



## **Shady Creek Trading Company**

Nevada City Permit Applications for Cannabis Manufacturing Business

Medicinal Cannabis-Infused Products  
138 New Mohawk Road, Cafeteria Suite #151  
Nevada City, CA 95959

Non-Retail Medical  
Cannabis Business Proposal  
Type 7 Manufacturing

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# City of Nevada City

Planning Department  
317 Broad Street, Nevada City CA 95959  
Phone: 530-265-2496

[Email: Amy.Wolfson@NevadaCityCA.gov](mailto:Amy.Wolfson@NevadaCityCA.gov)

Staff Use

Fee:\$ \_\_\_\_\_

Date Paid:\_\_\_\_\_

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

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

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

- Manufacturing
- Cultivation
- Testing Laboratory
- Distribution
- N/A Dispensary (use separate form)

*\* See attached definitions of the above categories to ensure appropriate selection*

**Business Name:** Shady Creek Trading Company Inc.

**Business Primary Contact:** Richard Soto

**Contact Title:** Vice President

**Contact Mailing Address:** [REDACTED]

[REDACTED]

[REDACTED]

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

**Section A: Principal Background Information (Must be signed by all Principals)**

(Add more pages as necessary to accommodate signatures of all Medical Cannabis Business Principals.)

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

**Principals** EA....., A, O, R-OJ

**Principal Title:** A, -7, : : e, ...



**Principal Signature:** \_\_\_\_\_ Date: S- , : , - , 1 p--" -

**Attachments:**

- If business will operate as a collective/cooperative provide proof of status as a qualified patient
- or primary caregiver (State card or doctor recommendation)
- Receipt from Live Scan check
- Picture of applicant (two passport quality photographs 2X2)
- Copy of Social Security Card
- Copy of Driver's License, OMV issued ID Card or Passport
- Proof of address (OMV-issued ID/driver's license, and/or recent utility bill under Principal's name)

Staff use only: Pass background check. \_

**Section A: Principal Background Information (Must be signed by all Principals)**

(Add more pages as necessary to accommodate signatures of all Medical Cannabis Business Principals.)

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**Principal Name:** John J. Smith

**Principal Title:** Owner

[Redacted]

[Redacted]

[Redacted]

**Principal Signature:**

*J*

Date: *11/1/18*

**Attachments:**

- If business will operate as a collective/cooperative provide proof of status as a qualified patient
- or primary caregiver (State card or doctor recommendation)
- Receipt from Live Scan check
- Picture of applicant (two passport quality photographs 2X2)
- Copy of Social Security Card
- Copy of Driver's License, OMV issued ID Card or Passport
- Proof of address (OMV-issued ID/driver's license, and/or recent utility bill under Principal's name)

Staff use only: Pass background check

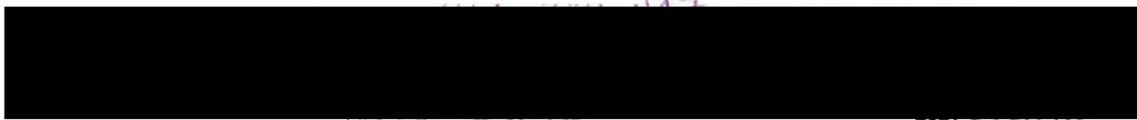
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**Principal Name:** LH1 tV vDY L""H\ t-t4|<-f

**Principal Title:** \_\_\_\_\_



**Principal Signature:** [Handwritten Signature] Date: [Handwritten Date]

**Attachments:**

- If business will operate as a collective/cooperative provide proof of status as a qualified patient
- or primary caregiver (State card or doctor recommendation)
- Receipt from Live Scan check
- Picture of applicant (two passport quality photographs 2X2)
- Copy of Social Security Card
- Copy of Driver's License , OMV issued ID Card or Passport
- Proof of address (OMV-issued ID/driver's license, and/or recent utility bill under Principal's name)

Staff use only: Pass background check

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

Nevada City Medical Cannabis Business Name: Shady Creek Trading Company

The following page(s): SCT-M 04, SCT-M 05, SCT-M 06, SCT-M 074

*<insert unique page identifier, or identifier range>*

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

Rich Soto, Principal, Vice President, Shady Creek Trading Company

*<insert name, professional title, affiliation with applicant>*

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

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

Explanation for redaction:

Application information includes personal contact info

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## Principal/Partner History:

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

No other licenses or permits exist, are in process or have been rejected.

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

None/Not Applicable

## Section 8: Business Organization Status

1. Describe the Medical Cannabis Business organizational status:

Shady Creek Trading Company, Inc, a California corporation

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

## Section C: Medical Cannabis Business Description and Location

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

Shady Creek Trading Company intends to be at the forefront of cannabis-infused, medical products. After the first products are launched, Shady Creek will continue to innovate, and focus on producing the highest quality and most reputable cannabis products for wholesale distribution, that are compliant with state and local laws. The business intends to manufacture and provide wholesale distribution of cannabis oil infused products for medical use. During the first phase, this includes wild game jerky products: venison, elk, and buffalo infused with cannabis oil.

2. Proposed Location of Business: 138 New Mohawk, Nevada City; APN 37-060-87
3. Name and address of property owner:

Terra Alta Development Company  
P.O. Box 1657  
Nevada City, CA 95959

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

Nevada City Home Charter School, 700 Hoover Lane, Nevada City  
Pioneer Park, Max Solard Drive, Nevada City

5. Have you received a Zoning Verification Letter? (Please check the appropriate response)

Yes See Appendix A.

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

At the time of this application, several of the building units are being leased to other non-retail medical cannabis businesses. The property is zoned as light industrial, which is designated for non-retail medical cannabis uses according to the City's zoning code. The proposed use for the building is consistent with the zoning designation and does not require additional entitlements or land use variances, other than that required for operating a medical cannabis manufacturing company.

Shady Creek Trading Company benefits from these "first movers" who have paved the way for new applicants. Shady Creek will work collaboratively with these businesses to ensure the safety and security of the neighborhood.

The advantages of this location include proven neighborhood compatibility, strengthening of business relationships with like-industry participants thereby through synergy, growing the overall market, and clustering the unique cannabis-business needs such as enhanced security, supplier deliveries, etc.

The following businesses and organizations are located within 600 feet on or just off New Mohawk Road. Two charter schools are located approximately 390 feet from the property, but are not considered sensitive uses, as determined by the Nevada City Planning Director:

- Pine Creek Veterinary Clinic
- Twin Ridges Home Study Charter
- Sierra Video Systems, Inc.
- Nevada County Narrow Gauge Railroad Museum
- Hooper and Weaver Mortuary
- Washoe Tribe of Nevada Vital Garden Supply
- Inn Town Campground
- Y.U. Healing Arts
- Douglas Automotive Gyro-Stabilized Systems
- Kelly Bike Company
- Anew Day Professional Counseling
- John Muir Charter Schools

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

See Appendix H

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

See Appendix I

9. Signage Plan.

See Appendix H

10. Vicinity Map.

See Appendix C

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

See Appendix E

## **Section D: Required supplemental information**

This information is required for this application to be considered complete. Attach the following reports to the application.

**Business and Parking Plan**

**Neighborhood Compatibility Plan**

**Safety and Security Plan**

**Environmental Benefits (Water/Energy Efficiency Measures)**

**Community Benefits**

**Labor and Employment**

**Local Enterprise**

**Qualifications of Principals**

**STAFF USE ONLY:**

Date of initial application: \_\_\_\_\_

File Number assigned to application :

\_\_\_\_\_

Date fee received \_\_\_\_\_

Date application reviewed for completeness:

\_\_\_\_\_

Complete

Incomplete

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

Date application reviewed by Planning Commission: \_\_\_\_\_

\_\_\_\_\_

Approved

Denied

Pertinent Medical Cannabis Definitions pursuant to the Nevada City Municipal Code

"Cultivation" means any activity, whether occurring indoors or outdoors, involving the propagation, planting, growing, harvesting, drying, curing, grading, and/or trimming of cannabis plants or any part thereof for any purpose, including medical marijuana.

"Dispensary" means a medical cannabis business facility where cannabis, medical cannabis products, or devices for the use of medical cannabis or medical cannabis products are offered, either individually or in any combination, for retail sale, including an establishment (whether fixed or mobile) that delivers, pursuant to express authorization, medical cannabis and medical cannabis products as part of a retail sale.

"Distribution" means the procurement, sale, and transport, of medical cannabis or medical cannabis products between entities licensed pursuant to the MCRSA and any subsequent State of California legislation regarding the same.

"Manufacturer" means a person that conducts the production, preparation, propagation, or compounding of manufactured medical cannabis, as defined in this section, or medical cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis at a fixed location that packages or repackages medical cannabis or medical cannabis products or labels or relabels its container.

"Testing laboratory" means a facility, entity, or site that offers or performs tests of medical cannabis or medical cannabis products and that is both of the following:

- (1) Accredited by an accrediting body that is independent from all other persons involved in the medical cannabis industry in the state.
- (2) Registered with the State Department of Public Health.

## PART II : SUPPLEMENTAL INFORMATION (SECTION D)

### 1) PREFACE

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Shady Creek Trading Company ("Shady Creek") is seeking a permit to locate its medical cannabis-infused products manufacturing and wholesale business in Nevada City. This application will provide the information needed to make a determination that Shady Creek meets the permit requirements.

Shady Creek is a great new business venture to be located in Nevada City. In addition to meeting the requirements of the permit application, Shady Creek:

- Is a locally owned and managed business that merges the expertise of local cannabis talent with the leader in the specialty, gourmet snack products company, founded in 1977,
- Has a well-capitalized and sound business plan in a burgeoning cannabis-infused edibles market, projected to grow significantly,
- Offers the promise of impressive local benefits including new jobs, new tax revenue, and a new venture that positions Nevada City well to attract similar businesses,
- Will over time, offer a high-quality, tasteless, and safe cannabis-oil for infusion into a variety of locally produced edible products from third parties, spurring the growth of related businesses who need this critical ingredient but are not permitted to produce it themselves, and
- Has the best location designated for similar light manufacturing enterprises including other cannabis-related businesses compatible with the local neighborhood .

### 2) BUSINESS PLAN

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#### Section C.1 of the application

##### a. Introduction

Cannabis-infused edibles and other products are big business in California and to meet that demand, agencies and cities, like Nevada City, are working to approve licenses for multiple uses across the supply chain, spurring innovation and growing local economies.

California has quickly established its dominant position in the U.S. cannabis industry and shows no signs of slowing down in the near future. According to Ed Keating at Cannabiz Media, 43% of active cultivation licenses in the country are in California as are 25% of manufacturing licenses. During the first quarter of 2018, the number of temporary marijuana licenses granted in California grew by over 322%. The growth rate during the same period for manufacturing licenses was 126% rate (from 302 to 682 licenses). According to BOS Analytics, edibles made up 18% of marijuana retail sales in February 2018 across licensed retailers in California.

In Nevada City, there is positive momentum toward the development of a thriving cannabis-infused products industry to serve growing demand for edibles, to spur innovation, to create jobs, and to produce new tax revenue. Local entrepreneurs with many years of experience in the medical cannabis market are poised to open new business ventures with hopes to grow over time. Some are leveraging

unique partnerships with successful, established businesses offering local cannabis expertise for new product ventures. Shady Creek is one such manufacturing business.

This application was developed to address the most recent amendment to Chapter 9.22 of Title 9 of the Nevada City Municipal Code, Local Ordinance No. 2017-10.

#### **b. Business Purpose and Description**

Shady Creek intends to be at the forefront of cannabis-infused, medical products. After the first products are launched, Shady Creek will continue to innovate, and focus on producing the highest quality and most reputable cannabis products for wholesale distribution, all of which will be compliant with state and local laws. Compliance with state and local laws is a hallmark of Shady Creek's business operations. The business intends to manufacture and provide wholesale distribution of cannabis infused products for medical use. During the first phase, this includes wild game jerky products: venison, elk, and buffalo infused with cannabis oil.

#### **c. History of Business**

Shady Creek, established in 2018, is an outgrowth of Settlers Jerky, Inc. ("Settlers") that began operation in 1977. Settlers excels in operating a state-of-the-art USDA manufacturing facility that specializes in the production and distribution of 100 jerky different flavors. Founder Joe Anderson and the Anderson family are the longest running jerky manufacturing family in the country, having won awards and created new flavors and products long before competitors. With over 30 years of experience they have created a reputation for quality that have never been matched.

In 2017, two long-time friends, Joe Anderson and Rich Soto decided to combine their interests to create a line of cannabis-infused jerky products that are made from wild game meat. Rich has ten years of experience in the legal medical cannabis market, has established distribution relationships and understands how the industry is growing. Shady Creek was formed to manufacture and wholesale these products, and once established, leverage the innovative extraction processes to develop new cannabis-infused products as the market evolves.

With the approval of the Nevada City Planning Commission, Shady Creek hopes to bring CBD and THC jerky products to market successfully, and to grow over time into new cannabis-infused product lines.

#### **d. Principals**

Joe Anderson, President. Anderson is the founder of Settlers Jerky Inc., a USDA meat processing company that manufactures award-winning beef jerky snacks that the started with his wife in 1977. Joe is co-founder of Shady Creek Trading Company.

Richard Soto, Vice President. Soto's background is in materials testing in accordance with ASTM standard and many plant-based oils to be used for bio fuel products, including hemp. Soto has grown legal medicinal cannabis for as patients for 10 years and sold through medical dispensaries. Rich is co-founder of Shady Creek Trading Company.

Cherron Hart, Secretary/Treasurer. Hart is currently the regulatory compliance executive for her family's USDA beef jerky manufacturing company, Settlers Jerky. Hart will continue in this role for Shade Creek Trading Company.

A detailed Qualifications of Principals and Key Staff is located in Section 10. A Live Scan and set of photos are located in Appendices Q and R.

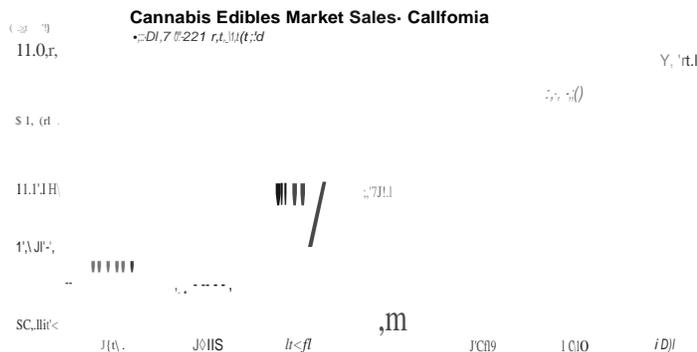
**e. Market**

Adding cannabis to everything from iced coffee to breath mints, local startups are positioning themselves as early entrants in California's growing marijuana edibles market. The industry that barely existed 10 years ago - apart from a few bakers making pot brownies in their home kitchens - now shows no sign of slowing down. The cannabis oil extraction process continues to be refined to produce tasteless and versatile oil, that meets regulatory standards.

The Specialty Food Association named edibles one of the top ten trends to watch in 2018. Arcview Market Research estimates California sales of edibles in 2016 was about \$180 million- comprising 10 percent of the state's overall marijuana sales. Legal marijuana sales in California is expected to grow more than 25 percent annually to hit \$5.8 billion by 2021, according to Arcview, and it is anticipated that edibles will grow at an even higher rate as new, innovative products come on the market. Trends in other states suggest that once the recreational marijuana sales start in California, the edibles market will significantly benefit from the upside. In Colorado, for example, sales of edibles more than tripled from \$17 million in the first quarter of 2014 - when the state first allowed recreational marijuana use - to \$53 million in the third quarter of 2016.

The reason for the explosive growth is that as the pot market expands, it's starting to reach people who don't want to smoke. There are hundreds of medical marijuana companies in the state seeking to bring a gourmet flair to cannabis-infused products. As it grows, California's edibles market is diversifying, with companies adding healthy, organic, vegan and gluten-free products, and making low-dose edibles for new patients. Even as the market for a range of products grows, with new innovations launching at this rapid pace, jerky products have not been established. Wild game jerky is a uniquely exotic specialty that Shady Creek believes will appeal to discerning consumers.

The Meat Jerky Production industry comprises companies that dehydrate or cure, season and package purchased meat to resell to wholesalers and retailers. IBISWorld estimates that revenue for the Meat Jerky Production industry has grown in each of the past five years, at an annualized rate of 4.2% to \$1.4 billion. The industry's small-scale nature, relatively low prices and innovative flavors have driven growth. Meat jerky's typically



**Figure 1 Brightfield Group**

low price point compared with other meat products has further benefited from increased consumer sentiment and disposable incomes over the past five years. Major players in the industry have launched a number of products emphasizing the artisanal nature of jerky products. Over the forthcoming five years to 2022, revenue is forecast to continue growing, bolstered by new product introductions and line expansions.

**f. Anticipated Results**

Shady Creek is an entrepreneurial venture that has launched out of a successful, 41-year old business. The founders are leveraging proven manufacturing, marketing and distribution methods, and entering a new burgeoning market. Shady Creek has the "first mover advantage." They understand food safety regulatory environment. One founder has experience in legally selling cannabis products to medical marijuana dispensaries.

Shady Creek believes there is good reason to assume that a gourmet, cannabis-infused wild game jerky product will serve a unique niche. According to preliminary discussions with potential distributors, the product has generated promising interest.

Settlers Jerky Inc. will fund all budgetary finances during start-up. Shady Creek will move at a slow pace to measure the market at the beginning. It is expected that production will ramp up after a permit is granted from Nevada City, and within 2-4 weeks Shady Creek will [REDACTED]

It is expected that Shady Creek Trading Company will recoup its start-up investments within 6 months and begin to expand capacity and product lines within 18 months. Shady Creek anticipates growing in two ways: first by adding more original banded products, and second with third party private-labeled food manufacturers wanting high-quality cannabis-oil to be infused into their products as an additive.

#### **g. Local Benefits**

The local benefits will include new jobs and third-party partnerships, an expanded tax base, outside investment into the local economy, and philanthropy.

While local employees are and will be residents, the ability to attract outside investment for a new manufacturing business based on a long-time established product line, with local management is a big win for the community. Shady Creek will create up to a dozen new jobs, provide training for entry-level workers in a new, quickly expanding industry.

Shady Creek intends to source marijuana from local growers, and to ensure that the local growing community will have a secure outlet for their products when the County permitting process makes raw cannabis legally available.

As a provider of high quality, cannabis oil for third party products, other local food producers will have access to the cannabis edibles market, thereby spurring new local businesses who won't need to comply with stringent requirements for cannabis-manufacturing business licenses.

Shady Creek will expand the tax base for Nevada City with new revenue.

The Anderson family has a long history of philanthropic giving in the communities in which they operate and intend to continue this tradition in Nevada City.

A more comprehensive description of Detailed Benefits can be found in Section 9

#### **h. Revenue Model**

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

Nevada City Medical Cannabis Business Name: Shady Creek Trading Company

The following page(s): SCT-M 0-17  
*<insert unique page identifier, or identifier range>*

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

Rich Soto, Principal, Vice President, Shady Creek Trading Company  
*<insert name, professional title, affiliation with applicant>*

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

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

Explanation for redaction:  
 Citation discusses anticipated financial results and business model  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**\*\*\*Please note that if objection is made for the redactions on a**

Shady Creek initially will generate revenue through sales of cannabis-infused game jerky products wholesale to legally licensed, medical cannabis distributors. After six months, Shady Creek will assess the success of this initial product line, make adjustments if necessary, and begin to identify other cannabis-infused, Shady Creek-branded products it can add. In addition, Shady Creek will pursue cannabis-infusion of third party products as an added ingredient for those manufacturers.

Shady Creek will not itself sell products on the retail market.

Shady Creek will have a 2-week turnaround for product delivery from order placement, to delivery. Payment terms will be cash on delivery.

#### **i. Summary Pro Forma**

A complete Pro Forma is located in Appendix M.

#### **j. Proof of Funds**

Shady Creek Trading Company will be fully capitalized through private funds from the founders. Proof of Funds is provided in Appendix N.

#### **k. Insurance Requirements**

Shady Creek intends to carry the appropriate insurance policies coverage, including insurance coverage specifically required by state and local agencies and to protect its assets. These include:

- Commercial general liability insurance
  - No less than \$2,000,000 and no less than \$1,000,000 for each loss
- Tenant insurance
- Product liability related chain of custody
  - No less than \$2,000,000 and no less than \$1,000,000 for each loss
- Worker's compensation insurance
- Surety Bond
  - \$5,000 for each license obtained (double check Nevada City);
- Theft
- Employee Practice Insurance (EPI)
- Errors and Omissions Insurance
- Small group disability for officers of the company
- Commercial automobile insurance
- Non-owner auto coverage

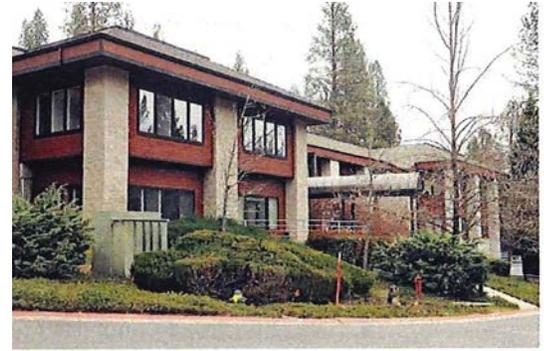
## **3) PROPOSED LOCATION**

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### **Section C.1 of the application**

### a. Site Description

Shady Creek has secured a lease on 1,600 square feet within a "cannabis campus" at 138 New Mohawk Road (APN: 37-060-87-000), Cafeteria Suite #151, for the manufacturing (Type 7 License) and wholesale distribution (Type 11 License) operations. The property includes two buildings totaling 35,622 square feet and is used by a variety of commercial and industrial businesses including medical laboratories and professional offices. In addition to the two commercial buildings, the property is improved with well-maintained pedestrian walkways, open space, and parking.



A copy of the signed lease can be found in Appendix D.  
 A Vicinity Map can be found in Appendix C.  
 Site Photos can be found in Appendix E.  
 Front Exterior Elevations can be found in Appendix F.  
 Building Plan can be found in Appendix G.

### b. Site Compatibility

At the time of this application, several of the building units are being leased to other non-retail medical cannabis businesses. The property is zoned as light industrial, which is designated for non-retail medical cannabis uses according to the City's zoning code. The proposed use for the building is consistent with the zoning designation and does not require additional entitlements or land use variances, other than that required for operating a medical cannabis manufacturing company.

The Zoning Verification Letter can be found in Appendix A.  
 A Zoning Map can be found in Appendix B.

### c. Neighborhood Description

#### Section C.6 of the application

The advantages of this location include proven neighborhood compatibility, strengthening of business relationships with like-industry participants thereby through synergy, growing the overall market, and clustering the unique cannabis -business needs such as enhanced security, supplier deliveries, etc. For example, the security contractor Gold Country Security serves several tenants, and will also contract with Shady Creek for security setup and protocols.

The following businesses and organizations may be located within 600 feet on or just off New Mohawk Road. Two charter schools are located approximately 390 feet from the property, but are not considered sensitive uses, as determined by the Nevada City Planning Director:

- Pine Creek Veterinary Clinic
- Twin Ridges Home Study Charter
- Sierra Video Systems, Inc.
- Nevada County Narrow Gauge Railroad Museum
- Hooper and Weaver Mortuary
- Washoe Tribe of Nevada

- Vital Garden Supply
- Inn Town Campground
- Y.U. Healing Arts
- Douglas Automotive
- Gyro-Stabilized Systems
- Kelly Bike Company
- Anew Day Professional Counseling
- John Muir Charter Schools

**d. Neighborhood Compatibility**

Nevada City has granted licenses to other cannabis manufacturing businesses in this neighborhood. Shady Creek benefits from these "first movers" who have paved the way for new applicants. Shady Creek will work collaboratively with these and other nearby businesses and residential neighbors to ensure the safety and security of the neighborhood. The following is a list of measures will help ensure neighborhood compatibility.

- Low Profile - Shady Creek we will not be promoting the business location through site signage or marketing activities. The business name will appear on the suite door and will be added to the building roster of tenants for deliveries and ordinary business operations only.
- Noise Reduction - Equipment will not be distinctly heard outside the building.
- Hours of Operation - Hours will be 8am-6pm, typical of other businesses in the area.
- Traffic and External Activities - As a manufacturing and whole distribution business the impact of traffic to and from facilities will be limited to staff and deliveries. Employees not will not be permitted to loiter outside the facility, except in designated open space common areas for the building complex.
- Enhanced Security- Unlike a typical non-cannabis business tenant, Shady Creek will install and operate extensive and visible security technology in place that discourages to discourage potential break-ins. Every access point to its facility will be closely monitored with high definition surveillance cameras capable of recognizing faces, and will require key-card access.

**e. Traffic and Parking Analysis**

The property contains a total of 114 off-street parking spaces: 3 ADA parking spaces, 27 compact parking spaces and 84 regular parking spaces, while the building complex houses a total of 32,000 square feet of rentable space. City zoning code requires 85 - 130 parking spaces, depending on how the space in the building is used. The parking lot and traffic flow is indicated on the Site Plan drawing in Appendix H. The parking allotted in the Nevada City Code requires more spaces than Shady Creek believes the cannabis manufacturing facilities will generate.

There is a small parking area located adjacent to the front entrance off New Mohawk Road, which is primarily ADA designated. Additionally, the west wing is adjacent to a 23-stall parking lot, which can be accessed by Shady Creek either through a back pedestrian entry, or the front lobby. The property includes further parking on the opposite side (south) of the street, which can be accessed by using two existing pedestrian crossings.

In addition to the parking located on site there is a public transportation bus stop located in front of the building.

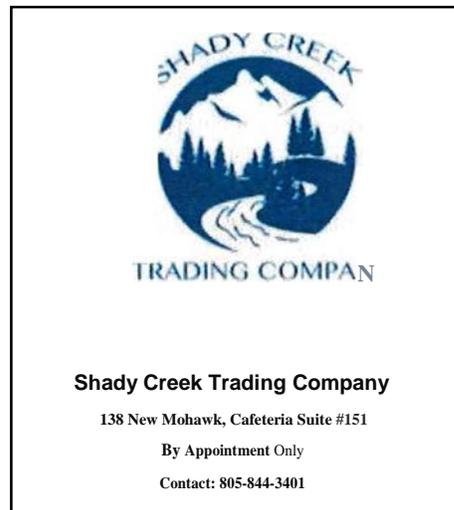
Shady Creek intends to coordinate shipping and receiving with the use of the common building elevator and loading dock. Shady Creek will hand-carry incoming raw cannabis material and outgoing finished products using the common hallway connecting the building interior to the loading dock and parking lot.

**f. Signage Plan**

Shady Creek will have a single modest sign in one location, on the front door of the suite e. No external or lobby signs will be posted. The business sign is indicated on the Site Plan in Appendix I.

**g. Premises and Layout**

The front (south) section of the premise includes public/guest access through the front building lobby entrance off New Mohawk Road. The premise also includes two bathrooms off the hallway connecting to the lobby, as well as an emergency shower and wash area. The Shady Creek suite is located on the first floor, just off the lobby, through an unlocked door and hallway that provides access for other building tenants. A Building Plan can be found in Appendix G.



The interior of the space of the Shady Creek suite was previously occupied by a corporate cafeteria and is currently improved with cafeteria fixtures and appliances (no commercial kitchen facilities).

The 1,600 square foot suite is a single open space with two doors to the common hallway in the building. One door will be designated for visitors, and the other, for employees only. Both will be secured with key-card access.

Appendix I shows details of the floor equipment and layout for the proposed suite. No front- or back-office administration or formal reception of visitors will occur on the premises. These activities will occur offsite in another office suite which will not have cannabis products or material on site.

Cannabis oil will enter the suite from the back door, closest to the loading dock and then move into a locked and secure locker. The pure oil will then be infused into a fully complete jerky nuggets, that have been shipped from an established, USDA-approved Settlers manufacturing facility. The finished product will be pre-packaged in individually vacuum-wrapped and sealed, then final packaged into lots of six, and again vacuum-wrapped and sealed, labeled and boxed for shipping to legally licensed retail distributors.

Over time Shady Creek's future plans include extracting its own pure cannabis oil for infusion through a proprietary water-based extraction process, one that uses no toxic chemicals and produces only the organic waste from the raw cannabis material.

**h. Site Modifications**

Tenant improvements for the proposed use of the property include:

- Installation of security cameras and card-key locks on two doors
- Security lockers for cannabis oil and future raw cannabis material storage
- Security lockers for quarantined and finished products
- Installation of a commercial kitchen-grade 3-chamber sink (replacement of existing sink)
- Safety fixtures and equipment, such as a fire hose, first aid kits, emergency wash area,

and other items

Upon receiving approval for the operating permit, Shady Creek will engage Nevada City building, fire, and health departments to make interior modifications that meet all applicable codes.

#### i. Readiness Timeline

The minor level of site modification required to operate will take approximately 2-4 weeks from the time of approval. Once the City has approved the Shady Creek business permit it will begin the application process for building permits. Rich Soto and staff will begin acquiring work benches, infusion machine, packaging machines, and other necessary equipment.

## 4) OPERATIONS

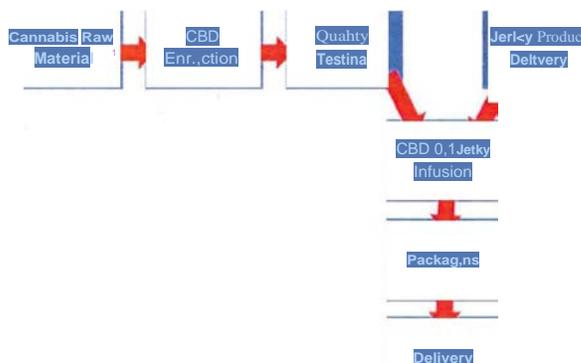
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#### a. Floor Plan

A copy of the Floor Plan with improvements, equipment locations, security features, and signage is located in Appendix I.

#### b. Operations Description

Operations encompass the entire manufacturing flow from intake of raw material, through production, quality control, packaging and ultimately pick-up by shipper. Every step in the process has a well-defined product handling safety and security protocol. In general, the production process comprises three major parts. The first part is the cannabis oil extraction process; and second part is the jerky product infusion process. The third part is packaging and delivery of finished product. Note: all administrative, sales and marketing will take place offsite in a different location.



#### c. Day-to-Day Operations

This production plan outlines the process for infusing cannabis oil from raw marijuana into already-prepared wild game jerky. The equipment, methods, protocols, intermediate products, end products, and by-products will be briefly discussed.

Once cannabis oil is either delivered or prepared to the desired potency and quality, it will be infused into the prepared jerky product. Finished goods will be packaged, warehoused in a secure locker, and then delivered to the legal medical dispensaries by a third party, licensed shipper for retail sale.

#### **d. Processes**

##### **i. Raw Material Handling, Testing and Processing Options**

At the initial phase of production, cannabis-oil will be delivered complete to Shady Creek by a licensed supplier, ready for infusion.

- Cannabis oil arrives, either from our employed transporter or licensed direct supplier
- Cannabis oil is received using a chain of custody form and quarantined in a secure locker

Once Shady Creek has perfected its proprietary cannabis oil extraction process, raw cannabis will arrive at the facility from various legally contracted sources.

- Raw cannabis arrives, either from our employed transporter or direct supplier
- Raw cannabis is received using a chain of custody form and quarantined in a secure locker
- Quarantined material is pre-tested for microbials and pesticides by a licensed testing lab. Acceptable material is shredded, labeled, and stored in a seal-tight container in secure locker. Rejected material is recycled through Shady Creek's waste management protocols
- Tested raw cannabis is then extracted

##### **ii. Extraction Process: Cannabis Oil Water Process**

A cannabis oil water extraction process will be used for certain products whose specification call for this type of oil. The equipment used will be customized and a proprietary to trade secret of Shady Creek. No solvents, hydrocarbons, volatile materials will be used, and a closed loop process will ensure that no discharge or waste is produced.

##### **Trichome Removal**

- The material is placed in water into an agitation vessel.
- The water is then filtered.
- Plant material of a certain size of micron is separated. The filtered material is placed in a freeze-dryer.
- Once the material is dry, it is placed into a proprietary concentrator that physically separates the lipid outer layer of the Trichome from the oil center. Two products are created: the pure oil, and the lipid.

##### **iii. Infusion Process**

Jerky processing will occur at Settlers' facility in Southern California, include forming the meat, marinating, heating, and then drying. Drying the jerky stabilizes the final product and prevents the growth of microorganisms, especially toxigenic microorganisms such as *Staphylococcus aureus*. Meat jerky be delivered to Shady Creek. Dried product is generally considered to be shelf-stable (i.e. it does not require refrigeration after proper processing). Finished product will be be infused with the cannabis oil that is appropriate for the end-product at the Shady Creek New Mohawk facility. The infusion equipment data sheets can be found in Appendix J

##### **iv. Safe Operating Procedures**

Responsible lab practices are imperative as to not jeopardize anyone's safety. Equipment will only operated by trained individuals who observe all safe laboratory and manufacturing practices.

No one is permitted in the licensed premises, who, by medical examination or supervisory observation is shown to have, or appear to have, an illness, open lesion (such as boils, sores, or infected wounds), or any other source of microbial contamination presenting a reasonable threat of contamination to cannabis products, contact surfaces, or packaging materials until this health condition is corrected.

All individuals working in direct contact with cannabis products, contact surfaces, and cannabis product-packaging materials shall conform to hygienic practices to the extent necessary to protect against allergen cross contact and contamination of cannabis products.

The methods for maintaining cleanliness include:

- Wearing appropriate outer garments to protect against allergen cross-contact and contamination of cannabis products, contact surfaces, and/or packaging materials.
- Maintaining adequate personal cleanliness.
- Washing hands thoroughly in an adequate hand-washing facility before starting work, after each absence from the workstation, and at any time when the hands may have become soiled or contaminated.
- Removing all unsecured jewelry and other objects that might fall into cannabis products, equipment, or containers. If hand jewelry cannot be removed, it may be covered by material which can be maintained in an intact, clean, and sanitary condition and which effectively protects against the contamination by these objects of the cannabis products, cannabis product contact surfaces, or cannabis product-packaging materials.
- Wearing appropriate hair nets, headbands, caps, beard covers, or other hair restraints in an effective manner when in the laboratory or packaging area.
- Storing clothing or other personal belongings in areas separate from those where cannabis products are exposed or where equipment or utensils are washed.
- Confining the following activities to areas separate from those where cannabis products may be exposed or where equipment or utensils are washed: eating food, chewing gum, drinking beverages, and/or using tobacco.
- Taking any other necessary precautions to protect against allergen cross-contact and against contamination of cannabis products, cannabis product-contact surfaces, or cannabis product-packaging materials by microorganisms or foreign substances (including perspiration, hair, cosmetics, tobacco, chemicals, and medicines applied to the skin).

#### **v. Laboratory Sanitary Operations**

Shady Creek will provide a sanitary working environment including the following:

- A water supply adequate for the operations derived from an adequate source. Any water that contacts cannabis products, cannabis product contact surfaces, or cannabis product packaging materials shall be safe and of adequate sanitary quality. Running water at a suitable temperature, and under pressure as needed, shall be provided in all areas where required for the processing of cannabis products, for the cleaning of equipment, utensils, and cannabis product-packaging materials, and/or for employee sanitary facilities.
- Plumbing systems will be of adequate size and design and shall be adequately installed and maintained in order to:
  - o Carry adequate quantities of water to required locations throughout the manufacturing facility.
  - o Properly convey sewage and liquid disposable waste from the facility.
  - o Avoid the creation of unsanitary conditions and contamination to cannabis products, water supplies, equipment, or utensils.

- o Provide that there is not backflow from, or cross-connection between, piping systems that discharge wastewater or sewage, and piping systems that carry water for cannabis products or cannabis product manufacturing.

#### **e. Quality Control**

Track and trace software will ensure quality assurance and quality control (QA/QC) and government accountability, as the amount of starting material coming in and finished product going out will require a steady-state flow.

Product will be tested by a third-party tester for quality assurance. See Section 6.h on Enhanced Product Safety for more information.

#### **f. Packaging and Distribution**

Vacuum packaging is the final step in the production process, prior to distribution. Data on the packaging equipment can be found in Appendix J. Finished product is double wrapped. Individual pieces are vacuum wrapped, indicating a single dose indicated on the labelling. Next, packages in quantities are vacuum packed.

Product labelling will indicate dosage and ingredient information. Two products will be part of the initial release including a Daytime CBD (Red) and a Nighttime THC (Blue). See consumer safety information in Section 6.h.

Once the packaging has occurred, the distribution manager will fill orders from licensed California licensed medical dispensary clients. The following protocols to ensure products and employees stay safe:

- Two employees will hand-carry products to be delivered from the manufacturing suite's secured inventory locker to the designated transport vehicle at the loading dock.
- Transport services will be provided with by the receiving client or contracted with a local licensed provider.
- Distribution staff on the premises will only transact business with other medical cannabis licensees, including raw material providers, retailers or contracted transportation distributors.
- No payments for transactions will be conducted on the premises.

#### **g. Finance and Administration**

In compliance with state and local regulations, tax requirements, and with banking conditions imposed by financial institutions Shady Creek will retain an accounting firm to assist with financial operations. The State of California requires that all cannabis businesses retain all of their records for a minimum of 7 years. The accounting records maintained will include the following information, which will be available to authorized representatives of Nevada City upon request:

- Financial records, including bank statements, sales invoices, receipts, tax records, etc.;
- Personnel records, including records for each employee (employee's full name, social security, or individual taxpayer identification number, date of beginning employment, and date of termination of employment (if applicable));
- Training records, including training content and records from employees who received the training;
- Inventory records, including trace and track and chain of custody forms, and unique identification numbers for all raw cannabis materials and finished products;
- All contracts and agreements, permits, licenses, and other local authorizations;

- All compliance audits, including private third-party checks;
- Security records, including all visitors, surveillance, incidents, etc.

Shady Creek will perform regular audits to remain in compliance with state and local and will engage third party auditors to ensure accurate and complete records.

## 5) Environmental Protection

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Manufacturing operations should have no adverse impacts on the surrounding environment.

- Water-based extraction processes recycle water, and only discharge the water used to clean the machines.
- Refuse from raw cannabis will be disposed of in a manner acceptable to County regulations, that meets state and local regulatory requirements. Shady Creek may utilize a Bokashicycle Marijuana Waste Granulator, which converts marijuana waste into farm-ready fertilizer, thereby reducing landfill volume. This fertilizer will then be sold back to cultivators to reduce the amount of new nutrients they need to purchase for production.

### a. Hazards Controls

Shady Creek will identify and evaluate known or reasonably foreseeable hazards at the facility to implement standards for preventive control. The evaluation will assess both the severity of any illness or injury that may occur as a result, and the probability that the hazard will occur in the absence of preventive controls.

Hazards include:

- Biological hazards, including microbiological hazards
- Chemical hazards, including radiological hazards, pesticide contamination, solvent or other residue, natural toxins, decomposition, unapproved additives, or food allergens
- Physical hazards, such as stone, glass, metal fragments, hair or insects

The hazard evaluation shall consider the effect of the following on the safety of the finished cannabis product for the intended consumer:

- Sanitation conditions of the manufacturing premises
- Product formulation
- Design, function and condition of the manufacturing facility and its equipment
- Raw material, ingredients and other components used in a given cannabis product
- Product transportation and transfer practices
- Manufacturing and processing procedures
- Packaging and labeling activities
- Storage of components and/or the finished cannabis product
- Intended or reasonably foreseeable use of the finished cannabis product

Preventative measures may include the following:

- The identification of critical control points, steps or procedures in a given process in which control can be applied, and as a result, a hazard can be prevented, eliminated, or reduced to acceptable levels.
- The establishment of critical limits for each critical control point including the maximum or minimum value to which a physical, biological, or chemical hazard must be controlled in order to prevent, eliminate, or reduce to an acceptable level the occurrence of an identified hazard.
- The establishment and implementation of monitoring procedures to use monitoring results to adjust a given process and maintain control shall include specifying the frequency and documentation requirements for monitoring.
- The establishment and implementation of corrective actions to be taken when monitoring indicates there is a deviation from an established critical limit shall include procedures for ensuring:
  - Appropriate action is taken to identify and correct a problem that has occurred with implementation of a preventative control.
  - Appropriate action is taken, when necessary, to reduce the likelihood that a problem will recur.
  - All affected material(s) or product(s) are evaluated for safety.
  - All affected material(s) or product(s) are prevented from entering into commerce if the safety or quality of that material(s) or product(s) cannot be verified.
- The establishment and implementation of record keeping procedures to document hazard analysis and control plans, identify the person responsible for each step, and identify the corrective actions that were taken upon the discovery of a deviation.
- The establishment and implementation of verification procedures in order to validate that preventative controls are consistently implemented and are effective in minimizing or preventing identified hazards; that monitoring activities are being conducted as required; and that appropriate decisions about corrective actions are being made.

#### **b. Waste Management**

Shady Creek is committed to managing any waste and ensuring proper disposal. At no time will Shady Creek sell any cannabis waste. All cannabis waste will be tracked in the track and trace system and disposed of in a designated cannabis waste receptacle. This waste will be stored within Shady Creek licensed premises in a secure access zone.

Shady Creek will be self-hauling any cannabis waste to the Nevada County landfill in the permissible manner or contract with an environmentally sensitive recycler to convert marijuana waste into farm-ready fertilizer thereby reducing landfill volume.

Shady Creek is committed to preserving our natural environment. For non-cannabis waste, Shady Creek will provide recycling bin, compost bins, and trash bins. Employees will be trained to place rubbish in the proper receptacles.

## **6) Safety and Security**

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Shady Creek will take all precautions necessary to ensure the fire life safety of the building tenants and the public. A complete Security Plan can be found in Appendix K. A summary of the Shady Creek security plan includes the following:

**a. Fire Life Safety**

Shady Creek with the Nevada City Fire Chief will develop a fire safety and suppression plan. The suppression plan will comply with all standards set forth by the National Fire Protection Association including regulations and recommendations for cannabis manufacturing detailed in Chapter 38 of the 2018 regulations. The suite and building contain approved fire sprinklers and type ABC Fire Extinguishers in locations which will be approved and periodically inspected by the fire marshal.

**b. Employee Protection**

One employee will be designated as the emergency response manager who will stay current on the latest compliance issues as well as best practices and will inform employees of relevant information. All employees will be briefed on safety and security protocols at the time of hiring, and also through periodic workshops. Employees will be informed about any toxics in the workplace and the best handling of these materials. A three-sink industrial sink will be on the premises for employees to remain sanitary and to ensure any chemical exposure will not damage skin or eyes. A first aid kit will be on the premises in a visibly labeled and accessible location.

**c. Unauthorized Access**

The Shady Creek security plan addresses how to prevent access to the manufacturing premises by unauthorized personnel and protect the physical safety of employees. Administrative, sales or marketing business activities will not be conducted at Shady Creek's premises at 138 New Mohawk Road, as this location is designated only for the manufacture and shipping of the wholesale product.

Only employees will be allowed on the premises. However, an occasional visitor will come to the space, by appointment only, who may perform functions such as servicing machines, or making supplies deliveries. The visitor will knock at the front door where the business sign is located and will be met by the appropriately designated employee to be escorted, after sufficient identification has been presented and accepted.

[REDACTED]

**d. Security of Product and Raw Material**

The Shady Creek security plan addresses strategies to prevent against theft or loss of cannabis and cannabis products.

- An inventory system that is compatible with the state's track and trace system California Metre Track and Trace (see below), to track cannabis and cannabis products and the personnel responsible for processing it throughout the manufacturing process

- Limiting access of personnel within the premises to those areas necessary to complete job duties, and to those time-frames specifically scheduled for completion of job duties
- Supervising tasks or processes with high potential for diversion (including the loading and unloading of cannabis transportation vehicles)
- Providing designated areas in which personnel may store and access personal items
- Installing locking cabinets that will secure all in process cannabis after hours
- Nightly security checks will be done at least 2 times per night by Gold Country Security at random times during evening and early morning hours

**e. Track and Trace Inventory System**

Shady Creek will create and maintain a functional account within the California Metre Track and Trace system. Shady Creek will record all information including any of the following:

- Packaging of cannabis goods
- Sale of cannabis goods
- Transportation of cannabis goods to a licensee
- Receipt of cannabis goods
- Return of cannabis goods
- Destruction and disposal of cannabis goods
- Laboratory testing and results

Shady Creek will maintain the data from all transaction entered into the track and trace system for at least seven years.

Shady Creek shall reconcile the physical inventory of cannabis goods with the records in the track and trace system at least once every 14 days. If any discrepancies occur, Shady Creek will conduct an audit and notify the required authorities.

**f. Video Surveillance**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**g. Background Checks**

Shady Creek will only hire employees that comply with the regulations that govern cannabis businesses. The hiring manager will conduct background checks to verify all employees have not been convicted of any crime listed in the Business and Professions Code Section 19323.

**h. Enhanced Product Safety**

In accordance with the laws of the State of California and Shady Creek's commitment to safety for consumers it will ensure that strict protocols will be in place covering raw material inputs, processing techniques and finished products. Shady Creek will implement the following safety measures:

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

Nevada City Medical Cannabis Business Name: Shady Creek Trading Company

The following page(s): SCT-M 0-28, SCT-M 0-29  
*<insert unique page identifier, or identifier range>*

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

Rich Soto, Principal, Vice President, Shady Creek Trading Company  
*<insert name, professional title, affiliation with applicant>*

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

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

Explanation for redaction:  
 Site security procedures and systems.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**i. Raw Material Controls**

Suppliers will be required to have their products tested by a licensed testing laboratory for pesticides, molds and other dangerous substances. To minimize contamination raw cannabis flower buds delivered by suppliers will be visually inspected for quality in a quarantined area.

**ii. Process Controls**

The Shady Creek water-based process will ensure zero toxic contaminants will be produced.

**iii. Product Testing Controls**

As required by the state, finished products will be quarantined in bulk until a Certificate of Analysis (COA) from a licensed and independent testing laboratory will be granted. The testing lab will send a representative the Shady Creek facility to test samples. This procedure will be tightly controlled and recorded on camera.

**iv. Finished Goods Controls**

Product labeling will meet California Department of Public Health Manufactured Cannabis Safety Branch requirements as currently specified and in the future. Product packaging will not resemble traditionally available food packages and will be tamper-evident and child-resistant and will not make health claims. In addition, packaging will be opaque. The primary panel labeling will include:

- Product identification
- Will include the words "cannabis-infused"
- The amount of THC/CBD in the package and perserving
- The CDPH-issued universal symbol
- The net weight or volume

An informational panel will include:

- Shady Creek's name and contact information (website or phone number)
- The date the product was manufactured
- The government warning statement
- The ingredient list
- Instructions for use
- The expiration date
- The unique ID/batch number
- Allergen information
- A list of artificial food colorings
- Basic nutritional information

## 7) Legal Compliance

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Good Manufacturing Processes (GMPs) will be written in adherence to Title 21 CFR Parts 210 and 211 of the federal Food & Drug Administration Code and will satisfy compliance with the California Department of Public Health's Cannabis Manufacturing requirements. All employees will follow these procedures beginning with receiving of starting material and ending with shipping of final product.

Standard Operating Procedures (SOPs) will also be written according to Title 21 CFR Parts 210 and 211 of the federal Food & Drug Administration code but shall contain only enough detail to assist in the execution of tasks by the employee. If more details are needed, the employee may request access to the corresponding SOPs for each manufacturing process will be printed and kept near the process for use by employees.

### **Local Compliance**

Shady Creek will comply with all local laws, rules, and regulations required for this permit. As a medical cannabis business, Shady Creek will comply with Nevada City Municipal Code Chapter 9.22, as well as with the local zoning ordinance Chapter 17.142, Medical Cannabis Uses and Activities. Specifically:

#### **NC Municipal Code Chapter 9.22.030**

- No person affiliated with Shady Creek will engage in any way in any cannabis activity that requires a license without a valid medical cannabis business permit from the city. Shady Creek will not operate without receiving a temporary or annual Type 6 cannabis manufacturing license from the Bureau of Cannabis Control.
- As Health and Safety Code Section 11362.775(a) will be repealed as part of the state's new cannabis regulatory program, taking effect on January 9, 2019, Shady Creek will operate as a for profit entity, rather than as a collective or cooperative.
- Shady Creek will ensure that all employees will comply with all requirements of this chapter, as well as with applicable state laws and regulations, and will provide employee training on all Shady Creek Non-Retail Cannabis Application operating procedures required by the state and pertaining to the operations of a cannabis manufacturing and distribution facility.

#### **NC Municipal Code Chapter 9.22.050**

- Shady Creek will comply with all procedures required by Nevada City for issuance of the medical cannabis business permit. Shady Creek is providing a complete application package, based on those requirements identified in Exhibit 2 of Resolution 2017-51. Should the City ask for appropriate additional requirements, those will be provided in an expedient manner.
- Shady Creek will file a renewal of the annual medical cannabis business permit at least 60 days prior to the expiration date of the existing permit, including the required fee, as set forth by Nevada City, and will comply with any additional conditions to the permit renewal process, as described by the City Manager.
- In the unlikely event that Shady Creek's state cannabis manufacturing license is suspended, revoked, or terminated, it will immediately suspend or terminate all operations until the state, or its respective department or division, reinstates or reissues the state license. NC Municipal Code Chapter 9.22.070.
- When necessary, Shady Creek will apply to the City's planning department to obtain the requisite land use approvals or entitlements for its location.
- In compliance with local code, Shady Creek will not attempt to transfer ownership or control of its medical cannabis business.

#### **NC Municipal Code Chapter 9.22.080**

- Shady Creek will obtain a City business license prior to commencing operations.
- Shady Creek will allow the City to inspect its facilities before commencing operations and will plan to obtain any required building permits, fire department approvals, health department approvals, as well as any additional zoning and land use approvals that may be required.
- Shady Creek has received certification from the City Planning department indicating the business is located on a site that meets all requirements of the City's zoning and municipal code.

- Shady Creek has provided a lease agreement with the landlord of 138 New Mohawk Road indicating the right to occupy and use the property for a medical cannabis business. Shady Creek has provided a signed and notarized statement from the property owner acknowledging its consent to the operation of a medical cannabis business.
- Shady Creek will execute an agreement with Nevada City and approved by the City attorney, that indemnifies, defends at its expense, and holds all Nevada City officers, officials, employees, representatives, and agents harmless, from any claims, losses, damages, injuries, liabilities, or losses that are in any way related to Nevada City's issuance of a medical cannabis permit, decision to approve the operation of its medical cannabis business, the process Nevada City uses in making its decision, or any alleged violation of any federal, state, or local laws by any officer or employee of Shady Creek, or its agents.
- Shady Creek will maintain all necessary insurance coverages, as noted below in the application's "Insurances" section. Should the Nevada City attorney require additional appropriate coverages, Shady Creek will comply with those requirements.

#### **NC Municipal Code Chapter 9.22.090**

- Shady Creek will operate in compliance with all applicable local and state laws, including any regulations promulgated thereunder. As noted below, Shady Creek considers that compliance requirements do not end with issuance of any permit or license, but rather are an integral part of operations. To that end, Shady Creek will implement an ongoing training and compliance programs with all active employees to ensure any and all code compliance requirements are met at all times.
- Shady Creek will pay all fees, charges, and taxes as applicable to its medical cannabis business. Applicable taxes include sales tax, excise tax, state income tax, and federal income tax.
- Shady Creek operations will include an intensive and thorough recordkeeping program with the intention to provide any and all reports required by audits, reporting, and renewals, as needed on demand.
- Shady Creek will operate only during the hours specified in its medical cannabis business permit. Shady Creek will operate actively (shipping, receiving, customer, supplier activities) between the hours of 8:00am and 6:00pm. Shady Creek will operate passively during quiet hours between 6:00am-8:00am and 6:00pm-10:00pm. Passive hours only pertain to extended employee time inside its facility to "catch up" on work, with no noise or visits visible to any outside party and will meet or exceed the City's regulations pertaining to noise, light, and other associated nuisances.
- No onsite consumption of any cannabis product will be tolerated at Shady Creek. Employees in violation of this regulation **will** be terminated immediately.
- Cannabis will never be stored anywhere outside the facility. Shady Creek will accept bulk shipments of raw cannabis material, which will be admitted into a designated indoor storage room upon arrival.
- No unlicensed products will ever be admitted into our facility. All admitted products require a Chain of Custody record, as required by the state Department of Public Health.
- Emergency contacts are as follows:

Rich Soto  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]

- Shady Creek does not anticipate any significant signage for our manufacturing other than adding our company name, Shady Creek, to one or more designated signage areas on the building, along with other tenants.

**REDACTION JUSTIFICATION INSERT**

**(To be inserted for every instance of redaction)**

Nevada City Medical Cannabis Business Name: Shady Creek Trading Company

The following page(s): SCT-M 0-32

*<insert unique page identifier, or identifier range>*

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

Rich Soto, Principal, Vice President, Shady Creek Trading Company

*<insert name, professional title, affiliation with applicant>*

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

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

Explanation for redaction:

Personal contact data

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- As no onsite consumption is allowed and our business does not involve the retail sale of any cannabis product, no client, customer, prospect, or visitor will ever be given any cannabis product, unless that person is a cannabis licensee, or representative of a cannabis licensee and a Chain of Custody transfer has been recorded. In addition, any visitor who consumes cannabis on our property or within our facility will be asked to leave immediately. If such person does not leave the premises immediately, we will notify local law enforcement.
- No persons under the age of 18 will be allowed within our premises. In addition, as a manufacturing and distribution facility we do not anticipate having visitors, other suppliers and technicians.
- Odor from all storage areas, refrigerators, and other compartments housing cannabis samples within our facilities will be ventilated through a charcoal filtration system within our negative pressure manufacturing rooms. No odor is anticipated outside our immediate manufacturing area within our facility. Specifications of this system will be submitted to Nevada City building department as needed with any required improvement plans.
- The original of Shady Creek's permits and business license will be displayed in a readily-visible location inside the manufacturing and distribution facility.
- Shady Creek principals have submitted our respective driver's license information in anticipation of the City conducting a background check to meet its needs for our approval. We intend to provide the state criminal background checks for all manufacturing partners, pursuant to California Penal Code sections 11105(b) and 113300(b)(II).
- No loitering by persons outside the facility, both on the premises and within 50 feet will be allowed. Per Shady Creek policy, such individuals will be asked to leave. If such individuals do not leave, local law enforcement will be notified.

**i. NC Municipal Code Chapter 9.22.100**

- All records and reporting will be maintained so as to provide local and state regulators readily available information in the case of an audit or inspection. On an annual basis, or any time upon reasonable request of the City, Shady Creek will file a sworn statement detailing the number of sales conducted by its manufacturing business during the previous twelve-month period, or shorter period depending on the request. Shady Creek's statement will include gross sales for each month, as well as all applicable taxes paid or due to be paid.
- Shady Creek will maintain a current register of the names and contact information of anyone owning or holding an interest in our manufacturing company. This information will be available upon request by the City Manager.
- Shady Creek records will include a record of all cultivators, and retailers, as well as any other businesses.
- As noted in our security measures, Shady Creek will implement sufficient security measures so as to deter and prevent the theft of medical cannabis or medical cannabis products at the medical cannabis dispensary. As the primary function will be to manufacture and distribute products anticipated for the retail market, customers and vendors will consist of licensed retailers and cultivators. Shady Creek may receive visits from one or more licensees on any given week. Only the front door entry will allow visitors, unless there is a specific need to escort one or more individuals to our restricted access areas. If the latter is necessary, per state law these individuals will be issued a temporary ID badge only after producing a valid state ID and signing a registry form.
- Security will be provided per the security section in this application package. In general, all security measures will be compliant with local and state law pertaining to Type 7 cannabis manufacturing facilities.
- Shady Creek's storage and transportation plan and procedures will described in this application package will be implemented for safely and securely storing and transporting cannabis, cannabis products, and any currency involved with operations.

- If any discrepancy in inventory occurs, Shady Creek will notify the City, as well as the Bureau of Cannabis Control immediately.
- No person will be allowed to consume, sell, or dispense alcoholic beverages on or about the premises of our manufacturing facility. Any individual found to be participating in any of these activities will be asked to leave the premises. Any incident involving a person refusing to leave the premises will be immediately reported to local law enforcement.

#### **ii. NC Zoning Code Chapter 17.142.030**

- The Shady Creek proposed premise at 138 New Mohawk Road is zoned Light Industrial {LI}, which conforms with the City's allows zoning designations for non-retail cannabis businesses.
- 138 New Mohawk Road is no closer than six hundred {600} feet from any portion of any parcel in the city limits containing any of the following: A school, including pre-school, transitional kindergarten, and K-12 that is in existence at the time the initial medical cannabis dispensary permit is issued; or a public park that is managed by the city that is in existence at the time the initial medical cannabis dispensary permit is issued.

#### **a. State of California Compliance**

Shady Creek will comply with all state regulations governing these cannabis licenses, which include:

- Periodic inspections by state regulators;
- Recordkeeping audits and reporting;
- Annual state license renewals;
- Compliance with required standard operating procedures {SOP}
- Establishment and implementation of required protocols;and
- Responsibility for all our employees, including:
  - o Their actions when at our proposed facility,
  - o Regular training for continued education, safety, and compliance; and
  - o Enrollment with the Employment Development Department.

#### **i. Licensing Maintenance**

A state cannabis licensee must submit an annual renewal to remain active. Licensees are also subject to unscheduled inspections and compliance with state requirements for standard operating procedures {SOP}.

Cherron Hart, treasurer/secretary will be responsible for all compliance matters and will be implementing a training program for all employees based on final standard operating procedures, as they are submitted to the state with our annual application.

#### **iii. Substantially Related Offenses Review**

No Shady Creek principal has committed a substantially related offense, as defined by CCR Section 5017. Additionally, no principal has received any violation from any city or county for any business, planning, or building matter.

#### **iv. California Environmental Quality Act**

All public agencies in California are required by the California Environmental Quality Act (CEQA) to conduct an environmental assessment of any action they make that has the potential for resulting in a physical change to the environment. Shady Creek anticipates its project being categorically exempt under CEQA for minor land use modifications and other categories deemed appropriate by the City.

**b. Labor and Employment Compliance**

**i. Labor Peace Agreement**

The State of California requires all cannabis licensees to execute a Labor Peace Agreement with a local union if the licensee employs 20 or more employees. While we plan to employ up to 12 people, should Shady Creek employ 20 or more employees in the future, it will execute this agreement with a local labor union. Shady Creek employees will receive fair wages and will be allowed to join a union of their choosing.

## 8) Employment

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**a. Staffing**

The success of Shady Creek depends on the dedication of its employees, and it is highly selective in choosing new members of its team. It desires to provide the maximum economic benefits to Nevada City, so local residents will receive a preference in hiring. Shady Creek is an equal opportunity employer and makes employment decisions on the basis of merit, seeking the best available persons for every job. An organization chart and wage schedule are attached to this application. Shady Creek will begin operations with:

**Management Team (3)**

Principal/President

Principal/Vice President/Chief Operations Officer

Principal/Secretary/Treasurer

**Operations Team (7)**

Chemist: Advanced Degree

Accountant (contractor): CPA

Plant Manager: 2 years of previous experience

Marketing Manager: 1 year of previous experience

Lab Technician: Internship

Processing Manager: Entry Level

Packaging Manager: Entry Level

Shipping and Receiving Clerk: Entry Level

All employees will be trained in the specific responsibilities of their jobs and will obtain the necessary certifications from state and local regulators. Prior to employment each employee will be provided with copies of the Employee Handbook and the Safety and Security Plans and will receive extensive training on Shady Creek's operations and safety procedures, and local and state compliance procedures.

Position		Full or Part Time Expectation
Chemist		Full Time
Plant Manager		Full & Part Time
Processing Manager		Full & Part Time
Lab Technician		
Packaging Manager		Part Time
Shipping & Receiving Clerk		Full Time

Marketing Manager/Administrative		Full & Part Time
Accountant		Contractor

## b. Employee Handbook

The following summarizes Shady Creek employment policies, practice and procedures.

### i. Harassment, Discrimination, Disabilities and Retaliation Prevention

Shady Creek is committed to providing a work environment that is free from discrimination, harassment and retaliation.

- **Discrimination Prevention**

Shady Creek is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in Shady Creek's operations and prohibits unlawful discrimination by management or any employee of Shady Creek, including supervisors and coworkers.

At all levels of employment Shady Creek prohibits unlawful discrimination based on race, color, creed, gender, religion, marital status, registered domestic partner status, age, national origin or ancestry, physical or mental disability, medical condition including genetic characteristics, sexual orientation, or any other consideration made unlawful by federal, state, or local laws. It also prohibits unlawful discrimination based on the perception that anyone has any of those characteristics or is associated with a person who has or is perceived as having any of those characteristics.

To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, Shady Creek will make reasonable accommodations for the known physical or mental disabilities of an otherwise qualified individual with a disability who is an applicant or an employee, unless undue hardship would result.

- **Harassment Prevention**

Shady Creeks' policy prohibiting harassment applies to all persons involved in its operations. It prohibits harassment, disrespectful or unprofessional conduct by any of its employees, including supervisors, managers and co-workers. Shady Creek's anti-harassment policy also applies to vendors, customers, independent contractors, unpaid interns and volunteers. Prohibited harassment is not just sexual harassment but harassment based on any protected category.

- **Discrimination Prevention**

Shady Creek is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in Shady Creek's operations. Shady Creek prohibits unlawful discrimination against any job applicant, employee or unpaid intern by any employee of Shady Creek, including supervisors and coworkers.

- **Reasonable Accommodation**

**REDACTION JUSTIFICATION INSERT**

**(To be inserted for every instance of redaction)**

Nevada City Medical Cannabis Business Name: Shady Creek Trading Company

The following page(s): SCT-M 0-35, SCT-M 0-36

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

Explanation for redaction:

Salary levels for each employee

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Discrimination can also include failing to reasonably accommodate religious practices or qualified individuals with disabilities where the accommodation does not pose an undue hardship.

To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, Shady Creek will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship would result.

- **Retaliation Prevention**

Shady Creek will not retaliate against employees for filing a complaint or participating in any workplace investigation and will not knowingly tolerate or permit retaliation by management, employees or co-workers. In addition, Shady Creek prohibits retaliation against individuals who raise complaints of discrimination or harassment or who participate in workplace investigations

- **Corrective Action**

If Shady Creek determines that harassment, discrimination, retaliation or other prohibited conduct has occurred, appropriate and effective corrective and remedial action will be taken in accordance with the circumstances involved. Shady Creek also will take appropriate action to deter future misconduct. Any employee determined by Shady Creek to be responsible for harassment, discrimination, retaliation or other prohibited conduct will be subject to appropriate disciplinary action, up to, and including termination. Employees should also know that if they engage in unlawful harassment, they can be held personally liable for the misconduct.

## ii. Employee Training

Prior to starting work, all employees will be given thorough training for their job by management before starting a regular work schedule. Employees will be trained in every aspect of their jobs, including customer service, operating policies and procedures, product knowledge, safety and security, and law/regulatory compliance. Employees will be required to participate in ongoing job training.

Continuing education will be offered monthly, and attendance during work hours may be mandatory or optional, depending on the subject matter, timing, and employee needs. Continuing education may consist of seminars, classes, workshops and onsite visits to suppliers. Shady Creek will encourage and support optional continuing education as is reasonably practicable.

## iii. Leaves of Absence

Shady Creek grants leave of absence to employees for medical reasons (including certain paid medical leave), paid sick leave, personal leave and in the event of the serious illness and/or death of certain of the employee's relatives.

## iv. Vacation

Regular full-time employees accrue paid vacation in accordance with the following policy: 1-

2 years =\_days per year

3-4 years=\_ days per year

5-14 years=\_ days per year

15 years and thereafter=\_ days per year

Employees begin to accrue vacation time on their first day of employment, but there will be no scheduled vacation during the first 90 days of employment.

Employees begin to accrue vacation time at the rate of one day per every full month worked, so long as the employee remains a regular full-time employee. Accrual will be capped at the number of days stated above, based on length of employment.

Shady Creek encourages all employees to use vacation time to take vacations, in light of the mental and physical benefits associated with taking time off from employment. An employee whose employment terminates will be paid for accrued unused vacation days.

#### **v. Benefits and Holidays Overview**

Shady Creek is committed to providing the following benefits for eligible employees. Benefit eligibility may be dependent upon an employee's classification (full-time versus part-time, for example) and on length of continuous employment. Benefit eligibility requirements may also be imposed by the plans themselves. Shady Creek reserves the right to modify, amend or terminate benefits and to modify or amend benefit eligibility requirements at any time and for any reason, subject to any legal restrictions.

Shady Creek offers the following employee benefits:

- Health Insurance
- Dental Coverage
- Paid holidays:
  - o January 1 (New Year's Day)
  - o July 4 (Independence Day)
  - o Thanksgiving Day
  - o Christmas Day

Employees required to work on a paid scheduled holiday will receive one and one-third (1 1/3) times their straight-time hourly rate.

#### **vi. Workers' Compensation**

Shady Creek, in accordance with state law, provides insurance coverage for employees in case of work-related injury. The workers' compensation benefits provided to injured employees may include:

- Medical Care
- Cash benefits, tax free, to replace lost wages; and
- Assistance to help qualified injured employees return to suitable employment

#### **vii. Performance Evaluations**

Each employee will receive periodic performance reviews conducted by his or her supervisor, and the first performance evaluation will take place after an introductory period of 90 days. Subsequent performance evaluations will be conducted at least annually.

#### **viii. Drug and Alcohol Abuse**

Shady Creek is concerned about the use of alcohol, illegal drugs, or controlled substances, as it affects the workplace. Use of these substances, whether on or off the job can detract from an

employee's work performance, efficiency, safety, and health, and therefore seriously impair the employee's value to Shady Creek. In addition, the use or possession of these substances on the job constitutes a potential danger to the welfare and safety of other employees and exposes Shady Creek to the risks of property loss or damage, or injury to other persons.

Furthermore, the use of prescription drugs and/or over-the-counter drugs also may affect an employee's job performance and may seriously impair the employee's value to Shady Creek.

The following rules and standards of conduct apply to all employees either on Shady Creek property or during the workday (including meals and rest periods). Behavior that violates Shady Creek policy includes:

- Possession or use of an illegal or controlled substance, or being under the influence of an illegal or controlled substance while on the job;
- Driving a Shady Creek vehicle while under the influence of alcohol; and
- Distribution, sale, or purchase of an illegal or controlled substance while on the job

Violation of these rules and standards of conduct will not be tolerated. Shady Creek also may bring the matter to the attention of appropriate authorities.

#### **ix. Health and Safety**

All employees are responsible for their own safety, as well as that of others in the workplace. Employees are directed to report all work-related injuries or illnesses immediately to their Supervisor. In compliance with California law, and to promote the concept of a safe workplace, Shady Creek maintains an Injury and Illness Prevention Program. Further information is contained in the enclosed Safety Plan.

#### **x. Workplace Violence**

To ensure a safe working environment for all employees, Shady Creek has zero tolerance for acts of violence and threats of violence. Without exception, acts and threats of violence are not permitted. All such acts and threats, even those made in apparent jest, will be taken seriously, and will lead to discipline up to and including termination. It is every employee's responsibility to assist in establishing and maintaining a violence-free work environment.

#### **xi. Collective Bargaining Rights**

Shady Creek will comply with the National Labor Relations Act and will not interfere with, restrain or coerce employees if they exercise rights relating to organizing, forming, joining or assisting a labor organization for collective bargaining purposes, or from working together to improve terms and conditions of employment or refraining from any such activity.

## 9) Detailed Benefits

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### **a. Community Benefits**

#### **i. Highest Ethical Standards**

As a cannabis business, Shady Creek has adopted the highest ethical standards, to ensure that Shady Creek is regarded as a great place to work and member of the business community, and to support

community involvement. As a participant in this "new industry" Shady Creek considers it has a responsibility represent the beneficial aspects of a strong local cannabis economy.

#### **ii. Local Enterprise**

The ability to attract outside investment for a new manufacturing business based on a long-time established product line, with local management is a big win for the community. While Shady Creek is leveraging an important partnership with a going concern located out of the area, the local management team including a founder/principal and the top science engineer who is designing the advanced extraction process are Nevada City residents. Rich Soto is a 40-year resident of Nevada City as is Justin Verdis. Both are active in the community with a number of ventures over the years and are deeply connected to the local legacy of high-quality cannabis production.

#### **iii. Local Hiring Preferences**

Shady Creek is committed to support the local economy by providing new jobs at a variety of qualification levels and to give preference to local applicants, to the extent that it will not violate federal, state or local discrimination law. Hiring policy states that it shall comply with equal opportunity laws while considering local candidates.

At the outset, Shady Creek will create up to a dozen new jobs, provide training for entry-level workers in a new, quickly expanding industry.

#### **iii. Support Local Economy**

Shady Creek intends to source marijuana from local growers, once the County growing permitting process is resolved, and local oil producers. This will ensure that the Nevada County growing community will have a secure outlet for their products, in a market that is very crowded with growers trying to take advantage of the marijuana economy.

As a provider of high quality, cannabis oil for third party products, other local food producers will have access to the cannabis edibles market, thereby spurring new local businesses who don't need to comply with stringent cannabis-manufacturing business licenses.

#### **iv. Expanded Tax Base**

Shady Creek will expand the tax base for Nevada City with new revenue. In addition, adding a successful new cannabis-infused products business to the community will further position Nevada City in a burgeoning market that is growing.

#### **v. Philanthropy**

The Anderson family has a long history of philanthropic giving in the communities in which they operate and intend to continue this tradition in Nevada City. In particular, the Andersons have identified Sammy's Friends and DVSAC as recipients.

### **b. Environmental Benefits**

Shady Creek has a near-zero waste goal, with its active recycling of all material used in the processing of cannabis oil and infused products.

The location of the building site is within a small business enterprise zone that is served by public transit allowing employees to forgo driving. Shady Creek will provide paid transit passes for employees who commit to public transportation.

## 10) Qualification of Principals and Key Staff

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### a. Principals

**Richard Soto**

[Redacted]  
[Redacted]  
[Redacted]

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**Joe Anderson**

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longer  
running

[Redacted text block]

**Cherron Hart**

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Id

[Redacted text block]



oil spill clean-up, waste water treatment systems and bottled water. A water bottling facility has now been operating for two years with water rights to the largest aquifer closest to Quito Ecuador

Matrix of Life Technologies (Oregon) est. 2009

A technology development company with a primary focus is on water treatment and energy production. Own several unique treatment technologies that have a wide array of application as well as exclusive licensing agreements for other technologies. Own a bottling facility in Grants Pass Oregon

Intangible Zone Productions (California) est. 2010

California based company that is owned by Gonzalez, Leonardo Wild (Wild Works Productions, Ecuador) and Eric Spitzer (Fairies Music Moviemaker, Austria). IZP is a media production company that began by producing a full-length feature film called "Yasuni, Two Seconds of Life". Footage was awarded Gold at Cannes as well as several other awards throughout Europe. See info about our movie at [www.yasuni-film.com](http://www.yasuni-film.com) or see the trailer on YouTube

Global Innovation Alliance (New Zealand) est. 2010

A group of innovators and inventors who came together to promote and support the assessment, research, development, and application of new technologies.

Massey Coal Project (West Virginia) 2014

A new approach at solving the selenite problem in water from coal production, using an advanced bio-electric system that was developed Matrix of Life Tech

Chevron Project (Bakersfield, Ca ) 2012-13

Matrix of Life Tech and OilTrap LLC of Washington collaborated with Chevron to solve a fundamental issue in Heavy Oil production. Chevron was pumping steam downhole to lift oil out of the formations. The rate limiting factor of production is access to clean water.

Haven Downtown (California) Est. 2014

A music and events venue located in the middle of downtown Nevada City

ARC Products and Productions (Oregon) Est. 2014

Created with Isis Indriva to consolidate efforts in product production and event production. Produced a stage called "The Village" at the second to largest EDM festival in California every year. Lightning in a Bottle. [www.lightninainabottle.org](http://www.lightninainabottle.org). The Village is now growing outside of LIB and into another major festival called symbiosis [www.symbiosisqathering.com](http://www.symbiosisqathering.com). Host a yearly symposium in November in Nevada City as well as other productions every month. [www.arc-blogy.com](http://www.arc-blogy.com)

Trinity Springs (Idaho) 2014

One of the fastest growing bottled water companies in the country. anticipate beginning construction next summer and being in the market place the following year of 2018.

Aqueous Technology (Nevada) 2016

A cannabis tech company that focuses on solvent free processing and processing equipment.

**REDACTION JUSTIFICATION INSERT**

**(To be inserted for every instance of redaction)**

Nevada City Medical Cannabis Business Name: Shady Creek Trading Company

The following page(s): SCT-M 0-41, SCT-M 0-42, SCT-M 0-43, SCT-M 0-44  
*<insert unique page identifier, or identifier range>*

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

Rich Soto, Principal, Vice President, Shady Creek Trading Company  
*<insert name, professional title, affiliation with applicant>*

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_____	Section 6254, subd. (n)	Licensee's personal financial data
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_____	Section 6254	General public interest exemption (provide explanation below)
_____	Other	(Provide explanation below)

**Explanation for redaction:**

Personal biographical information on principals and key staff

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## PART III: APPENDIXES

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- APPENDIX A: Zoning Verification Letter
- APPENDIX B: Zoning Map
- APPENDIX C: Vicinity Map
- APPENDIX D: Lease
- APPENDIX E: Site Photos
- APPENDIX F: Exterior Elevations Front
- APPENDIX G: Building Plan
- APPENDIX H: Site Plan
- APPENDIX I: Floor Plan
- APPENDIX J: Equipment Data Sheets
- APPENDIX K: Security Plan
- APPENDIX L: Start-Up Budget
- APPENDIX M: Pro Forma Post Start-Up
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- APPENDIX P: Employee/Owner Background Information
- APPENDIX Q: Live Scan of Principals
- APPENDIX R: IDs and Photos of Principals
- APPENDIX S: Proof of Business Organization Status
  - Articles of Incorporation
  - IRS Employer Identification Number
  - Corporate Resolutions including Bylaws

## APPENDIX A: Zoning Verification Letter



# City of Nevada City

April 18, 2018

Shady Creek Trading Company  
ATrN: Fran Cole

**Via email:** FCole@diamondbaker.com

**Subject: Nevada City Medical Cannabis Business Zoning Verification Letter: 138  
New Mohawk Drive**

Dear Ms. Cole:

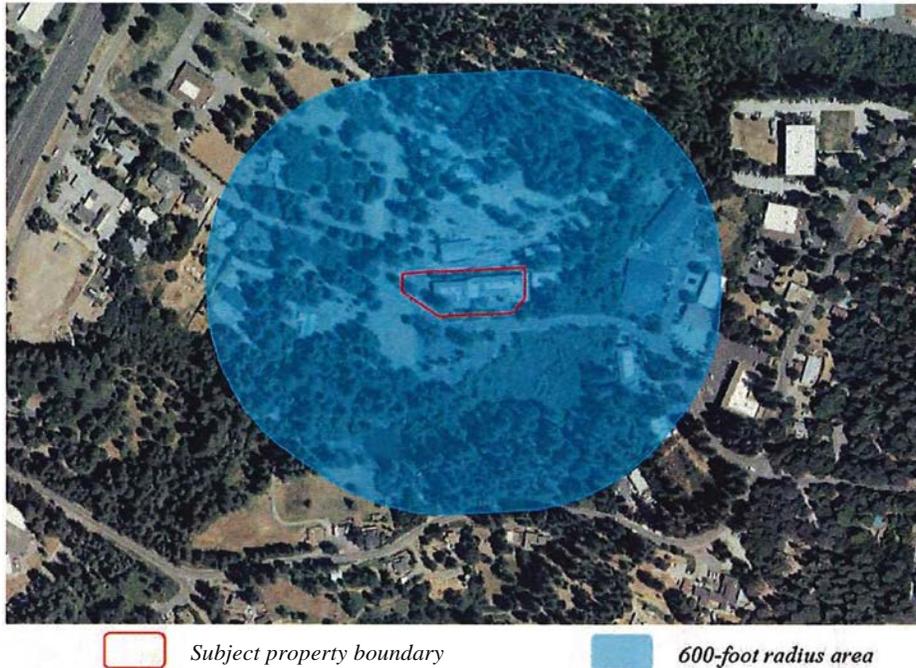
This letter shall serve as verification that property located at 138 New Mohawk Drive, Suite 150, Nevada City, CA meets local locational requirements in terms of zoning to operate a Medical Cannabis Manufacturing business. Pursuant to our local ordinance, Chapter 9.22 of the City Municipal Code, the "Manufacturer" business category is defined as follows:

*"Manufacturer" means a person that conducts the production, preparation, propagation, or compounding of manufactured medical cannabis, as defined in this section, or medical cannabis products either directly or indirectly (or by extraction methods, or independent or by means of chemical synthesis at a fixed location that packages or repackages medical cannabis or medical cannabis products or labels or relabels its container.*

The subject property, located at 138 New Mohawk Drive, Suite 150 is located within the "Light Industrial" zoning district with a "Planned Development" combining district (LI-PD). While this zoning determination will suffice for local verification purposes, this Zoning Verification letter does not constitute verification of compliance with State locational requirements. Please note that a home study program is located at 111 New Mohawk Road, approximately 490-feet from the subject site.

Please note that while the City will continue to accept applications, complete processing and review of any application submitted after February 28, 2018 will not occur until after the City has procured a consultant to assist in its review. The City is presently preparing a "Request for Proposals (RFP)" with the hope of securing a consultant by June 2018.

City Hall • 317 Broad Street • Nevada City, California 95959 • (530) 265-2496



Issuance of a "Zoning Verification Letter" does not constitute written evidence of any kind of permission being given by the City of Nevada City, and it does not convey any right to operate a medical cannabis business in the City. Final decisions on the issuance of pennits will be made by the Planning Commission following the approved application process.

Sincerely,

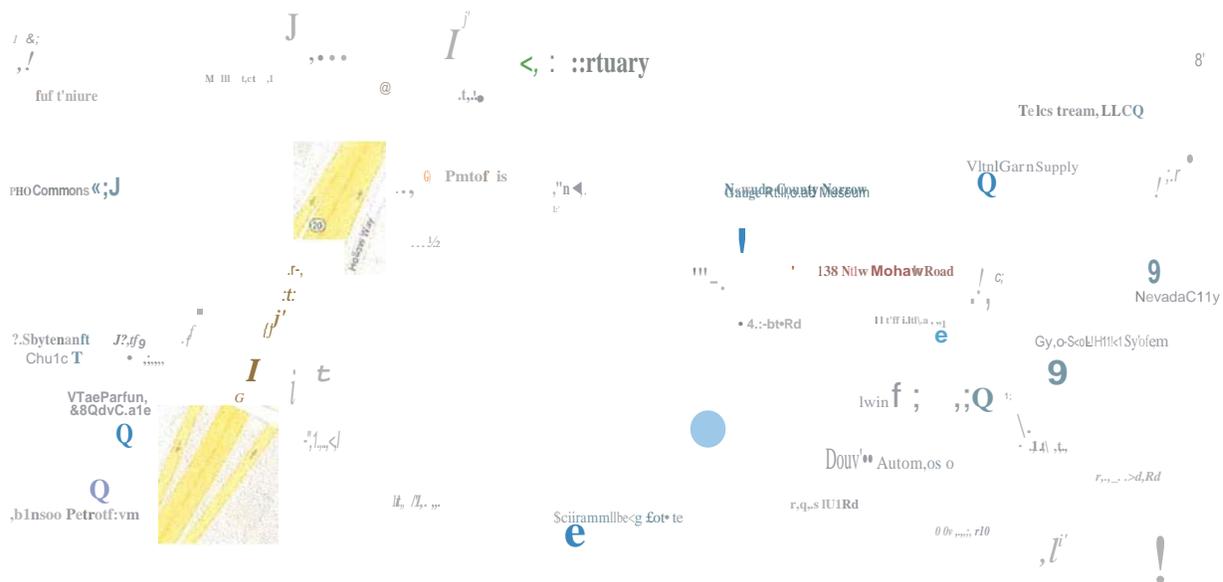
Amy Wolfson  
City Planner  
(530) 265-2496 x130

CC: Richard Soto (via email)

City Hall · 317 Broad Street · Nevada City, California 95959 · (530) 265-2496



APPENDIX C: Vicinity Map



APPENDIX D: Lease

./ CALIFORNIA  
- ASSOCIATION  
OF REALTORS®

COMMERCIAL LEASE AGREEMENT  
{C.A.R. Form CL, Revised 12/15}

Date {For reference only}: March 26, 2018

Terra Alta Development Company  
Shady Creek Trading Company Inc.

("Landlord") and  
{"Tenant"} agree as follows:

1. **PROPERTY:** Landlord rents to Tenant and Tenant rents from Landlord, the real property and improvements described as: Cafeteria Suite #151, 138 New Mohawk Rd. Nevada City, CA 95959-3244 {"Premises"}, which comprise approximately 5.000 % of the total square footage of rentable space in the entire property. See exhibit \_\_\_\_\_ for a further description of the Premises.

2. **TERM:** The term begins on {date} April 1, 2018 ("Commencement Date"),  
{Check A or B):

A. Lease: and shall terminate on (date) March 31, 2020 at 5:00 [J.A.M P M. Any holding over after the term of this agreement expires, with Landlord's consent, shall create a month-to-month tenancy that either party may terminate as specified in paragraph 2B. Rent shall be at a rate equal to the rent for the immediately preceding month, payable in advance. All other terms and conditions of this agreement shall remain in full force and effect.

D B. **Month-to-month:** and continues as a month-to-month tenancy. Either party may terminate the tenancy by giving written notice to the other at least 30 days prior to the intended termination date, subject to any applicable laws. Such notice may be given on any date.

C. **RENEWAL OR EXTENSION TERMS:** See attached addendum \_\_\_\_\_

3. **BASE RENT:**

A. Tenant agrees to pay Base Rent at the rate of {CHECK ONE ONLY):

(1) 6,500.00 per month, for the term of the agreement.

D (2) \$ \_\_\_\_\_ for the first 12 months of the agreement. Commencing with the 13th month, and upon expiration of each 12 months thereafter, rent shall be adjusted according to any increase in the U.S. Consumer Price Index of the Bureau of Labor Statistics of the Department of Labor for All Urban Consumers ("CPI") for \_\_\_\_\_ (the city nearest the location of the Premises), based on the following formula: Base Rent will be multiplied by the most current CPI preceding the first calendar month during which the adjustment is to take effect, and divided by the most recent CPI preceding the Commencement Date. In no event shall any adjusted Base Rent be less than the Base Rent for the month immediately preceding the adjustment. If the CPI is no longer published, then the adjustment to Base Rent shall be based on an alternate index that most closely reflects the CPI.

D (3) \$ \_\_\_\_\_ per month for the period commencing \_\_\_\_\_ and \_\_\_\_\_ and  
\$ \_\_\_\_\_ per month for the period commencing \_\_\_\_\_ and \_\_\_\_\_ and  
\$ \_\_\_\_\_ per month for the period commencing \_\_\_\_\_ and \_\_\_\_\_

(4) In accordance with the attached rent schedule.

(5) Other: \_\_\_\_\_

B. Base Rent is payable in advance on the 1st for Q day of each calendar month, and is delinquent on the next day.

C. If the Commencement Date falls on any day other than the first day of the month, Base Rent for the first calendar month shall be prorated based on a 30-day period. If Tenant has paid one full month's Base Rent in advance of Commencement Date, Base Rent for the second calendar month shall be prorated based on a 30-day period.

4. **RENT:**

A. Definition : ("Rent") shall mean all monetary obligations of Tenant to Landlord under the terms of this agreement, except security deposit.

B. Payment: Rent shall be paid to {Name} Terra Alta Development Company at {address} PO Box 1657, Nevada City, CA 95959-1657, or at any other location specified by Landlord in writing to Tenant.

C. Timing : Base Rent shall be paid as specified in paragraph 3. All other Rent shall be paid within 30 days after Tenant is billed by Landlord.

5. **EARLY POSSESSION:** Tenant is entitled to possession of the Premises on- - - - -  
If Tenant is in possession prior to the Commencement Date, during this time (i) Tenant is not obligated to pay Base Rent, and (ii) Tenant Dis Dis not obligated to pay Rent other than Base Rent. Whether or not Tenant is obligated to pay Rent prior to Commencement Date, Tenant is obligated to comply with all other terms of this agreement.

6. **SECURITY DEPOSIT:**

A. Tenant agrees to...Eay Landlord 6,500.00 as a security deposit. Tenant agrees not to hold Broker responsible for its return. (IF CHECKED:)  If Base Rent increases during the term of this agreement, Tenant agrees to increase security deposit by the same proportion as the increase in Base Rent.

B. All or any portion of the security deposit may be used, as reasonably necessary, to: (i) cure Tenant's default in payment of Rent, late charges, non-sufficient funds {"NSF"} fees, or other sums due; (ii) repair damage, excluding ordinary wear and tear, caused by Tenant or by a guest or licensee of Tenant; (iii) broom clean the Premises, if necessary, upon termination of tenancy; and (iv) cover any other unfulfilled obligation of Tenant. SECURITY DEPOSIT SHALL NOT BE USED BY TENANT IN LIEU OF PAYMENT OF LAST MONTH'S RENT. If all or any portion of the security deposit is used during tenancy, Tenant agrees to reinstate the total security deposit within 5 days after written notice is delivered to Tenant. Within 30 days after Landlord receives possession of the Premises, Landlord shall: (i) furnish Tenant an itemized statement indicating the amount of any security deposit received and the basis for its disposition, and (ii) return any remaining portion of security deposit to Tenant. However, if the Landlord's only claim upon the security deposit is for unpaid Rent, then the remaining portion of the security deposit, after deduction of unpaid Rent, shall be returned within 14 days after the Landlord receives possession.

C. No interest will be paid on security deposit, unless required by local ordinance.

Landlord's Initials (\_\_\_\_\_) {\_\_\_\_\_}

Tenant's Initials {\_\_\_\_\_} {\_\_\_\_\_}

Premises: Cafeteria Suite, #151, 138 New Mohawk Rd., Nevada City, CA 95959-3244

Date March 26, 2018

7. PAYMENTS:

	IOI8L D!..E	EAYMEIH BECEIY'.ED	B8L8NCFE DUE	DUE D8IE
A. Rent: From <u>04/01/2018</u> To <u>04/30/2018</u>	\$ <u>6,500.00</u>			

8. PARKING: Tenant is entitled to 6 unreserved and \_\_\_\_\_ reserved vehicle parking spaces. The right to parking is  is not included in the Base Rent charged pursuant to paragraph 3. If not included in the Base Rent, the parking rental fee shall be an additional \$ \_\_\_\_\_ per month. Parking space(s) are to be used for parking operable motor vehicles, except for trailers, boats, campers, buses or trucks (other than pick-up trucks). Tenant shall park in assigned space(s) only. Parking space(s) are to be kept clean. Vehicles leaking oil, gas or other motor vehicle fluids shall not be parked in parking spaces or on the Premises. Mechanical work or storage of inoperable vehicles is not allowed in parking space(s) or elsewhere on the Premises. No overnight parking is permitted.

9. ADDITIONAL STORAGE: Storage is permitted as follows: \_\_\_\_\_  
The right to additional storage space  is not included in the Base Rent charged pursuant to paragraph 3. If not included in Base Rent, storage space shall be an additional \$ \_\_\_\_\_ Tenant shall store only personal property that Tenant owns, and shall not store property that is claimed by another, or in which another has any right, title, or interest. Tenant shall not store any improperly packaged food or perishable goods, flammable materials, explosives, or other dangerous or hazardous material. Tenant shall pay for, and be responsible for, the clean-up of any contamination caused by Tenant's use of the storage area.

10. LATE CHARGE; INTEREST; NSF CHECKS: Tenant acknowledges that either late payment of Rent or issuance of a NSF check may cause Landlord to incur costs and expenses, the exact amount of which are extremely difficult and impractical to determine. These costs may include, but are not limited to, processing, enforcement and accounting expenses, and late charges imposed on Landlord. If any installment of Rent due from Tenant is not received by Landlord within 5 calendar days after date due, or if a check is returned NSF, Tenant shall pay to Landlord, respectively, \$ \_\_\_\_\_ as late charge, plus 10% interest per annum on the delinquent amount and \$25.00 as a NSF fee, any of which shall be deemed additional Rent. Landlord and Tenant agree that these charges represent a fair and reasonable estimate of the costs Landlord may incur by reason of Tenant's late or NSF payment. Any late charge, delinquent interest, or NSF fee due shall be paid with the current installment of Rent. Landlord's acceptance of any late charge or NSF fee shall not constitute a waiver as to any default of Tenant. Landlord's right to collect a Late Charge or NSF fee shall not be deemed an extension of the date Rent is due under paragraph 4, or prevent Landlord from exercising any other rights and remedies under this agreement, and as provided by law.

11. CONDITION OF PREMISES: Tenant has examined the Premises and acknowledges that Premise is clean and in operative condition, with the following exceptions: None. Items listed as exceptions shall be dealt with in the following manner: \_\_\_\_\_

12. ZONING AND LAND USE: Tenant accepts the Premises subject to all local, state and federal laws, regulations and ordinances ("Laws"). Landlord makes no representation or warranty that Premises are now or in the future will be suitable for Tenant's use. Tenant has made its own investigation regarding all applicable Laws.

13. TENANT OPERATING EXPENSES: Tenant agrees to pay for all utilities and services directly billed to Tenant Tenant electricity is included. Tenant shall choose fixtures and operate business in a manner that conserves energy where possible.

14. PROPERTY OPERATING EXPENSES:

A. Tenant agrees to pay its proportionate share of Landlord's estimated monthly property operating expenses, including but not limited to, common area maintenance, consolidated utility and service bills, insurance, and real property taxes, based on the ratio of the square footage of the Premises to the total square footage of the rentable space in the entire property. \_\_\_\_\_

ORB. (If checked) Paragraph 14 does not apply.

15. USE: The Premises are for the sole use as food manufacturing, packaging, and related business activities. No other use is permitted without Landlord's prior written consent. If any use by Tenant causes an increase in the premium on Landlord's existing property insurance, Tenant shall pay for the increased cost. Tenant will comply with all Laws affecting its use of the Premises.

16. RULES/REGULATIONS: Tenant agrees to comply with all rules and regulations of Landlord (and, if applicable, Owner's Association) that are at any time posted on the Premises or delivered to Tenant. Tenant shall not, and shall ensure that guests and licensees of Tenant do not, disturb, annoy, endanger, or interfere with other tenants of the building or neighbors, or use the Premises for any unlawful purposes, including, but not limited to, using, manufacturing, selling, storing, or transporting illicit drugs or other contraband, or violate any law or ordinance, or committing a waste or nuisance on or about the Premises.

17. MAINTENANCE:

A. Tenant  (If checked, Landlord) shall professionally maintain the Premises including heating, air conditioning, electrical, plumbing and water systems, if any, and keep glass, windows and doors in operable and safe condition. Unless Landlord is checked, if Tenant fails to maintain the Premises, Landlord may contract for or perform such maintenance, and charge Tenant for Landlord's cost.

B. Landlord  (If checked, Tenant) shall maintain the roof, foundation, exterior walls, common areas and \_\_\_\_\_

Landlord's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )

Tenant's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )



Premises: Cafeteria Suite, #151, 138 New Mohawk Rd. Nevada City, CA 95959-3244Date March 26, 2018

- 18. ALTERATIONS :** Tenant shall not make any alterations in or about the Premises, including installation of trade fixtures and signs, without Landlord's prior written consent, which shall not be unreasonably withheld. Any alterations to the Premises shall be done according to Law and with required permits. Tenant shall give Landlord advance notice of the commencement date of any planned alteration, so that Landlord, at its option, may post a Notice of Non-Responsibility to prevent potential liens against Landlord's interest in the Premises. Landlord may also require Tenant to provide Landlord with lien releases from any contractor performing work on the Premises.
- 19. GOVERNMENT IMPOSED ALTERATIONS:** Any alterations required by Law as a result of Tenant's use shall be Tenant's responsibility. Landlord shall be responsible for any other alterations required by Law.
- 20. ENTRY:** Tenant shall make Premises available to Landlord or Landlord's agent for the purpose of entering to make inspections, necessary or agreed repairs, alterations, or improvements, or to supply necessary or agreed services, or to show Premises to prospective or actual purchasers, tenants, mortgagees, lenders, appraisers, or contractors. Landlord and Tenant agree that 24 hours notice (oral or written) shall be reasonable and sufficient notice. In an emergency, Landlord or Landlord's representative may enter Premises at any time without prior notice.
- 21. SIGNS:** Tenant authorizes Landlord to place a FOR SALE sign on the Premises at any time, and a FOR LEASE sign on the Premises within the 90 (or 0) day period preceding the termination of the agreement.
- 22. SUBLETTING/ASSIGNMENT:** Tenant shall not sublet or encumber all or any part of Premises, or assign or transfer this agreement or any interest in it, without the prior written consent of Landlord, which shall not be unreasonably withheld. Unless such consent is obtained, any subletting, assignment, transfer, or encumbrance of the Premises, agreement, or tenancy, by voluntary act of Tenant, operation of law, or otherwise, shall be null and void, and, at the option of Landlord, terminate this agreement. Any proposed sublessee, assignee, or transferee shall submit to Landlord an application and credit information for Landlord's approval, and, if approved, sign a separate written agreement with Landlord and Tenant. Landlord's consent to any one sublease, assignment, or transfer, shall not be construed as consent to any subsequent sublease, assignment, or transfer, and does not release Tenant of Tenant's obligation under this agreement.
- 23. POSSESSION:** If Landlord is unable to deliver possession of Premises on Commencement Date, such date shall be extended to the date on which possession is made available to Tenant. However, the expiration date shall remain the same as specified in paragraph 2. If Landlord is unable to deliver possession within **60 (or       ) calendar days** after the agreed Commencement Date, Tenant may terminate this agreement by giving written notice to Landlord, and shall be refunded all Rent and security deposit paid.
- 24. TENANT'S OBLIGATIONS UPON VACATING PREMISES:** Upon termination of agreement, Tenant shall: (i) give Landlord all copies of all keys or opening devices to Premises, including any common areas; (ii) vacate Premises and surrender it to Landlord empty of all persons and personal property; (iii) vacate all parking and storage spaces; (iv) deliver Premises to Landlord in the same condition as referenced in paragraph 11; (v) clean Premises; (vi) give written notice to Landlord of Tenant's forwarding address; and (vii) Restore premises to original condition except where approved to leave as-is by Landlord
- All improvements installed by Tenant, with or without Landlord's consent, become the property of Landlord upon termination. Landlord may nevertheless require Tenant to remove any such improvement that did not exist at the time possession was made available to Tenant.
- 25. BREACH OF CONTRACT/EARLY TERMINATION:** In event Tenant, prior to expiration of this agreement, breaches any obligation in this agreement, abandons the premises, or gives notice of tenant's intent to terminate this tenancy prior to its expiration, in addition to any obligations established by paragraph 24, Tenant shall also be responsible for lost rent, rental commissions, advertising expenses, and painting costs necessary to ready Premises for re-rental. Landlord may also recover from Tenant: (i) the worth, at the time of award, of the unpaid Rent that had been earned at the time of termination; (ii) the worth, at the time of award, of the amount by which the unpaid Rent that would have been earned after expiration until the time of award exceeds the amount of such rental loss the Tenant proves could have been reasonably avoided; and (iii) the worth, at the time of award, of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided. Landlord may elect to continue the tenancy in effect for so long as Landlord does not terminate Tenant's right to possession, by either written notice of termination of possession or by reletting the Premises to another who takes possession, and Landlord may enforce all Landlord's rights and remedies under this agreement, including the right to recover the Rent as it becomes due.
- 26. DAMAGE TO PREMISES:** If, by no fault of Tenant, Premises are totally or partially damaged or destroyed by fire, earthquake, accident or other casualty, Landlord shall have the right to restore the Premises by repair or rebuilding. If Landlord elects to repair or rebuild, and is able to complete such restoration within 90 days from the date of damage, subject to the terms of this paragraph, this agreement shall remain in full force and effect. If Landlord is unable to restore the Premises within this time, or if Landlord elects not to restore, then either Landlord or Tenant may terminate this agreement by giving the other written notice. Rent shall be abated as of the date of damage. The abated amount shall be the current monthly Base Rent prorated on a 30-day basis. If this agreement is not terminated, and the damage is not repaired, then Rent shall be reduced based on the extent to which the damage interferes with Tenant's reasonable use of the Premises. If total or partial destruction or damage occurs as a result of an act of Tenant or Tenant's guests, (i) only Landlord shall have the right, at Landlord's sole discretion, within 30 days after such total or partial destruction or damage to treat the lease as terminated by Tenant, and (ii) Landlord shall have the right to recover damages from Tenant.
- 27. HAZARDOUS MATERIALS:** Tenant shall not use, store, generate, release or dispose of any hazardous material on the Premises or the property of which the Premises are part. However, Tenant is permitted to make use of such materials that are required to be used in the normal course of Tenant's business provided that Tenant complies with all applicable Laws related to the hazardous materials. Tenant is responsible for the cost of removal and remediation, or any clean-up of any contamination caused by Tenant.
- 28. CONDEMNATION:** If all or part of the Premises is condemned for public use, either party may terminate this agreement as of the date possession is given to the condemner. All condemnation proceeds, exclusive of those allocated by the condemner to Tenant's relocation costs and trade fixtures, belong to Landlord.
- 29. INSURANCE:** Tenant's personal property, fixtures, equipment, inventory and vehicles are not insured by Landlord against loss or damage due to fire, theft, vandalism, rain, water, criminal or negligent acts of others, or any other cause. Tenant is to carry Tenant's own property insurance to protect Tenant from any such loss. In addition, Tenant shall carry (i) liability insurance in an amount of not less than \$ 2,000,000.00 and (ii) property insurance in an amount sufficient to cover the replacement cost of the property if Tenant is responsible for maintenance under paragraph 17B. Tenant's insurance shall name Landlord and Landlord's agent as additional insured. Tenant, upon Landlord's request, shall provide Landlord with a certificate of insurance establishing Tenant's compliance. Landlord shall maintain liability insurance insuring Landlord, but not Tenant, in an amount of at least \$ 1,000,000.00, plus property insurance in an amount sufficient to cover the replacement cost of the property unless Tenant is responsible for maintenance pursuant to paragraph 17B. Tenant is advised to carry business interruption insurance in an amount at least sufficient to cover Tenant's complete rental obligation to Landlord. Landlord is advised to obtain a policy of rental loss insurance. Both Landlord and Tenant release each other, and waive their respective rights to subrogation against each other, for loss or damage covered by insurance.

Landlord's Initials (\_\_\_\_\_, \_\_\_\_\_)

Tenant's Initials (\_\_\_\_\_) (\_\_\_\_\_)

CL REVISED 12/15 (PAGE 3 of 6)

## COMMERCIAL LEASE AGREEMENT (CL PAGE 3 OF 6)

EQUAL HOUSING  
OPPORTUNITY

Premises: Cafeteria Suite, #151, 138 New Mohawk Rd, Nevada City, CA 95959-3244

Date March 26, 2018

- 30. **TENANCY STATEMENT (ESTOPPEL CERTIFICATE):** Tenant shall execute and return a tenancy statement (estoppel certificate), delivered to Tenant by Landlord or Landlord's agent, within 3 days after its receipt. The tenancy statement shall acknowledge that this agreement is unmodified and in full force, or in full force as modified, and state the modifications. Failure to comply with this requirement: (i) shall be deemed Tenant's acknowledgment that the tenancy statement is true and correct, and may be relied upon by a prospective lender or purchaser; and (ii) may be treated by Landlord as a material breach of this agreement. Tenant shall also prepare, execute, and deliver to Landlord any financial statement (which will be held in confidence) reasonably requested by a prospective lender or buyer.
- 31. **LANDLORD'S TRANSFER:** Tenant agrees that the transferee of Landlord's interest shall be substituted as Landlord under this agreement. Landlord will be released of any further obligation to Tenant regarding the security deposit, only if the security deposit is returned to Tenant upon such transfer, or if the security deposit is actually transferred to the transferee. For all other obligations under this agreement, Landlord is released of any further liability to Tenant, upon Landlord's transfer.
- 32. **SUBORDINATION :** This agreement shall be subordinate to all existing liens and, at Landlord's option, the lien of any first deed of trust or first mortgage subsequently placed upon the real property of which the Premises are a part, and to any advances made on the security of the Premises, and to all renewals, modifications, consolidations, replacements, and extensions. However, as to the lien of any deed of trust or mortgage entered into after execution of this agreement, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant pays the Rent and observes and performs all of the provisions of this agreement, unless this agreement is otherwise terminated pursuant to its terms. If any mortgagee, trustee, or ground lessor elects to have this agreement placed in a security position prior to the lien of a mortgage, deed of trust, or ground lease, and gives written notice to Tenant, this agreement shall be deemed prior to that mortgage, deed of trust, or ground lease, or the date of recording.
- 33. **TENANT REPRESENTATIONS; CREDIT:** Tenant warrants that all statements in Tenant's financial documents and rental application are accurate. Tenant authorizes Landlord and Broker(s) to obtain Tenant's credit report at time of application and periodically during tenancy in connection with approval, modification, or enforcement of this agreement. Landlord may cancel this agreement: (i) before occupancy begins, upon disapproval of the credit report(s); or (ii) at any time, upon discovering that information in Tenant's application is false. A negative credit report reflecting on Tenant's record may be submitted to a credit reporting agency, if Tenant fails to pay Rent or comply with any other obligation under this agreement.
- 34. **CONSTRUCTION-RELATED ACCESSIBILITY STANDARDS:** Landlord states that the Premises Ohas, or has not been inspected by a Certified Access Specialist. If so, Landlord states that the Premises Dhas, or Ohas not been determined to meet all applicable construction-related accessibility standards pursuant to Civil Code Section 55.53.

35. **DISPUTE RESOLUTION:**

**A. MEDIATION:** Tenant and Landlord agree to mediate any dispute or claim arising between them out of this agreement, or any resulting transaction, before resorting to arbitration or court action, subject to paragraph 35B(2) below. Paragraphs 35B(2) and (3) apply whether or not the arbitration provision is initialed. Mediation fees, if any, shall be divided equally among the parties involved. If for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.

**B. ARBITRATION OF DISPUTES:** (1) Tenant and Landlord agree that any dispute or claim in Law or equity arising between them out of this agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 35B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of real estate transactional law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. In all other respects, the arbitration shall be conducted in accordance with Part III, Title 9 of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05.

**(2) EXCLUSIONS FROM MEDIATION AND ARBITRATION:** The following matters are excluded from Mediation and Arbitration hereunder: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; (iv) any matter that is within the jurisdiction of a probate, small claims, or bankruptcy court; and (v) an action for bodily injury or wrongful death, or for latent or patent defects to which Code of Civil Procedure §337.1 or §337.15 applies. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a violation of the mediation and arbitration provisions.

**(3) BROKERS:** Tenant and Landlord agree to mediate and arbitrate disputes or claims involving either or both Brokers, provided either or both Brokers shall have agreed to such mediation or arbitration, prior to, or within a reasonable time after the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the agreement.

**"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."**

**"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."**

\_\_\_\_\_  
Landlord's Initials / Tenant's Initials

Landlord's Initials( \_\_\_\_\_ )

Tenant's Initials( \_\_\_\_\_ )

Premises: Cafeteria Suite, #151, 138 New Mohawk Rd, Nevada City, CA 95959-3244

Date March 26, 2018

**36. JOINT AND INDIVIDUAL OBLIGATIONS:** If there is more than one Tenant, each one shall be individually and completely responsible for the performance of all obligations of Tenant under this agreement, jointly with every other Tenant, and individually, whether or not in possession.

**37. NOTICE:** Notices may be served by mail, facsimile, or courier at the following address or location, or at any other location subsequently designated:

Landlord: Terra Alta Development Company  
PO Box 1657  
Nevada City, Ca. 95959

Tenant: Shady Creek Trading Co.  
[Redacted]  
[Redacted]

Notice is deemed effective upon the earliest of the following: (i) personal receipt by either party or their agent; (ii) written acknowledgement of notice; or (iii) 5 days after mailing notice to such location by first class mail, postage pre-paid.

**38. WAIVER:** The waiver of any breach shall not be construed as a continuing waiver of the same breach or a waiver of any subsequent breach.

**39. INDEMNIFICATION:** Tenant shall indemnify, defend and hold Landlord harmless from all claims, disputes, litigation, judgments and attorney fees arising out of Tenant's use of the Premises.

**40. OTHER TERMS AND CONDITIONS/SUPPLEMENTS:** \_\_\_\_\_

**RESTRICTIONS:**

No signage may be placed on the property without approval of the Landlord. No odors may be emitted from the Tenant's space or by any product or person being entering or exiting the business. No subletting any portion of the space to cannabis companies.

**TENANT IMPROVEMENTS:**

All proposed demolition and Tenant Improvements are to be approved by the Landlord.

**FINANCIAL REPORTING:**

Tenant shall provide complete annual company financial statements to Landlord.

The following ATTACHED supplements/exhibits are incorporated in this agreement: 0 Option Agreement / CAR Form OA

**41. ATTORNEY FEES:** In any action or proceeding arising out of this agreement, the prevailing party between Landlord and Tenant shall be entitled to reasonable attorney fees and costs from the non-prevailing Landlord or Tenant, except as provided in paragraph 35A.

**42. ENTIRE CONTRACT:** Time is of the essence. All prior agreements between Landlord and Tenant are incorporated in this agreement, which constitutes the entire contract. It is intended as a final expression of the parties' agreement, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever may be introduced in any judicial or other proceeding, if any, involving this agreement. Any provision of this agreement that is held to be invalid shall not affect the validity or enforceability of any other provision in this agreement. This agreement shall be binding upon, and inure to the benefit of, the heirs, assignees and successors to the parties.

**43. BROKERAGE:** Landlord and Tenant shall each pay to Broker(s) the fee agreed to, if any, in a separate written agreement. Neither Tenant nor Landlord has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as named in this agreement, in connection with any act relating to the Premises, including, but not limited to, inquiries, introductions, consultations, and negotiations leading to this agreement. Tenant and Landlord each agree to indemnify, defend and hold harmless the other, and the Brokers specified herein, and their agents, from and against any costs, expenses, or liability for compensation claimed inconsistent with the warranty and representation in this paragraph 43.

**44. AGENCY CONFIRMATION:** The following agency relationships are hereby confirmed for this transaction:  
Listing Agent: \_\_\_\_\_ (Print Firm Name) is the agent of (check one):  
 the Landlord exclusively; or  both the Tenant and Landlord.  
Selling Agent: \_\_\_\_\_ (Print Firm Name) (if not same as Listing Agent) is the agent of (check one):  
 the Tenant exclusively; or  the Landlord exclusively; or  both the Tenant and Landlord.  
Real Estate Brokers are not parties to the agreement between Tenant and Landlord.

Landlord's Initials ( \_\_\_\_\_ )

Tenant's Initials ( \_\_\_\_\_ )

Premises: Cafeteria Suite, #151, 138 New Mohawk Rd., Nevada City, CA 95959-3244

Date March 26, 2018

Landlord and Tenant acknowledge and agree that Brokers: (i) do not guarantee the condition of the Premises; (ii) cannot verify representations made by others; (iii) will not verify zoning and land use restrictions; (iv) cannot provide legal or tax advice; (v) will not provide other advice or information that exceeds the knowledge, education or experience required to obtain a real estate license. Furthermore, if Brokers are not also acting as Landlord in this agreement, Brokers: (vi) do not decide what rental rate a Tenant should pay or Landlord should accept; and (vii) do not decide upon the length or other terms of tenancy. Landlord and Tenant agree that they will seek legal, tax, insurance, and other desired assistance from appropriate professionals.

Tenant \_\_\_\_\_ Date \_\_\_\_\_

Rich Soto

(Print name)

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Tenant \_\_\_\_\_ Date \_\_\_\_\_

(Print name)

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**GUARANTEE:** In consideration of the execution of this Agreement by and between Landlord and Tenant and for valuable consideration, receipt of which is hereby acknowledged, the undersigned ("Guarantor") does hereby: (i) guarantee unconditionally to Landlord and Landlord's agents, successors and assigns, the prompt payment of Rent or other sums that become due pursuant to this Agreement, including any and all court costs and attorney fees included in enforcing the Agreement; (ii) consent to any changes, modifications or alterations of any term in this Agreement agreed to by Landlord and Tenant; and (iii) waive any right to require Landlord and/or Landlord's agents to proceed against Tenant for any default occurring under this Agreement before seeking to enforce this Guarantee.

Guarantor (Print Name) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Landlord agrees to rent the Premises on the above terms and conditions.

Landlord \_\_\_\_\_ Date \_\_\_\_\_ (owner or

agent with authority to enter into this agreement) Terra Alta Development Company

Address PO Box 1657 City Nevada City State Ca Zip 95959

Landlord \_\_\_\_\_ Date \_\_\_\_\_

(owner or agent with authority to enter into this agreement)

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Agency relationships are confirmed as above. Real estate brokers who are not also Landlord in this agreement are not a party to the agreement between Landlord and Tenant.

Real Estate Broker(Leasing Firm) \_\_\_\_\_ CalBRE Lie. # \_\_\_\_\_

By (Agent) \_\_\_\_\_ CalBRE Lie. # \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Real Estate Broker (Listing Firm) \_\_\_\_\_ CalBRE Lie. # \_\_\_\_\_

By (Agent) \_\_\_\_\_ CalBRE Lie. # \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_

CL REVISED 12/15 (PAGE 6 of 6)

COMMERCIAL LEASE AGREEMENT (CL PAGE 6 OF 6)

EQUAL HOUSING OPPORTUNITY



COMMERCIAL LEASE CONSTRUCTION ACCESSIBILITY ADDENDUM (C.A.R. Form CLCA 11/16)

This is an addendum to the Commercial Lease Agreement (lease) dated ... in which Terra Alta Development Company is referred to as "Landlord" and Rich Soto is referred to as "Tenant". Paragraph 34 of the lease is deleted in its entirety and replaced by the following;

Paragraph 34. CONSTRUCTION-RELATED ACCESSIBILITY STANDARDS:

- A. Landlord states that the Premises D have, or 1K] have not been inspected by a Certified Access Specialist (CASp).
B. If the Premises have been inspected by a CASp, (1) Landlord states that the Premises O have, or O have not been determined to meet all applicable construction-related accessibility standards pursuant to Civil Code Section 55.53. Landlord shall provide Tenant a copy of the report prepared by the CASp (and, if applicable a copy of the disability access inspection certificate) as specified below. (2) LJ (i) Tenant has received a copy of the report at least 48 hours before executing this lease. Tenant has no right to rescind the lease based upon information contained in the report. OR O (ii) Tenant has received a copy of the report prior to, but no more than, 48 hours before, executing this lease. Based upon information contained in the report, Tenant has 72 hours after execution of this lease to rescind it. OR O (iii) Tenant has not received a copy of the report prepared by the CASp prior to execution of this lease. Landlord shall provide a copy of the report prepared by the CASp (and, if applicable a copy of the disability access inspection certificate) within 7 days after execution of this lease. Tenant shall have up to 3 days thereafter to rescind the lease based upon information in the report.
C. If the Premises have not been inspected by a CASp or a certificate was not issued by the CASp who conducted the inspection, "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."
D. Notwithstanding anything to the contrary in paragraph 17, 18, 19 or elsewhere in the lease, any repairs or modifications necessary to correct violations of construction related accessibility standards are the responsibility of Tenant D Landlord D Other -

Tenant (Signature) \_\_\_\_\_ Date \_\_\_\_\_

Tenant (Print name) Rich Soto \_\_\_\_\_

Tenant (Signature) \_\_\_\_\_ Date \_\_\_\_\_

Tenant (Print name) \_\_\_\_\_

Landlord (Signature) \_\_\_\_\_ Date \_\_\_\_\_

Landlord (Print name) Terra Alta Development Company \_\_\_\_\_

Landlord (Signature) \_\_\_\_\_ Date \_\_\_\_\_

Landlord (Print name) \_\_\_\_\_

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



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

Nevada City Medical Cannabis Business Name: Shady Creek Trading Company

The following page(s): SCT-M -51, SCT-M 052, SCT-M 055, SC T-M 056  
*<insert unique page identifier, or identifier range>*

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

Rich Soto, Vice President, Principal Shady Creek Trading Company  
*<insert name, professional title, affiliation with applicant>*

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

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

**Explanation for redaction:**

Lease provides personal contact information and business financial information

---

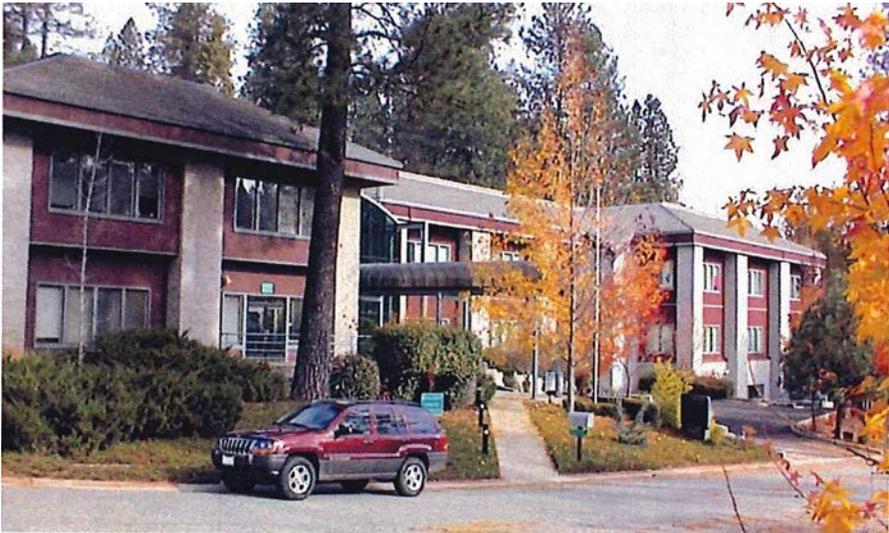


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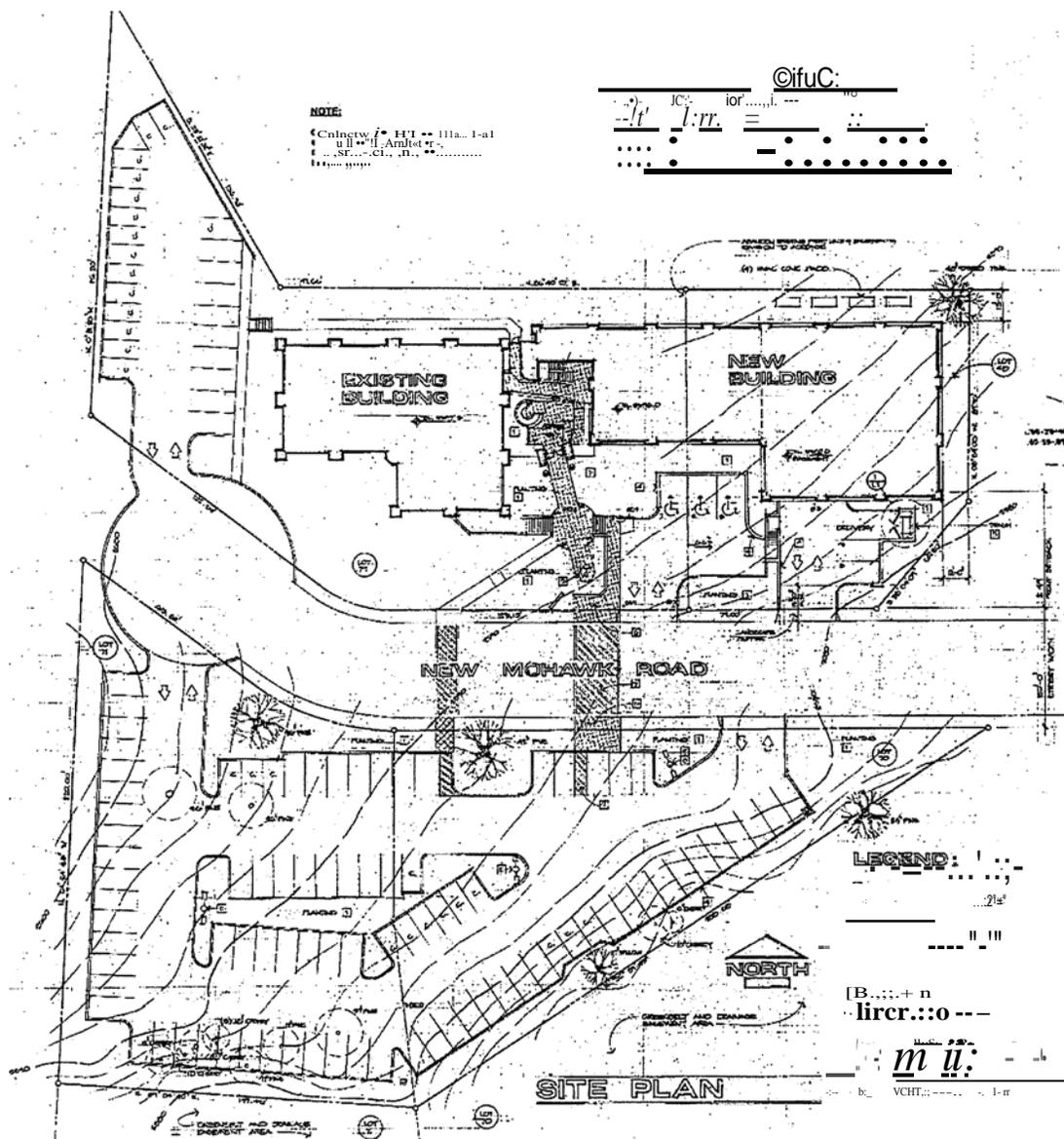


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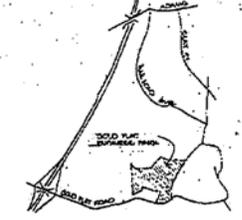
APPENDIX E: Site Photos



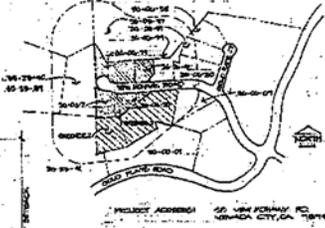




**VICINITY MAP**



**PUBLIC NOTICE MAP**



**PROJECT DATA:**

EXISTING BLDG	15,000 S.F.
NEW BLDG	25,000 S.F.
TOTAL	40,000 S.F.
PARKING	25,000 S.F.
TOTAL	65,000 S.F.
SITE AREA	400 ACRES ±
BUILDING FOOTPRINT	0.07% OF SITE
PARKING AREA	6.25% OF SITE
LANDSCAPE AREA	93.68% OF SITE
PERCENTAGE OF GREENSPACE	93.68% OF SITE
TREE COUNT	11 ±

**TREE COUNT:**

TOTAL TREES EXISTING (INCLUDING REMOVAL AREA) 11 ±  
 TOTAL TREES TO BE REMOVED 11 ±

**PARKING CALCULATIONS:**

[Symbol] 100 S.F. PER SPACE  
 [Symbol] 200 S.F. PER SPACE  
 [Symbol] 300 S.F. PER SPACE  
 [Symbol] 400 S.F. PER SPACE  
 [Symbol] 500 S.F. PER SPACE  
 [Symbol] 600 S.F. PER SPACE  
 [Symbol] 700 S.F. PER SPACE  
 [Symbol] 800 S.F. PER SPACE  
 [Symbol] 900 S.F. PER SPACE  
 [Symbol] 1000 S.F. PER SPACE

**SITE PLAN**

**DAVID J. DESIGN**  
 An Architecture Planning Firm  
 1000 1/2 STREET, SUITE 100, NEVADA CITY, CA 95959  
 (916) 291-1111

Architect: [Signature]  
 Planner: [Signature]  
 Designer: [Signature]  
 Draftsman: [Signature]

**SILICON SYSTEMS INC.**  
 gold flat park  
 nevada city, california

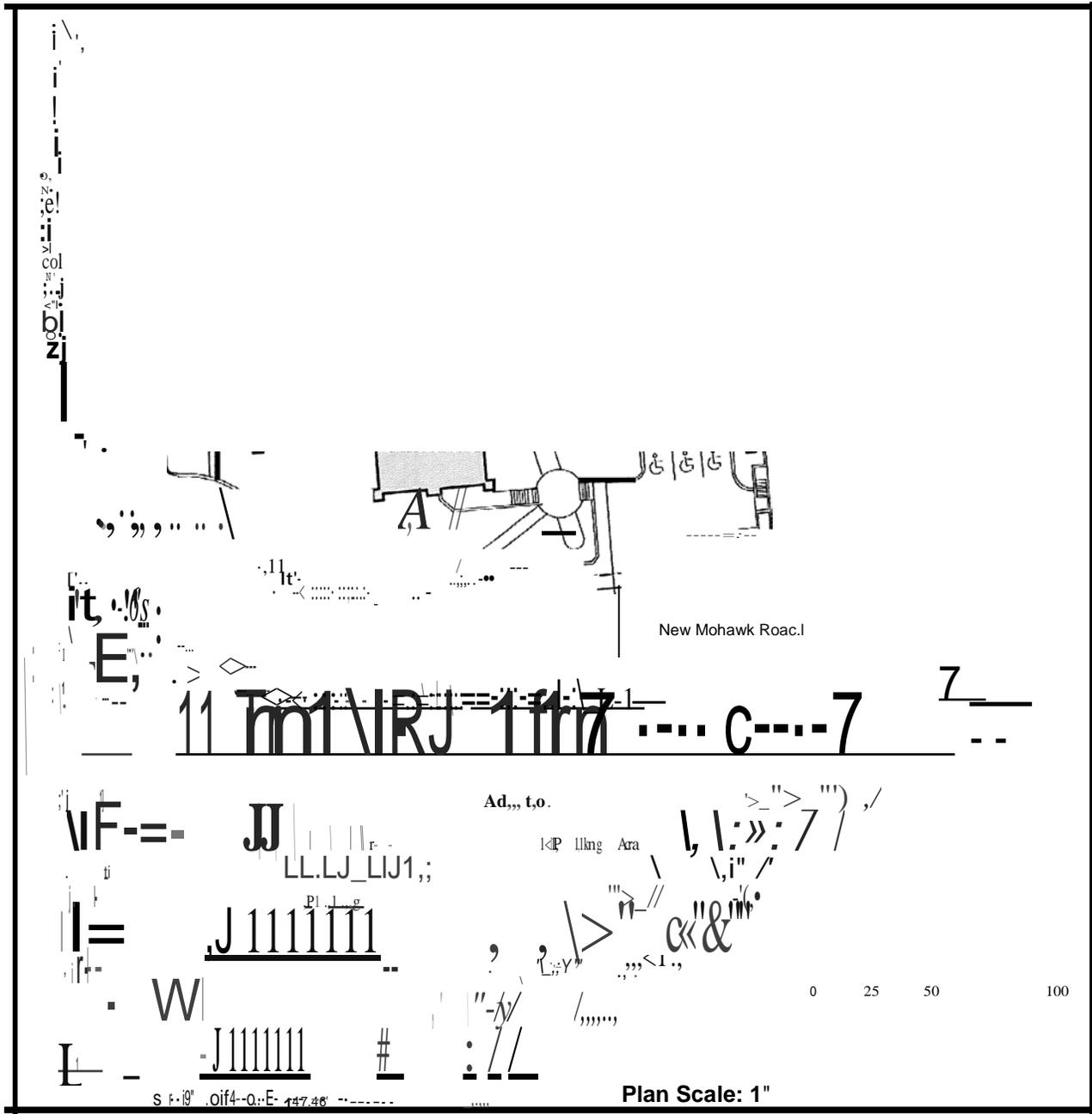
Client: [Signature]  
 Design Date: [Date]  
 Sheet: [Number]

**AR**

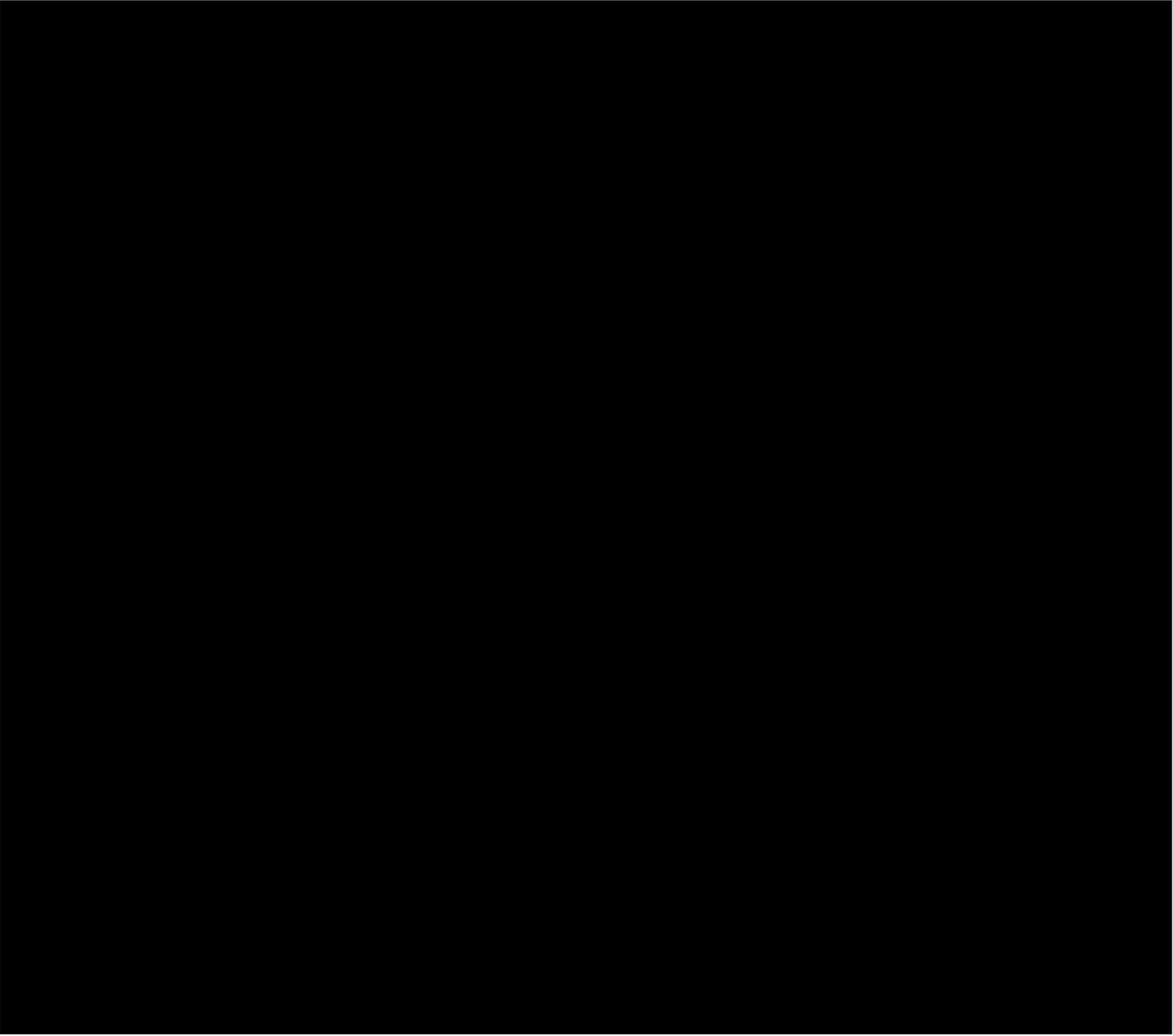
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APPENDIX H: Site Plan



APPENDIX  
F of 9



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

Nevada City Medical Cannabis Business Name: Shady Creek Trading Company

The following page(s): SCT-M 0-63  
*<insert unique page identifier, or identifier range>*

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

Rich Soto, Principal, Vice President, Shady Creek Trading Company  
*<insert name, professional title, affiliation with applicant>*

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

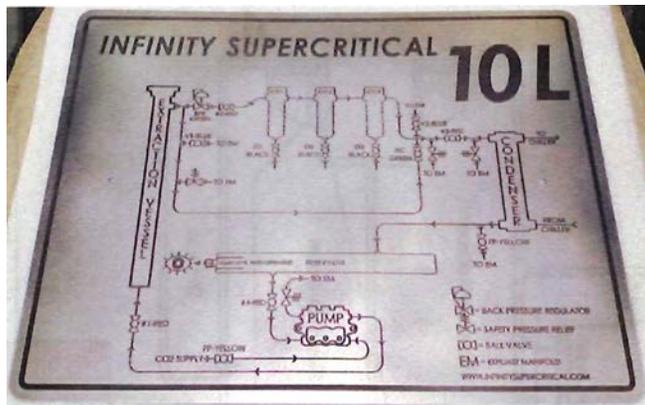
<b>Mark with "X" where applicable</b>	<b>Government Code provision:</b>	<b>Examples of information that may be withheld pursuant to each government code section:</b>
_____	Section 6254, subd. (c)	Personal, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of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

Explanation for redaction:

Shady Creek Trading Company  
 Non-Retail Medical Cannabis Business Proposal

APPENDIX J: Equipment Data Sheets  
Extraction

## Infinity Supercritical CO2 Fluid Extraction System for Botanicals Oil Extract



### Modular Fluid Extractor MFE 10L

#### ***Run SubCritical or Supercritical CO2***

System holds about 10 Liters volume of botanicals (inside extraction vessel is about 48 x 4 inches or 600 cubic inches or almost 10 L). The weight of the botanical will depend on whether it is pelletized (such as hops) or loose (trim or flower). Expect less weight for leafy material. We do not recommend finely ground material that cannot be contained within the botanicals basket.

**How it Works:** High pressure liquid CO2 is pumped into an extraction vessel, which brings the CO2 supercritical as it goes into the separation/collection vessels. As the botanicals come in contact with the CO2, the oil is released into the CO2, since the CO2 acts as a solvent. The gas and oil (co-mingled) are released into the separation/collection vessel where the pressure drops and the botanical oil drops out as a liquid. The CO2 gas is then condensed back to a liquid via a small heat exchanger, and then recirculated through a CO2 pump to start the cycle over.



**Electrostatic Precipitator:** Infinity Supercritical is the first in the industry to utilize static electricity to assist in collection of oil. Commonly known as ESP, electrostatic precipitation is a method used in many industries to remove particulates in a gas flow. In this case, we're applying some same technology (but with our own invention) to collect Cannabis oil. A small charge accumulates in the entrained oil, which makes it adhere to the first collection vessel.

**Semi-Automated:** Turn the CO2 pump on, and leave it on. You can adjust the pump speed, which sets the pressure. The system runs in a steady-state once started. This is a 2,000 psi or less working pressure system. Typical runs will be at 1,300 to 1,800 psi. The system working pressure is rated for 2,000 psi. A safety relief valve is provided to release any pressure which goes above 2,000 psi. Targets oil at or below 2,000 psi to minimize post processing. High Pressure Systems (above 2000 psi) = lots of post processing.

**Fittings:** We use quality Swagelok fittings.

**Pump Cleaner:** Use our optional [pump cleaner](#) to clean the pump without removing the pump head.

**FlowBar:** The CO2 FlowBar enhances the CO2 delivery and distribution within the botanicals extraction vessel. While almost every CO2 extraction system enters in one end and exits the other, our new concept delivers CO2 in a uniform manner throughout the entire extraction vessel. The result is a much faster, and more thorough extraction.



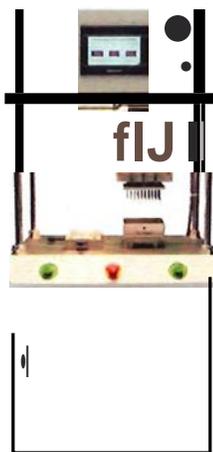
Infusion

## 710 Shark Oil Filling Machine

Version 7.0 of the 710 Shark Automated Cartridge & Disposable Filling Machine

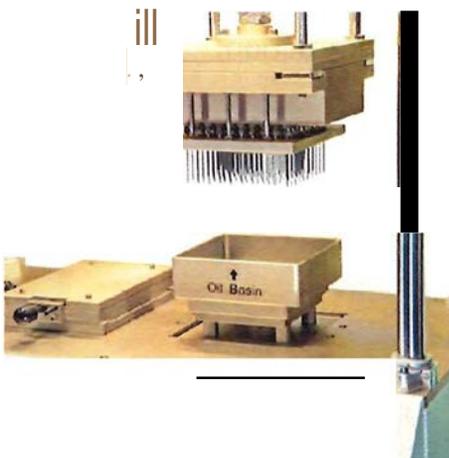
The 710 Shark fills a wide range of different cartridges including stainless steel/glass and ceramic/plastic, as well as disposables (all of which we provide at an additional cost).

The dual heat injection system makes it easy to fill even the thickest of oils into your cartridges/disposables.



**Up to 300 Cartridge or Disposable Fills in less than 60 seconds.**

- Average is 30 Seconds for 100 Cartridges of thick oil
- **4-in-1 Filling:** Plastic, Ceramic, and Stainless Cartridges OR Disposables
- **Dual Heated Injection System for the thickest of oils - temps up to 125C**
- **Size:** 52"H x 24"W x 14.5"D (1300 mm x 600 mm x 370 mm)
- **Fill Range:** 0.1ml (100 mg) - 3ml (3 g) per cartridge (x100)
- **Filling Machine Weight:** 115 lbs (52 kg)
- **Shipping Weight:** 265 lbs in Wooden Crate
- [Download 710Shark FAQ](#)



## Packaging

**PROMARK COMMERCIAL VACUUM CHAMBER SC680LR****QUICK OVERVIEW :****Standard Features:**

- PD-01 Basic Digital Control Panel
- Stainless Steel Construction
- Flat Chamber for Easy Cleaning
- Bladder Activated Sealing
- Water Resistant Electrical Box (IP 56)
- Durable Removable Aluminum Cushion Bar
- Busch Vacuum Pump
- Air Assist Sealing
- 6mm Seal Wire or Cut-Off

**Options:**

- PNC-01 Microprocessor Control
- Higher Capacity Vacuum Pump
- Customized Taller Lid
- Soft Air
- Bi-Active Seal
- Gas Flush System
- Twin Beam Sealing

**SKU:** SC680

Promarks manufactures a complete line of single-chamber floor-model vacuum chamber machines that range in size from dual 16 1/2" seal bars up to 26". Our 220-volt series of single chamber machines feature a 100 percent stainless steel frame and lid. Both models come equipped with dual seal bars located in the lid with a flat deck design. Removable cushion bars and filler boards, allow for quick and easy cleaning of the deck surface. Our "industrial" series chamber machines are built to withstand the harsh conditions that exist in many facilities. Fitted with a fully enclosed electrical box and *the optional PNC-01 water-resistant control panel*, these machines can withstand the effects of overspray during clean up.

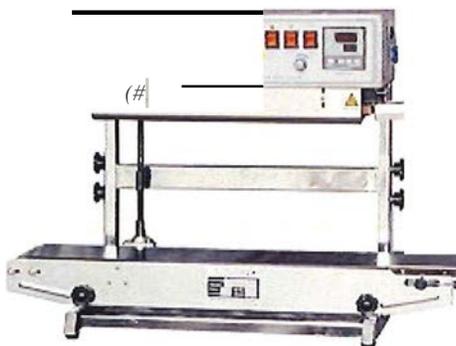
Busch vacuum pumps come standard in our machines with the option of upgrading to a larger capacity vacuum pump, if you choose, in order to save time during the vacuum cycle. Choose between the standard 6mm wide seal wire or opt for the narrower seal with hot wire cut-off option at no extra charge. By selecting optional features such as gas flush, top and bottom seal or lid height, our machines can be built to fit any need.

All machines created by Promarks meet the same high-quality standards. *Every machine we manufacture is ETL, UL and NSF approved.* No matter what your industrial packaging or vacuum-sealing needs, you know that when you deal with Promark you are going to get quality machinery that meets and exceeds all industry standards and offers you a variety of options when it comes to your packaging needs. We can also customize machines to meet your specific size and width requirements.

## **CBS-880 11 Continuous Band Sealer**

---

**Part Number:161M-CBS-88011**



## Stainless Steel Right Hand Feed Continuous Band Sealer Model 880

---

The CBS-880II Vertical Band Sealer will seal many types of thermoplastic materials and bags. Band sealers are used in a variety of fields such as the food, medical, and cosmetic industries. Depending upon the speed of the operator 20-30 6 inch-wide bags can be sealed per minute. The optional embossing wheel is available for including a single line message in the seal of the bag.

### Features:

- Durable Stainless Steel Construction
- Easy operation with minimal training
- Solid state digital temperature controller
- Motorized rubber conveyor
- Fully adjustable conveyor for height and depth in relation to sealing bars
- Knurled pressure rollers with variable pressure adjustment
- Sealing method - constant direct heat (Heating and Cooling Blocks)
- Spare parts kit included
- Quick warm up time

### Optional Features:

- Stainless steel stand
- 2-Line embossing wheel
- 15mm seal width
- Digital counter

## Specifications:

---

- Power: 110v/60Hz
- Sealing speed: 0-472"/Minute
- Seal width: 8mm
- Temperature range: 0-300C
- Conveyor size: 38" x 7"
- Max conveyor load: 6.6 lbs
- Max bag size (filled) horizontal: 6"
- Max bag size (filled) vertical: 12"
- Character size: 3 x 4 x 9mm/18PT
- Embossing: 1 line/3 sections w/15 characters
- Dimensions: 33" x 17" x 13"
- Weight: 66 lbs

### Unit includes:

- Typeset Box
  - 3- Number 0
  - 6- Number 1
  - 3 - Number 2
  - 3- Number 3
  - 6- Number 4
  - 6-Number5

- o 6-Number 6
- o 6-Number 7
- o 6 - Number 8
- o 5- Number 9
- 1 - Embossing Wheel with typesets including 9 Middle Dots and 3 Blanks (Part #CBS-880-3)
- 1 - Key Wrench (to open embossing wheel)
- Power Cord
- 10- PTFE Sealing Belts (Part# CBS-880-10)
- 4 - Drive Belts (Part #CBS-880-26)
- 1 - Speed Adjusting PC Board (Part #BS-52A)

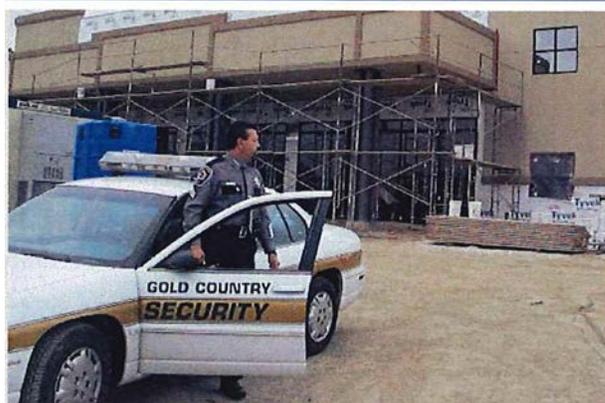
## APPENDIX K: Security Plan

Shady Creek will contract with the same security firm that the other building tenants use, Gold Country Security. A complete security plan will be provided when application from Nevada City is approved.

## Gold Country Security

---

### Proudly Serving Nevada County Since 1999



Uniformed, Gold Country Security officers in high profile security-services marked cars are available 24/7 throughout Grass Valley, Nevada City and most of western Nevada County.

### Construction Projects & Industrial Sites

We patrol your area and provide a physical presence on-site 24/7

### Our Licenses

Private Patrol Operators license #PPO15449 Private Investigators License #PI15771

Copyright 2015 Gold Country Security | (530) 273-1367 | (530) 743-2500 | Cell: (530) 913-9055







**REDACTION  
JUSTIFICATION INSERT  
(To be inserted for  
every instance of  
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Nevada City Medical Cannabis Business Name: Shady Creek Trading Company

The following page(s): SCT-M 0-72, SCT-M 0-73  
*<insert unique page identifier, or identifier range>*

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

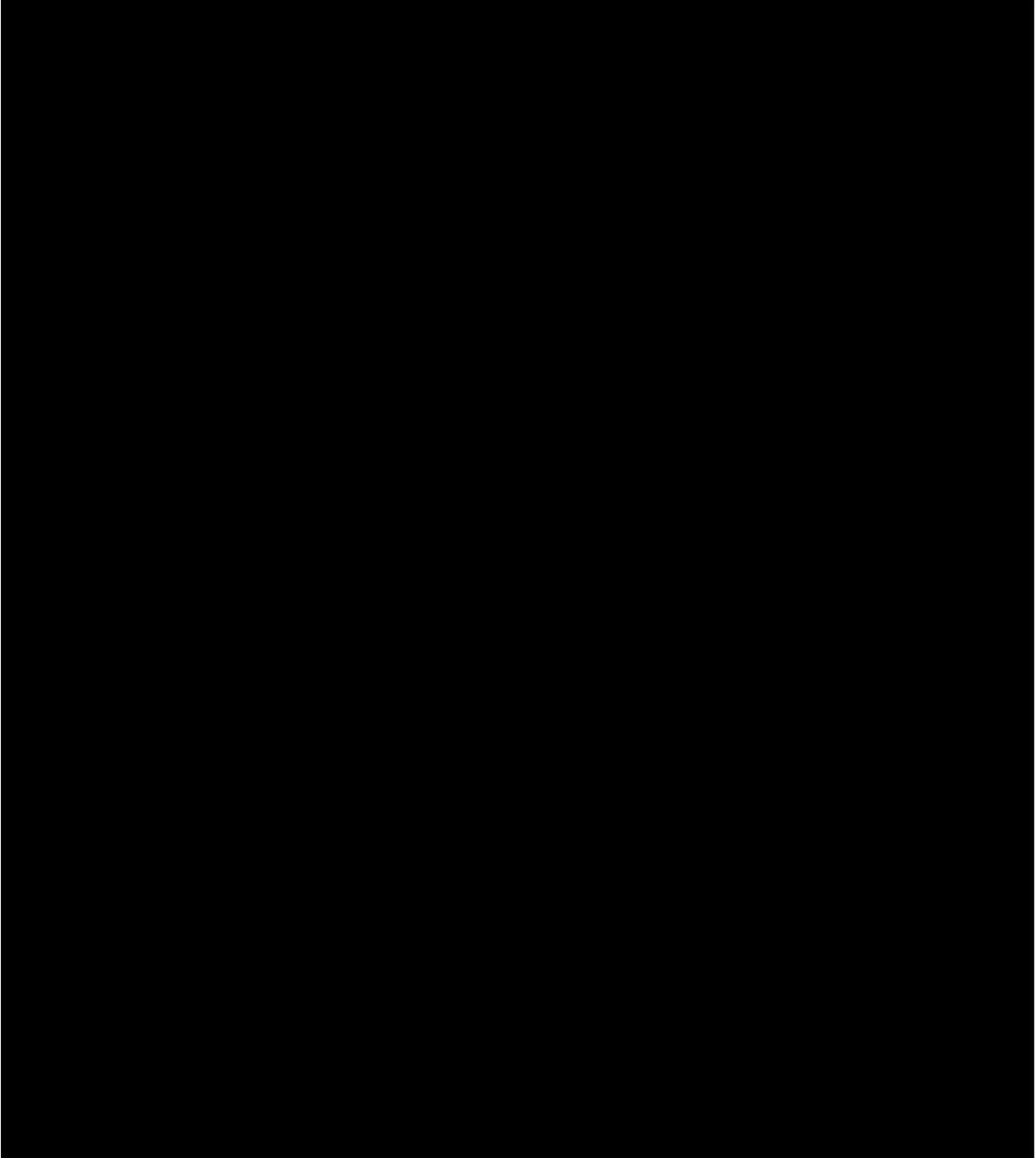
Mark with "X" where applicable	Government Code provision:	Examples of information that may be withheld pursuant to each government code section:
_____	Section 6254, subd. (c)	Personal, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of privacy
_____	Section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

**Explanation for redaction:**

Business financials  
 \_\_\_\_\_  
 \_\_\_\_\_

Shady Creek Trading Company

APPENDIX N: Proof of Funds



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

Nevada City Medical Cannabis Business Name: Shady Creek Trading Company

The following page(s): SCT-M 0-74  
*<insert unique page identifier, or identifier range>*

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

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

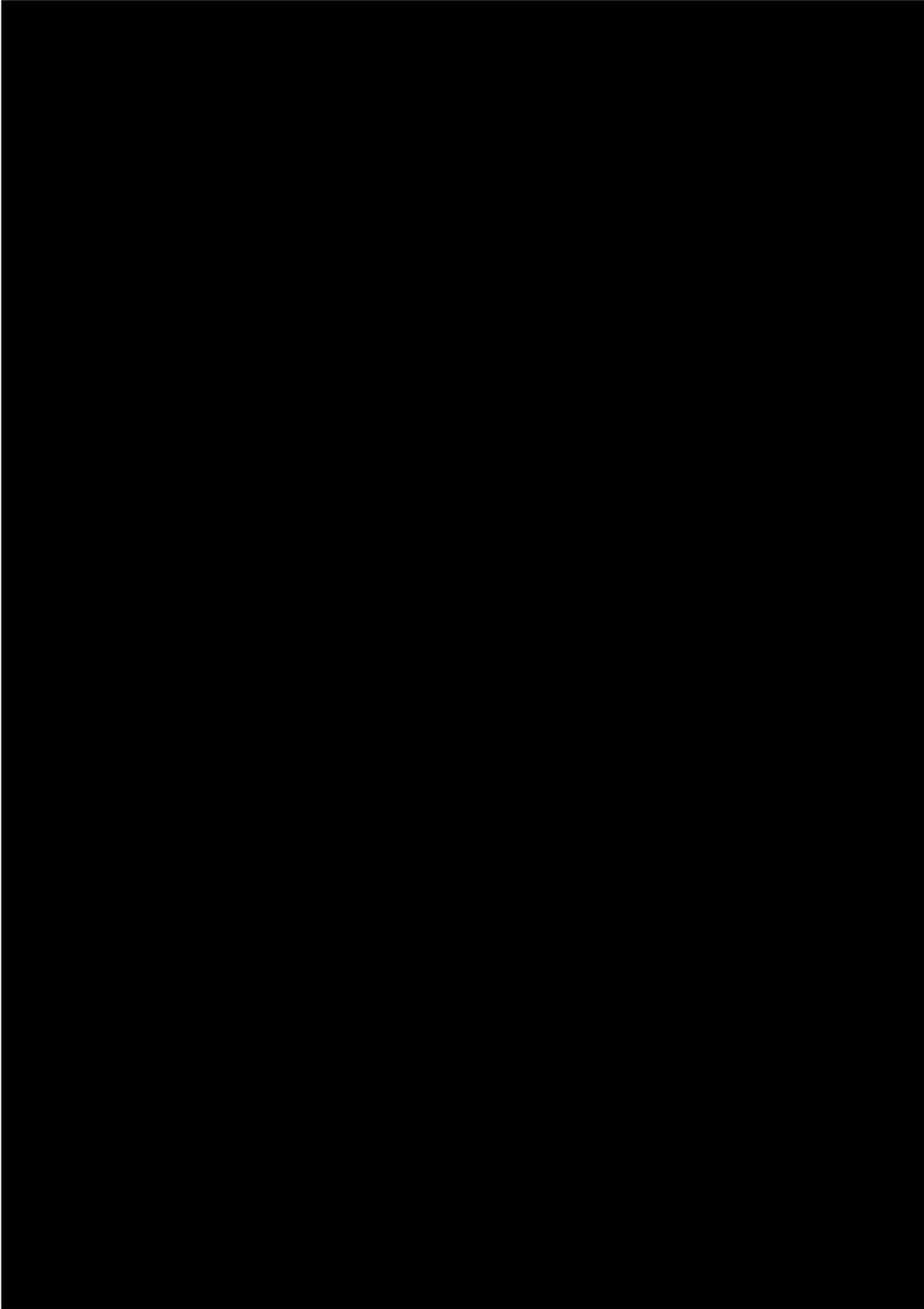
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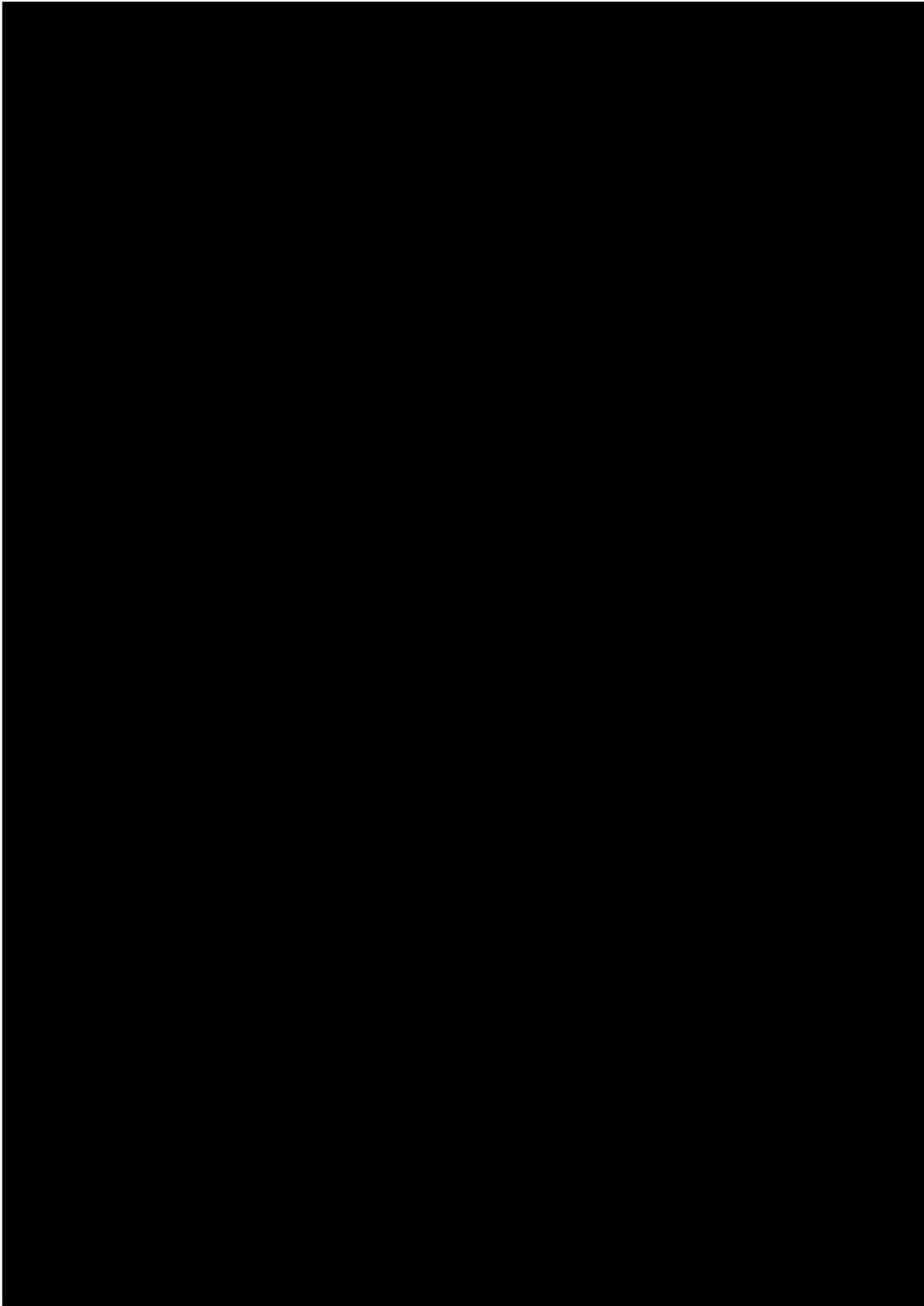
Personal financial information: proof of funds bank account

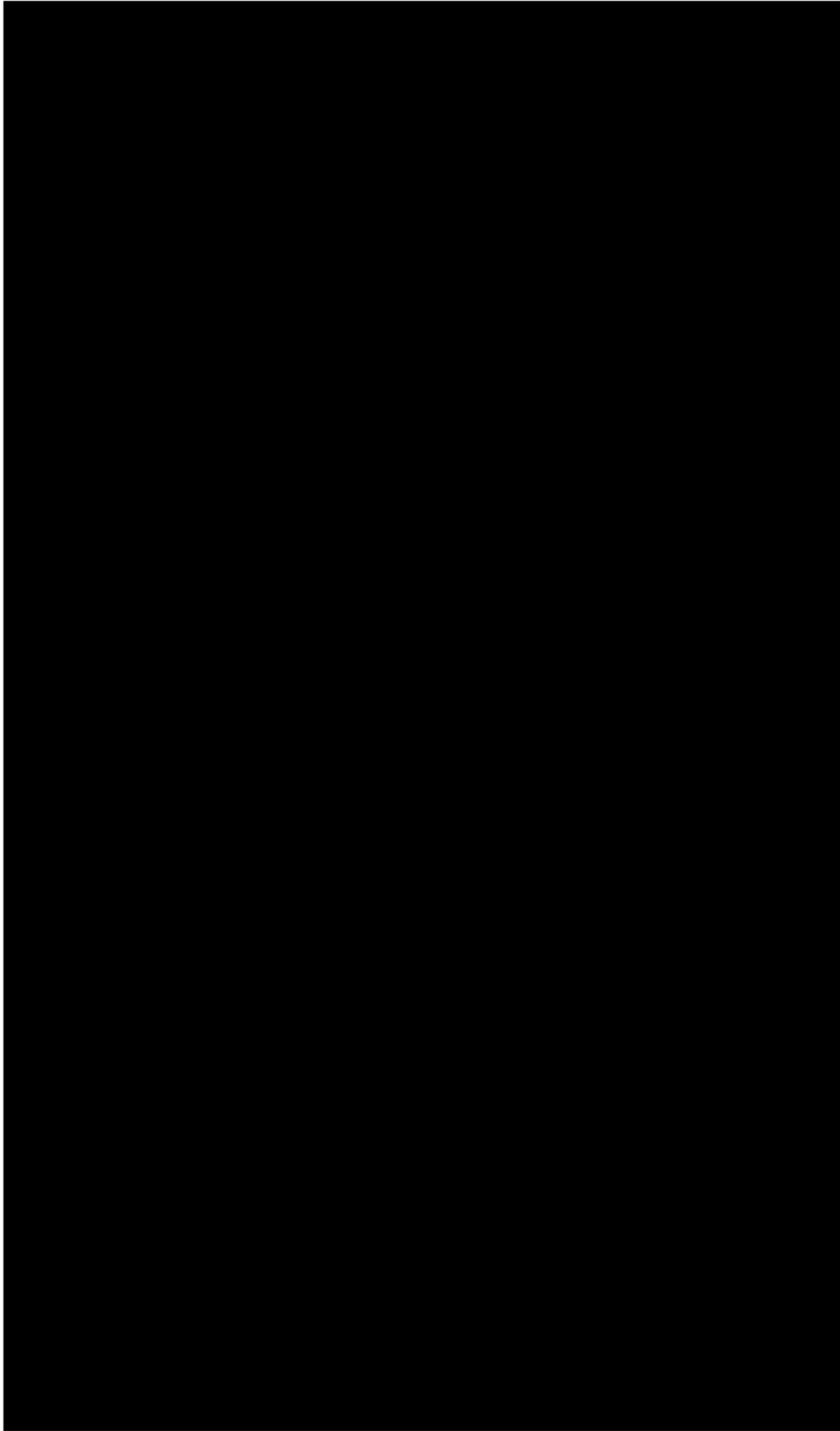
Shady Creek Trading Company

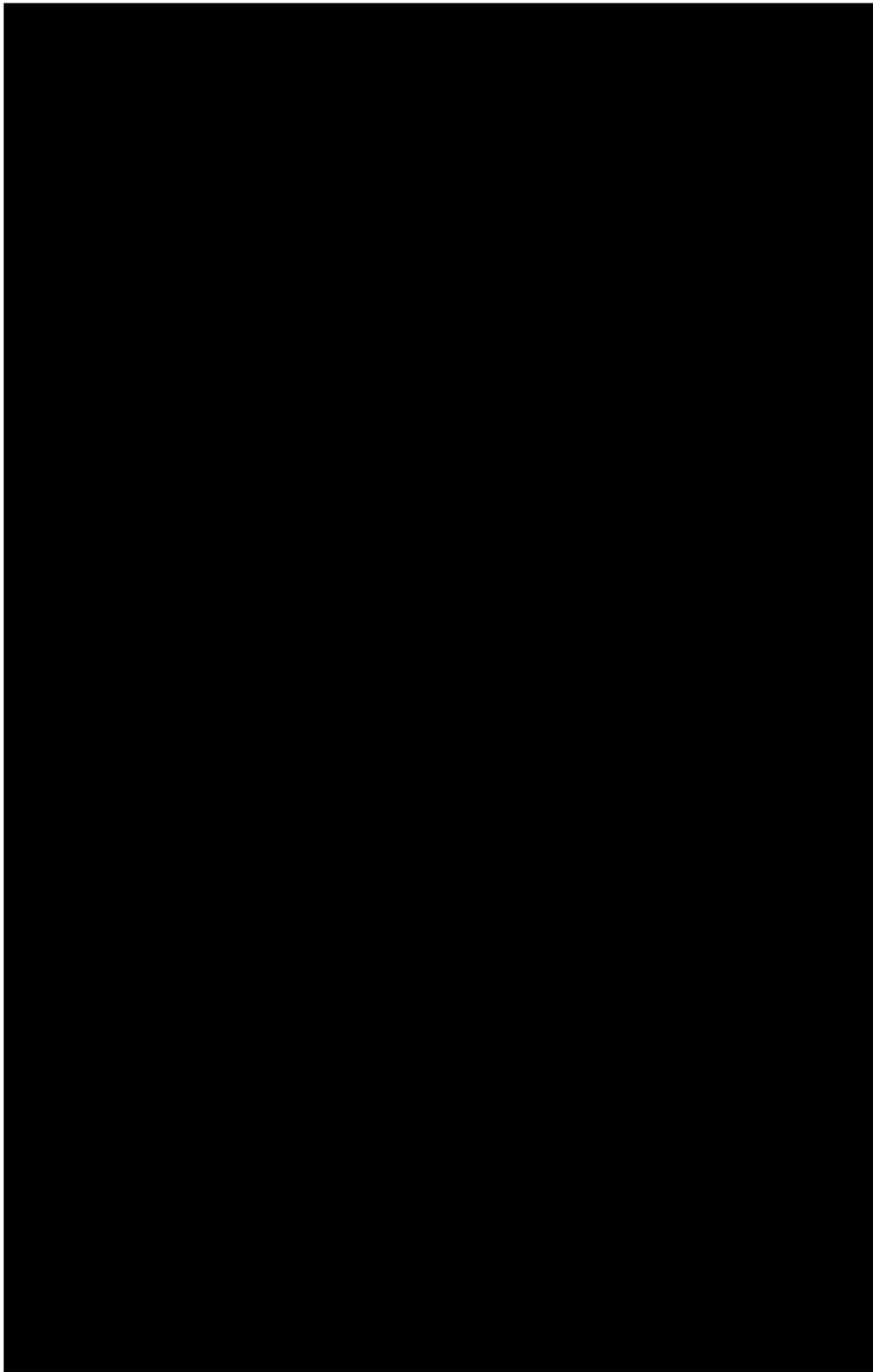
Non-Retail Medical Cannabis Business Proposal

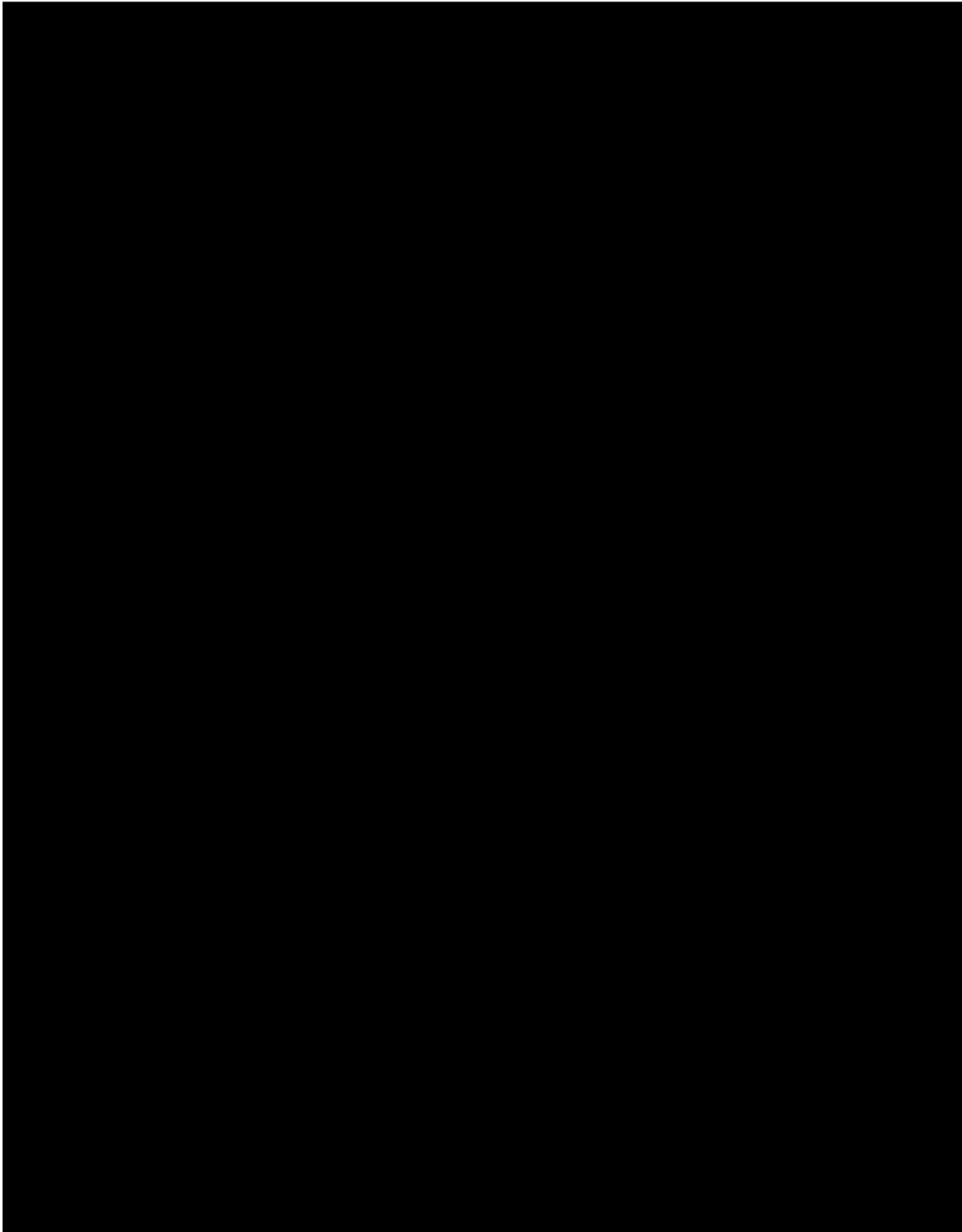
APPENDIX P: Employee/Owner Background Information

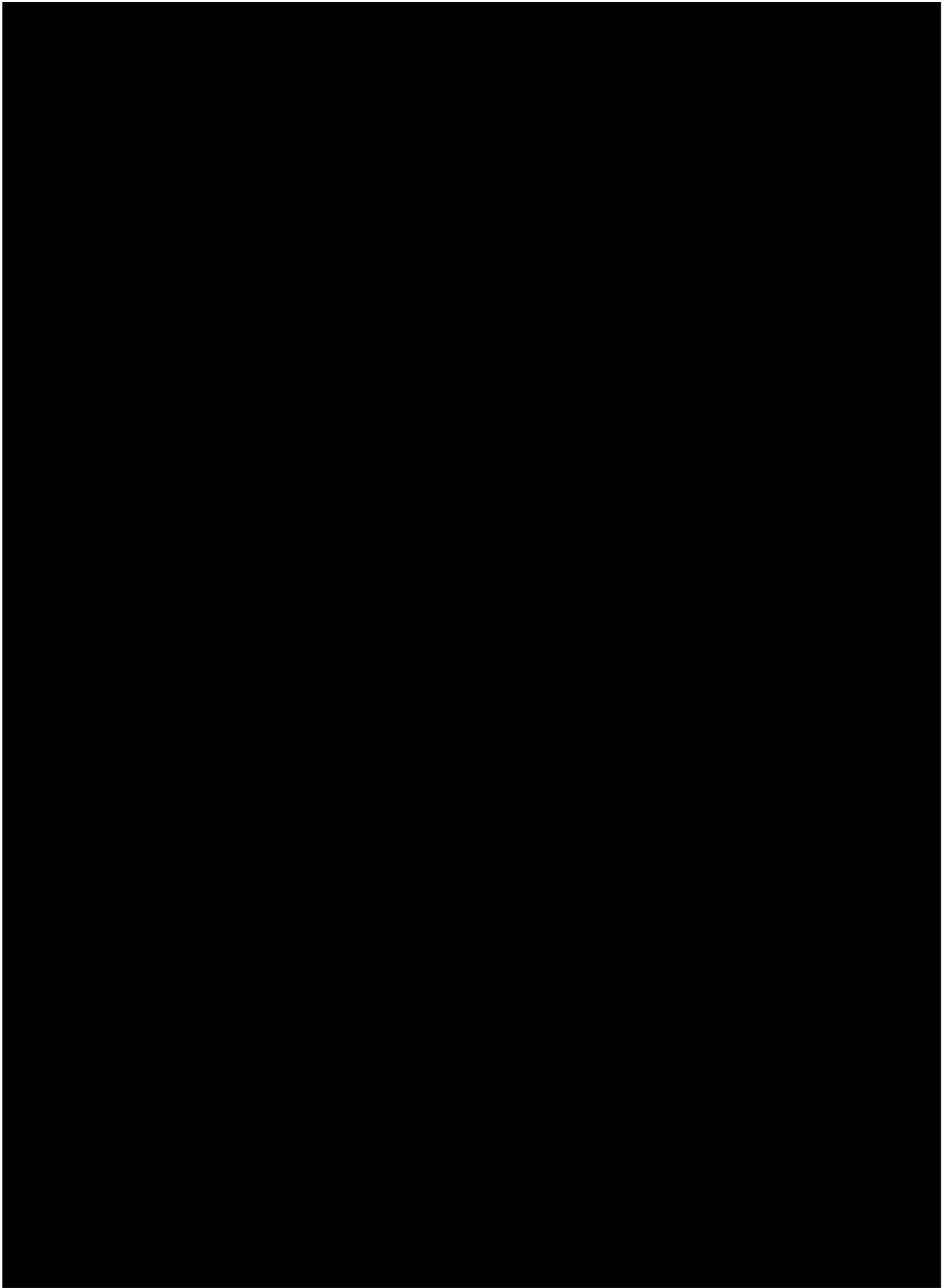












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**(To be inserted for every instance of redaction)**

Nevada City Medical Cannabis Business Name: Shady Creek Trading Company

The following page(s): SCT-M 0-75, SCT-M 0-76, SCT-M 0-77, SCT-M 0-78, SCT-M 0-79, SCT-M 0-80

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Rich Soto, Principal, Vice President Shady Creek Trading Company

*<insert name, professional title, affiliation with applicant>*

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

**Explanation for redaction:**

Personal contact and background information on principals.

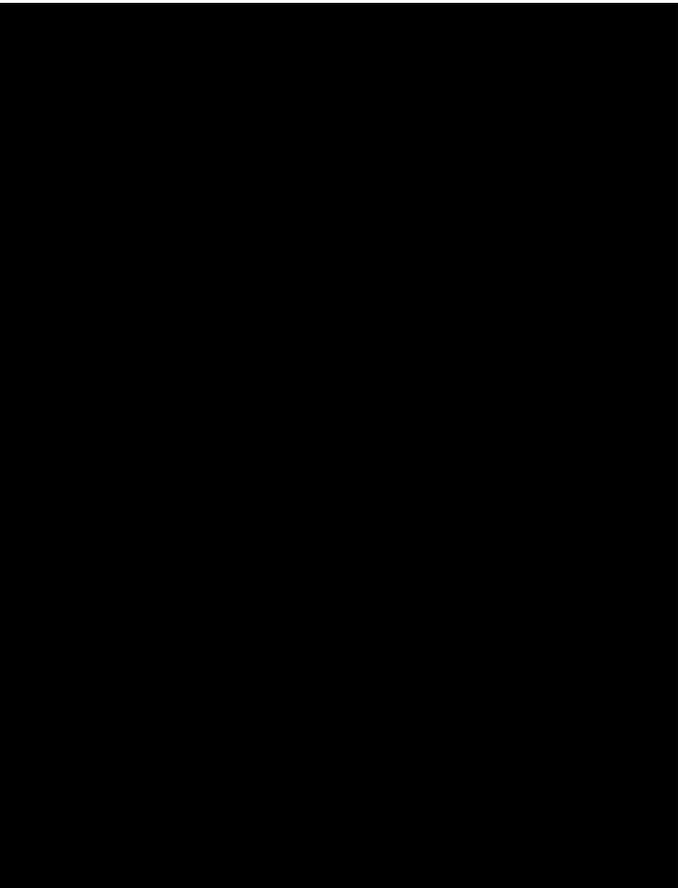
APPENDIX Q: Live Scan of Principals

To be initiated by the City of Nevada City

APPENDIX R: IDs and Photos of Principals







1. Isdy n = r fã QH o e Oai Y  
N o r t : e a d , U e a d n a n o r i : e i e i o o a b a e o o o o s a j

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

Nevada City Medical Cannabis Business Name: Shady Creek Trading Company

The following page(s): SCT-M 0-82, SCT-M 0-83, SCT-M 0-83, SCT-M 0-84  
*<insert unique page identifier, or identifier range>*

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

Rich Soto, Principal, Vice President, Shady Creek Trading Company  
*<insert name, professional title, affiliation with applicant>*

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

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

**Explanation for redaction:**

Personal ID images for principals

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