



APPLICATION GUIDE

Processor Applicants

INITIAL OFFERING

2022-2023

Application Guide – Processor Applicants

TABLE OF CONTENTS

Application Checklist	1
Section 1: General Application Information	
1.1 – Introduction	2
1.2 – Initial Offering Timeline.....	2
1.3 – Communications During Initial Offering Period.....	4
1.4 – Number of Licenses Available for Award During Initial Offering.....	4
1.5 – Payment of Application Fees and License Fee.....	5
1.6 – Penalties for False Information or Fraud.....	5
1.7 – Completion and Submission of Application and Exhibits.....	6
1.8 – Public Records and Applicants’ Confidential or Proprietary Information.....	6
1.9 – Ineligibility for License.....	7
1.10 – Criteria for Awarding Licenses – Standards, Procedures and Requirements.....	8
Section 2: Review, Evaluation and Scoring of Applications	
2.1 – Review, Evaluation and Scoring of Applications	11
2.2 – Pass/Fail Items (Processor Applicants).....	15
2.3 – Scored Items (Processor Applicants).....	16
Section 3: Exhibits	
3.1 – Exhibit Instructions	19
3.2 – Exhibit Descriptions (Processor Applicants).....	21
Appendix	
Exhibit Template.....	35

Application Checklist

- ___ Applicant has read, understands, and will comply with the administrative rules of the Alabama Medical Cannabis Commission (AMCC)
- ___ Applicant has carefully and thoroughly read this Application Guide
- ___ Online application form completed (note: all required fields must be completed; answer “N/A” for any required field that is not applicable – Applicant may be required to provide explanation as to why item is not applicable)
- ___ Exhibits created in accordance with Section 3: Exhibits (see Appendix for Exhibit Template)
 - ___ Pre-designed forms used (as applicable)
 - ___ All exhibits conform to exhibit instructions (i.e., labeling, ordering, formatting, page limits)
- ___ Required Documents Uploaded
 - ___ Affidavit of Applicant for License Regarding Alabama Medical Cannabis (if applying as individual, use “Individual” affidavit (FORM J); if applying as entity, use “Entity” affidavit (FORM K) – one each from responsible person and contact person)
 - ___ As applicable (prompted in application if applicable): FORM I: Ownership Entity Individuals; management service agreement(s); minority ownership documents
 - ___ Exhibits (uploaded separately to corresponding upload link; See 3.1 – Exhibit Instructions)
- ___ Online application form filed
- ___ Non-refundable application fee (\$2,500) paid electronically (Credit Card or ACH)
- ___ Online application printed as PDF document (print “Review” screen as PDF after filing application online)
- ___ Two (2) separate USB flash drives loaded with each of the following documents
 - ___ PDF version of application form (labeled as “[Application Number]_Application Form”)
 - ___ Affidavit of Applicant for License Regarding Alabama Medical Cannabis (if applying as individual, use “Individual” affidavit (FORM J); if applying as entity, use “Entity” affidavit (FORM K) – one each from responsible person and contact person)
 - ___ As applicable (prompted in application if applicable): FORM I: Ownership Entity Individuals; management service agreement(s); minority ownership documents
 - ___ Exhibits (as separate PDF files, labeled as “[Application Number]_[Exhibit Number]_[Exhibit Title]” (See 3.1 – Exhibit Instructions)
- ___ Label one USB flash drive as “ORIGINAL” and the other as “REDACTED”
- ___ Redactions made, if any, on PDF documents loaded to USB flash drive labeled as “REDACTED” (See 1.8 – Public Records and Applicants’ Confidential or Proprietary Information). Note: The “REDACTED” USB flash drive should contain all documents, even if a document contains no redactions.
- ___ Mail or hand-deliver “ORIGINAL” and “REDACTED” USB flash drives and FORM L: Verification of USB Flash Drives to AMCC at the address provided below. Note: USB flash drives and verification must be received on or before the seventh (7th) business day after date application filed; no redactions will be accepted after this date. (See 1.8 – Public Records and Applicants’ Confidential or Proprietary Information). It is the applicant’s responsibility to confirm that all items have been received by AMCC.

Alabama Medical Cannabis Commission
RSA Dexter Avenue Building
445 Dexter Avenue, Suite 8040
Montgomery, AL 36104
- ___ Communicate any request to amend application to AMCC via applicant portal (applications@amcc.alabama.gov)
- ___ Regularly check email for important updates and announcements from AMCC

Section 1: General Application Information

1.1 – Introduction

The Alabama Medical Cannabis Commission (“AMCC” or “the Commission”), in accordance with the Darren Wesley “Ato” Hall Compassion Act (§ 20-2A-1, et seq., Code of Alabama 1975 (as amended)) (“the Act”) and the administrative rules promulgated by the Commission (“the Rules”), commenced the initial offering of licenses on September 1, 2022. Applicants seeking to apply for licensure were required to submit a Request for Application, on or before October 17, 2022, and indicate on the request form the category of license for which the applicant seeks to apply (i.e., cultivator, processor, secure transporter, dispensary, integrated facility, or state testing laboratory). An applicant is permitted to apply for only one category of license during the offering. Rule 538-x-3-.03-1. Any applicant who timely submitted a Request for Application received access to the electronic application form for the category of license selected in the Request for Application.

The information contained in Section 1 (General Application Information), Section 2.1 (Review, Evaluation and Scoring of Applications), and Section 3.1 (Exhibit Instructions) of this guide is applicable to applicants of all license categories. The information contained in Section 2.2 (Pass/Fail Items (Processor Applicants)), Section 2.3 (Scored Items (Processor Applicants)), and Section 3.2 (Exhibit Descriptions (Processor Applicants)) is specific to PROCESSOR applicants. This guide is designed to assist applicants in properly completing and organizing the application and exhibit materials. This guide is not, however, designed to operate in lieu of the Act or the Rules, and it does not in any way offer advice, legal or otherwise, as to any applicant’s eligibility for licensure by the Commission. Therefore, applicants are encouraged to carefully and thoroughly review the Act and the Rules. Unless otherwise indicated, any term used in this guide shall have the definition set forth in the Act and/or the Rules.

Read the information contained in this Application Guide carefully and completely and confirm completion of all items on the Application Checklist. If licensed, an applicant has an ongoing duty to meet and maintain the standards, policies, procedures, and operations as it affirms to the Commission in its application, including any amendment(s) or correction(s) thereto. Rule 538-x-4-.07.

1.2 – Initial Offering Timeline

The Commission commenced the application process for the initial offering of licenses on September 1, 2022. The following are select key dates during the initial offering period. Unless otherwise noted, all deadlines are as of 4:00 p.m. CT on the indicated date. A complete timeline is available at Appendix A to Chapter 3 of the Rules.

September 1, 2022	Initial License Offering Period Opens; Applicants may begin submitting Requests for Application
October 17, 2022	Deadline to submit Request for Application
October 24, 2022	Application Forms sent electronically to those Applicants who timely submitted Request for Application

October 31, 2022	Applicants may begin filing completed Application Forms (including completed Exhibits) (10:00 a.m.)
November 1, 2022	Applicants may begin submitting amendments to previously filed applications (10:00 a.m.)
December 30, 2022	Deadline to file Application Form; Deadline to file amendments to previously filed applications
February 13, 2023	Deficiency Notices sent to Applicants with deficient applications
March 3, 2023	Deadline to propose corrections in response to Deficiency Notice; Deadline to request extension of time for proposed corrections based on extraordinary circumstances; Deadline to seek permission to amend an application due to extenuating circumstances
March 24, 2023	Deadline to propose deficiency corrections under extraordinary circumstances; Deadline to file a proposed amended application based on extenuating circumstances
April 13, 2023	Commission Meeting (1:00 p.m.) – Commission votes to: <ul style="list-style-type: none"> • Accept proposed deficiency corrections as submitted • Grant or deny extraordinary time deficiency correction requests • Formally deem submitted deficiencies as corrected or not • Grant or deny petitions to amend application due to extenuating circumstances • Accept or reject proposed amendments due to extenuating circumstances • Accept as final and deem “submitted” all properly filed and corrected applications
April 14, 2023	30-day public comment period begins
May 14, 2023	Public comment period closes
June 12, 2023	Commission votes to grant or deny licenses
June 26, 2023	License Fees due from licensees who are awarded a license; Deadline for applicants who are denied a license to request reconsideration (NOON)
July 10, 2023	Licenses Issued (unless subject to stay issued by Commission)

1.3 – Communications During Initial Offering Period

The Rules provide specific limits and restrictions on communications between applicants, Commission members, and AMCC staff. As stated in the Rules, these limits and restrictions are necessary and appropriate because “[t]he integrity of the application and licensing process is of paramount importance to the Commission and will not be compromised.” Rule 538-x-3-04-3.

Generally, all communications from applicants, including questions about the application and licensing process, corrections or amendments to applications, and responses to inquiries from the Commission or AMCC staff, must be in writing through the AMCC applicant portal (applications@amcc.alabama.gov). Any oral communication with an applicant must be initiated by AMCC staff, and only after it is deemed to be helpful to resolve an issue or answer a question. Additionally, the result of any such oral communication must be memorialized in writing by AMCC staff.

Direct communication with Commission members, by any applicant or anyone acting on behalf of an applicant, is **strictly prohibited**. Likewise, *ex parte* communications by individual Commission members to any applicant, or anyone acting on behalf of an applicant, are **unofficial and improper**.

Any unauthorized contact with the Commission or its staff, officials, or representatives (including individuals engaged to review applications) during the course of the application process may disqualify the Applicant from further consideration.

Applicants should refer to Rule 538-x-3-04 for additional information regarding communications during the application and licensing process.

1.4 – Number of Licenses Available for Award During Initial Offering

The Act, in certain license categories, places a limit on the number of licenses that may be awarded by the Commission (see below). The Commission is not required to award the maximum number of licenses, but it shall not award licenses in excess of any limit imposed by the Act. The Commission’s decision to award a license will, in all cases, be based on the merits of the application submitted.

<u>License Category</u>	<u>Limit</u>
Cultivator	12
Processor	4
Secure Transporter	No Limit
Dispensary	4 (3 dispensing sites per Dispensary licensee)
Integrated Facility	5 (5 dispensing sites per Integrated Facility licensee)
State Testing Laboratory	No Limit

In accordance with § 20-2A-51(b), Code of Alabama 1975 (as amended), the Commission shall ensure that at least one-fifth of all integrated facility licenses, and at least one-fourth of licenses in all other categories, are awarded to business entities at least 51% of which are owned by members of a minority group, or in the case of a corporation, at least 51% of the shares of the corporation are

owned by members of a minority group, and are managed and controlled by members of a minority group in its daily operations. (“Minority Group” is defined by statute as individuals of African American, Native American, Asian or Hispanic descent. § 20-2A-51(b), Code of Alabama 1975 (as amended)). The foregoing goal of the Act does not pretermitt the requirement that the applicant must demonstrate compliance with all applicable rules, regulations, criteria and statutory guidelines as set forth in the Rules.

1.5 – Payment of Application Fees and License Fee

The non-refundable application fee of \$2,500 must be paid electronically (Credit Card or ACH) by the applicant at the time of filing the application.

In addition to the non-refundable application fee, applicants must pay a separate fee associated with the filing of an amended or proposed corrected application. The amendment and correction fees are as follows:

<u>Type of Amendment/Correction</u>	<u>Fee</u>
Amendment (without extenuating circumstances)	\$1,250
Amendment (based on extenuating circumstances)	\$2,500
Correction (response to deficiency notice)	\$1,250
Correction (based on extraordinary circumstances)	\$2,500

Licenseses having received a notice of award granting a license shall have 14 days after the date of such notice to submit the appropriate license fee (see below).

<u>License Category</u>	<u>License Fee</u>
Cultivator	\$40,000
Processor	\$40,000
Secure Transporter	\$30,000
Dispensary	\$40,000
Integrated Facility	\$50,000
State Testing Laboratory	\$30,000

1.6 – Penalties for False Information or Fraud

Any applicant, including any responsible party or contact person of any applicant, who knowingly submits false information or otherwise attempts to commit fraud in connection with the application and licensing process, in addition to having its application ruled ineligible, may be subject to penalties and fines and, potentially, criminal charges. Rule 538-x-3-.19.

1.7 – Completion and Filing of Application and Exhibits

The online application form must be completed and filed electronically through the AMCC application portal. Any required application field that is not applicable to the Applicant should be answered as “N/A” (the Applicant may be required to provide an explanation as to why the information is not applicable). Exhibits to the application will be uploaded, as directed, through the application portal. A description of each required exhibit and exhibit instructions is provided in Section 3: Exhibits.

1.8 – Public Records and Applicants’ Confidential or Proprietary Information

In general, applications and exhibits filed with the Commission are public records. Approval or denial of an application for licensure does not affect the public records status of the materials. Applicants may redact portions of the application and/or exhibits to protect from public view confidential or proprietary information. Redactions to the application and exhibits must be made as directed below, and the redacted version must be prominently and conspicuously labeled as “Redacted Copy.” The applicant must submit a brief, written description of the grounds for each redaction, including the specific statutory authority supporting each redaction.

Application Redactions: The applicant must print the completed and filed electronic application as a PDF document (print “Review” screen after filing application online). Any redactions, and the grounds and statutory authority supporting each redaction, must be made on the PDF version of the application.

Exhibit Redactions: Each exhibit must be contained within a separate PDF document (*See* 3.1 – Exhibit Instructions). All redactions, and the grounds and statutory authority supporting each redaction, must be made on the “Redacted Copy” of the exhibit, as applicable.

The Applicant must provide two (2) separate USB flash drives to AMCC. Each flash drive must contain the PDF version of the application and each exhibit (including any attachments) as separate files (labeled as “[Application Number]_Application Form” and “[Application Number]_[Exhibit number]_[Exhibit Title]”). One USB flash drive must be labeled as “ORIGINAL” and the other as “REDACTED”. The “REDACTED” USB flash drive must contain all required documents, even if a document contains no redactions. The applicant must make redactions, as instructed above, within the documents on the “REDACTED” USB flash drive, and any file that contains redactions must be prominently and conspicuously labeled as “Redacted Copy”.

The Applicant must complete FORM L: Verification of USB Flash Drives (available in the forms directory at <https://amcc.alabama.gov/cannabis-business-applicants/#resources>). The Applicant must mail or hand-deliver the “ORIGINAL” and “REDACTED” USB flash drives and the verification form to AMCC at the address provided below.

Alabama Medical Cannabis Commission
RSA Dexter Avenue Building
445 Dexter Avenue, Suite 8040
Montgomery, AL 36104

The USB flash drives and verification form must be received on or before the seventh (7th) business day after the date on which the application is filed. No redactions will be accepted after this date. An

applicant who fails to timely submit the USB flash drives and/or verification form may be required by the Commission to submit such items beyond seven (7) business days after the date on which the application is filed; provided, however, redactions will not be allowed on untimely submitted materials. The same process for making redactions and submitting original and redacted materials applies, and must be repeated, each time an applicant files an amended or corrected application.

All information in the application and exhibits shall remain confidential (as defined by Rule 538-x-1-.04) until the Commission has voted to formally deem applications submitted, unless otherwise ordered by a court of competent jurisdiction (See Rule 538-x-3-.13). An applicant's failure to provide a redacted version of the application and/or exhibits in accordance with these instructions will result in the entire application, including all exhibits and attachments, being considered a public record.

The Commission is not obligated to agree with the applicant's grounds or statutory authority cited in support of any redaction. The applicant, by submitting redactions, agrees to defend its claim that any or some portion of its application and/or exhibits is exempt from inspection and copying under the Alabama Public Records Law (§ 36-12-40, et seq., Code of Alabama 1975 (as amended)). Further, the applicant, by submitting redactions, agrees to protect, defend, indemnify, and hold harmless the Commission, and its agents, for any and all claims and litigation (including litigation initiated by the Commission), including attorney's fees and costs, arising from or in any way relating to the applicant's assertion that the redacted portions of its application and/or exhibits are exempt from public disclosure under the Alabama Public Records Law.

1.9 – Ineligibility for License

Rule 538-x-3-.14 provides the conditions under which an applicant shall be ineligible for a license. The process of evaluating and scoring applications is provided in detail in 2.1 – Evaluation and Scoring of Applications. The full text of Rule 538-x-3-.14 is as follows.

In addition to the provisions of § 20-2A-56(b), Code of Alabama 1975 (as amended), setting forth the conditions under which an applicant shall be ineligible for license, the Commission also shall deem an applicant ineligible to receive a license for the following reasons:

- 1. An owner, director, board member, or individual with a controlling interest in the Applicant has pled guilty to, been convicted of, or released from incarceration either in Alabama or in any other jurisdiction for, a felony, or other crime that would constitute a felony under the laws of Alabama within the past 10 years, or has in any jurisdiction pled guilty to or been convicted of a controlled substance-related misdemeanor (or other crime that would constitute a controlled substance-related misdemeanor under the laws of Alabama) within the past 10 years; provided, however, the Commission shall not consider any conviction overturned on appeal or any charge that has been expunged pursuant to Chapter 27 of Title 15 of the Code of Alabama, 1975 (as amended).*
- 2. The Applicant has knowingly filed an application for a license under the Act and this Chapter that contains false information.*
- 3. An owner, director, board member, employee, agent, or other individual with an economic interest in the Applicant is a member of the Commission.*

4. *The Applicant fails to demonstrate the ability to maintain adequate minimum levels of liability and casualty insurance or other financial guarantees for its proposed facility.*
5. *The Applicant cannot provide records as described in § 20-2A-55(a)(10), Code of Alabama 1975 (as amended), indicating that a majority of the ownership of any Applicant is attributable to an individual or individuals with proof of residence in this state for a continuous period of no less than 15 years preceding the application date.*
6. *For an Applicant seeking an integrated facility license or cultivator license, the Applicant cannot provide records described in § 20-2A-55(a)(11), Code of Alabama 1975 (as amended), indicating that a majority of ownership is attributable to an individual or individuals, or an entity or entities, with cumulative business experience in the field of commercial horticulture or agronomic production for a period of at least 15 years.*
7. *The Applicant has failed to follow the instructions of the Commission in respect to filing its application or otherwise relating to the Act and this Chapter.*

1.10 – Criteria for Awarding Licenses – Standards, Procedures and Requirements

Rule 538-x-3-11 provides the criteria for awarding licenses, including the factors the Commission may consider in its decision to award licenses. The process of evaluating and scoring applications is provided in detail in 2.1 – Evaluation and Scoring of Applications. The full text of Rule 538-x-3-11 is as follows.

1. *The number of licenses awarded as to each category of Applicant shall be in accordance with provisions of the Act, to the extent licenses regarding any particular category are limited. In no event shall the Commission award a license, as to any category, in excess of any limitation provided in the Act.*
2. *In every instance, the primary consideration of the Commission in awarding any license shall be the merits of the application submitted, including, but not limited to the Applicant's solvency, stability, suitability, capability, projected efficiency, and experience, both in relation to any baseline set by the Commission as well as in comparison with other Applicants.*
3. *The Commission's criteria for granting licenses, or increasing the number of a specific category of license to grant, shall include, but shall not necessarily be limited to, the following factors:*
 - a. *The population of the state,*
 - b. *The number of active or anticipated registered qualified patients,*
 - c. *Market demand for medical cannabis,*
 - d. *The unemployment rate of the state,*
 - e. *The need for agricultural and other business opportunities in communities,*
 - f. *Access to health care,*
 - g. *Infrastructure,*
 - h. *The extent to which an Applicant, if awarded a license, anticipates fully utilizing its license authorization and/or the number of its permitted facilities,*

- i. *The anticipated time within which an Applicant projects being able to commence operations and/or reach full capacity as to its operations,*
 - j. *The measures, if any, an Applicant is willing to take in seeking to minimize costs to patients,*
 - k. *The existing or projected distribution of licenses in a category across the State,*
 - l. *Providing the greatest benefits to the residents of Alabama, and*
 - m. *The racial and economic makeup of Alabama.*
 - n. *Providing variety within licensees' business models, so as to foster a diversity of approaches to doing business, engage creative or innovative ways of achieving business goals and serving the citizens of Alabama, and increase choice to patients and caregivers.*
4. *The weight to be given to any particular factor, in determining whether to award a license, is discretionary with the Commission, and the Commission need not weigh any particular factor more or less than others considered. In accordance with § 20-2A-51(b), Code of Alabama 1975 (as amended), the Commission shall ensure that at least one fifth of all integrated facility licenses in Alabama, and at least one fourth of licenses in all other categories, are awarded to business entities at least 51% of which are owned by members of a minority group, or, in the case of corporations, at least 51% of the shares of the corporation are owned by members of a minority group, and are managed and controlled by members of a minority group in its daily operations. In the event that death, resignation, attrition, dissolution, bankruptcy or any other eventuality should cause the number of 51% minority-owned integrated facilities to fall below one fifth of the total number of such integrated facilities, or as to all other categories, one fourth of the total number of such licensees, the Commission shall, at the next opportunity to award a license, prioritize awarding a license to a qualified company that fulfills the 51% minority owned goal set forth in the Act. The foregoing goal of the Act does not pretermit the requirement that the applicant must demonstrate compliance with all applicable rules, regulations, criteria and statutory guidelines as set forth herein.*
5. *In addition to the foregoing considerations, in determining whether to award a license, the Commission may consider the following factors:*
- a. *The integrity, moral character, and reputation; personal and business ethics; financial ability and experience; and responsibility or means to operate or maintain a facility of the Applicant and of any other individual that meets either of the following:*
 - (1) *Controls, directly or indirectly, the Applicant;*
 - (2) *Is controlled, directly or indirectly, by the Applicant or by a person who controls, directly or indirectly, the Applicant.*
 - b. *The financial ability of the Applicant to maintain required financial guarantees.*
 - c. *The nature, quality, and tenor of the Applicant's interactions with the Commission and AMCC personnel during the current or in any previous application process.*
 - d. *The sources and total amount of the Applicant's capitalization to operate and maintain the proposed facility.*
 - e. *Whether an owner, director, board member, or individual with a controlling interest in the Applicant has been indicted for, charged with, arrested for,*

- convicted of, pled guilty or nolo contendere to, or forfeited bail concerning, or had expunged any relevant criminal offense under the laws of any jurisdiction, either felony or misdemeanor, not including traffic violations, regardless of whether the offense has been expunged, pardoned, or reversed on appeal or otherwise. See 538-x-3-.05-3.c.*
- f. Whether the Applicant has filed, or had filed against it, a proceeding for bankruptcy within the past seven years.*
 - g. Whether the Applicant has been served with a complaint or other notice filed with any court or public agency regarding payment of any tax required under federal, state, or local law that has been delinquent for one or more years.*
 - h. Whether the Applicant has a history of noncompliance with any regulatory requirements in this state or any other jurisdiction.*
 - i. Whether at the time of application the Applicant is, or in the past 10 years has been, a defendant in litigation involving its business practices.*
 - j. The Applicant's ability to capitalize and conduct operations as proposed in its business plan, including business experience in related fields.*
 - k. The Applicant's history of business activities as it applies to the specific license for which the applicant is seeking licensure.*
 - l. The Applicant's history of business activities as it applies to licenses applied for or awarded in other jurisdictions.*
 - m. The proposed location of all proposed medical cannabis facilities as being suitable for all activities, not inconsistent with applicable zoning, and the Applicant's ability to serve an identifiable geographic area.*
 - n. Whether the Applicant meets other standards or requirements established under the Act or these Rules. (See § 20-2A-56(c) (1)-(12), Code of Alabama 1975 (as amended))*
- 6. In the absence of other determinative factors set forth herein, where two or more Applicants at the threshold for being awarded a license or not have earned average scores (as set forth in paragraph 2 of 538-x-3-.08) within one percentile point of each other, the Commission may, in its discretion, utilize a lottery or tie-breaking system among affected Applicants, to select which one or ones of such affected Applicants should be awarded a license.*

Section 2: Review, Evaluation and Scoring of Applications

2.1 – Review, Evaluation and Scoring of Applications

The review, evaluation and scoring of applications will be completed in three phases. Each phase of the review, evaluation and scoring process may be conducted by the Commission, one or more independent consultants selected by the Commission, or a combination of the two. An overview of each phase of the review, evaluation and scoring process is provided below.

Phase I: Initial Review, Notice of Deficiency, Amendment & Correction

The first phase of the review, evaluation and scoring process will begin upon the close of the initial application period (December 30, 2022). Applications will be initially reviewed for deficiencies, as defined by Rule 538-x-3-.02. An applicant's failure to satisfy a "Pass/Fail" item (*See* 2.2 – Pass/Fail Items (Processor Applicants) shall not be considered an application deficiency; instead, failure to satisfy a "Pass/Fail" item shall make an applicant ineligible for a license. On February 13, 2023, applicants with a deficient application will be sent a Notice of Deficiency (*See* Rule 538-x-3-.08). Applicants who are sent a Notice of Deficiency must, on or before March 3, 2023, propose corrections or request an extension of time to propose corrections based on extraordinary circumstances. Any applicant seeking permission to amend an application due to extenuating circumstances must do so on or before March 3, 2023. Applicants granted an extension of time to propose deficiency corrections under extraordinary circumstances, and/or to file a proposed amended application based on extenuating circumstances, must submit such proposed corrections or amendments on or before March 24, 2023. **An applicant is not permitted, under any circumstances, to amend or correct an application after March 24, 2023.**

The Commission, at its meeting on April 13, 2023, shall vote to formally deem submitted all properly filed, amended, and corrected applications, and such submitted applications shall proceed to Phase II of the review, evaluation and scoring process. **Evaluation and scoring of an application in Phase II, and approval or denial of an application in Phase III shall be based on the application materials, including exhibits and attachments, that are formally deemed submitted by the Commission.**

Phase II: Evaluation & Scoring

Application materials, including exhibits and attachments, will be evaluated and scored in accordance with the criteria as provided by Rule 538-x-3-.11. As noted by the Rules, "*[i]n every instance, the primary consideration of the Commission in awarding any license shall be the merits of the application submitted, including, but not limited to the Applicant's solvency, stability, suitability, capability, projected efficiency, an experience, both in relation to any baseline set by the Commission as well as in comparison with other Applicants.*"

The scored items in the Application Form will be evaluated and scored by the Commission in accordance with the Application Scoring Guide (Application Form). The scored items in the Exhibits will be evaluated and scored by independent third-party evaluators, each with experience corresponding to each scoring category, in accordance with the Application Scoring Guide (Exhibits). Each scored item will be evaluated and rated based on preferred response and/or the level of completeness and adequacy of the response. Each scored item will then be assigned a numerical score value, which shall be dependent upon the point value of the item (25, 50 or 100) and the score

range within the corresponding rating category. Once scored items are evaluated, a holistic (overall) rating of each scoring category will be assigned.

Application Scoring Guide (Application Form)

<u>Yes / No Items</u>			
Rating	Score Range	Preferred Response Yes	Preferred Response No
Ideal	25	<ul style="list-style-type: none"> • Yes (when a preferred response); 	<ul style="list-style-type: none"> • No (when a preferred response);
Satisfactory	20-24	<ul style="list-style-type: none"> • Response of No evaluated according to: <ul style="list-style-type: none"> ○ Nature of disclosed information ○ Facts and circumstances of disclosed information ○ History / pattern of negative event(s) ○ Time elapsed since negative event(s) • Response indicates that the Applicant’s solvency, stability, suitability, capability, projected efficiency, and experience is satisfactory 	<ul style="list-style-type: none"> • Response of Yes evaluated according to: <ul style="list-style-type: none"> ○ Nature of disclosed information ○ Facts and circumstances of disclosed information ○ History / pattern of negative event(s) ○ Time elapsed since negative event(s) • Response indicates that the Applicant’s solvency, stability, suitability, capability, projected efficiency, and experience is satisfactory
Not Impactful	15-19	<ul style="list-style-type: none"> • Response of No evaluated according to: <ul style="list-style-type: none"> ○ Nature of disclosed information ○ Facts and circumstances of disclosed information ○ History / pattern of negative event(s) ○ Time elapsed since negative event(s) • Response indicative of <i>no</i> impact of on Applicant’s solvency, stability, suitability, capability, projected efficiency, and experience 	<ul style="list-style-type: none"> • Response of Yes evaluated according to: <ul style="list-style-type: none"> ○ Nature of disclosed information ○ Facts and circumstances of disclosed information ○ History / pattern of negative event(s) ○ Time elapsed since negative event(s) • Response indicative of <i>no</i> impact of on Applicant’s solvency, stability, suitability, capability, projected efficiency, and experience
Minimally Impactful	10-14	<ul style="list-style-type: none"> • Response of No evaluated according to: <ul style="list-style-type: none"> ○ Nature of disclosed information ○ Facts and circumstances of disclosed information 	<ul style="list-style-type: none"> • Response of Yes evaluated according to: <ul style="list-style-type: none"> ○ Nature of disclosed information ○ Facts and circumstances of disclosed information

		<ul style="list-style-type: none"> ○ History / pattern of negative event(s) ○ Time elapsed since negative event(s) ● Response indicative of <i>minimal</i> impact of on Applicant’s solvency, stability, suitability, capability, projected efficiency, and experience 	<ul style="list-style-type: none"> ○ History / pattern of negative event(s) ○ Time elapsed since negative event(s) ● Response indicative of <i>minimal</i> impact of on Applicant’s solvency, stability, suitability, capability, projected efficiency, and experience
Moderately Impactful	5-9	<ul style="list-style-type: none"> ● Response of No evaluated according to: <ul style="list-style-type: none"> ○ Nature of disclosed information ○ Facts and circumstances of disclosed information ○ History / pattern of negative event(s) ○ Time elapsed since negative event(s) ● Response indicative of <i>moderate</i> impact of on Applicant’s solvency, stability, suitability, capability, projected efficiency, and experience 	<ul style="list-style-type: none"> ● Response of Yes evaluated according to: <ul style="list-style-type: none"> ○ Nature of disclosed information ○ Facts and circumstances of disclosed information ○ History / pattern of negative event(s) ○ Time elapsed since negative event(s) ● Response indicative of <i>moderate</i> impact of on Applicant’s solvency, stability, suitability, capability, projected efficiency, and experience
Significantly Impactful	0-4	<ul style="list-style-type: none"> ● Response of No evaluated according to: <ul style="list-style-type: none"> ○ Nature of disclosed information ○ Facts and circumstances of disclosed information ○ History / pattern of negative event(s) ○ Time elapsed since negative event(s) ● Response indicative of <i>significant</i> impact of on Applicant’s solvency, stability, suitability, capability, projected efficiency, and experience 	<ul style="list-style-type: none"> ● Response of Yes evaluated according to: <ul style="list-style-type: none"> ○ Nature of disclosed information ○ Facts and circumstances of disclosed information ○ History / pattern of negative event(s) ○ Time elapsed since negative event(s) ● Response indicative of <i>significant</i> impact of on Applicant’s solvency, stability, suitability, capability, projected efficiency, and experience

Application Scoring Guide (Exhibits)

Rating	Score Ranges Within Score Band			Completeness & Adequacy of Response
	25 Point Item	50 Point Item	100 Point Item	
Exceptional	21-25	41-50	81-100	<ul style="list-style-type: none"> • Applicant addressed <i>all</i> items; and • The submitted exhibit demonstrates meticulous attention to details • The merits of the exhibit far exceed the minimum required criteria
Good	16-20	31-40	61-80	<ul style="list-style-type: none"> • Applicant addressed <i>all</i> items; and • The submitted exhibit demonstrates high-level attention to detail • The merits of the exhibit thoroughly address the minimum required criteria
Acceptable	11-15	21-30	41-60	<ul style="list-style-type: none"> • Applicant addressed <i>all</i> items; and • The submitted exhibit demonstrates sufficient attention to detail • The merits of the exhibit mostly address the minimum required criteria
Weak	6-10	11-20	21-40	<ul style="list-style-type: none"> • Applicant addressed to <i>all</i> items; yet • The submitted exhibit demonstrates insufficient attention to detail • The merits of the exhibit do not fully meet the required criteria
Unacceptable	0-5	0-10	0-20	<ul style="list-style-type: none"> • Applicant addressed to <i>all</i> items in a limited way; yet • The submitted exhibit demonstrates lack of attention to detail • The merits of the exhibit fail to meet the required criteria

Category Rating Guide (Holistic Evaluation)

Exceptional	Good	Acceptable	Weak	Unacceptable
The Applicant's solvency, stability, suitability, capability, projected efficiency, and experience are exceptionally demonstrated in the application materials.	The Applicant's solvency, stability, suitability, capability, projected efficiency, and experience are well demonstrated in the application materials.	The Applicant's solvency, stability, suitability, capability, projected efficiency, and experience are minimally acceptably demonstrated in the application materials.	The Applicant's solvency, stability, suitability, capability, projected efficiency, and experience are weakly demonstrated in the application materials.	The Applicant's solvency, stability, suitability, capability, projected efficiency, and experience are not adequately demonstrated in the application materials.

Phase III: Award & Issuance of Licenses

The Commission, at its meeting on June 12, 2023, will vote to award licenses in each license category. The review, evaluation and scoring of applications in accordance with Phases I and II above will inform the Commission’s decisions regarding award of licenses, but the Commission has complete discretion as to the number of licenses awarded (not to exceed the limits as provided by the Act), and the applicants to whom licenses are awarded. *See* Rule 538-x-3-.12. The Commission shall determine the applicants who, based on the merits of their applications as expressed by ranked scoring, warrant an award of license. The Commission shall then determine if any such applicants are ineligible to receive a license (i.e., Pass/Fail items), or if any other factors (i.e., those enumerated by Rule 538-x-3-.11) would necessitate consideration of other applicants.

In accordance with Rule 538-x-3-.18, “any applicant who has been denied a license by the Commission may seek an investigative hearing before the Commission to seek reconsideration of said denial.” Such request for hearing must be filed electronically on or before 4:00 p.m., CDT, 14 days after the date of the denial, and must be accompanied by funds equal to the amount of the license fee for which the applicant would have otherwise been responsible. If a stay against the issuance of some or all licenses is entered by the Commission or a court of competent jurisdiction, then licenses shall issue within three (3) business days after the lifting of any such stay.

2.2 – Pass/Fail Items (Processor Applicants)

The following table summarizes the Pass/Fail items from the application form and exhibits. A detailed description of each exhibit, including page limits, is provided at 3.2 – Exhibit Descriptions (Processor Applicants).

Pass/Fail Items (Processor Applicants)

<u>Application Item</u>
Criminal conviction history (felony or controlled-substance-related misdemeanor) of applicant’s owner(s), director(s), board member(s), or individual(s) with a controlling interest in the applicant
Application contains no false information
No owner, director, board member, employee, agent, or other individual with an economic interest in the applicant is a member of the Commission
Applicant demonstrates ability to maintain adequate minimum levels of liability and casualty insurance or other financial guarantees
Applicant’s consent to inspections, examinations, searches and seizures

Applicant's verification of no economic interest in any other applicant/license
<u>Exhibit</u>
Exhibit 1: Resume or Curriculum Vitae of Individuals with Ownership Interest
Exhibit 2: Residency of Owners
Exhibit 3: Criminal Background Check

2.3 – Scored Items (Processor Applicants)

The following table summarizes the scored items from the application form and exhibits. A detailed description of each exhibit, including page limits, is provided at 3.2 – Exhibit Descriptions (Processor Applicants).

Scored Items (Processor Applicants)

<u>Application Form</u>			
Item	Max. Raw Points	Weight	Max. Weighted Points
Regulatory compliance (commercial license(s) / certification(s) not related to cannabis industry)	25	4.0	100
Relevant experience in cannabis industry related to type of license being applied for in Alabama	25	4.0	100
Regulatory compliance (authorization(s) / license(s) in cannabis industry)	25	4.0	100
Tax compliance history (10 years)	25	4.0	100
Bankruptcy history (7 years)	25	4.0	100
History of litigation involving applicant's business practices	25	4.0	100
Criminal history of applicant's owner(s), director(s), board member(s), or individual(s) with a controlling interest in the applicant	25	4.0	100

<u>Exhibits</u>				
Item	Category	Max. Raw Points	Weight	Max. Weighted Points
Exhibit 4: Demonstration of Sufficient Capital	Financial Ability	50	3.0	150
Exhibit 5: Financial Statements	Financial Ability	50	3.0	150
Exhibit 6: Tax Plan	Financial Ability	50	3.0	150
Exhibit 7: Business Formation Documents	Business / Management Approach	25	3.0	75
Exhibit 8: Business License and Authorization of Local Jurisdictions	Business / Management Approach	25	3.0	75
Exhibit 9: Business Plan	Business / Management Approach	100	3.0	300
Exhibit 10: Evidence of Business Relationship with other Licensees and Prospective Licensees	Business / Management Approach	25	3.0	75
Exhibit 11: Standard Operating Plan and Procedures	Operations Plans & Procedures	100	4.0	400
Exhibit 12: Policies and Procedures Manual	Operations Plans & Procedures	50	4.0	200
Exhibit 13: Production and Manufacturing Process	Operations Plans & Procedures	50	4.0	200
Exhibit 14: Machinery and Equipment	Operations Plans & Procedures	50	4.0	200
Exhibit 15: Receiving and Shipping Plan	Operations Plans & Procedures	50	4.0	200
Exhibit 16: Facilities	Facility Suitability & Infrastructure	100	4.0	400

Exhibit 17: Security Plan	Security Plan	100	4.0	400
Exhibit 18: Personnel	Personnel	25	1.0	25
Exhibit 19: Business Leadership Credentials	Personnel	100	1.0	100
Exhibit 20: Employee Handbook	Personnel	50	1.0	50
Exhibit 21: Quality Control and Quality Assurance Plan	Quality Control & Testing	100	3.0	300
Exhibit 22: Contamination and Recall Plan	Quality Control & Testing	50	3.0	150
Exhibit 23: Marketing and Advertising Plan	Marketing & Advertising	50	1.0	50
Exhibit 24: Website and Social Media	Marketing & Advertising	25	1.0	25

Section 3: Exhibits

3.1 – Exhibit Instructions

1. Application exhibits must be separately ordered, labeled, and formatted.
2. Each exhibit cover page must include the license type, exhibit number and title (*See 3.2 – Exhibit Descriptions (Processor Applicants)*), and the verification below.

Verification

The undersigned verifies that the information contained in this Exhibit, including any attachments thereto, is accurate and complete, based on the best available information at the date of verification.

Printed Name of Verifying Official

Title of Verifying Official

Signature of Verifying Official

Verification Date

3. All exhibit material prepared by an Applicant must be presented in the format provided in the Exhibit Template (*See Appendix*), including the following:
 - 8 ½” x 11” page size
 - 1-inch margins (top, bottom, left, and right)
 - 12-pt Cambria font
 - “1.5” Line Spacing
 - Section headings and titles matching those in the Exhibit Descriptions (as applicable)
 - Header material – license type
 - Footer material – exhibit number and title, and page number (inclusive of exhibit and attachment(s))
 - No logos, clip art, borders, or handwritten materials
4. Any attachment to an exhibit must be clearly labeled and identified, as labeled, in the appropriate portion of the exhibit. Exhibit attachments must, to the extent possible, be presented in the same format as other exhibit materials (*See 3. above*).
5. For each exhibit, all exhibit materials and attachments must be contained within a single PDF file. Materials outside an exhibit (i.e., referenced or hyperlinked materials) will not be considered by AMCC, even if the referenced material is included elsewhere in the application and/or exhibits (*See 11. below*).
6. The Applicant must, to the extent possible, limit use of the Applicant’s name or other identifying information within exhibits and attachments. AMCC, or any third party engaged by AMCC to perform evaluation and scoring of applications, may, in their sole discretion, de-identify any information contained in an exhibit or attachment.

7. Exhibits (including attachments) must not exceed the page limit provided for in the exhibit descriptions. Exhibit pages (including attachments) beyond the page limit will be removed from the application prior to evaluation. Page limits merely provide a maximum response length; no inference should be made about expected response length. AMCC understands and appreciates that length is not necessarily indicative of quality. Therefore, Applicants are encouraged to provide exhibits that are, without excess, directly and adequately responsive to the information sought.
8. If any exhibit is inapplicable, as to the Applicant, the exhibit cover page must be included followed by a page indicating “**Exhibit Not Applicable**” and the Applicant’s explanation as to why the exhibit is not applicable.
9. If any portion of an exhibit is inapplicable, as to the Applicant, the Applicant must clearly identify the inapplicable portion, indicate “**Not Applicable**” within that portion of the exhibit, and provide an explanation as to why the portion is not applicable.
10. Any page in an exhibit that is intentionally blank must be labeled as such.
11. In developing the exhibit descriptions, AMCC has, to the greatest extent possible, removed any duplicative language and requests for exhibits. Any information that, in identical format, is required as part of multiple exhibits must be included in each applicable exhibit (i.e., do not reference material in one exhibit that is provided in another exhibit).
12. The applicant is required to use predesigned forms for some exhibits. In such cases, the exhibit description directs the applicant to the appropriate form. All forms are available at <https://amcc.alabama.gov/cannabis-business-applicants/#resources>.
13. For purposes of the application and exhibits only, the terms “Applicant” and “Licensee” shall be understood to be interchangeable, as appropriate. For all other purposes, those terms shall have the meaning assigned to them, respectively, in Rule 538-x-1-.04.
14. The terms “Verification,” “Verified,” and “Verifying” shall have the meaning assigned to them in Rule 538-x-1-.04. *As to a document or statement, the act or condition of having the document or statement be affirmed in writing to be accurate and bearing the printed name and signature of the individual making such affirmation, and date provided.*
15. For any exhibit, or portion thereof, that requires the Applicant to provide a plan or to satisfy any requirement(s), the Applicant must indicate the status of the plan or requirement(s), **as of the date of application filing**, with one of the following designations:
 - Completed
 - In Progress with completion expected ____ days *before* award of license
 - Not Started, but completion expected ____ days *before* award of license
 - In Progress with completion expected ____ days *after* award of license
 - Not Started, but completion expected ____ days *after* award of license

An applicant may, subject to any applicable exhibit page limit, include photographs or other visual representations to demonstrate the indicated status of any plan or requirement.

16. Each exhibit (including any attachments) must be uploaded at the corresponding document upload link on the “Documents” tab of the online application. The uploaded exhibits must be in complete and unredacted format.

17. The Applicant must submit each exhibit (including attachments) separately on an “ORIGINAL” USB flash drive and a “REDACTED” USB flash drive in accordance with the instructions in 1.8 – Public Records and Applicants’ Confidential or Proprietary Information.

3.2 – Exhibit Descriptions (Processor Applicants)

PART I. – OWNERSHIP

Exhibit 1 – Resume or Curriculum Vitae of Individuals with Ownership Interest in Applicant.

The résumé or curriculum vitae of each individual with an ownership interest in the Applicant, showing, at a minimum, all institutions of higher education attended, including the date, location and type of any degree received; all residential addresses in the last 15 years; and the name, business address and telephone number of all employers in the last 15 years, including a contact person at each. [Use FORM A: OWNERSHIP RESUME / CURRICULUM VITAE]

Page Limit	As necessary using required form(s). Information outside of form(s) will not be considered.
Maximum Raw Points	Pass/Fail
Weight	Pass/Fail
Maximum Weighted Points	Pass/Fail

Exhibit 2 – Residency of Owners.

Records indicating that a majority of ownership of the Applicant is attributable to an individual or individuals with proof of residence in Alabama for a continuous period of no less than 15 years preceding the date of application.

Page Limit	No Limit. If the exhibit, including attachments, exceeds 25 pages, then a table of contents and summary, not to exceed 5 pages, is required.
Maximum Raw Points	Pass/Fail
Weight	Pass/Fail
Maximum Weighted Points	Pass/Fail

Exhibit 3 – Criminal Background Check.

- 3.1 – The applicant’s verification of the following: (1) the name and title of each individual identified by § 20-2A-55(b), Code of Alabama 1975 (as amended) (i.e., each owner, shareholder, director, board member, and individual with an economic interest in the Applicant); and (2) that each identified individual has requested a criminal background check

from the Alabama Law Enforcement Agency (ALEA). **[Use FORM B: BACKGROUND CHECK APPLICANT VERIFICATION]**

- 3.2 - Verified written consent from each individual identified by § 20-2A-55(b), Code of Alabama 1975 (as amended) (i.e., each owner, shareholder, director, board member, and individual with an economic interest in the Applicant), to a state criminal background check, which shall be conducted, at the Applicant’s expense, by ALEA. **[Use FORM C: STATE BACKGROUND CHECK (ALEA).] Each completed background check form and fingerprint card will be returned directly to ALEA. Instructions on completing the form, obtaining fingerprints, and returning all required items are included with the form.**
- 3.3 - Verified written consent from each individual identified by § 20-2A-55(b), Code of Alabama 1975 (as amended) (i.e., each owner, shareholder, director, board member, and individual with an economic interest in the Applicant), to a national criminal background check, which shall be conducted, at the Applicant’s expense, by the FBI. **[Use FORM D: NATIONAL BACKGROUND CHECK (FBI).] Each completed background check form and fingerprint card will be returned directly to the FBI. Instructions on completing the form, obtaining fingerprints, and returning all required items are included with the form.**
- 3.4 - The verification of each individual identified and verified by the Applicant on the Background Check Applicant Verification Form (See 3.1 above) that the individual has requested a state criminal background check from ALEA and a national criminal background check from the FBI. **[Use FORM: BACKGROUND CHECK INDIVIDUAL VERIFICATION]**

Page Limit	As necessary using required form(s). Information outside of form(s) will not be considered.
Maximum Raw Points	Pass/Fail
Weight	Pass/Fail
Maximum Weighted Points	Pass/Fail

PART II. - FINANCIAL ABILITY

Exhibit 4 – Demonstration of Sufficient Capital.

A demonstration of sufficient capital available to the Applicant, as well as the source thereof, and verification of the same by a responsible person designated by the Applicant, the Applicant’s contact person, **and** an independent Certified Public Accountant. (Note: Unless otherwise ordered by the Commission, “sufficient capital” is defined as the total of the Applicant’s annual budgets or projected annual budgets during the first three full years after a license is issued to the Applicant.)

Page Limit	5 pages
Maximum Raw Points	50
Weight	3.0
Maximum Weighted Points	150

Exhibit 5 – Financial Statements.

A current financial statement or pro forma containing the following, with year-end projections as to each over the first three (3) calendar years (the year of commencement plus three more) following the commencement of operations:

- 5.1 – Balance sheet report, providing a snapshot of the value of assets, liabilities and equity at commencement, or for projections, as of December 31 of each year.
- 5.2 – Profit and loss report, summarizing any income, expenses and net profit from the applicant’s inception to date of commencement and as projected over each calendar year thereafter, including the year of commencement.
- 5.3 – Statement of cash flow, examining the cash flowing into and out of the Applicant’s business from inception to commencement and during each calendar year thereafter, including the year of commencement.

Page Limit	15 pages
Maximum Raw Points	50
Weight	3.0
Maximum Weighted Points	150

Exhibit 6 – Tax Plan.

The Applicant’s verified tax plan demonstrating understanding of, and plans for compliance with, all applicable tax laws, including but not limited to providing all information required for purposes of the taxes levied by Chapter 2A of Title 20, Code of Alabama 1975 (as amended), and payment of the same.

Page Limit	5 pages
Maximum Raw Points	50
Weight	3.0
Maximum Weighted Points	150

PART III. – BUSINESS/MANAGEMENT APPROACH

Exhibit 7 – Business Formation Documents.

Certified copies of the Applicant’s business formation documents, or an explanation as to why such documents are not available for production by the Applicant.

Page Limit	No Limit. If the exhibit, including attachments, exceeds 25 pages, then a table of contents and summary, not to exceed 5 pages, is required.
Maximum Raw Points	25
Weight	3.0
Maximum Weighted Points	75

Exhibit 8 – Business License and Authorization of Local Authorities.

- 8.1 – As applicable, certified copies of the Applicant’s business license.
- 8.2 – As applicable, resolution(s) or ordinance(s) by local jurisdiction(s) (County or Municipality, as appropriate) approving the Applicant’s business presence in each applicable local jurisdiction.

Page Limit	No Limit. If the exhibit, including attachments, exceeds 25 pages, then a table of contents and summary, not to exceed 5 pages, is required.
Maximum Raw Points	25
Weight	3.0
Maximum Weighted Points	75

Exhibit 9 – Business Plan.

The Applicant’s verified Business Plan, to include, at a minimum, the following:

- 9.1 – A clearly defined business structure and plan for adherence to applicable corporate conventions.
- 9.2 – Clearly defined business goals, including a 3-year and a 5-year plan.
- 9.3 – An Organizational Chart – a diagram that visually conveys the Applicant's internal structure by detailing the roles, responsibilities, and relationships between individuals within an entity.
- 9.4 – Job descriptions of all managerial positions, showing clear delineation of authority, qualifications, and duties.
- 9.5 – Job descriptions of all non-managerial employee positions, showing clear delineation of qualifications and duties.
- 9.6 – An executive summary, including mission statement, leadership background and qualifications, business style and philosophy, key personnel, identification of facility location(s) and function(s).
- 9.7 – A description of services and/or products to be cultivated, processed, transported, dispensed, or tested at each facility, as applicable, including:
 - actual (or projected) pricing data, if applicable;
 - actual (or projected) product lifespan, if applicable;
 - projected benefits to consumers;
 - patents, if any; and
 - proprietary technology, if any.
- 9.8 – An advertising/marketing analysis and strategy, if any.
- 9.9 – A Community Engagement Plan describing all efforts that have been or will be made to foster the Applicant’s relationship with, involvement in, and commitment to any community (including municipality or county) in which the Applicant intends to locate a facility within the next three years.
- 9.10 – An Environmental Impact Statement outlining the anticipated impact of each of the Applicant’s proposed operations, per facility, on the local environment; the Applicant’s efforts or plans, if any, to build a relationship to foster cooperation and compliance with federal, state and local agencies providing environmental oversight; and any steps the Applicant has taken or will take to reduce or eliminate its carbon footprint and/or to achieve and maintain a positive environmental profile in each community where the Applicant intends to locate and operate a facility within the next three years.
- 9.11 – An insurance plan, including declarations pages and letters of intent, if any, from an A-rated insurer as to, at a minimum, casualty, workers’ compensation, liability, and (as applicable) auto or fleet policy.

Page Limit	40 pages
Maximum Raw Points	100
Weight	3.0
Maximum Weighted Points	300

Exhibit 10 – Evidence of Business Relationship with Other Licensees and Prospective Licensees.

Applicant must provide copies of all contracts, contingent contracts, memoranda of understanding (or, if none of the foregoing are available, exemplars) between themselves and:

- 10.1 – Any Cultivator or prospective Cultivator.
- 10.2 – Any Secure Transporter or prospective Secure Transporter.
- 10.3 – Any Dispensary or prospective Dispensary.
- 10.4 – Any Integrated Facility or prospective Integrated Facility.
- 10.5 – Any State Testing Laboratory or prospective State Testing Laboratory.

Page Limit	No Limit. If the exhibit, including attachments, exceeds 25 pages, then a table of contents and summary, not to exceed 5 pages, is required.
Maximum Raw Points	25
Weight	3.0
Maximum Weighted Points	75

PART IV. – OPERATIONS PLANS & PROCEDURES

Exhibit 11 – Standard Operating Plan and Procedures.

The Applicant must provide its verified Standard Operating Plan and Procedures. The Applicant must demonstrate and maintain standard operating procedures in such a way that they can be readily accessed from the physical site of operations upon the request of inspectors, the Commission, or Commission staff, including, at a minimum, the following:

- 11.1 – IT plan for ensuring accurate recordkeeping, compliance with inventory protocols, and coordination of information and systems with vendors, customers and others, as applicable, through the Alabama Medical Cannabis Patient Registry System (§ 20-2A-35, Code of Alabama 1975 (as amended)); the Statewide Seed-to-Sale Tracking System (§ 20-2A-54, Code of Alabama 1975 (as amended)), access to and coordination of which shall be paid for and maintained by the licensee; and, as applicable, a third-party inventory control and tracking system (§ 20-2A-60, Code of Alabama 1975 (as amended)), also to be paid for and maintained by the licensee.
- 11.2 – Plan for maintenance and storage of cannabis and medical cannabis at all times while in possession and control of licensee, including the limitation of access to cannabis and medical cannabis to essential personnel by position.
- 11.3 – Quality Control/Quality Assurance Plan. *Provide at Exhibit 21.*
- 11.4 – Contamination and Recall Plan. *Provide at Exhibit 22.*

- 11.5 – Criminal Activity Plan. The Applicant must provide a clear written criminal activity plan, detailing the steps to be undertaken in the event of discovery of criminal activity related to cannabis or medical cannabis within the possession and control of the licensee. The plan must account for the safety of employees and others on the premises, reporting the criminal activity to proper authorities, steps to be taken for the preservation of cannabis or medical cannabis, and the reasonable efforts to maintain access to medical cannabis by those who depend on it.
- 11.6 – Emergency Procedures/Disaster Plan. The Applicant must provide a clear written Emergency Procedures and Disaster Plan, detailing the steps the Applicant will take to ensure the safety of employees and others on the premises, the preservation of cannabis or medical cannabis, and the reasonable efforts to maintain access to medical cannabis by those who depend on it, in the event of any reasonably foreseeable emergency, or natural disaster that may affect the licensee, its facilities, personnel, products or customers.
- 11.7 – Alcohol, Smoke, and Drug Free Workplace Policy. The Applicant must provide a clear written Alcohol, Smoke and Drug Free Workplace Policy, which shall be included in the Employee Handbook and/or the Policies and Procedures Manual.
- 11.8 –Employee Safety Plan in compliance with parallel OSHA standards applicable in workplaces similar to the type(s) proposed by the Applicant.
- 11.9 – Confidential Information and Cybersecurity Plan. The Applicant’s plan for maintaining confidential information and any records required to be confidentially maintained.
- 11.10 – A plan for tracking and proper disposal of waste cannabis or medical cannabis, as necessary.
- 11.11 – Security Plan. *Provide at Exhibit 17.*

Page Limit	30 pages
Maximum Raw Points	100
Weight	4.0
Maximum Weighted Points	400

Exhibit 12 – Policies and Procedures Manual.

A verified copy of the Applicant’s proposed Policies and Procedures Manual, if available. If the Applicant’s proposed Policies and Procedures Manual is unavailable, then the Applicant must provide an explanation as to why it is unavailable and when the Applicant expects it to be available.

Page Limit	No limit for Policies and Procedures Manual. If Policies and Procedures Manual exceeds 25 pages, then a summary of the manual, not to exceed 5 pages, is required.
Maximum Raw Points	50
Weight	4.0
Maximum Weighted Points	200

Exhibit 13 – Production and Manufacturing Process.

The Applicant must:

- 13.1 – Identify which of the approved types of medical cannabis will be produced at each facility where cannabis is to be processed.
- 13.2 – Provide a summary of the manufacturing processes and methods to be utilized to produce each product, including the machinery, equipment, materials, and personnel necessary to produce each product.
- 13.3 – Identify specific plans to ensure safety of personnel and facilities based on the types of processes proposed to be utilized.
- 13.4 – Provide a detailed list of formulae and ingredients for each medical cannabis product, including a list of all excipients to be utilized in the manufacture of each product, and the purpose served by each.

Page Limit	25 pages
Maximum Raw Points	50
Weight	4.0
Maximum Weighted Points	200

Exhibit 14 – Machinery and Equipment.

The Applicant must provide, as available:

- 14.1 – Sales contracts and receipts, lease agreements or other documentation demonstrating possessory interest in all machinery and equipment to be used in the processing of medical cannabis.
- 14.2 – Specifications and operations manuals of all machinery and equipment to be used in the processing of medical cannabis.

Page Limit	20 pages, not including operations manual(s) of machinery and equipment
Maximum Raw Points	50
Weight	4.0
Maximum Weighted Points	200

Exhibit 15 – Receiving and Shipping Plan.

The Applicant must create a receiving and shipping plan that, at a minimum, ensures the following, in coordination with any contracted Secure Transporter or State Testing Laboratory, as applicable:

- 15.1 – Individual batches of cannabis being received for storage and/or processing were appropriately prepared, tagged or otherwise identified, and inserted in containers at the time of receipt.
- 15.2 – Batches and containers arriving from another licensee’s facility or another of the Applicant’s own facilities have been QR coded or otherwise digitally coded to identify, at a minimum, the Cultivator, facility, plant tag or harvest batch number, date of harvest, expiration date (or, if no expiration date, a notation that the expiration date does not

- apply), the date of the cultivator’s State Laboratory testing approval, and the Alabama Poison Control contact information as provided on the AMCC website.
- 15.3 – Incoming cannabis is accompanied by the Secure Transporter’s manifest and other appropriate documentation; the information thereon is accurate and has been duly executed by all appropriate parties.
 - 15.4 – All information from the QR code relating to the incoming cannabis, as well as the date and time of arrival, has been logged into the Statewide-Seed-to-Sale Tracking System.
 - 15.5 – Individual batches of medical cannabis products being shipped from the Applicant’s facility to a Dispensary or Cultivator by means of a Secure Transporter must be appropriately packaged, labeled, and inserted in containers prior to transport.
 - 15.6 – Batches and containers being shipped from the Applicant’s facility to another licensee’s facility or another of the Applicant’s own facilities must be QR coded or otherwise digitally coded to identify, at a minimum, the Processor, facility, type of product, date of processing and packaging, expiration date (or, if no expiration date, a notation that the expiration date does not apply), the date of the Processor’s State Laboratory testing approval, and the Alabama Poison Control contact information as provided on the AMCC website.
 - 15.7 – Outgoing medical cannabis is accompanied by the Secure Transporter’s manifest and other appropriate documentation; the information thereon is accurate and has been duly executed by all appropriate parties.
 - 15.8 – All information from the QR code relating to the outgoing medical cannabis, as well as the date and time of shipment, has been logged into the Statewide-Seed-to-Sale Tracking System.

Page Limit	10 pages
Maximum Raw Points	50
Weight	4.0
Maximum Weighted Points	200

PART V. – FACILITY SUITABILITY & INFRASTRUCTURE

Exhibit 16 – Facilities.

A statement of the following, regarding **each** facility the Applicant proposes to operate, as of the commencement of operations and within two (2) years thereafter:

- 16.1 – The facility name and type.
- 16.2 – The physical address and GPS coordinates of the facility.
- 16.3 – An aerial photograph of the facility, including clearly identified site boundaries.
- 16.4 – Proof of authorization for the Applicant to occupy the property where the facility is proposed to be located.
- 16.5 – Proof of local zoning and other approvals necessary to operate the business in the local jurisdiction where the business is located, including but not limited to the local

jurisdiction’s ordinance or resolution approving the operation of medical cannabis facilities there.

- 16.6 – A professionally rendered blueprint (or, if not available, a professionally rendered floorplan or schematic) of the facility, showing clearly drawn and labeled interiors of the facility, including but not limited to the general function of each area of the structure, for ease in identification of operations and processes by the Commission during future inspections.
- 16.7 – A timetable for completion and commencement of operations as to the facility.
- 16.8 – A statement whether the facility shall be open to the public and if so the anticipated hours of business operation.
- 16.9 – The hours of operation during which the facility will be occupied by Applicant’s employees; if not continuous, the after-hours contact information for management.

Page Limit	15 pages per proposed facility
Maximum Raw Points	100
Weight	4.0
Maximum Weighted Points	400

PART VI. – SECURITY PLAN

Exhibit 17 – Security Plan.

The Applicant’s Security Plan must include a plan for security at each facility, including but not limited to the following:

- 17.1 – Twenty-four-hour alarm systems must be installed in all facilities where cannabis or medical cannabis products are present. Such alarms shall be provided and installed by experts in industry-standard commercial-grade alarm systems. Alarm systems must be fully operational, securing all entry points and perimeter windows, be equipped with motion detectors and pressure switches, and must cover all areas where cannabis or medical cannabis products are delivered, received, handled, stored, prepared, processed, tested, packaged, labeled, or readied for transport.
- 17.2 – Reception areas and personnel adjacent to ingress and egress points shall have ready access to duress panic and hold-up alarms that may be activated in the event of access by unauthorized personnel or intruders.
- 17.3 – Broadcast communication devices (cell phones, intercom equipment or the like) must be:
 - Carried by each employee or installed in all areas of each facility designed for regular access by humans.
 - Accessible for communication by all personnel at all times, and particularly at perimeter ingress/egress stations, facility reception areas, and the security office.
 - Capable of providing information with sufficient clarity to be heard and understood by all personnel and visitors within earshot of the employee receiving the communication.

- 17.4 – The Applicant, at each of its facilities, shall maintain an audio/video surveillance system that shall be in continuous operation 24 hours per day. Cameras shall be fixed in place covering both the interior and exterior of the facility, in such quantity, with such lighting, and at such resolution as shall allow for the clear identification of individuals and activities in all reasonably accessible areas of the premises, including but not limited to all entrances, exits, parking lots, and any area where cannabis or medical cannabis is delivered, received, handled, stored, prepared, processed, tested, packaged, labeled, or readied for transport. Audio/Video surveillance recordings must clearly and accurately display the time and date. Audio recordings shall clearly and accurately capture sound within camera range at a level of 20 decibels or greater. (Note: Audio/Video surveillance records must be kept for at least 60 days, and longer upon the request of the Commission, its inspectors, or any law enforcement personnel. Audio/Video recordings potentially reflecting an incident of actual or attempted diversion must be kept for the longer of a period of two years, or until resolution of the incident and apprehension and discipline or prosecution of the individuals involved in the actual or attempted diversion.)
- 17.5 – The perimeter and any outdoor premises of each of the Applicant’s facilities must be surrounded by a sufficient fence or barrier to prevent access by unauthorized persons and must have sufficient lighting to allow for the proper functioning of video surveillance equipment at all times between dusk and dawn or at any other time when ambient lighting requires enhancement to permit identification of individuals or activities upon or immediately adjacent to the premises. Indoor premises must likewise be sufficiently lit to allow for the identification of individuals and activities.
- 17.6 – Exterior doors of each facility operated by the Applicant must be designed or reinforced to withstand unlawful forcible entry; exterior doors shall, at all times, remain locked against outside intruders, while allowing free egress by the facility’s occupants in the event of an emergency; doors must permit ingress to employees and other appropriate persons only by means of a keycard or other similar electronic access device.
- 17.7 – Exterior walls of each facility operated by the Applicant must be reinforced to withstand unlawful forcible entry. Windows, likewise, must be reinforced to prevent breakage by outside intruders.
- 17.8 – The Applicant must maintain sufficient staffing of security guards at each facility where cannabis and medical cannabis is present to reasonably ensure the safety of the products stored therein; however, the Applicant must maintain, at a minimum, one (1) security guard per facility during the facility’s business/operating hours.
- 17.9 – Strict access controls shall protect areas where cannabis or medical cannabis is handled or stored – in a secured, locked room or vault.
- 17.10 – Records, whether electronic or manual, must be kept of all persons on the premises at a facility at all times, including employees, vendors, transporters or other licensees, and all others, recording each individual’s name, the date and time of ingress and egress, and (as to non-employees) the reason for their presence. (Note: Such records shall be kept for a minimum of two years, and longer at the request of the Commission or law enforcement.)
- 17.11 – Employees, while on duty, shall wear identification badges that clearly identify them as employees.

- 17.12 – Visitors, including vendors, other licensees, Commission members, inspection personnel, or other representatives must wear a “visitor pass” or “AMCC Official” pass, as applicable, at all times while on the Applicant’s premises.
- 17.13 – The Applicant’s proposed policies to report theft, diversion, or other loss of cannabis products to the Commission and to law enforcement as early as practicable and not more than 24 hours from the event or its discovery.
- 17.14 – The Applicant’s verification that, upon request, it will make available to the Commission or its inspectors all information relating to the Applicant’s security plan, including, but not limited to, security alarm systems, monitoring, alarm activity, maps of camera locations and camera coverage, audio/video footage, surveillance equipment maintenance logs, authorized use lists, operation instructions, and any other security-related information deemed relevant by the Commission or its inspectors.

Page Limit	20 pages
Maximum Raw Points	100
Weight	4.0
Maximum Weighted Points	400

PART VII. – PERSONNEL

Exhibit 18 – Personnel.

A roster of all personnel (all leaders and employees) affiliated with the Applicant, including names, street addresses, contact telephone numbers, email addresses and social security numbers, current to within thirty (30) days prior to the date of application, and the Applicant’s verification that, if the Applicant is issued a business license, all employees will be registered to the AMCC website and will undergo appropriate pre-employment background checks. **[Use FORM G: PERSONNEL ROSTER & VERIFICATION]**

Page Limit	As necessary using required form(s). Information outside of form(s) will not be considered.
Maximum Raw Points	25
Weight	1.0
Maximum Weighted Points	25

Exhibit 19 – Business Leadership Credentials.

The Applicant must provide:

- 19.1 – A curriculum vitae for the business, demonstrating the education, experience, and other credentials of its leadership, including but not limited to all scientists and engineers employed at each facility.
- 19.2 – A detailed explanation of the role each leader, scientist or engineer is to have in the processing of medical cannabis at each facility.
- 19.3 – A 5-year hiring plan for its leaders, scientists, and engineers, identifying the types, positions, required education, required experience, and expected roles of such personnel.

Page Limit	10 pages
Maximum Raw Points	100
Weight	1.0
Maximum Weighted Points	100

Exhibit 20 – Employee Handbook.

A verified copy of the Applicant’s proposed Employee Handbook, if available, including, but not limited to, safety policies, including personnel safety and crime prevention techniques. If the Applicant’s proposed Employee Handbook is unavailable, then the Applicant must provide an explanation as to why it is unavailable and when the Applicant expects it to be available.

Page Limit	No limit for Employee Handbook. If Employee Handbook exceeds 25 pages, then a summary of the handbook, not to exceed 5 pages, is required.
Maximum Raw Points	50
Weight	1.0
Maximum Weighted Points	50

PART VIII. – QUALITY CONTROL & TESTING

Exhibit 21 – Quality Control and Quality Assurance Plan.

The Applicant must provide a quality control and quality assurance plan for each of its facilities, identifying:

- 21.1 – An overview of the steps to be taken in the manufacturing process to provide high quality products and/or to ensure the safety, potency, stability, lifespan, and consistency among batches of the same product, whether as required by law or otherwise.
- 21.2 – A plan for performing, at its own expense after licensure, quality control and testing of a qualified sampling (as defined in Chapter 10 of the Rules) of medical cannabis in its control, regardless of whether said medical cannabis has been packaged, labeled and sealed. Such testing shall be conducted by a State Testing Laboratory (as detailed in Chapter 10 of the Rules). The plan shall include, but is not limited to, the following:
 - What tests will be conducted, if any, at each stage of processing.
 - Whether the testing at each stage will be performed in house, through unofficial private testing performed by a State Testing Laboratory, or through an official test by a State Testing Laboratory.
- 21.3 – A plan for return and remediation or destruction of any failed test samples, including entry of the event on the Statewide Seed-to-Sale Tracking System.

Page Limit	20 pages
Maximum Raw Points	100
Weight	3.0
Maximum Weighted Points	300

Exhibit 22 – Contamination and Recall Plan.

The Applicant must provide a detailed contamination and recall plan that will be followed in the event one or more of its products, including any lots or batches thereof, is determined to require recall. The plan must include, but is not limited to, the following:

- 22.1 – Provisions for notifying the Applicant of an adverse event.
- 22.2 – Factors about an adverse event that would likely necessitate a recall, and any potential for retesting or remediation.
- 22.3 – Responsible individuals or positions within the Applicant’s organization who will oversee the recall process.
- 22.4 – Accounting for the safety of employees and others on the premises.
- 22.5 – Notification protocols to other licensees and the Commission through the Statewide Seed-to-Sale Tracking System, and to any other proper authorities.
- 22.6 – Processes to ensure that the recalled product is returned, remediated (and approved as safe), or destroyed.
- 22.7 – Processes to report to the Commission and any other appropriate regulatory body regarding crisis response and steps taken to mitigate or avoid danger to the public.
- 22.8 – Steps to be taken to avoid further contamination, to preserve and protect uncontaminated cannabis or medical cannabis products, and to ensure access to said products by those who depend on it.
- 22.9 – Investigation and analysis of the factors that led to the unsafe condition requiring the recall, and any adjustments to internal protocols and processes to avoid recurrence.

Page Limit	10 pages
Maximum Raw Points	50
Weight	3.0
Maximum Weighted Points	150

PART IX. – MARKETING & ADVERTISING

Exhibit 23 – Marketing and Advertising Plan.

The Applicant must provide a marketing and advertising plan, if any, including (as applicable):

- 23.1 – Any proposed logos, branding, messaging, or other marketing or advertising communications, providing exemplars of any specific advertisements.
- 23.2 – Any specific media outlets or platforms where the marketing or advertising campaigns or programs will be utilized.
- 23.3 – The identity of any media outlet or third-party individual or entity who is projected to play any role in the Applicant’s marketing or advertising efforts, and copies of all contracts or contract forms proposed for use, if any, between itself and such media outlet or third-party individual or entity.
- 23.4 – Virtual renderings of all packaging to be provided by the Applicant, demonstrating the size, color, logo, artwork, or statements appearing on the packaging, as well as all

child-resistant, tamper-evident, or other safety features, demonstrating conformity with the Act and the AMCC Rules.

- 23.5 – Exemplars of all proposed labeling, including labels on packaging, on containers and any inserts to be included in any packages, demonstrating conformity with the Act and the AMCC Rules.

Page Limit	20 pages
Maximum Raw Points	50
Weight	1.0
Maximum Weighted Points	50

Exhibit 24 – Website and Social Media.

- 24.1 – A complete site map of each website owned or operated by the Applicant.
- 24.2 – The web address of each webpage, social media page, or other online site owned or operated by the Applicant.

Page Limit	10 pages
Maximum Raw Points	25
Weight	1.0
Maximum Weighted Points	25

Appendix: Exhibit Template

The exhibit template on the following pages is designed in accordance with the exhibit instructions (Section 3.1). The template should be used as a guide for the Applicant to comply with the formatting of the exhibit cover page and exhibit contents; however, the template is not necessarily an exhaustive example of any exhibit, including the specific exhibit that was used for the template (“Exhibit 16 – Facilities” for Processor Applicants). The formatting of all exhibits, including any exhibit attachments, must be in accordance with the exhibit instructions (Section 3.1) and each exhibit must contain the information detailed in the exhibit descriptions (Section 3.2).

Exhibit 16 – Facilities

Verification

The undersigned verifies that the information contained in this Exhibit, including any attachments thereto, is accurate and complete, based on the best available information at the date of verification.

Printed Name of Verifying Individual

Title of Verifying Individual

Signature of Verifying Individual

Verification Date

16.1 Facility Name and Type

Facility Name: Anytown Cannabis Processing Facility

Facility Type: Processing Facility

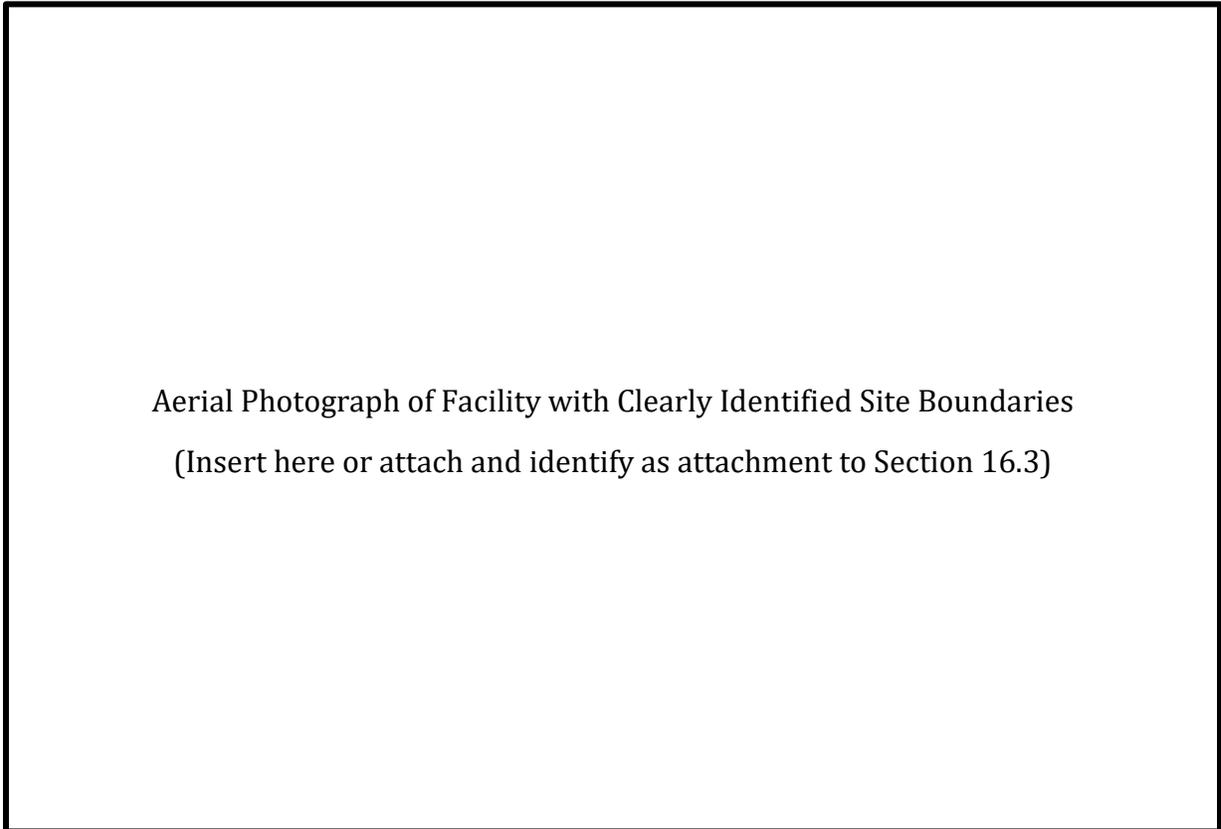
16.2 Physical Address & GPS Coordinates of Facility

123 Main Street

Anytown, AL 55555

GPS Coordinates: XX° XX' XX.X" N YY° YY' YY.Y" E

16.3 Aerial Photograph of Facility



16.4 Proof of Authorization to Occupy Property

The Applicant leases the property identified in 16.2 above. See attached lease agreement (identified as “Lease Agreement – Attachment to Exhibit 16, Section 16.4”).

16.5 – Local Jurisdiction Approvals

The applicant has included a certified copy of the zoning ordinance to demonstrate that the applicant is permitted to operate the proposed facility at the proposed location (identified as “Zoning Ordinance – Attachment to Exhibit 16, Section 16.5”).

16.6 – Blueprint of Facility

The blueprint for the facility identified in 16.1 above is attached hereto and identified as “Blueprint – Anytown Cannabis Processing Facility – Attachment to Exhibit 16, Section 16.6”).

16.7 – Facility Timetable

The applicant expects that construction of the Anytown Cannabis Processing Facility, including compliance with all facility requirements under the Act and the AMCC Rules, will be complete on or before December 25, 2022.

The applicant expects that it will be able to commence operations at the Anytown Cannabis Processing Facility immediately upon licensure by the Commission.

16.8 – Public Access to Facility

The Anytown Cannabis Processing Facility will not be open to the public.

16.9 – Facility Hours of Operation / After Hours Contact

The applicant anticipates that the Anytown Cannabis Processing Facility will be occupied by the applicant's employees seven days per week from 6:00 a.m. until 6:00 p.m.

After Hours Management Contact

John Doe, Lead Manager

888 Neighborly Lane

Anytown, AL 55555

Home phone: (555) 555-9999

Cell phone: (555) 555-8888

Additional Notes on Exhibit 16:

The information contained in this exhibit is based on the best available knowledge to the applicant at the time of submission. The applicant will update or amend any information in this exhibit that may change. The applicant does not propose any additional facilities.