

**Hera Distribution LLC****Project Description****Project Description:**

Hera Distribution LLC will be conducting the procurement, selling, and transportation of already tested, licensed and compliant cannabis products I.E. (bulk flower, finished goods ) from its own supply chain and also between its own strategic supply chain of licensed partners, which includes licensed cultivators, licensed distributors, and licensed manufacturers. This includes the process of moving compliant, already tested in METRC cannabis products, bulk and finished goods between cultivation, manufacturing, and or distribution premises, via the way of the compliant distribution regulations stipulated by the state and its department of cannabis control. Hera Distribution LLC would also securely transport and distribute finished cannabis goods under its own in house brands to local retail licensed facilities that it has existing relationships with and also continuing to expand to new retail outlets.

**Secure day to day Operations:**

Being Hera Distribution LLC is also an owner in a security firm and its partners involved in the license are also licensed security. The day to day operations are always being overseen by a security arm of our company and it is embedded in our business model to ensure more oversight and protection to the safety of our internal partners and staff as well as any other licensed partners that visit and or are invited into the facility after scheduling a time to meet with us. If we are in the office and not actively distributing we are working on maintaining compliance and effectively continuing our marketing strategies as well as continuing to grow our sales outlets and abilities to expand our brands farther.

**Distribution classification:**

To distinguish between the 2 different methods of distribution we want to take a look at the difference between bulk product and finished good product. Bulk flower product is classified as harvested flower offsite at a licensed cultivation facility. It can be an in house partner and or another part of the strategic supply chain that Hera Distribution has an existing relationship with to source the bulk flower at a more cost effective rate that then allows HERA to distribute high quality cost effective product to other bulk distributors and or other licensed brands. When sourcing bulk flower it is purchased and distributed into the Hera facility only after very specific rules are followed implemented by the state.

**Compliance Onboarding of HERA or a licensed partner:**

There is the initial on board process where HERA provides a packet to the licensed partner it wishes to procure bulk product from and or distribute its own bulk product to. The on board process consists of each licensed entity onboarding the others license info and approved sellers permit and

W9's for tax purposes. Once approved and uploaded into the track and trace METRC system then it is possible to schedule an appointment to go to the specific cultivator's facility to view product to purchase on bulk and or allow the licensed cultivator and or licensed distributor to enter into the HERA facility to show bulk product for sale.

### **Chain of Custody:**

All bulk product that comes into HERA is already tested outside of HERA by the cultivation companies local testing labs and has a recorded COA ("certificate of authenticity") demonstrating the flower/bulk product is clean and free of pesticides and or heavy metals which is a requirement of the state also before it gets recorded into the METRC. At this point there is now a chain of custody established between said cultivation and HERA DISTRIBUTION. The product leaves the said facility along with a copy of a transport manifest reflecting the licensed company vehicle and driver info attached to the distribution license doing the transport.

For example if Hera used one of its compliant vans to go and be accepted into the cultivation facility the transport manifest would reflect the proper driver info and vehicle info compliantly transporting the bulk product to and from the cultivation to Hera distribution. If the cultivator was doing the transport then it would reflect their compliant transport van and driver info sending the product inbound into HERA distribution.

### **Compliance and intake into and out of the (Hera facility level)**

Once the product enters into the Hera distribution facility it is recorded and the metrc transfer is accepted from company (A) to Hera distro. The product is then inspected, logged into HERA distributions inventory in METRC and then stored. As a bulk distributor Hera would then offer this bulk product to outside licensed distributors that would be already on boarded with Hera distro to then schedule an appointment for viewing to possibly then sell the bulk to another compliant distributor with sales outlets and or a licensed compliant brand that may be seeking to buy good quality bulk flower to take into their business model to then package into their own brands and distribute to their own retail outlets. There is a good margin for business and sales for bulk flower distribution. Hera distribution is involved in other supply chain partnerships with over 40+ licenses ( emerald family farms ) and a lot of its existing branded products and or bulk flower is already distributed in over 250 stores throughout the northern part of the state. The purpose for Hera distribution was to be a more effective geographically located drop point of distribution to be able to be more readily available for more sales outlets of and or for brands to be able to procure more quality well produced licensed compliant flower. This also allows for more readily available branded goods to be stored and available to refill existing retail outlet partners when they run out of our house of brands type finished goods.

To be very simple and clear when it comes to finished goods that would be attached to the Hera license for distribution. These are finished goods that have been cultivated, tested, manufactured, infused, packaged, stickered, etc. all outside of Hera Distribution either through one of our partner facilities and or one of our cost effective white label service providers. All finished goods jarred and or packaged and then boxed ready for retail distribution are already tested and packaged for sale outside of Hera and then manifested inbound into HERA distros Metrc tracking system. These

products would come into the facility and then be distributed and fulfilled into the retail model at a wholesale rate where the retail side will mark up the price 100% to the end consumer. We would continue to grow and expand our product lines of finished goods all tested compliant products whether it would be jarred flower, packaged vapes, jarred concentrate, packaged or jarred pre rolls etc. All finished, tested packaged and labeled done outside of our facility and distributed down into Hera distribution to then be fulfilled to our retail partner outlets. This is a constant growing sales outlet as we keep engaging new stores and pushing more branded products into the retail market place.

The safe secure storage of these compliant products and bulk flower would all be conducted within the regulations of the city of Costa Mesa and the Department of Cannabis Control stated requirements and compliance rules.

**Regulatory monitoring compliance (state level and local city level):**

The city of Costa Mesa and the DCC would continually monitor all cannabis distribution from this facility through the DCC's track and trace system (Metrc) and full-time access to all systems on property. There will be a high level security protocols and operational plans in place to ensure safe operations and layers of oversight focused on compliance. There also will be strict vetting processes followed by Hera Distribution's compliance department to ensure that all potential clients and vendors adhere to these same regulatory procedures. All of which are all on boarded through our strict approval process and carry an active license with the DCC in good standing.

**Hours of Operation:**

We are an appointment only facility and we are not open to the public. Our hours of operation are in the window time of Monday through Friday from 9am -6pm. The total number of employees we intend to have as a minimum which is also a state requirement is 2 within the first year of business. Initially when we open to be cost effective the actual owners of the license will be in there working managing the day to day operations based on the scheduled appointments, handling compliance and managing the security of the facility. As we steadily grow we will continue to hire additional staff to help transition into the seamless distribution of our soon to launch house of brands branded products as well as continue to grow our bulk distribution of wholesale quality flower priced competitively.

**Cannabis Odor control:**

The last and final piece of the puzzle is the concern of odor as a result of this product we know as cannabis. Our facility is never holding large bulk inventory as we store most of the large quantities of product offsite at our licensed cultivation and or licensed strategic partner cultivation or distribution. We maintain several charcoal filters (see attached floorplan and photo) to abate the minimal odor in the facility if and when new product comes into the facility and or there is current product warehoused and or stored in the secure facility for an extended period of time. The bulk finished goods are always packaged and sealed and do not emit odor. Also the storage area room is at the far west side of our facility which is almost 100 feet away from the neighboring suite to ensure no odor is detected. The large sized wall plug in charcoal filters are used to cover a certain

amount of cubic square feet to mitigate and abate the odor if any. We feel it is necessary to utilize more than what's required per the spec sheets of covered cubic feet of coverage to ensure there is no smell emitting from our facility and to be respectful of other tenants in Cambridge Park. Please refer to attachments of image (charcoal filter) as well as the diagram to show their specific locations throughout the facility.

### **Determining the size of the CAN filter:**

#### **Sizing Your Space**

Typically for exhaust it's recommended a simple length x width x height /3 calculation. This will give you the amount of air (cubic feet per minute, CFM) that you will need to move to properly ventilate your space allowing for a three-minute air exchange (all the air in the space is exchanged for fresh air every three minutes). This is the number you will match your filter to.

#### **Example:**

*Room size: 10'x12'x8' (960 cubic feet)*

*960 cubic feet / 3 minutes = 320CFM (Minimum recommended CFM to exchange the air every 3 minutes)*

*Recommended Can filter for this size space at 1000 cubic feet per minute is as follows:*

#### **Can-Lite 8" x 40" 1000 CFM**

Recommended Max CFM:	1000 CFM
Prefilter:	Yes
Flange:	Built-in 8"
Outside Diameter:	30.5 cm / 12"
Height:	101.6 cm / 40"
Total Weight:	19.05 kg / 42 lbs.
Carbon Weight:	14.33 kg / 31.59 lbs.
Carbon Bed Depth:	2"
Max Operating Temp:	80°C

For recirculating systems, you can use the same length x width x height but divide by 1.5. This will give you a high cycle rate while still ensuring the removal of a majority of contaminant with each pass through the filter. This would require one medium sized can filter.

We went ahead and planned for the largest available CAN FILTER an XL 14" wide x 50" tall which is 3x the requirement for the sized room mentioned for our bulk storage in the enclosed area

### **Can-Lite Filter 14" x 50" XL 3000 CFM**

Recommended Max CFM:	3000 CFM
Prefilter:	Yes
Flange:	Built-in 14"
Outside Diameter:	45.7 cm / 18"
Height:	125 cm / 49.21"
Total Weight:	39.46 kg / 87 lbs.
Carbon Weight:	28.6 kg / 63.05 lbs.
Carbon Bed Depth:	2"
Max Operating Temp:	80°C

Our enclosed showcase room where bulk products will be held and or shown is approx. 960 cubic square feet. So to be extremely over cautious of smell abatement and fully filtering out all the odor we will have 1 XL sized can filter per this enclosed room which is 3x the required size.

As far as the main warehouse area goes where bulk products will be coming in and unloaded which is approx. 20,000 Cubic feet it will require approx. 6 can filters of the same size. So to be exceeding the needs we will have between 6-8 XL large can filters present in this area to ensure maximum coverage and filtering out of any and all Odor or smell and circulating the air every 3 minutes per the specific specs of these can filters.

### **HVAC UNIT:**

Hera distribution has its own dedicated HVAC unit on the roof of its building for cooling of the office space portion of the facility, as well as the enclosed showcase room. It is not attached and or coinciding with any of the other suites HVAC units in the building consisting of several individual suites. Hera distribution located in building F suite 3 is individually owned and the HVAC unit feeds into only its lobby area and office space area.

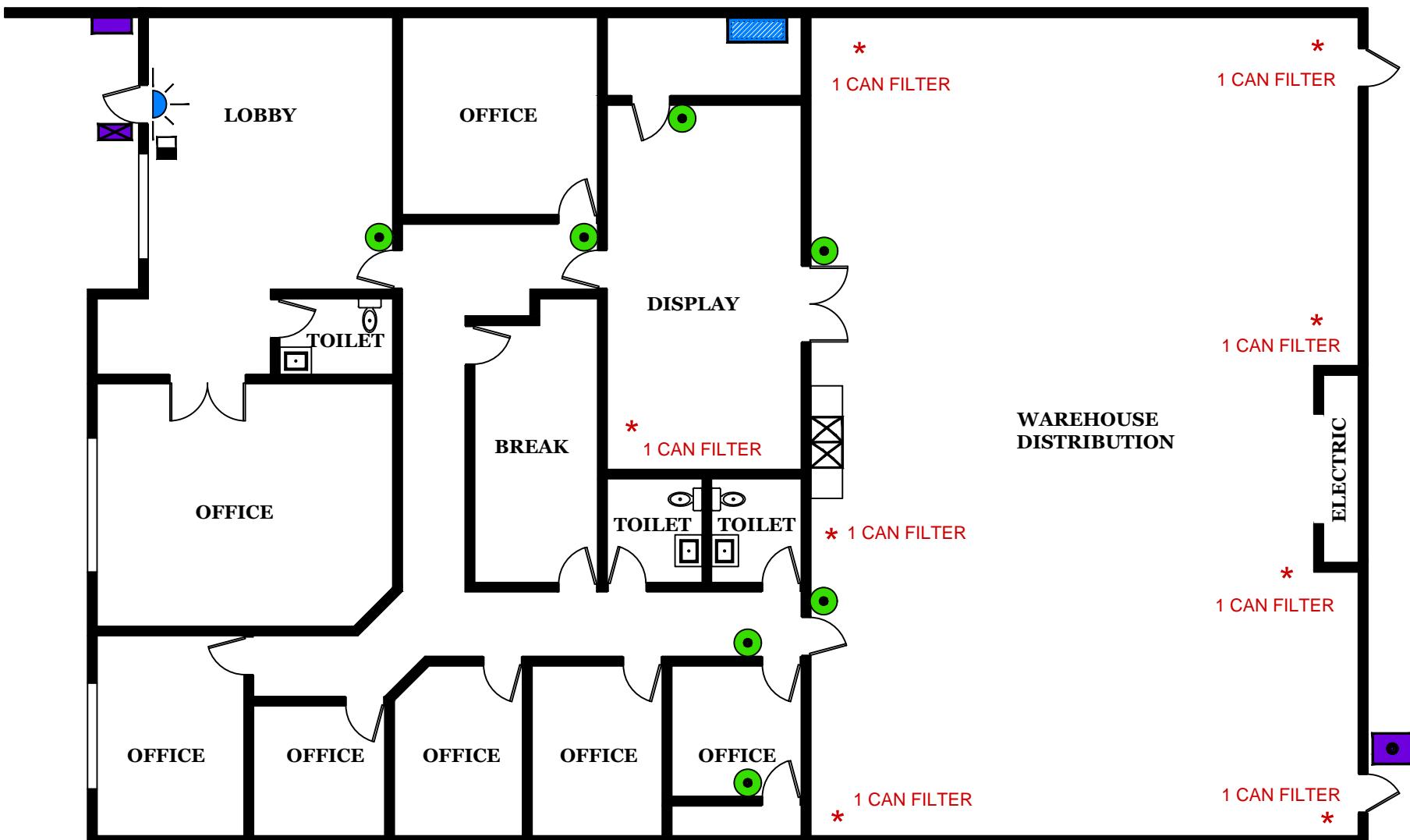
### **Final closing statement:**

Through its business model, it is the intention of Hera Distribution LLC to become a long term asset to the Costa Mesa Business Community and its likeminded neighbors. We thank you for the consideration of our application.



\* CAN FILTER LOCATION

## "ACCESS CONTROL SYSTEM DESIGN"



### ACCESS CONTROL EQUIPMENT LIST

1. (1x) REMOTE LOCK - ACS/CONTROLLER.....		5. (1x)  - RTE
2. (1x) REMOTE LOCK - 720 SERIES.....		6. (1x)  - KNOX
3. (7x) REMOTE LOCK - 600 SERIES.....		7. (1x)  - PTE
4. (1x) REMOTE LOCK - READER.....		

TITLE: ICI CCTV			
D.B: D.O	SCALE: N.T.S.	DATE: 09.04.2021	SHEET NO: 1 OF 2
CUSTOMER: 3505 CADILLAC AVE. STE. F3 COSTA MESA, CA 92626			