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October 21, 2022

By First Class Mail and E-Mail

EGLE AQD

Attention: Ms. Gina McCann

401 Ketchum Street, Suite B

Bay City, MI 48708

Re: U732201570, High Life Farms - Response to Second Violation Notice

Ms. McCann:

We represent VB Chesaning, LLC d/b/a High Life Farms (“HLF”), and offer this as HLF’s response to EGLE’s Second Violation Notice (VN) dated October 7, 2022. The second VN asks for an explanation why HLF did not submit its permit application by July 8, 2022, which is the date by which HLF previously agreed to submit its permit application. As you know, HLF now has submitted the required application, a copy of which is enclosed.

After construction of the facility was completed, the Cannabis Regulatory Agency (“CRA”)¹ conducted a complete inspection of the facility. HLF did not realize at that time that CRA was not reviewing compliance with rules and regulations of other state agencies, in this case EGLE’s predecessor, the DEQ.

On January 14, 2022, HLF entered into an agreement with ASTI Environmental with a scope of work that included analyzing whether air quality permitting was required (see attached). On June 6, 2022, ASTI informed HLF that it appeared that the level of emissions could exceed the limit for exemptions (e-mail attached) and submitted a proposal to prepare a permit application for EGLE (attached). Although the analysis then was well underway when EGLE issued its first Violation Notice on May 24, 2022, HLF became dissatisfied with ASTI’s performance.

On June 14, 2022, HLF retained NTH Consultants, Ltd. to complete analysis of permitting needs after HLF asked for recommendations on competent air quality consultants (see attached). NTH and HLF began working with and providing updates to you. Once NTH concluded that permits would be required, HLF retained NTH to prepare permit applications (see attached). HLF initially believed that this work would be completed by July 8. Unfortunately, the work took longer than

¹ At the time, this agency was called the Bureau of Medical Marijuana Regulation. For clarity, we refer to this agency by its current name.

expected and NTH submitted an application for Air Permit to Install to Mark Mitchell in EGLE's Air Quality Division on October 10, 2022.

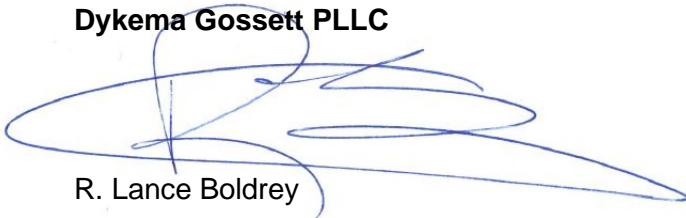
Filing of the application and receipt of necessary permits will prevent a reoccurrence of this problem.

Needless to say, this has been a learning experience for HLF, which the Company hopes will be resolved with the submission and processing of its application. I trust that the information provided to date confirms that while HLF did fail to undertake a permitting analysis or submit an application for a Permit to Install, this was not intentional and HLF has been working to correct its error since it was brought to HLF's attention. If there is any additional information that you believe would be helpful, we will happily work to obtain that for you. (Technical questions, of course, may be directed to NTH.)

Thank you.

Regards,

Dykema Gossett PLLC



R. Lance Boldrey

cc: Mark Jacobs
Kevin Kyle
Jenine Camilleri
Chris Hare