

BUSINESS PLAN AND MANAGEMENT PROFILE

MISSION STATEMENT

“To support the local community through social equity and diverse hiring practices, while cultivating a boutique dispensary and brand focused on delivering the highest-quality cannabis to consumers and ensuring a clean and sustainable future for the planet.”

EXECUTIVE SUMMARY

Buku Culture (“the Company”) will be a boutique, niche, certified women-owned and minority-owned cannabis dispensary located in the Impact Zone of Jersey City. The Company will focus on supplying the highest quality and cleanest cannabis products with great attention to having a low carbon footprint. The Company is currently seeking a Conditional Cannabis Microbusiness Class 5 Retail License from the State of New Jersey, with plans to convert the license to a non-microbusiness Retailer when permitted by the New Jersey Cannabis Regulatory Commission (“CRC” or “the Commission”). Community outreach will be a vital part of Buku Culture’s overall business operations, with an emphasis on providing social and economic empowerment to those in need. All-in-all, the Company’s values go far beyond providing top-quality cannabis products to consumers and uplifting the local Jersey City community.

Proposed Location: Upon licensing approval, Buku Culture will develop a brand new, state-of-the-art cannabis dispensary on the property located at 390 Tonnele Ave, Jersey City, New Jersey 07306. Buku Culture holds a unique position in that the owners currently own the property, which is readily zoned for a cannabis dispensary. The facility is located on a highly traveled roadway while allowing customers to safely enter and exit the premises. The site also contains ample parking space within a large lot, which is unique in Jersey City. Given the close proximity of popular landmarks, such as Downtown Jersey City, Waterfront 9/11 Memorial - #8 (3.6 km), and Katyn Forest Massacre Memorial (3.9 km), Buku Culture is easily accessible by prospective consumers visiting some of Jersey City's most well-known attractions. Moreover, Jersey City has been identified as an “Impact Zone” as per CRC designation, and the municipality permits all types of cannabis uses in the city.

Competition and Competitive Advantages: Buku Culture will initially face competition from a few existing medical cannabis retailers in the Jersey City area that will likely be the first to market in the recreational segment. The identified competitors include Harmony Dispensary, located at 600 Meadowlands Pkwy Suite 15, Secaucus, New Jersey 07094, and RISE, located at 26-48 Bloomfield Ave, Bloomfield, New Jersey 07003. The Company will set itself apart from the competition through its commitment to providing high-quality cannabis products, exceptional customer service, and community engagement programs designed at empowering the local community.

Market Opportunity: New Jersey is projected to be one of the largest recreational cannabis markets on the East Coast. With a total population of approximately 8.8 million, it is one of the

most densely populated of all U.S. states. On Election Day 2020, New Jersey residents overwhelmingly voted to legalize adult-use cannabis, setting into motion the formation of a billion-dollar market. Over the next year to 2023, Marijuana Business Daily projects the State's adult-use cannabis industry to generate \$1.2 billion-\$1.5 billion in annual retail sales. Over the next four years to 2026, the Retail Cannabis industry in the U.S. is projected to grow at an annualized rate of 19.7% to \$45.7 billion. Marijuana use among young adults in New Jersey and the United States has generally been stable and flat over the 2019-2022 period. In 2020, an estimated 315,000 young legal-aged adults reported marijuana use during the prior year. Cannabis usage for those aged 18-25 increased by about 3.5% in New Jersey. For those over 25 years of age, approximately 517,000 adults in New Jersey reported marijuana use in the past year, while in 2021, the number increased to 651,000 users.

Marketing: Marketing for Buku Culture will be done through a variety of channels, with the primary drivers being its in-person relationships and online reviews and recommendations. Through the Company's community engagement and outreach initiatives, Buku Culture will be able to promote its brand while building relationships with community leaders and residents, further fortifying the Buku Culture brand as a trustworthy and reputable cannabis dispensary. Additional marketing strategies include creating a user-friendly website to host company and product information, local blogs and publications, and creating social media content curated toward specific target markets within the industry.

Target Market: Buku Culture's primary target market will be any legal consumer across a specific sub-set of consumer demographics, which includes parents, creatives, working professionals, and cannabis experts. The Company will further divide its prospective customers into age groups consisting of Generation Z, Millennial, Generation X, and Baby Boomer consumers while developing marketing strategies for each. Understanding its buyer personas is a key component to generating and disseminating the right messaging to the right people. Knowing how to market to each of these demographics will play a crucial role in the success of the Company.

Objectives: The purpose of this plan is to obtain licensing approval from the state of New Jersey while providing the CRC with the information necessary to evaluate the scope and future growth of Buku Culture in the marketplace. In addition to serving as a roadmap for management, the plan will show that a significant market opportunity exists, the management team is qualified to execute a well-thought-out plan, and the correct capital structure is in place to allow for a long-lasting, profitable business.

Financial Objectives: To achieve the Company's objectives, Buku Culture has secured **\$1.00 million** in private funding. The funding will be utilized in the facility buildout, staffing, operations, inventory and marketing initiatives. Buku Culture's financial model shows consistent growth for the brand over the next five years. By year three, plans call for the Company to achieve **\$14.5 million** in annual gross revenue, with a net profit of **\$4 million** or approximately **27.5%**.

DESCRIPTION OF THE PROPOSED BUSINESS

Buku Culture will be focused on the niche market segment of cannabis retailing, offering the residents of Jersey City a dispensary that is focused on empowering and educating its community

and consumers. The Company will be classified as a Microbusiness Retailer for the first year, allowing it to benefit from lower barriers to entry. Buku Culture is aiming to position itself as more of a boutique and high-quality niche cannabis provider with a focus on providing the highest quality and cleanest cannabis products. Buku Culture's high-quality brand will be made even more notable through its commitment to maintaining a low carbon footprint, by using clean and sustainable energy in operations wherever possible.

Buku Culture has integrated a community outreach plan that will play a vital role in overall business operations. The Company will support the Jersey City community through several community initiatives, which include assisting people in the Jersey City area that have been negatively affected by the prohibition of cannabis, working with food banks to help families in need, partnering with the Jersey City Police Department through sponsorship of events and initiatives, supporting community arts and culture through sponsorship and leadership, and hiring local applicants whenever possible.

Company Structure

Buku Culture is registered as a limited liability company (LLC) in the state of New Jersey. Ownership is held by Ronnie Smith (51%), Clare Denise Kelly (39%), Evan Pironti (5%), and Bennett Pironti Jr. (5%).

Facility Analysis

Buku Culture's dispensary will be located at 390 Tonnele Ave, Jersey City, New Jersey 07306, situated on a 0.96-acre lot. Buku Culture holds a unique position in that the owners currently own the property. Although there are limited areas in Jersey City that are zoned for a cannabis retailer, the Company's location is readily zoned for a cannabis retail establishment. The property is in an Impact Zone as designated by the CRC. Upon licensing approval, the Company will construct a brand new, state-of-the-art cannabis retail facility. The facility size will be a maximum of 2,500 square feet, in accordance with the New Jersey microbusiness requirements.

Facility Design: The Company will design a retail space that reflects the high-quality values of the Buku Culture brand. Many of the current medical dispensaries in the area resemble a doctor's office. To distinguish itself from this mundane atmosphere, Buku Culture will design its dispensary to be beautiful, welcoming, warm, and exciting, offering customers a unique experience. The Company will use high-quality materials in the facility buildout and invest approximately \$500,000 into the architecture, construction, signage, lighting, and entry experience. The Company's retail store will combine design, style, and technology to produce a distinct, high-end brand. The interior will feature a unique designer touch, high-class ambiance, and vibrant colors to create a unique cannabis shopping experience and aesthetically pleasing storefront.

No cannabis, cannabis products, or graphics depicting cannabis will be visible from the exterior. This includes any reception area or areas visible through a window. All signage will conform to the requirements set forth in the relevant code sections of the Jersey City Municipal Code. It will also be clearly posted that no smoking, ingesting, or otherwise consuming cannabis is permitted on the premises.

Sustainable Business Practices: The Company is focused on achieving sustainable business practices to help reduce its impact on the environment. To achieve the objectives, the Company will incorporate a comprehensive strategy to achieve energy conservation, promote clean water and air, and establish effective waste management policies. In addition, the Company will aim to find supply chain vendors and service providers who will also further these same priorities.

Green Design & Construction: It is the Company's goal to be a commercial cannabis business that utilizes all commercially available tools to reduce the consumption of valuable resources. This begins with selecting materials and vendors for the buildout of the facility that further the Company's goals for green design. These strategic decisions will drive the design and construction process. By utilizing superior insulation materials, the Company will be able to maximize the efficiency of its retail space. Advances in commercial solar panels and smart technology will allow the Company to dramatically reduce its energy consumption. The Company will also install an HVAC system that realizes maximum energy efficiency coupled with advanced sensors and programmable controllers to allow for zoned heating and cooling.

Water and Energy Conservation: Because of the high-energy consumption of commercial retail space, efficiency is paramount to lowering the carbon footprint of our entire facility. Energy conservation is more accessible than ever through Energy Star or similar products that will be incorporated into the buildout and appliance purchasing decisions. This includes the use of LED lighting throughout the space, and where appropriate for exterior lighting. Insulation of pipes and ducts will also net incremental gains in efficiency to help reduce the overall annual energy consumption of the facility. Additional measures to reduce the use of water inside and outside the facility include utilizing drought-tolerant plants, rain collection, and other landscaping techniques around the premises that will help conserve resources. Implementing low-flow devices, as well as sensors and other devices to track and monitor the consumption across the facility will help to further lower the Company's carbon footprint. In addition, The Company will set policies and educate our employees on how to conserve energy and water in day-to-day operations.

Staff Diversity Plan

Buku Culture will promote fair hiring practices and equity among women, minorities, veterans, people with disabilities, people who have been disproportionately affected by the prohibition of cannabis, and people of all gender identities and sexual orientations. Procedures will be in place to ensure all employees adhere to nondiscriminatory practices when leading, promoting, and communicating with staff. Discrimination occurs when an employee or job applicant receives less favorable treatment because of a specific characteristic they have. In many cases, employers in New Jersey are prohibited by law from engaging in discrimination. Additionally, as a microbusiness located in an Impact Zone, at least 51% of the Company's employees will be residents of Jersey City.

Buku Culture's Diversity Plan goals also encompass:

1. Create a team of employees from a wide range of different backgrounds, including people of African American/Black descent, Hispanic or Latino descent, women, and veterans.
2. Ensure all staff members adhere to nondiscriminatory behavior when communicating and working with each other.

Programs

1. The Company's hiring practices will ensure employees are hired from diverse backgrounds
2. Staff training will explicitly explain that discrimination towards any coworker will not be tolerated. Procedures will be in place for employees to make formal complaints without fear of being reprimanded. All complaints will be investigated by the Company's CEO in an unbiased manner, and appropriate action will be taken to rectify the situation.

Measurement and Accountability

Buku Culture's goals for creating a diverse team of staff members will be measured by self-identified demographic data. Any gap between the intended goal and actual result will be addressed by the Company's CEO and rectified in future recruitment strategies and hiring decisions.

Employee Benefits

Employee benefits are an important part of the overall compensation package we seek to offer our employees. In addition to a livable wage, Buku Culture will provide its employees with:

- Medical benefits for all employees that work 25 or more hours per week (in accordance with NJ State Employment and Labor Laws)
- 401K program where employees have the option to contribute a portion of their pay towards their retirement savings with a match up to 100% of the employees' 5.5% pretax contribution
- Tuition assistance for Cannabis Certifications

Employee Training & Continuing Education

Buku Culture will have an orientation training program for all new hires, as well as monthly meetings to ensure employees are well informed of company procedures and state and city laws and regulations. Since the cannabis industry is relatively new and constantly evolving, Buku Culture will hold bi-weekly staff meetings to keep all personnel up to date on laws, important news, and any regulatory changes within the municipality or state. Training sessions will also be held when needed in a timely manner, such as when any new rules and regulations are announced. In addition, periodic refresher training sessions will be held to ensure staff are maintaining standards and protocols. All new employees will undergo a rigorous orientation where they will be trained on the following:

- | | |
|----------------------------------|---------------------------------|
| • Government Regulations | • Cannabis Product Knowledge |
| • Cannabis Dispensing Procedures | • Administrative Duties |
| • Customer Service Standards | • Anti-Harassment Training |
| • Office Procedures | • Safety and Security Protocols |

All employees will be subject to the background check requirements and must obtain a Cannabis Business Identification Card prior to commencing work at Buku Culture, in addition to mandatory training.

Marketing Campaign

The Company's marketing strategy will encompass strategies to reach a wide range of customers. Buku Culture will aim to post daily content across all its social media platforms and look to partner with social media influencers and celebrities to help promote the Buku Culture brand. As part of its community engagement plan, Buku Culture will seek out opportunities for outreach in the

community to educate potential customers on how to safely consume cannabis, while eradicating the negative stigma surrounding cannabis and the cannabis industry.

Create Authentic Personal Connections: In a retail or local business environment, the staff makes connections face-to-face daily, which makes creating personal connections an essential part of the Company's retail dispensary marketing plan. To implement this strategy, Buku Culture will need to ensure that its security personnel and budtenders understand that their main job is to serve the people walking through the door. Additionally, Buku Culture will open new lines of communication between its customers and dispensary employees to up-sell and keep consumers abreast of any new deals or products.

Online Customer Reviews & Recommendations: Word of mouth and personal recommendations are the primary sources of traffic for local businesses, as well as the fastest way to get new customers. Buku Culture will increase foot traffic by encouraging, amplifying, and escalating referrals.

Website and Online Store: According to the American Journal of Preventative Medicine, from 2005 to 2017, online searches for marijuana rose by 98%, with millions of Americans searching for it. The online sale of marijuana and related items has taken off in the North American e-commerce industry, resulting in a major advance in marijuana marketing. With an increase in delivery spurred on by COVID-19, many consumers are looking to e-commerce markets, presenting a huge opportunity for Buku Culture.

SEO Optimization: The Company will identify high-converting keywords to optimize website pages, blog posts and other online relevant long-tail keywords to increase organic search traffic and boost sales.

Blog Posts and Press Releases: Press releases to local media stations and networks will allow Buku Culture to reach thousands of relevant buyers who may already be searching for services. Top publications include:

- Cannabis Culture Magazine
- Big Buds Magazine
- Strain Insider | Cannabis Business & Lifestyle Magazine
- Cannabis Business Times
- Hemp Business Journal
- Skunk Magazine
- CBD Health and Wellness
- Marijuana Venture

The Company will take advantage of online platforms and increasingly popular online trends, made even more prevalent by the COVID-19 pandemic, by creating blog posts. The same information will become more accessible in online networks.

Educating Readers: By providing educational content, Buku Culture will be able to get people to see the Company as authentic and credible. In turn, Buku Culture will build trust and grow an engaged audience for its business. Some of the topics the Company can explore are:

- Growing marijuana
- Different strains of marijuana
- Benefits of marijuana
- What to look for when buying marijuana
- Different types of marijuana products

Social Media: The Company will plan its visual content, creating and posting impressive images, infographics, gifographics, and videos with appropriate hashtags. Buku Culture will use informative write-ups, paired with graphics that have minimal text. Additionally, the Company will:

- Have a Search Engine Optimized website that will direct traffic searching for local cannabis dispensaries.
- Post engaging videos and high-quality photos to promote products and provide consumers with a behind-the-scenes look into the Company
- Target and advertise to the desired demographic on Facebook, based on their interests and geographic location.
- Implement a Yelp advertising campaign to target recreational marijuana users in the targeted age and income demographics.
- Post updated images on Instagram to create a buzz around launch, popular product items, and promotions.

Security Plan

Buku Culture will be responsible for ensuring that minors do not enter their retail store and are not sold non-medical cannabis or cannabis accessories. In accordance with the regulations laid out by the Commission and N.J.A.C. 17:30-12.2, Buku Culture will ensure cannabis accessories and packaging and labeling of cannabis and cannabis accessories will not be visible to minors from outside the store. The Applicant will post signage at the entrance to their stores indicating that minors are not permitted.

Additionally, the Applicant and the Company's employees will not deliver non-medical cannabis or cannabis accessories to minors. If there is any doubt whether a patron or other individual receiving a cannabis delivery is 21 or over, the Applicant and Company employees will take reasonable steps to verify age by requesting two pieces of ID, examine both pieces carefully, and act on the authenticity of the identification. If the Applicant or employee cannot demonstrate that they have done this, the Applicant could be held responsible for allowing a minor to enter their store for selling and/or delivering cannabis or cannabis accessories to a minor.

The full safety and security plan will be provided as part of the conditional conversion application once Buku Culture receives conditional approval.

Security Contractor: Buku Culture will contract with Tony Gallo of Sapphire Risk Advisory Group for its third-party security contractor. Considered in the industry as the “O.G. of Cannabis Security”, Tony is the Managing Partner at Sapphire Risk Advisory Group (<https://www.sapphirerisk.com/>), voted one of the Top Cannabis Ancillary Firms. Since 2013, Sapphire Risk has been focused on developing cannabis security strategies for businesses and has worked with over 500 clients in 35 States. As part of its services, Sapphire Risk Advisory Group will be providing Buku Culture with the following services:

- Security Consulting
- Security Floorplan Design
- Secure Facility Buildout
- Standard Security Operating Procedures
- Risk Assessment

Milestones

The Company’s tentative milestones are detailed below.

	Start Date	Duration (days)
Secure Conditional License	4/15/2022	90.00
Secure City License	4/15/2022	90.00
Facility Buildout & Permitting	7/15/2022	120.00
Submit Conversion Application and Receive Annual License	7/15/2022	90.00
Hire Staff	8/15/2022	60.00
Procure Inventory	8/15/2022	60.00
Grand Opening	10/15/2022	30.00

VALUE PROPOSITION FOR CONSUMERS

Buku Culture is committed to providing local consumers with an immense amount of value by maintaining both high quality and cost-competitive products. At the same time, Buku Culture will emphasize creating a responsible and safe environment, for not only cannabis consumers but the rest of the community alike. The Company will implement initiatives such as a community give-back pledge, to create value far beyond providing quality products. By giving back to the local community, Buku Culture and its founders believe they can support and help create a positive local impact.

Buku Culture will hire and train knowledgeable staff members to ensure customers receive a high level of professional advice and customer service. The Company will be committed to providing consumers with customer loyalty discounts and laboratory-tested cannabis products that are safe for consumption. The Company’s goal is to always provide a pleasant customer experience, where people feel comfortable, at ease, and free to ask any questions.

Maintaining Confidentiality of Purchasers

As per the requirements laid out by the Cannabis Regulatory Commission, the Company will not require purchasers to provide personal information, other than government-issued identification to determine the purchaser's age and will not record personal information about a purchaser without the purchaser's consent. The Company will also abide by all other privacy laws concerning consumer data, as specified in the New Jersey Personal Information and Privacy Protection Act regarding business transactions. Additionally, the Company will not sell or provide any consumer data to third parties, unless required to do so by government authorities.

Consumer Education

Buku Culture will host education seminars to teach cannabis basics and help consumers understand the uses, benefits, regulations, and safety concerns surrounding cannabis use. The education will include information related to the pros and cons of cannabis use and abuse, the fundamentals of cannabis, and the different forms of cannabis use, including non-smoking forms. The Company aims to destigmatize the cannabis industry by providing a transparent look into the production practices, the effects of different strains, the methods of ingestion, and the path that products take from seed to sale, among others. By developing this connection with consumers, the Company will promote its high-quality products while creating a brand that is known for being a knowledgeable and reputable source of cannabis information.

Community Engagement Plan

New Jersey became the 13th state to legalize cannabis for adult use in February 2021. This policy change happened after years of community members and campaigners raising awareness about the racially unequal enforcement of cannabis prohibition and the decades of harm inflicted on New Jersey's Black and brown communities. Community members, advocates, and the vast majority of the public argued that cannabis should not only be legalized but that it should be done in a way that begins to heal past harms and creates an inclusive and fair market.

Jersey City will qualify as an "impact zone" under legislation allowing recreational cannabis use, entitling it to increased tax money produced by cannabis sales as well as preference for cannabis licenses.¹ The goal of impact zones is to alleviate the historically disproportionate impact of cannabis law enforcement on Black and Brown populations. Buku Culture will seek to solve difficult issues within Jersey City by embracing unconventional and underrepresented community perspectives, respecting lived experience, and working within cultures, beliefs, and values. Buku Culture will concentrate on providing consumers with reliable and useful consumer education, as well as information on New Jersey's new cannabis legislation.

When local consumers purchase cannabis products from Buku Culture, they can be assured they are also supporting their local community. Buku Culture recognizes that partnerships between local businesses and nonprofit organizations create synergies that benefit consumers and the larger community. Workforce development will play a crucial role in the Company's mission of helping individuals in the community achieve self-sufficiency and live safe, productive, and fulfilling lives. Buku Culture will implement several community engagement programs, including the following:

- **Food Banks:** Working with Jersey City food banks, such as The Sharing Place, to help families in need

¹ https://www.njleg.state.nj.us/2020/Bills/A0500/21_R2.PDF

- **Police Department:** Supporting the Jersey City Police Department through the sponsorship of events and community support initiatives
- **Arts And Culture:** Supporting community arts and culture through leadership and the sponsorship of local events.
- **Homelessness:** The Company plans to host an annual Benefits Concert to raise money to help the homeless. Additional plans include donating a percentage of profits to local nonprofit homeless shelters. The owners of the Company work in the entertainment industry and will leverage their connections with event companies to implement the fundraising events.
- **Substance Abuse Treatment and Prevention:** The Company will provide funding to local nonprofit substance abuse treatment and prevention organizations to help those in need.
- **Empowering Inner-City Youth:** The Company will leverage its knowledge and experience in the entertainment industry to develop a nonprofit program that helps inner-city children and adolescents get experience in filmmaking.
- **Social equity job fair:** The Company will provide resources to socio-disadvantaged communities looking for access to the new cannabis industry while placing a focus on diversity as it establishes operations in Jersey City. The Company will seek to hire local applicants whenever possible.
- **Support from community leaders:** Buku Culture will partner with several high-profile figures in the Jersey City community to further destigmatize the cannabis industry while supporting local organizations and empowering individuals in the community through several social initiatives.
- **Accountability:** The Company will create volunteer-based advisory boards to include counseling on community impact, workforce development, and medical cannabis efficacy. The boards will convene at least twice a year to ensure that the Company is remaining true to its mission of positively impacting the local community while maintaining a commitment to the integrity of the recreational cannabis industry in New Jersey.

OVERVIEW OF PROPOSED FINANCING OF THE BUSINESS

The following tables detail the funding the business will need to bring the vision to reality. Start-up funding includes all the expenditures, both start-up assets and start-up expenses, incurred before the Company launches operations. The working capital element of the asset table represents the balance of cash at the beginning of Month 1 of the financial projections.

Use of Start-up Funding

Expenses	
Licensing Fees	\$4,500
Legal & Professional Fees	\$20,000
Website/Online Ordering Platform	\$10,000
Grand Opening Advertising	\$10,000
Total Start-up Expenses	\$44,500
Long-term Assets	
Dispensary Buildout	\$500,000

Security System	\$50,000
Computer Systems	\$15,000
Point of Sale Terminals (7)	\$10,500
Vault	\$10,000
Display Cases, Fridges & Office Furniture	\$50,000
Total Long-Term Assets	\$635,500
Short-Term Assets	
Working Capital	\$120,000
Inventory	\$150,000
Total Short-Term Assets	\$270,000
Total Expenses & Assets	
Total Start-up Expenses	\$44,500
Total Start-up Assets	\$905,500
Total Funding Requirements	\$950,000

Total Start-up Funding

Total Funding Needed	\$950,000
Start-up Funding Already Received	
Owner Contribution	\$950,000
Total Funding Secured To Date	\$950,000
Start-up Capital and Liabilities	
Loss at Start-up (Start-up Expenses)	(\$44,500)
Total Funds Received & Requested	\$950,000
Cash Balance on Starting Date	\$120,000

Allocation of Funds

The total start-up funding needed to successfully implement this venture is **\$950K**, which is being contributed by the Company's owners. As depicted, **\$44.5K** will be used for start-up expenses, **\$635.5K** will be used for the purchase of long-term assets, and **\$150K** will be used for inventory. The remaining balance of **\$120K** will be used for working capital.

Source of Funds

The start-up capital is being provided by two of the owners, Bennett Pironti Jr. (approximately **\$650K**) and Clare Denise Kelly (approximately **\$250-\$350K**).

Banking Plan

Buku Culture has established its business banking account with BCB Community Bank (BCB) located at 211 Washington Street, Jersey City NJ 07302. BCB has always considered the community to be its primary focus. While growing, BCB never lost sight of its mission to serve the people and businesses within the communities it supports. As a true community bank that gives back to the neighborhood it serves, BCB prides itself in 'Paying It Forward.' BCB's past, present, and future are rooted in the community. Today, BCB is a thriving community bank with branch offices throughout New Jersey and New York.

BCB offers businesses a full menu of products and services, including:

- Business Checking Accounts
- Commercial Mortgages
- Small Business Loans
- Business Lines of Credit

Buku Culture will maintain regular communication with BCB Community Bank to ensure that they have all they need to keep accounts in good standing, as well as any prospective account-specific needs. Overall, Buku Culture will look to provide financial institutions with transparency, honesty, and collateral. The more a bank understands the Company's cannabis business, structure, and operations, the easier it will be for it to comply with FinCEN guidelines. Buku Culture will also provide BCB Community Bank with the appropriate information regarding the ownership and management team, the company's business affairs, financials, and regulatory compliance history.

PRODUCT PLAN

Buku Culture will specialize in providing high-quality products at competitive prices. The Company will sell a wide variety of flower products, concentrates, cannabis-infused products, pre-rolled joints, and other products, such as cannabis smoking devices. A wide range of different cannabis strains will be offered to help clients obtain specific effects and benefits. The Company will develop strategic agreements with licensed cultivators, manufacturers, and wholesalers in New Jersey to ensure maintains an adequate and consistent supply of cannabis products to meet customer demand.

The following is a listing of the types of products that are available through Buku Culture. All products will be laboratory tested and procured from licensed cultivators, manufacturers, and wholesalers in New Jersey.

- Cannabis Flower
- Cannabis Pre-Rolls
- Tinctures
- Concentrates and Oils
- Cannabis-Infused Products
- Assorted Paraphernalia and Merchandise

PRICING PLAN

Buku Culture will strive to keep prices as affordable as possible for its customers and end consumers. The Company expects pricing volatility in New Jersey's recreational cannabis market over the next several years and has a deep understanding of how market prices have evolved and stabilized in other states. The Company will base initial pricing on competitive analysis, cost of goods sold, and market data published by sources such as Cannabis Benchmarks. Pricing will also be adjusted according to supply and demand at the local level. The Company anticipates supply and demand to vary between seasons, product types, and geographic regions within New Jersey and will develop its pricing strategy to be as stable, competitive, and consistent as possible.

In addition to variances in product quality, pricing tiers will be determined by a variety of market forces, including the supply, demand, production cost, and perceived consumer value of various

products. The Applicant expects that licensed wholesalers will also set their product prices in part by brand positioning. As part of the Company's commitment to provide affordable cannabis prices to customers and mitigate potential supply shortages, it will foster close relations with licensed cannabis cultivators, manufacturers, and wholesalers in the State of New Jersey. This will be achieved through direct contact with licenses and by attending industry-related trade shows and events in New Jersey to develop business-to-business alliances. An emphasis will be placed on securing competitive wholesale pricing agreements so that these savings can be passed on to consumers.

According to IBISWorld, the average cost of goods sold (COGS) for the cannabis retailer industry in the U.S. is 44.7%, representing a gross margin of 55.3%. As such, the Company will mark up its prices by a maximum of 2.2X of the wholesale purchase price. Based on market research, the Company expects retail cannabis prices to average \$500 per ounce for premium-grade cannabis flower and \$400 per ounce for mid-grade cannabis flower. Below are the Applicant's projected prices ranges by product category.

Projected Price Ranges by Product Categories		
Product	Price Range	Standard Quantity
Flower	\$30-\$60	per 3.5 grams
Concentrates	\$25-\$40	per 0.5 grams
Tinctures	\$30-\$60	per 90mg THC/CBD bottle
Vape Cartridges	\$25-\$50	per 500mg
Topicals	\$40-\$80	per 2.5 oz.; 500mg strength

MARKET ANALYSIS: NEW JERSEY RECREATIONAL CANNABIS MARKET

Of the five new states that voted to legalize medical and recreational cannabis on November 3rd, 2020, New Jersey is expected to be the most beneficial, due to its impending recreational cannabis market building off an existing medical cannabis program and large, dense state population. Industry experts are also the most bullish on New Jersey due to its proximity to New York and the States state's approximately 20 million residents. Over the next year to 2023, Marijuana Business Daily projects the State's adult-use cannabis industry to generate \$1.2 billion-\$1.5 billion in annual retail sales. Over the next four years to 2026, the retail cannabis industry in the U.S. is projected to grow at an annualized rate of 19.7% to \$45.7 billion.

New Jersey's cannabis regulators have adopted regulations to establish the recreational cannabis market, giving precedence to women, minorities and disabled veteran-owned companies in the application process and opening the way for sales to begin. The five-member panel, which was created by a bill passed in February, unanimously approved the 160-page regulations. Recreational cannabis purchases will be subject to the state's 6.625% sales tax. Seventy percent of the proceeds will go to regions where cannabis-related arrests were disproportionately high; Black residents were up to three times more likely than White residents to face cannabis charges.

Attempts are being made to broaden opportunities beyond existing New Jersey medical license holders and big multi-state operators (MSOs) with extensive financial resources. As a result, the New Jersey recreational cannabis market is expected to be teeming with opportunities for

businesses of all kinds. The number of cannabis cultivation licenses will be limited to 37 growing facilities with a canopy of up to 150,000 square feet for the first 24 months following the passage of law S.21/A.21. However, cultivation microbusinesses with premises no larger than 2,500 square feet and fewer than 1,000 cannabis plants will be exempt from the cap, creating considerable opportunities for artisan producers, a steady supply of cannabis for retailers, and a healthy, competitive marketplace. New Jersey's adult-use cannabis regulations include social equity provisions, with the law requiring that minorities, women, and disabled veterans obtain at least 30% of issued cannabis business licenses.

Communities that have a high number of arrests and specified demographic features will be designated as "impact zones." As long as certain requirements are met, each municipality will identify these impact zones for the particular goal of launching microbusinesses and encouraging more local businesses to engage in the sector. One such rule limits the number of employees of a microbusiness to less than ten, who must all be residents of the neighborhood. New Jersey has not imposed a statewide restriction on the number of adult-use retailer licenses issued, however, communities can oversee and control their own numbers.

Jersey City, New Jersey

Jersey City is a city located in Hudson County, New Jersey, with a 2022 population of 256,747, making it the 2nd largest city in New Jersey. Jersey City is part of the New York metro area and serves as a transportation, distribution, and manufacturing center for the Port of New York and New Jersey. Jersey City is a densely populated area, spanning over 21 square miles. The average household income in Jersey City is \$105,122 with a median age of around 34 years.

Historically reliant on industries such as transportation and distribution, Jersey City is now focused on what they call FIRE (Finance, Insurance, and Real Estate) firms. Since 1993, there has been a 500 percent increase in these sorts of enterprises in Jersey City. Due to high rent, taxes, and utility expenses in neighboring Manhattan, many New York businesses have relocated some or all their operations over the Hudson River to Jersey City, establishing what is known as "back-office space." Jersey Local has no city income tax, no corporation or payroll tax, no commercial rent tax, 30% lower utilities than Con Ed in New York City, and rent on Class A office space is around one-third less than in Manhattan. Buku Culture will be able to benefit from lower operational costs while still maintaining access to New York's major consumer base as it establishes its brick-and-mortar cannabis retail location in Jersey City.

Jersey City Cannabis Regulations

The Jersey City ordinance is unique in that it does not limit the number of cannabis businesses that can operate in Jersey City, but they do limit them to specific zones. Cannabis businesses will be permitted to operate in zones designated as Neighborhood Commercial (NC), Commercial/Automotive (C/A), Highway Commercial (HC), Waterfront Planned Development (WPD), Central Business District (CBD), and Office/Residential (O/R). Cannabis dispensaries can also apply to open in any Redevelopment Plan area, zone, overlay, or subdistrict where retail is a permitted major use. The Palisade Avenue Mixed-Use Multi-Family Attached Housing District also allows cannabis retail (R-2D).

Any cannabis-related business in Jersey City will be prohibited from opening within 200 feet of a school or operating within 200 feet of another cannabis-related business. There are also some

restrictions for premises within 800 feet of a PATH Station, such as the prohibition of more than two cannabis outlets on the same block, with at least one of them being a recognized microbusiness. In accordance with Section 151-1 of the Jersey City Municipal Code and pursuant to regulations and definitions in N.J.S.A. 2C:35-7 et seq., and N.J.S.A. 2C:35-7.1 et seq., Buku Culture will be located wholly or partially within one or more of the following zoning districts Neighborhood Commercial (NC), Palisade Avenue Mixed Use Multi-Family Attached Housing District (R-2D), Commercial/Automotive (C/A), Highway Commercial (HC), Waterfront Planned Development (WPD), Central Business District (CBD), and Office/Residential (O/R).

Target Market

The primary target market for the products or services that are being offered by Buku Culture will be recreational cannabis consumers aged 21 and over that reside within a 5-mile drive time from the dispensary. Buku Culture will shape its marketing strategies toward the following specific subsets within the typical consumer demographics of the U.S. cannabis industry.

1. **Professionals:** Nearly 84% of cannabis users are employed full-time. Most professionals are now focused on other priorities, such as career, family, and overall quality of life. Individuals in this segment are generally the target market for brands that want to advertise their products as a way to assist in mental health and overall wellness, especially since Millennials are moving into a more dominant position within the professional workplace. In order to market to individuals in this segment, Buku Culture will try to reach out through an education-focused approach, highlighting comprehensive data and case studies to dispel any misconceptions and false information.
2. **Parents:** Now that recreational cannabis is quickly being legalized nationwide, and the stigma of consuming cannabis is being lifted, many parents are turning to the recreational use of cannabis, sometimes replacing alcoholic beverage consumption completely. Cannabis-using parents tend to fall into two categories: younger parents, who are more experimental when it comes to different types of cannabis and methods of consumption, and older parents who generally have deeply rooted methods and motivations for buying and using cannabis.
3. **Creatives:** Artists and creative types are a staple in the cannabis community and are stereotypically defined by their use of cannabis to enhance their creativity and concentration. This group of people generally opt for sativa-dominant cannabis products, as they are known to increase productivity and energy, while also enhancing creative focus. To reach this subset of users, Buku Culture will look to showcase specific influential people in the creative community who have excelled in their area of expertise with the help of cannabis.
4. **Experts:** This segment of cannabis users prides itself in knowing everything there is to know about cannabis and associated products. Known as the “cannabis connoisseur”, experts are usually well-informed about the different methods of consumption, various strains, and which strain should be used at which times. These consummate experts are passionate about cannabis culture, and therefore much more willing than other types of users to spend top dollar for high-quality goods and paraphernalia. Users in this target market thrive on information and providing them with details on how the product was grown, nurtured, harvested, and prepared, will create a more personable relationship between the consumer and the Company.

The general target markets for recreational cannabis vary across a wide range of consumer demographics from all types of socioeconomic backgrounds. According to the cannabis market intelligence company *Headset*, Millennials and Gen Z will grow to dominate the cannabis market over time. Knowing how to market to each of these demographics will play a crucial role in the success of the Company.

COMPLETE PROFILE OF THE MANAGEMENT OF THE LICENSE APPLICANT

Ronnie Smith, COO

Ronnie Smith was born in Trinidad, Tobago in 1975. At the age of five, her newly single mother made the decision to immigrate to the United States to provide better life opportunities for her and her six children. They ultimately settled in Brooklyn, New York, where Ronnie graduated from Abraham Lincoln High School. In 2004, Ronnie moved to East Hanover, New Jersey where she currently remains a resident.

Ronnie holds her certification in cosmetology and possesses over 25 years of retail experience working for major department stores including Bloomingdales as well as high-end boutiques like Sephora. There she managed 15 employees and conducted statewide training programs. Ronnie currently works for Chanel Corporation in the Soho Boutique in New York City. During her years in retail, Ronnie has consistently demonstrated a talent for turning struggling departments and brands into top performers and is currently the third top producer for Chanel in the entire country. Her years of experience have made her an expert in all aspects of retail operations, including sales, management, education, and on the job training. Ronnie also has honed her interpersonal skills in these positions of responsibility. These qualities all contribute greatly to her performance and position in any endeavor she chooses to explore. In particular, Ronnie's qualities and retail management experience will serve as a strong asset to the success of Buku Culture.

In addition to her success in the retail space, Ronnie has a deep passion for nature and the outdoors which began as a child exploring the rainforests of Tobago. After graduating high school with multiple college credits in plant and animal science, she worked for Brooklyn Botanical Gardens building greenhouses, Japanese gardens, and koi ponds, maintaining the health of the environment. This is where she fully realized her love for plants and horticulture which formed the basis of her interest in cannabis.

Ronnie has been a Red Cross volunteer helping homeless people and distributing medical supplies. She has also volunteered at St. Jude's Hospital, as well as the American Society for the Prevention of Cruelty to Animals (ASPCA), assisting with adoption drives for mature dogs. Ronnie looks forward to furthering her volunteer assistance through Buku's Culture's community empowerment initiatives.

Ambitious and forward thinking, Ronnie aspires to become a pioneer and role model for other women and women of color in the emerging New Jersey Cannabis industry. After joining "Women Leaders in Cannabis", Ronnie and her female partner, Clare Kelly, plan to create a "Women in Cannabis Support Network". Ronnie is very excited about this unique opportunity to own and

operate a state-of-the-art dispensary and is grateful to her mother for making the very difficult move here to the United States 42 years ago.

As the CCO of the Company, Ronnie will be responsible for human resource management, inventory management, business development, customer service initiatives, consumer education program development, and ensuring strict compliance with all laws and regulations.

Clare Denise Kelly, CEO

Clare Kelly was born and raised in Ft. Myers, Florida in 1963, and moved to Tampa, Florida in 1981 where she attended the University of South Florida. She remained in Florida until moving to Brooklyn, New York in 1994, and later relocating permanently to Long Valley, New Jersey in 2006.

Early on, Clare showed signs of being a unique child as well as a born leader and tested several times achieving the highest IQ in her school. She was placed in classes for gifted children.

In 1985, Clare graduated from the University of South Florida with a bachelor's degree in Psychology, achieving the Deans' List with 4.0's the last 3 semesters. She quickly put her degree to use in the mental health field working with psychiatric patients at Tampa General Hospital and Tampa Bay Charter Hospital.

In 1994, Clare decided to make a move to New York City to be with her boyfriend and commit to a complete life change. There she earned her stockbroker's license by passing her Series 7 and Series 63 and began working for a Wall Street Investment firm as their first and only female broker.

In 1997, Denise and her partner, Bennett Pironti, founded Shooting Star Coaches Inc., an entertainment equipment rental company that includes mobile production offices, hair make-up/wardrobe as well as celebrity buses. She currently remains the co-owner and vice president. Her continued success can be attributed to being very driven, hard-working, dependable, conscientious, kind, and meticulous with detail and organization. Through this experience, Claire developed excellent business management and leadership skills that will serve as a valuable asset to Buku Culture.

Clare enjoyed attending women's studies classes and later founded and facilitated a feminist, self-help group that provided support, insight, and guidance for women from all diversities. Her interests and hobbies include artwork, metalwork, interior design, self-improvement, singing, music as well as writing.

Clare has volunteered at a variety of charitable organizations in every community she has resided, including soup kitchens making food for homeless people. Her sister lived in El Salvador working with people with HIV and their families which provided Clare an opportunity to assist several Central American villages in acquiring running water for the first time. She assisted in founding a women's sewing co-op in El Salvador with financial donations and acquired sewing machines to help the women achieve financial independence and a better life for themselves.

Clare routinely assists in sending money, sustenance, and clothing to families in Honduras and has helped multitudes of people locally who were unable to purchase cars, make down payments to purchase first homes and help pay for groceries, utilities, and rent. She has paid airfares for people needing to see sick or dying loved ones and to attend funerals they are unable to afford. She has assisted with hospital bills as well as assisted with tuition for a very young single mother to get her college degree. She provided financial relief for a husband and wife with a new baby who were being evicted from their apartment and funded a struggling, very talented fine woodworker to assemble a fully equipped, fully functional woodworking shop. She has also sponsored two people to obtain legal status and citizenship here in the United States and is currently helping sponsor Ukrainian refugees who are seeking asylum in the US.

Her interest in the Cannabis Industry dates back many years. She, with her partner Bennett Pironti, traveled to California in 2017. They researched and considered opening a dispensary on that coast but upon further reflection decided to await New Jersey's passing of their laws for recreational cannabis locally. Shortly thereafter she and her partner purchased an acre of commercial property in Jersey City. It is a perfect location for what we have always dreamed of!

Clare Denise Kelly is very passionate and has made it her personal goal to make the world a better place. It is her *raison d'être*. When it has been possible and even when it was not very practical, Clare has helped people regardless of her circumstances. Clare and her female partner, Ronnie Smith, also plan to create a "Women in Cannabis Support Network" as a resource for woman in the industry. As a member of "Women Leaders in Cannabis", Clare is looking forward to having the opportunity to assist people and communities on a larger scale by co-owning and operating a business that can help provide the means to broaden her charitable endeavors.

As the CEO of the Company, Clare will be responsible for overseeing all aspects of operations, including human resources, marketing, finance, and regulatory compliance.

Evan Pironti, CFO

Evan Pironti is a New Jersey native and lifetime resident of the State. As a graduate of Seton Hall University with a Bachelor's degree in Marketing and decades of practical experience, Evan brings invaluable expertise to the corporate team. Throughout his career, Evan has supported sales staff by assisting banks and large institutions that pulled large quantities of credit reports. Evan has been responsible for training on credit reporting software and machines and fielding any technical and general questions regarding credit scores and credit inquiries while working for Experian. During his time with AT&T, Evan worked in the Public Relations Department directly communicating with news publications, providing information on AT&T phones and new tech, and providing support on a multitude of levels as a liaison.

As one of the founding members of Shooting Star Coaches, an entertainment equipment rental company, Evan has been crucial in the development and operation of many of its critical facets, having a hand in vehicle maintenance, cleaning, detailing, and driving the vehicles to and from jobs. With meticulous knowledge of the general operation, Evan quickly moved into a managerial role where he was placed in charge of hiring, website design, social media, and insurance procurement where he acquired small and large scale permitting for photo and film shoots. He also managed accounts payable and receivable, payroll, payroll tax filings, and oversight on all

contracts with small companies and large corporations such as Viacom, NFL, NBA, NBC, and others, as well as local government events sponsored by the City of New York. In addition, Evan assisted the President in developing plans for financial management and growth, creating budgeting initiatives, and developing the company's overall financial strategy. Through this experience, Evan has developed a strong working knowledge of marketing, human resources, and financial management, which will contribute to the operational success of Buku Culture.

Evan is also an advocate for the less fortunate and has volunteered in preparing meals for the homeless and elderly on holidays. He also enjoys assembling personal PCs, producing electronic music, gardening, bike riding, hiking, and traveling.

As the CFO of the Company, Evan will be responsible for financial management, accounting, business strategy, marketing and branding, and maximizing operational efficiency.

Bennett Pironti, VP of Operations

Bennett D Pironti Jr. was raised in East Hanover, New Jersey, and has been a resident of the Garden State for most of his life. After graduating from the University of South Florida with a degree in Fine Art and Film, Ben published a monthly arts and entertainment magazine which he eventually sold to a larger publication. He returned home to New Jersey to work in the thriving New York film industry as a grip, gaffer, producer, and sound stage manager before co-founding Shooting Star Coaches in 1995 with his partner Denise Kelly. Along with his brother Evan Pironti, they quickly grew it into a business that would secure a livelihood for themselves and many others for the next 27 years. Through this experience, Ben developed excellent business management and leadership skills that he will leverage to ensure the long-term success of Buku Culture.

In 2017, Ben partnered with a few associates to create a cannabis cultivation startup in California. After a year of research and planning, he decided to forgo the west coast opportunity and remain in New Jersey for the recreational cannabis legislature to pass at home. During this period, he had purchased a prime dispensary-friendly property in Jersey City to operate his current business from while waiting for the legal cannabis industry to arrive.

Ben has always been a source of endless creativity and inexhaustible energy. His kindness and understanding have been a source of strength and dedication among employees in the companies he has managed. When times were rough, Ben always made sure his workers were unaffected by cutting his own salary to zero so they may continue to make their full income. "After all, they are the life blood of the company!"

Ben's background as a mechanic, carpenter, musician, private pilot, photographer, magazine publisher, filmmaker, artist, and writer complete the full spectrum of colors on his entrepreneurial palette. Currently, Ben cannot think of any greater sense of achievement than combining with the effort and talents of his partners to make the latest exciting venture another great success!

As the Company's VP of Operations, Ben will work directly under the CEO to assist with human resource management, inventory management, community engagement initiatives, and ensuring strict compliance with all laws and regulations.

Conclusion

Overall, Buku Culture will look to incite positive change within the local Jersey City community while providing consumers with top-quality cannabis products and exceptional customer service. Through the Company's multiple social initiatives, Buku Culture will be poised for future profitability and success while empowering local residents and nonprofit organizations in need. The combined experience of the women and minority led management team will allow the Company to effectively capitalize on the rapidly growing cannabis industry in New Jersey while cultivating a diverse and supportive community of employees, cannabis consumers and local businesses. By implementing sustainable operating practices and committing to environmentally friendly operations, Buku Culture's mission will be twofold, providing New Jersey with a marker for quality in cannabis while becoming a leader in sustainable business management.