



All products rendered to first time patients (FTP's) and qualified members are met in return with a donation to Friss Frass Shop is mentioned below

TOP SHELF FLOWERS:

- Cost – \$2500 - 3000/lb. (lb = 448 grams) \$5.58 - \$6.70 per gram
- Min. Donation – \$15-20 per gram
- Return - \$9.42 - \$13.30 per gram
- 1/8th oz. (3.5 grams) Donation: \$60 minus \$23.45 cost = \$36.55 return.
- 1 oz. (28 grams) Donation: \$325 minus \$187.60 cost = \$137.40 return.
- A \$3000 pound when distributed in 1/8ths at \$60 per 1/8th will yield \$7680 in proceeds, which is \$4680 after cost of each pound is covered.
- \$3000 a pound when distributed in ounces at \$325 per ounce will yield \$5200 in proceeds, which is \$2200 after cost of the pound is covered.
- When a \$3000 pound is distributed in all 1/8th ounces, (128 1/8th's per pound), cost of distribution drivers will be \$640, leaving \$4,040 after this cost.
- When a \$3000 pound is distributed in all ounces, (sixteen ounces per pound), cost of distribution drivers would be \$320 dollars, leaving \$1900 after this cost.

Please note: ALL orders will not be sold in 1/8ths, nor will they all be sold in ALL ounces. This is merely the top and bottom range of what will be yielded per top shelf pound.

MID - GRADE FLOWERS:

- \$1400/lb is \$3.13 per gram
- Min. Donation - \$10 per gram
- Return - \$6.87 per gram
- 1/8thoz. Donation: \$30 minus \$10.96 cost = \$19.04 return
- 1 oz. Donation: \$200 minus \$87.64 cost = \$112.36 return
- \$1400 pound when distributed in 1/8ths at \$30 will yield \$3,840 in proceeds, which is \$2,440 after the cost of the pound.
- \$1,400 pound when distributed in ounces at \$200 will yield \$3200 in proceeds, which is \$1800 after cost of the pound is covered.
- When a \$1400 pound is distributed in all 1/8ths, cost of distribution drivers would be \$640 dollars, leaving \$1,800 after this cost.
- When a \$1,400 pound is distributed in all ounces, cost of distribution drivers would be \$320 dollars, leaving \$1,480 after this cost.

Please note: We have a \$50 minimum donation on all deliveries.

COSTS:

- Containers for patient distribution (19 dram size, holds 3.5 grams) - \$50 per 225 pieces
- Container cost per lb - \$100
- Labeling cost per lb - \$20
- Mason jars per lb - \$30
- Weighing and packaging (production) - \$100 per lb (6 hrs per pound)
- Additional misc. small items - \$100 per lb.
- Lab testing - \$182.50 per lb
- Total processing cost – \$532.50 per lb.
- Processing breakdown - \$4.16 per 1/8th oz.
- Lowest pound return – \$1,480 minus \$532.50 processing cost = \$947.50
- Peak pound return – \$4,040 minus 532.50 processing cost = \$3,507.50
- Projected avg. return \$2,227.50 per pound.

Please note: Our goal is to distribute 1 pound per day to our qualified members. This in return will average \$2,227.50 per day, or roughly \$69,000 per month.

We have no debt, and no liability. The only liabilities that must be avoided are inorganic products with harmful chemicals and distributing to non-qualified patients or members.

We adhere to strict rules of patient authenticity verification to ensure that all of our prospective qualified members are over the age of 21, live in California, have a valid identification card and possess a valid physician's recommendation to use medical marijuana. We do not distribute medical cannabis to non-patients or non-members.

We test all of our products to identify the amount of THC, CBD, CBN, etc. We test for Yeast, Mold, Bacteria and other things that may be harmful and hazardous in a professional certified testing facility to insure safety. There are no harmful substances in any of our products. If a product fails to meet our strict criteria, we immediately return the product at no cost and move forward with other cultivators that we have built relationships with.

ADVERTISING FIXED COST:

- Posters – 5000 pieces - \$300
- Stickers – 1000 pieces - \$200
- Flyers – 5000 pieces - \$200
- Giveaways - \$1000/month (lighters, lanyards, medication, etc.)
- Publication - \$700/month for "Reader" ¼ pg ad
- Media (TV, Radio) – 30 second commercials - \$3000/month
- S.E.O. (search engine optimization) \$500/month
- Social Media/Yelp reviews – (2hrs/day 7days/week) \$800/month
- Weedmaps - \$300 per pin/truck per month. per location.
- Purchase Web Traffic (followers, likes, views, etc.) \$500/month
- Special Events (10x10 booth) with electricity and internet - \$5000/ per event.
- 420 Magazine – Trade Only!
- Website/Maintenance - \$1000/month
- Phone App – (Friss Frass) TBD
- Street Team - \$11/hr per promoter - \$5000/month
- Concerts/Events – \$5000
- Mailbox - \$200/yr
- Cell Phones x4 - \$100/month
- 800 number/Blast text service - \$50/month
- Legal/Lawyer - \$400/hr as needed

ADVERTISING FIXED COST CONT.:

- Hosting/ .com/ Server - \$1000/yr
- Graphic Design - \$100/job
- Quarterly Taxes - \$600/qtr
- City/State Licensing – (Lemon Grove) \$25,000
- Legal consulting firm to acquire city license - \$100,000
- Salary- Based on performance of business
- Total Cost - \$15,000/month

Please note: Some of the above listed items are mandatory and some are optional. Costs will vary as some are charged per job on a weekly, monthly, quarterly and yearly basis. Some are one-time expenses.

EDIBLES AND CONCENTRATES:

Edibles are a necessity, as some patients prefer not to smoke Marijuana. Cost will vary per Wholesaler depending on type and quantity purchased. Typically, a minimum order of 12 items is required in order to get it at a discounted rate. The cost is at most, half of what our reasonable required donation would be. Estimated monthly budget \$1500.

Elderly patients prefer Edibles that are Gluten Free and non-GMO

FRANCHISE/ PARTNERSHIP OPPORTUNITIES:

The membership fee is for operating with the use of our Seller's Permit and tax ID number as FRISS FRASS SHOP.

Cost for lawyer consultation and to create the partnership agreement is \$400/hr (as needed). Membership fee to use our conditional permit / license is a min. of \$1000 per week. The reason for this cost is for sharing of all expenses/ training drivers on FRISS FRASS SHOP policies and procedures/ consulting. \$4000 down is required before beginning operations. Please note: all investments must be structured as a loan to Friss Frass Shop as we are a non-profit.

IF NEEDED:

If a FRISS FRASS SHOP experienced cultivator is requested and needed to assist you, you must agree to cover cultivating, training and consulting fees. A total of \$1500 per week is required. Please note: Per diems such as food, travel and hotel are a separate expense.

CULTIVATING:

California state law allows us to grow up to 12 immature or 6 mature plants per patient to cultivate. A safe yield is 2 pounds per plant after 100 days of growing. That means growing 50 plants will produce 100lbs and be ready for consumption after ~28 days of drying and curing.

Please note: The more patients we have, the more we can grow and the more we can transport.

OPERATING COST:

- Utilities - \$4000/mo
- Warehouse Lease - \$3000/mo
- Fertilizer - \$1000/mo
- Seed - \$600/crop
- One-Time equipment - \$40,000
- One-Time construction/contractors (construction, electrician, plumber, HVAC, comms) - \$40,000
- Crop labor workers - \$5000/mo

Growing our own strain will yield 100lb every 3-4 months. Cost here is shown at \$13,000/mo or \$52,000/ 4 months. There is also an \$80,000 equipment and construction cost that needs to be figured in to begin a cultivation operation. 100 pounds will bring in a minimum of \$1500/lb will yield \$150,000, or \$98,000 after costs are covered. These are estimates for standard dirt cultivation ONLY. If we cultivate using a "soil-less" method called "hydroponic", an extremely high quality crop will be produced, and prices could range from \$2000-\$3000 per lb. Our ultimate goal is to hybridize and create our own exclusive high-quality strains which in return will make us more money.

Annual Cultivation Costs - \$156,000
One-Time equipment and construction - \$80,000
Estimated Annual return - \$450,000

Note from our legal team: Our services (licensing process) is \$100k total Depending on the ordinance, the fees paid to the city or county are in the tens of thousands You must attain property (either lease or buy) prior to applying for a permit. In most cases, you buy out current property owners. Additionally, banks do not finance for our business. Our CEO is also an architect who can advise on the best ways to design per square footage. Property can run in the millions. Then, you have to build out your dispensary or grow operation which is usually in the hundred-thousands. We usually advise clients to have about \$2-3 million liquid assets

COMPETITION:

Direct Competition –

There are roughly 10 delivery services (mobile retail outlets) operating in San Diego. None of which have been issued city license Y.T.D.

INDIRECT COMPETITION:

Our indirect competition is a comprised collection of all the dispensaries (storefronts) in San Diego and San Diego County. As of 2016, Thirteen licenses WERE granted by the city but only four are up and operating.

WHAT MAKES US DIFFERENT?

We can make non-compliant cultivators legal by becoming a membership of FRISS FRASS SHOP.

We are HIPAA compliant.

We have excellent customer service. We do random patient follow-ups.

We are the ONLY delivery service open until 5 a.m.

We have exclusive rights and first consideration to distribute celebrity brand name strains that no other collective do not have.

We have exclusive edibles / concentrates that no other collective do not have.

We have the lowest minimum delivery fee of all local providers.

Prompt delivery service time.

Drivers are professional and knowledgeable.

First time patients and qualified members can make reservations.

We have created a Referral Point System (in the making)

We have created a Rewards Program (in the making)

We have created a monthly comical newsletter (in the making)

We have created a cannabis value chain map (in the making)

We sign up first time patients to become qualified members.

Our total cost for the first year is \$430,000 and we are asking for a total of \$500,000 (five hundred-thousand) which will cover costs, expenses and desired expansion for a period of twelve months.

Our goal is to raise \$1,000,000