

The Atrium Group, LLC
32123 Lindero Canyon Rd, Suite 210
Westlake Village Ca 91361

June 19, 2019

VIA E-MAIL TRANSMISSION

Steve Mermell, City Manager
David Reyes, Director of Planning & Community Development
Guille Nunez, Management Analyst IV
Planning and Development Department
175 North Garfield Avenue
Pasadena, CA 91101

Re: Notice of Incomplete Application

Dear Pasadena City Officials:

I am writing on behalf The Atrium Group, LLC (“Atrium Group”) to notify you that Harvest of Pasadena, LLC (“Harvest of Pasadena”) has submitted an incomplete conditional use permit application. In particular, Harvest of Pasadena has failed to include a complete Taxpayer Protection Act Disclosure Form. Specifically, as explained in more detail below, Harvest of Pasadena failed to list a beneficial owner and financially interested party: Harvest Health & Recreation, Inc. (“Harvest Health & Rec”) As a result, by this letter, Atrium Group hereby requests that the Planning and Development Department deem Harvest of Pasadena's application incomplete.

Harvest of Pasadena has failed to submit a complete application for a conditional use permit for cannabis retailer. As reflected in the enclosed Submittal Checklist for Conditional Use Permit Cannabis Retailer, an applicant is required to submit a Master Application, which includes a completed Taxpayer Protection Act Disclosure Form (“Taxpayer Disclosure Form”). A copy of Harvest of Pasadena’s Taxpayer Disclosure form is attached for reference. The Taxpayer Disclosure Form requires identification of 1) names of owners, trustees, directors, partners, officers of Owner/Project; and 2) those with more than a 10% equity, participation, or revenue interest in the Owner or Project. In its submitted Taxpayer Disclosure Form, Harvest of Pasadena lists Steve White, Jason Vedadi, and Leo Jaschke as owners and officers. In the column for financially interested parties, Harvest of Pasadena lists Steve White as the only person or entity with at least 10% equity, participation or revenue interest. However, publicly available information shows Harvest of Pasadena’s disclosure is incomplete.

Harvest of Pasadena failed to list Harvest Health & Rec as either an owner or financially interested party on its Taxpayer Disclosure Form.

Harvest Health & Rec claims that it is the 100% beneficial owner of Harvest of Pasadena, LLC. In a recent press release, Harvest Health & Rec states that it "was awarded a dispensary license to operate in Pasadena, (subject to the local Conditional Use Permit process and state regulatory requirements.)" In a footnote, Harvest Health & Rec states "**Steve White, CEO of Harvest, Health & Recreation, Inc. holds 100% ownership of the winning license entity, Harvest of Pasadena, LLC, for the benefit of Harvest, Health & Recreation, Inc.**" (Emphasis added.) A copy of the Harvest Health & Rec press released is attached for reference. Despite Harvest Health & Rec's admission, Harvest of Pasadena failed to list Harvest Health & Rec as an interested owner on the Taxpayer Disclosure Form. The failure to include Harvest Health & Rec renders the Taxpayer Disclosure form incomplete.

Similarly, Harvest of Pasadena admits that Harvest Health & Rec will be managing the retail operations of Harvest of Pasadena. In Harvest of Pasadena's application, Mr. White concedes "If awarded a permit, Harvest of Pasadena, LLC will enter into a management agreement with Harvest [Health & Recreation]..." A copy of the relevant application page is attached for reference. The application goes on to list Harvest Health & Rec's many executives who will be involved in the day-to-day operations of the Harvest of Pasadena facility. Because Harvest Health & Rec will be operating Harvest of Pasadena through a management agreement, Harvest Health & Rec is a financially interested party that should have been included on the Taxpayer Disclosure Form. The omission of this fact once again renders the Taxpayer Disclosure Form incomplete.

It is Atrium Group's position that because Harvest of Pasadena has failed to submit a complete and accurate Taxpayer Disclosure Form, Harvest of Pasadena has not complied with the Master Application requirements. As a result, the Planning and Development Department must deem Harvest of Pasadena's application for a conditional use permit incomplete. Harvest Health & Rec cannot be the beneficial owner of Harvest of Pasadena and omitted from the Taxpayer Disclosure Form at the same time. The purpose of the Taxpayer Disclosure Form is to ensure transparency in the application process and Harvest of Pasadena has not complied with the procedure required by law. Accordingly, the Planning and Development Department must deem Harvest of Pasadena's conditional use permit application incomplete.

We trust this correspondence clears up any misunderstanding between Harvest of Pasadena and Harvest Health & Rec. Atrium Group reserves all rights and remedies in connection with the determination of application completeness. Please do not hesitate to contact us if you have any questions.

Very truly yours,

The Atrium Group, LLC

/s/

By: Jim Townsend

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Act
Pasadena City Charter, Article XVII**

I. Does the value of this application/project **have the potential** to exceed \$25,000? Yes No **(Applicant must mark one)**

II. Is the application being made on behalf of a government entity? Yes No

III. Is the application being made on behalf of a non-profit 501(c) organization? Yes No
If yes, please indicate the type of 501(c) organization: 501(c)(3) 501(c)(4) 501(c)(6)

Applicant's name: Harvest of Pasadena, LLC Date of Application: 6/12/19

Owner's name: Steve White Contact phone number: 602-615-2083
(for questions regarding this form)

Project Address: 169 W. Colorado Boulevard Pasadena CA 91105

Project Description: Adult and Medical Use Commercial Cannabis Retailer with Delivery

III. Applicant and Property Owner must disclose all joint owners, trustees, directors, partners, officers and those with more than a 10% equity, participation or revenue interest in owner and/or project. If any of these are an organization/entity, include the name of the organization/entity **and** the first and last names of all parties of interest of that organization/entity. *(List all parties below and use additional sheets as necessary, or provide all parties on an attachment) Please print legibly.* Have any additional sheets or an attachment been provided? Yes No

Names of Owner(s), Trustees, Directors, Partners, Officers of Owner/Project	Names of Owner(s), Trustees, Directors, Partners, Officers of Owner/Project (continued)	Those with more than a 10% equity, participation or revenue interest in Owner and/or Project
Steve White		Steve White
Jason Vedadi		
Leo Jaschke		

I hereby certify that I am the owner or designated agent and that the statements and answers contained herein, and the information attached, are in all respects true, accurate and complete to the best of my knowledge and belief.

Signature of Owner or Designated Agent:  Date: 6/12/19

For Office Use Only

Type of Application: Variance (all types) Adjustment Permit Sign Exception Temporary Use Permit Expressive Use Permit
 Conditional Use Permit (excluding Master Plan) Master Plan Amendment Planned Development Other

Assigned Planner: _____ PLN#: _____

Attached Address: _____ No Attached Address

Appealed: Yes No Appeal PLN# _____ Application Withdrawn

Final Decision: Approved Denied Decision Date: _____ Decision Maker: _____
(Name and Title, or Name of Commission/Committee)

Votes in favor (please print):

Harvest Health & Recreation Continues California Growth with Pasadena Dispensary License Win

- *Pasadena marks seventh license in California showcasing aggressive growth in state and expanding national footprint of retail and wholesale licenses across US*
- *Harvest among top scoring applicants in highly regulated district noted for quality-driven retail operations and commitment to improving the local community*

PHOENIX -- Harvest Health & Recreation, Inc. ([CSE: HARV](#), [OTCQX: HRVSE](#)) (“Harvest”), a vertically integrated cannabis company with one of the largest and deepest footprints in the U.S., was awarded a dispensary license to operate in Pasadena¹, (subject to the local Conditional Use Permit process and state regulatory requirements), marking the seventh California license for the fast-growing company. Harvest was among the top-scoring applicants from a pool of 128 applications to obtain licenses in the city, receiving top recognition for its high-level of sophistication, best-in-class experience, and world-renowned team of experts in operating quality-driven retail stores with a focus on bettering the community.

“Pasadena’s affluent community and close proximity to the world’s largest cannabis market of Los Angeles, makes it an ideal destination for Harvest’s growing retail operations that focus on high-quality and safe cannabis experiences and education,” said Steve White, Harvest’s CEO. “Pasadena’s extensive application process and rigorous requirements show the city’s commitment to only allowing operations that appeal to the community’s prestigious standards. This is a big win for Harvest as we continue to grow our presence in California and drive premiere retail environments that are safe for consumers introducing the people of Pasadena to our leading products, award-winning storefronts and knowledgeable staff.”

Harvest’s dedication to building, acquiring and expanding brands and distribution across its national footprint, provides greater cannabis accessibility for consumers seeking high-quality and trusted experiences. With California as the largest cannabis market in the world, the company’s continued growth in the state sets leading industry standards across operations and vertical integration. Additionally, in California, Harvest recently opened a dispensary in Napa, which is the city’s first medical cannabis location to open its doors to patients, announced retail licenses for one of two dispensary locations in Santa Monica, are soon to open a new location in

¹ Steve White, CEO of Harvest, Health & Recreation, Inc., holds 100% ownership of the winning license entity, Harvest of Pasadena, LLC, for the benefit of Harvest, Health & Recreation, Inc.

Venice and are finalizing the acquisition of Falcon International Corp.—the state’s leading operator in logistics serving more than 80 percent of dispensaries. With disciplined business practices, Harvest has excelled past competitors to hold licenses for the right to operate more than 200 retail and processing facilities in 17 states and territories across the U.S.

About Harvest Health & Recreation, Inc.

Headquartered in Tempe, Arizona, Harvest Health & Recreation, Inc. is a multi-state cannabis operator (MSO) and vertically-integrated cannabis company. Subject to completion of announced acquisitions, Harvest will have the largest footprint in the U.S., with rights to more than 210 facilities, of which approximately 140 are retail locations, and more than 1,580 employees across 17 states. Since 2011, the company has been committed to aggressively expanding its Harvest House of Cannabis retail and wholesale presence throughout the U.S., acquiring, creating and growing leading brands for patients and consumers nationally and continuing on a path of profitable growth. Harvest’s mission is to improve lives through the goodness of cannabis and is focused on its vision to become the most valuable cannabis company in the world. We hope you’ll join us on our journey: <https://harvestinc.com>.

Facebook: [@HarvestHOC](#)

Instagram: [@HarvestHOC](#)

Twitter: [@HarvestHOC](#)

Forward-looking Statements

This press release contains statements which constitute "forward-looking information" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of Harvest with respect to future business activities. Forward-looking information is often identified by the words "may," "would," "could," "should," "will," "intend," "plan," "anticipate," "believe," "estimate," "expect" or similar expressions and include information regarding: (i) expectations regarding the size of the U.S. cannabis market, (ii) the ability of the Company to successfully achieve its business objectives, (iii) plans for expansion of Harvest, and (iv) expectations for other economic, business, and/or competitive factors.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflects Harvest management’s expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although Harvest believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined Company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the potential impact of an announcement of a going public transaction on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; and in particular in the ability of the Company to raise debt and equity capital in the amounts and at the costs that it expects; adverse changes in the public perception of cannabis; decreases in the prevailing prices for cannabis and cannabis products in the markets that the Company operates in; adverse changes in applicable laws; or adverse

changes in the application or enforcement of current laws, including those related to taxation; the inability to locate and acquire suitable companies, properties and assets necessary to execute on the Company's business plans; and increasing costs of compliance with extensive government regulation. This forward-looking information may be affected by risks and uncertainties in the business of Harvest and market conditions.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Harvest has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. Harvest does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

Media Contacts:

Alex Howe, Head of Corporate Communications

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Submittal Checklist for CONDITIONAL USE PERMIT: CANNABIS RETAILER

Only applicants that have written authorization from the City of Pasadena can submit an application. Applications will only be accepted in-person via an appointment as indicated in the authorization letter to submit. This checklist must be submitted with the Conditional Use Permit application. Incomplete applications cannot be processed.

SUBMITTAL REQUIREMENTS:

Listed below are the submittal requirements for the Conditional Use Permit (Cannabis Retailer):

- MASTER APPLICATION** (eight copies)
 - a) Cover Sheet with Applicant Signature.
 - b) Environmental Assessment.
 - c) Tree Inventory.
 - d) Taxpayer Protection Act Disclosure Form.

- OWNERSHIP VERIFICATION** (one copy)
 - a) Copy of Grant Deed, Deed Trust or Title Report showing ownership.
 - b) Written Consent from property owner to authorize representative (if applicable).
 - c) Copy of a signed Lease Agreement for the subject property.

- PUBLIC HEARING NOTIFICATION PACKET** (two sets)
 - a) 500-foot Radius Map and Ownership List.
 - b) Affidavit.
 - c) Labels.

- LOCATION MAP** (Two copies)
 - a) Identification of the applicable distance requirements as outlined in Section 17.50.066 D (5) "Location Requirements" of the Pasadena Municipal Code prepared by a licensed surveyor.
 - b) Identification of all land uses and zoning classifications for all properties within the applicable distance requirements as outlined in Section 17.50.066 D (5) "Location Requirements" of the Pasadena Municipal Code.

- LOCATION AFFIDAVIT** (Two copies)

- LIVE SCAN AUTHORIZATION** (one copy)
 - a) Each person listed as an owner, manager, supervisor, employee, or volunteer of the commercial cannabis business must submit fingerprints and other information deemed necessary for a background check by the City of Pasadena's Police Department.

- SITE PHOTOS** (two sets)
 - a) A minimum of four colored photos (varied angles) of the project site showing walls, trees and existing structures. The photos shall be numbered and keyed to the site plan.

- SITE PLANS** (fully dimensioned, eight full size copies and four 11"X17" reductions)

CUP-CANNABIS-SUP Rev: 6/10/19



Submittal Checklist for
CONDITIONAL USE PERMIT: CANNABIS RETAILER

- a) Applicant name, address and phone number.
- b) Project site address, north arrow and drawing scale.
- c) Property lines.
- d) Internal and external rights-of-way and any vehicular access or other easements.
- e) Existing and proposed structures with their uses labeled.
- f) Location of all structures on the subject site.
- g) Location of abutting properties and their uses.
- h) Calculations showing the total site area and existing and proposed square footages for all buildings on the site.
- i) Setback dimensions from all adjacent properties.
- j) Mature trees 4 inches or more in diameter (on-site, adjacent to property lines and in public right-of-way).
- k) Vicinity map showing ½-mile radius street system with project site highlighted (integrated at lower right hand corner of plan).

- FLOOR PLANS** (fully dimensioned, eight full size copies and four 11"X17" reductions)
- a) Detailed floor plans for the entire structure that clearly indicate the use of all spaces, placement of fixtures/furniture, entries and exits to each space, and square footage of any separate room(s).

- EXTERIOR BUILDING DETAILS** (fully dimensioned, eight full size copies and four 11"X17" reductions)
- a) Elevations depicting each elevation of the building (existing and proposed).
 - b) Design Inspiration: Maximum three-page narrative that describes the design inspiration for the exterior of the building and the contextual relationship with the surrounding area. This may include a combination of text and visual components (such as photos) to explain the proposed exterior design concept.
 - c) Colors and materials: One page that contains details on the proposed colors and materials for the exterior including walls, windows, window treatments etc.
 - d) Details of all proposed signage including size, location, colors and materials.

- INTERIOR BUILDING DETAILS** (fully dimensioned, eight full size copies and four 11"X17" reductions)
- a) Visual simulations of the proposed interior design concept for all publicly accessible areas of the retail store.
 - b) Design Inspiration: Maximum five-page narrative that describes the design inspiration for the publicly accessible interior spaces and how you achieve superior design. This may include a combination of text and visual components (such as photos) to explain the proposed interior design concept.
 - c) Colors and materials: One page that contains details on the proposed colors and materials for the publicly accessible interior space including wall treatments, fixtures, lighting etc.



Submittal Checklist for
CONDITIONAL USE PERMIT: CANNABIS RETAILER

- PARKING AND CIRCULATION PLAN** (Only required for sites with on-site parking. Fully dimensioned, eight full size copies and four 11”X17” reductions)
 - a) Indicate the size, number and location of all parking spaces on the subject site (existing and proposed).
 - b) Details showing all vehicular access into the parking area and all drive aisles.
 - c) Show the location of all bicycle parking and/or alternative transportation accommodation.
 - d) If no on-site parking is available, describe the parking plan for employees and patrons.

- LANDSCAPE PLAN** (If new landscaping is proposed. Fully dimensioned, eight full size copies and four 11”X17” reductions)
 - a) Indicate all existing and proposed landscaping and the location of all trees

- DEVELOPMENT SCHEDULE** (one copy)
 - a) Brief explanation of the proposed construction schedule for tenant improvements and estimated occupancy of the site.

SUPPLEMENTAL APPLICATION REQUIREMENTS:

The following supplemental applications are required for the Conditional Use Permit:

- CONDITIONAL USE PERMIT FINDINGS** (eight copies)

- DEMONSTRATE COMPLIANCE WITH OTHER CODES** (eight copies)



Conditional Use Permit Findings Supplemental Application for
CONDITIONAL USE PERMIT: CANNABIS RETAILER

PROJECT ADDRESS: _____

FINDINGS:

The applicant must thoroughly respond to the six (6) directives below to make the required findings to establish the proposed use. The City's Zoning Code and General Plan can be viewed at the Permit Center and online at www.cityofpasadena.net.

- 1) The proposed use is allowed with a Conditional Use Permit (Major and Minor) within the applicable zoning district and complies with all applicable provisions of this Zoning Code (see Section 17.10 of the City's Zoning Code and the zoning district purposes at the introduction to each zoning district regulation);
- 2) The location of the proposed use complies with the special purposes of this Zoning Code and the purposes of the applicable zoning district;
- 3) The proposed use is in conformance with the goals, policies, and objectives of the General Plan and the purpose and intent of any applicable specific plan;
- 4) The establishment, maintenance, or operation of the use would not, under the circumstances of the particular case, be detrimental to the health, safety, or general welfare of persons residing or working in the neighborhood of the proposed use;
- 5) The use, as described and conditionally approved, would not be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the City; and
- 6) The design, location, operating characteristics, and size of the proposed use would be compatible with the existing and future land uses in the vicinity, in terms of aesthetic values, character, scale, and view protection.



Adherence to Required Codes Supplemental Application for
CONDITIONAL USE PERMIT: CANNABIS RETAILER

PROJECT ADDRESS: _____

DEMONSTRATE COMPLIANCE WITH OTHER CODES:

The applicant must demonstrate how the proposed use will comply with Municipal Code requirements contained in Chapter 5.78, Chapter 8.10 and Chapter 17.50.066 as those will become conditions of approval.

- 1) Describe how the proposed use will comply with all applicable provisions of Chapter 5.78 “Commercial Cannabis Activity”, specifically Sections 5.78.150-170, 5.78.200 and 5.78.210.
- 2) Describe how the proposed use will comply with all applicable provisions of Chapter 8.11 “Commercial Cannabis Facilities”, specifically Sections 8.11.040-140.
- 3) Describe how the proposed use will comply with all applicable provisions of Chapter 17.50.066 “Cannabis Businesses”, specifically Section 17.50.066 (D).



CONDITIONAL USE PERMIT: CANNABIS RETAILER

Location Map:

The location map shall include (1) a certification statement which identifies the proposed location, mapping methodology and enumeration of the sensitive receptors that were included in the mapping, (2) two copies of the printed map (11X17"); (3) map in digital format and (4) a printed list of the properties that fall within the radii including the parcel numbers, addresses, existing land use and zoning classification.

SAMPLE MAPPING CERTIFICATION STATEMENT

_____[Name of Surveyor]_____ has conducted an investigation and review to identify all sensitive receptors that surround the property located at _____[Property Address]_____.

This review has been conducted to the best of our ability and is reflected in the 600' and 100' Land Use Map provided, using the following method:

Cannabis retailers may be permitted only in the CO, CL, CG, CD an IG zoning districts and shall comply with the following distance separation requirements:

1. No retailer shall be established within 1,000 feet, measured from the nearest property lines of each of the affected parcels, of any other cannabis retailer or cultivation site, or within 500 feet of any testing laboratory; [_____ STATE IF ANY WERE FOUND _____]
2. No retailer shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any existing residential zone; [_____ STATE IF ANY WERE FOUND _____]
3. No retailer shall be established or located within a mixed-use development project containing a residential component; [_____ STATE IF ANY WERE FOUND _____]
4. No retailer shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any childcare center, in-home (family day-care home), youth-oriented facility, church or faith congregation, or substance abuse center; [_____ STATE IF ANY WERE FOUND _____]
5. No retailer shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any park, library or K-12 school; [_____ STATE IF ANY WERE FOUND _____]

I hereby certify that the above information and land use map being provided for this investigation is true and correct to the best of my knowledge and ability.

Name: _____ **Date:** _____



CONDITIONAL USE PERMIT: CANNABIS RETAILER

SAMPLE MAP

Sample Map Pending



Location Map for
CONDITIONAL USE PERMIT: CANNABIS RETAILER

LOCATION AFFIDAVIT

Property Address: _____

Assessor's Parcel Number(s): _____

Business Name: _____

Applicant Name: _____

I, as the applicant of the Conditional Use Permit for a cannabis retail business as noted above, hereby affirm that the location proposed as noted above complies with all applicable separation requirements required by the Pasadena Municipal Code Section 17.50.066 (D).

I acknowledge that the exhibit submitted with the application was prepared by a licensed surveyor and demonstrates that the proposed location meets all applicable separation requirements contained in the Pasadena Municipal Code Section 17.50.066 (D).

I acknowledge that the information submitted identifies all land uses and zoning districts within the distance separation requirements contained in the Pasadena Municipal Code Section 17.50.066 (D).

I certify that the information contained in the application package is true and correct to the best of my knowledge.

*Applicant/Agent Signature: _____

Printed Name and Title: _____

Date: _____

**Note: An original signature is required on this form. An agent for the applicant may sign the application provided that a signed original letter of authorization from the property owner accompanies this affidavit.*