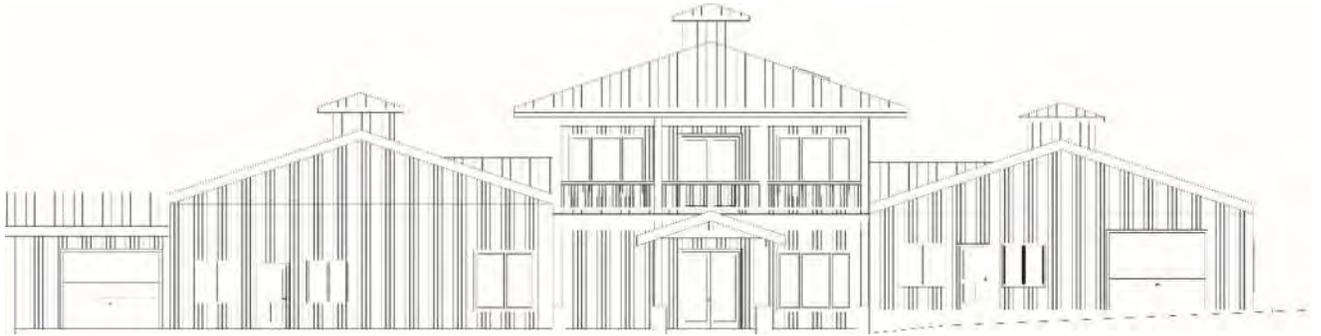


November 9, 2017



Nevada City Licensing Application

Marijuana Infused Products License



Facility Located at:
569 Searls Ave, Suite C
Nevada City, CA 95959

PRESENTED BY: SEARLS GROUP LLC:
KEVIN & JOE BUNDY
NEVADA CITY RESIDENTS

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Nevada County

Region : North California

Sub Region : Sierra

Communities : Grasss Valley, Nevada City, Truckee

Location: Nevada County is located in the Sierra Nevada region of Northern California, in the “Mother Lode County”. Nevada County comprises the Truckee-Grass Valley, CA Metropolitan Statistical Area, which also included Sacramento-Roseville, CA Combined Statistical Area.

2016 POPULATION

99,107

**2015 MEDIAN
HOUSEHOLD INCOME**

\$56,521

**2012 TOTAL RETAIL
SALES**

\$1,012,263,000



Summary

There is significant political momentum toward the adoption of cannabis ordinances both at the Nevada City and County levels. It is believed that Nevada City is an ideal place for a marijuana-infused products (MIP) facility to serve the demands of Nevada City and the surrounding communities. The Nevada County Board of Supervisors, the Marijuana Regulations Subcommittee, is in the process of developing permanent rules for commercial cultivation. In December 2016, the Nevada County Board of Supervisors elected to adopt an Ordinance adding subsections G-IV 5.2X, G-IV 5.3CC, G-IV 5.3.DD and G-IV 5.4.M, G-IV 5.4.N to Article 5 of Chapter IV of the Nevada City General Code. Respectively, these subsections add language in reference to voter approval of Proposition 64 (AUMA), which provides a new definition of adult-use cannabis.

At the Nevada City level, there is activity to adopt and amend ordinances to allow local entrepreneurs to enter into the market. This application was developed to address the most recent amendment to Chapter 9.22 of Title 9 of the Nevada City Municipal Code, Local Ordinance No. 2017-10, where permitting application issues to be addressed were communicated by the City Council.

Proposed Location



Figure 1: Contextual map of location

The proposed location for the Searls Ave Manufacturing facility is shown in the contextual map in Figure 1 and the Nevada City Zoning Map in Figure 2. The zoning for our location is Light Industrial (LI), Scenic Corridor (SC) and is compliant as Light Industrial with Chapter 17 of Nevada City Code.



Figure 2: Section of Zoning map for Nevada City 569 Searls is Shaded Black

Business Plan

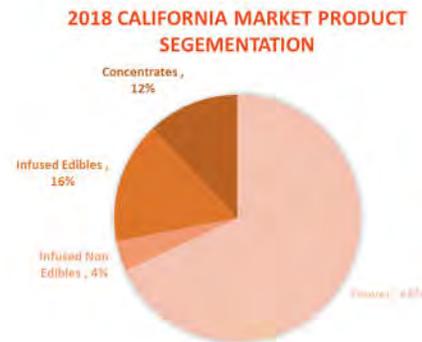
California has the sixth largest economy in the world and a population greater than that of Canada. Statewide, there is much excitement and anticipation toward the upcoming regulated cannabis market. A recent 2017 study by the CA marijuana policy group provided a prediction of



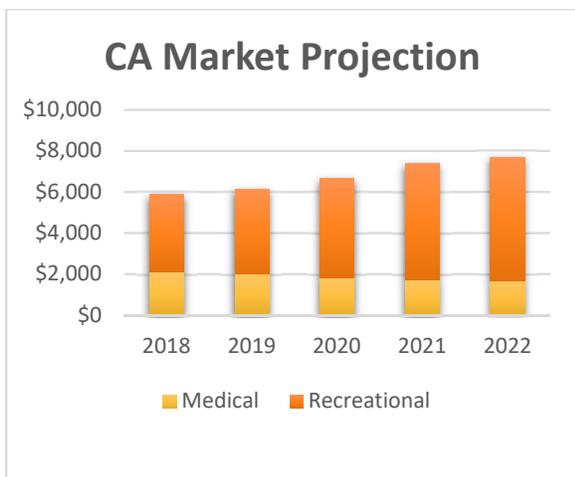
Medical and Adult use Patients in California. These predictions were based on a combination of information from four primary sources. First, data from the National Survey of Drug Use and Health (“NSDUH”), medical cannabis registry data from the California Department of Consumer Protection (CDCP), patient estimates from the Marijuana Policy Project (MPP) and population projections from the California Department of Finance. These predictions show there will be about 870,000 California Medical patients, 1.93 million monthly adult-use consumers 21 years of age and older, and 1.62 million yearly adult-use consumers 21 years of age

and older, for a total of 4.48 million yearly adult use consumers 21 years of age and older in 2018. This market segmentation data indicates that, in 2018, the total domestic demand for cannabis in California is on the order of 743 metric tons of cannabis flower equivalent.

Consumers in the California regulated market will have several product types to choose from, including flower, edibles, concentrates (including vape cartridges), and infused non-edibles. In recent years, the popularity of infused products



and concentrates has grown significantly in states with regulated sales. The manufacturing license proposed here will focus on concentrates and edibles which cumulatively account for 32% of the 2018 market.



In states such as Washington, with a well-developed regulated market, the segmentation is now split roughly 50/50 between concentrates and flower. It is anticipated that a similar trend will occur in California as the market evolves.

To estimate annual market size, current product pricing trends in the regulated cannabis markets combined with the above analysis of user data results in the 2018 market size estimate of \$2.11 Billion medical market and \$1.61 Billion for the adult-use market.

Simply scaling the market estimates to a local population would lead to errant results. These patient-use estimates do not account for drug tourism purchases or the median local income. Nevada City has year-round visitors and a median income of \$47,981. As a regional supplier, the product offering of

this facility will be turned toward craft offerings that attract local tourism purchases and lower entry price point options for casual cannabis users.

This business plan's modest production assumptions include a product mix of vape pens, a craft cannabis beverage and unique chocolate confections tailored to locally-sourced ingredients.

Floor Plan and Operations Description

Appendix A5 and A6 show details of the 1st and 2nd floor equipment layout for the proposed facility. The complete construction document set is provided for reference in APPENDIX A1. The first floor of the building will have a food-safe production kitchen located in the rear of the building. In this portion of the building, staff will mix and prepare edibles. Figure 3 shows a view of the inside of the kitchen space.

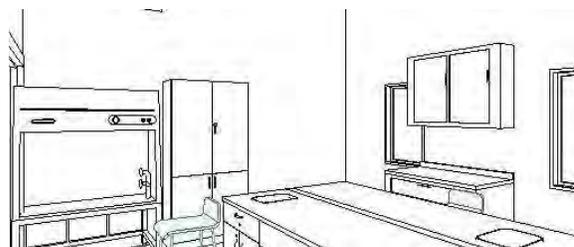


Figure 3: Edibles Kitchen with food preparation surfaces

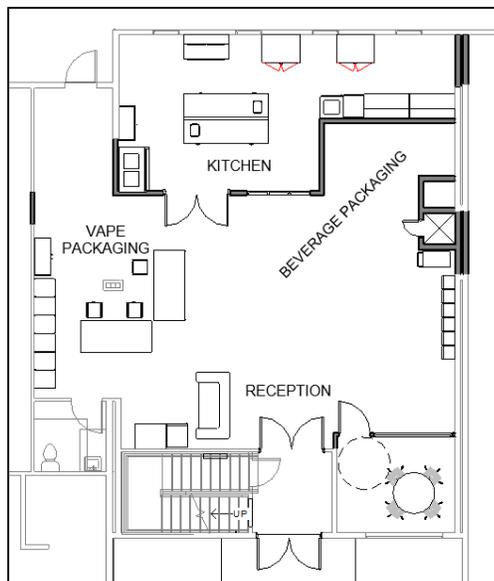


Figure 4: First Floor Layout
(larger print shown in
Appendix A.5)

There will be a reception desk by the front entrance to process and badge visitors, and a conference room to the right. The rear entrance will be used to process incoming and outgoing deliveries. There will be an area for filling and packaging vaporizer cartridges. The final packaging and overpack box preparation will be completed on-site as well. A bottling and filling line for infused beverages will be placed on the 1st floor.

A material lift will be installed to allow for ease of material handling between the 1st and 2nd floor. The lift will be ASME 17.1

compliant as compatible with California building code. The primary use of this lift will be for transferring oil product from the concentrate lab on the 2nd floor to the packaging operations on the 1st floor.

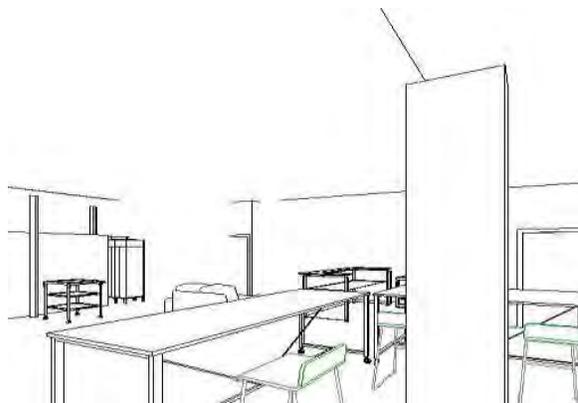


Figure 5: View of vaporizer filling
and packaging line.

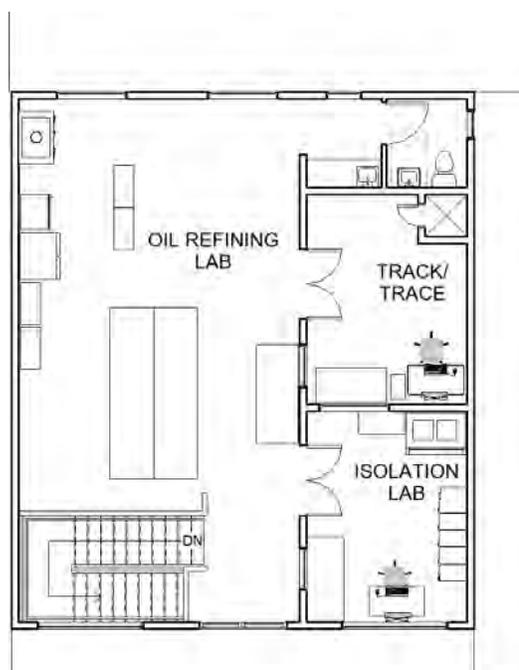


Figure 6: View of 2nd floor where chemical refinement of cannabis oil occurs.

The second level of the building, shown in Figure 6, will be dedicated to oil refinement and will house several pieces of state-of-the-art machines that maximize production output of the cannabis concentrates. The starting material will be purchased as raw crude and will enter the manufacturing in the track and trace room. Material will then move into the winterization lab where lipids and waxes will be removed. The concentrate will then be put into the molecular distillation equipment where it is further concentrated in potency. Most of the production material will then move downstairs to be combined into product admixtures and final packaging. A portion of the production lots will be sent to the isolation lab where target terpenes and cannabinoids will be separated into their pure form.

Day to Day Operations

This production plan is intended to outline the process for manufacturing distillate from

raw starting material. The raw starting material will arrive at the facility from various sources as well as grades, strains, contamination, and moisture content. The equipment, methods, protocols, intermediate products, end products, and by-products will be briefly discussed. Analytical instrumentation will also be outlined for quality control purposes. Once crude and distillate are prepared to the desired potency and quality, it will be packaged or used as a mixture into the packaging. Finished goods will be warehoused and delivered to the local dispensaries for retail sale.

Crude Oil Homogenization

In the first phase of operations, crude oil will be purchased from volume extractors that have utilized either super critical fluid or ethanol extraction. The oil must be homogenized with heat and stirring. The crude oil will be placed in a 5 liter beaker and stirred while heated on a ceramic hot plate to accomplish this.

Winterization

Winterization is necessary to remove lighter waxes and pigments which have vapor pressures similar to cannabinoids and will

thus co-distill if present during the distillation process.

Dissolve in Ethanol

Homogeneous and molten crude shall be dissolved in warm (~60°C) 200-proof ethanol at a ratio of 9:1 ethanol:crude (v/v). Dissolution can be assisted by shaking, in the case of 1.5L mason jars with lids, or with overhead stirrers in the case of beakers or Erlenmeyer flasks.

Decolorization

Diatomaceous earth, bleaching earths, and activated carbon can be added to the ethanol/oil solution to adsorb pigments, such as chlorophyll, and to filter out carotenoids along with the waxes.

Adsorbents must be used judiciously, as cannabinoids will also bind if there is an excess amount of surface area. Gentle stirring will prevent the adsorbents from fracturing into smaller fragments which could pass through the filters.

Precipitation

Waxes and fatty acids are precipitated from solution by using two -80°C freezers to bring the mixture to low temperatures which will expedite the precipitation process. which will expedite the precipitation process. However, the cooling

rate affects the shape and size of the wax crystals and subsequently effects the efficiency of the filtration process. The precipitation temperature and cooling rate will be determined through experimentation.

Filtration

The DrainDroyd filtration system is capable of filtering 4L of ethanol/wax in 5 minutes, dramatically reducing the time for this step. Each supercritical fluid extraction (SFE) run will result in 600g of crude which will result in ~5L of cannabinoid/ethanol solution. This is fast enough to be done in between SFE runs. The filter cake depth, size, and shape of wax crystals will determine how much winterized oil/ethanol can be pulled through a DrainDroyd filter before needing to be changed. This optimal volume will be determined simultaneously with winterization temperature and cooling rate. Typically, one winterization step is sufficient to remove most of the wax. However, anecdotal reports suggest an additional winterization step will produce an even clearer and more potent distillate. Considering how much time the DrainDroyd saves, this additional

winterization step would be a worthy experiment.

Solvent Removal

The dewaxing process requires copious amounts of ethanol to be removed from the cannabinoids. The Buchi R-220 is able to evaporate 15 liters of ethanol per hour. Thus, 40L of ethanol can be removed in under 3 hours by one R-220 and this is sufficient to support the oil processed in an 8hr shift. Two smaller Buchi R-100 rotoevaporators will be available for small batch final desolvation operations or for cannabinoid isolation final steps. The R-220 and R-100 are powerful and modern rotary evaporator systems with many features. The software control allows it to be operated continuously and unsupervised by utilizing many sensors and pumps. This requires extensive familiarization and experience.

Purging of Residual Solvent

The R-220/R-100 may be efficient enough that a final ethanol purge is unnecessary. If it isn't, purging of the residual ethanol in a vacuum oven is crucial for a steady feed rate and consistent distillation in the next steps. Depending on the ethanol content,

this purge can take from 4-12 hours. This purging process can be standardized by embedded solvent sensors and through utilizing the Computrac moisture analyzer. The Computrac system is able to measure the mass lost from the purging of volatile solvents. It is also equipped with a safety feature that purges the chamber with inert nitrogen gas to reduce the risk of ignition of accumulated flammable gases in the chamber. A 1-gram sample of dewaxed and purged oil will be allocated for potency and residual solvent analyses.

Wiped-Film Distillation

Distillation of cannabinoids is the final step in creating high-purity distillate. The BR

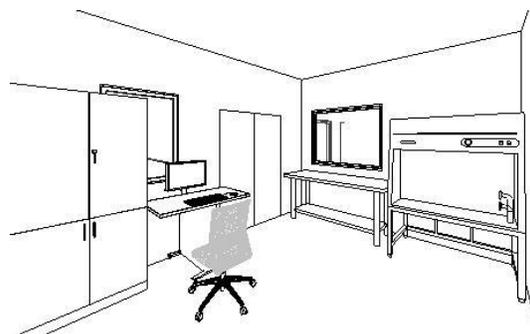


Figure 5: View from inside the chemical isolation lab on the second floor.

Band equipment can distill oil at a rate of 200 grams/hr and separates cannabinoids from the terpenes. Subsequent pass(es)

will distill cannabinoids. A set of distillation parameters will be defined for terpenes as well as for cannabinoids. These parameters include distillation body temperature, internal condenser temperature, vacuum, feed flask temperature, feed rate, and all other thermal zone temperatures. The distillate and residual are released to atmospheric pressure, whereupon they are batched, homogenized, sampled for potency and pesticides analysis, and packaged.

Proper maintenance is crucial for the function and longevity of the BR Band. The vacuum pumps require periodic maintenance and oil changes. The chillers and heaters require fluid changes and occasional temperature calibrations. The glassware can sometimes become charred or caked with build up of oil residue over time. This requires procedure for glass cleaning.

Chemical Isolation

The ability to isolate the individual active compounds will allow for better control of active drug content across edible and beverage formulations. The Searls facility will dedicate one room to chemical isolation

with the use of the Buchi Reveleris X2 device. This is a tabletop chromatography unit that allows for volume separation of cannabinoid compounds. The isolation methods can be programmed and recalled, thus making operations repeatable for hourly employees. The isolated cannabinoids will be used in mixtures that go into beverage and edible formulations.

Potency Analysis

A 908 Devices GC/MS will be used to analyze cannabinoid potency. Sample prep will require a vortex, ultrasonicator, microcentrifuge, microcentrifuge tubes, Gilson pipets, pipet tips, auto-pipette, serological pipets, scintillation vials, and autosampler vials. An auto sampler will be used and derivatization will be carried out for analyzing the acid forms of the cannabinoids. Analytical standards needed are THC, THCA, CBD, CBDA, CBN, CBG, CBGA, THCV, and CBC.

Other Analyses

Terpenoid analysis will be done with 908 Devices headspace GC such that terpenes captured along the way will be identified and quantified. This will aid in the selection of terpene combination to support consistent flavor and smell of our

products.

Legal Compliance Planning

Good Manufacturing Processes

Good Manufacturing Processes (GMPs) will be written in adherence to Title 21 CFR Parts 210 and 211 of the Food & Drug Administration code. This will also satisfy compliance with the Department of Public Health's Cannabis manufacturing guidelines. A comprehensive and organized GMP documentation system will be installed on secure company computers. All employees will follow these procedures beginning with receiving of starting material and ending with shipping of final product. Standard operating procedures (SOPs) for each manufacturing process will be printed and kept near the process, for use by employees.

Track & trace software will be indispensable both to quality assurance and quality control (QA/QC) and government accountability, as the amount of starting material coming in and finished product going out will need to be at a steady-state flow.

Standard Operating Procedures

SOPs will also be written according to Title 21 CFR Parts 210 and 211 of the Food & Drug Administration code but shall contain only enough detail to assist in the execution of

tasks by the employee. If more details are needed, the employee may request access to the corresponding SOPs for each manufacturing process will be printed and kept near the process for use by employees.

Cultivation

Searls Group plans on maintaining a cultivation license for indoor cannabis growing at the facility. Although this is not the main facet of the business, having the cultivation license will allow us to grow a small number of plants for testing new cultivars and developing products.

Distribution

As a part of our sales and marketing plan, we will maintain a distribution license for transport and sale of our products and complementary products and flower from partner cultivators and manufacturers.

Site Description

The site will remain largely unchanged by our activity. We are proposing to locate a lockable storage container on the back grassy area, hidden from public view. This exterior storage area will be fenced per Nevada City Zoning regulations. See proposed site plan.

Parking Analysis

We have taken the time to coordinate our parking analysis with the adjacent tenants, and as you will see, we expect the allotted parking on site to be sufficient for our use, including vendor trips. The proposed site will have twenty-six (26) parking stalls for use by all four tenants. Our operation has been allotted six unassigned parking stalls for use by employees and transient trips by vendors visiting our operation. We will not be open to the public and will have only employees and vendors by appointment. We expect 2 trips per day by non-public transient vendor visits. Our employee count is 10 FTE at our max shift count.

Total leased square footage: 3,300

Total exitable area: FL1 - 1,804, FL2 - 1,185 = 2,989

Occupant load by code:

2,594 manufacturing / 200 = 12.97

395 sq ft accessory / NA

Total by code: 13

Actual Employee Count Max FTE: 10

Our Marijuana Manufacturing - 6 stalls

Adjacent Business A & B fitness-- 8 stalls

Adjacent Business D- Marijuana Dispensary - 10 stalls

Handicap Parking – 2 stalls

The expected occupancy of our space and anticipated average employee use of the 6 stalls we have available to us will be adequate for a portion of our daily employee count and transient vendor trips.

We have sourced additional parking within a 300'-0" walking distance of our facility should the employee count go over our allotted parking on site. We propose to maintain one stall open for vendor use, utilizing the other for our employees. Overflow parking will be provided for by the additional five stalls.

Signage Plan

As Searls Group will not be a public facing business, there are no plans for public signage at this time.

Fire Life Safety

As a commercial manufacturing facility, we will take all precautions necessary to ensure the fire life safety of the building tenants and the public. Walls separating the adjacent tenants will be constructed to the required fire safety rating. The egress components of the tenant space will be upgraded to have the necessary panic hardware in the direction of egress travel. The building is currently fully sprinklered and we will be

modifying the sprinkler for full coverage. In addition, type ABC Fire Extinguishers will be placed to cover 75'-0" radius inside the facility and the location will be coordinated with the fire marshal.

Construction Planning

The construction planned for this space does not entail any major renovations and is envisioned to be completed within 180 days of permitting. A Gantt chart below details both the timing of the tenant improvements and several activities around corporate development.

- a) HVAC ducting for additional heat removal based on waste heat from rotoevaporators and distillation columns.
- b) Carpet removal and floor treatment to include slip resistant commercial epoxy coating
- c) Washable wall treatment for easy cleaning
- d) Removal of existing ADA ramp to adjacent suite as access to the upper level is no longer required. The space will be captured for the manufacturing process.
- e) Exterior windows will have a security film and a translucent window film for visual privacy. Daylight will still be available to occupants during working hours, but no public views of the interior will be possible.
- f) Replace existing exterior doors in kind with more secure hollow metal doors with electromagnetic locking mechanisms.
- g) We will install a secured lobby with electromagnetic locking / badge system for secured access
- h) Installation of material flow elevator

Table 1: Project Gantt Chart

		1/31/2018	2/28/2018	3/29/2018	4/29/2018	5/29/2018	6/29/2018	7/30/2018	8/30/2018
SEARLS LLC Project									
TI Construction	Permitting								
	Demo 1st floor								
	Construction/HVAC								
	Finishing								
	Dumbwaiter								
	Container Install								
	Electrical								
	Plumbing								
Corporate Development	Brand Development								
	Pilot Product Run								
	Beta								
	Professional Services								

Table 2: Table of Construction Costs

Electrical Sytems	
Beverage Line Branch Wiring Circuits	
Vape Packging Branch Circuits	
Kitchen Branch Wiring Circuits	
Oil Refining Branch Wiring Circuits	
Isolation Branch Wiring Circuits	
Trank/Trace Branch Circuits	
HVAC wiring and disconnects	
Environmental Sensors, Thermostat, Humidistat, HVAC Controls	
Security System, Cameras, Door Strikes, Card Readers, Servers UPS	
T-8 Six Bank Features	
Site Lighting	
NEMA 5-20R Outlets & 20A 120V GFCI Outlets w/ wet location covers	
480V panels, Breakers & Feeders(Second Floor Included)	
480V to 240V or 208 internal pad mounted tranformers (second floor included)	
Fire Alarm Panels, Sensor Input Devices, Horn/Strobe	
Emergancy and Critical Power Panel, UPS, Critical Power Circuits and Emergency	
Base Electrical Systems	
Mechanical/HVAC Sytems	
Make Up Air Unit	
Ducting	
Humidity Removal Unit	
Hydrogen Peroxide Plama Units, UV Systems, Standard Air Filtration	
Mechanical/HVAC Sytems	
Plumbing Systems	
Trench & Drain Systems (Including second floor)	
Bathroom, Showers, Toilets, Faucets, Utility Sinks, Mop Sinks, and Grease Interceptor	
Plumbing Systems	
Site Work/General Construction	
Demo, New Walls, Insulation (potential only)	
PVC Wall and Ceiling Coverings (Gypsum in Non-Crit) and Paing	
Material Lift Platform Install	
Plastic Base Floor Trim, Epoxy Set to Concrete Floor	
Commerical Door Instillation	
Steel Doors, Panic Egress, Kick Plate, Door Sweep, Door Stoppers, 6070 Doors French	
Steel Doors (Same Hardware as 6070) 3070 Singles	
Epoxy Floor Coating (Acid Etch, Level, Coat, 2996 sq.ft)	
Concrete pad footings and house keeping pads	
Site work improvments, Drainage, Parking, Guardhouse	
Site Work/General Construction	
Planning & Permissions	
Architectural Services	
Structural Engineering	
Electrical Engineering	
Mechanical Engineering	
Civil Engineering	
Geo-Technical Engineering	
Project Management and Documentation Services	
Permitting Fees/Approvals/Insurance	
Coceptual Design and Planings (WKS)	
Construction Drawings (WKS)	
Permitting \$ Bids (WKS)	
Constuction (WKS)	
Possession (WKS)	
Time to First Revenue (WKS)	
Planning & Permissions	
Construction Overview	
Total	

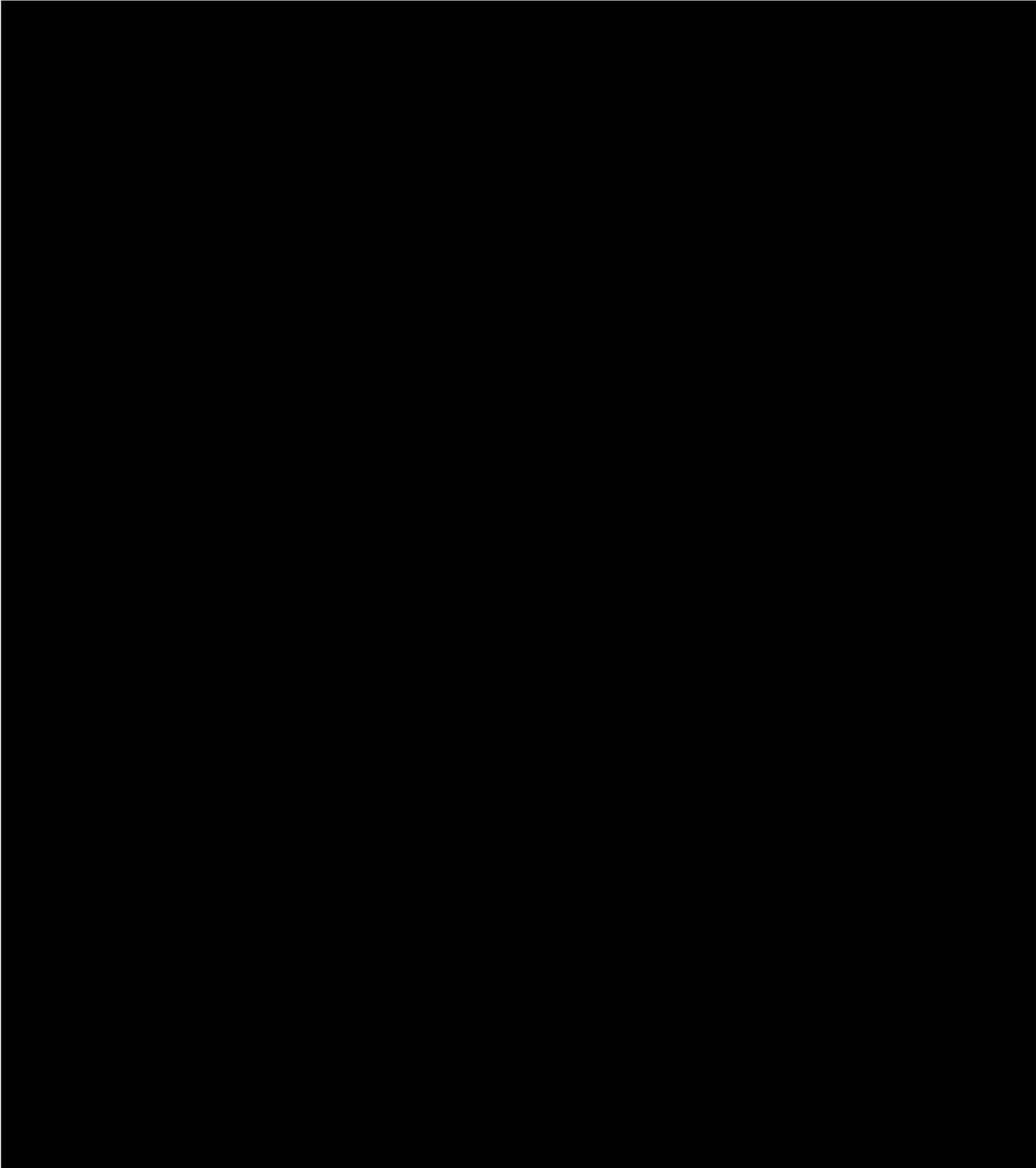
Proof of Funds

[Redacted text block]

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Pro Forma Summary Financials

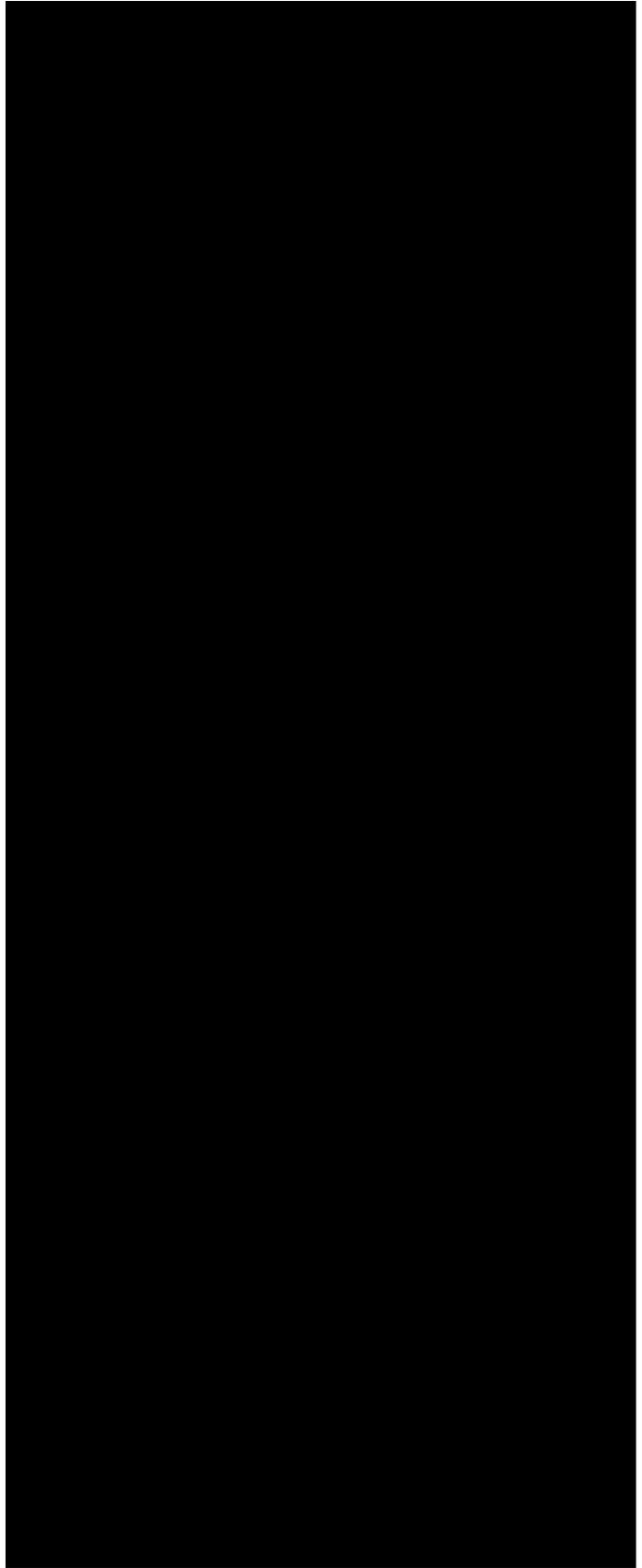
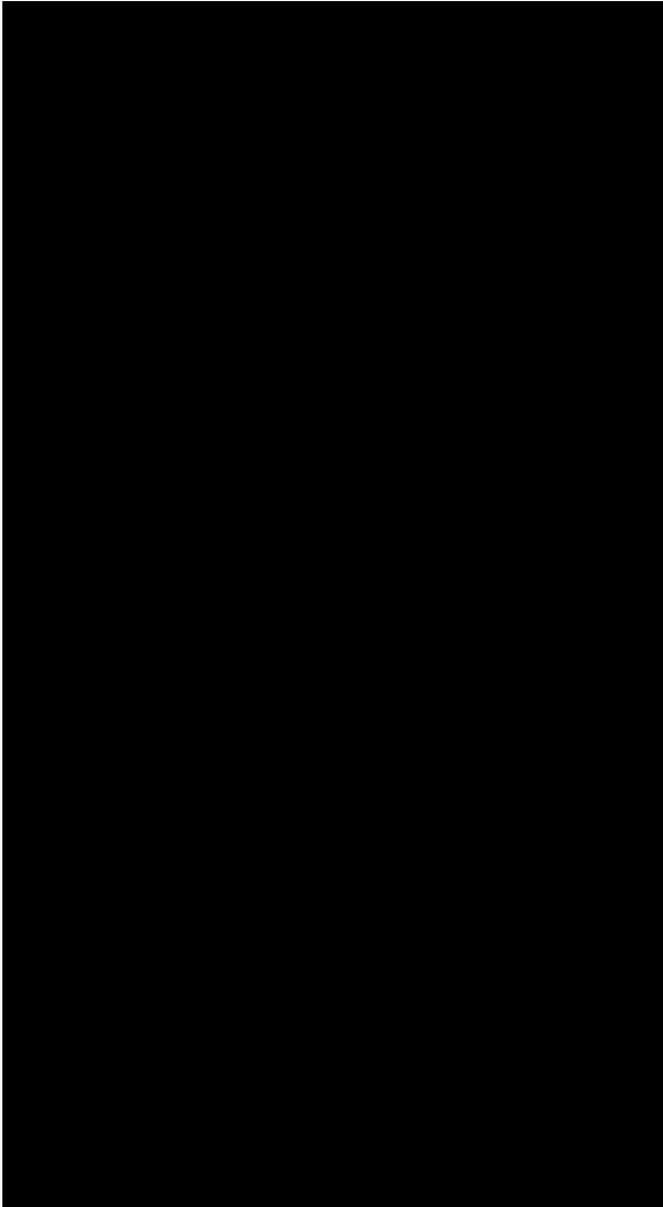
product categories. This includes vape pen



Neighborhood Compatibility

Joseph Bundy distributed a letter, attached as Appendix E, to property owners within 300 feet on 10/31/17. He walked around to neighboring business between 11/1/17 and 11/6/17. Their names, addresses and feedback is attached as Appendix D.

Safety & Security Plan



both job performance and personal conduct. Additionally, this employee handbook will prevent potential lawsuits and workman comp claims by establishing safety and behavioral guidelines.

Community Benefits

To ensure a successful Phase 1 startup, the initial operations will be managed by a team of professionals with experience in commissioning equipment and operations of infused products manufacturing facilities. The employment opportunities will be posted on local job boards such as craigslist as well as ZipRecruiter such that candidates in the local community can be given ample consideration. Several of the positions in packaging and processing do not require advanced degrees and provide a great entry point and promotion pathways for local talent.

Searls Group will be offering no less than nine full-time positions for employment on-site. Priority consideration will be given to residents of Nevada City and Nevada County, respectively. A large focus for hiring, sourcing material, sales, etc. will be on the local community. As residents of Nevada City, we have a vested interest in providing

Employee Handbook

A comprehensive employee handbook is a fundamental part of any business. Recently, a panel of cannabis lawyers stressed the importance of establishing an employee handbook which would serve as a guide for

opportunities and incentives to Nevada City specifically, and Nevada County in general.

Local Hiring Preferences

Searls Group has made a commitment to assist the local economy for the geographic locations in which it has operations. In an effort to promote the local economy, and because the Company believes that it has a civic and social duty to promote hiring of individuals who live in the geographic region of its operations, the Company has adopted a preference for applicants within a five (5) mile radius of its facilities.

In considering applicants for a particular position, Searls Group shall consider the geographic location of candidates and give local candidates preference in hiring decisions. In doing so, Searls Group will not use or consider any criteria, in conjunction with the geographic location of a candidate, that would violate any federal, state or local discrimination law. Company hiring officials shall at all times comply with equal opportunity laws while considering local candidates.

In the event that two or more applicants have substantially equal qualifications for a position, hiring managers shall give preference to the candidate or candidates who live within five (5) miles of Company facilities.

We want to raise our families in a safe, thriving community.

Community outreach has already begun on an individual level as Joseph Bundy is a member of Nevada City Rotary Club, volunteer for Community Beyond Violence (formerly DVSAAC) and investor in the Green Screen Institute's first Accelerator Fund. Involvement in these organizations will only increase as Searls Group ramps up operations and brings more people into the fold. Our family believes strongly that organizations like Community Beyond Violence and others that deal with "safety net services" and education have a real impact on the economic sustainability of a community.

We also understand the stigma and potential danger surrounding cannabis businesses and plan on being torch-bearers and mentors for other local cannabis businesses looking to

come out of the shadows and run legitimate operations.

As a cannabis business, we believe it is imperative that we hold ourselves to a high standard with regard to our operations as well as our community involvement. As a "new industry," we have an opportunity to pave the way for others in our community and beyond to demonstrate the positive impact we can have on a local area. While donating money to local non-profits is helpful, and something we certainly plan on doing, we believe that our time and engagement could potentially be even more valuable. We plan on hiring people that share this vision and will actively be looking for ways that our business can continuously be making the most positive impact.

We recognize the importance of collaboration and fully intend on making it a cornerstone of our business practices as well as our community outreach. Leveraging the power of organizations like the NC Cannabis Alliance, Realtor's Association, Rotary Clubs, ERC, Green Screen Institute, Community Beyond Violence, Tall Pines Nursery, Briar Patch CoOp and many more, we plan on positioning ourselves at the nexus of

community support, development and growth. Raising our families in Nevada City is added incentive for us to ensure a high standard of operation for ourselves and to be an engaged/involved member of the community.

We plan on supporting the local school districts in a variety of ways, including but not limited to our involvement with Nevada City Rotary Club's multi-faceted support of the Girls Who Code program. Our family has invested in the Green Screen Institute's first Accelerator Fund with the intention of enticing more start-ups to visit and fall in love with Nevada County. We feel extremely fortunate to live in a wonderful community like Nevada City and are actively looking for ways to demonstrate our gratitude and facilitate others living their own inspiring lives.

Our community outreach has already begun and we see bringing this business to Nevada City as one of the ways that we can contribute to making a positive impact in our community. We are *honestly* excited about the prospect of generating taxable revenue for the City in order to help with deferred maintenance for critical infrastructure,

among many other endeavors. Before his departure, we had been speaking with City Manager Mark Prestwich about ways that our family could most be of service to Nevada City, and bringing sustainable businesses to the community is one of the main opportunities that we discussed.

This is our chance to put our money where our mouth (and heart) is.

Enhanced Product Safety

As the prop 64 rules; MANUFACTURE WITH VOLATILE SOLVENTS - Unlicensed manufacture of concentrates using volatile or poisonous solvents (not including CO₂ or ethanol alcohol) are subject to heavy felony penalties, as under current law (11362.4(a)6). The proposed MCB will only use concentrates derived from CO₂ and ethanol alcohol.

Residual solvents will be tested to below 500 ppm (legal Ethyl Alcohol limit) and typically less than 50ppm before concentrate products are released from the facility.

Product labeling will be adopted according to other local jurisdictions and legalized states including information such as potency by primary cannabinoid. NORML and AUMA

cannabis labeling will be adopted to coincide with markings.



Environmental Benefits

The business will be utilizing heating, ventilation and air conditioning equipment with efficiency greater than that required by the International Energy Efficiency Code. The business also is choosing to utilize existing developed real estate, reducing the environmental impact when compared to building on undeveloped real estate.

Cannabis is grown in a variety of ways with a range of energy intensity required for its cultivation. The least energy intensive method of growing cannabis is growing outdoors whereas the most intensive is growing indoors. One metric of environmental impact is looking at the “embodied energy” of a particular product. This metric accounts for all the energy used to produce a product. For example, beef has a much higher embodied energy than kale. The manufacturing process described herein

sources outdoor grown cannabis which has the lowest embodied energy of any type of cannabis grow.

Labor & Employment

Providing compensation to, and opportunities for, continuing education and training of employees/staff (applications should provide proof of the MCB policy and regulations to employees). Wage scale should be provided in writing for all levels of employment at the facility.

Local Enterprise

The GM and owner Kevin Bundy has lived in Nevada City for over 4 years, since relocating with his wife Sarah, in 2013. Joseph, Kevin's

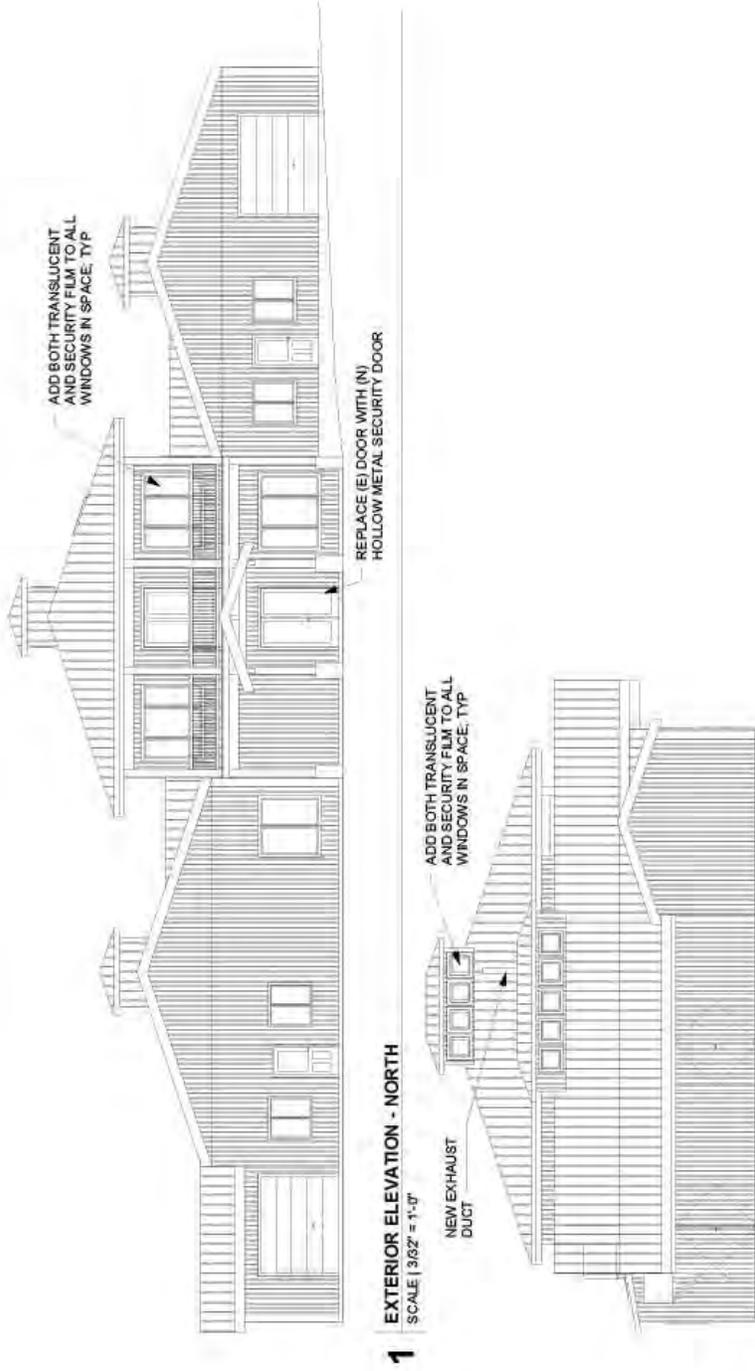
brother and partner, and his wife Michele, have lived in Nevada City, in the 7 Hills District, since 2015.

Qualification of Principals

Kevin Bundy is a licensed real estate broker since 2005, with an emphasis in commercial property management. Since 2015, he has served as a co-founder and CFO of Shadowbox Farms, a licensed recreational marijuana cultivation company in Southern Oregon.

Joseph Bundy is a licensed real estate agent since 2016, also with extensive experience in property management. He is an investor in Shadowbox Farms.

APPENDIX A.1 EXTERIOR ELEVATIONS FRONT



1 EXTERIOR ELEVATION - NORTH
SCALE | 3/62" = 1'-0"

2 EXTERIOR ELEVATION - EAST
SCALE | 3/62" = 1'-0"

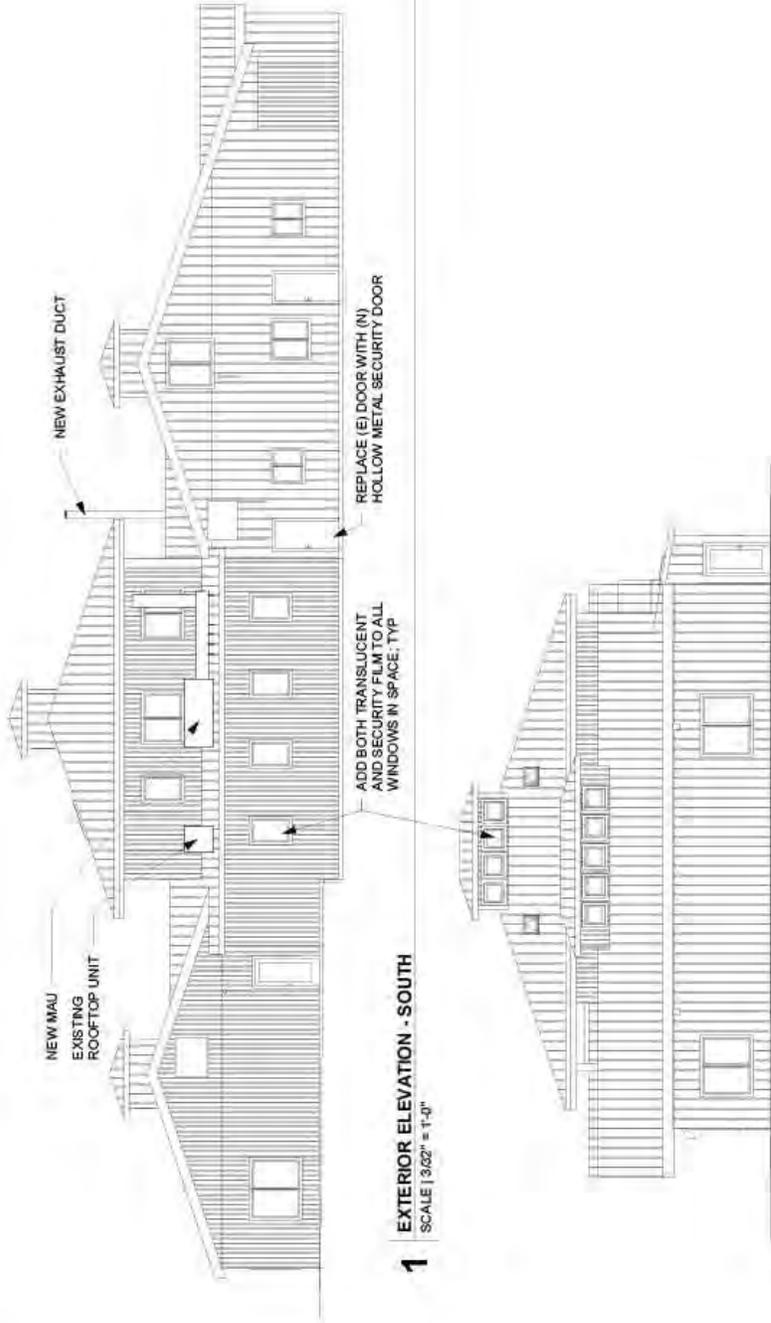
Searis Group
569 SEARLS AVE
NEVADA CITY, CA 95959
JOB # 17-100



DATE	DESCRIPTION
	EXTERIOR ELEVATIONS
	SD106

JOHN HANH DINH

APPENDIX A.2 EXTERIOR ELEVATION REAR



1 EXTERIOR ELEVATION - SOUTH
SCALE | 3/32" = 1'-0"

2 EXTERIOR ELEVATION - WEST
SCALE | 3/32" = 1'-0"

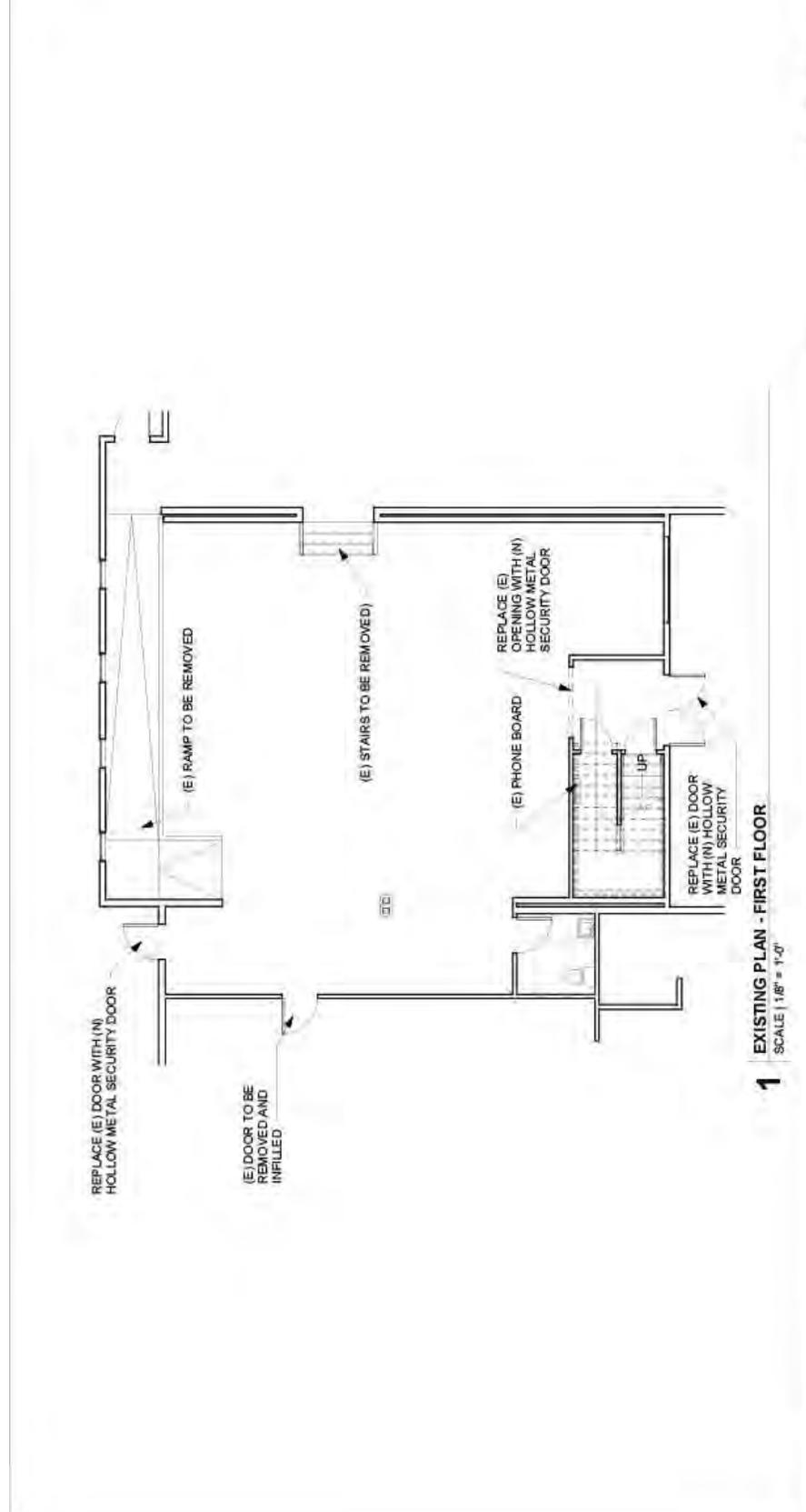
Searis Group
569 SEARLS AVE
NEVADA CITY, CA 95959
JOB # 17-100



DATE	DESCRIPTION
	EXTERIOR ELEVATIONS
	SD105

JOHN HAHN, DORN

APPENDIX A.3 EXITING FLOOR PLAN 1ST FLOOR



DATE	DESCRIPTION
	EXISTING FIRST FLOOR PLAN
	SD103

J. HAYASHI, D.M.A.

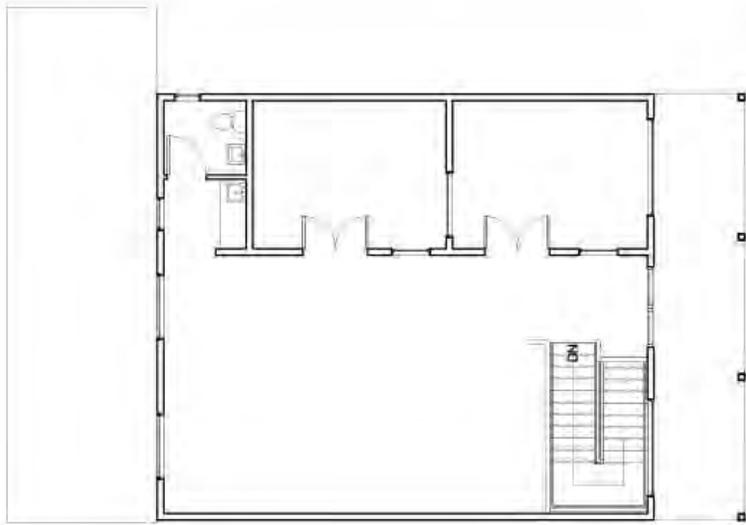
1 EXISTING PLAN - FIRST FLOOR
SCALE 1/8" = 1'-0"

WOODBLOCK
ARCHITECTURE

HYBRIDTECH

Searis Group
569 SEARLS AVE
NEVADA CITY, CA 95959
JOB # 17-100

APPENDIX A.4 EXISTING FLOOR PLAN 2ND FLOOR



1 EXISTING PLAN - SECOND FLOOR
SCALE 1/8" = 1'-0"

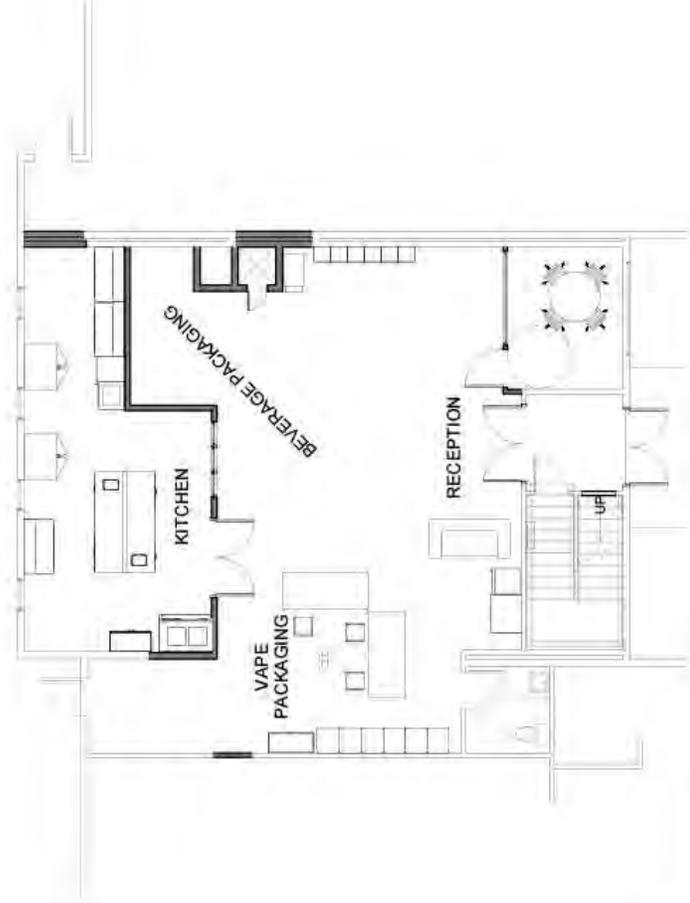
DATE	DESCRIPTION
	EXISTING SECOND FLOOR PLAN
	SD104

JGATSWH H. DMN

Searis Group
569 SEARLS AVE
NEVADA CITY, CA 95959
JOB # 17-100



APPENDIX A.5 PROPOSED 1ST FLOOR PLAN



1 EXISTING FIRST FLOOR PLAN
SCALE | 1/8" = 1'-0"

Searls Group
569 SEARLS AVE
NEVADA CITY, CA 95959
JOB # 17-100



DATE	DESCRIPTION
	PROPOSED FIRST FLOOR PLAN
	SD101

JOHNPAUL DORN

APPENDIX A.6 PROPOSED 2ND FLOOR PLAN



1 PROPOSED LEVEL 2
SCALE | 1/8" = 1'-0"

DATE	DESCRIPTION
	PROPOSED SECOND FLOOR PLAN
	SD102

JOHN W. H. DENK

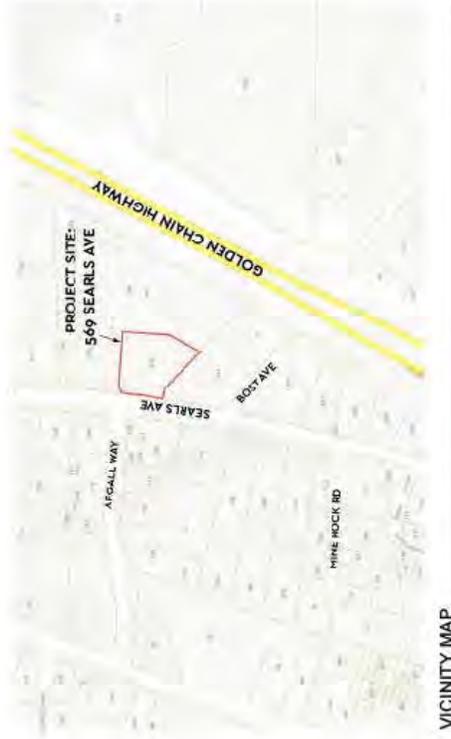
Searls Group
569 SEARLS AVE
NEVADA CITY, CA 95959
JOB # 17-100



APPENDIX A.7 SITE PLAN



1 SITE PLAN
SCALE | 1" = 30'-0"



VICINITY MAP

DATE	DESCRIPTION

SITE PLAN

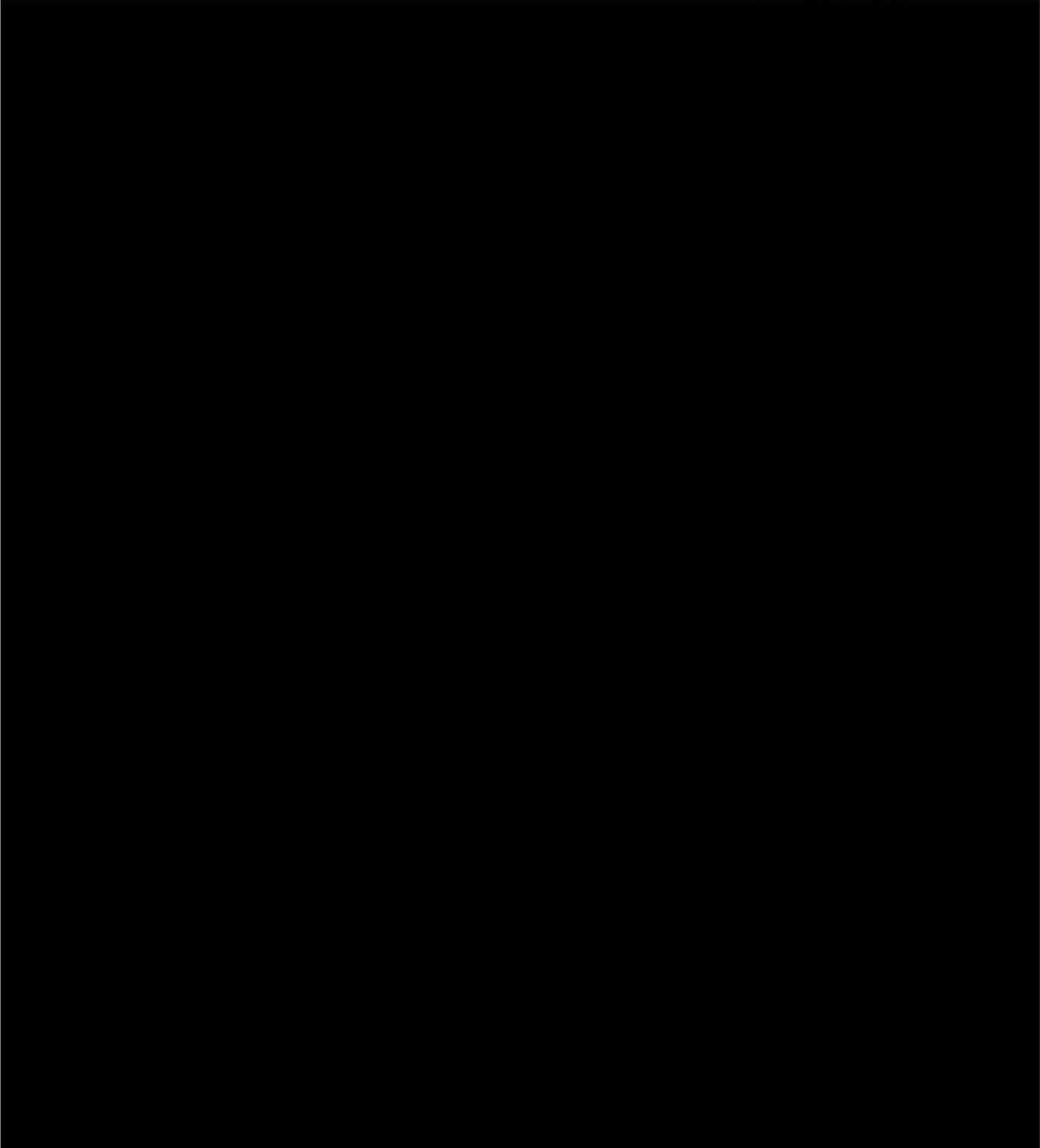
SD100

JOHN HAHN, DMIN

Searls Group
569 SEARLS AVE
NEVADA CITY, CA 95959
JOB # 17-100



APPENDIX A.8 SECURITY PLAN 1ST FLOOR



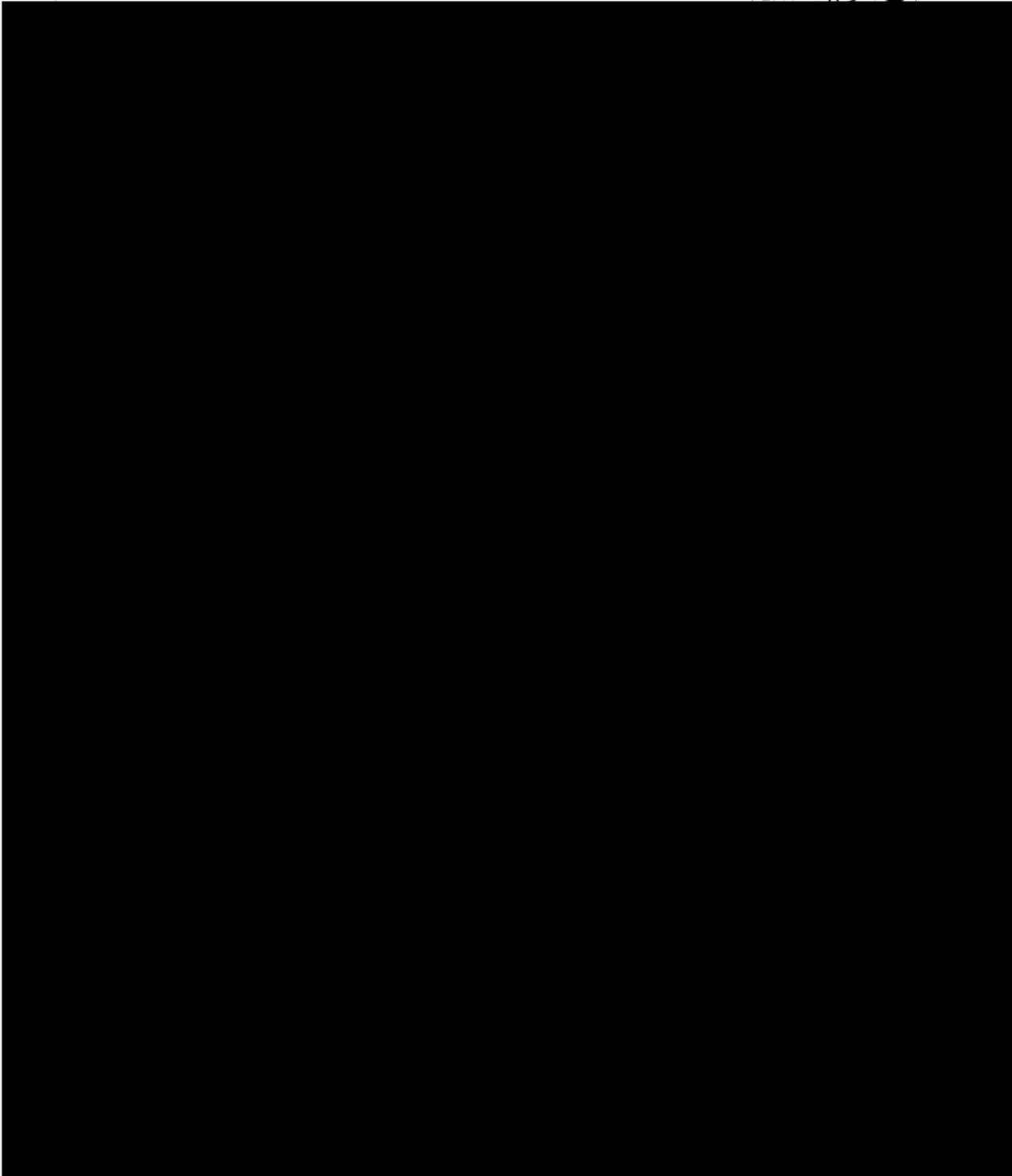
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Searis Group
569 SEARLS AVE
NEVADA CITY, CA
JOB # 17-100

WOOD
ARCHIT

APPENDIX A.9 SECURITY PLAN 2nd FLOOR

OPTION
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COND
PLAN
02



Searls Group
569 SEARLS AVE
NEVADA CITY, CA
JOB # 17-100

WOOD
ARCHITECTS

APPENDIX A.7 EQUIPMENT 1ST FLOOR

PROCESS EQUIPMENT SCHEDULE

EQ. ID	DESCRIPTION	MANUFACTURER	MODEL
EQ-1	FUME HOOD	TBD	
EQ-2	FUME HOOD	TBD	
EQ-3	FUME HOOD	TBD	
EQ-4	CHEMICAL STORAGE CABINET	TBD	
EQ-5	FREEZER/REFRIGERATOR	TBD	
EQ-6	GLASS WASHER	GE	GDF910PSJ
EQ-7	AUTO SPINNING BAND DISTILLER	BIR INSTRUMENT	9200 SERIES WITH CHILLER
EQ-8	FREEZER	SOLLO	40 SERIES
EQ-9	REFRIGERATOR	TRAUlsen	G-SERIES
EQ-10	ROTOVAPORIZER	BUCHI	R-200 SERIES
EQ-11	ROTOVAPORIZER	BUCHI	R-100 SERIES
EQ-12	VACUUM OVENS	TBD	



1 EQUIPMENT PLAN - FIRST FLOOR
SCALE | 1/8" = 1'-0"

DATE	DESCRIPTION
	EQUIPMENT PLAN - FIRST FLOOR
	SDEQ101

Searls Group
569 SEARLS AVE
NEVADA CITY, CA 95959
JOB # 17-100

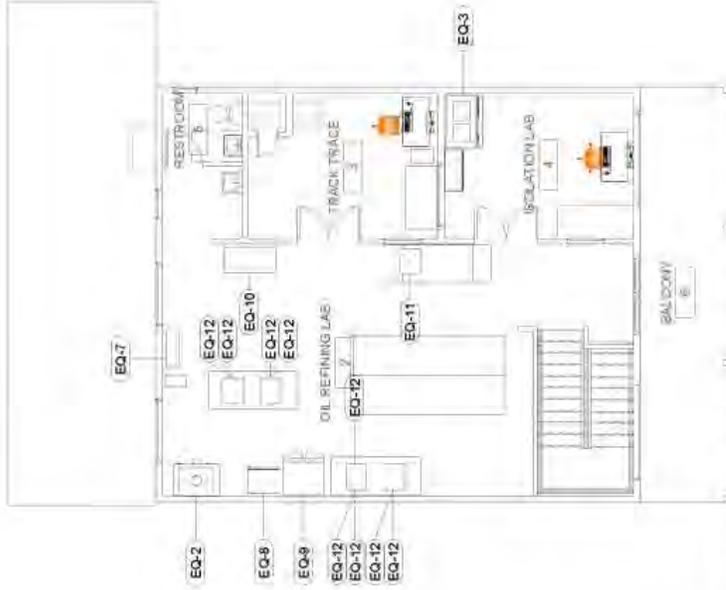


JANUARY 2018

APPENDIX A.8 EQUIPMENT 2nd FLOOR

PROCESS EQUIPMENT SCHEDULE

EQ ID	DESCRIPTION	MANUFACTURER	MODEL
EQ-1	FUME HOOD	TBD	
EQ-2	FUME HOOD	TBD	
EQ-3	FUME HOOD	TBD	
EQ-4	CHEMICAL STORAGE CABINET	TBD	
EQ-5	FREEZER/REFRIGERATOR	TBD	
EQ-6	GLASSWASHER	GE	GDRB10PSJ
EQ-7	AUTO SPINNING BAND DISTILLER	B/R INSTRUMENT	9200 SERIES WITH CHILLER
EQ-8	FREEZER	SC-LOW	40 SERIES
EQ-9	REFRIGERATOR	TRAUULSEN	G-SERIES
EQ-10	ROTOVAPORIZER	BUCHI	R-200 SERIES
EQ-11	ROTOVAPORIZER	BUCHI	R-100 SERIES
EQ-12	VACUUM OVENS	TBD	



1 EQUIPMENT PLAN - SECOND FLOOR

SCALE 1/8" = 1'-0"

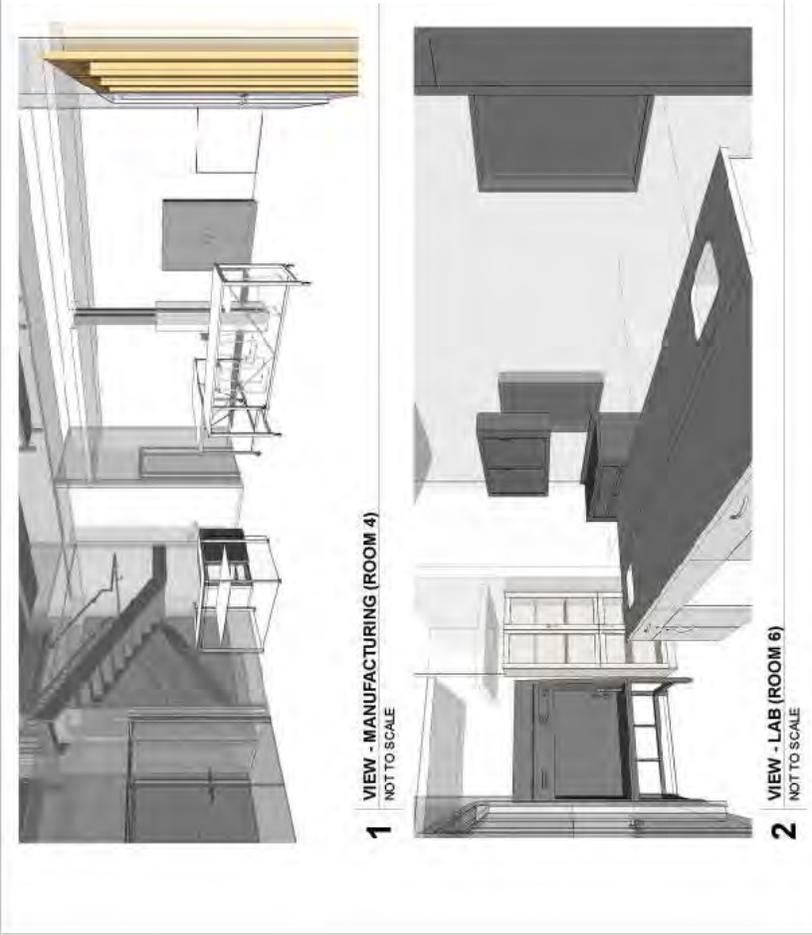
DATE	DESCRIPTION
	EQUIPMENT PLAN - SECOND FLOOR
	SDEQ102

JAMRHH DMN

Seattis Group
569 SEARLS AVE
NEVADA CITY, CA 95959
JOB# 17-100



APPENDIX A.9 RENDER 1nd FLOOR



1 VIEW - MANUFACTURING (ROOM 4)
NOT TO SCALE

2 VIEW - LAB (ROOM 6)
NOT TO SCALE

Searis Group
569 SEARLS AVE
NEVADA CITY, CA 95959
JOB # 17-100



DATE	DESCRIPTION
	EQUIPMENT PLAN VIEWS
SDEQ201	

JOHNATHAN DUNN

APPENDIX A.10 RENDER 2ND FLOOR



1 VIEW - OIL REFINING LAB (ROOM 2)
NOT TO SCALE



2 VIEW - ISOLATION LAB (ROOM 4)
NOT TO SCALE

DATE	DESCRIPTION
	EQUIPMENT PLAN VIEWS
	SDEQ202

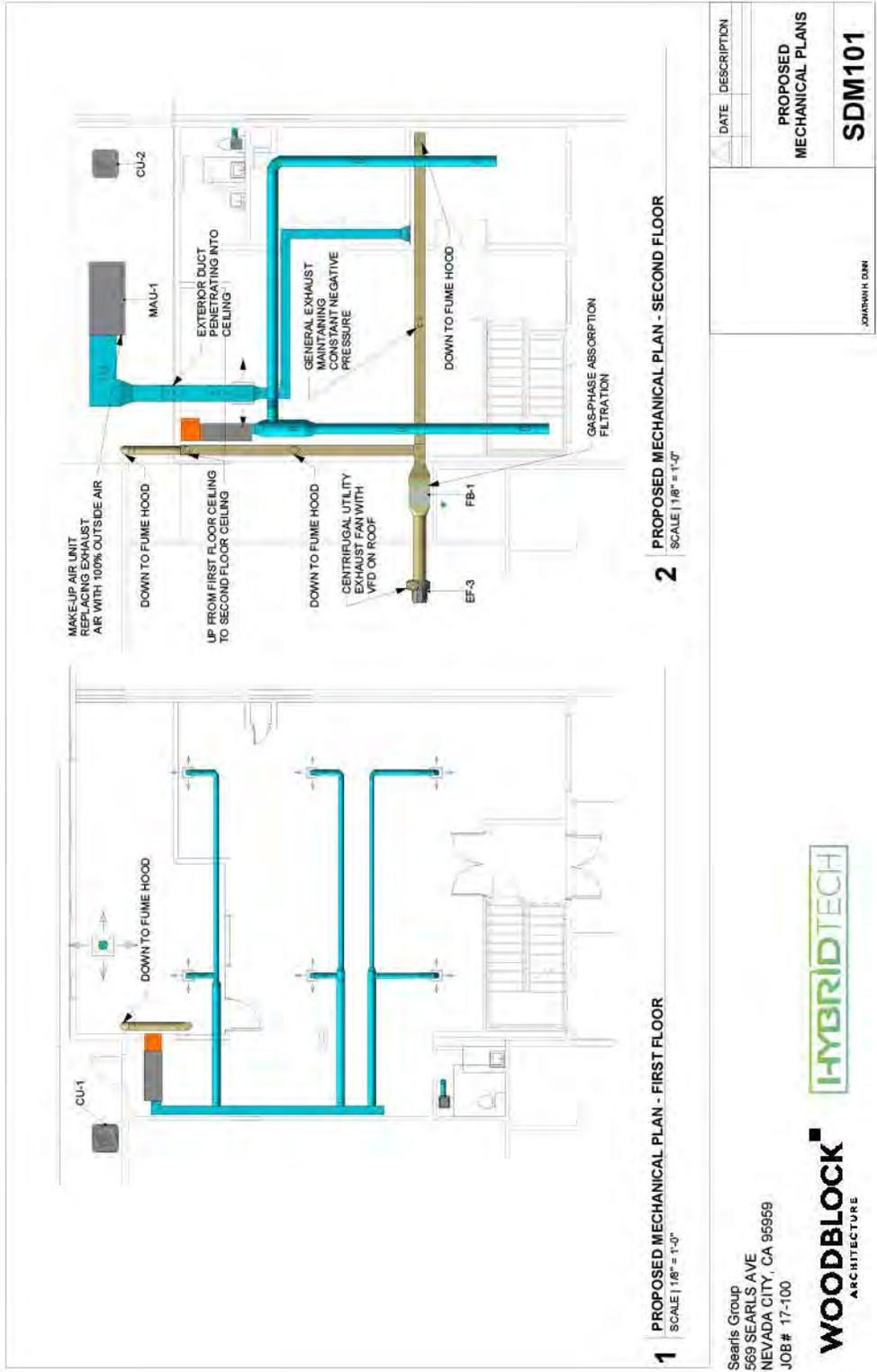
JOHN WINK DUNN

Searis Group
569 SEARLS AVE
NEVADA CITY, CA 95959
JOB # 17-100





APPENDIX A.11 HVAC



1 PROPOSED MECHANICAL PLAN - FIRST FLOOR
SCALE | 1/8" = 1'-0"

2 PROPOSED MECHANICAL PLAN - SECOND FLOOR
SCALE | 1/8" = 1'-0"

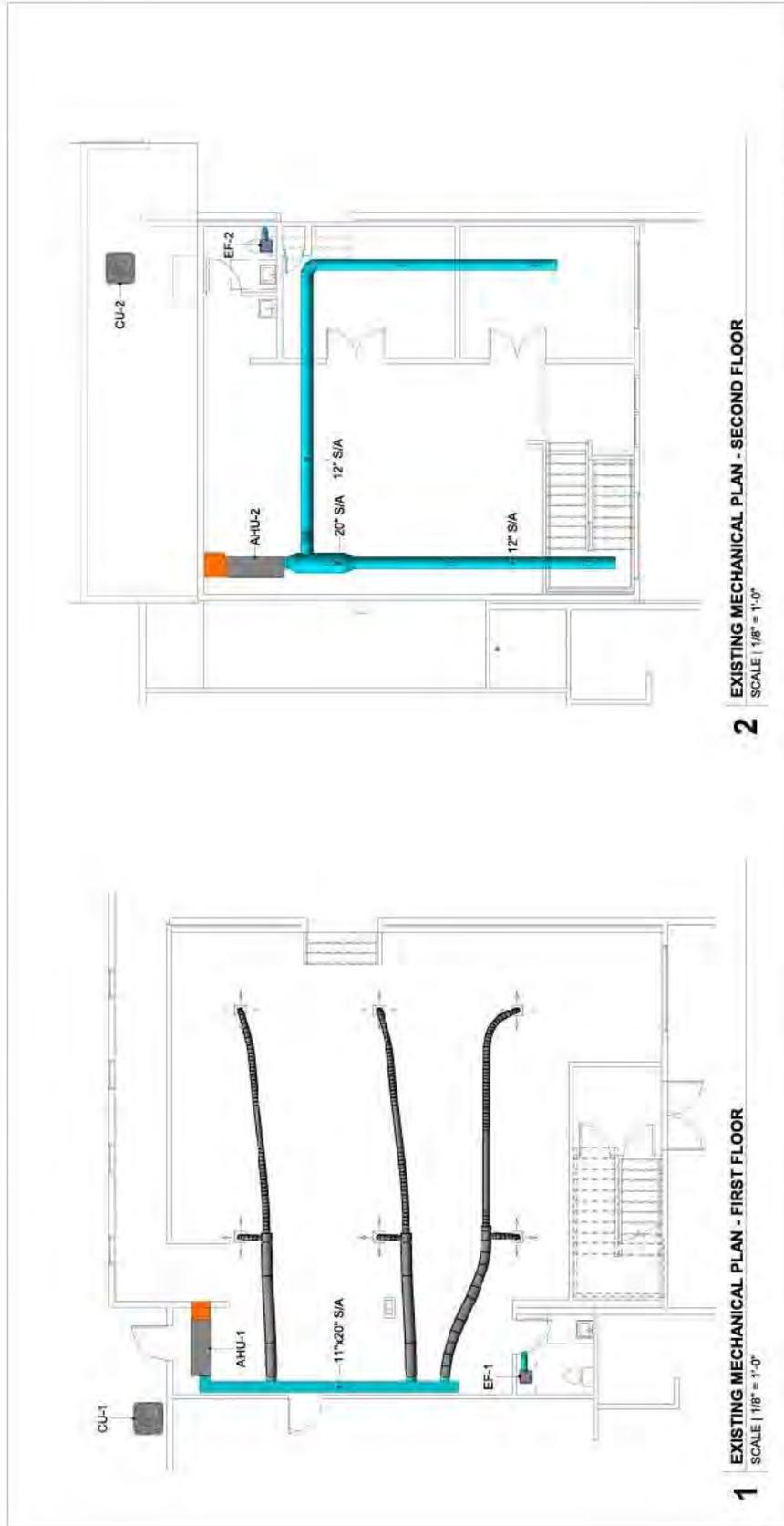
Searls Group
569 SEARLS AVE
NEVADA CITY, CA 95959
JOB # 17-100



DATE	DESCRIPTION
	PROPOSED MECHANICAL PLANS
	SDM101

JOHN W. DANI

APPENDIX A.12 HVAC



2 EXISTING MECHANICAL PLAN - SECOND FLOOR
SCALE | 1/8" = 1'-0"

1 EXISTING MECHANICAL PLAN - FIRST FLOOR
SCALE | 1/8" = 1'-0"

Sear's Group
569 SEARLS AVE
NEVADA CITY, CA 95959
JOB# 17-100

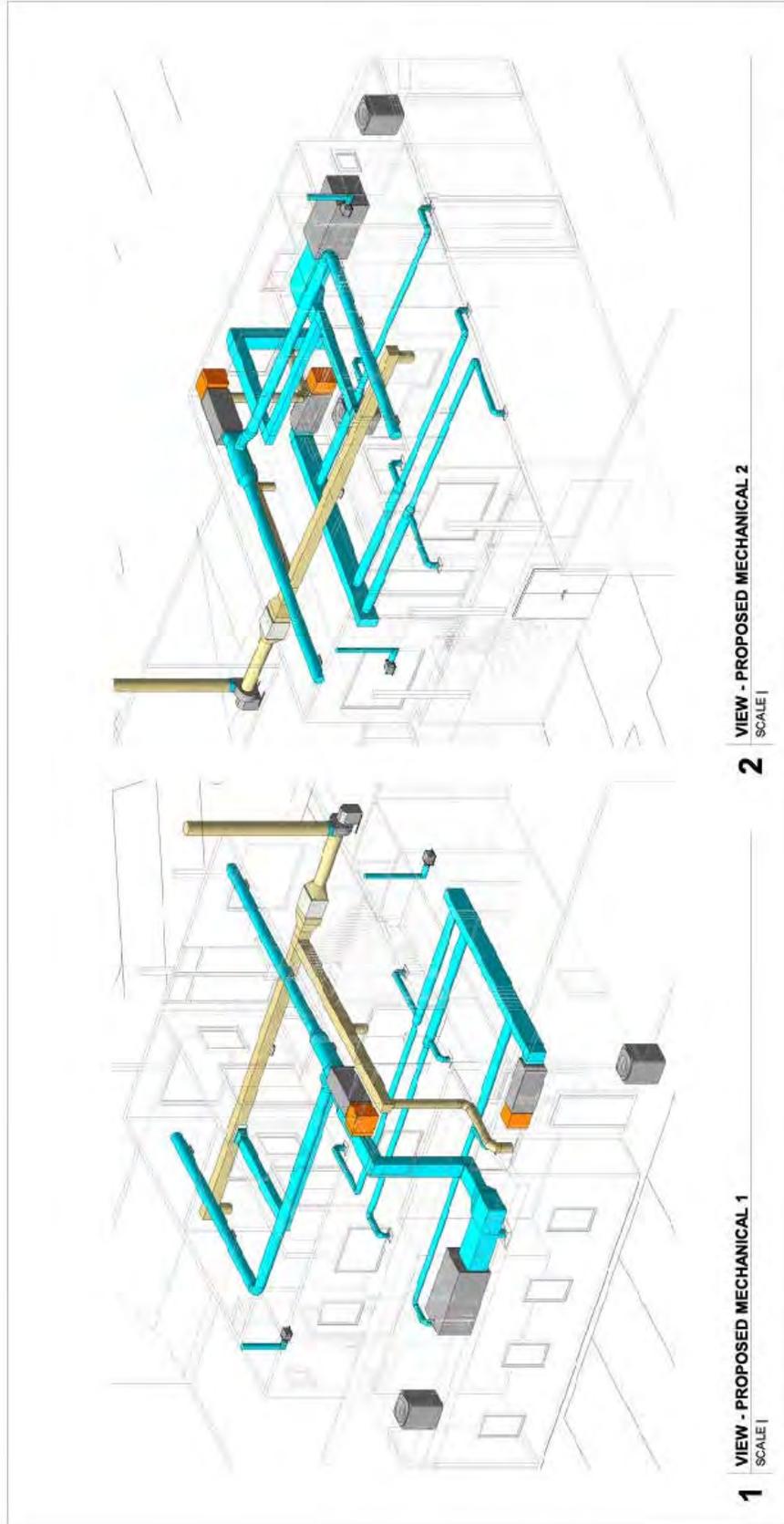
WOODBLOCK
ARCHITECTURE

HYBRIDTECH

JAMRMIH DIN

DATE	DESCRIPTION
	EXISTING MECHANICAL PLANS
	SDM102

APPENDIX A.13 HVAC



DATE	DESCRIPTION
	PROPOSED MECHANICAL 3D VIEWS
	SDM201

JOANMARIE DANN

Searis Group
 569 SEARLS AVE
 NEVADA CITY, CA 95959
 JOB# 17-100

WOODBLOCK
 ARCHITECTURE

HYBRIDTECH

APPENDIX B.1 PRO FORMA Q3, Q4 2018 POST START-UP 2018

INCOME STATEMENT	
Revenue	
Hardware & Packaging	
Crude Cost	
Direct Labor Cost	
Packaging & Hardware	
Total Cost of Revenue	
Gross Profit	
<i>Gross Margin</i>	
Operating Expense	
Personnel	
Travel	
Legal	
Other Marketing	
Accounting	
Other Prof Services	
Rent/Note	
Utilities	
Others	
Total OpEx	
EBITDA	
Depreciation	
EBIT	
Interest Expense	
Net Income before Tax	
Federal (IRS reg 280e)	
Nevada City Tax	
Net Income	

Pro Forma 2018 cont

BALANCE SHEET	
Cash	
Accounts Receivable	
Prepays	
Short Term Deposit	
Computer & Office Equip	
Machinery & Production Equip	
Furniture & Fixture	
CIP/Tenant Improvement	
Building	
Accum Depr	
Net Fixed Assets	
Total Assets	
Accounts Payable	
Loans Payable	
Notes Payable	
Capital Lease	
Total Liabilities	
Shareholders' Equity	
Common Stock	
Paid In Capital	
Retained Earnings	
Total Liabilities and Equity	

Pro Forma 2018 cont

CASH FLOW STATEMENT	
Net Income	
Depr	
Changes in A/R	
Changes in Other Current Assets	
Changes in A/P	
Acquisition of Fixed Assets	
Proceed from Issuance of Stock	
Issue/(Repay) of Loan for Building	
Acquisition of Capital Lease Payments on Notes	
Payment on Capital Lease	
Change in Cash	
Beginning Cash	
Ending Cash	
CF Margin %	

APPENDIX B.2 PRO FORMA 2019

INCOME STATEMENT	
Revenue	
Hardware & Packaging	
Crude Cos	
Direct Labor Cos	
Packaging & Hardware	
Revenue	
Gross Profit	
<i>Gross Margin</i>	
Operating Expense	
Personnel	
Travel	
Legal	
Other Marketing	
Accounting	
Other Prof Services	
Rent/Note	
Utilities	
Others	
Total OpEx	
EBITDA	
Depreciation	
EBIT	
Interest Expense	
Net Income before Tax	
Federal (IRS reg 280e)	
Nevada City Tax	
Net Income	

Pro Forma 2019 cont

BALANCE SHEET
Cash
Accounts Receivable
Prepays
Short Term Deposit
Computer & Office Equip
Machinery & Production Equip
Furniture & Fixture
CIP/Tenant Improvement
Building
Accum Depr
Net Fixed Assets
Total Assets
Accounts Payable
Loans Payable
Notes Payable
Capital Lease
Total Liabilities
Shareholders' Equity
Common Stock
Paid In Capital
Retained Earnings
Total Liabilities and Equity

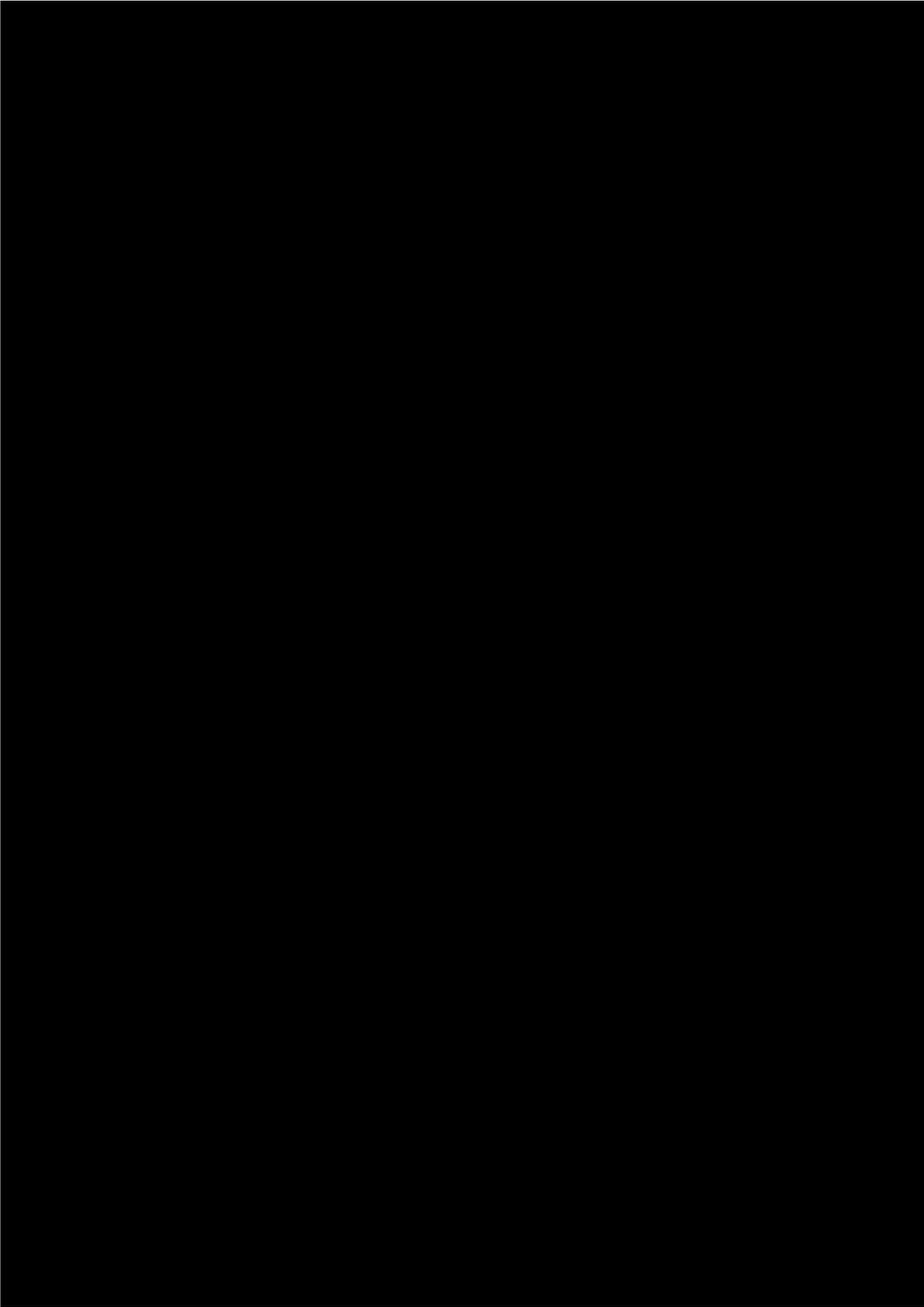
Pro Forma 2019 cont

CASH FLOW STATEMENT	
Net Income	
Depr	
Changes in AR	
Changes in Other Current Assets	
Changes in AP	
Acquisition of Fixed Assets	
Proceed from Issuance of Stock	
Issue/(Repay) of Loan for Building	
Acquisition of Capital Lease	
Payments on Notes	
Payment on Capital Lease	
Change in Cash	
Beginning Cash	
Ending Cash	

APPENDIX B.3 PRO FORMA 2020

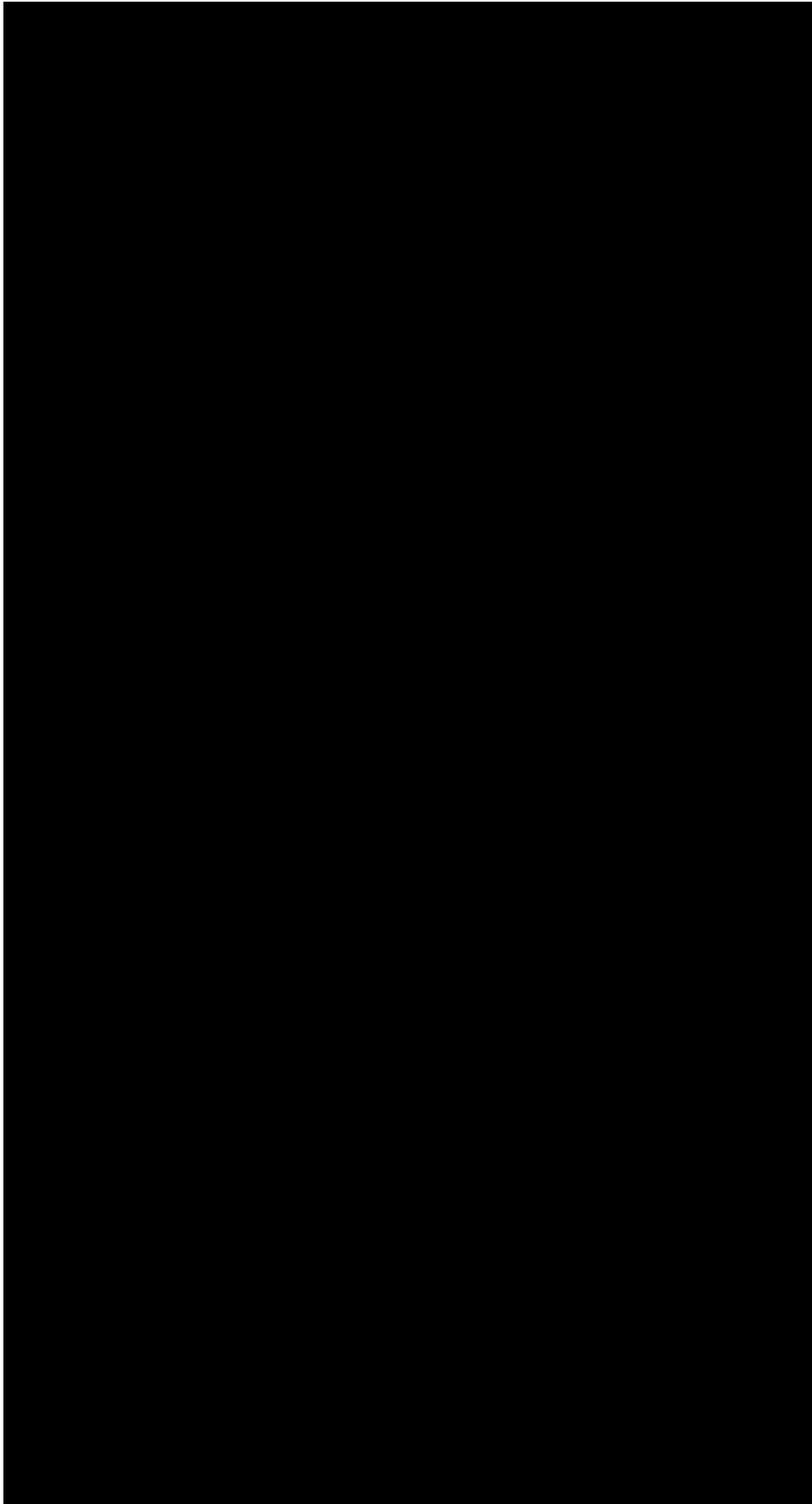
INCOME STATEMENT	
Revenue	
Hardware & Packaging	
Crude Cost	
Direct Labor Cost	
Packaging & Hardware	
Revenue	
Gross Profit	
Gross Margin	
Operating Expense	
Personnel	
Travel	
Legal	
Other Marketing	
Accounting	
Other Prof Services	
Rent/Note	
Utilities	
Others	
Total OpEx	
EBITDA	
Depreciation	
EBIT	
Interest Expense	
Net Income before Tax	
Federal (IRS reg 280e)	
Nevada City Tax	
Net Income	

Pro Forma 2020 cont



BALANCE SHEET
Cash
Accounts Receivable
Prepays
Short Term Deposits
Computer & Office Equip
Machinery & Production Equip
Furniture & Fixture
CIP/Tenant Improvement
Building
Accum Dep
Net Fixed Assets
Total Assets
Accounts Payable
Loans Payable
Notes Payable
Capital Lease
Total Liabilities
Shareholders' Equity
Common Stock
Paid In Capital
Retained Earnings
Total Liabilities and Equity

Pro Forma 2020 cont



CASH FLOW STATEMENT	
Net Income	
Dep	
Changes in A/	
Changes in Other	
Current Asset	
Changes in A/	
Acquisition of Fixed Asset	
Proceed from Issuance of Stock	
Issue/(Repay) of Loan for Building	
Acquisition of Capital Leas	
Payments on Note	
Payment on Capital Leas	
Change in Cash	
Beginning Cash	
Ending Cash	
CF Margin	

APPENDIX C: SITE PHOTOS OF 569 SEARLS AVE







APPENDIX D : NEIGHBORHOOD SURVEY

Address	Business Name	Date contacted	Person contacted	Feedback
100 Argall Wy	Twist Salon	2-Nov-17	Jamie	N/A
102 Argall Wy	Miner Moe's Pizza	2-Nov-17	Daniel	Said "We're on board"
102A Argall Wy	Nevada County Hearing Aid Center	2-Nov-17	Tim	N/A
101 Argall Wy	The Crystal Junction	2-Nov-17	Aaron	Very supportive. Wished us good luck!
103 Argall Wy	Phaneros Art	2-Nov-17	Aaron	Very supportive. Wished us good luck! (same owner as 101 Argall)
104 & 106 Argall Wy	S.O.A.P.	2-Nov-17	Kelly	Said she would pass on letter to owner, Lori
108 Argall Wy	Nevada City Video	6-Nov-17	Catherine	N/A
110 Argall Wy	Shear Bliss Salon	2-Nov-17	Rita & Jill	N/A
112 Argall Wy	Second Time Around Quality Used Furniture	2-Nov-17	Kay & Beth	Curious about dispensaries, but no feedback for us.
114 Argall Wy	49er Coin Laundry	2-Nov-17	Cara & Sean	Awesome! That's exciting!
121 Argall Wy	Sugar Shack	5-Nov-17	Shaloh(sp?)	Wants to see about the possibility of infusing some of her homemade pastries with cannabis oil. Very supportive of our business.
122 Argall Wy	Lady Stardust	2-Nov-17	Tommi	Asked about difference between our business and retail dispensary. No other feedback
117 Argall Wy	Nevada City Shoe Repair	2-Nov-17	Frank	N/A
123 Argall Wy	Jernigan's Tap House	2-Nov-17	Randi	N/A
127 Argall Wy	Gold Country Kuk Sool Won	5-Nov-17	Tony Reyna	Very supportive! Offered for us to use his name as a supporter of ours!
133A Argall Wy	Wilderness Trail Bikes	2-Nov-17	Clayton	N/A
133C,D,E Argall Wy	Lynn Fassler Acupuncture	2-Nov-17	Lynn	Said "Good luck!"
75#1 Bost	Sarah's Gold Country Groomers	6-Nov-17	Sarah	N/A
75#4 Bost	Fit Culture	6-Nov-17	Joey	spoke via phone - said "Good luck!"
529 Searls Ave	Sierra Metal Fabricators	6-Nov-17	Jason	N/A
530A&B Searls Ave	Music In The Mountains	6-Nov-17	Jessica	N/A
530C Searls Ave	Cornerstone Accountants	2-Nov-17	Denise, Cory	N/A
531 Searls Ave	Plaza Tire & Auto Service	2-Nov-17	Paul	N/A
535 Searls Ave	Riebes Auto Parts	2-Nov-17	Bob	N/A
538 Searls Ave	Mane Event	2-Nov-17	Denise & Bradley	Bradley inquired about our plans to hire locals. Her son is an Alta Sierra resident looking for a job. I gave my card and asked that her son contact me.
540 Searls Ave	Nevada City Balley Academy	N/A		Left letter on door on 11/6. Unable to reach them on 11/1, 11/2 & 11/6
542 Searls Ave	Salsa Sierra	2-Nov-17	Lucy	Said that her father-in-law uses edibles for pain related to cancer - she's excited that he will (hopefully) have a local option for purchasing medication.
544 Searls Ave	Gold Country Mine	2-Nov-17	Judy	Said "Good luck!"
546 Searls Ave	Sierra Services For The Blind	2-Nov-17	Nikki	N/A
555 Searls Ave	South Yuba Club	6-Nov-17	Jen	N/A
569 Searls Ave	Fit For Life - Physical Therapy	6-Nov-17	Alexa	N/A
570 Searls Ave	Way Yum Sushi	5-Nov-17	Kelly & Laura	Said "Welcome to the neighborhood!"
572 Searls Ave	Clear Stream Acupuncture	2-Nov-17	Turiya	N/A
571B Searls Ave	Nevada City Picture Framing & Art Gallery	2-Nov-17	Tristan	N/A
571C Searls Ave	Contract Manufacturing, Inc.	2-Nov-17	Dale & Ruth	Curious about security and odor mitigation. Wished us luck. Happy that we're very local and a family business.
578 Searls Ave	Core Movement	2-Nov-17	Shaun	Said "Good luck!"
580 Searls Ave	Acorn School of Herbal Medicine	2-Nov-17	Heather	Very excited! Asked if she could pass my name on to her clients.
582 Searls Ave	Sierra Spine & Fitness - Rehab Center	6-Nov-17	Carol	N/A
590#13 Searls Ave	Vibrant Living Center	2-Nov-17	Dr. Williams	N/A
600 Searls Ave	private residences	6-Nov-17	Paul Hastings	He asked that we not disturb his individual tenants. He's supportive of our business and looks forward to the tax revenue being used to fix potholes.

APPENDIX E : NEIGHBORHOOD SURVEY LETTER

Searls Group

104B New Mohawk Rd., Nevada City, CA 95959

530.362.8090



October 31, 2017

Recipient Name

Recipient Company Name

Recipient Address

Dear Recipient Name

We would like to introduce ourselves and let you know that we are planning to bring a new business to the 7 Hills Business District!

We are Joe and Kevin Bundy – Nevada City residents that love this area. We are excited to open a new business and offer good jobs to locals.

Our proposed business will be the cultivation, processing and wholesale distribution of cannabis at: 569 Searls Ave., Nevada City, CA. We are working closely with the city and a team of expert consultants on all applications, licensing and permits to ensure our business runs smoothly and integrates into the community.

Part of that integration process is touching base with our neighbors – you! If you haven't seen him already, Joe will be coming around to make personal introductions and answer any questions or address concerns you may have. We would also like to invite you to contact us via phone or email (contact info listed above), if an in-person conversation is not convenient, or you would prefer to schedule a time for Joe to come by for a visit.

We look forward to meeting you and working together to help the community of Nevada City continue to thrive and be the kind of neighborhood wherein we are proud to raise our families.

Sincerely,

Searls Group



APPENDIX F: MEDICAL CANNABIS BUSINESS PERMIT APPLICATION FORM



City of Nevada City

Planning Department
317 Broad Street, Nevada City CA 95959

Phone: 530 -265-2496
Email: Amy.Wolfson@NevadaCityCA.gov

Staff Use

Fee:\$ _____

Date Paid: _____

MEDICAL CANNABIS BUSINESS PERMIT APPLICATION FORM (dispensary applicants, use other specific application form)

Please submit a minimum of **five (5) bound hard copies** and **one (1) digital copy** (usb drive or CD) of all application material.

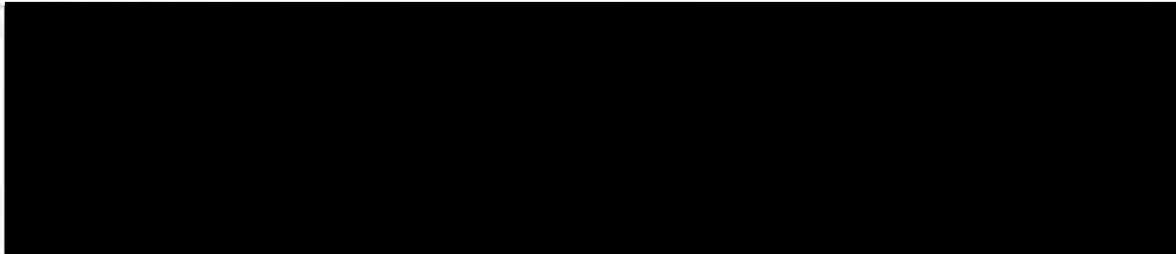
Check business type being proposed. If multiple types are proposed, each type will need to be distinctly addressed in the supplemental documentation and on this form. A separate form may be submitted if it will help provide clarity.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Manufacturing | <input type="checkbox"/> Testing |
| <input checked="" type="checkbox"/> Cultivation | <input checked="" type="checkbox"/> Transportation |
| <input type="checkbox"/> Testing Laboratory | <input type="checkbox"/> N/A Dispensary (use separate form) |

Business Name: Searls Group LLC

Business Primary Contact: Kevin Bundy

Contact Title: Principal



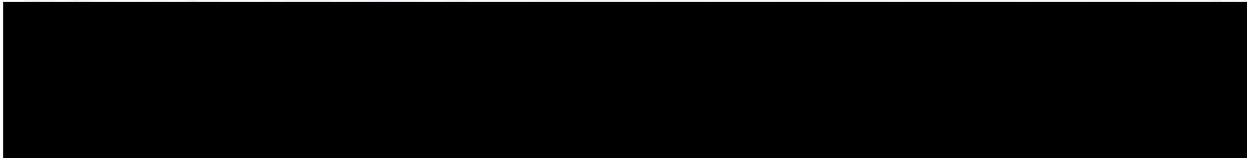
For details about the information required as part of the application process, please see the Implementation Procedures to Operate a Medical Cannabis Business in Nevada City, Ordinance No. 2017-06 and additional requirements in order to complete the application process. All these documents can be found on the Nevada City webpage: www.NevadaCityCA.gov

Section A: Principal Background Information (Must be signed by all Principals)
(Add more pages as necessary to accommodate signatures of all Medical Cannabis Business Principals.)

Under penalty of perjury, I acknowledge that I have personal knowledge of the information stated in this application and that the information contained herein is true. I also understand that the information provided in this application, except the Safety and Security Plan in Section C and certain confidential information such as driver's license and social security number, which can be redacted, may be public information and subject to disclosure under the California Public Records Act.

Principal Name: Kevin Bundy

Principal Title: Principal/Owner

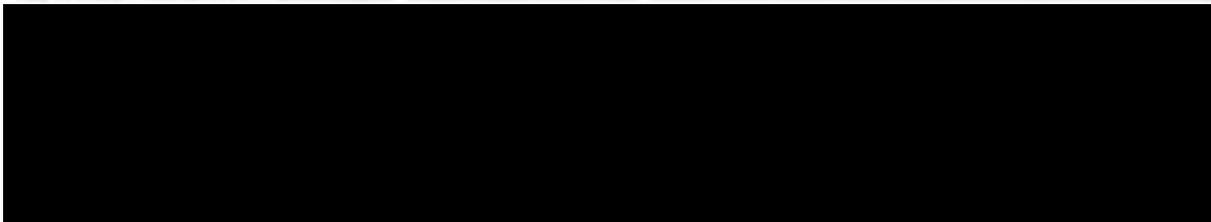


Attachments:

- * If business will operate as a collective/cooperative provide proof of status as a qualified patient or primary caregiver (State card or doctor recommendation)
Receipt from Live Scan check - Live Scan code not yet available
* Picture of applicant (two passport quality photographs 2X2)
* Copy of Social Security Card
* Copy of Driver's License, OMV issued ID Card or Passport
* Proof of address (DMV-issued ID/driver's license, and/or recent utility bill under Principal's name)

Staff use only: Pass background check _____

Principal Name: Joseph Bundy



Attachments:

- * If business will operate as a collective/cooperative provide proof of status as a qualified patient or primary caregiver (State card or doctor recommendation)
Receipt from Live Scan check - Live Scan code not yet available
* Picture of applicant (two passport quality photographs 2X2)
* Copy of Social Security Card
* Copy of Driver's License, OMV issued ID Card or Passport
* Proof of address (DMV-issued ID/driver's license, and/or recent utility bill under Principal's name)

Staff use only: Pass background check _____

Principal/Partner History:

1. List whether the applicant(s) has other licenses and/or permits issued to and/or revoked from the applicant, in the three years prior to the year of the permit application, such other licenses and permits relating to similar business activities as in the permit application. If yes, please list the type, current status, issuing/denying for each license/permit. (Please attach a separate document explanation if necessary)

2x - OLCC tier 2 cultivation license, Current, Oregon Liquor Control Commission

2. List any and all partners who have been found guilty of a violent felony, a felony or misdemeanor involving fraud, deceit, embezzlement, or moral turpitude, or the illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substance Act, with the exception of medical cannabis related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996. (Please attach a separate document explanation if necessary)

na

Section B: Business Organization Status

1. Describe the Medical Cannabis Business organizational status:

Sears Group LLC is a California Limited Liability Company

Attach proof of status, such as articles of incorporation, by-laws, partnership agreements, and other documentation as may be appropriate or required by the City.

Section C: Medical Cannabis Business Description and Location

1. Statement of Purpose of Medical Cannabis Business (a separate sheet may be attached, labeled Section C.1):

The Medical Cannabis Business will create new local jobs producing and distributing craft indoor cannabis, extractions

concentrates and products including vape pens, a cannabis beverage, and unique chocolate confections tailored to locally-

sourced ingredients.

2. Proposed Location of Business: 569 Searls Ave Suite C, Nevada City, CA 95959

3. Name and address of property owner: NC Acquisition 559, LLC

2815 Camino Del Rio S. #118, San Diego, CA 92108

4. Name and address of school (s) and/or public park(s) closest to Proposed Location : _____

Forest Charter School, 470 Searls Ave is 1056 feet from 569 Searls Ave.

Nearest public parks are Colonial Park at 211 Broad St (.9 miles) and Pioneer Park, 421 Nimrod St (.1 mile).

5. Have you received a Zoning Verification Letter? (Please check the appropriate response)
Yes _____ (If yes, include documentation with this section of the application) No x

6. Description of neighborhood around the proposed location surrounding uses, nearby sensitive uses (such as schools, churches, parks, daycares, or residents), transit access to site, etc. A separate sheet may be attached and labeled Section C.6.

Forest Charter School, 470 Searls Ave is 1056 feet from 569 Searls Ave.

Nearest residences are on Mine Rock Rd. where one of our principals (Joe) lives, roughly 1000 feet away.

The #1 bus stops at Zion St (about .2 miles, 6 min walk) from 569 Searls Ave. once an hour during commute times.

7. Site plan must be dimensioned and show the entire parcel including parking and additional structures [recommended scale of 1"= 20']. In addition, please attach elevations and photos of proposed location. If any exterior alterations are proposed for the existing building, also attach a proposed site plan that is accurate, dimensioned and to-scale for each potential location and include elevation details. The scale should accommodate an accurate site plan on a sheet of paper no larger than 11X 17.

8. Floor Plans shall be attached and shall be accurate, dimensioned and to-scale [recommended scale of 1/4"= 1'] for each potential location. If any interior alterations are proposed for the existing building, also attach proposed floor plans. The scale should accommodate an accurate floor plan on a sheet of paper no larger than 11X 17.

9. Signage Plan.

10. Vicinity Map.

11. Photos of the site and building(s).

Section D: Required supplemental information
This information is required for this application to be considered complete. Attach the following reports to the application.

- Business and Parking Plan
- Neighborhood Compatibility Plan
- Safety and Security Plan
- Environmental Benefits (Water/Energy Efficiency Measures)
- Community Benefits
- Labor and Employment
- Local Enterprise
- Qualifications of Principals

STAFF USE ONLY :

Date of initial application: _____

File Number assigned to application:

Date fee received _____

Date application reviewed for completeness:

Complete

Incomplete

Date Proof of ownership was verified or a signed and
notarized statement from the _____ property owner was received

Date application reviewed by Planning Commission: _____

Approved

Denied

January 22, 2018



Nevada City Licensing Application

Distribution License Application Supplemental Information

Facility Located at:
569 Searls Ave, Suite C
Nevada City, CA 95959

PRESENTED BY: SEARLS GROUP LLC:
KEVIN & JOE BUNDY
NEVADA CITY RESIDENTS

Please elaborate on the Distribution component of your application.

- **Will you be distributing product other than your own?** Yes, we would like to distribute our own product (self-distribution), as well as industry distribution of flower, oil, and finished products for other local licensed companies, as the mutually beneficial relationships are developed.
- **Indicate security measures for receiving/ sending product?** At Searls Group, we will have inventory in four categories - raw materials, finished product, work in process and supplies. Raw materials will be converted into the finished product during the manufacturing process. Finished goods are produced during the manufacturing process. Once packaged, finished goods are ready for shipment. Work in process is inventory that is in the process of being manufactured. The item has been pulled from the raw materials inventory, but has not yet been placed into finished goods inventory. Supplies are the items that are consumed during the everyday operations of the business. Supplies include cleaning and maintenance supplies, items used during the manufacturing process, packaging, and office supplies. We will keep these items secure from damage and theft in order to meet all shipment deadlines and to keep inventory and production costs down.

When raw materials are received, the receiving clerk will manually inspect the items for damage before placing them in their designated storage area. We will limit access to areas where raw materials are stored to authorized personnel only.

Monthly inventory counts will be conducted to ensure that raw materials are not being stolen or misappropriated.

We will store finished goods securely in our production facility. We will limit access to these areas to authorized personnel only and monitor the areas with surveillance cameras.

Work in process inventory has real value and must be secured. We will monitor the work areas with surveillance cameras.

Access to business (non-cannabis) supplies will be restricted to authorized personnel and monitored by the surveillance camera system.

- **What form of product will you be distributing (i.e. oil, flower, etc) and how will it be packaged?** We plan on distributing oil, flower, edibles, and topicals obtained from other licensed businesses only.
- **Hours of operations?** We plan on conducting all distribution activities between 8am and 8pm, Monday through Saturday.
- **Do you have access to a secure loading bay?** No, our material inputs and finished product will be able to be loaded and unloaded into transport vehicles using the secure entrance/exit on our current floor plan.
- **What volume of product do you anticipate distributing?** We will initially be applying for the second smallest state distributor license through the Bureau of Cannabis Control, which allows for \$2 million to \$8 million in annual volume.

What type of vehicle(s) will be used for distribution? Distribution will happen in a vehicle, van and/or trailer with vehicle alarm system. We intend to have one vehicle used for all deliveries and pick ups. Specific make and model has not been selected yet. Cannabis good will be locked in a box, container, or cage that is secured to the inside of the vehicle.

Parking. One parking space will be necessary for this part of the operation.

Overflow parking will likely be located at the commercial lot at 555 Searls Ave, Nevada City.

- **What will the distribution routes look like and what type of facilities will be visited?** Distribution routes will be only from our licensed premises to the pick up or delivery address (other licensed premises). We will be visiting other licensed cultivators, distributors, manufacturers and retail dispensaries. All routes will be manifested in METRC prior to leaving our premises. Our driver will only deviate from the prescribed route for necessary rest, fuel, vehicle repair stops, or because road conditions make continued use of the route unsafe, impossible or impracticable.

State-licensed security personnel

Searls Group intends on utilizing state-licensed security personnel to periodically patrol the premises and supervise incoming deliveries into our licensed premises and loading of outgoing deliveries into our vehicles. We intend to share this resource with the Elevation 2477' dispensary, located at 569 Searls Ave, Suite D.

Neighborhood integration. We anticipate the industry-distribution portion of our business will add 2-3 deliveries per week to our overall business operations initially, with the potential to scale over time as more local cultivators are licensed in Nevada County.

Non-Public facing. Our business will not be public facing. We anticipate having a very light footprint on traffic in the 7 Hills Business District. We will not have a sign on the street or front of the building announcing our business and location.

Community involvement and communication. We will initiate and welcome ongoing conversations with neighbors, particularly about safety and impact of our business and the cannabis industry.

December 13, 2017



WOODBLOCK
ARCHITECTURE

HYBRIDTECH

VLMK
ENGINEERING + DESIGN

OGZ
Holdings

Nevada City Licensing Application

Supplemental Information

Facility Located at:
569 Searls Ave, Suite C
Nevada City, CA 95959

PRESENTED BY: SEARLS GROUP LLC:
KEVIN & JOE BUNDY
NEVADA CITY RESIDENTS

December 13, 2017

Kevin Bundy
Searls Group
569 Searls Ave, Suite C
Nevada City, CA 95959

Nevada City Planning Commission
317 Broad St
Nevada City, CA 95959

Dear Nevada City Planning Commissioners,

We appreciate your time in evaluating our Medical Cannabis Business Application.

Searls Group would like to work with Nevada City to develop cannabis manufacturing, distribution and cultivation businesses over time. The California state emergency draft regulations discuss one license type per licensed premise, or a microbusiness license that allows for multiple business types that can share a licensed premise.

Until more clarity is established on what the requirements from the state will be for a “licensed premise” (i.e. walls delineating separate spaces, separate addresses, etc.), we would like to prioritize the manufacturing license, and ask for a continuance on the distribution and cultivation license applications.

We would like to continue the discussions around the additional licenses at the appropriate time. We look forward to making a short presentation at the December 21st Planning Commission meeting.

Sincerely,

Kevin Bundy
Searls Group

Questions and answers regarding our initial license application, dated November 9, 2017.

- **Please elaborate on the Cultivation component of your operation. – We would like to send a more detailed cultivation plan when there is further clarification from the state on whether we can share the licensed premises.**

- **How many plants?** TBD
- **How large an area?** TBD
- **Location of cultivation area?** TBD
- **How will the contents be accounted for?**

We will use Franwell's METRC for California-compliant track and trace inventory management.

- **How will waste products be disposed?**

We intend to fully comply with the regulations set out in section 5055 of the California Bureau of Cannabis Control Emergency Regulations, or superseding permanent regulations, when available. We will dispose of cannabis waste in a secured waste receptacle, with access limited to us (the licensee), our employees, and the local agency, local agency franchiser, or permitted private waste hauler. Public access to the designated receptacle or area is prohibited. Please see attached Appendix D Secure Waste Receptacle Location.

- **Please elaborate on the Distribution component of your application.**

- **Will you be distributing product other than your own?**

Yes, we would like to distribute flower, oil, and finished products for other local licensed companies, as the mutually beneficial relationships are developed.

- **Indicate security measures for receiving/ sending product?**

At Searls Group, we will have inventory in four categories - raw materials, finished product, work in process and supplies. Raw materials will be converted into the finished product during the manufacturing process. Finished goods are produced during the manufacturing process. Once packaged, finished goods are ready for shipment. Work in process is inventory that is in the process of being manufactured. The item has been pulled from the raw materials inventory, but has not yet been placed into finished goods inventory. Supplies are the items that are consumed during the everyday operations of the business. Supplies include cleaning and maintenance supplies, items used during the manufacturing process, packaging, and office supplies. We will keep these items secure from damage and theft in order to meet all shipment deadlines and to keep inventory and production costs down.

When raw materials are received, the receiving clerk will manually inspect the items for damage before placing them in their designated storage area. We will limit access to areas where raw materials are stored to authorized personnel only.

Monthly inventory counts will be conducted to ensure that raw materials are not being stolen or misappropriated.

We will store finished goods securely in our production facility. We will limit access to these areas to authorized personnel only and monitor the areas with surveillance cameras.

Work in process inventory has real value and must be secured. We will monitor the work areas with surveillance cameras.

Access to business (non-cannabis) supplies will be restricted to authorized personnel and monitored by the surveillance camera system.

- **What form of product will you be distributing (i.e. oil, flower, etc) and how will it be packaged?**

We plan on distributing oil, flower, edibles, and topicals obtained from other licensed businesses only.

- **Do you have access to a secure loading bay?**

No, our material inputs and finished product will be able to be loaded and unloaded into transport vehicles using the secure entrance/exit on our current floor plan.

- **What volume of product do you anticipate distributing?**

We will initially be applying for the second smallest state distributor license through the Bureau of Cannabis Control, which allows for \$2 million to \$8 million in annual volume.

- **What type of vehicle(s) will be used for distribution?**

Distribution will happen in a vehicle, van and/or trailer with vehicle alarm system. Cannabis good will be locked in a box, container, or cage that is secured to the inside of the vehicle.

- **What will the distribution routes look like and what type of facilities will be visited?**

Distribution routes will be only from our licensed premises to the pick up or delivery address (other licensed premises). We will be visiting other licensed cultivators, distributors, manufacturers and retail dispensaries. All routes will be manifested in METRC prior to leaving our premises. Our driver will only deviate from the

prescribed route for necessary rest, fuel, vehicle repair stops, or because road conditions make continued use of the route unsafe, impossible or impracticable.

- **Can you confirm that you will not use hydrocarbon extraction practices in the manufacturing process?**

Yes, Searls Group will not use hydrocarbon extraction practices in the manufacturing process. We are planning on applying for a Type 6 state license, which allows for mechanical methods or nonvolatile solvents, infusion operations, and packaging and labeling of cannabis products.

- **Please list all the products you will be manufacturing (oils, edibles, topicals, etc).**

Searls Group will be manufacturing edibles, concentrates, topicals, capsules/tablets, vape cartridges, and tinctures.

- **Can you provide manufacturer's specs for any specialized equipment you will be using and include the manufacturer's maintenance schedule?**

Attached to the email is a zip file with the spec sheets from the manufacturers for the specialized equipment we will be using. Most of the manufacturers treat the recommended maintenance schedules as proprietary information, and distribute after we purchase the equipment.

As we are installing and testing the equipment, we will develop internal maintenance schedules and Standard Operating Procedures, to meet or exceed the manufacturer recommendations. Although this information will be proprietary, we will be happy to share with City officials for review, upon request.

- **Provide a statement of commitment to the manufacturer's maintenance schedule for any specialized equipment.**

It is the policy of Searls Group LLC to provide quality work, services, and products that meet or exceed the expectations of our clients and requirements of local and state licensing bodies. Searls Group is committed to continuous quality improvement through involvement of all personnel, Clients and governing jurisdictions, in a systematic, logical process, to continually improve Searls Group's work practices and procedures. Searls Group is committed to meet or exceed the manufacturers' maintenance schedules for all specialized equipment."

- **Overflow parking**

Please see attached LOI and site plan for renting 5 additional parking spaces at 102 Mine Rock Rd, Nevada City. More parking is available in that same location, if necessary.

- **Elaborate on the function of the equipment listed in the Security Plan with a brief description of the function of each of the equipment categories listed.**

Security equipment categories and functions:

- **Identify cultivation area on the floor plan.**

We would like to send a more detailed cultivation plan when there is further clarification from the state on whether we can share the licensed premises.

- **Provide a cultivation and operations plan and provide responses to the required aspects of Section 9.22.110(G) of the City Municipal Code:**

- **A cultivation and operations plan that meets or exceeds minimum legal standards for water usage, conservation and use; drainage, runoff, and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel, and a description of the cultivation activities (indoor, mixed-light) and schedule of activities during each month of growing and harvesting, or explanation of growth cycles and anticipated harvesting schedules for allseason harvesting (indoor, mixed-light).**
- **A description of a legal water source, irrigation plan, and projected water use.**
- **Identification of the source of electrical power and plan for compliance with applicable Building Codes and related codes.**
- **Plan for addressing odor and other public nuisances which may derive from the cultivation site."**

More details on the cultivation plan will be submitted to the Nevada City Planning Commission when we resume the cultivation license application.

- **Please describe the final form of packaging and your plan for tamper-evident packaging.**

As per section 5307 of the Bureau of Cannabis Control Emergency Regulations, subsection d, we will be using packaging with a one-time-use security tape or seal affixed to the opening of the package, which allows a person to recognize if the package has been previously opened.

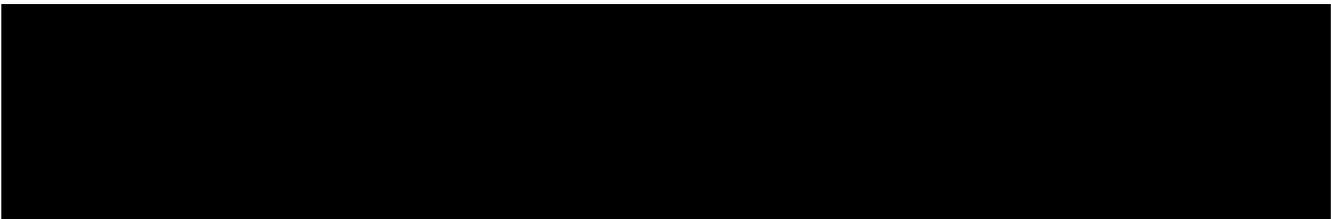
Final form packaging will meet the requirements set out in Section 9.22.120, subsection B and California Business and Professions Code section 19347, including: individually wrapped, label for nuts or allergens, total weight, a warning that the item is medication and not food, a warning that the product must be kept away from children, a label that that product includes cannabis, the date of manufacture, and opaque packaging for edibles and deliveries.

- **Please elaborate on the environmental friendly practices you plan on employing, particularly with respect to the cultivation component of your application.**

As per section 5010 of the Bureau of Cannabis Control Emergency Regulations, we intend to provide evidence of exemption from, or compliance with, Division 13 of the Public Resources Code, California Environmental Quality Act (CEQA).

We will obtain this evidence either through authorization from the local jurisdiction, or if this authorization is not available, we will be responsible for preparation of an environmental document in compliance with CEQA.

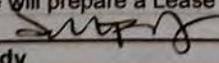
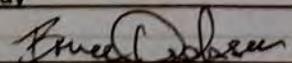
- **State-licensed security personnel**



APPENDIX A LOI FOR OVERFLOW PARKING


IVY GROUP
 December 6, 2017

Joe Bundy
 Ivy Group
 104B New Mohawk Rd
 Nevada City, CA 95959
 m 925.548.4567
jbundy@ivy-group.org

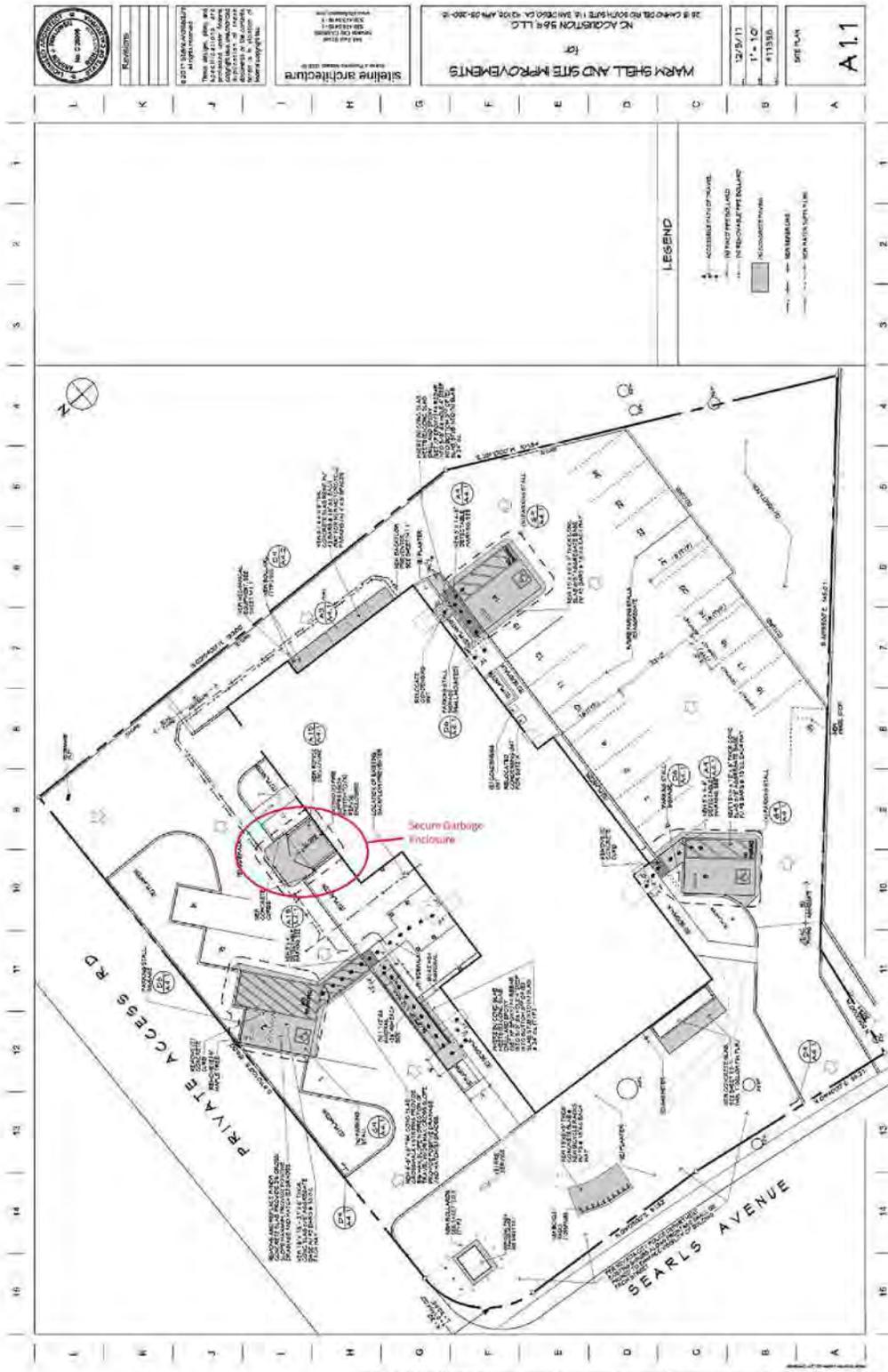
RE:	Letter of Intent (LOI) to Lease Space at 102 Mine Rock Rd, Nevada City, CA 95959
<p>This letter sets forth the general terms and conditions under which <u>Ivy Group and/or its assignee(s)</u>, (hereinafter referred to as "Lessee") may be willing to enter into a Lease Agreement with <u>Bruce Dickson</u> (hereinafter referred to as "Lessor").</p>	
Lessor:	Bruce Dickson
Lessee:	Ivy Group and/or its assignee(s)
Subject:	102 Mine Rock Rd., Nevada City, CA 95959 – 5 parking spaces
Lease Terms:	Month-to-Month beginning January 1, 2018
Deposit:	N/A
TI Allowance:	N/A
Use:	Lessee will be using the premises for overflow parking from their nearby business located at 569 Searls Ave., Nevada City, CA
Condition:	Lessor shall make parking available for five (5) standard size vehicles.
Brokerage:	This is a principal deal and no brokerage commission was allotted.
<p>Lessee, Lessor and Broker acknowledge that this proposal is not a contract. It is intended as the basis for the preparation of a purchase agreement and is non-binding. The Lease Agreement shall be subject to Lessee and Lessor approval and only a fully executed Lease Agreement shall constitute an agreement to purchase the subject. Broker makes no warranties or representations that acceptance of this proposal will guarantee the execution of a Lease Agreement for the subject. If the above terms are acceptable, please indicate said acceptance by signing below, in the space provided and return two originally signed copies to me. Upon acceptance, the Lessee will prepare a Lease and shall deliver them to Lessor for review.</p>	
LESSEE:	 <u>Joe Bundy</u>
LESSOR:	 <u>Bruce Dickson</u>

Respectfully,
 Joe Bundy
 Ivy Group
 License # 01989555

APPENDIX C MAP FOR OVERFLOW PARKING



APPENDIX D SECURE WASTE RECEIPTABLE



Joe and Kevin Bundy

104B New Mohawk Rd., Nevada City, CA 95959
530.362.8090

January 12, 2018

Dear Nevada City Residents,

Thank you for taking the time to consider our proposed cannabis business in Nevada City.

As Nevada City residents and brothers that love this area, we are excited for the opportunity to start a new Nevada City business offering good jobs to local people. Our background is in apartment management, a customer service oriented business that taught us the value of respect and open communication.

Our proposed business is a manufacturing facility 569 Searls Ave., Suite C, Nevada City. We intend to produce vape pens, edibles, and beverages. Our number one priority is integrating our small company into this special community.

Safety is a big concern for our company. Our employees are our most valuable asset. Our security processes are very important to ensuring a work environment that people love. We will be working closely with the Nevada City Police Department to create best practices for neighborhood watch. Sensitive material will be carefully handled to minimize potential product theft and property damage. Surveillance systems, access sensors, commercial locks and state licensed security

personnel will all be a part of our integrated security plan. Additionally, access to our licensed premises will be limited to people over age 21.

The smell of marijuana can be overpowering and offensive. Our odor control mitigation will consist state of the art vents, hoods and filtration systems. Our manufacturing process includes winterizing and distilling crude oil to distillate, which is a color-less, odor-less ingredient for vape pens, edibles, and beverages.

Once up and running, our facility is more likely to smell like chocolate or healthy snacks than stinky, raw marijuana.

We understand the state and local legalization of cannabis represents a lot of change at once. We want to be good stewards of the new industry, excellent operators, great employers, and above all, attentive and sensitive neighbors. As one of the first cannabis business license applicants in Nevada City, we feel it is our responsibility to establish sound business practices, accountability, and high integrity communication. We would love to hear your feedback, questions, and concerns as we develop long term relationships.

Sincerely,

Joe and Kevin Bundy

February 5, 2018



Nevada City Licensing Application

Manufacturing License Application Supplemental Information

Facility Located at:
569 Searls Ave, Suite C
Nevada City, CA 95959

PRESENTED BY: SEARLS GROUP LLC:
KEVIN & JOE BUNDY
NEVADA CITY RESIDENTS

Amendment to application:

Consumers having access to safe, clean cannabis products is one of the greatest advantages of the regulated industry.

At times, cultivators utilizing clean growing procedures have failed the strict (and in our opinion very good) standards for product testing. The failures can happen because of a number of factors, such as:

- Trace amounts of banned pesticides in the soil from previous cannabis or non-cannabis farming activity
- Over-spray from nearby cannabis or non-cannabis farms not adhering to the same standards
- Undisclosed use of banned substances on plants before the farmer purchases the cannabis the starts (clones)

We are having issues locating consistent and reliable supplies of clean crude oil, up to the standards of state testing.

As a manufacturer, we face an almost unlimited risk in purchasing crude oil that will not pass the testing. Our business and reputation as manufacturers could suffer irreparable damage based on unknowingly purchasing and using this oil in our finished products.

We would like to be able to store and utilize a chemical solution to clean crude oil that fails state mandated testing standards.

The chemical solution includes a solvent (Hexane) that will require a Type 7 Manufacturing License. Originally, we thought our operation would be able to utilize a Type 6 (non-volatile) Manufacturing License. Adding this process to our finish winterization and distillation procedures will not significantly alter the

layout or equipment needs of our facility, only the License Type and the procedures for storing the chemical solution.



REDACTION INSTRUCTIONS FOR NEVADA CITY MEDICAL CANNABIS BUSINESS APPLICATIONS

TO: Medical Cannabis Business Applicants,

In addition to providing the city with a full, un-redacted copy of your medical cannabis business application to be provided to the planning commission, each applicant will also be asked to provide a redacted copy that may be made available to the public. **Please do not submit a pre-redacted version of your application** with your initial application submittal. After you submit the original application, staff will paginate each sheet of your application with a unique identifier and return a digital copy from which you should work. The redacted version will be made a part of the staff report packet in advance of the public meeting and may also be produced in response to a public records request.

NC-SBP-Mnv-1

Sample unique page identifier provided by the city you should use to reference redacted pages

Sample: full redacted page (retain headers when possible)

Sample: Unique page identifier

Sample: partial redacted page

Every sheet that includes redacted information must be referenced using the unique page identifier. The attached reference sheet must be filled-out and submitted for every instance of redaction. **Please note that only very specific information may be redacted and withheld from public disclosure** pursuant to Government Code Sections 6254 and 6255. Information that may be redacted includes the following, more fully described on the attached "Redaction Justification Insert:" personal privacy information, personal contact information, personal financial statements, background information, security records, etc.

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-18
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

because the information contained therein is exempt from disclosure under the following Government Code provisions:

Mark with "X" where applicable	Government Code provision:	Examples of information that may be withheld pursuant to each government code section:
_____	Section 6254, subd. (c)	Personal, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of privacy
_____	Section 6254, subd. (f)	Investigatory or security files compiled by a local agency for licensing purposes
x	Section 6254, subd. (n)	Licensee's personal financial data
_____	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
_____	Section 6254	General public interest exemption (provide explanation below)
_____	Other	(Provide explanation below)

Explanation for redaction:
estimated construction/setup costs

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-19
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

because the information contained therein is exempt from disclosure under the following Government Code provisions:

Mark with "X" where applicable	Government Code provision:	Examples of information that may be withheld pursuant to each government code section:
_____	Section 6254, subd. (c)	Personal, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of privacy
_____	Section 6254, subd. (f)	Investigatory or security files compiled by a local agency for licensing purposes
x	Section 6254, subd. (n)	Licensee's personal financial data
_____	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
_____	Section 6254	General public interest exemption (provide explanation below)
_____	Other	(Provide explanation below)

Explanation for redaction:
redacting proof of funds and source of funding

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-20
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

because the information contained therein is exempt from disclosure under the following Government Code provisions:

Mark with "X" where applicable	Government Code provision:	Examples of information that may be withheld pursuant to each government code section:
_____	Section 6254, subd. (c)	Personal, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of privacy
_____	Section 6254, subd. (f)	Investigatory or security files compiled by a local agency for licensing purposes
x	Section 6254, subd. (n)	Licensee's personal financial data
_____	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
_____	Section 6254	General public interest exemption (provide explanation below)
_____	Other	(Provide explanation below)

Explanation for redaction:
redacting Pro Forma Summary Financials

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-21
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

because the information contained therein is exempt from disclosure under the following Government Code provisions:

Mark with "X" where applicable	Government Code provision:	Examples of information that may be withheld pursuant to each government code section:
	Section 6254, subd. (c)	Personal, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of privacy
x	Section 6254, subd. (f)	Investigatory or security files compiled by a local agency for licensing purposes
	Section 6254, subd. (n)	Licensee's personal financial data
	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
	Section 6254	General public interest exemption (provide explanation below)
	Other	(Provide explanation below)

Explanation for redaction:
redacting Safety and Security Plan

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-22
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

because the information contained therein is exempt from disclosure under the following Government Code provisions:

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_____	Section 6254, subd. (n)	Licensee's personal financial data
_____	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
_____	Section 6254	General public interest exemption (provide explanation below)
_____	Other	(Provide explanation below)

Explanation for redaction:
redacting Safety and Security Plan

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-34
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

because the information contained therein is exempt from disclosure under the following Government Code provisions:

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_____	Section 6254, subd. (n)	Licensee's personal financial data
_____	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
_____	Section 6254	General public interest exemption (provide explanation below)
_____	Other	(Provide explanation below)

Explanation for redaction:
redacting Security Floor Plan 1st Floor

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-35
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

because the information contained therein is exempt from disclosure under the following Government Code provisions:

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_____	Section 6254, subd. (n)	Licensee's personal financial data
_____	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
_____	Section 6254	General public interest exemption (provide explanation below)
_____	Other	(Provide explanation below)

Explanation for redaction:
redacting Security Floor Plan 2nd Floor

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-43
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

because the information contained therein is exempt from disclosure under the following Government Code provisions:

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x	Section 6254, subd. (n)	Licensee's personal financial data
_____	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
_____	Section 6254	General public interest exemption (provide explanation below)
_____	Other	(Provide explanation below)

Explanation for redaction:
redacting Pro Forma financials page 1

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-44
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

because the information contained therein is exempt from disclosure under the following Government Code provisions:

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x	Section 6254, subd. (n)	Licensee's personal financial data
_____	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
_____	Section 6254	General public interest exemption (provide explanation below)
_____	Other	(Provide explanation below)

Explanation for redaction:
redacting Pro Forma financials page 2

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-45
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

because the information contained therein is exempt from disclosure under the following Government Code provisions:

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_____	Section 6254, subd. (f)	Investigatory or security files compiled by a local agency for licensing purposes
x	Section 6254, subd. (n)	Licensee's personal financial data
_____	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
_____	Section 6254	General public interest exemption (provide explanation below)
_____	Other	(Provide explanation below)

Explanation for redaction:
redacting Pro Forma financials page 3

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-46
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

because the information contained therein is exempt from disclosure under the following Government Code provisions:

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_____	Section 6254, subd. (f)	Investigatory or security files compiled by a local agency for licensing purposes
x	Section 6254, subd. (n)	Licensee's personal financial data
_____	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
_____	Section 6254	General public interest exemption (provide explanation below)
_____	Other	(Provide explanation below)

Explanation for redaction:
redacting Pro Forma financials page 4

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-47
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

because the information contained therein is exempt from disclosure under the following Government Code provisions:

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x	Section 6254, subd. (n)	Licensee's personal financial data
_____	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
_____	Section 6254	General public interest exemption (provide explanation below)
_____	Other	(Provide explanation below)

Explanation for redaction:
redacting Pro Forma financials page 5

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-48
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

because the information contained therein is exempt from disclosure under the following Government Code provisions:

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_____	Section 6254, subd. (f)	Investigatory or security files compiled by a local agency for licensing purposes
x	Section 6254, subd. (n)	Licensee's personal financial data
_____	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
_____	Section 6254	General public interest exemption (provide explanation below)
_____	Other	(Provide explanation below)

Explanation for redaction:
redacting Pro Forma financials page 6

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-49
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

because the information contained therein is exempt from disclosure under the following Government Code provisions:

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x	Section 6254, subd. (n)	Licensee's personal financial data
_____	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
_____	Section 6254	General public interest exemption (provide explanation below)
_____	Other	(Provide explanation below)

Explanation for redaction:
redacting Pro Forma financials page 7

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-50
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

because the information contained therein is exempt from disclosure under the following Government Code provisions:

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x	Section 6254, subd. (n)	Licensee's personal financial data
_____	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
_____	Section 6254	General public interest exemption (provide explanation below)
_____	Other	(Provide explanation below)

Explanation for redaction:
redacting Pro Forma financials page 8

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-51
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

because the information contained therein is exempt from disclosure under the following Government Code provisions:

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_____	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
_____	Section 6254	General public interest exemption (provide explanation below)
_____	Other	(Provide explanation below)

Explanation for redaction:
redacting Pro Forma financials page 9

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-57
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

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	Section 6254, subd. (n)	Licensee's personal financial data
	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
	Section 6254	General public interest exemption (provide explanation below)
	Other	(Provide explanation below)

Explanation for redaction:
redacting personal information from Medical Cannabis Business Permit Application Form

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-58
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

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	Section 6254, subd. (f)	Investigatory or security files compiled by a local agency for licensing purposes
	Section 6254, subd. (n)	Licensee's personal financial data
	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
	Section 6254	General public interest exemption (provide explanation below)
	Other	(Provide explanation below)

Explanation for redaction:
redacting personal information from Medical Cannabis Business Permit Application Form

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-72
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

because the information contained therein is exempt from disclosure under the following Government Code provisions:

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_____	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
_____	Section 6254	General public interest exemption (provide explanation below)
_____	Other	(Provide explanation below)

Explanation for redaction:
 redacting security information from Supplemental information

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****

REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-73
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

because the information contained therein is exempt from disclosure under the following Government Code provisions:

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	Section 6254, subd. (n)	Licensee's personal financial data
	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
	Section 6254	General public interest exemption (provide explanation below)
	Other	(Provide explanation below)

Explanation for redaction:
redacting security information from Supplemental information

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REDACTION JUSTIFICATION INSERT
(To be inserted for every instance of redaction)

Nevada City Medical Cannabis Business Name: Searls Group LLC

The following page(s): SGL-M.nv.v.D.f-74
<insert unique page identifier, or identifier range>

has (have) been redacted or withheld from public disclosure, as determined by

Kevin Bundy, owner, Searls Group, LLC
<insert name, professional title, affiliation with applicant>

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_____	Section 6254, subd. (f)	Investigatory or security files compiled by a local agency for licensing purposes
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_____	Section 6255, subd. (a)	Personal contact information (business contacts should not be redacted)
_____	Section 6254	General public interest exemption (provide explanation below)
_____	Other	(Provide explanation below)

Explanation for redaction:
redacting lease rate from Supplemental information

*****Please note that if objection is made for the redactions on a public document request, you may be called upon to more thoroughly justify the reason for redaction.*****