Case No. 22UR017

Legal Description:

Lot 1 of Foley Subdivision, located in Section 4, T1N, R8E, BHM, Rapid City, Pennington County, South Dakota
SCI HOLDINGS LLC Business Plan

• **Mission Statement** - Our goal is to provide a clean and safe product to the people of South Dakota with efficiency and market share in the community. We have 35 Members within our organization that all live in the State of South Dakota.

• **Business Model** - Our company will be a seed to sale, vertically integrated partnership across all Licenses. We will propagate Clones for distribution as well as supply our own cultivation facilities as needed. Our cultivation facilities will flower our material and go through all processes needed to achieve clean and safe practices to ensure a viable product. The finished material from the cultivation facilities will be distributed through our distribution center to fulfill our retail stores and any excess product will be wholesaled out. We will utilize any and all material at our disposal to be as efficient as possible. Our trim and other material will be distributed to extractors to hit those market points. We plan on complying with administrative rules, ordinances and law.

• **Management Plan** - Kittrick Jeffries is appointed as the manager and will be in charge of day-to-day operations. His specific roles will be monitoring the inventory of cannabis products, hiring and training customer service, sales, and security staff, and setting standards and protocols for delivering products and services. Puffy’s LLC Operating Agreement requires that a new manager be in place before the current manager may be removed or resign. Upon removal or resignation, the manager shall have no authority to act on behalf of the Company and is required to return all keys, passwords, computers, tablets, phone in the Manager’s possession. If the Company suspects that the Manager has wrongfully taken cannabis out of the dispensary before removal, the Company shall immediately notify law enforcement and the Department. The Company shall notify the Department within 7 days of any change in management or management structure.

• **Business Goals 6mo-1yr-3yr-5yr**
  - 6mo - Have self sustaining cultivation and retail management and training to allow C-Suite to focus on future projects.
  - 1yr - Open our first extraction lab to be the first license in the state with a retail, cultivation and extract facility
  - 3 yr - have market control over the Black Hills with multiple retail locations to look at an interstate venture.
  - 5 yr - Look at expanding to other states

• **Hours of Operation** - 8AM-10PM, Monday through Sunday, 365 days a year or as permitted by Ordinance or Rule.

• **Financing** - Private local financing options have been outlined in the Prospectus.

• **Operations** - Manager Managed LLC with Kittrick Jeffries appointed by Members as Manager outlined by the Manager’s Agreement.
Hiring Employees - In depth interviewing process, making sure they are South Dakota residents and a desire for a future in this industry. Employees will be evaluated based on application and background check. A written test may also be issued testing the prospecting employees knowledge of rules, regulations, the cannabis industry and overall cannabis knowledge.

Lifestyle Design - Our Company will want to be modern in our approach. State of the art technology while also holding long standing South Dakota values. Live edge wood countertops, rustic midwestern vibe, with a home style country feel.

Plans to obtain an adequate supply of cannabis, cannabis extracts, and cannabis products; We plan on working with members of the Cannabis Industry Association of South Dakota to establish a network of cultivators, extractors, dispensaries and testing labs. We will work with Association members on obtaining cannabis products from their cultivation facilities and manufacturing facilities. We will also work with Association members who are opening up dispensaries to wholesale any excess product produced by our manufacturing and cultivation licenses. Our products and products we purchase will be tested by independent analytical labs licensed by the Department.

Plans to make medical cannabis available for low-income qualifying patients; We plan on having a POS system that allows the availability to discount products for those patients. We will have a verification system that may include seeing if the patient qualifies for Medicaid under applicable ordinance, rule and law. If the Department has registry identification cards that signify that the patient qualifies as a low-income patient then we will utilize that sign as a way to qualify in our store. We will have products specifically set out for these patients at a discounted price to ensure affordability.

Types of products offered; Our dispensary facility will have Grade A flower, Grade B flower for low income patients, trim, marijuana cigarettes and clones. Our dispensary facility will carry rosin, hash, concentrates, vape pens, infused marijuana cigarettes, and infused marijuana. We plan on having all of these varieties within our dispensary and will include, but not limit to, topicals, oils, cakes, creams, salves, beverages, edibles, concentrates, wax, shatter, budder, butter, flower, trim, among many other things.

Verification of identification cards and purchase limits; Our dispensary plans on using the seed-to-sale tracking system required by the state to verify identification cards and purchase limits. We will also be using a third party Point of Sale system in Flowhub to help mitigate any confusion between the seed-to-sale tracking and our employees.

Advertising plan, including onsite signs; We plan on having a sign located on the west side of our building that will be in compliance with city, county and state ordinances.
and rules. The sign will say the name of the dispensary and will have no references that aren't allowed by rules or ordinances.

- **Training plan**; Our employees at all of our facilities will be required to perform no less than 40 hours of training at every facility. The training will be directly overseen by Kittrick Jeffries and may have a written test in the equivalence of TAM certification for bartenders. Employees will be trained on compliance, operation of agricultural, industrial, or other heavy equipment, record-keeping, security protocols, safe application of pesticides and other chemicals used, safety on fire prevention and safe operation of equipment, preventing unauthorized sales, collection of samples, but not limited to additional training required.

- **Point-of-sale software to be used, including documentation of its interoperability with the inventory tracking system**; Our company plans on using Flowhub as our Point of Sale system. In this application, there is documentation regarding interoperability with the inventory tracking system.

- **Accessibility to individuals with disabilities**; Our dispensary has a handicap parking spot directly in back with an ADA compliant ramp leading to the sidewalk.

- **Suitability of location for maximizing access by cardholders** - Our location for our dispensary maximises access by cardholders by being directly off Cambell. We will maintain suitable egress and ingress from our public right of way.

- **Plans to ensure safety and security of patrons and the community**; See OPC-3 and OPC-3.1

- **Procedures to be used to prevent diversion**; See OPC-12

- **Site Plan** - Cannabis will be stored, tested and destroyed in areas indicated on our site plan as dispensary, safe room, security room or office. This is where products will be stored in safes, testing samples taken if required and destroyed in accordance with ARSD. Only employees or visitors with appropriate badges that meet all requirements will be allowed into these areas.

- **Wastewater Plan** - Dispensary will be connected to public wastewater treatment. SD Department of Agriculture and Natural Resources has informed the Company that no permits are necessary for a dispensary. SD DANR has further informed Company that SD DANR will not be issuing certification that no permit is necessary for dispensaries connected to public wastewater treatment. Company will comply with state, local, and federal laws relating to wastewater.
- **Odor and Zoning** - We will utilize carbon filters to minimize any odor. We fall within the allotted zoning map and have provided all the documentation within our application. Attached into the OPC/SOP List there is an Odor Plan. Within the Site map our building meets all required zoning requirements. The carbon filter exhaust will point away from residually zoned areas. Please refer to OPC's for more information.

- **Parking Plan** - See attached

- **Fencing Plan** - N/A

- **Landscaping Plan** - N/A

- **Security Plan** - We plan on adding state of the art cameras that record in requirements set forward by the Department of Health. The cameras will have wide coverage of the proposed licensed premises, both on the interior and exterior of the building. We will also have locks on all doors and windows that meet state requirements set forward in ARSD 44:90. We plan on complying with administrative rules, ordinances and law. Please refer to OPC's for more information.

- **Waste Management** - We plan on utilizing the local sanitation department to pick up cannabis waste that is unrecognizable per state requirements. The waste will be kept inside the facility until the day of pick up by the sanitation department to ensure that the waste is under camera, lock and key until it is time to leave the facility. Please refer to OPC's for more information.

- **Safety Plan** - Safety is our number one priority. We have a plan in place that includes, but not limited to, robbery, disease, sanitation, natural disasters, among a wide variety of other things. Please refer to OPC's for more information.