

SECTION A: BUSINESS PLAN



Introduction

We have provided this short commentary as the site and location provide much of the context for our Business Plan and the day-to-day operations that will take place at the facility.

Formed in 2006, Chroma Inc. has owned and operated a number of businesses in the San Francisco area including Thi Spa, Thi Nail Salon, Tranquillity Nail Spa, Alchemie Hair Salon, Unicorn Pan-Asia Restaurant, Northern Ducks Club & Restaurant, and Bocado Peruvian Restaurant which recently opened in June 2023. Chroma’s owner and CEO, Thien Nga Thi Tran (Sandi Tran) first entered the cannabis industry in 2019 as a consultant to Element 7, one of California’s leading retailers, assisting the company with retail operations processes, product development, and customer service training. In 2023, Sandi partnered with Bianca Nicastro who was born and raised in Healdsburg to launch **Thi Wellness**, a cannabis focused retail and brand company aimed at creating plant-based treatments and products for today and tomorrow’s new cannabis customer.

Thi Wellness is seeking approval to build and operate a **Microbusiness Cannabis License (with storefront Retail as primary focus)** at **51 Front Street, Healdsburg** and believes this location is the optimal retail location in the City to compliantly serve the estimated **1500,000+ cannabis consumers** that visit Healdsburg annually (the application focuses on retail storefront operations as requested). Over the last 12 months, the partners at Thi Wellness have had numerous discussions with local residents, business owners, and stakeholders in Healdsburg to identify this location and prepare this application submission.

All of the conversations we held led us to the location at Front Street which we hope will serve as the home for Thi Wellness in the city. We have educated, re-educated, engaged, and listened to many of the local surrounding businesses, gathering encouragement through these discussions. Our selected property has significant off-street parking for over 20 vehicles and is easily accessed from all major parts of Healdsburg. Our building presents no traffic, noise, odor, parking, lighting, security, safety, or other neighborhood issues. There are no sensitive uses within 600 feet and entering and exiting the facility presents no hazards for pedestrians



or vehicles. The site is well known and served as the former tasting room and commercial premises for Holdredge Wines, a small boutique winery that is vacating the property and had planned to do so before this application was submitted.

The property presents a number of business opportunities for Thi Wellness that align with its vision in the industry and will include a Cannabis Wellness Lab serving Medical and Adult-Use holistic wellness solutions to the residents of Healdsburg, the large tourist population that visit the city, and beyond – we are focused on conservative experimentalists (consumers looking for better wellness solutions) and holistic wellness consumers aspiring for a healthier, and more balanced life.

1. Finances

Budget for Construction

Chroma Inc. is in contract to lease the premises at 51 Front Street, Healdsburg from Kenneth Wilson, a well-known local winemaker. Site works are estimated at \$416,530, which covers all exterior and interior site works, minor exterior building works, facility fit-out, equipment costs, FF&E, and contingency for both businesses. All building works will be conducted in full compliance and accordance with the Healdsburg Municipal Code, State Building Codes and all BCC directives and local policies.

Retail Displays: Climate Controlled Displays with Shipping		\$45,000
Floor and Décor		\$19,000
Break Room: Staff Lockers, Furniture and Kitchen Equipment		\$4,569
Furniture: Lobby and Retail Area		\$7,350
Signage - Interior/Exterior		\$15,835
Regulatory Signage & Safety		\$2,420
Staff Uniforms		\$1,850
POS Hardware (TREEZ)		\$5,422
Cash Recycler/ATM: Cash Handling Machines		\$58,155
Dumpster for Site Waste Removal		\$7,800
Bathroom / Plumbing / Miscellaneous		\$3,867
Secured Doors and Windows with BioScanners		\$27,232
Security Systems - Alarms, Cameras, Motion Detectors, Software		\$43,516
HVAC - Materials + Labor		\$22,165
Labor, Accommodations + Expenses		\$75,000
Permits and Planning		\$21,542
Other Miscellaneous Costs		\$24,953
TOTAL		\$385,676
Reserve / Contingency	8.00%	\$30,854.10
TOTAL		\$416,530

Thi Wellness has budgeted for capital works, starting inventory, and operating capital of up to **USD\$816,530 to start and launch Thi Wellness in Healdsburg**. This budget covers all site works (\$416,530 shown and explained above), fit-out costs, external works, design and project management, security measures, POS Systems implementation, and branding required to open and operate the facility through to positive cash flows. It also includes \$100,000 of starting retail inventory (much of which we will secure on 30–60-day terms from preferred suppliers) and \$200,000 of operating capital with a further \$100,000 of contingency funds to cover over-runs on site works and additional working capital. All funds required are already in hand and demonstrated in the Proof of Capitalization included.



Budgets for Operations, Maintenance, Compensation of Employees, Equipment, Property Lease, Security Equipment & Staff, City & State Fees, Utilities, Inventory (Product Purchases), and Other Emergency (Contingency) Costs

Thi Wellness has included an integrated 5-year Pro-Forma at the rear of this section of the application. The monthly OPEX budget covers all costs for start-up, ongoing operations, maintenance, compensation of employees, equipment, property lease, security equipment and staff, City and State fees, utilities, product purchases and contingency costs. Specifically:

- **Operational Costs:** We refer to these as OPEX costs and have included these below and at the rear of this section of the application. OPEX costs cover every facet of the business from security through to rent, stationery and printing costs and are included within the budget.
- **Maintenance:** Thi Wellness has accounted \$1,080.00 per month for cleaning and maintenance. While maintenance services can be projected for services where we have a servicing agreement in place for HVAC, Security and Alarms, other items like breakdowns and damages cannot be accurately forecasted, which is why we have included a straight-line of costs and fees across the year.
- **Compensation of Employees:** Staff salaries are budgeted at \$21.00 an hour for BudTenders and \$70,000 for Managers as included in the OPEX Budgets attached. Labor Burden is calculated at 12% of salaries. Thi Wellness has projected costs for 12 retail employees to launch the business. All costs are included including payroll taxes and workers compensation policy which we have in place with State Fund.
- **Equipment:** Equipment costs have been included in the Budget for Construction – the cost of equipment includes all expenses over \$5,000.00 associated with the acquisition of the equipment as well as those needed to ready it for use by the company. The majority of equipment purchased and used by Thi Wellness is for security hardware, storage racking systems, manufacturing equipment, POS Systems, the cash recycler, ATM machine, and any storage equipment used in the various storage areas. All of these costs are included within the Construction Budget and Thi Wellness would not foresee additional equipment costs beyond this after the business is operating. For convenience, a copy of the construction budget is included above, along with the Fixed Asset Register for the business at the rear of this section of the application.
- **Property Lease:** The property will be leased on terms at \$5,400.00 per month as included in the OPEX Budget below.
- **Security Equipment and Staff:** Security hardware, software, and installations are all included in the Capital Works budget above (\$43,516.00) and our preferred supplier is HIK which is installed by our licensed security contractor, Matrixx7 which we have worked with across 5 locations already in California. With regards to security personnel, these costs are included in the OPEX Budget (below) and are estimated at \$19,000 per month (includes alarm monitoring and night patrol service).
- **City and State Fees:** Local fees and State Cannabis taxes are included within the OPEX Budget and are calculated as a percentage of gross sales (4% of gross receipts) and 15% for Excise Duties. Payroll taxes are included in the OPEX Budget, along with income taxes. Thi Wellness is currently up to date on all taxes owing to all jurisdictions in which it operates (CDTFA taxes, Payroll taxes, Income Taxes, Excise Duties etc).



Firebaugh. With 3 additional stores under construction in Oakland, San Francisco, and Moreno Valley and annualized revenues of \$25M from current operations, we are excited to partner with this company for operations support and financing (see attached Term Sheet).

2. **Banked Available Funds.** Thien Nga Thi Tran has provided statements that show access to an immediate \$750,000 in funding for the business.

The funding commitments provide Thi Wellness with sufficient funding and financing for the business in Healdsburg. A range of documents have been included to support this information and additional information can be made at any time if required by the city.

(b) Five-Year Pro-Forma

Thi Wellness has provided detailed financials for the first 5 years of operations, which are included at the rear of this section of the Application. With regards to retail, we expect our COGS to be averaged at 65% of gross sales - achievable thanks to the purchasing power we are able to unlock with Element 7 as our partner, leveraging their \$8M+ of cannabis purchasing annually.

The first-year financials assume that we will commence and launch retail operations in late Q1 2024, with a filter applied to the first 6 months of growth as we build and start to scale the business. We expect the business to break-even after four months of operations. The financials presented by Thi Wellness are built on the following assumptions and projections:

- **Population.** With a population of 12,000 within the city and over 7 million annual visitors to Sonoma County we expect the consumer base for dispensaries in Healdsburg to be approximately 300 consumers a day – if two retail stores are operating within the city, we expect each to see around 150 customers per day with an average spend of \$70.00.
- **Market Growth.** Our view on the industry is that as cannabis becomes more socially acceptable, cannabis consumption will increase particularly as it relates to conservative experimentalists, soccer moms, and older ‘baby boomer’ customers. We expect edibles, topicals, and holistic products to grow at an exponential rate versus other product categories in this regard.
- **Vertical Integration.** Customers are looking for ‘value’. Our assessment is that at least 70% of the market are shopping on price – Element 7’s vertical integration and ability to fill 30-40% of our shelves with their cannabis products will ensure that we deliver value locally which is a significant competitive advantage versus other applicants that do not have this.
- **Evolving Customer Demands.** The sea change in retail markets has forced designers and brands to innovate and think in entirely new ways about how customers engage with their products and their brands. Thi Wellness will, like today’s most forward-thinking brands, incorporate cutting-edge, customer-centric design standards and continuously innovate, looking for ways to improve its retail model as new customer trends emerge. We believe this focus will allow us to stay ahead of competitors and gain a higher rate of market share. The cannabis market is shifting. With the addition of younger and older consumers, soccer moms, and urban housewives, the market is diversifying and fragmenting. Conservative experimenters are now interested in cannabis for its health and medicinal properties. As an operator, we can no longer create brands that attempt to stand for everything—rather, we must be far more defined



in how we approach brand marketing, consumer segmentation and addressing certain unmet consumer need-states.

- **Expected Market Share.** Thi Wellness is well positioned to deliver its brand promise to Healdsburg – *holistic medicine for the modern cannabis customer*. We believe this positioning will resonate with both tourists and local patients and customers.
- **Marketing Budgets.** To build top of mind brand awareness, create customer loyalty, and drive sales, Thi Wellness will have an annual marketing budget equivalent to 6% of gross revenue (\$16,700 per month starting budget).
- **Data and Insights.** Thi Wellness has appointed Engage, a global shopper marketing agency to manage its in-store analytics and shopper marketing data platforms. With over 30 years' experience working with some of the world's largest retailers and brands including Carrefour, Tesco, and Whole Foods, PepsiCo, Nestle, Mars, Unilever, Sony, and Danone, Engage are specialists at collecting both narrative and causative data. These insights and data are essential to a robust understanding of retail consumer habits, attitudes, and behavior. This data is used to optimize product placement, ranging, pricing, and promotions in store and to build a deep relationship with our customers to drive loyalty and repeat purchases. Data and analytics are collected in-store through the POS System, Rewards Program, Rewards Cards, Tracking Beacons, and specialist retail software.

Please refer to the following pages for the 5-year pro-forma that has been prepared by our CPA. Financial assumptions that support the pro-forma have also been included so that the City can better understand our forecasts and projections.

Thi Wellness's pro-forma includes projections for the following:

- Projected Income Statement
- Projected Balance Sheet
- Projected Cash Flow Statement
- Equity Statement and Uses / Sources of Funds
- Profitability Analysis
- Monthly Cash Flows
- Fixed Asset Register



Thi Wellness Healdsburg					
PROJECTED INCOME STATEMENT					
	Year 1	Year 2	Year 3	Year 4	Year 5
Sales					
Flower	\$ 1,095,768	\$ 1,234,739	\$ 1,391,335	\$ 1,567,791	\$ 1,766,626
Concentrates	\$ 876,615	\$ 987,791	\$ 1,113,068	\$ 1,254,233	\$ 1,413,301
Edibles	\$ 356,125	\$ 401,290	\$ 452,184	\$ 509,532	\$ 574,154
Topicals	\$ 136,971	\$ 154,342	\$ 173,917	\$ 195,974	\$ 220,828
Accessories	\$ 273,942	\$ 308,685	\$ 347,834	\$ 391,948	\$ 441,657
Dispensary Revenues	\$ 2,739,421	\$ 3,086,848	\$ 3,478,337	\$ 3,919,478	\$ 4,416,565
Flower	\$ 202,360	\$ 299,606	\$ 337,604	\$ 380,421	\$ 428,667
Concentrates	\$ 161,888	\$ 239,685	\$ 270,083	\$ 304,337	\$ 342,934
Edibles	\$ 65,767	\$ 97,372	\$ 109,721	\$ 123,637	\$ 139,317
Topicals	\$ 25,295	\$ 37,451	\$ 42,200	\$ 47,553	\$ 53,583
Accessories	\$ 50,590	\$ 74,902	\$ 84,401	\$ 95,105	\$ 107,167
Delivery Revenues	\$ 505,900	\$ 749,016	\$ 844,010	\$ 951,052	\$ 1,071,669
In-Store Advertising / Listing / Promotional Revenue	\$ 110,000	\$ 180,000	\$ 198,000	\$ 217,800	\$ 239,580
GROSS SALES	\$ 3,365,321.12	\$ 4,015,863.76	\$ 4,520,347.30	\$ 5,088,329.13	\$ 5,727,814.13
Cost of Goods Sold (COGS)					
Flower	\$ 547,884	\$ 617,370	\$ 618,371	\$ 627,116	\$ 706,650
Concentrates	\$ 438,307	\$ 493,896	\$ 494,697	\$ 501,693	\$ 565,320
Edibles	\$ 178,062	\$ 200,645	\$ 220,092	\$ 254,766	\$ 287,077
Topicals	\$ 68,486	\$ 77,171	\$ 86,958	\$ 97,987	\$ 110,414
Accessories	\$ 136,971	\$ 154,342	\$ 173,917	\$ 195,974	\$ 220,828
Dispensary COGS	\$ 1,369,710	\$ 1,543,424	\$ 1,600,035	\$ 1,677,536	\$ 1,890,290
Flower	\$ 101,180	\$ 149,803	\$ 150,046	\$ 152,168	\$ 171,467
Concentrates	\$ 80,944	\$ 119,843	\$ 120,037	\$ 121,735	\$ 137,174
Edibles	\$ 32,884	\$ 48,686	\$ 54,861	\$ 61,818	\$ 69,658
Topicals	\$ 12,648	\$ 18,725	\$ 21,100	\$ 23,776	\$ 26,792
Accessories	\$ 25,295	\$ 37,451	\$ 42,200	\$ 47,553	\$ 53,583
Delivery COGS	\$ 252,950	\$ 374,508	\$ 388,245	\$ 407,050	\$ 458,674
Cost of Goods Sold	\$ 1,622,661	\$ 1,917,932	\$ 1,988,280	\$ 2,084,586	\$ 2,348,964
GROSS MARGIN	\$ 1,742,660.56	\$ 2,097,931.88	\$ 2,532,067.54	\$ 3,003,742.66	\$ 3,378,849.92
Operating Expenses (OPEX)					
Marketing / Promotions	\$ 168,266	\$ 200,793	\$ 226,017	\$ 254,416	\$ 286,391
Rent	\$ 64,800	\$ 68,040	\$ 71,442	\$ 75,014	\$ 78,765
Property Tax	\$ 11,500	\$ 12,075	\$ 12,679	\$ 13,313	\$ 13,978
Property Insurance	\$ 5,400	\$ 5,400	\$ 5,400	\$ 5,400	\$ 5,400
Utilities	\$ 18,576	\$ 19,505	\$ 20,480	\$ 21,504	\$ 22,579
Cleaning and Maintenance*	\$ 12,960	\$ 13,608	\$ 14,288	\$ 15,003	\$ 15,753
Business Insurance	\$ 20,400	\$ 21,420	\$ 22,491	\$ 23,616	\$ 24,796
Dues & Subscriptions (POS and Software)	\$ 31,200	\$ 32,760	\$ 34,398	\$ 36,118	\$ 37,924
Cash Handling Fees	\$ 10,118	\$ 14,980	\$ 16,880	\$ 19,021	\$ 21,433
Accounting	\$ 12,000	\$ 12,600	\$ 13,230	\$ 13,892	\$ 14,586
Legal & Consulting	\$ 12,000	\$ 12,600	\$ 13,230	\$ 13,892	\$ 14,586
Internet & Comms	\$ 6,000	\$ 6,300	\$ 6,615	\$ 6,946	\$ 7,293
Web Development, Hosting & Branding	\$ 5,000	\$ 5,250	\$ 5,513	\$ 5,788	\$ 6,078
Security	\$ 169,680	\$ 178,164	\$ 187,072	\$ 196,426	\$ 206,247
Licensing Costs (State License)	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Depreciation	\$ 38,524	\$ 38,524	\$ 38,524	\$ 38,524	\$ 38,524
Office Supplies	\$ 3,000	\$ 3,150	\$ 3,308	\$ 3,473	\$ 3,647
Delivery Payroll - Dispatchers	\$ 69,120	\$ 72,576	\$ 76,205	\$ 80,015	\$ 84,016
Delivery Payroll - Drivers	\$ 69,120	\$ 72,576	\$ 76,205	\$ 80,015	\$ 84,016
Dispensary Payroll - Shift Supervisors	\$ 84,480	\$ 88,704	\$ 93,139	\$ 97,796	\$ 102,686
Dispensary Payroll - Budtenders & Concierge	\$ 180,480	\$ 189,504	\$ 237,082	\$ 248,936	\$ 261,382
Management Payroll	\$ 57,600	\$ 60,480	\$ 63,504	\$ 66,779	\$ 70,013
Payroll Tax	\$ 35,251	\$ 37,014	\$ 44,694	\$ 46,929	\$ 49,275
Local Cannabis Tax	\$ 129,813	\$ 153,435	\$ 172,894	\$ 194,821	\$ 219,529
Operating Expenses	\$ 1,235,288	\$ 1,339,457	\$ 1,513,392	\$ 1,617,543	\$ 1,730,905
PRE TAX INCOME (LOSS)	\$ 507,373	\$ 758,474	\$ 1,018,676	\$ 1,386,200	\$ 1,647,945
Taxes					
State	\$ 44,852	\$ 67,049	\$ 90,051	\$ 122,540	\$ 145,678
Federal - Adjusted for 280E Planning	\$ 247,351	\$ 295,166	\$ 332,246	\$ 373,992	\$ 420,994
NET INCOME (LOSS)	\$ 215,170	\$ 396,259	\$ 596,379	\$ 889,668	\$ 1,081,272
EBITDA	\$ 545,896	\$ 796,998	\$ 1,057,200	\$ 1,424,724	\$ 1,686,468

CONTRIBUTION ANALYSIS					
	Year 1	Year 2	Year 3	Year 4	Year 5
Sales					
Flower	33%	31%	31%	31%	31%
Concentrates	26%	25%	25%	25%	25%
Edibles	11%	10%	10%	10%	10%
Topicals	4%	4%	4%	4%	4%
Accessories	8%	8%	8%	8%	8%
Dispensary Revenues	81%	77%	77%	77%	77%
Flower	6%	7%	7%	7%	7%
Concentrates	5%	6%	6%	6%	6%
Edibles	2%	2%	2%	2%	2%
Topicals	1%	1%	1%	1%	1%
Accessories	2%	2%	2%	2%	2%
Delivery Revenues	15%	19%	19%	19%	19%
100%	100%	100%	100%	100%	100%
0%	19%	13%	13%	13%	13%
Cost of Goods Sold (COGS)					
Flower	16%	15%	14%	12%	12%
Concentrates	13%	12%	11%	10%	10%
Edibles	5%	5%	5%	5%	5%
Topicals	2%	2%	2%	2%	2%
Accessories	4%	4%	4%	4%	4%
Dispensary COGS	41%	38%	35%	33%	33%
Flower	3%	4%	3%	3%	3%
Concentrates	2%	3%	3%	2%	2%
Edibles	1%	1%	1%	1%	1%
Topicals	0%	0%	0%	0%	0%
Accessories	1%	1%	1%	1%	1%
Delivery COGS	8%	9%	9%	8%	8%
48%	48%	44%	41%	41%	41%
52%	52%	56%	59%	59%	59%
Operating Expenses (OPEX)					
Marketing / Promotions	5%	5%	5%	5%	5%
Rent	2%	2%	2%	1%	1%
Property Tax	0%	0%	0%	0%	0%
Property Insurance	0%	0%	0%	0%	0%
Utilities	1%	0%	0%	0%	0%
Cleaning and Maintenance*	0%	0%	0%	0%	0%
Business Insurance	1%	1%	0%	0%	0%
Dues & Subscriptions (POS and Software)	1%	1%	1%	1%	1%
Cash Handling Fees	0%	0%	0%	0%	0%
Accounting	0%	0%	0%	0%	0%
Legal & Consulting	0%	0%	0%	0%	0%
Internet & Comms	0%	0%	0%	0%	0%
Web Development, Hosting & Branding	0%	0%	0%	0%	0%
Security	5%	4%	4%	4%	4%
Licensing Costs (State License)	1%	0%	0%	0%	0%
Depreciation	1%	1%	1%	1%	1%
Office Supplies	0%	0%	0%	0%	0%
Delivery Payroll - Dispatchers	2%	2%	2%	2%	1%
Delivery Payroll - Drivers	2%	2%	3%	2%	2%
Dispensary Payroll - Shift Supervisors	3%	2%	2%	2%	2%
Dispensary Payroll - Budtenders & Concierge	5%	5%	5%	5%	5%
Management Payroll	2%	2%	1%	1%	1%
Payroll Tax	1%	1%	1%	1%	1%
Local Cannabis Tax	4%	4%	4%	4%	4%
37%	33%	33%	32%	30%	
15%	19%	23%	27%	29%	
Taxes					
State	1%	2%	2%	2%	3%
Federal - Adjusted for 280E Planning	7%	7%	7%	7%	7%
6%	10%	13%	17%	19%	
16%	20%	23%	28%	29%	

Ongoing Operations

Ongoing operations will be funded by business-generated free cash reserves. We have a strong executive team with significant business experience across all facets of financial management, P&L control, debt and equity structures, and cost management.

A full-time CPA sits within the Element 7 team that will be used to manage financials across the business. In addition, a third-party auditor (Marcum LLP) is engaged to audit the business twice annually to ensure all investor, city, state, and federal measures are being correctly managed and accounted for.

(c) Schedule for Commencing Operations

Operations are scheduled to commence Q1 2024 which we believe is a realistic timetable for operations to move forward.



All building works will be managed and directed by Thi Wellness with the support of the Element 7 San Francisco team. As demonstrated in the illustration below, Element 7 was able to apply for, build, construct and open a dispensary in Fort Bragg in just under 40 weeks – while Thi Wellness has significant experience building and operating day spa’s, up-market salons, and restaurants, the Element 7 team has the experience to ensure that building works are done to meet the unique needs of the California cannabis market.



Specifically, for Healdsburg, the following timeline has been created which is further supplemented with the 20-week retail checklist attached to the rear of this section of the application. This checklist covers all aspects of pre-opening works which would commence immediately after a Building Permit is issued. MEPS Drawings typically take 3-4 weeks to prepare, and we have architects and engineers on hand to complete this work quickly. As soon as Building Permits and MEPS are approved (and the contractor has their local business license), construction works would commence at the site.

Major scheduled works would include minor demo works, ADA-compliance works, installing new walls internally as per the Floor Plan which are lined with steel plates and high-impact drywall, low voltage electrical works for all cameras, alarm systems, and fire safety systems, installation of racking storage, new doors throughout the premises, millwork installations, HVAC installations, signage installations, and full security system installs ([REDACTED]). The property is in excellent structural condition. Most works would be conducted over 10 weeks from demo works through to commencing operations.

CONSTRUCTION & OPERATIONS TIMELINE: THI WELLNESS HEALDSBURG												
ITEM	DETAILS	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Applicant Selection Process	Managed by City											
Land Use & Building Permits	Managed by City											
State License Application	Managed by DCC											
Building Works Phase 1	Exterior and Interior Shell Works											
Building Works Phase 2	Equipment Installs, Doors, Offices, Lighting											
Furnishing & Finishes	Final Furnishing Works											
Signage Installations	Install all Signage Required for ADA Code											
Landscaping Works	Landscaping Management Works											
Carpark Finishings	Lines, Markings, Landscaping											
Hire & Train Local Staff (80% Local)	Classroom & On-The-Job Training in Willits											
Contingency	4 Weeks Contingency											
Pre-Opening Marketing	Soft Opening Marketing Program											
Final site Inspections	City / Fire / Police / Planning											
Site Ready for Occupation	Soft Opening Scheduled											

Construction Timeline: Major Works and Milestones

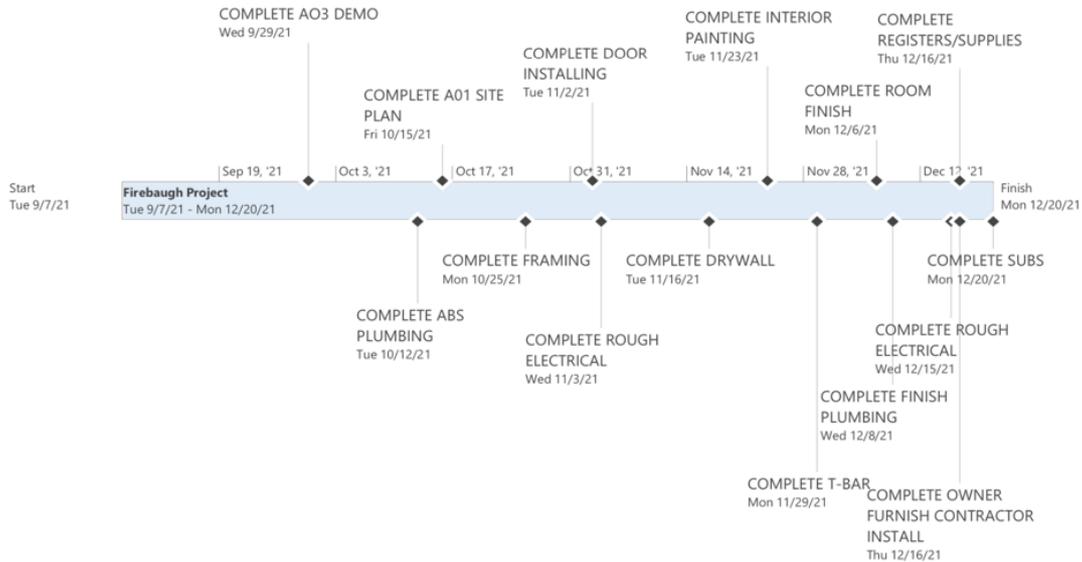
A detailed list of all other items required to open the store is included at the rear of this section of the application – this covers ALL tasks required to open the store including inventory management, security and tech, marketing, hiring and training, and all compliance matters needed for the business. This is a 50-week checklist commencing from July 2023 until June 2024.

All construction works would be managed and delivered by MD Inc. which have over 20 years of building experience (including experience building 5 cannabis dispensaries in California),



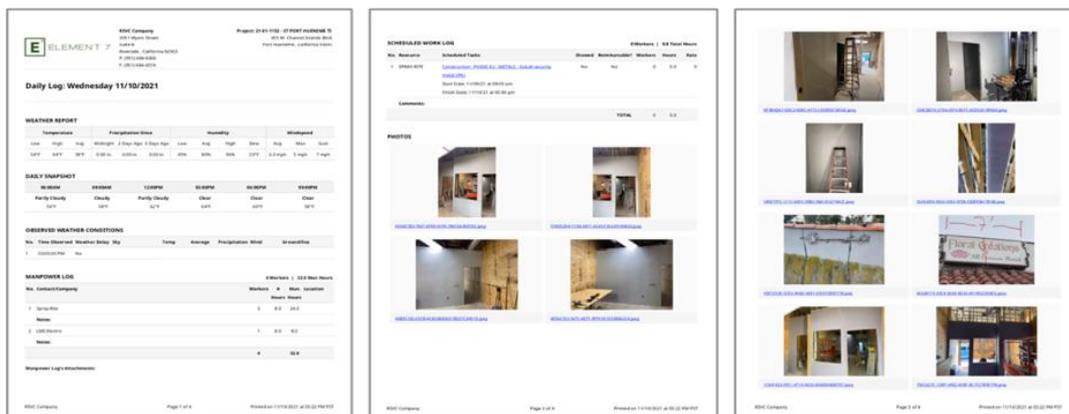
Matrixx7 which are a specialist security installation company, and Martin Design (millwork and carpentry).

An example of a construction project timeline is included below from a recent project undertaken by Element 7 in Firebaugh is attached. This illustration provides a milestone chart – each milestone is delivered by achieving between 15-25 separate tasks which are driven by our Master Project Timeline and Task List which was developed by Element 7.



Project Timeline: Example from Cannabis Project in Firebaugh

To ensure that the construction timelines are met, our construction management team prepare a daily report each day on works accomplished so that timelines can be met, issues quickly addressed, and management can effectively track project completion. An example of this report is attached below.



Daily Construction Project Reports Are Produced for Management Oversight

(d) Access to Banking

Thi Wellness have been introduced to Element 7’s banking partner, KeyPoint Credit Union, and they have indicated that banking with them with cannabis funds would present no issues (see letter attached). OSS, a licensed cash collection company, will also provide cash collection services (and cash change services) which are then banked to Thi Wellness checking account.



2. Daily Operations

Daily operations are guided by two documents for all retail operations – an **Employee Handbook and a Retail SOP Guide**. These documents are continuously updated by our HR Manager and Retail Operations team. A ‘suggestion box’ will be kept in the staff room at the store to continuously capture feedback while staff are operating the business. In addition, a Slack Channel used by all staff will be further used to capture new ideas and areas for improvement – in turn, the Employee Handbook and Retail SOP Guide are then updated with all relevant suggestions from staff once a quarter, and then these guides are re-printed and sent to the store with the updates so that the team always has the most up-to-date materials on hand for operations.

In addition, ‘Operational Updates’ will be captured in a cover letter that is distributed to all staff electronically and by hand so that they are fully aware of any changes to policy without having to read the entire document.

Staff will be encouraged to visit competitive dispensaries so that they can capture additional best practices and ideas, and they will be further incentivised to contribute to the development of the company through quarterly cash incentives by making a suggestion to improve the business. Best practices are continuously reviewed and adopted by the business and a Monthly Management Meeting will allow the team to share new ideas internally and learn from each other.

Daily Opening and Closing Procedures

Opening Procedures: The Managers for the businesses will be accompanied by a security guard when unlocking and entering the business (a guard will be at the premises 30-minutes before operations commence each day and 30-minutes after operations end each day). Upon entering the building, the Manager will disarm the alarm (three separate alarm systems for each business use) and turn on all lights and check the phone for messages. Additional employees will be scheduled to arrive approximately 15 minutes after the Manager. Once the employees arrive, they will be responsible for completing their assigned tasks, such as reviewing inventory levels, checking overnight orders received, launch point-of-sale systems, and assemble registers.

Mid-Day Procedures: Throughout the workday, the manager may conduct the following tasks:

1. Reconcile cash from the previous day operations – cash is stored in an overnight vault.
2. Assist employees with processing orders and ensuring that they are properly designated/assigned.
3. Update the track-and-trace system (and METRC), as necessary.
4. Receive shipments with the assistance of another employee.
5. Manage all City and State reporting and compliance measures.
6. Review staff performance and implement training programs where deficiencies are in place.
7. Liaise with Element 7 head office teams across critical business operations.
8. Meet with City officials, partners, and key stakeholders to continuously improve operations and advance Element 7’s footprint in the local community.
9. Review marketing plans and meet with vendors and suppliers to ensure we are optimizing media spend and driving sales growth with partners and partner brands.

Salespersons will be responsible for providing excellent customer service and processing orders through the day in full City and State compliance. Each person is responsible for keeping their sales counter clean and orderly.



Closing Procedures: Upon the closure of business each day:

- The Manager will lock all doors.
- The Manager and Inventory Specialists will reconcile the track-and-trace system and cash.
- The Manager will ensure that all cannabis and cannabis products are securely stored.
- The facility be dusted, swept, mopped, etc. as needed.
- The Manager will ensure that all doors, safes, and vaults are locked and secured.
- All surfaces will be cleaned and wiped. All equipment will be turned off (is necessary) and cleaned.
- All non-cannabis trash will be taken to the dumpster and sorted for recycling.
- All non-security lights will be shut off.
- The Manager will activate the alarm and lock and exit the building.
- The Manager will be accompanied by a security guard when locking and exiting the retail store. The security guard will escort the General Manager to their car.

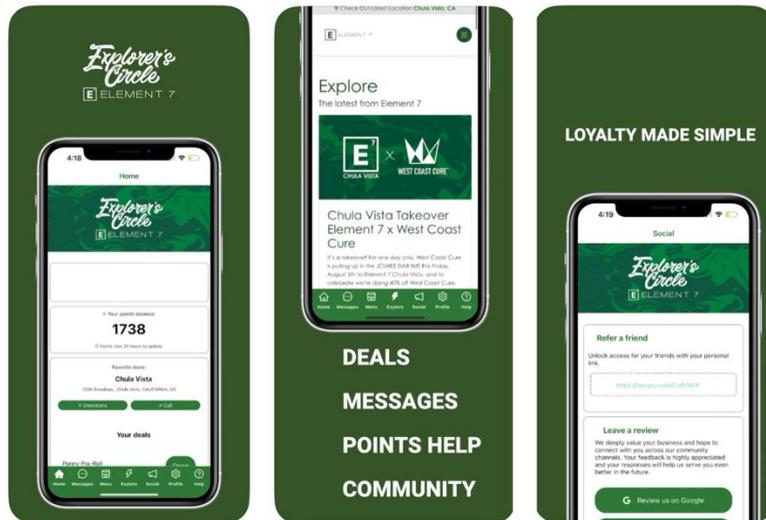
(a) Customer Check-In Procedures

The Customer Intake Process begins when a new, or returning customer, enters the dispensary and provides their government issued identification to security at the reception area – all customers enter the premises through the same door and are received in the secured man-trap lobby:

1. Customers will be greeted by a security personnel at the front door of the property. The customer’s identification card will be checked by the guard at the door for validity and legitimacy (this is the primary ID check).
2. The customer ID Card is then scanned by the receptionist inside the lobby in order to verify that the customer is 21 years of age or older – this is done by scanning the card into the TREEZ POS system and through a secondary visual inspection to ensure that the person presenting the ID is the same person shown on the ID card (this is the secondary ID check).
3. After a short process, customers will then be admitted to the dispensary after the system retains all information from the customer in the TREEZ system. The customer will be shown in the system as being ‘In Queue’ and within the store.
4. If a patient presents a valid physician’s recommendation and is at least 18 years of age, the employee will review the customer’s physician’s recommendation. A Manager will be called to double-check any recommendations for medical patients aged 18-21 – an online database is checked by the staff to ensure the recommendation is valid (see image below).



5. In the case of a primary caregiver, valid written documentation containing the signature and the printed name of the medical patient designating the individual as a primary caregiver is required.
6. After relevant checks are completed, recommendations are scanned into the system and the patient or primary caregiver will be admitted entry to the retail dispensary.
7. All customers must be 'buzzed-in' using a small button on the base of the check-in reception desk. A panic button is also installed at this desk for any duress situations.
8. The final step in the check-in process is to ask the customer if they would like to join the 'E7 Explorer's Circle' Rewards program which then results in them downloading an APP from the Apple / Google Store – we use this platform to educate and engage with our customers during their store visit and after.



E7 Explorer's Circle Loyalty Mobile Application

We implement four (4) primary methods of verifying the validity of a customer's doctor's recommendation:

1. We compile a list of reputable and compliant medical providers with a sample of a valid recommendation provided to us by the issuing provider. When a customer provides us with a doctor's recommendation from our list of verified providers, our staff will review the recommendation to verify its validity;
2. We verify the doctor's recommendations by contacting the issuing provider by phone if the recommendation does not appear to be valid.
3. We use <https://cannabisverify.com/> and the CA Department of Health Website to verify the validity of the card presented.
4. For any patients aged 18-21, we also do a full visual inspection by a Manager.

Thi Wellness will have a small lobby that ensures that anyone attempting to enter the retail store must first have their ID card checked before they can enter the retail shopping area. All camera footage from this area will [REDACTED]

[REDACTED]

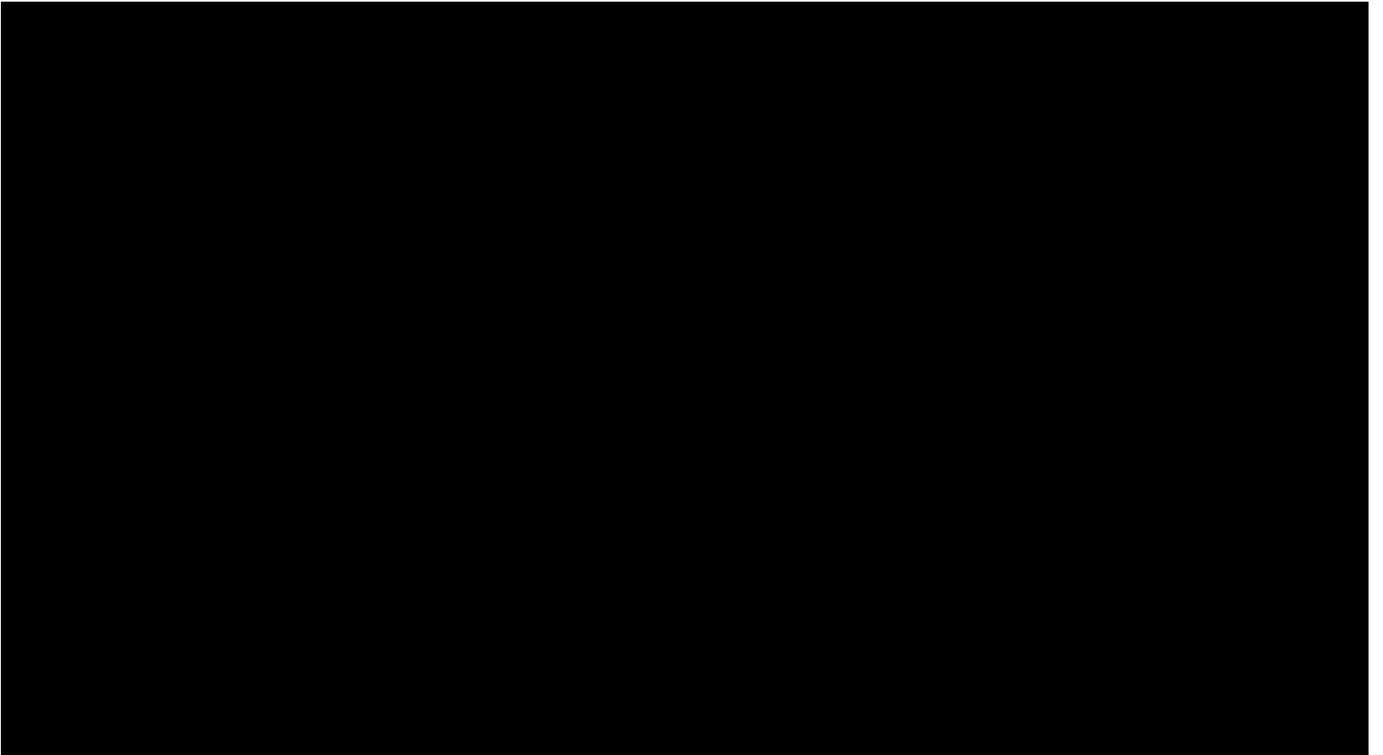
As soon as patients and customers are registered, they are allowed to enter the dispensary. We allow 1 customer in the store for every 45 square feet of retail space – as limits are hit,



customers are asked to wait in the lobby area until one customer leaves. The receptionist and security guard manage these limits so as not to create overcrowding which could result in diversion, theft, or a safety issue.

(b) Location and Procedures for Receiving Deliveries During Business Hours

During business hours, shipments of cannabis goods shall not enter the premises through an entrance or exit that is available for use by the public. Thi Wellness proposes to make use of the loading and unloading of deliveries at the front of the facility which allows for deliveries to be made safely and securely (as shown below).



_____ This loading and unloading area allow for the safe and secure delivery of goods without any disruption to our retail operations.

Prior to arriving at the facility, the distribution employee delivering shipments will contact the _____

_____ On arrival, the driver will lock the vehicle and notify reception they have arrived – they will be directed to park their vehicle at the rear of the facility and to wait for security. The delivering employee will provide the Security Guard and Inventory Control Manager with a copy of the company’s business license and shipping manifest as a measure to verify that we are permitting an authorized shipment onto our premises. Simultaneously, we will request to view the employee’s identification badge, a copy of which will already be on file for verification purposes. The driver will be instructed to reverse their vehicle (small sprinter vehicle) so that goods can be removed from the rear of the vehicle and immediately transferred to the secured Quarantine



Storage Room. All drivers are required to log-in and sign-in as a visitor and will only be allowed to visit this one single receiving area for shipments.

Upon receipt of a shipment, the Inventory Control Manager shall verify that all products have not exceeded their expiration or sell-by date. If any products have exceeded their expiration or sell-by date, employee shall notify management and the delivering employee. We shall not accept any products that have exceeded their expiration or sell-by date. We will return the expired goods and request that the expired goods be exchanged for sellable goods. If it is discovered that any product that was purchased is defective, we may return the product in exchange for a non-defective version of the same product, for product of equal value, or for a refund (if payment for the shipment has already been paid or transferred).

Additionally, we will not accept cannabis goods unless they are appropriately packaged and labeled as they will be sold at final sale (note: we shall not package or label cannabis goods as this is done by State Licensed manufacturers). All items will be inspected to ensure that they are compliantly packaged and labeled. A packaging, labeling and documentation “cheat-sheet” (composed of relevant regulations and company policies) will be readily available and used to inspect every shipment to ensure that we are accepting a compliant shipment and being provided the required/requested documentation.

Upon receipt of cannabis goods, we will ensure that the cannabis goods received are as described in the shipping manifest and shall record acceptance and acknowledgment of the cannabis goods in the track and trace system. If there are any discrepancies between the type or quantity specified in the shipping manifest and the type or quantity received, we will record and document the discrepancy in the track and trace system and any relevant business record and notify the distribution company immediately. We will not accept any cannabis goods that are not included on the shipping manifest. The Inventory Manager (IM) will ensure that all records related to the acquisition of cannabis and cannabis-infused products will include the following information:

- Strain Type
- Quantity and Variety
- Batch Number
- Name and Registry Identification Number of the licensed operator supplying the shipment of cannabis and/or cannabis-infused products
- Name and Registry Identification Number of the licensed operator delivering the shipment of cannabis and/or cannabis-infused products
- Name and Registry Identification Number of the Dispensary Agent receiving the shipment of cannabis and/or cannabis-infused products
- Date of Acquisition of cannabis and/or cannabis-infused products

As goods are delivered, they shall be immediately transferred to the **Quarantine Storage Room** so that the COA Testing Certificate can be verified by the Inventory Control Manager, and METRC tags applied to products prior to being transferred to the Ambient Storage or Cold Storage rooms. This room is climate controlled and products should not be left in this room for more than 24 hours. In addition to verifying the COA, the Inventory Control Manager will also verify all packaging and labelling is compliant with State Laws. All METRC tags are kept with the manifest and COA for each order which is compliant with DCC Regulations.

(c) Point-of-Sale System and POS Locations

Thi Wellness’s preferred point-of-sale system (POS) is TREEZ which Element 7 utilize across all their licensed dispensaries in California. TREEZ is one of the most-used and popular iPad-based POS Systems in the market and was the first POS system to integrate with Metrc.



TREEZ navigates complex compliance standards and directly integrates with Metrc – it further allows Thi Wellness team members to:

- Automate Metrc reports and manifests
- Eliminate the need to update multiple systems of record
- Keep the State Metrc reporting system and POS aligned with bi-directional integrations
- Easily identify action items with automated compliance to-do lists

Element 7 is a preferred TREEZ customer given their scale and we will leverage this to our advantage.

The screenshot shows the TREEZ 'PRODUCT REPORT' interface. At the top, there are tabs for 'PRODUCT', 'DISCOUNT', 'DEMOGRAPHICS', 'TAX', and 'PAYMENT'. Below these are sub-tabs for 'PRODUCT SUMMARY' and 'PRODUCT LOG'. The interface includes a 'Last Refreshed' timestamp, a date filter set to '11/12/2021 - 11/12/2021', and a time filter set to '12:00 am - 11:59 pm'. A summary row displays key metrics: 112 Tickets, 261 Quantity, \$6,116.17 Gross Sales, \$705.44 Discounts, \$0.00 Returns, \$5,410.73 Net Sales, \$484.76 Taxes, \$5,895.49 Gross Receipts, and \$3,141.22 Cost with Excise Tax. Below this is a table with columns for Product Type, Qty, Gross Sales, Discounts, Returns, Net Sales, Taxes, Gross Receipts, Cost with Excise Tax, and Cost without Excise Tax. The table lists four product types: PREROLL, FLOWER, CARTRIDGE, and EDIBLE, each with its respective sales and cost data.

Product Type	Qty	Gross Sales	Discounts	Returns	Net Sales	Taxes	Gross Receipts	Cost with Excise Tax	Cost without Excise Tax
PREROLL	104	\$1,865.58	\$303.67	\$0.00	\$1,561.91	\$144.48	\$1,706.39	\$937.56	\$738.24
FLOWER	52	\$1,807.89	\$171.20	\$0.00	\$1,636.69	\$140.70	\$1,777.39	\$903.85	\$711.69
CARTRIDGE	27	\$969.34	\$74.69	\$0.00	\$894.65	\$77.72	\$972.37	\$501.97	\$395.25
EDIBLE	53	\$833.56	\$58.85	\$0.00	\$774.70	\$71.66	\$846.36	\$464.60	\$365.83

TREEZ Daily Sales Reports

Within Thi Wellness Healdsburg we have provided for **4 POS Stations** initially, with the ability to add up to 2 more as customer traffic robustly expands. Each POS Station includes a secured cash drawer, barcode scanner, Microsoft Surface Pro 7 mounted and secured to the POS station, Epson Printer, and spare printing paper. Cash drawers are locked when not in use and are stored under the POS Station for security purposes.

[Redacted]

[Redacted]



(d) Number of Customers to be Served per Hour / Day

With a potential customer base of over 150,000 cannabis consumers annually, Thi Wellness believes it would see over 150-175 customers a day at maturity (**15-20 customers per hour**).

With a retail sales area of 360 square feet, we would have a maximum occupancy of 12 customers at any one time (based on the California Building Code for Retail Sales Stores on Basement or Ground Levels at 30 square feet per customer). With a 33% load factor applied to this (for customer comfort), we would have a **maximum desired occupancy of 8 customers at any one time**. With an average customer visit time of 10 minutes, **the store could handle a maximum of 48 customers an hour**.

With an estimate of up to 175 customers a day, and operations from 9am to 9pm (12 hours), we do not forecast any significant issues with customer flow within the store.

Based on our retail experience, our marketing program 'smooths out' sales over different days of the week, and hours of the day. For example, on Mondays which are typically our slowest days of the week, we offer incentives and discounts to loyal local customers to bundle and save. This activity allows us to increase sales on what would otherwise be the slowest day of the week.

Customer Transactions and METRC Reporting

All customer transactions are logged only within TREEZ and all store managers are able to:

- Run end-of-shift reporting and cash balancing reports
- Access the Inventory control platform to see all live (and incoming) inventory
- Monitor sales and costs through one integrated platform
- Track employee efficiency and performance
- Create hard copy or paper free receipts
- Create back-office analytics and reporting
- Manage planning and staff scheduling



TREEZ is fully integrated with the State’s METRC program – all METRC ID codes are tagged to individual products and orders and logged for 7 years.

California regulations require sales to be uploaded within 24 hours, but TREEZ pushes sales data to Metrc in real-time. If Metrc experiences an issue (such as an outage or slowed performance) it may block sales from being uploaded. In these cases, TREEZ safely stores sales data within Trace Treez. From here, TREEZ automatically retry uploading sales every couple of minutes until Metrc accepts them, ensuring we’re always in compliance.

(e) Track & Trace to Prevent Diversion

We ensure cannabis products are not diverted through the following policies:

1. We only purchase products from State Licensed Distributors
2. All products are brought into the dispensary using METRC and TREEZ.
3. All products are tagged with a METRC compliant tag.
4. Access to storage rooms is highly restricted and controlled through an access control system.
5. All access to restricted rooms is controlled by the access control system integrating [REDACTED].
6. Inventory counts are conducted bi-weekly and monthly.
7. All discrepancies are reported to the City and DCC.

TREEZ has streamlined data entry, inventory management and reporting by developing Stash, a mobile inventory management application that requires the use of a handheld scanning device that easily identifies, records and manages inventory. In a highly regulated industry that depends on accurate reporting, being able to utilize state-of-the-art technology that can push/pull data, in real time, towards the State’s mandated track and trace system, METRC, is a powerful tool that ensures compliance and success. Records pertaining to customer transactions, denials of sale, inventory acquisitions, management, movement, cannabis waste disposal, incident reports and corrective actions can be migrated from electronic devices that are used to perform functions through the POS onto our secure and encrypted cloud-based data system via file migration, which is facilitated by our data system.

All Inventory Associates and Managers will hold their own Login for METRC and undergo mandatory training. These employees will also be trained across all METRC functions at Element 7’s Marina store by Nick Tsambazis who is Element 7’s product knowledge expert on METRC and TREEZ.

Inventory Reconciliations

Close attention to inventory is tantamount to Thi Wellness’s successful and compliant operations. As a licensed dispensary, Thi Wellness will be the last point in the chain-of-custody and must ensure that all inventory is accurately represented and reported. To ensure strict compliance with local and state regulations, Thi Wellness has developed a comprehensive inventory management plan that consists of the following:

1. Thi Wellness will reconcile all the inventories of cannabis goods at least once every 14 days.
2. If Thi Wellness finds a discrepancy between the inventory of stock and the inventory log or track and trace system that is outside of normal weight loss caused by moisture loss, Thi Wellness will commence a full audit of the batch in which the discrepancy was found.



3. Thi Wellness will notify licensing authorities and local law enforcement within 24 hours of discovery of a significant discrepancy. A significant discrepancy in inventory means a difference in actual inventory compared to records pertaining to inventory of at least \$1,000 or 1 percent (1%) of the average monthly sales of the licensee, whichever is less.

Thi Wellness will notify the licensing authority and local law enforcement within 24 hours of discovery of any of the following situations:

- Thi Wellness discovers a significant discrepancy in its inventory.
- Thi Wellness becomes aware of or has reason to suspect diversion, theft, loss, or any other criminal activity pertaining to the operations of the licensee.
- Thi Wellness becomes aware of or has reason to suspect diversion, theft, loss, or any other criminal activity by an agent or employee of the licensee pertaining to the operations of the licensee.
- Thi Wellness becomes aware of or has reason to suspect the loss or unauthorized alteration of records related to cannabis goods, customers, or the licensee's employees or agents.
- Thi Wellness becomes aware of, or has reason to suspect, any other breach of security.

Inventory counts are conducted after the store is closed so that a full and accurate count can be made. Counts are started at the POS and display area before looking at any on-retail-floor storage areas (e.g., lockable product cabinets), and then the vault is counted. Each product is counted by SKU for accuracy and a team of 4 persons performs the count – persons work in teams of two assigned by a Manager with one counting and one verifying before reporting the numbers to an employee who enters the data whilst being monitored by a Manager. A full inventory report is then sent to the General Manager and Owners.

Inventory Storage

Access to cannabis products within the facility will be limited to employees whose roles require them to transport, manage, handle or inspect cannabis products. Internal policies require that at least two (2) authorized employees are present when cannabis products are being transported, handled and prepared for release to customers at all times. Employee break-rooms, restrooms and locker rooms will remain separate, restricted access areas where cannabis products will not be allowed.

As goods are delivered, they shall be immediately transferred to the **Quarantine Storage Room** so they can be verified by the Inventory Control Manager, and tags applied to products prior to being transferred to the Storage Vault.

All cannabis products are stored within two (2) locations within the store – the secured product storage vault, or on the sales floor. [REDACTED]

[REDACTED]



The secured storage vault is temperature controlled and has wire racks for products that need to be stored at ambient room temperature, a freezer for rosins and hash, and refrigerators for products that need to be stored in that manner.

Records Keeping Procedures

As deliveries are made to the store, the invoice, manifest, COA's and METRC tags are all kept together in a single manila folder prepared by the Inventory Manager. Each delivery is assigned to one folder that is labelled by the supplier and TREEZ record number. As folders are completed and checked, they are then filed in a locked filing cabinet within the inventory room. All records are kept in both hard-copy format and digitally. All hard-copy records are kept for 7-years (other types of records are described in detail below).

All physical paper documents are kept in both paper copy in locked filing cabinets, and digitized and uploaded to the relevant product record maintained and backed up both on and off site, in electronic form on a secure SLL-encrypted server (consistent with requirements pertaining to patient confidentiality pursuant to applicable state and federal law). Only the General Manager and Head of Inventory have access to physical records.

Records are audited each month by Thi Wellness's finance team by physically visiting each store and checking the physical data against the records in TREEZ and QuickBooks to ensure our finances are accurate.

(f) Waste Management Plan

Retail cannabis waste is generally a small component of the operations that need to be managed – if products are being ordered from reputable distributors and then only accepted on set guidelines (order must have a PO number issued by the General Manager, goods must have a Use By Date no earlier than 180 days, and orders are based on prior sales data), waste management should be minimized or reduced to nothing.

As a commercial cannabis retail operator, we do not envision having any significant 'sensitive cannabis waste products' to dispose of. In the event that products were required to be destroyed, our preferred partner is **GAIACA**, a company that has over 20-years of cannabis and medical waste disposal experience. GAIACA has the following permits in place to handle such waste:

DTSC Haz Permit #6300
 Motor Carrier Permit #CA 0446205
 CHP Hazardous Materials Transport License #228307
 RCRA ID # CAR000265140
 Weigh Masters License #014137

Products would be placed into a Secured Waste Receptacle provided by GAIACA held within the secured storage room within the facility which is a secured zone and only accessible by the General Manager, Inventory Manager and inventory department team members, with all destroyed products tracked into our inventory management system. This **secure room** will be under 24-hour surveillance and the GAIACA Secured Waste Receptacles have a lock system at the top of the waste bin so that products can only be disposed of, with no retrieval possible. Any 'disposal' would require two staff to be present – one responsible for the disposal and one to responsible for documenting the disposal into the inventory management system.

GAIACA staff would visit the site as required and remove the Secured Waste Receptacle into their vehicle for full and complete compliant destruction at their facilities. Secured Waste



Receptacles are able to be wheeled out of our secured facility to the GAIACA vehicle under supervision of a security guard and an inventory department staff member. All cannabis waste generated at the facility will be rendered useless and unrecognizable within the secure cannabis waste storage area prior to its disposal in the GAIACA Bins. [REDACTED]

We will render all cannabis waste unusable and unrecognizable prior to disposal, this includes, at a minimum, removing or separating the cannabis goods from any packaging or container. Cannabis waste will be rendered unusable and unrecognizable by grinding and incorporating it with other ground, “non-consumable,” “non-hazardous” materials (soil, plastic pots, netting, spoiled food waste, cardboard, etc.) The resulting mixture must be at least 51% non-marijuana waste by volume. The rendering and disposal will be recorded in the track and trace system the following additional information:

- Name and type of the cannabis goods.
- Unique identifier of the cannabis goods.
- Amount of the cannabis goods, by weight or count, and total wholesale cost.
- Date and time.
- The name of the employee(s) performing and present at the destruction or disposal.
- The reason for destruction and disposal.
- The entity disposing of the cannabis waste.

Once the cannabis waste is rendered unusable and unrecognizable, the cannabis waste will be placed into the locked GAIACA Bins which will remain storage in the secure area until GAIACA is contacted to haul the waste to their facility.

Waste is typically generated from several areas:

1. Out of Date products
2. Recalled products
3. Returned products
4. Defective products

Product Recalls

Cannabis may be returned for several reasons:

- It is no longer needed by the patient or customer;
- It is found to be defective by the patient or customer; or
- It has been recalled due to quality concerns with the associated batch - either by the Manufacturer, Distributor or Retailer.

Product No Longer Needed

If cannabis is returned because it is no longer needed and the product is still sealed, pending verification that it was in fact dispensed or sold by Thi Wellness, the patient or customer will receive a receipt indicating the type, date, and amount of returned cannabis, and their purchase will be refunded in full. Products no longer needed by patients and customers must be returned within 7-days of purchase and must be accompanied by the original receipt. Products that are opened or partially consumed will only be refunded in the product is defective. Thi Wellness will return and destroy all such products at the Distribution hub.

Product Returned as Defective

Thi Wellness believes that a patient-friendly return policy is essential to all aspects of our operation. We would like to be made aware as soon as possible of any product safety issues that have escaped our screening process so that we can promptly analyze and correct the



problem. An unaccepting attitude toward product returns will only discourage reporting of quality concerns and encourage diversion for monetary gain. We will serve our mission better by supporting the return of products that patients find unsatisfactory. Our goal is to implement a policy that neither discourages nor incentivizes returns.

Any products returned for quality reasons are weighed and sent for inspection and analysis. If evidence of pests, contamination, or other defects is found, the inventory tracking system will identify all products derived from the same plant or batch (regardless whether they are still in our possession or have been dispensed to consumers), allowing us to do wider testing and remediate, protect, or dispose of inventory as needed and recall products when necessary.

Customers and Patients will be informed of our return policies and rules both verbally and in writing when making a purchase. We will make sure patients understand that:

- Cannabis damaged by improper storage by the patient may be returned, but shall not be replaced,
- The cannabis must have in fact been purchased at our facility and have been the most recent purchase made by the patient.

Product Returned for Product Quality Issues

The General Manager at the Facility will institute the Product Recall Program should any of the cannabis products be shown to be, or potentially be, defective or have a reasonable probability that their use or exposure to the product will cause adverse health consequences. This Product Recall Program includes the method of identification of the products involved; notification to the distributor that supplied the product and then associated steps for recovering and destroying the product.

Thi Wellness will have all of information necessary for any product recall which is stored within the Facility Data Management System. All information concerning the product, the unique serial number and the batch number will all be readily available within such System. Accordingly, Thi Wellness will not need to undertake any extraordinary measures to gather and disseminate the necessary information.

Should a product recall be warranted the notice will include the following information:

- The reason for the recall and product failure;
- Identifying information for the cultivation center involved;
- Identifying information about each patient that received any of the recalled medical cannabis;
- Product(s) involved;
- Batch numbers;
- Unique serial number tying the product to the cultivation center and batch number; and
- Date that the product was sold to the customer or patient.

With the relevant procedures in place at the point of manufacture and distribution, and State-Licensed Testing in place for every gram and product purchased by Thi Wellness, Thi Wellness would not expect the need to ever require a Product Recall, however, if the need did arise, it would absolutely be ready, willing and able to manage such requirements.

The Employee Training Program built for and managed at the Facility would run employees through 'simulated product recall scenarios' so that they are properly trained and ready, if ever the situation requires.

Such forward thinking planning and training would put Thi Wellness at the forefront of the industry in terms of both product quality and product management.



Procedures for Preventing the Deterioration of Cannabis

Storage Systems

All cannabis products are kept in temperature-controlled rooms with humidity gauges to control the humidity and reduce any spoilage that might happen to products. In addition, light sensitive products are kept in plastic boxes that don't allow light to penetrate and all products requiring refrigeration and freezing are kept in refrigerators / freezers in the secured storage room.

SKU Management

Thi Wellness will have 300-350 SKUs of products in the store and we will order weekly to ensure products are kept fresh at all times. This is important as it is far easier to manage a smaller amount of SKU's than to manage a store with several thousand – we use data to really understand what customers want, what they are talking about or searching for, and then we stock these products on our shelves.

Regular Auditing

Performing regular inventory audits includes physical inspections of products in inventory that are in the secure product storage area, quarantine area and cannabis waste storage area.

Spot Checks

Spot checking is performed at various intervals throughout the day by an assigned employee. This type of inspection prevents the delayed discovery of damaged product that may affect the integrity of other undamaged products in the secure product storage area.

First-In-First-Out Product Movement System (FIFO)

We will utilize a First-in, First-out product management system that ensures all products sold at our facilities have not exceeded their Best-by or Use-by date/s. This system ensures that our oldest stock is sold first. This system is important especially where it concerns perishable products, such as edibles and beverages.

Product Handling

All employees will receive the necessary training that will educate them on the personal protective equipment that needs to be used when handling cannabis products, including how to handle the products, from receiving shipments, to performing inspections, and then moving products across the facility, and then preparing the products for exit with customers and patients.

Random Product Quality Checks

Thi Wellness will manage its own 'Random Product Quality Checks' program which will be managed and administered by the Head of Compliance at Thi Wellness.

Products within our inventory will be randomly selected and tested with a 3rd party independent State-Licensed testing lab for a range of measures including use of pesticides, potency and other quality measures.

This program allows us to have confidence in the testing results issued by Distributors and their Testing Labs to ensure that any products sold at Thi Wellness are of the highest standards available in the industry.

Delivery Service Procedures

Customers can place online orders through either Weedmaps.com, I Heart Jane e-commerce platform, Leafly, our APP, or through our website. They are all managed through a single



TREEZ interface which then allows staff to focus on fulfilment of the order using our On-Fleet software.

Receiving Orders

Upon notification that an order has been placed online, it will be assigned to a dedicated BudTender within the store that will then pick and pack the order for a driver. Internally, we set a 10-minute response time from when the order is received to when it can be dispatched.

An assigned Thi Wellness driver will then pick-up the order at the store, check the delivery receipt matches the order, and then walk the order to their unbranded car ready for delivery. The order will be placed in a lockable safety box in the trunk of the car (attached to the car chassis for security) and then the driver will drive to the assigned location using a route determined by the On-Fleet software which determines routing using google maps embedded technology for the most efficient route.

Customer Accounts

First time online customers will be required to create an account before submitting an order. Customers will be required to create a password protected customer account by providing/uploading the following information:

- First and Last name
- Contact Information
- Government-Issued Identification
- Selfie photograph to ensure ID Card matches the person placing the order
- Physician's Recommendation Letter (if relevant)

Thi Wellness will verify first time customer's physician's recommendation by contacting the issuing physician or comparing it with our list of confirmed physicians sample recommendations on file or by checking one of two databases.

Verifying Identity of Customer

Cannabis goods will only be delivered to the customer named on the delivery request receipt by the customer. Upon arrival, the driver must review the customer's government-issued identification and physician's recommendation (if applicable); the driver will verify that the documents provided in person match the customer's online profile.

A mobile ID Checker (CAV-3200 VIAGE Model approved for use in California) will be carried by each Driver to check ID's as required (cloud based). A secondary visual inspection to make sure the ID matches the user-profile AND the person receiving the order will be conducted.

Delivery Technology

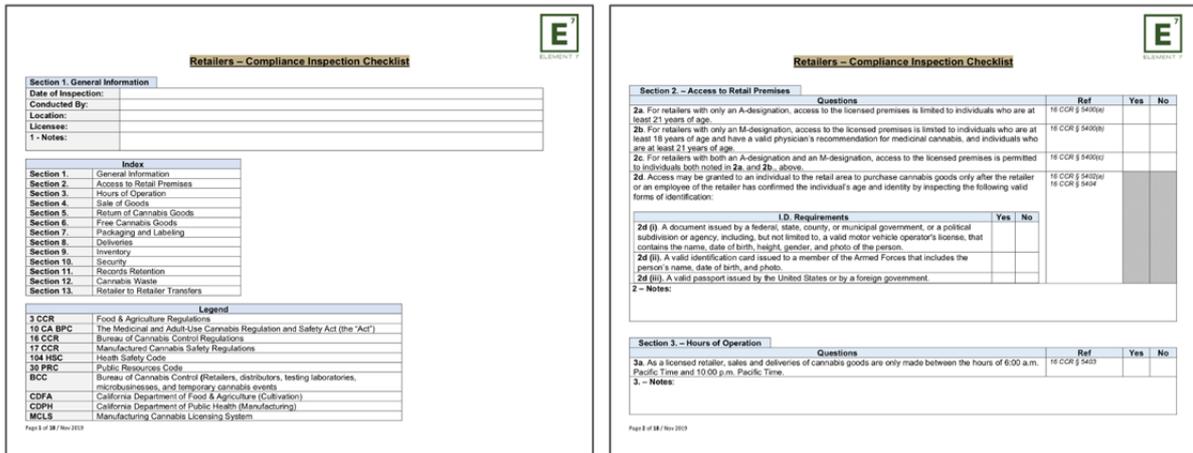
OnFleet is Thi Wellness's preferred online ordering platform with the easiest design for consumers to purchase cannabis products from dispensaries for pickup or delivery. The intuitive OnFleet delivery technology platform will allow our delivery team to track and record information for every online transaction. OnFleet has features to enable us to accept online orders for pick-up and delivery, fulfill orders, dispatch drivers, and manage inventory, transactions, and deliveries – similar to how food delivery software works.

OnFleet seamlessly integrates with our TREEZ platform and automatically pulls our inventory in real-time to ensure our online menu is always up to date. The OnFleet software simplifies our inventory from vendor intake to consumer sale. We are able to manage manifests, packages, and products in real-time. Once the order is accepted the quantity will automatically be deducted from the inventory. Dispatchers are able to view the courier's current inventory and amount of each product for even faster delivery times.



Conformance with Local and State Laws

Element 7's Chief Compliance Officer, Amber Norwood, has developed a **Quarterly Audit Scorecard** that scores the retail operations on over 80 checklist items. Stores are scored using a point and traffic-light scorecard with mandatory and minimum KPI's that must be met. This process ensures that operations are compliant, consistent, and controlled. The image below demonstrates some of the items on the **Quarterly Audit Scorecard** and includes access controls, operating hours, sale and return of cannabis goods, packaging and labelling, inventory management, storage, security measures, records management and retention, waste, transfers, and other day to day operational procedures.



Element 7 Quarterly Audit Scorecard

If an audit is performed and there are either failures or significant ‘misses’ on performance standards, a range of ‘triggers’ may be issued including training, management changes, and advisory notices to City and State regulatory bodies. Thi Wellness desires to be the most taxed, trusted, tested, controlled, and compliant partner that the City of Healdsburg could identify for a cannabis permit. In addition, Thi Wellness will address the following issues proactively as we build a sustainable cannabis business in Healdsburg.

Summary

Thi Wellness is excited to present this plan – we believe the financials are realistic and that the sale and revenue targets can be hit. We have diligently worked hard to understand the local market and believe that our model presents an excellent opportunity for the city to support a new small business backed by a large organized retailer.

We are confident that our extensive industry experience — coupled with our unique, agile business model — ensures that no other cannabis company is a better fit for Healdsburg than Thi Wellness.





Date: July 28, 2023

To: To Whom It May Concern

Re: Chroma Inc.
Healdsburg, CA

This letter serves to notify the City of Healdsburg that future cannabis retail entity, Chroma Inc. (affiliated with Element 7) is affiliated with a related California cannabis licensed entities that do have business accounts with KeyPoint Credit Union (KPCU), which are in good standing with the credit union. Pending City of Healdsburg approval, KPCU does expect to successfully onboard and provide cannabis business accounts to Chroma Inc.

Regards,

Justin Pilgrim
Senior Risk Management BSA Analyst
KeyPoint Credit Union
(408) 731-4194
jpilgrim@kpcu.com

DocuSigned by:

5830A8FD1108447...

7/28/2023

THI WELLNESS

50 WEEK CHECKLIST: NEW STORE OPENING

Weeks Before Opening	Category	Activity	Responsible Person/Party	Target Completion Date
50	Construction	18 Weeks Allocated for Initial License Review (includes parallel activity with Planning)		
42	Construction	16 Weeks Allocated for Discussions with Planning and City regarding Parking, Traffic, Engineering etc		
26	Construction	12 Weeks Allocated for all On-Site works (internal Site Works)		
14	Construction	4 Week Buffer for Site Works Delays / Planning Matters		
10	Operations	4 Weeks Allocated for Dfit-Out Works / Merchandising Displays etc		
6	Operations	Initial Accessories product & supplies orders with Suppliers - determine quantities for training, mock shifts, pre-opening activities		
6	Personnel	Prepare All Employee HR Documents, Employee Handbook and have final draft reviewed by labor attorney		
6	Personnel	Employee policies - determine policy		
6	Personnel	Employee training manuals -Expand on Cheat Sheet, Diego Background, History, and Future, Accessories, Flower, Concentrates, POS, Sales training (suggestive selling, up selling, cm, cx/ux, marketing, seo), Compliance Checklists		
6	Personnel	Employee files - set up for employment application, status changes, other personnel records		
5	Administration	Insurance - verify with your agent that all policies are in force		
5	Marketing	Job Posts- NOW HIRING /COMING SOON		
5	Marketing	Public relations for opening - hire local PR firm - send out press releases to local media outlets		
5	Operations	Inventory report of all products on hand		
5	Personnel	Management team - start interviewing/selection process		
5	Personnel	Bud Tender's placement - Security arrangement - determine mix of floor and counter bud tenders - Security personnel plan interior and exterior		
5	Personnel	Employee recruiting - Indeed and Job Fairs - recruiting missions - plan for turnover, hire 20% more than you think you need		
5	Product	Cannabis - determine how many products and create a list with all information - decide what genetics, edibles, paraphernalia, accessories and merchandise to stock		
5	Product	Create a list of available suppliers and their information - create list of suppliers for Cannabis, Packaging, F&B (Where applicable) & supplies		
5	Product	Pricing - Determine final price points on all items		
5	Product	Inventory control - using master inventory list of all products to stock -set up POS		
5	Product	Set up all tracking compliance info in POS, assure all key personnel are trained		
4	FF&E	purchase equipment		
4	Operations	Finalize Staff Uniforms		
4	Operations	Hours of operation - determine for each day/employee meal period		
4	Personnel	Management training commences - personnel hiring, training & management - operations - administrative		
4	Personnel	Staff pay scales - determine starting pay scales for each position - determine employee review/raise policies		
3	Administration	Credit card merchant accounts - setup for MC/Visa, Amex, Discover, Others		
3	Design/Construction	Exterior signage - primary, handicap, reserved, valet, hours of operation, delivery times - Company Sign Hung		
3	Design/Construction	Supplier, contractor, sub-contractor contacts - create master phone & contact list with emergency numbers		
3	Design/Construction	Cleaning crew - bid & select vendor for initial & final clean		
3	FF&E	Office equipment - copier, fax, computer, printer, calculators		
3	FF&E	Office furniture - desk, chairs, filing cabinet, shelving		
3	FF&E	Receiving scale		
3	FF&E	Restrooms - hand towel/dryer dispensers, soap dispensers, hand soap		
3	FF&E	Janitorial equipment - wet floor signs, mops, buckets, vacuum - trash cans, cordless dust pan		
3	Marketing	Printing - Exterior Signage Permit - Website and Social media - Banners, Printing, Fliers, Posters - stationary, envelopes, labels, business cards - invitations for opening parties		
3	Ongoing Services	Retail space cleaning - flooring, rest rooms		
3	Ongoing Services	Armored car service - select approved vendor		
3	Operations	Checklists - prepare opening, closing, shift change checklists for all stations		
3	Operations	Promotions - determine specials - check state/local laws regarding specials/discount programs		

3	Operations	Prep lists with pars - create prep lists with par levels		
3	Operations	Station setup sheets with pars - for all retail, medical, café, etc		
3	Operations	Approved vendor list - create Master Approved Vendor List - Building & HVAC repair vendors		
3	Operations	Initial Cannabis, Edibles and Concentrates product & supplies orders - determine quantities for training, mock shifts, pre-opening activities		
3	Operations	Backup Plans and Documents for issues that could arise (i.e. POS system not working)		
3	Product	Initial Product order - prepare & place initial order - request free samples from suppliers to test - have sufficient quantities for testing & training		
3	Technology	POS phone line - dedicated line for charge approvals - tie into DSL/cable line		
3	Technology	POS system install - start evaluation/demonstration process		
2	Administration	Payroll processing		
2	Administration	Petty cash - setup petty cash fund for cash payments - create petty cash reimbursement form		
2	Administration	Deposit procedures - armored car service or other		
2	Design/ Construction	Compressors & valves - label and check for accessibility		
2	Design/ Construction	Electrical labeling - label switches, breakers and check for accessibility		
2	Design/ Construction	Security and Alarm system - install & inspect		
2	Design/ Construction	Inspections - schedule for fire, health departments		
2	Design/Constr.	Walk-through with contractor - create initial punch list		
2	Design/Constr.	Building & equipment plans - retain full set of plans for operational files		
2	FF&E	Communications/phone system - phone lines for office, fax, retail space, etc - Security system, fire & burglar alarms - internet access, service provider		
2	FF&E	Interior signs restrooms, fire exit, hand wash, wait to be seated		
2	FF&E	Safe for office - determine type, bid & order		
2	Ongoing services	Music-(Music licensing)		
2	Ongoing Services	Chemicals and SDS Sheets - select approved vendor		
2	Ongoing Services	Setup Monthly accounting - use industry standard chart of accounts - outside accounting service		
2	Ongoing Services	Pest control - select approved vendor		
2	Ongoing Services	Trash disposal - select approved vendor		
2	Ongoing Services	Window washing - do in-house or outsource - select approved vendor		
2	Ongoing Services	Insurance agent - building, general liability, liquor liability, workman's comp, group medical		
2	Ongoing Services	Laundry & linen - select approved vendor		
2	Operations	Emergency exit procedures - determine procedures, post maps - discuss in safety meetings with staff		
2	Operations	Bulletin board - for employee schedule, mandatory postings - choking poster - emergency hospital & doctor numbers & instructions		
2	Operations	Cleaning & maintenance schedules - set up schedules & procedures - Cleaning Checklists		
2	Operations	Emergency numbers - map, directions to hospital - make arrangements with local doctor, clinic		
2	Operations	Floor maintenance - get ongoing floor maintenance procedures - purchase cleaning / polishing supplies		
2	Personnel	Food safety training - access food safety training materials		
2	Personnel	Staff Orientation and Begin staff training		
2	Smallwares/ Supplies	First aid kit - emergency bum kit		
2	Smallwares/ Supplies	Check presentation clipboards		
2	Technology	Computer software - Microsoft office, scheduling, cannabis and retail item management		
2	Technology	Phone on hold message - select service provider - message/music		
2	Technology	Internet service provider - DSL or cable		
2	Technology	POS - set up installation & training		
1	Administration	Bank supplies - deposit stamp & pad, deposit bags, deposit slips		
1	Administration	Accounting/bookkeeping system - have CPA review sales, deposit, payroll and accounts payable system		
1	Administration	Permits, licenses, inspections, approvals - verify that licenses, etc. have been secured		

1	Administration	Initial change order - get change & small bills from bank		
1	Administration	POS/merchant accounts - test credit card approval/processing		
1	Administration	Receive certificate of occupancy		
1	Design/ Construction	Exterior signage light timer - set light timer		
1	Design/ Construction	Exterior cleanup - parking lot, landscaping, building, windows		
1	Design/ Construction	Final clean - interior & exterior of building		
1	Design/ Construction	Wash windows		
1	Design/ Construction	Beverage service - set up installation of coffee and tea equipment		
1	Design/ Construction	Update construction punch list		
1	Design/ Construction	Fire extinguishers - install with visible operating instructions		
1	Design/Constr.	Continue construction punch list		
1	FF&E	Storage shelves - clean, organize & label		
1	FF&E	Receive furniture - tables, chairs, desk tops, display cases, other		
1	FF&E	Emergency equipment procedures - determine emergency shut-off steps - label equipment		
1	FF&E	Equipment tests - test each piece with supplier prior to training		
1	FF&E	Tools/toolkit - purchase & designate location store		
1	FF&E	R&M binder for all equipment - prepare repair & maintenance binder for operating instructions, manuals - mail in warranty cards		
1	FF&E	Test all equipment		
1	FF&E	Complete equipment warranty cards		
1	FF&E	Final clean all equipment		
1	Marketing	Opening parties - work with training team to set up - press event, VIPs, contractors & suppliers - create guest lists, send invitations		
1	Operations	Order & delivery schedule - prepare weekly schedule with each vendor's order & deliver dates		
1	Operations	Deposit bags - obtain from bank		
1	Operations	Change order - prepare initial change order; change & small bills		
1	Operations	Check inventory levels - on all cannabis, retail items, packaging, food, beverage, paper & supplies - prepare orders for opening week		
1	Operations	Opening inventory - take full physical inventory on all products pre-opening - necessary to calculate accurate costs after opening		
1	Personnel	OSHA - review OSHA standards with managers		
1	Personnel	Safety checklist & audit - create safety checklist & perform safety audit - Safety Checklist		
1	Personnel	Safety & first aid training - conduct training program for all employees		
1	Personnel	Conduct practice runs/mock service - full dress with uniforms		
1	Smallwares/ Supplies	Initial chemicals order - degreasers, drain treatment - disinfectants, sanitizers - floor care solutions - handcare - cleaners for dishroom/restroom/dining room		
1	Smallwares/ Supplies	Janitorial supplies - carpet, tile, floor cleaner, spot remover - gum solvent, liquid hand soap, paper towels, toilet paper		
0	Launch	Soft Opening/Grand Opening		

SECTION B: LABOR AND EMPLOYMENT PLAN

Introduction

Thi Wellness will manage its Labor and Employment Plan from multiple angles - a dedicated HR specialist hired within the Thi Wellness head office; the General Manager at the Facility, and a third party, HR specialist consultant that will advise the business on aspects of employment law, HR principles and other labor related issues (HR Bizz in Los Angeles).

In addition to these specialists that sit within the business, Element 7 has a working relationship with UFCW and has previously partnered with the California State Economic Development Department (EDD) and Latinos 4 Cannabis (L4C) on job training programs and job fairs in cities across California including Los Angeles, Orange County, Oakland, and Fresno. We will be bringing these same opportunities and events to Healdsburg in 2023/24 by hosting a *Cannabis Job Fair* as we prepare to start actively recruiting talent.



Element 7 Job Fairs

Thi Wellness has already started recruiting potential job candidates across a range of positions in the company – in July 2023, Thi Wellness conducted outreach efforts into the local community to source potential candidates for budtender roles, inventory management, shift management, and security. In July 2023, Thi secured letters of interest from 14 candidates in Healdsburg looking to secure employment with Thi Wellness on opening (see letters below).

RE: LETTER OF SUPPORT – LOCAL STAFFING AND MANAGEMENT	RE: LETTER OF SUPPORT – LOCAL STAFFING AND MANAGEMENT	RE: LETTER OF SUPPORT – LOCAL STAFFING AND MANAGEMENT
<p>Dear Robert,</p> <p>Thanks for your time recently to engage and advise us of your upcoming commercial cannabis application for operations in the City of Healdsburg.</p> <p>I appreciate you taking the time to walk me through your approach to cannabis in the City and the upcoming cannabis application process. Your commitment to hiring local talent and community support initiatives are progressive and sound exactly what the industry and City requires from operators in your industry.</p> <p>As a <u>10</u> year resident of Healdsburg, I appreciate companies like yours focusing on hiring local talent, providing best-in-class training, and other benefits such as sick leave, annual leave, paternity leave, and medical coverage.</p> <p>We wish you all the very best in the upcoming process and I would be excited to apply for a position within your company if you are successful.</p> <p>Kind regards,</p> <p>Name <u>Spencer Hernandez</u> Address <u>555 Murray Dr. Healdsburg, CA 94931</u> <u>10 Years!</u></p>	<p>Dear Robert,</p> <p>Thanks for your time recently to engage and advise us of your upcoming commercial cannabis application for operations in the City of Healdsburg.</p> <p>I appreciate you taking the time to walk me through your approach to cannabis in the City and the upcoming cannabis application process. Your commitment to hiring local talent and community support initiatives are progressive and sound exactly what the industry and City requires from operators in your industry.</p> <p>As a <u>20</u> year resident of Healdsburg, I appreciate companies like yours focusing on hiring local talent, providing best-in-class training, and other benefits such as sick leave, annual leave, paternity leave, and medical coverage.</p> <p>We wish you all the very best in the upcoming process and I would be excited to apply for a position within your company if you are successful.</p> <p>Kind regards,</p> <p>Name <u>[Signature]</u> Address <u>102 Fiesta Ct</u> <u>Windsor CA 95942</u></p>	<p>Dear Robert,</p> <p>Thanks for your time recently to engage and advise us of your upcoming commercial cannabis application for operations in the City of Healdsburg.</p> <p>I appreciate you taking the time to walk me through your approach to cannabis in the City and the upcoming cannabis application process. Your commitment to hiring local talent and community support initiatives are progressive and sound exactly what the industry and City requires from operators in your industry.</p> <p>As a <u>1</u> year resident of Healdsburg, I appreciate companies like yours focusing on hiring local talent, providing best-in-class training, and other benefits such as sick leave, annual leave, paternity leave, and medical coverage.</p> <p>We wish you all the very best in the upcoming process and I would be excited to apply for a position within your company if you are successful.</p> <p>Kind regards,</p> <p>Name <u>Armaan Turner</u> Address <u>1365 South 4th St. Healdsburg</u></p>
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<p>RE: LETTER OF SUPPORT – LOCAL STAFFING AND MANAGEMENT</p> <p>Dear Robert,</p> <p>Thanks for your time recently to engage and advise us of your upcoming commercial cannabis application for operations in the City of Healdsburg.</p> <p>I appreciate you taking the time to walk me through your approach to cannabis in the City and the upcoming cannabis application process. Your commitment to hiring local talent and community support initiatives are progressive and sound exactly what the industry and City requires from operators in your industry.</p> <p>As a 12 year resident of Healdsburg, I appreciate companies like yours focusing on hiring local talent, providing best-in-class training, and other benefits such as sick leave, annual leave, paternity leave, and medical coverage.</p> <p>We wish you all the very best in the upcoming process and I would be excited to apply for a position within your company if you are successful.</p> <p>Kind regards,</p> <p>Name LAINY DINEN Address 31 Wood St., Healdsburg, CA 95448</p>	<p>RE: LETTER OF SUPPORT – LOCAL STAFFING AND MANAGEMENT</p> <p>Dear Robert,</p> <p>Thanks for your time recently to engage and advise us of your upcoming commercial cannabis application for operations in the City of Healdsburg.</p> <p>I appreciate you taking the time to walk me through your approach to cannabis in the City and the upcoming cannabis application process. Your commitment to hiring local talent and community support initiatives are progressive and sound exactly what the industry and City requires from operators in your industry.</p> <p>As a 24 year resident of Healdsburg, I appreciate companies like yours focusing on hiring local talent, providing best-in-class training, and other benefits such as sick leave, annual leave, paternity leave, and medical coverage.</p> <p>We wish you all the very best in the upcoming process and I would be excited to apply for a position within your company if you are successful.</p> <p>Kind regards,</p> <p>Name Emily Kringer Address 310 Center St 95448</p>	<p>RE: LETTER OF SUPPORT – LOCAL STAFFING AND MANAGEMENT</p> <p>Dear Robert,</p> <p>Thanks for your time recently to engage and advise us of your upcoming commercial cannabis application for operations in the City of Healdsburg.</p> <p>I appreciate you taking the time to walk me through your approach to cannabis in the City and the upcoming cannabis application process. Your commitment to hiring local talent and community support initiatives are progressive and sound exactly what the industry and City requires from operators in your industry.</p> <p>As a 1 year resident of Healdsburg, I appreciate companies like yours focusing on hiring local talent, providing best-in-class training, and other benefits such as sick leave, annual leave, paternity leave, and medical coverage.</p> <p>We wish you all the very best in the upcoming process and I would be excited to apply for a position within your company if you are successful.</p> <p>Kind regards,</p> <p>Name Address Pierced Anissa Piercedanissa12@gmail.com 810 Healdsburg Ave</p>	<p>RE: LETTER OF SUPPORT – LOCAL STAFFING AND MANAGEMENT</p> <p>Dear Robert,</p> <p>Thanks for your time recently to engage and advise us of your upcoming commercial cannabis application for operations in the City of Healdsburg.</p> <p>I appreciate you taking the time to walk me through your approach to cannabis in the City and the upcoming cannabis application process. Your commitment to hiring local talent and community support initiatives are progressive and sound exactly what the industry and City requires from operators in your industry.</p> <p>As a 1 year resident of Healdsburg, I appreciate companies like yours focusing on hiring local talent, providing best-in-class training, and other benefits such as sick leave, annual leave, paternity leave, and medical coverage.</p> <p>We wish you all the very best in the upcoming process and I would be excited to apply for a position within your company if you are successful.</p> <p>Kind regards,</p> <p>Name Monica (M) Aguilar Address 354 Healdsburg Ave Healdsburg, CA 95448 Mona (M) Aguilar (707) 299-1873 mgonzalez@thiwellness.com</p>

Staff training sits at the core of our business which is why Element 7 has a full-time dedicated Training Manager on its team. Having an effective staff training program in place is critical for several reasons. Firstly, cannabis consumers look to in-store staff for purchase decisions more than any media channel, form of advertising or any industry news, so having trained educated staff is critical to business growth. Secondly, having an effective staff training program in place is critical for compliant and legal operations given that cannabis is still a Schedule 1 federal drug. Finally, staff training is critical to personal development, hiring and retaining our best talent.

Although we have designed our plans and policies to reflect our diversity, social justice, and social equity goals, Thi Wellness adheres to federal, state and local laws that expressly state that employees have the right to not be harassed or discriminated against because of race, color, religion, sex, national origin, disability, age, or genetic information; receive equal pay for equal work; receive reasonable accommodations that are needed because of medical conditions or religious beliefs; have their medical and genetic information kept confidential; and be able to report discrimination, participate in an investigation, or oppose discrimination without being retaliated against. **Thi Wellness is an Equal Opportunity Employer that will never discriminate based on gender, age, race, color, religion, sex, national origin, disability, or genetic information.**

(1) Collective Bargaining Rights

At the heart of our commitment to be a fair and equal employer sits the **Labor Peace Agreement** that Element 7 signed with the United Food and Commercial Workers Union (UFCW) in 2019. Thi Wellness will leverage this LPA for its operations in Healdsburg as Element 7 is being engaged under a Management Services Agreement (MSA) to provide finance, taxation, human resources, compliance and licensing, purchasing (buying of cannabis products at preferred rates), and security consulting services to Thi Wellness.

Thi Wellness recognizes the rights of employees who choose to unionize and we will recognize the collective bargaining rights of employees in accordance with the DCC California Code of Regulations (CCR) Title 4, Division 19, S 15002 in this regard.

This Labor Peace Agreement, along with our Employee Handbook, and continuous training will govern our working partnerships with our employees who we value tremendously and are integral to our continued success.



(2) Number of Employees

Initially, we anticipate that the Thi Wellness Healdsburg staff will be comprised of a General Manager, 1 Inventory Managers, 2 Shift Managers, 2 Delivery Drivers, and 6 Budtenders, (total of 12 employees on commencement of operations). Security staff would be hired through a 3rd party company.

At full capacity, Thi Wellness Healdsburg expects to add up to 2 additional BudTenders and 1 driver to take the staffing levels up to 15 persons.

(3) Employee Responsibilities

General Manager – The General Manager (GM) is responsible for leading a team of up to 12 employees and is accountable for all aspects of managing the local business. The General Manager will help train, develop, and hire new employees as well as continuing to improve standard operating procedures. This position requires attention to detail, a passion for process, a drive for results, and the ability to lead and influence in the high-regulated and compliance-focused cannabis industry. General Manager Job Responsibilities include:

- Builds company image by collaborating with customers, government, community organizations, and employees; and enforcing ethical business practices.
- Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counselling, and disciplining managers; communicating values, strategies, and objectives.
- Coordinates efforts by establishing procurement, production, marketing, field, and technical services policies and practices; and coordinating actions with corporate staff.
- Maintains quality service by establishing and enforcing organization standards.
- Maintains professional and technical knowledge by attending educational workshops; reviewing professional publications; establishing personal networks; bench marking state-of-the-art practices; and participating in professional societies.
- Forecasts and adjusts payroll to maximize productivity, achieve sales and payroll goals, and complete workload.
- Ensures compliance with MAUCRSA, local laws and regulations centered around cannabis ordinances.
- Protects company assets and minimize loss by ensuring all store standards and operating procedures are met, including workplace safety, inventory control, and loss prevention.
- Oversees the maintenance of the facility.
- Performs HR duties including: Employee Appraisals, Discipline Notices, On Boarding paperwork, PTO compliance.
- Conducts weekly manager meetings and monthly all staff meetings.
- Oversees management team schedule.

Shift Managers – Shift Managers will report to the General Manager. They will help train, develop, and hire new employees as well as continuing to improve standard operating procedures. This position requires attention to detail, a passion for process, a drive for results, and the ability to lead and influence in the high-regulated and compliance-focused cannabis industry. Shift Manager Job Responsibilities are similar to that of the General Manager and such persons will effectively 'manage' the business at any time that the General Manager is not on site, and will include:

- Day to day retail operations including staff check-ins, product briefings, merchandizing displays, interaction with customers, vendors, and security.
- Builds company image by collaborating with customers, government, community organizations, and employees; and enforcing ethical business practices.



- Coordinates efforts by establishing procurement, production, marketing, field, and technical services policies and practices; and coordinating actions with corporate staff.
- Maintains quality service by establishing and enforcing organization standards.
- Maintains professional and technical knowledge by attending educational workshops; reviewing professional publications; establishing personal networks; bench marking state-of-the-art practices; and participating in professional societies.
- Ensures compliance with MAUCRSA, local laws and regulations centered around cannabis ordinances.
- Protects company assets and minimize loss by ensuring all store standards and operating procedures are met, including workplace safety, inventory control, and loss prevention.
- Oversees the maintenance of the facility.

Inventory Manager – Our Inventory Manager will bring unwavering professionalism and meticulous accuracy to the position. The Inventory Manager will work closely with management, maintain inventory levels for products on the sale floor, merchandise displays, storage rooms, and consistently perform inventory audits. Additional responsibilities include maintaining inventory storage software, ensuring the accuracy of inventory records, and helping intake all deliveries. Successful inventory managers should have excellent interpersonal communication skills, a firm grasp of basic computer programs, and an ability to work both independently and in a team. Inventory Manager Job Responsibilities:

- Controls full retail ordering and management process / suppliers / vendors.
- Tracking inventory maintenance.
- Controlling flows of product.
- Merchandising displays.
- Reporting to management on inventory issues and discrepancies.
- Training less experienced inventory workers.
- Aid in the roll out of new products.
- Support manager in any back of house duties.
- Addressing any problems, obstacles, or challenges.
- Stocking and maintaining inventory levels on the sales floor.
- Maintaining extensive knowledge of our product offerings, various consumption methods, and cannabis in general.
- Follows assigned schedule and accurately reports time.
- Maintain a positive working environment.

Dispensary Technicians (BudTenders) – Dispensary Technicians (BudTenders) ensure that all transactions and the implementation of other retail processes comply with state and local laws and regulations and that service exceeds customer expectations. BudTenders collaborate with the General Manager and Shift Managers to develop and implement practices, policies, and strategies that support a performance and results-driven culture. Job Responsibilities include:

- Ensures accuracy and compliance in all transactions.
- Performs the required duties to record all sales and inventory transactions in accordance with state and local laws and regulations.
- Maintains established standards of presentation, customer service, and compliance.
- Communicates the details of daily operations to the General Manager.
- Implements and oversees procedures related to opening and closing of the retail store with the General Manager (specifically focused on retail floor).
- Stays informed and knowledgeable about state and local laws, regulations and industry news.
- Performs inventory reconciliations daily, weekly, and as needed.



- Oversee the Retail Sales and Pick-Up orders as needed, ensuring prompt delivery and quick order fulfillment.

Delivery and Distribution Drivers – Delivery Drivers will initially be hired as Dispensary Technicians and then trained on delivery procedures as the business stabilizes and the delivery service is launched. We would envision some employees continuing to work across both job roles in the future. Delivery Drivers MUST have a valid driver's license and an absolutely clean driving record. The Delivery Drivers will work off OnFleet, our chosen delivery management and navigation software, in order to successfully complete delivery orders. Delivery Drivers will be briefed on all incoming and outgoing orders, proper addresses, and drop-off locations, product knowledge, delivery efficiency, discreteness and safety. Delivery Drivers will be expected to exude excellent customer service skills by personally greeting, thanking, and communicating proactively with patients to strengthen loyalty. Delivery Driver Job Responsibilities:

- Loading, transporting, and delivering items to clients or businesses in a safe, timely manner.
- Reviewing orders before and after delivery to ensure that orders are complete, the charges are correct, and the customer is satisfied.
- Assisting with loading and unloading items from vehicles.
- Accepting payments for delivered items.
- Providing excellent customer service, answering questions, and handling complaints from clients.
- Adhering to assigned routes and following time schedules.
- Abiding by all transportation laws and maintaining a safe driving record.
- Preparing reports and other documents relating to deliveries.

Job Descriptions - Thi Wellness has developed Job Descriptions for all positions within the Company. Detailed Job Descriptions for all positions can be made available at any time upon the request of the City.

We believe 75% of our staff in Healdsburg will be local to the city.

Thi Wellness has a comprehensive Employee Handbook in place to help employees navigate through their employment with Thi Wellness. Employees are required to thoroughly understand the policies before commencing employment and acknowledge their understanding (with annual refreshers) for key policies including theft, harassment, sexual misconduct, customer service, and equality.

(4) Employee Benefits

Thi Wellness will exceed California's set Minimum Wage and offer a **Living Wage** starting at \$21.00 per hour (which is above 150% of the current minimum wage in California at \$14.00 per hour for companies with less than 25 employees as of January 1, 2022). As the State Department of Industrial Relations increases the Minimum Wage in 2023 to \$15.00 an hour, Thi Wellness will increase the Living Wage from \$21.00 an hour to \$22.50 in 2023.

In addition, Thi Wellness provides a range of additional employment allowances, bonuses, and benefits which are tailored to meet the individual needs of each employee. In any event where we employ 26 persons or more, we would commit to the higher minimum wage multiplier as indicated below. Through our 'Continued Training' programs, staff are able to earn an additional \$1.00 per hour by completing specific annual training programs.



Date	Minimum Wage for Employers with 25 Employees or Less	Minimum Wage for Employers with 26 Employees or More
January 1, 2017	\$10.00/hour	\$10.50/hour
January 1, 2018	\$10.50/hour	\$11.00/hour
January 1, 2019	\$11.00/hour	\$12.00/hour
January 1, 2020	\$12.00/hour	\$13.00/hour
January 1, 2021	\$13.00/hour	\$14.00/hour
January 1, 2022	\$14.00/hour	\$15.00/hour
January 1, 2023	\$15.00/hour	

Schedule for California Minimum Wage Rate 2017-2023

Employees, given the nature of the industry, should be paid more than the industry standard. This is also important for attracting and retaining key talent - we want to incentivize good work and compensate outstanding practices. We know that in order to retain good talent as an employer we need to offer more in the form of benefits such as health insurance, paid vacations, paid sick days, dental and the right to take leave for medical or family reasons etc. All workers, regardless of gender or ethnic background, will be paid the same rates with zero deviation.

In addition, Thi Wellness allows BudTenders to work up to 40 hours a week (many other operators cap them at 28-30 hours to avoid sick leave and other benefits). We prefer to offer them full-time employment as it significantly reduces labor turnover.

Estimated Salary Ranges are:

- General Manager: USD\$70,000.00 + benefits annually
- Shift Managers: USD\$50,000.00 + benefits annually
- Retail Staff: Starting at USD\$21.00 per hour
- Manufacturing / Distribution Staff: Starting at USD\$21.00 per hour

Retirement Benefits: 401K

Our employee benefits package includes a standard **401K** contribution commencing on the 13th month of employment.

Employee and Health Benefits

Thi Wellness will be offering the following Employee and Health Benefits to its staff, which shall include (on top of their wages and salaries):

- Medical, prescription, vision and dental health plan
- Disability Income Protection Plan
- Professional Advancement, education and training benefits
- Labor Union Representation
- Other Benefits

Part-time employees who have been with the Company at least six (6) months will have the option to join the Company’s insurance plans but will have to pay for 50% of their insurance premiums out-of-pocket. Employees working more than 30 hours a week will be considered full-time and will receive 100% of their insurance premiums paid for by Thi Wellness.

Medical, prescription, vision and dental health plans include:

- Pediatric Services
- Preventive and Wellness Services
- Behavioral Healthcare
- Chronic Disease Management



- Dental and Oral Care
- Physical Therapy
- Prescription Drug Coverage
- Vision
- Durable Medical Devices
- Maternity and Infant Care
- Ambulatory Patient Services
- Emergency Services
- Hospitalization
- Primary Care
- Telemedicine
- Laboratory tests & screenings

Thi Wellness will also provide life and disability insurance coverage for employees. Term Life and Accidental Death and Dismemberment (AD&D) insurance will provide, at no cost, a benefit of \$10,000. Long-term disability will pay employees 60% of pre-disability earnings if they become disabled from injury or sickness.

Other perks offered to employees will include:

- Refreshments and meals within the Staff Room / Kitchenette
- An ongoing formalized staff training program
- **Medical and ‘sick’ Leave** (up to 20 days a year for full-time staff)
- **Paid Vacation Leave** (10 days a year for full-time staff)
- Family-friendly shifts
- Allowances for continued education opportunities
- 30% staff discount for purchases at Thi Wellness stores

We also recognize the importance of maintaining fitness and health and will be offering full-time employees a \$300.00 grant towards a fitness or health club membership – we will discuss programs with fitness and health clubs surrounding Thi Wellness in Healdsburg.

Other Benefits

Promoting Internally

When job vacancies for advanced positions are available, such positions will be posted in the employee breakroom and distributed to employees via email. In furtherance of our culture of loyalty, we will seek to internally promote our employees whenever possible. Our employees can be best suited and qualified to move upward through the company because of their specific knowledge and experience of our company culture, operations, needs, potential, opportunities for growth, and how we can continue to be an asset to the local community. To ensure that our employees are optimal options for advanced position in the company we will provide them with training and education opportunities, and mentorship programs.

Commitment to Offering Apprenticeships and Continuing Education

Thi Wellness is committed to the advancement and wellbeing of our employees, and providing continuing education is a central component of how we build our world class workforce. We are deeply interested in enabling our staff to overcome existing barriers, find meaningful work with us and build their career with Thi Wellness. Employees will receive training on internal policies and procedures, industry best practices, safety and security, human resource development, employee rights, and other mandatory training required by federal and state regulation. We will train all employees to effectively and efficiently fulfill their duties and to exceed the expectations of their positions, including a thorough understanding of all applicable Federal, State, and local regulations relating to commercial cannabis operations.

Classroom Training Program

Qualified candidates will be hired on a three-month probationary status. During this period, they will participate in a rigorous training process, and be evaluated for suitability in a restricted-access medical environment. Training will include the employee handbook, other reading



materials, lectures by qualified professionals, hands-on training and quizzes. According to BDS Analytics 2018 report 'Bud-tenders' in the industry received, on average, a total of 16 hours of training before commencing employment. Training will be conducted strategically to ensure that all employees on-board effectively with a proven proficiency to increase their knowledge base.

Thi Wellness employees will have received over **80 hours of training**, which is five (5) times the industry average prior to stepping foot on the floor. The following areas will be covered during 80 hours of training:

- Legal training will cover all City of Healdsburg, State and Federal laws relating to cannabis, and especially those related to Commercial cannabis. Other topics will include the rules and regulations of the facility, sexual harassment training, effective interaction with law enforcement personnel, and the rights and responsibilities of Commercial cannabis consumers (**4 hours**)
- Product offerings (**12 hours**)
- Medical training will include disabled rights and sensitivity, how to identify and respond to a medical emergency, and the proper uses and benefits of Commercial cannabis (**8 hours**)
- Safety training, in addition to its focus on safety, will include warning signs of possible diversion to the illegal market, lock and alarm procedures, perimeter and entrance control, robbery response techniques, conflict resolution techniques and diversion detection techniques (**4 hours**)
- Thi Wellness business model and Customer Service Training (**4 hours**)
- Regulatory compliance (the applicability of Federal and State regulations to the employees' responsibilities) (**4 hours**)
- Training on Standard Operating Procedures (SOPs) (**12 hours**)
- Prevention of Diversion of Commercial cannabis (**8 hours**)
- Security procedures (**16 hours**)
- Safety procedures (**8 hours**)

Training will be conducted by Thi Wellness in conjunction with the Cannabis Training Institute (class-room training programs).

Advanced Training Program (BudMaster)

'Budtenders' working at Thi Wellness will be allowed to apply to undertake an Advanced Training Program annually which would allow them to hold the title of 'BudMaster' at Thi Wellness. The Advanced Training Program is adopted from LA Grants, a supplier of advanced certified training for the industry. The Advanced Training Program includes the following sections:

- Cannabis as Medicine
- Principles of Cannabinoid Therapy
- Use of Cannabis for Cardiovascular Disease
- Use of Cannabis for Respiratory Patients
- Use of Cannabis for Gastrointestinal Disease
- Use of Cannabis for Hematology / Oncology
- Use of Cannabis for Endocrine Issues
- Use of Cannabis for Gynecologic Issues
- Use of Cannabis for Musculoskeletal Issues
- Use of Cannabis for Neurological Issues



- Use of Cannabis for Dermatological Issues
- Use of Cannabis for Psychiatric Issues
- Cannabis Law
- Sales Skills 101
- Cannabis Potency, Absorption Rates & Product Effects
- Managing Impaired Patients
- Final Examination and Certification

Americans for Safe Access Training

All employees must complete the Patient Focused Certification Program given by Americans for Safe Access which shall be held annually.

Sponsored Continued Professional Advancement

Employees that have been employed by at least 12 months will be able to qualify for Sponsored Continued Professional Advancement (fully paid for by Thi Wellness). Education and training are a significant component to personal advancement and success. Employees who desire to complete certifications, obtain degrees, or further specialized skills through training can apply to receive funding to cover the costs of such programs. All team members who are enrolled in classes that can promote their knowledge of any and all aspects of the cannabis industry (human resources, business, law, security, engineering, marketing and advertising, agriculture, etc.) will be provided with an educational stipend of \$1,000 annually for external relevant programs.

Every time an employee completes mandatory or voluntary training, they will be eligible for a \$0.25 per hour wage increase, with training wage increases capped at \$1.00 annually. As an example, by completing 4 training programs in the first year of employment, employees will be able to increase their starting salary from \$21.00 to \$22.00 per hour.

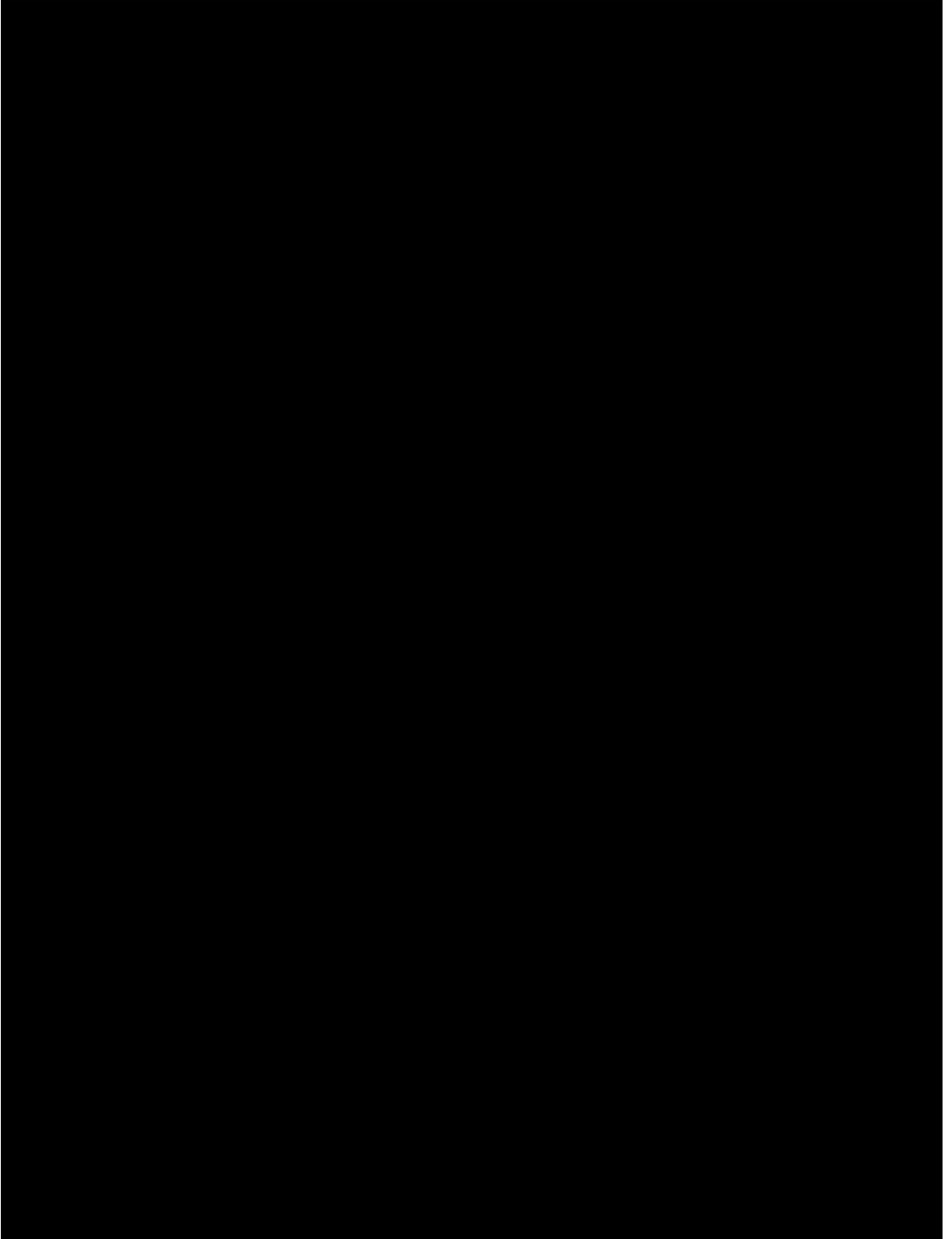
Summary

Thi Wellness will place a strong focus on ensuring it attracts, develops, and retains the best talent in the market across all aspects of our operations. The core foundation to building business advantage will be to ensure we have the best trained employees in the market - employees that will go through over 80-hours of classroom training (five times the industry average) before setting foot on the floor.

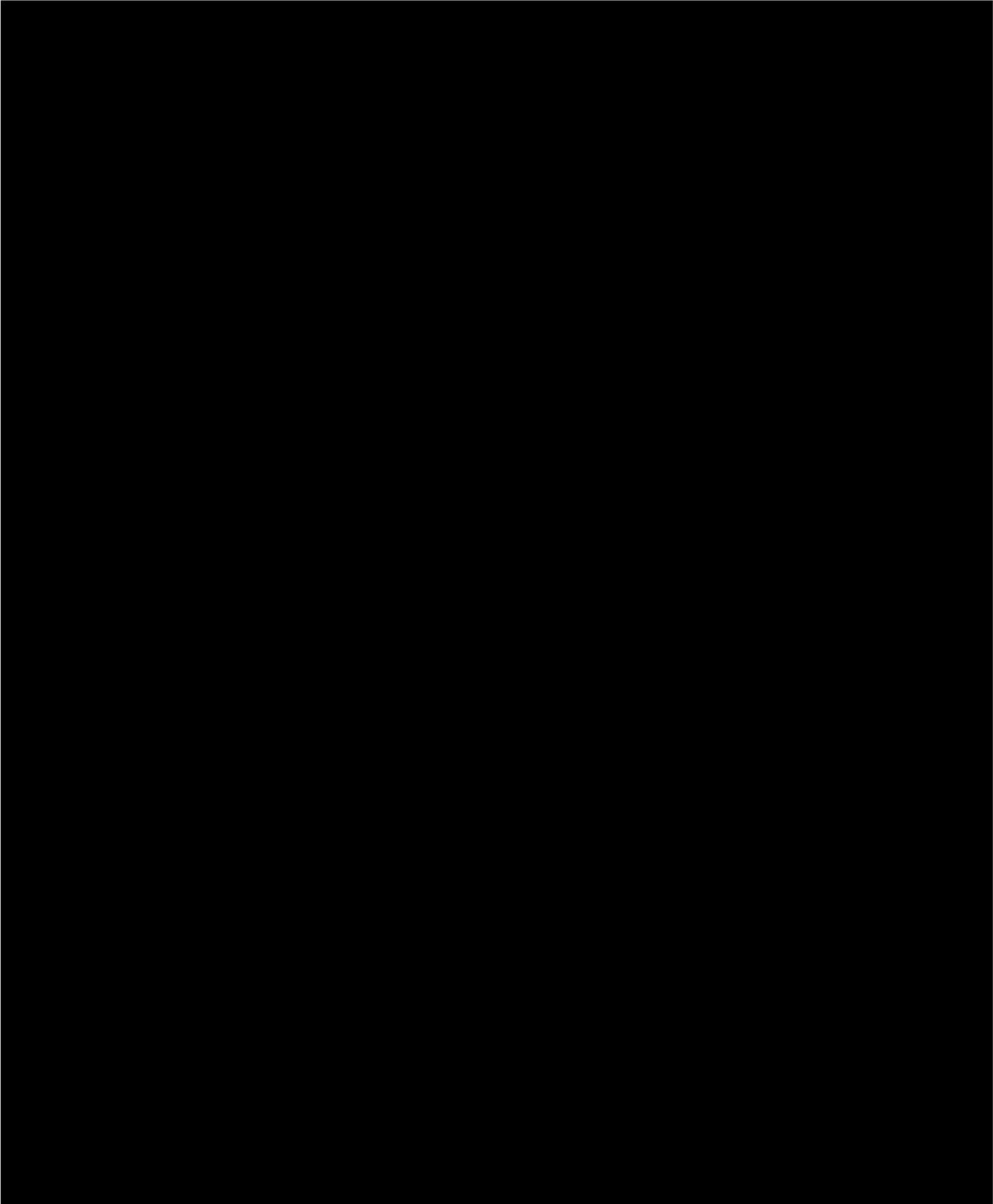
We are confident that our local ownership, classroom-based learning program, combined with our on-the-job approach, will ensure that Thi Wellness staff have an enriched and open learning and working environment that will power our business, enrich our employees' working lives, and create a significant strategic advantage for the Thi Wellness business in Healdsburg.



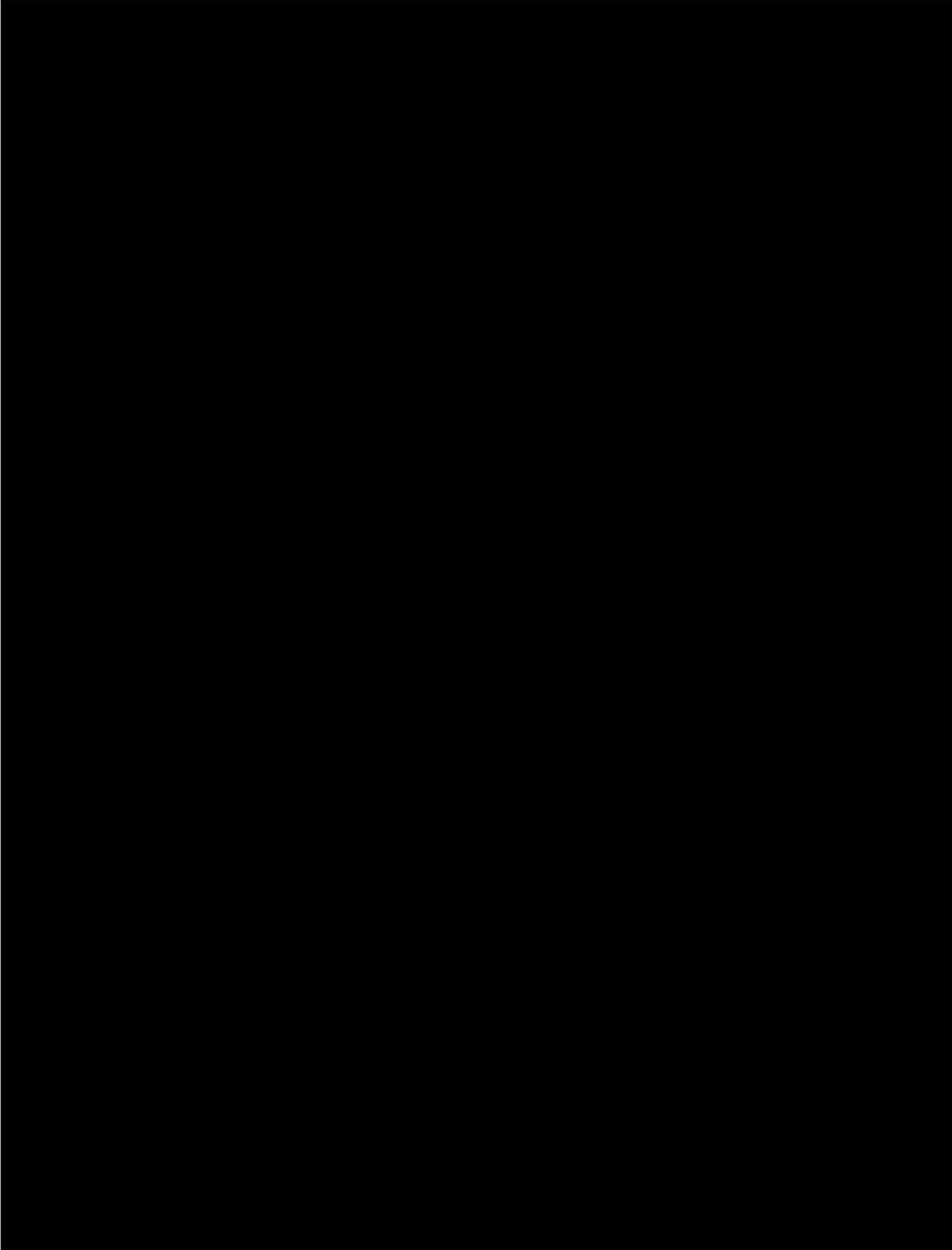
SECTION C: SECURITY PLAN



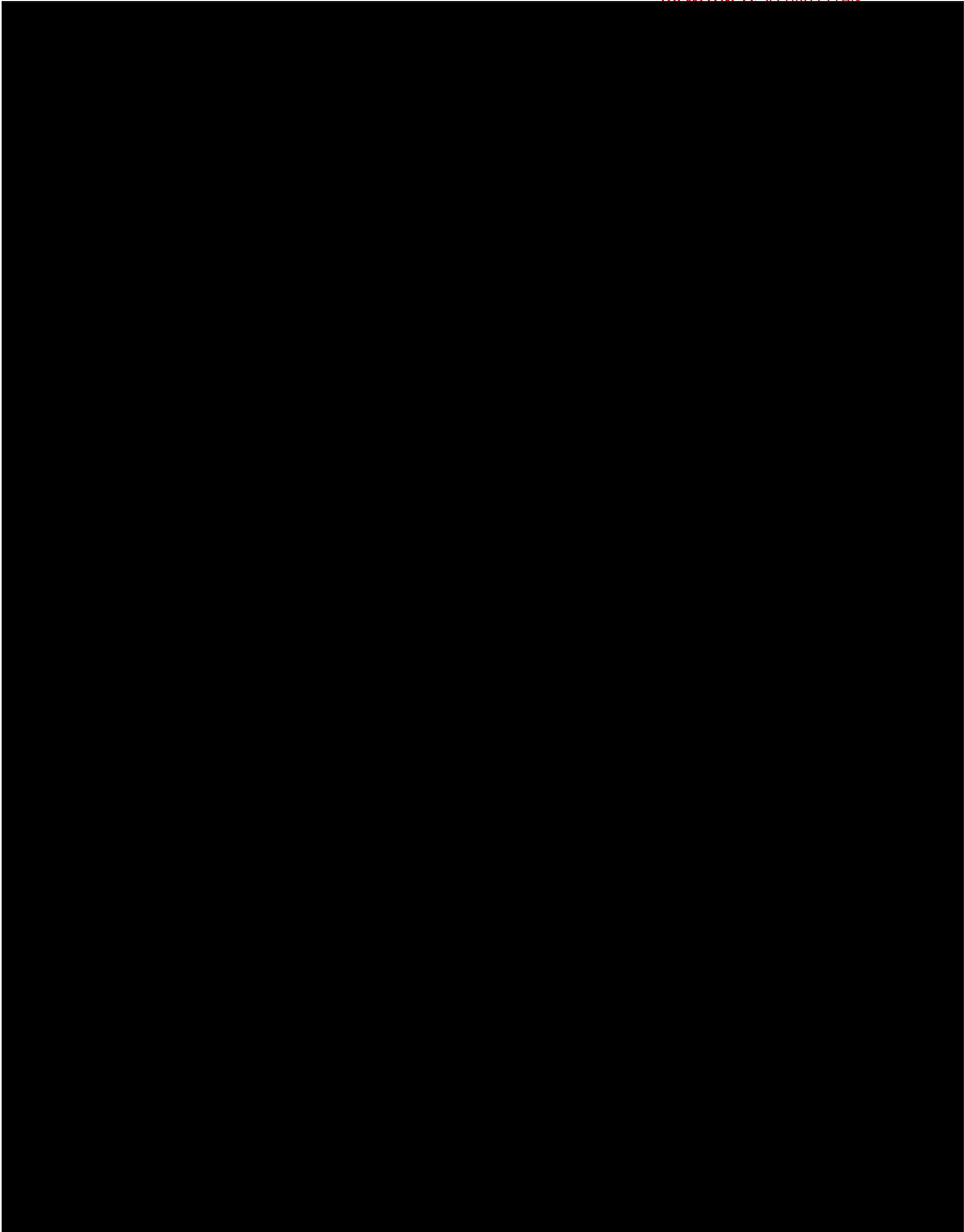
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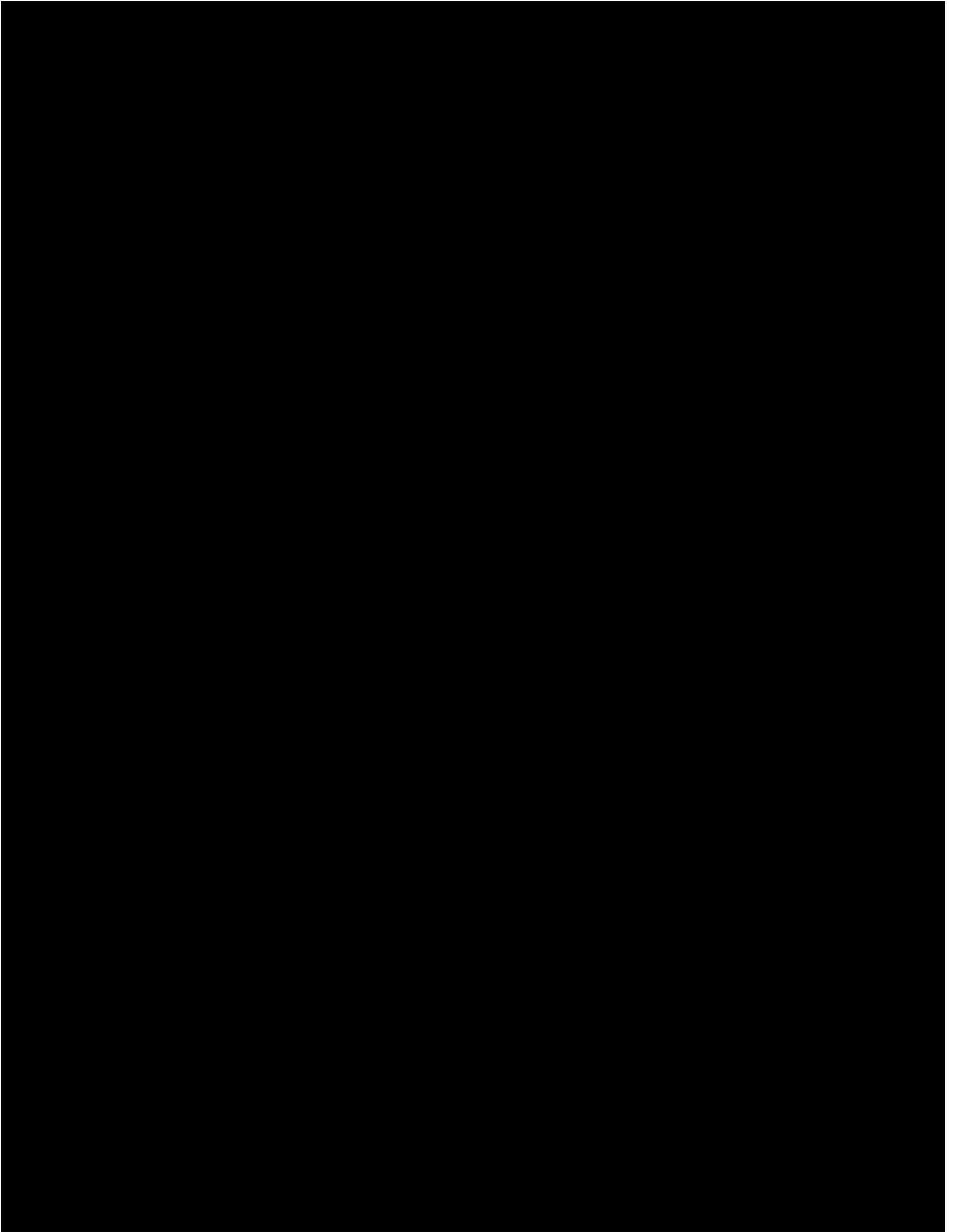
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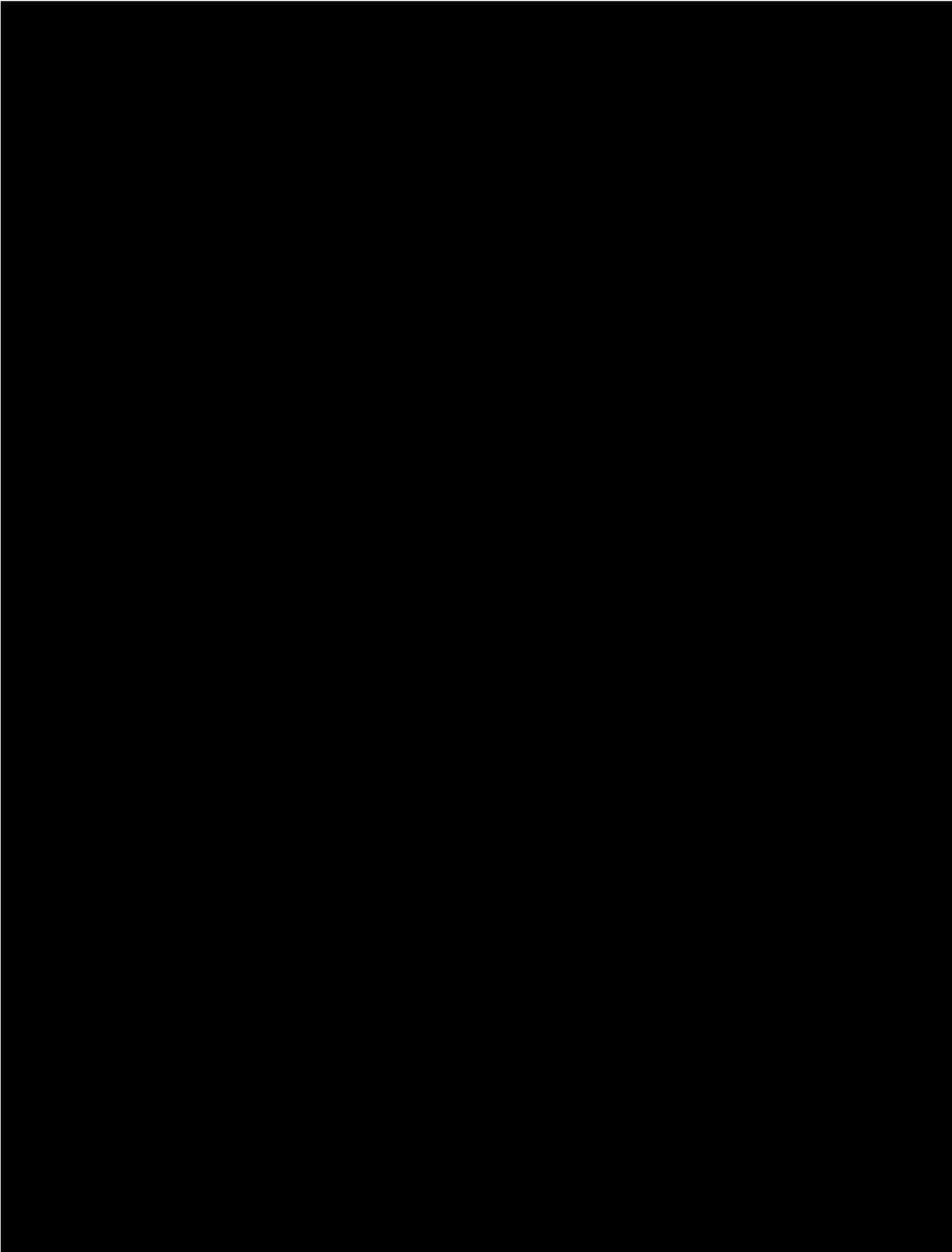


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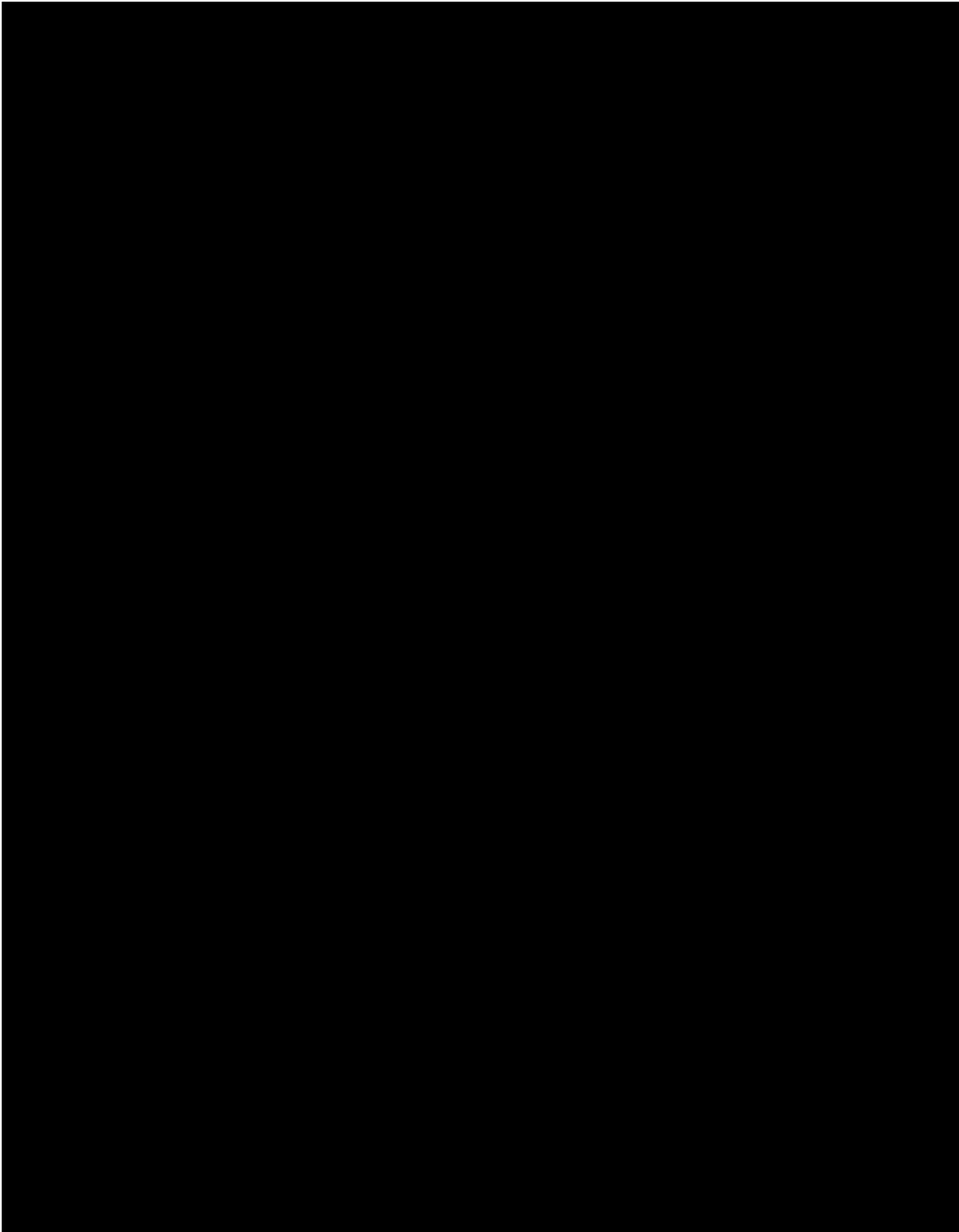


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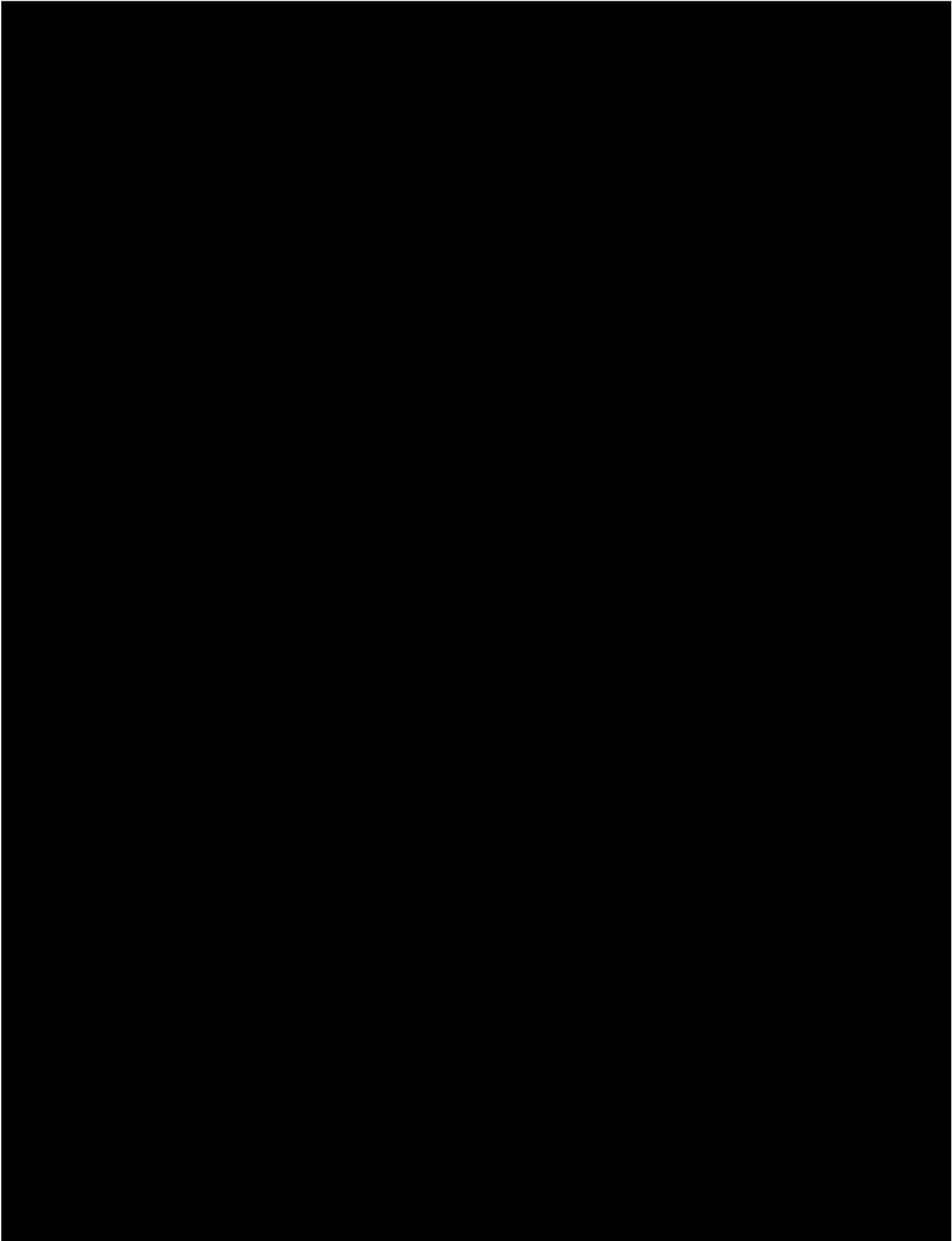




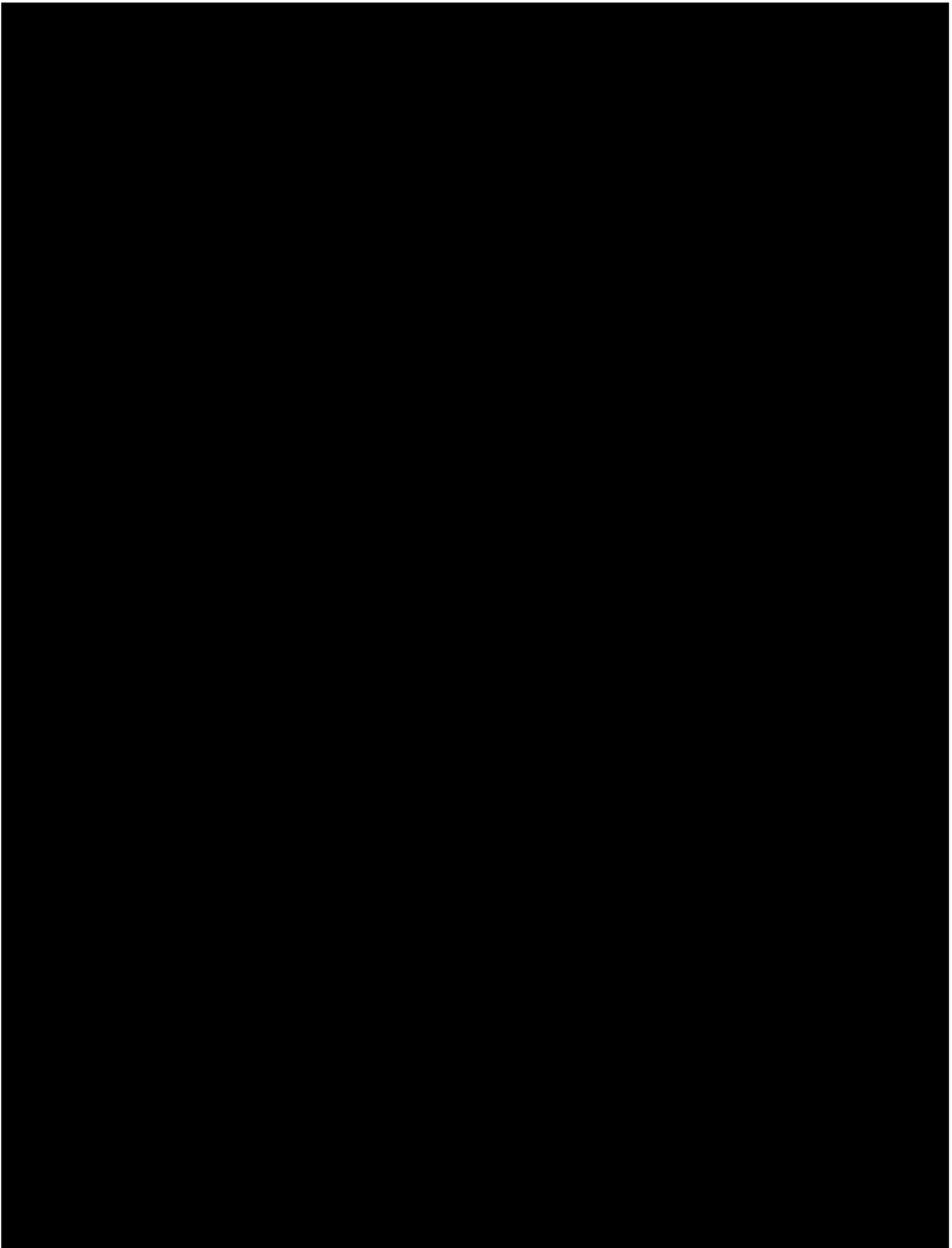
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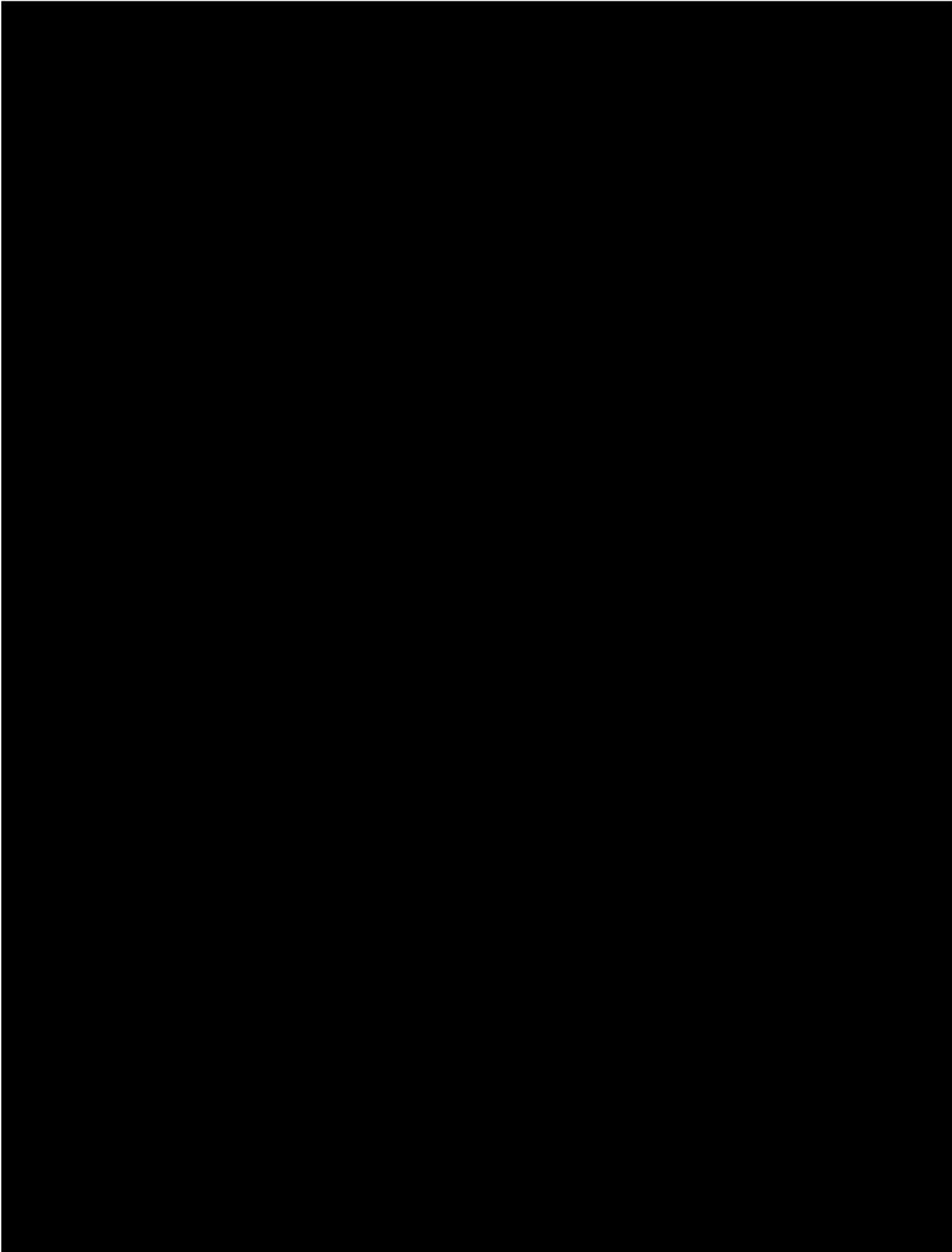
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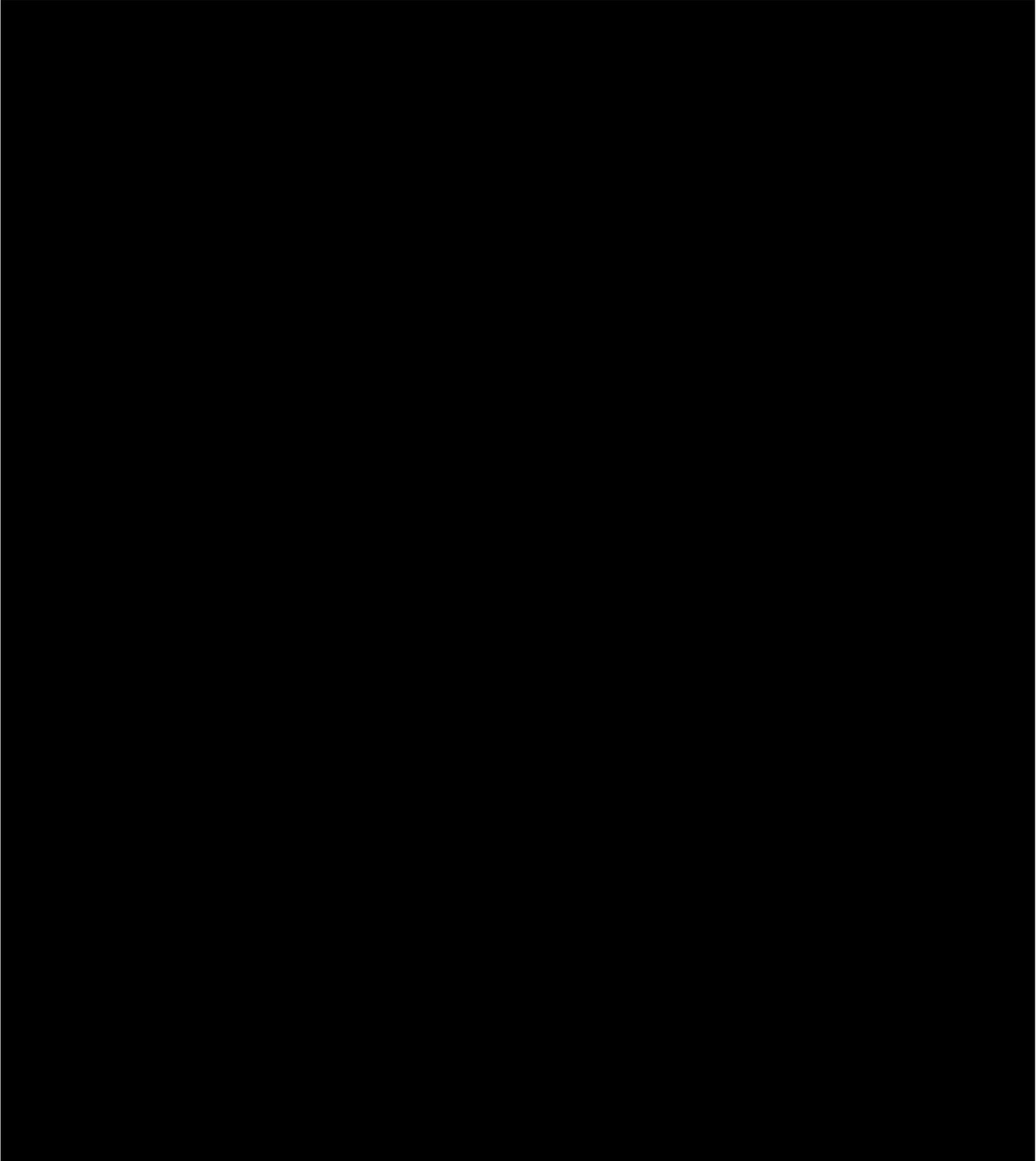
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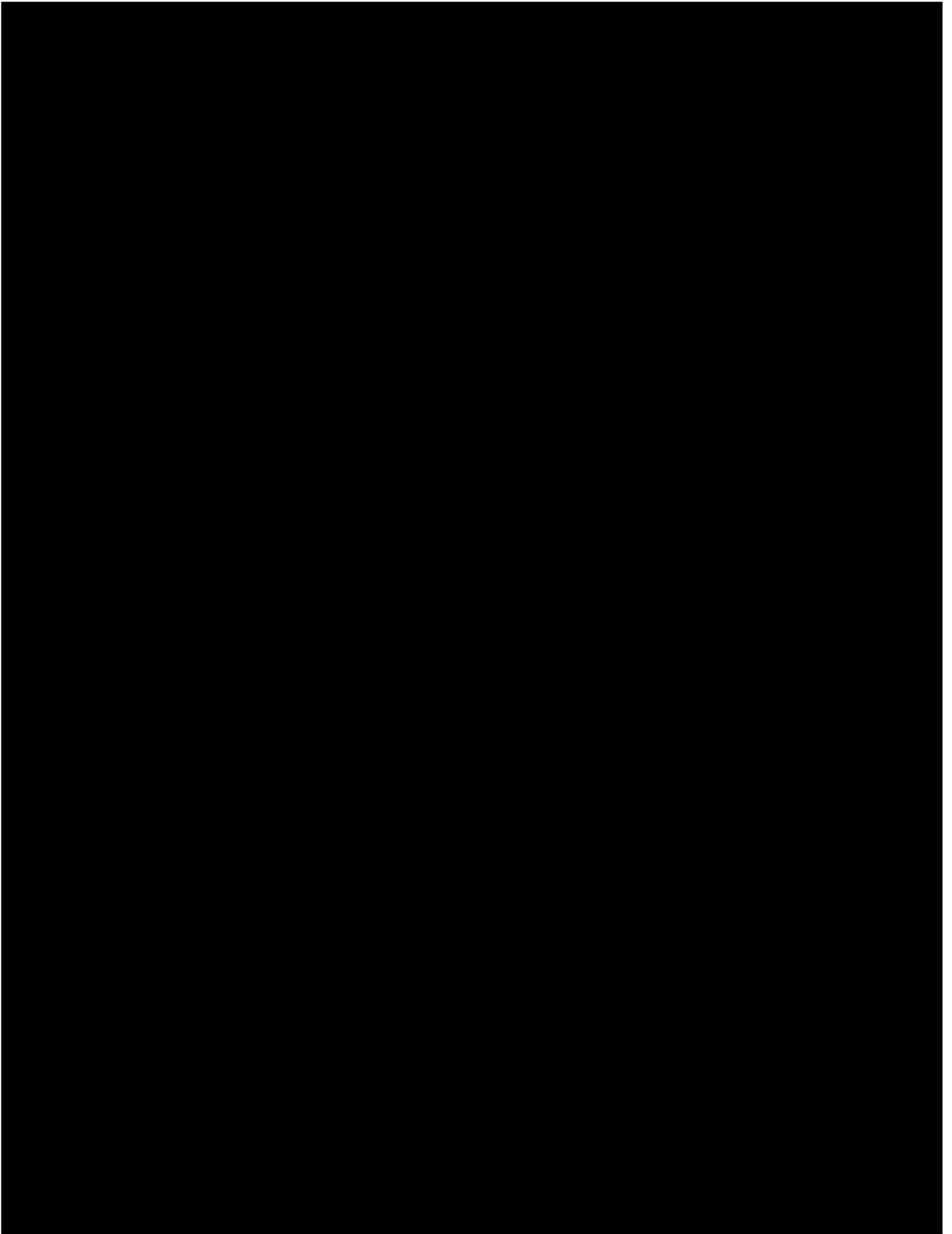
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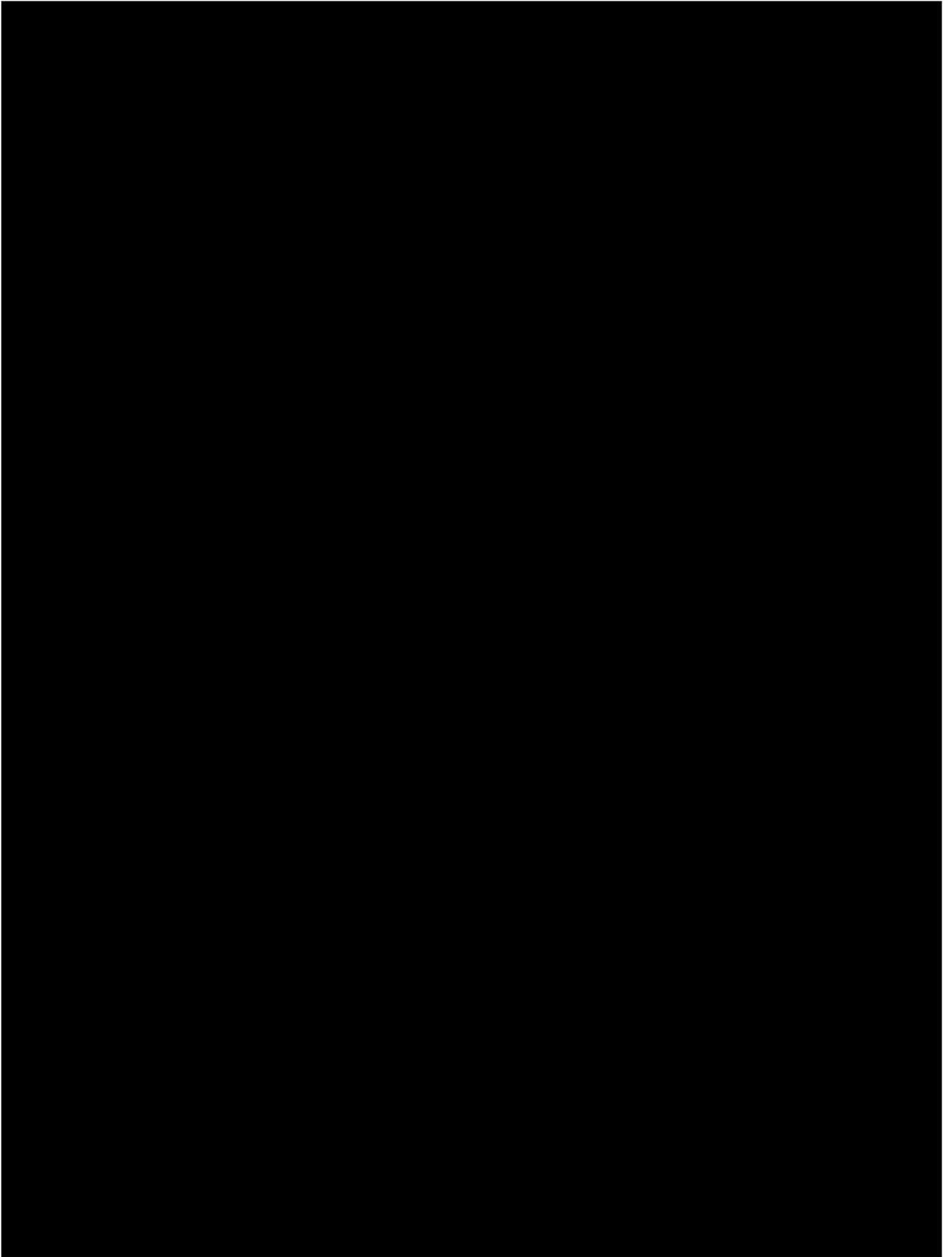
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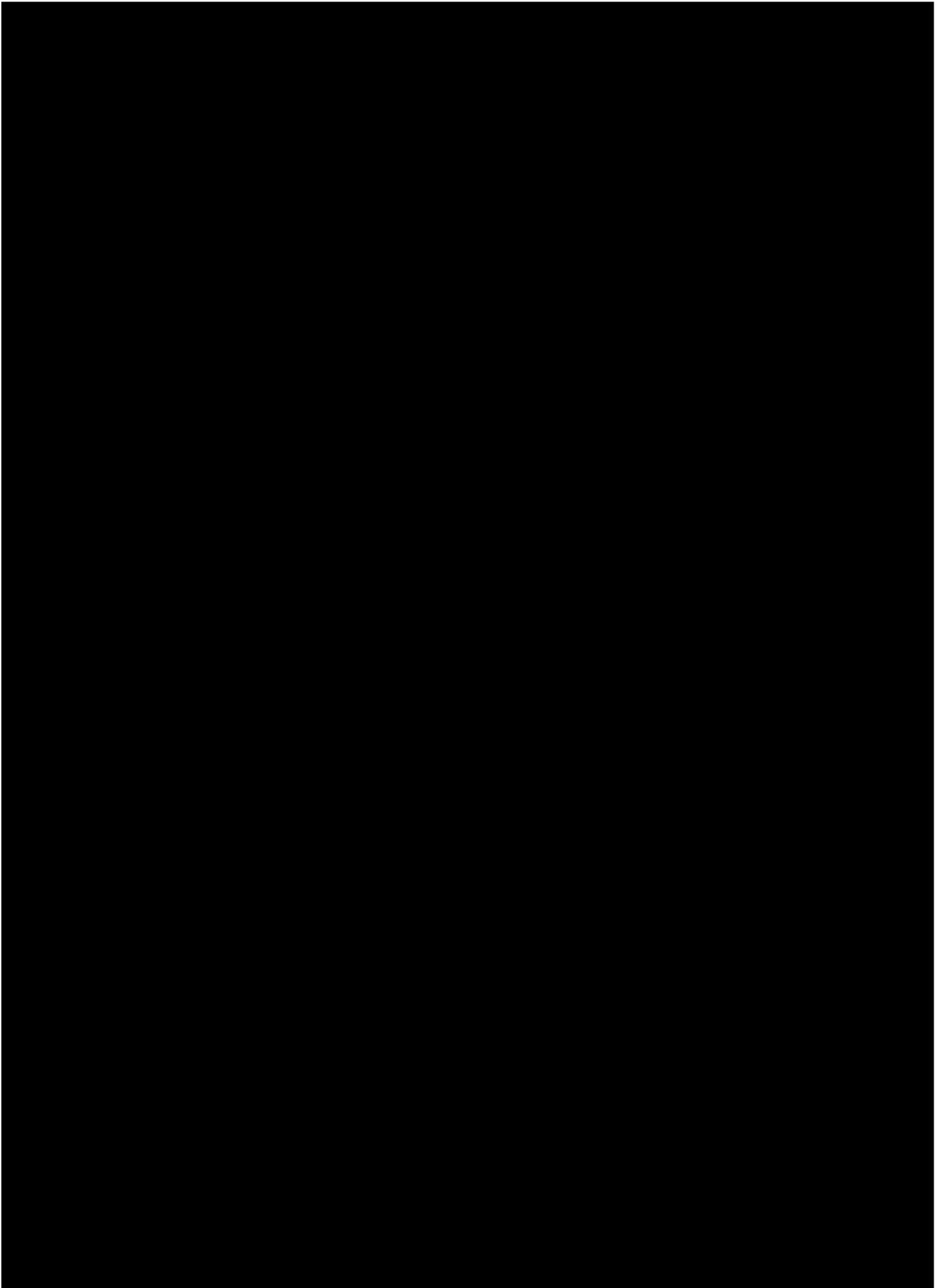
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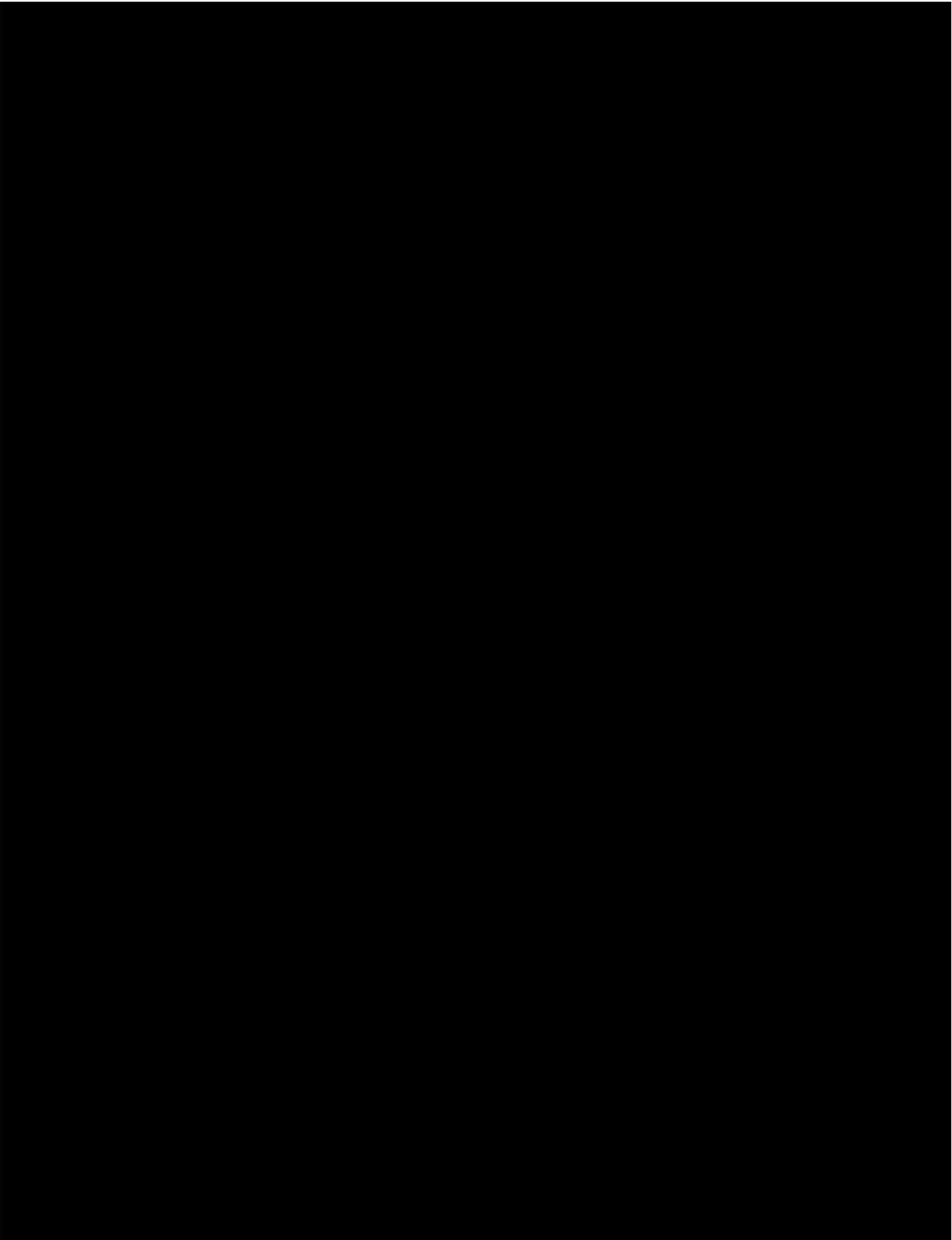
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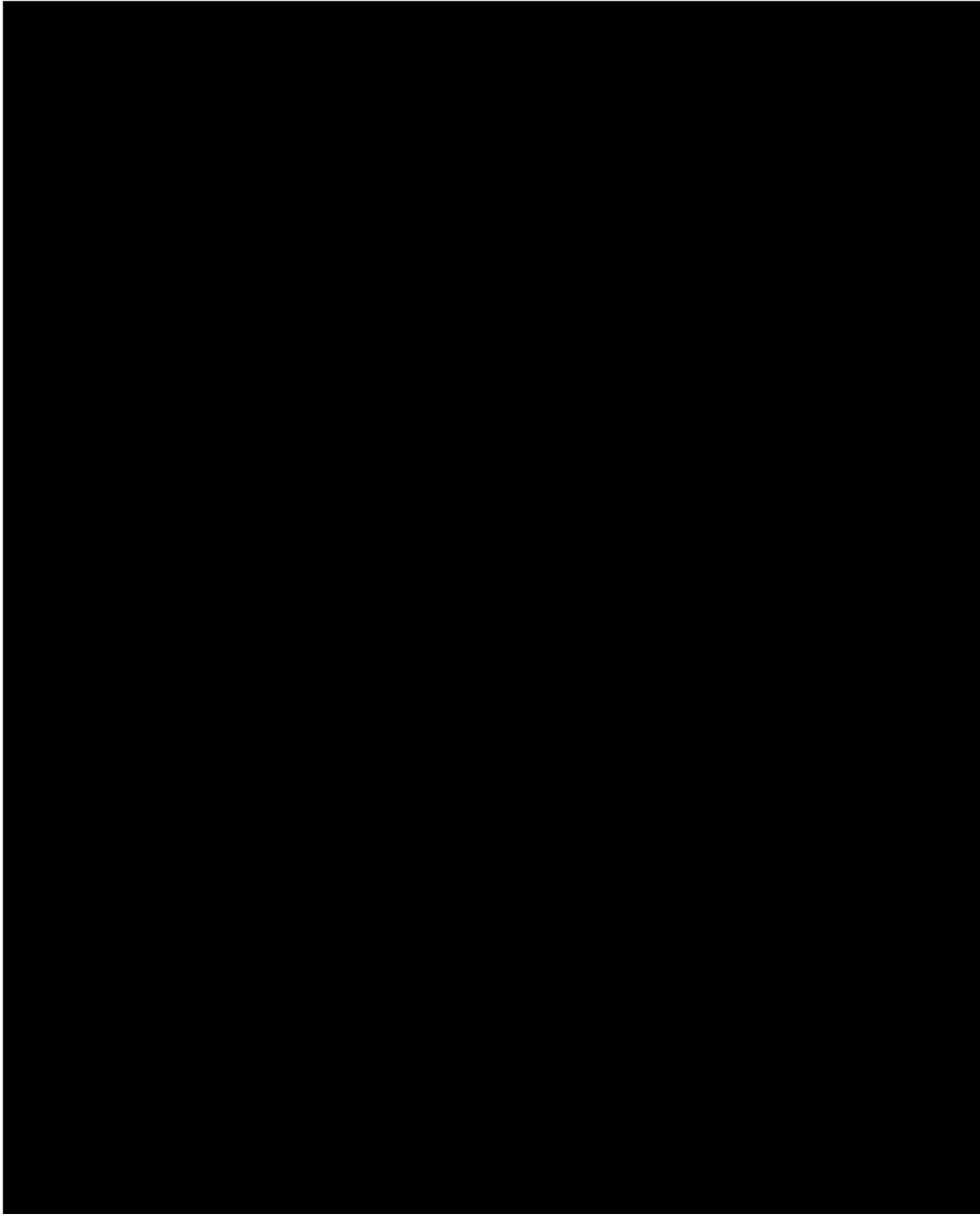
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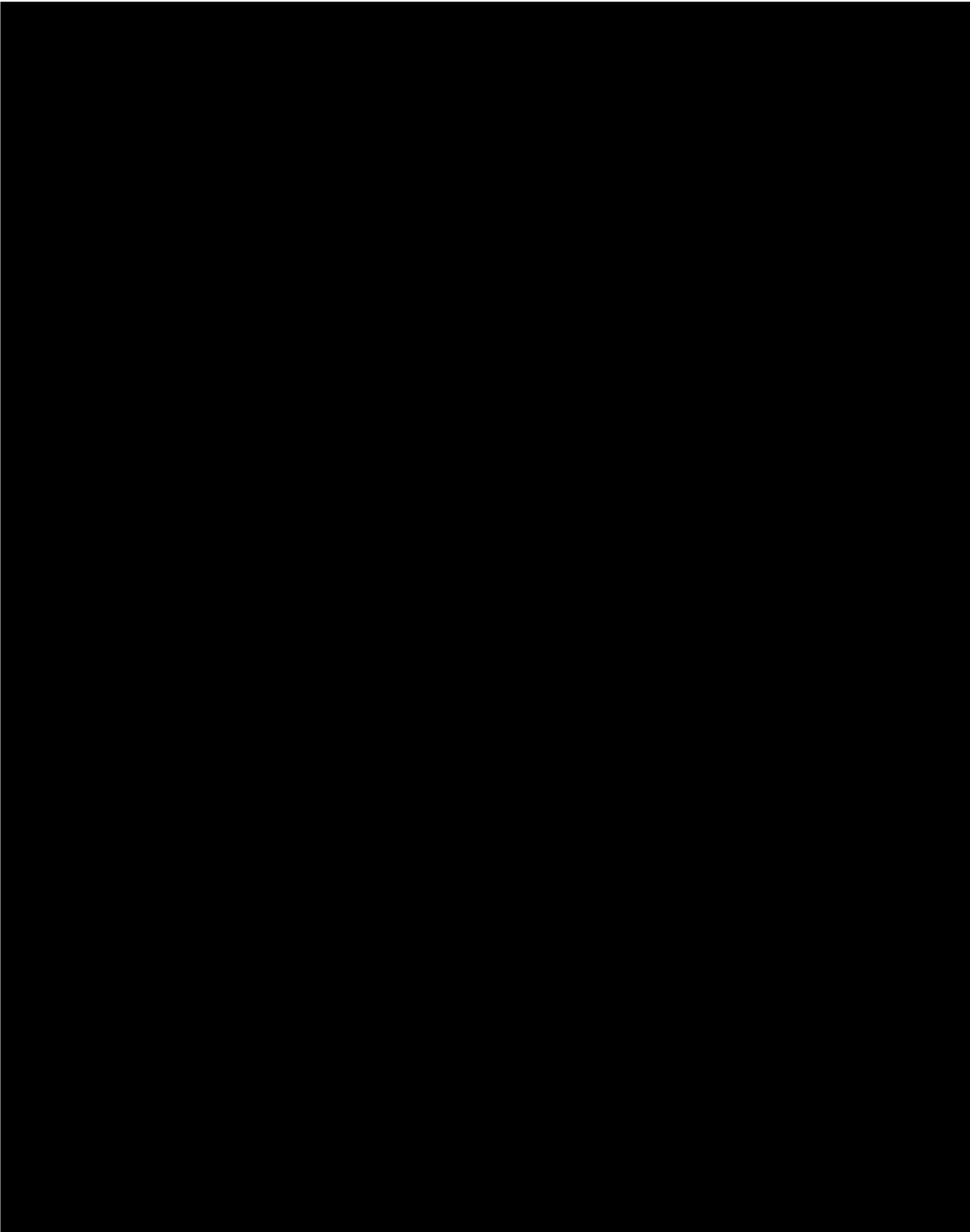
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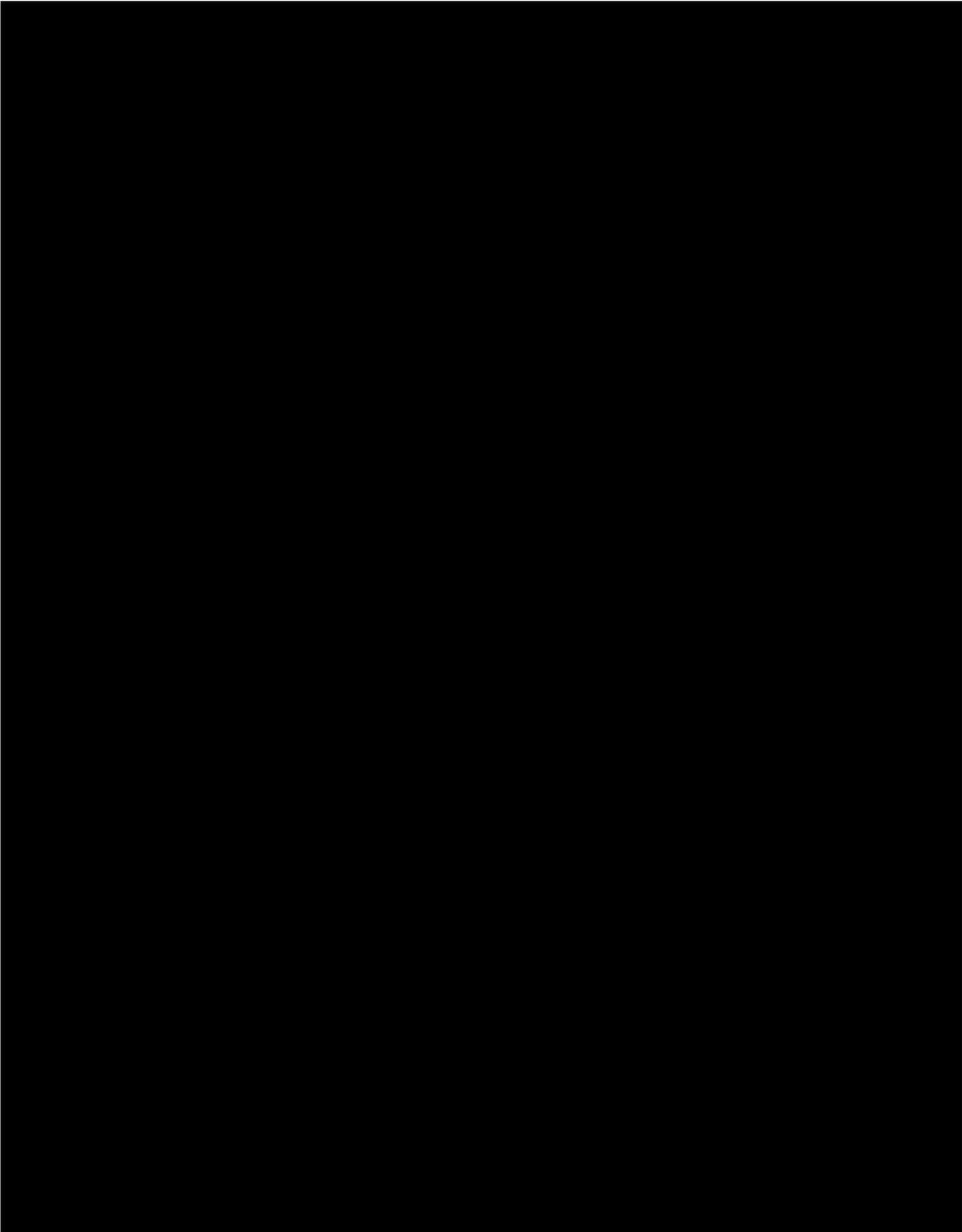
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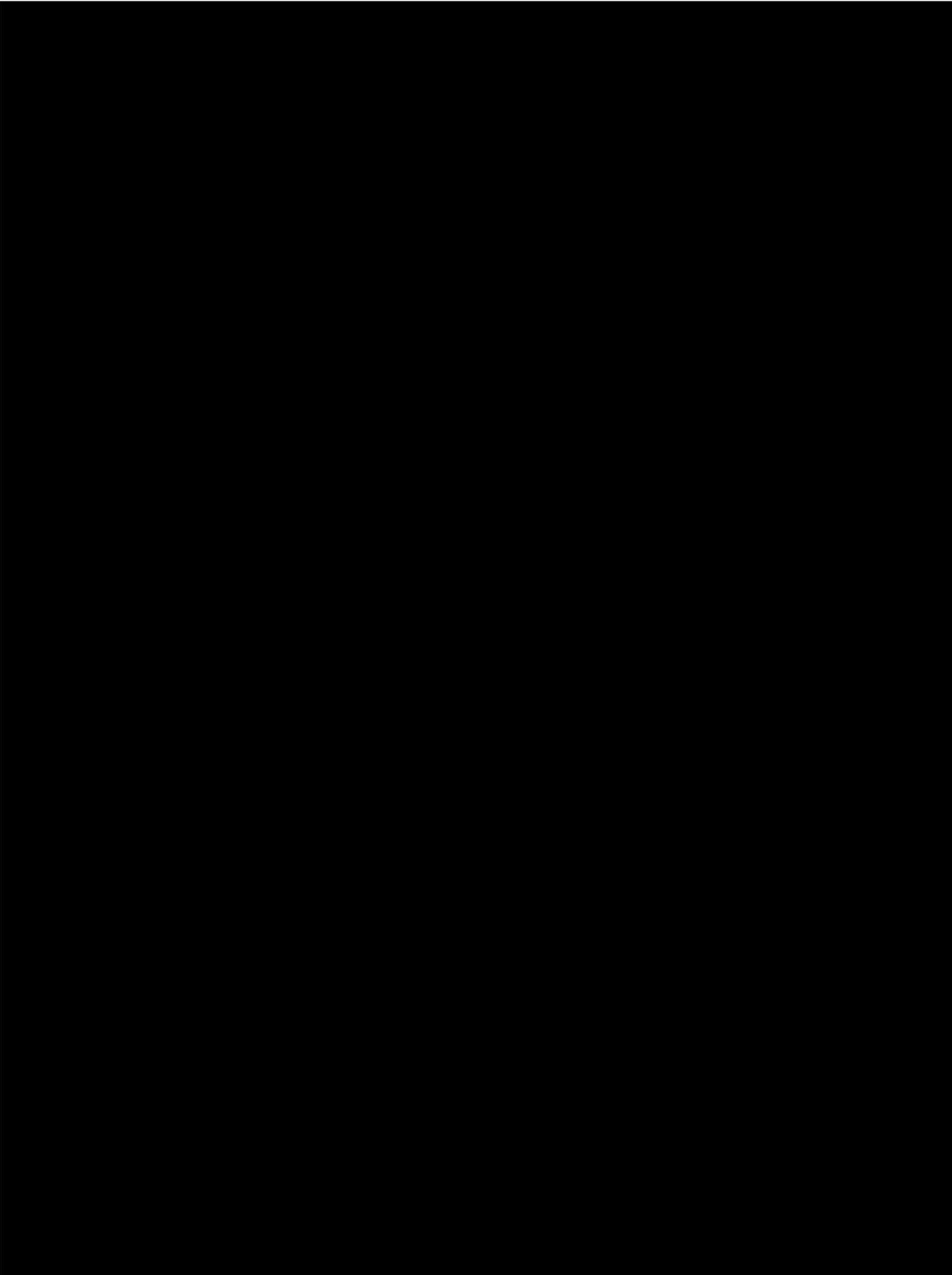
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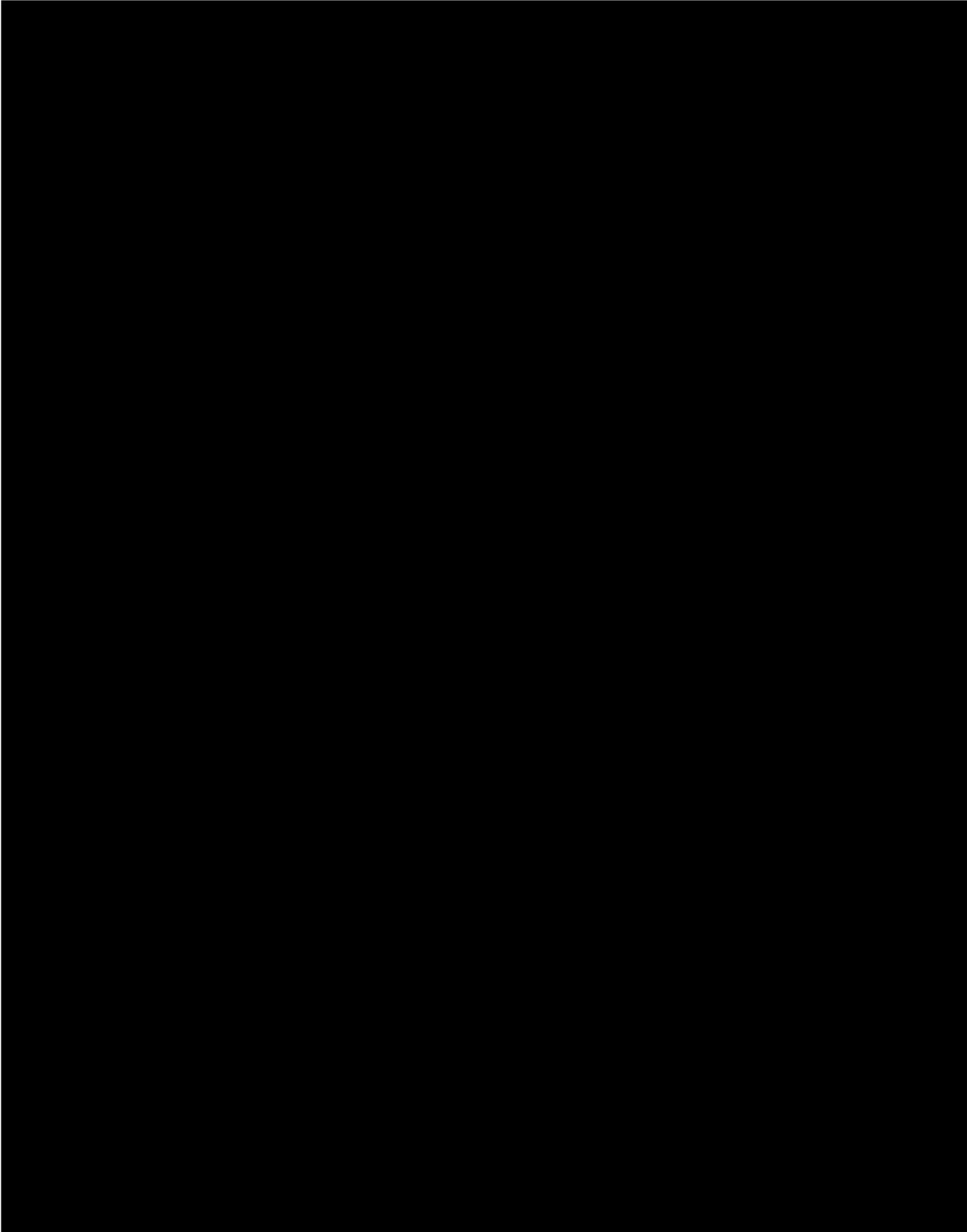
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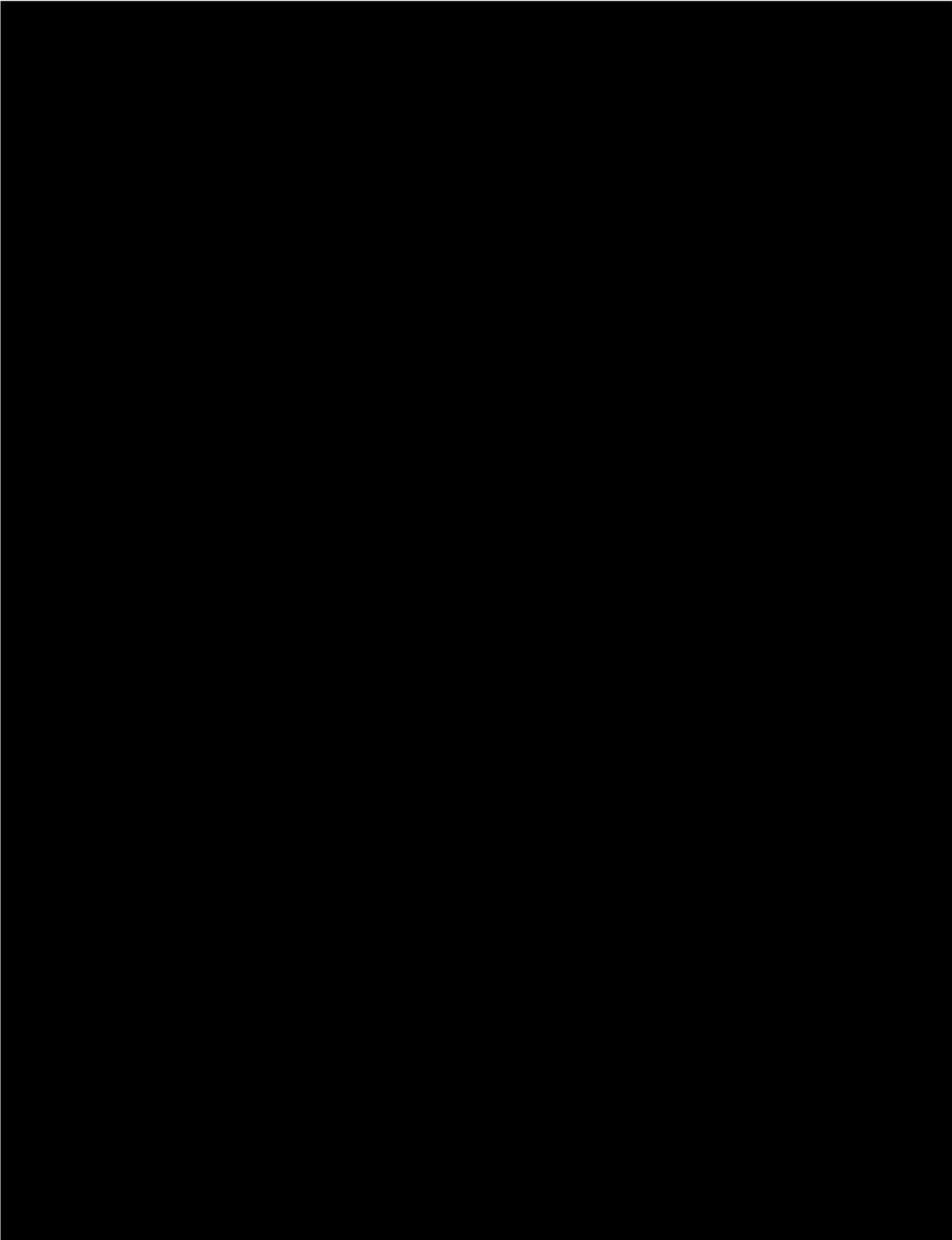
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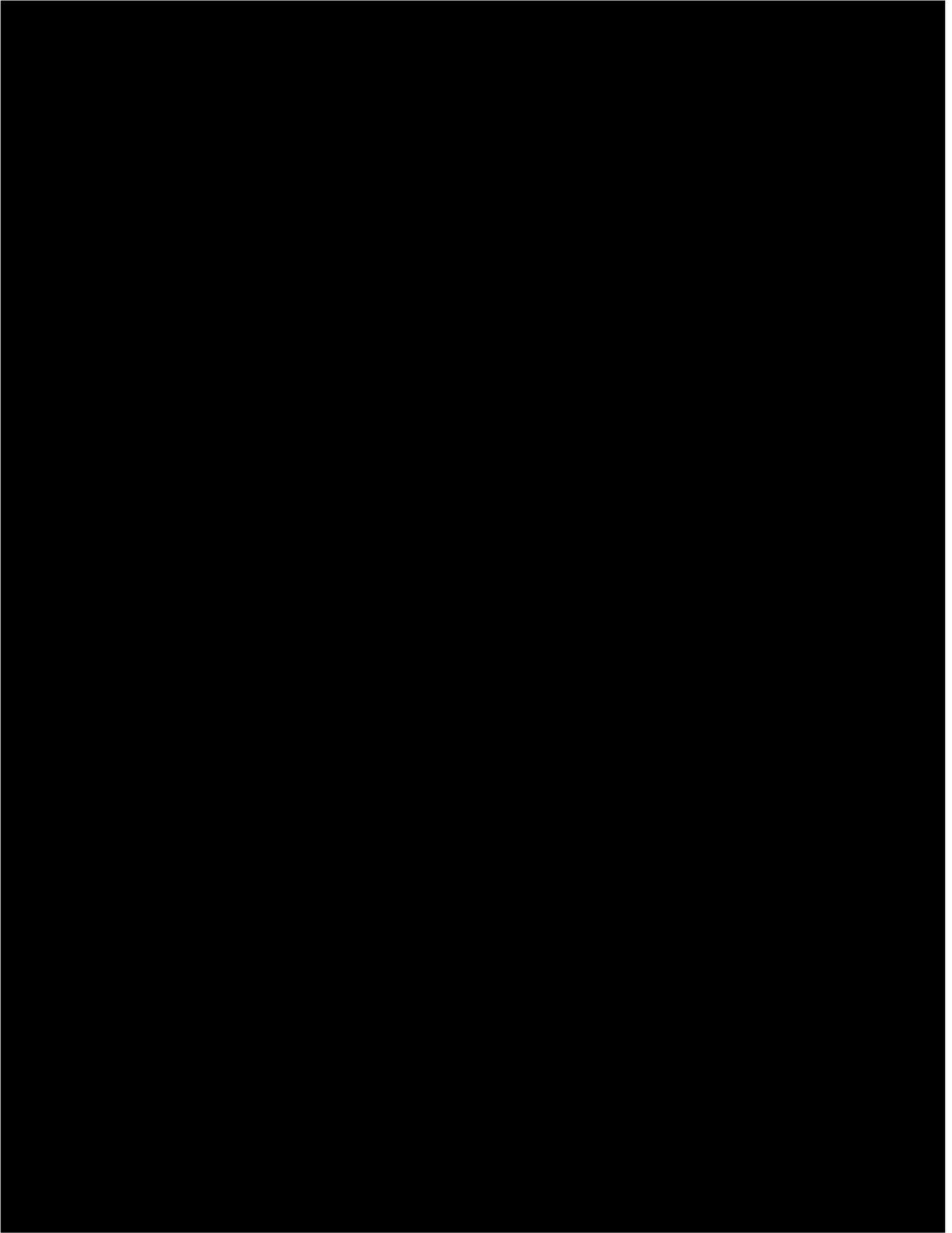
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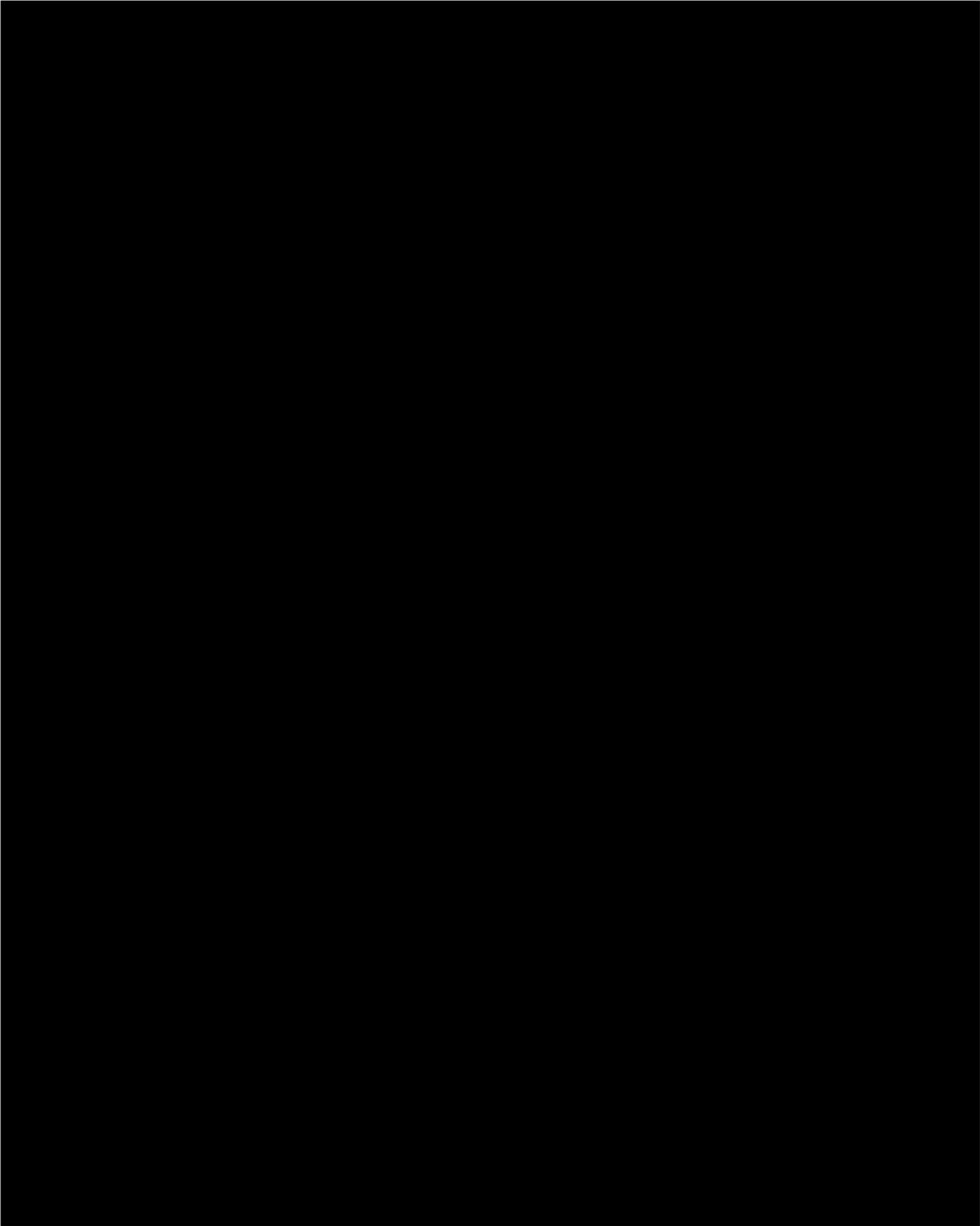
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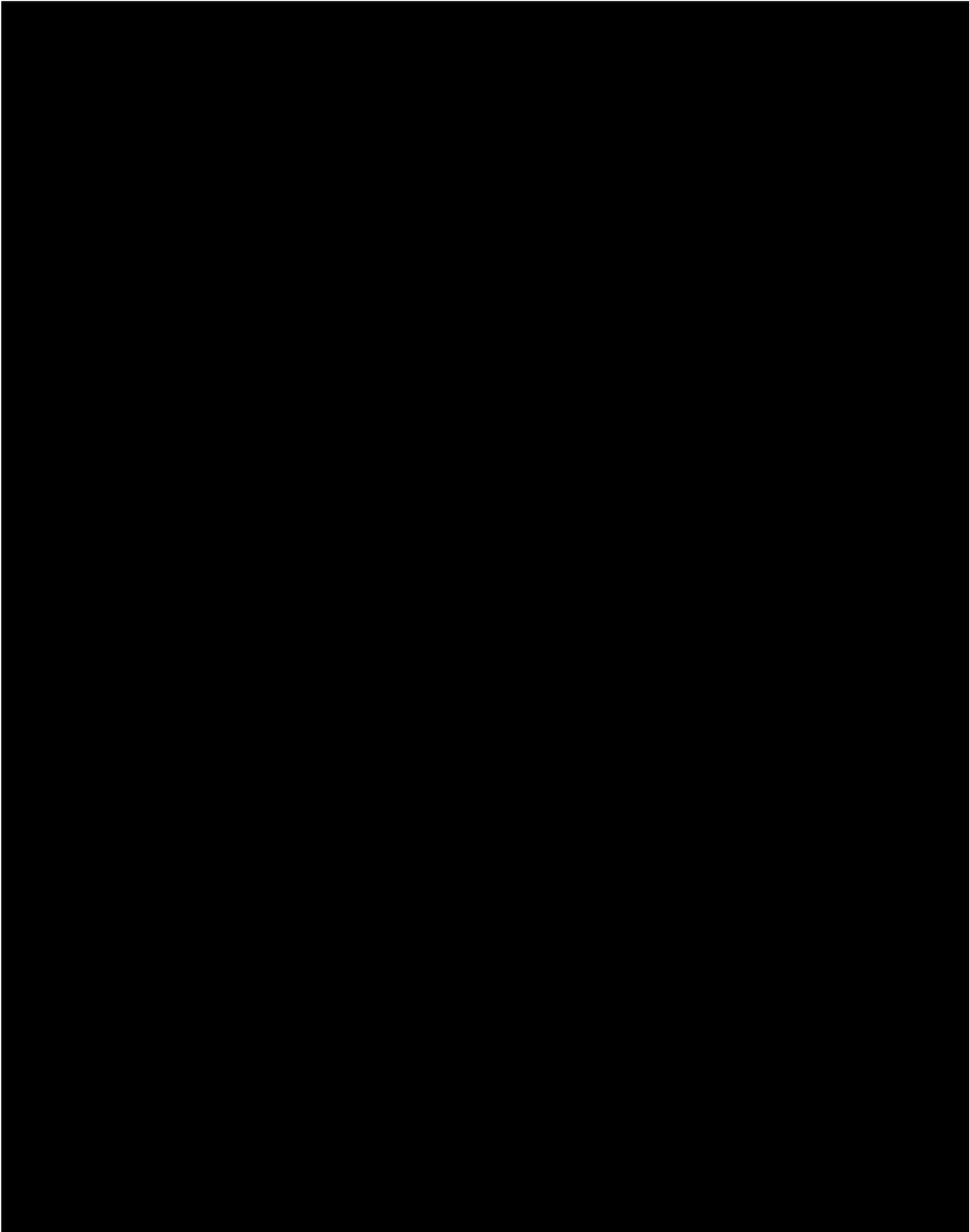
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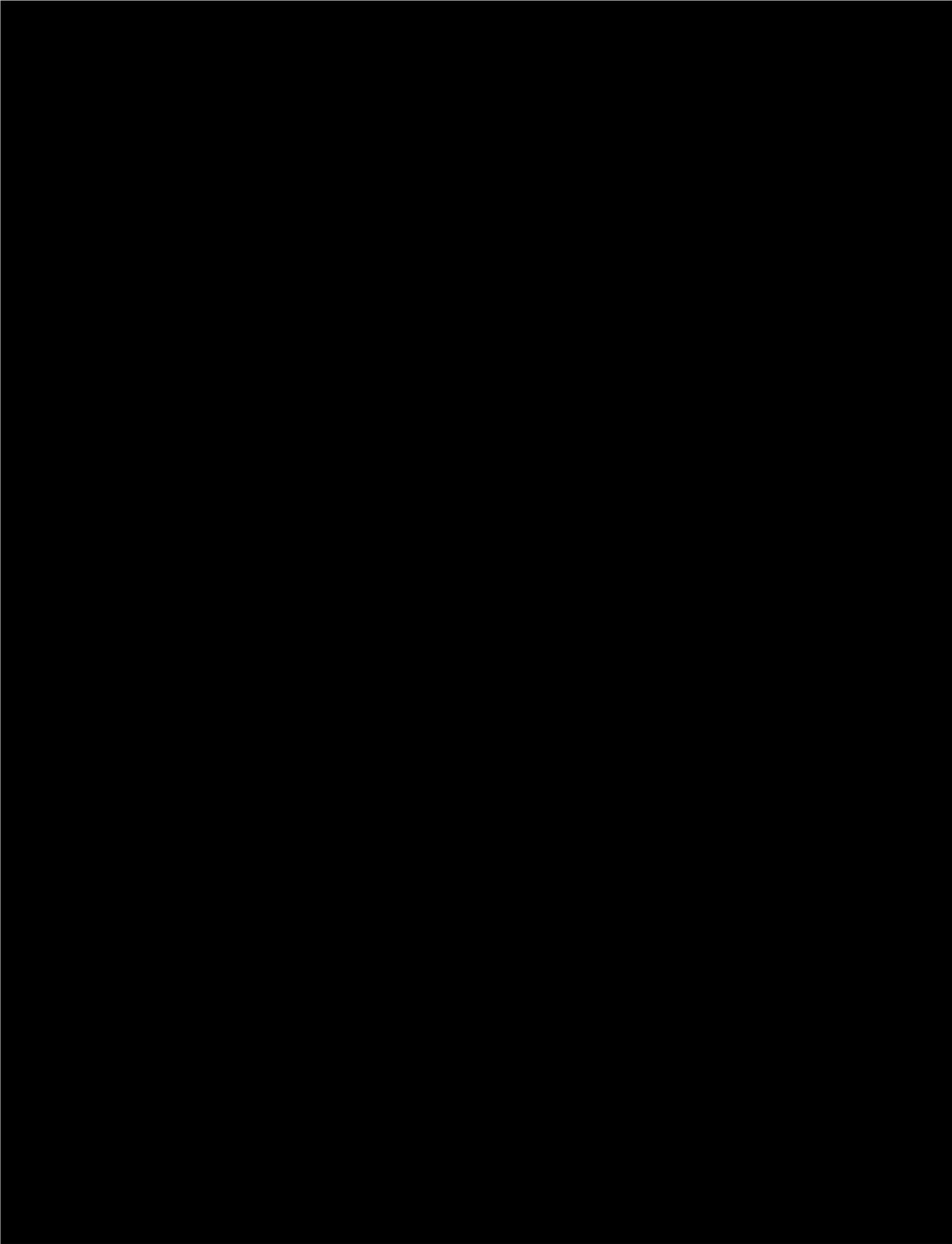
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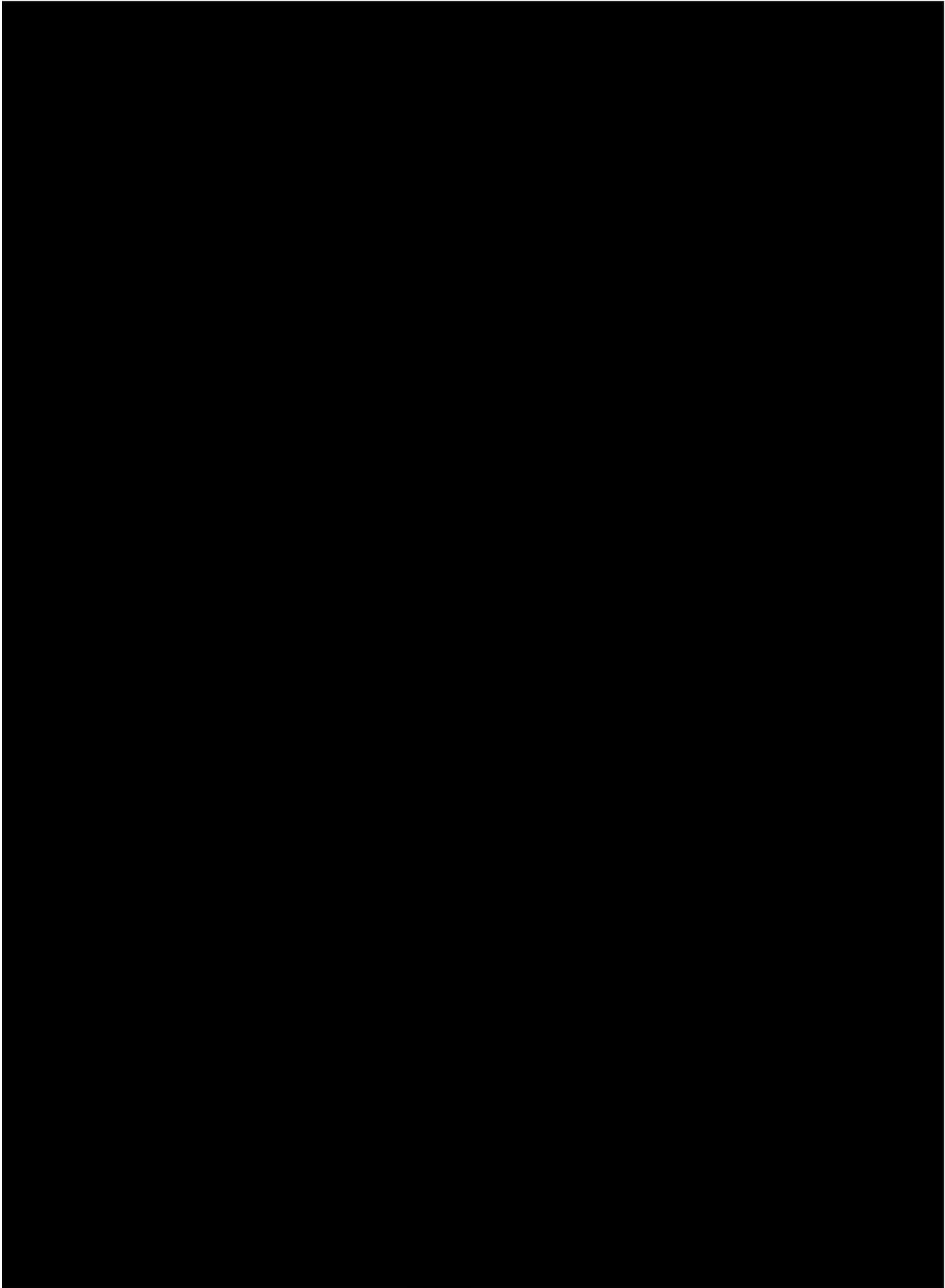
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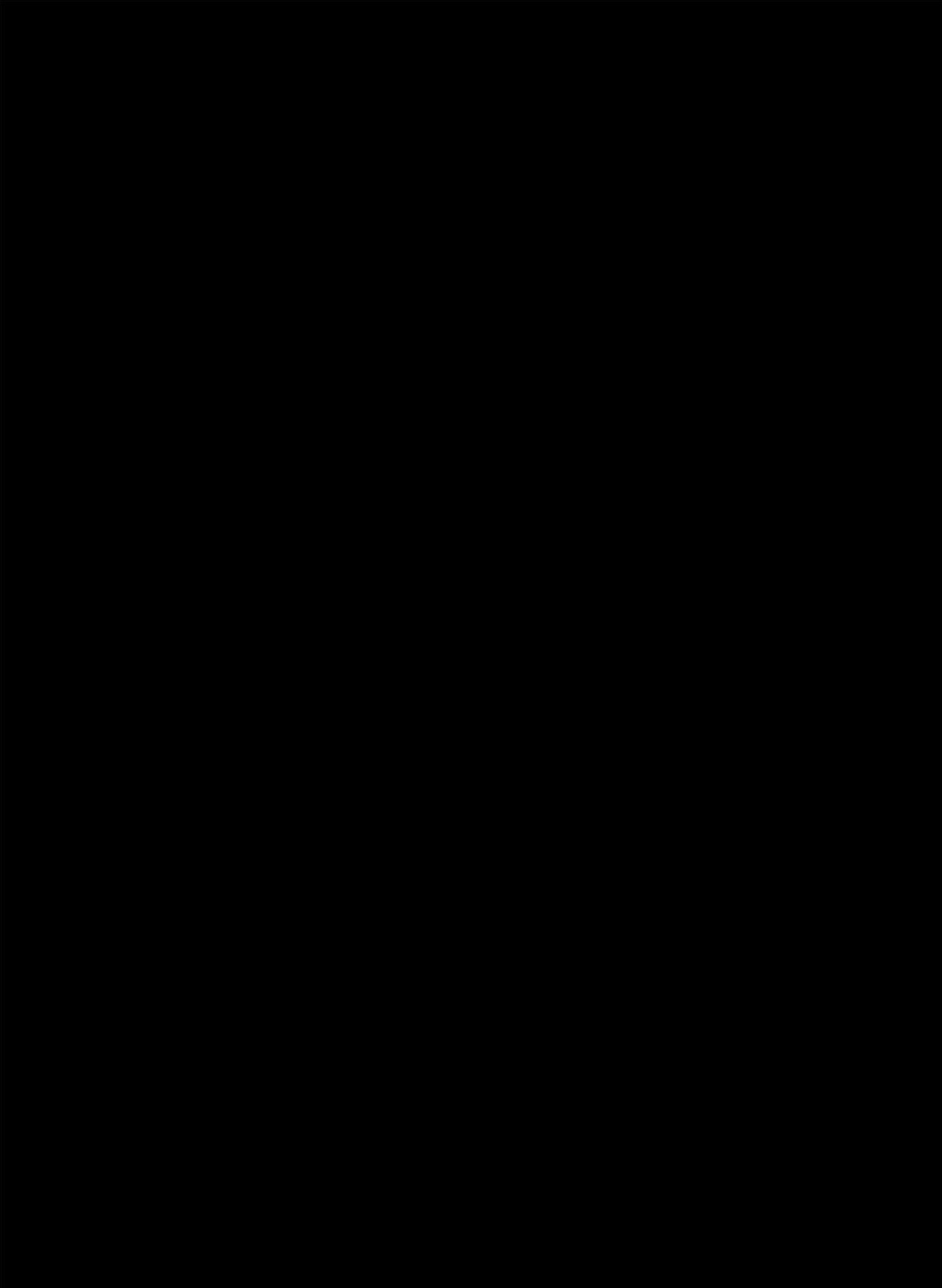
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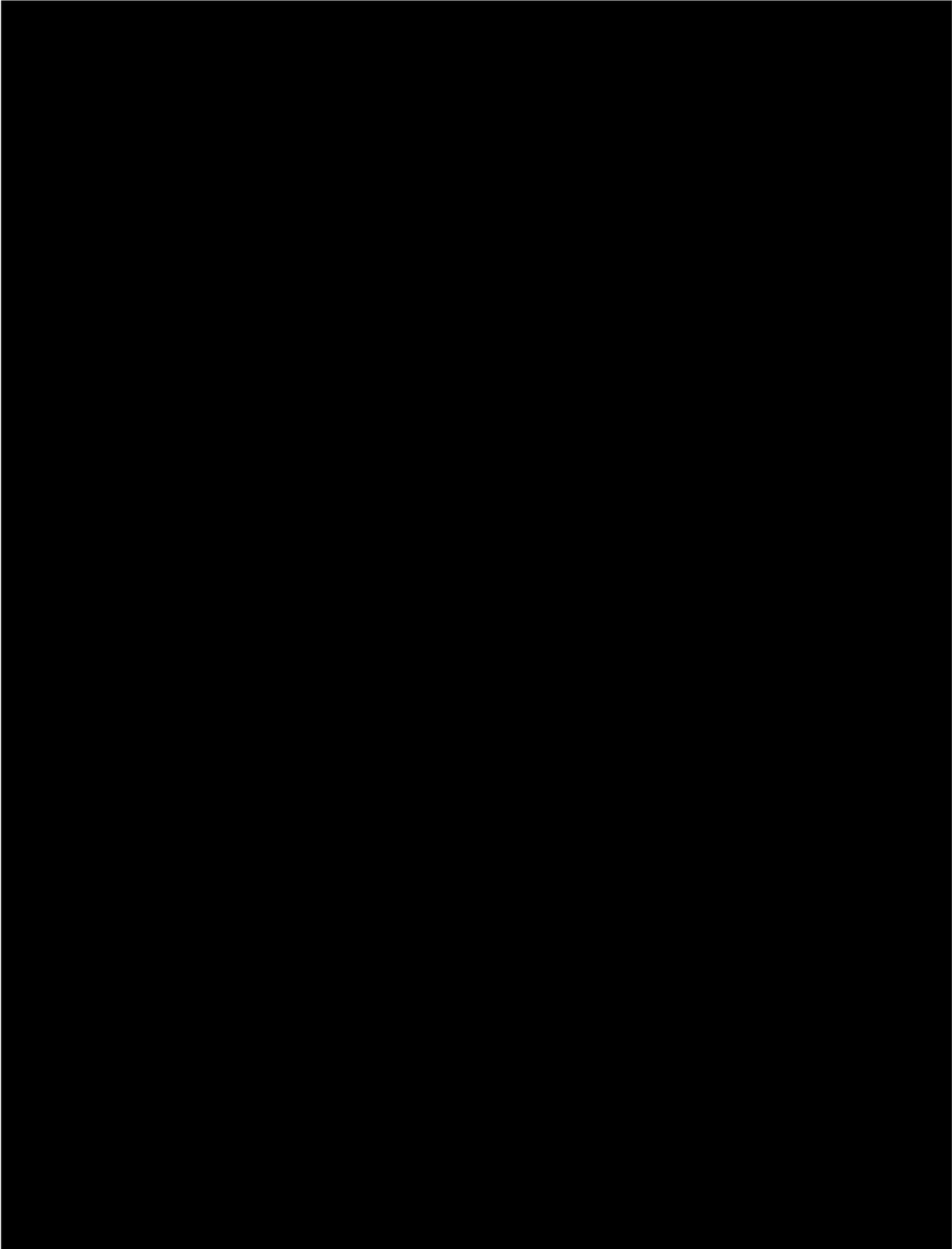
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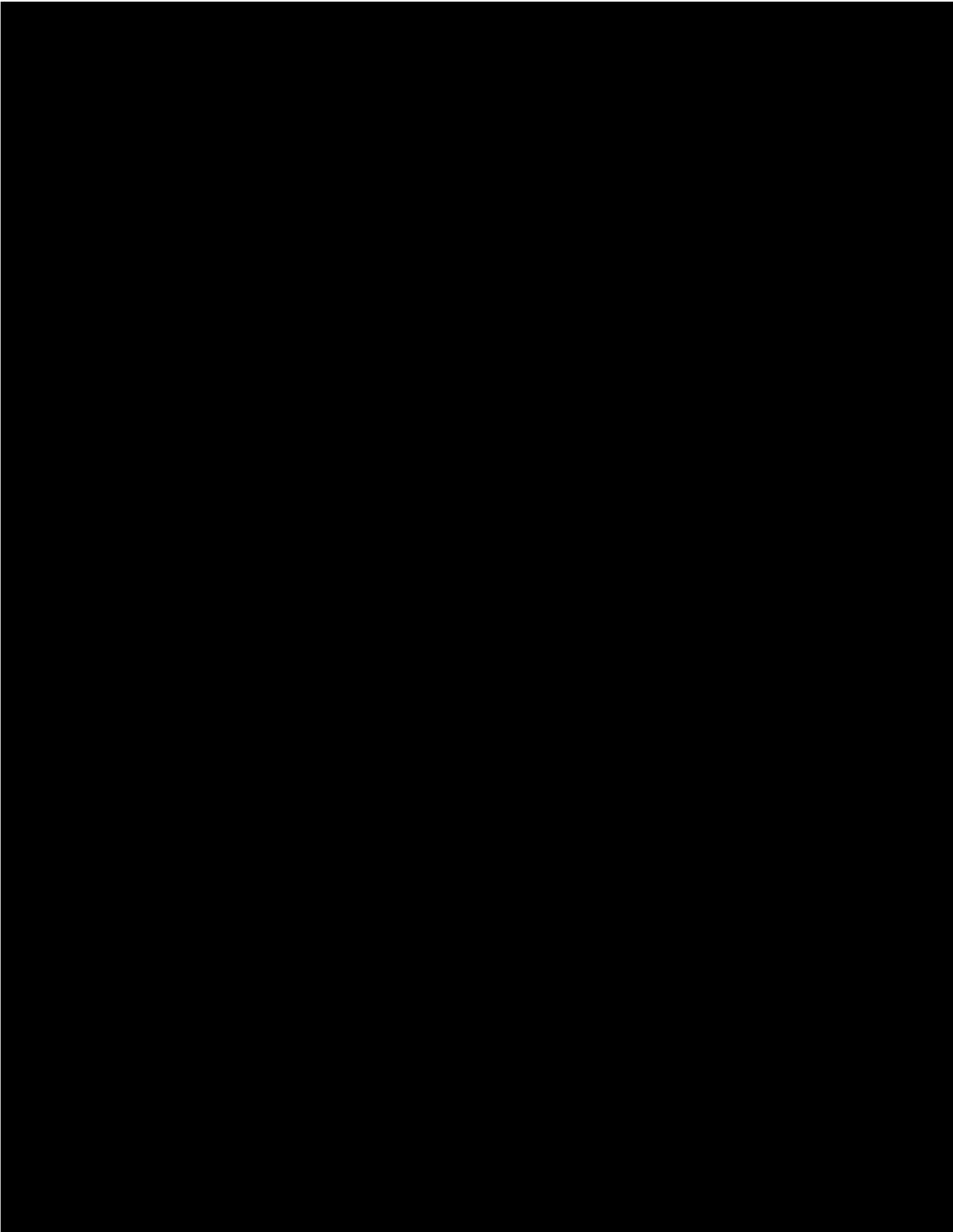
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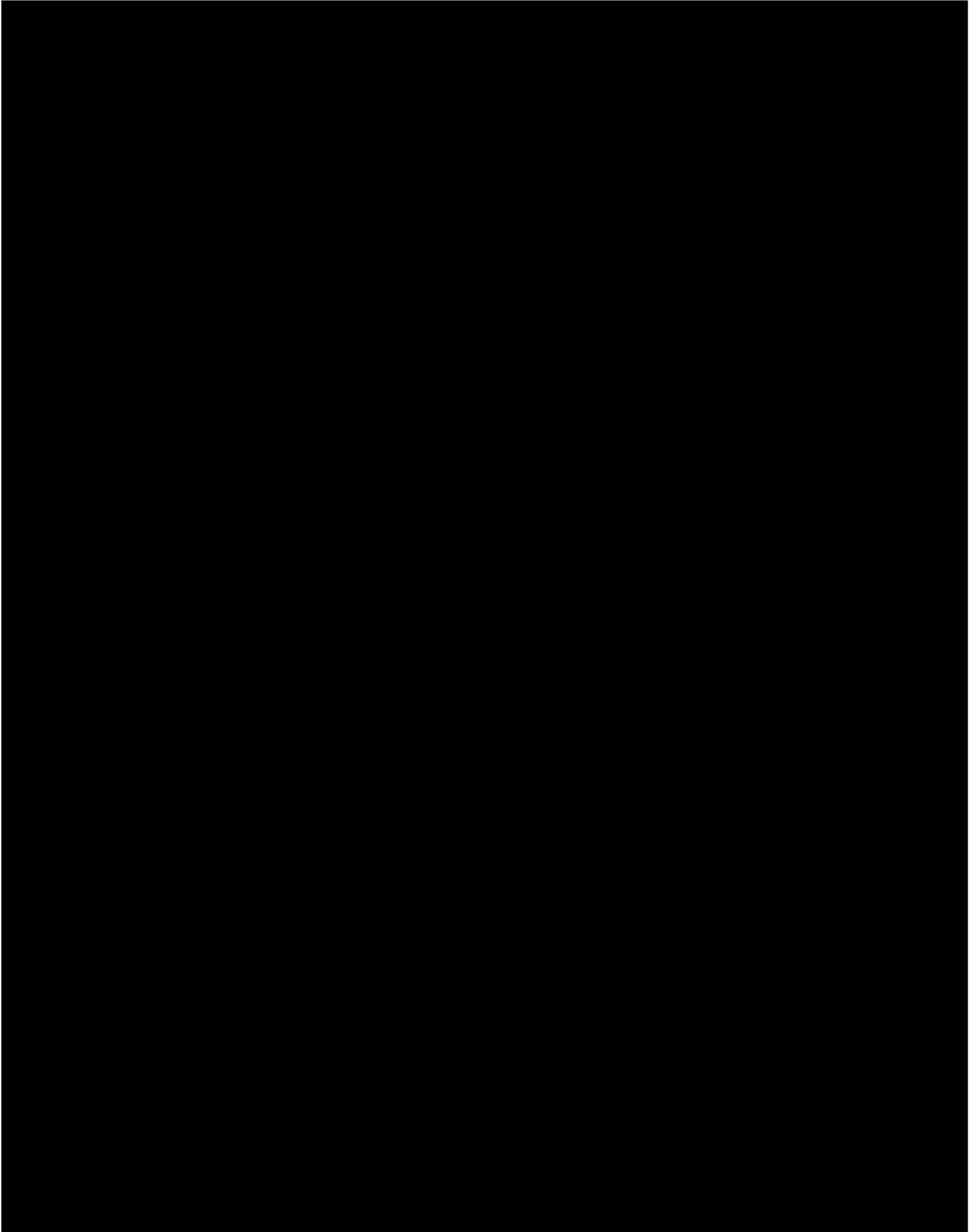
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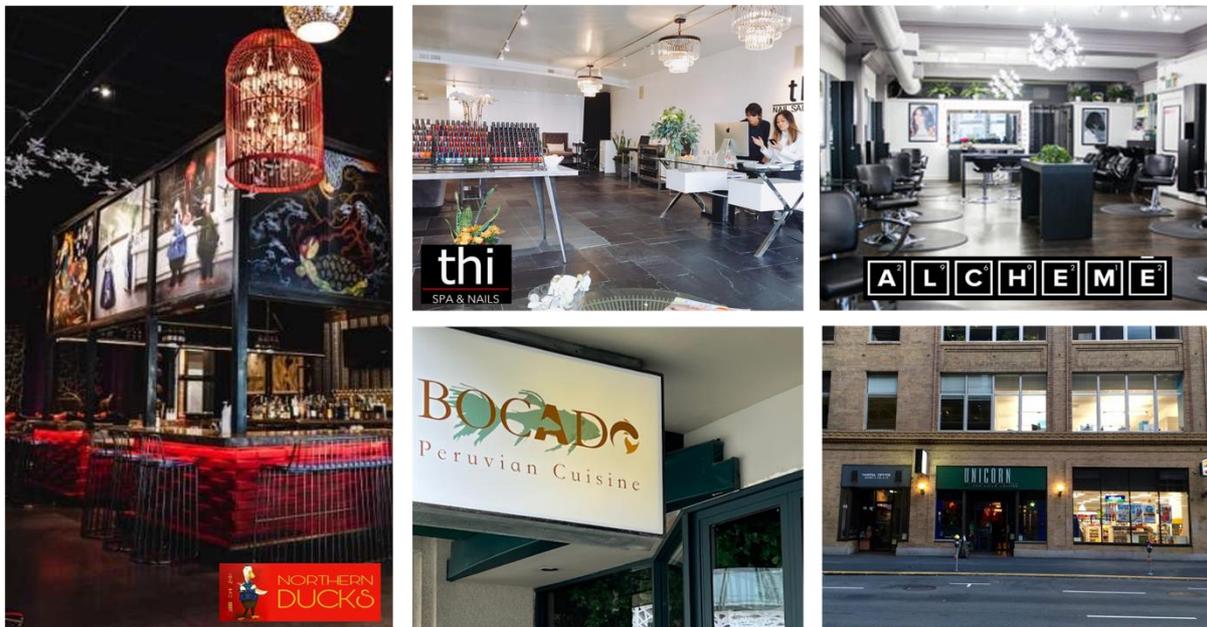
SECTION D: QUALIFICATIONS OF OWNERS

1. Cannabis Business Experience

Element 7 Experience in Owning, Managing, and Operating Cannabis Retail Stores

If awarded a permit in Healdsburg, the owners will leverage the experience, skillsets, and extensive accomplishments of the Element 7 team under a Management Services Agreement (MSA) to create and scale a cannabis business that maximizes revenue and taxes for the city, while striving to be the most controlled, compliant, taxed, tested, and trusted cannabis operator in Healdsburg. Thi Wellness draws from vast cannabis business ownership, management, and operating experience, and our goal is to integrate seamlessly into the Healdsburg community, promoting education-focused programs and initiatives that contribute to the local economy and enhance the quality of life of its residents.

Formed in 2006, Chroma Inc. has owned and operated a number of businesses in the San Francisco area including Thi Spa, Thi Nail Salon, Tranquillity Nail Spa, Alcheme Hair Salon, Unicorn Pan-Asia Restaurant, Northern Ducks Club & Restaurant, and Bocado Peruvian Restaurant which recently opened in June, 2023.



Chroma’s owner and CEO, Thien Nga Thi Tran (Sandi Tran) is a first-generation immigrant, born and raised in Vietnam until she was 7. Her father served in the Vietnam war as an accountant for the US Army and the family was forced to flee Ho Chi Minh as the North Vietnamese army swarmed the city after the US withdrew from the capital. Sandi was then raised in a small village in rural Vietnam before the family moved back to Ho Chi Minh in her late childhood. At the age of 21 and with little money to her name, Sandi emigrated to California with very little money to her name. She scraped by learning English and teaching mathematics to the children of Vietnamese immigrants.

Her first break came in 2003 when a nail salon became available for rent in Russian Hill. For the first 6-months of the business, Sandi was forced to sleep on the floor of the salon to make the lease payments, but she never gave up and considered herself fortunate to own her own business. In 2006 she had saved enough money to launch Chroma Inc. and expand to a 2nd location. By 2010, she was investing in and operating multiple salons and restaurants.



Sandi's story has become an inspiration to dozens of Vietnamese immigrants that have worked for her over the years with 8 of them now owning and operating their own nail salons, day spa's and restaurants across San Francisco. She continues to work 6-days a week and oversees all operational aspects of Chroma Inc. Her clients include some of the city's best-known athletes, celebrities, and tech entrepreneurs.

Eager to expand her business interests as the cannabis industry legalized in December 2018, Sandi first entered the cannabis industry in early 2019 as a consultant to Element 7, one of California's leading retailers, assisting the company with retail operations processes, product development, and customer service training. She then worked at Element 7's founding dispensary in Rio Dell (Element 7 Rio Dell) in the role of Budtender and Inventory Manager to better understand the industry and get the hands-on experience she felt she needed to understand how the business operated.

Not one to sit back and watch, as Element 7 launched cannabis operations in South San Francisco in February 2021, Sandi took the lead role in designing the facility and then managing the construction and retail operations model for the company. In September 2021, as Element 7 launched its retail dispensary in Marina, Sandi once again played a pivotal role in helping establish the business, taking a lead role in construction management, retail operations processes and systems, and customer service training for the local team. She worked closely with the local General Manager to help structure and negotiate product sourcing for the store and assisted with the implementation of Element 7's marketing and promotions program to connect with local customers and the community.

As Element 7 began to launch its own brands and products in 2022 after establishing a manufacturing facility in Firebaugh, Sandi was a key part of the team that conceptualized and launched six cannabis flower, edible, and vape brands in under a year – including Seventy and Sunny, IZZO, RoadTrip, Sunset, Calaveras, and Twist. All these products are now exclusively sold in Element 7 stores across California.

In June 2023, Sandi applied for a cannabis permit in the State of Texas under the State's Compassionate Use Program. Located in downtown Dallas, Thi Wellness Dallas will feature a day spa adjacent to a holistic wellness cannabis store serving the patients and customers of Dallas. The application is currently under review with the Department of Public Safety.



Each of these roles gave Sandi an excellent view of the industry and a unique perspective on the workings of a cannabis dispensary, which, coupled with her 20 years in traditional retail

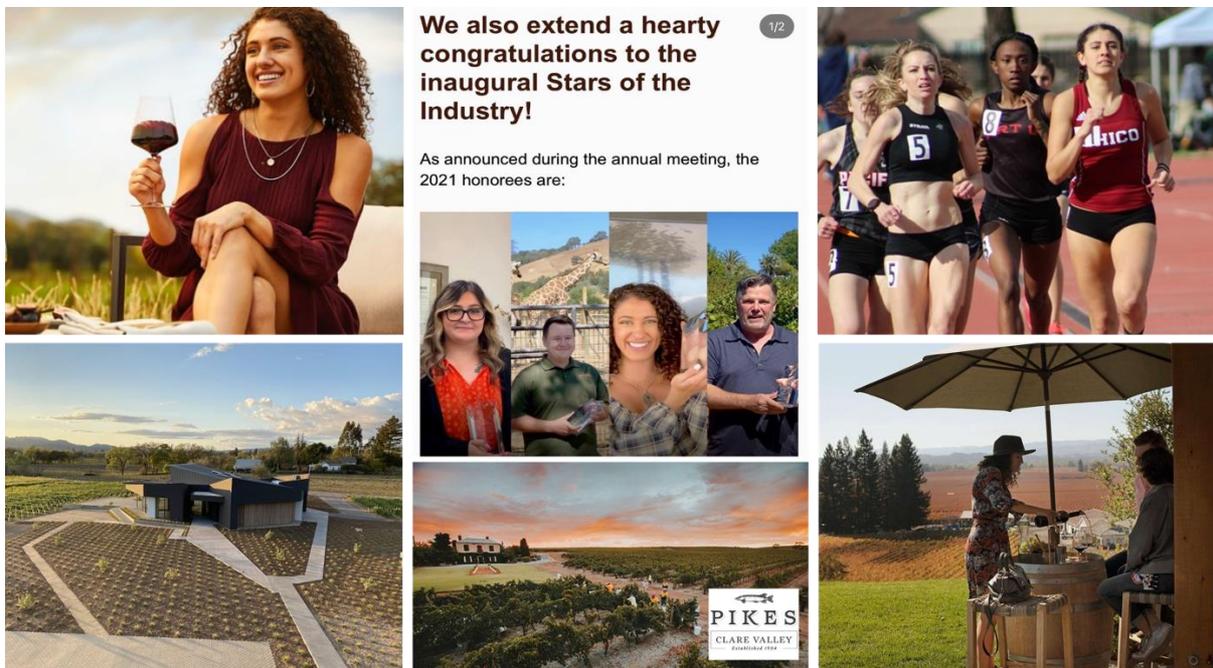


and service industries, stands her in an excellent position to launch the business in Healdsburg.

In 2023, Sandi partnered with Bianca Nicastro who was born and raised in Healdsburg to launch Thi Wellness, a cannabis focused retail and brand company aimed at creating plant-based treatments and products for today and tomorrow's new cannabis customer.

Where Sandi brings over 20 years of customer service, retail, and small business experience to the partnership, Bianca brings a unique understanding of the Healdsburg market, consumer base, and wine industry. She is an award-winning hospitality expert taking home 'Best of Sonoma County: Front of House 2021' for her role at Aperture Cellars, working under Jesse Katz, the first winemaker in North America to make the Forbes 30 Under 30 List in 2014. Bianca is a wine sales expert, content creator, and hospitality consultant, receiving her training at some of the most prestigious wineries in Sonoma County. She has her WSET Level 2 Certification from the Napa Wine Academy and is a former student athlete on the Chico State Track and Field team. She graduated from Healdsburg High School in 2014 and then graduated from California State University, Chico in 2018. At Thi Wellness, Bianca will serve as President of the Company and the General Manager of the store, managing all day-to-day retail operations with Sandi and the Element 7 team.

Both Sandi and Bianca are passionate about the holistic balanced use of cannabis for medical, personal wellness, and health treatments. Where Sandi sees how cannabis can be packaged, marketed, and presented to new customers differently than perhaps the industry has in large done in the past, Bianca is excited about building a locally relevant and engaging business using some of the principles applied to the wine industry in how the product is presented, sold, and served. Together, the pair are excited about working together to build Thi Wellness in Healdsburg and take cannabis to new heights in Sonoma County.



We also extend a hearty congratulations to the inaugural Stars of the Industry!

As announced during the annual meeting, the 2021 honorees are:



If awarded a permit, Chroma Inc. will leverage the infrastructure of Element 7 to operate and manage a number of back-end functions that will enable the pair to operate a more efficient and effective business. Element 7 will be engaged under a Management Services Agreement (MSA) to provide finance, taxation, human resources, compliance and licensing, purchasing (buying of cannabis products at preferred rates), and security consulting services to Thi



Wellness. This will allow Chroma Inc. to focus on day-to-day business operations including staff training, customer service, community engagement, neighborhood management, customer education, marketing, and retail operations.

Element 7 have the skills needed to enable Thi Wellness to be successful and sustainable and will leverage their experience owning, operating, and scaling cannabis businesses. Element 7 leverage data and insights to make decisions, combining that with intuition and experience. Their staff are trained 5X more than the industry average and they use platforms and systems like CURA-AI to make medical recommendations to their patients, rather than relying on budtenders and front-line sales staff to advise patients on dosages and strains (CURA-AI is a machine learning platform built for medical patients to recommend cannabis products). Their founders have over 25 years of experience in the cannabis industry and decades of traditional retail experience, understanding, and operations.

Element 7 are well positioned to deal with volatility, uncertainty, and change. During the recent COVID-19 health crisis, they hired new staff and expanded at a time when many in the industry shrunk and contracted. In one week in 2022 they opened 3 new stores in 7 days – something that no other operator has ever done in cannabis in California. Element 7 will provide the financial backing needed to build, operate, and scale the business through a loan which has a 5-year pay-back. Their passion for winning, succeeding, and building a better business is unmatched.

Element 7's understanding of technology and access to proprietary data through their partnership with Brigade, a global licensee of Weedmaps data, will power our understanding and thinking of cannabis and new trends emerging in the market. This partnership gives us a competitive edge and deep understanding of cannabis consumers as we analyze search data to really understand what is happening in the industry.

Element 7's vertically integrated operations will allow us to control pricing, shelving, ranging, and quality, which will be critical to building a successful sustainable business in Sonoma County and the city of Healdsburg.

Element 7: Existing Operations in California

Today, Element 7 is one of the largest vertically integrated independent cannabis retailers in California. Indeed, their footprint from Humboldt in the north to Chula Vista in the south of the State, and Cathedral City in the east, gives Element 7 a 'broader' footprint across the State than any other retailer.

Their first cannabis dispensary in California operates out of Fort Bragg in Mendocino. **The Bakery by Element 7**, opened in Fort Bragg in November 2020. Element 7 initially applied for this permit in January 2020, was approved in May 2020, and commenced construction in September 2020, demonstrating their ability to win permits and become operational.



THE Bakery
BY ELEMENT 7
FORT BRAGG

JAN 2020
APPLIED FOR PERMIT WITH CITY OF FORT BRAGG

MAY 2020
CITY ISSUES ELEMENT 7 A CONDITIONAL USE PERMIT

AUG 2020
STATE LICENSE ISSUED TO ELEMENT 7

SEP 2020
CITY ISSUES ELEMENT 7 A BUILDING PERMIT

OCT 2020
CONSTRUCTION & SITE WORKS

NOV 2020
STORE OPENS FOR BUSINESS

The Bakery by Element 7, Fort Bragg

Site works were completed on October 29 after 6 weeks of construction, with a soft launch of November 6, 2020. 100% of the staff hired for Element 7 Fort Bragg are local to the city which is a model we are looking to emulate.

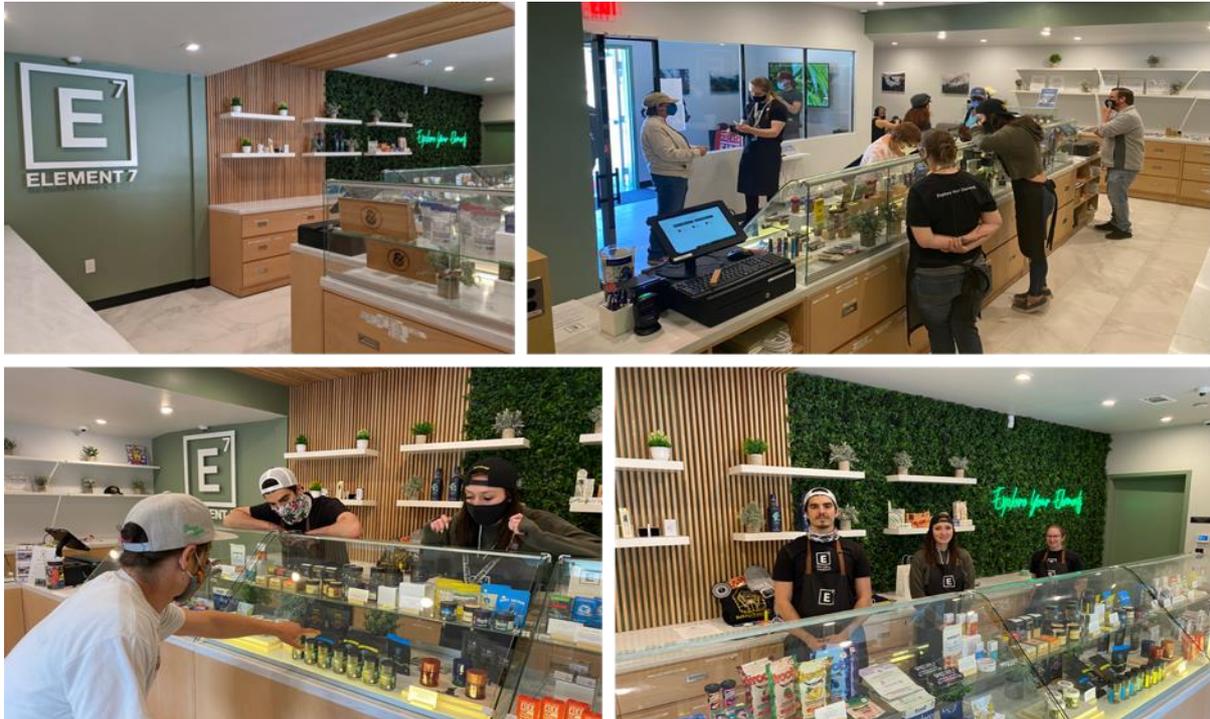
Element 7 then commenced operations of a **cannabis delivery** business in South San Francisco which serves parts of San Francisco and San Mateo County. Housed out of a 2,000 square foot business unit, Element 7 opened the site on February 22, 2021. The site is a large addition to Element 7’s expanding footprint and gives the company a strategic foothold in the South Bay. This facility generated over \$12M in gross sales in 2022 and is expected to hit \$14M in 2023. Sandi Tran was instrumental to the opening of this site, working with Element 7 to manage construction and the retail operations model.



Element 7 South San Francisco (Delivery Depot)



Element 7 further expanded operations in May 2021, launching a flagship store in Rio Dell, Humboldt County. The business serves a small community in Southern Humboldt and has become a best-practice study in how retailers can partner with small craft cultivators to help them deliver cannabis to major urban markets like San Francisco and Los Angeles. Element 7 has partnered with Humboldt Brands to help them expand their business across Element 7's network of stores. Sandi worked as a budtender and inventory manager at the store shortly after it opened in 2021.



Element 7 Rio Dell: Southern Humboldt Flagship Store

Element 7 operations were expanded further in August 2021 when the company opened its store in Marina, Monterey County. With 100% local staff, and the business receiving strong praise from the local City Council, neighboring businesses, and customers from the local and surrounding communities, this business is one of Element 7's best stores in California for sales performance, customer satisfaction, and customer retention. Sandi again worked at this store helping to oversee construction, design, retail operations, and customer service training.





Element 7 Marina: Launched August 2021

Element 7 opened its Port Hueneme store in February 2022 with their new retail concept, Element 7 Express ('value' driven retail concept). The Express concept is proving to be a hit with budget-conscious customers that want a grab-and-go experience in a highly competitive market.



Element 7 Port Hueneme: Opened January, 2022

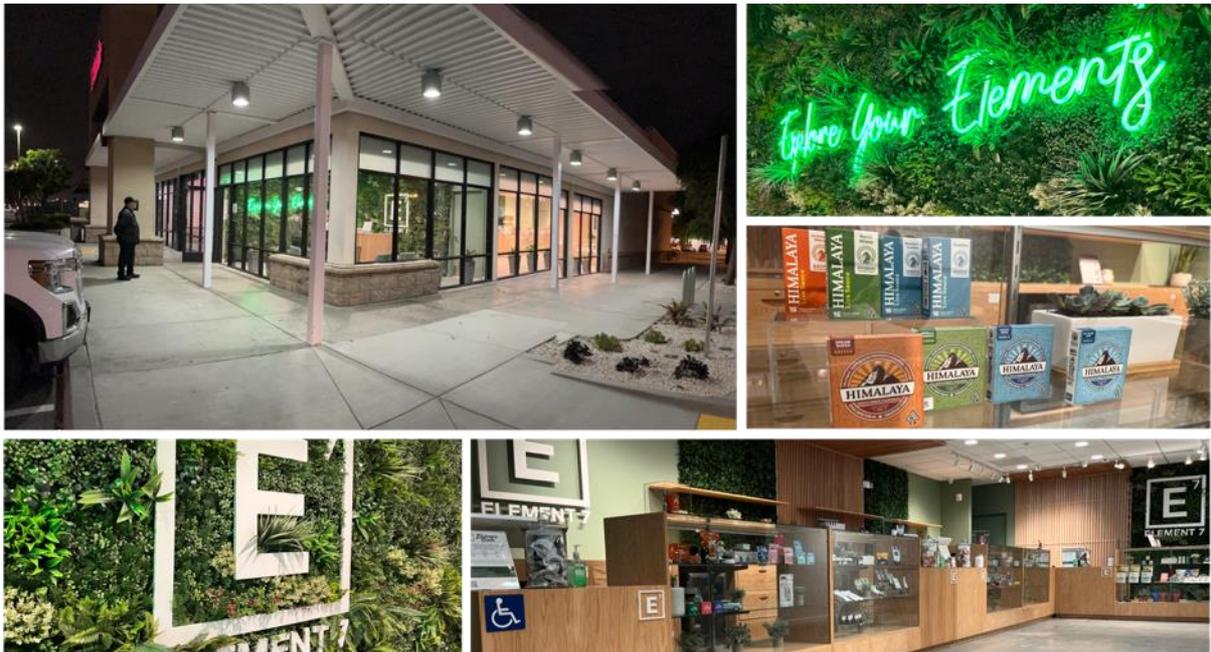


Element 7 launched its first Central Valley store in Firebaugh in March, 2022. Located 35 miles west of Fresno, the store sits in a highly under-served cannabis market with their nearest competitor store located 40 miles away in Merced. The store continues to perform well with local customers, and Element 7 continues to build a loyal base underpinned by consistent service and education.



Element 7 Firebaugh

Element 7 set a new standard for the industry in June 2022 when it opened a further 3 stores in 7 days – stores opened in Willits (Mendocino County), Chula Vista (San Diego County), and Mendota (Fresno County) expanding Element 7's footprint south towards the US-Mexico border.



Element 7 Chula Vista





Element 7 Mendota



Element 7 Willits

Today, Element 7 is a vertically integrated cannabis company with its own brands, manufacturing and distribution facilities. Located adjacent to their retail store in Firebaugh, a full-size commercial kitchen is equipped with a Type-N Infusion License which allows the company to infuse and package a range of cannabis products including flower, pre-rolls, edibles, topicals and tinctures. Element 7 commenced operations at this facility in March 2022 and products from this facility are now distributed exclusively through Element 7 stores across California.



Element 7 Commercial Cannabis Manufacturing Kitchen: Firebaugh, CA

On the brand development side, Element 7 partnered with **Sequoia River Farms, Moon Made Farms, and Red Rock Farms** in Southern Humboldt in 2021 to create and launch a brand called RoadTrip which is exclusively sold in all Element 7 stores. Twenty percent (20%) of the net profit from this brand goes back to helping small sustainable farms in Humboldt and the brand has been a huge hit with cannabis customers across the State with the product outselling a number of established cannabis brands that the company carries in their stores.



RoadTrip by Element 7: Supporting Small Farmers Across Northern California

In 2022, Sandi further worked with Element 7 to help design, build, and launch a range of brands that are exclusively sold in Element 7 stores – including Seventy and Sunny, IZZO, Sunset, Calaveras, and Twist. All these products are now exclusively sold in Element 7 stores across California. Sandi was a key member of the go-to-market team leading packaging concept work, marketing materials, and launch strategy.

The Element 7 team are on track to open and operate 3 additional stores in Q3 2023 with stores launching in Oakland (Montclair Village), San Francisco (Laurel Village), and Moreno Valley – all 3 are currently under construction.

Today, Element 7 employs over 120 staff across California, generates over \$25M in annual revenues, and is on track to continue to emerge as one of the State’s leading retailers. No other cannabis company has as broad a retail footprint as Element 7 does in California, with operations spanning from Southern Humboldt to San Diego County and east to Cathedral City.



All Element 7 cannabis operations commenced after 2019 – no retail businesses (or any other cannabis operations) were conducted prior to adult-use legalization in 2018 and Element 7 has never had a license revoked, terminated, or received any sort of infraction from the State of California Department of Cannabis Control (DCC). Element 7 have never been involved in any non-compliant, illicit, illegal, ‘grey market’, or ‘legacy’ cannabis operations.

Element 7 Executive Team

Element 7’s Executive Team will support all local operations under an annual management contract. The Element 7 team brings a wealth of experience, management understanding, and operational expertise across the cannabis industry, other regulated industries, and cannabis retail. In addition, Element 7’s operational team has extensive experience working with vendors and suppliers necessary to construct, remodel, and successfully operate facilities associated with cultivation, manufacturing, distribution, and dispensing regulated cannabis.



JOSH BLACK
COO
ELEMENT 7



Josh is a former Marketing Director with PepsiCo, managing Tropicana, Aquafina and Gatorade brand launches in over a dozen markets globally. He is the former CEO for WPP’s (world’s largest media and marketing services holding company) content and entertainment business – at WPP he worked with brands including Nike, Coca-Cola, P&G, Unilever, Nestle, Chanel, and Gucci. He is a published author, was named in the media industries ‘40 Under 40’ in 2016 and manages Element 7’s commercial, marketing, talent and training, and licensing functions. Black has written and won over 50 license applications in North America, is a co-founder of CT3 (worlds first CBD beverage for traumatic brain injury), and Daily Hemp Co which is sold on Amazon. At Element 7, Black oversees all commercial functions including finance, legal, and operations.



ROBERT DIVITO
FOUNDER AND CEO
ELEMENT 7



Cannabis entrepreneur, investor, and business operator. Former General Manager for StrayLight Farms, one of the State’s largest cannabis cultivation operations. In 2016, advice from the former Mayor Los Angeles saw DiVito head north to California’s Central Valley with a plan to focus on cannabis economic development – locating cities and communities that needed education, jobs, and community development that could benefit from cannabis. Despite many communities having commercial cannabis bans in place and, in some cases, hostility towards the industry, DiVito travelled the State lobbying for education, change and growth through his ‘Cannabis Campus Model’ – a model that was later adopted into the Medical Cannabis Regulation and Safety Act (MAUCRSA) in June, 2017. In September 2017, DiVito’s profile in the industry rose sharply as he convinced big-ag to invest in cannabis, securing a \$51 Million commitment from one of the country’s largest organic farming families to invest in cannabis cultivation. This was a landmark deal and marked big-ag’s first serious investment into cannabis and will have a huge impact on the future development of the industry. In 2018, DiVito founded and launched Element 7 in California, a retail business focused on creating change at the grass-roots level through leading business practices, education, social justice, and change. Today, Element 7 is one of California’s largest retail operators with operations stretching from Northern California to Orange County.



AMBER NORWOOD
CHIEF COMPLIANCE OFFICER
ELEMENT 7



Amber joined the Element 7 team to head its compliance and regulatory affairs division in 2018 and has quickly proven to be one of the key executives in the company. In her current role, Amber oversees regulatory compliance, licensing and project management. Having won over 25 licenses for clients in California and submitting applications in over 8 US States, she specializes in writing and implementing Standard Operating Procedures across all aspects of the industry. Amber was born and raised in Pasadena and is active in the local community and cannabis industry – she is a member of NORML, Minorities in Cannabis Business Association and WomenGrow, a female focused industry group expanding female representation in the cannabis industry. Amber previously worked with the **Attorney General’s Office** in Miami before joining the cannabis industry.





ELICIA TERRY
HEAD OF LICENSING / COMPLIANCE MANAGEMENT
ELEMENT 7



ELICIA TERRY has called Fontana home since 2003 and sits on the senior leadership team for Element 7, working across California with the company as the Head of Licensing and Compliance Management. Elicia graduated from Michigan State University with a B.Arts in 2006 and then studied law at Thomas Jefferson Law School, graduating as a J.D. in 2016. She joined the Element 7 team in 2018 as one of the company's first employees. Elicia plays a key role in the business driving the licensing team and ensuring that compliance sits at the heart of the company – she works across all Element 7 operational stores in California and is passionate about seeing Element 7 build a business in heart hometown, Fontana. If awarded a permit, Elicia would be based out of the store overseeing management and continuing to work across California with Element 7.



COREY ENGLISH
CHIEF SECURITY OFFICER
ELEMENT 7



Corey English (Chief Security Officer) is Element 7's strategic security lead and oversees all security measures and efforts for the Element 7 brand. His security guidance covers all risk management, threat suppression, and systems to guide the Element 7 business and team. He is the President of LEAPS (Law Enforcement and Private Security) and has over 2 decades of experience working for some of the world's largest companies managing their security and risk management systems.



ERIC GREENBERG
CHIEF FINANCIAL OFFICER
ELEMENT 7 LLC



Eric Greenberg is an accounting, financial control and taxation specialist. He is a Certified Public Accountant (CPA), member of AICPA and is an Adjunct Lecturer at De Paul University's Commerce Faculty in Chicago. He holds a Masters in Business and Taxation and has over 30 years experience in accounting, taxation and financial risk management. His experience spans consumer goods, services, professional athletes and capital markets.



SHEILA MERCHANT
HEAD OF LEGAL AFFAIRS
ELEMENT 7, LLC



Sheila received her law degree from Columbia University School of Law and has been a practicing attorney since 2012. Before studying law, she studied at the University of Michigan, graduating with an Honors degree in History and English. She served as an Associate Attorney for three years before setting up her legal practice and specializes in contract law, financing projects and M&A. At Element 7, Sheila oversees all legal contracts, commercial agreements, alliances, and partnerships. Sheila is also leading our efforts to continuously upgrade our data management, compliance and risk management efforts.

Testimonials

Here are just some of the things our colleagues & peers in the industry say about us:

“Element 7 have been a strong supporter of UCLA and our Cannabis Research Initiative since it was formed in 2018. I not only value their support for advancing the cannabis industry and cause, but also their friendship, integrity, and trust.” **Dr. Jeff Chen**, Founder and Lead, UCLA Cannabis Research Initiative

“When it came time for Playboy Enterprises to launch its brand in the US Cannabis Market, we met many groups in the industry and landed with Element 7. We value them as a key strategic partner, facilitator, and friend of the Playboy brand and business.” **Jared Doughty**, Global Head of Licensing, Playboy Enterprises Inc.

“Element 7 are transforming cannabis retail in California, proving that being big doesn't mean forgetting about the small guys and girls, like us at Moon Made Farms. We've been so happy



with the support Element 7 have given us with regenerative farming and responsible cannabis production and we look forward to expanding our partnership in years to come.” Tina Gordon, Founder, Moon Made Farms (Southern Humboldt).

2. Cannabis Industry Knowledge

As previously stated, Chroma’s owner and CEO, Thien Nga Thi Tran (Sandi Tran) first entered the cannabis industry in 2019 as a consultant to Element 7, one of California’s leading retailers, assisting the company with retail operations processes, product development, and customer service training. She then worked at Element 7’s founding dispensary in Rio Dell (Element 7 Rio Dell) in the role of Budtender and Inventory Manager to better understand the industry.

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Each of these roles gave Sandi an excellent view of the industry and a unique perspective on the workings of a cannabis dispensary, which, coupled with her 20 years in traditional retail and service industries, stands her in an excellent position to launch the business in Healdsburg.

Having grown up in Healdsburg all her life, and then working in the wine industry, Bianca has a unique and very different perspective to cannabis than Sandi brings. As someone that has studied and worked to fully immerse herself in and rise to the very top of the California wine industry, Bianca has focused herself on the agriculture and horticulture of cannabis, studying in her spare time how cannabis is cultivated, harvested, maximized for yields, cured, and then packaged. For the last 5 years, she has visited numerous cannabis farms throughout Sonoma, Mendocino, Humboldt and Chico Counties, meeting with growers to understand how they approach this crop in different ways.

She has studied the practices that growers use to select their genetics, how they propagate, cultivate, and nurture the plants through cultivation cycles in different micro-climates and geographies in the region. She has compared the similarities between various wine and cannabis varieties, understanding how different plant strains and plants interact with soil, water, nutrients, and the sun to produce different cannabinoid, terpenoid, and flavonoid profiles. In the same way that Aperture Cellars have transformed how wine is grown and marketed, Bianca is passionate about taking those learnings and applying them to cannabis to create a new customer experience where the individual components of the cannabis plant



are better appreciated and understood by patients and customers to improve their experience with the product.

Together, we believe that Sandi and Bianca can create a new cannabis experience that will transform how customers interact with the industry – focusing less on high THC values and price, and more on the total experience and the subtle differences that each strain delivers.

The Element 7 team brings a diverse set of skillsets to the local Healdsburg business and will support Sandi and Bianca through a number of day-to-day operational items – a number of the team members also have additional relevant professional qualifications and experience that collectively make Element 7 the optimal cannabis operator, including:

- **Robert DiVito:** As the Founder and CEO of Element 7, DiVito has 6 years of experience in the cannabis industry and a Bachelor of Business (Management Studies) from De Paul University, Chicago.
- **Amber Norwood:** Norwood is a Board Member of NDICA (National Diversity and Inclusion Cannabis Alliance) and is a J.D. She previously worked for the US Attorney in Miami.
- **Greg Moreno:** Greg is a former US Marine Corps officer. He undertook a range of specialist training programs and placements that give him specialist skills in management, leadership, crisis management, logistics, and planning.
- **Josh Black:** Josh heads up commercial and operations functions at Element 7. He is the former Head of Marketing for Gatorade Asia Pacific and previously ran a large division of WPP (the world's largest media and marketing services company). At WPP, Black managed a team of 350 people across 16 markets with \$150 Million in annual billings and has worked for brands including PepsiCo, Coca-Cola, Nike, Nestle, Unilever, & P&G.
- **Elicia Terry:** Elicia heads up Licensing / Compliance Management for Element 7 and was the Founder and Managing Attorney of a boutique law firm. She has leveraged her legal background in the highly regulated cannabis industry and has the experience to assist Element 7 with navigating the cannabis licensing process and brand protection.
- **Cydney Celestine:** Cydney joined us recently from STIIIZY where she was handling new store openings across the Bay Area. Cydney is passionate about helping women through cannabis creams and tinctures, so they can express themselves to their fullest capacity.
- **Nick Tsambazis:** Nick sits within the executive team at Element 7 helping to oversee existing store operations. He is a product expert with METRC and frequently liases with TREEZ to help their product team develop a better cannabis experience.
- **Joey Tavera:** Joey heads up technology at Element 7. He is the co-founder of HempSpot, a hemp and CBD online marketplace and news site, and oversees all store tech across the Element 7 platform.
- **Sheila Merchant:** Sheila Merchant is Element 7's Chief Legal Officer and received her law degree from the University of Columbia. She has been practicing since 2012.
- **Corey English:** English is Element 7's Chief Security Officer and has over 20 years of security and military service. He is the President of LEAPS Los Angeles (Law Enforcement and Private Security).
- **Larry Frogoso:** Larry, one of Element 7's key advisors brings nearly 4 decades of experience as a fire safety / prevention officer in Tracy.
- **Kevin Sullivan:** Sullivan is a security and data advisor to Element 7 and is a former Lieutenant Colonel in the US Army, serving as the Director of Aviation, Fort Shafter, Hawaii.



- **Dr. Jeff Chen:** Jeff is a MD / MBA graduate and is the former Director for the UCLA Cannabis Research Initiative. Dr. Chen has been named in the Top 100 Influencers List in Cannabis, is a regular speaker at major cannabis events, and is highly respected in the industry for the work he did to create the UCLA research program.
- **Tim Gordon:** Gordon is an advisor to Element 7 and serves as the President of the Colorado Hemp Industries Association and an advisor to the National Hemp Association.
- **Eric Greenberg:** Eric is Element 7's CFO and is a Certified Public Accountant (CPA), member of AICPA, and is an Adjunct Lecturer at De Paul University's Commerce Faculty in Chicago.

Incorporating Industry & State Regulation Best Practices into Operations

A number of State Regulation **'best practices'** have been incorporated into the Thi Wellness business plan including:

1. **Cash Management:** The use of a cash recycler in the store to reduce the amount of cash being counted and handled by staff and managers – cash recyclers effectively 'count' the cash and then store that cash in cannisters within the machine until they are dispensed by an authorized head office manager or collected by an armoured cash collection service such as OSS which is a preferred supplier of KeyPoint Credit Union.
2. **Store Design:** Thi Wellness has an optimized store design to improve security and safety of staff, customers, product and cash – the store will incorporate a secure lobby where ID's are checked before customers are allowed into the secure dispensary area. In addition, all walls are lined with 18-gauge steel sheets and high-impact drywall.
3. **Data Rooms:** The store will incorporate a secured data room that is only accessible by the business owners. This room holds all security monitors, equipment, safety installations, camera feeds, and other equipment which is monitored remotely for access. All wires within this facility will be installed by Matrixx7, a security firm with over 50 years of security hardware installation and management experience – Matrixx7 are a major supplier to Amazon and Loomis, one of the world's largest cash handling companies.
4. **Quarantine Storage Rooms:** The store will include a dedicated 2nd secured storage room for the short-term storage of all incoming cannabis products so they are not being held in an open area – these products are held and processed in this room while COA's and other METRC records are verified, before the stock is loaded into the main secured storage room.
5. **Dedicated Cash Vault Room:** These 'room within a room' installations further protect the company's cash reserves on-site. These rooms are lined with steel plates and have bank-quality safes installed that require a 3-factor security process to enter. Night-safes are installed in the secured storage room to receive cash drops through the day and at the end of the shift.
6. **Curated Product Selections:** Most dispensaries in California carry over 600+ SKU's – we will use robust data sets to truly understand what customers want and we then carry those products across our stores. In much the same way that Nike stores only carry the latest selection of shoes, clothing, and accessories, Thi Wellness is highly disciplined on the range of products it carries within the store which allows us to better control inventory and ensure that products are always 'fresh' for customers. An AI system powered by machine learning continuously optimises product inventory levels.



7. **Best-Practice Staff Training:** All management within Element 7 stores undergo full BSIS-certification for security, and all staff are continuously trained on new product offerings and a range of customer service programs delivered by 3rd party specialist training providers. Thi Wellness will implement this practice as well so that all management have a more thorough understanding, and awareness, of security matters.
8. **Integrated Security Systems:** Our door access control system is integrated with the camera system which allows us to better understand which staff are really accessing rooms within the store – it further allows us to ensure that staff are not using each other’s access control cards to enter rooms they are perhaps not authorized to enter – [REDACTED]
9. **Data and Customer Insight:** Dedicated expert 3rd party resource (Engage Agency) to manage and monitor customer data analysis – this allows us to better understand who our customer is and respond accordingly using robust data sets.
10. **Consumer Engagement:** As consumers have shifted more into digital media, so too have we as a company – we now actively run SEO, SEM, CRM, and performance-driven digital media buy programs across all of our major markets and customer segment groups. All of this is overseen by Josh Black who previously ran marketing for Gatorade across Asia.
11. **Customer Check-In Process:** We will leverage technology and media where possible to make this process seamless to the customer and as beneficial to their ‘experience’ as possible. New hardware allows us to scan ID cards quicker, intuitive menus allow our staff to input new data even faster than before, and media screens engage and inform the customer of what they can expect in the store while they wait.

These best-practices will allow us to continuously improve efficiency within the business, increase margins, drive sales growth, and ensure that we deliver a safe and secure shopping environment for our customers. We are always looking for 1% improvements and look to hire outside the industry so that we are constantly bringing in new ideas from adjacent businesses and industries such as alcohol, quick-serve restaurants, insurance and banking compliance, retail fashion, and hotel management.

3. Involvement of the Ownership Team in the Day-to-Day Operations

The Owners commit to managing and operating the store 7 days a week. Bianca is a resident of Healdsburg and Sandi is planning to relocate to Healdsburg to live and work at the store, basing herself out of Sonoma County. Having lived in San Francisco for 21 years, Sandi is excited to make a change, spend less time in San Francisco, and experience a better quality of life (and safety) living and working in Sonoma County. Over the past two years, Sandi has spent an increasing amount of time visiting, staying, and working remotely from Napa and Sonoma counties as she has a number of friends with houses in the area that welcome her to visit and stay.

Whilst she has loved living in the city, she feels that this new business venture is the perfect catalyst to make a move to Healdsburg so that she can support Bianca in the daily operations of the business, leveraging her skillsets from her time working with Element 7, and her retail and service industry experience over 2 decades in San Francisco.

The duo are committed to hiring locally and have already secured letters of interest from 14 potential candidates including:



- E. Gonzalez: 30+ year resident of Healdsburg
- A. Efrain: 27-year resident of Healdsburg
- E. Klinger: 24-year resident of Healdsburg
- A. Castro: 21-year resident of Healdsburg
- C. Viz: 20-year resident of Healdsburg
- L. Dixon: 12-year resident of Healdsburg
- S. Hernandez: 10-year resident of Healdsburg
- G. Gonnella: 10-year resident of Healdsburg
- C. Carillo: 6-year resident of Healdsburg
- A. Tornow: 2-year resident of Healdsburg
- S. Ramirez: 2-year resident of Healdsburg
- C. Hayes: 1-year resident of Healdsburg
- M. Aguilar: 1-year resident of Healdsburg
- R. Anorya: 1-year resident of Healdsburg

Summary

Thi Wellness brings robust and diverse retail experience to Healdsburg - an understanding of the California cannabis retail landscape, scaled operations, and traditional retail and customer service knowledge. We believe that we have the team and plan to be successful and sustainable in Healdsburg for years to come.

With an all-female and minority first-generation US ownership team, local ownership involvement, and an experienced back-end operator powering and enabling our business plan, we are confident that our extensive industry experience — coupled with our unique, agile business model — ensures that no other cannabis company is a better fit for Healdsburg than Thi Wellness and we are excited to begin doing business in this beautiful city in 2024 and beyond.



SECTION E: NEIGHBORHOOD COMPATIBILITY PLAN

Commitment to the Healdsburg Community

Thi Wellness is committed to being an asset to the local Healdsburg community as this is a community that we live and work in. We aim to enhance the local community by being a safe, professional business that is considerate and dedicated to the advancement of the community as one. Thi Wellness strives to establish a cannabis dispensary that encourages entrepreneurship, contributes to the community's overall health, and promotes awareness of the benefits of marijuana through education, seminars, newsletters, and other educational activities.

Thi Wellness will maintain the business premises in a manner that will best eliminate potential nuisances, safety and security issues, and negative effects on the surrounding community. Thi Wellness is focused and conscious about its role and potential impact on the local neighborhood; as such, Thi Wellness intends to operate in a manner that is respectful and beneficial for the residents, visitors, and business owners in Healdsburg. Thi Wellness has consciously chosen a location that we believe is optimal within the city for safety, security, noise, light, odor, litter, traffic, parking, and pedestrian access.

Over the last 6 months, Thi Wellness has had numerous discussions with residents, business owners, stakeholders, and other persons in Healdsburg to determine the optimal location for this store. All of these conversations led us to **51 Front Street, Healdsburg** – a location that minimizes neighborhood impacts. We have a highly supportive landlord that is excited about partnering with us to build and operate a legal and licensed dispensary at the site. Our property has off-street parking for 20 vehicles and is easily accessed from major roads. There are no sensitive uses within 600 feet of the property and entering and exiting the facility presents minimal traffic or pedestrian dangers as there is sufficient access and high visibility in all directions.

The residents and partners in Healdsburg that we have spoken with unanimously agree that our location provides a highly desirable location for operations as it is easily accessible and does not bring the 'problems' that other sites might present.

1. Proactive Steps to Avoid Becoming a Nuisance of Having Negative Impacts on the Neighborhood and Surrounding Community

The key to avoiding nuisances and becoming a problem in the general neighborhood is effective prior planning, ongoing communication and advance engagement with neighbors, and having appropriate policies in place to deal with issues in a timely and effective manner:

- **Proactive and Early Engagement and Education** – Thi Wellness has already engaged a number of businesses in the local community by conducting door-to-door visits and openly discussing cannabis – almost all of these interactions were highly positive.
- **Good Neighbor Policy** – Having this policy in place enables us to proactively address issues and risks before they become problems.
- **600 Feet Outreach Program** – This program is designed to introduce and commence engagement with local residents and businesses. By having an open dialogue, we are able to understand issues and concerns from everyone's point of view, and then address those issues.
- **Local Community Relations Manager and Officials** – Greg Moreno has decades of experience in the US Marine Corps that helps him identify issues and respond to concerns. Greg served for 21 years and is an expert in conflict resolution. Bianca Nicastro will serve in this role jointly as General Manager.
- **Emergency Response Team** – This team are equipped with the policies, procedures, and life skills to deal with situations and issues that may arise.



- **Clear Site Policies and Procedures** – As demonstrated above, we already have a viewpoint and clear processes in place for managing traffic, pedestrian safety, noise, odor, lighting, and a range of security and safety issues. We have expert advisors on the Thi Wellness team that include fire safety, environmental, security, waste management, and a range of other functions to ensure that we build a local business that minimizes its nuisances on the community.

Nuisance Management

Thi Wellness will enact the following practices to ensure a “good-neighborhood policy” with prospective neighborhood business establishments and communities:

- Provide a pleasing storefront absent of offensive signs or symbols such as cannabis names and logos.
- Operate a well-run and clean store staffed with well-trained industry professionals that are passionate about their job and find purpose in what they do each day at work.
- Hire on-site security personnel to ensure the safety of customers and employees is maintained at all times of the day and across all aspects of business operations.
- Ensure the placement of best-in-class security systems, lighting, fencing, alarms, systems and policies to promote a safe environment for both employees and customers.
- Maintain positive relations with local police departments, municipalities, and elected officials to ensure compliance with local laws and continuous communication to proactively manage issues.
- Provide a 24/7 telephone line, responsive website, and email dedicated to receiving and responding to community issues immediately and without delay.

Good Neighbor Policy

Thi Wellness has a ‘**Good Neighbor Policy**’ in place to ensure that it builds a sustainable relationship and dialogue with its neighbors in Healdsburg and proactively address issues before they become problems for the business. We will create an outreach program to actively engage with our immediate business neighbors on both an always-available and formalized twice a year basis. We are committed to creating a strong sense of community and business health around our facility, regularly consulting and engaging with local business neighbors. This program will be enacted to all businesses within 600-feet of Thi Wellness. Outreach efforts will include:

- If Thi Wellness is successful in its Application, a personal visit from the Licensees to each business within 21-days of being awarded a Permit.
- Creating an email database of all businesses within the 600 feet radius and sending them a twice-annual email offering news of the cannabis industry AND Thi Wellness business, while asking for proactive feedback on better business and community relations. All businesses will be given the name and phone number of Thi Wellness Community Relations Manager (Greg Moreno).
- Inviting businesses to attend a Business Feedback and Community Management Forum twice a year which will be hosted at a suitable venue in the proximate area. Additionally, residents within 600-feet of Thi Wellness will also be included and will receive our Community Relations Officers contact information.
- Creating a dedicated email address for priority feedback – feedback@thiwellness.com and designating one of our Senior Managers as the Community Relations Officer at Thi Wellness (Greg Moreno).
- During the first year of operations, Thi Wellness will attend quarterly meetings with the City to discuss costs, benefits, and other community issues.

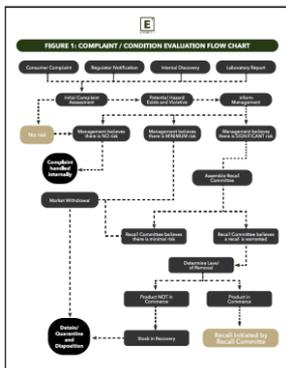


Response Plan for all Complaints

All neighborhood issues will have a maximum 48-hour resolution process in place with an ideal resolution timing of 24 hours. To ensure that these commitments are met, a core **Emergency Response Team** has been created locally including the General Manager, 2 Shift Managers and Head of Security. This team will meet weekly for 30 minutes to discuss all issues, to ensure that issues are being addressed and completed within committed timings. In the event of any new 'emergency', the team would be responsible for immediately identifying the threat or issue, assessing the risk to the business, and creating a command center to deal with the issue.

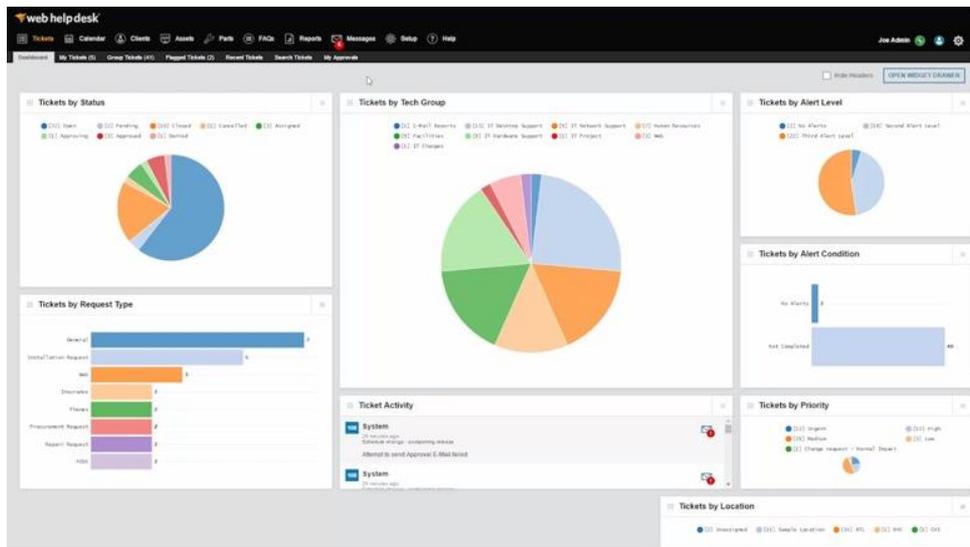
The goal of the Emergency Response Team is to assist with the implementation of the Emergency Response Plan within the dispensary facility and to guide patrons according to the standards outlined below. The duties of the Emergency Response Team are as follows:

- Be familiar with the content of the Emergency Response Plan.
- Alert customers on the processes for entering, making purchases and exiting the dispensary during such Plan.
- Ensure that staff and consumers are appropriately adhering to the protocols.
- Report to head office with regards to any situation & agreed resolution steps.
- Maintain a calm environment for employees and customers.



Flow-charts have been created to address a range of issues within the business relating to neighborhood issues and the steps to resolve such issues. An example of one of these flowcharts is included to

All reports will be kept on file locally and uploaded to a centralized **Emergency Response Management and Tracking Platform** within Thi Wellness head office. This platform records and tracks incidents and flags management if deadlines are approaching and incidents are not resolved (as demonstrated below).



Centralized Emergency Response Management and Tracking Platform

Platforms such as this are commonly used in a number of adjacent retail industries such as food and beverage, retail fashion, and telecommunications. This platform allows Thi Wellness to simplify and automate incident tracking and reporting.



Responding to Complaints: Community Liaison

We will designate a Community Liaison Officer (Greg Moreno) that will be available to address any complaints, feedbacks, questions, concerns, and/or suggestions from the residents, neighboring business owners, community members, and city officials. The Community Liaison Officer will be responsible for identifying opportunities for Thi Wellness to volunteer and be involved in the advancement and beautification of the local community. A 24-hour phone number and email will be publicly posted at the entrance of the facility, on our website, and on all receipts provided as sales are made. In addition, Greg will regularly speak at community events, council meetings, and other public forums to update the City and the community on business operations. In addition to responding to complaints related to noise, light, odor, vehicle and pedestrian traffic, Thi Wellness will address and manage all aspects of its business to minimize negative impact as it relates to graffiti and loitering which are discussed below. The key to proactively addressing and responding to complaints is to have platforms, and procedures in place to deal with complaints as they are received (and to have policies in place to reduce contemplated issues before they become problems). We will do this through our Community Liaison and policies discussed in this section.

Open Door Policy

Thi Wellness has an open-door policy for local neighbors and residents which drives our open engagement and communication with these groups. Thi Wellness will create open lines of communication by ensuring contact details for the Community Liaison Officer are readily available. The Community Liaison Officer will be available to answer any questions, concerns, and/or suggestions from the residents, business owners, and City officials of the City of Healdsburg at all times with empathy and openness. We encourage neighbors who feel negatively affected or inquisitive about our operations to reach out to our Community Liaison Officer and discuss their concerns.

Noise Management

We will not have any activities or operations on site that would create excessive noise for neighboring businesses. The design of our facilities can accommodate sound-proofing measures via insulation, double-paned windows, foam matting, carpeting, acoustic ceiling tiles, etc., that will absorb excess sound produced from daily business practices onsite, preventing it from affecting neighboring businesses or residences. Noise barriers will be furnished, if necessary, in noise-sensitive areas in the form of walls, fences, and/or dense plantings of shrubs/trees, or some combination of these, with close attention paid to aesthetic visual appearance. Any complaints on noise will be immediately addressed by the team using the complaint management system described in this section of the application.

Lighting Management

Light is required to be illuminated at night for security purposes. Light will be kept to approximately 1.0-foot candle intensity (or as directed by City Building Officials) and will be directed to the ground rather than shining towards neighboring properties. The use of fences and landscaping will reduce any issues of glare and shine, while providing adequate security measures. Any complaints on our lighting will be directly addressed with the City Building Department with adjustments made as necessary to lighting levels and times.

Odor Control and Management

Thi Wellness has developed a proactive integrated odor management system to eliminate cannabis odors from the immediate exterior of the Facility, and between operations within the Facility. As part of our Good Neighbor policy and internal practices, we take all odor and noise complaints very seriously. If an odor complaint is made against our facility, we will work with local officials to find the source of the odor and eliminate it. Industry standards demand that comprehensive Odor Control devices and best practices are implemented across cannabis facilities. As a leading cannabis operator, we work with 15000 Inc., an industry-specific



engineering group from Santa Rosa, who are experts and leaders in designing effective and environmentally efficient odor management systems in cannabis facilities throughout California.

The best practices and industry approved equipment ensures redundancies across our system that exceed State and County directives to absorb and eliminate cannabis odors. Our odor and noise management systems prevent odor generated inside the facility from being detected outside our facility, anywhere on adjacent property, or public rights-of-way. Key aspects of our odor management plan include (as discussed below in detail):

- Continuous use of 15000 Inc. working collaboratively with the Thi Wellness team and our odor mitigation / HVAC consultant, Bradley Bernard
- A range of hardware installations in the facility including Cleanleaf CL2500 HVAC with HEPA Filters, MERV-13 Grade Filters, carbon scrubbers, and electrostatic air cleaners
- Air-quality enhancing plants
- Maintenance schedules that adhere to manufacturer specifications
- Daily odor inspection program
- Nasal Ranger Field Olfactometer
- Odor Management hotline

Potential Sources of Odor and Odor Emitting Activities

Potential sources of odor at Thi Wellness Healdsburg will come from cannabinoids, flavonoids, and terpenes present in the cannabis products. The main odor concern at the site will emanate from manufacturing operations, for which Thi Wellness has a proactive strategy to eliminate odor. Thi Wellness will install various odor control devices and employ various techniques to mitigate and remediate any odor emit. In all instances, there will be no consumption of cannabis on site of any form. A fully integrated odor management plan has been developed to deal with all odors, as described below.

Odor Control Devices and Techniques

A range of processes and systems are used to eliminate any potential odor at the site, ensuring that nothing is detectable outside the licensed premises.

Cleanleaf CL2500 HVAC with HEPA Filters (ACS)

Thi Wellness utilizes HVACs with HEPA filters, six to twelve pocket bag filters, activated carbon inserts, and an ultra-quiet blower that creates negative pressure and does not produce more than 62dBa. There are four filtering layers with the CL2500 that provides quadruple redundancies to ensure that odor generated at the facility does not leak into its external surrounding areas and cause an odor nuisance. This comprehensive and environmentally efficient system captures airborne threats that include mold, fungi, spores, bacteria, pollen, pests, insects, volatile organic compounds (VOCs) and odors. The system requires 115V 60Hz power and produces just 62 dBa (decibels) of sound, which is equivalent to a conversation in a restaurant, office background music, or an air conditioning unit at 100 feet.

The system itself is composed of the following:

1. ACFM Media Filtration with Medical Grade HEPA Filter
2. Silencer that reduces noise by 10-12 decibels
3. Pleated Fiber Pre-Filters
4. 6 or 12 Pocket bag Filter
5. 0.3 Micron HEPA Filter

Filter One: MERV-13 Grade Filters

The true measure of any air purifier's efficiency is the MERV rating assigned to it. This is the Minimum Efficiency Reporting Value, and this value is indicative of the technology's ability to trap particles in a variety of sizes.



The CL2500 uses MERV-13 Filters. Anything above a 13 MERV Rating is considered to be a High-Efficiency Particulate Arrestance (HEPA) Filter, often used for hospitals and scientific research lab applications.

A filter with a MERV rating of 13 captures particles greater than 0.3 micrometers. This includes bacteria, droplets from sneezing, smoke, and most other sources of pollution. This level of filtration is used in patient and surgery areas of hospitals.

Filter Two: Six (6) to twelve (12) pocket, 95% bag filter

The second filter, a six (6) to twelve (12) pocket bag filter captures mold, mildew and pollen in the air.

Filter Three: Activated Carbon Inserts

The third filter of the CL2500 is a polarized media filter with activated carbon insert pads that provide medical-grade air quality throughout the Facility. Polarized media filters utilize electromagnetic polarization to maximize the collection of dust and pollutants in the air, which increases the effectiveness of air filtration and odor control.

The carbon pads provide an additional layer of odor removal, providing maximum efficiency and benefit. Upgrading filters are relatively inexpensive, and the costs are heavily offset by the reduced labor and cost of replacing those filters less frequently. These technologies are utilized by hospitals, laboratories and other clean facilities around the world and are an excellent option for cannabis facilities.

Carbon Scrubbers

Thi Wellness will also be deploying activated carbon scrubbers in storage rooms where the highest concentration of products is located. These types of filters use pelletized granule carbon to remove odor, dust, and pollutants from the air and can be used as a standing unit in a space or as an exhaust filter. Just like the carbon in the air filters mentioned previously, these pellets remove dust, odor, and other pollutants through the air as it passes through the filter.

Air Quality Enhancing Plants

Part of Thi Wellness's facility design incorporates living plants that have the ability to enhance air quality. NASA studies the effects of plants on air quality and their research confirms that common houseplants are natural air purifiers.

Although their original research was aimed at finding ways to purify the air for extended stays in orbiting space stations, the findings are important for us on Earth as well. The following plants are documented as being especially good at improving indoor air quality and will be used within the interior design of Thi Wellness's facilities:

- Aloe Vera
- Bamboo Palm
- Peace Lily
- Spider Plant
- Parlor Palm
- Red Emerald Philodendron
- Gerbera Daisy





Plants Used by Thi Wellness to Manage Odor

Staff Training and Related Maintenance Activities

Staff Training

All staff will undergo 2-hours of odor management training as part of the 80-hour staff training program. The odor management training module teaches staff how to detect cannabis odors, how to identify the source of the odors, corrective measures to fix odor problems, incident reporting measures, use of the field ranger, and basic maintenance of filters and other odor management hardware.

Maintenance Program

Our maintenance program and staff training schedule covers all aspects of the operations including odor management. As part of our Odor Management Plan, we implement Best Practices that facilitate in conscientious and responsive operations that work towards earning and protecting public trust by upholding our Good Neighbor Policies and ongoing commitment to the local community. Our Best Practices include:

1. Maintain all scheduled maintenance, repairs and performance assessments and inspections recommended by equipment and system manufacturers;
2. Perform daily visual inspections and report findings; and
3. Replace items such as filters monthly, or as needed if replacement must be done sooner.

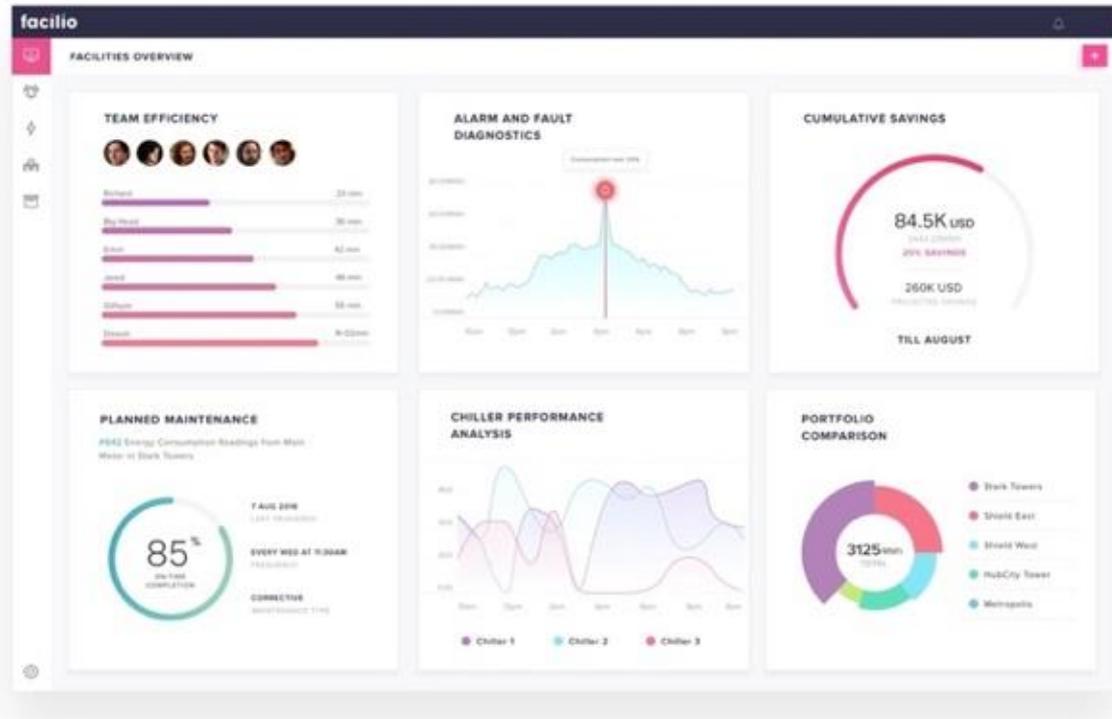
Weekly Monitoring Schedule

Thi Wellness will conduct (or arrange 3rd party vendors to conduct) inspections of the following, followed by formal log and full reports:

- Perimeter fences, doors, lighting, surveillance cameras and landscaping;
- Exterior and interior door operability and security;
- Exterior landscaping - debris inspection and removal;
- Intrusion Detection System and communication inspection;
- Security surveillance system inspections;
- Security camera angles, cleanliness and operability;
- Key logs and ID Badge reports;
- Signage cleanliness and visibility;
- Back-up power systems and generator;
- Verify license status of preferred vendors and new vendors and contractors;
- Team meeting addressing security policies and procedures, reports, updates and input.

As required, the General Manager will schedule and manage one-off maintenance tasks and scheduled tasks – all works will be logged in a Maintenance Schedule on a platform called Facilio which is an all-in-one property management and maintenance platform (image below). Facilio enables teams to collaborate on property maintenance with scheduled maintenance alarms and reminders sent to team members so that all work can be tracked for efficiency and performance.





Daily Odor Inspections Program

Thi Wellness will conduct daily field tests to measure odor outside the facility using a "Nasal Ranger Field Olfactometer", which is manufactured by St. Croix Sensory, Inc. The Olfactometer provides precise odor strength measurement that is consistent from place to place. This device will enable local authorities, and Thi Wellness, to validate and/or substantiate odor complaints.

The maximum threshold for odor control is the dilution-to-threshold (D/T) ratio of seven parts clean or filtered air to one-part odorous air (7:1). Cannabis odor typically rates at a Level 7 on the olfactometer. To "pass" an odor control test, the cannabis facility must yield a test result that is LESS than the Level 7, which is the maximum threshold at all three (3) odor measurement locations:

- (a) The front entrance of the facility, and
- (b) Two (2) opposite property boundaries accessible from public right-of-way points, and

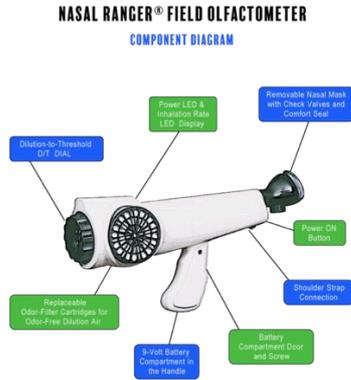
A single test from any location resulting in a O/T ration in excess of 7:1 equates to a "failure" of the odor control test and will trigger the following:

- (a) A re-test of the results 30-minutes after the failed test which will be conducted at all 4 property boundaries; and
- (b) In the event of a continued "fail", the General Manager will inform the Thi Wellness CEO and Chief Compliance Officer and engaged HVAC and CL2500 manufacturer team will be dispatched to the site.

In order to accurately perform an olfactory test using the Nasal Ranger, weather observations must first be accounted for. This means listing down immediately observable weather conditions that may affect the determination of where the odor may be coming from. Weather conditions that must be taken into consideration include: 1. Humidity; and 2. Wind Direction and Speed.



Odor detected by the olfactometer should be described in a consistent manner with guidance using the accompanying Descriptor Wheel. Olfactory tests are recommended to be taken several times to ensure that 1. Odor is present; and 2. The detected odor can be consistently described. St. Croix Sensory, Inc. currently offers an Odor School Program which our Chief Compliance Officer and the facility’s General Manager will attend and complete to ensure that accurate and effective readings using the Olfactometer are consistently taken during daily inspections and when addressing odor complaints.



Thi Wellness Nasal Ranger Field Olfactometer

Odor Management Hotline

As part of Thi Wellness’s community and outreach programs, an odor management hotline will be set-up to receive and process odor complaints. Community members and neighbors will receive Company-issued communication twice annually, reminding them of the Odor Management Hotline – a number they can call for any complaints from a Thi Wellness facility.

Complaints will be handled in the following manner:

1. All complaints will be immediately logged into the Company’s system and the Facility General Manager, Chief Compliance Officer and CEO of Thi Wellness will be notified immediately. Information will include:
 - (a) Name, address, and telephone number of a complainant, which information shall be maintained as confidential to the maximum extent allowed by law;
 - (b) Time and date of the complaint, whether that complaint originated via the hotline or a direct contract between the complainant and County staff; and a
 - (c) Description of the odor nuisance, including the estimated location or source of the odor, and if possible, noting the prevailing wind and/or weather conditions observed.

2. The General Manager will be responsible for using the Nasal Ranger Field Olfactometer device to measure the local DT Ratio as complaints are made. Tests will be conducted:
 - At the location where the complaint originated,
 - At a property boundary accessible from public right-of-way, and
 - On the property where the odor is originating from.

3. In the event that more than three (3) separate complaints are made regarding a facility within one week, Thi Wellness’s engaged HVAC specialists and CL2500 manufacturer



maintenance team will be dispatched to the site to remediate, repair or replace any faulty, damaged or malfunctioning parts.

Odor Control System – Administrative Controls

As part of our Odor Management Plan will ensure that members of our staff are trained on the use of the Nasal Ranger Field Olfactometer, the use of all odor management equipment (basic maintenance such as changing filters) and responding to and handling complaints. Also, in furtherance of our extensive recordkeeping practices, we will retain records of the following odor control and management related matters:

- Maintenance, repairs, performance assessments and inspections
- Filter replacements
- Nasal Ranger Field Olfactometer recording over maximum threshold
- Odor related complaints

15000 Inc. (Santa Rosa) and Freedom HVAC (Martinez) who we have excellent relationships with, will both be retained for maintenance of HVAC and auditing to ensure we are continuously exceeding City and State regulations.

All reports will be kept on file locally and uploaded to a centralized Emergency Response Management Platform within Thi Wellness head office. This platform records and tracks incidents and flags management if deadlines are approaching and incidents are not resolved.

Vehicle Traffic Management

Traffic congestion across many Cities in California is reaching intolerable levels. New building congestion is one of the major causes of traffic congestion which is why Thi Wellness has chosen an already built property that requires minimum construction works to become operational. The optimal site chosen for our facility will have adequate parking designated specifically for our facility to allow staff, customers, and patients to safely park off the street and reduce traffic impacts. Our loading areas will be strategically located at the rear of the premises with adequate turning circles to reduce traffic congestion, and delivery vehicles for products will be minimized to small compact delivery and cargo vans. Deliveries will take place at non-peak times to further reduce traffic stress. Cannabis customers shop throughout the day – some will come in early before they start the day and others will shop after work – this constant flow of customers through the day ensures that we are not contributing to peak hour traffic issues which currently affect the City. Thi Wellness is prepared to work with the City to take part in any efforts it can to improve roads and minimize traffic congestion.

Parking Management

Thi Wellness's location allows for 20 off-street secured parking spaces. Safety for customers, staff, and neighbors are always Thi Wellness's primary concern, and the following policies will be enforced:

- Any damaged, deficient, lighting fixtures or unlit areas will be immediately addressed.
- Parking rules concerning hours of operation and signs prohibiting loitering or trespassing will be posted, with a telephone number provided to report any suspicious activity.
- A safe waiting area for passenger pick-up will be designated.
- 24-hour surveillance will be provided for the entire perimeter of the premises including the parking lot.

In addition, the site presents excellent access from nearby major roads and freeways servicing the Healdsburg community which will create a more sustainable, and economically beneficial cannabis business for Thi Wellness and the City of Healdsburg.



Pedestrian Management

Pedestrians crossing our driveway will be warned of traffic through both signage, lighting (after dusk), and mirrors that allow them to see vehicles exiting the rear of the premises. In addition, a striped pedestrian crossing will be painted to allow the safe movement of pedestrians across any driveway leading to a main street and drivers will be warned to watch pedestrians crossing via signage as they exit the facility and move south.

Site Design Mitigation Plan: Integration of Safety and Security Measures into the Design and Crime Prevention through Environmental Design (CPTED)

The integration of our safety and security features and enhancements is managed and implemented through careful planning, a close working relationship between our security, design, and retail teams, and collaboration with City officials, particularly local law enforcement and fire safety. Many of the security features we implement are done so with no visibility to the public, and include:

- **Bullet Resistant Acrylic Security Glass:** We install bullet resistant acrylic security glass at key points within the facility including all external windows, and within the main security lobby that separates the front door from the retail facility – this glass is secure, safe, and still allows us to create an inviting retail environment. This mitigates theft and break-in.
- **Roll-Down Gate:** As the facility is locked at night, a discreet clear polycarbonate gate will roll-down splitting the lobby in half. This gate is designed to slow any intruder that might be able to break in through the front door at night. This mitigates theft and break-in.
- **Fortified Internal and External Walls:** As Thi Wellness remodels and renovates the premises, a number of fire safety and security installations are included such as installing steel sheets between studs (which are also built closer together) and drywall so that intruders are heavily restricted from breaking into any internal rooms within the facility. In addition, we use a thicker drywall that improves security and has a higher fire rating and place the metal sheets on both the walls and ceilings to prevent entry from the roof. This mitigates theft and break-in.
- **Industrial Grade Doors, Hinges, Frames and Locks:** All internal doors have a 2-factor bio-scan and swipe card mechanism. All locks, hinges, and frames are industrial grade for added strength and security. This mitigates theft and break-in.
- **Discreet Detectors and Cameras:** Our building plans include smoke and gas detectors; fire safety warning and monitoring systems, and CCTV cameras discreetly placed [REDACTED]
[REDACTED]
[REDACTED]
- **Panic Buttons:** Panic buttons shall be discreetly placed and hidden from public view within the lobby, retail counters, loading and unloading zone, storage and office. This mitigates theft and break-in.
- **Continuous Monitoring:** The facility is monitored 24/7 by our Bosch Integrated Security System which continuously tracks all movements within the facility. This mitigates theft and break-in.

Graffiti

We will ensure that any debris, graffiti, and unappealing or unsafe aspects of the building will be immediately addressed. Any graffiti shall be removed and painted over to match the color of the surface to which it is applied within 24 hours of its occurrence. Further, any unsightly appearances will be quickly addressed and remedied.



Loitering

To prevent any other possible nuisances and security issues, we will prohibit loitering within twenty (20) feet of the premises, and “No Loitering” signs will be posted at strategic locations around the property. A security guard will be present on the premises to monitor the perimeter of the facility, control loitering, and site access. A state-of-the-art security system with strategically placed, hi-tech cameras will keep a watchful eye over the property 24/7, and spaces that may encourage loiterers or vagrants to “camp out” will be refurbished or eliminated.

Signage Notices Used at the Facility

Signage is used extensively within the facility to provide direction to staff, customers, and patients, with a view to creating the best run facility possible. This approach and commitment further ensure local neighbors are not disrupted and the business does not become a nuisance. All signage at the site will be directive and displayed prominently within the business in measurements of not less than 8 x 10 inches in a minimum of 24-point font, stating:

2. “The sale or diversion of cannabis or cannabis products without a license issued by the City of Healdsburg is a violation of State law and the Healdsburg Municipal Code.” This sign will be displayed in the lobby of the business for employees, partners and contractors.
3. “Distribution to Persons Under 21 years of age is Strictly Prohibited (unless Qualified Medical Patient aged over 18). Transportation of Cannabis or Cannabis Products across State lines is Strictly Prohibited.” This will be posted in the Reception Area and immediately visible upon entering the Main Entrance.
4. “No one under the age of twenty-one will be allowed on the premises.” This sign will be displayed at all building entrances.
5. “Secondary sale, barter, or distribution of cannabis or cannabis products purchased from Thi Wellness is a crime and can lead to arrest.” This sign will be displayed in the lobby of the business for employees, partners and contractors.
6. “These premises are continually monitored by CCTV cameras.” This sign will be displayed at all building entrances.
7. “Loitering is strictly prohibited.” This sign will be displayed at all building entrances.
8. “The Effects of Cannabis Products can vary from person to person, and it can take as long as two hours to feel the effects of some cannabis-infused products. Carefully review the portion size information and warnings contained on the product packaging before consuming.” Will be displayed on the Retail Floor Area for consumer and patient safety and education purposes.
9. “Community Liaison: Greg Moreno can be reached 24/7 at (559) 469 7882 or Hello@thiwellness.com”
10. A copy of Thi Wellness Healdsburg’s BCC issued Storefront Retailer license, and Hours of Operation, which will be displayed within plain sight of the Public in compliance with Section 26013, Business and Professions Code. Reference: Section 26012, Business and Professions Code.
11. Signage that reminds our staff (and suppliers) that the transport of cannabis interstate is a Federal offence.

This signage is designed to ensure that employees and contractors are managed and aware of the rules and regulations of the cannabis industry. Signage will be delivered in both English and Spanish versions.

2. Policies to Ensure Cannabis Products Do Not Get Distributed to Underage Youth

A guarded lobby separates the business securely from the street which further restricts youth from attempting to access the retail cannabis dispensary. All ID cards are checked twice before entry – first at the point of entry by a licensed security guard and then at the reception desk where all ID cards are scanned into the TREEZ POS system which will flag any irregular or



expired cards. Passports are acceptable and thoroughly checked for authenticity. Thi Wellness's SOP calls for a manager to verify all medical recommendations, especially for patients aged 18-21 that make up less than 1% of our customer base. All products are tagged with a METRC compliant barcode which allows Thi Wellness to track all packaging back to the batch supplier and customer. If Thi Wellness suspect any 'shoulder-tapping' or diversion of products from customers to youth in the city, law enforcement will be engaged locally to further discuss appropriate enforcement measures.

Thi Wellness does not use cannabis leaf's, slogans, or any cannabis-related insignia on its store designs – as shown in the image below from Marina, we responsibly take steps to reduce exposure to children including:

- Windows are frosted where cannabis purchases and shopping takes place.
- Security shutters are used at night to secure the premises and reduce visibility of anything related to cannabis.
- A 'secured lobby' separates all customers from the street and store.
- Staff patrol the area and ensure that youth are not loitering nearby.
- Logos and branding are discreet, and we don't use any colors or designs that appeal to young children.
- No advertising, billboards or promotions will be conducted within proximity of any school, church, or library where youth might congregate.



Thi Wellness Marina Store Design

As stated above, Thi Wellness will take a range of proactive steps to reduce exposure to youth which is done through both the design of the store, the selection of the location away from youth locations, and advertising / marketing policies which limit how and where we advertise our stores.

Finally, the lobby will have flyers and brochures that assist parents with knowledge on how to best store cannabis so that youth cannot access the products and all products sold by Thi Wellness will be sold in child-resistant packaging. As a promotional gift, all parents purchasing cannabis products for the first time will be gifted an 'Thi Wellness Storage Container' so that if they purchase cannabis products and want additional storage in a re-usable jar / or storage in a non-descript jar with no cannabis goods branding, they have this on hand and know that it's child resistant, offering an additional layer of protection for their cannabis goods.



3. Engagement with the Healdsburg Community and Description of the Local Neighborhood Community Near the Proposed Dispensary Location

Thi Wellness has been engaging the local community within Healdsburg since early 2023 when we learned that Healdsburg was considering cannabis in the community. Outreach efforts included personal visits from Greg Moreno (Community Outreach Manager) who has met with over a dozen potential candidates looking for work with Thi Wellness; ongoing community and business engagement from Bianca Nicastro; and Thien Nga Thi Tran who has attended several of the Farmers Markets to better understand and learn about the local market. Bianca continues to spearhead the local community efforts and will continue to do so in her role as General Manager if the company is successful in securing the permit.

In addition to this, we have already held proactive discussions with over 10 of our closest neighbors – they are all aware that cannabis is coming to Healdsburg, generally supportive of it and we received great support and feedback on using the site at 51 Front Street. All of these meetings were held between July 15 and July 22.

Through these efforts we were able to gather signatures for support of our store and business with the local community (see below) – this is in addition to the 14 persons that engaged with us interested in employment:

NAME	AGE	ADDRESS	EMAIL	SIGNATURE
Sara Hernandez	36	533 Monticello Drive Petaluma CA 94951	23049090@gmail.com	
Ruffino Venas	43	1021 BOYD ST SANTA ROSA 95401	tirovivas@gmail.com	
Luke Willey	45	4966 Hessel Rd Sebastopol Cal	lukewilley1978@gmail.com	
David Mackey	21	46 Front Prags Rd willits ca	miguelmackey207@gmail.com	
Anthony Wolf	31	Santa Rosa CA	Stringbean2@gmail.com	
Natalia Tappan		1208 Canyon Ave	Natalia Tappan@gmail.com	
Carroll	48	805 Highway 124 Dunder cat	watsonj@yahoo.com	
Bob Brown	64	1525 Charles St Healdsburg CA 94930	bob.brown@theagency.com	
Ryan Kramer	27	715 Fairway Ct. Santa Rosa 95401	Ryan@matthew.com	
Jeremy Paul	35	428 North Street, CA 95460	jeremy.paul@gmail.com	
ARI CHIRIAT	35	500 Pridge W-4	4154088136	
Eric Cantale	35	Healdsburg	calinider207@yahoo.com	
CLEORA TAYLOR	29	HEALDSBURG	CLERA TAYLOR@yahoo.com	
MOMONA BASHIR	26	331 Healdsburg Ave	momona.bashir@gmail.com	
Lamy Dixon	33	31 Ward St 94940	lamydixon@gmail.com	



Description of the Property and Surrounding Areas

The property, known as Old Roma Station, has 4 commercial buildings on it, 3 of which lie to our north in a connected cluster, which are then separated by a small laneway to our stand-alone premises (as shown below). These 3 buildings are used for various commercial activities and house businesses including Hudson Street Wineries, Rootdown Wine Cellars, Leo Steen Wines (including The Drink which is a small café), Pezzi King Vineyards, Sapphire Hill Winery, Hirsch Vineyards, and Getaway Adventures Bike Rentals. There are 2 vacancies in the complex.

The site is accessed via 2 driveways as shown in the image above. The old rail crossing and bridge slow traffic considerably in the area and the driveways provide a clear entry and exit to the property with good visibility in both directions. The second entrance is from Hudson Street as noted earlier.

Pedestrian sidewalks surround 2 sides of the property and are of sufficient width for pedestrian traffic. To the south of the property lies a bike and foot trail known as the Foss Creek Pathway. This is a popular trail as it connects the downtown of Healdsburg with the Russian River and Healdsburg Veterans Memorial Beach. This trail would allow tourists visiting the city to easily access the Thi Wellness site by foot or bike if desired.

4. Minimizing Negative Environmental Impacts of the Retail Operation

Thi Wellness considers itself to be both a socially and environmentally conscious business, seeking opportunities to drive change, shape messaging, and move cannabis sustainability forward, and we are committed to considering and identifying all avenues and initiatives in order to be as 'Green' as possible. This involves utilizing industry *best practices* in organic cannabis cultivation as well as lighting technologies, HVAC systems, energy saving measures, and waste management practices. Thi Wellness is determined to operate eco-friendly dispensaries that support both the environment and general health and wellness of the surrounding community.

At the forefront of the industry, Thi Wellness implements environmentally sound practices at facilities that greatly contribute to the overall benefit of the public welfare. In addition, Thi Wellness embraces the use of renewable energy for heightened efficiency of production and zero carbon upgrades in the following ways:

- High efficiency lighting and HVAC systems
- Solar paneling
- Heat recapture systems on operational machinery
- Electric or natural gas fleet vehicles for all deliveries
- Composting and full recycling
- Carbon-neutral materials and ingredients
- Sustainable product packaging
- Solvent-less extraction methods

Thi Wellness will implement a range of energy-saving measures at the Facility designed to reduce / reuse and recycle, including:

- **Energy efficient lighting on the interior and exterior of the building.** Use of sophisticated LED lights reduces the cost of production and maximizes output while also being environmentally friendly.
- **Water-saving devices for all tap faucets and facilities.**



- **Use of recycled building materials (where possible) to reduce the carbon footprint of the Facility.** Thi Wellness promotes social responsibility through the implementation of waste-reducing practices at cannabis facilities, including air-quality controls.
- **Full recycling of any secondary packaging materials.** In addition to waste-management recycling practices, Thi Wellness provides discounts to customers who return with their original packaging for future purchases, thereby cutting down on excessive packaging volume.

Our goal is to ensure that our business will have no adverse environmental impacts on the surrounding area. The business category operates under heavily regulated practices regarding waste in the State of California. As a retailer, our facility will have minimal or no impact whatsoever on sewage, drainage, solid waste disposal, energy, roads or public transportation.

We will also do periodic environmental audits of our ongoing activities in order to assess resource consumption and reduction opportunities. This will be done using our EnergyStar online profile and will be in conjunction with any and all business partners with our brand.

Energy and Climate Action Plan

At Thi Wellness, we are committed to staying at the forefront of green building and sustainability in the cannabis industry. We plan on furthering the goals of the city and various climate action plan initiatives through the following steps:

- All building materials, including but not limited to energy efficient lighting, water efficient hardware for sinks and toilets, and green building materials used for any buildout or construction, shall be chosen with efficiency and renewability in mind. At Thi Wellness, we contract with local builders who know that we are looking for ways to reduce our carbon footprint.
- LEED core concepts are considered during every one of our developments. Examples include lighting that is properly spaced and positioned; low flow toilets and faucets, sustainably grown and harvested building materials, and energy efficient appliances are chosen in the LEED integrative process design phase.
- Recyclable materials will be utilized for all products used within our facilities whenever possible. We aim to be as close to a Zero-Waste certified facility as possible and will reevaluate our processes on an ongoing basis in order to meet these goals.
- Landscaping will be based on native and local drought resistant species to ensure an attractive look and to minimize the environmental impact of our operations.
- Vehicles purchased or leased by Thi Wellness have been carefully considered with regards to fuel economy and environmental impact.
- We welcome and encourage any input from local green initiatives and utility services on how to better our knowledge on this as well. Thi Wellness commits to opting in to Clean Energy programs such as SDG&E Eco-Choice in order further decrease our footprint by using up to 100% renewable energy.



At Thi Wellness, we involve the US Leadership in Energy and Environment Design (LEED) developed triple bottom line approach, the guiding philosophy of which is that the social (people), environmental (planet), and economic (profit) dimensions of the organization are to be considered with respect to one another.

In line with LEED principles, Thi Wellness strives to create healthier, more productive business establishments, and reduce stress on the environment by devoting focused attention on constructing more energy- and resource-efficient sites. Thi Wellness's economic plan weaves together the financial bottom line with socially conscious and ethical concerns, creating a business model that articulates a conscientious approach to community and environmental issues and needs. Partnering with social equity applicants, Thi Wellness also utilizes the beneficial qualities of cannabis as an impetus for positive change, bringing economic development and opportunity to disadvantaged communities.

Our commitment to **Conscious Cannabis** via the triple bottom line approach is a major tenet of our organization, and by taking into consideration the life-cycle of all decisions and products, Thi Wellness promotes both the health and sustainability of the environment, making a major impact on the communities we serve.

Environmentally Conscious Cultivators

The cannabis industry is putting pressure on the State's natural resources, and whilst local and State policy will direct companies to behave responsibly, there are cannabis farmers already implementing industry best practices in their operations.

Thi Wellness will seek out these environmentally responsible partners, placing them on our Preferred Vendor Program. Our Preferred Vendor Program will ensure that our suppliers not only meet standards relating to cultivation techniques, but are also socially responsible in how they use power, manage waste and reduce their carbon footprint.

As outlined by the Environmental Protection Information Center (EPIC), California has recently implemented many new laws and regulations to address commercial medical cannabis agriculture – Thi Wellness has found the learnings, directives, and research incredibly useful through its entire business in California.

All of our suppliers have many programs in place that strictly adhere to standards set out by these organizations, ensuring that they are reducing their carbon footprint and acting as good environmental stewards. We continually monitor processes utilized at these farms to confirm that industry best practices are being honored, and that any cannabis we sell at Thi Wellness comes from responsible cultivators and / or manufacturers.

Water Management

Thi Wellness have an internal goal of exceeding industry standards when it comes to waste management and water reduction, recycling and recirculation. Thi Wellness's mission is to be at the forefront of water use and treatment processes and procedures for the industry, reducing, minimizing and ideally eliminating any and all negative impacts on the communities in which it conducts business.

While consumptive water use and water quality have been preliminarily identified as significant aspects for indoor cannabis cultivation, it is important to note that these concerns are not unique to the cannabis sector. The implementation of proactive operational efficiency and monitoring practices can readily address the potential water use and quality environmental impacts, while setting the stage for leadership in process integration of progressive technologies for use and cost optimization.



The sustainability impacts of water use and quality include:

1. **Economic Competitiveness** – The introduction of water use efficiency measures can lower operational costs by reducing direct resource purchase (i.e., lower volume = lower cost). In addition, water use efficiency may also result in lower levels of consumables use due to a reduction in influent treatment volume and less wear and tear on process equipment.
2. **Community Relations** – As discussed above, concerns about municipal consumptive water use include increased urban demand resulting in reduced water availability for rural agricultural production and associated watershed impacts, increased energy usage for operational influent treatment and indirect carbon emissions associated with municipal water treatment systems.
3. **Environmental Impact** – Water and energy are inextricably linked, as there is a significant amount of energy embedded in the water supply due to factors intrinsic to the water and energy infrastructure. Water and wastewater utilities account for approximately 5 percent of overall U.S. electricity use, resulting in significant Greenhouse Gas Emissions. In addition, regional water resource concerns — such as the loss of agriculture in rural areas and the biodiversity and watershed impacts of piping water outside of its native watershed — are of increasing concern. As such, Thi Wellness will introduce all possible efficiencies in water use and quality to result in quantifiable reductions in GHG emissions and watershed impacts.

Additionally, Thi Wellness will be implementing the use of ENERGY STAR Portfolio Manager, which is an online tool for tracking waste, energy, and water data over time. We will be using this platform to benchmark the performance of the building from a waste management perspective with a long-term goal to consistently improve the performance of our waste reduction program.

The entire Thi Wellness Team will set Key Performance Indicators to hit which will trigger one-off performance bonuses, with an aim to reduce, reuse, and recycle waste from the business premises.

The General Manager will be responsible for the following:

1. Setting short and long-term waste reduction goals that are then aligned with the entire Thi Wellness Team.
2. Gathering and analyzing information related to the design and implementation of our planned waste reduction activities.
3. Communicating the importance of reducing waste within the organization, guiding and sustaining the program, and encouraging and rewarding employee commitment and participation in the effort.
4. Educating employees on ways to participate and building incentives to reduce wastes.
5. Engaging employees to seek suggestions and create recognition and awards programs.
6. Monitoring progress.



7. Reporting the status of planned activities to Thi Wellness Inc., and all employees.

As part of Thi Wellness’s Environmental Initiatives, we aim to:

- Manage waste and conserve resources which we can achieve by training our staff correctly. This will have a direct impact on minimizing waste. Staff will have thorough and consistent training in order to execute this precisely. The same staff will be responsible for taking inventory, whether it's on a weekly, bi-weekly or monthly basis. We will have efficient back-office software for managing things such as inventory, invoicing and reporting.
- Purchasing equipment that is the greenest, cleanest and energy-smart machines available on the market. In addition, Thi Wellness will comply with stipulations outlined in the Cannabis Environmental Best Management Practices Guide by inspecting all equipment that uses oil, hydraulic fluid, or petroleum products for leaks prior to use and monitoring all equipment for any potential leakage.
- Shutting down the computer and POS systems and any other power drawing equipment not needed when business is closed at night.
- All cleaning materials to be biodegradable, eco-safe products, which pose no threat to the environment and break down through natural composition, and which are in accordance with standards set by the U.S. Environmental Protection Agency and the Energy Star Program.
- Our toilet paper, c-folds, and restroom paper towels will be made of chlorine-free unbleached, recycled paper.
- Toilets will be water saving.
- Recycle bins to be provided on premises, training staff about which products are to be recycled where, we will be strict about kitchen and bar staff recycling glass and plastic receptacles.

Waste management is a crucial step in the cannabis production process, but a step that has rarely received the attention it deserves in past years. Thi Wellness is determined to be the most compliant, controlled, trusted, and tested operator in the market, and our waste management processes play an important role in this.

Conservation and the reduction of our carbon footprint within the communities we operate in is a primary objective of Thi Wellness. This will be implemented throughout the entire organization and at every facility we operate. Each facility and operation has its own unique criteria to address in terms of carbon footprint calculation; therefore, it is critical to continuously review every area of operation to identify any possible drivers of carbon emissions, and once the calculation of the carbon footprint is completed, strategies to reduce CO2 emissions in all segments of each facility are immediately enacted.

Thi Wellness will continuously look for new and innovative ways to reduce our carbon footprint within all of our operations and ‘Reduce, Reuse, and Recycle’ will be implemented on an organization-wide scale. Environmental sustainability is of the highest priority in order to promote a sustainable community and ensure the impact of our business is positive and influential in achieving future environmental goals.



SECTION F: COMMUNITY BENEFITS & EQUITY PLAN

1. Community Benefits Plan

Thi Wellness has been engaging the local community within Healdsburg since early 2023 when we learned that Healdsburg was considering cannabis in the community. Outreach efforts included personal visits from Greg Moreno (Community Outreach Manager) who has met with over a dozen potential candidates looking for work with Thi Wellness; ongoing community and business engagement from Bianca Nicastro; and Thien Nga Thi Tran who has attended several of the Farmers Markets to better understand and learn about the local market. Bianca continues to spearhead the local community efforts and will continue to do so in her role as General Manager if the company is successful in securing the permit.

We are committed to Healdsburg and committed to meeting the cities performance timelines. Thi Wellness intends to fully integrate with the community by actively participating as a community member, providing services for unmet needs, and improving the community where it can. To facilitate this integration, Thi Wellness will make a **\$50,000 annual commitment** to a range of local non-profits.

The foundation of our community and local efforts is our **Thi Wellness Cares** program which seeks to do four critical things. Our Mission is to:

1. Integrate as seamlessly and authentically as possible into the local community;
2. Change opinions through education, consistency, and reliability;
3. Get involved with local small businesses, non-profits and other community groups and programs; and
4. Be active in improving the overall local community economically and socially.

To better facilitate how these funds can be spent to generate maximum local impact, Thi Wellness have proposed creating a Community Advisory Board to guide the business on what efforts should be supported locally.

Community Advisory Board

Our Thi Wellness Cares program will be headed by a committee that includes 5 of Healdsburg's most influential community leaders. The local community representatives are essential to the governance and accountability of the program and achieving its mission. The local **Community Advisory Board** will oversee all community integration efforts and support Thi Wellness's outreach & service with the local community, the impact of our financial donations, and the community groups that most need our support. Accountability, transparency and integrity can, and should be, maintained and implemented across Thi Wellness operations, business model and ethos. With the help of the Board - Thi Wellness will consistently be geared towards earning and safeguarding Public Trust, the health and safety of our patrons and the environment we operate and work in.

Local Community Engagement Manager

Thi Wellness will have a Local Community Engagement Manager (Bianca Nicastro who will also work with Greg Moreno on our team) to sit within the business, ensuring that a strong local voice is always present at key decision points within the business, and that programs that Thi Wellness commits to are funded and executed.

Medical Cannabis Discount Programs: SB34 Veterans Access

Thi Wellness's Sb34 Veterans Access Program will give-away and allow for heavily discounted medical cannabis and cannabis goods for sick or low-income veteran patients. To enroll in the Thi Wellness discount program patients will either apply on-line or at the Thi Wellness facility. The process for enrollment will request the following information from applicants:



1. Medical ID Card and proof of low-income
2. Veteran Card

Element 7 recently supported an event in West Hollywood that served over 75 local Veterans with compliant and free cannabis under the SB34 program. This was organized in conjunction with 'Weed for Warriors' and Thi Wellness is committed to offering this same program in Healdsburg for wounded warriors.

Environmentally Sustainable Business Practices

Thi Wellness takes its environmental impact seriously and has developed facility build out and designs in a manner that complies with green building practices. Our Thi Wellness cannabis business facility will be thoughtfully designed, crafted and built to maximize and maintain resource-efficient, high performing, healthy, cost-effective and compliant operations, that consider sustainability its highest priority.

Thi Wellness believes that community and the environment go hand in hand. Securing a positive outlook and future means being a responsible cannabis business operator who takes each community member, local small business and competitor into consideration.

Some of the initiatives we will include are:

- Purchasing/local sourcing from sustainable cannabis vendors
- Working with environmentally conscious distributors
- Use of low impact / eco-friendly cleaning products
- Sustainable product packaging
- Hybrid 'green' e-vehicles used by all delivery drivers
- Drought resistant plants used in landscaping plans
- Automatic 'sensor' lights used in bathrooms, office, and hallways

Public Health Outreach and Education

Thi Wellness will be an active participant in ensuring that local youth receive accurate information on the dangers of substance abuse at an early age so that they are better informed and more capable of decision-making as they develop and mature. To create and implement this program, we will be approaching local education, youth, and law enforcement groups with a view to either providing monetary resources or educational materials to such groups.

2. Minimum Wage

Thi Wellness will exceed California's set Minimum Wage and offer a **Living Wage** starting at \$21.00 per hour (which is above 150% of the current minimum wage in California at \$14.00 per hour for companies with less than 25 employees as of January 1, 2022). As the State Department of Industrial Relations increases the Minimum Wage in 2023 to \$15.00 an hour, Thi Wellness will increase the Living Wage from \$21.00 an hour to \$22.50 in 2023.

In addition, Thi Wellness provides a range of additional employment allowances, bonuses, and benefits which are tailored to meet the individual needs of each employee. In any event where we employ 26 persons or more, we would commit to the higher minimum wage multiplier as indicated below. Through our 'Continued Training' programs, staff are able to earn an additional \$1.00 per hour by completing specific annual training programs.



Date	Minimum Wage for Employers with 25 Employees or Less	Minimum Wage for Employers with 26 Employees or More
January 1, 2017	\$10.00/hour	\$10.50/hour
January 1, 2018	\$10.50/hour	\$11.00/hour
January 1, 2019	\$11.00/hour	\$12.00/hour
January 1, 2020	\$12.00/hour	\$13.00/hour
January 1, 2021	\$13.00/hour	\$14.00/hour
January 1, 2022	\$14.00/hour	\$15.00/hour
January 1, 2023	\$15.00/hour	

Schedule for California Minimum Wage Rate 2017-2023

Employees, given the nature of the industry, should be paid more than the industry standard. This is also important for attracting and retaining key talent - we want to incentivize good work and compensate outstanding practices. We know that in order to retain good talent as an employer we need to offer more in the form of benefits such as health insurance, paid vacations, paid sick days, dental and the right to take leave for medical or family reasons etc. All workers, regardless of gender or ethnic background, will be paid the same rates with zero deviation.

In addition, Thi Wellness allows BudTenders to work up to 40 hours a week (many other operators cap them at 28-30 hours to avoid sick leave and other benefits). We prefer to offer them full-time employment as it significantly reduces labor turnover.

Estimated Salary Ranges are:

- *General Manager:* USD\$70,000.00 + benefits annually
- *Shift Managers:* USD\$50,000.00 + benefits annually
- *Retail Staff:* Starting at USD\$21.00 per hour
- *Manufacturing / Distribution Staff:* Starting at USD\$21.00 per hour

3. Employee Benefits

Retirement Benefits: 401K

Our employee benefits package includes a standard **401K** contribution commencing on the 13th month of employment.

Employee and Health Benefits

Thi Wellness will be offering the following Employee and Health Benefits to its staff, which shall include (on top of their wages and salaries):

- *Medical, prescription, vision and dental health plan*
- *Disability Income Protection Plan*
- *Professional Advancement, education and training benefits*
- *Labor Union Representation*
- *Other Benefits*

Part-time employees who have been with the Company at least six (6) months will have the option to join the Company’s insurance plans but will have to pay for 50% of their insurance premiums out-of-pocket. Employees working more than 30 hours a week will be considered full-time and will receive 100% of their insurance premiums paid for by Thi Wellness.

Medical, prescription, vision and dental health plans include:

- *Pediatric Services*
- *Preventive and Wellness Services*



- Behavioral Healthcare
- Dental and Oral Care
- Physical Therapy
- Prescription Drug Coverage
- Vision
- Durable Medical Devices
- Maternity and Infant Care
- Chronic Disease Management
- Ambulatory Patient Services
- Emergency Services
- Hospitalization
- Primary Care
- Telemedicine
- Laboratory tests & screenings

Thi Wellness will also provide life and disability insurance coverage for employees. Term Life and Accidental Death and Dismemberment (AD&D) insurance will provide, at no cost, a benefit of \$10,000. Long-term disability will pay employees 60% of pre-disability earnings if they become disabled from injury or sickness.

Other perks offered to employees will include:

- Refreshments and meals within the Staff Room / Kitchenette
- An ongoing formalized staff training program
- Medical and 'sick' Leave (up to 10 days a year for full-time staff)
- Paid Vacation Leave (10 days a year for full-time staff)
- Family-friendly shifts
- Allowances for continued education opportunities
- 20% staff discount for purchases at Thi Wellness

We also recognize the importance of maintaining fitness and health and will be offering full-time employees a \$300.00 grant towards a fitness or health club membership – we will discuss programs with fitness and health clubs surrounding Thi Wellness in Healdsburg.

Other Benefits

Commitment to Offering Apprenticeships and Continuing Education

Thi Wellness is committed to the advancement and wellbeing of our employees, and providing continuing education is a central component of how we build our world class workforce. We are deeply interested in enabling our staff to overcome existing barriers, find meaningful work with us and build their career with Thi Wellness. Employees will receive training on internal policies and procedures, industry best practices, safety and security, human resource development, employee rights, and other mandatory training required by federal and state regulation. We will train all employees to effectively and efficiently fulfill their duties and to exceed the expectations of their positions, including a thorough understanding of all applicable Federal, State, and local regulations relating to commercial cannabis operations.

Classroom Training Program

Qualified candidates will be hired on a three-month probationary status. During this period, they will participate in a rigorous training process, and be evaluated for suitability in a restricted-access medical environment. Training will include the employee handbook, other reading materials, lectures by qualified professionals, hands-on training and quizzes. According to BDS Analytics 2018 report 'Bud-tenders' in the industry received, on average, a total of 16 hours of training before commencing employment. Training will be conducted strategically to ensure that all employees on-board effectively with a proven proficiency to increase their knowledge base.

Thi Wellness employees will have received over **80 hours of training**, which is five (5) times the industry average prior to stepping foot on the floor. The following areas will be covered during 80 hours of training:

- Legal training will cover all City of Healdsburg, State and Federal laws relating to cannabis, and especially those related to Commercial cannabis. Other topics will



include the rules and regulations of the facility, sexual harassment training, effective interaction with law enforcement personnel, and the rights and responsibilities of Commercial cannabis consumers (4 hours)

- *Product offerings (12 hours)*
- *Medical training will include disabled rights and sensitivity, how to identify and respond to a medical emergency, and the proper uses and benefits of Commercial cannabis (8 hours)*
- *Safety training, in addition to its focus on safety, will include warning signs of possible diversion to the illegal market, lock and alarm procedures, perimeter and entrance control, robbery response techniques, conflict resolution techniques and diversion detection techniques (4 hours)*
- *Thi Wellness business model and Customer Service Training (4 hours)*
- *Regulatory compliance (the applicability of Federal and State regulations to the employees' responsibilities) (4 hours)*
- *Training on Standard Operating Procedures (SOPs) (12 hours)*
- *Prevention of Diversion of Commercial cannabis (8 hours)*
- *Security procedures (16 hours)*
- *Safety procedures (8 hours)*

Training will be conducted by Thi Wellness in conjunction with the Cannabis Training Institute (class-room training programs).

Advanced Training Program (BudMaster)

'Budtenders' working at Thi Wellness will be allowed to apply to undertake an Advanced Training Program annually which would allow them to hold the title of 'BudMaster' at Thi Wellness. The Advanced Training Program is adopted from LA Grants, a supplier of advanced certified training for the industry. The Advanced Training Program includes the following sections:

- Cannabis as Medicine
- Principles of Cannabinoid Therapy
- Use of Cannabis for Cardiovascular Disease
- Use of Cannabis for Respiratory Patients
- Use of Cannabis for Gastrointestinal Disease
- Use of Cannabis for Hematology / Oncology
- Use of Cannabis for Endocrine Issues
- Use of Cannabis for Gynecologic Issues
- Use of Cannabis for Musculoskeletal Issues
- Use of Cannabis for Neurological Issues
- Use of Cannabis for Dermatological Issues
- Use of Cannabis for Psychiatric Issues
- Cannabis Law
- Sales Skills 101
- Cannabis Potency, Absorption Rates & Product Effects
- Managing Impaired Patients
- Final Examination and Certification

Americans for Safe Access Training

All employees must complete the Patient Focused Certification Program given by Americans for Safe Access which shall be held annually.



Sponsored Continued Professional Advancement

Employees that have been employed by at least 12 months will be able to qualify for Sponsored Continued Professional Advancement (fully paid for by Thi Wellness). Education and training are a significant component to personal advancement and success. Employees who desire to complete certifications, obtain degrees, or further specialized skills through training can apply to receive funding to cover the costs of such programs. All team members who are enrolled in classes that can promote their knowledge of any and all aspects of the cannabis industry (human resources, business, law, security, engineering, marketing and advertising, agriculture, etc.) will be provided with an educational stipend of \$1,000 annually for external relevant programs.

Every time an employee completes mandatory or voluntary training, they will be eligible for a \$0.25 per hour wage increase, with training wage increases capped at \$1.00 annually. As an example, by completing 4 training programs in the first year of employment, employees will be able to increase their starting salary from \$21.00 to \$22.00 per hour.

4. Local Outreach Plans for Hiring

Thi Wellness has already commenced efforts to attract potential employees – we have secured letters of intent from 14 local residents who have lived in the city for between 1 and 30 years.

In order to further ensure the success of our hiring practices and goals, Thi Wellness will contact local community-based organizations, work source centers, local job fairs, and other such similar organizations to facilitate job outreach, development, and placement services. Further, Thi Wellness will co-host events and career fairs that will allow interested individuals to access about job opportunities and meet with Thi Wellness team members one-on-one, and apply in-person for available positions, thereby gaining a competitive edge for a coveted position at our company. These events and career fairs will also aim to demonstrate to target populations how their existing skills and experiences are translatable to legal cannabis businesses. Not only do these events benefit Thi Wellness and other employers, but more so the candidates; the candidates will have access to an abundance of employers that are passionate and determined to create diverse workplaces, and to provide opportunities for individuals that would otherwise not be included or highlighted.

We would also love to work with the City of Healdsburg to host a job fair that is specifically and heavily promoted to Healdsburg residents. This event would provide many benefits including, introducing the residents to the new cannabis community, creating job opportunities to the locals, and bringing the industry, City officials and residents together for a common goal to enhance the unity of the community.

When job vacancies for advanced positions are available, such positions will be posted in the employee breakroom and distributed to employees via email. In furtherance of our culture of loyalty, we will seek to internally promote our employees whenever possible. Our employees can be best suited and qualified to move upward through the company because of their specific knowledge and experience of our company culture, operations, needs, potential, opportunities for growth, and how we can continue to be an asset to the local community. To ensure that our employees are optimal options for advanced position in the company we will provide them with training and education opportunities, and mentorship programs.

After implementing internal promotion procedures, participating in events and career fairs, and partnering with organizations, then Thi Wellness will post job openings through our website, Indeed, Monster, Google, Hire-a-Hero, and other recruiting websites to ensure wide distribution. Even with the wide online distribution of job openings are commit to local hiring and diversity will apply.



5. Community Service Hours

Thi Wellness will ensure that it gives back to the community by requiring all full-time staff to commit at least 10-hours quarterly to a local cause or charity. Annually, each staff member will contribute over 40-hours or more of community service beyond the monetary commitments we deliver. These hours will either be used for hands-on volunteering or providing pro-bono support services in the specialist area of the volunteer - business management, design and creative, logistics, processes, and systems.

6. Local Sourcing Plan

Thi Wellness will source materials, services, equipment, and team members locally, where possible. Local sourcing seeks to promote and support the vibrant local small business economy and community. We are extremely interested in working with local businesses and would look to form a pool of local business engagements across several industries that supply at least 75% of our local building, construction, equipment, repairs and maintenance needs on an ongoing basis.

Craft Cannabis Producers Program

Thi Wellness has a policy of supporting local and small craft and boutique cannabis farmers and manufacturers. Many of these come from disadvantaged local communities across the State of California. As corporate cannabis operations continue to expand in California, small cannabis growers have begun to develop cooperatives to stay competitive with their large-scale rivals. Co-ops present benefits for smaller marijuana producers:

- By joining forces, these more modest-sized farming operations can offer a steadier supply of cannabis to distributors and retailers.
- Growers can generally market their products more efficiently through a cooperative model.
- Cultivators at the co-op level can share resources, helping to lower operating costs.

Through Element 7 we already have active relationships in place with a number of small farms and manufacturers in the Sonoma County region including:

- *Legion of Bloom*
- *Kind House*
- *Magic Meadow Farms*
- *Elyon Cannabis*
- *Halara*
- *Friendly Farms*

These brands will have preferential space set aside for them within the store so that we can highlight locally grown craft cannabis to our patients and customers.

Summary

Giving back to the local community isn't something we at Thi Wellness want to be forced to do to gain a business license - rather, giving back is part of our *business with purpose* core belief and mission. We feel proud that we have the opportunity to use our business to create positive change in the local community, leveraging both our people and bottom-line to do good in a range of areas from supporting non-profits through helping disadvantaged patients, reformed cannabis criminals and local businesses.

With a commitment over \$50,000 annually to our Thi Wellness Cares programs and Healdsburg Cannabis Community Benefit Program, along with the 40-hours per full-time employee to the local community, Thi Wellness will be a force for good in Healdsburg.



SECTION G: PROPOSED SITE PLAN

1. Existing Site Narrative

The premises selected by Thi Wellness previously operated as a commercial / retail business premises for Holdredge Wines.

(a) **Physical Address:** The site is located at 51 Front Street, Healdsburg.



51 Front Street, Healdsburg

(b) **Narrative Description of the Site:** The property is located at the southern end of the city towards the Healdsburg Veterans Memorial Beach and Foss Creek Pathway (as shown below).



Proposed Thi Wellness Site at South of City

The property, known as Old Roma Station, has 4 commercial buildings on it, 3 of which lie to our north in a connected cluster, which are then separated by a small laneway to our stand-



alone premises (as shown below). These 3 buildings are used for various commercial activities and house businesses including Hudson Street Wineries, Rootdown Wine Cellars, Leo Steen Wines (including The Drink which is a small café), Pezzi King Vineyards, Sapphire Hill Winery, Hirsch Vineyards, and Getaway Adventures Bike Rentals. There are 2 vacancies in the complex.



Old Roma Station Commercial and Retail Complex

The buildings are constructed of a prefabricated metal sheet with some brickwork. The building at 51 Front Street is a barn-style metal building with a tasting room to the left of the building and offices to the right. In the center of the building is a roll-up door. The building is single-story with no loft and open rafters.



Holdredge Wines at 51 Front Street, Healdsburg

There are 18 parking spaces directly outside the building we are seeking approval to operate from with a further 4 parking spaces across the laneway entrance. Of the 22 parking spaces, 2 of them are ADA. There is sufficient turning space available and good visibility for drivers. There are a further 28 parking spaces at the rear of the building with 2 additional ADA parking spaces. These parking spaces are accessed either via the laneway to the right of our building or from Hudson Street which lies to the north of the property.



The Property has Off-Street Parking for 22 Vehicles

The site is accessed via 2 driveways as shown in the image above. The old rail crossing and bridge slow traffic considerably in the area and the driveways provide a clear entry and exit to the property with good visibility in both directions. The second entrance is from Hudson Street as noted earlier.

Pedestrian sidewalks surround 2 sides of the property and are of sufficient width for pedestrian traffic. To the south of the property lies a bike and foot trail known as the Foss Creek Pathway. This is a popular trail as it connects the downtown of Healdsburg with the Russian River and Healdsburg Veterans Memorial Beach. This trail would allow tourists visiting the city to easily access the Thi Wellness site by foot or bike if desired.



Foss Creek Pathway Segment



(c) Photographs of the Property: A number of images from the site are included below including the side and rear of the premises which have not been shown in earlier images.



Side and Rear Photos of the Property



Front and Interior Photos of the Property



Parking Lot at the Property

(d) Description of How the Site is Currently Being Used: As discussed earlier, the property is currently being used by multiple commercial and retail tenants including Hudson Street Wineries, Rootdown Wine Cellars, Leo Steen Wines (including The Drink which is a small café), Pezzi King Vineyards, Sapphire Hill Winery, Hirsch Vineyards, and Getaway Adventures Bike Rentals. There are 2 vacancies in the complex. The building we are looking to occupy is used by Holdredge Wines for a tasting room and other commercial activities (office and storage) related to their wine business. The site attracts a mix of visitors including local residents, tourists, and local workers.

(e) Description of any Businesses Currently Operating on the Parcel and Adjacent Parcels: The tenants noted above are the current tenants using the parcel – they include 6 wine companies, one of which includes a small café, and a bike rental company. In terms of adjacent parcels, to our south lies the Foss Creek Pathway, the old rail line, and then residential on Monterey Place; to our north is The Chambaud Building which is a historical building home to a number of offices, art dealers, and an environmental company. To the east is Davis Family Vineyards which has commercial wine operations and a tasting room, and to the west of the property is the Fogbelt Brewing Company.

2. Site Plan, Narrative Description of Improvements, and Visual Depictions

(a) Site Plan: A site plan, floor plan, and security plan is attached to the rear of this section along with a Plan Sheet. These plans are drawn to scale and show the perimeter of the property, fencing, driveways, streets, property lines, buildings, parking areas, and outdoor areas.

(b) Narrative Description: The property exterior is well-maintained, and Thi Wellness is not looking to alter any part of the driveway, parking, landscaping, fencing, or exterior of the property, except for a replacement of the current signage on the building (as shown below). Additional compliance signage will be added (i.e., no loitering / no smoking).

(c) Visual Depiction of the Proposed Exterior: As noted earlier, Thi Wellness are looking to seamlessly integrate into the site using a known building and respecting the history of the area. The owners propose to replace the signage on the façade and work with the existing landscaping, color of the building, and exterior layout.



3. Site Modifications and Utilization Impacts on Public Health, Safety, Welfare, Environmental Quality, and Quality of Life in the Immediate Area

Thi Wellness are looking to integrate into the neighborhood seamlessly, respecting the existing businesses, their needs, clients, and connection to the property. Specifically, to address the concerns raised in the Application Process form:

- (a) **Public Health:** We believe that the residents and tourists of Healdsburg will responsibly embrace cannabis consumption once offered in Healdsburg. Studies have shown that the availability of legalized and licensed cannabis has almost no impact on youth consumption which is often a major concern, and crime. Illicit / illegal cannabis is readily accessible in the community already and customers that shop at licensed dispensaries generally want access to clean, tested, and trusted cannabis goods. With regards to youth consumption specifically, as an example, Marin County has some of the highest youth consumption of multiple drugs in the State, including marijuana. Yet, the entire County only has one licensed dispensary in the Town of Fairfax. In this instance, the availability of licensed cannabis clearly shows no correlation whatsoever with youth consumption – the issue is the availability of illicit cannabis and their ability to purchase it despite the cost. We further believe that educated customers, particularly those in the community suffering from pain, degenerative diseases, and sleep issues will benefit tremendously from available cannabis in the city.
- (b) **Safety:** Cannabis stores have been shown to improve the safety and security of neighborhoods where the operators work hand-in-hand with local law enforcement, which is exactly how we plan to operate in Healdsburg. All staff will be background checked and live scanned, paid a healthy wage, and the site will be continuously monitored (interior and exterior) for safety threats. In 3 years with 10 cannabis retail businesses operating in California, our partner, Element 7, has only had one security incident that resulted in theft – this was in South San Francisco where an organized crime gang of 8 broke into the facility by smashing through an exterior door at 3am – the intrusion resulted in \$7,200 of property damage but no cannabis goods were stolen as the intruders could not get into the secured vault room. If anything, we believe that our presence will improve the safety and security of the neighborhood given our surveillance and security plan.
- (c) **Welfare:** Our understanding of welfare is how a consumer benefits, positively or negatively, from the consumption of goods and services. Customer welfare is critical to long-term business success and we will empower our customers welfare through a range of consumer education programs (online materials and videos; printed hand-outs given with each purchase; and in-store educational events) designed to educate and re-educate patients and customers on how cannabis should be properly consumed for positive welfare benefits. Each customer will be offered the opportunity to join our Loyalty Program on their first shopping experience and also be given a small information booklet in their exit bag that includes information on how to properly dose cannabis, how to avoid getting too 'high', what to do if they feel nauseous or anxious from consuming cannabis, and what products they should be looking for to treat specific health issues they might have. We will also warn parents on how to properly store cannabis so that it cannot be accessed by minors and children.
- (d) **Environmental Quality:** We believe that the business will have almost no negative environmental impacts on the surrounding community as our consumption of water and electricity is minimal, we will have very little cannabis waste to dispose of (this is done with a licensed contractor), and all other waste materials will either be recycled or composted where possible. No hazardous materials will be stored on site and any



'delivery' vehicles will be hybrid vehicles so that the impact on the environment is minimized. Where possible we recycle all building materials and have a strong preference for working with cannabis companies that are able to demonstrate the same level of care for the environment that we have.

- (e) **Quality of Life:** We see minimal direct negative impact to the quality of life of the Healdsburg residents from our operations. If anything, given the older conservative nature of the local population, we see tremendous upside to their quality of life particularly related to the treatment of aches and pains, degenerative diseases, pain management, and sleep quality – all of which cannabis has been scientifically demonstrated now to have an impact on.
- (f) **Adjacent Business Impacts:** Many of the other tenants that share the property have very different operating hours to Thi Wellness (9am – 9pm proposed). For instance Sapphire Hill Winery is only open 3 days a week from 11am – 4pm; Pezzi King Wines is open daily from 11am – 5pm; Leo Steen Wines is open 3 days a week from 12pm – 6pm; and Hirsch Vineyards operates 4 days a week from 10am – 5pm. Thi Wellness is expected to have a steady flow of customers throughout the day over 12 hours of operations (15-20 customers per hour). Cannabis customers typically spend 6 minutes in a store – we expect at this location they will linger a little longer and have an average shopping time of 10-12 minutes with us as many customers might be new to the industry and want to be educated or explore our unique offerings. The different operating hours place far less burden on the site infrastructure include ingress, egress, and parking.

Summary

Thi Wellness believes that it has secured the optimal site in the city for cannabis operations as we have a free-standing building with excellent off-street parking, a range of complementary businesses in our immediate vicinity, and a building that requires minor improvements to become operational. We are excited to further engage with our immediate neighbors and take whatever steps we can to proactively address any concerns they might have as we become operational in Healdsburg.



GENERAL NOTES

- THIS WORK IS TO BE IN CONFORMANCE WITH ALL REQUIREMENTS OF THE BUILDING AUTHORITIES HAVING JURISDICTION OVER THIS TYPE OF CONSTRUCTION AND OCCUPANCY.
- ALL CONSTRUCTION SHALL COMPLY WITH APPLICABLE BUILDING CODES AND LOCAL RESTRICTIONS. CONTRACTORS MUST COMPLY WITH CONTRACTOR REGISTRATION REQUIREMENTS OF ALL GOVERNING AUTHORITIES.
- ALL CONTRACTORS AND SUBCONTRACTORS WILL THOROUGHLY FAMILIARIZE THEMSELVES WITH THESE CONSTRUCTION DOCUMENTS AND WILL VERIFY EXISTING SITE / BUILDING CONDITIONS PRIOR TO BID SUBMITTAL.
- THE GENERAL BUILDING PERMITS SHALL BE PAID FOR BY THE OWNER. ALL OTHER PERMITS SHALL BE SECURED AND PAID FOR BY THE SUBCONTRACTOR DIRECTLY RESPONSIBLE. ALL REQUIRED CITY, COUNTY AND/OR STATE LICENSES SHALL BE ACQUIRED AND PAID FOR BY THE INDIVIDUAL SUBCONTRACTOR.
- APPROVED PLANS SHALL BE KEPT IN A PLAIN BOX AND SHALL NOT BE USED BY WORKMEN. ALL CONSTRUCTION SETS SHALL REFLECT SAME INFORMATION. CONTRACTOR SHALL MAINTAIN ONE COMPLETE SET OF PLANS ON THE PREMISES IN GOOD CONDITION AT ALL TIMES. THIS SHALL INCLUDE ALL ADDENDA AND CHANGE ORDERS.
- DISCREPANCIES BETWEEN PORTIONS OF THE CONTRACT DOCUMENTS, DRAWINGS AND SPECIFICATIONS ARE NOT INTENDED. THE CONTRACTOR IS TO CLARIFY SUCH DISCREPANCIES WITH THE ARCHITECTS/CONSULTANTS PRIOR TO COMMENCING WORK.
- VERIFY ALL DIMENSIONS IN THE FIELD. ALL EXITING PLAN DIMENSIONS ARE TO FINISHED FACE OF WALLS/MASONRY. ALL NEW INTERIOR DIMENSIONS ARE TO THE FACE OF STUDS, U.N.O.
- STATED DIMENSIONS TAKE PRECEDENCE OVER GRAPHICS, DO NOT SCALE DRAWINGS TO DETERMINE LOCATIONS. NOTIFY THE ARCHITECT / CONSULTANTS OF ANY SUCH DISCREPANCIES PRIOR TO CONTINUING WITH WORK.
- IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO LOCATE ALL EXISTING UTILITIES AND TO PROTECT THEM FROM DAMAGE.
- THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COMPLETE SECURITY OF THE SITE WHILE JOB IS IN PROGRESS AND UNTIL BUILDING IS OCCUPIED.
- GENERAL CONTRACTOR TO REFER TO THESE DOCUMENTS AS WELL AS SPECIFICATIONS FOR IDENTIFICATION OF ALL OWNER SUPPLIED ITEMS. ALL ITEMS NOT MARKED AS 'OWNER SUPPLIED' ARE TO BE SUPPLIED BY GENERAL CONTRACTOR, UNLESS NOTED OTHERWISE. ALL ITEMS ARE TO BE INSTALLED BY GENERAL CONTRACTOR.
- FOR CONSTRUCTION DETAILS NOT SHOWN, USE THE MANUFACTURER'S APPROVED SHOP DRAWINGS / DATA SHEETS IN ACCORDANCE WITH THE PROJECT SPECIFICATIONS.
- ALL DEBRIS SHALL BE REMOVED FROM PREMISES AND ALL AREAS SHALL BE LEFT IN A CLEAN (BROOM) CONDITION AT ALL TIMES.
- CONTRACTOR SHALL SUPPLY, LOCATE AND BUILD INTO THE WORK ALL INSERTS, ANCHORS, ANGLES, BLOCKING, PLATES, OPENINGS, SLEEVES, HANGERS, AS MAY BE REQUIRED TO ATTACH AND ACCOMMODATE OTHER WORK.
- MATERIALS LISTED IN DRAWINGS ARE BASED ON DESIGN INTENT. ALTERNATE SPECIFICATIONS MAY BE ACCEPTED PROVIDED THEY CLOSELY MATCH THE SPECIFIED MATERIAL. CONTRACTOR IS TO SUBMIT PROPOSED SAMPLES OF SUBSTITUTIONS, ALONG WITH SAMPLE OF THAT SPECIFIED IN DRAWINGS FOR REVIEW BY THE ARCHITECT / CONSULTANTS.

FIRE DEPARTMENT NOTES

GOVERNING CODE

THIS PROJECT SHALL COMPLY WITH THE FOLLOWING, INCLUDING LOCAL AMENDMENTS:

- 2019 CALIFORNIA BUILDING CODE (CBC)
- 2019 CALIFORNIA EXISTING BUILDING CODE
- 2019 CALIFORNIA FIRE CODE (CFC)
- 2019 CALIFORNIA MECHANICAL CODE (CMC)
- 2019 CALIFORNIA PLUMBING CODE (CPC)
- 2019 CALIFORNIA ELECTRICAL CODE (CEC)
- 2019 CALIFORNIA GREEN BUILDING STANDARD CODE (CGBS)
- 2019 CALIFORNIA ENERGY CODE
- 2019 CALIFORNIA ENERGY EFFICIENCY STANDARDS (CEES)
- 2020 CALIFORNIA RETAIL FOOD CODE
- THE CITY & COUNTY MUNICIPAL CODE (LATEST EDITION)
 - MEDICAL AND ADULT USE CANNABIS REGULATION AND SAFETY ACT (MAUCRSA)
 - CALIFORNIA MEDICAL MARIJUANA REGULATION AND SAFETY ACT (MMRSA):
 - TYPE 6 MANUFACTURER
 - TYPE 10 GENERAL DISPENSARY
 - TYPE 11 DISTRIBUTION

NOTE:
CALIFORNIA ASSEMBLY BILL 3002 ENCOURAGES THE APPLICANT AND PROPERTY OWNER TO SEEK A CASp (CERTIFIED ACCESS SPECIALIST) CONSULTATION AND INSPECTION OF THE PROPERTY. THE LEGAL NOTICE AND DIRECTORY OF CASp INSPECTORS IS AVAILABLE AT THE LOCAL BUILDING DEPARTMENT.

CODE ANALYSIS

USE GROUP-M, MERCANTILE RETAIL (RETAIL MARIJUANA DISPENSARY)

SCOPE OF WORK

PROPOSAL TO CONVERT AN EXISTING COMMERCIAL WINERY INTO A CANNABIS MICROBUSINESS

DRAWING INDEX

- ARCHITECTURAL**
- A00 COVER SHEET
 - A01 PROJECT VICINITY MAP
 - A02 PROJECT SITE PLAN
 - A03 PROPOSED FLOOR PLAN
 - A04 PROPOSED PREMISES DIAGRAM
 - A05 SITE PHOTOS
- (WHERE APPLICABLE):
- STRUCTURAL**
UNDER SEPARATE PERMIT
- MECHANICAL**
UNDER SEPARATE PERMIT
- PLUMBING**
UNDER SEPARATE PERMIT
- ELECTRICAL**
UNDER SEPARATE PERMIT

DEFERRED SUB.

- SEPARATE APPLICATIONS, PLAN CHECKS AND PERMITS ARE REQUIRED FOR:
- EXTERIOR BUILDING SIGNAGE
 - STORAGE RACKS (IF NOTED)
 - SMOKE ALARM SYSTEM

CHROMA INC.

**PROPOSED PROPERTY DEVELOPMENT
CANNABIS RETAIL DISPENSARY**

51 FRONT STREET, HEALDSBURG CA. 95448

PROPOSED PROJECT



PROPERTY INFO:

APN / PARCEL ID:	002-322-007
ZONING:	
LAND USE:	COMMERCIAL
PREVIOUS BUSINESS:	WINERY
EXISTING # OF STORIES:	1
EXISTING LOT AREA:	0.55 AC.
PROPOSED BUILDING AREA:	1,760 ft²



PROFESSIONAL SEAL

HEALDSBURG, CA.

COVER SHEET

51 FRONT STREET, HEALDSBURG CA.
PROPOSED TENANT IMPROVEMENT
CANNABIS RETAIL DISPENSARY

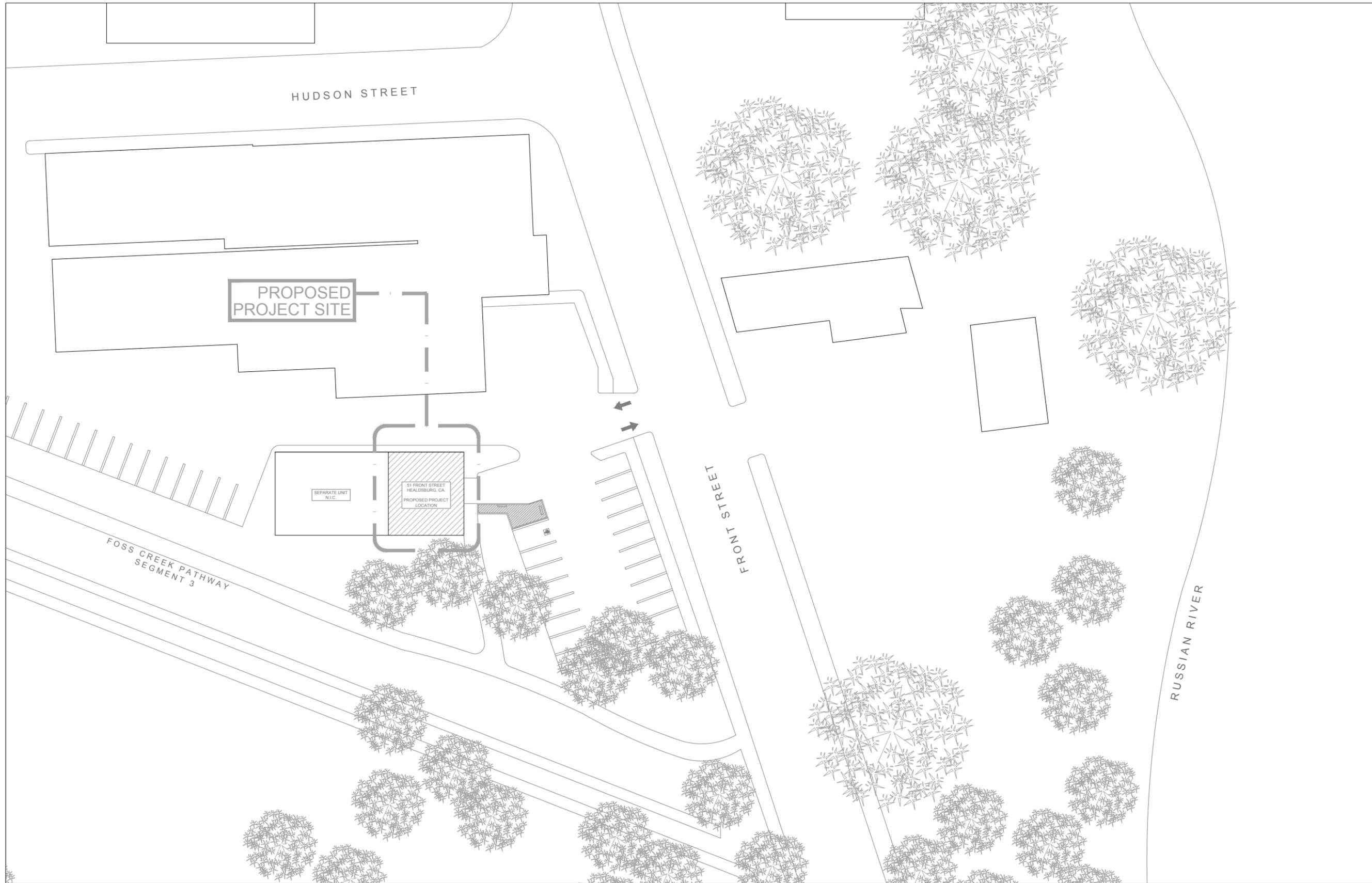
NO.	DATE	REVISION / ISSUE
1		
2		

COMMENTS:

APN: 002-322-007

DRAWN BY R.F.
DATE JULY 30 2023
SCALE
SHEET SIZE 11x17
SHEET NO.

A00



PROFESSIONAL SEAL

HEALDSBURG, CA.

PROJECT VICINITY MAP

51 FRONT STREET, HEALDSBURG CA. 95448
 PROPOSED TENANT IMPROVEMENT
 CANNABIS RETAIL DISPENSARY

NO.	DATE	REVISION / ISSUE
1		
2		

COMMENTS:

APN: 002-322-007

DRAWN BY R.F.

DATE JULY 30 2023

SCALE

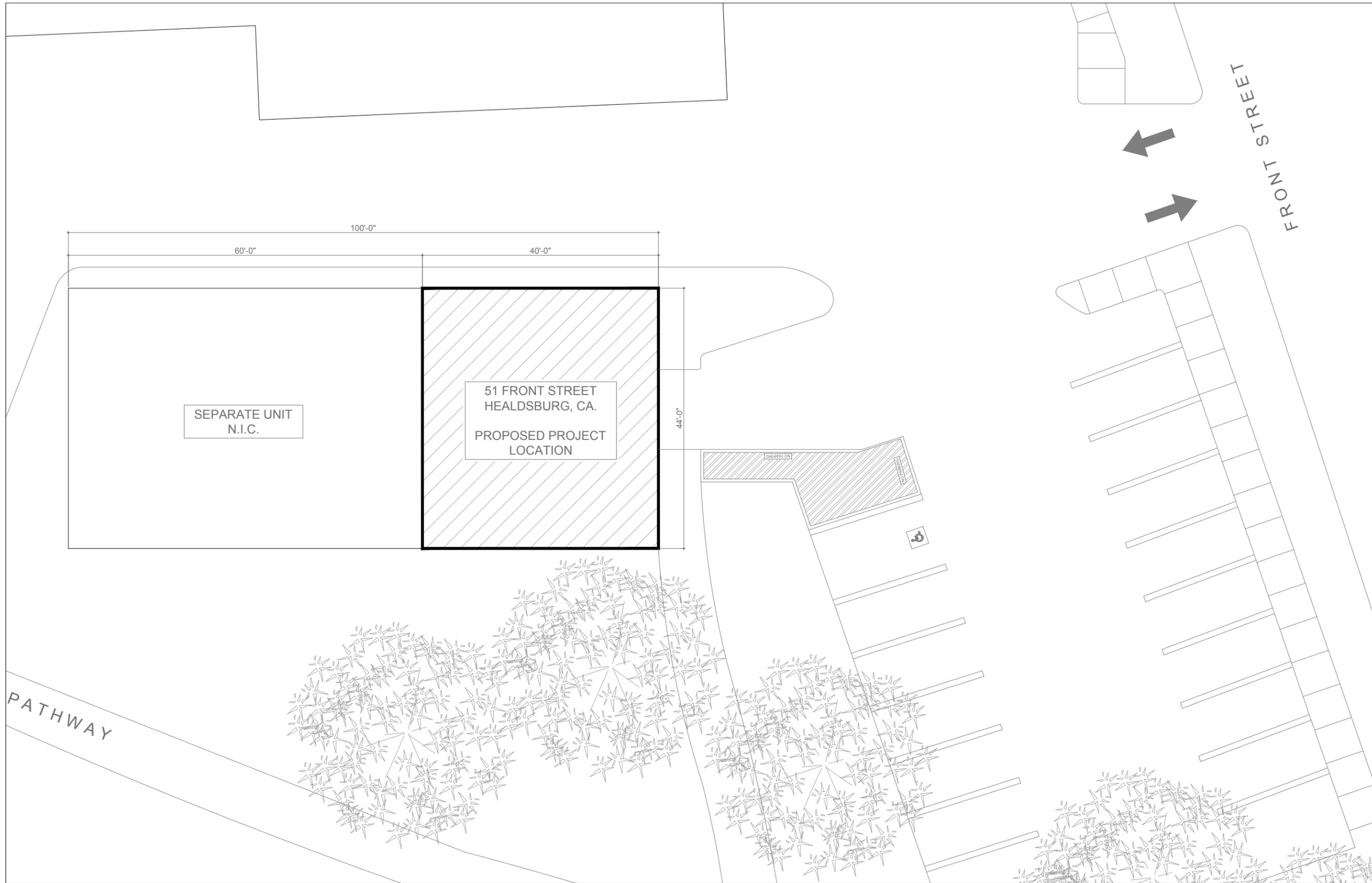
SHEET SIZE 11x17

SHEET NO.

1
A01

PROJECT VICINITY MAP
 SCALE: 1" = 50'-0"

A01



PROFESSIONAL SEAL

HEALDSBURG, CA.

PROJECT SITE PLAN

51 FRONT STREET, HEALDSBURG CA. 95448
 PROPOSED TENANT IMPROVEMENT
 CANNABIS RETAIL DISPENSARY

NO.	DATE	REVISION / ISSUE
1		
2		

COMMENTS:

APN: 002-322-007

DRAWN BY R.F.

DATE JULY 30 2023

SCALE

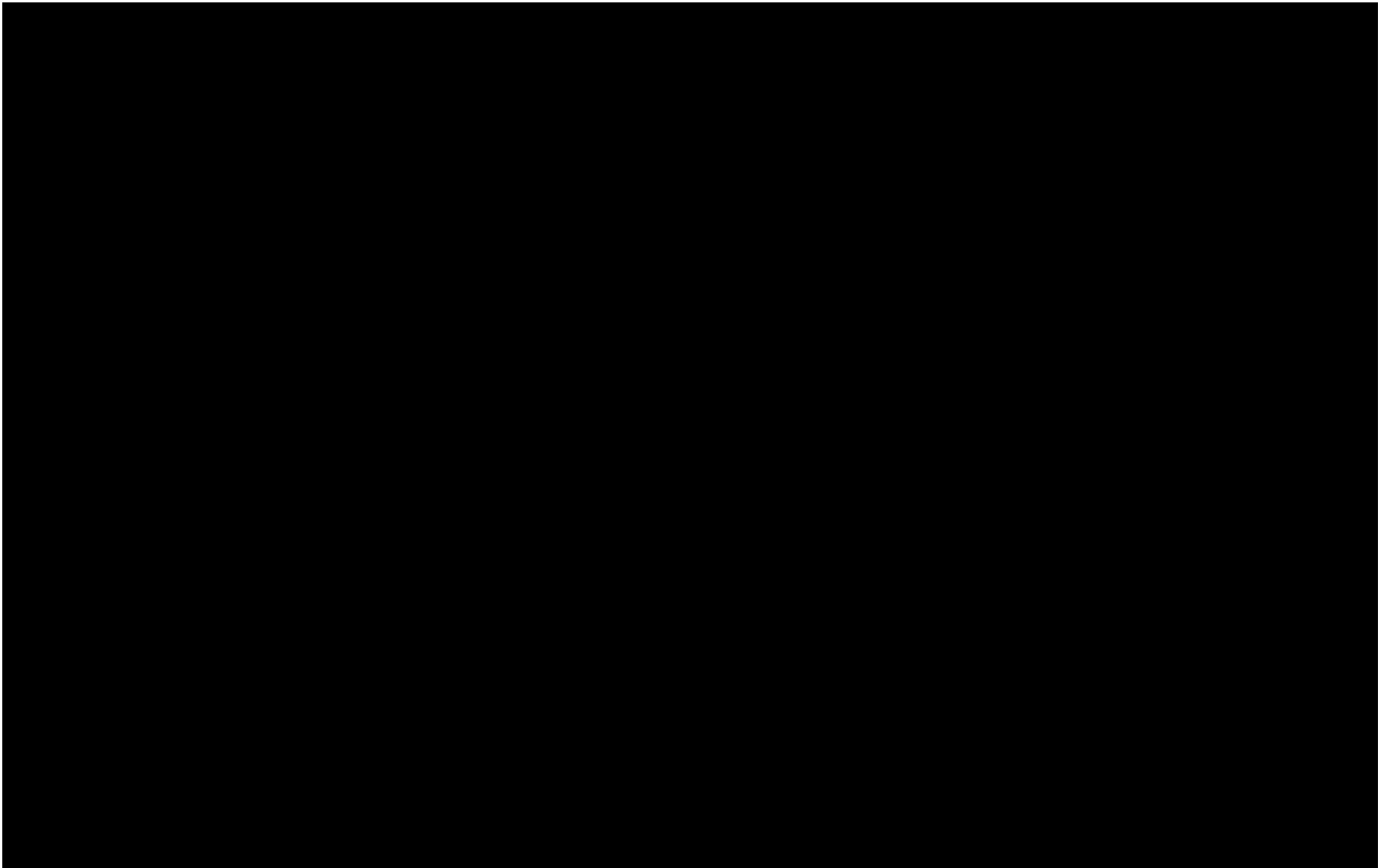
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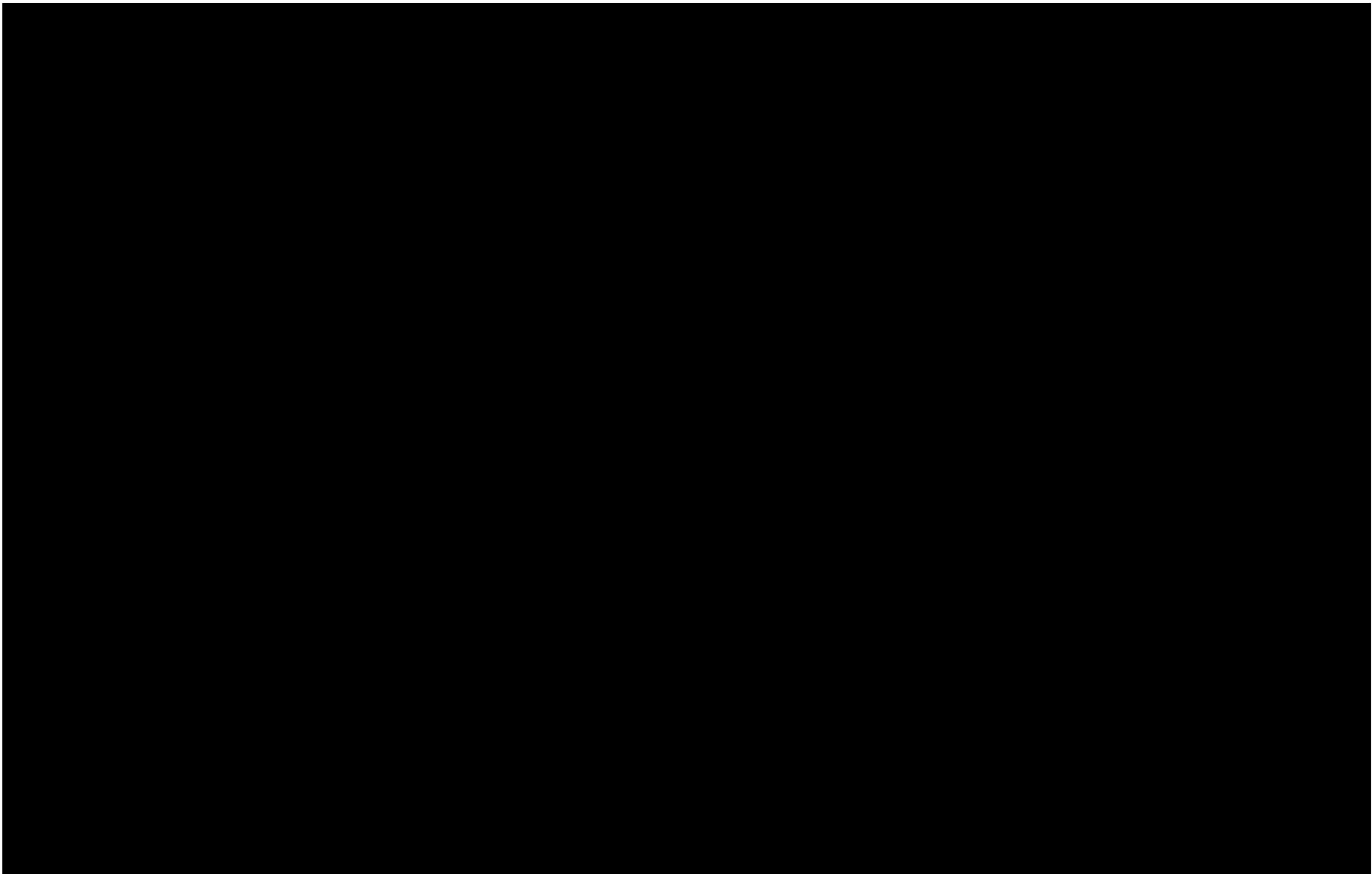
SHEET NO.

A02

1
A02

PROJECT SITE PLAN
 SCALE: 1/16" = 1'-0"





EXISTING MAIN ENTRANCE



EXISTING FRONT FACADE



EXISTING REAR OF BUILDING



EXISTING PARKING LOT



EXISTING SIDE OF BUILDING

PROFESSIONAL SEAL

HEALDSBURG, CA.

EXISTING SITE PHOTOS

51 FRONT STREET, HEALDSBURG CA. 95448
 PROPOSED TENANT IMPROVEMENT
 CANNABIS RETAIL DISPENSARY

NO.	DATE	REVISION / ISSUE
1		
2		

COMMENTS:

APN: 002-322-007

DRAWN BY R.F.

DATE JULY 30 2023

SCALE

SHEET SIZE 11x17

SHEET NO.

A05