## **Business Proposal:**

## Cannabis Retail Use Permit

## CANNA NATION BENICIA



425 MILITARY EAST ST., SUITE A
BENICIA, CA 94510



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# **Community Development Department Planning Division**

## CANNABIS OPERATIONS SCORING AND EVALUATION CRITERIA

A five (5) person review committee selected by the City Manager will review each application. Each committee member will sum his or her score in each category to generate a total score for each applicant. The applicants with the highest scores progress. Successful applicants must achieve 80% or higher score.

| Criteria                     | Description  | Points |
|------------------------------|--|--------|
| Proposed Location and Design | <ul> <li>Proposed location identified with address and detailed description, in appropriate zoning and meets all the locational requirements as described in Chapters 17.84.050 (B), 17.84.060 and Chapter 9.60.040 of the Benicia Municipal Code</li> <li>Account for buffer/setback/sensitive use requirements</li> <li>Additional setback/buffer from residential and other sensitive uses, such as schools</li> <li>Extent of pre-permit outreach/engagement with neighborhood and community</li> <li>Provision of parking above and beyond minimum standards</li> <li>Exterior design and materials</li> <li>Signage plan (interior and exterior), including plan for avoiding marketing to youth</li> <li>Added design features, such as windows, primary entrance facing street, pedestrian improvements, no significant blank walls, removal of existing nonconforming features such as pole signs,</li> <li>security screening not visible from exterior</li> </ul> | 20     |
| Business Plan                | <ul> <li>Amount of experience operating a licensed cannabis business</li> <li>Amount of experience operating retail storefront or, in the case of microbusiness, experience with applicable microbusiness practices, cultivation, manufacturing, packaging, retail, and delivery</li> <li>Description of day-to-day operations which meet industry best practices for specific type of permit requested from City;</li> <li>Timeline for beginning operation, including outline for any proposed construction/improvements and a deadline for completion</li> <li>Budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operation costs. The budget must demonstrate sufficient capitalization to pay startup costs and at least three months of operating costs, as well as a description of the sources and uses of funds</li> </ul>   | 30     |

|   | <ul> <li>Proof of sufficient capital to cover first 3 months of operation<br/>(documentation of cash or other liquid assets on hand, Letters of<br/>Credit or other equivalent assets)</li> <li>Pro forma for at least three years of operation</li> </ul>  |    |
|---|---|----|
| Neighborhood<br>Compatibility And<br>Plan | <ul> <li>How proposed use, including exterior areas/surrounding public areas, will be managed, to avoid nuisance problems or negative impacts on neighbors and surrounding community</li> <li>Applicant conducted community workshop</li> <li>Site plan (accurate, dimensioned and to-scale [minimum scale of 1/4"]) required for each proposed location</li> <li>Proposed plan (such as designated manager) to handle complaints</li> </ul>  | 20 |
| Community<br>Benefits                     | <ul> <li>Benefits applicant would provide to local community, such as employment for residents of the City, community contributions, or economic incentives to the City</li> <li>Planned partnership(s) with neighboring businesses</li> <li>Plan for ongoing community outreach/engagement with neighborhood and community</li> <li>Addressing issues raised in public meeting, including evidence that concerns raised have been resolved</li> </ul>  | 30 |
| Enhanced<br>Product Safety                | <ul> <li>How applicant proposes to enhance consumer safety beyond<br/>requirements of State and/or local law</li> </ul>   | 20 |
| Environmental<br>Benefits                 | <ul> <li>Any proposed "green" business practices (e.g., solar) relating to<br/>energy and climate, water conservation, and materials and waste<br/>management; technology promoting efficient use of electricity (e.g.<br/>MCE deep green), low impact development for storm water</li> </ul>   | 20 |
| Labor & Employment                        | <ul> <li>Whether applicant will provide training program for Responsible Cannabis Retail resulting in a certificate from an accredited learning institution</li> <li>To what extent applicant will adhere to state law requirement for labor peace agreement, if applicable, or heightened pay and benefits standards and practices, including recognition of the collective bargaining rights of employees. Specific practices subject to consideration include the following:         <ul> <li>Providing opportunities for continuing education and training of employees/staff (applications should provide proof of the CPSL policy and regulations to employees)</li> <li>Providing a "living wage" to facility staff and employees. Wage scale should be provided in writing for all levels of employment at the facility. "Living Wage" shall mean 150% of the minimum wage mandated by California or Federal law, whichever is greater</li> </ul> </li> </ul> | 20 |
| Local Enterprise                          | <ul> <li>Extent to which proposed use will be locally managed enterprise<br/>whose Owners reside within Benicia and/or the County of Solano</li> <li>Evidence of historical tax compliance</li> </ul>   | 20 |
| Qualifications of<br>Owners               | Information re: any special business or professional qualifications or licenses of Owners adding to number or quality of services that the  | 30 |

| Total               |   | 250 |
|---------------------|---|-----|
|                     | Security     Security measures beyond minimum standards   |     |
|                     | layout and design plans and operational details as they relate to security  |     |
| Plan                | property. Security plan must include interior and exterior physical   |     |
| Safety and Security | How the proposed use will provide safety and security on the  | 20  |
|                     | and masking agents in ventilation system, etc.)   |     |
|                     | and outdoor (surrounding businesses) air quality resulting from proposed use (odor control including carbon filters, air scrubbers, |     |
| Air Quality Plan    | Plan for managing effects of indoor (employees' health and welfare)   | 20  |
|                     | Knowledge of state and local regulations  |     |
|                     | record of interactions with prior City governments  |     |
|                     | Applicant's history of compliance in a regulated industry, including  |     |
|                     | cannabis, such as scientific or health care fields  |     |
|                     | proposed use would provide, especially in areas related to medical  |     |

Page Intentionally Left Blank Canna Nation Benicia | Page 4

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9/10/18

City of Benicia 250 East L Street Benicia, CA 94510

Attn: Community Development Department

#### RE: Letter of Intent - Request for Proposals: Cannabis Retail and Microbusiness Operators

I, the undersigned, attest that I am a duly authorized representative of the cannabis business operator applicant, which is identified below:

| CN Beni DBA Canna Nation Benicia                  |  |  |
|---|--|--|
| 425 Military East St., Suite A, Benicia, CA 94510 |  |  |
| 0088123090  |  |  |
| Tyler Champlin                                    |  |  |
| 1212 Scheidegger Cir., Folsom, CA 95603           |  |  |
| (480) 619-9660                                    |  |  |
| tyler.champlin@cannabisnationinc.com              |  |  |
|   |  |  |

I understand that I will be expected to receive all notices at the Business Address of the Applicant and consent to receiving notices and communications at the phone number and email address listed above.

I am interested in starting a \_\_\_\_\_ cannabis business operation. Further, I attest that I have secured an agreement for the Proposed Business Location listed above, for a minimum of four (4) years, and that said location is eligible for cannabis business operations per City regulations.

Please find enclosed a complete application for this cannabis business proposal, including:

- ☑ Summary Project Plan
- ☑ Preliminary Cannabis Application
- ☑ Cannabis Public Safety License Application
- One (1) payment of \$20,000 payable to the City of Benicia

If I am selected to submit for a CUP I will apply for this permit within 60 days of the receipt of the letter of authorization from the City of Benicia Community Development Department. I understand that failure to apply for the CUP within that time period automatically forfeits my opportunity to apply.

I further understand that failing to meet any of the requirements of the RFP or applicable City regulations shall lead to automatic revocation of any award letter.

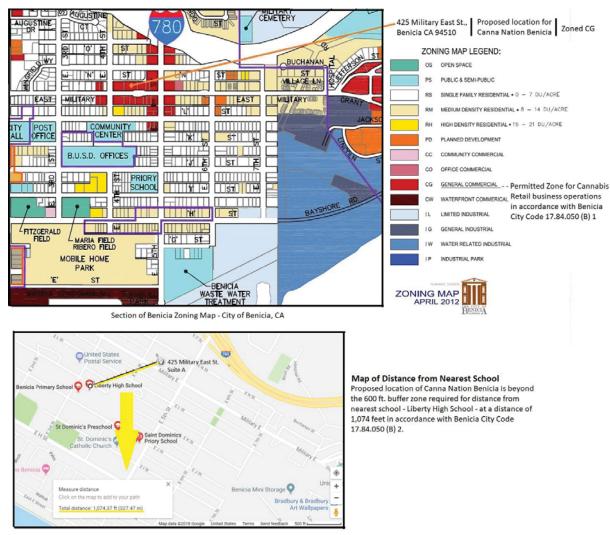
Sincerely,

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#### I. Proposed Location & Design

The proposed location for Canna Nation Benicia is 425 Military East St., Benicia, CA 94510, Suite A. The Cannabis Retail Outlet is in an existing complex that meets the Benicia Municipal Code Requirements and will serve medical and adultuse recreational patrons. **Please see Attachment 4 for Site Plans.** 

The complex is zoned for General Commercial (CG), one of the 3 acceptable zones for a cannabis retail business in accordance with City Code 17.84.050 (B) 1. The distance of the complex is beyond the 600-ft buffer from Liberty High School (the nearest school), in accordance with City Code 17.84.050 (B) 2. The City of Benicia Community Development Planning Division confirmed schools are the only sensitive use areas subject to the 600-ft buffer requirement. Please see Attachments 4 and 5 for Vicinity Maps.



A Use Permit will be applied for In accordance with City Code 17.84.060 and under the planning processes laid out in City Code Chapter 17.104. In conjunction with the requirements for a cannabis use permit, an application for a Public Safety License is being submitted with this RFP in accordance with Benicia City Code Chapter 9.60.040. The Cannabis Use Permit will be submitted upon approval of the Public Safety License application.

#### a. Pre-Permit Outreach & Community Engagement

A pre-permit outreach and community engagement program that included the tenants of the building, the landlord,

neighboring businesses as well as The City of Benicia Planning Department was conducted by applicant, Tyler Champlin. The meeting addressed concerns other tenants in the complex may have. Areas of concern that were discussed included: loitering, smell, noise, and parking lot monitoring. Details of plans to mitigate these potential issues were provided to the tenants to their satisfaction.

On August 17, 2018, landlord Terry McInerney (Building Owner) and Tyler Champlin (Principle CN Holdings, Business Applicant) signed a letter of intent to lease (LOI) Suite A for 5 years with 2 options to extend. Please see Attachment 3 for Letter of Intent to Lease Signed by Landlord & Applicant.

Outreach will continue with the surrounding neighborhood and complex tenants as the project moves forward. Operations at Canna Nation Benicia will be transparent, compliant, and open to discussion as the industry evolves and new concerns arise. The goal is always to work with neighboring businesses and communities to find solutions.

#### b. Parking

The total parking provisions of the complex is 37 parking spots that include compact vehicles and handicapped spots with ample parking for all tenants. Onsite parking provisions exceed the minimum standards. **Please see Attachment 4 for Site Plan Parking Analysis.** 

#### c. Exterior Design & Additions

The exterior design of the existing building will not be altered. The existing windows on the entry way will be equipped with intrusion resistant film and made opaque to conceal the waiting room from outside viewing. Frosted windows ensure the confidentiality of the security screening process and conceal marketing efforts not meant for underage youth. All marketing information will be confined to the sales floor which requires a valid, non-expired ID card showing an age of 21 or over or 18 with a valid medical card and accompanying parent or guardian to enter.





Upon approval from the landlord and City of Benicia, a sleek, discrete solid-metal bike rack will be installed. The rack will serve two purposes. One, as a Vehicular Intrusion Deterrent into the windows of the waiting room and, two, as an added Pedestrian Improvement. If a different Vehicular Intrusion Deterrent is preferred, Canna Nation will comply. A small tree will be removed if requested by the City in accordance with Facility Design Section A No. 2 of the Cannabis Public Safety License application.

#### d. Signage

If selected in December 2018, Canna Nation Benicia will apply for a to install a sign on the exterior of the building in accordance with Benicia Municipal Code Title 18 Sign Ordinances that reflects the name of the business, "Canna Nation Benicia". The application will include a map and drawings showing the proposed location, size, shape, colors, type of illumination, copy, design and manner of installation. Permission from the Landlord will be ascertained prior to the permit application process. Approved days and hours of operation will be posted on a sign on the exterior facing the street in accordance with BMC Title 18.

"Cannabis" and "dispensary" will not be on the proposed signage. No green crosses, graphics of cannabis, or any other indication of the nature of the cannabis retail business will be visible on the exterior of the building. A sign notifying patrons that they are "Under 24-hour Surveillance" will be displayed on the exterior and interior of the building space as well as "No Minors Allowed" signs in both English and Spanish. A "No Loitering" Sign will be displayed on the exterior

building and strictly enforced. "Consumption On-Site is Prohibited" signs in English and Spanish will also be displayed on the interior and exterior of the building.

In accordance with the law, signage educating our customers on California's laws on transporting cannabis or cannabis products in a vehicle, in accordance with Section 23222 of the Vehicle Code will be displayed in English and Spanish. The sign will state that In California, it is an infraction punishable by a fine not exceeding \$100 for a person to possess a receptacle containing cannabis or cannabis product that has been opened, or a seal broken, or to possess loose cannabis flower not in a container, while driving a motor vehicle, with certain exceptions. The licenses from the City of Benicia, the State Seller's Permit of California, Cannabis Tax Permit, and BCC Type 10 Cannabis License will be on display in the check-in lobby along with other required business licenses. Any other signs or permits required by the State of California or the City of Benicia will be clearly displayed as required.

#### II. Business Plan

#### a. Experience

The owners of Canna Nation Benicia have over 5 years' experience operating cannabis businesses in Oregon including retail operations, a cultivation site, and a wholesale. Medical sales began first and as the laws changed Cannabis Nation transitioned into the recreation industry. In 5 years, the Oregon-based company has grown to 90 employees, and an administrative staff that includes Human Resources, Accounting, and Marketing to support 5 licensed retail dispensaries, a wholesale and cultivation site. This experience brings the knowledge and action planning required to navigate the ever-changing cannabis industry while remaining compliant, profitable, and a customer favorite. The owners will make an appointment for Livescan Fingerprinting at the City of Benicia when called upon to do so. **Attachment 2** is a copy of owner IDs and Social Security cards for the Cannabis Safety Application.

#### b. Day-to-Day Operations

Proposed Hours of Operation: Monday through Sunday, 10am – 8pm. Shortened holiday hours TBD.







#### c. Timeline

Canna Nation Benicia will occupy an existing building. To facilitate a quicker opening and mitigate construction costs, only the interior floor plan will change.

| Benchmark  | Deadline for Completion |
|--|-------------------------|
| Proposal Submitted                               | September 10, 2018      |
| Interviews & Site Visits                         | September & October     |
| Applicants Selected                              | December 2018           |
| Submit Cannabis Use Permit Application           | February/March 2018     |
| Permit Processing & Commission Vote              | Early 2019              |
| Pursue other Permits & Licenses Necessary        | Mid 2019                |
| Interior Design Build-out                        | Mid 2019                |
| Hiring, Training, and Product Intake for Opening | August 2019             |
| Open for Business                                | September 1, 2019       |

#### d. Budget

Canna Nation Benicia's proposed budget is based on necessary interior construction and operational budget forecasting based on prior dispensary experience and known operational costs including product intake, digital menu subscriptions, point of sale system subscriptions, security system maintenance, as well as an alarm company subscription. Itemized budgetary reasoning will be detailed in the Comprehensive Cannabis Use Permit Application. **Please see Attachment 1:** 

**Financials & Bank Statements** for overall CN Beni Pro Forma for the project. Included on attachment is start-up costs, projected break down of estimated operating costs for first 4 months of operation, and a Pro-Forma projection through 2022. Included in the Financials Attachment is proof of capital in the form of the CBN Holdings Profit and Loss Statement for Q2 2018. This is the most recent full Quarter of reports that the company has to date. Additionally, CBN Holdings MAPS Bank Statements for all accounts shows the total of funds in the accounts for each month of Q2.

#### III. Neighborhood Compatibility & Plan

Canna Nation Benicia will be managed to avoid impacts to neighbors and community. The manager and security director will work directly with the neighborhood and surrounding community to be a proactive part of the community. Canna Nation's goal includes zero nuisance problems or negative impacts due to the presence of a legal recreational cannabis retail outlet. An open communication policy and contact information will be personally presented to other tenants, surrounding businesses, and the neighboring community. Members will be encouraged to bring issues to the attention of Canna Nation Benicia management at any time.

Applicant conducted community workshops will be scheduled to address any additional concerns raised by residents of the building complex, tenants and surrounding neighborhood during the permitting process. Continued community workshops will be conducted on a semi-annual basis after opening.

A 100-ft. no loitering or trespassing policy enforced by management of Canna Nation Benicia as well as the 3<sup>rd</sup> Party Security Officer on duty during operational hours will serve as official encouragement of only positive interactions within the surrounding community. Camera surveillance above the entry-way and exit with a 180-degree view will be utilized to monitor the exterior of the building. Hourly parking lot sweeps will include actual trash removal from the parking lot and surrounding public sidewalks for beautification while monitoring for suspicious activity. The Security Plan outlines additional measures that will be taken (Attachment 6) and an Odor Mitigation Plan (Attachment 7) with complaint form has been prepared to report and address any odor nuisances.

#### IV. Community Benefits

Canna Nation Benicia intends to positively contribute to the community both directly and indirectly through local employment, community involvement, volunteering, business partnerships, and much more, all of which have been deployed at our Oregon locations.

For example, Cannabis Nation Seaside has volunteered annually for the SOLVE Spring Oregon Beach Cleanup since opening in 2015. In July of 2018, Cannabis Nation Gresham helped to rebuild trails in a portion of the heavily firedamaged forest between Mt. Hood and the Columbia River Gorge. All Cannabis Nation locations have held canned food drives, toy drives, and clothing drives for those in need during the winter months and holidays. In October 2017, a special Pink Ribbon Cannabis Nation T-shirt was created and sold with all proceeds donated to Breast Cancer Research. Canna Nation Benicia plans to be a positive, beneficial presence in the community of Benicia.

Canna Nation Benicia has already come up with several ideas to contribute to the family-friendly culture of the city. We would like to dedicate the wall space in the waiting room for a monthly rotation of local artists to display and sell their pieces. Monthly employee meetings will include food ordered from local vendors. Small businesses seeking to partner on mutually beneficial promotions, such as the Yoga studio in the suite above ours, will have access to our marketing and branding team ensuring any materials to support the partnership are industry compliant. Raising money for the homeless, organizing food donations, volunteering at local animal shelters, and assisting in other community causes will always be explored as a direct way to give back to the community.

Our experience in the Oregon Cannabis Retail Industry has revealed that surrounding businesses see an increase in economic activity due to exposure from customer foot-traffic stopping by the dispensary, many of whom were not aware that certain businesses were in the area. When Blooming Deals by Cannabis Nation opened in Beaverton, the Thailand restaurant next door was suffering greatly, but our customers and our employees increased their revenue by a large margin. A veterinarian and dry-cleaning business also saw an increase in new customers.

Customer educational workshops will be held for individuals seeking more information about Cannabis. Cannabis Nation Sunriver recently held a "Relief" workshop which explored basic uses of recreational marijuana for pain relief as a topical, sleeping aid, anxiety reducer, and much more. Further educational workshops are being organized for Sunriver and our other locations to discuss CBD, Terpenes, and a beginner's guide to cannabis.

Many issues raised by the public through Benicia's survey portal and town hall meetings in late 2017 and early 2018 centered around the fear of children being endangered, the erosion of the family-friendly culture, and an increase in crime. Security protocols, state regulations, local municipal codes, and our own CN Holdings company policies have been designed to address these areas of concerns. A few examples include: requirements for child-safe exit packaging; thorough background checks prior to any offer of employment; testing requirements for all products; and a zero-tolerance policy of anyone under the age of 21 entering the premises unless they are 18 and older with a valid California medical marijuana card and guardian. Canna Nation Benicia pledges to follow all policies to keep the family-friendly, child safe, low-crime community of Benicia intact.

#### V. Enhanced Product Safety

Consumer safety via product handling and product education is a responsibility Canna Nation Benicia does not take lightly. Intake managers will ensure all products comply with regulations prior to it being accepted in a transfer and before it is presented to a customer for sale. For example, pursuant to existing operational policies in place at existing locations, product brought from distributors to the retail operations will be verified to have been tested by a state certified cannabis testing lab with un-expired test results. Edible products and temperature-sensitive products will be stored in refrigerated environments. Federal food handling standard guidelines will be followed by all employees handling products. All packaging and labeling will be inspected. State required child-proof packaging will be used for all cannabis products.

Next to safety, our number one priority at Canna Nation Benicia is to rise above and beyond state requirements to ensure product safety through quantity, dosage limits, packaging requirements, testing requirements, and sales limits. Our highly-trained staff is dedicated to consumer safety through customer education at the sales counter. Customers always leave understanding what they have purchased, how to use it correctly, how to store it safely out of reach of children, and appropriate dosages for their personal needs or level of experience. Educational workshops will be held to supplement the knowledge of individuals who may have come in as customers but want to know more.

#### VI. Environmental Benefits

Canna Nation Benicia is dedicated to environmental sustainability through green business practices. Our project does not propose a new building; rather, an existing site located in CG zone that only needs interior updates. As a result, any environmental impact prior to opening will be minimal. A cannabis retail outlet does not require huge amounts of energy-use or water consumption. High-quality, low-energy use LED lighting will be used to illuminate the sales floor. Lights in other parts of the facility will be on timers. Security cameras will be capable of filming in night vision, requiring no lights to be on during non-operating hours. Computers will be shut down every evening, except for a server computer and surveillance back-up storage systems. Existing landscaping is minimal and composed of low-water vegetation. Daily duties of employees will include picking up trash, cleaning the parking lot, and caring for the upkeep of the high-end

storefront. Waste and recyclables will be separated in secure receptacles. More details of green business practices will be provided in the full project application.

#### VII. Labor & Employment

It is the policy of Canna Nation Benicia to support the efforts of its employees to further their education when such improvement is in the best interest for our Company. Canna Nation Benicia shall reimburse employees for seminars, courses, classes or workshops for an employee to perform work in their normal job classification. Reimbursement will be made after the class is satisfactorily completed as verified by a certificate of successful completion or a passing grade report. Reimbursement approval must be obtained in writing by employee's direct supervisor prior to beginning the course and reimbursement of tuition and fees will be made after successful completion of the course as verified by a certificate of completion or a passing grade report.

Courses that are unrelated to the employee's job are not reimbursable even though the course may lead to a degree that is related. The cost of materials and books is not reimbursable as they become private property once purchased and may be sold after course completion. For courses that are reimbursable, the employee must be full-time when the course is started and must continue to be employed during the duration of the course. The employee must agree in writing to continue their employment with Canna Nation Benicia for one year following completion of the course and in the event they fail to do so, to reimburse Canna Nation Benicia for the entire amount paid; payments are to be made within 90 days of termination of employment.

Current labor laws and notices, including Employee Rights Under the Fair Labor Standards Act, Equal Employment Opportunity is the Law, Your Rights Under USERRA (Uniformed Services Employment and Reemployment Rights Act), and more, will be posted in the employee breakroom as required by Federal and State law. Many company policies outlined by our Human Resources department in the Canna Nation Benicia Employee Handbook go beyond the minimal requirements by law for further employee empowerment and support, such as a Zero-tolerance Sexual Harassment policy.

The Canna Nation Benicia Employee Handbook Table of Contents of policies currently practiced at our Oregon locations has been prepared for this Summary Project Plan. The full Canna Nation Benicia Employee Handbook will be made available with the full application. **Please see Attachment 8: Canna Nation Employee Handbook Relevant Excerpts.** 

The minimum starting wage for employees will be \$16.50, reflective of 150% of California's Minimum Wage. Wages will increase following annual performance reviews and with increased responsibilities. No later than 30 days within receiving State licensure, we will enter into a Labor Peace Agreement that at minimum will contain a commitment by the union and its members to not engage activities that may interfere with business, a commitment to our employees not to disrupt Union efforts to organize employees, and to give the Union access at reasonable times to the work area for discussions with employees regarding their rights under state law.

#### VIII. Local Enterprise

A team of local residents of the City of Benicia will be trained by administrative staff to manage the proposed enterprise. Benicia locals will be preferred for all positions of employment. Local contractors will be hired for the remodel. Owners of the operation do not reside within Benicia or Solano County. Applicant Tyler Champlin resides in California.

#### IX. Qualifications of Owners

Our confidence in the success of Canna Nation Benicia's business plan rests in the accomplishments and experience of the owners and their administrative team. Navigating the regulated cannabis industry over the past 5 years, we have worked kinks out, progressed past growing pains, and established solid business models that involve multiple cannabis license types including cultivation, processing, wholesale and retail. Cannabis Nation is excited about the prospect of expanding to California as Canna Nation Benicia.

A family and friend business from the beginning, the original Cannabis Nation owners Josh Olague, Tyler Walker, Ryan Walker, and Tim Walker, have partnered with another old friend, this time with experience in the California Cannabis Industry, Tyler Champlin, to help acquire, license, renovate, staff, and oversee the local management of Canna Nation Benicia. Currently a Folsom CA resident, Tyler Champlin is dedicated to ensuring the successful operations of this dispensary.

**Tyler Champlin:** 3 years-experience in California medical industry from 2009-2011. Owned two medical dispensaries located in Needles and Barstow. The dispensaries were very successful until the decision was made to sell when California's industry faced challenges from federal involvement.

**Tyler Walker:** 5-years of experience. Founded Walker Twins Farms in Gresham Oregon in 2013, a mid-sized Oregon Medical Marijuana Program (OMMP) cultivation site growing cannabis for OMMP licensed patients in his care.

**Josh Olague:** 5-years of experience. Founded JOA Enterprises in Gresham, Oregon in 2013, also a mid-sized OMMP cultivation site that grew cannabis for OMMP licensed patients in his care.

**Ryan Walker:** 4-years of experience. In 2014, Ryan Walker was brought on as a third partner and both JOA Enterprises and Walker Twin farms were combined into one OMMP Cannabis Cultivation known as Cannabis Nation.

**Timothy Walker:** A silent financial partner, Tim Walker joined the enterprise in late 2014 as the group began to apply for and receive several OMMP Medical Marijuana Dispensary Licenses. Their first Medical Marijuana Dispensary establishment opened in April of 2015, dba Blooming Deals by Cannabis Nation.

Through the OMMP regulations, from two mid-sized medical cultivations, Josh Olague, Tyler Walker, and Ryan Walker oversaw operations, employees, finances, and were hands-on in building and cultivating, not just of their plants, but the company. In the 5 years since 2013, the Oregon Marijuana industry has transitioned to Recreational and Cannabis Nation has grown from a small cultivation to a vertically-integrated enterprise with 5 OLCC licensed outlets, an expanding license to cultivate on the largest allowable scale, a wholesale license, and a processor license.

Cannabis Nation has grown from 12 employees to 90 employees with an administrative support team comprised of a Director of Operations, Human Resources Coordinator, Finance Manager, Operations & Compliance Manager, Branding & Marketing Ambassador, and Regional Managers. Blooming Deals by Cannabis Nation is still in operation today and is one of Oregon's most successful dispensaries. The four other licensed Cannabis Nation dispensaries are currently operating in Seaside, Gresham, Oregon City and Sunriver. Success has come in part due to the owner's involvement and interactions with the city governments in which we operate.

Interactions with city government were not due to non-compliance as all Cannabis Nation operations have had a clean sheet of compliance with zero infractions or penalties. Rather, city government interactions were positive interactions to maintain and expand business for the benefit of the cities by providing services to the surrounding community and increased tax revenue. The City of Gresham and Seaside also conduct quarterly inspections in addition to state

inspections, none of which have resulted in anything but positive reinforcement of our constructive position in their community. We have provided educational seminars to city council to educate on all aspects of cannabis from seed to sale, including a tour of the cultivation, and helped the city develop their own procedures for auditing and inspecting local cannabis businesses.

In 2016, Beaverton City Council listened to public testimony, Tyler Walker's testimony, reviewed 360 signatures conducted by Blooming Deals in a support campaign and voted in favor of Cannabis Nation, keeping the zoning as originally approved, and allowing Blooming Deals to stay in operation. Now, in 2018, Blooming Deals has been invited to join the Beaverton Chamber of Commerce, which includes industry giant Nike, Inc.

Gresham City Council heard testimony at two public hearings from Tyler Walker and Josh Olague for Gresham to allow recreational sales and succeeded. Deschutes County held two public hearings for the Cannabis Nation Sunriver location over the course of two years to determine if they would grant the Land Use Compatibility Statement (LUCS) required to begin operations. After two years of public testimonies, hearings, and compliance, Deschutes County granted the LUCS to Cannabis Nation Sunriver. Most recently, another Deschutes County hearing was testified at on August 28, 2018, requesting a change to an amendment's text with regards to permissible operating hours. The feedback was positive.

Since early 2017, owners and supporting administrative staff have been researching and preparing for the transition into the California market with Canna Nation Benicia.

#### X. Air Quality Plan

An Odor Mitigation Plan for Air Quality Control has been designed by a Registered Professional Engineer in the State of California for Canna Nation Benicia. **Please see attachment 7: Odor Mitigation Plan.** 

The Odor Mitigation Plan utilizes carbon filters and air scrubbers to re-circulate air within the retail space, eliminating any external exhaust and neutralizing any odors within the building. This will not only keep odors from bothering surrounding businesses, it will also improve air quality while employees work even if there is poor air quality affecting Solano County due to wild fires or pollution.

#### XI. Safety & Security Plan

A Safety & Security plan has been developed in consultation with a 3<sup>rd</sup> Party Licensed Security Company, Canna Guard. They are attached to this Project Summary Plan for your review. We will also comply with all initialed sections of the Cannabis Public Safety Application Security Standards. Please see Attachment 6: Security Plan by CannaGuard, Letter of Services Rendered, and Security Plan Paid Invoice

Partners of the business and landlord will set appointments for LiveScan fingerprinting background checks to be done at the city of Benicia as the RFPs are being reviewed. Staff has not yet been hired. All necessary documentation for background checks will be acquired including Live Scan Fingerprints when local individuals are selected to fill those roles.

Thank you for reviewing our Summary Project Plan for the Cannabis Use Retail Pre-Application process. We will provide more comprehensive details if selected in December 2018 to complete the full Cannabis Use Application for Retail, including attachments of policies, procedures, company guidelines, employee handbooks, and much more that has been created and refined to regulatory changes over the course of 5 years operating in a legal cannabis industry.



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## **Community Development Department Planning Division**

#### PRELIMINARY CANNABIS APPLICATION

Administered by the Community Development Department, applicants seeking retail or microbusiness Cannabis Use Permits must submit a Preliminary Cannabis Application. Applicants must submit a vicinity map(s), and conceptual building site plans including but not limited to site plans, floor plans, roof plans, and building elevations. All applicants must complete the application that follows. The responses provided on this application will assist the review panel in evaluating Proposals for business viability and operational standards that the applicant intends to employ, and assess how they relate to building and zoning codes. City design standards, and other sections of the Benicia Municipal Code.

#### **ACKNOWLEDGEMENTS**

The applicant acknowledges that submitting this Application and associated documentation does not entitle them to a Cannabis Use Permit or a Cannabis Public Safety License, or grant them any rights or privileges to operate a cannabis business in Benicia. The applicant also acknowledges that all fees associated with this application are non-refundable, and that the Community Development Department will retain the authority to inspect and assess the business premises and property.

| Entity/Applicant Name: CN Beni DBA Canna     | Nation Benicia/ Ty    | ler Champlin |  |
|--|-----------------------|--------------|--|
| Proposed Facility Address: 425 Military East | t St., Suite A, Benid | cia CA 94510 |  |
| Authorized Agent (print): Tyler Champlin     | Title:                | Partner      |  |
| Signature:                                   | Date:                 | 9/10/18      |  |
|  |                       |              |  |

## APPLICANT: Complete all sections. Please print legibly.

| Project A | ddress _ | 425 Milita           | ary East Street, S      | Suite A, B | enicia, C  | 4 94510          |           |               |                  | _            |
|-----------|----------|----------------------|-------------------------|------------|------------|------------------|-----------|---------------|------------------|--------------|
| APN (s)   | 00881    | 23090                |                         | Cross St   | treet Ea   | st 4th St.       |           | Sq. ft./Acrea | age <u>1,416</u> | sq. ft.      |
| Applicant | Name     | Tyler Ch             | namplin                 |            |            | Company          | , CN Be   | eni DBA Can   | na Nation E      | 3enicia<br>– |
| Street Ad | dress _  | 1212 Sc              | cheidegger Cir.         |            |            |                  |           |               |                  | _            |
| City      | Folsom   |                      |                         |            | State      | CA               |           | Zip Code      | 95603            | -            |
| Phone _   | (480) 6  | 319-9660             |                         | Email _    | tyler.cham | ıplin@canı       | nabisnati | oninc.com     |                  | _            |
| Owner's I | Name     | Josh Ol              | ague                    |            | (          | Company _        | CN Beni   | DBA Canna     | Nation Be        | nicia<br>–   |
| Owner's S | Street A | ddress               | 9802 SE Nichol          | as Drive   |            |                  |           |               |                  | _            |
| City      | Happy Va | alley                |                         |            | State      | Oregon           |           | Zip Code      | 97086            | -            |
| Phone _   | (928) 5  | 15-9818              |                         | Email _    | josh.olag  | jue@cann         | abisnatio | ninc.com      |                  | _            |
|           |          | act Inform<br>Sutton | eation<br>(530) 647-142 | 20         | suttona    | rch@gmai         | l.com     |               |                  | _            |
| Engineer  | John     | Sutton               | (530) 647-142           | 20         | suttona    | ch@gmail         | .com      |               |                  | -<br>-       |
| Other _   | Canna    | guard Sec            | curity, Noah Stok       | es, CEO    | (503) 68   | 1 0018-6         | noah@ca   | ınnaguard.co  | om               | _            |
| lf additi | ional o  | wners,               | please add th           | nem bel    | low.       |                  |           |               |                  | _            |
| Owner's I | Name     | Tyler Wal            | ker                     |            | (          | Company <u>(</u> | CN Beni [ | DBA Canna l   | Nation Ben       | icia<br>_    |
| Owner's S | Street A | ddress               | 13960 SE Kir            | ng Road    |            |                  |           |               |                  | <u> </u>     |

| City                                    |        | StateOregon             | Zip Code _         | 97086          |
|---|--------|-------------------------|--------------------|----------------|
| Phone (480) 406-8845 Er                 | mail _ | tyler.walker@cannal     | pisnationinc.com   |                |
| Owner's Name Ryan Walker                |        | Company                 | N Beni DBA Canna   | Nation Benicia |
| Owner's Street Address13960 SE King R   | Road   |                         |                    |                |
| CityHappy Valley                        |        | StateOregon             | Zip Code _         | 97086          |
| Phone (480) 296-1913 Er                 | mail _ | ryan.walker@cannabi     | snationinc.com     |                |
| Owner's NameTim Walker                  |        | Company <u>CN</u>       | l Beni DBA Canna l | Nation Benicia |
| Owner's Street Address 6685 Bridal Path | Rd.    |                         |                    |                |
| CityPrescott                            |        | StateArizona            | Zip Code _         | 86305          |
| Phone(928) 899-8491 Er                  | mail _ | tim.walker@cannabisi    | nationinc.com      |                |
| Tyler Champlin Owner's Name             |        | CompanyC                | N Beni DBA Canna   | Nation Benicia |
| Owner's Street Address1212 Scheidegger  | Cir.   |                         |                    |                |
| City Folsom                             |        | State <u>California</u> | Zip Code _         | 95603          |
| Phone(480) 619-9660 Er                  | mail _ | tyler.champlin@canna    | bisnationinc.com   |                |

## **Proposed Project**

Please complete this chart. If an item is included, or will be changed as part of the project, please elaborate.

|  | No | Yes | Explanation   |
|--|----|-----|---|
| Tenant Improvements  |    | Х   | Remodeling interior space into high-end retail showroom that is in compliance with local & State regulations.   |
| Parking  |    | Х   | 37 Parking Spaces exist. For parking Analysis, please see Attachment 3: Site Plan   |
| New Spaces   | Х  |     |   |
| Removing Spaces  | Х  |     |   |
| Improvements and/or<br>Structures in Public Right-<br>of-Way | Х  |     |   |
| Exterior   |    | Х   | Signage, Window Treatments, Landscaping, Cameras, etc. in compliance with security application requirements. Please see Summary Project Plan.   |
| Building     Modifications                                   |    | Х   | Existing building. Minimal exterior building modifications are proposed.  Additional seperate exit door will be created in accordance with local, state, and security application requirements.   |
| Mechanical     Equipment                                     |    | Х   | Exterior cameras above entry and exit with 180 degree view in accordance with security application requirements.  |
| • Lighting   |    | Х   | Improved security lighting for safety and security in accordance with security application requirements.  |
| Masonry  |    | Х   | The exit doorway creation will require masonry work to the right of the existing window storefront.   |
| Land   |    | Х   | Existing building property will may require some changes to the landscaping in accordance with Security Application Requirements. Possible tree removal.  |
| Grading  | Х  |     |   |
| Landscaping  |    | Х   | Landscaping will be maintained to keep any ground coverage at a maximum 24-inches tall and any tree canopies at a minimum of 6-feet from the ground in accordance with security application requirements.                               |
| New Trees  | Х  |     |   |
| Removing Trees   |    | Х   | In order to be compliance with security application requirements, a small tree in front of the entrance may need to be removed to ensure visibility and to ensure there are no areas of concealment at least 10 feet from the entrance. |
| Hazardous Materials  | Х  |     |   |

<u>Operational Plans</u> Please complete this chart. If an item is included, or will be changed as part of the project, please elaborate.

|   | No | Yes | Explanation   |
|---|----|-----|---|
| Number of Estimated<br>Employees                |    | Х   | 12+ locally hired individuals are estimated to be needed. All will be required to pass background checks and attend local cannabis training in accordance with local & State regulations. |
| Proposed Hours of Operations                    |    | Х   | In accordance with 17.84.100 Section B 5, the proposed hours of operation will be restricted to the hours between 10 am and 8 pm Monday through Sunday.                                   |
| Production of Edible and/or Consumable Products | х  |     | Retail only.  |
| Noise to be Generated On-Site                   | Х  |     | Retail only. Any CO2 Scrubbers for Odor Control will not produce noise that would interfere with surrounding businesses. This also applies to music in the showroom.                      |
| Cannabis-Related<br>Mechanical Equipment        | Х  |     | Retail only.  |
| Outdoor Storage and/or<br>Uses                  | Х  |     | Retail only. All cannabis product and currency will be stored indoors in a limited access vault in accordance with security application requirements.                                     |
| Use or Storage of<br>Hazardous Materials        | Х  |     | Retail only.  |
| Transportation Plans                            |    | Х   | Product from distributors will be transported to the Retail location. No delivery to consumers or other marijuana transportation is planned.  |
| Expected Occupant/Tenant Traffic                |    | Х   | Employee cars are expected to fill 1 - 5 of the 32 parking spaces available to customers and tenants of the building complex.   |
| Cannabis Delivery and/or Distribution           | Х  |     | No plans for Delivery at this time. Any proposals for delivery in the future will be presented to the city for approval prior to implementation.  |
| Proposed Delivery and/or Distribution Hours     | Х  |     | No plans for Delivery at this time. Any proposals for delivery in the future will be presented to the city for approval prior to implementation.  |

THIS IS A PRELIMINARY CANNABIS APPLICATION FORM AND NOT A BUILDING PERMIT OR PLANNING OR ENGINEERING APPLICATION. ADDITIONAL SITE PLANS & DETAILED INFORMATION WILL BE REQUIRED WITH THE PLANNING APPLICATION AND/OR PERMIT APPLICATION.

#### INDEMNIFICATION:

Applicant agrees to defend, indemnify, and hold harmless the City and its officers, contractors, consultants, employees, and commission members (collectively, "City") from any and all liability, loss, suits, claims, damages, costs, judgments and expenses (including attorney's fees and costs of litigation), including any appeals thereto (collectively, "proceeding") brought against the City with regard to any approvals issued in connection with the application(s) by the City, including any action taken pursuant to the California Environmental Quality Act. If Applicant is required to defend the City in connection with such proceeding, the City shall have and retain the right to approve counsel to so defend the City; and all significant decisions concerning the manner in which the defense is conducted; and any and all settlements, which approval shall not be unreasonably withheld. The City shall also have and retain the right to not participate in the defense, except that the City agrees to reasonably cooperate with Applicant in the defense of the proceeding. If the City's Attorney's Office participates in the defense, all City Attorney fees and costs shall be paid by Applicant. Further, Applicant agrees to defend, indemnify and hold harmless the City from and for all costs and fees incurred in additional investigation or study of, or for supplementing, revising, or amending, any document if made necessary by said proceeding.

#### **CERTIFICATION:**

I hereby certify that I am the applicant or designated agent named herein and that I am familiar with the rules and regulations with respect to preparing and filing this petition for discretionary action, and that the statements and answers contained herein and the information attached are in all respects true and accurate to the best of my knowledge and belief.

| SIGNATURE OF APPLICANT OR AGENT:   |
|--|
| Date:9/10/18   |
| Applicant will receive an email confirming receipt of request form and packet and assign next available meeting date and time. This will be your meeting date unless you contact us to request a different |
| available meeting date and time. If applicants miss a scheduled meeting, they will be required to reschedule for the next open date available. City of Benicia Community Development Department: (707)     |

#### FOR INTAKE. STAFF USE ONLY

746-4280 Cannabis@ci.benicia.ca.us

| File #              | _Fee Paid             | Receipt #          |
|---------------------|-----------------------|--------------------|
| Date Received:      | Received By           |                    |
| Reviewers Needed:   |                       |                    |
| Fire Building       | Planning Public Works | Engineering Police |
| Parks and Community | Services Other_       |                    |



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## **Police Department**

#### CANNABIS PUBLIC SAFETY LICENSE APPLICATION

Administered by the Police Department, applicants seeking Cannabis Use Permits must obtain a Cannabis Public Safety License. Applicants must submit a comprehensive security plan, site plan, and floor plan(s) demonstrating the proposed safety and security strategies of the licensed premises. All applicants must complete the application that follows. The responses provided on this application will assist the review panel in evaluating responses as they relate to security standards that the applicant intends to employ.

#### **ACKNOWLEDGEMENTS**

The undersigned applicant acknowledges that there are considerable risks in operating a cannabis-related business. Those risks include but are not limited to the risks of burglary, robbery, internal and external theft, diversion of cannabis by employees and customers, the risk of minors accessing cannabis products, and associated risks to employees, vendors, and the general public. The applicant hereby acknowledges that it is committed to ensuring a safe environment that mitigates as much risk as is reasonably possible. Risk mitigation strategies must include, at minimum, implementing security requirements mandated by state regulations and those conditions described in this Cannabis Public Safety License Application.

The applicant acknowledges that the Police and Fire Departments will retain the authority to audit, inspect, assess and test the security and safety strategies of the applicant's premises. The applicant acknowledges that as incidents arise, crime trends affecting the cannabis industry evolve, or enhanced security practices develop throughout the emerging cannabis industry, the Police and Fire Departments must reserve the right to impose additional conditions to further the public safety interests of the City of Benicia, as well as those of licensed operators, their employees, vendors and customers who may visit the licensed premises.

| Entity/Applicant Name:   | CN Beni DBA Canna I | Nation Benicia/ Tyler Champlin |  |  |
|--|---------------------|--------------------------------|--|--|
| Proposed Facility Address: 425 Military East St., Suite A, Benicia, CA 94510 |                     |                                |  |  |
| Authorized Agent (print):  | Tyler Champlin      | Title: <u>Partner</u>          |  |  |
| Signature:   |                     | Date <u>:</u> 9/10/18          |  |  |
|  |                     |                                |  |  |

#### **BACKGROUND INVESTIGATIONS**

All applicants, interested parties, and employees of the licensee are required to clear a background check to qualify for a Cannabis Use Permit. This includes a Live Scan Service and may also include additional investigation by the City if deemed necessary. Cannabis Use Permits will not be issued where applicants, interested parties, or employees have felony convictions, as specified in subdivision (c) of Section 667.5 of the Penal Code, and subdivision (c) of Section 1192.7 of the Penal Code, or where convictions exist that substantially relate to the qualifications, functions, or duties of the business or profession, including a felony conviction involving fraud, deceit, or embezzlement or a criminal conviction for the sale or provision of illegal controlled substances to a minor.

| Entity/Applicant Name:_   | CN Beni DBA Canna | Nation Benicia / Tyler Champlin |  |  |
|---|-------------------|---------------------------------|--|--|
| Proposed Facility Address: 425 Military East Street, Suite A, Benicia, CA 94510 |                   |                                 |  |  |
| Authorized Agent (print)  | : Tyler Champlin  | Title:_ Partner                 |  |  |
| Signature:  | T//               | Date: 9/10/18                   |  |  |
| -   |                   |                                 |  |  |

#### **SECURITY STANDARDS**

The following security standards must be adopted and implemented by cannabis-related businesses operating within the City of Benicia. Applicants must initial each item under "Initials" to show their acknowledgment. Where the applicant perceives a conflict or seeks an exemption or conditional accommodation, the applicant should mark ("X") under the heading labeled "Conflict". Where the "Conflict" column is marked, the applicant must include as an attachment to this application a written response identifying each perceived conflict. In addressing the conflict, the applicant must refer to the conflict by referencing its part and section number (e.g. Part A, Item 4).

| Entity/Applicant Name:(           | CN Beni DBA Canna Na     | tion Benicia / Tyler Champlin |  |
|-----------------------------------|--------------------------|-------------------------------|--|
| Proposed Facility Address         | : 425 Military East St., | Suite A, Benicia, CA 94510    |  |
| Authorized Agent (print <u>):</u> | Tyler Champlin           | Title:_ Partner               |  |
| Signature:                        |                          | <br>Date:9/10/18              |  |
|                                   |                          |                               |  |

| Part<br>A | Facility Design  | Initials | Conflict |
|-----------|--|----------|----------|
| 1         | The primary pedestrian access point (lobby) must be visible from the public thoroughfare   | TC       |          |
| 2         | No further access beyond the lobby must be possible without passing another locked, solid core door.   | TC       |          |
| 3         | Any trees on the premises must have canopies maintained at a height greater than 6-feet from the ground.   | TC       |          |
| 4         | Any ground level landscaping must be limited and maintained at a height no greater than 24 inches.   | TC       |          |
| 5         | No opportunities for concealment may exist within 10 feet of any doorway accessing the structure.  | TC       |          |
| 6         | Any glass storefronts, metal roll-up doors or windows extending lower than 24 inches from ground level must be protected against vehicular intrusion by effective barriers subject to design review/approval.  | TC       |          |
| 7         | Cannabis, cannabis products or graphics depicting cannabis may not be visible from outside the premises.   | TC       |          |
| 8         | Doors accessing rooms containing cannabis must be equipped with solid core doors. If such rooms include windows, windows must be opaque to prevent visibility of cannabis or have a lower sill no lower than 6 feet from ground level. Any such windows must be equipped with intrusion resistant film and incorporate monitored glass-break detection components within the alarm infrastructure. | тс       |          |
| 9         | Windows, if present, must not be obscured by advertisements, product racks, or other obstructions.   | TC       |          |
| 10        | Any solid core doors accessing the outside will be equipped with 180 degree viewing devices.   | TC       |          |
| 11        | The premises must maintain a minimum exterior lighting standard of 1.5 foot candles across all perimeters, access points and parking spaces associated with the licensed premises. Lighting must be white LED lighting with a heat index between 2700K-4200K, a color rendering index of at least 70 and a light loss factor of at least .95.  | TC       |          |
| 12        | Where foyers exist or awnings are installed on the structure, fixtures must be installed as necessary to provide for a minimum lighting standard of 1.5 foot candles beneath the awning or within the foyer.   | TC       |          |
| 13        | Under Section 17.108 of the Benicia Municipal Code, external building design, architectural features, site plans, landscaping, etc. may be subject to design review.   | TC       |          |

| Part<br>B | Facility Access Control   | Initials | Conflict |
|-----------|---|----------|----------|
| 1         | An electronic access control system will be installed to control and log access by staff members.   | TC       |          |
| 2         | All rooms containing cannabis or currency will require an electronic access control card/fob to enter.  | TC       |          |
| 3         | The access control system will maintain access data for no less than 90 days; records must be available to regulators upon request.   | TC       |          |
| 4         | The electronic access control system must be supported by a battery backup system ensuring continued operability of the system for no less than 24 hours.   | TC       |          |
| 5         | Key fobs/cards will be user-unique and will provide access only to those areas, and at those times, that the employee has a legitimate need to access.  | TC       |          |
| 6         | All rooms containing cannabis or currency will be equipped with an automatic closing/relocking device and must be kept closed and locked at all times when not in immediate use.  | TC       |          |
| 7         | When employees are terminated, all issued keys/fobs/cards must be accounted for. If a fob/card is missing, it must be immediately deleted from the access control system. Where a physical key is lost or not returned, all relevant cores must be changed on all relevant locks without delay. | TC       |          |
| 8         | A knox box containing a master key/fob for the facility must be installed adjacent to the lobby door.   | TC       |          |
| 9         | If fencing or gates are to be installed, they must comply with local building and zoning codes.   | TC       |          |
| 10        | Fencing or gates, if topped with security features, must comply with local building and zoning codes.   | TC       |          |
| 11        | Electronic gate(s), if installed, must be equipped with click-to-enter technology.  | TC       |          |
| 12        | Gate(s), if installed, must be equipped with a knox-key access system and knox-box.   | TC       |          |
| 13        | Any physical keys associated with the premises must be stamped "Do Not Duplicate", tracked and logged.  | TC       |          |
| 14        | Packaged cannabis products on the premises must be stored in a limited access vault or appropriately UL-rated safe.   | TC       |          |

| Part<br>C | Alarm System  | Initials | Conflict |
|-----------|---|----------|----------|
| 1         | Facility alarm installers must be licensed by the Dept. of Consumer Affairs (Alarm Company Operator, CA BPC § 7590 - 7599.80 et al).  | TC       |          |
| 2         | Facility alarm equipment, installers and monitoring centers must be UL (Underwriter's Laboratory) listed. UL certification must be maintained in good standing at all times.  | TC       |          |
| 3         | Any roof hatches or vents accessing the building must be equipped with contact sensors, motion detectors or other practicable electronic monitoring options.  | TC       |          |
| 4         | All exterior doors and interior doors accessing rooms containing cannabis, currency or security infrastructure must be equipped with monitored contact points requiring doors to be closed for the system to arm. Bypassing zones must be prohibited. | тс       |          |
| 5         | Silent robbery alarm activators must be installed at the lobby/entrance, loading/unloading areas, product/currency storage areas and at any points of sale (where applicable).  | TC       |          |
| 6         | Access control, surveillance and alarm systems must be equipped with battery backups or an auto-start generator capable of supporting system operations for up to 24 hours.   | TC       |          |
| 7         | Where the alarm system malfunctions to any degree, the facility must be staffed on a 24-hour basis by a manager or a licensed security officer until such time as the alarm system is restored to full operability.                                   | TC       |          |
| 8         | A minimum of one motion detector must be installed in each room of the facility, with additional detectors installed as practicable.  | TC       |          |

| Part<br>D | Surveillance System  | Initials | Conflict |
|-----------|--|----------|----------|
| 1         | Cameras resolution rating of no less than 2 megapixels, day/night capable, equipped with auto-iris and auto-focus features.  | TC       |          |
| 2         | Interior cameras must provide no less than 50 pixels per foot in relation to the furthest area/element intended for surveilling. Exterior cameras must provide no less than 80 pixels per foot in relation to the furthest area/element intended for surveilling.    | тс       |          |
| 3         | TCP/IP enabled, accessible over the internet. Remote viewing access must be provided to the Chief of Police or his/her designees.  | TC       |          |
| 4         | DVR must be stored in a limited access area of the facility to which only managerial personnel have access.  | TC       |          |
| 5         | System must record on a consistent basis, both during and after business hours. Footage must be archived for no less than 90 days.   | TC       |          |
| 6         | System must be capable of offloading video in standard formats requiring no proprietary software (e.g. mpeg, wmv, wav).  | TC       |          |
| 7         | System must allow the offloading of video to standard media (e.g. DVD, USB).   | TC       |          |
| 8         | Footage must be accurately date/time stamped. Date and time stamp must not obscure the focus area of the video.  | TC       |          |
| 9         | A log must be maintained accounting for any persons accessing the surveillance system (unique user IDs required).  | TC       |          |
| 10        | Cameras must be placed within 20 feet of each exterior door and must provide both interior and exterior vantage points.  | TC       |          |
| 11        | Limited access areas (entrances, loading areas, rooms containing cannabis, currency or security system infrastructure) must maintain no less than two viewing angles, including each door.   | TC       |          |
| 12        | Cameras must be installed in a manner that protects cameras and cabling from inadvertent or intentional disruption.  | TC       |          |
| 13        | All doors leading to the outside will be accompanied by a video monitor displaying the outside area for pre-egress review.   | TC       |          |
| 14        | Signage must be posted at each entrance to the parcel and structure advising of the presence of video surveillance.  | TC       |          |
| 15        | The applicant must prohibit staff, vendors or customers (dispensaries) from wearing hats, hoods, sunglasses or other attire that may interfere with the ability to identify a person from surveillance video footage.  | TC       |          |
| 16        | Where the surveillance system malfunctions to any degree, the facility must be staffed on a 24-hour basis by a manager or a licensed security officer until such time as the surveillance system is restored to full operability.                                    | TC       |          |
| 17        | The location of the on-site surveillance server (DVR) must be identified on the provided security floor plan, and must be in a room accessible only to management personnel with access privileges to the surveillance platform's hardware, software and recordings. | тс       |          |

| Part<br>E | Facility Policies and Security Plan Content   | Initials | Conflict |
|-----------|---|----------|----------|
| 1         | A manager capable of accessing all rooms must be on the premises during all operating hours.  | TC       |          |
| 2         | A manager capable of accessing surveillance footage must be on the premises during all operating hours.   | TC       |          |
| 3         | Non-managerial employees must not be permitted to take keys, fobs or access cards off premises.   | TC       |          |
| 4         | Non-managerial employees must not be permitted to take employer identification badges off premises.   | TC       |          |
| 5         | The applicant must maintain a strict policy against loitering and trespassing on and about (within 100 feet of) the premises.   | TC       |          |
| 6         | Applicants are advised that an acceptable and comprehensive burglary prevention/response plan will be required prior to licensing.  | TC       |          |
| 7         | Applicants are advised that an acceptable and comprehensive robbery prevention/response plan will be required prior to licensing.   | TC       |          |
| 8         | Applicants are advised that an acceptable and comprehensive plan regarding product diversion and internal theft prevention and response strategies will be required prior to licensing.   | TC       |          |
| 9         | Applicants are advised that an acceptable and comprehensive currency security plan will be required prior to licensing.   | TC       |          |
| 10        | Applicants are advised that an acceptable and comprehensive product loss prevention/shoplifting plan will be required prior to licensing.   | TC       |          |
| 11        | Security plan must be developed in consultation by a third party security professional (e.g. licensed PPO, ACO, certified advanced CPTED practitioner, ASIS certified security planner, etc).   | TC       |          |
| 13        | Security plan must be updated by the applicant as changes to security infrastructure, policies or practices arise. The plan must contain all necessary information to provide for ongoing and efficient maintenance of the security plan (e.g. vendor contacts, equipment descriptions, vendor data, maintenance records, access logs, etc.)  | TC       |          |
| 14        | The plan must be updated with enhanced and relevant strategies within 30 days of any significant incident including but not limited to: Discovery of a significant inventory discrepancy, as defined in CCR, Title 16, Division 42, Chapter 1, Article 3, section 5034); discovery of any cannabis diversion, theft, loss, or any other criminal activity pertaining to the operations of the licensee; discovery of loss or unauthorized alteration of records related to cannabis goods, customers, or the licensee's employees or agents; or any other breach of security. | TC       |          |
| 15        | The security plan must be reviewed and audited annually by a third party security professional. A log of its review must be maintained within the plan and must include the identity, certifications, review date and comments from the reviewing party.  | TC       |          |
| 16        | Within 30 days of implementing any change to the security plan, the applicant must provide to the Chief of Police or his/her designee an updated version of the security plan with the latest changes highlighted and accompanied by a letter of explanation detailing the reasons for the changes.   | тс       |          |







| Part<br>G | Fire Department Requirements   | Initials | Conflict |
|-----------|--|----------|----------|
| 1         | A fire and life safety inspection is required prior to the start of any cannabis related operation. After fire clearance is granted, the facility is subject to unannounced inspections throughout the duration of operations.   | TC       |          |
| 2         | A detailed scope of work related to all business activities and products utilized shall be required prior to licensing   | TC       |          |
| 3         | Fire department requirements for Access, Egress, Fire Protection and Storage shall be included in the Site Plan.   | TC       |          |
| 4         | Operational permits are required to be obtained to utilize, store, and handle materials; or to conduct processes that produce conditions that are hazardous to life or property. The fire department is authorized to revoke a permit when it is found that conditions of a permit are violated. Permits shall be readily visible and posted in a conspicuous location.                  | тс       |          |
| 5         | All equipment used in operations shall be listed and conform to manufactures recommendation. All non-listed equipment shall require third-party technical assistance for review and approval.  | TC       |          |
| 6         | Fire detection, alarm systems, emergency alarm systems, gas detection systems, fire extinguishing systems and smoke and heat vents shall be maintained in an operable condition at all times. System and system components shall be replaced and repaired when defective. All fire protections systems within a building shall be maintained in accordance to their referenced standard. | тс       |          |
| 7         | Records within site plans; including Architecture, Mechanical, Electrical, Fire Protection, Construction permits, building operations, and equipment shall be retained on site at all times and readily accessible upon request. Documents such as Fire Department Inspection reports, Fire systems Inspection reports shall also be retained upon issuance.                             | TC       |          |
| 8         | The use of all hazardous, flammable, and combustible materials shall be handled, stored, and utilized in accordance to the 2016 California Fire Code.  | TC       |          |

## **FOR RETAIL APPLICANTS ONLY**

| Part<br>H | Retail Requirements  |    | Conflict |
|-----------|--|----|----------|
| 1         | Must incorporate a customer entrance that incorporates a prescreening method to pre-screen those seeking entry.  | TC |          |
| 2         | Must incorporate a physical barrier separating the lobby receptionist, electronic access controls and robbery alarm triggers from customers entering the premises. Ballistic protection encouraged (not mandatory).  | TC |          |
| 3         | Must incorporate a waiting room with staff controlled, electronic access after validating the customer's eligibility to enter at reception.  | TC |          |
| 4         | Must incorporate separate paths for entry and departure to/from the dispensing room from the waiting room.   | TC |          |
| 5         | Access from the waiting room to the dispensing area must require electronic, remotely operated "buzz-in" by a staff member.  | TC |          |
| 6         | If the facility design incorporates an antechamber (not required, but encouraged) between the waiting room and dispensing area, the antechamber must allow for emergency egress and be equipped with crash bars allowing for emergency egress (backtracking).  | TC |          |
| 7         | If product display cases are provided in the waiting area, display cases shall be intrusion resistant (e.g. polycarbonate or protected by intrusion resistant film), locked, accessible only by a manager, and only opened outside of the facility business hours. NOTE: where the waiting area incorporates windows, applicants shall ensure displays, menus or marketing materials depicting cannabis are not visible to persons outside the premises. | тс |          |
| 8         | Any exits from the dispensing room other than the above described inbound and outbound doors will be situated behind counters and in areas posted as restricted access/employee only areas.  | тс |          |
| 9         | The dispensing room must incorporate a fixed camera focused on each point of sale. Each point of sale must be equipped with a silent robbery alarm activation button.  | TC |          |
| 10        | Access controls and policies must restrict the number of customers in the dispensing room, not to exceed two customers per employee.   | TC |          |
| 11        | The dispensing room may maintain only that amount of product and currency that is necessary for business operations as suggested by the average daily sales reflected during the previous 30 days of business operations. Excess amounts of product and currency must remain in the product vault(s) and/or safe(s) in areas limited to management.  | тс |          |
| 13        | Applicants are advised that an acceptable and comprehensive off-<br>premises currency transportation plan will be required prior to licensing.   | TC |          |
| 14        | All owners, interested parties and employees of a cannabis retail licensee shall be required to attend Cannabis Retail Sellers training provided by the City. Training shall be completed during the next available course offering by the City following approval of the Cannabis Use Permit.   | TC |          |

# Attachments

Canna Nation Benicia Summary Project Plan

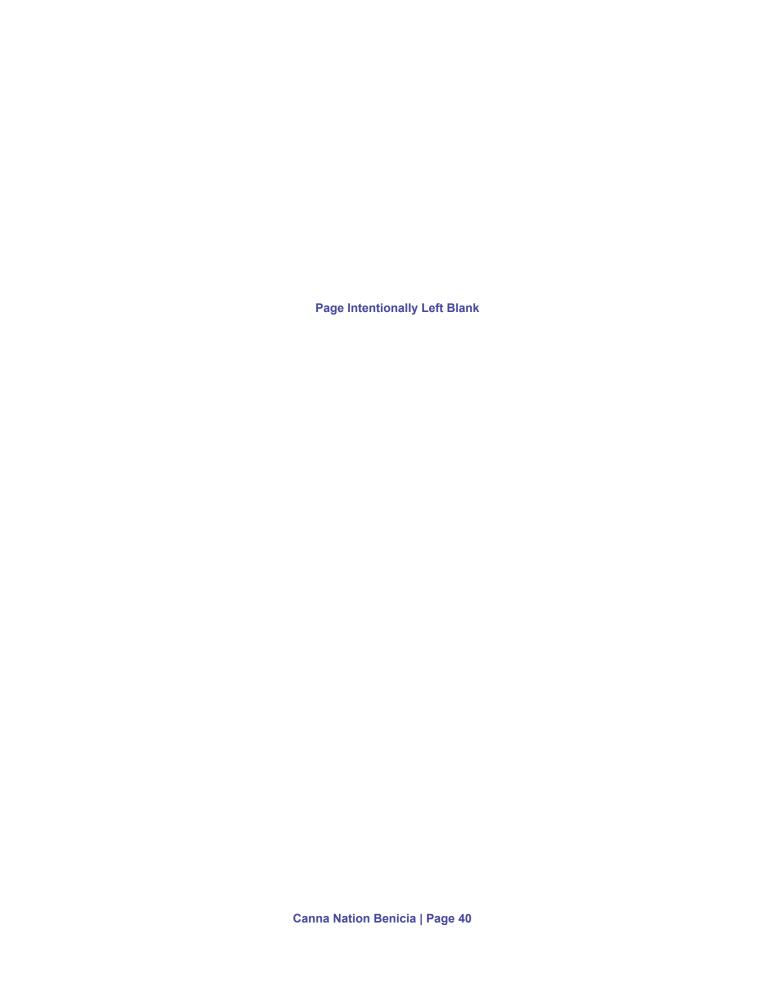


# Financials & Bank Statements

























## LETTER OF INTENT

Date: August 16, 2018

Owner: Kathleen Olsen and Terry McInerney

Property Address: 425 Military East Street, Suite A, Benicia, CA 94510

Dear Kathleen and Terry,

This document serves as a Letter of Intent to lease the above referenced property and outlines the basic terms of such proposal between the Lessee, CN Holdings Inc., and Lessor, the Property Owner. This Letter acts as a binding agreement between the two parties until the parties enter into a formal lease agreement. General terms are outlined as follows:

- 1. Effective date: Upon execution of this Letter of Intent.
- 2. Earnest Money Deposit: Upon execution of the lease agreement, Lessee will pay a one-time, non-refundable deposit in the amount of \$4,956.00, equal to one month's rent, plus NNN, totaling \$5,451.60. This is intended to secure the property and give Lessee exclusive rights to the property while pursuing the necessary approvals from the City of Benicia and State of California to operate a Retail Cannabis Dispensary. Lessor agrees to not solicit or enter into a similar agreement to another Retail Cannabis user.
- 3. <u>Security deposit</u>: Immediately following Lessee's pulling building permits, Lessee will provide to landlord an additional \$4,956.00, equal to one month's rent to be held by Landlord for the term of the lease.
- 4. Rent commencement: Upon execution of this Letter of Intent, Lessee will immediately begin paying ½ months' rent in the amount of \$2,478.75, plus NNN, totaling \$2,725.80. Lessee will continue paying this amount until Lessee has received all necessary approvals from the City of Benicia and State of California (i.e. conditional use permits, building permits and/or certificate of occupancy) and any other approving authority in order to legally operate a Retail Cannabis Dispensary. Upon receipt of necessary approvals, Lessee will begin paying full rent. In addition to paying full rent, Lessee with pay the balance of each ½ months rent paid, which will be amortized over the first year of occupancy until Lessor is made whole for the time in which each half months rent was paid.
- 5. Lease term: 5 years with 2 options to extend.
- 6. Base rent: \$4,956/month or \$3.50/sqft., Plus NNN \$.35/ft. Total \$5,451.00. Base rent to increase 3% year-over-year.
- 7. Estimated Gross Leasable Area is 1,416 sqft.
- 8. <u>Use</u>: The premises shall be used strictly for a CA Licensed Cannabis Retail Dispensary. There will be no consumption, cultivation or extraction on site.
- 9. Improvements to the building:

- a. Lessor's responsibility: Lessee agrees to take possession of the property on an as is basis free of any personal belongings of current tenant. Property should be delivered broom swept.
- b. Lessee's responsibility: Lessee is responsible for any and all improvements to be done to the subject property. Lessee is responsible for the design and build costs consistent with building codes and ordinances by the City of Benicia and any other approving authority.
- 10. <u>Insurance</u>: Each party shall carry and pay for liability insurance and personal property insurance. Lessee shall provide a certificate of "all risk" or "all perils" liability insurance in an amount of no less than \$300,000/\$1,000,000 with Landlord named as additionally insured.
- 11. <u>Special Conditions</u>: In the event Lessee is unable to acquire necessary permits and or licenses from State and or local governmental agencies to operate a Retail Dispensary, this agreement will be terminated and the Lessee will forfeit all monies paid to Lessor up to that point.
- 12. GOOD FAITH EFFORT; COOPERATION. Upon execution of this letter of Intent, the parties agree that:
  - a) Landlord and Tenant will proceed to negotiate in good faith a lease agreement substantially reflecting the terms of this Letter of Intent,
  - b) Lessor shall cause a proposed form of lease consistent with this Letter of Intent to be drafted and delivered to Lessee. Tenant shall either execute said lease or cause to be delivered to Lessor or a "red-lined" copy of the first draft showing proposed changes, consistent with this Letter of Intent, within 7 working days. Both parties do hereby instruct their attorneys and/or agents to propose and negotiate lease wording consistent with this Letter of Intent, and to perform in a timely, professional, and good faith manner intended to accomplish the purposes and intents this Letter.
  - c) If the Lessor agrees that the foregoing accurately reflects a mutual understanding, please so indicate by having the appropriate person in authority to sign a copy of this letter and returning it to our office, whereupon this letter shall serve as a guide to the preparation of a binding lease.
  - d) All other terms and conditions shall be as agreed upon between the parties
- 13. Option to rent the adjacent Space (Suite B): In the event the current tenant in Suite B vacates the space, Lessor and Lessee will discuss Lessee occupying all, or a portion of the space under similar terms outlined herein. Lessor and Lessee acknowledge there are several key factors (i.e. receiving necessary city approvals, tenant's financial ability/justification) that are contingent on the Lessee committing to the additional space. This is not an obligation of the Lessee and in the event at the time the current tenant vacates the space the Lessee is unable to rent the additional space, Lessee has the right to continue occupying Suite A under the terms of this agreement.

Sincerely,

Tyler Champlin (480) 619-9660

Partner - CN Holdings Inc.

**CN Holdings Inc** 

Property Ow

Date

JOHN SUTTON ARCHITECT SHALL ALLOII REPRODUCTION OF PLANS DURING THE PUBLIC REVIEW PROCESS. SHEET INDEX

VICINITY MAP

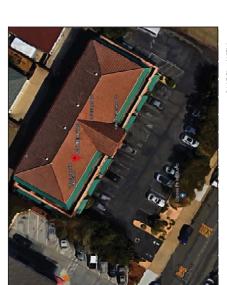
ARCHITECTURAL ACCURA - VICINTY MAP, BUILDING ROOF ( ELEVATION ACE). SYTE PLAN

A.03). IST FLOOR PLAN - NOTES, DIMENSIONS A.04). 400 FT RADIUS AREA MAP

# R.F.P. PLANS FOR: BENICIA, CA 94510 East St S 425 MILITARY

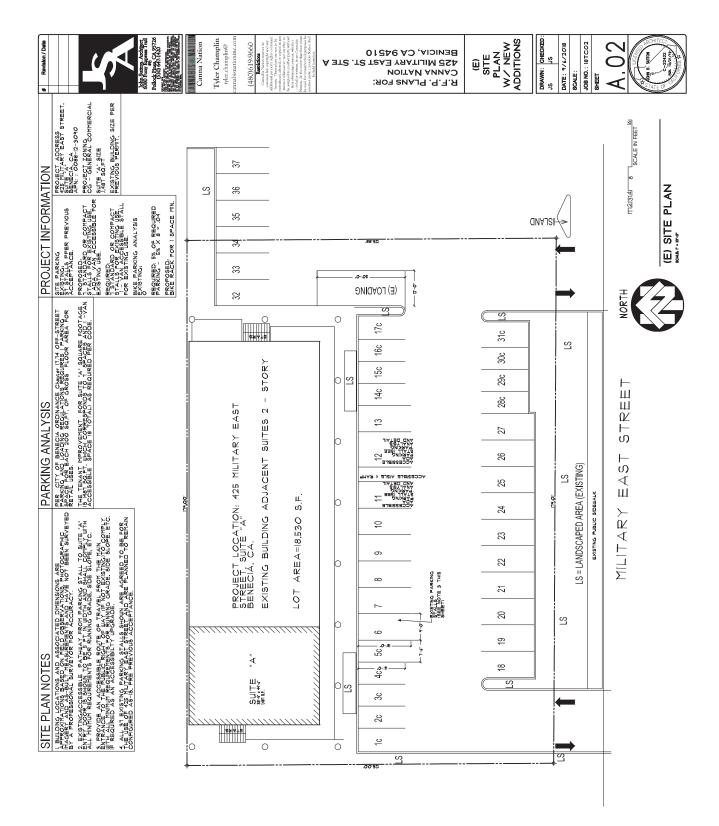


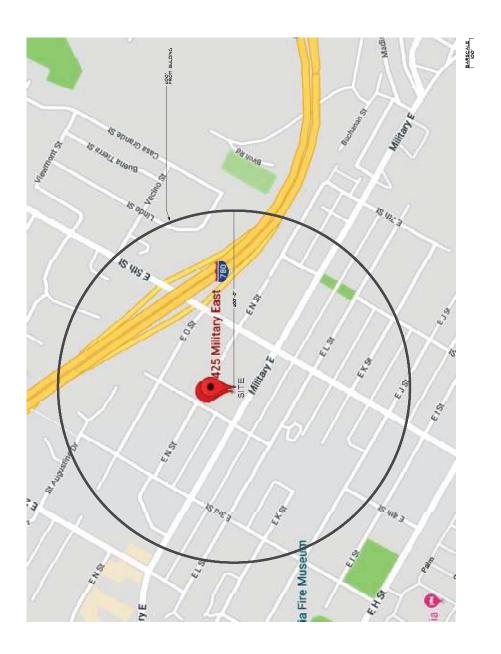


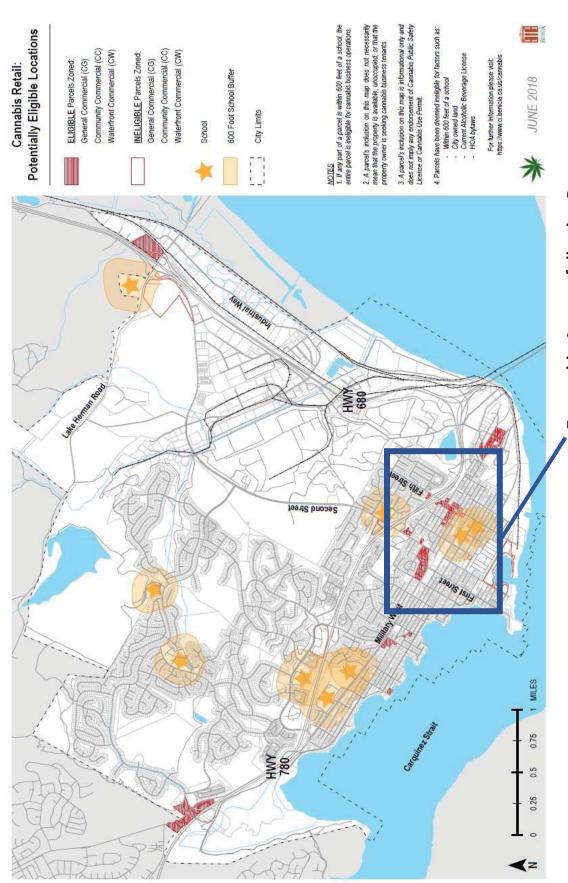


ROOF PLAN VIEW



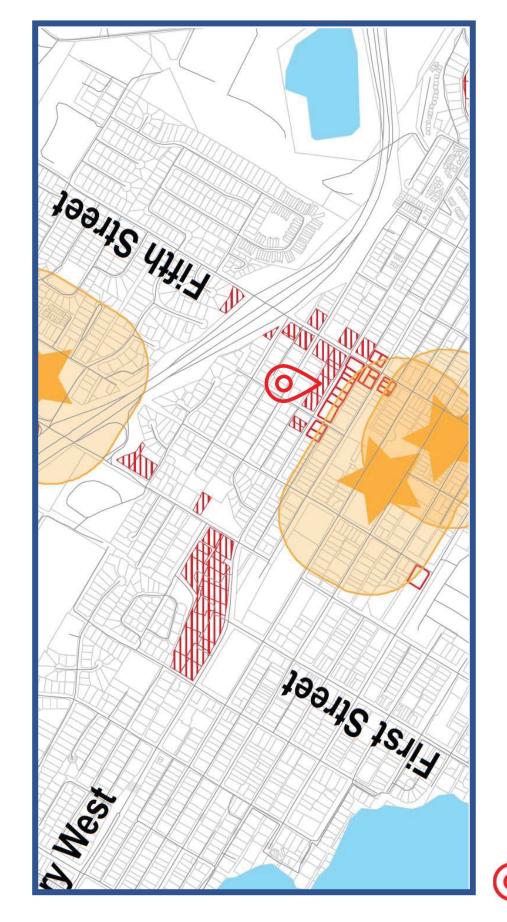




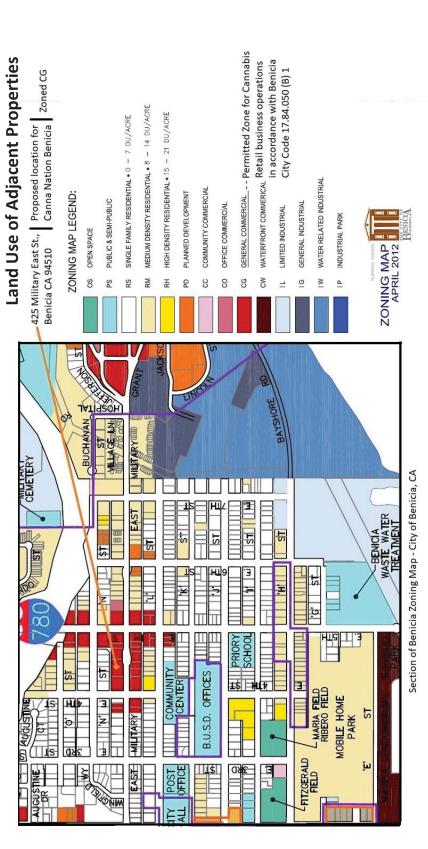


Zoomed-in Area on following Page

Proposed Location on Zoomed-in "Cannabis Retail: Potentially Eligible Locations" Map



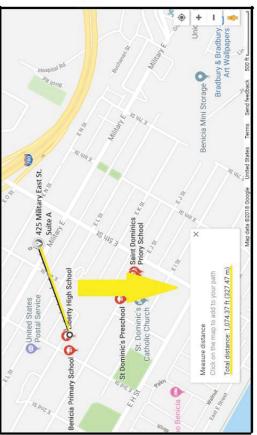
Pin indicates Proposed Location of Canna Nation Benicia – 425 Military East St.



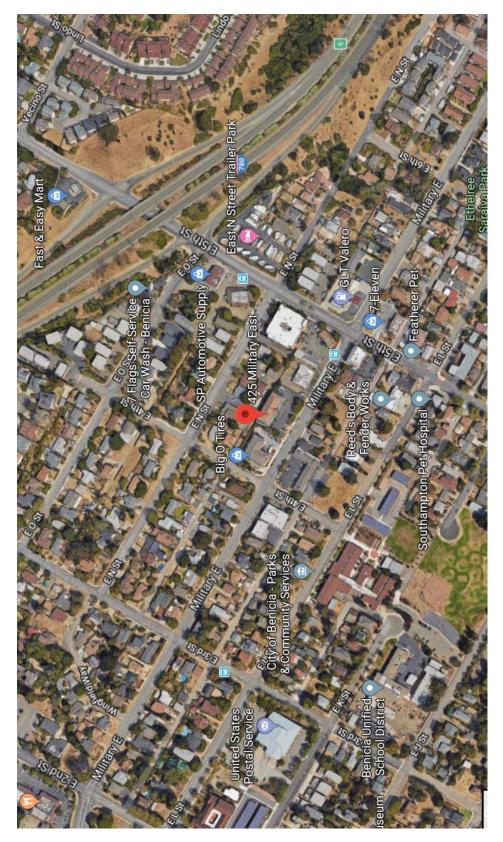
# **Nearest Existing Schools**

# Map of Distance from Nearest School

Proposed location of Canna Nation Benicia is beyond the 600 ft. buffer zone required for distance from nearest school - Liberty High School - at a distance of 1,074 feet in accordance with Benicia City Code 17.84.050 (B) 2.



# **Aerial Photo**





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# **ODOR CONTROL & MITIGATION PLAN**



# Report prepared by 15000 Inc. 2901 Cleveland Avenue, Suite 204 Santa Rosa, CA 95403

# **Policy**

Document a process to limit objectionable odors from the project area utilizing building system components and adopted odor control plan.

# **Purpose**

To minimize and eliminate the off-site odor of cannabis caused by normal business practices.

# Scope

Exterior of facility and surrounding areas.

# Responsibilities

Business Owner/Operator (BO/O) is to provide, implement and supervise an odor mitigation plan.

# **General Procedures**

Implementing and maintaining building systems to effectively minimize transmission of odor between building and surrounding areas.

- BO/O shall supervise installment and maintenance of an air treatment system to ensure
  there is no off-site odor of cannabis overly detectable from adjacent properties or the
  community. Air treatment systems consists of carbon filtration on the exhaust side of
  the ventilation system and negatively pressurizing the facility in relation to the exterior
  ambient condition.
- Staff members should immediately report an odor problems to the BO/O, who will take corrective action, implement upgrades to the system, upgrades to the facility or to the internal handling process of product within the facility to further deter odors.
- If such upgrades require the approval of any Agency Having Jurisdiction (AHJ), the BO/O shall seek and gain such approval prior to implementing new systems and/or procedures.

It is critical to the success of our organization that our various plans remain transparent to the community so all stakeholders are aware of the importance of mitigated cannabis odors.

This mitigation plan and all associated records will be made available to the public for review and documents can be requested at our facility. All requests for documentation shall occur via written request only (email is acceptable).

The company is a cannabis dispensary. In accordance with California State Law all products brought into the dispensary will be in sealed packages. As such, the possibility for odor issues for adjacent properties is limited. Nevertheless, the handling of product will require a properly engineered odor control system in order to mitigate the release of odors to the surrounding properties and community.

## **Active Measures**

All cannabis products will be securely stored in a security room ("WH VAULT", on attached plan). The security area will be provided with an exhaust air system for odor control. The exhaust system shall be provided with a carbon filter that will mitigate any odors which may emanate from the stored product.

### **Air Pressure & Carbon Filter Control**

The facility will be kept under negative pressure by means of an exhaust system with carbon filters for odor mitigation. The exhaust discharge shall be designed with a high velocity outlet to eject the exhaust up and away from any neighbors or pedestrian traffic.

# **Best Available Technology**

The combination of carbon exhaust air filtration and building pressure control represent the current best available technology. This building is also provided with MERV-8 filters for particulate filtration of supply air into the building.

# Air System Design

The facility shall have no operable windows or be kept locked and sealed at all times. All doors shall be sealed with proper weather stripping, keeping circulating and filtered air inside the facility.

On site usage of cannabis products is strictly forbidden while on the property. This will assist in mitigating odors to the surrounding neighbors.

# Monitoring, Detection and Mitigation: Method for Assessing Impact of Odor

The importance of cannabis odor mitigation is very well understood and we shall make decisions that best to prevent the issue of odor to the surrounding areas. If odors are detected outside the facility this plan shall serve as a guideline to provide corrective action.

# Monitoring

The manager/supervisor shall assess the on-site and off-site odors daily for the potential release of objectionable odors. The manager/supervisor on duty shall be responsible for assessing and documenting odor impacts on a daily basis.

The closest adjacent businesses include;

- Building Tenants in Complex: 425 Military East St., Benicia, CA 94510
- Big O Tires: 415 Military East St., Benicia, CA 94510
- One Stop Liquor & Food 2: 457 Military East St., Benicia, CA 94510

# Mitigation

Should objectionable off-site cannabis odors be detected by the public and we are notified in writing, the following protocols will take place immediately:

- Investigate the likely source of the odor.
- Utilize on site management practices to resolve the odor event.
- Take steps to reduce the source of objectionable odors.
- Determine if the odor traveled off-site by surveying the perimeter and making observations of existing wind patterns.
- Document the event for further operational review.

If employees are not able to take steps to reduce the odor-generating source, they are to immediately notify the facility manager, who will then notify the BO/O. All communication shall be documented and the team shall create a proper solution, if applicable. If necessary we shall retain our certified engineer to review the problem and make recommendations for corrective action/s.

# **Staff Training**

All employees shall be trained on how to detect, prevent and remediate odor outside our facility and all corrective options outlined herein.

### **Odor Detection Documentation**

The Odor Detection Form (ODF) shall be provided to those who suspect objectionable odors emanating from inside the facility. ODFs are available per request, on-site.

We shall maintain records of all odor detection notifications and/or complaints that will include the remediation measures employed. The records shall be made available to the AHJ or the general public on request. All requests shall be in writing (email is acceptable).

# **Odor Detection Form** Name of Reporting Party: Phone Number: **Email Address:** Date: Time: Location of Odor: Weather Conditions: Date/Time of Notification: Notification Method: $\bigcirc$ Email $\bigcirc$ Online $\bigcirc$ In Person **Administrative Use Only** Mitigation Response Taken: Date/Time Measures Employed: Were Mitigation Measures Successful? Signature/Date/Time:

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**Employee Handbook** 

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### **Standards of Conduct**

Each employee has an obligation to observe and follow the Company's policies and to maintain proper standards of conduct always. If an individual's behavior interferes with the orderly and efficient operation of a department, corrective disciplinary measures will be taken.

Employees who become aware of other employees violating the Company's policies or procedures are strongly encouraged to bring that to the attention of their supervisors or HR Coordinator immediately.

Disciplinary action may include a verbal warning, written warning, suspension without pay, and/or termination. The appropriate disciplinary action imposed will be determined by the Company. Disciplinary actions are on a case-by-case basis.

Examples of behaviors likely to result in immediate termination:

- violation of CN policies or safety rules
- insubordination
- unauthorized or illegal possession
- use or sale of alcohol or any controlled substances on work premises or during working hours while engaged in Company activities or in company vehicles
- unauthorized possession, use or sale of weapons, firearms or explosives on work premises
- theft or dishonesty
- physical harassment
- sexual harassment
- disrespect toward fellow employees, visitors or other members of the public
- use of personal phones or recording devises by employees within restricted or limited access areas of the business
- performing outside work or use of Company property, equipment or facilities in connection with outside work while on Company time
- poor attendance or poor performance

These examples are not all inclusive. We emphasize that termination decisions will be based on an assessment of all relevant factors.

### **Stop and Search**

CN Holdings, Inc. reserves the right to undertake searches of employees within its premises. This is to protect both the Company and its staff from illegal activities such as theft of Company property or property belonging to another member of staff or other person; and the possession or supply of any substances which might be in breach of Company policy in relation to alcohol and/or drugs.

Employees are advised that a search does not indicate that they are under any suspicion of wrongdoing and searches may be carried out randomly. The Company reserves the right to stop and search an employee when it reasonably suspects that they have committed an illegal act or an act in breach of company policy.

In accordance with employees' terms and conditions of employment, CN Holdings, Inc. reserves the right to carry out searches, including:

- a physical search of the employee where they will be asked to remove their jacket and empty all their pockets;
- a search of all baggage (both personal and Company property);
- a search of any vehicle on the Company's property (both personal and owned by the Company); and
- a search of all work areas (including but not limited to desks, lockers and cabinets, locked or otherwise). This may also include search of any electronic devices such as laptop or phone owned by the Company in compliance with the appropriate Company policy.

The Company will ensure that the level of search is fair and reasonable, taking into account all of the circumstances giving rise to it.

Searches may occur at random when employees enter or leave the building and/or in circumstances where the Company reasonably suspects that an employee has committed an unlawful act or act in breach of Company policy. If a search is undertaken on a random selection of employees, a demonstrably fair selection process will be used.

A physical search will be carried out in a private room, by an authorized officer of the same sex and in the presence of another authorized officer to protect an employee's dignity and to avoid any discrimination. Employees have the right to request that a physical search is attended only by people of the same sex.

Searches of baggage, vehicles and work areas will be carried out by an authorized officer in the presence of the employee in question and another authorized officer.

If an employee refuses to undergo a search, the employee will be asked to reconsider his/her refusal. If the employee maintains his/her refusal to undergo a search, the individual's manager or other senior manager will be called. They will consider the employees stated reasons for the refusal and, if these are deemed reasonable, no further action will be taken against the employee.

The incident including the reasons for the employee's refusal to be searched will be recorded in the employees personnel file.

If an employee unreasonably refuses to undergo a search (including if they subsequently refuse to stay on the Company premises when requested to do so), this may lead to disciplinary action in line with the Company's disciplinary policy, resulting in termination for gross misconduct if applicable.

If the Company believes that there is evidence that an employee has committed an illegal act, this will be reported immediately to the police.

### **Smoking or Drinking at the Workplace**

Absolutely NO smoking/vaping or drinking of any kind is allowed by CN Holdings inside the workplace or on-site. These rules have been set in place by CBN, OMMP, and/or the OLCC. If broken, you will be subject to any and all legal action, and will be held 100% accountable for your actions. Additionally, intoxication of any kind while on duty is strictly prohibited and will be enforced up to or including termination of employment.

### **Employee Usage of Cannabis, Alcohol, and Drugs**

CN Holdings Inc., has a strict, Zero Tolerance policy for employees using cannabis on company time or property. This includes before work, lunches, and breaks. Employees are prohibited from reporting to work while under the influence of cannabis, alcohol, and other drugs that adversely affect the employee's ability to safely or efficiently perform his or her job duties.

CN Holdings Inc., has vital interests in ensuring a safe, healthy and efficient working environment for our employees, their co-workers, and the customers we serve. Using cannabis, alcohol, or other intoxicating drugs in the workplace hinders customer service, employee output, can be a safety issue, and can be a liability to the Company.

CN Holdings Inc., does not engage in pre-employment drug testing of employees.

CN Holdings, Inc. will perform random drug testing on employees that display visible signs of intoxication in the workplace or on company property during a scheduled shift.

The company understands that there is a difference between substance use and substance abuse. Employees are free to make their own lifestyle choices when not in the workplace or otherwise on company time. However, such choices must not be allowed to interfere with job performance.

The unlawful manufacturing, distributing, dispensing, selling, or use of a controlled substance (or attempting to do any of the foregoing) in the workplace is prohibited. Additionally, being under the influence of alcohol during or prior to a shift is prohibited. Team members are also prohibited from being under the influence of any legal drugs (including both prescription or non-prescription drugs) while on company property or while performing company business, to the extent such drugs impairs the team member's ability to safely perform his or her job duties. Violations of this prohibition will result in immediate termination.

For the purposes of this policy "on company property" is defined as in or on any part of the property used or owned by CN Holdings Inc., (including but not limited to, parking lots, restrooms, breakrooms) or in any vehicle that CN Holding Inc., owns or leases or for which CN Holdings Inc., reimburses expenses.

For the purpose of this policy "while performing company business" is defined as while the team member is on company time (including, but not limited to, paid rest breaks) or performing any work for CN Holdings Inc., whether on company property or elsewhere.

For the purposes of this policy, the term "drug" includes alcohol, illegal substances, over the counter medications, prescription drugs and controlled substances that may adversely alter a team members behavior or judgement. Violation of the substance abuse policy includes reporting to work under the influence or the use, possession, manufacture, purchase, transfer or sale of a controlled or illegal substance.

For the purpose of this policy, "prior to" is defined as any length of time less than that which is necessary for the alcohol to dissipate from the team member's system to include, but not limited to blood alcohol content and odor.

Employee Handbook V5 Updated August 17, 2018. This copy replaces all previous versions.



### **CN Holdings, Inc Stop and Search Policy**

CN Holdings, Inc. reserves the right to undertake searches of employees within its premises. This is to protect both the Company and its staff from illegal activities such as theft of Company property or property belonging to another member of staff or other person; and the possession or supply of any substances which might be in breach of Company policy in relation to alcohol and/or drugs.

Employees are advised that a search does not indicate that they are under any suspicion of wrongdoing and searches may be carried out randomly. The Company reserves the right to stop and search an employee when it reasonably suspects that they have committed an illegal act or an act in breach of company policy.

In accordance with employees' terms and conditions of employment, CN Holdings, Inc. reserves the right to carry out searches, including:

- a physical search of the employee where they will be asked to remove their jacket and empty all their pockets;
- a search of all baggage (both personal and Company property);
- a search of any vehicle on the Company's property (both personal and owned by the Company); and
- a search of all work areas (including but not limited to desks, lockers and cabinets, locked or otherwise). This may also include search of any electronic devices such as laptop or phone owned by the Company in compliance with the appropriate Company policy.

The Company will ensure that the level of search is fair and reasonable, taking into account all of the circumstances giving rise to it.

Searches may occur at random when employees enter or leave the building and/or in circumstances where the Company reasonably suspects that an employee has committed an unlawful act or act in breach of Company policy. If a search is undertaken on a random selection of employees, a demonstrably fair selection process will be used.

A physical search will be carried out in a private room, by an authorized officer of the same sex and in the presence of another authorized officer to protect an employee's dignity and to avoid any discrimination. Employees have the right to request that a physical search is attended only by people of the same sex.

Searches of baggage, vehicles and work areas will be carried out by an authorised officer in the presence of the employee in question and another authorised officer.

If an employee refuses to undergo a search, the employee will be asked to reconsider his/her refusal. If the employee maintains his/her refusal to undergo a search, the individual's manager or other senior manager will be called. They will consider the employees stated reasons for the refusal and, if these are deemed reasonable, no further action will be taken against the employee.

The incident including the reasons for the employee's refusal to be searched will be recorded in the employees personnel file.



If an employee unreasonably refuses to undergo a search (including if they subsequently refuse to stay on the Company premises when requested to do so), this may lead to disciplinary action in line with the Company's disciplinary policy, resulting in termination for gross misconduct if applicable.

If the Company believes that there is evidence that an employee has committed an illegal act, this will be reported immediately to the police.

| Employee Name:                   |      |  |
|----------------------------------|------|--|
| Employee Signature:              | <br> |  |
|                                  |      |  |
| Manager / Witness Signature:     |      |  |
| vialiagel / vvitile33 Signature. |      |  |
| Date:                            |      |  |

Rev. 25 August 2018

# CN Inc. CRIMINAL BACKGROUND CHECK FORM Human Resources

<u>Disclosures</u>: In processing your application for employment, or at any time during your employment period, CN Inc. may obtain criminal records and/or a consumer report or investigative consumer report for employment purposes, as authorized by state law and/or the Fair Credit Reporting Act (FCRA). The report may include information as to my criminal record history. Should an investigative consumer report be requested, you will have the right to obtain a complete and accurate disclosure of the nature and scope of the investigation requested and a written summary of your rights under the Fair Credit Reporting Act.

California residents are entitled on your request to be informed about the information CN Inc. collects about you. Disclosure of your Social Security Number ("SSN") is required of you in order for CN Inc. to conduct a criminal background investigation, as mandated by the California Bureau of Cannabis Control.

# THIS SECTION TO BE COMPLETED BY AN APPLICANT OR EMPLOYEE FROM WHOM A CRIMINAL BACKGROUND CHECK IS REQUIRED

IMPORTANT: Print legibly using BLACK ink only. Fill out all information requested. If not applicable, enter N/A. Falsification of any information on this form will void your application for employment and any actions based on it. The information on the application for employment, including any attachments, is property of CN Inc.'s Administration.

| Driver's License - State and #:  | 2001          |            |                           | First                         | Mi               | ddle               | Maiden |
|--|---------------|------------|---------------------------|-------------------------------|------------------|--------------------|--------|
| cial Security #: Driver's License - State and #: nicity: Black (not Hispanic) Asian/Pacific Islander Hispanic White (not Hispanic) American Indian/Alaskan Native nder: Male Female Date of Birth (MM/DD/YY): Height:  ALL residency information since the age of 17 – dates of residency, city, and state, beginning with your most curre count for out of the country residency as well. If additional space is needed, please attach a separate sheet.  From (MM/YY) To (MM/YY) City State County/Country  To (MM/YY) To (MM/YY) City State County/Country  Pes Do you have any criminal convictions since age 17 or older or any deferred adjudications where the final disposition is still pending (i.e. the original charge has not been dismissed)?  The country for the country                       | any former na | ames used. |                           |                               |                  | 0010               | Walcon |
| Note: Black (not Hispanic) Asian/Pacific Islander Hispanic White (not Hispanic) American Indian/Alaskan Native nder: Male Female Date of Birth (MM/DD/YY): Height: tall residency information since the age of 17 – dates of residency, city, and state, beginning with your most curre count for out of the country residency as well. If additional space is needed, please attach a separate sheet.  From (MM/YY) To (MM/YY) City State County/Country  To (MM/YY) To (MM/YY) City State County/Country  Pes Do you have any criminal convictions since age 17 or older or any deferred adjudications where the final disposition is still pending (i.e. the original charge has not been dismissed)?  The state is a separate sheet. State is a separ | -             |            |                           |                               | ense - State and | 1#:                |        |
| White (not Hispanic) American Indian/Alaskan Native nder: Male Female Date of Birth (MM/DD/YY): Height:  t ALL residency information since the age of 17 – dates of residency, city, and state, beginning with your most currecount for out of the country residency as well. If additional space is needed, please attach a separate sheet.  From (MM/YY) To (MM/YY) City State County/Country  Yes Do you have any criminal convictions since age 17 or older or any deferred adjudications where the final disposition is still pending (i.e. the original charge has not been dismissed)?  Test, list year(s) of conviction(s) and nature of offense(s) and penalty(ies). If additional space is needed, attach a separate sheet.  |               |            |                           |                               |                  |                    |        |
| ALL residency information since the age of 17 – dates of residency, city, and state, beginning with your most curre count for out of the country residency as well. If additional space is needed, please attach a separate sheet.  From (MM/YY) To (MM/YY) City State County/Country  Yes Do you have any criminal convictions since age 17 or older or any deferred adjudications where the final disposition is still pending (i.e. the original charge has not been dismissed)?  es, list year(s) of conviction(s) and nature of offense(s) and penalty(ies). If additional space is needed, attach a separate sheet.  |               | •          |                           |                               |                  |                    | _      |
| ALL residency information since the age of 17 – dates of residency, city, and state, beginning with your most curre count for out of the country residency as well. If additional space is needed, please attach a separate sheet.  From (MM/YY) To (MM/YY) City State County/Country  To (MM/YY) To (MM/YY) City State County/Country  Pes Do you have any criminal convictions since age 17 or older or any deferred adjudications where the final disposition is still pending (i.e. the original charge has not been dismissed)?  Tes, list year(s) of conviction(s) and nature of offense(s) and penalty(ies). If additional space is needed, attach a separate sheet.  |               | ,          | ,                         |                               |                  | Heio               | aht:   |
| s, list year(s) of conviction(s) and nature of offense(s) and penalty(ies). If additional space is needed, attach a sepa   |               |            |                           |                               |                  |                    |        |
| Year Nature of Offense Penalty   | Yes           | Do you h   |                           |                               |                  |                    |        |
|  |               | the final  | disposition<br>and nature | is still pending (i.e. the or | iginal charge ha | as not been dismis | sed)?  |

Rev. 25 August 2018

# CBN Inc. CRIMINAL BACKGROUND CHECK FORM Human Resources

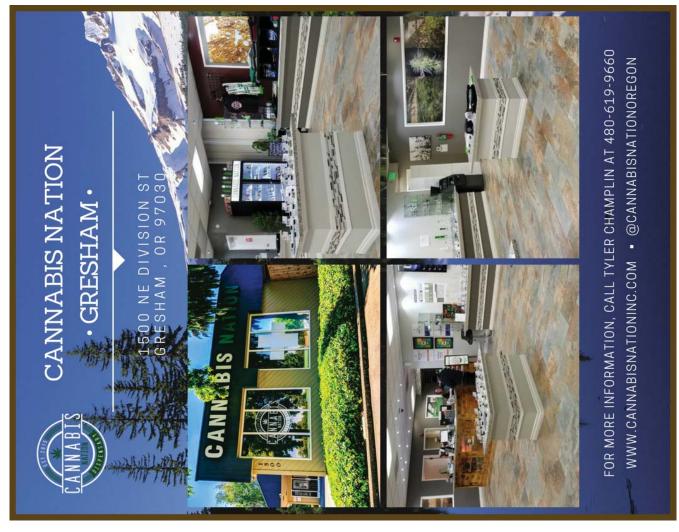
complete and correct to the best of my knowledge and belief and I understand that any misstatement, falsification, or omission of information shall void my application and be grounds for refusal to hire or, if hired, termination. I certify that I will report in writing any charges or conviction, excluding misdemeanor offenses punishable only by fine, occurring after the date of this application to the CN Inc. Office of Human Resources. If circumstances require that an offer be made before the completion of an investigation, the offer is contingent on the completion of a satisfactory criminal background investigation. I understand that any false statements made herein will void my Application for Employment and any actions based on it. I understand and acknowledge this gives authorization to do a criminal background check as needed as determined by CN Inc.

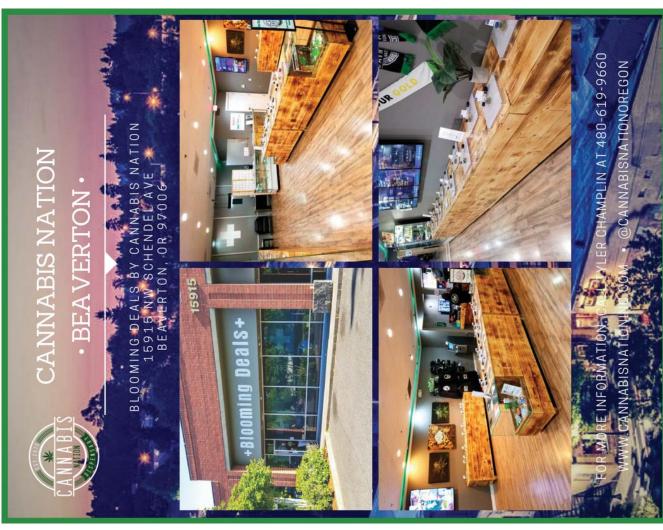
| Applicant/Employee Signature                  |  | Date                |
|---|--|---------------------|
| Applicant/Employee Current Address:           |  |                     |
| THIS SEC                                      | TION TO BE COMPLETE BY THE EMPLOYING DEP | PARTMENT            |
|   |  |                     |
| Applicant/Employee status:                    |  |                     |
| Applicant/Employee status:<br>Posting Number: |  |                     |
|   | Posted Job Title:                        | Phone Number: (ext) |



| Dear;  |
|--|
| CN Holdings Inc. wants to extend you a conditional offer of employment as a  |
| at thelocation at a rate of \$   |
| This conditional job offer is contingent upon receipt of results of a satisfactory background screening. If for any reason the background screening provides disqualifying information, your employment will be terminated, and the employer shall notify the applicant of its decision and shall identify the relevant criminal convictions on which the decision is based.   |
| I hereby authorize CN Holdings Inc. and its designated agents to conduct a comprehensive review of my criminal background for both the State and Federal entities. I understand that the scope of the investigation may include, but is not limited to the following areas; verification of social security number, civil and criminal history records for any criminal justice agency in any or all federal, state, county, jurisdictions, driving records, birth records and any other public records.   |
| I further authorize any individual, company, firm, corporation or public agency to divulge any and all information, verbal or written pertaining to me, to CN Holdings Inc. or its agents. Any criminal history information obtained by CN Holdings Inc., shall remain confidential except where disclosure by law is required. All criminal history information will be stored in a confidential manner.  |
| CN Holdings Inc., can rescind a conditional offer of employment based upon an applicant's criminal history if it is determined in good faith that a specific offense or conduct is job related for the position in question and consistent with business necessity. In making the determination of whether an applicant's criminal history is job related for the position in question and consistent with business necessity, an individualized assessment of the nature and gravity of the criminal offense will be reviewed. Specific consideration may be taken related to the time that may have lapsed since a criminal offense. |
| Nothing in this section prevents CN Holdings Inc., from considering an applicant's criminal history after making a conditional offer of employment, except the following shall not be considered; an arrest not leading to a conviction, except where a crime is unresolved or charges are pending against an applicant or convictions that have been judicially voided or expunged or charges that have been resolved through the completion of a diversion or deferral of judgment program for offenses not involving physical harm or attempted physical harm to a person.  |
| The Director of Operations will make final determination for employment or termination if potentially disqualifying background information is discovered and the above information has been considered.  |
| Sincerely,   |
| CN Holdings Inc.   |
| Employee:  |
| Signature:   |
| Printed Name:  |

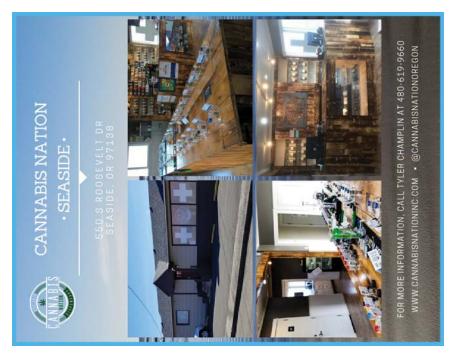












425 MILITARY EAST ST SUI BENICIA, CA 94510

R.F.P. PLANS FOR:

ANNABIS NATION Canna Nation

JOHN SUTTON ARCHTECT SHALL ALLOS REPRODUCTION OF PLANS DURING THE PUBLIC REVES PROCESS. SHEET INDEX

VICINITY, MAP

# Tyler Champlin tyler.champlin@annabisnationinc.com

R.F.P. PLANS FOR: САИИА ИАТІОИ 425 MILITARY EAST ST. STE A BENICIA, CA 94510

SOUTH FRONT ELEVATION VIEW

SOUTH EAST ELEVATION VIEW

COVER

DRAWN : CHECKED ;

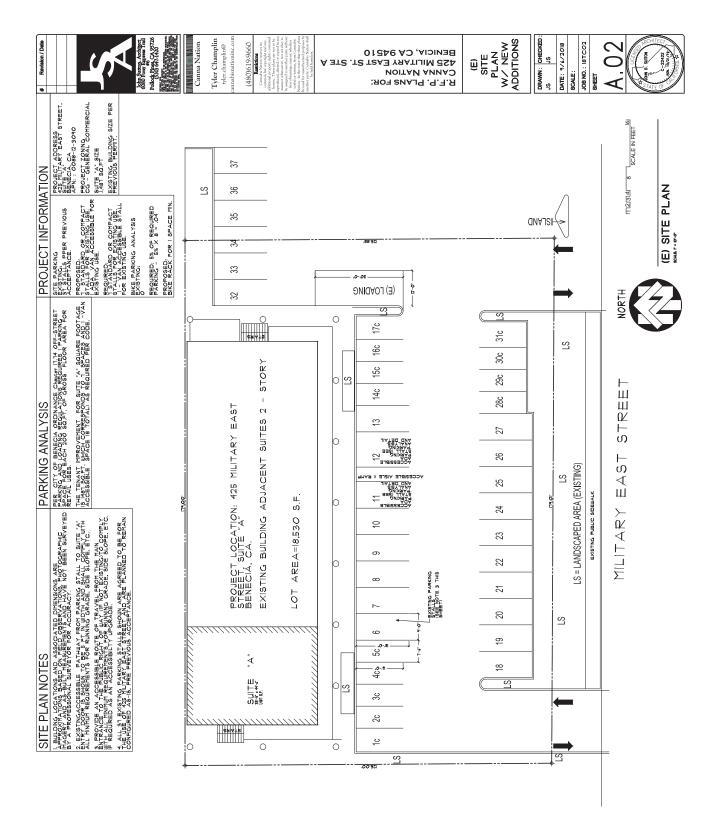
DATE : 9/4/2018
SCALE :
JOB NO : 18TCO3

A.03). IST FLOOR PLAN - NOTES, DIMENSIONS A.04). 400 FT RADIUS AREA MAP

ROOF PLAN VIEW

A.01

# ARCHITECTURAL ADULDING ROOF ( ELEVATION VIEWS A.O.2). STE PLAN





R.F.P. PLANS FOR: САИИА ИАТІОИ 425 MILITARY EAST ST. STE A BENICIA, CA 94510

600 FT. Radius Area Map



