Nello Labs

Cultivation Facility	Application No	-			
Commissioner Miller	Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qualified
Schedule 1 - Qualifications of Applicant (10)		0	3		8
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
Schedule 2 - Ability to Operate (50)	Unqualified	Underqualified	Qualified	Very Qualified	Futnamely Over16 4
2a - Manufacturing (14)				8 1	Extremely Qualified
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
2b - Construction Compliance (8)	1 0		2	5	- '- '-
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 restreted 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
2c - Security and Storage Requirements (9)	0		3		
Plan to deter and prevent unauthorized entrance as well as their and diversion including type of alarm system, type of ideo 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				<u>'</u>	9
2d - Packaging Requirements (10)	0		3 6	5 8	
Description of types of packaging including photos or diagrams, description of labeleing methods including photos or liagrams, and description of weighing, packing, and preparation process for transport.					In
2e - Transportation Requirements (9)	0		3	7	10
Demonstration of a plan to reduce risk of diversion, loss, or theft including descriptions of containers and vehicles for ransportion of medical marijuana and any other relevant information regarding the applicant's transport plan.				,	9
chedule 3 - Operations Plan (20)	Unqualified	Underqualified	Qualified	Very Qualified	54 1 6 110 1
a - Business Plan (16)	ol	onder quanticu	10		Extremely Qualified
etailed description of estimated capital & debt commitment with breakdown of amounts for start up and long term ability, proposed staffing requirements, hiring criteria, & daily operations schedules		5	100	15	
b - Timeline to Open (4)	0		2	3	
stimated timeline for opening of cultivation facility				3	U
chedule 4 - Financial Disclosure (10)	0		6	8	7-10-
egal sources of finances available, disclosure of any bankruptcy filings, credit histories of applicants and owners, immary of financial statements for other businesses owned, and other information to prove financial stability.		**************************************	6	8	

## Cultivation Facility Application No - 00208 Nello Labs

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Commissioner	Story	Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qualified
Schedule 1 - Qualifications of Applicant (10)	of Applicant (10)	0	3	6	8	10
Education and business experienc commercial manufacturing, secur businesses, and creation and impl	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				11	10
Schedule 2 - Ability to Operate (50)	rate (50)	Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qualified
2a - Manufacturing (14)		0	5	8	12	14
Detailed plans of sufficient produceross pollination, disposal, and the	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	
2b - Construction Compliance (8)	rce (8)	0	2	5	7	8
Plan for construction or renovatio perceptible observation, odors, lip perceptible observation, odors, lip primary entrance, all ingress and of the realty with public facility, and specific stages of cultimedical marijuana in the area	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	
2c - Security and Storage Requirements (9)	equirements (9)	0	3	5	7	9
Plan to deter and prevent unauth surveillance, other security and suplan, other security or diversion p	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
2d - Packaging Requirements (10)	its (10)	0	3	6	8	10
Description of types of packaging diagrams, and description of weig	Description of types of packaging including photos or diagrams, description of labeleing methods including photos or diagrams, and description of weighing, packing, and preparation process for transport.				8	
2e - Transportation Requirements (9)	ements (9)	0	3	5	7	9
Demonstration of a plan to reduce transportion of medical marijuana	Demonstration of a plan to reduce risk of diversion, loss, or theft including descriptions of containers and vehicles for transportion of medical marijuana and any other relevant information regarding the applicant's transport plan.				7	
Schedule 3 - Operations Plan (20)		Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qualified
3a - Business Plan (16)  Detailed description of estimated proposed staffing requirements h	3a - Business Plan (16)  Betailed description of estimated capital & debt commitment with breakdown of amounts for start up and long term stability, proposed eartifing requirements histography & daily operations schedules	0	5	10	13	16
3b - Timeline to Open (4)		0	1	2	ω	4
Estimated timeline for opening of cultivation facility	of cultivation facility			2		
Schedule 4 - Financial Disclosure (10)	osure (10)	0	3	6	8	10
Legal sources of finances available financial statements for other bus	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		

3 <i>4</i> 4					Legal sources of finances available, disclosure of any bankruptcy filings, credit histories of applicants and owners, summary of financial etatements for other husinesses owned and other information to prove financial etablity.
4	6	3		0	Schedule 4 - Financial Disclosure (10)
					Estimated timeline for opening of cultivation facility
	2	1		0	3b - Timeline to Open (4)
Ls.					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 16	10	5		0	3a - Business Plan (16)
ualified Extremely Qualified	ed Very Qualified	Qualified	Underqualified	Unqualified	Schedule 3 - Operations Plan (20)
7					Demonstration of a plan to reduce risk of diversion, loss, or theft including descriptions of containers and vehicles for transportion of medical marijuana and any other relevant information regarding the applicant's transport plan.
9	5	3		0	2e - Transportation Requirements (9)
≪	_ ^				Description of types of packaging including photos or diagrams, description of labeleing methods including photos or diagrams, and description of weighing, packing, and preparation process for transport.
8 10	6	3		0	2d - Packaging Requirements (10)
9					Plan to deter and prevent unauthorized entrance as well as theft and diversion including type of alarm system, type o 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
7	5	3		0	2c - Security and Storage Requirements (9)
7	- T			ii.	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 8	5	2		0	2b - Construction Compliance (8)
2	1,				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 14	8	5		0	2a - Manufacturing (14)
Very Qualified Extremely Qualified		Qualified	Underqualified	Unqualified	Schedule 2 - Ability to Operate (50)
/0					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
ualified Extremely Qualified 8 10	ied Very Qualified	2d Qualified	Underqualitie	Unqualified 0	Schedule 1 - Qualifications of Applicant (10)
┚╹	]		- 00208	pplication No	Cultivation Facility Application No

	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.	Schedule 4 - Financial Disclosure (10)	Estimated timeline for opening of cultivation facility	3b - Timeline to Open (4)	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	3a - Business Plan (16)	Schedule 3 - Operations Plan (20)	Demonstration of a plan to reduce risk of diversion, loss, or theft including descriptions of containers and vehicles for transportion of medical marijuana and any other relevant information regarding the applicant's transport plan	2e - Transportation Requirements (9)	Description of types of packaging including photos or diagrams, description of labeleing methods including photos or diagrams, and description of weighing, packing, and preparation process for transport.	2d - Packaging Requirements (10)	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	2c - Security and Storage Requirements (9)	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 restreted 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	2b - Construction Compliance (8)	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.	2a - Menufacturing (14)	Schedule 2 - Ability to Operate (50)	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	Schedule 1 - Qualifications of Applicant (10)	Commissioner Carlos Roman MD	Cultivation Facility Application No -
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0		1-2		<u> </u>		1-3	Und		1-2		1-2		1-2		1-2		) 经营营收益的123	Din d		)	Unqualifie Underqualifie Qualified	Nello
S	4	3.5	7	2		4-9	erqualifie Qualified		3-5	N	3-5		3-6		3.4	6	经营营的 人	erqualifiq Qualified	5	3-6	Qualified	Labs
30		8-9		3	10	10-12	Very Qualifie	7	6-7		6-8	7	6-7	9	5-6		8-11	Very Qualifie		7-8	<b>Very Qualifie</b>	
0		9-10		4		13-16	Very Qualifie Extremely Qual		8-9		9-10		8-9		7-8		F#756FF12714	Extremely Qual		9-10	Very Qualifie Extremely Qual	

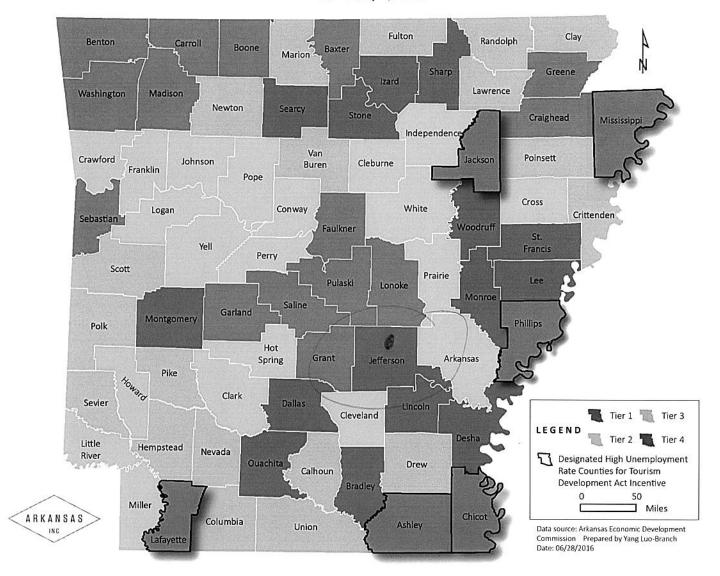
allications of Applicant (LO)  Int (14)  Int (14)  Int (15)  Int (	Commissioner	Unqualified	Undernualified	Ouslified	Very Ouslified	Extremely Ouglified
Unqualified Underqualified Qualified Very Qualified	hedule 1 - Qualifications of Applicant (10)	Delli mentino	O O O O O O O O O O O O O O O O O O O	Maillien	very Qualified	באת בווובוא כתקווובם
Unqualified Underqualified Qualified Very Qualified	ucation and business experience of the applicant including experience with regulated industries, agriculture or horticulture, mmercial manufacturing, secure inventory tracking and control, cultivation of medical marijuana, 24 Hour security businesses, and sation and implementation of a business or financial plan					7
beir Unqualified Underqualified Qualified Very Qualified Underqualified Qualified Very Qualified Unqualified Qualified Qualified Very Qualified Very Qualified Underqualified Qualified Very Qualified Very Qualified Underqualified Qualified Very Qu		Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qualified
bbic  Unqualified Underqualified Qualified Very Qualified						
blic  Unqualified Underqualified Qualified Very Qualified	/ railed plans of sufficient production including strains, products, amount, and cultivation methods, testing, prevention of cross lination, disposal, and the manufacturing and processing (if applicable) of the medical marijuana.					\
bit of the control of	- Construction Compliance (8) ( S)					
restion including type of alarm system, type of video identity, surveilance and security record retention plan, other indicated inactions and vehicles for transportion of planents transport plan.  Unqualified Underqualified Qualified Very Qualified Very Qualified Very Qualified Underqualified Qualified Very Qualified Underqualified Qualified Very Qualified Very Qualified Underqualified Qualified Very Qualified Very Qualified Underqualified Qualified Very Qualified Very Qualified Very Qualified Underqualified Qualified Very Qualified Very Qualified Underqualified Qualified Very Qualified Very Qualified Very Qualified Very Qualified Underqualified Qualified Very Qualified Ve	for construction or removation of facility including material for the foundation, exterior walls, and roof, plans to prevent perceptible ervation, odors, light pollution, noise, and mold ventilation, blueprint or drawing with total square foctage, primary entrance, all seas and egress points, limited or restricted areas, cultivation areas, storage areas, or other areas, a plot plan of the realty with public 45, private roads, and adjacent property uses, color photos of exterior portions of facility, and specific stages of cultivation in each ned area with square footage and planned maximum canopy height for medical marijuana in the area					/
reaction including type of alarm system, type of video identity, surveillance and security record retention plan, other indecisi marijuana ion of labeleing methods including photos or diagrams, and gedescriptions of containers and vehicles for transportion of plicant's transport plan.  Unqualified  Underqualified  Underqualified  Underqualified  Underqualified  Underqualified  Underqualified  Underqualified  Underqualified  Very Qualified  Unqualified  Underqualified  Underqualified  Underqualified  Underqualified  Very Qualified	Security and Storage Requirements (9)	202022280				
for or labeleing methods including photos or diagrams, and placent's transportion of plicant's transport plan.  Unqualified Underqualified Qualified Very Qualified Very Qualified Underqualified Qualified Very Qualified Very Qualified Underqualified Qualified Very Qualified Very Qualified Very Qualified Underqualified Qualified Very Qualified Very Qualified Very Qualified Unqualified Qualified Very Qualified	to deter and prevent unauthorized entrance as well as theft in and diversion including type of alarm system, type of video reliance, other security and surveillance including outside contractor identity, surveillance and security record retention plan, other unity or diversion prevention plans, and plan for storage of harvested medical marijuana					/
ion of labeleing methods including photos or diagrams, and generated photos or diagrams, and generated photos or diagrams, and vehicles for transportion of placent's transport plan.  Unqualified Underqualified Qualified Very Qualified Very Qualified (Inderqualified Qualified Qualified Qualified Very Qualified Very Qualified (Inderqualified Qualified Qualified Very Qualified (Inderqualified Qualified Qualified Very Qualified (Inderqualified Qualified Very Qualified (Inderqualified Qualified Very Qualified (Inderqualified Qualified Very Qualified (Inderqualified Qualified (Inderqualified Qualified (Inderqualified Qualified (Inderqualified (In	- Packaging Requirements (10)		No. of the second			
Person, loss, or theft including descriptions of containers and vehicles for transportion of comainers and vehicles for transportion of containers and vehicles for transport plan.  Unqualified Underqualified Qualified Qualifie	cription of types of packaging including photos or diagrams, description of labeleing methods including photos or diagrams, and cription of weighing, packing, and preparation process for transport.					1
bit commitment with breakdown of amounts for start up and long term stability, proposed perations schedules  To commitment with breakdown of amounts for start up and long term stability, proposed perations schedules  To commitment with breakdown of amounts for start up and long term stability, proposed perations schedules  To commitment with breakdown of amounts for start up and long term stability, proposed perations schedules  To commitment with breakdown of amounts for start up and long term stability, proposed perations schedules  To commitment with breakdown of amounts for start up and long term stability, proposed perations schedules  To commitment with breakdown of amounts for start up and long term stability, proposed perations schedules  To commitment with breakdown of amounts for start up and long term stability proposed perations of applicants and owners, summary of financial containing the committeed of Qualified (Very Qualified Onderqualified Qualified Onderqualified O	- Transportation Requirements (9)					
bbt commitment with breakdown of amounts for start up and long term stability, proposed perations schedules of amounts for start up and long term stability, proposed of any bankruptcy filings, credit histories of applicants and owners, summary of financial other information to prove financial stability.  I Doctor, Doctor of Osteopathy, or Doctor of Pharmack (2.5)  Unqualified Underqualified Qualified Very Qualified Very Qualified Onderqualified Onderqualifi	nonstration of a plan to reduce risk of diversion, loss, or theft including descriptions of containers and vehicles for transportion of ical marijuana and any other relevant information regarding the applicant's transport plan.					7
bbt commitment with breakdown of amounts for start up and long term stability, proposed  The state of a mounts for start up and long term stability, proposed  The state of a mounts for start up and long term stability, proposed  The state of a mount for start up and long term stability, and state of a policents and owners, summary of financial of any bankruptcy filings, credit histories of applicants and owners, summary of financial of any bankruptcy filings, credit histories of applicants and owners, summary of financial of any bankruptcy filings, credit histories of applicants and owners, summary of financial of any bankruptcy filings, credit histories of applicants and owners, summary of financial of any dualified of any Qualified of One of Osteopathy, or Doctor of Pharmacy (2.5)  The state of the state of Osteopathy, or Doctor of Pharmacy (2.5)  Unqualified Ouderqualified Qualified Oualified Oualifi	edule 3 - Operations Plan (20)	Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qualified
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of any bankruptcy filings, credit histories of applicants and owners, summary of financial other information to prove financial stability.  I Doctor, Doctor of Osteopathy, or Doctor of Pharmacy (2.5)  Unqualified Underqualified Qualified Very Qualified Very Qualified Underqualified Qualified Very Qualified Very Qualified Underqualified Qualified Very Qualified Very Qualified Very Qualified Underqualified Qualified Very Qualifie	ailed description of estimated capital & debt commitment with breakdown of amounts for start up and long term stability, proposed fing requirements, hiring criteria, & daily operations schedules					/
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of any bankruptcy filings, credit histories of applicants and owners, summary of financial other information to prove financial stability.  I Doctor, Doctor of Osteopathy, or Doctor of Pharmacy (2.5)  Unqualified Underqualified Qualified Very Qualified Very Qualified Underqualified Qualified Very Qualified Very Qualified Unqualified Qualified Very Q	mated timeline for opening of cultivation facility			100		
of any bankruptcy filings, credit histories of applicants and owners, summary of financial other information to prove financial stability.  I Doctor, Doctor of Osteopathy, or Doctor of Pharmacy (2.5)  Unqualified Underqualified Qualified Very Qualified Very Qualified Underqualified Qualified Very Qualified Very Qualified Unqualified Underqualified Qualified Very Qualified Very Qualified	edule 4 - Financial Disclosure (10) ( O	Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qualified
Doctor, Doctor of Osteopathy, or Doctor of Pharmacy (2.5)   Unqualified   Underqualified   Qualified   Very Qualified   Very Qualified   Very Qualified   Very Qualified   Unqualified   Unqualified   Underqualified   Very Qualified   Very Qual	al sources of finances available, disclosure of any bankruptcy filings, credit histories of applicants and owners, summary of financial ements for other businesses owned, and other information to prove financial stability.					
Unqualified Underqualified Very Qualified Very Qualified Very Qualified Unqualified Underqualified Qualified Very Qualified	edule 5 - Affiliation with a Medical Doctor, Doctor of Osteopathy, or Doctor of Pharmacy (2.5)	Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qualified
versity (5)  Unqualified Underqualified Qualified Very Qualified  Unqualified Underqualified Qualified Very Qualified	Š			\		
Unqualified Underqualified Very Qualified  Very Qualified	edule 6 - Economic Impact and Diversity (5)	Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qualified
Unqualified Underqualified Very Qualified Very Qualified				\		
	edule 7 - Community Benefit (2.5)	Unqualified	Underqualified	Qualified	Very Qualified	Extremely Qualified
				/		



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
100015	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

	ADVANTAG	E ARKANSAS	CREATE REBATE*	ARKP	LUS
	Payroll Threshold	Benefit (% of Payroll)	Benefit (% of Payroll)	Minimum Investment (Benefit = 10% c	Minimum Payroll of Investment)
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

<sup>\*</sup> Minimum payroll of \$2,000,000 required to qualify, regardless of 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

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.