

Social Equity Plan

Ground Control Michigan (“GCM” or “The Company”) is a Michigan Cannabis company focused on cultivating select strains of Cannabis for direct sales to licensed Processors and Provisioning Centers. Since becoming licensed by the State in June 2019, we developed the infrastructure necessary to accomplish this goal. In 2019, we created seven new jobs at our location in Bangor and intend to establish more local jobs as we expand with 500 additional recreational plants. This current application is for a Class B grower license, however we intend to open a Medical and AU processing facility at 54341 M43 highway in Bangor MI (construction is in process and completion expected this summer).

There are multiple components to our Social Equity Plan that are intended to work together to improve access to the cannabis industry. These components include: 1) custom cultivation; 2) direct hires; and 3) assistance for social equity businesses. Each of these areas are discussed in more detail below.

Custom Cultivation

We proposed a licensing agreement with the SugarHouse cannabis brand <https://www.sugarhousecanna.com/> and recently sent it to MRA for approval at our medical class A grow facility. Sugar House Co. is an entity owned and promoted by Melissa Al-Azzawi - a life-long resident of Kalamazoo and a social equity candidate. The brand is “cannabis for women” and promotes the recreational use of Cannabis through education, micro-dosing and herbal remedies. As part of the licensing agreement, our affiliated entity is acquiring 40% ownership of the brand. Further, we planted a strain of Cannabis - Equanimity - specifically for the brand; which will be used in pre-rolls and flower jars (assuming our license agreement is approved by MRA). This strain tests at 12% CBD and 8% THC. In addition, we are planning to manufacture and market disposable 1:1 vape pens under the Sugar House brand once our processing facility in Arlington township opens this summer (pending MRA approval)

Direct Hires

We currently employ three (3) full and five (5) part time staff at our Bangor cultivation facility. We intend to use the additional labor requirements associated with our requested AU grow licenses to promote social equity in the industry. We are actively seeking qualified candidates with both marketing experience and prior cannabis cultivation experience (by virtue of having been a Michigan licensed caregiver) that live in areas that qualify as social equity (“Candidates”) namely Benton Harbor, Kalamazoo, and Arlington Township. The Marijuana Regulatory Agency (MRA) has announced an expansion of the social equity criteria: “On June 1, 2020, communities with 20% or more of the population living below the federal poverty level will now qualify. This expansion will result in 184 disproportionately impacted communities,” We believe that this expansion will allow us to assist more candidates interested in gaining experience in the cannabis industry either as direct hires or through other aspects of the business. Assistance for Social Equity Businesses

Assistance for social equity

One of the ways we seek to assist social equity licensees is to be able to provide cannabis flower at competitive rates. Our current brand, “*cure of the earth*” has a mission to provide flower and other products at a price point that considers the impoverished and low wage earners in our beautiful state... As we descend into unprecedented financial struggle nationwide, *cure of the earth* will build its loyalty

by providing more quality organic cannabis for cheaper prices than our competition; The story of the commoners is the majority and we are providing them with medicine to calm and inspire.

Moreover, smaller licensed businesses, such as Provisioning Centers, that have a social equity candidate owner may have difficulty sourcing product in comparison with larger and better financed operations. One of the ways that we seek to assist is by providing quality products, in compliance with Michigan's testing requirements, to smaller retailers. We anticipate that with the expansion of Michigan's social equity communities, there will be more opportunities to support those businesses. We also intend to seek partnerships with these licensees to create brands and recipes that can be licensed and marketed in the industry. Having a stable source of cannabis flower will be of mutual benefit to these new licensees and to our business by using our cannabis in Michigan-made recipes and creating an authentic local connection to the source.

In conclusion:

As a licensed grower we will continue to actively look for vendors to the cannabis industry that would be considered social equity vendors, even if they are not operating as a plant-touching licensee. This can include agricultural supplies and related materials needed to cultivate and market our cannabis.

As a licensed Processor, we intend to work with social equity licensees to develop and license cannabis products. All licensing agreements will be subject to approval by the MRA and there may be some restrictions against sharing of revenue with non-licensees. An example of a licensing arrangement as a Processor will be for us to license a brand name and/or recipe/formulation for the manufacture of products under that brand. This could potentially include a flower product, or a processed product, depending upon if it is our licensed Grow or Processor that is creating the product. We will then pay royalties to the Licensor (owner of the brand) based upon the number of units sold in accordance with the LARA March 21, 2019 Advisory Bulletin. As Licensee of such intellectual property (the Brand/Recipe), we will provide a copy of the contract to the MRA as required.

A typical social equity licensing deal looks like this: (Ex Sugar House)

- 1) GCM licenses the Sugar House brand name and recipes. In consideration, Sugar House receives 15% of the revenue as royalty for brand and marketing support.
- 2) GCM handles all sales, manufacturing, and "touching" of the Cannabis
- 3) CCM and Sugar House co-own the brand 40%/60%.
- 4) All licensing deals subject to MRA approval.