

Calyx Peak of MA, Inc.
251 Summer Street, Arlington, MA
Marijuana Retail Establishment



Presentation to the Arlington Select Board

September 2020

Responses to Preliminary Review Memos

Clarification on Plans for the Building and Parking

Calyx Peak plans to tear down the existing structure and construct a new building on the parcel. Calyx Peak plans to utilize the parking on the site which is over 10 spaces. Calyx Peak, if selected, would engage engineers, architects and conduct a traffic study in order to address all concerns in regard to the structure, parking, traffic, etc.

Clarification on Outreach and Obtaining Input from Neighbors

Calyx Peak, in accordance with the Cannabis Control Commission, will conduct a community outreach meeting if selected by the Town of Arlington. This meeting includes noticing the neighbors within 300 ft of the property and posting a notice of the meeting with the Town and local paper. Given the COVID-19 restrictions, this meeting would be hosted virtually (pending Select Board approval).

Responses to Preliminary Review Memos

An Update on Calyx Peak's Progress in the Commonwealth

Calyx Peak is still seeking a Host Community Agreement with the Town of Swampscott. The cultivation facility in Worcester has received a provisional license from the Cannabis Control Commission. The site is moving forward to the construction phase.

Clarification on Sales to People under the age of 25

The statement below is posted on the Calyx Peak's website.

“Calyx Peak cultivates quality, integrity, craftsmanship, and care for our community. That's why we suggest being 25 before enjoying our products, when scientific research suggests that the human brain is fully formed. Care for your brain. We do.”

We strongly discourage people under the age of 25 to use our products. However, Calyx Peak recognizes that it must comply with state regulations which does mean selling products to people ages 21-24 years old. Nonetheless, Calyx Peak plans to offer in store education that stresses the brain development and dangers of marijuana use before the age of 25.

Our Proposal

Calyx Peak of MA seeks to operate an *Adult-Use Marijuana Retail Establishment* in the Town of Arlington.

Throughout our presentation, we will review:

- Company and Team Overview
- Business Model
- Site Vision and Suitability
- Safety and Security Plan
- Employee Training
- Preventing Diversion
- Nuisance Prevention
- Benefits to Arlington

Calyx Peak of MA Overview

Calyx Peak of MA is part of the Calyx Peak Companies' Family (CPC)

- **Stable financing:** Since inception, CPC has raised and deployed over \$57MN.
- **Committed to Massachusetts:** CPC's corporate headquarters is in Foxboro, Massachusetts and the company looks forward to expanding its operations in the state. CPC has signed a Host Community Agreement with the City of Worcester for a production and manufacturing facility and received a provisional permit from the CCC in July to begin construction.
- **Compliant record:** CPC pairs corporate support with local compliance experts to facilitate regulatory compliance, complete independent compliance audits, and integrate industry best practices across the board.
- **Retail expertise:** CEO Ed Schmults has 30+ years of experience in retail, including Patagonia and REI. CPC Compassion and the CPC team won a highly competitive process to operate a medical marijuana dispensary in Santa Monica, CA.

Calyx Peak Companies Overview

Calyx Peak Companies Operations in Nevada, Missouri and California

California:

- Our team is one of two provisional dispensary license winners in highly-competitive Santa Monica, CA.
- 235,000 square foot greenhouse cultivation facility in Santa Barbara County, CA.
- Opened manufacturing and extraction facility in Costa Mesa, CA in September 2019.

Missouri:

- Awarded 5 licenses in late 2019/early 2020 – 3 cultivation, 1 manufacturing and 1 retail (Kansas City)
- Securing financing and will begin building cultivation soon

Nevada:

- 22,000 square foot cultivation facility, located in Sparks, NV.
- Financed the build-out of the facility, after acquiring a stake in the business

Ohio (Sold to minority investor in August, 2020):

- 44,000 square foot cultivation facility, located in Akron, OH.
- We estimate we hold a 20% market share in the state through sales of our Josh D, Local and Song brands
- Manufacturing operations began in October 2019.

Our Team



Edward Schmults CEO

More than 30 years of experience in the retail industry.

Leadership positions at major global consumer brands, including REI (Vice Chairman), Patagonia (COO), and FAO Schwarz (CEO).

Comprehensive operational experience in enterprise management and branding, production, warehousing, logistics, and technology infrastructure.

Exceptional expertise in fiscal management, with a background in investment banking at the New York and London offices of Goldman Sachs.

An MBA from Harvard Business School and a Bachelor's Degree in Economics and Political Science from Yale University.

He serves on several for-profit and not-for-profit boards of directors.



Dr. Paul Y. Song Chief Medical Officer

Chief Medical Officer of ATGen Global & Cynvenio.

National Board of Physicians for a Health Program & Co-Chair for a Campaign for a Healthy California.

Recently left Cedars-Sinai Medical Center—Radiation Oncology and currently volunteers his time seeing Medicaid uninsured patients at Dignity California Hospital. He previously served as Executive Chairman (2013-2016) of the Courage Campaign, a progressive organization of 1,200,000 members.

Dr. Song is a strong proponent of medicinal marijuana and has actively integrated it into his medical practice for nearly a decade.

He is very concerned about the overwhelming problem of opioid addiction and abuse and has substituted medicinal marijuana for opioids whenever possible.

BA in Biological Sciences with Honors from University of Chicago and MD from George Washington University. Residency in Radiation Oncology at University of Chicago Medical Center where he served as Chief Resident.

Our Team



Michael Bang CIO

CIO of Calyx Peak Inc – a cannabis-centric investment funding company.

CFO & COO of Urban Hills Nevada – Registered Medical Marijuana Establishment.

Former CEO of ATCPC of OHIO LLC – 1 of 16 Large Level 1 permitted cultivators in the State of Ohio.

Owner/Manager of Bosim 1628 – a licensed 230,000 square foot greenhouse in Carpinteria, CA.

Principal and Founder of 2116284 Ontario Ltd – specializes in commercial real estate investments.

Prior to his roles at Calyx Peak Capital & Urban Hills Nevada, Michael was a highly accomplished global finance professional with over 18 years of experience at leading global investment banks; his last role was as Managing Director at Goldman Sachs where he specialized in Technology Sector Equity Research.



Mark Niedermeyer Director of Operations & Community Outreach

Mark previously served as Vice President of Institutional Sales Trading for Knight Capital Group, a highly-regulated securities industry. He has also worked in logistics and delivery services for Winston Flowers of Massachusetts.

Mark lived in the Allston-Brighton community for 12 years on North Beacon Street, Cambridge Street, and Summit Avenue.

Mark has a background in nonprofit organizations and is associated with multiple nonprofit organizations, including Boston Gives, The Light Foundation, and other nonprofit organizations that benefit the communities of Massachusetts.

He will take on a full-time day-to-day role at Calyx Peak of MA to execute the Community Outreach and Mission Statement of the company.

Business Model

CPC's success will be founded on:

- **Vertical integration:** CPC plans to operate a production and manufacturing facility in the City of Worcester, where we already have a signed Host Community Agreement and have received a provisional permit from the CCC.
- **Appropriate pricing:** We will carry our signature brands, Josh D, Local and Song Wellness, at affordable rates, alongside other high-quality brands and products. Our goal is to make our products accessible to all responsible consumers.
- **Efficient service:** We plan for 6 point-of-sale terminals with a goal of 200 transactions per day. Through thoughtful layout and staffing, we will offer guidance and support alongside express service options for experienced consumers.
- **Cultivating loyalty:** From customer appreciation days and consumer education sessions, to consistent quality products and service, we hope to offer a rich customer experience that results in word-of-mouth recommendations and repeat patronage.

251 Summer Street

From current storefront

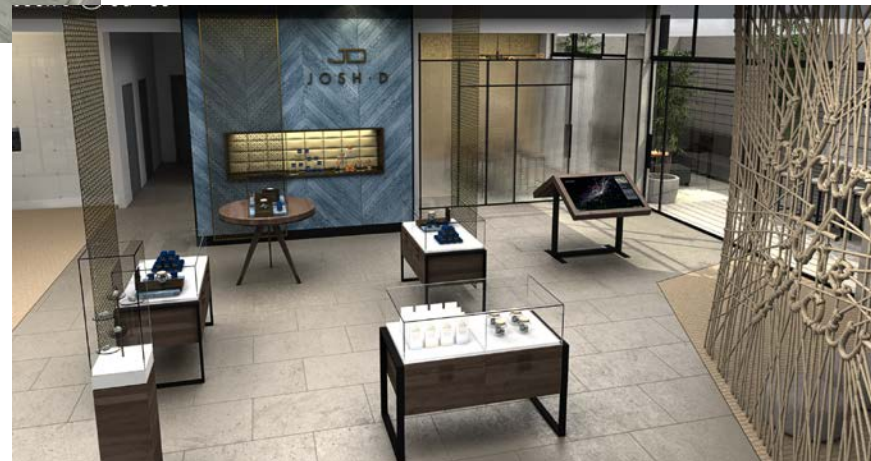
- Older building
- Parking lot
- No landscaping
- No sidewalk



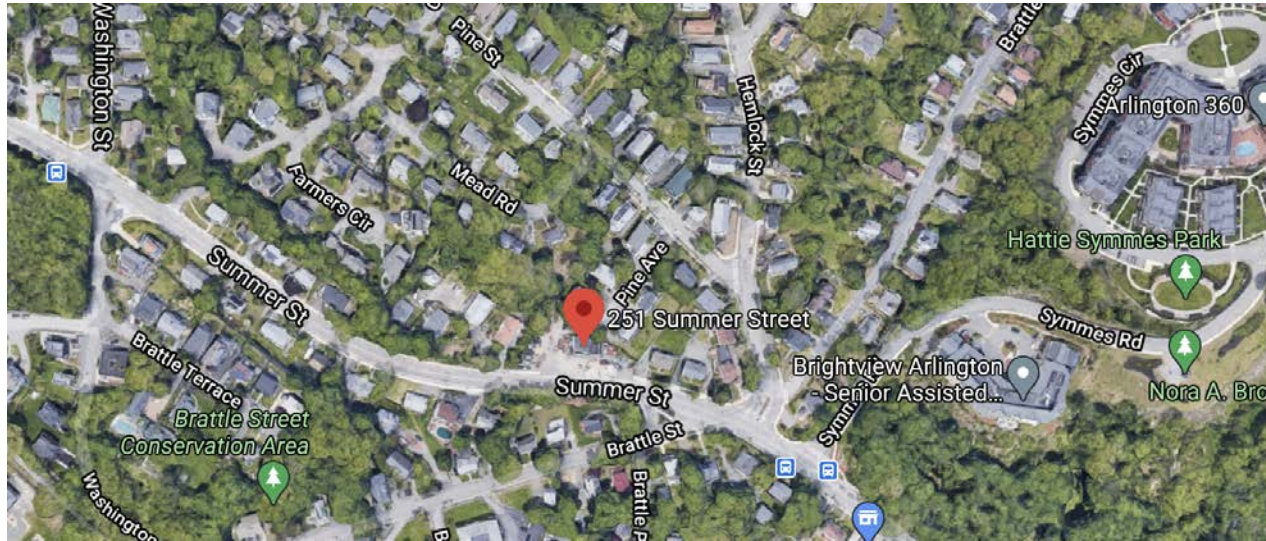
Renderings for a proposed interior

To future inspiration

- A new storefront in keeping with the tone of Arlington
- Attractive landscaping
- Tasteful signage to attract customers
- Proposed design changes that consider the environment



Summer Street: Site Suitability



- A former mechanic shop and vacant, the building is situated on Summer street.
- The lot will be enhanced with landscaping, improved sidewalks, a revised parking plan stressing ease of flow to reduce traffic and likely, a new building
- 10+ dedicated parking spaces with easy on/off street access.
- Signage will be tasteful and abide by the Town's advertising regulations.
- Located over 500 ft away from schools, daycares, libraries, parks, and marijuana retailers.

Summer Street: Site Suitability

Marijuana Dispensary Zoning Analysis

Town of Arlington, MA

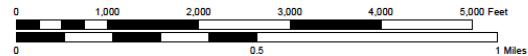
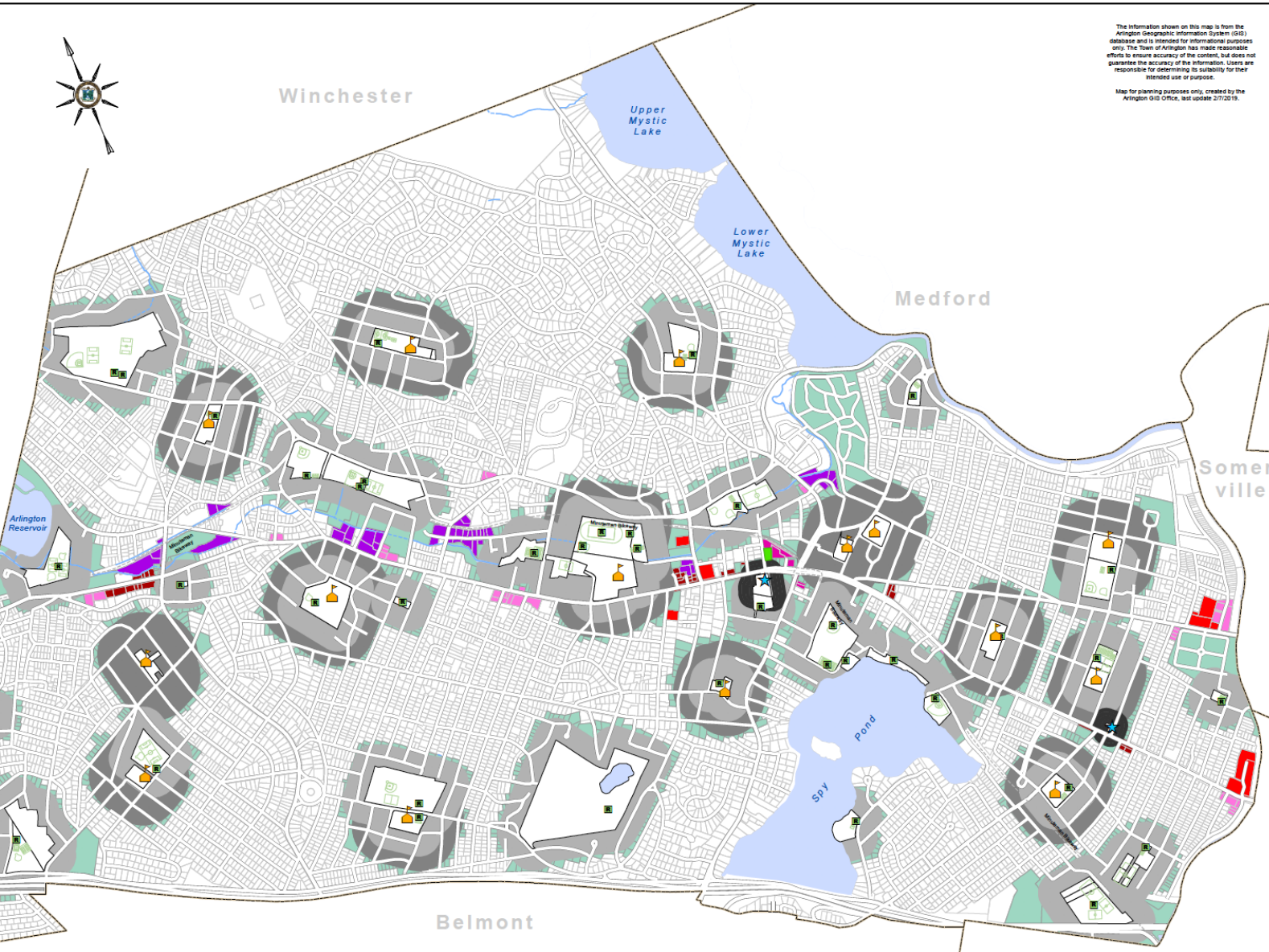
LEGEND

- Permitted Registered Marijuana Dispensary
- Parcels that intersect buffers
- Subject Parcel
- Other Parcel
- Library
- Recreation Facility
- Public / Private School
- Library buffer (200 ft)
- Playground buffer (300 ft)
- School buffer (500 ft)
- Zoning District
 - B2A: Major Business
 - B3: Village Business
 - B4: Vehicular Oriented Bus.
 - B5: Central Business
 - I: Industrial
- Brook / Stream (surface)
- Brook / Stream (subsurface)
- Water Body
- Minuteman Bikeway
- Town Boundary

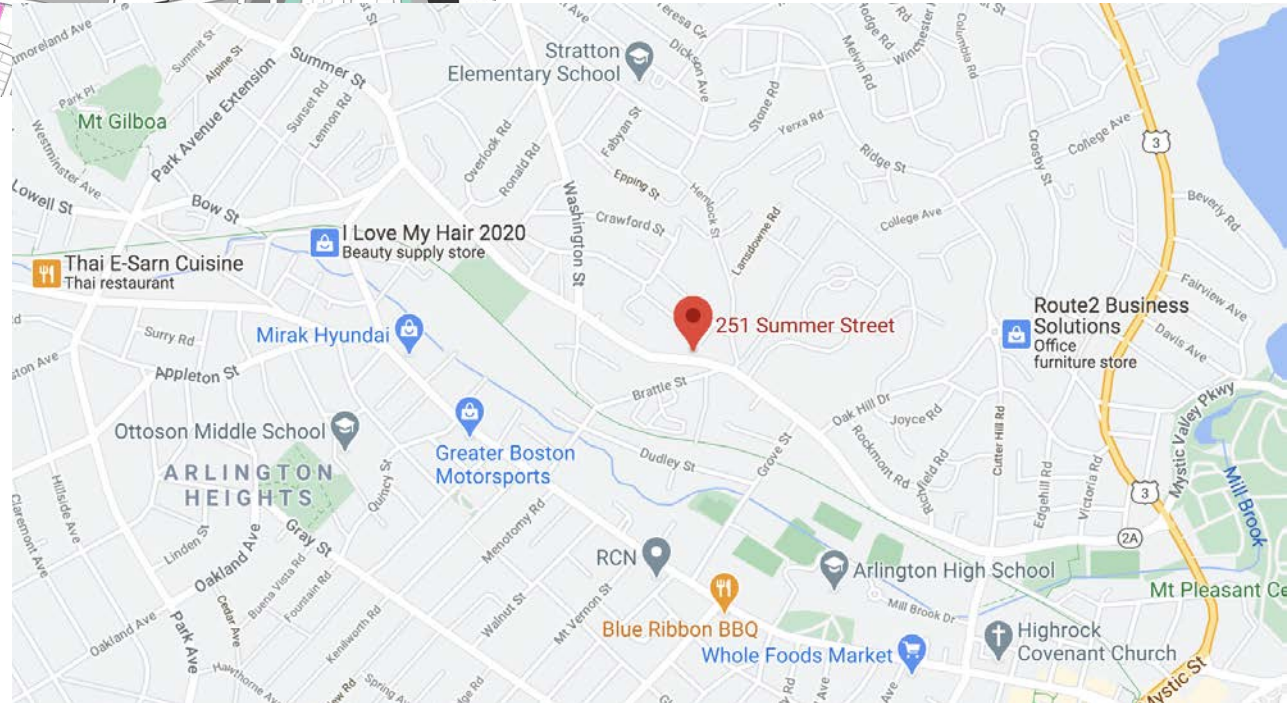


The information shown on this map is from the Arlington Geographic Information System (GIS) database and is intended for informational purposes only. The Town of Arlington has made reasonable efforts to ensure accuracy of the content, but does not guarantee the accuracy of the information. Users are responsible for determining its suitability for their intended use or purpose.

Map for planning purposes only, created by the Arlington GIS Office, last update 2/7/2019.



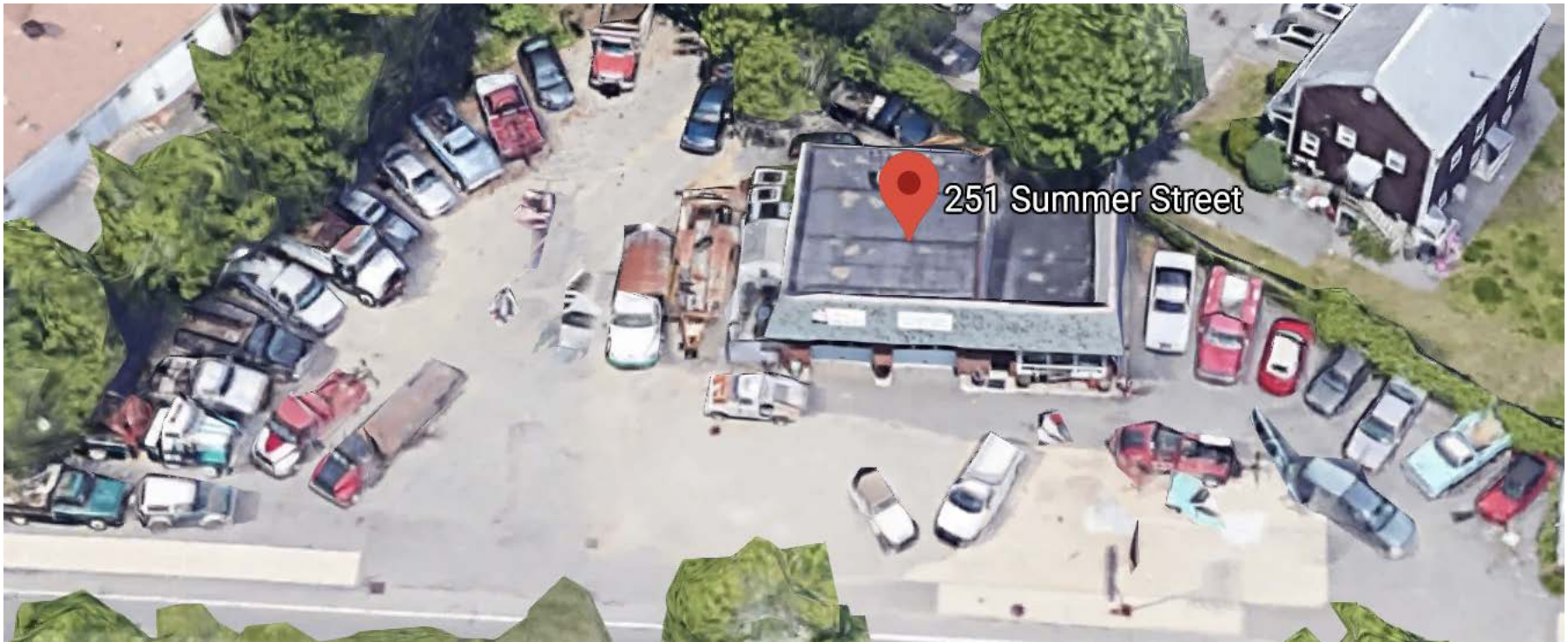
Summer Street: Site Suitability



Summer Street: Site Suitability



Summer Street: Site Suitability



Safety and Security Plan

Similar to the incident-free marijuana establishments already operated by CPC:

- **Security guard** on-site during all hours of operation.
- **Proactive cooperation with the Arlington Police Department**, who will have access to all security systems.
- **All employees complete security training.** Violation of security policies is grounds for immediate dismissal. Employees will be trained in rigorous adherence to CCC requirements and industry best practices, to maximize everyone's safety and security.
- **Safe and secure storage** for all marijuana products, even during hours of operation. This includes a limited access area where orders are prepared out of sight.
- **Commercial-grade alarm and surveillance systems overseen by experienced security personnel:**
 - HD video surveillance systems in all areas that contain marijuana, all entry- and exit-points, the perimeter of the facility, and the street.
 - Redundant intrusion detection systems, as well as panic, duress, and hold up alarms.
 - Backup systems that remain operational even in the event of power outage.
 - Limited access areas that are limited to senior staff and security personnel.
- **Secure wholesale delivery environment** including security presence and a potential engineering solution to reduce visibility during the delivery process.

Preventing Diversion

Measures to prevent diversion include:

- Working closely with the Arlington Police Department.
- Training employees on behavior that may indicate diversion, either on behalf of customers or other employees.
- Instilling in staff a culture of compliance: If you see something, say something.
- Monitoring adoption of industry best practices, such as clearly laying out all items in an order beneath an overhead security camera, to demonstrate how easily violators will be caught.
- Adhering to CCC requirements for customer identification and verification procedures.
- Tracking inventory with seed-to-sale software.
- Auditing the site regularly, including inventory records, correct implementation of standard procedures, and proper functioning and maintenance of security equipment.
- Keeping marijuana products out of plain sight.
- Securing entrances and maintaining a well-lit exterior.

If any member of the Calyx Peak of MA team distributes cannabis intentionally or negligently to an individual under the age of 21, they will be immediately terminated and reported to the Cannabis Control Commission.

Nuisance Prevention

- Staff and security personnel will undergo rigorous training to implement a series of Standard Operating Procedures that ensure our employees are trained to prevent diversion to unauthorized parties as well as prevent any neighborhood nuisance issues.
- Consumption of marijuana on-site will not be tolerated. Anyone violating this provision will be immediately reported to local law enforcement.
- The following behaviors will **not** be permitted on site –
 - Any disturbance of the peace
 - Public consumption of cannabis
 - Illegal drug activity under state or local law
 - Littering
 - Excessive loitering or pedestrian/vehicular traffic
 - Illegal parking or violations of state and local traffic laws
 - Queuing of patrons or other obstructions of the public or private way

Benefits to Arlington

We have committed to:

- A **Host Community Agreement** that provides the Town of Arlington with authority to direct funds towards priorities of its choosing.
- Increased **tax revenue** through local option agreements.
- Participation in **neighborhood civic and business associations.**
- Support for local **charitable institutions and community-building initiatives.**
- A **robust community outreach program** to ensure our proposal is built on a foundation of local input.
- Well-paying, salaried jobs with a preference to **hire a local, diverse workforce.**
- An estimated **18 full-time positions** with benefits including health insurance. Our total annual payroll will be approximately \$800,000 once fully operational.



Questions?