MEETING AGENDA

The City Council/Successor Agency of the City of Firebaugh
Vol. No. 20/09-21
Date/Time: September 21, 2020/6:00 p.m.

***SPECIAL NOTICE DUE TO COVID-19 MEETING WILL BE HELD VIA TELECONFERENCE ONLY – THE MEETING WILL NOT BE OPEN TO THE PUBLIC**

PURSUANT TO PARAGRAPH 11 OF EXECUTIVE ORDER N-25-20, EXECUTED BY THE GOVERNOR OF CALIFORNIA ON MARCH 12, 2020

Members of the public who wish to address the Council may do so by submitting a written comments to the Deputy Clerk via email deputyclerk@ci.firebaugh.ca.us Please provide: Council Meeting Date, Item Number your comment are pertaining to, Name, Email and comment, no later than 3:00 PM the day of the meeting.

***Pursuant to Government Code Section 54953 (b)(2), all action taken during this teleconferenced meeting shall be by roll call vote.**

Join Zoom Meeting
https://us02web.zoom.us/j/81705692310?pwd=WTdVL3VKSUFJeEFqeE9PaXZSRzlCUT09
Meeting ID: 817 0569 2310 **Password:** 657234 **One tap mobile:** 1-669-900-9128

CALL TO ORDER

ROLL CALL
Mayor Elsa Lopez
Mayor Pro Tem Freddy Valdez
Council Member Brady Jenkins
Council Member Felipe Pérez
Council Member Marcia Sablan

In compliance with the Americans with Disabilities Act, if you need special assistance to access the Andrew Firebaugh Community Center to participate at this meeting, please contact the Deputy City Clerk at (559) 659-2043. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the Andrew Firebaugh Community Center.

Any writing or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at City Hall, in the Deputy City Clerk's office, during normal business hours.

PLEDGE OF ALLEGIANCE

APPROVAL OF THE AGENDA

PRESENTATION

- Geno Andrade of Mid-Valley Disposal to present 1st & 2nd Quarter Recycling Update.

PUBLIC COMMENT

CONSENT CALENDAR

Items listed on the calendar are considered routine and are acted upon by one motion unless any Council member requests separate action. Typical items include minutes, claims, adoption of ordinances previously introduced and discussed, execution of agreements and other similar items.

1. **APPROVAL OF MINUTES – The City Council regular meeting on August 17, 2020.**

2. **WARRANT REGISTER – Period starting August 1, and ending on August 31, 2020.**

August 2020	General Warrants	#40055 - #40162	$ 648,631.19
	Payroll Warrants	#71340 - #71356	$ 125,579.41
TOTAL			**$ 774,210.60**

PUBLIC HEARING

3. **ORDINANCE NO. 20-04 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH AMENDING FIREBAUGH MUNICIPAL CODE CHAPTER 2 SECTION 2-12.3 DELEGATING AUTHORITY TO THE CITY MANAGER TO APPROVE AND EXECUTE CONTRACTS WHERE THE EXPENDITURE IS APPROVED IN THE CITY BUDGET, DOES NOT REQUIRE COMPETITIVE BIDDING, AND IS UNDER FIFTEEN THOUSAND DOLLARS ($15,000) – FIRST READING.**

   Recommended Action: Council receives public comment, closes hearing & waives 1st reading of Ord. No. 20-04.

4. **THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO REVIEW AND CONSIDER A CANNABIS REGULATORY PERMIT FOR FIREBAUGH DEVELOPMENT CORPORATION TO CONDUCT COMMERCIAL CANNABIS OPERATIONS INCLUDING MANUFACTURING, RETAIL AND DISTRIBUTION.**

   Recommended Action: Council receives public comment, closes hearing & takes action.

NEW BUSINESS

5. **RESOLUTION NO. 20-40 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH APPROVING AN ASSIGNMENT OF RIGHTS AND OBLIGATIONS AND AMENDMENT TO THE FIREBAUGH REDEVELOPMENT AGENCY OWNER PARTICIPATION DEVELOPMENT AGREEMENT WITH CALIFORNIA COMMUNITY BUILDERS, INC. (MILLER & LUX PROJECT).**

   Recommended Action: Council receives public comment & approves Res. No. 20-40.

STAFF REPORTS

CLOSED SESSION

ANNOUNCEMENT AFTER CLOSED SESSION

ADJOURNMENT

Certification of posting the Agenda
I declare under penalty of perjury that I am employed by the City of Firebaugh and that I posted this agenda on the bulletin boards at City Hall, September 18, 2020 at 5:00 p.m. by Rita Lozano Deputy City Clerk.

Mid Valley Disposal

1st and 2nd Quarter

MID VALLEY DISPOSAL

CITY OF FIREBAUGH
ANDREW FIREBAUGH'S FERRY - 1854
1854 1914
CALIFORNIA

Overview

Site Assessments
Education
Community Events
Other Programs
Awards
Cal Recycle

Site Assessments

SERVICE TYPE	# of Site Visits
COMMERCIAL	389
MULTI-FAMILY	155

SERVICE TYPE	#of CMAT Tags
COMMERCIAL	23
MULTI-FAMILY	34
RESIDENTIAL	320

- ❑ CONTAMINATION
- ❑ OVERLOADS
- ❑ ILLEGAL DUMPING
- ❑ WASTE ASSESSMENTS
- ❑ ORGANIC IMPLEMENTATION

Work Orders

MONTH	ACTION	TOTAL
JANUARY	REPAIR	29
FEBRUARY	REPAIR	21
MARCH	REPAIR	18
APRIL	REPAIR	27
MAY	REPAIR	22
JUNE	REPAIR	24
GRAND TOTAL:		**141**

City's Organics & Recycling Programs

Recycle material load checks

Education

MID VALLEY DISPOSAL
BACK TO THE BASICS
REGRESANDO A LO BÁSICO
GLASS JARS & BOTTLES
FRASCOS Y BOTELLAS DE VIDRIO
PLASTIC BOTTLES & CONTAINERS
BOTELLAS Y CONTENEDORES DE PLÁSTICO
ALUMINUM & TIN CANS
ALUMINIO Y LATAS
MIXED PAPER & CARDBOARD
PAPEL MIXTO Y CARTÓN
RECYCLE PROPERLY - RECICLAR CORRECTAMENTE
PLACE RECYCLABLES LOOSELY INSIDE RECYCLING CART
EMPTY CONTAINERS, MAKE SURE NO PRODUCT OR CONTENT IS LEFT INSIDE THE CONTAINERS
WHEN IN DOUBT PLACE ITEM INSIDE THE TRASH
CONTACT US: 559.237.9425 | WWW.MIDVALLEYDISPOSAL.COM
COMUNIQUESE AL: 559.237.9425 | WWW.MIDVALLEYDISPOSAL.COM

MID VALLEY DISPOSAL
ACCEPTED MATERIALS
RECYCLING
ORGANICS
GARBAGE

FLAMMABLE MATERIALS Materiales Inflamables
FIND PROPER DISPOSAL OPTIONS FOR YOUR HAZARDOUS WASTE
MID VALLEY DISPOSAL

Organics Organicos
MID VALLEY DISPOSAL
Commercial Collection/Recoleccion Comercial
Acceptable Green Waste Materials
Materiales Organicos Aceptados
NO!
¡NO!

Annual Parent Migrant Conference

FIREBAUGH COMMUNITY CLEAN UP EVENT
Location: North of City Sewer Plant 8000 Helm Canal Rd.

DUE TO COVID-19 YOU MUST WEAR A FACE COVERING.
EVENT IS SUBJECT TO CANCELLATION BY LOCAL OR STATE AUTHORITIES

Monday, October 26—Saturday, October 31, 2020
Monday—Saturday 7am-3pm

You must provide proof of Residency (ID or City Utility Bill)
Residents must bring items to location and help unload!

MID VALLEY DISPOSAL 559-237-9425

LIMIT ONE SMALL TRUCK OR TRAILER LOAD PER HOUSEHOLD
Please bring items separated by material type (metal, wood, trash)

559-659-2043

ACCEPTED ITEMS

GREEN WASTE
- Tree limbs cut into 4 foot lengths
- Leaves and Lawn Chippings
- Wood

METAL
- Clean Auto Parts
- Scrap Metal

MISCELLANEOUS
- Furniture/Mattresses
- Household Trash

E-WASTE
- Televisions
- Computers
- Towers (CPU)
- Other Miscellaneous E-Waste

APPLIANCES
- Refrigerators
- Washers
- Dryers
- Stoves
- Dishwashers

ACCEPTED WITH EXTRA CHARGE
- †Tires: car $5 each & Truck $15 each

†Tires Accepted one day only: Saturday 31st.
CASH ONLY

***HHW NOT ACCEPTED**
*Household Hazardous Waste
- Motor Oil
- Cement/Concrete
- Chemicals
- Solvents
- Herbicides/Pesticides
- Car Batteries
- Alkaline Batteries
- Fluorescent Bulbs/Tubes
- Paint
- Sharps

*HHW should be handled with proper care and should NOT be put in your recycling or garbage bin.
Free disposal of HHW Saturdays 9am—1pm:
At the HHW facility inside American Avenue Landfill-18950 W. American Ave., Kerman; for information call County of Fresno (559)600-6259

Recycle used Alkaline Batteries/Fluorescent Bulbs/Tubes for free at:
Public Works Yard 1666 11th St. 659-5905
Tharp's Farm Supply 1285 N St., 659-3997

Recycle your unwanted Paint for free at:
Hardware Store 1680 N St., (559)659-3977

Recycle used motor oil/filters:
Big G's Auto Center 1091 N St. 659-1169
Autozone 900 N St. (559)659-1704
J & B Auto Sales 792 N St. (559)659-3637

Free disposal of *Sharps/Needles at:
Police Dept., 1575 11th St., (559)659-3051
Senior Center 1001 Thomas Conboy Ave., 659-3638

*Sharps/Needles MUST be in a Rigid tight lid-taped closed container. Write "Biohazard" on container & deposit inside Kiosk located at PD or Senior Center.

WARNING: NO LOOSE SHARPS ACCEPTED

Community Clean-Up Event
10/26 - 10/31

Organics Recycling Contest Winner!

This award is given in recognition for the exemplary efforts to reduce waste.

Recycler of the Year Award

Cal Recycle

- SB 1383: January 2022
- April 2020 Meeting
- Met C&D Recycling Diversion Rate (73%)
- 100% Compliant-AB-341
- AB-1826 School Implementation

Great Job Firebaugh!!!

THANK YOU

- Any questions?

MID VALLEY DISPOSAL

MEETING AGENDA

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CALL TO ORDER

ROLL CALL
Mayor Elsa Lopez
Mayor Pro Tem Freddy Valdez
Council Member Brady Jenkins
Council Member Felipe Pérez
Council Member Marcia Sablan

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PLEDGE OF ALLEGIANCE

APPROVAL OF THE AGENDA

PRESENTATION

- Geno Andrade of Mid-Valley Disposal to present 1st & 2nd Quarter Recycling Update.

PUBLIC COMMENT

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PUBLIC HEARING

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NEW BUSINESS

5. **RESOLUTION NO. 20-40 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH APPROVING AN ASSIGNMENT OF RIGHTS AND OBLIGATIONS AND AMENDMENT TO THE FIREBAUGH REDEVELOPMENT AGENCY OWNER PARTICIPATION DEVELOPMENT AGREEMENT WITH CALIFORNIA COMMUNITY BUILDERS, INC. (MILLER & LUX PROJECT).**

   Recommended Action: Council receives public comment & approves Res. No. 20-40.

STAFF REPORTS

CLOSED SESSION

ANNOUNCEMENT AFTER CLOSED SESSION

ADJOURNMENT

Certification of posting the Agenda
I declare under penalty of perjury that I am employed by the City of Firebaugh and that I posted this agenda on the bulletin boards at City Hall, September 18, 2020 at 5:00 p.m. by Rita Lozano Deputy City Clerk.

MEETING MINUTES

The City Council/Successor Agency of the City of Firebaugh
Vol. No. 20/08-17

PURSUANT TO PARAGRAPH 11 OF EXECUTIVE ORDER N-25-20,
EXECUTED BY THE GOVERNOR OF CALIFORNIA ON MARCH 12, 2020
City Council Meeting held via teleconferencing
***Pursuant to Government Code Section 54953 (b) (2), all action taken during this teleconferenced meeting shall be by roll call vote.**

Location of Meeting:	**Andrew Firebaugh Community Center** **1655 13th Street, Firebaugh, CA 93622**
Date/Time:	**August 17, 2020/6:00 p.m.**
CALL TO ORDER	Meeting called to order by Mayor Lopez at 6:00 p.m.
ROLL CALL	Mayor Elsa Lopez Mayor Pro Tem Freddy Valdez Council Member Marcia Sablan Council Member Brady Jenkins Council Member Felipe Pérez
ABSENT:	
OTHERS:	City Attorney Jim Sanchez; City Manager/Acting Public Works Director, Ben Gallegos; Deputy Clerk, Rita Lozano; Finance Director, Pio Martin; Police Chief, Sal Raygoza; Fire Chief, John Borboa, & City Engineer Mario Gouveia.

PLEDGE OF ALLEGIANCE *Council Member Jenkins led pledge of Allegiance.*

APPROVAL OF THE AGENDA

Motion to approve agenda by Council Member Sablan, second by Council Member Perez; motion passed by 5-0 vote.

PUBLIC COMMENT *None, no public comment was submitted/received.*

PRESENTATION *None*

CONSENT CALENDAR

1. **APPROVAL OF MINUTES – The City Council regular meeting on August 3, 2020.**

2. **WARRANT REGISTER – Period starting July 1, and ending on July 31, 2020.**

July 2020	General Warrants	#39920 - #40054	$ 785,163.50
	Payroll Warrants	#71318 - #71339	$ 159,651.08
TOTAL			**$ 944,814.58**

3. **RESOLUTION NO. 20-38 - A RESOLUTION APPROVING AN APPLICATION FOR FUNDING AND THE EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO FROM THE 2020 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM – CORONAVIRUS RESPONSE ROUND 2 (CDBG-CV1) NOFA DATED JUNE 5, 2020.**

Motion to approve Consent Calendar by Council Member Valdez, second by Council Member Perez, motion passed by 5-0 vote.

PUBLIC HEARING

None

NEW BUSINESS

4. **THE CITY MANAGER TO PROVIDE AN UPDATE TO THE COUNCIL OF THE CITY OF FIREBAUGH ON THE ENGIE SERVICES U.S., INC. – SOLAR PROJECT.**

Informational item only

STAFF REPORTS

- ***City Manager, Ben Gallegos*** – League of Cities Conference is October 7th – Oct 9th via zoom $50 fee, contact Rita if you would like to be registered. VFW is on tract but they are waiting on PG&E for gas line work. Hearing good things about the chances of funding for Fire Station grant, hope we get awarded. Fresno County Election Office contacted us about the vacant City Clerk & Treasurer's position, they asked if the City would like to change to appointing the position instead of as an elected positions.
- ***Finance Director, Pio Martin*** – nothing.
- ***Deputy City Clerk, Rita Lozano*** – nothing to report.
- ***City Attorney James Sanchez*** – Contacted County Election Office to discuss the fund saving by removing the Clerk & Treasure's off the ballot, but we don't have time to complete the process to make them appointed position before this year's election.
- ***Fire Chief, John Borboa*** – We have been slammed with all three multiple calls (Fire, Medical & vehicle accidents) at the same time, but we have managed to keep up. We will be increasing the amount of funds from Madera Co Mutual Aid Agreement & with Fresno's in January, if possible.
- ***City Engineering Mario Gouveia*** – working on the design of CDBG sewer project at 8th Street.
- ***Council Member Sablan*** – participated in the South San Joaquin Valley for the CARES Act, it looks like we are doing everything we need to do to receive funds.
- ***Council Member Valdez*** – School started distance learning, & Children's Corner will be opening soon.
- ***Council Member Jenkins*** – nothing to report.
- ***Council Member Perez*** – nothing to report.
- ***Council Member Lopez*** – has the City submitted bill for the Great Plates Program for reimbursement? Staff replied, we are waiting for password from Sal to login to submit the bill.

CLOSED SESSION *None*

ADJOURNMENT

Motion to adjourn by Council Member Valdez, second by Council Member Sablan; motion passed by 5-0 vote at 6:21 p.m.

REPORT TO CITY COUNCIL

— MEMORANDUM —

AGENDA ITEM NO:____

COUNCIL MEETING DATE: ____September 21, 2020

SUBJECT: Warrant Register Dated: August 1, 2020 – August 31, 2020

RECOMMENDATION:

In accordance with Section 37202 of the Government Code of the State of California there is presented here with a summary of the demands against the City of Firebaugh covering obligations to be paid during the period of:

AUGUST 1, 2020 – AUGUST 31, 2020

Each demand has been audited and I hereby certify to their accuracy and that there are sufficient funds for their payment as of this date.

IT IS HEREBY RECOMMENDED THE CITY COUNCIL
APPROVE THE REGISTER OF DEMANDS AS FOLLOWS:

GENERAL WARRANTS	# 40055 – #40162	$ 648,631.19
PAYROLL WARRANTS	# 71340 – #71356	$ 125,579.41

TOTAL WARRANTS..... **$ 774,210.60**

CITY OF FIREBAUGH ACCOUNTS PAYABLE
WARRANTS AUGUST 1, 2020- AUGUST 31, 2020

Check Number	Check Date	Name	Net Amount	Description
39893	8/10/2020	FIRST NET	$ (197.84)	Ck# 039893 Reversed
40055	8/4/2020	U.S. POSTMASTER	$ 831.00	UTILITY BILLING AUGUST 2020
40056	8/5/2020	SYNCB/AMAZON	$ 28.98	PD-IPHONE 6 CASE
			$ 42.93	PD-COLOR RIBBON & CLEANING
			$ 917.68	PD-TOUGHBOOK LED TOUCHSCREEN
			$ 55.06	PD-POSTER STAND HOLDER
			$ 367.12	PD-DELL OPTIPLEX DESKTOP
			$ 117.66	PD-KEYBOARD AND MOUSE COMP.
			$ 38.12	PD-HEADLINE SIGN/CUSTOMIZE
			$ 144.82	PD-PURELL HAND SANITIZER
		Check Total:	$ 1,712.37	
40057	8/5/2020	COOK'S COMMUNICATIONS	$ 883.24	PD RADIO/ANTENNA/BATTERY
40058	8/5/2020	D & L REFRIGERATION, LLC	$ 280.00	PD-INSTALL DRAIN PAN
40059	8/5/2020	EMPLOYMENT DEVELOPMENT	$ 5,214.00	UNEMPLOYMENT INSURANCE PYMT
40060	8/5/2020	GALLS, LLC	$ 350.56	PD-MIRAGE ULTRA DUTY BELT
40061	8/5/2020	THARP'S FARM SUPPLY	$ 40.49	MALDONADO PARK-KEYS/PICK SET
			$ 4.49	CITY SHOP-POLY HOSE Y
			$ 25.69	MALDONADO PARK-GAGE
			$ 12.15	VALLE DE PAZ-ELBOW/CAP/BULB
			$ 9.56	HUD TANK -GAGE
			$ 16.13	HUD TANK-GAGE
			$ 25.69	PRES GAGE
			$ 159.04	PW-SHOP
			$ 18.25	RESTROOMS-TERRY TOWELS/CLAMP
			$ 25.27	SHOP-O-RING KIT
			$ 5.13	BACKHOE-CYLINDER PIN
			$ 93.17	DUNKLE PARK-HOSE/SPRINKLE
			$ 13.32	WATER TANK-ADAPTOR
			$ 33.11	WATER TANK-SUCTION HOSE/CLAMP
			$ 154.12	HUD TANK-GAGE
			$ 51.60	PW-TRUCK 32-LIGHT BAR
			$ 13.59	MALDONADO PARK-NIPPLE/TUB
			$ 3.73	PW-SHOP CABLE TIRES
			$ 9.69	STUD ANCHOR-MASONARY BIT
			$ 27.87	CLYDE FANNON-PAINT PADDLE
			$ 2.81	TOMA TEK-HOSE CLAMPS
			$ 7.33	PW-SHOP
			$ 6.48	PW SHOP-CUTOFF WHEEL

CITY OF FIREBAUGH ACCOUNTS PAYABLE
WARRANTS AUGUST 1, 2020- AUGUST 31, 2020

Check Number	Check Date	Name	Net Amount	Description
40061	8/5/2020	THARP'S FARM SUPPLY	$ 8.70	PIP/COUPLER/MALE ADAPTOR
			$ 19.82	APPLICATOR/SPRAY BOTTLE
			$ 33.58	9VOLT BATTERY
			$ 79.33	MALDONADO PARK-STUD ANCHORS
			$ 12.31	WELL#11-BOLTS/NUT/LOCKS
			$ 8.41	PARK-NIPPLE
			$ 42.49	FERTILIZER WITH IRON
			$ 32.99	WATER VALVES-GALLONS
			$ 14.37	HIGH CAPACITY V BELTS
			$ 12.54	SEWER-BLACK TIES
			$ 12.94	HALOGEN BULB
			$ 10.99	FLOOD LAMP BULB
			$ 2.42	CONCRETE CUTTER
			$ 18.53	V BELTS
			$ 37.06	V BELTS
			$ 38.17	WATER NOZZLE/ALLS IN BOX
			$ 4.00	WEEDEATER-FUEL LINE
			$ 16.29	SPRAY RIG-ELBOW/PIPE/MALE
			$ 29.76	BATTERY
			$ 444.36	SITE#2 GENERATOR BATTERY
		Check Total:	$ 1,637.77	
40062	8/5/2020	U.S. BANK EQUIPMENT FINAN	$ 985.81	RNT/LEASE EQUIP 04/20/20
40063	8/7/2020	AG & INDUSTRIAL SUPPLY	$ 4.27	BLADE-EDGER
40064	8/7/2020	AGRI-VALLEY IRRIGATION LL	$ 1.21	NIPPLE TRANSITION
			$ 22.88	ADAPTER MALE/COUPLING
			$ 8.64	CAP SCHEDULE/COUPLING
			$ 6.34	TRUCK #39
			$ 12.78	PRIMER PURPLE/RED HOT BLUE GLUE
			$ 4.66	CITY HALL-COUPLING
			$ 342.50	DUNKLE PARK-HYDRO RAIN
			$ 3.69	CITY HALL-COUPLING
			$ 3.69	CITY HALL-COUPLING/SCHEDULE
			$ 32.30	WWTP-ELBOW/SCHEDULE/PIPE
			$ 11.02	HUD TANk GASKET FULL FACE
			$ 106.80	SPRINKLER/NOZZLE/SOLENOID
			$ 22.94	1329 Q ST SIDEWALK-REDI MIX
			$ 9.05	BIKE PATH-TUBE/TUBING
			$ 21.61	PARKS-NIPPLE POLY/CAP SCHEDULE
			$ 51.80	ELBOW/RAINBIRD UP/NOZZLE
			$ 4.31	PARKERS PARK-BUSHING SCHEDULE
		Check Total:	$ 666.22	

CITY OF FIREBAUGH ACCOUNTS PAYABLE
WARRANTS AUGUST 1, 2020- AUGUST 31, 2020

Check Number	Check Date	Name	Net Amount	Description
40065	8/7/2020	AT&T	$ 252.52	ALL DEPT TELEPHONE SERVICE
40066	8/7/2020	SEBASTIAN	$ 59.95	SENIOR CENTER ALARM SECURITY
40067	8/7/2020	BEST UNIFORMS	$ 970.70	PD-BODY ARMOR
40068	8/7/2020	FERNANDO CAMPA	$ 300.00	HEALTH INSURANCE STIPEND
40069	8/7/2020	COLLINS & SCHOETTLER	$ 3,397.50	CITY PLANNING JULY 2020
40070	8/7/2020	CORELOGIC SOLUTIONS, LLC.	$ 206.00	REALQUEST JULY 2020
40071	8/7/2020	OSCAR J. GARCIA, CPA/FRES	$ 1,537.27	CITY PORTION LAFCO BUDGET
40072	8/7/2020	FAMILY HEALING CENTER	$ 500.00	MEDICAL INTERVIEWS FOR VICTIMS
40073	8/7/2020	FIREBAUGH AUTO REPAIR	$ 641.73	FD-REINSTALLED BRACKET
40074	8/7/2020	FIREBAUGH HARDWARE COMP	$ 19.41	PARKERS PARK-SAND MESH
			$ 28.05	SITE#1/#2-AC UNIT FILTER
			$ 19.41	PARKERS PARK-MORTAR MIX#6
			$ 107.95	COMMUNITY CTR MEN'S RESTROOM
		Check Total:	$ 174.82	
40075	8/7/2020	FRESNO COUNTY TREASURER	$ 162.24	ACCESS FEES JUNE 2020
40076	8/7/2020	MATTHEW GARCIA	$ 300.00	HEALTH INSURANCE STIPEND
40077	8/7/2020	GOLDEN ONE CREDIT UNION	$ 1,666.66	JOHN BORBOA MONTHLY STIPEND
40078	8/7/2020	HCL MACHINE WORKS	$ 1,619.63	MALDONADO PARK-CAGE
			$ 620.86	MALDONADO PARK-CAGE
		Check Total:	$ 2,240.49	
40079	8/7/2020	INTERGRATED DESIGNS BY	$ 29,128.98	FIREBAUGH VFW BUILDING
			$ 18,750.00	FIREBAUGH POLICE DEPT
		Check Total:	$ 47,878.98	
40080	8/7/2020	BRADY JENKINS	$ 300.00	MONTHLY SALARY ATTENDANCE
40081	8/7/2020	KER WEST, INC. DBA	$ 385.00	PUBLIC HEARING NOTICE JULY
			$ 415.00	PUBLIC HEARING NOTICE
			$ 375.00	PUBLIC HEARING NOTICE AUGUST
		Check Total:	$ 1,175.00	

CITY OF FIREBAUGH ACCOUNTS PAYABLE
WARRANTS AUGUST 1, 2020- AUGUST 31, 2020

Check Number	Check Date	Name	Net Amount	Description
40082	8/7/2020	KRAZAN & ASSOCIATES, INC.	$ 4,500.00	LUMP SUM FOR GEOTECHNICAL
40083	8/7/2020	KUSTOM SIGNALS, INC.	$ 134.53	PD-MOUNT KA WINDSHIELD
40084	8/7/2020	RODDY A. LAKE	$ 306.29	POLICE MEDICAL RETIREE
40085	8/7/2020	LAW ENFORCEMENT SYSTEMS	$ 231.00	PD-MIRANDA WARNING CARD
40086	8/7/2020	SANDRA J. MARQUEZ	$ 300.00	HEALTH INSURANCE STIPEND
40087	8/7/2020	MESA ENERGY SYSTMS	$ 442.00	COURTHOUSE SERVICES PERFOR.
40088	8/7/2020	MID-VALLEY DISPOSAL	$ 68.59	1800 HELM CANAL RD
			$ 78.94	1325 0 STREET
			$ 28,377.03	SERVICES PERFORMED DURING
		Check Total:	$ 28,524.56	
40089	8/7/2020	MIGUEL'S PLUMBING SERVICE	$ 81.50	FD-REPLACED TOILET GASKET
40090	8/7/2020	RICARDO MONAY	$ 300.00	HEALTH INSURANCE STIPEND
40091	8/7/2020	O'REILLY AUTOMOTIVE, INC.	$ 43.89	PD#4-FORD CROWN VICTORIA
40092	8/7/2020	JESUS PALACIOS	$ 300.00	HEALTH INSURANCE STIPEND
40093	8/7/2020	QUILL CORPORATION	$ 97.30	CITY HALL-SPEAKERS FOR MT
			$ 22.39	RITA-CLIPS
			$ 12.79	SENIORS CANDY FOR CANDY MACH.
			$ 44.97	SENIORS CANDY FOR CANDY MACH.
			$ 279.63	CITY HALL OFFICE SUPPLIES
			$ 58.18	PURELL HAND SANITIZER
			$ 1.93	ISABEL-PENS
			$ 13.81	OLGA-LETTER TRAY
			$ 126.48	CITY HALL SUPPLIES
			$ 22.87	NOAH-10FT CABLE CORD
			$ 6.04	VANESSA-FOLDER HOLDER
			$ 3.23	BOX FOR CREDIT CARD RECEIPTS
			$ 8.52	BOX FOR CREDIT CARD RECEIPTS
			$ 78.81	OLGA-KEYBOARD
			$ 10.46	ISABEL-RULER
		Check Total:	$ 787.41	
40094	8/7/2020	SALVADOR RAYGOZA	$ 300.00	HEALTH INSURANCE STIPEND
40095	8/7/2020	SAN JOAQUIN VALLEY	$ 290.00	PUBLIC WORKS DUES/FEES

CITY OF FIREBAUGH ACCOUNTS PAYABLE
WARRANTS AUGUST 1, 2020- AUGUST 31, 2020

Check Number	Check Date	Name	Net Amount	Description
40096	8/7/2020	RODOLFO TABARES	$ 300.00	HEALTH INSURANCE STIPEND
40097	8/7/2020	THOMASON TRACTOR COMPAI	$ 73.07	CHAIN LOOP/CLAMPING LEVER
			$ 42.51	CONCRETE CUTTER-V BELT
			$ 44.90	MOWER BLADE
		Check Total:	$ 160.48	
40098	8/7/2020	TIFCO INDUSTRIES	$ 142.99	INDUSTRIAL CHEMICAL
			$ 64.73	DRILL DOCTOR DIAMON WHEEL
		Check Total:	$ 207.72	
40099	8/7/2020	UNIFIRST CORPORATION	$ 114.65	SHOP
			$ 93.83	SHOP
			$ 17.47	COMMUNITY CTR
			$ 12.03	CITY HALL
			$ 92.03	SHOP
40099	8/7/2020	UNIFIRST CORPORATION	$ 12.03	CITY HALL
			$ 17.51	COMMUNITY CTR
			$ 92.03	SHOP
			$ 17.47	COMMUNITY CTR
			$ 12.03	CITY HALL
		Check Total:	$ 481.08	
40100	8/7/2020	USA BLUEBOOK	$ 3,580.99	LIQUID FILL GAUGE/FLOAT
40101	8/7/2020	DATAPATH	$ 3,245.48	3-NOTEBOOKS/UPGRADE LICENSE
			$ 647.16	MICROSOFT OFFICE 2019 HOM
			$ 992.50	MONTHLY BILLING AUGUST 2020
			$ 2,100.00	WINDOWS 7 REPLACEMENT PC
		Check Total:	$ 6,985.14	
40102	8/7/2020	ALFRED VALDEZ	$ 300.00	MONTHLY SALARY ATTENDANCE
40103	8/12/2020	CITY OF FIREBAUGH	$ 107,078.35	PAYROLL ENDING 8/07/2020
40104	8/14/2020	THOMASON TRACTOR COMPAI	$ 24,073.03	DORMIES BTO 20 OFFSET
40105	8/14/2020	ALFREDO ARAMBULA	$ 2,025.00	RODEO GROUND RENTAL REIMBURSE
40106	8/14/2020	AT&T MOBILITY	$ 197.84	PD PHONE PURCHASE ACCT 28
40107	8/14/2020	EWING IRRIGATION PRODUCTS	$ 977.71	PW-EQUIPMENT
40108	8/14/2020	FOUNDATION FOR FIREBAUGH	$ 175.00	FACILITY RENTAL REIMBURSEMENT

CITY OF FIREBAUGH ACCOUNTS PAYABLE
WARRANTS AUGUST 1, 2020- AUGUST 31, 2020

Check Number	Check Date	Name	Net Amount	Description
40109	8/14/2020	GOLDEN BAY FENCE PLUS IRO	$ 1,854.25	AIRPORT APPLICATION 19103
40110	8/14/2020	GRACIE PATLAN	$ 175.00	FACILITY RENTAL REIMBURSEMENT
40111	8/14/2020	DATAPATH	$ 117.28	ETHERNET MEDIA CONVERTER
40112	8/14/2020	ARDENT GENERAL, INC.	$ 67,109.09	PROJECT #20-1002 VFW HALL
40113	8/14/2020	AXCES INDUSTRIAL SUPPLY	$ 330.41	FLOAT AWAY DEGREASER
40114	8/14/2020	BECS PACIFIC LTD	$ 186.25	OPACITY TEST/MILEAGE
40115	8/14/2020	CARDLOCK VENDING	$ 235.00	ANNUAL SERVICE AGREEMENT
40116	8/14/2020	FERGUSON WATERWORKS #14	$ 2,036.42	PW-PARTS
40117	8/14/2020	FRESNO OXYGEN	$ 74.45	SHOP-PARTS
40118	8/14/2020	GOODALL TRUCKING, INC.	$ 1,021.44	1/2 AC MATERIAL
40119	8/14/2020	MANUELS TIRE SERVICE, INC	$ 950.36	PW#5-TIRES/VALVE STEM
			$ 16.26	RADIAL PATCH
			$ 16.26	PD-RADIAL PATCH
			$ 513.48	PW-TIRES/VALVE STEM
			$ 629.45	PW-TIRS/VALVE STEM
		Check Total:	$ 2,125.81	
40120	8/14/2020	MID-VALLEY DISPOSAL	$ 335.00	WATER TREATMENT PLANT
40121	8/14/2020	PACIFIC GAS & ELECTRIC	$ 241.61	FIRE DEPT #3228327255-0
40122	8/14/2020	RSG, INC.	$ 607.50	20-21 SUCCESSOR AGENCY
			$ 4,933.75	SAN JOAQUIN VILLAS PROJECT
		Check Total:	$ 5,541.25	
40123	8/14/2020	SHAPE, INC.	$ 7,632.18	REPAIR EQUIPMENT
40124	8/14/2020	VERIZON WIRELESS	$ 38.01	BRADY'S TABLET INTERNET
40125	8/14/2020	ZEE MEDICAL SERVICE CO.	$ 37.32	PUBLIC WORKS MEDICAL SUPPLY
			$ 103.92	CITY HALL MEDICAL SUPPLIES
			$ 31.23	WATER TREATMENT PLANT MEDS.

CITY OF FIREBAUGH ACCOUNTS PAYABLE
WARRANTS AUGUST 1, 2020- AUGUST 31, 2020

Check Number	Check Date	Name	Net Amount	Description
		Check Total:	$ 172.47	
40126	8/21/2020	ADAMS ASHBY GROUP, LLC	$ 4,500.00	VFW HALL AND SEWER LINE PART
			$ 862.50	VFW HALL LABOR COMPLIANCE
		Check Total:	$ 5,362.50	
40127	8/21/2020	AT&T	$ 754.12	ALL DEPT INTERNET AND TELEPHONE
40128	8/21/2020	AT&T	$ 64.20	FIRE DEPT INTERNET SERVIC
40129	8/21/2020	AUTOZONE COMMERCIAL (137	$ 49.47	PD-MOTOR OIL/CARTRIDGE FILTER
			$ 9.78	PD-MOTOR OIL
			$ 204.04	PW-BRAKE PADS/BRAKE ROTOR
			$ 33.33	PW-DURALAST GOLD
			$ 125.24	BALL/U JOIN PRESS SET
			$ 1.50	PW-BRAKE LUBE
			$ (125.24)	PW SHOP-U JOINT PRESS SET
			$ 99.48	PD-WATER PUMP/FLUID RESERVE
			$ 28.19	WATER OUTLETN GASKET/ANTIFREZE
			$ (8.98)	ENGINE THERMOSTAT
			$ 21.10	PD-ANTIFREEZE/COOLANT
			$ 51.30	PD-MOTOR OIL/OILT FILTER
			$ 7.53	PD-BLUEDEVIL RADIATOR FLUID
			$ 21.57	PD-ANTIFREEZE/COOLANT
			$ 78.69	PD-CRANK POSITION SENSOR
			$ 115.79	PD-RAIDATOR FAN RELAY
			$ (48.42)	PD-PIGTAIL/CONNECTOR
			$ 3.77	PW-FUEL LINE
40129	8/21/2020	AUTOZONE COMMERCIAL (137	$ 26.98	PARKERS PARK-MULTI DR TAM
			$ 79.96	OIL PRESSURE SWITCH
			$ 8.24	PD-OIL FILTER
			$ 142.84	PD-GOLD STAR STARTER
			$ 45.33	PW SHOP-HEAD RATCHET
			$ 53.97	SEALED HEAD RATCHE
			$ (26.98)	CREDIT SEALED HEAD RATCHET
			$ 2.90	PW-OIL FILTER
			$ 238.31	PW-A/C COMPRESSOR KIT/PIG
			$ 25.09	PW SHOP-MAT ROLL
		Check Total:	$ 1,264.78	
40130	8/21/2020	BSK & ASSOCIATES, INC.	$ (150.00)	LAB ANALYSIS
			$ 56.25	LAB ANALYSIS
			$ 37.50	LAB ANALYSIS
			$ 180.00	LAB ANALYSIS
			$ 212.50	LAB ANALYSIS

Check Number	Check Date	Name	Net Amount	Description
			$ 212.50	LAB ANALYSIS
			$ 270.00	LAB ANALYSIS
			$ 46.89	LAB ANALYSIS
			$ 55.00	LAB ANALYSIS
			$ 45.00	LAB ANALYSIS
			$ 87.52	LAB ANALYSIS
			$ 68.76	LAB ANALYSIS
			$ 56.28	LAB ANALYSIS
			$ 467.50	LAB ANALYSIS
			$ 487.50	LAB ANALYSIS
			$ 46.89	LAB ANALYSIS
			$ 56.28	LAB ANALYSIS
			$ 60.50	LAB ANALYSIS
			$ 37.50	LAB ANALYSIS
			$ 390.00	LAB ANALYSIS
		Check Total:	$ 2,724.37	
40131	8/21/2020	CASCADE FIRE EQUIPMENT CO	$ 218.11	FD-MOUNTING PLATE/ADAPTER
40132	8/21/2020	EPPLER TRUCK SERVICE	$ 1,045.18	FD-FIRETRUCK 2008
40133	8/21/2020	ESAFETY SUPPLIES, INC.	$ 174.79	PD-LARGE GLOVES
40134	8/21/2020	FIRST BANKCARD	$ 5.00	PIO-DYN.COM CHARGE
			$ 53.96	FD-AMAZON HANDHELD SPEAKER
			$ 51.40	FD-FIREBAUGH 76 GAS PUMP
			$ 105.59	FD-AMAZON TONER CARTRIDGE
			$ 108.35	BEN-THE HOMEDEPOT NIFTY NABBER
			$ 27.27	BEN-AMAZON PART FOR NOAH
			$ 317.28	FD-AMAZON KENWOOD BATTERIES
			$ 166.20	FD-AMAZON HANDHELD SPEAKER
			$ 24.59	FD-AMAZON HAOLGEN LAMP
			$ 12.95	FD-AMAZON HOLSTER BELT CLIP
40134	8/21/2020	FIRST BANKCARD	$ 241.80	FD-MADERA SMALL ENGINE FLOTO
			$ 19.38	FD-AMAZON TONER CARTRIDGE
			$ 41.67	PD-PEOPLEFACTS
			$ 64.12	PIO-AMAZON RUST STAIN REMOVER
			$ 131.67	PIO-AMAZON BROCHURE HOLDER
			$ 65.34	PIO-AMAZON HAND SANITIZER
			$ 44.06	PIO-FEDEX PRINT
			$ 205.24	PIO-AMAZON TOUCHLESS HAND
			$ 107.76	PIO-AMAZON HAND SANITIZER
			$ 167.75	PIO-AMAZON FUNNEL/HAND SANITI.
		Check Total:	$ 1,961.38	

CITY OF FIREBAUGH ACCOUNTS PAYABLE
WARRANTS AUGUST 1, 2020- AUGUST 31, 2020

Check Number	Check Date	Name	Net Amount	Description
40135	8/21/2020	GOODALL TRUCKING, INC.	$ 788.22	BASE ROCK MATERIAL
40136	8/21/2020	GOUVEIA ENGINEERING, INC.	$ 1,521.19	705.09 FIREBAUGH VFW BUILDING
			$ 908.25	720.25 SITE PLAN REVIEW 2
			$ 1,392.50	725.12 TASK 1 MULTI-BENEFIT
			$ 1,957.50	725.12 TASK 2 MULTI-BENEFIT
			$ 5,566.25	725.12 TASK 3 MULTI-BENEFIT
			$ 13,090.00	730.08D CDBG SEWER LINE REPAIR
			$ 7,555.00	730.09 SRF WWTP DESIGN
			$ 141.75	740.01 WATER GENERAL
			$ 367.50	740.12 HUD TANK
			$ 7,685.47	745.24D STPL-5224(024) 8T
			$ 64.58	745.25D CML-5224(023) POSO CANAL
			$ 2,757.50	745.27D 8TH ST PAVE REHAB
			$ 97.13	760.04 A.C.I.P/CAAP
			$ 294.00	775.07 CEN CAL BUILDERS M
			$ 325.50	775.09-3 GREYSTONE ESTATE
			$ 73.50	780.02 CEN CAL BUILDERS
			$ 11,143.30	780.03-2 GREYSTONE ESTATES
			$ 5,321.25	780.03-3 GREYSTONE ESTATES
			$ 5,112.59	780.04 WEST HILLS EXPANSION
			$ 593.25	785.30 SIMPLOT PAVEMENT
			$ 315.00	790.02 CITYWIDE ASSESSMENT
		Check Total:	$ 66,283.01	
40137	8/21/2020	GUTHRIE PETROLEUM, INC.	$ 987.54	BULK UNLEADED GASOLINE
			$ 1,258.02	BULK DIESEL FUEL
			$ 972.73	BULK UNLEADED GASOLINE
			$ 972.73	BULK UNLEADED GASOLINE
			$ 1,050.55	BULK UNLEADED GASOLINE
		Check Total:	$ 5,241.57	
40138	8/21/2020	KRAZAN & ASSOCIATES, INC.	$ 3,230.00	FIREBAUGH VFW BUILDING JULY
40139	8/21/2020	LOZANO SMITH ATTORNEYS A	$ 342.00	PROFESSIONAL SERVICES JULY
40140	8/21/2020	NORTHSTAR CHEMICAL	$ 1,664.98	BULK FERRIC CHLORIDE
40141	8/21/2020	CSG CONSULTANTS, INC.	$ 1,375.95	BUILDING PLAN REVIEW JULY
40142	8/21/2020	CLAUDIA SOLIS	$ 480.00	FACEBOOK JULY 2020
40143	8/21/2020	SPARKLETTS	$ 214.68	CITY HALL/SENIOR CTR/PW/PD
40144	8/26/2020	SYNCB/AMAZON	$ 42.96	PD-4 SOAP DISPENSERS DRIP

CITY OF FIREBAUGH ACCOUNTS PAYABLE
WARRANTS AUGUST 1, 2020- AUGUST 31, 2020

Check Number	Check Date	Name	Net Amount	Description
			$ 124.26	PD-2 MOUSE COMPUTERS
			$ 334.16	PD-BATTERIES/4 SOAP DISPENSERS
			$ 173.68	PD-MONITOR/KEYBOARD/MOUSE
			$ 134.95	PD-COMPUTERS
			$ 313.80	PD-6 SOAP DISPENSERS
			$ 277.06	PD- 4 PURELL SANITIZER
			$ 205.14	PD-COMPUTER MONITOR
			$ 26.94	PD-HAND SANITIZER
			$ 109.03	PD-DESKTOP STAND/MEMORY
			$ 38.39	PD-BATTERIES
			$ 255.42	PD-SPEAKERS FOR COMPUTERS
			$ 28.06	PD-2 SOAP DISPENSER DRIP
			$ 772.86	PD-COMPUTERS
			$ 539.43	PD-COMPUTERS
			$ 266.10	PD-COMPUTERS
			$ 410.28	PD-2 MONITORS
			$ 87.71	PD-COMPUTERS
			$ 88.10	PD-SCREEN PROTECTOR/CHARGER
			$ 175.77	PD-HAND SANITZER
		Check Total:	$ 4,404.10	
40145	8/26/2020	AT&T MOBILITY	$ 776.53	CITY HALL/PUBLIC WORKS
			$ 558.52	PD INTERNET AND CELL PHON
		Check Total:	$ 1,335.05	
40146	8/26/2020	COOK'S COMMUNICATIONS	$ 205.84	PD-PORTABLE RADIO REPAIR
			$ 125.00	PD-REPAIR TWO WAY RADIO
			$ 78.38	PD-REPAIR PORTABLE RADIO
		Check Total:	$ 409.22	
40147	8/26/2020	CORBIN WILLITS SYSTEMS	$ 1,072.61	ADMINISTRATION C/W SERVICE
40148	8/26/2020	CORRPRO COMPANIES	$ 293.31	WATER METER USAGE DEPOSIT
40149	8/26/2020	COSCO FIRE PROTECTION, IN	$ 330.14	SERVICE CALL FIRE ALARM
40150	8/26/2020	DEPARTMENT OF JUSTICE	$ 32.00	FINGERPRINTS JULY 2020
40151	8/26/2020	EPPLER TRUCK SERVICE	$ 1,056.84	STREET CLEANER REPAIR
40152	8/26/2020	FERGUSON WATERWORKS #14	$ 198.67	TUBE GALVE NIPPLE-PW
40153	8/26/2020	CITY OF FIREBAUGH	$ 102,576.74	PAYROLL ENDING 08/21/2020
40154	8/26/2020	GOLDEN STATE FLOW	$ 3,416.10	EXTENDED MAINTENANCE 1YEAR

CITY OF FIREBAUGH ACCOUNTS PAYABLE
WARRANTS AUGUST 1, 2020- AUGUST 31, 2020

Check Number	Check Date	Name	Net Amount	Description
40155	8/26/2020	GRANITE CONSTRUCTION COM	$ 500.00	WATER METER RENTAL FEE DEPOSIT
40156	8/26/2020	MUNICIPAL MAINTENANCE	$ 2,352.66	STREET SWEEPER REPAIR
40157	8/26/2020	PACIFIC GAS & ELECTRIC	$ 47,948.46	ALL DEPTS #7355932148-1
40158	8/26/2020	QUILL CORPORATION	$ 95.61	CITY HALL OFFICE SUPPLIES
			$ 46.42	CITY HALL CREDIT CARD MACHINE
			$ 175.99	NANCY'S PRINTER BLACK TONER
			$ 139.78	CITY HALL TOILET PAPER/LYSOL
		Check Total:	$ 457.80	
40159	8/26/2020	RENO'S MEGA MART	$ 23.97	FORKLIFT PROPANE TANK
40160	8/26/2020	STAPLES BUSINESS CREDIT	$ 133.90	PD OFFICE SUPPLIES
40161	8/26/2020	THE OFFICE CITY	$ 23.56	PD CLEANER W/BLEACH
40162	8/31/2020	CITY OF FIREBAUGH	$ 42,435.52	ME CHECK AUGUST 2020

ORDINANCE NO. 20-04

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH AMENDING FIREBAUGH MUNICIPAL CODE CHAPTER 2 SECTION 2-12.3 DELEGATING AUTHORITY TO THE CITY MANAGER TO APPROVE AND EXECUTE CONTRACTS WHERE THE EXPENDITURE IS APPROVED IN THE CITY BUDGET, DOES NOT REQUIRE COMPETITIVE BIDDING, AND IS UNDER FIFTEEN THOUSAND DOLLARS ($15,000)

WHEREAS, the City Council has the authority to approve contracts on behalf of the City of Firebaugh; and

WHEREAS, the City Council may delegate authority for the City Manager to approve and execute certain agreements on behalf of the City; and

WHEREAS, Firebaugh Municipal Code section 2-12.3.a delegates to the City Manager, as the purchasing officer, authority to purchase supplies and equipment in the amount of $5,000 or less; and

WHEREAS, Firebaugh Municipal Code section 2-12.3.b delegates to the City Manager, as purchasing agent, authority to contract for professional or technical services in the amount of $7,500 or less without prior consent of the Council; and

WHEREAS, for efficiency purposes, the City Council desires to delegate authority for the City Manager to administratively approve and execute contracts whose expenditures have been approved in the City budget, do not otherwise require competitive bidding, and the total proposed expenditure is under Fifteen Thousand Dollars ($15,000).

The City Council of the City of Firebaugh does ordains as follows:

SECTION 1. Section 2-12.3 is amended to read:

2-12.3 PURCHASING AND CONTRACTING AUTHORITY LIMITS.

a. The City Manager, as purchasing officer, has the authority to administratively approve and execute contracts where the expenditure has been approved in the City budget, the contract does not require competitive bidding, and the total proposed expenditure or liability exposure is under Fifteen Thousand Dollars ($15,000).

b. The City Manager is authorized to take steps to seek Requests for Qualifications (RFQ's)/Request for Proposals (RFP's) as necessary to determine the best value to the City for the given contract.

c. The City Manager shall also seek the approval as to legal form of the City Attorney for each contract.

SECTION 2. This ordinance will take effect thirty (30) days following the Council adoption.

SECTION 3, The City Clerk is hereby ordered and directed to certify the passage of this ordinance and to cause it to be published once in a newspaper of general circulation, published in the County of Fresno.

The foregoing Ordinance No. 20-04 was introduced at a regular meeting of the City Council of the City of Firebaugh on the 21st day of September, 2020, and was passed and adopted at a regular meeting of the City Council on the ____ day of _____, 2020, by the following vote:

AYES:
NOES:
ABSTAINING:
ABSENT:

APPROVED: **ATTEST:**

Elsa Lopez, Mayor

Rita Lozano, Deputy City Clerk

STAFF REPORT

AGENDA ITEM: Firebaugh Development Corporation

MEETING DATE: September 21, 2020

BACKGROUND:

This item is before Council for consideration of a cannabis regulatory permit under the Firebaugh Municipal Code section 25-41.13.6.

In October 2019, Firebaugh Development Corporation (FDC) submitted an application for a permit to operate a commercial cannabis business of manufacturing, retail and distribution. The application was evaluated by a cannabis committee of staff and elected officials with the assistance of our cannabis consultant HDL Companies. The FDC application was thoroughly reviewed and an interview was conducted by the committee on June 4, 2020.

The consultant recommended denial of the permit based upon inadequate applicant responses to operational and financial information requests. The committee concurred with the recommendation and the Police Chief ultimately issued a June 29, 2020 letter recommending denial of the permit (FMC sec. 25-41.13.6.h.2).

The permit consideration is now before the Council for a final decision under Section 25-41.13.6.l.1 (b). The section requires a public hearing and then provides Council with discretion to grant, limit the permit to specified uses, or deny the permit based on grounds noted in the code or deemed reasonable by the Council.

Council Hearing Process:

1. This is a noticed public hearing to be opened by the Mayor.
2. Mayor accepts a short staff presentation.
3. Applicant presentation (has requested 15 minutes).
4. Mayor accepts any public comments.
5. Mayor closes the public hearing and opens Council deliberations and accepts a motion at the conclusion of any deliberation or Council questions.

Firebaugh Development Corporation

October14, 2019

Marcia Sablan, Mayor
Members of the City Council
Firebaugh City Hall
1655 13th Street,
Firebaugh, CA 93622

Gentlemen:

We are pleased to provide this proposal to locate, build and operate a Cannabis Retail Dispensary, Wholesale Distribution and Manufacturing operation within the City of Firebaugh, California.

We estimate that our company will contribute an average of approximately $2.4 million to the economy Firebaugh each year: including approximately $120,000 in average tax revenue and $100,000 in charitable contributions -- all from a 3,000 square foot building.

The development of the facility will be expedited to meet an expected Second Quarter 2020 production date. It is our expectation that the facility will be required to run at full capacity from inception. We also expect to increase the size of the operation in the near future to meet demand, which may entail our expanding onto another cannabis-zoned location in Firebaugh.

Being a good neighbor is of paramount importance to management. We plan to be actively involved in the community, and contribute to its goodwill by proactively aligning our company with the initiatives and goals of the Firebaugh city leadership.

We stand ready to work closely with you and your representatives in building a strong relationship and a dynamic and vibrant development in your community. Members of my team and I are ready to meet with and collaborate with you to work out the details of this Proposal at your earliest convenience.

Sincerely,

George Boyadjian
President

City of Firebaugh

City Hall
1133 P Street
Firebaugh, CA and 93622
P: 559.659.2043
E: citymanager@ci.firebaugh.ca.us
www.firebaugh.org

CANNABIS BUSINESS EMPLOYEE/OWNER BACKGROUND APPLICATION

CANNABIS BUSINESS INFORMATION

CANNABIS BUSINESS NAME	IN THE BUSINESS, ARE YOU AN: (CHOOSE ONE)
Firebaugh Development Corporation	☒ Owner/Principal ☐ Employee

APPLICANT INFORMATION

Social Security Number	LAST NAME ON SOCIAL SECURITY CARD	FIRST NAME ON SOCIAL SECURITY CARD	MIDDLE NAME ON SOCIAL SECURITY CARD
[redacted]	Boyadjian	Gevork	Armen
Driver's License #/State	**LAST NAME ON DRIVER'S LICENSE**	**FIRST NAME ON DRIVER'S LICENSE**	**MIDDLE NAME ON DRIVER'S LICENSE**
[redacted]	Boyadjian	Gevork	Armen

SEX	AGE	DATE OF BIRTH	RACE	HEIGHT	WEIGHT	HAIR	EYES
☒ Male ☐ Female	41	08/16/1977		5'11	220 lbs	Black	Brown

LIST YOUR CURRENT HOME ADDRESS, CITY, ZIP CODE (***NO P.O. BOXES ALLOWED***)	CELL PHONE #
2329 E. Ashlan Ave Fresno, CA 93726	[redacted]

LIST ANY OTHER NAMES YOU HAVE EVER USED (Maiden, Married, Nicknames, etc.)	BIRTH COUNTRY/STATE	LANGUAGES SPOKEN
	Yerevan, Armenia	English

CRIMINAL HISTORY

List all arrests or convictions other than infractions for traffic violations.

IF ADDITIONAL SPACE IS NEEDED, ATTACH EXTRA SHEETS TO THIS APPLICATION. PLEASE READ THE APPLICATION CAREFULLY. ANY FALSE OR MISLEADING STATEMENTS, OR OMISSIONS ON THIS APPLICATION OR ON THE COMMERCIAL CANNABIS BUSINESS APPLICATION, SHALL BE GROUNDS FOR DISQUALIFICATION.

	ARREST DATE	ARRESTING AGENCY / LOCATION / COURT NAME	REASON FOR ARREST / VIOLATION CODE
1	01/15/1998		CPC 242-243 (e)(1)
	DISPOSITION (WHAT WAS THE OUTCOME OF THE CASE: Were you sentenced? Did you have to pay a fine? Probation? Parole? Etc.)		
	Probation		
2	ARREST DATE	ARRESTING AGENCY / LOCATION / COURT NAME	REASON FOR ARREST / VIOLATION CODE
	09/05/2005		CPC 242-243 (e)(1)
	DISPOSITION (WHAT WAS THE OUTCOME OF THE CASE: Were you sentenced? Did you have to pay a fine? Probation? Parole? Etc.)		
	Probation		
3	ARREST DATE	ARRESTING AGENCY / LOCATION / COURT NAME	REASON FOR ARREST / VIOLATION CODE
	DISPOSITION (WHAT WAS THE OUTCOME OF THE CASE: Were you sentenced? Did you have to pay a fine? Probation? Parole? Etc.)		

CITY STAFF USE ONLY

DATE / TIME	$ FEE AMOUNT PAID	RECEIPT #	CITY STAFF'S NAME	CITY DEPARTMENT

CRIMINAL HISTORY (cont.)

4	ARREST DATE	ARRESTING AGENCY / LOCATION / COURT NAME	REASON FOR ARREST / VIOLATION CODE
	DISPOSITION (WHAT WAS THE OUTCOME OF THE CASE: Were you sentenced? Did you have to pay a fine? Probation? Parole? Etc.)		
5	ARREST DATE	ARRESTING AGENCY / LOCATION / COURT NAME	REASON FOR ARREST / VIOLATION CODE
	DISPOSITION (WHAT WAS THE OUTCOME OF THE CASE: Were you sentenced? Did you have to pay a fine? Probation? Parole? Etc.)		

PRIOR REGULATED CANNABIS EMPLOYERS

BUSINESS NAME	CITY / STATE	PHONE	START DATE	END DATE

STATEMENT OF PERJURY

I DECLARE UNDER THE PENALTY OF PERJURY, UNDER THE LAWS OF THE STATE OF CALIFORNIA, THAT THE FOREGOING IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

APPLICANT SIGNATURE	JOB TITLE (POSITION ON THE APPLICATION)	DATE
x		10/15/2019

CRIMINAL BACKGROUND & CREDIT HISTORY INVESTIGATION RELEASE

To Whom It May Concern:

I am an applicant/employee of a Commercial Cannabis Business in the City of Firebaugh. I desire and request the City Manager, or Chief of Police of the City of Firebaugh, and/or his/her agents, employee or lawful representative(s) to take my photograph and fingerprints or use the information in this application for the purpose of conducting a criminal background check to verify that I meet the qualifications required to obtain a Commercial Cannabis Business Permit to operate or to be employed with such business as required by the City Municipal Code and State Law.

I agree to provide any information requested or deemed necessary to provide to the State of California Department of Justice and the Federal Bureau of Investigation, or any other law enforcement agency or third-party consultant authorized by the City Manager or Chief of Police.

I understand this will serve to disclose any record of arrests to which I have been the subject that resulted in conviction. I further agree to hold the City of Firebaugh, its officers, agents, or lawfully delegated representatives, harmless from any action(s) or damages whatsoever or at all which may result from the taking of such fingerprints or forwarding them to the appropriate law enforcement agency for a record check and/or obtaining access to any other documentation which pertains to meeting the qualification for a Commercial Cannabis Business Permit or Employee Permit.

Furthermore, I hereby authorize the City Manager or Chief of Police of the City and/or his/her agents, employee or lawful representative(s) to obtain and review my consumer credit report and/or any other credit related information pertaining to me.

By signing this form, I acknowledge and agree to comply with all the conditions and terms of this application. I also understand that falsifying and/or omitting any information on this application may be grounds for denial of a permit or is grounds for termination of employment per the Firebaugh Ordinance.

APPLICANT SIGNATURE	APPLICANT NAME (PRINT)	DATE
	Gevork Armen Boyadjian	10/15/2019

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Introduction

Background

We propose to build and operate a fully-compliant cannabis retail, distribution, and manufacturing facility on an M-2 zoned property (APN 008-140-09) located on M Street, (between 13th and 14th Streets), in the City of Firebaugh, California, (hereinafter referred to as "the Property").

The intent and purpose of this proposal is to act within the provisions set forth by the City of Firebaugh as a licensed medical and adult use cannabis retail, distribution and production operation.

The Property is suitable for multiple licenses under the State of California's Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"). The Property is appropriately located; distanced from residential and commercial neighborhoods.

Firebaugh Development Corporation ("FDC") will operate a state-of-the-art facility that utilizes environmentally sensitive advances in technology to produce high-quality cannabis extraction products on the property. We will engage in wholesale distribution of the products produced at the facility to both internally managed and third party, licensed retailers across the State of California. We will also make legal cannabis products available to medical and adult-use customers in a compliant retail storefront.

Licenses

In order to comply with local and state regulations, we will require the issuance of the following Cannabis permits from the City of Firebaugh:

- One (1) Type 11 Distribution License
- One (1) Type 6 (Nonvolatile) Manufacturing License
- One (1) Type 9 Non-Storefront Retailer
- One (1) Type 10 Dispensary and Type 10 Delivery

Qualification of Owners

We have operated in the regulated California medical cannabis industry since 2009 through our affiliate, 420 College Inc. 420 College has educated thousands of people on cannabis regulations and operations, and represented dozens of businesses in civic affairs, local permitting and state licensing.

We are recognized experts at regulatory compliance and operational best practices. 420 College is one of the cannabis industry's leading educators on regulations, licensing, permitting and operations. It offers group seminars, face to face consultations and online video courses on a wide variety of industry topics.

To demonstrate our experience, abilities, knowledge and qualifications through factual information, we have:

- Operated a cannabis industry education platform since 2009;
- Operated a cannabis consulting firm that has provided permitting, licensing and operations management services to entrepreneurs since 2009. During this time, we have successfully obtained 15 cannabis permits for our clientele;
- Operated three successful medical dispensaries between 2010 and 2014 that were closed in anticipation of re-opening under current state and local regulations;
- Majority ownership of a dispensary in Fresno, California now awaiting permitting; and
- Ongoing joint ventures with investor groups to operate six dispensaries in Los Angeles.

Prior Successful Use of Operating Processes, Procedures and Protocols

420 College has provided consultation to numerous entities that resulted in the qualification and operation of successful, licensed cannabis entities. Following are some of the companies that have successfully utilized the operating processes, procedures and protocols stated in this application within their own operations:

- Herbud Lite, Inc – (4) Cannabis cultivation permits in California City, CA
- Herbud Lite, Inc – (1) Type-7 Manufacturing permit in California City, CA
- California for Cannabis – (1) Cultivation Permit in California City, CA
- California for Cannabis – (1) Distribution Permit in California City, CA
- CA Platinum Grade Association – (1) Cultivation Permit in California City, CA
- Curtis Zheng – (6) Cultivation permits in California City, CA
- River City Social Club – (1) Dispensary permit in Riverbank, CA
- River City Social Club – (1) Cultivation permit in Ceres, CA
- River City Social Club – (1) Manufacturing permit in Riverbank, CA
- Restorative – (1) Delivery permit in San Francisco, CA
- PAL's Association Inc. – (1) Retail Dispensary with delivery permit in Inyo County, CA

Management Team

Our core management team is comprised of cannabis industry veterans, complimented by a group of highly respected and experienced professional managers.

George Boyadjian, Founder, CEO

George is the Founder of our group of companies, and personally built each operation. He is one of a handful of the leading professionals in the cannabis industry, with over 10 years of professional experience in retail, manufacturing, delivery and cultivation. He started working in the industry in 2005, and in 2008 built a 10,000 square foot indoor cultivation facility. He operated it until the medical collective model was superseded by the State of California in 2016. He also operated three dispensaries in California between 2010 and 2014, which collectively averaged over 900 patients per day. He has been a hands-on builder of six successful cannabis businesses, as principal, investor and consultant. He is actively involved in the industry's evolving regulatory landscape. A fixture at local- and state-level hearings and committee meetings, his advocacy efforts have been instrumental in creating positive change within the industry. His years of hands-on experience and vast knowledge of regulations and policies lead him to form our 420 College and FTG Management subsidiaries in 2009. Since then, he has produced and personally conducted hundreds of seminars and workshops for thousands of budding cannabis entrepreneurs throughout California, Washington, Oregon, Nevada, Arizona, Illinois and Florida. FTG has assisted dozens of 420 College enrollees in establishing legal entities under the laws of those states, specializing in California. In 2016, George returned to operations by accumulating properties, permits and licenses for his own account. He formed ESH in 2018 to consolidate those operations and to continue to expand our businesses and his legacy as an industry leader, across the legal cannabis landscape. George is a recognized cannabis industry expert in the Central California Valley area, and is interviewed regularly by the local media on regulatory issues. Following is a representative sample of some of his media appearances:

December 2018	https://www.yourcentralvalley.com/news/local-news/fresno-is-a-hot-market-for-medical-marijuana-dispensaries-says-consultant/1659260813
September 2018	https://abc30.com/health/mainstream-markets-in-valley-selling-out-of-cbd/4347773/
September 2018	https://www.yourcentralvalley.com/news/have-an-opinion-on-marijuana-the-city-of-fresno-wants-to-hear-from-you-1/1454962264?utm_medium=social&utm_source=facebook_KSEE24_News
February 2018	https://abc30.com/community-events/fresno-gets-educated-on-cannabis-industry-/3068639/
December 2017	https://abc30.com/society/city-of-fresno-proposes-new-marijuana-ordinance/2775277/

December 2016	https://abc30.com/business/fresno-business-offers-training-to-run-a-successful-marijuana-dispensary/1677054/
May 2013	https://youtu.be/zqS-l8fWDgw
May 2013	https://youtu.be/pYHsY1Uo3NM
September 2009	https://youtu.be/YUyP6DozuI4

Bryce Yaws, Vice President – Cultivation

After two tours in Iraq as a Navy Corpsman and an award-winning stint in the field of music composition and scoring, Bryce began his career in the cannabis industry in 2015 with Lotus Family Farms. His work in medical cultivation predated the legalization of recreational cannabis in the state of Oregon. After a successful season, Lotus Family Farms upgraded to become one of the first tier 2 recreational farms in the state of Oregon. From the successes of Lotus Family, he has worked in various cultivation capacities, including as an expert speaker for 420 College. Bryce Yaws is one of California's leading, large scale cultivators and is an extraordinarily valuable asset to the Company.

Tim Diaz, Vice President - Business Development

Tim has been a fixture in Central California's Cannabis Industry since 2014. As the Co-Founder and President of Turn and Cough Extracts, he built a robust market for this craft producer of high- quality extracts. In 2015, he co-founded "City of Trees Smoke Out," Central California's first weekly cannabis festival and enthusiast community, which still operates and serves hundreds of recreational and medical customers in Stockton and Sacramento, California.

Corey Greenberg, Vice President - Manufacturing

As Co-Founder and Chief Manufacturing Engineer at Turn and Cough Extracts, Corey manufactured a well-known and highly successful line of craft cannabis extract products. He is expert in multi-grade production using closed-loop, light hydrocarbon extraction systems, pre and post product grading and end product manipulation. His knowledge and innovations are unique in the industry and have proven to produce the highest quality, most sought after extractions.

4219445

Secretary of State
Articles of Incorporation of a General Stock Corporation

ARTS-GS

FILED GLV
Secretary of State
State of California
DEC 11 2018

IMPORTANT — Read Instructions before completing this form.

Filing Fee – **$100.00**

Copy Fees – First page $1.00; each attachment page $0.50; Certification Fee - $5.00

Note: Corporations may have to pay minimum $800 tax to the California Franchise Tax Board each year. For more information, go to *https://www.ftb.ca.gov*.

1 pg

This Space For Office Use Only

1. Corporate Name (Go to *www.sos.ca.gov/business/be/name-availability* for general corporate name requirements and restrictions.)

The name of the corporation is Firebaugh Development Corporation

2. Business Addresses (Enter the **complete** business addresses.)

a. Initial Street Address of Corporation - **Do not list a P.O. Box**	City (no abbreviations)	State	Zip Code
2329 E. Ashlan Ave.	Fresno	Ca	93726
b. Initial Mailing Address of Corporation, **if different than Item 2a**	City (no abbreviations)	State	Zip Code

3. Service of Process (Must provide either Individual **OR** Corporation.)

INDIVIDUAL – Complete Items 3a and 3b only. Must include agent's full name and California street address.

a. California Agent's First Name (if agent is **not** a corporation)	Middle Name	Last Name	Suffix
George		Boyadjian	

b. Street Address (if agent is **not** a corporation) - **Do not enter a P.O. Box**	City (no abbreviations)	State	Zip Code
[redacted]	Fresno	CA	93726

CORPORATION – Complete Item 3c. Only include the name of the registered agent Corporation.

c. California Registered Corporate Agent's Name (if agent is a corporation) – Do not complete Item 3a or 3b

4. Shares (Enter the **number of shares** the corporation is authorized to issue. **Do not** leave blank or enter zero (0).)

This corporation is authorized to issue only one class of shares of stock.
The total number of shares which this corporation is authorized to issue is 100,000.

5. Purpose Statement (Do not alter the Purpose Statement.)

The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

6. Read and Sign Below (This form must be signed by each incorporator. **See instructions for signature requirements.**)

Signature

George Boyadjian
Type or Print Name

IRS DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

Date of this notice: 01-02-2019

Employer Identification Number:
[redacted]

Form: SS-4

Number of this notice: CP 575 A

FIREBAUGH DEVELOPMENT CORPORATION
% GEORGE BOYADJIAN
[redacted]
FRESNO, CA 93726

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

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

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 83-2960471. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

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

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 941	01/31/2020
Form 940	01/31/2020
Form 1120	04/15/2019

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

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

IMPORTANT INFORMATION FOR S CORPORATION ELECTION:

If you intend to elect to file your return as a small business corporation, an election to file a Form 1120-S must be made within certain timeframes and the corporation must meet certain tests. All of this information is included in the instructions for Form 2553, *Election by a Small Business Corporation*.

DISPLAY CONSPICUOUSLY AT PLACE OF BUSINESS FOR WHICH ISSUED

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

SELLER'S PERMIT

December 1, 2019

ACCOUNT NUMBER

214363264

FIREBAUGH DEVELOPMENT CORPORATION
2329 E ASHLAN AVE # UNITEDSTATES
FRESNO CA 93726-3102

Office of Control:
Fresno Office

NOTICE TO PERMITTEE: You are required to obey all Federal and State laws that regulate or control your business. This permit does not allow you to do otherwise.

IS HEREBY AUTHORIZED PURSUANT TO SALES AND USE TAX LAW TO ENGAGE IN THE BUSINESS OF SELLING TANGIBLE PERSONAL PROPERTY AT THE ABOVE LOCATION. THIS PERMIT IS VALID ONLY AT THE ABOVE ADDRESS.

THIS PERMIT IS VALID UNTIL REVOKED OR CANCELLED AND IS NOT TRANSFERABLE. IF YOU SELL YOUR BUSINESS OR DROP OUT OF A PARTNERSHIP, NOTIFY US OR YOU COULD BE RESPONSIBLE FOR SALES AND USE TAXES OWED BY THE NEW OPERATOR OF THE BUSINESS.

Not valid at any other address

For general tax questions, please call our Customer Service Center at 1-800-400-7115 (TTY:711).
For information on your rights, contact the Taxpayers' Rights Advocate Office at 1-888-324-2798 or 1-916-324-2798.

CDTFA-442-R REV. 18 (5-18)

A MESSAGE TO OUR NEW PERMIT HOLDER

As a seller, you have rights and responsibilities under the Sales and Use Tax Law. In order to assist you in your endeavor and to better understand the law, we offer the following sources of help:

- Visiting our website at *www.cdtfa.ca.gov*
- Visiting an office
- Attending a Basic Sales and Use Tax Law class offered at one of our offices
- Sending your questions in writing to any one of our offices
- Calling our toll-free Customer Service Center at 1-800-400-7115 (TTY:711)

As a seller, you have the right to issue resale certificates for merchandise that you intend to resell. You also have the responsibility of not misusing resale certificates. While the sales tax is imposed upon the retailer,

- You have the right to seek reimbursement of the tax from your customer
- You are responsible for filing and paying your sales and use tax returns timely
- You have the right to be treated in a fair and equitable manner by the employees of the California Department of Tax and Fee Administration (CDTFA)
- You are responsible for following the regulations set forth by the CDTFA

As a seller, you are expected to maintain the normal books and records of a prudent businessperson. You are required to maintain these books and records for no less than four years, and make them available for inspection by a CDTFA representative when requested. You are also required to know and charge the correct sales or use tax rate, including any local and district taxes. The tax rate applicable to your sales or use may not necessarily correspond to the tax rate of your business address displayed on this permit. You are also expected to notify us if you are buying, selling, adding a location, or discontinuing your business, adding or dropping a partner, officer, or member, or when you are moving any or all of your business locations. If it becomes necessary to surrender this permit, you should only do so by mailing it to a CDTFA office, or giving it to a CDTFA representative.

If you would like to know more about your rights as a taxpayer, or if you are unable to resolve an issue with CDTFA, please contact the Taxpayers' Rights Advocate Office for help by calling toll-free, 1-888-324-2798 or 1-916-324-2798. Their fax number is 1-916-323-3319.

Please post this permit at the address for which it was issued and at a location visible to your customers.

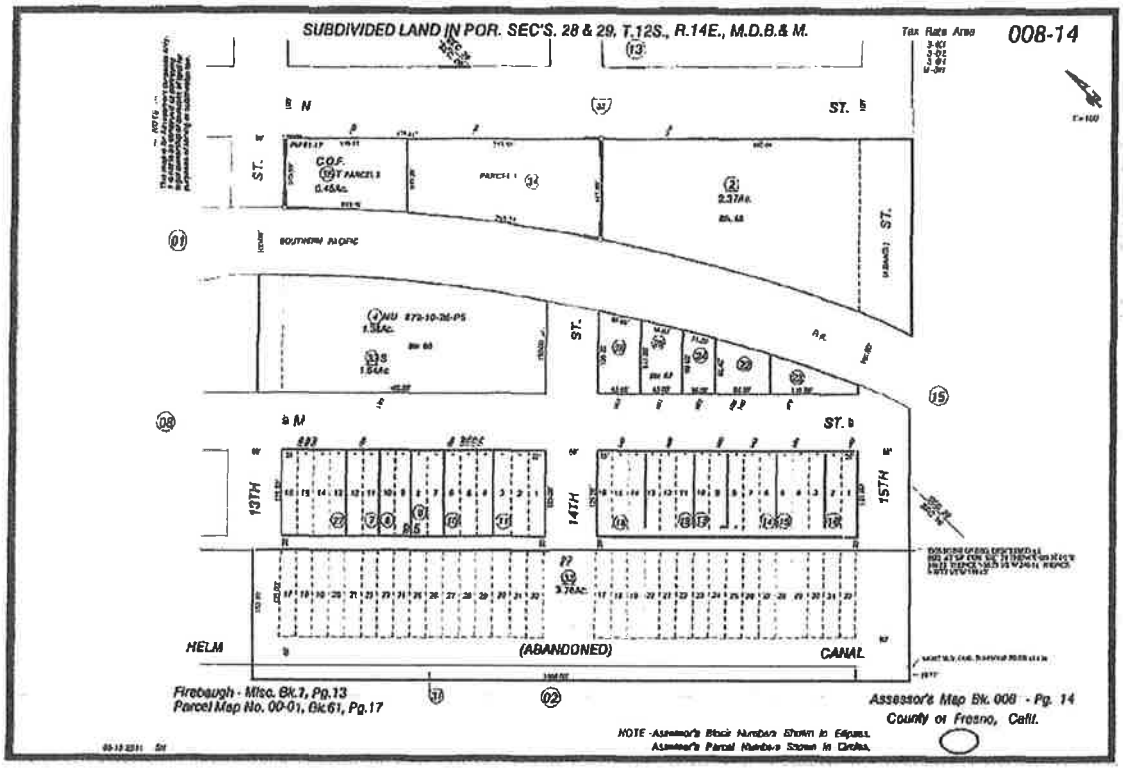
California Department of Tax and Fee Administration

Business Tax and Fee Division

Location

Property

50 ft x 125 ft property on M Street, (between 13th and 14th Streets), Firebaugh, CA 93622 (APN 008-140-09).



Zoning

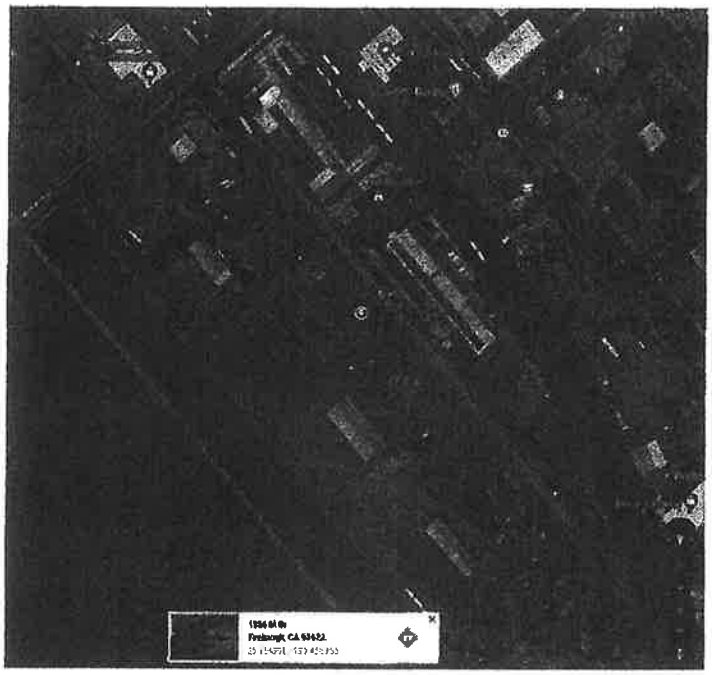
The property located on APN 008-140-09 at Firebaugh, California, currently zoned M-2 is appropriate for the proposed usage and is situated to provide the level of security and environmental stewardship required by the State of California's cannabis regulations. The site is presently empty land. Neighboring properties are consistent in use. Therefore, the development of the property as proposed will not pose any conflict with the existing use of surrounding parcels of land.

Structure

The two-story structure to be built will have a footprint of 3,000 square feet. Retail will be located on the ground floor. The second floor will be roughly split between distribution, storage, manufacturing and offices with approximately 900 square feet to be allocated to distribution and storage needs, and 2100 square feet allocated to manufacturing. We intend to erect a standard metal building that is fully insulated, and specifically designed for the intended purposes on the interior. The structure will be a 20 ft high, 30ft wide and 100 ft long.

Sensitive Area Analysis

The Property is located in an industrial area, with no sensitive use areas within 700 feet.



Lease Information

CALIFORNIA ASSOCIATION OF REALTORS®

VACANT LAND PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(C.A.R. Form VLPA, Revised 12/18)

HomeBased Realty

Date Prepared: *July 25, 2019*

1. **OFFER:**
   A. **THIS IS AN OFFER FROM** *George Boyadjian and/or Assigns* ("Buyer"),
   B. **THE REAL PROPERTY** to be acquired is *9 M Street*, situated in *Firebaugh* (City), *Fresno* (County), California, *93622* (Zip Code), Assessor's Parcel No. *008-140-09* ("Property").
   Further Described As *008-140-09*.
   C. **THE PURCHASE PRICE** offered is *Sixty Thousand* Dollars $ *60,000.00*.
   D. **CLOSE OF ESCROW** shall occur on ☐ _____ (date) (or ☒ *90* **Days** After Acceptance).
   E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.
2. **AGENCY:**
   A. **DISCLOSURE: The Parties each acknowledge receipt of a ☒ "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).**
   B. **CONFIRMATION:** The following agency relationships are confirmed for this transaction:
   Seller's Brokerage Firm *London Properties Ltd.* License Number *00463722*
   Is the broker of (check one): ☐ the seller; or ☐ both the buyer and seller. (dual agent)
   Seller's Agent *Mike Garabedian* License Number *01189466*
   Is (check one): ☐ the Seller's Agent. (salesperson or broker associate) ☐ both the Buyer's and Seller's Agent. (dual agent)
   Buyer's Brokerage Firm *HomeBased Realty* License Number *01316623*
   Is the broker of (check one): ☐ the buyer; or ☐ both the buyer and seller. (dual agent)
   Buyer's Agent *Craig J. Knight* License Number *01117535*
   Is (check one): ☐ the Buyer's Agent. (salesperson or broker associate) ☐ both the Buyer's and Seller's Agent. (dual agent)
   C. **POTENTIALLY COMPETING BUYERS AND SELLERS:** The Parties each acknowledge receipt of a ☒ "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).
3. **FINANCE TERMS:** Buyer represents that funds will be good when deposited with Escrow Holder.
   A. **INITIAL DEPOSIT:** Deposit shall be in the amount of . . . . . $ *2,000.00*
   (1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, ☐ cashier's check, ☐ personal check, ☐ other _____ within 3 business days after Acceptance (or _____);
   OR (2) ☐ Buyer Deposit with Agent: Buyer has given the deposit by personal check (or _____) to the agent submitting the offer (or to _____), made payable to _____. The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within **3** business days after Acceptance (or _____).
   Deposit checks given to agent shall be an original signed check and not a copy.
   (Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)
   B. **INCREASED DEPOSIT:** Buyer shall deposit with Escrow Holder an increased deposit in the amount of . . . $ _____ within ____ **Days** After Acceptance (or _____).
   If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.
   C. ☒ **ALL CASH OFFER:** No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or ☐ Buyer shall, within **3 (or ____) Days** After Acceptance, Deliver to Seller such verification.
   D. **LOAN(S):**
   (1) FIRST LOAN: in the amount of . . . . . $ _____
   This loan will be conventional financing **OR** ☐ FHA, ☐ VA, ☐ Seller financing (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form AFA), ☐ subject to financing, ☐ Other _____. This loan shall be at a fixed rate not to exceed _____ % or, ☐ an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
   (2) ☐ **SECOND LOAN** in the amount of . . . . . $ _____
   This loan will be conventional financing **OR** ☐ Seller financing (C.A.R. Form SFA), ☐ assumed financing (C.A.R. Form AFA), ☐ subject to financing ☐ Other _____. This loan shall be at a fixed rate not to exceed _____ % or, ☐ an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
   (3) FHA/VA: For any FHA or VA loan specified in 3D(1), Buyer has **17 (or ____) Days** After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless agreed to in writing. A FHA/VA amendatory clause (C.A.R. Form FVAC) shall be a part of this transaction.

Buyer's Initials (_____) (_____) Seller's Initials (_____) (_____)

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HomeBased Realty, 42402 10th Street West, Suite J Lancaster CA 93534 Phone: (559) 367-7437 Fax: (559) 659-3604 008-140-09 / M
Craig Knight

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

E. **ADDITIONAL FINANCING TERMS:** _____

F. **BALANCE OF DOWN PAYMENT OR PURCHASE PRICE** in the amount of ..... $ 58,000.00
to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

G. **PURCHASE PRICE (TOTAL):** ..... $ 60,000.00

H. **VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS:** Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within **3 (or ___) Days** After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (☐ Verification attached.)

I. **APPRAISAL CONTINGENCY AND REMOVAL:** This Agreement is (**or** ☐ is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 19B(3), in writing, remove the appraisal contingency or cancel this Agreement within **17 (or ____) Days** After Acceptance.

J. **LOAN TERMS:**
(1) LOAN APPLICATIONS: Within **3 (or ___) Days** After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (☐ Letter attached.)
(2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above **is a contingency** of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs **are not contingencies** of this Agreement.
(3) LOAN CONTINGENCY REMOVAL:
Within **21 (or ___) Days** After Acceptance, Buyer shall, as specified in paragraph 19, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.
(4) ☐ NO LOAN CONTINGENCY: Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.
(5) LENDER LIMITS ON BUYER CREDITS: Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

K. **BUYER STATED FINANCING:** Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

L. **SELLER FINANCING:** The following terms (or ☐ the terms specified in the attached Seller Financing Addendum) (C.A.R. Form SFA) apply ONLY to financing extended by Seller under this Agreement.
(1) BUYER'S CREDIT-WORTHINESS: Buyer authorizes Seller and/or Brokers to obtain, at Buyer's expense, a copy of Buyer's credit report. Within **7 (or _____) Days** After Acceptance, Buyer shall provide any supporting documentation reasonably requested by Seller.
(2) TERMS: Buyer's promissory note, deed of trust and other documents as appropriate shall incorporate and implement the following additional terms: **(i)** the maximum interest rate specified in paragraph 3D shall be the actual fixed interest rate for Seller financing; **(ii)** deed of trust shall contain a REQUEST FOR NOTICE OF DEFAULT on senior loans; **(iii)** Buyer shall sign and pay for a REQUEST FOR NOTICE OF DELINQUENCY prior to Close Of Escrow and at any future time if requested by Seller; **(iv)** note and deed of trust shall contain an acceleration clause making the loan due, when permitted by law and at Seller's option, upon the sale or transfer of the Property or any interest in it; **(v)** note shall contain a late charge of 6% of the installment due (or _____) if the installment is not received within 10 days of the date due; **(vi)** title insurance coverage in the form of a joint protection policy shall be provided insuring Seller's deed of trust interest in the Property (any increased cost over owner's policy shall be paid by Buyer); and **(vii)** tax service shall be obtained and paid for by Buyer to notify Seller if property taxes have not been paid.
(3) ADDED, DELETED OR SUBSTITUTED BUYERS: The addition, deletion or substitution of any person or entity under this Agreement or to title prior to Close Of Escrow shall require Seller's written consent. Seller may grant or withhold consent in Seller's sole discretion. Any additional or substituted person or entity shall, if requested by Seller, submit to Seller the same documentation as required for the original named Buyer. Seller and/or Brokers may obtain a credit report, at Buyer's expense, on any such person or entity.

M. **ASSUMED OR "SUBJECT TO" FINANCING:** Seller represents that Seller is not delinquent on any payments due on any loans. Seller shall, within the time specified in paragraph 19, provide Copies of all applicable notes and deeds of trust, loan balances and current interest rates to Buyer. Buyer shall then, as specified in paragraph 19B(3), remove this contingency or

cancel this Agreement. Differences between estimated and actual loan balances shall be adjusted at Close Of Escrow by cash down payment. Impound accounts, if any, shall be assigned and charged to Buyer and credited to Seller. Seller is advised that Buyer's assumption of an existing loan may not release Seller from liability on that loan. If this is an assumption of a VA Loan, the sale is contingent upon Seller being provided a release of liability and substitution of eligibility, unless otherwise agreed in writing. If the Property is acquired subject to an existing loan, Buyer and Seller are advised to consult with legal counsel regarding the ability of an existing lender to call the loan due, and the consequences thereof.

4. **SALE OF BUYER'S PROPERTY:**
   A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
   OR B. ☐ This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).
5. ☐ **MANUFACTURED HOME PURCHASE:** The purchase of the Property is contingent upon Buyer acquiring a personal property manufactured home to be placed on the Property after Close Of Escrow. Buyer ☐ has ☐ has not entered into a contract for the purchase of a personal property manufactured home. Within the time specified in paragraph 19, Buyer shall remove this contingency or cancel this Agreement, (**or** ☐ this contingency shall remain in effect until the Close Of Escrow of the Property).
6. ☐ **CONSTRUCTION LOAN FINANCING:** The purchase of the Property is contingent upon Buyer obtaining a construction loan. A draw from the construction loan ☐ will ☐ will not be used to finance the Property. Within the time specified in paragraph 19, Buyer shall remove this contingency or cancel this Agreement (**or** ☐ this contingency shall remain in effect until Close Of Escrow of the Property).
7. **ADDENDA AND ADVISORIES:**
   A. ADDENDA: ☐ Addendum # (C.A.R. Form ADM)
   ☐ Back Up Offer Addendum (C.A.R. Form BUO) ☐ Court Confirmation Addendum (C.A.R. Form CCA)
   ☐ Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)
   ☐ Short Sale Addendum (C.A.R. Form SSA) ☐ Other

   B. BUYER AND SELLER ADVISORIES:
   ☒ Buyer's Vacant Land Additional Inspection Advisory (C.A.R. Form BVLIA)
   ☐ Probate Advisory (C.A.R. Form PA) ☐ Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
   ☐ Trust Advisory (C.A.R. Form TA) ☐ REO Advisory (C.A.R. Form REO)
   ☐ Short Sale Information and Advisory (C.A.R. Form SSIA) ☐ Other
8. **OTHER TERMS:** *Purchase contingent upon the City of Firebaugh awarding buyers a cannabis distribution, manufacturing and delivery licenses, upon close of escrow.*
9. **ALLOCATION OF COSTS**
   A. INSPECTIONS, REPORTS AND CERTIFICATES: Unless otherwise agreed, in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it **does not determine who is to pay for any work recommended or identified in the Report.**
   (1) ☐ Buyer ☒ Seller shall pay for a natural hazard zone disclosure report, including tax ☐ environmental ☐ Other: _____ prepared by _____.
   (2) ☐ Buyer ☐ Seller shall pay for the following Report _____ prepared by _____.
   (3) ☐ Buyer ☐ Seller shall pay for the following Report _____ prepared by _____.
   B. ESCROW AND TITLE:
   (1) (a) ☒ Buyer ☒ Seller shall pay escrow fee *1/2 Each.*
   (b) Escrow Holder shall be *Sellers choice of Title Company.*
   (c) The Parties shall, within **5 (or ___) Days** After receipt, sign and return Escrow Holder's general provisions.
   (2) (a) ☐ Buyer ☒ Seller shall pay for **owner's** title insurance policy specified in paragraph 18E
   (b) Owner's title policy to be issued by *Sellers choice of Title Company.*
   (Buyer shall pay for any title insurance policy insuring Buyer's **lender**, unless otherwise agreed in writing.)
   C. OTHER COSTS:
   (1) ☐ Buyer ☒ Seller shall pay County transfer tax or fee
   (2) ☐ Buyer ☐ Seller shall pay City transfer tax or fee
   (3) ☐ Buyer ☐ Seller shall pay Homeowners' Association ("HOA") transfer fee
   (4) Seller shall pay HOA fees for preparing all documents required to be delivered by Civil Code §4525.
   (5) Buyer to pay for any HOA certification fee.
   (6) ☐ Buyer ☐ Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
   (7) ☐ Buyer ☐ Seller shall pay for any private transfer fee
   (8) ☐ Buyer ☐ Seller shall pay for
   (9) ☐ Buyer ☐ Seller shall pay for
10. **CLOSING AND POSSESSION:** Possession shall be delivered to Buyer: (i) ☐ at 6 PM or (____ ☐ AM/ ☐ PM) on the date of Close Of Escrow; (ii) ☐ no later than ___ calendar days after Close Of Escrow; or (iii) ☐ at ____ ☐ AM/ ☐ PM on _____. The Property shall be unoccupied, unless otherwise agreed in writing. Seller shall provide keys and/or means to operate all Property locks. If Property is located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners'

Association ("HOA") to obtain keys to accessible HOA facilities.

11. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are **not** included in the purchase price or excluded from the sale unless specified in 11B or C.

B. ITEMS INCLUDED IN SALE:

(1) All EXISTING fixtures and fittings that are attached to the Property;

(2) The following items: _____

(3) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.

(4) All items included shall be transferred free of liens and without Seller warranty.

C. ITEMS EXCLUDED FROM SALE: _____

12. STATUTORY AND OTHER DISCLOSURES AND CANCELLATION RIGHTS:

A. NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS: Within the time specified in paragraph 19A, Seller shall, if required by Law: **(i)** Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet; **(ii)** disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and **(iii)** disclose any other zone as required by Law and provide any other information required for those zones.

B. WITHHOLDING TAXES: Within the time specified in paragraph 19A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).

C. MEGAN'S LAW DATABASE DISCLOSURE: Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at **www.meganslaw.ca.gov**. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

D. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES: This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at **http://www.npms.phmsa.dot.gov/**. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.

E. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:

(1) SELLER HAS: 7 (or ___) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form VLQ).

(2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has **3 (or ___) Days** After Acceptance to request from the HOA (C.A.R. Form HOA1): **(i)** Copies of any documents required by Law; **(ii)** disclosure of any pending or anticipated claim or litigation by or against the HOA; **(iii)** a statement containing the location and number of designated parking and storage spaces; **(iv)** Copies of the most recent 12 months of HOA minutes for regular and special meetings; and **(v)** the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 19B(3). The Party specified in paragraph 9, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

13. SELLER DOCUMENTATION AND ADDITIONAL DISCLOSURE:

A. Within the time specified in paragraph 19, if Seller has actual knowledge, Seller shall provide to Buyer, in writing, the following information:

(1) LEGAL PROCEEDINGS: Any lawsuits by or against Seller, threatening or affecting the Property, including any lawsuits alleging a defect or deficiency in the Property or common areas, or any known notices of abatement or citations filed or issued against the Property.

(2) AGRICULTURAL USE: Whether the Property is subject to restrictions for agricultural use pursuant to the Williamson Act (Government Code §§51200-51295).

(3) DEED RESTRICTIONS: Any deed restrictions or obligations.

(4) FARM USE: Whether the Property is in, or adjacent to, an area with Right to Farm rights (Civil Code §3482.5 and §3482.6).

(5) ENDANGERED SPECIES: Presence of endangered, threatened, 'candidate' species, or wetlands on the Property.

(6) ENVIRONMENTAL HAZARDS: Any substances, materials, or products that may be an environmental hazard including, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, and contaminated soil or water on the Property.

(7) COMMON WALLS: Any features of the Property shared in common with adjoining landowners, such as walls, fences, roads, and driveways, and agriculture and domestic wells whose use or responsibility for maintenance may have an effect on the Property.

(8) LANDLOCKED: The absence of legal or physical access to the Property.

(9) EASEMENTS/ENCROACHMENTS: Any encroachments, easements or similar matters that may affect the Property.

(10) SOIL FILL: Any fill (compacted or otherwise), or abandoned mining operations on the Property.

(11) SOIL PROBLEMS: Any slippage, sliding, flooding, drainage, grading, or other soil problems.

(12) EARTHQUAKE DAMAGE: Major damage to the Property or any of the structures from fire, earthquake, floods, or landslides.

(13) ZONING ISSUES: Any zoning violations, non-conforming uses, or violations of "setback" requirements.

(14) NEIGHBORHOOD PROBLEMS: Any neighborhood noise problems, or other nuisances.

B. RENTAL AND SERVICE AGREEMENTS: Within the time specified in paragraph 19, Seller shall make available to Buyer for inspection and review, all current leases, rental agreements, service contracts and other related agreements, licenses, and permits pertaining to the operation or use of the Property.

C. ☐ **TENANT ESTOPPEL CERTIFICATES:** Within the time specified in paragraph 19, Seller shall deliver to Buyer tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: **(i)** that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); **(ii)** that no lessor defaults exist; and **(iii)** stating the amount of any prepaid rent or security deposit.

D. **MELLO-ROOS TAX; 1915 BOND ACT:** Within the time specified in paragraph 19, Seller shall: **(i)** make a good faith effort to obtain a notice from any local agencies that levy a special tax or assessment on the Property (or, if allowed, substantially equivalent notice), pursuant to the Mello-Roos Community Facilities Act, and Improvement Bond Act of 1915, and **(ii)** promptly deliver to Buyer any such notice obtained.

E. **SELLER VACANT LAND QUESTIONNAIRE:** Seller shall, within the time specified in paragraph 19, complete and provide Buyer with a Seller Vacant Land Questionnaire (C.A.R. Form VLQ).

14. **SUBSEQUENT DISCLOSURES:** In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.**

15. **CHANGES DURING ESCROW:**

A. Prior to Close Of Escrow, Seller may engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 15B: **(i)** rent or lease any part of the premises; **(ii)** alter, modify or extend any existing rental or lease agreement; **(iii)** enter into, alter, modify or extend any service contract(s); or **(iv)** change the status of the condition of the Property.

B. At least **7 (or ___) Days** prior to any Proposed Changes, Seller shall give written notice to Buyer of such Proposed Changes. Within 5 (or ___) Days After receipt of such notice, Buyer, in writing, may give Seller notice of Buyer's objection to the Proposed Changes, in which case Seller shall not make the Proposed Changes.

16. **CONDITION OF PROPERTY:** Unless otherwise agreed in writing: **(i)** the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; **(ii)** the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and **(iii)** all debris and personal property not included in the sale shall be removed by Close Of Escrow.

A. Seller shall, within the time specified in paragraph 19A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.

B. Buyer has the right to conduct Buyer Investigations of the property and, as specified in paragraph 19B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.

C. **Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.**

17. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**

A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 19B. Within the time specified in paragraph 19B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: **(i)** inspect for lead-based paint and other lead-based paint hazards; **(ii)** inspect for wood destroying pests and organisms; **(iii)** review the registered sex offender database; **(iv)** confirm the insurability of Buyer and the Property; and **(v)** satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: **(i)** invasive or destructive Buyer Investigations except for minimally invasive testing; or **(ii)** inspections by any governmental building or zoning inspector or government employee, unless required by Law.

B. Seller shall make the Property available for all Buyer Investigations. Buyer shall **(i)** as specified in paragraph 19B, complete Buyer Investigations and, either remove the contingency or cancel this Agreement, and **(ii)** give Seller, at no cost, complete Copies of all Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.

C. **Buyer indemnity and Seller protection for entry upon property:** Buyer shall: **(i)** keep the Property free and clear of liens; **(ii)** repair all damage arising from Buyer Investigations; and **(iii)** indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs of Buyer's Investigations. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination or cancellation of this Agreement and Close Of Escrow.

D. **BUYER IS STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY AND ALL MATTERS AFFECTING THE VALUE OR DESIRABILITY OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE ITEMS SPECIFIED BELOW. IF BUYER DOES NOT EXERCISE THESE RIGHTS, BUYER IS ACTING AGAINST THE ADVICE OF BROKERS. BUYER UNDERSTANDS THAT ALTHOUGH CONDITIONS ARE OFTEN DIFFICULT TO LOCATE AND DISCOVER, ALL REAL PROPERTY CONTAINS CONDITIONS THAT ARE NOT READILY APPARENT AND THAT MAY AFFECT THE VALUE OR DESIRABILITY OF THE PROPERTY. BUYER AND SELLER ARE AWARE THAT BROKERS DO NOT GUARANTEE, AND IN NO WAY ASSUME RESPONSIBILITY FOR, THE CONDITION OF THE PROPERTY. BROKERS HAVE NOT AND WILL NOT VERIFY ANY OF THE ITEMS IN THIS PARAGRAPH 17, UNLESS OTHERWISE AGREED IN WRITING.**

E. **SIZE, LINES, ACCESS AND BOUNDARIES:** Lot size, property lines, legal or physical access and boundaries including features of the Property shared in common with adjoining landowners, such as walls, fences, roads and driveways, whose use or responsibility for maintenance may have an effect on the Property and any encroachments, easements or similar matters that may affect the Property. (Fences, hedges, walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. Property lines may be verified by survey.) (Unless otherwise specified in writing, any numerical statements by Brokers regarding lot size are APPROXIMATIONS ONLY, which have not been and will not be verified, and should not be relied upon by Buyer.)

F. **ZONING AND LAND USE:** Past, present, or proposed laws, ordinances, referendums, initiatives, votes, applications and permits affecting the current use of the Property, future development, zoning, building, size, governmental permits and inspections. Any zoning violations, non-conforming uses, or violations of "setback" requirements. (Buyer should also investigate whether these matters affect Buyer's intended use of the Property.)

G. **UTILITIES AND SERVICES:** Availability, costs, restrictions and location of utilities and services, including but not limited to, sewerage, sanitation, septic and leach lines, water, electricity, gas, telephone, cable TV and drainage.

H. **ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel, oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, including mold (airborne, toxic or otherwise), fungus or similar contaminant, materials, products or conditions.

I. **GEOLOGIC CONDITIONS:** Geologic/seismic conditions, soil and terrain stability, suitability and drainage including any slippage, sliding, flooding, drainage, grading, fill (compacted or otherwise), or other soil problems.

J. **NATURAL HAZARD ZONE:** Special Flood Hazard Areas, Potential Flooding (Inundation) Areas, Very High Fire Hazard Zones, State Fire Responsibility Areas, Earthquake Fault Zones, Seismic Hazard Zones, or any other zone for which disclosure is required by Law.

K. **PROPERTY DAMAGE:** Major damage to the Property or any of the structures or non-structural systems and components and any personal property included in the sale from fire, earthquake, floods, landslides or other causes.

L. **NEIGHBORHOOD, AREA AND PROPERTY CONDITIONS:** Neighborhood or area conditions, including Agricultural Use Restrictions pursuant to the Williamson Act (Government Code §§51200-51295), Right To Farm Laws (Civil Code §3482.5 and §3482.6),schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, abandoned mining operations on the Property, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

M. **COMMON INTEREST SUBDIVISIONS; OWNER ASSOCIATIONS:** Facilities and condition of common areas (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others), Owners' Association that has any authority over the subject property, CC&Rs, or other deed restrictions or obligations, and possible lack of compliance with any Owners' Association requirements.

N. **SPECIAL TAX:** Any local agencies that levy a special tax on the Property pursuant to the Mello-Roos Community Facilities Act or Improvement Bond Act of 1915.

O. **RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants and the right of a landlord to terminate a tenancy.

P. **MANUFACTURED HOME PLACEMENT:** Conditions that may affect the ability to place and use a manufactured home on the Property.

18. TITLE AND VESTING:

A. Within the time specified in paragraph 19, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 19B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within **7 Days** After Acceptance, give Escrow Holder a completed Statement of Information.

B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: **(i)** monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and **(ii)** those matters which Seller has agreed to remove in writing.

C. Within the time specified in paragraph 19A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.

E. Buyer shall receive a "CLTA/ALTA Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and shall pay any increase in cost.

19. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

A. **SELLER HAS: 7 (or 21) Days** After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 3M, 7A, 8, 9, 12A, B, and E, 13, 16A and 18A. Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not Delivered the items within the time specified.

B. **(1) BUYER HAS: 17 (or 60) Days** After Acceptance, unless otherwise agreed in writing, to:
(i) complete all Buyer Investigations; review all disclosures, reports, and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and **(ii)** Deliver to Seller Signed Copies of Statutory Disclosures and other disclosures Delivered by Seller in accordance with paragraph 12A.

(2) Within the time specified in paragraph 19B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.

(3) By the end of the time specified in paragraph 19B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 19A, then Buyer has **5 (or ___) Days** After Delivery of any such items, or the time specified in paragraph 19B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.

(4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 19B(1) and before Seller cancels, if at all, pursuant to paragraph 19C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 19C(1).

C. **SELLER RIGHT TO CANCEL:**

(1) **Seller right to Cancel; Buyer Contingencies:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

(2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): **(i)** Deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; **(ii)** Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); **(iii)** Deliver a letter as required by paragraph 3J(1); **(iv)** Deliver verification as required by paragraph 3C or 3H or if Seller reasonably disapproves of the verification provided by paragraph 3C or 3H; **(v)** Return Statutory Disclosures as required by paragraph 12A; or **(vi)** Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 27B; or **(vii)** Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

D. **NOTICE TO BUYER OR SELLER TO PERFORM:** The NBP or NSP shall: **(i)** be in writing; **(ii)** be signed by the applicable Buyer or Seller; and **(iii)** give the other Party at least **2 (or ___) Days** After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than **2 Days** Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 19.

E. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: **(i)** completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; **(ii)** elected to proceed with the transaction; and **(iii)** assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.

F. **CLOSE OF ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: **(i)** be signed by the applicable Buyer or Seller; and **(ii)** give the other Party at least **3 (or _____) Days** After Delivery to close escrow. A DCE may not be Delivered any earlier than **3 Days** Prior to the scheduled close of escrow.

G. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual Instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, **release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award.** If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursal of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. **A Party may be subject to a civil penalty of up to $1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).**

20. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: **(i)** obtain invoices and paid receipts for Repairs performed by others; **(ii)** prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and **(iii)** provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.

21. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within **5 (or ___) Days** Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: **(i)** the Property is maintained pursuant to paragraph 16; **(ii)** Repairs have been completed as agreed; and **(iii)** Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).

22. **ENVIRONMENTAL HAZARD CONSULTATION:** Buyer and Seller acknowledge: **(i)** Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; **(ii)** Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; **(iii)** Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and **(iv)** Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.

DS

Buyer's Initials (GB) (_____) Seller's Initials (_____) (_____)

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23. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: **(i)** for periods after Close Of Escrow, by Buyer; and **(ii)** for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

24. **BROKERS:**
   A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
   B. **SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: **(i)** Does not decide what price Buyer should pay or Seller should accept; **(ii)** Does not guarantee the condition of the Property; **(iii)** Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; **(iv)** Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; **(v)** Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; **(vi)** Shall not be responsible for inspecting public records or permits concerning the title or use of Property; **(vii)** Shall not be responsible for identifying the location of boundary lines or other items affecting title; **(viii)** Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; **(ix)** Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; **(x)** Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and **(xi)** Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

25. **REPRESENTATIVE CAPACITY:** If one or more Parties is signing the Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 37 or 38 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on the Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within **3 Days** After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

26. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
   A. **The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder,** which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5, 6, 7A, 8, 9, 12B, 18, 19G, 23, 24A, 25, 26, 32, 35, 36, 37, 38 and paragraph D of the section titled Real Estate Brokers on page 11. If a Copy of the separate compensation agreement(s) provided for in paragraph 24A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 9B(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or ___) **Days**, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 9, 12 or elsewhere in this Agreement.
   B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within **3 Days** After Acceptance (or _____). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 12B, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.
   C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 24A and paragraph D of the section titled Real Estate Brokers on page 11. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 24A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
   D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: **(i)** if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or **(ii)** if Buyer and Seller instruct Escrow Holder to cancel escrow.

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E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within **3 Days** after mutual execution of the amendment.

27. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.

B. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, Signed release instr uctions from both Buyer and Seller, judicial decision or arbitration award. AT TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R.FORM RID).

Buyer's Initials _____ / _____ Seller's Initials _____ / _____

28. DISPUTE RESOLUTION:

A. MEDIATION: The Parties 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 through the C.A.R. Consumer Mediation Center **(www.consumermediation.org)** or through any other mediation provider or service mutually agreed to by the Parties. The Parties **also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker.** 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 (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, 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. **Exclusions from this mediation agreement are specified in paragraph 28C.**

B. ARBITRATION OF DISPUTES:

The Parties 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. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of transactional real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 28C.

"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."

Buyer's Initials GB / _____ Seller's Initials _____ / _____

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

(1) EXCLUSIONS: The following matters are excluded from mediation and arbitration: (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; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.

(2) PRESERVATION OF ACTIONS: The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) 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; or (iii) the filing of a mechanic's lien.

(3) BROKERS: Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.

29. SELECTION OF SERVICE PROVIDERS: Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.

Buyer's Initials (GB) (_____) Seller's Initials (_____) (_____)

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[redacted]

Property Address: *9 M Street, Firebaugh, CA 93622* Date: *July 25, 2019*

30. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
31. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorneys fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 28A.
32. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller (C.A.R. Form AOAA).
33. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
34. **TERMS AND CONDITIONS OF OFFER:** This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all Parties or if incorporated by mutual agreement in a counteroffer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.
35. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance wth the Laws of the State of California. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**
36. **DEFINITIONS:** As used in this Agreement:
    A. **"Acceptance"** means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
    B. **"Agreement"** means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.
    C. **"C.A.R. Form"** means the most current version of the specific form referenced or another comparable form agreed to by the parties.
    D. **"Close Of Escrow"** means the date the grant deed, or other evidence of transfer of title, is recorded.
    E. **"Copy"** means copy by any means including photocopy, NCR, facsimile and electronic.
    F. **"Days"** means calendar days. However, after Acceptance, the last **Day** for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
    G. **"Days After"** means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
    H. **"Days Prior"** means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
    I. **"Deliver", "Delivered"** or **"Delivery"**, unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page11, regardless of the method used (i.e., messenger, mail, email, fax, other).
    J. **"Electronic Copy" or "Electronic Signature"** means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
    K. **"Law"** means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
    L. **"Repairs"** means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
    M. **"Signed"** means either a handwritten or electronic signature on an original document, Copy or any counterpart.
37. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by _____, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by _____ ☐ AM/ ☐ PM, on _____ (date)).

☐ One or more Buyers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-B) for additional terms.

7/29/2019
Date _____ BUYER _____ DocuSigned by: George Boyadjian 574F4C07060647F...

(Print name) *George Boyadjian and/or Assigns*

Date _____ BUYER _____

(Print name) _____

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

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Property Address: *9 M Street, Firebaugh, CA 93622* Date: *July 25, 2019*

38. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer and agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

☐ (If checked) SELLER'S ACCEPTANCE IS **SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED:** _____.

☐ One or more Sellers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S) for additional terms.

Date _____ SELLER _____

(Print name) _____

Date _____ SELLER _____

(Print name) _____

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

(_____/_____) (Initials) **(Do not initial if making a counter offer.) CONFIRMATION OF ACCEPTANCE:** A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) _____ at _____ ☐ AM/ ☐ PM. **A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.**

REAL ESTATE BROKERS:

A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

B. Agency relationships are confirmed as stated in paragraph 2.

C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.

D. COOPERATING (BUYER'S) BROKER COMPENSATION: Seller's Broker agrees to pay Buyer's Broker and Buyer's Broker agrees to accept, out of Seller's Broker's proceeds in escrow, the amount specified in the MLS, provided Buyer's Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Seller's Broker and Buyer's Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

E. PRESENTATION OF OFFER: Pursuant to Standard of Practice 1-7, if Buyer's Broker makes a written request, Seller's Broker shall confirm in writing that this offer has been presented to Seller.

Buyer's Brokerage Firm *HomeBased Realty* DRE Lic. *#01316623*

By _____ *Craig J. Knight* DRE Lic. # *01117535* Date *11-29-19*

By _____ DRE Lic. # _____ Date _____

Address *1572 10th Street, Suite A* City *Firebaugh* State *CA* Zip *93622*

Telephone *(559)659-3935* Fax *(559)659-3604* E-mail *craigknightrealtor@gmail.com*

Seller's Brokerage Firm *London Properties Ltd.* DRE Lic. *#00463722*

By _____ *Mike Garabedian* DRE Lic. # *01189466* Date _____

By _____ DRE Lic. # _____ Date _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail _____

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of $ _____), counter offer numbers _____ ☐ Seller's Statement of Information and _____, and agrees to act as Escrow Holder subject to paragraph 26 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____

Escrow Holder _____ Escrow # _____

By _____ Date _____

Address _____

Phone/Fax/E-mail _____

Escrow Holder has the following license number # _____

☐ Department of Business Oversight, ☐ Department of Insurance, ☐ Department of Real Estate.

PRESENTATION OF OFFER: (_____) Seller's Broker presented this offer to Seller on _____ (date).
Broker or Designee Initials

REJECTION OF OFFER: (_____)(_____) No counter offer is being made. This offer was rejected by Seller on _____ (date).
Seller's Initials

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Buyer's Acknowledgment that page 11 is part of this Agreement (*GD*)(_____)

CALIFORNIA ASSOCIATION OF REALTORS®

BUYER'S VACANT LAND ADDITIONAL INSPECTION ADVISORY

(C.A.R. Form BVLIA, 11/13)

HomeBased Realty

Property Address: *9 M Street, Firebaugh, CA 93622* ("Property").

A. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. For this reason, you should conduct thorough investigations of the Property personally and with professionals who should provide written reports of their investigations. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations. Additionally, some inspections, such as those listed below, may be of particular importance when purchasing vacant land.

B. BUYER RIGHTS AND DUTIES: You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. The purchase agreement gives you the right to investigate the Property. If you exercise this right, and you should, you must do so in accordance with the terms of that agreement. This is the best way for you to protect yourself. It is extremely important for you to read all written reports provided by professionals and to discuss the results of inspections with the professional who conducted the inspection. You have the right to request that Seller make repairs, corrections or take other action based upon items discovered in your investigations or disclosed by Seller. If Seller is unwilling or unable to satisfy your requests, or you do not want to purchase the Property in its disclosed and discovered condition, you have the right to cancel the agreement if you act within specific time periods. If you do not cancel the agreement in a timely and proper manner, you may be in breach of contract.

C. SELLER RIGHTS AND DUTIES: Seller is required to disclose to you material facts known to him/her that affect the value or desirability of the Property. However, Seller may not be aware of some Property defects or conditions. Seller does not have an obligation to inspect the Property for your benefit nor is Seller obligated to repair, correct or otherwise cure known defects that are disclosed to you or previously unknown defects that are discovered by you or your inspectors during escrow. The purchase agreement obligates Seller to make the Property available to you for investigations.

D. BROKER OBLIGATIONS: Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as soil stability, geologic or environmental conditions, hazardous or illegal controlled substances, structural conditions of the foundation or other improvements, or the condition of the roof, plumbing, heating, air conditioning, electrical, sewer, septic, waste disposal, or other system. The only way to accurately determine the condition of the Property is through an inspection by an appropriate professional selected by you. If Broker gives you referrals to such professionals, Broker does not guarantee their performance. You may select any professional of your choosing. If you have entered into a written agreement with a Broker, the specific terms of that agreement will determine the nature and extent of that Broker's duty to you. **YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

E. YOU ARE ADVISED TO CONDUCT INVESTIGATIONS OF THE ENTIRE PROPERTY, INCLUDING, BUT NOT LIMITED TO THE FOLLOWING:

1. **FINANCE:** Financing the purchase of vacant land finance and especially financing construction loans for the improvement of vacant land can provide particular challenges, including subordination agreements and insurance requirements. Buyer is advised to seek the assistance of reputable lenders in assistance with their decisions regarding financing of the property.
2. **CONSTRUCTION COSTS:** If Buyer is contemplating building improvements on the property, Buyer is advised that they will have to contact directly any contractors, service providers, suppliers, architects, utility companies regarding the costs of improvements. Buyer is advised to get written bids from all such persons regarding their decision to develop the property.
3. **UTILITIES:** Unimproved property may or may not have utilities available to the property. Buyer(s) is advised to obtain information from the public or private utility provider about the availability and cost of providing utilities to the property and whether necessary easements are in place to allow such utilities to the property.
4. **ENVIRONMENTAL SURVEY:** Unimproved land may have had or may have hazardous materials stored upon or under the land or been used by persons engaged in activities exposing the land to hazardous materials. The land may also be host to protected vegetation or animal life. Buyer(s) is advised to satisfy themselves as what hazards or protected plant or animal life are on the property and what impact they may have on Buyer's future plans for the property by seeking the help of a qualified professional.

Buyer's Initials (GB) (_____) Seller's Initials (_____) (_____)

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HomeBased Realty, 42402 10th Street West, Suite J Lancaster CA 93534 Phone: (559) 367-7437 Fax: (559) 659-3604 008-140-09 / M
Craig Knight

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Property Address: *9 M Street, Firebaugh, CA 93622* Date: *July 25, 2019*

5. **NATURAL HAZARDS REPORTS:** Buyer(s) is advised that while certain disclosures are required by state, federal and local laws, hazard disclosure companies can provide additional disclosures for both natural and man-made hazards or nuisances for a cost. Buyer is advised to seek the advice of a natural hazards reporting company regarding additional reports and disclosures that buyer may wish to obtain.
6. **SUBDIVISION OF THE PROPERTY:** If Buyer's plans include future subdivision of the property (whether under the Subdivision Map Act of the Subdivided Lands Law) multiple, complex issues regarding city, county, state, and federal laws may be presented. Buyer is strongly advised to seek the advice of California legal counsel familiar with federal, state and local subdivision requirements.

Buyer and Seller acknowledge and agree that Broker: **(i)** Does not decide what price Buyer should pay or Seller should accept; **(ii)** Does not guarantee the condition of the Property; **(iii)** Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; **(iv)** Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; **(v)** Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; **(vi)** Shall not be responsible for inspecting public records or permits concerning the title or use of Property; **(vii)** Shall not be responsible for identifying the location of boundary lines or other items affecting title; **(viii)** Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; **(ix)** Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and **(x)** Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

By signing below, Buyer and Seller each acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyer is encouraged to read it carefully.

SELLER _____ Date _____

SELLER _____ Date _____

BUYER DocuSigned by: George Boyadjian 574F4C07000047F... Date 7/29/2019

George Boyadjian and/or Assigns

BUYER _____ Date _____

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CALIFORNIA ASSOCIATION OF REALTORS®

POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER - DISCLOSURE AND CONSENT

(C.A.R. Form PRBS, Revised 12/18)

A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual broker's or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

Multiple Buyers: Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

Multiple Sellers: Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

Dual Agency: If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

In the event of dual agency, seller and buyer agree that: a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the buyer's or seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the seller's willingness to accept a price less than the listing price or the buyer's willingness to pay a price greater than the price offered; and except as set forth above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the Property to both parties.

Offers not necessarily confidential: Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy and the instructions of the seller.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller - Disclosure and Consent and agrees to the agency possibilities disclosed.

Seller _____ Date _____

Seller _____ Date _____

Buyer DocuSigned by: George Boyadjian 574FAC87060847F... George Boyadjian and/or Assigns Date 7/29/2019

Buyer _____ Date _____

Buyer's Brokerage Firm *HomeBased Realty* DRE Lic # *01316623* Date *07/25/2019*

By *Craig J. Knight* DRE Lic # *01117535* Date _____

Seller's Brokerage Firm *London Properties Ltd.* DRE Lic # *00463722* Date _____

By *Mike Garabedian* DRE Lic # *01189466* Date _____

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Craig Knight
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008-140-09 / M

CALIFORNIA ASSOCIATION OF REALTORS®

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(Buyer's Brokerage Firm to Buyer)
(As required by the Civil Code)
(C.A.R. Form AD, Revised 12/18)

HomeBased Realty

☐ (If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(j), (k) and (l).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A Buyer's agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more salespersons and broker associates, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

(a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the Buyer's or Seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the Seller's willingness to accept a price less than the listing price or the Buyer's willingness to pay a price greater than the price offered.

SELLER AND BUYER RESPONSIBILITIES

Either the purchase agreement or a separate document will contain a confirmation of which agent is representing you and whether that agent is representing you exclusively in the transaction or acting as dual agent. Please pay attention to that confirmation to make sure it accurately reflects your understanding of your agent's role.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

If you are a Buyer, you have the duty to exercise reasonable care to protect yourself, including as to those facts about the property which are known to you or within your diligent attention and observation.

Both Sellers and Buyers should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. **This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).**

DocuSigned by:

☒ Buyer ☐ Seller ☐ Landlord ☐ Tenant George Boyadjian Date 7/29/2019
George Boyadjian and/or Assigns 974FC07060647F...

☐ Buyer ☐ Seller ☐ Landlord ☐ Tenant _____ Date _____

Agent _____ *HomeBased Realty* DRE Lic. # *01316623*
Real Estate Broker (Firm)

By _____ DRE Lic. # *01117535* Date 7-29-19
(Salesperson or Broker-Associate, if any) *Craig J. Knight*

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Craig Knight
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CIVIL CODE SECTIONS 2079.13 – 2079.24 (2079.16 APPEARS ON THE FRONT)

2079.13. As used in Sections 2079.7 and 2079.14 to 2079.24, inclusive, the following terms have the following meanings:
(a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. The agent in the real property transaction bears responsibility for that agent's salespersons or broker associates who perform as agents of the agent. When a salesperson or broker associate owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the salesperson or broker associate functions. **(b)** "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee of real property. **(c)** "Commercial real property" means all real property in the state, except (1) single-family residential real property, (2) dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, (3) a mobilehome, as defined in Section 798.3, (4) vacant land, or (5) a recreational vehicle, as defined in Section 799.29. **(d)** "Dual agent" means an agent acting, either directly or through a salesperson or broker associate, as agent for both the seller and the buyer in a real property transaction. **(e)** "Listing agreement" means a written contract between a seller of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer, including rendering other services for which a real estate license is required to the seller pursuant to the terms of the agreement. **(f)** "Seller's agent" means a person who has obtained a listing of real property to act as an agent for compensation.**(g)** "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the seller's agent. **(h)** "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. **(i)** "Offer to purchase" means a written contract executed by a buyer acting through a buyer's agent that becomes the contract for the sale of the real property upon acceptance by the seller. **(j)** "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property, and includes (1) single-family residential property, (2) multiunit residential property with more than four dwelling units, (3) commercial real property, (4) vacant land, (5) a ground lease coupled with improvements, or (6) a manufactured home as defined in Section 18007 of the Health and Safety Code, or a mobilehome as defined in Section 18008 of the Health and Safety Code, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. **(k)** "Real property transaction" means a transaction for the sale of real property in which an agent is retained by a buyer, seller, or both a buyer and seller to act in that transaction, and includes a listing or an offer to purchase. **(l)** "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. **(m)** "Seller" means the transferor in a real property transaction and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor of real property. **(n)** "Buyer's agent" means an agent who represents a buyer in a real property transaction.
2079.14. A seller's agent and buyer's agent shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and shall obtain a signed acknowledgment of receipt from that seller and buyer, except as provided in Section 2079.15, as follows: **(a)** The seller's agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. **(b)** The buyer's agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase. If the offer to purchase is not prepared by the buyer's agent, the buyer's agent shall present the disclosure form to the buyer not later than the next business day after receiving the offer to purchase from the buyer.
2079.15. In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent shall set forth, sign, and date a written declaration of the facts of the refusal.
2079.16 Reproduced on Page 1 of this AD form.
2079.17(a) As soon as practicable, the buyer's agent shall disclose to the buyer and seller whether the agent is acting in the real property transaction as the buyer's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the buyer's agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. **(b)** As soon as practicable, the seller's agent shall disclose to the seller whether the seller's agent is acting in the real property transaction as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the seller's agent prior to or coincident with the execution of that contract by the seller.
CONFIRMATION: The following agency relationships are confirmed for this transaction:

Seller's Brokerage Firm DO NOT COMPLETE. SAMPLE ONLY License Number
Is the broker of (check one): ☐ the seller; or ☐ both the buyer and seller. (dual agent)
Seller's Agent DO NOT COMPLETE. SAMPLE ONLY License Number
Is (check one): ☐ the Seller's Agent. (salesperson or broker associate) ☐ both the Buyer's and Seller's Agent. (dual agent)
Buyer's Brokerage Firm DO NOT COMPLETE. SAMPLE ONLY License Number
Is the broker of (check one): ☐ the buyer; or ☐ both the buyer and seller. (dual agent)
Buyer's Agent DO NOT COMPLETE. SAMPLE ONLY License Number
Is (check one): ☐ the Buyer's Agent. (salesperson or broker associate) ☐ both the Buyer's and Seller's Agent. (dual agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14. An agent's duty to provide disclosure and confirmation of representation in this section may be performed by a real estate salesperson or broker associate affiliated with that broker.
2079.18 (Repealed pursuant to AB-1289)
2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.
2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.
2079.21 (a) A dual agent may not, without the express permission of the seller, disclose to the buyer any confidential information obtained from the seller. **(b)** A dual agent may not, without the express permission of the buyer, disclose to the seller any confidential information obtained from the buyer. **(c)** "Confidential information" means facts relating to the client's financial position, motivations, bargaining position, or other personal information that may impact price, such as the seller is willing to accept a price less than the listing price or the buyer is willing to pay a price greater than the price offered. **(d)** This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.
2079.22 Nothing in this article precludes a seller's agent from also being a buyer's agent. If a seller or buyer in a transaction chooses to not be represented by an agent, that does not, of itself, make that agent a dual agent.
2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.
2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

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EQUAL HOUSING OPPORTUNITY

CALIFORNIA ASSOCIATION OF REALTORS®

WIRE FRAUD AND ELECTRONIC FUNDS TRANSFER ADVISORY

(C.A.R. Form WFA, Revised 12/17)

HomeBased Realty

Property Address: *9 M Street, Firebaugh, CA 93622* ("Property").

WIRE FRAUD AND ELECTRONIC FUNDS TRANSFERS ADVISORY:

The ability to communicate and conduct business electronically is a convenience and reality in nearly all parts of our lives. At the same time, it has provided hackers and scammers new opportunities for their criminal activity. Many businesses have been victimized and the real estate business is no exception.

While wiring or electronically transferring funds is a welcome convenience, we all need to exercise extreme caution. Emails attempting to induce fraudulent wire transfers have been received and have appeared to be legitimate. Reports indicate that some hackers have been able to intercept emailed transfer instructions, obtain account information and, by altering some of the data, redirect the funds to a different account. It also appears that some hackers were able to provide false phone numbers for verifying the wiring or funds transfer instructions. In those cases, the victim called the number provided to confirm the instructions, and then unwittingly authorized a transfer to somewhere or someone other than the intended recipient.

ACCORDINGLY, YOU ARE ADVISED:

1. **Obtain phone numbers and account numbers only from Escrow Officers, Property Managers, or Landlords at the beginning of the transaction.**
2. **DO NOT EVER WIRE OR ELECTRONICALLY TRANSFER FUNDS PRIOR TO CALLING TO CONFIRM THE TRANSFER INSTRUCTIONS. ONLY USE A PHONE NUMBER YOU WERE PROVIDED PREVIOUSLY. Do not use any different phone number or account number included in any emailed transfer instructions.**
3. **Orally confirm the transfer instruction is legitimate and confirm the bank routing number, account numbers and other codes before taking steps to transfer the funds.**
4. **Avoid sending personal information in emails or texts. Provide such information in person or over the telephone directly to the Escrow Officer, Property Manager, or Landlord.**
5. **Take steps to secure the system you are using with your email account. These steps include creating strong passwords, using secure WiFi, and not using free services.**

If you believe you have received questionable or suspicious wire or funds transfer instructions, immediately notify your bank, and the other party, and the Escrow Office, Landlord, or Property Manager. The sources below, as well as others, can also provide information:

Federal Bureau of Investigation: https://www.fbi.gov/; the FBI's IC3 at www.ic3.gov; or 310-477-6565

National White Collar Crime Center: http://www.nw3c.org/

On Guard Online: https://www.onguardonline.gov/

NOTE: There are existing alternatives to electronic and wired fund transfers such as cashier's checks.

By signing below, the undersigned acknowledge that each has read, understands and has received a copy of this Wire Fraud and Electronic Funds Transfer Advisory.

Buyer/Tenant DocuSigned by: George Boyadjian 574F4C07060847F... *George Boyadjian and/or Assigns* Date 7/29/2019

Buyer/Tenant _____ Date _____

Seller/Landlord _____ Date _____

Seller/Landlord _____ Date _____

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Zoning Verification Letter

CITY OF FIREBAUGH
PLANNING DEPARTMENT

June 28, 2019

Firebaugh Development Corporation
[redacted]
ATTN: [redacted]

RE: Zoning Verification Letter for Cannabis Permit – Assessor Parcel Number 008-140-009

Dear [redacted]

This letter serves to verify the zoning of the property at Assessor Parcel Number 008-014-009. This parcel is located on the west M Street, south of 12th Street (between 13th and 14th Streets).

According to the official Firebaugh zoning map, the parcel is zoned M-1 (Light Industrial). This zone does not currently allow for the establishment of cannabis related businesses. However, the City Council will be considering adoption of an ordinance to allow cannabis businesses in this zone on July 1, 2019.

The only zone that currently allows for cannabis businesses is the M-2 (Heavy Industrial) zone.

I hope the foregoing information is clear. If you have any questions or need additional information, feel free to contact me at my Visalia office.

Sincerely,

Karl Schoetler, City Planning Consultant
City of Firebaugh

Collins & Schoettler
1002 W. Main Street
Visalia, CA 93291
(559) 734-8737
fax: 559-734-8767
email: karl@weplancities.com

Neighborhood Compatibility Plan

We intend to design our facility with a pleasing exterior esthetic that will reinforce our image as a trusted member of Firebaugh's business community. Because our goal is to seamlessly fit within the local business community and become a trusted constituent, we will design the exterior of our facility to approximate the more modern businesses in the area, within the architectural specifications required by the City of Firebaugh.

Design Concept Integration

Access to a highly skilled workforce created by Firebaugh's rich agricultural history and a strong sense of community are two of the primary drivers in our decision to locate in Firebaugh. When driving through the commercial areas of the city, one gets a sense that there are very few itinerant businesses. Companies that choose Firebaugh, seemingly set down roots and stay in Firebaugh. The only way to do that is it be accepted by the community and to build loyalty with the people that live in the community.

Our long-term goal is to be a trusted part of Firebaugh's business community. To accomplish that goal, we will have to proceed through a number of steps to gain the trust of the community and its caretakers. The very first step is design esthetics. To put it plainly, we need to look like we belong in the neighborhood. It is our belief that we can become well known, yet operate from a tasteful and inconspicuous setting, in line with the design parameters of the neighborhood.

Integration of Security Measures

Our goal will be to balance design with security, to help make safety concerns "fade into the background." We will do this not only with technology and inconspicuous placing of cameras and instrumentation but also by applying advanced security protocols designed by our Chief Security Consultant.

The physical design of the premises, its security strategies, and policies governing the day to day operation of this facility will be integrated using *Crime Prevention Through Environmental* Design strategies, including natural surveillance, territorial reinforcement and target hardening. Research into criminal behavior demonstrates that the decision to offend or not to offend is more influenced by cues to the perceived risk of being caught than by cues to reward or ease of entry. Consistent with this research CPTED based strategies emphasize enhancing the perceived risk of detection and apprehension.

Natural Surveillance limits the opportunity for crime by taking steps to increase the perception that people can be seen. It occurs by designing the placement of physical features, activities and people in such a way as to maximize visibility. Potential offenders feel increased scrutiny and perceive few ways to avoid detection.

Territorial Reinforcement promotes social control through increased definition of space and improved proprietary concern. An environment designed to clearly delineate private space does two things. First, it creates a sense of ownership. Owners have a vested interest and are more likely to challenge intruders or report them to security or law enforcement personnel. Second, the sense of owned space creates an environment where "strangers" or "intruders" stand out and are more easily identified.

Target hardening is a term used in security, law enforcement and military services and refers to the strengthening of the building in order to reduce the risk of theft. It is believed that a strong, visible defense will deter or delay most opportunistic offenders. Methods for target hardening that are incorporated into the security plan of the facility include:

- Ensuring all doors and windows are sourced and fitted in such a way that they can resist forcible and surreptitious intruder attack;
- Separating the public aspect from the product room with door redundancies to heighten access control;
- Maintaining a robust indoor and outdoor surveillance system;
- Maintaining a robust UL rated intrusion detection system;
- Maintaining a state-of-the-art electronic access control system;
- Maintaining a uniformed security presence during all hours; and
- Maintaining stringent hiring and training standards and continuing education.

Thoughtful security integration and environmental design should support safety and deter crime. For example, a clearly demarcated and well-lit path from the parking garage to the entrance, coupled with one main entry to a building versus multiple entries, helps bolster a building's perimeter security. The intent is less about keeping people out than it is about creating an environment where employees feel safe.

We will address and mitigate a myriad of potential problems associated with the control of human movement. These problems include vehicles backed up in and around exterior entrances; employees' bottle-necked at electronically controlled doors; opportunists roving outdoor areas in search of victims, and robberies at point of ingress/egress.

Site Plan

We propose a professional use of the parcel located at APN 008-140-09 to include fully licensed distribution, manufacturing and retail/delivery facilities. All operations will provide not only ample distance from sensitive areas, but also ease of access for inspection, enforcement, provision of services, delivery of supplies to and product transportation from, the site to licensed distribution and retail facilities.

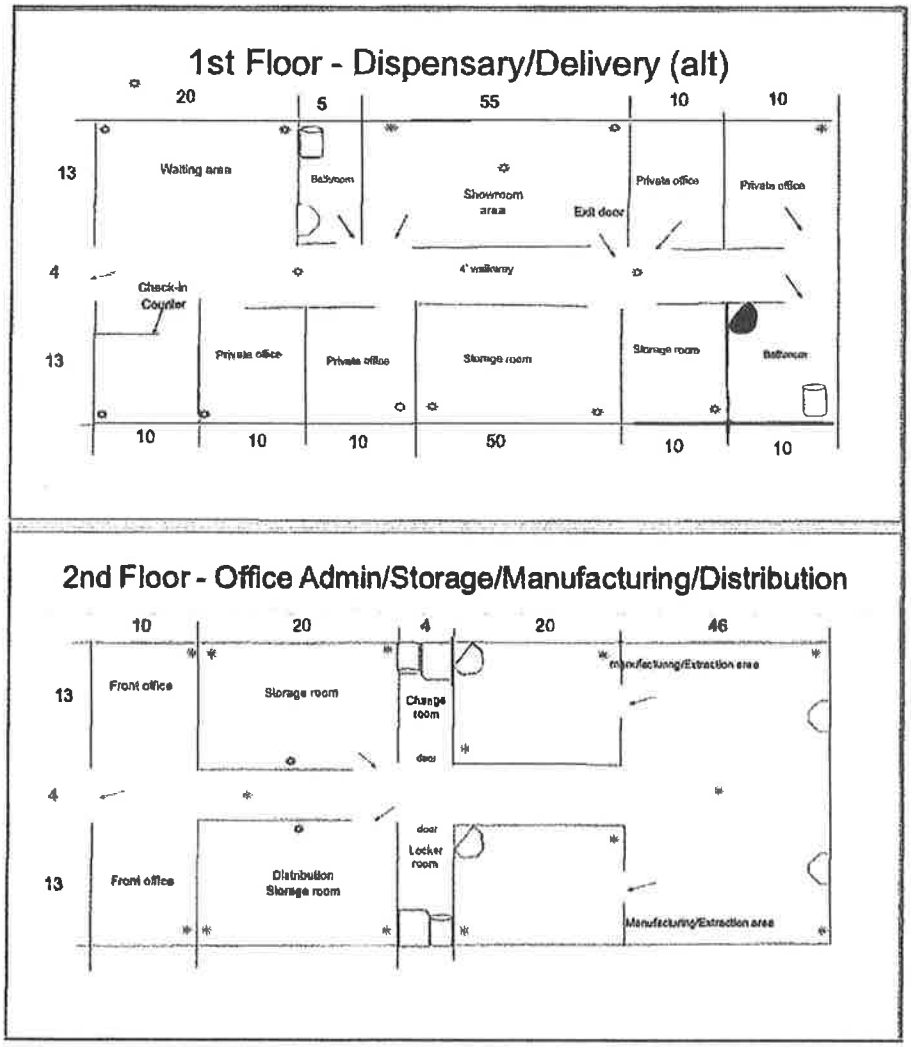
The presently vacant area provides for site design in consideration of environmental, resource and space conservation. Site design for the facilities will include thoughtful setbacks providing maximum distance from any neighboring parcel zoned for prospective residential use. Upon approval, the individually permitted commercial sites shall comply with regulations set forth by the City of Firebaugh, as well as regulations set forth by the State of California, and as detailed throughout this proposal packet. The business site on the property, will include the following compliant features:

- Secure processing and manufacturing areas;
- Maximum security level biometric scanners at Ingress points,
- Solar energy provisions,
- Innovative workstation designs to facilitate employee ergonomic functioning and to minimize waste,
- Maximum level storage safes with limited access afforded by biometric access technology, and
- Security Administration area featuring offices, restrooms, employee meal break area, secure document and digital record storage, and training room.

The facility will feature:

- **Security Conscious Design** featuring: pre-fabricated steel building with allowing a central location for sensitive areas, insulated steel doors; bio-metric limited access points; ample buffer space between flower area and walls with wide walkways between crop lots for ease of maneuverability and emergency service access;
- **Environmentally Friendly Design** including: fine-tuned irrigation system with mechanized control; insulated end walls; high efficiency temperature control units, and renewable solar energy sources;
- **Advanced Technologies** includes Industry best HVAC equipment for ventilation and temperature regulation;

- **Maximum Security** level bio-metric scanners at ingress points; solar energy provisions; innovative work station designs to facilitate employee ergonomic functioning and minimize waste; maximum level storage safes with limited access afforded by bio-metric access technology.
- **Efficient Utility Systems** for water and electric utility services;
- **Top to Bottom Compliance** with proposed state regulations including, Article 3, §8206, regarding multiple operations including: unique entrance for the licensed premises and immovable physical barriers between uniquely licensed premises.



Environmental Impact Mitigation

Understanding the environmental complexities of a cannabis operation, it is critical to be mindful of our impact as an operation in the local business community. The following actions will be integrated into our business to ensure environmental protection:

- Use of solar technology to conserve community energy resources,
- Integration of automated and monitored watering system to conserve limited water resources,
- Site-wide recycling program, and
- Use of waste products as compost pursuant to California law.

FDC will create a dedicated quarantine area, and will take precautions to secure the area, and make cannabis waste "unusable and unrecognizable" before removing it from the premises. This will be done by grinding and incorporating the cannabis waste with non-consumable solid waste such that the resulting mixture is at least 50% non-cannabis waste.

Permitted types of non-consumable solid waste for these purposes will include paper, plastic, cardboard, food waste, grease or other compostable oil waste, a compost activator, or soil.

Cannabis waste will then be labeled with a bill of lading or shipping manifest that indicates product information and weight.

Finally, it will be held in the quarantine location secured for at least 72 hours before being removed from the premises. All of this must be done on camera, and a separate surveillance camera with 30-day archive is required for the quarantine area.

Air Quality/Odor Control

FDC will utilize state of the art filters to control the transmission of cannabis-related odors both inside and outside of the facilities.

Understanding the environmental complexities of a cannabis retail operation, it is critical to be mindful of our impact as an operation in the local business community. As an anticipated licensed cannabis retail distribution operation, we intend to preserve air quality, conserve community energy resources, assure operational integration with city-wide recycling programs pursuant to California law, and deploy any other measures feasible to protect the environment per best business practices.

During the building permitting process, we will submit a detailed description of the ventilation system we use in our facility, including how the ventilation systems prevent odor from escaping the facility and how to mitigate any noxious fumes or gases. We understand that we will be responsible for the development, implementation, and maintenance of our odor management plan, which will be based on industry-specific, best control technologies and best management practices.

We also understand that we will be required to maintain, and provide to the City upon request, all records relating to odor management, including, but not limited to, system installation, maintenance, any equipment malfunctions and deviations from odor management plan. We will further maintain records of odor complaints received and response actions thereto for submittal to the City, upon request.

Sustainability Statement

FDC believes it has innovative solutions to create a sustainable distribution and manufacturing operation and to incorporate attendant environmental benefits. The use of compost brewers to create compost teas, composting organic waste, the use of recycled materials in production and the use of naturally based nutrients will lend to a more sustainable medical cannabis production cycle without creating damage to the local environment, watersheds, streams and other habitats for wildlife within Fresno County. Alternatively, a waste management company will be hired to collect and process waste into compost. Our intent is to act as a good steward of the land which we love and ensure that the practices we utilize reduce our footprint on the land, water and air we share with others in the Firebaugh community.

Labor and Employment

1. **Living Wages.** The company believes that a well-paid employee is a motivated employee. The company proposes to pay a living wage at approximately 150% of the prevailing wage to its managers and employees.
2. **Benefits and training.** FDC will offer benefits in compliance with all federal and state regulations. Full-time employees will have the opportunity to participate in healthcare insurance programs with employer contribution. FDC will offer employee training in not only hard skill areas directly related to the manufacturing process, but also in the legal aspects of the business, safety, and standards in support of a positive work environment.
3. **Equal opportunity.** The company welcomes diversity and inclusiveness. Accordingly, an effort will be made to provide equal opportunity in our Employment Practices to people of color, females, and seniors. Residents of the city of Firebaugh will be favored at all times in an effort to provide further economic stimulus through gainful employment for community members. In the event that qualified employees cannot be sourced from the city of Firebaugh, the company will find workers from inside Fresno County.

Sourcing from Local Enterprise

FDC desires to present an enhanced economic environment for the City of Firebaugh. In that interest, we will make a great effort to source employees and contractors from the local employment market. FDC will advertise, interview, and select employees from the City of Firebaugh, and will offer preference to local businesses for contracts including electrical services, HVAC, construction for build-out, security services, waste management, and maintenance.

Our Human Resources team will fill management and staff at this location with the most qualified Firebaugh residents available on the market. We will take special care in selecting people from the community that may have been disadvantaged by the war on cannabis in the past, or are financially underprivileged, and will help them build a career based on world class customer service and positive community values.

Business Plan

Overview

Our vision is to set the standard in the City of Firebaugh for cannabis-based business enterprises as a safe, stable and profitable operator. We wish to have a long-term and successful partnership with the City of Firebaugh and expect to generate significant tax revenue to benefit its citizens, while broadly benefiting the community through charitable contributions and a proactive approach to important social causes. FDC will not be only a local business, but a proud member of the community and will discretely contribute to local charity organizations and civic-minded projects.

Operations Plan

The development and operation of licensed retail sales outlets, particularly those in Fresno and Los Angeles Counties, are the primary focus of our parent company's business. State regulations require that a licensed Distributor take possession of, test, package and transport cannabis products between producers and retailers. It is for this reason that the establishment of a licensed distribution center in Firebaugh is critically important to our overall business strategy and our primary objective in this proposal.

Extracts are the fastest growing segment of the cannabis market. They are projected to comprise 40% of total retail sales. Because demand for these products is so high, we intend to assemble a relatively small extractions manufacturing operation on the property to augment the production we will have in our Long Beach location. We are highly experienced with manufacturing, production and marketing of these products. Management previously operated an extraction lab in Central California and marketed a popular line of concentrates.

A third priority for our company is the operation of a small retail store at the location. Because of the size of the local market and its relatively small demand, management anticipates that this area of the operation will focus mostly on delivery services to medical and adult-use customers in the surrounding areas.

Role of automation and designation of duties. The tasks associated with manufacturing, and distributing cannabis on a commercial scale are largely automated and do not necessarily require time-consuming labor, particularly during the manufacturing process. Tasks primarily function around management, compliance, monitoring of manufacturing operations, and other components of producing market-ready medical and adult use cannabis. As automation in the production process will ultimately lead to greater organizational efficiency and reduced costs associated with production, there is still a substantial load of tasks associated with the production of market-ready cannabis extracts. In addition to the tasks to be outlined, an on-call status will be established within the organization based upon the needs of the organization that specifies an employee as being designated to respond to or manage facility needs after the hour specified within the anticipated tasks. These potential after-hours tasks will be associated strictly with response to or management of emergency conditions related to the facility or projection matters occurring within the facility that require a response beyond the operating hours. In evaluating the daily routines and regimes to both management and production personnel, each requires a different daily routine to ensure the efficiency and the operational goals of the organization are met.

Management Roles. For efficiency and security purposes, managers will perform all tasks directly related to the administrative and business functions of the organization, including coordination of transactions with other licensed individuals. Management conducts a wide variety of tasks in the operation of the business, as follows:

- Serves as a liaison to coordinating contractors, personnel, guards, and others authorized to enter the facility;
- Provides administrative support in keeping detailed digital and physical records in relation to the operations and management of the facility;
- Ensures the safe, compliant operation of FDC production facilities and non-diversion of medical cannabis from the facility;
- Keeps detailed inventory tracking through the traceability platform, subject to audits from principles, outside consultants, accountants, bookkeepers, representatives, and/or agents of the city of Firebaugh and other state and local officials as needed, requested, or required;
- Provides support for contracted bookkeepers, accountants, and other financial and business management firms or consultants, or outside individuals with services relevant to the financial management of the financial and revenue numbers for FDC.
- Performs all other administrative tasks and provides leadership for the organization in a general context.

Administrative and Contractor Roles. The facility will contract on-site security guards, janitorial services, maintenance, skilled trades persons, human resources consultants, CPA, attorney and others providing essential services who will have access to the facility but will not be granted access to the production floor unless extenuating circumstances require the need for the individual to enter the production floor. For nearly all external business contractors, there will be no reason to enter the production floor at any time but FDC reserves the right to allow access to authorized individuals under the supervision of security and/or facility staff on an as-needed basis. These contractors will provide essential contract services for the organization so as to ensure transparency in operations and to allow for a bidding process to identify firms, consultants and individual contractors who best fit the needs and culture of the Company.

All distribution and production operations are designed to ensure operational best practices, prevent diversion of medical cannabis to unauthorized individuals, and provide a robust infrastructure of organizational productivity and efficiency. The operational plan reflects the robust policies, procedures, protocols and adherence to regulatory guidelines so as to avoid potential liabilities for operations that are not in compliance with the local and state regulations on the production of medical cannabis and adult use cannabis.

Policies, Procedures, Protocols

Direct Contact with Cannabis: The daily operations within the manufacturing area of the facility being proposed by FDC entail a number of duties to be performed outlined within the job descriptions of the various personnel positions. To expand on this, the processes, procedures and protocols to be enacted within the facility will enhance employee health, safety and welfare, and will contribute to the efficient and streamlined operations occurring on site.

Additional contracted labor in the form of janitorial, maintenance, repair or other unanticipated individual contractors or consultants needed to perform tasks to maintain the facility will be prohibited access to sensitive areas of the facility unless under the direct supervision of staff or security.

Hours of Operation: Our Manufacturing and Distribution operations will initially operate on an 8-hour basis between Monday and Friday with a daytime shift operating from 8:00am to 5:00pm, and additional shifts will be run when production or other circumstances dictate. As demand increases, we will run multiple daily shifts. Hours of operation for the retail store are anticipated to be from 9:00am to 9:00pm, seven days a week, closed only on Thanksgiving and Christmas days. Any access that otherwise occurs beyond these hours is subject to the scrutiny and authorization of principals, managers and/or security.

Scheduled Access Only: At no time should any unscheduled employee, contractor, or guest on site without proper clearance, permission and authorization for the guest to tour the premises away from sensitive production areas. The policies, procedures and protocols to follow will elaborate on the expectations for proper operations in compliance with all applicable state laws.

Quality Control. FDC will employ separate employees for quality control in its manufacturing facilities in order to ensure quality control through equipment inspection, maintenance, and strict adherence to internal controls for each step in the manufacturing process. In addition to state required testing, FDC will perform internal batch sampling and testing.

Written Security Protocol. Subsequent to licensing and prior to any employees working within the facility, FDC will develop and implement a total facilities safety and emergency handbook, including but not limited to all employees' completion of OSHA materials and classes offered by the state of California. The FDC Safety Protocol Handbook will include mandatory weekly safety meetings, fire prevention, individual work-area safety, reporting and ongoing education and certification.

Security - Storage. All finished medical marijuana products will be secured and locked in a room, safe, or vault, within limited and controlled access areas. All storage areas shall be monitored by video and by security personnel, as discussed above. Should FDC be awarded a distributor permit, cannabis products from third party suppliers and the manufacturing area can easily and securely, after testing, be transferred to the distribution holding center, as indicated on the site plan.

Security Responsiveness. FDC shall appoint an individual to be immediately responsive to the city and/or any law enforcement or community concerns.

Transparency with Government: The Company places great emphasis on quality and a safe product, free from pesticides and other chemicals. To this end, a tracking system will contain a unique identifier for each plant which will provide a detailed system of accountability. In order to comply with state of California regulations, this information will be transmitted to the state government in Sacramento. As a part of this attention to enhanced consumer safety, batch testing will be routinely performed in order to adhere to state regulations.

Product Handling: FDC will possess, process, handle, trim, cure, manufacture and distribute cannabis in compliance with all legal guidelines of the State of California, Fresno County, and Firebaugh. To help prevent diversion of medical marijuana to non-medical markets, FDC and

the Principals will document the interaction of each principal and employee with all products and with the track-and-trace system. Further, to maintain security, prevent fraud, and deter robberies, FDC will keep accurate physical and digital records and follow accepted cash handling practices, including regular bank runs and cash drops, and maintain a robust accounting of all cash transactions that occur within the retail environment.

Personnel

Anticipated Employment Count: As the operation grows and expands, we expect to increase total personnel up to 38 employees. A current register of active permanent employees will be made available to representatives and agents of the City of Firebaugh at any time, including the Fresno County Sheriff's Department. All employees will meet strict background check standards that ensure an individual employed within the facility does not pose a health, safety or welfare risk to the organization, the production facility and/or the community. Job descriptions are as follows:

- One (1) General Manager to oversee the entire operation, reporting to our Chief Executive

Distribution:

- One (1) Distribution Manager working a full-time schedule to ensure proper management of all aspects of the business;
- One (1) Inventory and Compliance Specialist to monitor and track all production;
- Two (2) Product Managers to manage supply and demand between the facility and the Fresno and Los Angeles markets;
- Two (2) Stock Clerks/Warehouse employees working a full-time schedule to stock shelves, pull orders and package products for shipment.
- One (1) Packaging Manager to supervise packaging operations;
- Six (6) Packaging Assemblers to package products;
- Two (2) Truckdrivers to transport products to retailers in Central and Southern California.
- One (1) Security Manager to oversee all security issues outside and within the facilities, as well as directing the uniform security services.

Manufacturing:

The projected permanent staff to be employed in the proposed manufacturing facility for FDC will include:

- One (1) Manufacturing Manager who shall oversee all production, compliance requirements of all facilities.
- One (1) Assistant Plant Manager who will oversee all systems and quality; and
- Up to eight (8) Manufacturing technicians to operate the equipment and produce the products.

A thorough job description of each position detailing required experience, knowledge and relevant skills will be provided to applicants upon notice of position availability.

Retail:

The projected permanent staff to be employed in the proposed retail facility for FDC will include:

- One (1) Retail Manager who will oversee all operations and compliance requirements.
- One (1) Assistant Retail Manager who will assist the Retail Manager in supervision of personnel and operations;
- Up to eight (8) Retail Assistants to service customers; and
- One (1) Security Guard to protect the operation.

A thorough job description of each position detailing required experience, knowledge and relevant skills will be provided to applicants upon notice of position availability.

Universal Requirements:

Personnel must show proficiency or an ability to be trained in the usage of technology including computers, tablets, mobile devices, bar code scanners, system monitoring interfaces, software and cloud-based trace-ability platforms and other unnamed or unspecified technologies that may be employed within the facility to ensure greater automation of processes in the manufacturing process. Drivers and/or contracted transportation firms shall meet and exceed all state road requirements.

Local Management

General Manager. In addition to the outlining of management roles and tasks in the proposed cannabis facility, the tasks of a General Manager shall be carried out in compliance with all local and state regulations. The General Manager role is defined as a full-time position requiring the General Manager to operate the premises from 8 a.m. to 5 p.m., Monday through Friday, and may be subject to properly compensated on-call terms. The General Manager will supervise the Compliance Manager, Retail Manager, Distribution Manager and Manufacturing Manager.

Compliance Manager. The Compliance Manager shall monitor and perform compliance activities throughout the facility, include monitoring any changes in state and local regulations. They also include developing and maintaining records, policies and procedures so that there are no illegal unethical or unprofessional behavior practices among our employees. The Compliance Manager shall also conduct regularly scheduled audits of inventory, finances, and facility operations. If questionable behavior or neglect of strict compliance with State and local regulations involving product handling, facilities maintenance, record-keeping, and other activities are found, the Compliance Manager is responsible for making sure these problems are corrected immediately. The Compliance Manager is also responsible to assure that all our employees are trained to fully understand all cannabis business compliance risks, even ones they may not encounter normally.

Distribution Manager. As a distributor of cannabis products, we recognize our responsibilities as a key part of the seed-to-sale compliance requirements of cannabis industry regulations. This job includes activities of storage, transportation, product tracking, product testing, product packaging, tax tracking and collection, employee training and regulatory compliance, as follows:

- Manage all transportation and storage of cannabis products;
- Keep accurate records of the entire value chain from grower to testing lab to manufacturer to retail.
- Work with the Compliance Manager to assure distribution is in full compliance with State and local requirements at all times.
- Responsible for tracking and verifying the seed-to-sale compliance requirements of all cannabis product produced by the FDC manufacturing facility as well as for tracking the production and testing of all cannabis produced by other legal vendors that have contracted with FDC to distribute their product;
- Manage all product testing done through licensed, third party laboratories;

- Manage packaging and assembly of all products produced by the facility; and
- Maintain production and delivery schedules to assure that product inventory at retail facilities meets management's requirements.

Manufacturing Manager. The Manufacturing Manager is expected to manage all operations within the cannabis extraction and production environment, including the management of up to twenty employees to carry out tasks deemed necessary to the compliant operation of the manufacturing facility. This job includes activities of monitoring facilities maintenance, employee training, production costs, safety, compliance and product quality, as follows:

- Maintain all factory equipment in good working order;
- Work with the General Manager to assure all employees are properly trained no procedures, safety and compliance;
- Assure a safe working environment for all manufacturing employees;
- Create and maintain an efficient production workflow to generate quantities of product in line with management's estimates;
- Work with the Compliance Manager to assure the manufacturing plant is in full compliance with environmental, safety and regulatory requirements at all times; and
- Maintain strict quality assurance protocols to create consistent, effective and popular products that meet market requirements and customer needs.

Retail Manager. The Retail Manager is expected to manage all operations within the dispensary environment, including the management of up to nine employees to carry out tasks deemed necessary to the compliant operation of the facility. This job includes activities of facilities maintenance, employee training, safety, compliance, customer service and cash management as follows:

- Maintain all equipment in good working order;
- Work with the General Manager to assure all employees are properly trained no procedures, safety and compliance;
- Assure a safe environment for all retail employees and customers; and
- Maintain strict compliance protocols to assure the operations remain compliant with all local and state regulations.

Regulatory Compliance

Is the responsibility of the entire Emerald Spectrum Holdings organization and Firebaugh Development Corporation. FDC will have a Compliance Manager on site during normal business hours, daily, whose primary responsibility will be to monitor compliance with the rules and regulations set forth by the State of California Bureau of Cannabis Control (BCC), the County of Fresno, the City of Firebaugh, and the policies and procedures.

The Compliance Manager will be responsible for the following duties:

- Conduct random quality assurance of products before distribution to ensure the labeling and packaging of the cannabis and cannabis products conform to the requirements of the BCC;
- Have access to all records and test results required by law in order to conduct quality assurance analysis and to confirm test results. All records of inspection and verification by the quality assurance compliance monitor shall be provided to the BCC upon request.
- Verify the tax payments collected and paid under Sections 34011 and 34012 of the Revenue and Tax Code are accurate.
- Have access to the inputs and assumptions in the track and trace system and shall be able to verify the accuracy of those and that they are commensurate with the tax payments.

Employee Standards and Compliance

(a) Full Background and Eligibility Analysis: as required by City of Firebaugh and the State of California shall be conducted for each employment candidate prior to employment.

(b) Live-Scan Fingerprint Submission and Analysis: with the highest level allowed by the Department of Justice Standards including FBI and CA DOJ submissions will be conducted at the soonest available time for each proposed employee. FDC will inquire at frequent intervals for availability of Live-Scan services through City of Firebaugh Police Department and will facilitate Live-Scan participation for all principals and employees prior to operations and/or any marijuana product on site.

(c) Disqualification of Employment Candidates: will occur where candidates background reveals any disqualifying conviction as outlined in City of Firebaugh Municipal Code for Medical Cannabis Business Activity or California state standards for Medical Cannabis Business Operations. Disqualifying convictions are noted to include serious violent crime convictions such as: robbery, arson, rape, assault with a deadly weapon, attempted murder,

murder, manslaughter, assault with great bodily injury, sex offenses relating to minors, stalking, threats, elder abuse and domestic violence. Non-Violent convictions warranting disqualification are noted to include serious property or dishonesty crimes such as: embezzlement, burglary, grand theft, or multiple petty theft convictions, and fraud-related offenses.

(d) Employee Identification: All employees will wear ID badges at chest height, which shall be visible to other persons and within clear view of cameras at all times. ID badges shall include employee photo, name, and position within the facility. ID badges shall be worn on breakaway lanyards at all times for employee safety, and may be placed in a clear, transparent, colorless plastic holder. No objects or paper may be placed in holder in such a way as to cover any part of the issued badges. Employees will not gain access to the site property without ID badge.

(e) Employee Training: All employees shall receive orientation, training, and supplemental education relative to relevant laws, regulations, company policies, and job procedures as well as general safety, human resource, and emergency protocols. Records of employee training shall be maintained with confidential employee records in physical and digital forms. All employee training shall meet or exceed the standards of all applicable jurisdictions for operational site.

Inventory Tracking

Track & Trace Software and Equipment will be used throughout the Firebaugh Development Corporation retail, distribution, and manufacturing site for comprehensive inventory control and product trace-ability in conformity with Firebaugh requirements and mandated California state participation. Track and Trace Equipment and full compliance shall be implemented prior to commencement of operations or arrival of any Cannabis product on site. Firebaugh Development Corporation proposes use of "Web Joint" as a provider for software, support and equipment.

Inventory Control Protocols shall include the following for all grow rooms, storage areas, and warehouses:

- Number of actively growing plants with a Unique Digital Identifier,
- Number of deceased plants along with a disposition of how plant was disposed of;
- Total weight of harvested products and accurate location of where product is stored;
- Shipping manifest detailing:
- Transporting company and personnel involved;
- Quantity of each strain in pound and ounces form;

- Signature of transportation personnel delivering/personnel receiving product with bio metric verification;
- Time log for deliveries;
- GPS tracking on delivery vehicles, company name, address, phone number, and state license number of licensed entities receiving product must be included on bill of lading.

Transparency with Government FDC places great emphasis on quality and a safe product, free from pesticides and other chemicals. To this end, a tracking system will contain a unique identifier for each plant that will provide a detailed system of accountability. In order to comply with State of California regulations, this information will be transmitted to the state government in Sacramento. As a part of this attention to enhanced consumer safety, batch testing will be routinely performed in order to adhere to state regulations.

Product Handling: Firebaugh Development Corporation will possess, process, handle, trim, cure and provide Cannabis in compliance with all legal guidelines of the State of California, Fresno County, and Firebaugh. To help prevent diversion of medical Cannabis to non-medical markets, Firebaugh Development Corporation and the Principals will document the interaction of each principal and employee with all products and with the track-and-trace system. Further, to maintain security, prevent fraud, and deter robberies, Firebaugh Development Corporation will keep accurate physical and digital records and follow accepted cash handling practices, including regular bank runs and cash drops, and maintain a robust accounting of all cash transactions that occur within the facility environment.

Statement on Non-Diversion of Cannabis

1. Regulatory Compliance: All activities will be in full compliance with California State Law, City of Firebaugh Ordinances, and with the general guidelines set forth by the Attorney General with respect to the purposeful non-diversion of medical cannabis and/or any affiliated product, derivative, or waste material;
2. Affirmative Mitigation: FDC will conduct all permitted distribution and manufacturing with the utmost stewardship of the health, safety and welfare of the community and will take all steps necessary to mitigate any potential negative impacts that may occur.
3. Prevention: All necessary action will be taken to avoid diversion of product or derivatives thereof. FDC will diligently work to: control and track inventory, maintain equipment and thorough records, supply adequate qualified personnel, communicate and cooperate with law enforcement and compliance professionals, and work only with other verified licensed entities.

4. Transparency and Cooperation: FDC will at all times allow both announced and unannounced entry of the Planning Director or his/her designee(s) to inspect the location and any recordings or records held on site or digitally and FDC and/or its representatives will not unlawfully impede, obstruct, interfere with, or otherwise not allow, the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a cannabis business under this ordinance or under state or local law. FDC and/or its employees or representatives will not conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a medical cannabis business.
5. Limited Scope of Operation: In compliance with all CA Health and Safety Code and Business and Professions Code provisions, as well as City of Firebaugh regulations, FDC will exclusively produce products intended for registered, qualified, and compliant cannabis users as defined by law.
6. Illicit Market Aversion: FDC is organized with sufficient structure to ensure the anticipated security and non-diversion of cannabis to illicit markets, and compliance with all state and local laws. In accordance with CA laws and local ordinances, will conduct business only with other valid and licensed entities, and will conclusively evidence such limitations through careful documentation, strict maintenance of records, and consistent use of the track-and-trace program as outlined in this application packet. All transactions between licensed entities and FDC are subject to sales taxation in compliance with the expectations of California State Board of Equalization and will be reported appropriately

Operational Timeline

Because the Firebaugh facility is so important to our corporate strategy, every member of our parent company's management team will be involved in the startup of the FDC facility in the City of Firebaugh, and will contribute their industry knowledge and experience to its success. We expect that our Chief Executive, George Boyadjian will personally manage the Firebaugh facility throughout 2019 to mid 2020. Tim Diaz, our sales and distribution executive, will also be personally involved in the operation's management and staff and is also expected to spend the majority of his time at this location.

The following timeline is provided as a general plan related to the various anticipated phases of development. It is understood that these anticipated timelines can shift and change with unforeseen obstacles, barriers, delays, and other potential diversions from the timelines to be outlined within this section.

The provisions outlining the following timelines allow the city of Firebaugh to evaluate the revenue contributions in compliance with the approved County tax rates additionally the timelines to be outlined include the following:

1) **Phase 1 - City permit process and site inspection, 30 to 60 days.**
   a) Upon consideration, FDC will open the facility for inspection to County officials to ensure all site features meet and or exceed construction guidelines along with the provisions set forth within the city of Firebaugh, in relation to cannabis facilities. Any recommendations or mitigation orders provided by the inspections will then ushered in Phase 2 of the process.
2) **Phase 2 - Build-out and preparation, 3-6 months.**
   a) Upon building permit approval, installation of buildings, security features, equipment, and fencing will occur. The site will be open to the continuous inspection of the City of Firebaugh and other appropriate government authorized officials.
   b) All potential issues identified will be mitigated and brought up to code within a 30 to 45-day timeframe. Security and additional environmental issues can be addressed for full compliance during this time.
   c) No cannabis product will be present during this phase.
3) **Phase 2 - Anticipated compliance and re-inspection, 4-7 months.**
   a) Upon completion of build-out, FDC will request inspection of proposed final site. In anticipation of any corrections or modifications resulting from inspection, FDC intends to use this time frame to ensure full compliance with the city of Firebaugh and all other applicable regulations in ordinances.
   b) No cannabis product will be present during this phase
4) **Phase 3 - Operational-to-Revenue Generation (Distribution), 5-7 months.**
   a) During this phase, FDC will begin training and commercial operations to ensure Revenue generation that will provide for operational budgets, tax payments, and additional investment into the business and community.
   b) Phase-in retail operation;
5) **Phase 4 – Build and Operate Manufacturing Plant, 8-11 months.**
   a) Phase-in non-volatile extraction (Manufacturing) operation.

Realistic Timeline:	
60 Days	City approval on site plan and construction guidelines October 2019
6 months	Property ready for final inspection February 2020
8 months	Compliance and re-inspection April 2020
9 months	Operations-Ready May 2020
10 months	Open Retail Store June 2020
11 months	Open Manufacturing Plant July 2020

Budgets

The following budgetary allocations have been made by Management to purchase and improve the Property, build the structure and acquire the assets and personnel required to operate the business.

Budget	Distribution	Retail	Manufacturing
Property, Equipment, Labor	$ 422,716	$ 36,100	$ 884,000
Inventory *	$ -	$ -	$ -
Total	$ 422,716	$ 36,100	$ 884,000

* Distribution inventory is prepaid by our retail affiliates.

Operating expenses include three months general and administrative costs, including personnel, as follows:

	Month 1	Month 2	Month 3
Operating Expenses			
Automobile	$ 500	$ 500	$ 500
Internet & Phone	$ 250	$ 250	$ 250
Licenses	$ 30,000	$ -	$ -
Office Expense	$ 150	$ 150	$ 150
Shipping & Postage	$ 50	$ 50	$ 50
Software	$ 500	$ 500	$ 500
Uniforms & Safety	$ 432	$ 432	$ 432
Utilities	$ 100	$ 100	$ 100
Wages	$ 67,201	$ 67,201	$ 67,201
Insurance			
Automobile	$ 500	$ 500	$ 500
Liability, General & Umbrella	$ 500	$ 500	$ 500
Facility Insurance	$ 1,042	$ 1,042	$ 1,042
Product Liability	$ 750	$ 750	$ 750
Workers Compensation	$ 2,352	$ 2,352	$ 2,352
Employee Health Insurance	$ 4,500	$ 4,500	$ 4,500
Total Operating Expenses	$ 108,827	$ 78,827	$ 78,827

Capitalization

The Company is currently in the process of raising $2 million in equity capitalization from accredited investors. Management is confident that funding will close prior to the closing of escrow on the Property. In the event that the equity financing does not close, the principal shareholders of the corporation have agreed to personally guarantee repayment of the Note, (see Personal Financial Statements).

Following are the Company's current, internally prepared financial statements:

Firebaugh Development Corp. Consolidated Balance Sheet (Internal)	May 31, 2019
ASSETS	
Total Checking/Savings	$121,761
TOTAL ASSETS	$121,761
Total Liabilities	$0
LIABILITIES & EQUITY	
Equity	
Paid in Capital	$310,000
Retained Earnings	-$98,725
Net Income	-$89,515
Total Equity	$140,048
TOTAL LIABILITIES & EQUITY	$229,047

Firebaugh Development Corp. Consolidated Statement of Profit and Loss January through May 2019	(Internal)
Total Income	$58,808
Cost of Goods	$12,650
Gross Profit	$46,158
General and Administrative Expense	$135,673
Net Income	($89,515)

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Three Year Operational Forecasts

Projected Operations	FY1	FY2	FY3
Equipment and Labor	$1,342,816		
Working Capital	$657,184		
Total Investment	**$2,000,000**		
Sales			
Retail Sales	$ 1,815,000	$ 2,359,500	$ 2,970,000
Wholesale Sales	$ 5,390,833	$ 7,635,204	$ 8,259,563
Total Revenue	**$ 7,205,833**	**$ 9,994,704**	**$ 11,229,563**
Cost of Goods Sold			
Retail Sales	$ 1,506,190	$ 3,819,764	$ 4,708,717
Wholesale Sales	$ 1,705,134	$ 1,387,028	$ 1,040,953
Total Cost of Goods Sold	**$ 3,211,324**	**$ 5,206,792**	**$ 5,749,670**
Gross Margin	**$ 3,994,509**	**$ 4,787,912**	**$ 5,479,893**
Total Operating Expenses	$2,056,779	$ 2,116,819	$ 2,186,743
EBITDA	**$ 1,937,730**	**$ 2,671,094**	**$ 3,293,150**
Firebaugh Cannabis Taxes	$ 90,750	$ 117,975	$ 148,500
Firebaugh Charities and Community	$ 72,058	$ 99,947	$ 112,296
Total Cannabis Taxes and Contributions	**$ 162,808**	**$ 217,922**	**$ 260,796**
Total Taxable Income	**$ 1,774,922**	**$ 2,453,171**	**$ 3,032,354**
Income Taxes			
Federal Income Tax	$ 372,734	$ 515,166	$ 636,794
California Income Tax	$ 156,903	$ 216,860	$ 268,060
Total Income Taxes	$ 529,637	$ 732,026	$ 904,855
Net Income	**$ 1,245,285**	**$ 1,721,145**	**$ 2,127,500**

Enhanced Product Safety

FDC places great emphasis on quality and a safe product, free from pesticides and other chemicals. To this end a tracking system will contain a unique identifier for each product, which will provide a detailed system of accountability. In order to comply with State of California regulations, this information will be transmitted to the State government in Sacramento. As a part of this attention to enhance consumer safety, batch testing will be routinely performed in order to adhere to state regulations.

FDC will possess, process, handle, trim, cure, and provide cannabis products in compliance with all legal guidelines of the State of California, and City of Firebaugh. We will strictly adhere to guidelines provided by the State of California Bureau of Cannabis Control regarding product safety and packaging, as follows:

After taking physical possession of a cannabis goods batch, we will contract with an independent and licensed testing laboratory and arrange for a laboratory employee to come to our premises to select a representative sample for laboratory testing.

- We will ensure that the batch size from which the sample is taken meets the requirements of the BCC;
- An employee will be physically present to observe the laboratory employee obtain the sample of cannabis goods for testing and will ensure that the increments are taken from throughout the batch;
- The sampling will be video recorded with the batch number stated at the beginning of the video and a visible time and date indication on the video recording footage. The video recordings shall be maintained for 180 days;
- After the sample has been selected, both our employee and the laboratory employee will sign and date the chain of custody form, attesting to the sample selection having occurred.
- Our employee will not assist the laboratory employee nor touch the cannabis goods or the sampling equipment while the laboratory employee is obtaining the sample.
- If a failed sample was collected from a batch and the batch could be remediated pursuant to California State Regulations, then we may transport or arrange for the transportation of the batch to a manufacturer for remediation.
- We will destroy a batch that failed laboratory testing and cannot be legally remediated.

- When we receive a certificate of analysis stating that the sample meets specifications required by law, we will ensure the following before transporting the cannabis goods to one or more retailers:
    - The certificate of analysis the distributor received from the testing laboratory is the certificate of analysis that corresponds to the batch;
    - The label on the cannabis goods is consistent with the certificate of analysis regarding cannabinoid content and contaminants required to be listed by law;
    - The packaging complies with applicable packaging laws.
    - The packaging is tamper-evident. "Tamper-evident" means a one-time-use seal is affixed to the opening of the package, allowing a person to recognize whether or not the package has been opened;
    - The weight or count of the cannabis batch comports with that in the track and trace system. A distributor shall use scales as required by the Act; and
    - All events prior to receipt have been entered into the track and trace system.
- Prior to delivery or sale at a retailer, cannabis and cannabis products shall be labeled and placed in a resealable, tamper-evident, child-resistant package and shall include a unique identifier for the purposes of identifying and tracking cannabis and cannabis products.
- Packages and labels shall not be made to be attractive to children.
- All cannabis and cannabis product labels and inserts shall include the following information prominently displayed in a clear and legible fashion in accordance with the requirements, including font size, prescribed by the BCC or the State Department of Public Health:

  The following statements, in bold print:

  For cannabis:

  "GOVERNMENT WARNING: THIS PACKAGE CONTAINS CANNABIS, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. CANNABIS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. CANNABIS USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF CANNABIS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY. PLEASE USE EXTREME CAUTION."

For cannabis products:

"GOVERNMENT WARNING: THIS PRODUCT CONTAINS CANNABIS, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. CANNABIS PRODUCTS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. THE INTOXICATING EFFECTS OF CANNABIS PRODUCTS MAY BE DELAYED UP TO TWO HOURS. CANNABIS USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF CANNABIS PRODUCTS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY. PLEASE USE EXTREME CAUTION."

- For packages containing only dried flower, the net weight of cannabis shall be printed on the package.
- Identification of the source and date of cultivation, the type of cannabis or cannabis product and the date of manufacturing and packaging.
- The appellation of origin, if any.
- List of pharmacologically active ingredients, including, but not limited to, tetrahydrocannabinol (THC), cannabidiol (CBD), and other cannabinoid content, the THC and other cannabinoid amount in milligrams per serving, servings per package, and the THC and other cannabinoid amount in milligrams for the package total.
- A warning if nuts or other known allergens are used.
- Information associated with the unique identifier issued by the Department of Food and Agriculture.
- For a medicinal cannabis product sold at a retailer, the statement "FOR MEDICAL USE ONLY."
- Any other requirement set by the bureau or the State Department of Public Health.
- Only generic food names may be used to describe the ingredients in edible cannabis products.
- In the event the Attorney General determines that cannabis is no longer a Schedule I controlled substance under federal law, the label prescribed in subdivision (c) shall no longer require a statement that cannabis is a Schedule I controlled substance.

Safety Plan

Firebaugh Development Corporation is committed to an injury free environment, which is the shared corporate and individual belief that safety is a value, not compromised by cost or schedule. Everyone has the right to go home safely at the end of the day.

FDC's Injury Free Environment holds three basic premises:

1. All incidents and injuries are preventable; no level of incident or injury is acceptable or tolerated.
2. Injury Free operations are possible during the construction phase of the property development, during store operations, during distribution, and during manufacture if a prevailing mindset and conviction exists to do the right thing and what is necessary to achieve that state of mind in all employees.
3. Elevate safety awareness daily: a journey of continuous improvement to advance safety and achieve a heightened state of awareness where workers choose to be responsible and accountable for their own safety and the safety of their co-workers. An injury free environment includes a willingness to adapt to any new safety initiatives implemented during construction by the FDC Management Team emphasizing the continual improvement process protecting workers and their families.

Responsibility and Accountability. Everyone associated with the FDC facility must understand his or her responsibilities concerning health and safety at all times while at work or while performing work duties. With the responsibilities defined, management, supervision, subcontractors and workers will be held accountable for their health and safety performance.

Orientation, Training, Meetings. To promote and ensure an injury free environment, health and safety training is a requirement for all FDC and subcontractor workers at the facility and while performing work for FDC.

The General Manager, Compliance Manager, Retail Manager, Distribution Manager, and Manufacturing Manager are required to attend regular Facility Safety Meetings so they can receive specific training and review of the permits, forms, procedures, and safety initiatives required by this plan as well as project specific information necessary to adequately coordinate their work and prepare their workers.

OSHA 30 Hour Training. The General Manager must have completed the OSHA 30 Hour Outreach Training.

Employee New Hire Orientation. Every worker shall attend an environmental, health and safety orientation prior to starting any work at the FDC facility. The orientation will provide general health and safety information and project specific work rules and procedures. Upon completion of training, each person will receive a sticker for his or her badge.

Daily Huddles. All workers assigned to the project will participate in a daily pre-shift work coordination huddle and safety meetings conducted by their Supervising Managers. Personnel who do not regularly attend and/or conduct weekly safety meetings may be removed. Safety meetings should communicate any incidents that occurred on the project, safety concerns, new work activities, new and continuing potential hazards, and the like.

Health and Safety Training. In addition to FDC's orientation and regular safety meetings, OSHA requires that workers receive specific task training. To help comply with OSHA minimum worker training requirements and assist in achieving an injury free workplace, FDC shall evaluate orientations and training periodically to verify they are being properly conducted and that the contents adequately cover the standards, policies, rules, and procedures contained in this document or OSHA standards. Managers shall communicate the safety and health policies, rules, and procedures to all vendors and third-party individuals having business on the facility.

Project Specific Safety Orientation. All managers, supervisors, and workers shall receive training covering facility safety rules and procedures contained in the FDC facility's Safety Plan including the emergency action plan, each worker's responsibilities, disciplinary program, and warm up and stretching exercises to be performed before doing physical tasks.

Hazard Communication Basic Training. All managers, supervisors, and workers shall be required to attend hazard training, to include:

- Respiratory Protection – All workers are required to wear respiratory protection, including common dust masks, when working in any area of the facility where respiratory protection might be needed such as in manufacturing, waste disposal, or distribution.
- Fall Protection – Any worker might be exposed to a fall hazard. All workers shall be trained in:
    - The nature of fall hazards
    - Procedures for erecting, disassembling, maintaining and inspecting fall protection systems
    - Use and operation of: guardrail systems, personal fall arrest systems, safety net systems, warning line systems, safety monitoring systems, controlled access zones and other protection when used
- Procedures for handling equipment and erection of overhead protection
- Fall protection standards
- Industrial Machines and Trucks
    - Types of machines or trucks operated
    - Hazards of the workplace
    - Hands-on performance evaluation

- Confined Spaces
    - Hazards of the space
    - Duties of entrants
    - Air monitoring
    - Emergency procedures/rescue equipment
    - Communications

- Work with Combustibles, Flammables, and Gasses. All workers using gas or gaseous substances in manufacturing are required to receive training in:
    - Hazards of the area and specific activities such as welding, CO2, and such
    - Duties of Fire Watch
    - How to use a fire extinguisher

Personal Safety Zone. The visible, 30-foot area surrounding an individual, 15 feet in all directions, is the Personal Safety Zone. It is the obligation and duty of all workers to watch for people, equipment, traffic, or other potential hazards that may be within their 30-foot Personal Safety Zones, and encourage safe work practices from all workers in the 30-foot area. The 30-foot Personal Safety Zone is founded on the teamwork concept of "having each other's back" and helping all workers be successful each day. "Being our brother's keeper" is a concept that is paramount in the success of the 30-foot Personal Safety Zone. All employees—including co- workers, subcontractor employees, vendors, owners, etc.—are responsible to watch for and stop unsafe actions or situations within their 30-foot zone of responsibility, as well as watch for and proactively verbalize safe actions and situations. If a hazard is noticed in their 30-foot Personal Safety Zone, the worker should take immediate corrective action, which might also include a report of the concern and actions taken to correct the situation to their supervisor. Although an individual may not be able to see what activities are underway above or below deck floors in their 30-foot Personal Safety Zone, questions must be asked to learn of any changing conditions that may occur affecting the work environment.

Notification of Unsafe or Hazardous Conditions. Each worker has the right and responsibility to notify management or supervision of any unsafe or hazardous condition that may be present without fear of retribution. Project management or supervision will take immediate action to correct or remove any hazard brought to their attention.

Disciplinary Program. At-risk behavior in the FDC facility or while doing FDC business that could contribute to an incident or injury will not be tolerated. Each worker has an individual responsibility to work safely, and each front-line supervisor is responsible to correct at-risk behavior of workers under their direction. With that being said, every person on the site has obligation to stop a fellow worker from getting hurt. If you see something that does not look right, it probably isn't. Please stop and ask them, or report it to your supervisor.

- For minor offenses with minor consequences, the employee will be expected to agree to improve behavior. Offenses may later be recorded as a written warning.
- Suspension or discharge will result from major offenses, those with serious or costly consequences, or for repeated minor offenses for which an employee shows lack of responsible effort to correct deficiencies.
- Some examples of major offenses are those related to fall protection, confined space, red-barricaded space, electrical or lock out/tag out violations, or disregard of specific instructions that result in a property or injury incident.

Discipline is intended to preserve good conditions for other employees and encourage each employee to be responsible and conscientious. Disciplinary action may include verbal warnings, written warnings, and days without pay and/or discharge.

Daily/Weekly Inspections. FDC Management will perform safety inspections of their work and the work of subcontractors under their direction. Checklists to be completed include: First Work in Place, Weekly Safety Inspections, as well as any other Safety and QA/QC checklists determined necessary by FDC Management.

Daily Pre-Task Planning. A Pre-Task Safety Plan will be completed daily by each crew. Each front-line supervisor will analyze task(s) to be performed by their crew and identify the work sequences, hazards, training, controls and emergency action plans necessary to protect workers from the identified hazards.

- The work will be broken down into individual steps (i.e. all the steps the work crew will have to take in order to complete that task); the known hazards associated with the work; and the hazard controls (tools, safety equipment, safety rules, safe work practices, etc.). This is a time for workers to provide input into the safety plan.
- Front-line supervisors will review the plan with their respective work crew so that each worker is aware of what work activities will occur during the shift, what hazards to be aware of and how to properly control or eliminate those hazards.
- All workers will sign the plan stating that they understand the work activities, hazards and controls. This is an acknowledgement that each worker agrees to work according to the plan.
- The completed pre-task plan will be located near the work activity for review.

Accountability. The intent of the pre-task plan is to ensure workers are prepared to anticipate hazards and adopt safe means and methods to accomplish the task safely. Accountability for the pre-task planning process is inclusive of the four key components;

- Plan: The crew lead or foreman is accountable for leading his crew to identify hazards and develop mitigation methods,
- Do: The crew lead and workers are accountable for following the plan,
- Check: Supervision is responsible to spot check the process, both the quality of the plan and the rigor of compliance,
- Act: All members are accountable to identify unforeseen conditions and act to improve the plan and mitigate the hazard.

Crisis and Emergency Preparedness Plan.

It is expected that every FDC operation have an established and rehearsed plan of response to an emergency or crisis condition. The intent of this section is to provide guidance as to what information is needed such that a consistent response can be expected.

General Response Procedure

- Site Management shall establish and train site personnel regarding emergency response procedures.
- Site Management shall maintain, as necessary, emergency response supplies and equipment to meet emergency response needs.
- Supervisors will notify emergency response personnel of emergencies at the project site.
- Supervisors will notify emergency response personnel of emergencies at the project site.

The appropriate supervisor or responding personnel shall initiate the notification process, which includes alerting local response organizations (such as ambulance or fire personnel) and/or others as required. Notify the following immediately:

- Your Direct Supervisor
- Your Operation Manager
- The Compliance Manager

If necessary, the Compliance or Operation Managers will coordinate with local emergency organizations and provide the following:

- Technical information about hazardous materials and products
- Quantity and/or size of hazardous materials or products
- Locations and methods of storage for hazardous materials or products
- Report known hazards of materials or products
- Provide a copy of the Safety Data Sheet

FDC management will make site equipment and supplies available until the emergency has been resolved.

First Hour Response: Operation Manager Checklist

- Contact emergency services (911)
- Contact Compliance Manager
- Compliance Manager to Contact Barry Jahn, Vice President of Compliance.
- Initiate site control. Is site shutdown necessary?
- Account for all employees
- Do not move potential evidence
- Direct all outside inquires to General Manager
- Post workers to restrict entry to site or direct emergency response teams.

Site Actions - General Response Procedures

- Ensure the scene is safe before entering the area
- Review site for hazards. Isolate hazardous area
- Secure the site from further hazards, i.e., turn off utilities, remove hazardous substances not involved, stop flows of product or water, etc.
- Attend to the injured, render first aid
- Call 911 or facility emergency number. Give the following information:
    - Name of person reporting the emergency
    - Nature and severity of the injury or illness
    - Locations and phone extension from which they are calling
    - Number of people involved
    - Directions to the site of the emergency
- Secure and isolate incident site. Do not move anything that does not have to be moved, only things to assist the injured or make the area safe. Make note of those items that must be moved. For major incidents site emergency shutdown is required
- Take a roll call. Account for each site employee, vendor, owner's rep., and trade contractor employees
- Keep only those on site who are essential in the recovery process. Release those who are not needed and require them to leave the site
- Establish first aid and evacuation areas, if needed, where ambulance or air evacuation services have access

- Control site access
- Start investigation and reporting procedures

First Hour Response: Compliance Manager Checklist

- Contacted by site superintendent
- Determine what/where/when the event happened and who is involved
- Verify current status of site operations or shutdown
- Notify Barry Jahn
- Notify General Manager
- Advise project assistant and receptionists where to route calls

Emergency Preparedness Training

- Employees and subcontractor management and employees shall be trained on the subjects below as appropriate:
    - Emergency Notification and Reporting Procedures
    - Site Emergency and Evacuation Procedures
    - Points of Assembly
- A site map shall be posted for all employees and subcontractor employees, showing the Points of Assembly locations

Crisis Communication Plan (Media Requests) If contacted by the news media concerning an incident, be supportive. However, communications must be coordinated effectively.

- FDC shall designate a single company spokesperson (Director of Investor Relations, unless assigned to someone on the job-site due to a remote location or other circumstances). Refer media calls immediately to the company spokesperson.
- FDC shall determine a central gathering point for the media representatives to maintain scene safety and coordination (at a distance from the scene, jobsite management trailers and employee jobsites gates).
- The company spokesperson and General Manager will develop an initial statement of known information that can be provided as soon as possible.
- Provide regular updated information as it becomes available.
- Create a log of persons from the media, including organization, phone numbers, and email addresses for effective continued communication.

Emergency Action Plan

FDC Management will ensure the Emergency Action Plan is communicated to all workers during orientation. Specific emergency procedures and emergency phone numbers will be posted in lunch areas, near all telephones and on project bulletin boards.

The plan shall be reviewed periodically by the Compliance Manager and the Firebaugh Police and Fire Departments to ensure continued accuracy and applicability. Daily Pre -Task Plans shall also address emergency egress on a daily basis from each work area.

The Emergency Action Plan shall be reviewed by all workers and posted with a site plan in prominent locations accessible to all workers and visitors. The Emergency Action Plan shall communicate evacuation procedures, specific alarms, and assembly points, should an emergency evacuation become necessary because of severe weather, fire, hazardous chemical release, explosion or other emergencies that could cause worker harm.

It is each worker's responsibility to familiarize themselves with evacuation routes, alarms and assembly points in case an emergency evacuation of the work area is required.

Evacuation

- Exit signs shall be conspicuously posted along evacuation routes.
- A signal or alarm shall be designated to initiate evacuation.
- Personnel should de-energize tools and equipment and observe their work area for fellow workers in need of assistance.
- Observe stairs for safe passage before accessing.
- Report any hazardous conditions that are known to exist within the building to your supervisor.
- A site plan drawing will be developed for each project's evacuation plan. This drawing will clearly identify the following:
    - Building footprint
    - Primary and secondary assembly areas
    - Exits
    - Fire alarm pull stations or air horn locations
    - Site telephones
    - Stairs
    - Fire extinguishers
    - FDC office
    - First aid kit locations
    - Emergency numbers

Medical Emergency

During the safety orientation, workers will be given information on how to summon medical assistance in case of a medical emergency. Workers should know the following information:

- Emergency Phone Number: 911
- Facility address

When reporting a medical emergency, the worker will state their name, the nature of the emergency, the severity of the emergency and where assistance is needed. A worker may be required to meet medical personnel and guide them to where the emergency is located.

Fire

Fire Safety shall be planned by a representative of the Firebaugh Fire Department or a fire safety consultant and include at a minimum: emergency evacuation plan, integrated fire safety alarms and sprinkler system, appropriate fire extinguishers accessible to all personnel at multiple points on the site. All employees shall receive emergency preparedness training at orientation.

Pro-active Approach: Backup generators shall be placed on the site to ensure seamless production of the necessary utilities to continue operations in the event of loss of power. The generators shall be adequate to supply all security features with adequate service in the event of utility loss and will comply with all state and local regulations specific to backup generators and shall be regularly inspected by the Firebaugh Fire Department. As such, there will be no lapse of security cameras, bio-metric lock features, and gate security.

In case of a fire, workers will evacuate their work area immediately and report to the pre-determined assembly area.

Security Plan

Written Security Protocol. Subsequent to licensing and prior to any employees working within the facility, Firebaugh Development Corporation will develop and implement a total facilities safety and emergency handbook, including but not limited to all employees' completion of OSHA materials and classes offered by the state of California.

The Firebaugh Development Corporation Safety Protocol Handbook will include mandatory weekly safety meetings, fire prevention, individual work-area safety, reporting and ongoing education and certification.

Security - Storage. All finished medical Cannabis products will be secured and locked in a room, safe, or vault, within limited and controlled access areas. All storage areas shall be monitored by video and by security personnel, as discussed above. Should Firebaugh Development Corporation be awarded a distributor permit, cannabis products from third party suppliers and the manufacturing area can easily and securely, after testing, be transferred to the distribution holding center, as indicated on the site plan.

Security Responsiveness. Firebaugh Development Corporation shall appoint an individual to be immediately responsive to the city and/or any law enforcement or community concerns. Additionally, FDC shall engage industry experienced professionals to monitor safety, state and local compliance laws, and maintain a high degree of responsiveness to inquiries on an ongoing basis to insure accountability.

FDC's written operation procedures shall include a chain of command for both emergency and non-emergency response by all onsite employees and managers, as well as follow-up protocols, in order to maintain the health, safety and welfare of all employees and those within the community.

The site will adhere to State and local guidelines for security and safety. the objectives and measures within the security and safety plan will focus on employee health, safety, and welfare, non-diversion of product, and cooperation with law enforcement and emergency services.

1. **Access restriction for safety, security, and non-diversion**

   a. 8-foot perimeter fencing around the entire perimeter of the site and featuring intrusion detection, privacy slats, and security wire along the top inside fence line. Security cameras with video recording capability will have a full view of the entire fence at all times.

   b. Controlled security gate or sally port featuring biometric or key card scanner and ample space for emergency service vehicles, passage through the secure perimeter by an interlocked, single vehicle sally port with two locked gates. The first gate is unlocked, allowing the vehicle to enter the controlled space, and the first gate is then closed. After the first gate is locked, approval to enter is verified, and the second door is unlocked for the vehicle to proceed through the second gate. The second gate is then closed and locked.

   c. Biometric technology with duress features limiting access to product areas, storage areas, site entry and exit, inventory control, and all sensitive areas.

   d. Knox Box technology will facilitate access to emergency and inspection personnel. Access will be afforded at all times to public safety officers from the City of Firebaugh Fire and Sheriff's departments, as well as any necessary State Personnel. Each of these entities shall be provided with a site plan upon request.

   e. General and emergency access to the site shall be strictly limited to employees, verified licensees, and contractors for utility and waste services, authorized transportation providers, emergency services, and government personnel. Access to the site will be granted to Firebaugh City Representatives, agents and employees with valid identification of their credentials. Unauthorized guests shall not be allowed.

   f. Employee access or log access to manufacturing, processing, and storage areas will be limited further based on job requirements. Each area will require biometric access. The access system will keep a log showing employee access history and whereabouts, including entry and exit from site and sensitive areas. Electronic logs will be maintained for at least 90 days.

   g. Separate employee parking will be in an area that is not adjacent to the warehouse or greenhouse buildings on the site. Employees will pass through the controlled sally port gate to enter the property. Security cameras with recording capabilities will have a full view of the employee parking area.

2. **Comprehensive site security and safety equipment**

   a. Integrated surveillance system featuring IP-based cameras with 90-day recording capability, complete 360-degree monitoring of site including ingress and egress, perimeter fence, and all indoor or outdoor product holding and sensitive areas. All entry and exit doors, areas where human traffic may occur, excluding restrooms and dressing areas, and any area with cannabis product at any time shall be recorded continuously by cameras with a 360-degree view.

   b. State-of-the-art alarm system featuring registration with the City of Firebaugh Police Department. Direct notification and dispatch capability, battery backup, and reserved power generator.

   c. Contact information shall be provided to the City of Firebaugh Police Department via alarm registration and will include names, addresses, phone numbers, cell phone numbers, and the make, model, and color of the vehicles they will be driving when responding to alarm calls at the site

   d. Fire safety shall be planned by a fire safety consultant and include at a minimum an emergency evacuation plan, integrated fire safety alarms and sprinkler system, appropriate fire extinguishers accessible to all personnel at multiple points on the site. All employees shall receive emergency preparedness training at orientation.

   e. Proactive approach backup generators that shall be placed on the site to ensure seamless production of the necessary utilities to continue operations in the event of loss of power. The generators shall be adequate to supply all security features with adequate service in the event of utility loss. As such, there will be no lapse of security cameras, biometric lock features, and gate security.

3. Employee standards and compliance

a. Full background eligibility analysis as required by the City of Firebaugh and the State of California shall be conducted for each employment candidate prior to employment.

b. LiveScan fingerprint submissions and Analysis with the highest level Allowed by the Department of Justice standards including FBI and CA DOJ submissions will be conducted at the soonest available time for each at proposed employee. FDC will inquire at frequent intervals for availability of Live Scan Services through the city of Firebaugh police department and will facilitate LiveScan participation for all principles and employees prior to operations and or any marijuana product on site.

c. Disqualification of employment candidates will occur where candidates' backgrounds reveal any disqualifying conviction as outlined in the city of Firebaugh for medical cannabis business activity or California state standards for medical cannabis business operations. Disqualifying convictions are noted to include serious violent crime convictions such as robbery, arson, rape, assault with a deadly weapon, attempted murder, murder, manslaughter, assault with great bodily injury, sex offences relating to minors, stalking, threats, elder abuse, and domestic violence. Nonviolent convictions warranting disqualifications are noted to include serious property or dishonesty crimes such as embezzlement, burglary, grand theft, or multiple petty theft convictions, and fraud related offenses.

d. Employee identification All employees will wear ID badges at chest height, which shall be visible to other persons and within clear view of cameras at all times. ID badges shall include employee photo, name, and position within the facility. ID badges shall be worn on breakaway lanyards at all times for employee safety, and may be placed in a clear, transparent, colorless plastic holder. No objects or paper may be placed in holder in such a way as to cover any part of the issued badges. Employees will not gain access to the site property without ID badge.

e. Employee training all employees shall receive orientation, training, and supplemental education relative to relevant laws, regulations, company policies, and job procedures as well as general safety, human resource, and emergency protocols. Records of employee training shall be maintained with confidential employee records in physical and digital forms. All employee training shall meet or exceed the standards of all applicable jurisdictions for operational site.

4. Inventory control and track-and-trace compliance

a. Track and Trace software and Equipment will be used throughout the FDC operation for comprehensive inventory control and product traceability in Conformity with mandated California state participation. Track-and-trace equipment and full compliance shall be implemented prior to the commencement of operations or the arrival of any cannabis product on site. FDC proposes use of "Web Joint" as a provider for software support and equipment.

b. Inventory control protocols shall include the following for all grow rooms, storage areas, and warehouses:

   i. Number of actively growing plants with a unique digital identifier .

   ii. number of deceased plants along with the disposition of how plant was disposed of

   iii. total weight of harvested products and accurate location of where product is stored

   iv. shipping manifest detailing

      1. Transporting company in Personnel involved
      2. quantity of each strand in pound and ounces forum
      3. signature Transportation Personnel delivering and Personnel receiving product with biometric verification
      4. time log for deliveries
      5. GPS tracking on delivery vehicles
      6. company name, address, phone number, and state license number of the company receiving the product all must be included on the bill of lading.

5. **Security Services and patrol provisions**

   a. Site Security will be provided by a State licensed security firm

   b. Minimum security personnel. When any cannabis has on-site, there must be a minimum of one security officer roaming in the premises

   c. Security posts. When any cannabis product is on site, at least one security officer will be positioned at the following locations: main access gate, any door that is not 24/7 alarmed as a fire escape type door, and where employees may leave the premises without activating an alarm.

   d. Security personnel requirements. All security personnel must be able to show evidence of DOJ and FBI Live Scan clearance within the past 90 days, appropriate training records, certificates related to firearm eligibility, current state guard card or PC 832 card if applicable, current first aid or CPR certification.

   e. Security roster. The security contractor shall provide a full roster to include scheduling of and dates and times worked by each officer. This roster shall include updated information at all hours of all days during the year without exception and shall be producible for review at all times.

   f. Security logs shall be recorded each day and be updated each security working shift. Each log shall include at a minimum employee name, identification number, date and times worked, and all areas patrolled or monitored during the ship.

   g. Security reporting. Security Personnel shall report all issues pertaining to the health and safety of persons present on the site or the public, safety of the facility, and all acts or omissions which may be considered criminal in nature to the site management, City of Firebaugh Police and Fire Departments, Fresno County Sheriff's department, and any agency or person mandated by State or local law.

6. **Delivery Driver Security and Safety**

   a. Use caller ID. Caller ID helps identify who is calling. This is especially important for new deliveries, as the employer can use caller ID to trace the location of the customer.

   b. Keep detailed records. Maintain a list of all delivery customers, telephone numbers, and orders. This allows employers to be aware of their delivery driver's route for that day.

c. Display cash limits. If delivery drivers are carrying cash, the vehicle should have a sign that reads "Drivers carry limited amount of cash."

d. Use GPS. GPS systems are important to locate drivers that may be in distress.

e. *Use cameras. Install in-car surveillance cameras to record activities.*

f. Provide cell phones to all delivery drivers to keep in touch with co-workers or to alert authorities of an emergency.

g. Set a casual dress code. Allow drivers to wear ordinary street clothes. A uniform makes a driver stand out.

h. Avoid late night. Late night deliveries can be more hazardous.

i. Avoid weapons. Do not allow drivers to carry weapons that may be used against them in a robbery.

j. Provide training. Offer safety training that will teach protective measures to dispatchers, company owners, and delivery drivers. For drivers, this could include a defensive driving training course and hazard awareness training to identify dangers at the delivery site. For owners and dispatchers, this could include sharing crime statistics for the areas where drivers will deliver, as well as how to be a safe victim of a robbery.

k. Check driving records. Check Motor Vehicle Records (MVRs) on all employees that will operate a company-owned vehicle or a personal vehicle on company time.

l. Practice safe driving techniques. Monitor blind spots, travel at safe speeds and reduce speed in work zones, adjust driving techniques in bad weather, load cargo safely, and reduce speeds on curves to prevent your vehicle and cargo from tipping over.

m. Know your territory. Be familiar with the delivery area and your route.

n. Avoid muscle strain. Use material handling equipment such as a cart or dolly to move heavier items from the vehicle to the delivery site.

o. Watch your step. Look out for slip, trip and fall hazards when delivering the goods.

p. *Conceal cash. Keep any money hidden from sight.*

q. Park close. Park as close to the delivery site as possible; always try to park near the delivery door.

r. Be aware of your surroundings. Take note of any vehicles that may be following you.

s. Only deliver to valid addresses. Make sure that you are not delivering to an unoccupied home or business. Signs of vacancy may include an unkempt yard and no lights. If lights are off, ask your employer to do a call back and request that the customer turn on a light.

t. Stay in well-lit areas. Park under a street light, if possible.

u. Carry a flashlight. Keep a flashlight handy in case you have to walk to a side door or back of a building.

Security Guards

a. Site Security: will be provided by a state licensed Security Firm;

b. Minimum Security Personnel: while any cannabis is on site, there must be a minimum of one security officer roaming the premises;

c. Security Posts: while any cannabis product is on site, at least one security officer will be positioned at the following locations: Main access gate, Any Door that is not 24/7 alarmed as a fire-escape type door and where employees may leave the premises without activating an alarm.

d. Security Personnel Requirements: all security personnel must be able to show evidence of: DOJ and FBI Live-scan clearance within past ninety (90) days; Appropriate Training Records; Certificates related to firearm eligibility; Current state guard card (or PC 832 Card if applicable); Current first aid/CPR certification.

e. Security Roster: The Security Contractor shall provide a full roster to include scheduling of and dates and times worked by each officer. This roster shall include updated information at all hours of all days during the year without exception and shall be producible for review at all times.

f. Security Logs: shall be recorded each day and be updated each security working shift. Each log shall include, at a minimum: Employee name, Identification number, date and times worked, and all areas patrolled or monitored during the shift.

g. Security Reporting: Security personnel shall report all issues pertaining to the health and or safety of persons present on the site or the public, safety of the facility, and all acts or omissions which may be considered criminal nature to site management, City of Firebaugh Police and Fire Departments, Fresno County Sheriff's Department, and any agency or person mandated by state or local law.

Video Camera Surveillance and Alarm System.

The natural and normal uses of the environment can work in harmony with mechanical hardening and surveillance techniques. An intelligent use of the environment will present three basic strategies: Access Control, Surveillance, Intrusion Detection (Alarm) System and Territorial Reinforcement.

Surveillance. A strategy based on surveillance is directed at detecting intrusion attempts, keeping an intruder under observation, and launching a response to an intrusion or an attempt at intrusion. A surveillance strategy can take advantage of terrain features, such as landscaping; building features, such as raised entrances; organized methods, such as patrolling; and electronic supplements, such as closed-circuit television.

The Company will install and operate a fully-integrated Surveillance System pursuant to and in compliance with California Code of Regulations, Title 16, Div. 42 – Security Camera System Requirements for Cannabis Farms and Dispensaries. Our system will feature 1080P HD, 30FPS, IP-based cameras, complete 360° monitoring of site including ingress and egress and all indoor/outdoor product-holding and sensitive areas. The system will be installed by a licensed third-party surveillance system installer.

The surveillance system will be capable of recording all pre-determined surveillance areas in any lighting condition (day/night). System design will include sufficient cameras, angles of observation and lighting to allow facial feature identification of persons in interior and exterior areas. Each camera will be permanently mounted in a fixed location, that is resistant to tampering. The video surveillance system shall be transmission-controlled internet protocol (TCIP) enabled, capable of access over the internet.

All entry and exit doors, areas where human traffic *may* occur (Excluding restrooms and dressing areas), and any area with cannabis product at any time shall be recorded continuously by cameras with a 360° view. Surveillance recordings shall be kept for 90 days and stored in a secure, off-site environment. All surveillance recording shall be accessible to law or code enforcement officers at all times during operating hours and otherwise upon reasonable request. All surveillance recording systems will have the capability of producing DVD's or other removable media of recordings made by the system, including still photographs. Output shall be of standard format (MPEG, JPG, etc.) and shall not require proprietary software to open/transfer/view. All surveillance recordings and still photographs shall be accurately date and time stamped in accordance with applicable standards.

In the event that any element of the surveillance system becomes inoperable, the Chief Security Consultant will ensure that the facility is staffed by a designated manager or licensed private patrol operator until such time as the surveillance system is restored to full functionality.

Intrusion Detection System. The Company will further install and operate a State-of-the-Art Alarm System featuring registration with the Firebaugh Police Department, direct notification and dispatch capability; battery back-up and reserve power generator. We will engage the services of a licensed alarm company operator (ACO) who is listed with Underwriter's Laboratory to install, maintain and monitor an alarm system that is activated at all times when the business is closed. The system will detect unauthorized entrance at all entry or exit points, and all exterior windows of the premises. It will also detect movement in the premise when the premises are vacant of employees.

The alarm system will be comprised of components including keypads, perimeter sensors (used to secure doors, windows and any other means of entry), motion detectors, glass break sensors, panic buttons, and audible sirens with the limitation imposed by ordinance.

The alarm system will also be equipped with battery and cellular backup systems to ensure continued notifications in the event of power or phone line disruption. Backup generators or uninterruptable power supplies shall also be placed on the site to ensure seamless production of the necessary utilities to continue operations in the event of loss of power.

These systems shall be adequate to supply all security features with adequate service in the event of utility loss. As such, there will be no lapse of security cameras, bio-metric lock features, and gate security.

A silent robbery alarm monitored by the Monitoring Center shall be installed near or within the point of sale counters and near the vault/safe room.

The Monitoring Center will be instructed to notify a contracted and duly licensed private patrol operator who will be responsible for providing a timely response, no greater than 20 minutes. The private patrol operator will be instructed and equipped to notify the Chief Security Consultant and Manager in the event of a breach in security (open door). The Manager will be required to respond to assist in evaluating the activation within one hour.

Upon request, we will make all information related to security alarms systems, monitoring and alarm activity available to regulatory agencies and local law enforcement. Contact Information shall be provided to the City of Firebaugh Police Department via alarm registration and will include: Names, Addresses, Phone Numbers, Cell Phone Numbers, and

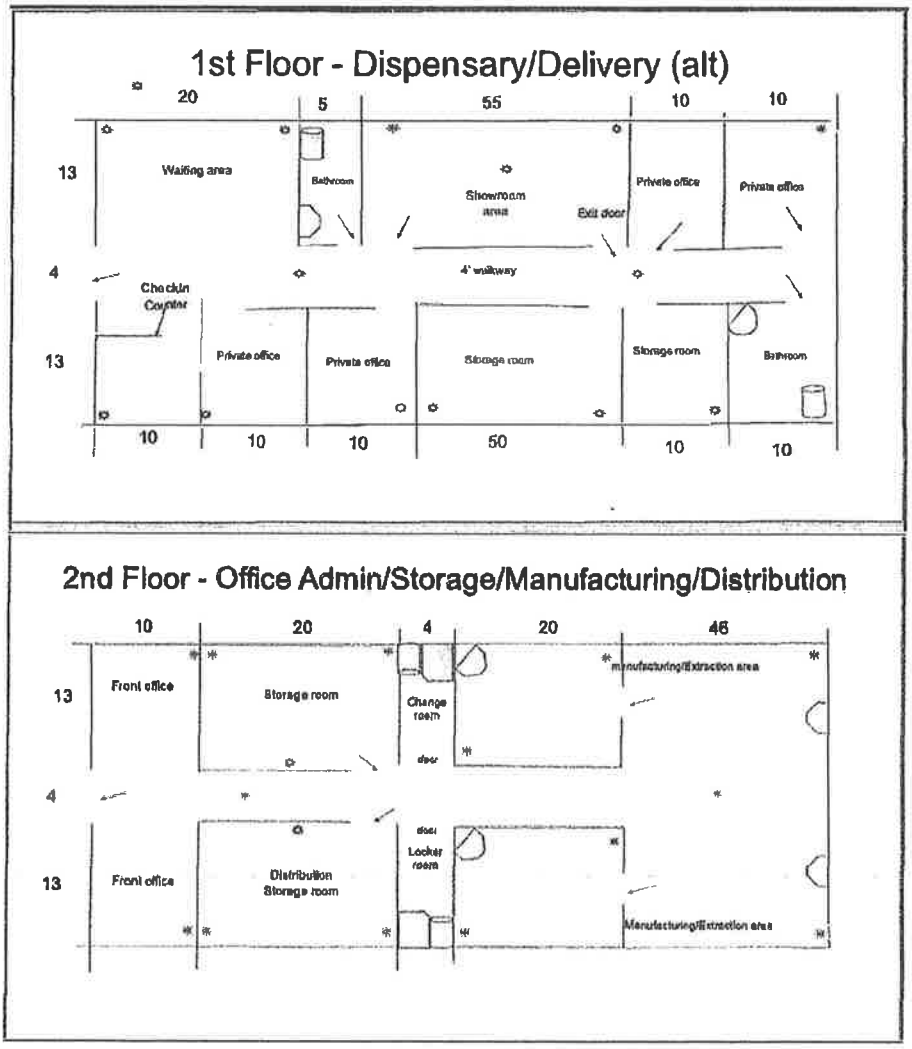
the make, model, and color of the vehicles they will be driving when responding to alarm calls at the site.

Fire Safety shall include at a minimum: emergency evacuation plan, integrated fire safety alarms and sprinkler system, appropriate fire extinguishers accessible to all personnel at multiple points on the site. All employees shall receive emergency preparedness training at orientation.

Armored Vehicles. FDC intends to engage the licensed cash transportation service HardCar Security (http://www.hardcarsecurity.com) or an equivalent provider to transfer cash between our facility and our bank on a daily basis.

HardCar offers commercial security systems for the high-profile cannabis industry including advanced Hidden Weapon Detection. This radar can detect hidden weapons before they become a threat to safety, they can be hidden in walls and virtually undetectable. This allows your team access to threat detection before a cash pickup or drop off. HARDCAR engineers develop proven commercial security systems for the cannabis industry like supply chain tracking. Feel at ease as we monitor your equipment, seeds, saplings, mature plants, and all products in transit. When your assets leave your facilities, you will know immediately. Our secure real-time tracking app ensures you have full access to asset and agent location at each stage of the transport. HARDCAR's proprietary Agent Verify technology is designed to discreetly interact with your employees at each location. Consistent safe and error free transactions every time.

Floor Plan


1st Floor - Dispensary/Delivery (alt)
20
5
55
10
10
13
Waiting area
Bathroom
Showroom area
Exit door
Private office
Private office
4' walkway
4
Check-in Counter
13
Private office
Private office
Storage room
Storage room
Bathroom
10
10
10
50
10
10
2nd Floor - Office Admin/Storage/Manufacturing/Distribution
10
20
4
20
46
13
Front office
Storage room
Change room
door
Manufacturing/Extraction area
4
door
13
Front office
Distribution Storage room
Locker room
Manufacturing/Extraction area

Community Benefit Program

FDC desires to present an enhanced economic environment for the City of Firebaugh. In that interest, vigorous efforts will be made to source employees and contractors from the local employment market. FDC will advertise, interview and select employees from residents of the City of Firebaugh, and will offer preference to local businesses for contracts including: electrical services, HVAC, construction for build-out, security services, waste management, and maintenance thereby contributing tens of thousands of dollars in revenue per year to local enterprise. FDC also presents Firebaugh with the potential for as many as forty full-time job opportunities at living wages.

Additionally, the proposed retail and manufacturing facilities will generate substantial tax benefits for the City of Firebaugh. The annual cost for licenses is $22,500. The Cultivation facility will contain 2,500 sq. ft. of cannabis canopy, which will generate $12,500 per year for the City. The Manufacturing facility is projected to produce an average of $1.6 million in wholesale revenue per year, which equals an additional $32,000 in taxes to the City of Firebaugh. In total, FDC will generate approximately $67,000 per year in tax revenue for the City from just a 3,000 sq ft facility.

FDC will align itself with the initiatives and goals of the City of Firebaugh. To that end, we will commit our Company to safety and security, clean and environmentally friendly practices including disposal plans and energy conservation and focusing on commonly shared objectives for the City of Firebaugh.

Our goal is to become a trusted, indispensable part of the community and we will give back through charitable donations to local organizations like the Carmen Meza and Senior Centers and contributions to civic-minded projects like the Harvest Festival and Electric Light Christmas Parade.

- **Local Focus.** Because it is our strongest desire to be of service and mutually beneficial to the community which we hope to serve, we intend to hire locally and to sub-contract locally. Residents of City of Firebaugh will be favored at all times in an effort to provide further economic stimulus through gainful employment for community members. In the event that qualified employees cannot be sourced from City of Firebaugh, the company will find workers from outside the city and pay to relocate them to the city, if necessary.
- **Equal Opportunity.** FDC welcomes diversity and inclusiveness. Accordingly, an effort will be made to provide equal opportunity in our employment practices to people of color, females, and seniors.

- **Compensation.** We believe that a well-paid employee is a motivated employee. To that end, we will provide compensation to hourly employees at a living wage, meaning 150% of the minimum wage mandated by California or Federal law, whichever is greater.
- **Benefits and Training.** FDC will offer benefits in compliance with all federal and state regulations. Full-time employees will have the opportunity to participate in health care insurance programs with employer contribution. We will offer paid employee training in not only hard-skill areas directly related to the retail process, but also in the legal aspects of the business, safety, and standards in support of a positive work environment. Management will also mandate initial and on-going safety and fire prevention training.

How we intend to positively impact the Firebaugh Community:

- **Local Revenue Generation.** FDC will present the residents of the City of Firebaugh with approximately 28 full-time and 10 part-time job opportunities for this facility.
- **Tax Revenue.** Company revenue will generate substantial tax benefits for City of Firebaugh and the state of California in general.
- **Community Involvement.** Our Company will not be only a business, but a member of the community. We intend to generously contribute to local charity organizations and civic-minded projects.
- **Outreach.** We propose to work closely with the City of Firebaugh to design and implement educational and outreach activities that will improve the neighborhood. We will specifically support alcohol, tobacco, and drug abuse education in the community.
- **Workshops.** We propose to provide many other health related educational services and practical workshops including but not limited to classes on meditation, yoga, mental health, prenatal care, general health education, stress reduction, and weight loss.
- **Military Veteran Programs.** We propose to provide services for Military veterans to assist with Post Traumatic Stress Disorder and an outreach program in which staff provides education to veterans regarding substance abuse.
- **Future Programs.** We also have several proposals to discuss with the City of Firebaugh as to how we may be of use and of service to the City, one such suggestion being a designated community outreach supervisor who would be available 24-7 by phone or email; establishment or furtherment of support groups for people suffering from cancer, domestic violence, child abuse, elder abuse, dementia, and diabetes.

Alignment with City of Firebaugh Strategic Initiatives.

FDC will align itself with the initiatives and goals of the City of Firebaugh. To that end, we will commit our Company to safety and security, clean and environmentally friendly practices including disposal plans and energy conservation and focusing on commonly shared objectives for the City of Firebaugh.

FDC would like to put forth the following four (4) objectives toward improving the quality of life for residents, business owners, and community members in all Firebaugh Communities and open the conversation.

- Objective 1: Increase neighborhood safety and cohesion;
- Objective 2: Foster a sense of place and support neighborhood pride;
- Objective 3: Increase collaboration with businesses, non-profits and neighborhood groups on Community education projects; and
- Objective 4: Create resilient and sustainable neighborhoods.

Partnerships with Local Businesses.

We will seek many contract services from local businesses and professionals. Through these purchases we expect to contribute tens of thousands of dollars in revenue to local enterprises every year. In addition, our parent company is in the process of building a state-wide, vertically-integrated cannabis operation. This will open opportunities for local professionals to participate in our legal, accounting, real estate and investment operations in the future, all of which will generate significant cashflow to the successful firms.

Appendix 1 - Distribution Operating Plan

As more fully described previously in this proposal, our top priority is to operate a licensed wholesale distribution operation on the Property.

California's regulations require that a licensed Distributor transport, store, package and supervise third party tests for all cannabis operations in the state. Even if a company has both a cultivation and retail license on the same premises, it must pay a Distributor to move its product off site for testing and packaging, and then back to the location for sale. The licensed Distributor designation is new, (about one year old) and has wide latitude in how it may be operated in the market. Acquiring the Property, obtaining this license, building the Firebaugh facility and operating in the first quarter of 2020 is a critically important part of our corporate strategy.

Today California Distributors have an inordinate amount of power in the market, with the ability to drive wholesale prices down at the point of purchase and drive them up at the point of sale. Both non-vertically integrated producers and retailers are at the mercy of pricing controlled by a select few and powerful Distributors in California. It is for this reason that we must become a licensed Distributor at the earliest possible date. Control of the entire value chain is a primary objective for management.

Building a Distribution Warehouse on the Property in Firebaugh, CA gives us the quickest path to market and to revenue generation. Because we do not have a timetable for receiving operating permits for our dispensaries in Los Angeles and Fresno, this operation could be our first licensed subsidiary. If the facility is built, licensed and ready for operation prior to the receipt of retail licenses, we will engage in wholesale buying and selling to generate revenue and earnings for our shareholders.

If we receive our retail licenses prior to the completion of the facility, we will be forced to subcontract supply to a third-party Distributor, which does not portend optimal margins at retail. This is not a catastrophe, but it is something we wish to avoid at all costs. Hence our sense of urgency to move this proposal, and the entire process, forward at the earliest possible date.

A best-case scenario for our company would be to bring the Distribution operation online at approximately the same timeline as our retail facilities. That is our company's goal at this location.

The Distributor operation will transport, store, process, package and deliver all of the products that we produce, with the goal of:

- Supplying internal demand as efficiently as possible;
- Maintaining the highest degree of operational efficiency;
- Building long term, trusted relationships with testing laboratories and packaging vendors; and
- Selling excess production under our brands at market prices to third party retailers.

The operation of this business is fairly complex as it requires equal focus on product quality, packaging, transportation, inventory control and tabulation and payment of excise taxes to the State of California. It is also the most labor intensive of the operations at the Firebaugh facility, requiring as many as sixteen employees.

As our operation scales up, we will initially purchase most of the products sold at retail from third party suppliers. We will have two trucks on the road between producers and laboratories in Northern, Central and Southern California every working day.

As we phase in our own production (see forthcoming pages), we will be less dependent on third party producers and will then focus more on creating and popularizing our own brands. At that time our packaging operation will be scaled up and we will focus more on creating attractive packaging for our brands and increasing efficiency in the packaging process.

We also hope to attract an independent testing laboratory to Firebaugh in the near future. Regulations preclude us from operating such a business, but having one in the community would pay dividends in terms of ease of access and scheduling.

Distribution Proforma

	FY1	FY2	FY3
Cost of Goods Sold			
Lab Tests	$55,288	$ 81,833	$ 107,678
Electricity	$36,000	$ 39,600	$ 43,560
Packaging	$555,265	$ 870,109	$ 1,071,703
Total COGS	$646,553	$ 991,542	$ 1,222,941
Operating Expenses			
Automobile	$6,000	$ 6,300	$ 6,300
Internet & Phone	$3,000	$ 3,150	$ 3,308
Licenses	$30,000	$ 31,500	$ 31,500
Office Expense	$1,800	$ 1,890	$ 1,985
Shipping & Postage	$600	$ 630	$ 662
Software	$6,000	$ 6,300	$ 6,615
Uniforms & Safety	$5,184	$ 5,443	$ 5,443
Utilities	$1,200	$ 1,260	$ 1,323
Wages	$806,411	$ 831,938	$ 858,282
Insurance			
Automobile	$6,000	$ 6,300	$ 6,300
Liability, General & Umbrella	$6,000	$ 6,300	$ 6,300
Facility Insurance	$12,504	$ 13,129	$ 13,129
Product Liability	$9,000	$ 9,450	$ 9,450
Workers Compensation	$28,224	$ 29,118	$ 30,040
Employee Health Insurance	$54,000	$ 54,000	$ 54,000
Total Operating Expenses	$975,923	$ 1,006,708	$ 1,034,636

Appendix 2 - Manufacturing Operating Plan

Our second priority for the Firebaugh facility is to bring our manufacturing facility online and operational. Vape cartridges are projected to comprise 40% of total retail sales at extraordinarily high margins. We intend to fulfill this substantial demand generated by our retail outlets from the Firebaugh location.

Our manufacturing management team previously operated Turn and Cough Extracts Inc. for three years in the Central Valley under prior medical regulations. They are experts in the development, production and marketing of extracted cannabis products.

Extracts — or concentrates — are products derived from cannabis flowers. These products contain higher concentrations of active cannabinoids than the unprocessed flower. Extracts come in a variety of forms from basic oils to the glass-like solid commonly referred to as shatter, or canna-butter commonly used to make edible cannabis products. The most popular form of extract today is cannabis oil that can be vaporized.

There are several factors driving cannabis users away from the traditional and towards extracts:

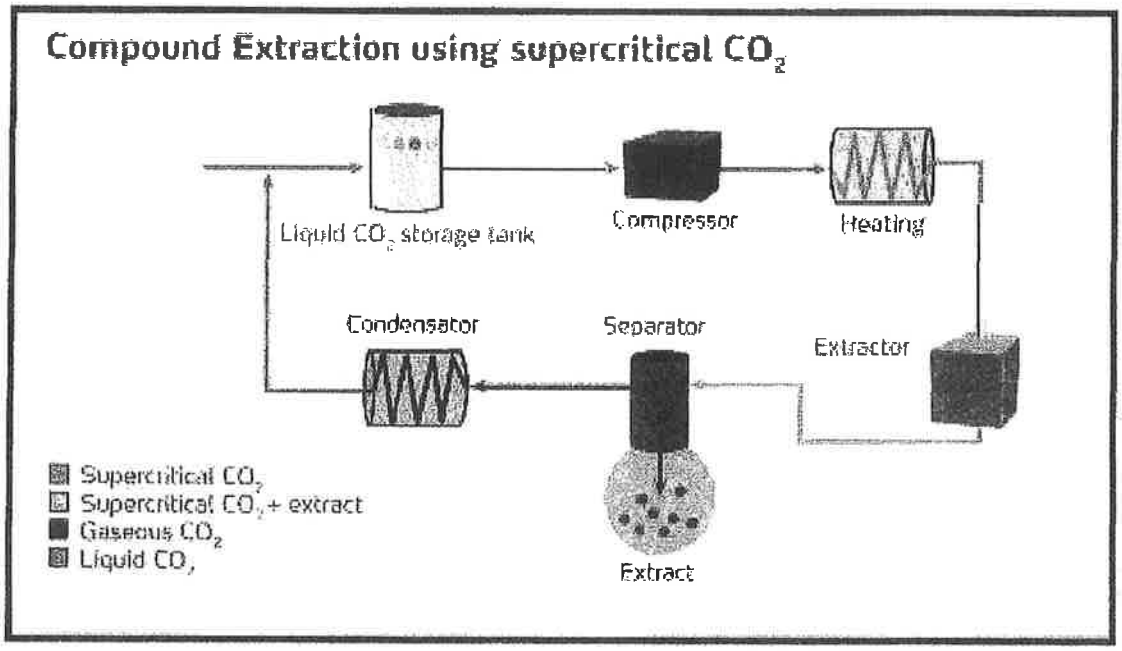
- Oil, the most popular form of cannabis extract, is most commonly vaporized, which means that the toll on the consumer's lungs is greatly reduced compared to breathing in smoke.
- Secondly, extracts are far more potent than flower, allowing for faster relief for medical users and offering better value for consumers of all types.
- Lastly, and likely not least, vaporizing extracts is discreet. Since there's no combustion, extract vapor doesn't cling to clothes or hang in the air the way smoke does. This means that a consumer living in a smoke-free building can enjoy a vape in peace without worry of bothering any neighbors.

We are highly experienced with manufacturing, production and marketing of these products. Management previously operated an extraction lab in Central California and marketed a popular line of concentrates.

Initially, FDC seeks to manufacture cannabis concentrates which will be used for vaping, or for baking into food products. We anticipate obtaining and utilizing the non-volatile, Supercritical C02 extraction method, which is more fully described below.

Manufacturing Process

Extraction Method Firebaugh Development Corporation shall utilize a Supercritical CO2-based, non-volatile chemical extraction method. This will occur in the separate facility located on these parcels and labeled as "manufacturing."



The Supercritical CO2 extraction process creates phase changes in carbon dioxide utilizing temperature and pressure. CO2 is known as a "tunable solvent" making it extremely versatile for creating a multitude of end products by controlling temperature and pressure. These phase changes create an environment to drop out differing weights of components in the plant material.

The primary reason is to create a pure, clean, quality oil that is safe to produce with little-to-no post-processing, unlike toxic solvents that may require many hours to purge the solvent trapped in the oil. In addition, multiple industries have proven that the highest efficiencies in commercial processing utilize CO2.

CO2 is efficient, inexpensive and is a "tunable" solvent. The ability to "tune" the extraction process cannot be overstated - especially with a system that will separate constituents during an extraction. CO2 is also a sanitizing agent, prolonging shelf life and with the proper system and environment, yields food and medical grade oils associated with the unique identifier issued by the Department of Food and Agriculture.

Specific Extraction and Distillation Equipment

FDC proposes the use of the industry leader, "Eden Labs" system for extraction. This method of extraction offers many superior features resulting in both quality and safety assurances.

CO2 by itself is not a strong solvent, but by putting it under pressure and adding heat, it gives an incredibly rich, concentrated and toxin free product. This makes for a healthier work environment and a healthier end product.

Low humidity and roughly 74 degrees Fahrenheit. Generally speaking, most herbs are best extracted with a 50-50 mix of ethanol and water. Coldfinger™ Extraction. Eden Labs newest design allows the operator to perform a steam distillation prior to Coldfinger distilling. This makes it possible to isolate mono terpenes, or essential oils, before the primary extraction. Steam distilling can be done at conventional atmospheric conditions or under vacuum which allows steam to be made at lower temperatures.

Vacuum distilling method. Eden Labs steam distilling method stands apart from all other distillers. Their patent pending Coldfinger condenser with essential oil separator allows steam distilling to be done very gently with the water in the bottom of the distiller lightly simmering. This is important for capturing delicate flower essences. Our distiller is rated for full vacuum so that the process can be manipulated for creating steam at much lower temperatures as well.

Decreasing the pressure on the CO2 after the extraction process is complete allows the liquid CO2 molecules to turn back into a gas and evaporate into the atmosphere. This is probably the simplest part of the whole procedure: just leave the extracts out at room temperature. This is the same chemical reaction that causes a soda pop to go flat after it's opened and warms up. Some industrial supercritical machines can even simplify this process by recapturing, recycling and reusing the CO2 gases that are given off when extraction is complete.

Stirred Reactor Unit_This is the most widely used method of extraction across many industries. A solid material is placed in a tank and then heated and stirred to separate the compounds that are soluble in the solvent. There are several reasons why Eden Labs stirred reactors are unique. Their system allows the user to steam distill the material first to isolate lighter oils if desired prior to stirred reactor extraction. The same perforated basket is used for Cold finger, steam distilling and stirred reactor and switching from one method to another is fast and efficient. Eden Labs' stirred reactor is designed to comply with California solvent emission laws which limit vapors in the workplace. After completing an extraction

and pumping the extract saturated solvent out of the tank, a vacuum can be applied from the center drain pipe of the tank which pulls residual solvent out of the extracted material. This means that when the tank is opened up, solvent vapors entering the workplace are minimized.

Manufacturing Proforma

	FY1	FY2	FY3
Cost of Goods Sold			
Trim	1,320,000	1,584,000	1,584,000
Solvent	30,000	37,800	36,000
Cartridges	68,992	82,790	82,790
Electricity	45,619	47,900	50,295
Maintenance	18,000	18,000	22,500
Total COGS	1,464,611	1,752,491	1,753,086
Operating Expenses			
Automobiles	6,000	6,300	6,615
Internet & Phone	3,000	3,150	3,308
Licenses & Permits	40,000	42,000	44,100
Office Expense	1,800	1,890	1,985
Rent	247,500	259,875	181,913
Shipping & Postage	600	630	662
Software	6,000	6,300	6,615
Uniforms & Safety	288	302	318
Utilities	1,200	1,260	1,323
Wages	676,915	698,360	720,491
Insurance			-
Automobile	4,200	6,300	6,615
Liability, General & Umbrella	6,000	6,300	6,615
Facility Insurance	12,504	13,129	13,786
Product Liability	9,000	9,450	9,923
Workers Compensation	1,986	22,279	22,992
Employee Health Insurance	59,000	66,000	66,000
Taxes			-
Local Tax	50,000	50,000	50,000
Total Operating Expenses	1,125,993	1,193,526	1,143,258

Appendix 3 - Retail Operating Plan

All operations are designed to ensure operational best practices, prevent diversion of medical cannabis to unauthorized individuals, and provide a robust infrastructure of organizational productivity and efficiency.

The operational plan reflects our adherence to regulatory guidelines and industry best practices so as to avoid potential liabilities for operations that are not in compliance with the local and state regulations on the retail distribution of adult use and medical cannabis. The processes, procedures and protocols to be enacted within the facility will safeguard employee health, safety and welfare, and will contribute to the efficient and streamlined operations occurring on site.

Hours of Operation: FDC will sell and deliver cannabis goods only between the hours of 9:00 a.m. Pacific Time and 9:00 p.m. Pacific Time. When the dispensary is not open for retail sales, we will ensure that:

- The premises are securely locked with commercial-grade, nonresidential door locks;
- The premises are equipped with an active alarm system, which will be activated when the employees are not on the licensed premises;
- The premises are surveilled by high quality security cameras; and
- Only employees and contractors are able to enter the premises during that time, *pursuant to established protocols.*

Dispensary Customers: We will only sell adult-use cannabis goods to individuals who are at least 21 years of age, and medicinal cannabis goods to individuals at least 18 years of age who possess a Medical Marijuana Identification Card issued by the California Department of Public Health. Staff Members will verify the identity, age, and medical status of each customer, as required by law. Each retail customer will be issued a unique Customer ID for rapid identification during subsequent visits.

Access to Dispensary Premises: Access to the licensed premises of an A (adult-use) *customer will be limited to individuals who are at least 21 years of age. Access to the licensed* premises of an M (medical) customer will be limited to individuals who are at least 18 years of age and have a valid Medical Marijuana Identification Card issued by the California Department of Public Health.

Scheduled Access Only: At no time should any unscheduled employee, contractor, or guest gain access to the site without proper clearance, permission and authorization. The policies, procedures and protocols to follow will elaborate on the expectations for proper operations in compliance with the City of Firebaugh County Ordinances and all other applicable state laws.

Limited-Access Areas: Only "Authorized Individuals" may be allowed to enter limited-access areas. Authorized individuals include employees as well as any outside vendors, contractors, or other individuals conducting business that requires access to the limited access area. An individual in the limited-access area who is not employed by FDC will be escorted by an employee at all times within the limited-access area. An individual who enters the limited-access area shall be at least 21 years of age. We will maintain a log of all authorized individuals who are not employees that enter the limited-access area. These logs will be made available to representatives from the City of Firebaugh and the Bureau of Cannabis Control upon request. We will not receive consideration or compensation for permitting an individual to enter the limited-access area.

Retail Cannabis Area: Customers will be granted access to the retail area to purchase cannabis goods only after the employee has verified that the individual is at least 21 years of age and has a valid proof of identification, or that the individual is at least 18 years of age and has valid proof of identification and a valid Medical Marijuana Identification Card issued by the California Department of Public Health. Acceptable forms of identification include the following:

a) A document issued by a federal, state, county, or municipal government, or a political subdivision or agency thereof, including, but not limited to, a valid motor vehicle operator's license, that contains the name, date of birth, physical description, and photo of the person;
b) A valid identification card issued to a member of the Armed Forces that includes a date of birth and a photo of the person; or
c) A valid passport issued by the United States or by a foreign government;
d) A valid proof of identification must clearly indicate the age or birthdate of the individual;

At least one employee shall be physically present in the retail area at all time when individuals who are not employees of the Company are in the retail area.

Cannabis Goods Display: Cannabis goods for visual inspection and sale will only be displayed in the retail area. The Dispensary will not display cannabis goods in a place visible from outside the licensed premises. Cannabis goods may be removed from their packaging and placed in containers to allow for customer visual inspection only. Customers may not touch any such display items. The containers will not be readily accessible to customers

without assistance of dispensary employee. A child resistant container will be provided to the customer by the dispensary employees after purchase, and prior to egress. An employee will remain with the customer at all times when the container is being inspected by the customer. Cannabis goods removed from their packaging for display will not be sold, will not be consumed, and will be destroyed in accordance with local and state regulations after the cannabis goods are no longer used for display.

Cannabis Goods for Sale: FDC will not make any cannabis goods available for sale or delivery to a customer unless:

- the cannabis goods were received from a licensed distributor;
- we have verified that the cannabis goods have not exceeded their expiration or sell-by date if one is provided;
- in the case of manufactured cannabis products, the product complies with all requirements of Business and Professions Code section 26130 and all other relevant laws.

Direct Contact with Cannabis: Additional contracted labor in the form of janitorial, maintenance, repair or other unanticipated individual contractors or consultants needed to perform tasks to maintain the facility will be prohibited access to sensitive areas of the facility unless under the direct supervision of staff or security.

Sale of Non-Cannabis Products: FDC will NOT sell non-cannabis products on the premises except for sales that comply with city, county, and state laws or regulations related to such non-cannabis products. Alcohol, alcohol products, tobacco and tobacco products will not be sold or distributed in any way from the premises, at any time.

On-Site Consumption: Consumption of cannabis products on-site will not be allowed.

Live Plants: FDC will only sell live, immature cannabis plants and seeds in compliance with State Regulations, and then only with all of the following requirements:

- The plant is not flowering;
- The plant or seed was purchased from a nursery that holds a valid Type 4-Cultivation/Nursery license under the Act;
- Label will be affixed to the plant or package containing any seeds which states, "This product has not been tested pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act."
- We will not sell any other live plants; and
- We will not apply nor use any pesticide, nor cause any pesticide to be applied nor used, on live plants.

weight. Finally, it will be held in the quarantine location secured for at least 72 hours before being removed from the premises. All of this must be done on camera, and a separate surveillance camera with 30-day archive is required for the quarantine area.

Disposal Documentation Requirements: If cannabis goods are to be destroyed or disposed of, we will safely quarantine such goods until they are collected by a licensed Cannabis Disposal company. We will further record in the track and trace system the following information:

1. The name of the employee that collects the goods for destruction or disposal.
2. The reason for destruction or disposal.
3. The name of the entity being used to collect and process cannabis waste.
4. Spoilage or fouling of the cannabis goods.
5. Any event resulting in exposure or compromise of the cannabis goods.
6. All transactions must be entered into the track and trace system within 24 hours of occurrence.
7. The account manager will only enter and record complete and accurate information into the track and trace system and shall correct any known errors entered into the track and trace system immediately upon discovery.

Weight Scale: FDC will utilize NTEP-certified digital scales that integrate to the POS register system and track and trace software.

Daily Customer Flow

Adult-use & Medicinal Cannabis Customers: As the customer enters the store, they will walk in to the waiting room. Passing through a secure door, they will be greeted by a privately contracted security guard. Security guard will check for valid California ID and verify that the persons are over the age of 21, or over the age of 18 if a medical customer. If the customer is a medical cannabis customer, they will be directed to the "Verification Window" located in the waiting room. Waiting room concierge will verify the customer's eligibility by verifying the California medical marijuana card by visiting cdph.ca.gov. Once verified, the customer may use the waiting room to wait to be called to the cannabis area show room. The customer will pass through the "limited access" area secure door which will be secured by an automated commercial grade lock and a buzzer.

Once in the cannabis area, the customer will be greeted by the cannabis concierge and have full access to the cannabis show room area, where the customer may choose and pick a favorite cannabis strain and/or cannabis product. Once the customer has chosen their favorite cannabis product(s), the cannabis concierge will retrieve a pre-packaged cannabis product from the limited access secure storage room. Once the customer receives the

cannabis, the concierge will accompany the customer to the check-out cashier. Cashier will scan the package and process the payment in cash or credit card. Packaged cannabis and purchase receipt will be put inside an opaque, child-proof exit package Customer will walk out using the "limited access" area secure door to exit. Upon exit the customer receipt and exit package will be inspected by the security guard. Customer may then exit the dispensary. NO ON-SITE CONSUMPTION WILL BE ALLOWED.

Electricity Usage: In order to supply all power requirements, we intend to incorporate solar power in the future. The company has a 3-year plan to use a minimum of 50% solar energy on-site to offset the carbon footprint.

Outdoor Lighting: We will use commercial retail lights of a color and type that are typically used in the neighborhood so as not to cause esthetic imbalances. Such lighting will be capable to illuminate all required visible areas so that they may be recorded with clarity.

Signage Plan: We will use minimal signage in the interest of site security and community safety. A simple sign at the front gate will indicate the name of the company as "The Firebaugh Original." and provide contact information without disclosure of business activities unless otherwise directed from City of Firebaugh officials. No signage will be implemented to advertise, solicit, or obstruct views.

Deliveries & Anticipated Frequency of Delivery Servicing Dispensary

Hours of Operation: Delivery Services including loading and unloading and receiving activities at the business premises shall be limited to 9:00 a.m. to 9:00 p.m. Monday through Friday and 9:00 a.m. to 9 p.m. on Saturday. No deliveries shall occur on Sunday.

Delivery Employee Procedures: *All deliveries of cannabis goods will be performed by a* delivery employee of the Company. Company cannot sub-contract any deliveries. All deliveries of cannabis goods will be made in person. The Company will maintain an accurate list of the Company's employees. All Delivery Employees will fill out an employment application and W2's.

Methods of Delivery Vehicle Requirements: The Company's delivery employee, carrying cannabis goods for delivery, will only travel in an enclosed motor vehicle. No bicycles, motor cycles, aircraft, drones, or open bed trucks will be used. All delivery vehicles will adhere to the following protocols:

1. Equipped with a fully-compliant lockable safe or metal box;
2. Vehicle registration and valid insurance card hall be in the vehicle at all times;
3. Any vehicle used in the delivery of cannabis goods will ONLY be operated by the employee of the Company;
4. Cannabis goods will not be visible to the public.
5. Delivery driver will not leave cannabis goods in an unattended vehicle unless the vehicle is locked and equipped with an active vehicle alarm system.
6. All vehicles used for the delivery of cannabis goods will be outfitted with a dedicated GPS device for identifying the geographic location of the delivery vehicle.
7. A dedicated, compliant GPS device will be owned by the Company and used for delivery ONLY.
8. GPS device shall be either permanently or temporarily affixed to the delivery vehicle and will remain active and inside of the delivery vehicle at all times during delivery.
9. The Company will provide the City of Firebaugh and the Bureau of Cannabis Control with information regarding any motor vehicle used for the delivery of cannabis goods, including the vehicle's:
    a. Make
    b. Model
    c. Color
    d. VIN
    e. License plate number
    f. DMV registration information
    g. Valid Insurance card

GPS Tracking Device Specifications:

- 60/30/15 seconds GPS update
- No battery required, draws power from OBD-II port.
- Goes to sleep after car ignition is off but wakes up once in every hour (when the car-ignition is off) to update location and then goes back to sleep again.
- Real-time Geofence zone, street address for start/stop points on the map, vehicle OBD diagnostics, maintenance, vehicle recall, fuel economy and fuel level (if available).
- Driver speeding/braking/rapid acceleration alerts by Push Notification/Email and SMS (upon request), trip history, driving score.
- Roadside assistance
- Tamper alert sent once device is plugged back into the OBD-II port after it is removed.
- Curfew Hours notifications,
- Trip replay feature.

The Process of Delivery

1. The process of delivery begins when the Company receives a call or email from a potential customer for purchase of cannabis products.
2. All requests for the delivery of cannabis goods must be received and prepared by the Company prior to the delivery driver leaving the licensed premises with the cannabis products to be delivered.
3. All cannabis products MUST be pre-packaged & labeled before leaving retailer's premises.
4. The customer service employee will verify customer's eligibility over the phone by asking required information:
    a. For medicinal cannabis customers, their Medical Marijuana Identification Card and valid CA ID.
    b. For adult use customers, their valid CA ID.
5. After verification, the company employee will enter the data into the track and trace system and create a Delivery Manifest.
6. Delivery driver will only deliver cannabis goods to a physical address in California within the legal boundary established by the Bureau of Cannabis Control.
7. Delivery driver will not deliver cannabis goods to an address located on publicly owned land or any address on land or in a building leased by a public agency.
8. Delivery driver will not leave the State of California while possessing cannabis goods.
9. Any motor vehicle used by a retailer to deliver cannabis goods is subject to inspection by the Bureau of Cannabis Control and law enforcement at any time.
10. Delivery driver can have multiple routs after leaving the premises.
11. A separate driver's manifest is required for all deliveries
12. Delivery driver will, during deliveries, carry a copy of:
    a. Copy of Company's current license
    b. Employee's government-issued ID
    c. Employee ID badge provided by the employee
    d. Transport Manifest for all delivery stops
13. The process of delivering ends when the delivery driver returns to the premises after delivering the cannabis goods to the customer(s).

Cannabis Goods Carried During Delivery: While making deliveries, Company's delivery driver will not carry cannabis goods valued in excess of $3,000 at any time. This value will be determined using the current retail price of all cannabis goods carried by the delivery driver. All requests for the delivery of cannabis goods must be received and prepared by the Company prior to the delivery driver leaving the licensed premises with the cannabis goods to be delivered. All cannabis products MUST be pre-packaged and labeled before leaving retailer's premises. Delivery driver will not carry any other cannabis goods not meant for delivery to a customer, while conducting deliveries. Prior to providing cannabis goods to a customer, a delivery driver will verify the age and identify of the customer. Check customer ID before handling any transactions. Delivery employees will not consume cannabis goods while delivering cannabis goods to customers.

Delivery Request Receipt: The Company will prepare a delivery request receipt for each delivery of cannabis goods. The delivery request receipt shall contain the following:

- The name and address of the retailer;
- The first name and employee number of the retailer's delivery employee who delivered the order;
- The first name and employee number of the retailer's employee who prepared the order for delivery;
- The first name of the customer and a retailer-assigned customer number for the person who requested the delivery;
- The date and time the delivery request was made;
- The delivery address;
- A detailed description of all cannabis goods requested for delivery. The description shall include the weight, volume, or any other accurate measure of the amount of all cannabis goods requested;
- The total amount paid for the delivery, including any taxes or fees, the cost of the cannabis goods, and any other charges related to the delivery; and
- Upon delivery, the date and time the delivery was made, and the signature of the customer who received the delivery.

At the time of the delivery, the delivery employee of the retailer shall provide the customer who placed the order with a copy of the delivery request receipt. The delivery employee shall retain a signed copy of the delivery request receipt for the retailer's records.

Delivery Route: While making deliveries of cannabis goods, a delivery driver shall only travel from:

- Company's licensed premises to the delivery address;
- From one delivery address to another delivery address; and
- From a delivery address back to the retailer's licensed premises.

Delivery driver shall not deviate from the delivery path described in the Delivery Manifest, except for:

- Necessary rest;
- Fuel;
- Vehicle repair stops; and
- Because road conditions make continued use of the route unsafe, impossible, or impracticable.

Receiving Shipments of Inventory: The Company will receive a shipment of cannabis goods only from a licensed Distributor. The Company will accept shipments of cannabis goods only between the hours of 9:00 a.m. and 9:00 p.m. Pacific Time. During business hours, shipments of cannabis goods will not enter the premises through an entrance or exit that is not available for use by the public. Upon pick-up or receipt of cannabis goods for transport, storage, or inventory, the Company will ensure that the cannabis goods received are as described in the shipping manifest and will record acceptance and acknowledgment of the cannabis goods in the track and trace system. If there are any discrepancies between the type or quantity specified in the shipping manifest and the type or quantity received by the Company, the Company will record and document the discrepancy in the track and trace system and in any relevant business record.

Inventory Documentation: The Company will maintain an accurate record of inventory. The Company will provide the Bureau of Cannabis Control with the record of inventory upon request. We will keep a record of the following information for all cannabis goods the Company has in its inventory:

- A description of each item such that the cannabis goods can easily be identified;
- An accurate measurement of the quantity of the item;
- The date and time the cannabis goods were received by the retailer;
- The sell-by or expiration date provided on the package of cannabis goods, if any;
- The name and license number of the licensee that delivered the cannabis goods to the retailer;
- The name and license number of the Distributor that provided the cannabis goods to the retailer; and
- The price the retailer paid for the cannabis goods, including taxes, delivery costs, and any other costs.

Inventory Reconciliation: The Company will perform a reconciliation of its inventory at least once every 14 days. The Company will verify that the physical inventory matches the records pertaining to inventory. The result of inventory reconciliation will be retained in the Company's records and will be made available to the Bureau of Cannabis Control upon request. If the Company identifies any evidence of theft, diversion, or loss, the retailer shall notify the Bureau and law enforcement. If a significant discrepancy is discovered between your physical inventory and the inventory records, the Company must notify the Bureau and law enforcement immediately.

Record of Sales: The Company will must maintain an accurate record of sale for every sale made to a customer. A record of a medicinal cannabis goods sale shall contain the following information: The first name and employee number of the retailer employee who processed the sale; The first name of the customer and a retailer-assigned customer number for the person who made the purchase; The date and time of the transaction; A list of all the

cannabis goods purchased, including the quantity purchased; and The total amount paid for the sale including the individual prices paid for each cannabis good purchased and any amounts paid.

Records Software

FDC will utilize the WebJoint Inc. Retail Software Suite (https://www.webjoint.com/cannabis-retail-software) to manage electronic tracking, storage of required records and administration of all sales, delivery, purchasing and inventory functions.

Our CEO, George Boyadjian has advised WebJoint since its inception on industry preferences, regulatory requirements and practical usage functions. As such, we are intimately familiar with all aspects of the software's functionality and are a strong proponent of its usage to our consulting clientele. Some of the benefits and features of WebJoint are as follows:

Inventory Management. A fully METRC-integrated inventory management system that tracks by the batch, giving you full transparency on your inventory between website and point-of-sale. Our inventory management system deducts from various inventory locations on the fly—online and in-store.

Modular Cannabis Tax Features. Cannabis tax should be simple, but regulations don't make that possible. WebJoint eases the complicated tax process with a modular feature. We make excise, local, and custom taxes a breeze.

Integrated E-Commerce Store. Create and manage online store with a white labeled .com website. Inventory is synced live with point-of-sale and inventory management system. Accepts orders with cashless payments and dispatch to drivers automatically.

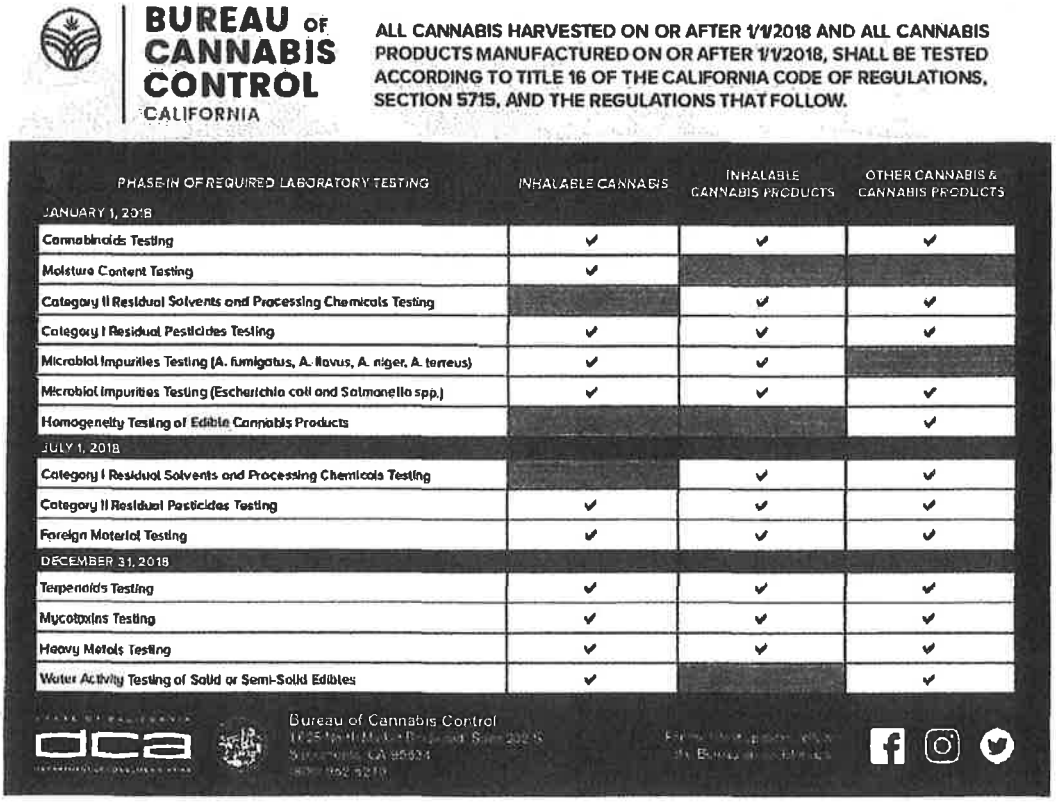
Delivery Tracking and Dispatching. Deliver with confidence. Tracking, delivery kit management, and shipping manifests at your fingertips. Integrations with fleet management systems, Tookan and Onfleet, WebJoint offers a seamless experience for drivers and dispatch center. Delivery made simple.

Integrated with METRC. WebJoint is integrated with METRC (the tracking software used to connect with the CA Bureau of Cannabis Control) meaning every transaction, adjustment, and inventory reconciliation is sent automatically. This is compliance with convenience and no double-entry, saving time and money.

State Testing Requirements. All cannabis in California was required to pass specific cannabis testing requirements before it can be sold in dispensaries as of July 1st, 2018. On December 31, 2018, new, more stringent Phase 3 rules took effect. Today all commercial cannabis sold in California is subject to new rules regarding the amount of pesticides, potency, impurities, and moisture that could be contained in cannabis products.

Licensed Distributors are primarily responsible for requesting regulatory testing and have the ability to transport cannabis between licensed cultivators, testing facilities and dispensaries. In an effort to raise awareness of the new cannabis testing requirements for the City of Firebaugh, following is a summary guide of current requirements:

What Tests are Required?



BUREAU OF CANNABIS CONTROL
CALIFORNIA

ALL CANNABIS HARVESTED ON OR AFTER 1/1/2018 AND ALL CANNABIS PRODUCTS MANUFACTURED ON OR AFTER 1/1/2018, SHALL BE TESTED ACCORDING TO TITLE 16 OF THE CALIFORNIA CODE OF REGULATIONS, SECTION 5715, AND THE REGULATIONS THAT FOLLOW.

PHASE-IN OF REQUIRED LABORATORY TESTING	INHALABLE CANNABIS	INHALABLE CANNABIS PRODUCTS	OTHER CANNABIS & CANNABIS PRODUCTS
JANUARY 1, 2018			
Cannabinoids Testing	✔	✔	✔
Moisture Content Testing	✔		
Category II Residual Solvents and Processing Chemicals Testing		✔	✔
Category I Residual Pesticides Testing	✔	✔	✔
Microbial Impurities Testing (A. fumigatus, A. flavus, A. niger, A. terreus)	✔	✔	
Microbial Impurities Testing (Escherichia coli and Salmonella spp.)	✔	✔	✔
Homogeneity Testing of Edible Cannabis Products			✔
JULY 1, 2018			
Category I Residual Solvents and Processing Chemicals Testing		✔	✔
Category II Residual Pesticides Testing	✔	✔	✔
Foreign Material Testing	✔	✔	✔
DECEMBER 31, 2018			
Terpenoids Testing	✔	✔	✔
Mycotoxins Testing	✔	✔	✔
Heavy Metals Testing	✔	✔	✔
Water Activity Testing of Solid or Semi-Solid Edibles	✔		✔

dca Bureau of Cannabis Control

How Can We Be Assured that the Cannabis Inventory we have is Compliant? The California Bureau of Cannabis Control has defined a very specific process under which Distributors, Testing Laboratories and Dispensaries must operate. It was designed to provide assurance to the user that the cannabis products purchased at retail are free from pesticides and impurities, and fall within specific ranges of potency and moisture content. We will make these quality-based assertions on all products sold in our facility in reliance on the following sections of California Code of Regulations, Title 16, Division 42. Bureau of Cannabis Control:

§ 5304. Testing Arrangements. After taking physical possession of a cannabis goods batch, the licensed distributor shall contact a licensed testing laboratory and arrange for a laboratory employee to come to the licensed distributor's licensed premises to select a representative sample for laboratory testing. Authority: Section 26013, Business and Professions Code. Reference: Sections 26104 and 26110, Business and Professions Code.

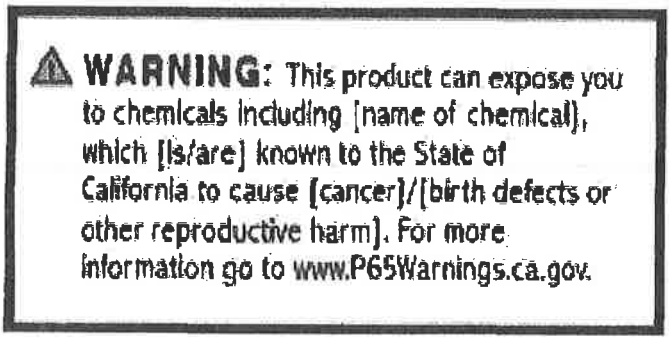
§ 5305. Testing Sample.

a) The licensed distributor shall ensure that the batch size from which the sample is taken meets the requirements of this division.
b) A licensed distributor or an employee of the licensed distributor shall be physically present to observe the laboratory employee obtain the sample of cannabis goods for testing and shall ensure that the increments are taken from throughout the batch.
c) The sampling shall be video recorded with the batch number stated verbally or in writing on the video at the beginning of the video and a visible time and date indication on the video recording footage. The video recordings shall be maintained for 90 calendar days by the licensed distributor.
d) After the sample has been selected, both the licensed distributor and the laboratory employee shall sign and date the chain of custody form pursuant to section 5706 of this division, attesting to the sample selection having occurred.
e) A licensed distributor shall not assist the laboratory employee nor touch the cannabis goods or the sampling equipment while the laboratory employee is obtaining the sample.
f) Authority: Section 26013, Business and Professions Code. Reference: Sections 26104 and 26110, Business and Professions Code.

§ 5306. Laboratory Testing Results.

a) A sample batch "passes" a laboratory test when the sample meets specifications in Chapter 6 of this division.
b) When a batch from a manufactured or harvest batch passes, the cannabis goods may be transported to one or more licensed retailers, licensed distributors, or licensed microbusinesses. A printed copy of the certificate of analysis for regulatory compliance testing shall accompany the batch and be provided to the licensee receiving the cannabis goods.

Customer Education. Our facility will display a health warning sign similar to the sample below in a conspicuous location at eye height at the point-of-sale counter. The sign shall be approved by the department and in a font that it is easily readable to customers.



We will also distribute information in pamphlet and electronic form that is designed to educate and inform the consumer about the legal implications of cannabis usage and potential associated health risks. Such information shall be materially consistent with the following statements:

What's Legal for Adult Use?

Under California law, adults 21 or older can use, carry, and grow cannabis (marijuana, weed, pot). Buying cannabis (without a current physician's recommendation or a county-issued medical marijuana identification card) will become legal for adults 21 or older January 1, 2018.

Use of medicinal cannabis is legal if you have a current physician's recommendation or a valid county-issued medical marijuana identification card. To buy medicinal cannabis, you must be 18 or older and have either have current physician's recommendation, a valid county-issued medical marijuana identification card, or be a Primary Caregiver as defined in Health and Safety Code Section 11362.7(d).

You can consume cannabis on private property but you cannot consume, smoke, eat, or vape cannabis in public places. Property owners and landlords may ban the use and possession of cannabis on their properties. Even though it is legal under California law, you cannot consume or possess cannabis on federal lands like national parks, even if the park is in California.

It is illegal to take your cannabis across state lines, even if you are traveling to another state where cannabis is legal. Cannabis remains classified as a Schedule I drug under the federal Controlled Substances Act, and its purchase, possession, distribution, or use within California may be unlawful under federal law.

Risks for Pregnant and Breastfeeding Women

Consuming cannabis (marijuana, weed, pot) can affect the health of your baby and is not recommended for women who are pregnant or breastfeeding, or who plan to become pregnant soon. Research shows that if you use cannabis while you are pregnant or breastfeeding, your baby may be born with a lower birth weight, which means the baby is more likely to have health problems, especially in the first year of life. No matter how you consume cannabis (smoking, vaping, eating, or drinking), the active ingredient in cannabis, THC (tetrahydrocannabinol), will reach your baby through your bloodstream and into the placenta, through your breast milk, and through secondhand smoke that enters the baby's lungs.

Youth and Cannabis: What You Should Know

It is illegal for anyone under 21 to smoke, consume, buy or possess cannabis (marijuana, weed, pot). If you are caught in possession of cannabis you will be required to complete drug education or counseling and community service (unless you have a current qualifying physician's recommendation or a valid county-issued medical marijuana identification card).

Cannabis can affect your health:

- Like cigarettes, smoking cannabis is harmful to your lungs.
- Edibles may have higher concentrations of tetrahydrocannabinol (THC). If you eat too much, too fast you are at higher risk for poisoning.
- Using cannabis regularly in your teens and early 20s may lead to physical changes in your brain.
- Cannabis may impact your educational and professional goals and how successful you are in life.

Responsible Use of Cannabis

It is legal for adults 21 or older to possess and consume cannabis (marijuana, weed, pot) in California. Sale of cannabis from licensed retail outlets will become legal January 1, 2018. You can also use cannabis if you are 18 or older and have a current qualifying physician's recommendation or a valid county-issued medical marijuana identification card.

Using cannabis can be risky, depending on how you use and what you do afterward. If you are thinking about using, be safe. Here are some things you should know to help you avoid harming yourself and others:

- Driving under the influence of cannabis is illegal and increases your risk of getting into a car crash.
- If you smoke or vape cannabis, you may feel the effects right away, but it can take between 30 minutes and two hours to feel the effects of edibles. If you eat too much, too fast you are at higher risk for poisoning.
- Cannabis affects children more strongly than adults. Children are at higher risk for poisoning from cannabis, especially with edibles.
- Protect your children and pets. Store all cannabis products in a locked area. Make sure children cannot see or reach the locked area.
- If you are pregnant or breastfeeding, or plan to become pregnant soon, you should not use cannabis.

Cash Management Plan

Our cash handling protocol has been designed using industry best practices to maximize safety and security.

- We intend to utilize an advanced, technology-based cash handling system similar to the Dispensary Automated Cashier by Cannabis Cash Solutions Inc. (https://www.cannabiscashsolutions.com)
- The kiosk and cash handling mechanism faces the customer. The customer directly inserts the cash payment into the automated cashier, and accurate change is automatically dispensed.
- The kiosk is bolted to the concrete floor and is UL Class M rated (15 minutes torch and tool resistance).
- The kiosk contains a cash counter which is integrated with WebJoint management software.
- The cash in Automated Cashier is transferred by a Manager to a Class M rated safe in the Secure Access at regular intervals throughout the day. No customers shall be allowed entry into the retail area until all cash has been transferred and the security systems integrated into the Automated Cashier are brought back online.
- Automatically-generated Reconciliation and deposit reports are signed by the Manager and access to the cash is given to the driver of the Licensed Armored Transport contractor at time of pickup. Deposit report is countersigned by the Driver confirming transfer of custody.

Retail Proforma

	FY1	FY2	FY3
	Total	Total	Total
Operating Expenses			
Wages	457,432	471,885	486,799
Insurance			
Liability, General & Umbrella	6,000	6,300	6,615
Facility Insurance	12,504	13,129	13,786
Product Liability	9,000	9,450	9,923
Workers Compensation	20,968	18,711	22,313
Employee Health Insurance	36,000	36,000	42,000
Total Operating Expenses	541,905	555,475	581,436

CITY OF FIREBAUGH

FRESNO COUNTY, CALIFORNIA

1133 "P" STREET
FIREBAUGH, CALIFORNIA 93622-2547
(559) 659-2043
FAX (559) 659-3412

January 7, 2020

Gevork Armen Boyadjian
2329 East Ashlan Avenue
Fresno, CA 93726

Re: Cannabis Retail Permit Application

Dear Mr. Boyadjian:

The City of Firebaugh has completed its review of your Cannabis Business Permit Application to establish a Retail facility at the undeveloped lot bearing Assessor's Parcel Number 008-140-09. The City's review revealed the absence of information that was requested in the Application Procedure Guidelines, and which must be provided before the application can be deemed complete. You will have until January 31, 2020 at 5:00 p.m. to provide the additional information listed below.

BUSINESS PLAN

- You are required to provide proof of capitalization equal to or greater than the $884,000 start-up cost identified. This means documentation demonstrating that the funds are under applicant's direct control (bank statements, letters of credit, or proof of contingent financing agreement).

NEIGHBORHOOD COMPATIBILITY PLAN

- You are required to provide a complete odor control plan including a detailed description of the ventilation system that will be employed at your facility, and how that system will prevent odor from escaping the facility.
- You are required to provide a revised site plan/floor plan demonstrating how the distribution operation will be conducted, including the location of a sally port or other secure, enclosed area within the licensed premises that will be used for loading and off-loading of trucks transporting cannabis.

SAFETY PLAN

- You are required to provide an assessment of the proposed facility's fire safety by a qualified fire prevention and suppression consultant.
- You are required to provide specifics about the particular fire prevention and suppression systems that will be used in the proposed facility, as required by the Application Procedure Guidelines.
- You are required to provide detail on the HVAC and alarm systems that will be used.

SECURITY PLAN

- You are required to provide an assessment of site security by a qualified security consultant.
- You are required to provide a floor plan that fully and sufficiently identifies all security features by appropriate labelling (cameras, door and window sensors, etc.)
- You are required to clarify your plan for security officer staffing during business hours and non-business hours, specifying how many officers will be on duty during both periods.
- You are required to clarify the location of the distribution holding center, and whether trucks will be able to load and off-load in a sally port of other secure space within the planned facility.

Please provide responses to the matters presented above and make all necessary adjustment to the appropriate documents, including floor plans. Please highlight changes to focus attention to the modified sections. Please submit two complete hard copies and one digital copy of the revised documents/responses to me by January 31, 2020. If you should have any questions, please feel free to contact me at (559) 659-2043.

Sincerely,

Ben Gallegos
City Manager, Acting Public Works Director
City of Firebaugh

CITY OF FIREBAUGH

FRESNO COUNTY, CALIFORNIA

1133 "P" STREET
FIREBAUGH, CALIFORNIA 93622-2547
(559) 659-2043
FAX (559) 659-3412

February 3, 2020

Gevork Armen Boyadjian
2329 East Ashlan Avenue
Fresno, CA 93726

Re: Cannabis Retail Permit Application

Dear Mr. Boyadjian:

The City of Firebaugh is continuing its review of your Cannabis Business Permit Application to establish a Retail facility at the undeveloped lot bearing Assessor's Parcel Number 008-140-09. The City's review has again revealed the absence of information that was requested in the Application Procedure Guidelines, and which must be provided before the application can be deemed complete. You will have until February 21, 2020 at 5:00 p.m. to provide the additional information listed below.

The supplemental information provided lacked sufficient detail to address the following issues:

BUSINESS PLAN

Based on the information provided, it is still not possible to determine whether your business is sufficiently capitalized. Currently the City does not have sufficient information to assess your capitalization due to a lack of detail regarding the buildout plan and the funds required to complete it. The material provided lacks sufficient detail as follows:

- The buildout cost and timeline lacked a description and cost estimate for the Manufacturing portion of your buildout plan. It will be necessary to clarify when it will be complete, if it is not to be completed at the same time as the retail dispensary.
- You are required to provide an estimated target date on which your company will open its doors for business, due to the fact that the buildout plan contains at least two phases. It is important for the City to know that target date in relation to the various phases and their projected dates of completion.
- You are required to provide an estimated timeline for your buildout plan which is realistic as to the completion of its component phases. The City has made a preliminary determination that Phase 2, listed in your supplemental information as the Retail and Distribution Build-out, cannot be completed in the 60-day timeframe that was cited.
- Proof of capitalization must include documentation to show the relationship between the corporate entity NAMI and the applicant. It must also show sufficient capital to fund all of the following: licensing and permitting fees, lease or real estate purchase payments, any required tenant improvements, equipment purchases, salaries, and any initial inventory and materials purchases that are necessary to get the business to the point that it opens its doors, and to sustain it for at least three months.

NEIGHBORHOOD COMPATIBILITY PLAN

- You are required to provide a premises diagram that is drawn accurately and to scale, and includes figures for all interior and exterior dimensions, as directed by the State of California. The Bureau of Cannabis Control regulations state that the "diagram shall show the property boundaries, premises boundaries, dimensions,

entrances and exits, interior partitions, walls, rooms, windows, and doorways and shall include a brief statement or description of the principle activity to be conducted in each area of the premises and all limited access areas." (See Bureau of Cannabis Control, California Code of Regulations, Title 16, Division 42, Section 5006, Premises Diagram.)

- You are required to provide a revised floor plan for the First Floor of the building that clearly indicates the dimensions of all sides of the space designated for the loading and off-loading of distribution vehicles. The floor plan provided on p. 6 of the supplemental materials submitted on January 17 does not match the dimensions of the illustration of the building appearing on p. 4 of those same materials. The illustration on p.4 indicates the building is 100 feet long, but the floor plan on p.6 indicates the building is 90 feet long. This discrepancy may be critical since the area designated for the loading and off-loading of distribution vehicles (the loading bay) appears to be too small to accommodate a commercial delivery van or a distribution truck. The loading bay is 12 feet wide according to the First Floor Site Plan, but its depth is not provided and it appears to be significantly less than 15 feet deep. Many passenger cars can require a space at least 17 feet deep to be fully enclosed. Delivery or transport vehicles of the type your cannabis facility will operate may require significantly more space.
- You are required to provide a revised floor plan for the Second Floor of the building that clearly shows how the second floor will be accessed from the First Floor. Any staircase or elevator used to access the second floor must be identified in the floor plan.

SAFETY PLAN

- Although the bulk of the supplemental information on the Safety Plan addresses the lack of a need for a fire alarm system, applicants are nonetheless required by the Application Procedure Guidelines to "describe the fire prevention, suppression, HVAC and alarm systems the facility will have in place... An appropriate plan will have considered all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation."
- You are required to provide specifics about the particular fire prevention and suppression systems that will be used in the proposed facility. The letter from Hoffman Electronic Systems cites specific Fire Code standards that it asserts lead to the conclusion that a fire alarm system need not be installed. Nonetheless, all applicants are required to provide a Safety Plan detailing specifics about what fire prevention and suppression equipment will be employed at the proposed facility. The determination that a fire alarm system is not necessary does not excuse applicants from satisfying this requirement, as there are other alternatives for fire prevention and suppression.
- While the possibility of a sprinkler system is mentioned in the letter, this is not sufficient. You are required to state whether such a system will be installed as part of your Safety Plan.
- You are required to provide detail on the HVAC and alarm systems that will be used. Alarm systems in this instance refers to a burglar alarm system. The information submitted on January 17 does not address either issue.

SECURITY PLAN

- You are required to provide an assessment of site security by a qualified security consultant.

Please provide responses to the matters presented above and make all necessary adjustment to the appropriate documents, including floor plans. Please highlight changes to focus attention to the modified sections. Please submit two complete hard copies and one digital copy of the revised documents/responses to me by until February 21, 2020 at 5:00 p.m. If you should have any questions, please feel free to contact me at (559) 659-2043.

Sincerely,

Ben Gallegos
City Manager/Acting Public Works Director

Development Corporation

February 12, 2020

From: Gevork A Boyadjian
[redacted]

To: City of Firebaugh
1133 "P" Street
Firebaugh, CA 93622-2547

RE: Cannabis Retail Permit Application

Dear Ben Gallegos:

I have reviewed the request for additional information and made the necessary additions and/or changes to the Cannabis Business Permit Application for Parcel Number 008-140-09 as follows;

- **BUSINESS PLAN**

We will not be needing the amount of $884,000 until March/April 2021. We are going to start construction and build out by using the capital of $224,000 for **Startup Cost***, once the permit is granted.

Timeline:

***Startup Cost:**

1. Phase 1 - Permitting process .
2. Phase 2 - Once we are granted the permit, we will start out by constructing our building. Phase 2 duration will be no more than 90 days.
3. Phase 3 - After completion of the building construction, we will start building out the interior of the building and Dispensary and Distribution buildout. Phase 3 duration will be no more than 90 days. If things go as planned, and we have no acts of god or other things that are beyond our control keeping us away from timely working, our estimated "Grand Opening" date for our Dispensary, Delivery and Distribution operations, will be after completion of Phase 3. Hopefully, it will be no more than 180 days after we receive the permit.
4. Once all construction is completed, we will start out by operating our Dispensary, Delivery and Distribution businesses to create jobs and revenue.
5. Phase 4 - March or April 2021, we will raise more money to build out our Manufacturing operation. We will be building out for 45-60 days. Our Manufacturing operation will start in June, 2021

We explained the timeline and Phases of our operation in our original application we submitted October 2019, on pages 34-36 under the title "Operational Timeline". Since some things have changed and we will be building out our Manufacturing operation last, here is an updated time line for you. We have more capital available in the bank to fund Phases 1-3, if we need it.

This is the timeline in phases that we will be following with the required capital below:

Phase	Required Capital	Timeline
Phase 1, Permit	$22,500	Oct, 2019 - until granted
Phase 2, Building construction, exterior	$150,000	Permit granted - 90 days
Phase 3, Interior construction - Dispensary/Delivery & Distribution Buildout	$50,000	90 days
Phase 4, Manufacturing build out	$600,000	Mar/Apr 2021, duration 45 days

1. I am a director and owner of Nami Enterprises. We will be using the money from that account.

2. Please see the attached Board of Directors meeting from April, 2019.

NAMI ENTERPRISES WRITTEN CONSENT OF THE INCORPORATOR

The undersigned is the incorporator of Nami Enterprises, a California corporation, who hereby takes the following actions by written consent at 9:00 am on April 18, 2019:

WHEREAS, it is a legal requirement that the Corporation elect a Board of Directors; THEREFORE IT IS RESOLVED, that the following individuals be elected as the Directors of the corporation:

George Boyadjian, Chairman
George Boyadjian, Secretary
George Boyadjian, Treasurer

IT IS RESOLVED, that each member of the Board of Directors shall serve for five year, unless they resign or are removed according to the Bylaws of the Corporation; and

It was RESOLVED that all shareholders of the corporation shall execute and be bound by the terms of the Shareholder's Buy-Sell Agreement as presented to the Directors by the Secretary and entered into the corporate record;

It is further RESOLVED, that in addition to the specific authorizations set forth in the foregoing resolutions, the proper officer of the Corporation be, and hereby is, authorized to take from time to time any and all such actions and to execute and deliver from time to time any and all such instruments, requests, receipts, notes applications, reports, certificates and other documents as may be necessary and advisable in his opinion to effectuate, consummate and comply with the purpose and intent of any of the foregoing resolutions.

APPROVED:

Marianthe Ioannidou, Secretary

4-18-19
Date

UMPQUA BANK

December 31, 2019 Page: 1 of 1

Customer Service:
1-866-486-7782

NAMI ENTERPRISES
14560 CLARK ST SUITE 215
SHERMAN OAKS CA 91411-3728

Last statement: November 30, 2019
This statement: December 31, 2019

Improve cash flow, streamline accounts payable and simplify bookkeeping with Umpqua card solutions for businesses. Features include company spending reports and online reporting tools to easily track and monitor employee spending. Contact your Umpqua Bank Relationship Manager for details.

COMMUNITY BUSINESS CHECKING

[redacted]		Beginning balance	$336,295.45
Low balance	$328,144.45	Deposits/Additions	$0.00
Average balance	$328,938.13	Withdrawals/Subtractions	$8,151.00
Interest earned	$0.00	Ending balance	$328,144.45

Daily Balances

Date	Amount	Date	Amount	Date	Amount
11-30	336,295.45	12-03	332,295.45	12-05	328,144.45
				12-31	328,144.45

Overdraft Fee Summary

	Total For This Period	Total Year-to-Date
Total Overdraft Fees	$0.00	$0.00
Total Returned Item Fees	$0.00	$0.00

Checks

Check #	Amount	Date	Check #	Amount	Date
134	$4,151.00	12-05	135	$4,000.00	12-03

(* Skip in check sequence, R-Check has been returned, + Electronified check))

Total Checks paid: 2 for **-$8,151.00**

- **NEIGHBORHOOD COMPATIBILITY PLAN**

- Property boundaries and premisses boundaries are in our original application on pages 10 & 11 in the Site Plan.

- Interior partitions, walls, windows and doorways and a brief statement or description of the activity are explained in the floor plan attached.

- We had to redesign the floor plan. Please look over our new revised floor plan attached.

- **SAFETY PLAN**

- Please see the attached from Hoffman Security.

HVAC, Alarm & Fire

- Our building will meet all the codes and requirements for Fire Safety. To prevent fires, we will have an active fire sprinkler system installed as well as have fire extinguishers, per Firebaugh Fire Department Codes.
- We will have an active fire alarm & fire sprinkler systems at our facility installed by Hoffman Security.
- **HVAC unit will be the 15 ton Split system by Trane.** I will have more details as to exactly which system once we get to building permitting.
- Burglar alarm is described in our application on pages 55, and again on page 62 under **"Intrusion Detection System"**., explained below.
- Possible fire, hazardous material and inhalation issues procedures are explained in our application on pages 48-52 under "**Crisis and Emergency Preparedness Plan**". Here it is below.

Crisis and Emergency Preparedness Plan.

It is expected that every FDC operation has an established and rehearsed plan of response to an emergency or crisis condition. The intent of this section is to provide guidance as to what information is needed such that a consistent response can be expected.

General Response Procedure

- Site Management shall establish and train site personnel regarding emergency response procedures.
- Site Management shall maintain, as necessary, emergency response supplies and equipment to meet emergency response needs.
- Supervisors will notify emergency response personnel of emergencies at the project site.
- Supervisors will notify emergency response personnel of emergencies at the project site.

The appropriate supervisor or responding personnel shall initiate the notification process, which includes alerting local response organizations (such as ambulance or fire personnel) and/or others as required. Notify the following immediately:

- Your Direct Supervisor
- Your Operation Manager
- The Compliance Manager

If necessary, the Compliance or Operation Managers will coordinate with local emergency organizations and provide the following:

- Technical information about hazardous materials and products
- Quantity and/or size of hazardous materials or products
- Locations and methods of storage for hazardous materials or products
- Report known hazards of materials or products
- Provide a copy of the Safety Data Sheet

FDC management will make site equipment and supplies available until the emergency has been resolved.

First Hour Response: Operation Manager Checklist

- Contact emergency services (911)
- Contact Compliance Manager
- Compliance Manager to Contact Barry Jahn, Vice President of Compliance.
- Initiate site control. Is site shutdown necessary?
- Account for all employees
- Do not move potential evidence
- Direct all outside inquires to General Manager
- Post workers to restrict entry to site or direct emergency response teams.

Site Actions - General Response Procedures

- Ensure the scene is safe before entering the area
- Review site for hazards. Isolate hazardous area
- Secure the site from further hazards, i.e., turn off utilities, remove hazardous substances not involved, stop flows of product or water, etc.
- Attend to the injured, render first aid
- Call 911 or facility emergency number. Give the following information:
    - Name of person reporting the emergency
    - Nature and severity of the injury or illness
    - Locations and phone extension from which they are calling
    - Number of people involved
    - Directions to the site of the emergency
- Secure and isolate incident site. Do not move anything that does not have to be moved, only things to assist the injured or make the area safe. Make note of those items that must be moved. For major incidents site emergency shutdown is required
- Take a roll call. Account for each site employee, vendor, owner's rep., and trade contractor employees

- Keep only those on site who are essential in the recovery process. Release those who are not needed and require them to leave the site
- Establish first aid and evacuation areas, if needed, where ambulance or air evacuation services have access
- Control site access
- Start investigation and reporting procedures

First Hour Response: Compliance Manager Checklist

- Contacted by site superintendent
- Determine what/where/when the event happened and who is involved
- Verify current status of site operations or shutdown
- Notify Barry Jahn
- Notify General Manager
- Advise project assistant and receptionists where to route calls

Emergency Preparedness Training

- Employees and subcontractor management and employees shall be trained on the subjects below as appropriate:
    - Emergency Notification and Reporting Procedures
    - Site Emergency and Evacuation Procedures
    - Points of Assembly
- A site map shall be posted for all employees and subcontractor employees, showing the Points of Assembly locations

Crisis Communication Plan (Media Requests) If contacted by the news media concerning an incident, be supportive. However, communications must be coordinated effectively.

- FDC shall designate a single company spokesperson (Director of Investor Relations, unless assigned to someone on the job-site due to a remote location or other circumstances). Refer media calls immediately to the company spokesperson.

- FDC shall determine a central gathering point for the media representatives to maintain scene safety and coordination (at a distance from the scene, jobsite management trailers and employee jobsites gates).
- The company spokesperson and General Manager will develop an initial statement of known information that can be provided as soon as possible.
- Provide regular updated information as it becomes available.
- Create a log of persons from the media, including organization, phone numbers, and email addresses for effective continued communication.

Emergency Action Plan

FDC Management will ensure the Emergency Action Plan is communicated to all workers during orientation. Specific emergency procedures and emergency phone numbers will be posted in lunch areas, near all telephones and on project bulletin boards.

The plan shall be reviewed periodically by the Compliance Manager and the Firebaugh Police and Fire Departments to ensure continued accuracy and applicability. Daily Pre -Task Plans shall also address emergency egress on a daily basis from each work area.

The Emergency Action Plan shall be reviewed by all workers and posted with a site plan in prominent locations accessible to all workers and visitors. The Emergency Action Plan shall communicate evacuation procedures, specific alarms, and assembly points, should an emergency evacuation become necessary because of severe weather, fire, hazardous chemical release, explosion or other emergencies that could cause worker harm.

It is each worker's responsibility to familiarize themselves with evacuation routes, alarms and assembly points in case an emergency evacuation of the work area is required.

Evacuation

- Exit signs shall be conspicuously posted along evacuation routes.
- A signal or alarm shall be designated to initiate evacuation.
- Personnel should de-energize tools and equipment and observe their work area for fellow workers in need of assistance.
- Observe stairs for safe passage before accessing.

- Report any hazardous conditions that are known to exist within the building to your supervisor.
- A site plan drawing will be developed for each project's evacuation plan. This drawing will clearly identify the following:
    - Building footprint
    - Primary and secondary assembly areas
    - Exits
    - Fire alarm pull stations or air horn locations
    - Site telephones
    - Stairs
    - Fire extinguishers
    - FDC office
    - First aid kit locations
    - Emergency numbers

Medical Emergency

During the safety orientation, workers will be given information on how to summon medical assistance in case of a medical emergency. Workers should know the following information:

- Emergency Phone Number: 911
- Facility address

When reporting a medical emergency, the worker will state their name, the nature of the emergency, the severity of the emergency and where assistance is needed. A worker may be required to meet medical personnel and guide them to where the emergency is located.

Fire

Fire Safety shall be planned by a representative of the Firebaugh Fire Department or a fire safety consultant and include at a minimum: emergency evacuation plan, integrated fire safety alarms and sprinkler system, appropriate fire extinguishers accessible to all personnel at multiple points on the site. All employees shall receive emergency preparedness training at orientation.

Pro-active Approach: Backup generators shall be placed on the site to ensure seamless production of the necessary utilities to continue operations in the event of loss of power. The generators shall be adequate to supply all security features with adequate service in the event of utility loss and will comply with all state and local regulations specific to backup generators and shall be regularly inspected by the Firebaugh Fire Department. As such, there will be no lapse of security cameras, bio-metric lock features, and gate security.

In case of a fire, workers will evacuate their work area immediately and report to the pre-determined assembly area.

Intrusion Detection System.

FDC will further install and operate a State-of-the-Art Alarm System featuring registration with the Firebaugh Police Department, direct notification and dispatch capability; battery back-up and reserve power generator. We will engage the services of a licensed alarm company operator (ACO) who is listed with Underwriter's Laboratory to install, maintain and monitor an alarm system that is activated at all times when the business is closed. The system will detect unauthorized entrance at all entry or exit points, and all exterior windows of the premises. It will also detect movement in the premise when the premises are vacant of employees.

The alarm system will be comprised of components including keypads, perimeter sensors (used to secure doors, windows and any other means of entry), motion detectors, glass break sensors, panic buttons, and audible sirens with the limitation imposed by ordinance.

The alarm system will also be equipped with battery and cellular backup systems to ensure continued notifications in the event of power or phone line disruption. Backup generators or uninterruptible power supplies shall also be placed on the site to ensure seamless production of the necessary utilities to continue operations in the event of loss of power.

These systems shall be adequate to supply all security features with adequate service in the event of utility loss. As such, there will be no lapse of security cameras, bio-metric lock features, and gate security.

A silent robbery alarm monitored by the Monitoring Center shall be installed near or within the point of sale counters and near the vault/safe room.

The Monitoring Center will be instructed to notify a contracted and duly licensed private patrol operator who will be responsible for providing a timely response, no greater than 20 minutes. The private patrol operator will be instructed and equipped to notify the Chief Security Consultant and Manager in the event of a breach in security (open door). The Manager will be required to respond to assist in evaluating the activation within one hour.

Upon request, we will make all information related to security alarms systems, monitoring and alarm activity available to regulatory agencies and local law enforcement. Contact Information shall be provided to the City of Firebaugh Police Department via alarm registration and will include: Names, Addresses, Phone Numbers, Cell Phone Numbers, and the make, model, and color of the vehicles they will be driving when responding to alarm calls at the site.

Fire Safety shall include at a minimum: emergency evacuation plan, integrated fire safety alarms and sprinkler system, appropriate fire extinguishers accessible to all personnel at multiple points on the site. All employees shall receive emergency preparedness training at orientation.

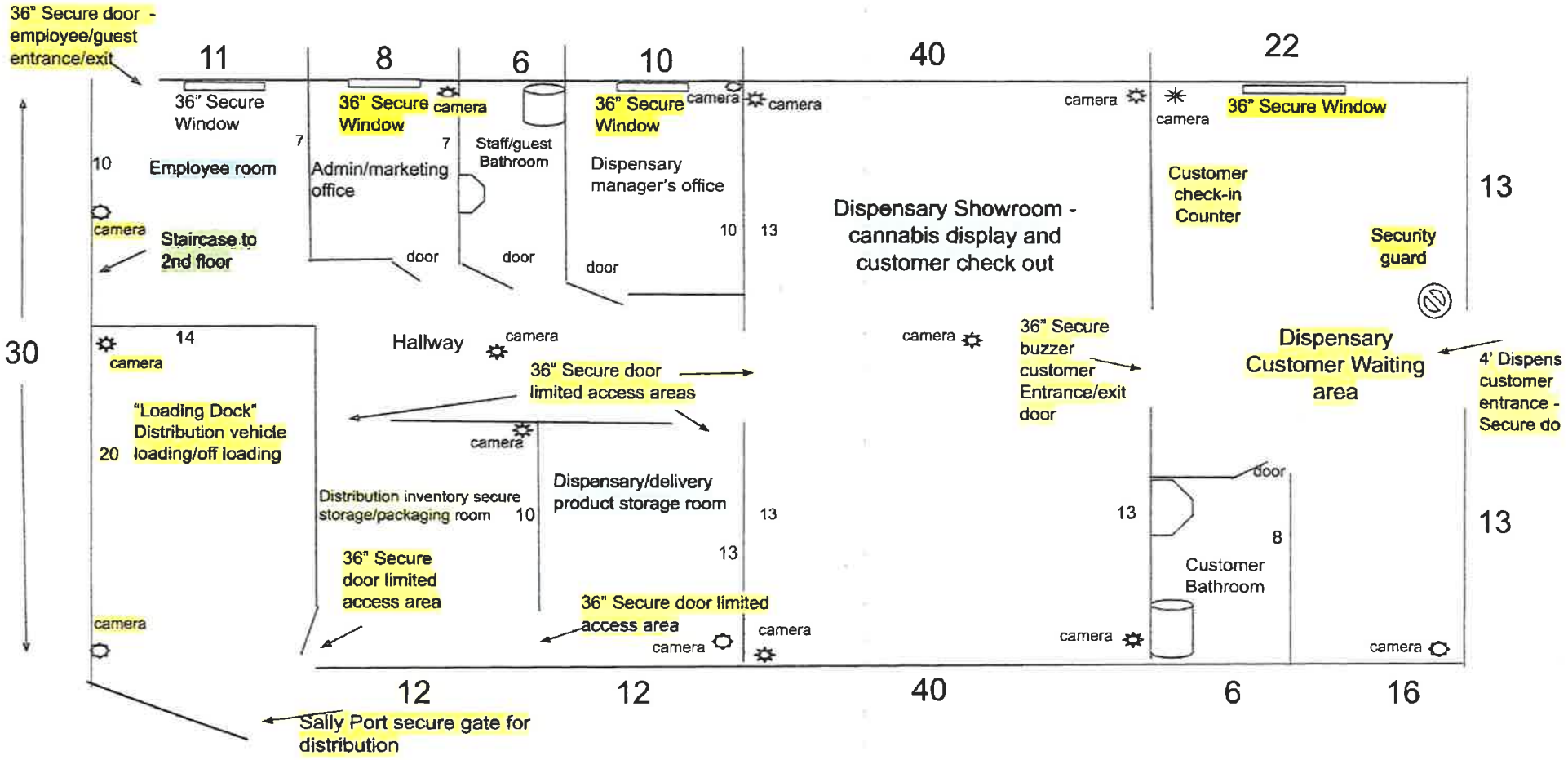
- **SECURITY PLAN**

Please see attached from Hoffman Security.

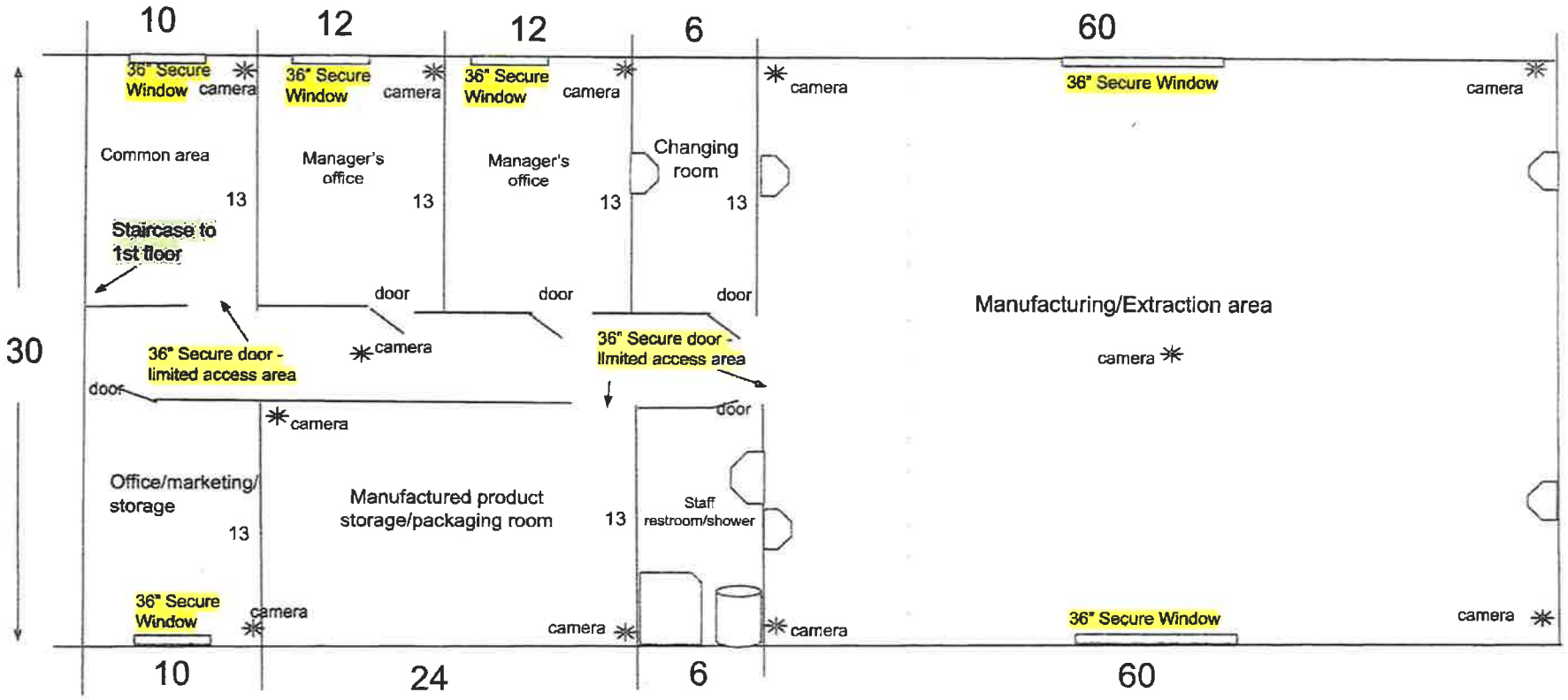
Legend

*	Cameras
	3' Secure door
	3' Sink
	Shower
	Toilet
	Security guard
	36" Secure Window

1st Floor - Dispensary/Delivery/Distribution



2nd Floor - Office Admin/Storage/Manufacturing



Fresno Area:
90 E. Escalon Ave. #120
Fresno, CA 93710
(559) 292-7871
ACO # 4638
Con. Lic. 484100

HOFFMAN
ELECTRONIC SYSTEMS
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Merced Area:
2301 Aviation Dr.
Atwater, CA 95301
(209) 384-3305
(800) 972-0003
(209) 722-1107-Fax
HoffmanElectronics.com

PROPOSAL

Proposal Submitted to: Firebaugh Development Corporation Address: , , Phone: Submission Date: 2.12.2020	Job Name: Firebaugh Development Corporation - Security & Access Job Location: Parcel Number 008-140-09 , Firebaugh , CA 93622 Architect: Date of Plans:

Parts List:

1 EA	Labor	1 EA	Outdoor Siren Enclosure
1 EA	XR550 Panel w/Network Module, Transformer, battery	3 EA	Door Contact - Brown
1 EA	Cellular Communicator (XR150,350,550)	2 EA	Power Supply 12V,24V, w/ 2 batteries, Xformer
5 EA	Access Keypad	9 EA	Access Control Module
1 EA	Wireless High Power Receiver	9 EA	Card Reader
4 EA	Wireless Panic	9 EA	Door Strikes
4 EA	Hardwire Panic	1 EA	Hosted Entre Service
8 EA	Pet Immune Motion Detector	1 EA	Entre software assurance
5 EA	360 Degree Motion Detector	1 EA	Entre 16 Door License
1 EA	15W Siren	2 EA	Entre CS Web User License
1 EA	30W Siren	1 EA	Access Control Module - Wireless

We propose hereby to furnish material and labor - complete in accordance with above specifications for the sum of:

Twenty Nine Thousand Nine Hundred Ninety Five Dollars and No Cents $29,995.00
Monitoring and Service: $200.00 per month (Based on a three year agreement)

All material is guaranteed to be as specified. All work is to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements are contingent upon strikes, accidents, or delays beyond our control. Owner is to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Approved
By _____ By _____
Not valid unless signed by an officer of Hoffman Electronic Systems — Sales Agent

Date _____

This Agreement shall not be binding upon Hoffman unless approved by an officer of Hoffman

This proposal may be withdrawn by us if not accepted within: 20 days

ACCEPTANCE OF PROPOSAL - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

By: _____
Type or Print

Authorized
Date of Acceptance _____ _____
Subscriber

Fresno Area:
90 E. Escalon Ave. #120
Fresno, CA 93710
(559) 292-7871
ACO # 4638
Con. Lic. 484100

HOFFMAN
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2301 Aviation Dr.
Atwater, CA 95301
(209) 384-3305
(800) 972-0003
(209) 722-1107-Fax
HoffmanElectronics.com

PROPOSAL

Proposal Submitted to: Firebaugh Development Corporation Address: , , Phone: Submission Date: 2.12.2020	Job Name: Firebaugh Development Corporation - CCTV Job Location: Parcel Number 008-140-09 , Firebaugh , CA 93622 Architect: Date of Plans:

Parts List:

1 EA	Labor
1 EA	UPS
1 EA	Remote Viewing
1 EA	18CH NVR
4 EA	12TB Surveillance Hard Drive
23 EA	4MP Turret Camera 2.8mm
3 EA	5MP Fisheye Camera
2 EA	POE Switch

We propose hereby to furnish material and labor - complete in accordance with above specifications for the sum of:

Twenty Five Thousand Nine Hundred Ninety Five Dollars and No Cents $25,995.00
Service: $250.00 per month (Based on a three year agreement)

All material is guaranteed to be as specified. All work is to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements are contingent upon strikes, accidents, or delays beyond our control. Owner is to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Approved
By _____
Not valid unless signed by an officer of
Hoffman Electronic Systems

By _____
Sales Agent

Date _____

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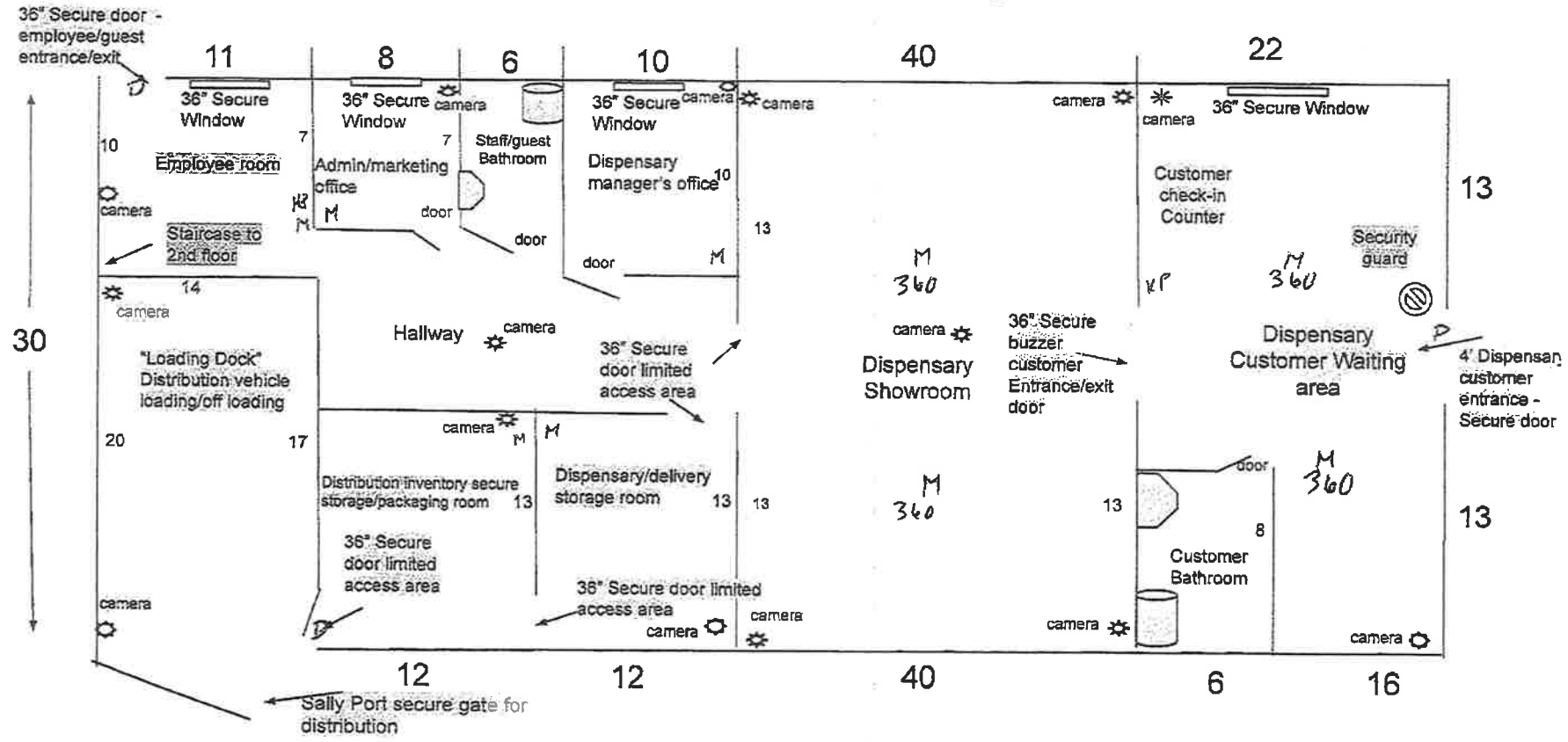
By: _____
Type or Print

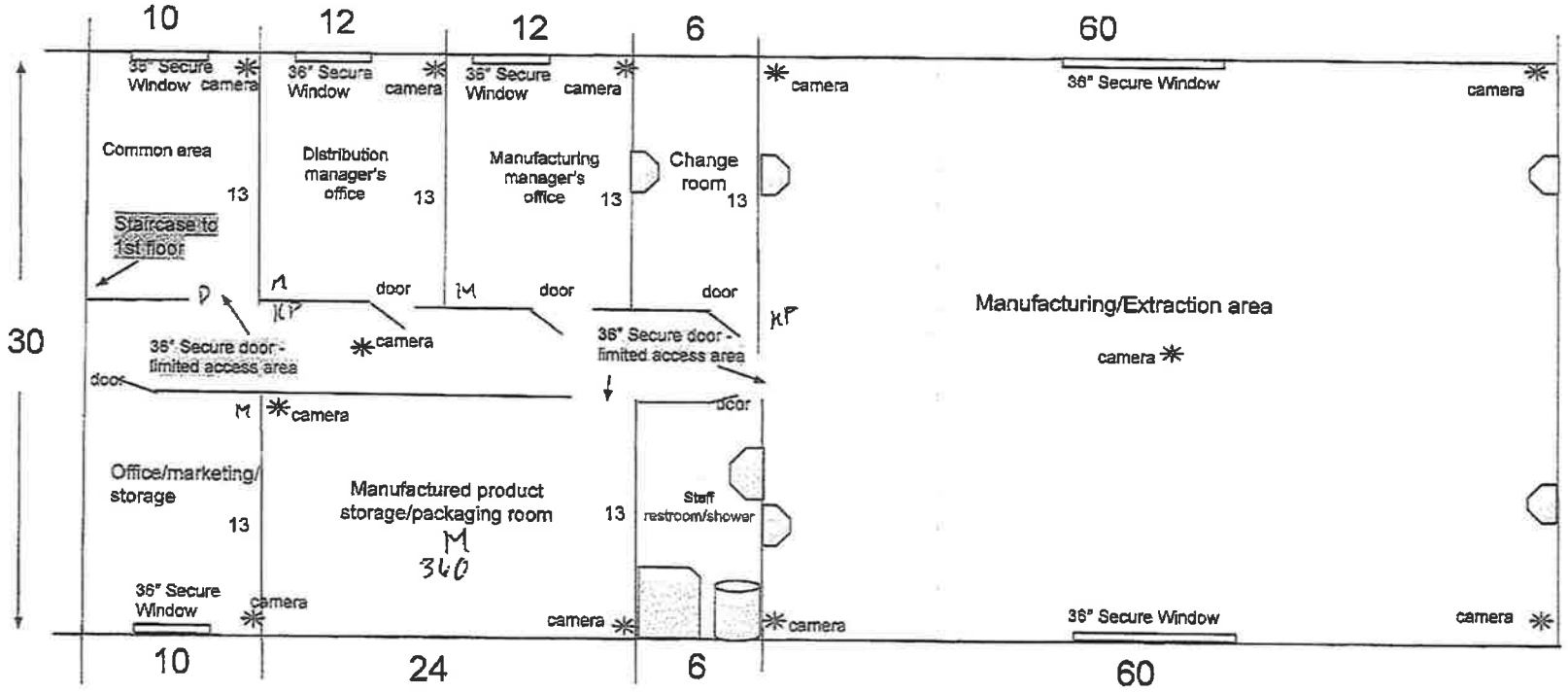
Authorized
Date of Acceptance _____

_____
Subscriber

1st Floor - Dispensary/Delivery/Distribution

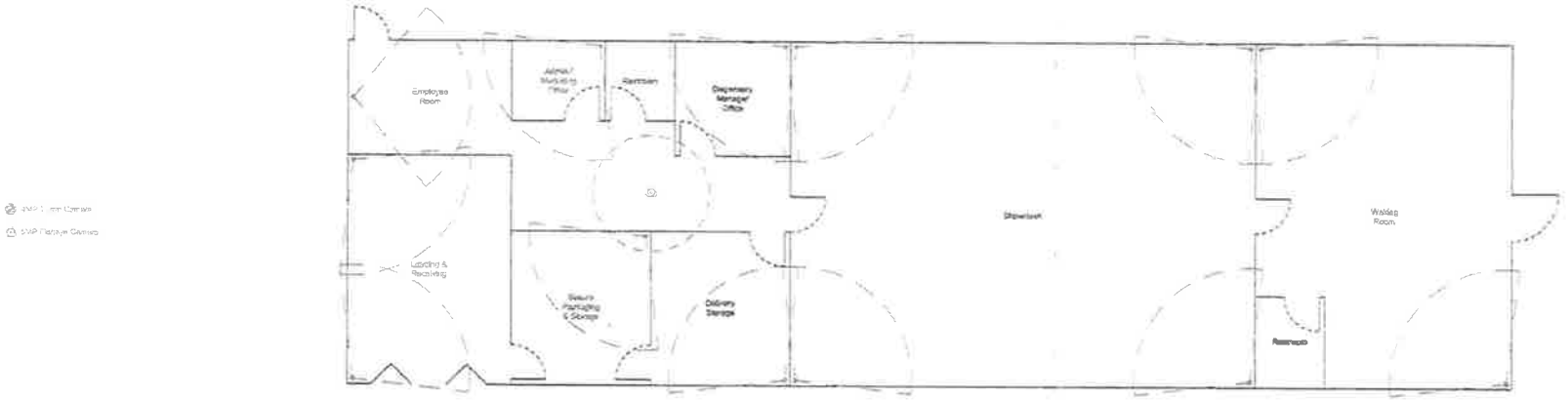


2nd Floor - Office Admin/Storage/Manufacturing



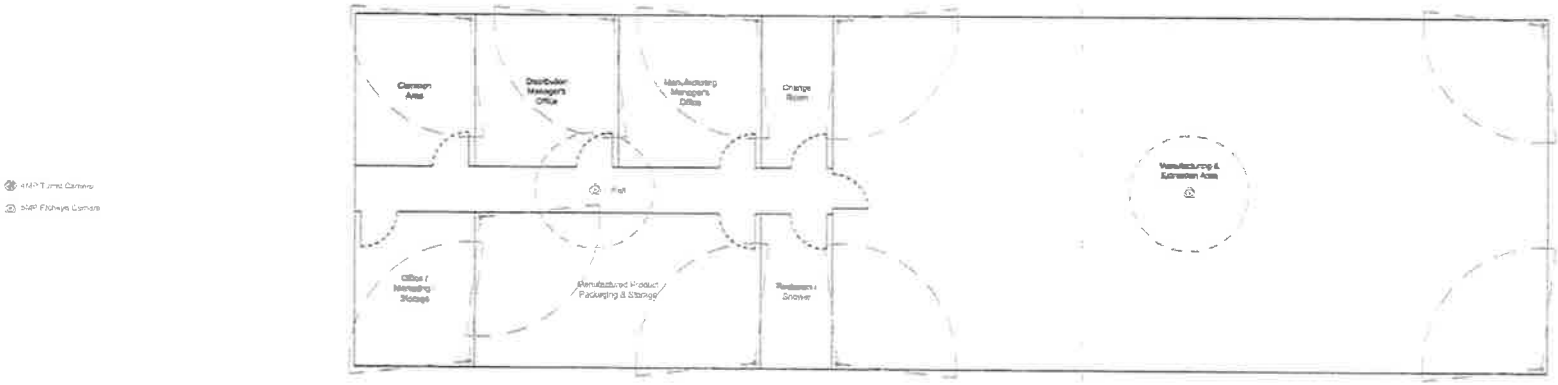
PROPOSED CCTV LAYOUT
FIRST FLOOR

CAMERA PIE-WEDGES DEMONSTRATE FIELD-OF-VIEW AND
DO NOT REPRESENT MAXIMUM VIEWING DISTANCE.



PROPOSED CCTV LAYOUT
SECOND FLOOR

CAMERA PIE-WEDGES DEMONSTRATE FIELD-OF-VIEW AND
DO NOT REPRESENT MAXIMUM VIEWING DISTANCE.



Building Security and Access Control System Plan

Hoffman Security Proposes to install a Security & Access Control System located in the following facility:

Parcel Number 008-140-09
Firebaugh, CA 93622

Security and Access system to consist of:

XR550 Panel w/Network Module, Transformer, battery	1
Cellular Communicator (XR150,350,550)	1
Access Keypad	5
Wireless High Power Receiver	1
Wireless Panic	4
Hardwire Panic	4
Pet Immune Motion Detector	8
360 Degree Motion Detector	5
15W Siren	1
30W Siren	1
Outdoor Siren Enclosure	1
Door Contact - Brown	3
Power Supply 12V,24V, w/ 2 batteries, Xformer	2
Access Control Module	9
Card Reader	9
Door Strikes	9
Hosted Entre Service	1
Entre software assurance	1
Entre 16 Door License	1
Entre CS Web User License	2
Access Control Module - Wireless	1
Access Keypad / Reader	1
Entre Partition	1

Alarm Panel will feature dual redundant forms of communication (Cellular and Network). Front door and back door will be protected with door contacts. Motion detectors will be meet UL standards and cover all areas of the facility. Panic buttons will be located in each distribution window as well as security cage, security office, and other offices within the facility. Sirens will be located in building and on exterior in both front and back areas. Access control doors will be located on the front and back doors, as well as the security cage, security office, and door into distribution area.

Building Security Camera System Plan

Hoffman Security Proposes to install a Camera System located in the following facility:

Parcel Number 008-140-09
Firebaugh, CA 93622

Camera system to consist of:

UPS	1
18CH NVR	1
12TB Surveillance Hard Drive	4
4MP Turret Camera 2.8mm	23
5MP Fisheye Camera	3
POE Switch	2

Cameras will be 4 Mega-Pixel and provide Image resolution of 2688 X 1520. Cameras will record at 20 frames per second and will record for 24 hours per day. Two cameras will be located outdoor on the front of the building to cover the entrance and two cameras will be located on the back of the building to cover the back alley and back door. The front entry camera will cover the front door and record those that enter and leave the facility. There will be a camera located at each distribution station to cover the buying and selling of product. A camera will be located cover the security cage and security office. Other cameras located inside the facility will ensure total coverage of the facility indoors. The Network Video Recorder will feature video storage to meet or exceed the 90-day requirement and will be accessible remotely by the Police Department.

Building Fire System Plan

Hoffman Security Proposes to install a Fire System located in the following facility:

Parcel Number 008-140-09
Firebaugh, CA 93622

Fire system to consist of:

Fire Alarm Panel	1
Cellular Communicator	1
Battery	2
Smoke Detector	1
Manual Pull Station	1
Monitor Waterflow and Tamper switches – provided by sprinkler company	1

Fire Alarm System designed per NFPA 72 Plans to meet all current requirements in City of Firebaugh. Fire system assumes building has a sprinkler system and Fire alarm is only to provide water monitoring. Client to provide Dedicated power.

Fresno Area:
90 E. Escalon Ave. #120
Fresno, CA 93710
(559) 292-7871
ACO # 4638
Con. Lic. 484100

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Merced Area:
2301 Aviation Dr.
Atwater, CA 95301
(209) 384-3305
(800) 972-0003
(209) 722-1107-Fax
HoffmanElectronics.com

PROPOSAL

Proposal Submitted to: Firebaugh Development Corporation Address: , , Phone: Submission Date: 2.12.2020	Job Name: Firebaugh Development Corporation - Fire Job Location: Parcel Number 008-140-09 , Firebaugh , CA 93622 Architect: Date of Plans:

Parts List:

1 EA Labor
1 EA Fire Kit, XR150 Fire Dialer Panel w/Transformer, Cell Communicator
1 EA Bell Ckt, Smoke, Pull Station, Batteries, Document Box
1 EA Processing Requirements
1 EA Document Box
1 EA Fire Submittals

Hoffman to Install Fire Alarm system to monitor Sprinkler system. Client responsible for city permit fees.

We propose hereby to furnish material and labor - complete in accordance with above specifications for the sum of:

Two Thousand Nine Hundred Ninety Five Dollars and No Cents $2,995.00
Monitoring, Service, and Fire Inspections: $115.00 per month (Based on a three year agreement)

All material is guaranteed to be as specified. All work is to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements are contingent upon strikes, accidents, or delays beyond our control. Owner is to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Approved
By _____
Not valid unless signed by an officer of
Hoffman Electronic Systems

By _____
Sales Agent

Date _____

This Agreement shall not be binding upon Hoffman unless approved by an officer of Hoffman

This proposal may be withdrawn by us if not accepted within: 20 days

ACCEPTANCE OF PROPOSAL - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

By: _____
Type or Print

Authorized
Date of Acceptance _____

_____
Subscriber

CITY OF FIREBAUGH

FRESNO COUNTY, CALIFORNIA

1133 "P" STREET
FIREBAUGH, CALIFORNIA 93622-2547
(559) 659-2043
FAX (559) 659-3412

March 18, 2020

Gevork Armen Boyadjian
2329 East Ashlan Avenue
Fresno, CA 93726

Re: Cannabis Retail Permit Application

Dear Mr. Boyadjian:

The City of Firebaugh is continuing its review of your Cannabis Business Permit Application to establish a Retail facility at the undeveloped lot bearing Assessor's Parcel Number 008-140-09. The City's review has again revealed the absence of information that was requested in the Application Procedure Guidelines, and which must be provided before the application can be deemed complete. You will have until March 25th at 5:00 p.m. to provide the additional information listed below.

The supplemental information provided lacked sufficient detail to address the following issues:

BUSINESS PLAN

Based on the information provided, it is still not possible to determine whether your business is sufficiently capitalized. Your documentation still does not establish your access to and control over the funds in the Umpqua Bank account bearing the name "NAMI Enterprises."

- Proof of capitalization must include documentation to show the relationship between the corporate entity NAMI and the applicant. You have provided a single typewritten page entitled "NAMI Enterprises Written Consent of the Incorporator." This document is not sufficient to establish a relationship between yourself and NAMI. Applicants typically provide a copy of an official document such as the Articles of Incorporation that were filed with the California Secretary of State, often containing both their own name and the name of the corporate entity through which they propose to conduct cannabis business operations. Documentation of this type will be sufficient to establish your access to and control of the funds within the NAMI Enterprises account with Umpqua Bank.

Please provide a response to the matter presented above. Please highlight changes to focus attention to the modified sections. Please submit two complete hard copies and one digital copy of the revised documents/responses to me by April 3, 2020. If you should have any questions, please feel free to contact me at (559) 659-2043.

Sincerely,

Ben Gallegos
City Manager

HdL Companies

June 12, 2020

Ben Gallegos
Public Works Director
City of Firebaugh
1133 P Street
Firebaugh, CA 93622

RE: Recommended Action on Cannabis Business Permit Application of Firebaugh Development Corporation (FDC)

Director Gallegos:

In October 2019 the Firebaugh Development Corporation (FDC) applied to the City of Firebaugh to operate a cannabis Microbusiness, consisting of retail, manufacturing, and distribution.

After careful review of the scores from the written portion of the Firebaugh Development Corporation's application as well as the interview that took place on June 4, 2020, we are obligated to recommend against issuing this applicant a permit. The FDC's combined scores total 75.05 percent. As we explained at the outset of this process, the passing combined aggregate score required to obtain a commercial cannabis permit is at least 80 percent. All of the City's other cannabis applicants have so far individually achieved combined scores of at least 84 percent.

The two most decisive factors in our recommendation for denial are the applicant's failure to divulge with sufficient transparency the ownership structure and composition of FDC, and the applicant's failure to provide evidence of sufficient capitalization to launch the business. For reasons detailed below, the first issue triggers concerns about compliance with state law and the possible triggering of federal enforcement activity. The second issue calls into question the applicant's ability to launch and maintain a compliant cannabis business in the City of Firebaugh.

As you are aware, after FDC's initial submission of its application, there followed a protracted period of attempting to elicit in writing from the applicant complete answers to the questions posed in various portions of the application according to the Application Procedures adopted by the City in Ordinance 18-02. This effort involved not one, but three individual letters from the City to the applicant requesting supplemental information. These letters dated January 7, February 3, and March 18 of this year requested additional information that was lacking from the applicant's Business Plan, Neighborhood Compatibility Plan, Safety Plan, and Security Plan.

To provide but one example, the City's Application Procedures identified a requirement for the Safety Plan to "describe the fire prevention, suppression, HVAC and alarm systems the

[applicant's] facility will have in place," the applicant's initial response to the City's request for supplemental information on this point was a detailed explanation of why there was no need for a fire alarm system.

A repeated deficiency in each of the applicant's responses to the requests for supplemental information, was evidence of sufficient capitalization. This, along with questions that arose regarding FDC's ownership structure, remained a critical deficiency at the time of the applicant's interview. The questions posed to applicant in the interview to resolve this point of deficient information did not elicit from the applicant sufficient facts or documentation for HdL to certify to the City that the applicant is sufficiently capitalized and in a financial condition required to launch the proposed cannabis business. This is based solely on the figure applicant submitted to the City in terms of applicant's quoted sum of the funds required, evaluated against applicant's documentation regarding the capital that applicant has direct access to and/or over which applicant has immediate control.

More importantly, the applicant's failure to comply with the requirement to divulge the ownership structure of FDC, at least to the extent required by state law (Business and Professions Code Section 26001(al)) remains a point of serious concern. The State of California imposed this requirement in part to ensure compliance with federal guidelines laid out for states seeking to legalize commercial cannabis activity (see attached U.S. Department of Justice Memorandum dated August 29, 2013). One of those guidelines pertains to preventing revenue from commercial cannabis sales from going to criminal enterprises. Another cites the prevention of state-authorized commercial cannabis activity from being used to mask some other illegal traffic or activity. Failure to observe these guidelines at the state and local level, in part by not holding applicants for commercial cannabis businesses accountable for the disclosure of their ownership structure to the full extent required by law, could potentially trigger federal enforcement activity.

Finally, during the City's interview with the applicant on June 4, 2020, the applicant referred to "other investors" but when asked, declined to reveal who they were. The City is fully within its legal rights to request this information. State law (Title 16, Division 42, Section 5004(b) of the California Code of Regulations) explicitly requires such disclosure, stating that "[t]he license application shall include the name, birthdate, and government-issued identification type and number for all individuals who have a financial interest in a commercial cannabis business but are not owners as defined in section 5003(b) of this division."

For these reasons, we respectfully recommend denial of a commercial cannabis permit to the Firebaugh Development Corporation.

Sincerely,

Tim Cromartie
Senior Advisor

CITY OF FIREBAUGH

FRESNO COUNTY, CALIFORNIA

1133 "P" STREET
FIREBAUGH, CALIFORNIA 93622-2547
(559) 659-2043
FAX (559) 659-3412

June 29, 2020

Firebaugh Development Corporation
Attn: Mr. Boyadjian
2329 E. Ashlan Avenue
Fresno, CA 93726

RE: Police Chief Recommendation to Deny Cannabis Business Regulatory Permit Application for Firebaugh Development Corporation (FDC)

In October 2019, the Firebaugh Development Corporation ("FDC") applied to the City of Firebaugh to operate a cannabis Microbusiness, consisting of retail, manufacturing, and distribution.

After careful review of the scores from the written portion of the FDC's application as well as the interview that took place on June 4, 2020, our committee and consultant have recommended denying this permit and I concur. The FDC's combined scores total 75.05 percent. As we explained at the outset of this process, the passing combined aggregate score required to obtain a commercial cannabis permit is at least 80 percent.

FDC's failure to divulge with sufficient transparency the ownership structure and composition of FDC, and its failure to provide evidence of sufficient capitalization to launch the business are among the factors leading to this recommendation of denial.

For these reasons, the Police Chief recommends denial of a commercial cannabis permit to FDC. Consistent with Firebaugh Municipal Code section 25-41.13.6.1.1 (a), the Council consideration on this item will be at the Council meeting on August 3rd, 2020 at 6:00 p.m.

Sincerely,

Salvador Raygoza
Police Chief
City of Firebaugh

Enclosures

CITY OF FIREBAUGH FRESNO COUNTY, CALIFORNIA

1133 "P" STREET
FIREBAUGH, CALIFORNIA 93622-2547
(559) 659-2043
FAX (559) 659-3412

August 17, 2020

Firebaugh Development Corporation
Attn: Mr. Boyadjian
2329 E. Ashlan Avenue
Fresno, CA 93726

RE: Firebaugh Development Corporation (FDC) request of appeal regarding the Police Chief's Recommendation to Deny Cannabis Business Regulatory Permit Application for Firebaugh Development Corporation (FDC)

In October 2019, the Firebaugh Development Corporation ("FDC") applied to the City of Firebaugh to operate a cannabis Microbusiness, consisting of retail, manufacturing, and distribution.

After careful review of the scores from the written portion of the FDC's application as well as the interview that took place on June 4, 2020, our committee and consultant have recommended denying this permit and I concur. The FDC's combined scores total 75.05 percent. As we explained at the outset of this process, the passing combined aggregate score required to obtain a commercial cannabis permit is at least 80 percent.

FDC's failure to divulge with sufficient transparency the ownership structure and composition of FDC, and its failure to provide evidence of sufficient capitalization to launch the business are among the factors leading to this recommendation of denial.

For these reasons, the Police Chief recommended a denial of a commercial cannabis permit to FDC. Consistent with Firebaugh Municipal Code section 25-41.13.6.l.1 (a), The City of Firebaugh understands you would like to appeal this decision. The process of appeal requires a 10 day publication notice in a newspaper, which gives a date & time, when the council will hold a public hearing regarding a cannabis regulatory permit for Firebaugh Development Corporation. The permit would allow FDC to (insert proposed use) cannabis within the city consistent with Firebaugh Municipal Code section 25-41.13.6.; Therefore, the Council consideration on this item will be at the Council meeting on September 21, 2020 at 6:00 p.m.

RSG
BETTER COMMUNITIES.
BOLDER FUTURES.

17872 GILLETTE AVE.
SUITE 350
IRVINE, CA 92614

714 541 4585
INFO@WEBRSG.COM
WEBRSG.COM

Date: September 14, 2020

To: Ben Gallegos, City Manager
City of Firebaugh

From: Tara Mathews, Principal
Matthews Pelletier, Analyst
RSG, Inc.

SUBJECT: ANALYSIS OF PROPERTY ASSIGNMENT AND DISPOSITION FROM SAN JOAQUIN DEVELOPMENT PARTNERSHIP, LLC AND CALIFORNIA COMMUNITY BUILDERS TO HABITAT FOR HUMANITY (SAN JOAQUIN VILLAS AND MILLER & LUX)

On February 19, 2020, Habitat for Humanity of the Greater Fresno Area ("Habitat") presented to the City of Firebaugh ("City"), in its capacity as the Housing Successor to the Firebaugh Redevelopment Agency, a formal letter requesting that the City agree and prepare pertinent documents to assign controlling documents for the San Joaquin Villas Community and the Miller & Lux Property from San Joaquin Development Partnership, LLC (SJDP") and California Community Builders ("CCB") to Habitat. RSG, Inc. ("RSG") was hired by the City to identify potential fiscal and regulatory impacts of the request. This memo summarizes Habitat's proposal, impacts to the controlling documents, and details RSG's recommendation as to whether the City should proceed with the necessary next steps to effectuate the transfer and assignment to Habitat.

BACKGROUND

The Amended and Restated Redevelopment Plan ("Amended Plan") of the former Firebaugh Redevelopment Agency ("Agency") allows for participation in the redevelopment of property within the Firebaugh Redevelopment Project Area ("Project Area") if the owner of the property enters into an agreement to develop and use the property in conformance with the Amended Plan. The Amended Plan allows for development of affordable housing. The Agency entered into two owner participation agreements in 2008 and 2010 with CCB to develop affordable housing on two affordable housing sites referred to as San Joaquin Villas and Miller & Lux.

San Joaquin Villas

On May 5, 2008, the Agency entered into an Owner Participation Agreement ("OPA") with SJDP an affiliate of Coastal Community Builders. In accordance with the Amended Plan, CCB agreed to develop the land and construct 21 for-sale affordable condominiums and make the units available to persons or families of very low and low or moderate income for

a 45-year period set forth in the affordability covenant. SJDP was also responsible for constructing any on-site or off-site improvements that would be necessary for the condominiums.

SJDP requested financial assistance from the Agency to make the project feasible and ensure that the units would be available at the affordability levels that were determined in the OPA. On May 5, 2008, SJDP received a loan for $150,000 and was also subsequently awarded a $240,000 grant. The $150,000 loan was recorded against the property as a deed of trust ("DOT"). As of June 30, 2019, the balance of the loan remained at $150,000. The OPA was amended a total of four times:

- Amendment No. 1 was executed on October 2, 2008 and subordinated the Agency loan to the construction loan provided by the Bank of the West,
- Amendment No. 2 was executed on October 26, 2009 and requested a time extension to complete the project,
- Amendment No. 3 dated October 27, 2010 requested an additional time extension, and
- Amendment No. 4 executed on March 22, 2011 provided an additional $300,000 from the Agency for development costs including the acquisition and development of a community park.

The existing cottage-style, single-family detached units are targeted to first-time homebuyers who are at extremely low-income levels of the area median income ("AMI"). Each home is two stories with three bedrooms, two full bathrooms and complete with solar power systems. The developer began to develop the San Joaquin Villas and was able to finish 10 affordable condominiums. However, due to the poor health of the housing market and overall economy caused by the subprime mortgage crisis, development of the project was discontinued, and no further improvements have been made.

Miller and Lux

On January 13, 2010, the Agency entered into another OPA with CCB for the Miller & Lux site. In accordance with the Amended Plan, CCB agreed to construct a 59-unit multi-family project along with the related on-site and off-site improvements. The project was proposed to be developed in two phases. Phase 1 consisting of 37 family units and phase 2 including the development of 22 senior citizen units. These units would be restricted to serving persons or families in the very low and low or moderate income categories.

CCB requested financial assistance from the Agency to make the Miller and Lux project feasible and ensure that the units would be available at the affordability levels set forth in the OPA. As of the effective date of January 13, 2010, the Agency agreed to provide the CCB a $200,000 Agency loan to be used for any pre-development and/or development costs associated with the Miller and Lux project. The Agency loan was recorded against the property as a DOT. The OPA also allowed the loan to be forgiven by the Agency and treated as a grant if certain requirements were met. The requirements stipulated in the OPA were not met and it remained an Agency loan. The OPA was amended on March 22, 2011 to provide CCB an additional $50,000 Agency grant to assist with project development costs. Similar to the San Joaquin Villas project, market and economic conditions halted progress on the Miller and Lux project and development was never initiated.

HABITAT PROPOSAL ANALYSIS

Habitat is interested in developing the two sites for their intended use and proposed a plan to acquire and finish developing both the San Joaquin Villas and Miller & Lux.

San Joaquin Villas

SJDP has agreed to assign the 11 remaining unfinished lots, for no cost, to Habitat to finish developing the San Joaquin Villas. Habitat will be developing the new units in the same style as the units that have already been developed. Seven new for-sale affordable units will be constructed, and the four remaining lots will be converted into parking for the community. The seven units that will be built by Habitat will result in the San Joaquin Villas having a total of 17 units compared to the 21 units that were originally agreed upon in the OPA. The City has agreed to the reduced number of units in exchange for parking because the community currently lacks sufficient parking opportunities and residents have expressed the need for more parking in the area. The San Joaquin Villas are located directly off Highway 33 with one main street serving as the entrance to the community and four smaller streets where the homes are situated. Since it is located next to a busy highway, the only remaining parking options are on the four streets which are not very long or wide resulting in limited parking. This also represents a fire hazard because firefighting apparatus could have difficulties responding to fires if the width of the streets were restricted due to parked cars.

Habitat's bylaws restrict it to servicing persons and families in the extremely low (30% AMI), very low (50% AMI), and low income (80%) limit categories. This is in line with the OPA which restricted the San Joaquin Villas to persons or families in the very low, low, and moderate income limit categories.

Habitat plans to price the new units at $215,000 based on the market rate value of the existing units. The intention with pricing the homes at this price is to not depreciate the value of the existing homes when the new units are completed. Habitat will rely on outside subsidies to keep the homes priced at $215,000 and help keep each unit within the monthly housing cost limits. The United States Department of Agriculture ("USDA") will be the lender for these units and offers mechanisms to help keep housing costs within the affordability limits. USDA does this through providing below market rate interest rates, down payment assistance, and loan terms that extend beyond 30 years. The proposed pricing of the units is in line with the OPA if the units comply with the income limitations that were set forth in the OPA.

A homeowner's association ("HOA") was formed when the ten existing units were completed. However, the HOA is no longer operational and has not been providing services to the community. Habitat plans to remedy this situation by disbanding the HOA and will transition the land from condominium fee ownership to individual fee lot ownership for all existing homeowners and the proposed units. Habitat will then need the City to accept the community's streets and common areas into a landscape maintenance district or a similar public entity. All existing homeowners and their mortgage lenders will need to approve the transition to individual fee lot ownership. Habitat has begun the process of meeting with the existing homeowners to explain the transition and the benefits. USDA has informed Habitat it does not see any issues with approving the transition because individual fee ownership is preferred by mortgage lenders. The City believes this process will be beneficial because the

defunct HOA has not been maintaining the community which poses a safety risk to the residents.

Amendment 4 to the OPA, effective March 22, 2011, provided an additional $300,000 to SJDP in the form of an Agency grant to fund the acquisition and development of a community park adjacent to the community on the Miller & Lux site. Habitat does not plan on pursuing the development of the park and will instead be developing the additional parking mentioned previously. The City believes that additional parking will bring greater benefit to the community than the park would. The park would also require the City to provide more annual funding for the operations and maintenance of the park. Due to these reasons, the City agrees with Habitat's plan to forgo the park in favor of more parking for the community.

Miller & Lux

The original plan for Miller & Lux was to build 59 affordable rental units available to families and persons of very low and low or moderate incomes. CCB never began development of the site and it has remained vacant to this day. Habitat is planning to develop the Miller & Lux site once development of the San Joaquin Villas is complete. However, Habitat's bylaws restrict the organization to exclusively developing for sale projects. As a result, the OPA will need to be amended to allow for the development of for-sale units instead of a multi-family rental project.

Habitat has provided RSG with a preliminary development plan for Miller & Lux. The development would be a continuation of the San Joaquin Villas with the detached, for-sale homes being in the same size and style of the San Joaquin Villas units. The units would be affordable to household earning 80 percent of the AMI or less, which is consistent with the restrictions in the OPA. Habitat has not been able to survey the site yet but has informed RSG that somewhere between 12 and 15 units could be developed on the site. The number of units developed could change slightly from this estimate once Habitat surveys the site and finalizes a development plan. Since the housing product will change from multi-family apartments to detached homes, the potential number of units is much lower than the agreed upon number of units in the OPA. However, City staff has evaluated this and believes that community would greatly benefit from the addition of any type of affordable housing on the site, as it has been sitting vacant for more than a decade since the OPA was signed and there hasn't been interest from any other affordable housing developers.

REGULATORY AND CONTROLLING DOCUMENT COMPLIANCE

Owner Participation Agreements

Both OPAs allow for the sale, assignment, conveyance, or transfer of the subject properties and related agreements with written consent of the City. CCB is to provide the City with at least 30 days notice of the request and the City shall not unreasonably withhold consent. Furthermore, the OPAs allow for the agreements to be amended in writing and after approval by the City.

To effectuate Habitat's request that the San Joaquin Villas and the Miller & Lux projects be transferred from CCB to Habitat, the OPAs for both projects will need to be amended as follows:

San Joaquin Villas OPA

- The number of units will need to be reduced from 21 units to 17 units. Furthermore, the requirement to develop more parking in lieu of the additional units will need to be defined and included.
- The requirement to develop the community park will need to be eliminated. As this requirement will be eliminated in exchange for additional parking which reduces the maintenance and operations costs that the City would be responsible for if a park were developed. Furthermore, it should be stated that the $300,000 grant is forgiven.
- Habitat will need to be released from the repayment obligation associated with the $150,000 DOT that is recorded against the property. Furthermore, it should be put in writing that the $240,000 grant is forgiven.

Miller & Lux OPA

- The project will transition from rental units to Habitat's proposed for-sale units.
- The number of units will need to be reduced from 59 units to accommodate the site plan that will yield 12 to 15 units.
- Habitat will need to be released from any repayment obligations associated with the $200,000 loan that was provided to CCB.
- The City should also consider including a timeline for development or project milestone check-ins to ensure that the project moves forward once San Joaquin Villas project is complete.

Housing Successor SB341 Compliance

Since these are both former Redevelopment Agency assets, the City should consider how this proposal affects the City's compliance with Senate Bill ("SB") 341 proportional spending requirements. According to SB 341 requirements, when using the Low and Moderate Income Housing Asset Fund ("Housing Asset Fund"), all funds must be used for households earning 80% or less of the AMI. Additionally, at least 30% of funds must be spent on rental housing for households earning 30% or less of the AMI and not more than 20% of funds can be spent on households earning between 60% and 80% of the AMI during any 5-year period. Failure to comply with the Extremely Low-Income requirement in any 5-year period will result in the City having to allocate 50% if its remaining funds to Extremely Low-Income rental units until its expenditures comply with these limits. If, at the end of a 5-year period, the City exceeds its spending limit for households earning between 60% and 80% of the AMI, it will not be able to spend additional funds on these income groups until its expenditures follow these requirements.

Habitat's proposal does not include any units for households earning above 80% of the AMI. Therefore, meets the income limit requirements prescribed in the law. However, RSG does not believe that the forgiveness of the loan and grants as part of the transfer of the projects from CCB to Habitat constitute an expenditure of funds from the Housing Asset Fund. Nor is Habitat requesting that any Housing Asset Funds be used to subsidize either project. Therefore, SB 341 expenditure requirements do not apply to this transaction.

CONCLUSION

RSG recommends that the City agree to make the necessary amendments to the controlling documents to effectuate the transfer to Habitat so they can finish developing the San Joaquin Villas and Miller & Lux projects. The proposed plan from Habitat will result in a reduced number of units compared to the agreed upon OPAs, but the development of 22 new affordable units, in addition to the 10 that are already built, will provide greater benefit to the City than the vacant sites are currently providing. The new units will also be beneficial to many low-income families that are in need of more affordable housing opportunities.

Habitat also plans to increase the safety and quality of life for residents of the San Joaquin Villas through the development of additional parking and transitioning the community from an inefficient HOA to a public entity managed by the City. More parking will help alleviate some of the stress residents feel with the current lack of parking options and will also increase safety in the event of a fire or other emergency. The current HOA is not doing a good job of maintaining the common areas and the City managed public entity will maintain the common areas to adequate levels and increase the overall quality of the San Joaquin Villas.

Although the City will be forgiving potential repayments to the Housing Asset Fund, CCB is unable to fulfill its obligation to development the units and has not been making payment on the money provided. Therefore, the likelihood of repayment is very minimal, and it would better benefit the community to forgive the amounts in exchange for more affordable housing units being built.

RESOLUTION NO. 20 -40

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH APPROVING AN ASSIGNMENT OF RIGHTS AND OBLIGATIONS AND AMENDMENT TO THE FIREBAUGH REDEVELOPMENT AGENCY OWNER PARTICIPATION DEVELOPMENT AGREEMENT WITH CALIFORNIA COMMUNITY BUILDERS, INC. (MILLER & LUX PROJECT)

WHEREAS, San Joaquin Development Partnership, LLC has previously executed an Owner Participation Agreement ("OPA") dated as of May 5, 2008, Amendment No. 1 to the OPA, dated October 2, 2008, Amendment No. 2 to the OPA, dated October 26, 2009, Amendment No. 3 to the OPA, dated November 1, 2010, and Amendment No. 4 to the OPA, dated March 22, 2011 (collectively, the "San Joaquin Development Partnership, LLC OPA") covering land identified in **Exhibit A**; and

WHEREAS, California Community Builders, Inc. has previously entered into an OPA dated January 13, 2010 (Miller & Lux Project) with an Amendment No.1 on March 22, 2011 (collectively "Miller & Lux OPA") covering land identified in **Exhibit A**; and

WHEREAS, Both developments remain incomplete and on February 19, 2020 Habitat for Humanity Greater Fresno Area, Inc. ("HFH") and Owner Participants have requested the release of certain deeds of trust, promissory notes, and repayment obligations and to assign their rights and obligations under their respective OPAs to HFH to complete modified housing projects, and the Agency has agreed with the request subject to the conditions stated herein; and

WHEREAS, City of Firebaugh as the Successor Agency to the Firebaugh Redevelopment Agency finds that this Assignment and Amendment will further the development of new for-sale affordable single family housing units, develop undeveloped and partially developed parcels of land, provide necessary infrastructure, including additional parking and ensure maintenance of such infrastructure.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Firebaugh as follows:

1. The Assignment of Rights and Obligations and Amendment to the Firebaugh Redevelopment Agency Owner Participation Agreement set forth in attached **Exhibit B** is approved.

2. The Mayor is authorized to execute the Assignment and Amendment on behalf of the City.

3. The City Manager is authorized to take all steps necessary to implement the Assignment and Amendment.

The foregoing resolution was approved and adopted at a regular meeting of the City Council of the City of Firebaugh held on the 21st day of September, 2020, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED: **ATTEST:**

Elsa Lopez, Mayor

Rita Lozano, Deputy City Clerk

EXHIBIT A

SCALE: 1"=100'

N

0 25 50 100

SCALE IN FEET

LEGEND

CITY MAINTAINED PROPERTY

LANDDESIGN
CONSULTING
"Building a World!"
4950 E. YALE AVE. FRESNO, CA 93727
TEL (559) 538-3402

HABITAT FOR HUMANITY GREATER FRESNO AREA

DR. BY: AR
CH. BY: JL
SCALE: AS NOTED
DATE: 02/19/2020

OFF-STREET PARKING LOT
FIREBAUGH, CA

SHEET NO:

SHEET 1 OF 1

1 SITE PLAN: CONCEPT: PARCEL #1 AND #2

SCALE: 1" = 40'

Architecture with Art
David Saunders
Professional Creative

Habitat for Humanity®
Greater Fresno Area

N STREET
FIREBOUGH

SK-1

EXHIBIT B

RECORDING REQUESTED AND FOR THE BENEFIT OF:
City of Firebaugh

WHEN RECORDED RETURN TO:
City of Firebaugh
1133 "P" Street
Firebaugh, California 93622

(Space Above for Recorder's Use Only)

ASSIGNMENT OF RIGHTS AND OBLIGATIONS AND AMENDMENT TO THE FIREBAUGH REDEVELOPMENT AGENCY OWNER PARTICIPATION AGREEMENTS WITH CALIFORNIA COMMUNITY BUILDERS, INC. (MILLER & LUX PROJECT) TO HABITAT FOR HUMANITY GREATER FRESNO AREA, INC. ("HFH")

RECITALS

A. San Joaquin Development Partnership, LLC has previously executed an Owner Participation Agreement ("OPA") dated as of May 5, 2008, Amendment No. 1 to the OPA, dated October 2, 2008, Amendment No. 2 to the OPA, dated October 26, 2009, Amendment No. 3 to the OPA, dated November 1, 2010, and Amendment No. 4 to the OPA, dated March 22, 2011 (collectively, the "San Joaquin Development Partnership, LLC OPA") covering land identified in Exhibit "A"; and

B. California Community Builders, Inc. has previously entered into an OPA dated January 13, 2010 (Miller & Lux Project) with an Amendment No.1 on March 22, 2011 (collectively "Miller & Lux OPA") covering land identified in Exhibit "A"; and

C. By request dated February 19, 2020 HFH and Owner Participants have requested the release of certain deeds of trust, promissory notes, and repayment obligations and to assign their rights and obligations under their respective OPAs to HFH, and the Agency has agreed with the request subject to the conditions stated herein; and

D. City of Firebaugh as the Successor Agency to the Firebaugh Redevelopment Agency finds that this assignment and amendment to the OPA's noted-above will assist in the development of affordable housing to benefit the City of Firebaugh and its residents.

NOW, THEREFORE, for consideration duly given and received, the parties have agreed to this Amendment to the Miller & Lux OPA as follows:

1. Except as expressly amended in this Assignment, all rights and obligations of the Miller & Lux OPA are assigned to HFH.

2. Recital E shall read:

"E. The Owner Participant wants to participate in the redevelopment of the Site consisting of _____ for-sale single family units (the "Project"). The Owner Participant proposes to make all units in the Project available at affordable housing costs to persons and families of very low and low or moderate income for the period required by the Law. The terms "very low" and "low or moderate" income used throughout this Agreement shall have the meaning set forth in Section 4.d., below."

3. Recital F is amended to read:

"F. The Agency has determined that providing such assistance to the Owner Participant is in the best interest of the Agency and the community and will carry out the purposes and goals of the Amended Plan, because (i) construction and operations of the Project will increase and improve the City's supply of very low and low or moderate incoming housing, (ii) such assistance will directly benefit very low and low or moderate income owners and occupants of the Projects, (iii) redevelopment of the Site with the Project will assist with elimination and prevention of spread of blight and deterioration within the Amended Project Area by developing vacant, unused property with needed very low and low or moderate income housing facilities and causing installation of necessary public street improvements, utility systems and other public services and facilities that directly benefit very low and low or moderate income owners and occupants of the Project. Therefore, the Agency is willing to provide such assistance and to allow the Owner Participant to so participate in redevelopment of the Site as an owner participant under the Amended Plan and the Law, all on the terms, conditions and covenants in this Agreement."

4. Section 2(a) Project Development shall read:

"2a: The Project, including all associated on-site and off-site improvements, shall include, and the Owner Participant shall cause the Project to be constructed in accordance with, (i) applicable plans and permit approvals, including all conditions of approval, (ii) the City's General Plan and Zoning Ordinance, including any amendments effective on or before the Effective Date; (iii) the City's official standard specifications, including attached details and amendments thereto effective on or before the Effective Date (the "Standard Specifications"), and applicable Caltrans standards with respect to all public infrastructure improvements required in connection with the Project, (iv) the Building Code and other applicable codes of the City of Firebaugh, and (v) all building plans for the Project as approved by the Agency and the City (collectively, the "Project Approvals"). The Project shall include all buildings, appurtenances and other on-site and off-site improvements required by the Project Approvals and such other plans, codes, ordinances, specifications or standards, whether or not specifically described in other provisions of this Agreement.

If, during the period the Project is being constructed, the Owner Participant proposes to make any change to the building plans or drawing which the City or the Agency has previously approved in the Project Approvals for the Project, the Owner Participant shall submit the proposed change to the Agency for review. The Agency shall approve or reject the proposed change within 10 days after submittal. If the Agency or the City reasonably determines that the proposed change is not in conformity with this Agreement, the Amended Plan, or applicable federal, state or local codes, regulations or standards, the Agency shall reject the proposed change and so notify the Owner Participant, stating the reasons for rejection. The Owner Participant may thereafter resubmit the proposed change for review as provided above.

The Owner Participant shall use diligent efforts to cause the Project to be completed no later than _____, with a 30-Day automatic extension subject to request from the Owner Participant. However, the Agency may, in its reasonable discretion and on written request from the Owner Participant, extend the completion date for such other additional period as the Agency reasonably determines necessary to overcome the effects of any delay caused by act of God, earthquake, natural catastrophe or other unforeseeable cause beyond the Owner Participant's control."

5. Section 3 is rescinded.

6. Any remaining obligations, promissory notes and deeds of trust securing repayment under the Miller & Lux OPA, including a $200,000 loan (noted in Miller & Lux Project OPA Section 3(a)) and a $50,000 grant (noted in Miller & Lux Project OPA Amendment No. 1 Section 2) are rescinded.

7. In place of the Project identified in the Miller & Lux OPA and consistent with all applicable law, HFH will undertake the obligation to complete the affordable project identified in Exhibit "B" by _____, 202__.

8. Except as otherwise provided herein, the Miller & Lux OPA shall remain in full force and effect.

(Signature on the Next Page)

This Amendment has been executed by and is binding on each party as of the date of execution by both parties.

CALIFORNIA COMMUNITY BUILDERS, INC.

By:_____

Name:_____

Title:_____

HABITAT FOR HUMANITY GREATER FRESNO AREA, INC.

By:_____

Name:_____

Title:_____

CITY OF FIREBAUGH

By:_____

Name:_____

Title:_____

ATTEST:

By: _____
DEPUTY CITY CLERK

APPROVED AS TO FORM:

By: _____

J:\wdocs\01907\001\agt\00791414.DOC

EXHIBIT "A"

APN 007-050-016 Legal Description
APN 007-050-53 and 007-050-53 Legal Description
(Insert HFH Map)

SCALE: 1"=100'

N

0 25 50 100

SCALE IN FEET

LEGEND

CITY MAINTAINED PROPERTY

LANDDESIGN
CONSULTING
"Building a World!"
4950 E. YALE AVE. FRESNO, CA 93727
TEL (559) 538-3402

HABITAT FOR HUMANITY GREATER FRESNO AREA

OFF-STREET PARKING LOT
FIREBAUGH, CA

DR. BY: AR
CH. BY: JL
SCALE: AS NOTED
DATE: 02/19/2020

SHEET NO:

SHEET 1 OF 1

1 SITE PLAN: CONCEPT: PARCEL #1 AND #2

SCALE: 1" = 40'

SK-1

N STREET
FIREBOUGH

Habitat for Humanity®
Greater Fresno Area

Architecture with Art
David Saunders
Professional : Creative

EXHIBIT "B"

(Obligations to Complete Affordable Project)

Habitat for Humanity
Greater Fresno Area

4991 E. McKinley Suite
123, Fresno CA 93727

P: 559.237.4102
F: 559.456.9192
www.HabitatFresno.org

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Tom Flanigan
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Breck Conner
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John Hall
Charles Fuller
Alisa Scott

CEO
Matthew Grundy

General Counsel
Robert Abrams

February 19, 2020

Mr. Ben Gallegos
City Manager
City of Firebaugh
1133 P Street
Firebaugh, CA 93622

Re: San Joaquin Villas Community

Dear Ben,

As we have met a few times to discuss the revitalization and construction within the San Joaquin Villas community, we believe we have finally concluded a plan that will be a benefit to all parties. If we can formalize our agreement with the original developer, Coastal Community Builders (CCB), and with the City of Firebaugh, we should be able to move forward quickly to commence with our development plans.

The overall transaction would include the following:

- CCB will convey the 11 finished lots and excess land (that contains the basin) to Habitat for Humanity at no cost.
- Habitat shall process and record a new final map that will transition condominium fee ownership into individual fee lot ownership for all homeowners.
- The City would annex in common area (streets, parking lots, open space, basin – see attached graphic) into an existing landscape maintenance district or similar public entity.
- Two to three of the finished lots will be converted into parking lots to alleviate the parking issues within the community. Habitat will build affordable, low-income homes on the balance of the finished lots.

We have consulted a title/subdivision attorney who is experienced in the conversion of condominium ownership to individual lots. The following is a quick summary of how it will occur:

- A new tentative tract map would be processed that is basis for the new final map.
- An escrow closing would essentially include the following:
    - All 10 homeowners and CCB will convey their property into a "holding entity", which would be a Habitat entity.
    - Habitat will then convey the 10 existing lots and homes to each existing homeowner.
    - Habitat will also convey the common area to the City district and the vacant lots/excess land to Habitat.
    - All of this will occur in one closing process.

To accomplish the above, we would need to confirm the following from the City (assuming it will require City Council action or approval):

- Quitclaim or reconveyance of three title encumbrances (see attached):
    - Ownership Partnership Agreement
    - $200,000 Deed of Trust
    - $150,000 Deed of Trust

- Agreement for landscape maintenance district or other similar entity to accept the streets, parking lots, common area, and water basin.
- Process and approve a new tentative tract map and final map.

Also, to accomplish the above, we will need all 10 existing homeowners and their mortgage holders to approve the new final map and individual ownership. As we may have mentioned, we have a Habitat staff member who was the point person in the family selection process for the original developer. As such, we have already begun a process to meet with the 10 homeowners to explain the process and benefits. As the mortgage holder is USDA for all homeowners, we have already had an initial discussion. Per our conversations, we do not see anything hindering approval from the USDA as individual fee title is preferred by mortgage holders.

Ben, we hope this provides a solid summary of our game plan. What we need next is a formal confirmation, preferably from your City Council, that the above is agreeable to the City. With that accomplished, we will begin the new map process and coordination with the existing homeowners and USDA.

Habitat for Humanity is excited and grateful to be part of this community revitalization process, and we look forward to bringing more affordable homes to the City of Firebaugh. Please do not hesitate to contact me should you have any further questions at 559.761.0825 or via email at matthew@habitatfresno.org.

Building Together,

Matthew Grundy
CEO | Habitat for Humanity Greater Fresno Area