



Campus Wellness II

Business Plan



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Dear Ann Arbor City Officials,

Thank you for the opportunity and your consideration to apply for a grower license in Ann Arbor at 2115 South State Street, Ann Arbor, MI 48104. Campus Wellness II, LLC is focused on being the premier provider of medicinal cannabis products not only in Ann Arbor and the surrounding area, but throughout the State of Michigan. Our store will be a state-of-the-art facility that will attract patients and suppliers from all corners of Michigan. Our investment per facility will range from 500K million to 1 million dollars, while employing 10 to 25 full-time employees.

Our founding partners currently own and operate 35 Metro PCS corporate retail stores and 210 affiliated stores in 11 states. We take our businesses very seriously and have countless awards to prove it. We currently employ over 150 people, not including any of our affiliate stores.

We are excited to have the opportunity to conduct business in Ann Arbor! We look forward to working with municipal officials and the residents of Ann Arbor to develop a long-lasting relationship. Should you have any questions, please feel free to contact us with any questions.

Sincerely,

Jason Brikho and Martin Kajy

Founding Partners of Campus Wellness II, LLC



Executive Summary

Campus Wellness II, LLC was founded in 2018 with the sole intent of doing business in the medical marihuana field under the Michigan Medical Marihuana Facilities Licensing Act of 2016. We are dedicated to our patients and firmly believe that compliance and security are of the utmost importance to protect our patients, employees and the residents of Ann Arbor. We are dedicated towards helping patients purchase safe, reliable medicinal cannabis. This is how we look at our products; as medicine. Medicine to be treated and revered with the same amount of respect, precautions, and scrutiny as any medication should be treated. This is the reason that we will only be selling reputable and tested medicinal cannabis to our patients while remaining fully compliant with Michigan medical marihuana laws and regulations.

We take our reputation and our business very seriously. Campus Wellness II employees will be well-trained, held to the utmost standards of qualification and experience, and thoroughly vetted before hiring. Our staff will have numerous years of combined experience as resources for our patients. Campus Wellness II will be a state-of-the-art facility with while maintaining the ultimate standards of security and technology for the industry.

Mission Statement

It is our mission to establish a first-class, state-of-the-art medicinal cannabis provisioning center that will provide patients with educational information on medicinal cannabis and access to safe medicinal cannabis to treat their ailment. We will set a new standard for provisioning centers across the state and even the country. Our provisioning center will provide tremendous benefit to our patients, employees and our community.

Company Ownership/Legal Entity

Campus Wellness II is a Michigan registered limited liability company found and wholly owned by Jason Brikho and Martin Kajj.



Company Goals

Campus Wellness II will strive to employ members of the community, improve the aesthetic look of the neighborhood and to provide patients with educational information on medicinal cannabis and access to safe, reliable medicinal cannabis. To achieve this, we have set out to do the following:

- Provide the best quality medicinal cannabis to our patients
- Improve the visual appeal of our location
- Operate a successful, state-of-the-art provisioning center
- Create standards of operation above what is required to be compliant
- Expand the economic base
- Educate and empower our patients
- Train our employees to be experts on medicinal cannabis
- Create good paying jobs with excellent benefits
- Actively involve ourselves with the community
- Build long-lasting relationships with our patients, reputable suppliers and the community



Description of Business

Facility Plan

Campus Wellness II will implement procedures to guarantee that our patients are receiving safe and secure medicinal cannabis. We will background check and train all our employees to the upmost standards of the law at every step of the fulfillment and distribution process. Each employee will be trained to complete and comply with our quality control checkpoints, the State-Wide Monitoring system and our Point of Sale program.

When a patient enters Campus Wellness II, their registry card will be validated by one of our trained associates. Upon validation, they will be escorted to the show room to meet and discuss their medicinal needs as a cannabis patient. The number of patients in the show room will be limited to the number of available associates. Should all available associates be servicing other patients, there will be a designated waiting room where the patients can wait before proceeding to the show room. For new patients, associates will be expected to spend 10 to 15 minutes to educate and inform them on the best medicinal cannabis treatment options for their qualified debilitating condition. Associates will also spend 5 to 10 minutes with returning patients to ensure that they are receiving the relief intended from their medicinal cannabis.

Campus Wellness II will offer several forms of medicinal cannabis. All products offered by the Campus Wellness II will be verified for compliance with the standards established by the State of Michigan and the City of Ann Arbor.

Location

Campus Wellness II has scouted numerous locations for a provisioning center and we could not be more excited to have the opportunity to locate in Ann Arbor! We will hold ourselves to a premier standard by ensuring that the aesthetic exterior and interior look of Campus Wellness II is maintained to blend in with the facia of Ann Arbor and adhere to all State requirements and Ann Arbor city ordinances. Further, the exterior of our building will not exhibit any marihuana-related imagery or reference to marihuana nicknames.



Interior

Campus Wellness II will create a look and feel closer to that of a high-end jewelry store. All medicinal cannabis will be kept out of reach and neatly displayed for our patients to view. Our patients will receive individualized and personalized consultations at each visit. The building will be under 24-hour surveillance and will require proper clearance before entering. All guests of Campus Wellness will be required to sign in as a guest upon their arrival and departure.

Hours of Operation

Campus Wellness II hours of operation are as follows. These hours will be reassessed quarterly based on the ebb and flow of business patterns and to meet any local or State requirements.

Monday – Saturday

10:00 am to 9:00 pm

Sunday

10:00 am to 6:00 pm

We will be closed for the following events:

New Year's Day

Easter

Memorial Day

Fourth of July

Labor Day

Thanksgiving

Christmas Eve

Christmas



Products and Services

Campus Wellness II will offer nothing but the best medicinal cannabis for our patients. Our medicinal cannabis products will include many various strains to aid in treating: cancer, AIDS, HIV, Chron's disease, chronic pain associated with multiple sclerosis, spinal cord injuries, Parkinson's disease, as well as addressing seizures and post-traumatic stress disorders (PTSD). We will strive to be the leaders in the industry offering our patients the most effective medicinal cannabis treatment options.

Further, as required by State law, packaging, shapes and colors of all edible medicinal cannabis products offered to our patients will not have reference to cartoons, caricatures, toys, colors, designs, shapes or labels that would in any way appeal to or potentially confuse minors. All products sold will be labeled as medical marihuana and will include the State required medical marihuana symbol, seen below.



Lastly, under no circumstances will any misleading, biased or deceptive materials be displayed or promoted in Campus Wellness II. Any material that appears to be even remotely designed to appeal to minors or promote unintended use will be strictly forbidden.

Pricing

It is our goal to provide patients with the best medicinal cannabis on the market at the most competitive price in the industry. We will not compromise the quality by offering substandard products to our patients. Selling our products at a lower price than what is obtainable at our competitor's stores means that we will reduce our profit margin but gain sales margin. Our pricing strategy will combine the supply and demand of the market, demand and competition-based analytics based on patients needs, industry trends and the competition.



Neighborhood Compatibility

Campus Wellness II is committed to hiring residents of Ann Arbor with the intended goal of having a direct fiscal impact on the City's economy with the intentions of driving up additional economic development and opportunity for other businesses in Ann Arbor. We will support our fellow business owners by creating a solid relationship and always encourage our patients to visit other Ann Arbor businesses. We will ensure that our presence does not have a negative impact on the neighborhood or extended community. In addition, our goal is to continually maintain open communication with the City and the residents for all feedback on Campus Wellness II.

Community Outreach

Our community outreach will be achieved in many different ways. We will provide a consumer education area within the waiting room of the provisioning center available to any interested party. Educational material provided will include but is not limited to: information on and from various marihuana advocacy groups, any State provided medicinal cannabis warnings and/or bulletins, reputable doctors in the Ann Arbor area to create a relationship with, documentation on the positive and negative effects of cannabis and the risks and warnings on youth consumption of marihuana. We believe that it is our responsibility to assist with educating the community on existing scientific evidence and emerging research that shows the medicinal benefits of cannabis as a safe, natural, non-toxic effective treatment option for many debilitating medical conditions.

Additionally, a significant part of our charitable efforts will be via cash donations to local Ann Arbor organizations. Our Campus Wellness II staff and family will actively participate in Ann Arbor's various community functions and good Samaritan organizations.



Suppliers

We are committed to purchasing locally to support Michigan's small business entrepreneurs. We will source our construction materials, building supplies and contract services from local business within Ann Arbor and, as needed, throughout the State of Michigan. We understand the importance of supporting local small businesses in order for them to be successful and how small business can generate a significant amount of economic development, stability and have impact at both a local and State level.

Before opening, our staff will begin researching licensed, reputable medical cannabis suppliers. We will work with various suppliers to ensure that our patients are receiving the best quality medicinal cannabis at an affordable price and within a reasonable timeframe. As suppliers are identified, we will record purchases and supplier information to continue to maintain consistency for our patients and to further the business relationships between the supplier(s) and our staff.



Compliance

From the beginning of this endeavor, Campus Wellness II has maintained nothing but the premier standards to comply with State and local laws, rules and regulations. It is for this reason that we have employed a reputable consulting firm to help us navigate the often-treacherous waters of compliance at all levels of government. Along each step of the licensing process we have remained at the forefront regarding compliance-based knowledge and we intend to continue that pattern as we operate and grow Campus Wellness II.

Furthermore, we will make the process of compliance as seamless and as easy as possible for all those employed and doing business with us. We will implement a point of sale program that will fully integrate with METRC, Michigan's State-Wide Monitoring system used to track every seed to plant to sale to the patient. It is our goal to implement an easy, user intuitive system that, at a high-level, will validate patients, manage inventory, supplier information, employee records and patient records all while maintaining employee and patient privacy laws. Each employee will receive a unique identifier to access the system to further ensure confidentiality at every level. Access to the system will be determined by employee's role within the company, from limited to full access. All of which is a requirement of the State level laws, rules and regulations imposed on the medicinal cannabis industry. Additionally, we fully intend to comply 100% with local, state, and federal law enforcement as required by local and state regulators. We will integrate all our compliance practices into our everyday operational procedures. Therefore, should an authorized agency be conducting an audit or require random material or information we will be fully prepared, on the spot, to provide the requested items.

Since the medical cannabis industry in the State of Michigan is incredibly fledgling and dynamic, we intend to be even more dynamic. We want to emerge as industry leaders when it comes to changes in the regulatory requirements and compliance. We are confident that we will achieve this based on our current business practices and our partnership with our consulting firm. There is no doubt that we will easily adapt to the fluidity of the medical cannabis industry as required by any local, state or federal regulation.



Inventory & Record Keeping Plan

Campus Wellness II will install a fully integratable inventory control system to monitor the chain-of-custody on all medicinal cannabis that enters Campus Wellness II. The State of Michigan is requiring all licensees to integrate with the State-Wide Monitoring system powered by METRC, a division of Franwell. This system is also known as the seed-to-sale tracking system. A provisioning center licensee will be required to, at a high-level, batch all medicinal cannabis inventory amounts, sale of, monetary transactions and daily patient purchase limits.

Initial Inventory

Prior to commencing business, Campus Wellness II will conduct a thorough and very comprehensive inventory of all medicinal cannabis entering the store.

Perpetual Inventory Protocol

At regular, required and/or necessary intervals, Campus Wellness II will manage, check, and monitor inventory for accuracy and consistency. All records will be documented and supplied to the State via METRC. Our operational procedures will include and audit of inventory on hand at the beginning of each day, a full audit of all inventory acquisitions throughout the day and an inventory audit upon the close of business. All records will be supplied to the State as required.

A complete physical inventory of both usable and unusable medicinal cannabis will be performed weekly, logged and provided to METRC.

Medicinal cannabis records will include:

- Date of acquisition and supplier
- Batch number
- Product name
- Date of sale or destruction/disposal
 - If destroyed/disposed of and the manner in which destroyed/disposed of
 - Reason for destruction/disposal
 - Employee responsible for sale/destruction/disposal
- Purchasing patient's registry ID number
- Amount of product sold
- Sale amount



Random Physical Inventory Checks

Random physical inventory audits will be conducted throughout the year, led by an identified lead staff member to document one or more of the following:

- Packaged medicinal cannabis
- Products in quarantine
- Products awaiting destruction/disposal

Annual Inventory

A complete physical inventory of all medicinal cannabis onsite will be conducted annually on or before the anniversary of the startup inventory and under the direct supervision of the lead associate. The lead associate shall conduct and document a system-wide audit of all inventory according to generally accepted auditing principles.

Inventory Discrepancy Procedure

In the rare event that an inventory audit identifies a discrepancy in the amount of medicinal cannabis inventory onsite Campus Wellness II shall immediately alert the proper authorities and assist with attempting to determine where the discrepancy initiated. Should this very unlikely instance occur, Campus Wellness II will immediately review all inventory auditing methods and revise our auditing practices where required. If the reduction in the amount of medicinal cannabis is due to suspected criminal activity by an employee or visitor, Campus Wellness II shall report the employee or visitor information to law enforcement and all other required agencies.

In addition to reviewing our inventory auditing practices, the lead associate will conduct a full random physical inventory audit of all medicinal cannabis onsite. A thorough investigation and incident report will provide the following:

- Incident date
- Description of the incident
- Identification of known and/or suspected causes
- Identification of people onsite during or around the suspected breach
- Testimonials
- Security footage
- All planned and corrective actions taken



Ventilation Plan

Campus Wellness II will install state-of-the-art quality ventilation systems ensuring that the, sometimes offensive, odor of cannabis is not detectable beyond our premises. Our ventilation system will include the use of a HEPA filtration system which will also help to ensure that the medicinal cannabis remains containment free. Our ventilation systems will also be equipped with a carbon filter further safeguarding that air leaving the facility will not omit any noxious gasses or other fumes. We will maintain a score of 7 D/T or less in air pure quality exiting the exhaust system. All ventilation equipment will be appropriate for the hazard involved and shall comply with local fire code and Michigan mechanical codes.

Excessive Noise Plan

Noise will be limited and should not be heard outside of our building. However, should there be a power shortage or full outage, it is likely that the backup generator(s) would create noise until the power is restored to its full capacity.



Disposal Plan

The facility, surrounding grounds, and parking lot will be kept clean and sanitary at all times to ensure the health and safety of our clients, employees, and our community. Should we be required to dispose of any medicinal cannabis material, it will be recorded into METRC providing all required details to identify the specific batch of medicinal cannabis as unusable and destroyed. All unusable medicinal cannabis and waste will be disposed of in a secured waste receptacle using a manned compostable materials operation and/or an in-vessel digester. Disposal of all medicinal cannabis waste will remain compliant with all applicable State and local laws and regulations. All medicinal cannabis will be disposed of properly and will not find its way into any groundwater, the air or soil.

Litter and waste will be properly removed and will be maintained in an adequate manner so that they do not constitute a source of contamination. There shall be adequate screening or other protection against the entry of pests. Rubbish shall be disposed of as to minimize the potential of waste developments and minimize the potential for waste becoming an attractant, harborage, or breeding place for pests.

Trash receptacles of sufficient size and number shall be provided throughout the facility and properly serviced to contain the solid waste generated from daily business operations. Trash receptacles will be emptied at a minimum of once per day, or more frequently if required. Trash receptacles will be emptied into a secure dumpster. The dumpster will be maintained and emptied by a contracted waste management company that will empty the container at a minimum of once a week at regular intervals or more often should the need arise. The removal of this waste shall not result in nuisance conditions such as excessive noise and transported in a manner that ensures all contents remain contained, and the contents shall be disposed of properly at a proper disposal facility.

Recycling will be encouraged, and recyclable material will be hauled away at regular intervals by a contracted waste management company. The removal of this waste shall not result in nuisance conditions such as excessive noise and transported in a manner that ensures all contents remain contained, and the contents shall be disposed of properly at a proper disposal facility. We believe that promoting reuse, recycling, and waste reduction will help us to maintain a smaller footprint and thereby help to conserve the resources of the State of Michigan and the City. We will strive to be as green as possible when it comes to disposing of our waste and hope to set a good example for the industry.



Medicinal Cannabis Storage

Our store will be equipped with a safe in a separate secure room with a lock that is different from any other locks in our provisioning center. Inside the storage room a safe will be affixed to the building structure for use in the storage of medicinal cannabis and currency. For products that need to be refrigerated or frozen the use of a fridge/freezer affixed to the building structure with a separate locking mechanism will be installed. All medicinal cannabis will be securely stored and will not be visible from any location outside of our provisioning center.

Security Plan

The security (and compliance) of Campus Wellness II will be our first priority and always of the utmost importance. We will have cameras monitoring our facility 24 hours a day, 7 days a week. This will discourage loitering or any other potential crimes near our facility. Our parking lot will provide adequate parking to keep the flow of traffic moving on and off the road and ample parking will be provided. Our facility and the surrounding area will be well lit. Lights will be programmed to make sure they are not a disturbance.

To achieve the best security in the industry, Campus Wellness II will collaborate with and hire leaders in the security industry to provide a state-of-the-art, technologically advanced security system to keep our patients and employees safe from intrusion and to protect all systems and data. Interior and exterior security cameras will be installed and will maintain 24/7 monitoring. Recordings from these cameras will be fed into a cloud-based server that will only be accessible by the managers of the facility, law enforcement and the security monitoring company. Security recordings will be maintained for a minimum of 72 hours and maximum of 30 days. Sensors will be situated near ingresses and egresses, a time-lock and electronic code safe will be installed to store medicinal cannabis, as needed cash proceeds from daily sales and any technology containing sensitive data. In addition, all access points will have electronic key access only permitted authorized personal into certain areas. Patients will only be permitted in the waiting or show room areas. The safe will only be accessible by management or the lead associate. Additional security details include, but are not limited to:

Lighting

Our premises will be well-lit at all times. In the evening hours, the exterior of the building shall remain well-lit to deter unauthorized access as well as auxiliary lights remaining on in the interior of the



building to further deter unauthorized access. We understand that from a security standpoint, lighting is the number one psychological deterrent against unauthorized access and that a well-lit area leads to less accidents. Please see site plans for further information on lighting placement and type.

Cameras

Campus Wellness II intends to employ the services of an exemplary security service provider (e.g. ADT, Guardian, etc..) to install and maintain security cameras. Cameras will be strategically placed throughout and will record at a quality and resolution high enough to provide sufficient facial detail. Outdoor and indoor cameras will be of sufficient quality and resolution to record in both daylight and low light situations. The recordings from these security cameras will automatically upload to a secure offsite cloud-based server, the location of which will be provided to the City of Ann Arbor once a contract is signed and executed with a security service provider. Access to the electronic security system will be available 24 hours per day 7 days per week to law enforcement agencies via a secure web-based portal and mobile device compatible applications.

Surveillance footage will be time-stamped and will continue recording during power outages, allow for still image exportation, and will be exportable in any standard digital video format. The monitoring of footage will occur in real time and will be accessible online over a secure connection able to be viewed remotely from any location with an internet connection including on monitors located in our waiting room and show room. All guests entering Campus Wellness II will be made aware of this by posted signs in the waiting room and show room. All employees will be trained to immediately report any malfunctioning surveillance equipment to the security service provider to resolve any issues immediately.

Alarm System

In addition to the comprehensive surveillance and security system we will install there will also be silent alarms commonly referred to as a panic button installed. Employees will be extensively trained on the proper use of this panic button and advised to use in a situation where they are made to feel threatened or witness any suspicious behavior. Sensors and decals will be placed on all windows and doors warning potential intruders that there is an alarm system and in place and their intrusion will result in the alerting of law enforcement. A door-chime will also be installed at the main point of entry that will make an audible ringing noise when guests enter the facility.



Technology Plan

Increasingly, new technology offers a resource to meet the varied needs of our community. As technology continues to play a vital role in providing access to information, helping our systems run smoothly and without error, and providing communication to our patients an integral part in fulfilling our mission will be to successfully utilize the technology available to us to not only make sure that our business runs smoothly, but also in full compliance with the laws set forth by the State of Michigan. The patients, guests and employees will always be our priority and we intend to shape our technology systems to always serve them and the compliance standards set forth by the State of Michigan as a priority.

METRC, a division of Franwell, is the electronic system of record the State of Michigan has hired to provide end to end tracking and tracing of marijuana plants and products all the way to the patient sale. It is a priority of Campus Wellness II to maintain a point-of-sale system that is user friendly and fully integratable with METRC. We are in the process of vetting the list of vendors that the State has approved for licensees to use as a qualified point of sale vendor. Once we have identified a vendor that will be suit our business needs we will begin engaging their services.

To keep Campus Wellness II running smoothly we understand the importance of having a robust, uninterruptable internet connection. Since METRC is a cloud-based service it will be crucial to maintain an internet connection. We will use of a top-of-the-line modem and router connected to a battery backup. All necessary equipment to allow us to remain functional will be connected to a generator. All required data will be automatically backed up to external, encrypted wireless hard drive so that should a loss of data occur, vital data will be retained. Should a loss of internet occur at the provider level, we will have a backup method in the form of a cellular wireless router that will serve as a backup until normal wireless connectivity is restored.

At a minimum, Campus Wellness II will review potential point-of-sale systems to include the following. These minimum requirements will allow us to be compliant with the State of Michigan and allow us to effectively manage and operate Campus Wellness II. In addition to fully integrating with METRC, we will install a point-of-sale system that will:

- Track product inventory
- Provide patient verification



Campus Wellness II

- Track patient transactions
- Be user intuitive
- Alert staff when inventory is getting low
- Provide specific medicinal cannabis strain information
- Track customers and their transaction history
- Marketing capabilities and touchpoints
- Generate various multiple reports
- Electronic login
- Touchscreen menus
- Maintain patient history in compliance with the HIPPA laws. Patient history can include the following:
 - Contact information
 - Patient product preferences
 - Patients debilitating condition
 - Patient transaction history
 - Patients will be advised of what information we are retaining that is specific to them



Marketing

Campus Wellness II marketing strategy will be based on generating long-term personalized relationships with patients. We want to ensure that we are providing our patients with a wide-range of medicinal cannabis products at the best price. To effectively maintain relationships with our patients we will select a point-of-sale system that will allow us to remain in contact with them. All communication methods will be disclosed to our patients and they will have the option to opt out of our communications. In support of the rules set forth by the State of Michigan, Campus Wellness II will not engage in any sort of public advertisement including radio, television, billboards, or bus stops. We will only be identified by signage in compliance with the City of Ann Arbor's ordinance to sufficiently identify our location to patients.

Our employees will be well trained in our business methods and model. When an opportunity presents, our employees will be trained on upsell techniques; however, we will never sell a patient anything they do not want, need or require for the treatment of their debilitating condition. Our sales process will always remain customer-centric. While we will attempt to produce sales that are the most beneficial to our bottom line, it will never be at the expense of our patients. While we do intend to upsell when the opportunity presents it will never be to take advantage of a patient, but rather to advise them of a medicinal cannabis strain or product that will be most beneficial to them.

In addition, we have hired a reputable firm to assist us with understanding marketing strategies to generate new business and customer retention for this industry. Some of our marketing strategy will include:

- Electronic marketing
 - Website (age restricted)
 - Social media
 - Weedmaps/Leafly
 - Text messaging (when authorized)
 - Email notices and updates (when authorized)
- Incentivize word-of-mouth referrals, by offering our patients a discount on their next purchase
- Attend conferences and trade shows
- Engage in direct marketing (where allowed)

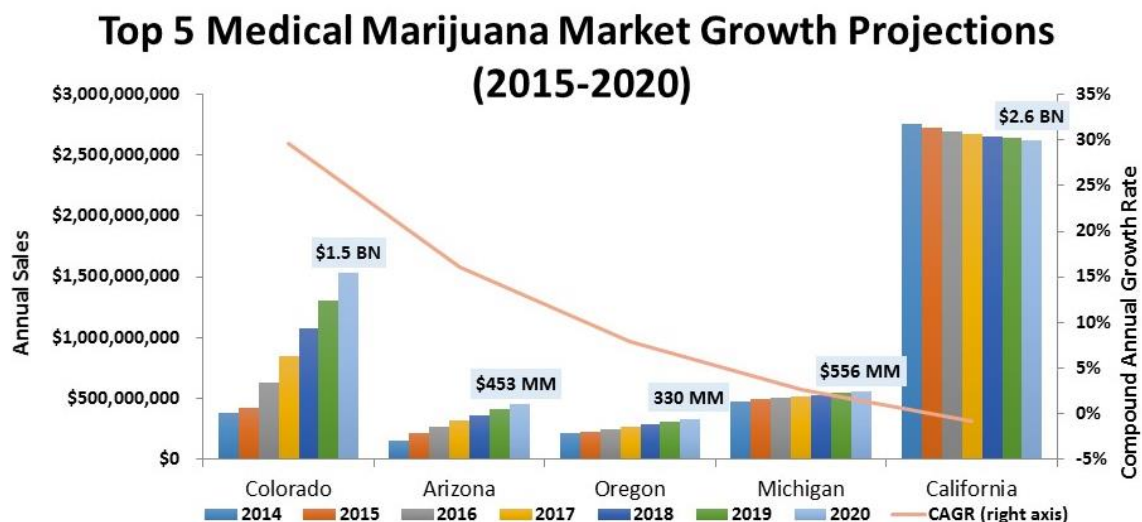


- Informational medicinal cannabis publications
- Personalized mailings to our patients

Market Analysis

The market trend in the medicinal cannabis industry is directly influenced by the country's healthcare reform policies and the standards imposed by the State of Michigan and municipality in which the facility operates in. The fact that this industry is heavily regulated means that any entrepreneur who wants to run a medicinal cannabis provisioning center must be ready to play by the rules or be put out of business.

Undoubtedly, the industry will continue to grow and become more profitable due to the aging baby-boomer generation in the United States which is projected to drive increasing demand for medicinal cannabis up as well as ever increasing acceptance rates for the use of medicinal cannabis as a treatment for a wide range of ailments. We intend to be on the cutting edge by using technology to graph and map these trends and be ready to predict them and plan accordingly.





Target Market

Campus Wellness II is in business to service those who have been deemed, by a medical professional, to eligible for medicinal cannabis to treat a debilitating condition. Therefore, our target market shall only be those who are registered medical marihuana patients.

Competition

Our business model will be focused on providing the best quality, safe, medicinal cannabis. Our competition will certainly be other provisioning centers in Ann Arbor. However, our strategy is to minimize competition by carving out a niche for ourselves. We are not seeking to drive the competition out of town, healthy competition is good for business. However, we are set out to be the best, most reliable, trustworthy, largest volume provisioning center in Ann Arbor. Our model will succeed by our relationships with our neighbors and the City, creating strong relationships with our suppliers and patients and generating a massive referral network. We also succeed by guaranteeing that our patients will always have access to the best quality, most effective medicinal cannabis available.

Advertising

All products produced and sold will be marketed or advertised as "medical marihuana" for use only by registered qualifying patients or registered primary caregivers. Medicinal cannabis products will never at any time or in any manner be marketed or advertised to minors. There will not be any form or manner of sponsorship targeted to minors. In all respects, Campus Wellness II will minimize exposure of marketing and promotion of all medicinal cannabis and products to minors. All marketing and or promotion of products will be strictly targeted towards the specified demographic of adults aged 18 years or older whom are qualified and registered Michigan Medical Marihuana Patients or Caregivers.

Additionally, our signage will be in full compliance with local and State regulations. We will hold ourselves to a premier standard by ensuring that the aesthetic exterior and interior look of Campus Wellness II is maintained to blend in with the facia of Ann Arbor and adhere to all city ordinances. Further, the exterior of our building will not exhibit any marihuana-related imagery or reference to marihuana nicknames.



Appendix

Start Up Cost

Campus Wellness II initial startup cost total (initial cash investment): \$1,032,000.00. The following table provides our anticipated startup cost and projected annual expenses. Construction costs are based on improvements to the interior and exterior of the property and are estimated at \$115,000.

| Description | Cost |
|---|---------------------|
| Building cost or monthly lease | \$7,500.00 |
| Exterior Improvements | \$55,000.00 |
| Interior Improvements | \$55,000.00 |
| Architect | \$15,000.00 |
| Security | \$33,000.00 |
| Furniture and Fixtures | \$25,000.00 |
| Computer Hardware and Software | \$15,000.00 |
| Weighing and Measuring Equipment | \$2,000.00 |
| Office Supplies | \$2,500.00 |
| Cleaning Supplies | \$3,000.00 |
| Employee Supplies | \$1,500.00 |
| Website | \$2,000.00 |
| Initial Inventory | \$65,000.00 |
| Licensing | \$50,000.00 |
| <u>Total Building Startup Expenditures:</u> | <u>\$330,500.00</u> |
| | |



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|--------------------------------------|---------------------|
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| | |
| Rent | \$90,000.00 |
| Electric | \$1,000.00 |
| Gas | \$2,000.00 |
| Telephone & Internet | \$1,500.00 |
| Maintenance | \$2,000.00 |
| IT Services | \$4,000.00 |
| Insurance | \$17,000.00 |
| Attorney | \$4,500.00 |
| Accounting | \$3,500.00 |
| Waste Management | \$1,500.00 |
| Marketing and Advertising | \$9,000.00 |
| Conferences and Travel Expenditures | \$6,000.00 |
| Taxes | \$6,000.00 |
| <u>Annual Building Expenditures:</u> | <u>\$148,000.00</u> |
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| | |
|---------------------------------------|-----------------------|
| Payroll | \$400,000.00 |
| Payroll Taxes | \$40,000.00 |
| Employee Benefits | \$24,000.00 |
| Employee Training | \$10,000.00 |
| <u>Annual Employee Expenditures:</u> | <u>\$474,000.00</u> |
| | |
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| | |
| Charitable Contributions | \$75,000.00 |
| Sponsorships | \$5,000.00 |
| <u>Total Charity Expenditures:</u> | <u>\$80,000.00</u> |
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| | |
| | |
| <u>Total First Year Expenditures:</u> | <u>\$1,032,500.00</u> |



Financial Projections

It is vital to state and act on the ways through which we have decided to raise funds. Our primary source of income will be from the retailing of medicinal cannabis. One of the true marks of an effective entrepreneur is being able to forecast sales based on the magnitude of work that has been put into the business. It is important to state that our sales forecast is based on the data gathered during our feasibility studies, market survey, and some of the assumptions readily available in the field.

Below are the sales projections that we were able to come up with for the first three years of operations:

First Year – Approximately \$500,000 Gross

Second Year – Approximately \$750,000 Million Gross

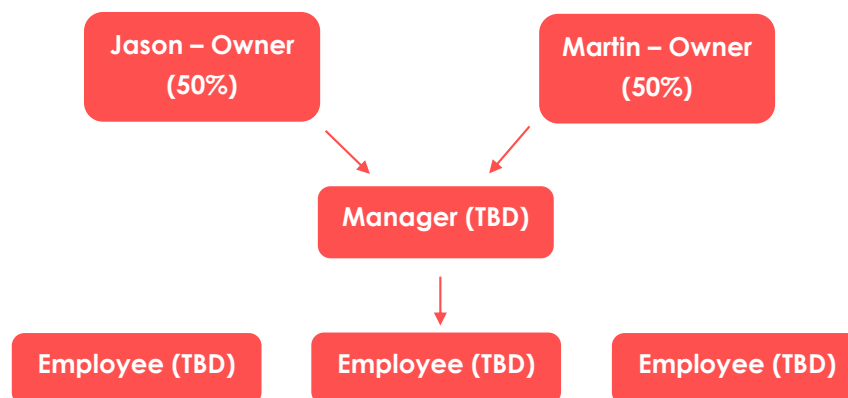
Third Year – Approximately \$1 Million Gross

Expected Job Creation

Campus Wellness II intends create 10 to 25 full-time jobs in Ann Arbor. Our wages will be competitive with the industry and to entice talented, trustworthy employees allowing us to maintain employee retention and loyalty. It is our intent to employ the following staff. All wages projected are before benefit compensations:

- 2 to 3 Lead Associates, salaried staff at \$65,000 annually
- 5 to 10 Associates, hourly staff at \$15.00+ per hour
- 2 Security Associates, contract staff, annually salary TBD by contracting company

Company Org Chart





Employee Training

Each employee shall undergo safety, security, and provisioning training before beginning work. As a part of the employee orientation process and as an ongoing regimen, all employees will be provided with a copy of an employee handbook, the security plan, and security and safety training which shall consist of examination and discussion of the security plan, premises orientation, emergency training and situational training. Situational training consists of instruction related to a particular employee's job duties. For instance, a manager will have different day-to-day concerns than a front counter employee. Refresher training will be provided to as deemed necessary. Initial employee safety and security training shall include:

1) Building orientation and access authority

- The proper entry and exit points
- Restroom and sink facilities
- Storage and overstock areas
- Lobby and counter areas

2) Measures and quality controls for the prevention of diversion, theft or loss of medicinal cannabis which shall include:

- Patient validity confirmation and tracking
- Necessity of keeping all facility doors locked and secure
- Prohibited activities such as entrance into unauthorized areas
- Awareness of video monitoring
- Training on METRC
- Training on the point-of-sale system
- Requirement to report any suspicious activity

To promote professionalism and organization, all employees will be expected to follow the established safety practices set forth in the security plan and to be in compliance with the approved uniform dress code for their respective position, display proper hygiene, and keep a professional physical appearance.



Security Staff

As part of the employee pool, Campus Wellness II will hire security employees to assist the staff with performance of the implementation of the security plan. Security staff will wear a distinct uniform, act and address individuals in a formal manner and continuously patrol the premises when not on a fixed duty assignment such as checking patient ID's at the door.

Employee Log

For the safety and security of the premises surrounding the building and its occupants and products staff will keep a current and accessible roster of all employees and ensure that all employees are aware of duty reassignments as they occur. All terminated employees or those on suspension, or who are otherwise unauthorized to enter the facility shall be prohibited.

Employee Hiring

Campus Wellness II employment candidates will first be required to complete a thorough interview process including diligent background checks and personal conversations with past employers to gauge their character and work ethic. Candidates who pass the stringent interview process will be recorded as an employee into METRC and will be expected to pass a mandatory, in-person, training. Items employees will be trained on include, but are not limited to:

- Federal cannabis laws
- Michigan's cannabis laws and history of
- Cannabis as medicine and history of
- Quality of care using medicinal cannabis
- Various medicinal cannabis strains
- Patient care
- Patient education
- Debilitating medical conditions
- Provisioning center operations, policies and procedures including, but not limited to:
 - Security
 - Storage and inventory
 - METRC (seed to sale system)
 - Point-of-sale system
 - Patient experience



Employee Termination

Upon termination of any employee, be it voluntary or involuntary, Campus Wellness II shall ensure that terminated employee's keys, uniform, tools, and other company owned equipment are promptly returned. Campus Wellness II shall ensure that all access codes to security systems and passwords are all changed to prevent further access to the system from said terminated employee. Additionally, the employee will be marked as terminated via METRC.

Employee Salary & Benefits

At Campus Wellness II we want to offer competitive benefits packages and wages. We want our employees to be happy and proud to work for us to live a comfortable lifestyle. We believe that this will increase morale in the workplace leading to better business as a whole. Happy employees are much more likely to be motivated and have increased productivity. It is therefore that we intend to offer the following salary and benefits to our employees in addition to state required benefits:

- Health Insurance
- 401K Plan
- Paid Vacation
- Paid Sick Days
- Paid Holidays
- Time and half for overtime
- Employee Discount (qualified patient card required)