

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address):
James Cato Ferguson (SBN 168977)
 Ferguson Law Firm
 73200 El Paseo, Suite 2-D
 Palm Desert, CA 92260
 TELEPHONE NO.: 760-831-1234 FAX NO.: 442-666-8278
 ATTORNEY FOR (Name): **Mohammed Kakhireh**

FOR COURT USE ONLY

SUPERIOR COURT OF CALIFORNIA, COUNTY OF
 STREET ADDRESS: **3255 E. Tahquitz Avenue**
 MAILING ADDRESS: **Same**
 CITY AND ZIP CODE: **Palm Springs, CA 92260**
 BRANCH NAME: **Palm Springs - Civil**

CASE NAME:
Mohammed Zakhireh v. Cultivation Technologies, Inc. Juston Beck and R

CIVIL CASE COVER SHEET

<input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000)	<input type="checkbox"/> Limited (Amount demanded is \$25,000 or less)	Complex Case Designation	CASE NUMBER: PSC 17022333
		<input type="checkbox"/> Counter <input type="checkbox"/> Joinder	JUDGE:
		Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)	DEPT:

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

<p>Auto Tort</p> <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) <p>Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort</p> <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) <p>Non-PI/PD/WD (Other) Tort</p> <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) <p>Employment</p> <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	<p>Contract</p> <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input checked="" type="checkbox"/> Other contract (37) <p>Real Property</p> <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input checked="" type="checkbox"/> Other real property (26) <p>Unlawful Detainer</p> <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) <p>Judicial Review</p> <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	<p>Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403)</p> <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) <p>Enforcement of Judgment</p> <input type="checkbox"/> Enforcement of judgment (20) <p>Miscellaneous Civil Complaint</p> <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) <p>Miscellaneous Civil Petition</p> <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
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2. This case is is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- | | |
|--|--|
| a. <input type="checkbox"/> Large number of separately represented parties | d. <input type="checkbox"/> Large number of witnesses |
| b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input type="checkbox"/> Substantial amount of documentary evidence | f. <input type="checkbox"/> Substantial postjudgment judicial supervision |
3. Remedies sought (check all that apply): a. monetary b. nonmonetary; declaratory or injunctive relief c. punitive
4. Number of causes of action (specify): - 7 -
5. This case is is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: April 28, 2017
James Cato Ferguson

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

CM-010

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the primary cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

Auto Tort

- Auto (22)—Personal Injury/Property Damage/Wrongful Death
- Uninsured Motorist (46) (*if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto*)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

- Asbestos (04)
 - Asbestos Property Damage
 - Asbestos Personal Injury/Wrongful Death
- Product Liability (*not asbestos or toxic/environmental*) (24)
- Medical Malpractice (45)
 - Medical Malpractice—Physicians & Surgeons
 - Other Professional Health Care Malpractice
- Other PI/PD/WD (23)
 - Premises Liability (e.g., slip and fall)
 - Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)
 - Intentional Infliction of Emotional Distress
 - Negligent Infliction of Emotional Distress
 - Other PI/PD/WD

Non-PI/PD/WD (Other) Tort

- Business Tort/Unfair Business Practice (07)
- Civil Rights (e.g., discrimination, false arrest) (*not civil harassment*) (08)
- Defamation (e.g., slander, libel) (13)
- Fraud (16)
- Intellectual Property (19)
- Professional Negligence (25)
 - Legal Malpractice
 - Other Professional Malpractice (*not medical or legal*)
- Other Non-PI/PD/WD Tort (35)

Employment

- Wrongful Termination (36)
- Other Employment (15)

Contract

- Breach of Contract/Warranty (06)
- Breach of Rental/Lease Contract (*not unlawful detainer or wrongful eviction*)
- Contract/Warranty Breach—Seller Plaintiff (*not fraud or negligence*)
- Negligent Breach of Contract/Warranty
- Other Breach of Contract/Warranty
- Collections (e.g., money owed, open book accounts) (09)
- Collection Case—Seller Plaintiff
- Other Promissory Note/Collections Case
- Insurance Coverage (*not provisionally complex*) (18)
 - Auto Subrogation
 - Other Coverage
- Other Contract (37)
 - Contractual Fraud
 - Other Contract Dispute

Real Property

- Eminent Domain/Inverse Condemnation (14)
- Wrongful Eviction (33)
- Other Real Property (e.g., quiet title) (26)
 - Writ of Possession of Real Property
 - Mortgage Foreclosure
 - Quiet Title
 - Other Real Property (*not eminent domain, landlord/tenant, or foreclosure*)

Unlawful Detainer

- Commercial (31)
- Residential (32)
- Drugs (38) (*if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential*)

Judicial Review

- Asset Forfeiture (05)
- Petition Re: Arbitration Award (11)
- Writ of Mandate (02)
 - Writ—Administrative Mandamus
 - Writ—Mandamus on Limited Court Case Matter
- Writ—Other Limited Court Case Review
- Other Judicial Review (39)
 - Review of Health Officer Order
 - Notice of Appeal—Labor Commissioner Appeals

Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)

- Antitrust/Trade Regulation (03)
- Construction Defect (10)
- Claims Involving Mass Tort (40)
- Securities Litigation (28)
- Environmental/Toxic Tort (30)
- Insurance Coverage Claims (*arising from provisionally complex case type listed above*) (41)

Enforcement of Judgment

- Enforcement of Judgment (20)
 - Abstract of Judgment (Out of County)
 - Confession of Judgment (*non-domestic relations*)
 - Sister State Judgment
 - Administrative Agency Award (*not unpaid taxes*)
 - Petition/Certification of Entry of Judgment on Unpaid Taxes
 - Other Enforcement of Judgment Case

Miscellaneous Civil Complaint

- RICO (27)
- Other Complaint (*not specified above*) (42)
 - Declaratory Relief Only
 - Injunctive Relief Only (*non-harassment*)
 - Mechanics Lien
 - Other Commercial Complaint Case (*non-tort/non-complex*)
 - Other Civil Complaint (*non-tort/non-complex*)

Miscellaneous Civil Petition

- Partnership and Corporate Governance (21)
- Other Petition (*not specified above*) (43)
 - Civil Harassment
 - Workplace Violence
 - Elder/Dependent Adult Abuse
 - Election Contest
 - Petition for Name Change
 - Petition for Relief From Late Claim
 - Other Civil Petition

SUPERIOR COURT OF CALIFORNIA, COUNTY OF RIVERSIDE

- BANNING 311 E. Ramsey St., Banning, CA 92220
- BLYTHE 265 N. Broadway, Blythe, CA 92225
- HEMET 880 N. State St., Hemet, CA 92543
- MORENO VALLEY 13800 Heacock St., Ste. D201, Moreno Valley, CA 92553

- MURRIETA 30755-D Auld Rd., Suite 1226, Murrieta, CA 92563
- PALM SPRINGS 3255 E. Tahquitz Canyon Way, Palm Springs, CA 92262
- RIVERSIDE 4050 Main St., Riverside, CA 92501
- TEMECULA 41002 County Center Dr., #100, Temecula, CA 92591

RI-030

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar Number and Address) James Cato Ferguson, Esq. (SBN 68977) Ferguson Law Firm 73200 El Paseo, Suite 2-D Palm Desert, CA 92260 TELEPHONE NO: 760-831-1234 FAX NO. (Optional): 442-666-8278 E-MAIL ADDRESS (Optional): Jim@govlaaw.com ATTORNEY FOR (Name): Mohammed Zakhireh	FOR COURT USE ONLY <div style="font-size: 2em; font-weight: bold; letter-spacing: 0.5em;">FILED</div> SUPERIOR COURT OF CALIFORNIA COUNTY OF RIVERSIDE <div style="font-size: 1.2em; font-weight: bold;">APR 28 2017</div> Lucero Zuniga <div style="font-size: 1.5em; font-weight: bold; border: 1px solid black; padding: 2px;">PSC 1702233</div>
PLAINTIFF/PETITIONER: Mohammed Zakhireh DEFENDANT/RESPONDENT: Cultivation Technologies, Inc, Juustin Beck and Richard	CASE NUMBER:
CERTIFICATE OF COUNSEL	

The undersigned certifies that this matter should be tried or heard in the court identified above for the reasons specified below:

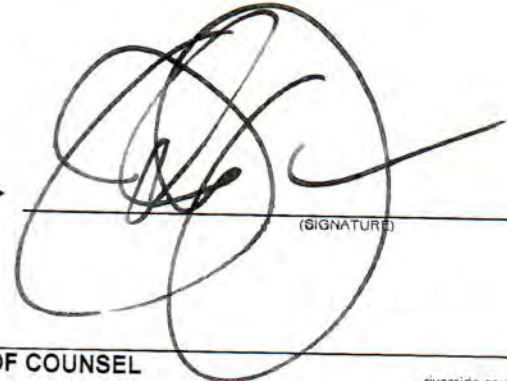
- The action arose in the zip code of: _____
- The action concerns real property located in the zip code of: 92236
- The Defendant resides in the zip code of: _____

For more information on where actions should be filed in the Riverside County Superior Courts, please refer to Local Rule 1.0015 at www.riverside.courts.ca.gov.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date April 28, 2017

James Cato Ferguson
(TYPE OR PRINT NAME OF ATTORNEY PARTY MAKING DECLARATION)


 (SIGNATURE)

SUMMONS
(CITACION JUDICIAL)

NOTICE TO DEFENDANT:
(AVISO AL DEMANDADO):

Cultivation Technologies, Inc., Justin Beck and Richard Probst,
individually

YOU ARE BEING SUED BY PLAINTIFF:
(LO ESTÁ DEMANDANDO EL DEMANDANTE):

Mohammed Zakhireh

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

APR 28 2017

Lucero Zuniga

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **¡AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:

(El nombre y dirección de la corte es):
Superior Court, County of Riverside, 3255 E. Tahquitz Canyon Way
Palm Springs, CA 92260

CASE NUMBER:
(Número del Caso)

PSC 1702233

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

DATE: April 28, 2017

(Fecha)

Clerk, by

(Secretario)

Lucero Zuniga

, Deputy

(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

[SEAL]



NOTICE TO THE PERSON SERVED: You are served

1. as an individual defendant.
2. as the person sued under the fictitious name of (specify):
3. on behalf of (specify):
under: CCP 416.10 (corporation) CCP 416.60 (minor)
 CCP 416.20 (defunct corporation) CCP 416.70 (conservatee)
 CCP 416.40 (association or partnership) CCP 416.90 (authorized person)
 other (specify):
4. by personal delivery on (date):

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address):
James Cato Ferguson (SBN 168977)
Ferguson Law Firm
73200 El Paseo, Suite 2-D
Palm Desert, CA 92600
TELEPHONE NO: 760-831-1234 FAX NO. (Optional): 442-666-8278
E-MAIL ADDRESS (Optional): Jim@govlaw.com
ATTORNEY FOR (Name): Mohammed Zakhireh

SUPERIOR COURT OF CALIFORNIA, COUNTY OF
STREET ADDRESS: 3255 E. Tahquitz Canyon Way
MAILING ADDRESS: Same
CITY AND ZIP CODE: Palm Springs, CA 922609
BRANCH NAME: Palm Springs - Civil

PLAINTIFF: Mohammed Zakireh
DEFENDANT: Cultivation Technologies, Inc, Justin Beck and Richard Probst, individually
 DOES 1 TO 25

CONTRACT
 COMPLAINT AMENDED COMPLAINT (Number):
 CROSS-COMPLAINT AMENDED CROSS-COMPLAINT (Number):

Jurisdiction (check all that apply):
 ACTION IS A LIMITED CIVIL CASE
Amount demanded does not exceed \$10,000
 exceeds \$10,000 but does not exceed \$25,000
 ACTION IS AN UNLIMITED CIVIL CASE (exceeds \$25,000)
 ACTION IS RECLASSIFIED by this amended complaint or cross-complaint
 from limited to unlimited
 from unlimited to limited

FOR COURT USE ONLY
FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE
APR 28 2017
Lucero Zuniga

CASE NUMBER:
PSC 1702233

1. **Plaintiff* (name or names):**
Mohammed Zakhireh
alleges causes of action against **defendant* (name or names):**
Breach of Contract, Breach of Fiduciary Duty, Fraud, Self Dealing, Abuse of Control, See Paragraph 9, herei:
2. This pleading, including attachments and exhibits, consists of the following number of pages: 71
3. a. Each plaintiff named above is a competent adult
 except plaintiff (name):
(1) a corporation qualified to do business in California
(2) an unincorporated entity (describe):
(3) other (specify):
b. Plaintiff (name):
a. has complied with the fictitious business name laws and is doing business under the fictitious name (specify):
b. has complied with all licensing requirements as a licensed (specify):
c. Information about additional plaintiffs who are not competent adults is shown in Attachment 3c.
4. a. Each defendant named above is a natural person
 except defendant (name): Cultivation Technologi **except defendant (name):**
(1) a business organization, form unknown (1) a business organization, form unknown
(2) a corporation (2) a corporation
(3) an unincorporated entity (describe): (3) an unincorporated entity (describe):
(4) a public entity (describe): (4) a public entity (describe):
(5) other (specify): (5) other (specify):

* If this form is used as a cross-complaint, plaintiff means cross-complainant and defendant means cross-defendant.

SHORT TITLE: Zakhireh v. Cultivation Technologies, Inc., et al.	CASE NUMBER:
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4. (Continued)
- b. The true names of defendants sued as Does are unknown to plaintiff.
- (1) Doe defendants (specify Doe numbers): 1-15 were the agents or employees of the named defendants and acted within the scope of that agency or employment.
- (2) Doe defendants (specify Doe numbers): 16-25 are persons whose capacities are unknown to plaintiff.
- c. Information about additional defendants who are not natural persons is contained in Attachment 4c.
- d. Defendants who are joined under Code of Civil Procedure section 382 are (names):

5. Plaintiff is required to comply with a claims statute, and
- a. has complied with applicable claims statutes, or
- b. is excused from complying because (specify):

6. This action is subject to Civil Code section 1812.10 Civil Code section 2984.4.

7. This court is the proper court because
- a. a defendant entered into the contract here.
- b. a defendant lived here when the contract was entered into.
- c. a defendant lives here now.
- d. the contract was to be performed here.
- e. a defendant is a corporation or unincorporated association and its principal place of business is here.
- f. real property that is the subject of this action is located here.
- g. other (specify):

8. The following causes of action are attached and the statements above apply to each (each complaint must have one or more causes of action attached):
- Breach of Contract
- Common Counts
- Other (specify):

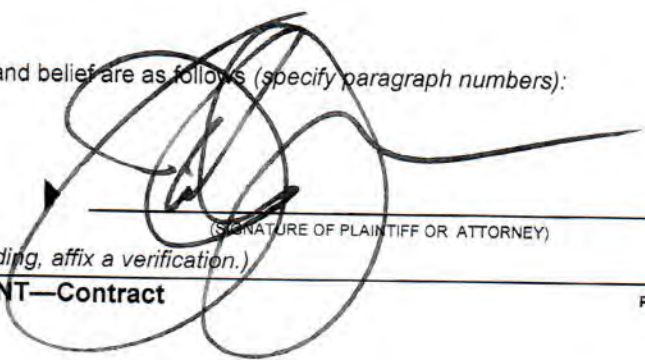
9. Other allegations:
- Breach of Fiduciary Duty, Fraud, Abuse of Control, Corporate Waste, Unjust Enrichment, Declaratory Relief

10. Plaintiff prays for judgment for costs of suit; for such relief as is fair, just, and equitable; and for
- a. damages of: \$ 100,000
- b. interest on the damages
- (1) according to proof
- (2) at the rate of (specify): _____ percent per year from (date): _____
- c. attorney's fees
- (1) of: \$ _____
- (2) according to proof.
- d. other (specify):
Declaratory Relief

11. The paragraphs of this pleading alleged on information and belief are as follows (specify paragraph numbers):

Date: April 28, 2018
 James Cato Ferguson

(TYPE OR PRINT NAME)



(SIGNATURE OF PLAINTIFF OR ATTORNEY)

(If you wish to verify this pleading, affix a verification.)

SHORT TITLE:

Zakhireh v. Cultivation Technologies, Inc, et al.

PLD-C-001(1)

CASE NUMBER:

First and Second

(number)

CAUSE OF ACTION—Breach of Contract

ATTACHMENT TO Complaint Cross - Complaint

(Use a separate cause of action form for each cause of action.)

BC-1. Plaintiff (name): Mohammed Zakhireh

alleges that on or about (date): March 6, 2016

a written oral other (specify):

agreement was made between (name parties to agreement):

A copy of the agreement is attached as Exhibit A, or

The essential terms of the agreement are stated in Attachment BC-1 are as follows (specify):

Private Placement Memorandum, dated Match 6, 2016

BC-2. On or about (dates): March 6, 2016 and continuing thereon

defendant breached the agreement by the acts specified in Attachment BC-2 the following acts (specify):

Defendants failed and continue to fail to disclose to Plaintiff material facts upon which his investment decisions are based. Said failure is also a breach of fiduciary duty owed to p[plaintiff un the document attached as BC-1. These material facts include gross mismanagement of the corporation, self dealing by the individual defendants, dilution of stock, corporate waste, etc.

BC-3. Plaintiff has performed all obligations to defendant except those obligations plaintiff was prevented or excused from performing.

BC-4. Plaintiff suffered damages legally (proximately) caused by defendant's breach of the agreement

as stated in Attachment BC-4 as follows (specify):

His investment of \$55,000, appreciation of said stock had the corporation been managed as repr esented in the Private Placement Memorandum of March 6, 2016, and the loss of real property, e ntitled for marijuana cultivation, as set forth in Exhibit "B" herein.

BC-5. Plaintiff is entitled to attorney fees by an agreement or a statute

of \$

according to proof.

BC-6. Other:

Plaintiff is seeking similar remedies based on separate remedies based on abuse of control, corporate waste, unjust enrichment, and a declaration of rights among the parties.

SHORT TITLE:

Zahkireh v. Cultivation Technologies, Inc., et al.

CASE NUMBER:

Third through Eighth

(number)

CAUSE OF ACTION—Fraud

ATTACHMENT TO Complaint Cross-Complaint

(Use a separate cause of action form for each cause of action.)

FR- 1. Plaintiff (name): Mohammed Zakhireh

alleges that defendant (name): Cultivation Technologies Inc., Justin Beck and Richard Probst

on or about (date): March 6, 2016

defrauded plaintiff as follows:

FR-2. **Intentional or Negligent Misrepresentation**

a. Defendant made representations of material fact as stated in Attachment FR-2.a as follows:

Attached as Exhibit BC-1 to this complaint is a Private Placement Memorandum which sets forth Defendants' business plan for growth of their corporation and soliciting a stock purchase from Plaintiff. The principle asset of the proposed corporation, was +/- 6.3 acres of land located in the City of Coachella for the the cultivation of marijuana. This land and was acquired on December 12, 2016 for approximately \$977,912 in the form of a note with a First Trust Deed on the property. The note is due and payable on April 30, 2017.

b. These representations were in fact false. The truth was as stated in Attachment FR-2.b as follows:

The note referenced above, carries with it a fee of approximately \$1,000,000. Thus, Defendant's borrowed at least \$977,912 to acquire the land, owe a fee of \$1 million and risk losing the land in two (2) days if full payment is not made. **NONE OF THE REPRESENTATIONS WERE MADE TO THE SHAREHOLDERS.** Thus, the principle asset of the company will be lost.

c. When defendant made the representations.

defendant knew they were false, or

defendant had no reasonable ground for believing the representations were true.

d. Defendant made the representations with the intent to defraud and induce plaintiff to act as described in item FR-5. At the time plaintiff acted, plaintiff did not know the representations were false and believed they were true. Plaintiff acted in justifiable reliance upon the truth of the representations.

FR-3. **Concealment**

a. Defendant concealed or suppressed material facts as stated in Attachment FR-3.a as follows:

As stated above. Additionally, the individual Defendants' issued themselves premium shares of stock, took lucrative salaries and other perquisites all without Plaintiff's knowledge.

b. Defendant concealed or suppressed material facts

defendant was bound to disclose.

by telling plaintiff other facts to mislead plaintiff and prevent plaintiff from discovering the concealed or suppressed facts.

c. Defendant concealed or suppressed these facts with the intent to defraud and induce plaintiff to act as described in item IFIR-5. At the time plaintiff acted, plaintiff was unaware of the concealed or suppressed facts and would not have taken the action if plaintiff had known the facts.

Page 4

SHORT TITLE:
Zahkireh v. Cultivation Technologies, Inc., et al.

CASE NUMBER:

Third through Eighth

(number)

CAUSE OF ACTION—Fraud

FR-4. **Promise Without Intent to Perform**

- a. Defendant made a promise about a material matter without any intention of performing it as stated in Attachment FR-4.a as follows:

As stated above. On or about April 10, 2016, Defendants' conducted a shareholders' "information" meeting. No notice was given to shareholders of this meeting. Defendants' stated that this meeting was being recored (both audio and visual) and said meeting last approximately 1 hour and 38 minutes. During this time, there were 4 to 5 shareholders represented (out of 92.) A vigorous exchange ensued during this meeting wherein there were numerous misstatements of facts, and many promises were made with no intent to preform. Defenannds' now deny having any recording of these discussions EXCEPT the cheery introduction and overview by Justin Beck.

- b. Defendant's promise without any intention of performance was made with the intent to defraud and induce plaintiff to rely upon it and to act as described in item FR-5. At the time plaintiff acted, plaintiff was unaware of defendant's intention not to perform the promise. Plaintiff acted in justifiable reliance upon the promise.

- FR-5. In justifiable reliance upon defendant's conduct, plaintiff was induced to act as stated in Attachment FR-5 as follows:

Plaintiff acquired 55,000 shares of Cultivation Technologies ,Inc. stock. The action of Defendants' have rendered this stock worthless.

- FR-6. Because of plaintiff's reliance upon defendant's conduct, plaintiff has been damaged as stated in Attachment FR- 6 as follows:

As set forth in Paragraph 10 of Plaintiff's Complaint.

FIR - 7. Other:

Plaintiff is seeking damages for Abuse of Control, Self Dealing, Corporate Waste, Unjust Enrichment and Declaratory Relief.

EXHIBIT A

EXHIBIT "A"
Legal Description

PARCEL 4 AS SHOWN BY PARCEL MAP NO. 24, IN THE CITY OF COACHELLA, AS SHOWN BY MAP ON FILE IN BOOK 39, PAGE 97 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

FIDELITY NATIONAL TITLE
ORANGE COUNTY

RECORDING REQUESTED BY

Escrow No.: 00156530-001-LAB
Title Order No.:

When Recorded Mail Document and
Tax Statement To:
CULTIVATION TECHNOLOGIES, INC., A
CALIFORNIA CORPORATION
RICHARD PROBST, CFO
1 TECHNOLOGY DRIVE #J-703
IRVINE, CA 92618

DOC # 2016-0580800
12/29/2016 08:00 AM Fees: \$31.00
Page 1 of 3
Recorded in Official Records
County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder

**This document was electronically submitted
to the County of Riverside for recording**
Received by: CAROL #914

Parcel No. 603-232-023-5

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

TRA 012-02E

THE UNDERSIGNED GRANTOR(s) DECLARE(s)

Documentary transfer tax is \$ 1,072.50 City Tax \$ 0.00

X computed on full value of property conveyed, or
computed on full value less value of liens or encumbrances remaining at time of sale,
Unincorporated Area X City of Coachella

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
Marco A. Ruiz, a married man as his sole and separate property

hereby GRANT(s) to
Cultivation Technologies, Inc., a California corporation

the following real property in the County of Riverside, State of California:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

Dated: ~~December 8, 2016~~ Dec 13 / 2016


Marco A. Ruiz



NOTARY ACKNOWLEDGMENT ATTACHED HERETO AND MADE A
PART HEREOF

Escrow No. 00156530-001-LAB

DOC #2016-0580800 Page 2 of 3

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA Alaska
COUNTY OF Fairbanks North Star } ss:

On December 13, 2016 before me,
Timothy J. Surap

a Notary Public, personally appeared MARGO A. RUIZ

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Timothy J. Surap



EXHIBIT BC-1

**PRIVATE PLACEMENT MEMORANDUM
FOR ACCREDITED INVESTORS ONLY**



a California corporation

**SECURITIES NOTICES AND GENERAL
INFORMATION**

This Confidential Private Placement Memorandum (including all exhibits and supplements hereto, this “Memorandum”) describes a private placement financing pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”) and Rule 506(c) promulgated under Regulation D (“Regulation D”) of the Securities Act (the “Offering”) of a maximum of 10,000,000 shares of common stock (the “Shares” or “Common Stock”) of Cultivation Technologies, Inc. (the “Company” or “CTI”) an agriculture technology company capitalizing on the current growth in commercial hydroponics with an emphasis on the medical marijuana market. The Company is focused exclusively on the legal cannabis industry. The Company is developing a brand of cannabis, “Coachella,” which is driven by a proprietary blend of technologies intended to disrupt the marketplace. The Company will derive revenue through brand license fees, facility fees, and lease fees by (i) acquiring real estate to develop and operate locally permitted cannabis cultivation, manufacturing, testing, and distribution/transportation centers in Coachella, California; (ii) replicating this model in Coachella on other sites and in other states using the same blend of technologies and revenue structure; and (iii) equipment manufacturing and leasing through the acquisition of Tow and Grow, Inc. assets and the accompanying exclusive license for Dragon Grow LED. The Company intends to become a public company by conducting an Initial Public Offering (“IPO”) with the filing of a registration statement with the Securities and Exchange Commission (“SEC”).

The Shares are being offered and sold only to investors (“Investors”) representing in writing that they are “accredited investors” as that term is defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, and set forth in the Rule 506(c) Accredited Investor Verification (“Accredited Investor Verification”) and Subscription Agreement attached to this Memorandum as Exhibit A and Exhibit B, respectively. The Shares are being offered directly by the Company on a “best efforts” basis. We reserve the right to enter into agreements with one or more broker-dealers to sell the Shares, with such broker-dealers receiving sales commissions of up to 10% of the price of the Shares and other forms of compensation, including warrants. We can provide no assurance that this Offering will be completely sold out. If less than the Maximum Offering is available to us, our development and prospects could be adversely affected.

The Shares issued in the Offering have not been registered under the Securities Act or under any state securities laws. At this time there is no public market for the Shares and no public market may develop as a result of this Offering. The Investors will not be given registration rights or any right to register the Shares in the Company’s future IPO. Any such purchase will be for the purchaser’s own account for investment purposes only and not with a view to the distribution of such securities.

The selling period for this Offering will begin upon the date of this Memorandum, and will terminate on July 31, 2016, unless extended by our board of directors (the "Board of Directors")

When used in this Memorandum, unless otherwise indicated, the terms "the Company," "we," "us," "the Companies" and "our" refers to Cultivation Technologies, Inc. All references in this Memorandum to "\$" or "dollars" are to United States dollars, unless specifically stated otherwise.

This Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Shares in any jurisdiction in which such offer or solicitation would be unlawful. No person has been authorized to give any information or to make any representations other than those contained in this Memorandum and, if given or made, such information or representations must not be relied upon. The delivery of this Memorandum at any time does not imply that information herein is correct as of any time subsequent to the date hereof. The Company does not undertake any obligation to update or supplement this Memorandum.

The information in this Memorandum is confidential and proprietary to the Company, and is being submitted to you solely for your confidential use and with the explicit understanding that, without the prior written permission of the Company, you will not release this Memorandum or discuss the Memorandum, its existence, or any of the information contained herein, or make any reproduction of or use this Memorandum for any purpose other than to evaluate a potential investment in the Shares offered hereby; provided, however, that you are authorized to disclose the tax treatment and the tax structure of the transactions described herein to your advisors, without limitation of any kind. By accepting delivery of this Memorandum, you agree to promptly return it and any other documents or information furnished to you by the Company, and all copies thereof, if you elect not to purchase any of the Shares offered hereby, or if the Offering is terminated or withdrawn.

Prior to your purchase of Shares, you should conduct an independent investigation of the risks posed by an investment in the Shares. You and, as applicable, your representatives, may ask questions of the executive officers of the Company about any aspect of this Offering and may obtain from them, to the extent that they possess such information or can acquire it without unreasonable effort or expense, any additional information necessary to verify information set forth in this Memorandum.

The Shares are being offered subject to (1) withdrawal, cancellation, or modification by the Company without notice; (2) the terms and conditions described in this Memorandum; (3) prior sale and (4) the Company's right to reject any subscription in whole or in part or to allot less than the number of Shares subscribed. Subject to the Company's acceptance of subscriptions, the Company has the right, in its discretion, to direct the disbursement of proceeds from its account. Subscriptions may not be revoked once tendered, except in accordance with certain state laws. No investments will be accepted until the Investor submits to the Company a fully completed and executed Rule 506(c) Accredited Investor Verification and Subscription Agreement.

You may not be able to liquidate your investment in the Shares in the event you wish to do so, whether because of an emergency that befalls you or for any other reason, due to the substantial restrictions on transfer imposed under federal and state securities laws on resale of the Shares to be purchased under this Offering. The suitability standards and requirements established in the subscription documents attached hereto are the minimum standards and requirements for qualification of Investors in this Offering and the satisfaction of such standards does not necessarily mean that an investment in the Shares is a suitable investment for any particular Investor.

YOU SHOULD CONSULT YOUR OWN INVESTMENT, LEGAL, TAX, AND ACCOUNTING ADVISORS TO DETERMINE WHETHER AN INVESTMENT IN THE SHARES IS AN APPROPRIATE INVESTMENT FOR YOU AND THE APPLICABLE LEGAL, TAX, REGULATORY, AND ACCOUNTING TREATMENT OF SUCH AN INVESTMENT. IN MAKING AN INVESTMENT DECISION YOU MUST RELY ON YOUR OWN EXAMINATION OF CULTIVATION TECHNOLOGIES, INC. AND THE TERMS AND CONDITIONS OF THE OFFERING IN MAKING SUCH A DECISION.

THE SECURITIES OFFERED HEREBY ARE HIGHLY SPECULATIVE, INVOLVE A HIGH DEGREE OF RISK AND SHOULD NOT BE PURCHASED BY ANYONE WHO CANNOT AFFORD THE LOSS OF THEIR ENTIRE INVESTMENT. PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY THE INFORMATION SET FORTH UNDER "RISK FACTORS" BEFORE PURCHASING SUCH SECURITIES.

THE SHARES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NOTICE TO FOREIGN INVESTORS

IF YOU LIVE OUTSIDE THE UNITED STATES, IT IS YOUR RESPONSIBILITY TO FULLY OBSERVE THE LAWS OF ANY RELEVANT TERRITORY OR JURISDICTION OUTSIDE THE UNITED STATES CONNECTED WITH ANY PURCHASE, INCLUDING OBTAINING REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER REQUIRED LEGAL OR OTHER FORMALITIES.

NOTICE TO RESIDENTS OF ALL STATES

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT, AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE ABLE TO WITHSTAND A TOTAL LOSS OF THEIR INVESTMENT.

FOR CALIFORNIA RESIDENTS: THE SHARES OF COMMON STOCK OFFERED HEREBY HAVE NOT BEEN QUALIFIED WITH THE CALIFORNIA COMMISSIONER OF CORPORATIONS, AND THE ISSUANCE OF SUCH SECURITIES OR PAYMENT OR RECEIPT OF ANY CONSIDERATION THEREOF IS UNLAWFUL UNLESS AN EXEMPTION FROM QUALIFICATION IS PERFECTED.

FOR COLORADO RESIDENTS: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1983, AS AMENDED, OR THE COLORADO SECURITIES ACT OF 1981, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE REGISTERED OR ANY EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR CONNECTICUT RESIDENTS: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER SECTION 36485 OF THE CONNECTICUT UNIFORM SECURITIES ACT AND THEREFORE CANNOT BE RESOLD UNLESS THEY ARE REGISTERED UNDER SUCH ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR DELAWARE RESIDENTS: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE DELAWARE SECURITIES ACT AND ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER SECTION 7309(B)(9) OF THE DELAWARE SECURITIES ACT AND RULE 9(B)(9)(II) THEREUNDER. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

NOTICE TO FLORIDA RESIDENTS: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE FLORIDA SECURITIES ACT, BY REASONS OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

THE SHARES REFERRED TO IN THE SUBSCRIPTION AGREEMENT WILL BE SOLD TO, AND ACQUIRED BY, THE HOLDER IN A TRANSACTION EXEMPT UNDER SECTION 517.061(12) OF THE FLORIDA SECURITIES ACT. THE SHARES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF FLORIDA, IN ADDITION, ALL FLORIDA RESIDENTS SHALL HAVE THE PRIVILEGE OF VOIDING THE PURCHASE WITHIN THREE (3) DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASE TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT OR WITHIN 3 DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER.

NOTICE TO GEORGIA RESIDENTS: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER SECTION 10-5-5 OF THE GEORGIA SECURITIES ACT OF 1973 (THE "ACT") AND ARE BEING SOLD IN RELIANCE UPON THE EXEMPTION THEREFROM. THESE SECURITIES CANNOT BE SOLD TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE INVESTMENT IS SUITABLE IF IT DOES NOT EXCEED 20% OF THE INVESTOR'S NET WORTH.

NOTICE TO HAWAII RESIDENTS: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE HAWAII UNIFORM SECURITIES ACT (MODIFIED), BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR IDAHO RESIDENTS: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE IDAHO SECURITIES ACT (THE "ACT") AND MAY BE TRANSFERRED OR RESOLD BY RESIDENTS OF IDAHO ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THE ACT OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE INVESTMENT IS SUITABLE IF IT DOES NOT EXCEED 10% OF THE INVESTOR'S NET WORTH.

FOR ILLINOIS RESIDENTS: THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECRETARY OF STATE OF ILLINOIS OR THE STATE OF ILLINOIS, NOR HAS THE SECRETARY OF STATE OF ILLINOIS OR THE STATE OF ILLINOIS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FOR INDIANA RESIDENTS: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER SECTION 3 OF THE INDIANA BLUE SKY LAW AND ARE OFFERED PURSUANT TO AN EXEMPTION UNDER SECTION 23-2-1-2(B) (10) THEREOF AND MAY BE TRANSFERRED OR RESOLD ONLY IF REGISTERED PURSUANT TO THE CODE OR IF EXEMPTION FROM REGISTRATION IS AVAILABLE. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

FOR IOWA RESIDENTS: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE IOWA UNIFORM SECURITIES ACT (THE "ACT") AND ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER SECTION 502.203(9) OF THE ACT. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

FOR MAINE RESIDENTS: THESE SECURITIES ARE BEING SOLD PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES ADMINISTRATOR OF THE STATE OF MAINE UNDER SECTION 10502(2) TITLE 32 OF THE MAINE REVISED STATUTES. THESE SECURITIES MAY BE DEEMED RESTRICTED SECURITIES AND AS SUCH THE HOLDER MAY NOT BE ABLE TO RESELL THE SECURITIES UNLESS PURSUANT TO REGISTRATION UNDER STATE OR FEDERAL SECURITIES LAWS OR UNLESS AN EXEMPTION UNDER SUCH LAWS EXISTS.

NOTICE TO MASSACHUSETTS RESIDENTS: THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE MASSACHUSETTS SECURITIES ACT BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT OF 1933, AS

AMENDED, OR THE MASSACHUSETTS IS SECURITIES ACT, IF SUCH REGISTRATION IS REQUIRED.

FOR MICHIGAN RESIDENTS: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER SECTION 451.701 OF THE MICHIGAN UNIFORM SECURITIES ACT (THE "ACT") AND MAY BE TRANSFERRED OR RESOLD BY RESIDENTS OF MICHIGAN ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THE ACT OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE

FOR MISSISSIPPI RESIDENTS: THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE MISSISSIPPI SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE MISSISSIPPI SECRETARY OF STATE OR WITH THE SECURITIES AND EXCHANGE COMMISSION. NEITHER THE SECRETARY OF STATE NOR THE COMMISSION HAS PASSED UPON THE VALUE OF THESE SECURITIES, NOR HAS APPROVED OR DISAPPROVED THE OFFERING. THE SECRETARY OF STATE DOES NOT RECOMMEND THE PURCHASE OF THESE OR ANY OTHER SECURITIES.

THERE IS NO ESTABLISHED MARKET FOR THESE SECURITIES AND THERE MAY NOT BE ANY MARKET FOR THESE SECURITIES IN THE FUTURE. THE SUBSCRIPTION PRICE OF THESE SECURITIES HAS BEEN ARBITRARILY DETERMINED BY THE ISSUER AND IS NOT AN INDICATION OF THE ACTUAL VALUE OF THESE SECURITIES.

THE PURCHASER OF THESE SECURITIES MUST MEET CERTAIN SUITABILITY STANDARDS (SEE "INVESTOR SUITABILITY REQUIREMENTS"), AND MUST BE ABLE TO BEAR AN ENTIRE LOSS OF HIS INVESTMENT. THESE SECURITIES MAY NOT BE TRANSFERRED FOR A PERIOD OF ONE (1) YEAR EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER THE MISSISSIPPI SECURITIES ACT OR IN A TRANSACTION IN COMPLIANCE WITH THE MISSISSIPPI SECURITIES ACT.

NOTICE TO NEW JERSEY RESIDENTS: THESE SECURITIES ARE OFFERED IN RELIANCE ON AN EXEMPTION FROM REGISTRATION UNDER THE NEW JERSEY UNIFORM SECURITIES LAW. THE SECURITIES HAVE NOT BEEN REGISTERED UNDER SAID LAW AND MAY NOT BE RE-OFFERED FOR SALE, TRANSFER OR RESOLD WITHOUT COMPLIANCE WITH THE REGISTRATION PROVISIONS OF SAID LAW OR AN EXEMPTION THEREFROM. THE BUREAU OF SECURITIES OF NEW JERSEY HAS NOT PASSED UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM AND DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF THE SECURITIES.

FOR NEW MEXICO RESIDENTS: THESE SECURITIES HAVE NOT BEEN APPROVED BY THE SECURITIES DIVISION OF THE NEW MEXICO DEPARTMENT OF BANKING NOR HAS THE SECURITIES DIVISION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FOR NEW YORK RESIDENTS: THIS OFFERING MEMORANDUM HAS NOT BEEN REVIEWED BY THE ATTORNEY GENERAL PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

NOTICE TO OHIO RESIDENTS: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER

THE OHIO SECURITIES ACT (THE "OHIO ACT"), AND THEREFORE CANNOT BE RESOLD OR TRANSFERRED BY THE INVESTOR EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER THE OHIO ACT, OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER THE OHIO ACT.

FOR PENNSYLVANIA RESIDENTS: THE SHARES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER SECTION 201 OF THE PENNSYLVANIA SECURITIES ACT OF 1972 (THE "ACT") AND MAY BE RESOLD BY RESIDENTS OF PENNSYLVANIA ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THAT ACT OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE NET WORTH OF ALL PENNSYLVANIA NON ACCREDITED PURCHASERS MUST EXCEED FIVE TIMES THEIR INVESTMENT EXCLUSIVE OF HOME, FURNISHINGS, AUTOMOBILES AND PROPOSED INVESTMENT.

EACH PERSON WHO ACCEPTS AN OFFER TO PURCHASE SECURITIES EXEMPTED FROM REGISTRATION BY SECTION 203(d), (f), (p) OR (r), DIRECTLY FROM AN ISSUER OR AFFILIATE OF AN ISSUER SHALL HAVE THE RIGHT TO WITHDRAW HIS OR HER ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO THE SELLER, UNDERWRITER (IF ANY) OR ANY OTHER PERSON, WITHIN TWO BUSINESS DAYS FROM THE DATE OF RECEIPT BY THE ISSUER OF HIS OR HER WRITTEN BINDING CONTRACT OF PURCHASE OR, IN THE CASE OF A TRANSACTION IN WHICH THERE IS NO WRITTEN BINDING CONTRACT OF PURCHASE, WITHIN TWO BUSINESS DAYS AFTER HE MAKES THE INITIAL PAYMENT FOR THE SECURITIES BEING OFFERED.

FOR SOUTH DAKOTA RESIDENTS: THE SHARES REPRESENTED BY THIS SUBSCRIPTION AGREEMENT HAVE NOT BEEN REGISTERED UNDER CHAPTER 47-31 OF THE SOUTH DAKOTA SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF FOR VALUE EXCEPT PURSUANT TO REGISTRATION, EXEMPTION THEREFROM, OR OPERATION OF LAW.

NOTICE TO TENNESSEE RESIDENTS: IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSIONS OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE TENNESSEE SECURITIES ACT OF 1993, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

FOR TEXAS RESIDENTS: THE SHARES OFFERED HEREBY ARE BEING OFFERED AND SOLD IN TEXAS IN RELIANCE UPON THE EXEMPTION UNDER SECTION 5.1 OF THE TEXAS SECURITIES ACT AND REGULATION #109.13 OF THE TEXAS SECURITIES BOARD ISSUED UNDER THE TEXAS SECURITIES ACT. TEXAS INVESTORS ARE SUBJECT TO THE ADDITIONAL SUITABILITY REQUIREMENT IMPOSED BY THE REGULATIONS OF THE TEXAS SECURITIES BOARD; THE TOTAL COST OF THE PROPOSED INVESTMENT SHALL

NOT EXCEED 20% OF THE INVESTOR'S NET WORTH (OR JOINT NET WORTH WITH THE INVESTOR'S SPOUSE) AT THE TIME OF SALE.

A PURCHASER OF THE SHARES OFFERED HEREBY MUST BEAR THE ECONOMIC RISK OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME BECAUSE THE SECURITIES HAVE NOT BEEN REGISTERED UNDER APPLICABLE SECURITIES LAWS AND THEREFORE CANNOT BE SOLD UNLESS THEY ARE SUBSEQUENTLY REGISTERED UNDER SUCH SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

FOR VIRGINIA RESIDENTS: THE VIRGINIA STATE CORPORATION COMMISSION DOES NOT PASS UPON THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT NOR UPON THE MERITS OF THE OFFERING AND THE COMMISSION EXPRESSES NO OPINION AS TO THE QUALITY OF THESE SHARES.

FOR WYOMING RESIDENTS: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE WYOMING UNIFORM SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION IS AVAILABLE.

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<u>EXHIBITS</u>	
<u>506(c) Accredited Investor Verification</u>	<u>Ex. A</u>
<u>Subscription Agreement</u>	<u>Ex. B</u>

We encourage all potential investors to review this Memorandum and the attached Exhibits carefully.

CONFIDENTIALITY

By accepting delivery of this Memorandum, you acknowledge and agree that all of the information contained herein is of a confidential nature and that this Memorandum has been furnished to you for the sole purpose of enabling you to consider and evaluate an investment in the Shares. You agree that you will treat such information in a confidential manner, will not use such information for any purpose other than evaluating an investment in the Shares, and will not, directly or indirectly, disclose or permit your agents, representatives or affiliates to disclose any of such information without the prior written consent of the Company. You also agree to make your agents, affiliates and representatives aware of the confidential nature of the information contained herein and the terms of this paragraph including your agreement to not disclose such information and to be responsible for any disclosure or other improper use of such information by such agents, affiliates or representatives.

Notwithstanding the foregoing confidentiality agreement, the recipient of this Memorandum, each stockholder of the Company, and their respective employees, representatives and agents are authorized to disclose the tax treatment and tax structure of the transactions described herein to their respective advisors, without limitation of any kind. You may disclose information contained herein to the extent (but only to the extent) that it relates to the tax treatment or tax structure of the transactions described herein. This authorization is not intended to permit disclosure of any other information included herein or obtained by you in connection to this Offering to the extent not related to the tax treatment or the tax structure of such transactions including the identities or financial information of any kind of current, future or potential stockholders of the Company.

FORWARD-LOOKING STATEMENTS

This Memorandum contains forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Forward-looking statements are statements, other than statements of historical facts that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such items as the Company's business strategies and measures to implement strategy, acquisitions, competitive strengths, goals, and growth of business and operations.

Forward-looking statements also include any other statements that include words such as "anticipate," "believe," "plan," "estimate," "expect," "intend" and other similar expressions.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of management's experience and perception of historical trends, current conditions, expected future developments and other factors believed appropriate.

All of the forward-looking statements made in this Memorandum are qualified by these cautionary statements, and there can be no assurance that the actual results or developments that have been anticipated will be realized. Even if the results and developments in such forward-looking statements are substantially realized, there is no assurance that they will have the expected consequences on the Company or its business or operations.

INDUSTRY AND MARKET DATA

The industry and market data presented in this Memorandum are inherently estimates and are based upon third party data, including information derived from our own internal estimates. While we believe that this data is reasonable, in some cases this data is based on our or others' estimates and cannot be verified by us. Accordingly, prospective investors are cautioned not to place undue reliance on the industry and market data included in this Memorandum.

EXECUTIVE SUMMARY

This summary highlights information contained elsewhere in this Memorandum and does not contain all of the information you should consider in making your investment decision. You should read this summary together with the more detailed information elsewhere in this Memorandum. You should carefully review and consider, among other things, the matters discussed in "Risk Factors" before making an investment decision.

Unless the context clearly indicates otherwise, the terms "the Company," "the Companies," "we," "us," and "our" refer to Cultivation Technologies, Inc. All references in this Memorandum to "\$" or "dollars" are to United States dollars, unless specifically stated otherwise.

Company Overview

On March 5, 2015, Cultivation Technologies, Inc. ("CTI" or the "Company") was incorporated under the laws of the State of California. The Company is focused exclusively on the legal cannabis industry. The Company seeks to develop a brand of cannabis, "Coachella," utilizing a proprietary mix of technologies intended to create a premium product line with higher margins and increased demand.

In order to derive revenue as a provider of technologies and brand licensor, the Company requires permitted sites for cultivation, manufacturing, testing, distribution, transportation, or dispensing of cannabis. Our mission is to develop a global brand of cannabis, Coachella, and derive high-margin revenues through the license of the brand, facility fees, and recurring lease fees.

On September 9, 2015, the Company entered into an Asset Purchase Agreement with Tow and Grow, Inc., a California corporation ("Tow and Grow"), whereby the Company acquired all of the rights, title and interest to certain assets including the TOWandGROW.com intellectual property, brand, website, logos, marketing, social media, etc. in exchange for Company stock and cash (the "Asset Purchase Agreement"). Tow and Grow is a manufacturer of advanced mobile hydroponic grow systems. In connection with the acquisition of Tow and Grow assets, the Company has also acquired the assets of the Dragon Grow LED light brand. These assets include and the DragonGrowLights.com intellectual property, brand, website, logos, marketing, social media, etc. as well as existing inventory. LED is the future of indoor growing, perfect for the controlled conditions necessary to sustain cannabis cultivation. The Company has since commenced sales of Dragon Grow LED, and initial market feedback suggests that Dragon Grow LED is a superior solution, particularly for large-scale grows with significant investment into infrastructure. Dragon Grow LED will be utilized on Company projects, and the Company will commence full marketing in 2016.

The Company executed a purchase-option on a 6-acre parcel in Coachella, California within the "MW Zone" in the City — after which City Council in Coachella, California unanimously voted to allow cultivation, manufacturing, testing, distribution, and transportation of cannabis from the zone. The Company was instrumental in the drafting of the ordinance and recommending regulatory standards which align with California's forthcoming regulations under MMRSA ("Medical Marijuana Regulation and Safety Act").

As California's future licensing requirements are contingent upon achieving the local authority to cultivate, manufacture, test, distribute, or transport cannabis — the Company is well positioned in California with the 6-acre property. The 6-acre property is currently in the CUP phase, after which full construction will commence which includes (4) 22,000 square foot cultivation centers, a 9,000 square foot manufacturing facility for extracted cannabis products, a testing facility, a distribution/transportation facility, and an office for key personnel dedicated to the site and brand marketing. The Company expects

to derive revenue from the site through a brand license fee, facility fee, and recurring lease fees — while sharing certain operating expenses. The resulting financial model provides the Company with more than \$30,000,000 in annual EBITDA at capacity.

The Company is in discussion with multiple site owners in Coachella so as to replicate this model beyond the original 6-acres. The Company's national and global strategy is to take the combined technologies used to produce Coachella from our first site, and replicate the strategy with certain changes in structure as necessitated by each jurisdiction and the associated cannabis laws.

Summary

The Company further intends to acquire zoning/ordinance compliant real estate via purchase or lease options for cultivation, manufacturing, testing, distribution, transportation, or dispensing operations in any jurisdiction where cannabis is legal. The Company may do so either directly or indirectly through joint ventures and other strategic relationships. Upon acquiring or partnering with such real estate, the Company will integrate its proprietary blend of technologies in order to produce superior products under the Coachella brand.

With the acquisition of the Tow and Grow and Dragon Grow Light brands, and through partnership of the Company's building and controlled atmosphere manufacturers, the Company will be able to provide superior solutions together with a brand license.

Cultivation Technologies leverages an experienced internal and external legal and public affairs team to secure cultivation and dispensing rights on behalf of clients managed by the Company. Cultivation Technologies expects to enter multiple states, and possibly other countries, by leveraging the experience of this unit.

Lastly, as the cannabis market flourishes and economies of scale are established throughout the country, the Company expects branding to become a necessity in establishing market share. The Company has conducted significant market research in several states so as to understand patient and consumer behaviors. In that research, the Company has identified key drivers of brand positioning, which assisted the Company in determining the value proposition for Coachella: Premium Cannabis. Developing a premium brand which caters directly to the desires of consumers and patients is expected to provide Cultivation Technologies projects with superior margins and increased demand as cannabis is commoditized.

Our Management

At this time our management consists of Richard O'Connor, Richard Probst, and Justin S. Beck as officers and directors. See "Management" for more information about our management team. Our principal offices are located at 3 Park Plaza, Suite 490, Irvine, California 92614.

Risks Related to Our Business

We face a number of challenges and risks in our business, which are described in further detail in "Risk Factors" beginning on page 7 of this Memorandum.

SUMMARY OF THE OFFERING

Issuer:	Cultivation Technologies, Inc. , a California corporation.
Securities:	The Company is offering for sale to accredited investors a maximum of 10,000,000 shares of common stock (the "Shares") at an offering price of \$2.00 per share (the "Offering").
Purchase Price:	\$2.00 per share, with a minimum investment amount per investor of \$20,000, which may be waived by the Company in its sole discretion.
Offering Size:	The maximum number of Shares to be sold pursuant to the Offering is 10,000,000 Shares, for an aggregate purchase price of \$20,000,000 (the "Maximum Offering").
Post-Offering Capitalization:	<p>30,069,619 shares of common stock are issued and outstanding as of the date of this Memorandum. There will be 40,069,619 shares of common stock issued and outstanding if the Maximum Offering is sold. The Company currently has 100,000,000 shares of common stock and 20,000,000 shares of preferred stock authorized.</p> <p>For additional information, refer to the section in this Memorandum entitled, "Description of Capital Stock" on page 45.</p>
Investor Suitability:	All Investors must be "accredited investors" as defined under Rule 501 of Regulation D, and meet all other suitability requirements set forth herein under the caption "Investor Suitability Requirements," as set forth in this Memorandum and contained in the 506(c) Accredited Investor Verification and Subscription Agreement, attached as <u>Exhibit A</u> and <u>Exhibit B</u> to this Memorandum, respectively.

Offering Period:

The Offering will begin upon the date of this Memorandum, and will terminate on July 31, 2016, unless extended up to 60 days or terminated sooner by the Company's Board of Directors (the "Termination Date").

Use of Proceeds:

The gross proceeds from the sale of the Shares will be approximately \$20,000,000 if the Maximum Offering is subscribed. Non-commission expenses payable by the Company in connection with this Offering, including, but not limited to, legal fees, accounting fees, financial printing costs and other related expenses of the Offering estimated to be approximately \$50,000. Assuming 10,000,000 shares of Common Stock are sold (for net proceeds of \$19,950,000). Such proceeds will be utilized for general corporate and working capital purposes.

Subscription Procedure:

Investors interested in subscribing for Shares in this Offering must do the following:

Deliver a completed and executed 506(c) Accredited Investor Verification and Subscription Agreement attached to this Memorandum as Exhibit A and Exhibit B, respectively, to the Company at the address provided in the Subscription Agreement.

Following notice of verification of accredited investor status and acceptance of subscription from the Company, Investor shall deliver the purchase price in the amount of \$2.00 per Share by check or wire transfer using the instructions provided in the Subscription Agreement.

At a reasonable period of time subsequent to the Termination Date, certificates representing the shares of common stock purchased in this Offering will be issued to the Investors.

Subscription Agreements are not binding until accepted by the Company. If the Company rejects all or a portion of any subscription, the Company will return to the prospective subscriber all, or the appropriate portion, of the amount submitted with such prospective subscriber's subscription, without interest or deduction. After all refunds have been made, the Company, and its directors, officers, counsel, and agents will have no further liability to subscribers.

If subscriptions are received and accepted on or before the Termination Date the funds may be deposited into the Company's operating account for its general business purposes.

Additional Information:

Upon request of a potential Investor, the Company will make available to such potential Investor the opportunity to ask questions of, and receive answers from, the Company concerning the terms and conditions of this Offering, the transactions contemplated by the Memorandum and the Company's business operations. Further, the Company will, subject to executed confidentiality agreements and other considerations, obtain and make available additional information reasonably requested by such Investor to the extent that the Company possesses such information or can acquire it without unreasonable effort or expense, so that the Investor may verify the accuracy of any information concerning the terms and conditions of this Offering or the transactions referred to herein.

Requests for additional information may be directed to Cultivation Technologies, Inc., at 3 Park Plaza, Suite 490, Irvine, CA 92614.

Risk factors:

Investing in our common stock involves a high degree of risk. See "Risk Factors", and other information set forth in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.

RISK FACTORS

Investing in our securities involves a high degree of risk. You should read and carefully consider the following factors, as well as other information contained in this Memorandum, before deciding whether to invest in our securities. The occurrence of any of the following risks could harm our business, financial condition or results of operations. In that case, the market price of our securities could decline, and you may lose all or part of your investment in our securities. In assessing the risks described below, you should also refer to the other information contained in this Memorandum before making an investment decision.

Risks Relating to Our Business and Early Stage of Development

We are a development stage company with a limited operating history on which to evaluate our business or base an investment decision.

Our business prospects are difficult to predict because of our limited operating history and early stage of development. At this time, we are a development stage company that has generated no revenues, has limited current business operations, and plans to acquire operating businesses or commence business operations with revenues from the proceeds of this Offering. In particular, we have not proven that we can execute on our proposed business plan by supplying infrastructure and management services to the cannabis industry in a manner that enables us to be profitable and meet customer requirements, develop intellectual property to enhance our operations, develop and maintain relationships with key manufacturers and strategic partners to extract value from our operations, raise sufficient capital in the public and/or private markets, or respond effectively to competitive pressures. If we are unable to accomplish these goals, our business is unlikely to succeed and you should consider our prospects in light of these risks, challenges and uncertainties.

If we fail to raise additional capital, our ability to implement our business model and strategy could be compromised.

We have limited capital resources and operations. To date, our operations have consisted solely of organization matters and have been funded entirely from the proceeds from initial small-scale debt and equity financing. We expect to require substantial additional capital in the near future in order to acquire additional businesses as planned, to develop our operations, and to establish the targeted levels of production. We may not be able to obtain additional financing on terms acceptable to us, or at all. Even if we obtain financing for our near term operations, we expect that we will require additional capital beyond the near term. If we are unable to raise capital when needed, our business, financial condition and results of operations would be materially adversely affected, and we could be forced to reduce or discontinue our operations.

We plan to make strategic acquisitions that may be unsuccessful and could expose us to unforeseen liabilities.

Acquisitions and other development opportunities identified may involve material cash expenditures, debt incurrence, operating losses, amortization of certain intangible assets of acquired companies, issuances of equity securities, and expenses, some of which are unforeseen, that could affect our business, financial position, results of operations and liquidity. Acquisitions and other related development opportunities involve numerous risks, including:

- Limitations in obtaining financing for acquisitions at a cost reasonable to us;

- Difficulties integrating acquired operations, personnel, and information systems, and in realizing projected revenues, efficiencies and cost savings, or returns on invested capital;
- Entry in to markets, businesses or services in which we may have little or no experience;
- Diversion of business resources or management's attention from ongoing business operations; and
- Exposure to undisclosed or unforeseen liabilities or acquired operations.

We may face limitations on our ability to identify sufficient acquisition or other development targets to meet goals. If we fail to execute our business model it will have a negative effect on our business operations.

We face intense competition which could prohibit us from developing a customer base and generating revenue.

The industries within which we plan to compete are highly competitive with companies that have greater capital resources, facilities and diversity of product lines. Additionally, if demand for our equipment and services continues to grow, we expect many new competitors to enter the market as there are no significant barriers to providing equipment leasing and management services. More established companies with much greater financial resources which do not currently compete with us may be able to easily adapt their existing operations to our lines of business. Due to this competition, there is no assurance that we will not encounter difficulties in obtaining revenues and market share or in the positioning of our products or that competition in the industry will not lead to reduced prices for our equipment or services. Our competitors may also introduce new equipment or novel cultivation techniques and services which could also increase competition and decrease demand for our business.

If we need additional capital to fund our growing operations, we may not be able to obtain sufficient capital and may be forced to limit the scope of our operations.

If adequate additional financing is not available on reasonable terms, we may not be able to expand our business operations and we would have to modify our business plans accordingly. There is no assurance that additional financing will be available to us.

In connection with our growth strategies, we may experience increased capital needs and accordingly, we may not have sufficient capital to fund our future operations without additional capital investments. Our capital needs will depend on numerous factors, including (i) our profitability; (ii) the release of competitive products by our competition; (iii) the level of our investment in research and development; and (iv) the amount of our capital expenditures, including acquisitions. We cannot assure you that we will be able to obtain capital in the future to meet our needs.

In recent years, the securities markets in the United States have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations that have not necessarily been related to the operations, performances, underlying asset values or prospects of such companies. For these reasons, our securities can also be expected to be subject to volatility resulting from purely market forces over which we will have no control. If we need additional funding we will, most likely, seek such funding in the United States and the market fluctuations effect on our stock price could limit our ability to obtain equity financing.

If we cannot obtain additional funding, we may be required to: (i) limit our expansion; (ii) limit our marketing efforts; and (iii) decrease or eliminate capital expenditures. Such reductions could materially adversely affect our business and our ability to compete.

Even if we do find a source of additional capital, we may not be able to negotiate terms and conditions for receiving the additional capital that are favorable to us. Any future capital investments could dilute or otherwise materially and adversely affect the holdings or rights of our existing shareholders. In addition, new equity or convertible debt securities issued by us to obtain financing could have rights, preferences and privileges senior to the Shares. We cannot give you any assurance that any additional financing will be available to us, or if available, will be on terms favorable to us.

The failure to hire additional employees could harm our business.

Our future success also depends upon our continuing ability to attract and retain highly qualified personnel. Expansion of our business and the management and operation will require additional managers and employees with industry experience, and our success will be highly dependent on our ability to attract and retain skilled management personnel and other employees. There can be no assurance that we will be able to attract or retain highly qualified personnel. Competition for skilled personnel in our industry is significant. This competition may make it more difficult and expensive to attract, hire and retain qualified managers and employees.

If we are unable to deliver consistent, high quality cultivation equipment at sufficient volumes, our relationship with our customers may suffer and our operating results will be adversely affected.

Our customers will expect us to be able to consistently deliver our cultivation equipment at sufficient volumes, while meeting their established quality standards. If we are unable to consistently deliver such volumes, our relationship with these customers could be adversely affected, which could have a negative impact on our operating results.

Failure to effectively manage growth of internal operations and business may strain our financial resources.

We intend to acquire operating businesses and to significantly expand the scope of our business operations in the near term. Our growth rate may place a significant strain on our financial resources for a number of reasons, including, but not limited to, the following:

- The need for continued development of our financial reporting and information management systems;
- The need to manage strategic relationships and agreements with manufacturers, suppliers, customers and partners; and
- The need to manage strategic relationships and agreements with manufacturers, suppliers, customers and partners; and
- Difficulties in hiring and retaining skilled management, technical and other personnel necessary to support and manage our business.

Additionally, our strategy envisions a period of rapid growth that may impose a significant burden on our administrative and operational resources. Our ability to effectively manage growth will require us to substantially expand the capabilities of our administrative and operational resources and to attract, train, manage and retain qualified management and other personnel. Our failure to successfully manage growth could result in our sales not increasing commensurately with capital investments. Our inability to successfully manage growth could materially adversely affect our business.

If we are unable to continually innovate and increase efficiencies, our ability to attract new customers may be adversely affected.

In the area of innovation, we must be able to develop new management strategies and cultivation equipment and other technologies that appeal to our customers. This depends, in part, on the technological and creative skills of our personnel and on our ability to protect our intellectual property rights. We may not be successful in the development, introduction, marketing and sourcing of new technologies or innovations, that satisfy customer needs, achieve market acceptance or generate satisfactory financial returns.

Global economic conditions may adversely affect our industry, business and result of operations.

Disruptions in the global credit and financial markets could result in diminished liquidity and credit availability, a decline in consumer confidence, a decline in economic growth, an increased unemployment rate, and uncertainty about economic stability. These economic uncertainties can affect businesses such as ours in a number of ways, making it difficult to accurately forecast and plan our future business activities. Such conditions can lead consumers to postpone spending, which can cause cannabis cultivators to cancel, decrease or delay orders with us. We are unable to predict the likelihood of the occurrence, duration or severity of such disruptions in the credit and financial markets and adverse global economic conditions and such economic conditions could materially and adversely affect our business and the results of operations.

Our business depends substantially on the continuing efforts of our management team and our business may be severely disrupted if we lose their services.

Our current and future success depends substantially on the continued services of our management team, Richard O'Connor, Richard Probst, and Justin S. Beck. Each brings a unique blend of skill and experience that is essential to the success of our business. We do not maintain key man life insurance for our management team. If our management team is unable or unwilling to continue in their present positions, we may not be able to replace them readily, if at all. Therefore, our business may be severely disrupted, and we may incur additional expenses to recruit and retain new management.

Our officers and directors have significant control over shareholder matters and the minority shareholders will have little or no control over our affairs.

Our management team currently owns or controls approximately 18,550,000 shares of our outstanding common stock and therefore currently has approximately 61.7% of shareholder voting power, and thus majority control over shareholder matters, such as election of directors, amendments to the Company's Articles of Incorporation, and approval of significant corporate transactions; as a result, the Company's minority shareholders will have little or no control over its affairs.

Risks Related to Legal Uncertainty

Inability to protect our proprietary rights could damage our competitive position.

Our business will be heavily dependent upon the intellectual property we develop or acquire. Any infringement or misappropriation of our intellectual property could damage its value and limit our ability to compete. We will rely on patents, copyrights, trademarks, trade secrets, confidentiality provisions and licensing arrangements to establish and protect our intellectual property. We may have to engage in litigation to protect the rights to our intellectual property, which could result in significant litigation costs

and require a significant amount of our time. In addition, our ability to enforce and protect our intellectual property rights may be limited in certain countries outside the United States, which could make it easier for competitors to capture market position in such countries by utilizing technologies that are similar to those developed or licensed by us.

Competitors may also harm our sales by designing products that mirror the capabilities of our products or technology without infringing on our intellectual property rights. If we do not obtain sufficient protection for our intellectual property, or if we are unable to effectively enforce our intellectual property rights, our competitiveness could be impaired, which would limit our growth and future revenue.

A successful claim of infringement against us could result in a substantial damage award and materially harm our financial condition. Even if a claim against us is unsuccessful, we would likely have to devote significant time and resources to defending against it.

We may also find it necessary to bring infringement or other actions against third parties to seek to protect our intellectual property rights. Litigation of this nature, even if successful, is often expensive and disruptive of a company's management's attention, and in any event may not lead to a successful result relative to the resources dedicated to any such litigation.

Federal practices could change with respect to providers of equipment potentially usable by participants in the cannabis industry, which could adversely impact us.

We are not aware of any threatened or current federal or state law enforcement actions against manufacturers of cultivation equipment or management service providers to cannabis cultivators operating in compliance with state laws. We are, however, aware that more than 20 years ago, law enforcement authorities did initiate raids, at some retail stores where operators evidently knew they were selling hydroponic equipment directly to customers who indicated they intended to use it for the cultivation of recreational marijuana, and at the addresses of certain customers of such retail stores. Those raids took place decades ago and in a different legal landscape, well before the legalization of adult-use and medical cannabis by any state. We are unaware of any threatened or actual law enforcement activity, ever, against manufacturers or retailers of supplies marketed for usage by participants in the emerging medical cannabis industry.

A theoretical risk exists that our activities could be deemed to be facilitating the selling or distribution of marijuana in violation of the federal Controlled Substances Act, or to constitute aiding or abetting, or being an accessory to, a violation of that Act. Federal authorities have not focused their resources on such tangential or secondary violations of the Act, nor have they threatened to do so, with respect to the manufacture or sale of equipment that might be used by medical cannabis cultivators, or with respect to any supplies marketed to participants in the emerging medical cannabis industry. We are unaware of such a broad application of the Controlled Substances Act by federal authorities, and we believe that such an attempted application would be unprecedented.

If the federal government were to change its practices, or were to expend its resources attacking providers of equipment that could be usable by participants in the medical cannabis industry, such action could have a materially adverse effect on our operations, our customers, or the sales of our products.

Closing of bank accounts could have a material adverse effect on our business, financial condition and/or results of operations.

As a result of the regulatory environment, many ancillary business in the cannabis industry have experienced the closing of bank accounts. We have not had such issues to date. However, we may experience such a closure of our bank accounts. These factors impact management and could have a material adverse effect on our business, financial condition and/or results of operations.

Federal regulation and enforcement may adversely affect the implementation of medical marijuana laws and regulations may negatively impact our revenues and profits.

Currently, there are 23 states plus the District of Columbia that have laws and/or regulation that recognize in one form or another legitimate medical uses for cannabis and consumer use of cannabis in connection with medical treatment. Additionally, 4 states have legalized cannabis for adult use. Many other states are considering legislation to similar effect. As of the date of this writing, the policy and regulations of the Federal government and its agencies is that cannabis has no medical benefit and a range of activities including cultivation and use of cannabis for personal use is prohibited on the basis of federal law and may or may not be permitted on the basis of state law. Active enforcement of the current federal regulatory position on cannabis on a regional or national basis may directly and adversely affect the willingness of persons to invest in the Company or our strategic partners.

It is possible that federal or state legislation could be enacted in the future that would prohibit us or our customers from selling our products to medical cannabis growers, and if such legislation were enacted, our revenues could decline, leading to a loss in your investment.

There is currently no federal or state regulation that regulates the sale of indoor cultivation equipment to medical cannabis growers. We believe that a material portion of our product sales are to medical cannabis growers. If federal and/or state legislation is enacted which prohibits the sale of our hydroponic growing equipment to medical cannabis growers, our revenues would decline, leading to a loss of a material portion of your investment.

Our insurance coverage may be inadequate to cover all significant risk exposures.

We will be exposed to liabilities that are unique to the products we provide. While we intend to maintain insurance for certain risks, the amount of our insurance coverage may not be adequate to cover all claims or liabilities, and we may be forced to bear substantial costs resulting from risks and uncertainties of our business. It is also not possible to obtain insurance to protect against all operational risks and liabilities. The failure to obtain adequate insurance coverage on terms favorable to us, or at all, could have a material adverse effect on our business, financial condition and results of operations. Further, we do not have any business interruption insurance. Any business disruption or natural disaster could result in substantial costs and diversion of resources. **Litigation may adversely affect our business, financial condition and results of operations.**

From time to time in the normal course of our business operations, we may become subject to litigation that may result in liability material to our financial statements as a whole or may negatively affect our operating results if changes to our business operation are required. The cost to defend such litigation may be significant and may require a diversion of our resources. There also may be adverse publicity associated with litigation that could negatively affect customer perception of our business, regardless of whether the allegations are valid or whether we are ultimately found liable. As a result, litigation may adversely affect our business, financial condition and results of operations.

Confidentiality agreements with employees and others may not adequately prevent disclosure of our trade secrets and other proprietary information.

Our success depends upon the skills, knowledge and experience of our technical personnel, our consultants and advisors as well as our licensors and contractors. Because we operate in a highly competitive field, we will rely significantly on trade secrets to protect our proprietary technology and processes. However, trade secrets are difficult to protect. We plan to enter into confidentiality and intellectual property assignment agreements with our corporate partners, employees, consultants, outside scientific collaborators, developers and other advisors. These agreements generally require that the receiving party keep confidential and not disclose to third parties confidential information developed by us during the course of the receiving party's relationship with us. These agreements also generally provide that inventions conceived by the receiving party in the course of rendering services to us will be our exclusive property. However, these agreements may be breached and may not effectively assign intellectual property rights to us. Our trade secrets also could be independently discovered by competitors, in which case we would not be able to prevent the use of such trade secrets by our competitors. The enforcement of a claim alleging that a party illegally obtained and was using our trade secrets could be difficult, expensive and time consuming and the outcome would be unpredictable. In addition, courts outside the United States may be less willing to protect trade secrets. The failure to obtain or maintain meaningful trade secret protection could adversely affect our competitive position.

Risks Relating to an Investment in Our Securities

If we are unable to receive subscriptions for the Maximum Offering, we may have insufficient capital to implement our business plan.

The Shares are being offered by the Company on a "best efforts" basis. We reserve the right to enter into agreements with one or more broker-dealers to sell the Shares, with such broker-dealers receiving sales commissions of up to 10% of the price of the Shares and other forms of compensation, including warrants. We can provide no assurance that this Offering will be completely sold out. If less than the Maximum Offering is available to us, our development and prospects could be adversely affected.

The offering price of the Shares have been determined arbitrarily by us and does not bear any relationship to our assets, book value, earnings, or other established criteria for valuing a privately held company.

We have arbitrarily determined the offering price of the Shares. In determining the number of Shares and common stock to be offered and the offering price, we took into consideration the amount of money we would need to implement our business plans and the number of shares we wanted to offer. Accordingly, the offering price should not be considered an indication of the actual value of our securities.

We will have broad discretion in applying the net proceeds of this Offering and may not use those proceeds in ways that will enhance the market value of our securities.

We have significant flexibility in applying the net proceeds we will receive in this Offering. We will use the proceeds that we receive from the sale of the Shares in this offering for the development of our business operations and, potentially, the acquisition of equipment and related businesses to further our business plan, as well as for working capital and other corporate purposes as more particularly described herein. As part of your investment decision, you will not be able to assess or direct how we apply these net proceeds. If we do not apply these funds effectively, we may lose significant business opportunities. Management of the Company may access the proceeds from the Offering at its

discretion. Furthermore, our common stock price could decline if the market does not view our use of the net proceeds from this Offering favorably.

The securities laws may restrict transferability of the securities sold in the Offering.

The Shares have not been registered under the Securities Act nor have they been registered or qualified under any state or foreign securities laws. Such securities are being issued based upon our reliance upon an exemption from registration under the Securities Act for an offer and sale of securities that does not involve a public offering. Unless such securities are so registered, they may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or foreign securities laws. Investors subscribing for Shares will first be required to make representations and covenants concerning these transfer restrictions which are necessary to satisfy the requirements of the exemption from registration being relied upon by us for the issuance. The certificates representing the shares of common stock will bear a legend indicating that they are so restricted.

You must make an independent investment analysis in connection with this Offering.

No independent legal, accounting or business advisors have been appointed to represent the interests of prospective Investors in connection with this Offering. Neither the Company, nor any of its officers, directors, employees or agents makes any representation or expresses any opinion with respect to the merits of an investment in Shares offered hereby, including, and without limitation, the Company's proposed value or the value of shares of common stock or preferred stock. Each prospective Investor is therefore encouraged to engage independent accountants, appraisers, attorneys and other advisors to: (i) conduct a due diligence review as the prospective investor may deem necessary and advisable, and (ii) provide advice with respect to the merits of an investment in the Shares offered hereby and applicable risk factors as a prospective investor may deem necessary and advisable to rely upon. We will fully cooperate with any prospective Investor who desires to conduct an independent analysis, so long as such cooperation is not unduly burdensome. Each prospective Investor acknowledges that he, she or it has been informed and understands that our legal counsel has not provided any legal advice or expertise to them directly or as any part of this Memorandum.

Our shares of common stock currently have no trading volume and there can be no assurance that there will be an active market for our shares of common stock either now or in the future.

Our shares of common stock have not been publicly traded, and the price if traded may not reflect our value. There can be no assurance that there will be an active market for our shares of common stock either now or in the future. The market liquidity will be dependent on the perception of our operating business and any steps that our management might take to bring us to the awareness of investors. There can be no assurance given that there will be any awareness generated. Consequently, investors may not be able to liquidate their investment or liquidate it at a price that reflects the value of the business. If a more active market should develop, the price may be highly volatile. Because there may be a low price for our shares of common stock, many brokerage firms may not be willing to effect transactions in the securities. Even if an investor finds a broker willing to effect a transaction in the shares of our common stock, the combination of brokerage commissions, transfer fees, taxes, if any, and any other selling costs may exceed the selling price. Further, many lending institutions will not permit the use of such shares of common stock as collateral for any loans.

If we become a smaller reporting company we may be required to incur significant costs and require significant management resources to evaluate our internal control over financial reporting

as required under Section 404 of the Sarbanes-Oxley Act, and any failure to comply or any adverse result from such evaluation may have an adverse effect on our stock price.

If we become a smaller reporting company as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, we will be required to evaluate our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404"). Section 404 requires us to include an internal control report with our Annual Report on Form 10-K. This report must include management's assessment of the effectiveness of our internal controls over financial reporting as of the end of the fiscal year. This report must also include disclosure of any material weaknesses in internal controls over financial reporting that we have identified. Failure to comply, or any adverse results from such evaluation could result in a loss of investor confidence in our financial reports and have an adverse effect on the trading price of our equity securities.

Achieving continued compliance with Section 404 may require us to incur significant costs and expend significant time and management resources. No assurance can be given that we will be able to fully comply with Section 404 or that we and our independent registered public accounting firm would be able to conclude that our internal control over financial reporting is effective at fiscal year-end. As a result, investors could lose confidence in our reported financial information, which could have an adverse effect on the trading price of our securities, as well as subject us to civil or criminal investigations and penalties. In addition, our independent registered public accounting firm may not agree with our management's assessment or conclude that our internal control over financial reporting is operating effectively.

We may be subject to penny stock rules which will make the shares of our common stock more difficult to sell.

We may be subject now and in the future to the SEC's "penny stock" rules if our shares of common stock sell below \$5.00 per share. Penny stocks generally are equity securities with a price of less than \$5.00. The penny stock rules require broker-dealers to deliver a standardized risk disclosure document prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer must also provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson, and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information must be given to the customer orally or in writing prior to completing the transaction and must be given to the customer in writing before or with the customer's confirmation.

In addition, the penny stock rules require that prior to a transaction the broker dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. The penny stock rules are burdensome and may reduce purchases of any offerings and reduce the trading activity for shares of our common stock. As long as our shares of common stock are subject to the penny stock rules, the holders of such shares of common stock may find it more difficult to sell their securities.

Shares of our currently issued and outstanding stock may become freely tradable pursuant to Rule 144 and may dilute the market for your shares and have a depressive effect on the price of the shares of our common stock.

A substantial majority of our outstanding shares of common stock are "restricted securities" within the meaning of Rule 144 under the Securities Act. As restricted shares, these shares may be resold only pursuant to an effective registration statement or under the requirements of Rule 144 or other applicable exemptions from registration under the Act and as required under applicable state securities laws. Rule

144 provides in essence that an Affiliate (as such term is defined in Rule 144(a)(1)) of an issuer who has held restricted securities for a period of at least six months (one year after filing Form 10 information with the SEC for shell companies and former shell companies) may, under certain conditions, sell every three months, in brokerage transactions, a number of shares that does not exceed the greater of 1% of a company's outstanding shares of common stock or the average weekly trading volume during the four calendar weeks prior to the sale (the four calendar week rule does not apply to companies quoted on the OTC Bulletin Board). Rule 144 also permits, under certain circumstances, the sale of securities, without any limitation, by a person who is not an Affiliate of the Company and who has satisfied a one-year holding period. A sale under Rule 144 or under any other exemption from the Act, if available, or pursuant to subsequent registrations of our shares of common stock, may have a depressive effect upon the price of our shares of common stock in any active market that may develop.

You will experience dilution of your ownership interest because of the future issuance of additional shares of our common stock.

In the future, we may issue our authorized but previously unissued equity securities, resulting in the dilution of the ownership interests of our present stockholders. We are currently authorized to issue a total of 100,000,000 shares of common stock, par value \$0.001.

We may also issue additional shares of our common stock or other securities that are convertible into or exercisable for common stock in connection with hiring or retaining employees or consultants, future acquisitions, future sales of our securities for capital raising purposes, or for other business purposes. The future issuance of any such additional shares of our common stock or other securities may create downward pressure on the trading price of our common stock. There can be no assurance that we will not be required to issue additional shares, warrants or other convertible securities in the future in conjunction with hiring or retaining employees or consultants, future acquisitions, future sales of our securities for capital raising purposes or for other business purposes, including at a price (or exercise prices) below the price at which shares of our common stock are trading.

We do not expect to pay dividends in the near future and investors should not buy our common stock expecting to receive dividends.

We have not paid any dividends on our common stock in the past, and do not anticipate that we will declare or pay any dividends in the foreseeable future. Consequently, investors will likely only realize an economic gain on their investment in our common stock if the price appreciates. Investors should not purchase our common stock expecting to receive cash dividends. Because we have not and do not anticipate paying dividends, and there may be limited trading in our stock, investors may not have any manner to liquidate or receive any payment on their investment. Therefore, our failure to pay dividends may cause investors to not see any return on investment even if we are successful in our business operations. In addition, because we do not have plans to pay dividends in the near future, we may have trouble raising additional funds, which could affect our ability to expand our business operations. In the event that the Company has sufficient cash reserves and is adequately capitalized to pay out dividends the Board of Directors will provide said notice to its shareholders.

USE OF PROCEEDS

We estimate that our net proceeds from the sale of Shares by us in this Offering will be approximately \$19,950,000, if the Maximum Amount is sold, after deducting estimated non-commission related expenses associated with the Offering. We intend to use the net proceeds of this offering for developing the first 6-acre project in Coachella, California, partial acquisition costs, and general corporate and working capital purposes. However, we cannot specify with certainty that this is how we will spend the

net proceeds to be received upon completion of this Offering. The amounts of our actual expenditures will be influenced by several factors, including the timing and extent of our expansion opportunities, the amount of cash used by our operations and the occurrence of unforeseen opportunities and events. Our management team will have broad discretion in determining the use of the net proceeds of this Offering.

DIVIDEND POLICY

We have never declared or paid any cash dividend on our capital stock. We plan to retain future earnings to support our operations and to finance the development and growth of our business. Therefore, we do not expect to pay cash dividends on our capital stock in the foreseeable future. In the event that the Company has sufficient cash reserves and is adequately capitalized to pay out dividends the Board of Directors will provide said notice to its shareholders.

DESCRIPTION OF BUSINESS

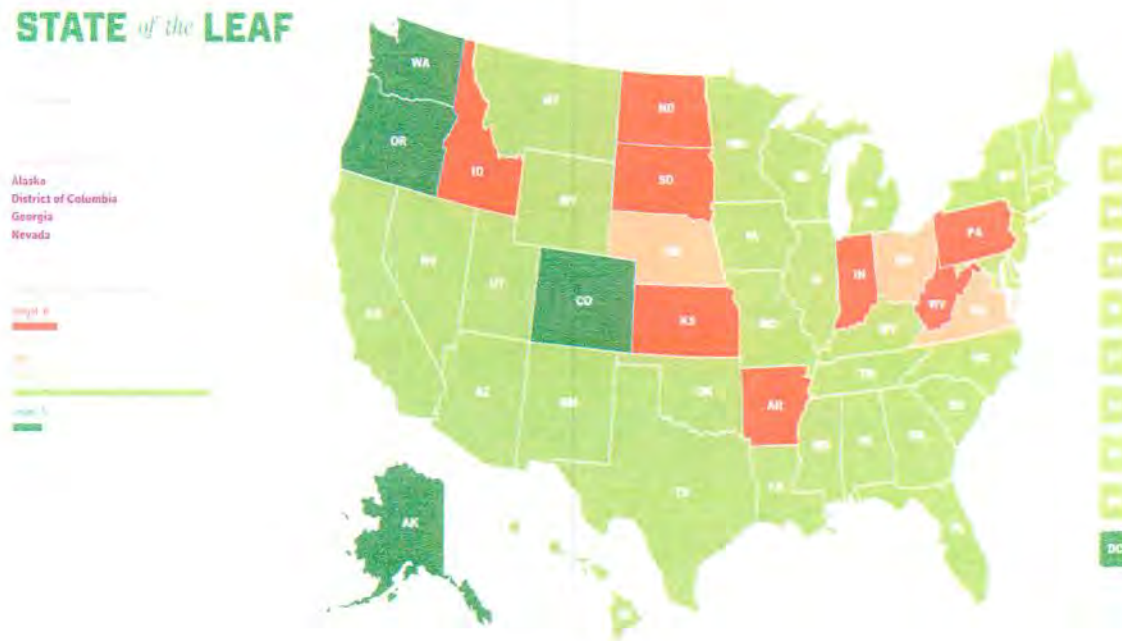
Industry Opportunity

Cannabis is America's largest cash crop; medical and adult use of cannabis represents the fastest growing industry in America. Estimates of a global, legal cannabis market approach \$200 billion annually — with numerous ancillary products and services catering thereto. Cultivation Technologies strategy is to develop a brand of cannabis (Coachella: Premium Cannabis), acquire or partner with facilities to develop products with the brand, and control the superior blend of technologies to produce the cannabis and related products.

Relied upon for thousands of years as medicine, cannabis encompasses 473 distinct compounds, a small fraction of which have been studied for clinical efficacy. What is known is the presence of an endocannabinoid system in humans and many animals. Some believe that cannabis will threaten various pharmaceuticals as research is conducted through traditional multi-center, double-blind clinical trials.

The economic and political landscape for cannabis is rapidly changing, and early entrants who position to overcome challenges in this nascent industry will be positioned for sustained growth and considerable market share. Visit www.leafly.com/stateoftheleaf for the interactive map and full details on each state.

STATE of the LEAF



At present, 35 states in America have adopted laws or have pending legislation for medical cannabis. Four states (plus the District of Columbia) have adopted “adult use” laws, also known as recreational cannabis laws. Globally, countries such as Canada, Uruguay and Columbia have enacted legal cannabis laws. The United Nations is expected to meet in March of 2016 (UNGASS 2016) to discuss global cannabis reform, which could lead the way to a legal, global market through leadership of UN constituents.

Cultivation Technologies is positioned within the largest cannabis market in the world, California, through cannabis infrastructure, branding, and equipment. The Company features a national and global plan through which it will attain market share across state lines, and sustain inherent price fluctuations as supply and competition increase.

Cultivation Technologies’ strategy is defined through the A) the development of a brand of cannabis with unrivaled quality, Coachella; and B) the technologies and infrastructure required to cultivate, manufacture, and market that brand.

Unlike most early stage companies in this industry, Cultivation Technologies is positioned with expertise in all verticals necessary to achieve success: cultivation, dispensing, manufacturing, distribution, branding, marketing, and engineering. The Company leverages a cohesion of experienced, internal talent and key partnerships dedicated to building what could become a multi-billion dollar enterprise.

According to research conducted by Fox News in 2013, a full 85% of Americans believe adults should be allowed to consume cannabis for medical purposes.¹

Problems

There are a number of problems or challenges within the cannabis industry which create significant barriers of entry to both big business and inexperienced teams alike, however, these problems are the largest drivers of opportunity for Cultivation Technologies.

Legal Hurdles

While cannabis remains illegal under Federal Law in the United States — state governments have chosen to enact legislation which allows for consumption, production, and sale of cannabis. According to the Controlled Substances Act, cannabis remains a Schedule I narcotic, which means the United States Government classifies it as having no medical benefits.

Despite its status as an illegal narcotic, the United States Justice Department has released a document known as the “Cole Memo” which highlights eight different priorities of the Federal Government when assessing prosecution or enforcement of Federal Law as it pertains to cannabis.² These guidelines detail the manner in which entities in the cannabis industry should operate, according to the Department of Justice.

The eight priorities are:

- 1) Preventing the distribution of marijuana to minors;

¹ <http://www.foxnews.com/politics/interactive/2013/05/01/fox-news-poll-85-percent-voters-favor-medical-marijuana/>

² <http://www.justice.gov/iso/opa/resources/3052013829132756857467.pdf>

- 2) Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels;
- 3) Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
- 4) Preventing state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
- 5) Preventing violence and the use of firearms in the cultivation and distribution of marijuana;
- 6) Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
- 7) Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and
- 8) Preventing marijuana possession or use on federal property.

Cultivation Technologies utilizes the Cole Memo and state and local laws to drive all operational plans. The landscape for cannabis could change in a number of ways through the actions of the Federal Government. Any change could remove perceived hurdles from big business and institutional investment, creating a broader and more competitive marketplace. Fortunately in California, the new regulations include various forms of protections for small business — even if the Federal Government effects one of these changes in the near future.

Such changes may include:

- 1) Rescheduling of Cannabis to “Schedule II” or “Schedule III”
- 2) Legislation which “Respects State Laws”
- 3) Removal of Enforcement Funding (Dana Rohrabacher Bill)
- 4) Outright Legalization on a Federal Level

1. Black Market

In states which do not allow the use of cannabis, both medical patients and adult use consumers must seek cannabis through the black market. The black market is a threat to public health and safety, removes most of the economic benefits which would otherwise empower businesses and state or local governments, and creates wealth for cartels or drug dealers.

The black market for cannabis is mostly eliminated in states which adopt either medical or adult use legislation, depending upon the desired use and reason for obtaining cannabis from the black market.

Eliminating the black market ensures cannabis is produced with regulatory standards so as to:

- Eliminate (or reduce to safe levels) harmful byproducts such as mold, mycotoxins, harmful microbiologicals, pesticides, and residual solvents (in manufactured goods for which cannabis is extracted). As there have been no documented overdoses of cannabis compounds which result in death or serious illness, black market cannabis has contributed to illness or death only through these harmful byproducts.
- Ensures non-diversion (per the Cole Memo).

- Provides accountability for purposes of taxation.

2. *Inexperience*

An underestimated challenge for new market entrants in this industry is a complete lack of experience or specialized knowledge. Many entities and teams lack requisite skills in anything related to cannabis, or even general skills in running a successful company. While some entrants possess either cannabis knowledge or general business acumen, few possess both.

In states which do not allow the use of cannabis, both medical patients and adult use consumers must seek cannabis through the black market. The black market is a threat to public health and safety, removes most of the economic benefits which would otherwise empower businesses and state or local governments, and creates wealth for cartels or drug dealers.

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- Provides accountability for purposes of taxation.

3. *Capital & Banking*

Because of the Federal Government position on cannabis, and the involvement of the FDIC for all banks the United States — banking is an ongoing challenge for cannabis businesses. Due to Federal oversight, banks will not yet create accounts or accept cash from businesses which derive their revenue directly from the wholesale or retail sale of cannabis.

The lack of bank accounts and cash deposits to banks from wholesale or retail cannabis sales also precludes the use of merchant accounts and thus eliminates credit card transactions. While some entities do indeed transact with credit or debit cards, they are few and far between (and, by their nature, not compliant with banking charters).

Any change in the United States Federal Government legislation pertaining to cannabis will likely result in sweeping reform to banking for cannabis businesses. Until that time, the burden is on each respective entity to operate in a manner which adheres to the Cole Memo priorities while managing a business which incorporates payroll, taxes, and vendor payments in cash. As a provider of infrastructure and brands to the legal cannabis industry, the Company is better positioned to obtain bank accounts.

4. *Tax Code*

Based upon its position with the United States Federal Government, the Internal Revenue Service has a series of implications for cannabis entities which sometimes increases their exposure to Federal taxes.

The tax code under 280E treats some cannabis entities as if they were selling a harmful narcotic and illicit substance, thereby eliminating the ability to deduct certain expenses which are generally customary for most businesses.

Cultivation Technologies has enlisted the aid of a specialist who is fully versed in 280E tax code so as to maximize financial opportunity for the Company and operators while staying compliant with IRS code.

5. *Limited Number of Licenses per State*

Each of the United States which has enacted legislation for legal cannabis has a different system of licensure or permitting and associated regulatory body or state agency which creates and governs licensees/permittees. This structure defines the manner in which consumers or patients may or may not purchase or cultivate cannabis legally. Respective regulations by state also define the manner in which cannabis may be commercially produced, manufactured (into products such as extracts), tested, distributed, or transported.

6. *Lack of Brand Leaders*

Due to an inability to legally transport cannabis across state lines, which would amount to a serious Federal offense which also violates the priorities detailed in the Cole Memo, brand leaders do not exist for patients or consumers on a national scale. Some regional leaders are developing or implementing strategies to entrench brand equity across state lines — but a survey of 400 consumers and patients conducted by Cultivation Technologies shows that this market is primed for one or more leaders. An inability or inhibitions to protect intellectual property through the United States Patent & Trademark Office for cannabis also reduces legal recourse for brands or products.

7. *No Competitive Advantages for Brands*

Because there are varied regulatory standards by state, few brands possess brand equity which resonate with consumers or patients, and because the USPTO restricts traditional protection of intellectual properties for cannabis entities — competitive advantages are difficult to establish in the rapidly growing market.

Companies wishing to protect genetics they have developed, for instance, will find complete or extremely limited ways to ensure other producers don't A) utilize the same strain, B) take the strain and hybridize it, or C) use a completely different strain and call it the same name.

Companies wishing to protect their product, service mark, utility, or design through traditional means quickly recognize opposition from the USPTO. Other entities may then leverage, "steal," or otherwise utilize valuable intellectual property which can't be protected through due process.

Cultivation Technologies – The Solution to Industry Challenges

Focusing exclusively on jurisdictions which have or are expected to enact medical or adult use legislation for legal cannabis, Cultivation Technologies' objective is to wholly or partially acquire:

- 1) Permits or licenses through purchase or via new application processes;
- 2) Properties or entities which already possess local or state licenses or permits; and
- 3) Unique, accretive technologies or products which serve these entities.

Cultivation Technologies seeks opportunities for cultivation, manufacturing / processing, or dispensing of legal cannabis — and the technologies or products which serve these verticals. As outlined in the previous section, the process varies by state or locality.

Upon acquiring these strategic assets, Cultivation Technologies creates a structure through which it will participate in high margin revenues by deploying a combination of proprietary infrastructure, brands, and services.

The Company intends to build a brand leader through the acquisition of licensed / permitted projects, and by implementing these technologies to create a superior product mix.

Strategy in Practice

California

Southern California represents the largest cannabis market in the world. While it was the first state to enact legislation allowing patient access for medical cannabis in 1996, it is also the last to enact any formal regulatory framework. Under a set of guidelines known as the Medical Marijuana Regulation and Safety Act passed by the California Senate — this set of regulations features various safety protocols, a state licensing structure, and eventual tax structure.

Prior to these regulations (save for a small handful of exceptions), cultivation in California occurred without the approval of local governments, and never within any formal state licensing or regulatory structure. Cultivation centers were always in danger of being shut down by local governments as they almost always violated at least a zoning ordinance, and minimal investment into infrastructure would occur due to this imminent and ever present threat. The operation of for-profit businesses was also prohibited, which further limited investment into sophisticated cultivation or manufacturing centers. Manufacturing and transportation suffered from ambiguous legalities. All of these circumstances created a “pseudo” black market in California — wherein entities were operating under some state laws, but not others.

A seismic shift is changing the industry in California with the issuance of the new regulations. Cultivation centers of various sizes, manufacturing, transportation/distribution, testing, and dispensing each will feature a license type issued by the state. Entities will be required to collect state taxes in order to be eligible for a license.

The main pre-requisite of California's state licensing for all entities in the industry requires the approval of local governments. Under the new regulations, California required all local governments to either "opt-in" or "opt-out" — choosing to allow or not allow cultivation within their jurisdiction, else they succumb to future state decisions.

Many cities chose to "opt-out," as local politicians had limited understanding of:

- 1) How to regulate cannabis entities in a manner which improved public safety; and
- 2) How these regulations fit with the forthcoming state guidelines

The initial deadline, which was unintentional and swift considering the requisite timelines in adopting a local ordinance in California through multiple readings of City Council, was March 1st, 2016. This placed a tremendous strain on cities who were scrambling to determine their own fate.

In seeking an opportunity to establish facilities, Cultivation Technologies spoke with several cities and identified a Southern California city whose Mayor was open to the concept of regulating cannabis so as to improve public safety through regulations and in order to generate revenue.

Cultivation Technologies, through the use of a team of expert attorneys who are detailed herein, assisted the City of Coachella in California by offering draft language and amendments for the ultimate (unanimous) approval of City Council on a city ordinance which:

- 1) Allowed for cannabis cultivation, manufacturing, testing, distribution, and transportation through a revised zoning ordinance;
- 2) Provided a regulatory permit structure and standards which align with California's license structure through a new ordinance; and
- 3) Prepared an alternative means to generate city revenue through a business development agreement in lieu of a tax in the new ordinance, and drafted the associated legal opinion on the use of a business development agreement in lieu of a tax;

Operators or property owners in the zone must acquire a conditional use permit to allow one or more of the activities to occur on their property, and operators must acquire a regulatory permit to comply with the ordinance (and future state licensing).

Cultivation Technologies has a property under contract in the City of Coachella within the designated cannabis zone. The 6-acre property is in the conditional use permit phase, and is expected to be the first recipient of a conditional use permit from the city. Upon receipt of the conditional use permit, Cultivation Technologies may become the first company in California to possess a property with local authority to conduct: cultivation, manufacturing, testing, distribution, and transportation — all from one "campus."

As the state licensing guidelines preclude any one operator from owning various combinations of licenses, and as Cultivation Technologies desires to implement infrastructure and brands to operators who will be licensed under the State of California — Cultivation Technologies intends to build the following on the 6-acre site:

- (4) 22,000 square foot cultivation centers with 22,000 square feet of tray/canopy each;
- (1) 9,000 square foot manufacturing center for extracted cannabis products;
- (1) 4,000 square foot testing lab for all product testing;
- (1) 4,000 square foot distribution and transportation center for quality assurance and transportation to dispensaries;
- (1) 4,000 square foot wellness center / dispensary featuring an altitude yoga training center; and
- (1) 2,500 square foot corporate office, for key members of Cultivation Technologies on-site team and executives.

This full 6-acre facility, or “campus,” allows for multiple operators and lessors to access the entire supply chain necessitated by California’s upcoming guidelines, and provides critical services that would typically impact other cultivation centers timelines to market: testing, manufacturing/extraction, and distribution/transportation. Adjacent or surrounding producers can also access these key services which will also drive revenues to Cultivation Technologies.



As developers and owners of the facility and as brand licensor, Cultivation Technologies will derive high-margin revenue through a combination of brand license fees, facility fees, and monthly lease fees. Operators on the site are required to exclusively produce our brand(s), utilize our standard operating procedures, and use on-site services such as testing and distribution/transportation necessitated by the California guidelines.

The end result allows Cultivation Technologies to recognize revenue from more than 100,000 square feet of space dedicated to our brand(s). More details on specific strategy and product mix resulting from the first California facility are detailed within the Operations: Brand section.

National & Global Strategy

As California has its own set of new regulations which drive the company's California strategy, other states and countries have their own regulations which materially alter potential deal or revenue structures. This complexity is also the largest opportunity for the company — most industries are not constrained by interstate commerce, and thus consolidation or large corporations have no barriers to entry in those industries. Cannabis is extremely complex, and Cultivation Technologies is well positioned in California as an early entrant into the new structure due to its project within a local jurisdiction that features approval by ordinance.

Key differentiators by jurisdiction include:

- A) Residency requirements, which impact permitted equity ownership in licensed entities;
- B) Product offerings, which may allow some forms of product but restrict or prohibit others;
- C) Medical VS. recreational use, and varied tax structures;
- D) Import and export abilities, such as Columbia's desire to export medical cannabis products; and
- E) Vertical integration, which may or may not allow cultivation and dispensing from one license or location

Due to these restrictions and other political and economic factors, Cultivation Technologies expects to make acquisitions or apply for licenses as opportunities arise in other markets outside of California. Structures we deploy may include:

- 1) Owning the facility and licensing the brand and products, as in California;
- 2) Wholly or partially owning an entity with a local resident acting as manager or co-owner;
- 3) Licensing our brand(s) or products along with standard operating procedures to a permitted facility so as to maintain integrity of our brands and products; and
- 4) Rebranding dispensaries to entrench brand equity in new markets

States which are initially appealing to Cultivation Technologies include Arizona, Washington, Oregon, and Nevada. These states all have vast potential for patient or customer base, regulatory frameworks which are favorable for our deal structures, and either have or are likely to enact "adult use" legislation which allows for adults to purchase cannabis without a medical recommendation or prescription.

Brand-Defining Technology Mix

Dragon Grow LED

Cultivation Technologies acquired Dragon Grow LED in 2015, and the product provides a cost effective solution to large scale cultivation centers. Dragon Grow LED produces identical results VS. competitive products (1 to 1.1 grams per watt) — with vastly reduced power consumption and initial investment.

When compared to HPS, Dragon Grow LED produces similar yields, yet allows for vertical stacking which drastically improves efficiencies within Cultivation Technologies' or customer facilities. Also when compared to HPS, Dragon Grow LED produces better trichome production, allowing for superior yields during supercritical extraction.

In comparing Dragon Grow LED to other LED lighting, it is superior in terms of ROI, with wholesale lights available at \$400 — potentially saving millions of dollars at industrial scales.

Dragon Grow LED allows Cultivation Technologies to control its own lighting solutions, eliminating the "middle man." The Company will seek various forms of intellectual property, and believes that Dragon Grow LED presents a high margin opportunity to satisfy the needs of larger scale growers throughout the world.

The Company intends to utilize Dragon Grow LED in all of its projects, the first of which is in Coachella, California for 88,000 square feet of cultivation space spread across four 22,000 square foot cultivation centers. The Company believes that Dragon Grow LED represents a significant opportunity to sell or lease LED lighting to large scale cultivation centers. Dragon Grow LED represents a cost-effective solution which produces similar results to competing technologies with lower utility costs and higher ROI.

Proprietary Building & Controlled Environment Technology

Cultivation Technologies' features a proprietary building manufacturing which includes the following unique selling propositions which are disruptive to the cannabis industry.

- R45 paneling in gas-tight buildings;
- Patent-pending controlled environment technology, eliminating use of pesticides;
- Plant growth and yield optimization with enhanced gas conditions;
- Proprietary software to calculate and monitor electrical power of all systems;
- Superior odor controls;
- Protocol testing areas for small samples of plants;
- Environmentally controlled curing and storage;
- Web-enabled automation software controls that adapt to all systems; and
- Environmentally friendly cooling systems featuring proprietary technology

In combining these technologies with our own engineering team, Cultivation Technologies leverages successful methodologies with innovation — providing an unprecedented environment for cannabis which reduces potential of contamination, optimizes yields, eliminates the use of toxic chemicals, and vastly reduces the carbon footprint of Company facilities.

Other Innovations

The Company is in the process of:

- Designing new irrigation systems to reduce water usage;
- Developing on-site and off-site solutions to reduce electrical grid reliance through green energy solutions;
- Engineering new intellectual property which further enhances the overall value proposition of Coachella: Premium Cannabis.

Together with Dragon Grow LED, our building manufacturer, and other innovations — Cultivation Technologies intends to build a global brand of cannabis which competitors are incapable of producing.

Operations – Coachella Site Details

Cultivation Centers: (4) 22,000 Square Foot Buildings with 22,000 Square Feet of Tray Each

The process by which operators within the 22,000 square foot cultivation centers produce cannabis is expected to provide significant competitive edge for the Coachella brand and all associated products. Cannabis patients and consumers are not easily “won” based upon attractive packaging or product offerings alone. While Coachella or other company brands will feature attractive packaging, product quality is of the utmost importance based upon market research, and quality standards are the primary concern of Cultivation Technologies so as to produce a product that is superior to competitors. This superior product will lead to wholesale and retail price premiums, stimulate demand, and differentiate all company products (including flower, or raw cannabis).

A commitment to quality is multi-fold: the use of controlled environments and atmospheric conditions, reduced energy consumption, optimal irrigation systems, reduced waste, and methodologies similar to USDA Organic standards.

CONTROLLED ENVIRONMENT

Cultivation Technologies’ building and systems manufacturer is one of a small handful of companies in the world who commercialize controlled environment and atmosphere technology in a variety of applications. This technology is relied upon for various uses through the use of gas tight rooms and equipment to alter the interior environment in those rooms — capable of prolonging the storage of fruit, simulating altitudes for advanced athletic or yoga training, or eliminating the use of pesticides for indoor agricultural products.

These gas tight rooms allow for regular treatments which create an environment which improves plant health while eliminating pests through a mixture of increased nitrogen, increased CO₂, and deprivation of oxygen. Eliminating the use of pesticides entirely provides not only lower loss ratios of cultivated product, but a superior product to the patient or consumer. Many states struggle with “allowed” or “disallowed” lists of pesticides, as well as the resulting limits which are considered acceptable for public safety.

The controlled environments within Cultivation Technologies’ buildings are gas tight, and vastly reduce potential airborne pathogens such as mold and mildew through advanced filtration, sterilization, and lower contamination risk while improving energy efficiency.

REDUCED ENERGY CONSUMPTION

As cannabis, especially on such a large scale, is dependent upon significant amounts of energy — Cultivation Technologies is committed to lower energy usage through internal efficiencies and supplemental green energy on-site.

The gas tight buildings feature R45 paneling which is extremely efficient compared to typical grow building manufacturers. Because they are gas tight, there is no loss of cooled air.

The company owns the lighting solution for the Coachella site; Dragon Grow LED, a proprietary brand of LED lighting which has shown to compete with other technologies at a fraction of the equipment cost and energy usage. While the lights use far less energy than HPS lighting, they also create less heat, thereby reducing cooling costs.

Dragon Grow LED lights also allow closer proximity to the plant during cultivation, thereby increasing density within the 22,000 square foot buildings. Each building on the Coachella site will feature 5-tiers of trays, culminating in 22,000 square feet of trays per building.

IRRIGATION, WATER USAGE, AND WASTE

California is often in a state of drought conditions, so Cultivation Technologies is committed to maximizing the usage of water. The company expects to seek “green building” certification such as services offered by LEED.

STANDARDS SIMILAR TO ORGANIC METHODOLOGY

While the USDA Organic certification is not yet available to the cannabis industry, Cultivation Technologies is committed to utilizing similar methods within its facilities to promote end product safety and quality. In addition to a lack of pesticides, facilities will feature organic nutrients without potentially harmful fertilizers, and organic growing mediums which prevent leeching of toxic compounds into water or cultivated product. The goal is for the Coachella facility (and all future company facilities) to obtain organic certification as soon as practicable.

Coachella Extracts: Manufacturing Facility (1) 9,000 Square Foot Lab for Extraction & Products

Because the originating materials for manufactured products which bear company brands are produced in a manner which ensures the highest quality — manufactured products are expected to be superior to competitive offerings. The manufacturing facility will also produce products or perform extraction services for local and regional producers who require it for a fee.

As the company desires to eliminate some product development timelines and rely upon proven manufacturing standards, Cultivation Technologies is in discussions with a proven lab partner who would provide equipment and facility design, standard operating procedures, and a white-label product mix for California. This will optimize all elements of lab operations. Management believes the removal of trial-and-error, combined with the speed to market and optimized extraction efficiency are worth paying consulting fees and nominal royalties for.

The actual partnership and related terms for the manufacturing facility will be announced as it is agreed and finalized. The financial and operating relationships within the 9,000 square foot manufacturing facility will thus be:

- Cultivation Technologies as brand licensor and facility owner;

- Partnering extraction experts as providers of standard operating procedures, equipment maintenance protocols, products, and ongoing consulting for efficiencies; and
- Local operating entity and future state license holder, who follows all SOPs and protocols;

Coachella Testing Center: (1) 4,000 Square Foot Lab for Testing Cannabis & Products

Testing was not a requirement under former California legislation — and untested cannabis can provide myriad problems for the end user. Cannabis compounds have never been recorded as responsible for an overdose resulting in death, however, toxins related to cannabis production may contribute to death or serious illness. Consider the impact of mold, mildew, mycotoxins, microbiologicals, or pesticides and their respective health implications.

Because few testing labs exist in California, and testing product is often a burden to supply chains — a fraction of cannabis is actually tested. Responsible testing should also not be limited to compounds and their related volume based percentages of cannabis compounds, but instead include a full panel which includes toxicology screening, pesticide screening, and residual solvent tests for cannabis products.

The Coachella site will feature branded Coachella Testing Labs, an independently operated laboratory which features cutting edge equipment for full screening of cannabis and cannabis products. The (4) cultivation centers on-site and manufacturing operator will enjoy the ease of access to testing services and subsequent distribution and transportation — removing logistics and allowing a full focus on each respective portion of the supply chain.

Coachella Distributors: (1) 4,000 Square Foot Building with Vault and Fleet of Vehicles

The last step in the California supply chain necessitated under the new regulations is a distributor and transporter. This entity, branded Coachella Distributors, will be contained within a 4,000 square foot building on-site and supplemented by armored vehicles for transportation services.

The distributor and transporter is responsible for taking cultivated or manufactured product and managing the chain of custody to the testing labs, and then to the ultimate wholesale customer (dispensaries). Utilizing separate license holders for cultivation or manufacturing, testing, and distribution/transportation ensure product safety and integrity in testing. The distributor/transporter stores product in a secure vault on-site and ultimately delivers tested and QA'ed product to dispensaries for a service fee.

Because some of the largest beverage companies in the world are also distributors, the company believes that incorporating distribution services is another competitive edge for Coachella products. Local producers in Coachella and Desert Hot Springs can utilize distribution and transportation services from Coachella Distributors, thus improving market share for Coachella products to new customers.

Coachella Wellness Center

Based upon public feedback at City Council meetings, it is expected that the City of Coachella will adopt an ordinance which allows for dispensaries. Cultivation Technologies has included a dispensary as part of the site plan, and expects the Coachella Wellness Center to serve as the blueprint for a national brand of dispensaries.

The 4,000 square foot dispensary will exclusively feature Coachella branded cannabis and related products created within the 6-acre campus, and seeks to provide a superior retail experience.

Also as an industry first, the Coachella Wellness Center will feature a space for altitude yoga sessions as a service to patients. These sessions allow for simulated altitudes up to 12,000 feet, which has shown to vastly improve circulation and red blood cell production, resulting in euphoria and overall well-being. Due to the controlled environment technology utilized in the cultivation buildings, integration of the altitude yoga room is a minimal expense.

Company Brand: Coachella

Market Research

Cultivation Technologies, together with an award-winning branding and marketing firm HOOK, conducted a multi-state study into patient and consumer behavior for cannabis products through the use of a survey. The California survey was conducted within a brick-and-mortar dispensary (92 respondents), and the out-of-state respondents were conducted through the use of a survey company in the legal cannabis states of Washington, Colorado, and Oregon (216 respondents). The resulting data from 21 questions illustrates a marketplace with minimal brand equity or recognition — particularly across state lines.

Company research indicates that this market is primed for brand leaders. Data indicates that the Coachella value proposition will also resonate strongly with patients and consumers who want a brand and adjacent product line that actually means something...Unrivaled quality without compromise.

Outside of the value proposition, the Company's research has also identified key drivers of influence in a brand marketing message — based upon a blend of survey data and analysis of marketing messages from other well-known brands.





Creative Overview

Due to the market's statistical desire for a premium product, and the Company's belief that premium products will be better positioned to endure future price fluctuations — Coachella is being created as a "top-of-the-line" brand with key competitive advantages. These advantages will be conveyed into Coachella's marketing message so as to entrench Coachella into the minds of patients and consumers. Coachella is expected to become synonymous with quality, a product "worth paying more for." The product will be superior because:

- Grown in an environment free of pesticides
- Fully screened for toxicity and residual solvents (of extracts)
- Grown or manufactured in an environmentally conscious facility
- Quality assurance and testing chain of custody conducted by a third-party

As previously noted, intellectual property in the cannabis industry is difficult to protect. While the company could focus on assisting operators with the creation of new lines of genetics (strains of cannabis), such activities may not be afforded any real intellectual property which defines the brand Coachella. Company or operator genetics, until such protections are afforded by the USPTO, may be stolen or hybridized in a combined legal and black market.

The Company's brand, Coachella, will feature structured creative based upon the genetic dominance of any given product — indica, sativa, or hybrid. Each type of product will bare this color scheme, with many also including notation of the particular strain of cannabis.

The indica and sativa color schemes are shown at right. Hybrid features a white background. Our research indicates the majority of consumers desire simple delineation of strain dominance (indica, sativa, hybrid) above actual strain identification. Coachella will feature both.

Product Mix

Because of the unique conditions in which Coachella products are cultivated and manufactured, all products under the brand will be well positioned in the marketplace with distinct competitive advantages which resonate with patients and consumers. All products will feature the easy to recognize Coachella Indica, Coachella Sativa, and Coachella Hybrid creative umbrellas and color schemes.

Cannabis Flower: Brands exist and are being introduced to the market, but feature little more than being “cooler” than the other product on shelves. Cannabis flower is rarely branded, and generally denotes the strain and if it is “top shelf, middle shelf, or bottom shelf.” Coachella flower (top shelf only) will feature distinct packaging, unrivaled growing conditions in pharmaceutical grade facilities, full testing parameters, and third-party quality assurance (conducted by distributor/transporter, as will be necessitated in the future in California).

Vaporizers & Oils: The Company is in talks with a proven extraction company based in Colorado through which it will license and collaborate on a full suite of products including vaporizers and cartridges — eliminating the challenges of new product development. The manufacturing operator on the Coachella site will obtain reduced COGS on hardware, proven processes for extraction which optimize efficiency and product quality, and a full set of SOPs developed over 5 years. The consulting and royalty-based relationship is expected to be finalized by Q2.

Drinks & Tinctures: Utilizing these extracts, the Company is developing a line of beverages which will be produced within the manufacturing facility. An option holder and consultant of the Cultivation Technologies is an experienced brewer and beverage manufacturer. Maintaining integrity of the value proposition of Coachella, the drinks will utilize natural, non-GMO, and organic ingredients when available.

Concentrates (Dabs): Because these highly concentrated products are extremely popular, and many patients believe in the associated purity of delivery, Coachella will feature “dabs” and “shatter” which are created from the superior flower grown without pesticides. Maintaining the testing mandate of the brand and eliminating any residual solvents will create a niche. The creation of these products on one of the only sites in California with a local ordinance allowing their production further enhances their value.

Salves & Topicals: The aforementioned extraction partner features existing products which will be branded under Coachella, again featuring the superior flower so as to differentiate the products from competitors. Together with the manufacturing operator on the Coachella site, the Company expects to develop several products to meet various needs of the market.

Edibles & Capsules: For edibles and capsules, the particular focus of the Company is to standardize dosing and to create pharmaceutical grade products. Edibles and capsules will be single doses in order to reduce potential for overconsumption. Again maintaining the value proposition, the products will focus on natural, non-GMO, and organic ingredients when available.

Intellectual Property

Because of the current Federal status of cannabis as a Schedule I narcotic, the USPTO has generally opined that cannabis marks are not valid for registration. There are several exceptions, however, obtaining trademark registration for cannabis companies includes additional challenges.

As the Company features a 6-acre facility in the City of Coachella, California and is developing a brand around the mark “Coachella” — intent to use applications have been filed by Cultivation Technologies for various products and services surrounding this mark.

- Edibles
- Drinks
- Aromatherapy products
- Vaporizers and e-cigarettes
- Wellness centers

Many of these products will be produced without containing actual cannabis, or instead containing hemp-derived CBD — therefore the Company and expert IP counsel believe that these marks will ultimately be protected and attain registration. It is expected that non-cannabis containing versions of all products will be submitted for full trademark registration in 2016.

The Company also expects to protect various varieties of cannabis produced at the 6-acre Coachella facility if and when California enacts “adult use” guidelines. This proposed initiative in California, often referred to as “The Parker Initiative” due to its primary supporter and financier, allows for certain protections based upon regional cultivation and associated strains. As such, products produced at the Coachella facility may be subject to protections in the future in California if the initiative is adopted by California voters. Examples of regional protection might include “Mendocino Purple Haze” or “Humboldt Gold” — future production at the Coachella site could feature new strains which feature some form of legal protection outside of the USPTO strategies defined above.

Marketing

In order to maximize market penetration for Coachella products, the Company will leverage several strategies on behalf of producers as part of the brand license fee.

Brand Representatives: Employed by Cultivation Technologies, these individuals create brand awareness by developing relationships with dispensary owners, managers, and bud tenders. They will also sell extraction and testing services to surrounding operators.

Coachella Distributors: As the quality assurance point and delivery agent for products produced on the Coachella 6-acre facility as well as for nearby producers of other products — Coachella products will experience increased market presence through the delivery of other products. More dispensaries and products mean more distribution points for Coachella products, as well as enhanced brand equity for Coachella.

Advertising: To entrench brand equity and develop the Coachella value proposition with consumers, mediums which currently allow cannabis advertising will be utilized with creative advertising coordinated by HOOK. Other advertising will be utilized to establish new wholesale customers for Coachella cultivators.

Point of Purchase Displays: Dispensaries who choose to feature Coachella products may utilize point of purchase displays which will be designed by HOOK. These premium displays will include special cases to display flower, mini-fridges for drinks, special racks for vaporizers, and so on.

Coachella Wellness Centers: Coachella Wellness Centers are dispensaries which feature Coachella branding throughout, the first of which is expected to be on the 6-acre Coachella site. The Company hopes to make a superior retail experience which can be replicated as new partnerships are formed or licenses / permits are acquired for dispensaries in other jurisdictions. Coachella Wellness Centers also feature altitude yoga rooms, with a unique opportunity to experience yoga at elevation.

Public Relations: Cultivation Technologies expects to actively participate in both local and industry events to create brand awareness for Coachella. This is expected to include both “business to patient/consumer” and “business to business” events.

Research: Cultivation Technologies is actively seeking an academic research partner in Southern California to advance therapeutic research for a range of disorders for which cannabis is listed as a medical basis for recommendation in California.

Pricing Strategy

Pricing is a dynamic challenge in the cannabis industry, and fortunately California experiences some of the strongest wholesale and retail pricing in the country. The evolution of California into a regulated market could ultimately affect pricing in the future, as the issuance of licenses either restricts or expands supply. Tax structures must also be reasonable enough so as to deter patients or consumers from resorting to the black market. The adoption of “adult use” in California could also vastly affect pricing.

Because of these factors, the Company has chosen to create facilities which produce product which exceeds the patient / consumer expectations — thus enabling premium pricing and increasing demand for Coachella products, specifically. It is expected that this positioning will also provide the Coachella brand with longevity.

The company also intends to deploy a “suggested pricing” model as part of its brand license. In utilizing various sources of data, wholesale and retail pricing will be standardized by region — reducing the possibility of competing dispensaries carrying the same products from “undercutting” each other and eroding margins to operators and Cultivation Technologies brand license and facility fees.

Expansion

All of these associated strategies will be deployed on the Coachella 6-acre facility, and can be replicated at another California facility — or in another state or even country. The brand is defined through the first facility, and could provide a springboard to significant expansion opportunities. For this reason, the Company has undertaken initial market research and intends to be uncompromising in developing the Coachella brand as a symbol of unrivaled quality. The Company could foreseeably leverage the quality production systems and standards as a means to launch additional brands in the future, too.

Legal Proceedings

As of the date of this Memorandum, except as disclosed below, there are no material pending legal or governmental proceedings relating to our company or properties to which we are a party, and to our knowledge there are no material proceedings to which any of our directors, executive officers or affiliates are a party, adverse to us or which have a material interest adverse to us.

The Company is not a party to any material pending legal or governmental proceedings which feature claims against the Company.

PREVIOUS OFFERINGS AND FUTURE IPO

Private Placement Offerings

In June 2015, we initiated a private placement offering of Common Stock at a purchase price of \$0.001 per share to the Founders of the Company (the “Founders Round”). The Company issued an aggregate of 22,000,000 shares of Common Stock in exchange for \$22,000 in Founder Round subscriptions. The Founders Round was closed as of June 30, 2015.

In July 2015, we initiated a \$50,000 private placement offering of up to 5,000,000 shares of Common Stock at a purchase price of \$0.01 per share to friends and family of the Company (the “Friends and Family Round”). The Company issued an aggregate of 4,587,500 shares of Common Stock in exchange for \$45,875 in Friends and Family Round subscriptions. The Friends and Family Round was closed as of July 31, 2015.

In October 2015, we initiated a \$3,000,000 private placement offering of “Units” at a purchase price of \$1.00 per Unit, each Unit consisting of 1 share of Common Stock and 1 warrant to purchase 1 share of Common Stock at \$5.00 per share upon exercise to certain accredited investors (the “Unit Offering”). Unit Offering Investors were required to invest a minimum of \$25,000, waivable at the discretion of the Company. The Company issued an aggregate of 932,119 shares of Common Stock in exchange for \$932,119 in Unit Offering subscriptions. The Unit Offering was closed as of March 3, 2016.

Initial Public Offering

Following the closing of its private placements and the establishment of its business operations, the Company plans to eventually file for an initial public offering (“IPO”) to become publicly-traded on the OTCQB marketplace. In connection with the IPO, the Company plans to register up to 12,500,000 shares and is targeting a per share price of \$4.00-\$5.00 pursuant to a “Tier II” Regulation A+ offering. Investors

in the IPO will receive registered shares capable of being freely tradable to the public once the Company's stock is accepted for trading on an exchange such as the OTCQB. The Company anticipates that it will raise up to \$50,000,000 in connection with the IPO, which is the maximum raise allowed under Tier II.

The proposed structure of future financing and the IPO is currently under review by the Company's accountants and legal counsel. As a result of their review, other changes in the structure and related transaction modifications may develop following the commencement of the Offering over which subscribers in the Offering may not have any control. Accordingly, the future financings will be subject to rules and regulations of the SEC intended to regulate transactions of this nature and subject to change in the Company's sole discretion.

MANAGEMENT

Executive Officers and Directors

The following lists the Company's executive officers and directors as of the date of this Memorandum:

Name	Age	Position
Richard O'Connor	53	Chief Executive Officer, Board Member
Richard Probst	48	Chief Operating Officer, Chief Financial Officer, Chairman of the Board
Justin Beck	35	President and Board Member

Richard O'Connor

Richard O'Connor is Chief Executive Officer and a member of the Board of Directors of the Company. Mr. O'Connor brings 25 years of experience in financial services including investment banking, mergers and acquisitions and forming start-up companies. Most recently Mr. O'Connor successfully assisted in the capitalization of Mail.com Media Corp. He is the former president of Los Alamos Energy, a public alternative energy company. Richard has extensive experience in sales and marketing and distribution and has been nominated for several NIMA awards.

Richard Probst

Richard Probst is Chief Operating Officer, Chief Financial Officer and Chairman of the Board of Directors of the Company. Mr. Probst is a seasoned executive with experience in finance, technology, manufacturing and construction. He has successfully created several startup companies including an Internet Service Provider that was acquired by Mail.com Media Corp. Richard is a former board member of Mail.com Media Corp. (Now Penske Media Corp.) He is the owner of Pro Fab Tech, LLC, a steel and aluminum manufacturing facility in Southern California as well as Tow and Grow, Inc., a manufacturer of advanced hydroponic systems recently acquired by the Company. Richard earned a bachelor of arts in history from the University of Portland.

Justin S. Beck

Justin S. Beck is President and a member of the Board of Directors of the Company. Justin is highly regarded within the cannabis industry for advocacy and several successful startups, including a vaporizer company and Marijuana Index (the first equities index for cannabis companies). Via acquisition of Marijuana Index, he is a founding shareholder of MJIC (Marijuana Investment Company), which owns numerous media properties including Marijuana Investment Summit and MJINews. Justin leverages industry relationships, a passion for cannabis, and a high IQ to develop strategic plans for the Company. Prior to working in the legal cannabis industry, he built an American Express affiliated travel agency with several million in sales, and has prior experience in investor relations. He has specific expertise in cannabis, public equities, advertising, marketing, sales, investor relations, and strategic consulting.

Executive Compensation

The consideration being paid to management has not been determined based on arm's length negotiation. Directors receive no salary for their services to the Company as directors, but are reimbursed for expenses actually incurred in connection with attending meetings of the Board of Directors and may receive a cash fee for attending meetings as well. The Company's Board of Directors may determine and modify the compensation of executive officers, consultants, directors and employees at any time in its discretion.

Officers are receiving compensation through consulting payments to affiliated entities under their control. From 2015 to present, Richard O'Connor has been paid \$50,000. In addition, Mr. O'Connor, through a control entity, lent the company monies with an outstanding balance of \$141,286.99 at the end of 2015 and a current balance of \$125,682.19. Richard Probst was paid \$23,000 in 2015 of which \$12,500 was deferred and in 2016 he has been paid \$20,000 to date of which \$10,000 is deferred. After accepting the position of President, Justin S. Beck has been paid \$5,000 to date in 2016.

Board of Directors and Committees

The Company's Board of Directors presently consists of three members: Richard O'Connor, Richard Probst, and Justin S. Beck. The Company's Board of Directors may appoint, but as of the date of this Memorandum have not, a Compensation Committee to review all employee and consultant compensation, including payroll expenditures, salaries, stock options, stock incentives and bonuses. The Bylaws of the Company generally provide for majority approval of disinterested directors in order to adopt resolutions, including any borrowings by the Company or the issuance of any additional common stock or preferred stock.

The Board of Directors may appoint, but as of the date of this Memorandum have not, an Audit Committee. The Audit Committee will be authorized by the Board of Directors to review, with the Company's independent accountants, the annual financial statements of the Company prior to publication, and to review the work of, and approve non-audit services performed by, such independent accountants. The Audit Committee will make annual recommendations to the Board for the appointment of independent public accountants for the ensuing year. The Audit Committee will also review the effectiveness of the financial and accounting functions and the organization, operation and management of the Company.

Advisory Team & Key Consultants

Robert Bernheimer, Government Relations Counsel

Robert Bernheimer is a public policy expert and attorney with a proven track record of providing game changing strategies to complex issues.

With nearly a decade as a Mayor and City Councilmember, and over 20 years of experience in representing clients in government, political and legal matters, Bernheimer has served as the strategic quarterback for private individuals, public agencies, corporations and global investment companies in legal, municipal and special district issues across California. His experience includes land use matters, annexations and consolidations, master planning, CEQA compliance, complex government & tribal negotiations, water disputes, renewable energy, real estate transactions and solid waste & recycling matters. Bernheimer blends unique legal, political, communication and negotiation skills for a pinpoint focus on results.

Bernheimer is the founder and president of Robert A. Bernheimer, APLC. He is also a founder and CEO of CV Strategies, the largest strategic communications and public relations firm in the Inland Empire (www.CVStrat.com).

Lawrence W. Horwitz, Esq., General Counsel & Securities Counsel

Lawrence W. Horwitz is a founding partner of the Orange County, California law firm Horwitz & Cron, now Horwitz + Armstrong, A Professional Law Corporation, practicing in general business and securities. From 1991 through 2001, Mr. Horwitz was a founding shareholder of the Irvine, California law firm Horwitz, Cutler & Beam, practicing in the areas of securities, general business practice, and business litigation.

Mr. Horwitz is a graduate of the University of California at Berkeley (B.S. Business Administration, 1981) and of Boalt Hall School of Law, University of California at Berkeley (J.D. 1984). While at Berkeley, Mr. Horwitz was honored by Phi Beta Kappa and Phi Delta Phi legal fraternity, where he was President in 1983, and was an Associate Editor of the *International Tax and Business Lawyer*.

Mr. Horwitz was admitted to the state bars of both Texas and California in 1984. Mr. Horwitz commenced his practice with the international law firm of Jones, Day, Reavis & Pogue, where he practiced in the corporate and securities group. Mr. Horwitz subsequently practiced corporate and securities law with Straddling, Yocca & Carlson in Newport Beach, California, prior to forming Horwitz, Cutler & Beam, Mr. Horwitz was elected a partner of the law firm of Hart, King & Colder, where he practiced in that firm's transactional department.

Mr. Horwitz is admitted to the U.S. Federal District Court, Central District of California, and the U.S. Court of Appeals, Ninth Circuit. From 1994-2001, Mr. Horwitz was a key participant in the formation and operation of two investment funds providing bridge financing for private and public companies. He is now general counsel and secretary of MJIC, Inc., a holding company providing financial, media, operational solutions to the cannabis industry through various subsidiaries.

Christopher L. Tinen, Esq., General Counsel & Securities Counsel

Christopher L. Tinen is an attorney with Horwitz + Armstrong, A Professional Law Corporation focusing his practice in the areas of corporate transactional law, securities and general business and contract representation, and business litigation. Mr. Tinen began his career as an attorney focusing on business

litigation, trial practice and complex personal injury litigation. Prior to graduating from law school, Mr. Tinen worked as a law clerk for the Orange County District Attorney's Office, Major Fraud Unit.

Mr. Tinen graduated with distinction from San Diego State University, where he earned a B.S. in Finance. Mr. Tinen received his Juris Doctor from Chapman University School of Law, with an emphasis in International Law, and has spent time studying the law and business internationally in both Spain and the Czech Republic. While at Chapman, Mr. Tinen was a member of the Chapman Law Review, serving on its Executive Board. In addition, Mr. Tinen received CALI Awards (top grade in class) for his work in International Business Litigation and Antitrust Law and received the Presidential Merit Scholarship while at Chapman.

Mr. Tinen is a member of the Orange County Bar Association, American Bar Association, the State Bar of California, and is admitted to practice before the U.S. District Court, Central and Southern Districts, and the U.S. Court of Appeals for the Ninth Circuit and all state courts in California.

Ariel Clark, Esq., Cannabis Counsel

Since 2008, Ariel has specialized in the cannabis industry and successfully has guided her clients through the complex and ever-changing rules, laws, and regulations governing the medical and adult-use marijuana industry. Her clients value her extensive industry experience, contagious spirit, and no nonsense approach, buoyed by the confidence that they are getting the best advice available. Through her many years navigating California's volatile and unregulated market, she has significantly shaped the legal contours of its evolving cannabis market. In other jurisdictions, she has provided key assistance in directing legislation. In Nevada, Ariel worked for three years to provide invaluable advice and consultation to local and state government officials and political activists in drafting SB374 and its related regulations. Her clients include licensed dispensaries, growers and manufacturers in California, Oregon, Washington, Arizona, Nevada, Colorado, Illinois, and Michigan.

Ariel earned her Juris Doctor degree from the University of California, Berkeley School of Law (Boalt Hall), and was awarded a Bachelor of Arts degree, with honors, from the University of Michigan, Ann Arbor. She is an active member of California State Bar, the Beverly Hills Bar Association, National and California NORML Legal Committees, National Cannabis Industry Association, the Drug Policy Alliance, and the National Lawyers Guild. She serves on the board of Wellness Education Cannabis Advocates of Nevada.

Prior to founding Clark Neubert LLP, Ariel captained her own solo firm for six years, which she started after practicing Indian law with California Indian Legal Services in their Oakland, Santa Rosa and Eureka Offices. Her Indian law experience, as well as personal background, proves invaluable to the Indian nations and Indian-owned cannabis businesses the firm now represents.

Ariel and the firm are active in the political efforts to legalize adult-use marijuana and adopt medical marijuana regulations in California and advocate for national drug policy reform.

Together with Nicole Neubert, Ariel assists with consulting regarding cannabis law.

Nicole Neubert, Esq., Cannabis Counsel

Nicole Howell Neubert is a "go-to" business lawyer for the cannabis industry in California and beyond. Her sharp intellect, thorough analysis, and fierce client-commitment are complimented by her uniquely well-rounded set of skills, industry expertise and wide-ranging, relevant legal experience.

A trusted counselor and relentless advocate, Nicole serves as outside general counsel to the cannabis field, providing advice on matters of corporate and business counseling, entity formation and operation, business litigation, and regulatory permitting and compliance.

Her clients include both the pioneers and new leaders of the burgeoning medical marijuana and cannabis industry, including medical marijuana collectives and cooperatives across California, storefront dispensaries, delivery services, technology companies, Indian-owned cannabis businesses, investors, and qualified patients creating amazing cannabis products and services.

Nicole brings to her cannabis practice a decade of experience as a criminal and civil litigator during which she developed her business transactional practice.

She has represented individuals, fiduciaries, and businesses both in the boardroom – regarding business and corporate legal issues – and in state and federal courts – in a full range of complex business litigation, parallel civil, criminal and regulatory actions, high-stakes tort, trade secret, and employment litigation, as well as trust and estate disputes. Her litigation clients value her ability to quickly understand the technical aspects and human dynamics of each set of facts, and the tenacity she applies to achieving the client's goal in every matter.

Prior to founding Clark Neubert LLP, Nicole was an senior attorney with San Francisco's premier boutique civil and criminal defense firm Clarence Dyer & Cohen LLP where she practiced for eight years, after starting her career at the preeminent firm of Farella Braun + Martel LLP.

Since 2012, Nicole has been named each year a "Rising Star" by Super Lawyers Magazine and recognized for several years running as an "Attorney to Watch" by Chambers and Partners USA.

Nicole serves on the Board of California NORML and the policy committee for California Growers Association, teaches legal courses at Oaksterdam University in Oakland, and is an active member of several other industry-related organizations.

Michel Burdick, Chief Engineer

Michael is a mechanical and systems engineer with extensive experience in business development, portfolio management, acquisitions, program management, operations management, and sales management. He has held C-level positions at several multi-national engineering firms, responsible for divisions or companies with more than \$100 million in annual revenues. He presently serves as president for a global engineering firm.

His diverse skill set allows him to setup and plan production through beta runs to full production of an array of products from the industrial, medical device, and defense industries. He holds a B.S. in mechanical engineering from Texas Tech University.

Tom S. Mebane, Medical Advisor

Dr. Mebane graduated from Penn State University with highest distinction in 1969, earning a BS degree. He then entered an accelerated program with Thomas Jefferson University resulting in an MD in 1971.

He then did a rotating internship at Santa Barbara Cottage Hospital in California followed by a residency at the University of California at San Francisco in obstetrics and gynecology. After completing his residency, he went into a private group practice in State College, Pennsylvania, his home town. He

specialized in infertility and female surgery from 1976 to 1997. He then joined Kaiser Permanente of Georgia in 1998 where he continued to practice OB-GYN until his retirement in 2013.

In 2008 he co-founded New Day Treatment Center, a methadone treatment facility. He served as medical director treating heroin and pain pill addiction until his resignation and move to California in September of 2015.

As an addictionologist, Dr. Mebane experienced first-hand the significant harm reduction achieved when patients included medical marijuana in their treatment regimen as a great many patients had anxiety disorders as well as chronic pain issues. So impressed was Dr. Mebane that he became a significant investor in Cultivation Technologies, Inc. and volunteered to serve as medical advisor. In this role he hopes to aid in the selection of marijuana strains, especially those with high CBD to THC ratios, that will most benefit patients. He will continue to promote and advocate for the advancement of the medical marijuana industry.

Amy Cooper, Advisor & Co-Founder

Amy Cooper previously served as President, Secretary and a member of the Company's Board of Directors. Ms. Cooper has over 15 years of experience in strategic marketing and sales. Prior to joining Cultivation Technologies, Amy was vice president of business development for AllVoices, Inc. She was the co-founder and vice president of corporate development of Codent Networks, a voice-over broadband networking communications company with operations in the US and China. She has served in a variety of executive roles at numerous start-up companies in the telecommunications and networking service industry. Amy earned a bachelor of arts in psychology from UCLA.

Louis-Cristophe "Chris" Treville, Controlled Atmosphere & Green Building Advisor

Louis-Christophe a/k/a "Chris" works with some of the most advanced engineers and factories from Holland, Belgium, Germany, Canada, and the USA specializing in Agribusiness. The technology ranges from control on a molecular level of CO₂, O₂, N₂, ethanol, ethylene, humidity, and mold, to green refrigeration (cooling and heating), to innovative structural design for energy efficient buildings. The biggest fruit producers in the world are among customers Chris works with. Chris also is a part owner in K2ROOM INC (www.k2room.com) which is a company involved with technology for training centers where altitude is simulated (also provider of the first altitude yoga room in a dispensary for Cultivation Technologies, Inc.). K2ROOM was selected by the Panam 2015 games in Toronto, and by the Rio 2016 Olympic Committee in Rio de Janeiro. Other K2ROOMs are being built world wide in existing training centers or for private use in people's homes or offices. Chris is also part owner in an IT software development company called Tophima. This company provides all the web-enabled automation software for the controlled atmosphere and refrigeration equipment and is being used by the Storex head office in Holland with all its authorized dealers in more than 25 countries. Prior to this, Chris has always been in sales, marketing, and business management, and owned several companies including one involved with Bluetooth technology, and a 70 employee company in home alarm and 24 hour monitoring. Chris graduated from the University of Ottawa, Canada, in 1993.

Philip Treville, Controlled Atmosphere Engineer & Advisor

Controlled Atmosphere Technology Senior Engineer, STOREX CA INC. Philip has supervised and executed controlled atmosphere projects in countries across North America, Europe, and Asia for the past 12 years. He is known in many parts of the agricultural business world and is considered as an expert in machine automation, software controls, controlled atmosphere technology and controlled atmosphere buildings. Philip is also part owner in K2ROOM and Tophima. He started working with Storex in

Holland right after College and collaborated with the inventor of automated controlled atmosphere, Lieuwe Bakker. Lieuwe has worked for years alongside several research departments and Universities and started Storex more than 20 years ago. Philip became head engineer with Storex, then moved to Canada and headed their North American division in 2010.

Brady Waggoner, Marketing

Two weeks after graduating with a degree in Advertising from the University of Kansas, Brady Waggoner headed for the beaches near Charleston, South Carolina. It turned out to be a one-way ticket. He landed an Art Director slot at Rawle Murdy Associates.

During his first week he was running a photo shoot. His talent and ambition helped him raise the creative bar at the agency, winning awards and praise from a client roster that includes Orient Express (hotels), Piggly Wiggly (supermarkets), MBT International (musical instruments), South Carolina Aquarium and Charleston Battery Soccer.

With a few years of experience under his belt, Brady launched his own business. Double Yuji was formed in 2002 as a way for him to bring his passion for music into the world of Art Direction and Brand Therapy. Shortly after opening the doors, Double Yuji was tasked with recording a full-length soundtrack for a special UFO (unbelievable floating objects) exhibit at the South Carolina Aquarium.

Brady earned numerous awards, including Addys, One Show and a Summit Award while running Double Yuji. Client experience includes Discovery Channel, IMAX Theaters, Charleston CVB, South Carolina Seafood Alliance, Nason Medical Center, Burning Spear, The Wailers and DJ Spooky. Brady met Tom Jeffrey (copywriter) in January of 2005. The two began partnering on projects. Their very first ad earned a Gold Addy. In October of 2005 Brady and Tom would recruit Jennifer Waggoner (media planner) and Phil Waggoner (account planner) to form Hook.

When Brady isn't using his Powerbook to create ads, he's using it to create music. He is the founder and front-man for The Dubplates, a reggae band. The Dubplates performed at South by Southwest in Austin, Texas and with artists ranging from Damian Marley to Digital Underground. He often performs in Jamaica with leading reggae and dancehall artists including King Yellowman, Future Fambo, Zumjay, and more. In the United States, his band collaborates with Chali 2na of Jurassic 5 and Rahzel of The Roots.

Brady is the lead creative artist for Coachella: Premium Cannabis.

Phil Waggoner, Brand Strategy

Phil has spent twenty-five plus years in the marketing communications business. Prior to forming HOOK in South Carolina with his partners, he was a senior partner at Carmichael Lynch. When he began his time at the agency, it had annual billings of approximately \$15M. When he sold his stake in the agency, it had annual billings approaching \$220M where he was responsible for nearly 40% of the agency's business. In 2001, Carmichael Lynch was named by Graphis, an international trade publication, as one of the Ten Best Advertising Agencies in the World.

At Carmichael Lynch, Phil helped build brands for Schwinn (bicycles), Avia (athletic shoes), Polaris (snowmobiles), Rollerblade, Mack Trucks, Gateway Computers, National Car Rental, Harley-Davidson, and others.

He was the primary account person on the pitch team that obtained the Harley-Davidson account in 1979. His initial assignment was to create and produce all collateral and dealer materials. One year later, the agency was awarded the remaining national portion of the business. He was there when Harley-Davidson was four days away from bankruptcy, and there to witness the brand become one of the most recognized brands in the world. Together with son Brady Waggoner (art director), Jennifer Sousa Waggoner (media planner), and Tom Jeffrey (writer) they founded HOOK — Coachella's chosen branding firm and media agency. Phil is the lead strategies for Coachella: Premium Cannabis.

James "Bo" Keyes, Quality Assurance

James provides expertise for industry standardization, international accreditation, and quality management implementation for emerging markets. He possesses extensive knowledge of and relationships within the legal cannabis industry.

James possesses a B.A. in Business Administration and M.B.A in Leadership and Finance from Ohio Dominican University. His certifications, trainings, and association memberships include: Certified ISO 9001:2009 Internal Auditor (AQS 2009 & 2011); Certified ISO 14001 Internal Auditor (AQS 2009 & 2011); Project Management Workshop (NIQC 2012); Risk Management Workshop (NIQC 2012); Risk Analysis (NIQC 2012); Ethical Sourcing Lead Auditor Class (2011); Risk Management for Medical Devices 13485 (ASQ 2011); Food Safety Standards: Past, Present and Future (2011); Understanding Barriers to Medical Device Quality (ASQ MWDG 2011); Quality in the Supply Chain (ASQ MWDG 2011); Fundamentals of Hazard Analysis Critical Control Point (HACCP); Practical Approach to Root Cause Analysis (ASQ); How to Deliver Exceptional Customer Service (Fred Pryor Seminar); Completed Certified Lead Auditor Training for SQF Ethical Sourcing (AQS 2010). Keyes leads QA for Cultivation Technologies sites, ensuring compliance, ethics, and best practices.

Rudy Herrera, Land Acquisition & Entitlement

Rudy possesses 29 years of experience working with bankers, lenders, land owners, and brokers. His expertise has led the purchase and entitlement, and escrow closing of over 1,600 homesites. His network in the Coachella Valley extends to expert service providers which improve project timelines for Cultivation Technologies and ensures ideal quality and pricing. Rudy oversees entitlements for Cultivation Technologies.

Tony Scudder, Investor Relations

Tony Scudder has more than 25 years' experience in corporate and investor relations, investment banking, and fund raising. His background in early-stage capital formation includes advisory work for companies that have collectively raised more than \$200 million in equity financing. He has trained more than 800 financial sales professionals in the Southern California region. Tony has specific experience with companies in the e-commerce, financial services, chemicals, farming and consumer product sectors. Prior to joining Cultivation Technologies and his former firm Growthink, Tony was the CEO of Aroha Holdings Inc. and Managing Director at CCD Resources, a boutique concern specializing in advising emerging and middle market companies on their growth and financing strategies. Tony earned his Bachelor's degree from Rutgers University and held a Series 7 Registered Representative License for 20 years.

EXECUTIVE COMPENSATION

The Company does not have specific agreements in place for compensation of executives. All executive officers of the Company will be compensated according to industry and market practices.

DIRECTOR COMPENSATION

The Company did not award any compensation to the directors for their service from Inception (March 2015) to present. All members of the Board will be compensated according to industry and market practices.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the current beneficial ownership of our common stock by our sole executive officer and director, by each person known by us to beneficially own more than 5% of the our common stock and by the executive officers and directors as a group, based on a total of 30,069,619 shares of common stock issued and outstanding as of the date of this Memorandum:

Name and Address of Beneficial Owner ⁽²⁾	Amount of Beneficial Ownership ⁽¹⁾	Percent of Class	Title of Class
Richard O'Connor ⁽³⁾	8,000,000	26.6%	Common Stock
Richard Probst	5,550,000	18.5%	Common Stock
Justin S. Beck ⁽⁴⁾	5,000,000	16.6%	Common Stock
All Officers and Directors as a Group	18,550,000	61.7%	Common Stock
Amy Cooper ⁽⁵⁾	8,000,000	26.6%	Common Stock

- (1) As used in this table, "beneficial ownership" means the sole or shared power to vote, or to direct the voting of, a security, or the sole or shared investment power with respect to a security (i.e., the power to dispose of, or to direct the disposition of, a security). In addition, for purposes of this table, a person is deemed, as of any date, to have "beneficial ownership" of any security that such person has the right to acquire within 60 days after such date.
- (2) Except as otherwise noted, the address of each person is c/o Cultivation Technologies, Inc. at 3 Park Plaza, Suite 490, Irvine, California 92614.
- (3) Richard O'Connor has sole beneficial ownership of 2,500,000 shares of common stock and joint beneficial ownership of 5,500,000 shares of common stock by virtue of his co-ownership of TGAP Holdings, LLC with Amy Cooper. Mr. O'Connor and Ms. Cooper jointly own and manage TGAP Holdings LLC which beneficially owns 5,500,000 shares of common stock of the Company.
- (4) Justin S. Beck has joint beneficial ownership of 3,000,000 shares of common stock by virtue of his management of I'm Rad LLC with Brian Bargabus and joint beneficial ownership of 2,000,000 shares of common stock by virtue of his management of EM2 Strategies, LLC with Christiane M. Stearns.
- (5) Amy Cooper has sole beneficial ownership of 2,500,000 shares of common stock and joint beneficial ownership of 5,500,000 shares of common stock by virtue of her co-ownership of TGAP Holdings, LLC with Richard O'Connor. Ms. Cooper and Mr. O'Connor jointly own and manage TGAP Holdings LLC which beneficially owns 5,500,000 shares of common stock of the Company.

Other than the shareholders listed above, we know of no other person who is the beneficial owner of more than five percent (5%) of our common stock.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS AND DIRECTOR INDEPENDENCE

Our officers and directors, nor any proposed nominee for election as a director, nor any person who beneficially owns, directly or indirectly, shares carrying more than 5% of the voting rights attached to all of our outstanding shares, nor any members of the immediate family (including spouse, parents, children, siblings, and in-laws) of any of the foregoing persons has any material interest, direct or indirect, in any transaction since our incorporation or in any presently proposed transaction which, in either case, has or will materially affect us, except as follows:

Related Party Transactions

Richard Probst, an officer and director of our Company, is the principal of Tow and Grow, Inc. On September 9, 2015, the Company entered into an Asset Purchase Agreement with Tow and Grow, Inc., a whereby the Company acquired all of the right, title and interest to certain assets of Tow and Grow in exchange for 550,000 shares of restricted common stock valued at \$0.01 (the fair market value of a share of common stock on the date of the agreement) and \$50,000.

To prevent unnecessary additional overhead, the Company from time-to-time also hires an entity for assembly and other services of Tow and Grow and Dragon Grow LED products which Richard Probst owns and controls, Pro Fab Tech LLC, a metal fabrication shop in Azusa, California. The Company is seeking external manufacturing for both product lines.

Director Independence

We are not a “listed issuer” within the meaning of Item 407 of Regulation S-K and there are no applicable listing standards for determining the independence of our directors. Applying the definition of independence set forth in Rule 4200(a)(15) of The NASDAQ Stock Market, Inc., we do not have any independent directors at this time.

DESCRIPTION OF CAPITAL STOCK

General

The authorized capital stock of the Company consists of 100,000,000 shares of common stock with a par value of \$0.001, of which 30,069,619 are issued and outstanding as of March 3, 2016 and of which a maximum of 40,069,619 shares of Common Stock will be outstanding upon the issuance of all Shares issued as a part of this Offering. See “Summary of the Offering.”

Common Stock

The Company is authorized to issue 100,000,000 shares of Common Stock with a par value of \$0.001. Holders of Common Stock are entitled to dividends only if, when and as declared by the Company’s Board of Directors. See “Dividend Policy.” Holders of Common Stock are entitled to cast one vote for each share held at all stockholder meetings for all purposes, including the election of directors. The holders of more than 50% of the Common Stock issued and outstanding and entitled to vote, present in person or by proxy, constitute a quorum at all meetings of stockholders. The vote of the holders of a majority of Common Stock present at such a meeting will decide any question brought before such meeting, except for certain actions such as amendments to the Company’s Articles of Incorporation,

mergers or dissolutions which require the vote of the holders of a majority of the outstanding Common Stock. Upon liquidation or dissolution, the holder of each outstanding share of Common Stock will be entitled to share equally in the assets of the Company legally available for distribution to such stockholder after payment of all liabilities and after distributions to preferred stockholders legally entitled to such distributions. Holders of Common Stock do not have any preemptive, subscription or redemption rights. They are entitled to cumulative voting rights under the California Corporations Code. Under cumulative voting, minority shareholders may have the right to vote one or more members onto the Company's Board of Directors. All outstanding shares of Common Stock are fully paid and non-assessable. The holders of the Common Stock do not have any registration rights with respect to the stock.

Preferred Stock

The Company is authorized to issue 20,000,000 shares of blank-check Preferred Stock. The shares of Preferred Stock may be issued and reissued from time to time in one or more series at the discretion of the Board of Directors. The Board of Directors is authorized to fix or alter the terms, rights, privileges and obligations of the Preferred Stock and the number of shares constituting any such series and the designation thereof.

Warrants and Convertible Notes

In Connection with a previous offering, the Company authorized the issuance of attached Warrants at an exercise price of \$5.00 for every Share issued in the previous offering, which has since been concluded. Thus, there were 932,119 Warrants to purchase common stock issued in connection with the previous offering. The Warrants have a five (5) year exercise term.

The Company has also issued convertible bridge notes in the aggregate amount of \$145,000.00 (the "Bridge Notes"). The Bridge Notes mature six months from the date of issuance and accrue interest at 20% per annum. The Bridge Notes are convertible into the Company's next financing at a price per share of \$0.50 or greater. As such, the Bridge Note holders may convert into subsequent financings. As of March 3, 2016, all convertible bridge note holders have converted all principal and interest owed on the Bridge Notes into the Company's prior PPM offering. No further Bridge Notes are outstanding currently.

Stock Option Plan

On August 25, 2015, the Board of Directors of the Company ratified, approved, and adopted the 2015 Incentive and Nonstatutory Stock Option Plan (the "Plan") for the Company allowing for the grant of up to 3,500,000 options to acquire common shares with terms of up to 10 years. In the event an optionee ceases to be employed by or to provide services to the Company for reasons other than cause, any stock option that is vested and held by such optionee may be exercisable within up to ninety (90) days after the effective date that his position ceases. No stock option granted under the Plan is transferable. Any stock option held by an optionee at the time of his death may be exercised by his estate within one year of his death or such longer period as the Board of Directors may determine. On August 25, 2015, a majority-interest of the shareholders of the Company approved ratified, approved, and adopted the Plan in the form approved by the Board of Directors.

On August 25, 2015, the Board of Directors granted an aggregate of 900,000 stock options to certain employees and consultants at \$0.01 the fair market price of the Company's common stock on the date of grant, subject to certain vesting periods.

On March 3, 2016, the Board of Directors granted an aggregate of 1,008,500 stock options to certain employees and consultants at \$1.00 the fair market price of the Company's common stock on the date of grant, subject to certain vesting periods.

The Company's stock option activity as of March 3, 2016 is summarized as follows:

	Number of Options	Exercise Price per share
Balance, August 25, 2015	3,500,000	-
Granted, August 25, 2015	900,000	\$0.01
Granted, March 3, 2016	1,008,500	\$1.00
Exercised	--	-
Expired / cancelled	--	-
Balance, March 3, 2016	1,691,500	-

Cumulative Voting Rights

Pursuant to the California Corporations Code, under certain circumstances, cumulative voting is available to shareholders. Cumulative voting is mandatory for all corporations not publicly traded on a major exchange. Other corporations may eliminate cumulative voting by amending its articles of incorporation or through its bylaws. When cumulative voting is permitted, shareholders are subject to notice requirements prior to cumulating votes. See Cal. Corp. Code §708.

Under cumulative voting, each shareholder has as many votes as equal the number of his or her shares of stock multiplied by the number of directors to be elected, and the holder of stock may cast all of his or her votes for a single director or may distribute them among the number to be voted for or any two or more of them, as the holder of stock may see fit.

Anti-Takeover Provisions

The California Corporations Code and the Company's bylaws have no express anti-takeover provisions.

DETERMINATION OF OFFERING PRICE

The purchase price of the Common Stock offered hereby has been arbitrarily determined by the Company and does not necessarily bear any relationship to the Company's assets' value, net worth, revenues or other established criteria of value, and should not be considered indicative of the actual value of the Securities.

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Applicable law and our bylaws provide that our officers, directors, controlling persons, and any other person or entity affiliated with it acting as our agent shall not be entitled to indemnification for any liability or loss suffered by such indemnitee, nor shall such indemnitee be held harmless for any loss or liability suffered by us, unless (i) the indemnitee has determined, in good faith, that the course of conduct

that caused the loss or liability was in our best interests; (ii) the indemnitee was acting on behalf of or performing services for us; and (iii) such liability or loss was not the result of negligence or misconduct by the indemnitee.

In addition, the indemnitee shall not be indemnified for any losses, liabilities, or expenses arising from or out of an alleged violation of federal or state securities laws unless one or more of the following conditions are met: (i) there has been a successful adjudication on the merits of each count involving alleged securities law violations as to the particular indemnitee; (ii) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular indemnitee; or (iii) a court of competent jurisdiction approves a settlement of the claims against a particular indemnitee and finds that indemnification of the settlement and related costs should be made, and the court of law considering the request for indemnification has been advised of the position of the SEC and the published position of any state securities regulatory authority in which our Shares were offered or sold as to indemnification for violations of Securities laws.

Our Articles of Incorporation and Bylaws provide for elimination of any liability of our directors and officers and indemnity of our directors and officers to the fullest extent permitted by California law.

The above-described provisions relating to the exclusion of liability and indemnification of directors and officers are sufficiently broad to permit the indemnification of such persons in certain circumstances against liabilities arising under the Securities Act. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors and officers and to persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

INVESTOR SUITABILITY REQUIREMENTS

In light of the long-term nature of an investment in shares of common stock, the lack of liquidity of the underlying securities, the various risk factors involved in making an investment in shares common stock and in order to ensure compliance with federal and state securities laws, we must take certain steps to assure that the Investors meet certain standards of suitability. These standards relate to the financial ability of an Investor to bear the economic risk of an investment in shares of common stock and the Investor's level of sophistication in analyzing the merits and risks of making an investment in shares of common stock. These standards represent minimum suitability standards for Investors, and the satisfaction of such standards by a prospective investor does not necessarily mean that shares of common stock are a suitable investment for such prospective investor.

We are offering Units without registration under the Securities Act, in reliance upon exemptions from registration available thereunder, including Section 4(a)(2) of the Securities Act and Rule 506(c) of Regulation D promulgated thereunder. Pursuant to Rule 506(c) of Regulation D, we may sell Shares only to persons who are sufficiently verified as "Accredited Investors." **Rule 506(c) requires issuers to verify the Investor's Accredited Investor status in a manner prescribed in the Accredited Investor Verification attached to this Memorandum as Exhibit A.**

Generally, an "Accredited Investor" is an Investor who meets at least one of the following standards or is otherwise within the meaning of such term under applicable interpretations:

1. Any bank as defined in Section 3(a)(2) of the Act whether acting in its individual or fiduciary capacity; insurance company as defined in Section 2 (13) of the Act; investment company

registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, insurance company, or registered investment advisor, or if the employee benefit plan has total assets in excess of \$5,000,000;

2. Any private business development company as defined in Section 202(a)(22) of the Investment

Advisors Act of 1940;

3. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar Business trust, or Company, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;

4. Any director, or executive officer, of the issuer of the securities being offered or sold, or any manager or executive officer of Company of that issuer;

5. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his or her purchase exceeds \$1,000,000, excluding the value of the person's primary residence;

6. Any natural person who had an individual income in excess of \$200,000 in each of the two most

recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

7. Any trust, with total assets in excess of \$5,000,000 not formed for the specific purpose of acquiring the securities offered, whose purpose is directed by a sophisticated person as described in Section 230.506(b)(2)(ii);

8. Any entity in which all of the equity owners are accredited investors.

IN THE EVENT YOU DO NOT MEET THE ACCREDITED INVESTOR REQUIREMENTS SET FORTH ABOVE, THIS MEMORANDUM SHALL NOT CONSTITUTE AN OFFER TO SELL SECURITIES TO YOU. IF YOU DECIDE TO INVEST IN THE COMPANY'S SECURITIES, THE COMPANY WILL BE RELYING ON YOUR REPRESENTATION THAT YOU ARE AN ACCREDITED INVESTOR IN ORDER TO PROPERLY SATISFY FEDERAL AND STATE SECURITIES LAWS.

OFFERING PERIOD AND SUBSCRIPTION PROCEDURE

We are offering to sell to accredited investors a Maximum Amount of 10,000,000 shares of the Company's common stock, \$0.01 par value for \$2.00 per share for an aggregate purchase price of \$20,000,000 before deducting offering expenses payable by the Company in connection with this Offering, including, but not limited to, legal fees, accounting fees, financial printing costs and other related expenses of the Offering estimated to be approximately \$50,000 assuming 10,000,000 shares of

Common Stock are sold (for net proceeds of \$19,950,000). Upon issuance the Shares will be "restricted" securities subject to all applicable resale restrictions specified by federal and state securities laws. Sales of Shares are being made pursuant to the terms of this Memorandum, as well as the Rule 506(c) Accredited Investor Verification and Subscription Agreement attached hereto as Exhibit A and Exhibit B, respectively.

If after careful review of this Memorandum, completion of your investigation of the Company, consideration of the risks involved in an investment in shares of Common Stock, satisfaction of all questions or concerns related to such an investment decision, and your determination that you meet the suitability requirements provided herein and in the subscription documents, you wish to subscribe for Shares, then review, complete and deliver the subscription documents and the purchase price as directed herein prior to the Termination Date.

- Deliver a completed and executed Accredited Investor Verification and Subscription Agreement attached as Exhibit A and Exhibit B, respectively, to the Company for review at the following address:

Cultivation Technologies, Inc.
3 Park Plaza, Suite 490
Irvine, California 92614.

- Following notice of verification of accredited investor status and acceptance of subscription from the Company, Investor shall deliver the purchase price in the amount of \$2.00 per Share by check or wire transfer using the instructions provided in the Subscription Agreement.

If you retain the services of a purchaser representative to assist in evaluating the merits and risks associated with investing in shares of Common Stock, you must have your purchaser representative complete and deliver to us an acceptable Purchaser Representative Certificate. We will thereafter review the qualifications of the proposed purchaser representative and will notify you if such purchaser representative is not acceptable to the Company as a purchaser representative. Your purchaser representative will be required to disclose to you any past, present or proposed future relationship between the purchaser representative or its affiliates and the Company or its affiliates.

Subscription Agreements are not binding until accepted by the Company. If the Company rejects all or a portion of any subscription, the Company will return to the prospective subscriber all, or the appropriate portion, of the amount submitted with such prospective subscriber's subscription, without interest or deduction. After all refunds have been made, the Company, and its directors, officers, counsel, and agents will have no further liability to subscribers.

If subscriptions are received and accepted on or before the Termination Date and the minimum amount is satisfied, the funds will be deposited into our operating account for our general business purposes. Within a reasonable period of time following the Termination Date, certificates representing the shares of Common Stock purchased in this Offering will be issued to the Investors.

ADDITIONAL INFORMATION

The statements contained in this Memorandum constitute only a brief summary of certain provisions of the documents referred to herein and the transactions contemplated hereby and thereby. These statements do not purport to be a complete description of every term and condition of such documents and are qualified in their entirety by reference to such documents. As with any summary, some details and exceptions have been omitted.

If any of the statements herein are in conflict with any of the terms of any of such documents, the terms of such documents will govern. Reference is made to the actual documents for a complete understanding of what they contain. Copies of all documents in connection with the transaction described in this Memorandum are either enclosed herewith or are available for inspection at the offices of Company.

Each prospective investor and his advisor are invited and encouraged to ask questions of Company with respect to the terms and conditions of the offering and the business of Company and request additional information necessary to verify information in this Memorandum. Company will seek to provide answers and such information to the extent possessed or obtainable without unreasonable effort or expense.

Offerees may be required to execute non-disclosure agreements as a prerequisite to reviewing documents determined by Company to contain proprietary, confidential or otherwise sensitive information.

To obtain such information or to make arrangements to ask such questions of Company, prospective investors should contact Company via correspondence addressed to Cultivation Technologies, Inc., 3 Park Plaza, Suite 490, Irvine, California 92614.