

REGULATED CANNABIS INDUSTRY

License Fees are Collected by the State & City

Strict Regulations & Oversight are Enforced to Ensure Compliance

All Products are Safety Tested Prior to Reaching Consumer

Tax Revenue is Collected on Every Transaction

IN A REGULATED MARKET
ALL BUSINESS MUST BE STATE AND CITY LICENSED

- City/County elected officials are the decision makers for business licensing on the local level
- Locality sets # of licenses for each business sector

State of Colorado License Fees	
Medical Marijuana Center (1-500 patients)	\$9,000
Optional Premises Cultivation	\$2,800
Marijuana Infused Products	\$2,500
Testing Facility	\$2,500
	Annual Renewal
	\$1,800

City of Colorado Springs License Fees	
Medical Marijuana Center	\$5,100
Optional Premises Cultivation	\$5,100
Marijuana Infused Products	\$5,100
Testing Facility	\$5,100
	All Annual Renewal
	\$2,600

The Cost of Doing Business
 Total New License Fees Paid = \$32,000
2018 State Cost to Renew License
 3 Dispensaries = \$6,900
 2 Cultivation Sites = \$3,600
Total Annual Renewal = \$10,500

The Cost of Doing Business
 Total New License Fees Paid = \$25,500
2018 City Cost to Renew License
 3 Dispensaries = \$7,800
 2 Cultivation Sites = \$5,200
Total Annual Renewal = \$13,000

ALL STATE LICENSED CANNABUS BUSINESS MUST

Utilize METRC real-time software
Pay Monthly Fee

METRC = Marijuana Enforcement Tracking
Reporting Compliance

Purchase RFID Plant/Package Tags
(Radio Frequency Identification)

Record every plant & product movement
Internally & license-to-license thru METRC

Complete a Manifest in METRC for all
license-to-license, plant/product movement

Plant Tag Explanation

Facility Name

Application
Identifier
License
Number



Tag Order Date
Plant Identification Number
Marijuana Enforcement Seal

Package Tag

MEDICAL
402-19992 Order # 2013-315-9956
088888888888888888801234560

MEDICAL
088888888888888888801234560
MEDICAL

metrc MARIJUANA ENFORCEMENT DIVISION
MARIJUANA REGISTRATION MANIFEST

Application Identifier: 402-19992
License Number: 9956
Plant ID: 1234560

MANIFEST DETAILS

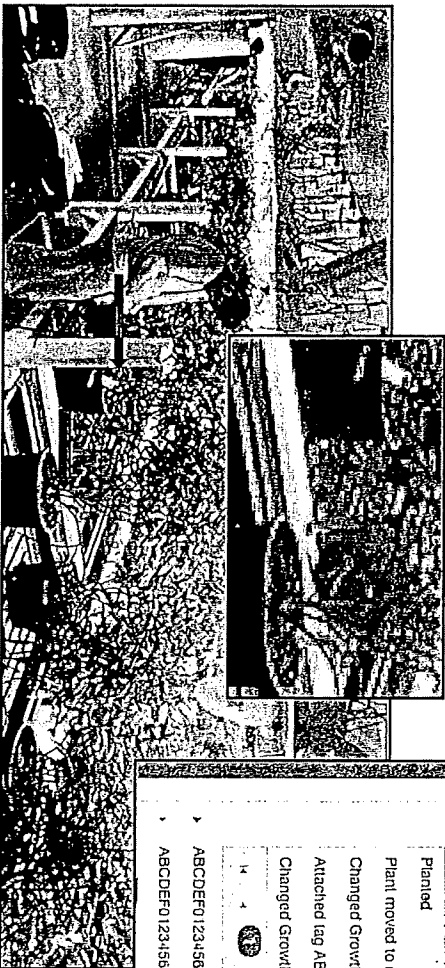
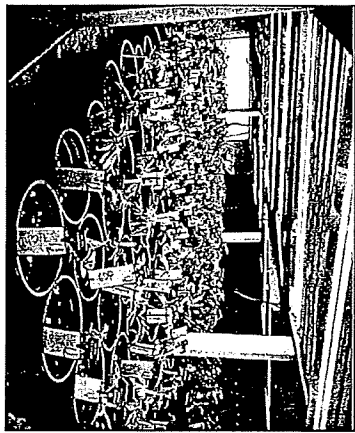
Plant Information:
Plant ID: 1234560
Plant Name: Marijuana Plant
Plant Species: Cannabis Sativa L.
Plant Variety: Indica
Plant Origin: Cultivated in the State of Oregon
Plant Status: Active
Plant Date of Cultivation: 2013-01-01
Plant Date of Harvest: 2013-03-01
Plant Date of Processing: 2013-03-15
Plant Date of Packaging: 2013-03-20
Plant Date of Sealing: 2013-03-25

Facility Information:
Facility Name: METRC
Facility Address: 1234 SE Oregon Street, Portland, OR 97202
Facility Phone: (503) 555-1234
Facility Email: info@metrc.com

Product Information:
Product Name: Marijuana Plant
Product Weight: 3.5 g
Product Net Weight: 3.5 g
Product Gross Weight: 3.5 g
Product Volume: 0 ml
Product Concentration: 0.00 g/ml

Manifest Information:
Manifest Number: 402-19992
Manifest Date: 2013-03-25
Manifest Status: Active

IN A REGULATED MARKET
 METRC REFLECTS INTERNAL MOVEMENT W/IN CULTIVATION FACILITY
 & RECORDS IN REAL TIME IN METRC



Plants

Instructure
 Vegetative
 Flowering
 Harvested

Change Room
 Change Growth Phase
 Assign Tags

Manicure Plants
 Harvest Plants

Tag
 by Room

ABCDEF01234567000000191
 CATMAN
 Broom Closet
 12/05/2013
 03/05/2014
 03/05/2014

ABCDEF01234567000000190
 CATMAN
 0113
 03/06/2014

ABCDEF01234567000000193
 CATMAN
 Plants Room
 12/05/2013
 03/06/2014

ABCDEF01234567000000191
 CATMAN
 Plants Room
 12/05/2013
 03/06/2014

ABCDEF01234567000000193
 CATMAN
 Plants Room
 12/05/2013
 03/06/2014

Viewing 1 - 5 (5 total)

Tag	Employee	Room	Batch Date	Phase Date
ABCDEF01234567000000191	CATMAN	Broom Closet	12/05/2013	03/05/2014
ABCDEF01234567000000190	CATMAN		0113	03/06/2014

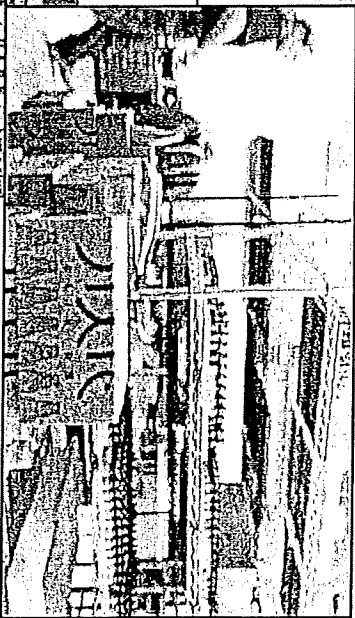
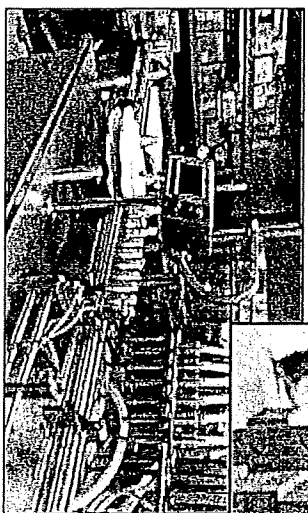
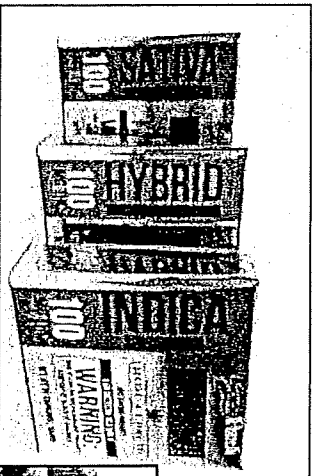
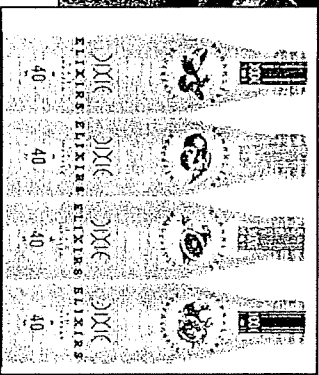
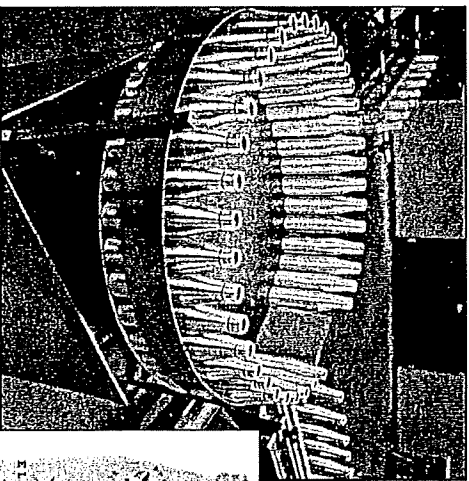
Description
 Plant moved to room 'Plants Room'
 Changed Growth Phase to Vegetative
 Attached tag ABCDEF01234567000000190
 Changed Growth Phase to Flowering

Planned
 Changed Growth Phase to Vegetative
 Attached tag ABCDEF01234567000000190
 Changed Growth Phase to Flowering

ABCDEF01234567000000191
 CATMAN
 Plants Room
 12/05/2013
 03/06/2014

ABCDEF01234567000000193
 CATMAN
 Plants Room
 12/05/2013
 03/06/2014

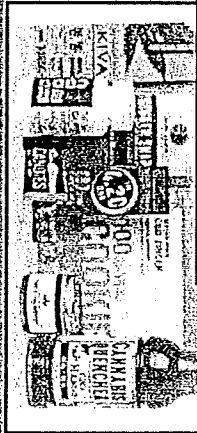
IN A REGULATED MARKET
ALL PRODUCTS MUST BE MANUFACTURED IN A STATE
LICENSED PROCESSING FACILITY



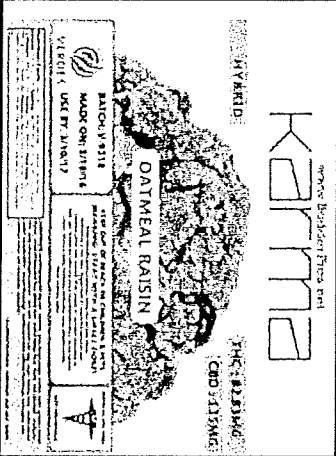
OSHA, EPA, DOA, Health
Department, Fire/Hazmat
Guidelines / Inspections

IN A REGULATED MARKET
STRICT LABELING & PACKAGING REGULATIONS

Cannabaceutical™ Facts	
Afghani X Sour Diesel	
Sun Green Corp.	
November 11, 2013	
Total Aerobic Count GOLD
Total Enterobacteria GOLD
A-THCA Max:	18.57 %
A-THC	0.25 %
CBD Max:	0.35 %
CBD	0.08 %
CBG Max	1.82 %
A-THCVA	0.13 %
CBN	ND %
Total Yeast & Mold GOLD
Patogenic Screen PASS
Sum of Top Terpenes	22.5 mg/l
β-Caryophyllene	7.5 mg/l
Myrcene	3.5 mg/l
Limonene	3.2 mg/l
α-Humulene	2.8 mg/l
α-Pinene	2.6 mg/l
β-Pinene	1.5 mg/l
Geraniol B (1)	1.5 mg/l



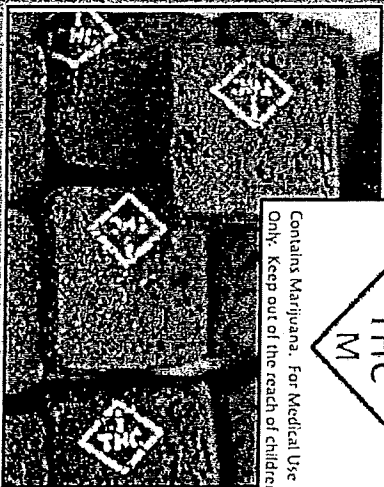
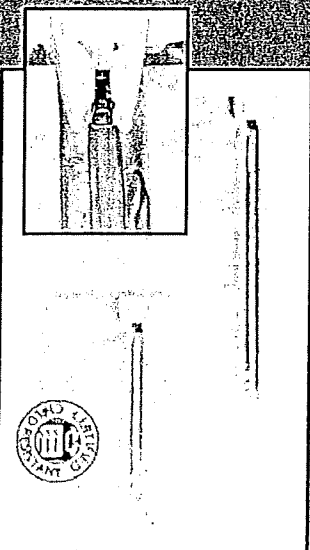
Non-compliant labeling will result in steep fines and/or loss of license



Nutrition Facts

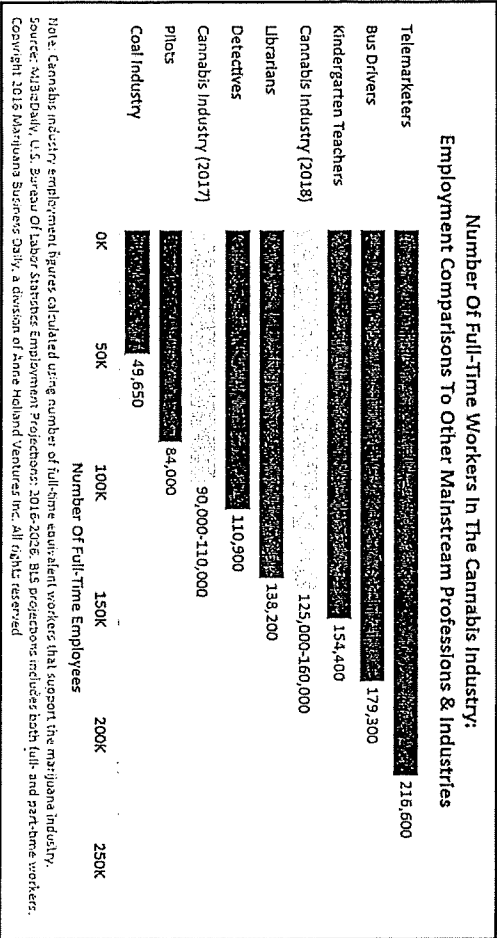
Serving Size 1 Capsule
Amount Per Serving
Total Weight 0.25g
Total Fat 0.0g
Total Carbohydrate 0.0g
Total Protein 0.0g
Total Fiber 0.0g
Total Sugar 0.0g
Total Fat 0.0g
Total Protein 0.0g
Total Fiber 0.0g
Total Sugar 0.0g

Contains 25mg of [illegible] per capsule.



Contains Marijuana. For Medical Use Only. Keep out of the reach of children.

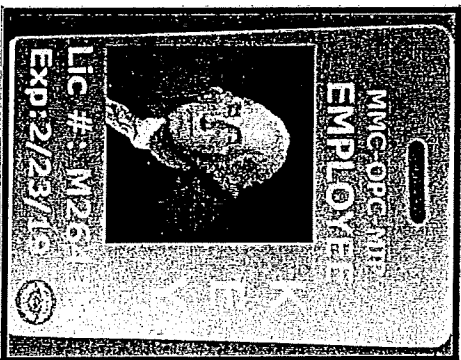
IN A REGULATED MARKET
 EMPLOYEE'S MUST PASS A BACKGROUND CHECK & REGISTER WITH THE STATE



Colorado 2017
 Industry = 23,662
 Related = 9262

HerbalHealing, LLC
 Avg: 30 Full-Time
 Max: 38 Full-Employed
 5-8 Temp/Part-Time (During Harvest)

- ALL Employees Must Acquire an Occupational License to be employed
- Support License \$75 - Individual who performs duties that support the Marijuana Business' operations. Person with little to no decision-making
- Key License \$250 - Individual who performs duties that are central to the Marijuana Business' operations. Highest level of authority
- Must Renew Every Two-Years, either cost \$75 to renew



Badges must be worn by employee & visible at all times within cannabis facility

IN A REGULATED MARKET EMPLOYEE COMPENSATION

Job	Definition	Pay
Budtender	A retail clerk that serves customers at a dispensary. Typically, entry level customer service job. Often called a patient advocate	\$11 - 16 hour
Trimmer	An employee that prunes the leaves off dried cannabis plants, leaving intact the flower bud, which contains the most desirable cannabinoid compounds. This is often entry level position.	\$10.20 - 14 hour
Dispensary Manager	Oversee's all store front employees and business functions. On-site leader with key decision making authority of day-to-day retail operations.	40k - 65k year
Master Grower	An experienced manager of a marijuana cultivation site / farm responsible for overseeing plant cultivation. Some have horticulture background or degree	100k - 150k year
Extraction Tech	A technician that removes and refines the active ingredients in cannabis to make varied methods of consumption. Many have scientific backgrounds or have worked in pharmaceutical industry. Also called an extraction artist.	100k - 120k year

Health Insurance can be part of a compensation package

Employees can be paid by bank check

Worker's Compensation Claims must be made when an employee is injured on the job

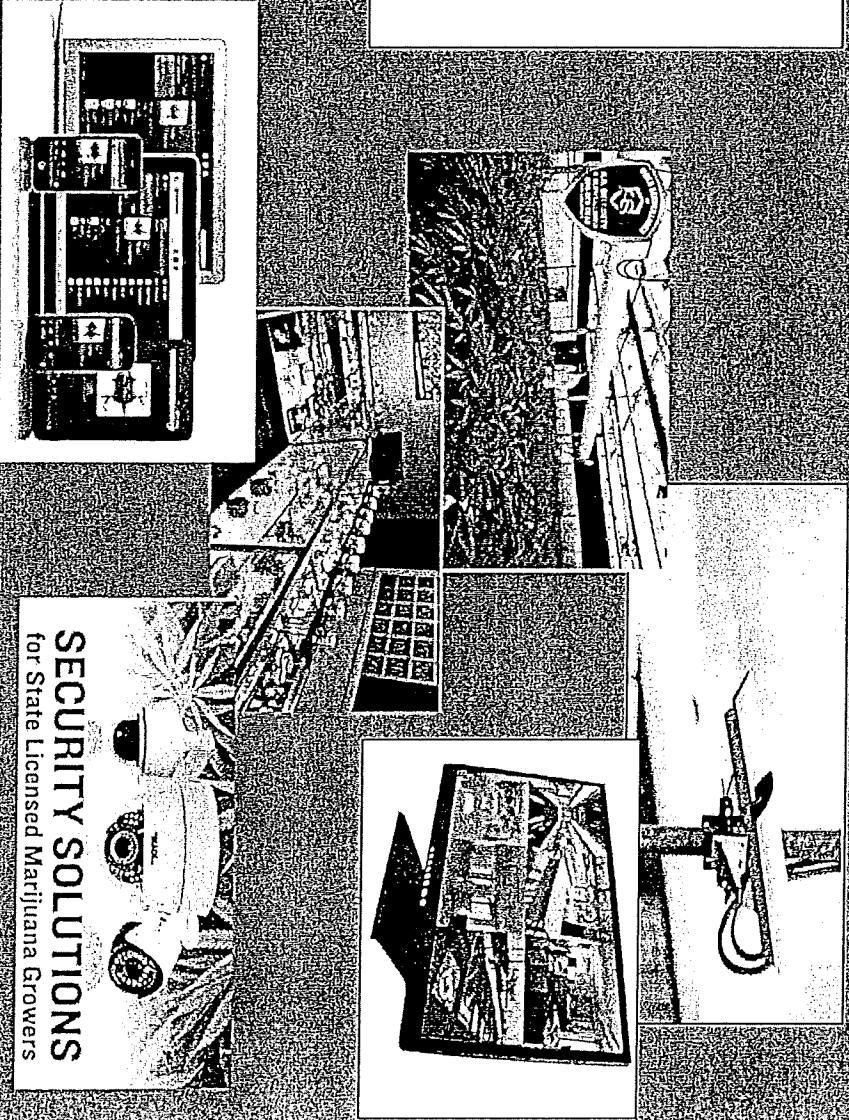
IN A REGULATED MARKET
Mandatory Safety and Security Requirements

Security Requirements:
Lighting in and around the licensed property
Video Surveillance in and around licensed property- prevents loss, theft, diversion
*Recorded for minimum 60 days
Alarm Monitoring Required
Fenced & locked if outdoor

MED can enter, inspect and request video surveillance at any time

Failure to comply results in heavy fines and/or loss of license

67 CHAPTERS IN 26,000 SQ. FT.



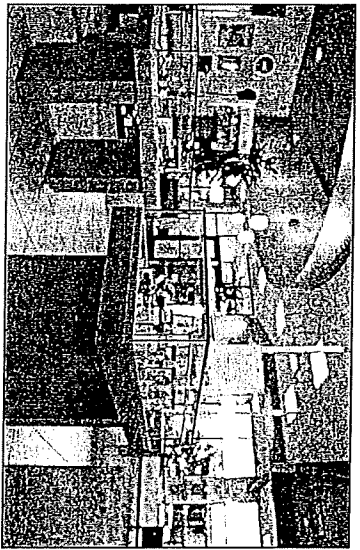
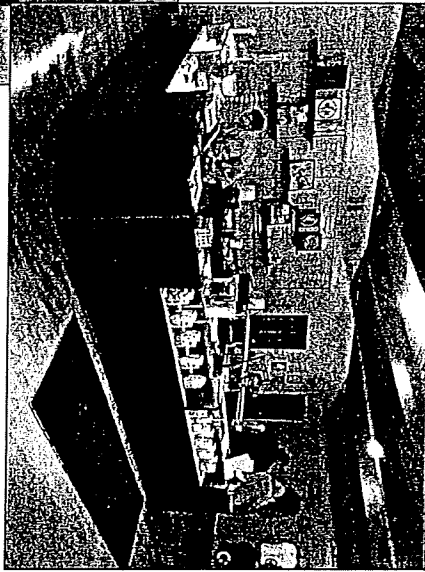
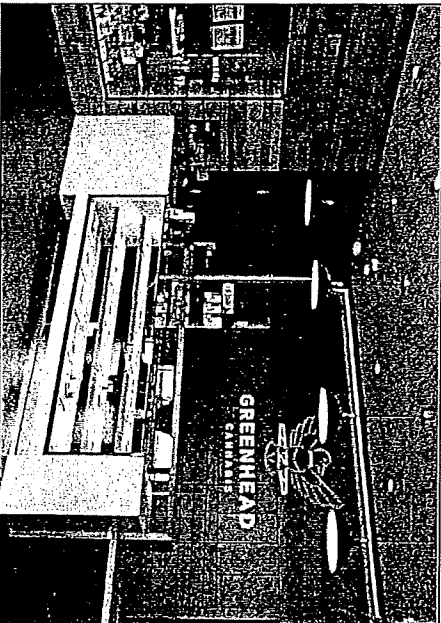
SECURITY SOLUTIONS
for State Licensed Marijuana Growers

IN A REGULATED MARKET
ALL CANNABIS COMES FROM ONE OF TWO SOURCES

Option One: Licensed Retail Dispensaries

State Issued Picture Identification Card
*State Issued Medical Marijuana Paperwork

- Must Comply with Local Zoning Ordinances
- Not within 1000 Feet of schools
- All employees must be registered with the state & have Occupational License
- Products can't be viewable from exterior or interior lobby area
- Must have Point of Sale System
- Patient Check-in Protocol
- Separate Areas for Dispensing
- Limited Access Area: Posted Signs
- Products must be behind counter or locked for safety
- Camera/Security Regulations



ATM's at all locations
Accept Debit Card Payments

8-12 cameras

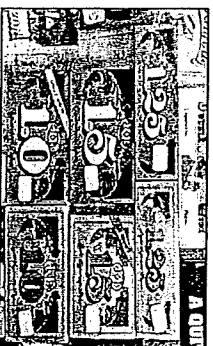
CULTIVATE FOR PERSONAL CONSUMPTION

IN A REGULATED MARKET

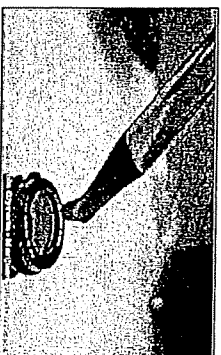
Option Two: Home Cultivation

- Must take precautions to ensure any cannabis or cannabis plants are secure & from unauthorized access and access by persons under 21 year
- Must be in an enclosed and locked space
- Only occur on property lawfully in possession of the person cultivating or with the consent of the person in lawful possession of the property
- Cannabis plants may not be cultivated in a location where plants are subject to public view, including view from another private property without the use of binoculars, aircraft or other optical aids
- Caregivers must register with the state and be at least 18 years of age
- Any person who violates shall be subject to fine and/or loss of license
- Must not exceed lawful cultivation limits. Fine and loss of privilege will occur.

Onset of action



Accessibility to needed method of delivery



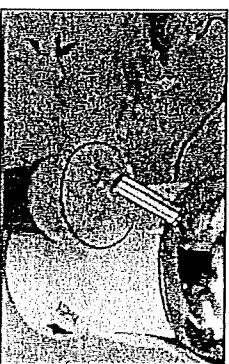
Geographic location



Strain Specificity



Affordability



IN A REGULATED MARKET
TAX REVENUE IS COLLECTED ON EVERY TRANSACTION

Revenue Year	Total
2014	\$67,594,323
2015	\$130,411,173
2016	\$193,604,810
Jul-05	\$247,368,473
Jan - Jul 2018	\$153,895,440

Colorado Dept. of Revenue
(All sales combined)

- The first \$40 million goes to a state program which awards grants to local school districts to build and improve school facilities.
- Local governments get a 15% cut of the state's special sales tax which was worth about \$10 million in 2017
- The rest of the 10% special sales tax and all of the regular 2.9 percent sales tax are to be spent by the state legislature.
- Colorado Springs Marijuana Sales Tax total 8.25%
 - 3.12% City of Colorado Springs
 - 2.9% State of Colorado
 - 1.23% El Paso County
 - 1.0% PPRTA (state collected)