

**CCS of Alabama, LLC Written Grounds for Redaction**

CCS of Alabama, LLC (“CCSA”) is an applicant for a medical marijuana dispensary license. CCSA understands that AMCC is an entity of the State of Alabama and any documents or data submitted to the State of Alabama may be disclosed by the State pursuant to an Alabama Public Information Request.

While Section 36-12-40 of the Alabama Code (the “Open Records Act”) permits certain exclusions from disclosure, CCSA understands that AMCC or the State make no guarantee or promises that such data will not be disclosed. We have reviewed the Open Records Act, as well as relevant case law.

CCSA understands that the Exhibits and data provided to the Commission may not be confidential or trade secrets (as defined in Section 8-27-2(1) of the Alabama Code “Trade Secrets Act”), or if confidential or a trade secret, may or may not be disclosed pursuant to the Alabama Open Records Act and the Trade Secrets Act.

CCSA further understands that exhibits consisting of trade secrets or confidential information must be clearly marked and have included a legal justification for each exhibit so marked.

**Part I – Ownership**

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

The Resume or Curriculum Vitae of Individuals with Ownership Interest in CCSA is both a trade secret, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a)(2), Code of Alabama 1975 (as amended). First, this Exhibit contains personally identifiable information as to the owners and investors of CCSA. Second, if this information were disclosed, CCSA’s competitors would be able to infer details regarding the financial status of the company and its principals, which would allow those competitors to design business and operational plans attempting to take advantage of this fact. Third, the information contained in each Resume or Curriculum Vitae includes personally identifiable information that, if disclosed, would have “an impact upon, the security and safety of [our Owners].”<sup>1</sup> The Company protects the secrecy of this information by limiting knowledge on a need-to-know basis and protecting the same with confidentiality agreements. Allowing this information to be released could provide nefarious persons with the necessary information to endanger the safety of our Owners.

### **Exhibit 2 – Residency of Owners**

The records indicating the residency of CCSA's Owners are both trade secrets, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a)(2), Code of Alabama 1975 (as amended). The identities of the Company's employees, contractors and principals are highly guarded trade secrets protected by nondisclosure agreements. Especially if the Company wins a license, the Company's agents and principals could be identified by its competitors and poached, allowing the Company's competitors to secure superior personnel at little or no cost. This risk is magnified to CCSA versus other companies, as the Company's owners are often also its service providers. Additionally, the release of this personal information should be excluded from disclosure under the Open Records Act since disclosure would have "an impact upon, the security and safety of [our Owners]." <sup>2</sup> Allowing this information to be released could also provide bad actors with the means to endanger the safety of our Owners.

### **Exhibit 3 – Criminal Background Check**

The information contained in the records requested, including: (1) Form B: Background Check Applicant Verification; (2) Form C: State Background Check (ALEA); (3) Form D: National Background Check (FBI); and (4) Form: Background Check Individual Verification is both confidential information with a protectible interest, per § 8-1-191(a)(2), Code of Alabama 1975 (as amended) and a trade secret, per § 8-27-2(1), Code of Alabama 1975 (as amended). The identities of the Company's employees, contractors and principals are highly guarded trade secrets protected by nondisclosure agreements. Especially if the Company wins a license, the Company's agents and principals could be identified by its competitors and poached, allowing the Company's competitors to secure superior personnel at little or no cost. The Company protects the secrecy of this information by limiting knowledge on a need-to-know basis and protecting the same with confidentiality agreements. The release of this personal information should also be excluded from disclosure under the Open Records Act since disclosure would have "an impact upon, the security and safety of [our Owners]." <sup>3</sup> Allowing this information to be released could provide those with malicious intentions the means to endanger the safety of our Owners.

## **Part II – Financial Ability**

### **Exhibit 4 – Demonstration of Sufficient Capital**



CCSA's demonstration of sufficient capital available to use, as well as the source of that capital, and verification of the same are both trade secrets, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a)(2)-(4)(a), Code of Alabama 1975 (as amended). The capitalization of the Company is obviously financial information, and the Company keeps such information highly confidential, both by limiting knowledge to senior management and through nondisclosure agreements, to ensure both the privacy of its investors and that its competitors are unaware of the depth of its resources. Additionally, the release of personal information related to CCSA's ability to raise capital should be excluded from disclosure under the Open Records Act since disclosure would have "an impact upon, the security and safety of persons" (i.e., the sources of our capital).<sup>4</sup> Allowing this information to be released could provide corrupt individuals with the means to endanger the safety of our sources of capital.

#### **Exhibit 5 – Financial Statements**

CCSA's current financial statements (including, but not limited to, our balance sheet report, profit and loss report, and statement of cash flow, and pro forma) are both trade secrets, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a)(2) & (3), Code of Alabama 1975 (as amended). The identities of the Company's employees, contractors and principals are highly guarded trade secrets protected by nondisclosure agreements. Especially if the Company wins a license, the Company's agents and principals could be identified by its competitors and poached, allowing the Company's competitors to secure superior personnel at little or no cost.

#### **Exhibit 6 – Tax Plan**

CCSA's tax plan is both a trade secret, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a)(2) & (3), Code of Alabama 1975 (as amended). The identities of the Company's employees, contractors and principals are highly guarded trade secrets protected by nondisclosure agreements. Especially if the Company wins a license, the Company's agents and principals could be identified by its competitors and poached, allowing the Company's competitors to secure superior personnel at little or no cost.

### **Part III – Business/Management Approach**

#### **Exhibit 7 – Business Formation Documents**

CCSA's Formation Documents (excluding our Certificate of Formation, which can be found on the Alabama Secretary of State's website) are both trade secrets, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a)(2), Code of Alabama 1975 (as amended). This Exhibit contains personally identifiable information as to the owners and investors of CCSA and CCSA itself. the release of this personal information should be excluded from disclosure under the Open Records Act since disclosure would have "an impact upon, the security and safety of [our Owners]." <sup>5</sup> Allowing this information to be released could also provide bad actors with the means to endanger the safety of our Owners.

**Exhibit 9 – Business Plan**

The information contained in Exhibit 9 is both a trade secret, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a)(2)-(4), Code of Alabama 1975 (as amended). This Exhibit contains personally identifiable information as to the owners, principals and employees of CCSA. The identities of the Company's employees, contractors and principals are highly guarded trade secrets protected by nondisclosure agreements. Especially if the Company wins a license, the Company's agents and principals could be identified by its competitors and poached, allowing the Company's competitors to secure superior personnel at little or no cost. Additionally, the release of CCSA's Business Plan, and the personal and professional information contained therein, should be excluded from disclosure under the Open Records Act since disclosure would have "an impact upon, the security and safety of [our Owners and principals]." <sup>6</sup> Allowing this information to be released could provide delinquent individuals with the means to endanger the safety of our Owners and principals.

**Exhibit 11 – Coordination of Information from Registered Certifying Physicians**

The information contained in Exhibit 11 is both a trade secret, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a)(2)-(4), Code of Alabama 1975 (as amended). This Exhibit contains information related to the employees of CCSA. The identities of the Company's employees, contractors and principals are highly guarded trade secrets protected by nondisclosure agreements. Especially if the Company wins a license, the Company's agents and principals could be identified by its competitors and poached, allowing the Company's competitors to secure superior personnel at little or no cost.

**Exhibit 12 – Point-of-Sale Responsibilities**

The information contained in Exhibit 12 is both a trade secret, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a)(2)-(4), Code of Alabama 1975 (as amended). This Exhibit contains information related to the employees of CCSA. The identities of the Company’s employees, contractors and principals are highly guarded trade secrets protected by nondisclosure agreements. Especially if the Company wins a license, the Company’s agents and principals could be identified by its competitors and poached, allowing the Company’s competitors to secure superior personnel at little or no cost.

**Exhibit 13 – Confidentiality of Patient Information**

The information contained in Exhibit 13 is both a trade secret, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a)(2)-(4), Code of Alabama 1975 (as amended). This Exhibit contains information related to the employees of CCSA. The identities of the Company’s employees, contractors and principals are highly guarded trade secrets protected by nondisclosure agreements. Especially if the Company wins a license, the Company’s agents and principals could be identified by its competitors and poached, allowing the Company’s competitors to secure superior personnel at little or no cost.

**Exhibit 14 – Money Handling and Taxes**

The information contained in Exhibit 14 is both a trade secret, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a)(2)-(4), Code of Alabama 1975 (as amended). This information is proprietary in nature and includes information related to CCSA’s internal processes and procedures, company software, security policies, and commercial relationships with third-party professionals.<sup>7</sup> This Exhibit contains information related to the employees of CCSA. The identities of the Company’s employees, contractors and principals are highly guarded trade secrets protected by nondisclosure agreements. Especially if the Company wins a license, the Company’s agents and principals could be identified by its competitors and poached, allowing the Company’s competitors to secure superior personnel at little or no cost. Additionally, the security information contained in this Exhibit 14 should be excluded from disclosure under

the Open Records Act since disclosure would have “an impact upon, the security and safety of persons, structures, facilities, [and] other infrastructures.”<sup>8</sup> The disclosure of our security information would severely undermine the secure operations that we pride ourselves on maintaining.

#### **Part IV – Operating Plan and Procedures**

##### **Exhibit 15 – Standing Operating Plan and Procedures**

CCSA’s verified Standard Operating Plan and Procedures, including its comprehensive IT plan; maintenance storage of medical cannabis plan; Criminal Activity Plan; Confidential Information and Cybersecurity Plan; Tracking and Proper Disposal of cannabis waste plan; and Security Plan are all trade secrets, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a), Code of Alabama 1975 (as amended). This information is proprietary in nature and includes information related to CCSA’s internal processes and procedures, company software, security policies, and commercial relationships with third-party professionals.<sup>9</sup> The Company derives economic value from the secrecy of this plan, from the fact that our competitors, lacking plans of comparable quality, will be less able to handle this process in a timely and efficient manner allowing CCSA to capture a greater share of the market. Our standard operating procedures are peerless within the industry and will enable the Company to regulate its operations far better than its competitors. The Company protects the secrecy of this information by limiting knowledge on a need-to-know basis and protecting the same with confidentiality agreements. Additionally, disclosure of this plan could not only compromise the safety and security of the Company but also of those we seek to develop relationships with. As such, the information contained in this Exhibit 15 should be excluded from disclosure under the Open Records Act since disclosure would have “an impact upon, the security and safety of persons, structures, facilities, [and] other infrastructures.”<sup>10</sup> Allowing this information to be released could provide wrongdoers with a roadmap for how to circumvent our various physical and cybersecurity systems protecting our business and facilities.

##### **Exhibit 16 – Policies and Procedures Manual**

The verified copy of CCSA’s proposed Policies and Procedures Manual is a trade secret, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a), Code of Alabama 1975 (as amended). This information is proprietary

in nature and includes information related to CCSA's internal processes and procedures, company software, security policies, and commercial relationships with third-party professionals.<sup>11</sup> The Company derives substantial economic value from the secrecy of this plan, from the fact that our competitors, lacking plans of comparable quality, will be less able to handle this process in a timely and efficient manner allowing CCSA to capture a greater share of the market. The Company protects the secrecy of this information by limiting knowledge on a need-to-know basis and protecting the same with confidentiality agreements. Additionally, the security information contained in this Exhibit 16 should be excluded from disclosure under the Open Records Act since disclosure would have "an impact upon, the security and safety of persons, structures, facilities, [and] other infrastructures."<sup>12</sup> Allowing this information to be released could provide lawbreakers with a roadmap for how to circumvent our various physical and cybersecurity systems protecting our business and facilities.

#### **Part V. – Facility Suitability & Infrastructure**

##### **Exhibit 18 – Facilities**

Information related to CCSA's proposed facility, including the name and type of facility; its address; photographs; authorization to occupy; zoning approval; blueprints and floorplans; timetable for completion and commencement of operations; public availability of facility; and hours of operations is all trade secrets, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a), Code of Alabama 1975 (as amended). This information is proprietary in nature and includes information related to CCSA's internal processes and procedures, company software, security policies, and commercial relationships with third-party professionals.<sup>13</sup> The Company derives substantial economic value from the secrecy of this plan, from the fact that our competitors, lacking plans of comparable quality, will be less able to handle this process in a timely and efficient manner allowing CCSA to capture a greater share of the market. The Company protects the secrecy of this information by limiting knowledge on a need-to-know basis and protecting the same with confidentiality agreements. Additionally, the facility and infrastructure information contained in this Exhibit 18 should be excluded from disclosure under the Open Records Act since disclosure would have "an impact upon, the security and safety of persons, structures, facilities, [and] other infrastructures."<sup>14</sup> Allowing this information to be released could provide burglars with a roadmap for where and how to enter our facilities.

#### **Part VI. – Security Plan**

## **Exhibit 19 – Security Plan**

CCSA's Security Plan is both a trade secret, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a), Code of Alabama 1975 (as amended). This information is proprietary in nature and includes information related to CCSA's internal processes and procedures, company software, security policies, and commercial relationships with third-party professionals.<sup>15</sup> The Company derives substantial economic value from the secrecy of this plan, from the fact that our competitors, lacking plans of comparable quality, will be less able to handle this process in a timely and efficient manner allowing CCSA to capture a greater share of the market. The Company protects the secrecy of this information by limiting knowledge on a need-to-know basis and protecting the same with confidentiality agreements. Additionally, the security information contained in this Exhibit 19 should be excluded from disclosure under the Open Records Act since disclosure would have "an impact upon, the security and safety of persons, structures, facilities, [and] other infrastructures."<sup>16</sup> The disclosure of our security information would severely undermine the secure operations that we pride ourselves on maintaining.

## **Part VII. – Personnel Exhibit**

### **20 – Personnel**

The roster of all personnel (all leaders and employees affiliated with CCSA) is confidential information with a protectible interest, per § 8-1-191(a), Code of Alabama 1975 (as amended). The names, street addresses, contact telephone numbers, email addresses, and social security numbers are all confidential information that if made public, could endanger the security or safety of our employees.<sup>17</sup> The identities of the Company's employees and contractors are highly guarded trade secrets protected by nondisclosure agreements. Especially if the Company wins a license, the Company's employees and contractors could be identified by its competitors and poached, allowing the Company's competitors to secure superior personnel at little or no cost. The Company protects the secrecy of this information by limiting knowledge on a need-to-know basis and protecting the same with confidentiality agreements. As such, the Company derives actual independent economic value from the fact that this information is not known to or readily ascertainable by its competitors. Additionally, the personal information contained in this Exhibit 20 should be excluded from disclosure under the Open Records Act since disclosure would have "an impact upon, the security and safety of persons (i.e., our

personnel).”<sup>18</sup> Allowing this information to be released could provide degenerate schemers with the means to endanger the safety of the leaders and employees affiliated with CCSA.

**Exhibit 21 – Business Leadership Credentials**

The business credentials of CCSA’s leadership team are both a trade secret, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a), Code of Alabama 1975 (as amended). The background information on its leadership team, including their education, experience, and other credentials that make them highly qualified to lead our proposed operations, is intended for use in our business, includes imbedded methodologies into our hiring focus and process, is not publicly known and cannot be readily ascertained easily, is a subject of protection within CCSA, and has inherent significant value.<sup>19</sup> We have vetted our company leaders and spent resources gathering this information into a single curriculum vitae for the business. Making this information public would provide our competitors with an unfair advantage and potentially expose our leadership team to security and safety threats. The Company protects the secrecy of this information by limiting knowledge on a need-to-know basis and protecting the same with confidentiality agreements. Additionally, the personal information contained in this Exhibit 21 should be excluded from disclosure under the Open Records Act since disclosure would have “an impact upon, the security and safety of persons (i.e., our leadership team).”<sup>20</sup> Allowing this information to be released could provide the criminally minded with the means to endanger the safety of our leaders.

**Part VIII. – Quality Control & Testing**

**Exhibit 23 – Quality Control and Quality Assurance Plan**

The information contained in Exhibit 23 is both a trade secret, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a)(2)-(4), Code of Alabama 1975 (as amended). This Exhibit contains information related to the employees of CCSA. The identities of the Company’s employees, contractors and principals are highly guarded trade secrets protected by nondisclosure agreements. Especially if the Company wins a license, the Company’s agents and principals could be identified by its competitors and poached, allowing the Company’s competitors to secure superior personnel at little or no cost.

**Exhibit 24 – Contamination and Recall Plan**

The information contained in Exhibit 24 is both a trade secret, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a)(2)-(4), Code of Alabama 1975 (as amended). This Exhibit contains information related to the employees of CCSA. The identities of the Company's employees, contractors and principals are highly guarded trade secrets protected by nondisclosure agreements. Especially if the Company wins a license, the Company's agents and principals could be identified by its competitors and poached, allowing the Company's competitors to secure superior personnel at little or no cost.

## **Part IX – Marketing & Advertising**

### **Exhibit 25 – Marketing and Advertising Plan**

CCSA's marketing and advertising plan is both a trade secret, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a), Code of Alabama 1975 (as amended). The information contained in this plan includes pricing information and methodologies, potential customer data and information, marketing plans, business strategies and techniques, and commercial relationships.<sup>21</sup> The Company derives substantial economic value from the secrecy of these plans and procedures, from the fact that our competitors, lacking plans and procedures of comparable quality, will be less able to handle this process in a timely and efficient manner allowing CCSA to capture a greater share of the market. The Company protects the secrecy of this information by limiting knowledge on a need-to-know basis and protecting the same with confidentiality agreements. Additionally, the information contained in this Exhibit 25 should be excluded from disclosure under the Open Records Act since disclosure would have "an impact upon, the security and safety of persons (i.e., our customers and third parties)."<sup>22</sup> Disclosure of this plan could not only compromise our operational edge but also the security and safety of customers and third parties with whom we plan to develop relationships.

### **Exhibit 26 – Website and Social Media**

The information contained in Exhibit 26 is both a trade secret, per § 8-27-2(1), Code of Alabama 1975 (as amended) and confidential information with a protectible interest, per § 8-1-191(a)(2)-(4), Code of Alabama 1975 (as amended). This Exhibit contains information related to the employees of CCSA. The identities of the Company's employees, contractors and principals are highly guarded trade secrets protected by nondisclosure agreements. Especially if the Company wins a license, the Company's agents and principals could be



identified by its competitors and poached, allowing the Company's competitors to secure superior personnel at little or no cost.

- 
- <sup>1</sup> § 36-12-40, Code of Alabama 1975 (as amended).
  - <sup>2</sup> § 36-12-40, Code of Alabama 1975 (as amended).
  - <sup>3</sup> § 36-12-40, Code of Alabama 1975 (as amended).
  - <sup>4</sup> § 36-12-40, Code of Alabama 1975 (as amended).
  - <sup>5</sup> § 36-12-40, Code of Alabama 1975 (as amended).
  - <sup>6</sup> § 36-12-40, Code of Alabama 1975 (as amended).
  - <sup>7</sup> § 8-1-191(a)(2)-(3), Code of Alabama 1975 (as amended).
  - <sup>8</sup> § 36-12-40, Code of Alabama 1975 (as amended).
  - <sup>9</sup> § 8-1-191(a)(2)-(3), Code of Alabama 1975 (as amended)
  - <sup>10</sup> § 36-12-40, Code of Alabama 1975 (as amended).
  - <sup>11</sup> § 8-1-191(a)(2)-(3), Code of Alabama 1975 (as amended).
  - <sup>12</sup> § 36-12-40, Code of Alabama 1975 (as amended).
  - <sup>13</sup> § 8-1-191(a)(2)-(3), Code of Alabama 1975 (as amended).
  - <sup>14</sup> § 36-12-40, Code of Alabama 1975 (as amended).
  - <sup>15</sup> § 8-1-191(a)(2)-(3), Code of Alabama 1975 (as amended).
  - <sup>16</sup> § 36-12-40, Code of Alabama 1975 (as amended).
  - <sup>17</sup> § 36-12-40, Code of Alabama 1975 (as amended).
  - <sup>18</sup> § 36-12-40, Code of Alabama 1975 (as amended).
  - <sup>19</sup> § 8-27-2(1)(a), (b), (c), Code of Alabama 1975 (as amended).
  - <sup>20</sup> § 36-12-40, Code of Alabama 1975 (as amended).
  - <sup>21</sup> § 8-1-191(a)(2), (3) Code of Alabama 1975 (as amended).
  - <sup>22</sup> § 36-12-40, Code of Alabama 1975 (as amended).



Review

Selected Account: CCS of Alabama LLC

Your application has been filed with the Alabama Medical Cannabis Commission. Your reference code is 1611.

File Date : 03/03/2023 12:17 PM

Your transaction ID is : 88953206

Transaction Token: a6513047-d735-474f-a027-72b391980662

If you do not receive email notifications, please check your spam folder.

You must print or save this page as a PDF as part of your redacted filing.

Request for Business Application Information

Request Number: 0429

General Applicant Information

Applicant Name : CCS of Alabama LLC

Applying as: Business Entity

Trade Name (DBAs)

Identification Number Type : FEIN

Federal Tax Identification Number

Business Entity Name : CCS of Alabama LLC

Business Entity Type : Limited Liability Company

Secretary of State Entity ID Number : 001026464

Federal Business Code No : 453998

Date of Qualification, Organization or Incorporation : 06/22/2022

Applicant Street Address

Street: 1901 6TH AVENUE

Unit No / Apt No : STE 1700

City: BIRMINGHAM

County: 37-Jefferson

State: Alabama

Zip Code: 35203

Address Verified?: Yes

## Applicant Mailing Address

---

✓ **Street:** 1901 6TH AVE  
N

✓ **Unit No /** : STE 1700  
**Apt No**

✓ **City:** BIRMINGHAM

✓ **State:** Alabama

✓ **Zip Code:** 35203

✓ **Address Verified?:** Yes

**Applicant** :  
**Website**

✓ **Applicant** : ccsofalabama  
**Email** @gmail.com  
**Address**

✓ **Applicant** :  
**Phone** :  
**Number**

✓ **Do you have a management service agreement in place?:**

No

✓ **Is the applicant: (1) at least 51% owned by (or, in the case of a corporation, 51% of the shares belong to) members of any minority group (as defined by 20-2A-51(b)), and (2) managed and controlled in its daily operations by members of any minority group?** :No

## Primary Contact Person

---

✓ **Last**

✓ **Title:** Owner, Manage  
r

✓ **Ema**

**Unit N**  
**Apt No**

✓ **City**

✓ **Address Verified?:** Yes

## License Information

---

✓ **License Type:** Dispensary

## Facility Information

---

## Facility Information

---

✓ **Facility Type** : Dispensing Site (Retail Facility)

✓ **Dispensing Site Premises**: Stand Alone Building

## Physical Address

---

✓ **Street:** 5232 ATLANTA HWY

**Unit No / Apt No** :

✓ **City:** MONTGOMERY

✓ **County:** 51-Montgomery

✓ **State:** Alabama

✓ **Zip Code:** 36109

✓ **Address Verified?** : Yes

## Facility Information Questions

---

✓ **Applicant's interest in property where proposed facility is located** : Leases/Rents

✓ **Is this facility under construction?** : Yes

✓ **Estimated date of construction completion** : 09/30/2023

✓ **The number of days, if awarded a license, within which the Applicant reasonably projects it will commence operations at this facility** : 184

✓ **The number of days, if awarded a license, within which the Applicant reasonably projects it will reach full capacity at this facility** : 184

✓ **Does the applicant verify that this proposed facility will be in a permissible location, if applicable, and will maintain compliance with all State and local laws, resolutions and ordinances?** : Yes

---

✓ **Facility Type** : Dispensing Site (Retail Facility)

✓ **Dispensing Site Premises**: Multi-use Structure

## Physical Address

---

✓ **Street:** 309 BATTLE ST W

**Unit No / Apt No** :

✓ **City:** TALLADEGA

✓ **County:** 61-Talladega

✓ **State:** Alabama

✓ **Zip Code:** 35160

✓ **Address** : Yes  
Verified?

## Facility Information Questions

---

✓ **Applicant's interest in property where proposed facility is located** : Agreement Contingent on Receipt of License

✓ **Is this facility under construction?** : Yes

✓ **Estimated date of construction completion** : 09/30/2023

✓ **The number of days, if awarded a license, within which the Applicant reasonably projects it will commence operations at this facility** : 184

✓ **The number of days, if awarded a license, within which the Applicant reasonably projects it will reach full capacity at this facility** : 184

✓ **Does the applicant verify that this proposed facility will be in a permissible location, if applicable, and will maintain compliance with all State and local laws, resolutions and ordinances?** : Yes

---

✓ **Facility Type** : Dispensing Site (Retail Facility)

✓ **Dispensing: Site Premises**: Other Retail Facility

## Physical Address

---

✓ **Street:** Parcel ID 17-01-0  
1-0-000-007.000

**Unit No / Apt No** :

✓ **City:** Cullman

✓ **County:** 22-Cullman

✓ **State:** Alabama

✓ **Zip Code:** 35058

✓ **Address** : Yes  
Verified?

## Facility Information Questions

---

✓ **Applicant's interest in property where proposed facility is located** : Leases/Rents

- ✓ **Is this facility under construction?** : Yes
- ✓ **Estimated date of construction completion** : 09/30/2023
- ✓ **The number of days, if awarded a license, within which the Applicant reasonably projects it will commence operations at this facility** : 184
- ✓ **The number of days, if awarded a license, within which the Applicant reasonably projects it will reach full capacity at this facility** : 184
- ✓ **Does the applicant verify that this proposed facility will be in a permissible location, if applicable, and will maintain compliance with all State and local laws, resolutions and ordinances?** : Yes

---

## Ownership of Applicant

---

- ✓ **Select type of record:** Entity
- ✓ **Does this entity have ownership interest in the applicant?** : Yes

## Entity

---

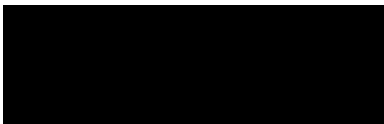
- ✓ **Entity Name** : ATG Endeavors, LLC
- ✓ **Entity Type** : Limited Liability Company
- ✓ **Are there individuals with direct or indirect ownership interest in this entity?** : Yes



- ✓ **Ownership Percentage of the Applicant** : 51

## Physical Address

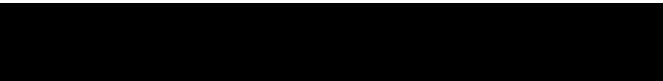
---



- ✓ **Unit No / Apt No** : N/A

- ✓ **City** 

- ✓ **State:** Alabama

- ✓ **Zip Code** 

- ✓ **Address Verified?** : Yes

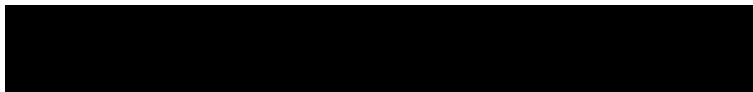
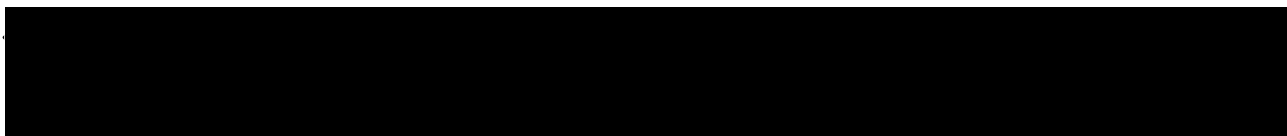
# Primary Contact/ Responsible Person

---

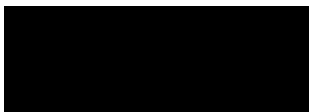
✓ **First** : Matthew

✓ **Last** : Hogan

✓ **Title:** Owner/Member



✓



✓ **Address** : Yes  
Verified?

---

✓ **Select type of record:** Entity

✓ **Does this entity have ownership interest in the applicant?** : Yes

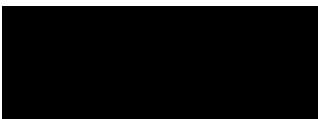
## Entity

---

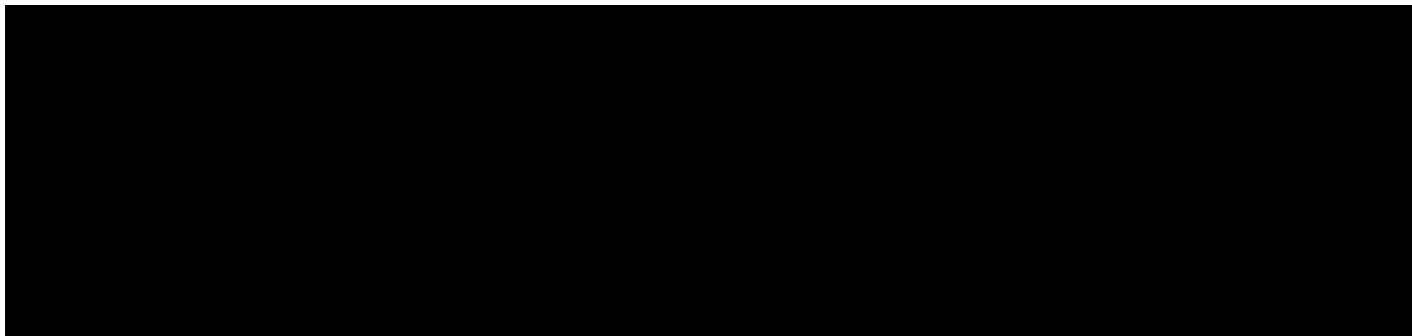
✓ **Entity Name** : Young Ventures  
Alabama USA, LLC

✓ **Entity Type** : Limited Liability  
Company

✓ **Are there individuals with direct or indirect ownership interest in this entity?** : Yes



✓ **Ownership Percentage of the Applicant** : 24.5



---

✓ **First Name** : Sandra

✓ **Last Name** : Young

✓ **Title:** Owner/Member

Select type of record: Entity

✓ Does this entity have ownership interest in the applicant? : Yes

## Entity

✓ Entity Name : EEC of Alabama, LLC

✓ Entity Type : Limited Liability Company

✓ Are there individuals with direct or indirect ownership interest in this entity? : Yes

✓ Ownership Percentage of the Applicant : 24.5

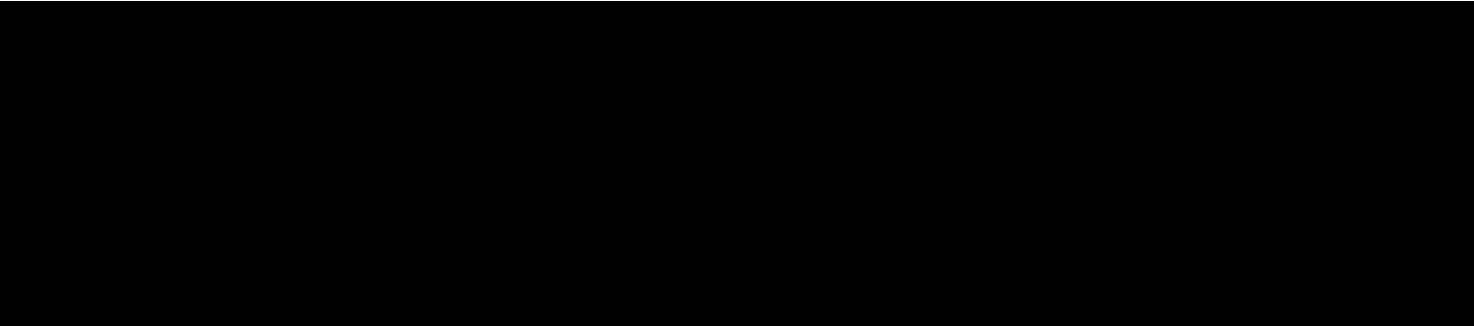
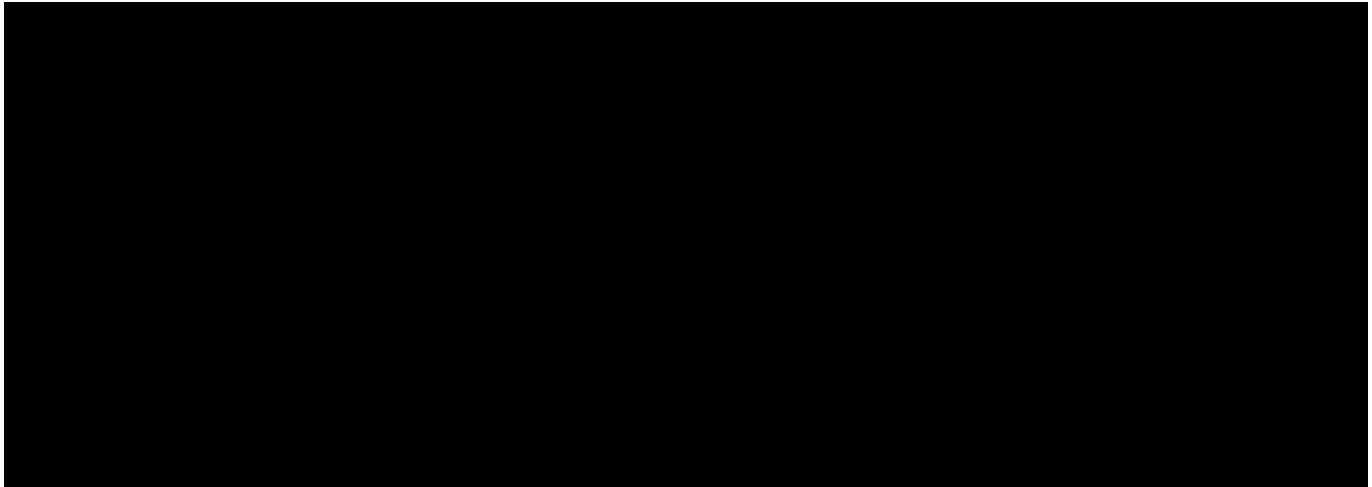


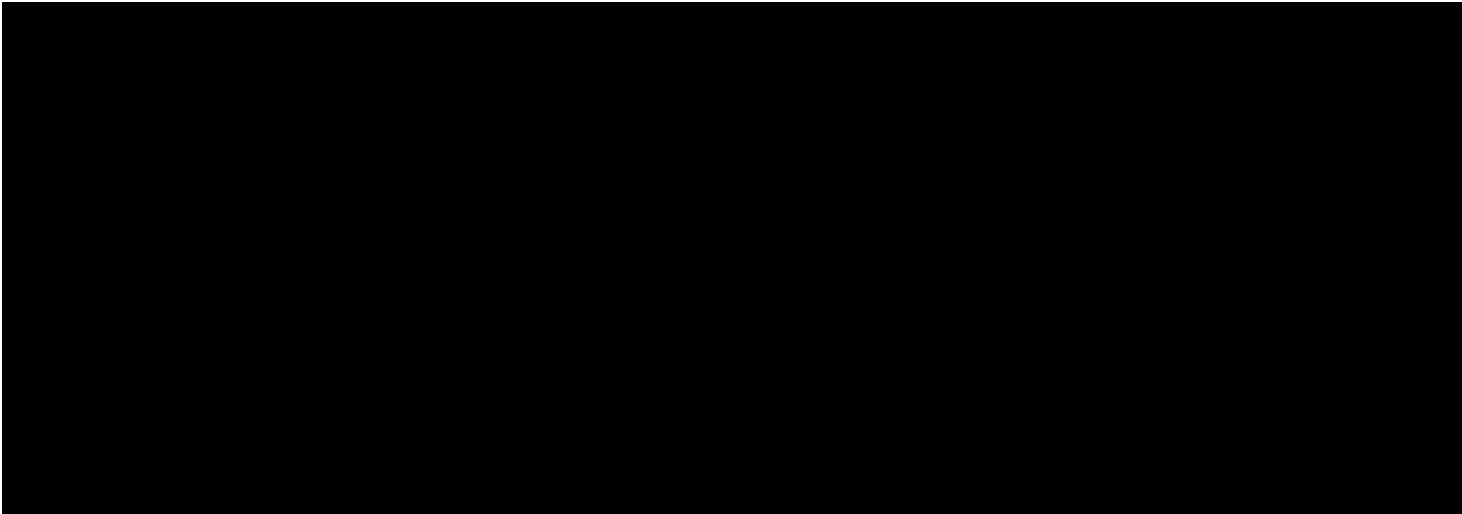
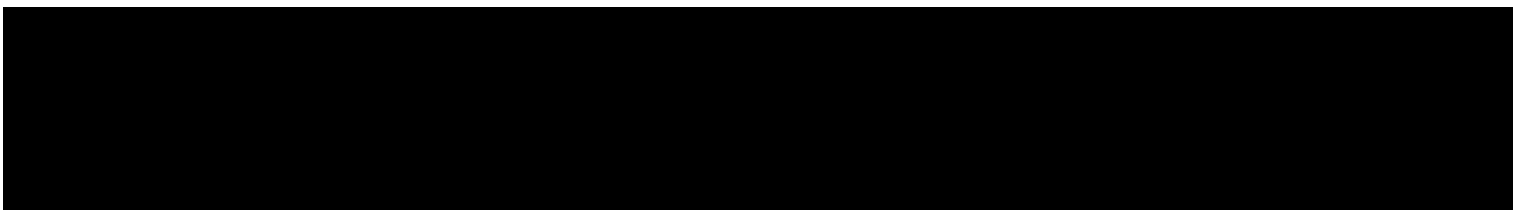
## Cannabis Industry Entities

---

- ✓ Is any individual or entity below connected to any entity that is directly or indirectly involved in the cannabis industry, including, but not limited to, the cultivation, processing, packaging, labeling, testing, transporting, or sale of cannabis or medical cannabis, either in Alabama or any other jurisdiction? :Yes
- (1) an individual with an ownership interest in the applicant;
  - (2) the spouse, parent, or child of an individual with an ownership interest in the applicant; or
  - (3) an entity with an ownership interest in the applicant.
- 

- ✓ Select : Individual  
Individual  
or Entity:
- 





# Individual

---

✓ **Legal First Name** : Sandra

✓ **Legal Last Name**: Young

**Suffix:**

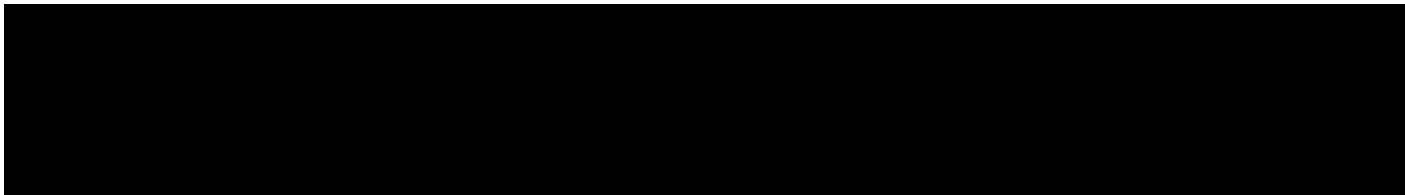
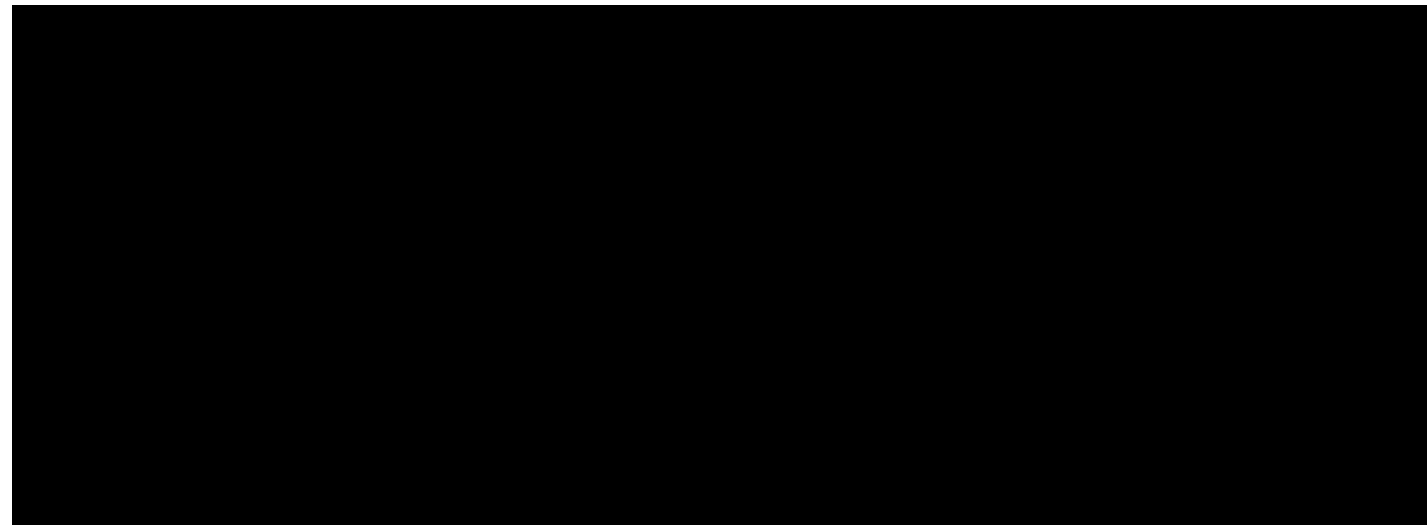
✓ **Cannabis Entity Name** : Eastern Green, Inc.

✓ **Entity Type** : Incorporated or Unincorporated Business

✓ **Connection:** Individual to Cannabis Entity

✓ **Role in Cannabis Entity** : Member

✓ **Percentage of ownership in cannabis entity** : 20



# Individual

---

✓ **Legal First Name** : Sandra

✓ **Legal Last Name**: Young

**Suffix:**

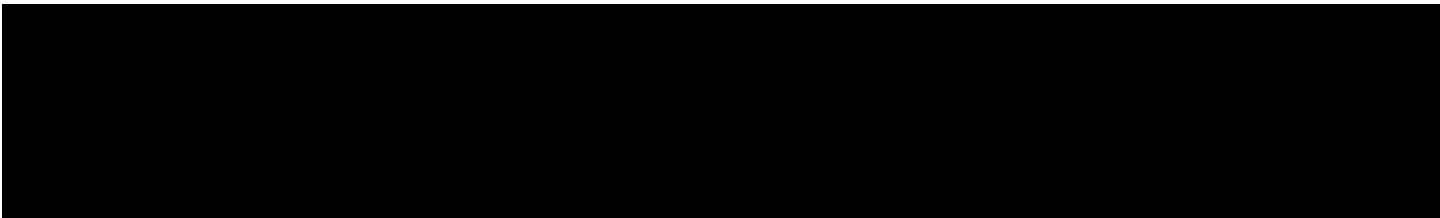
✓ **Cannabis Entity Name** : Callies Cannabis Shoppe, LLC

✓ **Entity Type** : Limited Liability Company

✓ **Connection:** Individual to Cannabis Entity

✓ **Role in Cannabis Entity** : Equity interest owner

✓ **Percentage of ownership in cannabis entity** : 25



---

**First Name**

**Name**

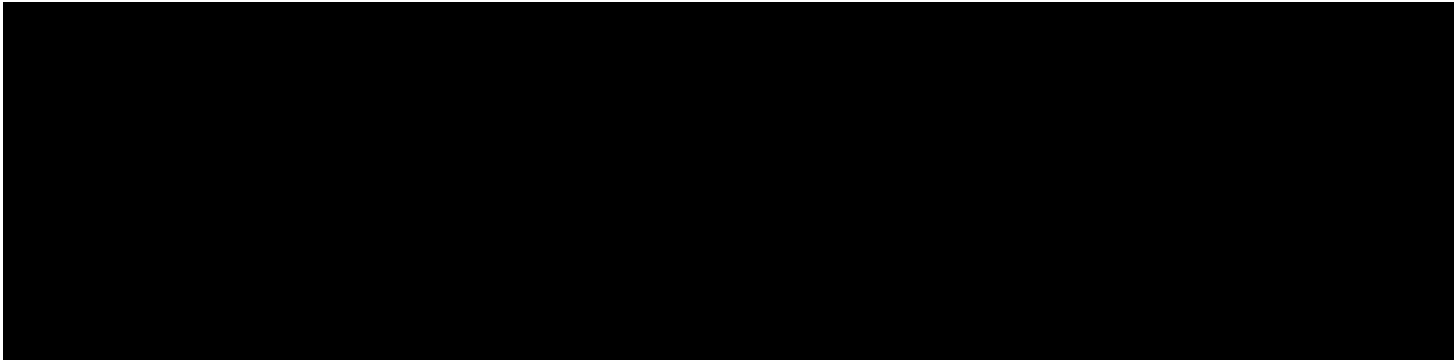
✓ **Cannabis Entity Name** : 920104 LLC

✓ **Entity Type** : Limited Liability Company

✓ **Connection:** Individual to Cannabis Entity

✓ **Role in Cannabis Entity** : Equity interest owner

✓ **Percentage of ownership in cannabis entity** : 2.5



## Individual

---

✓ **Legal First Name** : Sandra

✓ **Legal Last Name**: Young

**Suffix:**

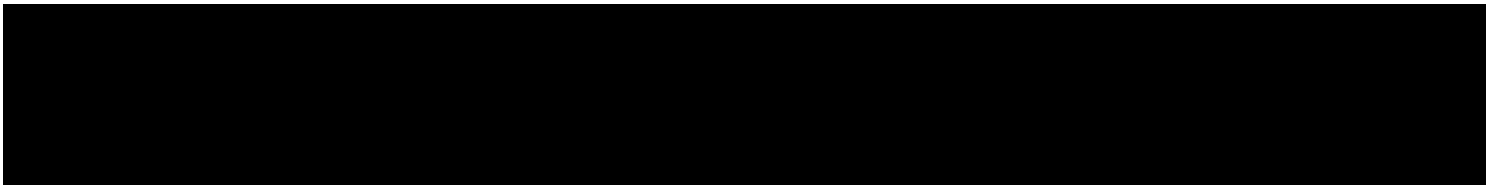
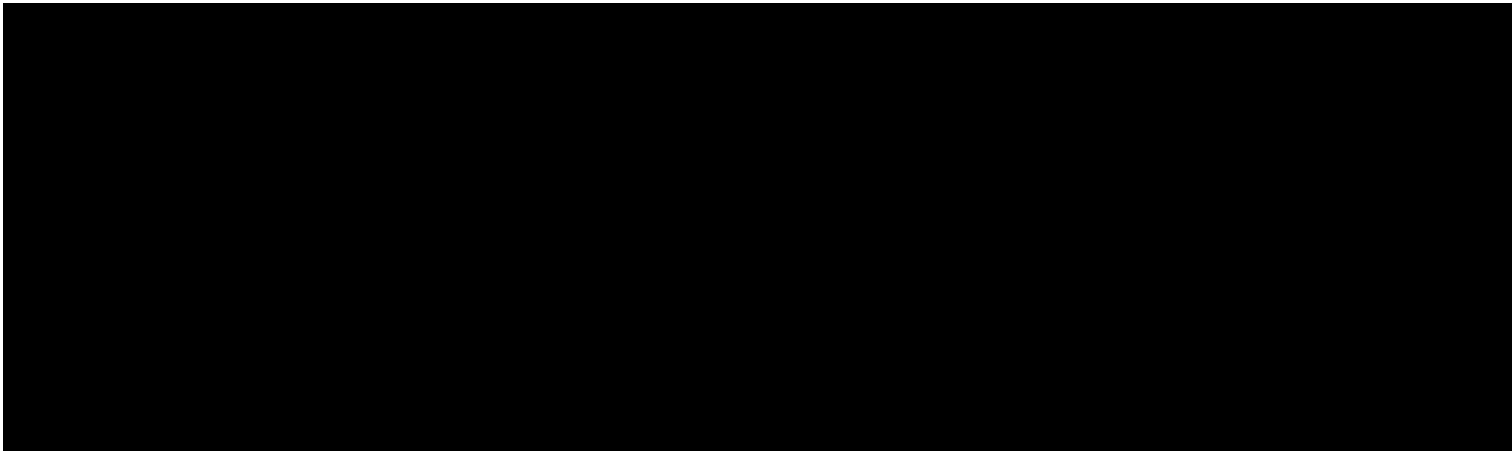
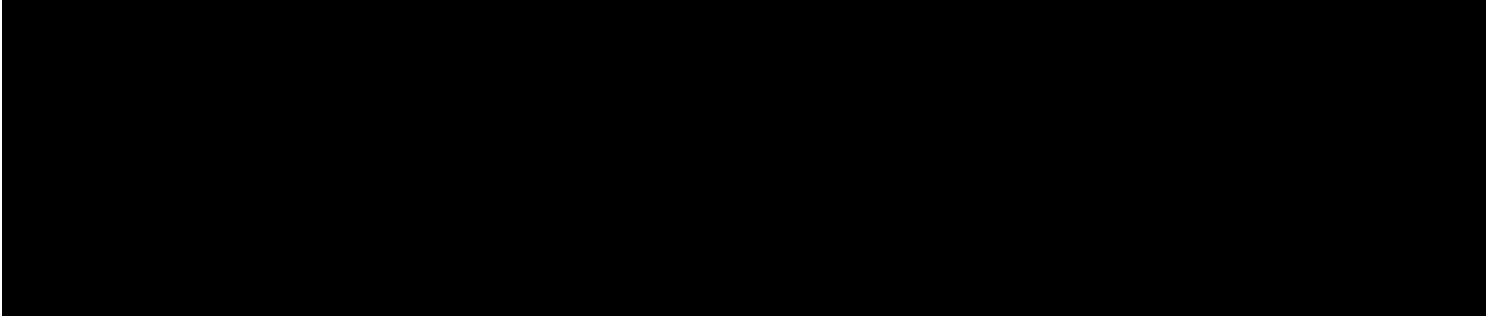
✓ **Cannabis Entity Name** : Maryland Wellness Access, LLC

✓ **Entity Type** : Limited Liability Company

✓ **Connection:** Individual to Cannabis Entity

✓ **Role in Cannabis Entity** : Equity interest owner

✓ **Percentage of ownership in cannabis entity** : 2.5



## Individual

---

✓ **Legal First Name** : Ernest

✓ **Legal Last Name**: Craumer

**Suffix:**

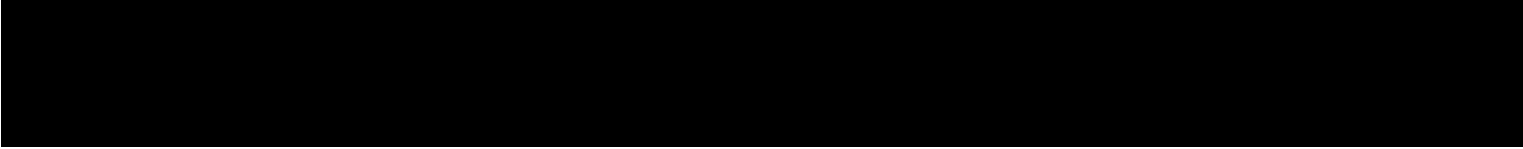
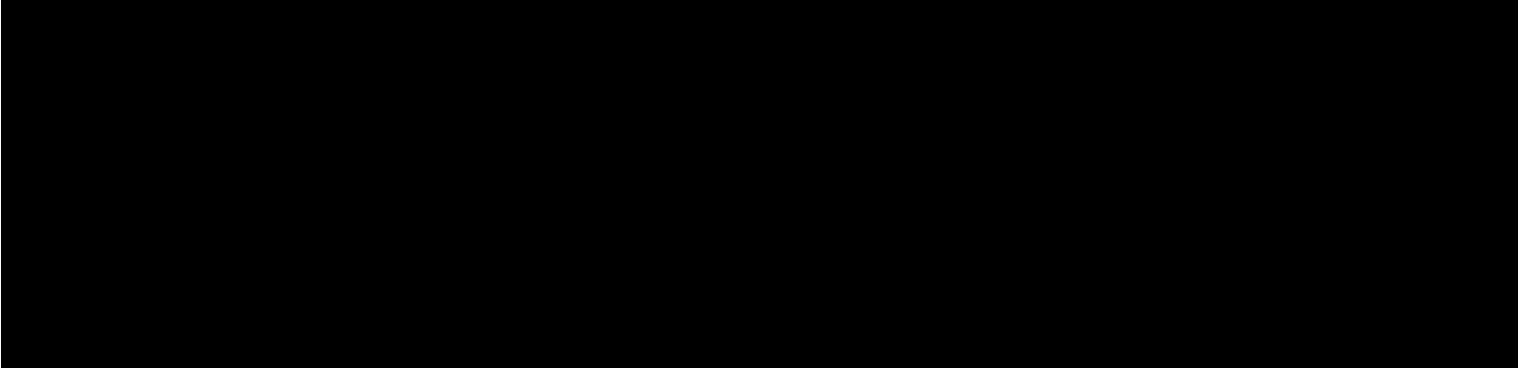
✓ **Cannabis Entity Name** : 920104 LLC

✓ **Entity Type** : Limited Liability Company

✓ **Connection to Cannabis Entity**: Individual

✓ **Role in Cannabis Entity** : Member, Manager

✓ **Percentage of ownership in cannabis entity** : 100



### Individual



✓ **Legal First Name** : Ernest

✓ **Legal Last Name**: Craumer

**Suffix:**

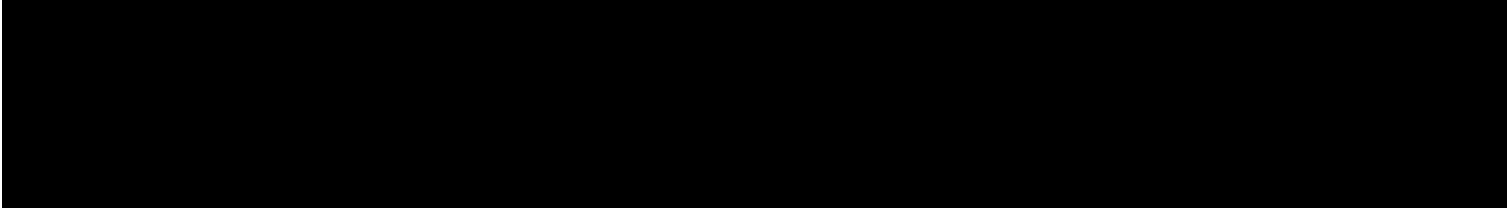
✓ **Cannabis Entity Name** : Maryland Wellness Access, LLC

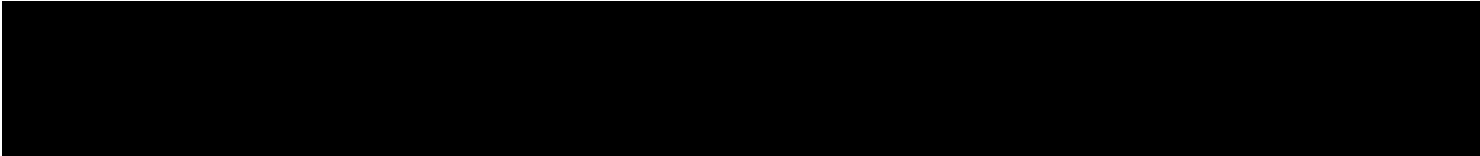
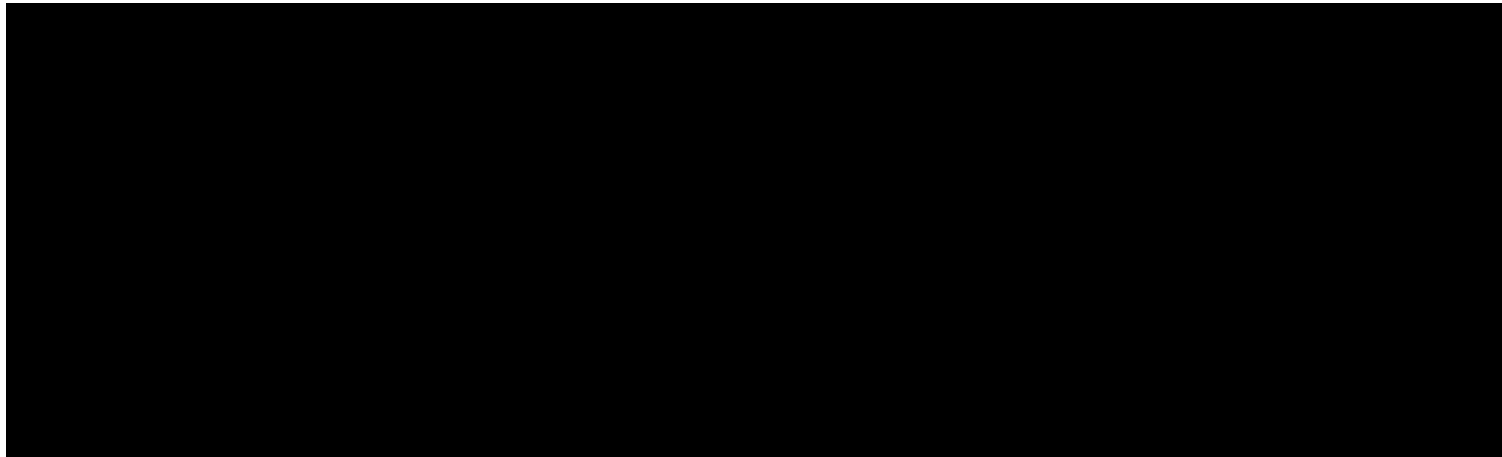
✓ **Entity Type** : Limited Liability Company

✓ **Connection to Cannabis Entity**: Individual

✓ **Role in Cannabis Entity** : Member, Manager

✓ **Percentage of ownership in cannabis entity** : 2.5





**Individual**

✓ **Legal First Name** : Ernest

✓ **Legal Last Name**: Craumer

**Suffix:**

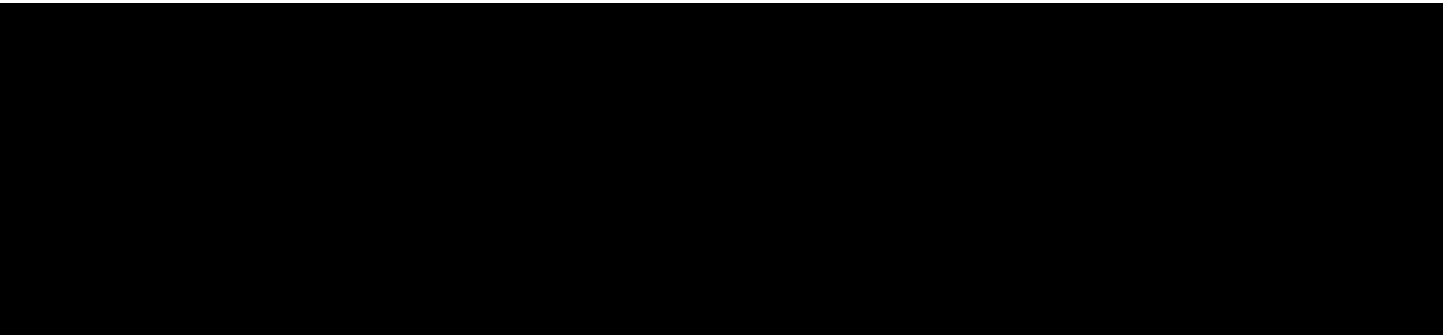
✓ **Cannabis Entity Name** : Callies Cannabis Shoppe, LLC

✓ **Entity Type** : Limited Liability Company

✓ **Connection:** Individual to Cannabis Entity

✓ **Role in Cannabis Entity** : Equity interest owner

✓ **Percentage of ownership in cannabis entity** : 25





---

✓ Has the applicant, any ownership entity, or any cannabis entity connected to any individual or entity with an ownership interest in the applicant ever applied for or been granted any commercial license or certificate (not related to cannabis industry) issued by a licensing board or commission, either in Alabama or any other jurisdiction? : NO

---

✓ Was any commercial license or certificate disclosed above denied, restricted, suspended, revoked, or non-renewed? : NO

---

✓ Has the applicant, any ownership entity, or any cannabis entity connected to any individual or entity with an ownership interest in the applicant, ever been authorized to participate in the cannabis or medical cannabis industry, licensed (i.e., a "licensee" as defined in Chapter 1 of the AMCC Rules), or provided similar status in any other jurisdiction? : YES

---

✓ **Select One** : Related Cannabis Entity

✓ **Name:** Cricecann LLC

✓ **License Type** : Center-Type 1

✓ **Licensing Board or Commission** : Colorado Department of Revenue, Marijuana Enforcement Division

✓ **License Issued Date** : 08/10/2021

✓ **License Expiration Date** : 11/21/2022

---

✓ **Select One** : Related Cannabis Entity

✓ **Name:** Cricecann LLC

✓ **License Type** : Optional Premise

✓ **Licensing Board or Commission** : Colorado Department of Revenue, Marijuana Enforcement Division

✓ **License Issued Date** : 08/10/2021

✓ **License Expiration Date** : 11/21/2022

---

✓ **Select One** : Related Cannabis Entity

✓ **Name:** Cricecann LLC

✓ **License Type** : Retail Marijuana Products Mfg

✓ **Licensing Board or Commission** : Colorado Department of Revenue, Marijuana Enforcement Division

✓ **License Issued Date** : 06/01/2022

✓ **License Expiration Date** : 11/21/2022

---

✓ **Select One** : Related Cannabis Entity

✓ **Name:** 920104 LLC

✓ **License Type** : Adult-Use Retail

✓ **Licensing Board or Commission** : Colorado Department of Revenue, Marijuana Enforcement Division

✓ **License Issued Date** : 10/17/2019

✓ **License Expiration Date** : 03/16/2023

---

✓ **Select One** : Related Cannabis Entity

✓ **Name:** LMMJC SBUD LLC

✓ **License Type** : Adult-Use Retail

✓ **Licensing Board or Commission** : Colorado Department of Revenue, Marijuana Enforcement Division

✓ **License Issued Date** : 07/16/2018

✓ **License Expiration Date** : 12/18/2020

---

✓ **Select One** : Related Cannabis Entity

✓ **Name:** Starbuds Niwot LLC

✓ **License Type** : Adult-Use Retail

✓ **Licensing Board or Commission** : Colorado Department of Revenue, Marijuana Enforcement Division

✓ **License Issued Date** : 08/22/2016

✓ **License Expiration Date** : 12/18/2020

---

✓ **Select One** : Related Cannabis Entity

✓ **Name:** Maryland Wellness Access, LLC

✓ **License Type** : Medical Dispensary

✓ **Licensing Board or Commission** : Maryland Medical Cannabis Commission

✓ **License Issued Date** : 01/06/2022

✓ **License Expiration Date** : 11/20/2023

---

✓ **Select One** : Related Cannabis Entity

✓ **Name:** Callies Cannabis Shoppe LLC

✓ **License Type** : Medical Dispensary

✓ **Licensing Board or Commission** : Maryland Medical Cannabis Commission

✓ **License Issued Date** : 01/06/2018

✓ **License Expiration Date** : 07/26/2024

---

✓ **Select One** : Related Cannabis Entity

✓ **Name:** Eastern Green, Inc.

✓ **License Type** : Medical Dispensary

✓ **Licensing Board or Commission** : New Jersey Cannabis Regulatory Commission

✓ **License Issued Date** : 11/15/2021

✓ **License Expiration Date** : 12/07/2023

---

✓ **Select One** : Related Cannabis Entity

✓ **Name:** Hope Heal Health Inc.

✓ **License Type** : Medical, Vertically Integrated

✓ **Licensing Board or Commission** : Massachusetts Cannabis Control Commission

✓ **License Issued Date** : 11/01/2018

✓ **License Expiration Date** : 11/10/2023

---

✓ **Select One** : Related Cannabis Entity

✓ **Name:** Hope Heal Health Inc.

✓ **License Type** : Adult-Use Cultivation

✓ **Licensing Board or Commission** : Massachusetts Cannabis Control Commission

✓ **License Issued Date** : 12/27/2019

✓ **License Expiration Date** : 02/07/2020

---

✓ **Select One** : Related Cannabis Entity

✓ **Name:** Hope Heal Health Inc.

✓ **License Type** : Adult-Use Processing

✓ **Licensing Board or Commission** : Massachusetts Cannabis Control Commission

✓ **License Issued Date** : 12/27/2019

✓ **License Expiration Date** : 02/07/2020

---

✓ **During the last 5 years has there been any disciplinary measures taken regarding any cannabis or medical cannabis industry license of the applicant or any entity affiliated with the applicant?** : NO

---

✓ **Has the applicant, any ownership entity, or any cannabis entity connected to any individual or entity with an ownership interest in the applicant, within the last ten (10) years, filed or been served with a complaint or other notice by any governmental body, regarding a delinquency in the payment of, or a dispute over the filings concerning the payment of, any tax required under federal, state, or local law?** : NO

---

✓ **Has the applicant filed, or had filed against it, any proceeding for bankruptcy within the past 7 years? :** NO

---

✓ **Is the applicant currently, or has it been in the past 10 years, a defendant in litigation involving any of its business practices?** : NO

---

✓ **Is any public official of any unit of government:**  
(1) an owner (directly or indirectly) of any financial or beneficial interest in the applicant;  
(2) a creditor of the applicant;  
(3) a holder of any debt instrument issued by the applicant; or (4) a holder of, or interested party in, any contractual or service relationship with the applicant? : NO

---

✓ Is the spouse, parent or child of a public official of any unit of government: **NO**  
(1) an owner (directly or indirectly) of any financial or beneficial interest in the applicant;  
(2) a creditor of the applicant;  
(3) a holder of any debt instrument issued by the applicant; or  
(4) a holder of, or interested party in, any contractual or service relationship with the applicant?

✓ Has any owner, director, board member, or individual with a controlling interest in the applicant ever been indicted for, charged with, arrested for, convicted of, pled guilty or nolo contendere to, or forfeited bail concerning any felony or controlled substance-related misdemeanor, not including traffic violations, regardless of whether the offense has been reversed on appeal or otherwise? **NO**

---

**What is the applicant's anticipated or actual number of employees (including all facilities) at the prospective commencement of operations and during the first five calendar years thereafter?**

---

✓ Commencement: 13 of Operation                      ✓ Year One: 18                      ✓ Year Two: 18

✓ Year Three: 18                      ✓ Year Four: 18                      ✓ Year Five: 18

✓ Does the applicant verify that it has the ability to maintain adequate minimum levels (\$2,000,000) of liability and casualty insurance, as required by § 20-2A-53(a)(2), Code of Alabama 1975 (as amended)? **Yes**

✓ Does the applicant verify that each of its proposed dispensing sites is at least 1000 feet from any school, daycare, or childcare facility? **YES**

✓ Does the applicant consent as required by § 20-2A-55(d), Code of Alabama 1975 (as amended) to the inspections, examinations, searches, and seizures contemplated by § 20-2A-52(a)(3), Code of Alabama 1975 (as amended)? **Yes**

✓ Does the applicant verify that neither it nor its leadership have any economic interest in any other license or applicant for license under the Act? (See § 20-2A-55(e), Code of Alabama 1975 (as amended)) **YES**

✓ I attest that this application is truthful and complete based on the best available information as of the date of filing. **YES**

✓ Signature: Ernest Craumer

✓ Signature Date: 12/22/2022

---

## Documents

---

✓ <b>Resume or Curriculum Vitae of Individuals with Ownership Interest:</b>	Exhibit 1_Resumes and CV.pdf (./api/documents/2rjte4HkP/do...
✓ <b>Residency of Owners:</b>	Exhibit 2_Residency of Owners..pdf (./api/documents/hlnFo56...
✓ <b>Criminal Background Check:</b>	Exhibit 3_Criminal Background Check.pdf (./api/documents/ss...
✓ <b>Demonstration of Sufficient Capital:</b>	Exhibit 4_Demonstration of Sufficient Capital.pdf (./api/docum...
✓ <b>Financial Statements:</b>	Exhibit 5_Financial Statements.pdf (./api/documents/Kx6xBrH...
✓ <b>Tax Plan:</b>	Exhibit 6_Tax Plan.pdf (./api/documents/yJhPUM__a/download)
✓ <b>Business Formation Documents:</b>	Exhibit 7_Business Formation Documents.pdf (./api/document...
✓ <b>Business License and Authorization of Local Jurisdictions:</b>	Exhibit 8_Business License and Auth. of Local Authorities.pdf (...)
✓ <b>Business Plan:</b>	Exhibit 9_Business Plan.pdf (./api/documents/AkQObzUPO/do...
✓ <b>Evidence of Business Relationship with other Licensees and Prospective Licensees:</b>	Exhibit 10_Evidence of Business Relationship.pdf (./api/docum...
✓ <b>Coordination of Information from Registered Certifying Physicians:</b>	Exhibit 11_Coordination of Info From Physicians.pdf (./api/docu...
✓ <b>Point-of-Sale Responsibilities:</b>	Exhibit 12_Point of Sale Responsibilities.pdf (./api/documents/...
✓ <b>Confidentiality of Patient Information:</b>	Exhibit 13_Confidentiality of Patient Information.pdf (./api/doc...
✓ <b>Money Handling and Taxes:</b>	Exhibit 14_Money Handling and Taxes.pdf (./api/documents/ka...
✓ <b>Standard Operating Plan and Procedures:</b>	Exhibit 15_Standard Operating Procedures Plan.pdf (./api/docu...
✓ <b>Policies and Procedures Manual:</b>	Exhibit 16_Policies and Procedures.pdf (./api/documents/sn9R...
✓ <b>Receiving and Shipping Plan:</b>	Exhibit 17_Receiving and Shipping Plan.pdf (./api/documents/...
✓ <b>Facilities:</b>	Exhibit 18_Facilities.pdf (./api/documents/oT1Rdv7fp/downloa...
✓ <b>Security Plan:</b>	Exhibit 19_Security Plan.pdf (./api/documents/mnTLqv0Od/do...

✓ <b>Personnel:</b>	Exhibit 20_Personnel.pdf (/api/documents/FUnkxqXxi/downlo...
✓ <b>Business Leadership Credentials:</b>	Exhibit 21_Business Leadership Credentials.pdf (/api/docume...
✓ <b>Employee Handbook:</b>	Exhibit 22_Employee Handbook.pdf (/api/documents/f0927U0...
✓ <b>Quality Control and Quality Assurance Plan:</b>	Exhibit 23_Quality Control and Quality Assurance Plan.pdf (/ap...
✓ <b>Contamination and Recall Plan:</b>	Exhibit 24_Contamination and Recall Plan.pdf (/api/document...
✓ <b>Marketing and Advertising Plan:</b>	Exhibit 25_Marketing and Advertising Plan.pdf (/api/document...
✓ <b>Website and Social Media:</b>	Exhibit 26_Website and Social Media.pdf (/api/documents/Uvy...
✓ <b>Ownership Entity Individuals (if applicable):</b>	Form I.pdf (/api/documents/nE99tbl4n/download)
✓ <b>Proof of Minimum Liability and Casualty Insurance:</b>	Proof of Minimum Liability and Casualty Insurance.pdf (/api/d...
✓ <b>Affidavit - Entity Applicant:</b>	Form K.pdf (/api/documents/qlToQZLgj/download)

## Payments

---

- ✓ **Payment Options:** Credit Card
-

# Exhibit 1 – Resume or Curriculum Vitae of Individuals with Ownership Interest

## 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.

Vincent Schilleci III

\_\_\_\_\_  
Printed Name of Verifying Individual

*Vincent Schilleci*

\_\_\_\_\_  
Signature of Verifying Individual

Owner, Manager

\_\_\_\_\_  
Title of Verifying Individual

12/21/2022

\_\_\_\_\_  
Verification Date

FORM A: OWNERSHIP RESUME / CURRICULUM VITAE

CCS of Alabama, LLC

Dispensary

Business License Applicant Name

License Type

Matthew Joshua Hogan

26% indirect ownership through ATG Endeavors, LLC

Individual with Ownership Interest in Applicant

Individual's Ownership Percentage in Applicant

**Residential History**

*Provide all residential addresses, in reverse chronological order, for 15 years prior to date of application; attach additional form(s) if necessary.*

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

---

City State Zip

[Redacted] [Redacted] [Redacted]

---

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY)

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

---

City State Zip

[Redacted] [Redacted] [Redacted]

---

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY).

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

---

City State Zip

[Redacted] [Redacted] [Redacted]

---

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY)

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

---

City State Zip

[Redacted] [Redacted] [Redacted]

---

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY)



[Redacted]

Residential Street Address

[Redacted]

City

[Redacted]

State

[Redacted]

Zip

Date Resided From (MM/YYYY)

Date Resided To (MM/YYYY)

Residential Street Address

City

State

Zip

Date Resided From (MM/YYYY)

Date Resided To (MM/YYYY)

Residential Street Address

City

State

Zip

Date Resided From (MM/YYYY)

Date Resided To (MM/YYYY)

Residential Street Address

City

State

Zip

Date Resided From (MM/YYYY)

Date Resided To (MM/YYYY)

Residential Street Address

City

State

Zip

Date Resided From (MM/YYYY)

Date Resided To (MM/YYYY)



UA Grad Assistantship

Employer

[REDACTED]

Contact Person

[REDACTED]

Telephone

[REDACTED]

Business Address

[REDACTED]

City

08/2008

Date Employed From (MM/YYYY)

State

[REDACTED]

12/2009

Date Employed To (MM/YYYY)

Zip

[REDACTED]

Employer

Contact Person

Telephone

Business Address

City

State

Zip

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

Employer

Contact Person

Telephone

Business Address

City

State

Zip

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

Employer

Contact Person

Telephone

Business Address

City

State

Zip

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

---

Employer	Contact Person	Telephone
----------	----------------	-----------

---

Business Address

---

City	State	Zip
------	-------	-----

---

Date Employed From (MM/YYYY)	Date Employed To (MM/YYYY)
------------------------------	----------------------------

---

---

Employer	Contact Person	Telephone
----------	----------------	-----------

---

Business Address

---

City	State	Zip
------	-------	-----

---

Date Employed From (MM/YYYY)	Date Employed To (MM/YYYY)
------------------------------	----------------------------

---

---

Employer	Contact Person	Telephone
----------	----------------	-----------

---

Business Address

---

City	State	Zip
------	-------	-----

---

Date Employed From (MM/YYYY)	Date Employed To (MM/YYYY)
------------------------------	----------------------------

---

---

Employer	Contact Person	Telephone
----------	----------------	-----------

---

Business Address

---

City	State	Zip
------	-------	-----

---

Date Employed From (MM/YYYY)	Date Employed To (MM/YYYY)
------------------------------	----------------------------

---

FORM A: OWNERSHIP RESUME / CURRICULUM VITAE

CCS of Alabama, LLC

Dispensary

Business License Applicant Name

License Type

Vincent Schilleci Jr.

12.5% indirect ownership through ATG Endeavors, LLC

Individual with Ownership Interest in Applicant

Individual's Ownership Percentage in Applicant

**Residential History**

*Provide all residential addresses, in reverse chronological order, for 15 years prior to date of application; attach additional form(s) if necessary.*

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

---

City State Zip

[Redacted] [Redacted] [Redacted]

---

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY)

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

---

City State Zip

[Redacted] [Redacted] [Redacted]

---

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY).

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

---

City State Zip

[Redacted] [Redacted] [Redacted]

---

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY)

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

---

City State Zip

[Redacted] [Redacted] [Redacted]

---

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY)

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

**Education**

*Provide all institutions of higher education attended; attach additional form(s) if necessary.*

Samford University Cumberland School of Law	Birmingham	AL
_____ Institution	_____ City	_____ State
09/1972	05/1975	J.D.
_____ Date Attended From (MM/YYYY)	_____ Date Attended To (MM/YYYY)	_____ Degree Received

University of Alabama	Tuscaloosa	AL
_____ Institution	_____ City	_____ State
09/1967	05/1971	B.S. in Business Law
_____ Date Attended From (MM/YYYY)	_____ Date Attended To (MM/YYYY)	_____ Degree Received

_____ Institution	_____ City	_____ State
_____ Date Attended From (MM/YYYY)	_____ Date Attended To (MM/YYYY)	_____ Degree Received

_____ Institution	_____ City	_____ State
_____ Date Attended From (MM/YYYY)	_____ Date Attended To (MM/YYYY)	_____ Degree Received

**Employment History**

*Provide all employers, in reverse chronological order, for 15 years prior to date of application; attach additional form(s) if necessary.*

ALABAMA ADMINISTRATIVE OFFICE OF COURTS	████████████████████	████████████████████
_____ Employer	_____ Contact Person	_____ Telephone
████████████████████		
Business Address		
████████████████████	████	██████████
_____ City	_____ State	_____ Zip
06/1981	01/2006 (Retired)	
_____ Date Employed From (MM/YYYY)	_____ Date Employed To (MM/YYYY)	

Jefferson County District Attorney's Office

[REDACTED]

[REDACTED]

Employer

Contact Person

Telephone

[REDACTED]

Business Address

[REDACTED]

[REDACTED]

[REDACTED]

City

State

Zip

06/1978

06/1981

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

Employer

Contact Person

Telephone

Business Address

City

State

Zip

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

Employer

Contact Person

Telephone

Business Address

City

State

Zip

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

Employer

Contact Person

Telephone

Business Address

City

State

Zip

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)



---

Employer	Contact Person	Telephone
----------	----------------	-----------

---

Business Address

---

City	State	Zip
------	-------	-----

---

Date Employed From (MM/YYYY)	Date Employed To (MM/YYYY)
------------------------------	----------------------------

---

---

Employer	Contact Person	Telephone
----------	----------------	-----------

---

Business Address

---

City	State	Zip
------	-------	-----

---

Date Employed From (MM/YYYY)	Date Employed To (MM/YYYY)
------------------------------	----------------------------

---

---

Employer	Contact Person	Telephone
----------	----------------	-----------

---

Business Address

---

City	State	Zip
------	-------	-----

---

Date Employed From (MM/YYYY)	Date Employed To (MM/YYYY)
------------------------------	----------------------------

---

---

Employer	Contact Person	Telephone
----------	----------------	-----------

---

Business Address

---

City	State	Zip
------	-------	-----

---

Date Employed From (MM/YYYY)	Date Employed To (MM/YYYY)
------------------------------	----------------------------

---

FORM A: OWNERSHIP RESUME / CURRICULUM VITAE

CCS of Alabama, LLC

Dispensary

Business License Applicant Name

License Type

Vincent Schilleci III

12.5% indirect ownership through ATG Endeavors, LLC

Individual with Ownership Interest in Applicant

Individual's Ownership Percentage in Applicant

**Residential History**

*Provide all residential addresses, in reverse chronological order, for 15 years prior to date of application; attach additional form(s) if necessary.*

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

---

City State Zip

[Redacted] [Redacted] [Redacted]

---

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY)

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

---

City State Zip

[Redacted] [Redacted] [Redacted]

---

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY).

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

---

City State Zip

[Redacted] [Redacted] [Redacted]

---

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY)

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

---

City State Zip

[Redacted] [Redacted] [Redacted]

---

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY)

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

**Education**

*Provide all institutions of higher education attended; attach additional form(s) if necessary.*

NEW YORK UNIVERSITY SCHOOL OF LAW	New York	NY
_____ Institution	_____ City	_____ State
08/2004	05/2005	LL.M. in Taxation
_____ Date Attended From (MM/YYYY)	_____ Date Attended To (MM/YYYY)	_____ Degree Received

UNIVERSITY OF ALABAMA SCHOOL OF LAW	Tuscaloosa	AL
_____ Institution	_____ City	_____ State
05/2001	05/2004	J.D.
_____ Date Attended From (MM/YYYY)	_____ Date Attended To (MM/YYYY)	_____ Degree Received

UNIVERSITY OF ALABAMA	Tuscaloosa	AL
_____ Institution	_____ City	_____ State
08/1997	05/2001	B.S. in Management
_____ Date Attended From (MM/YYYY)	_____ Date Attended To (MM/YYYY)	_____ Degree Received

_____ Institution	_____ City	_____ State
_____ Date Attended From (MM/YYYY)	_____ Date Attended To (MM/YYYY)	_____ Degree Received

**Employment History**

*Provide all employers, in reverse chronological order, for 15 years prior to date of application; attach additional form(s) if necessary.*

MAYNARD COOPER & GALE, PC	_____	_____
_____ Employer	_____ Contact Person	_____ Telephone
_____		
_____ Business Address		
_____	_____	_____
_____ City	_____ State	_____ Zip
05/2022	Present	
_____ Date Employed From (MM/YYYY)	_____ Date Employed To (MM/YYYY)	

DOMINICK FELD HYDE, PC

Employer

Contact Person

Telephone

Business Address

City

State

Zip

01/2016

05/2022

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

SCHILLECI & SCHILLECI, PC

Employer

Contact Person

Telephone

Business Address

City

State

Zip

01/2014

12/2015

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

AMERICAN PROMOTIONAL EVENTS, INC.

Employer

Contact Person

Telephone

Business Address

City

State

Zip

10/2011

12/2013

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

BAKER DONELSON BEARMAN CALDWELL & BERKOWITZ, P.C

Employer

Contact Person

Telephone

Business Address

City

State

Zip

10/2007

10/2011

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

---

Employer	Contact Person	Telephone
----------	----------------	-----------

---

Business Address

---

City	State	Zip
------	-------	-----

---

Date Employed From (MM/YYYY)	Date Employed To (MM/YYYY)
------------------------------	----------------------------

---

---

Employer	Contact Person	Telephone
----------	----------------	-----------

---

Business Address

---

City	State	Zip
------	-------	-----

---

Date Employed From (MM/YYYY)	Date Employed To (MM/YYYY)
------------------------------	----------------------------

---

---

Employer	Contact Person	Telephone
----------	----------------	-----------

---

Business Address

---

City	State	Zip
------	-------	-----

---

Date Employed From (MM/YYYY)	Date Employed To (MM/YYYY)
------------------------------	----------------------------

---

---

Employer	Contact Person	Telephone
----------	----------------	-----------

---

Business Address

---

City	State	Zip
------	-------	-----

---

Date Employed From (MM/YYYY)	Date Employed To (MM/YYYY)
------------------------------	----------------------------

---

FORM A: OWNERSHIP RESUME / CURRICULUM VITAE

CCS of Alabama, LLC

Dispensary

Business License Applicant Name

License Type

Ernest Edgar Craumer

24.5% indirect ownership through EEC of Alabama, LLC

Individual with Ownership Interest in Applicant

Individual's Ownership Percentage in Applicant

**Residential History**

Provide all residential addresses, in reverse chronological order, for 15 years prior to date of application; attach additional form(s) if necessary.

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

City State Zip

02/2021 Present

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY)

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

City State Zip

[Redacted] [Redacted]

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY)

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

City State Zip

[Redacted] [Redacted]

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY)

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

City State Zip

[Redacted] [Redacted]

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY)

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---





EE CRAUMER LLC

Employer

Contact Person

Telephone

Business Address

City

State

Zip

10/2007

Present

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

CRICECANN LLC

Employer

Contact Person

Telephone

Business Address

City

State

Zip

04/2021

12/2022

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

STARBUDS LONGMONT LLC

Employer

Contact Person

Telephone

Business Address

City

State

Zip

11/2017

12/2020

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

STARBUDS NIWOT LLC

Employer

Contact Person

Telephone

Business Address

City

State

Zip

01/2013

04/2020

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

Citizens Mortgage

Licen

Employer

Contact Person

Telephone

Business Address

City

State

Zip

11/2016

07/2017

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

PNC Mortgage

Employer

Contact Person

Telephone

Business Address

City

State

Zip

06/2014

11/2016

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

Warren Wealth Advisors

Employer

Contact Person

Telephone

Business Address

City

State

Zip

07/2005

07/2016

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

Concorde Funding Group

Employer

Contact Person

Telephone

Business Address

City

State

Zip

12/1995

12/2010

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

FORM A: OWNERSHIP RESUME / CURRICULUM VITAE

CCS of Alabama, LLC

Dispensary

Business License Applicant Name

License Type

Sandra Peterson Young

24.5% indirect ownership through Young Ventures

Individual with Ownership Interest in Applicant

Individual's Ownership Percentage in Applicant

**Residential History**

*Provide all residential addresses, in reverse chronological order, for 15 years prior to date of application; attach additional form(s) if necessary.*

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

---

City State Zip

[Redacted] [Redacted] [Redacted]

---

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY)

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

---

City State Zip

[Redacted] [Redacted] [Redacted]

---

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY).

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

---

City State Zip

[Redacted] [Redacted] [Redacted]

---

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY)

[Redacted]

---

Residential Street Address

[Redacted] [Redacted] [Redacted]

---

City State Zip

[Redacted] [Redacted] [Redacted]

---

Date Resided From (MM/YYYY) Date Resided To (MM/YYYY)

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

---

Residential Street Address

---

City

---

State

---

Zip

---

Date Resided From (MM/YYYY)

---

Date Resided To (MM/YYYY)

---

**Education**

*Provide all institutions of higher education attended; attach additional form(s) if necessary.*

Burk Baker School of Real Estate and Appraising	Metairie	LA
_____ Institution	_____ City	_____ State
09/1980	09/1980	Real Estate License
_____ Date Attended From (MM/YYYY)	_____ Date Attended To (MM/YYYY)	_____ Degree Received

Okaloosa Walton College	Fort Walton	FL
_____ Institution	_____ City	_____ State
08/1981	05/1984	B.A.
_____ Date Attended From (MM/YYYY)	_____ Date Attended To (MM/YYYY)	_____ Degree Received

_____ Institution	_____ City	_____ State
_____ Date Attended From (MM/YYYY)	_____ Date Attended To (MM/YYYY)	_____ Degree Received

_____ Institution	_____ City	_____ State
_____ Date Attended From (MM/YYYY)	_____ Date Attended To (MM/YYYY)	_____ Degree Received

**Employment History**

*Provide all employers, in reverse chronological order, for 15 years prior to date of application; attach additional form(s) if necessary.*

Eastern Green	██████████	██████████
_____ Employer	_____ Contact Person	_____ Telephone
██		
_____ Business Address		
██████████	██	██████████
_____ City	_____ State	_____ Zip
01/2019	Present	
_____ Date Employed From (MM/YYYY)	_____ Date Employed To (MM/YYYY)	

Remedy 695

Employer

Contact Person

Telephone

Business Address

City

State

Zip

01/2021

Present

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

Remedy Columbia

Employer

Contact Person

Telephone

Business Address

City

State

Zip

01/2021

Present

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

Hope Heal Health

Employer

Contact Person

Telephone

Business Address

City

State

Zip

04/2018

02/2020

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

Retired

Employer

N/A

Contact Person

N/A

Telephone

N/A

Business Address

N/A

N/A

N/A

City

State

Zip

12/2013

04/2018

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

Air-Nu of BR

Licen

Employer

Contact Person

Telephone

Business Address

City

State

Zip

06/1996

12/2013

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

Employer

Contact Person

Telephone

Business Address

City

State

Zip

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

Employer

Contact Person

Telephone

Business Address

City

State

Zip

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)

Employer

Contact Person

Telephone

Business Address

City

State

Zip

Date Employed From (MM/YYYY)

Date Employed To (MM/YYYY)



# Exhibit 2 – Residency of Owners

## 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.

Vincent Schilleci III

Owner, Manager

\_\_\_\_\_  
Printed Name of Verifying Individual

\_\_\_\_\_  
Title of Verifying Individual

*Vincent Schilleci*  
\_\_\_\_\_  
Signature of Verifying Individual

12/21/2022  
\_\_\_\_\_  
Verification Date

**Exhibit 2 – Residency of Owners.**

**Table of Contents**

Summary and Overview of Individual Documentation.....1  
Matthew J. Hogan Proof of Residence Documentation.....6  
Vincent J. Schilleci III’s Proof of Residence Documentation.....30  
Vincent J. Schilleci Jr.’s Proof of Residence Documentation.....77

**Executive Summary**

CCS of Alabama LLC (“CCSA”) is majority owned by ATG Endeavors, LLC (“ATG”), which owns 51% of CCSA. ATG is a Resident, as defined by Ala. Admin. Code r. 538-x-1-.04(51)(b) (2022), as it is an entity registered with the Secretary of State of Alabama to do business in Alabama and has its principal place of business in Alabama (Entity ID Number 000-873-932). Further, ATG is 100% owned by three individuals, all of whom are lifetime Alabama Residents, Matthew J. Hogan, Vincent J. Schilleci III, and Judge Vincent J. Schilleci Jr. (ret.). Mr. Hogan, Mr. Schilleci III, and Mr. Schilleci Jr. are all lifetime Alabama residents. Each of them have been Residents of the State of Alabama for no less than 15 years preceding the date of this application, as evidenced by the proof of residence documents outlined below and attached hereto (identified as “Residency of Owners – Attachment Exhibit 2”).

Matthew Hogan, is a lifelong Alabama resident and University of Alabama graduate. Mr. Hogan currently serves as the President and Chief Operating Officer (“COO”) of ATG Distribution, a full-service alcoholic beverage wholesaler that serves Eastern and Central Alabama.

Vincent J. Schilleci III is a lifelong Alabama resident. Mr. Schilleci III is an attorney and shareholder at Maynard Cooper Gale in the firm’s Estate, Trust, and Business Planning Group. Vince is an adjunct professor at Birmingham School of Law, where he teaches Trusts and Estates, Agency, and Partnership and regularly teaches seminars throughout Alabama.

Vincent J. Schilleci Jr. is a lifelong Alabamian and veteran. Judge Schilleci attended the University of Alabama, where he earned a varsity letter for the football team as the Crimson Tide’s starting placekicker. In addition, Judge Schilleci served as the President of the first student-run life insurance company through the business school at the University of Alabama. Judge Schilleci enlisted in the Air National Guard (117th Air National Guard) in

1970, where he served as Jet Engine Mechanic until 1976. In 1972, Judge Schilleci enrolled in Cumberland School of Law at Samford University in Birmingham, Alabama, where he served as President of the senior class. Judge Schilleci served as an assistant district attorney in Bessemer, Alabama, until 1981, when he was appointed as a District Court Judge for the State of Alabama. Judge Schilleci retired from the bench in 2006 after nearly 25 years of service.

### **Proof of Residence in Alabama**

#### Matthew J. Hogan's Proof of Residence in Alabama

Mr. Hogan has provided the following documents to prove that he has been a Resident of the State of Alabama for no less than 15 years preceding the date of this application.

- Attestation from Mr. William H. White, CPA attesting to the fact that Mr. Hogan was a resident domiciled in the State of Alabama from 2007-2022.
- The University of Alabama Official Academic Transcript reflecting that Mr. Hogan was enrolled as a full-time undergraduate student from 2003 to 2008, and as a Graduate Student from 2008-2009.
- Jefferson County Warranty Deed [REDACTED] reflecting that Mr. Hogan owns real property in Jefferson County, Alabama since February 18, 2010, and which notes the then current address of Mr. Hogan as [REDACTED]
- Jefferson County Property Card for parcel [REDACTED] in Jefferson County, Alabama reflecting that Mr. Hogan has been the fee simple owner since 2011 and noting his mailing address as [REDACTED]
- Warranty Deed [REDACTED] reflecting that Mr. Hogan owns real property in Shelby County, Alabama since December 19, 2012, and which notes the then current address of Mr. Hogan as [REDACTED]
- 2013, 2014, and 2015 Alabama State Individual Income Tax Return for Mr. Hogan reflecting his home address as [REDACTED] and reflecting his employment with Bama Budweiser of Sylacauga in Sylacauga, Alabama.

- 2016, 2017, and 2018 Alabama State Individual Income Tax Return for Mr. Hogan jointly filed with his spouse, Mrs. Hogan, reflecting their home address as [REDACTED]
- 2019, 2020, and 2021 Alabama State Individual Income Tax Return for Mr. Hogan reflecting his home address as [REDACTED]
- Alabama Commercial Driver License No. [REDACTED] issued to Mr. Hogan on July 25, 2014, reflecting his home address as [REDACTED]
- Alabama Commercial Driver License No. [REDACTED] issued to Mr. Hogan on July 7, 2022, reflecting his home address as [REDACTED]

Vincent J. Schilleci III's Proof of Residence in Alabama

Mr. Schilleci III has provided the following documents to prove that he has been a Resident of the State of Alabama for no less than 15 years.

- Letter dated December 8, 2022, from State Farm Insurance, located in Pelham, AL, attesting to the fact that Mr. Schilleci III has held Homeowners' Insurance in the State of Alabama continuously since March 10, 2014 on his current primary residence located at [REDACTED]. The letter further attests to the fact that Mr. Schilleci III has held auto insurance in the State of Alabama since 1998.
- Jefferson County Warranty Deed [REDACTED] recorded May 11, 2007, reflecting that Mr. Schilleci III has owned real property in Jefferson County, AL since May 11, 2007, and which notes his then current home address as [REDACTED]
- Mortgage [REDACTED] recorded May 11, 2007, reflecting that Mr. Schilleci III has held a mortgage on real property in Jefferson County, AL since May 11, 2007.
- Voter Registration for Jefferson County, AL dated January 10, 2008, in the name of Mr. Schilleci III, born January 13, 1979, which notes that he has voted in Alabama on the following dates: August 26, 1997, June 4, 2002, September 9, 2003, and November 4, 2008.

- Voter Registration for Jefferson County, Alabama dated June 11, 2014, in the name of Mr. Schilleci III, born January 13, 1979, reflecting his home address of [REDACTED] which notes that he has voted in Alabama on the following dates: June 5, 2018, November 6, 2018, September 24, 2019, March 3, 2020, July 14, 2020, August 25, 2020, November 3, 2020, May 24, 2022, June 21, 2022, and August 23, 2022.
- Voter Registration for Jefferson County, AL dated June 6, 2014, in the name of Mr. Schilleci III, born January 13, 1979, reflecting his home address of [REDACTED] which notes that he has voted in Alabama on the following dates: November 6, 2012, November 4, 2014, March 1, 2016, August 23, 2016, November 8, 2016, August 15, 2017, September 26, 2017, December 12, 2017, June 5, 2018, November 6, 2018, and September 24, 2019.
- Jefferson County Warranty Deed, Joint Tenants with Right of Survivorship [REDACTED] recorded January 28, 2009, reflecting that Mr. Schilleci III has owned real property as joint tenants with his wife, Anne M. Schilleci, in Jefferson County, AL since January 28, 2009, and which notes his then current home address as [REDACTED]
- Mortgage [REDACTED] recorded January 28, 2009, reflecting that Mr. Schilleci III has held a mortgage with his wife, Mrs. Schilleci, on real property in Jefferson County, AL since January 28, 2009.
- 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 IRS U.S. Individual Income 1040 Tax Return reflecting Mr. Schilleci III and Mrs. Schilleci's home address of [REDACTED]
- AL Driver License No. [REDACTED] in the name of Mr. Schilleci III issued November 15, 2021, reflecting a home address of [REDACTED]
- Printout dated December 6, 2022, from the Alabama State Bar website reflecting that Mr. Schilleci III attended the University of Alabama School of Law, was admitted to the Alabama State Bar in September 2004, and currently works at the law firm of Maynard Cooper & Gale, PC located in Birmingham, Alabama.

Vincent J. Schilleci Jr.'s Proof of Residence in Alabama

Mr. Schilleci Jr. has provided the following documents to prove that he has been a Resident of the State of Alabama for no less than 15 years preceding the date of this application.

- Jefferson County Alabama Property Card for parcel [REDACTED] in Jefferson County, Alabama reflecting that Mr. Schilleci Jr's wife, Deborah M. Schilleci, has been the owner of [REDACTED] since August 1, 1988, where he has lived with her since 1988.
- Jefferson County Alabama Property Card for parcel [REDACTED] in Jefferson County, Alabama reflecting that Mr. Schilleci Jr. and Mrs. Schilleci have been the owners of [REDACTED] since April 21, 2017.
- 2010, 2011, 2012, 2013, 2014, 2015, and 2016 Alabama State Individual Income Tax Return for Mr. Schilleci Jr. and Mrs. Schilleci, reflecting their home address as [REDACTED]
- 2017, 2018, 2019, 2020, and 2021 Alabama State Individual Income Tax Return for Mr. Schilleci Jr. and Mrs. Schilleci, reflecting their home address as [REDACTED]
- Alabama Driver License No. [REDACTED] in the name of Mr. Schilleci Jr. issued July 30, 2021, reflecting a home address of [REDACTED]
- Printout dated December 6, 2022, from the Alabama State Bar website reflecting that the Honorable Mr. Schilleci Jr. was admitted to the Alabama State Bar on April 19, 1977 and attended Samford University Cumberland School of Law located in Birmingham, AL.

This Exhibit 2 Complies with: Ala. Admin. Code r.538-x-3-.05(3)(m)(4) (2022)

# Matthew Hogan

Proof of Residence in Alabama

WHITE AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

S HAROLD WHITE, CPA (1920-1998)  
WILLIAM H. WHITE, CPA  
KEN D. SHARKEY, CPA

December 16, 2022

Alabama Medical Cannabis Commission  
Post Office Box 309585  
Montgomery, AL 36130

RE: Matthew Hogan Residency

To Whom It May Concern,

As a Certified Public Accountant who worked with Matthew Hogan and his family from 2007 – 2022, I am writing this letter to attest that to my best knowledge, for the years listed below, Mr. Hogan was a resident domiciled in the State of Alabama from 2007 – 2022.

Should you need any further clarification or have any additional questions, please feel free to call me directly at 205.822.6260 or email me at cpabw@bellsouth.net.

Regards,



William H. White, CPA





# The University of Alabama

Tuscaloosa, Alabama 35487

License Type: Dispensary

## OFFICIAL ACADEMIC TRANSCRIPT

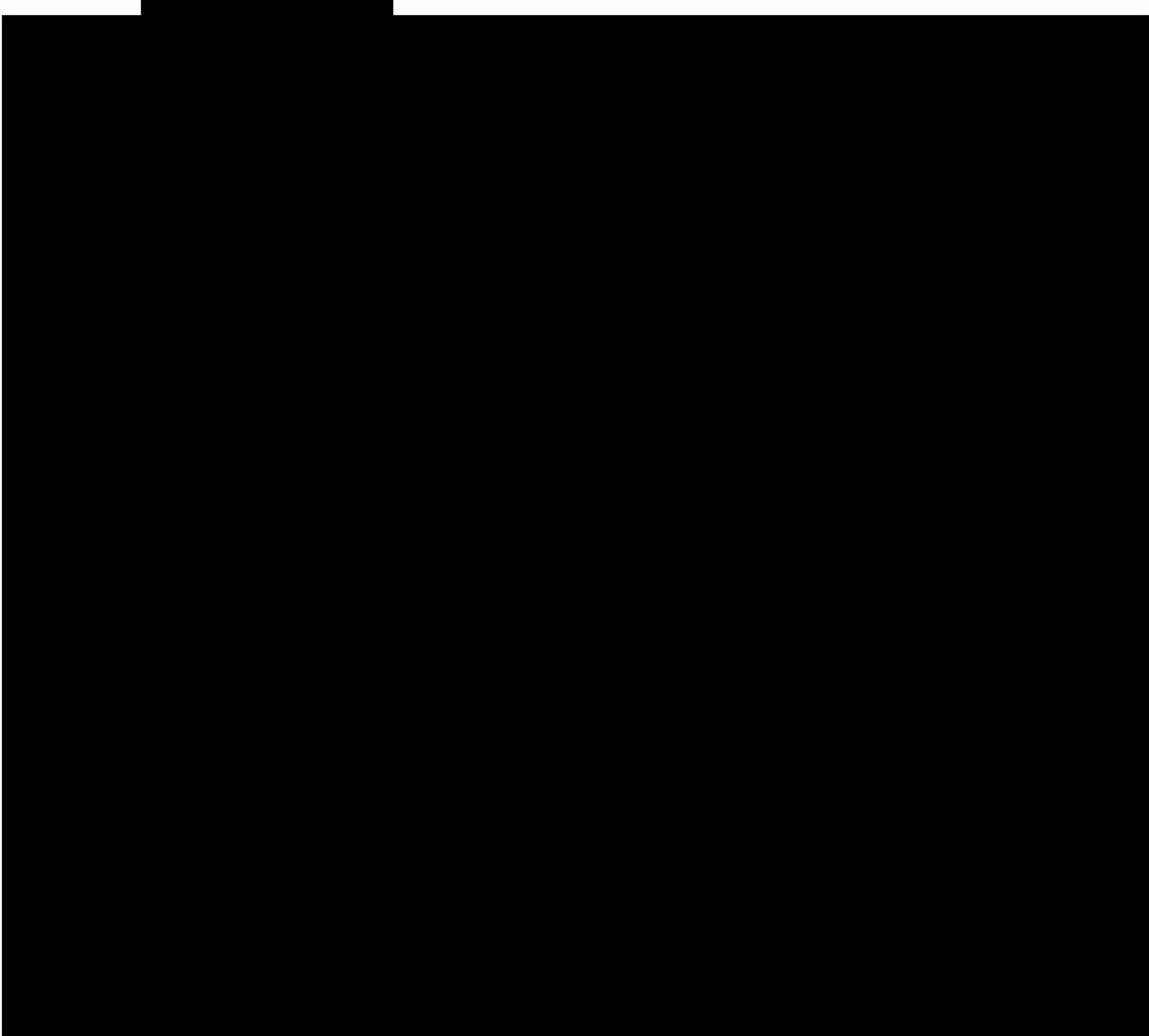
SSN: \*\*\*-\*\*-7675

Date of Birth: 18-JAN

Date Issued: 08-DEC-2022

Record of: Matthew Joshua Hogan  
Issued To: LEONA BAKER

Page: 1



K.H. Foshee  
University Registrar



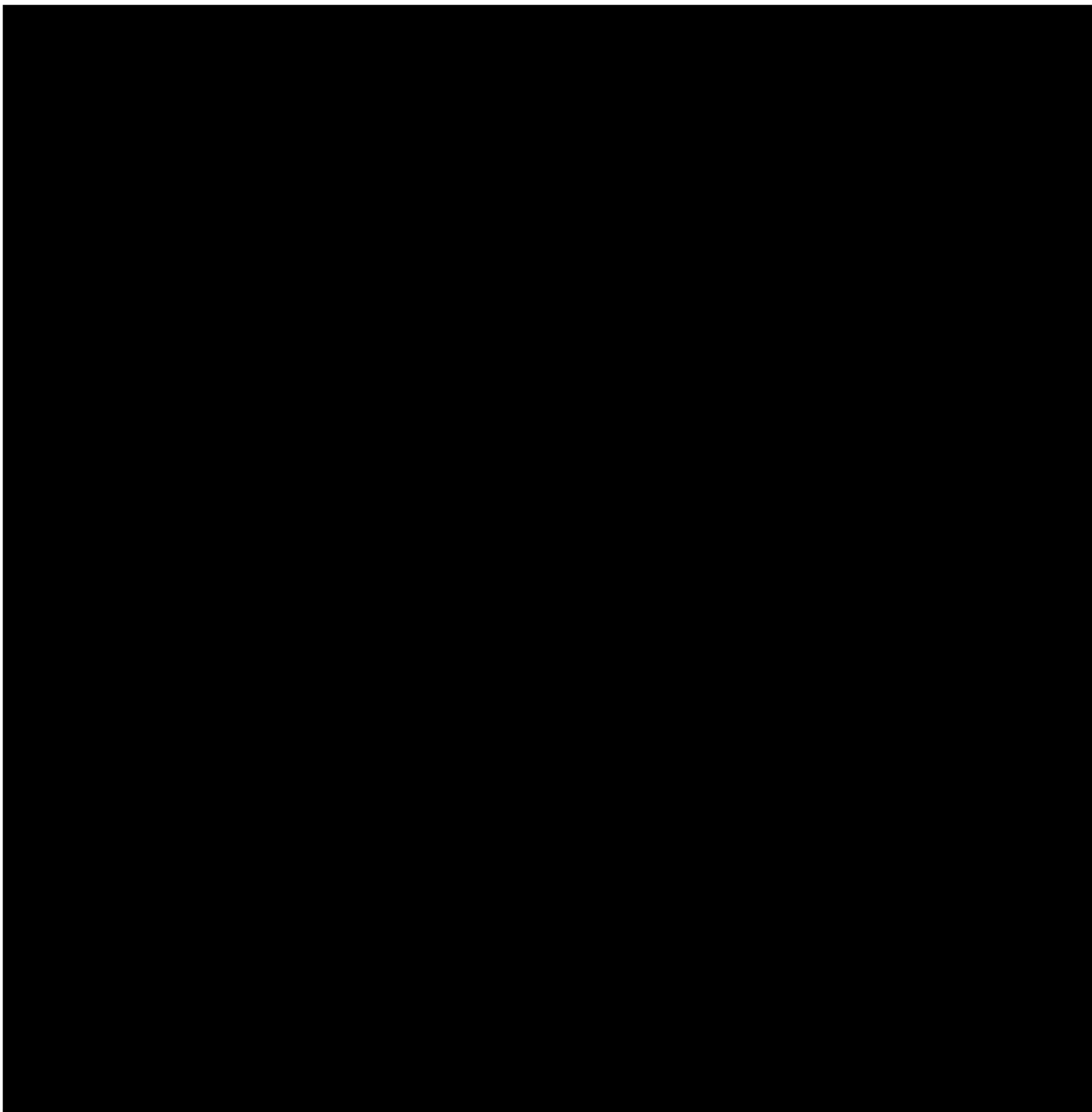
# The University of Alabama

Tuscaloosa, Alabama 35487

License Type: Dispensary

---

## OFFICIAL ACADEMIC TRANSCRIPT



A handwritten signature in black ink, appearing to read 'K.H. Foshee'.

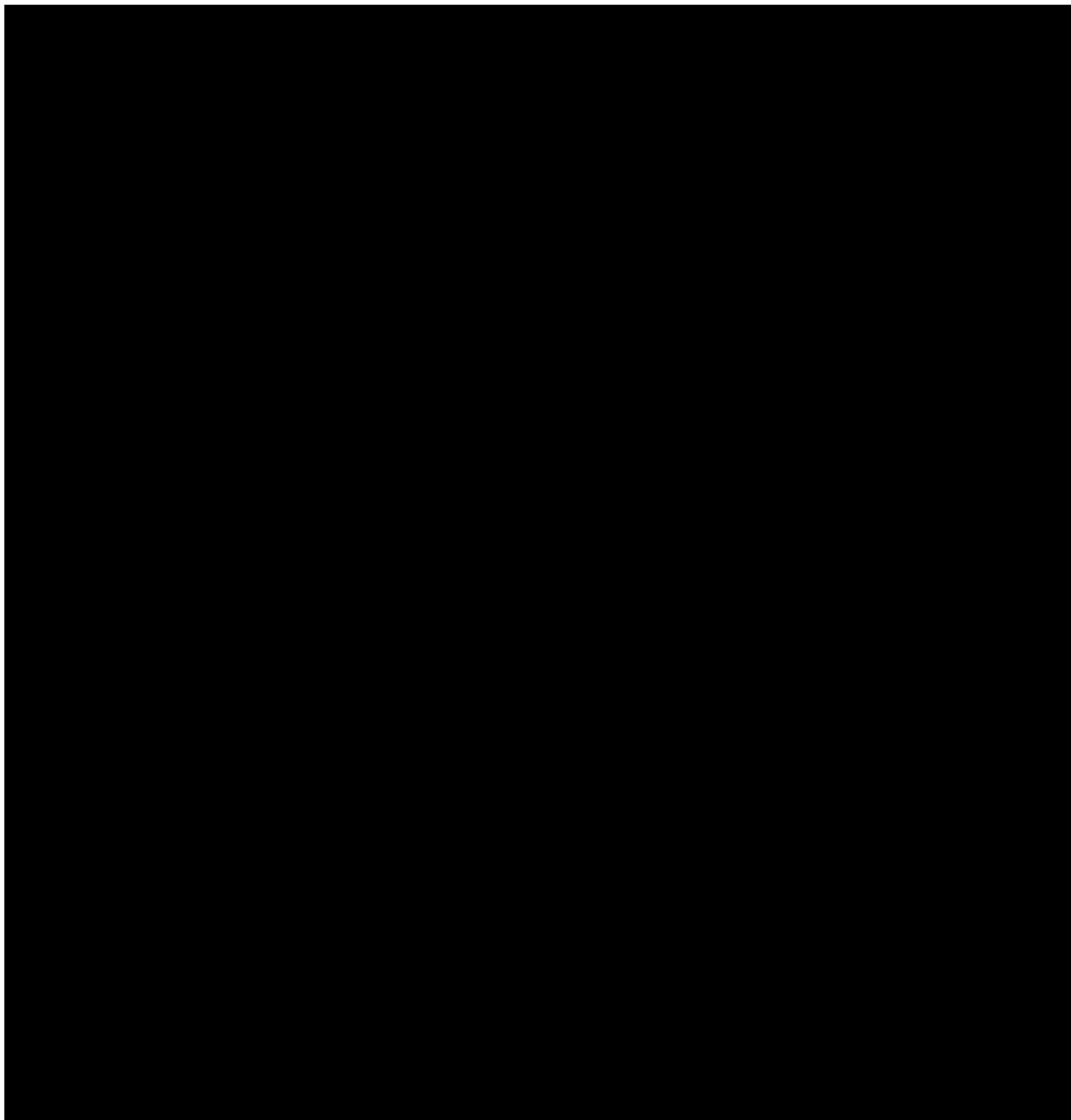


# The University of Alabama

Tuscaloosa, Alabama 35487

License Type: Dispensary

## OFFICIAL ACADEMIC TRANSCRIPT



Residency of Owners - Attachment Exhibit 2

This transcript processed and delivered by Parchment

A handwritten signature in black ink, appearing to read "K.H. Foshee".

K.H. Foshee Page 10 of 96  
University Registrar

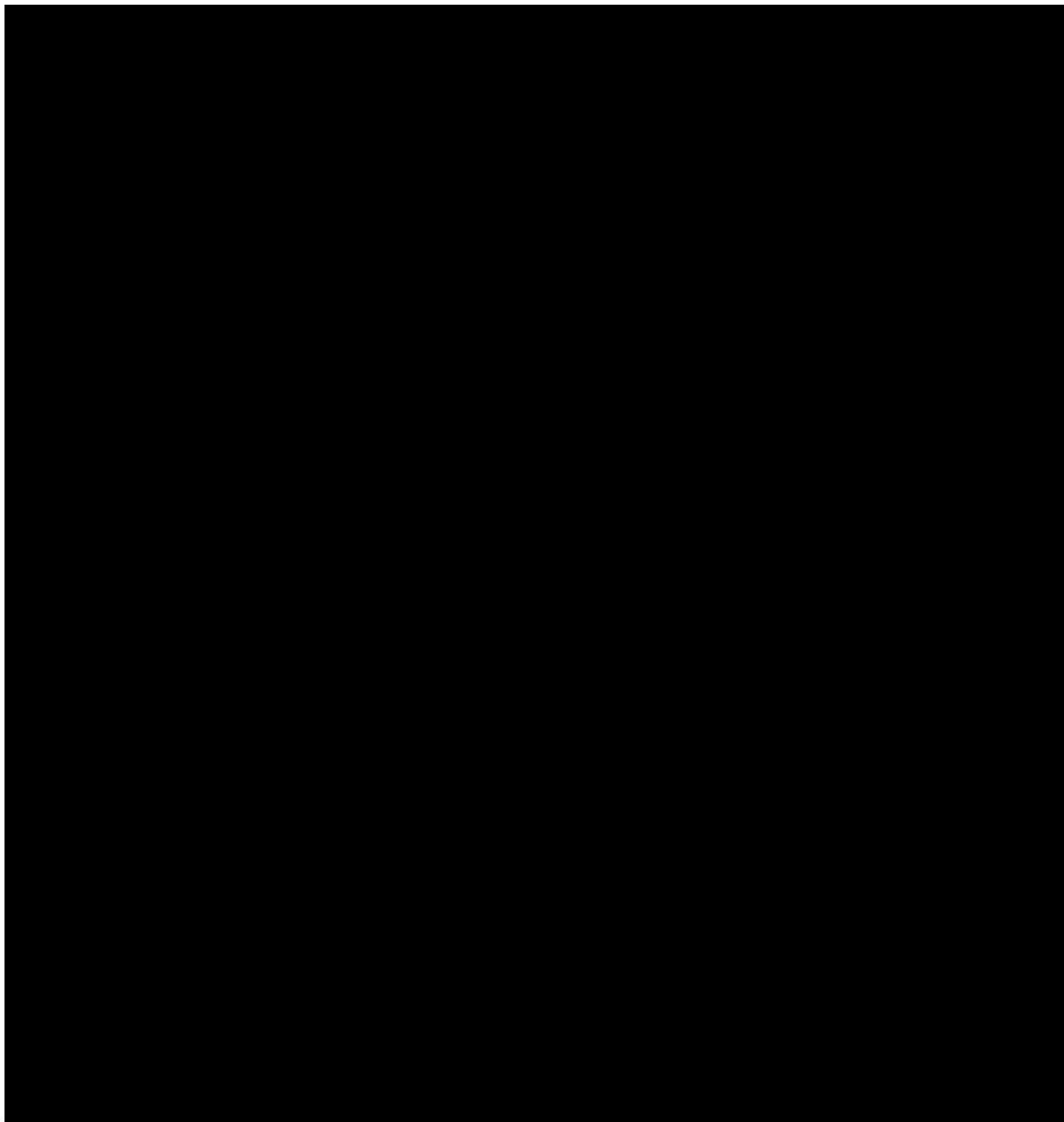


# The University of Alabama

Tuscaloosa, Alabama 35487

License Type: Dispensary

## OFFICIAL ACADEMIC TRANSCRIPT



Residency of Owners - Attachment Exhibit 2

This transcript processed and delivered by Parchment

A handwritten signature in black ink, appearing to read 'K.H. Foshee'.

K.H. Foshee Page 11 of 96  
University Registrar



**THE UNIVERSITY OF ALABAMA**  
Office of the University Registrar  
Box 870134  
Tuscaloosa, Alabama 35487-0134  
(205) 348-2020  
registrar@ua.edu  
**TRANSCRIPT GUIDE**

License Type: Dispensary

*The University of Alabama does not issue partial transcripts of a student's record.*

**ACADEMIC BANKRUPTCY** - Academic Bankruptcy involves an undergraduate student's request to retroactively withdraw from one academic term due to extenuating circumstances. If granted, all courses taken during the term in question will be graded "W" (Withdrawn). No more than one petition for Academic Bankruptcy may be approved during a student's academic career at The University of Alabama. A notation regarding the Academic Bankruptcy will appear under the term in which the request was granted.

**ACADEMIC SECOND OPPORTUNITY** - Students who have been separated from The University of Alabama for at least three academic years may petition to apply for readmission through Academic Second Opportunity. If approved, all previous institutional academic work remains on the student's permanent record, but the grades for previous work are no longer used in computing the grade point average (GPA). Grades of "C-" or higher are changed to grades of "P" (Pass) and may be applied to a degree program. All grades of "D+" or lower are removed from the GPA calculation. These changes apply only to coursework completed at The University of Alabama. A notation regarding the Academic Second Opportunity will appear on the transcript.

**ACADEMIC STANDING** - A student's academic standing is computed based on the total number of earned hours and a student's institutional GPA. A student's current academic standing at the time of transcript printing is reflected under the last term completed. Students with an academic standing of "Good Standing" or "Academic Warning" are considered eligible to return.

**ACCREDITATION** - The University of Alabama is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award baccalaureate, masters, educational specialist, and doctoral degrees. Contact the Commission on Colleges at 1866 Southern Lane, Decatur, Georgia 30033-4097 or call 404-679-4500 for questions about the accreditation of The University of Alabama.

**CALENDAR** - The University of Alabama operates under a semester system. The University's academic calendar is divided into fall, spring, and summer semesters.

**CLASSIFICATIONS** - The University of Alabama classifies students based on earned hours as follows:

**Undergraduate**

Freshman: 0 - 30.999 semester hours  
Sophomore: 31 - 60.999 semester hours  
Junior: 61 - 90.999 semester hours  
Senior: 91 or greater semester hours

**Law**

First-year law student: 0 - 29.999 semester hours  
Second-year law student: 30 - 53.999 semester hours  
Third-year law student: 54 or greater semester hours

**COURSE NUMBERING SYSTEM** - The proper interpretation of course numbers of The University of Alabama is as follows:

001-099: Remedial non-credit courses  
100-199: Primarily for freshmen  
200-299: Primarily for sophomores  
300-399: Primarily for juniors  
400-499: Primarily for seniors  
500-699: Primarily for graduate and law courses  
700+: Professional courses for law and medical students

**FORGIVENESS POLICY** - Discontinued November 1, 2001, students enrolled in undergraduate programs at The University of Alabama were allowed to drop a maximum of three courses taken at the University from the computation of the GPA. Courses not computed in the GPA could not be applied toward baccalaureate degree requirements. These courses and grades remained on the transcript but were excluded from earned hours and the GPA. Once a course was dropped from GPA computation under this policy, the grade and credit could not be restored.

**FULL-TIME STATUS** - The University of Alabama defines full-time status as follows:

Undergraduate: 12 semester hours  
Graduate: 9 semester hours  
Law: 10 semester hours  
Medical: 12 semester hours

**GRADING SYSTEM** - The University of Alabama utilized a 3 point grading system from 1831 through August 1983 (summer term). Effective fall semester 1983, The University of Alabama converted to a 4 point grading system. Beginning fall semester 1994, the University moved to a plus/minus grading system for those students who had no previous higher education work. The value of the A+ changed from 4.0 to 4.33 effective with the fall semester 1999. The maximum overall GPA a student can earn is 4.0. The following grade notations are used in computing the Grade Point Average (GPA - the quotient of quality points divided by quality hours):

Grade	Grade points per hour credit
A+	4.33
A	4.0
A-	3.67
B+	3.5 (Law students beginning prior to Summer 2003)
B	3.33
B-	3.0
C+	2.67
C	2.5 (Law students beginning prior to Summer 2003)
C-	2.33
D+	2.0
D	1.67
D-	1.33
F	1.0
F	0.67
F	0.0
AU (Audit)	0.0 Not used in computation of GPA or enrollment status
DO (Dropped Out)*	0.0 Not used in computation of GPA
I (Incomplete)	0.0 Computed same as 'F'
IP (In Progress)	0.0 Not used in computation of GPA
N (No grade reported)	0.0 Computed same as 'F'
NA (Never Attended)*	0.0 Not used in computation of GPA
NC (No credit)	0.0 Not used in computation of GPA
NG (Not Graded)	0.0 Not used in computation of GPA
P (Pass)	0.0 Not used in computation of GPA
W (Withdrawn)	0.0 Not used in computation of GPA
WF (Withdrawn Failing)*	0.0 Computed same as 'F'
WP (Withdrawn Passing)*	0.0 Not used in computation of GPA

\*Grade is no longer in use

**PLACEHOLDER COURSES** - Students participating in the National Student Exchange program, various consortium agreements, and various study abroad programs may be placed into courses designated by CIP, MSC, or NSE subject codes, respectively, for the purposes of enrollment verification and tuition payment. Following the term of enrollment, these courses will be graded "NG" (Not Graded). Actual coursework earned will be posted on the transcript in addition to the placeholder course.

**RELEASE OF INFORMATION** - The Family Educational Rights and Privacy Act of 1974 and later amendments prohibits release of information from this document to a third party without the student's written consent.

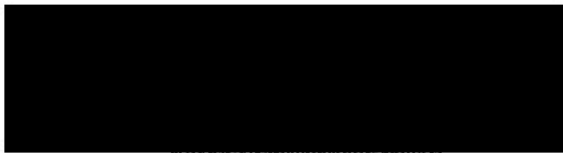
**REPEATED COURSES** - When courses are repeated, only the most recent attempt will count towards earned hours (with the exception of courses approved for repeatable credit). Grades for all attempts remain on the record and are computed in the student's GPA.

**TRANSFER WORK** - Transfer hours may be applied to degree programs and are computed in a student's overall GPA. All transfer courses listed on the transcript do not necessarily apply towards a degree program.

**TRANSCRIPT VALIDATION** - An official transcript is printed on secure paper, does not require a raised seal, and is valid only when it bears the signature of the registrar. Hold document up to the light to see the translucent watermark image. This transcript is printed on a crimson background. When photocopied in color, the word "VOID" will appear. A black and white transcript is NOT an original document.

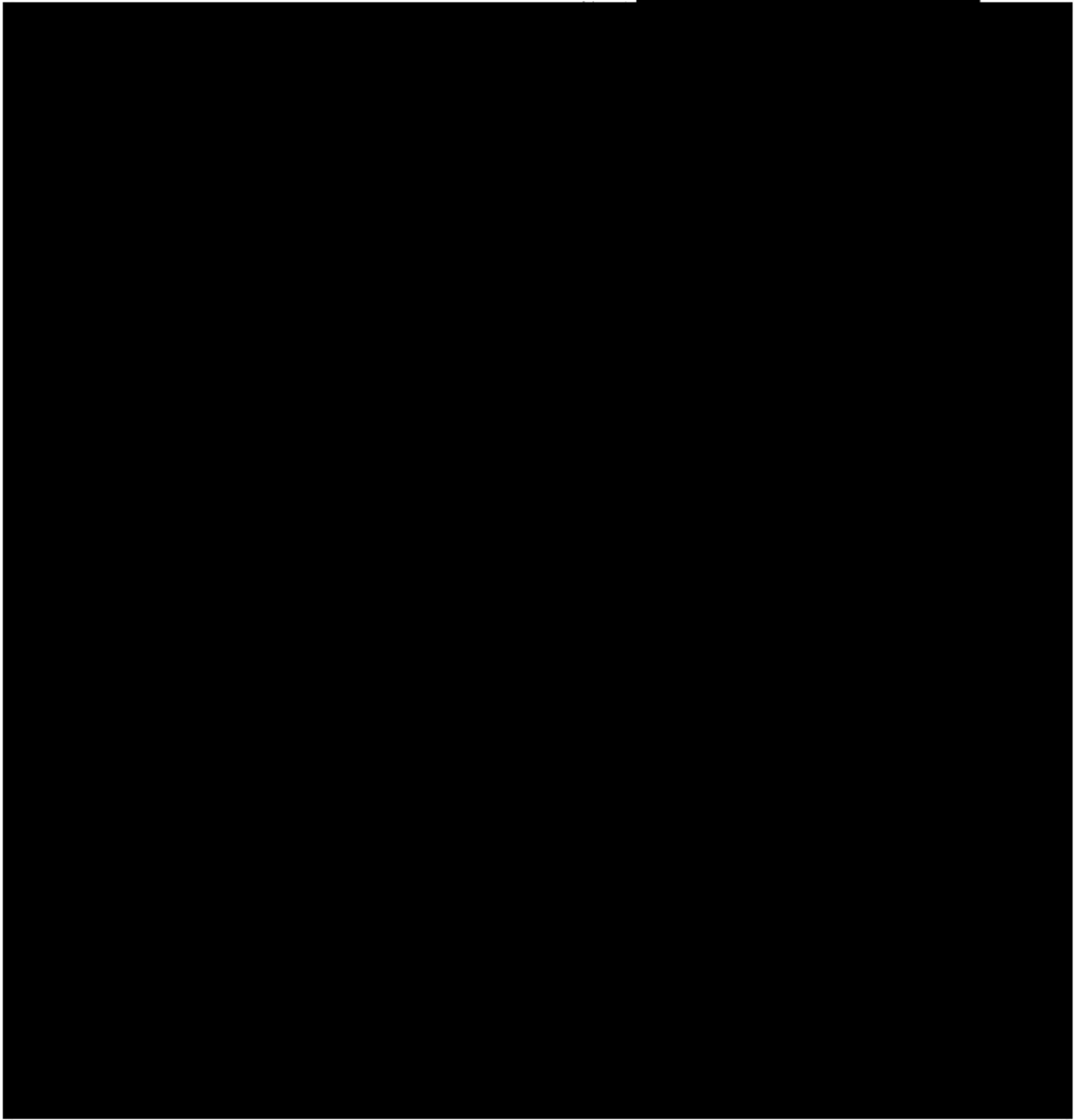
*Any questions regarding the validity of this transcript should be directed to: The University of Alabama, Office of the University Registrar, 206 Student Services Center, Box 870134, Tuscaloosa, AL 35487, (205) 348-2020, registrar@ua.edu.*

This Instrument Prepared By:  
James F. Burford, III  
Attorney at Law  
1318 Alford Avenue Suite 101  
Birmingham, Alabama 35226



WARRANTY DEED

STATE OF ALABAMA     )  
JEFFERSON COUNTY    )

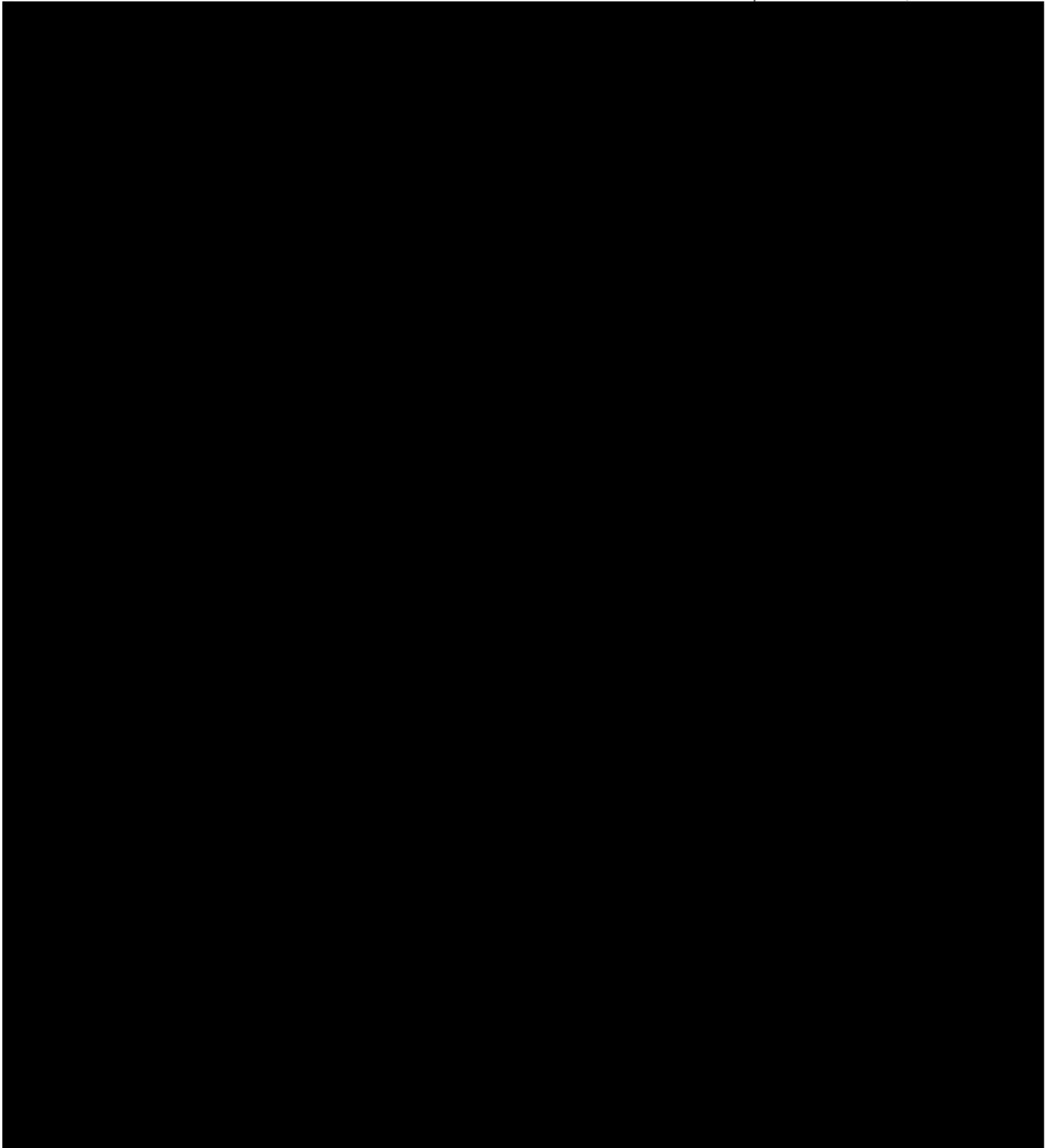




License Type: Dispensar



JEFFERSON COUNTY, ALABAMA. CITIZEN ACCESS PORTAL



This instrument prepared by:

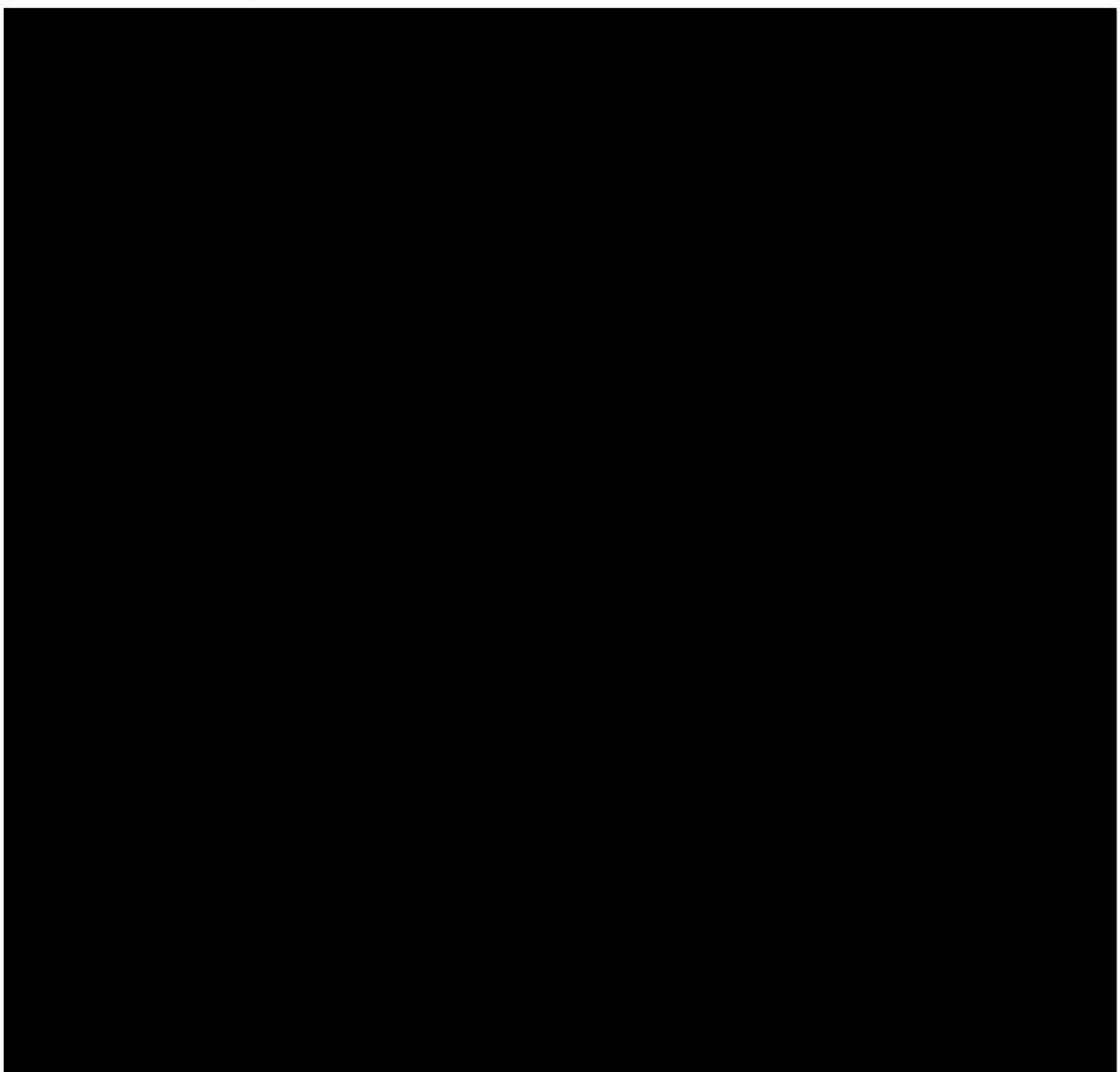
James E. Roberts  
4908 Cahaba River Road  
Suite 204  
Birmingham, AL 35243  
(205) 970-7775

)  
)  
)  
)  
)  
)  
)

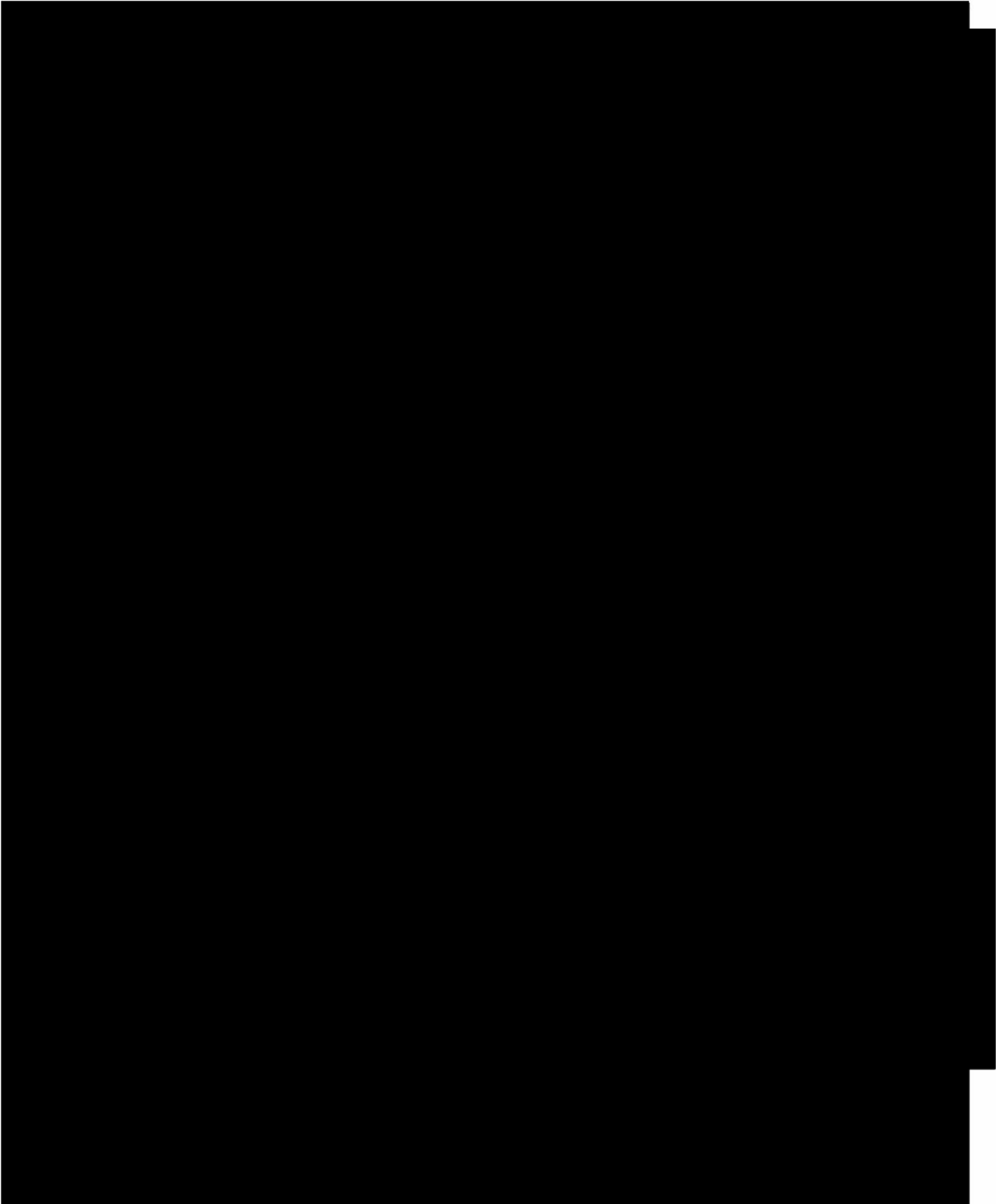
----- Above This Line Reserved For Official Use Only-----

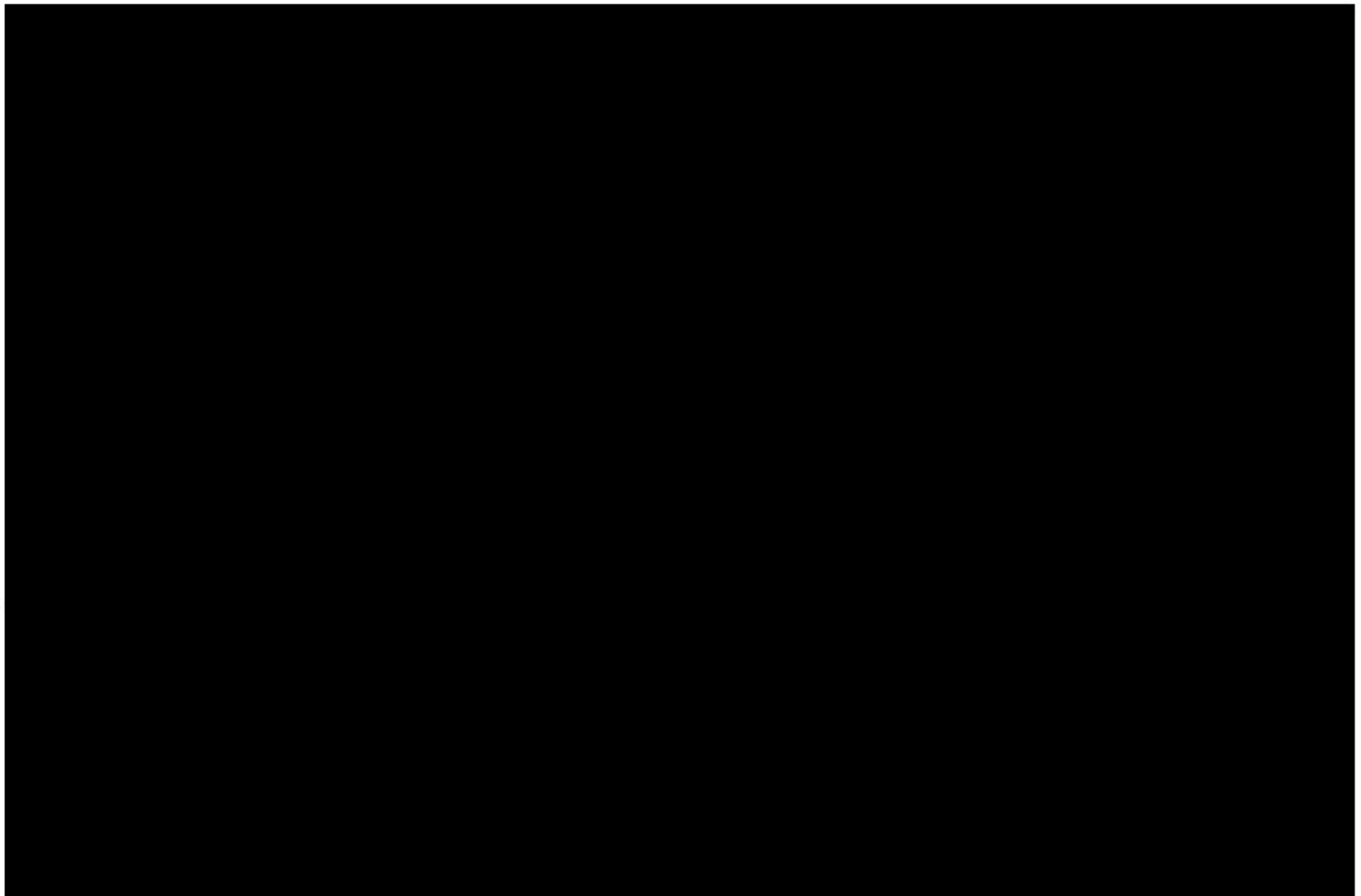
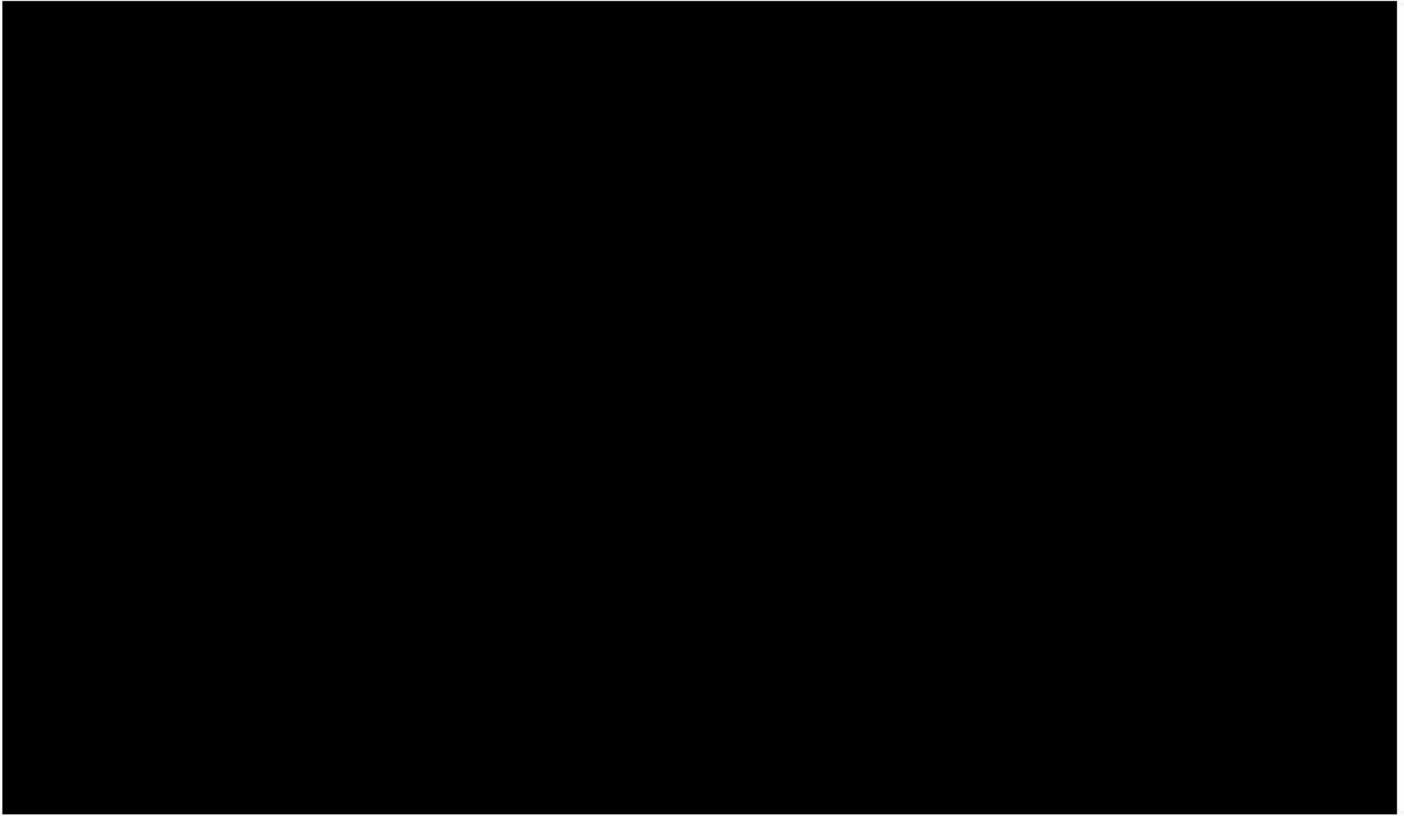


**WARRANTY DEED**



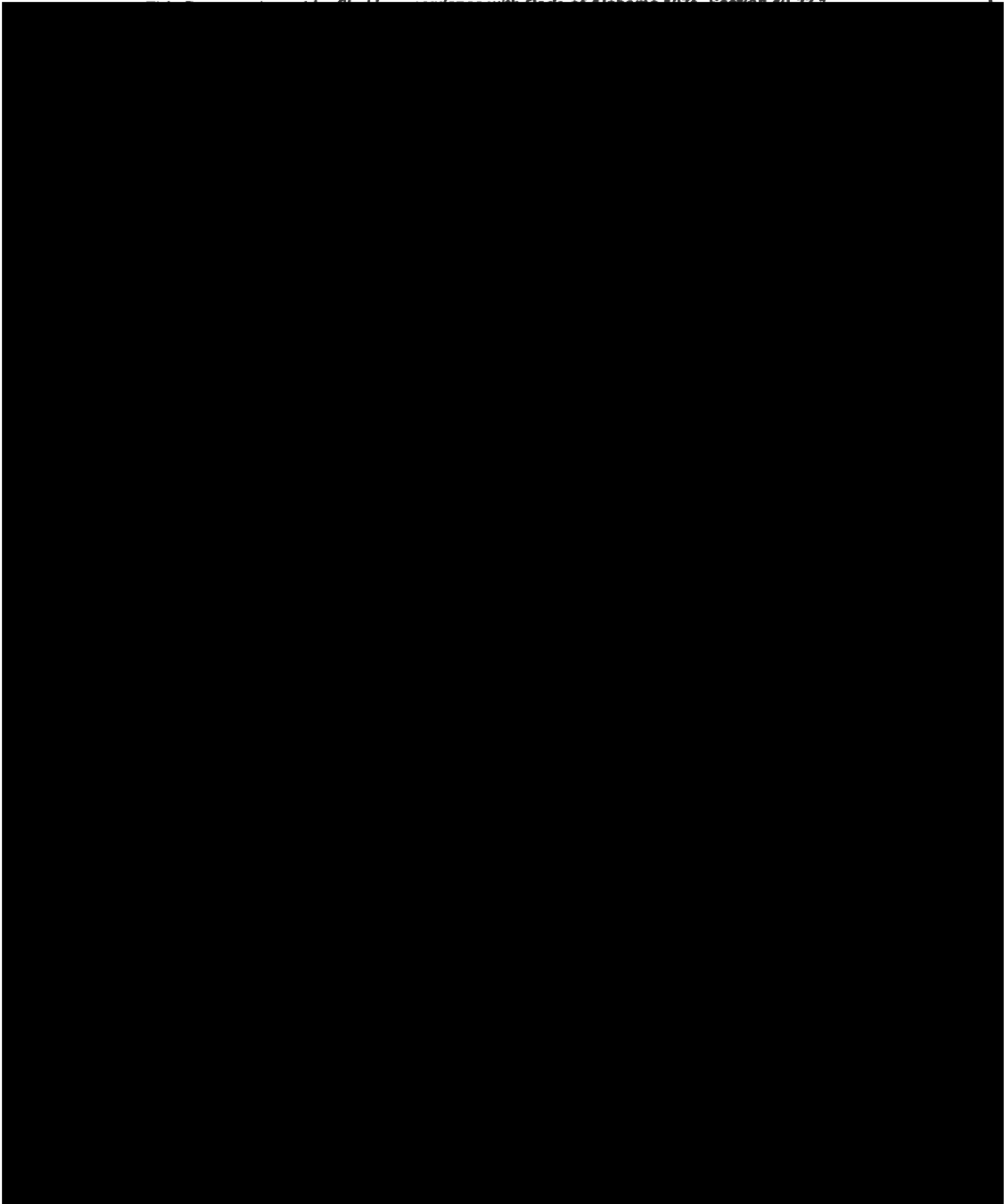






**Real Estate Sales Validation Form**

License Type: Dispensary







FORM

**40 Alabama 2014**

Individual Income Tax Return  
RESIDENTS & PART-YEAR RESIDENTS



For the year Jan. 1 - Dec. 31, 2014, or other tax year:

Beginning

Ending

Your social security number



Spouse's SSN if joint return

Your first name

• MATTHEW

Initial

J

Last name

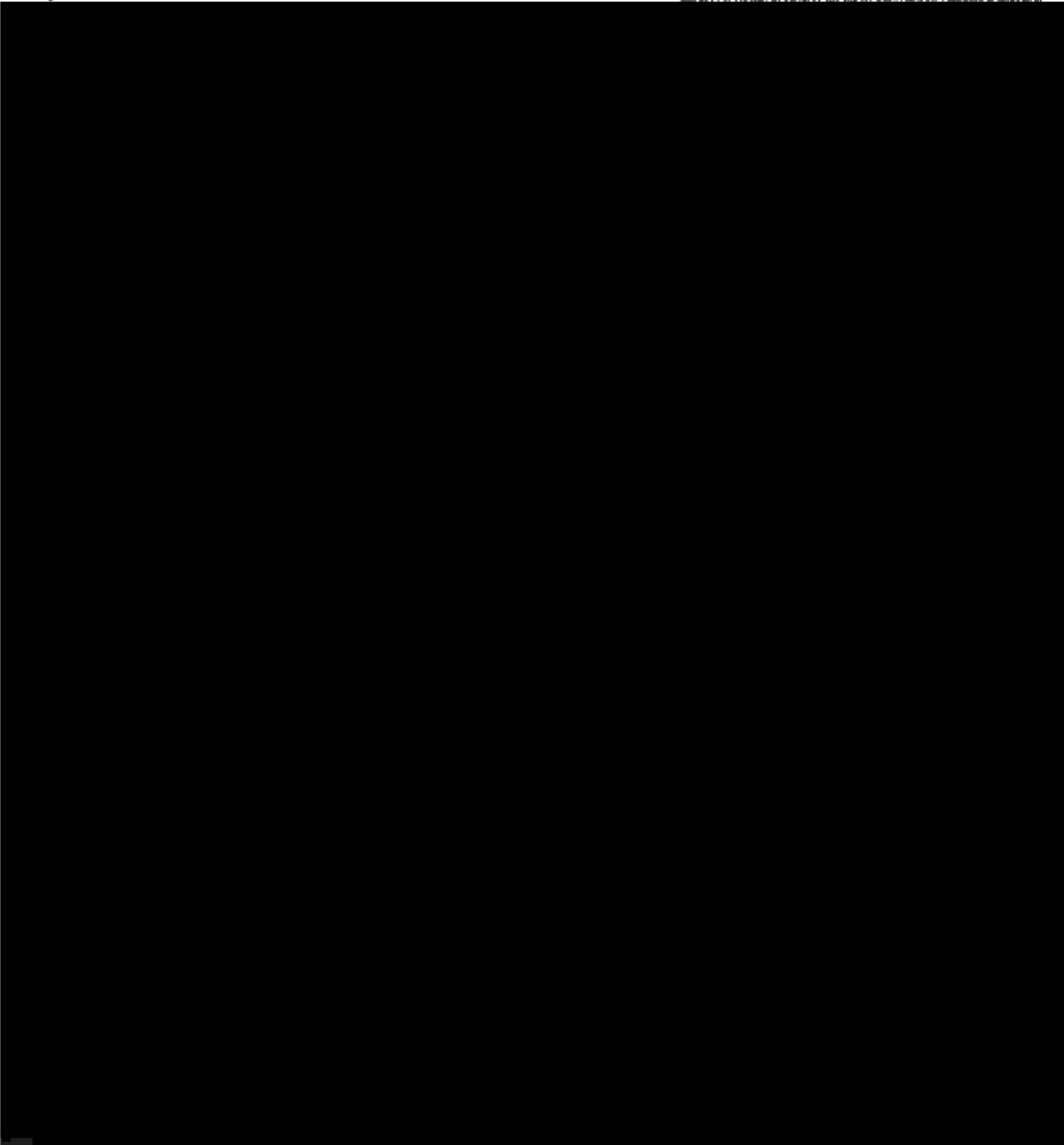
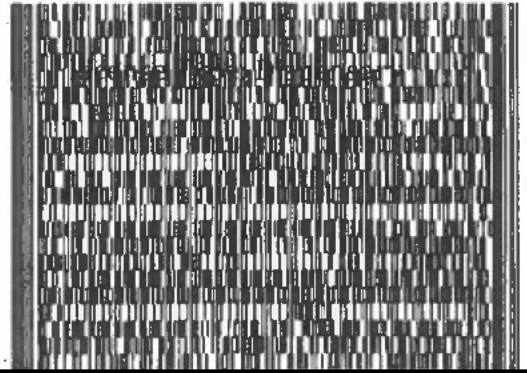
HOGAN

Spouse's first name

•

Initial

Last name





FORM  
**40** Alabama **2015**  
Individual Income Tax Return  
RESIDENTS & PART-YEAR RESIDENTS



For the year Jan. 1 - Dec. 31, 2015, or other tax year:

Beginning:

Ending: ●

Your social security number ●



Spouse's SSN if joint return ●



Your first name

● **MATTHEW**

Initial

**J**

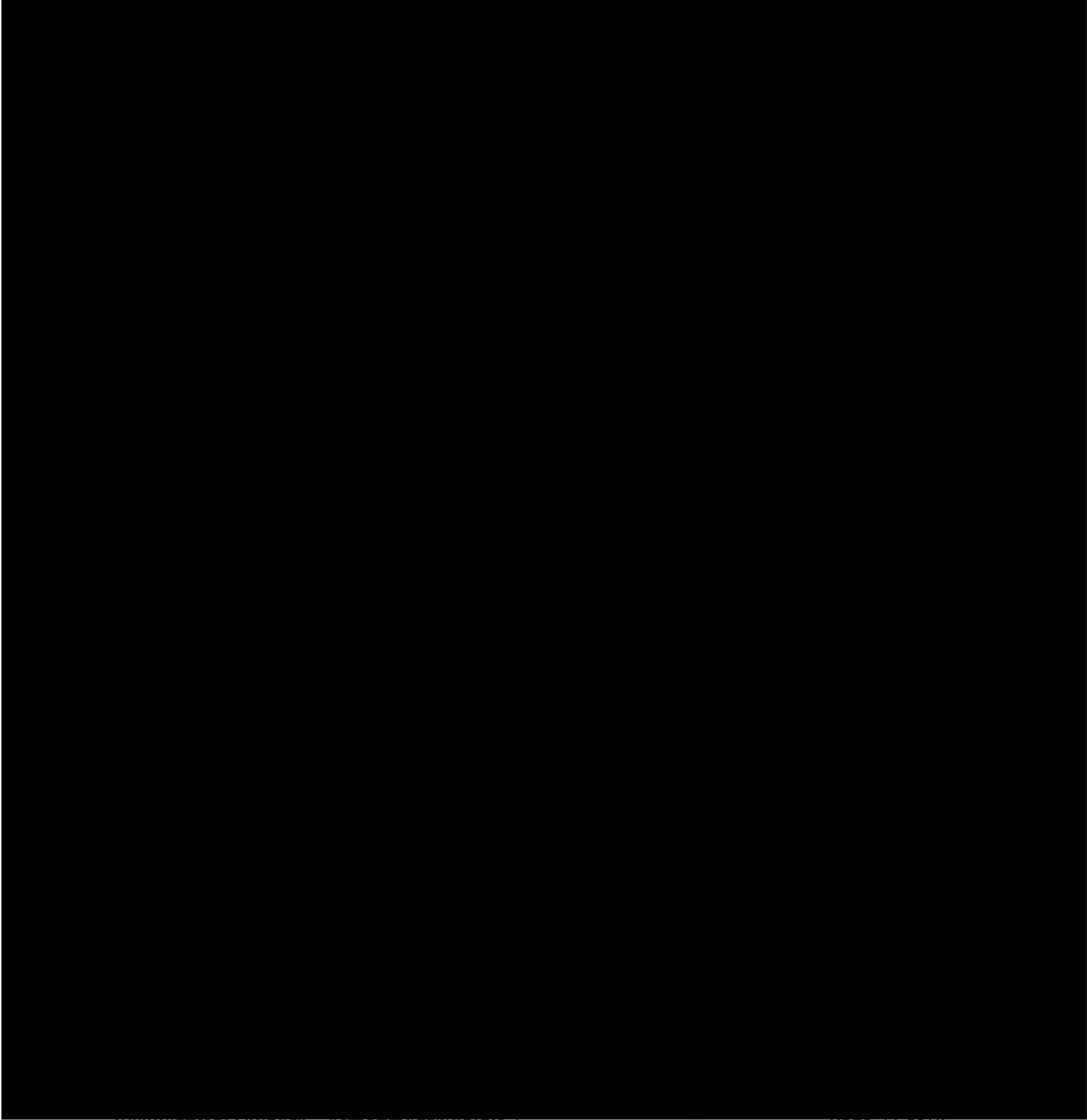
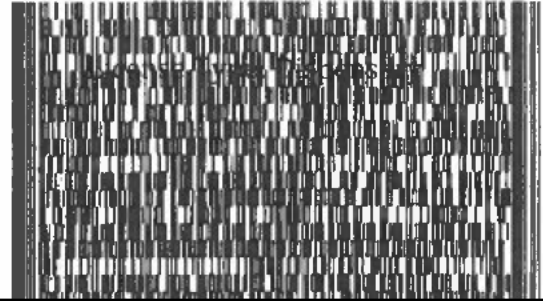
Last name

**HOGAN**

Spouse's first name

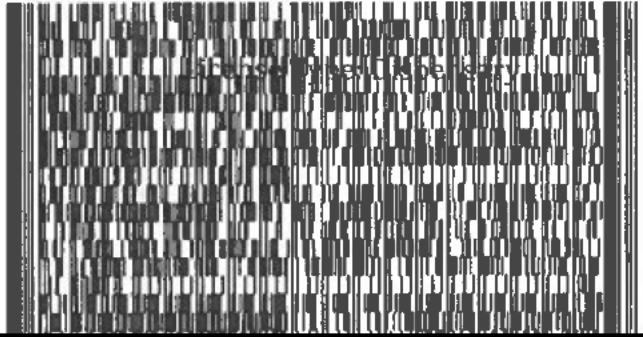
Initial

Last name





FORM  
**40** Alabama **2016**  
Individual Income Tax Return  
RESIDENTS & PART-YEAR RESIDENTS



For the year Jan. 1 - Dec. 31, 2016, or other tax year:

Beginning:                      Ending: ●

Your social security number

●

●  Check if primary is deceased

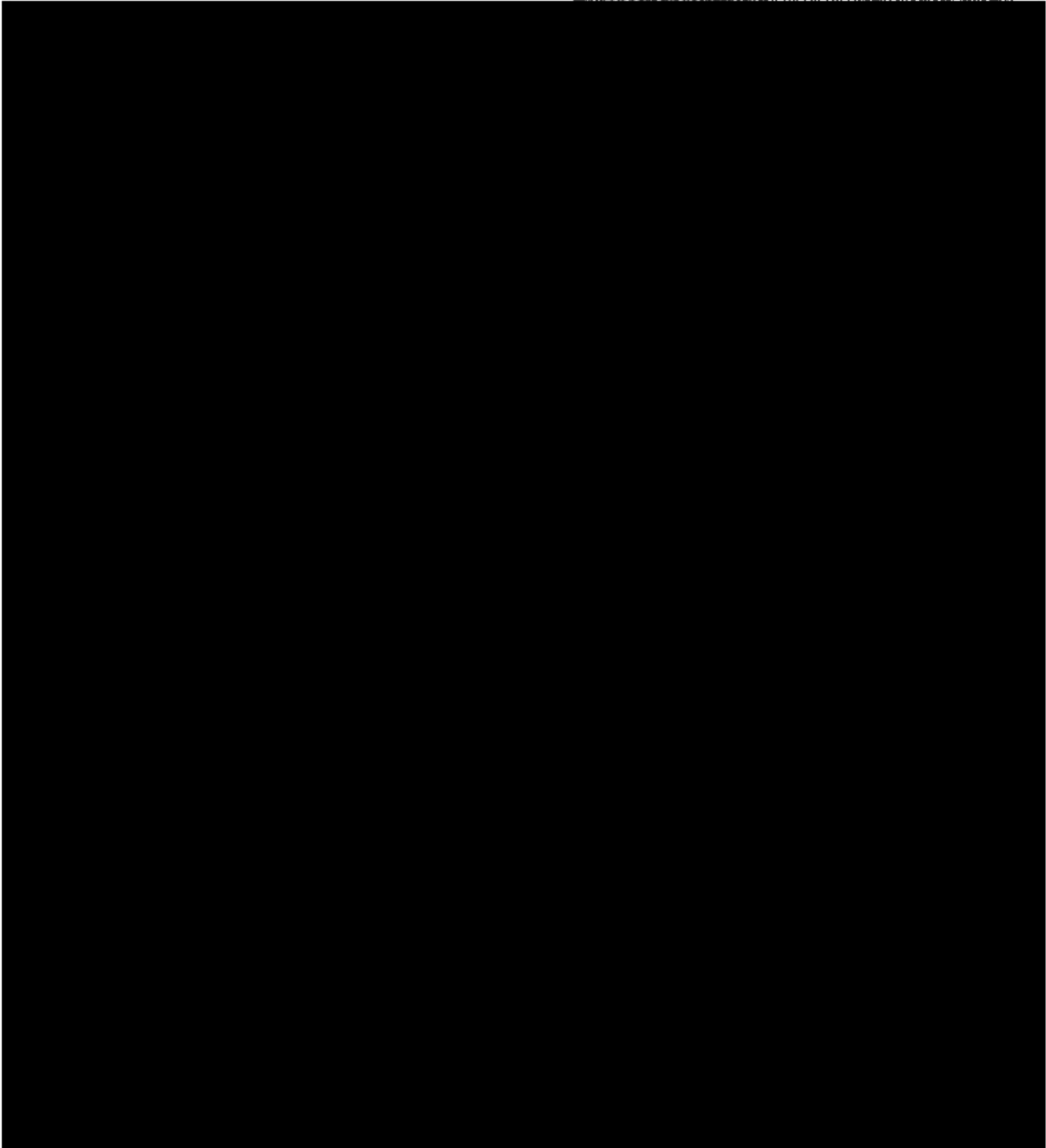
Primary's deceased date  
(mm/dd/yy) ●

Spouse's SSN if joint return

●

●  Check if spouse is deceased

Spouse's deceased date  
(mm/dd/yy) ●





FORM 40 Alabama 2017 Individual Income Tax Return RESIDENTS & PART-YEAR RESIDENTS



License Type: Dispensary

For the year Jan. 1 - Dec. 31, 2017, or other tax year: Beginning: Ending:

Your social security number

[Redacted]

Check if primary is deceased Primary's deceased date (mm/dd/yy)

Spouse's SSN if joint return

[Redacted]

Check if spouse is deceased Spouse's deceased date (mm/dd/yy)



Your first name

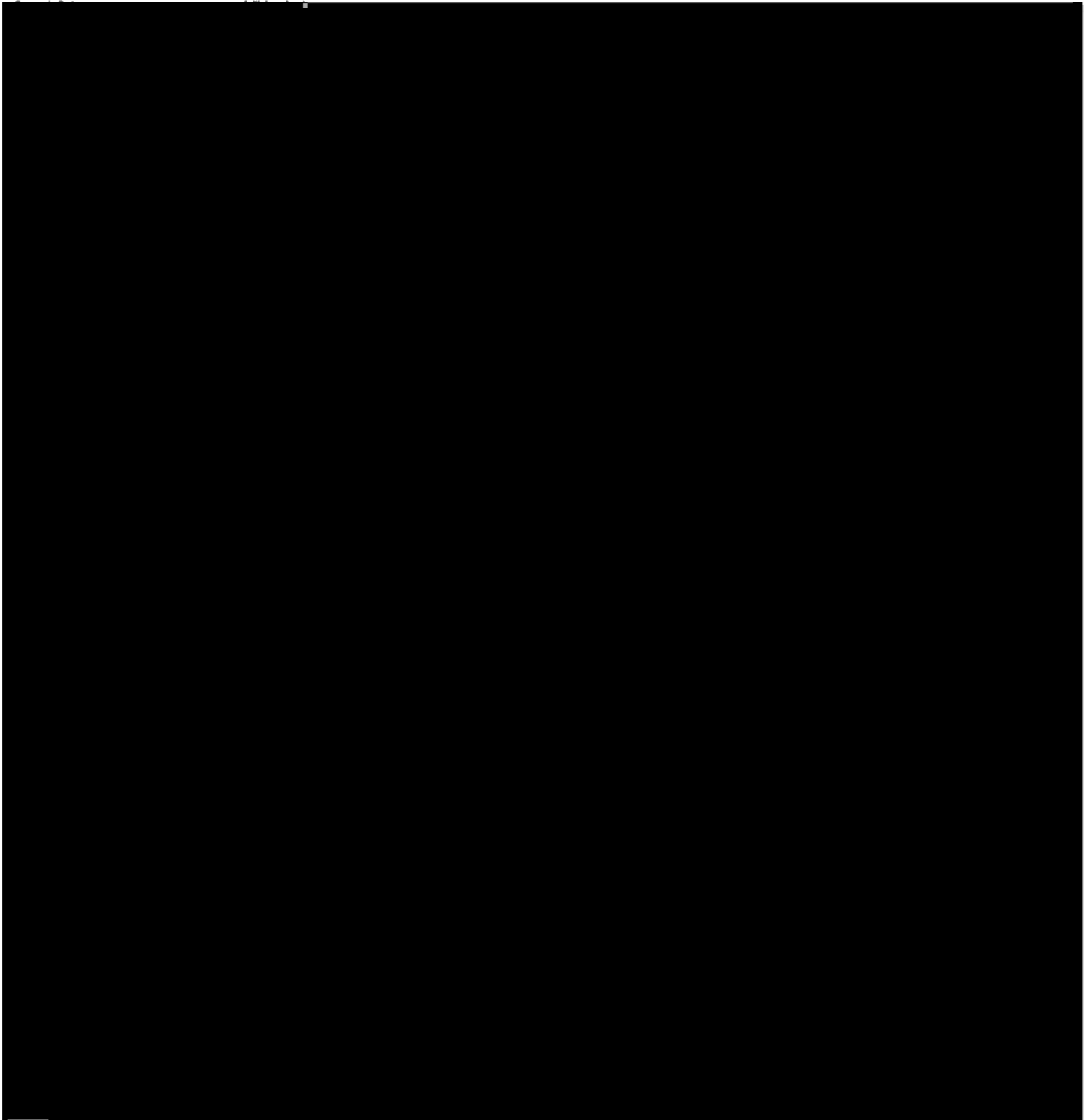
MATTHEW

Initial

J

Last name

HOGAN







FORM 40 Alabama 2018 Individual Income Tax Return RESIDENTS & PART-YEAR RESIDENTS



License Type: Dispensary

For the year Jan. 1 - Dec. 31, 2018, or other tax year: Beginning: Ending:

Your social security number

[Redacted]

Spouse's SSN if joint return

[Redacted]

Check if primary is deceased Primary's deceased date (mm/dd/yy)

Check if spouse is deceased Spouse's deceased date (mm/dd/yy)



Your first name

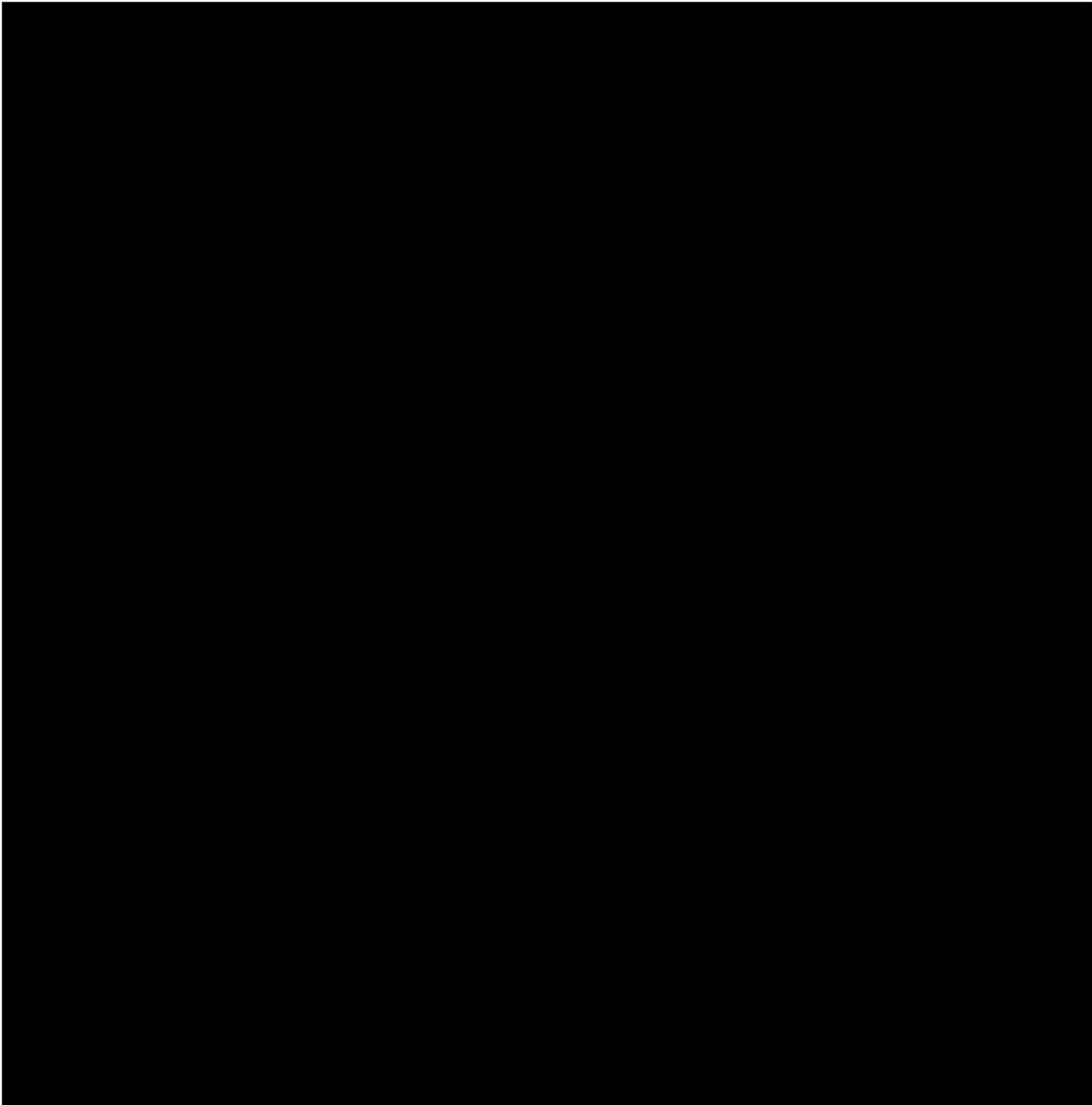
MATTHEW

Initial

J

Last name

HOGAN





FORM 40 Alabama 2019 Individual Income Tax Return RESIDENTS & PART-YEAR RESIDENTS



License Type: Dispensary

For the year Jan. 1 - Dec. 31, 2019, or other tax year: Beginning: Ending:

Your social security number [redacted]

Spouse's SSN if joint return [redacted]

Check if primary is deceased Primary's deceased date (mm/dd/yy)

Check if spouse is deceased Spouse's deceased date (mm/dd/yy)

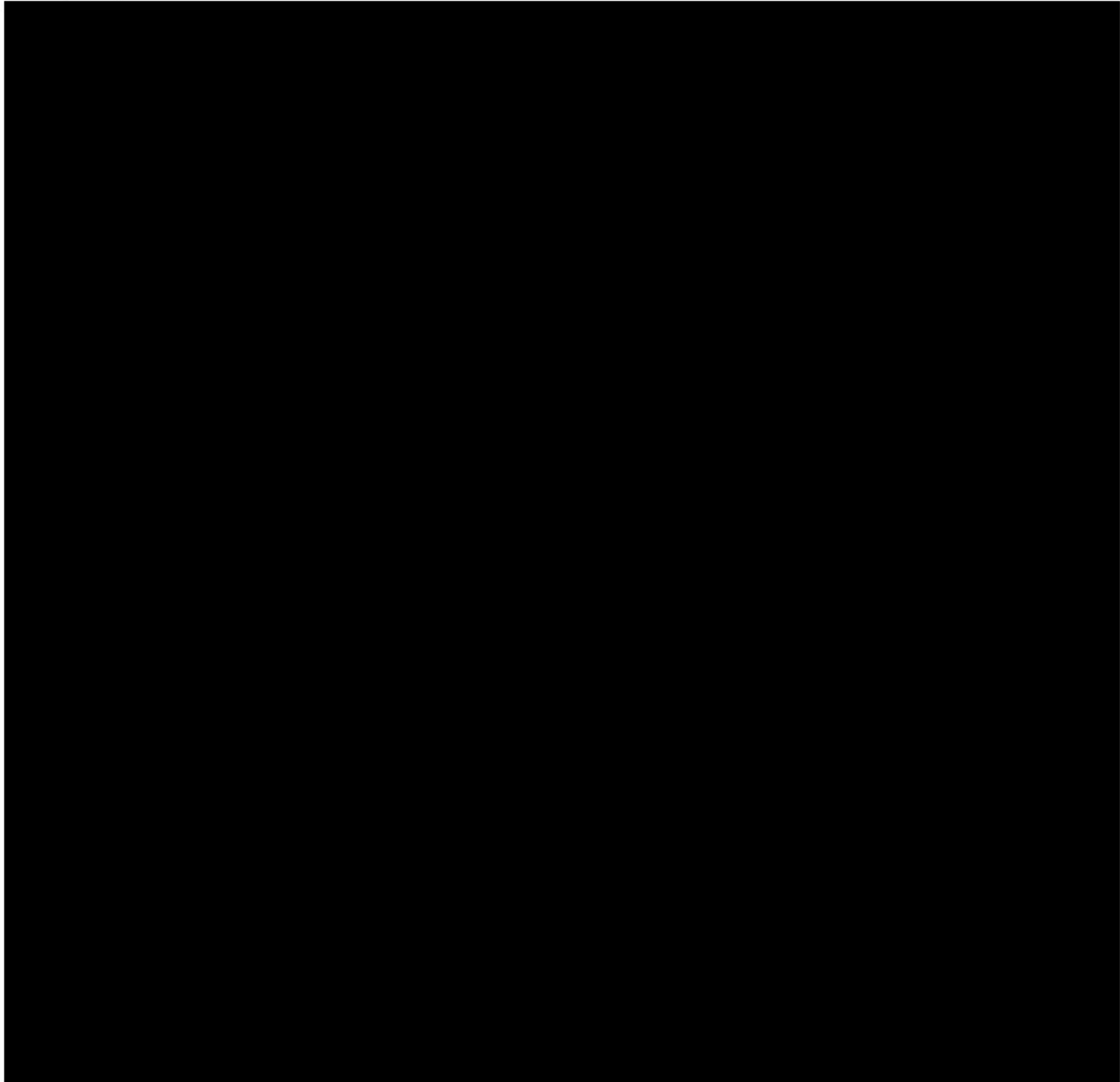


Your first name MATTHEW

Initial Last name J HOGAN

Spouse's first name

Initial Last name





FORM 40 Alabama 2020 Individual Income Tax Return RESIDENTS & PART-YEAR RESIDENTS



License Type: Dispensary

For the year Jan. 1 - Dec. 31, 2020, or other tax year: Beginning: Ending:

Your social security number: [Redacted]

Spouse's SSN if joint return:

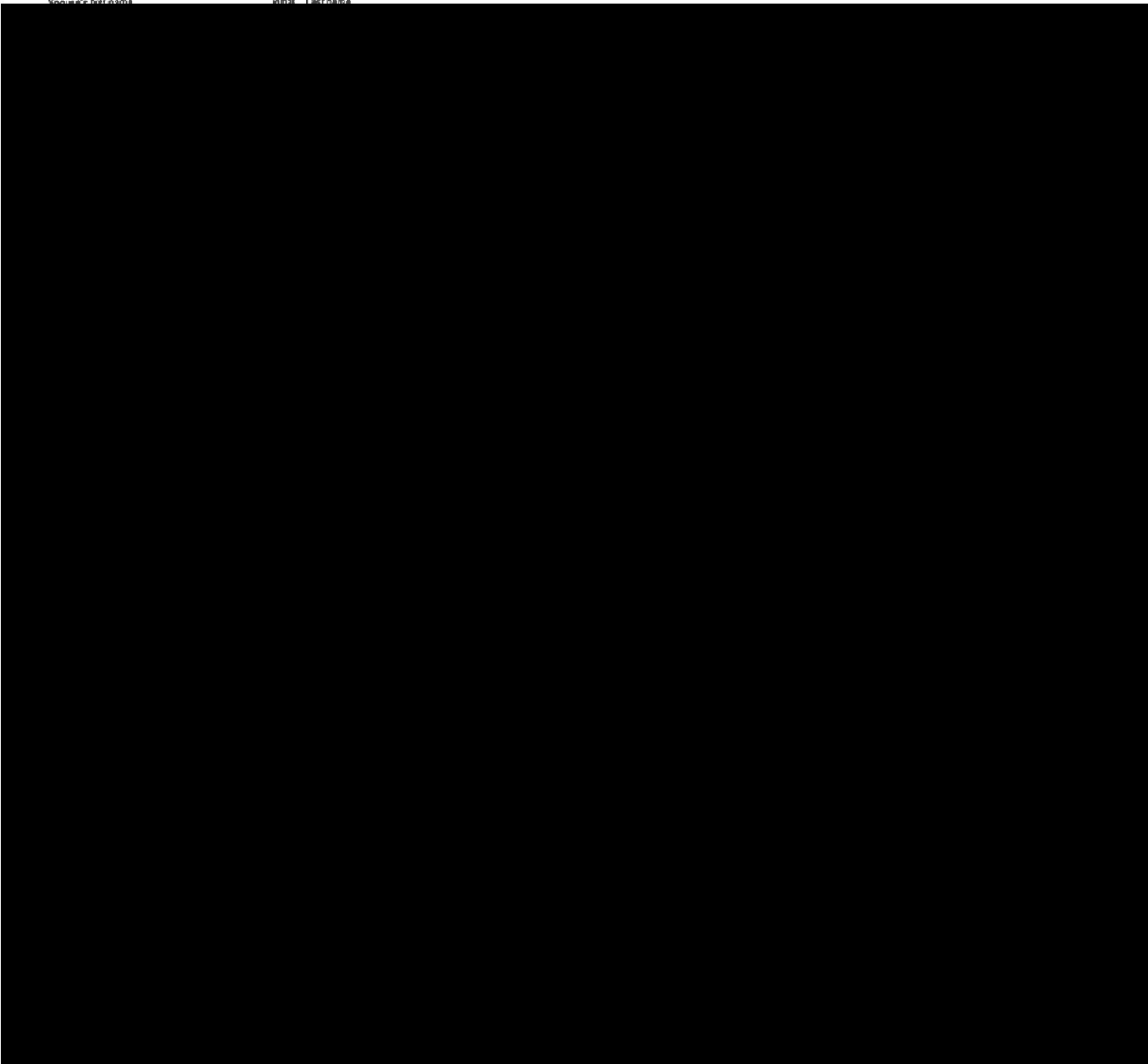


Check if primary is deceased Primary's deceased date (mm/dd/yyyy)

Check if spouse is deceased Spouse's deceased date (mm/dd/yyyy)

Your first name: MATTHEW

Initial Last name: J HOGAN





FORM 40 Alabama 2021 Individual Income Tax Return RESIDENTS & PART-YEAR RESIDENTS



License Type: Dispensary

For the year Jan. 1 - Dec. 31, 2021, or other tax year:

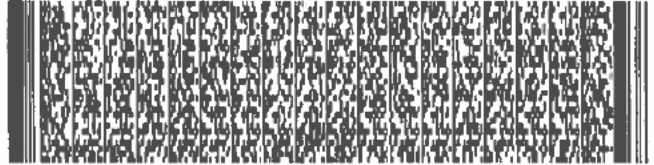
Beginning: Ending:

Your social security number

Spouse's SSN if joint return

Check if primary is deceased Primary's deceased date (mm/dd/yy)

Check if spouse is deceased Spouse's deceased date (mm/dd/yy)

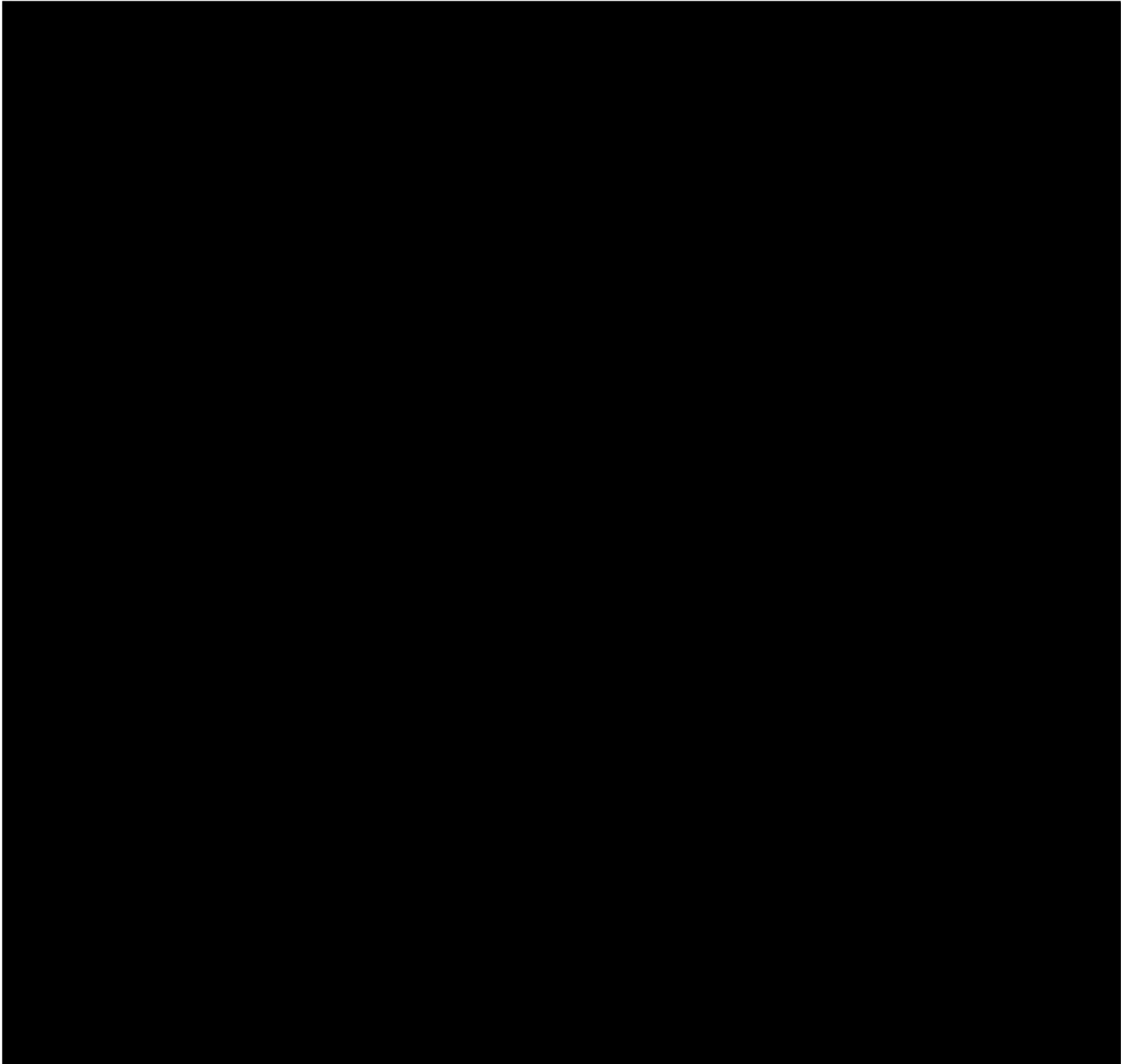


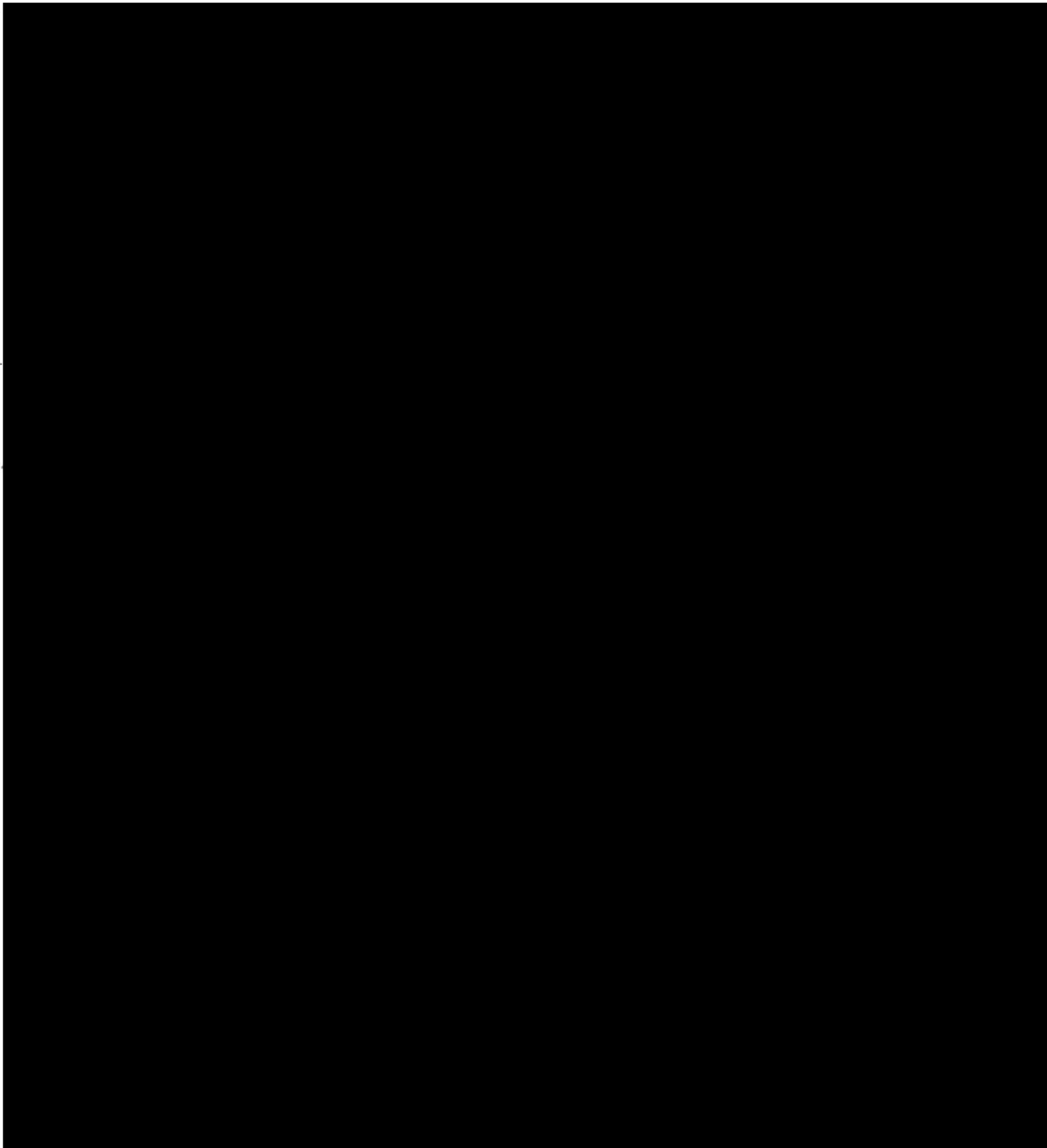
Your first name MATTHEW

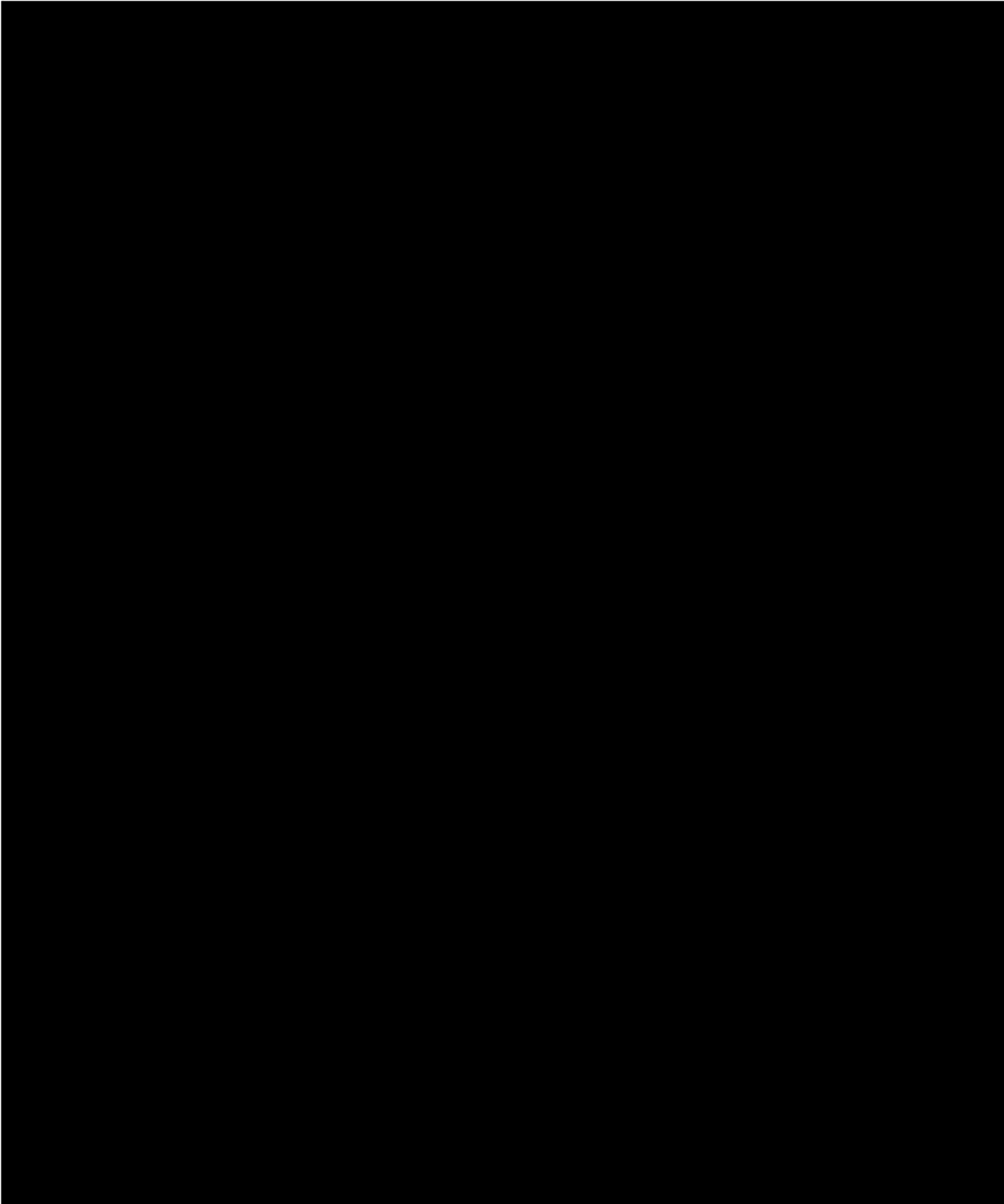
Initial Last name J HOGAN

Spouse's first name

Initial Last name







# Vincent Schilleci III

## Proof of Residence in Alabama

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



December 8, 2022

RE: Vincent J. Schilleci, III



To Whom It May Concern:

This letter is to confirm that Mr. Schilleci has had Homeowner's Insurance in the State of Alabama continuously since April 8, 2005. He has had Homeowner's Insurance at his current residence since March 10, 2014.

Mr. Schilleci has also had auto insurance in the State of Alabama since 1998.

Please let us know if you need any additional information.

Sincerely,

  
Larry McIntosh  
Agent

Larry McIntosh - Agent  
2685 Pelham Pkwy  
Suite F  
Pelham, AL 35124  
Bus. 205-663-3119



This instrument was prepared by  
David P. Condon, P. C.  
100 Union Hill Drive Ste 200  
Birmingham, AL 35209

**PLEASE RETURN TO:**  
David P. Condon, PC  
100 Union Hill Drive  
Suite 200  
Birmingham, AL 35209  
(205)871-2133



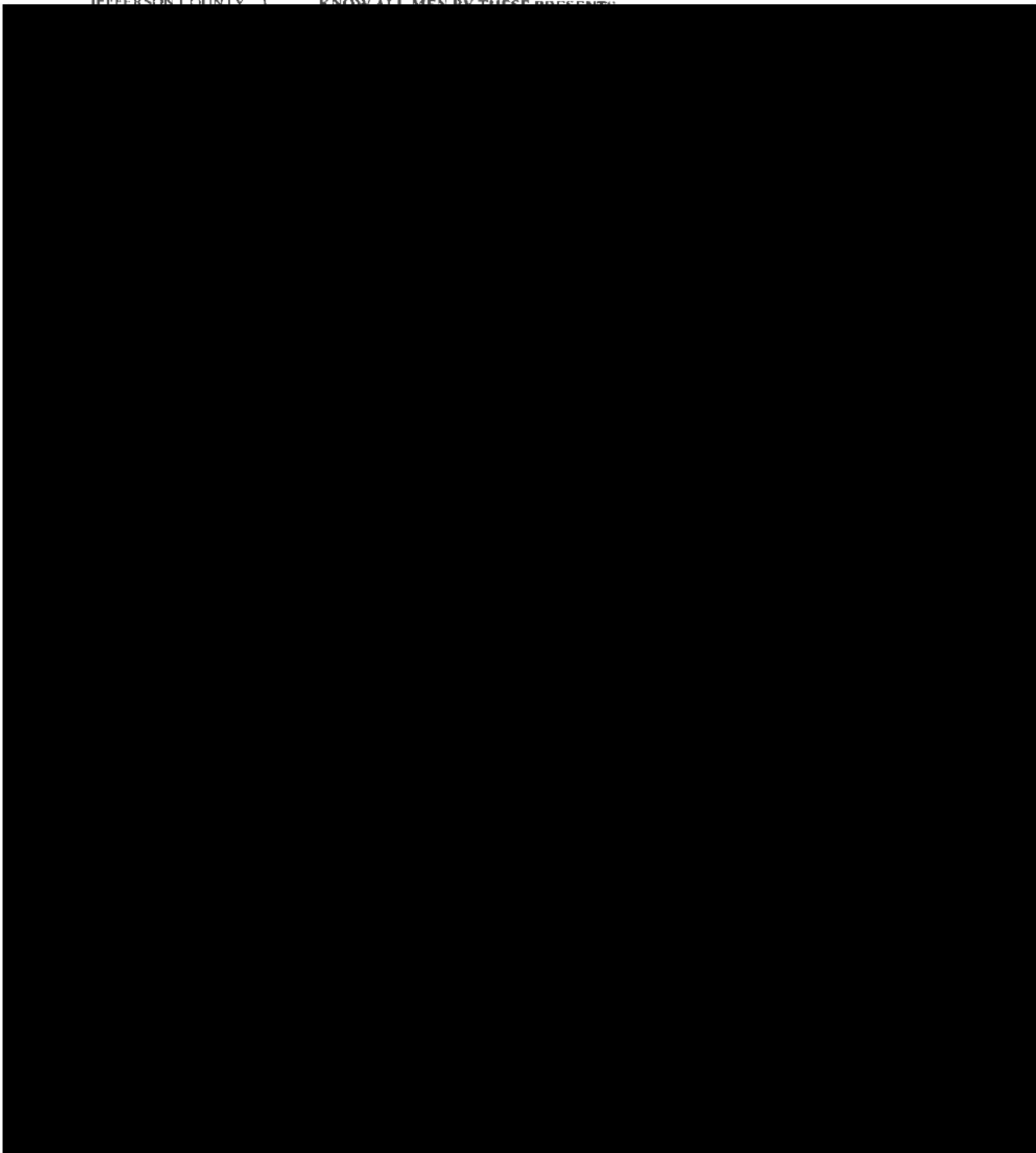
240,000.00 + Mst 5/07

**WARRANTY DEED**

STATE OF ALABAMA )

JEFFERSON COUNTY )

KNOW ALL MEN BY THESE PRESENTS



1a

After Recording Return To



License Type: Dispensary

**PLEASE RETURN TO:**  
David P. Condon, PC  
100 Union Hill Drive  
Suite 200  
Birmingham, AL 35209  
(205)871-2133

[Space Above This Line For Recording Data]

# MORTGAGE

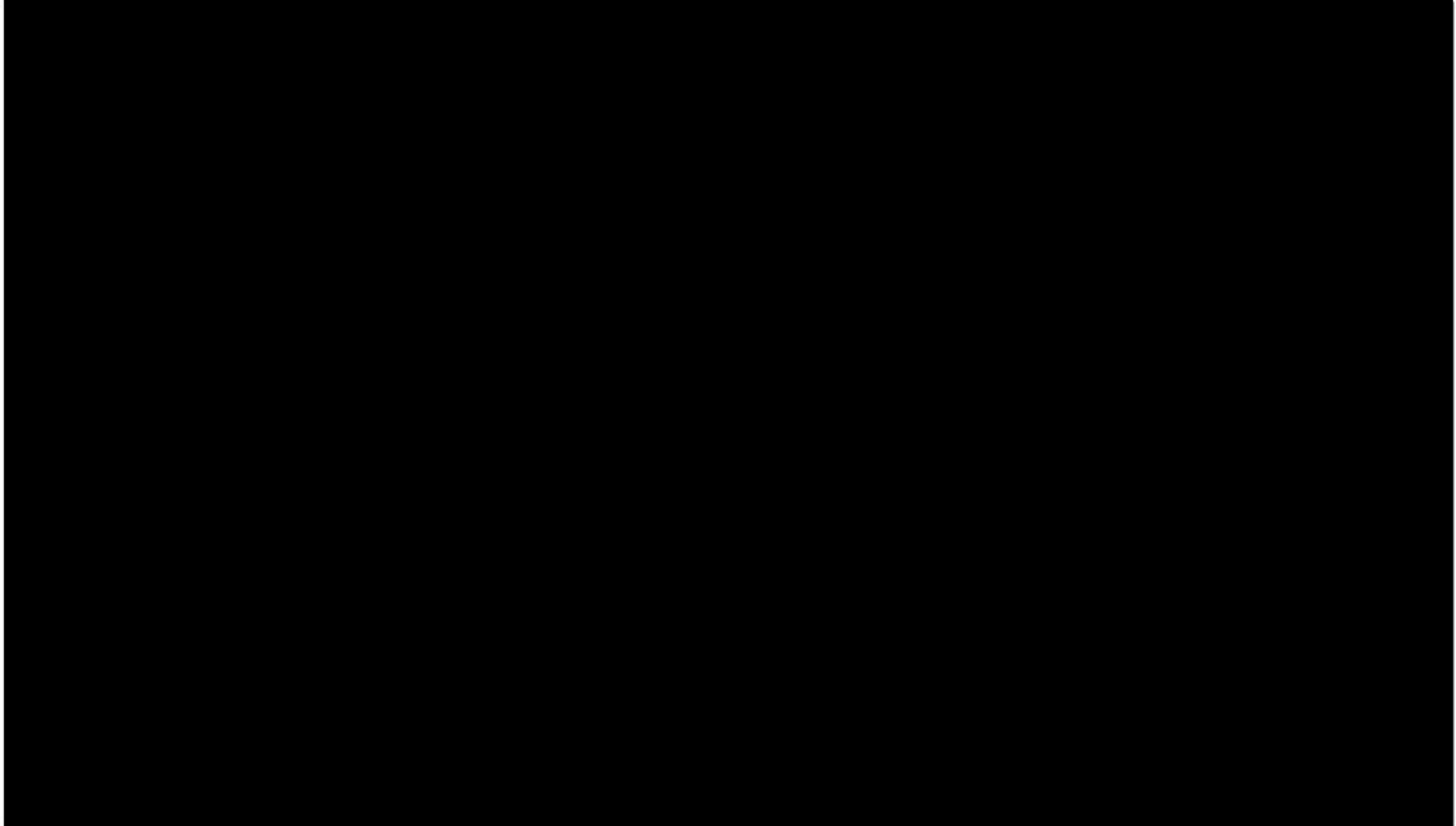
MIN: 1002369-0000009083-2

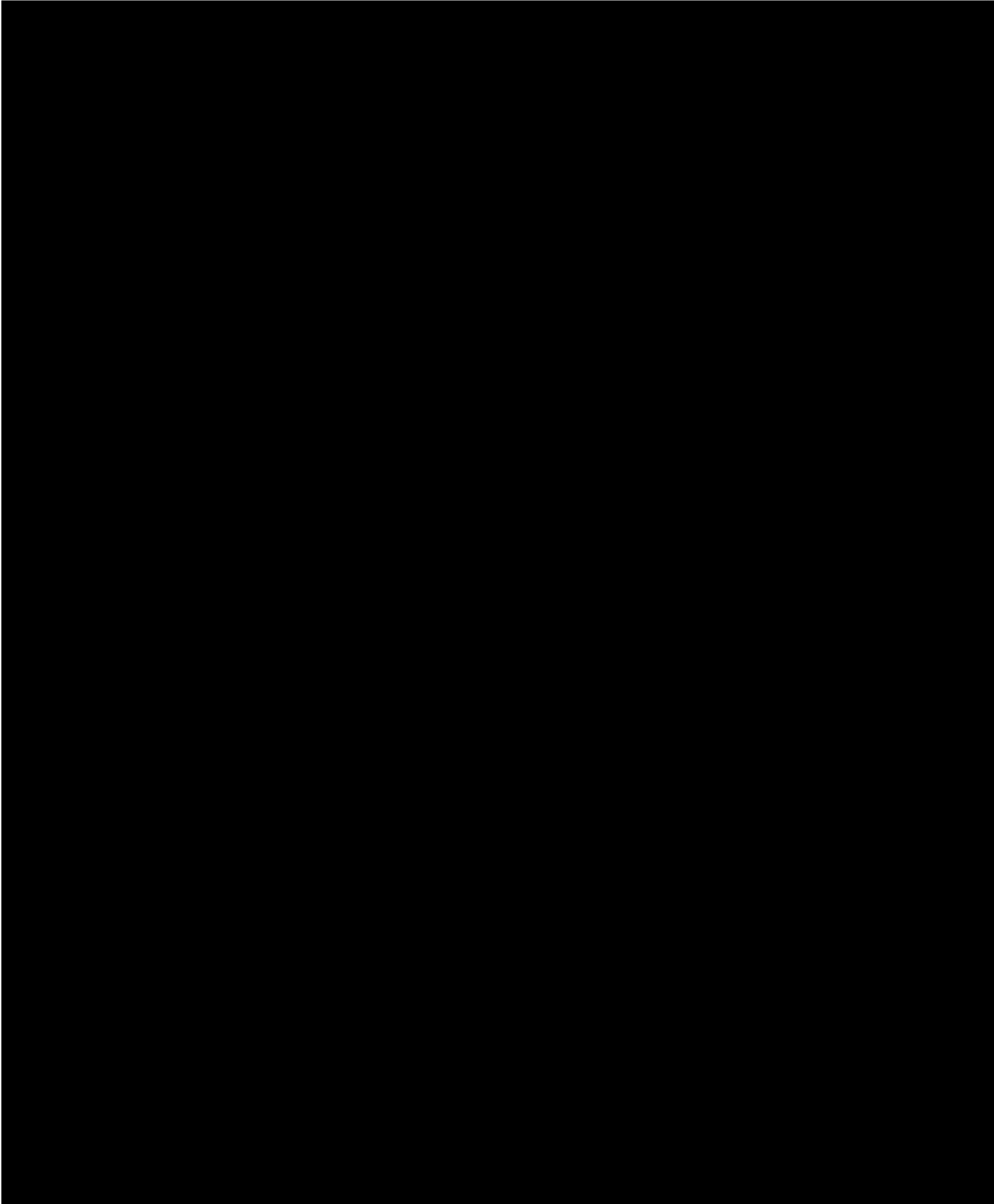
## DEFINITIONS

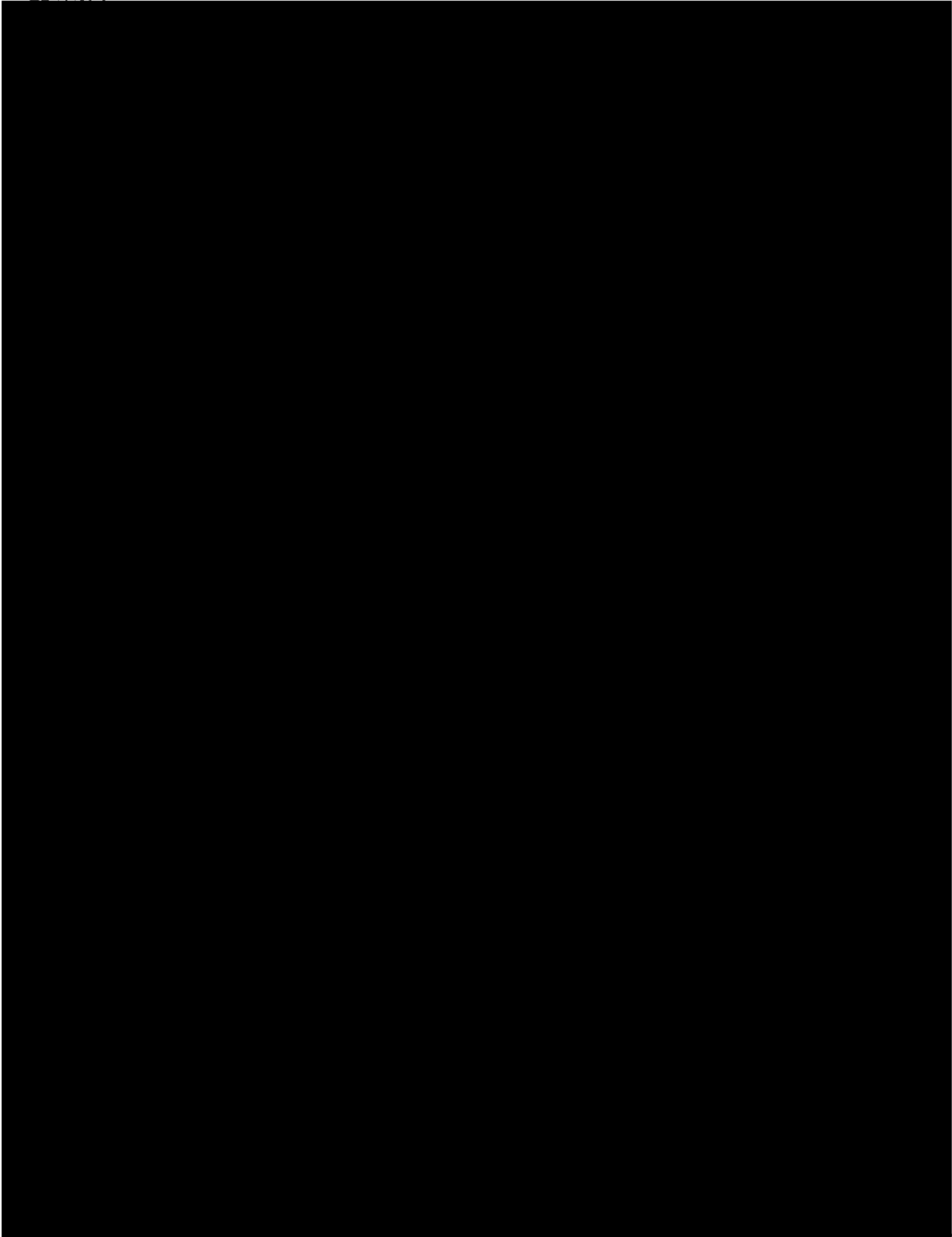
Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

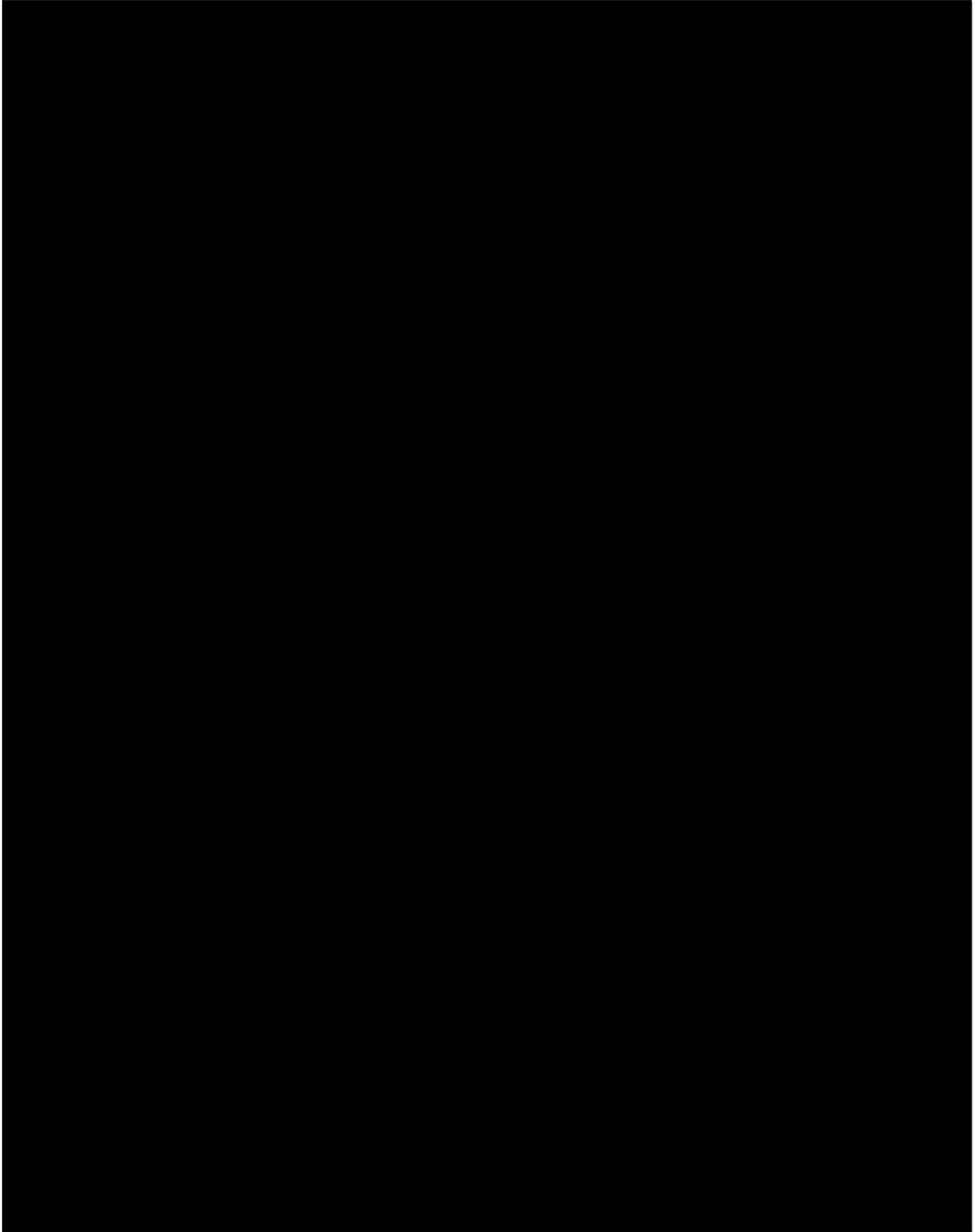
(A) "Security Instrument" means this document, which is dated **May 01, 2007** together with all Riders to this document.

(B) "Borrower" is **Vincent J. Schilleci, III, An Unmarried Person**

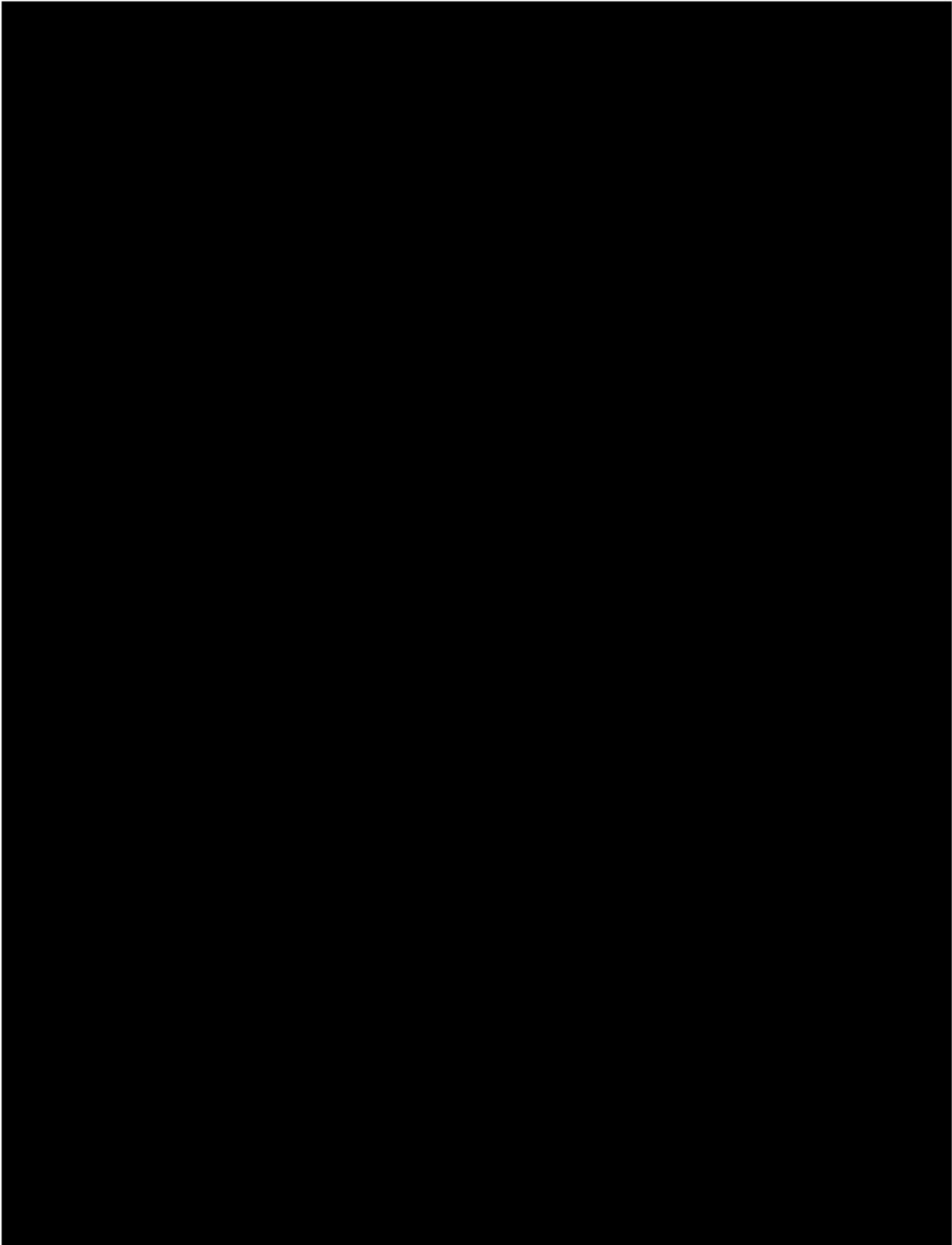




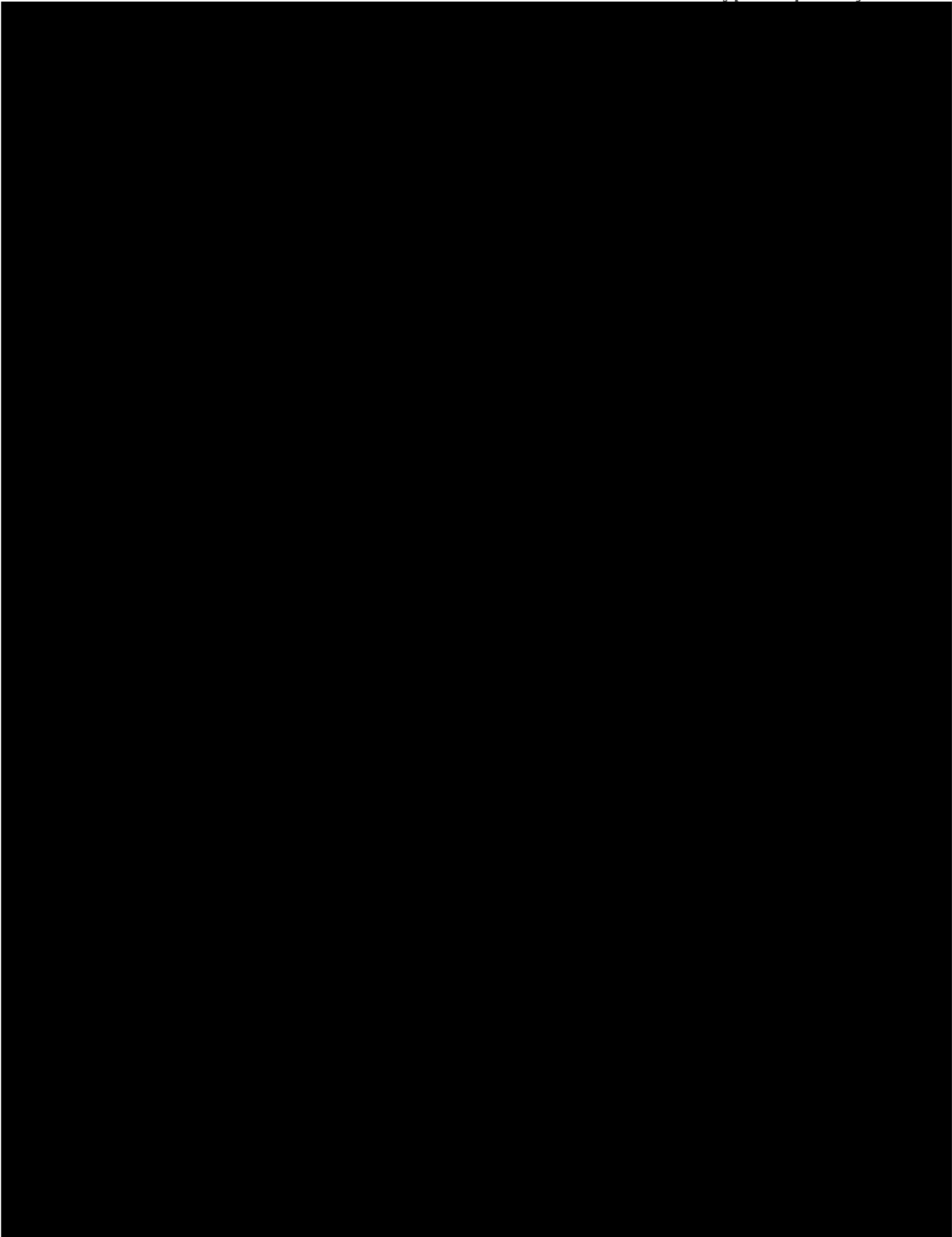




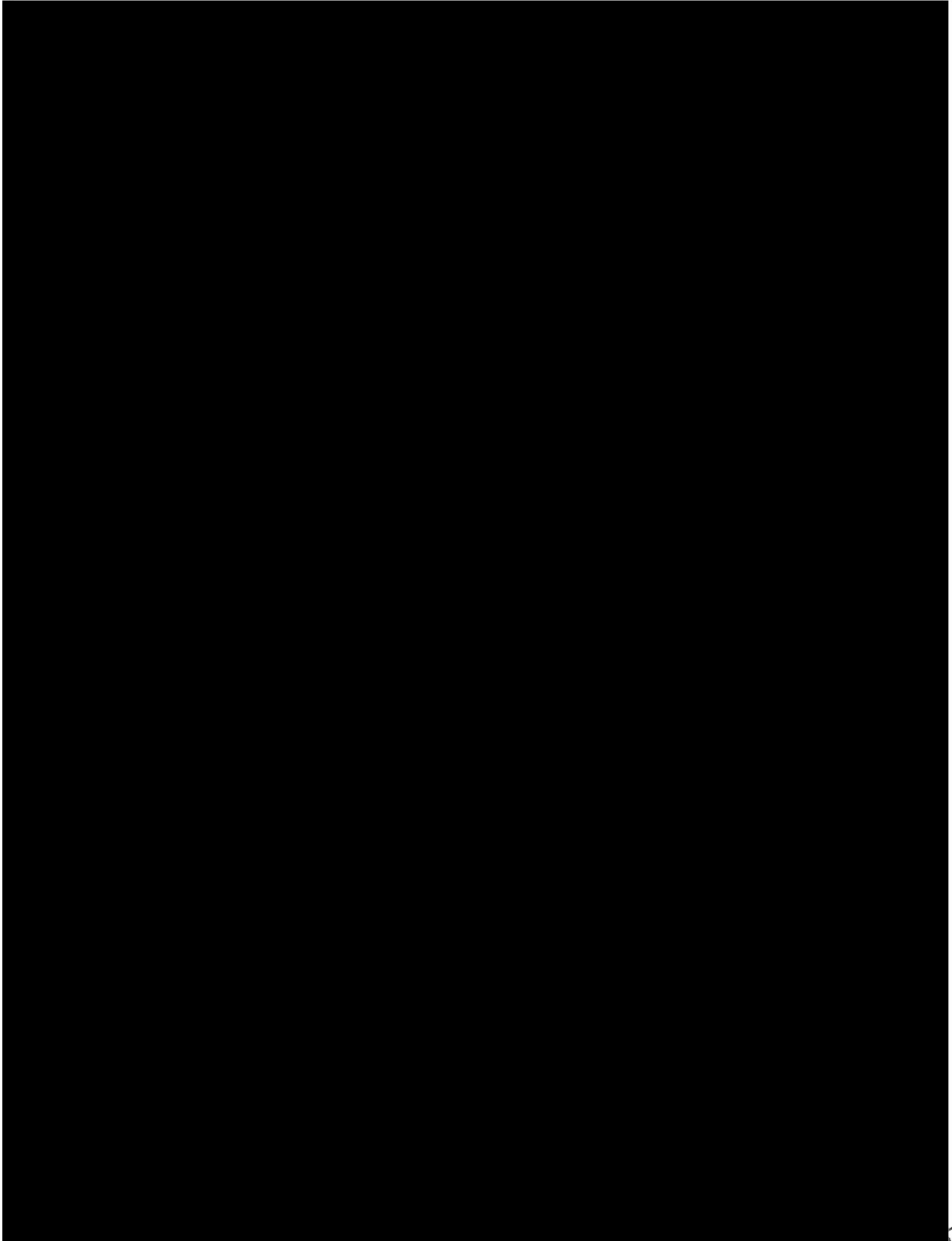
JSS



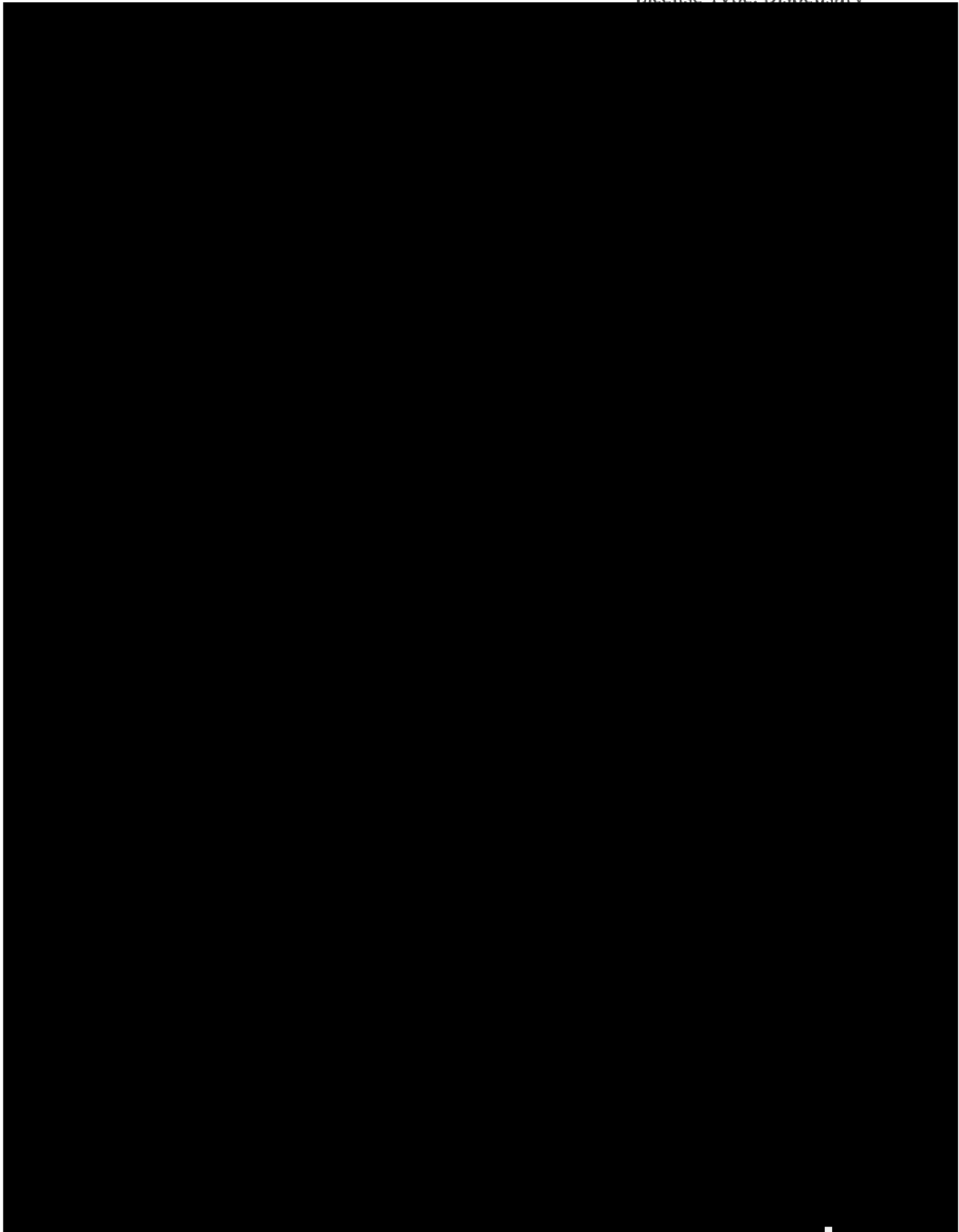
UJS



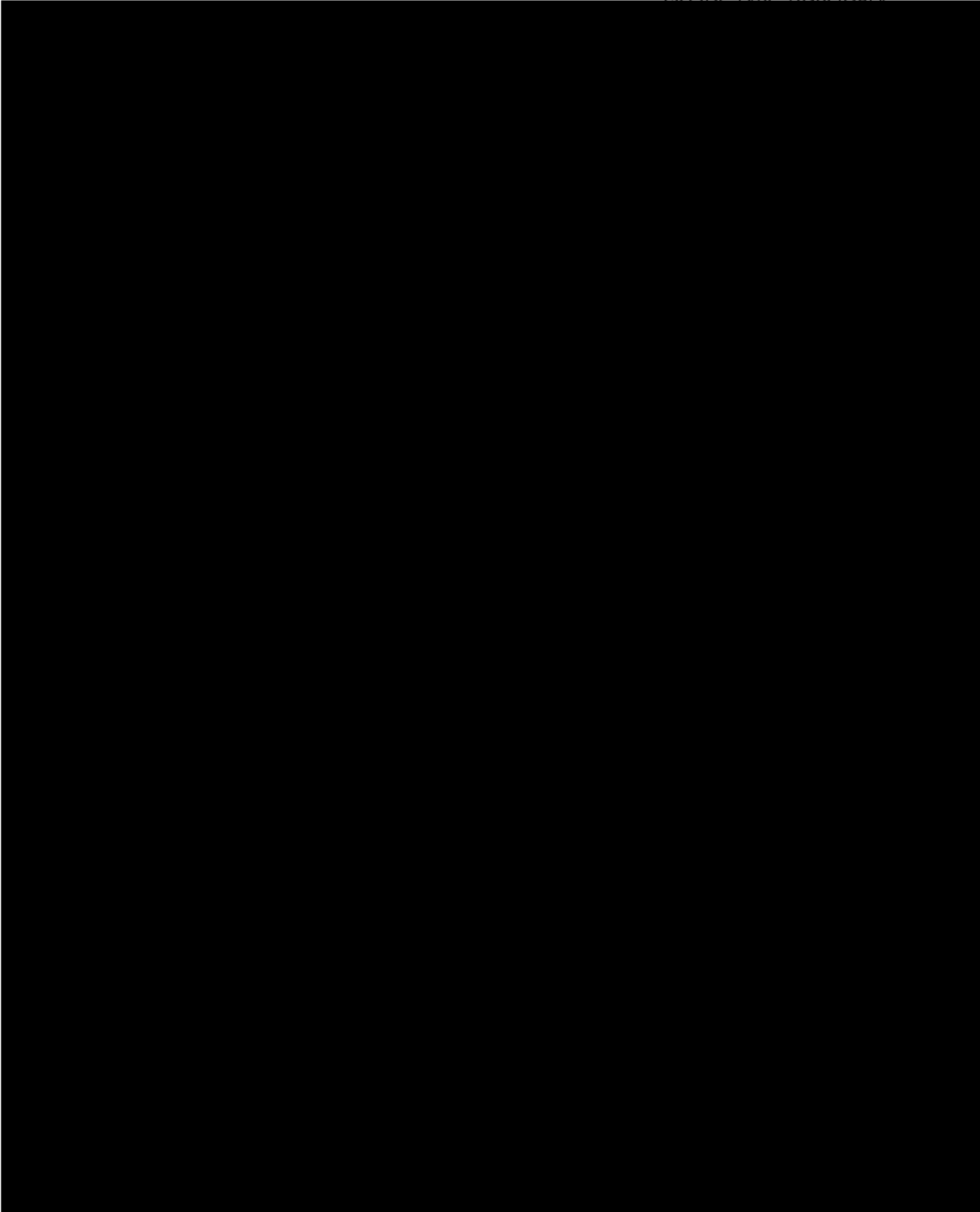
JSS



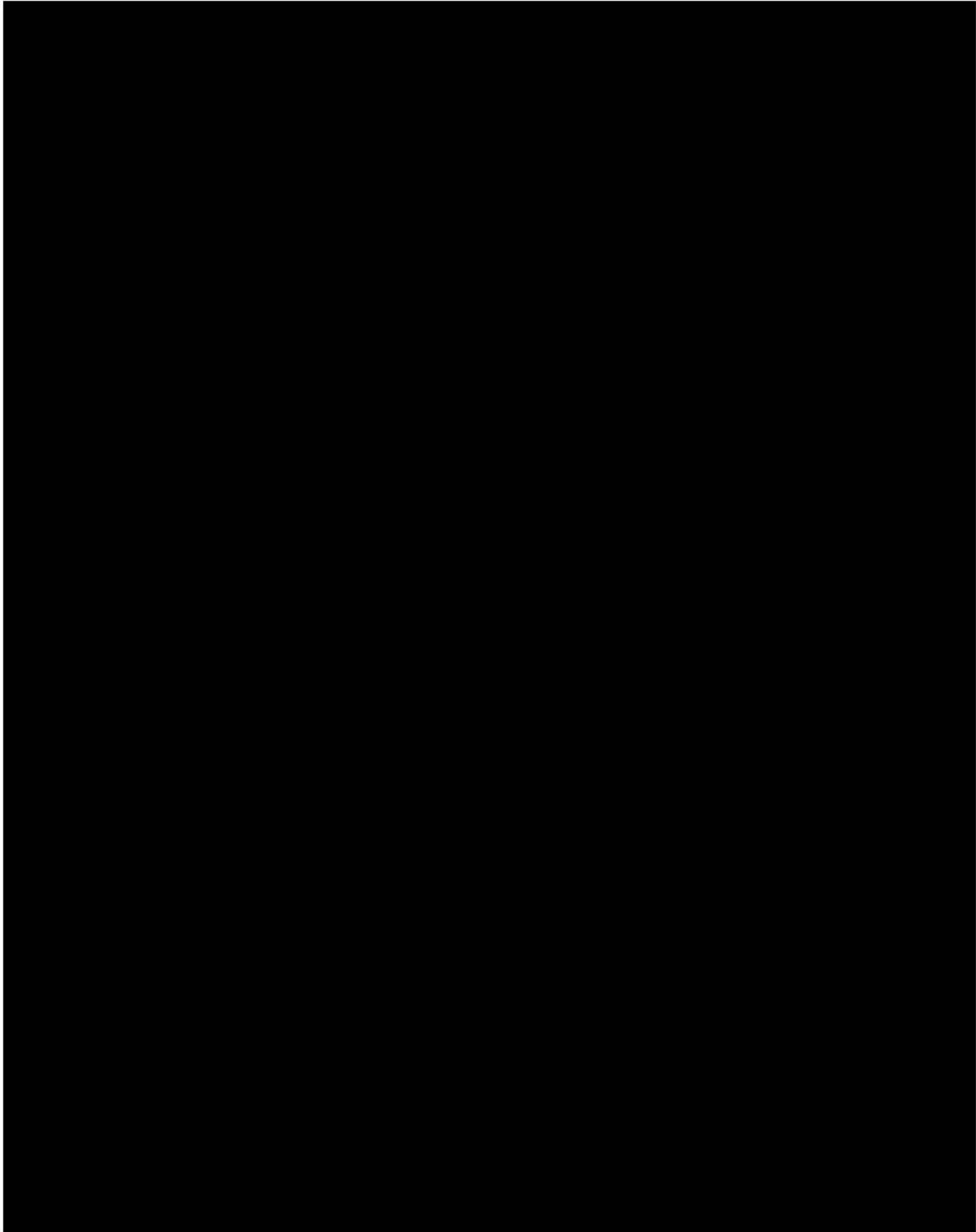




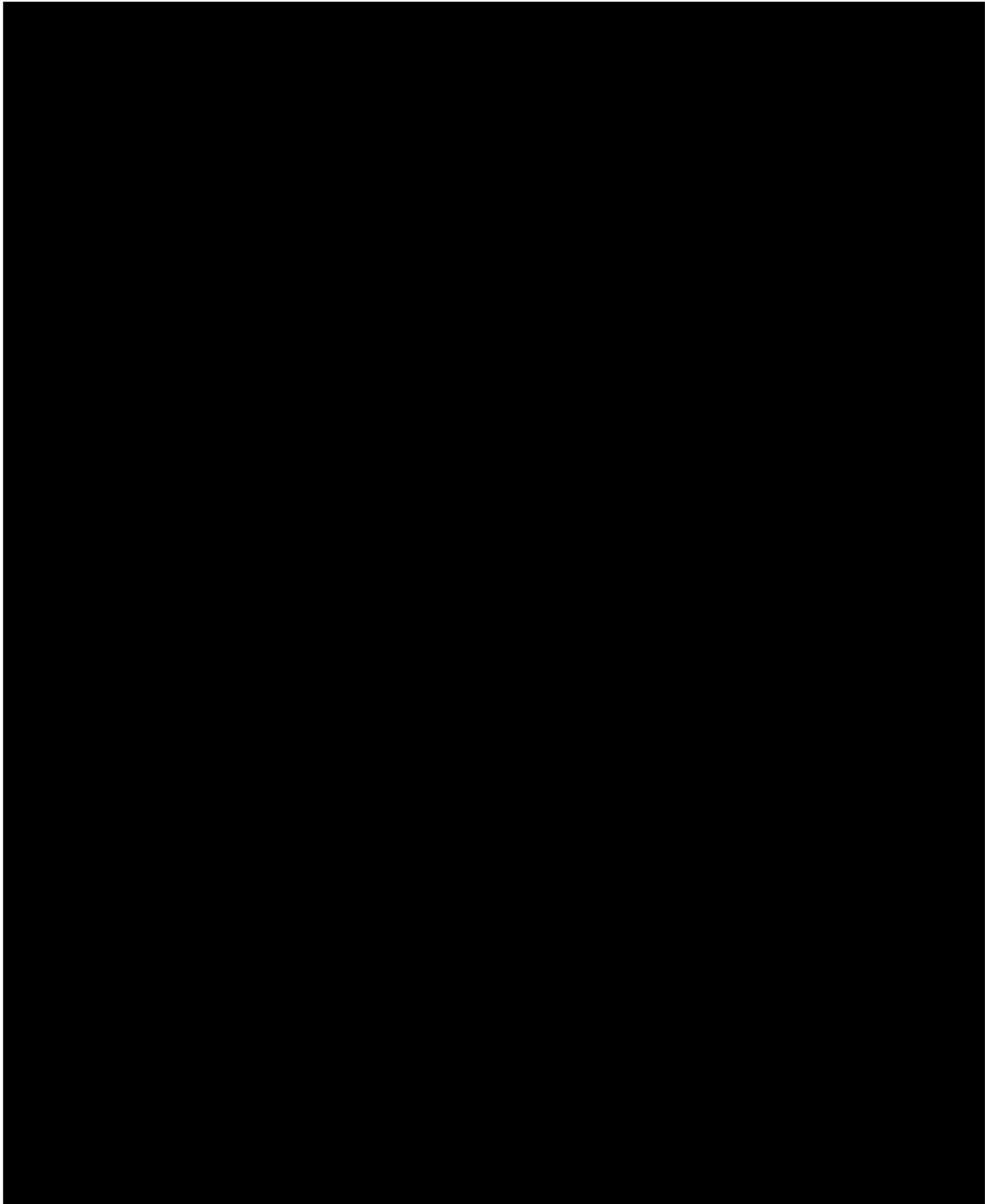
*UJS*



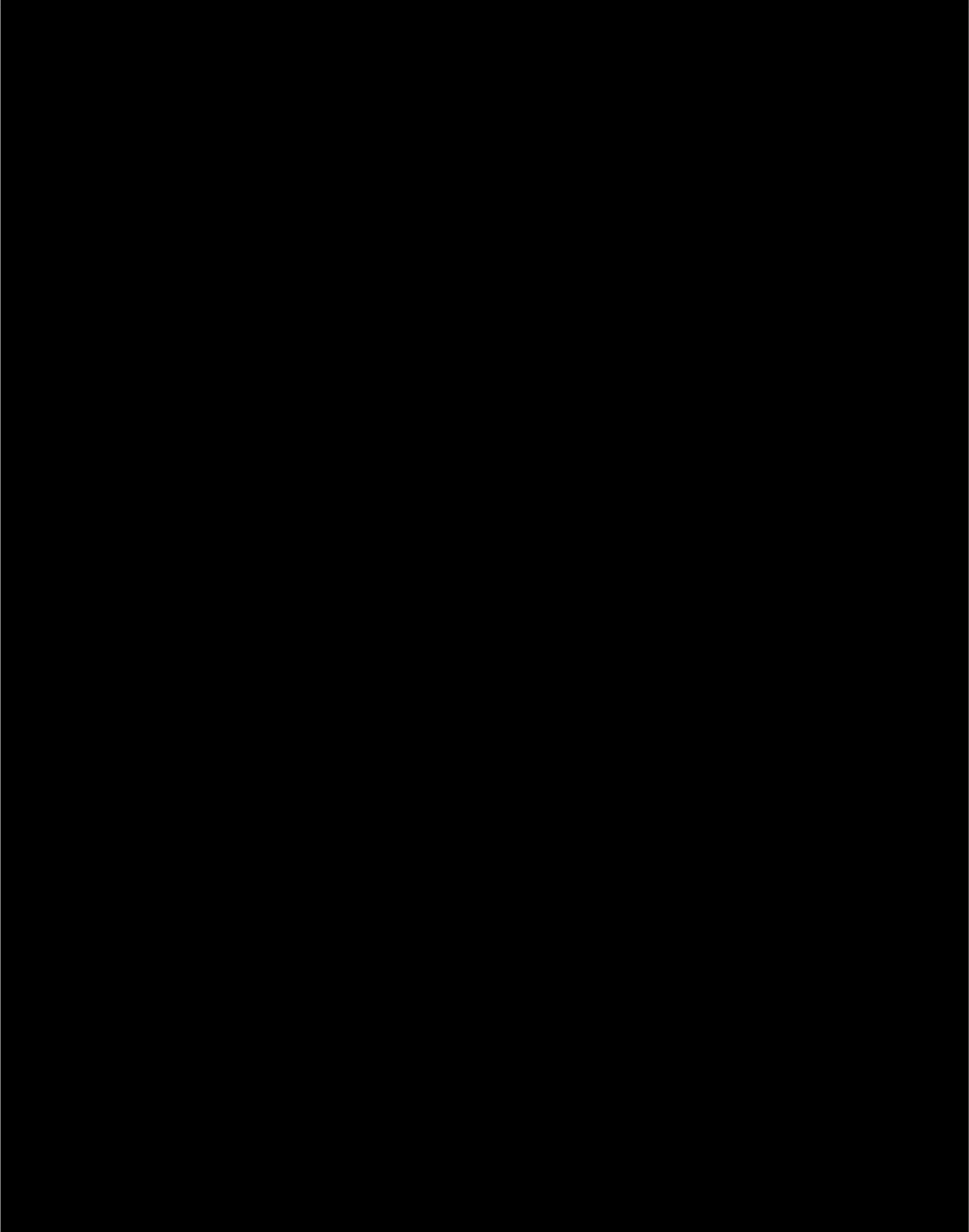
JSS



033



VJS



*UJS*



Registrant Detail for SCHILLECI, VINCENT JOSEPH (01: JEFFERSON)



Registrant ID: [REDACTED]  Protected  Signature  Permanent Absentee  Disqualified  Linked Reg

Name Title: [REDACTED] Last: SCHILLECI First: VINCENT Middle: JOSEPH Suffix: [REDACTED]

Address: [REDACTED] Standard  Non-Standard  [REDACTED]

License Type: [REDACTED] Street No: [REDACTED] Unit Type: [REDACTED] Clear: [REDACTED] Unlisted

Registrant Data

SSN: [REDACTED] Federal Data Reg Date: 1/10/2008  Reason: DUPLICATE

DL or ID#: [REDACTED] Status: R  Source: MAIL  How Reg: MAIL

Date of Birth: [REDACTED] ID Reg:  Provided:  ID Exempt:  Reason:  Citizenship Verified?

Place of Birth: [REDACTED] Phone: [REDACTED] Work: [REDACTED]

Precinct: [REDACTED] Additional: [REDACTED] Addresses:  Prev/All:  Assistant:  Voting History:  Activity:  Attachments:  Early Voter:  Notes: [REDACTED]

Jurisdiction	Election	Date	Political Party	Precinct Part	Voted Where	How V.
JEFFERSON	01GN08	11/04/2008		4804.002	PREC 4804 - MOUNTAIN & Polling Place	[REDACTED] (1/10/08)
TUSCALOOSA	030909	09/09/2003		0.0	Polling Place	Delete
TUSCALOOSA	PR0206	06/04/2002		0.0	Polling Place	
TUSCALOOSA	970826	08/26/1997		0.0	Polling Place	



Registrant Detail for SCHILLECI, VINCENT J (01 : JEFFERSON)



Registrant ID: [673742450]  Protected  Signature  Permanent Absentee

Linked Reg

Name: [Redacted] Title: [Redacted] Last: [SCHILLECI] First: [VINCENT] Middle: [J] Suffix: [3RD]

Address:  Standard  Non-Standard

Street No: [Redacted] Unit Type: [Redacted]

License Type: [Redacted] Clear

Office: [Redacted] CR: [Redacted]  Unlisted

Registrant Data

SSN: [Redacted]

DL or ID#: [Redacted]

Date of Birth: [Redacted]

Place of Birth: [Redacted]

Phone: [Redacted]

Work: [Redacted]

Federal Data

Reg Date: [6/11/2014] [Y]

Status: [A] Reason: [ACTIVE REGISTRANT]

Source: [MAIL]

How Reg: [MAIL]

ID Reg:  Provided: [Redacted]

ID Exempt:  Reason: [Redacted] Citizenship Verified?

- Precinct
- Additional Addresses
- Prev/All Assistant
- Young History
- Activity
- Attachments
- Early Voter
- Notes

Jurisdiction	Election	Date	Political Party	Precinct Part	Voted Where	How
JEFFERSON	01GZ22	11/08/2022		05080.018	[Redacted]	[Redacted]
JEFFERSON	01MB22	08/23/2022		05080.018	[Redacted]	[Redacted]
JEFFERSON	01RO22	06/21/2022	REPUBLICAN	05080.018	[Redacted]	[Redacted]
JEFFERSON	01PR22	05/24/2022	REPUBLICAN	05080.018	[Redacted]	[Redacted]
JEFFERSON	01GN20	11/03/2020		05080.002	[Redacted]	[Redacted]
JEFFERSON	01MU20	08/25/2020		05080.002	[Redacted]	[Redacted]
JEFFERSON	01RO20	07/14/2020	REPUBLICAN	05080.002	[Redacted]	[Redacted]
JEFFERSON	01PR20	03/03/2020	REPUBLICAN	05080.002	[Redacted]	[Redacted]
JEFFERSON	01MB19	09/24/2019		05080.002	[Redacted]	[Redacted]
JEFFERSON	01GN18	11/06/2018		05080.002	[Redacted]	[Redacted]
JEFFERSON	01PR18	06/05/2018	REPUBLICAN	5080.002	[Redacted]	[Redacted]

Registrant Detail for SCHILLECI, VINCENT J (01 : JEFFERSON)

Registrant ID: 673742450  Protected  Signature  Permanent Absentee

Linked Reg

Name Title: [ ] Last: SCHILLECI First: VINCENT Middle: J Suffix: 3RD

Address:  Standard  Non-Standard [Redacted] Unlisted

Registrant Data  
 SSN: [Redacted]  
 DL or ID#: [Redacted]  
 Date of Birth: [Redacted]  
 Place of Birth: [Redacted]  
 Phone: [Redacted]  
 Work: [Redacted]

Federal Data

Reg Date: 6/11/2014 Reason: ACTIVE REGISTRANT  
 Status: A Source: MAIL  
 How Reg: MAIL ID Req:  Provided:   
 ID Exempt:  Reason:  Citizenship Verified?

<input checked="" type="checkbox"/> Precinct	<input checked="" type="checkbox"/> Additional	<input checked="" type="checkbox"/> Addresses	<input checked="" type="checkbox"/> Prev/Alt	<input checked="" type="checkbox"/> Assistant	<input checked="" type="checkbox"/> Voting History	<input checked="" type="checkbox"/> Activity	<input checked="" type="checkbox"/> Attachments	<input checked="" type="checkbox"/> Early Voter	<input checked="" type="checkbox"/> Notes	Voted Where	How
Jurisdiction	Election	Date	Political Party	Precinct Part							
JEFFERSON	01MB19	09/24/2019		05080.002							
JEFFERSON	01GN18	11/06/2018		05080.002							
JEFFERSON	01PR18	06/05/2018	REPUBLICAN	5080.002							
JEFFERSON	01GN17	12/12/2017	PARTY NOT DESIGN.	5080.002							
JEFFERSON	01SR17	09/26/2017	REPUBLICAN	5080.002							
JEFFERSON	01SN17	08/15/2017	REPUBLICAN	5080.002							
JEFFERSON	01GN16	11/08/2016		5080.002							
JEFFERSON	01MU16	08/23/2016		5080.002							
JEFFERSON	01PR16	03/01/2016		5080.002							
JEFFERSON	01GN14	11/04/2014		5080.002							
LAUDERDALE	GN1211	11/06/2012		0109.02							





This instrument was prepared by:  
David P. Condon, P. C.  
100 Union Hill Drive Ste 200  
Birmingham, AL 35209

**WARRANTY DEED, JOINT TENANTS WITH RIGHT OF SURVIVORSHIP**

STATE OF ALABAMA )

JEFFERSON COUNTY )

KNOW ALL MEN BY THESE PRESENTS



Vincent J. Schilleci, III, a married person

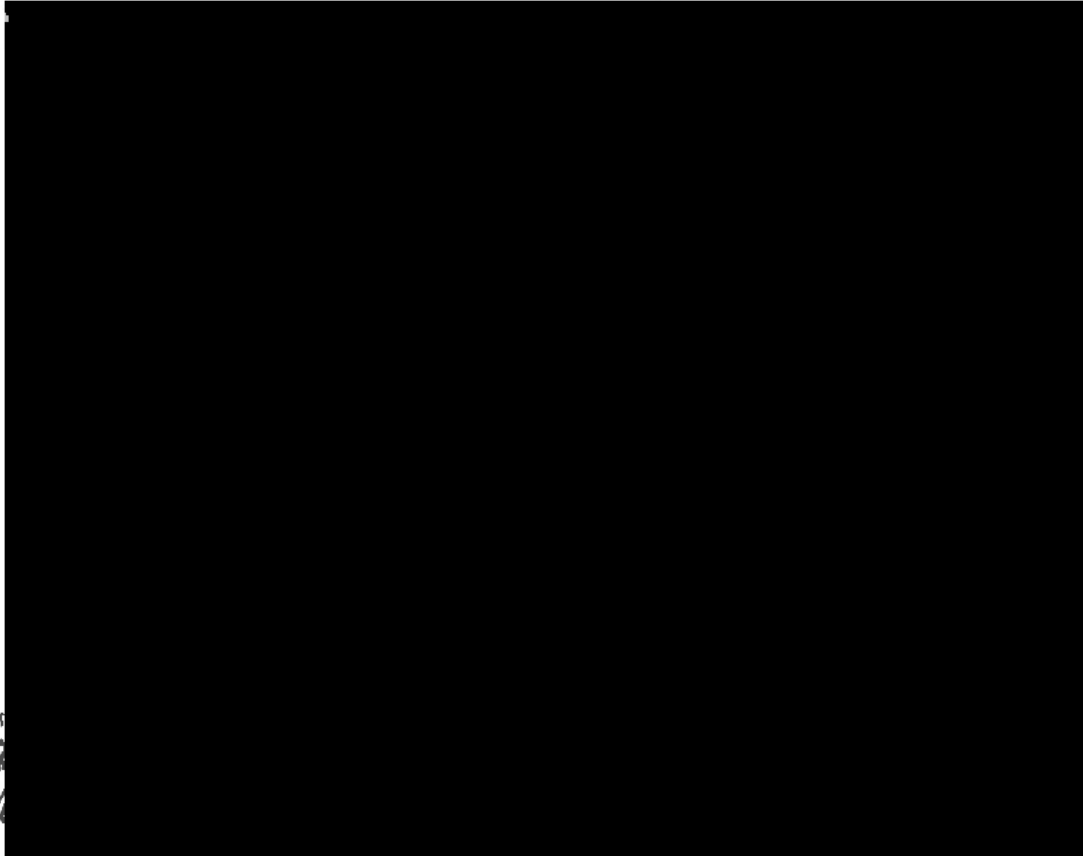
(hereinafter referred to as "Grantor") do grant, bargain, sell and convey unto

Vincent J. Schilleci, III and Anne M. Schilleci



\$270,000.00 of the proceeds come from a mortgage recorded simultaneously herewith.  
The grantor Vincent J. Schilleci, III and the grantee by the same name are one and the same person and is married to the grantee Anne M. Schilleci.

- Subject to: (1) 2009 ad valorem taxes not yet due and payable;
- (2) all mineral and mining rights not owned by the Grantor; and
- (3) all easements, rights-of-way, restrictions, covenants and encumbrances of record.

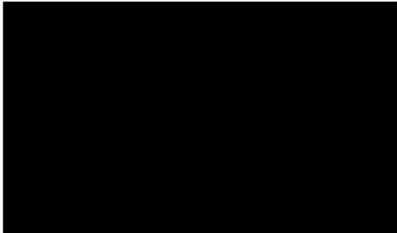


STAT  
I hereby

*al*

13  
1/16/09

After Recording Return To:



This instrument was prepared by:  
Name: **Katherine Payne**  
Address: **1927 First Avenue North**  
**Birmingham, AL 35203**

[Space Above This Line For Recording Date]

**MORTGAGE**

MIN:1000467-3000826638-5

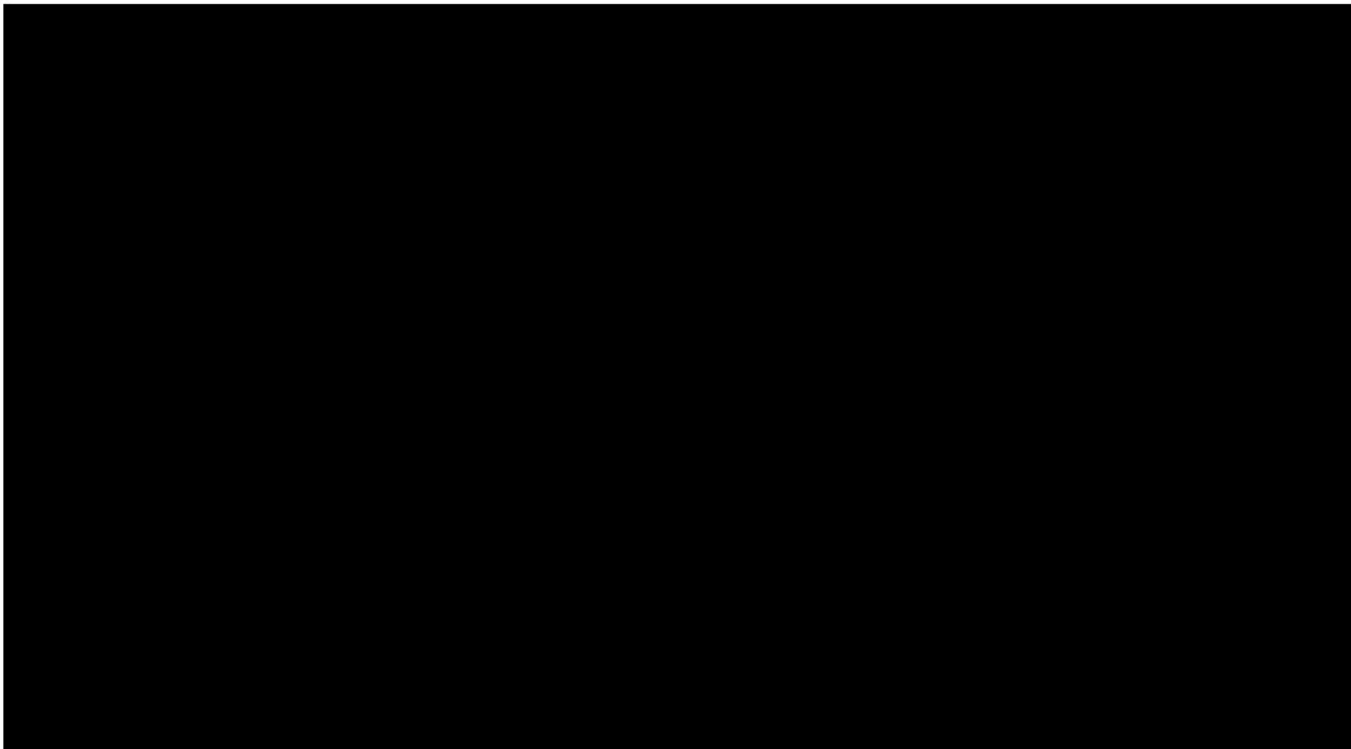
DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

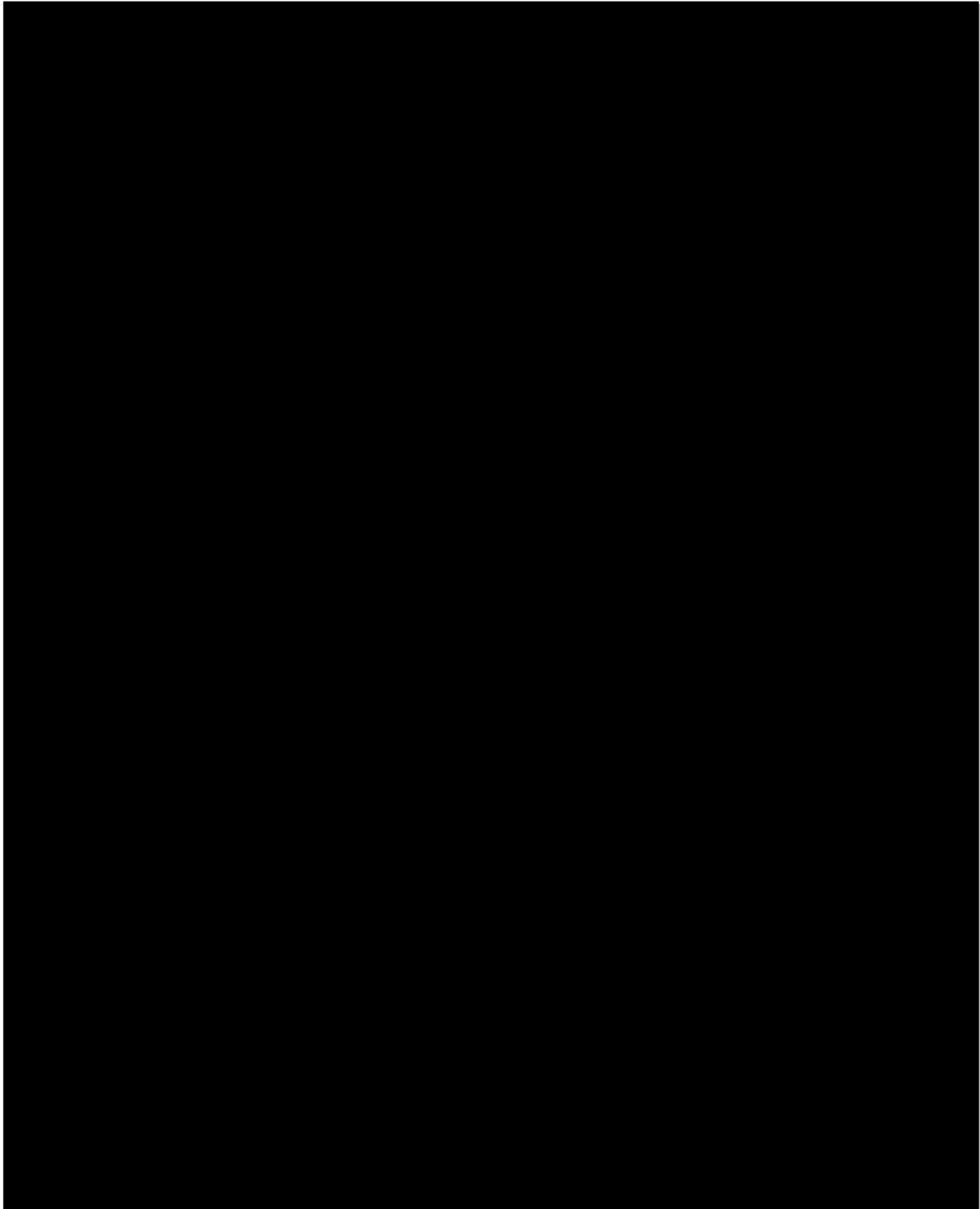
(A) "Security Instrument" means this document, which is dated **January 12, 2009**, together with all Riders to this document.

(B) "Borrower" is **Vince Schilleci and Anne M. Schilleci, Husband and Wife**

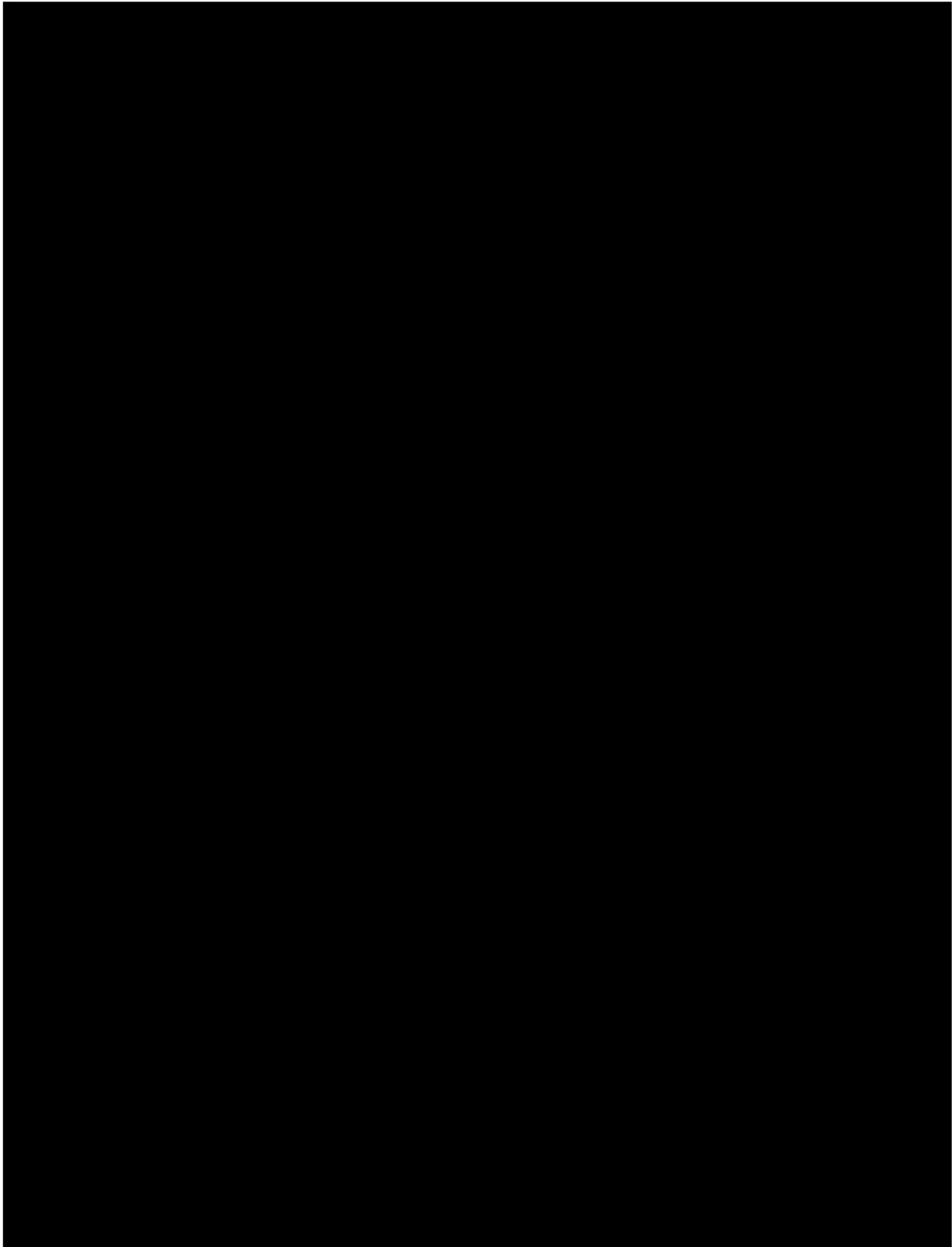
**The mortgagor Vince Schilleci and Vincent J. Schilleci, III are one and the same person.**



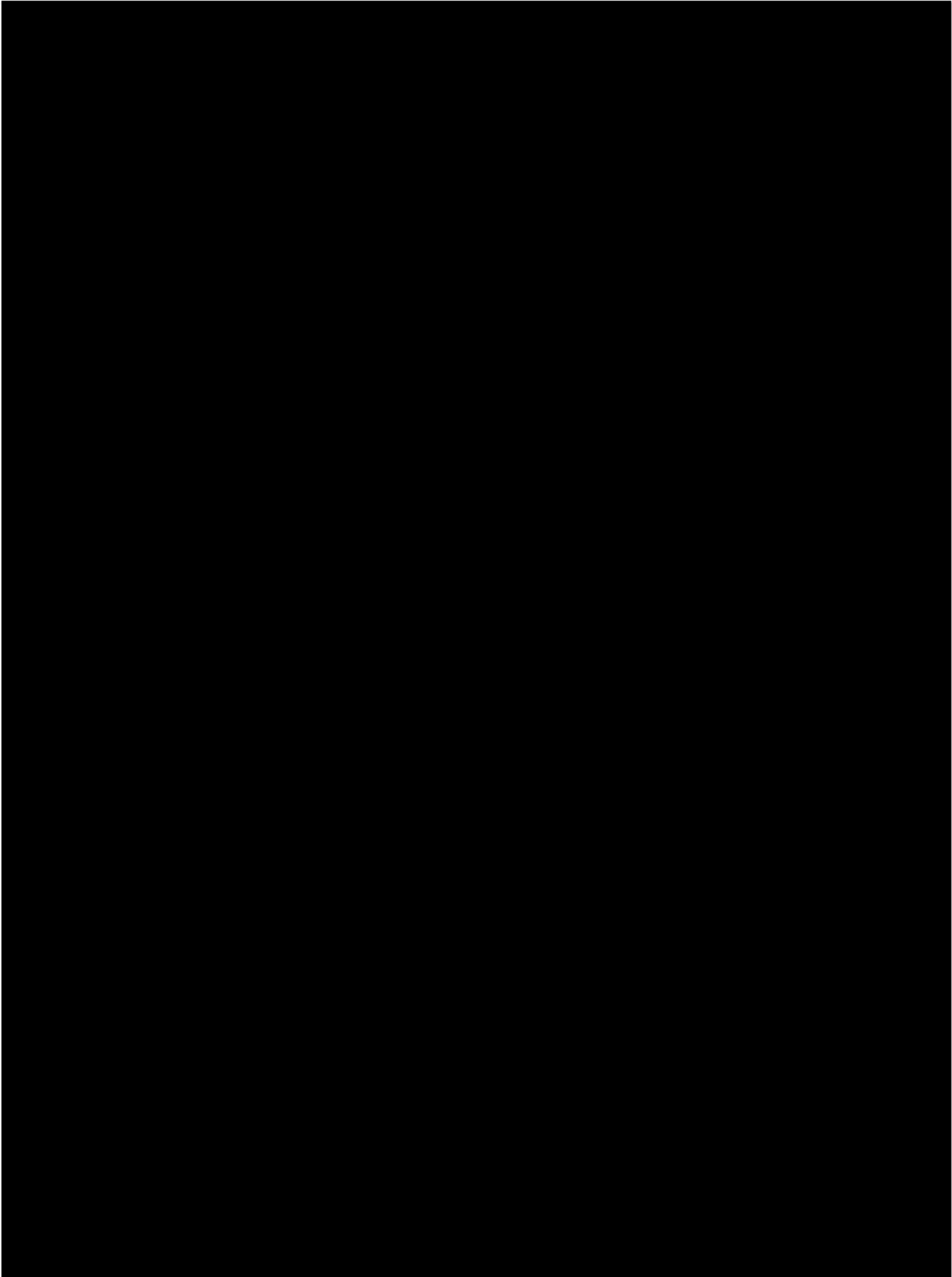
USS



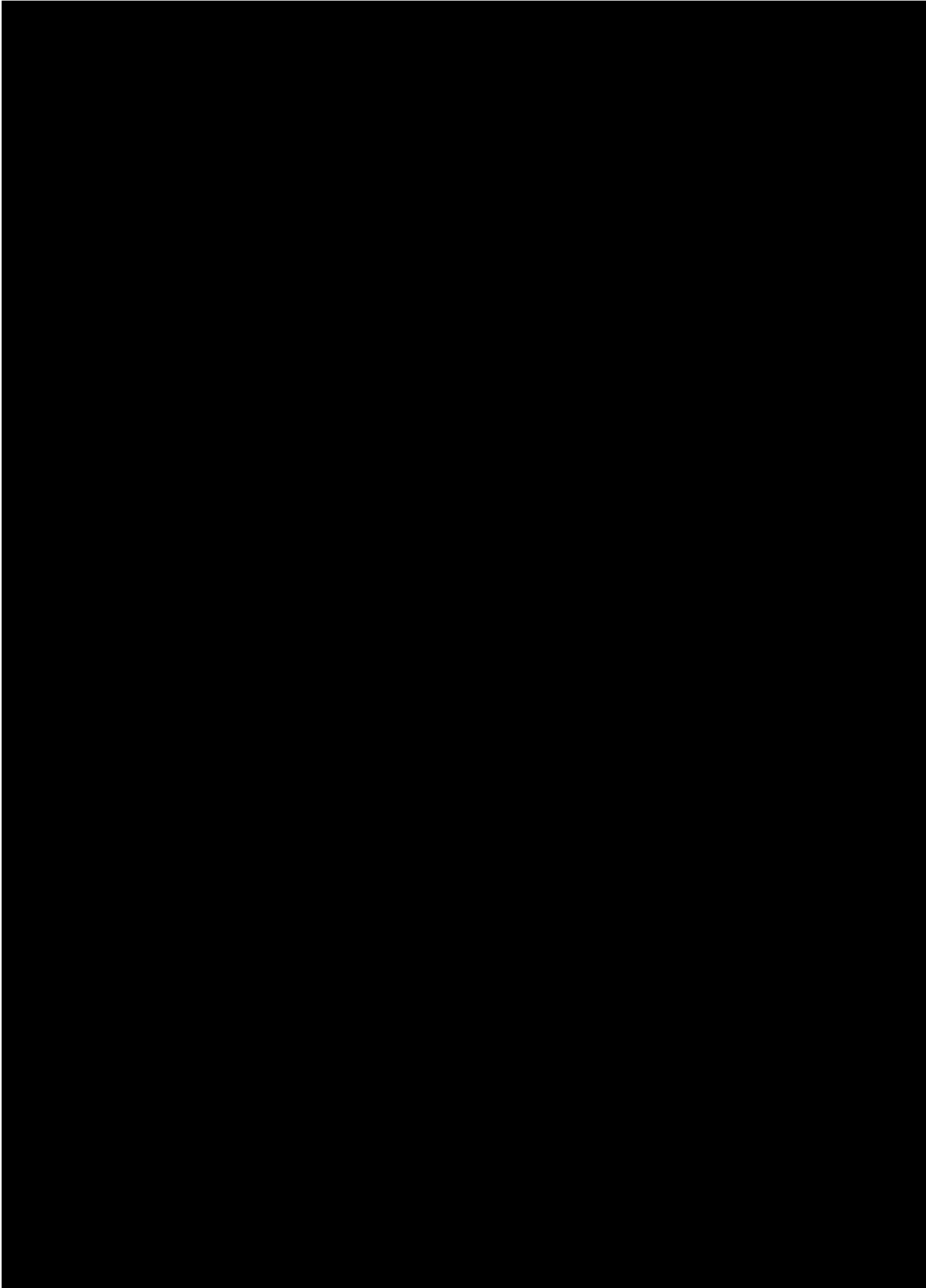
Handwritten initials or signature, possibly "JSS", located at the bottom right of the page.



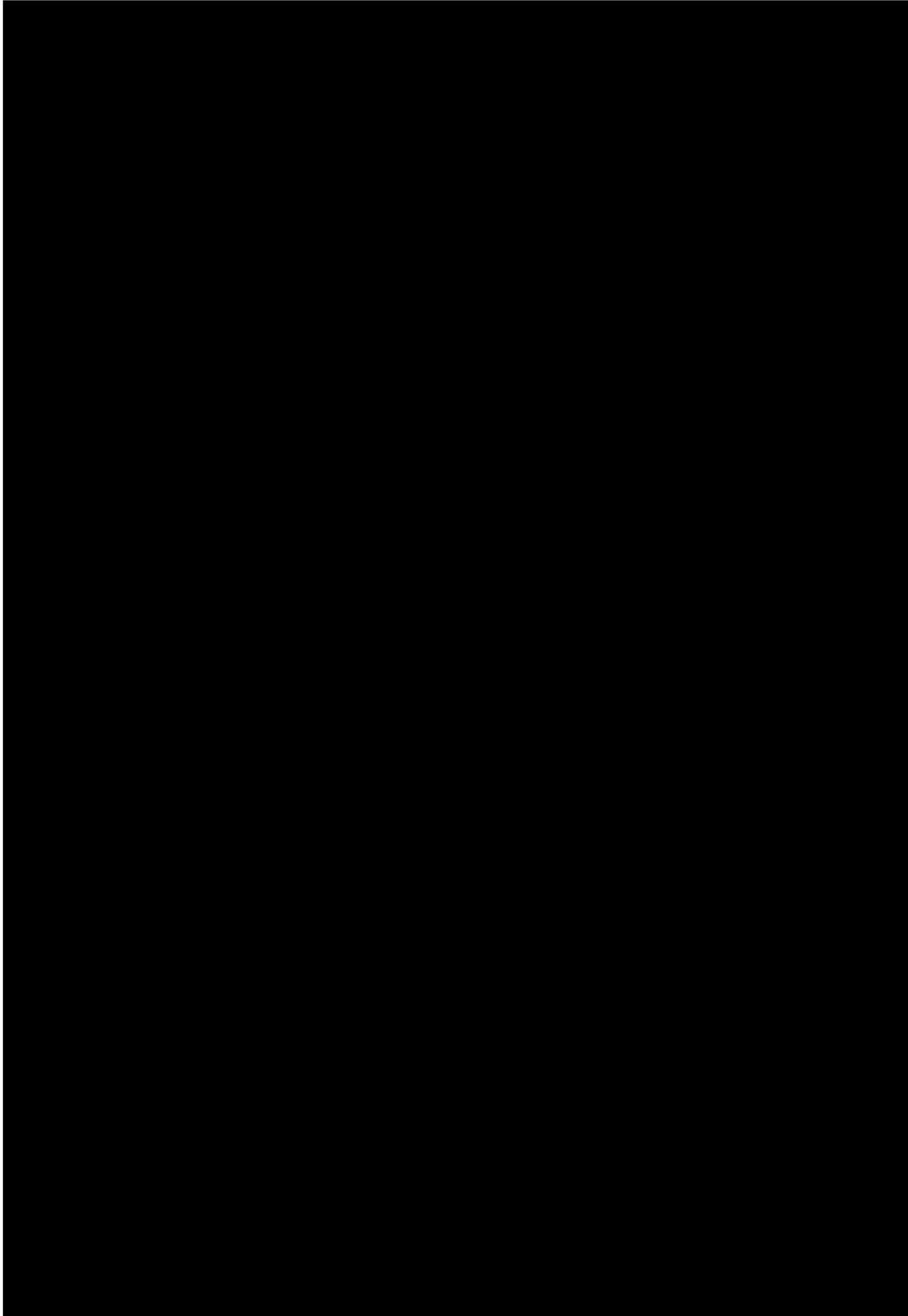
1135



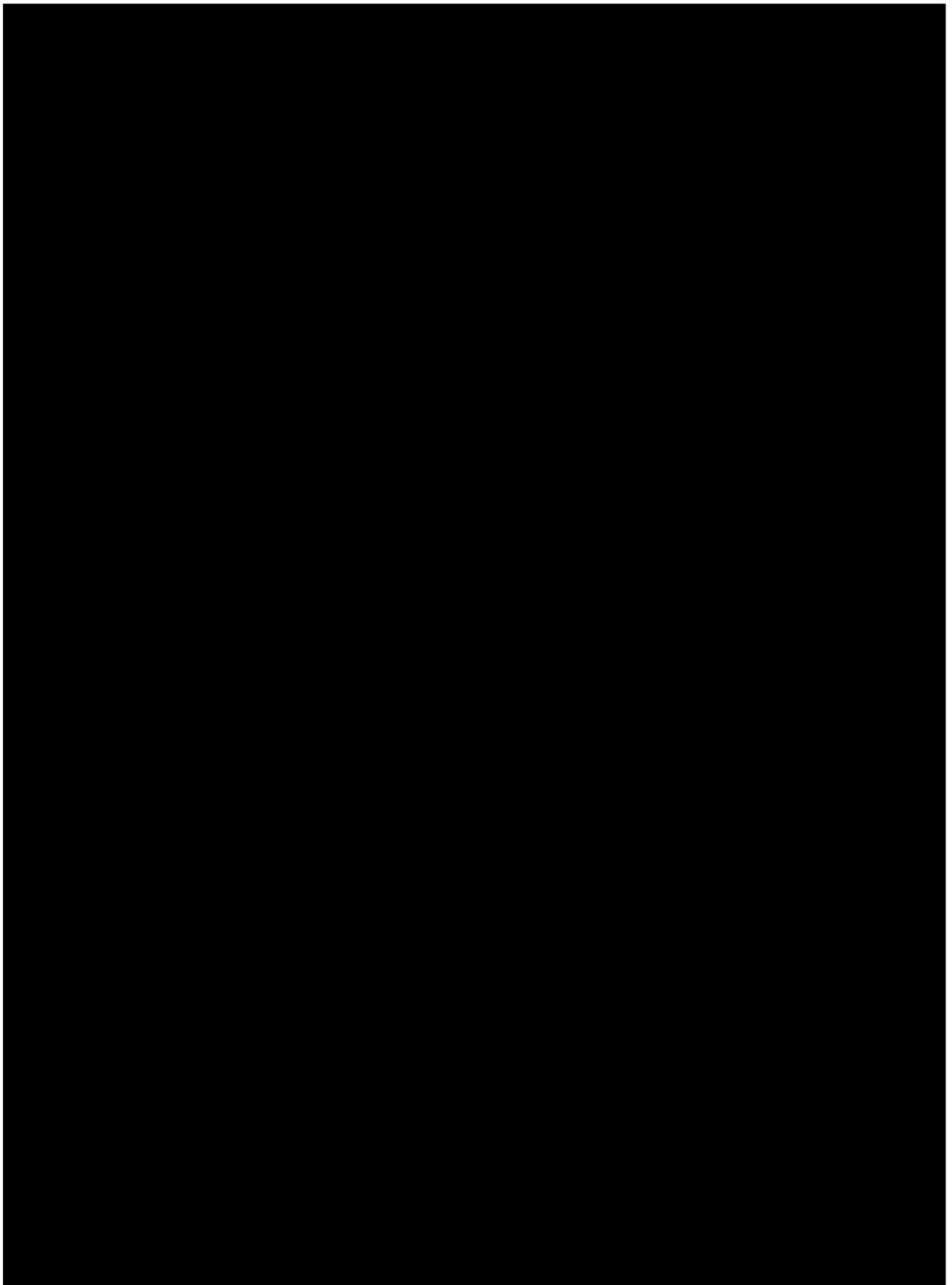
VJB



VSS

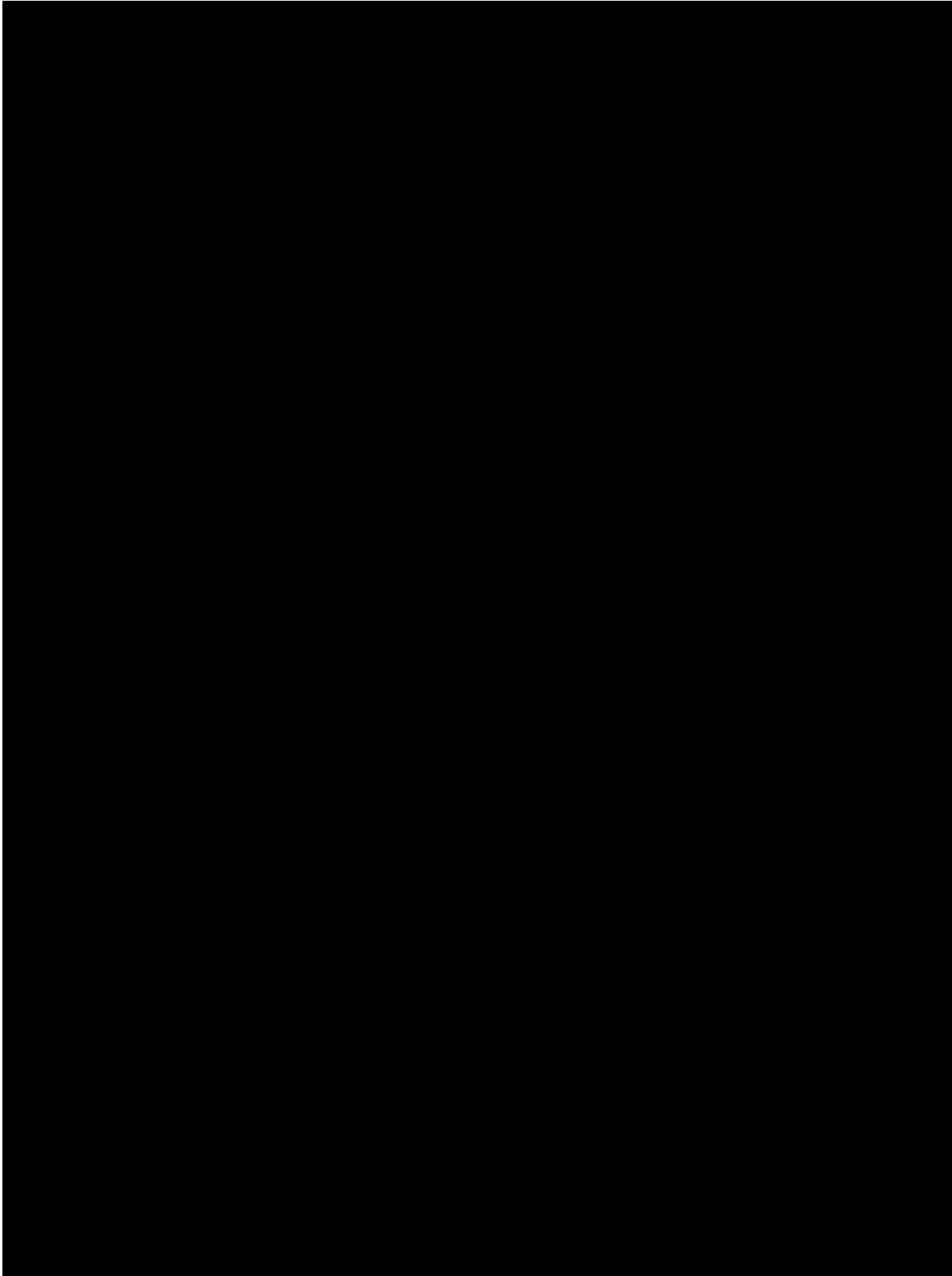


VSS

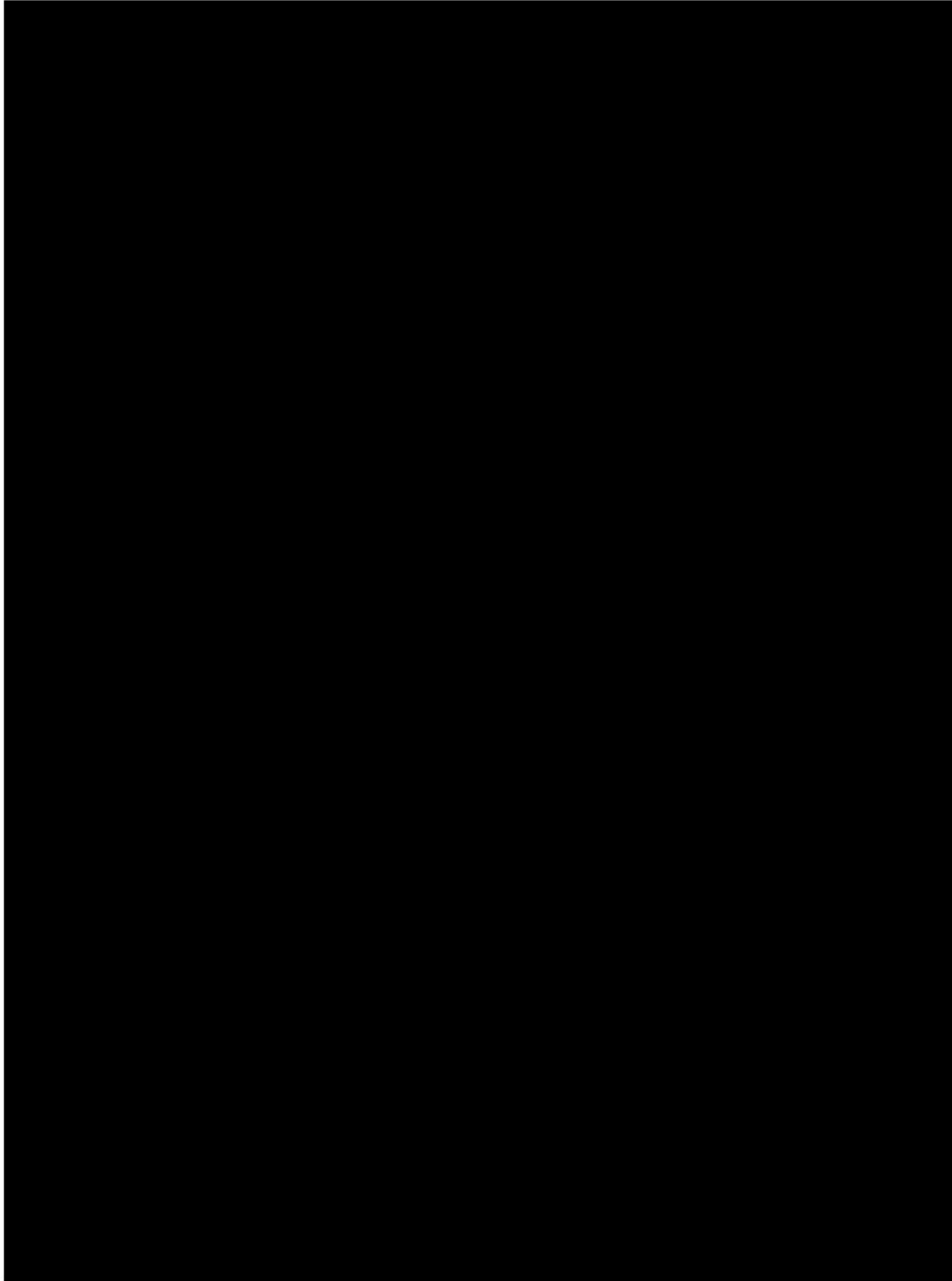


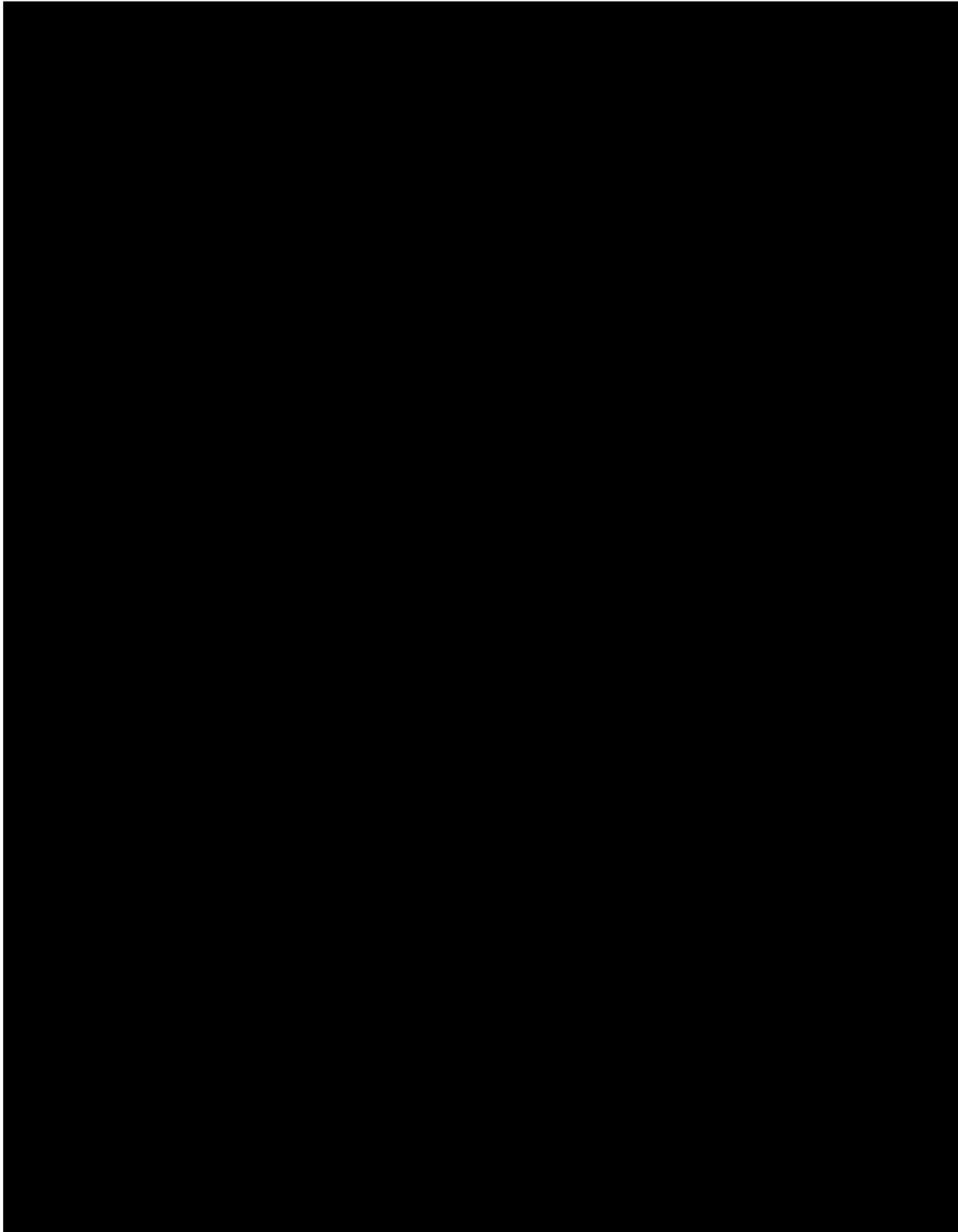
VSS

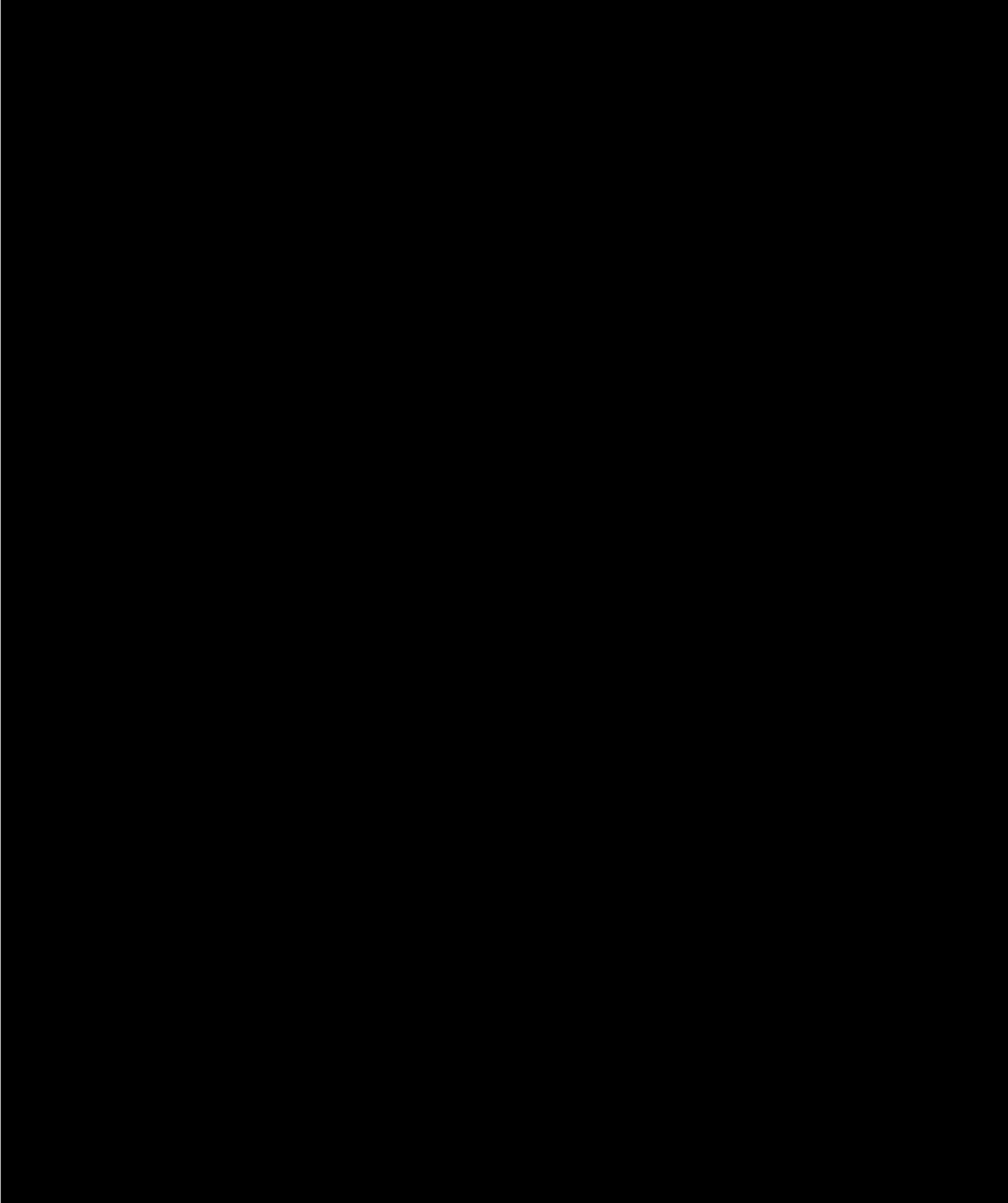




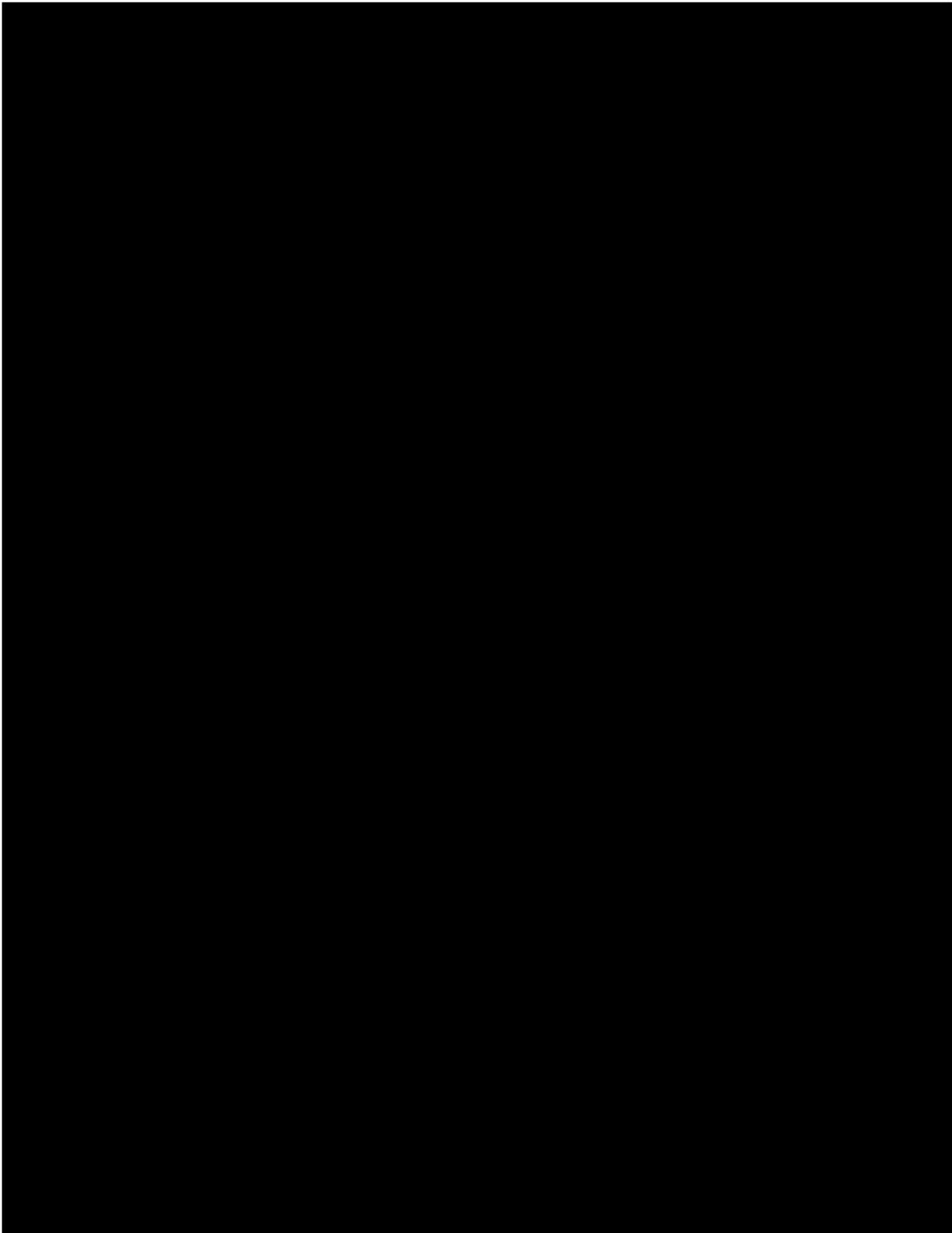
VSS

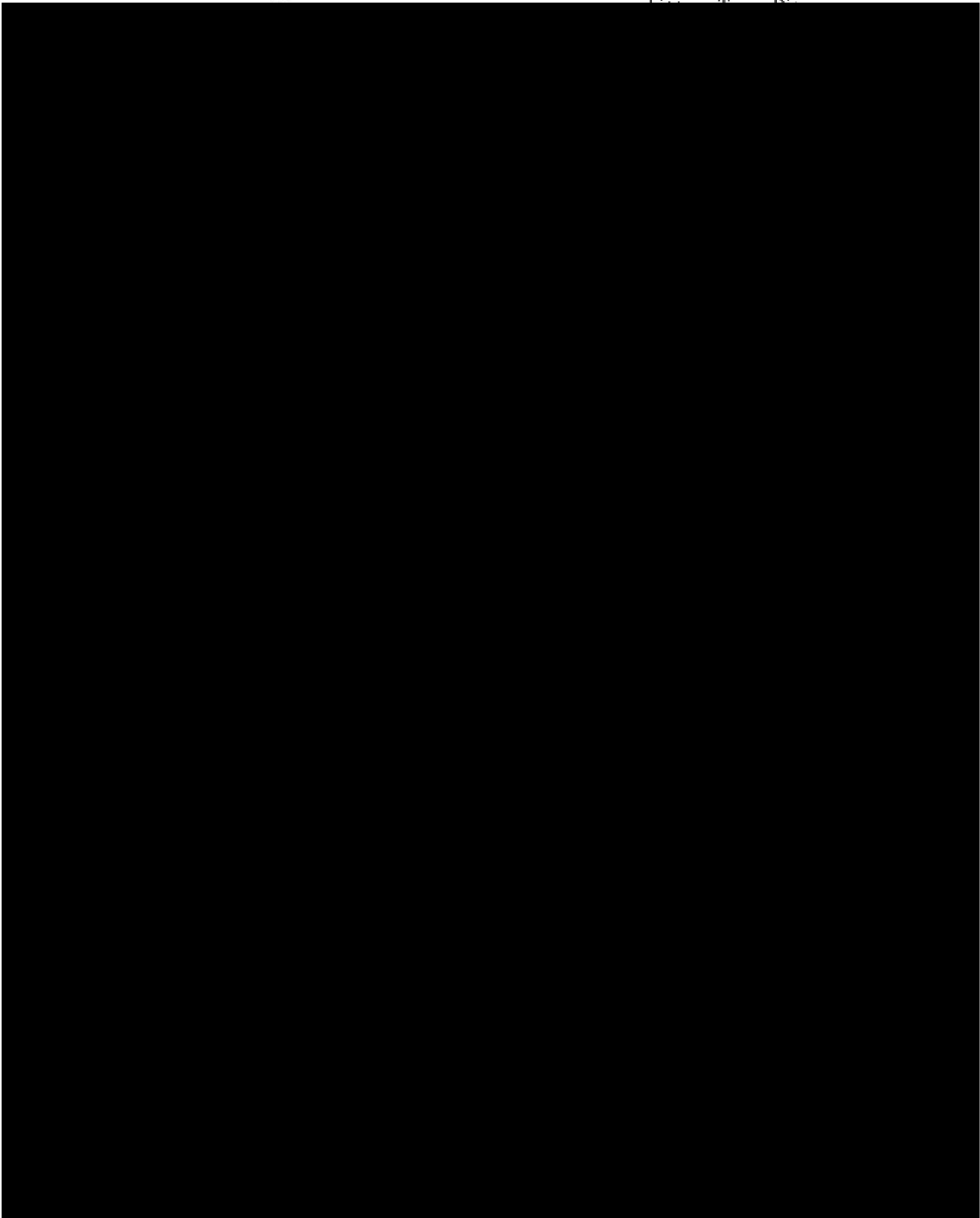






13





Form **1040** Department of the Treasury—Internal Revenue Service (99) **U.S. Individual Income Tax Return**

**2011**

OMB No. 1545-0047

IRS Use Only—Do not write or staple in this space

For the year: Jan. 1–Dec. 31, 2011, or other tax year beginning

. 2011, ending

License Type: Dispensary

See separate instructions.

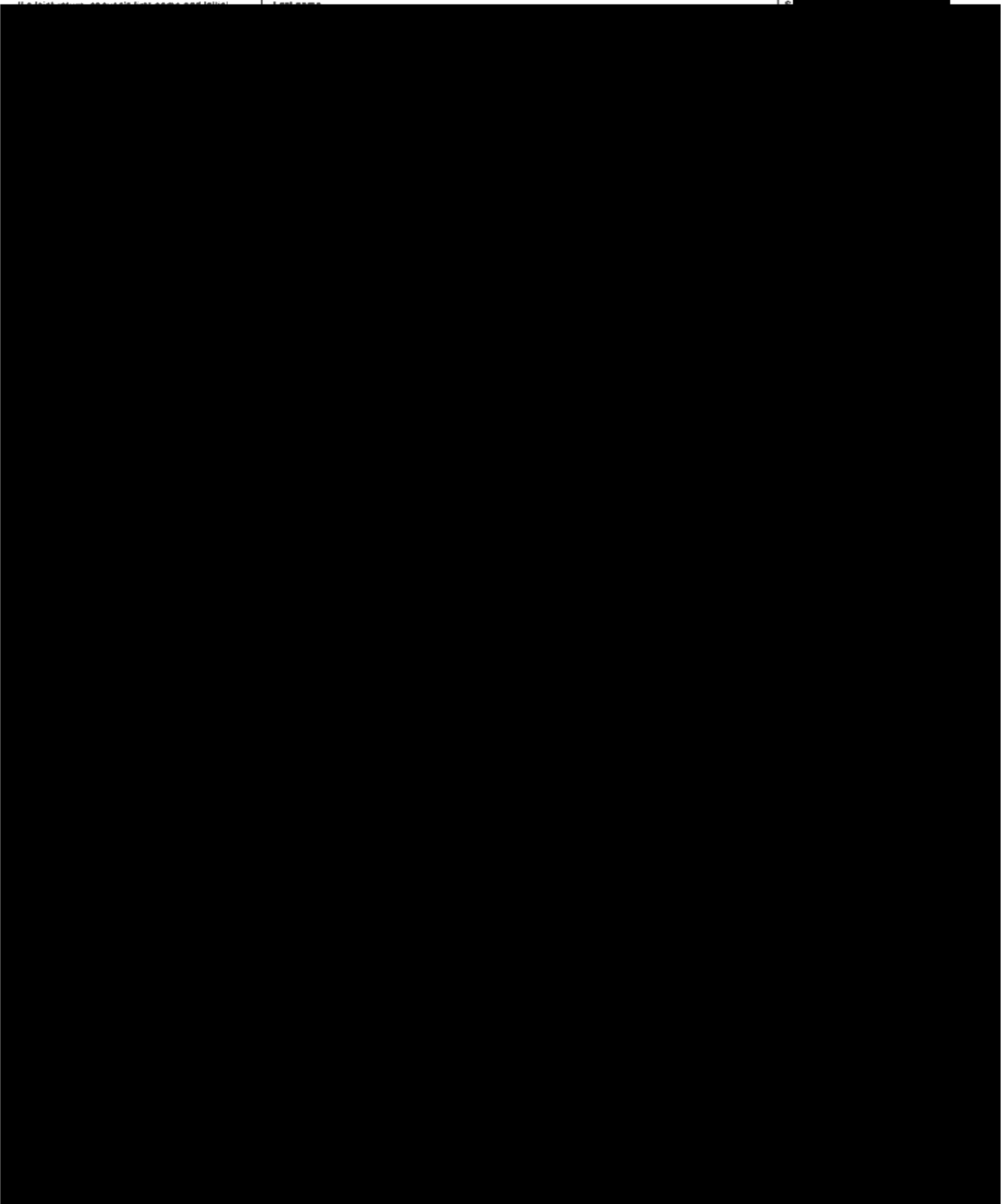
Your first name and initial

**VINCENT J**

Last name

**SCHILLECI III**

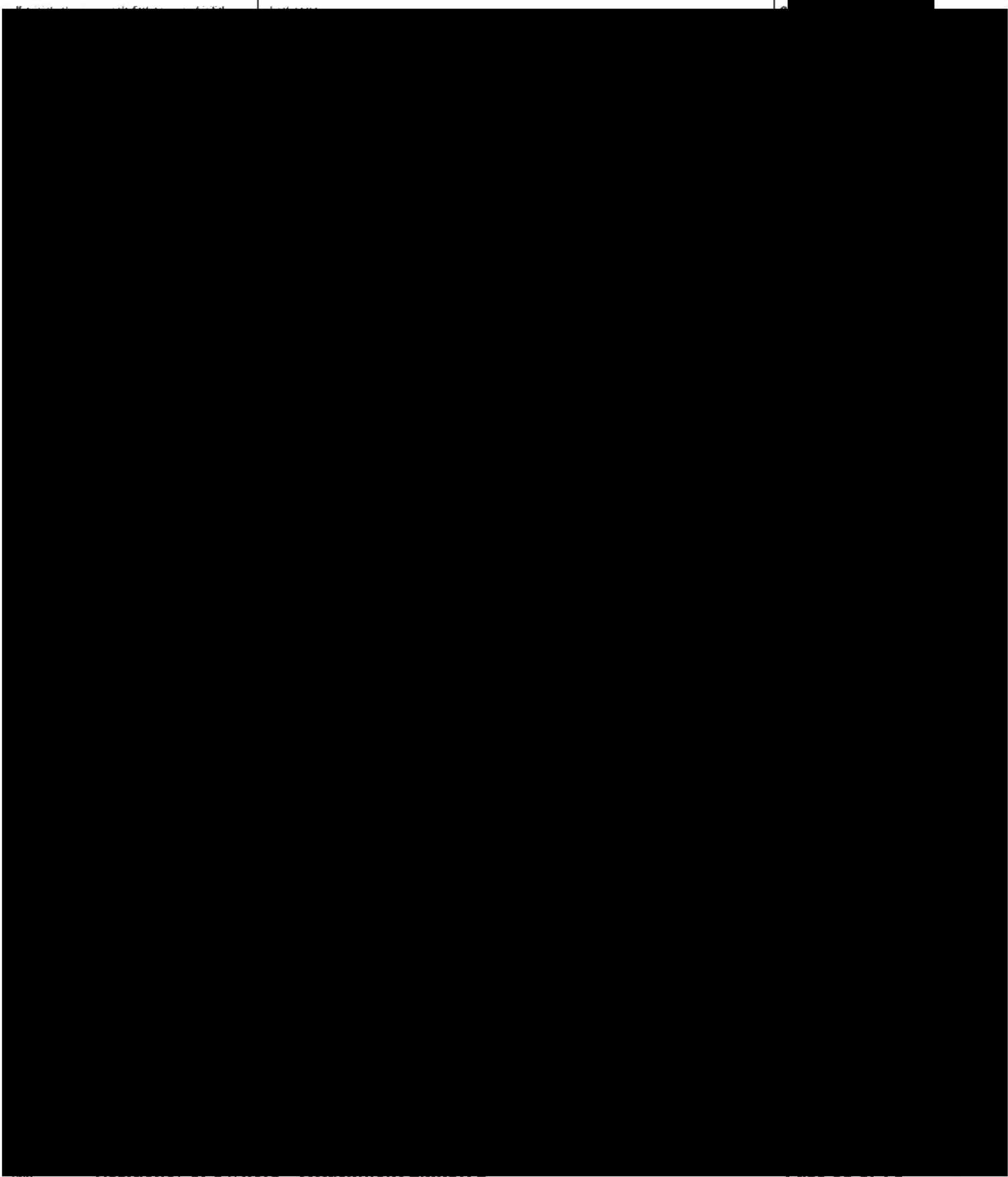
Your social security number



**1040** Department of the Treasury—Internal Revenue Service (99) **U.S. Individual Income Tax Return** | **2012** | OMB No. 1545-0047 | IRS Use Only—Do not write or staple in this space.

For the year Jan. 1—Dec. 31, 2012, or other tax year beginning \_\_\_\_\_, 2012, ending \_\_\_\_\_, 20\_\_\_\_ See separate instructions.

Your first name and initial <b>VINCENT J</b>	Last name <b>SCHILLECI III</b>	Your social security number 
---	-----------------------------------	--





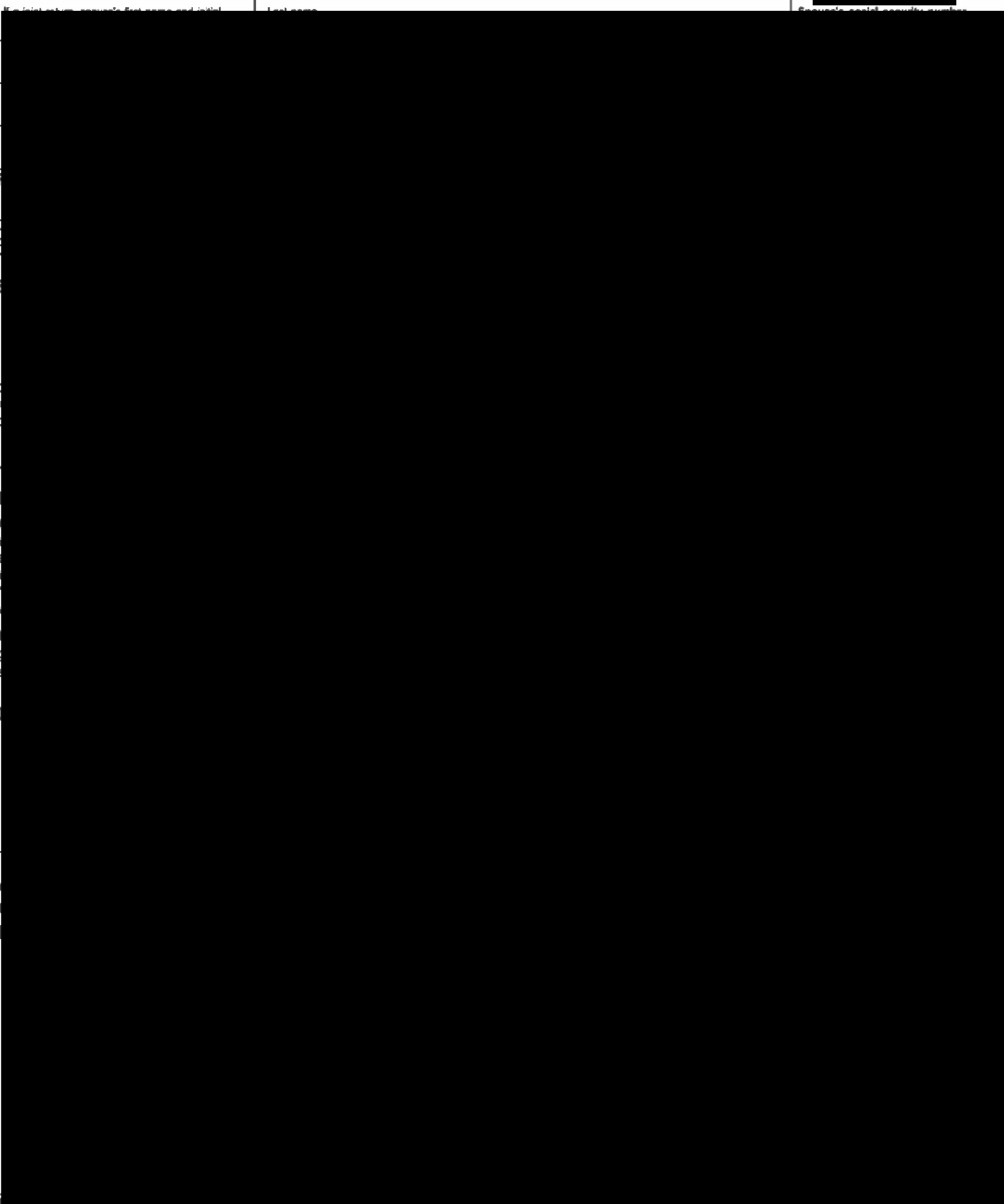
Form **1040** Department of the Treasury—Internal Revenue Service (99) **U.S. Individual Income Tax Return** **2013** OMB No. 1545-0047 IRS Use Only—Do not write or stamp in this space. License Type: Dispensary

For the year Jan. 1—Dec. 31, 2013, or other tax year beginning , 2013, ending , 20 See separate instructions.

Your first name and initial  
**VINCENT J**

Last name  
**SCHILLECI III**

Your social security number  
[REDACTED]



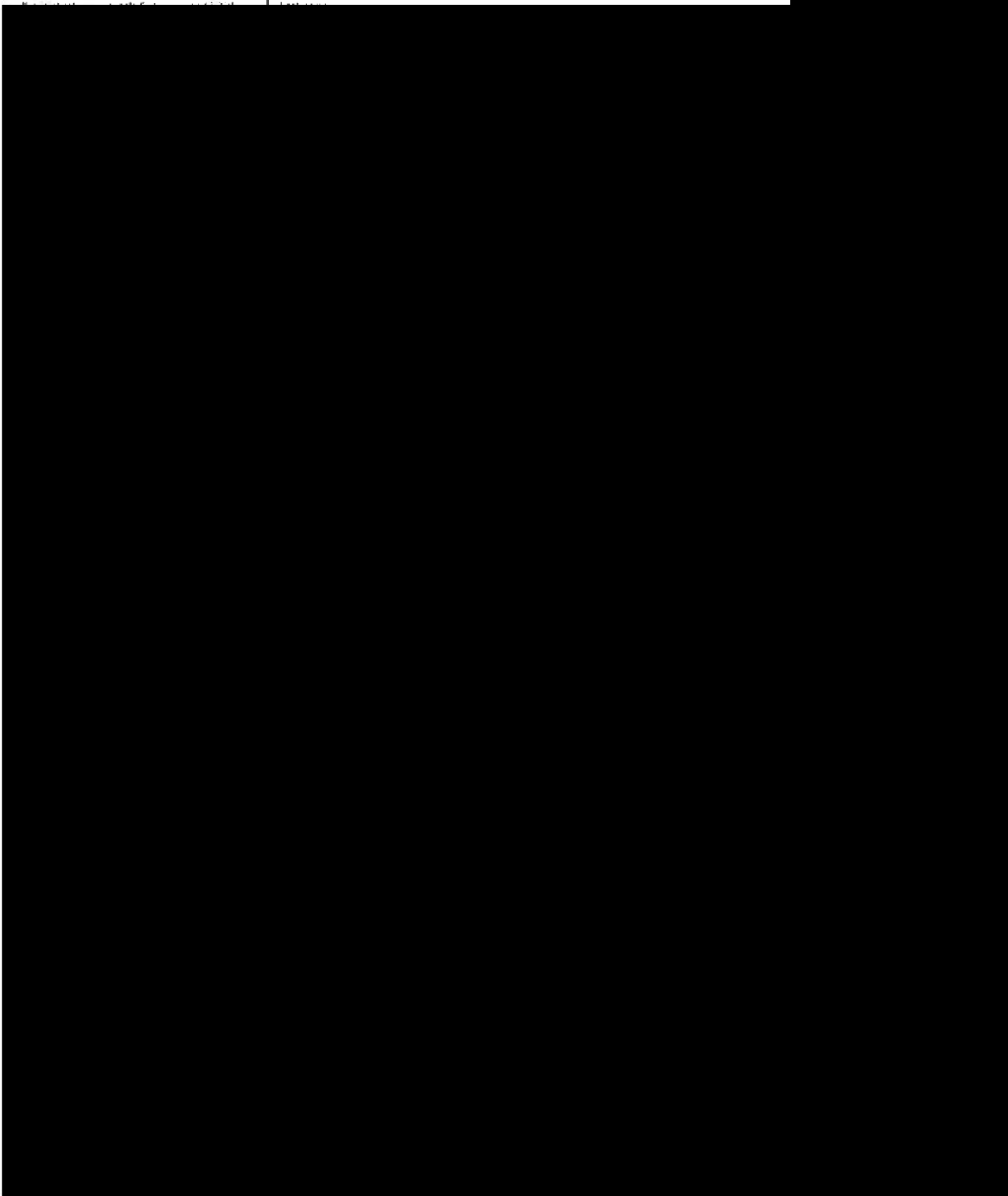
Form **1040** Department of the Treasury—Internal Revenue Service (99) **U.S. Individual Income Tax Return** **2014** OMB No. 1545-0047 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1—Dec. 31, 2014, or other tax year beginning , 2014, ending , 20 **See separate instructions.**

Your first name and initial  
**VINCENT J**

Last name  
**SCHILLECI III**

**See separate instructions.**



Form **1040** Department of the Treasury—Internal Revenue Service (99) **U.S. Individual Income Tax Return**

**2015**

OMB No. 1545-0047 Use Only To get wife or staple in this space.

For the year Jan. 1–Dec. 31, 2015, or other tax year beginning

, 2015, ending

, 20

See separate instructions.

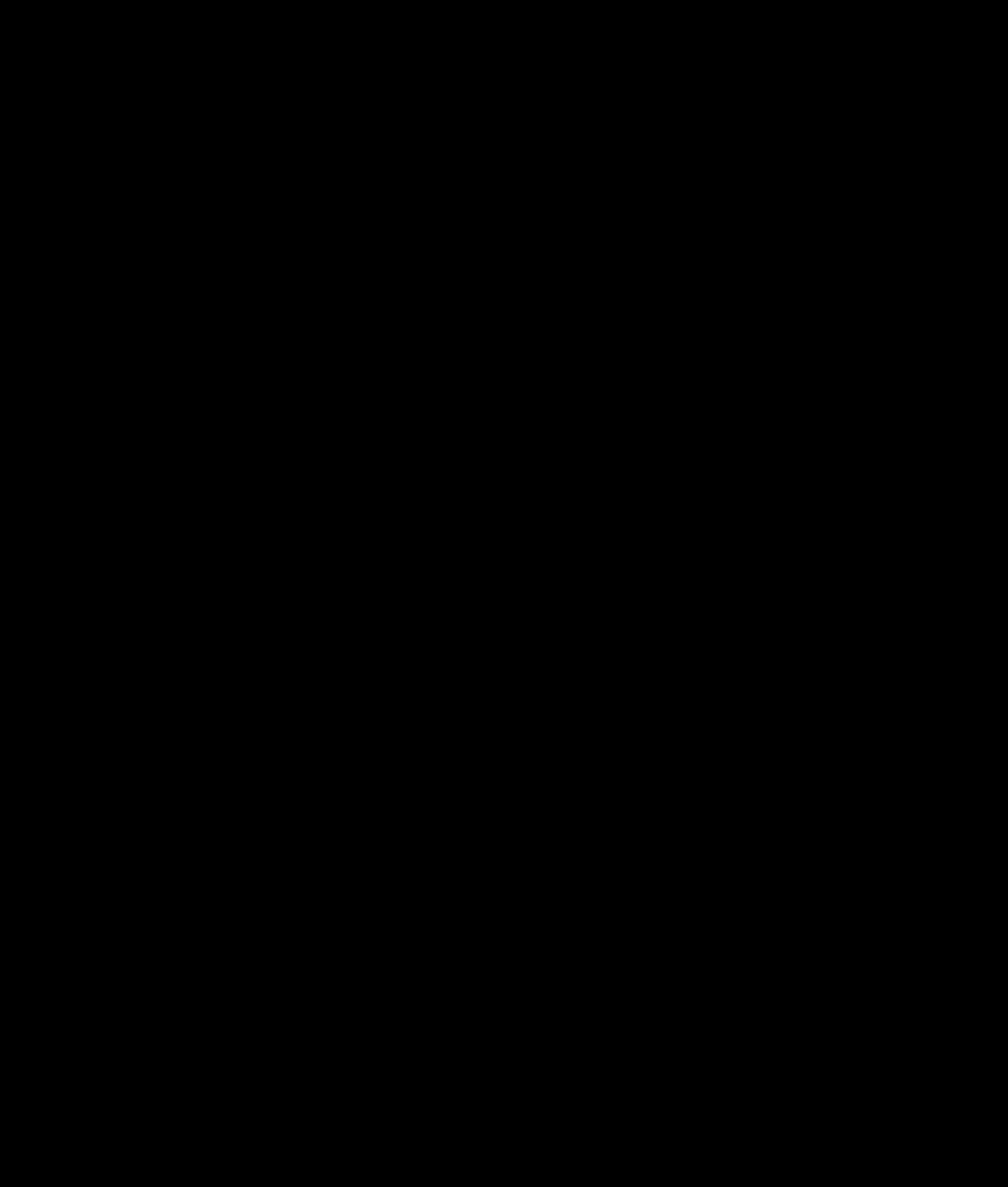
Your first name and initial

**VINCENT J**

Last name

**SCHILLECI III**

License Type: Dispensary



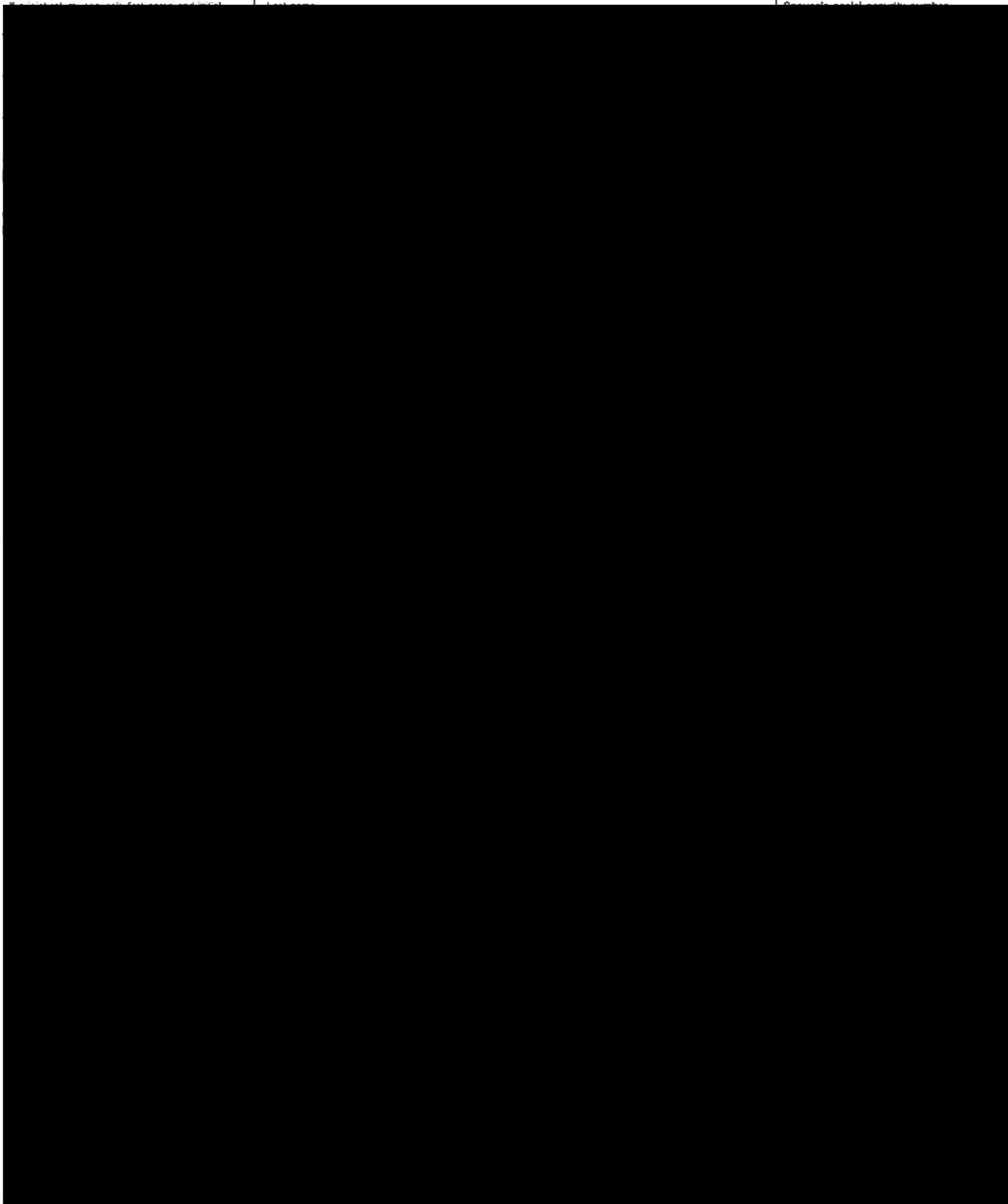
Form **1040** Department of the Treasury—Internal Revenue Service (99) **U.S. Individual Income Tax Return** **2016** OMB No. 1545-0047 ~~IRS Use Only—Do not write or stamp in this space.~~  
~~License Type: Dispensary~~

For the year Jan. 1—Dec. 31, 2016, or other tax year beginning \_\_\_\_\_, 2016, ending \_\_\_\_\_, 20 \_\_\_\_\_ See separate instructions.

Your first name and initial  
**VINCENT J**

Last name  
**SCHILLECI III**





FORM

**1040**

Department of the Treasury—Internal Revenue Service (99)

**U.S. Individual Income Tax Return**

**2017**

OMB No. 1545-0047

Do not write or staple in this space.

License Type: Dispensary

For the year Jan. 1–Dec. 31, 2017, or other tax year beginning

2017, ending

20

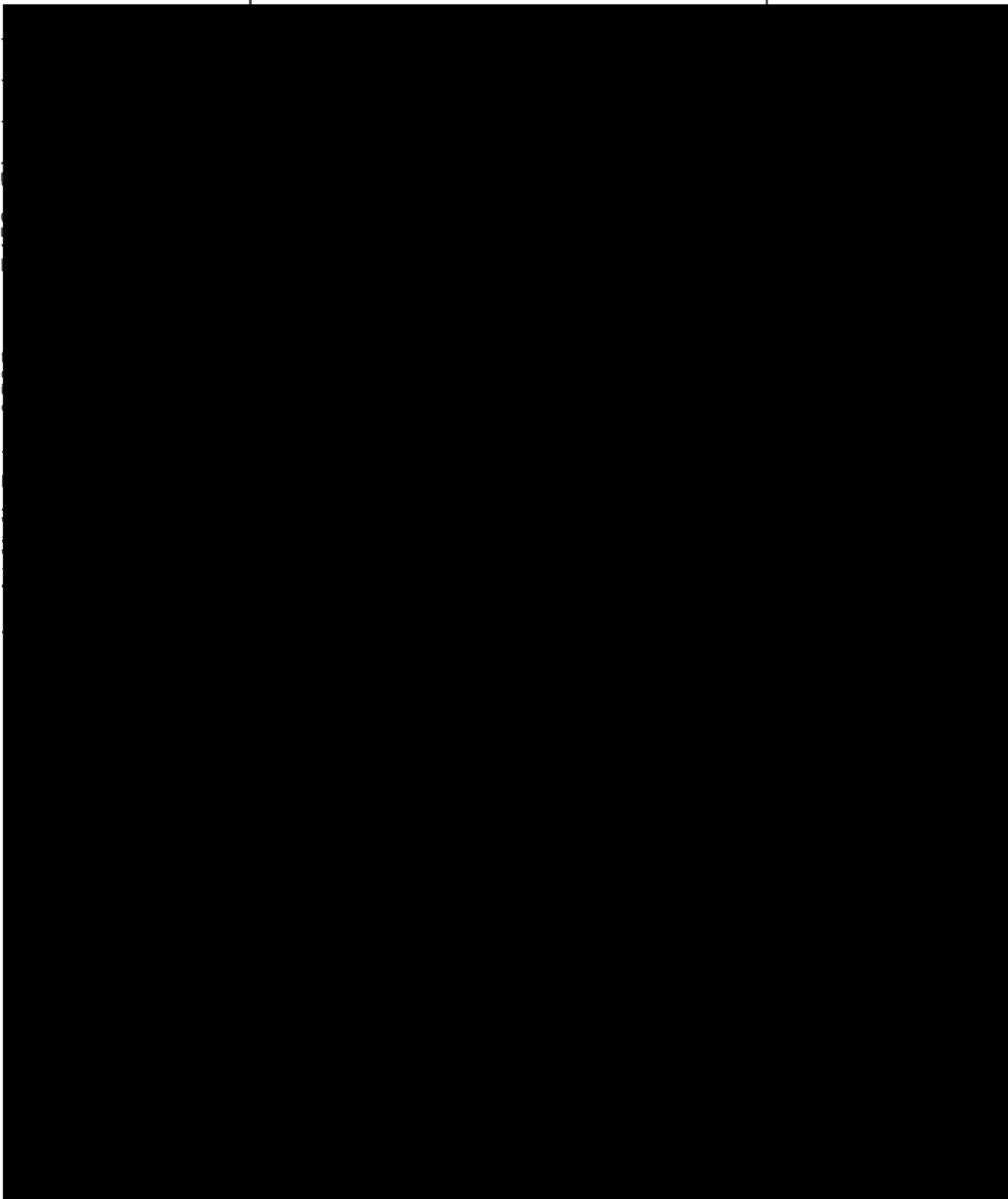
See separate instructions.

Your first name and initial

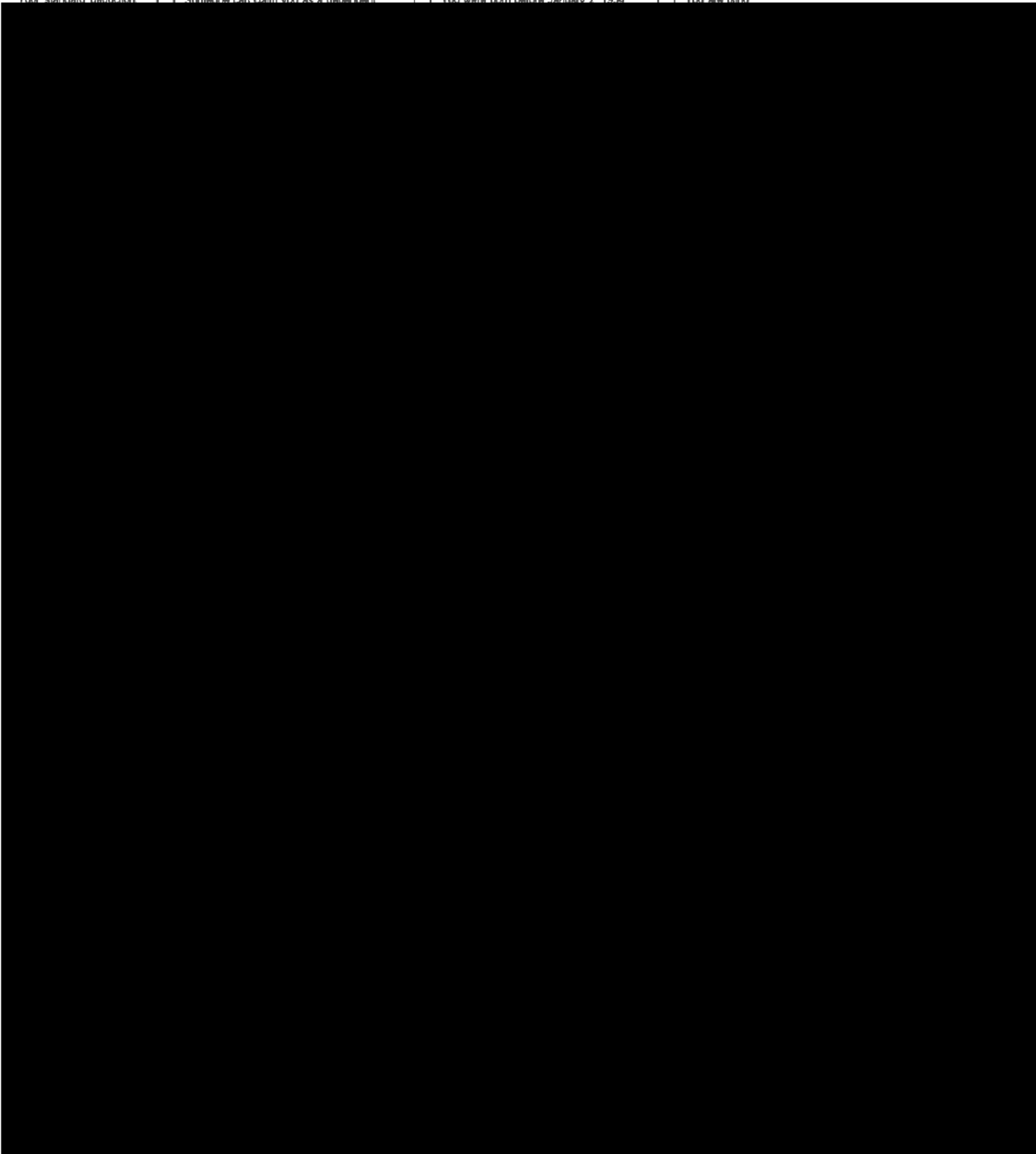
**VINCENT J**

Last name

**SCHILLECI III**



Form	<b>1040</b>	Department of the Treasury—Internal Revenue Service (99)		<b>2018</b>	License Type: Dispensary	
		<b>U.S. Individual Income Tax Return</b>			OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.
Filing status: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Married filing jointly <input type="checkbox"/> Married filing separately <input type="checkbox"/> Head of household <input type="checkbox"/> Qualifying widow(er)						
Your first name and initial <b>VINCENT J</b>			Last name <b>SCHILLECI III</b>			
Your standard deduction: <input type="checkbox"/> Someone can claim you as a dependent <input type="checkbox"/> You were born before January 2, 1954 <input type="checkbox"/> You are blind <input type="checkbox"/>						



FORM

**1040**

Department of the Treasury—Internal Revenue Service (99)  
**U.S. Individual Income Tax Return**

**2019**

License Type: Dispensary  
OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

**Filing Status**

Single  Married filing jointly  Married filing separately (MFS)  Head of household (HOH)  Qualifying widow(er) (QW)

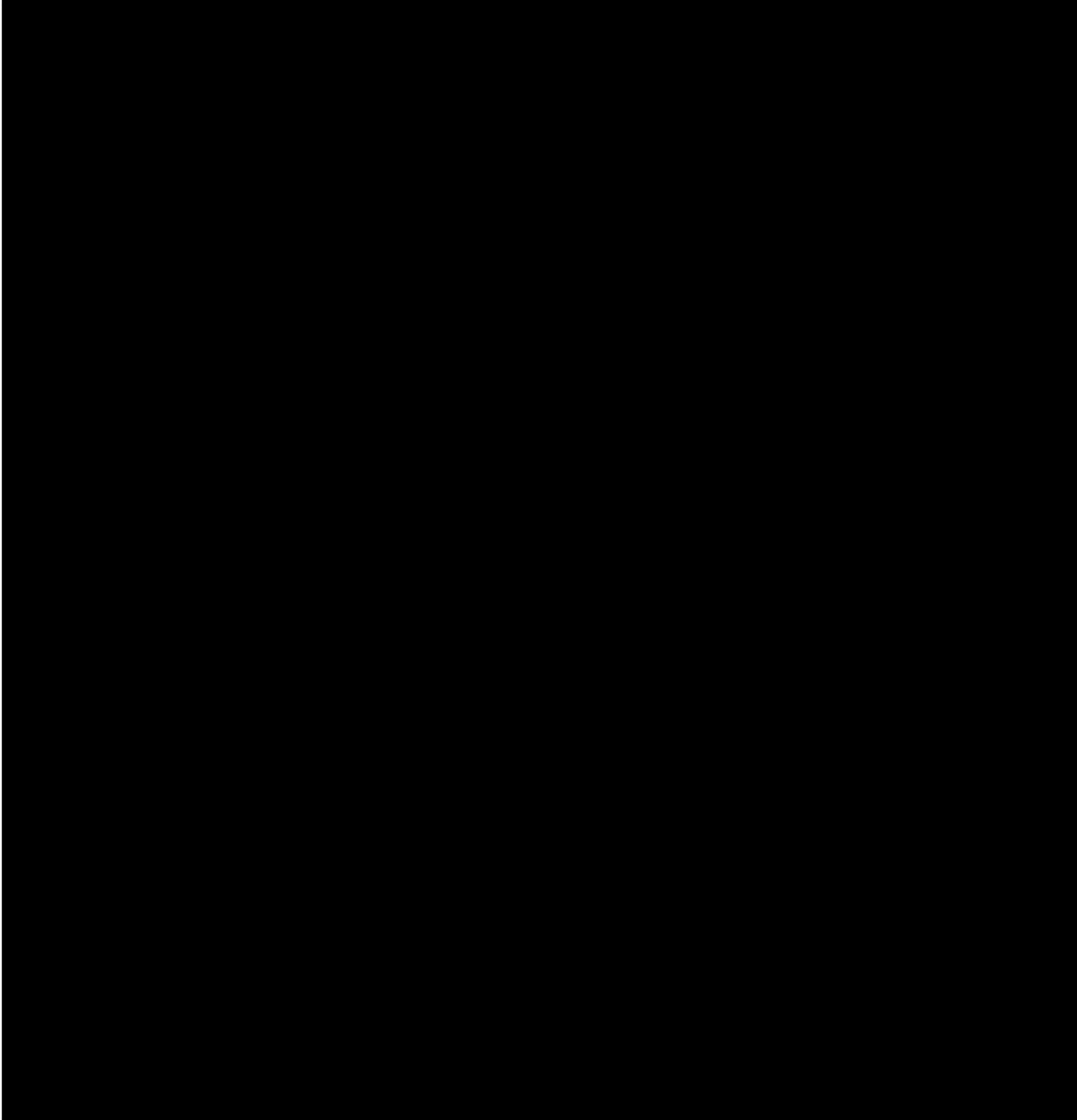
Check only one box.  
If you checked the MFS box, enter the name of spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent. ▶

Your first name and middle initial

**VINCENT J**

Last name

**SCHILLECI III**



Form **1040** Department of the Treasury—Internal Revenue Service (99) **U.S. Individual Income Tax Return** **2020** License Type: Dispensary  
OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

**Filing Status**  Single  Married filing jointly  Married filing separately (MFS)  Head of household (HOH)  Qualifying widow(er) (QW)

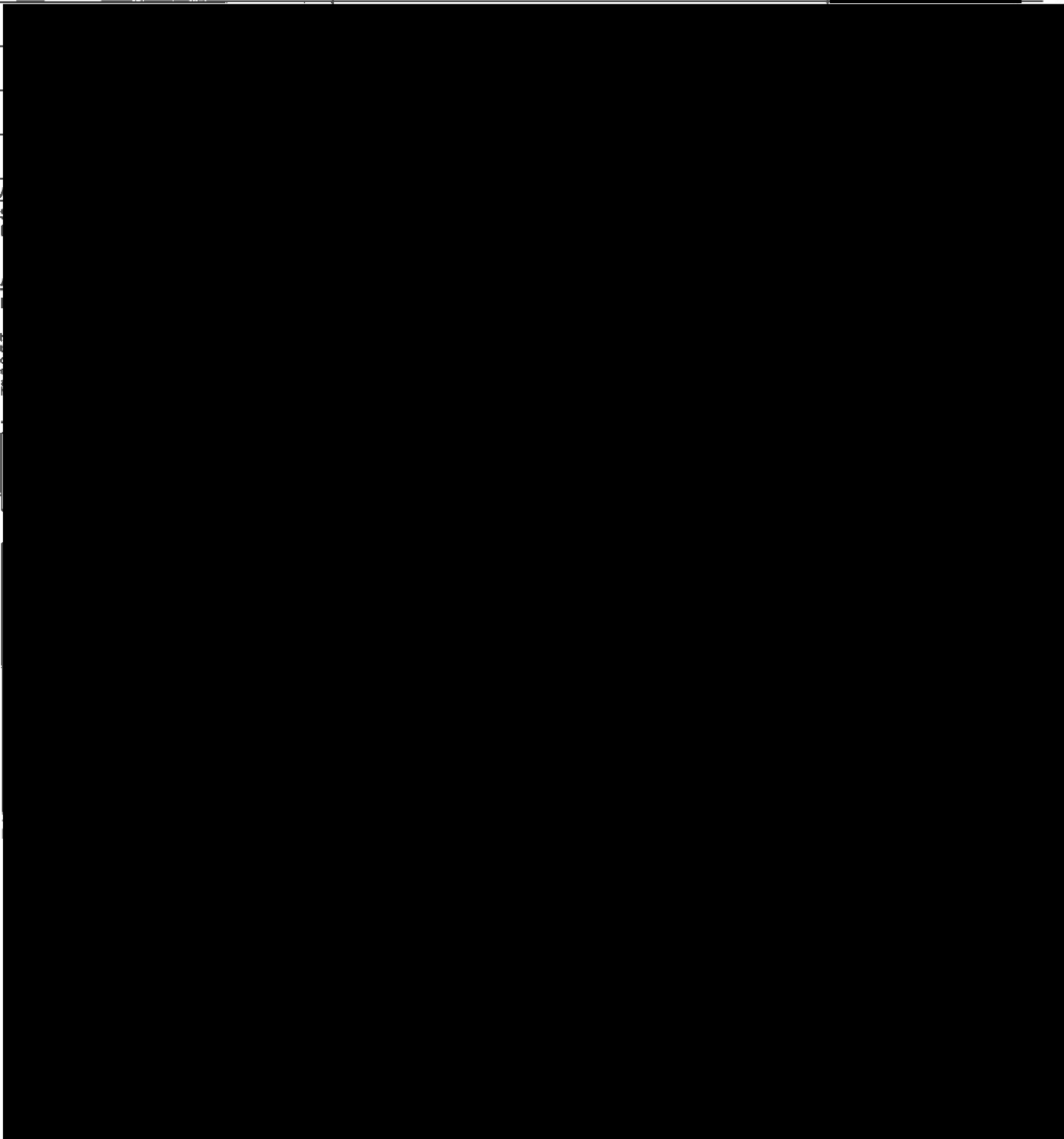
Check only one box.  
If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent.

Your first name and middle initial

**VINCENT J**

Last name

**SCHILLECI III**





FORM **1040**

Department of the Treasury—Internal Revenue Service (99)  
**U.S. Individual Income Tax Return**

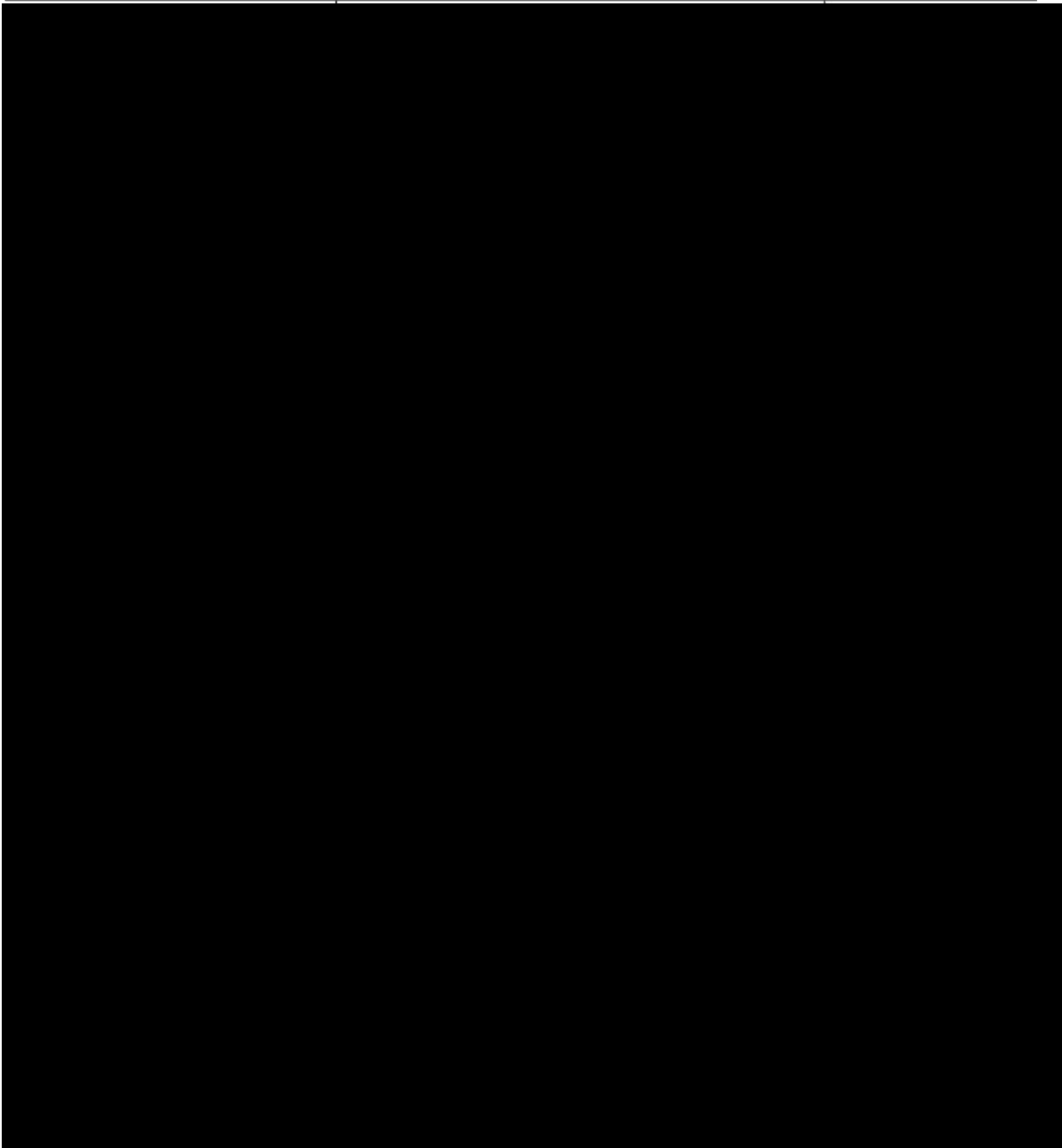
**2021**

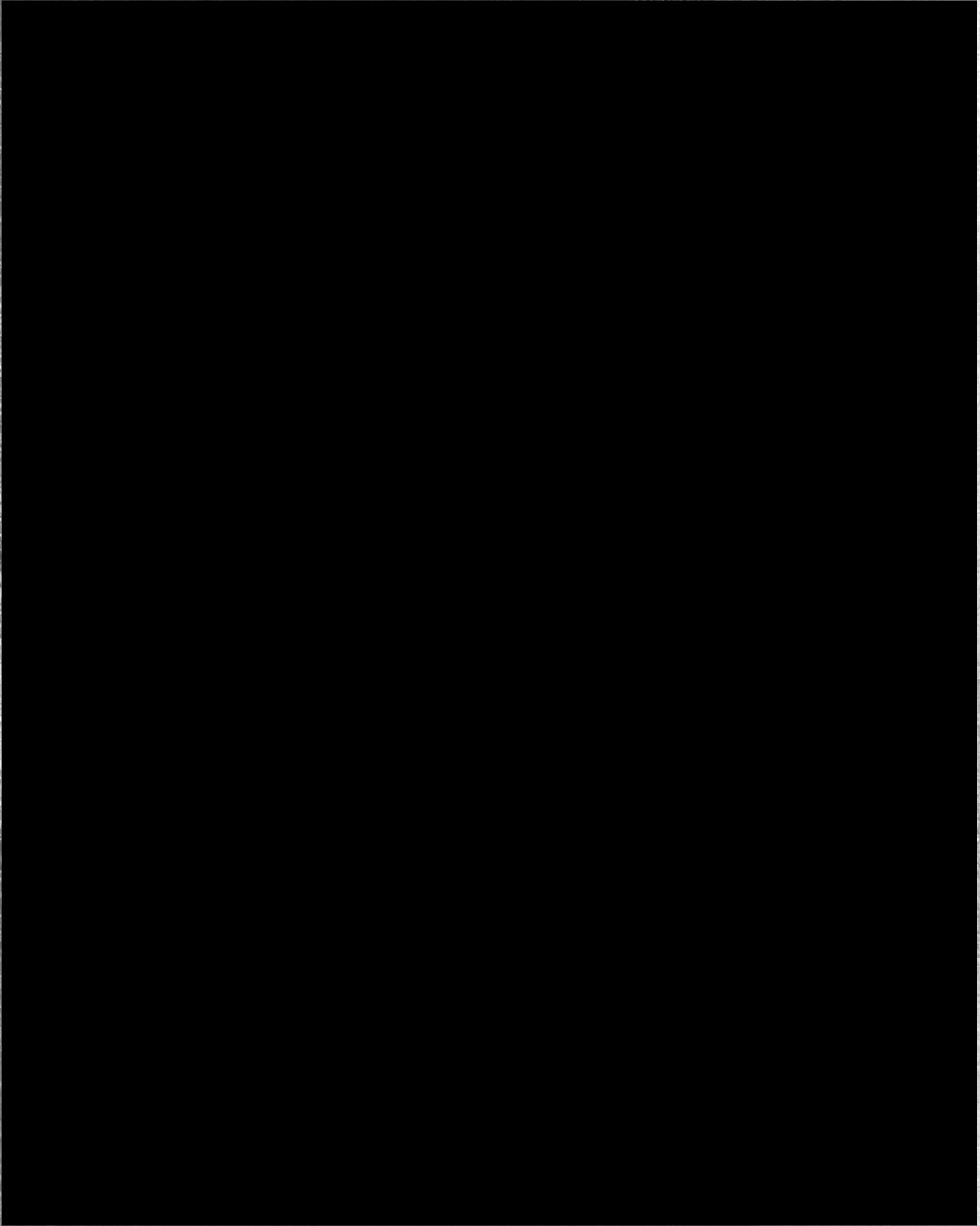
License Type: Dispensary  
OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

**Filing Status**  Single  Married filing jointly  Married filing separately (MFS)  Head of household (HOH)  Qualifying widow(er) (QW)  
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent. ▶

Your first name and middle initial  
**VINCENT J**

Last name  
**SCHILLECI III**





**For members:** Confidential help is just one call away. Call the Lawyers Helpline at [\(800\) 605-8678](tel:8006058678) for immediate counseling resources and support. License Type: Dispensary

# Find a Member

## Find a Member

The best way to search is to type in just the last name and leave all other fields blank. If the last name is common, you may want to add a first initial or name.

Your search returned 1 results.

[Search Again](#)

- **[Schilleci, Mr. Vincent Joseph, III](#) [Download vCard](#)**

Occupational License – authorized to practice law in Alabama.

University of Alabama School of Law

Date Admitted: 09/30/2004

Maynard Cooper & Gale, PC

[vschilleci@maynardcooper.com](mailto:vschilleci@maynardcooper.com)

(205) 254-1106

1901 6th Ave N Ste 1700

Birmingham, AL 35203-2629

### [Help with Search Issues](#)

On June 13, 2019, we added a reCaptcha security check for anonymous users to help protect your information by providing a way to prove that it is a person using the member search and not an automated script.

If you are experiencing problems after this update, please try the following:

## Desktop Users

1. Try refreshing your browser cache. On most browsers, it should be the control and the F5 keys at the same time, while you are on the member search page.
  - o For MAC users, use the command key and "R" for Safari
2. Try viewing the site in a private window.
  - o For Google Chrome and Opera
    - o Use the keyboard buttons – control, shift and the "N" key
  - o For Mozilla Firefox, Internet Explorer and Microsoft Edge
    - o Use the keyboard buttons – control, shift and the "P" key
  - o For Safari
    - o Use the keyboard buttons – command, shift and the "N" key

## Mobile Users

1. To clear your cache do the following:
  - o On iPhone
    - o Close all open tabs by holding down the tab button in the bottom right and then choose "Close all XX tabs"
    - o Go to Settings>Safari>Clear History and Website Data
  - o On Android
    - o Open Chrome
    - o To the right of the address bar, tap Switch tabs
    - o You'll see your open Chrome tabs
    - o Tap More>Close all tabs

If you are still having trouble after trying these options above, please contact us for assistance.

### Search Tips

Type in the name, city, state, law firm, or law school of members you want to find.

Except for first name and last name, the results are not limited to 'whole word' matches, i.e., the name Smith will return matches with Smitherman and Nesmith as well as Smith. First name and last names are matched as follows: Smith will return matches with **Smitherman** and **Smith**, but not **Nemith**.

Uppercase and lowercase characters do not affect your search results. License Type: Dispensary

Results will be listed alphabetically by last name, then first name.

#### Restrictions on Use of Material

This Web site is protected by the copyright laws of the United States and other jurisdictions. You may print copies of or download the information on this Web site for your personal, noncommercial use, but you may not, without the express prior written consent of the Alabama State Bar:

- Copy, distribute, or download any information on this Web site for any other purpose
- Modify any information on this Web site for any reason
- Include any part of this web site in another work
- Frame content on the Alabama State Bar Web site
- Link to content on the Alabama State Bar Web site

The Alabama State Bar reserves all rights not specifically granted herein.

Information about members of the Alabama State Bar is available to the general public for noncommercial purposes on the Member Directory Web page. That information is limited to member names, business addresses, business telephone numbers, dates of admission to the Bar and law school. In addition, member fax numbers and e-mail addresses may be listed if the individual member has provided that information to the Bar without restriction on its use, and members may opt-out of providing such information at any time.

# Vincent Schilleci Jr.

Proof of Residence in Alabama

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

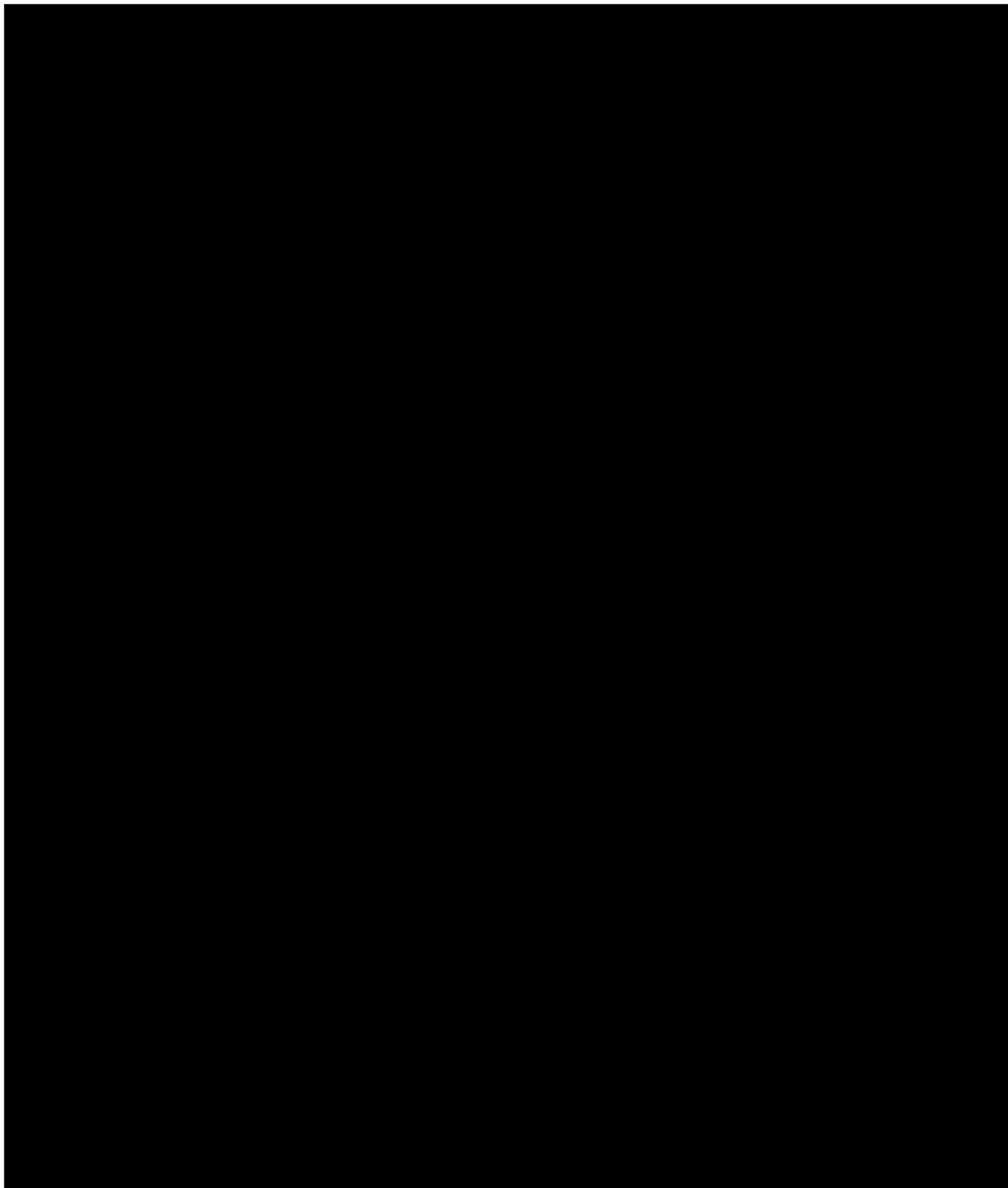
[REDACTED]

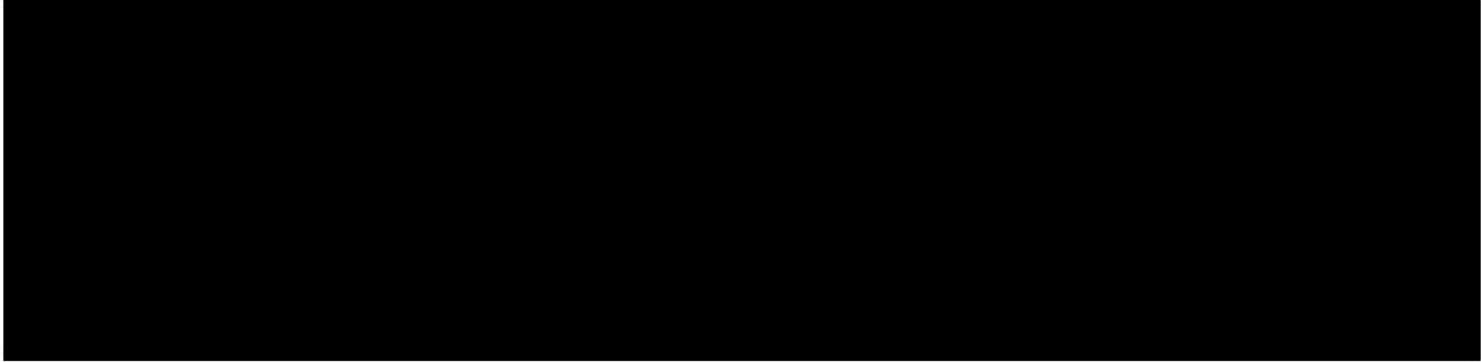


License Type: Dispensary



JEFFERSON COUNTY, ALABAMA. CITIZEN ACCESS PORTAL

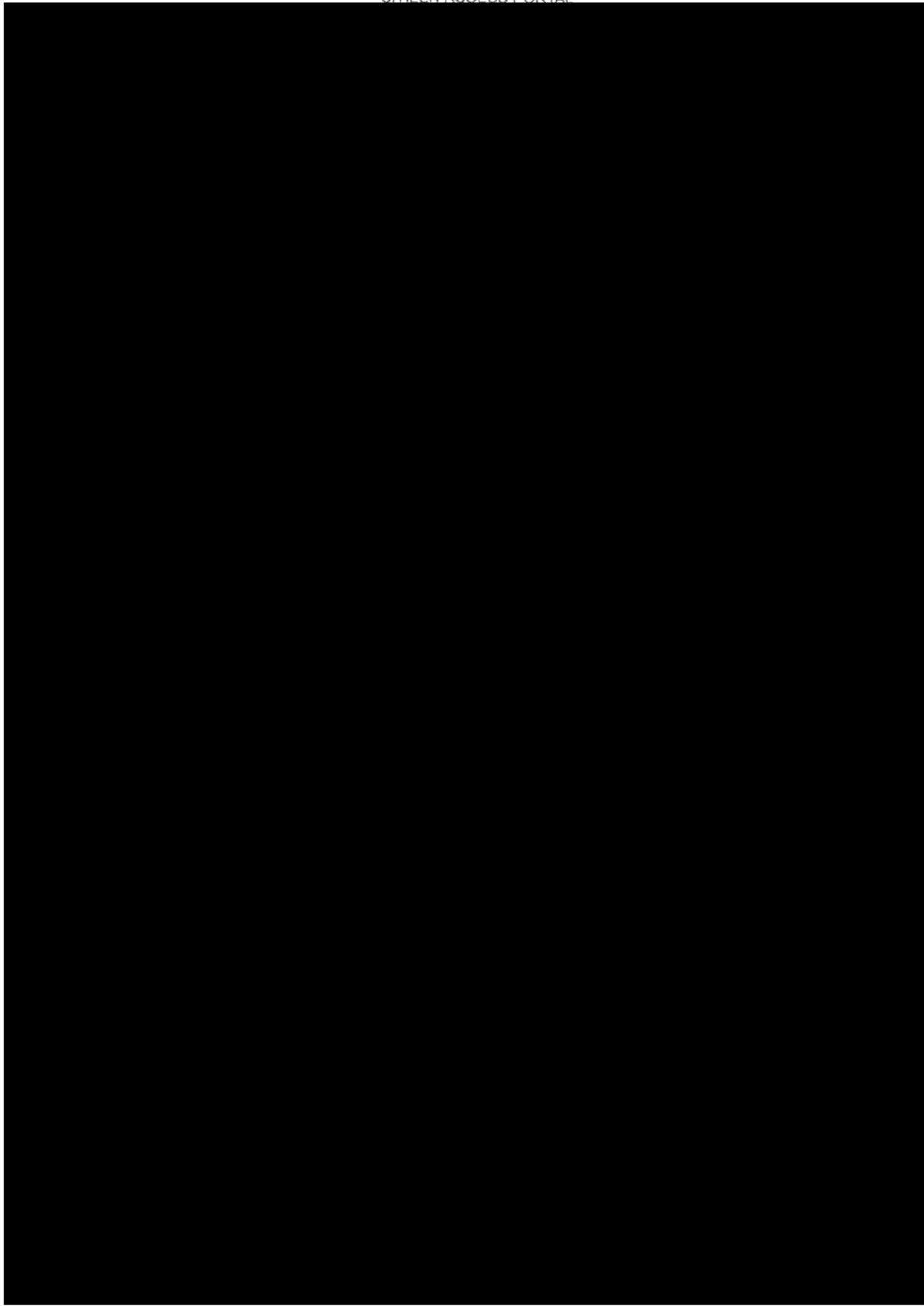




Downloaded by: E-Ring, Inc.

Webinar 2/26/2021 



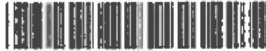


Powered by: eRing, Inc.



40 Alabama 2010

Individual Income Tax Return  
RESIDENTS & PART-YEAR RESIDENTS



For the year Jan 1 - Dec 31, 2010, or other tax year:

Beginning: Ending: ●

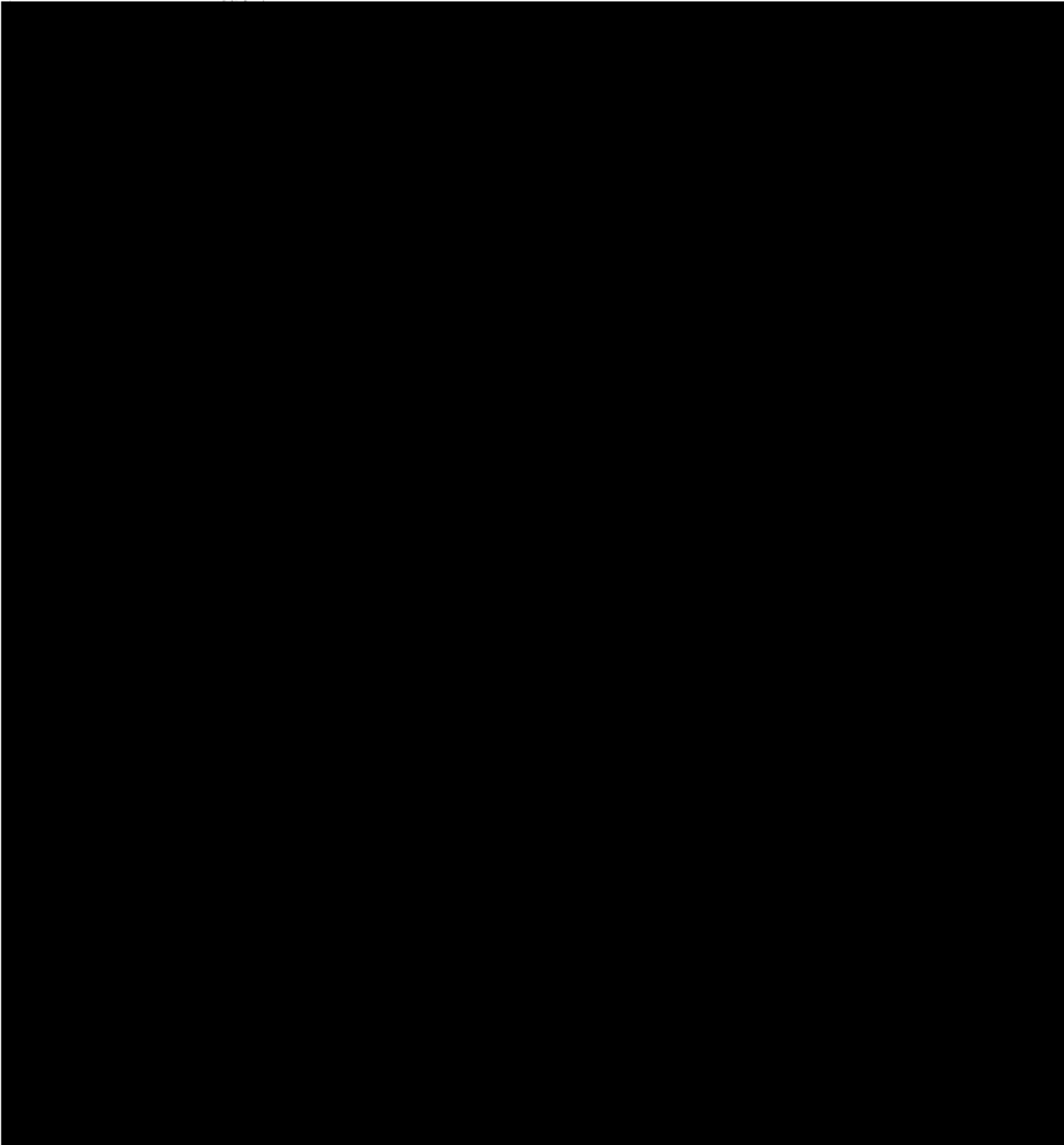
Your social security number ● [REDACTED]

Spouse's SSN if joint return ● [REDACTED]

Your first name Initial

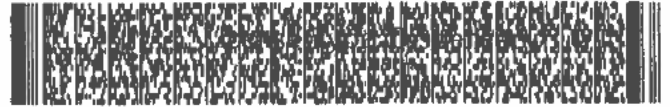
Last name

● VINCENT J. JR. SCHILLECI



**40 Alabama 2011**

Individual Income Tax Return  
RESIDENTS & PART-YEAR RESIDENTS



For the year Jan. 1 - Dec. 31, 2011, or other tax year:

Beginning: Ending: ●

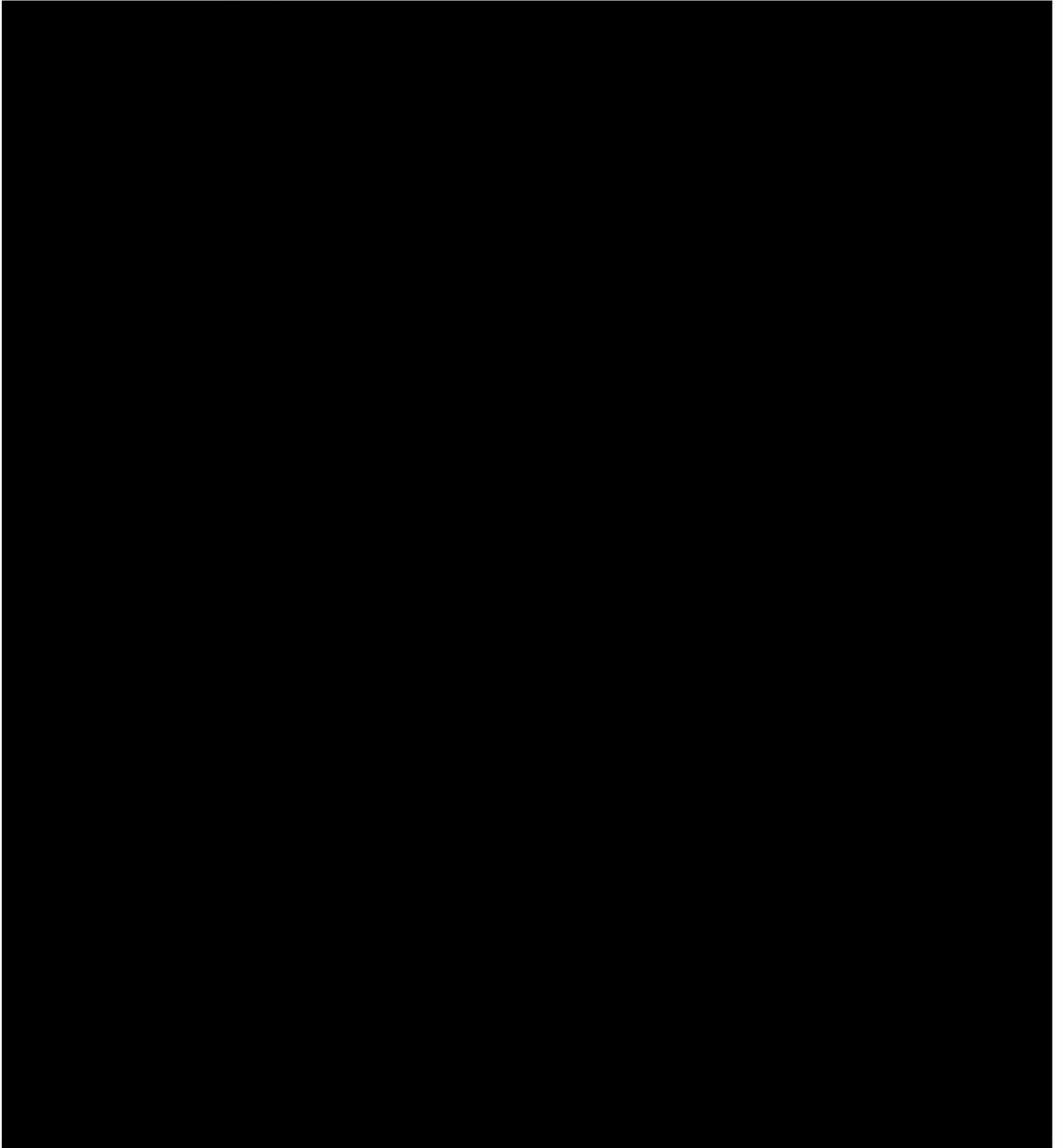
Your social security number ● [REDACTED]

Spouse's SSN if joint return ● [REDACTED]

Your first name Initial

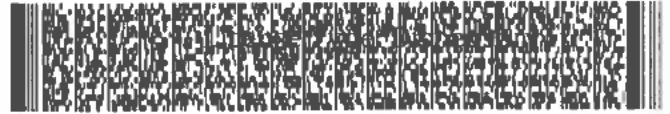
Last name

● VINCENT J. JR. SCHILLECI



40 Alabama 2012

Individual Income Tax Return  
RESIDENTS & PART-YEAR RESIDENTS



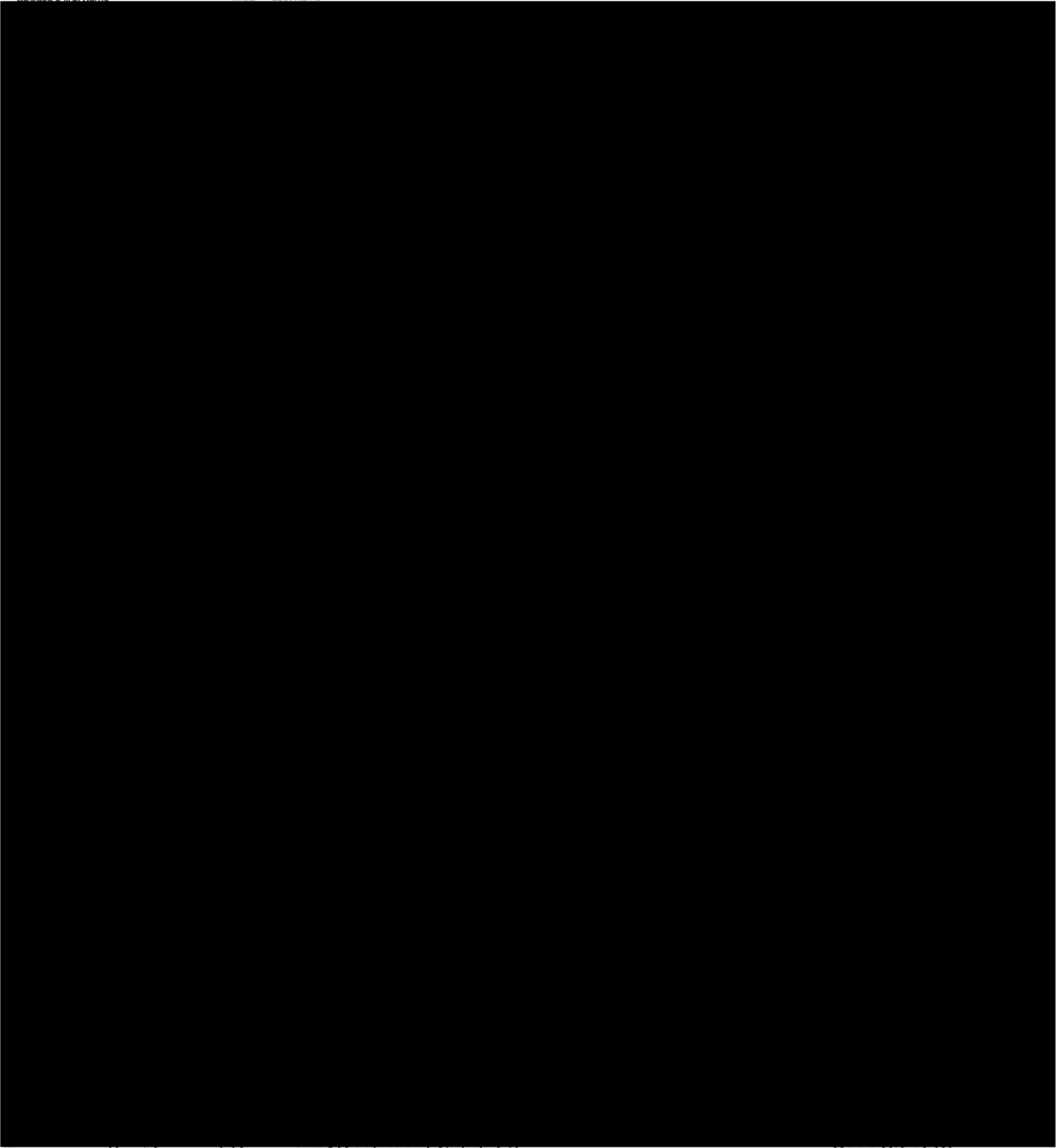
For the year Jan. 1 - Dec. 31, 2012, or other tax year

Beginning: Ending: ●

Your social security number ● [REDACTED] Spouse's SSN if joint return ● [REDACTED]

Your first name Initial Last name  
● VINCENT J. JR. SCHILLECI

Spouse's first name Initial Last name





FORM

**40 Alabama 2013**

Individual Income Tax Return  
RESIDENTS & PART-YEAR RESIDENTS



For the year Jan. 1 - Dec. 31, 2013, or other tax year:

Beginning:

Ending ●

Your social security number ●



Spouse's SSN if joint return ●



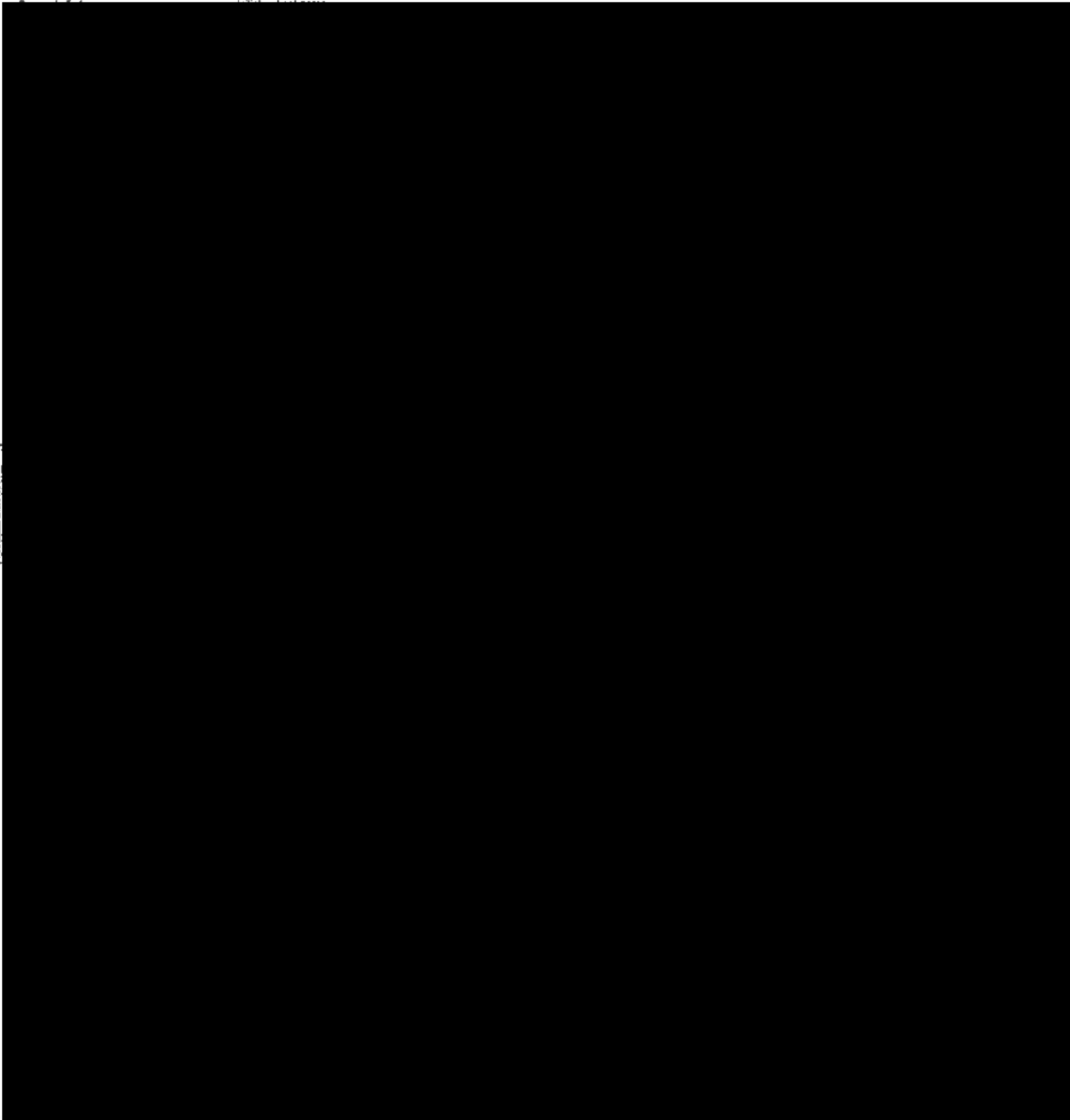
Your first name

Initial

Last name

● VINCENT J. JR.

SCHILLECI

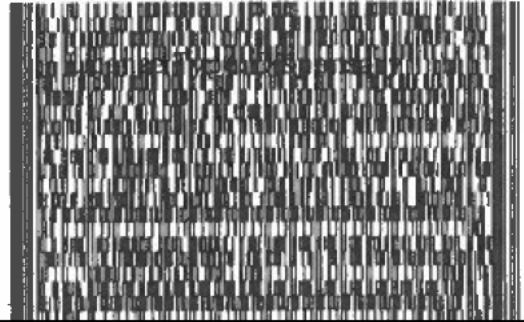




FORM

**40 Alabama 2014**

Individual Income Tax Return  
RESIDENTS & PART-YEAR RESIDENTS



For the year Jan. 1 - Dec. 31, 2014, or other tax year:

Beginning:

Ending:

Your social security number



Spouse's SSN if joint return



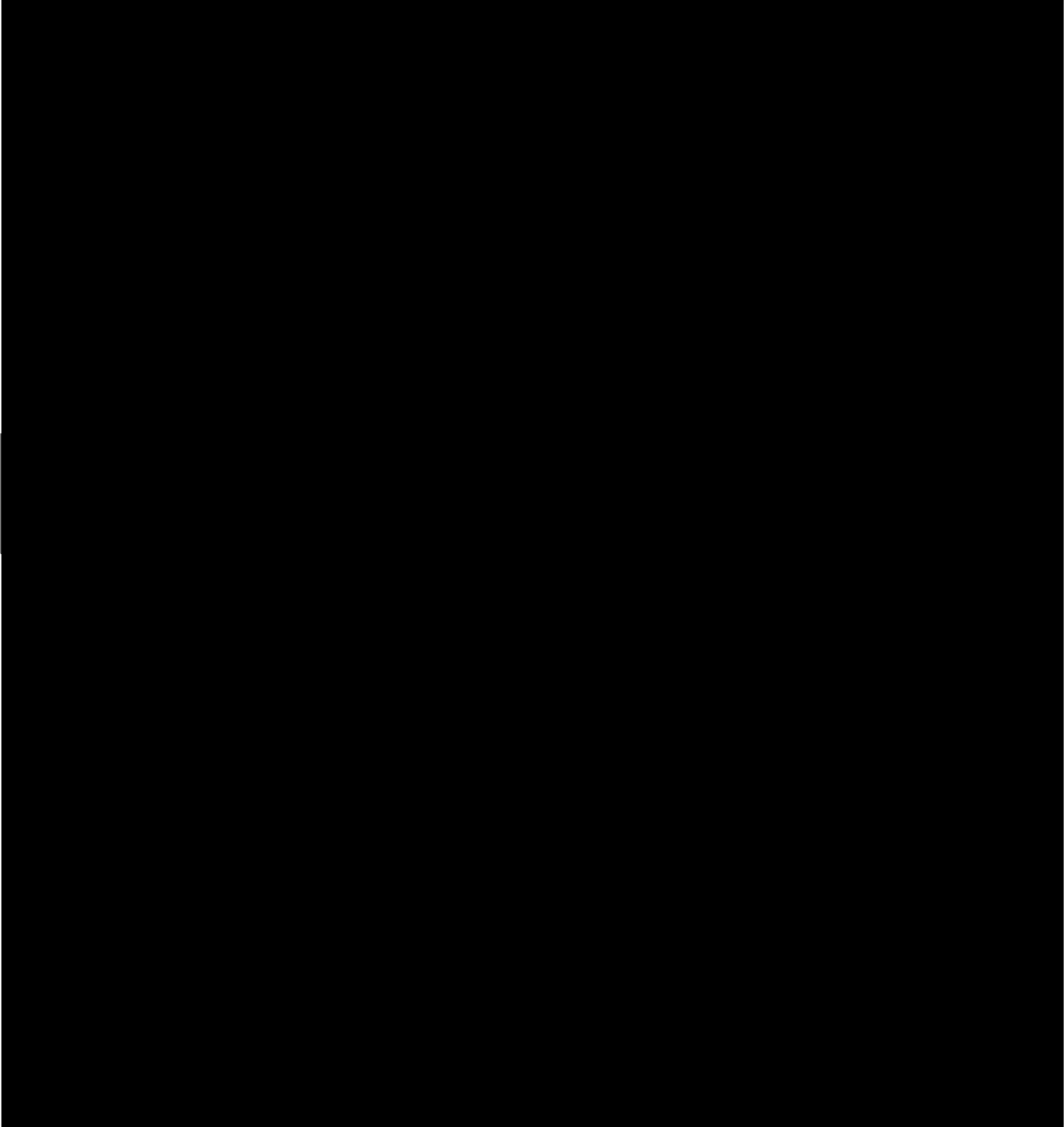
Your first name

Initial

Last name

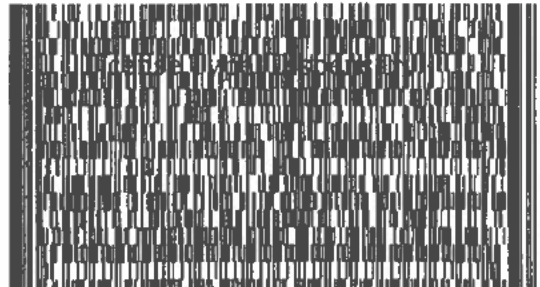
• VINCENT J. JR.

SCHILLECI





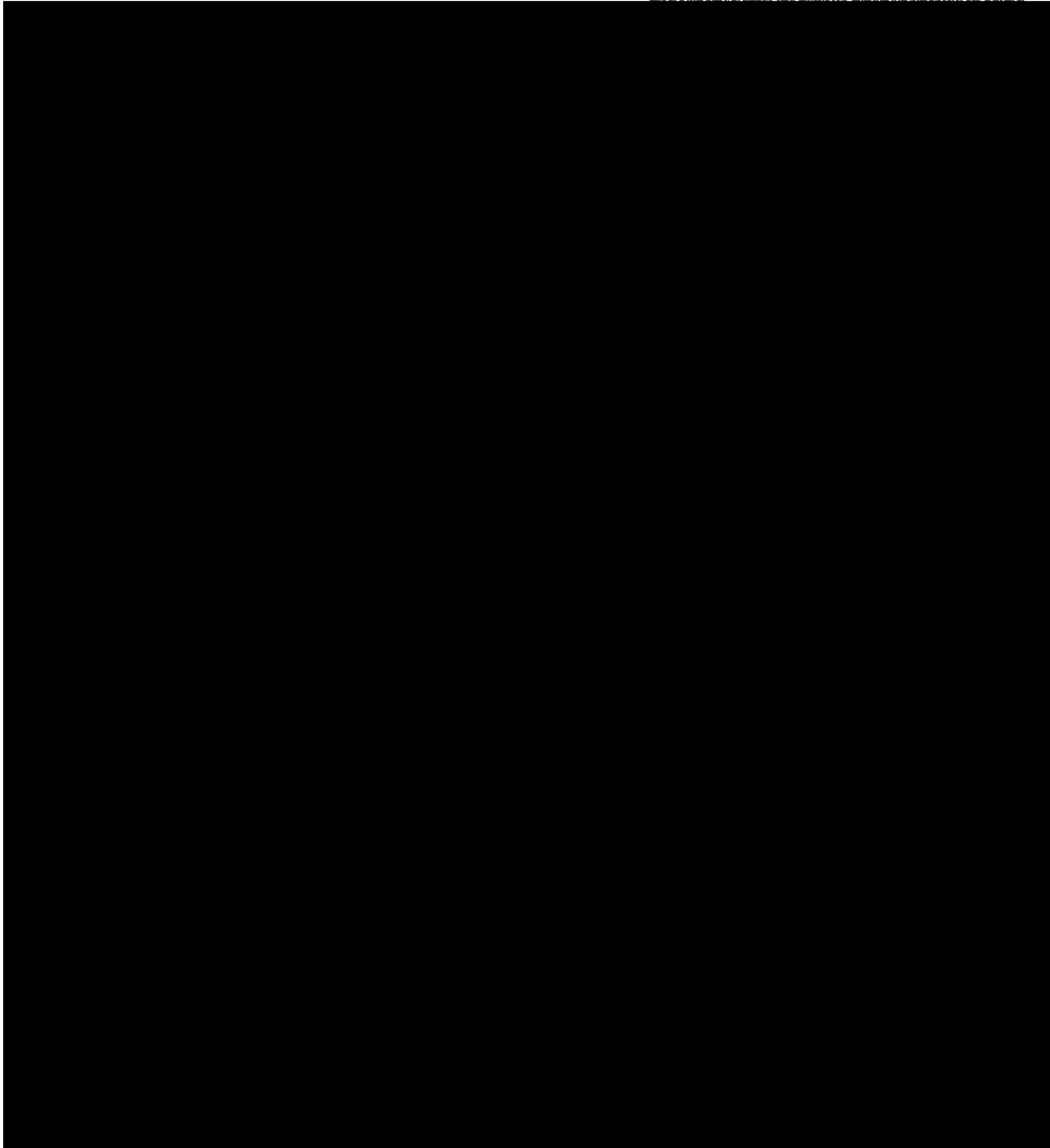
FORM  
**40** Alabama **2015**  
Individual Income Tax Return  
RESIDENTS & PART-YEAR RESIDENTS



For the year Jan. 1 - Dec. 31, 2015, or other tax year:

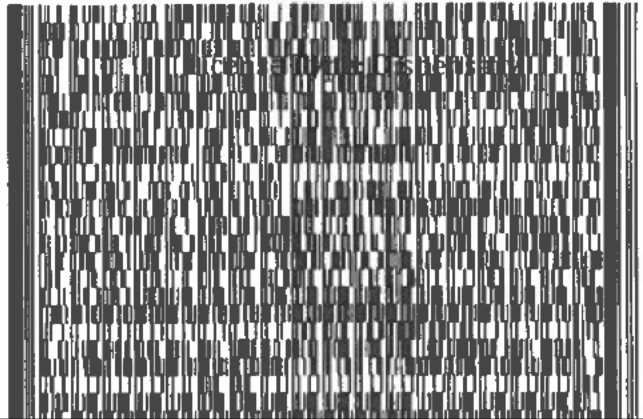
Beginning Ending: •  
Your social security number • [REDACTED] Spouse's SSN if joint return • [REDACTED]  
Your first name Initial Last name

• **VINCENT J. JR.** **SCHILLECI**





FORM 40 Alabama 2016 Individual Income Tax Return RESIDENTS & PART-YEAR RESIDENTS



For the year Jan. 1 - Dec. 31, 2016, or other tax year:  
Beginning: Ending: ●

Your social security number

● [Redacted]

●  Check if primary is deceased  
Primary's deceased date (mm/dd/yy) ●

Spouse's SSN if joint return

● [Redacted]

●  Check if spouse is deceased  
Spouse's deceased date (mm/dd/yy) ●

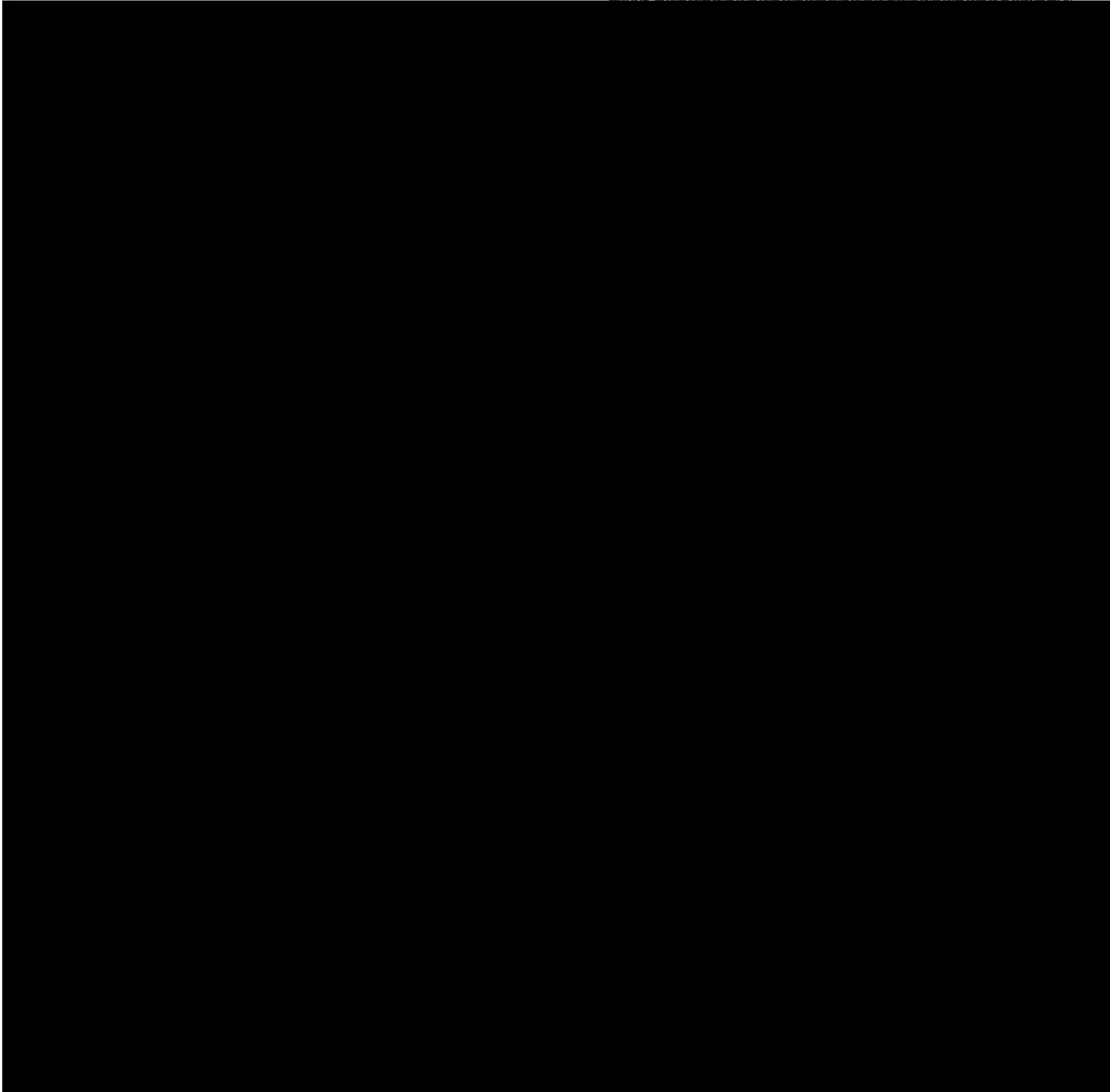
Your first name

● VINCENT J. JR.

Initial

Last name

SCHILLECI





FORM 40 Alabama 2017 Individual Income Tax Return RESIDENTS & PART-YEAR RESIDENTS



License Type: Dispensary

For the year Jan. 1 - Dec. 31, 2017, or other tax year: Beginning: Ending:

Your social security number [Redacted]

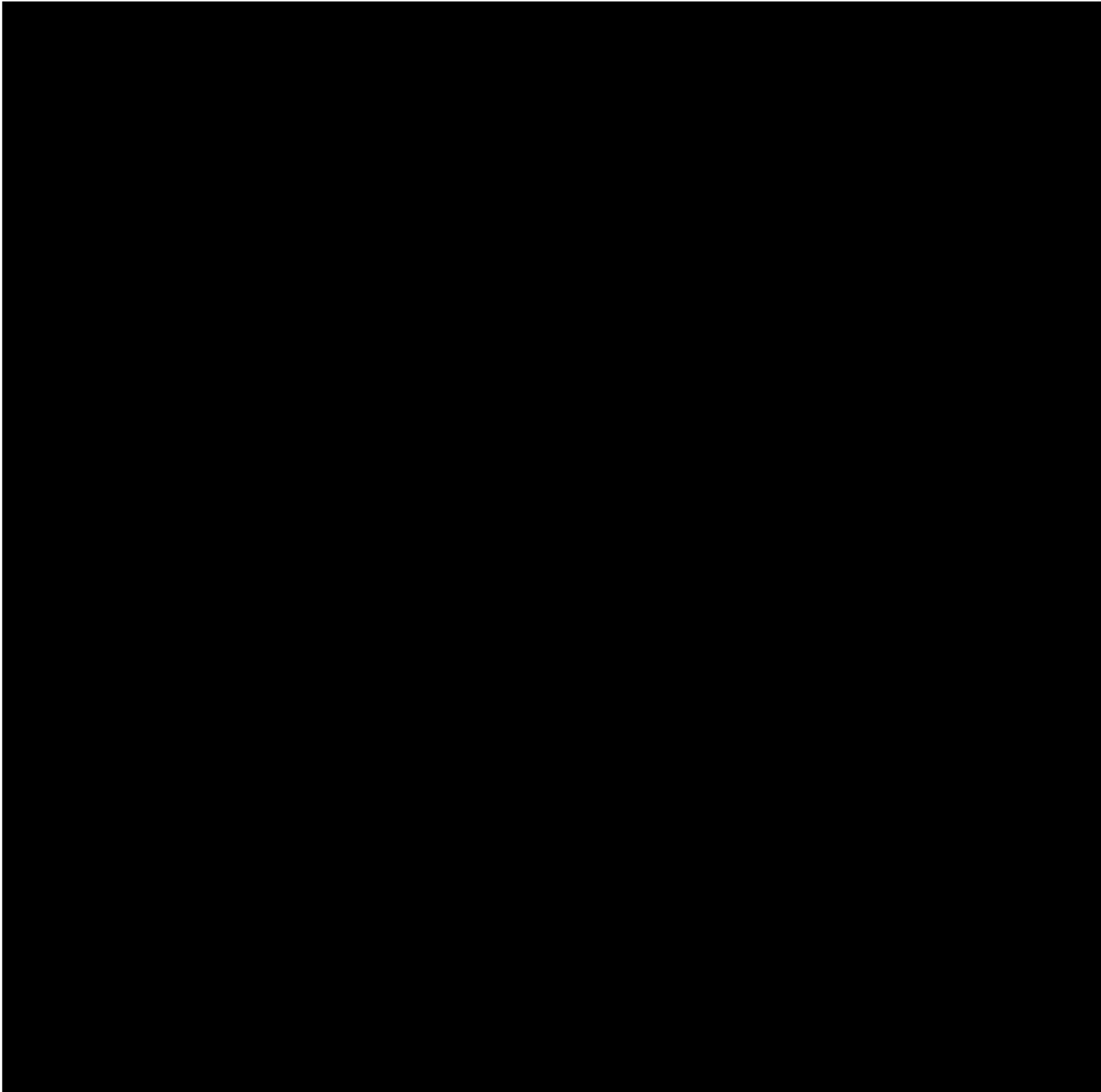
Spouse's SSN if joint return [Redacted]

Check if primary is deceased Primary's deceased date (mm/dd/yy)

Check if spouse is deceased Spouse's deceased date (mm/dd/yy)



Your first name Initial Last name VINCENT J. JR. SCHILLECI





FORM 40 Alabama 2018 Individual Income Tax Return RESIDENTS & PART-YEAR RESIDENTS



License Type: Dispensary

For the year Jan. 1 - Dec. 31, 2018, or other tax year:

Beginning: Ending:

Your social security number

[Redacted]

Spouse's SSN if joint return

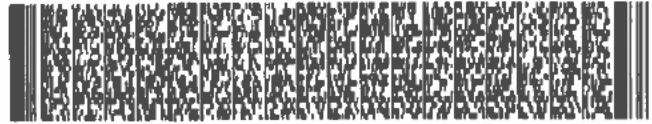
[Redacted]

Check if primary is deceased

Primary's deceased date (mm/dd/yy)

Check if spouse is deceased

Spouse's deceased date (mm/dd/yy)



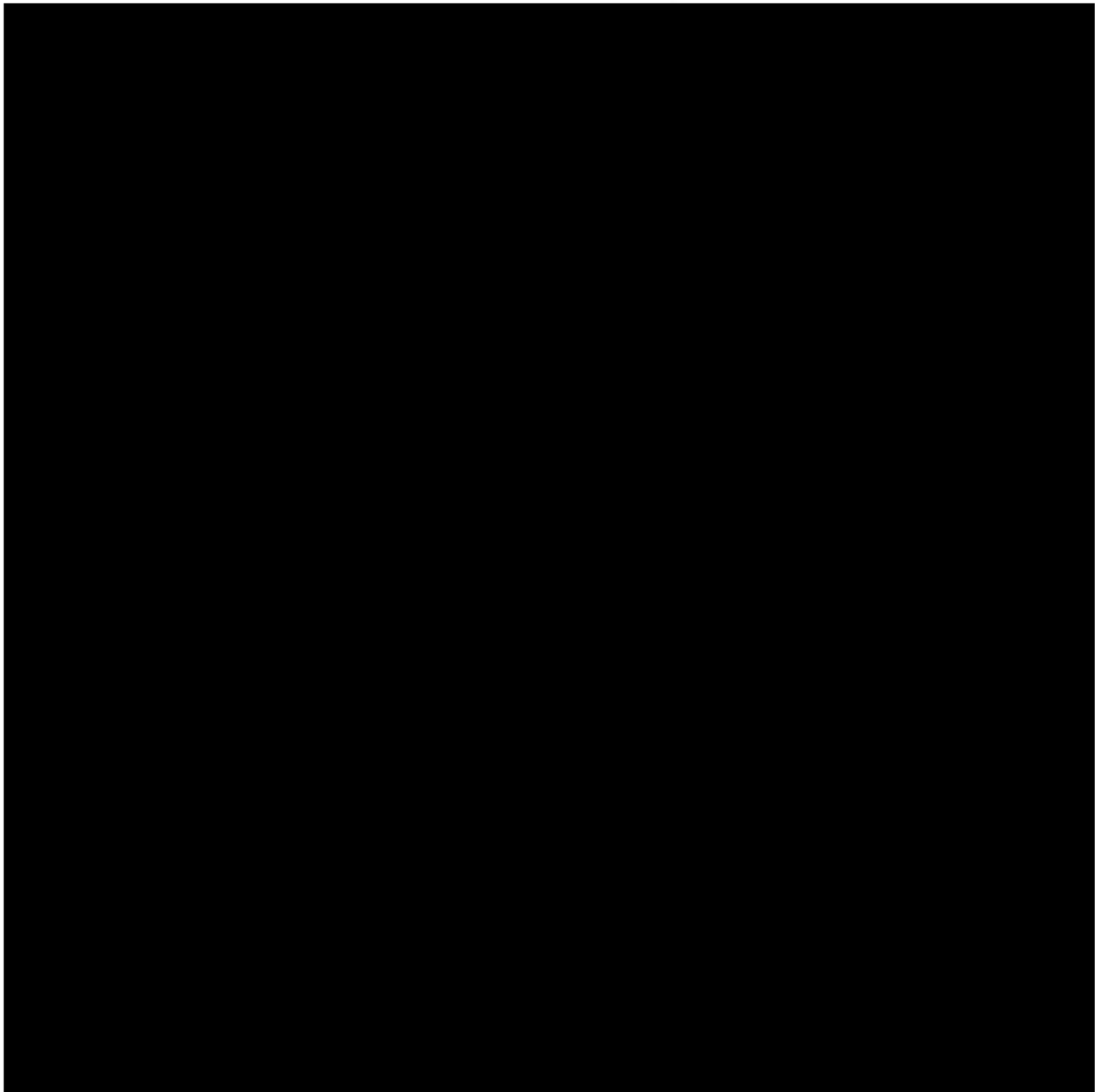
Your first name

VINCENT J. JR.

Initial

Last name

SCHILLECI



FORM 40 Alabama 2019 Individual Income Tax Return RESIDENTS & PART-YEAR RESIDENTS



License Type: Dispensary

For the year Jan. 1 - Dec. 31, 2019, or other tax year: Beginning: Ending:

Your social security number: [Redacted]

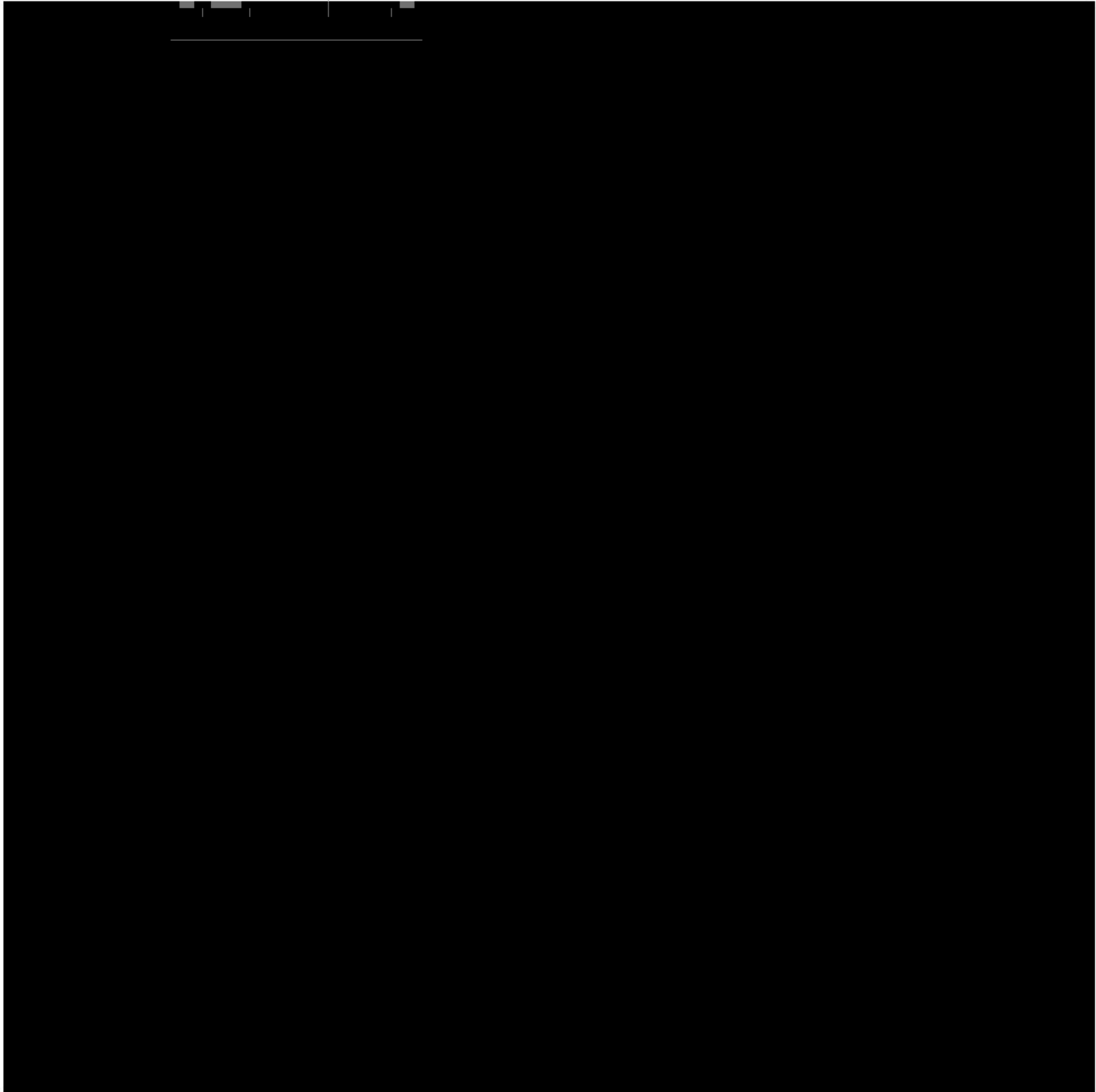
Spouse's SSN if joint return: [Redacted]



Check if primary is deceased Primary's deceased date (mm/dd/yy)

Check if spouse is deceased Spouse's deceased date (mm/dd/yy)

Your first name: VINCENT J. SCHILLECI





FORM 40 Alabama 2020 Individual Income Tax Return RESIDENTS & PART-YEAR RESIDENTS



License Type: Dispensary

For the year Jan. 1 - Dec. 31, 2020, or other tax year: Beginning: Ending: ●

Your social security number

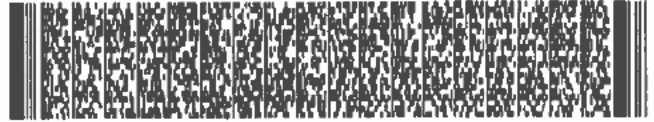
● [Redacted]

●  Check if primary is deceased Primary's deceased date (mm/dd/yyyy) ●

Spouse's SSN if joint return

● [Redacted]

●  Check if spouse is deceased Spouse's deceased date (mm/dd/yyyy) ●

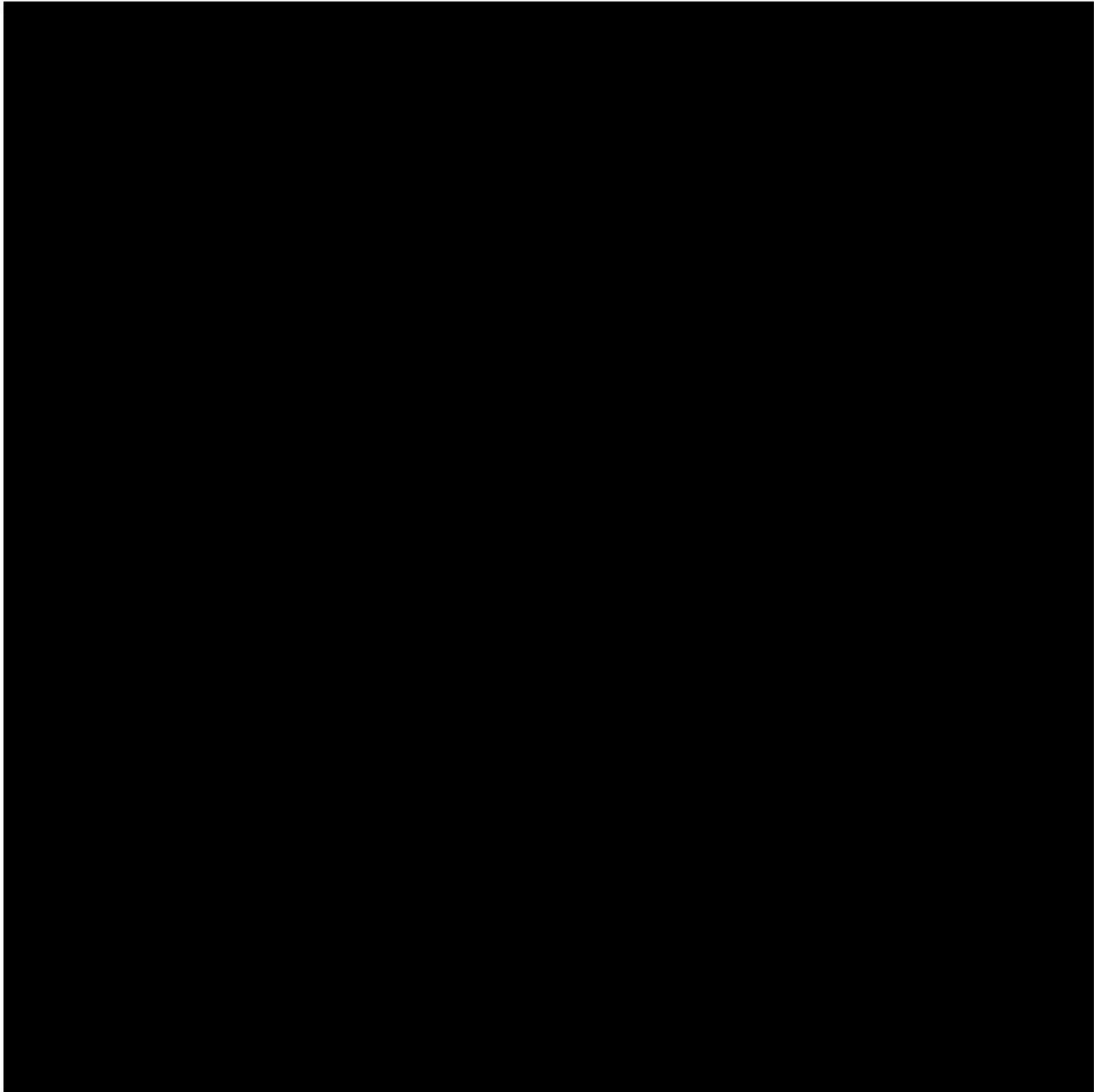


Your first name

Initial

Last name

● VINCENT J. JR. ● ● SCHILLECI





FORM 40 Alabama 2021 Individual Income Tax Return RESIDENTS & PART-YEAR RESIDENTS



License Type: Dispensary

For the year Jan. 1 - Dec. 31, 2021, or other tax year: Beginning: Ending:

Your social security number:

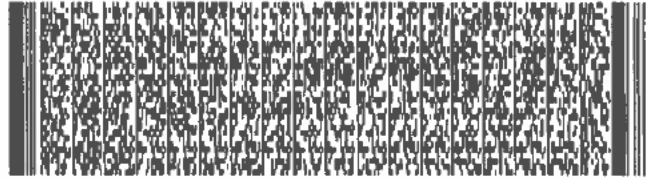
[Redacted SSN]

Check if primary is deceased Primary's deceased date (mm/dd/yyyy)

Spouse's SSN if joint return:

[Redacted Spouse SSN]

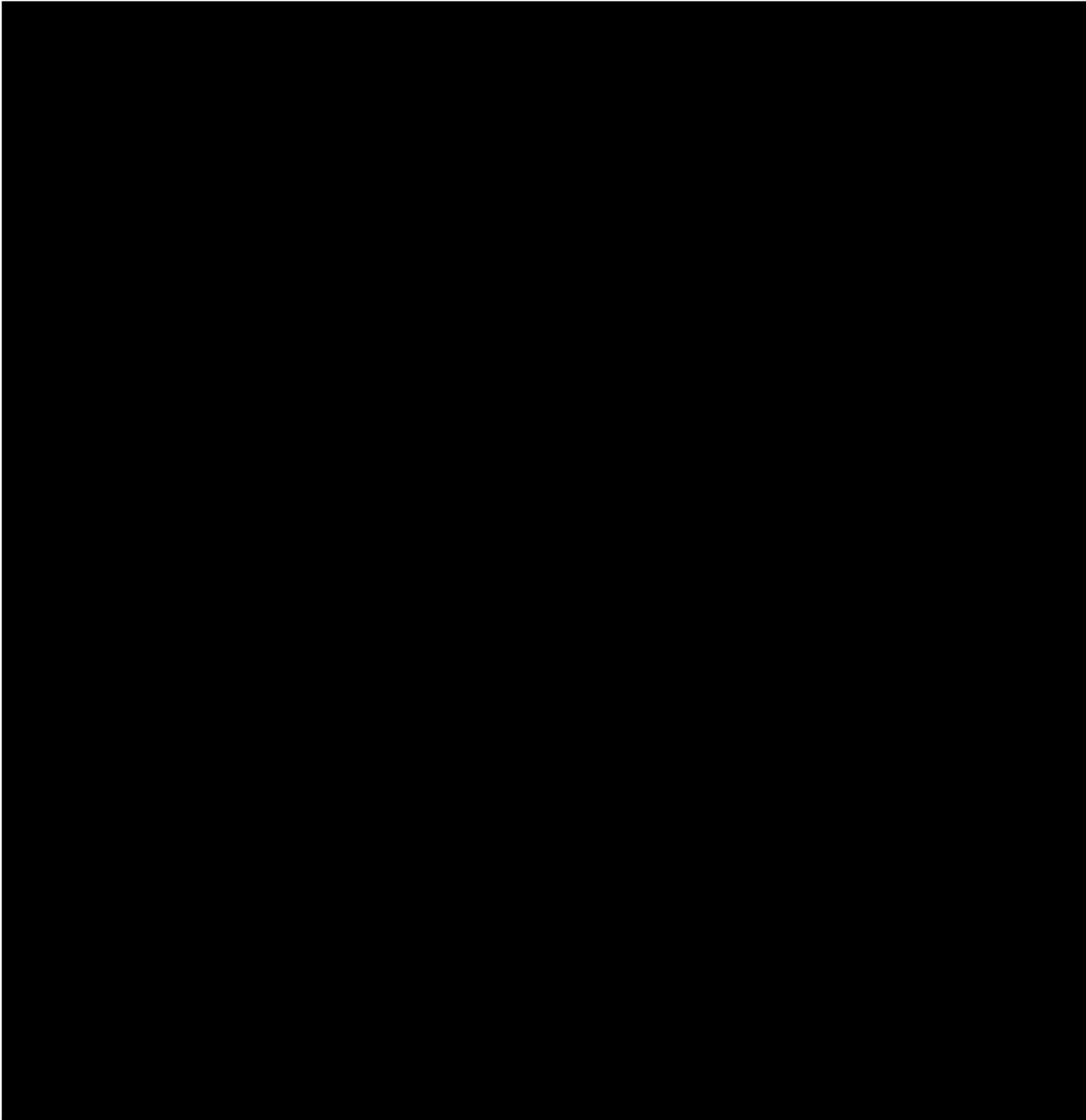
Check if spouse is deceased Spouse's deceased date (mm/dd/yyyy)



Your first name

Initial Last name

VINCENT J. JR. SCHILLECI





**For members:** Confidential help is just one call away. Call the Lawyers Helpline at [\(800\) 605-8678](tel:800-605-8678) for immediate counseling resources and support. License Type: Dispensary

# Find a Member

## Find a Member

The best way to search is to type in just the last name and leave all other fields blank. If the last name is common, you may want to add a first initial or name.

Your search returned 1 results.

[Search Again](#)

- o **Schilleci, Hon. Vincent Joseph, Jr.**

Inactive – not authorized to practice law in Alabama.

Samford University Cumberland School of Law

Date Admitted: 04/18/1977

### [Help with Search Issues](#)

On June 13, 2019, we added a reCaptcha security check for anonymous users to help protect your information by providing a way to prove that it is a person using the member search and not an automated script.

If you are experiencing problems after this update, please try the following:

## Desktop Users

1. Try refreshing your browser cache. On most browsers, it should be the control and the F5 keys at the same time, while you are on the member search page.
  - o For MAC users, use the command key and "R" for Safari
2. Try viewing the site in a private window.
  - o For Google Chrome and Opera
    - o Use the keyboard buttons – control, shift and the "N" key
  - o For Mozilla Firefox, Internet Explorer and Microsoft Edge

- Use the keyboard buttons – control, shift and the “P” key License Type: Dispensary
- For Safari
  - Use the keyboard buttons – command, shift and the “N” key

## Mobile Users

1. To clear your cache do the following:

- On iPhone
  - Close all open tabs by holding down the tab button in the bottom right and then choose “Close all XX tabs”
  - Go to Settings>Safari>Clear History and Website Data
- On Android
  - Open Chrome
  - To the right of the address bar, tap Switch tabs
  - You’ll see your open Chrome tabs
  - Tap More>Close all tabs

If you are still having trouble after trying these options above, please contact us for assistance.

### Search Tips

Type in the name, city, state, law firm, or law school of members you want to find.

Except for first name and last name, the results are not limited to ‘whole word’ matches, i.e., the name Smith will return matches with Smitherman and Nesmith as well as Smith. First name and last names are matched as follows: Smith will return matches with **Smitherman** and **Smith**, but not **Nemith**.

Uppercase and lowercase characters do not affect your search results.

Results will be listed alphabetically by last name, then first name.

### Restrictions on Use of Material

This Web site is protected by the copyright laws of the United States and other jurisdictions. You may print copies of or download the information on this Web site for your personal, noncommercial use, but you may not, without the express prior written consent of the Alabama State Bar:



- o Copy, distribute, or download any information on this Web site for any other purpose
- o Modify any information on this Web site for any reason
- o Include any part of this web site in another work
- o Frame content on the Alabama State Bar Web site
- o Link to content on the Alabama State Bar Web site

The Alabama State Bar reserves all rights not specifically granted herein.

Information about members of the Alabama State Bar is available to the general public for noncommercial purposes on the Member Directory Web page. That information is limited to member names, business addresses, business telephone numbers, dates of admission to the Bar and law school. In addition, member fax numbers and e-mail addresses may be listed if the individual member has provided that information to the Bar without restriction on its use, and members may opt-out of providing such information at any time.

# Exhibit 3 – Criminal Background Check

## 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.

Vincent Schilleci III

\_\_\_\_\_  
Printed Name of Verifying Individual

*Vincent Schilleci*

\_\_\_\_\_  
Signature of Verifying Individual

Owner, Manager

\_\_\_\_\_  
Title of Verifying Individual

12/21/2022

\_\_\_\_\_  
Verification Date

**FORM B: BACKGROUND CHECK APPLICANT VERIFICATION**

CCS of Alabama, LLC

Dispensary

Business License Applicant Name

License Type

Provide 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). Attach additional forms if necessary.

NAME	ROLE (select all that apply)
Matthew Hogan	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Shareholder <input type="checkbox"/> Director <input checked="" type="checkbox"/> Board Member <input type="checkbox"/> Individual with Economic Interest in Applicant
Sandra Young	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Shareholder <input type="checkbox"/> Director <input checked="" type="checkbox"/> Board Member <input type="checkbox"/> Individual with Economic Interest in Applicant
Ernest Craumer	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Shareholder <input type="checkbox"/> Director <input checked="" type="checkbox"/> Board Member <input type="checkbox"/> Individual with Economic Interest in Applicant
Vincent Schilleci III	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Shareholder <input type="checkbox"/> Director <input checked="" type="checkbox"/> Board Member <input type="checkbox"/> Individual with Economic Interest in Applicant
Vincent Schilleci Jr.	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Shareholder <input type="checkbox"/> Director <input checked="" type="checkbox"/> Board Member <input type="checkbox"/> Individual with Economic Interest in Applicant
	<input type="checkbox"/> Owner <input type="checkbox"/> Shareholder <input type="checkbox"/> Director <input type="checkbox"/> Board Member <input type="checkbox"/> Individual with Economic Interest in Applicant
	<input type="checkbox"/> Owner <input type="checkbox"/> Shareholder <input type="checkbox"/> Director <input type="checkbox"/> Board Member <input type="checkbox"/> Individual with Economic Interest in Applicant
	<input type="checkbox"/> Owner <input type="checkbox"/> Shareholder <input type="checkbox"/> Director <input type="checkbox"/> Board Member <input type="checkbox"/> Individual with Economic Interest in Applicant
	<input type="checkbox"/> Owner <input type="checkbox"/> Shareholder <input type="checkbox"/> Director <input type="checkbox"/> Board Member <input type="checkbox"/> Individual with Economic Interest in Applicant
	<input type="checkbox"/> Owner <input type="checkbox"/> Shareholder <input type="checkbox"/> Director <input type="checkbox"/> Board Member <input type="checkbox"/> Individual with Economic Interest in Applicant
	<input type="checkbox"/> Owner <input type="checkbox"/> Shareholder <input type="checkbox"/> Director <input type="checkbox"/> Board Member <input type="checkbox"/> Individual with Economic Interest in Applicant

**Applicant Verification:** The undersigned hereby verifies that the individuals listed hereinabove (and attached, as necessary) are all of the individuals identified by § 20-2A-55(b), Code of Alabama 1975 (as amended) with respect to the Applicant. The undersigned further verifies that each individual listed hereinabove (and attached, as necessary) has requested a state criminal background check from the Alabama Law Enforcement Agency (ALEA) and a national criminal background check from the FBI.

Matthew Hogan

Printed Name of Verifying Individual

DocuSigned by:



2291877D5CB54EE

Signature of Verifying Individual

Owner

Title of Verifying Individual

12/15/2022

Verification Date

**FORM E: BACKGROUND CHECK INDIVIDUAL VERIFICATION**

*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) must complete a separate form.*

CCS of Alabama, LLC

Dispensary

Business License Applicant Name

License Type

Ernest Craumer

Individual's Name

Individual's Role (select all that apply):  Owner  Shareholder  Director  Board Member  
 Individual with Economic Interest in Applicant

**Verification**

The undersigned, as identified above, hereby verifies all of the following:

- That the individual's role(s) in the Applicant's business is one or more of the roles identified by § 20-2A-55(b), Code of Alabama 1975 (as amended).
- That the individual shall, as required by § 20-2A-55(b), Code of Alabama 1975 (as amended), submit to a state and national criminal background check, to be conducted and/or coordinated by the Alabama Law Enforcement Agency.
- That the individual has submitted its completed state criminal background check application form (ALEA SBI Form 46), and all other items required therewith, to ALEA
- That the individual has submitted its national criminal background check form (FBI Identity History Summary Request Form), and all other items required therewith, to the FBI.
- That the individual, on his/her state and national background check forms, has authorized ALEA and the FBI, as applicable, to release any and all criminal history information of the individual to the Alabama Medical Cannabis Commission.
- That the individual will promptly respond to any request from ALEA, the FBI, and/or the Alabama Medical Cannabis Commission regarding the processing of the individual's state and national criminal background checks.
- That the individual has confirmed that his/her name and role(s) have been included, by the Applicant, on the Background Check Applicant Verification Form.

DocuSigned by:

Ernie Craumer

856875371A70425  
Signature of Verifying Individual

12/10/2022

Verification Date

**FORM E: BACKGROUND CHECK INDIVIDUAL VERIFICATION**

*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) must complete a separate form.*

CCS of Alabama, LLC

Dispensary

Business License Applicant Name

License Type

Matthew Hogan


Individual's Name

Individual's Role (select all that apply):  Owner  Shareholder  Director  Board Member  
 Individual with Economic Interest in Applicant

**Verification**

The undersigned, as identified above, hereby verifies all of the following:

- That the individual's role(s) in the Applicant's business is one or more of the roles identified by § 20-2A-55(b), Code of Alabama 1975 (as amended).
- That the individual shall, as required by § 20-2A-55(b), Code of Alabama 1975 (as amended), submit to a state and national criminal background check, to be conducted and/or coordinated by the Alabama Law Enforcement Agency.
- That the individual has submitted its completed state criminal background check application form (ALEA SBI Form 46), and all other items required therewith, to ALEA
- That the individual has submitted its national criminal background check form (FBI Identity History Summary Request Form), and all other items required therewith, to the FBI.
- That the individual, on his/her state and national background check forms, has authorized ALEA and the FBI, as applicable, to release any and all criminal history information of the individual to the Alabama Medical Cannabis Commission.
- That the individual will promptly respond to any request from ALEA, the FBI, and/or the Alabama Medical Cannabis Commission regarding the processing of the individual's state and national criminal background checks.
- That the individual has confirmed that his/her name and role(s) have been included, by the Applicant, on the Background Check Applicant Verification Form.

DocuSigned by:  
  
2291877D5CB64EE  
Signature of Verifying Individual

12/12/2022  
Verification Date

**FORM E: BACKGROUND CHECK INDIVIDUAL VERIFICATION**

*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) must complete a separate form.*

CCS of Alabama LLC

Dispensary

Business License Applicant Name  
Sandra Young

License Type

Individual's Name

Individual's Role (select all that apply):  Owner  Shareholder  Director  Board Member  
 Individual with Economic Interest in Applicant

**Verification**

The undersigned, as identified above, hereby verifies all of the following:

- That the individual's role(s) in the Applicant's business is one or more of the roles identified by § 20-2A-55(b), Code of Alabama 1975 (as amended).
- That the individual shall, as required by § 20-2A-55(b), Code of Alabama 1975 (as amended), submit to a state and national criminal background check, to be conducted and/or coordinated by the Alabama Law Enforcement Agency.
- That the individual has submitted its completed state criminal background check application form (ALEA SBI Form 46), and all other items required therewith, to ALEA
- That the individual has submitted its national criminal background check form (FBI Identity History Summary Request Form), and all other items required therewith, to the FBI.
- That the individual, on his/her state and national background check forms, has authorized ALEA and the FBI, as applicable, to release any and all criminal history information of the individual to the Alabama Medical Cannabis Commission.
- That the individual will promptly respond to any request from ALEA, the FBI, and/or the Alabama Medical Cannabis Commission regarding the processing of the individual's state and national criminal background checks.
- That the individual has confirmed that his/her name and role(s) have been included, by the Applicant, on the Background Check Applicant Verification Form.

DocuSigned by:

*Sandra Young*

Signature of Verifying Individual

12/7/2022

Verification Date

**FORM E: BACKGROUND CHECK INDIVIDUAL VERIFICATION**

*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) must complete a separate form.*

CCS of Alabama, LLC

Dispensary

Business License Applicant Name

License Type

Vincent Schilleci III

Individual's Name

Individual's Role (select all that apply):  Owner  Shareholder  Director  Board Member  
 Individual with Economic Interest in Applicant

**Verification**

The undersigned, as identified above, hereby verifies all of the following:

- That the individual's role(s) in the Applicant's business is one or more of the roles identified by § 20-2A-55(b), Code of Alabama 1975 (as amended).
- That the individual shall, as required by § 20-2A-55(b), Code of Alabama 1975 (as amended), submit to a state and national criminal background check, to be conducted and/or coordinated by the Alabama Law Enforcement Agency.
- That the individual has submitted its completed state criminal background check application form (ALEA SBI Form 46), and all other items required therewith, to ALEA
- That the individual has submitted its national criminal background check form (FBI Identity History Summary Request Form), and all other items required therewith, to the FBI.
- That the individual, on his/her state and national background check forms, has authorized ALEA and the FBI, as applicable, to release any and all criminal history information of the individual to the Alabama Medical Cannabis Commission.
- That the individual will promptly respond to any request from ALEA, the FBI, and/or the Alabama Medical Cannabis Commission regarding the processing of the individual's state and national criminal background checks.
- That the individual has confirmed that his/her name and role(s) have been included, by the Applicant, on the Background Check Applicant Verification Form.

  
\_\_\_\_\_  
Signature of Verifying Individual

12/8/22  
\_\_\_\_\_  
Verification Date

**FORM E: BACKGROUND CHECK INDIVIDUAL VERIFICATION**

*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) must complete a separate form.*

CCS of Alabama, LLC

Dispensary

Business License Applicant Name

License Type

Vincent Schilleci Jr.


Individual's Name

Individual's Role (select all that apply):  Owner  Shareholder  Director  Board Member  
 Individual with Economic Interest in Applicant

**Verification**

The undersigned, as identified above, hereby verifies all of the following:

- That the individual's role(s) in the Applicant's business is one or more of the roles identified by § 20-2A-55(b), Code of Alabama 1975 (as amended).
- That the individual shall, as required by § 20-2A-55(b), Code of Alabama 1975 (as amended), submit to a state and national criminal background check, to be conducted and/or coordinated by the Alabama Law Enforcement Agency.
- That the individual has submitted its completed state criminal background check application form (ALEA SBI Form 46), and all other items required therewith, to ALEA
- That the individual has submitted its national criminal background check form (FBI Identity History Summary Request Form), and all other items required therewith, to the FBI.
- That the individual, on his/her state and national background check forms, has authorized ALEA and the FBI, as applicable, to release any and all criminal history information of the individual to the Alabama Medical Cannabis Commission.
- That the individual will promptly respond to any request from ALEA, the FBI, and/or the Alabama Medical Cannabis Commission regarding the processing of the individual's state and national criminal background checks.
- That the individual has confirmed that his/her name and role(s) have been included, by the Applicant, on the Background Check Applicant Verification Form.

  
Signature of Verifying Individual

12-9-2022  
Verification Date



# Exhibit 4 – Demonstration of Sufficient Capital

## 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.

Vincent Schilleci III

Owner, Manager

\_\_\_\_\_  
Printed Name of Verifying Individual

\_\_\_\_\_  
Title of Verifying Individual

*Vincent Schilleci*  
\_\_\_\_\_  
Signature of Verifying Individual

12/21/2022  
\_\_\_\_\_  
Verification Date

**Exhibit 4 – Demonstration of Sufficient Capital***Satisfaction of Plan: Complete*

CCS of Alabama, LLC (“CCSA”) has brought together a team of seasoned professionals from a relevant range of industries, including the alcohol, medical cannabis, finance, and medical/pharmaceutical industries, to oversee our dispensing operations in Alabama. CCSA’s management team is led by our CFO, Mr. William White, an accomplished CPA with over 30 years of experience, and our Chief Compliance Officer, Mr. Vincent Schilleci III, a highly regarded Alabama tax attorney. Together they have prepared a detailed financial plan to demonstrate our company’s financial stability and solvency. **Based on the estimates in this plan, we can confidently show that we have *more than sufficient capital on hand to cover capital expenditures (“CapEx”) and startup operational expenses (“OpEx”) for the first full 3 years of our projected annual budget after the license is issued.*** The total amount of Sufficient Capital required for CCSA, as it is defined by the AMCC rules, is \$1,439,078. CCSA has over \$5,000,000 in available and verified funding. This section details our approach to estimate overall demand, expected revenues, operating expenses, and CapEx. Assumptions for patient demand are based on comparative data from existing medical cannabis markets. Our 5-year proforma projects positive earnings before interest, tax, depreciation, and amortization (“EBITDA”) within five months. We project our first month of sales will occur in January 2024, yielding \$260,072 in net sales while incurring roughly \$223,104 in expenses. By the end of 2028, our cumulative net sales will have reached \$25,362,792. These projections demonstrate our solvency.

**Projected Costs**

Projected Capital Expenditures: Our team has budgeted \$1,049,400 for Capital Expenditures during the initial buildout stage. This will cover the cost of the property, construction, equipment, and other detailed pre-opening expenses. In total, the facility and construction upgrades will cost approximately \$598,500. The remainder of the startup budget will be allocated as follows: \$67,500 for facility design, \$90,000 for sales fixtures and point-of-sale equipment, \$126,000 for security and secure storage equipment, \$167,400 for other facility equipment and fixtures, and \$95,400 for our 10% capital expenditure contingency buffer.

Projected Annual Budget

*Market Analysis and Sales:* Our financial model allows us to incorporate historical data for patient growth, patient expenditures, and product category demand from states with similar

medical cannabis markets. Patient growth is derived from historical population-adjusted enrollment statistics from medical cannabis programs in New York, North Dakota, and Utah, utilized for their historical similarities to Alabama's medical cannabis program. We predict that in 2025 our dispensaries will serve an average of 5,227 patients per month based on our location, populations within our addressable market, and market share potential.

Like patient demand and growth, prices for medical cannabis are calculated based on other legal states with similar permissible forms and conditions. We used historical pricing data from Iowa and Minnesota to predict the approximate patient expenditures in Alabama. These two states were chosen because they had similar product options for medical patients when their programs first launched. To ensure model accuracy, we only used data for the allowable products in Alabama to determine patient expenditures. We've concluded that the average Alabama medical cannabis patient is likely to spend \$80 per month on their medical cannabis needs. In total, our projection predicts that sales for our dispensaries in the first operational year from January 2024 to December 2024 are expected to be \$4,243,279.

*Cost of Goods Sold:* Cost of goods sold ("COGS") are projected based on sales of permitted product categories at our dispensaries and data from other medical cannabis markets. While this analysis projects COGS across broad product categories, the dispensary will keep a variety of different unique product types in stock. We are committed to providing our patients with a wide range of high-quality medical cannabis products to fit their needs. Our COGS projections reflect our dedication to this ideal. Additionally, we will purchase inventory one month ahead to ensure our supply keeps up with growing patient demand. This ensures we always have inventory on hand to meet demand while simultaneously not accumulating excess inventory that the store creates unnecessary security risks.

In the first year of operations, starting in January 2024, total wholesale product expenses for medical cannabis products will cost \$2,302,805. While this inventory expense amounts to 54.3% of total gross revenue, our team knows that our customers value a robust and high-quality selection of inventory. In our 3<sup>rd</sup> year of operations, we plan to maintain the same level of quality inventory, with the percentage of COGS to total gross revenue around 53.8%, despite our scaled-up operations with the cost of goods sold adding up to \$2,757,309.

*Operating Expenses:* In the first year of operations, we have predicted the budget for overall operations to be \$1,054,660. A notable portion of the selling, general, and

administrative expenses (SG&A) are made up of nonlabor expenses that are integral to keeping the business running. This includes \$8,059 in maintenance costs, \$40,296 in advertising and marketing costs, \$13,432 in security monitoring costs, \$25,521 for Utilities, and \$293,264 for other miscellaneous operational expenses. We expect these operating expenses to undergo a 5% annual increase due to inflation.

A large portion of our operational budget is dedicated to training and supporting our dispensary team. Our employees will enjoy competitive wages and benefits, which amount to \$662,671 in the first operational year alone. Staff who join our team on a permanent basis and have a normal workweek of 30 or more hours will be eligible for the company's health plan, to which we have dedicated a budget of \$76,757. Staff who are with CCSA long-term enjoy annual salary increases year over year, as well as bonuses. While bonuses can fluctuate depending on various circumstances, we've allocated \$12,793 to reward employees.

### **Available Capital**

Our organization has raised a significant amount of capital to operate in Alabama on both an immediate and long-term basis. We have over \$5 million, to cover buildout, startup, inventory, and operating expenses for several years, even in the face of unknown contingencies. Significantly more than our total projected three-year budget of \$1,439,078.

### **Sources of Funds and Verification of Funds**

The following letter of verification (identified as "Verification Letter – Attachment to Exhibit 4) from CPA, William White, includes a list of lawful sources of funds invested for the total purchase, startup and inventory costs. Mr. White reviewed all lawful sources of funds documentation. CCSA's capital resources amount to \$5,000,000. Below is a demonstration of sufficient capital and certification of same by a responsible person designated by our team, our appointed contact person, and an independent Certified Public Accountant.

**Responsible Person:** I, Vincent J. Schilleci III, Manager, hereby verify CCSA's sufficient capital and sources thereof.

Verified By: Vincent Schilleci 12/21/22, Vincent J. Schilleci III, Application Contact

**Contact Person:** I, Ernest Craumer, Manager, hereby verify CCSA's sufficient capital and sources thereof.

Verified By: Ernest Craumer Name: Ernest Craumer, Manager & Designated Person 12/21/22

**This Exhibit 4 complies with:** Ala. Admin Code r.538-x-3-.5(m)(2).

WHITE &amp; COMPANY, CPAs

December 20, 2022

To Alabama Medical Cannabis Commission ("AMCC");

This verification letter ("Verification") is intended to verify that CCS of Alabama, LLC, ("CCSA") has sufficient capital to fund its operations (as defined in Ala. Admin. Code r. 538-3-.03 and based on CCSA' financial statements submitted to AMCC) ("Sufficient Capital") and to detail the sources thereof.

In executing this Verification the undersigned has:

1. Examined the books and records of CCSA, and hereby confirms that, according to CCSA's three-year projected annual budget the sum of \$1,439,078 constitutes Sufficient Capital.
2. Reviewed the following investments by the below listed Members of CCSA, which take the form of, among other things, letters of commitment (each a "Commitment Letter") which set forth the binding contractual rights of CCSA to receive loans from the Members specified below under the terms set forth in each such Commitment Letter (the "Loan Commitments"):

<b>Member</b>	<b>Form of Investment</b>	<b>Total Amount of Investment</b>
ATG Endeavors, LLC (" <u>ATG</u> ")	Commitment Letter dated December 12, 2022 (\$2,295,000.00)- Loan Agreement and Promissory Note dated December 20, 2022 (\$500,000.00)	\$2,795,000.00
Young Ventures Alabama USA, LLC (" <u>YVA</u> ")	Commitment Letter dated December 13, 2022 (\$1,102,500.00)	\$1,102,500.00
EEC of Alabama, LLC (" <u>EEC</u> ")	Commitment Letter dated December 12, 2022 (\$1,102,500.00)	\$1,102,500.00

3. Determined that the total amount of committed funds above, \$5,000,000.00, constitutes Sufficient Capital.
4. Reviewed the executed guarantees between the individual members of each Member and CCSA (each a "Guaranty") wherein each such individual agrees to fund and be held responsible for, jointly and severally, the entirety of such Member's Loan Commitment.
5. Reviewed the bank statements, brokerage statements, and other documentation from the individuals specified below and confirmed the source of the funds to be used to meet the capital requirements of CCSA, whether through their associated ownership entities (ATG, YVA, or EEC) or pursuant to their respective Guarantees, shall be as laid out below:

<b>Individual Member</b>	<b>Associated Ownership Entity</b>	<b>Source of Funds</b>

WHITE & COMPANY, CPAs  
 3565 Lorna Ridge Drive  
 Hoover, AL 35216

[REDACTED]	[REDACTED]	- [REDACTED] account (12/15/22) (individual) \$1,200.00 - [REDACTED] [REDACTED] accounts (12/15/22) (individual and disregarded entity LLC) \$146,800.00
[REDACTED]	[REDACTED]	- [REDACTED] [REDACTED] [REDACTED] Accounts (11/30/22) (joint accounts with spouse): \$924,224.28 - [REDACTED] Accounts (10/31/22) (joint accounts with spouse): \$782,584.69
[REDACTED]	[REDACTED]	- [REDACTED] Accounts (12/12/22) (includes personal, joint accounts with spouse, and spouse's accounts): \$761,847.62 - [REDACTED] Trust [REDACTED] - [REDACTED] Account (11/30/22): \$190,228.13
[REDACTED]	[REDACTED]	- [REDACTED] Account (10/31/22): \$1,050,581.40 - [REDACTED] Account, [REDACTED] Subaccount (9/30/22): \$2,146,451.75
[REDACTED]	[REDACTED]	- 1,089 shares of Series A Cumulative Convertible Preferred Stock in [REDACTED], which are freely convertible into 1,089,000 shares of publicly listed common stock having a fair market value, as of December 19, 2022, of \$1,611,720.00. - [REDACTED], Cash on Deposit (11/30/22): \$299,932.00 - [REDACTED] (11/30/22): \$248,736 in Cash Equivalents

6. Reviewed the bank statements of CCSA and confirmed that it has \$500,000.00 in a checking account under its own name at Servis1st Bank, account number [REDACTED]

The Commitment Letters and Loan Commitments, the Guarantees, this Verification, and all documents and/or agreements drafted in furtherance thereof shall at all times be in accordance with and not in violation of the Daren Wesley 'Ato' Hall Compassion Act (§20-2A-1, *et seq.*, Code of Alabama 1975 (as amended)) and any rules and regulations promulgated by AMCC including, Ala. Admin. Code r. 538-x-1-.01, *et seq.*

The undersigned, being a Certified Public Account, licensed in Alabama, has executed this verification letter as of the date first written above to verify the foregoing in accordance with Ala. Admin. Code r. 538-x-3-.05(3)(m)(2).

White and Company  


By: William Harold White

Title: CPA

State License No: 5221

# Exhibit 5 – Financial Statements

## 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.

Vincent Schilleci III

\_\_\_\_\_  
Printed Name of Verifying Individual

*Vincent Schilleci*

\_\_\_\_\_  
Signature of Verifying Individual

Owner, Manager

\_\_\_\_\_  
Title of Verifying Individual

12/21/2022

\_\_\_\_\_  
Verification Date

## **Exhibit 5 – Financial Statements**

### **Satisfaction of Plan: Status**

#### **Executive Summary**

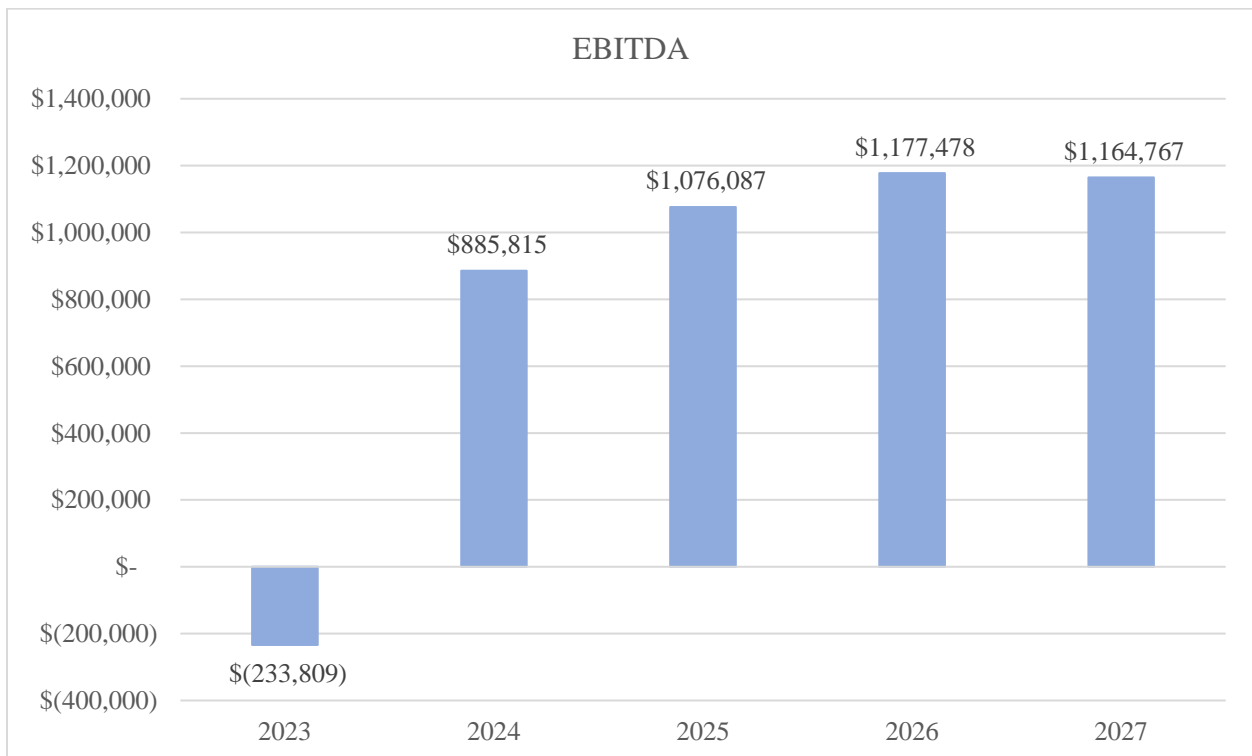
CCS of Alabama, LLC ("CCSA"), has prepared a detailed five-year pro forma, balance sheet, profit and loss report, and statement of cash flow that reflects our commitment to running an efficient and self-sustaining Dispensary Facility operation that provides excellent Medical Cannabis to Alabama patients. **Based on our team's years of experience working in the national cannabis industry and other highly regulated industries, CCSA understands the financial requirements of operating a compliant and profitable dispensary and has prepared the following financial projections to showcase our firm understanding.** CCSA's owners, Sandra Young and Ernest "Ernie" Craumer have extensive start-up and operational experience in the medical cannabis space overseeing successful medical cannabis operations in multiple states. Between the two, they have started up and operated multiple successful cannabis businesses that have been in operation for more than a decade, all with an impeccable financial compliance history. CCSA's owner and CEO Matthew Hogan is also an accomplished businessman who has dedicated his career to managing one of Alabama's largest full-service alcoholic beverage wholesalers. Mr. Hogan's Alabama-specific business management experience, combined with Mrs. Young's and Mr. Craumer's wealth of cannabis industry expertise, will ensure the continued solvency of CCSA's operations. In addition to the expert guidance of our owners, CCSA's Chief Financial Officer, [REDACTED], [REDACTED], has over 30 years of experience working as a CPA in Alabama and will oversee CCSA's finances to ensure our business is profitable while also remaining in compliance with all applicable federal, state, and local laws. He will be assisted by our Chief Compliance Officer, Mr. Vincent Schilleci III, a seasoned Alabama tax attorney.

CCSA's management team has prepared the following pro forma that provides projected sales estimates for medical cannabis items by product category, as well as detailed inventory and operational costs. It also accounts for detailed construction and pre-operational capital expenditures, cannabis product inventory requirements, and costs for medical sales by product type, as well as administrative and payroll costs. Our cost



allocations are based on our owners' decades of collective experience operating licensed cannabis facilities across Colorado, Louisiana, Massachusetts, Maryland, and New Jersey. Effectively allocating our capital for all types of ongoing expenses, both planned and unplanned, ensures CCSA's long-term operational success and financial feasibility. As demonstrated throughout this plan, CCSA maintains the necessary personnel, equipment, and resources to successfully complete the initial buildout of the facility within our budget and in compliance with all applicable state and local laws, rules, regulations, and ordinances.

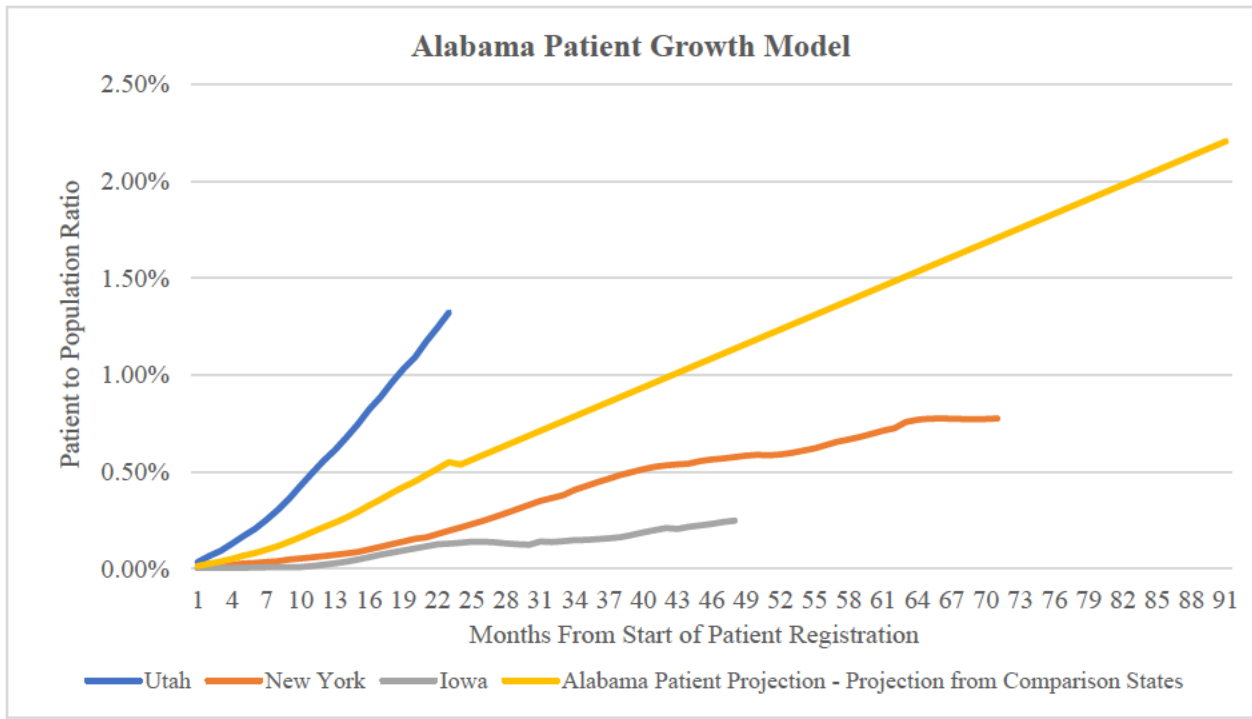
By leveraging our team's expertise and reliable market data, we have provided a five-year pro forma to demonstrate our financial stability during the start-up phase, profitability within the five after opening, and long-term continued success. Our five-year pro forma ensures we fully provide financial statements with year-end projections for the year of commencement and three additional years. Our pro forma shows positive earnings before interest, tax, depreciation, and amortization ("EBITDA") by May 2024, with \$344,043 in sales while incurring roughly \$278,972 in expenses. By the end of our third operational year in 2027, our cumulative sales will reach \$14,120,108. This positive trendline demonstrates that CCSA will be a reliable tax generator and operator.



**Methodology**

State Patient Projections

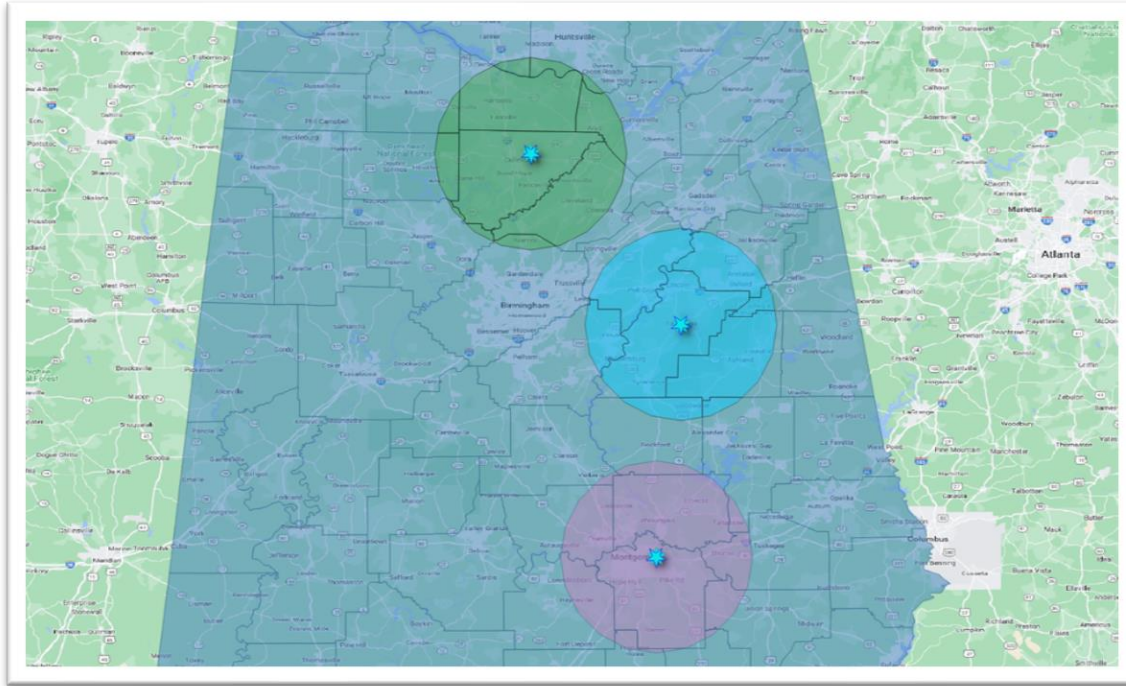
In the interest of transparency, an outline of our projective methodologies is described in this section. The primary revenue driver for the financial model is our projections of Alabama's patient population and how much of that demographic we can reasonably service from our dispensary facility locations. Our projections start by projecting the total patient enrollment growth for the state of Alabama. To give us the most educated projections possible, our model of patient demand is derived from comparable patient registrations and growth statistics from existing medical cannabis markets. We used Utah, New York, and Iowa due to their regulatory similarities at the start of their market history. The data from the chosen states was assessed based on the patient-to-population ratio and then projected linearly across the relevant Alabama population over time.



Geographic Information Systems Analysis

To calculate our potential market share for our dispensary locations, we rely on Geographic Information System Analysis (GIS) to determine each dispensary facility's addressable market and competitors for revenue calculations. We use GIS in conjunction with data from the United States Census Bureau, as well as available cannabis market state data. GIS is a mapping system that manages, analyzes, and plots our federal and state data across a geographic area. This allows us to connect data to a map, integrating location data coupled with descriptive information. GIS analysis allowed our team to understand the data within a geographic context. This provides a strong foundation for our decision-making regarding our chosen locations and how we can most effectively serve the largest number of patients possible within our operational ability.

Each of our chosen properties was assigned a Geopoint and processed within a 30-mile radius to determine our potential consumers and general competitive zone based on geography. The 30-mile radius was also applied to current and future potential operators that overlap our competitive zones. This GIS analysis allows us to determine the contested municipalities and their degree of overlap with current and potential future competitors. Then a final intersection analysis was conducted to determine both the overall potential consumer market for the location as well as our market share with consideration for competition. These calculations for addressable market size and current and future competition were factored with our Alabama projective patient population to calculate an accurate projection of the addressable market for our dispensary facility locations.



### Patient Expenditure

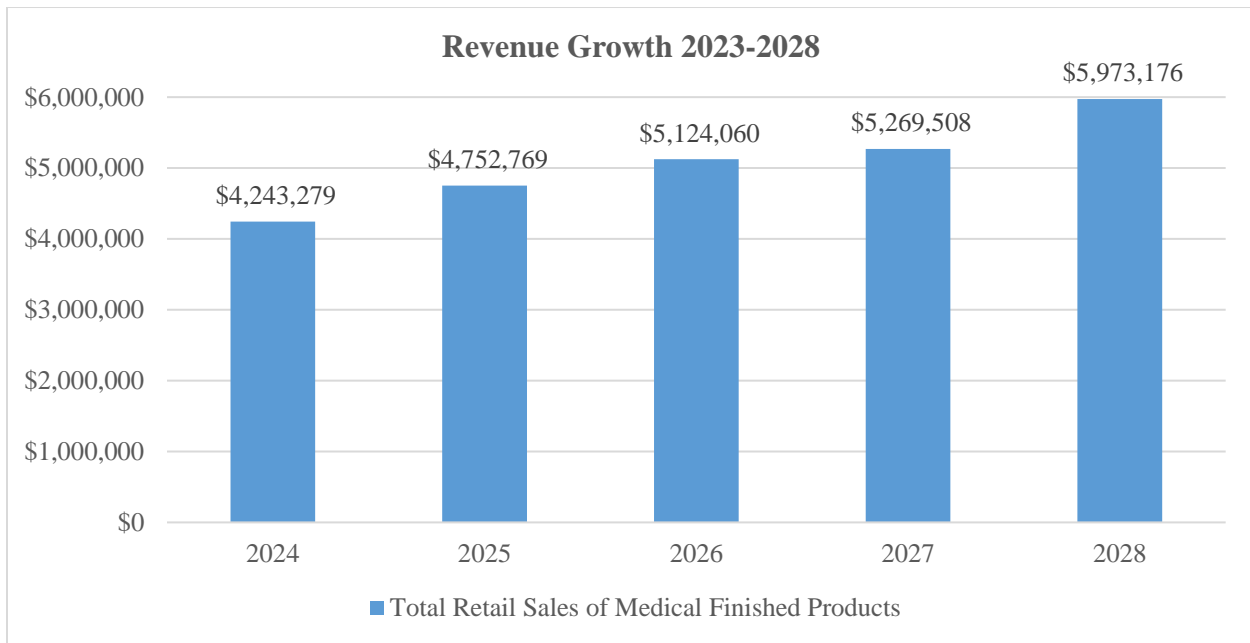
Like patient demand and growth projections, prices for medical cannabis are estimated based on other legal states with similar delivery forms and permissible qualifying conditions. We used pricing data from Iowa and Minnesota to predict the approximate patient expenditure in Alabama. These two states were chosen because they have similar product options for medical cannabis patients. Additionally, we only used data for the allowable products in Alabama to determine patient expenditures. We've projected that the typical Alabama medical cannabis patient is likely to spend \$80 per month on medical cannabis products. Similar to other markets with a limited amount of allowable medical cannabis product types, patient expenditure is typically lower than in other mature markets in America.

### Regulated Sales

Combining all the previously detailed projections, we are able to confidently project the amount of revenue our locations will generate over the next several full operational years, including the partial commencement year and time period for inception. In our first full year of operations after our commencement year, 2024, we project \$4,243,279 in

medical sales for all our cannabis dispensary facilities. This includes \$1,647,875 in gelatinous cuboids, \$411,969 in capsules, \$617,953 in tinctures, \$823,938 in nebulizers and liquid inhalers, \$411,969 in transdermal products, \$205,984 in topical products, and \$123,591 in other assorted accessories.

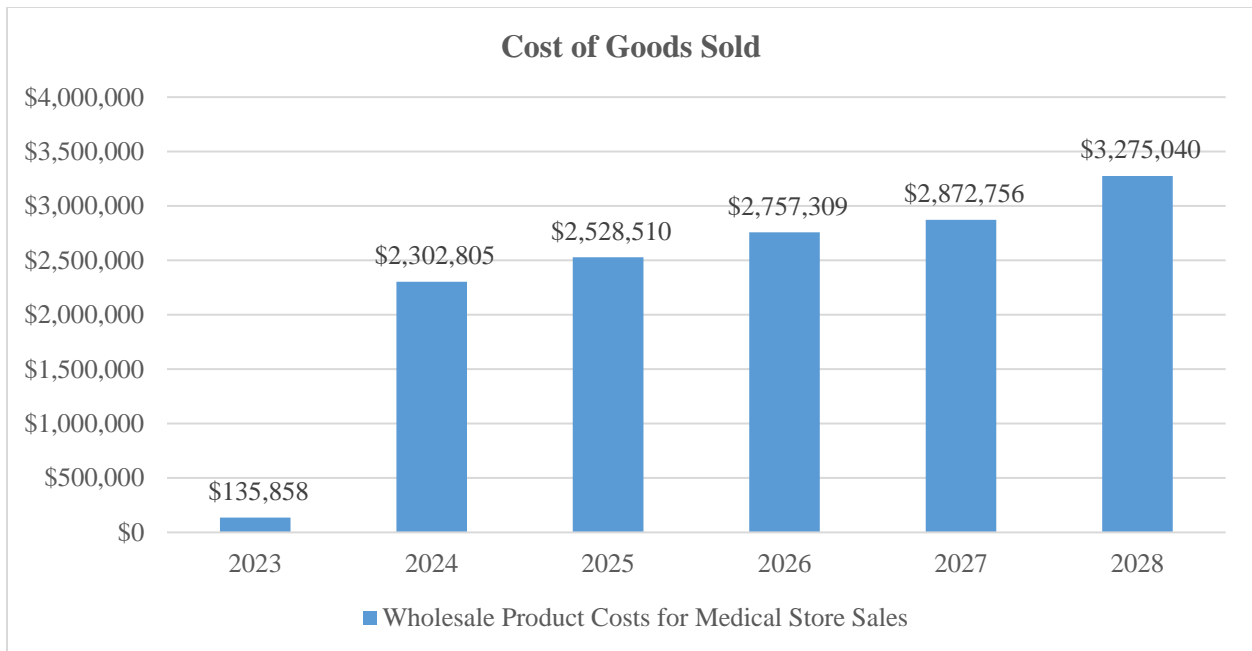
In our second full year of operations in 2025, our sales will have grown to \$4,752,769 for all cannabis dispensary facilities, \$1,513,221 in medical sales for Montgomery, \$1,737,720 for Talladega, and \$1,501,828 for Cullman. These combined sales consist of \$1,845,735 in gelatinous cuboids, \$461,434 in capsules, \$692,151 in tinctures, \$922,868 in nebulizers and liquid inhalers, \$461,434 in transdermal products, \$230,717 in topical products, and \$138,430 in other assorted accessories. This is a growth of 12.01% from our first operational year.



By our third full year of operations in 2026, our sales will have grown to \$5,124,060 for all dispensary facilities, \$1,793,974 in medical sales for Montgomery, \$1,543,497 for Talladega, and \$1,786,589 for Cullman. These combined sales consist of \$1,989,926 in gelatinous cuboids, \$497,482 in capsules, \$746,222 in tinctures, \$994,963 in nebulizers and liquid inhalers, \$497,482 in transdermal products, \$248,741 in topical products, and \$149,244 in other assorted accessories. This growth in total sales from 2024 to 2026 amounts to a growth of 20.76%.

**Cost of Goods Sold**

The cost of goods sold ("COGS") is estimated across seven different categories for medical cannabis products. While this analysis projects COGS across broad product categories, the facility will keep several different unique product types in stock. In the first full year of operations, in 2024, total wholesale product expenses for medical marijuana products will cost \$2,302,805. While this inventory expense amounts to 54.27% of total gross revenue, this reflects our commitment to our patients and providing them with a robust and high-quality selection of inventory. Our inventory, in total, will consist of the wholesale purchase of 30,466 gelatinous cuboids, 9,140 capsules, 9,140 tinctures, 9,140 nebulizers and liquid inhalers, 15,233 transdermal product units, 4,570 topical product units, and 6,855 in miscellaneous other accessories.



By our second full year in operations, 2025, we can expect our total wholesale product expense to amount to \$2,528,510. This includes the wholesale purchase of 35,467 gelatinous cuboids, 10,640 capsules, 10,640 tinctures, 10,640 nebulizers and liquid inhalers, 17,733 transdermal product units, 5,320 topical product units, and 7,980 in miscellaneous other accessories.

In our third full year in operations, 2026, we plan to maintain the same level of quality inventory, with the percentage of COGS to total gross revenue staying around 53.8%, despite our scaled-up operations with the cost of goods sold adding up to \$2,757,309. This will consist of the wholesale purchase of 39,803 gelatinous cuboids, 11,941 capsules, 11,941 tinctures, 11,941 nebulizers and liquid inhalers, 19,902 transdermal product units, 5,970 topical product units, and 8,956 in miscellaneous other accessories.

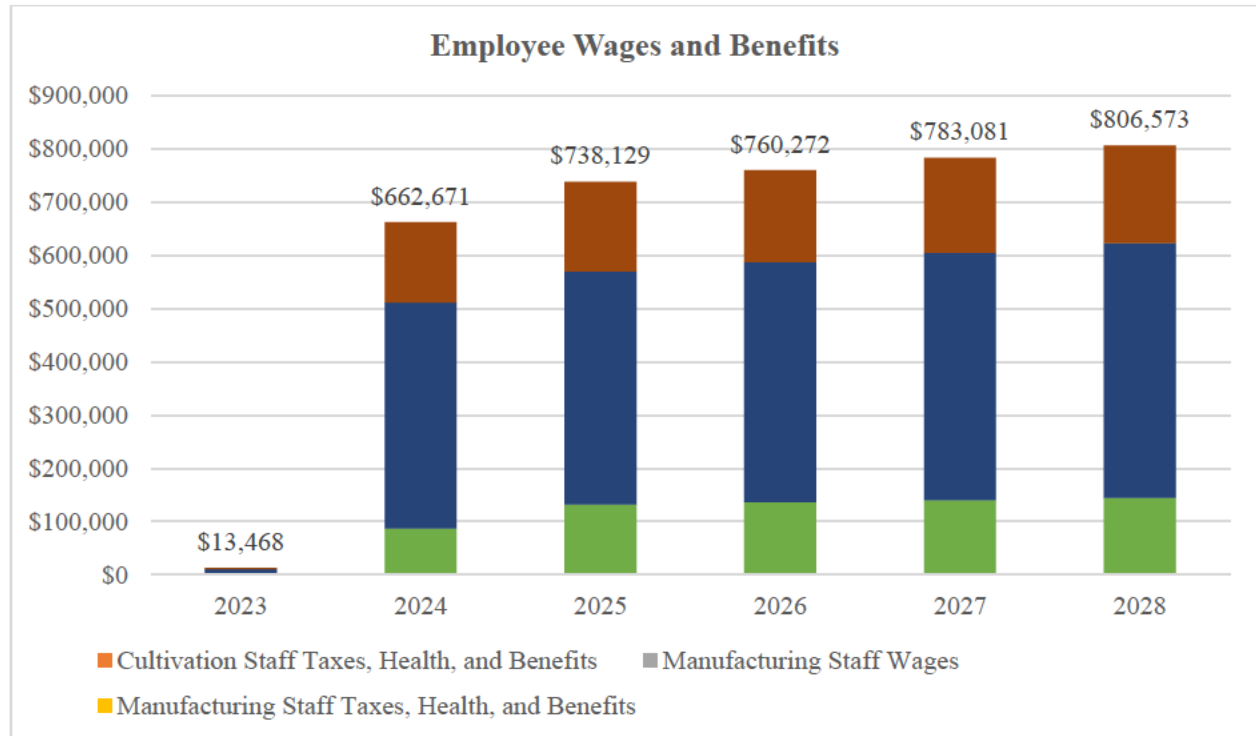
### Operating Expenses

In our first full year of operations, 2024, we have predicted the budget for overall operations to be \$380,571. A significant amount of the selling, general, and administrative expenses (SG&A) are made up of nonlabor expenses that are essential to keeping the business operating. This includes \$8,059 in dispensary maintenance costs, \$40,296 in advertising and marketing costs, \$13,432 in security monitoring costs, \$25,521 for utilities, and other miscellaneous operational expenses amounting to \$293,264. We expect these operating expenses to undergo a 5% annual increase due to inflation and growth.

A significant portion of our costs comes from payroll labor costs to staff our dispensaries. Our team has assembled a world-class team of medicinal cannabis, licensed healthcare, and business professionals to build and operate an exceptional medical cannabis business. We intend to hire locally for the vast majority of open roles directly from the neighboring communities. Local hiring practice is a cornerstone of our philosophy. Our senior team will hire, train, and manage a team of highly qualified and well-trained support staff. To succeed as a company, we must treat our employees well with competitive salaries and a robust benefits package. In terms of compensation, this entails full-time employment, a living wage, and benefits for each employee. Our hourly dispensary employees will earn at least \$16 per hour, and our salaried employees range from \$33,280 per year for Sales Representative staff to \$55,000 per year for our Inventory and Wholesale Manager. Most importantly, all our employees will learn industry-specific skills, which will allow them to have not just a job but a skilled-labor career in this rapidly growing industry.

The projections include each employee's base salary, with an estimated 15% addition for benefits, including paid time off and paid sick leave. Our experienced team understands that compensation and benefits packages are important for employee satisfaction, the

reduction of turnover, and to attract top talent. We will evaluate benefit packages and options upon licensure to further refine this program for our valued employees.



**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.**

**Summary of Balance Sheet**

Our prepared five-year pro forma includes a balance sheet report that has been provided below. The balance sheet report states our business's assets, liabilities, and equity. This snapshot demonstrates our efficiency regarding the use of our assets, adequate liquidity to address any short-term financial obligations as well as the overall good financial health of the business entity.

CCSA will maintain a strong balance sheet from inception through growth and maturity. At the end of our third operational year in 2026, cash on hand is calculated to be \$2,536,048. In 2023 we estimate that it will reach positive cash flow from operations. This shows that our organization has the financial strength to execute, no matter what setbacks may occur. Reaching positive cash flow will allow us to reinvest in the company, our



employees, our community, and ultimately our patients by expanding our product selection and diversity.

### Balance Sheet Documentation

#### ***CCSA Balance Sheet***

CCSA

	2022	2023	2024	2025	2026	2027	2028
<b>Assets</b>							
<i>Current Assets</i>							
Cash	\$ 500,000	\$ 3,225,001	\$ 2,822,419	\$ 2,622,452	\$ 2,536,048	\$ 2,451,184	\$ 2,541,524
Inventory	\$ -	\$ -	\$ 1,232,526	\$ 1,251,006	\$ 1,343,376	\$ 1,414,275	\$ 1,533,772
<b>Total Current Assets</b>	<b>\$ 500,000</b>	<b>\$ 3,225,001</b>	<b>\$ 4,054,945</b>	<b>\$ 3,873,458</b>	<b>\$ 3,879,424</b>	<b>\$ 3,865,459</b>	<b>\$ 4,075,296</b>
Property Plant & Equipment, gross	\$ -	\$ 1,049,400	\$ 1,049,400	\$ 1,049,400	\$ 1,049,400	\$ 1,049,400	\$ 1,049,400
Depreciation	\$ -	\$ (6,850)	\$ (31,800)	\$ (31,800)	\$ (31,800)	\$ (31,800)	\$ (31,800)
<b>PP&amp;E, net</b>	<b>\$ -</b>	<b>\$ 1,042,550</b>	<b>\$ 1,017,600</b>	<b>\$ 1,017,600</b>	<b>\$ 1,017,600</b>	<b>\$ 1,017,600</b>	<b>\$ 1,017,600</b>
<b>Total Assets</b>	<b>\$ 500,000</b>	<b>\$ 4,267,551</b>	<b>\$ 3,840,019</b>	<b>\$ 3,640,052</b>	<b>\$ 3,553,648</b>	<b>\$ 3,468,784</b>	<b>\$ 3,559,124</b>
<b>Liabilities &amp; Equity</b>							
<i>Liabilities</i>							
Total Long Term Debt from Loans	\$ 500,000	\$ 4,665,350	\$ 4,024,360	\$ 3,383,371	\$ 2,742,381	\$ 2,101,392	\$ 1,460,402
<b>Total Liabilities</b>	<b>\$ 500,000</b>	<b>\$ 4,665,350</b>	<b>\$ 4,024,360</b>	<b>\$ 3,383,371</b>	<b>\$ 2,742,381</b>	<b>\$ 2,101,392</b>	<b>\$ 1,460,402</b>
Paid-in-Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retained Earnings	\$ -	\$ (397,799)	\$ (184,341)	\$ 256,681	\$ 811,267	\$ 1,367,392	\$ 2,098,722
<b>Total Equity</b>	<b>\$ -</b>	<b>\$ (397,799)</b>	<b>\$ (184,341)</b>	<b>\$ 256,681</b>	<b>\$ 811,267</b>	<b>\$ 1,367,392</b>	<b>\$ 2,098,722</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$ 500,000</b>	<b>\$ 4,267,551</b>	<b>\$ 3,840,019</b>	<b>\$ 3,640,052</b>	<b>\$ 3,553,648</b>	<b>\$ 3,468,784</b>	<b>\$ 3,559,124</b>

### **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.**

#### **Summary of Profit and Loss Report**

To demonstrate our commitment to the patients of Alabama, the CCSA team has also prepared a profit and loss statement, also known as an income statement, to report on revenues, costs, and profits and losses generated during the period from inception to date of commencement and projected five years in total. In our first operational year, 2024, we

expect to generate a net income of \$885,815 (margin of 20.9%) and a gross profit of \$1,940,474 (45.7% gross margin). As the registered patient base grows at our dispensary facilities, the company expects net income to increase to \$1,076,087 and gross profit of \$2,224,258 in our second fully operational year. In our third operational year, 2026, we expect a net income of \$1,177,478 and a gross profit of \$2,366,750.

Our pro forma demonstrates profitability after five months of operations and can financially sustain business operations for years to come. Given our ample cash reserves and estimated quick profitability, we will not have issues with cash flow at any point. Our profitability, demonstrated below, shows that our company will become a powerhouse of economic development for the state of Alabama.

### Profit and Loss Documentation

#### *Alabama Medical Annual Profit & Loss Statement - Calendar Year*

CCSA

Year	2023	2024	2025	2026	2027	2028	Total 2022-2028
<b>Gross Revenue</b>							
Total Retail Sales of Medical Finished Products	\$ -	\$ 4,243,279	\$ 4,752,769	\$ 5,124,060	\$ 5,269,508	\$ 5,973,176	\$ 25,362,792
<i>Gelatinous Cube</i>	\$ -	\$ 1,647,875	\$ 1,845,735	\$ 1,989,926	\$ 2,046,411	\$ 2,319,680	\$ 9,849,628
<i>Capsules</i>	\$ -	\$ 411,969	\$ 461,434	\$ 497,482	\$ 511,603	\$ 579,920	\$ 2,462,407
<i>Tinctures</i>	\$ -	\$ 617,953	\$ 692,131	\$ 746,222	\$ 767,404	\$ 869,880	\$ 3,693,610
<i>Nebulizer and Liquid Inhaler</i>	\$ -	\$ 823,938	\$ 922,868	\$ 994,963	\$ 1,023,205	\$ 1,159,840	\$ 4,924,814
<i>Transdermal Products</i>	\$ -	\$ 411,969	\$ 461,434	\$ 497,482	\$ 511,603	\$ 579,920	\$ 2,462,407
<i>Topical Products</i>	\$ -	\$ 205,984	\$ 230,717	\$ 248,741	\$ 255,801	\$ 289,960	\$ 1,231,203
<i>Other Accessories</i>	\$ -	\$ 123,591	\$ 138,430	\$ 149,244	\$ 153,481	\$ 173,976	\$ 738,722
<b>Total Gross Revenue</b>	\$ -	\$ 4,243,279	\$ 4,752,769	\$ 5,124,060	\$ 5,269,508	\$ 5,973,176	\$ 25,362,792
<b>Cost of Good Sold</b>							
Wholesale Product Costs for Medical Store Sales	\$ 135,858	\$ 2,302,805	\$ 2,528,510	\$ 2,757,309	\$ 2,872,756	\$ 3,275,040	\$ 13,872,279
<b>Total Cost of Goods Sold</b>	\$ 135,858	\$ 2,302,805	\$ 2,528,510	\$ 2,757,309	\$ 2,872,756	\$ 3,275,040	\$ 13,872,279
<b>Gross Profit</b>	\$ (135,858)	\$ 1,940,474	\$ 2,224,258	\$ 2,366,750	\$ 2,396,752	\$ 2,698,136	\$ 11,490,513
<i>Gross Margin</i>	-	45.7%	46.8%	46.2%	45.5%	45.2%	45.3%
<b>Selling, General, and Administrative Expenses</b>							
Total Administrative and Retail Store Staff Labor Costs	\$ 13,468	\$ 662,671	\$ 738,129	\$ 760,272	\$ 783,081	\$ 806,573	\$ 3,764,194
Retail Store Facility General and Utility Expenses	\$ 82,022	\$ 380,571	\$ 398,100	\$ 416,505	\$ 435,830	\$ 456,121	\$ 2,169,148
SGA Contingency	\$ 2,461	\$ 11,417	\$ 11,943	\$ 12,495	\$ 13,075	\$ 13,684	\$ 65,074
<b>Total Sales, General, and Administrative Expenses</b>	\$ 97,950	\$ 1,054,660	\$ 1,148,171	\$ 1,189,272	\$ 1,231,985	\$ 1,276,378	\$ 5,998,417
<b>EBITDA</b>	\$ (233,809)	\$ 885,815	\$ 1,076,087	\$ 1,177,478	\$ 1,164,767	\$ 1,421,758	\$ 5,492,097
<i>EBITDA Margin</i>	-	20.9%	22.6%	23.0%	22.1%	23.8%	21.65%
<b>Charitable Contributions 2% of EBITDA</b> <i>(min \$10,000 based on Operational Year)</i>	\$ -	\$ 17,716	\$ 21,522	\$ 23,550	\$ 23,295	\$ 28,435	\$ 114,518

**Alabama Medical Annual Profit & Loss Statement - Operational Year**

Year	Pre-Operations	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<b>Gross Revenue</b>							
Total Retail Sales of Medical Finished Products	\$ -	\$ 4,243,279	\$ 4,752,769	\$ 5,124,060	\$ 5,269,508	\$ 5,973,176	\$ 25,362,792
<i>Gelatinous Cube</i>	\$ -	\$ 1,647,875	\$ 1,845,735	\$ 1,989,926	\$ 2,046,411	\$ 2,319,680	\$ 9,849,628
<i>Capsules</i>	\$ -	\$ 411,969	\$ 461,434	\$ 497,482	\$ 511,603	\$ 579,920	\$ 2,462,407
<i>Tinctures</i>	\$ -	\$ 617,953	\$ 692,151	\$ 746,222	\$ 767,404	\$ 869,880	\$ 3,693,610
<i>Nebulizer and Liquid Inhaler</i>	\$ -	\$ 823,938	\$ 922,868	\$ 994,963	\$ 1,023,205	\$ 1,159,840	\$ 4,924,814
<i>Transdermal Products</i>	\$ -	\$ 411,969	\$ 461,434	\$ 497,482	\$ 511,603	\$ 579,920	\$ 2,462,407
<i>Topical Products</i>	\$ -	\$ 205,984	\$ 230,717	\$ 248,741	\$ 255,801	\$ 289,960	\$ 1,231,203
<i>Other Accessories</i>	\$ -	\$ 123,591	\$ 138,430	\$ 149,244	\$ 153,481	\$ 173,976	\$ 738,722
<b>Total Gross Revenue</b>	\$ -	\$ 4,243,279	\$ 4,752,769	\$ 5,124,060	\$ 5,269,508	\$ 5,973,176	\$ 25,362,792
<b>Cost of Good Sold</b>							
Wholesale Product Costs for Medical Store Sales	\$ 135,858	\$ 2,302,805	\$ 2,528,510	\$ 2,757,309	\$ 2,872,756	\$ 3,275,040	\$ 13,872,279
<b>Total Cost of Goods Sold</b>	\$ 135,858	\$ 2,302,805	\$ 2,528,510	\$ 2,757,309	\$ 2,872,756	\$ 3,275,040	\$ 13,872,279
<b>Gross Profit</b>	\$ (135,858)	\$ 1,940,474	\$ 2,224,258	\$ 2,366,750	\$ 2,396,752	\$ 2,698,136	\$ 11,490,513
<i>Gross Margin</i>	-	45.7%	46.8%	46.2%	45.5%	45.2%	45.3%
<b>Selling, General, and Administrative Expenses</b>							
Total Administrative and Retail Store Staff Labor Costs	\$ 13,468	\$ 662,671	\$ 738,129	\$ 760,272	\$ 783,081	\$ 806,573	\$ 3,764,194
Retail Store Facility General and Utility Expenses	\$ 82,022	\$ 380,571	\$ 398,100	\$ 416,505	\$ 435,830	\$ 456,121	\$ 2,169,148
SGA Contingency	\$ 2,461	\$ 11,417	\$ 11,943	\$ 12,495	\$ 13,075	\$ 13,684	\$ 65,074
<b>Total Sales, General, and Administrative Expenses</b>	\$ 97,950	\$ 1,054,660	\$ 1,148,171	\$ 1,189,272	\$ 1,231,985	\$ 1,276,378	\$ 5,998,417
<b>EBITDA</b>	\$ (233,809)	\$ 885,815	\$ 1,076,087	\$ 1,177,478	\$ 1,164,767	\$ 1,421,758	\$ 5,492,097
<i>EBITDA Margin</i>	-	20.9%	22.6%	23.0%	22.1%	23.8%	21.65%
<b>Charitable Contributions 2% of EBITDA (min \$10,000)</b>	\$ -	\$ 17,716	\$ 21,522	\$ 23,550	\$ 23,295	\$ 28,435	\$ 114,518

**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.**

**Summary of Statement of Cash Flow**

CCSA's team has prepared an extensive cash flow statement that summarizes the movement of cash and cash equivalents that come in and out of our operations. These statements reflect our efficient cash management and demonstrate our ability to generate cash to sustain business operations reliably. Our projections show a cash flow coverage ratio of 41.8%, which reflects more than sufficient cash flow to meet our financial obligations for principal and interest, meaning we will not require further capital to conduct operations.

We anticipate exceeding \$2,536,048 in total positive net cash flows from operations by the end of our third full operational year in 2026. We believe that a combination of location accessibility, effective patient-focused care, and availability of reliable, high-quality products will result in registered patients selecting CCSA for their medical cannabis fulfillment. The CCSA cash flow summary is included below.

Cash Flow Documentation***CCSA Cash Flow Statement***

CCSA

	2022	2023	2024	2025	2026	2027	2028
<b>Cash Flow from Operating Activities</b>							
Net Income (loss)	\$ -	(390,949)	238,407	441,022	554,586	556,125	\$ 731,330
<b>Net cash provided by (used in) operating activities</b>	\$ -	\$ (390,949)	\$ 238,407	\$ 441,022	\$ 554,586	\$ 556,125	\$ 731,330
<b>Cash Flow from Investing Activities</b>							
Capital Expenditures - Total Combined Store Capital Expenditure	\$ -	(1,049,400)	-	-	-	-	-
<b>Net cash (used in) investing activities</b>	-	(1,049,400)	-	-	-	-	-
<b>Cash Flow from Financing Activities</b>							
Long-term debt proceeds	\$ 500,000	4,500,000	-	-	-	-	-
Long-term debt payments	\$ -	(334,650)	(640,990)	(640,990)	(640,990)	(640,990)	(640,990)
Paid in Capital	\$ -	-	-	-	-	-	-
Investor Payments	\$ -	-	-	-	-	-	-
<b>Net cash provided by (used in) financing activities</b>	\$ 500,000	\$ 4,165,350	\$ (640,990)	\$ (640,990)	\$ (640,990)	\$ (640,990)	\$ (640,990)
<b>Net increase (decrease) in cash</b>	\$ 500,000	\$ 2,725,001	\$ (402,582)	\$ (199,967)	\$ (86,404)	\$ (84,864)	\$ 90,340
Cash - beginning of period	\$ -	\$ 500,000	\$ 3,225,001	\$ 2,822,419	\$ 2,622,452	\$ 2,536,048	\$ 2,451,184
<b>Cash - end of period</b>	\$ 500,000	\$ 3,225,001	\$ 2,822,419	\$ 2,622,452	\$ 2,536,048	\$ 2,451,184	\$ 2,541,524

This Exhibit 5 complies with: Ala. Admin. Code r. 538-x-8-.11(2); 538-x-8-.05(3)(m)(8)(a)-(c).

# Exhibit 6 - Tax Plan

## 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.

Vincent Schilleci III

Owner, Manager

\_\_\_\_\_  
Printed Name of Verifying Individual

\_\_\_\_\_  
Title of Verifying Individual

*Vincent Schilleci*  
\_\_\_\_\_  
Signature of Verifying Individual

12/21/2022  
\_\_\_\_\_  
Verification Date

## **Exhibit 6 – Tax Plan**

### **Satisfaction of Plan: Complete**

#### **Executive Summary**

CCS of Alabama, LLC ("CCSA") is led by an executive management team with extensive experience at the helm of successful businesses in the regulated medical cannabis industry and other highly regulated sectors. CCSA's verified Tax Plan demonstrates an 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. Our team has a demonstrated track record of maintaining strict adherence to fiduciary chain of custody and tax compliance obligations, which makes us uniquely suited to ensure compliance with all local, state, and federal tax obligations. Our plan for tax compliance reflects the same exemplary performance exhibited in the team's other ventures. Tax oversight at CCSA's Dispensary Facilities will be directly managed by our Chief Financial Officer, [REDACTED], a Certified Public Accountant with over 30 years of experience. In 1979, [REDACTED] began his career as a Certified Public Accountant at a small firm in Hoover, Alabama, and worked his way up through the ranks, eventually acquiring the firm – [REDACTED] – in 1998. Mr. White will be assisted by CCSA's Chief Compliance Officer Vincent Schilleci III, a lifelong Alabama resident who has an LLM in Taxation from NYU School of Law. They both have a wealth of finance and accounting experience that will ensure CCSA maintains a strict adherence to federal, state, and local tax requirements, as well as the continued solvency of the company. CCSA understands that the future success of its Dispensary Facility is predicated on its close attention to the critical minutiae of the business and commitment to maintaining compliant, thorough, and transparent money handling, accounting, and tax practices, all of which have been incorporated into this Tax Plan.

#### **CCSA's Tax Plan and Tax Compliance**

CCSA will ensure all required taxes assessed, whether at the federal, state, or local level, are properly and accurately allocated in accordance with Section 20-2A-80 of the Code of Alabama and remitted on a timely basis before the deadlines prescribed under Title 40 of the Code of Alabama and other applicable laws. CCSA will ensure all required taxes assessed, whether at the federal, state, or local level, are properly and accurately allocated in

accordance with Section 20-2A-80 of the Code of Alabama and remitted on a timely basis before the deadlines prescribed under Title 40 of the Code of Alabama and other applicable laws.

We will implement point-of-sale ("POS") stations at our Dispensary Facilities to track inventory, sales, and purchases, including all applicable taxes, so that all transactions are legally and accurately recorded and values are calculated. Every sale of Medical Cannabis transacted will be recorded on a sales invoice or receipt by an employee at the time of sale via our POS recordkeeping functions. Before closing out a transaction, the employee must review the sales invoice or receipt to confirm that the applicable, pre-programmed tax rates were properly applied to the gross sales amount. In addition, our chosen POS will prohibit the use of software or other methods to manipulate or alter sales data. Sales invoices and receipts will be securely maintained electronically and filed in a manner that is readily accessible for examination upon request by the Commission, the Alabama Department of Revenue (ALDOR), or other state or local agencies.

The accounting team will reconcile the reports from our seed-to-sale tracking software with our general accounting ledger monthly, ensuring that the books and records of the company are only closed once we are in balance. Additionally, the accounting team will either file all reports and tax returns required or oversee a third-party firm to accurately and timely file all reports and tax returns. CCSA's business and financial records will be maintained such that the Commission will be able to audit and examine CCSA's records to ensure compliance with Alabama's tax laws.

CCSA will also develop, implement, and maintain, on the premises, a comprehensive standard operating procedure ("SOP") for accurate accounting maintained by standards of generally accepted accounting principles and compliance with tax reporting requirements for local, state, and federal taxes. CCSA will ensure that the operations manual is available for inspection by the Commission. This SOP shall include the following:

- Compliance with all tax reporting requirements set forth by the IRS.
- Registration for tax purposes with the ALDOR.
- Collection of Medical Cannabis tax from consumers as required by law.

- Collection of all sales tax, use tax, or other taxes imposed by the municipality in which CCSA operates. This includes sales between Medical Cannabis licensees, sales of cannabis, sales of Medical Cannabis, or any combination thereof.
- Procedures for keeping written business records, including tax records, sales records, and books of account available for inspection by the Commission.

### **Procedures for Collecting and Remitting Required Taxes**

CCSA's executive team, in coordination with certified accountants, will ensure the proper collection and remittance of taxes on the gross proceeds of all taxable products sold, the annual privilege tax, and other required taxes.

#### Collection of Sales and Excise Tax

At our Dispensing Sites, one of our experienced Certified Dispensers, or a CCSA employee acting under the supervision of our Certified Dispensers, will ensure the correct amount of tax is levied against each sale of Medical Cannabis. Applicable tax rates will be pre-programmed into the POS to ensure taxes are collected as required by any local, state, or federal agency, including a nine percent (9%) gross proceeds tax on Medical Cannabis. CCSA will provide each purchaser with a receipt displaying the excise tax separately from the listed, advertised, or marked price or other discounts and will always include a statement that reads: "The cannabis excise taxes are included in the total gross amount of this sale."

#### Collection of Annual Medical Cannabis Business Privilege Tax

In addition to all transaction-based and income-based taxes, CCSA will remit timely payment of the annual Medical Cannabis privilege tax to ALDOR for the privilege of doing business in Alabama. The Medical Cannabis business privilege tax will be calculated based on CCSA's net worth in Alabama, as defined in the Code of Alabama, for the applicable taxable year. The Medical Cannabis business privilege tax will be calculated based on CCSA's net worth in Alabama, as defined in the Code of Alabama, for the applicable taxable year. CCSA's net worth will be calculated in accordance with Chapter 14A of Title 40 of the Code of Alabama and in the same manner as required for apportioning income for the purposes of income tax.

#### Additional Tax Obligations



In addition to applicable local and state medical cannabis tax and business privilege tax, CCSA will ensure proper collection and remittance of sales and use tax, as applicable, as well as payroll tax. CCSA will employ an experienced third-party payroll processing firm that will calculate, withhold, and remit all payroll taxes to the state (and federal and municipal) taxing authorities accurately and in a timely manner, along with the filing of all required payroll tax returns.

### **Reporting and Remittance of Taxes**

As required by law, CCSA will submit its annual return for taxes due pursuant to the Medical Cannabis program no later than the corresponding federal income tax return. As required by law, CCSA will submit its annual return for taxes due pursuant to the Medical Cannabis program no later than the corresponding federal income tax return. CCSA's initial return for tax on retail sales of Medical Cannabis and the annual Medical Cannabis business privilege tax will be filed no later than two and one-half months after CCSA is awarded its license to conduct business in Alabama. The annual Medical Cannabis business privilege tax will be reported by using the designated filing form and following the instructions provided by ALDOR. CCSA understands that failure to receive a form from ALDOR will not relieve CCSA from submitting the amount due as reported and that ALDOR may compute and assess additional amounts due pursuant to § 20-2A-80(b)(5). CCSA will monitor all regulations released by ALDOR that impact our operations in Alabama and comply with same.

CCSA will strictly adhere to all tax reporting and remittance deadlines. If there is ever a dispute, complaint, or notice of delinquency regarding the payment of any tax required under federal, state, or local law concerning CCSA, its affiliates, subsidiaries, parent corporations, owners, board members, and members, CCSA will promptly notify the Commission and provide details as requested.

### **CCSA's Recordkeeping and Ongoing Compliance Plan**

With the strict oversight by our CFO and CCO, CCSA will maintain all required financial records and reports securely onsite and, as required, on a secured cloud storage server, for a minimum of six years unless otherwise noted. All financial records will be maintained in accordance with generally accepted accounting principles. All business records will be available for inspection and examination by the Commission upon request, which will include manual or computerized records of:

- Demonstrated compliance with all applicable local, state, and federal tax laws, including CCSA's verified tax plan and written SOP to ensure accurate recordkeeping.
- Detailed financial records as required by the Commission or ALDOR that outline CCSA's year-end financials and projections, assets and liabilities, and cash flow, including a verified current financial statement or pro forma covering the following items: year-end financial statements and year-end projections of the same items over the last five (5) years, as applicable; balance sheet report detailing the value of assets, liabilities, and equity at commencement or for projections as of December 31 of each year, and salary and wages paid to each employee. A financial audit conducted by an independent CPA will be submitted annually upon request.
- Profit and loss reports, summarizing income, expenses, and net profit from the date of inception and as projected over each calendar year.
- Tax records, including tax payments, tax correspondence, depreciation schedules, FICA/Income tax withholding, income and payroll tax returns, and sales tax returns.
- Continued verification that neither CCSA nor its affiliates or interest holders are delinquent in any required tax payment or are otherwise involved in any type of dispute concerning the payment of any federal, state, or local tax.

CCSA's counsel will stay informed and proactive in monitoring changes to tax laws to ensure that any changes to the cannabis or other tax law on the local, state, or federal level are timely communicated to the accounting staff, and any changes to calculations, rates, filing procedures/obligations, and remittance procedures/obligations are incorporated into CCSA's policies and procedures.

This Exhibit 6 Complies with: Ala. Admin. Code r. 538-x-3-.05(3)(m)(9), 538-x-3-.11(2), 538-x-4-.05(1), 538-x-4-.07(5), 538-x-4-.07(12)(h)-(i), 583-x-8-.03(8), 538-x-8-.05(3)(h); Darren Wesley 'Ato' Hall Compassion Act § 20-2A-52(a)(7); §20-2A-55(d); § 20-2A-80; and §40-14A-22; §40-14A-23

Verified by: Vincent Schilleci  
Vincent Schilleci III, 12/21/2022

# Exhibit 7 – Business Formation Documents

## 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.

Vincent Schilleci III

\_\_\_\_\_  
Printed Name of Verifying Individual

*Vincent Schilleci*

\_\_\_\_\_  
Signature of Verifying Individual

Owner, Manager

\_\_\_\_\_  
Title of Verifying Individual

12/21/2022

\_\_\_\_\_  
Verification Date

## **Exhibit 7 – Business Formation Documents**

### **Satisfaction of Plan: Complete**

#### **Executive Summary**

Per Ala. Admin. Code r. 538-x-3-.05(3)(m)(3)(2022), the attached comprise CCS of Alabama, LLC's ("CCSA") business formation documents, consisting of (i) a certified Certificate of Formation indicating CCSA's Articles of Formation were received and filed with the Secretary of State of Alabama ("SoC") on June 22, 2022, and signed and sealed by the SoC on December 8, 2022; (ii) a certified copy of CCSA's Registered Agent Change received and filed with the SoC on October 21, 2022, and signed sealed by the SoC on December 8, 2022; (iii) a copy of CCSA's Employer Identification Number ("EIN") Confirmation Letter from the Department of the Treasury Internal Revenue Service ("IRS"); and (iv) a copy of CCSA's executed Operating Agreement, dated November 30, 2022. These formation documents illustrate CCSA's status is valid and in good standing.

#### **Certificate of Formation**

The certified Certificate of Formation certifies that CCSA filed its Articles of Formation with the SoC on June 22, 2022, which were signed and sealed by the SoC on December 8, 2022, in accordance with Section 10A-5A-2.01 of the Code of Alabama. CCSA's status is valid and in good standing.

#### **Registered Agent Change**

The certified Registered Agent Change certifies that CCSA changed its registered agent with the Secretary of State of Alabama on October 21, 2022. The certified Registered Agent Change was signed and sealed by the SoC on December 8, 2022.

#### **EIN Confirmation**

CCSA received its EIN from the IRS on September 26, 2022. CCSA's EIN is [REDACTED]. CCSA will file Form 1065 by March 15, 2023, and provide it to the Alabama Medical Cannabis Commission.

**Operating Agreement**

CCSA's Operating Agreement is dated November 30, 2022. It has been duly executed by all members, which consist of (i) ATG Endeavors, LLC ("ATG"), which owns 51% of CCSA; (ii) Young Ventures Alabama USA, LLC, which owns 24.5% of CCSA; and (iii) EEC of Alabama, LLC, which owns the remaining 24.5% of CCSA. ATG is a Resident, as defined by Ala. Admin. Code r. 538-x-1-.04(51)(2022), as it is registered with the Secretary of State of Alabama to do business in Alabama and has its principal place of business in Alabama. ATG is CCSA's majority owner and has designated three of the five managers of CCSA's Board, giving it control over the company.

**Table of Contents**

Certificate of Formation ..... 3 – 7  
Registered Agent Change ..... 8 – 11  
EIN Confirmation ..... 12 – 15  
Operating Agreement ..... 16 – 69

## Certificate of Formation and Accompanying Documents

John H. Merrill  
Secretary of State

P. O. Box 5616  
Montgomery, AL 36103-5616

# STATE OF ALABAMA

**I, John H. Merrill, Secretary of State of Alabama, having custody of the Great and Principal Seal of said State, do hereby certify that**

as appears on file and of record in this office, the pages hereto attached, contain a true, accurate, and literal copy of the Articles of Formation filed on behalf of CCS of Alabama, LLC, as received and filed in the Office of the Secretary of State on  
06/22/2022.



20221208000020896

In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State, at the Capitol, in the city of Montgomery, on this day.

12/08/2022

Date

John H. Merrill

Secretary of State

DOMESTIC LIMITED LIABILITY COMPANY (LLC)  
CERTIFICATE OF FORMATION

License Type: Dispensary

PURPOSE: In order to form a Limited Liability Company (LLC) under Section 10A-5A-2.01 of the Code of Alabama 1975, this Certificate of Formation and the appropriate filing fees must be filed with the Office of the Secretary of State. **The information required in this form is required by Title 10A.**

- 1. The name of the limited liability company (must contain the words "Limited Liability Company" or the abbreviation "L.L.C." or "LLC," and comply with Code of Alabama, Section 10A-1-5.06. You may use Professional or Series before Limited Liability Company or LLC (or PLLC or SLLC) if they apply:

CCS of Alabama, LLC

- 2. A copy of the Name Reservation Certificate from the Office of the Secretary of State must be attached.

- 3. The name of the registered agent (only one agent): Matthew Hogan

Street (**no PO Boxes**) address of registered office (**must be located in Alabama**): \_\_\_\_\_

\*COUNTY of above address: \_\_\_\_\_

Mailing address **in Alabama** of registered office (if different from street address): \_\_\_\_\_

- 4. The undersigned certify that there is at least one member of the limited liability company.

(For SOS Office Use Only)

Alabama  
Sec. Of State  
001-026-464      DLL  
Date      06/22/2022  
Time      15:38:00  
File      \$100.00  
County    \$100.00  
            -----  
Total      \$200.00



**DOMESTIC LIMITED LIABILITY COMPANY (LLC) CERTIFICATE OF FORMATION** License Type: Dispensary

5. Check **only** if the type applies to the Limited Liability Company being formed:

- Series LLC complying with Title 10A, Chapter 5A, Article 11
- Professional LLC complying with Title 10A, Chapter 5A, Article 8
- Non-Profit LLC complying with Section 10A-5A-1.04(c)

6. The filing of the limited liability company is effective immediately on the date received by the office of the Secretary of State, Business Services Division or at the delayed filing date (cannot be prior to the filing date) specified in this filing complying with Section 10A-1-4.12  
The undersigned specify 6 / 22 / 2022 as the effective date (must be on or after the date filed in the office of the Secretary of State, but no later than the 90th day after the date this instrument was signed) and the time of filing to be 3 : 38  AM or  PM. (cannot be noon or midnight – 12:00)

Attached are any other matters the members determine to include herein (if this item is checked there must be attachments with the filing).

6 / 22 / 2022  
Date (MM/DD/YYYY)

Harris Anthony  
Signature as required by 10A-5A-2.04

Organizer  
Typed title (organizer or attorney-in-fact)

\*County of Registered Agent is requested in order to determine distribution of County filing fees.

John H. Merrill  
Secretary of State

P.O. Box 5616  
Montgomery, AL 36103-5616

# STATE OF ALABAMA

**I, John H. Merrill, Secretary of State of Alabama, having custody of the Great and Principal Seal of said State, do hereby certify that**

pursuant to the provisions of Title 10A, Chapter 1, Article 5, Code of Alabama 1975, and upon an examination of the entity records on file in this office, the following entity name is reserved as available:

**CCS of Alabama, LLC**

This name reservation is for the exclusive use of Maynard, Cooper & Gale, P.C., 1901 Sixth Avenue North, Ste 1700, Birmingham, AL 35203 for a period of one year beginning June 22, 2022 and expiring June 22, 2023

**In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State, at the Capitol, in the city of Montgomery, on this day.**



RES030475

June 22, 2022

Date

Handwritten signature of John H. Merrill in black ink.

**John H. Merrill**

**Secretary of State**

## Registered Agent Change

John H. Merrill  
Secretary of State

P. O. Box 5616  
Montgomery, AL 36103-5616

# STATE OF ALABAMA

**I, John H. Merrill, Secretary of State of Alabama, having custody of the Great and Principal Seal of said State, do hereby certify that**

as appears on file and of record in this office, the pages hereto attached, contain a true, accurate, and literal copy of the Registered Agent Change filed on behalf of CCS of Alabama, LLC, as received and filed in the Office of the Secretary of State on 10/21/2022.



20221208000020896

In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State, at the Capitol, in the city of Montgomery, on this day.

12/08/2022

Date

John H. Merrill

Secretary of State

CHANGE OF REGISTERED AGENT OR REGISTERED OFFICE BY ENTITY

PURPOSE: To change an entity's registered office, its registered agent, or both, by delivering to the Secretary of State for filing a statement of change in accordance with 10A-1-5.32. Use a separate form for each separate Entity ID number.

INSTRUCTIONS: Mail 2 copies of this completed form along with a self-addressed, stamped envelope to:

\*Secretary of State, Business Services, P.O. Box 5616, Montgomery, Alabama 36103.

\*Include a check, money order, or credit card payment for the \$100.00 processing fee.

\*You may email the filing to miscellaneous filings@sos.alabama.gov

\*Your filing will not be indexed if the credit/debit card does not authorize and will be removed from the index if the check is dishonored (\$30 fee).

Item 3 is the information pertaining to the current registered agent and office location currently on file with the Secretary of State. Complete this for verification purposes. You may change the name of the agent, the street address of the registered office, and the mailing address of the registered office, or any one of the three (items 4, 5, and 6).

This form must be typed or the request will be rejected without review.

1. Alabama Entity ID Number (Format: 000-000-000): 001 - 026 - 464 TO OBTAIN ID NUMBER, go to our website at www.sos.alabama.gov, click on Business Services (below picture), click on Business Entity and Name Search, click on Entity Name, enter the name of the entity in the appropriate box, and enter. Click on the number and verify that this is the correct entity. This step is strongly recommended.

2. The name of the entity as registered with the Secretary of State of Alabama:

CCS of Alabama, LLC

3. The name of the Registered Agent currently registered entity with the Secretary of State of Alabama:

Matthew Hogan

Street (No PO Boxes) address of the registered office:



Mailing address of registered office (if different from street address):

This form was prepared by: (type name and full address)

Maynard, Cooper & Gale, P.C.
1901 6th Avenue North, Suite 1700
Birmingham, AL 35203

RECEIVED DATE
OCT 21 2022
SECRETARY OF STATE
OF ALABAMA

(For SOS Use Only)

Alabama
Sec. Of State
Entity Change
001-026-464 DLL
Date 10/21/2022
Time 14:32
221021 2 Pg

File \$100.00
County \$.00

Total \$100.00
03/023 Page 10 of 69

CHANGE OF REGISTERED AGENT OR REGISTERED OFFICE BY ENTITY

4. Change the name of the Registered Agent (must be located in Alabama) for this entity to:

Maynard, Cooper & Gale, P.C.

The new registered agent must sign the consent to appointment in the consent box prior to filing.

5. Change the street (No PO Boxes) address in Alabama of the registered office to: \_\_\_\_\_

C/O Harris Anthony, 1901 Sixth Avenue North, Suite 1700, Birmingham, AL 35203

6. Change the mailing address of the registered office (if different from street address) to: \_\_\_\_\_

7. The entity certifies that the street address of the registered office and the street address of the registered agent's business are the same and located in Alabama.

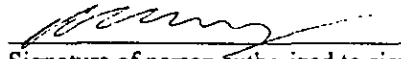
I, the undersigned, certify that any change specified in this document is authorized by the entity.

09 / 29 / 2022

Date (MM/DD/YYYY)

Matthew Hogan, Manager

Typed name and title of signature for entity below



Signature of person authorized to sign per 10A-1-4.01

I, the undersigned, consent to appointment as registered agent for \_\_\_\_\_

CCS of Alabama, LLC (entity name in blank).

09 / 29 / 2022

Date (MM/DD/YYYY)

Maynard, Cooper & Gale, P.C.

Typed name of agent (individual or entity)



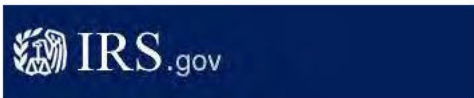
Signature of/for registered agent

Melissa Childers, Authorized Person

Typed name and title of signature for entity

## EIN Confirmation





License Type: Dispensary

**EIN Assistant**

Your Progress: 1. Identity ✓ 2. Authenticate ✓ 3. Addresses ✓ 4. Details ✓ 5. EIN Confirmation

**Congratulations! Your EIN has been successfully assigned.**

EIN Assigned: [REDACTED]

Legal Name: **CCS OF ALABAMA LLC**

**IMPORTANT:**

**Save and/or print this page and the confirmation letter below for your permanent records.**

The confirmation letter below is your official IRS notice and contains important information regarding your EIN.

 [CLICK HERE for Your EIN Confirmation Letter](#) [Help with saving and printing your letter](#)

Once you have saved or printed your letter, click "Continue" to get additional information about using your new EIN.

Continue >>

**Help Topics**

[? What if I do not have access to a printer at this time?](#)

[? Can I access this letter at a later date?](#)



Date of this notice: 09-26-2022

Employer Identification Number:

Form: SS-4

Number of this notice: CP 575 B

CCS OF ALABAMA LLC  
MATTHEW HOGAN MBR

For assistance you may call us at:  
1-800-829-4933

IF YOU WRITE, ATTACH THE  
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN [REDACTED]. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

Taxpayers request an EIN for their business. Some taxpayers receive CP575 notices when another person has stolen their identity and are opening a business using their information. If you did **not** apply for this EIN, please contact us at the phone number or address listed on the top of this notice.

When filing tax documents, making payments, or replying to any related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear-off stub and return it to us.

Based on the information received from you or your representative, you must file the following forms by the dates shown.

Form 1065

03/15/2023

If you have questions about the forms or the due dates shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification (corporation, partnership, estate, trust, EPMF, etc.) based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2020-1, 2020-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.



# Operating Agreement

---

**LIMITED LIABILITY COMPANY AGREEMENT**

**OF**

**CCS OF ALABAMA, LLC**

**AN ALABAMA LIMITED LIABILITY COMPANY**

**November 30, 2022**

---

**TABLE OF CONTENTS**

	<u>Page</u>
<b>SECTION 1 THE COMPANY .....</b>	<b>1</b>
<b>1.1 Formation. ....</b>	<b>1</b>
<b>1.2 Business Purposes. ....</b>	<b>1</b>
<b>1.3 Definitions.....</b>	<b>1</b>
<b>1.4 Transactions with Affiliates. ....</b>	<b>2</b>
<b>SECTION 2 MEMBERS’ CAPITAL CONTRIBUTIONS.....</b>	<b>2</b>
<b>2.1 Member Information. ....</b>	<b>2</b>
<b>2.2 Initial Capital Contributions. ....</b>	<b>2</b>
<b>2.3 Additional Capital Contributions.....</b>	<b>2</b>
<b>2.4 Capital Accounts. ....</b>	<b>3</b>
<b>SECTION 3 ALLOCATIONS.....</b>	<b>3</b>
<b>SECTION 4 DISTRIBUTIONS.....</b>	<b>4</b>
<b>4.1 Net Cash Flow. ....</b>	<b>4</b>
<b>4.2 Tax Distributions. ....</b>	<b>4</b>
<b>4.3 Limitations on Distributions. ....</b>	<b>4</b>
<b>SECTION 5 MANAGEMENT .....</b>	<b>4</b>
<b>5.1 Board of Managers. ....</b>	<b>4</b>
<b>5.2 Meetings of the Board of Managers. ....</b>	<b>6</b>
<b>5.3 Board of Managers Powers. ....</b>	<b>7</b>
<b>SECTION 6 ROLE OF MEMBERS .....</b>	<b>8</b>
<b>6.1 Rights or Powers. ....</b>	<b>8</b>
<b>6.2 Voting Rights.....</b>	<b>9</b>
<b>6.3 Meetings of the Members. ....</b>	<b>9</b>
<b>6.4 Withdrawal and Dissociation.....</b>	<b>9</b>
<b>6.5 Unitholders’ Liability. ....</b>	<b>10</b>
<b>6.6 Partition. ....</b>	<b>10</b>
<b>6.7 Services Agreements. ....</b>	<b>10</b>

**SECTION 7 REPRESENTATIONS AND WARRANTIES.....11**

**7.1 In General.....11**

**7.2 Representations and Warranties.....11**

**SECTION 8 BOOKS AND RECORDS; ACCOUNTING.....12**

**8.1 Books and Records; Accounting.....12**

**8.2 Tax Matters.....13**

**SECTION 9 AMENDMENTS.....15**

**9.1 Amendments.....15**

**SECTION 10 TRANSFERS AND ADMISSIONS.....15**

**10.1 Restrictions on Transfers.....15**

**10.2 Permitted Transfers.....16**

**10.3 Conditions to Permitted Transfers.....16**

**10.4 Right of First Refusal.....17**

**10.5 Transfers Upon the Death of a Member.....18**

**10.6 Involuntary Transfer.....19**

**10.7 Regulatory Divestments.....20**

**10.8 Definition of Fair Market Value.....21**

**10.9 Prohibited Transfers.....21**

**10.10 Rights of Unadmitted Assignees.....22**

**10.11 Admission of Substituted Members.....22**

**10.12 Cessation of Membership.....23**

**10.13 Distributions and Allocations in Respect of Transferred Units.....23**

**10.14 Admission of Members After the Effective Date; Issuance of Additional  
    Units.....23**

**SECTION 11 DISSOLUTION AND WINDING UP.....24**

**11.1 Dissolution Events.....24**

**11.2 Winding Up.....24**

**11.3 Compliance With Certain Requirements of Regulations; Deficit Capital  
    Accounts.....25**

**11.4 Rights of Unitholders.....26**

**11.5 Notice of Dissolution/Termination.....26**

**11.6 Allocations During Period of Liquidation.....26**

**11.7 The Liquidator.....26**

**SECTION 12 INDEMNIFICATION .....27**

**12.1 General. ....27**

**12.2 Separation of Claims. ....28**

**12.3 Authorization. ....28**

**12.4 Advances.....28**

**12.5 Non-exclusive. ....28**

**12.6 Insurance.....28**

**SECTION 13 MISCELLANEOUS .....29**

**13.1 Confidentiality. ....29**

**13.2 No Disclosure. ....29**

**13.3 Non-Compete. ....29**

**13.4 Non-Solicitation. ....30**

**13.5 Non-Disparagement.....30**

**13.6 Illegality of Cannabis Operations. ....30**

**13.7 Notices.....30**

**13.8 Binding Effect. ....31**

**13.9 Headings.....31**

**13.10 Severability.....31**

**13.11 Incorporation by Reference.....31**

**13.12 Further Actions.....31**

**13.13 Variation of Terms. ....31**

**13.14 Governing Law. ....31**

**13.15 Counterparts.....31**

**13.16 Prior Agreements. ....31**

**13.17 Specific Performance. ....31**

**13.18 Mandatory Arbitration of All Disputes .....32**

**EXHIBIT A Member Information**

**EXHIBIT B Definitions**

**EXHIBIT C Capital Accounts and Tax Allocations**

**EXHIBIT D Officers**

**EXHIBIT E Arbitration of Dispute**

## LIMITED LIABILITY COMPANY AGREEMENT

OF

CCS OF ALABAMA, LLC

**THIS LIMITED LIABILITY COMPANY AGREEMENT** (this “Agreement”) of CCS of Alabama, LLC (the “Company”) is entered into and shall be effective as of November 30, 2022 (the “Effective Date”), by and among the Members identified on Exhibit A attached to this Agreement and who have executed this Agreement as Members, which Members include without limitation ATG Endeavors, LLC (the “Resident Member”).

### RECITALS:

A. The Filing Instrument of the Company was filed with the Filing Office on June 22, 2022, establishing the Company under and pursuant to the provisions of the LLC Law.

B. The Members desire to enter into this Agreement to provide for the terms and conditions for the operation of the Company, including among other things, the management of the business and affairs of the Company, the allocation of profits and losses among the Members, the respective rights, duties and obligations of the Members to each other and to the Company, and certain other matters.

**NOW, THEREFORE**, in consideration of the premises and of the terms and conditions of this Agreement, the parties, intending to be legally bound, hereby agree as follows:

### SECTION 1 THE COMPANY

**1.1 Formation.** The Members hereby agree to form CCS of Alabama, LLC as a limited liability company under and pursuant to the provisions of the LLC Law and upon the terms and conditions set forth in this Agreement. In the event there is only one Member of the Company, references herein to Members shall be deemed to refer to such single Member.

**1.2 Business Purposes.** The Company is organized for the purpose of engaging in any lawful act or activity for which a limited liability company may be organized under the laws of the State of Alabama, qualified and operating in the State of Alabama, including, without limitation, the operation of a medical cannabis dispensary, and to possess and exercise all powers necessary, convenient or incidental thereto.

**1.3 Definitions.** Set forth on Exhibit B attached to are the definitions of certain capitalized terms used in this Agreement, as well as cross-references to the applicable portion of this Agreement where certain other capitalized terms are defined.



**1.4 Transactions with Affiliates.** To the extent permitted by applicable law and subject to the provisions of this Agreement, the Board of Managers is hereby authorized to cause the Company to purchase property from, sell property to or otherwise deal with any Unitholder, acting on his, her or its own behalf, or any Affiliate of any Unitholder; provided, however, that any such purchase, sale or other transaction shall be made on terms and conditions which are no less favorable to the Company than if the sale, purchase or other transaction had been with an independent third party. Notwithstanding anything to the contrary herein, no transaction entered by the Company or any Unitholder or Affiliate thereof shall be permitted if such transaction would diminish the Resident Member's Percentage Interest such that the Company would no longer comply with 538-x-3-.05(3)(b)(4) (the "Resident Ownership Requirement").

## **SECTION 2 MEMBERS' CAPITAL CONTRIBUTIONS**

**2.1 Member Information.** The name, address, Units and Percentage Interest of each of the Members are as set forth on Exhibit A. The Board of Managers shall update Exhibit A from time to time as necessary to accurately reflect the information therein and to reflect the admission of additional or substituted Members in accordance with this Agreement; provided, however, that the failure of the Board of Managers to cause Exhibit A to be updated or otherwise amended shall not prevent the effectiveness of, or otherwise affect the underlying adjustments that would be reflected in, such update or amendment. Any amendment or revision to Exhibit A made in accordance with this Agreement shall not be deemed an amendment to this Agreement for purposes of Section 9. Any reference in this Agreement to Exhibit A shall be deemed to be a reference to Exhibit A as may be in effect from time to time.

**2.2 Initial Capital Contributions.** (a) As of the Effective Date, each Member has contributed his, her or its respective Capital Contribution and has a Capital Account and Percentage Interest as set forth on Exhibit A. The Members agree that the initial Capital Contributions shall be used for the leasing, build-out and initial working capital of the Dispensary (the "Capital Expenditures"), some of which shall be spent prior to the approval of the AMCC of any Services Agreements that are in effect between the Company and a Principal.

**2.3 Additional Capital Contributions.**

(a) Permitted Capital Contributions. Unitholders may make additional Capital Contributions only with the written consent or vote of the Board of Managers, in which event the Company shall issue to any contributing Unitholder additional Units in an amount to be determined by the Board of Managers.

(b) Capital Call Rights. Each Unitholder agrees to make additional Capital Contributions in proportion to such Unitholder's Percentage Interest from time to time as the Board of Managers deems appropriate. If the Board of Managers determines that there is a need for additional Capital Contributions for Capital Expenditures, the operations of the Dispensary, or such other purposes as the Board of Managers may determine, the Board of Managers shall provide each Unitholder with written notice (the "Contribution Notice") of the amount of additional Capital Contributions required by the Company. If a Unitholder (the "Non-Contributing Unitholder") shall fail to provide the Company with its proportionate share of such additional Capital Contribution

(based on the respective Percentage Interests of the Unitholders) within ten (10) days after the Person's receipt of such Contribution Notice (the "Due Date"), then Section 2.3(c) shall apply.

(c) Failure to Contribute Capital. If a Non-Contributing Unitholder fails to make an additional Capital Contribution required by Section 2.3(b) within the ten (10) day period set forth therein (the amount of the failed contribution shall be the "Default Amount"), the contributing Unitholder(s) (the "Contributing Unitholders") shall have the right to advance to the Company on behalf of, and as a loan to the Non-Contributing Unitholder, an amount equal to the Default Amount to be evidenced by a promissory note in form satisfactory to the Contributing Unitholder(s), payable on demand and bearing interest at the prime lending rate then in effect plus one percent (1%) per annum (each such loan, a "Default Loan"). The Capital Account of the Non-Contributing Unitholder shall be credited with the amount of such Capital Contribution and such amount shall constitute a debt owed by the Non-Contributing Unitholder to the Contributing Unitholder(s). Any Default Loan shall be payable from any distributions due the Non-Contributing Unitholder hereunder (including, without limitation, distributions of Net Cash Flow), but shall in all events be payable in full by the last day of the sixtieth (60<sup>th</sup>) full month after the making of such Default Loan. Interest on a Default Loan to the extent unpaid shall accrue and compound monthly. A Default Loan shall be pre-payable at any time or from time to time without penalty. Such Default Loans shall be secured by the Non-Contributing Unitholder's Units in the Company, including, without limitation, such Non-Contributing Unitholder's rights to distributions under Section 4 and Section 11.2. The Non-Contributing Unitholder hereby grants a security interest in its Units to the Contributing Unitholder(s) and the Non-Contributing Unitholder hereby irrevocably appoints the Contributing Unitholder(s) as its attorney-in-fact coupled with an interest with full power to prepare and execute any documents, instruments and agreements, including, without limitation, such Uniform Commercial Code financing statements, continuation statements, and other security instruments as may be appropriate to perfect and continue the security interest in favor of the Contributing Unitholder(s). All distributions to the Non-Contributing Unitholder hereunder shall be applied first to payment of any interest due under any Default Loan and then to principal until all amounts due thereunder are paid in full. The Members hereby acknowledge to one another and agree that because of the difficulty in calculating the damage that may result from the failure of a Person to make a Capital Contribution required under Section 2.3(b), the remedies set forth in this Section 2.3(c) are fair and reasonable under the circumstances, and are not, and are not to be construed as, a penalty or punitive in any manner or respect.

**2.4 Capital Accounts.** The Company shall maintain a separate Capital Account for each Unitholder in accordance with Exhibit C attached hereto.

### SECTION 3 ALLOCATIONS

Profits and Losses shall be allocated to the Unitholders as provided in Exhibit C attached hereto.

## SECTION 4 DISTRIBUTIONS

**4.1 Net Cash Flow.** Except as otherwise provided in this Section 4.1 and Section 11, Net Cash Flow, if any, may be distributed as the Board of Managers may deem appropriate to the Unitholders in proportion to their Percentage Interests.

**4.2 Tax Distributions.** To the extent that the Board of Managers determines that funds are available, the Board of Managers shall cause the Company to make cash distributions to Unitholders on or before April 1 of each year in an amount equal to the product of (i) the Company's taxable income for the preceding taxable year and (ii) the sum of (A) the highest federal marginal income tax rate and (B) the highest marginal income tax rate of any state to which any Member is subject. All such recipients of distributions covenant that they will pay over such portion of their distribution as is necessary to satisfy their federal and state tax liability attributable to the income of the Company.

### **4.3 Limitations on Distributions.**

- (a) Special Distributions. The Company shall make no distributions to the Unitholders except (i) as provided in this Section 4 and Section 11 or (ii) as determined by the Board of Managers.
- (b) Solvency Requirement. A Unitholder may not receive a distribution from the Company to the extent that, after giving effect to the distribution, all liabilities of the Company, other than liability to Unitholders on account of their Capital Contributions, would exceed the fair market value of the Company's assets. A Unitholder who receives a distribution in violation of this Section 4.3(b) shall be required to return or repay such distribution.
- (c) Amounts Withheld. All amounts withheld pursuant to the Code or any provision of any state, local or foreign tax law with respect to any payment, distribution or allocation by the Company to the Unitholders shall be treated as amounts paid or distributed, as the case may be, to the Unitholders for all purposes under this Agreement. The Company is authorized to withhold from payments and distributions, or with respect to allocations to the Unitholders, and to pay over to any federal, state and local government or any foreign government, any amounts required to be so withheld pursuant to the Code or any provisions of any other federal, state or local law or any foreign law, and shall allocate any such amounts to the Unitholders with respect to which such amount was withheld.

## SECTION 5 MANAGEMENT

### **5.1 Board of Managers.**

- (a) General Oversight. The activities and affairs of the Company shall be under the direction, and subject to the oversight of, a board of managers (the "Board of Managers") as provided in Section 5.1(c). Except as otherwise provided in this Agreement, no member of the Board of Managers shall have the power to act on

behalf of, or to bind, the Company.

- (b) Number. The number of individuals serving on the Board of Managers shall be five (5) unless otherwise determined by the Board of Managers.
- (c) Members of the Board of Managers. ATG Endeavors, LLC shall designate three (3) members of the Board of Managers and each of EEC of Alabama, LLC and Young Ventures Alabama USA, LLC shall designate one (1) member of the Board of Managers (hereinafter each such Person designating a member of the Board of Managers, a “Designator” and such Designator’s designated Board of Managers member, a “Designee”). The initial members of the Management Committee and the Designator designating such committee member are as follows:

<u>Board of Managers Member</u>	<u>Designator</u>
Matthew J. Hogan	ATG Endeavors, LLC
Vincent J. Schilleci, III	ATG Endeavors, LLC
Hon. Vincent J. Schilleci, Jr.	ATG Endeavors, LLC
Ernest Craumer	EEC of Alabama, LLC
Sandra P. Young	Young Ventures of Alabama USA, LLC

- (d) Removal. A member of the Board of Managers may be removed at any time, with or without cause, by the written notice of the Designator that designated such Designee delivered to the Company demanding such removal.
- (e) Replacement. In the event that any member of the Board of Managers dies or is unwilling or unable to serve as such or is removed from office in accordance with Section 5.1(d), the Designator that appointed such member shall promptly designate a successor.
- (f) Voting. Each member of the Board of Managers shall have one (1) vote. Except as otherwise provided in this Agreement, the Board of Managers shall act by the affirmative vote of a majority of the members of the Board of Managers.
- (g) Duties. Each member of the Board of Managers shall perform such member’s duties as a member of the Board of Managers in good faith, in a manner such member reasonably believes to be in the best interests of the Company, and with such care as an ordinarily prudent Person in a like position would use under similar circumstances. Except as otherwise provided in this Agreement, a person who so performs his or her duties shall not have any fiduciary liability by reason of being or having been a member of the Board of Managers of the Company. In performing their duties, members of the Board of Managers may rely on the provisions of this Agreement.

(h) Compensation. No member of the Board of Managers shall receive compensation for serving in such capacity. The Company shall reimburse the members of the Board of Managers, or their respective designees, for all reasonable travel and accommodation expenses incurred by such members in connection with the performance of their duties as members of the Board of Managers upon presentation of appropriate documentation therefor.

(i) Delegation. The Board of Managers shall have the power to delegate authority to such committees of the Board of Managers, officers, employees, agents and representatives of the Company as it may from time to time deem appropriate. Any delegation of authority to take any action must be approved in the same manner as would be required for the Board of Managers to approve such action directly.

(j) Good Faith Reliance. In performing their duties, members of the Board of Managers may rely on the provisions of this Agreement. A member of the Board of Managers shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, Profits or Losses of the Company or any facts pertinent to the existence and amount of assets from which distributions might properly be paid) of the following Persons or groups: (i) another member of the Board of Managers; (ii) one or more officers or employees of the Company; (iii) any attorney, independent accountant, appraiser or other expert or professional employed or engaged by or on behalf of the Company; or (iv) any other Person selected in good faith by or on behalf of the Company, in each case as to matters that such relying Person reasonably believes to be within such other Person's professional or expert competence. The preceding sentence shall in no way limit any Person's right to rely on information to the extent provided in the LLC Law.

(k) Officers. The Board of Managers may appoint such officers as it may from time to time deem appropriate and may assign titles to particular officers. Unless the Board of Managers otherwise decides, if the title is one commonly used for officers of a business corporation, the assignment of such title shall constitute the delegation or limitation to such officer of the authority and duties that are normally associated with that office, subject to any specific delegation or limitation of authority and duties made by the Board of Managers. The management of the business and affairs of the Company by the officers and the exercising of their powers shall be conducted under the supervision of and subject to the approval of the Board of Managers. Each officer shall hold office until such officer's successor shall be duly designated and shall qualify or until such officer's death or until such officer shall resign or shall have been removed. Any number of offices may be held by the same individual. The initial officers of the Company, if any, are set forth on Exhibit D. The Board of Managers may revise Exhibit D upon any change in the officers of the Company.

(l) No Liability for Company's Obligations. A member of the Board of Managers shall not be liable under a judgment, decree or order of court, or in any other manner, for a debt, obligation or liability of the Company.

## **5.2 Meetings of the Board of Managers.**

(a) Regular Meetings. The Board of Managers shall hold regular meetings at such times as are determined by the Board of Managers and may establish meeting times, dates and places and requisite notice requirements (not shorter than those provided in Section 5.2(b)) and adopt rules or procedures consistent with the terms of this Agreement. At such meetings the Board of Managers shall transact such business as may properly be brought before the meeting, whether or not notice of such meeting referenced the action taken at such meeting.

(b) Special Meetings. Special meetings of the Board of Managers may be called by any member of the Board of Managers. Notice of each such meeting shall be given to each member of the Board of Managers by hand, telephone, electronic mail, facsimile, overnight courier or similar method (in each case, notice shall be given at least seventy-two (72) hours before the time of the meeting) or sent by first-class mail (in which case notice shall be given at least five (5) calendar days before the meeting), unless a longer notice period is established by the Board of Managers. Each such notice shall state (i) the time, date, place (which shall be at the principal office of the Company unless otherwise agreed to by all of the members of the Board of Managers) or other means of conducting such meeting and (ii) the purpose of the meeting to be so held. No actions other than those specified in the notice may be considered at any special meeting unless unanimously approved by the members of the Board of Managers. Any member of the Board of Managers may waive notice of any meeting in writing before, at, or after such meeting. The attendance of a member of the Board of Managers at a meeting shall constitute a waiver of notice of such meeting, except when a member of the Board of Managers attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not properly called.

(c) Participation in Meeting by Conference Telephone. Any action required to be taken at a meeting of the Board of Managers, or any action that may be taken at a meeting of the Board of Managers, may be taken at a meeting held by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at such meeting.

(d) Action by Written Consent. Notwithstanding anything to the contrary in this Section 5.2, the Board of Managers may take without a meeting any action that may be taken by the Board of Managers under this Agreement if such action is approved by the written consent of the members of the Board of Managers having not less than the minimum number of votes necessary to authorize or take such action at a meeting at which all Board of Managers members entitled to vote thereon were present; provided, however, that if action is taken hereunder by less than all of the members of the Board of Managers, notice of such action shall be provided to the nonparticipating members of the Board of Managers. Failure to provide the notice described in the preceding sentence shall not invalidate or otherwise affect the validity of any action properly taken by the members of the Board of Managers.

(e) Proxy. A member of the Board of Managers may vote or be present at a meeting of the Board of Managers either in person or by proxy, and such proxy may be granted in writing, by means of Electronic Transmission or on other such terms as the Board of Managers shall deem appropriate.

### **5.3 Board of Managers Powers.**

- (a) General Powers. Except as otherwise provided in this Agreement including without limitation Section 5.3(b), all powers to control and manage the business and affairs of the Company shall be exclusively vested in the Board of Managers, and the Board of Managers may exercise all powers of the Company and do all such lawful acts as are not by statute or this Agreement directed or required to be exercised or done by the Members and in so doing shall have the right and authority to take all actions which the Board of Managers deems necessary, useful or appropriate for the management and conduct of the business of the Company.
- (b) Restrictions. Notwithstanding the provisions of Section 5.2(a) or any other provision of this Agreement, the Board of Managers shall not have authority to, and covenants and agrees that the Manager shall not, perform any of the following acts on behalf of the Company without the written consent or vote of a Majority in Interest of the Members:
- (i) borrow money and issue evidences of indebtedness in excess of \$100,000, and secure the same by mortgage, pledge, or other lien on any Company assets;
  - (ii) invest assets of the Company in excess of \$100,000 in stocks, bonds, or other securities, including puts, calls, straddles, warrants, forwards or other so called derivative securities, common trust funds, mortgages, participations in mortgages, shares of regulated investment companies or trusts, general or limited partnerships, limited liability companies, life insurance, annuities, and other insurance products;
  - (iii) knowingly perform any act in contradiction of the provisions of this Agreement;
  - (iv) knowingly perform any act which would make it impossible to carry out the ordinary business of the Company, except as otherwise provided in this Agreement;
  - (v) possess Company property or assign rights in specific Company property other than for a Company purpose;
  - (vi) sell or otherwise dispose of all or substantially all of the assets of the Company;
  - (vii) knowingly cause or permit the Company to engage in any activity which would constitute a material change in the nature of the Company's business; or
  - (viii) adopt an agreement of merger, conversion or consolidation.

## SECTION 6 ROLE OF MEMBERS

**6.1 Rights or Powers.** The Members, in the capacity of each as a Member, shall not have any right or power to take part in the management or control of the Company or its business and affairs or to act for or bind the Company in any way unless the Member is an officer of the Company or shall have been authorized in writing by the Board of Managers to act as agent of the

Company. Notwithstanding the foregoing, the Members have all the rights and powers specifically set forth in this Agreement and, to the extent not inconsistent with this Agreement, in the LLC Law.

**6.2 Voting Rights.** No Member has any voting right except with respect to those matters specifically reserved for a Member vote or consent which are set forth in this Agreement and as required in the LLC Law. Each Member shall be entitled to one (1) vote per Unit owned on all matters submitted to the Members for a vote or consent. Except as otherwise provided in this Agreement, the Members shall act by the affirmative vote of a Majority in Interest of the Members. A Person who is not an initial Member or admitted as an additional or substituted Member has no rights to vote on matters specifically reserved for a vote of the Members.

**6.3 Meetings of the Members.**

- (a) Notice; Voting; Quorum. Meetings of the Members may be called upon the written notice of any Member. The notice shall state the location of the meeting and the nature of the business to be transacted and shall be given to all of the Members not less than seven (7) days nor more than thirty (30) days prior to the date of such meeting. Members may vote in person, by proxy, by telephone, or by Electronic Transmission at such meeting and may waive advance notice of such meeting. A quorum at any meeting shall mean Members present in person or by proxy that would constitute a sufficient number of Members affirmatively to approve any matter which requires a vote or consent greater than a Majority in Interest of the Members; or, if the matter requires a Majority in Interest of the Members, then a quorum shall consist of a Majority in Interest of the Members. Whenever the vote or consent of Members is permitted or required under the Agreement, such vote or consent may be given at a meeting of the Members or may be given in accordance with the procedure prescribed in this Section 6.3.
- (b) Record Date. For the purpose of determining the Members entitled to vote on, or to vote at, any meeting of the Members or any adjournment thereof, the Board of Managers may fix, in advance, a date as the record date for any such determination. Such date shall not be more than thirty (30) days nor less than ten (10) days before any such meeting.
- (c) Presiding Officer. Each meeting of the Members shall be conducted by such individual Person as a Majority in Interest of the Members deems appropriate.
- (d) Action by Written Consent. Notwithstanding this Section 6.3, the Company may take any action contemplated under this Agreement as approved by the written consent of the Members owning not less than the percentage of Units necessary to authorize or take such action at a meeting at which all of the Members entitled to vote thereon were present.

**6.4 Withdrawal and Dissociation.**

- (a) Withdrawal. Except as otherwise provided in Section 4 and Section 11, no Unitholder shall demand or receive a return on or of its Capital Contributions or



withdraw in any manner such Unitholder's Transferable Interest in the Company without the consent of the Board of Managers and a Majority in Interest of the Members.

- (b) **Dissociation.** No Member has the right voluntarily to dissociate as a Member. If a Person dissociates as a Member, such Person shall retain such Person's Transferable Interest but shall have no right to participate in the direction and oversight of the activities and affairs of the Company. In the event that a Person dissociates as a Member, neither the Company nor any of its other Members shall have any obligation to purchase all or any portion of such former Member's interest in the Company. A Person who wrongfully dissociates, or wrongfully attempts to dissociate, as a Member shall be liable to the Company and, subject to the LLC Law, to the other Members for damages caused by the dissociation. The liability is in addition to any other debt, obligation, or liability of the Member to the Company or the other Members.

**6.5 Unitholders' Liability.** No Unitholder shall be liable under a judgment, decree or order of a court, or in any other manner for the debts or any other obligations or liabilities of the Company. A Unitholder shall be liable only to make his, her or its Capital Contributions and shall not be required to restore a deficit balance in his, her or its Capital Account or to lend any funds to the Company or, after his, her or its Capital Contributions have been made, to make any additional contributions, assessments or payments to the Company, provided that a Unitholder may be required to repay distributions made to him, her or it as provided in Section 4.3 or the LLC Law. No Unitholder shall have any personal liability for the repayment of any Capital Contributions of any other Unitholder.

**6.6 Partition.** While the Company remains in effect or is continued, each Member agrees and waives his, her or its rights to have any Company property partitioned, or to file a complaint or to institute any suit, action or proceeding at law or in equity to have any Company property partitioned, and each Member, on behalf of itself, its successors and its assigns hereby waives any such right.

**6.7 Services Agreements.** To the extent that any Services Agreements are in effect between the Company and a Principal, if any such Principal breaches his or Services Agreement, as determined by the Board of Managers and a Majority in Interest of the Members, then the entity of which said Principal is a member ("Said Entity") shall, within sixty (60) days of the determination by the Board of Managers and a Majority in Interest of the Members that a breach under the Services Agreement has occurred, take such action to cause the breaching Principal to be removed as a member of Said Entity and to replace the breaching Principal with a Person approved by the Board of Managers and a Majority in Interest of the Members. In connection with the replacement of any breaching Principal, if the breaching Principal is also serving as the Manger of the Company, the breaching Principal shall be removed as a Board of Managers member and such vacancy shall be filled in accordance with Section 5.1(e).

**SECTION 7  
REPRESENTATIONS AND WARRANTIES**

**7.1 In General.** As of the Effective Date, each Member hereby makes each of the representations and warranties applicable to such Member as set forth in Section 7.2, and such representations and warranties shall survive the execution of this Agreement.

**7.2 Representations and Warranties.** Each Member hereby represents and warrants that:

- (a) Due Incorporation or Formation; Authorization of Agreement. If the Member is a corporation, partnership, limited liability company or trust, such Member is a corporation duly organized or a partnership, limited liability company or trust duly formed, validly existing, and in good standing under the laws of the jurisdiction of its incorporation or formation and has the corporate, partnership, limited liability company or trust power and authority to own its property and carry on its business as owned and carried on as of the Effective Date and as contemplated hereby; such Member is duly licensed or qualified to do business and in good standing in each of the jurisdictions in which the failure to be so licensed or qualified would have a material adverse effect on its financial condition or its ability to perform his, her or its obligations hereunder. Such Member has the corporate, partnership, limited liability company or trust power and authority to execute and deliver this Agreement and to perform its obligations hereunder and the execution, delivery, and performance of this Agreement has been duly authorized by all necessary corporate, partnership, company or trust action. This Agreement constitutes the legal, valid, and binding obligation of such Member.
- (b) No Conflict with Restrictions; No Default. Neither the execution, delivery, or performance of this Agreement nor the consummation by such Member of the transactions contemplated hereby (i) will conflict with, violate, or result in a breach of any of the terms, conditions, or provisions of any law, regulation, order, writ, injunction, decree, determination, or award of any court, any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator, applicable to such Member, (ii) will conflict with, violate, result in a breach of, or constitute a default under any of the terms, conditions, or provisions of any governing document of such Member, or of any material agreement or instrument to which such Member is a party or by which such Member is, or may be, bound or to which any of its material properties or assets is subject, (iii) will conflict with, violate, result in a breach of, constitute a default under (whether with notice or lapse of time or both), accelerate or permit the acceleration of the performance required by, give to others any material interests or rights, or require any consent, authorization, or approval under any indenture, mortgage, lease agreement, or instrument to which such Member is a party or by which such Member is, or may be, bound, or (iv) will result in the creation or imposition of any lien upon any of the material properties or assets of such Member.
- (c) Investigation. Such Member is acquiring his, her or its Units based upon his, her or its own investigation, and the exercise by such Member of his, her or its rights

and the performance of his, her or its obligations under this Agreement will be based upon his, her or its own investigation, analysis, and expertise. Such Member's acquisition of his, her or its Units is being made for his, her or its own account for investment, and not with a view to the sale or distribution thereof. Such Member is a sophisticated investor possessing the requisite knowledge enabling him, her or it to make an informed investment decision concerning the relative merits and risks associated with the acquisition of Units.

- (d) Cannabis Operations. Such Member has not committed any act or been charged with or convicted of any crime that would result in the denial, revocation, or suspension of a Marijuana License, or other consent or approval from the AMCC necessary for the Company to operate a medical cannabis dispensary in the State of Alabama.

## SECTION 8 BOOKS AND RECORDS; ACCOUNTING

### 8.1 Books and Records; Accounting.

- (a) Books and Records. The Company shall keep on site at its principal place of business each of the following:
- (i) a current list of the full name and last known business or residence street address of each Member and each member of the Board of Managers;
  - (ii) a copy of the Filing Instrument and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any documents have been executed;
  - (iii) copies of the Company's federal, state and local income tax returns and reports, if any, for the three (3) most recent years;
  - (iv) copies of this Agreement and any amendments hereto;
  - (v) copies of any financial statements of the Company for the three (3) most recent years; and
  - (vi) any documents required by 538-x-4-.07.
- (b) Access to Records. Any Member or his, her or its designated representative shall have the rights to have reasonable access to and inspect and copy the contents of the books or records referenced in Section 8.1(a) and shall also have reasonable access during normal business hours to such additional financial information, documents, books and records as is deemed appropriate by the Board of Managers in its sole discretion. The rights granted to a Member pursuant to this Section 8.1 are expressly subject to compliance by such Member with the safety, security and confidentiality procedures and guidelines of the Company, as such procedures and guidelines may be established from time to time.

- (c) Accounting Method. The Company shall use the method of accounting determined by the Board of Managers in the preparation of its financial reports and for tax purposes and shall keep its books and records accordingly.

## **8.2 Tax Matters.**

(a) Tax Representation. Matthew J. Hogan (or the successor of such Person pursuant to Section 8.2(b)) shall be the designated “partnership representative” of the Company within the meaning of Code section 6223 (the “Tax Representative”). The Tax Representative shall have sole authority to act on behalf of the Company for purposes of subchapter C of chapter 63 of the Code and any comparable provisions of state or local income tax laws. For purposes of this Section 8.2, unless otherwise specified, all references to provisions of chapter 63 of the Code shall be to such provisions as enacted by the Bipartisan Budget Act of 2015, as amended.

(b) Removal; Replacement. The Person serving as the Tax Representative shall be automatically removed as Tax Representative upon the death, dissolution and/or winding up, legal incompetency or Bankruptcy of such Person, and the Person serving as the Tax Representative may be removed at any time by the Board of Managers. Upon such removal of the Tax Representative a successor to serve in such position shall be designated by the Board of Managers, and the removed Tax Representative shall not take any action for or on behalf of the Company without the prior written consent of the Board of Managers.

(c) Indemnification by Company. The Company shall indemnify and hold harmless the Tax Representative in accordance with Section 12.1(a) and Section 12.3 as a result of any act or decision concerning Company tax matters and within the scope of such Person’s responsibility as Tax Representative. All amounts indemnified may be advanced as incurred in accordance with Section 12.4. The Tax Representative shall be entitled to rely on the advice of outside legal counsel and accountants as to the nature and scope of such Person’s responsibilities and authority, and any act or omission of the Tax Representative pursuant to such advice in no event shall subject the Tax Representative to liability to the Company or any Unitholder.

(d) Elections/Decisions. The Board of Managers shall, without any further consent of the Members being required (except as specifically required herein), make any and all elections for federal, state, local, or foreign tax purposes including without limitation any election, if permitted by applicable law: (i) to adjust the basis of property pursuant to Code sections 734(b), 743(b) and 754, or comparable provisions of state, local or foreign law, in connection with Transfers of Units and Company distributions; (ii) to extend the statute of limitations for assessment of tax deficiencies against the Unitholders with respect to adjustments to the Company’s federal, state, local or foreign tax returns; and (iii) to make all decisions on behalf of the Company and the Unitholders and to direct the activities of the Tax Representative before taxing authorities or courts of competent jurisdiction in tax matters affecting the Company or the Unitholders in their capacities as Unitholders, and to direct the filing of any tax returns and to cause the execution of any agreements or other documents relating to or affecting such tax matters, including agreements or other documents that bind the Unitholders with respect to such tax matters or otherwise affect the rights of the Company and the Unitholders.

(e) Electing Out. If the Company qualifies to elect pursuant to Code section 6221(b) (or successor provision) to have federal income tax audits and other proceedings undertaken by each Unitholder rather than by the Company, the Company shall make such election.

(f) Push-Out Election. Notwithstanding other provisions of this Agreement to the contrary, if any “partnership adjustment” (as defined in Code section 6241(2)) is determined with respect to the Company, the Tax Representative, upon the determination of the Board of Managers, in its sole discretion, will cause the Company to elect pursuant to Code section 6226 to have any such adjustment passed through to the Unitholders and former Unitholders for the year to which the adjustment relates (i.e., the “reviewed year” within the meaning of Code section 6225(d)(1)). In the event that the Tax Representative has not caused the Company to so elect pursuant to Code section 6226, then any “imputed underpayment” (as determined in accordance with Code section 6225) or “partnership adjustment” that does not give rise to an “imputed underpayment” shall be apportioned among the Unitholders and former Unitholders of the Company in such manner as may be necessary (as determined by the Board of Managers in good faith) so that, to the maximum extent possible, the tax and economic consequences of the partnership adjustment and any associated interest and penalties are borne by the Unitholders and former Unitholders based upon their interests in the Company for the reviewed year.

(g) Unitholder Compliance. Each Unitholder and former Unitholder agrees that, upon request of the Tax Representative, such Unitholder shall (i) take such actions as may be necessary or desirable (as determined by the Board of Managers) to allow the Company to comply with the provisions of Code section 6226 so that any “partnership adjustments” are taken into account by the Unitholders rather than the Company or (ii) file amended tax returns with respect to any “reviewed year” (within the meaning of Code section 6225(d)(1)) to reduce the amount of any “partnership adjustment” otherwise required to be taken into account by the Company.

(h) Indemnity for Company Level Tax. If the Company is obligated to pay any amount of tax, penalty, interest, or other charges determined under the Code (a “Company Level Tax”), each Unitholder or former Unitholder to which the assessment or payment relates (an “Indemnifying Unitholder”) shall indemnify the Company for, and pay to the Company, the Indemnifying Unitholder’s allocable share of the Company Level Tax. Each Indemnifying Unitholder’s allocable share of the Company Level Tax shall be determined in good faith by the Board of Managers. Promptly upon notification by the Board of Managers of the Indemnifying Unitholder’s obligation to indemnify the Company, an Indemnifying Unitholder shall make a payment to the Company of immediately available funds, at the time and in the amount and manner directed by the Board of Managers. Amounts paid to the Company under this Section 8.2(h) by an Indemnifying Unitholder who is not a Unitholder of the Company at the time such payment is made shall not be treated as a Capital Contribution. The Unitholders’ obligations under this Section 8.2(h) shall survive the termination, dissolution, liquidation, and winding up of the Company, and shall survive the Transfer of all or any part of a Transferable Interest in the Company by any Unitholder. The Company may pursue and enforce all rights and remedies it may have under this Section 8.2(h) against a Unitholder or former Unitholder, or its assignee or successor, including instituting a proceeding governed by the applicable terms of this Agreement to collect such payments with interest at the higher of (A) the then current prime rate quoted in *The Wall Street Journal* plus 500 basis points or (B) the then short-term applicable federal rate determined under section 1274 of the Code plus 500 basis points.

(i) Consistent Treatment. Each Unitholder and former Unitholder agrees that such Unitholder shall not treat any Company item inconsistently on such Unitholder's federal, state, foreign, or other income tax return with the treatment of the item on the Company's return. Any deficiency for taxes imposed on any Unitholder or former Unitholder (including penalties, additions to tax or interest imposed with respect to such taxes, and any taxes imposed pursuant to Code section 6226, as amended) shall be paid by such Unitholder, and if paid by the Company will be recoverable from such Unitholder.

(j) Survival. The obligations of each Unitholder or former Unitholder under this Section 8.2 shall survive any actual or attempted Transfer by such Unitholder of its Transferable Interest and the termination of this Agreement or the dissolution of the Company.

## **SECTION 9 AMENDMENTS**

### **9.1 Amendments.**

- (a) Consent. Amendments to this Agreement may be proposed by any Member. Following such proposal, the Board of Managers shall submit to the Members a verbatim statement of any proposed amendment, providing that counsel for the Company shall have approved of the same in writing as to form; and the Board of Managers shall include in any such submission a recommendation as to the proposed amendment. The Board of Managers shall seek the written vote of the Members on the proposed amendment or shall call a meeting to vote thereon and to transact any other business that it may deem appropriate. A proposed amendment shall be adopted and be effective as an amendment hereto if it receives the written consent or vote of a Majority in Interest of the Members.
- (b) Certain Amendments. Notwithstanding Section 9.1(a) or any other provision herein to the contrary (other than Section 2.1), this Agreement shall not be amended without the consent of each Member adversely affected if such amendment would modify the limited liability of a Member or alter the interest of a Unitholder in Profits, Losses or any Company distributions. Additionally, no amendment may alter any provision of this Agreement requiring approval by greater than a Majority in Interest of the Members without the approval of that percent of Members required to approve such action, if proposed. No amendment shall be made to the Percentage Interest held by the Resident Member unless such amendment would not cause a loss of any licenses held by the Company.

## **SECTION 10 TRANSFERS AND ADMISSIONS**

**10.1 Restrictions on Transfers.** Except as otherwise permitted by this Agreement, no Unitholder shall Transfer all or any portion of his, her or its Units. In addition, no Member that is an entity will permit the Transfer of more than 20% of the equity interest interests of such Member to any Person other than another Principal. Notwithstanding any other provision contained herein, any Transfer of any portion of a Unitholder's Units must be in compliance with the Marijuana Laws of the State of Alabama, and, to the extent any transfer is not in compliance with the Marijuana Laws of the State of Alabama, such Transfer is null and void. The Resident Member



shall not Transfer any portion of its units if such Transfer would be in contravention with the Resident Ownership Requirement.

**10.2 Permitted Transfers.** Subject to the conditions and restrictions set forth in Section 10.3, a Unitholder may at any time Transfer all or any portion of his, her or its Units to (a) any other Member, (b) a trust for the benefit of such Unitholder or such Unitholder's immediate family members, (c) an entity, equity owners of which are such Unitholder and/or such Unitholder's immediate family members, (d) such Unitholder's immediate family members by such Unitholder's will or by the intestacy laws of the state in which such Unitholder resides at the time of his or her death, (e) the equity owners of such Unitholder, (f) any Purchaser in accordance with Section 10.4 or (G) the Company or a third party upon the consent of a Majority in Interest of the Members and the Board of Managers (any such Transfer being referred to in this Agreement as a "Permitted Transfer")

**10.3 Conditions to Permitted Transfers.** A Transfer shall not be treated as a Permitted Transfer under Section 10.2 unless and until the following conditions are satisfied:

- (a) Documentation. Except in the case of a Transfer at death or involuntarily by operation of law, the transferor and transferee shall execute and deliver to the Company such documents and instruments of conveyance as may be necessary or appropriate in the opinion of counsel to the Company to effect such Transfer and to confirm the agreement of the transferee to be bound by this Agreement. In the case of a Transfer of Units at death or involuntarily by operation of law, the Transfer shall be confirmed by presentation to the Company of legal evidence of such Transfer, in form and substance satisfactory to counsel to the Company. In all cases, the Company shall be reimbursed by the transferor and/or transferee for all costs and expenses that it reasonably incurs in connection with such Transfer.
- (b) Taxpayer Information. The transferor and transferee shall furnish the Company with the transferee's taxpayer identification number, sufficient information to determine the transferee's initial tax basis in the Units transferred, and any other information reasonably necessary to permit the Company to file all required federal and state tax returns and other legally required information statements or returns. Without limiting the generality of the foregoing, the Company shall not be required to make any distribution otherwise provided for in this Agreement with respect to any transferred Units until it has received such information.
- (c) Registration. Except in the case of a Transfer of any Units at death or involuntarily by operation of law, either (i) such Units shall be registered under the Securities Act of 1933, as amended, and any applicable state securities law, or (ii) the transferor shall, upon request by the Company, provide an opinion of counsel, which opinion of counsel shall be reasonably satisfactory to the Board of Managers, to the effect that such Transfer is exempt from all applicable registration requirements and that such Transfer will not violate any applicable laws regulating the Transfer of securities.

- (d) Additional Restrictions. No notice or request initiating the procedures contemplated by Section 10.4 may be given by any Unitholder, while any notice, purchase or Transfer is pending under Section 10.4 or after a Dissolution Event has occurred. No Unitholder may sell any portion of his, her or its Units pursuant to Section 10.4 during any period that, as provided above, he, she or it may not give the notice initiating the procedures contemplated by such Section or thereafter until he, she or it shall have given such notice and otherwise complied with the provisions of such Section.
- (e) Compliance with Marijuana Laws. Notwithstanding any other provision contained herein, no Member shall make a Permitted Transfer all or any part of his, her or its Units without complying with the Marijuana Laws of the State of Alabama.

**10.4 Right of First Refusal.** In addition to the other limitations and restrictions set forth in this Section 10, except as permitted by Section 10.2, no Unitholder shall Transfer all or any portion of his, her or its Units (the “Offered Units”) unless such Unitholder (the “Seller”) first offers to sell the Offered Units pursuant to the terms of this Section 10.4.

- (a) Limitation on Transfers. No Transfer may be made under this Section 10.4 unless the Seller has received a bona fide written offer (the “Purchase Offer”) from a Person (the “Purchaser”) to purchase the Offered Units for a purchase price (the “Offer Price”) denominated and payable in United States dollars at closing or according to specified terms, with or without interest, which offer shall be in writing signed by the Purchaser and shall be irrevocable for a period ending no sooner than the first business day following the end of the Offer Period, as hereinafter defined.
- (b) Offer Notice. Prior to making any Transfer that is subject to the terms of this Section 10.4, the Seller shall give to the Company and each other Member written notice (the “Offer Notice”) which shall include a copy of the Purchase Offer and an offer (the “Firm Offer”) to sell the Offered Units to the other Members (the “Offerees”) for the Offer Price, payable according to the same terms as (or more favorable terms than) those contained in the Purchase Offer, provided that the Firm Offer shall be made without regard to the requirement of any earnest money or similar deposit required of the Purchaser prior to closing, and without regard to any security (other than the Offered Units) to be provided by the Purchaser for any deferred portion of the Offer Price.
- (c) Offer Period. The Firm Offer shall be irrevocable for a period (the “Offer Period”) ending at 11:59 p.m., local time at the Company’s principal place of business, on the ninetieth (90th) calendar day following the day of the Offer Notice.
- (d) Acceptance of Firm Offer. At any time during the Offer Period, any Offeree may accept the Firm Offer as to all or any portion of the Offered Units, by giving written notice of such acceptance to the Seller and each other Offeree, which notice shall indicate the maximum number of Units that such Offeree is willing to purchase. In the event that Offerees (“Accepting Offerees”), in the aggregate, accept the Firm Offer with respect to all of the Offered Units, the Firm Offer shall be deemed to be



accepted and each Accepting Offeree shall be deemed to have accepted the Firm Offer as to that portion of the Offered Units that corresponds to the ratio of the number of Units owned by such Accepting Offeree to the aggregate number of Units owned by all Accepting Offerees; provided, however, that if any one or more of the Accepting Offerees is not willing to purchase his, her or its full proportionate share of the Offered Units, the unaccepted portion of such Offered Units may be purchased proportionately by those of the Accepting Offerees who wish to purchase the balance of such Offered Units, or upon such basis as the Accepting Offerees shall mutually agree. If Offerees do not accept the Firm Offer as to all of the Offered Units during the Offer Period, the Firm Offer shall be deemed to be rejected in its entirety.

- (e) Closing of Purchase Pursuant to Firm Offer. In the event that the Firm Offer is accepted, the closing of the sale of the Offered Units shall take place within thirty (30) calendar days after the Firm Offer is accepted or, if later, the date of closing set forth in the Purchase Offer. The Seller and all Accepting Offerees shall execute such documents and instruments as may be necessary or appropriate to effect the sale of the Offered Units pursuant to the terms of the Firm Offer and this Section 10.
- (f) Sale Pursuant to Purchase Offer If Firm Offer Rejected. If the Firm Offer is not accepted in the manner hereinabove provided, the Seller may sell the Offered Units to the Purchaser at any time within sixty (60) calendar days after the last day of the Offer Period, provided that such sale shall be made on the terms contained in the Purchase Offer and provided further that such sale complies with other terms, conditions, and restrictions of this Agreement that are not expressly made inapplicable to sales occurring under this Section 10.4. In the event that the Offered Units are not sold in accordance with the terms of the preceding sentence, the Offered Units shall again become subject to all of the conditions and restrictions of this Section 10.4.

#### **10.5 Transfers Upon the Death of a Member.**

(a) In addition to the other limitations and restrictions set forth in this Section 10, upon the death of a Unitholder, the Company shall have the option, but not the obligation, to purchase all of the deceased Unitholder's Units pursuant to this Section 10.5. The Company will be permitted to assign its rights under this Section 10.5(a) to the remaining Member(s), in which case the remaining Member(s) will have the option to purchase such Units in accordance with the terms set forth in this Section 10.5; provided, however, that nothing herein shall be construed to create an obligation on the part of the remaining Member(s) to purchase such Units. In the event that there is more than one remaining Member and the Company assigns its rights under this Section 10.5(a) to such remaining Members, the Units of the deceased Unitholder shall be divided among the remaining Members in the ratio in which each such remaining Member's Units bears to the total Units owned by all the other remaining Members; provided, however, that if any one or more of the remaining Members does not purchase his, her, or its full proportionate share of the Units of the deceased Unitholder, the unaccepted portion of such Units may be purchased proportionately

by those of the remaining Members who wish to purchase the balance of such Units or upon such basis as the remaining Members shall mutually agree.

(b) The closing of the purchase shall take place at a time and place mutually agreeable to the parties. The designated date shall not be more than ninety (90) days after the death of the Unitholder, unless the value of the deceased Unitholder's Units shall not have been determined, in which case the closing shall occur as soon as practicable following the determination of the value of such Units. At the closing, the deceased Unitholder's authorized representative shall relinquish all right, title, and interest in and to the deceased Unitholder's Units. The deceased Unitholder's Units sold to the Company (or the remaining Member(s), as the case may be) pursuant to this Section 10.5 shall be free from liens, options, or encumbrances of any kind.

(c) The purchase price to be paid for the Units shall be the Fair Market Value of such Units determined in accordance with the provisions of Section 10.8 hereof.

(d) Payment of the purchase price by the Company or the remaining Member(s), as the case may be, shall be made in cash or immediately available funds at the closing.

(e) Notwithstanding anything in this Section 10.5 to the contrary, in the event that the Transfer upon a Unitholder's death of all or a portion of such Unitholder's Units would constitute a Permitted Transfer under Section 10.2 hereof, the options described in paragraph (a) of this Section shall not apply to any such Transfer.

#### **10.6 Involuntary Transfer.**

(a) If a Unitholder is subject to an Involuntary Transfer, as defined in Exhibit B, with respect to all or any portion of such Unitholder's Units, such Unitholder shall, upon becoming aware of such Involuntary Transfer, promptly notify the other Members and the Company, in writing, of such Involuntary Transfer. Upon receipt of such notice, the Company shall have the option, but not the obligation, to purchase all of such Unitholder's Units pursuant to this Section 10.6. The Company will be permitted to assign its rights under this Section 10.6(a) to the other Member(s), in which case the other Member(s) will have the option to purchase such Units in accordance with the terms of this Section 10.6(a); provided, however, that nothing herein shall be construed to create an obligation on the part of the other Member(s) to purchase such Units. In the event that there is more than one other Member and the Company assigns its rights under this Section 10.6(a) to such other Members, the Units of the Unitholder subject to an Involuntary Transfer shall be divided among the other Members in the ratio in which each such other Member's Units bears to the total Units owned by all the other Members; provided, however, that if any one or more of the other Members does not purchase his, her, or its full proportionate share of the Units of the Unitholder subject to an Involuntary Transfer, the unaccepted portion of such Units may be purchased proportionately by those of the other Members who wish to purchase the balance of such Units or upon such basis as the other Members shall mutually agree.

(b) The closing of the purchase shall take place at a time and place mutually agreeable to the parties. The designated date shall not be more than ninety (90) days after the notice required by Section 10.6(a), unless the value of the Units shall not have been determined, in which case the closing shall occur as soon as practicable following the determination of the value of the Units. At

the closing, the selling Unitholder shall relinquish all right, title, and interest in and to the Units. The Units sold to the Company (or the other Member(s), as the case may be) pursuant to this Section 10.6 shall be free from liens, options, or encumbrances of any kind.

(c) The purchase price to be paid for the Units shall be the Fair Market Value of such Units determined in accordance with the provisions of Section 10.8 hereof.

(d) Payment of the purchase price by the Company or the other Member(s) shall be made in cash or immediately available funds at the closing.

#### **10.7 Regulatory Divestments.**

(a) If a Member, member of the Board of Managers or an Officer becomes aware that a Regulatory Problem exists or may reasonably be expected to exist, such Member, member of the Board of Managers, or Officer will provide prompt written notice of the relevant details to the Company and the Affected Person.

(b) If a Member, member of the Board of Managers, or Officer shall become an Affected Person, such Affected Person shall promptly notify the Members and the Board of Managers of the relevant details and take all actions necessary or advisable to eliminate, terminate, discontinue or otherwise cure the Regulatory Problem within ninety (90) days after becoming aware, including, as applicable: (i) terminating the activity, relationship or other circumstances giving rise to the Regulatory Problem; (ii) divesting himself, herself or itself of any direct or indirect interest in, or disassociating himself or itself from, the Company or any Member; (iii) resigning as a member of the Board of Managers; (iv) immediately providing the applicable Marijuana Enforcement Authority with all information required or requested of the Affected Person; and (v) taking all other actions as may be necessary or appropriate to remedy the Regulatory Problem. If the Regulatory Problem is not resolved within ninety (90) days, then the Affected Person shall be deemed to have forfeited his, her or its Units and ceased to be a Member, and resigned as a member of the Board of Managers or Officer, as applicable, without any action necessary on the part of the Company or the Affected Person.

(c) In the event of such forfeiture of Units by an Affected Person as described in Section 9.06(b), above, the Company shall, unless precluded by Marijuana Laws, pay such Affected Person an amount equal to (i) (1) the number of forfeited Units multiplied by (2) the quotient of the Company Value divided by the number of Units outstanding as of the date the Units are forfeited by the Affected Person (ii) discounted by fifty percent (50%), and minus (iii) the amount of any fine levied against the Company because of such Regulatory Problem (the "Forfeiture Consideration"). The Forfeiture Consideration shall be paid to the Affected Member by the Company, in its sole discretion, in cash or by delivery of an unsecured promissory note (i) maturing on the fifth (5<sup>th</sup>) anniversary of the date on which the forfeiture occurred, (ii) payable in 60 equal installments of principal and interest, and (iii) accruing interest at a rate equal to the mid-term Applicable Federal Rate; provided, however, that the Company may pay the Forfeiture Consideration by offsetting and canceling any indebtedness then owed by the Member to the Company; provided, further, that if a promissory note in such instance would continue to present a Regulatory Problem, the Forfeiture Consideration amount shall be paid to the Affected Person in cash.

(d) The Company and the Members recognize that irreparable injury will result from a breach of this Section 10.7 and that money damages will be inadequate to fully remedy the injury. Accordingly, in the event of a breach or threatened breach of this Section 10.7 of this Agreement, the Company, in addition to any other remedies that may be available, shall be entitled to one or more preliminary or permanent orders compelling the performance of the Affected Person's obligation which, if not performed, would constitute a breach.

(e) In the event that the Resident Member is subject to the Regulatory Divestment specified in this Section 10.7, the Company shall replace the Resident Member with another individual or group of individuals who satisfy the Resident Ownership Requirement.

**10.8 Definition of Fair Market Value.** For purposes of this Agreement, "Fair Market Value" of a Unit shall be determined by the purchaser(s) and the seller. In the event that the parties cannot agree on the Fair Market Value of the applicable Unit, the Fair Market Value shall be determined by a nationally recognized appraisal firm, which shall value the Company, giving consideration to all items applicable to such determination at that date. Such appraisal shall be conducted by one appraisal firm if agreed to by the seller and the purchaser(s). If they are unable to agree on a single appraisal firm, then the seller, on the one hand, and the purchaser(s), on the other hand, shall each have the right to appoint their own appraisal firm. Notices of the appointments of such appraisal firms shall be delivered promptly to all parties. If two (2) appraisers are appointed, they shall attempt to agree mutually as to such value; but, if they are unable to do so within sixty (60) days after their appointment, they shall immediately submit in writing to all parties to the sale their respective appraisals of the fair market value of the Company and, if each such appraisal is within twenty percent (20%) of the average of both such appraisals, then that average shall be considered to be the value. If each such appraisal is not within twenty percent (20%) of the average of both such appraisals, then the two appraisers shall, within ten (10) days after said sixty (60) day period, mutually select and appoint a third appraiser, similarly qualified, and give written notice thereof to all parties to the sale. Within sixty (60) days after the appointment of the third appraiser, the three appraisers shall each submit its appraisal of such value in writing to each of the parties to the sale, and the value of the Company shall be conclusively determined by taking the average of the two appraisal value figures which are closest together. The Fair Market Value as determined by the above-described mechanism shall be final and binding upon the Company, the Members, their legal representatives, and any others affected by this Agreement. The cost of obtaining such appraisals shall be paid one-half by the purchaser(s) and one-half by the seller.

**10.9 Prohibited Transfers.** Any purported Transfer of Units that is not a Permitted Transfer shall be null and void and of no force or effect whatsoever; provided, however, that, if the Company is required to recognize a Transfer that is not a Permitted Transfer (or if the Board of Managers, in its sole discretion, elects to recognize a Transfer that is not a Permitted Transfer), the Units Transferred shall be strictly limited to the transferor's Transferable Interest as provided by this Agreement with respect to the Transferred Units, which Transferable Interest may be applied (without limiting any other legal or equitable rights of the Company) to satisfy any debts, obligations, or liabilities for damages that the transferor or transferee of such Units may have to the Company. In the case of a Transfer or attempted Transfer of Units that is not a Permitted Transfer, the parties engaging or attempting to engage in such Transfer shall be liable to indemnify and hold harmless the Company and the other Members from all cost, liability, and

damage that any of such indemnified Members may incur (including without limitation incremental tax liabilities, and attorneys' fees and expenses) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnity granted hereby.

**10.10 Rights of Unadmitted Assignees.** A Person who acquires Units, but who is not admitted as a substituted Member pursuant to Section 10.11, shall only be a holder of a Transferable Interest with respect to such Units in accordance with this Agreement and shall have no right to any information or accounting of the affairs of the Company, shall not be entitled to inspect the books or records of the Company, and except as otherwise provided in the LLC Law or this Agreement, shall not have any rights to participate in the direction and oversight of the activities and affairs of the Company or have other rights of a Member under the LLC Law or this Agreement. A Person who is not admitted as a substituted Member shall be considered as a Member for the limited purpose of determining the Transferable Interest of such Person and all other Persons who have Transferable Interests hereunder.

**10.11 Admission of Substituted Members.** Subject to the other provisions of this Section 10, a transferee of Units may be admitted to the Company as a substituted Member only upon satisfaction of the conditions set forth in this Section 10.11, and, where applicable, the Resident Ownership Requirement:

- (a) Consent of Members and Board of Managers. A Majority in Interest of the Members and the Board of Managers consent to such admission or votes for such admission, which consent or vote may be given or withheld in the sole and absolute discretion of such Members and the Board of Managers;
- (b) Permitted Transfers. The Units with respect to which the transferee is being admitted were acquired by means of a Permitted Transfer;
- (c) Joinder. The transferee of Units (other than, with respect to clauses (i) and (ii) below, a transferee that was a Member prior to the Transfer) shall, by written instrument in form and substance reasonably satisfactory to the Board of Managers (and, in the case of clause (iii) below, the transferor Member), (i) make representations and warranties to each non-transferring Member equivalent to those set forth in Section 7, (ii) accept and adopt the terms and provisions of this Agreement, including this Section 10, and (iii) assume the obligations of the transferor Member under this Agreement with respect to the Transferred Units. The transferor Member shall be released from all such assumed obligations except (x) those obligations or liabilities of the transferor Member arising out of a breach of this Agreement, (y) in the case of a Transfer to any Person other than a Member or any of his, her or its Affiliates, those obligations or liabilities of the transferor Member based on events occurring, arising or maturing prior to the date of Transfer, and (z) in the case of a Transfer to any of his, her or its Affiliates, any Capital Contribution or other financing obligation of the transferor Member under this Agreement;
- (d) Reimbursement of Company Expenses. The transferee pays or reimburses the Company for all reasonable legal, filing, and publication costs that the Company

incurs in connection with the admission of the transferee as a Member with respect to the Transferred Units; and

- (e) Other Documentation. Except in the case of a Transfer by death or involuntarily by operation of law, if required by the Board of Managers, the transferee and transferor shall each execute and deliver such other instruments as the Board of Managers reasonably deems necessary or appropriate to effect the Transfer.

**10.12 Cessation of Membership.** If any Units are Transferred in compliance with the provisions of this Section 10 or as required to be recognized by the Company, the transferor shall have no further rights to participate in the direction and oversight of the activities and affairs of the Company or other rights of a Member under the LLC Law or this Agreement with respect to such Transferred Units as of the effective date of such Transfer. If the Units are Transferred to the Company in compliance with the provisions of this Section 10, such Units shall no longer be considered issued and outstanding.

**10.13 Distributions and Allocations in Respect of Transferred Units.** If any Units are Transferred during any Fiscal Year in compliance with the provisions of this Section 10, Profits, Losses, each item thereof, and all other items attributable to the Transferred Units for such Fiscal Year shall be divided and allocated between the transferor and the transferee by taking into account their varying Percentage Interests during the Fiscal Year in accordance with Code section 706(d), using any conventions permitted by law and selected by the Board of Managers. All distributions on or before the date of such Transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee. Solely for purposes of making such allocations and distributions, the Company shall recognize such Transfer not later than the end of the calendar month during which it is given notice of such Transfer, provided that, if the Company is given notice of a Transfer at least ten (10) business days prior to the Transfer, the Company shall recognize such Transfer as of the date of such Transfer, and provided further that if the Company does not receive a notice stating the date such Units were Transferred and such other information as the Board of Managers may reasonably require within thirty (30) calendar days after the end of the Fiscal Year during which the Transfer occurs, then all such items shall be allocated, and all distributions shall be made, to the Person who, according to the books and records of the Company, was the owner of the Units on the last day of such Fiscal Year. Neither the Company nor any Member shall incur any liability for making allocations and distributions in accordance with the provisions of this Section 10.13, whether or not any Member or the Company has knowledge of any Transfer of ownership of any Units.

**10.14 Admission of Members After the Effective Date; Issuance of Additional Units.**

- (a) Admission of Additional Members. The Company, upon the consent or vote of a Majority in Interest of the Members and the Board of Managers, may admit additional Members and issue Units to such additional Members upon such terms and conditions as may be determined appropriate by such Members and the Board of Managers.

- (b) Issuance of Additional Units. The Board of Managers may cause the Company to increase the number of Units owned by an existing Member upon such terms and conditions as may be determined appropriate by the Board of Managers.

## SECTION 11 DISSOLUTION AND WINDING UP

### 11.1 Dissolution Events.

- (a) Dissolution. The Company is dissolved and shall commence winding up and liquidating upon the first to occur of any of the following (each a “Dissolution Event”):
- (i) the unanimous written consent or vote of all of the Members to dissolve, wind up, and liquidate the Company;
  - (ii) a judicial determination in accordance with the LLC Law that an event has occurred that makes it unlawful, impossible or impractical to carry on the business of the Company; or
  - (iii) there are no remaining Members, unless within ninety (90) calendar days after the dissociation of the last Member, all of the holders of Transferable Interests agree in writing to continue the legal existence and affairs of the Company and to appoint one or more new Members.

The Members hereby agree that, notwithstanding any provision of the LLC Law, the Company shall not dissolve prior to the occurrence of a Dissolution Event.

- (b) Reinstatement. If the Company has dissolved pursuant to (A) Sections 11.1(a)(i) or (ii), the Company may be reinstated upon the written consent or vote of a Majority in Interest of the Members or (B) Section 11.1(a)(iii), the Company may be reinstated upon the written consent or vote of all of the holders of Transferable Interests. Upon such consent or vote, the Company shall file a Certificate of Reinstatement pursuant to the LLC Law, shall continue its legal existence until the occurrence of a Dissolution Event as provided in Section 11.1(a) and shall continue its business and existence on the same terms and conditions set forth in this Agreement.

**11.2 Winding Up.** Upon the occurrence of a Dissolution Event (unless the Company is reconstituted pursuant to Section 11.1(b)), the Company shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Members, and no Member shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Company’s business and affairs, provided that all covenants contained in this Agreement and obligations provided for in this Agreement shall continue to be fully binding upon the Members until such time as the Company property shall have been distributed pursuant to this Section 11.2. Upon the occurrence of a Dissolution Event (unless the Company is reconstituted pursuant to Section 11.1(b)), the Company may file a Statement of Dissolution pursuant to the LLC Law upon the written consent or vote of a Majority in Interest of the Members. The Liquidator (as determined pursuant to Section 11.7) shall be responsible for overseeing the winding up and dissolution of the Company, which winding up and dissolution shall be completed within ninety (90) calendar days of the occurrence of the Dissolution Event and

within ninety (90) calendar days after the last day on which the Company may be reconstituted pursuant to Section 11.1(b). The Liquidator shall take full account of the Company's liabilities and property and shall cause the property or the proceeds from the sale thereof, to the extent sufficient therefor, to be applied and distributed, to the maximum extent permitted by law, in the following order:

- (a) To Creditors. First, to creditors (including Unitholders who are creditors to the extent allowed by the LLC Law or otherwise permitted by law) in satisfaction of all of the Company's debts and other liabilities (whether by payment or the making of reasonable provision for payment thereof), other than liabilities for which reasonable provision for payment has been made and liabilities for interim distributions to Unitholders under the LLC Law;
- (b) Interim Distributions. Second, except as provided in this Agreement, to Unitholders and former Unitholders of the Company in satisfaction of liabilities for interim distributions under the LLC Law; and
- (c) Balance. The balance, if any, to the Unitholders in accordance with the positive balance in their Capital Accounts, after giving effect to all contributions, distributions and allocations for all periods.

No Member shall receive additional compensation for any services performed pursuant to this Section 11. The Liquidator may determine whether to distribute all or any portion of the Company property in-kind or to sell all or any portion of such property and distribute the proceeds therefrom.

**11.3 Compliance With Certain Requirements of Regulations; Deficit Capital Accounts**. In the event the Company is "liquidated" within the meaning of Regulations section 1.704-1(b)(2)(ii)(g), distributions shall be made pursuant to this Section 11 to the Unitholders who have positive Capital Accounts in compliance with Regulations section 1.704-1(b)(2)(ii)(b)(2). If any Unitholder has a deficit balance in such Unitholder's Capital Account (after giving effect to all contributions, distributions and allocations for all Fiscal Years, including the Fiscal Year during which such liquidation occurs), such Unitholder shall have no obligation to make any contribution to the capital of the Company with respect to such deficit, and such deficit shall not be considered a debt owed to the Company or to any other Person for any purpose whatsoever. In the discretion of the Liquidator, a pro rata portion of the distributions that would otherwise be made to the Unitholders pursuant to this Section 11 may be:

- (a) Liquidation Trust. Distributed to a trust established for the benefit of the Unitholders for the purposes of liquidating Company assets, collecting amounts owed to the Company, and paying any contingent or unforeseen liabilities or obligations of the Company. The assets of any such trust shall be distributed to the Unitholders from time to time, in the reasonable discretion of the Liquidator, in the same proportions as the amount distributed to such trust by the Company would otherwise have been distributed to the Unitholders pursuant to Section 11.2; or



- (b) Reserves. Withheld to provide a reasonable reserve for Company liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Company, provided that such withheld amounts shall be distributed to the Unitholders as soon as practicable.

**11.4 Rights of Unitholders.** Except as otherwise provided in this Agreement, each Unitholder shall look solely to the property of the Company for the return of his, her or its Capital Contribution and shall have no right or power to demand or receive property other than cash from the Company. If the assets of the Company remaining after payment or discharge of the debts or liabilities of the Company are insufficient to return such Capital Contribution, the Unitholders shall have no recourse against the Company or any other Unitholder, including Unitholders who are members of the Board of Managers.

**11.5 Notice of Dissolution/Termination.**

- (a) Notice. In the event a Dissolution Event occurs or an event occurs that would, but for provisions of Section 11.1, result in a dissolution of the Company, the Board of Managers shall, within thirty (30) calendar days thereafter, provide written notice thereof to each of the Members and to those known to have claims against the Company and shall publish notice thereof in a newspaper of general circulation in the county in which the Company's principal office was last located (as determined in the discretion of the Board of Managers), which notice shall set forth such information as would be required by the LLC Law to commence the period after the expiration of which claims against the Company would be barred.
- (b) Termination. Upon completion of the distribution of the Company's property as provided in this Section 11, the Company shall be terminated, and the Liquidator shall ensure that all filings required by the LLC Law are made and shall take all such other actions as may be necessary to terminate the Company.

**11.6 Allocations During Period of Liquidation.** During the period commencing on the first day of the Fiscal Year during which a Dissolution Event occurs and ending on the date on which all of the assets of the Company have been distributed to the Unitholders pursuant to Section 11.2, the Unitholders shall continue to share Profits, Losses, gain, loss and other items of Company income, gain, loss or deduction in the manner provided in Exhibit C.

**11.7 The Liquidator.**

- (a) Appointment. The "Liquidator" shall mean a Person appointed by the Board of Managers to oversee the liquidation of the Company.
- (b) Fee. The Company is authorized to pay a reasonable fee to the Liquidator for its services performed pursuant to this Section 11 and to reimburse the Liquidator for its reasonable costs and expenses incurred in performing those services.
- (c) Indemnification. The Company shall indemnify, save harmless, and pay all judgments and claims against such Liquidator or any officers, directors, agents or employees of the Liquidator relating to any liability or damage incurred by reason

of any act performed or omitted to be performed by the Liquidator, or any officers, directors, agents or employees of the Liquidator in connection with the liquidation of the Company, including reasonable attorneys' fees incurred by the Liquidator, officer, director, agent or employee in connection with the defense of any action based on any such act or omission, which attorneys' fees may be paid as incurred, except to the extent such liability or damage is caused by the fraud, intentional misconduct of, or a knowing violation of the laws by the Liquidator which was material to the cause of action.

## SECTION 12 INDEMNIFICATION

In amplification, and not in limitation, of applicable provisions of the LLC Law and other provisions of Alabama law:

### 12.1 General.

(a) Mandatory. The Company shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, including appeals (other than an action by or in the right of the Company), whether informal or formal by reason of the fact that such Person is or was a Member or Board of Managers member against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such Person in connection with the defense or settlement of such claim, action, suit or proceeding if such Person acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Company; and, with respect to any criminal action or proceeding, had no reasonable cause to believe such Person's conduct was unlawful. The termination of any claim, action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that such Person did not act in good faith and in a manner which such Person reasonably believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such Person's conduct was unlawful. Provided, however, that no indemnification shall be made in respect of any claim, issue or matter as to which such Person shall have been adjudged to be liable for negligence or misconduct in the performance of such Person's duty to the Company unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such Person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(b) Permissive. The Company may indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, including appeals (other than an action by or in the right of the Company), whether informal or formal by reason of the fact that such Person is or was an officer, employee or agent of the Company or its Affiliate, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such Person in connection with the defense or settlement of such claim, action, suit or proceeding if such Person acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Company; and, with respect to any criminal

action or proceeding, had no reasonable cause to believe such Person's conduct was unlawful. The termination of any claim, action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that such Person did not act in good faith and in a manner which such Person reasonably believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such Person's conduct was unlawful. Provided, however, that no indemnification shall be made in respect of any claim, issue or matter as to which such Person shall have been adjudged to be liable for negligence or misconduct in the performance of such Person's duty to the Company unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such Person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

**12.2 Separation of Claims.** To the extent that a Member or Board of Managers member (or officer of the Company or an Affiliate of any of the foregoing, if applicable) has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 12.1, or in defense of any claim, issue or matter therein, such Person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such Person in connection therewith, notwithstanding that such Person has not been successful on any other claim, issue or matter in any such action, suit or proceeding.

**12.3 Authorization.** Any indemnification under Section 12.1 (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the Member or Board of Managers member (or officer of the Company or an Affiliate of any of the foregoing, if applicable) is proper in the circumstances because such Person has met the applicable standard of conduct set forth in Section 12.1. Such determination shall be made by the Board of Managers.

**12.4 Advances.** Expenses (including attorneys' fees) incurred in defending a civil or criminal claim, action, suit or proceeding may be paid by the Company in advance of the final disposition of such claim, action, suit or proceeding as authorized in the manner provided in this Section 12.4 upon receipt of an undertaking by or on behalf of the Member, Board of Managers member or officer of the Company, or an Affiliate of any of the foregoing, to repay such amount if, and to the extent that, it shall ultimately be determined that such Person is not entitled to be indemnified by the Company as authorized in this Section 12.

**12.5 Non-exclusive.** The indemnification authorized by this Section 12 shall not be deemed exclusive of, and shall be in addition to, any other rights to which those indemnified may be entitled under any statute, rule of law, this Agreement, other agreement, vote of Members or otherwise, both as to action in such Person's official capacity and as to action in another capacity while holding such office, and shall continue as to a Person who has ceased to be a Member, Board of Managers member or officer of the Company, or any Affiliate of any of the foregoing, and shall inure to the benefit of the heirs, executors, administrators and assigns of such a Person.

**12.6 Insurance.** The Company shall have the power to purchase and maintain insurance on behalf of any Person who is or was a Member, Board of Managers member, officer, employee or agent of the Company or any Affiliate of any of the foregoing, or is or was serving at the request

of the Company or the Board of Managers as a director, officer, partner, manager, employee, trustee or agent of another company, partnership, joint venture, trust or other enterprise against any liability asserted against, and incurred by, such Person in any such capacity or arising out of such Person's status as such, whether or not the Company would have the power to indemnify such Person against such liability under the provisions of this Section 12.

### SECTION 13 MISCELLANEOUS

**13.1 Confidentiality.** Each Member and Principal acknowledges and agrees that such Member or Principal will receive and become aware of certain Information of the Company which constitutes trade secrets, including, without limitation, any and all Information of the following types that constitutes trade secrets: (a) marketing and customer data (including the identity of customers and customer lists); (b) business or financial Information, tax returns, financial statements, projections, business plans or strategic or marketing plans, market studies or analyses, prospectuses; (c) cost and expense information, pricing and discount information, gross or net profit margins or analyses; (d) trade secrets, secret or proprietary processes, recipes and formulae; (e) codes, designs, programs, processes, techniques, databases and Internet web-page designs; (f) terms, conditions, provisions or obligations of any contracts or agreements to which the Company is a party; (g) personnel data; (h) other nonpublic Information concerning the business of the Company; and (i) any other Information the disclosure of which might harm or destroy the competitive advantage of the Company (all of the foregoing shall hereinafter be referred to as the "Confidential Information"). Notwithstanding the foregoing, the Confidential Information shall not include any information which (x) is generally known or generally available in the public domain, (y) is required to be disclosed in the context of any administrative or judicial proceeding, or (z) is required by legal process, law or any governmental, administrative or regulatory authority.

**13.2 No Disclosure.** Each Member and Principal agrees that such Member or Principal will not, for so long as such Member is a Member or such Principal is an owner of a Member and for a period of three (3) years thereafter, directly or indirectly, (i) disclose any Confidential Information to any third-party, other than such Member's or Principal's attorneys, accountants, and financial advisors, so long as such Persons are advised of the confidentiality provision of this Section, or (ii) copy, use or publish any Confidential Information, except for a purpose of fulfilling its obligations to the Company or monitoring its investment in the Company.

**13.3 Non-Compete.** Each Member and Principal acknowledges and agrees that the Company has a legitimate business interest in protecting the Company against certain competitive activities by any current or former Member or Principal. In recognition of foregoing, and in consideration of the mutual covenants and agreements set forth in this Agreement, each Member and Principal agrees that at all times while it is a Member (or he or she is a Principal of a Member) and for the two (2) years after it ceases to be a Member (or he or she a Principal of a Member) for any reason (the "Restricted Period"), such Member and Principal shall not, within the State of Alabama, directly or indirectly, whether as a member, stockholder, director, officer, partner, proprietor, employee, agent, contractor or otherwise, (a) render services or give advice to, or affiliate with, or (b) own, manage, operate, control, or participate in the ownership, management, operation, or control of, any Competitor or any division or business segment of any Competitor.

**13.4 Non-Solicitation.** During the Restricted Period, each Member and Principal agrees that such Member or Principal shall not, directly or indirectly, (a) induce or attempt to induce any employee or contractor of the Company to leave the employ or service of the Company, or in any way interfere with the relationship between the Company and any employee or contractor thereof, (b) hire or otherwise retain for services any Person who is or, during the prior twelve (12) months was, an employee or contractor of the Company, or (c) call on, solicit or service any customer or supplier of the Company (including any Person that was an actual or potential or prospective customer or supplier of the Company during the prior twelve (12) months immediately prior to such call, solicit or service), induce or attempt to induce such Person to cease doing business with the Company or in any way interfere with the relationship between any such customer or supplier or other potential or prospective business relation of the Company. This Section shall not prevent a Member or Principal from hiring or soliciting any employee or former employee of the Company or any Company subsidiary who responds to a general solicitation that is a public solicitation of prospective employees and not directed specifically to any Company or Company subsidiary employees.

**13.5 Non-Disparagement.** During the Restricted Period, each Member and Principal agrees that such Member or Principal shall not make or publish any written or oral statement that is disparaging, deleterious or damaging to the integrity, reputation or goodwill of the Company or its Affiliates, Members, Board of Managers or Officers. Nothing in this Section is applicable to: (a) truthful testimony obtained through subpoena, (b) any truthful information provided pursuant to investigation by any governmental body, (c) any truthful information provided pursuant to any legal action by a party under this Agreement asserted by such party in good faith, (d) factual statements relating to a dispute contained in documents reasonably related to litigation or settlement, or (e) any confidential communication with such Person's legal counsel.

**13.6 Illegality of Cannabis Operations.** The Members expressly acknowledge that commercial activities involving cannabis, such as the intended business of the Company, are illegal under federal law. No party hereto, nor their attorneys, nor attorneys for the Company have made any representation to the contrary.

**13.7 Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (i) when delivered personally to the Person or to any officer of the Person to whom the same is directed, (ii) on the date sent by email of a PDF document, with confirmation of transmission, if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient or (iii) when actually received by the addressee if sent either by registered or certified mail or nationally recognized overnight courier, postage and charges prepaid, addressed as follows, or to such other address as such Person may from time to time specify by notice to the Company and the Unitholders:

- (a) To Company. If to the Company, to the address of its principal place of business or its registered office address;
- (b) To Unitholders. If to a Unitholder, to the address set forth in Exhibit A to this Agreement.

**13.8 Binding Effect.** Except as otherwise provided in this Agreement, every covenant, term, and provision of this Agreement shall be binding upon and inure to the benefit of the Unitholders and their respective successors, transferees, and assigns.

**13.9 Headings.** Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof.

**13.10 Severability.** Except as otherwise provided in the succeeding sentence, every provision of this Agreement is intended to be severable, and, if any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of this Agreement. The preceding sentence of this Section 13.10 shall be of no force or effect if the consequence of enforcing the remainder of this Agreement without such illegal or invalid term or provision would be to cause any Member to lose the material benefit of its economic bargain.

**13.11 Incorporation by Reference.** Every exhibit, schedule, and other appendix attached to this Agreement and referred to herein is incorporated in this Agreement by reference unless this Agreement expressly otherwise provides.

**13.12 Further Actions.** Each Unitholder upon the request of the Board of Managers agrees to perform all further acts and execute, acknowledge, and deliver any documents which may be reasonably necessary, appropriate, or desirable to carry out the provisions of this Agreement.

**13.13 Variation of Terms.** All terms and any variations thereof shall be deemed to refer to masculine, feminine, or neuter, singular or plural, as the identity of the Person or Persons may require.

**13.14 Governing Law.** The laws of the State of Alabama shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties arising hereunder.

**13.15 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same document. A signed copy of this Agreement delivered by email or other means of Electronic Transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

**13.16 Prior Agreements.** This Agreement supersedes all prior understandings or agreements, written or oral, between the parties relating to the subject matter hereof.

**13.17 Specific Performance.** Each Unitholder agrees with the other Unitholders that the other Unitholders would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that monetary damages would not provide an adequate remedy in such event. Accordingly, it is agreed that, in addition to any other remedy to which the non-breaching Unitholders may be entitled, at law or in equity, the non-breaching Unitholders shall be entitled to injunctive relief to prevent breaches of the provisions of this

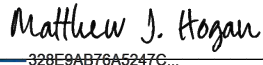
Agreement and specifically to enforce the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having subject matter jurisdiction thereof.

**13.18 Mandatory Arbitration of All Disputes.** Any dispute between or among the Company, any of the Members, any Unitholders or any other parties which cannot be resolved by agreement, except for a dispute arising under Section 10.8, shall be resolved by arbitration as provided in Exhibit E. The resolution of a dispute by arbitration as provided in Exhibit E shall be final as between the parties to the dispute and may be enforced or preserved upon application to any court of competent jurisdiction.

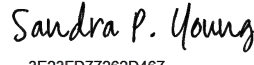
**IN WITNESS WHEREOF**, the parties hereto have executed or caused the execution of this Agreement as of the Effective Date.

**MEMBERS:**

ATG ENDEAVORS, LLC

DocuSigned by:  
By:   
328E9AB76A5247C...  
Name: Matthew J. Hogan  
Its: Member

YOUNG VENTURES ALABAMA USA, LLC

DocuSigned by:  
By:   
3E23FD77262D467...  
Name: Sandra P. Young  
Its: Member

EEC OF ALABAMA, LLC

DocuSigned by:  
By:   
7A4FAC2B94C9438...  
Name: Ernest Craumer  
Its: Member



**EXHIBIT A**

**Ownership Schedule as of June 22, 2022**

<b><u>Member Name</u></b>	<b><u>Units</u></b>	<b><u>Percentage Interest</u></b>
ATG Endeavors, LLC [REDACTED] [REDACTED]	51	51%
Young Ventures Alabama USA, LLC [REDACTED] [REDACTED]	24.5	24.5%
EEC of Alabama, LLC [REDACTED] [REDACTED]	24.5	24.5%
<b>Totals</b>	<b><u>100</u></b>	<b><u>100</u></b>

## **EXHIBIT B**

### **Definitions**

Except as otherwise set forth in Exhibit C, capitalized words and phrases used in this Agreement have the following meanings:

“**Accepting Offerees**” has the meaning set forth in Section 10.4(d).

“**Affected Person**” means any Member or Board of Managers for which a Regulatory Problem has occurred.

“**Affiliate**” means, with respect to any Person (i) any Person directly or indirectly controlling, controlled by or under common control with such Person, (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting interest of such Person, or (iii) any officer, director, general partner, member, shareholder or trustee of such Person. For purposes of this definition, the terms “controls,” “controlling,” “controlled by” or “under common control with” shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person or entity, whether through the ownership of voting securities, by contract or otherwise.

“**Agreement**” has the meaning set forth in the introductory paragraph.

“**AMCC**” means the Alabama Medical Cannabis Commission.

“**Board of Managers**” has the meaning set forth in Section 5.1(a).

“**Capital Account**” means, with respect to any Unitholder, the Capital Contributions made by such Unitholder as adjusted up to the date in question pursuant to Section 2.

“**Capital Contributions**” means, with respect to any Unitholder, the amount of money and the Gross Asset Value at the time of contribution of any property (other than money) contributed to the Company with respect to the Units in the Company held or purchased by such Unitholder, including any additional Capital Contributions.

“**Code**” means the United States Internal Revenue Code of 1986, as amended.

“**Company**” has the meaning set forth in the introductory paragraph.

“**Company Value**” means an amount equal to 1.25 multiplied by the Company’s total gross revenues on a trailing twelve (12) months basis for the twelve (12) consecutive months prior to the date on which an Affected Members Units are to be forfeited under Section 10.7(b); provided, that if at the time of determining Company Value the Company has been operating for less than 12 months, gross revenue for the actual period of operations shall be annualized and multiplied by 1.25 to determine the Company Value.

“**Competitor**” means any other Person engaged, directly or indirectly, in whole or in part, in the same or similar business as the Company, including those engaged in the business of operating marijuana and cannabinoids dispensaries, in the State of Alabama.

“**Dispensary**” means the medical cannabis dispensary to be owned by the Company upon licensure from the AMCC.

“**Dissolution Event**” has the meaning set forth in Section 11.1(a).

“**Effective Date**” has the meaning set forth in the introductory paragraph.

“**Electronic Transmission**” means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process.

“**Fair Market Value**” has the meaning set forth in Section 10.8.

“**Filing Instrument**” means the Certificate of Formation filed with the Filing Office pursuant to the LLC Law to form the Company, as amended or restated.

“**Filing Office**” means the office of the Alabama Secretary of State.

“**Firm Offer**” has the meaning set forth in Section 10.4(b).

“**Fiscal Year**” means (i) the period commencing on the Effective Date and ending on December 31 of such year, (ii) any subsequent twelve-month period commencing on January 1 and ending on December 31 and (iii) the period commencing on the immediately preceding January 1 and ending on the date on which all property is distributed to the Unitholders pursuant to Section 11.

“**Indemnifying Unitholder**” has the meaning set forth in Section 8.2(h).

“**Information**” means and includes any data or information of the Company, including, without limitation, data or information in the form of (i) any written information, reports, documents, books, notebooks, memoranda, charts or graphs; (ii) computer tapes, disks, CD-ROM, files, electronic mail (email) or other mechanical or electronic media; (iii) oral statements, representations or presentations; (iv) audio, visual or audio-visual materials or presentations, including CDs or electronic or digital audio files; and (v) any other documentary, written, magnetic or other permanent or semi-permanent form.

“**Involuntary Transfer**” means any Units that are involuntary sold, transferred or otherwise disposed, or an involuntary sale, transfer or disposal is threatened by any third party whether by (i) a sale upon execution or in foreclosure of any pledge, hypothecation, lien or charge (except a pledge, hypothecation, lien or charge granted to a Unitholder), (ii) the acquisition of an interest therein by a trustee in bankruptcy or a receiver, (iii) a court order in connection with a property division in a divorce proceeding, or (iv) any other means.

“**Liquidator**” has the meaning set forth in Section 11.7.

“**LLC Law**” means the Alabama Limited Liability Company Law of 2014, as amended from time to time.

“**Losses**” has the meaning set forth in the definition of “Profits” and “Losses.”

“**Majority in Interest of the Members**” means Members who own more than fifty percent (50%) of the Units held by all of the Members.

“**Marijuana Enforcement Authority**” means those state, local and foreign governmental, regulatory and administrative authorities, agencies, boards and officials responsible for or involved in the regulation of the testing, analysis, quality control, cultivation, sale, distribution, import and/or export of, and all other matters and activities with respect to, marijuana and cannabinoids in any jurisdiction in which the Company conducts business.

“**Marijuana Laws**” means those laws, and the rules and regulations promulgated by any Marijuana Enforcement Authority under such laws, pursuant to which any Marijuana Enforcement Authority possesses regulatory or licensing authority over marijuana and cannabinoids within any jurisdiction in which the Company conducts business.

“**Marijuana License**” means any license, permit, approval, authorization, registration, finding of suitability, franchise and entitlement issued by any Marijuana Enforcement Authority necessary for the lawful conduct of activities by the Company under Marijuana Laws.

“**Member**” means any Person, which may be an individual, trust or entity, as the context permits, (i) who is referred to as such on Exhibit A to this Agreement, or who has become a substituted Member pursuant to the terms of this Agreement and (ii) who has not ceased to be a Member.

“**Net Cash Flow**” means the gross cash proceeds of the Company less the portion thereof used to pay or establish reserves for all Company expenses, debt payments, capital improvements, replacements, and contingencies, all as determined by the Board of Managers. Net Cash Flow shall not be reduced by depreciation, amortization, cost recovery deductions, or similar allowances, but shall be increased by any reductions of reserves previously established pursuant to the first sentence of this definition.

“**Offer Notice**” has the meaning set forth in Section 10.4(b).

“**Offer Price**” has the meaning set forth in Section 10.4(a).

“**Offer Period**” has the meaning set forth in Section 10.4(c).

“**Offerees**” has the meaning set forth in Section 10.4(b).

“**Offered Units**” has the meaning set forth in Section 10.4.

**“Percentage Interest”** means, with respect to any Unitholder as of any date, the ratio (expressed as a fraction) of the number of Units held by such Unitholder on such date to the aggregate Units held by all of the Unitholders on such date. The Percentage Interest of each Unitholder on the Effective Date is set forth on Exhibit A.

**“Permitted Transfer”** has the meaning set forth in Section 10.2.

**“Person”** means an individual, trust or entity.

**“Principal”** means (a) with respect to ATG Endeavors, LLC, Matthew J. Hogan, (b) with respect to EEC of Alabama, LLC, Ernest Craumer, and (c) with respect to Young Ventures Alabama USA, LLC, Sandra P. Young.

**“Profits”** and **“Losses”** have the meaning set forth in Exhibit C.

**“Purchase Offer”** has the meaning set forth in Section 10.4(a).

**“Purchaser”** has the meaning set forth in Section 10.4(a).

**“Reconstitution Period”** has the meaning set forth in Section 11.1(b).

**“Regulations”** means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations are amended from time to time.

**“Regulatory Allocations”** has the meaning set forth in Exhibit C.

**“Regulatory Problem”** means (a) a determination by any Marijuana Enforcement Authority that any Member, Board of Managers member, Officer, or other agent or associate of the Company does not satisfy any suitability, eligibility or other qualification criteria pursuant to any applicable Marijuana Laws with respect to an Marijuana License, including any character or suitability criteria thereunder, (b) a determination by any Marijuana Enforcement Authority that a Member or other Person must divest itself of any direct or indirect interest in, or disassociate itself from the Company or any Member, or any of their respective Affiliates, (c) the failure by any Member, Officer, or other associate to promptly provide all information required or requested by any Marijuana Enforcement Authority of said Person, or (d) circumstances exist such that any Member, Officer, or other associate is deemed likely, in the reasonable discretion of the Board of Managers (excluding the Affected Person), in each case based on verifiable information received from any Marijuana Enforcement Authority or otherwise, to preclude or unreasonably delay, impede or impair the ability of the Company to obtain, retain or renew a Marijuana License, or may result in the imposition of materially burdensome terms and conditions on, or the revocation or suspension of, such a Marijuana License. For the avoidance of doubt, the imposition of monetary fines by a Marijuana Enforcement Authority will not generally constitute a “Regulatory Problem” unless accompanied by one of the three factors set forth in the preceding sentence.

**“Seller”** has the meaning set forth in Section 10.4.

“**Services Agreements**” means, collectively, any agreement by and between the Company and Principal, pursuant to which said Principal will perform certain services to and on behalf of the Company.

“**Transfer**” means, as a noun, any voluntary or involuntary transfer, sale, pledge or hypothecation or other disposition and, as a verb, voluntarily or involuntarily to transfer, sell, pledge, hypothecate or otherwise dispose of.

“**Transferable Interest**” means a Unitholder’s right to receive allocations of Profits and Losses, to receive interim, and terminating distributions from the Company, but shall not include any right to participate in the management or affairs of the Company, such as the right to vote on, consent to or otherwise participate in any decision of the Members.

“**Units**” or “**Unit**” means an ownership interest in the Company, including any and all benefits to which the holder of such Unit or Units may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement.

“**Unitholder**” means any Member or other holder of a Transferable Interest that is not a Member that is an owner of one or more Units (or a fraction thereof).

**EXHIBIT C**

**Capital Accounts and Tax Allocations**

**I. Allocation Definitions.** Capitalized terms and phrases used in this Exhibit C have the following meanings:

“**Adjusted Capital Account Deficit**” means, with respect to any Unitholder, the deficit balance, if any, in such Unitholder’s Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) credit to such Capital Account any amounts which such Unitholder is deemed to be obligated to restore pursuant to any provision of this Agreement or is deemed obligated to restore pursuant to the penultimate sentences in Regulations sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) debit to such Capital Account the items described in Regulations sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

“**Company Minimum Gain**” has the meaning as the term “partnership minimum gain” set forth in Regulations section 1.704-2(b)(2) and 1.704-2(d).

“**Depreciation**” means, for each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such Fiscal Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Board of Managers.

“**Gross Asset Value**” means with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(i) the initial Gross Asset Value of any asset contributed by a Unitholder to the Company shall be the gross fair market value (taking Code section 7701(g) into account) of such asset on the date of contribution, as determined by the Board of Managers provided that the initial Gross Asset Values of the assets contributed to the Company pursuant to Section 2.1 shall be as set forth in Exhibit A;

(ii) the Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values as determined by the Board of Managers as of the following times: (A) the acquisition of an additional interest in the Company by any new or existing Unitholder in exchange for more than a de minimis Capital Contribution or in exchange for the performance of services to or for the benefit of the Company; (B) the distribution by the Company to a Unitholder of more than a de minimis amount of Company property as consideration for an interest in the Company; and (C) the liquidation of the Company within the meaning of Regulations section 1.704-1(b)(2)(ii)(g), provided that an adjustment described in clauses (A) and (B) of this paragraph shall be made only if the Board of Managers reasonably determines that such adjustment is necessary to reflect the relative economic interests of the Unitholders in the Company;

(iii) the Gross Asset Value of any item of Company assets distributed to any Unitholder shall be adjusted to equal the gross fair market value (taking Code section 7701(g) into account) of such asset on the date of distribution as determined by the Board of Managers; and

(iv) the Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code section 734(b) or Code section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (iv) to the extent that an adjustment pursuant to subparagraph (ii) is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (i), (ii) or (iv), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset, for purposes of computing Profits and Losses.

“**Member Nonrecourse Debt**” has the same meaning as the term “partner nonrecourse debt” in Regulations section 1.704-2(b)(4).

“**Member Nonrecourse Debt Minimum Gain**” means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations section 1.704-2(i)(3).

“**Member Nonrecourse Deductions**” has the same meaning as the term “partner nonrecourse deductions” in Regulations sections 1.704-2(i)(1) and 1.704-2(i)(2).

“**Nonrecourse Deductions**” has the meaning set forth in Regulations section 1.704-2(b)(1).

“**Nonrecourse Liability**” has the meaning set forth in Regulations section 1.704-2(b)(3).

“**Profits**” and “**Losses**” means, for each Fiscal Year, an amount equal to the Company’s taxable income or loss for the Fiscal Year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately



pursuant to Code Section 703(a)(1) will be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition will be added to the taxable income or loss;

(ii) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition will be subtracted from the taxable income or loss;

(iii) In the event the Gross Asset Value of any Company asset is adjusted pursuant to (ii) or (iii) of the definition of Gross Asset Value, the amount of the adjustment will be treated as an item of gain (if the adjustment increases the Gross Asset Value of the Company asset) or an item of loss (if the adjustment decreases the Gross Asset Value of the Company asset) from the disposition of the item and will be taken into account for purposes of computing Profits or Losses;

(iv) Gain or loss resulting from any disposition of a Company asset with respect to which gain or loss is recognized for federal income purposes will be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of the property differs from its Gross Asset Value;

(v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing the taxable income or loss, there will be taken into account Depreciation for the Fiscal Year, computed in accordance with the definition of Depreciation;

(vi) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Sections 734(b) or 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Unitholder's interest in the Company, the amount of the adjustment will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis) from the disposition of a Company asset and will be taken into account for purposes of computing Profits or Losses; and

(vii) Notwithstanding any other provisions of this definition, any items that are specially allocated pursuant to Section IV hereof will not be taken into account in computing Profits or Losses. The amounts of the items of Company income, gain, loss, or deduction available to be specially allocated pursuant to Section IV of this Exhibit C will be determined by applying rules analogous to those set forth in clauses (i) through (vi) above.

**II. Capital Accounts.** The Company shall maintain a separate Capital Account for each Unitholder. Each Unitholder's Capital Account shall be maintained in accordance with the following provisions:

(a) Credits. To each Unitholder's Capital Account there shall be credited (i) such Unitholder's Capital Contributions, (ii) such Unitholder's distributive share of Profits and any items in the nature of income or gain which are specially allocated pursuant to Section IV or Section V of this Exhibit C, and (iii) the amount of any Company liabilities assumed by such Unitholder or which are secured by any property distributed to such Unitholder. The principal amount of a promissory note which is not readily tradeable on an established securities market and which is contributed to the Company by the maker of the note (or a Unitholder related to the maker of the note within the meaning of Regulations section 1.704-1(b)(2)(ii)(c)) shall not be included in the Capital Account of any Unitholder until the Company makes a taxable disposition of the note or until (and to the extent) principal payments are made on the note, all in accordance with Regulations section 1.704-1(b)(2)(iv)(d)(2);

(b) Debits. To each Unitholder's Capital Account there shall be debited (i) the amount of money and the Gross Asset Value of any property distributed to such Unitholder pursuant to any provision of this Agreement, (ii) such Unitholder's distributive share of Losses and any items in the nature of expenses or losses which are specially allocated pursuant to Section IV or Section V of this Exhibit C, and (iii) the amount of any liabilities of such Unitholder assumed by the Company or which are secured by any property contributed by such Unitholder to the Company;

(c) Upon Transfers. In the event Units are Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Transferred Units; and

(d) Liabilities. In determining the amount of any liability for purposes of subparagraph (b) above there shall be taken into account Code section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event that the Board of Managers shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including without limitation debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Company or any Unitholders) are computed in order to comply with such Regulations, the Board of Managers may make such modification, provided that it is not likely to have a material effect on the amounts distributed to any Person pursuant to Section 11 upon the dissolution of the Company. The Board of Managers also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Unitholders and the amount of capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Regulations section 1.704-1(b)(2)(iv)(g), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations section 1.704-1(b).

**III. Profits and Losses.** After giving effect to the special allocations set forth in Sections IV and V of this Exhibit C, Profits and Losses for any Fiscal Year shall be allocated to the Unitholders in proportion to their Percentage Interests.

**IV. Special Allocations.** The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Except as otherwise provided in Regulations section 1.704-2(f), notwithstanding any other provision of this Exhibit C, if there is a net decrease in Company Minimum Gain during any Fiscal Year, each Unitholder shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Unitholder's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Unitholder pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations sections 1.704-2(f)(6) and 1.704-2(j)(2). This subparagraph (a) is intended to comply with the minimum gain chargeback requirement in Regulations section 1.704-2(f) and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback. Except as otherwise provided in Regulations section 1.704-2(i)(4), notwithstanding any other provision of this Exhibit C, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Year, each Unitholder who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such allocation Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Unitholder's share of the net decrease in Member Nonrecourse Debt, determined in accordance with Regulations section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Unitholder pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations sections 1.704-2(i)(4) and 1.704-2(j)(2). This subparagraph (b) is intended to comply with the minimum gain chargeback requirement in Regulations section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Unitholder unexpectedly receives any adjustments, allocations, or distributions described in Regulations sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Company income and gain shall be specially allocated to such Unitholder in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of the Unitholder as quickly as possible, provided that an allocation pursuant to this subparagraph (c) shall be made only if and to the extent that the Unitholder would have an Adjusted Capital Account Deficit after all other allocations provided for in this Exhibit C have been tentatively made as if this subparagraph (c) were not in the Agreement.

(d) Gross Income Allocation. In the event any Unitholder has a deficit Capital Account at the end of any Fiscal Year which is in excess of the sum of (i) the amount such Unitholder is obligated to restore pursuant to any provision of this Agreement and (ii) the amount such Unitholder is deemed obligated to restore pursuant to the penultimate sentences of Regulations sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Unitholder shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this subparagraph (d) shall be made only if and to the extent that such

Unitholder would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Exhibit C have been made as if subparagraph (c) above and this subparagraph (d) were not in the Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Unitholders in proportion to their respective Percentage Interests.

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Unitholder who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations section 1.704-2(i)(1).

(g) Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset, pursuant to Code section 734(b) or Code section 743(b) is required, pursuant to Regulations section 1.704-1(b)(2)(iv)(m)(2) or 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Unitholder in complete liquidation of such Unitholder's interest in the Company, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Unitholders in accordance with their interests in the Company in the event Regulations section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Unitholder to whom such distribution was made in the event Regulations section 1.704-1(b)(2)(iv)(m)(4) applies.

(h) Allocations Relating to Taxable Issuance of Company Units. Any income, gain, loss or deduction realized as a direct or indirect result of the issuance of Units by the Company to a Unitholder (the "Issuance Items") shall be allocated among the Unitholders so that, to the extent possible, the net amount of such Issuance Items, together with all other allocations under this Agreement to each Unitholder shall be equal to the net amount that would have been allocated to each such Unitholder if the Issuance Items had not been realized.

**V. Curative Allocations.** The allocations set forth in Sections IV(a) through IV(g) of this Exhibit C (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section V. Therefore, notwithstanding any other provision of this Exhibit C (other than the Regulatory Allocations), the Board of Managers shall make such offsetting special allocations of Company income, gain, loss or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Unitholder's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Unitholder would have had if the Regulatory Allocations were not part of the Agreement and all Company items were allocated pursuant to Sections II, III, and IV(h) of this Exhibit C.

**VI. Other Allocation Rules.**

(a) Profits, Losses, and any other items of income, gain, loss, or deduction will be allocated to the Unitholders pursuant to this Exhibit C as of the last day of each taxable year;

provided, that Profits, Losses, and such other items will also be allocated at such times as the Gross Asset Values of any Company assets are adjusted pursuant to clause (ii) of the definition of “Gross Asset Value.”

(b) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any other items will be determined on a daily, monthly, or other basis, as determined by the Board of Managers using any permissible method under Code Section 706 and the Regulations thereunder.

(c) The Unitholders are aware of the income tax consequences of the allocations made pursuant to the provisions of this Exhibit C and hereby agree to be bound by the provisions of this Exhibit C in reporting their shares of Company income and loss for income tax purposes.

(d) Solely for purposes of determining a Unitholder’s proportionate share of the “excess nonrecourse liabilities” of the Company relating to Company assets within the meaning of Regulations Section 1.752-3(a)(3), the Unitholders’ interests in Company profits will be equal to their Percentage Interests.

**VII. Tax Allocations: Code Section 704(c).** In accordance with Code section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Unitholders so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with subparagraph (i) of the definition of Gross Asset Value). In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraph (ii) of the definition of Gross Asset Value, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code section 704(c) and the Regulations thereunder.

Any elections or other decisions relating to such allocations shall be made by the Board of Managers in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section VII are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Unitholder’s Capital Account or share of Profits, Losses, other items, or distributions pursuant to any provision of this Agreement.

**EXHIBIT D**

**Officers**

Name

Office

NONE

## **EXHIBIT E**

### **Arbitration of Disputes**

As provided in Section 13.18, any dispute between or among the Company, any of the Members or any Unitholders which cannot be resolved by agreement, except for a dispute arising under Section 10.8, shall be resolved by arbitration as provided in this Exhibit, and the resolution of the dispute as provided in this Exhibit shall be final as between the parties to the dispute and may be enforced or preserved upon application to any court of competent jurisdiction.

A. General Rules. Except as this Exhibit provides to the contrary, all proceedings required by this Exhibit shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”) as then in effect; provided that such rules shall be applied in accordance with Alabama law and that any questions which are not resolved by such rules shall be determined by Alabama law. All parties to an arbitration proceeding under this Exhibit shall make all reasonable efforts to perform their obligations under this Exhibit promptly, recognizing that time is of the essence.

B. English Rule - Loser Pays. The parties prevailing in an arbitration proceeding under this Exhibit or in a legal proceeding brought in a court of competent jurisdiction to enforce or preserve the rights awarded pursuant to an arbitration proceeding under this Exhibit, including all appeals, shall be entitled to recover from the other parties all costs and expenses incurred by the prevailing parties with respect to all of the proceedings, including reasonable attorneys’ fees.

C. Arbitration Procedures.

1. Written Notice of Arbitration. Any party wishing to submit any dispute to arbitration (“Petitioner”) shall provide written notice of the arbitration containing the information required below to the other parties to the dispute (“Respondents”) and simultaneously shall file copies of the written notice of arbitration with the nearest regional office of the AAA, together with the appropriate fee as provided in the AAA’s administrative fee schedule. All communications with the AAA regarding the arbitration proceedings shall be directed to the nearest regional office, unless the AAA directs otherwise. The written notice of arbitration shall provide a brief description of the nature of the dispute and the resolution sought by Petitioner.

2. Written Response. Within twenty (20) days after receiving the notice of arbitration, each of the Respondents shall provide the Petitioner and the AAA with a written response describing the Respondent’s opinion of the nature of the dispute and the resolution desired by the Respondent.

3. List of Arbitrators. As soon as reasonably possible after receiving each response notice, the AAA shall compile a list of arbitrators who are available and are qualified to arbitrate the dispute, which list shall contain the names of a number of arbitrators equal to one plus the number of parties to the dispute (Petitioner plus each Respondent) in rank order, and shall provide that list to Petitioner and each of the Respondents, together with a return date which is seven (7) days after the date on which the AAA sends the list to the Petitioner and each of the Respondents, excluding Saturday, Sunday, and holidays.

4. Deletions from the List of Arbitrators. Unless otherwise agreed, Petitioner and each of the Respondents shall meet on the return date specified by the AAA at the principal office of the Company at 10:00 A.M., Central Standard Time, at which time each of them shall strike one (1) name from the list of arbitrators provided by the AAA, and if any of them fails to attend the meeting, the AAA shall strike one (1) name from the list on behalf of each missing one of them. The highest ranking arbitrator whose name remains on the list after an arbitrator has been stricken by or on behalf of Petitioner and each of the Respondents shall be the arbitrator of the dispute. If the arbitrator selected in this manner for any reason fails to perform as is required by this Exhibit, the procedures provided in this paragraph shall be repeated until an arbitrator is selected who performs as is required.

5. Arbitration of the Dispute. The arbitration shall be held in Birmingham, Alabama, at a location determined by the AAA. The decision of the arbitrator shall be final as between Petitioner and Respondents and may be enforced or preserved upon application to any court of competent jurisdiction.



# Exhibit 8 – Business License and Authorization of Local Authorities

## 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.

Vincent Schilleci III

\_\_\_\_\_  
Printed Name of Verifying Individual

*Vincent Schilleci*

\_\_\_\_\_  
Signature of Verifying Individual

Owner, Manager

\_\_\_\_\_  
Title of Verifying Individual

12/21/2022

\_\_\_\_\_  
Verification Date

## **Exhibit 8 – Business License and Authorization of Local Authorities**

*Satisfaction of Plan: In progress to be completed immediately after license award.*

### **Executive Summary**

CCS of Alabama, LLC (“CCSA”) understands that one of the qualities that sets a successful company apart from others is its ability to integrate itself into its surrounding community in a holistic and beneficial manner. CCSA has spent months carefully considering where it will locate its Dispensary and is excited about its Dispensary locations that are ideally located to serve the qualified patients of Montgomery, Cullman County, Talladega, and their surrounding areas. We have been communicating regularly with the localities to ensure that our locations are compliant with local and state zoning laws, and while not available yet, we plan to apply for our local business licenses the moment the cities will allow us to, more specifically, when CCSA has our AMCC Dispensary Facility license in hand.

### **8.1 – As Applicable, Certified Copies of the Applicant’s Business License**

None of CCSA’s localities are currently issuing business licenses, therefore, this section is inapplicable, but we have provided an explanation below.

#### **Certified Copies of Business Licenses for Montgomery Dispensing Site**

Montgomery will require a business license to operate a Dispensary in city limits, however, they will not issue a business license until CCSA has been granted its Dispensary License from the AMCC. We spoke to the licensing division on December 12, 2022, and they confirmed that once CCSA receives our state Dispensary License, we will need to attach our state license to our Montgomery business license application before submitting it. CCSA will submit a copy of our Montgomery Business License to the AMCC once it is received. **Certified Copies of Business Licenses for Cullman County**

#### **Dispensing Site**

Cullman County will require a business license to operate a Dispensary within the county; however, they will not issue a business license until CCSA has been granted its Dispensary License from the AMCC. We spoke to the licensing division on December 19, 2022, and they confirmed that once CCSA receives our state Dispensary License, we will need to attach our state license to our Cullman County business license application before submitting it. CCSA will submit a copy of our Cullman County Business License to the AMCC once it is received.

### **Certified Copies of Business Licenses for Talladega Dispensing Site**

Talladega will require a business license to operate a Dispensary in city limits, however, they will not issue a business license until CCSA has been granted its Dispensary License from the AMCC. We confirmed that once CCSA receives our state Dispensary License, we will need to attach our state license to our Talladega business license application before submitting it. CCSA will submit a copy of our Talladega Business License to the AMCC once it is received.

### **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**

#### **Montgomery Dispensing Site *Satisfaction of Plan:Complete***

Per Ordinance No. 63-2021, the City of Montgomery authorized the operation of dispensing sites within the corporate limits of the city on December 7<sup>th</sup>, 2021. CCSA has attached a copy of the City of Montgomery's Ordinance that authorizes the operation of dispensing sites (identified as "Montgomery Ordinance 63-2021 – Attachment to Exhibit 8, Section 8.2").

#### **Cullman Dispensing Site *Satisfaction of Plan:Complete***

According to Cullman County's Resolution No. 2022-61, Cullman County authorized the operation of dispensing sites by Dispensary licensees and integrated facility licensees within the unincorporated areas of Cullman County on July 19, 2022. CCSA has attached a copy of the Cullman County Resolution that authorizes the operation of dispensing sites (identified as "Cullman County Resolution 2022-61 – Attachment to Exhibit 8, Section 8.2").

#### **Talladega Dispensing Site *Satisfaction of Plan:Complete***

According to the City of Talladega's Ordinance No. 1922, Talladega authorized the operation of dispensing sites within the corporate limits of the City of Talladega on October 24, 2022. CCSA has attached the City of Talladega's Ordinance that authorizes the operation of dispensing sites (identified as "Talladega Ordinance 1922 – Attachment to Exhibit 8, Section 8.2").

**This Exhibit 8 Complies with:** Ala. Admin. Code r. 538-x-3-.05(3)(k); Ala. Admin. Code r. 538-x-3-.05(3)(m)(7); Ala. Admin. Code r. 538-x-3-.05(3)(m)(12)(d); Ala. Admin. Code r.

538-x-3-.11(5)(m); Ala. Admin. Code r. 538-x-4-.07(10); Ala. Admin. Code r. 538-x-4-.07(12)(g); Ala. Admin. Code r. 583-x-8-.04(4); Ala. Admin. Code r. 538-x-08-.05(2)(c)(9)  
Darren Wesley 'Ato' Hall Compassion Act §20-2A-51(c); §20-2A-56(c)(11); §20-2A-64(f).

**ORDINANCE NO. 63-2021**

**AUTHORIZING THE OPERATION OF A MEDICAL CANNABIS DISPENSARY  
WITHIN THE CORPORATE LIMITS OF THE CITY OF MONTGOMERY**

WHEREAS, on May 17, 2021, the Governor for the State of Alabama signed Darren Wesley 'Ato' Hall Compassion Act into law (the Act); and

WHEREAS, the Act provides for the medical use of marijuana for patients with a qualifying medical condition and a valid medical cannabis card; and

WHEREAS, a dispensary may only be operated in a municipality if the municipality has passed an ordinance authorizing the operation of dispensaries within the municipality's corporate limits; and

WHEREAS, the Act authorizes and requires the Medical Cannabis Commission to heavily regulate dispensary operation, (See, §§20-2A-50 – 20-2A-68, Code of Alabama), thus addressing any health, safety or welfare concerns for the citizens of the City of Montgomery; and

WHEREAS, the location of a dispensary within the corporate limits of the City of Montgomery will bring the potential of hundreds of new employment opportunities for the citizens of the City of Montgomery; and

WHEREAS, a dispensary would be required to purchase a business license and pay sales tax to the City of Montgomery, thus increasing revenue.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MONTGOMERY, ALABAMA, that it authorizes the operation of dispensing sites within the corporate limits of the City of Montgomery subject to any applicable zoning restrictions the City of Montgomery may adopt pursuant to §20-2A-51(c)(3).

ADOPTED this the 7<sup>th</sup> day of December, 2021.

  
\_\_\_\_\_  
STEVEN L. REED, MAYOR

ATTEST:

  
\_\_\_\_\_  
BRENDA GALE BLALOCK, CITY CLERK

63-2021

**Resolution 2022-61**  
**Authorizing the Operation**  
**of Medical Cannabis Dispensing Sites**  
**within Unincorporated Areas of the County**

WHEREAS, during the 2021 Regular Session of the Alabama legislature, Act 2021-450 was enacted and codified in Title 20 2A, Code of Alabama 1975, to create within Alabama a wholly interstate system of the cultivation, processing, and distribution of medical cannabis; and

WHEREAS, Act 2021-450 defines a “dispensary” as an entity licensed by the Alabama Medical Cannabis Commission to dispense and sell medical cannabis at the dispensing sites to registered, qualified patients and registered caregivers; and

WHEREAS, Act 2021-450 defines an “integrated facility” as an entity licensed to perform the functions of a cultivator, processor, secure transporter, and dispensary; and

WHEREAS, Act 2021-450 defines a “dispensing site” as a site operated by a dispensary licensee or an integrated facility licensee; and

WHEREAS, Act 2021-450 states that a dispensary licensee or integrated facility licensee may not operate a dispensing site in an unincorporated area of the county unless the county commission has authorized, by resolution, the operation of dispensing sites within its boundaries; and

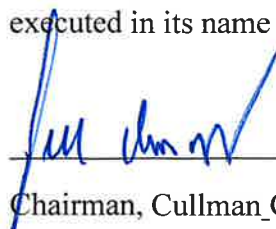
WHEREAS, Act 2021-450 states that a program providing for the administration of cannabis derivatives for medical use in this state will not only benefit patients by providing relief from pain and other debilitating symptoms but will also provide opportunities for patients with debilitating conditions to function and have a better quality of life and provide employment and business opportunities for farmers.

WHEREAS, the Cullman County Commission believes it is in the public’s interest to authorize the operation of dispensing sites within the unincorporated areas of the county;

THEREFORE BE IT RESOLVED BY THE CULLMAN COUNTY COMMISSION that it does hereby authorize the operation of medical cannabis dispensing sites by dispensary licensees and integrated facility licensees within the unincorporated areas of the county.

BE IT FURTHER RESOLVED that copies of this resolution be forwarded to the Alabama Medical Cannabis Commission within seven calendar days of this resolution being adopted.

IN WITNESS WHEREOF, the Cullman County Commission has caused this resolution to be executed in its name and on its behalf by its chairman on this the 19th day of July, 2022.

  
\_\_\_\_\_  
Chairman, Cullman County Commission

**ORDINANCE NO. 1922**

**AN ORDINANCE AUTHORIZING THE OPERATION OF A MEDICAL CANNABIS DISPENSARY WITHIN THE CORPORATE LIMITS OF THE CITY OF TALLADEGA**

**WHEREAS**, on May 17, 2021, the Governor for the State of Alabama signed the Darren Wesley 'Ato' Compassion Act into law ("the Act"); and,

**WHEREAS**, the Act provides for the medical use of marijuana for patients with a qualifying medical condition and a valid medical cannabis card; and,

**WHEREAS**, a dispensary may only be operated in a municipality if the municipality has passed an ordinance authorizing the operation of dispensaries within the municipality's corporate limits; and,


**WHEREAS**, the Act authorizes and requires the Medical Cannabis Commission to heavily regulate dispensary operation, (see Ala. Code 1975 §§ 20-2A-50 through 20-2A-68), thus addressing any health, safety or welfare concerns for the citizens of the city of Talladega; and,

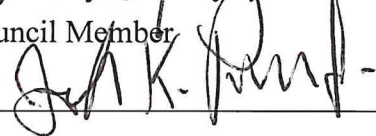
**WHEREAS**, the location of a dispensary within the corporate limits of the City of Talladega will bring the potential of new employment opportunities for the citizens of the City of Talladega; and,

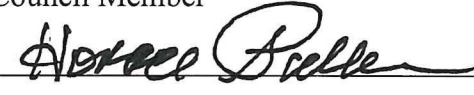
**WHEREAS**, a dispensary would be required to purchase a business license and pay sales tax to the City of Talladega, thus providing an additional source of revenue;

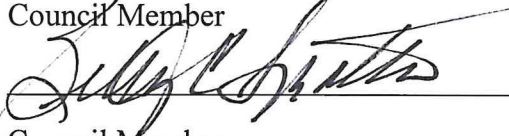
**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TALLADEGA, ALABAMA**, that the City of Talladega authorizes the operation of cannabis dispensary sites within the corporate limits of the City of Talladega subject to any applicable zoning restrictions the City of Talladega may adopt as authorized by Ala. Code 1975 §20-2A-51 (c) (3).

**ADOPTED** this the 24<sup>th</sup> day of October, 2022.

  
 \_\_\_\_\_  
 Council Member


  
 \_\_\_\_\_  
 Council Member

  
 \_\_\_\_\_  
 Council Member

  
 \_\_\_\_\_  
 Council Member

\_\_\_\_\_  
 Council Member

ACKNOWLEDGED this 24<sup>th</sup> day of October, 2022

  
 \_\_\_\_\_  
 City Manager

ATTESTED this 24<sup>th</sup> day of October, 2022.

  
 \_\_\_\_\_  
 City Clerk



# Exhibit 9 – Business Plan

## 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.

Vincent Schilleci III

Owner, Manager

\_\_\_\_\_  
Printed Name of Verifying Individual

\_\_\_\_\_  
Title of Verifying Individual

*Vincent Schilleci*  
\_\_\_\_\_  
Signature of Verifying Individual

12/21/2022  
\_\_\_\_\_  
Verification Date



## **Exhibit 9 – Business Plan**

### **9.1 – A clearly defined business structure and plan for adherence to applicable corporate conventions.**

#### **Satisfaction of Plan: Complete**

The applicant, CCS of Alabama, LLC (“CCSA”), is an Alabama limited liability company wholly owned by three separate Alabama limited liability companies, with its ultimate beneficial interest resting in five individuals and with 51% of such beneficial interest resting in the hands of Alabama residents. The company has prepared this application and its corporate documentation to assure that it will meet the requirements for obtaining and maintaining a license from the Alabama Medical Cannabis Commission (“AMCC”) and that its owners, affiliates, staff, and others will cooperate as needed to maintain compliance.

#### **Business Structure**

##### *Ownership*

CCSA is an Alabama limited liability company formed in accordance with Ala. Code § 10A-5A-2.01 on June 22, 2022. CCSA is owned by three other Alabama limited liability companies, each a Member of CCSA, as follows: (i) 51% is owned by ATG Endeavors, LLC (“ATG”), which was formed on July 20, 2021 as an Alabama limited liability company and whose 51% constitutes a “Controlling Interest”, (ii) 24.5% is owned by Young Ventures Alabama USA, LLC (“YVA”) which was formed on September 23, 2022, as an Alabama limited liability company, and (iii) 24.5% is owned by EEC of Alabama, LLC (“EEC”) which formed on September 23, 2022 as an Alabama limited liability company. Each of the above owners of CCSA is classified as an “ownership entity” pursuant to the Alabama Administrative Code.

The ownership of each of these ownership entities is broken down as follows (verified in Form I):

1. ATG: 51% owned by Matthew Hogan, 24.5% owned by Hon. Vincent J. Schilleci, Jr., and 24.5% owned by Vincent J. Schilleci III.
2. YVA: 100% owned by Sandra Young.
3. EEC: 100% Owned by Ernie Craumer.

At an individual level, indirect ownership is broken down as follows: Matthew Hogan, via ATG (26.01%), Hon. Vincent J. Schilleci, Jr., via ATG (12.495%), Vincent J. Schilleci III, via ATG(12.495%), Sandra Young, via YVA (24.5%), and Ernie Craumer, via EEC (24.5%).

*Residency Requirement:* While CCSA is bringing out-of-state talent and experience to bear on this endeavor, it is assured that CCSA is majority owned by individuals having resided in Alabama “for a continuous period of no less than 15 years preceding the application date.” Specifically, Matthew Hogan, Hon. Vincent J. Schilleci, Jr., and Vincent J. Schilleci III all meet this criterion, rendering CCSA 51% owned by qualifying Alabama residents.

Plan for Adherence to Applicable Corporate Conventions

*Verification of Ownership:* CCSA has “verified each individual having any ownership interest in the applicant” and has provided the identity, street address, and responsible person for each entity with which such individual is connected to the extent such entity is directly or indirectly involved in the cannabis industry.

*Felony or Controlled Substance Related Misdemeanors:* No owner, director, board member, or individual with a controlling interest in the CCSA has “been indicted for, charged with, arrested for, convicted of, pled guilty or nolo contendere to, or forfeited bail concerning any felony or controlled substance-related misdemeanor, not including traffic violations.”

*Other Applications and Licenses:* CCSA has provided information regarding any previous applications for or grants of a commercial or medical license or certificate issued by a body in Alabama or any other state, including whether any such license or certificate, or application therefor, has ever been denied, restricted, suspended, revoked, not renewed, or had disciplinary measures taken with respect thereto. CCSA has also certified that CCSA and its leadership have no economic interest in any other license or applicant for a cannabis license in the state of Alabama.

To assure that neither CCSA nor its subsidiaries, affiliates, parent entities, board members, officers, managers, or employees, individually or collectively, hold a license as or possess stock or ownership interest in a licensed cultivator, licensed processor, licensed secure transporter, or licensed integrated facility as those terms are defined in the Alabama Medical Cannabis Commission’s Rules and Regulations, CCSA will assure that all such parties are required to seek CCSA’s approval prior to acquiring any license or any such interest.

*Complaints and Notices from Governmental Bodies:* CCSA has not, within the last 10 years, “filed or been served with, a complaint or other notice by any governmental body, regarding a delinquency in the payment of, or a dispute over the filings concerning the

payment of, any tax required under federal, state, or local law, including the amount, type of tax, taxing agency, time periods involved, and the resolution, if any, of the matter.”

*List of Related Public Officials:*No public officials or their immediate family own any direct or indirect financial or other beneficial interest in (including having a creditor or debtor relationship with) or hold or have any interest in any contractual or service relationship with CCSA.

*Background Checks:* CCSA has ensured that all board members, officers, management, staff, and volunteers of CCSA will cooperate with respect to any background checks required for this application and shall take steps with respect to current and future individuals in these positions to require their cooperation for any subsequent background checks CCSA may request.

*Transfer Restrictions:* CCSA will seek approval of the AMCC for any sale, transfer, assignment, or other disposition of a license with the AMCC, and has implemented restrictions in its operating agreement to prevent any transfers of ownership interest or other beneficial interest in CCSA, whether direct or indirect, in whole or in part, voluntary or involuntary, which violate the laws, rules, and regulations promulgated by the Alabama Medical Cannabis Commission.

*Management:* CCSA shall be managed by a board of five Managers, the majority of whom are appointed by ATG. The Managers are Matthew Hogan, an Alabama resident, Vincent J. Schilleci, III, an Alabama resident, Hon. Vincent J. Schilleci, Jr., an Alabama resident, Ernest Craumer, and Gary Young. The Manager shall exercise full control over the business and affairs of CCSA subject to the authority of a majority interest of CCSA’s owners. Given the makeup of the Board of Managers, the operations of the business will be controlled, directed, and managed in a majority by Alabama residents.

**This Exhibit 9.1 complies with:** Ala. Admin. Code r. 538-x-1-.04(11); 538-x-3-.05(3)(a)(1)-(2); 538-x-3-.05(3)(b)(c)(d)(e)(f)(g); 538-x-3-.05(3)(m)(4); 538-x-3-.05(3)(l); 538-x-8-.02(5)(f); 538-x-8-.05(2)(c)(12); §20-2A-58(a);(c) Code of Alabama 1975 (as amended).

**9.2: Clearly Defined Business Goals, Including a 3-Year and a 5-Year Plan.**

CCS of Alabama, LLC (“CCSA”) has developed clearly defined business goals for our proposed Dispensary operations, including a three year and a five-year plan. CCSA has the

financial resources, experience, and capability to achieve our business goals efficiently and to increase access to Medical Cannabis patients in Alabama.

### **CCSA's Three-Year Business Plan**

*Satisfaction of Plan: In Progress with completion 180 after license award.*

CCSA's business goals during the first three years of operation include the following:

- Commence operations at all three dispensing sites by January 2024.
- Create 13 jobs that provide living wages for Alabama residents as well as comprehensive benefits packages.
- Implement thorough training programs for all employees in addition to required education and safety training through AMCC.
- Initiate diverse hiring initiatives to ensure CCSA's team reflects the racial and economic makeup of Alabama.
- Increase access to Medical Cannabis by initiating business measures that will minimize costs to patients.

CCSA is able to achieve our goals quickly and efficiently due to our access to capital, in the total amount of \$5,000,000, and our experience in other Medical Cannabis markets.

CCSA's proposed timeline for opening is set forth below:

<b>Date</b>	<b>Event</b>
December 30, 2022	Submit application
June 12, 2023	Initial License Awarded
June 15, 2023	Secure building permits
June 30, 2023	Begin construction at the following locations in this order: Montgomery, Cullman, Talladega
July 1, 2023	Final Licenses Issued
August 15, 2023	Begin Pre-Operation Hiring and Training
October 15, 2023	Construction complete, including installation of all required security systems
November 2023	Pre-Commencement Inspection
January 2024	Grand Opening

Based on this projection, CCSA's will open our three Dispensing Facilities on or about January 2024, approximately six months post licensure. Each of our three facilities will be located in a different county to ensure geographic diversity. Our initial three months of operations will focus on completing construction at the three Dispensary Facilities to ensure they are developed in strict compliance with all governing local and state regulatory requirements and obtaining all necessary permits.

During the two months prior to opening, CCSA will also focus on diverse hiring initiatives and comprehensive training. With respect to hiring, we plan to recruit a work force that reflects the economic and racial demographics of the State of Alabama and will focus on creating employment opportunities for local residents. Initially, we expect to have 13 full time employees who will be paid a living wage, starting at \$16 hourly.

With respect to training, all owners, board members, officers, administrators, managers, and any other salaried employees (collectively referred to as "Salaried Agents") will attend the Commission's medical cannabis foundations training program prior to CCSA commencing operations. This training will also be offered for all hourly and non-salaried employees. During the first calendar year, and every year thereafter, Salaried Agents will receive 25 hours of continuing education (five hours more than the AMCC's requirement) to ensure that CCSA's leadership team has the most thorough and up to date information on industry best practices. At least five hours of training will be focused on courses regarding safety of Medical Cannabis. In addition, all hourly and non-salaried employees will receive 15 hours (five hours more than the AMCC's requirement) of Medical Cannabis education, including five hours dedicated to safety training. All training courses will either be provided by the Commission, or pre-approved by the Commission.

Prior to opening, all Certified Dispensers will take and pass a Medical Cannabis foundations course. Continuing education for Certified Dispensers will occur annually, and will include a minimum of 15 hours (five hours more than the AMCC's requirement) of training focused on proper dispensing procedures, including the requirements of the Act and this Chapter, prevention of abuse and diversion of Medical Cannabis, and other topics related to public health, safety and good business practices relating to Medical Cannabis and the dispensing thereof. Our focus on going above and beyond the baseline training requirements set forth in the applicable regulations will ensure that all patients that walk through our

doors are greeted by highly informed and knowledgeable agents who are able to assist them with their unique needs.

Prior to opening, CCSA will contact the AMCC to request a pre-commencement inspection. CCSA is confident the inspection will not reveal any minor infractions or critical violations based on our team's prior success in the Medical Cannabis industry in multiple markets. We will affirmatively reach out to AMCC with questions to ensure compliance at the outset.

Upon opening, CCSA will implement proactive measures to minimize costs to patients, including the following discount programs:

Patients of Distinction Program: 15% standard discounts for active-duty military, veterans, reserve, guard, and first responders. Up to 75% discounts for veterans who maintain a disability compensation letter. Veterans who maintain a disability compensation letter issued by the United States Department of Veterans Affairs will be eligible for additional discounts based on their rating, outlined below:

- 20-49% disability compensation ratings are eligible for a 25 percent discount.
- 50-79% disability compensation ratings are eligible for a 50 percent discount.
- 80-100% disability compensation ratings are eligible for a 75 percent discount.

All patients seeking to participate in this program will be required to provide proof of eligibility through documentation such as a Military ID Card, disability compensation letter, or DD214/DD215 forms. This information will be stored on file so the discount will be automatically applied for future transactions.

Golden Age Program: 20% standard discounts for all senior citizens aged 65 or older. Access to affordable medical care is a critical component to seniors, particularly those who live on a fixed income. All seniors over the age of 65 will be automatically enrolled in the Golden Age Program and receive discounts at the point-of-sale transaction.

Pathways Program: 30% standard discounts for patients who receive government assistance. CCSA firmly believes that all eligible Alabama patients should have access to equitable medical treatment programs regardless of income. The Pathways Program will provide a 30% discount to qualifying patients and caregivers who demonstrate active

enrollment in a government assistance program or if they have a verified financial hardship. CCSA will continue to identify other opportunities to increase affordability for AL patients.

Once open, we expect to become profitable by May 2024. In our first operational year, we expect to generate a net income of \$885,815 (margin of 20.9%) and gross profit of \$1,940,474 (45.7% gross margin). As registered patient base grows at our Dispensary Facilities, the company expects net income to increase to \$1,076,087 and gross profit of \$2,224,258 in our second full operational year. In our third operational year, 2026, we expect net income of \$1,177,478 and gross profit of \$2,366,750.

### **CCSA's Five-Year Plan**

*Satisfaction of Plan: In Progress with completion 180 after license award.*

Our five-year plan incorporates all business goals set forth in our Three-Year Plan, as well as the following:

- If permitted by the AMCC, increasing the number of CCSA Dispensing Sites with a strategic focus on areas where Medical Cannabis patients are underserved.
- Expand employment opportunities for Alabama residents by increasing total number of employees from 13 to 18.
- Commit 2% of EBITDA to community initiatives.

We understand the AMCC may authorize us to operate more than three Dispensing Sites if the AMCC determines that the patient pool has reached sufficient level to justify additional Dispensing Sites. We hope to be at the forefront of expansion in Alabama to broaden our positive impact throughout the state and intend to operate the maximum number of Dispensing Sites permitted by the AMCC.

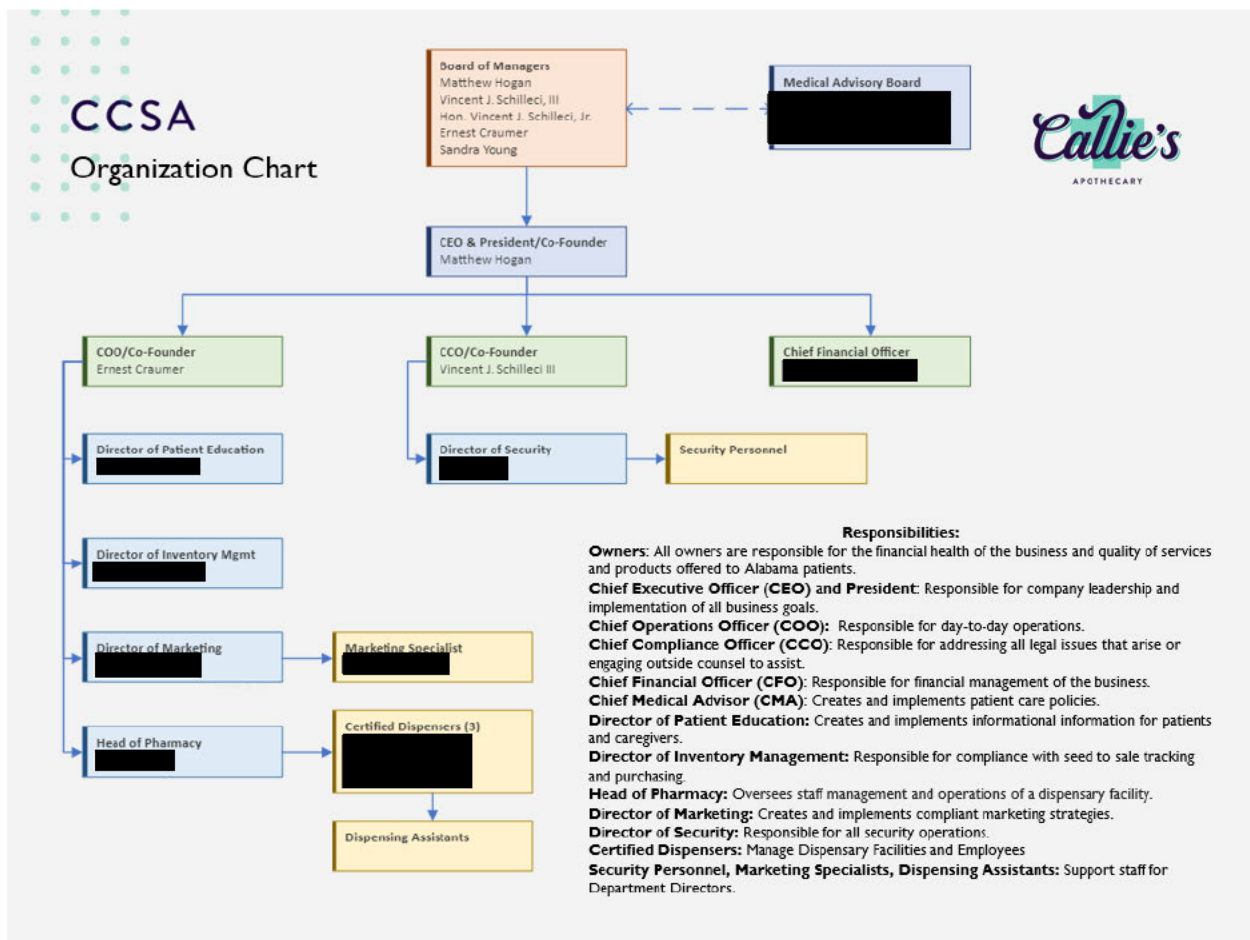
That said, regardless of our ability to expand beyond three dispensaries in Years 4 and 5 of operations, CCSA has already proactively committed to reserving 2% of EBITDA during these years to non-profit organizations throughout the state. Specifically, these funds will be placed in a Donor Advised Fund to be distributed to Community Foundations serving each of the three counties we intend to operate in - Talladega, Montgomery, and Cullman.

CCSA looks forward to providing access to health care to Alabama's patients and caregivers, and increased employment opportunities to Alabama citizens through execution

of the business goals described above. Our experience, acumen, and substantial capitalization will ensure our success as we move into the years following initial licensure.

**This Exhibit 9.2 complies with:** Ala. Admin. Code r. 538-x-3-.05(3)(h)(i); 538-x-3-.05(3)(m)(15)(b); 538-x-3-.11(2); 538-x-3-.11(3)(a)-(n); 538-x-4-.02(2)(a); 538-x-4-.04(1)(a)-(b); 538-x-4-.04(2)(a)-(b); 538-x-8-.03(4)(a)-(b); Darren Wesley ‘Ato” Hall Compassion Act §20-2A-64(f), §20-2A-67.

**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.**



Above, please find CCSA's Organizational Chart, a diagram that visually conveys our internal structure by detailing the roles, responsibilities, and relationships between the individuals within our entity. This chart identifies all positions within our company and depicts the reporting structure that will facilitate internal employee accountability.



Additional details regarding the responsibilities for each role are included below in sections 9.4 and 9.5.

CCSA is committed to building an organization that will serve as an industry leader in regulatory compliance, innovation, environmental sustainability, community safety, and financial transparency. Our current team and all future recruiting efforts will prioritize diversity and reflect the racial and economic makeup of Alabama. We will foster an environment where personal identity, heritage, race, gender, language, age, and military service are recognized as assets that are celebrated, respected, and valued.

**9.4 – Job descriptions of all managerial positions delineating authority, qualifications, and duties.**

<b>CEO and President - Matthew Hogan</b>	
<b>Delineating Authority</b>	Mr. Hogan has authority over all other members of the executive team and works collaboratively with other C-Suite executives in achieving CCSA's vision, mission, strategy, and annual goals.
<b>Job Description and Duties</b>	Mr. Hogan oversees program quality and organizational stability through the development and implementation of systems, procedures, and regular evaluation. He maintains a work environment that recruits, retains, and supports quality staff and a fine-tuned process for selecting, developing, motivating, and evaluating staff.
<b>Qualifications</b>	Mr. Hogan is qualified to fulfill the duties of this role based on his experience as the President and Chief Executive Officer of ATG Distribution, a full-service alcoholic beverage wholesaler servicing Eastern and Central Alabama. Through this experience, he has become an expert in navigating the logistics and distribution of highly regulated substances, a skill that is directly transferable to the cannabis industry.
<b>Chief Operating Officer - Ernest ("Ernie") Craumer</b>	
<b>Delineating Authority</b>	Mr. Craumer reports directly to the CEO. His direct reports include the Head of Pharmacy, Director of Marketing, Director of Inventory Management, and Director of Patient Education.

<b>Job Description and Duties</b>	Mr. Craumer is responsible for day-to-day operations and the development, design, function, and improvement of CCSA's Dispensary Facilities. He is also responsible for driving performance measures for the organization, including considering efficiency versus effectiveness.
<b>Qualifications</b>	Mr. Craumer's experience operating licensed medical cannabis facilities around the U.S. has made him an expert in medical, retail cannabis sales, and patient care. Additionally, his experience serving as the founder and CEO of mortgage banking firm Concorde Funding Group, Ltd has provided him with the business development expertise necessary to excel in this role.
<b>Chief Compliance Officer - Vincent J. Schilleci III,</b>	
<b>Delineating Authority</b>	Mr. Schilleci reports directly to the CEO. He manages the Director of Security and oversees security personnel.
<b>Job Description and Duties</b>	Mr. Schilleci reviews and evaluates compliance concerns across all of CCSA's operations and ensures our directors and employees follow all applicable rules and regulations.
<b>Qualifications</b>	As a licensed attorney, shareholder at Maynard Cooper Gale, law professor, former general compliance officer, and general counsel for a multi-national U.N. 1.4G consumer fireworks company, Mr. Schilleci possesses the required legal acumen and regulatory compliance experience to excel in this position.
<b>Chief Financial Officer - ██████████</b>	
<b>Delineating Authority</b>	██████████ reports directly to the CEO.
<b>Job Description and Duties</b>	The CFO provides both operational and programmatic support to CCSA and acts as the financial spokesperson for the company. He will assist the CEO on all strategic and tactical matters as they relate to budget management, financial forecasting, and cost-benefit analysis.
<b>Qualifications</b>	██████████ has over 30 years of accounting experience, beginning his career as a Certified Public Accountant at a small firm in Hoover, AL, in

	<p>1979. After demonstrating his aptitude in tax, accounting, and trust administration, ██████ acquired the firm – ██████ – in 1998 and has since served as the President. He is extremely well-suited to serve as CCSA's CFO based on his demonstrated financial prowess and years of experience working with Alabama taxpayers and small businesses.</p>
<p><b>Chief Medical Advisor - ██████</b></p>	
<b>Delineating Authority</b>	<p>██████ advises the Board of Managers and the CEO. He will oversee the Medical Advisory Board (MAB).</p>
<b>Job Description and Duties</b>	<p>██████ will lead MAB meetings and be responsible for advising CCSA on topics such as patient care and outreach, product variety and effectiveness, research updates and opportunities, patient education and accessibility, and much more</p>
<b>Qualifications</b>	<p>██████ has nearly 30 years of experience in medical and surgical patient care in AL, with an emphasis ██████                  ██████ He currently serves as ██████                  ██████                  ██████ His wealth of experience consulting patients and developing personalized patient care plans aptly qualifies him to serve as CCSA's Chief Medical Advisor.</p>
<p><b>Medical Advisory Board - ██████ -</b></p>	
<b>Delineating Authority</b>	<p>The MAB advises CCSA's Board of Managers and the CEO.</p>
<b>Job Description and Duties</b>	<p>The MAB will meet quarterly and will lend sound, impartial advice and provide input to organizational leadership on topics such as patient care and outreach, product variety and effectiveness, research updates and opportunities, patient education and accessibility, and much more.</p>
<b>Qualifications</b>	<p>Comprised of medical doctors, pharmacists, and medical researchers, the MAB has almost a century of combined experience in treating patients</p>

	with qualifying conditions, pharmaceutical development, medical research, and pharmacy management and operations.
<b>Director of Security - [REDACTED]</b>	
<b>Delineating Authority</b>	[REDACTED] reports to the CCO and oversees all Security Personnel.
<b>Job Description and Duties</b>	[REDACTED] will oversee the development of CCSA's security plan, the installation and operation of security systems, ensure compliance with all rules and regulations, supervise Security Personnel in our Dispensing Facilities, and ensure safety protocols for all Medical Cannabis moved within the Dispensing Sites. He will also provide security training for Security Personnel and general safety training to all employees during new hire orientation or annual training throughout the year. [REDACTED] will also provide and maintain a staffing plan for at least one security guard per Dispensary Facility during business/operating hours.
<b>Qualifications</b>	[REDACTED] is a veteran of the U.S. Marine Corps who served as a Special Agent with the FBI for more than 25 years. Since 2015, he has managed his own private security company that provides private security services to Alabama businesses. His military and law enforcement experience makes him extremely well-qualified to serve as CCSA's Director of Security.
<b>Director of Inventory Management - [REDACTED]</b>	
<b>Delineating Authority</b>	[REDACTED] reports directly to the COO.
<b>Job Description and Duties</b>	As Director of Inventory Manager, [REDACTED] will be responsible for keeping and protecting all inventory, ensuring the accuracy of our inventory, performing inventory audits and inspections, and implementing and enforcing all inventory management policies and procedures.
<b>Qualifications</b>	[REDACTED] co-owns three family-owned dispensaries, where she has been responsible for all inventory purchases, compliance with seed-to-

	sale tracking systems, managing data for inventory control, and sales forecasting. She has the necessary cannabis-specific inventory management experience to excel in this position.
<b>Director of Marketing - [REDACTED]</b>	
<b>Delineating Authority</b>	[REDACTED] reports directly to the COO and oversees Marketing Specialist [REDACTED].
<b>Job Description and Duties</b>	[REDACTED] will guide the overall brand image, manage budgets, analyze promotional data in compliance with Commission regulations, and manage all Marketing Specialists.
<b>Qualifications</b>	[REDACTED] has experience crafting, driving, and executing high-quality marketing campaigns for cannabis businesses. She is well-qualified to lead CCSA's marketing efforts in Alabama while ensuring compliance with all applicable marketing and advertising regulations.
<b>Director of Patient Education - [REDACTED]</b>	
<b>Delineating Authority</b>	[REDACTED] reports to the Chief Medical Advisor, [REDACTED], and the COO, [REDACTED]. She oversees all Certified Dispensers and Dispensary Assistants.
<b>Job Description and Duties</b>	[REDACTED] will educate all Certified Dispensers on Medical Cannabis and will evaluate and advise our patients through the creation of informational materials and one-on-one consultations.
<b>Qualifications</b>	[REDACTED] is a highly trained medical science liaison and clinical scientist with experience in the medical product life cycle. She is also a Psychology Ph.D. Candidate with a focus on behavioral health, veterans, trauma, PTSD, and microaggressions. Her wealth of experience and range of knowledge aptly qualifies her to advise patients on responsible Medical Cannabis use.
<b>Head of Pharmacy - [REDACTED]</b>	
<b>Delineating Authority</b>	[REDACTED] reports to the COO and manages the Certified Dispensers.

<p><b>Job Description and Duties</b></p>	<p>██████████ is responsible for the development of the day-to-day dispensing operations policies, inventory control, product selection, and overseeing patient care and interactions. He will work closely with the Director of Inventory Management to ensure CCSA offers our patients and caregivers the proper assortment of Medical Cannabis to address all qualifying medical conditions.</p>
<p><b>Qualifications</b></p>	<p>██████████ has over 28 years of traditional pharmacy and Medical Cannabis dispensing experience. In addition to his national specialty pharmacy, ██████████, which is licensed in all 50 states, ██████████ operates two of the nine medical marijuana pharmacies licensed by the Louisiana State Board of Pharmacy. This makes him extremely well-qualified to serve as CCSA's Head of Pharmacy.</p>
<p><b>Certified Dispensers - ██████████</b></p>	
<p><b>Delineating Authority</b></p>	<p>CCSA Certified Dispensers will report to the Head of Pharmacy, ██████████</p>
<p><b>Job Description and Duties</b></p>	<p>Our Certified Dispensers will serve as the managers of our Dispensary Facilities. Each of them will build upon their professional pharmaceutical experience and undergo the training program established and administered by the Commission. Their duties will include management of all Dispensary Assistants and compliance oversight, including signoff on all sales and responsibility for each transaction.</p>
<p><b>Qualifications</b></p>	<p>All our Certified Dispensers have at least two years of education or experience in biology, biochemistry, chemistry, physiology, pharmacology, medicine, Medical Cannabis, nursing, pharmaceuticals, or a similar field. ██████████ is a Nuclear Pharmacist who founded his own nuclear pharmacy in Birmingham, AL, ██████████ ██████████ and ██████████ both work for ██████████ at ██████████ as Pharmacy Technicians. Their experience working directly with Alabama patients in a pharmacy setting ensures they are well-qualified to perform all their required duties as Certified Dispensers.</p>

**9.5 – Job descriptions of all non-managerial employee positions clearly delineating qualifications and duties.**

<b>Security Personnel - To be hired upon licensure</b>	
<b>Job Description and Duties</b>	Security Personnel members are responsible for implementing and improving security protocols. Security Personnel will be responsible for authorizing entrance and departure from CCSA's facilities, monitoring surveillance footage, maintaining control of the premises, responding to security incidents, and other security-related tasks as needed.
<b>Qualifications</b>	CCSA will only employ Security Personnel with all necessary State certifications and proven experience in the security sector, including but not limited to prior law enforcement or military experience.
<b>Marketing Specialist - ██████████</b>	
<b>Job Description and Duties</b>	██████████ will directly assist the Director of Marketing in designing, creating, and executing a marketing project. This may include a multi-platform marketing campaign, advertising, promotions, and sales.
<b>Qualifications</b>	██████████ has over ten years of experience as an Account Supervisor, where he developed and implemented sports media and marketing strategies to ensure the satisfaction of client demands. His success in his prior roles will facilitate his achievement at CCSA.
<b>Dispensing Assistants - To be hired upon licensure</b>	
<b>Job Description and Duties</b>	Dispensing Assistants will be responsible for providing patients with prompt service, quality Medical Cannabis, and guidance with respect to product selection. Dispensing Assistants will not dispense Medical Cannabis to any patients or caregivers without being under the supervision of a Certified Dispenser.
<b>Qualifications</b>	All Dispensing Assistants must possess an in-depth knowledge of CCSA's product offerings and possess impeccable patient services skills.

**This Exhibit 9.3-9.5 Complies with:** Ala. Admin. Code r. 538-x-3-.05(3)(m)(15)(c); Ala. Admin. Code r. 538-x-3-.05(3)(m)(16)(k)(vii); Ala. Admin. Code r. 538-x-4-.05(12)(n)(3);

Ala. Admin. Code r. 538-x-8-.02(6)(c); Ala. Admin. Code r. 538-x-8-.03(1)-(4); Ala. Admin. Code r. 538-x-8-.05(3)(m)(8) .

**9.6 CCSA’s Executive Summary Including Mission Statement, Leadership Background and Qualifications, Business Style and Philosophy, Key Personnel, Identification of Facility Location(s) and Function(s).**

The following Executive Summary details CCSA’s mission statement, leadership background and qualifications, business style and philosophy, key personnel, identification of facility locations and functions.

**Mission Statement**

CCSA’s mission is to become an industry leader in Alabama by ensuring patients have safe, affordable, and informed access to the highest quality, therapeutically effective medical cannabis products while also making a tangible, positive impact in the communities where we operate. If granted the privilege of state licensure and local approval, we will provide the communities that host our Dispensing Sites with a future of strong growth through economic development, well-paying jobs, significant tax revenue, philanthropic collaboration, and a sense of confidence and security with CCSA as a partner.

**Leadership Background and Qualifications**

**Matthew Hogan, Owner/Co-Founder and Chief Executive Officer**

Our team is led by an Alabama native, Matthew Hogan, who currently serves as the president and Chief Operating Officer of ATG Distribution, a full-service alcoholic beverage wholesaler servicing Eastern and Central Alabama. In this role, Mr. Hogan oversees the distribution of alcoholic beverages across the state, working closely with Alabama regulators and business owners to ensure compliant and efficient alcohol distribution operations, making him an expert in navigating logistics and distribution of highly regulated substances. Mr. Hogan’s wealth of experience working in Alabama’s alcohol industry makes him aptly suited to oversee CCSA’s dispensary operations.

**Ernest (“Ernie”) Craumer, Owner/Co-founder, and Chief Operating Officer**

Mr. Craumer has over five years of experience managing the day-to-day operations of cannabis dispensaries around the country including Callie’s Cannabis Shoppe, a chain of three family owned and operated dispensaries in Colorado and Maryland, and the celebrated Starbuds retail brand, which has medical and retail dispensaries in multiple states. Through



this experience Mr. Craumer has become an expert at developing efficient operational protocols, ensuring chain of custody of products and currency, facilitating exemplary patient experience, and managing on-site human resource operations. His wealth of cannabis industry experience will be instrumental to CCSA's Dispensing Site operations in Alabama.

Sandra ("Sandy") Young, Owner/Board of Managers

Sandy Young is an accomplished businesswoman and philanthropist who has been actively involved in the cannabis industry since 2009 when she began working for Starbuds. In addition to serving as a managing director of Starbuds National, Mrs. Young has served as the President, CEO, and co-owner of multiple Medical Cannabis businesses. Through starting up and operating multiple medical cannabis facilities in states such as Louisiana, Maryland, New Jersey, and Massachusetts, Mrs. Young has become intimately familiar with compliance and curating a patient-focused retail environment, which will be invaluable to CCSA's operations in Alabama.

Vincent ("Vinnie") J. Schilleci Jr., Owner

A lifelong Alabamian and veteran, Judge Vinnie Schilleci Jr. attended the University of Alabama, where he earned a varsity letter for the football team as the Crimson Tide's starting placekicker. Judge Schilleci served as an assistant district attorney in Bessemer, Alabama until 1981, when he was appointed as a District Court Judge for the State of Alabama. Judge Schilleci retired from the bench in 2006 after nearly 25 years of service. He will utilize his judicial background to ensure CCSA always operates in full compliance with Alabama law and AMCC rules.

Vincent ("Vince") J. Schilleci III, Owner/Co-founder and Chief Compliance Officer

A lifelong Alabama resident, Mr. Vince Schilleci III is an attorney and Shareholder at Maynard Cooper Gale in the firm's Estate, Trust, and Business Planning Group. He focuses his practice in the areas of business planning, succession planning, estate planning, taxation, real estate, and probate administration. As a successful tax attorney with his L.L.M., Mr. Schilleci has served as General Counsel and Chief Legal Officer for successful businesses in the past. Mr. Schilleci is dedicated to improving the lives of his fellow Alabamians and will use his legal background to ensure CCSA operates at the highest levels of compliance and accountability.

**Business Style and Philosophy**

CCSA's business style and philosophy seeks to empower all members of our team to contribute to our overall mission of providing access to affordable Medical Cannabis for patients throughout the state while giving back to our community. As such, we will invest in education, and create opportunities for team building initiatives within CCSA in order to foster a diversity of approaches to doing business and engage in creative or innovative ways of achieving our business goals and serving the citizens of Alabama.

### **Key Personnel**

#### **████████████████████** Chief Medical Advisor

CCSA's Chief Medical Advisor, ██████████ currently serves as an ██████████ ██████████ as well as the ██████████ ██████████. Prior to his tenure at ██████████, he spent 18 years working in private practice specializing in the medical and surgical treatment ██████████. He has a wealth of experience consulting patients and developing personalized patient care plans which will translate well to CCSA's patient consultation operations.

#### **████████████████████** Lead Pharmacist

CCSA's Lead Pharmacist, ██████████, has over 28 years of experience in both the pharmaceutical and Medical Cannabis industries. He is the Founder and CEO of ██████████ ██████████ in ██████████, which is considered one of the premier compounding pharmacies in the region. ██████████ also founded ██████████ to serve the unique needs of terminally ill patients. Additionally, he owns four of the nine Louisiana Medical Cannabis pharmacies. With experience in both traditional and medical cannabis pharmacies, ██████████ is aptly suited to oversee dispensing operations.

#### **████████████████████** Director of Patient Education/Medical Advisory Board

CCSA's Director of Patient Education and Certified Dispenser, ██████████ ██████████, is a highly trained medical science liaison and clinical scientist with experience in medical product life cycle. She has in depth knowledge of behavioral health, infectious disease, antimicrobial stewardship, wound care, diabetes management, dermatology, renal, vascular, and neuropathic diseases. She is also a Psychology Ph.D. Candidate with a focus on behavioral health, veterans, trauma, PTSD, ACE's and microaggressions. Her wealth of experience and range of knowledge makes her uniquely qualified to advise patients on responsible Medical Cannabis use.

Robert Haley, Director of Security

CCSA is fortunate to have former FBI agent, [REDACTED], serving as our Director of Security. [REDACTED] is a veteran of the U.S. Marine Corps and served as a Special Agent with the FBI for over 25 years, including as the Assistant Special Agent-in-Charge for [REDACTED], where he oversaw all criminal and administrative programs and executed COO-level responsibility over SWAT, evidence response, crisis negotiations staffing, facilities, budget, audit, compliance, and training. Upon retiring from the FBI in 2015, he started his own security company, [REDACTED], which CCSA will contract with for all security needs.

**Facility Locations and Functions**

Dispensary Facilities

CCSA's dispensing operations will be located at the following address:

- 5232 Atlanta Hwy, Montgomery, AL 36109.
- Parcel number 17-01-01-0-000-007.000, Cullman County, AL.
- 309 West Battle Street, Talladega, Alabama 35160.

CCSA carefully considered the selection of these Dispensary Sites to ensure convenient access to patients and caregivers in safe secure locations that also benefit their surrounding communities. All of these locations are located at least one thousand feet from any school, day care, or childcare facility. The location of the parking lot in relation to the primary entrance of the Dispensing Facilities have been designed to provide reasonable privacy during ingress and egress from the dispensing site. Under the supervision of our Certified Dispensers, CCSA will conduct the following activities at our Dispensing Sites in compliance with Alabama law and AMCC rules: receiving and securely storing Medical Cannabis, verifying patient and caregiver status, consulting patients and caregivers on our Medical Cannabis, and conducting compliant transactions at the point of sale. Final floor plans detailing the location and function of all areas of the facility are included separately in CCSA's application.

**This Exhibit 9.6 complies with:** Ala. Admin. Code r. 538-x-3-.05(3)(m)(15)(f); 538-x-3-.11(3)(n); 538-x-4-.07(12)(n)(6); 538-x-8-.04(2); Darren Wesley 'Ato" Hall Compassion Act §20-2A-64(d)(1).

## **9.7 – Description of Services, Product Offerings, Pricing, and Consumer Benefits**

### **Executive Summary**

CCSA is excited to bring our knowledge and experience to Alabama’s legal Medical Cannabis industry and offer the highest quality Medical Cannabis at competitive prices to Alabama patients. The following will outline the Medical Cannabis CCSA plans to offer, pricing plans, product lifespan, and most importantly, the projected benefits to consumers.

### **Description of Products and Services to be Dispensed**

#### **Product Offerings**

Our experience starting up and operating multiple award-winning medical cannabis dispensaries and cultivation facilities in Colorado, Maryland, and Louisiana, coupled with the extensive patient care expertise of our Chief Medical Advisor, Lead Pharmacist, and Medical Advisory Board, have positioned us to determine the appropriate products offerings based on market demand, medicinal benefits, and patient cost value. We intend to use our demonstrated efficiency and compliance dedication to curate a patient-focused retail environment to exceed patient needs in product offerings.

CCSA will offer various Medical Cannabis at differing strengths for medical use by registered, qualified patients. With the support of vetted suppliers and producers, we intend to white-label our own branded products of the highest quality, such as capsules, tinctures, topicals, and transdermal patches, in addition to carrying a wide range of the highest quality products from other trusted suppliers. Our white-labeled products will be color coded to create a visual representation of three effects: “Relief,” “Dream,” and “Comfort.” We will also supply patients with products manufactured by other Alabama licensees, such as oral tablets, capsules, or tinctures, non-sugarcoated gelatinous cubes, gelatinous rectangular cuboids, or lozenges in a cube or rectangular cuboid shape, gels, oils, creams, or other topical preparations, suppositories, transdermal patches, nebulizers, or liquids or oils for administration using an inhaler. There will be no raw plant materials, Medical Cannabis plants administered by smoking, combustion, or vaping, or any food products that have Medical Cannabis baked, mixed, or otherwise infused into the products, such as cookies or candies offered for sale. Examples of our potential products can be found below. Note that these are just examples, and all products will be submitted for approval by AMCC and comply with relevant legal requirements.



Overview of Dispensing Services

*Authorized Activities*

Our Dispensary will have a strict total adherence compliance policy; we have executed Letters of Intent for product supply with five potential suppliers applying for Integrated Facility and Processor licenses. CCSA will only purchase and transfer Medical Cannabis from the processor or integrated facility we are contracted with using a secure transporter.

Our internal inventory seed-to-sale and point-of-sale system, Dutchie, will be CCSA's primary system to track all Medical Cannabis inventory. Dutchie will integrate with Metrc, enabling Metrc to access all necessary data from CCSA's data entries via a bi-directional application programming interface ("API") in Dutchie. By using Dutchie, we can leverage the standard "Patient Lookup" and "Allotment Check" functions that allow us to cross-check that

sales are only made to a registered, qualified patient or caregiver holding a valid, unexpired, and unrevoked Medical Cannabis card. These sales will only occur within the dispensing site's sales area. CCSA will comply with all duties and requirements of a licensed dispensary as defined by Ala. Admin. Code r. 538-x-8-.02(6)(a)-(h) (2022).

#### *Employees and Dispensers*

All CCSA employees will undergo education and training and will display a thorough understanding of all standard operating procedures in accordance with Ala. Admin. Code r. 538-x-8-.03(1)-(8) (2022) and Ala. Admin. Code r. 538-x-4-.04(2)(a)-(b) (2022).

#### *Restricted Activities*

CCSA understands the responsibility of operating a Dispensary and will implement appropriate operational restrictions. At the highest level, neither the Dispensary nor its subsidiaries, affiliates, parent entities, board members, officers, managers, or employees, individually or collectively, will engage in any restricted activities as defined by the Commission. This includes operational restrictions, as outlined below, along with holding a license or possessing stock or ownership interest in a licensed cultivator, processor, secure transporter, or integrated facility.

CCSA will not dispense or purchase any Medical Cannabis from a processor prior to processing. CCSA will not perform any function designated to an Integrated Facility or State Testing Lab. CCSA will only sell Medical Cannabis processed by our contracted processor or integrated facility. The only items offered for sale will be properly obtained Medical Cannabis or approved Medical Cannabis-related equipment or supplies.

#### *Projected Pricing*

CCSA products will be competitively priced, with discounts provided to qualifying patients as part of our Patients of Distinction Program, Golden Age Program, and Pathways Program. Our efficient retail sales techniques learned from our decades of collective experience in other Medical Cannabis programs allow us to pass savings to Alabama patients. While prices for specific products will vary based on potency and package size, our pro forma model provides averages across each main product category. Initial prices, before patient discounts, are as follows: gelatinous cubes \$60, capsules \$50, tinctures \$75, nebulizer and liquid inhalers \$100, transdermal products \$30, topical products \$50, and other compliant

medical devices \$20. We anticipate retail product prices to decline at a rate of 4% per year with increased competition and operational advances.

*Projected Product Lifespan*

As a dispensary, CCSA will not be a producer of products. That said, with our experience in the medical cannabis industry, we are familiar with the lifespan of many types of Medical Cannabis products. Product lifespan will depend on the particular formulation, but based on our experience, many products can stay fresh and safe for up to 6-12 months. We will be sure to keep all Medical Cannabis at optimal conditions, with minimal fluctuation in temperature and humidity, to preserve lifespan.

*Projected Benefits to Patients and the State of Alabama*

CCSA's highest priority for its offering selection is providing patients with the best in service, value, access, variety, and medicinal efficacy. Our Lead Pharmacist, the Founder, and CEO of [REDACTED] in Lafayette, Louisiana, owns 4 of the 9 Louisiana medical cannabis pharmacies. With over 28 years of combined traditional pharmacy and medical cannabis dispensing experience, he understands and appreciates the medicinal value of cannabis and how patients can benefit from its use in a controlled setting under the supervision of an Alabama-licensed physician. Our experience in other states and the pharmaceutical and medical industries ensures that the sale of Medical Cannabis to qualified patients will provide compassionate relief, allowing these patients to function more easily and dramatically improve their quality of life. In addition to consumer benefits, the Medical Cannabis industry will provide employment and business opportunities for Alabama farmers and residents and additional revenue to state and local governments. In compliance with the Act, CCSA will provide registered patients and the state of Alabama the maximum benefit of Medical Cannabis.

**This Exhibit 9.7 complies with:** Ala. Admin Code. r. 538-x-8-.03(1)-(8); r. 538-x-.05(3)(m)(15)(g); r. 538-x-1-.02; r. 538-x-4-.04(2)(a)-(b); r. 538-x-4-.07(12)(n)(7); r. 538-x-8-.02(4)(a)-(e); r. 538-x-8-.02(5)(a)-(k); r. 538-x-8-.02(6)(a)-(h); Code of Alabama 1975 §20-2A-2(3); §20-2A-2(5); §20-2A-3(14); § 20-2A-64(a)(1)

**9.8 – Advertising/marketing analysis and strategy.**

CCSA's Business Plan's advertising and marketing analysis and strategy section provides an overview of our analysis of the consumer market in Alabama and the proposed advertising and marketing strategy plan we have developed based on this consumer analysis. Specifically, this section details the market opportunities in Alabama for medical cannabis, followed by a summary of our advertising and marketing strategy plan, which includes the proposed advertising and marketing campaign strategies and goals we intend to undertake to expand the reach of our Dispensaries and increase the number of patients we serve. Our advertising and marketing plan ensures CCSA's compliance with all applicable regulations governing our engagement with our patient community, including ensuring that minors are not exposed to our marketing campaigns. Our marketing strategy emphasizes customer service, patient education and engagement, and community outreach. To develop CCSA's advertising and marketing plan, our experienced team utilized projections based on Alabama's state and local population and demographics, the number of anticipated qualified patients, market demand, and effective strategies to provide optimal education and the greatest benefits to Alabama patients, caregivers, and residents.

Building a strong business plan, in particular a mutually beneficial advertising/marketing plan, for our Alabama operations requires more than just our brand equity. It is based upon solid market research and analysis of reliable, relevant data and an intimate understanding of similar cannabis markets learned from our decades of cumulative experience in the medical cannabis industry. At CCSA, our goal is to provide superior quality Medical Cannabis combined with unmatched education, service, and experience, all while emphasizing patient health and care. We have meticulously analyzed the new Alabama medical market, which in turn has allowed us to formulate and develop a well-rounded advertising and marketing plan that identifies the best marketing strategies and specific goals to reach and expand our target audience (e.g., qualified patients and their caregivers) and provide them with affordable products and the highest level of support and education our patients, caregivers, and local communities deserve.

### **Advertising and Marketing Analysis**

Our extensive financial model (detailed in Exhibits 4 and 5) allows us to incorporate historical data for patient growth, patient expenditures, and product category demand from states with similar medical cannabis markets and regulations.



We project that Alabama patient counts will be 25,140 in 2023 and 54,572 in 2026. We expect our Dispensing Sites will serve 5,635 Alabama patients based on our locations, with a potential market share of 17% of total market demand in 2024. Our team's extensive knowledge of the medical cannabis industry and other highly regulated industries serve as the foundation of an advertising and marketing plan that will benefit patients, caregivers, and residents of Alabama whom we serve.

### **Advertising and Marketing Strategy**

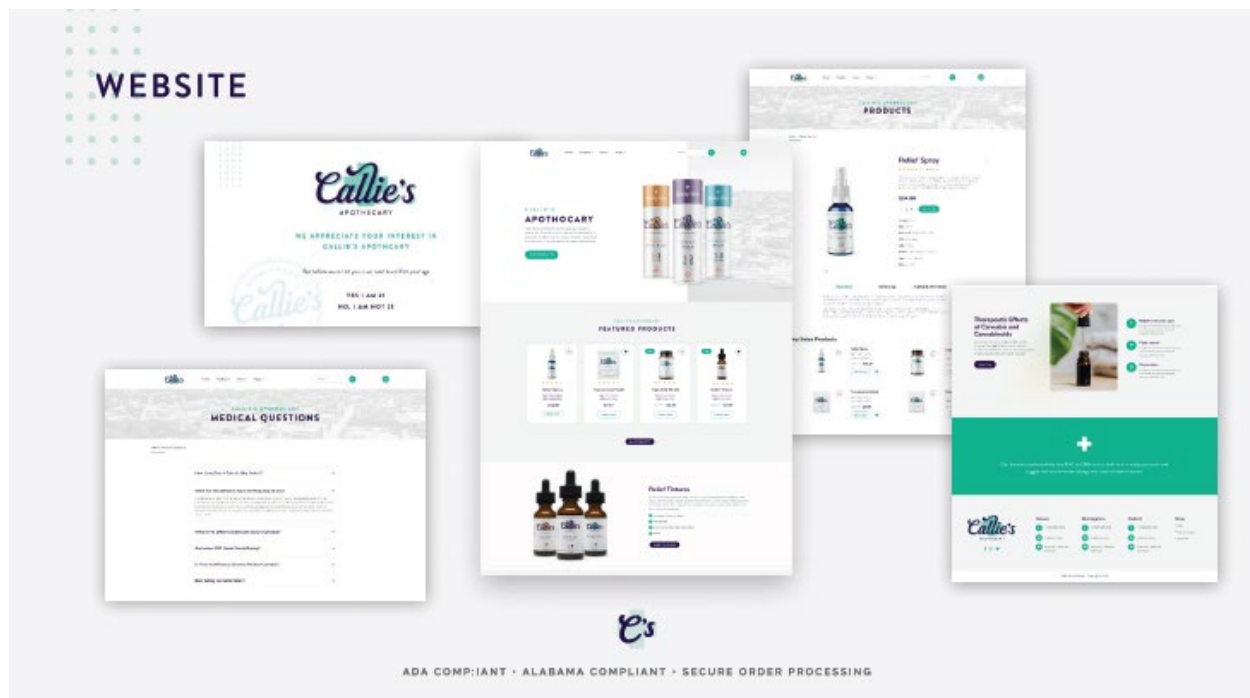
CCSA's advertising and marketing strategy can be summarized by two main goals. First, we will leverage our decades of regulated cannabis market expertise and our mastery in building medical cannabis brands to support our new marketing efforts in Alabama. Second, we will establish ourselves as a trusted provider of high-quality Medical Cannabis in the eyes and minds of our qualified patients, caregivers, and local communities in Alabama. For our team, operating a medical cannabis business is about more than just selling products. It is about delivering unique – and best-in-class – experiences to our patient community and serving the citizens of Alabama. We will meet our goals by curating an exceptional service in a comfortable, confidence-inspiring environment where we will cultivate meaningful connections with our patients and their caregivers. CCSA is a patient-focused operation that possesses the know-how and infrastructure to serve and increase our patient base.

### **Patient Relations and Education**

Our number one focus is the well-being of our patients and their caregivers. We are a patient-focused operation whose mission is to help our patients achieve optimal health, wellness, and the highest possible quality of life. It is our utmost priority to foster and maintain meaningful connections and ongoing relationships with patients that are built on mutual respect and open dialogue in a space where our patients feel safe and comfortable. We know, based on our experience in other medical markets, that we can achieve this and, as a result, keep patients coming back to our Dispensaries. Our employees will be trained by our Chief Medical Advisor, Director of Patient Education, and our Medical Advisory Board to interact, educate, support, and assist our patients with all aspects of their medical cannabis purchase. Our employees, who are a group of caring, professional, and talented individuals, will complete an intensive and hands-on training program to gain proficiency in regulations, company protocol, product knowledge, safety, and patient service. We believe that providing

patient education empowers our patients. This education will include new patient orientation offerings, one-on-one personal consultations to address patient questions and discuss potency, knowledge of terpene profiles, best practices for consumption, selection of appropriate products, and supplemental instructions for medical cannabis use. Our Dispensaries will display up-to-date educational information, and we will provide tools to our patients to help them make informed decisions about the products they select, such as take-home self-assessment checklists to discuss with their medical provider and a medication tracking calendar. CCSA will also offer online resources, including a location-specific website with a tailored menu for users who want to learn more about our operations, products, and Medical Cannabis options. Prior to accessing our website, users are required to confirm they are not a minor via an age-verification feature. Our website will be safe, secure, and ADA-accessible to provide all patients and caregivers ease of access to up-to-date information about our Dispensaries, including addresses, contact information, and medical cannabis services and products we provide. Patients may also correspond directly with our Director of Patient Education through a secure email and by phone.

Because compliance is a central tenet of CCSA's advertising and marketing campaigns, we will never advertise Medical Cannabis on the radio, television, broadcasts, cable, on-demand, satellite, cinema, social media, or any other internet-based platform or system for transmitting visual images and sounds produced on screen. We will also take exceptional care to ensure our advertising and marketing efforts do not encourage or promote cannabis as legal, therapeutic, or beneficial outside of the AMCC rules. Our advertising/marketing strategy is designed to diminish the chances of exposure to minors and never uses materials or channels that appeal to minors, all while promoting patient education and compliance with Alabama laws and regulations. CCSA's advertising and marketing plan requires our team to always inform the AMCC of any proposed media outlet involved in our marketing/advertising (including any social media platform or third-party individual or entity); to submit any proposed name, logo, sign, advertisement, marketing campaign, contracts, forms, and all related materials to the AMCC for approval prior to implementing said materials; and to timely pay any applicable advertisement fees. See the below image for an example of CCSA's marketing and branding designs.



### Supplier Relationships

As established and successful operators in medical cannabis markets, we understand the importance of creating lasting relationships with reliable, trusted local medical cannabis suppliers to ensure our patients' access to medical cannabis. We have carefully vetted multiple potential suppliers and executed letters of intent to purchase supply from those that we are confident will be model operators if they are awarded a license. Because of these established supplier relationships, our Dispensaries will not encounter issues with sourcing premium products for our qualified patients. Engaging in ongoing discussions with other medical cannabis operators and suppliers about their supply chain issues with obtaining high-quality, consistent products and a perceived lack of product diversity, continuously educates and inspires our executive team to operate differently to curate and guarantee a robust and diverse selection of Medical Cannabis at an affordable cost. We will offer a wide range of product types, potencies, and administration methods while simultaneously minimizing costs to our patients.

**This Exhibit 9.8 Complies with:** Ala. Admin. Code r. 538-x-3-.05(3)(m)(15)(h); Ala. Admin. Code r. 538-x-3-.11(3)(a)-(c), (f), (j), (l)-(n); Ala. Admin. Code r. 538-x-4-.07(12)(n)(8); Ala. Admin. Code r. 538-x-4-.17(1-3) (5)(c) (7); Ala. Admin. Code r. 538-x-8-.05(1); Ala. Admin. Code r. 538-x-8-.05(3)(k)(1)-(3); Ala. Admin. Code r. 538-x-8-.21

**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.**

*Satisfaction of Plan: Complete but always ongoing and evolving*

A cornerstone of CCS of Alabama, LLC’s (“CCSA’s”) purpose-driven operational plan is a commitment to positively impact the communities where we operate. As participants in a fledgling business sector that is unfamiliar to many Alabama residents, CCSA recognizes that it has a broader duty within Montgomery, Cullman, and Talladega communities to educate, enrich, empower, and effectuate positive change. With an ownership team comprised of lifelong Alabama residents, CCSA has a proven history of conceptualizing, designing, and implementing robust community outreach endeavors within their communities.

In addition to working directly with local officials and providing channels of communication to address community concerns, CCSA will provide community benefits through the creation of a Donor Advised Fund to support Community Foundations in each of our target communities. As detailed in the following subsections, CCSA’s Community Engagement Plan will provide substantial benefits to each of our host communities.

**Demonstrated Background of Community Engagement**

Owner Matthew Hogan has a demonstrated history of supporting Alabama’s educational institutions as a contributor to the Crimson Tide Foundation and member of the Bryant Society. As an Alabama District Court Judge, owner Vincent Schilleci Jr. has served in several leadership roles at community organizations including the Greater Alabama Council of the Boy Scouts of America and the Social Services Board of the Diocese of Birmingham. Vincent Schilleci III continues his father’s legacy of leadership by actively serving on the Community Foundation of Greater Birmingham’s Professional Advisors Committee and as Past President of the Mountain Brook Chamber of Commerce.

**Community Outreach Efforts**

CCSA has proactively reached out to community leaders where we intend to operate our Dispensaries to explain our business plan and ascertain how we can best support our surrounding community. Through these productive meetings, we have started to build a

foundation of mutual trust and respect with local government officials and community leaders. To date, CCSA has conducted the following meetings with municipal leaders from our target communities:

- **Talladega**
  - Meeting with the City Manager Seddrick Hill.
  - Meetings with City Councilman Trae Williams.
  - Calls with Mayor Timothy Ragland.
- **Montgomery**
  - Meeting with Mayor's Chief of Staff Chip Hill.
  - Calls with City Councilman CC Calhoun.
- **Cullman**
  - Call with State Senator Garlan Gudger.
  - Call with City Councilman Brad Smith.

The following quote from Mr. David Carrington, former president of the Jefferson County Commission, represents an example of the outcome of our local outreach meetings: *“As former president of the Jefferson County Commission, I was responsible for the health and vitality of our business community and the citizens of Jefferson County for years. [...] I am confident CCSA will be a reliable and respectable community partner that upholds the values of Alabama and operates at the highest levels of accountability and integrity.”*

In addition to Mr. Carrington's letter of support, CCSA has also received a letter of support from Cullman City Councilman Brad Smith. In this letter he stated the following: *“I am confident that the CCSA team has the operational experience to provide safe and consistent medical cannabis products to the qualified patient population of Alabama in full compliance with all laws and regulations. For all these reasons, I fully endorse and support their application for a permit to operate as a medical cannabis licensee.”*

Outreach efforts in Talladega also proved successful, and we are excited to build on our relationships with Talladega community leadership! We are thankful that City Councilman Trae Williams endorsed our business plans with the words from his letter of support below: *“From my conversation with Mr. Hogan, it is evident that CCS of Alabama comes*

*with a strong team of leaders with experience from a wide spectrum of industries and will no doubt excel in this venture.”*

As another demonstration of our successful community outreach efforts, CCSA has received a glowing letter of support from Mr. John C. Stanley, Chair of the Montgomery Board of Adjustments. The following quote summarizes his reasoning for supporting our business: *“I have known and worked with Matthew Hogan, Vince Schilleci and the Hogan and Schilleci families for years, and I am confident this team of individuals has the integrity, knowledge, and experience to successfully operate such a business in Montgomery. I am confident CCSA will be a reliable and respectable community partner that upholds the values of Montgomery and operates at the highest levels of accountability and integrity.”*

We will continue our community outreach efforts to garner local support for our business and learn how we can best contribute to the goals of our host communities. Once operational, CCSA will maintain an active dialogue with government officials and community leaders to ensure our operations are in line with the community’s goals and never constitute a nuisance.

### **Handling Community Concerns and Complaints**

CCSA will always be available and accountable to our fellow community members by fostering open communications with local government officials and neighboring businesses to address any community concerns or complaints. The following subsections describe CCSA’s policies for addressing community concerns or complaints.

#### Designated Community Engagement Liaison

At each Dispensing Site, CCSA will designate a Community Engagement Liaison to be the primary point of contact and public face for our operations. The Community Engagement Liaison’s contact information will be conspicuously posted inside our Dispensing Sites near the main entrance and on our website to ensure any individual with concerns or complaints can easily contact a facility representative. We will provide this contact information to local government officials and ensure that our Liaison responds to any questions or concerns from city officials or local stakeholders by phone or email within 24 hours.

#### Addressing Community Complaints

While CCSA will take proactive measures to mitigate the possibility of creating both foreseeable and unforeseeable issues that would lead to any community complaints, we also

recognize the benefit of maintaining a strategic action plan to address concerns as they arise. We take any concerns or complaints from community members very seriously. Upon receiving a concern or complaint, we will take all necessary steps to rectify the issue. We will utilize the below process as a foundation for our complaint resolution procedures.

*Step 1: Document the Concern or Complaint:* Any employee receiving a complaint will first document the concern on a standard form, recording as much information from the individual as possible. The employee will ask for and record the individual's contact information for follow-up responses.

*Step 2: Immediately Report the Concern or Complaint:* Employees will immediately report any concern or complaint to the Certified Dispenser on duty and the Community Engagement Liaison. They will present all the information from the documented complaint.

*Step 3: Develop and Execute a Plan of Action:* The company will develop and execute a plan of action to resolve the issue. CCSA will implement a short-term solution to alleviate the complainant's concern and a long-term solution to prevent the issue from occurring in the future. We will incorporate any long-term solutions into our standard operating procedures to prevent the issue from reoccurring, and employees will be retrained on the new policy.

*Step 4: Follow-up with the Complainant:* Our Community Engagement Liaison will personally follow up with the complainant to ensure their concern was adequately and efficiently resolved. The Community Engagement Liaison will articulate the steps taken to mitigate the concern and the protocols developed to prevent the issue from reoccurring.

*Step 5: Document the Incident and Resolution:* Our Community Engagement Liaison will create a complaint report of the entire incident that documents the complaint; recording employee information; contact information of the complainant; plan-of-action and resolution; protocols implemented to prevent recurrence; the follow-up conversation with the complainant; and training that occurred as a result of the new standard operating procedures. CCSA's management team will review reports quarterly.

### **Donor Advised Community Foundation Fund**

CCSA is committed to improving the lives of our fellow Alabamians, particularly those that reside in our host communities. As such, **CCSA is proud to set up a Donor Advisement Fund where we will pledge up to 2% of CCSA's EBITDA, with a minimum donation of \$10,000 annually, to Community Foundations in each of our host communities.**

Community Foundations fundraise to provide grants, scholarships and support programs in education, human services, health, cultural arts, and other civic priorities in specific communities across the state of Alabama. By funding Community Foundations through our Donor Advised Fund, CCSA can ensure our philanthropic efforts have far-reaching effects across various charitable causes that are in line with the goals of our surrounding communities. Our management team has already met with leaders from multiple Community Foundations in our host communities to learn how CCSA can support their goals.

**This Exhibit 9.9 complies with:** Ala. Admin. Code r. 538-x-3-.05(3)(m)(15)(i)

### **9.10 – An Environmental Impact Statement (“EIS”)**

#### *Satisfaction of Plan: Complete but always ongoing*

Comprised of lifelong Alabama residents, CCSA is deeply committed to operating a business that has a positive impact on one of our state’s most precious resources: our environment. Our policies and procedures have been developed with the specific goal of reducing our carbon footprint while meeting the objectives of federal, state, and local agencies providing critical environmental oversight. These strategies have guided our initial business practices, including the selection of properties that facilitate sustainable construction, and will continue to guide our on-site operations throughout the tenure of our license, with continual adjustments to reflect new technology and innovations. By following the steps outlined below, CCSA aims to become environmental leaders not just within our local Alabama communities, but across the national cannabis industry.

#### **Anticipated Impact of Proposed Operations, By Facility, on the Local Environment**

As part of this EIS, CCSA evaluated several aspects of its proposed operations, including, but not limited to, energy impacts, site and area soil impacts, water impacts, air quality impacts, waste generation impacts, and construction impacts. Our experienced team is committed to adhering to technology standards that ensure resource efficiency at our Dispensaries. We will take specific, effective measures to maintain a positive environmental profile in each of our Dispensary’s communities by incorporating sustainable designs and initiatives, equipment, technology, and practices, as described below, which address environmental issues such as the water, wastewater, air quality, and waste generation. We anticipate that each Facility will have similar impacts on the surrounding environment.

#### **Energy: Electricity Usage and Conservation**



Our energy impact comes from monthly electrical and gas usage. We conducted extensive research and financial modeling to predict our monthly usage and the extent to which we will procure energy from a local utility or another source. Owners Ernest Craumer and Sandra Young will rely on their experience implementing environmentally conscious practices within their cannabis facilities across the nation to guide our efforts to install state-of-the-art LED lighting systems; utilize solar energy or other sustainable energy sources; and obtain an ENERGY STAR certification for our Dispensaries through the installation of ENERGY STAR-certified electrical furnishings, fixtures, and equipment. Our on-site Standard Operating Procedures will reflect a commitment to sustainability practices, such as modifying the heating and cooling settings, turning off or dimming lights when not in use, and energy-conserving water heating systems. When possible, we will seek to patronize clean energy projects in the State of Alabama to simultaneously reduce our carbon footprint while supporting beneficial environmental projects in our state.

Air: Treatment of Exchanged Air and Odor Mitigation

Our Dispensaries will not emit any volatile organic compounds (“VOC”) because we will not be engaged in cultivating or processing Cannabis. We will utilize purification systems in our Dispensaries to eliminate odors using broad spectrum, high-intensity UV lights and a hydrated quad-metallic catalyst to generate hydroperoxides and hydroxides, which eliminate bacteria, microbial contaminants, and odors from the air. The effluent air from our Dispensaries will be routed through carbon filters to prevent any emissions from our buildings. The HEPA carbon filters, and exhaust ports will be inspected and cleaned on a regular basis, and any equipment found to be out of conformance will be expeditiously repaired or replaced. The on-site consumption of Medical Cannabis is strictly prohibited.

Water: Water Conservation

We will use WaterSense fixtures and suggested best practices for water conservation. We will limit water use whenever possible to avoid undue strains on water supply and underground aquifers. CCSA will limit water usage at every opportunity by training staff on efficient water use and fixing leaks immediately. Our Dispensaries will not have an environmental impact for surface waters or wastewater.

Waste: Reduce, Reuse, Recycle

CCSA will strive to operate its Dispensaries in a manner that produces as little waste as possible. Our Dispensaries will generate solid waste consistent with any other retail business, but not hazardous or chemical waste. Any waste created at our Dispensaries will be disposed of pursuant to state and local regulations and in an environmentally conscious manner. Waste and recycling bins will be provided in every office, sales station, and break areas with clear signage indicating the proper method for sorting recyclable materials such as paper, plastic, glass, and food waste. In order to further reduce our impacts, we will also minimize any printed marketing materials and single-waste plastics. Our Dispensaries will generate minimal, if any, Medical Cannabis waste. Any such waste will be stored in a secured, properly labeled medical waste container while awaiting off-site destruction by a state-approved waste hauler. All waste will be handled by trained personnel who will be required to follow established guidelines applicable to our Dispensaries. All waste will be properly profiled through the Alabama Department of Environmental Management (“ADEM”) prior to final disposal.

#### Soil: Dispensary Soil Protection

We anticipate minimal, if any, impact to on-site soil. All construction work will be conducted under the guidance of civil engineers with a keen eye on erosion protection, stormwater management, and landscape management.

#### Sustainable Transit Options

According to the American Public Transportation Association, public transportation reduces carbon emissions by 37 million metric tons annually. While still using some fossil fuels, shared bus and vehicle transportation will significantly reduce CCSA’s emissions per employee per day at our Dispensaries. Employees will be encouraged to utilize public transportation or carpools to minimize environmental impacts. We will provide free bus passes for employees who choose to utilize public transportation options.

#### Construction Impacts

To be truly sustainable and carbon neutral, we must prioritize environmentally conscious choices from day one, including facility construction and operations. We aim to have all of our buildings LEED certified. One of our Facilities will be built from the ground up, providing us with an opportunity to utilize environmentally conscious building materials in construction. Whenever possible, we will seek to acquire recycled and recyclable

materials that fit within our design aesthetics, such as bamboo flooring. Excess building materials will be sold to metal recyclers or donated to the local Habitat for Humanity ReStore for use in erecting new homes. While there are options for environmentally conscious recyclers, it is much more difficult to prevent the energy expenditures required to recycle excess materials than to simply reuse them. If we do recycle materials, we will work with our waste recycling partner to minimize the number of trips they require for disposal.

**Relationship Building to Foster Cooperation and Compliance with Federal, State, and Local Agencies Providing Environmental Oversight**

CCSA has already started building relationships with state and local agencies providing environmental oversight in order to foster cooperation and compliance with the applicable laws under their purviews. Owner Mathew Hogan operates a regulated liquor distribution business and knows firsthand the value of working closely with Alabama regulators. To that end, CCSA contacted ADEM and the local municipalities in which we propose to operate to discuss potential environmental impacts and mitigation strategies for our Dispensaries. During this outreach, we learned that ADEM does not currently have established regulations for Dispensary operations. Accordingly, CCSA plans to work with the appropriate ADEM departments to develop regulations regarding Dispensary operations and how to achieve positive environmental profiles in surrounding communities. While the United States Environmental Protection Agency (“EPA”) has not provided any express guidance for cannabis companies, we hope to foster an open dialogue with EPA Region 4, which includes the State of Alabama. In the meantime, we will comply with all applicable EPA regulations and policies.

We also recognize environmental cooperation is crucial at the local level and that each municipality we intend to operate in has its own unique environmental concerns. As such, CCSA hopes to collaborate and work cooperatively with the following local government departments to ensure we are always prioritizing the environmental needs specific to each community:

<b>Montgomery</b>	City of Montgomery Department of Engineering and Environmental Services
-------------------	---

<b>Talladega</b>	City of Talladega Public Works Department and Community Appearance Department
------------------	---

**Additional Steps CCSA Will Take a to Maintain a Positive Environmental Profile in Each Community Where CCSA Operates a Dispensary Within the Next Three Years**

CCSA is committed to being a good neighbor in our Alabama communities by complying with all applicable laws and regulations, including environmental laws. Accordingly, CCSA will share its business plan and communicate its goals with local Alabama leaders and will be transparent about its operations, business dealings, and strict adherence to environmental laws. CCSA will attend community meetings, foster local partnerships, and actively be engaged in learning about the communities that surround each of our Dispensaries. If licensed, CCSA’s management will create an online forum to facilitate the submission of feedback from our surrounding communities. In addition, we will develop a community engagement plan to ensure that our efforts within each community are meaningful, targeted, and aligned with each community’s goals. We also recognize that each municipality we intend to operate in has its own unique environmental concerns. As such, CCSA will work with each local government to ensure we are always prioritizing the environmental needs specific to each community so we can lead by example.

**This Exhibit 9.10 Complies with:** Ala. Admin. Code r. 538-x-3-.05(3)(m)(16)(j); 538-x-4-.07(12)(n)(11)

**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.**

Satisfaction of Plan: In progress, to be finalized immediately upon license award.

CCSA has developed a robust Insurance Plan that protects our patients and employees, while also reducing financial uncertainty and making accidental loss more manageable. This is of utmost importance to CCSA, as we seek to provide consistent access and high-quality care to Alabama’s medical cannabis patients. CCSA has obtained an executed Letter of Intent from Dutchie Insurance Services, LLC (“Dutchie”), an insurance agency that specializes in placing coverage for licensed medical cannabis dispensaries, confirming that Dutchie will assist in binding insurance coverage for CCSA from A-rated

insurers. Specifically, pending license approval, Summit Specialty Insurance will issue a General Liability and Product Liability Policy with a \$2,000,000 policy limit to CCSA, and Benchmark Insurance Company will issue a Workers' Compensation Policy with a \$1,000,000 coverage limit to CCSA. Attached please find the Letter of Intent from Dutchie, and Quote Proposals from Summit Specialty Insurance and Benchmark Insurance Company memorializing our Insurance Plan. CCSA has already accounted for the costs associated with the policies referenced above and is prepared to enter into binding agreements upon receipt of licensure.

**This Exhibit 9.11 Complies with:** Ala. Admin. Code r. 538-x-3-.05 (3)(m)(15)(k) (2022); Ala. Admin. Code r. 538-x-4-.07 (12)(n)(9) (2022).

Verified by: *Vincent Schilleci*

Vincent Schilleci III, 12/21/2022



support@dutchie.com  
2728 NW Potts Ct. Ste 100, Bend OR 97703

**Letter of Intent ("LOI")**  
**December 15, 2022**

This LOI sets forth the mutual understandings and intentions relating to a proposed service relationship between Dutchie Insurance Services, LLC ("Dutchie Insurance") and CCS of Alabama LLC ("Customer") (each a "Party" and collectively, the "Parties"), based upon the indicated terms set forth herein, under which Dutchie Insurance will provide insurance to Customer in the state of Alabama for cannabis related transactions (the "Services").

**Service:** Dutchie Insurance will find and present Customer with the insurance policies in the chart below.

Policy type	Carrier Name	Coverage amount	Carrier Rating
General Liability/Products Liability	Summit Specialty Insurance	2,000,000	A V
Workers Compensation	Benchmark Insurance Company	1,000,000	A

**Effective Date:** Policy effective date pending closing approval.

**Insurance product:** Customer enters into an agreement with Dutchie Insurance to purchase products with coverage of coverages, coverage amounts and exclusions. These are outlined and covered by each.

**Compliance:** Each party shall be responsible for applicable laws and regulations.

**Non-Binding:** This LOI does not obligate Dutchie Insurance to provide services or does not obligate Customer to accept Dutchie Insurance's services.

**Governing Law:** Laws of the State of Alabama and federal laws of the United States shall apply, even if the contract is made in another state.

**Assignment:** The provisions of this LOI shall inure to the benefit of, each of the Parties, and their respective representatives, successors or permitted assigns. Neither Dutchie Insurance nor Customer shall assign this LOI or any part hereof or any benefit or interest herein without the prior written consent of the other Party.

**Third Party Beneficiaries:** This LOI is intended for the benefit of the Parties hereto and is not intended to and does not confer any benefit on third parties.

**Counterparts:** This LOI may be executed in counterparts, each of which shall have the effect of and be considered as an original of this LOI.

**Customer Responsibilities:** Customer is responsible for accurately reflecting the business in order for insurance carriers to quote products appropriately and understands that any misrepresentation can cause non-payment of insurance claims and cancellation of coverage.

IN WITNESS WHEREOF, the Parties have caused this LOI to be executed by the duly authorized representatives, effective on the date written above.

**Dutchie Insurance Services, LLC.**  
DocuSigned by:  
By:   
6D05C7DB0DE04FC...  
Name: Elizabeth Ely  
Title: Head of Insurance Sales  
Date: 12/15/2022

**CCS of Alabama LLC**  
DocuSigned by:  
By:   
856875371A70425...  
Name: Ernie Craumer  
Title: LLC Member  
Date: 12/15/2022

	<b>QUOTE PROPOSAL</b>	Summit Specialty Insurance Company C/O Blitz Insurance 1985 Cedar Bridge Avenue, Suite 1 Lakewood, NJ 08701 <a href="mailto:underwriting@blitzinsurance.com">underwriting@blitzinsurance.com</a>

<b>Application #:</b> CAN-AL-1214-A90E	<b>Quote Generated:</b> 12/14/2022
---	---------------------------------------

Named Insured and Business Address			
First Named Insured	Business Type	Business Address	Operations
CCS of Alabama LLC	Llc	2400 Highway 280, Harpersville, AL 35078	Retailer dispensary

**Summit Specialty Insurance Company A (Excellent) VIII by A.M. Best Rating (Excellent) VIII**

Product Premiums		
Product	Proposed Policy Period	Premium
General Liability	12 months from inception date	\$2,257
<b>Total:</b>		<b>\$2,257</b>

Terrorism coverage is excluded, but the coverage can be added for an additional 5% of premium, subject to a \$250 minimum premium, excluding taxes and fees.

General Liability Coverage Premiums			
GENERAL AGGREGATE:	\$2,000,000		
NOTICE: The Products & Completed Operations Aggregate Limit is included in the General Aggregate Limit. The maximum aggregate limit is equal to the General Aggregate Limit.			
Coverage	Limit	Deductible	Premium
General Liability - Claims Made Form	\$1,000,000 Per Occurrence	\$5,000 Per Claim	\$507.00
Personal and Advertising Injury	\$1,000,000 Per Occurrence	\$5,000 Per Claim	Included
Medical Expenses	\$5,000 Any One Person	N/A	Included
Damage to Premises Rented to You	\$100,000 Any One Premises	\$5,000 Per Claim	Included
Products & Completed Operations - Claims Made and Reported	\$2,000,000 Aggregate / \$1,000,000 per Occurrence	\$5,000 Per Claim	\$1,750.00
<b>Total Premium:</b>			<b>\$2,257.00</b>

THIS INSURANCE DOES NOT APPLY TO "BODILY INJURY", "PROPERTY DAMAGE" OR "PERSONAL AND ADVERTISING INJURY" WHICH OCCURS BEFORE THE RETROACTIVE DATE, IF ANY, SHOWN BELOW.

**Retroactive Date: N/A**

**Summit Specialty Insurance Company A (Excellent) VIII by A.M. Best Rating (Excellent) VIII**



Benchmark Insurance Company  
 800 Corporate Dr Suite 310  
 Fort Lauderdale, FL 33334  
 P: 8002830622

## Workers' Compensation Quote Proposal

Print Date: 12/15/2022  
 Quote Number: 113322

Broker/Agency:  
 One General Agency  
 (405) 840-9393

CCS of Alabama LLC  
 2400 Highway 280  
 Harpersville, AL 35078

**Quote Terms:**

Carrier: Benchmark Insurance Company  
 Coverage Type: Workers' Compensation  
 Transaction Type: New Policy  
 Basis: Estimated Payroll (\$105,000)  
 Estimated Premium: \$ 1,921  
 Coverage Dates: 01/25/2023 - 01/25/2024  
 Payment Plan: Quarterly Installment

**Coverage Information:**

Workers' Compensation Coverage:AL

**Employers Liability:**

Bodily Injury By Accident \$1,000,000 Each Accident  
 Bodily Injury By Disease \$1,000,000 Policy Limit  
 Bodily Injury By Disease \$1,000,000 Each Employee

CCS of Alabama LLC  
 01/25/2023-01/25/2024  
 Carrier: Benchmark Insurance Company

State	Code	Loc.	Description	Payroll	Base Rate	Premium	Net Rate
AL	8017	1	Store: Retail Noc	\$105,000	1.47	\$1,544	1.61

**Total Payroll** \$105,000  
**Total Manual Premium:** \$1,544

Policy Limits	1.014	22
Policy Limit Increase to Minimum	0.930	128
Small Deductible Credit	1.000	0
Experience Modification	1.000	0
Schedule Modification	1.000	0
Merit Rating Adjustment	1.000	0
Premium Discount	1.000	0
Expense Constant	205	205
Terrorism	0.010	11
Catastrophe	0.010	11

**AL Premium: \$1,921**



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

## 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.

Vincent Schilleci III

\_\_\_\_\_  
Printed Name of Verifying Individual

*Vincent Schilleci*  
\_\_\_\_\_  
Signature of Verifying Individual

Owner, Manager

\_\_\_\_\_  
Title of Verifying Individual

12/21/2022

\_\_\_\_\_  
Verification Date

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

*Satisfaction of Plan: Complete*

**Executive Summary**

CCS of Alabama, LLC (“CCSA”) is committed to establishing strong business relationships and will work with Medical Cannabis operators licensed by the Alabama Medical Cannabis Commission (“AMCC”) to purchase state legal Medical Cannabis for dispensing to registered qualified patients and registered caregivers in the State of Alabama. As evidenced by the attached Letters of Intent, CCSA complies with the requirement of Ala. Admin. Code r 538-x-8-.05(3)(i) (2022) by its business relationship with at least five potential licensees.

**10.1 – Any Cultivator or Prospective Cultivator**

As a Dispensary applicant, CCSA is required by Ala. Admin. Code r 538-x-8-.02(4) (2022) to acquire Medical Cannabis from Processors and Integrated Facilities licensed by AMCC and therefore CCSA has not established business relationships with licensed Cultivators or prospective Cultivators.

**10.2 – Any Processor or Prospective Processor**

**Letter of Intent with Samson Growth, LLC**

CCSA entered into a Letter of Intent to Supply Product, dated December 2, 2022, establishing a business relationship between itself and Samson Growth, LLC, a prospective applicant seeking a Processor license from AMCC. Under this Letter of Intent to Supply Product, CCSA would purchase from Samson Growth, LLC, and Samson Growth, LLC, would produce, Medical Cannabis.

**Letter of Intent with LyonsWeb Processing, LLC**

CCSA entered into a Letter of Intent to Supply Product, dated December 7, 2022, establishing a business relationship between itself and LyonsWeb Processing, LLC, a prospective applicant seeking a Processor license from AMCC. Under this Letter of Intent to Supply Product, CCSA would purchase from LyonsWeb Processing, LLC, and LyonsWeb Processing, LLC would produce, Medical Cannabis.

**Letter of Interest with Jasper Development Group, LLC**

CCSA entered into a Letter of Interest, dated December 12, 2022, establishing a business relationship between itself and Jasper Development Group, LLC, a prospective applicant seeking a Processor license from AMCC. Under this Letter of Interest, and only if both companies are licensed by AMCC, Jasper Development Group, LLC will sell extracted, processed and manufactured Medical Cannabis to CCSA.

**10.3 – Any Secure Transporter or Prospective Secure Transporter**

At this time, it will not be necessary for CCSA to engage with a licensed Secure Transporter outside of the potential Processor and Integrated Facility licensees it will contract with.

**10.4 – Any Integrated Facility or Prospective Integrated Facility**

**Letter of Intent with Southeastern Medical Wellness, LLC**

CCSA entered into a Letter of Intent to Supply Product, dated December 3, 2022, establishing a business relationship between itself and Southeastern Medical Wellness, LLC, a prospective applicant seeking an Integrated Facility license from AMCC. Under this Letter of Intent to Supply Product, CCSA would purchase from Southeastern Medical Wellness, LLC, and Southeastern Medical Wellness, LLC would produce, Medical Cannabis.

**Letter of Intent with Southeast Cannabis Company, LLC**

CCSA entered into a Letter of Intent to Supply Product, dated December 8, 2022, establishing a business relationship between itself and Southeast Cannabis Company, LLC, a prospective applicant seeking an Integrated Facility license from AMCC. Under this Letter of Intent to Supply Product, CCSA would purchase from Southeast Cannabis Company, LLC, and Southeast Cannabis Company, LLC would produce, Medical Cannabis.

**10.5 – Any State Testing Laboratory or Prospective State Testing Laboratory**

CCSA's attached exemplar of a Letter of Intent for Laboratory Testing Services evidence CCSA's readiness to enter into a business relationship with a licensed Testing Laboratory to ensure its Medical Cannabis complies with all applicable requirements.

**This Exhibit 10 complies with:** Ala. Admin. Code r. 538-x-8-.02(4); 538-x-8-.05(3)(i).



Monday, December 12, 2022

Re: Letter of Interest

The purpose of this letter is to express our interest in working together and proffer the most fundamental terms by which we might do so in the event that we are both granted licenses by the AMCC, within the scope such licenses, in final form, might allow. As we have discussed, our companies both believe that collaborative supply-chain relationships will provide better, more diverse products for patients using medical cannabis in the State of Alabama and we believe that such relationships will be in our mutual commercial interest as well.

Specifically, if both companies receive a license, Jasper Development Group, LLC d/b/a Homestead Health ("Homestead Health") wishes to sell extracted, processed, and/or manufactured goods to CCS of Alabama, LLC ("[CCSA]"), and CCSA wishes to purchase, as the case may be, such same from Homestead Health. We acknowledge that exact pricing on wholesale transfers will be determined at such future times as might be possible, by mutual agreement.

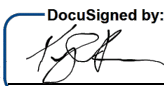
As we each currently understand the case to be, Homestead Health will have constructed and commissioned for operation a processing environment capable of accommodating CCSA's retail needs and CCSA will have constructed and commissioned retail facilities ready to receive finished goods from Homestead Health. Together, we can rapidly increase supply of patient-demand-responsive, high-quality, high-consistency, high-safety products to the market in order to meet the needs of the state's qualified medical cannabis cardholders. Commercially, the contemplated working relationship will allow both of Homestead Health and CCSA to realize necessary and critical operational and supply chain efficiencies. We hope to be able to work together as outlined herein, and to be nimble in our businesses as we, together, address the Alabama patient population's divergent needs.

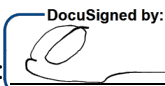
This is not a binding contract but accurately reflects what we each believe to be most basic terms and condition upon which we will build a more formal contract when duly licensed.

**JASPER DEVELOPMENT GROUP, LLC**

**CCS of Alabama, LLC**

D/B/A HOMESTEAD HEALTH

BY:    
 88D9C4093D7C426...   
 Tyler Robinson   
 CEO & Founder

BY:    
 856876371A70426...   
 Ernie Craumer   
 Member

**LETTER OF INTENT TO SUPPLY PRODUCT**

December 7, 2022

CCS of Alabama, LLC  
1901 Sixth Ave N, Suite 1700  
Birmingham, AL 35203  
Attn: Matthew Hogan

Re: Letter of Intent for Supply of Product

Dear Mr. Hogan:

This Letter of Intent (“LOI”) sets out the principal terms of a Product Supply and Purchase Agreement to be entered into between LyonsWeb Processing, LLC, an Alabama limited liability Company (the “Seller”) and CCS of Alabama, LLC, an Alabama limited liability company (the “Buyer”). The transaction contemplated herein is referred to as the “Transaction” and Buyer and Seller are referred to collectively as the “Parties” and each, individually, as a “Party”.

The Parties

Lyons Web Processing LLC: Processing License

LyonsWeb Processing, LLC is an Alabama limited liability company formed for the purpose of manufacturing, processing, packaging and distributing tested and approved medical marijuana products to be sold at wholesale to licensed Dispensaries for purchase by registered qualified patients and registered caregivers in Alabama. LyonsWeb is applying for a Processor license with the Alabama Medical Cannabis Commission pursuant to the Darren Wesley ‘Ato’ Hall Compassion Act.

CCS of Alabama, LLC: Dispenser License

CCS of Alabama, LLC is a limited liability company formed for the purpose of providing compassionate care and dispensing medical cannabis at dispensing sites to registered qualified patients and registered caregivers in Alabama. CCS of Alabama is applying for a Dispensary medical cannabis license with the Alabama Medical Cannabis Commission pursuant to the Darren Wesley 'Ato' Hall Compassion Act.

1. **Non-Binding**. Except for the provisions of Section 4, Section 5, Section 6, and Section 7 and the requirement of this section regarding entry into negotiations, this LOI is not binding on the Parties. This LOI is only an expression of basic terms and conditions that

the Parties presently intend to incorporate in a formal written agreement that will govern the Transaction (the “Definitive Product Supply and Purchase Agreement”). No binding agreement shall exist with respect to the Transaction unless and until the Definitive Product Supply and Purchase Agreement has been duly executed and delivered by both Parties. As soon as practicable following the acceptance and approval of each Party’s application with the AMCC, the Parties shall enter into negotiations with the objective of executing the Definitive Product Supply and Purchase Agreement thereafter. Seller’s counsel shall prepare the initial draft of the Definitive Product Supply and Purchase Agreement.

2. **Supply of Product**. It is the present intention of the Parties that, upon execution of the Definitive Product Supply and Purchase Agreement, Buyer would purchase and Seller would sell the such products as agreed upon by the Parties (“Supply Terms”), at the price and in the quantities set forth therein. The Definitive Product Supply and Purchase Agreement shall contain such covenants, conditions, indemnities, representations, and warranties as the Parties shall mutually agree to.
3. **Term and Termination**. This LOI will automatically terminate and be of no further force and effect upon the earlier of: (i) execution of the Definitive Product Supply and Purchase Agreement by Buyer and Seller, (ii) mutual agreement of Buyer and Seller (iii) a final and unappealable determination by the Alabama Medical Cannabis Commission that either Buyer or Seller’s application for an Alabama Medical Cannabis License has been denied and (iv) [TIME] on [DATE]. Notwithstanding any language to the contrary in this section, Section 4, Section 5, and Section 6 shall survive the termination of this LOI, and the termination of this LOI shall not affect any rights a Party has with respect to the breach of this LOI by the other Party prior to such termination.
4. **Governing Law**. This LOI shall be governed by and construed in accordance with the laws of the State of Alabama, without giving effect to any choice or conflict of law provision or rule that would cause the application of laws of any jurisdiction other than those of the State of Alabama.
5. **Confidentiality**. This LOI, the matters discussed herein and information provided by one Party to the other in connection herewith (collectively, “Information”) are confidential and shall not be disclosed by the receiving Party without the written consent of the other, except to the extent that disclosure is required by law. When disclosure is required, the Party making the disclosure shall provide notice of the intended disclosure to the other Party and shall take all reasonable steps to limit the extent of the disclosure to the minimum required to comply with its legal obligations. Neither Party shall have any obligation with respect to any Information that is or becomes publicly available without fault of the Party receiving the Information.
6. **No Third-Party Beneficiaries**. Nothing herein is intended or shall be construed to confer upon any person or entity other than the Parties and their successors or assigns, any rights or remedies under or by reason of this LOI.

License Type: Dispensary

7. **Expenses**. Each of the Parties shall bear its respective costs, charges, and expenses for the business review, preparation, and negotiation of the Definitive Product Supply and Purchase Agreement or incurred in connection with the transactions contemplated by this LOI, including, but not limited to, fees of their respective counsel, accountants, and other advisors or consultants.
  
8. **Miscellaneous**. Neither this LOI nor any rights or obligations hereunder may be assigned, delegated, or conveyed by either Party without the prior written consent of the other Party. This LOI may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. The headings of the various sections of this LOI have been inserted for reference only and shall not be deemed to be a part of this LOI.

[SIGNATURE PAGE FOLLOWS]

If you are in agreement with the terms set forth above and wish to proceed with negotiating a Definitive Product Supply and Purchase Agreement for the proposed Transaction on that basis, please sign this Letter of Intent in the space provided below and return an executed copy.

Very truly yours,

**LYONSWEB PROCESSING, LLC**

DocuSigned by:  
 By: Champ Lyons  
E791069BA910467...  
 Name: Champ Lyons  
 Title: owner  
 Date: 12/14/2022

Agreed to and accepted:

**CCS OF ALABAMA, LLC**

DocuSigned by:  
 By: Ernie Craumer  
856875371A70425...  
 Name: Ernie Craumer  
 Title: Member  
 Date: 12/14/2022



**LETTER OF INTENT TO SUPPLY PRODUCT**

December 2, 2022

CCS of Alabama, LLC  
1901 Sixth Ave N, Suite 1700  
Birmingham, AL 35203  
Attn: Matthew Hogan

Re: Letter of Intent for Supply of Product

Dear Mr. Hogan:

This Letter of Intent ("LOI") sets out the principal terms of a Product Supply and Purchase Agreement to be entered into between Samson Growth, LLC, an Alabama limited liability Company (the "Seller") and CCS of Alabama, LLC, an Alabama limited liability company (the "Buyer"). The transaction contemplated herein is referred to as the "Transaction" and Buyer and Seller are referred to collectively as the "Parties" and each, individually, as a "Party".

**Non-Binding.** Except for the provisions of Section 4, Section 5, Section 6, and Section 7 and the requirement of this section regarding entry into negotiations, this LOI is not binding on the Parties. This LOI is only an expression of basic terms and conditions that the Parties presently intend to incorporate in a formal written agreement that will govern the Transaction (the "Definitive Product Supply and Purchase Agreement"). No binding agreement shall exist with respect to the Transaction unless and until the Definitive Product Supply and Purchase Agreement has been duly executed and delivered by both Parties. As soon as practicable following the acceptance and approval of this LOI by the Seller, the Parties shall enter into negotiations with the objective of executing the Definitive Product Supply and Purchase Agreement.

1. **Supply of Product.** It is the present intention of the Parties that, upon execution of the Definitive Product Supply and Purchase Agreement, Buyer would purchase and Seller would sell the such products as agreed upon by the Parties ("Supply Terms"), at the price and in the quantities set forth therein. The Definitive Product Supply and Purchase Agreement shall contain such covenants, conditions, indemnities, representations, and warranties as the Parties shall mutually agree to.
2. **Term and Termination.** This LOI will automatically terminate and be of no further force and effect upon the earlier of: (i) execution of the Definitive Product Supply and Purchase Agreement by Buyer and Seller, (ii) mutual agreement of Buyer and Seller (iii) a final and unappealable determination by the Alabama Medical Cannabis Commission that either Buyer or Seller's application for an Alabama Medical Cannabis License has been denied and (iv) [TIME] on [DATE]. Notwithstanding any language to the contrary in this section, Section 4, Section 5, and Section 6 shall survive the termination of this LOI, and the termination of this LOI shall not affect any rights a Party has with respect to the breach of this LOI by the other Party prior to such termination.

3. **Governing Law.** This LOI shall be governed by and construed in accordance with the laws of the State of Alabama, without giving effect to any choice or conflict of law provision or rule that would cause the application of laws of any jurisdiction other than those of the State of Alabama.
4. **Confidentiality.** This LOI, the matters discussed herein and information provided by one Party to the other in connection herewith (collectively, "Information") are confidential and shall not be disclosed by the receiving Party without the written consent of the other, except to the extent that disclosure is required by law. When disclosure is required, the Party making the disclosure shall provide notice of the intended disclosure to the other Party and shall take all reasonable steps to limit the extent of the disclosure to the minimum required to comply with its legal obligations. Neither Party shall have any obligation with respect to any Information that is or becomes publicly available without fault of the Party receiving the Information.
5. **No Third-Party Beneficiaries.** Nothing herein is intended or shall be construed to confer upon any person or entity other than the Parties and their successors or assigns, any rights or remedies under or by reason of this LOI.
6. **Expenses.** Each of the Parties shall bear its respective costs, charges, and expenses for the business review, preparation, and negotiation of the Definitive Product Supply and Purchase Agreement or incurred in connection with the transactions contemplated by this LOI, including, but not limited to, fees of their respective counsel, accountants, and other advisors or consultants.
7. **Miscellaneous.** Neither this LOI nor any rights or obligations hereunder may be assigned, delegated, or conveyed by either Party without the prior written consent of the other Party. This LOI may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. The headings of the various sections of this LOI have been inserted for reference only and shall not be deemed to be a part of this LOI.

[SIGNATURE PAGE FOLLOWS]

If you are in agreement with the terms set forth above and wish to proceed with negotiating a Definitive Product Supply and Purchase Agreement for the proposed Transaction on that basis, please sign this Letter of Intent in the space provided below and return an executed copy.

Very truly yours,

**SAMSON GROWTH, LLC**

DocuSigned by:  
 By: Phil Ollendike  
E4F4845200DC406...  
 Name: Phil Ollendike  
 Title: COO  
 Date: 12/5/2022

Agreed to and accepted:

**CCS OF ALABAMA, LLC**

DocuSigned by:  
 By: Ernie Craumer  
856875371A70425...  
 Name: Ernie Craumer  
 Title: Member  
 Date: 12/7/2022

**LETTER OF INTENT TO SUPPLY PRODUCT**

December 8, 2022

CCS of Alabama, LLC  
1901 Sixth Ave N, Suite 1700  
Birmingham, AL 35203  
Attn: Matthew Hogan

Re: Letter of Intent for Supply of Product

Dear Mr. Hogan:

This Letter of Intent ("LOI") sets out the principal terms of a Product Supply and Purchase Agreement to be entered into between Southeast Cannabis Company, LLC, an Alabama limited liability Company (the "Seller") and CCS of Alabama, LLC, an Alabama limited liability company (the "Buyer"). The transaction contemplated herein is referred to as the "Transaction" and Buyer and Seller are referred to collectively as the "Parties" and each, individually, as a "Party".

1. **Non-Binding.** Except for the provisions of Section 4, Section 5, Section 6, and Section 7 and the requirement of this section regarding entry into negotiations, this LOI is not binding on the Parties. This LOI is only an expression of basic terms and conditions that the Parties presently intend to incorporate in a formal written agreement that will govern the Transaction (the "Definitive Product Supply and Purchase Agreement"). No binding agreement shall exist with respect to the Transaction unless and until the Definitive Product Supply and Purchase Agreement has been duly executed and delivered by both Parties. As soon as practicable following the acceptance and approval of this LOI by the Seller, the Parties shall enter into negotiations with the objective of executing the Definitive Product Supply and Purchase Agreement within 30 days thereafter. Seller's counsel shall prepare the initial draft of the Definitive Product Supply and Purchase Agreement.
2. **Supply of Product.** It is the present intention of the Parties that, upon execution of the Definitive Product Supply and Purchase Agreement, Buyer would purchase and Seller would sell the such products as agreed upon by the Parties ("Supply Terms"), at the price and in the quantities set forth therein. The Definitive Product Supply and Purchase Agreement shall contain such covenants, conditions, indemnities, representations, and warranties as the Parties shall mutually agree to.
3. **Term and Termination.** This LOI will automatically terminate and be of no further force and effect upon the earlier of: (i) execution of the Definitive Product Supply and Purchase Agreement by Buyer and Seller, (ii) mutual agreement of Buyer and Seller (iii) a final and unappealable determination by the Alabama Medical Cannabis Commission that either Buyer or Seller's application for an Alabama Medical Cannabis License has been denied and (iv) [TIME] on [DATE]. Notwithstanding any language to the contrary

in this section, Section 4, Section 5, and Section 6 shall survive the termination of this LOI, and the termination of this LOI shall not affect any rights a Party has with respect to the breach of this LOI by the other Party prior to such termination.

4. **Governing Law**. This LOI shall be governed by and construed in accordance with the laws of the State of Alabama, without giving effect to any choice or conflict of law provision or rule that would cause the application of laws of any jurisdiction other than those of the State of Alabama.
5. **Confidentiality**. This LOI, the matters discussed herein and information provided by one Party to the other in connection herewith (collectively, "Information") are confidential and shall not be disclosed by the receiving Party without the written consent of the other, except to the extent that disclosure is required by law. When disclosure is required, the Party making the disclosure shall provide notice of the intended disclosure to the other Party and shall take all reasonable steps to limit the extent of the disclosure to the minimum required to comply with its legal obligations. Neither Party shall have any obligation with respect to any Information that is or becomes publicly available without fault of the Party receiving the Information.
6. **No Third-Party Beneficiaries**. Nothing herein is intended or shall be construed to confer upon any person or entity other than the Parties and their successors or assigns, any rights or remedies under or by reason of this LOI.
7. **Expenses**. Each of the Parties shall bear its respective costs, charges, and expenses for the business review, preparation, and negotiation of the Definitive Product Supply and Purchase Agreement or incurred in connection with the transactions contemplated by this LOI, including, but not limited to, fees of their respective counsel, accountants, and other advisors or consultants.
8. **Miscellaneous**. Neither this LOI nor any rights or obligations hereunder may be assigned, delegated, or conveyed by either Party without the prior written consent of the other Party. This LOI may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. The headings of the various sections of this LOI have been inserted for reference only and shall not be deemed to be a part of this LOI.

[SIGNATURE PAGE FOLLOWS]

License Type: Dispensary

If you are in agreement with the terms set forth above and wish to proceed with negotiating a Definitive Product Supply and Purchase Agreement for the proposed Transaction on that basis, please sign this Letter of Intent in the space provided below and return an executed copy.

Very truly yours,

**SOUTHEAST CANNABIS COMPANY, LLC**

DocuSigned by:  
 By: Chuck Smith  
CB3F2F7FD2EA4A6...  
 Name: Chuck Smith  
 Title: Chief Operating Officer  
 Date: 12/8/2022

Agreed to and accepted:

**CCS OF ALABAMA, LLC**

DocuSigned by:  
 By: [Signature]  
856875371A70425...  
 Name: Ernie Craumer  
 Title: Member  
 Date: 12/8/2022

**LETTER OF INTENT TO SUPPLY PRODUCT**

December 3, 2022

CCS of Alabama, LLC  
Attn: Matthew Hogan and Vicent Schilleci, III  
c/o Maynard, Cooper & Gale, PC  
1901 Sixth Ave. N, Suite 1700  
Birmingham, AL 35203

**Re: Letter of Intent for Supply of Product**

Dear Mr. Hogan & Mr. Schilleci,

This Letter of Intent (“LOI”) sets out the principal terms of a Product Supply and Purchase Agreement to be entered into between Southeastern Medical Wellness LLC, an Alabama limited liability Company (the “Seller”) and CCS of Alabama, LLC, an Alabama limited liability company (the “Buyer”). The transaction contemplated herein is referred to as the “Transaction” and Buyer and Seller are referred to collectively as the “Parties” and each, individually, as a “Party”.

**The Parties****Southeastern Medical Wellness LLC: Integrated Facility License**

Southeastern Medical Wellness LLC is a limited liability company formed for the purpose of providing treatment to and alleviating the symptoms of Alabamians who are diagnosed with a condition or disease determined by a practitioner to benefit from the use of medicinal cannabis products. Southeastern Medical Wellness is applying for an Integrated Facility medical cannabis license to the Alabama Medical Cannabis Commission pursuant to the Darren Wesley 'Ato' Hall Compassion Act.

**CCS of Alabama, LLC: Dispenser License**

CCS of Alabama, LLC is a limited liability company formed for the purpose of providing compassionate care and dispensing medical cannabis at dispensing sites to registered qualified patients and registered caregivers in Alabama. CCS of Alabama is applying for an Dispensary medical cannabis license to the Alabama Medical Cannabis Commission pursuant to the Darren Wesley 'Ato' Hall Compassion Act.

1. **Non-Binding**. Except for the provisions of Section 4, Section 5, Section 6, and Section 7 and the requirement of this section regarding entry into negotiations, this LOI is not binding on the Parties. This LOI is only an expression of basic terms and conditions that the Parties presently intend to incorporate in a formal written agreement that will govern

the Transaction (the “Definitive Product Supply and Purchase Agreement”). No binding agreement shall exist with respect to the Transaction unless and until the Definitive Product Supply and Purchase Agreement has been duly executed and delivered by both Parties. As soon as practicable following the acceptance and approval of this LOI by the Seller, the Parties shall enter into negotiations with the objective of executing the Definitive Product Supply and Purchase Agreement within 30 days thereafter. Seller’s counsel shall prepare the initial draft of the Definitive Product Supply and Purchase Agreement.

2. **Supply of Product.** It is the present intention of the Parties that, upon execution of the Definitive Product Supply and Purchase Agreement, Buyer would purchase and Seller would sell the such products as agreed upon by the Parties (“Supply Terms”), at the price and in the quantities set forth therein. The Definitive Product Supply and Purchase Agreement shall contain such covenants, conditions, indemnities, representations, and warranties as the Parties shall mutually agree to.
3. **Term and Termination.** This LOI will automatically terminate and be of no further force and effect upon the earlier of: (i) execution of the Definitive Product Supply and Purchase Agreement by Buyer and Seller, (ii) mutual agreement of Buyer and Seller (iii) a final and unappealable determination by the Alabama Medical Cannabis Commission that either Buyer or Seller’s application for an Alabama Medical Cannabis License has been denied and (iv) [TIME] on [DATE]. Notwithstanding any language to the contrary in this section, Section 4, Section 5, and Section 6 shall survive the termination of this LOI, and the termination of this LOI shall not affect any rights a Party has with respect to the breach of this LOI by the other Party prior to such termination.
4. **Governing Law.** This LOI shall be governed by and construed in accordance with the laws of the State of Alabama, without giving effect to any choice or conflict of law provision or rule that would cause the application of laws of any jurisdiction other than those of the State of Alabama.
5. **Confidentiality.** This LOI, the matters discussed herein and information provided by one Party to the other in connection herewith (collectively, “Information”) are confidential and shall not be disclosed by the receiving Party without the written consent of the other, except to the extent that disclosure is required by law. When disclosure is required, the Party making the disclosure shall provide notice of the intended disclosure to the other Party and shall take all reasonable steps to limit the extent of the disclosure to the minimum required to comply with its legal obligations. Neither Party shall have any obligation with respect to any Information that is or becomes publicly available without fault of the Party receiving the Information.
6. **No Third-Party Beneficiaries.** Nothing herein is intended or shall be construed to confer upon any person or entity other than the Parties and their successors or assigns, any rights or remedies under or by reason of this LOI.



7. **Expenses.** Each of the Parties shall bear its respective costs, charges, and expenses for the business review, preparation, and negotiation of the Definitive Product Supply and Purchase Agreement or incurred in connection with the transactions contemplated by this LOI, including, but not limited to, fees of their respective counsel, accountants, and other advisors or consultants.
  
8. **Miscellaneous.** Neither this LOI nor any rights or obligations hereunder may be assigned, delegated, or conveyed by either Party without the prior written consent of the other Party. This LOI may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. The headings of the various sections of this LOI have been inserted for reference only and shall not be deemed to be a part of this LOI.

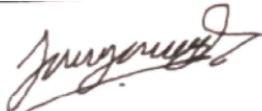
[SIGNATURE PAGE FOLLOWS]

License Type: Dispensary

If you are in agreement with the terms set forth above and wish to proceed with negotiating a Definitive Product Supply and Purchase Agreement for the proposed Transaction on that basis, please sign this Letter of Intent in the space provided below and return an executed copy.

Very truly yours,

**SOUTHEASTERN MEDICAL WELLNESS  
LLC** \_\_\_\_\_

By:  \_\_\_\_\_


Name: JIGAR PATEL, Principal member

Title: \_\_\_\_\_

Date: 12/12/22

Agreed to and accepted:

**CCS OF ALABAMA, LLC**

By:  \_\_\_\_\_

Name: Matt Hogan

Title: Manager

Date: 12/12/2022

**LETTER OF INTENT TO SUPPLY PRODUCT**

[DATE]

[LAB]

[ADDRESS]

Attn: [NAME]

Re: Letter of Intent for Laboratory Services

Dear [NAME]:

This Letter of Intent (“LOI”) sets out the principal terms of a Laboratory Testing Services Agreement to be entered into between CCS of Alabama, LLC, an Alabama limited liability Company (the “Company”) and [LAB] (the “Lab”). The transaction contemplated herein is referred to as the “Transaction” and Company and Lab are referred to collectively as the “Parties” and each, individually, as a “Party”.

1. **Non-Binding**. Except for the provisions of Section 4, Section 5, Section 6, and Section 7 and the requirement of this section regarding entry into negotiations, this LOI is not binding on the Parties. This LOI is only an expression of basic terms and conditions that the Parties presently intend to incorporate in a formal written agreement that will govern the Transaction (the “Definitive Laboratory Testing Services Agreement”). No binding agreement shall exist with respect to the Transaction unless and until the Definitive Laboratory Testing Agreement has been duly executed and delivered by both Parties. As soon as practicable following the acceptance and approval of this LOI by the Lab, the Parties shall enter into negotiations with the objective of executing the Definitive Laboratory Testing Services Agreement within 30 days thereafter. Company’s counsel shall prepare the initial draft of the Definitive Laboratory Testing Services Agreement.
2. **Supply of Product**. It is the present intention of the Parties that, upon execution of the Definitive Laboratory Testing Services Agreement, Lab would provide and Company would pay for such laboratory testing services as agreed upon by the Parties (“Supply Terms”), at the price and in the quantities set forth therein. The Definitive Laboratory Testing Services Agreement shall contain such covenants, conditions, indemnities, representations, and warranties as the Parties shall mutually agree to.
3. **Term and Termination**. This LOI will automatically terminate and be of no further force and effect upon the earlier of: (i) execution of the Definitive Laboratory Testing Services Agreement by Lab and Company, (ii) mutual agreement of Lab and Company (iii) a final and unappealable determination by the Alabama Medical Cannabis Commission that Company’s application for an Alabama Medical Cannabis License has been denied and (iv) [TIME] on [DATE]. Notwithstanding any language to the contrary in this section, Section 4, Section 5, and Section 6 shall survive the termination of this LOI, and the termination of this LOI shall not affect any rights a Party has with respect to the breach of this LOI by the other Party prior to such termination.
4. **Governing Law**. This LOI shall be governed by and construed in accordance with the laws of the State of Alabama, without giving effect to any choice or conflict of law provision or rule that would cause the application of laws of any jurisdiction other than those of the State of Alabama.

5. **Confidentiality**. This LOI, the matters discussed herein and information provided by one Party to the other in connection herewith (collectively, "Information") are confidential and shall not be disclosed by the receiving Party without the written consent of the other, except to the extent that disclosure is required by law. When disclosure is required, the Party making the disclosure shall provide notice of the intended disclosure to the other Party and shall take all reasonable steps to limit the extent of the disclosure to the minimum required to comply with its legal obligations. Neither Party shall have any obligation with respect to any Information that is or becomes publicly available without fault of the Party receiving the Information.
6. **No Third-Party Beneficiaries**. Nothing herein is intended or shall be construed to confer upon any person or entity other than the Parties and their successors or assigns, any rights or remedies under or by reason of this LOI.
7. **Expenses**. Each of the Parties shall bear its respective costs, charges, and expenses for the business review, preparation, and negotiation of the Definitive Laboratory Testing Services Agreement or incurred in connection with the transactions contemplated by this LOI, including, but not limited to, fees of their respective counsel, accountants, and other advisors or consultants.
8. **Miscellaneous**. Neither this LOI nor any rights or obligations hereunder may be assigned, delegated, or conveyed by either Party without the prior written consent of the other Party. This LOI may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. The headings of the various sections of this LOI have been inserted for reference only and shall not be deemed to be a part of this LOI.

[SIGNATURE PAGE FOLLOWS]

If you are in agreement with the terms set forth above and wish to proceed with negotiating a Definitive Product Supply and Purchase Agreement for the proposed Transaction on that basis, please sign this Letter of Intent in the space provided below and return an executed copy.

Very truly yours,

**CCS OF ALABAMA, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Agreed to and accepted:

**[LAB]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



# Exhibit 11 – Coordination of Information from Registered Certifying Physicians

## 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.

Vincent Schilleci III

\_\_\_\_\_  
Printed Name of Verifying Individual

*Vincent Schilleci*

\_\_\_\_\_  
Signature of Verifying Individual

Owner, Manager

\_\_\_\_\_  
Title of Verifying Individual

12/20/2022

\_\_\_\_\_  
Verification Date

**Exhibit 11 – Coordination of Information from Registered Certifying Physicians**

*Satisfaction of Plan: Completed*

**Executive Summary**

CCS of Alabama, LLC (“CCSA”) has developed the following policies and procedures to ensure the accurate and compliant receipt and coordination of information from registered certifying physicians. These policies and procedures are built on a foundation of tried-and-true standard operating procedures from our owners’ currently operational medical cannabis dispensaries in other highly regulated markets. CCSA owners Ernest Craumer and Sandra Young are co-founders of three family-owned and operated award-winning cannabis dispensaries in the Denver area and have also started up and operated medical dispensaries in a host of other regulated medical cannabis states such as Louisiana, Maryland, New Jersey, and Massachusetts. Through their wealth of multi-state operational experience, Ms. Young and Mr. Craumer have become experts at curating a compliant, patient-focused retail environment. CCSA is also fortunate to have highly qualified medical professionals on our team, such as our Head of Pharmacy, [REDACTED], an award-winning Louisiana-based pharmacist with over 28 years of experience. In addition to founding the [REDACTED] in Lafayette, Louisiana, [REDACTED] also owns and operates three of the nine licensed Louisiana medical cannabis pharmacies. Our team’s medical cannabis dispensing and traditional pharmaceutical experience has allowed us to coordinate sensitive medical information effectively and securely for hundreds of thousands of patient transactions, and we will continue this record of success in full compliance with the Alabama Medical Cannabis Act and the rules promulgated by the Alabama Medical Cannabis Commission (“AMCC”).

**Patient and Caregiver Verification**

CCSA is committed to ensuring that our Medical Cannabis only ever reaches the hands of qualified patients. As such, CCSA will only dispense Medical Cannabis to the following individuals:

- **Registered Qualified Patients**, age 19 or older, meeting the requirements of § 20-2A-30(a), Code of Alabama 1975 (as amended), who are authorized to acquire, possess, and use Medical Cannabis.



- **Registered Caregivers** meeting the requirements described in § 20-2A-30(c), Code of Alabama 1975 (as amended), and are authorized to acquire and possess Medical Cannabis and to assist one or more registered qualified patients, including patients under age 19, with the use of Medical Cannabis.

Employees will be thoroughly trained on how to evaluate the validity of Medical Cannabis cards to ensure only registered qualified patients and caregivers are permitted to enter our Dispensaries. Upon arriving at one of our Dispensaries, all patients and caregivers must provide their valid and active tangible or virtual Medical Cannabis card to employees at the ID check area for verification of their patient or caregiver status and demonstration of their certification by a registered certifying physician. As an additional security measure, employees will ask patients and caregivers to provide a photo or other approved ID, including an unexpired Alabama driver's license, an unexpired Alabama identification card issued by the Alabama Law Enforcement Agency, a passport, or other identification proving identity as approved by the AMCC. Employees will prohibit any persons, including children or guests of patients or caregivers, who are unable to provide a valid Medical Cannabis card and additional proof of identification from entering the Dispensary. Patients under 19 years of age are prohibited from purchasing Medical Cannabis except through a registered caregiver. Once an employee in the ID check area has verified a patient or caregiver's Medical Cannabis card is valid, unexpired, and unrevoked and that their additional identification matches the name on their card, the patient or caregiver will be permitted to enter the sales area. Before completing a Medical Cannabis transaction, employees will once again ask the patient or caregiver to provide their Medical Cannabis card and additional identification at the point of sale to verify the information on the card matches the information in the Patient Registry.

### **Use of the Patient Registry**

A key part of our plan to receive and coordinate information from certifying physicians involves Dispensary employees, under the supervision of one of our Certified Dispensers, utilizing the Alabama Medical Cannabis Patient Registry System. This secure Patient Registry will track physician certifications, patient and caregiver registrations, Medical Cannabis cards, the daily dosage and type of Medical Cannabis recommended to qualified patients by registered certifying physicians, and the dates of sale, amounts, and

types of Medical Cannabis that were purchased by registered qualified patients at licensed Dispensaries. The Patient Registry will properly interface with METRC, Alabama's chosen seed-to-sale tracking system, as well as Dutchie, our chosen third-party inventory tracking system, by providing information to cross-check that product sales are made to a registered qualified patient or a registered caregiver on behalf of a registered qualified patient, and that the product received the required testing. Prior to dispensing Medical Cannabis, employees will utilize the Patient Registry to verify that the patient or caregiver holds a valid, current, unexpired, and unrevoked Medical Cannabis card by confirming the identification number on the card is identical to the number included in the patient or caregiver's registry profile. Employees will also use the Patient Registry to ensure the dispensing of Medical Cannabis conforms to the type and amount recommended in the physician certification and that the amount recommended will not exceed the patient's 60-day daily dosage purchasing limit.

#### **Purchase Limit Compliance**

Through the use of the Patient Registry, employees will verify each patient's recommended form of intake and maximum daily dosage of Medical Cannabis based on the patient's diagnosis, qualifying medical condition, age, size, and other individual factors. A patient's maximum daily dosage is the maximum total amount of one or more cannabis derivatives that may be ingested during a 24-hour period, as determined by their registered certified physician. Employees will never dispense Medical Cannabis to patients in excess of the maximum daily dosage recommended for the patient by their licensed certifying physician or the maximum daily dosage permitted by law, in accordance with Ala. Admin. Code r. 538-x-2-.07(9)(a)-(e). Employees will ensure that the number of daily doses of Medical Cannabis sold to a patient or caregiver at one time is limited to the lesser of:

- A 60-day supply.
- The number of doses equal to the number of days since the patient or caregiver's last purchase of Medical Cannabis.
- As recommended by the registered certifying physician.

#### **Dispensing Procedures**

Employees will be trained to dispense Medical Cannabis to patients and caregivers holding valid, unexpired, and unrevoked Medical Cannabis cards in accordance with the

product and dosing instructions provided by their registered certifying physician and the provisions of Ala. Admin. Code r. 538-x-2-.07. At the time of dispensing, employees, under the supervision of our Certified Dispensers, will enter the following information into METRC, Dutchie, and the Patient Registry as well as provide it on a receipt attached to the Medical Cannabis package:

- The name and Medical Cannabis card number of the patient.
- The name and Medical Cannabis card number of the caregiver, if applicable.
- The name and contact information of the registered certifying physician.
- The amount and type of Medical Cannabis being dispensed.
- The physician's dosing comments and maximum daily dosage recommendation.
- The date and time the Medical Cannabis was dispensed.

Our Certified Dispensers will oversee all sales transactions to ensure the dispensing of Medical Cannabis conforms to the type and amount recommended in a patient's physician certification and does not exceed the 60-day daily dosage purchasing limit. They will also ensure employees input the correct date, time, amount, and type of Medical Cannabis dispensed into the Patient Registry for each transaction. At the request of a patient or caregiver, our Certified Dispensers may provide instructions on the proper administration of Medical Cannabis, education regarding potential side effects, potential drug interactions, or other aspects of Medical Cannabis. Our Certified Dispensers will **never** offer advice regarding the safety or effectiveness of Medical Cannabis, the recommended daily dosage, or the type of Medical Cannabis recommended by the registered certifying physician. In the event that a patient or caregiver asks a Certified Dispenser a question regarding the previously listed topics, the Certified Dispenser will direct the patient or caregiver back to their registered certifying physician to address their questions and provide advice.

### **Prohibited Activities**

CCSA will ensure that our relationship with Alabama registered certifying physicians does not violate any provisions of §20-2A-32, Code of Alabama 1975 (as amended). Specifically, our Dispensary will **never** conduct the following prohibited activities:

- Offer remuneration to a certifying physician in exchange for referring patients to our Dispensaries.

- Offer discounts on any item of value to a qualified patient who uses or agrees to designate a specific caregiver.
- Allow a registered certifying physician to hold a direct or indirect economic interest in CCSA.
- Allow a registered certifying physician to serve on the board of directors or as an employee of CCSA.
- Coordinate with a registered qualifying physician to refer patients to specific caregivers or to our Dispensaries.
- Allow a registered certifying physician to advertise their services in our Dispensaries.

**Conclusion**

CCSA will strictly adhere to these policies and procedures for receiving and coordinating information and certifications from certifying physicians to ensure that our employees only dispense Medical Cannabis to registered qualifying patients and caregivers in accordance with the maximum daily dosage designated on their physician certification. As demonstrated by this plan, CCSA has the industry experience, knowledge, and skill necessary to implement efficient, compliant dispensing operations in Alabama.

**This Exhibit 11 complies with:** Ala. Admin. Code r. 538-x-1-.04(15); Ala. Admin. Code r. 538-x-1-.04(41); Ala. Admin. Code r. 538-x-1-.04(46)-(47); Ala. Admin. Code r. 538-x-1-.04(48); Ala. Admin. Code r. 538-x-2-.07(1) ; Ala. Admin. Code r. 538-x-2-.07(1)-(2) ; Ala. Admin. Code r. 538-x-2-.07(4)-(9) ; Ala. Admin. Code r. 538-x-2-.07(10)(a)-(c); Ala. Admin. Code r. 538-x-8-.02(4)(d); Ala. Admin. Code r. 538-x-8-.02(6)(h); Ala. Admin. Code r. 538-x-8-.03 (5)-(6) (2022) ; Ala. Admin. Code r. 538-x-8-.03(7) ; Ala. Admin. Code r. 538-x-8-.05(3)(c); and Darren Wesley “Ato” Hall Compassion Act §20-2A-32(2)-(7); §20-2A-34(a)(1)(a)-(i); §20-2A-60(a)(14); §20-2A-64(e)(3)(a)-(b).

# Exhibit 12 – Point-of-Sale Responsibilities

## 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.

Vincent Schilleci III

\_\_\_\_\_  
Printed Name of Verifying Individual

*Vincent Schilleci*  
\_\_\_\_\_  
Signature of Verifying Individual

Owner, Manager

\_\_\_\_\_  
Title of Verifying Individual

12/20/2022

\_\_\_\_\_  
Verification Date

## **Exhibit 12 – Point-of-Sale Responsibilities**

*Satisfaction of Plan: Completed*

### **Executive Summary**

CCS of Alabama, LLC (“CCSA”) understands our primary directive is to provide high-quality, safe, and consistent Medical Cannabis and compassionate service to the qualified Patients and Caregivers of Alabama. Central to that goal is ensuring our Patients have the knowledge and resources to administer their Medical Cannabis per their physician certification properly. As such, CCSA has developed this plan that ensures our Certified Dispensers provide point-of-sale education, consultation, provision of information, responses to patient and caregiver questions, and instruction for use regarding all Medical Cannabis at the point-of-sale. Our Director of Patient Education, [REDACTED], will oversee the implementation of our Patient education training program for Certified Dispensers and employees at all Dispensaries, as well as the creation of our Patient education resources and materials. [REDACTED] is a highly trained clinical scientist and Ph.D. candidate specializing in behavioral health, trauma, and PTSD. As a veteran herself, she has a particular interest in veteran trauma and PTSD and is keen to use her expertise to help Patients suffering from this qualifying condition. [REDACTED] will utilize her scientific research background, as well as her experience in the Florida medical cannabis industry, to develop valuable Medical Cannabis guidance for our Certified Dispensers, employees, and Patients based on cutting-edge Medical Cannabis research. CCSA will also rely on the direction of our Chief Medical Advisor, [REDACTED] [REDACTED] and surgeon with over 30 years of medical experience. Before his tenure at [REDACTED] spent 18 years working in private practice, where he became an expert at consulting Patients and developing personalized Patient care plans. [REDACTED] will work in tandem with [REDACTED] and the rest of our outstanding Medical Advisory Board made up of doctors, medical researchers, and pharmacists, to develop Certified Dispenser training and standard operating procedures, ensuring high-quality Patient care is top of mind.

### **Certified Dispenser and Employee Training Requirements**

CCSA has already brought on three potential Certified Dispensers each of which has a minimum of two years of education or experience in the fields of biology, biochemistry,

chemistry, physiology, pharmacology, medicine, medical cannabis, nursing, pharmaceuticals, or a similar field. Before commencing operations at our Dispensaries, our Certified Dispensers will complete and pass the required Medical Cannabis foundations training course and undergo at least ten hours of continuing education. These courses will address proper dispensing procedures, including the requirements of the Medical Cannabis Act and AMCC Rules, prevention of abuse and diversion of Medical Cannabis, and other topics related to public health, safety, and best business practices relating to cannabis, Medical Cannabis, and the dispensing thereof. A significant portion of the training will be regarding Patient education and consultation best practices to ensure the preparedness of our Certified Dispensers to respond to all types of Patient and Caregiver questions and provide comprehensive instructions for product use. As a result of our extensive training, our Certified Dispensers will have an in-depth knowledge of available products and strains. They will know THC/CBD percentages, milligram totals, methods of administration, responsible use, potential interactions with other medications, and side effects, including training to recognize signs of substance abuse or adverse events in the medical use of cannabis by a Patient. In addition to our Certified Dispensers, all Dispensary employees interacting with patients and caregivers will receive Patient education training as part of their annual continuing education. We plan to hire diverse, talented, and honest employees who will all complete an intensive, hands-on, mandatory training program, including classroom education, shadowing Certified Dispensers, and testing. Education will ensure our employees gain proficiency in regulations, company protocol, product knowledge, safety, and Patient service.

### **Point-of-sale Patient Consultation Procedures**

Each Patient or Caregiver that enters our Dispensary will have a unique recommendation from their Certifying Physician specifying their intake form and maximum daily dosage of THC. The dosage and intake form is determined by the Patient's diagnosis, qualifying medical condition, age, size, and other individual factors. The determination of a Patient's intake form and THC content is solely at the discretion of their Certifying Physician. Certified Dispensers or Dispensary employees cannot make alterations at the point-of-sale. Therefore, CCSA will ensure that our employees only sell Medical Cannabis to Patients and Caregivers per the product and dosing instructions provided by their Certifying Physician.

At the point of sale, our employees will consult Patients on the product selection that is available to them based on their physician certification and offer recommendations and advice to help them compare and select products. While our employees can advise Patients and Caregivers on products offered at our Dispensary, they will refer all questions related to the administration of Medical Cannabis to a Certified Dispenser.

### **Responding to Patient and Caregiver Questions**

One of our primary goals is for our Patients to leave our Dispensary feeling comfortable, confident, and well-informed about the Medical Cannabis they purchased. Our Certified Dispensers will be available during operating hours to consult Patients at the point of sale. They will be available at all times to answer any questions regarding the proper administration of Medical Cannabis, potential side effects, potential drug interactions, or any information related to the use of Medical Cannabis. However, our Certified Dispensers will **never** offer advice regarding the safety or effectiveness of Medical Cannabis, the recommended daily dosage, or the type of Medical Cannabis recommended by the Patient's Certifying Physician. Patients or Caregivers will be directed back to their Certifying Physician to address their questions and provide advice if they have any questions regarding any of the previously listed topics. With decades of experience counseling Alabamians in medical settings, our team has a unique understanding of Patient needs and the importance of confidentiality.

### **Instructions for the Proper Administration of Medical Cannabis**

Our Certified Dispensers will be able to guide Patients on the proper use of Medical Cannabis, including, but not limited to, the following information:

- How to administer the product per their Certifying Physician's dosing instructions.
- The expected onset of effects based on the product type.
- Overview of commonly experienced side effects.
- Self-monitoring techniques.
- Potential drug interactions based on other medications the Patient is taking.
- Instructions for proper product storage include keeping Medical Cannabis within its original dispensing package with an unaltered label or in a storage container



provided by our Dispensary and stored in a secure location to prevent theft, loss, or access by unauthorized persons.

- Prohibited actions regarding the administration of Medical Cannabis, including the prohibition of administering Medical Cannabis on the premise of our Dispensary or at any public or private places where Medical Cannabis is prohibited, such as federal property and state or federal correctional facilities.
- The prohibition of operating motor vehicles, watercraft, heavy machinery, or aircraft while under the influence of Medical Cannabis.

### **Patient Education Materials and Resources**

Upon AMCC approval, CCSA will provide free informational pamphlets and booklets for Patients to help them understand the responsible use of Medical Cannabis. The information provided will be comparable to information a Patient receives with any prescription at a pharmacy, including what to expect, the use of the medication, warnings, side effects, and when to call their Certifying Physician. Our Patient education materials will never encourage, promote, or otherwise create any impression that cannabis is legal, therapeutic, or beneficial except as specifically authorized by the Alabama Medical Cannabis Act and the AMCC Rules. Patient educational materials will be offered in our waiting room, with ample copies available, and may be translated into any language and offered at the point of sale. We will also make them available for the visually and hearing impaired. Our Certified Dispensers will be on hand to answer questions Patients or Caregivers have about permitted information, such as about the administration, instructions, risks and drug interactions, and where to go for substance abuse help.

### **Partnership with Americans for Safe Access**

Pending AMCC approval, we will also stock materials from the non-profit Americans for Safe Access (ASA). ASA is a respected and longstanding medical cannabis Patient advocacy group that has produced numerous educational booklets covering a range of qualifying conditions and the efficacy of Medical Cannabis in treating these conditions. These booklets summarize current research regarding the application of Medical Cannabis in treating the associated qualifying condition. They contain clinical and anecdotal evidence on

the efficacy of Medical Cannabis treatments and include citations of relevant research materials for further reading. Booklets will be made available free of charge.

### **Online Resources**

CCSA strives to ensure any Patient or Caregiver seeking educational materials about Medical Cannabis can easily access that information both in our Dispensary and from home. We will dedicate an entire website section to educational resources to accomplish this. Maintaining an online repository of the most current and advanced scientific publications, best practices, and guidance from respected medical organizations and industry groups will ensure CCSA serves as a knowledgeable resource for our Patients. Following AMCC approval, any printed educational publications made available at our Dispensaries will be available on our website. We will also include FAQs from Patients and Caregivers and provide an online chat feature during hours of operation where Patients and Caregivers may submit anonymous questions answered by one of our Certified Dispensers.

### **Procedure for Communicating Commendations and Complaints**

At our Dispensaries, we will have forms for Patients to provide feedback on our products and services. We will also have forms on our website for Patients to provide feedback or report adverse responses or dose-related efficacy issues. CCSA takes customer concerns seriously and will ensure all complaints regarding adverse reactions or dose-related problems are investigated and recorded in the statewide seed-to-sale tracking system.

### **Conclusion**

As demonstrated by this plan, CCSA is committed to empowering our Patients and Caregivers by providing them with the knowledge required to understand their treatment and administer Medical Cannabis safely and compliantly. Our highly trained Certified Dispensers, in coordination with our deeply knowledgeable Director of Patient Education and Chief Medical Advisor, will set the standard for Patient education and consultation in Alabama's medical cannabis industry.

**This Exhibit 12 complies with:** Ala. Admin. Code r. 538-x-2-.07(8); 538-x-2-.08(5); 538-x-2-.08(7)-(12); 538-x-4-.04(2)(a)-(b); 538-x-4-.17(2); 538-x-8-.02(6)(h); 538-x-8-.03(4)(a)-(b); 538-x-8-.03(7); 538-x-8-.05(3)(d); and Darren Wesley "Ato" Hall Compassion Act §20-2A-60(a)(9).

# Exhibit 13 – Confidentiality of Patient Information

## 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.

Vincent Schilleci III

\_\_\_\_\_  
Printed Name of Verifying Individual

*Vincent Schilleci*

\_\_\_\_\_  
Signature of Verifying Individual

Owner, Manager

\_\_\_\_\_  
Title of Verifying Individual

12/20/2022

\_\_\_\_\_  
Verification Date

## **Exhibit 13 – Confidentiality of Patient Information**

*Satisfaction of Plan: Completed*

### **Executive Summary**

**CCS of Alabama, LLC (“CCSA”) has developed this Confidential Information and Cybersecurity Plan (“CICS Plan”) per Rule 538-x-3-.05-3(m)(16)(i) and Rule 538-x-4-.07-12(o)(9), for maintaining confidential information and providing cybersecurity for sensitive information concerning patients and caregivers.** Our CICS Plan includes a set of protocols for maintaining the confidentiality of patient information following HIPAA arising from or related to our Dispensaries’ access to the Patient Registry and any other source. This plan will be maintained and effective at all times and reviewed annually. Our Plan and protocols reflect our team’s decades of operational and professional experience in the pharmaceutical and medical cannabis industries across the nation. CCSA’s owners and operators not only know the ins and outs of the legal, medical cannabis market but boast a team of medical and security experts who are acutely aware of the importance of patient care and our great responsibility to maintain sensitive information. CCSA’s CICS Plan will be implemented by our Director of Security [REDACTED], Lead Pharmacist [REDACTED], and Chief Medical Advisor [REDACTED]. Our team is deeply passionate about patient care, and we have devoted our professional lives to ensuring that those relying on us receive the best service possible.

### **Information and Records Requiring Confidential Treatment**

This CICS Plan aims to protect the privacy of CCSA’s patients’ and caregivers’ medical information, financial information, purchase history, and all other patient or caregiver-related protected health information and records communicated interpersonally, kept physically, or stored virtually. These records include but are not limited to, all personally identifiable health information (“PII”) held or transmitted by a healthcare entity, including our Dispensaries and our business associates (e.g., patient notes, adverse reactions, and physician recommendations) (collectively, “Confidential Information”). Confidential Information will not be shared except with the AMCC, their staff or agents, or among the parties who own or are responsible for the information. All Confidential Information, sensitive information, and any records required to be confidential, including information and records communicated interpersonally, kept physically, or stored virtually, will be subject to

our CICS Plan. All protected health information collected by our Dispensaries as part of a sales transaction is HIPAA protected and subject to our CICS Plan. Unless requested by the AMCC, required under law, or under a judicial or administrative order, all Confidential Information held by CCSA about patients, caregivers, and employees is confidential and will not be disclosed without the written consent of the individual to whom the information applies. CCSA will take all necessary steps to ensure the confidentiality of all information received is maintained and stored in our secure databases.

### **CCSA's CICS Plan to Maintain and Protect Sensitive Information and Records**

When patients and caregivers purchase Medical Cannabis at our Dispensaries, they expect our team to be responsible for their Confidential Information. In coordination with our Lead Pharmacist and the Chief Medical Advisor, the Director of Security has implemented a system of technological defenses and internal protocols to maintain and protect patient and caregiver information. Maintaining compliance with HIPAA and ensuring the security of patients' Confidential Information is a multi-faceted effort required of healthcare entities with access to patient's health information. To mitigate security vulnerabilities and protect patient information, we use a combination of administrative, physical, and technical safeguards such as awareness training, electronic access controls, and systems built with high levels of data transmission security.

#### Secure Inventory Management Systems

As experienced operators and medical professionals, our utmost priority is maintaining strict control of all patient information in our Dispensaries to prevent unauthorized disclosure. By utilizing the Patient Registry, the statewide tracking system, and Dutchie, our third-party integration software, we will be able to track information daily in compliance with § 20-2A-60, Code of Alabama 1975 (as amended), and any other AMCC requirements. These systems will ensure we maintain and monitor access to patient profiles and sensitive medical information, including patient usage and counseling. Our selected third-party secure inventory management software will assist in maintaining the integrity of Alabama's legal cannabis market and the confidentiality of patient and caregiver information. We selected Dutchie because of the company's commitment to protecting information and its leading-edge cybersecurity features, which include all the capabilities necessary for CCSA to comply with statutory and regulatory requirements. CCSA's inventory

management systems ensure that all Medical Cannabis is tracked throughout the entire chain of custody and that all patient or caregiver transactions and related information are documented and kept confidential per HIPAA and the AMCC's requirements. In particular, Dutchie secures such Confidential Information by preventing access by personnel who are not authorized to access, view, or edit certain sensitive information.

#### Cybersecurity Technology

CCSA will utilize a state-of-the-art IT network and strict cybersecurity protocols to protect its sensitive electronic data. The Director of Security will conduct routine maintenance on our hardware, software, data, and communications networks, including the following: software registration; employee IT security training; security patches; vulnerability assessments; malicious software protection; security status and network access monitoring; account management; and disposal and redeployment. All systems and protocols will be strictly compliant with the standards set by the International Society of Automation (ISA) and the International Electrotechnical Commission (IEC) standard ISA/IEC 62443. CCSA's cybersecurity network is certified by the IEC and ISA and comprises customized monitoring systems to minimize virtual risk vulnerabilities. Given the importance of protecting patient information, CCSA has also assembled a board of licensed healthcare professionals who will guide our Director of Security, Lead Pharmacist, and CEO to ensure our organization stays at the cutting edge of protecting health information. CCSA will bear the cost of all technology to ensure compliance with the requirements of § 20-2A-60.

#### **Protocols for Maintaining Patient Confidentiality per HIPAA**

As discussed above, HIPAA's requirements mandate that our software and recordkeeping tools are HIPAA compliant and adequately maintain patient and caregiver confidentiality. Our employees are also trained on HIPAA compliance immediately upon hire and will treat patient and caregiver information with the utmost care and attention. Retraining and employee evaluations occur as needed after that, but no less than annually. Our SOPs detail protocols for limiting exposure of sensitive patient information, including practices for data entry, screening sensitive information from other patients, and locking procedures for areas with secure information. Led by our Lead Pharmacist, [REDACTED], we based our policies regarding HIPAA compliance on traditional healthcare systems and our

years of operating in regulated medical cannabis markets. With experience running pharmacies in Louisiana, [REDACTED] will help CCSA maintain exemplary compliance in this area.

#### Employee Training Procedures and Policies Regarding Compliance with CCSA's CICS Plan

CCSA's employee training procedures include in-depth training on CCSA's CICS Plan and SOPs regarding patient and caregiver confidentiality. CCSA and its employees strictly adhere to the HIPAA guidelines, including, at a minimum, the following: (1) prohibit any patient or caregiver information from being shared or discussed outside of the Dispensary or in the presence of other patients, vendors, or any unauthorized personnel; (2) inform patients of CCSA's privacy policy; (3) ensure any paper documentation containing patient or caregiver identifiable information is kept in a secured location and shredded before discarding; (4) ensure electronic information is protected per this CICS Plan and CCSA's related IT security SOPs.

#### Access to Confidential Information – IT Password Requirements and Computer Access

Our team takes proactive and practical steps to ensure compliance with our CICS Plan and HIPAA in our Dispensaries. Access to Confidential Information is restricted to essential employees only, and CCSA management will immediately revoke employees' access upon termination or separation. CCSA will only grant access to representatives of the AMCC, and any other law enforcement, if necessary, to perform their official duties. To the extent such Confidential Information is required for any court action, recipients will file such documents under seal to the time they contain "Confidential" information. Each employee receives specific login credentials to the inventory tracking systems, which they are prohibited from sharing with anyone else. Each time an employee leaves a station for any length of time, they must log out of the system. Employees' access to the Patient Registry's and Dutchie's functions and data are tailored so that only essential access is permitted. All POS station screens will be covered with privacy screen protectors. CCSA never stores patient or caregiver information outside the Patient Registry and Dutchie. All CCSA's computer systems are password protected and require periodic password changes every six months. Employee passwords for software and network access are changed every six months. In addition, all employees needing to use the Patient Registry or the inventory tracking systems must

undergo pre-employment IT certification for each of our databases. This training is provided by CCSA's third-party IT provider or another designated by the AMCC.

#### Confidentiality of Point-of-Sale Patient Education and Consultation

CCSA's Certified Dispensers offer to counsel every time Medical Cannabis is dispensed to a patient or caregiver. If a patient or caregiver requests to be counseled or has questions, such counseling must be conducted by a Certified Dispenser and provided confidentially. All information obtained during personal consultations is subject to our CICS Plan.

#### Recordkeeping Requirements

Our comprehensive recordkeeping protocols ensure that our Dispensaries' records are diligently and compliantly maintained to the highest standard. All physical records are secured in a designated, secured storage area. Electronic records are stored in an encrypted cloud-based server and, as a protective measure, backed up onto a hard drive inside a locked security room. CCSA will maintain all records for six years, including those related to patients and caregivers. All records are kept in a well-organized and easily accessible manner which renders a full accounting of all operations conducted at our Dispensaries. Our executive team regularly monitors, audits, and reviews all recordkeeping functions to maintain patient and caregiver information confidentiality.

#### Conclusion

By utilizing the strategies and protocols from traditional healthcare outlined above, we are confident that we can exceed the AMCC's expectations for compliance with HIPAA and all confidential information data protection requirements. CCSA takes every step necessary to maintain patient and caregiver confidentiality and ensure our data protection systems are impeccable.

**This Exhibit 13 complies with:** Ala. Admin. Code r. 538-x-1-.04(10); 538-x-3-.05(3)(m)(16)(i); 538-x-4-.05(1)-(3); 538-x-4-.05(7); 538-x-4-.07(12)(o)(9); 538-x-8-.02(6)(b); 538-x-8-.05(3)(e); and Darren Wesley "Ato" Hall Compassion Act §20-2A-54(a); §20-2A-60(a)(1)-(18).



# Exhibit 14 - Money Handling and Taxes

## 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.

Vincent Schilleci III

\_\_\_\_\_  
Printed Name of Verifying Individual

*Vincent Schilleci*

\_\_\_\_\_  
Signature of Verifying Individual

Owner, Manager

\_\_\_\_\_  
Title of Verifying Individual

12/20/2022

\_\_\_\_\_  
Verification Date

## **Exhibit 14 – Money Handling and Taxes**

### **Satisfaction of Plan: Complete**

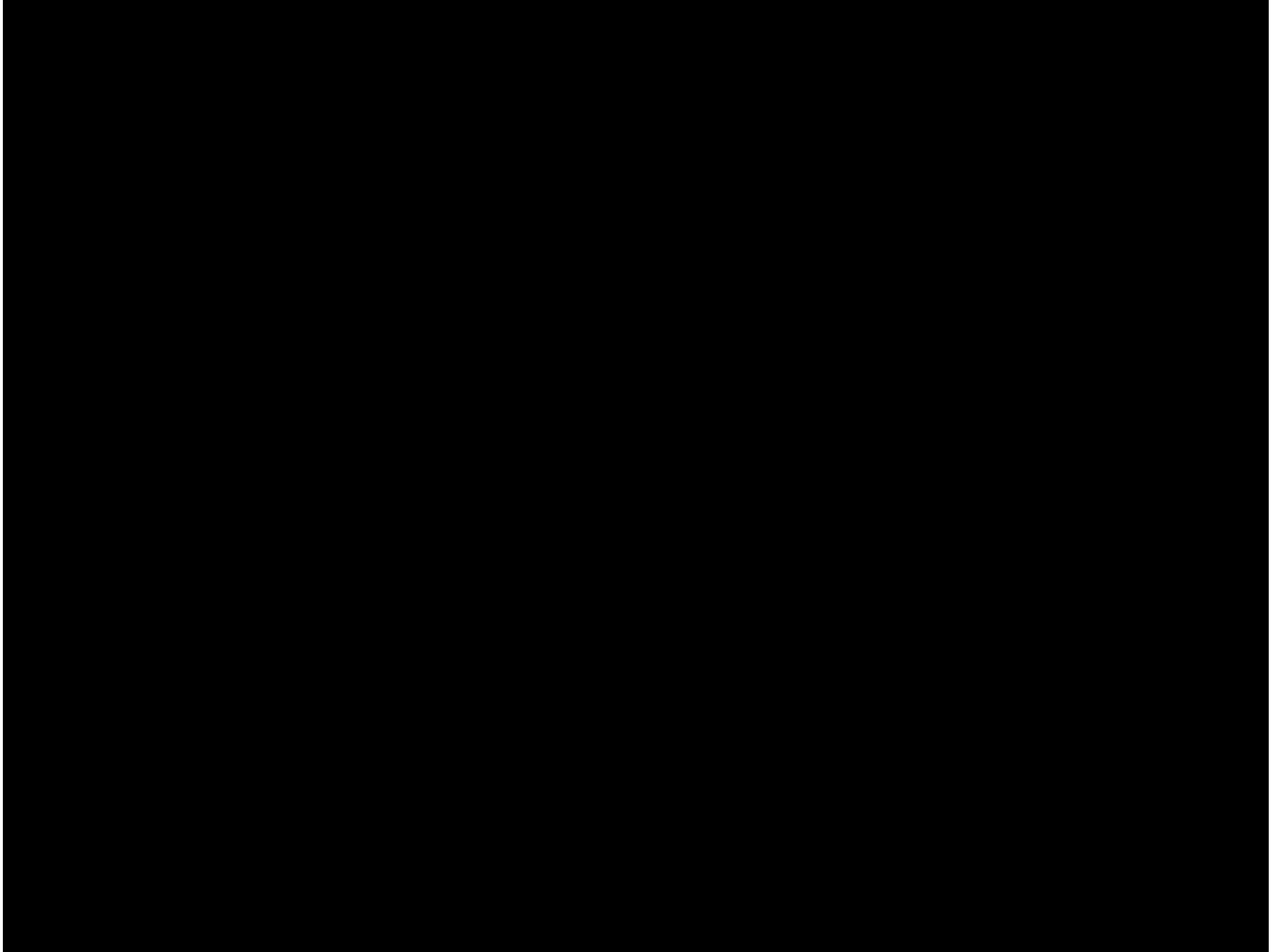
#### **Executive Summary**

Led by an executive management team with extensive experience in the regulated medical cannabis industry and other highly regulated sectors, CCS of Alabama, LLC (“CCSA”) has a demonstrated record of suitability in maintaining strict adherence to the fiduciary chain of custody and tax compliance obligations. CCSA has developed this plan for money handling and taxes that exemplifies the team’s high standards. Currency handling procedures and tax oversight will be led by our CFO [REDACTED], a CPA with 30+ years of experience. [REDACTED] began his career as a Certified Public Accountant at a small firm in Hoover, Alabama, and worked his way up through the ranks, eventually acquiring the firm – [REDACTED] – in 1998. [REDACTED] will be assisted by CCSA’s Chief Compliance Officer Vincent Schilleci III, a lifelong Alabamian with an LL.M. from NYU School of Law. They both have a wealth of finance and accounting experience that will guide the development of CCSA’s best-in-class standard operating procedures yielding efficient on-site cash handling protocols and strict adherence to federal, state, and local tax requirements, ensuring the company’s continued solvency. CCSA acknowledges that the success of its Dispensary is predicated on its close attention to the minutiae in this nascent industry and commitment to maintaining compliant, thorough, and transparent money handling, accounting, and tax practices.

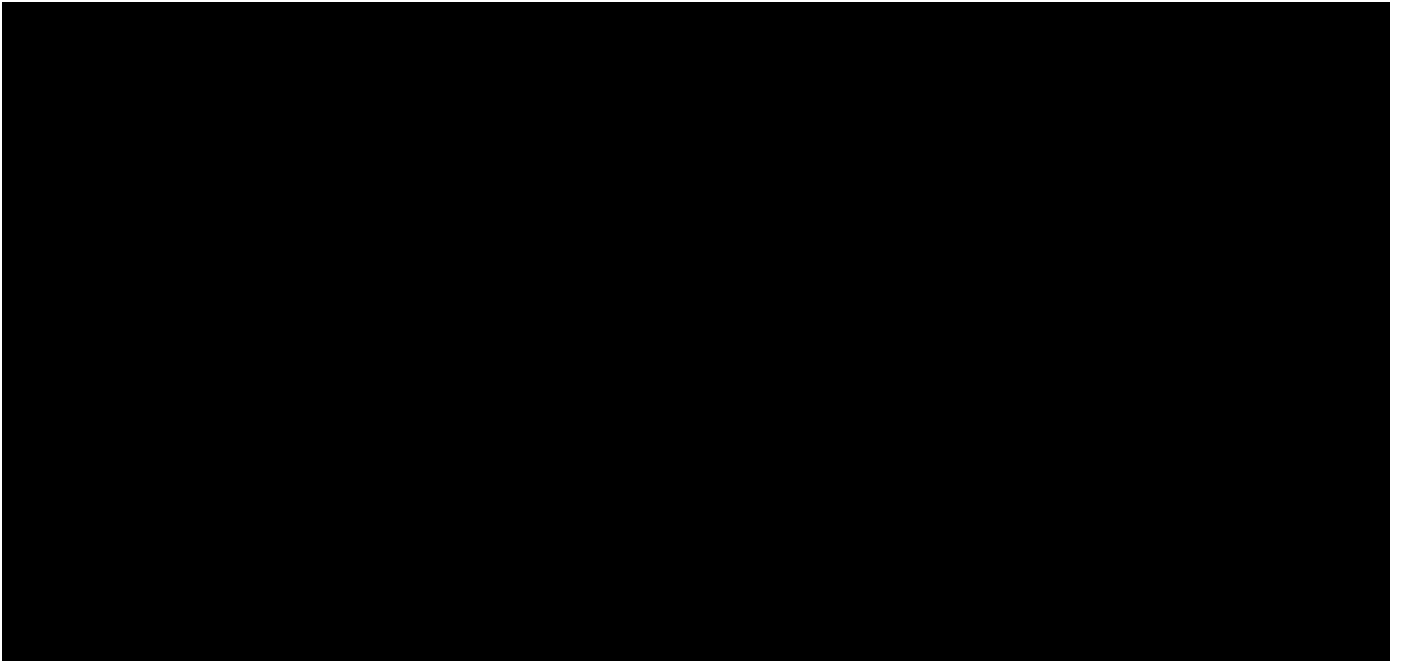
#### **CCSA’s Money Handling Plan**

Informed by combined decades of experience operating cannabis facilities, our cash handling and management procedures outline how CCSA employees will properly handle sales transactions to ensure precision, accuracy, and chain of custody. CCSA’s standard operating procedures eliminate opportunities for currency mishandling and ensure accountability, security, control of the register counts and all money on hand, and allocation and remittance of required taxes. CCSA’s management will review and update such procedures as necessary, but no less frequently than annually.

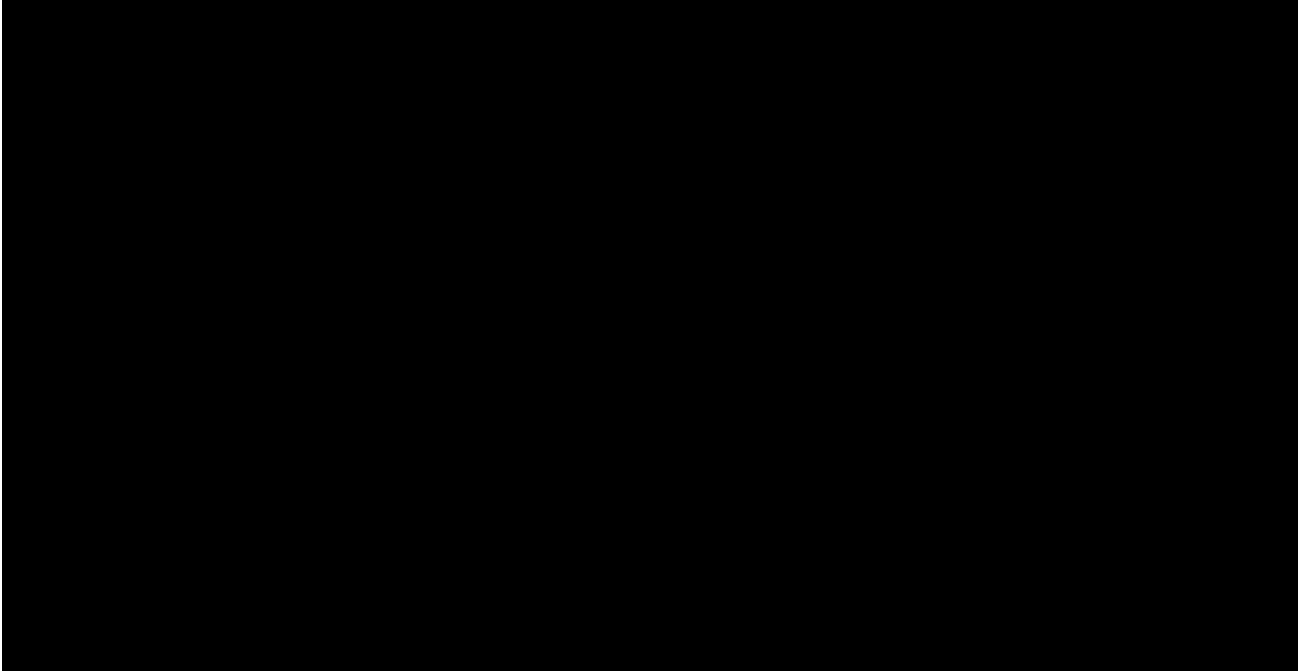
#### **Day-to-Day Cash Control and Till Handling**



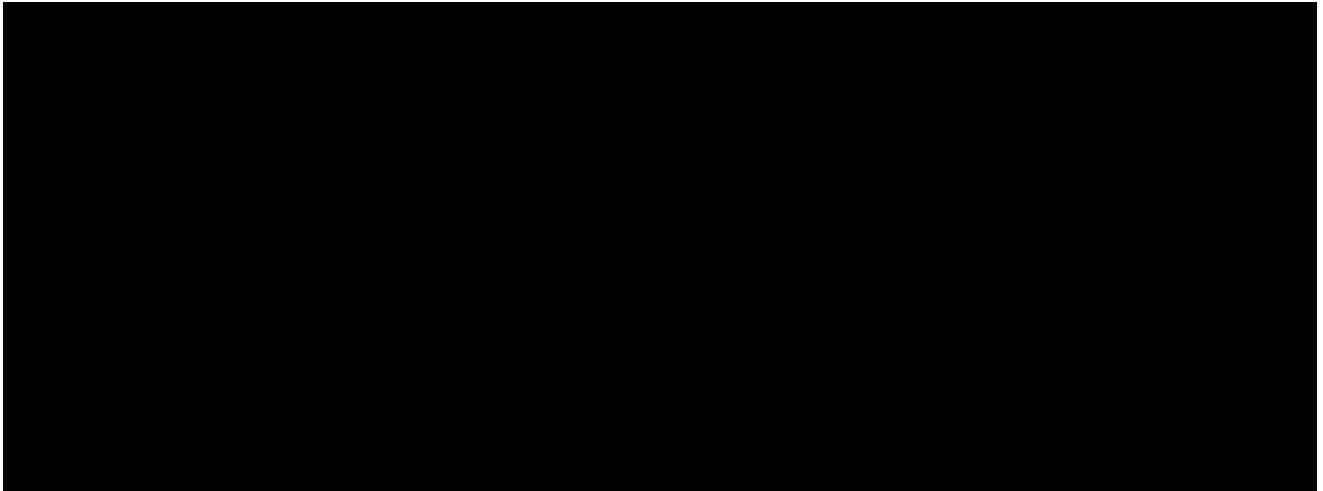
Operational Procedures



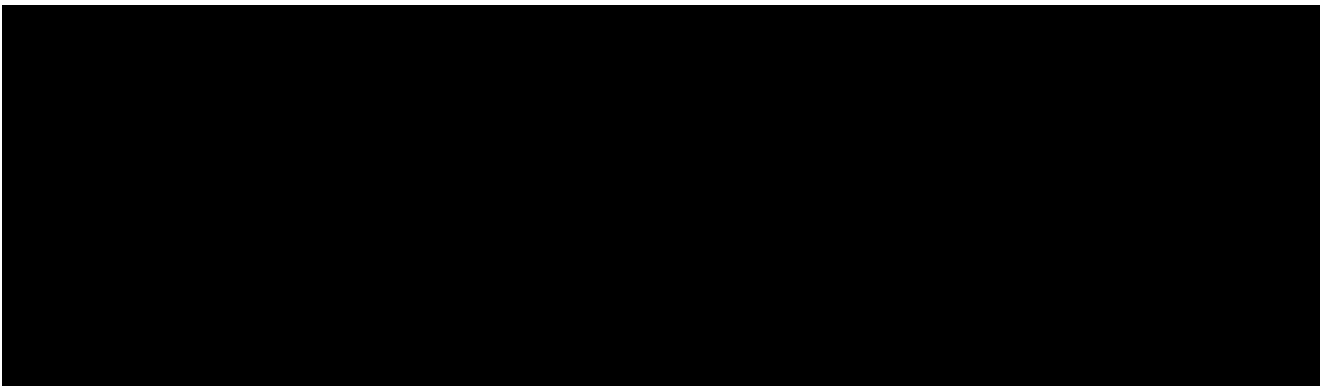
Closing Procedures and Daily Reconciliations



Sales Records and Customer Sales Receipts

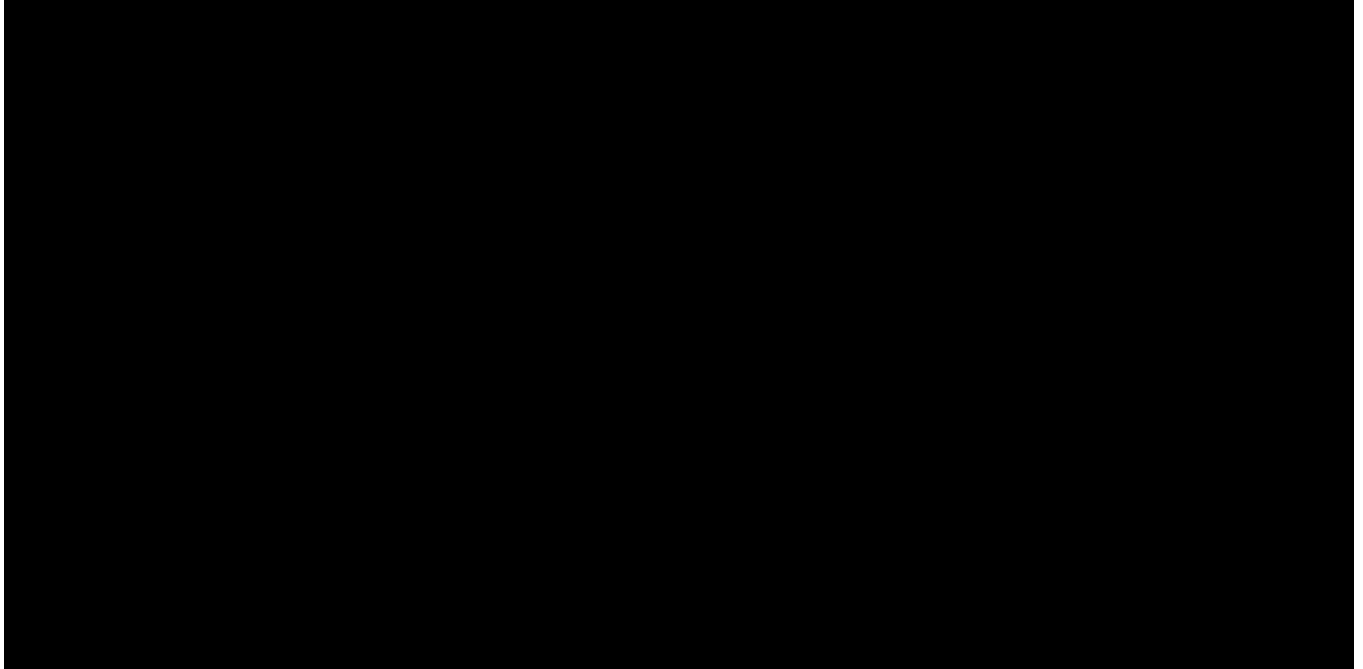


Preparing Deposits to CCSA's Financial Institution



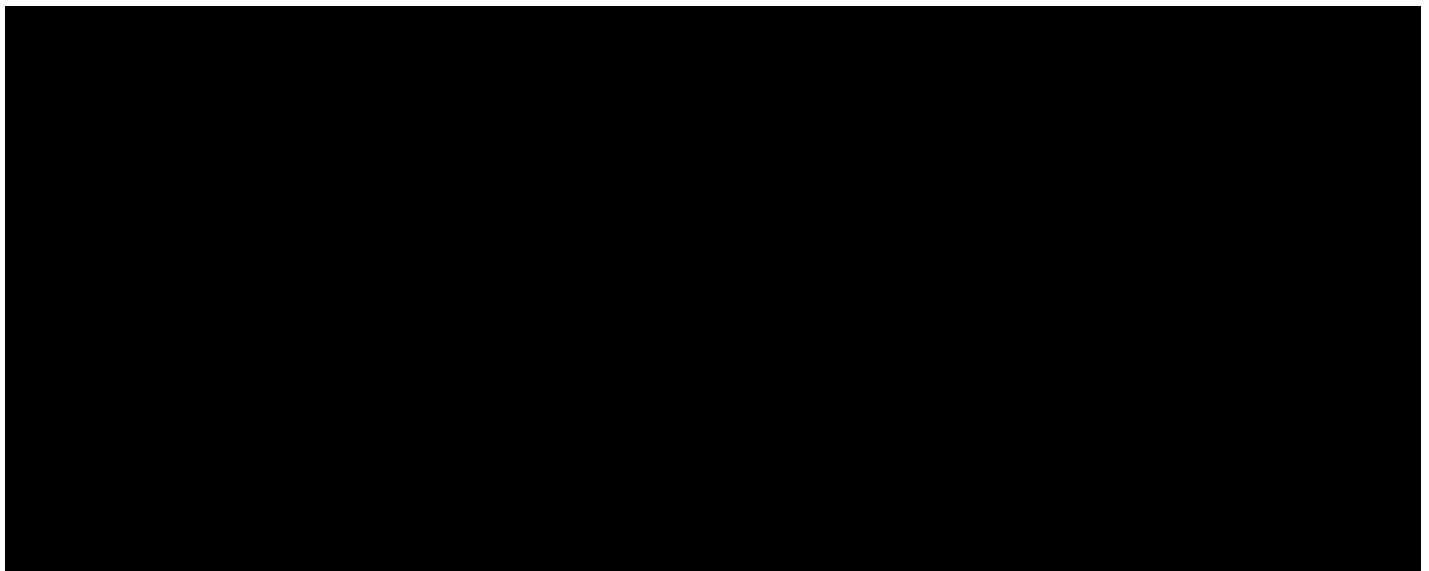


**Security and Transportation Measures for Safe Cash Handling and Secure Storage**



**CCSA's Tax Plan and Tax Compliance**

**Procedures for Allocating and Remitting Required Taxes**



### **CCSA's Ongoing Reporting Requirements and Compliance Plan**

CCSA will meet and maintain the standards, policies, procedures, and operations of its Dispensary as described herein and will ensure all documents required by any agency are documented, reviewed, and maintained by the appropriate executive team members. Required records and reports will be secured on-site and on a secured cloud storage server for a minimum of six years unless otherwise noted. At the time of the pre-commencement inspection and each inspection thereafter, or upon the request of the AMCC, we will comply with any records examination to produce the following:

- Demonstrated compliance (or plan for compliance) with all applicable tax laws, including CCSA's verified tax plan, all required tax records, and verification that CCSA, its affiliates, or interest holders are delinquent in any required tax payment.
- Permits, licenses, local authorizations, and contracts with other licensees relating to medical cannabis activity; CCSA's Dispensary license will be prominently displayed.
- Financial records, including but not limited to verified current financial statements/pro forma, balance sheet reports, profit and loss reports, statements of cash flow, sales invoices, receipts, and other financial accounting required by the AMCC or the ALDOR that outline CCSA's year-end financials and projections, assets and liabilities, and cash flow. We will submit to the AMCC a financial audit conducted by an independent certified public accountant annually upon request.
- Records, SOPs, and amendments pertaining to operations, including but not limited to security, training, facility, equipment, dispensing, quality assurance, and other compliance requirements.

**This Exhibit 14 complies with:** Ala. Admin. Code r. 538-x-3-.05(3)(m)(8)-(9); Ala. Admin. Code r. 538-X-4-.02; Ala Admin. Code r. 538-x-4-.07(5); Ala. Admin. Code r. 538-x-4-.07(12)(h)-(i); Ala. Admin. Code r. 583-x-8-.03(8); Ala. Admin. Code r. 538-x-8-.05(3)(h); Ala. Admin. Code r. 538-x-8-.05(3)(m)(9)-(10); Darren Wesley 'Ato' Hall Compassion Act §20-2A-55(d); §20-2A-68(a)-(d).

# Exhibit 15 – Standard Operating Plan and Procedures

## 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.

Vincent Schilleci III

\_\_\_\_\_  
Printed Name of Verifying Individual

*Vincent Schilleci*

\_\_\_\_\_  
Signature of Verifying Individual

Owner, Manager

\_\_\_\_\_  
Title of Verifying Individual

12/21/2022

\_\_\_\_\_  
Verification Date

## **Exhibit 15 – Standard Operating Plan and Procedures**

*Satisfaction of Plan: Completed*

### **Executive Summary**

CCS of Alabama, LLC ("CCSA") will operate under a documented system of Standard Operating Procedures ("SOPs") designed to ensure CCSA is compliant with all the rules set forth by the AMCC and all applicable state and local laws, regulations, ordinances, and other requirements. **This Standard Operating Plan and Procedures narrative outlines the methods to be followed in writing and implementing CCSA's Standard Operating Procedure System.** All SOPs will be maintained so that they can be readily accessed from the physical site of operations upon the request of inspectors or AMCC staff.

CCSA's SOPs are informed by the team's decades of experience in the Medical Cannabis industry and other highly regulated industries. Having developed and implemented SOPs in several highly regulated industry settings, these processes and procedures have become second nature to the CCSA team. For example, owners Ernest Craumer and Sandra Young have successfully operated several cannabis retailers in multiple jurisdictions. Mr. Craumer co-founded Callie's Cannabis Shoppe, a group of family-owned and award-winning cannabis businesses with six medical dispensaries across Colorado and Maryland. Before entering the cannabis space, Mr. Craumer worked in the mortgage and finance industries. His experience, both in multi-state cannabis operations and in the highly regulated finance industry, makes him uniquely suited to develop and implement compliant processes. Mr. Craumer will work collaboratively with Ms. Young in developing and implementing CCSA's SOPs. Ms. Young has become highly skilled in maintaining compliant and secure operations focused on exceeding regulatory requirements through her ownership and day-to-day involvement in the cannabis retail industry in Colorado, New Jersey, Massachusetts, and Maryland. She is intimately familiar with operational compliance and curating a patient-focused retail environment.

In addition, owner and Chief Executive Officer Matthew Hogan is an expert in navigating the logistics and distribution of highly regulated substances. He currently serves as President and Chief Executive Officer for ATG Distribution, an alcoholic beverages distributor based in Alabama. He works closely with Alabama regulators and business



owners to ensure compliance throughout all aspects of his business. Mr. Hogan's professional experience has also informed the development of CCSA's SOPs, detailed further below.

### **15.0- Standard Operating Procedures Development, Maintenance, and Storage**

The following narrative thoroughly addresses the information called for in Sections 15.1 through 15.11. However, before delving into the details of these specific SOPs, CCSA provides a brief overview of the overarching systems in place related to our SOP development, maintenance, and storage. The approach described below informs all the specific SOPs detailed in subsections 15.1 through 15.11.

#### **Standard Operating Procedure Development and Maintenance**

CCSA's Standard Operating Procedures have been developed as a collaboration between our ownership and management team, security team, and legal consultants to create a reliable system to ensure compliance at all levels. All our SOPs will be reviewed and updated continually to ensure the compliance, efficiency, and suitability of all operations. Revisions to the SOPs may only be made by Department Directors. These revisions will comply with all rules set forth by the AMCC and all applicable state and local laws, regulations, ordinances, and other requirements. All revised versions of SOPs will include the effective date of the revision and will be distributed to all CCSA agents and employees. The AMCC will properly approve all CCSA SOPs prior to implementation.

#### **Access to SOPs**

CCSA will maintain copies of our SOPs on the premises in a readily accessible manner to employees. They will be stored so that they can be readily accessed from the physical site of operations upon the request of inspectors, the AMCC, or AMCC staff. Additionally, a list of all SOPs, including the procedure titles, numbers, and revisions (if any) for all SOPs currently in effect will be maintained by the COO. The COO will be responsible for maintaining this SOP list, the current master file of signed, original standard operating procedures, and the removal and archival of obsolete procedures. It is the responsibility of all CCSA Directors to be familiar with their department's written standard operating procedures, be aware of any

problems that prevent compliance with these SOPs, and recommend any required revisions or improvements.

**15.1 – IT Plan for Recordkeeping, Inventory Compliance, and Coordination of Information and Systems with the Patient Registry, Seed-to-Sale Tracking, and our Third-Party Inventory Control and Tracking System**

CCSA has developed this thorough, secure IT plan for ensuring accurate recordkeeping, compliance with inventory protocols, and coordination of information and systems with vendors, customers, and others 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)); and, our third-party inventory control and tracking system, offered by Dutchie (§ 20-2A-60, Code of Alabama 1975 (as amended)).

**Accurate Recordkeeping and Compliance with Inventory Protocols**

Daily, CCSA will keep precise and complete inventory management records that render, balance, and evidence all activities (from seed to sale or disposal) regarding all Medical Cannabis in its possession, including beginning and ending inventory. CCSA's prepared reports and inventory records will be available to the AMCC for review, as requested. CCSA will maintain copies of any inventory documentation required by the AMCC for at least six years or longer at the request of the AMCC, law enforcement personnel, or any court having jurisdiction over a matter arising out of or relating to the information so tracked. CCSA will provide, upon request, copies of documentation to the AMCC within any required turnaround time.

We will also ensure compliance with inventory protocols to fulfill the letter and the spirit of the law, just as our team members have done in their licensed cannabis businesses in other jurisdictions. Our technology platforms will support this endeavor, bolstered by frequent audits. Frequent inventory audits and reconciliation are vital to prevent diversion, promote accountability among our staff, and to identify any inventory discrepancies immediately. By mandating frequent and varied reviews of all portions of our inventory through virtual and physical counts, we always know the exact status of our inventory.

Inventory counts will be recorded in the Statewide Seed-to-Sale Tracking System and will include an outline of daily, weekly, monthly, annual, and real-time inventory counts and reconciliations. These protocols are industry best practices and have been incorporated into our SOPs.

CCSA will conduct audits within the Dispensary Facilities ("Facilities") through both the Statewide Seed-to-Sale Tracking System and our internal seed-to-sale software to ensure ongoing compliance and accurate records. Specifically, CCSA will ensure that systems are always secure and that each employee authorized to use the seed-to-sale system has received all necessary inventory management training and has been issued a unique user code by CCSA to access the inventory tracking system. Employees will also be required to record all entries made, including the date, an electronic signature, and the unique user code identification number of the employee utilizing the system and entering the data. CCSA will maintain an audit trail and backup system so that no initial entry can be made illegible and to ensure that the record is protected from loss, damage, or unauthorized use or edits.

Because of our daily auditing and reconciliation efforts, if an inventory discrepancy arises, we can pinpoint precisely when the discrepancy occurred. This is an exceptional feature of our SOPs that exceeds regulatory requirements. Physical and real-time electronic inventory counts will be compared as part of the audits, and all inventory discrepancies will be investigated. Regular cross-checking of periodic physical inventory counts with perpetual inventory records allows for the identification, documentation, investigation, and immediate reporting of any significant variances in inventory. For inventory reconciliation audits, we will create a written record. This record will include the date and time of the inventory audit, a summary of the inventory findings, and the names, signatures, and titles or positions of the individuals who conducted the inventory audit. The reconciliation inventory reports will be provided to the AMCC or law enforcement upon request.

#### Coordination of Information and Systems with the Patient Registry, Seed-to-Sale Tracking, and our Third-Party Inventory Control and Tracking System

CCSA recognizes that the data contained within the Patient Registry, Seed to Sale Tracking System and our third-party inventory and control tracking system, provided by Dutchie, contains sensitive personal information, including physician certifications,

information regarding qualifying medical conditions, and proprietary business metrics. As a result, we have prioritized network security throughout all IT operations S12/22/2022. The responsibility for the costs of cybersecurity measures, as well as Dutchie and METRC systems and upgrades, RFIDs, barcodes, and/or hardware will be solely on CCSA, and these components will be professionally installed, maintained, and upgraded per the latest technologies available. CCSA's secure network will comply with cybersecurity standards set by the International Society of Automation (ISA) and the International Electrotechnical Commission (IEC) ISA/IEC 62443 applicable to facilities operated by manufacturers of medical or pharmaceutical businesses.

CCSA understands that as a Medical Cannabis Dispensary licensee, it must establish, maintain, and utilize a seed-to-sale tracking system. CCSA is committed to only using a seed-to-sale tracking system that AMCC has approved and that tracks all information sufficient to comply with the requirements of §20-2A-60, Code of Ala. 1975 (as amended), and any other requirements set forth by the AMCC. Fortunately, the CCSA team has firsthand experience with multiple seed-to-sale tracking and management systems in different regulatory environments, including Colorado, Maryland, New Jersey, and Massachusetts.

We are prepared to quickly adapt, utilize, and contribute to the Statewide Seed-to-Sale Tracking System. Dutchie, our third-party inventory and tracking system, is capable of interfacing with the Statewide Seed-to-Sale Tracking System and patient registry. Our technology and uploads to the Statewide Seed-to-Sale Tracking System will allow access to the system by the AMCC and, to the extent necessary or appropriate, patients and caregivers, qualified certifying physicians, other state agencies, other licensees, and law enforcement personnel.

Using this approved system as part of our IT and Cybersecurity Plans allows us to supply all relevant inventory tracking and testing information in real-time for each Medical Cannabis product, package, batch, test, transfer, conversion, sale, recall, or disposition of Medical Cannabis in or from our possession in the format and on forms, as required by and created by the AMCC.

#### Coordination of Information and Systems with Employees, Vendors, and Patients

##### *Employee Training*

All CCSA employees who, as part of their duties, must interact with the patient registry, the AMCC website, or the Statewide Seed-to-Sale Tracking System will complete pre-employment IT certification training for each database they will be interacting with. These IT certifications will be administered by the third-party IT provider or another provider designated by the AMCC. CCSA will keep an accurate and up-to-date list of these certifications, which will be available to the AMCC upon request. CCSA will additionally identify one employee who will be the designated liaison with the AMCC and will provide their name, title, and position with CCSA to the AMCC. This person will coordinate, monitor, and update CCSA's input to the Statewide Seed-to-Sale Tracking System.

#### *Vendor Access*

All vendors must be registered with CCSA and have a completed vendor packet on file before their first delivery. Vendor packets consist of providing us with a variety of legal documentation required to do business. Vendors will be able to access the CCSA Vendor Portal where all licenses, agreements, and contacts will be digitally stored. Prior to the launch of the CCSA vendor portal, the vendor will need to be approved by CCSA management.

#### *Patients*

Patients and caregivers will not have access to the Alabama Medical Cannabis Patient Registry System but will be required to register within the system. The AMCC shall develop the application and renewal process for the patient and designated caregiver registration, which shall include, but not be limited to, an application form, relevant information that must be included on the form, and any additional requirements for eligibility the AMCC deems necessary. Before dispensing any Medical Cannabis to patients or caregivers, CCSA will ensure that the information presented on an individual's medical cannabis card aligns with the information contained within the Patient Registry System. All Certified Dispensers will receive role-specific training concerning identification review and all IT systems implemented by CCSA.

**15.2 – 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**

CCSA has developed a clear plan for the maintenance and storage of Medical Cannabis, which includes limited access provisions in alignment with our Security Plan. As detailed below, our plan ensures that all Medical Cannabis is adequately maintained and stored from the moment it enters our Dispensary Facilities to when it is transferred to patients during a compliant sales transaction. Our secure and compliant maintenance and storage operations are supported by our third-party inventory control and tracking system, which tracks all Medical Cannabis, patient and caregiver purchase totals, waste, transfers, conversions, sales, returns, and batch information throughout the entire chain of custody.

Receiving Plan

Upon receipt of Medical Cannabis, a CCSA representative will ensure that all products are appropriately prepared, packaged, labeled, and QR or other digitally coded with all applicable information, including:

- The Cultivator, Processor, or Integrated Facility from which the Medical Cannabis was sourced.
- The Facility or facilities of origin.
- Type of product.
- Date of processing and packaging.
- Expiration date (or, if there is no expiration date, a notation that the expiration date is N/A).
- The date of the Processor's State Laboratory testing approval.
- The Alabama Poison Control contact information as provided on the AMCC website.

The employee will ensure that incoming products are accompanied by the Secure Transporter's manifest and other appropriate documentation and that this paperwork is accurate and fully executed. Once this information has been confirmed, the QR code and date

and time of arrival will be entered into the seed-to-sale tracking system. This plan has been developed in accordance with and will abide by all stipulations listed in Ala. Admin. Code r. 538-X-8.05(3)(j).

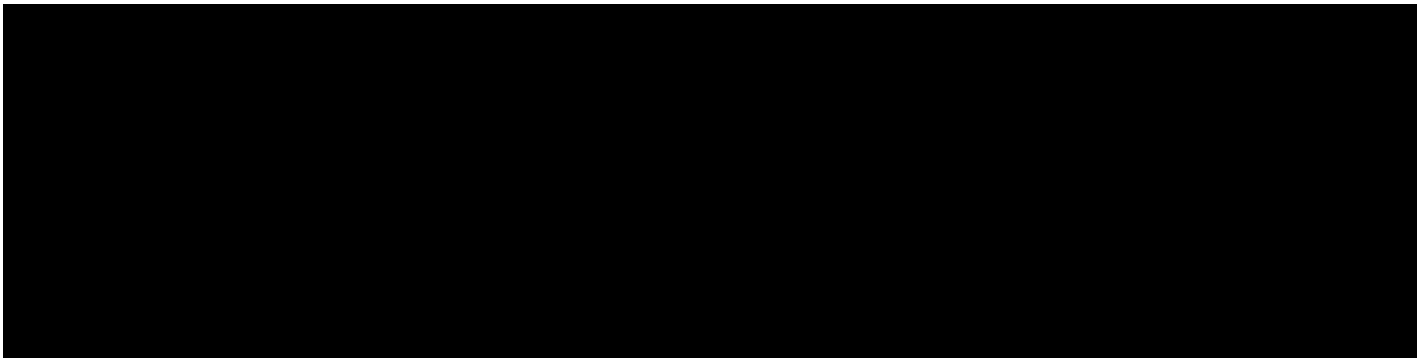
### Storage Plan

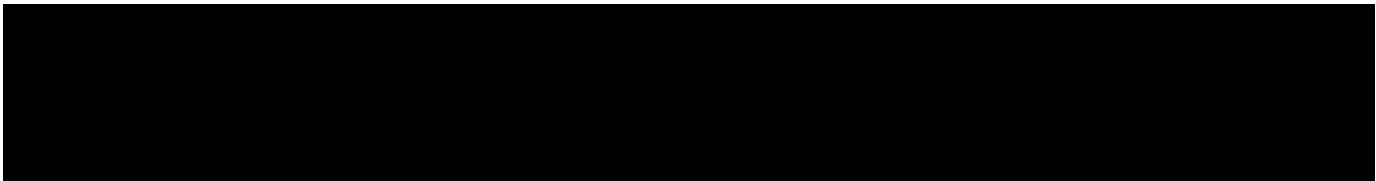
After all Medical Cannabis received by CCSA has undergone a compliance review, it will be immediately transferred to our secure onsite vault, which will adhere to, at a minimum, the following criteria:

- A moisture and temperature-controlled environment.
- An area free of pests.
- Items will be secure, properly separated, and labeled.
- In designated limited-access areas, limited to essential personnel by position.

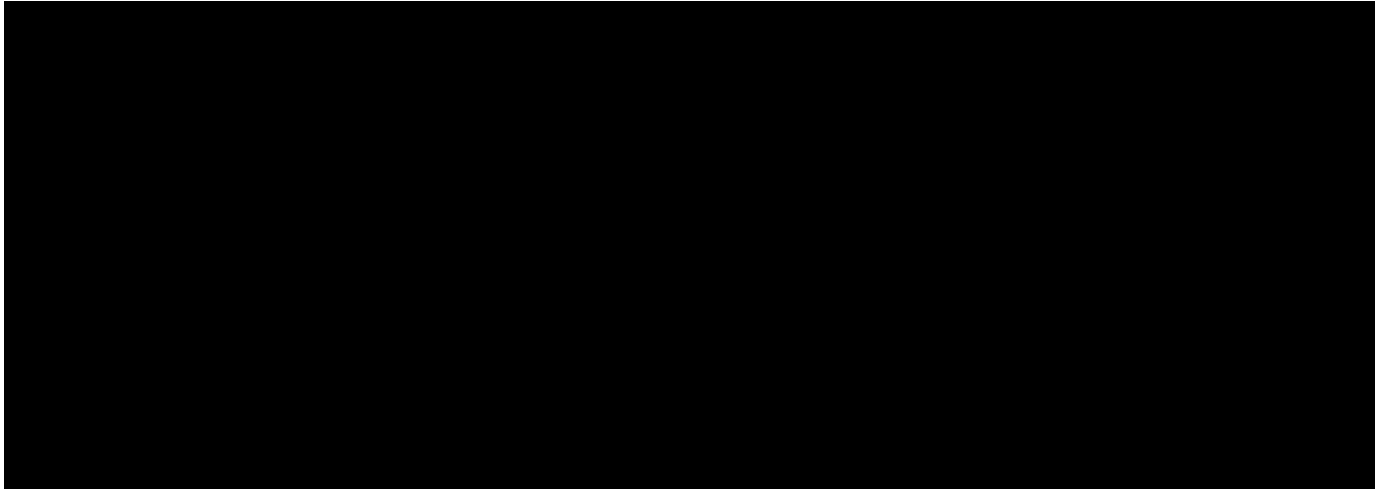
The vault will be cleaned and sanitized regularly, and any Medical Cannabis that is outdated, damaged, deteriorated, or contaminated will be removed for disposal in accordance with our waste disposal plan, outlined below in Section 15.10. Criteria for the disposal of Medical Cannabis may include subjection to improper storage conditions, including extremes in temperature, humidity, smoke, fumes, pressure, age, or radiation due to natural disasters, fires, accidents, or equipment failures. If it is unclear if the product has been subjected to any of these, the product may only be salvaged when there is evidence from laboratory tests and inspection of the storage conditions that confirm the product and storage meets all applicable standards.

### Access control

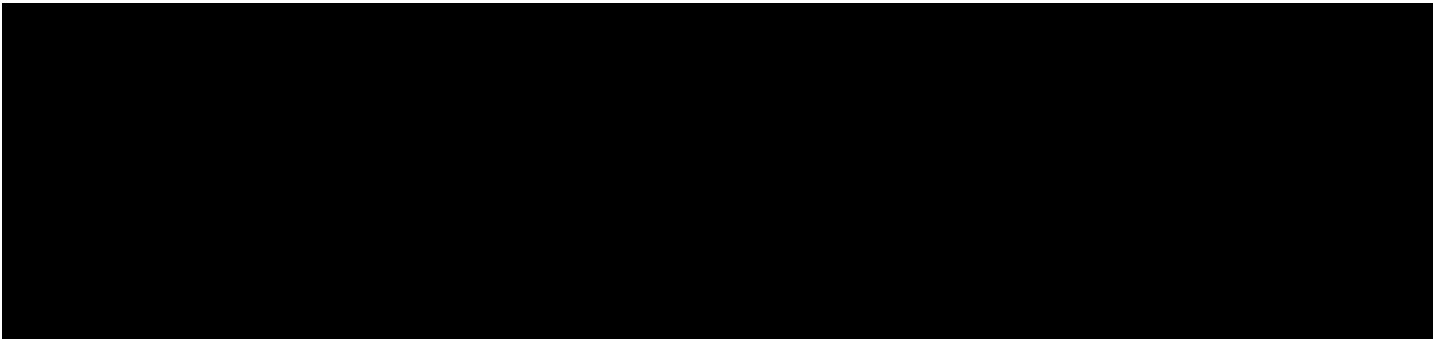
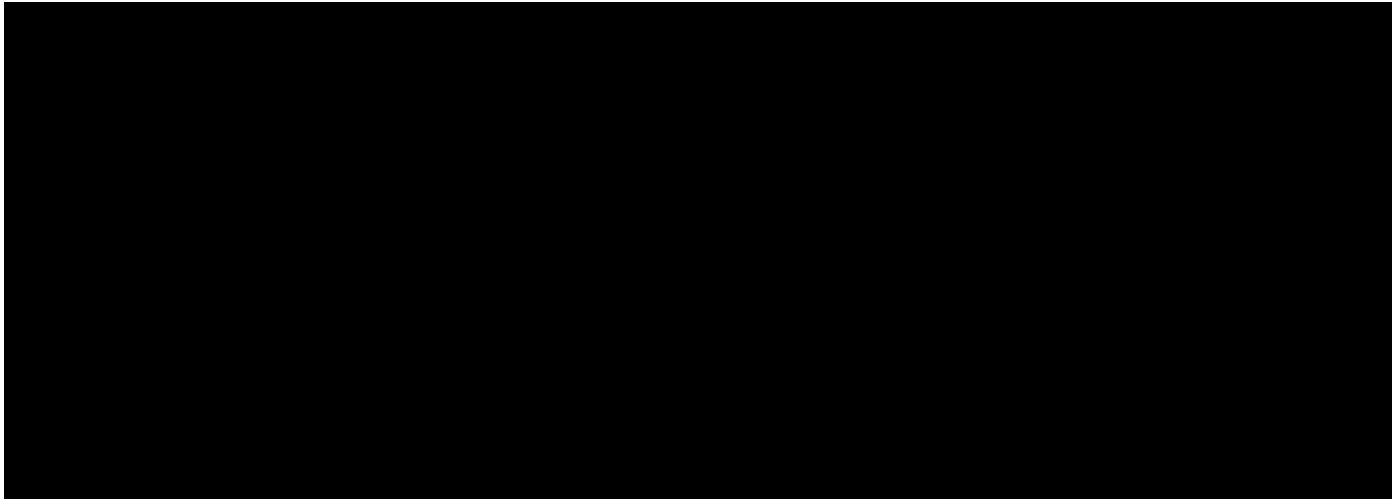




Medical Cannabis Daily Stocking and Retail Sales



Shipping Plan



**15.3 - Quality Control/Quality Assurance Plan. Provided at Exhibit 23.**

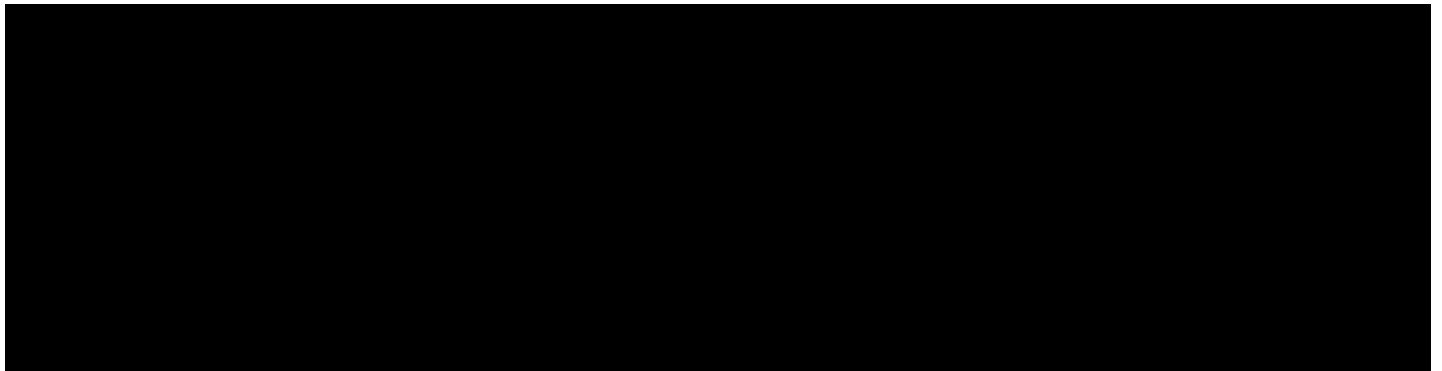
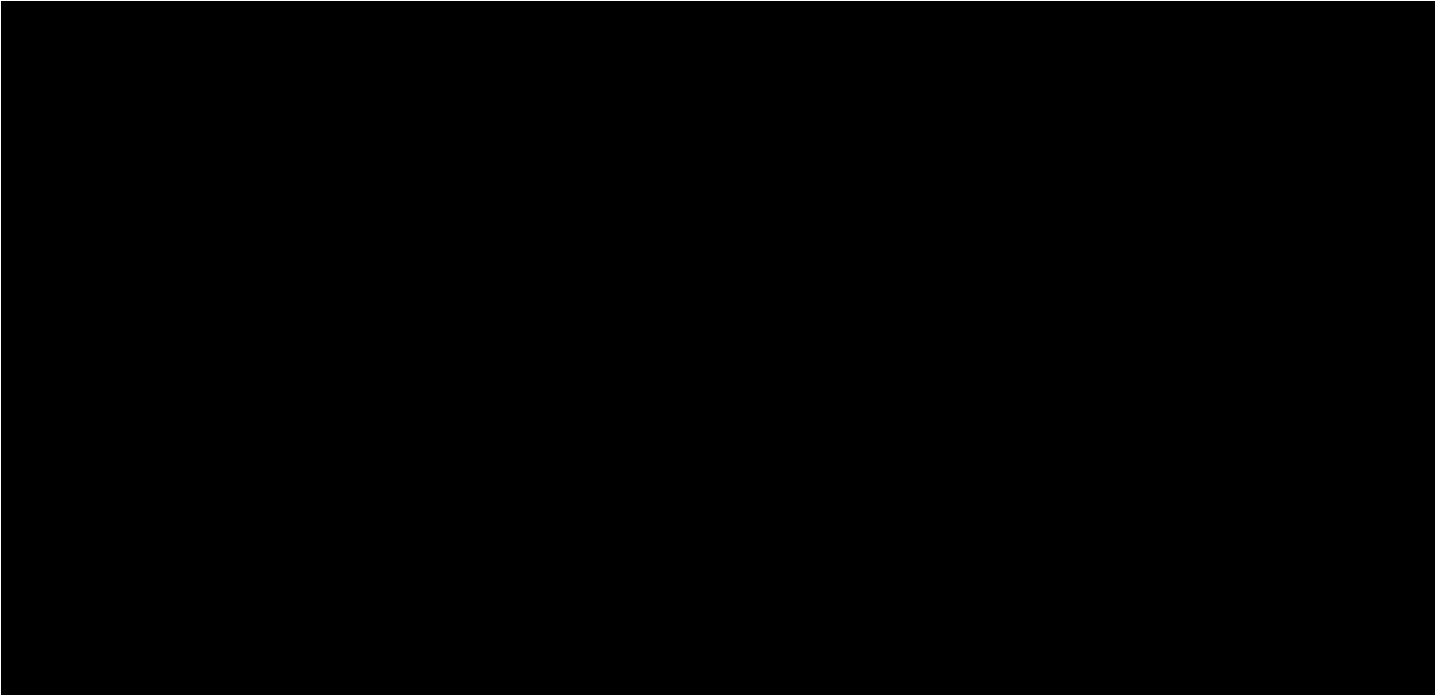


CCSA has developed a thorough Quality Control and Quality Assurance Plan in accordance with Ala. Admin. Code r. 538-X-8.05(3)(s) and Ala. Admin. Code r. 538-X-4.07(12)(o)(3). This Quality Control and Quality Assurance Plan can be found as Exhibit 23 of this application.

**15.4 - Contamination and Recall Plan. Provided at Exhibit 24.**

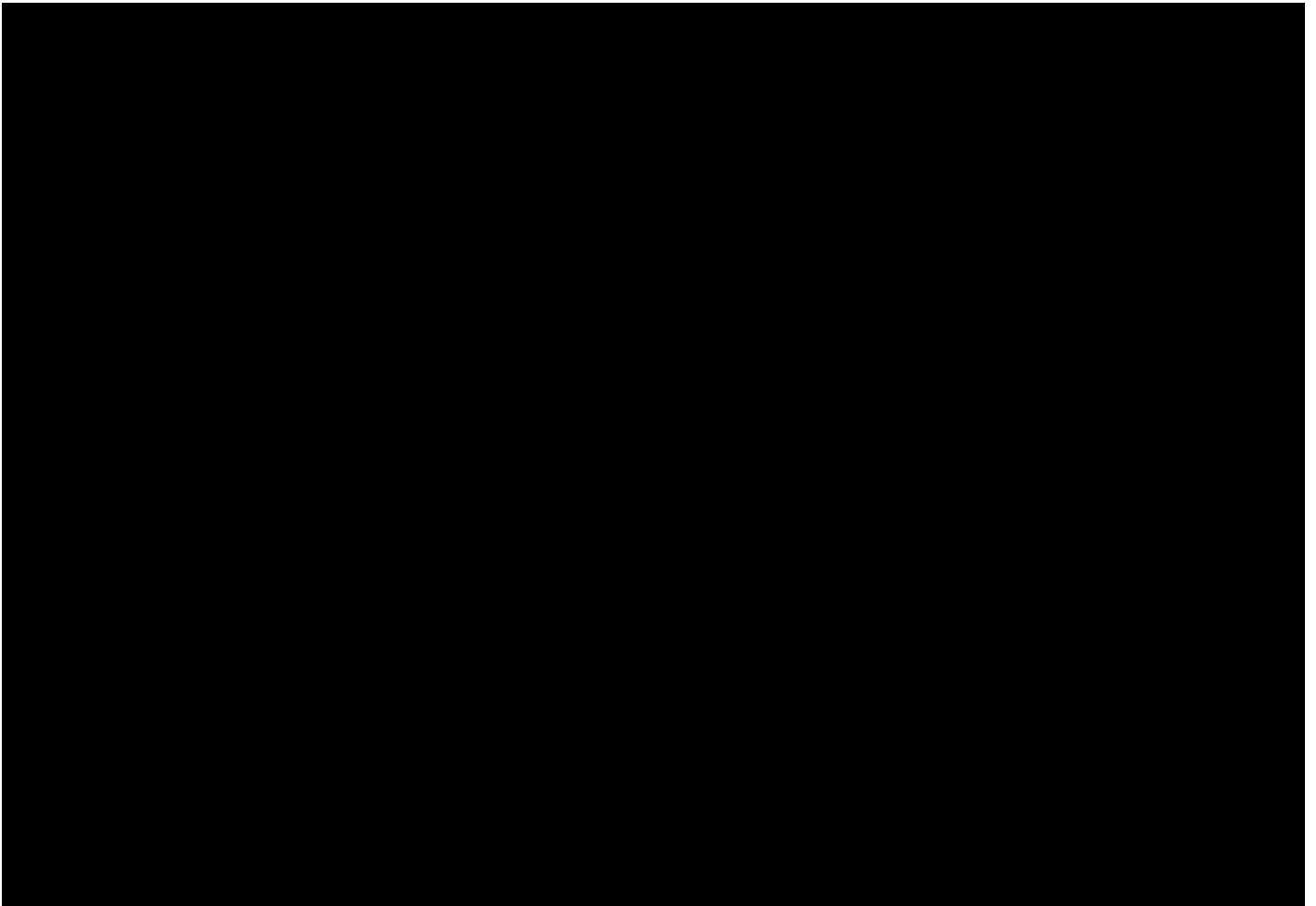
CCSA has developed a thorough Contamination and Recall Plan in accordance with Ala. Admin. Code r. 538-X-4.07(12)(o)(4) and Ala. Admin. Code r. 538-X-8.05(3)(l). This Contamination and Recall Plan can be found as Exhibit 24 of this application.

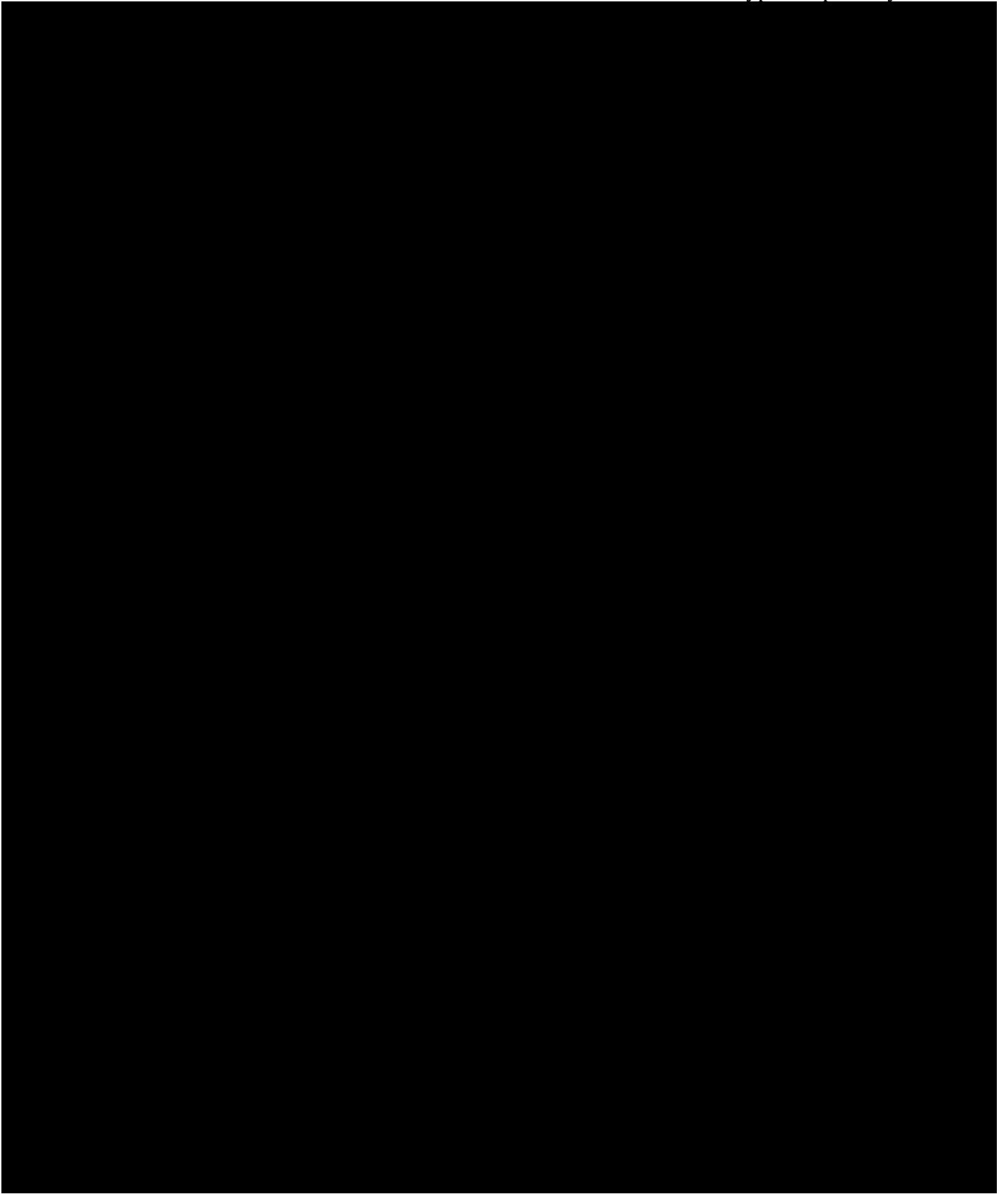
**15.5 - Criminal Activity Plan**



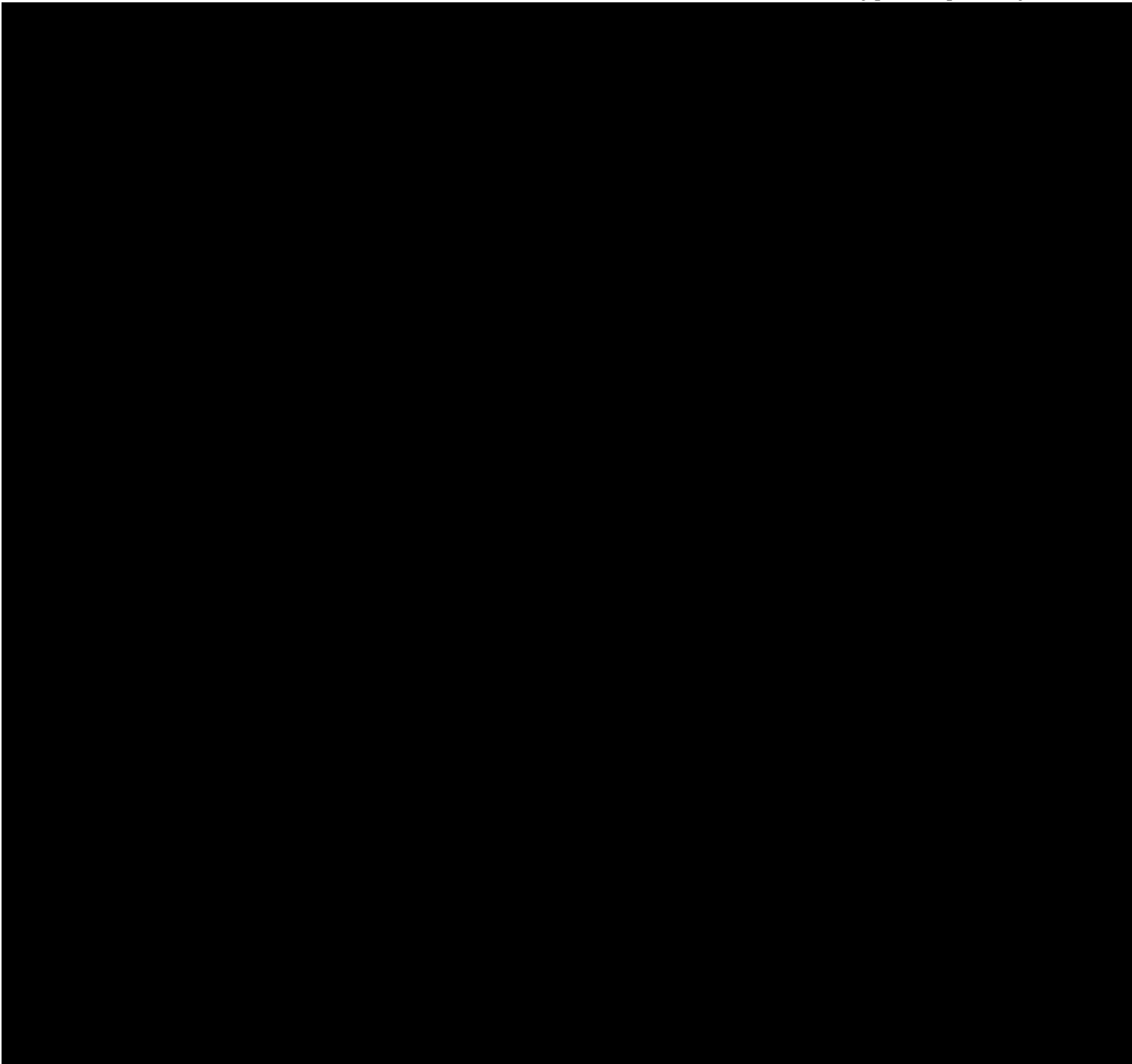


Safety of Employees and Others on Premises

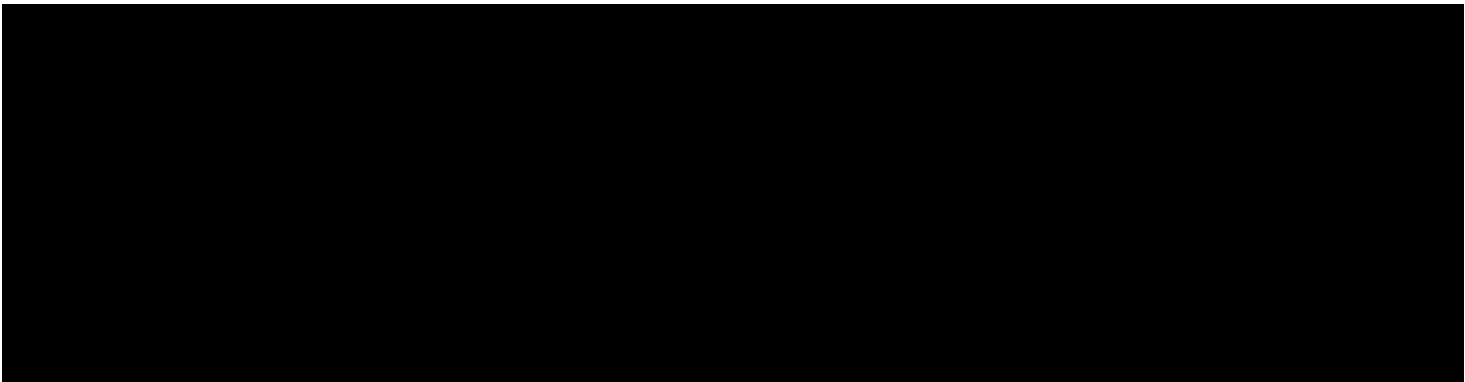




Reporting to Proper Authorities



Steps to be Taken for the Preservation of Medical Cannabis





### Consistent Patient Access to Medical Cannabis

CCSA's main priority is maintaining patient access to Medical Cannabis. To ensure a minimal lapse in access, if any, CCSA will make every effort to reduce the time that a Facility may be closed due to any potential criminal activity. If the Facility is expected to be closed for an extended period, CCSA will work with the AMCC and local law enforcement on an appropriate contingency plan.

### **15.6 - Emergency Procedures and Disaster Plan**

CCSA has developed this Emergency Procedures and Disaster Plan, which details the steps we will take to ensure the safety of employees and others on the premises, the preservation of Medical Cannabis, and the reasonable efforts we will take 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. This plan will be maintained at all times, reviewed, and updated whenever necessary and at least annually.

#### Step 1: Employee Training and Preparedness

Preventative training is the best step in preparing for an emergency at CCSA's Facilities and ensuring safe outcomes. Employees must complete a syllabus of emergency preparedness training designed by our Director of Security. As a part of this ongoing training, all CCSA employees must know, at a minimum, Facility floor plans and evacuation routes, the locations of alarms, utility cabinets, emergency exits, and first aid supplies, how to properly use a fire extinguisher, and proper response procedures for a fire, flood, or other natural disasters, or an unauthorized entry, robbery, burglary, internal theft, or other Facility security breach.

CCSA will carry out incident response drills at least quarterly. If problems are identified in the response procedures, they will be corrected by CCSA Management and employees will be retrained on new procedures. All corrective actions and deficiencies will be documented in the Incident Log as a drill and submitted to the Chief Operating Officer.

## Step 2: Tailored Training and Specific Protocols Required During Distinct Emergency Events

### *Severe Weather or Natural Disaster*

During a natural disaster, CCSA employees will adhere to the following procedures:

- Send any non-essential employees' home, if safe for them to travel.
- If possible, secure the facility by utilizing sandbags, window boards, and other barriers.
- Stay away from all windows and doors.
- Move to an interior corridor away from windows.
- If available, take a cell phone and flashlight.
- Crouch down along the wall and protect their head with your hands from debris.

Certified Dispensers are expected to take control of their staff and calmly escort all persons to the vault and shut the doors. All personnel will remain in sheltered areas until all clear is given via sirens or until individuals are able to consult the news media via phone or computer to learn when the danger has lifted.

If any natural disaster strikes a CCSA Facility and there is a presence of free-flowing water, the smell of gas, or live electrical wires, employees should carefully make their way to the designated meeting area outside of the Facility. Once at the designated meeting area, the highest-ranking individual will oversee headcounts for patients and staff. Once all personnel

are safe, 911 will be notified. Certified Dispensers on site will alert emergency officials sooner if there is an imminent threat of safety or physical harm to any individuals on site.

### *Fire Emergencies*

In the event of a fire at one of CCSA's Facilities, employees will be trained to take a series of immediate and secondary measures to ensure the safety of all persons at the Facility and the timely resolution of the situation. Immediate steps will include assisting any person in immediate danger if safe to do so, activating the building fire alarms, shutting down the air handling units to prevent the spread of smoke, and calling 911. If the fire is small, employees will be trained to use the closest fire extinguisher to extinguish the fire.

Employees will be instructed *not* to attempt to fight the fire and to call emergency personnel immediately if they don't know what is burning, if the fire is spreading rapidly, or if they do not have the proper equipment to minimize risk. If the first attempt to put out the fire fails, employees will immediately evacuate the building and will not be allowed to re-enter until the fire department confirms it is safe. If circumstances permit, employees will be instructed to close doors and windows before exiting. Upon evacuation, all persons in the Facility should use designated site-specific egress paths to exit and proceed to the designated meeting area.

To ensure ease of Fire Department Access, all facilities will clearly display its address via signage that is visible from the street. Signage will be designed to clearly contrast with the building to increase visibility. There must be at least one all-weather road to enter the Facility premises that is wide enough and strong enough to support the size and weight of the fire department apparatus. Roads or the parking lot will extend close enough to buildings to allow for firefighting operations. Where necessary to create access, "Fire Lane" signage will be posted to disallow parking. All exterior doors must remain operable for emergency access by firefighters and other emergency personnel. If allowed by state and local laws, regulations, ordinances, and other requirements, any exterior door that prevents access must be marked with a sign stating, "THIS DOOR IS BLOCKED."

### *Medical Emergencies*

If any employee experiences or becomes aware of a severe or life-threatening medical emergency, injury, or illness, the employee or a co-worker must call 911. Once 911 has been called, the supervisor will also be notified via telephone if they are not already on the scene. Even if there is doubt about whether an event meets the definition of a severe accident, employees will still be instructed to call 911 and notify a supervisor or Certified Dispenser. The supervisor on the scene must, at a minimum, determine if the proper response authorities have been notified and notify them if not, ensure medical treatment is provided until first responders arrive, halt the work at the site and have employees leave the area, take feasible precautions to prevent additional injury or danger, secure the accident site, and secure the site from everyone but the appropriate emergency response personnel.

### Step 3: Protection of Medical Cannabis

In the event of a natural disaster, fire, or other onsite emergencies, every effort will be made to protect Medical Cannabis within our Facilities. The secure storage vault will be designed and reinforced to withstand fire and other damages to the building in most circumstances. While the majority of Medical Cannabis will be stored in the vault as a standard operating procedure, if there is any prior indication or warning of potential damage to the Facility such as incoming extreme weather or natural disaster, employees will be instructed to move any Medical Cannabis into the secure storage vault for additional protection. As soon as possible and safe to do so, any movement, damage, or loss of Medical Cannabis due to an emergency will be properly rectified and recorded in the Statewide Seed to Sale Tracking System, and the AMCC will be notified immediately.

### Step 4: Ensuring Consistent Patient Access to Medical Cannabis

CCSA's main priority is maintaining patient access to Medical Cannabis. To ensure a minimal lapse in access, if any, CCSA will make every effort to minimize the time the Facility may be closed due to any natural disaster, fire, or other on-site emergencies. Essential services will be maintained to the extent possible, even during an emergency. Steps to do so will include maintaining a minimum staffing level, providing employees with a common area with food and bedding if it is necessary to stay on-site, and reprioritizing or reassigning duties such as



assigning offsite employees with administrative tasks that can be handled remotely or assigning other non-typical job classifications. If the Facility is expected to be closed for an extended period, CCSA will work with the AMCC and local law enforcement on an appropriate contingency plan to ensure patients' continued access to Medical Cannabis.

### **15.7 – Alcohol, Smoke, and Drug-Free Workplace Policy.**

CCSA has adopted a written Alcohol, Smoke, and Drug-Free Workplace Policy, which is included in the Employee Handbook and the Policies and Procedures Manual. It is summarized below.

#### **No Substance Use at Work**

In furtherance of CCSA's efforts to create a safe, healthy, and economically beneficial working environment for all employees, CCSA will adopt and enforce a reasonable alcohol and drug-free workplace policy concerning drug testing, smoking, consumption, storage, and use of all controlled substances, including alcohol and Medical Cannabis, by employees in the workplace or while on call. CCSA will not permit any of its employees to be under the influence of or use any controlled substances, including Medical Cannabis, while on premises at the Dispensary Facilities, while performing job duties, or while on call. CCSA considers its "workplace" to mean its premises, including any building, real property, and parking area under the control of CCSA or area used by an employee while performing their job duties, including vehicles, whether leased, rented, or owned.

When necessary, CCSA will discipline or terminate the employment of an employee for violating our workplace drug policy. CCSA will apply all employment policies in a non-discriminatory manner.

In determining whether an employee is impaired or under the influence of cannabis or any other controlled substance, CCSA will ensure the supervisor of the employee in question has a good faith belief that the employee manifests specific, articulable symptoms while working that decrease or lessen their performance of the duties or tasks of their job position, including symptoms of speech, physical dexterity, agility, coordination, demeanor, irrational

or unusual behavior, or negligence or carelessness in operating equipment or machinery; disregard for the safety of themselves or others, or involvement in any accident that results in serious damage to equipment or property; or carelessness that results in any injury to the employee or others.

Supervisors will undergo specific training to educate them in the process of identifying and dealing with employees that may be abusing drugs or alcohol. If CCSA elects to discipline an employee on the basis that the employee is under the influence or impaired, CCSA will afford the employee a reasonable opportunity to contest the basis of the determination.

#### Designated Smoke Area Outside Premises

No smoking will be allowed on the CCSA premises. There will, however, be a designated smoke area outside the premises for use by employees and guests of the Facility. This area will be visibly marked with proper signage and will be maintained for a clean and sanitary appearance.

#### Publication in Handbook

CCSA will include its clear, written Alcohol, Smoke, and Drug-Free Workplace Policy and clearly written Non-Discrimination Policy in its Employee Handbook, as well as our Policies and Procedures Manual. These policies will be reviewed annually at a minimum and updated as CCSA management or the AMCC sees fit.

### **15.8 – Employee Safety Plan & OSHA Compliance**

CCSA's workplace safety policies and procedures will meet or exceed the best practices in the industry and comply with U.S. and Alabama Occupational Safety and Health Administration ("OSHA") guidelines, as well as all applicable state and local laws, regulations, ordinances, and other requirements. Workplace safety policies and procedures will be strictly enforced, and all employees must comply as a condition of employment. CCSA will do the following:

- Provide a safe workplace.

- Strive to achieve the goal of zero accidents and injuries.
- Provide mechanical and physical safeguards wherever they are necessary.
- Conduct routine safety and health inspections to find and eliminate unsafe working conditions, control health hazards, and comply with all applicable OSHA safety and health requirements.
- Train all employees in safe work practices and procedures.
- Investigate accidents to determine the cause and prevent similar accidents.
- Not discriminate against employees who exercise their "Whistleblower" rights.
- Annually review and update workplace safety policies and procedures.

CCSA will create a safety committee consisting of a balance of Certified Dispensers and key employees. The safety committee's primary goals must be:

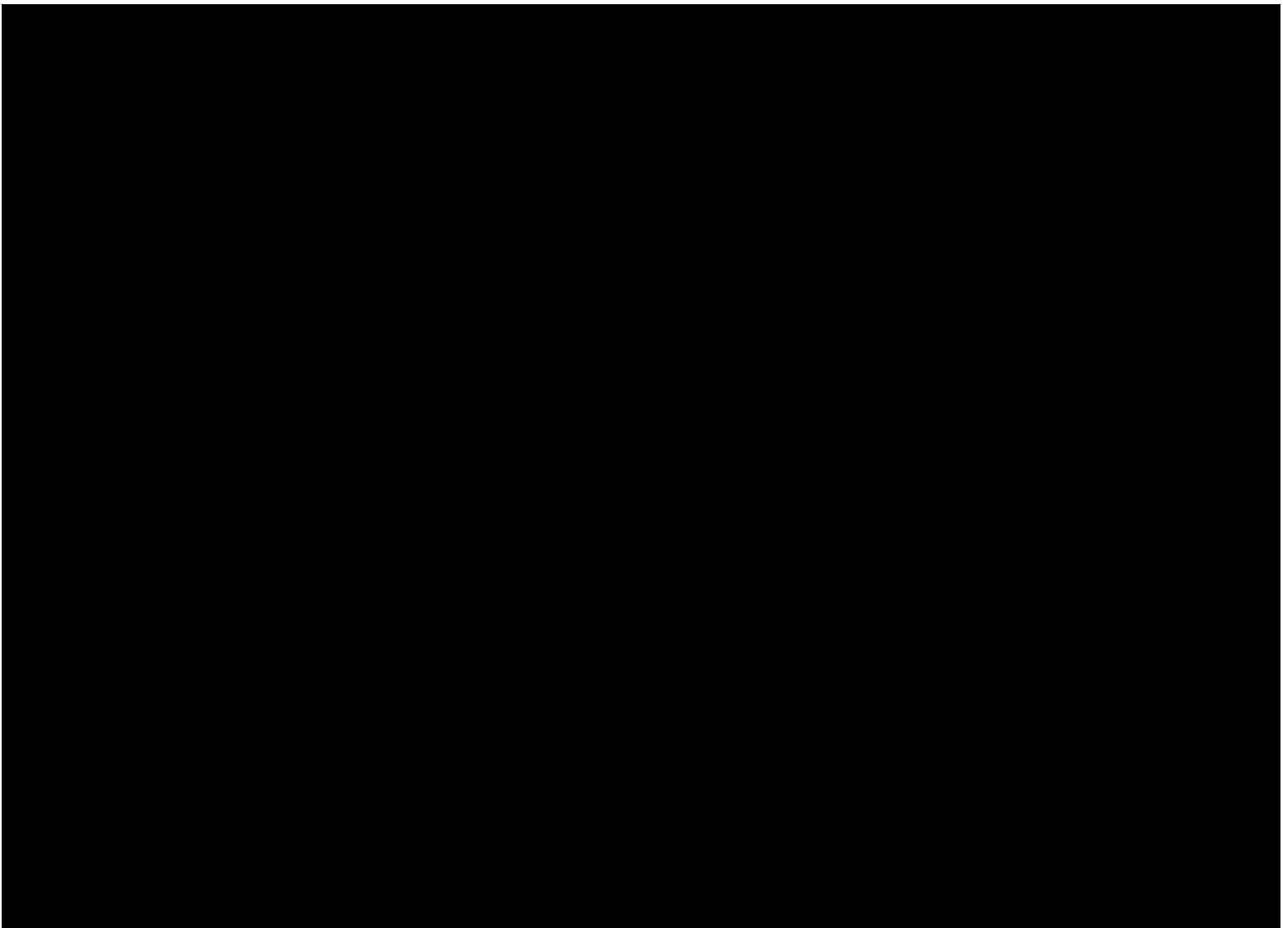
- Overseeing the implementation of the CCSA's workplace safety program.
- Annually reviewing CCSA's safety policies and procedures.
- Maintaining accurate records and annually reporting the results of workplace accident and injury trend analysis.
- Recommending actions to reduce the frequency and severity of accidents and illnesses.
- Integrating safety into the day-to-day activities of all employees.
- Coordinating the new employee orientation and safety training programs.
- Assisting the Compliance Manager to ensure that CCSA is compliant with all applicable state and local laws, regulations, ordinances, and other requirements concerning safety and health.
- Assisting Certified Dispensers with accident investigation.
- Conducting and recording periodic job hazard analyses to identify unsafe conditions and practices and to determine remedies.
- Making recommendations to the Management or other appropriate supervisor on matters pertaining to safety.

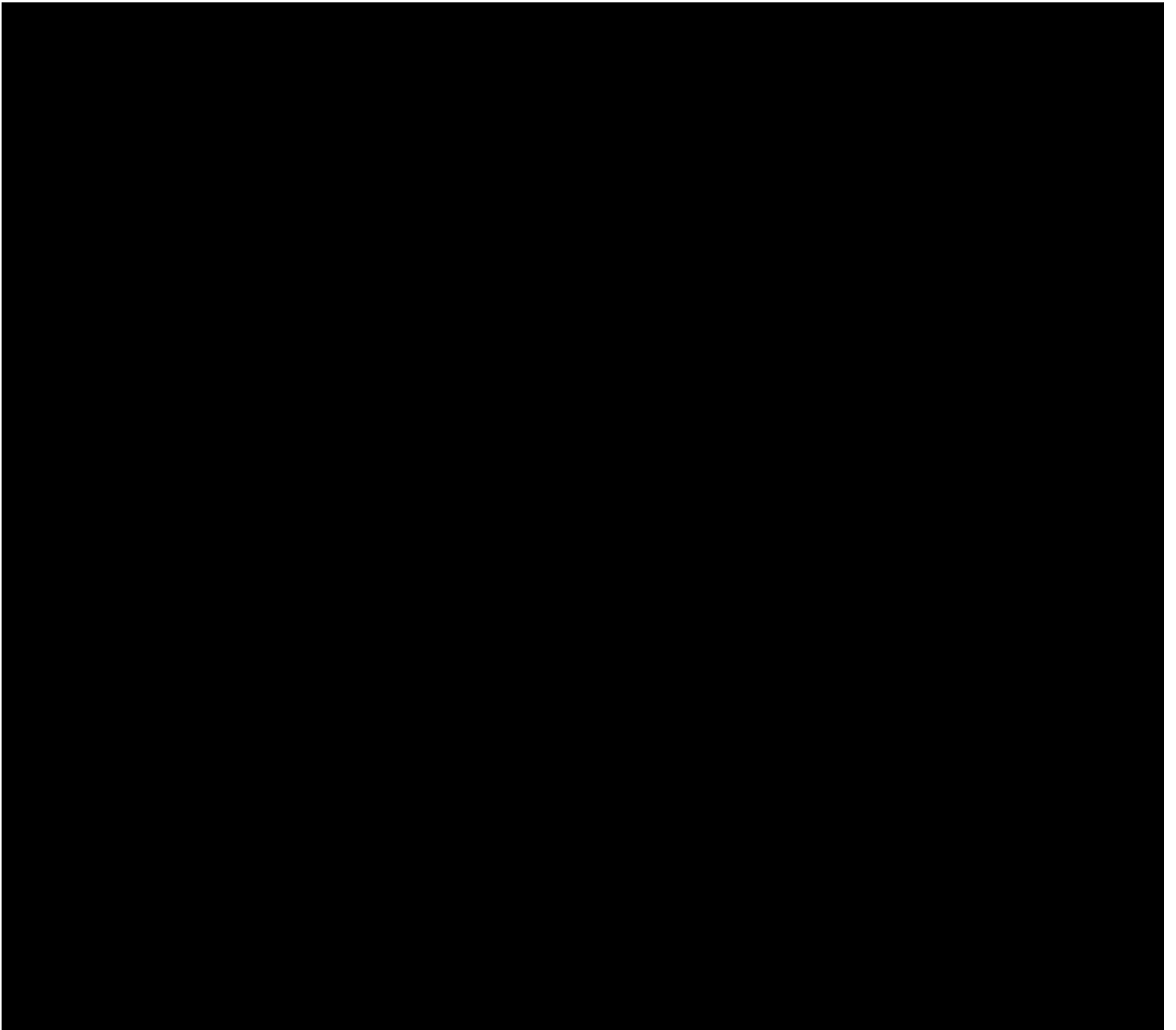
All employees are required to share responsibility for a safe and healthy workplace. All employees must:

- Report all unsafe conditions and unsafe work practices.
- Immediately report all work-related injuries.
- Abide by all workplace safety policies and procedures.
- Participate in CCSA's safety and health programs.

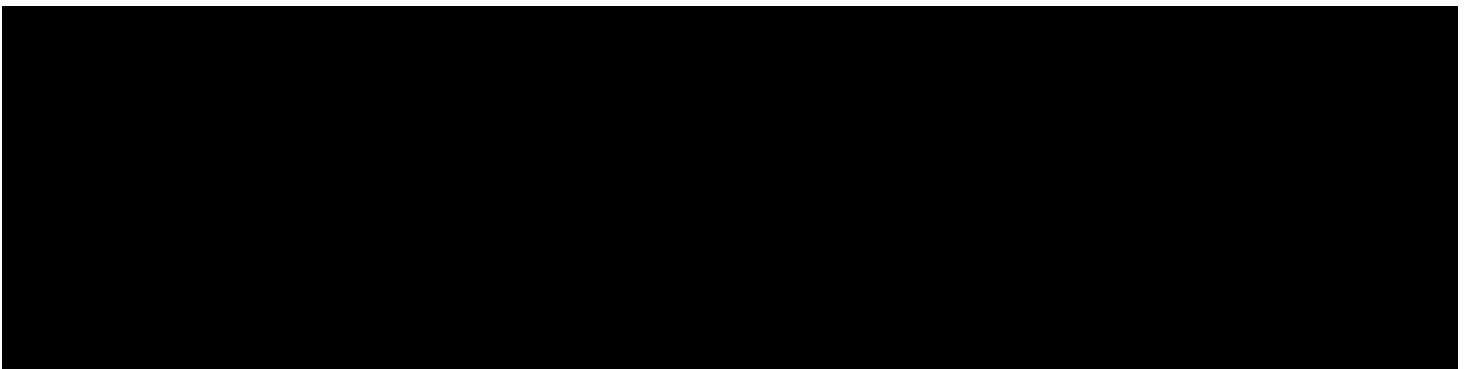
Upon initial employment, all employees will be trained on the safety policies and procedures. Completion of the training will be documented in the Employee Training Log.

**15.9 – Confidential Information and Cybersecurity Plan**





Password Requirements and Computer Access



Security of Protected Information

**15.10 – Waste Management Plan**

CCSA has developed the following Waste Management Plan for tracking and proper disposal of Medical Cannabis waste or Medical Cannabis as necessary.

Identification of Medical Cannabis Waste

Our Medical Cannabis waste management protocols address all waste streams applicable to our dispensing operations based on the lessons and experiences of our team's decades of combined operational excellence in Medical Cannabis. CCSA staff will receive specific training on criteria to assist in identifying Medical Cannabis that must be disposed of, including:

- Medical Cannabis abandoned at Dispensary.
- Medical Cannabis returned to CCSA by a patient who purchased the Medical Cannabis from the Dispensary. A patient may return Medical Cannabis for various

reasons, including, but not limited to, product malfunction or a product complaint. A patient may also return Medical Cannabis subject to a voluntary withdrawal, as determined by the Medical Cannabis' manufacturer and the AMCC.

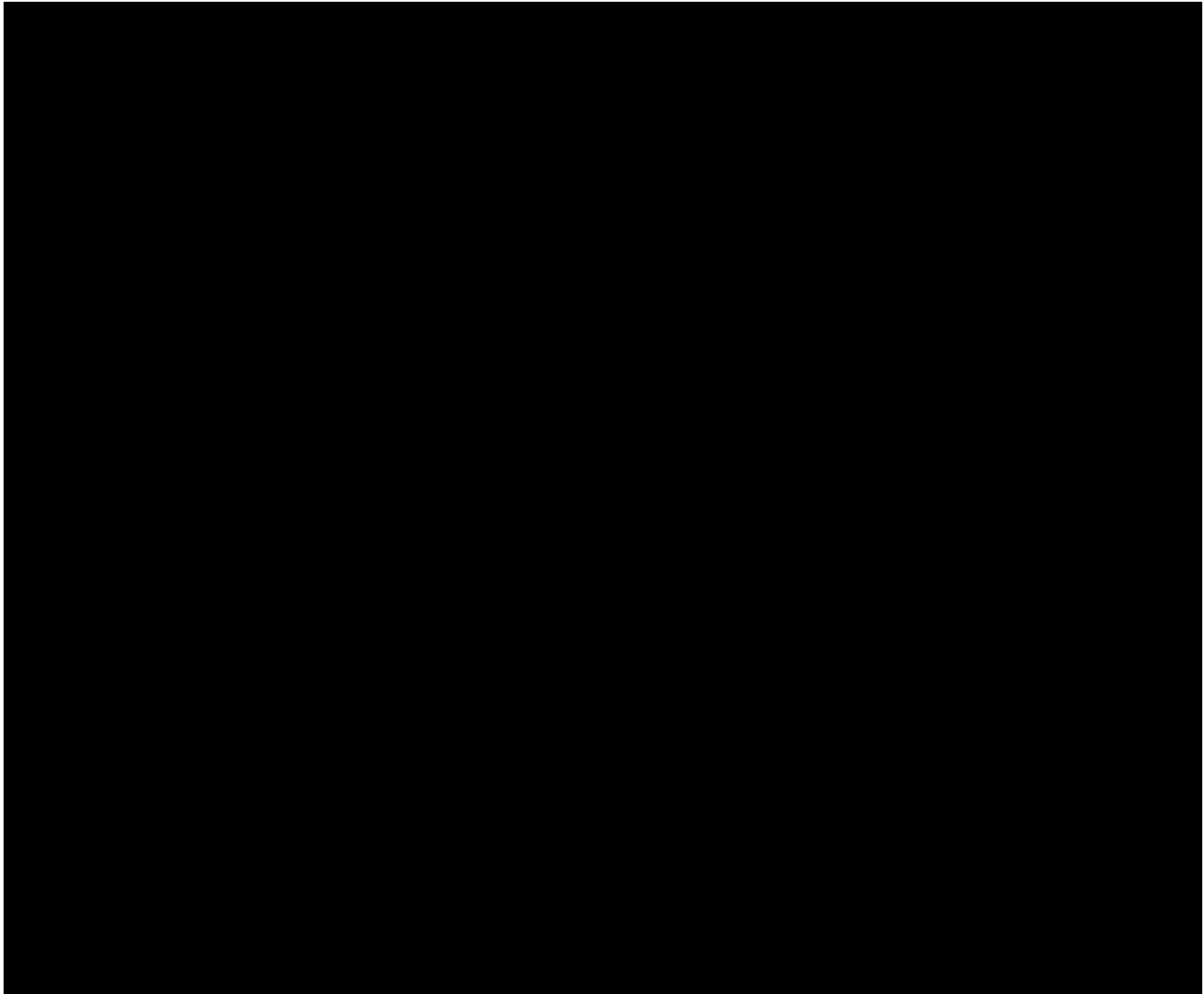
- Adulterated Medical Cannabis or Medical Cannabis that has been subject to improper storage conditions.
  - Though CCSA's Medical Cannabis storage protocols are designed to ensure proper preservation of Medical Cannabis, if any product were to be improperly stored and not qualified for sale to a patient, CCSA would treat such product as unusable and dispose of it in accordance with our waste disposal procedures. This may include products exposed to extremes in temperature, water damage, or smoke due to natural disasters, fires, or accidents.
- Medical Cannabis with a broken tamper-evident seal or breached packaging.
- Expired Medical Cannabis.
- Medical Cannabis subject to mandatory recall, as determined by the AMCC.

Comprehensive employee training and written protocols will provide dispensary employees the knowledge to respond to any of the above situations efficiently and compliantly. All Medical Cannabis that is destroyed and disposed of will be properly recorded within the seed-to-sale tracking system.

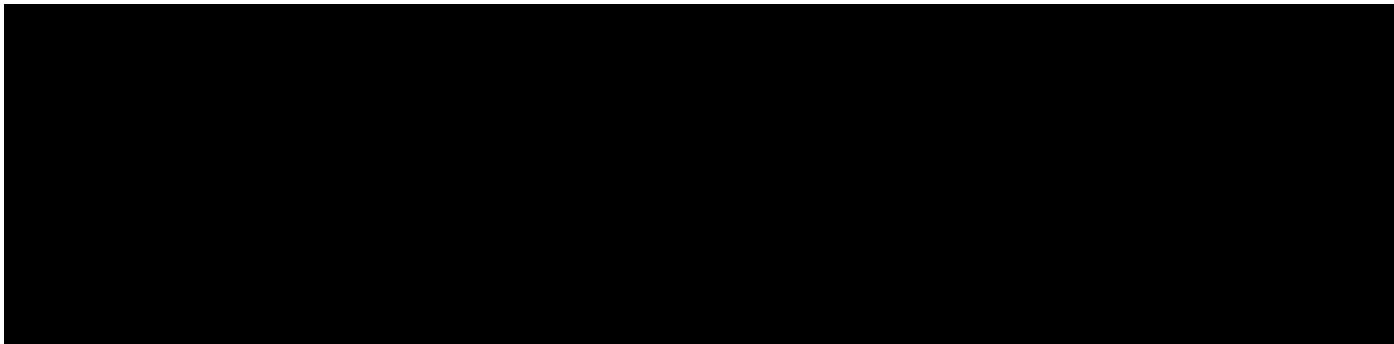
#### Temporary Storage

Medical Cannabis waste will be stored in a vault within a limited access area until it is confirmed disposal activities should be conducted. All Medical Cannabis waste awaiting disposal will be stored in a separate area of the vault, designated specifically for the temporary storage of Cannabis and Medical Cannabis awaiting destruction and disposal. Waste will be clearly and unmistakably marked as such to avoid potential instances of misuse or contamination.

#### Destruction



Disposal





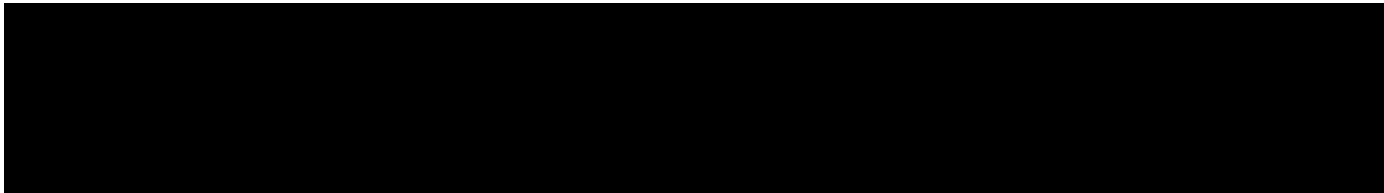
Recording Actions in Tracking System

CCSA will maintain accurate and comprehensive records of the waste material that accounts for, reconciles, and evidences all waste activity related to the disposal of Medical Cannabis. All waste disposed of will be recorded in the inventory tracking system and the Waste Disposal Log. CCSA will use the inventory tracking system to record the following:

- Date of disposal.
- Batch identification number.
- Plant identification number.
- Type and weight of waste disposed of.
- Description of and reason for the disposal of the Medical Cannabis.
- Confirmation that the Medical Cannabis was rendered unusable and unrecognizable before disposal and proper notification to the AMCC at least three days prior.
- Manner of disposal.
- Name and Agent identification number of the employee responsible for the disposal and data entry.
- Identification number of the Facility.
- Any other information required by the AMCC.

This Waste Disposal Plan will be reviewed no less than annually and updated as necessary.

**15.11 – Security Plan. Provided at Exhibit 19.**



**This Exhibit 15 complies with:**

Ala. Admin. Code r. 538-X-4.05(1)-(2), (4)-(7) ; 538-X-4.07(12)(o)(2)-(7), (9)-(10); 538-X-8.03(2); 538-X-8.05(3)(j); 538-X-8.05(3)(l)

Darren Wesley ‘Ato’ Hall Compassion Act §20-2A-35; §20-2A-64(d)(4)

Verified by: Vincent Schilleci III  
Vincent Schilleci III, 12/21/2022

# Exhibit 16 – Policies and Procedures Manual

## 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.

Vincent Schilleci III

\_\_\_\_\_  
Printed Name of Verifying Individual

*Vincent Schilleci*

\_\_\_\_\_  
Signature of Verifying Individual

Owner, Manager

\_\_\_\_\_  
Title of Verifying Individual

12/21/2022

\_\_\_\_\_  
Verification Date

## **Exhibit 16 – Policies and Procedures Manual**

*Satisfaction of Plan: Completed*

### **Executive Summary**

CCS of Alabama LLC (“CCSA”) has compiled an extensive manual of Standard Operating Procedures (“SOPs”) and Policies that cover all the essential and contingent functions of a successful Dispensary licensee in the State of Alabama. **The Policies and Procedures Manual presented herein will be kept on record at each CCSA Dispensary in conjunction with CCSA’s Employee Handbook. The scope and detail of this manual, together with our Employee Handbook, demonstrate CCSA’s preparedness and willingness to successfully operate a Dispensary in Alabama.** CCSA’s owners, Ernest Craumer and Sandra Young lead family-owned medical cannabis businesses in multiple states, and CCSA has utilized our team’s broad experience to develop internal policies and procedures that foster a culture of safety, compliance, and top-notch patient care. Examples of the policies herein are our Alcohol, Smoke, and Drug-Free Workplace Policy and our Non-Discrimination Policy. CCSA will enact these policies and procedures as presented to the AMCC. In the case of any injury, loss, or material breach occurring in relation to CCSA’s policies and procedures, we understand our duty and obligation to notify the AMCC within 24 hours to allow for swift investigation and remediation.

### **Disclaimer**

CCSA’s Policies and Procedures Manual is based on the current law, Code of Alabama 1975 (as amended) and applicable AMCC regulations that were in effect on the date of submission. The information contained herein reflects CCSA’s understanding of the plain meaning of state cannabis laws, regulations, policies, and other publicly available information. The interpretation of cannabis laws, regulations, and policies can be inconsistent and it is impossible to guarantee regulatory outcomes without receiving definitive guidance from the AMCC. As a result, modifications to this Policies and Procedures Manual may be required due to changes in the laws or regulations, or the interpretation thereof, as well as developments in medical cannabis industry standards. Modifications may

also be required to ensure compliance with changes in related laws, including but not limited to state food and drug laws and banking laws and regulations. CCSA will provide notification as required to the AMCC and any other applicable authority or government agency with respect to any proposed revisions of this Policies and Procedures Manual.

This Exhibit 16 complies with: Ala. Admin. Code r. 538-x-4-.07(12)(j)(1)-(2); 538-x-4-.07(12)(o)(7); 538-x-4-.08(2); 538-x-8-.04(2)(c)(11).

Verified by: *Vincent Schilleci III*

Vincent Schilleci III, 12/21/2022

**Summary of CCSA’s Proposed Policies and Procedures Manual**

**Table of Contents**

1.0 Standard Operating Procedure System ..... 5

2.0 Facility ..... 10

3.0 Facility Maintenance and Cleaning..... 12

4.0 Water Management..... 26

5.0 Non-Cannabis Waste Disposal..... 28

7.0 Surveillance System ..... 41

8.0 Information Technology Security ..... 50

9.0 Access Control ..... 52

10.0 Product Safety and Security..... 67

11.0 Incident Response..... 69

12.0 Opening and Closing Inspection ..... 87

13.0 Workplace Safety..... 90

14.0 Hazard Communication..... 109

15.0 Chemical Spill Response..... 118

16.0 Employee Accident Reporting and Investigation..... 120

17.0 Employment Eligibility ..... 128

18.0 Employee Training ..... 132

19.0 Employee Sanitation and Health ..... 146

20.0 Wholesale Cannabis Product Acquisition..... 148

21.0 Quality Assurance ..... 158

22.0 Cannabis Product Complaints..... 161

23.0 Voluntary Withdrawal or Mandatory Recall ..... 163

24.0 Dispensing Operations.....	178
26.0 Inventory Management .....	193
27.0 Recordkeeping.....	204

**Policies and Procedures Manual**

<b><u>1.0 Standard Operating Procedure System</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

CCSA will operate under a documented system of Standard Operating Procedures (“SOPs”) designed to ensure CCSA is compliant with all the rules set forth by the AMCC and all applicable state and local laws, regulations, ordinances, and other requirements. Standard Operating Procedure outlines the methods to be followed in writing and implementing CCSA’s Standard Operating Procedure System.

**RULE(S):**

538-x-8-.11; 538-x-3-.05(3)(m)(16); 538-x-4-.07(12)(j)(o)

**RESPONSIBILITIES:**

- 1) It is the responsibility of all CCSA employees to follow these procedures as written.
- 2) It is the responsibility of all CCSA supervisors to be familiar with the written standard operating procedures for their department. They are also responsible for being aware of any problems which may prevent compliance with these standard operating procedures and for recommending any required revisions or improvements.

**POLICIES/PROCEDURE:**

- 1) CCSA will have written standard operating procedures covering all its operations.
- 2) Standard operating procedures will detail procedures for compliance with all rules set forth by the AMCC and all applicable state and local laws, regulations, ordinances, and other requirements, including building, zoning, employment, safety, fire, and environmental requirements.
- 3) Standard operating procedures will include a collection of best medical cannabis dispensing practices including, but not limited to American Herbal Products

Association's dispensing operations recommendations and World Health Organization's Good Dispensing Practices.

- 4) Standard operating procedures may be written by any CCSA supervisor, manager, or consultant for areas where they are knowledgeable or have supervisory responsibility.
- 5) All standard operating procedures will be properly approved before taking effect.
- 6) Approval may be provided by the Manager responsible for these operations or the Certified Dispenser.
- 7) All standard operating procedures will be numbered.
  - a) The numbering of standard operating procedures will be organized in an orderly manner with appropriate suffixes to indicate related procedures.

Example:	SOP # 1.0	Standard Operating Procedure System
	SOP # 2.0	Facility
	SOP # 3.0	Facility Maintenance and Cleaning
	SOP # 3.1	Facility Cleaning Schedule

- 8) A current listing of all standard operating procedures will be maintained by the Certified Dispenser.
- 9) This listing will show the current procedure titles, numbers and revision (if any) for all standard operating procedures in effect.
- 10) Current copies of the standard operating procedures will be provided to all supervisors for their areas of responsibility.
- 11) Copies of the standard operating procedures will be made accessible to any employee who is required to follow these procedures and all employees will be advised of the location of these procedures.
- 12) Standard operating procedures will utilize a uniform format including the following sections: PURPOSE, RESPONSIBILITIES, and POLICIES/PROCEDURE.
- 13) A current master file of signed, original standard operating procedures will be maintained by the Certified Dispenser.
- 14) Obsolete procedures will be clearly marked as outdated and archived.



- 15) Any production records or other information required by these standard operating procedures may be documented as either original paper records or other electronic reproductions of the original paper records.
- 16) Standard operating procedures will be kept 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.

<b>1.1 Standard Operating Procedure Revisions</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the methods to be followed when revising existing Standard Operating Procedures.

**RULE(S):**

538-x-8-.11; 538-x-3-.05(3)(m)(16); 538-x-4-.07(12)(j)(o); 538-x-4-.08

**RESPONSIBILITIES:**

- 1) It is the responsibility of all CCSA employees to follow these procedures as written.
- 2) It is the responsibility of all CCSA supervisors to be familiar with the written standard operating procedures for their department. They are also responsible for being aware of any problems which prevent compliance with these standard operating procedures and for recommending any required revisions or improvements.

**POLICIES/PROCEDURE:**

- 1) Any necessary revisions to CCSA’s standard operating procedures will be documented by the Manager responsible for the operations in question and approved by the Chief Operating Officer.
- 2) Revisions to standard operating procedure.
  - a) Revisions in a standard operating procedure will be distributed by Certified Dispenser to the individual department supervisors along with a copy of the current standard operating procedure list.
  - b) Revisions may be made in accordance with these operating procedures.
  - c) Any such revisions will show the effective date of the revision.
  - d) Revisions will be numbered to clearly indicate this information.

Example: SOP #1.0-R1 (First revision of this SOP #1.0)

- e) Material modifications or revisions to standard operating procedures related to the dispensing policies may not be implemented without prior written approval of the AMCC.

<b>2.0 Facility</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines procedures related to adequate maintenance and upkeep of the Facility.

**RULE(S):**

538-x-8-.11; 538-x-08-.05(30(m)(5); 538-x-8-.04

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Facility policies and procedures.

**POLICIES/PROCEDURE:**

- 1) The design and construction features of Facility used in dispensing operations will be of suitable size, construction, and location to facilitate cleaning, maintenance and proper operations.
- 2) The Facility will be maintained in a good state of repair.
- 3) The Facility will have adequate lighting and ventilation in all areas for their designated operations.
- 4) Before beginning operations, and at all times while operating, the permit granted by the AMCC will be posted in a visible and conspicuous place in the Facility.
- 5) Hours of operation will be compliant with the rules set forth by the AMCC and all applicable state and local laws, regulations, ordinances, and other requirements.
- 6) The Facility will have extensive security measures to ensure the creation and maintenance of a secure Facility.
- 7) The Facility will be designed with features that minimize the risk of diversion, loss, or theft of cannabis and Medical Cannabis product.

- 8) The parking lot at the Facility will be kept in a manner to provide for reasonable privacy to patients and caregivers and will be monitored for their safety and the security of the overall facility.
- 9) The Facility will comply with proximity setbacks to schools, daycare and childcare facilities, and other considerations set forth by the AMCC and local zoning ordinances.
- 10) The facilities outside perimeter will have sufficient lighting to allow for the proper functioning of video surveillance between dusk and dawn or at any other time when ambient lighting requires enhancement.
- 11) The Facility will comply with all rules and regulations provided by the local government's zoning commission.
- 12) Medical Cannabis product will not be visible to any person from the exterior of the Facility.

<b>3.0 Facility Maintenance and Cleaning</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the methods for regular maintenance and cleaning of the Facility.

**RULE(S):**

538-x-8-.11; 538-x-8-.04

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Facility Maintenance and Cleaning policies and procedures.

**POLICIES/PROCEDURES:**

- 1) All buildings and fixtures will be cleaned regularly and maintained in good sanitary condition.
- 2) The Facility will be maintained free of debris and pests.
- 3) The Maintenance Manager will ensure the Facility is maintained in safe and sanitary conditions to ensure the safety of employees and Medical Cannabis product.
- 4) All employees will be required to report unsanitary conditions in the Facility to their supervisor.
- 5) The Maintenance Manager will maintain written procedures assigning responsibility for sanitation and describing in sufficient detail the cleaning schedules, methods, equipment, and materials to be used in cleaning the Facility.
- 6) Records of cleaning and sanitation will be kept in the Facility Maintenance Log.
- 7) Tradespeople or contractors will be informed of and held to sanitation standards while working on the premises.
- 8) Maintenance practices will include, at a minimum:

- a) Scheduling regular cleaning and maintenance.
  - b) Keeping work areas clean, dry, and free of mold, mildew, debris and other clutter or trash.
  - c) Removing trash from critical areas immediately.
  - d) Repairing cracks, windows, doorframes, drain areas, and floor joints with sealant to limit pest movement.
  - e) Eradicating any weeds or pest habitats surrounding the Facility.
  - f) Controlling airborne contamination as needed where Medical Cannabis products or contact surfaces are exposed.
  - g) Addressing any mold found in the Facility immediately and if necessary, hiring a mold removal expert.
- 9) All trees, bushes, and other foliage outside of the Facility will not allow for a person or persons to conceal themselves from sight.
- 10) If the Facility is bordered by grounds not under CCSA's control, and if those other grounds are not maintained in the manner described in this section, care will be exercised in the Facility by inspection, extermination, or other means to exclude pests, dirt, and filth or any other extraneous materials that may be a source of contamination.
- 11) The Maintenance Manager will perform or oversee a daily walk-through to ensure toilets, hot running water, toilet paper, disposable towels, and soap are available and in good working order at the Facility.
- a) Regular maintenance will be scheduled to ensure toilet facilities and handwashing facilities are maintained in a clean and functioning condition to ensure that Medical Cannabis product is protected from contamination due to employee hygiene.

**3.1 Facility Cleaning Schedule**

DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the cleaning schedule and activities at the Facility.

**RULE(S):**

538-x-8-.11; 538-x-8-.04

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Facility Cleaning Schedule policies and procedures.

**POLICIES/PROCEDURES:**

- 1) The following cleaning activities will be conducted daily at the Facility:
  - a) Clean and sanitize all counters and workstations thoroughly..
  - b) Dust under and around the computer units.
  - c) Clean and tidy all cupboards and drawers.
  - d) Remove unnecessary stickers, papers, or notes tvisible on or around the counter area.
  - e) Clean and tidy computer wiring..
  - f) Empty and clean trash bins.
  - g) Sweep and mop floors.
  - h) Vacuum carpets, if any.
  - i) Wipe and clean any other surfaces.
  - j) Clean and sanitize bathrooms.
  - k) Restock hand towels, soap, and toilet paper.
  - l) Mop up any water, spills or dirt on the floor.



<b>3.2 Equipment Maintenance and Cleaning</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines regular equipment maintenance and cleaning at the Facility.

**RULE(S):**

538-x-8-.11

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Equipment Maintenance and Cleaning policies and procedures.

**POLICIES/PROCEDURES:**

All equipment cleaning and maintenance will be documented and recorded.

All equipment will be maintained, cleaned, and sanitized, as necessary, to protect Medical Cannabis product from being contaminated by any source.

All equipment cleaning and maintenance will be documented and recorded.

Equipment cleaning and maintenance records will include the following information:

- a) Manufacturer Information.
- b) Date equipment was put into service.
- c) Date and time of cleaning or maintenance.
- d) Detailed description of cleaning or maintenance.
- e) Name of employee who cleaned or serviced it.
- f) Name of tradesperson, if applicable.
- g) Date when next service is required.

**3.2.1 Fire Suppression Equipment Maintenance**

DEPARTMENT(S):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines methods for regular maintenance of fire suppression equipment at the Facility.

**RULE(S):**

538-x-8-.11

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Fire Suppression Equipment Maintenance policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA’s fire suppression equipment will be inspected, tested, and maintained on a routine basis.
- 2) Fire suppression equipment will be inspected by the local fire department.
- 3) The Maintenance Manager will conduct monthly inspections of all fire suppression equipment.
- 4) Routine maintenance frequencies for all fire suppression equipment will be completed at the manufacturer’s suggested interval.

<b>3.2.2 Ventilation System Cleaning and Maintenance</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines methods for regular maintenance and cleaning of the ventilation system at the Facility.

**RULE(S):**

538-x-8-.11

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Ventilation System Cleaning and Maintenance policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Ensure all ventilation systems are properly balanced to ensure minimum movement of odors from one area to another and minimum fresh air requirement is met for all rooms.
- 2) All UV and insect filters will be maintained in accordance with manufacturers' recommendations.
- 3) All air intake openings corrosion-resistant screens, louvers, or grilles will be inspected weekly.
- 4) Intake and exhaust vents in rooms will be cleared of any debris, dust, mold, and dirt.
- 5) Ductwork behind supply and return vents will be inspected and cleared of for accumulated dust and or mold.
- 6) Coils will be cleaned.
- 7) Drip pan and condensate drain line will be emptied and cleaned.
- 8) Ensure dampers are functioning properly.
- 9) Check that fresh air intake is not blocked and that there is no standing water or mold near intake equipment.

10) Clean or replace filters as necessary

### **3.2.3 Dehumidifier Equipment Cleaning and Maintenance**

DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

#### **PURPOSE:**

This Standard Operating Procedure outlines methods for regular cleaning and maintenance of dehumidification equipment.

#### **RULE(S):**

538-x-8-.11

#### **RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Dehumidifier Equipment Cleaning and Maintenance policies and procedures.

#### **POLICIES/PROCEDURES:**

- 1) Humidity controls will be set at or below fifty percent (50%).
- 2) Dehumidifier equipment will be installed and maintained as necessary.
- 3) The following activities will be conducted regularly on the dehumidification system:
  - a) Check coils and clean when visibly dirty.
  - b) Vacuum both sides until clean, being careful not to let the nozzle touch the fins.
  - c) If excessively dirty, clean using coil cleaner.
  - d) Check pump basin and drip tray (located between the coils) and clean when dirt and debris are present.
  - e) Check drain hose for obstructions.
    - i) Disconnect and clear any debris present.
    - ii) Reattach drain hose.
  - f) Inspect and clean pump check valve and re-insert the bail.

<b>3.2.4 Heating and Cooling Equipment Cleaning and Maintenance</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines methods for regular cleaning and maintenance of heating and cooling equipment.

**RULE(S):**

538-x-8-.11

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Heating and Cooling Equipment Cleaning and Maintenance policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Heating and cooling systems will be cleaned and maintained in accordance with manufacturers' recommendations.
- 2) Temperatures monitored daily.
- 3) Heating and cooling equipment filters will be cleaned regularly and changed following manufacturers' recommended schedule.
- 4) Individual thermostats will be inspected to ensure they are functioning properly..
- 5) The following activities will be conducted regularly on heating and cooling cleaning and maintenance:
  - a) Replace or clean all filters monthly.
  - b) Keep drainage pipe running on handlers and check for clogs.
  - c) Use an air compressor to blow out the AC condenser monthly.
  - d) Check daily if the AC unit is cold to the touch when running.
  - e) Review schedules and settings on thermostat monthly.

- f) Monitor temperature control exhaust fans for abnormal running times indicating radical microclimate developments.

<b>3.2.5 Weighing and Measuring Equipment Cleaning and Maintenance</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines methods for regular cleaning and maintenance of weighing and measuring equipment.

**RULE(S):**

538-x-8-.11

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Weighing and Measuring Equipment Cleaning and Maintenance policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Weighing and measuring equipment will be cleaned and maintained in accordance with manufacturers' recommendations.
- 2) All maintenance and cleaning of weighing and measuring equipment will be documented.
- 3) All scales will be calibrated and tested at regular intervals.
- 4) All scales will be certified Legal-for-Trade and National Type Evaluation Program ("NTEP") approved.



<b>3.3 Disinfectants and Cleaning Agents</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the permissible use of disinfectants and cleaning agents at the Facility.

**RULE(S):**

538-x-8-.11

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Disinfectants and Cleaning Agents policies and procedures.

**POLICIES/PROCEDURES:**

- 1) All disinfectants and cleaning agents used in the Facility will be registered with the U.S. Environmental Protection Agency.
- 2) All disinfectants and cleaning agents will be used strictly in accordance with its labels and instructions.
- 3) Toxic cleaning solutions, sanitizing agents, or other chemicals will be identified, maintained, stored, and disposed of in a manner that avoids the contamination of Medical Cannabis products and complies with the rules set forth by the AMCC and all applicable state and local laws, regulations, ordinances, and other requirements.
- 4) Toxic materials will not be used or held in an area where Medical Cannabis products or any contact surfaces are present, unless those materials are used as follows:
  - a) To maintain clean and sanitary conditions.
  - b) For maintaining or operating the equipment.

<b>3.4 Contamination Prevention</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This [Standard Operating Procedure outlines the procedure for preventing contamination.](#)

**RULE(S):**

538-x-8-.11

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Contamination Prevention policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Contamination of Medical Cannabis product will be prevented.
- 2) Animals will be prohibited from the Facility, except for guard or service dogs in areas where there is no risk of contamination of Medical Cannabis products or contact surfaces.
- 3) There will be separate or defined areas, or other control systems such as computerized inventory controls or automated systems of separation, to prevent cross-contamination of Medical Cannabis products during any of following operations:
  - a) Receipt, identification, storage, and withholding from use of quarantined Medical Cannabis product.
  - b) Storage of Medical Cannabis product available for dispensing.
  - c) Sanitation operations.
- 4) The grounds of the Facility will be kept in a condition that protects against the contamination of Medical Cannabis products or contact surfaces.
- 5) Pest Control
  - a) Effective measures will be taken to exclude pests from the Facility and to protect against contamination of Medical Cannabis products and contact surfaces.

- b) Litter and waste will be properly removed and disposed of in order to minimize the development of odor and the potential for attracting and harboring pests.
- c) The procedures for waste disposal will be maintained in accordance with waste disposal procedures.
- d) Pests will be prevented from inhabiting in any area of the Facility.
- e) Adequate screens will be installed on all windows and exterior entrances and will be checked monthly for defects.
- f) Traps and baits will be used on a regular basis and replace as needed.

<b>4.0 Water Management</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for water management practices.

**RULE(S):**

538-x-8-.11

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Water Management policies and procedures.

**POLICIES/PROCEDURES:**

- 1) The Maintenance Manager will ensure that water management operations comply with all applicable state and local laws, regulations, ordinances, and other requirements.
- 2) CCSA will comply with all applicable International Plumbing Codes (IPC) regarding the erection, installation, alteration, repairs, relocation, replacement, addition to, or use or maintenance of plumbing systems within the Facility.
- 3) CCSA’s piping system will be properly installed, receive adequate maintenance, and of sufficient size and design to carry adequate quantities of water to the required places throughout the Facility.
- 4) CCSA’s piping system will be designed to correctly transfer and dispose of the sewage and liquid waste from the Facility.
- 5) CCSA’s piping system will not have cross-connections between the potable water lines and the sewage.
- 6) Chemicals and sanitizing agents will be stored away from the potable water supply.

<b>4.1 Water Quality</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for maintaining water quality.

**RULE(S):**

538-x-8-.11

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Water Quality policies and procedures.

**POLICIES/PROCEDURES:**

- 1) All drain areas will be maintained so that they do not contribute to the contamination of any Medical Cannabis product or contact surfaces by seepage, filth, or any other extraneous materials, or by providing a breeding place for pests.
- 2) Potable water will be under continuous positive pressure in a plumbing system free of defects that could contribute to the contamination of any Medical Cannabis product.
- 3) All water used in the Facility will, at a minimum, meet the U.S. Environmental Protection Agency’s water quality standards for public water systems.

<b>5.0 Non-Cannabis Waste Disposal</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for disposing of non-cannabis waste.

**RULE(S):**

538-x-8-.11

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Non-Cannabis Waste Disposal policies and procedures.

**POLICIES/PROCEDURES:**

- 1) All non-cannabis waste will be disposed of in accordance with the rules set forth by the AMCC and all applicable state and local laws, regulations, ordinances, and other requirements.
- 2) All non-cannabis waste will be disposed of in a designated waste receptacle.
- 3) All non-cannabis waste will be kept in containers that are:
  - a) Leak-proof.
  - b) Rodent-proof.
  - c) Equipped with a closing top.
  - d) Lined with heavy-duty plastic trash bags.
- 4) All non-cannabis waste receptacles will be emptied daily.

<b>5.1 Cannabis Waste</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure disposal of Medical Cannabis waste.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(o)(10)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser, in coordination with the Inventory Coordinator, to adopt and implement the Cannabis Waste policies and procedures.

**POLICIES/PROCEDURES:**

- 1) All Medical Cannabis waste will be disposed of in accordance with the rules set forth by the AMCC and all other applicable state and local laws, regulations, ordinances, and other requirements.
- 2) Only authorized employees under the supervision of the Inventory Coordinator have the authority to destroy any Medical Cannabis products.
- 3) Only authorized employees under the supervision of the Inventory Coordinator have the authority to enter destroyed Medical Cannabis products into the inventory management system.
- 4) All employees will report the unauthorized destruction of Medical Cannabis products to the Inventory Coordinator.
- 5) The Inventory Coordinator, in coordination with the Director of Security, will report any verifiable incident to the AMCC and appropriate law enforcement authorities.
- 6) All Medical Cannabis waste will be weighed and entered in the inventory management system before destruction and removal from the Facility.

- 7) The scale used to weigh Medical Cannabis product will be certified Legal-for-Trade and NTEP approved, as well as licensed according to rules set forth by the AMCC.
- 8) Disposal of Medical Cannabis Waste
  - a) Medical Cannabis waste will be made unusable and unrecognizable by grinding and incorporating the cannabis waste with non-consumable waste and solids.
  - b) The resulting mixture will be at least fifty percent (50%) waste from non-cannabis, non-consumable waste, such as:
    - i) Dirt.
    - ii) Food waste.
    - iii) Waste paper.
    - iv) Plastic waste.
    - v) Cardboard waste.
    - vi) Bekasi, or other compost activators.
    - vii) Fats and other compostable waste oil.
    - viii) Other waste approved by the AMCC.
  - c) CCSA will only dispose of Medical Cannabis products in a biohazard waste container within the quarantine area at the Facility and will be clearly marked, "WASTE PRODUCT TO BE DESTROYED."
  - d) All Medical Cannabis waste, including waste composed of or containing cannabis products, will be stored, secured, and managed in accordance with the rules set forth by the AMCC and all applicable state and local laws, regulations, ordinances, and other requirements.
  - e) After the cannabis waste has been rendered unusable or made unrecognizable, CCSA will dispose of the cannabis waste on a weekly basis at an AMCC-approved location.
- 9) Affected or Damaged Medical Cannabis Product.
  - a) Any Medical Cannabis product that is expired, damaged, contaminated, or non-viable will be immediately segregated and destroyed.
  - b) The following procedures will be followed for the safe disposal of affected or damaged Medical Cannabis product:
    - i) Medical Cannabis product will be transferred to the quarantined disposal area.



- ii) Once in the disposal area, Medical Cannabis product will be safely mulched and mixed with approved waste and properly stored for disposal pickup.
- iii) Medical Cannabis-infused edible products that cannot be easily mulched, will be melted and then mixed with approved waste and properly stored for disposal pick up.
- iv) Once the disposal is complete, the process will be documented in the inventory management system.

10) Unusable and Excess Medical Cannabis Product Disposal

- a) Any Medical Cannabis product that exceeds the projected needs of CCSA's patients will be disposed of in accordance with the rules set forth by the AMCC and all applicable state and local laws, regulations, ordinances, and other requirements.
- b) The Inventory Coordinator will determine and document the need for excess inventory disposal.

11) Improperly Stored Medical Cannabis Product and Salvage

- a) All Medical Cannabis product that have been subjected to improper storage conditions, extremes in temperature, humidity, smoke, fumes, pressure, age or radiation due to natural disasters, fires, accidents or equipment failures, will not be salvaged, but instead properly disposed of.
- b) Whenever it is unclear if a Medical Cannabis product has been subjected to these conditions, the Certified Dispenser or Assistant Certified Dispenser may consider salvaging operations only if there is:
  - i) Evidence from laboratory tests and assays that the Medical Cannabis products meet all applicable standards of identity, strength, quality, and purity.
  - ii) Evidence from inspection of the premises that the Medical Cannabis products and associated packaging were not subjected to improper storage conditions as a result of the disaster or accident, if any.

12) Disposition of Medical Cannabis Product Returns

- a) CCSA will accept all patient returns of Medical Cannabis product.

- b) CCSA will document the return and disposal of all Medical Cannabis products within the inventory management system. Records will be maintained in accordance with the procedure outlined in Cannabis Waste Disposal Records SOP.

<b>5.1.1 Cannabis Waste Disposal Records</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for accurate and required recordkeeping of Medical Cannabis waste disposal.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(j)(o)(10)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser, in coordination with the Inventory Coordinator, to adopt and implement the Cannabis Waste Disposal Records policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA will maintain accurate and comprehensive records of the waste material that accounts for, reconciles, and evidences all waste activity related to the disposal of the Medical Cannabis products.
- 2) All waste disposed of will be recorded in the inventory management system and the Waste Disposal Log.
- 3) Employees will use the inventory management system to record the following:
  - a) Date of disposal.
  - b) Batch identification.
  - c) Type and weight of waste disposed of.
  - d) Description of and reason for the disposal of the Medical Cannabis products.
  - e) Confirmation that the Medical Cannabis products were rendered unusable and unrecognizable before disposal.
  - f) Manner of disposal.

- g) Name and identification number of the employee responsible for the disposal.
  - h) Any other information required by the AMCC.
- 4) All waste disposed of will be conducted under video surveillance.

<b>5.3 Chemical and Hazardous Waste</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for the disposal of chemical and hazardous waste.

**RULE(S):**

538-x-8-.11

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Chemical and Hazardous Waste policies and procedures.

**POLICIES/PROCEDURES:**

- 1) The elimination of chemical or hazardous waste will be carried out in a consistent manner in accordance with applicable state and local laws, regulations, ordinances, and other requirements.
- 2) Any hazardous waste CCSA produces will be disposed of by a professional waste disposal service.
- 3) Biohazard waste containers will be used at the Facility.
- 4) Any accumulated chemical and hazardous waste will be placed in these containers, for weekly pickup and disposal.
- 5) Accurate records of hazardous waste disposal will be maintained.
- 6) CCSA will utilize the following usage table to calculate the total usage of chemicals and product:

Chemicals and Products	Anticipated Usage/Month	Threshold for Conditionally Exempt Small Quantity/per Month	Meets Threshold? (Yes/No)

- 7) CCSA’s chemical and hazardous waste will be well below the threshold for Conditionally Exempt Small Quantity (CESQ) status.
- 8) Requirements for CESQs include:
  - a) CESQs will identify all the hazardous waste generated.
  - b) CESQs may not accumulate more than 1,000 kilograms of hazardous waste at any time.
  - c) CESQs will ensure that hazardous waste is delivered to a person or Facility who is authorized to manage and properly dispose of it.

<b>6.0 Alarm System</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for maintaining the alarm system.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m); 538-x-4-.08

**RESPONSIBILITIES:**

It is the responsibility of the Director of Security to adopt and implement the Alarm System policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA’s alarm system will, at a minimum, consist of the following:
  - a) Appropriate equipment necessary to monitor activity inside and outside the Facility, including:
    - i) All entrances and exits.
    - ii) Roof hatches or skylights.
    - iii) Rooms with exterior windows.
    - iv) Rooms containing Medical Cannabis products.
    - v) Rooms containing safes or vaults.
  - b) At least one manually-triggered, silent holdup or duress alarm that notifies the alarm monitoring service provider that an imminent threat to life or other emergency threat warrants the immediate response of law enforcement will be installed in the reception area and near personnel adjacent to ingress and egress points.
  - c) A backup battery system that immediately provides power for at least twenty-four (24) hours in the event of a power outage.

- d) A Security Surveillance Equipment Room, which is a restricted access area where all main system operating equipment is stored.
  - e) Monitoring of the alarm system will be twenty-four (24) hours a day, seven (7) days a week.
  - f) All telephone junction boxes or rooms where alarm telephone circuits terminate are locked, tamper-protected, and all labels or tags identifying these alarm circuits have been removed.
- 2) The provider of the alarm system and monitoring service will be an expert in industry-standard commercial-grade alarm systems.
  - 3) CCSA will notify the AMCC of any intent to change its security alarm service provider.
  - 4) CCSA will keep and maintain alarm system records in the Facility and will include, at a minimum, the following:
    - a) The name of the alarm installation and monitoring service provider.
    - b) Copies of service contracts.
    - c) A map of the Facility showing the location and operation of each alarm system component including alarm telephone circuits.
    - d) A list of authorized users.
    - e) Manufacturers' instructions for operating and maintaining the equipment.
    - f) Testing and maintenance logs.
    - g) Reports of any incidents triggering an alarm.
    - h) Reports of any interruption in monitoring and/or complete failure of the system, including the length of the interruption period.



<b><u>6.1 Alarm System Communication</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for alarm system communications.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m)

**RESPONSIBILITIES:**

It is the responsibility of the Director of Security to adopt and implement the Alarm System Communication policies and procedures.

**POLICIES/PROCEDURES:**

- 1) The alarm system will include an electronic or mechanical system that, upon activation, is programmed to send a prerecorded voice message, via telephone, radio frequency, or other communication system, to appropriate law enforcement authorities or other emergency services.
- 2) The alarm system will be equipped with a failure notification system that notifies the alarm monitoring service provider of the system failure via audio, text, visual, or audiovisual message, within a maximum of five (5) minutes of such failure.
  - a) The alarm monitoring system then notifies the Director of Security via audio, text, visual, or audiovisual message.

<b>6.2 Alarm System Testing</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for alarm system testing.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m)

**RESPONSIBILITIES:**

It is the responsibility of the Director of Security to adopt and implement the Alarm System Testing policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA will inspect the alarm system daily to ensure it is functioning properly.
  - a) In the event the alarm system requires repair, CCSA will immediately schedule maintenance with the alarm system service provider.
- 2) CCSA will annually, in the presence of the alarm system service provider, conduct an onsite inspection and test of the entire alarm system to determine if repairs and adjustments are required.

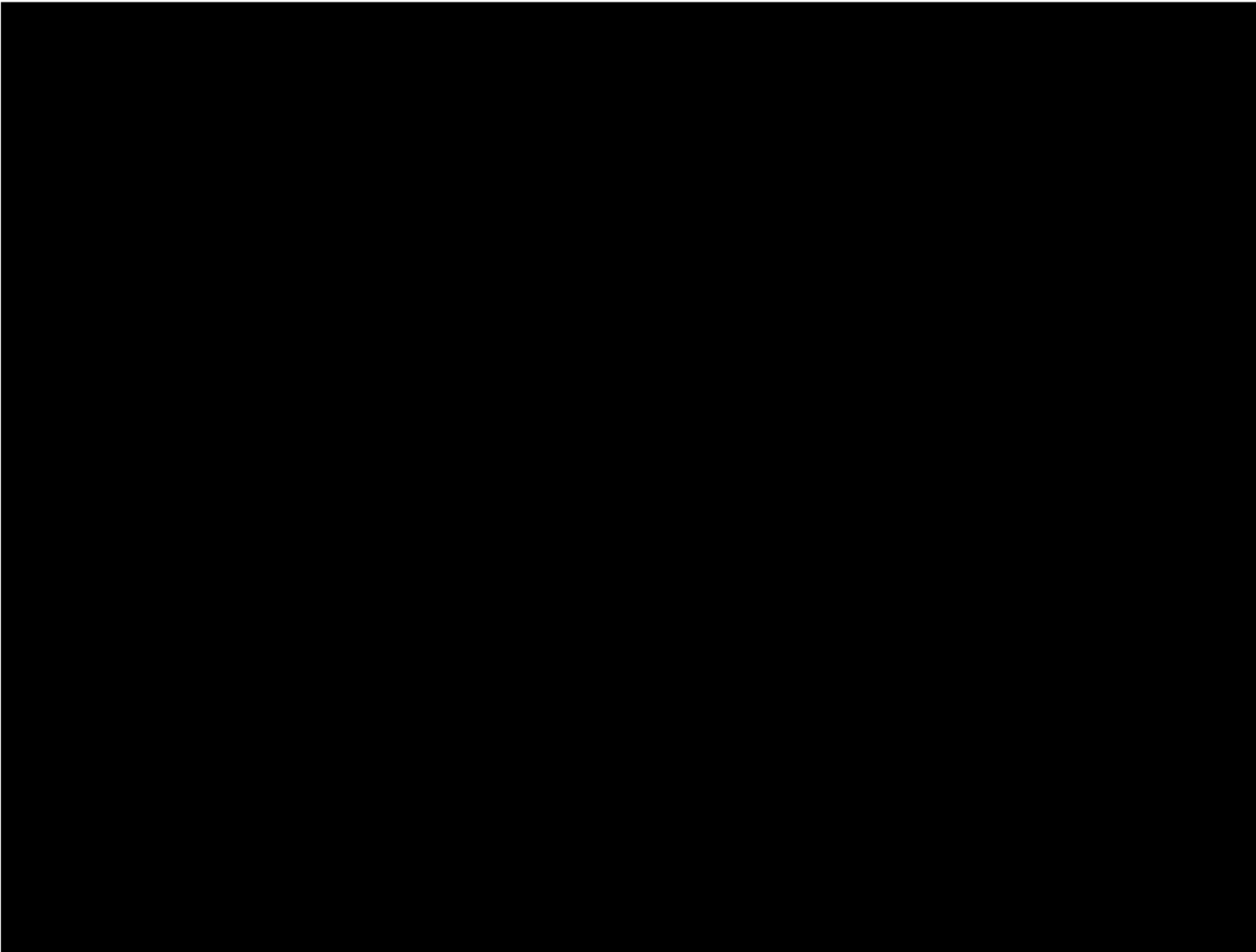
<b><u>7.0 Surveillance System</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

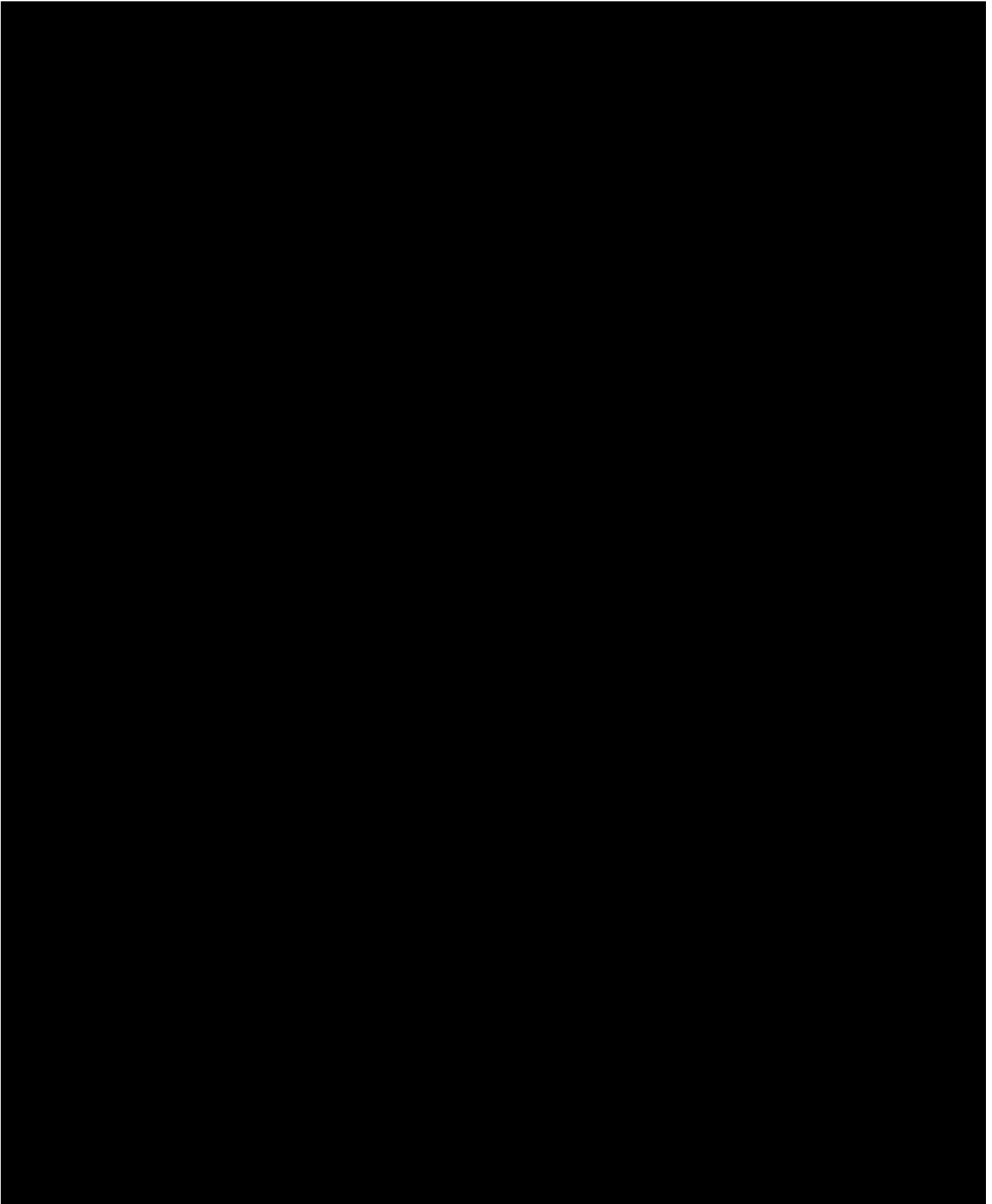
**PURPOSE:**

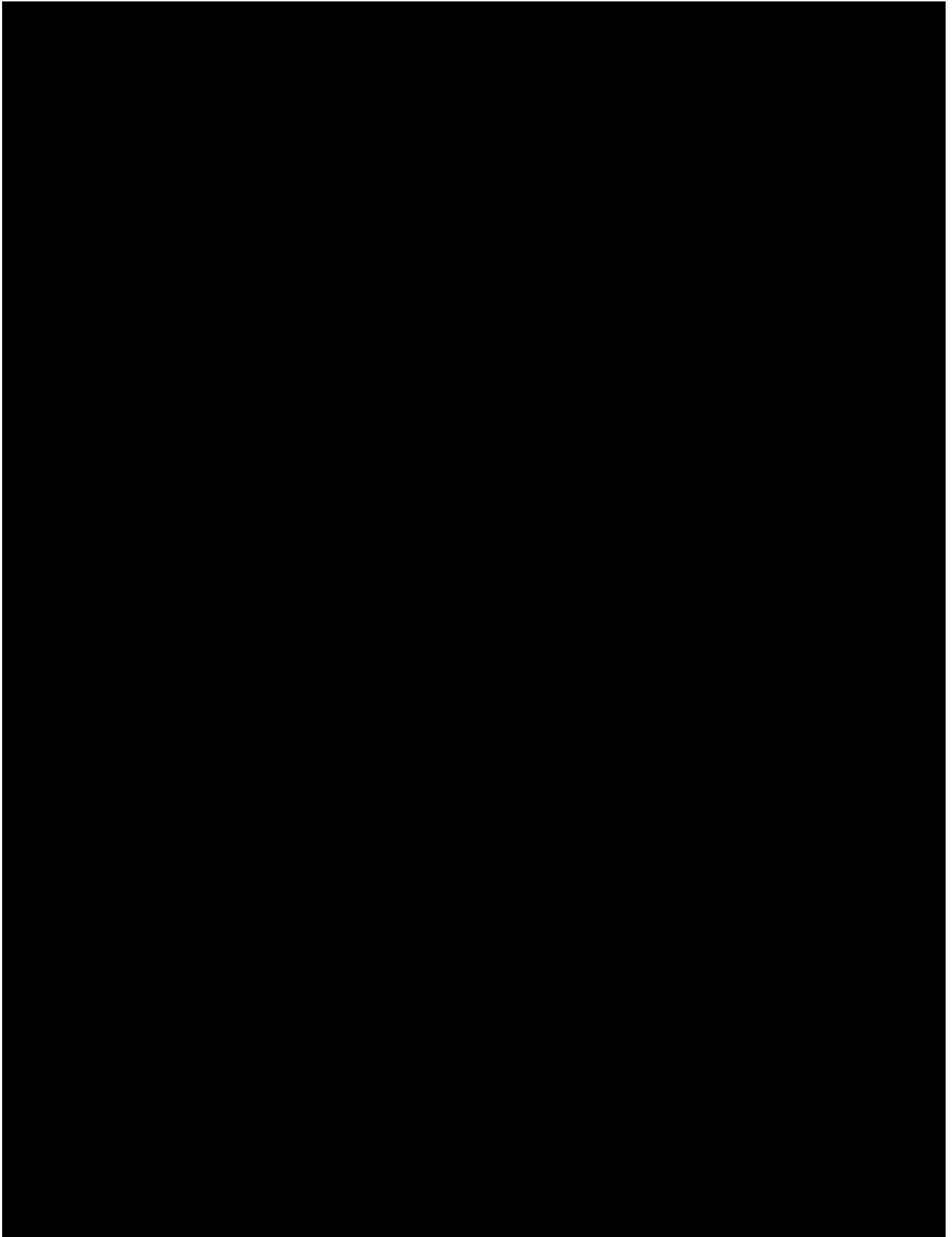
This Standard Operating Procedure outlines the procedure for maintaining the surveillance system.

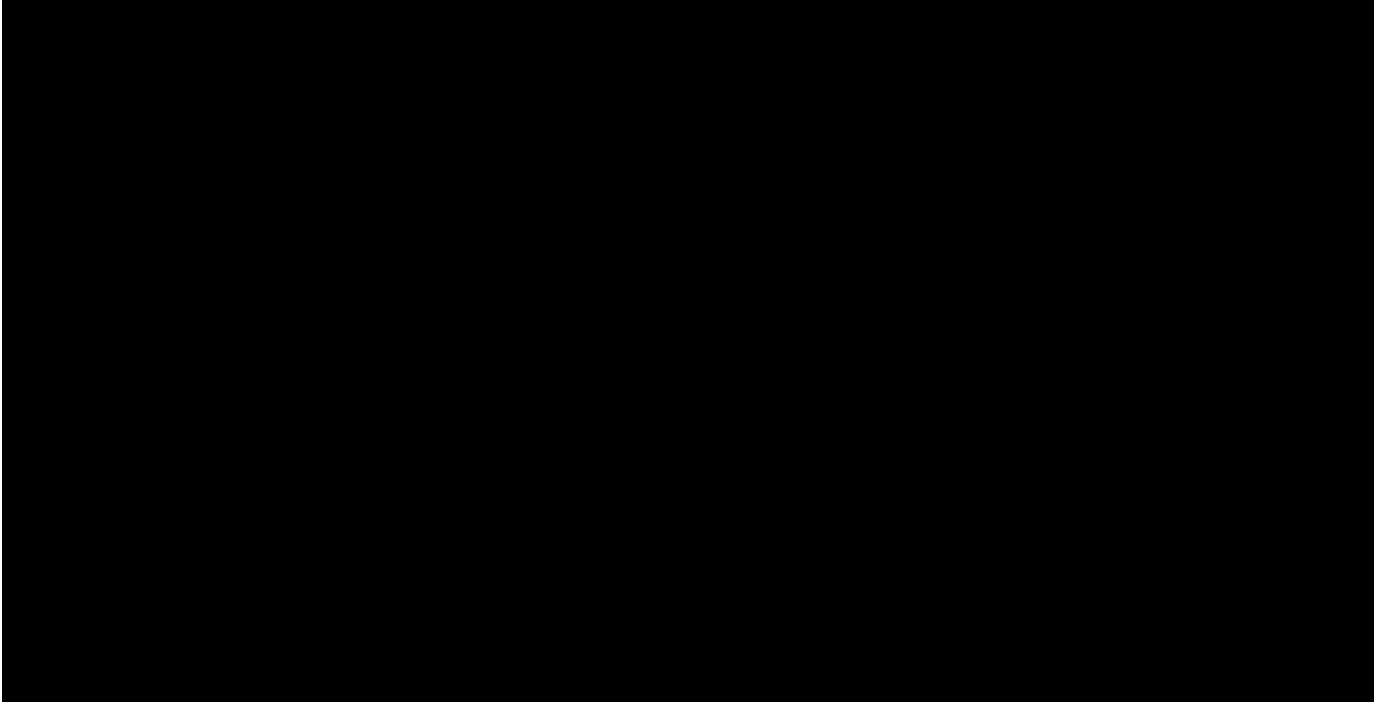
**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m); 538-x-4-.08









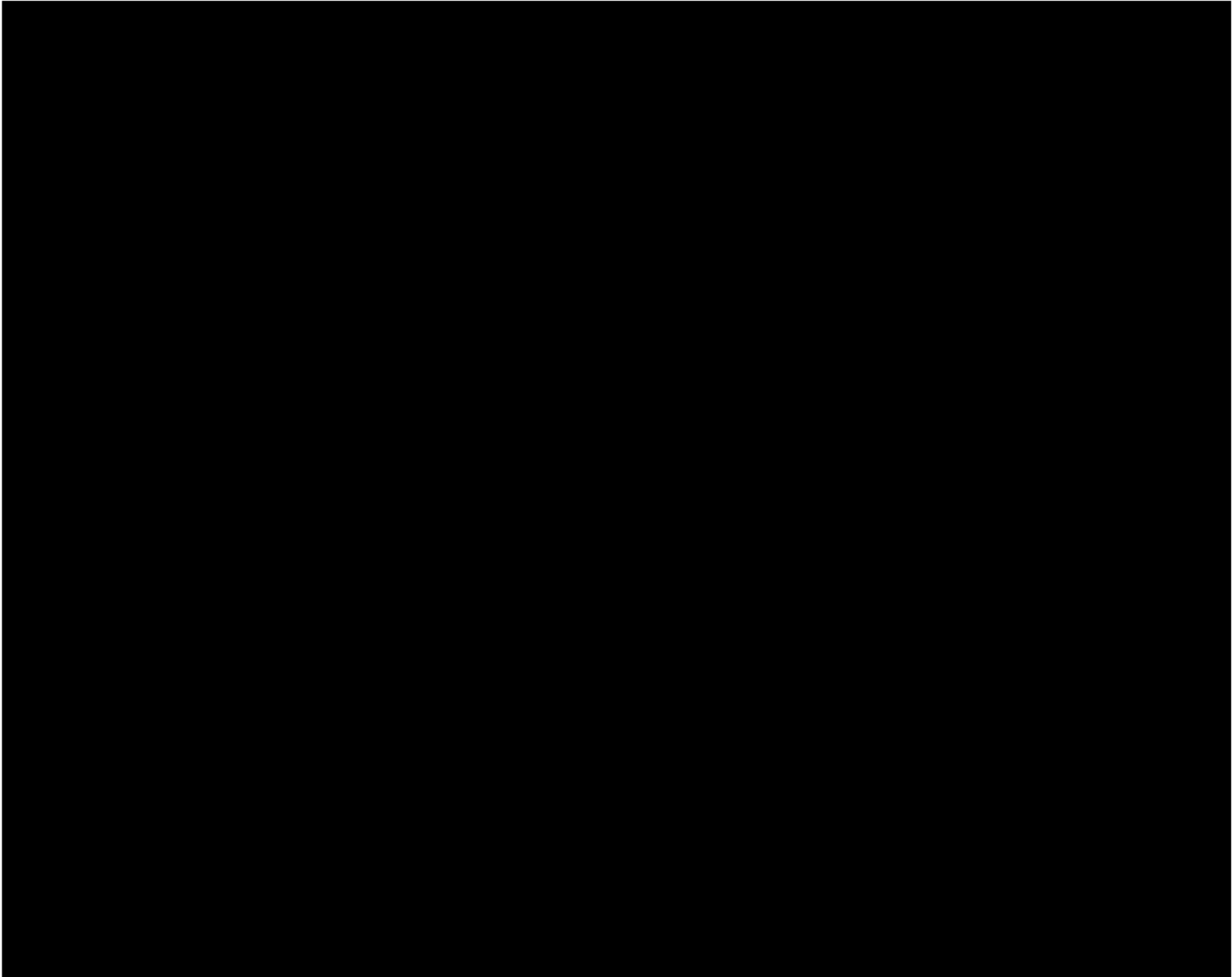
<b><u>7.1 Camera Coverage and Placement</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

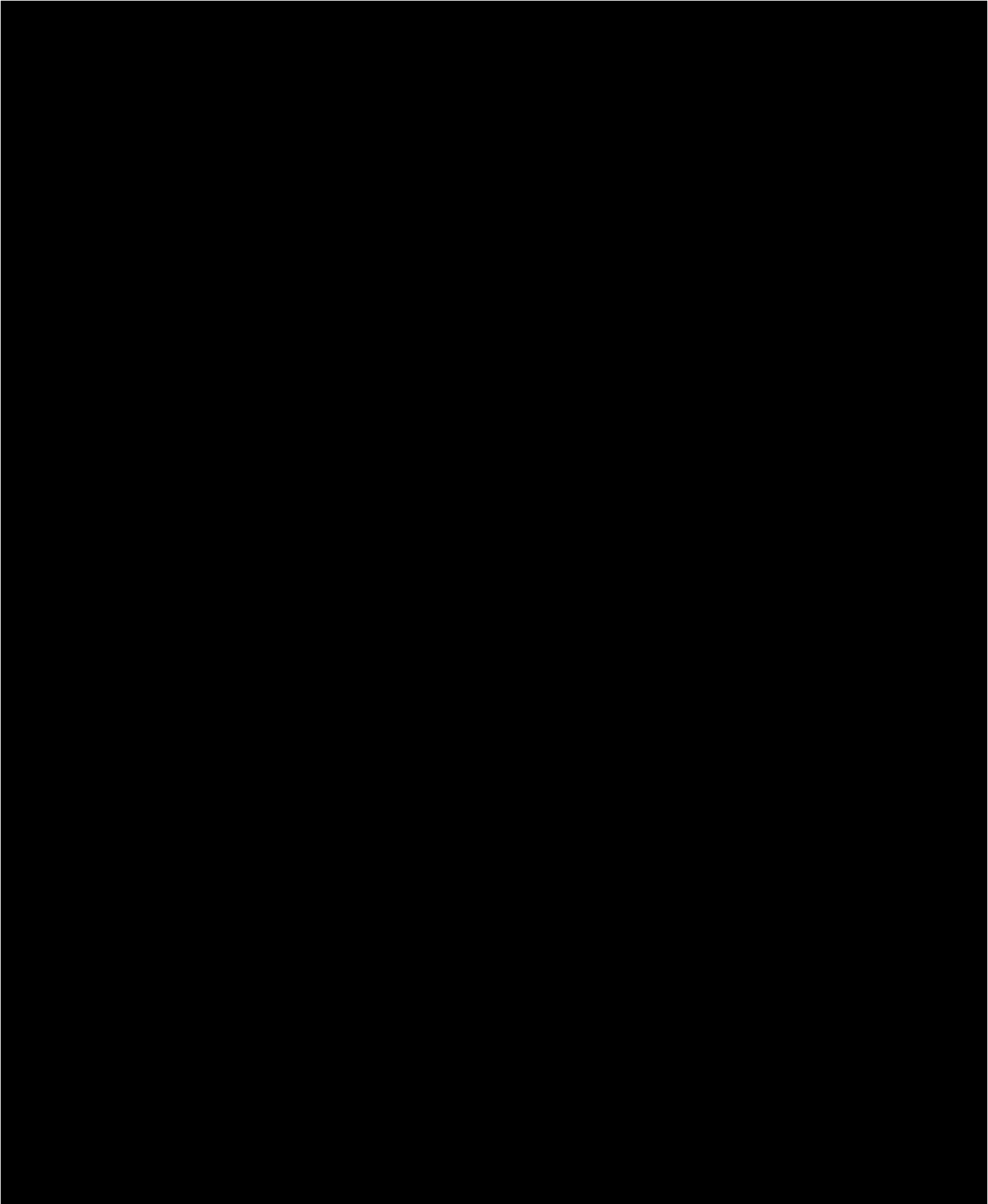
**PURPOSE:**

This Standard Operating Procedure outlines the required camera coverage and appropriate placement of equipment.

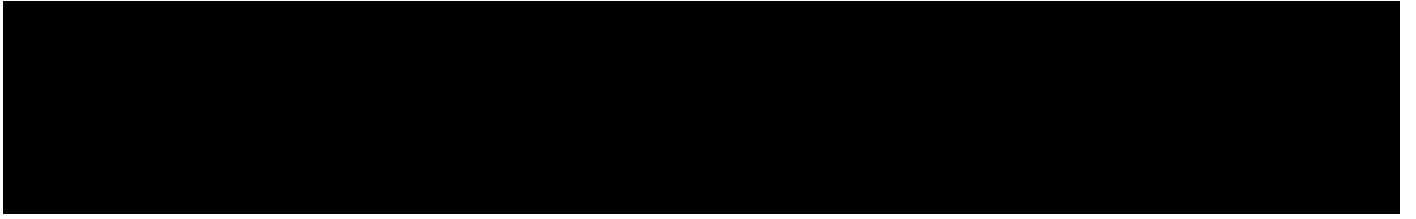
**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m)









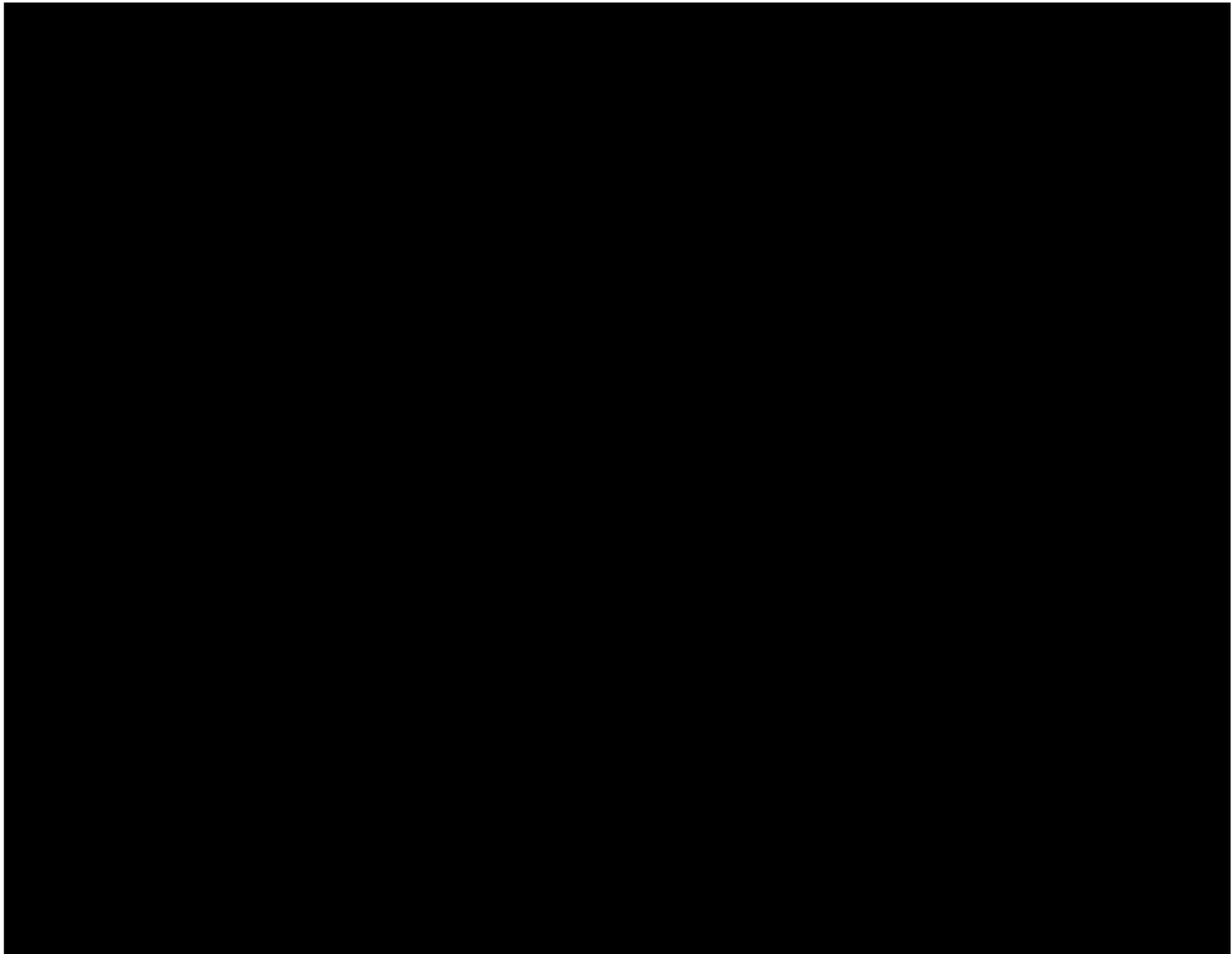
<b><u>7.2 Surveillance Communication</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for surveillance system communications.

**RULE(S):**

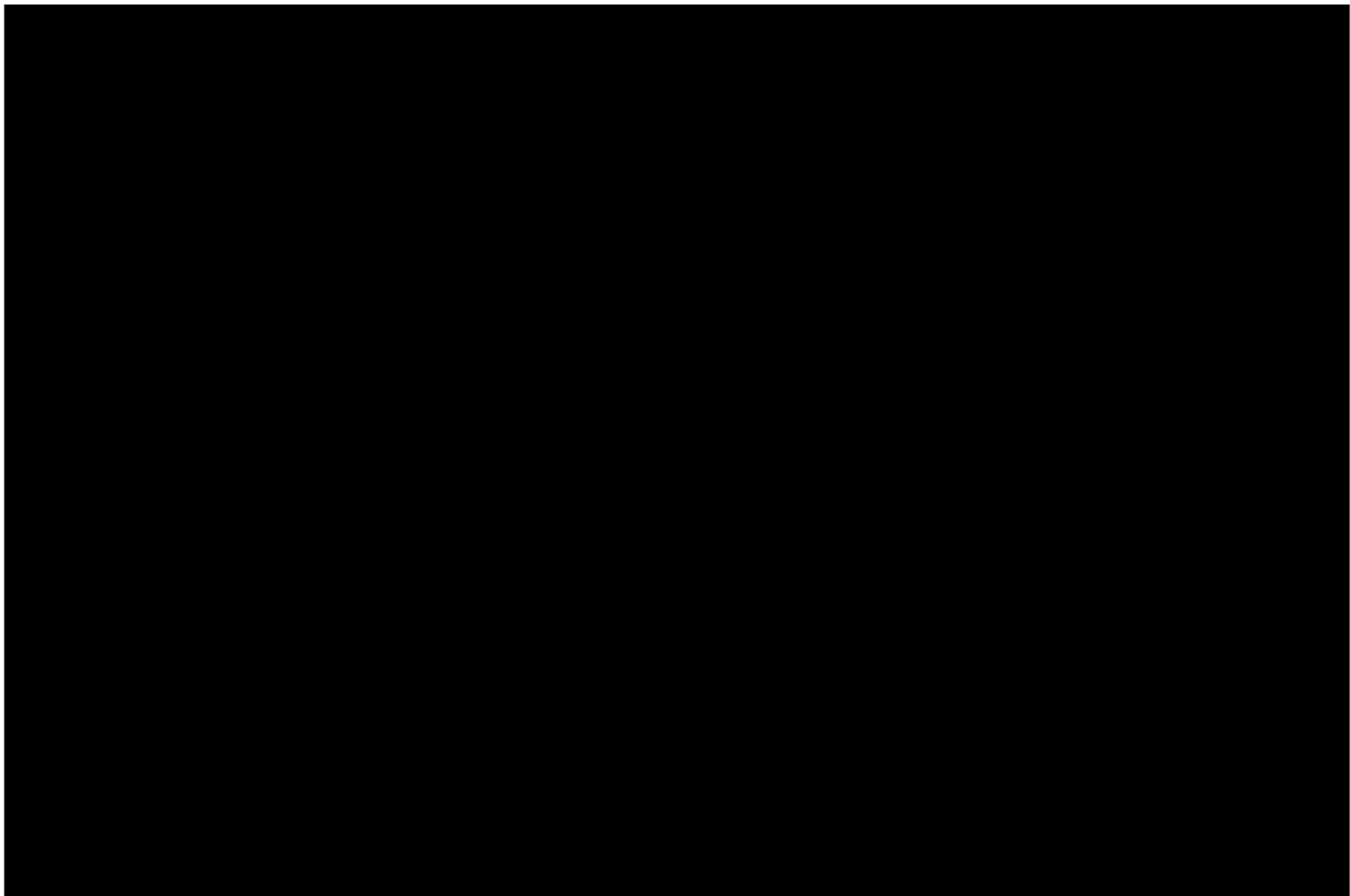
538-x-8-.11; 538-x-8-.05(3)(m)



<b>7.3 Surveillance Testing</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for regular testing of the surveillance system.



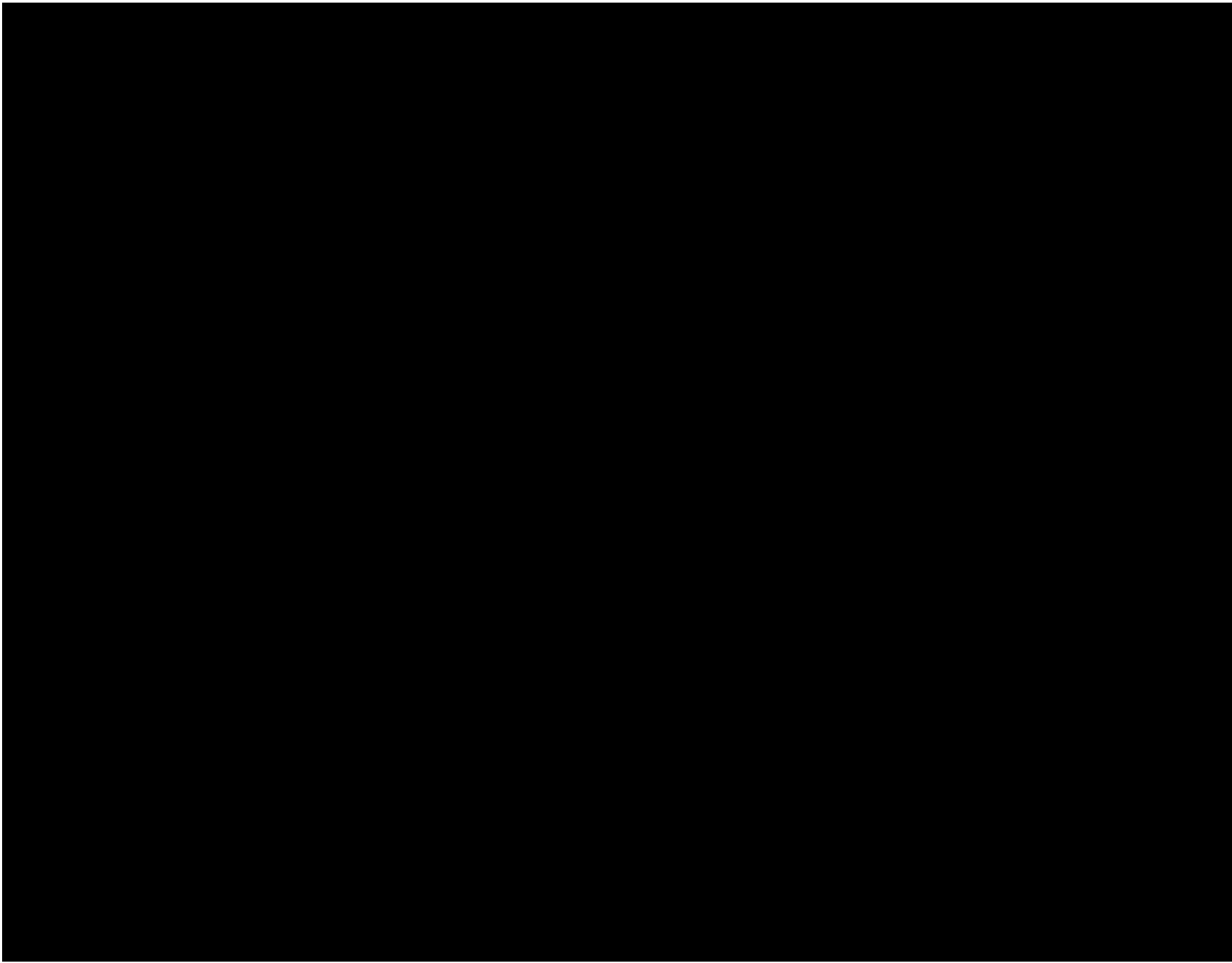
<b>8.0 Information Technology Security</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

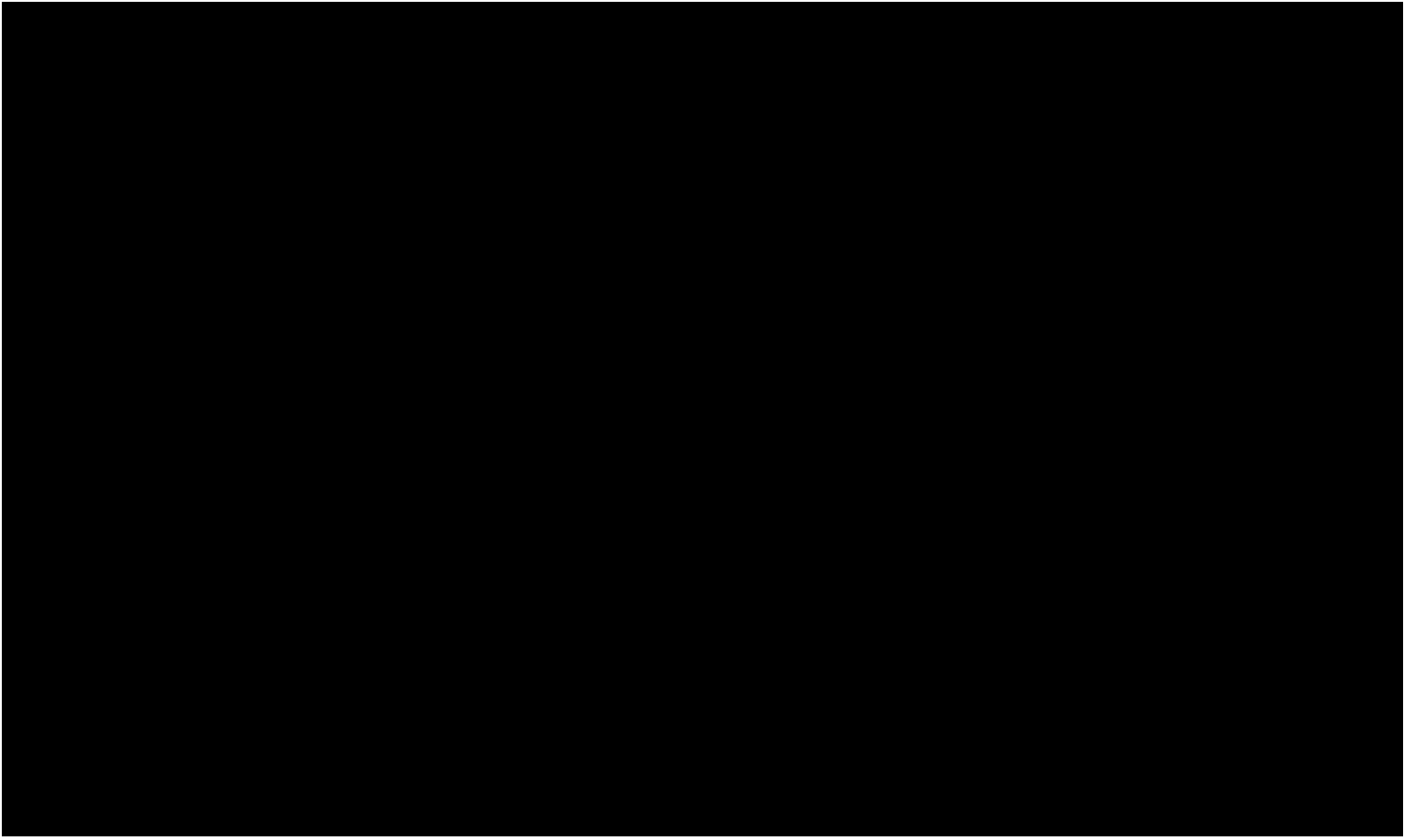
**PURPOSE:**

This Standard Operating Procedure outlines the procedure for ensuring secure practices related to information technology and related equipment.

**RULE(S):**

538-x-8-.11; 538-x-8-.09; 538-x-4-.05

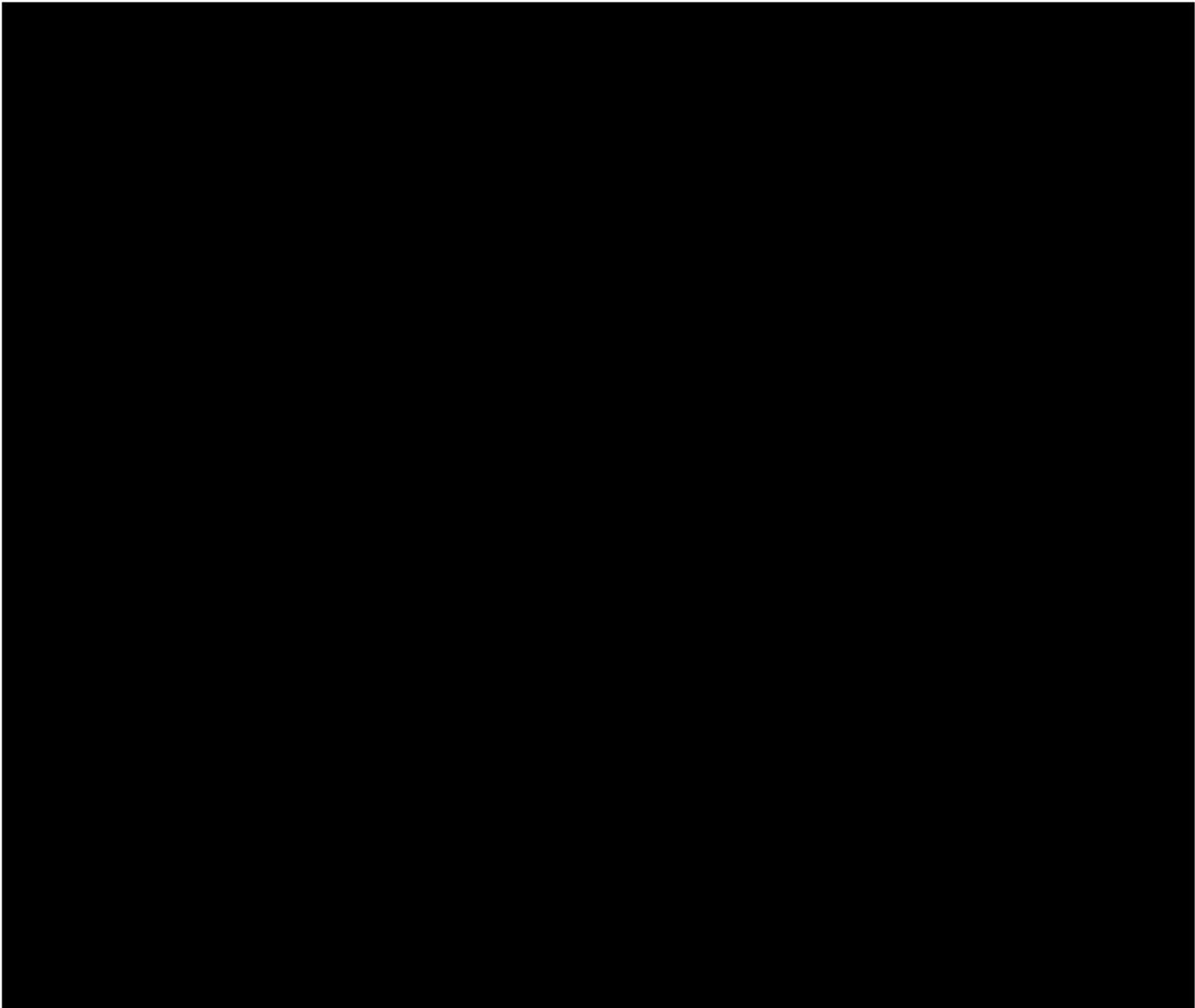




<b><u>9.0 Access Control</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

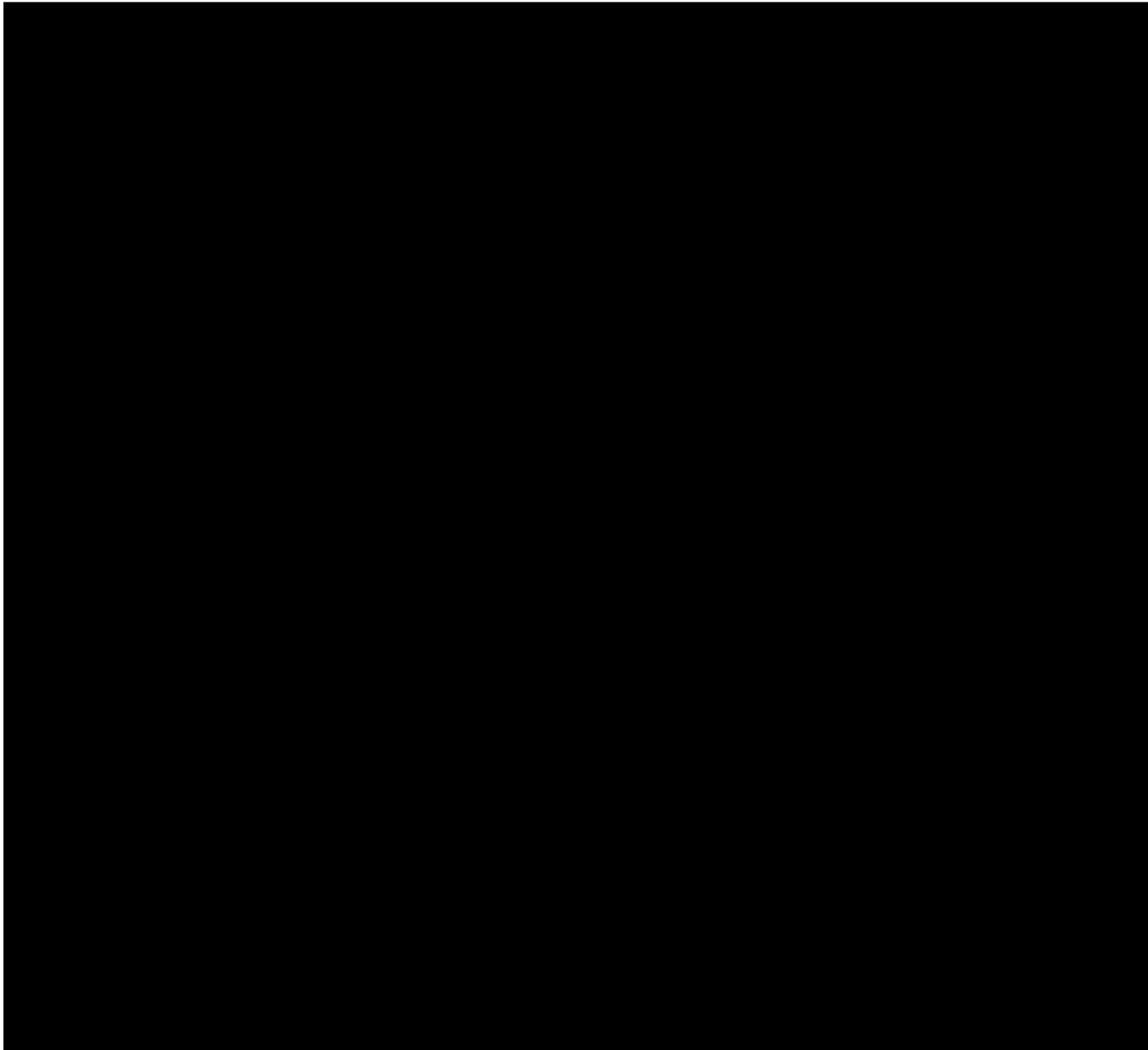
This Standard Operating Procedure outlines the procedure for controlling access at the Facility.



<b><u>9.1 Employee Access</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for employees to properly access the Facility.







<b>9.1.1 Assigning Employee Access Permissions and Credentials</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for assigning employee permissions and credentials.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m)(6)(9)(13)

**RESPONSIBILITIES:**

It is the responsibility of the Director of Security to adopt and implement the Assigning Employee Access Permissions and Credentials policies and procedures.

**POLICIES/PROCEDURES:**

- 1) The Director of Security will oversee the management of the keying and coding systems, the assigning and documenting of access permissions, and distributing the necessary credentials.
- 2) Access permissions will be assigned based on employee’s role with CCSA, as indicated by their job description, to access the areas in which they are regularly assigned duties.
- 3) Only the minimum number of employees essential for efficient operations will be given access permission to restricted access areas.
- 4) All credentials—keys, keycards, PINs, and alarm codes—will be issued on a permanent basis and will be retained in the possession of the employee to whom it was issued.
- 5) Credentials may not be transferred directly from one employee to another.
- 6) All credentials will be documented and tracked in the Employee Access Control Log with the following information:
  - a) Date issued.
  - b) Time issued.

- c) Employee name.
  - d) Employee identification badge number.
  - e) Employee photo.
  - f) Employee fingerprints, if applicable.
  - g) Term of issuance, if applicable.
  - h) Access credential(s) issued.
  - i) Areas granted permission and time frame for access.
  - j) Employee and Director of Security's signatures.
- 7) Credentials may not be loaned and should not be left unattended.
- 8) Only in an emergency may a credential be issued by a relevant supervisor.
- a) When a credential is issued under these circumstances, the supervisor will notify the Director of Security as soon as possible.
- 9) Upon termination of an employee, access to the Facility will immediately be relinquished.

**9.1.2 Missing or Lost Employee Access Credentials**

DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for reporting and handling missing or lost employee access credentials.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m)(6)(13)

**RESPONSIBILITIES:**

It is the responsibility of the Director of Security to adopt and implement the Missing or Lost Employee Access Credentials policies and procedures.

**POLICIES/PROCEDURES:**

- 1) If an employee loses a credential, he or she will report the loss to his or her manager immediately, who will then report the loss to the Director of Security.
- 2) The Director of Security will determine whether the system has been compromised and whether to re-key, re-core, or re-code.
- 3) Duplication of keys will be strictly prohibited.
- 4) If applicable, any employee who does not have their AMCC-issued badge will not be granted access into the Facility.
- 5) The employee will be instructed to retrieve their AMCC-issued badge before returning.
- 6) Any employee who misplaces, loses, destroys, or suspects their AMCC-issued badge has been stolen will notify the AMCC immediately.

<b>9.1.3 Employee Access Credentials Return</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for returning employee access credentials upon termination.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m)(6)(13)

**RESPONSIBILITIES:**

It is the responsibility of the Director of Security to adopt and implement the Employee Access Credentials Return policies and procedures.

**POLICIES/PROCEDURES:**

- 1) When employment with CCSA has been terminated, all credentials will be returned and noted in the Employee Access Control Log.
- 2) The supervisor terminating the employee will collect the credentials and submit them to the Director of Security.
- 3) If applicable, the Director of Security will create new alarm codes.
- 4) Failure on the part of a supervisor to collect credential(s) from a terminated employee may require Director of Security to re-key, re-core, or re-code.
- 5) The Human Resources Manager will provide written notice, including the date of termination, to the AMCC within ten (10) working days after an employee has left employment.

<b>9.2 Visitor Access</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for permitting visitors access to the Facility.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m)(11)

**RESPONSIBILITIES:**

It is the responsibility of the Director of Security to adopt and implement the Visitor Access policies and procedures.

**POLICIES/PROCEDURES:**

- 1) All persons who are not CCSA employees may be permitted on the premises of the Facility in accordance with the rules set forth by the AMCC and all applicable state and local laws, regulations, ordinances, and other requirements.
- 2) The Security Officer will verify the purpose of the visit, confirm his or her identity, and issue a visitor identification badge before he or she is allowed access to the Facility.
- 3) Upon arrival to the main entrance vestibule of the Facility, the visitor will communicate to a Security Officer via the service window the purpose of his or her visit and show the Security Officer his or her government-issued identification.
- 4) Once verified as a legitimate visitor, the Security Officer will allow the visitor into the Facility and direct the visitor to the reception desk to be checked in. Visitor name, purpose of visit, as well as the date and time of ingress and egress will be recorded.
- 5) In the instance that two (2) or more visitors arrive at the same time, they will be instructed to wait in the main entrance vestibule until verified.
- 6) Unannounced Visitors

- a) Unannounced or unexpected visitors will be prohibited at the Facility.
- b) Authorized representatives of the AMCC and other government officials when necessary to perform their official duties may arrive unannounced.
- c) Upon presenting his or her official badge and government-issued identification, the Security Officer will issue a visitor identification badge and grant access to the Facility.

7) Unauthorized or Denied Visitors

- a) Visitors who refuse to comply with CCSA's visitor policies and rules set forth by the AMCC and applicable state and local laws, regulations, ordinances, and other requirements will be denied entry by the Security Officer.
- b) Any person refusing to leave the premises should be considered an incident and handled in accordance with the incident response procedures.

8) Visitor Escorting and Monitoring

- a) Visitors will be escorted and monitored by an authorized employee at all times while in the Facility.
- b) An authorized employee may only escort up to five (5) visitors at a time.
- c) Visitors will also be monitored at all times through security cameras.
- d) Visitors will be prohibited from restricted access areas, unless required for provision of services.
- e) Only employees with assigned permissions to the restricted access area for which service is being rendered may escort the visitor(s).
- f) Visitors in restricted access areas where Medical Cannabis products are present will not be allowed to touch any Medical Cannabis products.
- g) The authorized employee escorting and monitoring the visitor(s) will remind the visitor(s) that touching Medical Cannabis product is strictly prohibited.

**9.2.1 Issuance of a Visitor Identification Badge**

DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for issuing a visitor identification badge.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m)(11)

**RESPONSIBILITIES:**

It is the responsibility of the Director of Security to adopt and implement the Issuance of a Visitor Identification Badge policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Visitors, including contractors, external providers, and authorized representatives of the AMCC and other government officials will obtain a visitor identification badge from the Security Officer before gaining access to the Facility.
- 2) Each person who obtains a visitor identification badge including, an outside vendor or contractor, will:
  - a) Be at least twenty-one (21) years of age.
  - b) Be escorted and monitored by a CCSA employee at all times while in the Facility.
  - c) Visibly display the visitor identification badge above the waist at all times.
  - d) Not take any photos or video recordings in the Facility or on its premises.
  - e) Return the visitor identification badge to the Security Officer upon leaving the premises.
  - f) Log out of the visitor log and confirm it is complete with all required information.
- 3) Visitors will provide a government-issued identification, which has a photo and signature, and is not expired.

The Security Officer will scan a copy of the visitor's identification and upload it into the Visitor Registration Log.

The Security Officer will enter the following information in the Log:

- a) Date.
- b) Time of arrival.
- c) Purpose of visit.
- d) Visitor's full name.
- e) Visitor's address.
- f) Visitor's telephone number.
- g) Valid government-issued identification number.
- h) Facility-issued visitor identification badge number.
- i) Time of departure.

Once the Security Officer has verified that all information is accurate and that the name on the identification matches the name in the Visitor Registration Log, a visitor identification badge may be issued.

Before leaving the Facility, the visitor will return the visitor identification badge and credentials, if applicable, to the Security Officer.

Once the Security Officer has checked out the visitor, the visitor will immediately leave the premises.



**9.2.2 Temporary Access Credentials Issuance**

DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for issuing temporary access credentials.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m)

**RESPONSIBILITIES:**

It is the responsibility of the Director of Security to adopt and implement the Issuance of a Temporary Access Credentials Issuance policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Upon approval of the Director of Security, an authorized tradesperson or contractor, in addition to being issued a visitor identification badge, may also be issued temporary credentials to access limited access areas.
- 2) The credentials may only be issued for the day of the visit to perform the duties necessary.
- 3) If the individual needs more than one day to complete the duties, the visitor access procedures will be repeated for each subsequent day.
- 4) The Director of Security will document the Authorized Visitor Access Control Log with the following information:
  - a) Date.
  - b) Time issued.
  - c) Visitor's full name, business name, telephone number, and address.
  - d) Copy of visitor's business identification and government-issued identification.
  - e) Facility-issued visitor identification badge number.

- f) Reason for Issuance.
  - g) Access control(s) issued.
  - h) Areas granted permission and time frame for access.
  - i) Time returned.
- 9) Before leaving the Facility, the visitor will return the visitor identification badge and credentials, if applicable, to the Security Officer.
- 10) Once the Security Officer has checked the visitor out, the visitor will immediately leave the premises.

<b>9.3 Patient and Caregiver Access</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for patient and caregiver access to the dispensary.

**RULE(S):**

538-x-8-.11; 538-x-8-.02(4)(d); 538-x-8-.03; 538-x-8-.05(3)(m)

**RESPONSIBILITIES:**

It is the responsibility of the Director of Security to adopt and implement the Patient and Caregiver Access policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Upon arrival to the main entrance vestibule of the Facility, the qualifying patient or designated caregiver will show the Security Officer via the service window his or her AMCC-issued registration identification card and one additional government-issued photo identification.
- 2) Once appropriate identifications are verified, the Security Officer may allow the patient or caregiver into the Facility and direct him or her to the reception desk to be checked in.
- 3) In the instance that two (2) or more patients or caregivers arrive at the same time, they will be instructed to wait in the main entrance vestibule until verified.
- 4) The Receptionist or Security Officer must verify the qualifying patient or designated caregiver in the AMCC electronic verification system before directing them to the patient waiting area.

Patients and caregivers will wait in the patient waiting area until called to the dispensing service window or consultation room.

Patients under 18

- a) A qualifying patient under the age of eighteen (18) will be accompanied by his or her designated caregiver.

Patient or Caregiver Family Members

- b) Any family member of a patient or caregiver who does not have an AMCC-issued registration card will be instructed to wait in the main entrance vestibule.
- c) At the discretion of the Security Officer, family members may be directed to wait in the vehicle or to leave and come back if the vestibule is crowded.

<b><u>10.0 Product Safety and Security</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

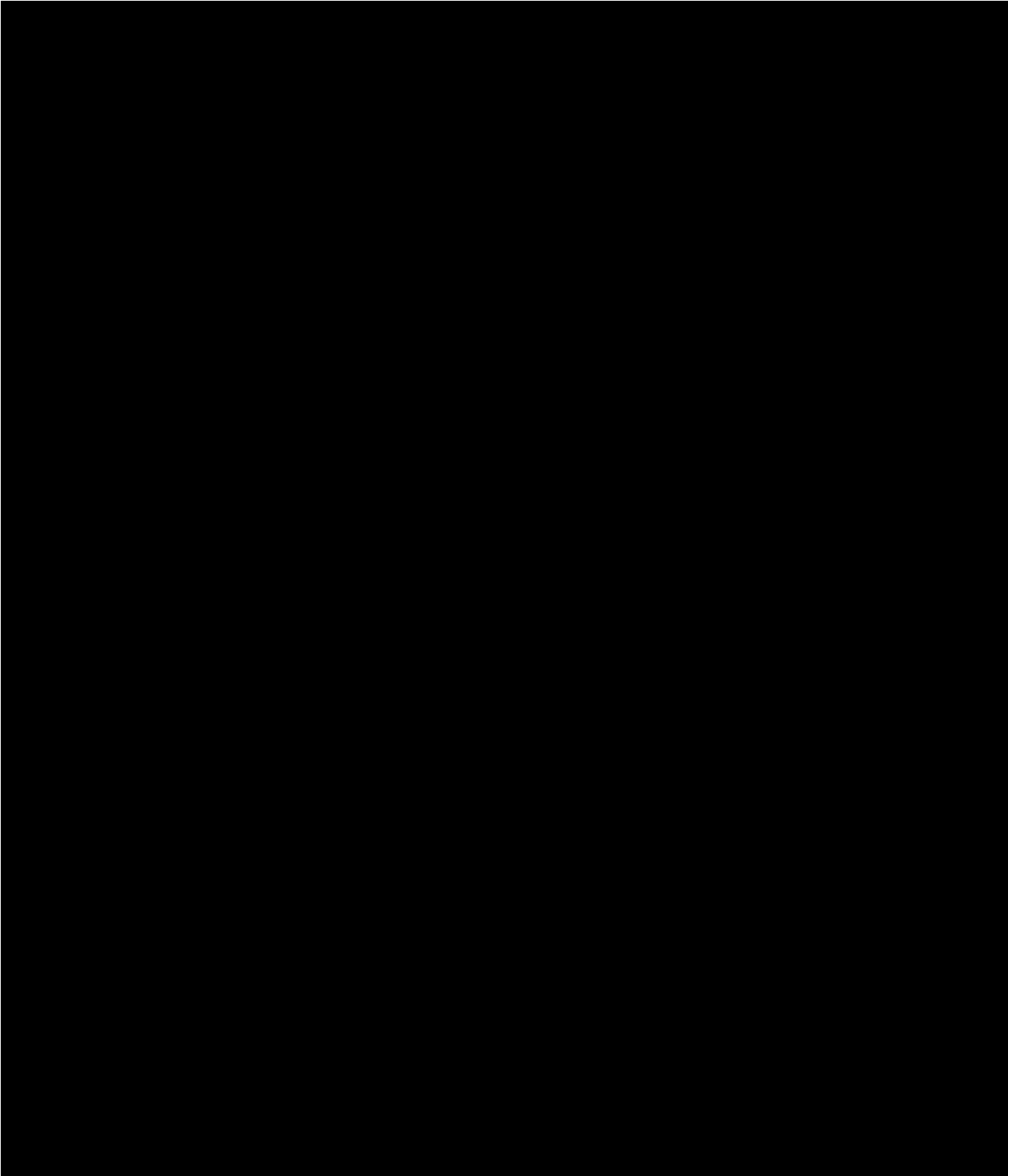
**PURPOSE:**

This Standard Operating Procedure outlines the procedure for ensuring product safety and security.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m); 538-x-8-.05(3)(a)





<b>11.0 Incident Response</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for responding to and reporting an incident at the Facility.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m); 538-x-8-.05(2)(c)(11)

**RESPONSIBILITIES:**

It is the responsibility of the Director of Security to develop, adopt, and implement the Incident Response policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Incident Response procedures will be in accordance with the rules set forth by the AMCC and all applicable state and local laws, regulations, ordinances, and other requirements.
- 2) Procedures for general emergency and incident management, containment, and corrective measures will be thoroughly detailed.
- 3) All employees will receive incident response training annually.
- 4) The Director of Security will immediately notify appropriate law enforcement authorities and the AMCC within twenty-four (24) hours after the discovery of a reportable incident as defined by state and local laws, regulations, ordinances, and other requirements.
- 5) Examples of an incident may include, but are not limited to:
  - a) Theft or physical loss of Medical Cannabis products or confidential records.
  - b) Breach of CCSA’s network servers.
  - c) Robbery or unauthorized entry in the Facility.
  - d) Threats of violence to the Facility, employees, or visitors.
  - e) Bomb threats.

- f) Any criminal activity.
  - g) Civil disturbances.
  - h) Hazardous chemical spill.
  - i) Infectious disease epidemic.
  - j) Serious accidents.
  - k) Fires.
  - l) Earthquakes.
  - m) Floods.
  - n) Windstorms or tornadoes.
  - o) Other acts of God.
- 6) Incident Reporting
- a) Anyone with knowledge or a reasonable suspicion of an incident will be instructed to make an immediate report to a Security Officer or the Director of Security.
  - b) The person reporting the incident will complete the Incident Log.
  - c) The Security Officer or Director of Security will ensure the following information is collected:
    - i) Date and time of occurrence or suspected occurrence.
    - ii) Names and contact information of parties involved and any witnesses.
    - iii) Description of incident.
    - iv) Completed Suspect Description Forms, if applicable.
    - v) Any evidence supportive of the event (unless law enforcement is required on scene or en route).
- 7) Incident Assessment
- a) The Director of Security will determine the category and severity of the incident and determine the next best course of action.
  - b) All discussions, decisions, and activities will be documented.
- 8) Incident Resolution
- a) The Director of Security will be actively engaged throughout the incident to assess the progress of all containment and corrective measures and determine at what point the incident can be considered resolved.



9) Post-Incident Review

- a) The Director of Security will hold a Post-Incident Review after each incident has been resolved.
- b) The Post-Incident Review will be scheduled within two (2) to three (3) weeks of the incident's resolution, unless the incident is still considered an open investigation, and will involve:
  - i) Appropriate personnel, which may include affected parties.
  - ii) Examination of the incident and all related activities and events.
  - iii) Discussion on proposed changes to policy, processes, and safeguards.

10) Post-Incident Report and Follow-Up

- a) All incident activities, from receipt of the initial report through post-incident review, will be documented.
- b) The Director of Security will ensure all events are recorded, assembled in preparation of the post-incident review, and ensuring all records are preserved for review.
- c) The following will be included, at a minimum, in the Post-Incident Report:
  - i) A description of incident events with specific timelines.
  - ii) Employee(s) involved.
  - iii) Non-Employees involved.
  - iv) Impact to affected parties.
  - v) Discussions, decisions and assignments made.
  - vi) Successful and unsuccessful activities.
  - vii) Notifications required or recommended.
  - viii) Steps taken for containment and resolution.
  - ix) Recommendations for prevention and remediation (short-term and long-term).
  - x) Identification of policy and procedure gaps.
  - xi) Results of post-incident review.
  - xii) Any necessary follow-up actions.
- d) The Post-Incident Report will be distributed to the Chief Operating Officer, Chief Financial Officer, and the Chief Executive Officer for review.

- e) The Director of Security will ensure the appropriate employees are assigned to any follow-up actions.
- f) The Director of Security will document the completion of all follow-up actions in the Post-Incident Report and distribute an updated copy to applicable parties.

11) Incident Reporting to Authorities

- a) The Director of Security will notify appropriate law enforcement authorities and the AMCC within twenty-four (24) hours after discovering the following:
  - viii) Discrepancies identified during inventory; diversion, theft, or loss of Medical Cannabis products; or any criminal action involving an employee.
  - ix) Theft, robbery, or burglary; sale to minors; diversion of Medical Cannabis products; or any other crime related to cannabis.
  - x) Any suspicious act involving the sale or distribution of Medical Cannabis products by any person.
  - xi) Unauthorized destruction of Medical Cannabis products.
  - xii) Any loss or unauthorized alteration of records.
  - xiii) An alarm activation or other event that requires a response by public safety personnel.
  - xiv) Integrity of the inventory management system compromised.
  - xv) An IT security breach.
  - xvi) The failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer than eight (8) hours.
  - xvii) Any other breach of security defined by the rules set forth by the AMCC.

12) Incident Response Drills

- a) CCSA will carry out incident response drills at least quarterly.
- b) If problems are identified in the response procedures, they will be corrected by the Director of Security and employees will be retrained on new procedures.
- c) All corrective actions and deficiencies will be documented in the Incident Log as a drill and submitted to the Chief Operating Officer.

**11.1 Incident Containment and Corrective Procedures**

DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for containing and implementing corrective actions regarding incidents.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m); 538-x-8-.05(2)(c)(11)

**RESPONSIBILITIES:**

It is the responsibility of the Director of Security to adopt and implement the Incident Containment policies and procedures.

**POLICIES/PROCEDURES:**

- 1) The Director of Security, in coordination with the appropriate managers, will determine and implement the appropriate procedures required to quickly contain and minimize the immediate impact of an incident, as well as to quickly restore circumstances to a normalized, secure state.
- 2) Containment and corrective measures will be designed with the primary objectives of:
  - a) Minimizing harm.
  - b) Counteracting the immediate threat.
  - c) Preventing propagation or expansion of the incident.
  - d) Minimizing the actual and potential damage.
  - e) Restricting knowledge of the incident to authorized employees.
  - f) Preserving information relevant to the incident.
  - g) Securing the environment and restoring to its normalized state.
- 3) All containment and corrective measures taken will be documented.

<b><u>11.1.1 Fire Procedures</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for responding to a fire.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m); 538-x-8-.05(2)(c)(11)

**RESPONSIBILITIES:**

It is the responsibility of the Director of Security to adopt and implement the Fire Procedures policies and procedures.

**POLICIES/PROCEDURES:**

- 1) If a fire does not present an immediate danger to personal safety, one (1) employee will try to extinguish the fire.
- 2) If a fire presents an immediate danger to personal safety, call 911 immediately and activate the internal fire alarm.
- 3) All occupants will exit the building using the nearest safe exit.
- 4) Occupants will assemble for a “roll call” in the designated evacuation area, ensuring that they remain clear of responding fire apparatus.
- 5) Fire extinguishers and the fire suppression system to be tested/inspected on an annual basis.
- 6) The Director of Security will perform and document an annual fire evacuation drill in consultation with the local fire department.
- 7) Fire evacuation maps will be clearly posted around the Facility and employees will review the maps on an ongoing basis.
- 8) Any material loss of product, property, or injury to an employee or visitor will be documented and reported to AMCC.



<b><u>11.1.2 Evacuation of Facility</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

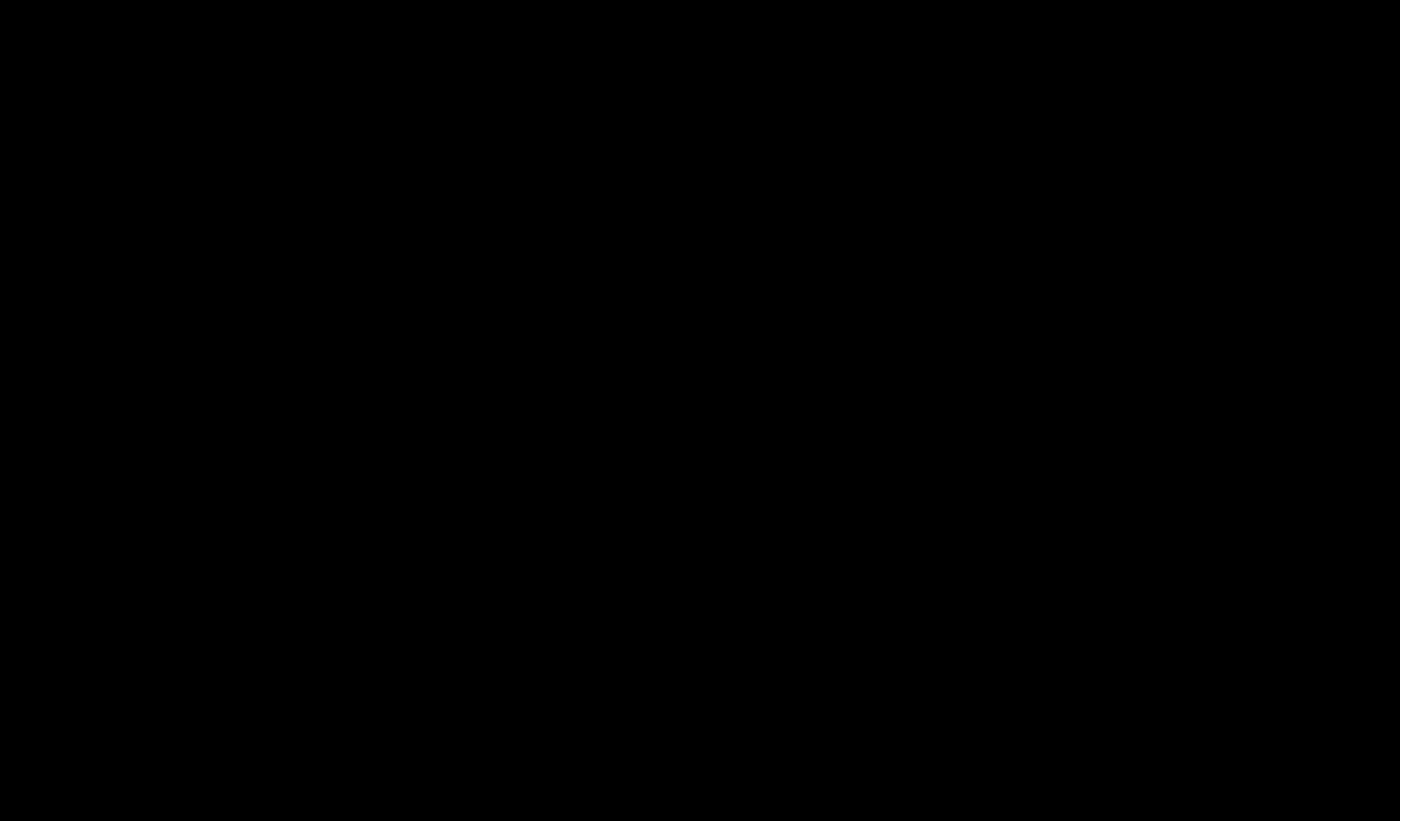
**PURPOSE:**

This Standard Operating Procedure outlines the procedure for safely evacuating the Facility.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m); 538-x-8-.05(2)(c)(11)





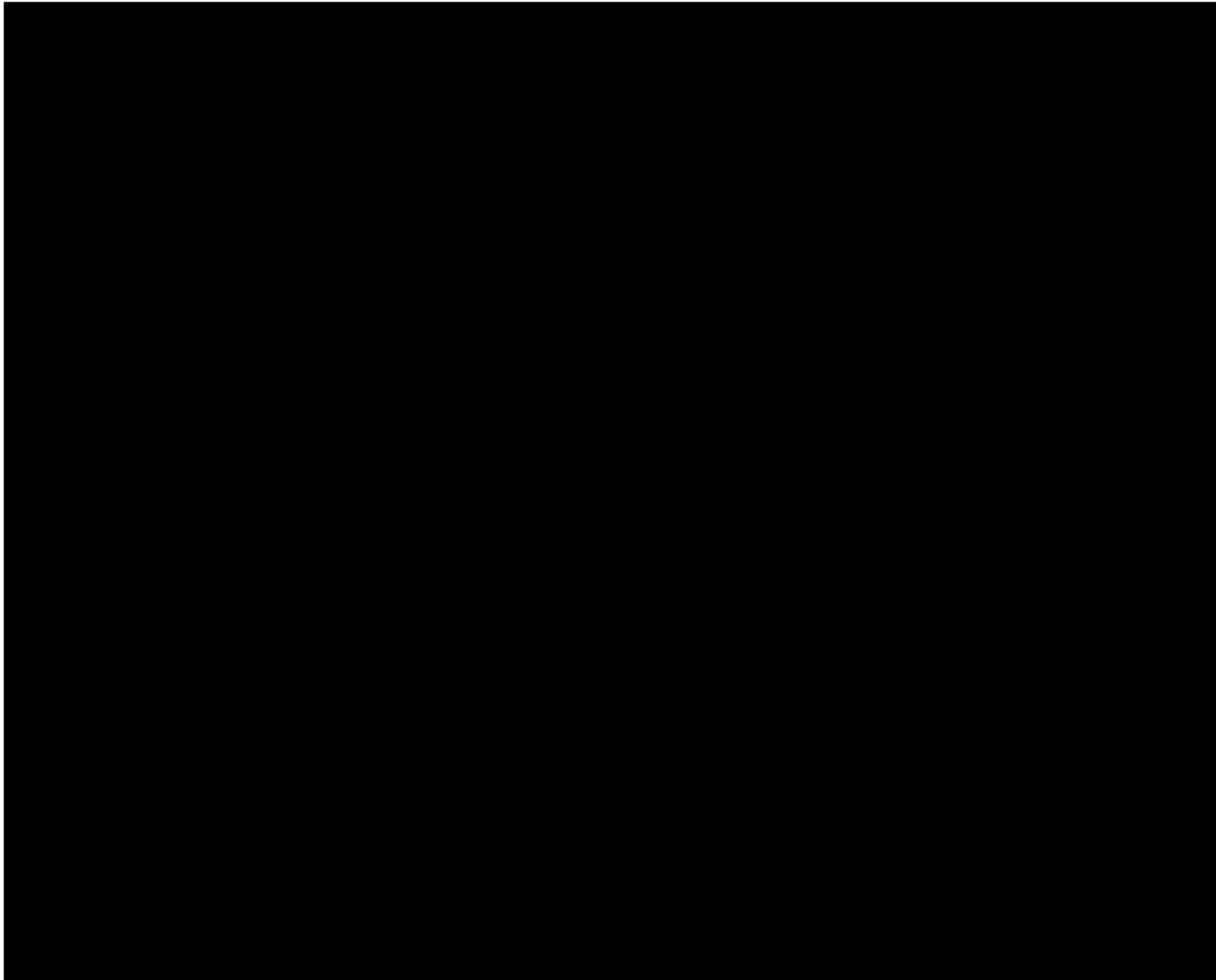
<b>11.1.3 Facility Closure</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for closing the facility.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m); 538-x-8-.05(2)(c)(11)







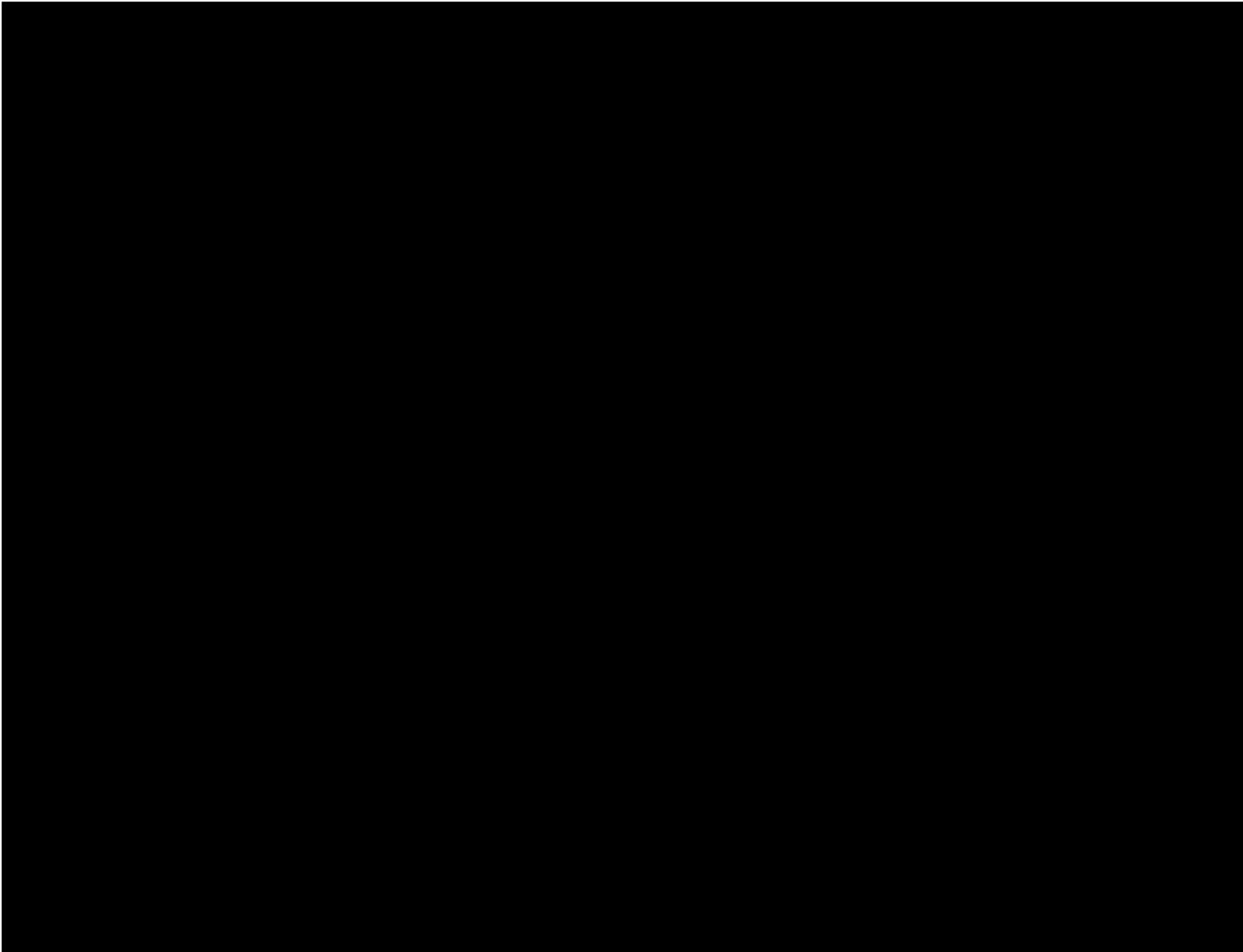
<b><u>11.1.4 Unauthorized Entry/Robbery</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

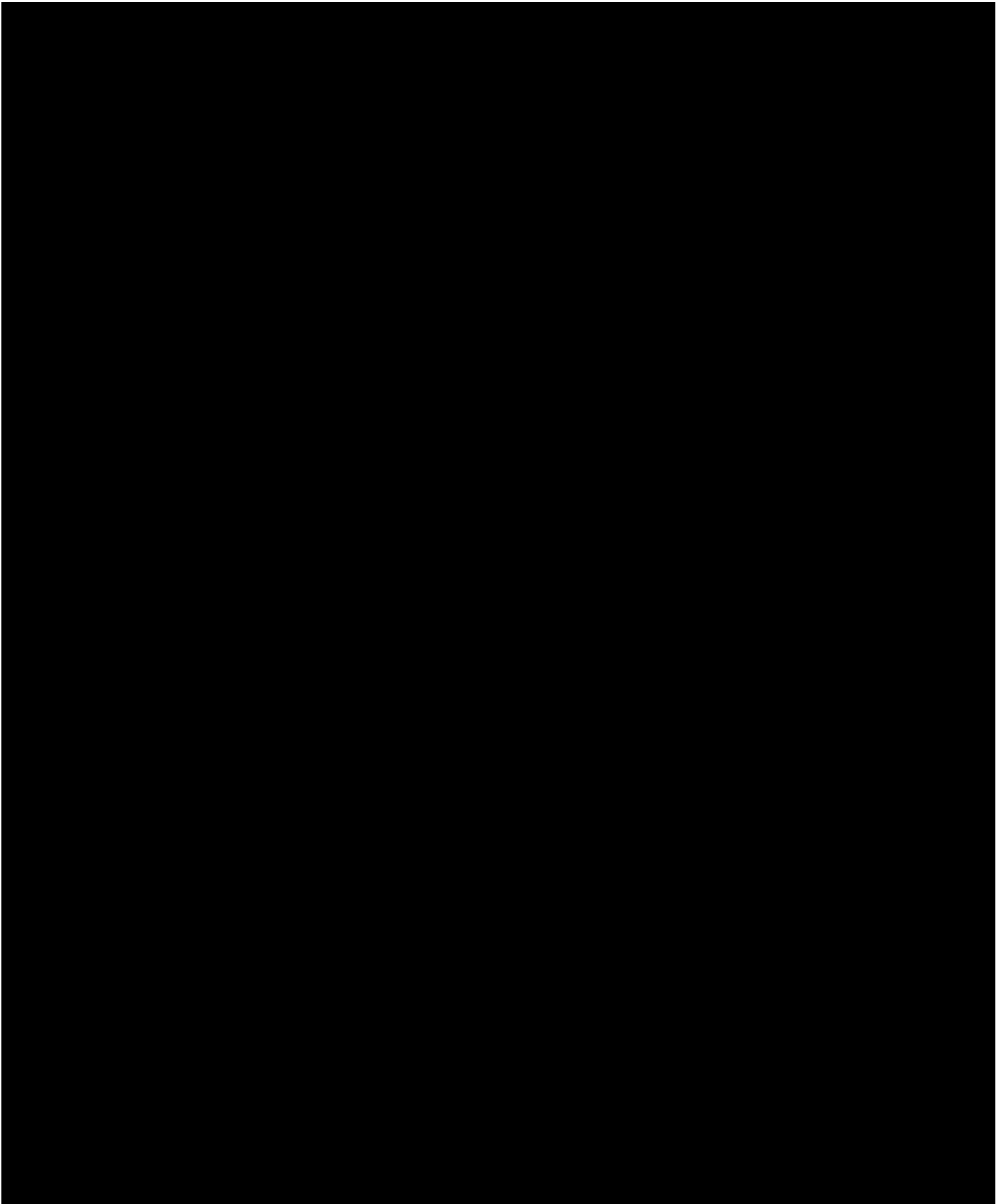
**PURPOSE:**

This Standard Operating Procedure outlines the procedure in the event of an unauthorized entry and/or robbery.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m); 538-x-8-.05(2)(c)(11)







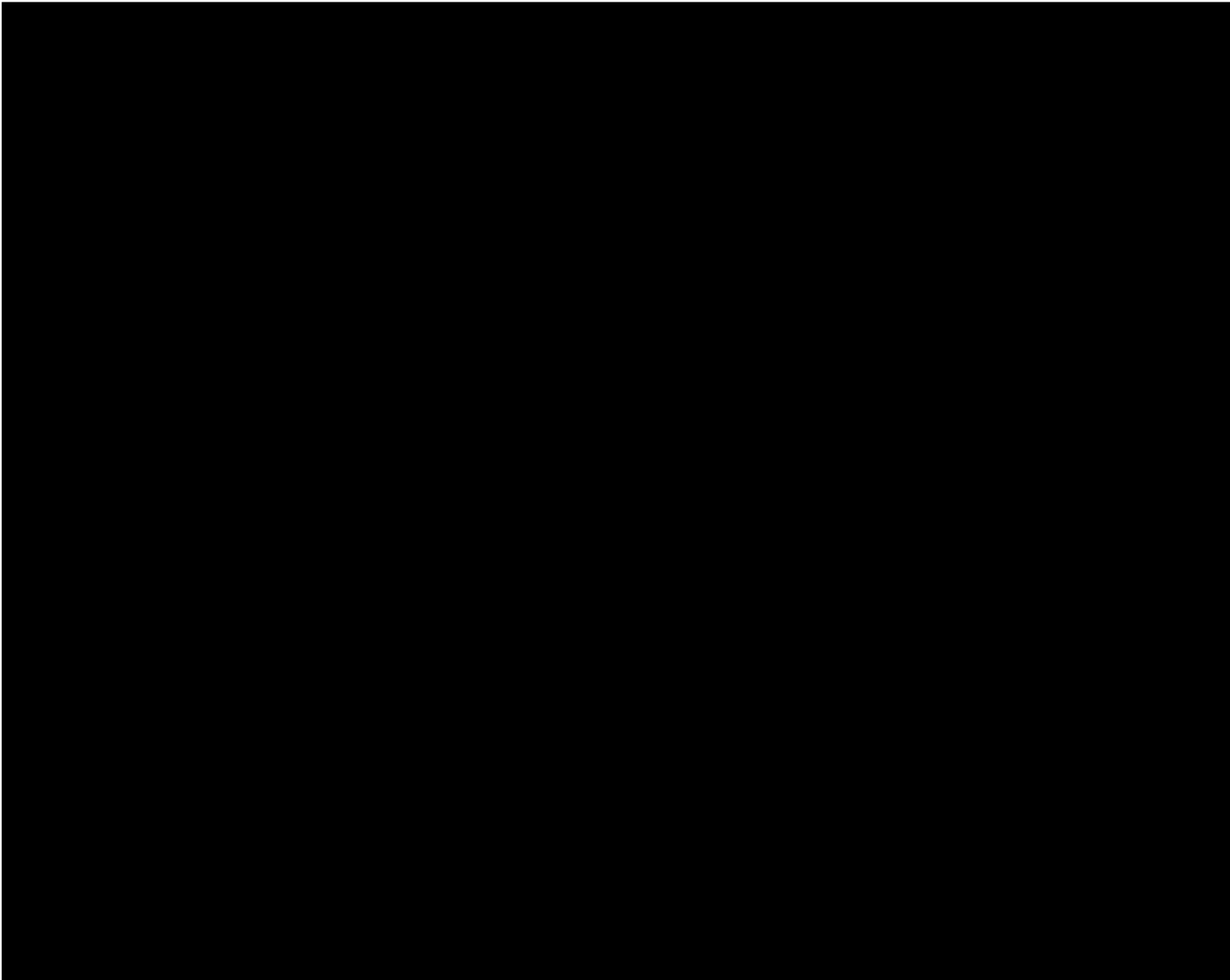
<b><u>11.1.5 Internal Theft/Burglary</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

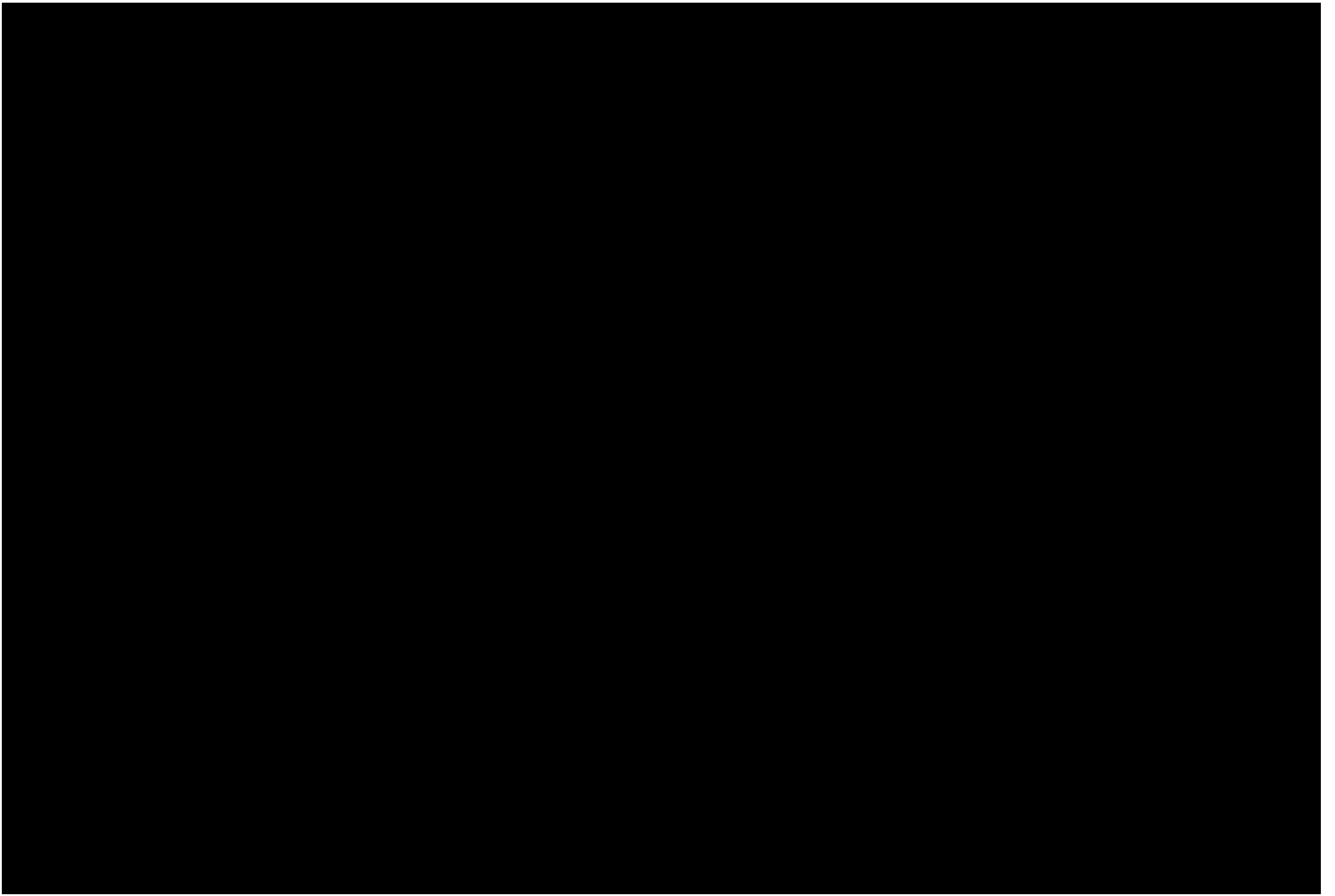
**PURPOSE:**

This Standard Operating Procedure outlines the procedure in the event of internal theft and/or burglary.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m); 538-x-8-.05(2)(c)(11)





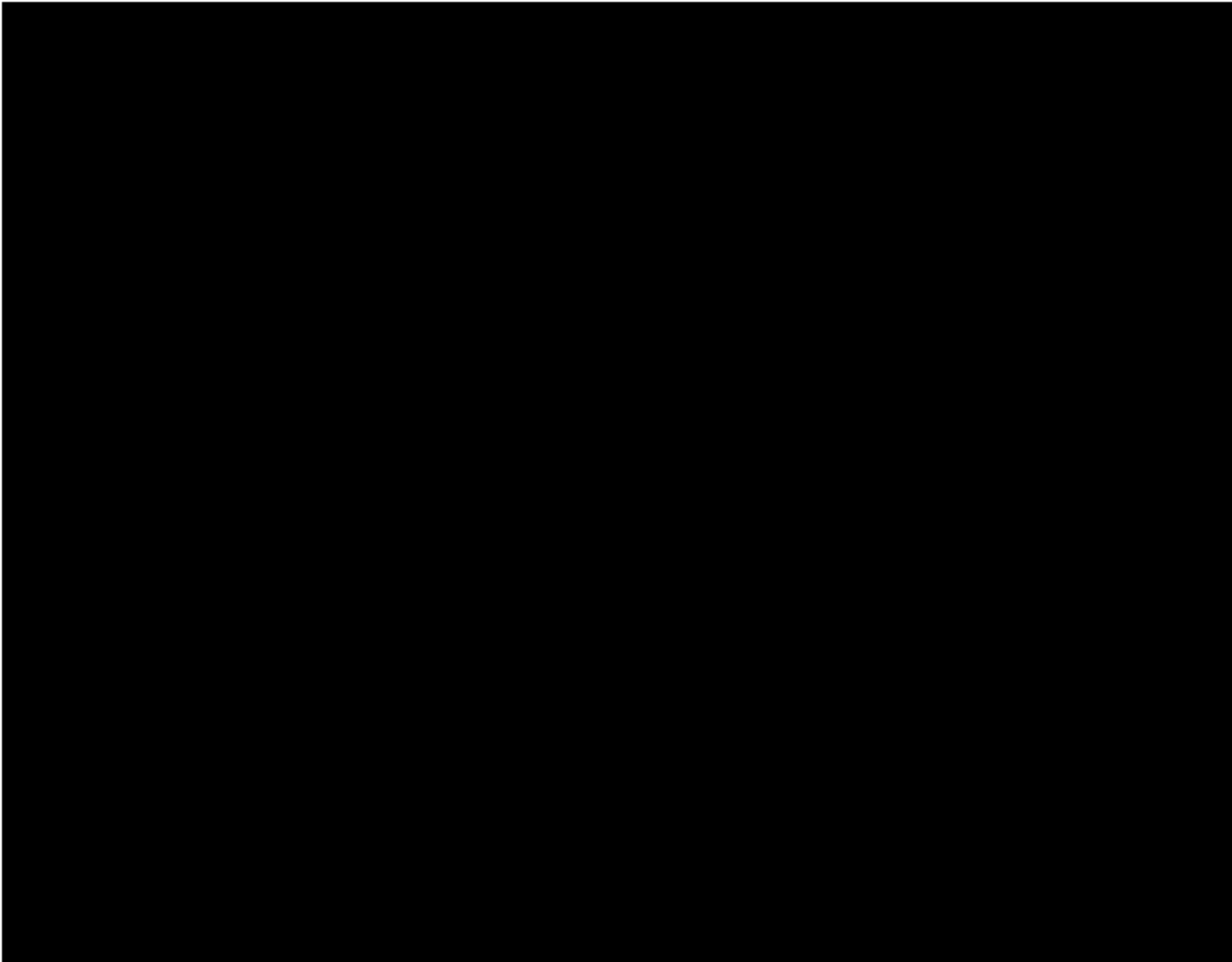
<b><u>11.1.6 IT Security Breach/Natural Disasters</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

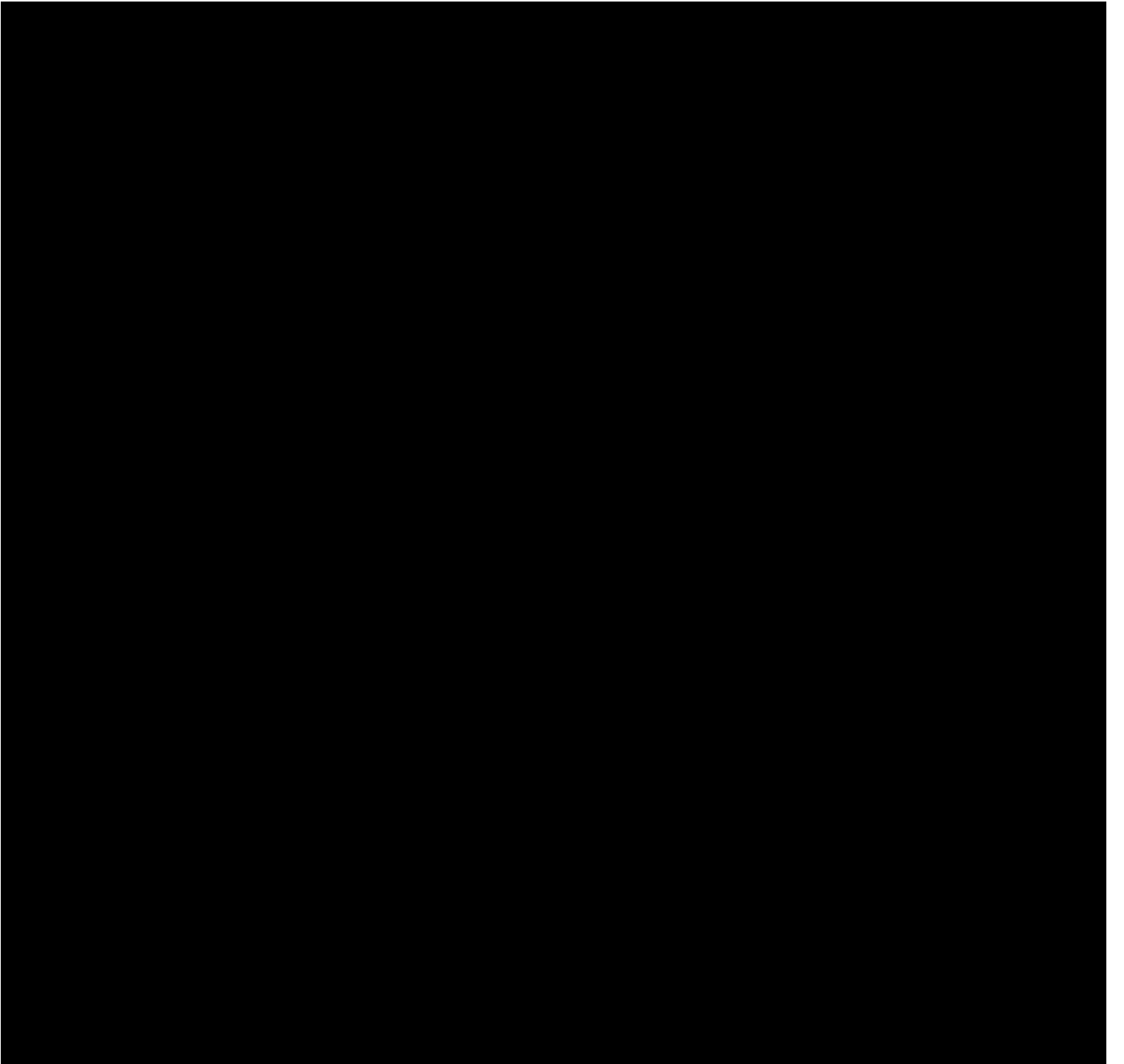
**PURPOSE:**

This Standard Operating Procedure outlines the procedure in the event of an IT security breach or natural disaster.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m); 538-x-8-.05(2)(c)(11); 538-x-8-.09; 538-x-4-.05







<b><u>12.0 Opening and Closing Inspection</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

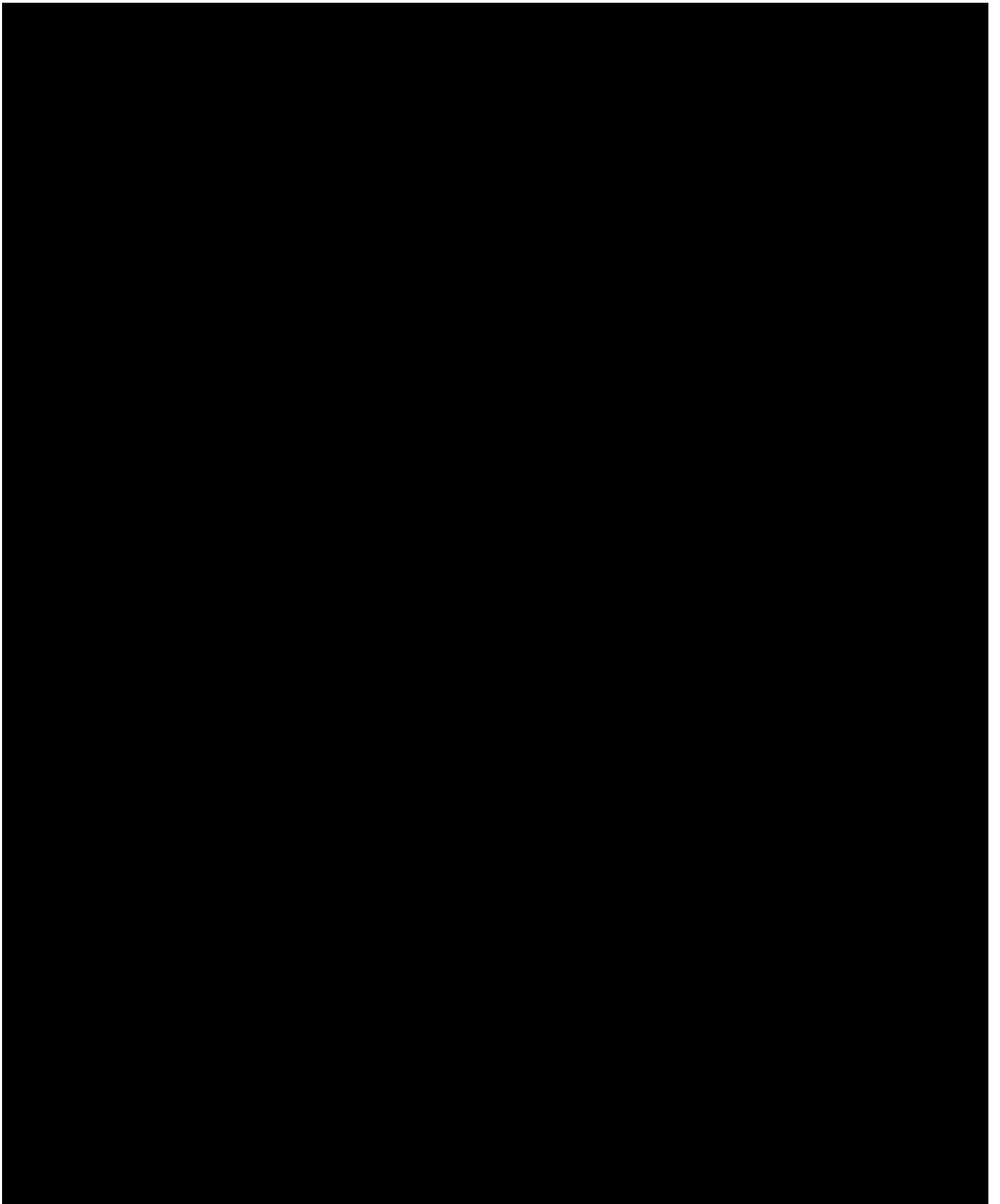
**PURPOSE:**

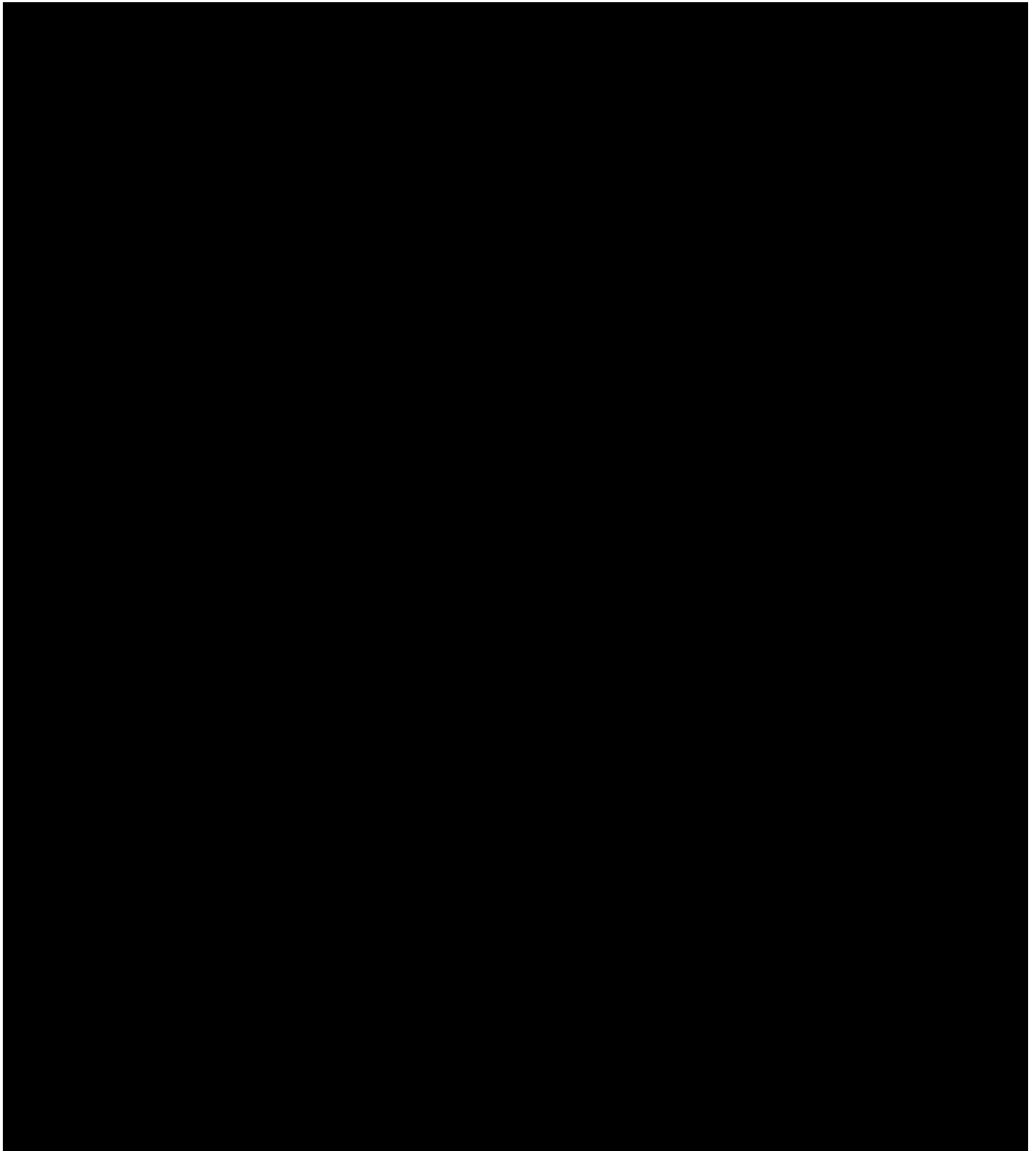
This Standard Operating Procedure outlines the procedure for opening and closing the Facility.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m)







<b>13.0 Workplace Safety</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for ensuring workplace safety.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m); 538-x-8-.04; 538-x-4-.07(12)(j)

**RESPONSIBILITIES:**

It is the responsibility of all CCSA managers, in coordination with the Human Resources Manager and safety committee, to adopt and implement the Workplace Safety policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA’s workplace safety policies and procedures will detail safety practices that meet or exceed the best practices in the industry and comply with U.S. and Alabama Occupational Safety and Health Administration (OSHA) guidelines, as well as all applicable state and local laws, regulations, ordinances, and other requirements.
- 2) Workplace safety policies and procedures will be strictly enforced, and all employees will comply as a condition of employment.
- 3) CCSA will:
  - a) Provide a safe workplace.
  - b) Strive to achieve the goal of zero accidents and injuries.
  - c) Provide mechanical and physical safeguards wherever they are necessary.
  - d) Conduct routine safety and health inspections to find and eliminate unsafe working conditions, control health hazards, and comply with all applicable OSHA safety and health requirements.
  - e) Train all employees in safe work practices and procedures.

- f) Provide employees with necessary personal protective equipment and train them to use and care for it properly.
  - g) Investigate accidents to determine the cause and prevent similar accidents.
  - h) Not discriminate against employees who exercise their “Whistleblower” rights.
  - i) Annually review the workplace safety policies and procedures and update as needed.
- 4) All employees will share responsibility for a safe and healthy workplace and will:
- a) Report all unsafe conditions and unsafe work practices.
  - b) Immediately report all work-related injuries.
  - c) Abide by all workplace safety policies and procedures.
  - d) Participate in CCSA’s safety and health programs.
- 5) All employees will be trained on the safety policies and procedures upon initial employment.
- 6) Upon completion of training, the Human Resources Manager will document it in the Employee Training Log.
- 7) Safety Committee
- a) CCSA will create a safety committee consisting of a balance of managers and key employees.
  - b) The safety committee’s primary goals will be:
    - i) Overseeing the implementation of the CCSA’s workplace safety program.
    - ii) Annually reviewing CCSA’s safety policies and procedures.
    - iii) Maintaining accurate records and annually reporting the results of workplace accident and injury trend analysis.
    - iv) Recommending actions to reduce the frequency and severity of accidents and illnesses.
    - v) Integrating safety into the day-to-day activities of all employees.
    - vi) Coordinating the new employee orientation and safety training programs.
    - vii) Assisting the Compliance Manager to ensure the CCSA is compliant with all applicable state and local laws, regulations, ordinances, and other requirements concerning safety and health.
    - viii) Assisting managers with accident investigation.

- ix) Conducting and recording periodic job hazard analyses to identify unsafe conditions and practices and to determine remedies.
- x) Making recommendations to the Maintenance Manager or other appropriate supervisors on matters pertaining to safety.

<b>13.1 Workplace Safety Communication</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for communicating workplace safety issues.

**RULE(S):**

538-x-8-.11

**RESPONSIBILITIES:**

It is the responsibility of all CCSA managers, in coordination with the Human Resources Manager and safety committee, to adopt and implement the Workplace Safety Communications policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA will provide information to employees about workplace safety and health issues through regular internal communication such as:
  - a) Policies and procedures.
  - b) Training sessions.
  - c) Team meetings.
  - d) Bulletin board postings.
  - e) Memorandums.
  - f) Other written communications.
- 2) A copy of CCSA’s workplace safety and health communication policies and procedures will be made available to CCSA employees and the AMCC.

<b><u>13.2 Job Hazard Analysis</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for analyzing potential job hazards.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m); 538-x-8-.04; 538-x-4-.07(12)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager, in coordination with managers and the safety committee, to adopt and implement the Job Hazard Analysis policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA will conduct a comprehensive hazard assessment to identify any physical and health hazards within the Facility.
  - a) The entire layout of the Facility will be inspected.
- 2) The hazard assessment will evaluate all work areas or work situations, finding all potential hazards an employee may encounter while performing the job.
- 3) CCSA's assessment will follow U.S. Department of Labor's OSHA Job Hazard Analysis guidelines (OSHA 3071).
- 4) The Maintenance Manager, in coordination with managers and the safety committee, will conduct the hazard assessment using the CCSA's Job Hazard Analysis Log.
- 5) The assessment will include looking for the following hazard sources:
  - a) High temperatures that could result in injury, including burns, eye injury, ignition of equipment, or heat stress.
  - b) Cold temperatures that could result in injury, including frostbite, lack of coordination, or cold stress.



- c) Harmful dust or particulates.
  - d) Light radiation.
  - e) Sources of falling objects, potential for dropping objects, rolling objects that could crush or pinch the feet.
  - f) Sharp objects that may pierce the feet or cut the hands.
  - g) Electrical hazards.
  - h) Chemical exposure, including airborne or skin contact that would have the potential for splash on the skin or eyes, or the potential to breathe vapors or mists.
  - i) Layout of the workplace and the location of employees to avoid collision with other employees or objects.
  - j) Any other identified potential hazard.
- 6) After completing the Job Hazard Analysis Log, the safety committee chair and/or the Maintenance Manager will complete and sign the PPE Hazard Assessment Certification.
- a) This certification will be kept with the Job Hazard Analysis log.
- 7) Any hazards identified as not properly controlled will be documented in the Job Hazard Analysis Log.
- a) The hazard will be abated immediately or as soon as possible by the appropriate personnel.
  - b) Once abatement is complete, it will be documented in the Job Hazard Analysis Log.
- 8) Employees will be regularly updated about hazards and mitigation techniques.

<b>13.3 Personal Protective Equipment (PPE)</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This standard Operating Procedure outlines the procedure for the use of Personal Protective Equipment (“PPE”).

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager, in coordination with the Compliance Manager, to adopt and implement the PPE policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA will determine if PPE is necessary for any task an employee conducts, how to properly select and use PPE and to document this information by using the PPE Hazard Assessment Certification form.

PPE will be selected and used to protect employees from the hazards and potential hazards that may be encountered based on their job responsibilities.

Employees must wear appropriate PPE when required by the task being performed.

- a) CCSA will provide PPE at no cost to employees.

PPE will be stored properly if intended for more than single-use, or disposed of in accordance with procedures set forth in Non-Cannabis Waste Standard Operating Procedure, as necessary.

**13.3.1 PPE Selection, Inspection, and Use**

DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for selection, inspection, and use of Personal Protective Equipment (“PPE”).

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager, in coordination with the Compliance Manager, to adopt and implement the PPE Selection, Inspection, and Use policies and procedures.

**POLICIES/PROCEDURES:**

## 1) PPE Selection

- a) For each hazard identified during the hazard analysis, PPE will be selected to protect the employee by creating a barrier against the workplace hazard.
- b) PPE will be selected to protect against any hazard that is present or likely to be present.
- c) CCSA’s PPE selections will be compliant with all applicable state and local laws, regulations, ordinances, and other requirements.
- d) In coordination with the appropriate managers, the Maintenance Manager will choose PPE based on characteristics such as design, reliability, and suitability for the hazardous task.

## 2) PPE Inspection

- a) Employees will inspect PPE before each use.

- b) PPE will be inspected for damage and defects, such as cuts, cracks, holes, loose property, or punctures.
- c) Employees will not use damaged, malfunctioning, or defective PPE at any time.
- d) Employees will report any PPE that is damaged, malfunctioning, or defective to their supervisor immediately.
- e) PPE that is damaged, malfunctioning, or defective will be taken out of service immediately to be repaired or replaced.
- f) Employees will be provided with the proper equipment in the interim.
- g) The supervisor will report any PPE defects, malfunctions, complaints, and/or damage to the Director of Facilities.
- h) All PPE that is taken out of service will be disposed of appropriately employees will be notified to discontinue use.

### 3) PPE Use

- a) Employees will adhere to all PPE use policies, including, but not limited to:
  - i) PPE will be adequate for the specific job, fits its wearer and will not hinder the performance of the job.
  - ii) PPE will not be modified.
  - iii) PPE will be worn as recommended by the manufacturer.
  - iv) Employees will not deliberately expose PPE to harsh conditions such as extreme temperatures, contact with chemical or other conditions that could diminish its protective properties.

<b>13.3.2 PPE Maintenance and Storage</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for properly maintaining and storing Personal Protective Equipment (“PPE”).

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the PPE Maintenance and Storage policies and procedures.

**POLICIES/PROCEDURES:**

- 1) PPE will be cleaned and maintained in accordance with the manufacturer’s instructions.
- 2) Supervisors will ensure all PPE is in good working condition before any employee uses it.
- 3) Maintenance may include cleaning, examination, replacement, repair and/or testing.
- 4) If not authorized by a manufacturer to repair PPE, employees will not attempt to fix it.
- 5) The Facility will have an adequate storage area for PPE when it is not in use.
- 6) All PPE will be stored in a clean and sanitary condition ready for use.

Storage will be adequate to protect the PPE from contamination, loss, damage, water or sunlight.

<b>13.4 Lifting</b>	
DEPARTMENT(s):	EFFECTIVE DATE:

WRITTEN BY:	APPROVED BY:
-------------	--------------

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for lifting.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(j)

**RESPONSIBILITIES:**

It is the responsibility of all CCSA managers, in coordination with the safety committee, to adopt and implement the Lifting policies and procedures.

**POLICIES/PROCEDURES:**

- 1) When an employee is required to lift an item, they will first always seek mechanical means (e.g., forklift, lift table, pallet jack, or other safe lifting equipment).
- 2) If an item will be lifted manually, special care should be taken to ensure proper lifting principles are used.
- 3) When lifting loads heavier than fifty (50) pounds manually, use two or more people to lift the load.

<b>13.5 Fall Prevention</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for preventing falls.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(j)

**RESPONSIBILITIES:**

It is the responsibility of all CCSA managers, in coordination with the safety committee, to adopt and implement the Fall Prevention policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Employees will keep floors clear of water by mopping during and after watering to avoid slips and falls.
- 2) When an employee is working four feet (4') or more above the ground with unprotected sides, edges or openings, they will protect themselves by use of guardrails or an approved personal fall-arrest system (e.g., lanyard, harness, or anchor point).
- 3) Employees will not stand on furniture to reach high places.
- 4) Employees will use a ladder or step stool.
- 5) Employees will use handrails when ascending or descending stairs or ramps.

<b>13.6 Workplace Safety Recordkeeping</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Workplace Safety Recordkeeping.

**RULES:**

538-x-8-.11; 538-x-4-.07(12)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Human Resources Manager, in coordination with the safety committee, to adopt and implement the Workplace Safety Recordkeeping policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA will keep a detailed log of work-related injuries and illnesses using OSHA Form 300 or similar document.
- 2) Each February through April, CCSA will post a summary of the injuries and illnesses recorded the previous year using OSHA Form 300A or similar document.
- 3) OSHA defines a recordable injury or illness as the following:
  - a) Any work-related fatality.
  - b) Any work-related injury or illness that results in loss of consciousness, days away from work, restricted work, or transfer to another job.
  - c) Any work-related injury or illness requiring medical treatment beyond first aid.
  - d) Any diagnosed work-related case of cancer, chronic irreversible diseases, fractured or cracked bones or teeth, or punctured eardrums.
  - e) There are also special recording criteria for work-related cases involving: needle sticks and sharps injuries, medical removal, hearing loss, and tuberculosis.



- 4) The Human Resources Manager will ensure the accuracy of these records and maintain them at the Facility for at least five (5) years.

<b><u>13.7 Workplace Safety Evaluation</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Workplace Safety Evaluation.

**RULES:**

538-x-8-.11; 538-x-4-.07(12)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Human Resources Manager, in coordination with the safety committee, to adopt and implement the Workplace Safety Evaluation policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA will evaluate and reassess workplace safety policies and procedures annually or as needed to ensure they are applicable and current.
- 2) Workplace safety policies and procedures will be revised, as appropriate, to address any changes in the workplace such as new chemicals or new hazards.

<b>13.8 Enforcement of Workplace Safety</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Enforcement of Workplace Safety.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(j)

**RESPONSIBILITIES:**

It is the responsibility of all CCSA managers, in coordination with the Human Resources Manager and the safety committee, to adopt and implement the Enforcement of Workplace Safety policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Employees adherence to workplace safety will be monitored regularly as part of the supervisor’s responsibilities.
- 2) Employees will be subject to disciplinary action for violations of safety procedures.
- 3) Employees will attend instructive counseling and/or training to assure a clear understanding of the infraction and the proper conduct under CCSA guidelines.
- 4) All training received due to a safety violation will be documented on a Safety Violation Notice and placed in the employee’s personnel file.
- 5) CCSA reserves the right to impose any of the following disciplinary actions it deems appropriate include, but not limited to:
  - a) Verbal warning with documentation in personnel file.
  - b) Written warning outlining nature of offense and necessary corrective action with documentation in personnel file.
  - c) Termination.

- 6) Managers will be subject to the above disciplinary action for the following reasons:
  - a) Repeated safety violations by employees under their supervision.
  - b) Failure to provide adequate training prior to job assignment.
  - c) Failure to report accidents and provide medical attention to employees injured at work.
  - d) Failure to control unsafe conditions or work practices.
  - e) Failure to maintain cleanliness in their departments.

<b>13.9 Alcohol, Smoke, and Drug-Free Workplace Policy</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for an Alcohol, Smoke, and Drug-Free Workplace Policy.

**RULE:**

538-x-4-.07(12)(o)(7)

**RESPONSIBILITIES:**

It is the responsibility of all owners, managers, employees, and all authorized visitors and contractors to adhere to the rules of this policy and help keep CCSA an alcohol and drug-free workplace.

**PROCEDURE:**

**No Substance Use at Work**

- 1) CCSA will not permit any of its employees to be under the influence of or use any controlled substances, including medical cannabis, while performing job duties or while on call.
  - a) CCSA’s “workplace” includes any premises, including any building, real property, and parking area under the control of CCSA and area used by an employee while performing their job duties, including vehicles, whether leased, rented, or owned.
- 2) When necessary, CCSA will discipline or terminate the employment of an employee for violating an employer's employment policies or workplace drug policy.

- 3) An employee may be disciplined up to and including termination for displaying specific, articulate symptoms while on the job or CCSA premises.
- 4) Specific, articulable symptoms include speech, physical dexterity, agility, coordination, demeanor, irrational or unusual behavior, or negligence or carelessness in operating equipment or machinery; disregard for the safety of themselves or others, or involvement in any accident that results in serious damage to equipment or property; or carelessness that results in any injury to the employee or others.
- 5) Supervisors must undergo specific training to educate them in the process of identifying and dealing with employees that may be abusing drugs or alcohol.
- 6) CCSA will afford an employee under suspicion of drug or alcohol use a reasonable opportunity to contest the basis of the determination.

#### **Designated Smoke Area Outside Premises**

- 1) No smoking will be allowed on the CCSA premises.
- 2) There will be a designated smoke area outside the premises for use by employees and guests of the Facility.

#### **Publication in Handbook**

- 1) CCSA will include its clear, written Alcohol, Smoke, and Drug-Free Workplace Policy and clearly written Non-Discrimination Policy in its Employee Handbook.

<b>14.0 Hazard Communication</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Hazard Communication.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager and the Certified Dispenser to adopt and implement the Hazard Communication policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA's Hazard Communication policies and procedures will ensure CCSA is compliant with applicable Occupational Safety and Health Administration (OSHA) requirements and all applicable state and local laws, regulations, ordinances, and other requirements.
- 2) All levels of supervision will be held accountable for the safety of those employees under their direction.
- 3) Copies of the CCSA's Hazard Communication policies and procedures will be given to all employees and be available for all to review, upon request.
- 4) CCSA's Hazard Communication policies and procedures will, at a minimum, address the following:
  - a) Informing employees of hazardous chemicals used at CCSA.
  - b) Use of labels and other forms of warning.
  - c) Use of Material Safety Data Sheets (MSDS).
  - d) Procedure with respect to hazardous non-routine tasks.
  - e) Maintaining a list of known hazardous chemicals used by employees and independent contractors.

- f) Communication of hazards.
  - g) Training of employees and independent contractors.
- 5) The Maintenance Manager and the Certified Dispenser will maintain, review, and update the Hazard Communication policies and procedures and be responsible for:
- a) Implementation of the CCSA's Hazard Communication policies and procedures.
  - b) Ensure that OSHA records are maintained at all times.
  - c) Train all CCSA employees and visiting independent contractors.
  - d) Provide documentation of all training and communications to the Human Resources Manager.
- 6) CCSA employees and independent contractors who may have exposure to hazardous chemicals under normal working conditions or during an emergency situation will comply with the procedures and work practices outlined in CCSA's Hazard Communication policies and procedures.



**14.1 Identifying Hazardous Chemicals**

DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Identifying Hazardous Chemicals.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Identifying Hazardous Chemicals policies and procedures.

**POLICIES/PROCEDURES:**

- 1) All hazardous chemicals used will have either the original manufacturers' label or CCSA-generated label affixed to the container.
- 2) The label will include:
  - a) A product identifier that can be easily cross-referenced with its Material Safety Data Sheet.
  - b) An appropriate signal word.
  - c) Hazard statement(s).
  - d) Pictogram(s).
  - e) Precautionary statement(s).
  - f) The name, address, and telephone number of the chemical manufacturer, importer, or other responsible party.
- 3) The Maintenance Manager will ensure that all containers are appropriately labeled, including secondary containers, such as spray bottles.
- 4) No container may be released for use until this information is verified.

5) All hazardous chemicals will be stored in a locked cabinet.

<b>14.2 Material Safety Data Sheets (MSDS)</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Material Safety Data Sheets (MSDS).

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Material Safety Data Sheets (MSDS) policies and procedures.

**POLICIES/PROCEDURES:**

- 1) MSDS with detailed information about the physical, health, and other hazards will be available for each chemical used in the Facility.
- 2) The MSDS will be readily available to all employees during their work shifts.
- 3) All employees will review the MSDS information for the chemical they are using.
- 4) Employees will notify their immediate supervisor if they discover that an MSDS is not available.
- 5) MSDS will be kept up to date and managed by the Maintenance Manager.
- 6) The MSDS for each variety of chemical used within the Facility will be located within three feet (3') of where the chemical is stored.
- 7) Copies can be provided by the Maintenance Manager, at any time.

**14.3 Hazardous Chemical Non-Routine Tasks**

DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Hazardous Chemical Non-Routine Tasks.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager and the Certified Dispenser to adopt and implement the Hazardous Chemical Non-Routine Tasks policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Supervisors will inform employees of any potential exposure to hazardous chemicals before the employee performs a non-routine task.
- 2) Supervisors will inform employees on how to control exposure and what to do in an emergency.
- 3) Supervisors will evaluate the hazards of these tasks and provide appropriate controls including Personal Protective Equipment and any additional training as required.

<b>14.4 Informing Contractors About Hazardous Chemicals</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Informing Contractors About Hazardous Chemicals.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Informing Contractors About Hazardous Chemicals policies and procedures.

**POLICIES/PROCEDURES:**

- 1) If contractors or tradespeople may be exposed to hazardous chemicals at the Facility, the Maintenance Manager will provide contractors, tradespeople, and their employees with the following information:
  - a) The identity of the chemicals.
  - b) How to review Material Safety Data Sheets (MSDS).
  - c) A copy of CCSA’s safe work practices to prevent exposure.
- 2) The Maintenance Manager will obtain a Material Safety Data Sheet for any hazardous chemical a contractor or tradesperson brings into the Facility.
- 3) Contractors will notify the Maintenance Manager if they discover that an MSDS is not available for a chemical onsite.

<b>14.5 Hazardous Chemical Inventory List</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for ensuring all employees follow the Hazardous Chemical Inventory List.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Hazardous Chemical Inventory List policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Managers will ensure all chemicals and products used at CCSA within their department is included in the Hazardous Chemicals Inventory List.
- 2) This list is kept in the front of the MSDS book.
- 3) Each chemical entry on the Hazardous Chemicals Inventory List will have a corresponding MSDS available for providing specific hazard information and personal protective measures.
- 4) Hazardous Chemicals Inventory List will be maintained in accordance with 29 CFR 1910.1020, "Access to Employee Exposure and Medical Records," and kept for at least thirty (30) years.
- 5) The Maintenance Manager will ensure the list is updated quarterly to remove chemicals that are no longer in use at CCSA, as well as to add new products.

**14.6 Safe and Proper Storage of Hazardous Chemicals**

DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for the Safe and Proper Storage of Hazardous Chemicals.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Safe and Proper Storage of Hazardous Chemicals policies and procedures.

**POLICIES/PROCEDURES:**

- 1) The Maintenance Manager will ensure that all chemical products, cleaning alcohols, and any other flammable substances in the Facility are stored in cabinets with the following attributes:
  - a) Constructed of a double wall 18-gauge welded steel.
  - b) 1 ½" air space to meet NFPA and OSHA standards.
  - c) Leak-proof doors.
  - d) 3-point locking handle.

<b>15.0 Chemical Spill Response</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Chemical Spill Responses.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Maintenance Manager to adopt and implement the Chemical Spill Response policies and procedures.

**POLICIES/PROCEDURES:**

- 1) The Maintenance Manager will consult the MSDS book to develop a Chemical Spill Response Chart.
- 2) All employees will be appropriately trained on spill response.
- 3) Every employee is responsible for participating in spill response activities.
- 4) A fully stocked chemical spill kit will be maintained in all areas of the Facility with a high chemical spill risk.
- 5) In the event of a chemical spill, employees will notify their supervisor immediately.
- 6) The following actions will be taken by the supervisor or designated chemical spill response employees:
  - a) Consult the Chemical Spill Response Chart.
  - b) Determine the severity of the spill and the toxicity of the chemical.
  - c) Gear up with the appropriate PPE.
  - d) Remove all non-critical employees from the spill area and address any immediate needs.
  - e) Contain the spill.



- f) Use necessary PPE Containment solutions include absorbents and rubber dams.
- g) Place necessary notifications at areas of entry to the spill area.
- h) Dispose of all hazardous waste in accordance with manufacturers' instructions and state and local laws.
- i) Decontaminate the spill area in accordance with the MSDS and manufacturers' instructions.

<b>16.0 Employee Accident Reporting and Investigation</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Employee Accident Reporting and Investigations.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(j); 538-x-8-.05(2)(c)(11)

**RESPONSIBILITIES:**

It is the responsibility of all CCSA managers, in coordination with the Human Resources Manager, to adopt and implement the Employee Accident Reporting and Investigation policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA’s employee accident reporting and investigation policies and procedures will provide specific guidelines for the timely reporting and investigation of all accidents involving injury or illness of CCSA employees.
- 2) All employees will be provided with an explanation of the workers’ compensation system and the benefits it will provide by the Human Resources Manager during new employee orientation.
- 3) Employees will:
  - a) Report unsafe conditions to supervisors.
  - b) Immediately report any accident/injury to their supervisor, a workplace safety committee member, or the Human Resources Manager.
  - c) Complete the required forms detailed in this policy.
- 4) Serious Accident Involving Employee

- a) Serious injury is defined as, but not limited to, those which result in:
  - i) Death
  - ii) Serious occupational disease
  - iii) Loss of consciousness
  - iv) Major broken bones
  - v) Paralysis
  - vi) Serious head injury
  - vii) Severe cuts
  - viii) Amputation
  - ix) Loss of sight
  - x) Serious back injuries
- b) If any employee experiences or becomes aware of a serious or life-threatening medical emergency, injury or illnesses, the employee or a co-worker will call 911.
- c) Once 911 has been called, the supervisor will be notified, if not already on the scene.
- d) If there is any doubt as to whether an event meets the definition of a serious accident, call 911 and notify a supervisor or department manager.
- e) The supervisor on the scene will:
  - i) Determine if the proper response authorities have been notified and provide for notification if they have not.
  - ii) Ensure medical treatment is provided to the injured employee(s) until first responders arrive.
  - iii) Halt the work of employees at the accident/injury site and have them leave the area.
  - iv) Take feasible precautions to limit the spread of damage and not expose employees to further danger.
  - v) Secure the accident site.
  - vi) Make provisions for the injured to be transported to the appropriate medical facility.
  - vii) Assure that nothing is cleaned up or tampered with by unauthorized persons.

- viii) Physically block off the area with rope or tape, if deemed necessary, and allow only the following to re-enter the site:
  - (1) Authorized employees.
  - (2) Law enforcement personnel.
  - (3) Firemen, emergency response and HazMat team personnel.
  - (4) Ambulance or rescue personnel.
- 5) Non-Serious Accident Involving Employee
  - a) If an employee has a non life-threatening injury or illness, the injured employee will report the workplace injury to their supervisor as soon as possible.
  - b) The supervisor will:
    - i) Ensure all injured employees receive necessary medical attention.
    - ii) Ensure that no other employees can be injured from the condition.
    - iii) Take feasible precautions to limit the spread of damage and not expose employees to further danger.
    - iv) An appointment will be made with an Alabama Workers' Compensation designated medical provider as soon as possible.

<b>16.1 Investigation of an Accident Involving Employee</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for the Investigation of an Accident Involving Employee.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(j); 538-x-8-.05(2)(c)(11)

**RESPONSIBILITIES:**

It is the responsibility of all CCSA managers, in coordination with the Human Resources Manager, to adopt and implement the Investigation of an Accident Involving Employee policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Within twenty-four (24) hours of notification, the injured employee’s supervisor, in coordination with the Human Resources Manager and the workplace safety committee, will fully investigate the event to determine the cause and necessary preventive actions.
  - a) The supervisor will complete the Management Accident Investigation Report and provide it to the Human Resources Manager.
  - b) The investigation will determine the following:
    - i) The cause(s) of the accident or injury.
    - ii) The relevant events leading up to the accident or injury.
    - iii) Unsafe conditions which contributed to the accident or injury.
    - iv) Actions of the employee which contributed to the accident or injury.
    - v) Witnesses to the accident or injury.

- vi) Recommendations to prevent a similar accident or injury from recurring in the future.
- c) Basic Steps for Conducting an accident investigation, include:
  - i) Secure the scene as soon as possible to prevent further injuries, ensure the well-being of the affected employee, and to protect any critical physical clues from being spoiled.
  - ii) Gather valid information without drawing conclusions or assigning blame.
  - iii) Document observations.
  - iv) Take photos and check video surveillance, if available.
  - v) Review relevant records, such as maintenance, training, and policies and procedures.
  - vi) Conduct interviews and prepare a list of any witnesses to the accident, including employees, visitors, and members of the public.
  - vii) Instruct each witness to prepare comprehensive and detailed statements of the accident and their involvement, addressing who, what, when, where, why and how.
  - viii) Review and accurately arrange the gathered information to determine the order of events.
  - ix) Construct an accurate timeline.
  - x) Document what happened before, during and after the event.
  - xi) Arrange this information to accurately determine the order of events.
  - xii) Identify the how or why for each consecutive event that happened.
  - xiii) Recommend and implement corrective measures, such as:
    - (1) The recommended corrective measure(s).
    - (2) Who will be responsible for implementation.
    - (3) The anticipated completion date.
  - xiv) Follow-up to be sure the measures are implemented within the appropriate time frame, and incorporated into the appropriate policy, procedure, or safety program to prevent future occurrences.
  - xv) Communicate the outcomes of the investigation.

xvi) Train employees on what changes will be implemented.

<b>16.2 Reporting of an Employee Accident</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for following the Reporting of an Employee Accident.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(j); 538-x-8-.05(2)(c)(11)

**RESPONSIBILITIES:**

It is the responsibility of all CCSA managers, in coordination with the Human Resources Manager, to adopt and implement the Reporting of an Employee Accident policies and procedures.

**POLICIES/PROCEDURES:**

- 1) All work-related injuries, illnesses or incidents involving employees or visitors will be reported in accordance with this policy.
- 2) Upon conclusion of the investigation, the supervisor will:
  - a) Document the findings on the Management Accident Investigation Report and any forms required by the Alabama Workers' Compensation.
  - b) Have the employee complete the Employee Accident Report and any forms required by the Alabama Workers' Compensation.
  - c) Have all witnesses complete any forms required by the Alabama Workers' Compensation.
  - d) Complete a Post-Incident Report.
- 3) The supervisor will submit all paperwork to the Human Resources Manager.



- 4) The Human Resources Manager will submit all forms required by the Alabama Workers' Compensation.
- 5) In the event of a serious accident to any CCSA employee, the Human Resources Manager will report any worker fatality within eight (8) hours and any amputation, loss of an eye, or hospitalization of a worker within twenty-four (24) hours to OSHA.
- 6) The reports will be available to the Chief Operating Officer and the workplace safety committee for periodic reviews for accident trend identification.

<b><u>17.0 Employment Eligibility</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for following Employment Eligibility.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(m)

**RESPONSIBILITIES:**

It is the responsibility of the Human Resources Manager to adopt and implement the Employment Eligibility policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Only individuals who are qualified to properly perform their assigned job responsibilities are eligible for employment with CCSA.
- 2) All prospective employees will be twenty-one (21) years of age or older.
- 3) The Human Resources Manager will ensure all employees have the required qualifications and employee background checks prior to hire, which may include fingerprinting.
- 4) Employees who could potentially come in contact with or handle Medical Cannabis products will not include anyone who has been convicted of any felony of sale or possession of drugs, narcotics, or controlled substances.

<b>17.1 Employment Practices</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for following Employment Practices.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(m); 538-x-8-.05(3)(n); 538-x-8-.08

**RESPONSIBILITIES:**

It is the responsibility of the Human Resources Manager to adopt and implement the Employment Practices policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA’s employment practices will include ensuring:
  - a) There is an adequate number of qualified employees to perform and supervise the dispensing of Medical Cannabis products.
  - b) One or more employees certified in CPR will be scheduled to be on the premises at all times during which the Facility is open for business.
  - c) One or more employees are assigned to supervise overall cleanliness and sanitation.
  - d) Continued training is conducted to ensure that employees remain proficient in their operational functions and in their understanding of the rules set forth by the AMCC and all applicable state and local laws, regulations, ordinances, and other requirements.
  - e) Training addresses the policies, processes, procedures, and written instructions related to operational activities, the product, the quality assurance system, and the desired work culture.

- f) A Compliance Manager, in coordination with the Human Resources Manager, maintain accurate records of each employee's relevant qualifications including in-house training records.
- g) All employees provide documentation of previous education and work experience and participate in ongoing, in-house training programs.
- h) Managers assign job responsibilities consistent with their employee's demonstrated qualifications.
- i) Consultants have sufficient education, training, and experience, or any combination thereof, to advise on the subject for which they are retained.
- j) Records will be maintained with the name, address, and qualifications of any consultants and the type of service they provide.
- k) Only authorized employees enter those areas of the Facility designated as a limited or restricted access area.
- l) No employee, consultant, contractor, or tradesperson will be paid for services in the form of cannabis products.

<b>17.2 Non-Discrimination Policy</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for ensuring fair hiring and staffing practice that follow equal employment opportunity guidelines and provide for diversity and representation in our workforce.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(o)(7)

**RESPONSIBILITIES:**

It is the responsibility of the Human Resources Manager to adopt and implement the Non-Discrimination Policy in all hiring practices.

**POLICIES/PROCEDURES:**

- 1) Employment decisions at CCSA will be based on merit, qualifications, and abilities.
- 2) CCSA does not discriminate in employment opportunities or practices because of race, color, religion, sex, national origin, age, or disability.
- 3) CCSA will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship.
  - a) This includes all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.
- 4) Employees with questions or concerns about discrimination in the workplace are encouraged to bring these issues to the attention of their supervisor. Employees can raise concerns and make reports without fear of reprisal.
  - a) Anyone found to be engaging in unlawful discrimination will be subject to disciplinary action, including termination of employment.

<b>18.0 Employee Training</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Employee Training.

**RULE(S):**

538-x-8-.11; 538-x-4-.07(12)(m); 538-x-8-.05(3)(n); 538-x-8-.08

**RESPONSIBILITIES:**

It is the responsibility of all CCSA managers and the Human Resources Manager to adopt and implement the Employee Training policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA will ensure all employees have the education, training, and experience, or any combination thereof, to enable the employee to perform all assigned functions.
- 2) Employees will not be allowed to report to work prior to receiving orientation training or when any required critical training is eight weeks or more past due.
- 3) Employees will continually demonstrate a working knowledge of training materials and all standard operating procedures as a condition of employment.
- 4) An annual refresher training is mandatory regarding all job-related standard operating procedures.
- 5) All employees will receive an employee handbook prior to reporting to work.
- 6) The employee handbook will provide in-depth information regarding CCSA policies and procedures.
- 7) Each manager will ensure that each employee in their department has received, read, and acknowledged their understanding of the material covered in the employee handbook.
- 8) Employee training will be tailored to the roles and responsibilities of the job function of each employee.

- 9) Employees will receive all applicable training as part of their employee orientation program as well as annually.
- 10) Owners, Officers, Administrators, Managers, and Employees are to complete the AMCC's cannabis foundations program at the commencement of operations, or at the time of their hiring.
- 11) Owners, Officers, Administrators, and Managers will receive at least twenty (20) hours of ongoing training annually or more often as necessary to maintain compliant, safe, and productive operations.
- 12) Employees will receive at least ten (10) hours of continuing education and five (5) hours of safety training approved by AMCC each calendar year, ongoing, after the completion of the foundations of cannabis training.
- 13) CCSA will utilize the "train the trainer" method throughout the organization to enhance skills and knowledge, mastery of materials, and knowledge transfer.
- 14) The Human Resources Manager and managers will receive "train the trainer" certification from a board approved source, such as the American Management Society, the Association of Talent Development, or similar program.
- 15) Managers may select additional employees to become department trainers for certain functions, such as inventory management.
- 16) CCSA may utilize vendors or other third-party training programs when determined to be beneficial by the Human Resources Manager and may include training on vendor products and services, employee safety, good management practice, and other best practices relating to botanical medicine.
- 17) Evaluation of Training Content
  - a) The Human Resources Manager will solicit feedback on the quality and efficacy of training from employees who received the training.
  - b) Feedback may be solicited utilizing post-training group discussions, individual interviews and/or anonymous surveys.
  - c) The Human Resources Manager will also solicit feedback from patients and caregivers, vendors, consultants, community members, and other stakeholders about the competence of CCSA's employees in the areas that the trainings address.

- d) Feedback solicited from these stakeholders will address the quality of interactions with employees.
  - i) Any policies or procedures directly affecting the stakeholder and any changes in the way CCSA is perceived by the stakeholder.
- e) The Human Resources Manager and other appropriate managers will evaluate the effectiveness of training through observation of employee performance.
- f) These evaluations will consider:
  - i) New employees' adoption of policies, procedures, concepts, and attitudes presented in the training.
  - ii) All employees' level of improvement, drive, or lack thereof toward improvement.
  - iii) All employees' adoption of the training topics in practice and how well are they working.
  - iv) Managers' and trainers' observations of employees' attitudes, methods, or competency.
  - v) Discussions between employees and their supervisors regarding training topics presented.
- g) The Human Resources Manager, in coordination with other appropriate managers, will ensure training content, including content presented by third-party trainers, meets the needs and requirements of CCSA.

#### 18) Retraining

- a) Retraining will be conducted annually or whenever there are:
  - i) Changes in CCSA's operations that render previous training obsolete.
  - ii) Changes in the types of PPE needed to be used render previous training obsolete.
  - iii) Inadequacies in an employee's knowledge or performance of job functions indicate the employee has not acquired the requisite understanding or skill.

#### 19) Training Records

- a) CCSA will maintain records of any training received by employees for the performance of all assigned functions.
- b) Each record of required training will include, at a minimum:
  - i) Employees name and identification badge number.



- ii) Signed statement from the employee indicating the date, time, and place of training.
- iii) Topics covered in training.
- iv) Name and title of presenter(s).
- v) Certificate of attendance indicating satisfactory completion of training signed by presenter(s).

20)The Human Resources Manager will maintain all CCSA training records and logs in each employee's personnel file.

21)All personal files will be available to the AMCC, upon request.

<b>18.1 General Training</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for General Training.

**RULE(S):**

538-x-8-.11; 538-x-8-.08

**RESPONSIBILITIES:**

It is the responsibility of all managers of the CCSA to adopt and implement the General Training policies and procedures.

**POLICIES/PROCEDURES:**

- 1) All employees will receive, at a minimum, the following general training:
  - a) Employee Handbook.
  - b) Alabama’s Workers’ Compensation system and benefits.
  - c) HIPAA, ADA, EEOC, and other federal, state, and local laws, regulations, ordinances, and other requirements related to general business and the Medical Cannabis product industry.
  - d) The quality assurance duties of each employee related to CCSA operations.
  - e) Importance of quality assurance procedures and the consequences of failing to follow established processes.
  - f) Good customer service skills.
  - g) First aid training.
  - h) Recordkeeping and regulatory responsibilities
  - i) Inventory management system and other IT and communications software and hardware information.

- j) Instructions regarding regulatory inspection preparedness and law enforcement interactions.

<b>18.2 Security Training</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Security Training.

**RULE(S):**

538-x-8-.11; 538-x-8-.08; 538-x-8-.05(3)(m)

**RESPONSIBILITIES:**

It is the responsibility of the Director of Security, in coordination with the Human Resources Manager, to adopt and implement the Security Training policies and procedures.

**POLICIES/PROCEDURES:**

- 1) The Director of Security will ensure employees receive ongoing security training in daily operations.
- 2) All employees will receive, at a minimum, the following security training:
  - a) Proper use of security measures and controls that have been adopted by CCSA for the prevention of diversion, theft or loss of Medical Cannabis products.
  - b) State and local laws, regulations, ordinances, and other requirements regarding the security of the Facility.
  - c) Procedures and instruction on how to report any suspicious activity, security concerns, or other incidents to their supervisor.
  - d) Incident Response
- 3) In addition to the above training, all transport employees will be trained in the following:
  - a) Vehicle safety.
  - b) Cargo theft prevention measures.
- 4) Security Officers will also be required to complete the following additional training components:

- a) Employee and visitor access procedures.
- b) Camera monitoring and safety systems.
- c) Suspicious behavior and incident identification.
- d) Incident management and reporting.
- e) Risk assessment and response.

**18.3 Incident Response Training**

DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Incident Response Training.

**RULE(S):**

538-x-8-.11; 538-x-8-.08; 538-x-8-.05(3)(m); 538-x-8-.05(2)(c)(11)

**RESPONSIBILITIES:**

It is the responsibility of the Director of Security, in coordination with the Human Resources Manager, to adopt and implement the Incident Response Training policies and procedures.

**POLICIES/PROCEDURES:**

- 1) All Employees will know:
  - a) Facility floor plans, evacuation plan maps, and preplanned evacuation route.
  - b) Location of alarms, utility cabinets, fire extinguishers, emergency exits, and first aid supplies.
  - c) How to extinguish a fire using a portable fire extinguisher when needed.
  - d) Not to re-enter the building or allow others to re-enter in the event of an incident.
  - e) Proper response procedures for:
    - i) IT security breach.
    - ii) Fire, flood, or other natural disaster.
    - iii) Unauthorized entry, robbery, burglary, internal theft or other Facility security breach.
  - f) Whether an event requires mandatory reporting to the AMCC.

<b>18.4 Workplace Safety Training</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Workplace Safety Training.

**RULE(S):**

538-x-8-.11; 538-x-8-.08; 538-x-8-.05(3)(m)

**RESPONSIBILITIES:**

It is the responsibility of all CCSA managers and the Human Resources Manager to adopt and implement the Workplace Safety Training policies and procedures.

**POLICIES/PROCEDURES:**

- 1) All employees will receive, at a minimum, the following workplace safety training:
  - a) Workplace safety measures adopted by CCSA.
  - b) Procedures and instructions for responding to an emergency.
  - c) Any training required by Alabama OSHA guidelines.

<b>18.5 Hazard Communication Training</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Hazard Communication Training.

**RULE(S):**

538-x-8-.11; 538-x-8-.08; 538-x-8-.05(3)(m); 538-x-8-.05(2)(c)(11)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser and the Maintenance Manager, in coordination with the Human Resources Manager, to adopt and implement the Hazard Communication Training policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Managers will conduct job-specific hazard training on chemicals used by their employees.
- 2) Before employees can start their jobs or are exposed to new hazardous chemicals, employees will attend a hazard communication training that covers the following topics:
  - a) An overview of the requirements contained in OSHA's HAZCOM standard: 29 CFR 1910.1200.
  - b) Hazardous chemicals present at CCSA.
  - c) The written hazard communication plan and its location.
  - d) How to read labels and review MSDS to obtain appropriate hazard information.
  - e) An explanation of any special labeling present in the workplace.
  - f) Physical hazards and health effects of CCSA's hazardous chemicals.
  - g) Methods and observation techniques used to determine the presence or release of hazardous chemicals in the work area.



- h) How to reduce or prevent exposure to these hazardous chemicals by using engineering controls, work practices, and personal protective equipment.
  - i) Steps CCSA has taken to reduce or prevent exposure to these chemicals.
  - j) Emergency procedures to follow if an employee is exposed to chemicals.
  - k) When a situation requires self-reporting due to employee injury.
- 3) Training will be provided at the time of initial assignment to tasks where occupational exposure to a hazardous chemical may take place.
  - 4) Training will be repeated whenever a new chemical or a new hazard is introduced in the work area.
  - 5) The Human Resources Manager will ensure that employees receive this training.
  - 6) After attending the training, employees will sign a Hazard Communication Training Record verifying that they understand the above topics and how the topics are related to the CCSA's hazard communication policies and procedures.

**18.6 Quality Assurance Training**

DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Quality Assurance Training.

**RULE(S):**

538-x-8-.11; 538-x-8-.08; 538-x-8-.05(3)(a)

**RESPONSIBILITIES:**

It is the responsibility of the Compliance Manager, in coordination with the Human Resources Manager, to adopt and implement the Quality Assurance Training policies and procedures.

**POLICIES/PROCEDURES:**

- 1) All employees will receive, at a minimum, the following quality assurance training:
  - a) Policies which prohibit employees showing signs of illness, open wounds, sores or skin infections from handling Medical Cannabis product or materials that come into contact with Medical Cannabis product.
  - b) Hygiene training for employees who handle Medical Cannabis product with specific attention to preventing microbial contamination.
  - c) Handwashing requirements including washing hands with soap and hot water before beginning work, after using the bathroom and after meal breaks.
- 2) Compliance Manager will also be required to complete the additional training components:
  - a) Developing standard operating procedures.
  - b) Continual improvement assessment.

<b>18.7 Dispensing Training</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Dispensing Training.

**RULE(S):**

538-x-8-.11; 538-x-8-.08; 538-x-8-.03

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser, in coordination with the Human Resources Manager, to adopt and implement the Dispensing Training policies and procedures.

**POLICIES/PROCEDURES:**

- 1) All employees directly involved in dispensing or delivering Medical Cannabis product will receive, at a minimum, the following training:
  - a) Dispensing and delivery rules set forth by the AMCC.
  - b) Good customer service skills.
  - c) Identification and eligibility verification of qualifying patients and designated caregivers.
  - d) Cannabis efficacy and recent research, including specific uses of Medical Cannabis products and clinical application of the specific constituents of cannabis.
  - e) Substance abuse prevention and recognizing signs of impairment.

<b>19.0 Employee Sanitation and Health</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Employee Illness and Injury.

**RULE(S):**

538-x-8-.11; 538-x-8-.08; 538-x-4-.07(12)(o)(8)

**RESPONSIBILITIES:**

It is the responsibility of all CCSA managers and the Human Resources Manager to adopt and implement the Employee Illness and Injury policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA will ensure all Medical Cannabis products are dispensed in a safe and sanitary manner and to ensure the identity, strength, quality, and purity of Medical Cannabis products are maintained.
- 2) All employees will follow all standard operating procedures regarding employee health and sanitation.

All employees will:

- a) Clean his or her hands and exposed portions of his or her arms in a handwashing sink:
- b) Before and after working with Medical Cannabis products.
- c) As often as necessary to remove soil and contamination.
- d) After eating.
- e) After using the toilet facilities.
- f) Every hour (60 minutes) when handling cash.
- g) Maintain good personal hygiene.
- h) Wear clean clothing at all times.
- i) Wear gloves in good repair when appropriate to task assigned.

#### Employee Illness and Injury

- j) Employees who have or may have a sickness, open injury, including boils, sores or infected wounds, or any other abnormal source of microbial infection, will be prohibited from having any direct contact with Medical Cannabis products until the condition heals or is remedied.
- k) Employees will notify his or her supervisor as soon as he or she becomes aware that he or she may have a sickness or injury. If a supervisor suspects an employee may be ill or have an injury, employee will have certification from his or her physician that he or she is well and free of any open wounds.
- l) Employee's supervisor will determine whether the employee is eligible to remain working at the Facility or will be sent home.

#### Employee Handwashing

- m) Frequent handwashing is necessary in all dispensing activities and will be enforced by the Certified Dispenser.
  - i) Employees that do not comply with handwashing requirements may be terminated.
- n) All employees will be required to wash their hands thoroughly at a handwashing station before beginning their work, before working with Medical Cannabis products, and at any other time that their hands have become dirty or contaminated.
- o) CCSA will display instructive handwashing signage throughout the Facility in areas with handwashing sinks in multiple languages, as needed.

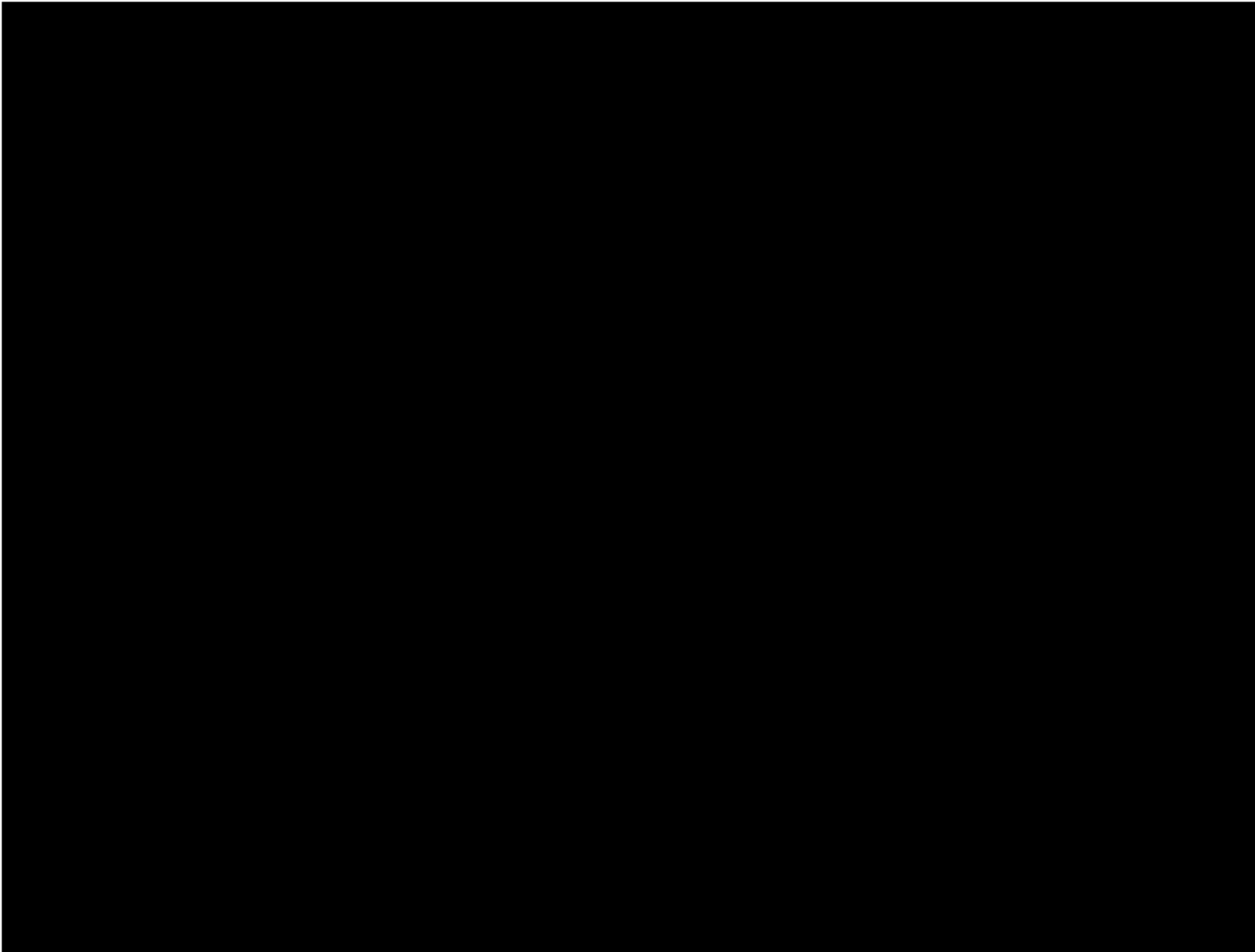
<b><u>20.0 Wholesale Cannabis Product Acquisition</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

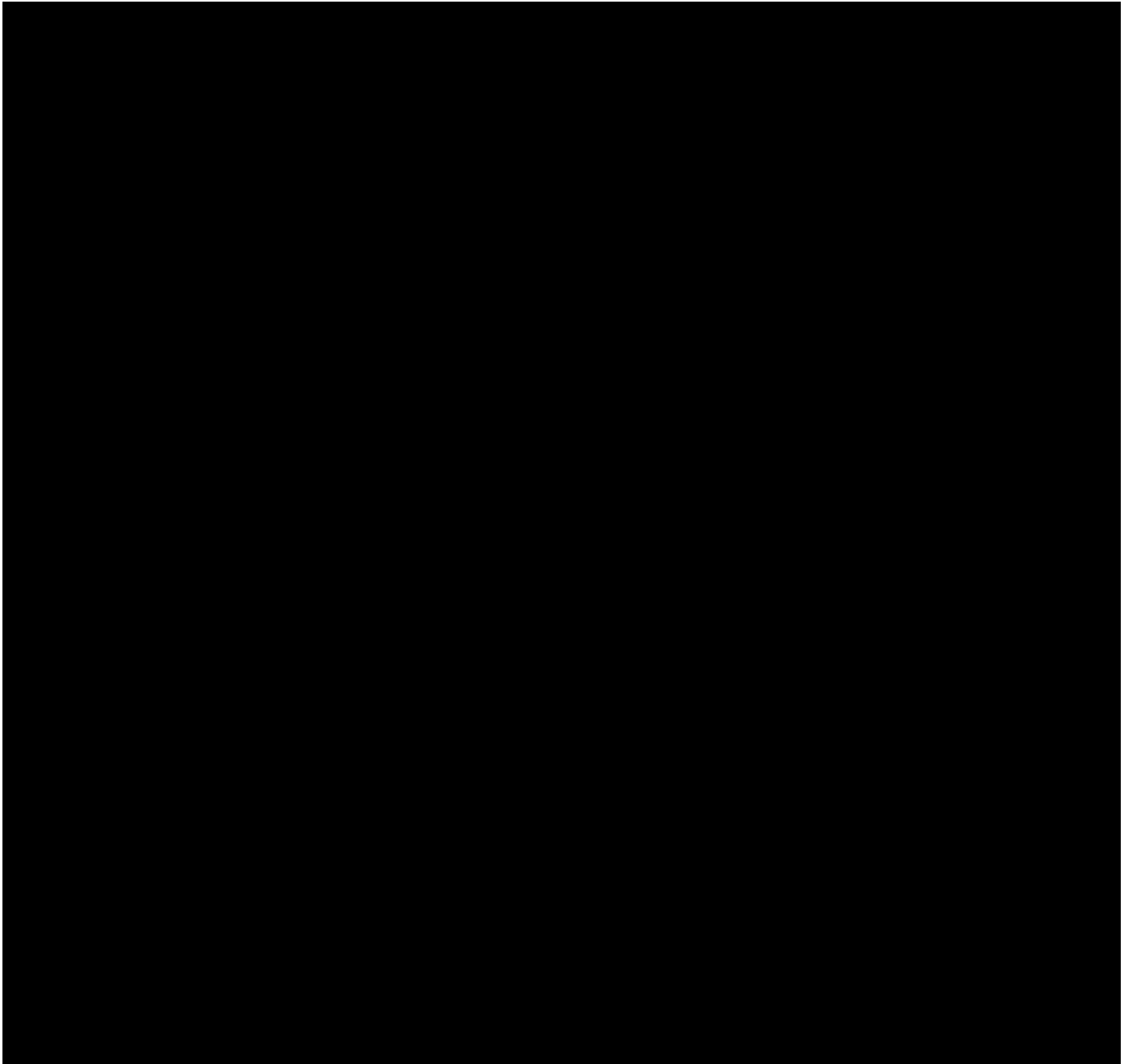
**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Wholesale Cannabis Product Acquisitions.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(j)





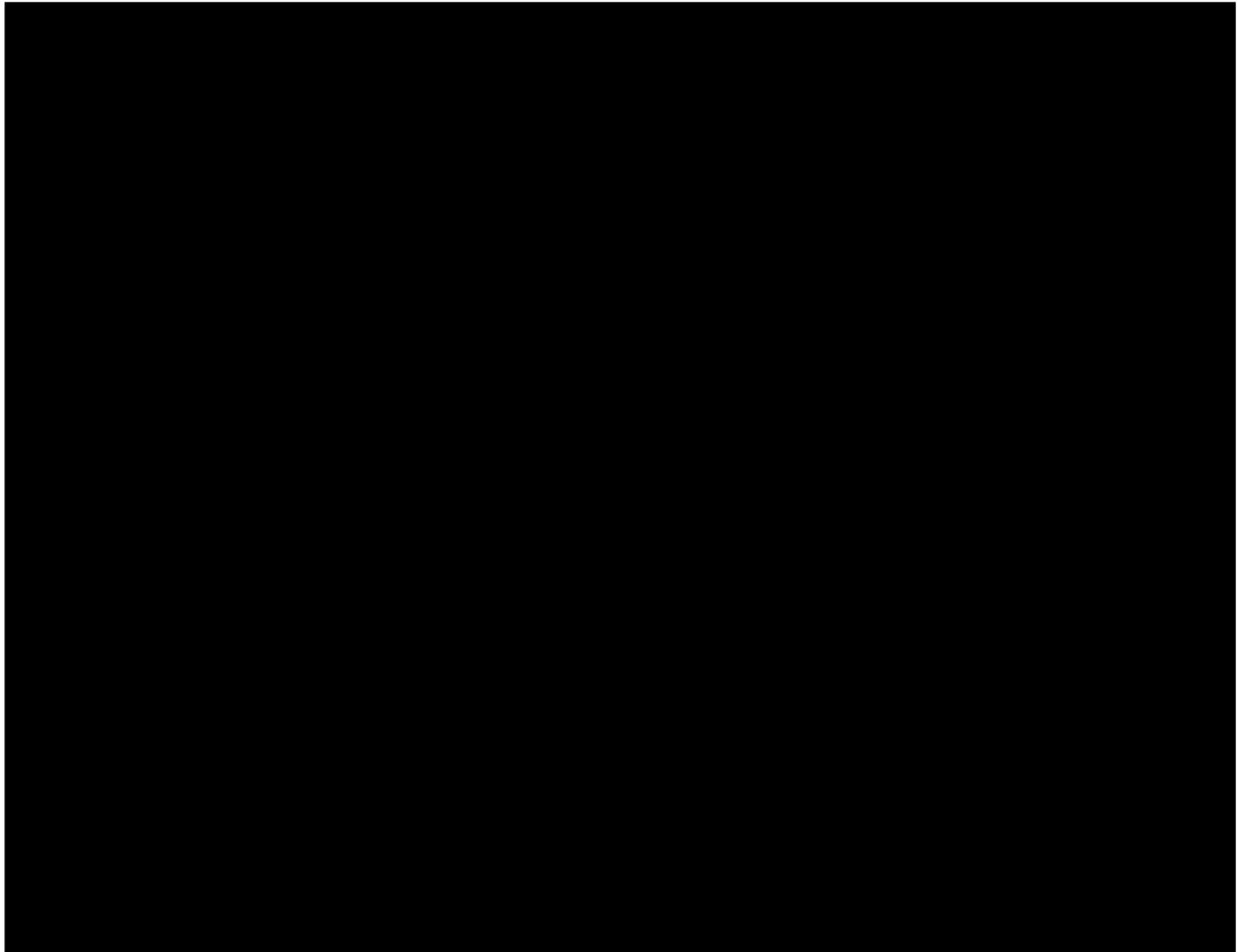
<b><u>20.1 Incoming Cannabis Product Transport Manifest</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

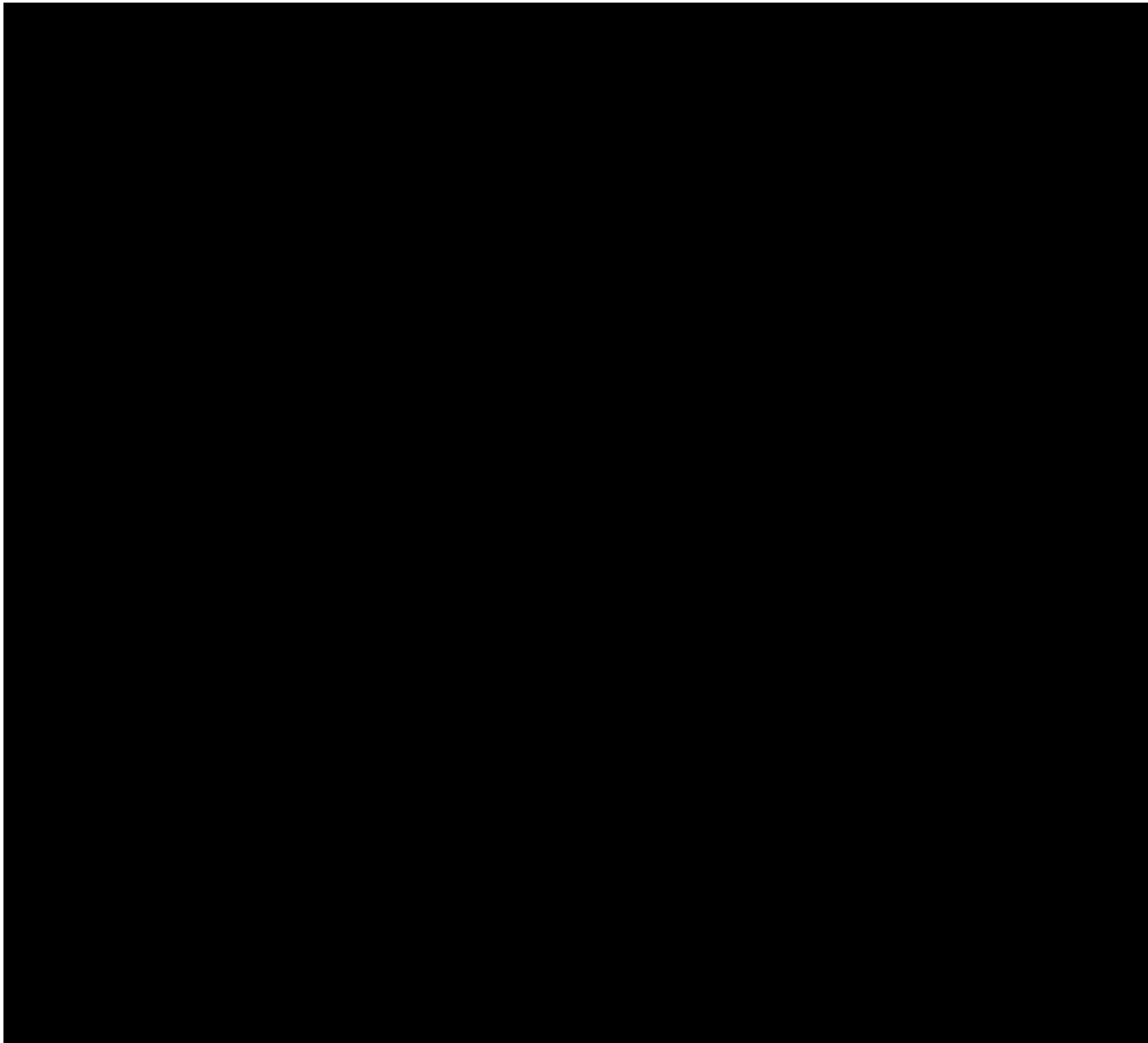
This Standard Operating Procedure outlines the procedure for handling Incoming Cannabis Product Transport Manifests.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(j)







<b>20.2 Product Packaging</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Product Packaging.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser to adopt and implement the Product Packaging Manifest policies and procedures.

**POLICIES/PROCEDURES:**

- 1) The Inventory Coordinator, in coordination with a Certified Dispenser or the Assistant Certified Dispenser, will ensure inspection of all incoming Medical Cannabis products is conducted.
- 2) All packaging will be compliant with the rules set forth by the AMCC and all applicable state and local laws, regulations, ordinances, and other requirements.
- 3) All Medical Cannabis product packaging will be:
  - a) Child-resistant.
  - b) Tamper-proof/tamper-evident.
  - c) Light-resistant.
  - d) Designed to protect the contents from contamination.
  - e) Designed to not impart any toxic or deleterious substance to the Medical Cannabis products.
  - f) Certified compliant with the Poison Prevention Packaging Act of 1970.  
Packaging Will Not Appeal to Children

- g) Packaging will not, in any way, be designed to appeal to individuals under twenty-one (21) years of age.
- h) This includes, but is not limited to, designs with cartoon characters, animals, or images of the sort.

Packaging will Display Required Symbol

- i) All packages will bear a label that contains an identifying symbol approved by the AMCC and in accordance with applicable state and local laws, regulations, ordinances, and other requirements.

Final Packaged Weight

- j) The scale used to weigh Medical Cannabis products will be certified Legal-for-Trade and NTEP approved, as well as licensed according to rules set forth by the AMCC.

Final THC Content

- k) The THC content of all Medical Cannabis products will be homogenous and contain no more than 10mg of THC each serving or dose.

<b>20.3 Product Labeling</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Product Labeling.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser to adopt and implement the Product Labeling policies and procedures.

**POLICIES/PROCEDURES:**

- 1) All product labels will be compliant with the rules set forth by the AMCC and all applicable state and local laws, regulations, ordinances, and other requirements. All labels will be designed and applied so that the labels will remain in place and legible during the customary conditions of distribution, storage, and use.

Label Information Required

- a) CCSA will ensure all Medical Cannabis products acquired includes all information required by the AMCC and other applicable state and local laws, regulations, ordinances, and other requirements.
- b) All Medical Cannabis products acquired will have, at a minimum, the following product information included on the package label(s):
  - i) Identity of product.
  - ii) Product batch number and unique identifier (lot number or bar code).
  - iii) Net quantity of contents in terms of weight, numerical count, or other appropriate measure.
  - iv) Date packaged.

- v) Date of expiration.
- vi) Cannabinoid and terpenoid profile and potency levels.
- vii) Name and registration/license number of processor and/or cultivation facility.
- viii) Instructions for use.
- ix) The amount, number, or count of the product in the package.
- x) The following statements:
  - (1) KEEP OUT OF REACH OF CHILDREN.
- xi) The following warnings:
  - (1) WARNING: This product may make you drowsy or dizzy.
  - (2) Do not drink alcohol with this product.
  - (3) Use care when operating a vehicle or other machinery.
  - (4) Taking this product with medication may lead to harmful side effects or complications. Consult your physician before taking this product with any medication.
  - (5) Women who are breastfeeding, pregnant, or plan to become pregnant should discuss medical cannabis use with their physicians.

#### Labeling of Cannabis-infused Edible Products

- c) For cannabis-infused edible products, each product label will contain a "Product Facts" box listing quantitative content and nutrient information relevant to the product, including, as applicable to the product's content:
  - i) Cannabis ingredient.
  - ii) Total calories and fat calories (when greater than 5 calories per serving).
  - iii) Total fat, saturated fat, and trans fat (when greater than 0.5 g per serving).
  - iv) Cholesterol (when greater than 2 mg per serving).
  - v) Sodium (when greater than 5 mg per serving).
  - vi) Total carbohydrates (when greater than 1 g per serving).
  - vii) Dietary fiber (when greater than 1 g per serving).
  - viii) Sugars (when greater than 1 g per serving).
  - ix) Protein (when greater than 1 g per serving).

- x) Vitamin A, vitamin C, calcium, and iron (when present at greater than 2% of the recommended daily intake).
- xi) Allergen Statement.

<b><u>20.4 Refusal of Incoming Cannabis Product</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Refusal of Incoming Cannabis Product.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(a)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser to adopt and implement the Refusal of Incoming Medical Cannabis Product policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA must refuse the entire delivery from a licensed establishment if any of the following is apparent:
  - a) Medical Cannabis product delivered does not match the description or quantity indicated on the Transport Manifest.
  - b) Medical Cannabis product packaging does not meet CCSA and/or AMCC specifications.
  - c) Medical Cannabis product labeling does not meet CCSA and/or AMCC specifications. Refusal of delivery must be documented on the Transport Manifest and a copy kept on file with CCSA's cannabis product acquisition records.

<b><u>21.0 Quality Assurance</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Quality Assurance.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(a)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser to adopt and implement the Quality Assurance policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA will ensure all Medical Cannabis products are dispensed in a safe and sanitary manner to ensure the identity, strength, quality, and purity of cannabis products is maintained.

CCSA will develop extensive quality assurance standard operating procedures that include inspection and approval of incoming Medical Cannabis product for distribution.

The Certified Dispenser or Assistant Certified Dispenser will, at a minimum:

- a) Ensure all employees adhere to all CCSA standard operating procedures.
- b) Ensure cannabis products received meet all specifications of identity, strength, quality and purity, and meets all rules set forth by the AMCC.
- c) Approve or reject all Medical Cannabis products.
- d) Approve or reject all procedures, which may impact the identity, strength, quality and purity of Medical Cannabis products or protecting any containers or packaging from contamination.



<b><u>21.1 Storage and Transfer</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Storage and Transfer.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(a); 538-x-8-.02(4)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser to adopt and implement the Storage and Transfer policies and procedures.

**POLICIES/PROCEDURES:**

- 1) To prevent product contamination, separate or defined storage areas will, at a minimum, be designated for the following:
  - a) Medical Cannabis products stored for distribution.
  - b) Rejected Medical Cannabis products that are outdated, damaged, deteriorated, or contaminated held for disposal.
  - c) Cannabis products stored for waste.

CCSA will ensure that all transfers to and from storage areas are witnessed and documented by two employees and recorded in the inventory management system.

<b><u>21.2 Improper Storage Conditions</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Improper Storage Conditions.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(a)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser to adopt and implement the Improper Storage Conditions policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Any Medical Cannabis products that has been subjected to improper storage conditions, including, extremes in temperature, humidity, smoke, fumes, pressure, age or radiation due to natural disasters, fires, accidents or equipment failures, will not be salvaged and may not be distributed.
- 2) Whenever it is unclear whether a Medical Cannabis product has been subjected to such conditions, salvaging operations may only be conducted if there is:
  - a) Evidence from laboratory tests and assays that the cannabis product meets all applicable standards of identity, strength, quality and purity.
  - b) Evidence from inspection of the premises that the Medical Cannabis product and its associated packaging was not subjected to improper storage conditions as a result of a disaster or accident, if any.
- 3) CCSA will maintain records in the inventory management system that include the name, batch number, and disposition of Medical Cannabis products salvaged.

**22.0 Cannabis Product Complaints**

DEPARTMENT(s):

EFFECTIVE DATE:

WRITTEN BY:

APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Cannabis Product Complaints.

**RULE(S):**

538-x-8-.11

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser, in coordination with the Certified Dispenser and Chief Operating Officer, to adopt and implement the Medical Cannabis Product Complaints policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA will establish a procedure for handling complaints regarding its Medical Cannabis products. The procedure will include:
  - a) Collecting information, including:
    - i) Contact information for individual who reported a complaint.
    - ii) Identity of the specific cannabis product used, if known.
    - iii) A description of the complaint or adverse event.
  - b) Reviewing the Medical Cannabis product complaint to determine whether the cannabis product complaint involves a possible failure of a Medical Cannabis product to meet any of its specifications, or any other requirements, including but not limited to those specifications and other requirements that, if not met, may result in a risk of illness or injury.
  - c) Notifying the licensed establishment that provided the Medical Cannabis product.
  - d) Assisting the appropriate licensed establishment with the investigation process of any Medical Cannabis product complaint that involves a possible failure of a cannabis

product to meet any of its specifications, or any other requirements, including, but not limited to, those specifications and other requirements that, if not met, may result in a risk of illness or injury.

If a Medical Cannabis product complaint is received that involves a health-related event associated with a CCSA cannabis product that resulted in an undesirable, or unexpected or unusual outcome, the Adverse Event section will be completed in the Product Complaint Form.

- a) The Adverse Event section will address and document the following:
  - i) Reporting to a physician or health care facility by the individual reported to have experienced the adverse event, if known.
  - b) Reporting to any public health authority.
- 2) In the case of an adverse event, in addition to the appropriate licensed establishment, CCSA must notify the AMCC.

#### Investigation of a Complaint

- a) Once notification of a complaint has been received, CCSA will assist the licensed establishment that provided the Medical Cannabis product with the investigation, including documentation and product tracking.
- b) CCSA will, at a minimum, do the following to assist with the investigation:
  - i) Gather information from the qualifying patient about the nature of the Medical Cannabis product complaint.
  - ii) Determining the nature and potential causes of the problem.
  - iii) Entering all information into the Product Complaint Form.
  - iv) Providing a copy of the Product Complaint Form to the appropriate licensed establishment, and if requested, to the AMCC.

<b><u>23.0 Voluntary Withdrawal or Mandatory Recall</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Voluntary Withdrawal or Mandatory Recalls.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(l)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser, in coordination with the Chief Operating Officer and Chief Financial Officer, to adopt and implement the Voluntary Withdrawal or Mandatory Recall policies and procedures.

**POLICIES/PROCEDURES:**

1) Using the Term Recall

- a) The term recall can have significant insurance and liability implications.
- b) The term will be used carefully and only when the AMCC or applicable state and local laws, regulations, ordinances, and other requirements mandate it.
- c) Otherwise, the term withdrawal will be used, if applicable.

If the AMCC or the licensed establishment that supplied the Medical Cannabis product determines that a voluntary withdrawal or mandatory recall will be initiated, CCSA will begin execution of a withdrawal or recall immediately.

CCSA will establish procedures for withdrawing or recalling Medical Cannabis products in a manner that maximizes the recall of affected Medical Cannabis product and minimizes risks to public health and safety.

- a) The procedures will include:

- i) Securing, isolating, and preventing the distribution of all Medical Cannabis products that has been affected.
- ii) Assembling a recall team responsible for a withdrawal or recall.
- iii) Communication procedures.

The Chief Financial Officer will contact the insurance provider and determine coverage, if any.

- b) If the event is covered, the Chief Financial Officer will file all documentation necessary after the completion of the withdrawal or recall.

The Chief Financial Officer will notify legal counsel and maintain communication with counsel throughout the withdrawal or recall procedures.

- c) Any recommendations by counsel for alternative procedures will be approved by the Chief Executive Officer.

<b><u>23.1 Recall Team</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for identifying the Recall Team.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(l)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser, in coordination with the Chief Operating Officer and Chief Financial Officer, to adopt and implement the Recall Team policies and procedures.

**POLICIES/PROCEDURES:**

- 1) The Certified Dispenser will appoint a recall coordinator and assign a team responsible for traceability for any withdrawal or recall event.
- 2) The team will consist of a Certified Dispenser or the Assistant Certified Dispenser, the Compliance Manager, and employees from various departments.
- 3) The team will coordinate all aspects of a withdrawal or recall.
- 4) The recall coordinator will ensure that all procedures are carried out effectively and efficiently.

The team will receive appropriate training through mock withdrawal and recall procedures semi-annually so that they understand their responsibilities.

The withdrawal and recall team list will be kept current and include the following information:

Name	Alternate Person	Daytime Phone	Alternate Phone	Responsibilities During a Withdrawal or Recall

[Certified Dispenser]				Decision making AMCC communications Obtaining legal counsel or other expert advice
[Community Outreach Manager and Chief Operating Officer]				CCSA communications Media communications Patient communications
[Certified Dispenser or the Assistant Certified Dispenser]				Internal complaint investigation
[Compliance Manager]				Internal complaint investigation
[Inventory Coordinator]				Inventory reconciliation



<b>23.1.1 Recall Team Duties</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Recall Team Duties.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(l)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser, in coordination with the Chief Operating Officer and Chief Financial Officer, to adopt and implement the Recall Team Duties policies and procedures.

**POLICIES/PROCEDURES:**

1) The Chief Operating Officer will ensure the recall team has adequate resources to effectively execute a withdrawal or recall.

The goals of executing a withdrawal or recall are to:

- a) Halt distribution of the affected Medical Cannabis products.
- b) Remove the affected Medical Cannabis products from CCSA’s inventory and the market.
- c) Dispose of the affected Medical Cannabis products.

The following will be conducted by the recall team:

- d) Gather all information collected in the tracking process.
- e) Send a Notification of Recall to all affected patients.
- f) Detain and segregate all affected Medical Cannabis products in the Facility.
- g) Coordinate and monitor the recovery of all affected Medical Cannabis products.

- h) Conduct a reconciliation of the total quantity of recalled Medical Cannabis products and affected cannabis products in inventory against the total quantity received into inventory.
- i) Dispose of recalled Medical Cannabis products according to CCSA's waste disposal procedures and rules set forth by the AMCC.
- j) Ensure the following information is entered in the Withdrawal and Recall Log and the inventory management system:
  - i) Name, batch number, and product identification code of the withdraw or recalled Medical Cannabis products.
  - ii) Medical Cannabis production date(s) of the withdraw or recalled cannabis products.
  - iii) Reason for the withdrawal or recall.
  - iv) Quantity of withdraw or recalled Medical Cannabis products distributed.
  - v) Quantity of withdraw or recalled Medical Cannabis products in inventory.
  - vi) Quantity of recalled cannabis products returned to CCSA, including types, forms, batches and product identification codes, if applicable.
  - vii) From whom the recalled cannabis products were received.
  - viii) The means of transport of the recalled Medical Cannabis products.
  - ix) The manner of disposal of the recalled Medical Cannabis products, including:
    - (1) The name of the individual overseeing the disposal of the recalled Medical Cannabis products.
    - (2) Name of the disposal service provider, if applicable.
    - (3) Method of disposal.
    - (4) Date of disposal.
    - (5) Amount disposed of by types, forms, batches and lots, if applicable.
  - x) Any other information required by the AMCC.

After the withdrawal or recall event, the recall team will conduct a post-event meeting to evaluate and report the effectiveness and outcome of the recall.

The recall coordinator and the Certified Dispenser will complete the Withdrawal and Recall Log.

The Log will be made available to the AMCC, upon request.

<b>23.2 Withdrawal and Recall Communications</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Withdrawal and Recall Communications.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(l)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser, in coordination with the Chief Operating Officer and Chief Financial Officer, to adopt and implement the Withdrawal and Recall Communications policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA will establish procedures for communicating a withdrawal or recall of Medical Cannabis products. Procedures will include:
  - a) A mechanism to contact all patients who have, or could have, obtained the Medical Cannabis products from CCSA.
  - b) Information on the return or destruction of any recalled Medical Cannabis products.
  - c) A mechanism to contact CCSA.
  - d) Communication and media outreach, as necessary and appropriate.

CCSA’s communications will include the following:

<b>What to Communicate</b>	<b>Internal</b>
Media/External Communications Policy	Employees
Complaint Information for Investigation	Recall Team
Stop/Hold/Destroy Product	Inventory Coordinator

Stop Delivery/Return/Destroy Product	Inventory Coordinator
Credit/ Replacement/ Stop Promotions	Certified Dispenser and Accountant
Track All Expenses	Accountant
Product Return and Refund	Dispensary Technicians, Managers
<b>Type of Communication</b>	<b>External</b>
Recall Notification	Website
Recall Notification (Email/Letter)	Patient
Press Release	Media
Recall Notification	Social Media
Recall Signage/Placards/Posters	Facility
Status of Recall	AMCC

<b>23.3 Tracking Withdrawn and Recalled Cannabis products</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Tracking Withdrawn and Recalled Medical Cannabis products.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(l)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser, in coordination with the Chief Operating Officer and Chief Financial Officer, to adopt and implement the Tracking Withdrawn and Recalled Medical Cannabis products policies and procedures.

**POLICIES/PROCEDURES:**

- 1) All withdrawn or recalled Medical Cannabis products will be tracked, located, detained, and segregated.
- 2) Withdrawn or recalled Medical Cannabis products will be quarantined and labeled with a sign stating, "DO NOT DISTRIBUTE."
- 3) All Medical Cannabis products located will be entered in the Withdrawal and Recall Log and accounted for in the inventory management system.

All Medical Cannabis products which have been received for distribution or have been distributed fall into this category.

Tracking activities will include:

- a) Identify the affected and any other potentially affected Medical Cannabis product, batch number(s), cannabis product identification code(s) and cannabis production date(s).
- b) Determine the quantity of affected Medical Cannabis products.

- c) Determine from the inventory management system and point of sales system the last day of shipment for the affected Medical Cannabis products.
- d) Determine from Dutchie, all the patients who purchased the affected Medical Cannabis products.
- e) Determine from the inventory management system the remaining quantity of the affected Medical Cannabis product still in inventory.

<b>23.4 Returned Withdrawn or Recalled Cannabis Product</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Returned Withdrawn or Recalled Medical Cannabis Product.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(l)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser, in coordination with the Chief Operating Officer and Chief Financial Officer, to adopt and implement the Returned Withdrawn or Recalled Medical Cannabis Product policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA will establish a procedure describing the receipt, handling, and disposition of returned affected Medical Cannabis products in accordance with the rules set forth by the AMCC, and all applicable state and local laws, regulations, ordinances, and other requirements.
- 2) Returned Medical Cannabis products will be identified as such and be quarantined until disposed of.



<b>23.5 Disposal of Withdrawn or Recalled Cannabis Product</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for the Disposal of Withdrawn or Recalled Medical Cannabis Product.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(l)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser, in coordination with the Chief Operating Officer and Chief Financial Officer, to adopt and implement the Disposal of Withdrawn or Recalled Medical Cannabis Product policies and procedures.

**POLICIES/PROCEDURES:**

- 1) All withdrawn or recalled Medical Cannabis products in or returned to the Facility will be disposed of in accordance CCSA’s waste disposal policies and procedures, rules set forth by the AMCC, and all applicable state and local laws, regulations, ordinances, and other requirements.

<b>23.6 Mock Withdrawal or Recall Drills</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Mock Withdrawal or Recall Drills.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(l)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser, in coordination with the Chief Operating Officer and Chief Financial Officer, to adopt and implement the Mock Withdrawal or Recall Drills policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Mock recalls are used to determine whether the withdrawal and recall procedures are capable of identifying and quickly controlling a given batch of potentially affected Medical Cannabis products and reconciling the quantities produced, quantities in inventory, and quantities distributed.
- 2) A mock withdrawal or recall can identify potential problems and allow employees to become familiar with recall procedures.
- 3) CCSA will carry out mock withdrawal or recall procedures at least annually by randomly selecting one Medical Cannabis products for withdrawal.
- 4) The mock procedures will follow all regular procedures. However, no Medical Cannabis products should be taken from patients or removed from inventory.
- 5) If problems are identified in the recall procedures, they will be corrected by the Certified Dispenser and the recall team members will be retrained on new procedures.

- 6) All corrective actions and deficiencies will be documented in Withdrawal and Recall Log as a drill and submitted to the Chief Operating Officer.

<b>24.0 Dispensing Operations</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for the Dispensing Operations.

**RULE(S):**

538-x-8-.11; 538-x-8-.03

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser, in coordination with the Compliance Manager, to adopt and implement the Dispensing Operations policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA will be responsible for ensuring full compliance with the dispensing operations policies and procedures.
- 2) Dispensing Operations policies and procedures will, at a minimum, reflect the following principles:
  - a) Managing both compliant and efficient operations.
  - b) Ensure that no unlawful sales transactions are permitted or tolerated.
  - c) Implementing policies that ensure the privacy of transactions.
  - d) Implementing handling procedures that prevent contamination of cannabis products.
  - e) Implementing sustainable and zero-waste practices whenever possible.
  - f) Ensuring transparency of all dispensing operations.

<b><u>24.1 Patients and Caregivers</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Patients and Caregivers.

**RULE(S):**

538-x-8-.11; 538-x-8-.02(4)-(6); 538-x-8-.03(5)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser to adopt and implement the Patients and Caregivers policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Before an employee dispenses Medical Cannabis products to a qualifying patient or a designated caregiver, the employee will:
  - a) Re-verify the identity of the qualifying patient or the designated caregiver.
  - b) Re-verify the validity of the qualifying patient or designated caregiver's registration identification card.
  - c) Enter the qualifying patient or designated caregiver's registration identification number listed on the qualifying patient or designated caregiver's registration identification card into the AMCC electronic verification system.
  - d) Verify that the qualifying patient or designated caregiver has a current authorization by the AMCC to purchase Medical Cannabis products.  
Patients under 18
  - e) A person under the age of eighteen (18) will be precluded from purchasing Medical Cannabis products unless he or she is a qualified patient and is in the presence of a designated caregiver who is over the age of eighteen (18).

CCSA will create and maintain a patient profile that includes, at a minimum, the following information:

- f) Patient's name.
- g) Patient's contact information of sufficient specificity to serve as a means of contact, such as a phone number, email address, or mailing address.
- h) Patient's designated caregiver name(s) and contact information, if applicable.
- i) Physician of record identified by the patient.
- j) Physician's specific recommendation of type and amount of Medical Cannabis product, if applicable.
- k) Health or medical conditions for which Medical Cannabis product is used.

<b><u>24.1.1 Patient Privacy</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Patients Privacy.

**RULE(S):**

538-x-8-.11; 538-x-8-.02(4)-(6); 538-x-8-.03(5); 538-x-8-.05(3)(e)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser to adopt and implement the Patients Privacy policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA must vigorously implement privacy and security rules of the Health Insurance Portability and Accountability Act (HIPAA) to include protecting the privacy of the patient's medical health information, personal identifying information, financial information, purchases, and all other patient-related information.
- 2) Unless requested by the AMCC, required under law, or pursuant to a court order, all information held by CCSA about qualifying patients, designated caregivers, and employees is confidential and must not be disclosed without the written consent of the individual to whom the information applies.

The CCSA must ensure that any identifying information about a qualifying patient or caregiver is kept in compliance with the privacy and security rules of HIPAA (45 CFR 164).

CCSA must implement and maintain employee training procedures and policies including training on the standard operating procedures regarding patient confidentiality that must follow HIPAA guidelines, including, at a minimum, the following:

- a) Prohibit any patient information being shared or discussed outside of the Facility or in the presence of other patients, vendors, or any unauthorized personnel.
- b) Prohibit use of video recording or photography on the premises.
- c) Inform patients of privacy policy and complete and distribute the appropriate forms.
- d) Ensure any paper documentation containing patient identifiable information is kept in a secured location at all times or shredded immediately before discarding.
- e) Ensure electronic information is protected in accordance with CCSA's information technology security standard operating procedures.



<b>24.1.2 Patient Education</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Patient Education.

**RULE(S):**

538-x-8-.11; 538-x-8-.02(4)-(6); 538-x-8-.03(7); 538-x-8-.05(3)(d)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser to adopt and implement the Patient Education policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA will provide all qualifying patients and their designated caregivers with the following information:
  - a) That possession of cannabis is illegal under federal law.
  - b) All rules set forth by the AMCC and other applicable state and local laws, regulations, ordinances, and other requirements for patients and caregivers.
  - c) Rights and responsibilities of patients and caregivers, including:
  - d) How patients and caregivers can expect to be treated by employees of CCSA.
  - e) Information that each patient and caregiver will be required or requested to provide.
  - f) How to provide feedback and suggestions, including procedures for communicating commendations and complaints.
  - g) All other applicable policies.

CCSA will offer to provide counseling every time Medical Cannabis products are dispensed to a patient or caregiver.

If a certified patient or designated caregiver requests to be counseled, such counseling will be provided in a confidential manner and will include, but is not limited to, the following:

- h) Description of the strain of the Medical Cannabis product and known indications.
- i) Routes of administration, expected onset of effects, and duration of effects of the product, including information about Medical Cannabis-infused edible products and how the intoxicating effects of the product may be delayed by two or more hours.
- j) Special directions and precautions for preparation, administration, and use of the product.
- k) Instruction in techniques for self-monitoring.
- l) Common side effects or adverse effects or interactions and therapeutic contraindications that may be encountered, including how to avoid them, and actions required if they occur.
- m) Instruction for proper and secure product storage.

<b>24.2 Store Front Dispensing</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Store Front Dispensing.

**RULE(S):**

538-x-8-.11; 538-x-8-.03;

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser to adopt and implement the Store Front Dispensing policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA requires all who enter the Facility to comply with the following:
  - a) Food or beverages will not be consumed in the waiting rooms or the dispensing area of the Facility.
    - i) Exceptions may be made for patients that require food or beverage for medical reasons.
  - b) Loitering will not be allowed inside or outside of the Facility before or after completing a transaction.
  - c) Consumption, smoking, or vaporizing cannabis, tobacco, or any illicit drug in the Facility, the parking lot, or the surrounding area will be strictly prohibited.
  - d) Once a product has been purchased and removed from the Facility, returns will be accepted, unless authorized by the AMCC in the event of a recall.
  - e) No Medical Cannabis product package may be opened on the premises.
  - f) Any inappropriate action or language will not be tolerated and is cause for being asked to leave the Facility. Repeated offenses may result in permanent refusal of service.

- g) For the protection of patient's privacy and for security reasons, photography or video recording.

Display of Medical Cannabis Products

- h) CCSA may display, in secure, locked cases, no more than one sample of each product offered for sale.
  - i) These display cases may be transparent.
  - i) Employees may not open any Medical Cannabis product package, except to dispose of expired, damaged, contaminated, or non-viable product.
  - j) All Medical Cannabis products for display will be returned to the vault at the end of each business day.

<b>24.3 Sales Transactions</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Sales Transactions.

**RULE(S):**

538-x-8-.11; 538-x-8-.03(2); 538-x-8-.02(4)-(6)

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser, in coordination with the accountant, to adopt and implement the Sales Transactions policies and procedures.

**POLICIES/PROCEDURES:**

- 1) The Certified Dispenser is responsible for all sale transactions and will ensure all employees are properly trained.
- 2) All sales will be tracked through the inventory management system and CCSA’s preferred point-of-sale system, Dutchie.
- 3) Each transaction will be recorded and include, at a minimum, the following information:
  - a) CCSA's registration/license number.
  - b) The employee's identification number.
  - c) The type, quantity, product identification code of Medical Cannabis product dispensed.
  - d) Individual price of each Medical Cannabis product and total paid for each transaction.
  - e) Identity of the individual to whom the Medical Cannabis product was dispensed.
  - f) The date and time of transaction.
  - g) Method of payment used for each transaction.

Patient Quantity Limitations

- h) Before finalizing any sale, the AMCC electronic verification system and the patient's purchase history will be checked to ensure the qualifying patient or designated caregiver's purchase does not exceed the limit set forth by the AMCC.

Identification Verification

- i) CCSA will verify the patient's government-issued identification prior to the sale of cannabis products.

Patient Purchase History

- j) CCSA will provide a patient-specific purchase history (the type, quantity, and dates of Medical Cannabis products dispensed) to the qualifying patient or designated caregiver upon request.

Refusal of Sale

- k) Any CCSA employee may refuse to dispense Medical Cannabis products to an individual if the individual is being disruptive or, in the opinion of the employee, the individual or the public would be placed at risk.

Receipts

- l) The CCSA employee conducting the sale of Medical Cannabis products will provide to the purchaser a receipt, which will state:
  - i) CCSA's name, registration/license number, address, and phone number.
  - ii) Date and time the Medical Cannabis product was sold.
  - iii) Product name, product identification code, quantity, and cost of each Medical Cannabis product sold.
  - iv) Any sale taxes collected.
  - v) Total cost of purchase.

Sales Tax

- m) All sales transaction may be subject to applicable sales tax rates.
- n) If applicable, the proper sales tax rates will be programmed into each point-of-sale system to ensure sales tax is being collected.
- o) The Certified Dispenser, in coordination with the accountant, will ensure the proper collection of sales tax on all taxable products sold in the Facility.

<b>24.4 Exit Package</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure regarding Exit Packages.

**RULE(S):**

538-x-8-.11; 538-x-8-.02(6);

**RESPONSIBILITIES:**

It is the responsibility of the Certified Dispenser to adopt and implement the Exit Package policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA will place all Medical Cannabis products purchased in an exit package that is opaque and meets any other requirements set forth by the AMCC and all applicable state and local laws, regulations, ordinances, and other requirements.
- 2) The exit package will have imprinted on it, "Contains Cannabis. Keep out of the reach of children."

Once the exit package is sealed, the receipt will be affixed to it.

Individuals will be instructed not to open the package on the premises.

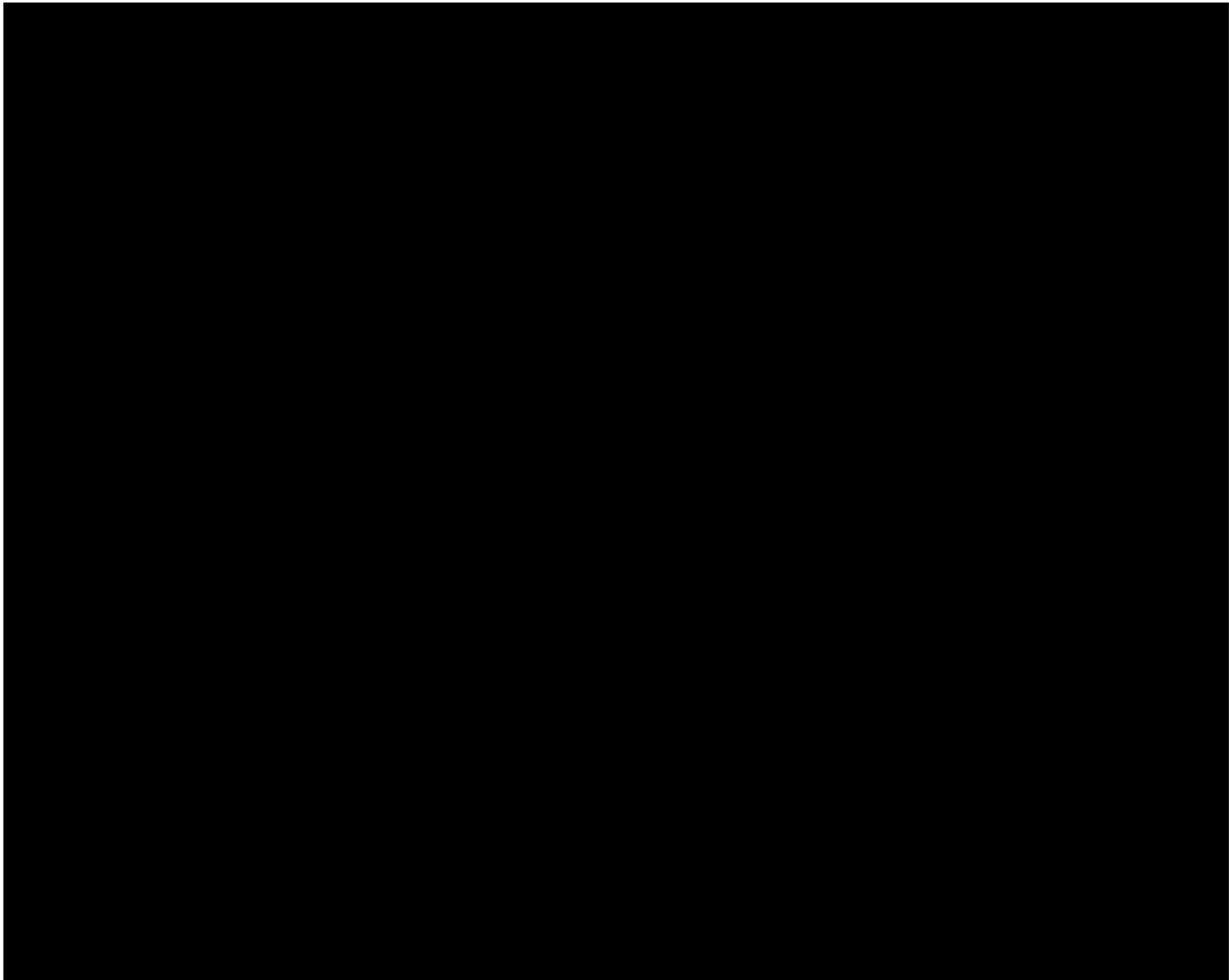
<b><u>24.5 Cash Management</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

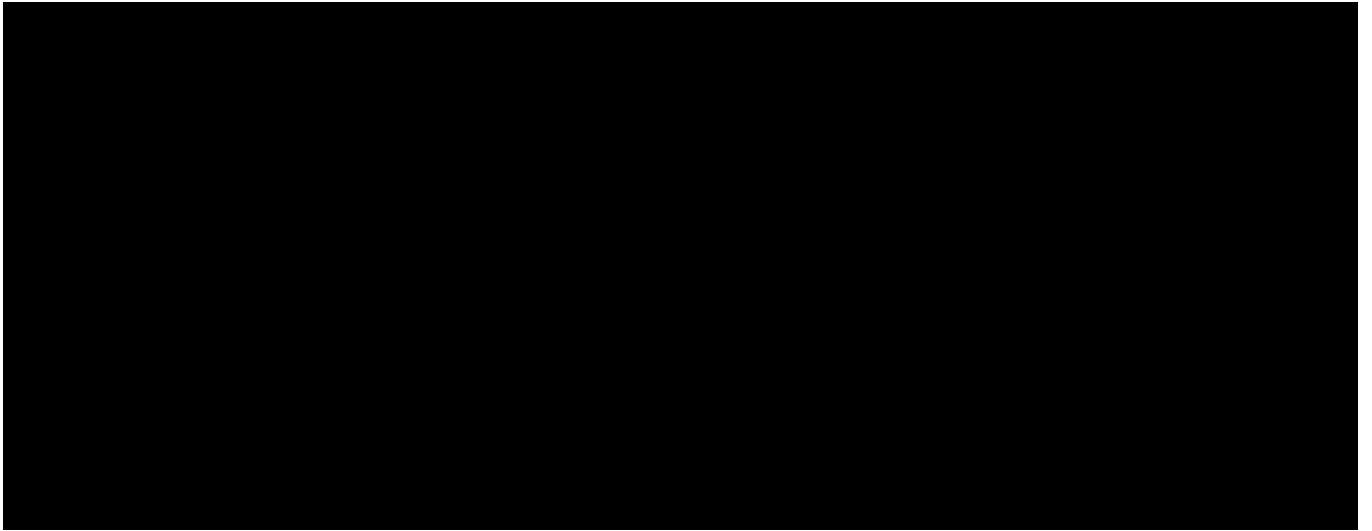
This Standard Operating Procedure outlines the procedure for Cash Management.

**RULE(S):**

538-x-8-.11; 538-x-8-.05(3)(m)(10)







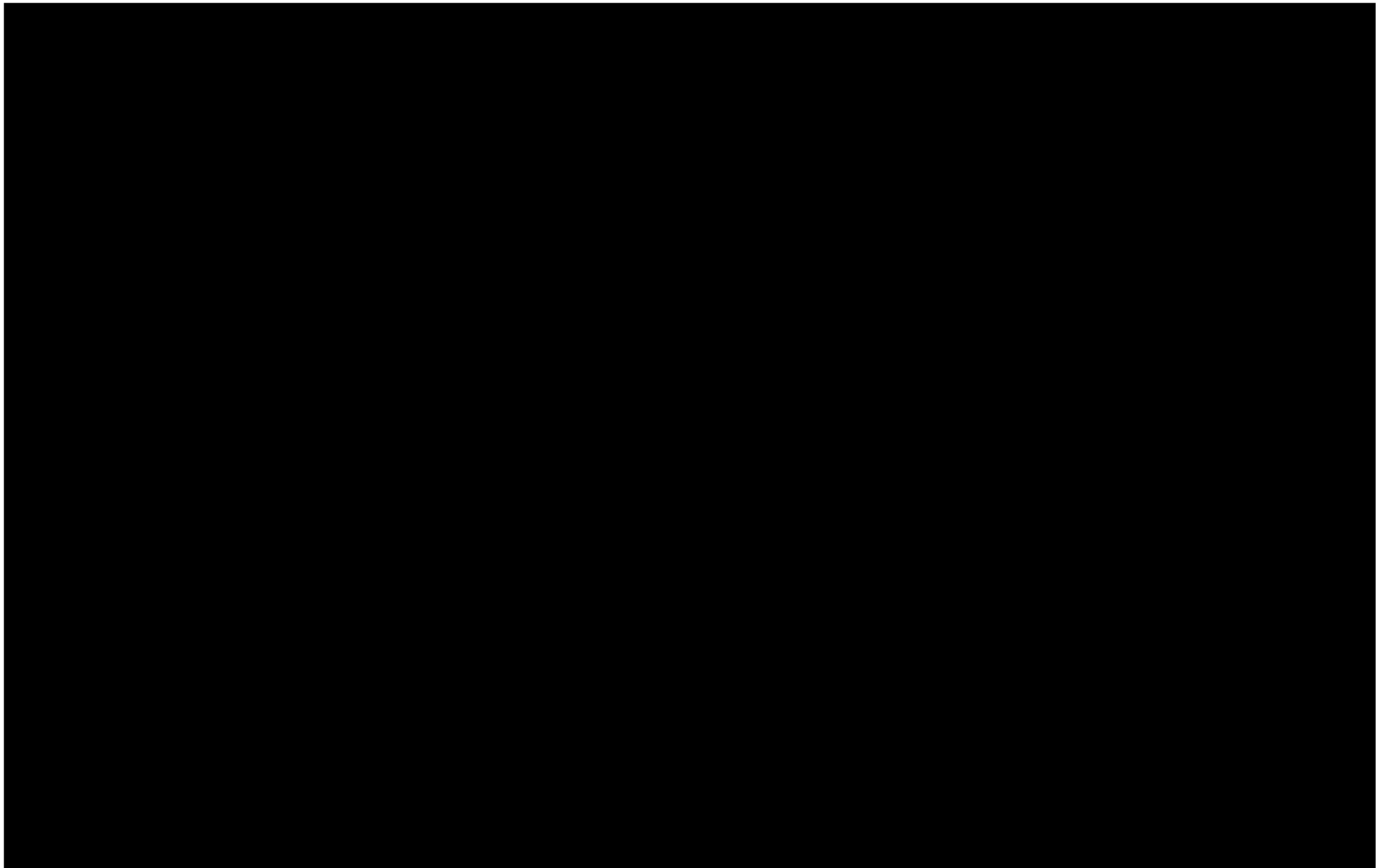
<b><u>24.6 Sales Records</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Sales Records.

**RULE(S):**

538-x-8-.11; 538-x-8-.02(6);



<b><u>26.0 Inventory Management</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Inventory Management.

**RULE(S):**

538-x-8-.11; 538-x-8-.02(6); 538-x-8-.03(6); 538-x-8-.05(3)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Inventory Coordinator, in coordination with the Certified Dispenser, to adopt and implement the Inventory Management policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA will have comprehensive inventory management procedures, which are compliant with the rules set forth by the AMCC and all other applicable state and local laws, regulations, ordinances, and other requirements.
- 2) CCSA will use the AMCC's designated Statewide Seed-to-Sale Tracking System as the designated inventory management system.
- 3) These procedures will ensure strict control over CCSA's Medical Cannabis product inventory from acquisition to sale or disposal.
- 4) Inventory management procedures will also include measures to prevent contamination and maintain the safety of the product.
- 5) An AMCC-approved Statewide Seed-to-Sale Tracking system will be CCSA's primary virtual system to track Medical Cannabis product inventory.
- 6) CCSA will ensure that each day's beginning inventory, acquisitions, sales, disbursements, disposal of unusable Medical Cannabis products, and ending inventory are documented.
- 7) The Inventory Coordinator will implement and enforce all inventory management policies and procedures.

- 8) Supervisors will ensure accurate recording of all inventory transactions in their department.
- 9) The Inventory Coordinator will make all necessary changes to procedures and retrain employees immediately upon discovering a problem in inventory management procedures.
- 10) CCSA will use a standard of measurement supported by the inventory management system and approved by the AMCC to track all Medical Cannabis products.
- 11) The scale used to weigh Medical Cannabis product will be certified Legal-for-Trade and NTEP approved, as well as licensed according to rules set forth by the AMCC.
- 12) Documentation of approved scales will be maintained, and a copy will be provided to the AMCC, upon request.
- 13) CCSA will keep precise and complete inventory management records that render, balance and evidence all activities (from receipt to sale or disposal) regarding all Medical Cannabis products in its possession.
- 14) At least once a month, the Inventory Coordinator will prepare a complete and precise inventory of all existing Medical Cannabis products that are under CCSA's control.
- 15) CCSA will prepare reports and submit them to the AMCC, as requested.
- 16) All inventory records will be available to the AMCC at all times.
- 17) CCSA will maintain copies of any documentation required by the AMCC for at least five (5) years after the date of the event and will provide copies of the documentation to the AMCC, upon request.

<b><u>26.1 Employee Access to Inventory Management System</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for the Employee Access to Inventory Management System.

**RULE(S):**

538-x-8-.11; 538-x-8-.02(6); 538-x-8-.03(6); 538-x-8-.05(3)(j); 538-x-8-.08

**RESPONSIBILITIES:**

It is the responsibility of the Inventory Coordinator, in coordination with the Certified Dispenser, to adopt and implement the Employee Access to Inventory Management System policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Only authorized employees that have been trained may access the inventory management system.
- 2) Employees will use their own credentials to log into the inventory management system.
- 3) Every authorized user of the inventory management system will enter data into the inventory management system in a manner that fully and transparently accounts for all inventory management activities at the Facility.
- 4) The Inventory Coordinator will attend and successfully complete all training required by Statewide Seed-to-Sale Tracking System.
- 5) The Inventory Coordinator will authorize and train new users in the inventory management system before they are allowed to access or input, modify or delete any information in the inventory management system.

- 6) An employee's inventory management system account will be kept up to date in the Inventory Management System Authorized Users Log and be deleted once an employee is no longer employed at CCSA.
- 7) CCSA will track all employees' actions while they are connected to the inventory management system or while conducting other activities that consist of tracking the inventory of Medical Cannabis products.
- 8) Every user of the inventory management system will ensure every action completed while he or she is connected to the inventory management system or is performing other inventory management activities involving Medical Cannabis products is compliant with the rules set forth by the AMCC and all applicable state and local laws, regulations, ordinances, and other requirements.
- 9) All employees will ensure the accuracy of all information entered in the inventory management system.
- 10) Any inaccuracies or omissions may be considered a violation by the AMCC.
- 11) Any employee who enters inaccurate information or omits information will be subject to disciplinary action.

<b>26.2 Facility-Wide Loss of Access to Inventory Management</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for the Facility-Wide Loss of Access to Inventory Management.

**RULE(S):**

538-x-8-.11; 538-x-8-.02(6); 538-x-8-.03(6); 538-x-8-.05(3)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Inventory Coordinator, in coordination with the Certified Dispenser, to adopt and implement the Facility-Wide Loss of Access to Inventory Management policies and procedures.

**POLICIES/PROCEDURES:**

- 1) If at any time the Facility loses access to the inventory management system for any reason, CCSA will notify the AMCC immediately.
- 2) Medical Cannabis products may not be dispensed or transported until access has been restored.
- 3) CCSA will record the date and time the loss of access occurred and when it was restored into the Loss of Access to Inventory Management System Log, which will be accessible to the AMCC, upon request.

<b>26.3 Required Inventory Tracking</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Required Inventory Tracking.

**RULE(S):**

538-x-8-.11; 538-x-8-.02(6); 538-x-8-.05(3)(j)

**RESPONSIBILITIES:**

It is the responsibility of the Inventory Coordinator, in coordination with the Certified Dispenser, to adopt and implement the Required Inventory Tracking policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA’s inventory management system will track, at a minimum, the following:
  - a) Start-up inventory.
  - b) Medical Cannabis products in storage.
  - c) Medical Cannabis waste.
  - d) Medical Cannabis product sales.
  - e) Storage and transfer information.
  - f) The name and identification number of the employee responsible for each action taken and date and time action took place.



<b>26.4 Inventory Counts</b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Inventory Counts.

**RESPONSIBILITIES:**

It is the responsibility of the Inventory Coordinator, in coordination with the Certified Dispenser, to adopt and implement the Inventory Counts policies and procedures.

**RULE(S):**

538-x-8-.11; 538-x-8-.02(6); 538-x-8-.03(6); 538-x-8-.05(3)(j); 538-x-8-.08

**POLICIES/PROCEDURES:**

- 1) The Inventory Coordinator, in coordination with the Certified Dispenser or the Assistant Certified Dispenser, will regularly conduct physical inventory counts.
- 2) Complete inventory counts will be performed over a specified time period, counting inventory groups individually.

The Inventory Coordinator will:

- a) Assign the same two (2) employees, at least one will be a Certified Dispenser or the Assistant Certified Dispenser or the Compliance Manager, to recurring inventory groups whenever possible.
- b) Ensure that inventory counts are completed on schedule with minimal impact on regular operations.
- c) Review any discrepancies and document any adjustments made in the inventory management system.
- d) Report any discrepancies identified during inventory counts to the Director of Security.

CCSA will follow good handling practices when conducting inventory counts to minimize risks of microbial contamination.

Employees conducting inventory counts will be free of infectious illnesses.

All counts will be recorded in the inventory management system and reconciled with existing inventory records.

<b><u>26.4.1 Inventory Counts Schedule</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Inventory Counts Scheduling.

**RULE(S):**

538-x-8-.11; 538-x-8-.02(6); 538-x-8-.03(6); 538-x-8-.05(3)(j); 538-x-8-.08

**RESPONSIBILITIES:**

It is the responsibility of the Inventory Coordinator, in coordination with the Certified Dispenser, to adopt and implement the Inventory Counts Schedule policies and procedures.

**POLICIES/PROCEDURES:**

- 1) CCSA will, at a minimum, conduct the following required inventory counts at the Facility:
  - a) Daily counts – reconciling inventory management system's beginning and ending Medical Cannabis product inventory.
  - b) Monthly counts – complete inventory hand count.
  - c) Semi-annual counts – complete inventory hand count with second count.
  - d) Annual counts – complete inventory hand count with second count witnessed by the Inventory Coordinator.

<b><u>26.4.2 Inventory Limits</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Inventory Limits.

**RULE(S):**

538-x-8-.11; 538-x-8-.02(6)

**RESPONSIBILITIES:**

It is the responsibility of the Inventory Coordinator, in coordination with the Certified Dispenser, to adopt and implement the Inventory Limits policies and procedures.

**POLICIES/PROCEDURES:**

- 1) The Inventory Coordinator will ensure that CCSA's cumulative physical inventories of Medical Cannabis product reflect the projected needs of patients.
- 2) Total inventory will not exceed limits set by the AMCC.

<b><u>26.5 Discrepancies in Inventory</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Discrepancies in Inventory.

**RULE(S):**

538-x-8-.11; 538-x-8-.02(6); 538-x-8-.05(2)(c)(11)

**RESPONSIBILITIES:**

It is the responsibility of the Inventory Coordinator, in coordination with the Certified Dispenser and the Director of Security, to adopt and implement the Discrepancies in Inventory policies and procedures.

**POLICIES/PROCEDURES:**

- 1) Any discrepancy in weight or package count will be identified and reported.

Discrepancies identified during inventory counts, including diversion, theft, loss, or any criminal action will be reported to the Inventory Coordinator and the Director of Security.

The Inventory Coordinator and the Director of Security will determine where the loss has occurred and document any and all corrective action.

The Director of Security or the Certified Dispenser will report any verifiable incident of diversion, theft, loss, or unauthorized destruction of Medical Cannabis products immediately to the AMCC and appropriate law enforcement.

CCSA will submit the Incident Log and Post-Incident Report to the AMCC as soon as possible after detecting such action, as required by the AMCC.

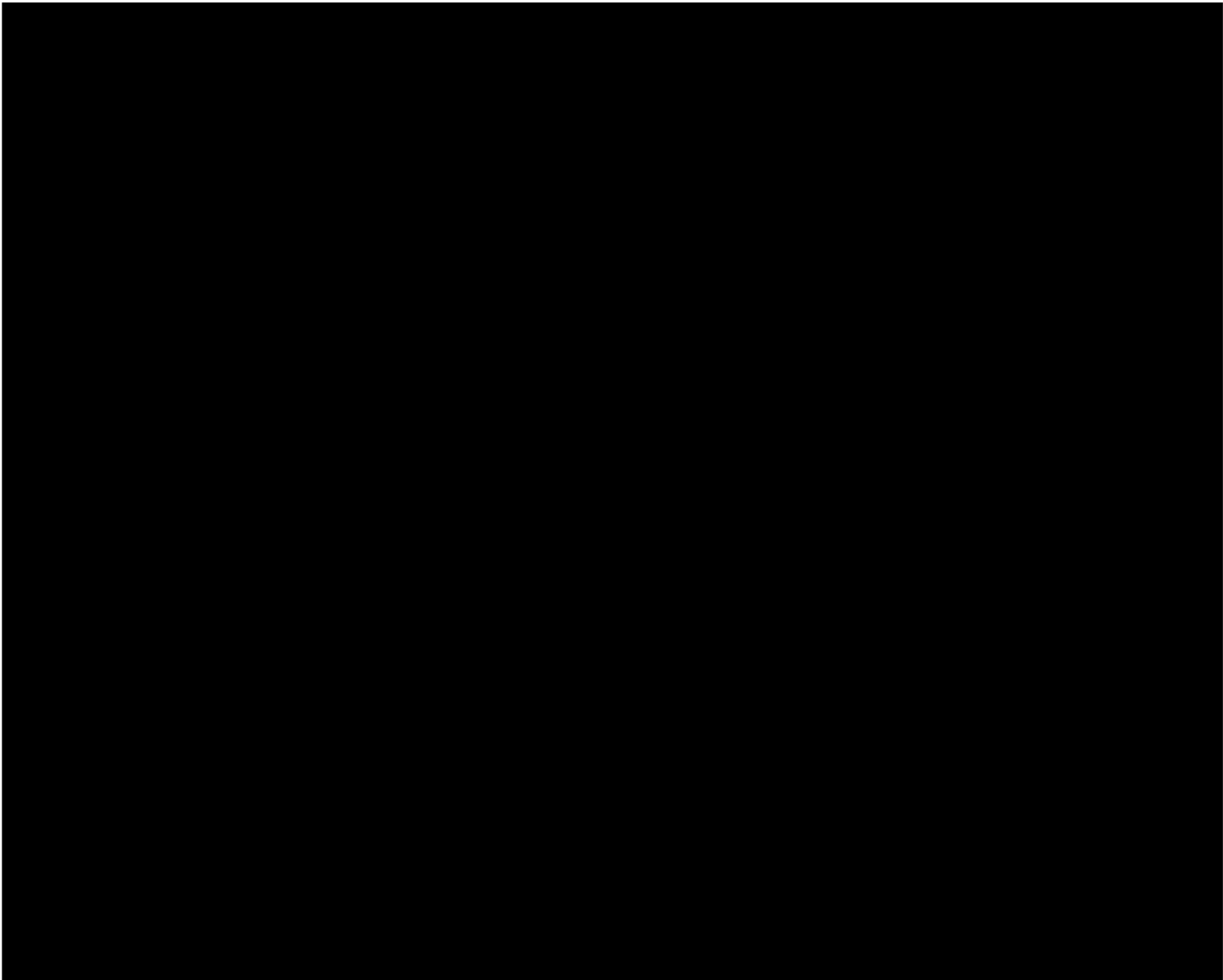
<b><u>27.0 Recordkeeping</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

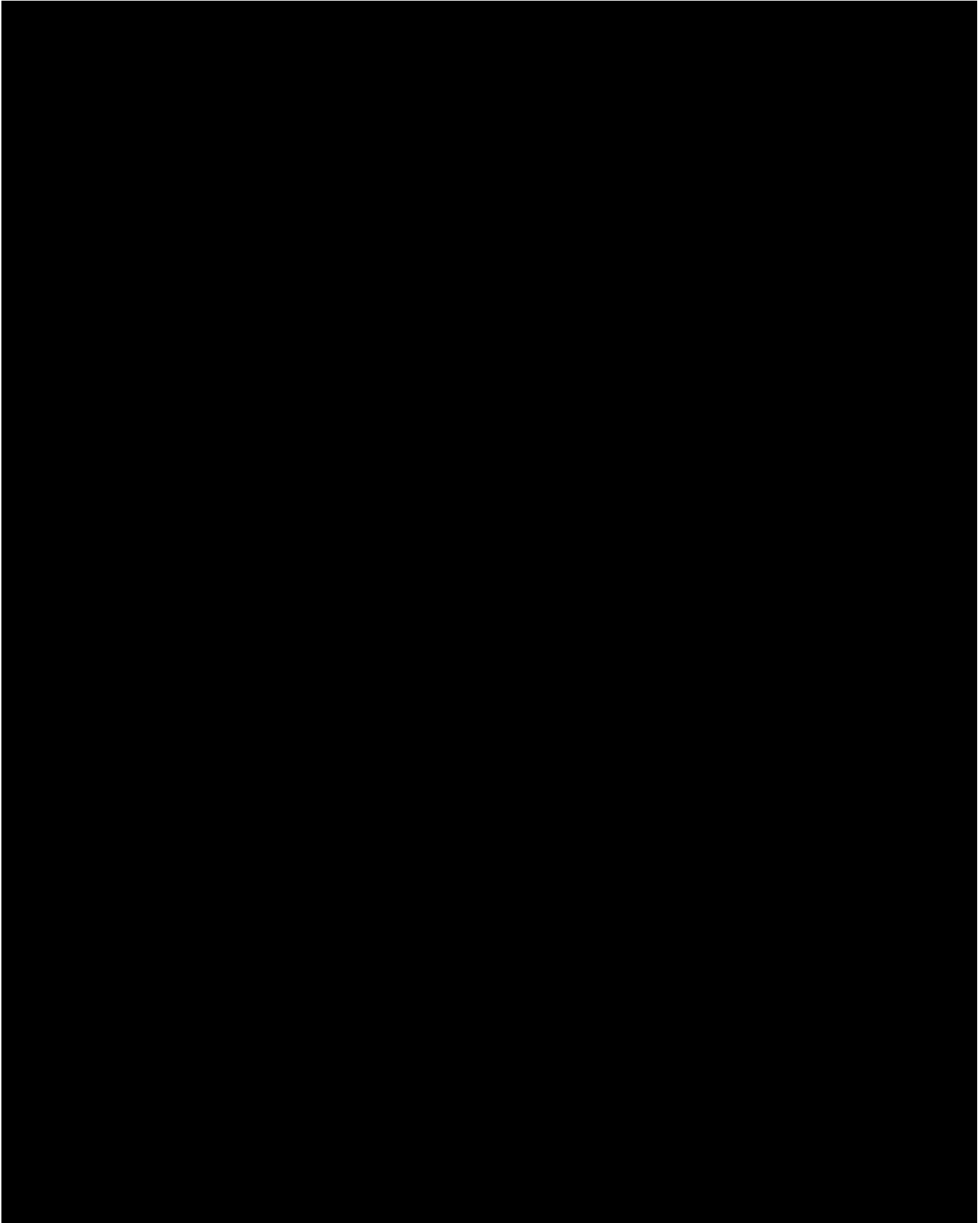
**PURPOSE:**

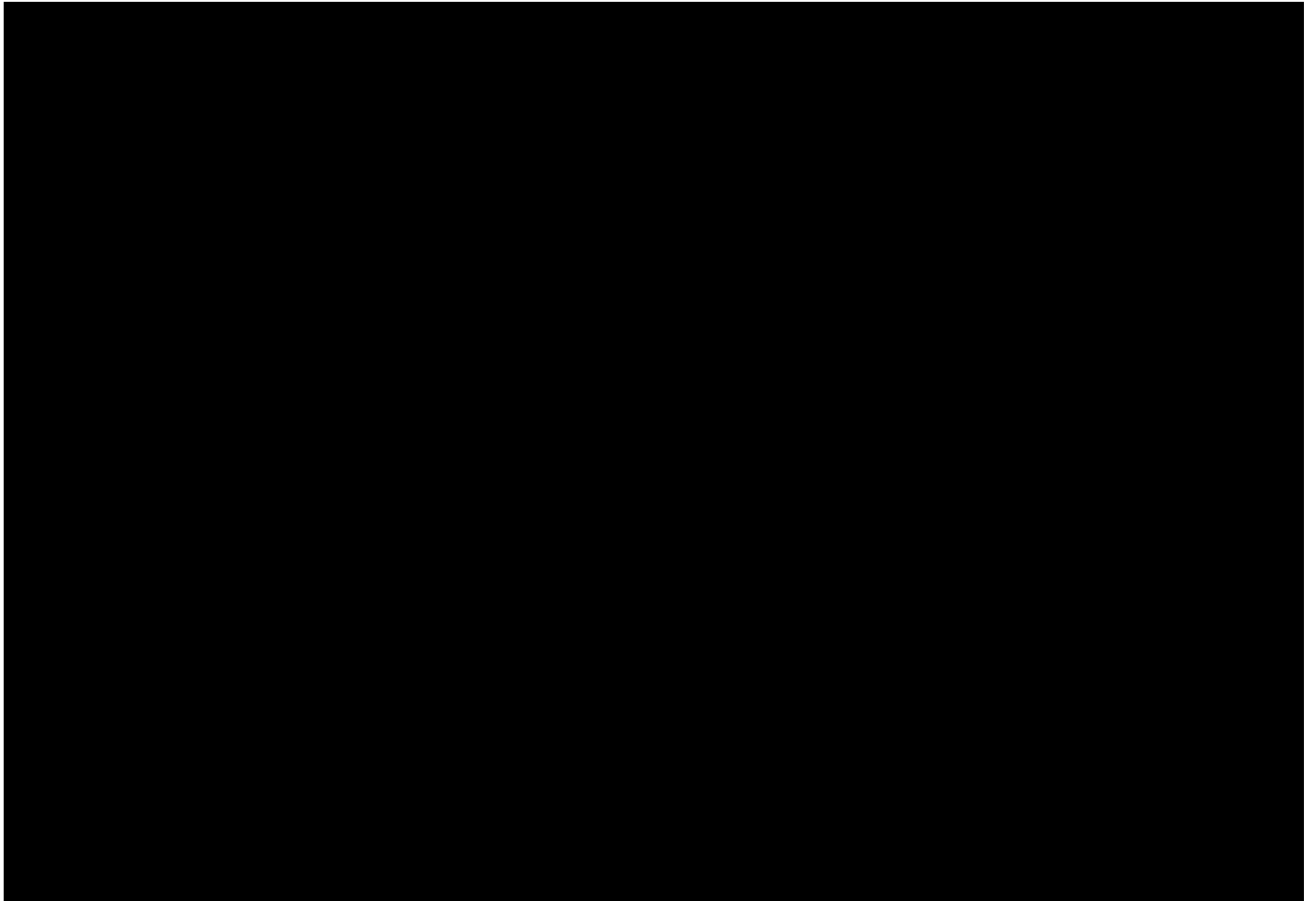
This Standard Operating Procedure outlines the procedure for Recordkeeping.

**RULE(S):**

538-x-8-.11; 538-x-8-.02(6); 538-x-8-.05(3)(m)(11)-(12)









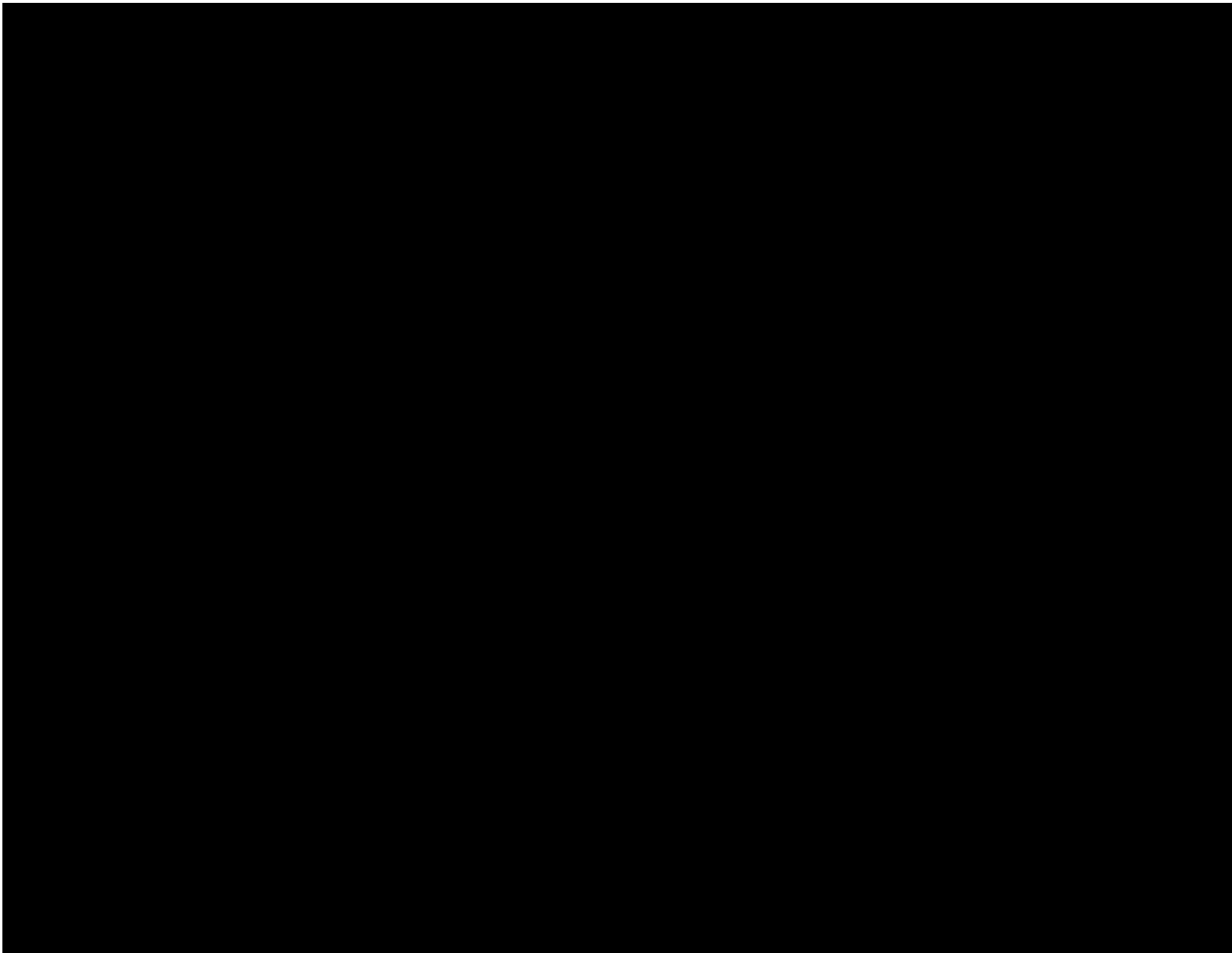
27.1 Records Retention	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure for Records Retention.

**RULE(S):**

538-x-8-.11; 538-x-8-.02(6); 538-x-8-.05(3)(m)(11)-(12)



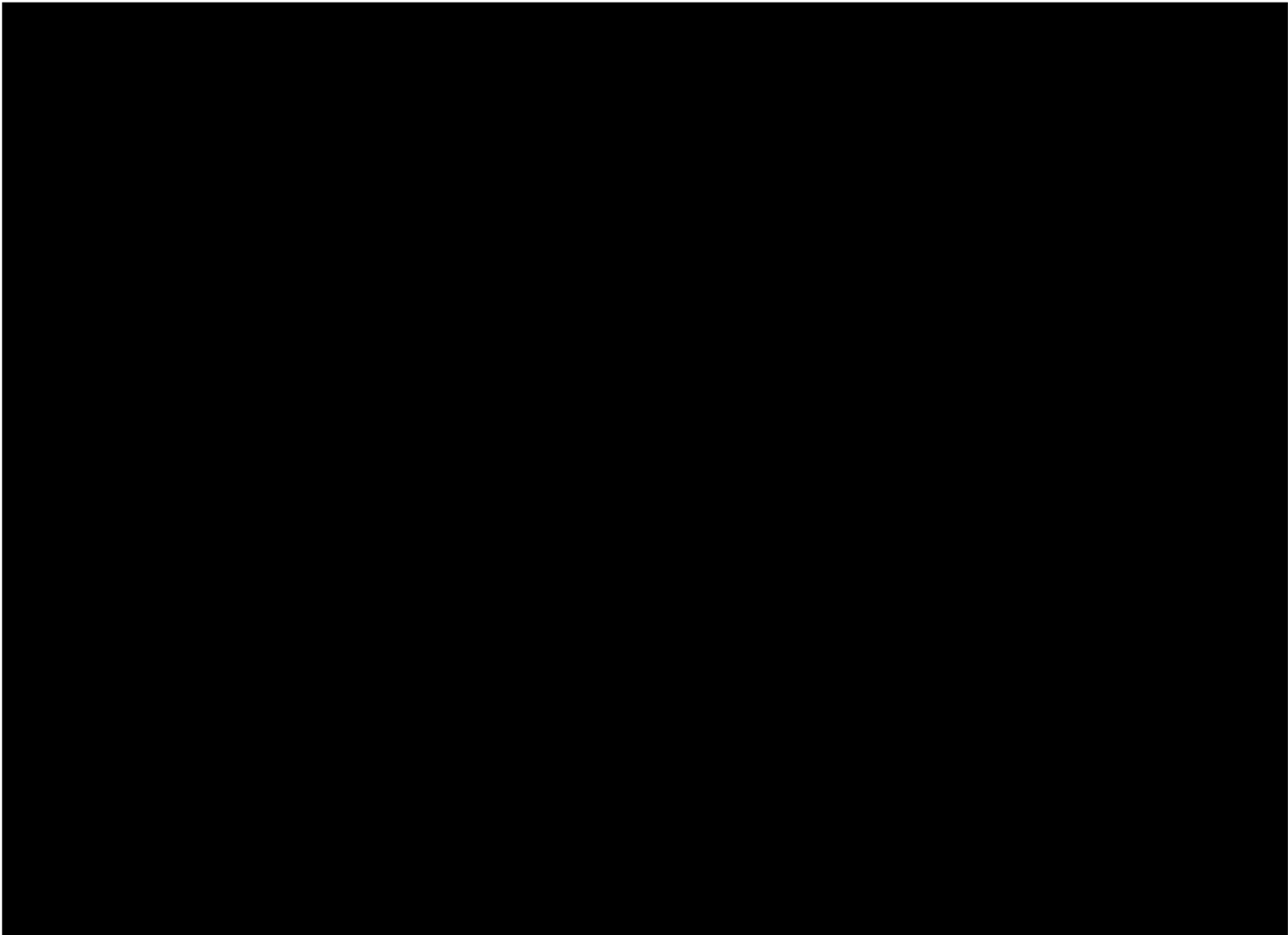
<b><u>27.2 Protected Information</u></b>	
DEPARTMENT(s):	EFFECTIVE DATE:
WRITTEN BY:	APPROVED BY:

**PURPOSE:**

This Standard Operating Procedure outlines the procedure regarding Protected Information.

**RULE(S):**

538-x-8-.05(3)(e)



# Exhibit 17 – Receiving and Shipping Plan

## 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.

Vincent Schilleci III

\_\_\_\_\_  
Printed Name of Verifying Individual

*Vincent Schilleci*

\_\_\_\_\_  
Signature of Verifying Individual

Owner, Manager

\_\_\_\_\_  
Title of Verifying Individual

12/21/2022

\_\_\_\_\_  
Verification Date

## **Exhibit 17 – Receiving and Shipping Complete**

### *Satisfaction of Plan: Complete*

#### **Executive Summary**

CCS of Alabama, LLC's ("CCSA") duty is to acquire and sell only the best Medical Cannabis for our patients and caregivers. CCSA will ensure that its proper quality control methods are strictly adhered to by our inventory teams. Accordingly, our employees will be extensively trained in our well-developed and proven Receiving and Shipping Plan and related standard operating procedures. Upon receipt of an incoming shipment, our inventory team will go through a three-step quality assurance process: authenticate, verify, and integrate. They will utilize robust internal checklists to meticulously validate that all incoming Medical Cannabis is compliant and properly packaged and labeled before acceptance.

Our executive team is led by highly experienced dispensary operators and Alabama wholesale beer distribution entrepreneurs. As such, the executive team is well-versed in highly regulated markets. Together, they bring their combined experience, proven processes, and successful business practices to Alabama's Medical Cannabis market. CCSA, led by Matthew Hogan, the current Chief Executive Officer of ATG Distribution, an Alabama wholesale beer distributor, has built an all-star team that will guarantee all measures are in place for efficient and effective receiving and shipping practices. In addition to Mr. Hogan's logistics and distribution know-how, guiding the Dispensaries' operations are executives Sandra Young and Ernest Craumer, who provide medical cannabis-specific insight and experience as co-founders of three family-owned and operated award-winning Dispensaries. Our team is incredibly knowledgeable and capable of implementing effective processes for the logistics of receiving and shipping Medical Cannabis at CCSA's Dispensaries.

#### **17.1 – Batches of Medical Cannabis received for storage and/or dispensing are appropriately prepared, packaged, and labeled, including QR coded, when received.**

CCSA's three-step receiving method authenticates all incoming Medical Cannabis by confirming that what is received at each Dispensary matches the information listed on the accompanying manifest. Assuming the Medical Cannabis matches the manifest, the inventory

team verifies that all products meet the Alabama Medical Cannabis Commission's ("AMCC") packaging and labeling requirements, including an active QR code. Third, assuming the products are compliantly packaged and labeled, CCSA will accept the Medical Cannabis into its inventory and process all data into the Statewide Seed-to-Sale Tracking System, Metrc, utilizing Dutchie, our third-party inventory management system that seamlessly integrates with the State's program. Our SOPs and rigorous training programs ensure our employees will be equipped with the proper tools to identify and prevent receiving and taking into inventory any non-compliant Medical Cannabis at our Dispensaries.

### **Medical Cannabis Packaging and Labeling Verification**

As a Dispensary licensee, CCSA cannot package and label Medical Cannabis. As such, any incoming Medical Cannabis must be in final form, tested, and appropriately prepared, packaged, and labeled by the originating licensee, including bearing the universal symbol, before receipt at our Dispensaries. We empower our team to go above and beyond to ensure that our patients and caregivers receive only the highest quality, consistent, and compliant Medical Cannabis on the market. We utilize comprehensive packaging and labeling checklists to verify every aspect of each product for compliance before accepting and integrating any Medical Cannabis into our existing inventory. At the time of receipt of a shipment, an inventory employee will sign off on each requirement, acknowledging their review of the Medical Cannabis' packaging and labeling compliance, and will then submit their findings to a Certified Dispenser for approval before CCSA accepts the Medical Cannabis into inventory; inventory employees will reject any shipment that does not meet these standards.

### **Attractiveness to Children or Minors**

Firstly, our team visually inspects all incoming batches of Medical Cannabis to confirm that the packaging and labeling are unattractive to minors and that the product design minimizes its appeal to children. Designs, packaging, labeling, receptacles, devices, or branding that contain, feature, resemble, or include the following could be deemed attractive to or targeting children or minors: toys, cartoon characters, including artistic, caricature, or similar renderings; products available for consumption as a commercially available candy; realistic or fictional characters whose target audience is primarily composed of minors; media that have as an audience demographic composed of greater than 15% minors; likenesses or images of minors, animals, or fruits; a non-cannabis consumer product of a type

that is commonly marketed to minors; symbols or words commonly used to market or refer to products for minors, are commonly associated with minors, or refer to products commonly marketed by minors; or celebrities whose audience or following is substantially composed of greater than 15% minors. If the packaging or labeling of Medical Cannabis does not meet these standards, our team will reject the shipment and refuse to accept the product.

#### Packaging and Labeling Requirements

As documented on our internal checklists, our inventory team will ensure that all incoming Medical Cannabis is packaged in child-resistant, tamper-evident containers. To verify this, our team will select a representative sample of several products in the incoming shipment to verify that the incoming goods are consistent and that there is no sign of damage or tampering. The inventory team member will initial the checklist as they verify each item. Our inventory team will then confirm that all incoming Medical Cannabis displays all required information on the product labels and that the labels are securely attached to the product packaging and that the labeling is of a size and quality that is legible to the average patient or caregiver. Each label must contain, at a minimum, the following:

- The Medical Cannabis type, such as tinctures, transdermal patches, etc.
- The lot and batch numbers.
- Name and license number of the Cultivator and Processor.
- Cannabinoid content and potency of the Medical Cannabis.
- Amount, number, or count of the Medical Cannabis in the package on which the label is affixed.
- The AMCC-approved universal symbol in color and at least ½" x ½" in size.
- The words "Keep out of reach of children."
- A QR code to track the Medical Cannabis in the State Seed-to-Sale System (i.e., Metrc).
- The mandated warning: "WARNING: This product may make you drowsy or dizzy. Do not drink alcohol with this product. Use care when operating a vehicle or other machinery. Taking this product with medication may lead to harmful side effects or complications. Consult your physician before taking this product with any medication. Women who are breastfeeding, pregnant, or plan to become pregnant

should discuss medical cannabis use with their physicians." Note that this warning may be included on a package insert if there is insufficient space on the label.

In addition to the above labeling requirements, we will confirm that neither the labels nor the packaging contain false statements that generally advertise the health benefits or therapeutic benefits of Medical Cannabis.

### **Medical Cannabis Product QR Codes**

Product QR codes are a helpful tool the AMCC has utilized to track Medical Cannabis throughout seed-to-sale activities. As noted above, all Medical Cannabis labels must include QR codes or other approved digital coding to identify the product's information as detailed in Metrc (a comprehensive list of the information linked to the QR coding is outlined in Section 17.3). When verifying incoming inventory, the inventory team will scan the QR code to confirm that all linked information is correct. If the QR code does not function or the linked data is incorrect, our team will confer with the originating vendor for correction. If the QR code cannot be remedied, CCSA reserves the right to reject the batch due to non-compliance.

### **17.2 - Incoming Medical Cannabis is accompanied by the Secure Transporter's manifest and other appropriate documentation, which must be accurate and executed by all appropriate parties.**

CCSA emphasizes meticulous attention to detail while handling incoming shipments of Medical Cannabis. Before accepting any shipment at our Dispensaries, the inventory team will coordinate with the originating licensee to confirm the date and time of the incoming shipment, and if permitted by the AMCC, CCSA will request an electronic version of the manifest beforehand to verify the manifest correctly reflects CCSA's order. We will not accept any unscheduled shipments at our Dispensaries. The first step in our receiving inventory process is to authenticate the incoming shipment by comparing the quantity and type of the incoming Medical Cannabis to the corresponding Secure Transporter's manifest; the transported Medical Cannabis must match that reflected on the manifest. The reconciliation of all incoming Medical Cannabis package counts, labeling, and actual weights will occur before accepting the Medical Cannabis. Any identified weight or package count discrepancy will be reported immediately to our management and may result in our rejection of the shipment.

The manifest is a required AMCC-approved form that lists the cargo and crew of a vehicle transporting Medical Cannabis and is available for review and use by State officials and licensee personnel. For compliance purposes, our inventory team will not accept any Medical Cannabis not accompanied by a manifest and other appropriate or necessary documentation, which may include an invoice or certificates of analysis from a State Licensed Testing Laboratory. If allowed by the AMCC, we will require Secure Transporters to provide us with an additional electronic manifest at least 24 hours before the shipment. This step will proactively prevent ordering errors before transport and minimize the number of rejected incoming orders. This electronic transmission will supplement, and not replace, the AMCC's requirement that the Transporter maintains a copy of the manifest with the order during all shipping activities, including inputting it in the tracking system before transport. Furthermore, our team will also ensure incoming orders are accompanied by compliant manifests that include the following:

- The names of the driver and crewmember.
- The name and address of CCSA's receiving Dispensary.
- The weight and description of each individual package that is part of the shipment and the total number of individual packages.
- The date and time the shipment was placed into the transport vehicle.
- The date and time CCSA, as the receiving Facility, accepts the shipment of Medical Cannabis.
- Specific product handling or storage instructions.
- The identity of the employee taking custody of the Medical Cannabis, including the circumstances, duration, and disposition of any other person who had custody or control of the shipment.

As the receiving licensee, only upon completion of the second step in our receiving plan (i.e., verification of packaging and labeling) and after CCSA deems the incoming shipment as compliant, will our inventory team sign the manifest and any other documentation to acknowledge the following: receipt of the shipment, that the received inventory is compliant, and CCSA's acceptance of the incoming inventory. An authorized employee from the originating Facility, the Secure Transport driver, and our authorized inventory employee will



sign the manifest. Under the supervision of a Certified Dispenser, the authorized inventory employee will input the executed manifest and all inventory data into Metrc no later than the next business day. As the third step of CCSA's receiving plan, our team will prepare the Medical Cannabis for sale at the Dispensary, including adding price tags and integration with CCSA's existing inventory.

**17.3 – All information from the QR code relating to the incoming Medical Cannabis, including the arrival date & time, has been logged into the Statewide Tracking System.**

CCSA will record all Medical Cannabis intake activities, including accepted shipments, daily or no later than the following business day if, after the shipment is reviewed, new information is received, as required by the AMCC. With our team's extensive experience in legal cannabis markets, we understand the significance of accurate and timely data collection. We provide our staff with in-depth training, including continued educational training, and SOPs to instill the importance of this in all team members from bottom to top. As mentioned above, product QR codes are verified during the second step of our three-part receiving plan. Upon scanning the QR code, all product information will be compared against the manifest form, Metrc, and the physically packaged and labeled products. CCSA's team will verify that, at a minimum, the following required information is correctly linked and displayed via the QR code:

- The Cultivator or Integrated Facility from which the Medical Cannabis was sourced.
- The name of the Processor and the Processor's Facility of origin.
- The type of Medical Cannabis.
- The date of processing and packaging.
- The date of the State Testing Laboratory approval.
- The expiration date, if applicable, or notation that an expiration date does not apply.
- The Alabama Poison Control contact information as noted by the AMCC.

Upon confirming the above and ensuring that the QR Code operates properly, our inventory team will enter all data into Dutchie. Our team is well-versed in working with tracking systems within highly regulated industries such as cannabis, pharmaceuticals, and alcohol distribution. Our existing experience and strict receiving plan and policies allow CCSA to efficiently and expeditiously realize its operations upon selection by the AMCC.

**17.4 – Medical Cannabis received by our Dispensaries through a Secure Transporter must be appropriately processed, packaged, and labeled in containers.**

CCSA's inventory team does not accept Medical Cannabis into its inventory if the Medical Cannabis is not adequately packaged, labeled, and inserted into tamper-evident containers in advance of shipment to our Dispensaries. Dispensaries are strictly prohibited from dispensing Medical Cannabis prior to its processing or completion of any processing activities at their premises, including packaging and labeling activities. Verifying that incoming Medical Cannabis is in final form and packaged and labeled in accordance with applicable law is the initial step our inventory team takes to confirm inventory compliance. If this standard is not met, no further product verification is necessary, and the shipment will be rejected. If any containers appear to be tampered with or the packaging is missing its tamper-evident seal, the shipment will also be rejected and sent back to the originating Facility.

Upon CCSA's requests that the Secure Transporter sends us an electronic copy of the manifest ahead of the scheduled product shipment, our inventory team will confirm the following with the Transporter driver: (i) the individual batches of Medical Cannabis are tagged or otherwise identified and inserted in containers; (ii) all Medical Cannabis batches and containers are QR coded or otherwise digitally coded, and the QR code identifies the licensee and Facility of origin, the licensee and Facility of destination, and the date of the State Testing Laboratory's last testing and approval; and (iii) the Medical Cannabis is accompanied by the physical manifest and any other appropriate documentation.

**17.5 – Batches and Containers shipped by CCSA's Dispensaries must be QR coded and contain the required inventory tracking information.**

There are rare circumstances in which CCSA, as a Dispensary, will prepare a shipment of Medical Cannabis for transport by a Secure Transporter. These circumstances are likely limited to shipping inventory from one of CCSA's Dispensaries to another or another licensee in the improbable event of a product recall or withdrawal. In all scenarios, the shipment of Medical Cannabis will be accompanied by a compliant manifest and other appropriate documentation.

### **Shipping Medical Cannabis to Our Other Dispensaries**

Under no circumstances will employees of CCSA perform shipments of Medical Cannabis. If it is necessary for inventory management purposes, that one of CCSA's Dispensaries transfer existing inventory to another, CCSA will contract with a Secure Transporter to transport the shipment from one of our Dispensaries to the other(s). Before shipping any Medical Cannabis, CCSA's inventory team will verify that each label affixed to a shipped container contains, at a minimum:

- A QR code (and that individual batches of Medical Cannabis are similarly QR coded).
- The Cultivator, Processor, or Integrated Facility from which the Medical Cannabis was sourced.
- CCSA, as the originating Facility.
- The packaging and processing dates.
- A list of all products included in the container.
- The product batch number and unique identifier (lot number or barcode) of all products in the shipment.
- The gross weight of the container.
- CCSA's other Facility address, telephone number, and registration/license number.

### **Shipping Medical Cannabis Back to the Originating Facility**

If the AMCC, an originating licensee, or CCSA establishes that a product recall or withdrawal is necessary, or if Medical Cannabis at our Dispensary expires prior to sale, our team will arrange with a Secure Transporter to send the Medical Cannabis back to the originating Facility for proper analyses, remediation, or destruction, as applicable and allowed by the AMCC.

### **17.6 – Outgoing Medical Cannabis sent for testing must be accompanied by the Secure Transporter's or Testing Laboratory's manifest and other appropriate documentation, which must be accurate and executed by all appropriate parties.**

As all Medical Cannabis must be tested prior to shipment to a Dispensary, it is rare that CCSA will send its Medical Cannabis for testing to a State Licensed Laboratory. To uphold CCSA's commitment to our patients and caregivers, and our promise to carry high-quality products, we will meticulously track the expiration dates, if provided, of our Medical

Cannabis. If a product has not sold and there are approximately four months left before the product expires, we will arrange for a representative sample of the batch to be tested. In addition, as a quality assurance measure, our team will periodically select Medical Cannabis from our inventory to verify the product's stability and shelf life and ensure that the product's quality has not deteriorated over time or during storage. Further, if during our receiving processes, our inventory team notices anything unusual on the certificate of analysis, our team may request additional testing by a laboratory before accepting the subject products into inventory. We are committed to taking these additional steps and precautions beyond the AMCC's requirements to ensure the integrity of the Medical Cannabis we acquire and carry.

All outgoing shipments of Medical Cannabis sent for additional testing will be transported by a Secure Transporter and accompanied by a manifest and all other appropriate documentation. Before leaving our Dispensary, our team will coordinate with the State Testing Laboratory to ensure that all samples are appropriately tracked in Metrc via Dutchie. Prior to transport, the Transporter's driver will confer with our team to guarantee both parties have duly executed the manifest and an accurate departure time. After testing, our team will coordinate with the laboratory to verify the issuance of the additional certificate of analysis and confirm that the Medical Cannabis passes all tests before it is returned to our Dispensary for sale.

**17.7 - All information from the QR code relating to the outgoing Medical Cannabis, including the shipment date and time of shipment, has been logged into the Statewide Tracking System.**

As noted in Sections 17.5 and 17.6 of this plan, there are few scenarios in which Medical Cannabis will be shipped from CCSA's Dispensaries. However, in these rare scenarios, comparable to our receiving plan, our team will confirm that all information relating to any outgoing Medical Cannabis is linked via a QR code and is logged into Metrc by Dutchie. We will ensure the information linked via the QR code is the same as detailed above in Section 17.3, and any additional information required by the AMCC will be included.

**Conclusion**

As a Dispensary, we will safeguard the well-being of registered qualified patients and caregivers. At CCSA, we will uphold this duty by selling only high-quality, tested Medical

Cannabis in secure and child-resistant packaging bearing the universal State symbol, which is appropriately and comprehensively labeled for retail sale. Our mission is to assist our patients and caregivers in finding the best Medical Cannabis for their needs and to ensure the product information presented on the package and label is informative and not misleading. CCSA's Receiving and Shipping Plan is the first step to carrying out this commitment to our patients and caregivers.

**This Exhibit 17 Complies with:**

Ala. Admin. Code r. 538-x-4-.05(1); 538-x-4-.05(4)-(5); 538-x-6-.02(1)-(2); 538-x-6-.05(1)(a)-(b); 538-x-6-.05(1)(d)-(f); 538-x-6-.05(2); 538-x-7-.07; 538-x-8-.02(6)(a); 538-x-8-.02(4)(e); 538-x-8-.02(5)(a); 538-x-8-.02(5)(d); 538-x-8-.02(6)(a); 538-x-8-.05(3)(j)(6) Darren Wesley "Ato" Hall Compassion Act §20-2A-63(e)(1)-(3); §20-2A-63(g); §20-2A-63(i); §20-2A-64(d)(3)-(4).

# Exhibit 18 – 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.

Vincent Schilleci III

Owner, Manager

\_\_\_\_\_  
Printed Name of Verifying Individual

\_\_\_\_\_  
Title of Verifying Individual

*Vincent Schilleci*  
\_\_\_\_\_  
Signature of Verifying Individual

12/21/2022  
\_\_\_\_\_  
Verification Date

## **Exhibit 18 – Facilities**

*Satisfaction of Plan Status: In progress, see individual subsection status*

### **Executive Summary**

After a careful and diligent search, CCS of Alabama, LLC (“CCSA”) has chosen three ideal locations for our Dispensary Sites: Montgomery, Cullman County, and Talladega. Each of our facilities was designed in compliance with all local and state rules and regulations, with the utmost attention to security, just like our team’s medical cannabis dispensaries and pharmaceutical facilities in other states, while also seamlessly integrating into the local communities.

CCSA is led by Alabama native Matthew Hogan, the President and Chief Operating Officer of ATG Distribution, a large alcoholic beverage wholesaler in Alabama. Mr. Hogan has partnered not only with award winning experienced multi state cannabis dispensary owners and managers but has also joined forces with one of the premier compounding pharmacy operators in the Southeast who also owns and operates four of the highly coveted nine medical cannabis pharmacies in Louisiana. By bringing together national cannabis business retail design best practices with the unique southern cannabis retail experience, CCSA’s facilities will offer an unparalleled patient experience to its qualified patients seeking to address a variety of health issues.

Our world-class, patient-centered, pharmacist and operations team knows precisely how to build an industry-leading Dispensing Site. Through decades of combined cannabis industry and pharmaceutical experience, we have learned to construct a state-of-the-art dispensary facility so that every facet of the facility is customized to create and dispense quality medical cannabis and products in a secure and safe environment, and we will do exactly that in Montgomery, Cullman County and Talladega.

#### **18.1 – The facility name and type.**

*Satisfaction of Plan Status: Complete*

Our company facility name is CCS of Alabama, LLC (“CCSA”). If permitted by the Alabama Medical Cannabis Commission (AMCC”), we intend to operate as Callie’s Apothecary. CCSA is applying for a Dispensary Facility License, and we are proposing to have

three separate Dispensing Sites located in three different counties in Alabama - all of which have authorized the operation of Dispensing Sites within its boundaries by ordinance.

### **18.2 - The physical address and GPS coordinates of the facility.**

#### *Satisfaction of Plan Status: Complete*

#### **Montgomery Dispensary Site.**

The Montgomery Dispensary Site includes a 2,900 square-foot building located on a half-acre parcel at 5232 Atlanta Highway, Montgomery, Alabama 36109 (GPS coordinates 32°22'52.4958"N 86°21'10.545"W) (the "Montgomery Dispensary Site"). The stand-alone building is perfectly situated to service qualified patients who live in and who may be visiting the state's second most populous city. This location is easily accessible to thousands of qualified patients due to its close proximity to the busy intersection of U.S. 231 and the Atlanta Highway and also as it sits less than a mile from the I-85 corridor exit. It is important to our company that we serve patients of all income levels, especially those with less disposable income and who may not have their own mode of transportation. Therefore, we made sure to seek out locations that are accessible to public transportation stops. The Montgomery Dispensing Site location is just a short walking distance from the Atlanta and Eagle bus stop and is accessible by both foot and bicycle traffic, so not only patients and caregivers but also our employees can arrive safely and do so in an affordable manner.

Not only will CCSA bring needed jobs and economic revenue to the Montgomery area while serving the qualified patients of Alabama, but we will have minimal impact on our host community with the development of this facility.

#### **Cullman County Dispensary Site**

CCSA's Cullman County Dispensary Site is located on a 3,000 square-foot parcel near the banks of Lake Catoma on parcel number 17-01-01-0-000-007.000 (GPS coordinates 34.19988, -86.80932). Cullman County is centrally located in northern Alabama, directly north of Birmingham, on the main thoroughfare of I-65. Cullman County has a rich agricultural history and is home to many retirees, making our Cullman County Dispensary Site convenient for aging Alabamians who often benefit significantly from medical cannabis. The Cullman County Dispensary Site is located close to the populous City of Cullman. CCSA



is excited to support Cullman County's citizens' health and will ensure a safe and secure Dispensing Site in line with the county's mores.

### **Talladega Dispensary Site**

CCSA's Talladega Dispensary Site is located at 309 West Battle Street, Talladega, Alabama 35160 (GPS coordinates 33.43418, -86.10557) and easily accessible from I-20. This site is very close to the major intersection of East Street North and Battle Street in the city of Talladega and will be able to serve qualified patients from nearby Waldo, Alpine, and Munford.

### **18.3 – An aerial photograph of the facility, including clearly identified site boundaries.**




#### **Satisfaction of Plan Status: Complete**

CCSA has worked closely with our experienced retail team to design three state-of-the-art Dispensing Sites. The Montgomery Dispensing Site is located in a stand-alone building with ample and exclusive parking adjacent to the building reserved for qualified patients and caregivers visiting CCSA. The parking area, which is monitored and supported for the safety and security of patients and caregivers, is located both in the front of the building and in the back and is shaded by trees and shrubbery, providing reasonable privacy to those qualified patients and caregivers as they arrive and depart the Dispensing Site. For both the Cullman County and the Talladega Dispensing Site, the Landlord has agreed to build the property to CCSA's design specs, using all local construction employees. Our customers' privacy is paramount, so we have ensured that the parking area for both sites will provide reasonable privacy to our qualified patients and caregivers.

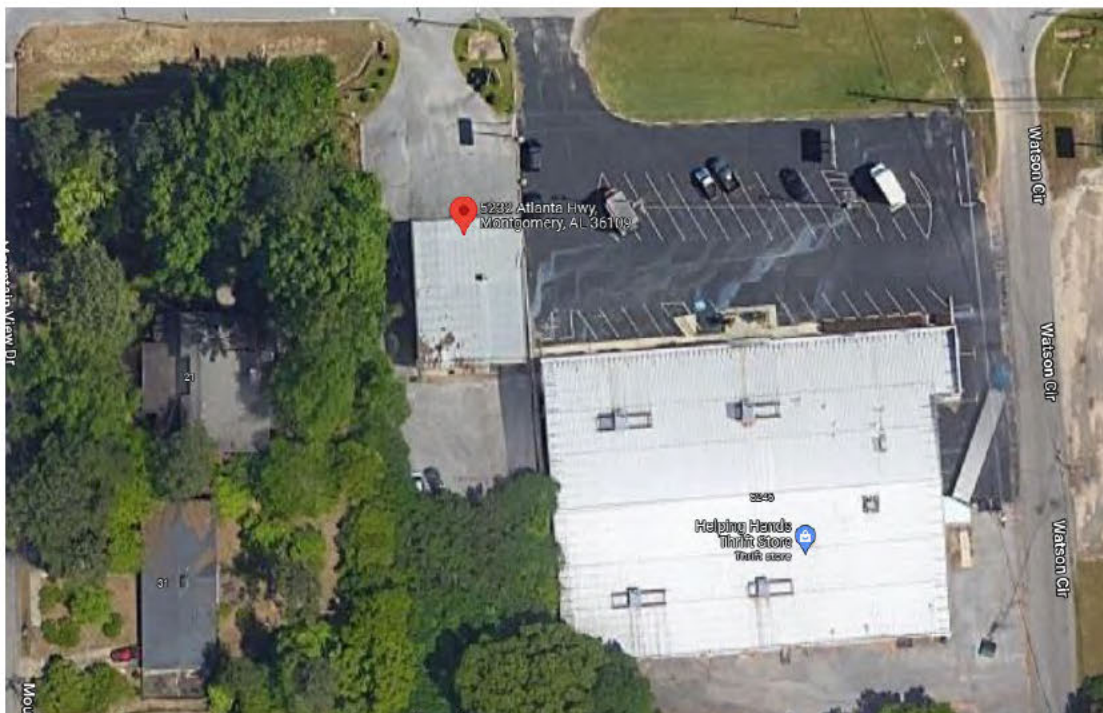
All three of our locations are sufficiently distant from all sensitive uses required to be a certain distance from Dispensing Sites. Specifically, each is more than 1000 feet from any school, daycare, or childcare facility. Please see the following Aerial and Vicinity Maps that confirm this:

Montgomery Dispensing Site.



	Property Entrance
	Nearest Prohibited Setback
	Radius - 1000 ft

**Montgomery**  
5232 Atlanta Highway





### Cullman County Dispensing Site



	Property Entrance
	Nearest Prohibited Setback
	Radius - 1000 ft

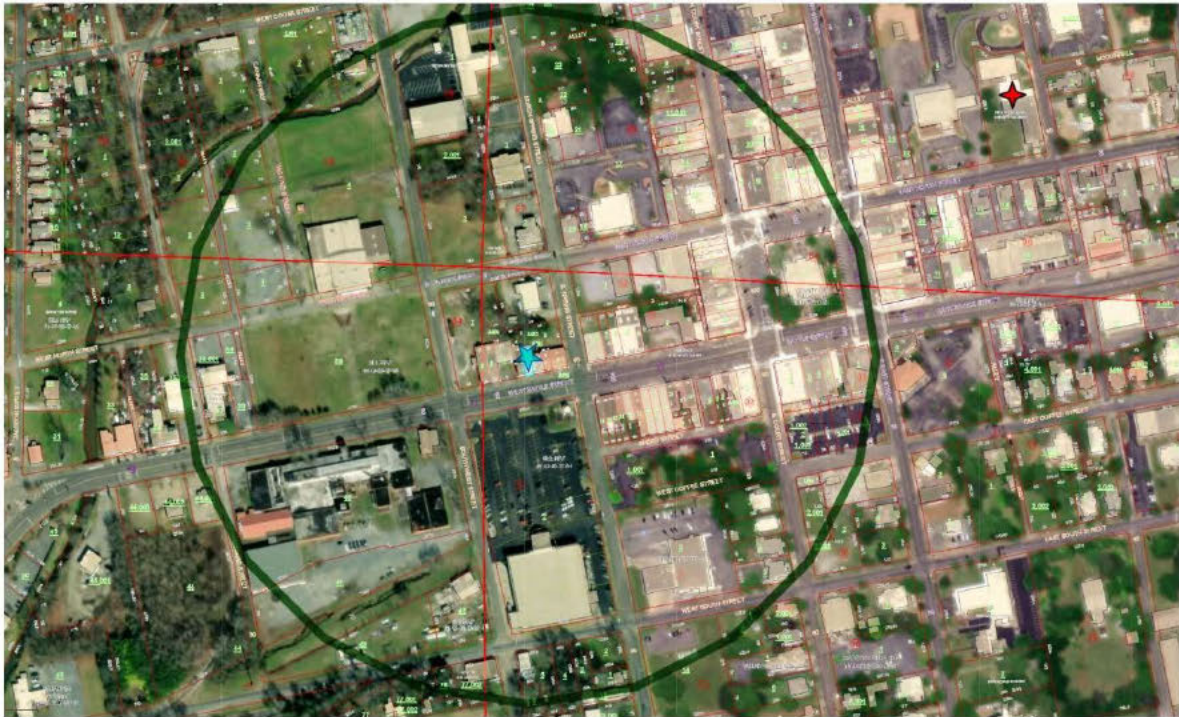
**Cullman**  
No Address Available

*\*No Nearby Prohibited Setbacks*





### Talladega Dispensing Site



Property Entrance  
Alley/Prohibited Setback

Talladega



**18.4 – Proof of Authorization for the Applicant to Occupy the Property Where the Facility is Proposed to be Located.**

*Satisfaction of Plan Status: Complete*

CCSA has obtained written authorizations for it to occupy the properties where each dispensary facility is proposed to be located.

**Montgomery Dispensing Site**

The Montgomery Dispensing Site is currently owned by CCSA owner Matthew Hogan’s mother, Jan Hogan. On November 30, 2022, Jan Hogan entered into a Letter of Intent with CCSA to lease the Montgomery Dispensing Site to CCSA for the permitted use of a licensed medical cannabis dispensing site, for an initial term of five years and with two additional extension terms of five years each (identified as “Montgomery Dispensing Site LOI – Attachment to Exhibit 18, Section 18.4”). The proposed lease is contingent on CCSA’s receipt of the State of Alabama approving its application for a Dispensary Facility license.

**Cullman County Dispensing Site**

The Cullman County Dispensing Site is owned by Cystal Dolan Page. Crystal Dolan Page leased the property to Skinner Properties, LLC in 2016 via the attached Amendment to Lease (BK657/PG832) (identified as “Cullman County Dispensing Site 2016 Amendment– Attachment to Exhibit 18, Section 18.4”). Then on August 10, 2021, Skinner Properties, LLC assigned its Lease with the approval of Cystal Dolan Page to K & P Land, LLC via the attached Assignment of Lease By Lessee with Consent of Lessor (identified as “Cullman County Dispensing Site 2021 Assignment– Attachment to Exhibit 18, Section 18.4”). On December 14, 2022, CCSA entered into a Letter of Intent to lease the Cullman Dispensing Site with Kiah Brown, Manager of K&P Land, LLC (identified as “Cullman County Dispensing Site LOI – Attachment to Exhibit 18, Section 18.4”). CCSA’s LOI is for an initial term of ten years with two additional extension terms of five years each. The proposed lease is contingent on CCSA’s receipt of the State of Alabama approving its application for a Dispensary Facility license.

**Talladega Dispensing Site**

On December 14, 2022, two individual members of CCSA, Vincent J. Schilleci III and Matthew Hogan, entered into a Purchase and Sale Agreement to buy the real property where the Talladega Dispensing Site is located (identified as “Talladega Dispensing Site PSA – Attachment to Exhibit 18, Section 18.4”). On December 17, 2022, the Purchase and Sale Agreement was assigned from Vincent J. Schilleci III and Matthew Hogan to CCSA (identified as “Talladega Dispensing Site PSA Assignment – Attachment to Exhibit 18, Section 18.4”). The closing of the real estate transaction has been pushed to any time before 250 days from December 14, 2022 (*i.e.* August 21, 2023), providing the ability for CCSA to close on the property after the Alabama Medical Cannabis Commission grants CCSA the Dispensary Facility License.

**18.5 – 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**

*Satisfaction of Plan Status: In progress, within 30 days after license award*

**Montgomery Dispensing Site**

The proposed Montgomery Dispensing Site parcel is zoned B-3 Highway Commercial District. According to the City of Montgomery’s Ordinance No. 63-2021, Montgomery authorized the operation of dispensing sites within the corporate limits of the City of Montgomery on December 7, 2021 (identified as “Montgomery Ordinance No. 63-2021 – Attachment to Exhibit 18, Section 18.5”). Further, the Montgomery Planning and Zoning Department has confirmed in writing via the below Zoning Verification Letter that the B-3 Highway Commercial District zone allows for medical cannabis dispensaries (identified as “Montgomery Zoning Verification Letter – Attachment to Exhibit 18, Section 18.5”).

CCSA will maintain compliance with all other local laws, resolutions, and ordinances. At this time, the City of Montgomery is not requiring an additional medical cannabis business license to operate a medical cannabis dispensary in the City of Montgomery except for local building permits that will be applied for once construction commences, which will occur after CCSA has obtained its Dispensary Facility License.

### **Cullman County Dispensing Site**

The proposed Cullman Dispensing Site parcel is located in the unincorporated area of Cullman County, and per the below letter from the Cullman County Commission, there are no zoning restrictions. According to Cullman County's Resolution No. 2022-61, Cullman County authorized the operation of dispensing sites by dispensary licensees and integrated facility licensees within the unincorporated areas of Cullman County on July 19, 2022 (identified as "Cullman County Resolution No. 2022-61 – Attachment to Exhibit 18, Section 18.5"). Further, the Cullman County Commission has confirmed in writing via the below Zoning Verification Letter that there are no zoning restrictions in the unincorporated areas of Cullman County and building permits and letters of occupancy are not required (identified as "Cullman County Zoning Verification Letter – Attachment to Exhibit 18, Section 18.5").

### **Talladega Dispensing Site**

The proposed Talladega Dispensing Site parcel is zoned General Commercial (C-3). According to the City of Talladega's Ordinance No. 1922, Talladega authorized the operation of dispensing sites within the corporate limits of the City of Talladega on October 24, 2022 (identified as "Talladega Ordinance No. 1922– Attachment to Exhibit 18, Section 18.5"). Further, Robert Buyher, City Planner with the City of Talladega has confirmed in writing via the below Zoning Approval Letter dated December 19, 2022 that the property located at 309 West Battle Street in Talladega is zoned C-3 General Commercial zone which allows for medical cannabis dispensaries (identified as "Talladega Zoning Verification Letter – Attachment to Exhibit 18, Section 18.5").

### **18.6 – 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**

#### ***Satisfaction of Plan Status: Complete***

CCSA has the knowledge and first-hand experience necessary to build a state-of-the-art dispensing facility and be one of the first open and operational dispensaries to serve the

qualified patients of Alabama, just as its team members have done in Colorado, Maryland, and Louisiana. One of CCSA's owners, Ernest Craumer, has a wealth of experience owning and operating medical cannabis dispensaries in multiple states in the United States, and he sat as the former CEO of one of Colorado's most recognized and successful dispensary chains. Sandra Young joins Mr. Craumer in this Alabama endeavor after working together to build patient-focused medical cannabis dispensaries in Colorado. Ms. Young has spent years managing medical cannabis retail operations with a strong focus on compliance, and together they will apply their multi-state operational experience to curate a patient-focused retail environment at CCSA.

Our blueprints detail our modern dispensing site facility while specifying the square footage of each area. With the guidance of our Director of Security, [REDACTED], we are confident our facility will be safe and secure. [REDACTED] currently leads CCSA's engaged security advisor company, [REDACTED], an Alabama-licensed business that specializes in providing security services to individuals and businesses.

Our blueprint clearly indicates:

- Placements of all walls, partitions, and counters..
- Areas of ingress and egress.
- ID Check Area.
- Signage.
- Waiting Area.
- Medical Cannabis and Paraphernalia Display.
- Shipping/Receiving Areas.
- Patient Consultation Room.
- Point of Sale.
- Secure Medical Cannabis Storage Area/Vault.
- Bathrooms.

### **Montgomery Dispensing Site**

Please see attachment "Montgomery Dispensing Site Blueprint – Attachment to Exhibit 18, Section 18.6".



**Cullman County Dispensing Site**

Please see attachment “Cullman County Dispensing Site Blueprint – Attachment to Exhibit 18, Section 18.6”.

**Talladega Dispensing Site**

Please see attachment “Talladega Dispensing Site Blueprint – Attachment to Exhibit 18, Section 18.6”.

**18.7 – A Timetable for Completion and Commencement of Operations as to The Facilities**

*Satisfaction of Plan Status: Complete*

In preparation for submitting this Application, this powerhouse team has already taken aggressive steps pre-application to 1) sign site control agreements and plan construction of the dispensing sites; 2) acquire infrastructure (secure equipment); and 3) recruit personnel (hired staff). The pre-licensure preparation, detailed plans, and experienced management put in place by Mr. Hogan and his team will facilitate quick movement, post-licensure, to fully operational Dispensing Sites.

<b>Date</b>	<b>Event</b>
December 30, 2022	Submit application
June 12, 2023	Initial License Awarded
June 13, 2023	Begin Pre-Operation Hiring and Training
June 15, 2023	Secure building permits for properties
June 30, 2023	Begin construction at the following locations in this order: Montgomery, Cullman County, Talladega
July 1, 2023	Final Licenses Issued
Sept. 30, 2023	Complete construction of Dispensing Sites
Oct. 15, 2023	Complete Dispensing Site systems installation, including installation of all required security systems
Oct. 16 - 30, 2023	Onsite training for dispensary operations
November 2023	Pre-Commencement Inspections for Dispensing Sites

January 2024 (or early depending on AMCC inspection availability)	Grand Opening of Dispensing Sites
---	-----------------------------------

**18.8 – A Statement Whether the Facility Shall be Open to the Public and if so The Anticipated Hours of Business Operation.**

*Satisfaction of Plan Status: Complete*

Each of our three dispensing sites will be open only to qualified patients with proper identification and credentials and our personnel, from 7AM CST to 9PM CST, seven days a week with the exception of major holidays in line with local banking schedules. It is important for us to be open to qualified patients during non-working hours and on the weekend to provide broad patient access to those who work non-traditional hours.

**18.9 – 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.**

*Satisfaction of Plan Status: Complete*

While each of our three Dispensing Sites will be open to the public from 7AM CST to 9PM CST, seven days a week, dispensary employees will be there to prepare the store by 6AM CST each day and will be on site closing down the operations until 10PM CST. In line with our security plan, all Dispensing Sites will have on-site security 24 hours per day to monitor the location.

**This Exhibit 18 complies with:**

Ala. Admin. Code r. 538-x-3-.05(3)(k); 538-x-3-.05(3)(m)(12)(c), (f)-(h); 538-x-3-.05(3)(m)(16)(m); 538-x-3-.11(5)(m); 583-x-8-.04(2)-(4)

Darren Wesley ‘Ato’ Hall Compassion Act §20-2A-51(c)(1); 20-2A-56(c)(11), §20-2A-64(d)(1)), (f)

November 30, 2022

Mrs. Jan Hogan  
c/o Robert Hogan  
Via Electronic Mail [REDACTED]

RE: Letter of Intent to lease 5232 Atlanta Highway, Montgomery, AL

Dear Jan:

Pursuant to our discussions, the following represents the general terms by which CCS OF ALABAMA, LLC (the "Tenant") proposes to enter into a Lease Agreement with Jan S. Hogan (the "Landlord") for retail space located at 5232 Atlanta Highway, Montgomery, AL. Tenant is applying for a medical cannabis dispensary license from the State of Alabama, which permits the Tenant to operate dispensaries within the State of Alabama.

Tenant: CCS of Alabama, LLC

Landlord: Jan Hogan

Premises: Approximately 3000 square feet located at 5232 Atlanta Highway, Montgomery, AL 36109. (the "Premises")

Primary Term: Five (5) years from the Rent Commencement Date

Permitted Use: As Medical Cannabis Dispensing Site, including the retail sale of health and wellness products permitted by law with an emphasis on cannabis-based therapeutics, including, but not limited to, oils, creams, lotions, and transdermal patches, and any other legal use not in conflict with existing lease prohibitions. Landlord hereby acknowledges Tenant's intended Permitted Use, as Tenant is expecting to be duly licensed by the State of Alabama to distribute cannabis at the Premises, and Landlord hereby approves the use of the Premises for the Permitted Use.

Base Rent: The annual Base Rent shall be calculated in accordance with the following rates:



MONTHS

RATE/RENTABLE S.F.

Months 1-60:

\$16.00

Renewal Terms:

Provided Tenant has neither committed nor suffered to occur any default under the Lease and the Lease is then in full force and effect, the Landlord agrees that the Tenant shall have the right to extend the term for two (2) extension terms of Five (5) Years each beyond the initial term on the following additional conditions:

1. Tenant shall serve upon Landlord a notice in writing of its election to extend the Term; such notice to be served upon and received by Landlord not later than ninety (90) days prior to the end of the then current Term.

2. The leasehold obligations and terms of the Lease shall continue the same for the period of each extension term except that the minimum guaranteed rental during each such extension term shall be at a ten percent (10%) increase annually each option period. There are no conditions to Tenant's right to exercise other than that Tenant not be in default beyond applicable notice and cure periods at the time Tenant exercises the right.

Landlord Delivery Date:

Delivery date is the date the Landlord delivers the Premises in a substantially complete condition, as agreed upon, to the Tenant. Landlord agrees to deliver the Premises exclusively to Tenant no later than thirty (30) days following Landlord's receipt of the Approvals. For purposes of this LOI, "Approvals" shall mean (i) Tenant receiving all final, non-appealable license(s), approvals, and permits for its Permitted Use (including approval from the State of Alabama), and (ii) Tenant obtaining all permits required for its construction including, but not limited to, a certificate of occupancy and business license ((i) and (ii) of this subsection shall be collectively referred to herein as the "Approvals"). Tenant shall apply for the Approvals as set forth herein. Lease to be executed when Approvals have been received by Tenant and copy provided to Landlord, and the Lease shall have no contingencies.

Rent Commencement

Date:

One Hundred Eighty (180) days after Tenant's receipt of the Approvals or when Tenant opens for business, whichever comes first. Notwithstanding the foregoing, Tenant to receive four (4) months of one hundred percent (100%) rent abatement inclusive of Base Rent, taxes, insurance, and CAM which shall begin upon Rent Commencement Date.

Contingencies:

The parties' Rent Commencement of the Lease is contingent upon Tenant obtaining Approvals.

Security Deposit: Equal to first month's rent.

Common Area Maintenance: Pro rata share

Taxes: Pro rata share

Insurance: Pro rata share

Landlord Work: Landlord will deliver Premises with sufficient HVAC to include distribution, plumbing to include two (2) ADA restrooms (location as current), and electrical in good working order Location as current. Landlord to deliver the premises free of any hazardous waste materials and in compliance with all ADA regulations for currently operating use. Additionally, Landlord shall be responsible for all HVAC repairs and replacements during the first two years of the lease term exceeding \$1,000. Landlord and Tenant shall evenly split any replacement of the HVAC which are not covered by the HVAC service contract for first 5 years of the term. Thereafter, Tenant is responsible for HVAC..

Exclusive Use: Landlord hereby agrees that during the Term, Landlord shall not lease, rent, occupy or permit to be occupied or used any portion of the shopping center of which the Premises is a part, the shopping center parcel, and any other property owned or operated by Landlord within a three (3) mile radius of the Premises for the operation of the Permitted Use by anyone other than Tenant.

Subject to the condition precedent that the Tenant is not otherwise in default under the Lease, for the Initial Term and any elected Renewal Term, Landlord shall not contract for any public, private or charter school tenant uses within shopping center of which the Premises is a part, the shopping center parcel, and any other property owned or operated by Landlord that is within five hundred (500) feet of the Premises.

Tenant Allowance: Tenant shall be entitled to reimbursement for the actual cost of Tenant's Work in an amount not to exceed \$16 PSF, provided that (i) Tenant has opened for business at the Premises, (ii) Tenant has submitted invoices, lien waivers and a certificate of occupancy, and (iii) no event of default has occurred.

Maintenance & Repair: Landlord: Roof, structure, exterior, parking lots, sidewalks, and driveways.

Tenant: All interior and HVAC system after same having been delivered to Tenant in new condition, subject to the provisions of this LOI entitled Landlord Work.



- Space Planning: All space planning for Tenant's space shall be coordinated with Landlord.
- Lease Form: Landlord agrees to use Tenant's standard Lease Agreement subject to modification, inclusion or exclusion of terms and conditions acceptable to both parties.
- Signage: Tenant shall be permitted to install, at Tenant's cost, the maximum signage allowable by code on the building façade as well as signage on any monument or pylon sign with Landlord's written consent, which consent may not be unreasonably withheld, conditioned, or delayed. Tenant will have the rights to the signage locations on the building, marquee, and directory currently or previously used by the previous tenant Of the Premises. Landlord also agrees to list Tenant on its website, marketing materials, and directories located around the property. Landlord shall be responsible for the removal of any unwanted existing signage.
- Limitation of Remedies: Notwithstanding any provision of this LOI or subsequent Lease, Landlord hereby agrees that Landlord's rights and remedies following a default, breach, surrender or any other failure to perform under this LOI, or subsequent Lease, shall not include the seizure of assets of any product containing any amount of marijuana, any ancillary marijuana product or delivery device or any product otherwise regulated by the Alabama Medical Cannabis Commission (or any such successor). Landlord shall not be entitled to a repayment or remedy that provides Landlord inventory that contains any amount of marijuana, in any form, whether flower or infused product, or any ancillary marijuana product or delivery device or any product otherwise regulated by the Alabama Medical Cannabis Commission (or any such successor). Landlord hereby forfeits any such remedy. In addition, Landlord hereby understands and agrees that a license, whether provisional or final, is not an asset that may be seized by Landlord or available as a remedy for a default, breach or other failure to perform under this LOI or subsequent Lease.
- The Lease shall contain a provision stating that should the government of the United States of America or any agency, authority or instrumentality thereof, or any quasi-governmental agency (i) request that Landlord or Tenant cancel the Lease or terminate the operation of the Premises for the Permitted Use or take any action to terminate, materially interfere, or materially disrupt Tenant's use of the Premises, (ii) fine, penalize, sanction, prosecute, or convict Landlord and/or Tenant, or threaten to fine, penalize, sanction, prosecute or convict Landlord and/or Tenant, (iii) seize or threaten to seize all or any portion of the Premises, any other property or assets of Landlord, and/or any property or assets of Tenant or its affiliates, or (iv) inform, notice, commence



or threaten to commence any civil action against Tenant as a result of or in connection with Tenant's operation or proposed operation of its business at the Premises for the Permitted Use, Tenant shall be entitled to terminate the Lease by providing to Landlord a written termination notice (the "Termination Notice"). In the event Tenant delivers a Termination Notice to Landlord, the Lease shall terminate as of the date ("Termination Date") set forth in the Termination Notice, provided that the Termination Date shall not be less than thirty (30) days after the date of the Termination Notice. If any covenants, conditions, restrictions, or similar encumbrances on the real property where the Premises are located are enforced in a manner that may result in termination of the operation of the Premises for the Permitted Use, then Tenant may, in its sole judgment and discretion, give the Landlord a minimum of 30 days' notice in writing and terminate this Lease.

Special Stipulations:

Tenant shall have the right, without the consent of Landlord, to assign the Lease in its entirety or to sublet all or any portion of the Premises to: (a) any entity resulting from a merger or a consolidation with Tenant or Tenant's related entities; (b) any entity succeeding to the business operated by Tenant at the Premises; (c) any subsidiary or affiliated company of Tenant; or (d) any other party permissible under the law. In the event that Tenant sublets all or any portion of the Premises, Tenant shall remain liable under the Lease.

The parties hereto agree that the information set forth herein is intended to be private and confidential between the Parties executing this LOI and shall not be disclosed to third parties without the written consent of each Party to this LOI. Please be advised that this letter of intent is an offer to lease but is not intended to create a legally binding obligation to lease. Until the foregoing general terms and conditions are incorporated in a formal Lease Agreement and executed by Landlord and Tenant, we do not have an enforceable Lease Agreement.

If these terms and conditions are acceptable to Landlord, please indicate the same in the area provided below and return to my attention via email or mail. If you should have any questions or need any additional information, please feel free to contact me at your convenience. We look forward to completing this transaction.

Sincerely,

CCS of Alabama, LLC

Landlord

DocuSigned by:  
By: Matt Hogan  
2291877D5CB54EE...  
Matthew Hogan, Manager

By: Jan S. Hogan  
Jan S. Hogan, Owner

17-01-01-0-000-007

Log

This instrument was prepared by:  
Todd McLeroy, Attorney at Law  
McLEROY LAW FIRM, LLC  
1626 First Avenue SW  
Cullman, AL 35055

STATE OF ALBAMA

CULLMAN COUNTY

(AMENDMENT TO LEASE AND ATTORNMENT CERTIFICATE)

This instrument is executed in Cullman, Alabama, by and between CRYSTAL DOLAN PAGE ("Lessor") and SKINNER PROPERTIES, LLC ("Lessee").

WHEREAS, on November 4, 1994, Herman Kress as lessor and Skinner Drugs, Inc. as lessee entered into a lease of certain real estate, recorded in Deed Book 435, Page 32, in the Office of the Judge of Probate of Cullman County, Alabama (hereinafter referred to as "the first lease"); and

WHEREAS, on February 21, 1995, Herman Kress as lessor and Skinner Drugs, Inc. as lessee entered into an Amendment to Lease, amending the first lease, recorded in Misc. Book 116, Page 123, in the Office of the Judge of Probate of Cullman County, Alabama; and

WHEREAS, on June 12, 1995, Herman Kress as lessor and Skinner Drugs, Inc. as lessee entered into an Amendment to Lease, further amending the first lease, recorded in Deed Book 439, Page 715, in the Office of the Judge of Probate of Cullman County, Alabama; and

WHEREAS, on or about May 20, 1997, subsequent to the execution of the aforesaid first lease and amendments thereto, Herman Henry Kress and his wife Ola L. Kress executed and delivered two statutory warranty deeds, each of which conveyed an undivided one-half interest in certain real estate (which includes all of the leased property herein mentioned), one to Herman Henry Kress and the other to the Herman Henry Kress Marital Trust; and

WHEREAS, on May 29, 1998, Herman Kress as lessor and Skinner Drugs, Inc. as lessee entered into a lease of certain other real estate, recorded in Deed Book 468, Page 363, in the Office of the Judge of Probate of Cullman County, Alabama (hereinafter referred to as "the second lease"); and

WHEREAS, on June 21, 2000, Skinner Drugs, Inc. conveyed all of its right, title, and interest in and to the real estate that is the subject of this instrument to Skinner Properties, LLC by quitclaim deed recorded in Deed Book 492, Page 620, in the Office of the Judge of Probate of Cullman County, Alabama; and

WHEREAS, on August 18, 2000, Herman Henry Kress individually and Herman Henry Kress as Trustee of the Herman Henry Kress Marital Trust as lessor and Skinner Drugs, Inc. as lessee entered into an Amendment to Lease, Assignment by Lessee, Attornment and Estoppel Certificate, recorded in Deed Book 494, Page 543, in the Office of the Judge of Probate of Cullman County, Alabama; and

Recording Fee 24.00, TOTAL 24.00

221808



WHEREAS, on November 26, 2001, Herman Kress individually and Herman Henry Kress as Trustee of the Herman Henry Kress Marital Trust as lessor, Skinner Properties, LLC as lessee, and EvaBank as lender, entered into an Assignment of Lease By Lessee, recorded in Misc. Book 182, Page 489, in the Office of the Judge of Probate of Cullman County, Alabama; and

WHEREAS, on November 22, 2002, Herman Kress individually and Mark C. Dolan as Trustee of the Herman Henry Marital Trust as lessor, Skinner Properties, LLC as lessee, and EvaBank as lender entered into an Assignment of Lease By Lessee, recorded in Misc. Book 194, Page 48, in the Office of the Judge of Probate of Cullman County, Alabama; and

WHEREAS, on July 27, 2005, Crystal Dolan Page and Mark C. Dolan, both individually and as Co-Trustees of the Herman Henry Kress Marital Trust and Co-Executors of the Estate of Herman Henry Kress, deceased, conveyed certain real estate that includes the real estate that is the subject of this instrument to Crystal Dolan Page by warranty deed recorded in Deed Book 550, Page 429, in the Office of the Judge of Probate of Cullman County, Alabama; and

WHEREAS, the parties desire to attorn and to combine the terms of the first lease and the second lease and to extend the option for renewed terms of both lease as provided hereinbelow;

NOW THEREFORE, for and in consideration of the premises and for other good and valuable consideration, the parties agree as follows:

1. Skinner Properties, LLC hereby attorns to Crystal Dolan Page as its landlord pursuant to the terms of the first lease, including all of the above-referenced amendments, and the second lease.
2. The parties hereby ratify and confirm their respective rights and obligations to each other as set forth in the first lease and the second lease, including all of the above-referenced amendments thereto, and adopt the same by reference as if fully set out herein.
3. The parties hereby amend said leases to include the following:
  - a. Effective January 1, 2035, provided that the leases remain in effect, that Lessee is not then in default under the leases, and that Lessee shall comply with all terms of the leases, Lessor gives and grants unto Lessee the option to merge and combine the first lease and the second lease and thereupon to renew the term thereof for a period of five (5) years, and in the event of Lessee's exercise of such option, Lessee shall pay rent to Lessor in lawful money of the United States of America, in advance on the first day of each month during said term, in the amount of Four Thousand Five Hundred and 00/100's Dollars (\$4,500.00).
  - b. Effective January 1, 2040, provided that the leases remain in effect, that Lessee is not then in default under the leases, and that Lessee shall comply with all terms of the leases, Lessor gives and grants unto Lessee the option to renew the term thereof for an additional period of five (5) years, and in the event of Lessee's exercise of such option, Lessee shall pay rent to Lessor in lawful money of the United States of

America, in advance on the first day of each month during said term, in the amount of Four Thousand Nine Hundred Fifty and 00/100's Dollars (\$4,950.00).

- c. Effective January 1, 2045, provided that the lease remains in effect, that Lessee is not then in default under the lease, and that Lessee shall comply with all terms of the lease, Lessor gives and grants unto Lessee the option to renew the term thereof for an additional period of five (5) years, and in the event of Lessee's exercise of such option, Lessee shall pay rent to Lessor in lawful money of the United States of America, in advance on the first day of each month during said term, in the amount of Five Thousand Four Hundred Forty-Five and 00/100's Dollars (\$5,445.00).
- d. Effective January 1, 2050, provided that the lease remains in effect, that Lessee is not then in default under the lease, and that Lessee shall comply with all terms of the lease, Lessor gives and grants unto Lessee the option to renew the term thereof for an additional period of five (5) years, and in the event of Lessee's exercise of such option, Lessee shall pay rent to Lessor in lawful money of the United States of America, in advance on the first day of each month during said term, in the amount of Five Thousand Nine Hundred Eighty-Nine and 50/100's Dollars (\$5,989.50).
- e. Effective January 1, 2055, provided that the lease remains in effect, that Lessee is not then in default under the lease, and that Lessee shall comply with all terms of the lease, Lessor gives and grants unto Lessee the option to renew the term thereof for an additional period of five (5) years, and in the event of Lessee's exercise of such option, Lessee shall pay rent to Lessor in lawful money of the United States of America, in advance on the first day of each month during said term, in the amount of Six Thousand Five Hundred Eighty-Eight and 45/100's Dollars (\$6,588.45).
- f. Effective January 1, 2060, provided that the lease remains in effect, that Lessee is not then in default under the lease, and that Lessee shall comply with all terms of the lease, Lessor gives and grants unto Lessee the option to renew the term thereof for an additional period of five (5) years, and in the event of Lessee's exercise of such option, Lessee shall pay rent to Lessor in lawful money of the United States of America, in advance on the first day of each month during said term, in the amount of Seven Thousand Two Hundred Forty-Seven and 30/100's Dollars (\$7,247.30).

IN WITNESS WHEREOF, the Lessor, Crystal Dolan Page, has hereunto set her hand and seal, and the Lessee, Skinner Properties, LLC, has caused its corporate name to be hereunto subscribed by Stephen Skinner, its member, who is fully authorized to execute this instrument, on this the 1st day of December, 2016.

\_\_\_\_\_  
Witness

Crystal Dolan Page  
CRYSTAL DOLAN PAGE  
Lessor

SKINNER PROPERTIES, LLC

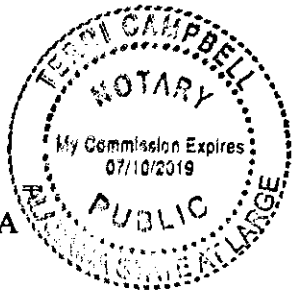
By: *Stephen Skinner*  
Stephen Skinner  
Its Authorized Member  
Lessee

DEED 687 835

STATE OF ALABAMA  
CULLMAN COUNTY

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Crystal Dolan Page, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the foregoing instrument, she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 1st day of December, 2016.

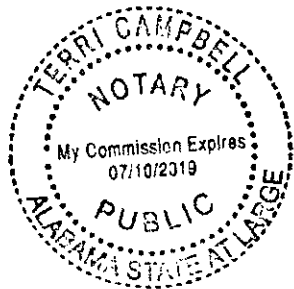


*Terri Campbell*  
Notary Public  
My commission expires: 7/10/19

STATE OF ALABAMA  
CULLMAN COUNTY

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Stephen Skinner, whose name as authorized member of Skinner Properties, LLC is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the foregoing instrument, he executed the same voluntarily and with full authority for and as the act of said limited liability company on the day the same bears date.

Given under my hand and official seal this 1st day of December, 2016.



*Terri Campbell*  
Notary Public  
My commission expires: 7/10/19

**ASSIGNMENT OF LEASE BY LESSEE WITH CONSENT OF LESSOR**

Assignment made as of August 10, 2021 by **Skinner Properties, L.L.C., an Alabama limited liability company** of [REDACTED] hereinafter called *Assignor*, to **K & P Land, LLC, an Alabama limited liability company** of [REDACTED] hereinafter called *Assignee*, and **Crystal Dolan Page,** [REDACTED] hereinafter *Lessor*.

For and in consideration of the mutual covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor assigns and transfers to Assignee that certain Lease and all amendments thereto, the most recent of which amendments being dated December 1, 2016, between Assignor and Lessor, of the premises described in Exhibit A attached hereto and made a part hereof, together with all Assignor's right, title, and interest in and to the Lease and herein described premises, subject to all the conditions and terms contained in the Lease, to have and to hold from this date until the expiration of the Lease according to its terms. A copy of the Lease is recorded in the Probate Records of Cullman County, Alabama, and is incorporated herein by reference:

Those certain leases between Skinner Drugs, Inc., Assignor's predecessor in interest, and Henry Herman Kress, individually, executed on November 4, 1994, as shown in Deed Book 435, Page 32; as amended on February 21, 1995, as shown in Miscellaneous Book 116, Page 123; as further amended on June 12, 1995, as shown in Deed Book 439, Page 715; as further amended on August 18, 2000, as shown in Deed Book 494, Page 543; as assigned on August 18, 2000 and further assigned on July 27, 2005 as shown in Deed Book 550, Page 433; also that certain lease executed on May 29, 1998, by and between Herman Kress as Lessor and Skinner Drugs, Inc., as Lessee, as shown in Deed Book 468, Page 363; as ratified and confirmed on August 18, 2000, as shown in Deed Book 494, Page 543, in which Assignor was substituted for Skinner Drugs, Inc.; as assigned on November 26, 2001, as shown in Miscellaneous Book 182, Page 489; as assigned on November 22, 2002, as shown in Miscellaneous Book 194, Page 48, and further assigned on July 27, 2005, as shown in Deed Book 550, Page 433; as amended on December 1, 2016 and recorded February 1, 2017, in Deed Book 657, Page 832, in which Lessor was substituted as lessor, all in the Office of the Judge of Probate of Cullman County, Alabama, together with any subsequent assignments;

Assignor covenants that he is the lawful and sole owner of the interest assigned hereunder; that this interest is free from all encumbrances; and that he has performed all duties and obligations and made all payments required under the terms and conditions of the Lease.

Assignee does hereby attorn to Lessor as its landlord pursuant to the terms and conditions of the Leases, including all amendments, and does hereby agree to pay all rent due after the effective date of this Assignment, and to assume and perform all duties and obligations required by the terms of the Leases.

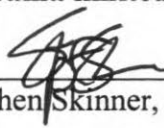
This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Alabama.

Unless provided herein to the contrary, any notice provided for or concerning this Agreement shall be in writing and shall be deemed sufficiently given when sent by certified or registered mail if sent to the respective address of each party as set forth at the beginning of this Agreement.

WITNESS our signatures as of the day and date first above stated.

**ASSIGNOR:**

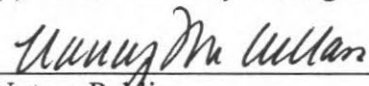
**Skinner Properties, L.L.C., an  
Alabama limited liability company**

By:   
Stephen Skinner, Its Authorized Member

STATE OF ALABAMA,  
COUNTY OF CULLMAN.

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Stephen Skinner, as Authorized Member of Skinner Properties, L.L.C., whose name is signed to the foregoing agreement and who is known to me, acknowledged before me on this date that, being informed of the contents of the foregoing agreement, he, as such member and with full authority, executed the same voluntarily for and as the act of said company on the day the same bears date.

Given under my/our hand(s) and official seal(s) this the 10<sup>th</sup> day of August, 2021.

  
Notary Public  
My Commission Expires: 2-4-23

S E A L



**ASSIGNEE:**

**K & P Land, LLC, an Alabama  
limited liability company**

By: *K. Brown*  
**Kiah Brown, Its Manager**

STATE OF ALABAMA,  
COUNTY OF CULLMAN.

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Kiah Brown, as Manager of K & P Land, LLC, whose name is signed to the foregoing agreement and who is known to me, acknowledged before me on this date that, being informed of the contents of the foregoing agreement, he, as such member and with full authority, executed the same voluntarily for and as the act of said company on the day the same bears date.

Given under my/our hand(s) and official seal(s) this the 10<sup>th</sup> day of August, 2021.

*Nancy McCellan*  
Notary Public  
My Commission Expires: 2.4.23

S E A L





**CONSENT OF LESSOR**

I, Crystal Dolan Page, the Lessor named in the above Assignment of that Lease executed by me on December 1, 2016, consent to the above-stated Assignment. I also consent to the agreement by Assignee to assume after August 6, 2021, the payment of rent and performance of all duties and obligations as set forth in the Lease, and I release Skinner Properties, L.L.C, Lessee and Assignor, from all duties and obligations under the Lease, including the payment of rent, after August 6, 2021, and accept Assignee as Lessee in the place of Skinner Properties, L.L.C., lessee and Assignor.

Witness my signature this the 6<sup>th</sup> day of August, 2021.

**LESSOR:**

*Crystal Dolan Page*  
**Crystal Dolan Page**

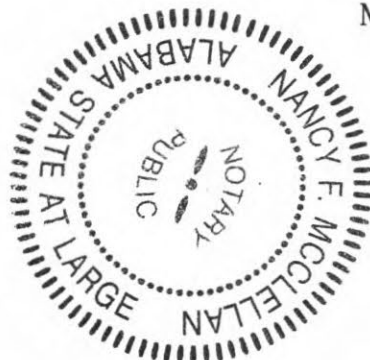
STATE OF ALABAMA,  
COUNTY OF CULLMAN.

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Crystal Dolan Page, whose name is signed to the foregoing agreement and who is known to me, acknowledged before me on this date that, being informed of the contents of the foregoing agreement, she executed the same voluntarily on the day the same bears date.

Given under my/our hand(s) and official seal(s) this the 10<sup>th</sup> day of August, 2021.

*Nancy McCallan*  
Notary Public  
My Commission Expires: 2-4-23

SEAL



12/19/2022

K & P Land, LLC  
c/o Austin Purvis  
Via Electronic Mail: [REDACTED]

RE: Letter of Intent to lease approximately 3000 SF build to suit at that certain real property located in Cullman, AL Parcel ID 17-01-01-0-000-007.000

Dear Mr. Brown:

Pursuant to our discussions, the following represents the general terms by which CCS OF ALABAMA, LLC (the "Tenant") proposes to enter into a Lease Agreement with K & P Land, LLC (the "Landlord") for approximately 3,000 SF build to suit at that certain real property located in Cullman, AL Parcel ID 17-01-01-0-000-007.000. Tenant is applying for a medical cannabis dispensary license from the State of Alabama, which permits the Tenant to operate dispensaries within the State of Alabama.

Tenant: CCS of Alabama, LLC

Landlord: K & P Land, LLC

Premises: Approximately 3,000 SF build to suit at that certain real property located in Cullman, AL Parcel ID 17-01-01-0-000-007.000 (the "Premises") to be constructed by Landlord in accordance with plans and specifications agreed upon between Landlord and Tenant.

Primary Term: Ten (10) years from the Rent Commencement Date

Permitted Use: As Medical Cannabis Dispensing Site, including the retail sale of health and wellness products permitted by law with an emphasis on cannabis-based therapeutics, including, but not limited to, oils, creams, lotions, and transdermal patches, and any other legal use not in conflict with existing lease prohibitions. Landlord hereby acknowledges Tenant's intended Permitted Use, as Tenant is expecting to be duly licensed by the State of Alabama to distribute cannabis at the Premises, and Landlord hereby approves the use of the Premises for the Permitted Use.

Base Rent: The annual Base Rent shall be calculated in accordance with the following rates:

MONTHS

RATE/RENTABLE S.F.



Months 1-120: \$20 SF/Year, with 3.0% annual increases.

Renewal Terms: Provided Tenant has neither committed nor suffered to occur any default under the Lease and the Lease is then in full force and effect, the Landlord agrees that the Tenant shall have the right to extend the term for two (2) five year extension terms (each, an "Extension Term") beyond the initial term on the following additional conditions:

1. Tenant shall serve upon Landlord a notice in writing of its election to extend the Term; such notice to be served upon and received by Landlord not later than ninety (90) days prior to the end of the then current Term.
2. The leasehold obligations and terms of the Lease shall continue the same for each Extension Term except that the minimum guaranteed rental during each year of such extension term shall be at a three percent (3%) increase over the prior year during the Extension Term. There are no conditions to Tenant's right to exercise other than that Tenant not be in default beyond applicable notice and cure periods at the time Tenant exercises the right.

Landlord Delivery Date: As negotiated between Tenant and Landlord

Approvals: For purposes of this LOI, "Approvals" shall mean (i) Tenant receiving all final, non-appealable license(s), approvals, and permits for its Permitted Use (including approval from the State of Alabama), and (ii) Tenant obtaining all permits required for its construction including, but not limited to, a certificate of occupancy and business license ((i) and (ii) of this subsection shall be collectively referred to herein as the "Approvals"). Tenant shall apply for the Approvals as set forth herein. Lease to be executed when Approvals have been received by Tenant and copy provided to Landlord, and the Lease shall have no contingencies. Until Tenant receives Approvals, Landlord or Tenant may terminate this LOI for any reason at any time upon thirty (30) days written notice to the other party.

Rent Commencement Date: Upon execution of this Letter of Intent, Tenant shall pay to Landlord \$1,500 per month. Upon Tenant receiving Approvals, Tenant shall pay base rent upon delivery of the completed Premises.

Contingencies: The parties' Rent Commencement of the Lease is contingent upon Tenant obtaining Approvals.

Taxes: Tenant responsibility

Insurance: Tenant responsibility

Landlord Work: Landlord will deliver Premises in accordance with plans agreed to between Landlord and Tenant, including, without limitation, sufficient HVAC to include distribution, plumbing to include two (2) ADA restrooms (location as current), and electrical in good working order. Landlord to deliver the premises free of any hazardous waste materials and in compliance with all ADA regulations for currently operating use.

Exclusive Use: Landlord hereby agrees that during the Term, Landlord shall not lease, rent, occupy or permit to be occupied or used any portion of the Premises and any other property owned or operated by Landlord within a three (3) mile radius of the Premises for the operation of the Permitted Use by anyone other than Tenant.

Subject to the condition precedent that the Tenant is not otherwise in default under the Lease, for the Initial Term and any elected Renewal Term, Landlord shall not contract for any public, private or charter school tenant uses within shopping center of which the Premises is a part, the shopping center parcel, and any other property owned or operated by Landlord that is within one thousand (1000) feet of the Premises.

Tenant Allowance: Omitted

Maintenance& Repair: Landlord: Roof, structure, exterior, parking lots, sidewalks, and driveways.

Tenant: All interior and HVAC system after same having been delivered to Tenant in new condition, subject to the provisions of this LOI entitled Landlord Work.

Space Planning: All space planning for Tenant's space shall be coordinated with Landlord.

Lease Form: Landlord agrees to use Tenant's standard Lease Agreement subject to modification, inclusion or exclusion of terms and conditions acceptable to both parties.

Signage: Tenant shall be permitted to install, at Tenant's cost, the maximum signage allowable by code on the building façade as well as signage on any monument or pylon sign with Landlord's written consent, which consent may not be unreasonably withheld, conditioned, or delayed. Tenant will have the rights to the signage locations on the building, marquee, and directory currently or previously used by the previous tenant Of the Premises. Landlord also agrees to list Tenant on its website, marketing materials, and directories located around the property. Landlord shall be responsible for the removal of any unwanted existing signage.

Limitation of Remedies: Notwithstanding any provision of this LOI or subsequent Lease, Landlord hereby agrees that Landlord's rights and remedies following a default, breach, surrender or any other failure to perform under this LOI, or subsequent Lease,

shall not include the seizure of assets of any product containing any amount of marijuana, any ancillary marijuana product or delivery device or any product otherwise regulated by the Alabama Medical Cannabis Commission (or any such successor). Landlord shall not be entitled to a repayment or remedy that provides Landlord inventory that contains any amount of marijuana, in any form, whether flower or infused product, or any ancillary marijuana product or delivery device or any product otherwise regulated by the Alabama Medical Cannabis Commission (or any such successor). Landlord hereby forfeits any such remedy. In addition, Landlord hereby understands and agrees that a license, whether provisional or final, is not an asset that may be seized by Landlord or available as a remedy for a default, breach or other failure to perform under this LOI or subsequent Lease.

The Lease shall contain a provision stating that should the government of the United States of America or any agency, authority or instrumentality thereof, or any quasi-governmental agency (i) request that Landlord or Tenant cancel the Lease or terminate the operation of the Premises for the Permitted Use or take any action to terminate, materially interfere, or materially disrupt Tenant's use of the Premises, (ii) fine, penalize, sanction, prosecute, or convict Landlord and/or Tenant, or threaten to fine, penalize, sanction, prosecute or convict Landlord and/or Tenant, (iii) seize or threaten to seize all or any portion of the Premises, any other property or assets of Landlord, and/or any property or assets of Tenant or its affiliates, or (iv) inform, notice, commence or threaten to commence any civil action against Tenant as a result of or in connection with Tenant's operation or proposed operation of its business at the Premises for the Permitted Use, Tenant shall be entitled to terminate the Lease by providing to Landlord a written termination notice (the "Termination Notice"). In the event Tenant delivers a Termination Notice to Landlord, the Lease shall terminate as of the date ("Termination Date") set forth in the Termination Notice, provided that the Termination Date shall not be less than thirty (30) days after the date of the Termination Notice. If any covenants, conditions, restrictions, or similar encumbrances on the real property where the Premises are located are enforced in a manner that may result in termination of the operation of the Premises for the Permitted Use, then Tenant may, in its sole judgment and discretion, give the Landlord a minimum of 30 days' notice in writing and terminate this Lease.

Special Stipulations:

Tenant shall have the right, without the consent of Landlord, to assign the Lease in its entirety or to sublet all or any portion of the Premises to: (a) any entity resulting from a merger or a consolidation with Tenant or Tenant's related entities; (b) any entity succeeding to the business operated by Tenant at the Premises; (c) any subsidiary or affiliated company of Tenant; or (d) any other party permissible under the law. In the event that Tenant sublets all or any portion of the Premises, Tenant shall remain liable under the Lease. Any such assignment or subletting shall require written notice to Landlord identifying the proposed assignee or subtenant name, along with current financial information of such proposed assignee or subtenant.

The parties hereto agree that the information set forth herein is intended to be private and confidential between the Parties executing this LOI and shall not be disclosed to third parties without the written consent of each Party to this LOI. Please be advised that this letter of intent is an offer to lease a built to suit Premises but is not intended to create a legally binding obligation to lease; provided, however, the \$1500 per month payment is binding until the earlier of (a) tenant receiving Approvals or (b) either Landlord or Tenant terminating this LOI. Until the foregoing general terms and conditions are incorporated in a formal Lease Agreement and executed by Landlord and Tenant, we do not have an enforceable Lease Agreement.

If these terms and conditions are acceptable to Landlord, please indicate the same in the area provided below and return to my attention via email or mail. If you should have any questions or need any additional information, please feel free to contact me at your convenience. We look forward to completing this transaction.

Sincerely,

CCS of Alabama, LLC

By:   
Matthew Hogan, Manager

The aforementioned lease terms for retail space as described in Exhibit A are accepted this 19<sup>th</sup> day of December, 2022

Landlord

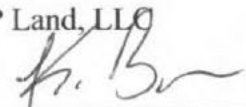
K & P Land, LLC  
By:   
Its: Manager  
Date: 12/19/22



Exhibit A



STATE OF ALABAMA  
COUNTY OF JEFFERSON

**PURCHASE AND SALE AGREEMENT**

This Purchase and Sale agreement ("Agreement") is made and entered into by and between, **Gwyneth Ball**, hereinafter referred to as ("Seller"), and **Vincent J. Schilleci III & Matthew J. Hogan, or their assigns**, hereinafter referred to as ("Buyer").

**WITNESSETH:**

1. Property: Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase and take from Seller, under and subject to the terms, conditions and provisions hereof, that certain real property described as: **309 West Battle Street, Talladega, AL 35160, further described as Exhibit "A" attached hereto and made a part hereof by reference as if set out in full along with all improvements thereon and all appurtenances thereto** (sometimes herein referred to as the "Property").

2. Purchase Price: The purchase price for the Property shall be **Forty-Seven Thousand and No/100 Dollars (\$47,000.00)**. The purchase price shall be payable as follows:

(a) The sum of **One Thousand and No/100 Dollars (\$1,000.00)**, as earnest money (the "Earnest Money"), to be deposited with Moore Company Realty, Inc. as broker, within five (5) days after the Buyer's receipt of a fully executed copy of this Agreement; and

(b) The balance of the purchase price, after deductions for credits and proration as herein provided, shall be paid in full at the Closing, as defined herein, by cashier's check. The Earnest Money shall be released to Seller at Closing and credited against the purchase price.

3. Earnest Money: The Seller and Buyer hereby authorize Moore Company Realty, Inc. to hold the Earnest Money in trust pending the fulfillment of this contract with the understanding that (a) Moore Company Realty, Inc. is not a party to this Agreement and does not assume any liability for performance or non-performance of the parties, (b) Moore Company Realty, Inc. has the right to request from all parties a written release of liability which authorizes the release of the Earnest Money, (c) Moore Company Realty, Inc. is not liable for interest or other charges on the funds held, and (d) in the event a dispute arises between the parties to this agreement as to which shall be entitled to said Earnest Money, shall be authorized to interplead said Earnest Money into the proper court.

4. Inspection Period; Seller Documents; Inspections; Indemnification.

(a) Inspection Periods. In consideration of the Earnest Money, Buyer shall have an initial period of **One Hundred Fifty (150)** days after the Effective Date (the "Initial Inspection Period") to satisfy itself as to any or all matters or conditions pertaining to the Property and its intended development and use thereof (subject to the rezoning limitation provided in Paragraph 4. below). Notwithstanding anything contained herein to the contrary, in the event Buyer determines, in its sole and absolute discretion, that the Property is not satisfactory for any reason, Buyer shall have the right to terminate this Agreement, without explanation for its reason of termination, on or before the expiration of the Inspection Period by delivering to Seller of its notice in writing (the "Termination Notice"). The Buyer has the option to extend the inspection period for an additional **One Hundred (100)** days (the "Second Inspection Period") in exchange for the deposit of another One Thousand and No/100 Dollars (\$1,000.00) (the "Option Payment") to the Seller. In the event this Agreement is terminated by Buyer during the Initial Inspection Period or the Second Inspection Period, the Earnest Money and Option Payment shall be refunded to the Buyer and all rights and obligations hereunder shall cease and terminate.

(b) Seller Documents. Within five (5) days after the Effective Date, Seller shall furnish to Buyer a copy of any and all existing permits, restrictions, title commitments, title policies and surveys, legal descriptions, engineering plans, environmental site assessments, approvals, licenses, drawings, plans, specifications, applications, and leases which pertain to or affect the Property and are in the possession of, or reasonably available to Seller.

(c) Inspection; "AS IS"; Buyer Indemnification. During the Initial and Second Inspection Period, Buyer shall have the right to enter the Property in order to conduct inspections, tests and studies (all at Buyer's cost) including but not limited to engineering and environmental studies, geotechnical analyses, surveys and topographic studies. Buyer shall not cause or permit any unsafe condition to exist on the Property as a result of inspections conducted by it or on its behalf and shall promptly restore the Property to its condition existing prior to any inspection. In the event of Closing, Buyer shall be conclusively deemed to have accepted the Property and any and all buildings and improvements thereon in its then "AS IS," "WHERE AS" and "WITH ALL FAULTS" condition, both as to property defects seen and unseen and conditions natural or artificial, without any

06669804.1

06657540.1



warranties, express or implied (with the exception of any warranty of title provided for under the deed) and Buyer hereby releases and discharges Seller and its agents, servants and employees from any and all liability or claims of liability arising from or as the result of any condition existing on, in or under the Property or any buildings or improvements thereon. Buyer shall indemnify and hold Seller harmless from any and all damages, costs and expenses (including reasonable attorney fees) arising from any damage to the Property, claims of liens for inspection services, and third-party claims or demands (whether in contract or tort and whether for injury to persons or property) and related to Buyer's exercise of its right of entry and activities pursuant thereto. Anything to the contrary in this Agreement notwithstanding, this indemnification in the immediately preceding sentence shall survive Closing and any termination of this Agreement.

5. Government Approvals: Buyer is hereby authorized to seek and obtain any and all permits, licenses, site and development plan approvals, permits and authorizations, zoning approvals, curb-cut approvals, and any and all other approvals or consents as Buyer may deem necessary in connection with its proposed acquisition, development and use of the Property and Seller agrees to cooperate with Buyer in such endeavors. If any such applications, approvals or permits are required to be obtained in Seller's name, Seller shall upon Buyer's request seek same without cost to Seller. As part of the consideration for Buyer's payment of the purchase price, Seller shall assign, transfer and convey to Buyer at Closing all permits, approvals, licenses, site and development plans affecting the Property which Buyer requests Seller to assign to Buyer and shall deliver such originals to Buyer at Closing. In no event shall Buyer rezone any portion of the Property prior to Closing this sale without the prior written consent of the Seller.

6. Entry Upon Property: Upon execution of this agreement, Buyer, its agents, employees and all other persons authorized by it, or any of them, are permitted to enter upon the Property to obtain or perform such tests, studies and maps as Buyer may deem necessary or advisable including, but not limited to, engineering, percolation, soils, hazardous waste, environmental, and geological tests and studies all at Buyer's cost. In the event Buyer, its agents, or its employees disturbs any portion of the Property, or the surface thereof, as a result of such entry, tests, or inspection, Buyer agrees to restore the Property to its original conditions.

7. Buyer Indemnification. Buyer hereby indemnifies and agrees to hold harmless Seller and Moore Company Realty, Inc. from any and all damages, claims, costs and expenses (including, but not limited to, reasonable attorney's fees) arising from any injury or death to persons or damage or destruction to property arising from the act or omission of Buyer, its agents, employees or independent contractors, their respective agents or employees, on or near the Property. Such indemnity and hold harmless (the "Indemnity") shall expressly survive the cancellation, terminate and expiration of this Agreement and Closing hereunder, all without any further action or documentation.

8. Survey: Buyer shall at Buyer's expense procure at a current certified boundary survey of the Property prepared by a surveyor (the "Surveyor"), and Buyer, and its respective agents, employees and contractors, shall have the right to enter upon the Property for the purposes thereof and also may perform thereon such topographical and soil studies and related engineering tests as Buyer deems necessary to evaluate its proposed use of the Property. The Surveyor shall also determine the extent and scope of any easements that now affect or benefit the Property and shall locate all easements on the survey and shall certify as to whether or not the Property is located within the 100-year flood plain or wetlands area and shall certify the exact square footage of the Property.

9. Abstract of Title: Buyer shall, within **thirty (30)** days after the Effective Date of this Agreement, an up-to-date abstract of title to the Property extending back at least sixty (60) years and disclosing good and merchantable fee simple title thereon vested in Seller. Buyer shall have its attorney examine the abstract of title; provided, however, it is Buyer's requirement that the abstract of title disclose present owner as having fee simple title to the Property without exception except for ad valorem taxes not yet due and payable, any existing mortgage (from which the Property shall be released at Closing) and such other easements and exceptions as Buyer may, in its sole and absolute discretion, waive in writing (the "Permitted Exceptions"). If the abstract of title discloses defects in title to the Property or it discloses easements or other exceptions that Buyer is unwilling to waive, then Buyer agrees to notify Seller of such matters and Seller shall proceed to cure them at Seller's expense. If said matters are not cured within Twenty (20) days after notice, then Buyer may grant Seller additional time to cure the defects and, further Buyer may, during Initial Inspection Period, waive in writing such defect or unacceptable easements or other exceptions or cancel this agreement. In the latter event, the Earnest Money paid hereunder shall be immediately refunded to Buyer. Seller represents that it presently owns fee simple title to the Property, except for any existing mortgage which Seller covenants to have released with respect to the Property at the time of Closing, and Seller covenants that it will not permit any change in the status of the title to the Property until this Agreement has been consummated or otherwise terminated in accordance with the terms hereof. Risk of loss prior to Closing shall be borne by Seller.

10. Brokerage Fee: The Seller shall pay a real estate commission to Moore Company Realty, Inc. in an amount equal to Four Percent (4%) of the Purchase Price at Closing.



11. Closing: Subject to the provisions contained in paragraph 4 above and the satisfaction of all the conditions hereof, or the waiver in writing thereof by Buyer together with Seller being able to obtain fee simple title to the Property, the date of the closing (the "Closing") shall be on or before **thirty (30)** days after the expiration of the Initial or Second Inspection Period, as applicable, unless such date is a Saturday, Sunday or legal holiday, in which event the date shall be extended to the next business day or not more than ten (10) days after Seller obtains fee simple title to the Property, whichever occurs last (the "Closing Date"). The sale shall be closed in Montgomery County at the offices of the Buyer's attorney. At Closing Seller shall deliver to Buyer a Warranty Deed containing the usual and customary full covenants utilized in warranty deeds in Jefferson County, Alabama, conveying a good and merchantable, indefeasible fee simple title in and to the Property, subject only to Permitted Exceptions. The description used in the Deed shall be one and the same and shall coincide with the legal description of the Property. Seller shall pay at Closing, by deduction from the Purchase Price, any and all expenses herein provided to be paid by Seller and the cost of preparing the Deed. Buyer shall pay to record its Deed. Ad valorem taxes and utilities, if any, shall be prorated as of Closing. Any assessments, whether due or not, levied against the Property shall be paid in full by the Seller at Closing. At Closing Buyer shall pay the balance of the purchase price, subject to adjustments and credits as herein provided, and the Earnest Money shall be applied and credited to the Purchase Price. Each party shall bear its own attorney's fees. Seller shall also execute and deliver at Closing such affidavits of title, lien and possession as may be required by Buyer, and agreed to by Seller, a FIRPTA Affidavit, appropriate 1099 forms and other documents and agreements needed to effectuate the Closing. Except for the right of entry granted herein, possession shall be given to Buyer on the closing date, free and clear of all tenancies and parties in possession.

12. Default Remedies: If Seller has complied with all of its obligations herein contained and all of Seller's representations are true and correct, and all of the conditions herein have been met to Buyer's satisfaction or waived in writing by Buyer, but Buyer fails to proceed with the purchase of said Property, then Seller shall have the right to specific performance or any other right or remedy provided by Alabama law on account of default by Buyer and shall have the right to declare the Earnest Money forfeited to Seller as liquidated damages. If Seller defaults, violates, or breaches any of its warranties, covenants, obligations and representations herein provided, then in such event Buyer may declare this agreement canceled and of no further force and effect and promptly receive a return of the Earnest Money, or Buyer shall have the right of specific performance or any other right or remedy on account of a default by Seller.

13. Assignment: This Agreement may be assigned by Buyer without Seller's written approval to any affiliate of Buyer or, with Seller's written approval, to any other party, and all powers, rights and privileges herein reserved and given to Buyer or the Seller shall inure to the benefit of and be held by the respective successors and assigns of the parties, and all liabilities or obligations imposed on each shall be binding upon the parties hereto and their respective heirs, successors and assigns.

14. Environmental Concerns. Notwithstanding anything contained in this Agreement to the contrary, in the event that, as a result of Buyer's investigation, "hazardous substance(s)", "hazardous waste(s)" or "hazardous materials)", as defined under applicable federal or state law, or both, are found on the Property, then Buyer shall have the right, within the Initial or Second Inspection Period, to terminate this Agreement and to receive a return of the Earnest Money; it being a condition precedent to Buyer's obligation to purchase the Property that the results of Buyer's environmental studies, reveal that the Property is free from any and all "hazardous substance(s)", "hazardous waste(s)", or "hazardous material(s)", as defined under applicable federal or state law, or both, provided such environmental studies are performed during the Initial or Second Inspection Period. Buyer, its agents and representatives, are hereby authorized to perform any and all studies, tests and inquiries as it may deem appropriate or necessary in furtherance of the foregoing, including entering upon the Property and performing tests and studies thereon. Seller agrees that Buyer may make inquiry of pertinent governmental and administrative bodies and agencies concerning environmental violations or citations regarding the Property. Seller hereby represents, to the best of its knowledge, that the Property contains no hazardous substances, wastes, or materials. In the event Seller is notified by EPA, ADEM, or other similar agency with regard to the Property, Seller agrees to immediately notify Buyer regarding such notice.

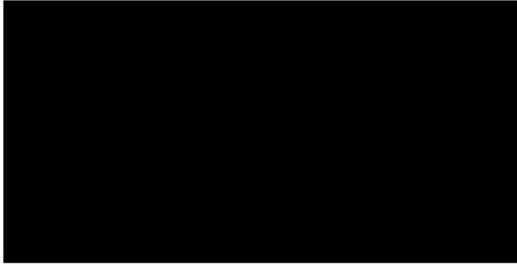
Seller and Buyer expressly acknowledge that Moore Company Realty, Inc. has not made any independent investigation or determination with respect to the existence or nonexistence of asbestos. PCB transformers, or other toxic, hazardous or contaminated substances or gases in, on, or about the Property, or for the presence of underground storage tanks. Any such investigation or determination shall be the responsibility of Buyer and Moore Company Realty, Inc. shall not be held responsible therefore. The provisions of this paragraph shall survive the Closing of this sale.

15. Utilities. Seller and Buyer hereby acknowledge that this sale **does X** does not require Seller to deliver sanitary sewer, water service, storm drainage facilities, or any other utilities to the Property. It shall be Buyer's responsibility to determine the locations, capabilities and costs required to serve the Property with utilities necessary for the Property's proposed use. Any and all costs related to these matters shall be paid by the Buyer.



16. Condemnation: Seller knows of no pending or threatened condemnation or similar proceeding affecting the Property or any portion thereof. Should any entity having the power of condemnation decide prior to the time of Closing to acquire any portion or interest in the Property, Buyer, at Buyer's sole option, may elect to (a) terminate Buyer's obligation to purchase the Property by giving written notice to Seller at any time prior to the end of Second Inspection Period and receive the Earnest Money paid hereunder, or (b) complete the purchase of the Property with Seller immediately appointing Buyer its attorney if fact to negotiate with said condemning entity and assigning to Buyer all sums to be awarded.

17. Notices: Any notice permitted or required to be given hereunder shall be made in writing and personally delivered or sent to receiving party at the address set forth below by certified mail, return receipt requested, and shall be deemed given by either party to the other when the same is deposited in the United States Mail as Certified, return receipt requested, with postage sufficient to deliver to its addressed destination whether or not the receiving party receives the same. The addresses of the parties are as follows:



Buyer:  
Matthew J. Hogan  
Vincent J. Schilleci III  
1901 Sixth Ave N, Suite 1700  
Birmingham, AL 35203  
205.254.1106  
vschilleci@maynardcooper.com

18. No Waste. Seller agrees that from the Effective Date of this Agreement until the date of Closing, it will not commit or permit to be committed any waste or change in the condition or appearance of the Property or improvements thereon, or the cutting or severing of any growth or timber off the Property, or convey any mortgage, lien, easement, mining or mineral rights or other rights in or to the Property, nor consent to any zoning, rezoning or other restrictions of the Property except with the written consent and approval of Buyer. This provision shall not prohibit Seller from performing routine maintenance on the Property.

19. Miscellaneous:

(a) Seller warrants and represents to Buyer as follows, which representations and warranties shall expressly survive the closing hereunder:

(i) The Property is now assessed on a "fair market value" classification rather than a "current use" classification and is not subject to any so-called "rollback" taxes. In the event this representation shall prove to be untrue, the Seller shall be solely responsible for, and agree to reimburse Buyer, for any additional ad valorem taxes in the nature of rollback or recapture taxes due under Code of Alabama 1975 section 40-7-25.3, if such taxes are levied.

(ii) That Seller owns fee simple title to the Property and has the power and authority to enter into this Agreement, and the entering into of this Agreement and the performance of Seller's obligations hereunder shall not violate the terms or conditions of any applicable law, rule or regulation pertaining to Seller or the Property.

(b) In the event it becomes necessary for either Seller or Buyer to employ the services of an attorney to enforce any term, covenant or provision of this Agreement, then each party agrees that the non-prevailing party shall pay the reasonable attorney's fees incurred by the prevailing party in enforcing this Agreement.

(c) This agreement constitutes the entire agreement between the parties hereto and supersedes any prior oral or written agreements between the parties with respect to the Property. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants, and conditions herein set forth, and that no modification of this agreement and no waiver of any of its terms and conditions shall be effective unless made in writing and duly executed by the parties hereto.

(d) Each party hereto has been represented, or had the opportunity to be represented, by separate counsel in connection with the negotiation and drafting of this agreement. Accordingly, no ambiguity herein shall be resolved against either party based upon principles of draftsmanship.

(e) All personal pronouns used in this agreement whether used in masculine, feminine, or neuter gender,

06669804.1

06657540.1

shall include all other genders, the singular shall include the plural, and vice versa.

(f) Any provision of this agreement or any paragraph, sentence, clause, phrase or wording appearing herein which shall prove to be invalid, void or illegal for any reason shall in no way affect, impair or invalidate any other provision hereof, and the remaining provisions, paragraphs, sentences, phrases and words hereof shall nevertheless remain in full force and effect.

(g) This agreement shall be construed and enforced with the laws of the State of Alabama.

(h) As used herein, the "Effective Date" of this Agreement shall be the last date of execution of this Agreement by the parties comprising Seller and Buyer.

(i) This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute the same agreement and the signature pages from any counterpart may be appended to any other counterpart to assemble fully executed counterparts.

20. Agency Disclosure: Pursuant to Ala. Code Section 34-27-8(c), the following Agency Disclosure is given by the Listing Company and the Buyer Company.

The Listing company, Porter and Porter Company;

The Listing Company is the agent of (check one):

- Seller
- Both Buyer and Seller acting as a limited consensual dual agent.
- Buyer
- Assisting the Buyer/Seller as a transaction broker.

The Buyer's company, Moore Company Realty, Inc.:

The Buyer Company is the agent of (check one):

- Seller
- Both Buyer and Seller acting as a limited consensual dual agent.
- Buyer
- Assisting the Buyer/Seller as a transaction broker.

Seller's Initials: \_\_\_\_\_

Buyer's Initials: VSS

G.B. Ten 10%

In the event that this sale is consummated, Seller shall pay at Closing a commission of ~~eight~~ ten percent (10%) of the Purchase Price to the Brokers.

Except as set forth above, each of the parties agree to indemnify and hold the other harmless from any claim from and against any and all claims or demands with respect to any brokerage fees or agent's commissions or other compensation asserted by any person, firm or corporation in connection with this agreement or the transactions contemplated hereby, insofar as any such claim is based upon any conversation, contact or contract with Seller or Buyer, respectively, relating to the proposed purchase of the Property by Buyer. Each party acknowledges to the other that it has not dealt with any broker except as set forth above. The provisions hereof shall expressly survive Closing.

The commission payable to the broker in this sale is not set by the Montgomery Area Board of Realtors, Inc.

20. COVID-19 Related Delay(s): Notwithstanding anything otherwise contained in this Contract, in the event (a) Buyer, Buyer's Lender, Seller, title insurance companies, the Register of Deeds Office or other governmental agency become(s) the subject of a voluntary, recommended or mandatory COVID-19 virus quarantine or closure prior to or at the time of Closing and (b) such quarantine or closure results in the inability of the Parties to close on the Closing Date, the Closing Date shall, at the request of either Buyer or Seller, be automatically extended for a period of up to fifteen (15) days after such quarantine or closure is lifted; provided, however neither Buyer nor Seller shall be required to extend the Closing Date more than thirty (30) days from the original Closing Date. In the event the Parties do not Close by the expiration of any extension under this paragraph, the Parties shall be governed by and subject to the remedies, rights, responsibilities and obligations otherwise contained in this Contract. Nothing contained in this paragraph shall be deemed to prohibit or to limit the ability of the Parties to further extend the Closing Date by mutual agreement.

21. Exchange: All parties agree to cooperate with the other in the event either party elects that it may utilize an exchange to either purchase or sell the Property being conveyed herein, with other real estate in a

transaction or transactions that will qualify as a like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended, and to execute any additional documents necessary to effect the exchange, including, without limitation, an exchange agreement, an escrow agreement or a qualified intermediary agreement. However, the party not initiating the exchange shall not incur any additional costs, expenses or liabilities in excess of the cost or liabilities that would have incurred from a direct purchase/sale of the Property, nor shall it be required to accept a deed to such exchange property so that its name shall not appear in the chain of title with respect to such exchange property. Furthermore, neither party will provide any warranties of the tax treatment of the transaction to the other.

22. Acceleration: The Seller reserves the right to accept another bona fide offer where a third party purchaser is able to close within the normal 30 to 45 days. The Seller shall give the herein Buyer the first right of refusal by allowing the herein Buyer to put up and additional \$5000 not be refunded if herein Buyer does not close within 45 days, considering all title work was clear and Seller is able to give a Warranty Deed.

Signature page to follow.



In order to expedite the action contemplated herein, this Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall be taken to be one and the same Agreement, for the same effect as if all parties hereto had signed the same signature page, and a facsimile copy or electronic mail copy of any executed counterpart shall constitute the same as delivery of the original of such executed counterpart. Any signature page of this Agreement (whether original, facsimile or electronic mail) may be detached from any counterpart of this Agreement (whether original, facsimile or electronic mail) without impairing the legal effect of any signatures thereof any may be attached to another counterpart of this Agreement (whether original, facsimile or electronic mail) identical in form hereto but having attached to it one or more additional signature pages (whether original, facsimile or electronic mail). The parties intend to be bound by the signatures on the facsimile or electronic mail document, are aware that the other parties will rely on the facsimile or electronic mail signatures, and hereby waive any defenses to the enforcement of the terms of this Agreement based on such form of signature.

EFFECTIVE DATE OF AGREEMENT IS DATE OF LAST PARTY TO SIGN BELOW.

Buyer:

By:

Name:

Date:

By:

Name:

Date:

Witness:

Seller(s):

By:

Name:

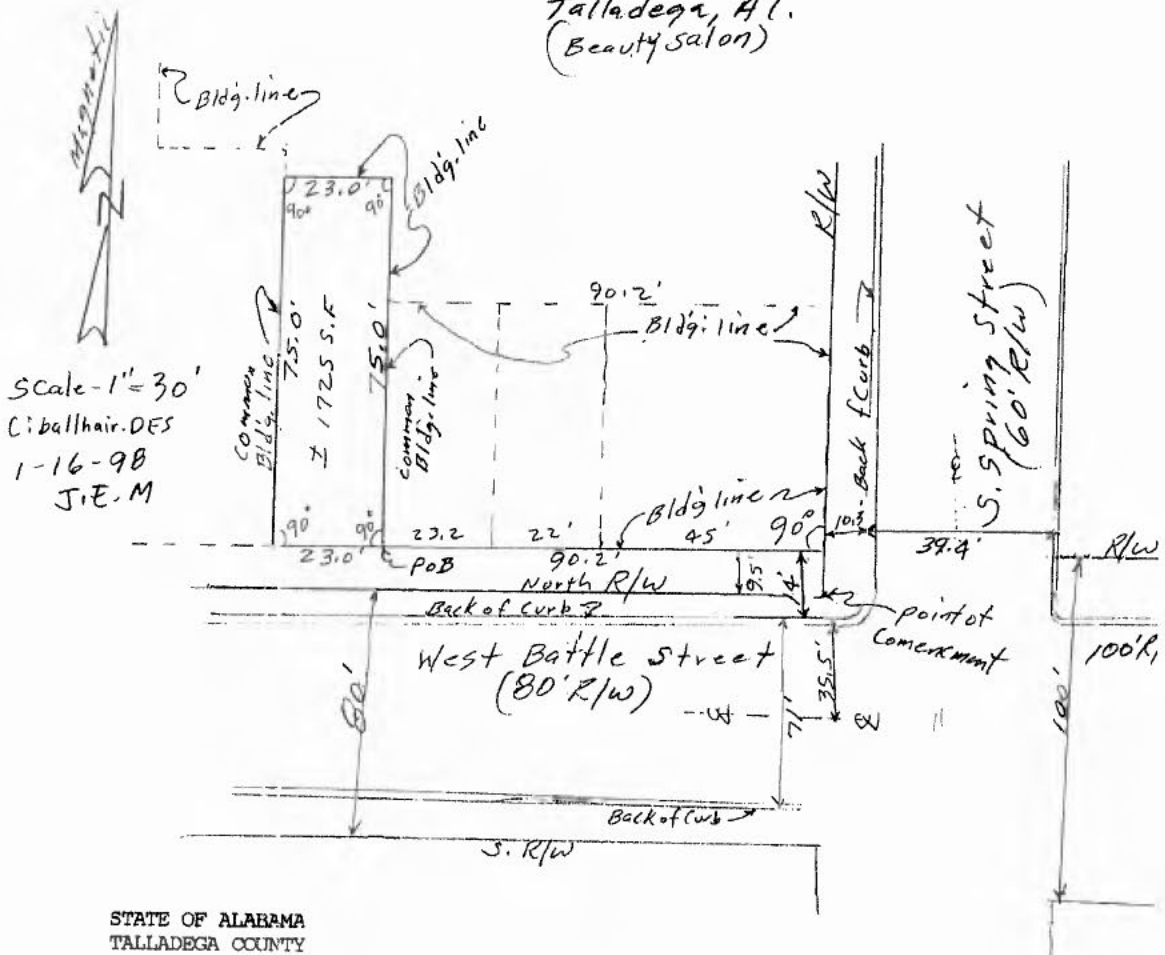
Its:

Date:

Witness:

# Exhibit "A"

SURVEY PLAT FOR:  
 Gwyneth & Willie Ball  
 W. Battle Street  
 Talladega, AL.  
 (Beauty salon)



I, Johnny E. Maxwell, a registered Professional Land Surveyor, hereby state to the best of my knowledge and professional opinion that the foregoing plat is correct and more particularly described as follows:

Commence at the Intersection of the West Right-of-way(R/W) of South Spring Street (R/W 60') and North R/W of West Battle Street (R/W 80') and run North along said west R/W, 9.5 feet to the corner of an existing Brick Building; thence west along the front of said building 90.2 feet to the corner of and common building line of subject property (Hair salon), the POINT OF BEGINNING of the property herein described; thence continue west along the front of building 23.0 feet to a point (common building line); thence North along a common building line 75.0 feet to corner of building; thence East along outside of existing building 23.0 feet to a point (common building line); thence south along common building line 75.0 feet to the Point of Beginning.

Said property contains 1725 square feet, and is situated in the City of Talladega, Talladega County, Alabama. I hereby state that all parts of this survey and drawing meet the requirements of the Minimum Technical Standards for the Practice of Land Surveying in Alabama.

According to my survey, this 13th day of January, 1998.

Maxwell Engineering &  
 Land Surveying, Inc.  
 283 McEldery Circle  
 Mumfords, AL 36268  
 205-362-9503 Fax 205-362-5377

*Johnny E. Maxwell*  
 Johnny E. Maxwell  
 PLS Reg. No. 21174

## ASSIGNMENT AND ASSUMPTION OF THE PURCHASE AND SALE AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF THE PURCHASE AND SALE AGREEMENT (this "Assignment"), made as of this 17th day of December, 2022 (the "Effective Date"), by and among Vincent J. Schilleci III and Matthew J. Hogan, individuals, (collectively, the "Assignors"), and CCS of Alabama, LLC, an Alabama limited liability company (the "Assignee") (Assignor and Assignee shall be collectively referred to herein as the "Parties")

### W I T N E S S E T H:

WHEREAS, Assignors have entered into a Purchase and Sale Agreement on December 14, 2022 for the real property located at 309 West Battle Street, Talladega, AL 35160 (the "PSA").

WHEREAS, the Assignors desire to assign all of their right, title and interest in the PSA to the Assignee which is an entity that the Assignors hold interest in, and the Assignee desires to assume the same as of the Effective Date, pursuant to the terms herein.

WHEREAS, Paragraph 13 of the PSA notes that the PSA may be assigned by Assignors to any affiliate of Assignors without the Seller's written approval.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and paid, the Assignors and the Assignee hereby agree as follows:

**1. Definitions; Integration of PSA.** Any capitalized term used but not defined herein shall have its respective meaning as set forth in the PSA. This Assignment and the PSA shall be deemed to be, for all purposes, one instrument. In the event of any conflict between the terms and provisions of this Assignment and the terms and provisions of the PSA, the terms and provisions of this Assignment shall, in all instances, control and prevail. Exhibit A is a true and complete copy of the PSA.

**2. Assignment and Assumption of PSA.**

- (a) **Assignment.** Assignors hereby assign, sell, transfer, and convey to Assignee, as of the Effective Date, all of Assignor's right, title, interest, and obligations under the PSA.
- (b) **Assumption.** As of the Effective Date, Assignee hereby (i) assumes all of Assignor's right, title, interest, and obligations under the PSA; and (ii) agrees to perform, and be bound by, all obligations and satisfy all conditions to be performed or satisfied by Assignors under the provisions of the PSA.

**3. Representations and Covenants of Assignor.**

- (a) Assignors hereby represents to Assignee that, to their actual knowledge:
  - (i) As of the Effective Date, Assignors are not in default of any of the obligations contained in the PSA; and

- (ii) As of the Effective Date, no event currently exists which, with the giving of notice or passage of time or both, would constitute a default of Assignors under the PSA.

**4. Effective Date.** The Assignment shall be effective upon the Effective Date.

**5. General Provisions.**

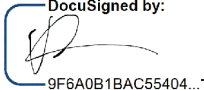
- (a) **Effectiveness.** This Assignment shall become effective only upon execution and delivery by all parties hereto.
- (b) **Complete Understanding.** This Assignment represents the complete understanding among the parties hereto as to the subject matter hereof, and supersedes all prior negotiations, representations, guaranties, warranties, promises, statements, or agreements, either written or oral, among the parties hereto as to the same.
- (c) **Ratification of PSA.** All terms and conditions of the PSA are hereby fully ratified and affirmed, as modified by this Assignment.
- (d) **Applicable Law.** This Assignment shall be construed, performed, and enforced in accordance with the laws of the state of Alabama.
- (e) **Binding Effect.** This Assignment shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns.
- (f) **Counterparts.** This Assignment may be executed in one or more counterparts, and all such executed counterparts shall constitute one agreement, binding on all the parties hereto. Any signature to this Assignment transmitted by email or facsimile shall be deemed an original signature hereto.
- (g) **Authority.** Each of the parties to this Assignment represents and warrants that it has full power and authority to execute this Assignment and to perform its obligations hereunder and that any and all consents and/or approvals necessary and/or required in connection therewith have been obtained.

[signature page follows]

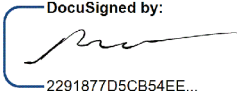
WITNESS the following signatures and seals as of the date first above written.

ASSIGNORS:

Vincent J. Schilleci III, individually

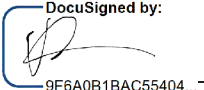
By:  \_\_\_\_\_  
9F6A0B1BAC55404...

Matthew J. Hogan, individually

By:  \_\_\_\_\_  
2291877D5CB54EE...

ASSIGNEE:

CCS of Alabama, LLC, an Alabama limited liability company

By:  \_\_\_\_\_  
Name: Vincent J. Schilleci III  
Its: Manager



**ORDINANCE NO. 63-2021**

**AUTHORIZING THE OPERATION OF A MEDICAL CANNABIS DISPENSARY  
WITHIN THE CORPORATE LIMITS OF THE CITY OF MONTGOMERY**

WHEREAS, on May 17, 2021, the Governor for the State of Alabama signed Darren Wesley 'Ato' Hall Compassion Act into law (the Act); and

WHEREAS, the Act provides for the medical use of marijuana for patients with a qualifying medical condition and a valid medical cannabis card; and

WHEREAS, a dispensary may only be operated in a municipality if the municipality has passed an ordinance authorizing the operation of dispensaries within the municipality's corporate limits; and

WHEREAS, the Act authorizes and requires the Medical Cannabis Commission to heavily regulates dispensary operation, (See, §§20-2A-50 – 20-2A-68, Code of Alabama), thus addressing any health, safety or welfare concerns for the citizens of the City of Montgomery; and

WHEREAS, the location of a dispensary within the corporate limits of the City of Montgomery will bring the potential of hundreds of new employment opportunities for the citizens of the City of Montgomery; and

WHEREAS, a dispensary would be required to purchase a business license and pay sales tax to the City of Montgomery, thus increasing revenue.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MONTGOMERY, ALABAMA, that it authorizes the operation of dispensing sites within the corporate limits of the City of Montgomery subject to any applicable zoning restrictions the City of Montgomery may adopt pursuant to §20-2A-51(c)(3).

ADOPTED this the 7<sup>th</sup> day of December, 2021.

  
\_\_\_\_\_  
STEVEN L. REED, MAYOR

ATTEST:

  
\_\_\_\_\_  
BRENDA GALE BLALOCK, CITY CLERK

63-2021



City of **Montgomery**, Alabama

Land Use Division  
Thomas M. Tyson, Jr.

Steven L. Reed  
Mayor

City Council Members

Charles W. Jirright – President	Audrey Graham
Cornelius "CC" Calhoun – Pres. Pro Tem	Oronde K. Mitchell
Ed Grimes	Clay McInnis
Brantley W. Lyons	Glen O. Pruitt Jr
Marche Johnson	

December 8, 2022

CCS of Alabama, LLC  
Matthew Hogan  
1901 Sixth Ave North, Suite 1700  
Birmingham, AL 35203

**RE: 5232 Atlanta Highway**

Dear Sir or Madam:

This is to advise you that the property located at 5232 Atlanta Highway is in a B-3 (Commercial) Zoning District, which allows a medical cannabis dispensary.

There are no variances, special exceptions, or zoning violations on file.

The City is providing this information solely as a courtesy and the person requesting such information should independently confirm the information contained, herein. The City assumes no liability or responsibility for any misstatements or inaccuracies contained. If we can be of any further assistance, please do not hesitate to contact me at (334)625-2722.

Sincerely,

Thomas M. Tyson, Jr.  
Land Use Control Administrator

/jmh

**Resolution 2022-61**  
**Authorizing the Operation**  
**of Medical Cannabis Dispensing Sites**  
**within Unincorporated Areas of the County**

WHEREAS, during the 2021 Regular Session of the Alabama legislature, Act 2021-450 was enacted and codified in Title 20 2A, Code of Alabama 1975, to create within Alabama a wholly interstate system of the cultivation, processing, and distribution of medical cannabis; and

WHEREAS, Act 2021-450 defines a “dispensary” as an entity licensed by the Alabama Medical Cannabis Commission to dispense and sell medical cannabis at the dispensing sites to registered, qualified patients and registered caregivers; and

WHEREAS, Act 2021-450 defines an “integrated facility” as an entity licensed to perform the functions of a cultivator, processor, secure transporter, and dispensary; and

WHEREAS, Act 2021-450 defines a “dispensing site” as a site operated by a dispensary licensee or an integrated facility licensee; and

WHEREAS, Act 2021-450 states that a dispensary licensee or integrated facility licensee may not operate a dispensing site in an unincorporated area of the county unless the county commission has authorized, by resolution, the operation of dispensing sites within its boundaries; and

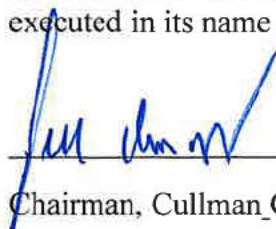
WHEREAS, Act 2021-450 states that a program providing for the administration of cannabis derivatives for medical use in this state will not only benefit patients by providing relief from pain and other debilitating symptoms but will also provide opportunities for patients with debilitating conditions to function and have a better quality of life and provide employment and business opportunities for farmers.

WHEREAS, the Cullman County Commission believes it is in the public’s interest to authorize the operation of dispensing sites within the unincorporated areas of the county;

THEREFORE BE IT RESOLVED BY THE CULLMAN COUNTY COMMISSION that it does hereby authorize the operation of medical cannabis dispensing sites by dispensary licensees and integrated facility licensees within the unincorporated areas of the county.

BE IT FURTHER RESOLVED that copies of this resolution be forwarded to the Alabama Medical Cannabis Commission within seven calendar days of this resolution being adopted.

IN WITNESS WHEREOF, the Cullman County Commission has caused this resolution to be executed in its name and on its behalf by its chairman on this the 19th day of July, 2022.

  
\_\_\_\_\_  
Chairman, Cullman County Commission



Jeff Clemons  
*Chairman*  
Kerry Watson  
*Commissioner, District 1*  
Garry Marchman  
*Commissioner, District 2*



Kelly Duke  
*Commissioner, District 3*  
Corey Freeman  
*Commissioner, District 4*  
John Bullard  
*County Administrator*

12/14/2022

To Whom it May Concern:

The Cullman County Commission is the governing body of Cullman County, Alabama. In the unincorporated areas of Cullman County, there are no zoning restrictions. Building permits and letters of occupancy are not required. You should check with any specific municipalities for their zoning ordinances, if applicable.

Best Regards,

A handwritten signature in blue ink that reads "John M. Bullard".

John M. Bullard  
County Administrator

**ORDINANCE NO. 1922**

**AN ORDINANCE AUTHORIZING THE OPERATION OF A MEDICAL CANNABIS DISPENSARY WITHIN THE CORPORATE LIMITS OF THE CITY OF TALLADEGA**

**WHEREAS**, on May 17, 2021, the Governor for the State of Alabama signed the Darren Wesley 'Ato' Compassion Act into law ("the Act"); and,

**WHEREAS**, the Act provides for the medical use of marijuana for patients with a qualifying medical condition and a valid medical cannabis card; and,

**WHEREAS**, a dispensary may only be operated in a municipality if the municipality has passed an ordinance authorizing the operation of dispensaries within the municipality's corporate limits; and,

**WHEREAS**, the Act authorizes and requires the Medical Cannabis Commission to heavily regulate dispensary operation, (see Ala. Code 1975 §§ 20-2A-50 through 20-2A-68), thus addressing any health, safety or welfare concerns for the citizens of the city of Talladega; and,

**WHEREAS**, the location of a dispensary within the corporate limits of the City of Talladega will bring the potential of new employment opportunities for the citizens of the City of Talladega; and,

**WHEREAS**, a dispensary would be required to purchase a business license and pay sales tax to the City of Talladega, thus providing an additional source of revenue;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TALLADEGA, ALABAMA**, that the City of Talladega authorizes the operation of cannabis dispensary sites within the corporate limits of the City of Talladega subject to any applicable zoning restrictions the City of Talladega may adopt as authorized by Ala. Code 1975 §20-2A-51 (c) (3).

**ADOPTED** this the 24<sup>th</sup> day of October, 2022.

  
\_\_\_\_\_  
Council Member

  
\_\_\_\_\_  
Council Member

  
\_\_\_\_\_  
Council Member

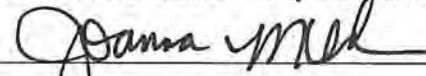
  
\_\_\_\_\_  
Council Member

\_\_\_\_\_  
Council Member

**ACKNOWLEDGED** this 24<sup>th</sup> day of October, 2022

  
\_\_\_\_\_  
City Manager

**ATTESTED** this 24<sup>th</sup> day of October, 2022.

  
\_\_\_\_\_  
City Clerk



**CITY OF TALLADEGA**

255 South Street W.  
P.O. Box 498  
Talladega, AL 35161  
(256) 362 - 8186

December 19, 2022

Alabama Medical Cannabis Commission  
Post Office Box 309585  
Montgomery, AL 36130

RE: Approval for 309 West Battle Street, Talladega, AL 35160  
(parcel #13-08-27-4-034-002.001)

To whom it may concern:

This letter is to confirm that (i) the Property referenced above is zoned General Commercial ("C-3"); and (ii) the proposed use of the dispensing of medical cannabis is permitted in the C-3 zone.

Ordinance No. 1922 permits the operation of medical cannabis dispensaries within the city limits of Talladega. We have determined that the Property, zoned C-3, allows for the dispensing (sales) of medical cannabis under the current Talladega zoning ordinance.

Should you need any further clarification or have any additional questions, please feel free to call me at (256) 362-8186, extension 1072 or email me at [rbuyher@talladega.com](mailto:rbuyher@talladega.com).

Regards,

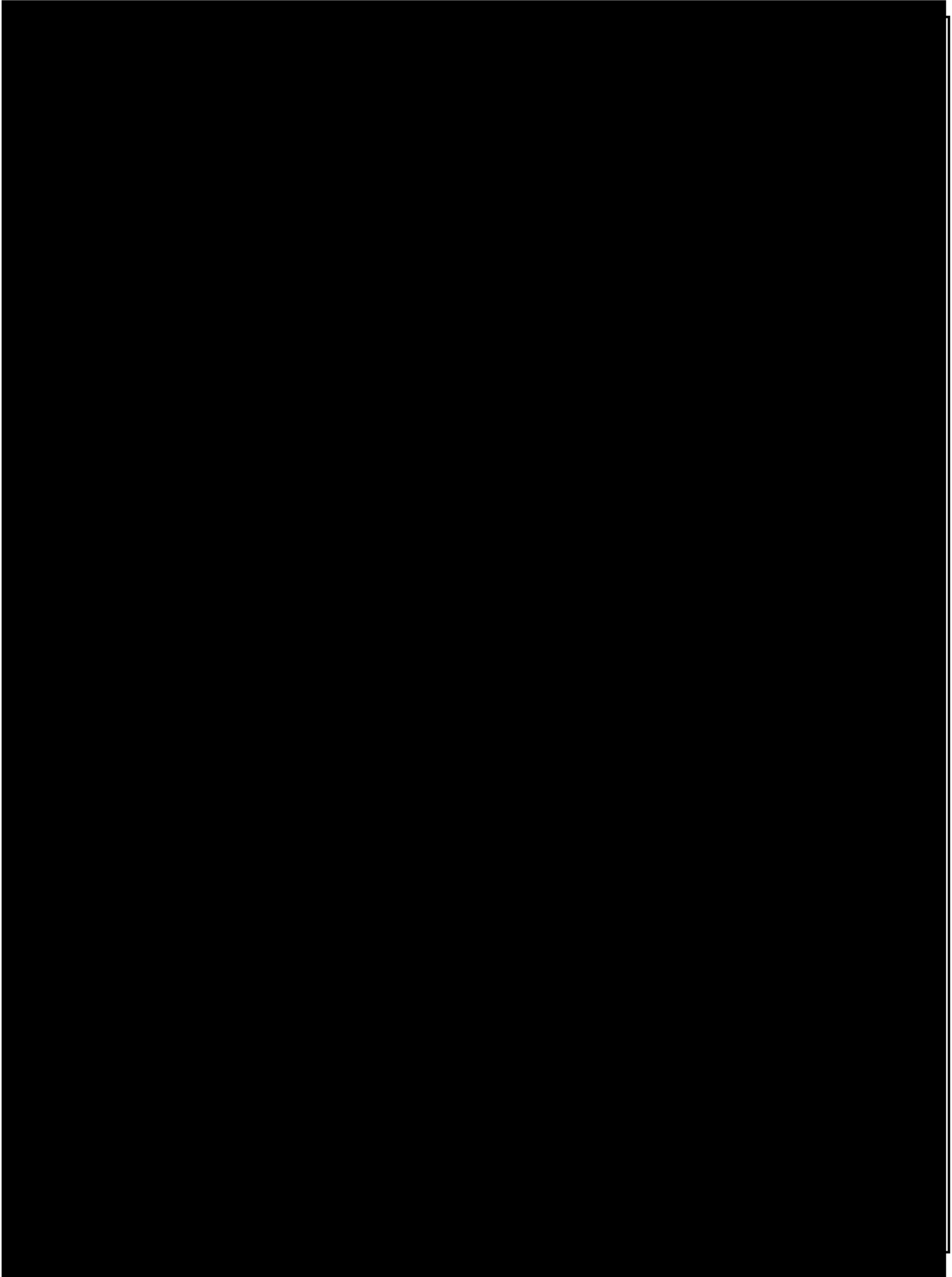
Robert Buyher  
City Planner,  
City of Talladega  
(256) 362-8186 ext. 1072  
[rbuyher@talladega.com](mailto:rbuyher@talladega.com)



A NEW

MONTGOMERY  
DISPENSARY

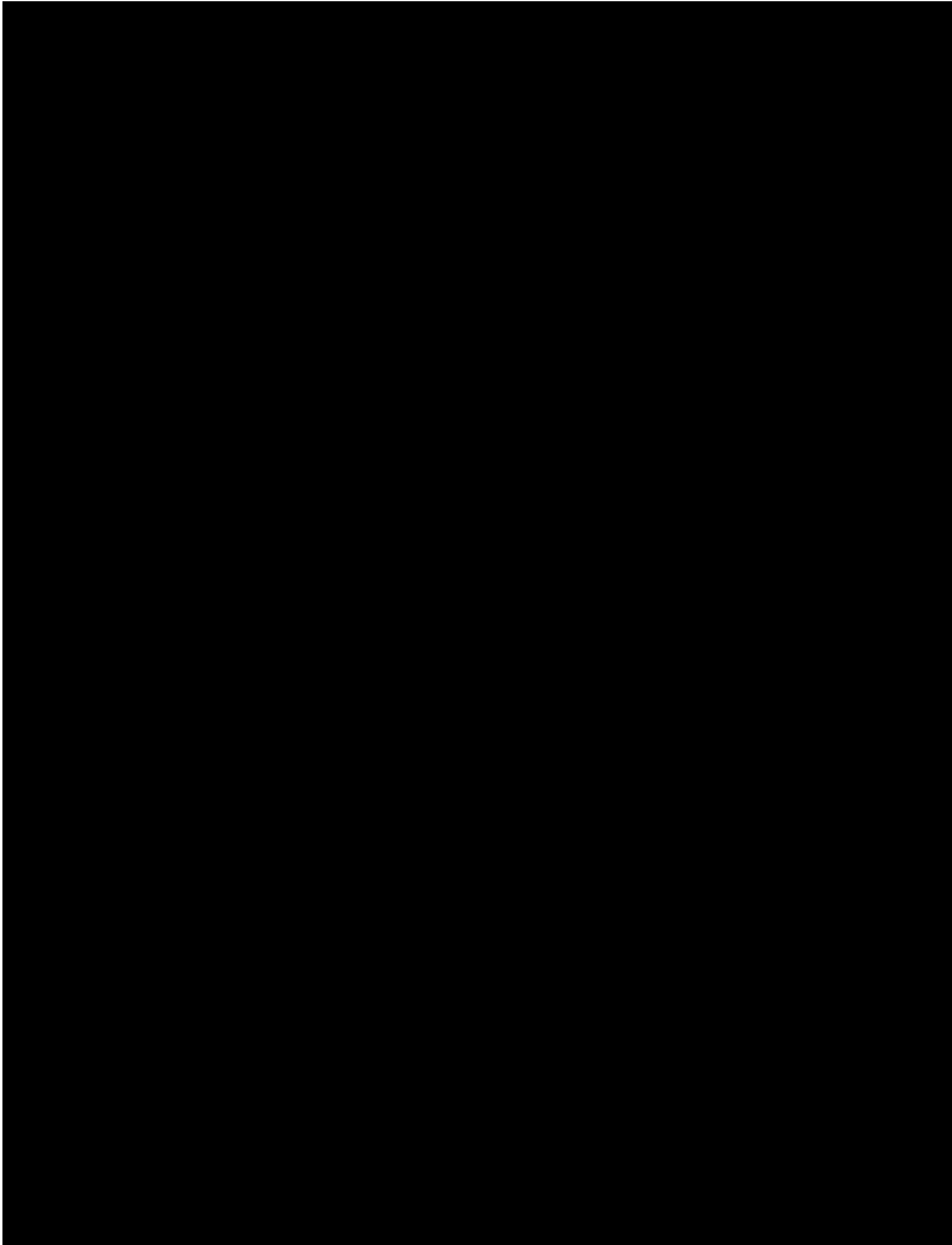
5230/5232 ATLANTA HIGHWAY  
MONTGOMERY, AL 36109





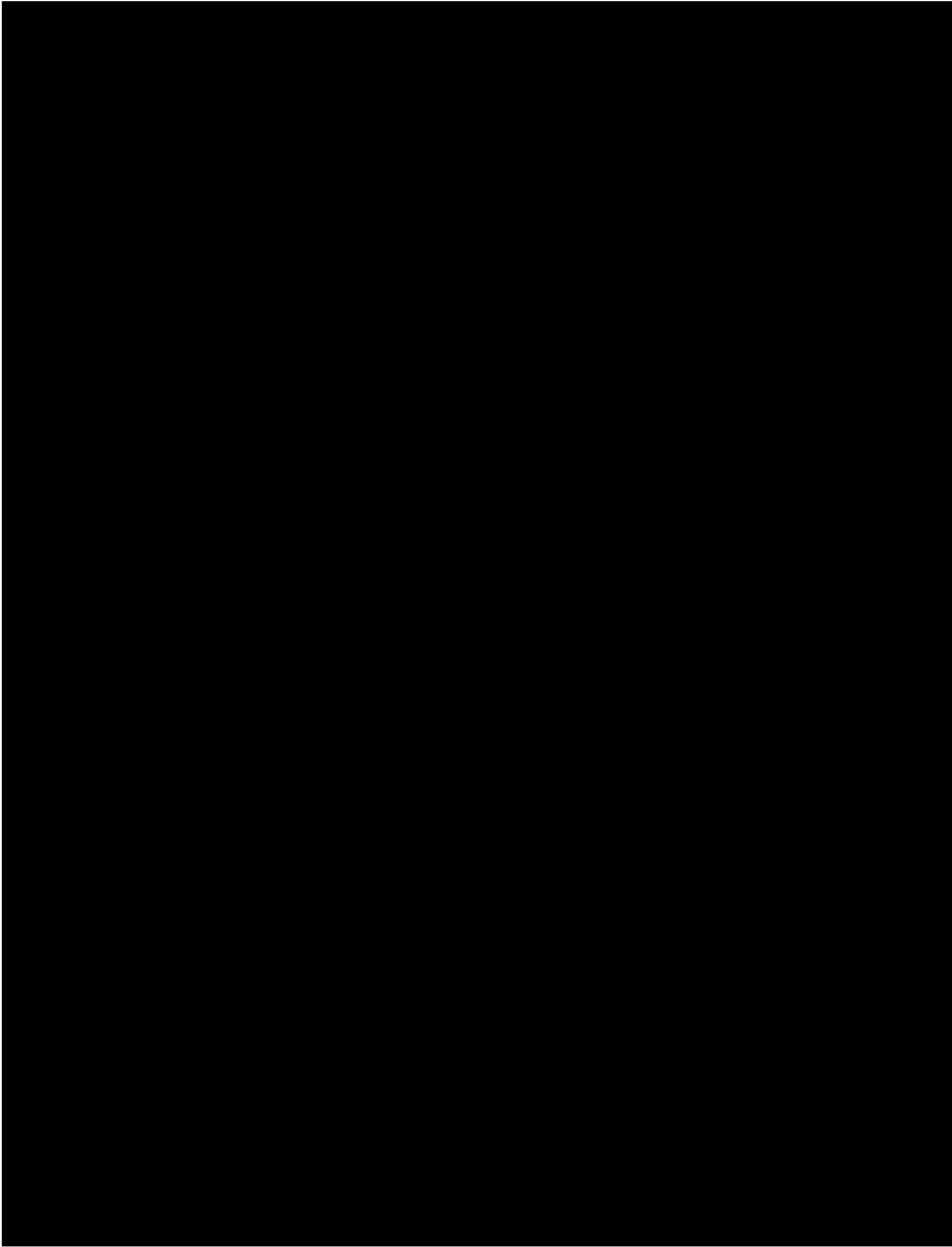
A NEW  
CULLMAN  
DISPENSARY

PARCEL ID 17-01-01-0-000-007.000  
CULLMAN, AL 35058



A NEW  
TALLADEGA  
DISPENSARY

309 BATTLE STREET WEST; TALLADEGA,  
ALABAMA 35160



# Exhibit 19 – Security Plan

## 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.

Vincent Schilleci III

\_\_\_\_\_  
Printed Name of Verifying Individual

*Vincent Schilleci*

\_\_\_\_\_  
Signature of Verifying Individual

Owner, Manager

\_\_\_\_\_  
Title of Verifying Individual

12/21/2022

\_\_\_\_\_  
Verification Date

## **Exhibit 19 – Security Plan**

*Satisfaction of Plan: Complete*

### **Executive Summary**

The following narrative contains CCS of Alabama, LLC's ("CCSA") Security Plan that will be implemented at its Dispensary Facilities ("Dispensaries" or "Premises"), as well as information on the experience of CCSA's Security Team. The Security Plan contains specifics on CCSA's alarm and surveillance systems, communication equipment, premises security, staffing, access controls, protocols for Medical Cannabis and cash movement, public, patient, and caregiver access, record keeping, reporting requirements, employee and visitor identification, policies for reporting any theft, diversion, or other loss of Medical Cannabis, and signage.

CCSA's Security Plan exceeds the requirements set forth by the Alabama Medical Cannabis Commission ("AMCC") and all applicable state and local laws, regulations, ordinances, and other requirements on multiple fronts. As experienced operators in the medical cannabis industry, the CCSA team is equipped and prepared to expertly navigate all aspects of a Medical Cannabis Dispensary, with the knowledge and attention to detail to guarantee a secure and successful operation. CCSA also looks forward to collaborating with local law enforcement and municipal officials implementing the Security Plan to achieve our shared goal of deterring and preventing diversion and promoting and advancing safety and security.

### **CCSA Security Team**

██████████, Director of Security

CCSA is proud to have a former FBI agent, ██████████, serving as our Director of Security. ██████████ is a veteran of the U.S. Marine Corps and served as a Special Agent with the FBI for over 25 years, including as the Assistant Special Agent-in-Charge for ██████████ ██████████, where he oversaw all criminal and administrative programs and executed COO-level responsibility over SWAT, evidence response, crisis negotiations staffing, facilities, budget, audit, compliance, and training. During his time with the FBI, spanning five locations over the course of his career, ██████████ investigated and supervised a wide range of criminal and terrorism violations, including violent crimes, gangs, complex financial crimes,

organized crime, drug trafficking, public corruption, health care fraud, internal investigations, international and domestic terrorism, and civil rights. He was also a SWAT operator in two FBI field offices and served as the FBI's Liaison Officer to the Department of Defense's Southern Command (SOUTHCOM) in Doral, Florida.

██████████ also served at FBI Headquarters in Washington, D.C., where he was responsible for national program management of all violent crime matters in the southeast region. After the terrorist attacks on September 11, 2001, ██████████ volunteered for re-assignment to the FBI's Usama Bin Laden Unit (UBLU) and was subsequently selected to lead the ██████████ Florida, Joint Terrorism Task Force (JTTF). Upon retiring from the FBI in 2015, he worked as the Chief Security Officer for ██████████, an Inc. 5000-ranked company, for two years before leaving to start his own security company, ██████████ ██████████. No individual is more qualified than ██████████ to lead CCSA's security operations, who has made a career of protecting American citizens from the highest level of domestic and international security threats.

██████████, Security Contractor

CCSA contracted ██████████ security company, ██████████ ("██████████"), for its security needs. ██████████ is an Alabama-licensed and veteran-owned small business operated by a team of licensed security experts throughout the United States with backgrounds in law enforcement, military, finance, audit, compliance, and intelligence. ██████████ specializes in supporting private sector companies, law firms, associations, houses of worship, and schools with physical security assessments and security training.

██████████ will assist CCSA with reviewing and advising on compliance with security regulations, designing Dispensary Facility security features, overseeing security inspections, and creating and implementing security procedures. All these practices will be done with a specialized focus on addressing cannabis industry-specific issues such as diversion, theft, and loss of Medical Cannabis.

Matthew Hogan, Owner

Matthew Hogan is an expert in navigating the logistics and distribution of highly regulated substances. As President and Chief Operating Officer for ATG Distribution, he oversees the distribution of alcoholic beverages across central Alabama. In this capacity, he is familiar with working in a robust state regulatory system that requires a commitment to

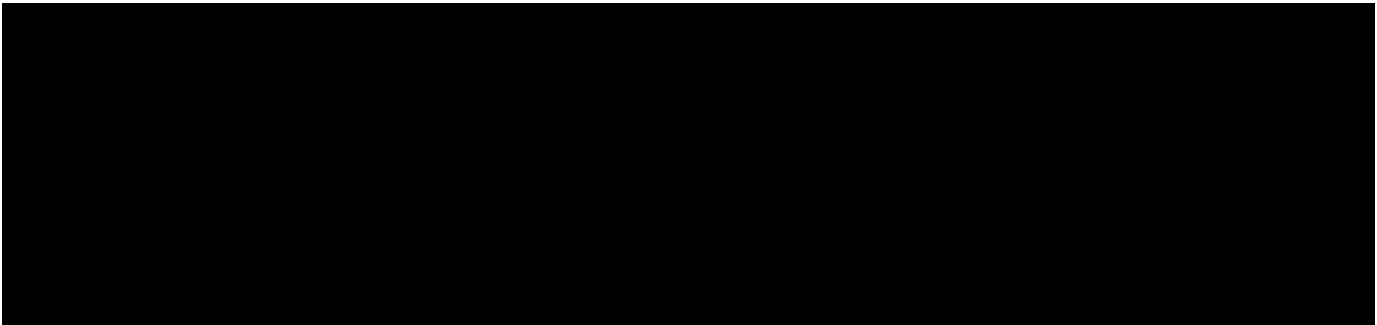
mitigating public health and safety. Mr. Hogan will apply his experience to ensure that CCSA operates at the highest levels of accountability and safety.

Ernest Craumer, Owner

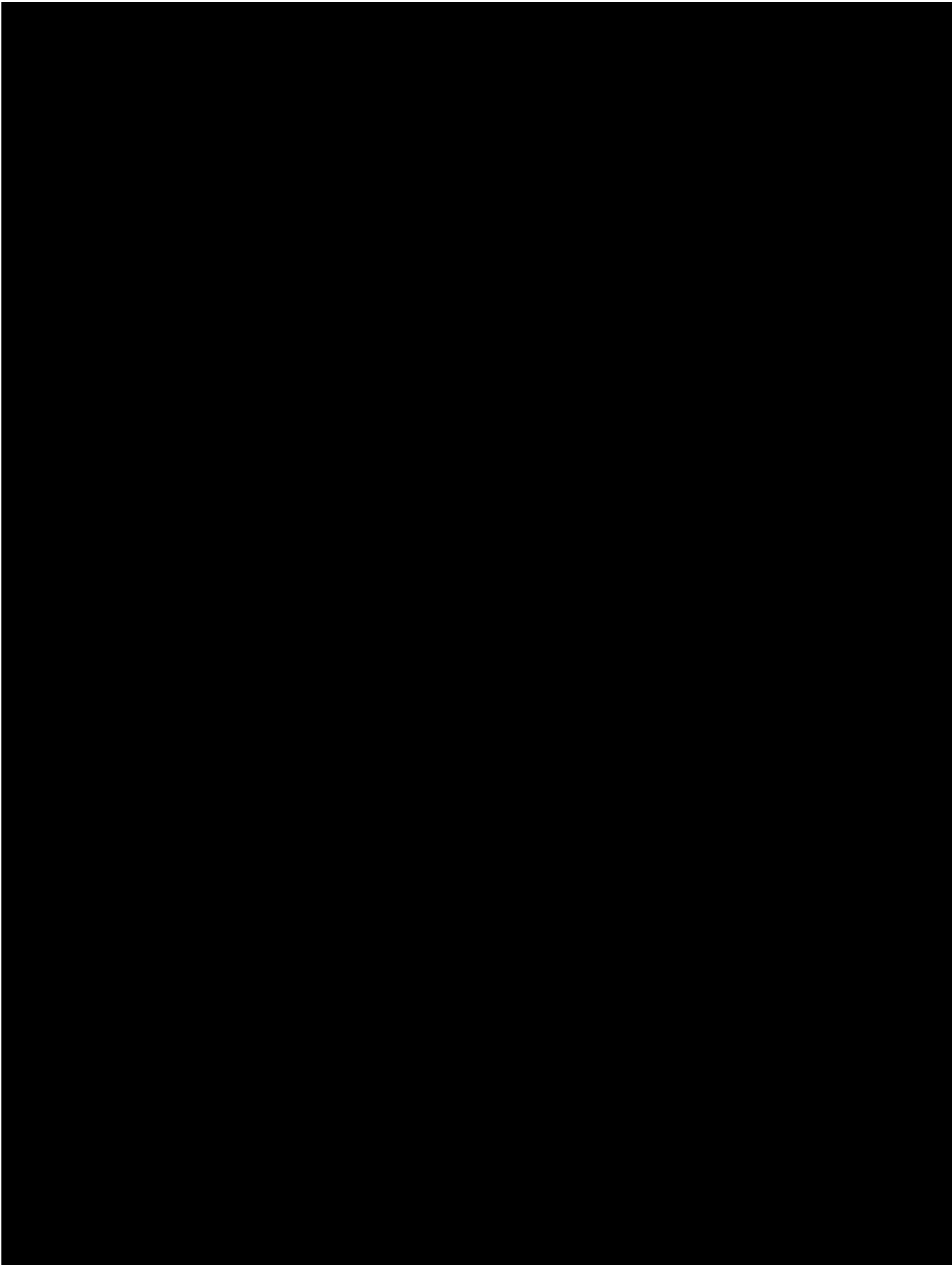
Ernie Craumer co-founded Callie's Cannabis Shoppe, a group of family-owned and award-winning medical cannabis businesses with cultivation facilities and dispensaries in the Denver area and one medical dispensary in Baltimore. Mr. Craumer is a long-time member of the medical cannabis industry, having been a former owner, operator, and Chief Executive Officer of two Boulder County, Colorado dispensaries: Starbuds Niwot and Starbuds Longmont. Ernie and his family are intimately involved in the daily operations of the licensed medical cannabis businesses. He understands the nuanced considerations of operating a medical cannabis dispensary – from secure entry to security guards to a comprehensive surveillance camera coverage system and everything in between. Mr. Craumer's experience, both in multi-state cannabis operations and in the highly regulated finance industry, makes him uniquely suited for compliance operations.

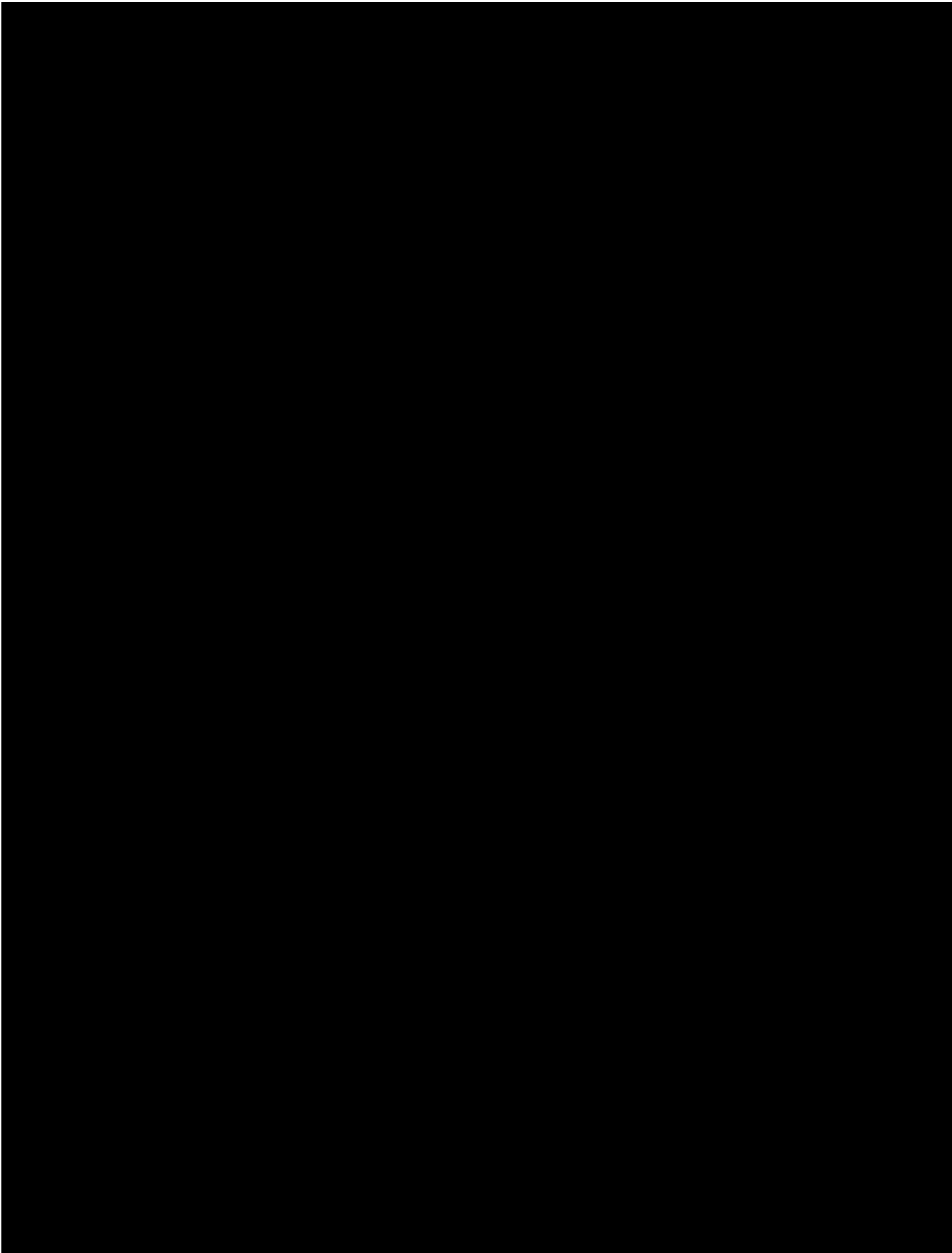
Sandra Young, Owner

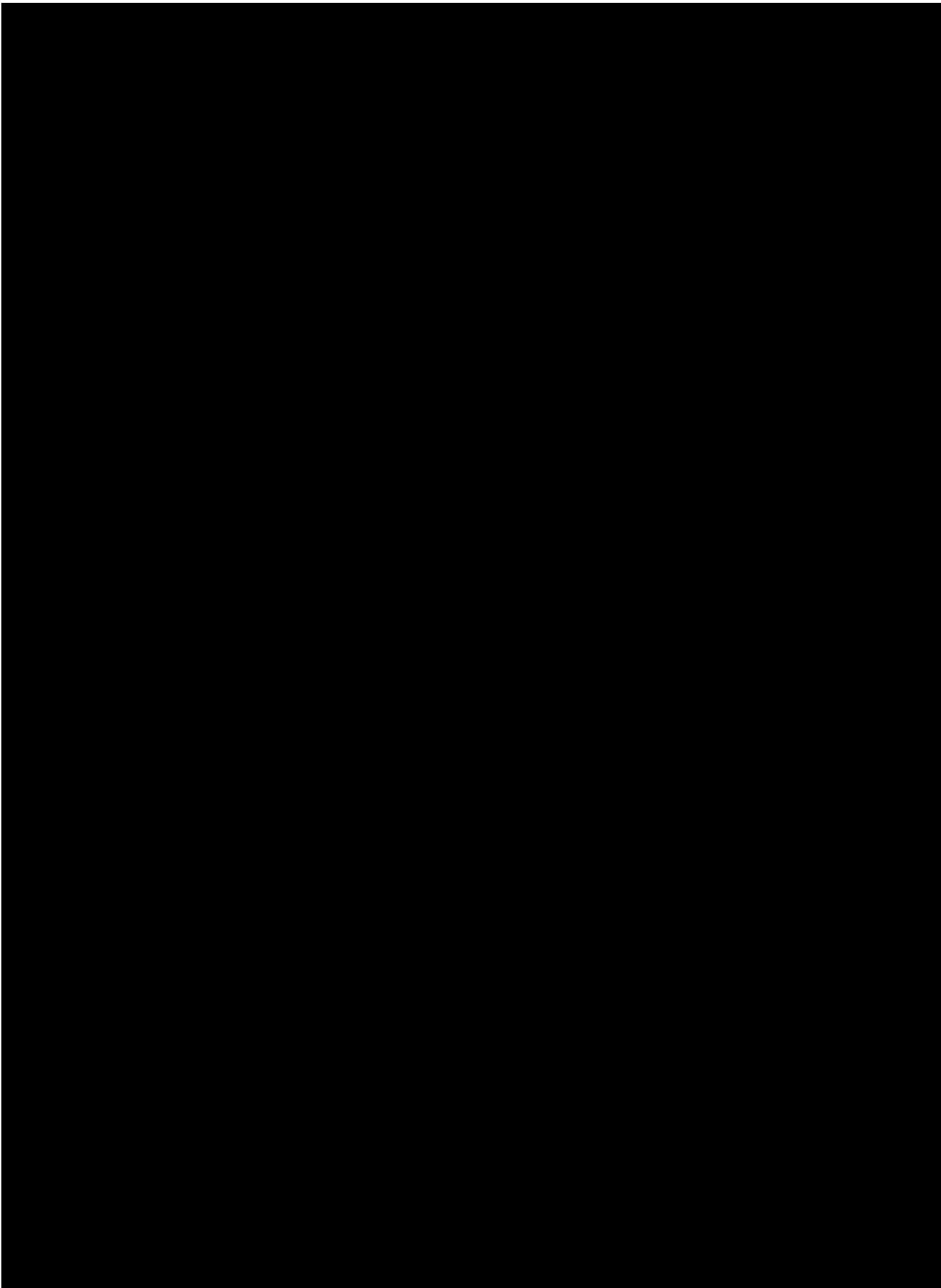
Sandra Young has over a decade of direct experience opening and managing medical cannabis businesses in New Jersey, Louisiana, Maryland, Massachusetts, and Colorado. Ms. Young has unparalleled experience managing the secure design of dispensaries; implementing security-focused point-of-sale measures; and facilitating secure inventory control and onsite compliance measures. Ms. Young takes a hands-on approach to medical cannabis, overseeing the daily retail cannabis operations of Callie's Cannabis Shoppe's Colorado locations. Through this experience, she has become highly skilled in maintaining facility security focused on exceeding regulatory requirements, preventing diversion, and ensuring customer and employee safety.

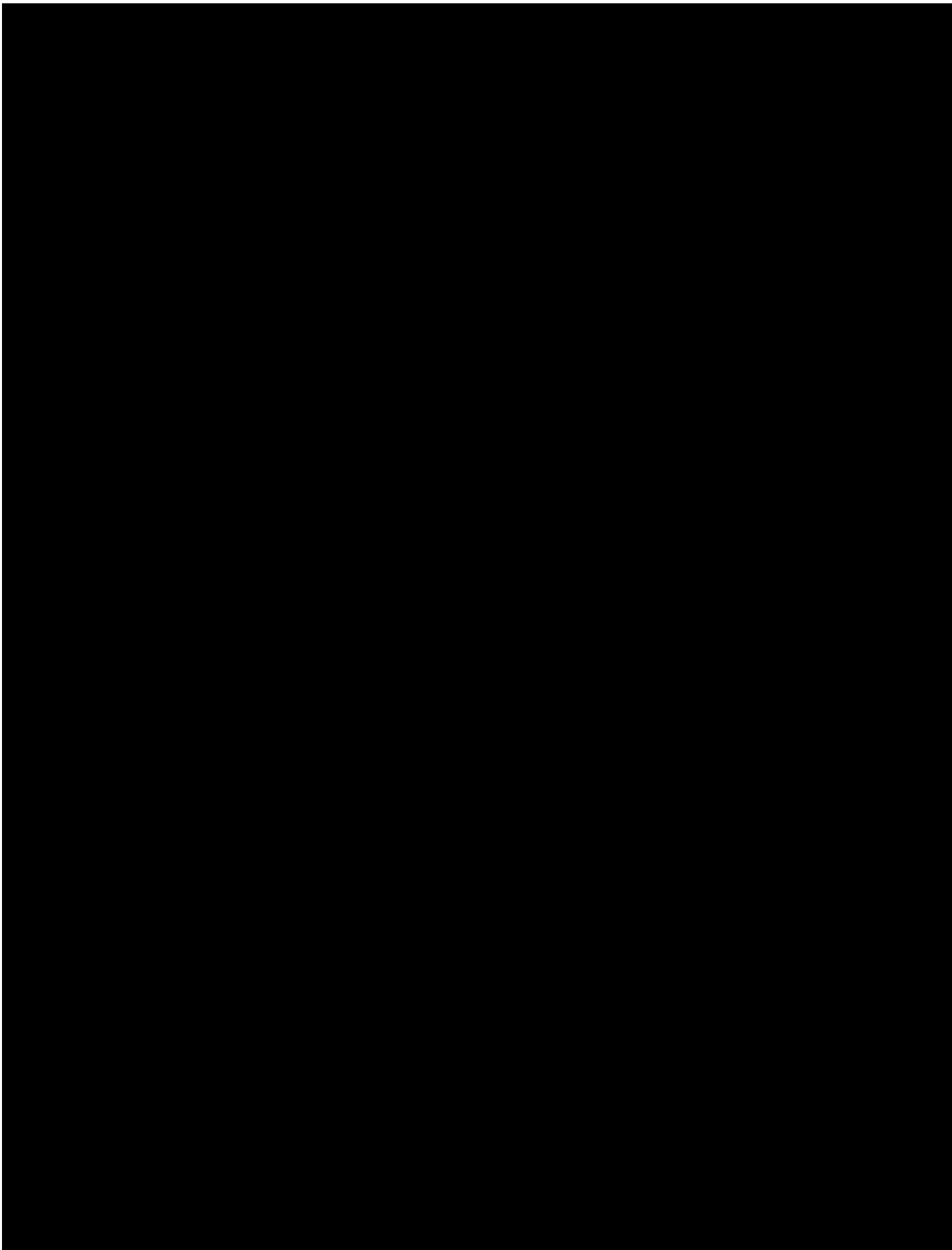


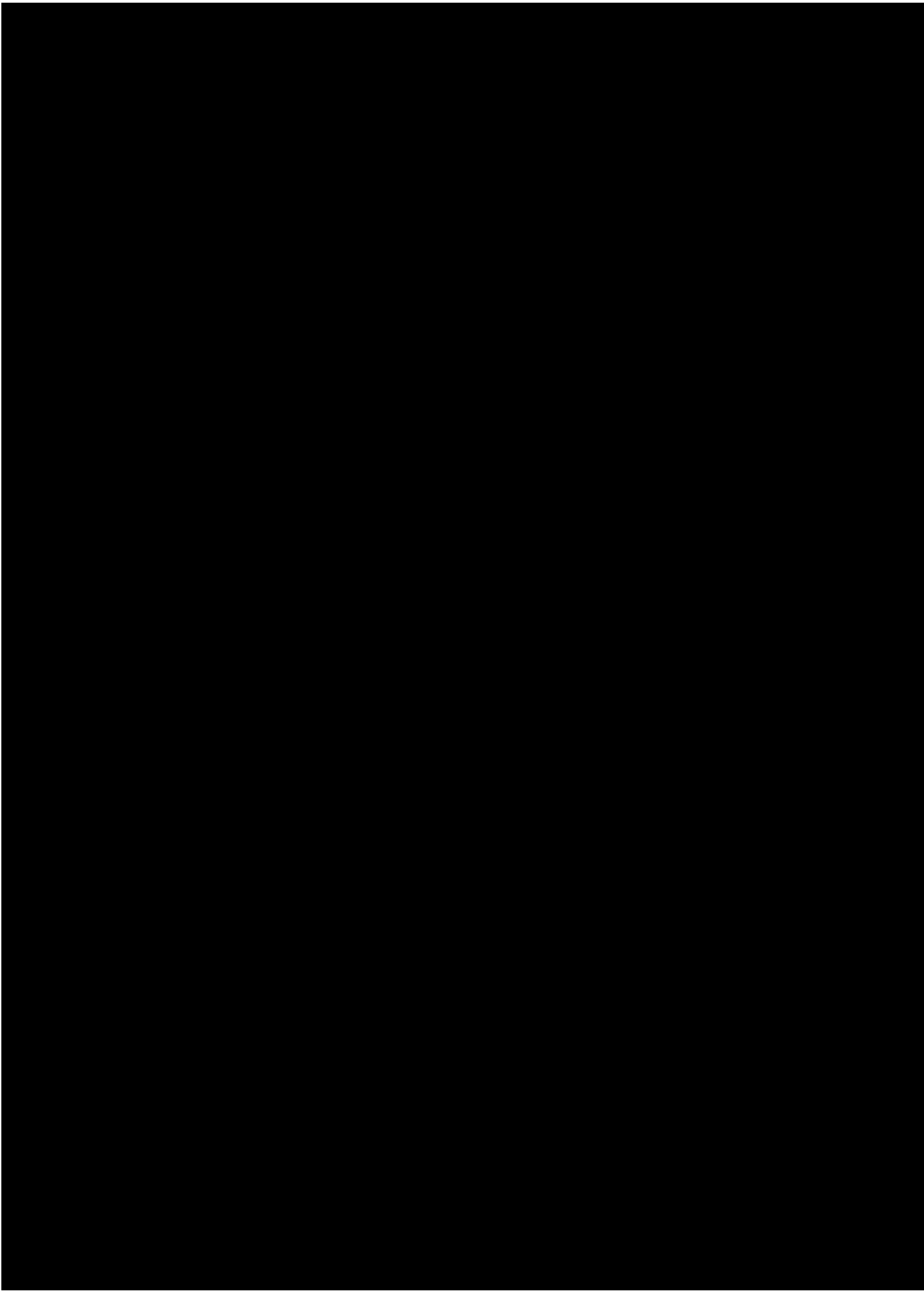


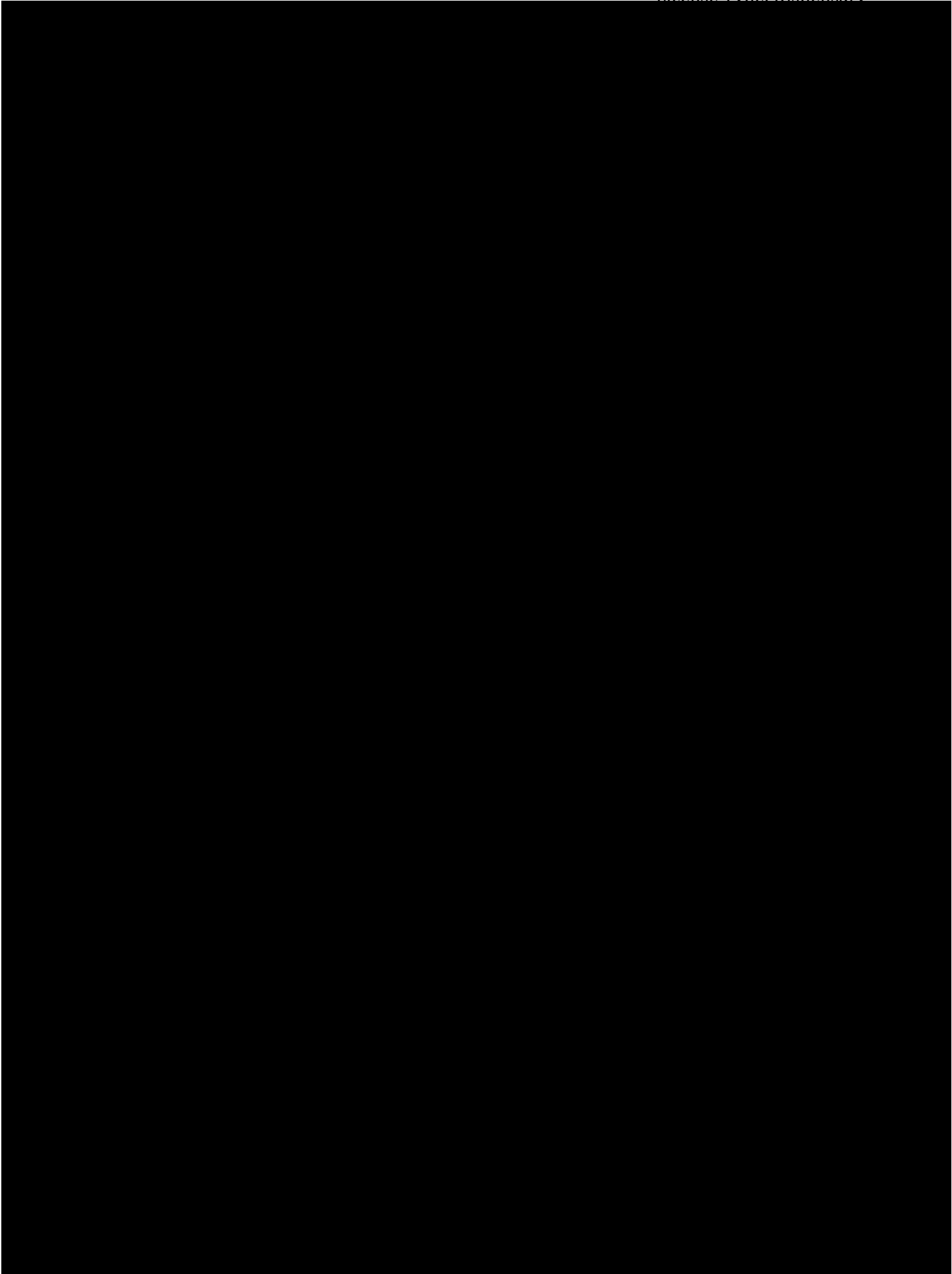


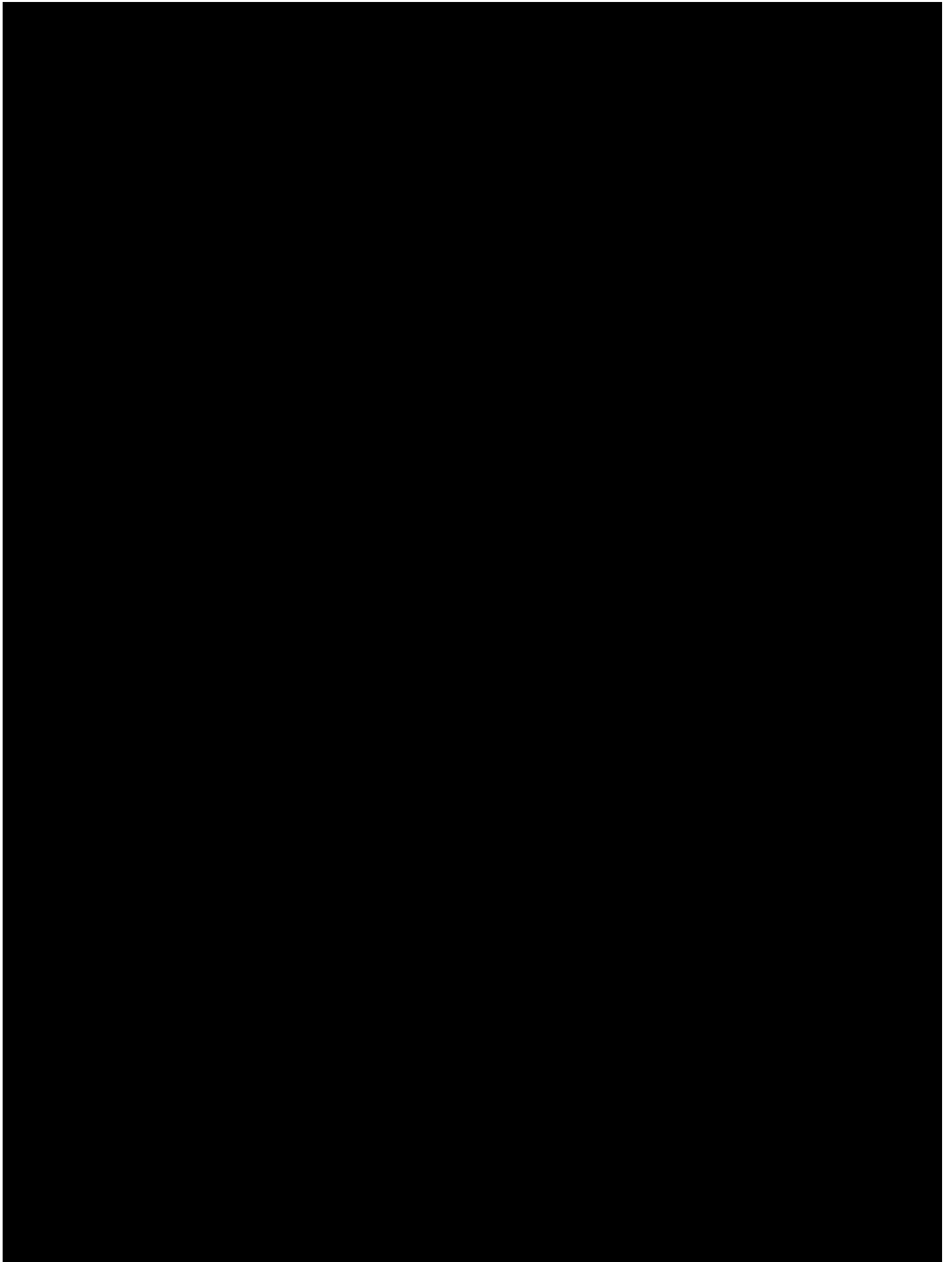


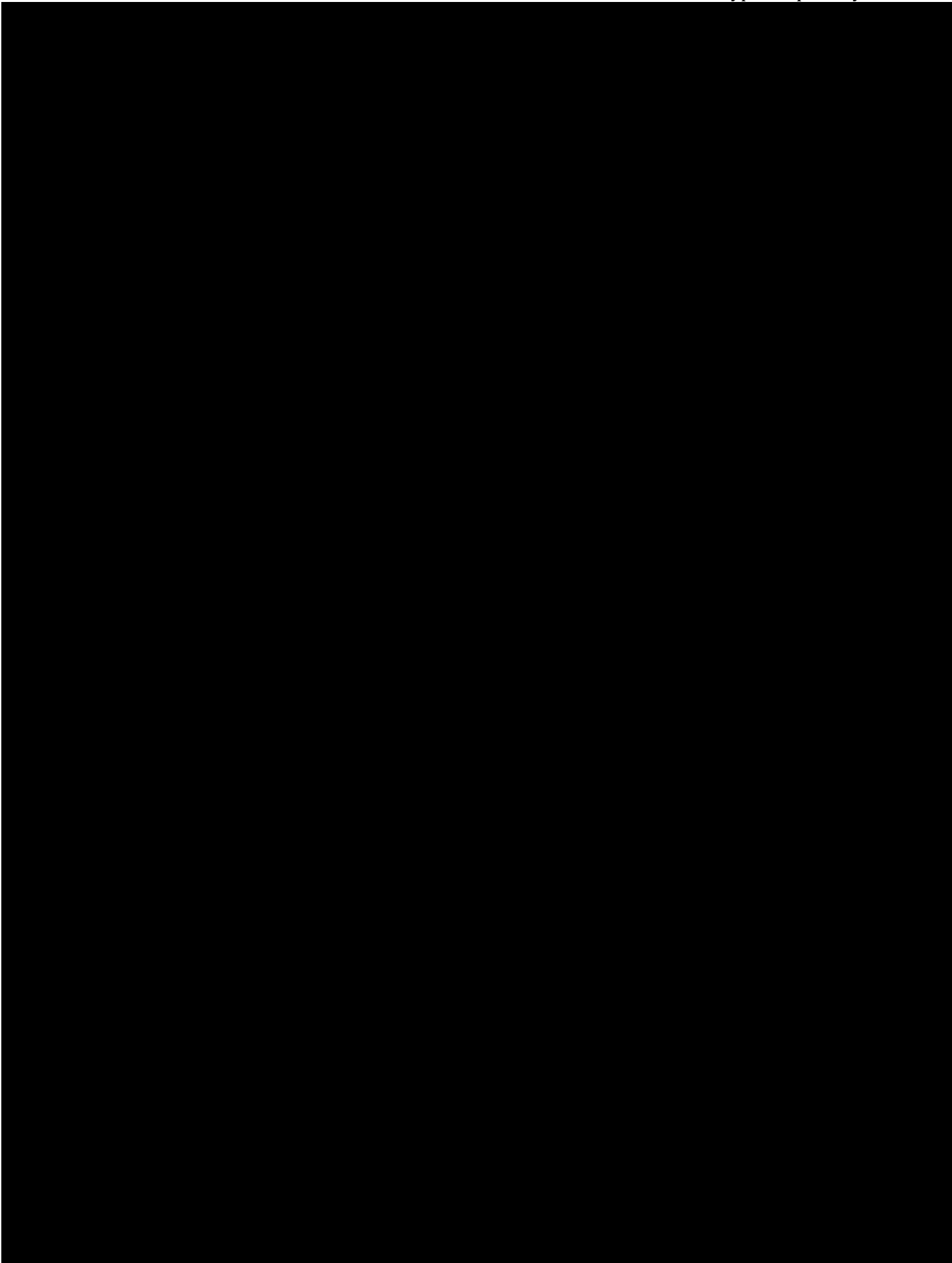




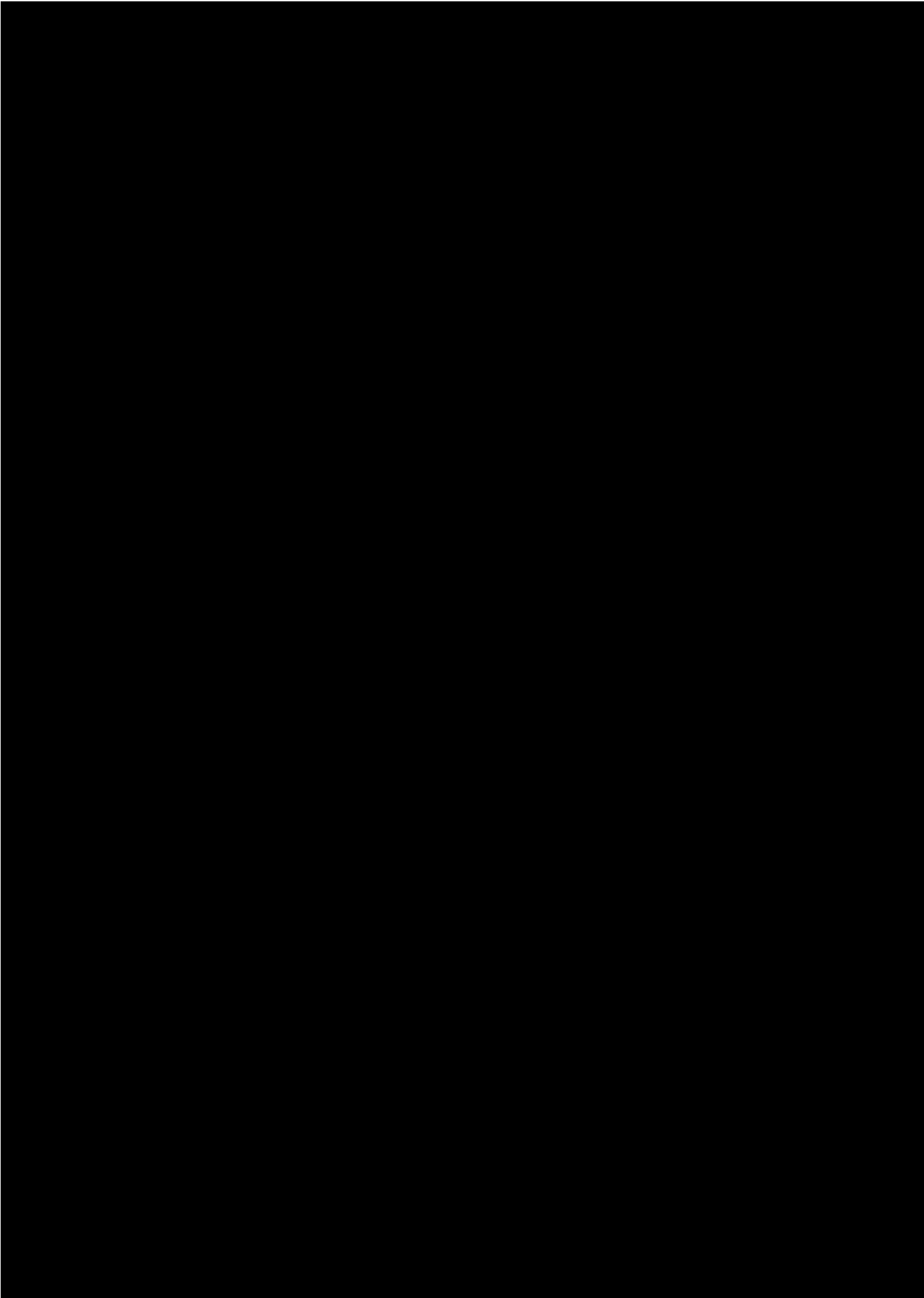


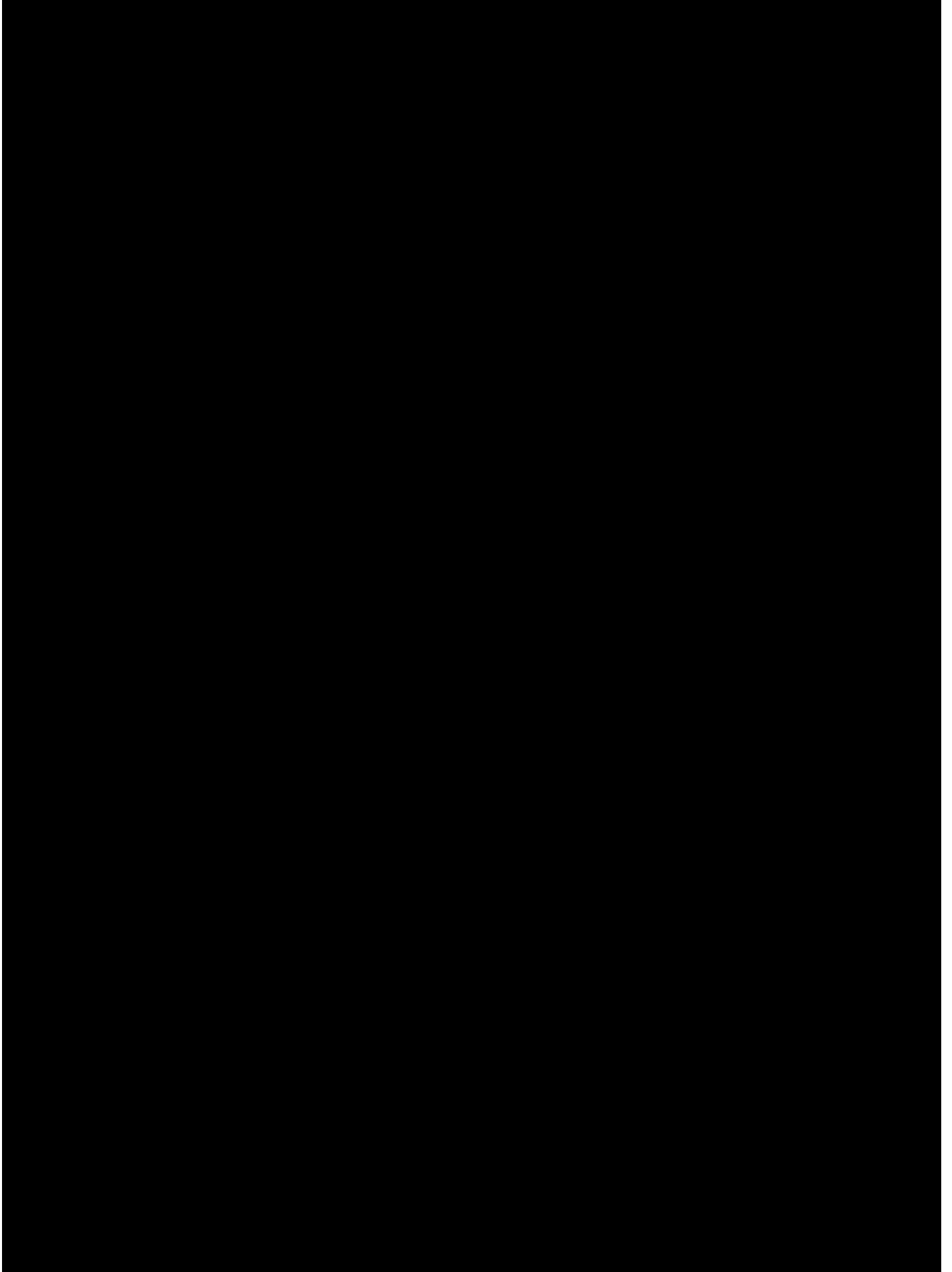


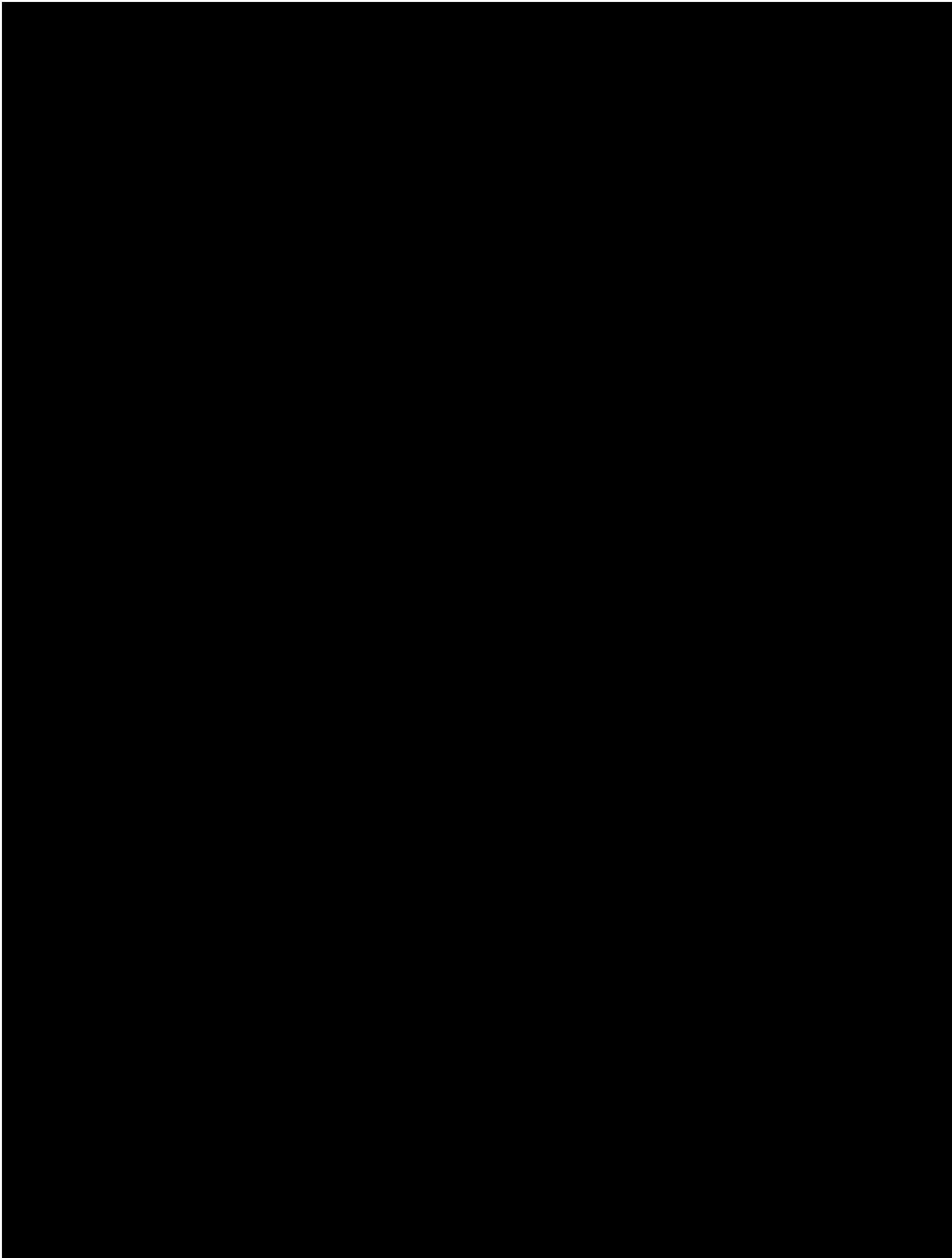


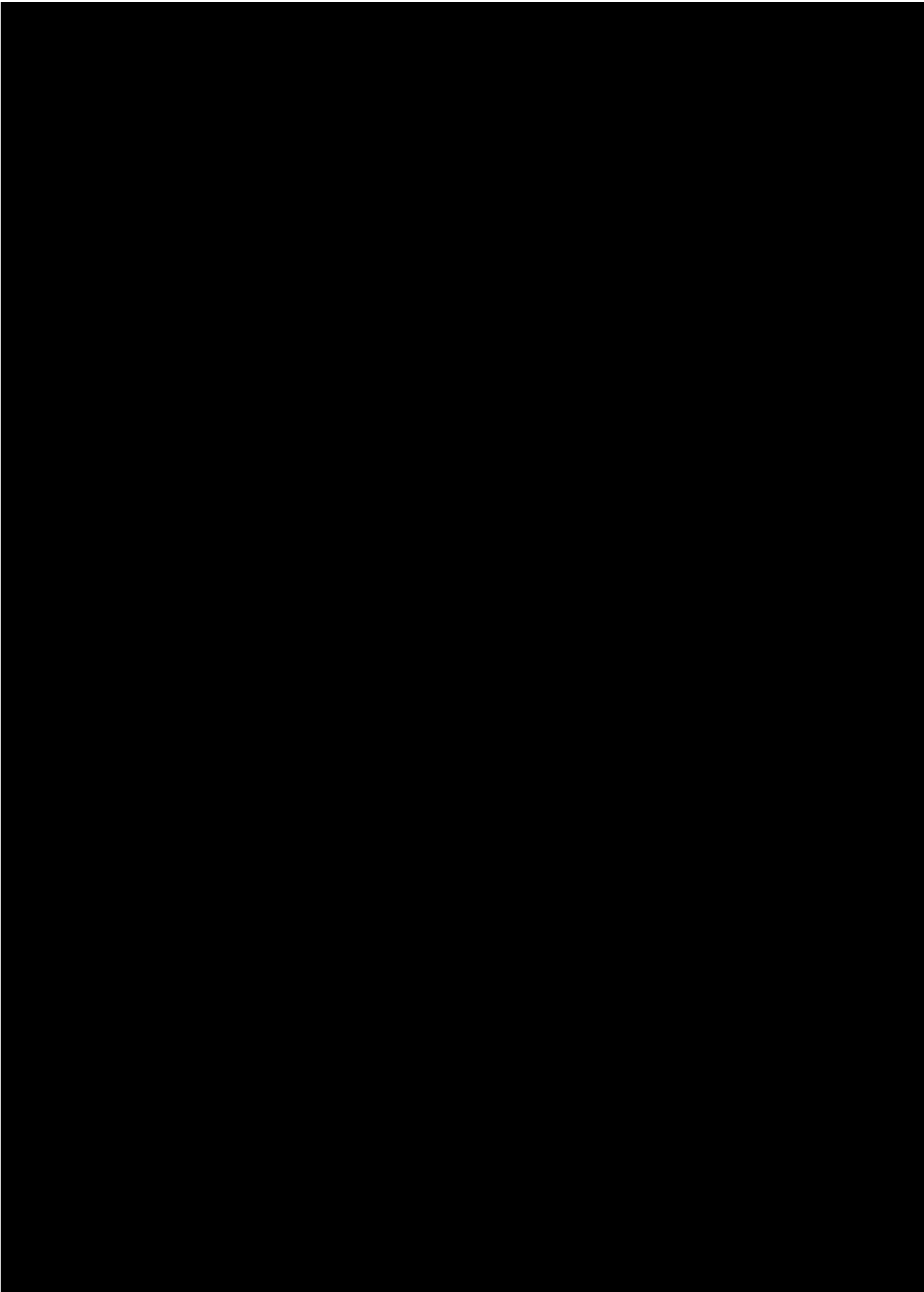


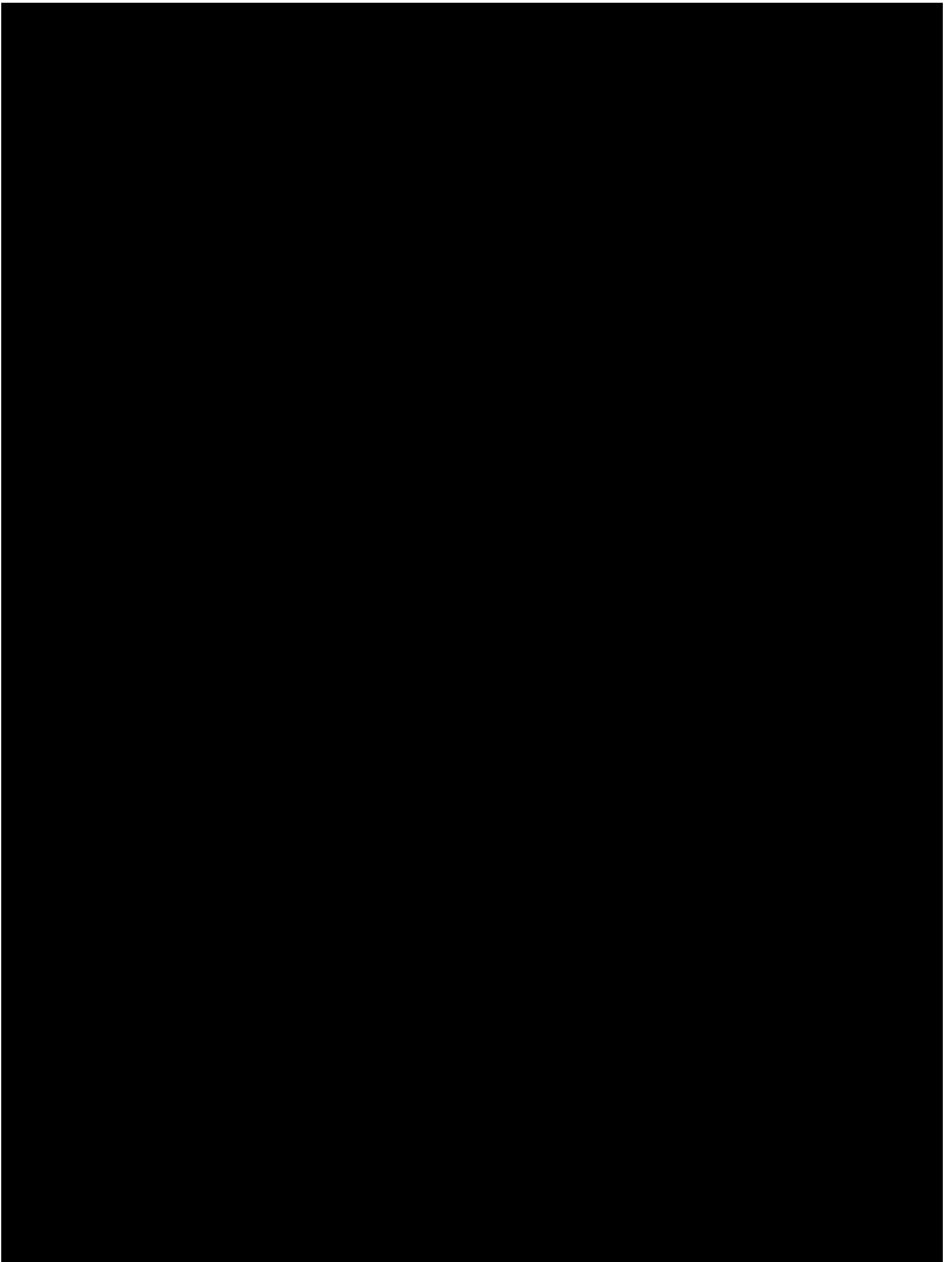


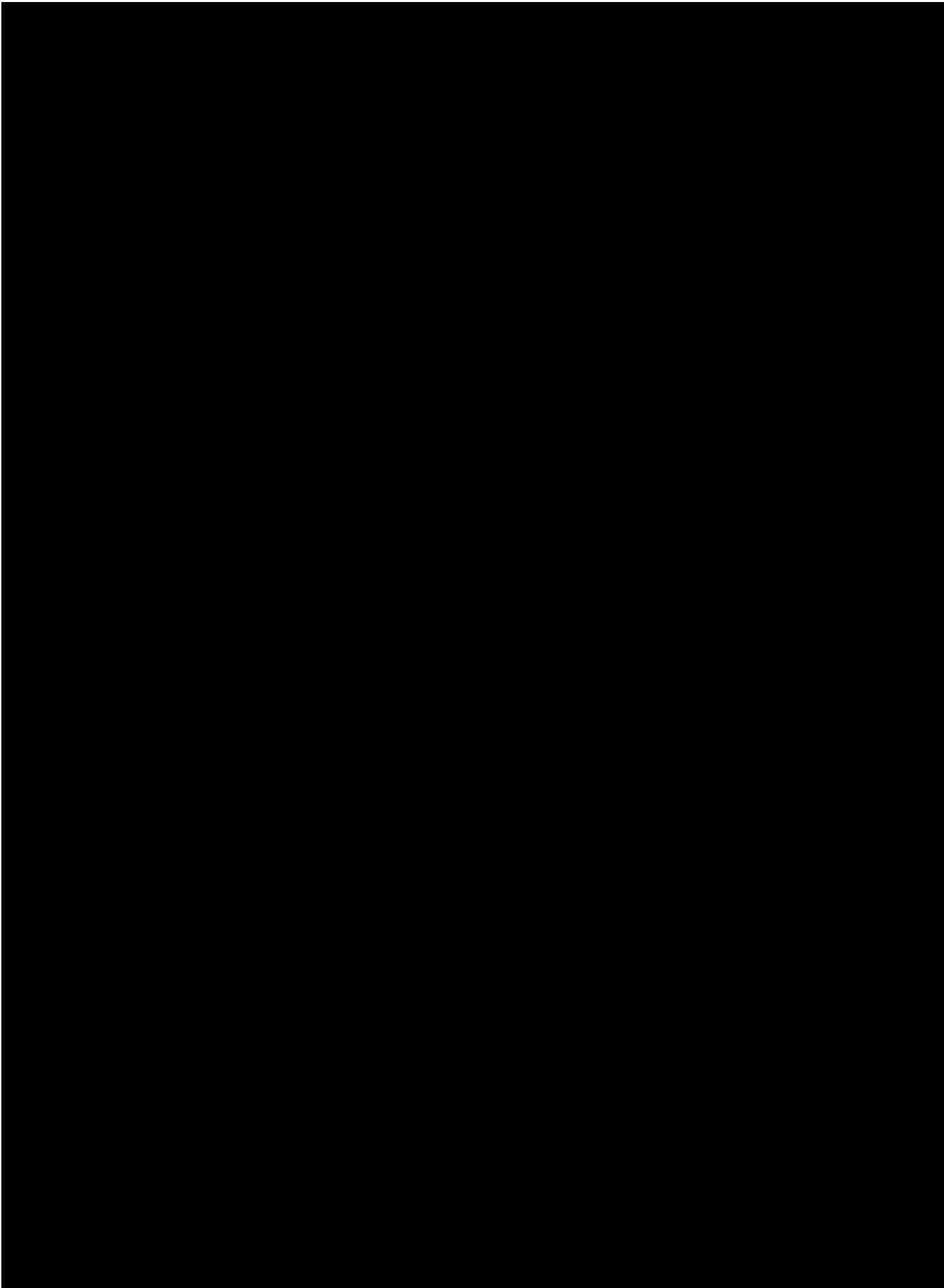


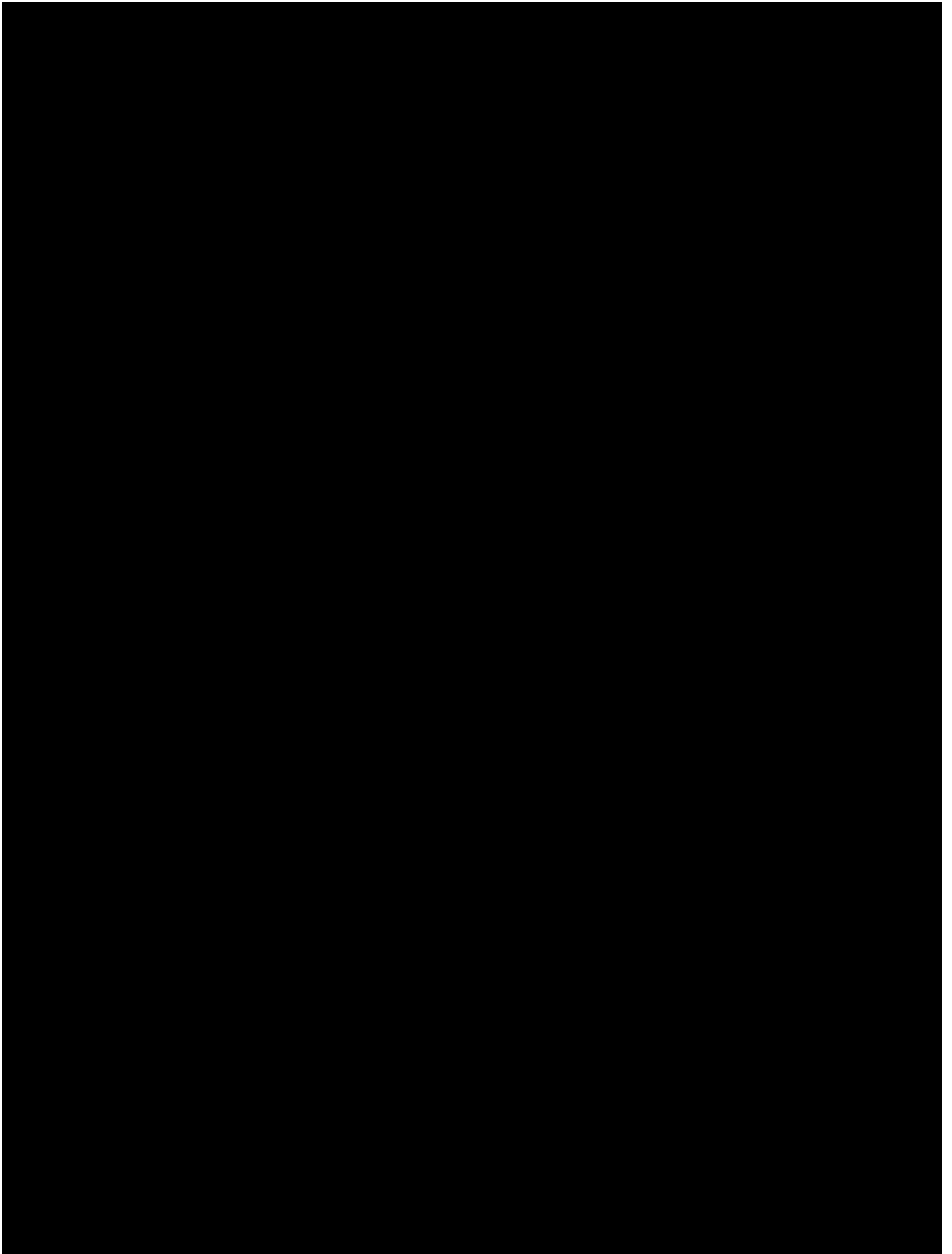


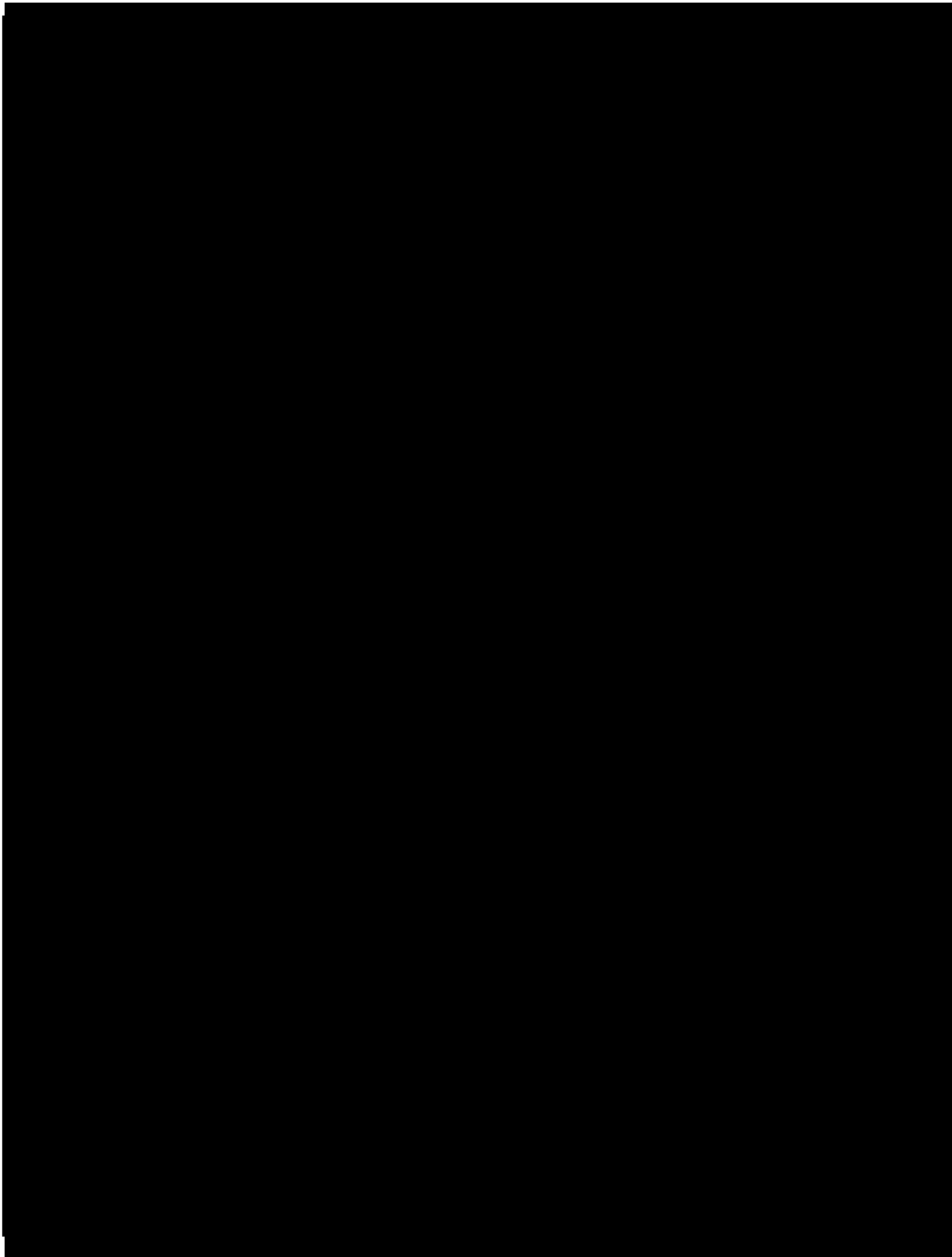
















# Exhibit 20 – Personnel

## 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.

Vincent Schilleci III

Owner, Manager

\_\_\_\_\_  
Printed Name of Verifying Individual

\_\_\_\_\_  
Title of Verifying Individual

*Vincent Schilleci*  
\_\_\_\_\_  
Signature of Verifying Individual

12/21/2022  
\_\_\_\_\_  
Verification Date

**FORM G: PERSONNEL ROSTER & VERIFICATION**

CCS of Alabama, LLC

Business License Applicant Name

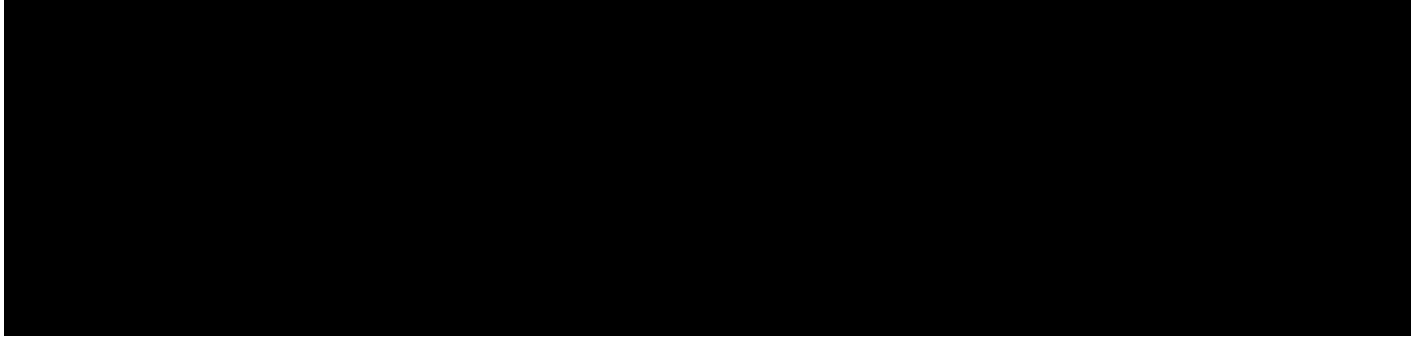
Dispensary

License Type

*Complete the following information, current to within thirty (30) days prior to the date of application, for all personnel (each leader and employee) affiliated with the Applicant. Attach additional forms if necessary.*

Matthew Hogan

Owner, Manager/CEO

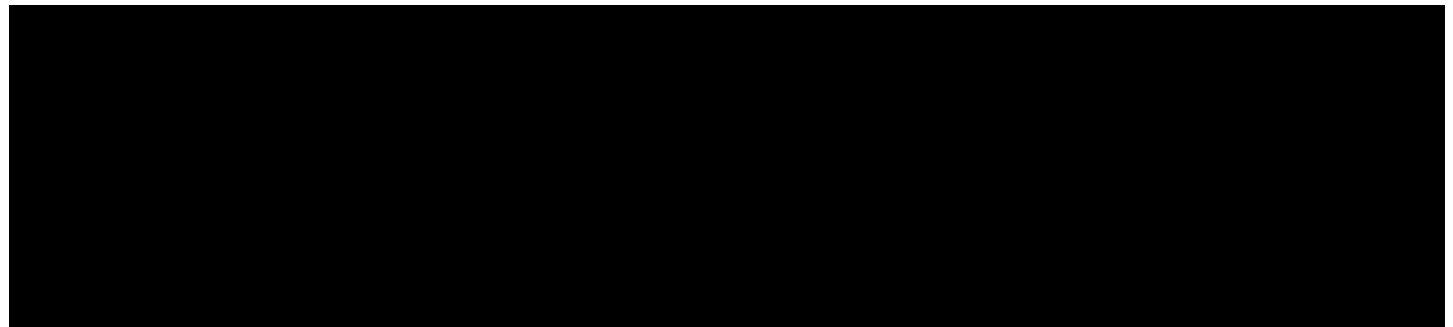


Ernest Craumer

Leader/Employee Name

Owner, Member/COO

Title/Position

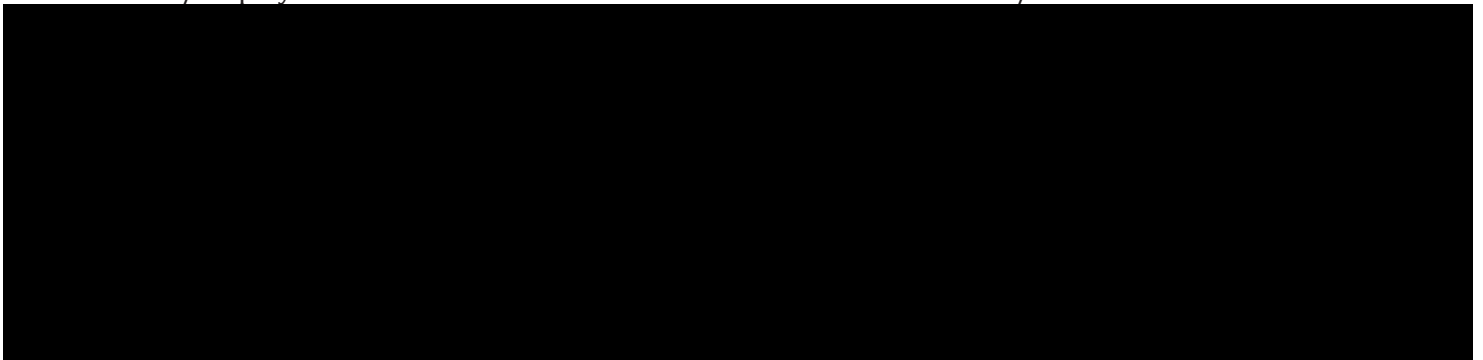


Vincent Schilleci III

Leader/Employee Name

Owner, Manager/CCO

Title/Position



Vincent Schilleci Jr.

Owner, Manager

Leader/Employee Name

Title/Position

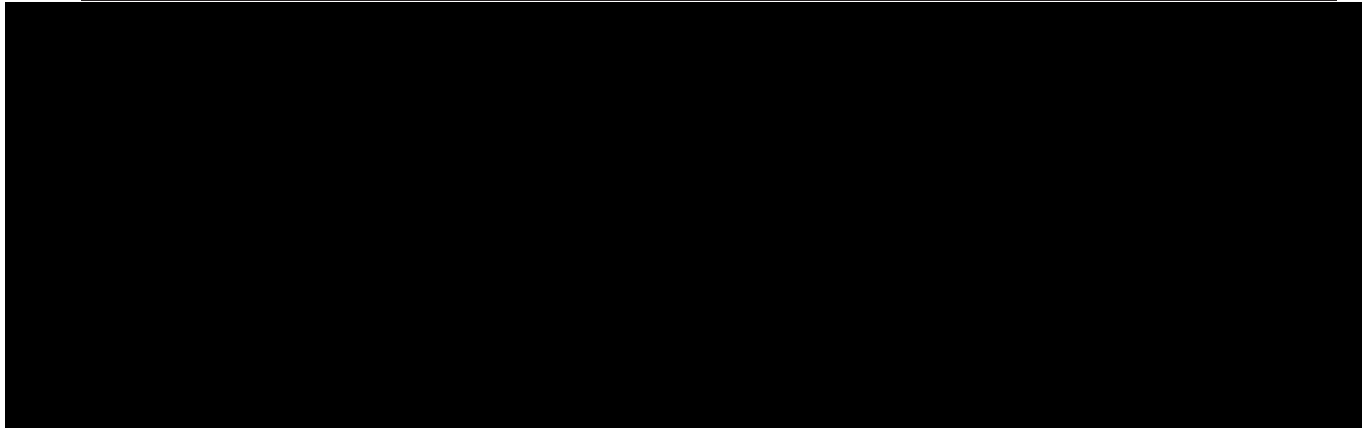


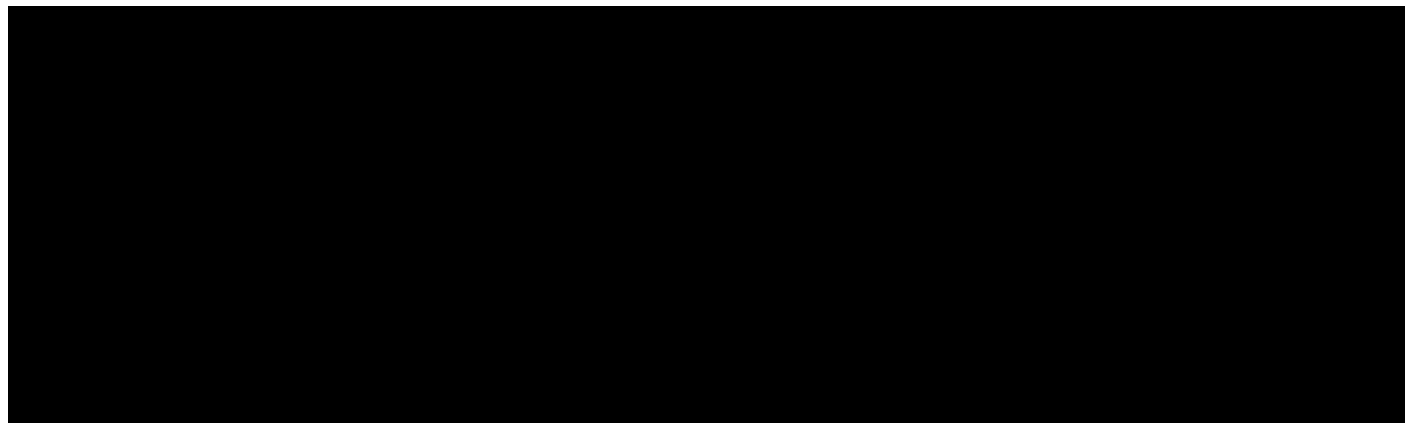
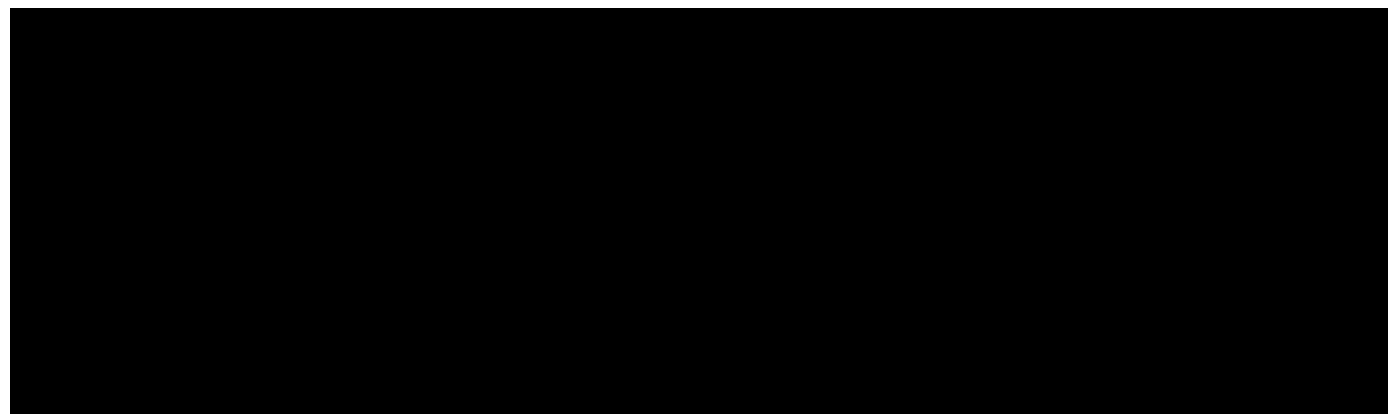
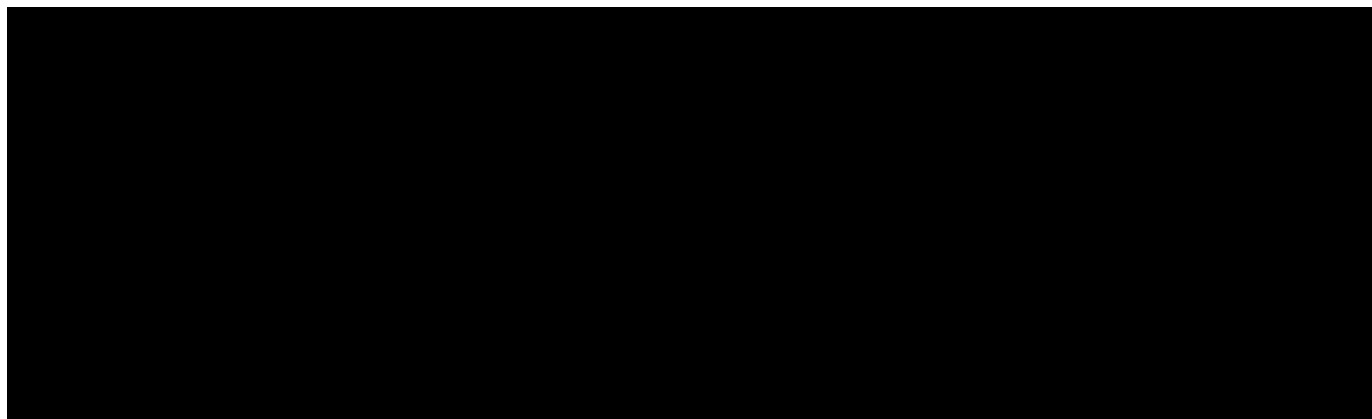
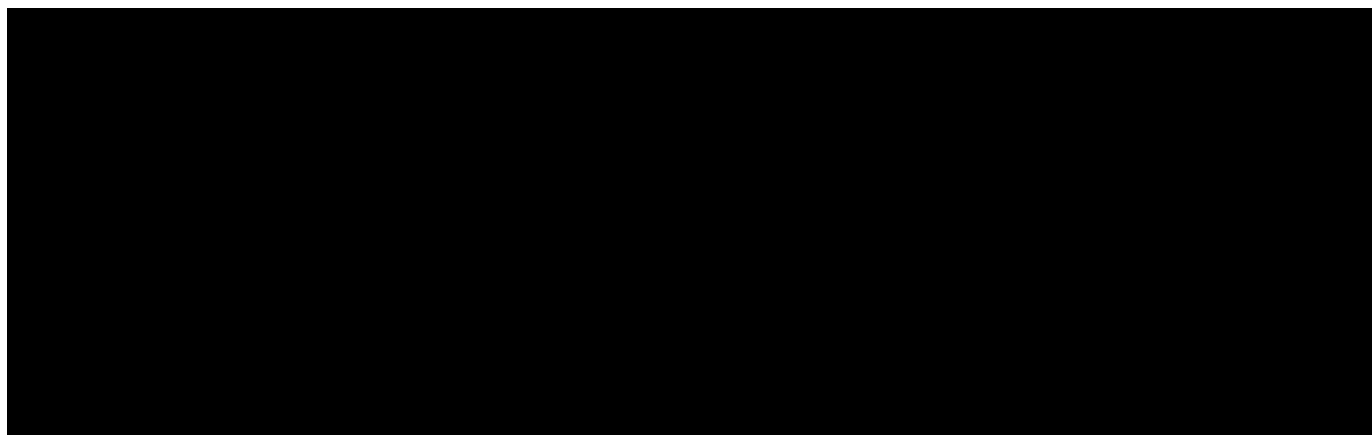
Sandra Young

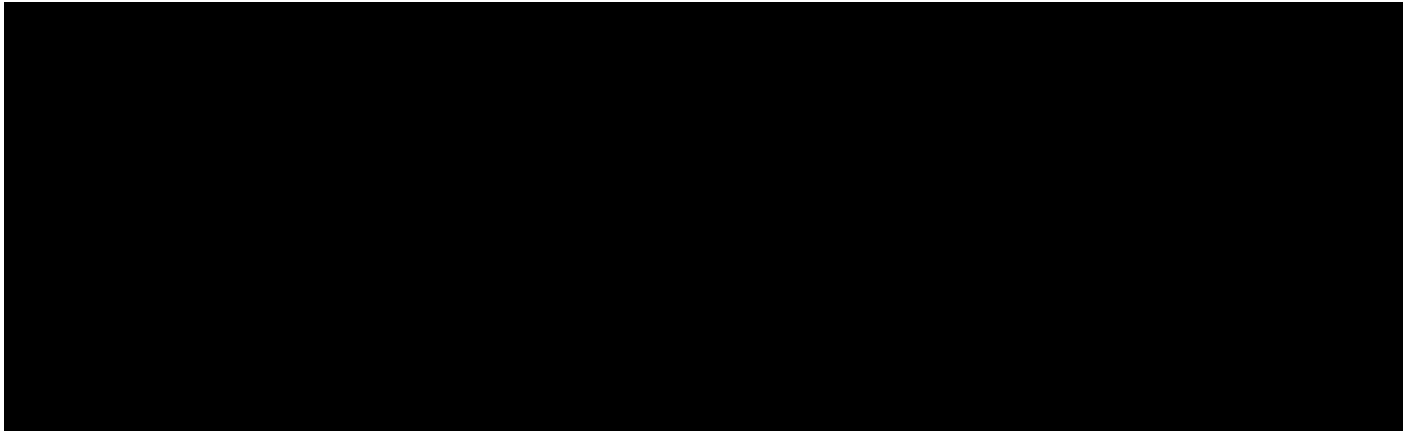
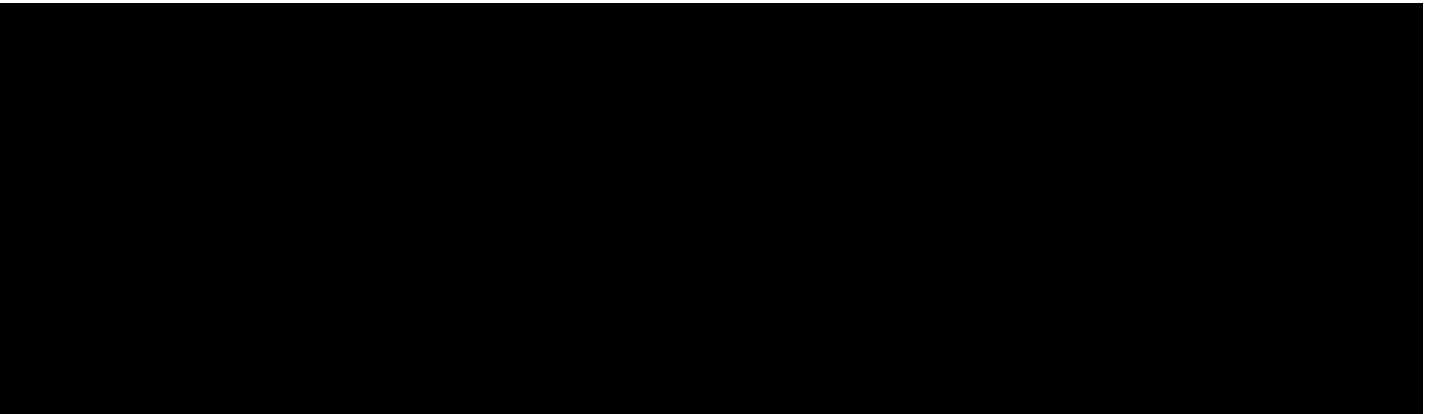
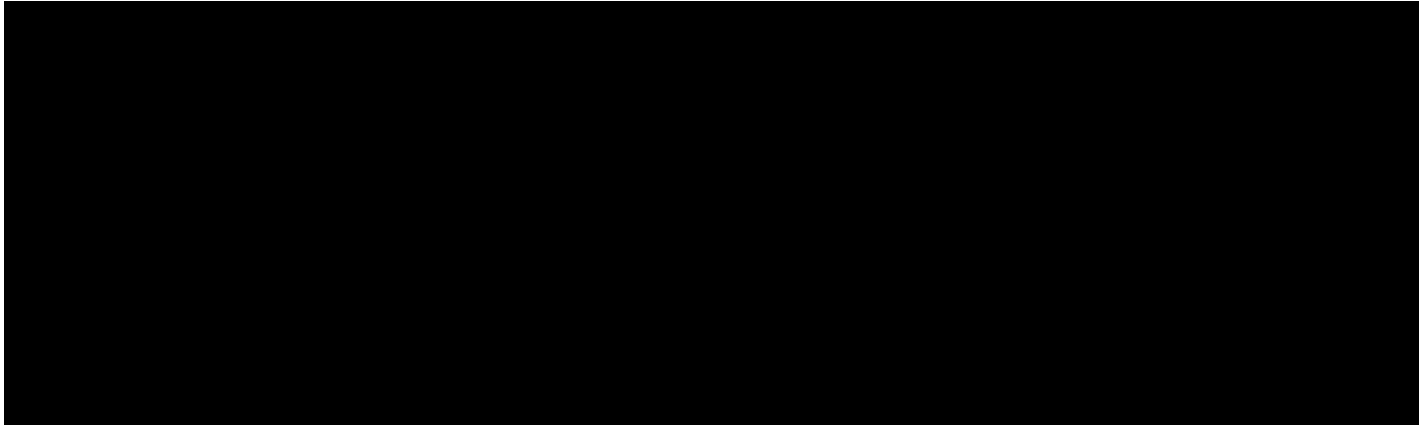
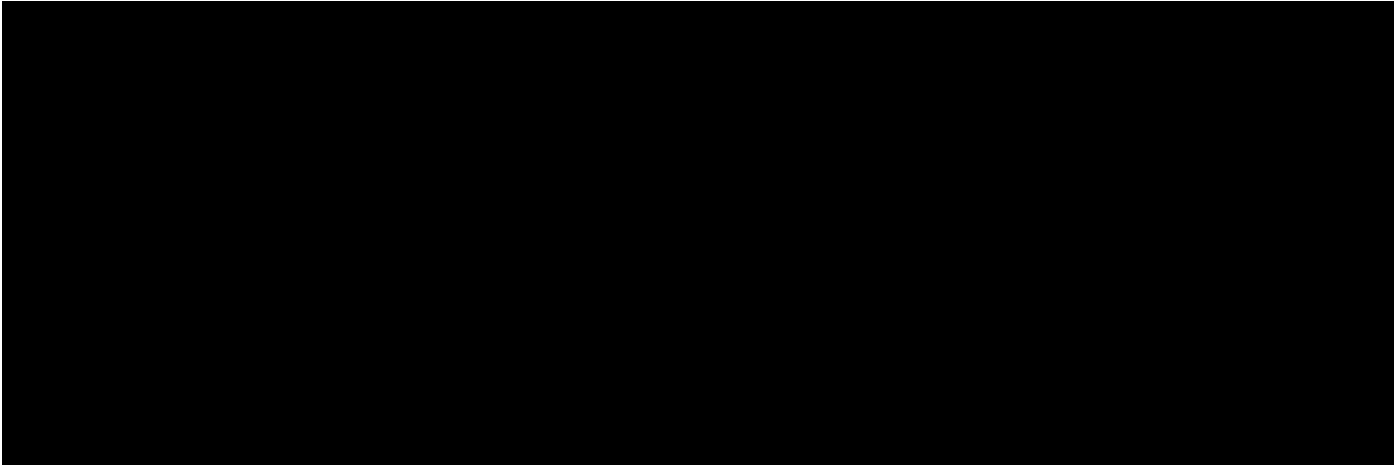
Owner, Manager

Leader/Employee Name

Title/Position









\_\_\_\_\_  
Leader/Employee Name

\_\_\_\_\_  
Title/Position

\_\_\_\_\_  
SSN

\_\_\_\_\_  
Telephone

\_\_\_\_\_  
Email

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

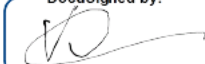
**Applicant Verification:** The undersigned hereby verifies that the information provided hereinabove (and attached, as necessary) constitutes a complete and accurate roster of personnel of the Applicant. The undersigned further verifies that, if the Applicant is issued a business license, each individual listed hereinabove (and attached, as necessary) will be registered to the AMCC website and will undergo appropriate pre-employment background checks.

Vincent Schilleci III

Owner, Manager/CCO

\_\_\_\_\_  
Printed Name of Verifying Individual

\_\_\_\_\_  
Title of Verifying Individual

DocuSigned by:  


12/20/2022

\_\_\_\_\_  
Signature of Verifying Individual

\_\_\_\_\_  
Verification Date

# Exhibit 21 – Business Leadership Credentials

## 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.

Vincent Schilleci III

\_\_\_\_\_  
Printed Name of Verifying Individual

*Vincent Schilleci*  
\_\_\_\_\_  
Signature of Verifying Individual

Owner, Manager

\_\_\_\_\_  
Title of Verifying Individual

12/21/2022

\_\_\_\_\_  
Verification Date



## **Exhibit 21 – Business Leadership Credentials**

*Satisfaction of Plan: Complete*

### **Executive Summary**

Led by an executive management team with decades of combined experience at successful companies in regulated cannabis, alcohol beverage distribution, medicine, engineering, and general business, CCS of Alabama, LLC (“CCSA”) knows that hiring Alabama’s best is the way to hit its benchmarks for Medical Cannabis quality, regulatory compliance, leadership integrity, diversity, community safety, and dispensary efficiency. **The following Business Leadership Credentials Plan showcases the great magnitude and variety of talents, education, experiences, and other impressive credentials that our leadership team brings across multiple relevant industries to serve the patients and caregivers of Alabama. This Plan is inclusive of CCSA’s Five-Year Hiring Plan, which identifies the specific personnel requirements – including required education and experience – to fulfill critical roles in our organization as our operations progress.** Our Five-Year Hiring Plan was specifically informed by CCSA’s anticipated timeline to commence our dispensary operations, the number and location of anticipated permitted facilities, and associated regional unemployment rates. We are committed to building an organization that will be recognized in the State of Alabama and across the nation as the prime example of what a patient-focused, community-based Medical Cannabis team can be.

### **21.1 Curriculum Vitae for the Business: Education, Experience and Credentials of Leadership Team**

CCSA’s Owner, Chief Executive Officer (“CEO”), and President, Matthew Hogan, is a lifelong Alabama resident and University of Alabama graduate. Mr. Hogan currently serves as the President and Chief Operating Officer (“COO”) of ATG Distribution, a full-service alcoholic beverage wholesaler that serves Eastern and Central Alabama. In his role as President and COO, Mr. Hogan oversees hundreds of employees to facilitate the safe distribution of alcoholic beverages for dozens of consumer brands across Alabama while working directly with Alabama regulators and business owners to make sure the distribution operations are running in compliance with all applicable state and local laws, rules, and regulations. Mr. Hogan’s experience in the alcohol industry makes him an excellent

leader in navigating the logistics and distribution of highly regulated controlled substances like Medical Cannabis, as well as collecting and remitting taxes for the state.

Ernest Craumer, CCSA's Owner and COO, graduated from Colgate University, runs Callie's Cannabis Shoppe, and amassed thousands of five-star reviews from customers and patients in Colorado and Maryland. Mr. Craumer has over five years of experience managing the day-to-day operations of medical cannabis facilities around the U.S., including the celebrated Starbuds retail brand. He has experience developing efficient operational protocols; ensuring the chain of custody of products and currency; facilitating exemplary patient experience; and managing on-site human resource practices. Such human resource practices include oversight of CCSA's continuing education compliance requirements.

Owner and Chief Compliance Officer Vincent J. Schilleci III is a lifelong Alabama resident. Mr. Schilleci III is an attorney and shareholder at Maynard Cooper Gale in the firm's Estate, Trust, and Business Planning Group. Vince is an adjunct professor at Birmingham School of Law, where he teaches Trusts and Estates, Agency, and Partnership and regularly teaches seminars throughout Alabama. Vincent holds a B.S. in Management from the University of Alabama. He earned his J.D. from the University of Alabama School of Law and his LL.M in Taxation from the New York University School of Law.

CCSA's Owner and Board Member Sandra "Sandy" Young is an accomplished businesswoman and philanthropist who has been actively involved in the cannabis industry since 2009, when she began working for Starbuds, one of the most widely recognized brands in the industry. In addition to serving as a managing director of Starbuds National (operating in multiple states), Ms. Young has served as the President, CEO, and co-owner of multiple medical cannabis businesses. Over the course of her lengthy career in the cannabis industry, Ms. Young has gained unparalleled experience managing the design and build-out of medical cannabis dispensaries; implementing efficient point-of-sale measures; facilitating inventory control and on-site compliance measures; managing marketing and patient education initiatives; and serving as a human resources manager and training partner. As a philanthropist, Ms. Young has been a generous donor to her alma mater, Louisiana State University. She currently serves on the board of Foundation 56, a charity associated with LSU Gymnastics that raises money for breast cancer awareness.

CCSA's Owner and Board Member Judge Vincent J. Schilleci Jr. is a lifelong Alabamian and veteran. Judge Schilleci attended the University of Alabama, where he earned a varsity letter for the football team as the Crimson Tide's starting placekicker. In addition, Judge Schilleci served as the President of the first student-run life insurance company through the business school at the University of Alabama. Judge Schilleci enlisted in the Air National Guard (117th Air National Guard) in 1970, where he served as Jet Engine Mechanic until 1976. In 1972, Judge Schilleci enrolled in Cumberland School of Law at Samford University in Birmingham, Alabama, where he served as President of the senior class. Judge Schilleci served as an assistant district attorney in Bessemer, Alabama, until 1981, when he was appointed as a District Court Judge for the State of Alabama. Judge Schilleci retired from the bench in 2006 after nearly 25 years of service. While on the bench, Judge Schilleci served at various organizations, including as President of the Alabama Family Court Judges Association, board member of the Greater Alabama Council of the Boy Scouts of America, and board member of the Social Services Board of the Diocese of Birmingham, Alabama.

██████████, our Chief Financial Officer, is a graduate of the University of Montevallo and has over 30 years of accounting experience. He began his career as a Certified Public Accountant at a small firm in Hoover, AL, in 1979. ██████████ acquired the firm – ██████████ – in 1998 and has since served as the President. He is on the Board of Governors of the ██████████ and formerly served as the Treasurer.

Our Head of Pharmacy, ██████████, is a pharmacy graduate of the University of Louisiana at Monroe. ██████████, PD, is a second-generation pharmacist with over 28 years of medical and business experience as a pharmacist, a celebrated researcher in the field of compounding medications, and medical cannabis operator. ██████████ operates two of the nine medical cannabis pharmacies licensed by the Louisiana State Board of Pharmacy and was recently awarded licenses to expand his existing operations due to excellence in compliance. Testament to his industry leadership, he serves as the Vice President of ██████████. Prior to entering the medical cannabis industry, ██████████ PD founded and led the ██████████, where he has grown from one traditional retail pharmacy into a national specialty pharmacy licensed in all fifty states. He also operates a sister business called ██████████, which focuses on terminally ill patients.

██████████, our Chief Medical Advisor and Medical Advisory Board Member, is a graduate of the UAB Medical School. ██████████ is an experienced general urologist with almost 30 years of experience. For the last decade, ██████████ has served as an ██████████ ██████████. Prior to his tenure, ██████████ ██████████ spent 18 years in private practice, where he focused on complex stone disease, prosthetic surgery, and genitourinary cancers. In recent years, ██████████ has dedicated his practice to enhancing patient access to groundbreaking treatments in Alabama as one of the few urologists in the southeast to offer certain surgical treatments of prostate cancer and as a principal investigator in several clinical trials for incontinence, bladder and prostate cancer, and stone disease.

CCSA's Director of Patient Education and Medical Advisory Board Member, ██████████ ██████████, is a U.S. Navy veteran. ██████████ has over 30 years of clinical practice and research experience, including seven years managing field and clinical teams as a highly trained medical science liaison and director of medical communications. ██████████ wealth of medical and scientific expertise spans pharmaceutical management, scientific research, and direct patient engagement, including serving as the pharmacist in charge and department head of a United States Naval Hospital; working with start-ups that manage pre- and post-drug launches, new-label indications, and first-in-class compounds; and leading behavioral health initiatives working with veterans, trauma survivors, and PTSD. ██████████ also owns and operates her own private practice in Florida. She has been intimately involved in the implementation and education of the medical community regarding Florida's medical marijuana program.

██████████, a Medical Advisory Board Member, has a bachelor's in Cell Biology, a Master of Science from Georgetown University, medical training completed at the University of Maryland, and over 19 years in private medical practice. ██████████ has been participating in the medical cannabis field for over five years as a certified medical marijuana provider in Florida, where he is experienced in consulting with patients, making individualized recommendations, and educating his patients on their treatment options. In addition to operating his own Ob/Gyn medical practice for the past 19 years, ██████████ has also educated physician assistant students about medical marijuana at the ██████████ and at ██████████.

██████████ is a Marine Corps veteran and former FBI agent and will serve as CCSA's Director of Security. ██████████ served as a Special Agent with the FBI for over 25 years, including as the Assistant Special Agent-in-Charge for ██████████. After retiring from the FBI, ██████████ started his own security company, ██████████. Our Director of Inventory Management, ██████████, is a graduate of Colgate University with a B.A. in Psychology, co-owns three family-owned dispensaries in the Denver area, where she has been responsible for all inventory purchases, compliance with seed-to-sale tracking systems, managing data for inventory control, and sales forecasting.

### **21.2 Detailed Explanation of Each Leader and Staff Member of CCSA and the Role in the Operation of Each Facility**

CCSA has brought together a talented and diverse group of experts to ensure all facets of our dispensary operations set the standard for excellence in the Alabama Medical Cannabis industry. The company's principals collectively have over 170 years of experience in regulated cannabis operations, medicine, science, education, and business; thousands of five-star patient and customer reviews for their cannabis facilities; and five published scientific articles. These professionals will assume these roles across all facilities as appropriate with their role and function.

Owner, CEO, and President – Matthew Hogan - Mr. Hogan is responsible for conceptualizing, implementing, and monitoring all operating policies while overseeing sales, purchases, and compliance. Furthermore, he will set and supervise sales strategy, facility expenses, wholesale purchasing, and fiscal management.

Owner and COO – Ernest Craumer – Mr. Craumer is responsible for day-to-day operations and the development, design, function, and improvement of CCSA's Dispensary. He is also responsible for driving performance measures for the organization, including considering efficiency versus effectiveness.

Owner and Chief Compliance Officer – Vincent J. Schilleci III - Mr. Schilleci III will review and evaluate compliance concerns across all of CCSA's operations to ensure our directors and employees follow all applicable rules and regulations.

Owner and Board Member – Sandra Young - As a member of CCSA's Board of Managers and as Owner, she will use her wealth of cannabis industry expertise to guide CCSA in making compliant, safe, and efficient Standard Operating Procedures that will ensure the company's solvency, stability, and efficiency.

Owner and Board Member – Vincent J. Schilleci Jr. - As a Member of CCSA's Board of Managers and Owner, Judge Schilleci will assist in refining CCSA's on-site operations, evaluating company performance, identifying benchmarks for potential improvement, and communicating with state regulators.

Chief Financial Officer – [REDACTED] – [REDACTED] will provide operational and programmatic support to CCSA and act as the company's financial spokesperson. He will assist the CEO and Board of Managers on all strategic and tactical matters as they relate to budget management, financial forecasting, and cost-benefit analysis.

Head of Pharmacy – [REDACTED] – [REDACTED] will employ his expertise in pharmacology and medical cannabis to ensure CCSA's dispensing operations prioritize patient care in compliance with all state and local rules, laws, and regulations. CCSA will look to [REDACTED] to educate and train our staff on the latest Medical Cannabis news and research and work collaboratively with state regulators to enhance our patient experience.

Chief Medical Advisor and Medical Advisory Board Member – [REDACTED] - [REDACTED] will have supervisory advisory authority over product offerings, patient and employee educational materials, employee training, and customer service. [REDACTED] will develop and provide training to dispensary staff related to product risks, benefits, and side effects.

Director of Patient Education and Medical Advisory Board Member – [REDACTED] - [REDACTED] [REDACTED] will facilitate effective patient communications and develop CCSA's industry-leading patient and caregiver programs, materials, and services, including education on how Medical Cannabis works to treat their conditions, side effect warnings, and other Medical Cannabis-related topics. She is integral to the onboarding and continued training of employees, obtaining feedback from the patient population as to how CCSA can improve its patient interactions, and facilitating outreach to local physicians.

Medical Advisory Board Member – [REDACTED] - [REDACTED] will provide our Board of Managers with guidance, suggestions, and time-tested best practices to enhance product offerings, patient and employee educational materials, training, and customer service.

Director of Security – [REDACTED] – CCSA will contract with [REDACTED] security company, [REDACTED], for all security needs. [REDACTED] military, FBI, and private security background backstop our security policies and procedures to enhance the security of our Dispensaries, employees, patients, and surrounding communities. [REDACTED] will also oversee the installation and operation of our security systems, aid in developing our security standard operating procedures, and supervise our Security Team. He will train and mentor all our staff on security best practices and our internal security policies and procedures, also helping to secure our store by conducting regular security audits. Further, he will help lead specialized training with our staff to ensure all individuals are aware of their specific duties and responsibilities and are empowered to take necessary and appropriate actions should an incident arise.

Director of Inventory Management – [REDACTED] – [REDACTED] will be responsible for keeping and protecting all inventory, ensuring accuracy of the inventory, performing inventory audits and inspections, and implementing and enforcing all inventory management policies and procedures.

Certified Dispensers – [REDACTED] - Together, [REDACTED] [REDACTED] provide our dispensing team with a wealth of

pharmacy experience. [REDACTED] is a Nuclear Pharmacist who founded his own nuclear pharmacy in [REDACTED], [REDACTED], and Infusion Center. [REDACTED] both work for [REDACTED] as Registered Pharmacy Technicians. In addition to their years of pharmacy experience, CCSA will require [REDACTED], and all other hired Certified Dispensers to undergo the AMCC-required training and certification process to oversee the dispensing of Medical Cannabis to a registered qualified patient or caregiver. There will always be at least one Certified Dispenser on duty while a Dispensary is open for business. Certified Dispensers will be managing employees in charge of overseeing and signing off on all sales of Medical Cannabis and will be responsible for each transaction.

### **21.3 Five-Year Hiring Plan for Employees**

CCSA anticipates hiring up to 18 Dispensary employees that will be dedicated to serving Alabama patients and caregivers with our patient's needs at the forefront. CCSA's staffing model recognizes that we may operate up to three Dispensaries, and each of those must be in a different county from any other Dispensary, requiring regional supervisory and on-site staff deployment. We expect each proposed Dispensary to produce at least 4 jobs at the offset, resulting in 13 immediate career opportunities to be sourced from the local community immediately upon receipt of state and municipal licensure. CCSA will hire and train employees in compliance with the AMCC, state and local laws, rules, and regulations. CCSA will specifically seek to hire employees from communities with high unemployment rates or a need for other business opportunities.

Our Five-Year Hiring Plan ensures we not only have enough staff to effectively run our business but that we do so in a way that is equitable, transparent, and benefits the community at large. Our Five-Year Hiring Plan is based upon an opening day timeline provided by the AMCC and when we expect our suppliers will have an adequate supply of Medical Cannabis for us to sufficiently service our patients and caregivers. CCSA's hiring policies will strictly adhere to Title VII of the Civil Rights Act, the Age Discrimination in Employment Act, the Pregnancy Discrimination Act, the Immigration Reform and Control Act, and the Americans with Disabilities Act, as well as all other applicable hirings, compensation, and benefits laws All employees will undergo a pre-engagement background check that will be renewed no less than every third year following the date of each



individual's hiring date. Employees will also complete the Medical Cannabis foundations training program upon hire and no less than ten hours of continuing education of Medical Cannabis education and five hours of safety training each calendar year. All employees that interact with the patient registry, the AMCC website, or inventory management systems will undergo pre-employment IT certification. Prospective CCSA employees must also satisfy all applicable requirements imposed under state labor laws and the AMCC rules and regulations. Our Five-Year Hiring Plan will be reviewed routinely, and no less than annually as CCSA proceeds through the business life cycle, including the start-up, growth, establishment, expansion, and maturity stages. We anticipate that staffing levels will increase each year, resulting in the hiring of additional employees at each dispensary each year. After five years of operations, CCSA expects about 18 employees.

Certified Dispensers – While we already engaged with three potential Certified Dispensers, as necessary, we will hire additional Certified Dispensers for each Dispensary we operate immediately upon obtaining state and local licensure. Certified Dispensers are managerial employees who will be responsible for providing oversight of daily operations, implementing company policy in accordance with directives from the COO and Head of Pharmacy, and serving as a mentor and leader for facility staff. The ideal candidate will exceed the regulatory requirements of at least two years of education or experience in the fields of biology, biochemistry, chemistry, physiology, pharmacology, medicine, medical cannabis, nursing, pharmaceuticals, or a similar field.

Dispensing Assistants - Dispensing Assistants will play a key role in serving the patients and caregivers of Alabama. We will seek to hire Dispensing Assistants to staff each facility at least three months prior to operations beginning, with the goal of hiring additional employees to meet the demands of our dispensaries. Our Dispensing Assistants will be responsible for verifying patients and caregivers in an AMCC approved electronic verification system, arranging and packaging patient orders, receiving payments from patients and caregivers, and operating and inputting sales into the point-of-sale system. They will maintain accurate records of transactions and patient data, including identification and registration

documents. Dispensing Assistants must have a high school diploma or GED and one year of experience in customer service or record keeping.

Security Personnel - Prior to beginning operations, we will contract with a local security company to provide security guards at each Dispensary, as will be further outlined in CCSA's plan for sufficient staffing of security guards at each facility where cannabis is present. At least one or more guards will be on patrol during our Dispensary's business and operating hours. Security guards will assist the Director of Security in maintaining a safe and secure working environment for employees and visitors. They will patrol the interior and exterior of the property, be alert to signs of theft, diversion, loitering, and other security concerns, and will comply with all state and local safety standards. Generally, we will hire security guards who at least have their high school diploma or GED with one to three years of relevant security experience. Security guards must also be able to be on their feet for multiple hours and lift 80 pounds.

**This Exhibit 21 Complies with:** Ala. Admin. Code r. 538-x-3-.11(3)(d), (e), (h), (i); Ala. Admin. Code r. 538-x-4-.04(2)(a)-(b); Ala. Admin. Code r. 538-x-4-.04(3); Ala. Admin. Code r. 538-x-4-.05(5); Ala. Admin. Code r. 538-x-8-.03(1)-(3); Ala. Admin. Code r. 538-x-8-.05(2)(c)(12); Ala. Admin. Code r. 538-x-8-.05(3)(b)(1)-(3); Ala. Admin. Code r. 538-x-8-.05(3)(m)(8) ; Ala. Admin. Code r. 538-x-3-.05(3)(m)(16)(k)(vii); Darren Wesley 'Ato' Hall Compassion Act §20-2A-64(f).

# Exhibit 22 – Employee Handbook

## 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.

Vincent Schilleci III

Owner, Manager

\_\_\_\_\_  
Printed Name of Verifying Individual

\_\_\_\_\_  
Title of Verifying Individual

*Vincent Schilleci*  
\_\_\_\_\_  
Signature of Verifying Individual

12/21/2022  
\_\_\_\_\_  
Verification Date

**Exhibit 22 – Employee Handbook.**

*Satisfaction of Plan: Complete*

**Executive Summary**

CCS of Alabama LLC (“CCSA”) has developed this Employee Handbook (identified as “Employee Handbook – Attachment to Exhibit 22”) based upon our executive and management team’s years of years of operational and compliance experience opening and operating successful cannabis dispensaries around the U.S. **This handbook ensures CCSA’s compliance with all applicable AMCC regulations and federal, state, and local employment laws and, most importantly, contains policies that safeguard our employees, including personnel safety, crime prevention techniques, and workplace safety.** It also details all CCSA’s employment policies such as our non-discrimination policy, drug-free workplace policy, timekeeping and payroll practices, hiring practices, employee orientation and training, company benefits, and employee conduct and workplace expectations.

CCSA owners, Ernest Craumer and Sandra Young, are co-founders of three family-owned dispensaries in the Denver area and have also worked together to start up and operate medical cannabis facilities in Louisiana, Maryland, New Jersey, and Massachusetts. Through their experience building successful regulated cannabis business from the ground up, each with its own unique regulatory landscape, Mr. Craumer and Ms. Young have become experts at managing and motivating dispensary employees to provide excellent customer service. The following Employee Handbook draws heavily from Mr. Craumer and Ms. Young’s tried-and-tested Employee Handbook that is currently utilized at their award-winning Colorado dispensaries. It has been modified for compliance with AMCC rules and other applicable Alabama legal requirements. As demonstrated by their exceptional reputation in the national cannabis industry, Mr. Craumer and Ms. Young have the skills and expertise required to train a team of qualified and dedicated staff who will deliver a world-class medical Dispensary experience for Alabama’s qualified patients and caregivers.

CCSA is excited for the opportunity to bring our wealth of dispensing experience to Alabama and an exceptional team of qualified Alabama residents to staff our Dispensaries. CCSA intends to become a leader in Alabama’s medical cannabis industry by providing our team members with well-paying jobs and comprehensive benefits. Our carefully selected

Dispensary locations ensure we are providing economic benefits and business opportunities to a host of Alabama communities, in both urban and rural areas. As demonstrated by the attached Employee Handbook, CCSA intends to become a leader in Alabama's medical cannabis industry by providing our team members with well-paying jobs, comprehensive benefits, and educational opportunities while simultaneously ensuring full compliance with Alabama law, AMCC regulations, and all other applicable laws.

**Summary of CCSA's Proposed Employee Handbook**

CCSA's proposed Employee Handbook (identified as "Employee Handbook – Attachment to Exhibit 22") outlines our policies, procedures, practices, standards, and guidelines that represent and effectuate our company goals, values, and beliefs. Our goal at CCSA is simple: extraordinary product quality, customer service, and employee and workplace safety. We accomplish this by observing a common set of values and standards, such as those set forth in our Employee Handbook, and by partnering with organizations that have the finest reputation for quality. There are no shortcuts; we believe that our goals are accomplished only with a real a commitment to and from our employees. In sum, the attached Employee Handbook outlines and discusses CCSA's employee relations philosophy, diversity, employment policies, code of conduct and ethics, workplace expectations, employee compliance, timekeeping and payroll practices, compensation, company benefits, employee orientation and training, employee safety plan and procedures, workplace safety, crime prevention policies and techniques, and other applicable federal, state, and local regulations and laws.

**Verified Copy of CCSA's Proposed Employee Handbook**

Attached hereto is a verified copy of CCSA's proposed Employee Handbook as summarized above. See attached Employee Handbook (identified as "Employee Handbook – Attachment to Exhibit 22").

**This Exhibit 22 complies with:** Ala. Admin. Code r. 538-x-2-.13; 538-x-3-.05(3)(m)(4), (10), (14), (16); 538-x-3-.11(3)(d)-(e), (l); 538-x-4-.04(1)-(2); 538-x-4-.05(5), (7); 538-x-4-.07(12)(o)(11); 538-x-8-.03(4); 538-x-8-.05(3)(m)(1)-(2), (9), (11) (13); and Darren Wesley 'Ato' Hall Compassion Act §20-2A-59(a)-(b).

Verified By: *Vincent Schilleci*

Vincent Schilleci III, 12/21/2022



**EMPLOYEE HANDBOOK**

**Table of Contents**

Introduction and Purpose of This Employee Handbook..... 6

Let’s Communicate..... 7

    Employee Relations Philosophy..... 7

    If You Have a Question ..... 7

Employment and What You Can Expect from Us..... 8

    Introductory Period..... 8

    Equal Employment Opportunity Policy ..... 9

    American with Disabilities Act (ADA) and Reasonable Accommodations ..... 9

    Policy Against Unlawful Harassment, Discrimination, and Retaliation ..... 10

    Employment Eligibility ..... 11

    Section 125 Plan..... 13

    At-Will Employment..... 13

    Internal Communication ..... 13

    Staff Meetings ..... 14

    Employee Privacy ..... 14

Employment Policies and What We Expect of You..... 14

    Code of Conduct and Ethics..... 15

    Confidentiality..... 17

    Solicitation – Distribution Policy ..... 19

    Conflicts of Interest..... 20

    Alcohol, Smoke, and Drug-Free Workplace Policy..... 20

    Whistleblower Policy ..... 25

    Anti-Harassment Policy and Complaint Procedure..... 26

    Damage to Property..... 30



Fraud, Dishonesty, and False Statements ..... 30

Illegal Activity ..... 30

Insubordination..... 30

Misuse of Property ..... 31

Off-Duty Use of Facilities ..... 31

Outside Employment ..... 31

Personal Dress and Appearance ..... 31

Smoking ..... 31

Honesty and Theft..... 32

Workplace Violence Policy ..... 32

Conducive Workplace and Professionalism..... 33

Compliance with Laws, Rules, and Regulations ..... 35

Employee Conduct ..... 35

Attendance and Punctuality..... 36

Food and Beverage in the Workplace..... 36

Housekeeping..... 37

Off- Duty Conduct ..... 37

Employee Relationships in the Workplace..... 38

Misconduct ..... 39

Discipline..... 41

Compliance with All Company Policies and All Applicable Laws ..... 41

Timekeeping and Payroll Practices ..... 41

Employee Classification ..... 41

Timekeeping Procedures ..... 42

Overtime and Work Schedules ..... 43

Lactation Accommodations..... 44

Compensation and Payroll Procedures..... 45

Personnel Files..... 47

Performance Evaluations..... 49

Job Descriptions ..... 50

Changes in Status..... 50

    Hiring ..... 50

    Rehiring ..... 51

    Job Vacancies and Postings ..... 51

    Transfers ..... 52

    Job Abandonment..... 52

    Resignation and Termination Policies..... 52

    Exit Interviews..... 54

    Unemployment Insurance ..... 54

    Arbitration..... 54

Company Benefits ..... 55

    Insurance Benefits..... 55

    Paid Holidays..... 56

    Paid Time Off..... 56

    Workers’ Compensation Insurance ..... 57

Leaves of Absence ..... 58

    Civic Duties..... 58

    Military Leave of Absence..... 59

    Medical Leave of Absence ..... 59

    Family and Medical Leave Act..... 61

Military-Related FMLA Leave..... 68

Military Caregiver Leave ..... 70

Qualifying Exigency Leave ..... 72

Bereavement Leave ..... 74

COBRA ..... 74

Employee Orientation and Training..... 75

    Owners and Management Training ..... 77

    Certified Dispenser Training ..... 77

    Training Records ..... 78

Employee Safety Plan and Procedures..... 78

    Safety Rules ..... 79

    Weapons in the Workplace ..... 80

    Safety Equipment ..... 81

    Company Tools ..... 81

    Emergency Procedures ..... 81

    Emergency Closing..... 82

    Inclement Weather Policy..... 82

    Medical Emergencies ..... 82

    Fire Prevention..... 82

    Hazard Communication ..... 83

    Hazardous Materials ..... 84

    Hazardous Waste..... 84

    Chemical Storage ..... 85

    Material Safety Data Sheets (MSDS)..... 86

    Reporting Injuries and Accidents ..... 86

Crime Prevention Policies and Techniques ..... 87

    Employee Identification Requirements ..... 87

    Robbery Policy ..... 87

    Patient Theft Prevention ..... 88

    Employee Theft Prevention ..... 88

    Workplace Investigations ..... 89

    Access Controls, Alarm System, and Video Surveillance to Prevent Criminal Activity ..... 90

    Entering and Exiting the Building ..... 91

    Searches and Inspections ..... 91

    Visitors in the Workplace ..... 92

    Cash Handling ..... 92

Technology and Information ..... 93

    Computer, Email, and Internet Usage ..... 93

    Use of the Internet ..... 94

    Email and Other Forms of Electronic Communication ..... 94

    Cell Phones ..... 95

    Media Inquiries ..... 95

    Obligating the Company ..... 95

    Social Media ..... 96

Employee Handbook Acknowledgment of Receipt and Agreement ..... 98

Employee Acknowledgement and Commitment to Code of Conduct and Ethics ..... 99

## **Introduction and Purpose of This Employee Handbook**

Welcome to CCS of Alabama LLC (“CCSA” or the “Company”)! CCSA is a licensed Alabama Dispensary Facility that was created for the purpose of ensuring all qualified patients and their caregivers have safe access to Medical Cannabis. CCSA is dedicated to serving and providing Alabama’s patients and caregivers with unparalleled customer service in all aspects of our business and premium Medical Cannabis at competitive prices. The secret behind the success of CCSA is our service-oriented, hardworking, dedicated, and loyal employees.

CCSA strives to provide an employee-friendly environment in which goal-oriented individuals thrive as they achieve ever more demanding challenges. Whether you have just joined our team or have been at CCSA for a while, we are confident that you will find our company a dynamic and rewarding place in which to work, and we look forward to a productive and successful association. We consider the employees of CCSA to be one of its most valuable resources. CCSA values the talent and abilities of our employees, and we seek to foster an open, cooperative, and dynamic environment in which employees and CCSA alike can thrive. As such, the procedures, practices, policies, and benefits described herein are aimed at providing a work environment that serves the interest of our patients, caregivers, employees, and community alike.

This handbook is designed to acquaint you with CCSA and provide a reference for many of your questions regarding your employment with us. The contents of this handbook are only a summary of the employee benefits, practices, policies, safety protocols, and code of conduct in effect at the time of publication. It is not intended to be comprehensive or to address all possible applications of, or exceptions to, the general policies and procedures described. The Company retains the right to add, modify, or delete policies, benefits, wages, and all other working conditions as it deems appropriate without obtaining another person’s consent or agreement. Therefore, other than the at-will agreement contained in the Employee Acknowledgment and Agreement at the end of this handbook, this handbook should not be construed as creating any kind of “employment contract.”

As provided in the Employee Handbook Acknowledgment of Receipt and Agreement, employment at the Company is at-will and may be terminated by either the Company or the employee, with or without cause or prior notice. This handbook supersedes any and all prior handbooks, written documents, or oral representations that contradict the at-will nature of your employment. Your status as an “at-will” employee may not be changed except in writing signed by the Company’s Chief Operations Officer (“COO”).

This handbook and the information in it should be treated as confidential. No portion of this handbook should be disclosed to others, except CCSA employees and others affiliated with CCSA whose knowledge of the information is required in the normal course of business.

Some subjects described in this handbook are covered in detail in official policy documents, standard operating plans and procedures, and policies and procedures manuals. Refer to these documents for specific information because the handbook only briefly references or summarizes those guidelines, benefits, and procedures. Please note that the terms of applicable written insurance policies are controlling and override any statements made in this or other documents.

Welcome aboard. We look forward to working with you and CCSA thanks you for being a member of our team!

### **Let’s Communicate**

#### **Employee Relations Philosophy**

We are dedicated to continuing an excellent relationship with our employees. We will do our best to maintain good working conditions, competitive wages and benefits, open communications, and employee involvement. We will continue to look to our employees for ideas about how to improve all areas of our business in areas like customer service, safety, efficiency, and employee relations.

#### **If You Have a Question**

We encourage you to discuss any questions or concerns regarding this handbook or any work-related issues with us. We cannot address any of your questions or concerns unless we know about them. Please read this handbook carefully and direct all questions regarding the policies in this handbook to our COO or Human Resources unless otherwise specified.

If you have a problem, please speak with your immediate supervisor as soon as possible. Your immediate supervisor is the person responsible for what takes place in your immediate work area and may be in the best position to help you. If you prefer not to speak with your immediate supervisor, or if you feel your immediate supervisor cannot or has not satisfactorily resolved the issue, contact your supervisor's manager. Finally, if you still feel the need to speak to other members of management, we encourage you to contact Human Resources.

If you have a complaint of harassment or discrimination, or you require a reasonable accommodation, please refer to the Equal Employment Opportunity Policy or the Policy Against Unlawful Harassment, Discrimination, and Retaliation in this handbook. The Company takes all employee concerns and problems seriously. We will work to address your concern and/or resolve your problem as soon as possible. You are encouraged to utilize this procedure without fear of retaliation.

## **Employment and What You Can Expect from Us**

### **Introductory Period**

For every new hire, including rehires, the first ninety (90) days of employment is an introductory period. During this time, the employee's job performance, attendance, and overall interest in their job will be assessed. Employees who fail to demonstrate the expected performance, commitment, and attitude may be terminated during or upon the completion of the introductory period. However, completion of the introductory period does not change or alter the "at-will" employment relationship. The employee and CCSA continue to have the right to terminate employment at any time, with or without cause or notice. During the introductory period, an employee may not be eligible for certain company benefits.

Newly promoted employees will be subject to an additional ninety(90) day introductory period. If in this time it is found that the employee is unable to successfully execute the requirements of their new position, the employee may be reinstated to the position held, or a comparable position for which the employee is qualified, depending on the availability of such positions and CCSA's needs.

CCSA may choose to extend an employee's introductory period as necessary to give the employee a further opportunity to demonstrate their ability to do the job. If an introductory period is extended, the employee will be notified.

### **Equal Employment Opportunity Policy**

We are committed to providing equal employment opportunities to all employees and applicants without regard to race, religion, color, sex (including childbirth, breast feeding, and related medical conditions), gender identity, sexual orientation, national origin, citizenship status, uniform service member status, pregnancy, age, genetic information, disability, or any other protected status in accordance with all applicable federal, state, and local laws. CCSA complies with applicable federal, state, and local laws governing nondiscrimination in employment in every location in which the Company has facilities. This policy extends to all aspects of our employment practices including, but not limited to, recruiting, hiring, discipline, termination, promotions, transfers, compensation, benefits, training, leaves of absence, and other terms and conditions of employment.

CCSA expressly prohibits any form of unlawful employee harassment based on race, color, religion, gender, sexual orientation, national origin, age, genetic information, disability or veteran status. Improper interference with the ability of CCSA employees to perform their expected job duties is absolutely not tolerated.

### **American with Disabilities Act (ADA) and Reasonable Accommodations**

The Americans with Disabilities Act (ADA) is federal law that prohibit employers with 15 or more employees from discriminating against applicants and individuals with disabilities and that when needed provide reasonable accommodations to applicants and employees who



are qualified for a job, with or without reasonable accommodations, so that they may perform the essential job duties of the position.

It is the policy of CCSA to comply with all federal and state laws concerning the employment of persons with disabilities and to act in accordance with regulations and guidance issued by the Equal Employment Opportunity Commission (EEOC). Furthermore, it is our company policy not to discriminate against qualified individuals with disabilities in regard to application procedures, hiring, advancement, discharge, compensation, training or other terms, conditions and privileges of employment.

The Company will reasonably accommodate qualified individuals with a known disability and pregnant employees so that they can perform the essential functions of a job unless doing so causes a direct threat to these individuals or others in the workplace and the threat cannot be eliminated by reasonable accommodation and/or if the accommodation creates an undue hardship to CCSA. If an employee requires an accommodation to perform the essential functions of their job and/or for their religious beliefs or practices, please notify Human Resources. Once CCSA is aware of the need for an accommodation, CCSA will engage in an interactive process to identify possible accommodations.

If an employee believes that they have been treated in a manner not in accordance with these policies, please notify CCSA immediately by speaking to our Human Resources team. Employees are encouraged to utilize this procedure without fear of retaliation.

### **Policy Against Unlawful Harassment, Discrimination, and Retaliation**

CCSA is dedicated to the principles of equal employment opportunity in any term, condition or privilege of employment. In furtherance of this commitment, CCSA strictly prohibits all forms of unlawful discrimination and harassment against applicants or employees, including: discrimination or harassment on the basis of age, race, sex, color, religion, national origin, disability, genetic information, creed, ancestry, sexual orientation, transgendered status, pregnancy, or any other status protected by applicable federal, state, or local law. Unlawful harassment includes verbal or physical conduct which has the purpose or effect of,

substantially interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment. This policy applies to all employees and business associates of CCSA, including supervisors, co-workers, and non-employees such as patients, vendors, consultants, etc.

All employment practices and activities will be conducted on a non-discriminatory basis. CCSA will not tolerate discrimination or harassment against any employee or applicant. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

CCSA prohibits retaliation against any employee for filing a good faith complaint under this policy or for assisting in a complaint investigation. If an employee believes there has been a violation of this policy, they should immediately report the incident to the Human Resources Department.

### **Employment Eligibility**

CCSA complies with all federal and state immigration laws and regulations and is committed to providing a workplace free from discrimination, including discrimination based on national origin or citizenship status. To meet these obligations, CCSA will verify employment eligibility for all new hires and re-verify such eligibility as required by law.

All new employees must complete and sign Section One of Federal Form I-9 at the time of hire. CCSA will furnish new employees with this form. Employees are required to provide CCSA with documentation of identity and employment eligibility within three business days after their employment commences. CCSA will only accept identity and employment eligibility documents as listed on the Form I-9 that appear to be genuine (e.g., United States passport, birth certificate, etc.). Please note that payroll cannot begin until the Form I-9 is completed and submitted to CCSA.

### **Background Checks**

To ensure that employees of CCSA continued to be qualified and to ensure that CCSA maintains a safe and productive work environment free of any form of violence, harassment, or misconduct, and to determine eligibility for promotion, re-assignment, or retention, CCSA reserves the right to conduct background screening of all its employees. Additionally, employment at our company is contingent upon the successful passing of a background check. All board members, officers, management, employees, contractors, volunteers, and other individuals performing work of any character who would have access to Medical Cannabis will undergo a pre-engagement background check prior to working for CCSA in any capacity. Employees must renew their background check every three years following their date of hire at CCSA.

Employees will submit their fingerprints to the Alabama State Law Enforcement Agency for a state background check and the Federal Bureau of Investigation for a national background check. CCSA will cover the cost of employees' background check fees.

If information obtained in a background check of a prospective employee or contractor's indicates a pending charge or conviction within the past five (5) years for a controlled substance-related felony or a controlled substance-related misdemeanor, CCSA will deny employment or not contract with that person. A copy of the report will be provided to the applicant or contractor, and the applicant or contractor will have the opportunity to dispute the report's accuracy. Background checks may include a criminal record check, and pursuant to state law, any criminal conviction of any felony of sale or possession of drugs, narcotics, or controlled substances shall prohibit that person from being employed by CCSA.

Additional checks such as a driving record or credit report may be made on applicants for particular job categories if appropriate and job related.

CCSA also reserves the right to conduct a background check for current employees to determine eligibility for promotion or reassignment in the same manner as described above.

Regardless of when it is discovered, employees who provide false information on their employment application may be disciplined up to and including termination.

### **Section 125 Plan**

As required under Section 125 of the Internal Revenue Code, CCSA offers a Section 125 program to all eligible employees. Participation in the program allows employees to contribute pre-tax dollars to pay their health insurance premiums. Thus, eligible employees do not pay federal and state income tax or social security tax on dollars deducted from their pay to cover health insurance premiums. Participation in the program is voluntary.

### **At-Will Employment**

All employees of CCSA, regardless of their classification or position, are employed on an at-will basis. This means that each employee's employment is terminable at the will of CCSA or the employee at any time, for any reason, or no reason, with or without notice.

Furthermore, nothing contained in CCSA's policies, procedures, handbooks, manuals, job descriptions, application for employment, or any other documents shall in any way create an express or implied contract of employment or an employment relationship other than at an at-will basis.

### **Internal Communication**

Effective and ongoing communication within CCSA is essential. As such, CCSA maintains systems through which important information can be shared among employees and management. CCSA will utilize WhatsApp to provide a forum for intra-company communication.

Employees may also correspond and send files via a personal company e-mail. All employees are responsible for checking internal communications on a frequent and regular basis. Employees should consult their supervisor with any questions or concerns on information disseminated.

### **Staff Meetings**

CCSA strongly believes in open communication among directors, supervisors, and all employees. As such, CCSA will conduct staff meetings as needed. These meetings will provide an opportunity to inform employees of recent CCSA activities and initiatives, discuss project development and improvement, and recognize employees for outstanding effort and achievement. A memo will be distributed to all employees required to attend, specifying the time, date, location, and specific purpose for the meeting.

### **Employee Privacy**

In collecting, maintaining, and disclosing personnel information, CCSA makes every effort to protect employees' privacy rights and interests and prevent inappropriate or unnecessary disclosures of information relating to an employee's file or record.

CCSA treats personal information about employees as confidential and respects the need for protecting each employee's privacy by enforcing secure information handling procedures on the part of all personnel whose job duties involve gathering, retaining, using, or releasing personal information about CCSA employees.

On occasion, CCSA must provide information from its personnel records and files to federal, state, and local government agencies in accordance with reporting requirements imposed by such agencies. In the event a government agency requests information beyond which it normally requires, CCSA ordinarily advises the affected employees of the agency's request unless the request occurs in the course of an agency investigation or if an agency asks CCSA to keep such a request confidential.

In response to an information request from an outside organization or individual, CCSA normally verifies only the employment status and dates of employment for former or present employees. CCSA does not provide any other information unless and until it receives a written request from the current or former employee.

### **Employment Policies and What We Expect of You**

## **Code of Conduct and Ethics**

### Overview

This Code of Conduct and Ethics (the “Code”) applies to all employees of CCSA. CCSA is committed to the highest standards of professionalism and ethical conduct in its operations and, as such, requires each employee of CCSA to commit to follow CCSA’s business ethics code and the corporate policies set forth in the Employee Handbook, this Code, and other applicable stand-alone policies. CCSA will periodically ask you to confirm your familiarity with the Company’s Code and policies.

CCSA’s Code and policies address a wide range of business practices and provide the guidelines and expectations of employees conducting business on the behalf of the Company. These guidelines and policies do not address every issue that might arise, but they will outline to each employee how we, as a company, have committed to respond to daily business concerns.

As a Company, we must make the right decisions in our business dealings and relationships, and be honest, transparent, and fair in our dealings both inside and outside the company. We must treat one another with respect, and we must be committed to the success of the Company and upholding our core values every day.

If a situation feels uncomfortable, then the employee should ask themselves:

- Is my action legal and ethical?
- Does my action comply with corporate policy?
- Is my action consistent with the values of CCSA?
- Is my action appropriate in the situation?
- Would my action be an embarrassment to CCSA, if known?
- Does my action agree with my personal ethics or behavior?

An employee should be able to answer “yes” to all of these questions before taking action or compromising themselves in a situation. Unethical business conduct, actions or even the

appearance of unethical behavior is unacceptable under any conditions. The reputation of CCSA depends on each employee applying common sense in situations where specific rules of conduct are insufficient to provide clear direction. A strong sense of personal ethics, which should extend beyond compliance with applicable laws, is necessary to guide the behavior of all employees.

#### Who Must Follow Company Policies

All CCSA's employees, contractors, agents, consultants and non-company-controlled entities and ventures as identified in company policies or in company contracts are expected to follow the CCSA's Code and policies.

#### Reporting Violations

CCSA expects and actively promotes ethical behavior. Each director, officer, manager, and employee must report violations of applicable laws, rules and regulations, this Code and policies or any other code, policy or procedure of CCSA to their manager, human resources, or the legal department. Employees are encouraged to talk to their supervisors, managers or other appropriate supervisory personnel about any possible violations and, when in doubt, about the best course of action in a particular situation. If you are uncomfortable reporting a concern to your manager or the possible violation involves your manager, the employee should contact the Human Resources Department or the legal department directly.

CCSA believes that it has an opportunity to improve every time an employee asks a question or raises a concern. When you speak up to clarify a policy or report questionable conduct you are protecting your colleagues and the reputation of the company. However, an issue cannot be addressed unless it is brought to someone's attention at CCSA such as a supervisor or the Human Resources Department.

CCSA absolutely prohibits any form of discipline, reprisal, intimidation, or retaliation for providing truthful information related to ethical concerns, making good faith reports of possible violations, or cooperating in related investigations. Confidentiality for reported violations will be maintained to the fullest extent possible.

### Investigation of Reported Violations

All reports of violations are investigated. Depending on the level or seriousness of a reported violation, the following steps may be taken:

- A team may be created to look into the reported violation.
- The team or investigator will determine the facts by conducting interviews and reviewing documents as applicable.
- The team or investigator may recommend corrective action or penalties.
- The person reporting the potential violation may receive feedback as appropriate.
- A violation may be reported to Governmental authorities and/or legal action may be taken if warranted.

In the event of a policy violation that cannot be immediately corrected, all employees are expected to notify appropriate company management and take timely action to investigate. If needed, employees should also develop, document and implement a corrective plan of action to appropriately resolve the violation.

Directors, officers and employees who engage in any of the following: (1) violate company policies, (2) request others to violate company policies, (3) fail to promptly report violations, (4) fail to cooperate in investigations, (5) knowingly report false information, or (6) retaliate against those who report violations – are subject to discipline up to and including termination of employment. If you are involved in a violation of policy that you voluntarily report, CCSA will take into account your reporting of the violation when determining the appropriate disciplinary action.

### **Confidentiality**

Employees will have access to confidential information or trade secrets of the Company and our industry partners. This means any information that is not generally known to or accessible by the public. Confidential information includes but is not limited to: technical and



business information, daily sheets, pricing strategy, patient information, financial information, employee policies, etc.

Disclosure of confidential information could seriously damage CCSA or its competitive position and therefore such action will not be tolerated. This non-disclosure policy applies during and after employment. Any copying, reproducing, or distributing of confidential information in any manner must be authorized by management. Confidential information remains the property of CCSA and must be returned to CCSA on demand and at termination of employment.

In any action or suit to enforce any right or remedy under this policy, CCSA will be entitled to recover its costs, including reasonable attorney's fees.

#### Patient Confidentiality

CCSA is committed to providing our patients and their caregivers with the best possible service. It is imperative that all information regarding our patients is held in strict confidence. Any document that is a patient record or that contains patient information is required to be kept confidential and will not be disseminated to individuals outside the company. CCSA will take all necessary steps to ensure the confidentiality of all patient information that is received, maintained, and uploaded to our electronic databases.

Accordingly, the following items are critical to maintaining patient confidentiality:

- All employees agree that any and all files, lists, and computer files belong to and are the sole and exclusive property of CCSA.
- All information found in patient charts, files, lists, and computer files are confidential and constitute trade secrets of CCSA.
- All employees agree not to disclose any such information to any other person and shall not share such information other than in connection with their employment at CCSA.
- All personal data and medical notes are highly confidential and may not be

communicated to anyone without the patient's written consent.

- No patient records or other written materials are to be left on counters or open on computer screens where confidentiality could be compromised.
- Employees may not discuss a patient-related information with any staff member who does not need to know.
- Employees may not discuss the medical treatments or personal information of patients outside of CCSA.
- Loose talk that others overhear can be the basis for a defamation or an invasion of privacy suit. Speak softly or privately with patients so that others do not overhear.
- All employees must understand that the violation of a patient's privacy is grounds for immediate termination and must sign a form pledging confidentiality of patient information. This signed form will become a part of the employee's personnel record.
- Employees may only release a copy of patient records when a patient submits a written request specifying whether a portion of, or all of, the records are needed. The request must show the date, to whom, and to where copy/copies are being sent and should be added to the patient's record immediately.
- Employees may not remove or make copies of any patient records or business records, reports, or documents without express permission from management.
- Upon termination, employees are required to return any property in their possession that belongs to CCSA. Employment with CCSA assumes an obligation to maintain confidentiality even after leaving CCSA.

Because a violation of confidentiality could seriously injure CCSA's reputation and effectiveness, any unauthorized disclosure of confidential information or divulging any information to anyone outside CCSA concerning CCSA or its patients is cause for immediate dismissal.

### **Solicitation – Distribution Policy**

For safety and privacy reasons, CCSA prohibits employees from soliciting clients, patients, vendors, and visitors of CCSA. Solicitation includes verbal and written communication, the

distribution of e-mails, circulars, handbills, or other types of literature. In addition, any attempt to sell goods and services, raise funds, or conduct non-work-related business also constitutes solicitation that is prohibited under this policy.

Furthermore, in order to allow employees to perform their job duties and provide our customers with their undivided attention, the solicitation of an employee of another employee for the support of any organization is prohibited during the working time of either employee. Work time does not include break periods, mealtimes, or other specified periods during the workday when employees are not engaged in performing their work tasks. In addition, the distribution or posting of paper advertising materials, handbills, or other literature is prohibited in all working areas and sales areas at all times. Similarly, non-employees may not come on CCSA's property at any time to solicit for any cause or distribute materials or literature of any kind for any purpose.

### **Conflicts of Interest**

CCSA requires that our employees protect company information and avoid outside activities or relationships which could adversely influence their decisions or actions on the job. Examples of conflict of interest could be: holding financial interest in a competing organization or ownership, partnership or personal involvement in supplier companies or distribution outlets related to company business. Conflict-of-interest situations should be avoided.

If employees have any question whether a situation is a conflict of interest, discuss the matter with the Human Resources Department, their supervisor, or the management team.

### **Alcohol, Smoke, and Drug-Free Workplace Policy**

CCSA's goal is to have a drug-free, healthy, and safe workplace. To promote this goal, employees are required to report to work in the appropriate mental and physical condition to perform their jobs in an exemplary and professional manner. All employees are prohibited from using illegal drugs and cannabis or other unauthorized, mind-altering, or intoxicating substances while on CCSA's property (including parking areas and grounds), or while

otherwise performing their work duties away from CCSA's premises. Included within this prohibition are lawful controlled substances which have been illegally or improperly obtained. Accordingly, while on-premises and while conducting business-related activities off-premises, employees may not use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. Employees are also not permitted to smoke tobacco while on duty at the licensed premise. CCSA will review our Alcohol, Smoke, and Drug-Free Workplace policy annually to ensure it accurately reflects current federal, state, and local laws.

CCSA will notify each employee that, as a condition of employment, each employee must:

- Comply with CCSA's Alcohol, Smoke, and Drug-Free Workplace Policy.
- Notify the Human Resources Department of any conviction for drug-related offense within three (3) days of conviction.
- Adhere to random drug testing.
- Notify Human Resources if they possess a medical cannabis card.

With the exception of medically prescribed cannabis, the proper use of medication prescribed by the employee's physician is not prohibited; however, we do prohibit the misuse of prescribed medication. Employees' drug use may affect their job performance, such as by causing dizziness or drowsiness. Employees should notify their supervisor whenever the use of legal drugs for medical purposes may impair the employee's performance, safety, and/or judgment so that the appropriate accommodations can be made. It is each employee's responsibility to determine from their physician whether a prescribed drug may impair their job performance.

Violations of this policy may result in disciplinary action, up to and including immediate termination of employment and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

### Prohibitions

CCSA's Alcohol, Smoke, and Drug-Free Workplace Policy prohibits employees from engaging in any of the following activities:

- Use, possession, manufacture, distribution, dispensation, or sale of illegal drugs on CCSA's property, or during working hours.
- Storing alcohol or any illegal controlled substances in a locker, desk, automobile, or other repository on CCSA's property.
- Being under the influence of alcohol, tobacco, or a controlled substance on CCSA's property or while on performing job duties.
- Any possession, use, manufacture, distribution, dispensation, or sale of illegal drugs off CCSA's premises that adversely affects the individual's work performance, their own or the safety of others at work, or CCSA's regard or reputation in the community.
- Failure to adhere to the requirements of any drug treatment or counseling program in which the employee is enrolled.
- Failure to notify CCSA of any conviction under criminal drug statutes within three days of the conviction.
- Unauthorized use of prescribed medicine. An employee undergoing prescribed medical treatment with a drug, which may alter their physical or mental ability, must report this treatment to the Human Resources Department. Human Resources will determine whether a temporary change in the employee's job assignment, or other accommodation, is warranted during the period of treatment.
- Refusal to sign a statement to abide by CCSA's Alcohol, Smoke, and Drug-Free Workplace policy.

#### Alcohol and Drug Awareness Program

To assist employees and their families to understand and avoid the perils of alcohol and drug abuse, CCSA has developed a comprehensive Alcohol and Drug Awareness Program. The purpose of this program is to help prevent and eliminate alcohol or drug abuse that may affect the workplace. Employees are our most valuable resource and, for that reason, their health and safety are our number one concern. Any alcohol or drug use which imperils the health and well-being of our employees or threatens our business will not be tolerated.

The use of illegal drugs and abuse of alcohol or other controlled substances, on or off duty, is inconsistent with the law-abiding behavior expected of citizens and employees of CCSA.

Employees who use illegal drugs or abuse alcohol or other controlled substances on or off duty tend to be less productive, less reliable, and prone to greater absenteeism. This, in turn, can result in increased costs, delays, and risks to CCSA's business.

Alcohol and drug use in the workplace puts the health and safety of the abuser and all other workers around them at increased risk. Employees have the right to work in an alcohol and drug-free environment. In addition, alcohol and drug abuse inflicts a terrible toll on the nation's productive resources and the health and well-being of American workers. Early recognition and treatment of alcohol or drug abuse is important for successful rehabilitation. Whenever feasible, CCSA will assist employees in overcoming alcohol or drug abuse by providing information on treatment opportunities and programs.

However, the decision to seek diagnosis and accept treatment for alcohol or drug abuse is primarily the individual employee's responsibility. Employees with alcohol or drug abuse problems should request assistance from management. Members of management will treat all such requests confidentially and will refer the employee to the appropriate treatment and counseling services.

Employees, who voluntarily request CCSA's assistance in dealing with an alcohol or drug abuse problem may do so without jeopardizing their continued employment, provided they strictly adhere to the terms of their treatment and counseling program. At a minimum, these terms include the immediate cessation of any use of alcohol or drugs, and participation, where required by a program, in a periodic unannounced testing for a twenty-four-month period following enrollment in the program.

Voluntary requests for assistance from employees will not, however, prevent disciplinary action for violation of CCSA's Alcohol, Smoke, and Drug Free Workplace Policy. CCSA is committed to maintaining a safe workplace free from the influence of alcohol and drugs and has a "zero tolerance" policy. All employees are hereby notified that CCSA does comply with the requirements of the Drug-Free Workplace Act of 1988, and all applicable regulations

issued there under, as well as, when applicable, any more stringent rules created by other federal agencies.

CCSA reserves the right to perform random drug and alcohol testing on any and all employees, both full and part-time. CCSA's Drug Awareness Program does not create an employment contract between the employer and employee. Furthermore, CCSA has the sole right to modify the policy and program at any time.

#### Drug and Alcohol Testing

In order to promote a safe, healthful, and efficient work environment, CCSA does not employ persons who use illegal drugs. Accordingly, CCSA reserves the right to require an employee to submit to a drug test as a continuing condition of employment. In addition, employees may be required to submit to drug or alcohol screening whenever CCSA has a reasonable suspicion that an employee have violated any of the rules set forth in this policy.

Employees refusing to submit to a drug test, or employees who test positive, may be suspended from duty pending further investigation and subject to disciplinary action, up to and including termination of employment.

Drug testing is also a requirement during the hiring process. All candidates who have been extended a conditional offer of employment must submit to a drug test. Refusal to submit to a drug test, or results that indicate positive drug use, will result in denial of employment.

#### Disciplinary Action

A violation of CCSA's Alcohol, Smoke, and Drug-Free Workplace Policy must be immediately reported to the Human Resources Department. In order to enforce this policy and procedures, CCSA may investigate potential violations and require employees to undergo drug or alcohol screening, including urinalysis, blood tests, or other appropriate tests and, where appropriate, searches of all areas of CCSA's physical premises, including, but not limited to work areas, personal articles, employees' clothes, desks, workstations, lockers, and personal and company vehicles.

A violation of this policy may result in disciplinary action, up to and including termination of employment, at CCSA's sole discretion. In addition to any disciplinary action, CCSA may, in its sole discretion, refer the employee to a treatment and counseling program for drug use, may be subject to periodic unannounced testing for a period of twenty-four months, and must comply with all other conditions of the treatment and counseling program. CCSA will determine whether an employee who has been referred for drug treatment and counseling should be temporarily reassigned to another position for safety reasons. CCSA will promptly terminate any employee who tests positive for drugs while undergoing treatment and counseling for drug abuse.

Drug and alcohol training is required on an annual basis and is scheduled and administered by the Human Resources Department.

### **Whistleblower Policy**

If an employee believes or has knowledge to believe that an CCSA employee is engaging in illegal activities while at work, including but not limited to diverting or stealing Cannabis or Medical Cannabis, falsifying records, stealing, or any other activity that jeopardizes CCSA's assets or employees, the employee should immediately report the incident to the Director of Security or the management team. Illegal activities by others with whom CCSA has a relationship (including but not limited to vendors, independent contractors, patients, etc.) should also be reported.

If potential illegal activity is reported, the Director of Security will lead the investigation, with assistance from the management team and the employee's supervisor, if necessary. Investigations will be completed as discreetly and confidentially to the extent possible. If it is determined that an employee engaged in illegal or prohibited activity, CCSA will take appropriate disciplinary action against the offending employee(s). Disciplinary action includes but is not limited to warnings, suspensions, and termination. Employees who report violations and/or cooperate with an investigation will not be subject to retaliation.



Management will inform the employee who made the complaint of the results of the investigation upon its completion.

It is imperative that all employees recognize and acknowledge that compliance with this policy is a condition of each employee's employment. Employees are encouraged to raise any questions and/or concerns about this policy with their supervisor or the Director of Security.

### **Anti-Harassment Policy and Complaint Procedure**

It is the goal of CCSA to promote a workplace that is free of harassment based on race, color, religion, creed, national origin, sex, age, ancestry, sexual orientation, genetics, pregnancy, marital status, gender identity/expression, disability, handicap, military obligations, veteran status, participation in discrimination complaint-related activities or any other category protected by law ("protected class status"). Harassment of employees occurring in the workplace or in other settings in which employees may find themselves in connection with their employment is unlawful and will not be tolerated by CCSA. Further, any retaliation against an individual who has complained about harassment or retaliation against individuals for cooperating with an investigation of a harassment complaint is similarly unlawful and will not be tolerated. To achieve our goal of providing a workplace free from harassment, the conduct that is described in this policy will not be tolerated and we have provided a procedure by which inappropriate conduct will be dealt with, if encountered by employees.

Because we take allegations of harassment seriously, we will respond promptly to complaints of harassment and where it is determined that such inappropriate conduct has occurred, we will act promptly to eliminate the conduct and impose such corrective action as is necessary, including disciplinary action where appropriate. Please note that while this policy sets forth our goals of promoting a workplace that is free of harassment, the policy is not designed or intended to limit our authority to discipline or take remedial action for workplace conduct which we deem unacceptable, regardless of whether that conduct satisfies the definition of sexual or other harassment.

### Sexual Harassment

CCSA prohibits sexual harassment and inappropriate sexual conduct. Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature, when:

- Submission to such conduct is made explicitly or implicitly a term or condition of employment.
- Submission to or rejection of such conduct is used as the basis for decisions affecting an individual's employment.
- Such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment.

All employees are expected to conduct themselves in a professional and business-like manner at all times while on CCSA property and while engaging in their job duties. Inappropriate sexual conduct that could lead to a claim of sexual harassment is expressly prohibited by this policy. Such conduct includes, but is not limited to sexually implicit or explicit communications whether in:

- Written form, such as cartoons, posters, calendars, notes, letters, text message, pictures, e-mail.
- Verbal form, such as comments, jokes, foul or obscene language of a sexual nature, gossiping or questions about another's sex life, or repeated unwanted requests for dates.
- Physical gestures and other nonverbal behavior, such as unwelcome touching, grabbing, fondling, kissing, massaging, and brushing up against another's body.

In addition to the above listed conduct, CCSA strictly prohibits harassment concerning any other protected characteristic. By way of illustration only, and not limitation, such prohibited harassment includes:

- Racial or ethnic slurs, insults, or any other offensive remarks based on a protected characteristic.

- Jokes, whether written, oral, or electronic, that are based on a protected characteristic.
- Mocking or ridiculing another's religious or cultural beliefs, practices, or manner of dress.
- Threats, intimidation, horseplay, or other menacing behavior that are based on a protected characteristic.
- Inappropriate verbal, graphic, or physical conduct, including practical jokes based on a protected class.
- Electronically sending or posting harassing text messages, videos, or images; and
- Other harassing conduct based on one or more of the protected characteristics identified in this policy.

#### Harassment Complaint Procedure

If an employee believes there has been a violation of the EEO policy or anti-harassment policy, including sexual harassment, they must use the following complaint procedure. CCSA expects employees to make a timely complaint to enable management to promptly investigate and correct any behavior that may be in violation of this policy.

Employees must report the incident to the Human Resources Director, their supervisor, or the management team who will promptly investigate the matter and take appropriate corrective action. Employee complaints will be kept as confidential as practicable. If CCSA determines that an employee's behavior is in violation of this policy, appropriate disciplinary action will be taken against the offending employee, up to and including termination of employment.

#### Harassment Investigation

When CCSA receives a complaint, we will promptly investigate the allegation in a fair and expeditious manner. The investigation will be conducted in such a way as to maintain confidentiality to the extent practicable under the circumstances. Our investigation will include a private interview with the person filing the complaint and with witnesses. We will

also interview the person alleged to have committed harassment. When we have completed our investigation, we will, to the extent appropriate, inform the person filing the complaint and the person alleged to have committed the conduct of the results of that investigation.

If it is determined that inappropriate conduct has occurred, we will act promptly to eliminate the offending conduct, and where it is appropriate, we will also impose disciplinary action.

#### Disciplinary Action

If it is determined that inappropriate conduct has been committed by one of our employees, we will take such action as is appropriate under the circumstances. Such action may range from counseling to termination from employment and may include such other forms of disciplinary action as we deem appropriate under the circumstances.

#### Prohibition Against Retaliation

CCSA prohibits retaliation against an employee for filing a good faith complaint under this policy or for assisting in a complaint investigation. If an employee perceives retaliation for making a complaint or participating in the investigation, they must follow the complaint procedure outlined above. The situation will be promptly investigated.

#### **Attitude and Professionalism**

All employees must display a positive attitude towards their job and arrive to work motivated to perform their job duties. Further, employees are expected to demonstrate courtesy and professionalism toward their co-workers, customers, vendors, and/or members of the public in the course of their job duties. Rudeness, profanity, or disruptive conduct will not be tolerated.

A bad attitude or a failure to conduct oneself professionally creates a difficult working environment and prevents the Company from providing quality service to our customers.

If an employee consistently fails to approach their job duties with a positive attitude and in a professional manner, you may be subject to disciplinary action, up to and including termination.

### **Damage to Property**

Deliberate or careless damage to a co-worker's, vendor's, or customer's property or the property of CCSA will not be tolerated.

### **Fraud, Dishonesty, and False Statements**

Employees and applicants are prohibited from providing false, dishonest, or misleading information on any application, medical history record, leave request, time entry, investigative questionnaire, workplace injury report, or any other company document. Employees are likewise prohibited from making any materially dishonest or false statement to another employee, or to a vendor, customer, or other third party in the course of performing the employee's job duties.

Under the law, an employee may be held personally liable for making misrepresentations to customers. It is also against the law and against company policy for an employee to provide, or assist a customer in providing, false or misleading information on a credit application or regarding credit status to any financial institution.

Any employee found to have made false, dishonest, or misleading statements or omissions as detailed above will be subject to immediate termination of employment. If an employee observes any such violations, please report them to the Human Resources Department or another member of management immediately.

### **Illegal Activity**

Employees are not permitted to engage in any kind of illegal activity while on duty or on CCSA's property, or while off the job which reflects detrimentally on CCSA's reputation.

### **Insubordination**

We all have duties to perform, and every employee must follow directions from their supervisor or manager. Employees must not refuse to follow the reasonable, job-related directions of a supervisor or management official or to treat a supervisor or management

official in an insubordinate manner. Employees who engage in insubordinate conduct may be subject to disciplinary action, up to and including termination.

### **Misuse of Property**

Employees are prohibited from misusing, or using without authorization, equipment, vehicles or other property of CCSA, customers, vendors, or other employees of CCSA. Any non-business use of CCSA's office equipment must be approved by management.

### **Off-Duty Use of Facilities**

Employees are prohibited from being on CCSA's premises or making use of company facilities while not on duty. Employees are expressly prohibited from using company facilities, company property, or company equipment for personal use.

### **Outside Employment**

It is important that other employment, as well as outside interests, do not interfere in any way with your job with CCSA. Employees should be careful that extra hours of work do not affect the performance of your job duties by leaving you tired or distracted. Also, if a second job creates a potential conflict of interest (i.e., working for a competitor) the employee is required to obtain written approval, in advance, from the COO and/or Human Resources.

### **Personal Dress and Appearance**

We expect all employees to use good judgment with respect to their dress and appearance and to present a neat and well-groomed appearance. We feel that these qualities go further than any other factor in making a favorable impression on customers and co-workers.

Flashy, ill-fitting, revealing, offensive, and other non-businesslike and distracting clothing are unacceptable. Employees who are provided with company uniforms must keep them in a neat and clean condition and must wear them at all times when on duty. Employees who report to work in unacceptable attire may be required to leave work and return in acceptable attire. Such time away from work will be without pay.

### **Smoking**

Smoking is prohibited in all company buildings and vehicles. This policy specifically extends to electronic cigarettes (“e-cigarettes”) or any other personal vaporizing devices. Smoking must be confined to designated outdoor areas. Of course, smoking is prohibited in all areas where hazardous and flammable materials are present.

### **Honesty and Theft**

The Company values honest and ethical business practices. Any theft of the Company’s products, equipment, services, money, or property is prohibited and will not be tolerated. This includes unauthorized distribution of products or services at “no charge” or at a discount not authorized by management. Employees found to have stolen or misappropriated money or property will be subject to immediate termination and will also be reported to law enforcement. CCSA reserves the right to inspect all purses, briefcases, backpacks, packages, lockers, and vehicles on the company’s property to investigate allegations of theft. Failure to cooperate in such a search will result in disciplinary action, up to and including termination.

### **Workplace Violence Policy**

CCSA has a zero-tolerance policy for violent acts or threats of violence against our employees, applicants, customers, or vendors. We do not allow fighting or threatening words or conduct. Weapons of any kind are strictly prohibited and not permitted on company premises, including parking areas.

No employee may commit or threaten to commit any violent act against a co-worker or third party. This includes discussions of the use of dangerous weapons, such as bombs, guns, or knives, even in a joking manner.

Employees who are subjected to or threatened with violence in the workplace or are aware of another individual who has been subjected to or threatened with violence, are to report this information to their supervisor or the Human Resources Department as soon as possible.

All threats should be taken seriously. Please bring all threats to our attention so that we can deal with them appropriately. All threats will be thoroughly investigated, and all complaints which are reported to management will be treated with as much confidentiality as possible.

### **Conducive Workplace and Professionalism**

We all deserve to work in an environment where we are treated with dignity and respect. CCSA is committed to providing a workplace environment that allows all employees to perform to the best of their ability and which is free from harassment, violence, and the effects of substance abuse. As a company we commit to:

- Be honest, transparent and fair in all business activities and relationships.
- Provide a safe workplace that is free from discrimination, harassment, substance abuse, violence and from unsolicited and unwelcome abusive, offensive or unwelcome conduct.
- Recognize and respect the right of employees to exercise lawful rights of free association.
- Comply with all applicable federal, state, and local employment laws, rules and regulations that govern our business conduct, regardless of potentially conflicting business considerations.
- Protect our communities, co-workers, assets, and the environment.
- Obtain appropriate authority to use our assets for company business.
- Avoid all conflicts of interest between work and personal affairs.

This handbook provides additional information about keeping our workplace free from discrimination, harassment, violence, and other misconduct.

### **Individual Responsibilities**

Each employee has a responsibility to do their part to act in accordance with CCSA's core values, ethical standards, and policies. All employees must:

- Treat others with respect and dignity at all times.
- Be familiar with the information contained in this handbook and the company's corporate policies and stand-alone policies; in particular those policies that pertain to job responsibilities, workplace behavior, and conduct.



- Participate in all mandatory trainings and keep up to date on all applicable laws, regulations, policies, standards and expectations related to their work for the Company.
- Promptly report possible violations of the law, regulations, policies, or ethical standards to your supervisor, human resources, or the legal department.
- Cooperate in investigations, auditing and monitoring procedures and, if required, provide all requested documentation.
- Foster teamwork and employee participation, encouraging the representation of different employee perspectives.
- Support flexible work arrangements for co-workers with different needs, abilities, and/or obligations.
- Be open-minded and listen when given constructive feedback regarding others' perception of your conduct.
- Intervene if you see a potentially unsafe act or condition. You have the authority and responsibility to stop any work or action to prevent an accident or environmental incident.
- Accurately represent your authority within the company and your authority to speak for us.

Employees represent the Company and inappropriate behavior will not be tolerated at the workplace or at Company-sponsored events. CCSA will not tolerate discrimination, harassment or any behavior or language that is abusive, offensive, or unwelcome. Employees must not engage in the following:

- Fighting, verbal altercations, or making threats of violence.
- Working under the influence of alcohol, cannabis, illegal drugs, or being otherwise intoxicated.
- Peer pressure, inappropriate conduct or actions that make others feel uncomfortable, including using intimidation tactics or making threats.
- Inappropriate fraternization or engaging in any form of sexual or unlawful harassment (please contact Human Resources or refer to the company's sexual harassment training and policies if further clarity is needed).

- Theft, inappropriate removal, or willful destruction of company property or the property of a fellow employee.
- Possession of dangerous or unauthorized weapons and materials, such as explosives and firearms.

The above list of prohibited behavior is not exclusive. Failure to follow CCSA's policies, rules, and guidelines, including those stated above, may result in discipline up to and including termination of employment.

### **Compliance with Laws, Rules, and Regulations**

All directors, officers, and employees must respect and obey all applicable laws, rules and regulations where CCSA conducts business. It is important that each employee is aware of relevant laws and regulations that apply to our work, and that we never engage in conduct that violates applicable laws and regulations. Ask questions and seek advice from supervisors, managers, the legal department or other appropriate personnel if you have any doubt regarding the legality of an action taken, or not taken, on the behalf of CCSA. No reason, including the desire to meet business or personal goals, should ever be an excuse for violating laws, regulations, or policies.

### **Employee Conduct**

CCSA's rules and standards of conduct are essential to our productive work environment. All employees must familiarize themselves with CCSA's rules and standards; all employees will be held to them. Any employee who disregards or deviates from company rules or standards may be subject to disciplinary action, up to and including termination of employment.

While not intended to be an all-inclusive list, the examples below represent behavior that is considered unacceptable in the workplace. Behaviors such as these, as well as other forms of misconduct may result in disciplinary action, up to and including termination of employment:

- Theft or inappropriate removal/possession of property.
- Providing unauthorized patient discounts.
- Falsification of timekeeping records.

- Possession, distribution, sale, transfer, or use of alcohol or illicit drugs in the workplace.
- Fighting or threatening violence in the workplace.
- Gossiping or spreading rumors about co-workers.
- Boisterous or disruptive activity in the workplace.
- Negligence or improper conduct leading to damage of company-owned or patient-owned property.
- Insubordination or other disrespectful conduct.
- Violation of safety or health rules.
- Smoking in the workplace.
- Sexual or other unlawful or unwelcome harassment.
- Excessive absenteeism or any absence without notice.
- Unauthorized use of telephones, computers, or other company-owned equipment.
- Unauthorized disclosure of any confidential information.
- Violating any state or local law regarding the sale, production, or distribution of Cannabis and/or Medical Cannabis.

Other forms of misconduct not listed above may also result in disciplinary action, up to and including termination of employment.

### **Attendance and Punctuality**

The success of CCSA's operations depends in large part upon the regular and punctual attendance of each of its employees. Regardless of an employee's position with CCSA, their punctuality, regular attendance and working their entire shift are essential for the efficient operation of the business. Excessive absenteeism or tardiness will not be tolerated.

If an employee is going to be absent or late, they must let their supervisor know as soon as possible before the start of their shift. Leaving messages with other employees is not acceptable. Failure to call in when absent even once may result in termination.

### **Food and Beverage in the Workplace**

CCSA considers employee safety and health of utmost importance. As such, food and beverages are only permitted in authorized areas of the workplace. Employees are permitted to eat and drink in break rooms, conference rooms, and lunch areas. Employees are also authorized to eat and drink at their desk when doing so does not present a disturbance to other employees. All other areas of the workplace, including the front desk, are considered off-limits for eating and drinking.

All beverages must be in a closed, non-breakable container or bottle in order to prevent unnecessary spills. After eating, employees are expected to clean up after themselves and dispose of all trash. Employees are reminded to exercise common sense when eating and drinking on premises.

### **Housekeeping**

CCSA expects all employees to keep work areas, break rooms, and CCSA property clean and well maintained at all times. The use of the break room and CCSA facilities is a privilege and proper care is required. The break room and coffee station are available for employee use. Employees are permitted to use the refrigerator, microwave, toaster, and coffee maker. Employees are expected to clean all areas after using them.

Employee workspaces are also expected to be kept neat and orderly. Prior to leaving for the day, all employees are required to tidy up their work area and return all items to their proper location. Any employee found to be contributing to unsanitary conditions will be subject to discipline, up to and including immediate termination of employment.

### **Off- Duty Conduct**

Whether on-duty or not, an employee's actions represent CCSA. Employees are expected to uphold high moral ground and engage in only legal and ethical behaviors. Our patients and their caregivers, and the general public associate the Company, its stability, and its values with the employees who work for us. As such, CCSA uniforms or other paraphernalia containing the Company name or logo are not to be worn by the employee while off-duty.

Following a thorough investigation, employees found to have engaged in acts of moral turpitude or conduct that is contrary to the ethics of CCSA's mission, products, services, or public image, while on or off-duty, may be subject to disciplinary action, up to and including termination of employment.

CCSA does not discriminate against and will not discipline, retaliate, or make other negative employment decisions based on an employee's involvement in off-duty protected activities.

### **Employee Relationships in the Workplace**

CCSA realizes that in some circumstances, two employees may become involved in a personal non-work-related relationship. Although CCSA does not expressly prohibit consensual relationships between two co-workers, we have developed guidelines relating to the issue. Workplace relationships are permitted only under the following circumstances:

- Both parties must mutually consent to the relationship.
- The relationship may not affect work performance (of those involved and of coworkers).
- The relationship does not negatively impact the work environment.
- Involved parties must act professionally while on CCSA premises.
- Behavior that is construed as offensive, obscene, threatening, uncomfortable, or disruptive to other employees is prohibited.

If it is found that a workplace relationship results in decreased productivity among involved parties or that the relationship has negatively impacted the work environment, one or both parties may be transferred, asked to resign, and subject to disciplinary action, up to and including termination of employment.

Romantic relationships involving supervisors and subordinates are not permitted. Due to issues relating to the use of one's power to coerce or intimidate the other, or the increased possibility of favoritism and bias, even if consensual, supervisor-subordinate relationships are prohibited.

If an employee is in a romantic relationship with a fellow employee, they must disclose the relationship to the Human Resources Department.

### **Misconduct**

It is the policy of CCSA to expect all employees to abide by certain work rules of general conduct and performance at all times. Management, supervisors, and all employees are expected to monitor and enforce these work rules equally. Generally, there are four types of transgressions that constitute misconduct:

- Absenteeism and tardiness problems.
- Policy and procedure violations.
- Performance.
- Behavior and conduct infractions.

These transgressions can occur simultaneously and then be written up individually or grouped together on one report. The disciplinary action taken is a result of the severity of the offense.

Misconduct transgressions are divided into three levels of severity: Serious, Very Serious, and Inexcusable. Notations should be made in the employee's file recording any offense committed. As an at-will employer, management reserves the right to terminate or discipline any employee as considered necessary in individual circumstances. CCSA may dismiss at any time an employee who was hired for an indefinite period, for any reason or no reason, without incurring any liability to the employee.

### Serious Misconduct

The first level of misconduct involves activities that undermine CCSA's morale or focus, thus leading to a loss of attention to detail, quality, or professionalism. CCSA management's first response should include verbal warnings to alert employees to the unacceptable behavior.

The disciplinary action for Serious Misconduct for the second offense should be a written notice with a copy to the employee's personnel file. A third occurrence should result in a

“Final Written” notice. Further occurrences of serious misconduct may then result in the employee being suspended with or without pay, leading to termination.

#### Very Serious Misconduct

The second level of misconduct involves activities that more than undermine CCSA’s morale or focus but also cross the line of attention to detail, quality, or professionalism. In other words, CCSA is now experiencing the effects of lower morale or focus, and such actions could lead to worse harm if continued. Management’s first response should include both verbal and written warnings alerting the employee that the unacceptable behavior is harming CCSA. The disciplinary action for Very Serious Misconduct for the second offense should result in a “Final Written” notice. Further occurrences of Very Serious Misconduct may then result in the employee being suspended with or without pay or termination.

#### Inexcusable Misconduct

The final level of misconduct involves activities that undermine CCSA morale or focus, cross the line of attention to detail, quality, or professionalism, and are done with deliberate intent to harm CCSA. In other words, CCSA is now experiencing the effects and is being harmed in a substantive way. Management’s first response should include both a verbal and a “Final Written” notice alerting the employee that the unacceptable behavior has harmed CCSA and that complete disciplinary action results are pending the results of an investigation. Next, management should begin an investigation into the extent of the damage to CCSA in order to determine the disciplinary action to be applied. In management’s discretion, the employee may be suspended with pay during the investigation. The disciplinary action for Inexcusable Misconduct may then result in the employee being suspended with or without pay or termination.

#### Misconduct Investigations

CCSA may be required to investigate suspected employee misconduct. Investigations may be conducted by outside investigators, management, or law enforcement personnel. All employees are expected to assist any investigation to the best of their abilities. If an

employee suspects misconduct is occurring within the organization, it is his/her duty to report this to senior management.

### **Discipline**

CCSA's discipline policy and procedures are designed to improve and prevent a recurrence of undesirable employee behavior and performance issues. Occasionally, performance or other behavior falls short of CCSA's standards and/or expectations. When this occurs, management takes action that, in its opinion, seems appropriate.

Disciplinary actions can range from a formal discussion with the employee about the matter to immediate discharge. Action taken by management in an individual case does not establish a precedent in other circumstances.

### **Compliance with All Company Policies and All Applicable Laws**

Employees are expected to comply with all Company codes, policies, and procedures, as well as all applicable federal, state, and local laws and regulations.

### **Timekeeping and Payroll Practices**

#### **Employee Classification**

##### **Full-Time Employee**

A full-time employee is an employee who is normally scheduled to work at least forty (40) hours per week. "Full-time" is a general employee classification used by CCSA for a variety of purposes. Full-time employees are currently eligible for company benefits as outlined in this handbook.

##### **Part-Time Employee**

A part-time employee is an employee who is normally scheduled to work fewer than forty (40) hours per week. Part-time employees who work thirty (30) hours a week or more are eligible for group medical insurance coverage programs.

##### **Temporary Employee**



A temporary employee is an employee who is hired in a job established for a temporary period or for a specific assignment or group of assignments. Unless otherwise required by applicable law, temporary employees are not eligible for participation in company benefits, and temporary employees remain employed at will at all times.

### Exempt Employee

An exempt employee is an employee who is classified by the company as exempt from the overtime provisions of the Fair Labor Standards Act and state law.

### Non-Exempt Employee

A non-exempt employee is an employee who is covered by the overtime provisions of the Fair Labor Standards Act. All non-exempt/ hourly paid employees are eligible for overtime pay paid at one and one-half times their regular rate of pay for all hours worked in excess of forty (40) hours per work week. Non-exempt employees also receive overtime after twelve (12) hours in a day or twelve (12) consecutive hours excluding unpaid duty-free mealtimes.

### **Timekeeping Procedures**

CCSA's Dispensary Facilities are open for business seven (7) days a week. Our workweek starts on Sunday at 12:00 midnight and runs through Saturday at 11:59 p.m.

Unless otherwise notified, all hourly employees are required to accurately record their hours of work through the use of time clocks. Timesheets must be filled out completely and accurately to avoid delays in payment. Accurately recording all of your time is required in order to be sure that you are paid for all hours worked as required by the wage and hour laws. Non-exempt employees must clock-in and clock-out via the Time Clock portal at the start and end of each scheduled shift. All non-exempt employees must also clock-out and clock-in for all unpaid meal periods. All non-exempt employees are also required to take one ten-minute break during the first half of their shift and one ten-minute break during the second half of their shift as their workload permits. Employees will be paid for these breaks.

Working “off the clock” is strictly prohibited. If any manager or supervisor directs an employee to, or suggests that an employee should, perform work while not “on the clock,” the employee must notify Human Resources immediately. Similarly, non-exempt employees are not permitted to perform work after hours or from home without specific direction from their supervisor. In the event such work is authorized, all time spent working must be reported on the employee’s time record. Managers must review employee time entries daily and may ask employees to verify their time entries at the end of each day, week, or pay period.

Each employee’s obligation to accurately record all hours worked does not relieve the employee of their obligation to obtain advance approval from your supervisor *before* working overtime or hours beyond your regular work schedule. Employees who work overtime or off-schedule hours without prior authorization by their supervisor are subject to disciplinary action, up to and including termination of employment.

Employees must ensure all time is recorded accurately by reporting corrections of their time entries immediately to the employee’s supervisor or manager. Any changes or corrections to your time records must be reported to Human Resources. Under no circumstances may any employee record another employee’s time.

All hours worked by an hourly paid employee must be recorded and be compensated. There is no rounding of time clock hours. All hours paid will be based on the true punches of each employee.

### **Overtime and Work Schedules**

Work schedules will be posted at each of CCSA’s business premises. On occasion, supervisors may need to change the regular schedule to meet scheduling demands, so employees must be sure to review the schedule each week. Regular work schedules will be established according to business requirements, and employees will be notified in advance of changes in the starting time of their shifts.

Supervisors will try to avoid scheduling conflicts as much as is possible. If employees need to take a day off, they must inform their supervisor as soon as possible so that the appropriate scheduling adjustments can be made. However, there is no guarantee that the request will be honored.

Each employee is expected to complete a normal workday/work week, and work whatever reasonable additional hours are required to meet company needs; however, CCSA may periodically schedule overtime work depending on various factors, such as business needs, workloads, staffing needs, and special projects or events. If a situation arises where overtime is necessary, an employee will be paid 1.5 times the employee's regular hourly pay rate. If overtime is required, a supervisor must approve the estimated overtime and employees should be expected to work the additional necessary time.

Overtime compensation is paid to nonexempt employees in accordance with federal and state wage and hour laws. For hourly employees, all time worked in excess of eight hours in one day or in excess of forty (40) hours in one week shall be paid at the rate of time and one-half the straight-time hourly rate. Daily and weekly overtime will be offered by seniority in each classification. Time off on personal time, holidays, vacation, or any leave of absence or paid time off ("PTO") will not be considered hours worked when calculating overtime.

All overtime work must be pre-approved by a supervisor. Working overtime without a supervisor's approval may result in disciplinary action, up to and including termination. When possible, both exempt and non-exempt employees may be given 24-hours advanced notice of when CCSA might require overtime hours.

Questions regarding work schedules or overtime, should be immediately directed to a manager or supervisor to avoid any conflicts or misunderstandings. CCSA retains the right to reassign employees to a different shift where it is necessary for the efficient operation of the company.

### **Lactation Accommodations**

CCSA will provide a reasonable amount of break time to accommodate an employee's need to express breast milk for the employee's infant child. The break time should, if possible, be taken concurrently with meal and/or rest periods already provided. Non-exempt employees should clock out for additional lactation breaks that do not run concurrently with normally scheduled meal and/or rest periods.

CCSA additionally will provide employees needing to express breast milk with a room or place, other than a restroom, to express breast milk in private. Consult the Human Resources Department with any questions regarding this policy.

### **Compensation and Payroll Procedures**

CCSA's payroll procedures are intended to achieve fair and consistent pay practices, comply with state and federal wage and hour laws, provide Equal Employment Opportunities, and offer competitive compensation packages relative to the current labor market. As such, CCSA is committed to paying our employees equitable wages that appropriately reflect the requirements and responsibilities of their positions and are comparable to the pay received by similarly situated employees in other organizations in the area.

Compensation for each position is determined by several factors including the essential duties and responsibilities of the job and salary survey data of other geographically similar companies in the medical cannabis industry. CCSA periodically reviews its payroll procedures and will restructures them as necessary. Merit-based pay adjustments may be awarded in conjunction with superior employee performance documented by the performance evaluation process.

Immediately upon accepting employment, new employees will be given federal and state tax forms to complete. The completed forms, the employment application form, and information regarding starting pay, starting date, and other pay or benefit information will be forwarded to the accounting office for processing. Compensation/pay rate information is considered confidential information between the individual employee and management and will be kept confidential by CCSA.

Employees should bring their pay-related questions or concerns to the attention of the Human Resources Director.

#### Living Wages for All Employees

According to the Massachusetts Institute of Technology's Living Wage Calculator, the living wage in Alabama, is \$15.91. However, the minimum wage in Alabama is \$7.25. We will offer wages in excess of the living wage and employee benefits that will provide significant community benefits. We do not believe the minimum wage is acceptable for our employees, and thus, roles at the CCSA will begin at \$16 an hour. CCSA knows that satisfied employees undoubtedly result in happy customers. As such, our employees will enjoy competitive wages and benefits. Staff who are with CCSA long-term enjoy annual salary increases of 3% year over year, as well as bonuses that reflect their performance.

#### Pay and Pay Periods

We offer direct deposit of employee paychecks to all employees who provide a written authorization for direct deposit, and we encourage employees to enroll in our direct deposit program. Paychecks may also be mailed to the employee's listed address.

We distribute paychecks and issue direct deposits bi-weekly every other Friday. Employees should pick up their own paycheck or paystub copy on the normally scheduled pay day. If the scheduled payday falls on a holiday, paychecks will generally be distributed on the preceding business day or the day prior.

In the event of employee termination, the employee will receive their accrued pay in accordance with applicable federal, state, and local law.

Any questions about the amount of an employee's pay or deductions should be brought to the attention of the Human Resources Department immediately.

#### Expense Reimbursement

Expenses incurred by an employee on behalf of CCSA must be approved in advance by a manager or supervisor.

### Demotions and Reductions in Pay

Certain circumstances may warrant the downgrading of responsibilities and/or compensation. This may be due to a variety of reasons, including poor work performance, an employee's request, or a change in business needs. All demotions will be handled in a fair and consistent manner through the Human Resources Director. All demoted employees will be paid consistent with similarly situated employees within their new pay grade. There are three types of demotions:

1. **Administrative Demotion:** Occurs when an employee is moved from their current position to a position in a lower salary grade with less responsibilities and pay to prevent disruption of business. An administrative demotion may be made by CCSA management.
2. **Disciplinary Demotion:** Occurs when an employee must be moved to a lower salary grade position with fewer responsibilities due to poor work performance or failure to meet expectations and/or goals of the department. A disciplinary demotion is made by supervisory level employees and management.
3. **Voluntary Demotion:** Occurs when an employee initiates a written request for a lower salary grade position with fewer responsibilities for their own personal reasons.

### **Personnel Files**

CCSA maintains a personnel file for each employee. An employee's personnel record begins with their completed employment application form and resume and may be updated from time to time as necessary. Personnel records are the property of CCSA and are treated the same as any other confidential company information. Recognizing the confidential nature of the information contained in employee personnel files, CCSA limits access to the personnel records to the employee and those with proper authorization pursuant to legal process. No documents contained in an employee's personnel file will be released without the employee's consent, except pursuant to legal process.

The following provisions apply with respect to CCSA's standards for establishing, maintaining, and handling employee personnel records:

- All official records concerning an employee will be kept up to date, and all employees will promptly report all pertinent personal information and data changes to the Human Resources Director.
- Employees are permitted to review their personnel records at reasonable times and in accordance with state and local laws.
- The personnel file of an employee terminating employment will be maintained for a minimum of three (3) years.

#### Contents of Personnel Files

Employee personnel records include the following information and documents (which may be filed separately):

- Employment Application.
- I-9 Form and documents.
- W-4 Form.
- Background Check Records.
- Training Records.
- Insurance Paperwork.
- Performance Appraisal Reports.
- Disciplinary Action.
- Status changes affecting employee's work and salary history.
- Employee's resume, if applicable.
- Other relevant documents as determined by management.

#### Employee Information

Employees are asked to help keep CCSA informed about any change which may affect their employment, benefits, or communications with CCSA. Examples of important changes to report include the following:

- Name.
- Address.

- Home telephone number.
- Marital Status.
- Number of dependents.
- Any important health information.
- Emergency telephone numbers and whom to notify in case of emergency.
- Change of beneficiary.
- Authorized payroll deductions.
- Any criminal convictions of a disqualifying offense.

#### Requests to Review Employee Personnel File

An employee may request to review their personnel file with Human Resources or a member of management present to answer any questions. This request must be submitted to the Human Resources Director who will set a time convenient to both parties. The employee may take notes, but may not remove, photocopy, deface, or otherwise make notations on the documents in their personnel file unless authorized by state or local law.

Additionally, a manager or supervisor may review an employee's personnel file if the employee has a current reporting relationship with that manager or supervisor or has been interviewed and is being considered for a position reporting to that manager or supervisor. Employee personnel records also are subject to review by investigative agencies, or during periodic internal audits conducted by CCSA.

#### **Performance Evaluations**

Supervisors will conduct performance reviews and planning sessions with all full-time and part-time employees after ninety (90) days of employment. Thereafter, employee performance evaluations will be conducted annually. Supervisors may conduct periodic performance reviews and planning sessions more often if they choose and if necessary.

Performance reviews are designed for the supervisor and the employee to discuss the employee's current job tasks, encourage, and recognize attributes, and discuss positive, purposeful approaches for meeting work-related goals. Together, the employee and



supervisor will discuss ways in which the employee can accomplish goals or learn new skills. The planning sessions are designed for the employee and their supervisor to make and agree on new goals, skills, and areas for improvement.

Wage and salary increases will be considered based upon an employee's annual performance review and the employee's demonstrated degree of improvement, dependability, attitude, cooperation, adherence to all employment policies, and employee's status within a given pay range. CCSA directly links wage and salary increases with performance. If promoted, employees may be eligible for a pay increase as dictated by the pay range of the new position.

### **Job Descriptions**

CCSA utilizes job descriptions as a way to communicate company expectations regarding each position. Job descriptions will be updated as necessary. In some cases, we may ask for help from the employee in drafting an accurate description of the position.

Job descriptions are by no means comprehensive or absolute. Employees may be asked to perform duties not explicitly listed in their job descriptions. Employees refusing to perform requested duties may be subject to disciplinary action, up to and including termination of employment.

### **Changes in Status**

#### **Hiring**

CCSA requires that all candidates for employment submit a resume. Letters of recommendation and other materials may also be required as part of the hiring process.

Applicants who submit resumes found to include false or misrepresented information will no longer be considered for employment with CCSA. If it is found that after hiring that false or inaccurate information was provided on the employee's resume, the employee may be subject to discipline, up to and including termination of employment.

CCSA will make conditional offers of employment to those we believe to be most qualified. CCSA does not discriminate on the basis of race, color, religion, sex, national origin, age or disability. Conditional offers depend on the applicant's consent to and successful passing of all necessary drug, background, and reference checks.

### **Rehiring**

A former employee who has been rehired after leaving employment for more than one calendar year is considered a new employee and is subject to an introductory period during their first ninety (90) days of employment following the rehire. Rehired employees will receive paid time off accrual benefits upon completion of the introductory period.

Any employee returning to work after a leave of less than one (1) calendar year will have their benefits reinstated at the level when separation began. This is intended to help employees who have been laid off due to unforeseen CCSA circumstances. However, other mitigating factors may affect CCSA's decision to reinstate benefits, except for those benefits that are required by law.

CCSA will not rehire past employees who were terminated due to gross misconduct, insubordination, violence, harassment, or other similar actions that violate company policy and standards of conduct.

### **Job Vacancies and Postings**

Whenever possible, CCSA will make every effort to promote from within. When a job vacancy occurs, a written announcement will be advertised to employees via email. The vacancy will also be posted on various employment websites as determined by CCSA. CCSA will promote within its own ranks when the employee is determined to be qualified for the vacant position. The employee chosen to fill the position, whether new to CCSA or promoted is subject to a 90-day introductory period. Keep in mind, not all positions can be filled internally.

The skills and background required will be listed on the job posting. We encourage employees who meet the requirements to apply. Employees will be asked to submit a resume

and will be required to go through the regular interview and pre-hire procedures. To apply for an open position, please contact the Human Resources Department. Each employee/applicant will be considered equally amongst the other applicants.

### **Transfers**

Though employees are hired for a specific job, there may be occasions when it would be mutually beneficial to transfer them to another job or department. When such a transfer is made on a permanent basis, the rate of pay will be adjusted in accordance with the pay rate of the employee's new job. Transfers to give temporary help to other departments will not affect an employee's pay rate. Only employees who have been with the company for at least one year are eligible to apply for a transfer to another position.

### **Job Abandonment**

Employees who abandon their jobs will be considered to have voluntarily terminated their employment with CCSA.

When an employee who is within their 90-day introductory period fails to call in and directly notify a supervisor of the reason for the absence for one workday, CCSA will deem that employee as having abandoned their job. After the 90-day introductory period, if an employee fails to call in and directly notify a supervisor of the reason for their absence for three consecutive workdays, it will be considered that the employee has abandoned their job. Job abandonment also occurs when an employee fails to return to work or directly notify a supervisor of the reason for absence within three consecutive working days following any approved leave of absence, disciplinary suspension, or recall from layoff status.

### **Resignation and Termination Policies**

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Common circumstances under which employment is terminated include the following:

- **Resignation:** Voluntary employment termination initiated by an employee.

- **Termination:** Involuntary employment termination initiated by CCSA. In most cases, CCSA will use progressive disciplinary actions before dismissing an employee. However, certain actions warrant immediate termination.
- **Layoff:** Involuntary employment termination initiated by CCSA for non-disciplinary reasons.
- **Retirement:** Voluntary employee termination upon eligibility for retirement

Any employee who intends to terminate employment with CCSA, must provide CCSA with at least two weeks written notice. Such notice is intended to allow CCSA time to adjust to the employee's departure without placing undue burden on those employees who may be required to fill in before a replacement can be found.

In the case of employee termination, all accrued vested benefits that are due and payable at termination will be paid in accordance with applicable federal, state, and local law. Any employee who terminates employment with CCSA must return all files, records, keys, and any other materials that are property of CCSA. Health insurance plans continue through the end of the month in which the employee works their last day, provided they have paid contributions for that month. Under federal law, resigning employees are entitled to participate in CCSA's group health plan at their own expense for at least eighteen (18) months (see COBRA). CCSA will issue a final paycheck, on the next regular payday after resignation.

CCSA asks that employees who resign provide at least two weeks' notice of intention to leave their job and submit written notice stating reasons for resigning and the effective date. CCSA reserves the right to immediately dismiss an employee who resigns; however, the employee will be paid during the notice period. An exit interview will be scheduled on or near the final day of employment.

Immediate termination of employment will occur if an employee is found to have diverted Medical Cannabis (law enforcement and the AMCC will be notified); or engaged in unsafe

practices with regard to CCSA's standard operating procedures. Employees who are terminated will receive a final paycheck at the time of termination.

### **Exit Interviews**

Any employee leaving CCSA may be requested to attend an exit interview conducted by the employee's supervisor or Human Resources. The purpose of this interview is to determine the reasons for separation and to resolve any questions of compensation, CCSA property, or other matters related to the separation. Although encouraged, exit interviews are strictly voluntary, and are intended to improve employee relations within the company.

### **Unemployment Insurance**

Employees are protected under the Federal-State unemployment compensation program and state unemployment insurance law. Unemployment compensation is intended to provide temporary and partial wage replacement to involuntarily unemployed workers who are recently unemployed.

Should an employee involuntarily leave employment with CCSA, they are entitled to unemployment insurance benefits subject to regulations established by Alabama law. The Human Resources Department will supply employees with an Unemployment Insurance Form upon termination of employment. By law, an employee separated under certain conditions is eligible to collect state unemployment insurance. Please contact the Alabama Department of Labor, Unemployment Office for more details at [Alabama Department of Labor | Unemployment](#).

### **Arbitration**

In the case of an employment dispute at CCSA, we require settlement exclusively through binding arbitration under the Federal Arbitration Act. Any dispute associated with employment, termination of employment, discrimination, or harassment will qualify for arbitration resolution. Each employee will be required to sign a Mandatory Arbitration Agreement as part of their new hire paperwork.

Arbitration shall be the exclusive means of resolving any dispute arising out of employment or termination. The cost of the arbitrator is to be shared among the parties equally.

By accepting or continuing employment with CCSA, the employee agrees that arbitration is the exclusive remedy for all disputes within CCSA. In addition, both CCSA and the employee agree that arbitration will be used in lieu of civil court action regarding the dispute.

If the employee disputes an alleged incident during employment, the employee must deliver a written request for arbitration to the Human Resources Department. The employee will have up to one year from the date in which the alleged incident(s) or conduct occurred to make such request. The employee will also have up to fourteen (14) calendar days to respond to communications from CCSA regarding the selection of an arbitrator and the scheduling of a hearing. If these instructions are not followed, the employee waives any right to raise a claim out of the issue.

### **Company Benefits**

Employees will be provided all the paperwork to enroll in benefits at the time of eligibility. It is the employee's responsibility to fill out the paperwork and return it to the Human Resources Department. Failure to turn in the paperwork in a timely manner, precludes employees from being enrolled in certain benefits.

CCSA provides the following benefits to eligible employees. CCSA reserves the right to terminate or modify these plans at any time for any reason.

### **Insurance Benefits**

CCSA provides all full-time employees and part-time employees working thirty (30) hours or more the option to enroll in group health, dental and vision insurance coverage. The coverage begins on the first day of the month following the first ninety (90) days of employment. Employees may enroll in the benefits program on the first day of the month after meeting the eligibility requirements. Employees must enroll for coverage within thirty (30) days of eligibility or wait until the next open enrollment period.

Employees must consult the applicable plan document for all information regarding eligibility, coverage, and benefits. The plan document ultimately governs employee entitlement to benefits. Employees are encouraged to familiarize themselves with and take advantage of these benefits.

**Paid Holidays**

After completion of ninety (90) days of employment, non-exempt employees will receive specific holidays off with pay any time they fall on a normally scheduled workday for the employee. Each calendar year CCSA will distribute a schedule of the year’s company-approved paid holidays. However, CCSA reserves the right to change or eliminate paid holidays with prior notice.

Holiday pay does not count as “hours worked” for purposes of calculating an employee’s entitlement to overtime during the week in which the holiday occurs. Some departments may be open on a holiday due to business necessity. Employees will be given as much advance notice as possible if they are required to work on a holiday. Non-exempt employees asked to work on a holiday will receive one and one-half times their normal rate of pay for work performed on a holiday.

Exempt employees will not receive additional holiday pay but rather will be paid their regular salary for the week in which a holiday falls.

**Paid Time Off**

CCSA offers paid PTO for all employees who work at least thirty (30) hours a week. The amount of PTO employees earn is based on years of service, as shown in the schedule below:

<b>Years of Service:</b>	<b>PTO:</b>
After completion of 1 year	5 days
After completion of 2 years	6 days
After completion of 3 years	7 days
After completion of 4 years	8 days

After completion of 5 years	9 days
After completion of 6 years	10 days

All PTO requests must be submitted to the employee's supervisor. Employees should submit requests as early as possible to allow management to make staffing changes as needed. Requests should be made at least two (2) weeks prior to the time requested off. If a request is made within two (2) weeks, it will be made at the supervisor's discretion.

PTO is not considered hours worked for the calculation of overtime. PTO may be carried over at the end of the year but only at a maximum of five (5) days. PTO is not paid out upon separation from CCSA.

### **Workers' Compensation Insurance**

CCSA pays the entire amount of its Workers' Compensation insurance premium, which provides benefits to employees who experience injury or illnesses that arise out of the course and scope of employment. Such benefits are provided at no cost to employees. It is essential that employees report all work-related accidents, injuries, and illnesses immediately. It is unlawful to knowingly file a false or fraudulent claim for Workers' Compensation benefits, or to knowingly file false or fraudulent information in connection with any Workers' Compensation claim. Such conduct is also against CCSA's policy and will result in disciplinary action, up to and including termination of employment. Employees who sustain work-related injuries or illnesses must notify their supervisor immediately so CCSA can notify the Workers' Compensation insurance carrier as soon as possible. CCSA will provide medical care and a portion of lost wages through our insurance carrier.

### **Paid Volunteer Policy**

CCSA is committed to the community and encourages its employees to engage in volunteer charitable work within the community. To further this commitment, employees may also request time off, with pay, for participating in company-approved volunteer opportunities. To receive time off with pay for charitable work, an employee must get



advanced written approval from the Human Resources Department and the employee's manager prior to participating in the volunteer work.

In order to receive the paid time-off for the volunteer activity, after the activity is completed, the employee must submit written and signed documentation from the charitable organization to Human Resources within three (3) days after completing the volunteer activity. All volunteer paid time off is capped at sixteen (16) hours per every twelve (12) months of employment. This benefit is not guaranteed and does not accrue or carry over. Additionally, this benefit is not paid out upon termination or separation from the Company.

Please contact the Human Resources Department for an updated list of company-approved volunteer opportunities. CCSA will update the list of approved organizations on an ongoing basis.

## **Leaves of Absence**

### **Civic Duties**

#### **Jury Duty**

CCSA encourages all employees to accept their civic responsibilities, including jury duty. When summoned for jury duty, employees are granted leave to perform their duty as a juror. If an employee receives a jury duty summons, they must notify their supervisor immediately so the supervisor may plan the department's work with as little disruption as possible. Employees should submit appropriate documentation, including a copy of the jury summons, subpoena, or other court order as soon as practicable.

While non-exempt employees are on jury duty, CCSA will pay the difference between their basic rate of pay and the total amount of pay they receive from serving as a juror, for up to \$50.00 for three (3) days per calendar year. Exempt employees will continue to receive their regular salary for any week in which they perform any work while on jury duty, pursuant to state and federal law. Jury duty leave beyond three (3) days is without pay.

Employees who are released from jury service before the end of their regularly scheduled shift or who are not asked to serve on a jury panel are expected to call their supervisor as soon as possible and report to work if requested. Employees who are assigned to a trial should notify their supervisor immediately.

### Voting

Voting is an important responsibility we all assume as citizens. CCSA encourages our employees to exercise their voting rights in all municipal, state, and federal elections.

Under most circumstances, it is possible for employees to vote either before or after work. If it is necessary for employees to arrive late or leave work early to vote in any election, they should make arrangements with their supervisor no later than the day prior to Election Day.

To be eligible for voting leave, you must be a qualified elector and registered to vote in the jurisdiction at the time of election. Employees who meet these requirements will receive no more than (1) hours of paid leave to vote. Employees who begin work at least two (2) hours after the polls open, or end work at least an hour before the polls close are not entitled to voting leave.

### **Military Leave of Absence**

Employees who require time off from work to fulfill military duties will be treated in accordance with applicable requirements of state and federal laws. Employees are expected to notify CCSA of any upcoming military duty by providing their supervisor with a copy of their orders as soon as possible.

### **Medical Leave of Absence**

Employees who are ineligible for leave under the federal Family and Medical Leave Act as provided below, or who have exceeded their leave allotment under this law, are nonetheless eligible for medical leave according to the following policy:

Employees are eligible for unpaid leaves of absence for medical reasons. Medical reasons may include illness, injury, medical and surgical procedures, and related medical conditions. An employee must request a leave of absence if they will be unable to work for medical reasons for a period in excess of three (3) consecutive days. Such requests are subject to management approval and must be made as soon as possible. Each request must be accompanied by a certification from your treating physician or company approved physician which states that the employee is unable to work and provides the duration of leave that the employee requires. CCSA reserves the right to have employees on a medical leave of absence examined by a physician of the company's choice. CCSA may require periodic physician's verification of your inability to work. Misrepresenting the reason for applying for a leave of absence may result in disciplinary action, up to and including termination.

During a medical leave of absence, CCSA's medical insurance plan documents will determine whether the employee and their eligible dependents may continue the employee's health insurance coverage under the company's plan. If the employee remains eligible for such coverage, they must pay their share of the premium the same as if they continued working. If they are not eligible to continue coverage under the company's plan the employee will be issued a COBRA notice and given the option of continuing coverage at their own expense. The plan document ultimately governs an employee's eligibility for and entitlement to these benefits.

The duration of a medical leave of absence will depend not only on the length of time the employee's doctor certifies they need but also how much time can be provided as a reasonable accommodation without their absence causing the company to suffer an undue hardship. Upon the employee's return from a medical leave of absence, we will attempt to return the employee to their regular job if it is available. If it is not available, the employee will be placed in a similar job for which they are deemed by management to be qualified if such a job is available. If no jobs are available at the time, the employee will be given preferential consideration for any position for which you apply and for which you are

deemed by management to be qualified following them notifying the company in writing that they are ready and able to return to work.

Failure to report to work as scheduled following a leave of absence without notifying the company of the need for additional leave can result in dismissal. Employees who are out on leaves of absence will not accrue such benefits as vacation or holiday pay during their leaves of absence.

Employees should speak directly with the Human Resources Department prior to taking a leave to ensure your understanding of all of their obligations to the company while on leave, such as reporting and verification obligations, and their obligations to pay health insurance premiums, if applicable. Failure to comply with company policy may substantially affect an employee's ability to return to work and/or result in the loss of health insurance coverage.

### **Family and Medical Leave Act**

The Family and Medical Leave Act ("FMLA") provides eligible employees the opportunity to take unpaid, job-protected leave for certain specified reasons. The maximum amount of leave an employee may use is either 12 or 26 weeks within a 12-month period depending on the reasons for the leave. To the extent permitted by law, any employee leaves of absence shall run concurrently with FMLA leave. All periods of absence from work due to or necessitated by service in the uniformed services are counted in determining FMLA eligibility.

#### Employee Eligibility

To be eligible for FMLA leave, an employee must:

- Have worked for at least 12 months for CCSA in the preceding seven years (limited exceptions apply to the seven-year requirement).
- Have worked at least 1,250 hours for CCSA over the 12 months preceding the date the employee's leave would begin.
- Currently work at a location where there are at least 50 employees within 75 miles.

### Reasons for Taking Leave

FMLA leave may be taken for the following reasons:

- Birth of an employee's child, including time for bonding with the child after birth (up to 12 weeks). Such time is available to employees regardless of sex or gender.
- Placement of a child with the employee for foster care or adoption (up to 12 weeks), so long as the leave is completed within 12 months of placement of the child.
- To care for the employee's immediate family member (employee's spouse, child, or parent) with a serious health condition (up to 12 weeks).
- Because of an employee's serious health condition that makes the employee unable to perform the functions of the employee's position (up to 12 weeks).
- To care for a Covered Servicemember with a serious injury or illness related to certain types of military service (up to 26 weeks) (see Military-Related FMLA Leave for more details).
- To handle certain qualifying exigencies arising out of the fact that the employee's spouse, son, daughter, or parent is on duty under a call or order to active duty in the Uniformed Services (up to 12 weeks) (see Military-Related FMLA Leave for more details).

The maximum amount of leave that may be taken in a 12-month period for all reasons combined is twelve (12) weeks, with one exception. For leave to care for a Covered Servicemember, the maximum combined leave entitlement is twenty-six (26) weeks, with leaves for all other reasons constituting no more than twelve (12) of those twenty-six (26) weeks.

### Employee Request for and Notice of Leave

Employees must provide sufficient information so CCSA can determine whether the request for time off qualifies as family and medical leave, as well as the timing and duration of the leave. When the need for family and medical leave is foreseeable, such as due to a planned medical procedure, an employee must notify CCSA of the need for the leave at least thirty (30) days before the leave begins. If thirty (30) days' notice is not practicable because the employee just learned of the need for leave or a change in circumstances or a medical

emergency has occurred, then the employee must request the leave as soon as practicable (generally the same day or the day following the day the employee learned of the need for leave).

When the need for leave arises suddenly, the employee must notify their supervisor as soon as possible, either before leaving work or not later than the start of the employee's next regular workday. The employee must follow CCSA's standard call-in procedures for unscheduled absences. The employee must inform CCSA when taking time off for a reason for which family and medical leave was previously taken or certified. Failure to comply with the request and notice procedures may delay the start of a leave.

### Definitions

A "**Serious Health Condition**" includes an illness, injury, impairment, or physical or mental condition that involves either (i) an overnight stay in a medical care facility, or (ii) continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job or prevents qualified family members from participating in school or other daily activities for more than three full calendar days. The continuing treatment requirement includes two visits to a health care provider or one visit to a health care provider and a continuing regimen of care. An incapacity caused by pregnancy or prenatal visits, a chronic condition (such as asthma, diabetes or migraines) that continues over an extended period of time and requires periodic visits (at least two per year) to a health care provider, permanent or long-term conditions requiring supervision but not active treatment by a health care provider, or absences due to multiple treatments ordered by a health care provider may also meet the definition of a Serious Health Condition.

### Identifying the 12-Month Period

CCSA measures the 12-month period in which leave is taken by the "rolling" 12-month method, measured backward from the date of any FMLA leave with one exception. For leave to care for a Covered Servicemember, CCSA calculates the 12-month period beginning on the first day the eligible employee takes FMLA leave to care for a Covered Servicemember and

ends 12 months after that date. FMLA leave for the birth or placement of a child for adoption or foster care must be concluded within 12 months of the birth or placement.

#### Use of Paid Leave

Depending on the purpose of the leave request, CCSA may require an employee to use accrued paid leave (such as sick leave, vacation, or PTO), concurrently with some or all of their FMLA leave. If CCSA does not require you to do so, the employee may elect to substitute paid leave for FMLA leave, so long as the employee complies with the CCSA's normal procedures for the applicable paid-leave policy (e.g., call-in procedures, advance notice, etc.).

Employees must make a reasonable effort to schedule planned medical treatments so as not to unduly disrupt business operations. For planned absences that are intermittent or on a reduced schedule, CCSA may require the employee to temporarily transfer to an alternative position for which the employee is qualified, with equivalent pay and benefits, that better accommodates the recurring periods of leave than the employee's regular position. Leave due to qualifying exigencies may also be taken on an intermittent basis.

#### Pay and Maintenance of Health Benefits

FMLA leave is unpaid. If the reason for the leave is due to the employee's own serious health condition, the employee must use accrued and available PTO time (if applicable) at the beginning of leave. Use of PTO will be subject to the terms and conditions of the PTO policy. PTO will not continue to accrue during leave.

CCSA will maintain coverage under the company's group health plan during an employee's FMLA leave on the same terms as if the employee had continued to work. If applicable, the employee must make arrangements to pay your share of health plan premiums while on leave. In some instances, CCSA may recover premiums it paid to maintain health coverage or other benefits for the employee and their family. Use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of the employee's

leave. Consult the applicable plan document for all information regarding eligibility, coverage and benefits.

### Notice and Medical Certification

When seeking FMLA leave, an employee must provide:

- Sufficient information for us to determine if the requested leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, a family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. The employee must also inform CCSA if the requested leave is for a reason for which FMLA leave was previously taken or certified.
- 30 days advance notice of the need to take FMLA leave, if the need for leave is foreseeable, or notice as soon as practicable in the case of unforeseeable leave and in compliance with the CCSA's normal call-in procedures, absent unusual circumstances.
- Medical certification supporting the need for leave due to a serious health condition affecting you or an immediate family member within 15 calendar days of CCSA's request to provide the certification (additional time may be permitted under certain circumstances). If the employee fails to do so, CCSA may delay the commencement of their leave, withdraw any designation of FMLA leave or deny the leave, in which case the leave of absence would be treated in accordance with our standard leave of absence and attendance policies, subjecting the employee to disciplinary action, up to and including termination. Second or third medical opinions and periodic re-certifications may also be required.
- Periodic reports as deemed appropriate during the leave regarding the employee's status and intent to return to work.
- Medical certification of fitness for duty before returning to work, if the leave was due to the employee's serious health condition, as permitted by law. CCSA will require this certification to address whether the employee can perform the essential functions of their position.



When leave is requested for the employee's or a family member's serious health condition, the employee must submit a medical certification from the health care provider of the patient that establishes the employee qualifies for family and medical leave. The Human Resources Director will provide the appropriate certification form. A complete and sufficient certification must be provided as soon as is reasonably practical, and not later than the date leave begins or within fifteen (15) days of the company's request, whichever is later.

The Genetic Information Nondiscrimination Act of 2008 (GINA) prohibits covered employers from requesting or requiring genetic information of an individual or family member of the individual, except as specifically allowed by this law. To comply with this law, CCSA asks that employees not to provide any genetic information when responding to a request for medical information for purposes of leaves of absence or otherwise. "Genetic information" as defined by GINA, includes an individual's family medical history, the results of an individual's or family member's genetic tests, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services.

CCSA will notify the employee if the certification is incomplete or insufficient and provide the employee seven calendar days to correct the deficiency. CCSA reserves the right to contact the health care provider to seek authentication or clarification of information in the certification, as needed, and may require recertification, as appropriate. Before returning to work after a leave due to the employee's own serious health condition, the employee is required to provide a certification from his or her health care provider regarding the employee's fitness for duty.

Failure to comply with the above requirements may result in delay, denial of leave, or disciplinary action.

#### Employer Responsibilities

CCSA will inform employees requesting leave whether they are eligible for leave under the FMLA and, as applicable, state law. If an employee is eligible for FMLA leave, CCSA will provide a Notice of Eligibility that specifies any additional information required, as well as the employee's rights and responsibilities. CCSA will also inform an employee if leave will be designated as FMLA-protected and, to the extent possible, note the amount of leave counted against their leave entitlement. If the employee is not eligible for FMLA leave, CCSA will provide a reason for the ineligibility.

#### Job Restoration

Employees who return to work immediately after the end of an approved family and medical leave will normally be reinstated to the same or an equivalent position and will receive pay and benefits equivalent to those the employee received prior to the leave, as required by law. If the employee does not return to work on the first workday following the expiration of an approved family and medical leave and has not been granted an extension of leave by CCSA, the employee will be deemed to have resigned from employment.

#### Failure to Return After FMLA Leave

If an employee fails to return to work as scheduled after FMLA leave or they exceed the 12-week FMLA entitlement (or in the case of military caregiver leave, the 26-week FMLA entitlement), the employee will be subject to CCSA's standard leave of absence and attendance policies. This may result in termination if the employee has no other company-provided leave available that applies to their continued absence. Likewise, following the conclusion of the employee's FMLA leave, CCSA's obligation to maintain their group health plan benefits may end (subject to any applicable COBRA rights). If the employee is unable to return to work after FMLA leave, the employee must notify Human Resources. If CCSA becomes aware of the need for additional leave, CCSA will engage in an interactive process to determine whether the condition is a disability for which additional unpaid leave may be provided as a reasonable accommodation.

#### Other Employment

While on a leave of absence, employees are prohibited from holding other employment, including self-employment, not held immediately prior to the start of the leave. In other words, an employee who has another job in addition to the employee's job with CCSA may continue working that job while on leave from CCSA if medically able to do so, but such an employee may not seek and hold other employment to replace the employee's employment with CCSA while on leave. This policy remains in force during all leaves of absence including FMLA leave and violation may result in disciplinary action, up to and including immediate termination of employment.

### Fraud

Providing false or misleading information or omitting material information in connection with an FMLA leave will result in disciplinary action, up to and including immediate termination.

### No Retaliation

CCSA will not interfere with, restrain, or deny the exercise of any right provided under the FMLA or equivalent state law. CCSA will also not discharge or discriminate against any person for opposing any practice made unlawful by the FMLA or for the person's involvement in any proceeding under or relating to the FMLA. If an employee feels that they have been discriminated or retaliated against due to their assertion of FMLA-protected rights or participation in an FMLA-related proceeding, they must contact the Human Resources Director.

### **Military-Related FMLA Leave**

FMLA leave may also be available to eligible employees in connection with certain service-related medical and non-medical needs of family members. There are two forms of such leave. The first is Military Caregiver Leave, and the second is Qualifying Exigency Leave. Each of these leaves is detailed below.

### Definitions

A “**Covered Servicemember**” is either: (1) a current Servicemember of the Armed Forces (including National Guard or Reserves) of the United States, with a serious injury or illness incurred in the line of duty for which the Servicemember is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list; or (2) a “covered veteran” who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.

A “**covered veteran**” is an individual who was discharged under conditions other than dishonorable during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran. The period between October 28, 2009, and March 8, 2013, is excluded in determining this five-year period.

The FMLA definitions of “**serious injury or illness**” for current Servicemembers and veterans are distinct from the FMLA definition of “**serious health condition.**” For purposes of Military-Related FMLA Leave, the term “serious injury or illness” means an injury or illness incurred by the Servicemember in the line of duty while on active duty in the Armed Forces that may render the Servicemember medically unfit to perform the duties of the Servicemember’s office, grade, rank, or rating, or one that existed before the beginning of active duty and was aggravated by service in the line of duty while on active duty.

With regard to covered veterans, the serious injury or illness may manifest itself before or after the individual assumed veteran status, and is: (1) a continuation of a serious injury or illness that was incurred or aggravated when the covered veteran was a member of the Armed Forces and rendered the Servicemember unable to perform the duties of the Servicemember’s office, grade, rank or rating; (2) a physical or mental condition for which the covered veteran has received a VA Service Related Disability Rating (VASRD) of 50 percent or greater and such VASRD rating is based, in whole or in part, on the condition precipitating the need for caregiver leave; (3) a physical or mental condition that substantially impairs the veteran’s ability to secure or follow a substantially gainful occupation by reason of a disability or disabilities related to military service or would be so absent treatment; or (4) an injury, including a psychological injury, on the basis of which the

covered veteran has been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

**“Qualifying exigencies”** include activities such as short-notice deployment, military events, arranging alternative childcare, making financial and legal arrangements related to the deployment, rest and recuperation, counseling, parental care, and post-deployment debriefings.

### **Military Caregiver Leave**

Unpaid Military Caregiver Leave is designed to allow eligible employees to care for certain family members who have sustained serious injuries or illnesses in the line of duty while on active duty. The family member must be a “Covered Servicemember,” which means: (1) a current member or veteran of the Armed Forces, National Guard or Reserves, (2) who is undergoing medical treatment, recuperation, or therapy or, in the case of a veteran, who was a current member of the Armed Forces, National Guard or Reserves, who was discharged or released under conditions other than dishonorable at any time within five years prior to the treatment which an eligible employee requests; is otherwise in outpatient status; or is otherwise on the temporary disability retired list, (3) for a serious injury or illness that may render current member medically unfit to perform the duties of the member’s office, grade, rank, or rating. Military Caregiver Leave is not available to care for Servicemembers on the *permanent* disability retired list. Serious injury or illness specifically includes, but is not limited to, aggravation of a preexisting condition while in the line of duty.

To be eligible for Military Caregiver Leave, you must be a spouse, son, daughter, parent, or next of kin of the Covered Servicemember. “Next of kin” means the nearest blood relative of the Servicemember, other than the Servicemember’s spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the Servicemember by court decree or statutory provisions; brothers and sisters; grandparents; aunts and uncles; and first cousins; unless the Servicemember has specifically designated in writing another blood relative as their nearest blood relative for purposes of Military

Caregiver Leave. You must also meet all other eligibility standards as set forth within the FMLA Leave policy above.

An eligible employee may take up to 26 workweeks of Military Caregiver Leave to care for a Covered Servicemember in a “single 12-month period.” The “single 12-month period” begins on the first day leave is taken to care for a Covered Servicemember and ends twelve months thereafter, regardless of the method used to determine leave availability for other FMLA-qualifying reasons. If you do not exhaust your twenty-six (26) workweeks of Military Caregiver Leave during this “single 12-month period,” the remainder is forfeited.

Military Caregiver Leave applies on a per-injury basis for each Servicemember. Consequently, an eligible employee may take separate periods of caregiver leave for each and every Covered Servicemember, and/or for each and every serious injury or illness of the same Covered Servicemember. A total of no more than 26 workweeks of Military Caregiver Leave, however, may be taken within any single 12-month period.

Within the “single 12-month period” described above, an eligible employee may take a combined total of 26 weeks of FMLA leave including up to 12 weeks of leave for any other FMLA-qualifying reason (i.e., birth or adoption of a child, serious health condition of the employee or close family member, or a qualifying exigency). For example, during the “single 12-month period,” an eligible employee may take up to 16 weeks of FMLA leave to care for a Covered Servicemember when combined with up to ten weeks of FMLA leave to care for a newborn child.

An employee seeking Military Caregiver Leave may be required to provide appropriate certification from the employee and/or Covered Servicemember and completed by an authorized health care provider within 15 days. Military Caregiver Leave is subject to the other provisions in our FMLA Leave Policy (requirements regarding employee eligibility, appropriate notice of the need for leave, use of accrued paid leave, etc.). Military Caregiver Leave will be governed by, and handled in accordance with, the FMLA and applicable regulations, and nothing within this policy should be construed to be inconsistent with those regulations.

### **Qualifying Exigency Leave**

Eligible employees may take unpaid “Qualifying Exigency Leave” to tend to certain “exigencies” arising out of the duty under a call or order to active duty of a “covered military member” (*i.e.*, the employee’s spouse, son, daughter, or parent). Up to 12 weeks of Qualifying Exigency Leave is available in any 12-month period, as measured by the same method that governs measurement of other forms of FMLA leave within the FMLA policy (with the exception of Military Caregiver Leave, which is subject to a maximum of 26 weeks of leave in a “single 12-month period”). The maximum amount of “Qualifying Exigency Leave” an employee may utilize to bond with a military member on short-term, temporary rest and recuperation during deployment is 15 days.

Although Qualifying Exigency Leave may be combined with leave for other FMLA-qualifying reasons, under no circumstances may the combined total exceed 12 weeks in any 12-month period (with the exception of Military Caregiver Leave as set forth above). The employee must meet all other eligibility standards as set forth within the FMLA policy.

Persons who can be ordered to active duty include active and retired members of the Regular Armed Forces, certain members of the retired Reserve, and various other Reserve members including the Ready Reserve, the Selected Reserve, the Individual Ready Reserve, the National Guard, state military, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard, Air Force Reserve, and Coast Guard Reserve.

A call to active duty refers to a *federal* call to active duty, and *state* calls to active duty are not covered unless under the order of the President of the United States pursuant to certain laws.

Qualifying Exigency Leave is available under the following circumstances:

- Short-notice deployment. To address any issue that arises out of short notice (within seven days or less) of an impending call or order to active duty.
- Military events and related activities. To attend any official military ceremony, program, or event related to active duty or a call to active-duty status or to attend certain family support or assistance programs and informational briefings.

- Childcare and school activities. To arrange for alternative childcare; to provide childcare on an urgent, immediate need basis; to enroll in or transfer to a new school or daycare facility; or to attend meetings with staff at a school or daycare facility.
- Financial and legal arrangements. To make or update various financial or legal arrangements; or to act as the covered military member's representative before a federal, state, or local agency in connection with service benefits.
- Counseling. To attend counseling (by someone other than a health care provider) for the employee, the covered military member, or for a child or dependent when necessary, as a result of duty under a call or order to active duty.
- Temporary rest and recuperation. To spend time with a covered military member who is on short-term, temporary rest and recuperation leave during the period of deployment. Eligible employees may take up to 15 days of leave for each instance of rest and recuperation.
- Post-deployment activities. To attend arrival ceremonies, reintegration briefings and events, and any other official ceremony or program sponsored by the military for a period of up to 90 days following termination of the covered military member's active-duty status. This also encompasses leave to address issues that arise from the death of a covered military member while on active-duty status.
- Mutually agreed leave. Other events that arise from the close family member's call or order to active duty, provided that the Company and the employee agree that such leave qualifies as an exigency and agree to both the timing and duration of such leave.

An employee seeking Qualifying Exigency Leave may be required to submit appropriate supporting documentation in the form of a copy of the covered military member's active duty orders or other military documentation indicating the appropriate military status and the dates of active duty status, along with a statement setting forth the nature and details of the specific exigency, the amount of leave needed and the employee's relationship to the military member, within 15 days. Qualifying Exigency Leave will be governed by, and handled in



accordance with, the FMLA and applicable regulations, and nothing within this policy should be construed to be inconsistent with those regulations.

### **Bereavement Leave**

Full-time employees are eligible to receive paid bereavement leave in the event they miss regularly scheduled workdays due to the death or funeral of a member of the employee's family as follows:

- Up to five (5) days for an immediate family member which includes your spouse, registered domestic partner, children, stepchildren, registered domestic partner's children, parents, grandchildren, brother or sister.
- Up to two (2) days for your spouse's parents, your registered domestic partner's parents, or grandparents.

Employees who are notified of a death in their immediate family while at work will be paid for the remainder of the scheduled hours that day. The two- or five-day eligibility for paid bereavement leave will not commence until the next regularly scheduled workday which is lost. All time off in connection with the death of an immediate family member, as defined above, should be scheduled with your supervisor.

### **COBRA**

Full-time employees who leave CCSA for any reason, other than for gross misconduct, may extend their medical coverage for themselves and their immediate family members as a result of certain Qualifying Events.

Qualifying Events are events that cause an individual to lose their group health coverage. The type of qualifying event determines who the qualified beneficiaries are for that event and the period of time that a plan must offer continuation coverage. The following are qualifying events for covered employees if they cause the covered employee to lose coverage:

- Termination of the employee's employment for any reason other than gross misconduct.

- Reduction in the number of hours of employment.

The following are Qualifying Events for the spouse and dependent child of a covered employee if they cause the spouse or dependent child to lose coverage:

- Termination of the covered employee's employment for any reason other than gross misconduct.
- Reduction in the hours worked by the covered employee.
- Covered employee becomes entitled to Medicare.
- Divorce or legal separation of the spouse from the covered employee.
- Death of the covered employee.

In addition to the above, the following is a qualifying event for a dependent child of a covered employee if it causes the child to lose coverage:

- Loss of dependent child status under the plan rules. Under the Patient Protection and Affordable Care Act, plans that offer coverage to children on their parents' plan must make the coverage available until the adult child reaches the age of 26.

If an employee elects to use COBRA, they must notify CCSA in writing within sixty (60) days of the Qualifying Event. The participating employee is required to pay 100% of the premium as well as 2% administrative fee.

All premiums must be pre-paid for each month of extended coverage. Failure to pre-pay the premium will result in the termination of the medical insurance coverage. Coverage will also be terminated or if the employee become eligible for coverage under another group medical insurance plan. All requests to terminate coverage must be submitted to CCSA in writing.

### **Employee Orientation and Training**

The future of CCSA is in the hands of its employees. Employees must be given all of the necessary tools to make them successful. One key tool is training: the initial training and on-going continuing education. The management team is responsible for ensuring that all

employees complete their orientation and the required training for their position before starting work as well as their annual continuing education requirements.

A new employee orientation for employees will be scheduled within the month prior to each new hire date. Orientation will comprehensively cover the structure and general functioning of CCSA and its management team, which employee positions cover which areas of the facility, who supervises whom, how to properly transmit information through CCSA communication channels, inter-organizational policies and procedures, and all specific rules or regulations CCSA's personnel will be subject to, among others. Employees will receive all applicable training as part of their employee orientation program as well as re-trainings, as necessary. Orientation is a formal welcoming process that is designed to make the new employee feel comfortable, informed about CCSA and the company vision, and be best prepared for their new position. New employee orientation is conducted by a management representative and includes an overview of CCSA history, an explanation of the company core values, vision, and mission, and company goals and objectives. In addition, the new employee will be given an overview of employee benefits, tax, and legal issues, and complete any necessary paperwork.

Employees are presented with all codes, keys, and procedures needed to navigate within the facility. The new employee's supervisor then introduces the new hire to CCSA's existing staff throughout the company's, reviews the new employee's job description, explains the company's evaluation procedures and helps the new employee get started on their specific duties and functions.

After attending their orientation, the employee will begin the Medical Cannabis foundations training program provided on the AMCC website. Immediately thereafter, they will be trained on CCSA's policies and procedures.

All employees must complete AMCC's Medical Cannabis foundations training program before starting work with CCSA. Each employee must also complete at least ten (10) hours of continuing education on Medical Cannabis education and no less than five (5) hours of safety

training each year.<sup>i</sup> This training will be conducted by CCSA management and/or Certified Dispensers.

All employees who will interact with the patient registry, AMCC website, or seed-to-sale tracking system will also have to go through pre-employment IT certification for each database with which they must interact, demonstrating their proficiency in respect to those databases. This training will be provided by the third-party IT provider for the specific database they are being trained on.

Upon completion of each employee's training, management will ensure each employee has a firm understanding of Medical Cannabis education and safety, the Alabama Medical Cannabis Act, AMCC regulations, CCSA's Standard Operating Plan and Procedures, CCSA's Policies and Procedures Manual, and this handbook before they start work.

### **Owners and Management Training**

In addition to AMCC's Medical Cannabis training course, all CCSA's owners, officers, administrators, members of the management team, supervisors, and any other salaried employees will complete at least twenty (20) hours of annual continuing education, with no less than five of these hours from courses regarding safety of Cannabis and Medical Cannabis for any individuals who will have direct contact with Cannabis or Medical Cannabis as part of their job duties.

### **Certified Dispenser Training**

Our Certified Dispensers will manage the day-to-day operations at each Dispensary Facility, and as such will be responsible for training other Dispensary Facility employees. In addition to the continuing education requirements for all full and part-time employees, CCSA's Certified Dispensers must also undergo at least ten (10) hours of continuing education approved by the AMCC to address proper dispensing procedures, proper dispensing procedures, including the requirements of the Alabama Medical Cannabis Act, prevention of abuse and diversion of Medical Cannabis, and other topics related to public health, safety and good business practices relating to Cannabis, Medical Cannabis and the dispensing thereof.<sup>ii</sup>

Certified Dispensers will impart this knowledge onto other dispensary employees as part of their training.

### **Training Records**

The Human Resources Department will keep records of all employee training and continuing education and make them available at the time of AMCC inspection. Certificates of completion from all required training and continuing education courses must be signed by the employee who completed the training and the supervisor responsible for overseeing the training. CCSA will keep copies of all employees' certificates of completion for at least three (3) years and must be provided electronically at any time upon AMCC's request

### **Employee Safety Plan and Procedures**

CCSA is committed to safety of all patients and employees. Our employees will not perform a service or sell Medical Cannabis, unless it can be done in a safe manner. To this end, employees should put safety first in all of their daily activities and/or duties with concern for the safety of their patients, fellow employees and the public. Disregard of any safety rule and regulation may result in disciplinary action, including termination of employment.

CCSA is committed to providing a safe place to work, the proper protective equipment, safety training and counseling, and a work environment contributing to safe practices and policies by identifying and eliminating unsafe acts through immediate corrective action. Our Employee Safety Plan, demonstrating compliance with parallel OSHA standards applicable to similar types of businesses, is detailed in our Policies and Procedures Manual.<sup>iii</sup>

It is the responsibility of each supervisor to see that every employee is provided with safe working conditions, all safety regulations are observed, and employees use good common sense to protect themselves as well as others.

Managing and working with a commitment to safety will contribute to the improved efficiency of our operations; ensure the future success and prosperity of our employees, patients, CCSA, and the community.

## **Safety Rules**

It is our policy to promote safety on the job. The health and well-being of our employees is foremost among CCSA's concerns. For this reason, employees are urged to follow common sense safety practices and correct or report any unsafe condition to your supervisor. Each employee is expected to assist CCSA in maintaining safe working conditions. Safety is a state of mind and requires constant vigilance and common sense. Safety is everyone's responsibility. Remember: SAFETY FIRST.

All accidents, including those which do not involve serious injury and those involving customers, must be reported immediately to a supervisor. It is only through full knowledge of every accident that CCSA can become a safer, healthier place to work for everyone.

Besides the following listed safety rules, employees should make themselves familiar with their workplace and check if there are any additional special safety rules in their designated work area.

- First aid supply kits are provided in the work area. It is the responsibility of the supervisors to make sure that the kits remain well stocked.
- Know where the fire extinguishers are located and how to use them.
- Review the emergency evacuation plan for your work area and know where the emergency exits are located in the event vision is impaired during an evacuation.
- All defective materials or tools must be brought to the attention of the supervisor and not remain on the job.
- Wear clothes that are suited for the job.
- Practice good housekeeping. Keep work areas clean and free from hazards.
- Learn to lift the correct way. Bend knees. Keep back erect. Get help with heavy loads.
- Employees must be sure that their actions do not endanger patients, other employees or damage company or personal property.
- Do not attempt to operate special machinery or equipment without permission or instructions.

## **Weapons in the Workplace**

CCSA strictly prohibits all employees from possessing any weapons of any kind (concealed or otherwise) at the workplace, while engaged in activities for CCSA, while performing deliveries on the behalf of CCSA, and at company-sponsored events. This prohibition extends to all places whatsoever on company premises (including but not limited to lockers, desks, toolboxes, purses, briefcases, packages, outdoor areas, etc.) and to personal vehicles used on company business or brought onto CCSA's premises (including company parking areas).

- Prohibited weapons include, but are not limited to, the following:
- Guns (including air guns, pellet or "BB" guns, and Tasers).
- Knives (including switchblades, daggers, and swords).
- Explosives.
- Nightsticks.
- Any object defined as a dangerous weapon by state or federal law.
- Any item with the potential to inflict harm that has no common purpose.

This list is illustrative only, and not exhaustive. CCSA prohibits employees from possessing any weapon at the workplace, regardless of whether the employee has a concealed weapons permit or is otherwise authorized by law to possess, carry, or use the weapon.

Violating this policy may result in discipline, up to and including termination of employment.

For purposes of this policy, the workplace is defined to include CCSA's building[s], outdoor areas, employer-owned/leased vehicles, parking lots/garages, and personal vehicles used to perform delivery services.

Employees may not transport or store any firearms in employer-owned/leased and/or their personal vehicles (while on/in company property/areas designated as the workplace), even if the employee has a valid permit or is legally authorized to carry a firearm. An employee who is prohibited by state or federal law from possessing or carrying a firearm may not store any firearm in their vehicle while parked in the company's parking lot / garage or on company property.

Employees may have pepper spray in their personal possession while not on CCSA's premises or in CCSA's facilities, if they chose, so long as they do so lawfully and do not use pepper spray in the course of performing their employment duties with the company.

### **Safety Equipment**

If needed, CCSA will provide employees with safety equipment. This safety equipment (e.g., gloves) must be worn on the job, as safety requires. This equipment should be signed for by the employee and replaced at their expense if lost or stolen. Replacement should be provided if the equipment is shown to be defective.

### **Company Tools**

CCSA will furnish all necessary tools and equipment to complete job assignments. Each employee is reminded that all items purchased by CCSA must remain the property of CCSA. It is the responsibility of the employee, to whom tools and equipment are assigned, to maintain and safeguard these assets as if they were their own personal property. It is the policy of CCSA to hold the individual responsible for small tools and equipment lost, stolen, or damaged through negligence.

A periodic inventory of tools and equipment is made and kept in the Dispensary Facility's office. When leaving a work area, it is recommended that all tools that cannot be secured in locked storage be removed from the work area.

### **Emergency Procedures**

Employee health and safety is of utmost concern to CCSA. As such, we have implemented emergency procedures designed to allow for the quick response of appropriate personnel during emergency situations. Our comprehensive Emergency Procedures and Disaster Plan, detailing the steps CCSA will take to ensure the safety of employees and others on the premises, the preservation of 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 patients, is included in our Policies and Procedures Manual.

### **Emergency Closing**

At times, emergencies such as severe weather, fires, or power failures can disrupt operations. In extreme cases, these circumstances may require the closing of a Dispensary Facility. The decision to close or delay regular operations will be made by management. When the decision is made to close the office, employees will receive official notification from their supervisors.

### **Inclement Weather Policy**

In the event of inclement weather, employees are still expected to show up on time for their scheduled shift. If there is a change in this policy due to safety concerns related to weather, a supervisor will notify employees that are scheduled to work that day.

### **Medical Emergencies**

In the event that an employee requires medical attention due to injury or illness while at work, the Certified Dispenser on duty should dial 911 for assistance.

If an emergency arises, other than a workers' compensation incident, that requires an emergency medical service to evaluate the injury/illness of an employee at a medical facility, the employee will be responsible for any charges incurred for transportation in an ambulance and other related costs. No CCSA employee will be responsible for transporting another employee to an emergency facility, due to safety and liability issues.

Upon recovery, a physician's "permission to work" notice may be required prior to the employee's return to work.

### **Fire Prevention**

CCSA considers employee health and safety of utmost importance. As such, CCSA requires that all employees be aware of the location of fire extinguishers within their respective departments and follow the guidelines set forth within this policy

- Heat producing equipment such as burners, heat exchangers, boilers, ovens, stoves, fryers, etc., must be properly maintained and kept clean of accumulations of flammable residues; flammables are not to be stored close to this type of equipment.
- Smoking tobacco or any other substance is prohibited on CCSA property.
- Open containers of flammable liquids are prohibited, and proper chemical storage is required at all times.
- Exits are to be kept clear at all times.
- All employees must be aware of all evacuation routes and exits. Any employee unaware of the closest exit should consult their supervisor.

In the case of a fire, employees should immediately:

- Dial 911 or the local fire department.
- Contact a supervisor and evacuate all employees from the area.
- If it's a small fire, locate the nearest fire extinguisher and attempt to extinguish the fire.
- If it's a large fire, immediately leave the area and make no attempts to fight the fire.
- Upon their arrival, direct the fire department crew to the fire; do not re-enter the building unless directed to do so by the fire department.

### **Hazard Communication**

In accordance with the Occupational Safety and Health Act (“OSHA”), CCSA’s Hazard Communication Policy provides for the right of both employees and employers to know of any potential dangers to health or physicality in the workplace.

Every chemical used at CCSA is evaluated with regard to its potential physical and health hazards. All known chemical hazards are revealed to employees through the manufacturer’s Material Safety Data Sheet (“MSDS”), or if the chemical was created CCSA’s premises, through

an MSDS created by the individual mixing the chemicals. Chemical inventories as well as all MSDS forms are kept in every department with chemical substances present.

In addition, all containers of hazardous chemicals are labeled to reflect the identity of the chemical, the hazard warning, and the name and address of the chemical manufacturer. Chemicals will be stored in spill-proof bottles or containers.

All employees are required to participate in training regarding CCSA's Hazard Communication standard. Employees with responsibilities that require the routine use of handling of potentially hazardous chemicals are required to participate in additional training conducted by their supervisor.

### **Hazardous Materials**

All employees are responsible for reporting safety concerns and potential hazards. Each employee is expected to obey safety rules and exercise caution and common sense in all work activities. Employees must immediately report any unsafe conditions to their supervisor. Employees who violate safety standards; cause hazardous or dangerous situations; or fail to report or, where appropriate, remedy such situations may be subject to disciplinary action, up to and including termination of employment.

Employees cleaning up hazardous materials must do so in accordance with operation procedures in cleaning hazardous materials. When cleaning hazardous materials, use the hazardous materials kit.

In the case of an accident that results in injury, regardless of how insignificant the injury may appear, employees must notify their supervisor.

### **Hazardous Waste**

There are a variety of safety provisions that regulate the management, storage, and disposal of hazardous waste. CCSA fully complies with all of these regulations to ensure the safety and health of our employees, clients, and patients.

For the purposes of this policy, "hazardous waste" is defined as any substance no longer in use with chemical and/or biological properties that may harm or endanger employees, material, or the environment if handled improperly.

Employees should ensure that as little hazardous waste is generated as possible. When using hazardous material, use sparingly and carefully in accordance with CCSA's chemical use and storage policies.

Employees are not to use plumbing systems to dispose of hazardous waste, regardless of whether or not they are "chemically resistant." Each department containing hazardous chemicals is equipped with appropriate disposal containers, labeled for each type of waste. Different types of chemicals waste must be segregated in order to avoid unnecessary mixing. Regular trash containers are not to be used to dispose of such waste.

### **Chemical Storage**

Chemical toxins pose a substantial risk to employees in the workplace and may cause injuries or fatalities if handled incorrectly. CCSA recognizes this and intends to defend the safety of all our workers by requiring employees to follow the guidelines set forth in this policy.

All chemicals must be stored in original labeled containers or bottles and must be placed only in authorized storage areas. Furthermore, all chemicals must be stored by category and apart from one another to prevent unplanned blending.

For further information on storing chemicals, employees should see the MSDS, which are found in authorized storage areas. In the event a leak of unknown origin is discovered in the storage area, the employee should alert their supervisor as soon as possible to determine severity and whether evacuation is necessary.

Employees of CCSA are expected to recognize and identify the risk of carelessness in chemical storage and use preventive measures to assure the health and safety of every team member.

### **Material Safety Data Sheets (MSDS)**

CCSA considers employee health and safety to be of utmost importance. As such, in accordance with our Hazard Communication standard, we ensure that all departments containing hazardous chemicals are equipped with Material Safety Data Sheets (“MSDS”). An MSDS is a detailed informational document prepared by the manufacturer or importer of a hazardous chemical describing the physical and chemical properties of the material and its potential hazards.

The MSDS includes the following information:

- The identity of the hazardous components of the chemical.
- The health and physical hazards of the chemical.
- Protective measures and equipment to be used if exposed to the chemical.
- Appropriate method(s) of disposal.
- Manufacturer's contact information.

### **Reporting Injuries and Accidents**

Employees must advise management of all accidents, injuries, or illnesses that occur while at work. All accidents, injuries or illnesses that occur while at work must be reported immediately no matter how slight they may appear. Failure to report these occurrences may be cause for disciplinary action. CCSA is committed to a safe work environment for all employees. Employees must report any unsafe practices or conditions to their supervisor or the Human Resources Department.

If an employee is injured on the job, no matter how minor, they must immediately report this fact to their supervisor and the Human Resources Department and then follow these steps:

- If the injury or accident requires medical attention; seek medical attention immediately via ambulance, taxi or personal delivery.

- Complete an incident report within 24 hours of the incident occurrence.
- Supply CCSA with any medical restrictions or accommodation needed to achieve the requirements of the position.

### **Crime Prevention Policies and Techniques**

The safety of our employees, patients and their caregivers is our highest priority. As such, CCSA has devised the following policies to limit the occurrence of crime at our Dispensary Facilities. In addition, CCSA maintains a Criminal Activity Plan, detailing the steps to be undertaken in the event of discovery of criminal activity related to Medical Cannabis within the possession and control of the licensee and accounting 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 Medical Cannabis, and the reasonable efforts to maintain access to Medical Cannabis by those who depend on it, included in our Policies and Procedures Manual.<sup>iv</sup>

Through the implementation of the following techniques and policies, CCSA will ensure the chance of crime occurring on our premise is as low as possible.

### **Employee Identification Requirements**

In order to prevent unauthorized individuals from entering the premises and protect the welfare of our patients, employees, and resources of CCSA it is company policy – as well as a requirement under Alabama law – to require our employees to wear an identification badge that clearly identifies them as an employee while on duty. An employee of CCSA must keep their employee identification card visible at all times while present on any CCSA property and while performing their job duties.

### **Robbery Policy**

If an employee is ever confronted with a hold-up, they are required to comply with the orders of the robber. Employees are urged not to take any chances in disobeying the individual; doing so could put their life in jeopardy.

If ever in a robbery situation employees must use the duress panic and hold-up alarms located near the reception areas and ingress and egress points in order to alert the authorities.<sup>v</sup> Note that the duress panic and hold-up alarms can be used to report any suspicious activity believed to put employees or the facility at risk.

Once the individual has left the premises, employees must lock themselves inside the facility and call the police. Only after calling the police, should employees call their supervisor. After notifying both the police and their supervisor(s), employees must write down details of the robber, including: his or her appearance, features, dress, and voice.

The premise will remain closed until after the authorities have arrived and fully investigated the incident.

### **Patient Theft Prevention**

Dispensary employees are not to leave product unattended within reach of patients. Patient theft of product will not be tolerated. If an employee witnesses a theft, they should politely ask the patient to place the item back on the counter until the purchase has been made. If this is not possible, employees should immediately ask for a Certified Dispenser's assistance.

The Certified Dispenser on duty will assess the situation based on the amount stolen, whether or not the patient returned the product, the camera footage, witness accounts, etc. and determine the best course of action, up to and including reporting the incident to law enforcement. Certified Dispensers must bear in mind the safety of all people inside the building when deciding to confront a patient at the time of the incident.

Patient theft will result in a patient being permanently blacklisted from all CCSA Dispensary Facilities. The Certified Dispenser will relay all necessary information to the patient in question as well as CCSA management to ensure each Dispensary Facility's Certified Dispensers are aware of the blacklisted individual.

### **Employee Theft Prevention**

CCSA values honest and ethical business practices. Any theft of CCSA's products, equipment, services, or cash will not be tolerated. This includes unauthorized distribution of Medical Cannabis at "no charge" or at a discount not authorized by management.

CCSA will not tolerate falsifying or misrepresenting any information including, but not limited to, time worked, expense reports, check requests, invoices, and insurance claims.

In protecting the assets of CCSA as well as employees' personal property, all employees will be required to follow the theft prevention guidelines included herein. Theft prevention cannot be handled in a constructive manner unless all employees make it their responsibility to protect company assets.

CCSA will take all appropriate measures to protect employee and company assets, including but not limited to:

- Utilizing access controls, an alarm system, and electronic surveillance system.
- Conducting regular audits of company assets.
- Limiting access to supply and storage areas.
- Searching employee work areas at management's discretion.
- Requiring written management approval for removing company property from company premises.
- Thoroughly investigating all suspected thefts.
- Strictly enforcing all policies relating to the opening and closing of CCSA facilities.

### **Workplace Investigations**

CCSA reserves the right to use any lawful method of investigation which, in its sole discretion, it deems reasonable and necessary to determine whether an employee has engaged in conduct warranting disciplinary action.

Whenever CCSA has reason to believe an employee has stolen from the company or from another employee, an investigation will take place. When this occurs, the employee will be notified that they are under investigation. Management reserves the right to suspend



employees pending the results of an investigation and will use its discretion in making such a decision.

Any employee who is asked by management to submit to such a search or investigation is to cooperate. Failure to do so may lead to discipline, up to and including termination of employment. In addition, providing falsified information during the course of an investigation may lead to discipline, up to an including termination of employment. The results of an investigation will be made available only to those employees with the need to have access to such information.

If it has been found that an employee has stolen from the company, a co-worker, or a patient, the employee will be subject to immediate termination and may face criminal charges.

All employees who know or observe improper or wrongful conduct are to contact their direct supervisor or any management-level employee. All supervisors have a responsibility to act on such information. All employees who fail to report improper or wrongful conduct, and supervisors who fail to act, are subject to discipline, up to and including termination of employment.

### **Access Controls, Alarm System, and Video Surveillance to Prevent Criminal Activity**

CCSA will implement strict access controls to protect areas where Medical Cannabis is handled or stored. Only certain employees will have access to Medical Cannabis storage rooms through electronic keycard access. Twenty-four-hour alarm systems will also be installed in all areas where Medical Cannabis is present and will secure all entry points and perimeter windows, be equipped with motion detectors and pressure switches, and will cover all areas where Medical Cannabis is delivered, received, handled, stored, prepared, dispensed, or sold.

Additionally, CCSA will feature state-of-the-art video surveillance equipment designed to minimize theft and to identify persons engaged in theft or criminal activity while on CCSA property. CCSA will maintain an audio/video surveillance system that is in continuous

operation 24 hours per day. Recording devices will be fixed in place covering both the interior and exterior of the facility, in such quantity and at such resolution as to 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 Medical Cannabis is delivered, received, handled, stored, prepared, dispensed, or sold. Audio recordings will clearly and accurately capture sound within camera range at a level of 20 decibels or greater.<sup>vi</sup>

Through the implementation of such stringent security policies, CCSA significantly decreases the risk of criminal activity on behalf of our employees or patients.

### **Entering and Exiting the Building**

CCSA employees are required to enter and exit the building using the employee entrance. Records of all employees who enter and exit the premises, including the employee's name, date, and time of ingress and egress, will be kept electronically and/or manually for a minimum of two years.<sup>vii</sup>

Employees entering the building without their employee identification card will be asked to get it prior to beginning work and may be subject to discipline, up to and including termination of employment.

The last employee to leave the building at the end of the day is responsible for appropriately securing the facility and turning off all lights.

### **Searches and Inspections**

To safeguard the physical wellbeing of our employees, the property of our employees, our patients and the company, CCSA reserves the right to question employees and other persons entering and leaving our premises. Entry onto CCSA's premises constitutes consent to searches or inspections.

This process includes the inspection of items such as packages, parcels, personal items or other possessions or articles carried to and from CCSA property. At no time is any bag, backpack, or purse larger than eight inches x eight inches in allowed onto CCSA property. In addition, CCSA reserves the right to search company property that is used by the employees, such as an employee's locker, office, desk, files, computer, E-mail, voicemail, and internet files. Inspections may be conducted at any time at the discretion of CCSA.

Management reserves the right to conduct without notice searches and inspections of employees, employees' personal belongings or employer-provided materials/equipment. This includes, but is not limited to, such things as vehicles, purses, bags, backpacks, lunch containers, lockers, desks, personal computer files and file drawers. Any illegal and unauthorized articles discovered may be taken into custody and may be turned over to law enforcement representatives.

A company-initiated search does not necessarily imply an accusation of theft or that an employee has broken a rule. Employees refusing to cooperate with or submit to a search will be subject to disciplinary action up to and including termination.

### **Visitors in the Workplace**

To ensure the safety and security of CCSA and its employees, only authorized visitors, including AMCC members, inspection personnel, or other representatives, are permitted on the premise.

All visitors must enter through the main reception area and sign in and out on the visitor sign in sheet at the front desk. All visitors are also required to wear a "visitor pass" or "AMCC Official" pass, as applicable, at all times while on CCSA property. Authorized visitors will be escorted to their destination and must be accompanied by a representative of CCSA at all times. Records of visitors' name, date, time of ingress and egress, and reason for their presence will be kept for a minimum of two (2) years.

### **Cash Handling**

CCSA has enacted cash handling procedures in order to account for all monies received by CCSA. These internal controls are necessary in order to prevent the mishandling of funds and to safeguard against loss. For purposes of this policy, "cash" is defined as: coin, currency, checks, money orders, and credit card transactions.

All employees collecting funds on behalf of CCSA must abide by the following cash handling procedures:

- Funds must be adequately safeguarded at all times (i.e., kept in a safe, locked cabinet, or locked drawer) in order to reduce the risk of loss or misuse. Access is to be restricted to authorized employees only.
- When collecting funds in person, employees are to issue patients a receipt for every purchase.
- Checks received are to be made payable to CCSA and must accompany a valid driver's license.
- Checks and money orders will be restrictively endorsed immediately upon receipt.
- Voided receipts or transactions must be approved by a supervisor and all copies of the voided receipt are to be retained.
- No funds administered by CCSA will be used for articles or services which are for employees' personal use.
- Personal checks will not be cashed for employees.

All CCSA employees handling cash must have both an awareness of and show a commitment to strong internal controls. All CCSA funds will be reviewed periodically to assist in maintaining proper accountability and internal control.

Employees found to have violated this policy will be subject to disciplinary action, up to and including termination of employment.

### **Technology and Information**

#### **Computer, Email, and Internet Usage**

CCSA will provide employees with the equipment necessary to perform their job duties. None of this equipment should be used for personal use, nor removed from the physical confines of CCSA's premises unless it is approved in advance by their supervisor for a job that specifically requires use of company equipment outside the physical Dispensary Facility.

CCSA's property, including computers, phones, electronic mail, and voice mail, should be used only for conducting company business. Incidental and occasional personal use of company computers, phones, or electronic mail and voice mail systems is permitted, but information and messages stored in these systems will be treated no differently from other business-related information and messages.

### **Use of the Internet**

Use of the internet must solely be for business purposes and must not interfere with employee productivity. Internet use must not disrupt the operation of the company network or the networks of other users. Employees are responsible for using the Internet in a manner that is ethical and lawful.

Employees are not permitted to visit websites or send electronic mail that contains ethnic slurs, racial epithets, or anything that may be construed as harassment or disparagement of others based on their sex, race, national origin, age, disability, religion, genetic information, creed, ancestry, sexual orientation, transgendered status, or any other status protected by state or local law.

### **Email and Other Forms of Electronic Communication**

Any email provided to employees should be used only for official company business. Incidental and occasional personal use of email is permitted. However, employees should be aware that these messages will be treated the same as business messages and subject to review at any time without notice. Also, employees cannot control where their messages will ultimately land. For example, a message meant for one person can be mistakenly sent to the wrong individual(s), or the message can be forwarded to unintended recipients. In addition, emails that were deleted may be stored elsewhere on the system.

CCSA will utilize WhatsApp for easy access to group chat. Employees should download the app on their cell phone and ensure that they are included in the appropriate groups. WhatsApp messaging can be used to communicate with your supervisor or other employees as needed. This platform should be used to help solve problems that may arise on a day-to-day basis and to notify colleagues of important business-related issues. Employees should use discretion when sending emails or WhatsApp messages. Do not write anything that is inappropriate.

### **Cell Phones**

Personal cell phones are not to be used for private or personal use during work hours. Employees are not permitted to receive personal phone call except in case of an emergency. Cell phones are not to be carried during work hours. All employees, except the Certified Dispenser on duty, are required to leave their cell phones either in their car or in the back office. Repeated use of cell phone during work hours may lead to disciplinary action up to termination.

### **Media Inquiries**

If inquiries regarding CCSA are made from outside the company, particularly from the press, employees should not respond. Employees should direct all such questions to their supervisor and the Human Resources Department.

When media calls, it is not appropriate to answer questions about the business without express permission from the management team. Employees should remember to be polite and respectful when handling outside inquiries. Employee conduct is a direct reflection of CCSA.

### **Obligating the Company**

Only authorized persons may purchase supplies or enter any contractual obligation on behalf of CCSA. No employee whose regular duties do not include purchasing shall incur any

expense on behalf of CCSA or bind CCSA by any promise or representation without express written approval.

### **Social Media**

CCSA recognizes that the internet provides unique opportunities to participate in interactive discussions and share information on particular topics using a wide variety of social media, such as Facebook, LinkedIn, Twitter, Instagram, Pinterest, Tumblr, blogs, etc. However, employees' use of social media can pose risks to the company's confidential and proprietary information, reputation, and brands, can potentially expose the company to discrimination and harassment claims, and can jeopardize CCSA's compliance with legal and/or financial laws and restrictions.

For purposes of this policy, social media includes technology that enables people to communicate over the Internet and share information. Examples include, but are not limited to, platforms such as LinkedIn, Facebook, Twitter, YouTube, and Instagram.

For performance, privacy and security reasons, personal use of social networking websites while at work is prohibited. All employees intending to utilize social networking or social media in connection with any business-related purpose must seek authorization from their supervisor.

Regarding social media, employees are prohibited from disseminating confidential information, including but is not limited to:

- Patient information, internal policies and procedures, product information, financial records, trade secrets or any other data that may be considered confidential.
- Employees are prohibited from bullying, harassing, and discriminating against coworkers or patients when posting information on social networking websites.
- If you identify yourself as an employee of CCSA, clearly state that views expressed are not those of the company.
- Be mindful of copyright and intellectual property rights of others and of CCSA.

- The company's logo and trademarks may not be used without express permission in writing from CCSA management.
- Do not disclose co-workers' personal information without their prior consent.

Violation of this policy may result in disciplinary action, up to and including termination of employment.



**Employee Handbook Acknowledgment of Receipt and Agreement**

By signing below, I acknowledge that I have received a physical or electronic copy of the CCS of Alabama LLC’s (“Company”) Employee Handbook and I will familiarize myself with its contents.

I acknowledge that nothing in the Employee Handbook creates or is intended to create a promise or representation of continued employment and that my employment, position, and compensation at the Company are at-will, shall be for no specific duration, and may be changed or terminated at the will of the Company. Both I and the Company have the right to terminate my employment at any time, with or without cause or prior notice. By signing below, I certify that I understand that employment at-will is the sole and entire agreement between myself and the Company concerning the duration of my employment and the circumstances under which my employment may be terminated. It supersedes all prior agreements, understandings, and representations (whether written or oral) concerning the duration of my employment with the Company and/or the circumstances under which my employment may be terminated. My employment-at-will status may only be changed in a written document signed by the COO of the Company.

**MY SIGNATURE BELOW ATTESTS TO THE FACT THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND TO ALL OF THE ABOVE TERMS.**

**DO NOT SIGN UNTIL YOU HAVE READ THE ABOVE ACKNOWLEDGMENT AND AGREEMENT.**

\_\_\_\_\_  
Print Full Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

[RETAIN IN EMPLOYEE PERSONNEL FILE]

**Employee Acknowledgement and Commitment to Code of Conduct and Ethics**

I, the undersigned employee, acknowledge that I have read and understand CCS of Alabama LLC's Code of Conduct and Ethics (the "Code"). I commit to following the guidelines and principles presented in the Code.

I understand that it is my ongoing responsibility to report any violation of the Code and to disclose any circumstances that may be an actual, potential or perceived conflict of interest, as defined in the Code.

I understand that there will be no retaliation for raising a concern of violation of the Code.

I understand that failure to follow the Code may have consequences, including termination of my employment and, potentially, the initiation of legal proceedings against me.

I understand the importance of understanding and complying with the Code and commit to reviewing the Code annually.

\_\_\_\_\_  
Employee's Printed Name

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

[RETAIN IN EMPLOYEE PERSONNEL FILE]

# Exhibit 23 – Quality Control and Quality Assurance Plan

## 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.

Vincent Schilleci III

Owner, Manager

\_\_\_\_\_  
Printed Name of Verifying Individual

\_\_\_\_\_  
Title of Verifying Individual

*Vincent Schilleci*  
\_\_\_\_\_  
Signature of Verifying Individual

12/21/2022  
\_\_\_\_\_  
Verification Date

## **Exhibit 23 – Quality Control and Quality Assurance Plan**

*Satisfaction of Plan: Completed*

### **Executive Summary**

**This Quality Control and Quality Assurance Plan discusses CCS of Alabama, LLC's ("CCSA") proactive quality assurance strategies that shape our company's operations. This includes our strict incoming product review and testing processes as well as our reactive protocols, such as internally auditing our quality assurance measures to continually test and strengthen the effectiveness of our larger quality efforts.** CCSA is uniquely positioned to provide the absolute highest quality of products and services to patients qualifying for Alabama's Medical Cannabis program. Our staff and executive leadership team are comprised of individuals with a proven history in medical cannabis dispensing operations and providing quality medical care. CCSA understands that being committed to quality is paramount to company culture; however, it's a value that can only be shared by the entire team when leadership sets the example. To that end, it is our promise to the state of Alabama that each owner, manager, and employee of CCSA will value and prioritize quality and our larger quality management program. This Quality Control and Quality Assurance Plan details CCSA's capability and commitment to providing qualified patients with high-quality Medical Cannabis and our proactive and reactive methods to ensure the safety, potency, stability, lifespan, and consistency of our offered Medical Cannabis as required by the Alabama Medical Cannabis Commission ("AMCC") and our internal standards.

### **Our Team's Commitment to Product Quality and Control**

#### **Executive Leadership**

Thanks to a strong and capable leadership team with experience across the medical industry and other closely-regulated industries, CCSA offers the AMCC a trusted and dependable partner in providing quality products to the nascent Medical Cannabis market in Alabama. The combined experience of CCSA's owners spans from the highly regulated alcohol wholesale industry to multi-state medical cannabis retail operations. Our owner and CEO, Matthew Hogan, currently serves as President and Chief Operating Officer of ATG

Distribution, a full-service alcoholic beverage wholesaler servicing Eastern and Central Alabama. In this role, Mr. Hogan oversees the distribution of alcoholic beverages across the state, working closely with Alabama regulators and business owners to ensure compliant distribution of highly-regulated products that require proven chain of custody and strict measures so as to prevent diversion, product loss, and youth access.

Our other owners, Ernest Craumer and Sandra Young, are partners and operators of existing medical cannabis retail facilities in Colorado, Louisiana, and Maryland. Mr. Craumer possesses years of executive leadership experience at dispensary facilities across several states, having served as the Chief Executive Officer of multiple, award-winning dispensaries in Colorado. In these executive roles, Mr. Craumer is ultimately responsible for product quality assurance and compliance at all the stores under his leadership. His partner, Ms. Young, currently oversees and directs daily operations at multiple other medical cannabis retail dispensaries. Ms. Young touts over half a decade of proven skill in medical cannabis compliance, ensuring only high-quality product is received, tested, and dispensed at facilities under her supervision. CCSA's ownership team is well-versed in the intricacies of quality control and quality assurance activities unique to the medical cannabis market. Further, our suitable experience conducting similar quality control activities in Alabama's highly-regulated alcohol distribution industry allows us to continually reassess our quality control of medical cannabis from a learned perspective, ultimately pushing us to further innovate of our quality control efforts.

#### Quality Assurance Oversight by Head of Pharmacy

CCSA's stringent quality assurance and quality control procedures, which includes inspection procedures for incoming Medical Cannabis and regular "health" checks of existing inventory, will be carried out under the supervision of our Head of Pharmacy, [REDACTED] [REDACTED] is the founder and CEO of a premier compound pharmacy in the city of [REDACTED], has nearly three decades of experience as a pharmacist, and owns four of the nine medical cannabis pharmacies currently operating in Louisiana. Having served the unique needs of terminally ill patients for decades, [REDACTED] is known and trusted to deliver high quality Medical Cannabis to qualifying patients in Louisiana. He is committed to

bringing that care and experience to the qualified patients and caregivers in the state of Alabama.

**23.1 – An overview of the steps to be taken in the dispensing process to provide high quality products and to ensure the safety, potency, stability, lifespan, and consistency among batches of the same product**

CCSA’s Medical Cannabis quality assurance program is a proactive, process- and procedure-oriented endeavor designed to prevent any Medical Cannabis quality issues at our Dispensing Facilities. Our quality control program is a piece of the larger quality assurance program, and our quality control actions “test” the quality assurance program to ensure all our team members carry out the program as designed. CCSA’s larger quality assurance program: (a) establishes the processes by which quality is managed throughout the Dispensary, including maintaining, regularly evaluating, and, as needed, updating quality assurance Standard Operating Procedures (“SOPs”); (b) documents daily quality assurance activities taken by the CCSA team, including product packaging and labeling checklists, inventory storage environmental logs, and product testing results; and (c) establishes initial and ongoing training requirements for CCSA team members regarding quality assurance and quality control methods. CCSA’s quality control activities include regular reactive auditing of our internal records and processes, as well as the Medical Cannabis we carry to validate the established proactive quality assurance program. CCSA’s quality assurance program guarantees Alabama’s patients are sold the highest quality Medical Cannabis which is safe, is the potency the product labeling indicates, is shelf-stable for the full lifespan of the product (as established by the product’s expiration date), and this quality of product is consistently available to patients.

**Product Quality & Safety in the Dispensing Process**

The first step in our proactive quality assurance process begins with our product’s suppliers. CCSA will only carry Medical Cannabis from reputable, licensed Processors and Integrated Facilities. For instance, if our Dispensaries receive product with identified packaging and labeling errors, the product’s supplier will receive a “strike” against them in our internal records. Our quality assurance team will track any instances of compromised

quality, and we will regularly analyze the data for patterns. CCSA will communicate its concerns to the supplier after identifying each instance of compromised quality. If a supplier continues to provide Medical Cannabis with concerning quality or reaches three strikes, CCSA will refuse to carry further products manufactured by the licensee unless or until the licensee can demonstrate its quality assurance team has adjusted its internal processes accordingly.

### Receiving Inbound Medical Cannabis

Critical to our commitment to providing only the finest and safest products, each shipment of Medical Cannabis received at our Dispensary will undergo a thorough inspection to ensure conformity and compliance to both required specifications of the AMCC and our own internal standards. Immediately upon receipt of Medical Cannabis at our Dispensaries, all received product will be thoroughly inspected by the inventory team utilizing a series of product, packaging, and labeling review checklists. If any issues are noted during the Medical Cannabis review process, the batch of product may be subject to rejection. The Medical Cannabis will not be available for sale until the incoming inspection has been completed and the product is deemed conforming to required specifications and standards.

CCSA will not accept any shipment of Medical Cannabis without first receiving a copy of a manifest from the Secure Transporter who transports the products from the licensed Processor or Integrated Facility. CCSA's standard internal practice requires an electronic copy of the manifest at least 24 hours prior to any shipment's arrival time. This step helps us catch any ordering errors early, and minimizes rejections by the inventory team of incoming orders. This practice does not relieve the Secure Transporter of the AMCC's requirement to carry a copy of the manifest at all times with the shipment and to input it in the tracking system before transport.

All Medical Cannabis package counts, labeling verifications, and actual weights will be reconciled before accepting the Medical Cannabis into CCSA's inventory. Any discrepancy in weight or package count must be identified and reported immediately to inventory and quality assurance management, and could result in rejected shipment. Assuming the package

counts and weight of the received inventory are correct, the receiving employee must ensure the Medical Cannabis is properly packaged and labeled as detailed in the AMCC's requirements, including but not limited to featuring the universal State symbol.

### Product Packaging

All Medical Cannabis to be sold at any Dispensary owned by CCSA will be thoroughly inspected to ensure the packaging of that product is child-resistant, tamper-evident, clearly identifies the supplying Processor or Integrated Facility and type of product contained therein, is not attractive to minors, is designed to minimize its appeal to children, and does not provide any false statements or statements advertising health or therapeutic benefits of Medical Cannabis. To verify this, our inventory and quality assurance teams will select a representative sample of several products from the incoming batch to verify that the incoming goods are consistent and there are no signs of damage or tampering. The inventory team member will initial the checklist as they verify the compliance of each product's packaging.

### Consumer and Child Safety

Child safety is of utmost importance to CCSA. Our leadership team understands that the success of the Medical Cannabis program in Alabama is dependent on all licensees delivering products to patients and caregivers that are safely packaged and labeled to help prevent unintended or unauthorized consumption, especially by minors. All Medical Cannabis sold by CCSA will be verified as part of our incoming inspection process to be labeled and packaged in child-resistant packaging by the supplier in accordance with AMCC requirements. Labeling must include a warning denoting, "KEEP OUT OF REACH OF CHILDREN" to be verified during the incoming inspection. CCSA will require Processors and Integrated Facilities to provide documentation that packaging has been certified as child-resistant, in accordance with the federal Poison Prevention Packaging Act (PPPA, 16 CFR §1700.1).



Required Label Information

CCSA will only provide Medical Cannabis to patients and caregivers with accurate and complete product labeling information that allows qualified users to administer their prescribed products with safety and confidence. To this end, CCSA will ensure all Medical Cannabis acquired includes all labeling information required by the AMCC and other applicable state and local laws, regulations, ordinances, and any other requirements. To verify this, our inventory and quality assurance teams will select a representative sample of several products in the incoming batch to verify that the goods are properly labeled. The inventory team member will initial the checklist as they verify the compliance of each product's labeling. All Medical Cannabis received and dispensed by CCSA will be inspected to feature, at a minimum, the following product information included on the package label(s):

- Identity of product type.
- Product batch number and unique identifier (lot number or bar code).
- Name and license number of the Cultivator, Processor, or Integrated Facility, as applicable.
- Cannabinoid content and potency of the product.
- Net quantity of contents in terms of weight, numerical count, or other appropriate measure.
- Date packaged.
- Date of expiration.
- Instructions for use.
- The AMCC-approved universal symbol in color and at least ½" x ½" in size.

All Medical Cannabis received and dispensed by CCSA will be inspected to feature, at a minimum, the following warnings:

- The words "Keep out of reach of children".
- The mandated warning: "WARNING: This product may make you drowsy or dizzy. Do not drink alcohol with this product. Use care when operating a vehicle or other machinery. Taking this product with medication may lead to harmful side effects or complications. Consult your physician before taking this product with any

medication. Women who are breastfeeding, pregnant, or plan to become pregnant should discuss Medical Cannabis use with their physicians." This warning may be included on a package insert if there is insufficient space on the label.

Employees of CCSA will not be authorized to modify or replace any label on Medical Cannabis. Any product requiring a relabeling or any correction to the label must be communicated to inventory and quality assurance management, and the Medical Cannabis may ultimately be rejected from the incoming shipment. Upon completion of the product labeling review, the completed packaging and labeling checklists will be reviewed by inventory and quality assurance team management, and assuming there are no issues identified, the Medical Cannabis will be approved by management to be formally accepted into inventory.

#### Accepting Medical Cannabis into Inventory

Once the shipment is complete and CCSA's inventory and quality assurance teams meticulously reviewed all incoming Medical Cannabis for AMCC compliance, a paper copy or electronic copy of the Secure Transporter manifest must be retained, signed, and then uploaded into Metrc. CCSA's inventory management system will keep a record of all Medical Cannabis acquired from licensed establishments, including, but not limited to:

- Purchase order number.
- Secure Transporter Manifest.
- Copies of purchase order and other supporting documentation related to the shipment.
- CCSA's internal packaging and labeling checklists completed by the inventory and quality assurance teams and initialed by management following review and approval.
- Date and time of acquisition.
- Description of the Medical Cannabis acquired, including the amount, batch number, and QR code.
- Name and license number of the supplying licensee.
- Name of licensed establishment employee transporting the Medical Cannabis to CCSA.
- Name of CCSA employee receiving the Medical Cannabis.

### Arranging for Testing of Received Medical Cannabis

Once all Medical Cannabis received at our Dispensaries has undergone the proper receiving process, CCSA will contact a State Testing Laboratory to conduct AMCC-required testing. The trained laboratory personnel from a State Testing Laboratory will collect a random sample of the received single packaged and labeled product batch at CCSA's Dispensary, comprising no less than ten grams and no more than 30 grams derived from a single batch, or the lesser of one percent of the total product weight of the production run or ten units of product. While the samples are in the custody of the State Testing Laboratory, the remaining product batch will be segregated within the secure product storage area and withheld from sale to qualified patients and caregivers. The remaining product batch will be stored in a secure, cool, and dry location to prevent the Medical Cannabis from becoming contaminated or losing efficacy. The received Medical Cannabis will remain on a strict quality "HOLD" status and clearly marked as such unless and until acceptable passing results are received from the State Testing Laboratory and the product can subsequently be dispositioned for dispensing.

### **Storage of Medical Cannabis and Preservation of Same**

#### Temperature and Humidity Control

CCSA will diligently monitor controlled inventory storage areas for both temperature and humidity to provide an optimal environment that facilitates product stability and consistency. We will work closely with our trusted Processor and Integrated Facility suppliers to determine the precise optimal storage conditions for all Medical Cannabis we carry, as well as an acceptable temperature and humidity range for each product to be closely monitored by our staff. A key part of our Dispensary layout and design will be ensuring that these enclosed product storage areas provide a consistent, stable, and ideal environment for our products to maintain quality and purity until sale to a patient or caregiver.

#### Environmental Monitoring

In addition to our strict temperature and humidity controls, CCSA Dispensaries' storage and retail areas containing or storing Medical Cannabis will be regularly cleaned, with cleaning activities occurring daily and weekly, monitored for cleanliness and

orderliness, proper air circulation and HVAC performance, presence of moisture or mold, pest infestation, and exposure to any other potential contamination. A daily and weekly cleaning log will be maintained for all areas storing Medical Cannabis, and the log will require weekly supervisor or manager review and verification.

#### Product Stability and Lifespan

All Medical Cannabis received and sold by CCSA will be required to bear a QR code on the product labeling that provides for a sourcing chain of custody and, as applicable, an expiration date. To ensure that freshness, potency, and overall product quality are not compromised, available inventory will be dispensed and cycled using a first-in-first-out (“FIFO”) inventory control method. Use of the FIFO method helps guarantee that Medical Cannabis in inventory avoids unnecessary deterioration and possible destruction due to product stability and lifespan.

#### Product Consistency

CCSA will retain all testing records for its Medical Cannabis to observe trends in product quality and consistency from our Processor and Integrated Facility suppliers. Should CCSA personnel or management notice a significant variance in product quality testing results or potency from one batch of the same product to the next, these findings will be communicated with the licensed supplier for process improvement.

#### **Employee Training**

CCSA will diligently train and regularly retrain all inventory and quality assurance employees in the critical proactive and reactive quality assurance and quality control program. Additionally, CCSA will gather employee feedback on at least an annual basis or greater, to continually refine its effective quality assurance program and related SOPs. Our suitable and capable experience from operating medical dispensaries and medical pharmacies convinced us that employee feedback is a critical component of improving operational efficiencies.

**23.2 – A plan for performing quality control and testing of a qualified sampling of Medical Cannabis in its control, including what tests will be conducted, if any, and at what point or points during the dispensing process such tests will be conducted, and whether each test to be conducted will be performed in-house, through unofficial private testing, or through an official test performed by a State Testing Laboratory**

In furtherance of CCSA's commitment to patient health and well-being, all Medical Cannabis dispensed at our Dispensaries will be subjected to strict quality testing standards that ensure our patients and their caregivers are receiving the best possible products. As discussed above, upon acceptance into our inventory, our Medical Cannabis will be sampled by a State Testing Laboratory that will, through rigorous testing methods, verify that the product meets or exceeds the AMCC's requirements for product potency and safety, including that the product is reliably high grade, and that the product's batches are consistent. This testing will be done at CCSA's own expense. Additional testing may also occur at the request of the AMCC or informally at the request of CCSA if deemed necessary by our quality assurance team.

Product quality testing procedures will be administered and evaluated under the leadership of our Chief Medical Advisor and Head of Pharmacy, [REDACTED]. [REDACTED] is the Head of Pharmacy at one of the only licensed Medical Cannabis operators in nearby Louisiana. Combined with his over 28 years of experience in traditional pharmacy, [REDACTED] understands the importance of compliant product testing better than any other candidate for a Medical Cannabis license in Alabama. As a part of his capacity in his role as CCSA's Head of Pharmacy, [REDACTED] will be responsible for fostering and building relationships with trusted State Testing Laboratories in Alabama, will create plans to continually evaluate CCSA's ability to maintain the most vigorous product testing standards, and set acceptable turn-around times to suit the needs of our Dispensaries. [REDACTED] will also work to ensure that internal procedures at CCSA are suitable to dispense only the highest quality products. The following quantitative and qualitative information will be verified as a part of our product testing procedures.

**Product Identity and Potency Testing**

CCSA expects that an accurate chain of custody will be maintained for every product received at its Dispensary. The chain of custody will be made available for verification by a QR code or other digitally verifiable code on the product label as received from our trusted Processor or Integrated Facility supplier. As detailed above in 23.1, upon receipt of a shipment of Medical Cannabis, an employee trained on CCSA's receiving procedures will verify the QR code or digital code present on the batch and/or the product is functional, and this code provides all information required by the AMCC. These QR codes or digital receipts will provide, at a minimum, the following information: the Processor or Integrated Facility that processed the Medical Cannabis; the type of product; batch or lot number; the facility of origin; the date of processing, packaging, and labeling; an expiration date, if applicable; and the date of the Processor's or Integrated Facility's State Laboratory testing approval. Upon completion of State Laboratory Testing arranged for by CCSA, the QR code will also identify the State Testing Laboratory and facility that conducted the test, the date of testing, and the date the State Testing Laboratory approved or rejected the product.

**Quantitative Levels of THC & CBD**

To provide our patients and caregivers with the most responsible dosing procedures, CCSA will require and verify through inspection that all Medical Cannabis dispensed at our facilities are properly labeled with an accurate display of cannabinoid content and potency. State Testing Laboratories contracted by CCSA for testing will be required to use validated test methods to determine delta-9-tetrahydrocannabinol, tetrahydrocannabinolic acid, cannabidiol, and cannabidiolic acid levels in accordance with the standards established by the AMCC and as made available on the AMCC's website. Cannabinoid content and potency will be tested and compared against the tolerance limits and minimum standards established by the AMCC for the following:

- Total THC (THC + THCA).
- Total CBD (CBD + CBDA).
- THC/CBD ratio, if applicable.
- Percent of THC relative to original plant material (w/w).

Further, cannabinoid testing will be required to return a profile of all terpenes present in the Medical Cannabis. If any terpene profiles are listed on the Medical Cannabis packaging, these will be verified to be consistent with the laboratory results.

### **Potential Contaminant Testing**

As CCSA diligently and meticulously verifies that incoming Medical Cannabis passes all required state testing requirements and we reject any shipment that does not meet these standards, CCSA does not anticipate that we will receive a test result from state official testing demonstrating the product fails to meet AMCC standards. Nevertheless, as state official testing is required at every stage of production, including dispensing, CCSA will test its Medical Cannabis to confirm no potential contaminants are within the batch and that no storage conditions or environmental factors impacted the efficacy of the Medical Cannabis during transport from the Processor or Integrated Facility to CCSA's Dispensary.

If the state's official test results return a failed status, CCSA will immediately contact the supplying licensee to inquire whether a remediation process is likely to remedy the issue identified with the Medical Cannabis. If so, CCSA will coordinate with the supplying licensee to arrange for a Secure Transporter to arrive at the Dispensary and transport the Medical Cannabis back to the supplying licensee for remediation. Assuming the Medical Cannabis undergoes remediation and passes state official compliance testing, as arranged for by the Processor or Integrated Facility, CCSA may receive the Medical Cannabis again and the batch will undergo CCSA's product intake procedures - including CCSA's own official testing as completed by a State Testing Laboratory. If a remediation process is not likely to remedy the issue, after coordinating with the supplying licensee, CCSA will either return or destroy the failed Medical Cannabis in accordance with our waste procedures. Any Medical Cannabis batch that fails CCSA's incoming product review inspection or state official testing will remain in the "HOLD" status until the product is dispositioned for return or destruction. All movement of inventory and change in product disposition will be properly recorded in Metrc.

### Heavy Metals and Residual Solvents

In addition to cannabinoid and terpenoid content and potency, CCSA will require testing be conducted to ensure that heavy metals and residual solvents are not present in finished Medical Cannabis. Residual solvents can pose a health risk to patients consuming the Medical Cannabis and their presence after the extraction and processing is considered chemical contamination that renders a product unsafe for consumption.

### Residual Pesticides

CCSA understands that, per AMCC regulations, the use of pesticides on Cannabis during cultivation is strictly controlled. CCSA will work with our trusted State Testing Laboratory partners to ensure that we keep current a list of all prohibited pesticides, and that their presence triggers an automatic fail of the product quality testing. Non-prohibited pesticides, insecticides, fungicides, herbicides, and growth inhibitors/regulators must be tested to ensure their presence does not exceed the residual thresholds specified by the AMCC. Presence of prohibited pesticides in any sample is grounds for an automatic testing fail and potential recall as determined by the AMCC.

### Other Microbiological Contaminants

In addition to all testing requirements, CCSA will require our product be tested for the presence of microbials, including pathogenic microbials, and mycotoxins. CCSA understands that the AMCC may determine other testing protocols or establish different threshold standards for contaminants. CCSA and its State Testing Laboratory partners will ensure that each test conducted and reviewed is compliant with the AMCC's then-current testing standards and established residual contamination limits.

### **Official and Unofficial State Testing**

Consistent with the AMCC's requirements and as noted above, CCSA will arrange for testing by a State Testing Laboratory during the dispensing phase of production and before sale to qualified patients or caregivers. Unless or until the State Testing Laboratory issues a passing written result from the completed official testing, CCSA will not sell or transfer the batch of Medical Cannabis undergoing testing to a patient or caregiver. All official testing will



be completed by an Alabama-licensed State Testing Laboratory authorized to conduct official testing for cannabinoid and terpenoid content, and any potential contaminants.

#### Unofficial Testing Protocols

CCSA will maintain the right to perform further unofficial testing of the Medical Cannabis in our possession and under our control as deemed necessary by inventory and quality assurance management. Any unofficial testing will be conducted at CCSA's expense. If undertaken, any unofficial testing will be conducted by a State Testing Laboratory and not in-house at CCSA. Results from such unofficial tests will be considered unofficial and designated as such. CCSA's inventory and quality assurance teams may request the completion of unofficial testing for several reasons such as cursory testing for new product line acquisition or new supplier partners, to observe and develop trends for products received from our trusted suppliers, or to ensure products are still shelf stable ahead of their expiration date.

#### **23.3 – A plan for return and remediation or destruction of any failed test samples, including entry of the event on Metrc**

##### **Returns and Remediations of Failed Test Samples**

In our unwavering commitment to patient safety and satisfaction, CCSA will never knowingly accept into inventory or dispense any Medical Cannabis that fails any of the testing attributes or thresholds required by the AMCC. CCSA will not accept an incoming shipment of Medical Cannabis if there are any concerns with the official lab test results received with the incoming shipment. If there are issues identified on the lab test results, the incoming batch will be rejected, and the Secure Transporter will return the Medical Cannabis to the original Processor or Integrated Facility. If, after CCSA arranged its official testing, the Medical Cannabis unexpectedly does not pass testing by a State Laboratory Licensee, CCSA will arrange for product returns to the supplier. CCSA will enter into agreements with our Processor and Integrated Facility suppliers that authorize us to return products that fail to meet the AMCC's strict quality standards and requirements, demonstrated by an official test conducted by a licensed State Testing Laboratory. In the case that a product is not able to be returned to the supplying licensee, CCSA will conduct a recorded destruction of the product

in compliance with AMCC regulations. Replacement of contaminated product may occur between CCSA and the supplying Processor or Integrated Facility based on a monetary refund or a resupply of like-for-like products at no cost to CCSA, as agreed between CCSA and its supplying licensee.

CCSA will not itself remediate any Medical Cannabis. If the supplying Processor or Integrated Facility from which CCSA received Medical Cannabis that fail State Laboratory Testing determines remediation efforts can be undertaken to absolve the Medical Cannabis of the contamination, CCSA will arrange for a Secure Transporter to return the products to the supplying licensee. Upon completion of the remediation efforts and upon receipt of a new official passing test result from a State Testing Laboratory, CCSA may accept the new incoming shipment of Medical Cannabis. Prior to releasing the new inventory for sale to qualified patients and caregivers, CCSA, as detailed above, will arrange for an official test from a State Testing Laboratory and confirm the results meet AMCC standards.

#### Recording in Metrc

When Medical Cannabis is returned to the originating Processor or Integrated Facility, whether for remediation, further examination, or destruction, CCSA will maintain an electronic record of the inventory transaction in Metrc approved by the AMCC. CCSA will update online inventory records to reflect that the product has been identified for return or remediation, likely due to a failed official test result, and to account for all inventory, a process that requires each employee to key in their unique PIN into the system, including the manager who oversees the product return. CCSA will enter into Metrc all information required when conducting product returns including the amount and type of Medical Cannabis being returned, the reason for the return, the date and time of the return shipment, the license information for the Secure Transporter that will conduct the return, and all other information as required to be linked to the QR code. Outgoing Medical Cannabis, even that which is designated for return, must be accompanied by the Secure Transporter's manifest and it must be executed by CCSA and the receiving licensee.

## **Product Destruction**

Though CCSA will strive to reduce the amount of waste our Dispensaries produce, there may be times where Medical Cannabis fails incoming quality assurance inspection or quality testing, and the products are not eligible for return or remediation with the supplying Processor or Integrated Facility. There may also be instances where Medical Cannabis may expire, or otherwise become damaged or contaminated to a point of being no longer safe to dispense to a patient or caregiver. These products will be destroyed by CCSA.

For the safety of our employees, our patients, and the public surrounding our Dispensaries, destruction of Medical Cannabis must complete two primary objectives: it must render the product completely unusable and unrecognizable so that it cannot be used for any legal or illegal purpose, and the destruction and disposal must be diligently recorded in Metrc. Medical Cannabis will be disposed of using methods that ensure there is no diversion of product to be destroyed. All waste destruction activities will be conducted in an area dedicated to such activities as indicated on our Facility floor plan. All Medical Cannabis dedicated for destruction will first be removed from any packaging and be disposed of separately, in accordance with CCSA's miscellaneous solid waste procedures. If approved by the AMCC, CCSA will mix the Medical Cannabis intended for destruction with an EPA-approved powdered oil-absorbent or other permissible substance, ensuring that the Medical Cannabis is entirely unusable and unrecognizable post-destruction. Solid material may be destroyed utilizing an industrial shredder. Employees may also grind and destroy the products and mix the smashed products with non-consumable, solid waste to render it unrecognizable and unusable. Materials that may be used to render Medical Cannabis waste unrecognizable and unusable include paper waste, cardboard waste, food waste, yard or garden waste, grease or other compostable oil waste, soil or other used growth media, or other wastes approved by the AMCC.

All Medical Cannabis waste rendering and disposal activities will be conducted under video surveillance with at least two team members present and under the supervision of a manager, to ensure no diversion occurs. The resultant mixture will guarantee that all

components of the Medical Cannabis waste is indistinguishable and incapable of being ingested, injected, swallowed, or otherwise consumed.

#### Recording in Metrc

When Medical Cannabis waste is handled, CCSA will maintain an electronic record using Metrc, and a physical Waste Disposal Log that will be maintained on site at the Dispensary. CCSA will update online inventory records to reflect that the product has been destroyed and to account for all inventory, a process that requires each agent to key-in their unique PIN into the system, including the manager who oversee the destruction efforts. CCSA will enter into Metrc all information required when conducting waste destruction efforts, including the amount and type of Medical Cannabis being destroyed, the reason for the destruction, and the date and time of the destruction.

#### Medical Cannabis Waste Storage

The resulting mixture will be securely stored in the Dispensary's limited access waste area in opaque, unmarked garbage bags and then disposed of at a permitted municipal waste landfill pursuant to the procedures of our selected third-party, EPA-registered waste disposal service provider and hauler, or other AMCC-approved waste disposal service provider.

#### Medical Cannabis Waste Equipment

To effectuate the compliant and efficient disposal of Medical Cannabis, CCSA intends to utilize the following equipment at our Dispensaries.

#### *Certified Scale*

An approved or registered weighing device, such as a certified scale, will be used by CCSA when Medical Cannabis waste is weighed or counted for entry into Metrc prior to disposal. The scale used to weigh Medical Cannabis waste will be certified Legal for-Trade and approved by the National Conference on Weights and Measures, National Type Evaluation Program. It will also be licensed according to local and state regulations and

applicable laws. Documentation of approved scales and regular calibration and sealing will be maintained, and will be provided to the AMCC upon request.

#### *Mid-sized Industrial Shredder*

CCSA intends to utilize a versatile, industrial shredder for the processes of rendering Medical Cannabis waste unusable and unrecognizable. CCSA will utilize JWC Environmental's SHRED series high-efficiency, dual-shafted waste shredder, or similar shredder with similar capabilities and capacity. These shredders, ideal for wet and dry applications, typically have two rows of sharp, steel cutters that rotate slowly with high-torque and can turn solids into very small pieces which can easily be mixed with other solid waste streams. The 1-SHRED family of compact shredders are tough on solids. This shredder is compact and its efficient design allows the machine to fit in facilities with limited space without compromising on the necessary strength and durability to grind Medical Cannabis, making it unidentifiable and easier to dispose of. This shredder or other similar shredders are also used by farms and agribusinesses, food processing plants, facilities such as hotels, restaurants, casinos, and ships, and other businesses with smaller volumes of waste and limited floor area. The machinery that CCSA selected features:

- Dual-shafted Shredder.
  - Low-speed, high-torque shredder that can handle rocks, wood, clothing, plastics, and other tough materials. The machinery is capable of rendering packaging materials unusable and unrecognizable, if required.
- Integrated Scrapers.
  - The steel integrated scraper design cleans easily, so the sometimes-sticky consistency of the Medical Cannabis will not impact the effectiveness of the cutters with proper routine maintenance.
- Steel Cutters.
  - While various thicknesses and tooth combinations are available to optimize particle output, the machine will be capable of cutting solids down to less than half of an inch.

### Quarantine of Recalled Products

Having worked in medical pharmacies and as multi-state operators with years of Medical Cannabis experience, our team has developed thorough recall and withdrawal SOPs to prepare our team to identify any potentially harmful Medical Cannabis accurately and efficiently to execute the swift and safe removal of such products from our Dispensaries. Our detailed Recall and Contamination Plan is included in our application. In the case of an AMCC or supplier-initiated recall, CCSA will coordinate the return and/or destruction of the Medical Cannabis with the AMCC and allow the AMCC to oversee or otherwise verify the destruction of the affected products through an on site inspection, video surveillance footage, or Metrc inputs. CCSA will also follow strict protocols for the return and/or destruction of any voluntarily withdrawn or recalled product. The Head of Pharmacy will work closely with our entire staff to ensure all protocols are strictly followed as detailed in our Recall and Contamination Plan.

As soon as CCSA is notified of a recall, a quality assurance or inventory team member will immediately identify and remove the recalled Medical Cannabis from CCSA's Dispensary displays and its inventory storage areas. The recalled Medical Cannabis will be kept securely quarantined from all other inventory and placed in a solid-waste quarantine container that is clearly labeled and identified as such. CCSA will change the disposition of the Medical Cannabis in Metrc to indicate the products are quarantined, including the date and time the products were quarantined. CCSA will hold the Medical Cannabis in the quarantine container until the AMCC affirmatively indicates the recalled products can be destroyed or returned to the originating supplier licensee. If CCSA conducts the destruction, the destruction and disposal of recalled products will be conducted in compliance with all AMCC rules and instructions and with such equipment and protocols as detailed above. The manager overseeing the disposal of recalled products for CCSA will maintain and make available in accordance with AMCC regulations a separate record of every disposal.

**Conclusion**

Through its leadership team and demonstrated commitment to patient and community safety as shown in this Quality Assurance and Control Plan, CCSA is uniquely poised to be a trusted partner to the AMCC, and set a positive example for the entire Alabama Medical Cannabis industry. CCSA developed a multi-pronged approach to proactive quality assurance and reactive quality control methods that will deliver only the highest quality products to our patients and caregivers. From only carrying products from the state's finest and reliable supplying licensees, to developing thorough quality inspection procedures and providing for the safe and stable storage of all Medical Cannabis held in our Dispensaries, our Quality Control and Assurance Plan demonstrates to the AMCC our unique ability to maintain a supply of high-quality Medical Cannabis that meets all requirements and specifications of the AMCC, and delivers our qualified patients the relief they seek from this treatment.

**This Exhibit 23 Complies with:**

Ala. Admin. Code r. 538-x-4-.07(12)(o)(3) (2022); Ala. Admin. Code r. 538-x-4-.07(12)(o)(10) (2022); Ala. Admin. Code r. 538-x-6-.05(1)(a)-(f) (2022); Ala. Admin. Code r. 538-x-6-.05(2) (2022); Ala. Admin. Code r. 538-x-7-.07(2) (2022); Ala Admin Code r. 538-x-8-.02(6)(a)-(b) (2022); Ala Admin Code r. 538-x-8-.02(6)(d) (2022); Ala. Admin. Code r. 538-x-8-.05(3)(a) (2022); Ala. Admin. Code r. 538-x-8-.05(3)(j)(1) (2022); Ala. Admin. Code r. 538-x-8-.05(3)(j)(6)-(7) (2022); Ala. Admin. Code r. 538-x-10-.01 (2022); Ala. Admin. Code r. 538-x-10-.03(3)(a)(1) (2022); Ala. Admin. Code r. 538-x-10-.03(3)(a)(3)-(4) (2022); Ala. Admin. Code r. 538-x-10-.03(4)(a) (2022); Ala. Admin. Code r. 538-x-10-.04(4)-(7) (2022); Ala. Admin. Code r. 538-x-10-.04(12) (2022); Ala. Admin Code r. 538-x-10-.09(3)(e)(6) (2022); §20-2A-63(e)(1)-(3), Code of Alabama 1975 (as amended); §20-2A-63(g), Code of Alabama 1975 (as amended).

# Exhibit 24 – Contamination and Recall Plan

## 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.

Vincent Schilleci III

Owner, Manager

\_\_\_\_\_  
Printed Name of Verifying Individual

\_\_\_\_\_  
Title of Verifying Individual

*Vincent Schilleci*

12/20/2022

\_\_\_\_\_  
Signature of Verifying Individual

\_\_\_\_\_  
Verification Date



## **Exhibit 24 – Contamination and Recall Plan**

*Satisfaction of Plan: Complete*

### **Executive Summary**

CCS of Alabama, LLC (“CCSA”) is led by an expert team with decades of experience in pharmacy management and operations, Medical Cannabis retail sales, and compassionate patient-focused care. **Our team has leveraged this expertise to provide a detailed Contamination and Recall Plan that will be followed in the event one or more of the products offered for sale at our Dispensaries, including any lots or batches thereof, is determined to require recall.** While we hope no Medical Cannabis carried at our Dispensaries will ever require a mandatory recall or voluntary withdrawal, our team is well suited to manage such an event if Medical Cannabis fails to meet our stringent quality standards, contains a defect, raises severe health and safety concerns prompted by adverse patient reactions, or if a recall is requested or ordered by the Alabama Medical Cannabis Commission (“AMCC”). Our Contamination and Recall Plan is borne out of compliant precedent procedures created by our Chief Operating Officer, Ernest Craumer, which have been successfully implemented in licensed cannabis operations in Colorado and Maryland and tailored to Alabama’s Medical Cannabis program. They include strategies to address any voluntary action to ensure that the products we carry reflect our commitment to dispensing only the safest and highest quality Medical Cannabis to our valued patients and caregivers.

The tenets of our Contamination and Recall Plan include: accurate identification of all adverse product(s) through thorough and compliant inventory tracking; timely notification to the AMCC, patients and caregivers, and to employees of a recall or withdrawal; prompt isolation and removal of any recalled or suspicious Medical Cannabis from the supply chain and Dispensary shelves to prevent further contamination or additional risks to the public’s health; and responsible return and disposal of the recalled or suspicious Medical Cannabis.

### **24.1 – Provisions for Notifying Licensees in the Chain of Custody of an Adverse Event**

Despite our best efforts to ensure that only the highest quality Medical Cannabis reaches our Alabama patients, we understand CCSA must be prepared to respond to patient and caregiver concerns about products that fail to meet their expectations or expose patients to adverse events. Accordingly, our team welcomes patient and caregiver feedback and strongly encourages them to promptly report any complaints or issues associated with

Medical Cannabis sold at any of our Dispensaries. Patient and caregiver feedback is vital to helping us determine whether a coordinated response is required either with the originating Processor, Integrated Facility(s), or other licensees from which we received the product or to other patients and caregivers who purchased the suspect product. Depending on the outcome of the adverse event, our team's diligent and capable response to patient and caregiver concerns or complaints may result in the initiation of, at minimum, a voluntary withdrawal or, at most, a mandatory recall. We understand that appropriate and meticulous follow-up action will be required after the initiation of either. Fortunately, our team has the experience and the foresight to respond efficiently and effectively to our patient and caregivers' concerns.

Upon receiving a patient or caregiver complaint and after a prompt internal investigation, our team will classify the concern. Our mandatory recall and voluntary withdrawal events are categorized as follows:

- **Class I Recall:** A serious emergency recall situation involving a product that may have an immediate or long-term effect on the life or health of a human consumer.
- **Class II Recall:** A priority situation involving a product that may pose a potential hazard to human health.
- **Class III Recall:** A situation involving a product that does not pose a health threat but may have severe or widespread patient population or public relations implications.
- **Withdrawal:** A voluntary removal of a product from the patient population due to quality-related issues or concerns that do not pose a risk to public health and safety.

Upon categorizing the patient or caregiver's concern into one of our event classification categories, our Recall Coordinator, with assistance from our Recall Advisement and legal teams, will notify the originating Processor or Integrated Facility (and any other licensees in the chain of custody) from which we received the Medical Cannabis. As a best practice, our inventory team will maintain current points of contact information for all our vendors' quality assurance teams, including Processors, Integrated Facilities, and Secure Transporters. We will verify the respective quality control point person's contact information with each of our vendors at least semi-annually. This practice will ensure that our team is always prepared to swiftly initiate and rectify any concerns regarding products causing adverse patient reactions. We will coordinate with our vendors' quality control

contact to determine if the licensee has received reports of other adverse events from other Dispensaries to assess the scope of potential impacts on our patients' health and wellness. Internally, our Recall Team will conduct mock recalls at least semi-annually. We will ask our vendor partners to participate in the mock recall drills with us to further refine and coordinate our mandatory recall or voluntary withdrawal efforts.

#### **24.2 – Adverse Event Factors Necessitating a Recall, Retesting, or Remediation**

##### **Adverse Event Classification: Mandatory Recall**

While there are only two scenarios that the AMCC's regulations specifically designate as requiring a mandatory recall (the presence of a pesticide prohibited by the Alabama Department of Agriculture and Industries ("ADAI") or the presence of non-prohibited pesticides or growth regulators at a level which exceeds the acceptable limit set by the ADAI), there may be other scenarios that trigger the initiation of a mandatory recall. These scenarios may include but are not limited to: Medical Cannabis found with excessive microbiological contamination, mycotoxin, or heavy metals; Medical Cannabis known, assumed, or suspected to have been contaminated by chemical, physical, microbiological hazards, or immunological concerns; Medical Cannabis known, assumed, or suspected of incorrect labeling which may create a severe breach in safety or quality; or notification from a Processor or Integrated Facility that any of such above scenarios occurred to products at their facility.

The above adverse events are not exhaustive, and any event that threatens patient safety will be evaluated on an ad hoc basis to determine the appropriate course of responsive action. Any determination by the Recall Team to implement mandatory recall procedures will be supported by analytical testing laboratory results or other scientific documentation or at the AMCC's direction. In addition, CCSA understands that the AMCC and the ADAI may determine additional events which warrant the initiation of recall procedures. Following disclosure of adverse patient reactions to the originating licensee and the AMCC, CCSA will look to the AMCC and the originating licensee for guidance as to whether the suspicious products can be remediated and retested to meet the AMCC's product quality standards.

##### **Adverse Event Classification: Voluntary Withdrawal**

A voluntary withdrawal will be determined and conducted by our team when there is a quality-related issue with Medical Cannabis that is unlikely to pose health risks or as a precautionary measure before an official mandatory recall when health or safety risks are

suspected but not yet verifiable with analytical test results. Executing a withdrawal or refraining from taking any concrete follow-up action is only appropriate when there is no risk to public health or safety from the use of or exposure to the Medical Cannabis. No responsive action is necessary if we determine that the reported defect is isolated or aberrational. In the interest of promoting transparency to patients and caregivers and ensuring they only receive high-quality products, we will consider issuing a voluntary withdrawal for any quality-related issue with our products, including, but not limited to, minor packaging or labeling mistakes or omissions that do not implicate patient health and safety concerns.

### **24.3 – Responsible Positions Who Will Oversee the Recall Process**

While CCSA will ultimately designate a position within the organization to serve as the Recall Coordinator, in the interim, CCSA's Recall Team will be advised and overseen by [REDACTED], our Lead Pharmacist, [REDACTED], our Director of Patient Education, and Alabama-native [REDACTED], our Chief Medical Adviser. [REDACTED] nearly three decades of experience as a second-generation pharmacist, with 20 of those years spent in ownership or high-level management capacities, make him well-suited to lead the Recall Team in swift and compliant action in the event the AMCC or the originating licensee initiates a recall or withdrawal. [REDACTED] and [REDACTED] involvement in the Recall Advisement Team will primarily focus on our patient and caregiver communication efforts and developing educational materials regarding recalled or withdrawn product returns and proper product disposal. In addition, owners Ernest Craumer and Sandra Young, with experience owning and operating Medical Cannabis retail locations in multiple state regulatory frameworks, will be involved in the Recall Advisement Team specifically to assist in maintaining close contact with other impacted licensees of the AMCC.

### **Duties of the Recall Team**

The goals of the Recall Team when executing a voluntary withdrawal or mandatory recall are to halt the sale of the affected Medical Cannabis promptly; remove the affected product(s) from all aspects of the supply chain; segregate and dispose of the affected Medical Cannabis in compliance with all applicable laws and regulations; and coordinate returns and proper disposal of recalled and withdrawn Medical Cannabis with originating facilities.

#### **24.4 – Tracking System Notification Protocols to Other Licensees and the AMCC**

CCSA will utilize the statewide seed-to-sale tracking system and third-party inventory management system Dutchie to diligently and meticulously track the Medical Cannabis received at our Dispensaries. Both systems will track product information and chain of custody information critical to actualizing a mandatory recall or voluntary withdrawal, such as who purchased the product, what recalled/withdrawn inventory, if any, remains at the Dispensary, what recalled/withdrawn inventory may already be scheduled for transport to a Dispensary, and what recalled/withdrawn product is segregated from the Dispensary's remaining inventory and is awaiting return to the originating licensee for remediation, if applicable, or compliant destruction.

Our team understands that the statewide seed-to-sale tracking system will be capable of reporting and tracking adverse patient responses or dose-related efficacy issues. Accordingly, we will track patient and caregiver reports and concerns in the system, monitor patterns and recurring common complaints, and enter these into the statewide seed-to-sale tracking system daily, as received. Though the information will be readily available in the statewide tracking system and thus to the AMCC and other related licensees, our team will pass along patient and caregiver feedback to our vendor partners including Processors and Integrated Facilities, to the respective quality control point of contact as soon as our team conducts an initial investigation of the feedback. Initial investigations into the patient or caregiver complaints or concerns will commence within 24 hours of receipt of feedback on the Medical Cannabis.

#### **24.5 – Processes to Ensure the Recalled Product is Returned, Remediated, or Destroyed**

CCSA has decades of experience operating businesses in highly regulated industries. Our team is more than capable of executing a voluntary withdrawal or mandatory recall immediately upon any request or mandate from the AMCC, any regulatory body with authority to do so, or if our Dispensary or one of our vendors, after completion of an investigation into the complaint, determines such action is necessary. As the first step in a recall, we will immediately cease dispensing the affected Medical Cannabis.

### **Identification & Isolation of Affected Product**

Our Recall Coordinator will identify the location of the affected batches of Medical Cannabis in our Dispensaries, including those products in the inventory storage area and those ready for sale. All recalled Medical Cannabis will be removed from Dispensary floors and our product storage areas to be quarantined, where it will remain until a plan for return, remediation, or destruction has been coordinated with the originating Processor or Integrated Facility and the AMCC, as appropriate. Withdrawn or recalled Medical Cannabis will be quarantined from all other inventory and labeled with a sign stating, "DO NOT DISTRIBUTE." All the located and ascertained Medical Cannabis associated with the withdrawal or recall event will be entered into the Withdrawal and Recall Log and correctly accounted for in the tracking systems. CCSA will leave detailed notes in the tracking systems about the recalled or withdrawn product(s), including the purpose for the withdrawal or recall.

### **Tracking Withdrawn or Recalled Cannabis Products**

During the isolation process described above, CCSA will also immediately begin identifying the patients who may have been exposed to the affected Medical Cannabis by using our inventory records, sales receipts, and inventory tracking systems. We will then collate the patient or caregiver's contact information on file.

### **Withdrawn or Recalled Product Returns**

Our Recall Team will provide written notification of the recall to all affected patients and caregivers, which will include directions about how to dispose of or return the product(s). Notifications will also include informative warnings drafted in consultation with our Director of Patient Education and Chief Medical Advisor, and approved by the AMCC if applicable, about the potential health risks associated with further use of the affected Medical Cannabis. The Recall Coordinator will assemble a team to reach out to our impacted patients and caregivers, and several attempts will be made to make contact if the first attempts are unsuccessful. Depending on our success in direct patient and caregiver outreach efforts and the scale of the recall or withdrawal, we may consider issuing a press release or posting notice of the recall at our Dispensaries to ensure the broadest population of our patients and caregivers receive the critical news.

### **Retesting and Remediation**

In the event of a mandatory recall or voluntary withdrawal, and assuming a remediation plan is approved by the AMCC and the ADAI, as applicable, CCSA will coordinate with the originating Processor or Integrated Facility to return any quarantined Medical Cannabis inventory to the originating licensee so that it may be remediated and retested. As a Dispensary, we are neither equipped nor expected to remediate adulterated Medical Cannabis. If remediation is not possible or not approved by the AMCC, we will coordinate with the AMCC, the ADAI, as applicable, and the originating licensee as to the destruction of the patient-returned and quarantined Medical Cannabis at the Dispensary.

Ideally, our Dispensary Team will not need to actualize its recall or withdrawal procedures, as the State Testing Laboratories should identify adulterated Medical Cannabis in the mandatory testing process before the Medical Cannabis is approved for transfer to our Dispensary. In the supply chain, after a failed test, the originating licensee, upon approval from the AMCC or the ADAI, may attempt to remediate the batch before the product is ready to undergo state compliance testing again. Only once the Medical Cannabis passes required state laboratory testing can it be transferred to Dispensaries and sold to patients and caregivers.

### **Disposal of Withdrawn or Recalled Cannabis Products**

All quarantined, recalled, and withdrawn Medical Cannabis returned by patients and caregivers and from our Dispensary's inventory will be stored until a remediation plan is approved, if applicable. We will coordinate with the AMCC, the ADAI, as appropriate, and the originating licensee to determine if any recalled or withdrawn products should be returned to the originating licensee for further review, analysis, or destruction. If those steps are not necessary, CCSA will facilitate the disposal of the Medical Cannabis such that, following the destruction, the product is no longer usable or recognizable. The Medical Cannabis waste will be properly tracked in the inventory system as waste and compliantly destroyed. If preferred, CCSA can also coordinate with the originating licensee so they may compliantly handle the destruction of contaminated products.

### **24.6 – Reporting Crisis Response to the AMCC and Other Applicable Regulatory Bodies and Steps Taken to Mitigate or Avoid Danger to the Public**

All employees are responsible for documenting all product complaints received from another employee, a representative of the AMCC, or a patient or caregiver in the Complaint Log. Employees may receive complaints in-person, by phone, and via social media or email. The employee-recipient of the concern or complaint must notify their supervisor immediately. CCSA will immediately inform the AMCC and the originating Processor or Integrated Facility of any complaint that involves an adverse event stemming from the use of Medical Cannabis dispensed at our Facility. The complaint will also be documented in our internal records and the inventory tracking systems, and an internal investigation will commence within 24 hours of receiving the complaint. Following the investigation, if our Dispensary decides to initiate a recall or withdrawal request, we will similarly inform the AMCC immediately and determine the next best steps in line with the AMCC's guidance, as applicable. Similarly, CCSA will notify the AMCC immediately if we are notified of a recall or withdrawal request from an originating licensee or if other Dispensaries inform us of adverse patient reactions to specific product SKUs that we carry. Our swift response times to patient and caregiver concerns will ensure our team avoids any additional discomfort or danger to our patient population.

While we hope our team does not need to implement a recall or withdrawal, we must be prepared for the scenario to act efficiently, immediately, and capably. By strictly verifying all incoming products and accompanying state testing lab results to ensure products have passed all state requirements, accepting products from reputable originating licensees with proven track records of compliant and safe products, acting quickly in the event of recalls or complaints to avoid impacting additional patients, and immediately halting the sale of potentially suspect Medical Cannabis, our team can take steps to help mitigate the necessity or impact of a recall or withdrawal.

**24.7 - Steps Taken to Avoid Further Contamination, Preserve and Protect Uncontaminated Products, and Ensure Patient Access**

Likely, the reason Medical Cannabis would require recall or withdrawal would result from an Integrated Facility or Processor's production processes earlier in the supply chain. While our Dispensary will take all measures to compliantly store our Medical Cannabis in a way that does not degrade or adulterate the product in any way, including environmental, lighting, and temperature controls in the product storage area, these efforts may not alone



avoid a recall or withdrawal. The contamination that a product must have to necessitate such action likely occurred before the product was packaged and transferred to our Dispensary.

As a Dispensary, it is our duty to consider the patient above all else. The best avenue we can take to avoid contamination and ensure safe access to Medical Cannabis by the patients who need it most is to notify the originating licensees of patient and caregiver concerns and complaints immediately so internal investigations and product improvements can occur. As a response to inaction by the originating Processor and Integrated Facilities, our Dispensary will not carry Medical Cannabis produced by a company that does not value or take our patients and their health and safety seriously.

**24.8 - Investigation and Analysis of the Factors that Led to the Unsafe Condition Requiring the Recall and any Adjustments to Internal Protocols to Avoid Recurrence**

Again, as a Dispensary, it is likely that the reason Medical Cannabis would require recall or withdrawal would result from the production processes earlier in the supply chain before the arrival at our Facility. However, if the recall or withdrawal was initiated due to unsafe conditions or contamination from our Dispensary operations, our team will immediately investigate and evaluate the root cause of the contamination and adjust internal protocols and processes to avoid recurrence.

As a first order in our internal investigation following a withdrawal or recall, all returned products will undergo a detailed analysis of what may have contributed to the product's deficiency. We will evaluate product handling and storage protocols at the Dispensary. We will also re-review the accuracy of the relevant state testing results. Data analysis will further include a review of any potential correlation between the patient's qualifying condition and the adverse reaction, the patient's method of consumption, any product-feedback surveys, and product return history. Our management will review our Standard Operating Procedures and the implementation of these internal protocols to confirm that all product storage areas are maintained consistently and under environmental, lighting, and temperature controls that maintain product quality. If we consistently receive adulterated Medical Cannabis from a specific vendor, CCSA will instead utilize other originating licensees with a proven track record of success.

**Conclusion**

Our team at CCSA appreciates the seriousness of mandatory recalls and voluntary withdrawals and the importance of ensuring that our contamination and recall plan is executed properly to safeguard the health and safety of our Alabama patients.

**This Exhibit 24 complies with:** Ala. Admin. Code r. 538-x-4-.05(1); 538-x-8-.05(3)(l)(1)-(7); 538-x-10-.04(6)(g)(3); 538-x-10-.08(2)(a). Darren Wesley 'Ato" Hall Compassion Act, §20-2A-60(a).

# Exhibit 25 – Marketing and Advertising Plan

## 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.

Vincent Schilleci III

Owner, Manager

\_\_\_\_\_  
Printed Name of Verifying Individual

\_\_\_\_\_  
Title of Verifying Individual

*Vincent Schilleci*  
\_\_\_\_\_  
Signature of Verifying Individual

12/21/2022  
\_\_\_\_\_  
Verification Date

## **Exhibit 25 – Marketing and Advertising Plan**

*Satisfaction of Plan: Completed*

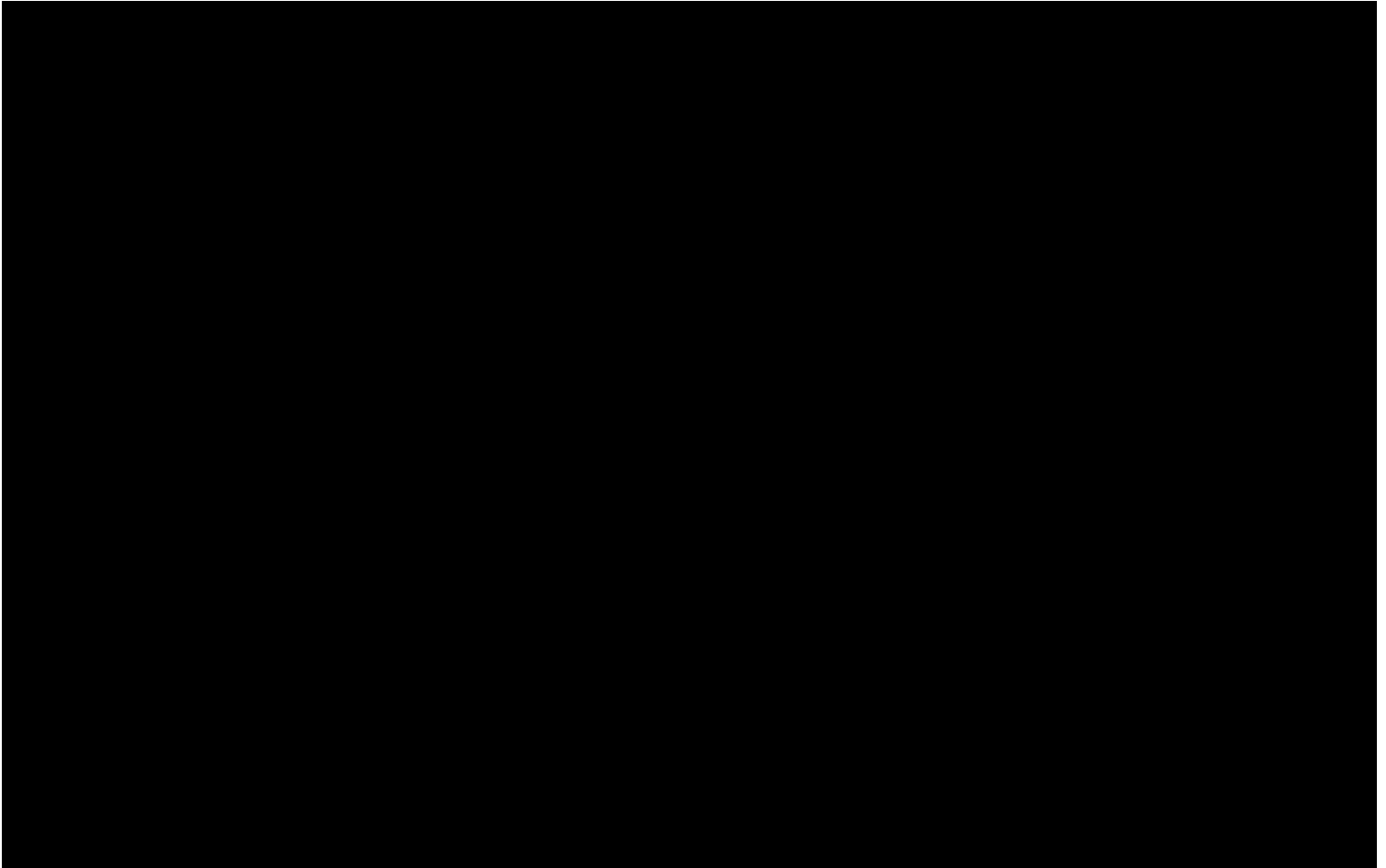
### **Executive Summary**

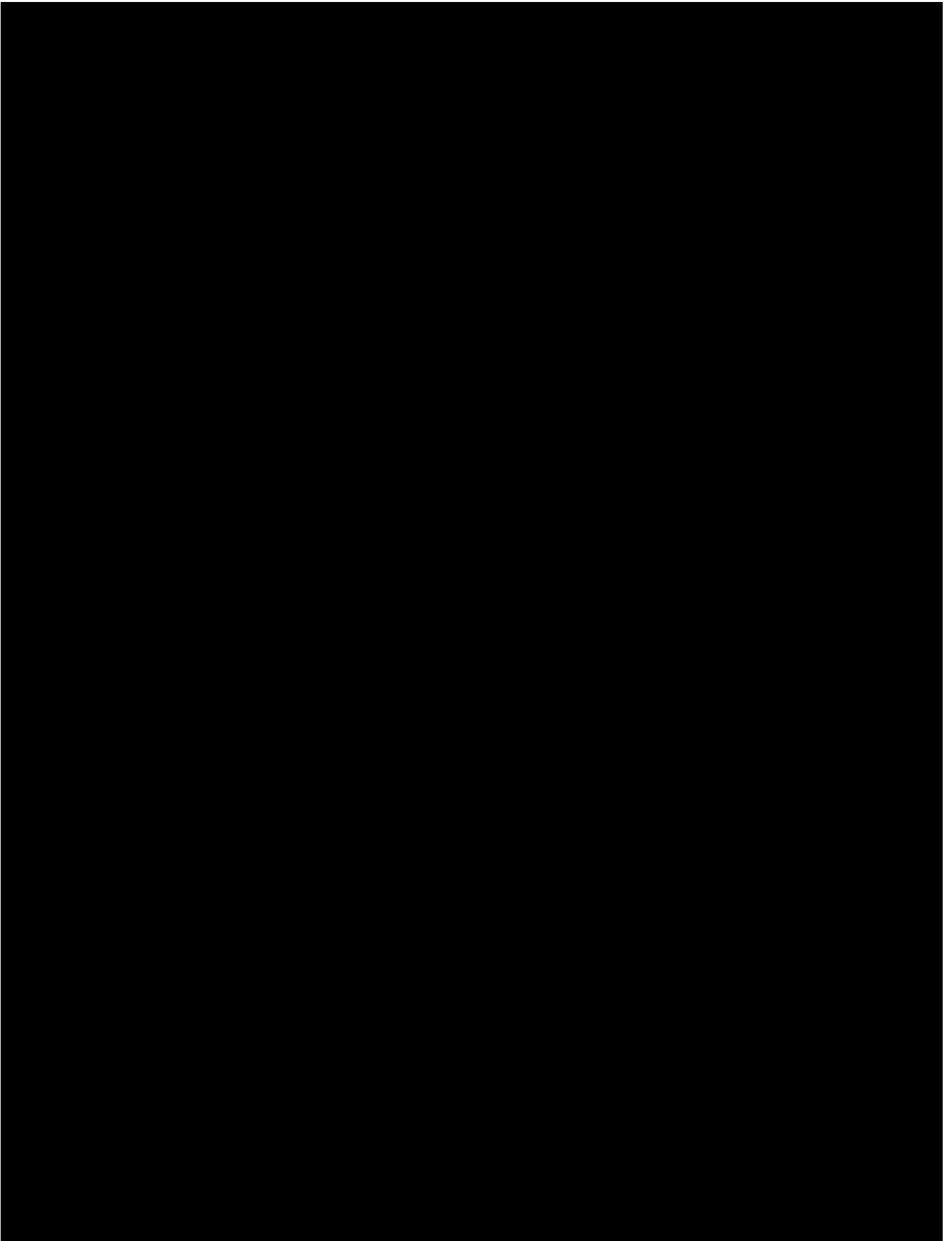
CCS of Alabama, LLC (“CCSA”) is committed to providing the best patient-focused dispensing operations in Alabama. We have developed this plan of exemplary advertising and marketing practices that deliver a message of accountability and transparency to our patients, their caregivers, and the communities in which we operate.

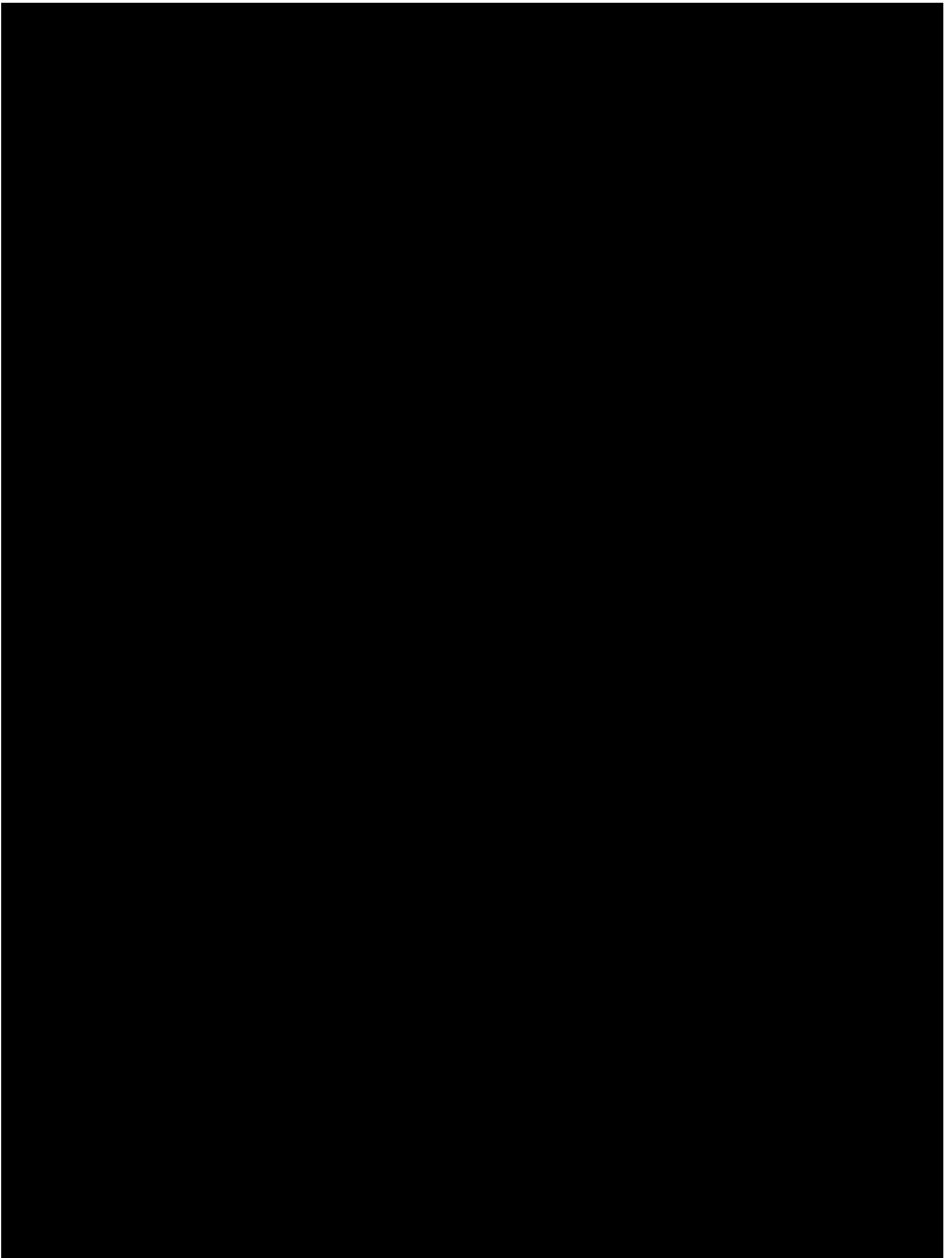
CCSA’s leadership team already has a track record of commercial success and positive customer relations in other medical cannabis markets in the United States. Ernie Craumer, an owner of CCSA, is a managing member of an established and recognizable medical cannabis brand that operates three medical dispensaries in the Denver, CO area. Having developed Callie’s Cannabis Shoppe (“Callie’s”) as a brand and all its associated branding in active markets elsewhere, Mr. Craumer’s experiences and existing intellectual property portfolio give CCSA a competitive edge in establishing itself in the Alabama medical cannabis market. This Marketing and Advertising Plan offers descriptions of our proposed logos, branding, messaging, and other marketing and advertising communication we plan to implement in bringing Callie’s brand to Alabama. Our plan goes on to offer detail regarding the specific media outlets and platforms we propose to utilize, how those marketing and advertising campaigns and programs will be implemented, and which media outlets will play a role in our marketing and advertising efforts. Our extended leadership team brings an exemplary record of regulatory compliance and unrivaled technical expertise, including multi-state medical cannabis operational experience and our owner Matthew Hogan’s experience as Chief Operating Officer of ATG Distribution, a large alcoholic beverage wholesaler that operates in Eastern and Central Alabama. Mr. Hogan gives CCSA another competitive edge in understanding the supply chain and logistics expertise of a highly regulated industry operating in Alabama. CCSA’s dedication to compliance will allow us to offer the stability and suitability required by the Alabama Medical Cannabis Commission (“AMCC”) to deliver top-notch services to Alabama’s qualifying patients and caregivers. Our leadership team’s depth of experience in various highly regulated markets makes our team

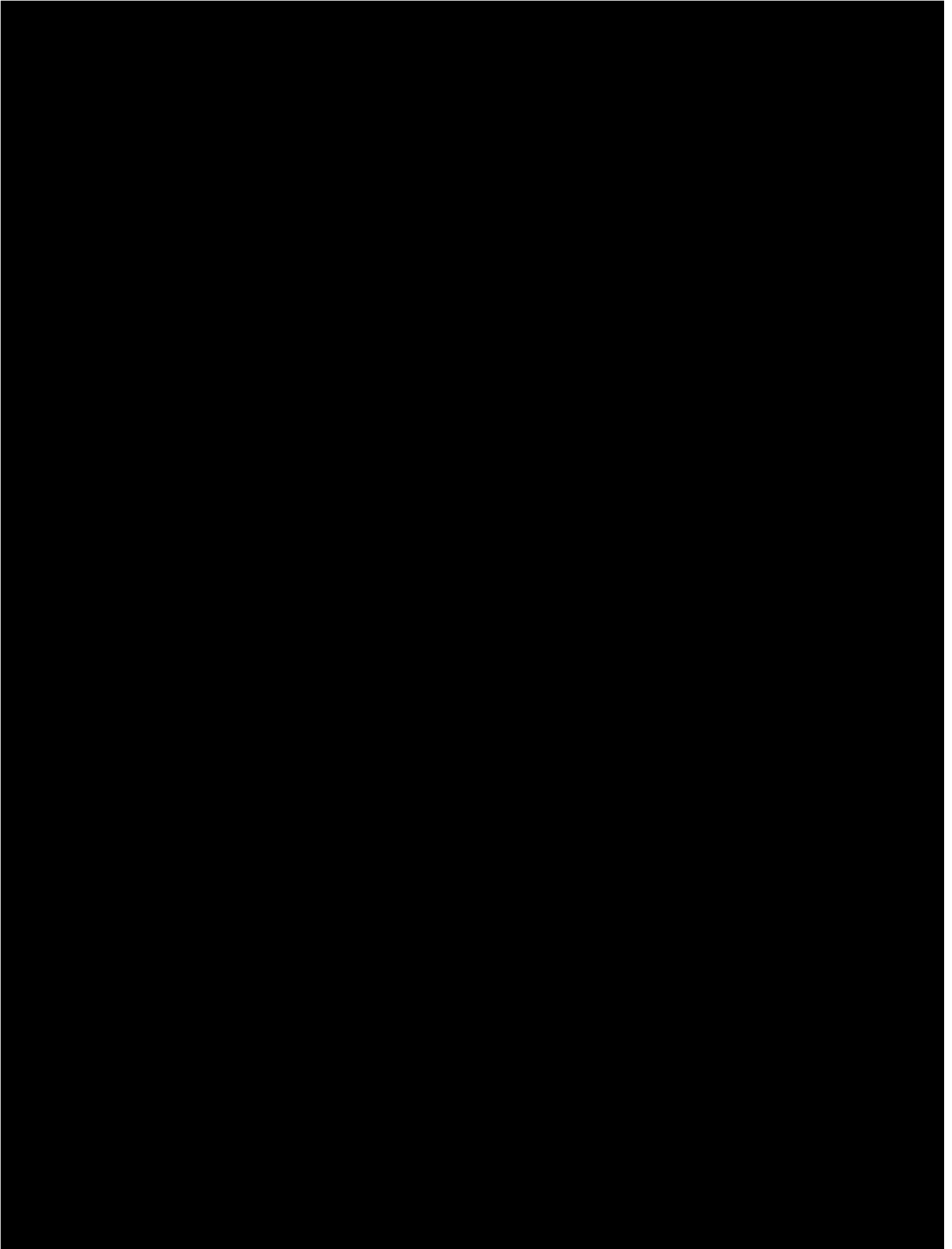
uniquely capable of ensuring compliance in all marketing endeavors from day one. CCSA will provide a stable, continuous, and suitable message for Alabama's medical cannabis market and prioritize high-quality patient education messaging to Alabama's qualifying patients and caregivers.

CCSA shares the State of Alabama's goal of ensuring that any advertising or marketing campaign related to or involving medical cannabis does not encourage, promote, or otherwise create any impression that cannabis is legal, therapeutic, or beneficial, except as specifically authorized by the Act and the regulations. With our established leadership in distributing medical cannabis to hundreds of thousands of patients across the U.S., we understand the importance of upholding honest marketing and advertising policies. Through training and education, CCSA will ensure that all our employees and agents thoroughly understand the requirements set forth by the AMCC to execute CCSA's compliance-focused Marketing and Advertising strategies properly. CCSA's duties and responsibilities with respect to marketing and advertising will comply with the Alabama Medical Cannabis Commission Rules and Regulations ("the Rules") and be governed specifically by Rule 538-x-4-.17 of Chapter 4 of these Rules.

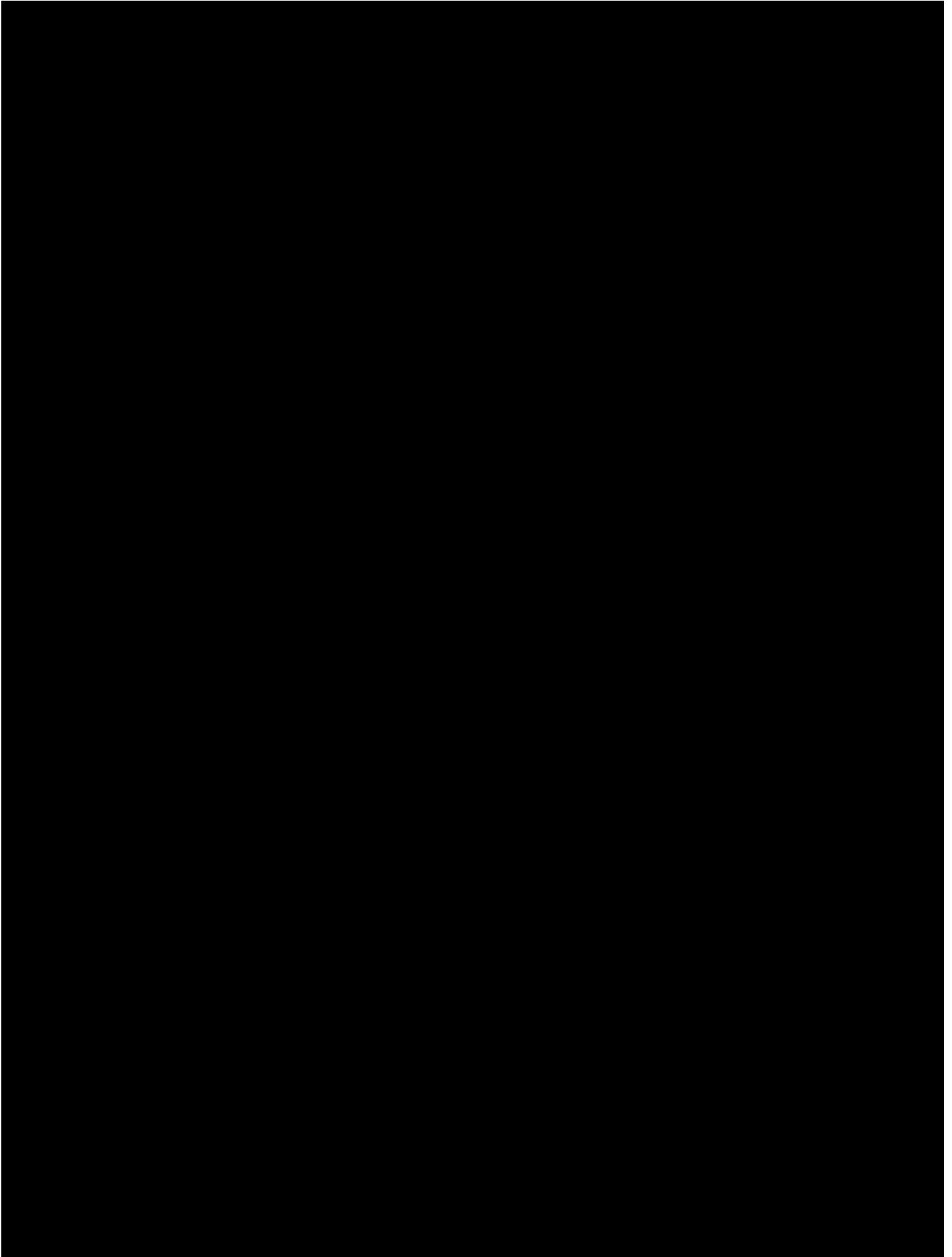


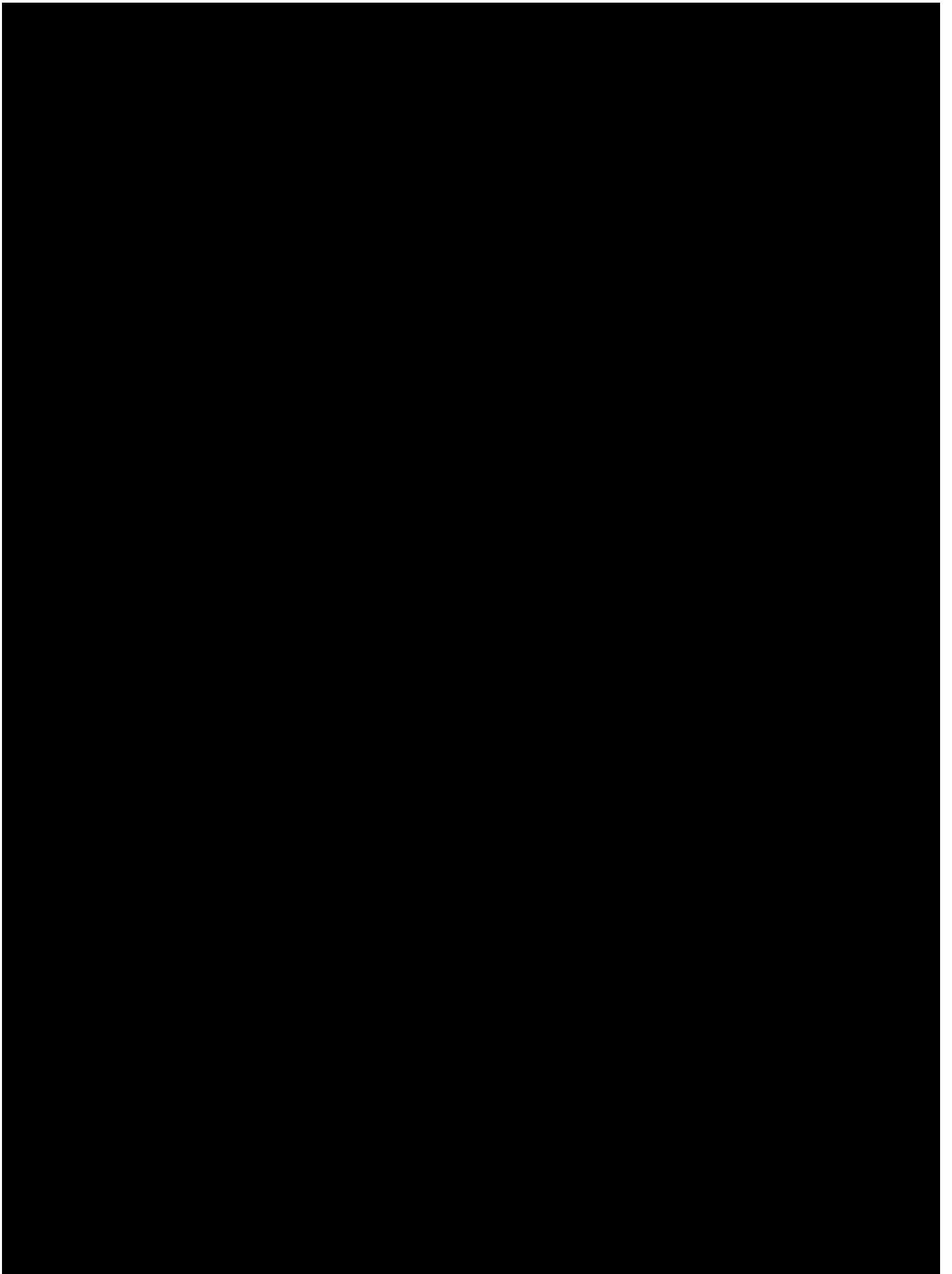


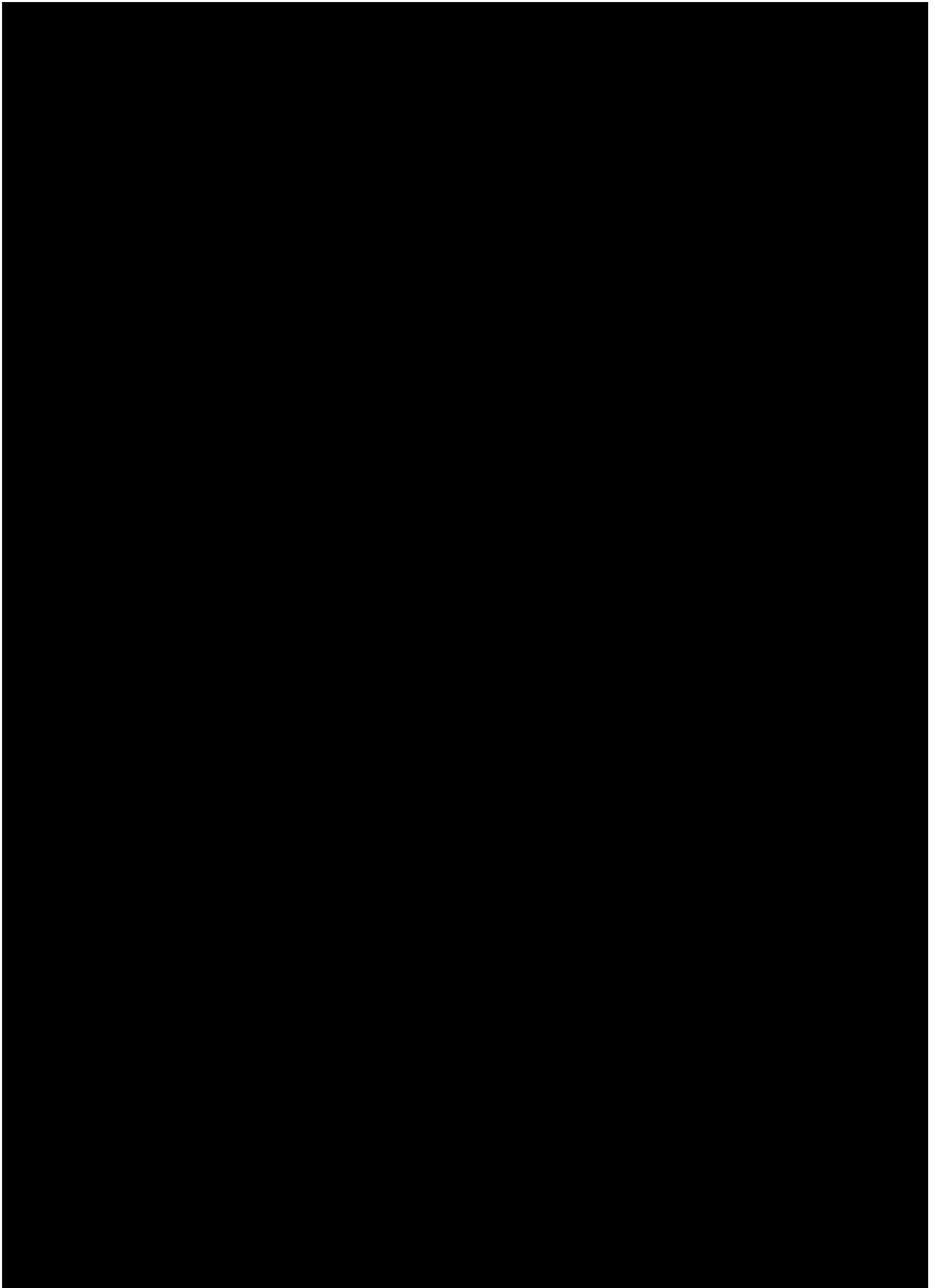


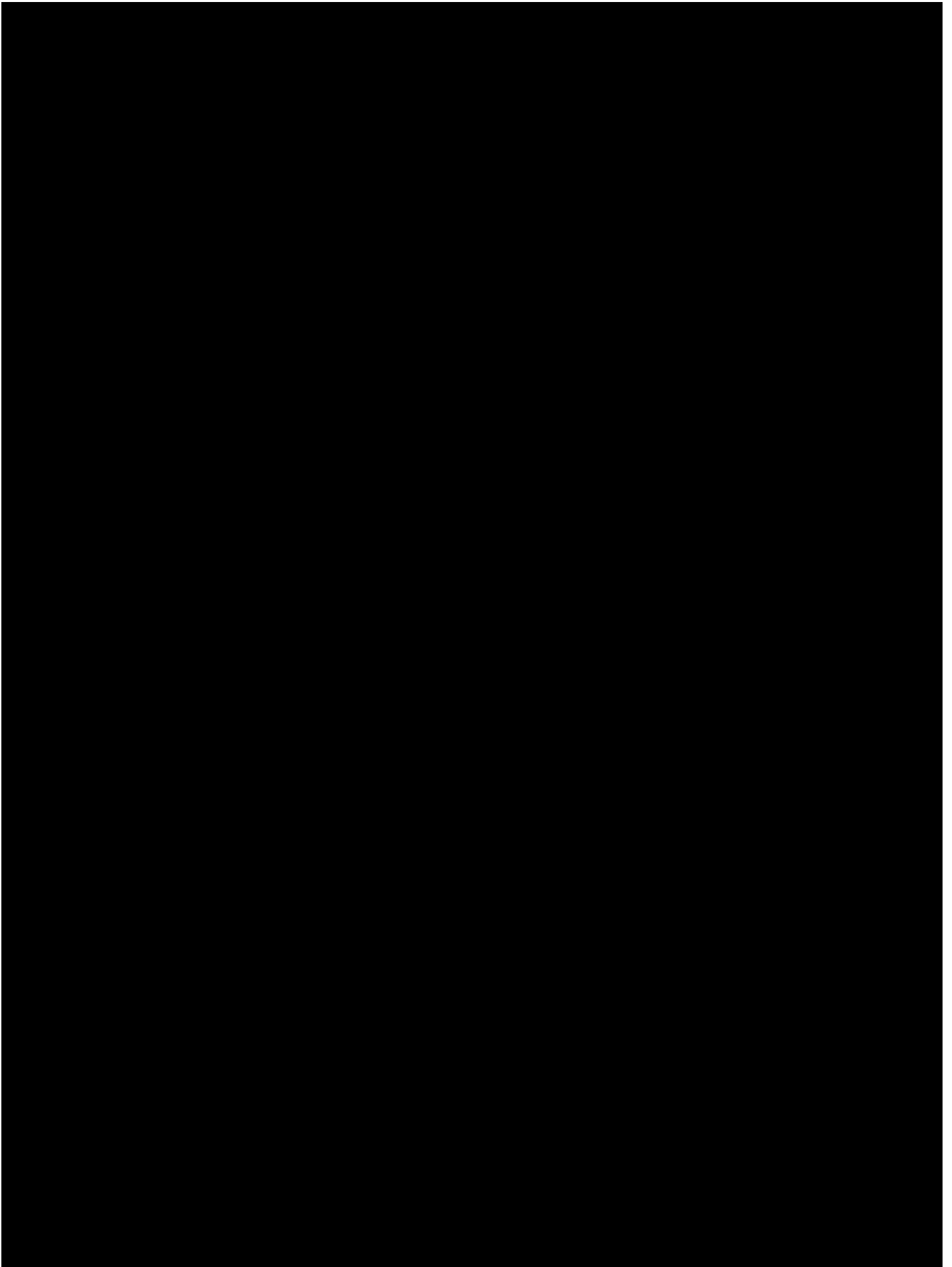


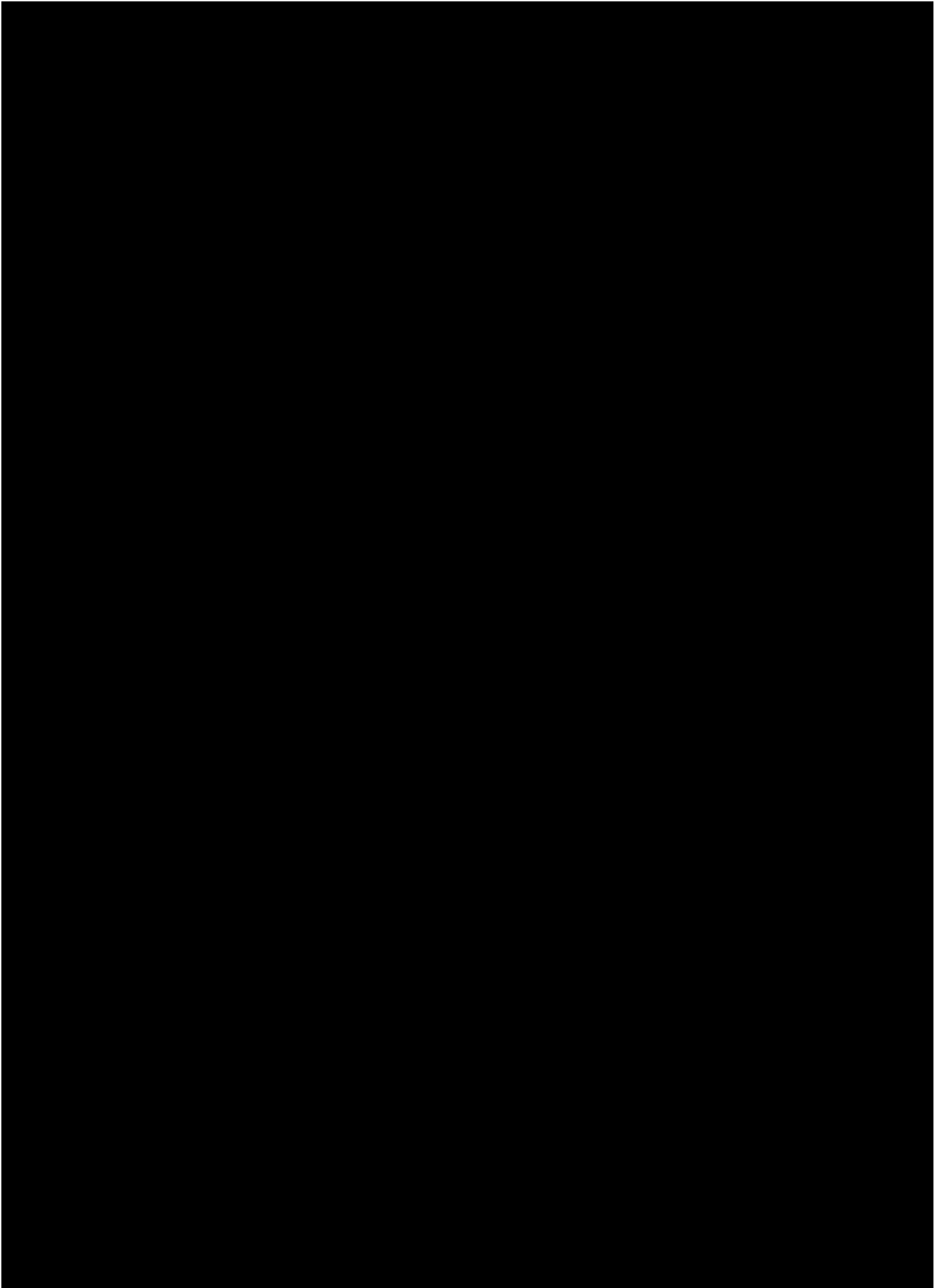


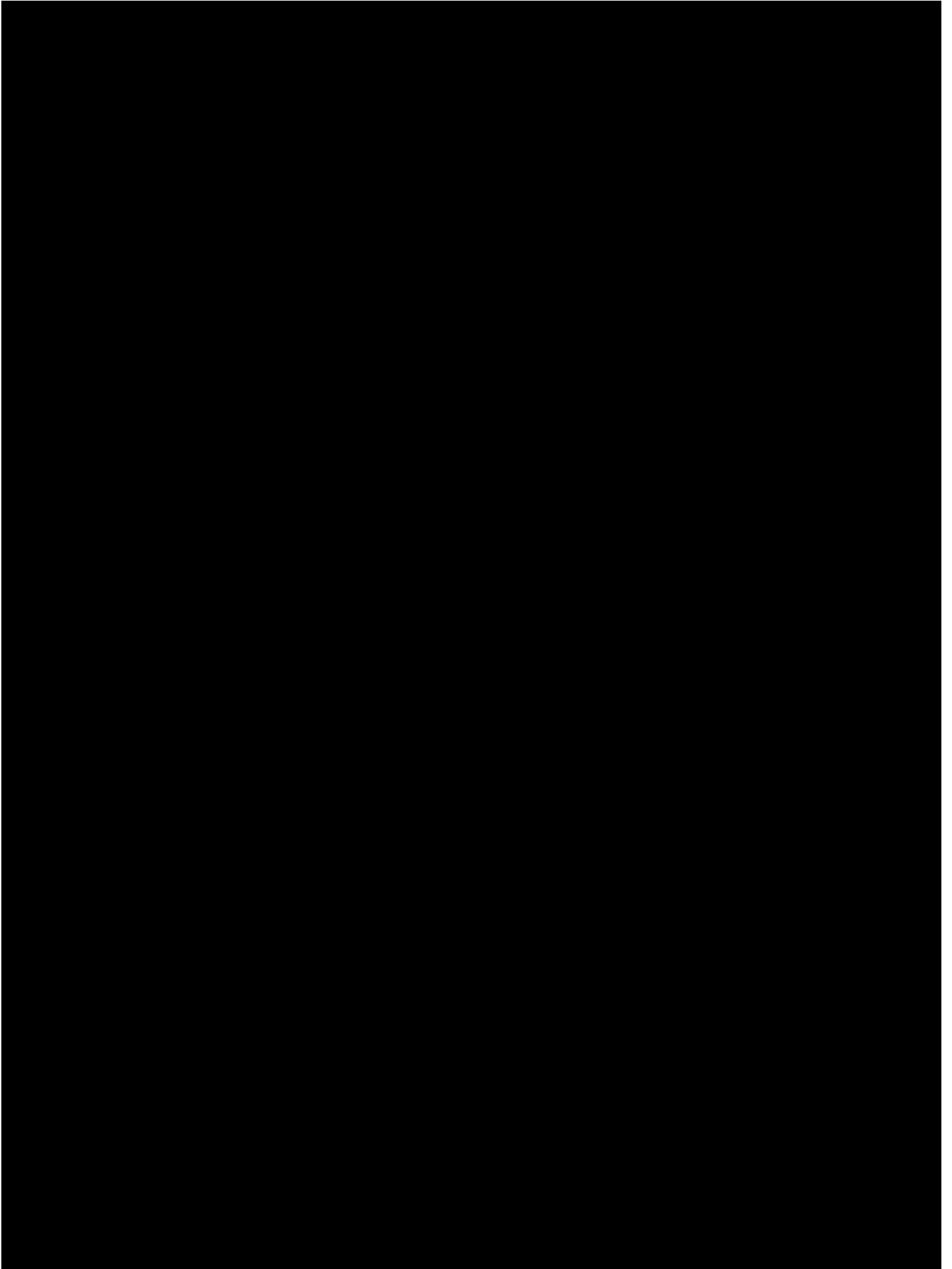


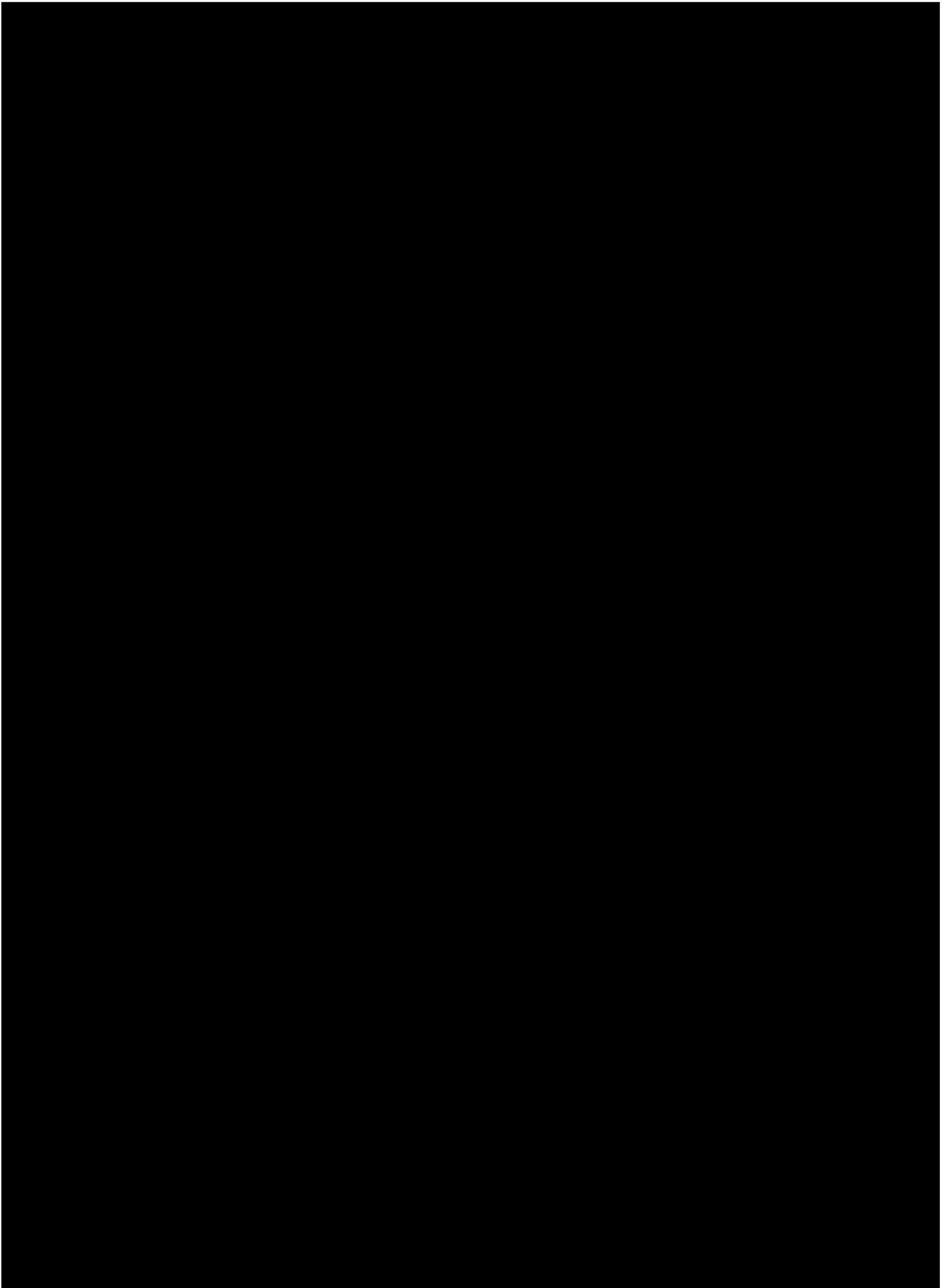


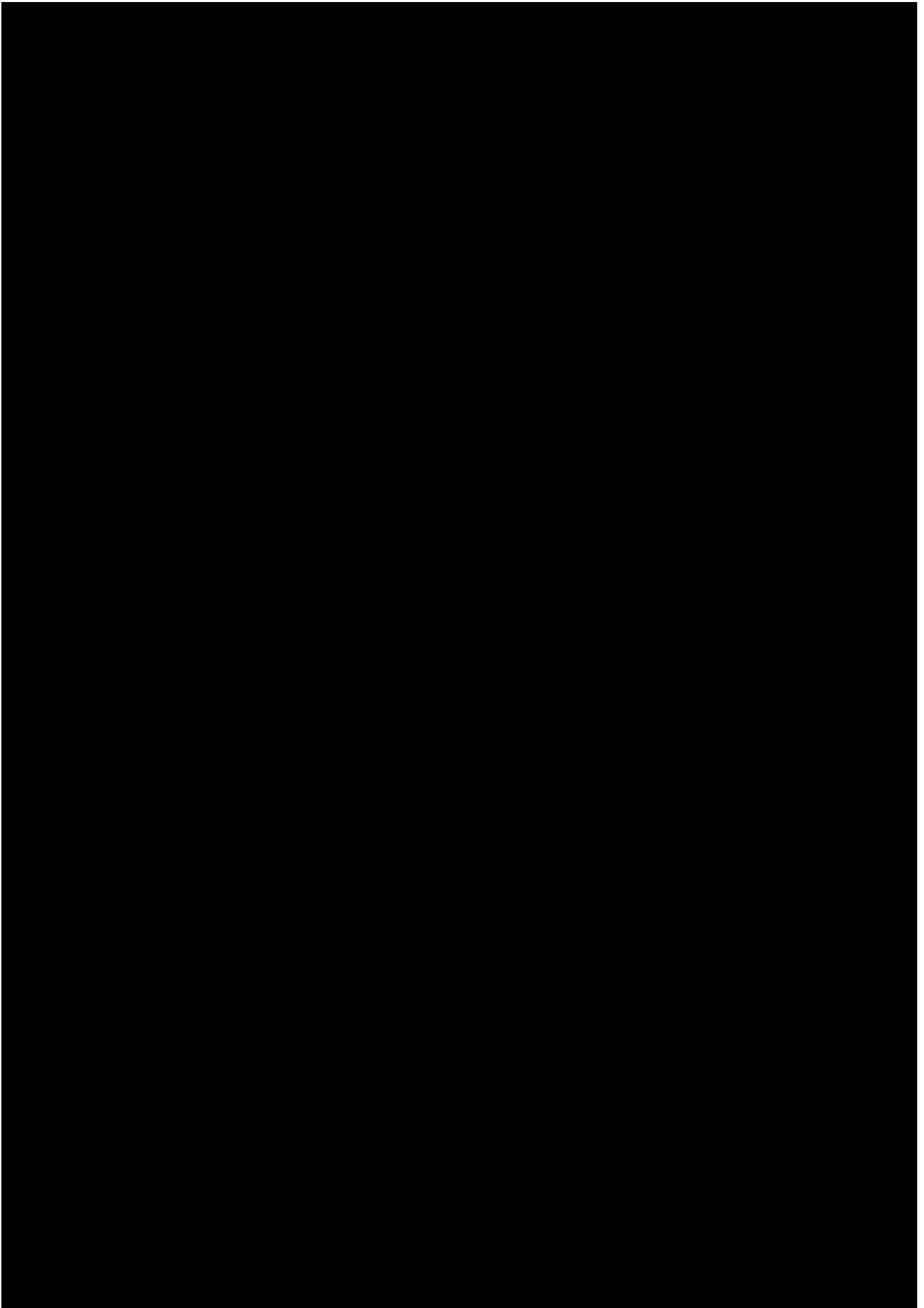




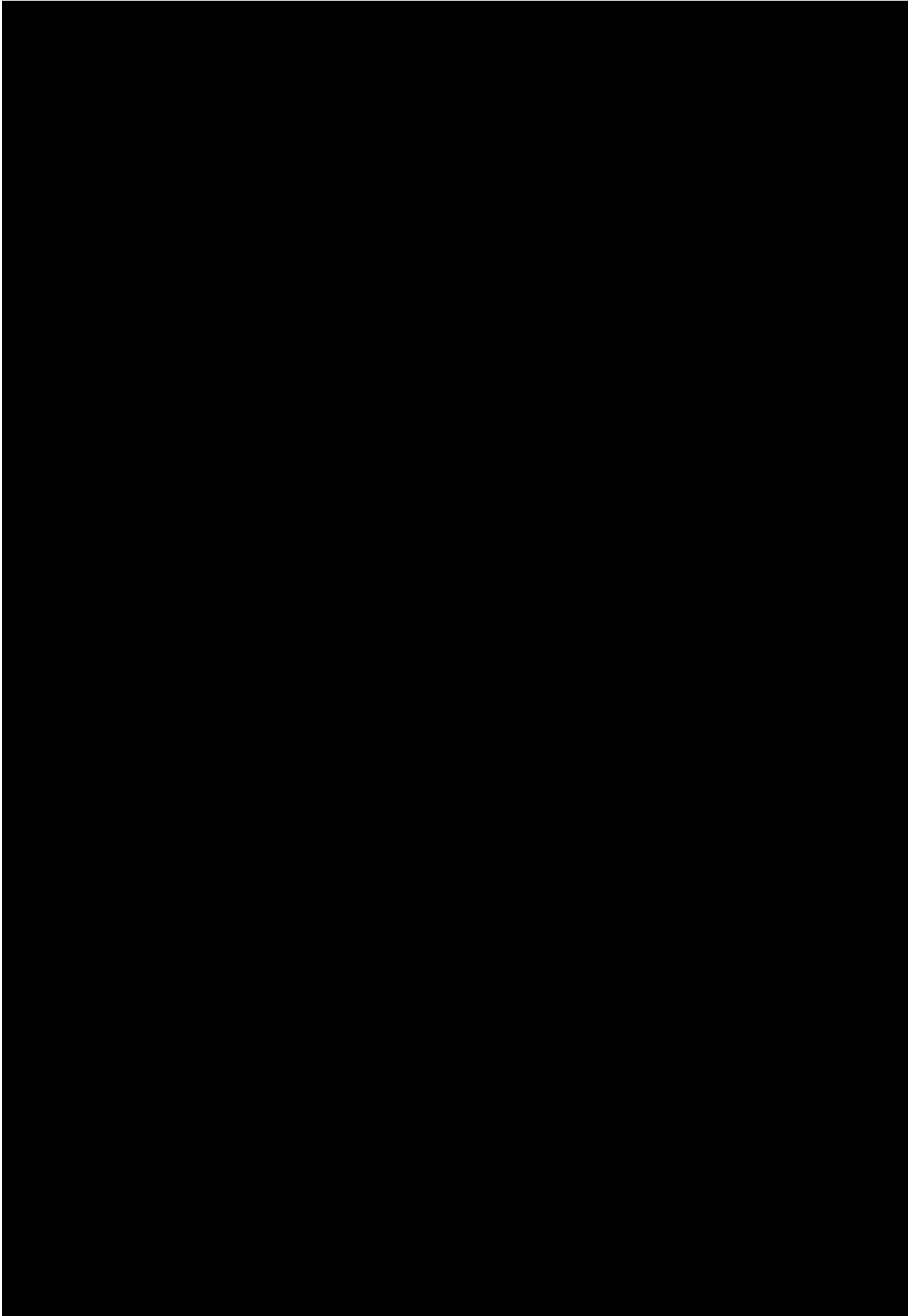


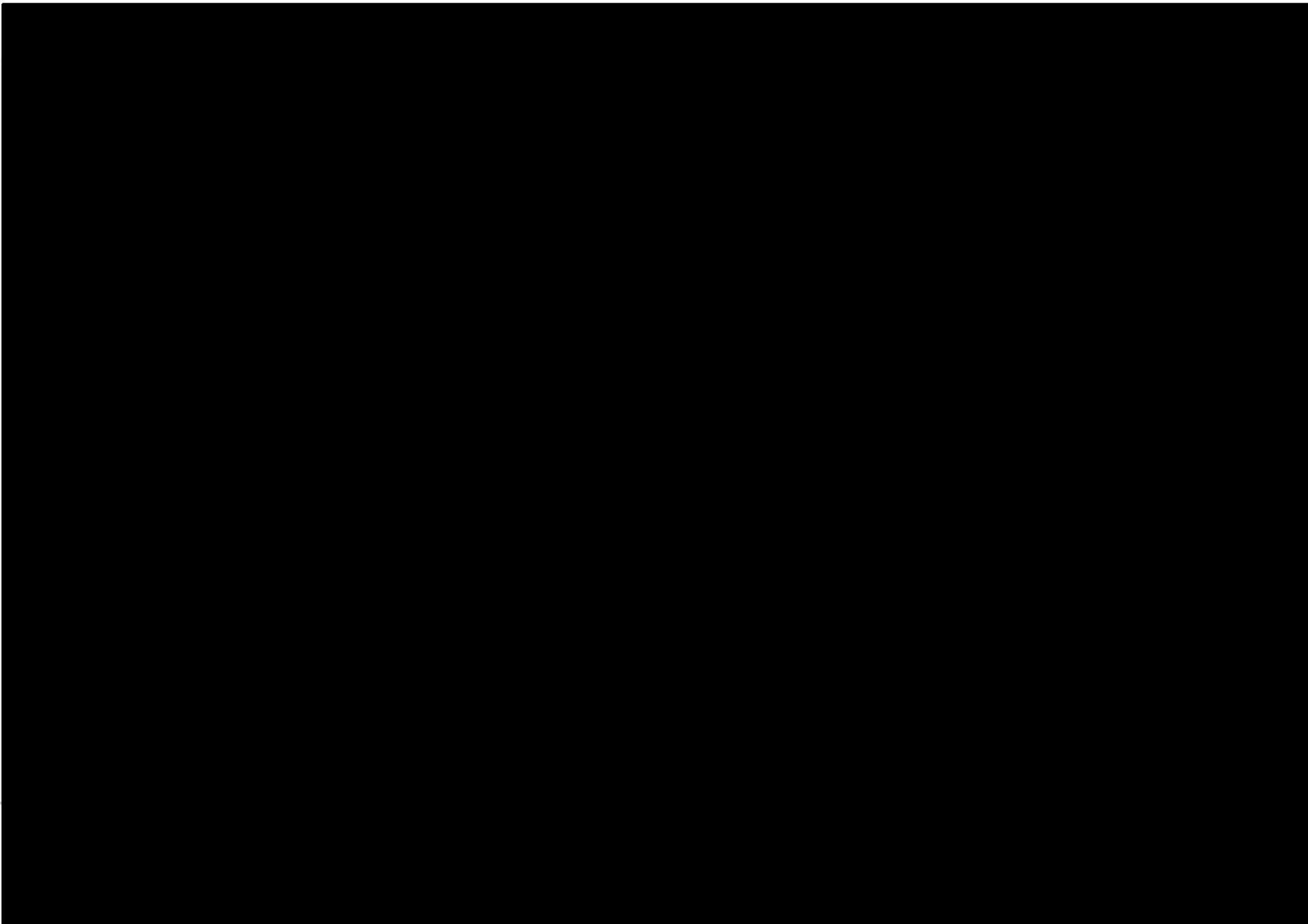


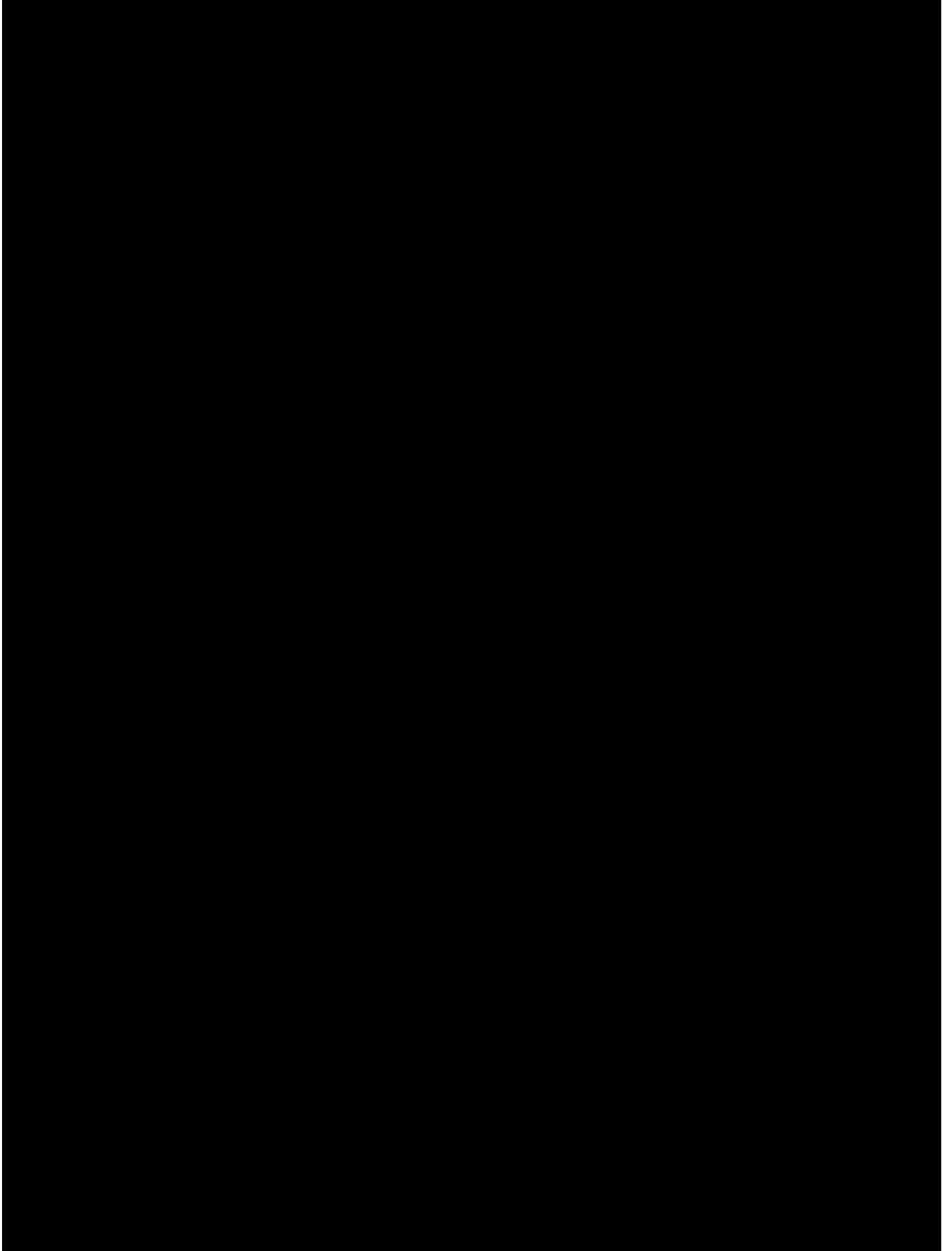


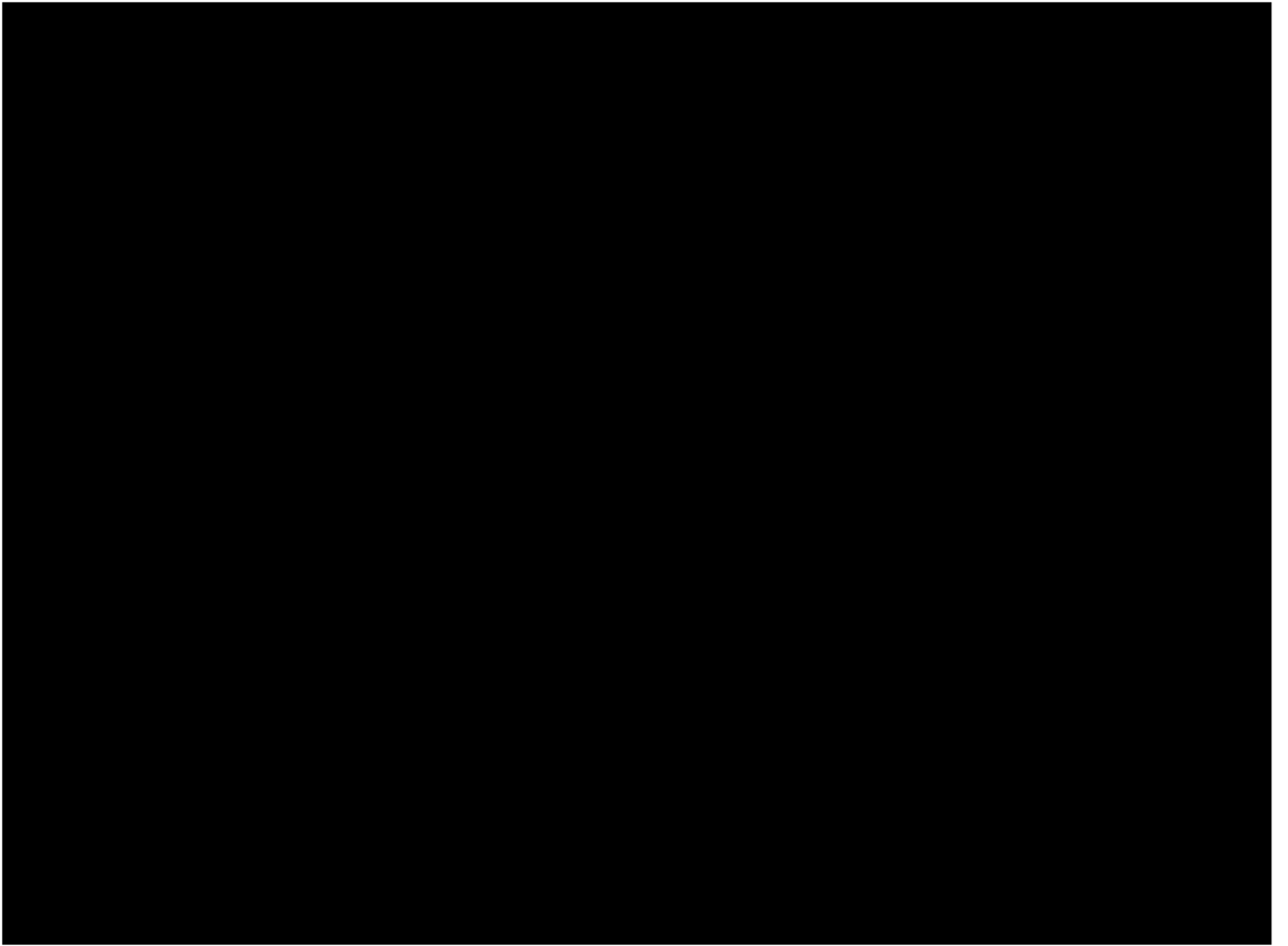












# Exhibit 26 – Website and Social Media

## 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.

Vincent Schilleci III

Owner, Manager

\_\_\_\_\_  
Printed Name of Verifying Individual

\_\_\_\_\_  
Title of Verifying Individual

*Vincent Schilleci*  
\_\_\_\_\_  
Signature of Verifying Individual

12/21/2022

\_\_\_\_\_  
Verification Date

## **Exhibit 26 – Website and Social Media**

### **Executive Summary**

As a consumer-facing business in an increasingly technological world, CCS of Alabama, LLC ("CCSA") understands the critical importance of ensuring that its online presence serves as a thorough and accurate resource for Alabama patients and their caregivers. CCSA has reserved the domain [www.calliesapothecary.com](http://www.calliesapothecary.com) and will be ready to present its website to the AMCC for approval if and when we receive a license. **Although CCSA has not yet launched a website, this Website and Social Media Exhibit will detail a complete site map of our proposed website, including the proposed webpage URL.** Our web presence and activities will be developed and continually maintained in a professional manner to comply with the AMCC's requirements while serving as a resource to the Alabama patient community.

One of CCSA's top marketing priorities is ensuring our efforts are not accessible to minors nor targeted toward them. We will take extra precautions in designing, developing, and maintaining our website. These precautions will ensure that we never include designs or presentational effects commonly used to target minors, nor reference cartoon characters or any individual (actual or fictional) whose audience is, or reasonably anticipated to include, more than fifteen percent (15%) minors. Moreover, at this time, CCSA does not intend to utilize social media platforms because we do not feel comfortable with the ability of social media platforms, including Facebook, Twitter, and Instagram, to prevent minors from accessing sensitive content; nor do we think it is necessary for the success of our business. CCSA shares Alabama's commitment to safeguarding our State's youth while delivering first-rate care and education to qualified patients and caregivers. As such, we have decided not to pursue a social media presence at this time.

We recognize that our marketing duties, and all of our advertising, are governed by those provisions outlined in the Code of Alabama §20-2A-61 and the AMCC and ADAI Rules related to marketing and advertising. We acknowledge, however, that the advertising provisions of AMCC Rule 538-x-4-.17 do not apply to noncommercial messages when the content is primarily for charitable, educational, or public service purposes and does not overtly seek profit or to promote CCSA (or our products). Under the guidance of our experienced leadership team, CCSA will supplement the State's baseline requirements with

the industry-leading standards developed in other legal medical markets to meet and further exceed the expectations of the State, the AMCC, and the ADAI.

### **Website Development and Management**

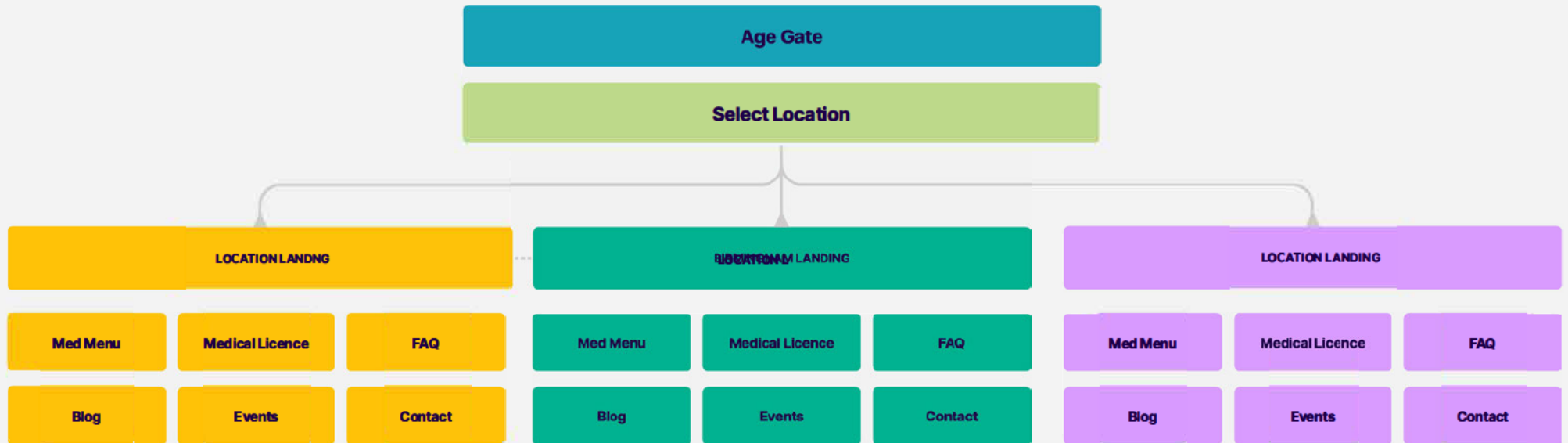
Our Website Development Team, led by Owner and Chief Operating Officer Ernest Craumer and Director of Patient Education [REDACTED], will oversee all website development, management, and maintenance. Mr. Craumer is a Medical Cannabis industry veteran with demonstrated experience creating and maintaining robust online presences to educate patients about the safe consumption, storage, transport, and purchasing of Medical Cannabis. As a testament to his prowess, Mr. Craumer currently operates a facility in Denver that has amassed thousands of five-star reviews from customers and patients in Colorado and Maryland – and he's uniquely poised to offer this same level of experience to CCSA's patients. Mr. Craumer will establish a web presence for CCSA that is professional, convenient, informative, and compliant. To develop thorough, accurate, and precise patient education information and website content, Mr. Craumer will collaborate with [REDACTED], who will draw upon 30 years of clinical practice and research experience directly focused on empowering effective communication between patients and medical professionals.

#### **26.1 – A Complete Site Map of Each Website Owned or Operated by CCSA**

CCSA understands our requirements under the Act and the Rules, and we will ensure our website design and maintenance are compliantly executed as outlined in this Exhibit. We recognize and will satisfy our ongoing duty to meet the standards, policies, procedures, and operations that we affirm to the AMCC at the time of our licensing. Specifically, we acknowledge our duty to maintain current documents of the complete site maps of any website we own or operate and the web address of each webpage, social media page, or other online site owned or operated by CCSA. We will ensure our site maps and web address documents will be current within thirty (30) days unless required otherwise by the AMCC. Our website and information therein will never violate the Act or the AMCC Rules.

**The proposed site map for CCSA's webpage is featured and outlined below:**

# SITE MAP



AGE GATE • COOKIE LOCATION SETTINGS • COMPLIANCE MENU PROVIDER • BLOG • EVENTS • FAQ



## **Age Gate**

The age gate landing page is a sign-on page that requires age verification. CCSA's website will require each user to affirm that the user is not a minor before access to the website is granted. The user will be asked to verify their birthday prior to being allowed to enter any portion of the website that contains content. Users who do not pass this initial screening will be redirected to Google.

## **Select Location**

Once a user's age is verified, they will be directed to a landing page requesting the user to select which of CCSA's three Dispensary locations they would like to explore. Users will choose between Montgomery, Talladega, and Cullman County.

## **Montgomery Landing, Talladega Landing, and Cullman County Landing**

The locality landing pages will include location-specific information for consumers to access each of CCSA's Dispensaries, including our DBA of Callie's Apothecary, business address, contact information, services we provide, and business hours. The website will also provide pictures of the exterior of the Facility and wayfinding directions from major landmarks. Each of the three localities listed on the Select Location page will have its own standing page with identical sections, outlined as follows: Medical Menu, Medical License, FAQ, Blog, Events, and Contact Us, as detailed below.

### **Medical Menu**

The Medical Menu will include the following:

- The names and descriptions of Medical Cannabis that are filtered by qualifying medical conditions and symptoms.
- A list of qualifying conditions, details about obtaining a Medical Cannabis Card, and what to do when a Medical Cannabis Card expires.
- An informational guide explaining common Medical Cannabis terminology, differing strengths of products dispensed, safe techniques for Medical Cannabis use, safe storage and transport practices, signs and symptoms of abuse, and other information about Medical Cannabis and the surrounding laws and regulations.

- Accurate and up-to-date clinical data for Alabama's qualifying conditions, including scientific research papers, scholarly articles, and other white papers related to Medical Cannabis, dosing, formulations, and an assortment of other relevant topics.

### Medical License

Under the Medical License tab, users will find information about our licensure credentials and Dispensary license.

### FAQ

The FAQ Tab will provide the answers to Frequently Asked Questions for potential and existing patients. An extensive FAQ section is fundamental to educating our users and reducing the probability of uninformed or misinformed patients.

### Blog

The Blog tab will contain relevant and up-to-date articles with information about the latest developments of the law, Medical Cannabis updates, changes in the industry, and any other relevant information our patients should know regarding Medical Cannabis in Alabama and the world. The Blog will be frequently updated to advance and grow our patient's knowledge of Medical Cannabis.

### Events

Under the Events tab, Users will find information on previous and upcoming educational sessions held by CCSA, the AMCC, and other applicable local government and law enforcement. We will also include any community outreach and charitable events CCSA is hosting or participating in.

### Contact Us

The Contact Us tab will contain a Contact Form Widget that will allow and facilitate the option for users to contact CCSA through the website platform. The generated Contact Form will ask for the user's name, email address, phone number, postal code, and inquiry message. Messages will be directly transmitted to the Facility's general manager for direct response.

### **Ensuring Compliance with Web Presence Requirements**

It is CCSA's utmost priority and responsibility to restrict minors' access to CCSA's website and any other form of online presence. Our first line of defense will be our age gate landing page which will require each user to affirm that they are not a minor before access

to the website is granted. We will also never provide a medium, such as a sharing feature, for users to transmit website content to minors. Additionally, CCSA's web presence will not target a consumer group with a high likelihood of reaching or appealing to minors.

Our website and any online presence will be used primarily to educate patients and caregivers about our Dispensary's name, business address, contact information, services, relevant educational materials, answers to frequently asked questions, and information on the law and safe consumption, storage, and transport practices to provide the best service and learning opportunities possible. We look forward to working with the AMCC to develop online content that is educational to our patients and complies with the AMCC Rules. More specifically, any images of product packaging and labeling contained in our educational materials will adhere to the rules and regulations for packaging and labeling of Medical Cannabis as outlined in AMCC Rule 538-x-6-.05, Code of Alabama §20-2A-63(d), and all other applicable rules and regulations.

CCSA's web presence will never operate as a tool to transact business or otherwise facilitate a sales transaction to consumers or businesses. We will not allow for direct engagement between or among consumers or consumer-generated content, including, but not limited to, consumer reviews or testimonials on our website and other web-based platforms. We understand CCSA is not prohibited from obtaining direct patient feedback or sharing actual unsolicited statements by the consumer to CCSA, as long as they do not violate any prohibitions of the AMCC Rules. Our website and online presence will also never display or post content that has not been submitted to the AMCC, pursuant to AMCC Rule 538-x-4-.17(4), if the content was created or produced within Alabama or specifically targeted to or available only to Alabama residents. As required by the Rules and applicable law, we will never place, maintain, or cause to place or maintain an advertisement of Medical Cannabis or any related products on our website, social media, or any other internet-based platform. Our website and overall online presence will never violate the Act or the Rules.

Prior to placing any proposed name, logo, or other CCSA marketing materials on our website, social media platform, or online platform, such proposed marking will first be submitted to the AMCC for review and approval, including:

- The name, logo, sign, advertisement, or other marketing campaign proposed for use (to the extent possible).

- A brief description of the format, medium, and length of distribution.
- Verification that an actual patient is not used in the advertisement.
- Verification that an official translation of a foreign language used is accurate.
- A final copy of the advertisement, including video, in a format that meets the AMCC's standards.

The proposed name, logo, or other marketing materials will only be implemented online following the AMCC's review period and our fulfillment of any AMCC requests/requirements, including adding a specific disclosure in a clear and conspicuous manner and/or changing the materials as necessary to protect the public health, safety, and welfare. In the unlikely event the AMCC prohibits CCSA's use of the submitted online marketing materials, CCSA will never use those materials. If the AMCC does not request a change nor prohibits the use of the materials within the 14-day review period, CCSA understands it may use the submitted materials per the AMCC Rules. We recognize that the AMCC's inaction during the review period does not constitute a waiver of its authority to undertake any actions permitted by the AMCC if it is subsequently determined that the materials violate the Act or the Rules.

Should we disagree with the AMCC's initial decision or required changes to our submitted online marketing materials, CCSA will respectfully submit our notice of appeal through electronic writing via the AMCC's website. If we wish to appear and provide information and oral argument at the AMCC's meeting, where it will hear and decide the appeal, we will submit a timely request to do so. We respect the AMCC's authority and decision-making process and recognize the AMCC's decision on appeal is final and not subject to further review.

CCSA is dedicated to maintaining a professional web presence to serve the patients and caregivers of Alabama. We plan to participate in limited marketing services, utilizing our web presence as necessary to assist and educate patients and caregivers. Our standard practice is to design and maintain an online presence that does not appeal to minors. When developing our online presence, CCSA will keep in mind the State of Alabama's compelling interest in ensuring that any marketing campaign related to or involving Medical Cannabis does not encourage, promote, or otherwise create any impression that cannabis is legal,

therapeutic, or beneficial, except as specifically authorized by the Act and the Rules. Our marketing policy will prohibit CCSA from suggesting or indicating that CCSA or any product is endorsed by the AMCC, the State of Alabama, or any person, entity, or agency associated with the State of Alabama. We will ensure our online marketing does not encourage the use of Medical Cannabis for a condition other than a qualifying medical condition or market Medical Cannabis in a manner that is inconsistent with the medicinal and approved use of Medical Cannabis.

Our online presence, website, and social media will be void of statements, designs, representations, pictures, or illustrations that contain false or misleading statements or names other than the registered name of our business name, approved DBA, or the registered name of Medical Cannabis or related product. We recognize a depiction of Cannabis plants or any part thereof may be featured on the CCSA website so long as we maintain the website for the exclusive use of patients and caregivers. We will be intentional in our website and social media design to never suggest, by direct or indirect reference, a relationship to edibles, including, but not limited to, candy, cookies, brownies, cakes, and other sweets or beverages.

Patients and caregivers will not encounter slang terms and similar references, including words or depictions, by direct or indirect reference, to unlicensed uses of Cannabis, disparagement of a competitor's products, or obscene, indecent, or profane statements or depictions on our online sites and platforms. In addition, we will never make statements as to the health benefits or therapeutic benefits of Medical Cannabis or statements as to the safety or efficacy of Medical Cannabis unless supported by substantial clinical data. In sum, CCSA will only maintain an online presence via our website, social media, or other sites that comply with the Rules.

**26.2 – The Web Address of Each Webpage, Social Media Page, or Other Online Site Owned or Operated by CCSA**

Below is a list of each webpage, social media page, or other online site CCSA owns or operates:

- [www.calliesapothecary.com](http://www.calliesapothecary.com)

- CCSA does not anticipate utilizing any other web page or internet platform, except for CCSA's website, at this time.
- CCSA does not anticipate utilizing a social media page or platform at this time.

**See Website Example Below:**

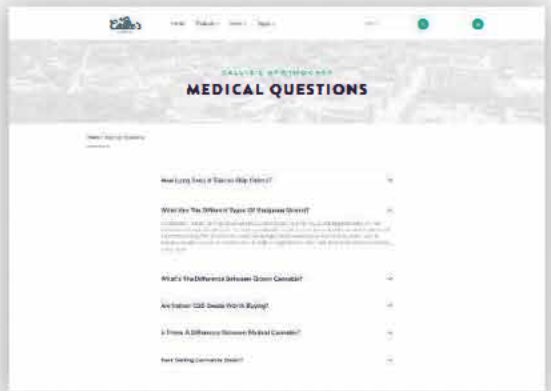
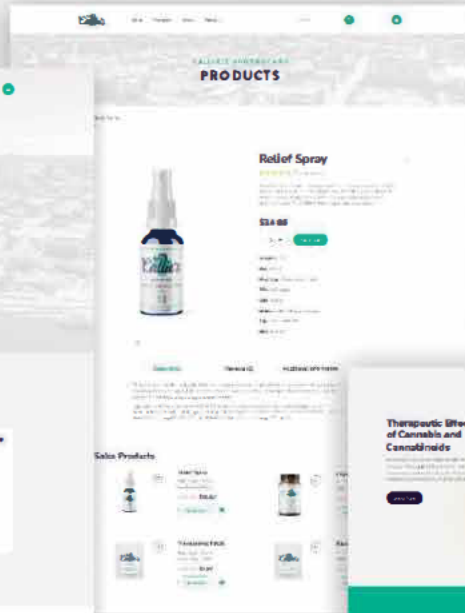
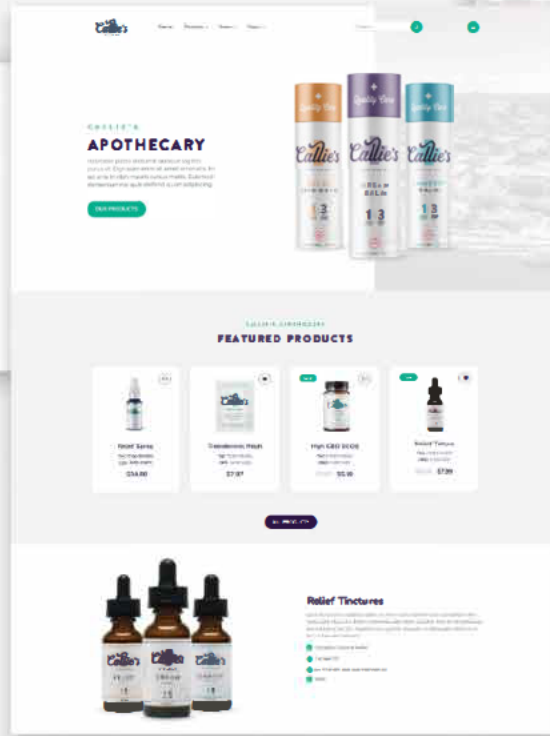
**Conclusion**

When establishing a responsible, educational, and compliant website, social media, and online presence, CCSA aims to set the gold standard for the State of Alabama.

This Exhibit 26 complies with: Ala. Admin. Code r. 538-x-3-.05(3)(m)(13); 538-x-4.07(12)(l); 538-x-4-.17(2), (3)(a)-(e), (4)(b)-(d), (5)(c), (6)(a), (c)-(h), (7), (9); 538-x-6-.03(3)(b); 538-x-8-.21; and the Darren Wesley 'Ato' Hall Compassion Act §20-2A-61(c)-(b).

# WEBSITE

APOTHECARY



ADA COMPLIANT • ALABAMA COMPLIANT • SECURE ORDER PROCESSING



support@dutchie.com  
2728 NW Potts Ct. Ste 100, Bend OR 97703

### Letter of Intent ("LOI")

December 15, 2022

This LOI sets forth the mutual understandings and intentions relating to a proposed service relationship between Dutchie Insurance Services, LLC ("Dutchie Insurance") and CCS of Alabama LLC ("Customer") (each a "Party" and collectively, the "Parties"), based upon the indicative terms set forth herein, under which Dutchie Insurance will provide insurance to Customer in the state of Alabama for cannabis-related transactions (the "Services").

**Service :** Dutchie Insurance will find and present Customer with the insurance policies in the chart below.

Policy type	Carrier Name	Coverage limit	Carrier Rating
General Liability/Products Liability	Summit Specialty Insurance	2,000,000	A VIII
Workers Compensation	Benchmark Insurance Company	1,000,000	A

**Effective Date:** Policy effective date pending licensing approval.

**Insurance product:** Customer enters into a direct agreement with the Carrier offering the insurance product which contains details of coverages, coverage limits and exclusions. These are owned and controlled by the carrier .

**Compliance:** Each Party shall be in compliance with all applicable rules and regulations.

**Non-Binding:** This LOI does not obligate Dutchie Insurance to provide services nor does it obligate Customer to accept Dutchie Insurance's services.

**Governing Law:** Laws of the State of Alabama and the federal laws of the United States applicable therein without regard to conflict of law principles.

**Assignment:** The provisions of this LOI shall insure to the benefit of, each of the Parties, and their respective representatives, successors or permitted assigns. Neither Dutchie nor Customer shall assign this LOI or any part hereof or any benefit or interest herein without the prior written consent of the other Party.

**Third-Party Beneficiaries:** This LOI is intended for the benefit of the Parties hereto and is not intended to and does not confer any benefit on third parties.

**Counterparts:** This LOI may be executed in counterparts, each of which shall have the effect of and be considered as an original of this LOI.

**Customer Responsibilities:** Customer is responsible for accurately reflecting the business in order for insurance carriers to quote products appropriately and understands that any misrepresentation can cause non payment of insurance claims and cancellation of coverage.

IN WITNESS WHEREOF, the Parties have caused this LOI to be executed by their duly authorized representatives, effective on the date written above.

**Dutchie Insurance Services, LLC.**

DocuSigned by:

By: 

6D05C7DB0DE04FC...

Name: Elizabeth Ely

Title: Head of Insurance Sales

Date: 12/15/2022

**CCS of Alabama LLC**

DocuSigned by:

By: 

856875371A70425...

Name: Ernie Craumer

Title: LLC Member

Date: 12/15/2022



	<b>QUOTE PROPOSAL</b>	<b>Summit Specialty Insurance Company</b> C/O Blitz Insurance 1985 Cedar Bridge Avenue, Suite 1 Lakewood, NJ 08701 <a href="mailto:underwriting@blitzinsurance.com">underwriting@blitzinsurance.com</a>

<b>Application #:</b> CAN-AL-1214-A90E	<b>Quote Generated:</b> 12/14/2022
---	---------------------------------------

Named Insured and Business Address			
First Named Insured	Business Type	Business Address	Operations
CCS of Alabama LLC	Llc	2400 Highway 280, Harpersville, AL 35078	Retailer dispensary

**Summit Specialty Insurance Company A (Excellent) VIII by A.M. Best Rating (Excellent) VIII**

Product Premiums		
Product	Proposed Policy Period	Premium
General Liability	12 months from inception date	\$2,257
<b>Total:</b>		<b>\$2,257</b>

Terrorism coverage is excluded, but the coverage can be added for an additional 5% of premium, subject to a \$250 minimum premium, excluding taxes and fees.

General Liability Coverage Premiums			
GENERAL AGGREGATE:	\$2,000,000		
NOTICE: The Products & Completed Operations Aggregate Limit is included in the General Aggregate Limit. The maximum aggregate limit is equal to the General Aggregate Limit.			
Coverage	Limit	Deductible	Premium
General Liability - Claims Made Form	\$1,000,000 Per Occurrence	\$5,000 Per Claim	\$507.00
Personal and Advertising Injury	\$1,000,000 Per Occurrence	\$5,000 Per Claim	Included
Medical Expenses	\$5,000 Any One Person	N/A	Included
Damage to Premises Rented to You	\$100,000 Any One Premises	\$5,000 Per Claim	Included
Products & Completed Operations - Claims Made and Reported	\$2,000,000 Aggregate / \$1,000,000 per Occurrence	\$5,000 Per Claim	\$1,750.00
<b>Total Premium:</b>			<b>\$2,257.00</b>

THIS INSURANCE DOES NOT APPLY TO "BODILY INJURY", "PROPERTY DAMAGE" OR "PERSONAL AND ADVERTISING INJURY" WHICH OCCURS BEFORE THE RETROACTIVE DATE, IF ANY, SHOWN BELOW.

**Retroactive Date: N/A**

**Summit Specialty Insurance Company A (Excellent) VIII by A.M. Best Rating (Excellent) VIII**



Benchmark Insurance Company  
 800 Corporate Dr Suite 310  
 Fort Lauderdale, FL 33334  
 P: 8002830622

## Workers' Compensation Quote Proposal

Print Date: 12/15/2022  
 Quote Number: 113322

Broker/Agency:  
 One General Agency  
 (405) 840-9393

CCS of Alabama LLC  
 2400 Highway 280  
 Harpersville, AL 35078

**Quote Terms:**

Carrier: Benchmark Insurance Company  
 Coverage Type: Workers' Compensation  
 Transaction Type: New Policy  
 Basis: Estimated Payroll (\$105,000)  
 Estimated Premium: \$ 1,921  
 Coverage Dates: 01/25/2023 - 01/25/2024  
 Payment Plan: Quarterly Installment

**Coverage Information:**

Workers' Compensation Coverage:AL

**Employers Liability:**

Bodily Injury By Accident \$1,000,000 Each Accident  
 Bodily Injury By Disease \$1,000,000 Policy Limit  
 Bodily Injury By Disease \$1,000,000 Each Employee

CCS of Alabama LLC  
 01/25/2023-01/25/2024  
 Carrier: Benchmark Insurance Company

State	Code	Loc.	Description	Payroll	Base Rate	Premium	Net Rate
AL	8017	1	Store: Retail Noc	\$105,000	1.47	\$1,544	1.61

**Total Payroll** \$105,000  
**Total Manual Premium:** \$1,544

Policy Limits	1.014	22
Policy Limit Increase to Minimum	0.930	128
Small Deductible Credit	1.000	0
Experience Modification	1.000	0
Schedule Modification	1.000	0
Merit Rating Adjustment	1.000	0
Premium Discount	1.000	0
Expense Constant	205	205
Terrorism	0.010	11
Catastrophe	0.010	11

**AL Premium: \$1,921**

**FORM I: OWNERSHIP ENTITY INDIVIDUALS**

*"Ownership Entity" – An entity that has any ownership interest in the Applicant.*

*Complete a separate form for each ownership entity, providing information and verification as to each individual having an indirect or direct ownership interest in the ownership entity. Attach additional forms if necessary.*

*For purposes of this form, if the ownership entity is a trust, disclose the names and addresses of all trustees and beneficiaries; if a privately held corporation, the names and addresses of all shareholders, officers, and directors; if a publicly held corporation, the names and addresses of all shareholders holding a direct or indirect interest of greater than five percent, officers, and directors; if a partnership or limited liability partnership, the names and addresses of all partners; if a limited partnership or limited liability limited partnership, the names of all partners, both general and limited; or if a limited liability company, the names and addresses of all members and managers.*

CCS of Alabama, LLC  
Business License Applicant Name

Dispensary  
License Type

**Ownership Entity Information**

ATG Endeavors, LLC  
Ownership Entity Name

51%  
Ownership Entity % Ownership in Applicant

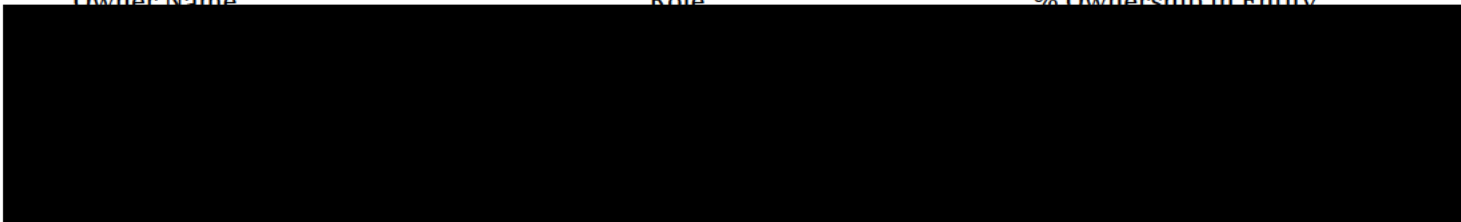
Ownership Entity Type:  Trust  Privately Held Corporation  Publicly Held Corporation  
 Partnership  Limited Liability Partnership  Limited Partnership  
 Limited Liability Limited Partnership  Limited Liability Company  
 Other (specify): \_\_\_\_\_

**Ownership Entity Owners**

Matthew Hogan  
Owner Name

Owner  
Role

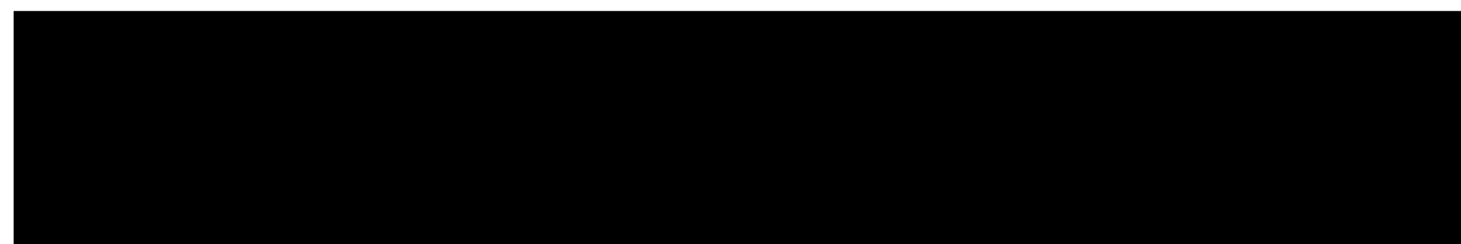
51%  
% Ownership in Entity



Hon. Vincent J. Schilleci, Jr.

Owner

24.5%



Vincent J. Schilleci III

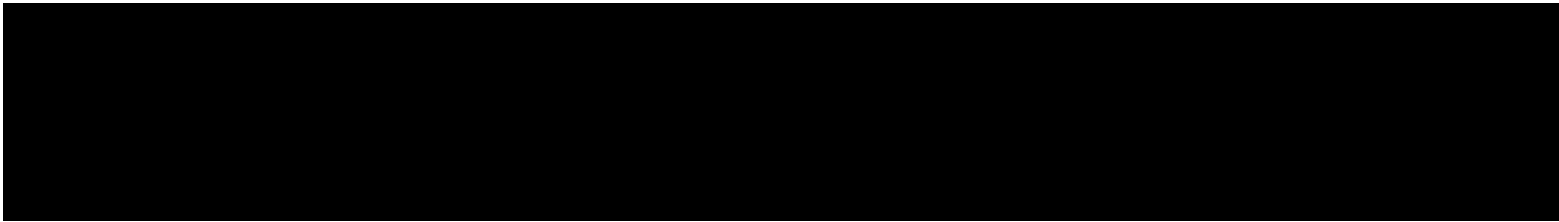
Owner

24.5%

Owner Name

Role

% Ownership in Entity



Owner Name

Role

% Ownership in Entity

Street Address

City

State

Zip

Owner Name

Role

% Ownership in Entity

Street Address

City

State

Zip

Owner Name

Role

% Ownership in Entity

Street Address

City

State

Zip

**Applicant Verification:** The undersigned hereby verifies that the information provided hereinabove (and attached, as necessary) constitutes a complete and accurate list of all individuals with an applicable ownership interest in an ownership entity with an ownership interest in the Applicant.

Matthew Hogan

Owner

Printed Name of Verifying Individual

Title of Verifying Individual

DocuSigned by:

Matthew Hogan

12/16/2022

Signature of Verifying Individual

Verification Date

**FORM I: OWNERSHIP ENTITY INDIVIDUALS**

*"Ownership Entity" – An entity that has any ownership interest in the Applicant.*

*Complete a separate form for each ownership entity, providing information and verification as to each individual having an indirect or direct ownership interest in the ownership entity. Attach additional forms if necessary.*

*For purposes of this form, if the ownership entity is a trust, disclose the names and addresses of all trustees and beneficiaries; if a privately held corporation, the names and addresses of all shareholders, officers, and directors; if a publicly held corporation, the names and addresses of all shareholders holding a direct or indirect interest of greater than five percent, officers, and directors; if a partnership or limited liability partnership, the names and addresses of all partners; if a limited partnership or limited liability limited partnership, the names of all partners, both general and limited; or if a limited liability company, the names and addresses of all members and managers.*

CCS of Alabama, LLC

Business License Applicant Name

Dispensary

License Type

**Ownership Entity Information**

EEC of Alabama, LLC

Ownership Entity Name

24.5%

Ownership Entity % Ownership in Applicant

Ownership Entity Type:

- Trust     Privately Held Corporation     Publicly Held Corporation
- Partnership     Limited Liability Partnership     Limited Partnership
- Limited Liability Limited Partnership     Limited Liability Company
- Other (specify): \_\_\_\_\_

**Ownership Entity Owners**

Ernest Craumer

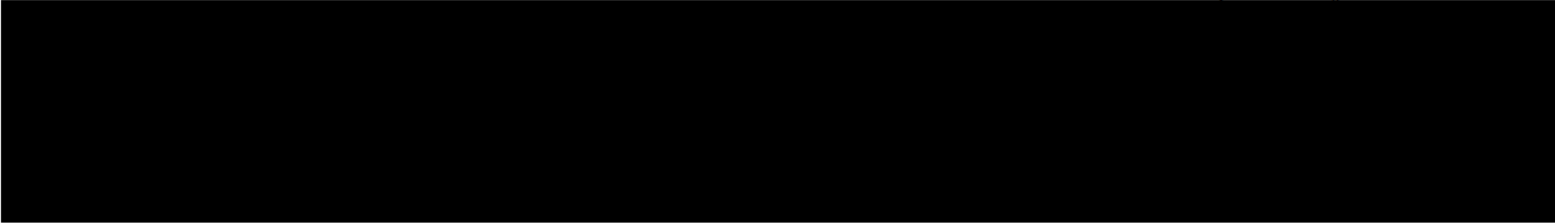
Owner Name

Owner

Role

100%

% Ownership in Entity



\_\_\_\_\_  
Owner Name

\_\_\_\_\_  
Role

\_\_\_\_\_  
% Ownership in Entity

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip



**FORM I: OWNERSHIP ENTITY INDIVIDUALS**

*"Ownership Entity" – An entity that has any ownership interest in the Applicant.*

*Complete a separate form for each ownership entity, providing information and verification as to each individual having an indirect or direct ownership interest in the ownership entity. Attach additional forms if necessary.*

*For purposes of this form, if the ownership entity is a trust, disclose the names and addresses of all trustees and beneficiaries; if a privately held corporation, the names and addresses of all shareholders, officers, and directors; if a publicly held corporation, the names and addresses of all shareholders holding a direct or indirect interest of greater than five percent, officers, and directors; if a partnership or limited liability partnership, the names and addresses of all partners; if a limited partnership or limited liability limited partnership, the names of all partners, both general and limited; or if a limited liability company, the names and addresses of all members and managers.*

CCS of Alabama, LLC  
Business License Applicant Name

Dispensary  
License Type

**Ownership Entity Information**

Young Ventures Alabama USA, LLC  
Ownership Entity Name

24.5%  
Ownership Entity % Ownership in Applicant

Ownership Entity Type:  Trust  Privately Held Corporation  Publicly Held Corporation  
 Partnership  Limited Liability Partnership  Limited Partnership  
 Limited Liability Limited Partnership  Limited Liability Company  
 Other (specify): \_\_\_\_\_

**Ownership Entity Owners**

Sandra Young  
Owner Name

Owner  
Role

100%  
% Ownership in Entity



\_\_\_\_\_  
Owner Name

\_\_\_\_\_  
Role

\_\_\_\_\_  
% Ownership in Entity

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

Owner Name Role % Ownership in Entity

Street Address

City State Zip

Owner Name Role % Ownership in Entity

Street Address

City State Zip

Owner Name Role % Ownership in Entity

Street Address

City State Zip

Owner Name Role % Ownership in Entity

Street Address

City State Zip

**Applicant Verification:** The undersigned hereby verifies that the information provided hereinabove (and attached, as necessary) constitutes a complete and accurate list of all individuals with an applicable ownership interest in an ownership entity with an ownership interest in the Applicant.

Sandra Young

Printed Name of Verifying Individual

DocuSigned by:

Sandra Young

Signature of Verifying Individual

Owner

Title of Verifying Individual

12/13/2022

Verification Date



**FORM K: Affidavit of Entity Applicant for  
Alabama Medical Cannabis License**

STATE OF ALABAMA )  
 )  
JEFFERSON COUNTY )

Before me, the undersigned notary, did appear the Affiant, who after being by me first duly sworn, did state under oath as follows (*please type or print legibly*):

1. NAME OF ENTITY APPLYING FOR LICENSE: CCS of Alabama, LLC

2. NAME OF AFFIANT: Vincent Schilleci III

3. AFFIANT'S POSITION WITH APPLICANT: Owner, Manager

4. AFFIANT IS THE APPLICANT'S (*Check One*):       Responsible Party       Contact Person  
**(The affidavit of BOTH individuals is required)**

5. TYPE OF LICENSE BEING SOUGHT BY APPLICANT (*Check One*):

- |   |   |  |
|---|---|--|
| <input type="radio"/> Cultivator            | <input type="radio"/> Processor           | <input type="radio"/> Secure Transporter       |
| <input checked="" type="radio"/> Dispensary | <input type="radio"/> Integrated Facility | <input type="radio"/> State Testing Laboratory |

6. On behalf of the Applicant, I do hereby affirm under oath as follows:

a. I, the undersigned Affiant named in paragraph 2 above, am an adult, over the age of 19 years and competent to provide this Affidavit.

VSS INITIAL HERE

b. In my position stated in paragraph 3 above, I have been duly authorized by the Applicant identified in paragraph 1 above (hereinafter, "Applicant") to provide this Affidavit.

**(Attach a copy of the entity applicant's written authorization to this Affidavit.)**

VSS INITIAL HERE

c. I understand and acknowledge that this Affidavit and the statements, information and documents or other exhibits accompanying it, are for the purpose of seeking one (1) license of the type specified in paragraph 5 above, on behalf of the Applicant. Neither I nor the Applicant are seeking a different Alabama Medical Cannabis license on behalf of any individual or any other entity.

VSS INITIAL HERE

d. That all statements, information, documents and other exhibits provided in the Application are true and correct, based on my own personal knowledge and a diligent investigation by me. To the extent any information provided therein was heretofore outside my personal knowledge or ability to affirm, I have personally communicated with those within the Applicant's business who have such personal knowledge, whose duties

include knowledge of the facts stated and/or the integrity of the documents or other exhibits, and I am able, based on such communications, to attest to their currentness and accuracy. This I and the Applicant affirm under penalty of perjury and other applicable sanctions under the AMCC Rules and Alabama law.

VSS INITIAL HERE

- e. Applicant understands and acknowledges that the license being applied for is a revocable privilege granted by this state and is not a property right, and that this Application likewise does not convey to, or otherwise entitle unto, the Applicant any rights to a license.

VSS INITIAL HERE

- f. Applicant understands, acknowledges, and will continue to respect and comply with AMCC Rules regarding limited communication during the Application process.

VSS INITIAL HERE

- g. Applicant consents to all background checks, examinations, inspections, and search and seizure by AMCC and law enforcement personnel during this Application process and afterward, to the extent a license is awarded.

VSS INITIAL HERE

- h. Applicant has no economic interest, as defined in the AMCC Rules, in any other license or Application for license under the Darren Wesley "Ato" Hall Compassion Act, § 20-2A-1, et seq. Code of Alabama 1975.

VSS INITIAL HERE

- i. I and the Applicant will at all times, to the best of our ability, comply with the AMCC Rules, and cooperate and maintain transparency with the AMCC, its staff and other agents.

VSS INITIAL HERE

- j. Any verification provided in the Application is hereby affirmed under oath to be true and correct as of the date of the Application's submission.

VSS INITIAL HERE

Signature of Affiant  
Acting for and on behalf of:

CCS of Alabama, LLC

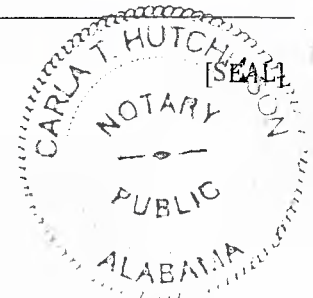
Applicant

Sworn to and subscribed before me on this 21 day of December, 2022

Notary Public

MY COMMISSION EXPIRES 11/01/2025

My Commission Expires: \_\_\_\_\_



FORM K: Affidavit of Entity Applicant for  
Alabama Medical Cannabis License

Colorado  
~~STATE OF ALABAMA~~ )  
)  
Boulder COUNTY )

Before me, the undersigned notary, did appear the Affiant, who after being by me first duly sworn, did state under oath as follows (*please type or print legibly*):

1. NAME OF ENTITY APPLYING FOR LICENSE: CCS of Alabama, LLC

2. NAME OF AFFIANT: Ernest Craumer

3. AFFIANT'S POSITION WITH APPLICANT: Owner, Manager

4. AFFIANT IS THE APPLICANT'S (*Check One*):  Responsible Party  Contact Person  
**(The affidavit of BOTH individuals is required)**

5. TYPE OF LICENSE BEING SOUGHT BY APPLICANT (*Check One*):

Cultivator  Processor  Secure Transporter  
 Dispensary  Integrated Facility  State Testing Laboratory

6. On behalf of the Applicant, I do hereby affirm under oath as follows:

a. I, the undersigned Affiant named in paragraph 2 above, am an adult, over the age of 19 years and competent to provide this Affidavit.  
EC INITIAL HERE

b. In my position stated in paragraph 3 above, I have been duly authorized by the Applicant identified in paragraph 1 above (hereinafter, "Applicant") to provide this Affidavit.  
**(Attach a copy of the entity applicant's written authorization to this Affidavit.)**  
EC INITIAL HERE

c. I understand and acknowledge that this Affidavit and the statements, information and documents or other exhibits accompanying it, are for the purpose of seeking one (1) license of the type specified in paragraph 5 above, on behalf of the Applicant. Neither I nor the Applicant are seeking a different Alabama Medical Cannabis license on behalf of any individual or any other entity.  
EC INITIAL HERE

d. That all statements, information, documents and other exhibits provided in the Application are true and correct, based on my own personal knowledge and a diligent investigation by me. To the extent any information provided therein was heretofore outside my personal knowledge or ability to affirm, I have personally communicated with those within the Applicant's business who have such personal knowledge, whose duties

include knowledge of the facts stated and/or the integrity of the documents or other exhibits, and I am able, based on such communications, to attest to their currentness and accuracy. This I and the Applicant affirm under penalty of perjury and other applicable sanctions under the AMCC Rules and Alabama law.

[Signature] INITIAL HERE

- e. Applicant understands and acknowledges that the license being applied for is a revocable privilege granted by this state and is not a property right, and that this Application likewise does not convey to, or otherwise entitle unto, the Applicant any rights to a license.

[Signature] INITIAL HERE

- f. Applicant understands, acknowledges, and will continue to respect and comply with AMCC Rules regarding limited communication during the Application process.

[Signature] INITIAL HERE

- g. Applicant consents to all background checks, examinations, inspections, and search and seizure by AMCC and law enforcement personnel during this Application process and afterward, to the extent a license is awarded.

[Signature] INITIAL HERE

- h. Applicant has no economic interest, as defined in the AMCC Rules, in any other license or Application for license under the Darren Wesley "Ato" Hall Compassion Act, § 20-2A-1, et seq., Code of Alabama 1975.

[Signature] INITIAL HERE

- i. I and the Applicant will at all times, to the best of our ability, comply with the AMCC Rules, and cooperate and maintain transparency with the AMCC, its staff and other agents.

[Signature] INITIAL HERE

- j. Any verification provided in the Application is hereby affirmed under oath to be true and correct as of the date of the Application's submission.

[Signature] INITIAL HERE

[Signature]

Signature of Affiant  
Acting for and on behalf of:

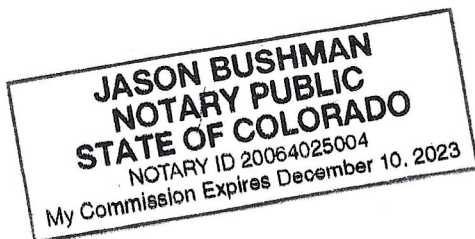
CCS of Alabama, LLC

Applicant

Sworn to and subscribed before me on this 21 day of December, 2022

[Signature]  
Notary Public

My Commission Expires: 12/15/2023

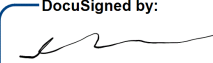


[SEAL]

## WRITTEN AUTHORIZATION OF CCS OF ALABAMA LLC

CCS of Alabama LLC (“CCSA”) hereby duly authorizes Vincent J. Schilleci III as an Owner of CCSA to submit the attached Form K Affidavit of Entity Applicant for Alabama Medical Cannabis License on behalf of CCSA as the Contact Person.

CCS of Alabama LLC


DocuSigned by:  
  
2291877D8CB54EE...

By: Matthew Hogan  
Its: Manager/Owner

## WRITTEN AUTHORIZATION OF CCS OF ALABAMA LLC

CCS of Alabama LLC (“CCSA”) hereby duly authorizes Ernest Craumer as an Owner of CCSA to submit the attached Form K Affidavit of Entity Applicant for Alabama Medical Cannabis License on behalf of CCSA as the Responsible Person.

CCS of Alabama LLC

DocuSigned by:  
  
2291877D5CB54EE...

By: Matthew Hogan  
Its: Manager/Owner