

Exhibit K



Embarc Fresno D2 #C-20-21

Neighborhood Compatibility Plan

Overview

Embarc believes that operating a cannabis business is a privilege and not a right and that a successful business model requires consistent engagement with the community to ensure communication, transparency, integrity and collaboration. By putting the community first, Embarc ensures a positive relationship with the City of Fresno, community leaders, and the neighborhood, ultimately allowing us to participate in – and give back to – the community in meaningful ways.

This commitment is embodied in ways large and small, ranging from neighborhood specific engagement and volunteerism to empowering community members to provide feedback and direction on our operational model – including community-sensitive advertising and directing community investment funding – via a Community Advisory Board comprised of local stakeholders.

We understand that cannabis businesses have an obligation to the health and wellbeing of our customers, the neighborhood, and the broader community. One of Embarc’s core values is to be a good corporate citizen. We believe this goal requires a direct relationship not only with City officials but also with residents, other vital stakeholders and public safety officials.

We intend to be a contributing, positive, and responsible force in the community, and we are committed to ensuring that our dispensary never poses a nuisance to our surrounding neighborhood or the community at large. Below we describe the specific strategies, procedures, and equipment that will be used to proactively address and respond to complaints related to noise, light, odor, litter, as well as vehicle and pedestrian traffic.

Our dispensary will be maintained in accordance with the standards of the International Property Maintenance Code to ensure the licensed premises are safe, sanitary, and fit for occupation and use. We will proactively work with community members, neighborhood leaders, and local businesses to build a synergistic relationship based on respectful dialogue and ongoing approachability.

We will be an active and engaged supporter of the neighborhood while operating as a pristine example of regulatory compliance and corporate responsibility. Our team of experienced cannabis operators and retailers understands the important role our dispensary will play in the Fresno community. As such, our Neighborhood Compatibility Plan is designed with the community in mind. We believe we have the expertise and sensitivity necessary to reach out to local leaders and residents, engage the community, and respond to their collective needs, based on our proven track record of doing so in other communities where we operate as well as our ownership’s nearly half century track record in this community.

Based on our experience operating a successful and compliant retail and delivery operations in South Lake Tahoe, Alameda, Martinez, Fairfield, Sacramento and our existing operation in Fresno, we understand the importance of a proactive approach in order to resolve any potential issues *before* they arise. That is why our General Manager, Managers, staff, and Head of Community Relations will be



engaged in positive neighborhood relations on an ongoing basis. Being available and accessible is vital to preventing annoyances from escalating into issues.

Our Head of Community Relations and Community Advisory Board will ensure that Embarc integrates seamlessly into the community, while also establishing a system to address and mitigate complaints from citizens, customers, and other businesses in the area using a multi-step approach, detailed below.

In addition to the input we receive from our Community Advisory Board on how best to avoid becoming a nuisance or having any unwanted impacts on the neighbors and the surrounding community, we will draw on the considerable cannabis experience of our team to implement policies and procedures to avoid any nuisance pertaining to noise, light, odor, litter, vehicles, and pedestrian traffic, including our specific experience as one of two currently operational retail dispensaries in the City of Fresno.

Our management team has developed rigorous training programs that all Embarc Fresno employees will be required to complete in order to understand the appropriate protocols for interacting with community members near the cannabis business, as well as a plethora of other topics and subjects crucial to a successful cannabis retail operation. This combination of leadership, well trained and sensitive employees and community members working together will create a consistent, proactive feedback loop to maintain positive relationships with the neighborhood and community.

Proactively Addressing Complaints

Head of Community Relations

Our proactive community engagement strategy will include a Head of Community Relations who remains active and engaged throughout the lifetime of the business. Our Head of Community Relations will understand the issues and unique needs of this community and have experience in proactive community engagement as well as in addressing and mitigating any complaints from citizens, customers and other businesses in the area.

Additionally, our Head of Community Relations will staff Embarc Fresno's Community Advisory Board (the "Board"). The Board, comprised of prominent members of the Fresno community, will help shape best practices to innovate and improve operations in order to mitigate any potential for complaints from citizens, customers, and other businesses in the area.

Embarc recognizes that part of a successful complaint mitigation strategy is effective community engagement, and our Board will have unmatched insight into the community. Our board will be empowered to provide input on how Embarc can make a lasting *positive* impact on its neighbors and allow us to address any potentially problematic issues before they arise. We are doing more than simply conducting open houses; we are empowering community members on an ongoing basis to play an integral role in anticipating and mitigating any complaints.

Good Neighbor Policy

As part of our Neighborhood Compatibility Plan, we will voluntarily seek to have a Good Neighbor Policy added as a condition of our operations. This policy and overarching plan will ensure that we are not only meeting but exceeding the requirement to address proactively and respond to complaints regarding neighborhood nuisances related to noise, light, odor, litter, vehicle and pedestrian traffic.



Further, our Community Advisory Board will be actively involved in this process and will serve as a feedback loop to our Head of Community Relations. In partnership with the applicant team, Community Advisory Board and with feedback solicited from neighbors and the broader community, we have drafted proposed policies. We welcome the opportunity to discuss these further with the City should we be fortunate enough to be awarded a license.

Our intent to include such a policy as a condition of operations demonstrates the seriousness with which we approach mitigating any complaints of neighborhood nuisances related to noise, light, odor, litter, vehicle and pedestrian traffic, and any other complaints that may arise from the community. The suggested policy is detailed below.

As a responsible cannabis operator, Embarc Fresno must:

- Create a safe exterior environment through design and site management.
 - Provide outside lighting in a manner that illuminates the outside street and sidewalk areas and adjacent parking as appropriate.
 - Maintain the premises and adjacent sidewalk in good condition at all times.
- Manage parking and traffic to negate impacts to surrounding areas.
 - Prohibit double parking directly outside the premises.
 - Prohibit loitering around the premises or in the parking lot.
- Enforce appropriate customer behavior outside the facility and in adjacent areas.
 - Prohibit loitering in or around the premises.
 - Prohibit littering in or around the premises.
 - Prohibit the consumption of cannabis products around the premises.
- Post notices at all public entrances to and exits from the establishment that are clear, well-lit, prominently displayed and maintained.
 - Direct patrons to leave the establishment and neighborhood peacefully and in an orderly fashion.
 - Direct patrons to not litter or block driveways.
 - Advise individuals of the prohibition on loitering.
 - Provide the contact information for Embarc personnel responsible for community relations and issue mitigation.
- Provide adequate and appropriate ventilation to ensure odor controls result in no emission of noxious odors.
 - Advise individuals that cannabis consumption is prohibited in public places.
- Be a benefit to surrounding parcels.
 - Maintain the premises in a clean and orderly fashion.
 - Instruct security personnel to secure the premises within 50 feet of any public entrance and exit.

Mitigation Process to Proactively Address and Respond to Complaints

Embarc employs a protocol for addressing and mitigating complaints from citizens, customers, and other businesses in the area. This protocol ensures consistency in response and provides the data we need to modify Standard Operating Procedures to alleviate any likelihood of issue recurrence.

We will implement comprehensive, responsible neighbor and nuisance mitigation strategies to alleviate any community concerns. Although we believe that our Head of Community Relations will be able to prevent these issues from arising in the first place by cultivating healthy and frequent communication



with our neighbors, company policies will require that any staff member receiving a complaint report the concern to his or her Manager immediately.

We understand other potential impacts may arise from normal business operations that have not been contemplated here. Should that occur, we will work closely with community members, neighborhood leaders, and local businesses to document and promptly take whatever actions are necessary to resolve any issue. We will maintain on-site all records of complaints.

Should a complaint occur, employees will be required to adhere to the following written policies and procedures:

Step 1: Document the Concern or Complaint

Any employee receiving a complaint will first document the concern on a standardized company form. The employee will record as much information from the aggrieved individual as possible, including the source of concern and the length of time it has transpired. The employee will also ask for and record the individual's contact information for follow-up. Employees will be trained to ensure the aggrieved individual understands we are sympathetic to his or her concerns and seek to address them immediately and transparently.

STEP 2: Immediately Report the Concern or Complaint

Employees will be trained and required to immediately report any concern or complaint to the General Manager and the Head of Community Relations. The employee will scan and provide the form via email to the General Manager with the subject line "FOR IMMEDIATE ATTENTION." Employees are also encouraged to provide their suggested solutions and potential mitigation strategies as part of the email. Once emailed, the employee is also directed to speak with the General Manager in person, or a Manager if the General Manager is not available.

STEP 3: Develop and Execute a Plan of Action

Next, the General Manager, Head of Community Relations, and employee will develop and execute an action plan to resolve the issue. The plan will articulate, and Embarc will implement, a short-term solution to alleviate the complainant's concern as well as a long-term solution to prevent the issue from arising in the future. We will incorporate any long-term solutions into our standard operating procedures to prevent the issue from reoccurring and employees will be trained on the new policy within one week of the solution being implemented.

STEP 4: Follow up With Complainant

Our General Manager or Head of Community Relations will personally follow-up with the complainant to ensure his or her concern was adequately and efficiently resolved. During the conversation, the Head of Community Relations or General Manager will identify the actions taken to mitigate the concern and the protocols that were developed to prevent the issue from occurring again. Finally, the Head of Community Relations or General Manager will inquire if there are any additional concerns the aggrieved individual would like Embarc to rectify or if the issue was resolved to his or her satisfaction.

STEP 5: Document the Incident and Resolution

Lastly, our Head of Community Relations or designee will create a complaint report of the entire incident that documents the following:

- Concern, complaint, or grievance
- Reporting employee's information



- Complainant's contact information
- Action plan and resolution
- Future protocols that were implemented to prevent the issue from reoccurring
- Follow-up conversation with the complainant and his or her disposition of the resolution
- Trainings that occurred as a result of the any newly developed standard operating procedures

Complaint reports will be distributed to ownership to ensure accountability and awareness. We will keep all complaint reports for a minimum of five (5) years, unless otherwise required by law. Periodically, our Head of Community Relations will audit these complaint reports to certify that the new protocols are effective.

Noise Mitigation

Embarc is taking a number of precautions and implementing a variety of measures guaranteed to combat and mitigate excessive noise. Embarc will never produce excessive or unnecessary noises that would detrimentally impact the public health, comfort, safety, welfare or prosperity of the surrounding neighborhood and Fresno community.

All noise producing activities, including but not limited to, construction, landscaping, and motor vehicle operation, will comply with all Fresno noise ordinances. No sound production or reproduction systems inside the facility will be maintained at a volume level higher than what is necessary for the convenient hearing of persons present, including receiving activities. We will prohibit horns or signal devices on any of our company or employee vehicles, except as a danger signal or to give warning.

To minimize our impact on the neighborhood during build-out of our facility, construction activities will only occur with a special permit from the City, between reasonable or preapproved hours. The entire premises, including the parking lot, will be monitored under constant video surveillance and routinely patrolled by our security guards.

If any person or vehicle is identified as causing a disturbance or being excessively noisy, that individual will immediately be escorted off the premises and, if necessary, reported to law enforcement. We will ensure all motor vehicles on our premises, including motorcycles, adhere to appropriate sound level decibels. Motor vehicles exceeding these established limits will be asked to leave the premises by our security team. Our security guards will also work to ensure no motor vehicle on our premises is left idling.

Light Mitigation

Embarc understands the community's desire for a safe and secure facility that blends seamlessly into the surrounding neighborhood, along with the ability to enjoy the night sky without obtrusive bright lights. The exterior of our dispensary, including the parking lot, will be adequately illuminated for security purposes while not posing a nuisance.

- Exterior lighting will be white light using LED lamps with full cutoff fixtures to limit glare and light trespass. Color temperature will be between 2700K and 4100K with a color rendering index of 80 or higher and a light loss factor of .95 or better.
- Light poles will be no higher than 20'. Broken or damaged exterior lighting will be repaired or replaced within 48 hours of being noted.

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- Entry drives, drive aisles, parking and bicycle parking will be illuminated to a maintained minimum of 1.5 foot candles per square foot of parking area at a 6:1 average to minimum ratio.
- Exterior walkways, alcoves and passageways will be illuminated to a maintained minimum of 1/3 foot candles per square foot of surface area at a 6:1 average to minimum ratio.
- Exterior lighting will be shielded or otherwise designed to avoid spill-over illumination to adjacent streets and properties.
- All mature landscaping will follow the two-foot, six-foot rule. All landscaping will be ground cover, two feet or less and lower tree canopies of mature trees will be above six feet. This increases natural surveillance and eliminates hiding areas within the landscaping.
- Tree canopies will not interfere with or block lighting to avoid creating shadows or areas of concealment. The landscaping plan will allow for proper illumination and visibility for surveillance cameras.

Should facility lighting give rise to a complaint, we will work to develop a compliant lighting solution that accommodates neighborhood concerns without sacrificing security. Our Chief Operating Officer, construction team and General Manager will ensure that the electrical system and lighting comply with all applicable state and local laws, regulations, ordinances, and other requirements, are maintained in good repair, and do not present an electrical shock or fire hazard.

Odor Mitigation

Through a combination of odor mitigating techniques, we are employing industry-leading best practices to ensure that our odor mitigation design embraces regulatory compliance and nuisance mitigation.

Our Odor Mitigation Plan was created and refined through our team's years of experience operating industry-leading cannabis facilities. We know that, if not properly treated, cannabis odors can create a public nuisance in the surrounding community. Such a condition is antithetical to our goal of being a contributing member and good steward of our community. Consequently, we will take all possible steps to treat odors before they become problematic and address any complaints of unpleasant or offensive odors arising from the facility.

As a component of our proposed Good Neighbor Policy, Embarc will be responsible for developing, implementing and maintaining an Odor Management Plan. This includes maintaining all records relating to odor management, including system installation, maintenance, equipment malfunctions and deviations from the plan. The General Manager will verify the effectiveness of the air quality management system regularly by physically inspecting the system by listening for the sound of the system, visually ensuring the lights are on and the system is functioning and verifying there is no odor. The General Manager will log that the system has been checked weekly in an odor control maintenance log.

In the event that we receive an odor complaint, the General Manager will:

- Log the date, time, source, contact information and description of the complaint.
- Identify within 30 minutes the source of the odor by physically inspecting the premises for any unpackaged cannabis product that may be emitting odor. This includes inspecting all areas of the premises including the secure storage area and retail floor, or any other areas where cannabis products are featured or stored.
- Dispose of the flower, or cannabis product, in a secure and air-tight waste disposal area and logging the disposed product in the track and trace system and the odor control log.

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- Physically inspect the odor control system, within 30 minutes of receiving an odor complaint, to ensure it is functioning properly.
- Immediately contact the manufacturer If the General Manager identifies that the odor control system is malfunctioning.
- Determine if the issue can be addressed with the manufacturer over the telephone. If the malfunction cannot be resolved over the phone, the General Manager will schedule the first available appointment with the manufacturer to visit the premises to physically inspect the odor control system.
- Immediately place an order for the first available replacement part or new system if the odor control system cannot be fixed.
- Immediately communicate the complaint and resolution to Embarc's executive management team via email within two hours.
- Discuss the source and resolution of the odor complaint or issue with the employees at the next team meeting to develop and implement procedures to avoid a future odor complaint.

Litter Control

We will employ two primary methods to control litter. First, we will provide ample waste receptacles for customers and staff. We believe the best tool in the fight against litter is simply to give our patrons and employees ample places to properly dispose of their refuse. Secondly, our staff will inspect the premises for litter at least hourly.

We will maintain and enforce strict no-littering policy for all employees and customers. Any employee who litters on the premises will first receive a written warning, followed by increasingly serious disciplinary actions.

Our retail floor, back of house and exterior areas will have ample multiple three-stream waste receptacles for convenient customer and employee use, allowing for proper disposal of their non-cannabis waste in landfill, recycling, and compost compartments and to streamline the disposal process.

With ample access to proper receptacles, and a culture of intolerance for litter (or other nuisances), there will be no excuse for our employees to fail to dispose of their waste properly. All cannabis product waste will be disposed of in compliance with all applicable state and local laws, regulations, ordinances, and other requirements. In the event a neighbor or member of the community feels that litter is accumulating in or around our facility, our General Manager will coordinate with the Head of Community Relations and immediately rectify the situation.

Vehicle Traffic

We do not anticipate impacts to vehicle traffic given the site's ample parking and thoughtful site layout. However, we have nevertheless considered vehicular turning movements in relation to traffic flow, proximity and relationship to intersections, adequacy of sight distances, location, and access of parking and, should impacts to vehicle traffic occur, Embarc will designate an employee to manage customer parking and traffic flow in the parking lot.

Furthermore, we will offer pre-ordering promotions and other discounts to encourage patrons to visit the store during non-peak hours to reduce vehicle traffic during peak hours. In the event a community member is concerned with vehicular traffic, our Head of Community Relations and/or onsite General Manager will immediately investigate the situation and develop a more robust response protocol.



Pedestrian Traffic

Our facility has been thoughtfully designed to ensure efficient customer flow to prevent pedestrian traffic from spilling out beyond the property or otherwise impacting flow of traffic. Furthermore, in the event that the store has a large gathering of customers, there will be clearly delineated lines and a waiting area, to make certain that customers are waiting in an orderly fashion and avoiding a pileup of pedestrian traffic outside the store. Security guards will also be patrolling the property to help the flow of pedestrian traffic.

If there are still issues pertaining to pedestrian traffic, Embarc will engage an employee outside the store to manage the flow of pedestrian traffic and offer pre-ordering promotions and other discounts to encourage patrons to visit the store during non-peak hours. In the event a community member is concerned with pedestrian traffic, our Head of Community Relations will immediately investigate the situation and develop a more robust response protocol.

Conclusion

Outlined above are some of the policies, procedures and plans we will implement in order to eliminate any unwanted impacts on our neighbors and the surrounding community involving noise, light, odor, litter, vehicles, and pedestrian traffic. We will always be driven by our guiding principles of systematically and continuously engaging with the community; *listening and responding* to community needs and desires; and always striving to make a positive and measurable difference in the Fresno community.

Nuisance Avoidance

The keys to effectively managing the business such to protect against becoming a nuisance are a Good Neighbor Policy as a foundation of our business model and community approachability such that residents feel they can engage in dialogue directly with the Embarc team.

Community Approachability

Embarc will provide to both the City and to all businesses and residences within 1,000 feet of the store, contact information for Embarc's day-to-day supervisory/managerial personnel.

Additionally, we will provide the Police Chief with the name, telephone number (both landline and mobile, if available) of at least one 24-hour on-call designated emergency contact employee to respond to complaints and/or operating problems or concerns. This contact information will also be readily available online and posted conspicuously on the exterior of the facility such that any passerby can access management staff with issues at any time.

We will encourage neighbors to report any impact, real or perceived, that they experience in relation to Embarc's operations. Thereafter, we will dedicate all reasonable time and effort to resolving any such issue to the impacted neighbor's satisfaction. This mitigation could include making a roaming security officer available as a means of addressing any nuisance activities perceived as attributable to our business operations. Any such assigned security officer will be directed to mitigate the situation to the maximum limit permitted by the Private Security Services Act. Furthermore, we will encourage neighboring residents to contact our personnel prior to contacting the City.

Depending on the nature of the issue and whether it is community or operationally based, the inquiry will be managed by Embarc's Head of Community Relations or Embarc Fresno's General Manager. In this



capacity, the General Manager will be responsible for timely resolving any community issues or concerns brought to our attention.

Community and Neighborhood Outreach

As existing cannabis retail operators, we appreciate the need for ongoing engagement and collaboration with the community at large and the neighborhood surrounding our facility. In addition to our extensive community benefits programs, we have also identified ongoing engagement strategies to ensure thoughtful integration of our proposed operations into the neighborhood.

Given that COVID-19 made in person events and door-to-door canvassing potentially unsafe during the application window, we propose the following outreach and engagement efforts prior to opening the store:

- Neighboring Business Outreach

Embarc will conduct outreach to businesses within a 1,000 foot radius as well as business and neighborhood associations that have a presence in the neighborhood. During this outreach, we will explain our business model, provide renderings of our proposed location, detail our track record of neighborhood improvement, and seek to identify ways to maintain open dialogue, such as our Community Advisory Board. We will also solicit these business' feedback and try to elicit any suggestions or potential concerns from them prior to opening for business to allow for meaningful discussion of mitigation techniques and protocols.

- Open Houses

We will host at least three open houses prior to the commencement of operations, designed to provide residents with the opportunity to meet our owners, ask questions about our proposed operations and get a better understanding of our vision. During these open houses, we will focus on impact mitigation and community benefits but will be available to answer any and all community questions and/or concerns. These direct engagement opportunities are important to addressing concerns related to cannabis operations.

At least some of the open houses will likely be undertaken virtually via Zoom or other similar platform. However, prior to opening the store, we will host at least one in-person meeting in order to provide store tours to interested residents and business owners. These tours will be focused on community members in the immediately surrounding neighborhood and are intended to provide an understanding of the myriad compliance and security measures in place governing operations. Based on our experience, this type of interactive educational community outreach is essential to solicit neighborhood feedback, answer questions, proactively address concerns prior to opening, introduce our team to the neighborhood, and dispel concerns, myths, inaccurate perceptions, and general unawareness of how legal, compliant cannabis dispensaries operate.

- Informational Canvassing

Should the City find it appropriate, Embarc is willing to canvass the neighborhood prior to opening in order to answer constituent questions.

Once operational, our Head of Community Relations and management team will host semi-annual "open listening sessions," where members of the community will be able to voice opinions, ask questions, and meet the Embarc team. Our goal for these sessions is to address any unforeseen concerns and to ensure we are fulfilling our obligations as a good neighbor.



Neighborhood Safety

Increased safety surrounding the facility is a positive byproduct of the immense attention-to-detail given to our facility's security measures. Our presence in the neighborhood comes with patrolling security guards, an industry-leading surveillance system with coverage extending across the entirety of the interior and exterior of the facility and beyond, and advanced alarm systems with immediate access to local law enforcement. We are confident that the extreme importance placed on facility security and safety will result in a positive impact on the safety and wellbeing of our neighbors. In fact, other communities located near legal, compliant cannabis facilities have seen increased property values as a result of the enhanced security.

Neighborhood Beautification

While engaging the neighborhood is critical, we also believe in the importance of rolling up our sleeves and engaging in ongoing neighborhood beautification efforts. As part of our paid employee volunteerism program, detailed further in Sections 2 and 7, our staff will serve as a volunteer street team on beautification projects near the store. We will also seek to identify opportunities to partner with the Chamber of Commerce and/or local business associations and non-profit organizations to assist on an ongoing basis, from helping to fund and paint crosswalks to picking up litter from homeless encampments.

Partnership with Local Law Enforcement

As we have done in other cities and given the role law enforcement plays in the regulation of local cannabis retail businesses, Embarc will seek to form a positive ongoing dialogue with the Fresno Police Department. This includes a tour for officers prior to opening, recurring outreach and communications, and remote access to all Embarc security footage.

Waste Management Plan

Given spatial constraints, below is a brief overview of Embarc's waste management plan. A comprehensive guide including internal waste management standard operating procedures is available upon request.

Overview and Compliance with Laws and Regulations

Embarc strictly follows all regulations regarding waste promulgated by the Department of Cannabis Control (§ 5054 and § 5048) and as such Embarc will not dispose of cannabis goods, unless disposed of as cannabis waste, i.e., the cannabis has been made unusable and unrecognizable in the manner prescribed herein:

- Cannabis waste will be stored, managed, and disposed of in accordance with all applicable waste management laws, including, but not limited to, Division 30 of the Public Resources Code.
- Cannabis goods intended for disposal will remain on the licensed premises until rendered into cannabis waste. We will ensure that:
 - (1) Access to the cannabis goods is restricted to the licensee, its employees or agents; and
 - (2) Storage of the cannabis goods allocated for disposal is separate and distinct from other cannabis goods.



In order to be rendered as cannabis waste for proper disposal, including disposal as defined under Public Resources Code section 40192, cannabis goods will first be destroyed on the licensed premises. This includes, at a minimum, removing or separating the cannabis goods from any packaging or container and rendering it unrecognizable and unusable. This does not require vape cartridges to be emptied of cannabis oil prior to disposal, provided that the vape cartridge itself is unusable at the time of disposal.

Cannabis waste on the licensed premises will be secured in a receptacle or area that is restricted to the licensee, its employees, or an authorized waste hauler.

Embarc will report all cannabis waste activities, up to and including disposal, into the track and trace system, as follows: If cannabis goods are being destroyed or disposed of, Embarc will record in the track and trace system the following additional information:

- (A) The name of the employee performing the destruction or disposal.
- (B) The reason for destruction and disposal.
- (C) The entity disposing of the cannabis waste.

Waste Disposal Location

The waste disposal location is within the secure inventory vault to prevent diversion.

Security Measures

Embarc will purchase a secured cannabis waste receptacle, which will only be accessible by authorized personnel, the cannabis waste hauler and any regulatory agencies needing access. No access will be available to the public. The secure waste receptacle will be nonabsorbent, water-tight, vector resistant, durable, easily cleanable, galvanized metal or heavy plastic with a tight fitting lid. The container will be filled only to the capacity allowing complete closure of the lid.

We will ensure that:

1. Access to cannabis goods is restricted to our employees or agents; and
2. Storage of cannabis goods allocated for disposal is separate and distinct from other cannabis goods.

Furthermore, as part of our secure waste management efforts, Embarc will maintain a locked recycling vessel in the secure storage area to facilitate our vape pen recycling program.

All areas where cannabis waste is being stored or where waste disposal activity is taking place will be under 24/7 video surveillance. Please refer to our security plan for more detail concerning surveillance.

Embarc will report all cannabis waste activities, up to and including disposal, into the track and trace system, as follows. If cannabis goods are being destroyed or disposed of, Embarc will record in the track and trace system the following additional information:

1. The name of the employee performing the destruction or disposal;
2. The reason for destruction and disposal; and,
3. The entity disposing of the cannabis waste.

Waste containers will always be properly labeled with the type of waste accumulated and will be properly logged as part of Embarc's track and trace program. Containers will be identified with the



following information: unique identification number (“UID”) and tracking number, waste description, net weight, volume and date of origin. Additionally, any cannabis and/or product UIDs will be documented upon disposal.

Methods of Rendering all Waste Unusable and Unrecognizable

Pursuant to state regulation, all Cannabis Byproducts must be rendered unusable and unrecognizable prior to disposal. Cannabis Byproducts can be rendered unrecognizable by grinding, pulverizing, mulching, mixing, etc. Cannabis Byproducts can be rendered unusable by mixing with other non-cannabis material. The above tasks can be achieved through the use of manual labor or heavy machinery such as commercial/industrial grinders and mixers. Cannabis Byproducts can be rendered onsite or by a licensed third-party cannabis waste handler. Cannabis Byproducts shall be rendered unusable and unrecognizable in a secure location under constant video surveillance.

In order to be rendered as cannabis waste for proper disposal, including disposal as defined under California Public Resources Code Section 40192, cannabis goods will first be destroyed on the licensed premises. This includes, at a minimum, removing or separating the cannabis goods from any packaging or container and rendering it unrecognizable and unusable. This does not require vape cartridges to be emptied of cannabis oil prior to disposal, provided that the vape cartridge itself is unusable at the time of disposal.

Waste Removal

Rendered:

Cannabis Byproducts that have been properly rendered onsite into cannabis waste can be transported offsite for disposal, or kept onsite for uses including, but not limited to, composting, landfill, and soil amendment. All cannabis waste must be tracked-and-traced to its final location, and a non-hazardous waste manifest, bill of lading, or certified weight ticket issued upon disposal.

Non-Rendered:

Cannabis Byproducts that have not yet been properly rendered shall be collected by a Licensed Cannabis Waste Handler for off-site rendering. Since the waste is still considered Cannabis Byproducts, the Licensed Cannabis Waste Handler must follow all rules and regulations applicable to the transportation and handling of cannabis. The cannabis waste shall be Tracked-and-Traced to its final resting place, and a non-hazardous waste manifest, bill of lading, or certified weight ticket issued upon disposal.

Waste Management Plan for Unfit/Rejected Cannabis

Any cannabis product determined unfit or rejected will be immediately segregated and destroyed by authorized employees only. These employees will adhere to Embarc’s standard operating procedures for the safe disposal of all unfit or rejected cannabis products.

Embarc will ensure that all cannabis products that have been subjected to improper conditions are not salvaged but, instead, are properly disposed of in accordance with the rules set forth by all applicable state and local laws, regulations, ordinances, and other requirements. Such improper conditions may include, but are not limited to, extremes in temperature, humidity, smoke, fumes, pressure, age, or radiation. Any cannabis product that fails to meet the needs or preferences of Embarc’s customers will likewise be disposed of properly and compliantly. Our General Manager will determine and document the need for disposal of excess, unfit, or rejected inventory. Unfit or rejected cannabis will be rendered unusable in the same manner as other cannabis waste as detailed above.



Recalled Cannabis

Embarc will remove recalled product from its website and shelves and place the affected batch in a quarantine state in the locked inventory room. All recalled products that are intended to be destroyed will be quarantined for a minimum of 72 hours. Embarc will affix to the recalled products any bills of lading, shipping manifests, or other similar documents with product information and weight. Embarc acknowledges the product held in quarantine shall be subject to auditing by the Department of Public Health. Following the quarantine period, Embarc will render the recalled cannabis product unusable and unrecognizable and dispose of it in accordance with our standard operating procedures under video surveillance.

Embarc will use the track-and-trace database and on-site documentation to ensure that the recalled cannabis products intended for destruction are identified, weighed, and tracked while on the licensed premises and when disposed of in accordance with this regulation. Embarc will enter the following details into the track-and-trace database:

1. The weight and count of the product;
2. The reason for destruction; and,
3. The date the quarantine period will begin.

Recycling

Embarc's waste management efforts also contemplate the importance of recycling, both to ensure items such as used vape pens are not readily accessible in trash cans and because it is the appropriate thing to do environmentally. As part of our waste management efforts, Embarc will maintain a locked, secured recycling vessel in the secure storage area to facilitate our vape pen recycling program. Customers are encouraged to recycle their old vaporizers and are provided a discount on their next purchase for every vaporizer they recycle with Embarc, whether it was purchased at Embarc or from another dispensary.

Conclusion

Embarc has developed a comprehensive Neighborhood Compatibility Plan that effectively describes how the CCB will proactively address and respond to complaints related to noise, light, odor, litter, and, vehicle and pedestrian traffic; describes how the CCB will be managed so as to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community; describes odor mitigation practices; identifies potential sources of odor; describes odor control devices and techniques employed to ensure that odors from cannabis are not detectable beyond the permitted premises; describes all proposed staff odor training and system maintenance; and describes the waste management plan. Given spatial constraints, only direct responses, rather than complete plans, were provided herein. We welcome the opportunity to provide additional information upon request.