

**2019 CITY OF OAKLAND
SCORED DISPENSARY PERMIT APPLICATION**

1. Applicant Information

a. Name: Authentic 510 LLC

b. Type of Corporate Structure:

Corporation Limited Liability Company Partnership Individual

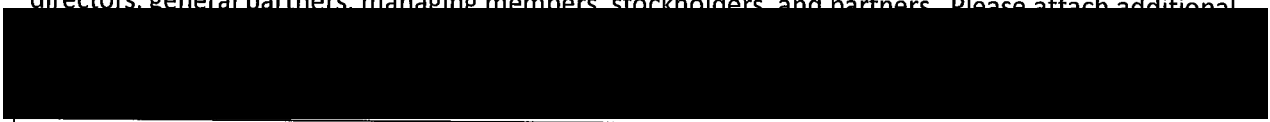
Collective Other: _____

c. Doing Business As: Authentic 510

d. Please Attach a Copy of State Registration (if applicable)

e. Partner/Owner/Manager Information:

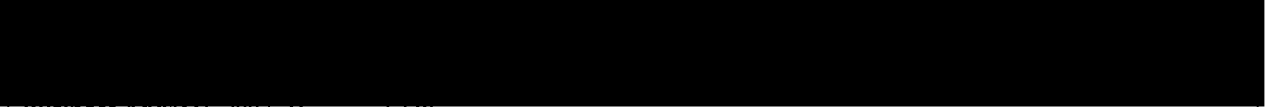
Please list all persons directly or indirectly interested in the permit sought, including all officers, directors, general partners, managing members, stockholders, and partners. Please attach additional



Last Name: Chandler	First Name: Abinette	Middle Initial: S
Alias(es): Abi		
Title: Owner		



Last Name: Mitchell	First Name: Brian	Middle Initial: C
Alias(es): N/A		
Title: CEO		



Business Address: 728 E Commercial St.		
City: Los Angeles	State: CA	Zip: 90012

Last Name: Kim		First Name: James	Middle Initial: ST
Alias(es): N/A			
Title: Managing Director			
[REDACTED]			
Business Address: 728 E Commercial St.			
City: Los Angeles		State: CA	Zip: 90012

Last Name:		First Name:	Middle Initial:
Alias(es):			
Title:			
Date of Birth:	Phone:	Email:	
Residential Address:			
City:		State:	Zip:
Business Address:			
City:		State:	Zip:

Last Name:		First Name:	Middle Initial:
Alias(es):			
Title:			
Date of Birth:	Phone:	Email:	
Residential Address:			
City:		State:	Zip:
Business Address:			
City:		State:	Zip:

Last Name:		First Name:	Middle Initial:
Alias(es):			
Title:			
Date of Birth:	Phone:	Email:	
Residential Address:			
City:		State:	Zip:
Business Address:			
City:		State:	Zip:

Last Name:		First Name:	Middle Initial:
Alias(es):			
Title:			
Date of Birth:	Phone:	Email:	
Residential Address:			
City:		State:	Zip:
Business Address:			
City:		State:	Zip:

2. Business Plan (twelve points, two points per question)

Using only the spaces provided below, please answer the following questions.

- a) Describe Applicant's understanding of the cannabis dispensary market, what customers in this market are seeking, and how Applicant intends on capturing market share.

Applicant has expert knowledge and appreciation of the Oakland Cannabis marketplace derived from owning and operating a 3500 sq. foot cultivation and 3500 sq. foot manufacturing facility in deep East Oakland on 98th Avenue, and from which Applicant sells its products to every licensed dispensary and numerous manufacturers in Oakland. Over the years we have cultivated relationships with equity and general owned Oakland cannabis companies through which we track and analyze the types of products and at what price points Oakland customers buy. Partners like our Equity Applicant, Abinette Chandler, and Equity incubatee, Marquin Chandler, both of whom are veterans of, and deeply tied into, the Oakland cannabis market. Our partners provide us with unique insights and knowledge of the Oakland market that we utilize to make informed market decisions, including pivoting from or investing in products which are in demand. Our expertise is not just colloquial to Oakland, we have a deep understanding of the larger California cannabis market place because we own and operate 7 dispensaries in San Francisco, Los Angeles, Davis, Palm Desert, San Bernardino, Modesto and Alameda. From these 7 dispensaries, we have been able to track and analyze the types of products, the most popular price points per type of product, the frequency of visits and various other purchasing preferences and habits of our customers. For example, in our Alameda store, the average age of our customer is 37, the most popular product is outdoor flower priced between \$25 - \$29 per 3.5 grams, 42% of our customers are female and 11% of our customers are medicinal customers.

Applicant will be able to utilize (1) the market data we have gathered through our business relationships with existing Oakland retail stores and distributors, (2) our current presence in Oakland, (3) Abinette Chandler and Marquin Chandler's cannabis experience in Oakland and (4) consumer habits we know what customers in Oakland are seeking. Oakland customers are seeking: (1) safe and premium quality products, (2) products from local manufacturers and cultivators at affordable prices and (3) a dispensary which reflects and is inclusive of the uniquely Oakland culture and people. More importantly we will utilize our statewide presence to help grow Oakland's market share of the statewide cannabis economy. We intend to utilize our network of operations to strengthen our Oakland brands and divisions, and the Equity partners we believe in. By placing our partners brands in stores statewide, our statewide presence, will afford the City a unique opportunity, through one entity to grow equity businesses beyond Oakland. Our intent is to grow our market share by growing Oakland's statewide share of the cannabis economy. Currently, our 7 existing stores average \$7,500,000 in revenue per year, which is more than 4 times the state average. By awarding us this permit our proposed partners, once operating, gain instant market shares in these stores.

Applicant captures market share as follows. Applicant will provide at our Oakland dispensary safe and premium quality products, more than 40% of which, will be cultivated and manufactured in Applicant's own cultivation and manufacturing facilities in Oakland which will then be distributed by Equity Distributors on Oakland to our store. This means that 40% of our products will have been within our control and custody until packaged and sealed. This is significant because (1) Applicant's state of the art facilities do not use pesticides or contaminants such as acetone or benzene and (2) while many products only undergo one level of testing prior to distribution, Applicant's products are tested two additional times in flower and then in distillate form. Additionally, manufacturers, including our equity partners, from which products are sourced will be inspected through site visits and vigorous testing of their products to ensure that third party products are also safe. For our equity partners we will share, educate, and teach them Good Manufacturing Practices (GMP) which we use to provide a wide variety of in-house products at affordable prices. As a vertically integrated operator we garner market share because we can place premium products at affordable prices for Oaklanders. As an example, while 3.5 grams of flower averages \$30 in Oakland, we are able to sell our most affordable flower at \$15 per 3.5 grams due to vertical integration. If we are awarded a permit will be able to sell the majority of our products from local equity partners and existing vertical infrastructure, and grow additional suppliers from our proposed Equity Applicant and Equity incubatees. Our store will also include the communities in which we operate by featuring local art, hiring at least 90% of our employees locally and partnering with local community organizations such as the Boys and Girls Club, United Playaz and Meals on Wheels, with which we have existing partnerships. By selling Oakland grown and sourced safe and premium quality products at affordable prices and giving back to the Oakland community, we believe we will be able to beat the black market and capture a large market share, in Oakland and statewide. We have a proven ability to achieve this, our products such as Stiiizy, Biiit and Liiit are often ranked as the best brand(s) in cannabis which provide an instant customer base whenever we open new stores.

b) Describe Applicant's background and experience in cannabis dispensing or similar industries.

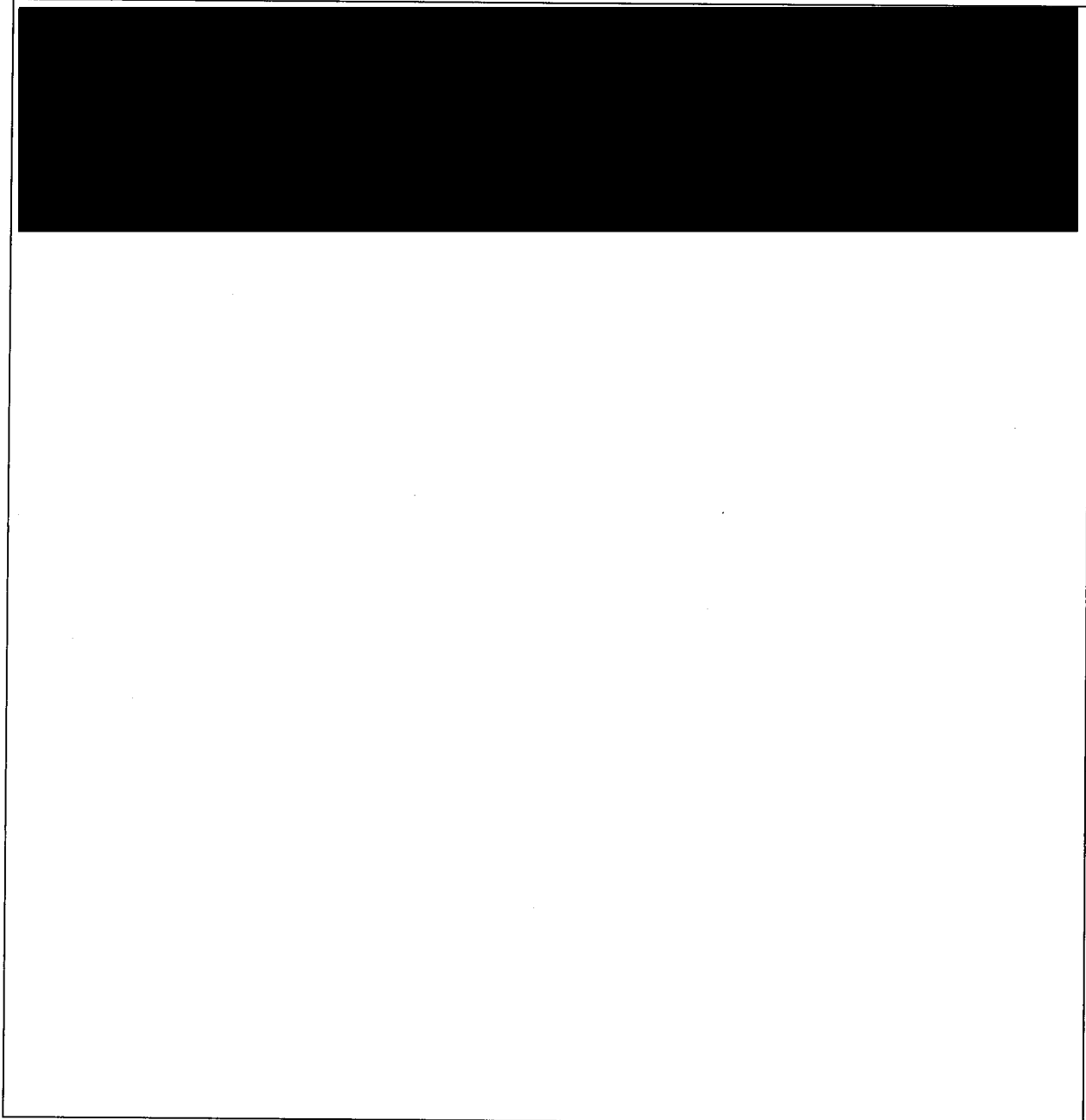
Applicant's CEO and Founder, Brian Mitchell, is a cannabis industry veteran and expert and he has been featured in numerous publications including Forbes, Green Entrepreneur and Cannabis Industry Journal, among others. See Appendix C for Forbes feature article on Brian. Spurred by his experience with medical marijuana when he had cancer, Brian has dedicated the previous 10 years of his life to cultivating, manufacturing and selling the safest premium quality products for medical patients, sufferers of physical ailments and recreational cannabis users. Prior to founding Authentic 510's parent company, the Shryne Group, Brian owned and operated La Corona Wellness, one of the first licensed cannabis dispensaries in San Francisco. Brian's belief in providing vigorously tested products without pesticides and other contaminants resulted in him sourcing much of the products sold at La Corona from the Humboldt cultivation farm he founded. In this way he could further his mission of offering the safest products to patients and customers. As the owner and manager of La Corona, Brian learned and gained hands on experience in every aspect of the business such as interacting with and educating customers on the science of cannabis, inventory tracking, compliance, proper accounting and payment of taxes and customer and product security. Brian has further deepened his cannabis dispensary experience by personally overseeing the opening and management of Applicant's sister stores in Los Angeles, Davis, Palm Desert, Alameda, San Bernardino and Modesto. Through the hands on experience he has gained, Brian has created over 70 Standard Operating Procedures used at all of our stores covering all aspects of the business from age verification and check-in procedures to waste management procedures. Brian's ability to create a safe and high end cannabis retail experience which is still inviting to customers of all demographics and income brackets is well known in the industry as is reflected by the fact that Applicant is regularly requested to manage and operate for other license owners (such as Main Street Supply in Alameda, which Applicant manages). If Applicant has the honor of being selected to open a cannabis dispensary in Oakland, Brian will directly oversee and manage the build-out, opening, and operations of the Oakland store.

In addition to Brian Mitchell, Applicant also employs some of the industry's foremost experts in areas such as accounting, compliance and security. Applicant's CFO, Marshall Minor, and his 12-person team of accountants and financial analysts manage all financial aspects of Applicant such as ensuring that proper taxes are reported and paid on time on the city, state and federal levels, ensuring that suppliers and other vendors are paid on time and balancing the budget to ensure the long term financial health of Applicant. Prior to joining Applicant, Marshall was the CFO for Aether Gardens, a cannabis cultivation and extraction company, and his combined 6 years as CFO of cannabis companies has led him to become an expert on 26 U.S. Code Section 280E, which prohibits deductions of ordinary business expenses from income derived from marijuana, and other industry specific financial rules and regulations. Marshall's financial expertise help ensure that all our stores are profitable.

Andrew Hopkins oversees all compliance functions of Applicant, including ensuring that every dispensary complies with all city, state and federal laws and regulations and also that the stores are complying with our robust SOPs. Andrew has over a decade of regulatory compliance experience with companies such as Dole and Monsanto (Bayer) and his expertise has resulted in 0 infractions to date across all of our cannabis operations.

c) Explain how Applicant will cover its startup costs and working capital requirements. If Applicant's funds are currently available, please attach a letter of credit demonstrating sufficient capitalization to cover initial business costs. If these funds are not yet available, please outline how Applicant will gather enough capital to cover initial business costs. Examples include:

- I. Selling or converting other personal assets to raise funds.
- II. Borrowing against personal assets.
- III. Raising funds from investors.
- IV. Obtaining a loan from a third party.
- V. Obtaining a letter of credit from a third party.
- VI. Other (please describe)



d) Using the following tables, please provide Applicant's anticipated start-up expenses.

REAL ESTATE AND ADMINISTRATIVE EXPENSES	\$ AMOUNT
Purchase or Rent	\$13,500
Construction or Remodeling	\$225,000
Utility Deposits	\$167
Legal and Accounting Fees	(In House)
Insurance	\$12,000
Prepaid Insurance	\$22,267
Pre-Opening Salaries and Benefits	\$329,316.00
Other (please provide detail) N/A	N/A

CAPITAL EQUIPMENT LIST	\$ AMOUNT
Furniture	\$25,000
Equipment	\$22,000
Fixtures	\$25,000
Machinery	\$5,000
Other (please provide detail) N/A	N/A

OPENING INVENTORY	\$ AMOUNT
Category 1: Flower/Bud	\$203,175.00
Category 2: Vapes/Concentrates	\$170,100.00
Category 3: Edibles/Pre Rolls	\$99,225.00
Category 4: N/A	N/A
Category 5: N/A	N/A

ADVERTISING AND PROMOTIONAL EXPENSES	\$ AMOUNT
Advertising	\$20,000
Signage	\$10,000
Printing	\$5,000
Travel/entertainment	N/A
Other/additional categories	N/A

OTHER EXPENSES	\$ AMOUNT
Reserve for Contingencies	\$94,500
Other Expense 1: N/A	N/A
Other Expense 2: N/A	N/A

e) Please provide a staffing plan for the first three years using the following tables for each anticipated owner or employee:

2021

Position Title:	Salary Costs per Month	Benefit Costs per Month	Number Employed at this Position	Anticipated Month of Hiring
General Manager	\$5,000	\$1,500	1	1
Manager	\$3,640	\$1,092	2	1
Sales Associate	\$2,340	\$702	27	1
Security Guard	\$5,200	3rd Party Pays	4	1

2022

Position Title:	Salary Costs per Month	Benefit Costs per Month	Number Employed at this Position	Anticipated Month of Hiring
General Manager	\$5,500	\$1,650	1	1
Manager	\$4,004	\$1,201	2	1
Sales Associate	\$2,574	\$772	28	1
Security Guard	\$5,720	3rd Party Pays	4	1

2023

Position Title:	Salary Costs per Month	Benefit Costs per Month	Number Employed at this Position	Anticipated Month of Hiring
General Manager	\$6,050	\$1,815	1	1
Manager	\$4,404	\$1,321	2	1
Sales Associate	\$2,831	\$849	30	1
Security Guard	\$6,292	3rd Party Pays	4	1

f) Please provide a forecast of your income statement (profit and loss) for each of the first three year, including:

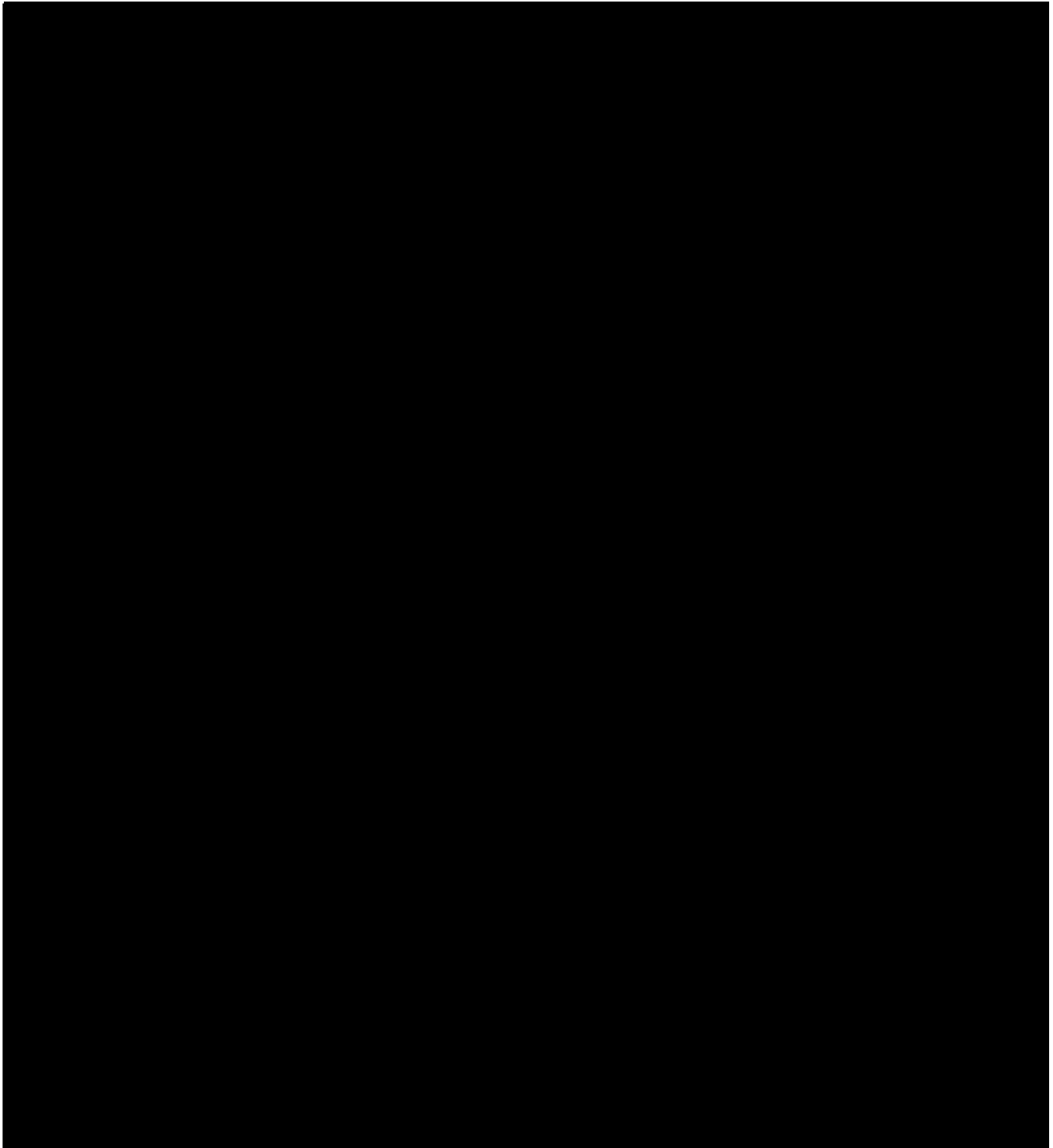
	2021	2022	2023
REVENUES			
Product/Service 1	\$4,841,128.13	\$5,567,297.34	\$6,124,027.08
Product/Service 2	4,053,037.50	4,660,993.13	5,127,092.44
Product/Service 3	2,364,271.88	2,718,912.66	2,990,803.92
Other Revenue			
TOTAL REVENUES	\$11,258,437.50	\$12,947,203.13	\$14,241,923.44
COST OF GOODS SOLD			
Product/Service 1	\$2,904,676.88	\$3,340,378.41	\$3,674,416.25
Product/Service 2	2,431,822.50	2,796,595.88	3,076,255.46
Product/Service 3	1,418,563.13	1,631,347.59	1,794,482.35
Salaries-Direct	68,440.00	77,000.00	90,362.80
Payroll Taxes and Benefits-Direct	20,532.00	23,100.00	27,108.84
Depreciation-Direct	(9,447.08)	(10,864.14)	(11,950.56)
Supplies	2,540.00	2,794.00	3,073.40
Other Direct Costs			
TOTAL COSTS OF GOODS SOLD	\$6,837,127.42	\$7,860,351.73	\$8,653,748.55
GROSS PROFIT (LOSS)	\$4,421,310.08	\$5,086,851.39	\$5,588,174.89
OPERATING EXPENSES			
Advertising and Promotion	\$168,876.56	\$194,208.05	\$213,628.85
Automobile/Transportation	24,768.56	28,483.85	31,332.23
Bad Debts/Losses and Thefts	6,837.13	7,860.35	8,653.75
Bank Service Charges	167,750.72	192,913.33	212,204.66
Business Licenses and Permits	39,500.00	39,895.00	40,293.95
Charitable Contributions	132,639.30	152,605.54	167,645.25
Computer and Internet	10,132.59	11,652.48	12,817.73
Continuing Education	13,510.13	15,536.64	17,090.31
Depreciation-Indirect	(6,564.92)	(7,549.66)	(8,304.62)
Dues and Subscriptions	1,420.00	1,562.00	1,718.20
Insurance	22,516.88	25,894.41	28,483.85
Meals and Entertainment	1,500.00	1,650.00	1,815.00
Merchant Account Fees	84,438.28	97,104.02	106,814.43
Miscellaneous Expense	2,251.69	2,589.44	2,848.38
Office Supplies	2,001.50	2,301.73	2,531.90
Payroll Processing	281,460.94	323,680.08	356,048.09
Postage and Delivery	2,251.69	2,589.44	2,848.38
Printing and Reproduction	18,013.50	20,715.53	22,787.08
Professional Services-Legal, Accounting	In House	In House	In House
Occupancy	136.00	149.60	164.56

	2021	2022	2023
Rental Payments	54,000.00	55,620.00	57,288.60
Salaries-Indirect	13,688.00	15,400.00	18,072.56
Payroll Taxes and Benefits-Indirect	4,106.40	4,620.00	5,421.77
Subcontractor	152,000.00	167,200.00	183,920.00
Telephone	3,377.53	3,884.16	4,272.58
Travel	450.00	495.00	544.50
Utilities	45,033.75	51,788.81	56,967.69
Website Development	1,000.00	300.00	325.00
TOTAL OPERATING EXPENSES	\$1,247,096.22	\$1,413,149.79	\$1,548,234.66
OPERATING PROFIT (LOSS)	\$3,174,213.86	\$3,673,701.60	\$4,039,940.23
INTEREST (INCOME), EXPENSE & TAXES			
Interest (Income)			
Interest Expense			
Income Tax Expense	\$801,800.00	\$991,800.00	\$1,086,800.00
TOTAL INTEREST (INCOME), EXPENSE & TAXES	\$801,800.00	\$991,800.00	\$1,086,800.00
NET INCOME (LOSS)	\$2,372,413.86	\$ 2,681,901.60	\$ 2,953,140.23

3. Security Plan (five points)

Using only the space provided below, describe what measures Applicant will take to

- i. to avoid diversion of cannabis to unregulated market;
- ii. to prevent a burglary or armed robbery;
- iii. to minimize the loss of product in the case of a burglary or armed robbery.



4. Compliance with State Law (four points)

Using only the space provided below, please describe how Applicant will comply with state law, including:

- i. The supply chain from which applicant will obtain cannabis and cannabis products (Applicants need not name specific vendors; identifying license categories is sufficient).
- ii. How Applicant plans to record the movement of cannabis and cannabis products in their custody, such as with a track and trace system.

Applicant's credentials, 7 existing retail locations, 3 cultivation facilities, 2 manufacturing facilities and 2 distribution facilities, establish that the Applicant has the experience and knowledge to ensure that Applicant's Oakland retail operation will also comply with all state and local laws. Our Director of Compliance, Andrew Hopkins, and his team are experts on California's Medicinal and Adult-Use Cannabis Regulation and Safety Act and the Bureau of Cannabis Control Regulations promulgated thereunder as California Code of Regulations Title 16 Section 5000 - 5905. Using his knowledge of California regulations and the experience from overseeing the compliance operation of our existing operations, Andrew has created the following system to ensure that all our operations are legally compliant and in compliance with our internal SOPs:

- 1) The Compliance Team conducts research on any new jurisdiction we are applying to and creates a compliance memorandum to ensure all teams are aware of city specific regulations such as Oakland Municipal Code Chapters 5.80 and 5.81.
- 2) A jurisdiction-specific Standard Operating Procedures will be created for each new jurisdiction we are entering and all managers and staff will be required to become experts on these SOPs.
- 3) A state and local compliance checklist will be created for each new store and the managers of the store will be required to check off each task every day.
- 4) Internal audits will be conducted at least once a month at each store to ensure that the retail team is diligently complying with all state and city requirements.

As noted above, approximately 40% of the products sold at our store will come from our own licensed cultivation and manufacturing facilities and then distributed through Oakland Equity Distributors. These in-house products will come 100% compliant operations. Products will be tested 3 times for pesticides, cannabinoid potency, microbial pathogens, moisture levels and any other impurities. The remaining 60% of product will be sourced through third-party cultivators, manufacturers and distributors and will be thoroughly vetted by our purchasing and compliance teams as follows: 1) we will confirm that every license in the supply chain is active and not suspended, 2) site visits will be conducted to ensure compliance and cleanliness and 3) products will be tested at random by our third party tester, CannaSafe, to confirm the potency amounts and that there are no pesticides or other contaminants. If any third party cultivator, manufacturer or distributor fails any of our diligence protocols, we will terminate our relationship with them and not sell any of their products. We have started to speak with and vet licensed equity businesses introduced to us from our Equity partner, Abinette Chandler, and those found on this website (<https://www.oaklandca.gov/topics/cannabis-equity-program>) for flower, trim, pre-rolls, cannabis oils, topical and tinctures so that our supply chain is fully compliant. We hold ourselves to GMP standards and will ensure that anyone we work with does the same.

Applicant's robust SOP on inventory tracking ensures that all products are tracked and traced. Applicant's third-party point of sale inventory program, Indicaonline, is integrated with the BCC required track and trace METRC system. All products distributed to the Applicant will initially be scanned when received and its location within the inventory room will be tracked by Indicaonline. The inventory received will be reconciled against the purchase order and shipping manifest to ensure the proper amount was received. Any time a product is moved out of the inventory room to the sales floor, the product will be scanned and that movement will also be registered. Finally, when a sale is made or if a product is recalled or returned to be destroyed, the product will be scanned again and Indicaonline and METRC will update such inventory as sold or returned and destroyed. Remaining inventory will be reconciled against the products sold or destroyed on a weekly basis to ensure that every single product within our custody is properly accounted for. In the event of a discrepancy, the compliance team will review Indicaonline, METRC, and camera footage to find the source of the discrepancy. Any discrepancy which is at least 3% of average monthly sales will be reported to the BCC in accordance with CCR § 5034(b). To date, there has not been a single incident of misplaced or unaccounted inventory. Indicaonline and METRC will also permit us to report every product sold and to retain all records of product movement in the event the BCC or any other agency requests to see our books and records.

5. Tax Rates (four points, one point per question)

Using only the space provided below, please answer the following questions regarding local and state tax laws that apply to cannabis dispensaries.

i. Local Taxes:

a. What are the City of Oakland's current business tax rates for cannabis businesses?

Please see Ordinance No. 18-99 (as there is too much to include in this box). It starts off for all businesses with \$1.20 for each \$1,000 of gross receipts, or fractional part thereof for all businesses. It tiers up from there up to \$50 for each \$1,000 of gross receipts, or fractional part thereof, attributable to any Medical Cannabis Business; plus \$95 for each \$1,000 of gross receipts, or fractional part thereof, attributable to any Non-Medical Cannabis Business.

On tiers from 1) 0 <= \$500K (General); 2) 0 <= \$1.5M (Equity); 3) \$1.5M < \$5M (Equity); 4) \$500K < \$5M (General); 5) \$5M+ (All)

ii. State Taxes:

a. What is the cannabis excise tax rate for adult use cannabis purchases?

15%

b. What is the sales tax rate for adult use cannabis sales?

9.25%

iii. What measures, including point of sale systems, Applicant will implement to ensure proper collection of local and state taxes.

The Applicant will use Indicaonline as its POS software for recording of all transactions with customers. In addition, Cash Logs will be entered into Quickbooks.

6. Odor Mitigation (four points)

Using only the space provided below, please submit a plan for how cannabis odors will not be detectable outside of the proposed facility, such as utilization of carbon filters.

The first step of our air quality management and odor mitigation plan will be to employ adequate heating, ventilation, and air conditioning (HVAC) systems. Applicant will work with licensed engineers to assess and improve the existing HVAC system at the proposed location to ensure superior air quality and mitigate any odors that result from the proposed retail space.

Filters, including the highest quality carbon filters, will be replaced frequently and actively maintained to provide clean air for all employees and consumers. In addition to the HVAC system, Applicant will partner with a local mechanical engineering firm to assess the facility and identify opportunities for improvement and increase air quality and odor capture. Improvements include but are not limited to: (i) air handler selection so outside air can be conditioned and brought into the space without recirculation of smell into the occupied environment; (ii) dedicated systems for each area of the facility that engages in a different retail practice; (iii) air filtration and purification so exhaust and supply air does not negatively impact neighbors or customers; and (iv) the use of carbon air filters or scrubbers. This type of odor control has been successfully used in other businesses like cigar lounges and Shryne has updated and refined this method in its existing dispensaries.

We believe that the best air quality and odor control technology for cannabis retail facilities is carbon filtration. The vault and retail areas in our facility will be separated from other areas, allowing for odor control methods to be specific to the activity being performed. The vault room and the retail area will be negatively pressurized and have carbon-filtered ventilation using CamCarb Cylinders CFS-201, which is the best in the industry. Portable, carbon-filtered recirculating Can-Lite 14" x 40" (sku: 358598) fans will minimize or eliminate odors in the vault room and retail area, and will be placed near access points such as doors.

Applicant will also implement this state-of-the-art odor management system to ensure neighboring residents and businesses cannot detect cannabis odors outside the facility. All windows and doors will be kept closed at all times unless a customer is entering the facility. 90% of the inventory will be kept in the inventory room, which will not have any openings for odor to escape outdoors and which will be under negative air pressure so that odors generated inside will not emanate into the rest of the building. The proposed location will also contain an exhaust air filtration system with odor control that prevents internal odors from being emitted externally. The rest of the store will also contain an air system that creates negative air pressure between the store's interior and exterior so that the odors generated inside the business will not be detectable on the outside of the business or at any of the properties in the immediate surrounding area.

Finally, we will take every measure to ensure that none of our products are emanating any odor. The cannabis flower is the only product which we will carry which will have the potential to have any odor since the edibles, oils, tinctures and other products do not emanate any smell. The inventory team and the retail associates will regularly ensure that all jars that the flower is sold in is properly sealed so as not to emanate any smell from its inside content. Employees will also be trained to ensure that all cannabis goods are properly sealed, know how to control ventilation to minimize the risk of odors, the importance of closing all doors and windows and on how to evaluate and check for any odors.

When inventory shipments are received and are being taken into the inventory room, Applicant will utilize odor-neutralizing materials such as enzymatic catalysts which can degrade odorous compounds. These materials will be applied to surface areas throughout the store to reduce the risk of any odors. This comprehensive system ensures that no odors will be detectable in the store or outside of the store.

7. Neighborhood Beautification (five points)

Using only the space provided below, please submit a community beautification plan detailing specific steps your business will take to reduce illegal dumping, littering, graffiti and blight and promote beautification of the adjacent community. Examples of specific steps include participating in City of Oakland Adopt a Spot/Drain program, installing murals, removing graffiti within 48 hours and providing landscaping.

Applicant will take various measures to reduce illegal dumping, littering, and graffiti as well as promote beautification of the adjacent community. During operating hours, one of the three security guards will patrol the perimeter around the store to prevent instances of loitering, vandalism and other similar activities around the vicinity of our store. A dedicated security guard will also guard the store when the store is closed and monitor the exterior cameras which blanket the store to minimize loitering, vandalism, illegal dumping, etc. Our security guards are trained to try to prevent such types of activity by themselves initially, but are trained to call the police in the event such prevention attempts pose a threat to them physically.

Applicant hires local artists to paint murals reflecting the local culture in every store which we operate. For example, our San Francisco store contains a mural of the Golden Gate Bridge and our Davis store contains a mural of a map of the City of Davis. If we have the opportunity to open a store in Oakland, we will also engage local artists to paint murals outside and inside of our stores of people, buildings and other objects which are important to the residents of Oakland.

We will also take the following measures to beautify the exterior of our store and the area surrounding it. First of all, the exterior of our store will be freshly painted with murals from local artists and with colors which fit into the existing neighborhood. All doors, windows and other aspects of the building which have been subjected to wear and tear will be replaced with new pieces which will improve the look of the building. If the City of Oakland permits, we will plant trees, bush and flowers around the store to add beauty to the neighborhood. Applicant will also re-pave any entranceways, sidewalks and other points of access around the store to improve the look of the area and also to promote safety for people walking in the neighborhood.

Jose Pecho will also be appointed as the community liaison of our store with his contact information noted on the store entrance. Residents and city officials will be able to contact him directly to address any concerns regarding littering, illegal dumping, loitering and any other activity around the store which. Jose will address such concerns within 48 hours, including any graffiti discovered around the store.

Applicant has also already started to participate in beautification efforts around Oakland at its cultivation and manufacturing operations. For example, 40 of our employees participated in Battle for the Bay on September 21, 2019 and assisted in the cleanup of Oakland Bay. Applicant will continue to volunteer and also provide monetary contributions to organizations such as the East Oakland Beautification Council to continue in the efforts to improve the City of Oakland.

8. Labor (eighty points, twenty points per question)

a. OMC 5.80 requires that half of all dispensary employees be Oakland residents. What percentage of Applicant's employees will be Oakland residents from equity program qualifying police beats as defined by OMC 5.80 and 5.81?

- 1-10% 11-20% 21-30% 31-40% 41-50% 51-100%

b. What percentage of Applicant's employees will be formerly incarcerated current Oakland residents?

- 1-10% 11-20% 21-30% 31-40% 41-50% above 50%

c. What will the pay ratio be between the dispensary's CEO compensation compared to the median compensation of the company's workforce?

- >5 to 1 ≤5 to 1 ≤3 to 1 ≤2 to 1 1 to 1

d. How will you recruit employees from equity qualifying police beats and/or formerly incarcerated Oakland residents?

Applicant believes in recruiting, hiring, and developing out staff from the communities in which we operate. As we work to open our dispensary we will focus on four key partners with whom we will work to recruit residents from the qualifying police beats and formerly incarcerated individuals in Oakland. Our partners will be faith groups, the City of Oakland, and local nonprofits. For our faith partners we will seek out partnerships with Acts Full Gospel, Allen Temple Baptist Church, and Saint Elizabeth to conduct job fairs, outreach events, education and training programs designed to help recruit from communities impacted by the war on drugs, and the under employed and unemployed. We will work to connect with the city's Oakland Work Force Development Board and the Oakland Police Department to identify key partners, programs, or methods of interacting with those same communities. While not a part of the City, we will also reach out to the Oakland Housing Authority as they have properties and programs that specifically touch the lives of individuals whom we would want to recruit. Finally, we will develop relationships with programs like Clinica de La Raza, the Unity Council, and the East Oakland Boxing association and other nonprofits all of whom have deeply enriched ties to Latino and black communities and have the credibility within the community to make sure we engage with the right groups of people to recruit. As with the faith leaders we will work to develop and conduct job fairs, outreach events, education and training programs designed to help recruit from communities impacted by the war on drugs, and the under employed and unemployed.

9. Ownership (fifteen points)

Does Applicant's "ownership" as defined under 5.80.010 (M) satisfy the definition of an Equity Applicant³?

yes

no

If you answered yes to question 9, please provide supporting documentation as described below.

For proof of ownership please provide entity formation documents or documents filed with the California Secretary of State (e.g. articles of incorporation, stock issuance records, operating agreements, partnership agreements).

For proof of income please provide federal tax returns and at least one of the following documents: two months of pay stubs, current Profit and Loss Statement, Balance Sheet, or proof of current eligibility for General Assistance, Food Stamps, Medical/CALWORKs, or Supplemental Security Income or Social Security Disability (SSI/SSDI).

For proof of conviction should be demonstrated through Court documents, Probation documents, Department of Corrections or Federal Bureau of Prisons documentation.

For proof of residency please complete the below Proof of Residency Chart for all qualifying individuals and provide a minimum of two of the documents listed below evidencing 10 years of residency. All residency documents must list the applicant's first and last name, and the Oakland residence address in applicable police beats.

- California driver's record; or
- California identification card record ; or
- Property tax billing and payments; or
- Verified copies of state or federal income tax returns where an Oakland address is listed as a primary address; or
- School records; or
- Medical records; or
- Oakland Housing Authority records; or
- Utility company billing and payment covering any month in each of the ten years.

³ an "Equity Applicant" is an Applicant whose ownership/owner:

1. Is an Oakland resident; and
2. Has an annual income at or less than 80 percent of Oakland Average Medium Income (AMI) adjusted for household size; and
3. Either

(i) has lived in any combination of Oakland police beats 2X, 2Y, 6X, 7X, 19X, 21X, 21Y, 23X, 26Y, 27X, 27Y, 29X, 30X, 30Y, 31Y, 32X, 33X, 34X, 5X, 8X and 35X for at least ten of the last twenty years OR

(ii) was arrested after November 5, 1996 and convicted of a cannabis crime committed in Oakland.

Proof of Residency Chart

NAME OF EQUITY INDIVIDUAL Abinette Chandler		
CURRENT OAKLAND ADDRESS	DATES	

NAME OF EQUITY INDIVIDUAL		
CURRENT OAKLAND ADDRESS	DATES	
	FROM	TO
PRIOR OAKLAND ADDRESS(ES)		

NAME OF EQUITY INDIVIDUAL		
CURRENT OAKLAND ADDRESS	DATES	
	FROM	TO
PRIOR OAKLAND ADDRESS(ES)		

10. Product (forty points)

What percentage of its cannabis products will Applicant commit to placing on its shelves and electronic platforms from Oakland equity cultivators and manufacturers? This commitment shall be demonstrated to the City via quarterly reports and verified on an annual basis.

- 1-10%
 11-20%
 21-30%
 31-40%
 41-50%
 above 50%

11. Distribution (forty points)

What percentage of its cannabis products will Applicant commit to purchasing from Oakland equity distributors? This commitment shall be demonstrated to the City via quarterly reports and verified on an annual basis.

- 1-9% 10-20% 21-40% 41-60% 61-80% 81-100%

12. Dispensary Incubator Program (maximum 60 points available with point allocation described below)

- Twenty-five points for first equity business incubated
- Fifteen points for second equity business incubated
- Ten points for third equity business incubated
- Five points for fourth equity business incubated
- Two points for fifth or any additional equity business incubated
- Five additional points per cultivation, testing lab, and manufacturing equity business incubated
- Five additional points per each license that is for an equity applicant who has not yet been incubated under the City of Oakland's equity program since it was established in 2017

General dispensary applicants that serve as incubators for cannabis equity applicants by providing free rent or real estate are entitled to bonus points for every cannabis equity business it incubates. Please note, the equity business may be any cannabis business type and it may be incubated either on the same property as the dispensary or at another site in Oakland.

In order to receive these bonus points, the General Applicant must comply with the following conditions:

- a. The free real estate or rent shall be for a minimum of three years.
- b. The Equity Applicant shall have exclusive access to a minimum of 1,000 square feet to conduct its business operations, with the exception of applicants in a Type S manufacturing space.⁴
- c. The General Applicant must provide any City required security measures, including camera systems, safes, and alarm systems for the space utilized by the Equity Applicant.
- d. The incubated equity applicant is not already being incubated in the proposed space under a separate permit application.
- e. The dispensary applicant cannot incubate themselves by possessing any ownership interest in an incubatee license.
- f. The same equity applicant cannot be incubated for more than three licenses per dispensary permit application.
- g. Should an incubated equity applicant cease operating its business within the three-year period, the General Applicant must notify the City of Oakland within 30 days and incubate a new equity applicant.

⁴ Please note that this exclusive access requirement under the Dispensary Incubator Program is different than the equity incubator program for non-dispensary uses, which allows for shared use of space.

In order to receive credit for incubating an equity business, general dispensary applicants must submit a copy of the lease and/or contractual agreements between General and Equity Applicants that provides the requirements listed under (a) through (e) above.

Please use the Dispensary Incubator Chart to list all equity applicants dispensary applicant intends on incubating under the conditions outlined above. Attach additional pages as necessary.

Dispensary Incubator Chart

NAME OF EQUITY APPLICANT	ADDRESS OF EQUITY BUSINESS	BUSINESS TYPE
1. Marquin Chandler	[REDACTED]	manufacturing
2. Marquin Chandler		non-storefront delivery
3. Marquin Chandler		distribution
4.		
5.		
6.		
7.		
8.		
9.		
10.		

12. Supporting Documents.

Please check the boxes below for each supporting document submitted with this application. Please ensure that all supporting documents include a Header with the applicant's name on the top right corner of each page.

Copy of State Registration for corporate structure

Letter of Credit if applicable

For Oakland Owners Applicants Only:

Proof of Oakland Residency

For Oakland Equity Applicants Only:

Proof of Ownership

Proof of Income

And either

Proof of Residency

or

Proof of Conviction

For Dispensary Incubators Only:

- Lease or other contract providing free real estate or rent for a minimum of three years indicating square footage available to the Equity Applicant
- Proof of providing required security measures, including camera systems, safes, and alarm systems for the space utilized by the Equity Applicant.


13. Oath of Application

I, the undersigned, declare under penalty of perjury that to the best of my knowledge, the information contained in this application and its supporting documentation is truthful, correct and complete; and, the information contained in this application and its supporting documentation discloses all facts regarding the applicant and associated individuals necessary to allow the City Administrator to properly evaluate the Applicant's qualifications for registration.

I, the undersigned further agree and acknowledge that I may be required to provide additional information as needed, for a complete investigation by the City Administrator.

I, the undersigned, further agree and recognize that I am responsible for obeying all Federal, State, County and local laws.

I, the undersigned, further agree and understand that any misrepresentations, omissions or falsifications in the application or any documents attached thereto or amendments thereto will be immediate grounds for the City Administrator to deny this permit application and/or immediate grounds for revocation of a medical cannabis permit.

APPLICANT NAME: Abinette Chandler
SIGNATURE: 
DATE: 2/27/2020

FOR OFFICE USE ONLY:

Application:

Received by: _____ Date: _____

Receipt #: _____