



Processing On-Boarding Checklist

Hello and welcome!

We are really excited to be working with you. Enclosed in this packet you will find the necessary forms required for us to on-board you as an **Arcata Processing Company Client**. All forms need to be completed in entirety before we can begin any flower intakes.

Please return the following documents to your account representative via email:

- Supplier Information Form Pg. 2
- Signed Processing Terms of Service Pg. 3-5
- Copy of your Local Permit
- Copy of your State License(s)

Should you have any questions please don't hesitate to let your account representative know. We are always available to assist where we can to make things simpler for everyone. Again, we are very excited to be working with your company and look forward to a great business relationship together!

Regards,

Arcata Processing Co.
A BEAR Extraction House Partner



Processing Terms and Conditions

R&D Testing and Intake

This explains the protocol and procedures that Arcata Processing Co, as a service provider, follows for R&D field testing and handling of raw cannabis flowers. Read, agree to, and sign where indicated in order to move forward with scheduling.

Quality Control and Batch Sampling Protocols

The first step in quality control is a conversation between an Arcata Processing Co representative and the farmer. During this conversation we will determine the likelihood that the farm is utilizing best management practices to avoid contamination of unwanted pesticides, fertilizers, insecticides, etc.

The next step will be a visual inspection of the material. An Arcata Processing Co representative will come to your location for a visual inspection and to obtain a sample of each batch we will potentially trim. A maximum testing batch size of raw flower is 500 lbs. Therefore, a uniformed lot of raw flowers grown and harvested in the same manner under the same conditions shall be divided into 500 lb batches. After identifying unique batches, our representative will gather homogenized samples from each batch. Samples are transferred into a sample bag labeled with a unique batch ID, the date which samples are taken, the farm business name, estimated total volume of the batch, and strain name if the batch is strain specific. Please see R&D testing flowchart for amounts and pricing.

In certain circumstances, Arcata Processing Co will test and quarantine a farmer's raw flower batch after the product has been transferred into our license and is at our facility.

Quarantine Protocols

Quarantining typically occurs where the raw flower is located. After sorting, identifying, and sampling from the available batches, the sourcing representative will quarantine the flower in a way that protects the material from contamination thereby ensuring that the sample sent for testing shall be representative of the quarantined batch. If the raw flower is contained in plastic totes, the representative shall close those containers with a uniquely numbered zip tie. The serial numbers indicated on those zip ties shall be recorded by the representative so that they may be checked and verified at time of pickup. The representative may apply a written signature over the tape with a permanent marker and take a photo of the sealed and signed tamper evident seal. Batches must remain quarantined while testing occurs. Compromising the tamper evident ties and/or tape will void the legitimacy of the sample taken.



3rd Party Lab Testing Protocols

To maximize efficiency, we will send to the lab a sample of raw flower for initial R&D testing. Based on the results of that testing we can determine the best processing route. If the results come back showing the presence of pesticides, mycotoxins, or heavy metals then we will be unable to utilize our trimming services, but we can explore distribution options with the seller. In most cases this material can still be viable for edible and/or topical use. If the test results come back non-detect for pesticides, mycotoxins, and heavy metals (category 3 testing), then we can move forward with scheduling a pick up and move forward with our trimming services.

Intake Protocols

All raw cannabis flower must be stored and transferred in pre-weighed totes. The tote needs to be properly labeled with the farm name, a tote #, tare weight of tote, and total weight of tote with the plant material in it. *The tare weight is a crucial component for properly recording weights in Metrc.* The tare weight of a tote is the weight of the tote when it is empty. It should be written on the outside of the tote. Each tote has a different weight and for proper intake, Arcata Processing Co needs to know the weight of each tote when it is empty. There is an SOP available to help farmers train their employees on this procedure.

If product is received in totes without the tare weights written on the outside, then an intake fee of \$150 per tote will be issued. This fee will cover the cost of transferring all of the material into our tared totes so weights can be accurately measured and verified in Metrc.

Product must be received completely bucked off the stem **OR** partially bucked in no longer than 8" pieces. No exceptions.

Protocols for Arranging Pickup

Once the R&D test is produced by the 3rd party testing lab and the results come back clean, then scheduling will be made with Bear's distribution representative for pick up or drop off.

If our representative arrives and determines that there is evidence that the batch may have been tampered with or contaminated during the quarantine period, we reserve the right to cancel the transaction, and you may be required to pay a breach of the contract handling fee, lab test fee and other costs caused by the breach.



**Cancellation
Protocols**

The transaction will be canceled if:

1. For any reason that lab test or quality does not meet expectations.
2. If your license is suspended, non-renewed, or terminated.
3. If you do not show up on time for our appointment, or do not act professionally and cooperatively during the on-site field test and all business interactions.
4. If the batch is tampered with during the quarantine process.

Intending to be bound, the parties have signed this Agreement as of the dates set forth below:

(Service Provider): Arcata Processing
Co

Emerald Triangle Management Group, Inc. Date: _____

d/b/a Arcata Processing Co

By: _____

Position:_____

(Seller):

Company Name: _____

Date: _____

By: _____

Position:_____



PRICING

Trimming Prices

- Full hand trim \$165 per pound
- Machine with hand polish \$130 per pound
- Machine trimming smalls \$65 per pound

Additional Processing Service Fees

1. Laboratory Testing Services

- Bulk Flower Full Panel Testing (Note: Flower testing requires 12g of trimmed material)
One or two tests - \$612.50 per test, more than two tests – \$306.25 per test
- Bulk Flower Partial Testing (HM, Pest, Potency) - \$187.50
- Microextraction and potency test on trim batches to sell - \$230.00

2. Grading/Sorting (if applicable)

APC can customize finished pounds by adding a prespecified amount of smalls back into the finished pounds when requested by the farmer. \$3.00 per pound

3. Transportation Fees

\$1.75 per mile (Includes freezer truck and van transportation to & from the destination.) \$20/hr for employee time

4. Intake Fees

An intake fee of \$150 per tote will be issued **if** totes are received **without a tare weight**. This fee will cover the cost to transfer all of the raw cannabis into our pre-tared totes so weights can be accurately verified per CDFR requirements. There is no intake charge when totes are properly tared.

5. Long Term Raw Storage Fees

\$300 per month for a 4x4x4

6. Transfer Fee (finished product to another distribution company)

\$200 per transfer

Pricing Terms of Service

- Finished product must be transferred out within seven days of the batch being complete or the raw storage fee will be applied.
- APC will give priority scheduling to farms that sign the Bear Extraction House Standing Purchase Order and Sales Commitment Form.
- If APC transfers finished bulk flower from a farmer to Bear Distribution then the cost of processing services, transportation, and testing comes off the top of the sale. If a price is not agreed upon after 14 days, the farmer must settle all transportation, processing, and testing fees.
- Full payment for services must be made the day of transfer for all products leaving the APC facility. Please make all checks payable to ETMG, Inc.

Payment Methods - Cash, check or wire-transfer (\$30 per wire-transfer) Please make checks payable to ETMG, Inc.