the vegetative phase will receive 18-24 hours of light and 0-6 hours of darkness until they are ready to be flowered. Nursery plants will consist of mother plants, clones, and teens.

Mother plants that are female plants used in the cloning process. Mother plants are grown in the vegetative state to a point where they are large enough to allow cuttings, or clones, to be taken off the plant. Clones are then dipped into a solution that promotes root development. The dipped clones are then put into a propagation media, such as rockwool, to allow root development to occur. Another option is to propagate the clones via aeroponics using machines developed specifically for cloning, such as an EZCloner.

Once clones have developed roots, they are ready to be transplanted to another soilless growing media such as rockwool, coco coir, or soilless media mix. Once these plants grow taller, they are considered teens. Once the teens have reached the desired height, they will be transferred to one of the four flowering rooms.

4.2 FLOWERING PHASE

Once both phases are complete, RHF will cultivate approximately 4,896 square feet of mature flowering cannabis canopy in four rooms. Plants are in the flowering phase for approximately 7-9 weeks depending on the strain of cannabis. During the flowering phase plants will receive 12 hours of light and 12 hours of darkness. Flowering plants will be harvested once they reach their maturation point.

4.3 HARVESTING

Upon completion of Phase 2, RHF anticipates harvesting each flower room in a cycle so that one of the four flowering rooms is harvested approximately every 20 days, and each room is harvested approximately once every three months. Harvested plants will be transferred to the drying room and then the trim room for further processing (i.e., drying, trimming, curing, storage, etc.).

Once the product is ready for market, it will be packaged and stored in the secure storage office.

4.4 PRUNING

Pruning is a process that is required on a regular basis to maintain healthy plants. The lower region of the plant will be pruned of all leaves and smaller branches, which in turn promotes upward growth. Additionally, leaves are removed from the upper and lower portions of the plant to allow for maximum light penetration. Pruning allows the plant to utilize its resources and energy toward growing healthy flowers.

4.5 EQUIPMENT

RHF is committed to using equipment that minimizes inputs, reduces energy and water demand, and meets the objective of cultivating the highest quality cannabis on the market.

4.5.1 LIGHTING SYSTEMS

RHF will cultivate both nursery plants and flowering plants using LED light fixtures. LED lights use less energy than traditional high pressure sodium light fixtures because they require less amperage to operate, and because they produce less heat and require less air conditioning to keep the rooms cool.

LEDs for the ancillary nursery will utilize 18-watt fixtures for clones and 645-watt fixtures for mother plants and teens. LEDs for flowering plants will utilize 720-watt lights.

4.5.2 FERTIGATION AND GROW MEDIA

Fertigation equipment will be installed and operated in accordance with the manufacturer's guidelines and comply with federal, state, and local agency regulations. Fertigation equipment will include, but is not limited to, the following:

1. Water storage tanks.
2. Drip irrigation tubing.
3. Fertilizers.
4. Sensors, gauges, pumps, and other ancillary equipment necessary to measure fertilizers and maintain pressure and flow for irrigation lines.

Plants will be grown in pots containing soil or other soilless medium such as coco or rockwool.

4.5.3 EQUIPMENT CLEANING AND MAINTENANCE

RHF will need to clean equipment and cultivation areas to maintain a clean, healthy, and contaminant-free environment. Cleaning agents can include, but are not limited to, biodegradable soaps, citric acid, hydrogen peroxide, chlorine dioxide, or other chemicals approved by federal and state regulations.

All equipment used will be cleaned and maintained in compliance with the manufacturer's recommendations, or as needed. Employees responsible for inspecting and cleaning equipment will be trained prior to working. RHF will contract with qualified persons for maintenance requiring a licensed professional.

RHF will maintain facility and equipment maintenance logs as part of its quality assurance program. Inspection records will be kept as part of the RHF's record keeping process discussed herein.

4.6 FERTIGATION

Fertigation activities include the mixing of water and fertilizers and delivering the mixture to the plants. Water is supplied to the water purification filters prior to entering the clean water storage tanks. Water is then pumped from the storage tanks to a separate tank where it is mixed with fertilizers. This mix is then distributed to cultivated plants using pumps, irrigation lines, and drip nozzles. This process allows for precise control over the amount of nutrients and water used to irrigate plants and minimizes waste.

Any runoff or discharge of irrigation water will be collected and reused or disposed of in accordance with local and state regulations.

4.7 FERTILIZER STORAGE

Fertilizers will be stored in a designated area. Fertilizers will be stored in their original containers within locked cabinets. This will provide secondary containment and minimize the potential for spills and accidental exposure. Fertilizer will be properly labeled and stored in compliance with the manufacturer's guidelines. Only authorized personnel have access to fertilizers.

4.8 ENVIRONMENTAL CONDITIONS

RHF will use HVAC equipment, dehumidifiers, sensors, monitoring equipment, and related hardware and software to maintain ambient air conditions suitable for plant growth. This includes maintaining and monitoring the amount of light, temperature, relative humidity, and air movement. Ambient air conditions will be adjusted based on preferred conditions for plant growth.

4.9 PESTICIDE MANAGEMENT

RHF will not use pesticides, insecticides, herbicides, fungicides, and rodenticides (collectively referred to as "pesticides") prohibited by federal, state, or local agency regulations, or in a manner that is inconsistent with the manufacturer's recommendations.

Pesticides will be applied to control pests and plant disease, as necessary. RHF will use pesticides with ingredients that are approved by the California Department of Food and Agriculture (CDFA) as being exempt from residual tolerance requirements, and either exempt from registration requirements or registered for a use that's broad enough to include use on cannabis.

4.9.1 ROLES, RESPONSIBILITIES, AND TRAINING

The following will be performed for employees responsible for pesticide application:

1. RHF will designate employees to apply pesticides in accordance with the manufacturer's labeling.
2. RHF will ensure that designated employees are trained on the handling, use, and application rate of all pesticides used for cultivation at the Project Site.
3. RHF will supply personal protective equipment (PPE) and ensure that designated employees follow PPE requirements as determined by the manufacturer's PPE requirements.
4. Employees will be trained on proper PPE use as required by the manufacturer.
5. Employees will be trained on safety and documentation procedures for pesticide application.
6. Training and pesticide application records will be kept as part of the RHF's record keeping process.

4.9.2 CULTURAL PEST-MANAGEMENT CONTROL METHODS

RHF will use climate control techniques as part of its integrated pest management (IPM) program. RHF will develop procedures and install the necessary monitoring devices to ensure environmental conditions such as lighting, temperature, relative humidity, and air circulation are maintained to minimize exposure to pests, bacteria, and fungus.

RHF will develop procedures to ensure employees use proper PPE and maintain good hygiene while working in cultivation rooms. Cultivation rooms will be kept free of debris to minimize exposure to pests, bacteria, and fungus.

4.9.3 BIOLOGICAL PEST-MANAGEMENT CONTROL METHODS

RHF will use biological controls, such as predatory insects as part of its IPM. Examples of predatory insects include predatory nematodes, predatory aphids, or ladybugs. RHF will also use beneficial bacteria and fungus that aid plant health and help control harmful plant disease and pests.

4.9.4 CHEMICAL PEST-MANAGEMENT CONTROL METHODS

RHF will use chemical pest control methods as part of its IPM. All proposed chemical ingredients are listed by the CDFA as allowed for use on cannabis. Chemical pesticides will be applied either through nozzle sprayers, foggers, drip irrigation (i.e., chemigation), or other application means in accordance with the manufacturer's guidelines.

4.9.5 PESTICIDE STORAGE

Pesticides will be stored in a designated area. Pesticides will be stored in their original containers and within a locked cabinet that provides secondary containment, which minimizes the potential for spills and accidental exposure. Pesticide containers will be properly labeled. The storage of pesticides will follow their manufacturer's guidelines. Only authorized personnel will have access to the cabinets containing pesticides.

Pesticides, emptied containers or parts thereof, or equipment that holds or has held a pesticide, will not be stored, handled, emptied, disposed of, or left unattended in such a manner that it presents a hazard to persons, animals, food, crops or property.

4.9.6 PESTICIDE SIGNAGE

RHF will post visible signs around all areas where pesticides are stored. Signs will be of such size that it is readable at a distance of 25 feet and will state the following:

"DANGER"
"POISON STORAGE AREA"
"ALL UNAUTHORIZED PERSONS KEEP OUT"
"KEEP DOOR LOCKED WHEN NOT IN USE"

The notice shall be repeated in an appropriate language other than English when it may reasonably be anticipated that persons who do not understand the English language will come to the enclosure.

4.9.7 PESTICIDE SPILLS

As stated previously, and pesticides will be stored in secure containers that restrict access to unauthorized personnel and provide secondary containment in the event of container leaks. In addition, the RHF will do the following to mitigate the potential for spills and minimize environmental exposure:

1. Develop procedures for the handling, storage, and inspection of pesticide.
2. Develop procedures for PPE, spill response, and spill reporting and record keeping.
3. Provide spill response equipment, such as spill kits and emergency wash and eyewash stations.
4. Keep updated Safety Data Sheets (SDS) for pesticides and chemicals stored on-site.
5. Provide emergency contact information in the event of a spill that threatens the environment or life safety.

5.0 ODOR MANAGEMENT

The purpose of this section is to identify potential cannabis related odor sources and mitigate the potential for odor detection outside of designated areas. RHF will comply with the City's odor management requirements for cannabis activities. Any required changes to odor mitigation controls will be submitted to the City for review and approval.

5.1 ODOR SOURCES

RHF will conduct cannabis cultivation operations that have the potential to create odors. Potential sources of odor include the following:

1. Flowering cannabis within the cultivation rooms.
2. Harvesting operations.
3. Cannabis that is drying or being processed.
4. Post processed cannabis storage.
5. Packaging of cannabis flower.
6. Cannabis waste storage.
7. Activities that include transferring cannabis material from one are to another within the facility.

5.2 ODOR MITIGATION

RHF will cultivate, harvest, process, and store cannabis flowers, and produce cannabis waste, on a continual basis. Therefore, there is the potential for cannabis odors at any given time.

The timing of odors varies on the activities occurring at the facility but the engineering and administrative controls for mitigating potential odors will be the same, as discussed below.

5.2.1 ENGINEERING CONTROLS

RHF will use best control technology to ensure odors are not detectable outside of the facility or in common areas such as the visitor lobby or walkways located outside of odor emitting areas. To achieve odor control, doors will be used to separate areas where odors have the potential to be emitted. Only authorized personnel will be able to enter these areas using a keycard/keypad used to open doors.

In addition, RHF will use fans and carbon air filters in every room that has the potential to emit odors. A fan is used to push or pull air through the carbon filter. Carbon filters use activated carbon to neutralize odors as air passes through the filter. Carbon filters and fans will be used to "scrub" and recirculate air in the room. Additionally, fans and carbon filters may be used to exhaust air outside the building (e.g., through the roof). This displacement of air causes negative pressure in the room. For example, if the fan and filter remove 1,000 cubic feet of air per minute from a room, then there is a net difference of 1,000 cubic feet of air needing to be supplied to the room. This negative pressure causes air from outside the room to be pulled in; therefore, air and odors do not escape. The number and placement of carbon filters will be determined by the size of the room (in cubic feet) and air flow within each room.

5.2.2 ADMINISTRATIVE CONTROLS

Procedures to ensure odors are not emitted outside of their respective rooms includes, but is not limited to, the following:

1. Isolate odor-emitting activities from other areas by having doors that separate each room. Doors will always remain closed except for entry and exit by authorized personnel.
2. Ensure that authorized personnel work in their designated areas.
3. Establish procedures to inspect doors and odor control equipment (e.g., carbon air filters and fans) and maintain and/or replace equipment according to the manufacturer's recommendations.
4. Establish procedures to manage odor complaints and train employees on odor mitigation.

5.3 MANAGING ODOR COMPLAINTS

RHF will perform the following to manage potential odor complaints:

1. RHF will provide the General Manager's contact information to the City and neighboring businesses within 100 feet of the Project Site in the event of an odor complaint. Additionally, RHF will ensure that either the General Manager or their authorized designee has the contact information for the City where a person can be reached regarding odor complaints.
2. RHF will have the General Manager or authorized designee onsite during operational hours to ensure odor complaints can be answered and managed accordingly.
3. All odor complaints will be addressed within 24 hours of receiving the complaint.
4. The General Manager or authorized designee will identify the location of where the odor is causing a nuisance and inspect the outside area of the facility for detection.
5. The General Manager or authorized designee will inspect all doors and areas of potential for odor-emitting activities and will ensure these areas are properly isolated. If it is found that isolation is not performed correctly, the General Manager will investigate the reason and do one of the following:
    a. Talk with staff about the need to keep doors closed for odor-emitting areas. If necessary, retrain staff on administrative odor controls discussed herein.
    b. Contact a licensed contractor to fix broken doors or seals.
    c. If necessary, contact a licensed contractor to install self-closing doors or equipment to ensure doors are automatically closed after being opened.
6. The General Manager or authorized designee will also inspect engineering controls to ensure all equipment is functioning properly. This will include, but is not limited to, the following:
    a. Ensuring equipment is turned on and working properly.
    b. Inspecting equipment to ensure fans, filters, and ducting are attached correctly.
    c. Inspecting equipment maintenance logs to ensure filters have been replaced as required by manufacturer.

d. Replacing filters as necessary.

e. Replacing broken fans or ducting that has been damaged.

7. All odor complaints will be documented, including:

   a. The person making the complaint.

   b. Where the complaint occurred.

   c. The date and time of the complaint.

   d. The person that received the complaint.

   e. The date and time the complaint was investigated.

   f. Engineering controls that were inspected and administrative controls that were assessed.

   g. Identification of engineering and/or administrative controls causing the odor.

   h. Actions taken to correct the problem, including the work performed, equipment needed, and any additional training.

   i. Recommendations and actions taken to ensure the problem does not continue.

5.4 CONTINGENCY ODOR MANAGEMENT

If odor nuisances continue after implementing the administrative and engineering controls discussed herein, RHF will perform one or more of the following:

1. Purchase additional filters and fans as backup in the event the equipment breaks, or replacement is necessary.
2. Add additional charcoal filters and fans, or upgrade to larger size filter and fans in areas with odor-emitting activities.
3. Contract with a licensed mechanical engineer to assess air movement and determine if additional fan and carbon filter combinations are necessary, or if there is additional best available control technology that can be installed. All additional equipment will be installed according to the manufacturer's recommendations, and RHF will use licensed contractors, as required.
4. Contract with a professional odor management specialist to assess and determine what additional measures and equipment can be added to ensure adequate odor mitigation is achieved.

Each one of the above-mentioned steps will be assessed and monitored to determine if the modifications are effective in mitigating odors.

RHF will notify the City of any changes to equipment and procedures used to mitigate odors. Any changes will be added to RHF's inspection procedures and training processes.

5.5 ODOR MANAGEMENT TRAINING

The General Manager or their authorized designee will be trained on the following:

1. The measures listed in Sections 4.3.2 through 4.3.4. These measures will be part of an inspection checklist that will include a site plan and the location of odor control devices.
2. Location of the maintenance logs.
3. Type and function of odor control equipment, the manufacturer's recommendations for filter replacement, location of user manuals, and manufacturer's contact information if technical assistance is needed.
4. Where to purchase replacement equipment.
5. The location of contact information of a local licensed contractor that can perform maintenance, as necessary.

Staff will be trained on the procedures for mitigating odors, will be familiar with odor control equipment, and will be instructed to notify the General Manager or authorized designee if they notice equipment malfunction, suspect odor controls are not effective, or detect odors outside designated areas.

The General Manager or their designee will be responsible for training all new employees prior to beginning work in areas where there is potential for odor-emitting activities. All training will be documented, and the records will be kept as part of RHF's record keeping procedures.

5.6 ODOR MANAGEMENT RECORDKEEPING

Records pertaining to this Odor Management Plan will include, but are not limited to, the following:

1. Performed maintenance logs for mechanical equipment. Timing of maintenance will follow the manufacturer recommendations.
2. Records of purchases for maintenance equipment (e.g., carbon filter and replacement).
3. Documentation and notification of equipment malfunctions.
4. Documentation of odor complaints.
5. Employee training logs.
6. Documentation for review and changes to engineering and administrative controls.

Records will be kept for a period of two years, or for a length of time as required by the City or other agency with regulatory oversight. Records will be available in either hard copy or electronic format for review by agency personnel upon request.

6.0 WASTE MANAGEMENT

Waste streams will be managed by the type of waste and agency requirements. Waste types associated with the facility include:

1. cannabis waste,
2. solid waste,
3. liquid waste, and
4. universal waste.

6.1 CANNABIS DERIVED WASTE

Cannabis related waste associated with the activities described above include:

1. Leaves, flowers, stems, and root balls.
2. Non-manufactured cannabis waste.
3. Any event resulting in exposure or compromise of cannabis products.
4. Any event where the destruction of cannabis products is required by state or local regulatory agencies, such as cannabis product reaching its best-by, sell-by, or expiration date, if any.

6.1.1 CANNABIS WASTE DISPOSAL

Cannabis waste will be disposed of in designated waste receptacles inside the facility. Cannabis waste receptacles will only be accessible to authorized personnel. RHF will dispose of cannabis waste in compliance with local and state requirements. RHF will ensure that cannabis waste is disposed of at a licensed facility using one of the following methods:

1. Contract with Recology or other a local licensed waste services provider.
2. Contract with a licensed disposal company that specializes in cannabis waste disposal.
3. Self-haul cannabis waste to a licensed disposal or compost facility.

RHF will dispose of cannabis waste on an as needed basis. If using a contracted licensed waste hauler, RHF will coordinate the day and time for pickup. An RHF employee authorized to dispose of cannabis waste will be present during the designated pickup time.

Cannabis waste will be rendered unrecognizable and unusable by mixing the cannabis waste with 50 percent of non-cannabis waste by weight. The following non-cannabis mediums may be used in the mixture:

1. Paper waste.
2. Plastic waste.
3. Cardboard waste.
4. Food waste.
5. Grease or other compostable oil waste.
6. Bokashi or other compost activators.

7. Soil.
8. Other state-approved medium that will render cannabis waste unusable and unrecognizable.

In addition, RHF will perform the following:

1. Record the name of the entity hauling the waste.
2. Obtain documentation from the entity hauling the waste that indicates the date and time of each collection of cannabis waste at the licensed premises.
3. Obtain a copy of the certified weight ticket, or other documentation prepared by the entity hauling or receiving the waste, confirming receipt of the cannabis waste.
4. Track all cannabis waste in accordance with state track and trace requirements.
5. Keep records of cannabis waste disposal.

6.2 SOLID WASTE

Consistent with typical business operations, RHF will generate solid waste consisting of normal refuse, such as paper products, discarded packaging, plastics, building materials, food, broken equipment, and recyclable materials. Solid waste does not include cannabis waste.

6.2.1 SOLID WASTE DISPOSAL

Products that cannot be recycled will be discarded in trash receptacles designated for solid waste. Solid waste bins will be located inside the facility and emptied on a weekly basis, or as needed, into the outside dumpster or solid waste receptacle. Solid waste will be picked up by a local waste hauler on a weekly basis.

Products such as paper, cardboard, plastics, bottles etc. will be recycled to the maximum extent feasible. Recycling bins will be in the facility and emptied on a weekly basis, or as needed, into the outside recycling dumpster or recycling receptacle. Recycling waste will be picked up by a local waste hauler on a weekly basis.

6.3 LIQUID WASTE

Liquid waste associated with the facility operations will include domestic wastewater and irrigation runoff. RHF proposes to minimize liquid waste by implementing the following:

1. Install water fixtures that minimize water consumption, such as low-flow toilets and sink aerators.
2. Follow manufacturer specifications for cleaning of equipment.
3. Utilize drip irrigation and best available control technology as part of RHF's fertigation program, which will minimize irrigation runoff.

6.3.1 LIQUID WASTE DISPOSAL

Domestic waste resulting from normal restroom, cleaning, and other typical business uses will be discharged into the sewer system.

Irrigation runoff will be reused to the maximum extent feasible. Any irrigation runoff requiring disposal will be disposed of in accordance with local and state regulations.

6.4 UNIVERSAL WASTE

Universal waste is common waste that is considered hazardous but can be disposed at a licensed disposal facility. Universal wastes can include, but is not limited to, the following:

1. Batteries.
2. Compact fluorescent or LED light bulbs.
3. Electronics and light fixtures.
4. Ink cartridges.

RHF will coordinate with Recology or other local waste service provider for pickup of universal waste, or RHF will self-haul the waste to a licensed disposal facility. Universal waste will be disposed of in compliance with federal and state regulations.

6.5 WASTE TRAINING

RHF will develop training and procedures to manage wastes appropriately, which can include, but is not limited to, the following:

1. Designate authorized personnel to manage and track cannabis waste in compliance with state requirements.
2. Develop procedures and train employees on the storage, handling, and disposal of cannabis waste, solid waste, and universal waste.

6.6 WASTE RECORDKEEPING

RHF will maintain the following records:

1. Weight tickets for cannabis waste disposal.
2. Records relating to destruction of cannabis goods.
3. Employee training records.

Records will be kept for a period of two years, or for a length of time as required by the City or other agency with regulatory oversight. Records will be available in either hard copy or electronic format for review by agency personnel upon request.

7.0 SECURITY MEASURES

The following section addresses physical security measures, alarm and video surveillance systems, and operational measures to ensure security at the Project Site.

7.1 PHYSICAL SECURITY MEASURES

RHF will impose physical security measures that comply with state and local agency requirements. Physical measures include, but are not limited to, physical barriers such as walls and secure doors that restrict access to the public and unauthorized personnel. At no time will cannabis products or activities be visible to the public from outside the facility or in public or common areas within the facility.

7.1.1 PREMISES INGRESS AND EGRESS

Employee and visitor access to the building will be through a single point of entry. All employees and visitors will be required to sign in and out upon entering and exiting the Project Site.

7.1.2 DOORS, LOCKS, AND STORAGE

All entry, exit, and interior doors to limited access areas will require a keycard and/or keypad code that can only be accessed by authorized employee personnel, except for restroom doors. All door locks to limited-access areas will be commercial grade, non-residential locks.

Safes used for cannabis product and monetary storage will be anchored to the floor to ensure they cannot be removed. The General Manager or their authorized designee will have access to the safes.

7.1.3 LIGHTING

The Project Site will have sufficient security lighting to deter potential trespassers, theft, and vandalism; and to allow recording of the video surveillance system. All outside lighting will be shielded in a manner that will not illuminate surrounding properties.

Inside lighting will be used to allow for business operations. Interior lighting will be turned off during non-business hours.

7.1.4 SIGNAGE

RHF will post security signs on doors to areas requiring authorized access (e.g., “Authorized Personnel Only”). RHF will post security signs that the Project Site is being monitored by video surveillance to deter theft, vandalism, and unauthorized persons from entering the site.

7.1.5 MAINTENANCE

RHF will create procedures for facility maintenance inspections. Inspections will include visual inspection of doors, locks, lighting, and security signs. RHF will be responsible for making repairs and will use licensed professionals, as required. Maintenance inspections will be documented and kept as part of RHF’s record keeping process.

7.1.6 ALARM SYSTEM

RHF will have an alarm and surveillance system professionally installed, maintained, and monitored. The alarm system will include video surveillance, motion sensors, and door sensors. The alarm system will also include smoke, fire, and carbon monoxide detection.

7.1.7 VIDEO SURVEILLANCE

Video surveillance cameras will be placed around the exterior and interior portions of the Project Site to monitor activities. Video surveillance cameras will have the following:

1. Cameras will be assigned a number for identification purposes during the building permit process.
2. The video cameras will be able to record images of the area effectively and clearly under surveillance at all times.
3. Each camera will be permanently mounted and in a fixed location. Each camera will be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit on the licensed premises and allows for the clear and certain identification of any person and activities in all areas requiring authorized access.
4. The security surveillance cameras will be remotely accessible to the City of Colusa Police Department (CPD) and will be compatible with the CPD's software and hardware. CPD will have remote real-time access to the cameras.

7.1.8 VIDEO RECORDING PROTOCOL

Video recording will include the following:

1. Video will be recorded 24-hours a day on high-definition cameras at a minimum 15 frames per second.
2. Recorded images will clearly and accurately display the time and date. Time will be measured in accordance with the United States National Institute Standards and Technology standards.
3. The surveillance-system storage device or the cameras will be transmission control protocol (TCP) capable of being accessed through the internet.
4. Video surveillance recordings will be stored in a secure manner to protect from tampering or theft (e.g., tamper proof cabinet).
5. The video surveillance system will be equipped with a failure notification system that provides notification to the licensee of any interruption or failure of the video surveillance system or video surveillance-system storage device.
6. Video surveillance recordings will be kept for a period of at least 30 days or as required by City and state guidelines.

7.1.9 ALARM AND SENSORS

RHF will have an alarm system capable of notifying the police and other emergency services of a break in or emergency, such as a fire. The alarm system will include motion and door sensors capable of detecting unauthorized activity. Door sensors will also detect entry and exit into authorized areas.

7.1.10 BACKUP POWER

In the event of a power failure, RHF will have battery backup power capable of providing power to the security system and keeping the Project Site secure for a minimum of one day. Backup power will be able operate video surveillance and storage, alarms and sensors, and ensure door locks are not released during a power failure.

7.2 SECURITY SYSTEM MAINTENANCE

RHF will create inspection forms for facility maintenance inspections. Inspections will include visual inspection of video surveillance equipment. Repairs to video surveillance or alarm systems will be completed by the professional alarm company responsible for maintenance and monitoring.

7.3 NETWORK SECURITY

RHF will utilize computers, mobile devices, ancillary equipment, and software as part of business operations. These devices will be used to ensure continuous operations, document retention, and compliance with agency regulations. To keep computer and network systems safe, RHF will contract with a local information technology (IT) company to manage RHF's network, computer hardware, cyber security, and computer and information system backup. This may include, but is not limited to, the following:

1. 24/7 emergency support.
2. Internet, email, and computer system security.
3. Antivirus software and updates.
4. Computer system and document backup hardware and software.
5. Disaster recovery.
6. IT documentation software.
7. Access control for network users.
8. Email and cloud backup services.

7.4 OPERATIONAL SECURITY MEASURES

7.4.1 EMPLOYEE ACCESS

All employees must be at least 21 years of age. RHF will issue identification badges for all employees. Badges will be laminated or plastic-coated and be visible at all times while engaging in commercial cannabis activity. The identification badge will, at a minimum, include the RHF's name, license number, the employee's first name, an employee number exclusively assigned to that employee for identification purposes, and a color photograph of the employee that clearly shows the full front of the employee's face and that is at least 1 inch in width and 1.5 inches in height.

RHF employees will be assigned access cards and/or codes to enter and exit areas where they are authorized to work. Employee will have access to authorized areas using the keycard and/or keypad door entry provided by the security system. Employees will be restricted from entry and exit of areas where they are not authorized to work as part of the security system. Access cards and/or codes will be revoked from employees no longer working at the Project Site.

Employees will be required to enter and exit the building through the designated area and sign in and out upon arriving and exiting the Project Site.

7.4.2 VISITOR ACCESS

All contractors and agency personnel coming to the Project Site will coordinate with the General Manager or their designated person. All visitors entering the Project Site must be at least 21 years of age and will

be required to present government issued identification. The age of the visitor will be verified by the General Manager or their authorized designee.

All visitors coming to the Project Site will be assigned a visitor badge with a badge number corresponding to their name. RHF will require that all visitors record their name, signature, company, and reason for the visit. All visitors will be required to enter and exit the building through the designated area and will be required to sign in and out upon entry and exit.

All contractors and agency personnel will be escorted through the facility at all times by authorized RHF personnel. Contractors and agency personnel will only be able to access areas where they are authorized for the purposes of their work, inspection, or visit. Contractors and agency personnel will not remain onsite if they are not engaging in the activity expressly related to their approved work, inspection, or other approved visit relating to the operations of the Project Site. Contractors and agency personnel will not be provided access cards and/or codes at any time.

Visits from the public will not be allowed unless authorized by RHF. Public visitors will be required to be at least 21 years of age and will be required to present government issued identification. Visitors will be escorted at all times through the facility and will not be allowed to access areas other than for the purposes of their approved visit. Public visitors will not remain onsite if they are not engaging in the activity expressly related to their approved visit. Public visitors will not be provided access cards and/or codes at any time.

7.4.3 DELIVERIES OF CANNABIS PRODUCTS

Deliveries of cannabis products to the Project Site will be supplied by licensed distributors. Deliveries of cannabis products will occur during normal business hours of 8 a.m. to 6 p.m. Delivery drivers will be required to sign in and out upon entry and exit. All vehicles making deliveries of cannabis products will make deliveries to the designated loading and unloading area. All delivery times and dates will be coordinated with the General Manager or their authorized designee to ensure only one delivery vehicle is onsite at a time. All deliveries and transportation of cannabis products will be entered into the track and trace system prior to shipping or receiving. All cannabis products shipped and received will be accompanied by a transportation manifest.

Deliveries of non-cannabis goods (e.g., office products, packaging, etc.) will occur during normal business hours of 8 a.m. to 6 p.m. All vehicles making deliveries of non-cannabis products will park in the parking lot and make deliveries to the secure entry point or designated unloading and loading area. Records of receipt of non-cannabis deliveries will be kept as part of RHF's record keeping process.

7.4.4 EMERGENCY PROCEDURES

In the event of a life-threatening emergency, employees will be instructed to call 911 and move to a safe location. Additional measures include:

1. In general, only trained responders should provide first aid assistance.
2. Do not move the victim unless the victim's location is unsafe.
3. Control access to the scene.
4. Take "universal precautions" to prevent contact with body fluids and exposure to bloodborne Pathogens.
5. Meet the ambulance at the nearest entrance or emergency access point and direct them to victim(s).

If a medical emergency is reported, dial 9-1-1 and request an ambulance. Provide the following information:

1. Number and location of victim(s).
2. Nature of injury or illness.
3. Hazards involved.
4. Nearest entrance (emergency access point).

Evacuation may be required if there is a fire in the building or other hazard. Employees will be warned to evacuate the building by verbal warnings. Employees will assemble in the parking lot for accounting in the event an evacuation is needed.

An act of violence in the workplace could occur without warning, such as a break in, attempted robbery, active shooter, or other acts of violence that are life-threatening while employees are working at the Project Site. RHF employees will be trained on the locations and methods to take safe refuge.

In the event of a non-life-threatening emergency, such as suspicious activity, employees will be instructed to call CPD at (530) 458-7777.

7.4.5 NOTIFICATION AND INCIDENT REPORTING

RHF will notify the CPD or agency responsible for regulatory oversight in the event of the following:

1. Any theft, loss, or other criminal activity occurring at the Project Site.
2. Any other breach of security.

All incidents regarding a breach in security will be recorded and records kept as part of RHF's recordkeeping process.

7.4.6 INSPECTIONS

Prior to beginning operations, RHF will contact the CPD for an inspection to verify the proposed security measures contained herein.

All recordings made by security cameras at any cannabis manufacturing facility shall be made immediately available to the police chief upon verbal request; no search warrant or subpoena shall be needed to view the recorded materials.

The City Manager or designee shall have the right to enter all cannabis manufacturing facilities from time to time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this chapter.

7.4.7 SECURITY TRAINING

The Employee Training Manager will ensure employees are trained on the security measures discussed in this section prior to beginning employment. If there are any significant changes to this plan, employees will be notified of such changes and notification will be documented. In addition, employees will go through an annual refresher course to review security and emergency procedures. Training records will be kept at the facility in hard copy and/or electronic versions and will be accessible to regulatory inspection upon request.

7.4.8 SECURITY RECORDKEEPING

The Record Keeping Manager or authorized designee will maintain the following records:

1. Security inspections.
2. Current register of the names of persons required to have employee permits.
3. Maintenance of physical security measures, video surveillance, and alarm systems.
4. Notifications regarding a breach in security measures.,
5. Employee training.

Records will be kept for a period of two years, or for a length of time as required by the City or other agency with regulatory oversight. Records will be available in either hard copy or electronic format for review by agency personnel upon request.

8.0 INVENTORY PROCEDURES

8.1 INVENTORY CONTROL

All cannabis products will be stored in the drying room, trim room, or secure storage room. Cannabis storage areas will only be accessible to authorized personnel. Cannabis products will not be stored outside or be visible to the public. Cannabis storage areas will be continually monitored by a video surveillance.

The Inventory Control Manager will manage cannabis product inventory control by implementing the following measures:

1. The Inventory Control Manager will create and maintain an active and functional account within the track and trace system prior to engaging in any commercial cannabis activity, including the purchase, sale, testing, packaging, transfer, transport, return, destruction, or disposal of any cannabis products.
2. The Inventory Control Manager or designated person will act as the track and trace system account manager. Any person authorized to be a track and trace account manager will be trained on the track and trace system prior to access or use. In addition, the account manager may authorize additional employees as users only if they receive track and trace system training.
3. Authorized account managers and employees authorized to use track and trace will attend and successfully complete all required track and trace system training, including any orientation and continuing education. All training records will be kept as part of RHF's record keeping procedures discussed herein.
4. The account manager and each authorized user will be assigned a unique login identification username and password. The account manager or each user accessing the track and trace system will be required to use their assigned login information and will not be permitted to use the login information of another employee or account manager. Under no circumstances will login information be shared or transferred to other individuals.
5. The Inventory Control Manager or authorized account manager will maintain a complete, accurate, and up-to-date list of all track and trace system users, including their full names and usernames.
6. The Inventory Control Manager or authorized account manager will monitor all compliance notifications from the track and trace system. All compliance notifications will be resolved in a compliance with the notification timing requirements.
7. The Inventory Control Manager or authorized account manager will keep a separate record, independent of the track and trace system, of all compliance notifications received from the track and trace system, and how compliance with the notification and timing requirements was achieved. Records will be kept as part of RHF's record keeping process discussed in the associated Operations Plan.
8. The Department of Cannabis Control (DCC) will be notified as soon as possible for all compliance notifications that cannot be resolved within three business days.
9. RHF acknowledges responsibility for the actions of the account manager or authorized users while using the track and trace system.

8.2 RESPONSIBILITIES OF THE ACCOUNT MANAGER

The Inventory Control Manager or designated person will:

1. Designate track and trace system users, as needed, and require the system users to be trained in the proper and lawful use of the track and trace system before the users are permitted to access the track and trace system.
2. Maintain an accurate and complete list of all RHF's track and trace system users, including full names and usernames, and update the list immediately when changes occur.
3. Remove a user from the RHF's track and trace system account when that individual is no longer authorized to represent the licensee.
4. Correct any data entry errors within three (3) calendar days of discovery of the error.
5. Tag and enter all inventory in the track and trace system as required by state regulations.
6. Monitor all system notifications and resolve all issues identified. The notification will not be dismissed by an account manager before resolution of the issue(s) identified in the notification.
7. Notify the DCC of any loss of access to the track and trace system that exceeds 72 hours.
8. Reconcile the inventory of cannabis and cannabis products on RHF's premises with the track and trace system database at least once every 30 calendar days.

8.3 PLANT TAG REQUIREMENTS

1. The Inventory Control Manager will only use plant and package tags provided and distributed by the DCC or the DCC's designee.
2. The Inventory Control Manager will only use plant and package tags assigned in the track and trace system and will not transfer unused tags to any other licensee.
3. The Inventory Control Manager will maintain a sufficient supply of tags to support operations.
4. The Inventory Control Manager place the initial order of plant or package tags within ten (10) calendar days of initial credentialing into the track and trace system and will reorder plant or package tags as needed.
5. The receipt of plant or package tags will be recorded in the track and trace system within three calendar days of receipt. If ordered plant or package tags are not received by the licensee, the licensee will notify the DCC.

Immature cannabis plants will be tagged as follows:

1. Each established lot of immature plants will be assigned a plant tag. Each lot of immature plants under a single plant tag will be uniform in strain or cultivar and contain no more than 100 individual immature plants at any one time. The lot plant tag will be visible and within clear view of an individual standing next to the immature lot and kept free from dirt and debris. Each lot will either:
    a. Have each immature plant in the lot labeled with the unique identifier (UID) number and placed contiguous to one another to facilitate identification by the DCC.
    b. Be fully separated from other lots of immature or mature plants by a physical barrier.

In such cases, each individual plant does not need to be labeled with the corresponding UID number.

2. A plant tag will be applied to each individual plant at the time the plant is moved to the designated canopy area or begins flowering.

Mature cannabis plants will be tagged as follows:

1. Each mature plant will be tagged with a plant tag. A plant tag will be attached to the main stem at the base of each plant, placed in a position so it is visible and within clear view of an individual standing next to the mature plant, and kept free from dirt and debris.
2. Licensees are prohibited from removing the plant tag from the mature plant to which it was attached and assigned until the plant is harvested, destroyed, or disposed of.

8.3.1 USE OF HARVEST BATCH NAME AND PACKAGE TAGS

Harvested plants that are hanging, drying, or curing will be assigned a unique harvest batch name, which will be recorded in the track and trace system and placed within clear view of an individual standing next to the batch. The assigned harvest batch name will match what is in the track and trace system and the harvest batch name next to the batch will be the same.

Each harvest batch and manufactured cannabis batch will be assigned a package tag and recorded in the track and trace system. For batches held in containers, the package tag will be affixed to the container holding the batch. If a batch of cannabis or cannabis products is held in multiple containers, the package tag will be affixed to one of the containers and the other containers will be labeled with the applicable UID number. Each unit within the container will be labeled with the applicable UID number. All containers with the same UID number will be placed contiguous to one another to facilitate identification by the Department.

8.4 TRACK AND TRACE REPORTING

All cannabis and cannabis products on RHF's premises will be assigned a plant or package tag and recorded in the track and trace system, except for harvested plants that are being dried, cured, graded, or trimmed.

Each of the following activities will be recorded in the track and trace system within 24 hours of occurrence:

1. Receipt of cannabis or cannabis products.
2. Rejection of transferred cannabis or cannabis products.
3. Manufacturing of cannabis or cannabis products.
4. Use of cannabis or cannabis product for internal quality control testing or product research and development.
5. Destruction or disposal of cannabis or cannabis products.
6. Packaging or repackaging of cannabis or nonmanufactured products.
7. Laboratory testing, including testing results.
8. Sale or donation of cannabis or cannabis products.

The following information will be recorded in the track and trace system for each activity:

1. The type of cannabis or cannabis products.
2. The weight, volume, or count of the cannabis or cannabis products.
3. The date of activity.
4. The UID assigned to the cannabis or cannabis products.
5. If cannabis or cannabis products are being destroyed or disposed of, the Inventory Control Manager or designee will record the following information in the notes section:
    a. The name of the employee performing the destruction or disposal.
    b. The reason for destruction or disposal.
    c. The method of disposal.

If a package adjustment is used to adjust the quantity of cannabis or cannabis products in the track and trace system, RHF will include a description explaining the reason for adjustment.

If RHF rejects a partial shipment of cannabis goods, then RHF will record the partial rejection in the track and trace system.

RHF will record the following cultivation activities in the track and trace system within three calendar days of occurrence:

1. Planting of an immature lot.
2. Moving immature plants to a designated canopy area, flowering of an individual plant, or application of a plant tag to an immature plant.
3. Destruction or disposal of an immature or mature plant.
4. Harvesting of a mature plant, or portion thereof.

The following information will be reported in the track and trace system for each harvested plant or portion thereof, or harvest batch:

1. The wet weight of each harvested plant or portion thereof, which will be obtained by the licensee immediately after harvest.
2. The weight of cannabis waste associated with each harvest batch.
3. The unique name of the harvest batch.
4. The initiating date of the harvest. For purposes of this section, the initiating date of the harvest is the month, day, and year the first mature cannabis plants in the harvest batch were cut, picked, or removed from the soil or other growing media.
5. Packaging and repackaging of cannabis or nonmanufactured cannabis.

After the entire harvest batch has been dried, trimmed, cured, and packaged, the licensee will indicate in the track and trace system that the harvest is finished.

8.5 RECORDING TRANSFERS OF CANNABIS

RHF will perform the following for all shipments of inventory:

1. RHF will only receive shipments of inventory of cannabis products (e.g., clones) from a licensed cannabis business.

2. RHF will accept shipments of cannabis products only between the hours of 8 a.m. and 6 p.m.
3. During business hours, cannabis deliveries will enter the designated shipping and receiving area. At no time will cannabis be visible to the public.

RHF will prepare a shipping manifest through the track and trace system prior to transferring cannabis and cannabis products from the licensed premises. The following information will be recorded on the shipping manifest by the licensee initiating the transfer:

1. The name, license number, and premises address of the originating licensee.
2. The name, license number, and premises address of the licensee transporting the cannabis products.
3. The name, license number, and premises address of the licensee receiving the cannabis or cannabis products into inventory or storage.
4. The UID numbers for all items being transferred.
5. The item name, item category and weight or count of cannabis or cannabis products associated with each package tag.
6. The estimated date and time of departure from the licensed premises.
7. The estimated date and time of arrival at each licensed premises.
8. The driver's license number of the personnel transporting the cannabis and cannabis products, and the make, model, and license plate number of the vehicle used for transport.
9. Any other information required by local or state agency regulations.

The distributor who transports the cannabis or cannabis product will record the following additional information on the shipping manifest:

1. The actual date and time of departure from the licensed premises.
2. The actual date and time of arrival at each licensed premises.

Upon pick-up or receipt of cannabis and cannabis products for transport, storage, or inventory, the Inventory Control Manager or authorized employee will ensure that the cannabis or cannabis products received are as described in the shipping manifest. The licensee will record acceptance or receipt, and acknowledgment of the cannabis or cannabis products in the track and trace system.

If there are any discrepancies between type or quantity of cannabis or cannabis products specified in the shipping manifest and the type or quantity received by the licensee, the licensee will reject the shipment.

8.6 ACCEPTANCE OR REJECTION OF SHIPMENTS

The Inventory Control Manager or designee will accept or reject, in whole, shipments of cannabis or cannabis products.

A partial shipment of cannabis or cannabis products will be rejected in the following circumstances:

3. If RHF receives a shipment containing cannabis or cannabis products that differ from those listed on the sales invoice or receipt, RHF will reject the portion of the shipment that is not accurately reflected on the sales invoice or receipt.
4. If RHF receives a shipment containing any cannabis or cannabis products that were damaged

during transportation, RHF will reject that portion of the shipment that was damaged.

5. If RHF receives a shipment containing cannabis or cannabis products that is non-compliant with labeling requirements or exceeds its provided expiration date, RHF will reject the portion of the shipment that is non-compliant with labeling requirements or expired.

Rejecting a shipment of cannabis or cannabis products, whether in whole or in part, will record in the track and trace system and indicate on any relevant manifest, invoice, or sales receipt the specific reason for rejection.

8.7 SHIPPING MANIFEST

A shipping manifest will accompany every transport of cannabis product being shipped from the premises. Prior to transporting cannabis products, the Inventory Control Manager will generate a shipping manifest through the track and trace system for the following activities:

1. Testing and sampling.
2. Sale of cannabis products to a licensed distributor.
3. Destruction or disposal of cannabis goods.
4. Any other activity involving the transportation of cannabis products allowed by local and state agency regulations.

The Inventory Control Manager will securely transmit the manifest to the licensee receiving the cannabis products prior to transport. The Inventory Control Manager is responsible for any discrepancies between the shipping manifest and the cannabis products in its possession during transport.

The RHF employee authorized to transport cannabis products for self-distribution will not void or change a shipping manifest during transport, or after departing from the originating licensed premises.

8.8 TIMING OF TRACKING

All transactions entered into the track and trace system will occur by 11:59 p.m. Pacific Standard Time on the day the transaction occurred.

The Inventory Control Manager or authorized employee will enter and record complete and accurate information and will correct any known errors entered immediately upon discovery.

8.9 INVENTORY RECONCILIATION

RHF's Inventory Control Manager will perform the following:

1. Reconcile all inventories of cannabis products at least once every 30 days.
2. Reconciling on-hand inventory of cannabis and cannabis product with the records in the track and trace system.
3. Reviewing the licensee's authorized users and removing any users who are no longer authorized to enter information into the track and trace system.
4. If the Inventory Control Manager finds a discrepancy between the on-hand inventory and the track and trace system, then and audit will be conducted.

5. If an audit finds missing inventory, the Inventory Control Manager will notify the DCC and include the date and time of occurrence of the theft, loss, or criminal activity, the name of the local law enforcement agency that was notified, and a description of the incident including, where applicable, the item(s) that were taken or lost. If the reason for the missing inventory involves theft or criminal activity, RHF will notify the CPD.

8.10 LOSS OF ACCESS

If at any point RHF loses access to the track and trace system, RHF will prepare and maintain hard copy records detailing all commercial cannabis activities that were conducted during the loss of access. Records include the tracking and reporting items discussed above. Employees responsible for track and trace will be trained on how to keep hard copy records in the event access to the track and trace system is lost.

In the event there is loss of access to the track and trace system, RHF will not initiate transport for, receive, or deliver any cannabis or cannabis products until such time as access is restored. Once access is restored, all commercial cannabis activity that occurred during the loss of access will be entered into the track and trace system within three business days.

RHF will document the cause for loss of access, and the dates and times for when access to the track and trace system was lost and when it was restored.

9.0 RECORD KEEPING

To ensure compliance with state and local agency regulations, RHF will develop reporting forms that include, but are not limited to, the following:

1. Financial records including, but not limited to, bank statements, sales invoices, receipts, tax records, and all records required by the California Department of Tax and Fee Administration (formally Board of Equalization) under Title 18 California Code of Regulations sections 1698 and 4901.
2. Personnel records, including each employee's full name, social security or individual taxpayer identification number, date employment begins, and date of termination of employment if applicable.
3. Training records, including but not limited to the content of the training provided, and the names of the employees that received the training.
4. Contracts with other licensees regarding commercial cannabis activity.
5. Permits, licenses, and other local authorizations to conduct the RHF's commercial cannabis activity.
6. Security records, except for surveillance recordings which are required to be kept for 30 days, but no longer than 90 days.
7. Records relating to the composting or destruction of cannabis goods.
8. Documentation for data or information entered into the track and trace system.
9. All other documents prepared or executed by RHF or their authorized designee in connection with cannabis activities.
10. Facility and equipment maintenance.
11. Incident notification for security breaches and operational complaints (e.g., odor complaint).
12. Any other records discussed in this Business Plan and/or required by local or state agencies.

RHF's records will be legible and stored in a location that is protected from debris, moisture, contamination, hazardous waste, fire, theft, and alteration by unauthorized persons.

RHF will keep all records for a minimum of two years, or as required by the City or agencies with regulatory oversight. Records will be available in either hard copy or electronic format for review by agency personnel upon request. Only the General Manager or their authorized designee will have access to records.