

Nello Labs

Cultivation Facility Application No -					
Commissioner	Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qualified
<b>Schedule 1 - Qualifications of Applicant (10)</b>	0	3	6	8	10
Education and business experience of the applicant including experience with regulated industries, agriculture or horticulture, commercial manufacturing, secure inventory tracking and control, cultivation of medical marijuana, 24 Hour security businesses, and creation and implementation of a business or financial plan					10
<b>Schedule 2 - Ability to Operate (50)</b>					
<b>2a - Manufacturing (14)</b>	0	5	8	12	14
Detailed plans of sufficient production including strains, products, amount, and cultivation methods, testing, prevention of cross pollination, disposal, and the manufacturing and processing (if applicable) of the medical marijuana.					14
<b>2b - Construction Compliance (8)</b>	0	2	5	7	8
Plan for construction or renovation of facility including material for the foundation, exterior walls, and roof, plans to prevent perceptible observation, odors, light pollution, noise, and mold ventilation, blueprint or drawing with total square footage, primary entrance, all ingress and egress points, limited or restricted areas, cultivation areas, storage areas, or other areas, a plot plan of the realty with public roads, private roads, and adjacent property uses, color photos of exterior portions of facility, and specific stages of cultivation in each defined area with square footage and planned maximum canopy height for medical marijuana in the area					8
<b>2c - Security and Storage Requirements (9)</b>	0	3	5	7	9
Plan to deter and prevent unauthorized entrance as well as theft and diversion including type of alarm system, type of video surveillance, other security and surveillance including outside contractor identity, surveillance and security record retention plan, other security or diversion prevention plans, and plan for storage of harvested medical marijuana					9
<b>2d - Packaging Requirements (10)</b>	0	3	6	8	10
Description of types of packaging including photos or diagrams, description of labeling methods including photos or diagrams, and description of weighing, packing, and preparation process for transport.					10
<b>2e - Transportation Requirements (9)</b>	0	3	5	7	9
Demonstration of a plan to reduce risk of diversion, loss, or theft including descriptions of containers and vehicles for transportation of medical marijuana and any other relevant information regarding the applicant's transport plan.					9
<b>Schedule 3 - Operations Plan (20)</b>					
<b>3a - Business Plan (16)</b>	0	5	10	13	16
Detailed description of estimated capital & debt commitment with breakdown of amounts for start up and long term stability, proposed staffing requirements, hiring criteria, & daily operations schedules		5			
<b>3b - Timeline to Open (4)</b>	0	1	2	3	4
Estimated timeline for opening of cultivation facility					4
<b>Schedule 4 - Financial Disclosure (10)</b>	0	3	6	8	10
Legal sources of finances available, disclosure of any bankruptcy filings, credit histories of applicants and owners, summary of financial statements for other businesses owned, and other information to prove financial stability.			6		

# Cultivation Facility Application No - 00208 Nello Labs

Commissioner	Story	Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qualified
<b>Schedule 1 - Qualifications of Applicant (10)</b>		0	3	6	8	10
Education and business experience of the applicant including experience with regulated industries, agriculture or horticulture, commercial manufacturing, secure inventory tracking and control, cultivation of medical marijuana, 24 Hour security businesses, and creation and implementation of a business or financial plan						10
<b>Schedule 2 - Ability to Operate (50)</b>		Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qualified
<b>2a - Manufacturing (14)</b>		0	5	8	12	14
Detailed plans of sufficient production including strains, products, amount, and cultivation methods, testing, prevention of cross pollination, disposal, and the manufacturing and processing (if applicable) of the medical marijuana.					12	
<b>2b - Construction Compliance (8)</b>		0	2	5	7	8
Plan for construction or renovation of facility including material for the foundation, exterior walls, and roof, plans to prevent perceptible observation, odors, light pollution, noise, and mold ventilation, blueprint or drawing with total square footage, primary entrance, all ingress and egress points, limited or restricted areas, cultivation areas, storage areas, or other areas, a plot plan of the realty with public roads, private roads, and adjacent property uses, color photos of exterior portions of facility, and specific stages of cultivation in each defined area with square footage and planned maximum canopy height for medical marijuana in the area					7	
<b>2c - Security and Storage Requirements (9)</b>		0	3	5	7	9
Plan to deter and prevent unauthorized entrance as well as theft and diversion including type of alarm system, type of video surveillance, other security and surveillance including outside contractor identity, surveillance and security record retention plan, other security or diversion prevention plans, and plan for storage of harvested medical marijuana						9
<b>2d - Packaging Requirements (10)</b>		0	3	6	8	10
Description of types of packaging including photos or diagrams, description of labeling methods including photos or diagrams, and description of weighing, packing, and preparation process for transport.					8	
<b>2e - Transportation Requirements (9)</b>		0	3	5	7	9
Demonstration of a plan to reduce risk of diversion, loss, or theft including descriptions of containers and vehicles for transportation of medical marijuana and any other relevant information regarding the applicant's transport plan.					7	
<b>Schedule 3 - Operations Plan (20)</b>		Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qualified
<b>3a - Business Plan (16)</b>		0	5	10	13	16
Detailed description of estimated capital & debt commitment with breakdown of amounts for start up and long term stability, proposed staffing requirements, hiring criteria, & daily operations schedules					13	
<b>3b - Timeline to Open (4)</b>		0	1	2	3	4
Estimated timeline for opening of cultivation facility				2		
<b>Schedule 4 - Financial Disclosure (10)</b>		0	3	6	8	10
Legal sources of finances available, disclosure of any bankruptcy filings, credit histories of applicants and owners, summary of financial statements for other businesses owned, and other information to prove financial stability.				6		

## Cultivation Facility Application No - 00208

Commissioner	Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qualified
<b>Schedule 1 - Qualifications of Applicant (10)</b>	0	3	6	8	10
Education and business experience of the applicant including experience with regulated industries, agriculture or horticulture, commercial manufacturing, secure inventory tracking and control, cultivation of medical marijuana, 24 hour security businesses, and creation and implementation of a business or financial plan					10
<b>Schedule 2 - Ability to Operate (50)</b>	Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qualified
<b>2a - Manufacturing (14)</b>	0	5	8	12	14
Detailed plans of sufficient production including strains, products, amount, and cultivation methods, testing, prevention of cross pollination, disposal, and the manufacturing and processing (if applicable) of the medical marijuana.				12	
<b>2b - Construction Compliance (8)</b>	0	2	5	7	8
Plan for construction or renovation of facility including material for the foundation, exterior walls, and roof, plans to prevent perceptible observation, odors, light pollution, noise, and mold ventilation, blueprint or drawing with total square footage, primary entrance, all ingress and egress points, limited or restricted areas, cultivation areas, storage areas, or other areas, a plot plan of the realty with public roads, private roads, and adjacent property uses, color photos of exterior portions of facility, and specific stages of cultivation in each defined area with square footage and planned maximum canopy height for medical marijuana in the area				7	
<b>2c - Security and Storage Requirements (9)</b>	0	3	5	7	9
Plan to deter and prevent unauthorized entrance as well as theft and diversion including type of alarm system, type of video surveillance, other security and surveillance including outside contractor identity, surveillance and security record retention plan, other security or diversion prevention plans, and plan for storage of harvested medical marijuana					9
<b>2d - Packaging Requirements (10)</b>	0	3	6	8	10
Description of types of packaging including photos or diagrams, description of labeling methods including photos or diagrams, and description of weighing, packing, and preparation process for transport.				8	
<b>2e - Transportation Requirements (9)</b>	0	3	5	7	9
Demonstration of a plan to reduce risk of diversion, loss, or theft including descriptions of containers and vehicles for transportation of medical marijuana and any other relevant information regarding the applicant's transport plan.				7	
<b>Schedule 3 - Operations Plan (20)</b>	Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qualified
<b>3a - Business Plan (16)</b>	0	5	10	13	16
Detailed description of estimated capital & debt commitment with breakdown of amounts for start up and long term stability, proposed staffing requirements, hiring criteria, & daily operations schedules				13	
<b>3b - Timeline to Open (4)</b>	0	1	2	3	4
Estimated timeline for opening of cultivation facility					4
<b>Schedule 4 - Financial Disclosure (10)</b>	0	3	6	8	10
Legal sources of finances available, disclosure of any bankruptcy filings, credit histories of applicants and owners, summary of financial statements for other businesses owned, and other information to prove financial stability.					10

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Cultivation Facility Application No - Nello Labs					
Commissioner	Carlos Roman MD				
<b>Schedule 1 - Qualifications of Applicant (10)</b>	Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qual
Education and business experience of the applicant including experience with regulated industries, agriculture or horticulture, commercial manufacturing, secure inventory tracking and control, cultivation of medical marijuana, 24 hour security businesses, and creation and implementation of a business or financial plan	0	1-2	3-6	7-8	9-10
<b>Schedule 2 - Ability to Operate (50)</b>	Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qual
<b>2a - Manufacturing (14)</b>	0	1-3	4-7	8-11	12-14
Detailed plans of sufficient production including strains, products, amount, and cultivation methods, testing, prevention of cross pollination, disposal, and the manufacturing and processing (if applicable) of the medical marijuana.			6		
<b>2b - Construction Compliance (8)</b>	0	1-2	3-4	5-6	7-8
Plan for construction or renovation of facility including material for the foundation, exterior walls, and roof, plans to prevent perceptible observation, odors, light pollution, noise, and mold ventilation, blueprint or drawing with total square footage, primary entrance, all ingress and egress points, limited or restricted areas, cultivation areas, storage areas, or other areas, a plot plan of the realty with public roads, private roads, and adjacent property uses, color photos of exterior portions of facility, and specific stages of cultivation in each defined area with square footage and planned maximum canopy height for medical marijuana in the area				6	
<b>2c - Security and Storage Requirements (9)</b>	0	1-2	3-6	6-7	8-9
Plan to deter and prevent unauthorized entrance as well as theft and diversion including type of alarm system, type of video surveillance, other security and surveillance including outside contractor identity, surveillance and security record retention plan, other security or diversion prevention plans, and plan for storage of				7	
<b>2d - Packaging Requirements (10)</b>	0	1-2	3-5	6-8	9-10
Description of types of packaging including photos or diagrams, description of labeling methods including photos or diagrams, and description of weighing, packing, and preparation process for transport.			5		
<b>2e - Transportation Requirements (9)</b>	0	1-2	3-5	6-7	8-9
Demonstration of a plan to reduce risk of diversion, loss, or theft including descriptions of containers and vehicles for transportation of medical marijuana and any other relevant information regarding the applicant's transport plan				7	
<b>Schedule 3 - Operations Plan (20)</b>	Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qual
<b>3a - Business Plan (16)</b>	0	1-3	4-9	10-12	13-16
Detailed description of estimated capital & debt commitment with breakdown of amounts for start up and long term stability, proposed staffing requirements, hiring criteria, & daily operations schedules				10	
<b>3b - Timeline to Open (4)</b>	0	1	2	3	4
Estimated timeline for opening of cultivation facility			2		
<b>Schedule 4 - Financial Disclosure (10)</b>	0	1-2	3-5	6-8	9-10
Legal sources of finances available, disclosure of any bankruptcy filings, credit histories of applicants and owners, summary of financial statements for other businesses owned, and other information to prove financial stability.			4		

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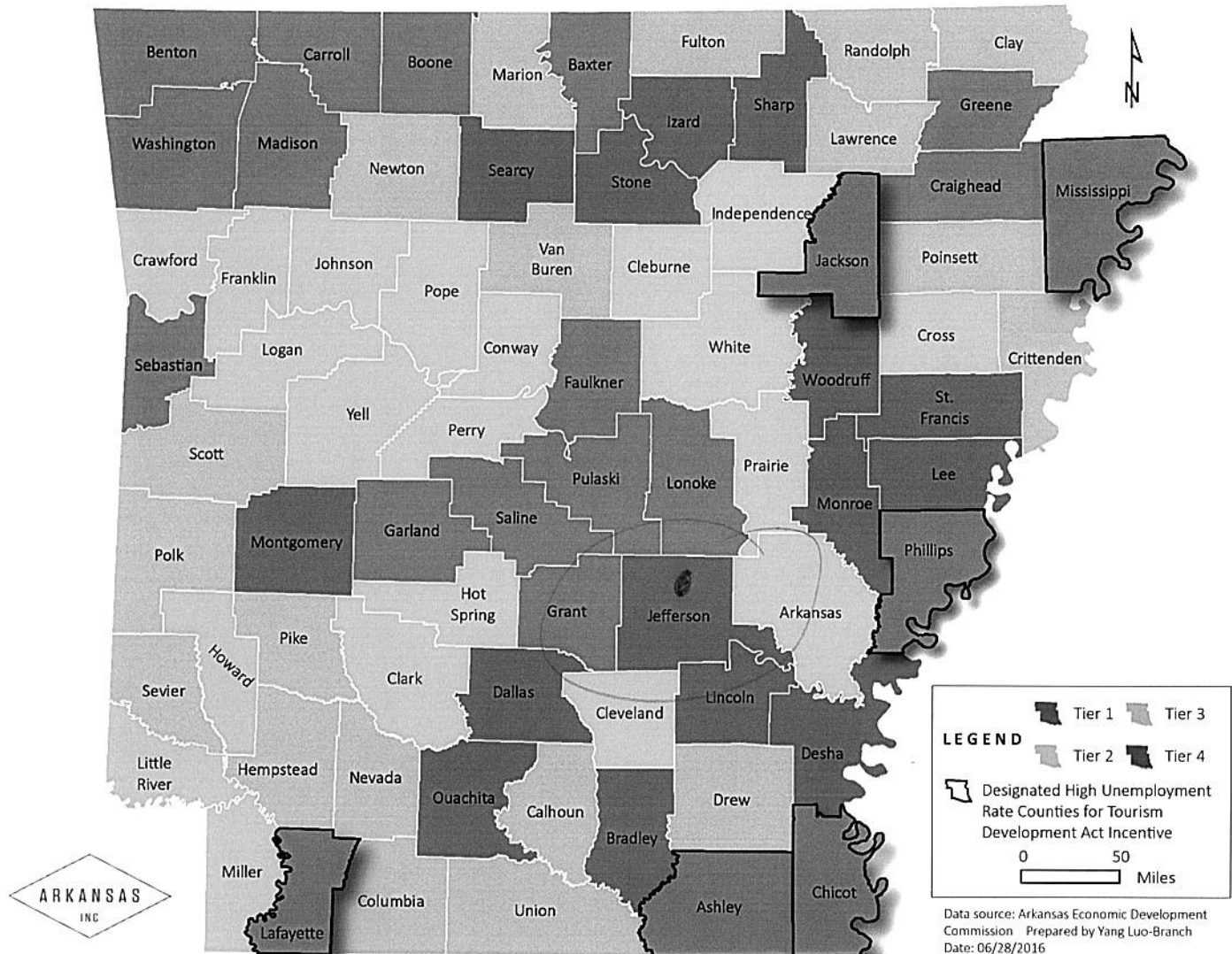
Cultivation Facility Application No - 59 Nello Labs						
Commissioner	Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qualified	
<b>Schedule 1 - Qualifications of Applicant (10)</b> (10)						
Education and business experience of the applicant including experience with regulated industries, agriculture or horticulture, commercial manufacturing, secure inventory tracking and control, cultivation of medical marijuana, 24 Hour security businesses, and creation and implementation of a business or financial plan						✓
<b>Schedule 2 - Ability to Operate (50)</b> (50)						
<b>2a - Manufacturing (14)</b> (14)						
Detailed plans of sufficient production including strains, products, amount, and cultivation methods, testing, prevention of cross pollination, disposal, and the manufacturing and processing (if applicable) of the medical marijuana. ✓						✓
<b>2b - Construction Compliance (8)</b> (8)						
Plan for construction or renovation of facility including material for the foundation, exterior walls, and roof, plans to prevent perceptible observation, odors, light pollution, noise, and mold ventilation, blueprint or drawing with total square footage, primary entrance, all ingress and egress points, limited or restricted areas, cultivation areas, storage areas, or other areas, a plot plan of the realty with public roads, private roads, and adjacent property uses, color photos of exterior portions of facility, and specific stages of cultivation in each defined area with square footage and planned maximum canopy height for medical marijuana in the area ✓						✓
<b>2c - Security and Storage Requirements (9)</b> 9						
Plan to deter and prevent unauthorized entrance as well as theft and diversion including type of alarm system, type of video surveillance, other security and surveillance including outside contractor identity, surveillance and security record retention plan, other security or diversion prevention plans, and plan for storage of harvested medical marijuana						✓
<b>2d - Packaging Requirements (10)</b> 9						
Description of types of packaging including photos or diagrams, description of labeling methods including photos or diagrams, and description of weighing, packing, and preparation process for transport.						✓
<b>2e - Transportation Requirements (9)</b> 9						
Demonstration of a plan to reduce risk of diversion, loss, or theft including descriptions of containers and vehicles for transportation of medical marijuana and any other relevant information regarding the applicant's transport plan.						✓
<b>Schedule 3 - Operations Plan (20)</b> 20						Extremely Qualified
<b>3a - Business Plan (16)</b> (16)						
Detailed description of estimated capital & debt commitment with breakdown of amounts for start up and long term stability, proposed staffing requirements, hiring criteria, & daily operations schedules						✓
<b>3b - Timeline to Open (4)</b> 4						✓
Estimated timeline for opening of cultivation facility						
<b>Schedule 4 - Financial Disclosure (10)</b> 10						Extremely Qualified
Legal sources of finances available, disclosure of any bankruptcy filings, credit histories of applicants and owners, summary of financial statements for other businesses owned, and other information to prove financial stability.						
<b>Schedule 5 - Affiliation with a Medical Doctor, Doctor of Osteopathy, or Doctor of Pharmacy (2.5)</b>						Extremely Qualified
<b>Schedule 6 - Economic Impact and Diversity (5)</b>						Extremely Qualified
<b>Schedule 7 - Community Benefit (2.5)</b>						Extremely Qualified

Total  
= 100 pts

Quality of Response	Description	Confidence in Response
Unqualified	When considered in relation to the Schedule's requirements, the application clearly does not meet the requirement either because it was left blank or because the application is inresponsive to this factor	No confidence
Underqualified	When considered in relation to the Schedule's requirements, the application is at the lower limit of acceptable quality at best and its acceptability may be doubtful	Low
Qualified	When considered in relation to the Schedule's requirements, the application appears sufficient to meet the requirements and is of acceptable quality	Moderate
Very Qualified	When considered in relation to the Schedule's requirements, the application squarely meets the requirements and is better than merely acceptable.	High
100pts Extremely Qualified	When considered in relation to the Schedule's requirements, the application squarely meets the requirements and exhibits outstanding knowledge, creativity, ability, or other exceptional characteristics. Not just good, extremely good	Very High

# ARKANSAS INCENTIVE TIER MAP

Effective July 1, 2016



Benefits provided by the Advantage Arkansas, Create Rebate and ArkPlus programs are determined in relation to the tier of the county in which the project is located. The state's seventy-five (75) counties are divided into four (4) tiers, with Tier 1 counties being the most prosperous counties and Tier 4 counties being the least prosperous counties. Tiers are determined annually by the Arkansas Economic Development Commission (Commission) by ranking four variables: poverty rate, population growth, per capita personal income and unemployment rate. A county ranking is determined for each of these variables using a consistent source and the four (4) rankings are totaled and

	ADVANTAGE ARKANSAS		CREATE REBATE*	ARKPLUS	
	Payroll Threshold	Benefit (% of Payroll)	Benefit (% of Payroll)	Minimum Investment (Benefit = 10% of Investment)	Minimum Payroll
TIER 1	\$125,000	1%	3.9%	\$5,000,000	\$2,000,000
TIER 2	\$100,000	2%	4.25%	\$3,750,000	\$1,500,000
TIER 3	\$75,000	3%	4.5%	\$3,000,000	\$1,200,000
TIER 4	\$50,000	4%	5.0%	\$2,000,000	\$800,000

\* Minimum payroll of \$2,000,000 required to qualify, regardless of tier.

divided by four (4) to obtain an overall ranking. It is the intention of the Commission to place fifteen (15) counties in Tier 1 and twenty (20) counties in Tier 2, 3, and 4 respectively.

A county's tier ranking, determined on the effective date of any incentive agreement under the Consolidated Incentive Act of 2003, as amended, shall establish the thresholds and benefits for the term of the agreement.