

SPECIAL MEETING

CANNABIS STANDING COMMITTEE

Date: MONDAY, AUGUST 5, 2024
Time: 2:30 p.m.
Place: Antioch City Hall - Council Chambers
200 H Street
Antioch, CA 9509

COMMITTEE MEMBERS

MONICA WILSON, Mayor Pro Tem, Chairperson
TAMISHA TORRES-WALKER, Councilmember

PLEASE TURN OFF CELL PHONES BEFORE ENTERING COUNCIL CHAMBERS.

IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT AND CALIFORNIA LAW, it is the policy of the City of Antioch to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including individuals with disabilities. If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodation, please contact the ADA Coordinator at the number or email address below at least 72 hours prior to the meeting or when you desire to receive services. Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility. The City's ADA Coordinator can be reached @ Phone: (925) 779-6950, and e-mail: publicworks@ci.antioch.ca.us.

CANNABIS STANDING COMMITTEE

SPEAKER RULES

NOTICE OF OPPORTUNITY TO ADDRESS THE COMMITTEE

The public has the opportunity to address the Committee on each agenda item. To address the Committee, fill out a Speaker Request form and place in the Speaker Card Tray near the City Clerk before the meeting begins. This will enable us to call upon you to speak. No one may speak more than once on an agenda item or during "Public Comments". The Speaker Request forms are located at the entrance of the Council Chambers. Please see the Speaker Rules on the inside cover of this Agenda.

Members of the public wishing to provide public comments, may do so one of the following ways:

1)WRITTEN PUBLIC COMMENT – Written comments may be submitted electronically to the City Clerk at the following email address: cityattorney@antiochca.gov, **prior to 12:00 p.m. the day of the Cannabis Standing Committee Meeting**. Please indicate the agenda item and title in your email subject line. All comments received before 12:00 p.m. the day of the meeting, will be provided to the Committee before the meeting.

2)IN PERSON – Fill out a Speaker Request Form, available near the entrance doors, and place in the Speaker Card Tray near the City Clerk before the meeting begins. Speakers will be notified shortly before they are called to speak.

When called to speak, please limit your comments to the time allotted (up to 3 minutes, at the discretion of the Chairperson).

After hearing from the public, the agenda item will be closed. Deliberations will then be limited to members of the Committee.

NOTICE OF AVAILABILITY OF REPORTS

The Cannabis Committee's Agendas, including Staff Reports, are posted onto the City's Website 24 hours before each meeting. To view the agenda information, click on the following link: <https://www.antiochca.gov/government/agendas-and-minutes/csc/>.

Copies are available for inspection (and copying for a fee), at the City Clerk's Office, City Hall, 200 'H' Street, Antioch, CA 94509, Monday through Friday, 8:30 a.m. to 4:30 p.m., excluding holidays.

AGENDA

2:30 P.M. ROLL CALL – Committee Members

INTRODUCTIONS

PUBLIC COMMENT ON UNAGENDIZED ITEMS

CONSENT AGENDA for Cannabis Standing Committee

- A. APPROVAL OF CANNABIS STANDING COMMITTEE SPECIAL MEETING MINUTES FOR APRIL 4, 2024**
Recommended Action: Motion to Approve the Meeting Minutes

REGULAR AGENDA for Cannabis Standing Committee

- 1. SOCIAL EQUITY PROGRAM OPTIONS FOR CANNABIS BUSINESSES**
 - A. ANT GREEN
 - B. 300 G Street
 - C. 2615 Somersville
 - D. Public Comment
 - E. Discussion and Direction to Staff
- 2. ANT GREEN OPERATING AGREEMENT**
 - A. Public Comment
 - B. Discussion and Direction to Staff
- 3. 300 G Street Operating Agreement**
 - A. Public Comment
 - B. Discussion and Direction to Staff
- 4. 2615 Somersville Operating Agreement**
 - A. Public Comment
 - B. Discussion and Direction to Staff
- 5. BAKERY ANTIOCH I, LLC CHANGE OF OWNERSHIP**
 - A. Public Comment
 - B. Discussion and Direction to Staff

ADJOURNMENT: *Committee Member will make a motion to adjourn the meeting. A second of the motion is required, and then a majority vote is required to adjourn the meeting.*

CANNABIS STANDING COMMITTEE

Special Meeting
3:30 P.M.

April 4, 2024
Council Chambers

ROLL CALL

Council Member/Committee Chair Wilson called the meeting to order at 3:31 P.M. and Acting City Clerk Rosales called the roll.

Present: Council Member/Committee Chair Wilson and Council/Committee Member Torres-Walker

Staff: Acting City Manager, Brad Helfenberger
City Attorney, Thomas Lloyd Smith
Economic Development Program Manager, Brett Sweet
Youth Services Network Manager, Monserrat Cabral
Administrative Analyst, Vanessa Rosales
Minutes Clerk, Kitty Eiden

INTRODUCTIONS - None

PUBLIC COMMENT - None

CONSENT AGENDA

A. APPROVAL OF CANNABIS STANDING COMMITTEE SPECIAL MEETING MINUTES FOR OCTOBER 23, 2023

On motion by Council/Committee Member Torres-Walker, seconded by Council Member/Committee Chair Wilson the Cannabis Standing Committee members unanimously approved the meeting minutes for October 23, 2024.

REGULAR AGENDA

1. CANNABIS EQUITY PROGRAM DISCUSSION

Economic Development Program Manager Sweet presented the staff report dated April 4, 2024, recommending the Cannabis Standing Committee receive and file the report to allow more time for the Economic Development department to explore options for a Cannabis Equity program.

A. Public Comment - None

B. Discussion and direction to staff

Following discussion, the Cannabis Standing Committee highlighted the importance of advancing the discussion of the Cannabis Equity Program and requested staff prioritize

collection of data to conduct an assessment for a potential program and to be prepared for the next grant cycle. They stated the next presentation to the committee should be how far the City was in that process.

City Attorney Smith reported that there were operating agreements that needed to be brought forward for consideration so another meeting would be scheduled soon.

Acting City Manager Helfenberger stated he would convey the direction provided to Acting City Manager Reed.

2. SOCIAL EQUITY PROGRAM OPTIONS

Youth Services Network Manager Cabral presented the staff report dated April 4, 2024, recommending the Cannabis Standing Committee recommend that the following social equity program nonprofit organizations receive funding from the identified cannabis businesses:

- Monument Impact to receive funding from G. Street Dispensary and Radix Growth
- Bridge Builders to the New Generation, Inc. to receive funding from Somersville Dispensary

A. Radix Growth, 300 G Street – No Presentation

B. Public Comment - None

C. Discussion and Direction to Staff

Following discussion, the Cannabis Standing Committee emphasized the importance of the non-profits being present to discuss their outcomes when they were being considered for funding. The Committee requested this item be reagendaized for the next meeting and noted that the date and time of the meeting could be adjusted to accommodate the non-profits attendance.

Council/Committee Member Torres-Walker stated she was reluctant to support funding for tenant advocacy given the number of organizations who were provided that service. She questioned if Bridge Builders to the New Generation provided community-based impact. She noted any programming details that could be provided prior to the next meeting would be helpful.

City Attorney Smith stated that staff would reagendaize the Cannabis Equity Program and Social Equity Program Options for the next meeting.

ADJOURNMENT

On motion by Council/Committee Member Torres Walker, seconded by Council/Committee Chair Wilson the Committee unanimously adjourned the meeting at 4:00 P.M.

Respectfully submitted:

Kitty Eiden

KITTY EIDEN, Minutes Clerk

STAFF REPORT TO THE CANNABIS COMMITTEE

DATE: Special Meeting of August 5, 2024

TO: Mayor Pro Tem and Committee Chair Wilson and Councilmember Torres-Walker

PREPARED BY: Kevin W. Kunding, Assistant City Attorney

APPROVED BY: Thomas Lloyd Smith, City Attorney

SUBJECT: ANT Green LLC: Consideration of Proposed Operating Agreement and Social Equity Program

RECOMMENDED ACTION

It is recommended that the Cannabis Committee:

1. Recommend approval of the operating agreement and social equity program for ANT Green LLC, and
2. Direct staff to place the operating agreement and social equity plan on an upcoming City Council agenda for consideration.

FISCAL IMPACT

The proposed action should generate increased revenue for the City and for its social equity program.

DISCUSSION

On June 22, 2021, the Antioch City Council approved a Cannabis Business Use Permit (UP 22-08) for ANT Green LLC.

ANT Green LLC's business would be located at 3625 E 18th Street. Its proposed cannabis operation will include cultivation, manufacturing, retail, and distribution (license types 3A, 7, 10, and 11 respectively.)

If the City Council approves its operating agreement, Ant Green LLC's operation will consist of a commercial building totaling approximately 95,420 square feet with one building that will be used for all purposes.

Before ANT Green LLC can begin operations, it must obtain City Council approval of its operating agreement. The draft operating agreement (attached hereto as Exhibit A) has been provided to ANT Green LLC for review and comment. It is the same operating agreement as the City is using with other cannabis businesses. ANT Green LLC has indicated it has no issues with the proposed operating agreement.

The proposed recipient of the social equity program is Monument Impact, which has several locations in the County, including one at 3501 Lone Street Way #3 Antioch, CA 94509. Monument Impact's mission is to advance economic and racial equity in Contra Costa County by integrating advocacy with critical learning opportunities to ensure immigrants, refugees, and community members with low incomes have the power, skills, and relationships to secure living-wage jobs, stable housing, and good health. Their vision and values are as follows:

- Community – Driven by a deep and relational connection to our community members, we value their dignity, resilience and leadership.
- Partnership – We work collaboratively with community members, organizations, foundations, donors and local governmental agencies to achieve our goals and increase resources and services for our community.
- Equity – Recognizing that not everyone in our region is benefiting from economic prosperity, we elevate community voices to ensure residents are heard and advocate for opportunity that truly sustains families and the community.
- Cultural Competence – We are a trusted resource in the Monument because of our commitment to culturally competent programs, a bilingual staff, and community promoters and advocates.

A copy of Monument Impact's proposed social equity program is attached hereto as Exhibit B.

ATTACHMENT

- A. Draft operating agreement
- B. Monument Impact's proposal
- C. Monument Impact's presentation

ATTACHMENT A

RECORDING REQUESTED BY,
AND WHEN RECORDED, MAIL TO:

City of Antioch
200 H Street
Antioch, CA 94509
Attn: City Clerk

Exempt from recording fee per Government Code §6103

OPERATING AGREEMENT

This Operating Agreement ("**Agreement**") is entered into between the City of Antioch, a municipal corporation ("**City**") and ANT Green LLC, a California limited liability company ("**Operator**"), whose address is 3625 E 18th St, Antioch, California 94509. City and Operator may be referenced herein as "**Party**" or collectively as "**Parties**."

RECITALS

- A. Operator submitted an application for approval of a use permit for a cannabis business, as further detailed herein.
- B. On June 22, 2021, by Resolution No. 2021-10, the City Council approved a Cannabis Business Use Permit to operate cannabis business UP-20-10 ("**CBUP**"). A copy of the CBUP is attached hereto as **Exhibit A** and incorporated herein. The CBUP relates to the Site, as described in **Exhibit B**, attached hereto and incorporated herein.
- C. One condition of the CBUP is that the City and Operator execute an Operating Agreement. This Agreement meets this requirement of the CBUP.
- D. On _____, 2024, the City Council adopted Resolution _____ approving this Agreement.

AGREEMENT

- 1. **Recitals.** The Recitals set forth above are incorporated herein as if fully set forth in this Agreement.
- 2. **Definitions.** The following terms, when capitalized herein, shall have the meanings specified below.
 - a. Agreement—This Agreement between the City and Operator.
 - b. Applicable Law—All applicable federal, state, regional, and local statutes, regulations, and rules including the Uniform Building Code and other Uniform Codes, the California Environmental Quality Act, the City's ordinances, resolutions, rules, and regulations, as each statute, regulation, regulation, rule,

[date] Operating Agreement

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Code, ordinance, and resolution may be amended from time to time, excluding such federal law which may conflict with state or local laws authorizing cannabis businesses or operations.

c. Business Operations—The commercial cannabis business operated at the Site by Operator, its officers, officials, employees, agents, and consultants, as approved by the City Council in the CBUP, and as subject to the terms and conditions of this Agreement.

d. Cannabis—Both medical and non-medical cannabis as defined by Health & Safety Code section 11362.5 and Business and Professions Code sections 26000 *et seq.*

e. Cannabis Business Use Permit—the Cannabis Business Use Permit, attached hereto as **Exhibit A**, as approved by City Council Resolution No. 2021-10.

f. City—the City of Antioch, California.

g. City Attorney—the City Attorney of the City.

h. City Council—the City Council of the City.

i. City Manager—the City Manager of the City.

j. Operator— ANT Green LLC.

k. Fees—All charges, expenses, costs, monetary exactions, and any other monetary obligations imposed on Operator by City, other than assessments or regular or special taxes, and not limited to fees paid pursuant to this Agreement.

l. Gross Receipts—The total of amounts actually received or receivables from sales and the total amounts actually received or receivable for the performance of any act or service for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares, or merchandise. Gross receipts shall also include all receipts, cash, credits and property of any kind without deduction of the cost of the property sold, the costs of the materials used, labor or services costs, interest paid or payable, or losses or other expenses whatsoever. Excluded from “gross receipts” are the following:

- Cash discounts allowed and taken on sales
- Credit allowed on property accepted as part of the purchase price and which property may later be sold
- Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser
- Such part of the sale price of property returned by a purchaser upon rescission of the contract of sale as is refunded whether in cash or by credit
- Amounts collected for others where the business is acting as an agent or trustee to the extent that such amounts are paid to those for whom collected, provided the agent or trustee furnishes to the City the names and addresses of the others and the amounts paid to them
- Receipts of refundable deposits, except that refundable deposits forfeited and taken into income of the business are not excluded

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The intent of this definition is to ensure that, in calculating payments to the City, all sales and revenue from the Business Operations are captured and, therefore, this definition shall be given the broadest possible definition consistent with this intent.

m. Major amendment—Any modification to this Agreement that makes a substantive change, modification, or deviation in the terms of this Agreement or any Exhibits hereto.

n. Minor amendment—Any modification to this Agreement that does not make a substantive change, modification, or deviation in the terms of this Agreement or any Exhibits hereto.

o. Police Chief—the Police Chief of the City.

p. Project—The Business Operations, Site Development, Odor and other Mitigation Plans, Security Plans, and all other terms and conditions applicable to Operator's Business Operations.

q. Site—The physical location of the Operator's Business Operations, as described in **Exhibit B**, attached hereto.

r. Square Footage under Cultivation--the actual amount of canopy (measured by the aggregate area of vegetative growth of live cannabis plants on the premises including the area occupied by vertically and horizontally stacked canopies) that is limited by the maximum amount a cannabis business is authorized to cultivate by this Agreement or the CBUP, without deducting for unutilized square footage.

s. State license(s)—the license(s) issued by the State, whether through the Bureau of Cannabis Control or other regulatory agency authorizing the Operator to conduct its Business Operations

3. **Effective Date.** This Agreement shall be effective as of the date of the Resolution approving this Agreement, or such other date (if any) as specified in the Resolution approving this Agreement.

4. **Term of Agreement.** The initial term of this Agreement shall be ten years, with two possible extensions of five years each. This Agreement may be extended by mutual agreement of the Operator and the City Council on such additional terms and conditions as to which the Parties may agree. At the end of the term, Operator agrees to cease all Business Operations at the Site, notwithstanding the terms and conditions of the CBUP. The parties agree that, prior to the end of the initial ten-year term, they will meet and confer in good faith with the goal either of continuing this Agreement on the same terms and conditions or of modifying the Agreement so that the Business Operations may continue for the mutual benefit of the City and the Operator.

5. **Operating Conditions.** In addition to the terms and conditions set forth in the CBUP, Operator's Business Operations shall be subject to the additional terms and conditions:

a. Hours of operation of retail sales on the Site shall not exceed 7 days per week, 8 a.m. to 8 p.m. There are no other hours' restrictions on the Business Operations, including delivery.

b. Subsequent to the annual audit by the Police Department or a third party selected by the Police Department, the Police Chief shall have the discretion to require additional security measures or modify existing security measures at the Operator's expense, as may be required by law or reasonable for public safety. At Operator's expense, the Police Chief may also determine to require additional security

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measures at any time upon the Department's finding that existing security measures are insufficient for the Business Operations to comply with the terms of the CBUP or to adequately protect public health and safety. The Police Chief's determination is appealable to the City Manager.

c. The City Manager may impose additional mitigation measures, whether relating to odor or other factors affecting public health and safety, on the Project at Operator's expense, as may be required by law or reasonable to maintain public health and safety. The City Manager's determination is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

6. Fees.

a. Operator agrees to pay all fees, whether imposed by the City, state, or other regulatory agencies in a timely manner. Operator's failure to pay such fees in a timely manner may, at the City's sole discretion, constitute Evidence of Default. City may provide thirty (30) days' prior written notice to Operator as to any unpaid City fees. If Operator fails to pay such fees, plus any interest or penalties due for late payment, Operator agrees that the City may record on the property which is the subject of the CBUP one or more liens for the fees owed.

b. Operator agrees to pay City beginning with the fifteenth of the month immediately following the date the City issues the Certificate of Occupancy for the Site the amounts set forth in **Exhibit C**, attached hereto and incorporated herein. The amount due for Gross Receipts is payable thereafter on the 15th of each month or, if the 15th is a weekend day or a national or state holiday, on the next business day ("Due Date"). The amount due based on square footage, with adjustments made during the year as square footage is increased or decreased, is payable thereafter quarterly, on January 15, April 15, July 15, and October 15 or, if the 15th is a weekend day or a national or state holiday, on the next business day ("Due Date"). The Operator shall also submit with its Gross Receipts payment a report on a form provided by the Operator and approved by the City which lists the gross receipts for the period, any adjustments to the gross receipts and basis therefor, the gross receipts subject to the percentages set forth in Exhibit C, and the total amount due.

c. A payment is late or deficient under this Section if not postmarked by or received by the City Finance Department on or before the Due Date. A late or deficient payment shall be subject to a penalty of a one-time penalty of five percent (5%) of the amount owed, plus monthly non-compounding interest at the maximum rate allowed by law, but not to exceed an annualized amount of ten percent (10%).

d. If the City Manager is not satisfied with the veracity of report(s) filed by Operator regarding the Business Operations' total gross receipts or square footage, the City Manager may compute and determine the amount of the fees to paid on the gross receipts or square footage and make a deficiency determination upon the basis of the facts contained in such report(s), or upon the basis of any information in City's possession, or that may come into City's possession within three years of the date the fees are paid. One or more deficiency determinations of the amount of fees owed for a period or periods may be made. The determination of the City Manager pursuant to this subsection is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

7. Social Equity Programs.

a. Operator agrees to implement and maintain for the entirety of the term of this Agreement a Social Equity Program ("**Equity Program**") to benefit the City and its residents, to foster

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equitable participation in the cannabis industry, and to create business opportunities for those most negatively impacted by the enforcement of cannabis laws prior to the legalization of cannabis in California. Operator shall initiate its Equity Program within three months of this Agreement's Effective Date.

b. Operator shall prepare a written Social Equity Program Plan ("**Equity Plan**"), which includes the Equity Program's description, a non-profit social equity program plan organization ("**Equity Plan Organization**") located in Antioch and approved by the City, and an action plan with goals, tasks, responsible parties, timelines, and measurable outcomes. The Equity Plan is set forth in **Exhibit D**, attached hereto and incorporated herein. Operator shall provide a written report, semi-annually, to the City Manager and City Attorney on its progress in carrying out the Equity Program's goals and measurable outcomes. Upon request of the City Manager or City Attorney, Operator also agrees to provide a presentation to the City Council on the Equity Plan's goals and measurable outcomes. The Equity Plan may be modified in writing by request of the Operator and only with prior written approval of the City Manager or the City Attorney.

c. If the City Council, the City Manager, or the City Attorney determine that Operator's Equity Plan does not adequately achieve the City's goals as set forth herein, the City Council, the City Manager, or the City Attorney shall have the discretion to require the Operator to modify its Equity Plan subsequent to one or more meetings with the Operator.

d. Operator agrees to fund its Equity Plan, as detailed in Exhibit D, with the first payment submitted to its Equity Plan Organization at the same time as the first payment for gross receipts and/or square footage is due under Section 6b hereof. Subsequent payments to its Equity Plan Organization shall be made quarterly with each subsequent quarterly payment due on January 15, April 15, July 15, and October 15 or, if the 15th is a weekend day or a national or state holiday, on the next business day. Late payment from the Operator to the Equity Plan Organization shall be subject to the same penalties and interest set forth in section 6 hereof.

8. Applicable Law. At all times, Operator shall conduct its Business Operations consistent with Applicable Law, including the City's ordinances, rules, and regulations; the CBUP; and this Agreement, as each may be amended or modified from time to time. Any violation thereof by Operator or its Business Operations may, at the City's discretion, be considered Evidence of Default.

9. Default.

a. If the City Manager finds Evidence of Default, the City Manager shall provide at least forty-five (45) days' written notice thereof to Operator, with the notice specifying the nature of the default, the facts supporting such Evidence of Default, and the manner in which the Default may be cured. Within that forty-five day period, Operator shall cure the Default to the City Manager's reasonable satisfaction, provide evidence with supporting facts as to why no Default exists, or provide alternatives satisfactory to the City Manager to address the Default.

b. If the City Manager is not satisfied with Operator's response and/or believes a Default continues to exist, then the City Manager may, at his/her sole discretion:

- Order the Operator to suspend all Business Operations at the Site until the Default is cured.
- Take such other action as may be authorized by the CBUP or this Agreement.

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- Remedy the Default and charge the costs thereof to the Operator, who agrees to pay such sums.

c. The decision of the City Manager under this section is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

d. The remedies of this section, plus any other remedies set forth in this Agreement and remedies available in law or in equity are cumulative, and non-exclusive. Such remedies are distinct and separate whether or not exercised by the City. The City may, in its discretion, exercise any or all of its rights and remedies, at once or in succession, at such time or times as it considers to be appropriate.

10. Record Keeping. Operator shall keep, maintain, and preserve to the extent applicable all records that may be necessary to determine the amount of gross receipts, the number of retail delivery vehicles, the amount of cannabis manufactured, the amount of cannabis delivered, and any and all other records by which City may determine and verify the amount of fees due to the City pursuant to Section 6 hereof. At Operator's expense, City shall have the option of conducting, whether by City staff or by a City-selected consultant, an annual audit to verify the fees due to the City pursuant to Section 6 hereof and compliance with Exhibit D. City shall have the right to inspect such records at all reasonable times during normal business hours and upon not less than five (5) business days' prior notice. To the extent permitted by Applicable Law, City agrees to treat such records as confidential.

11. Annual Review. In addition to the right to conduct an audit pursuant to Section 10 hereof, the City Manager, at his/her discretion, may direct City staff or a third party to review, no more frequently than once per year, the Business Operations and compliance thereof with the CBUP and this Agreement. Operator shall be responsible for paying the costs of this annual review, which shall not exceed \$10,000 per review, adjusted annually by the CPI index for Bay area cities. In the event there is good cause for a review that would exceed \$10,000 (as adjusted annually), Operator and City shall negotiate a minor amendment to allow for such review. Based on this review, City may require additional mitigation measures or other changes to the Business Operations to assure compliance with the CBUP and this Agreement.

12. Amendments. This Agreement may be amended from time to time, if in writing and signed by both parties. The City Manager or the City Attorney shall have the discretion to approve a Minor Amendment to this Agreement or to refer such Minor Amendment to the Council for review and possible action. The City Council, at a duly noticed public meeting, shall have the discretion to approve a Major Amendment or a Minor Amendment, which has been referred to the Council.

13. Assignment. City has entered into the Agreement with Operator in reliance upon Operator's specialized knowledge, experience, and expertise relating to the Project and cannabis-related business. Therefore, this Agreement may not be assigned or otherwise transferred by Operator, whether to a third party or to another entity (even if Operator is a partner, owner, or otherwise a participant in such entity), without the prior written authorization of the City Council at a duly noticed meeting. Any such assignment or transfer, at City's sole discretion, may be considered Evidence of Default. Should Operator wish to assign or otherwise transfer the Agreement, Operator shall provide evidence to the reasonable satisfaction of the City Manager and the City Attorney of the specialized knowledge, experience, expertise,

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and financial stability of the proposed assignee or transferee prior to review and possible approval by the City Council.

14. Indemnification. Operator agrees to indemnify, defend, and hold harmless City, its officers, officials, employees, agents, and consultants from any and all administrative, legal, or equitable actions, claims, or other proceedings instituted by any person or entity not a party to the Agreement challenging the validity of the Agreement or any action arising out of or relating to the Agreement. Operator shall pay for City's costs of defense, whether directly or by timely reimbursement on a monthly basis. Such costs shall include, but not be limited to, all court costs and attorney's fees expended by the City in defense of the action or proceeding, plus staff and consultant time spent in regard to defense of the action or proceeding. The parties shall use best efforts to select mutually agreeable defense counsel but, if the parties cannot reach agreement, City may select its own legal counsel and Operator agrees to pay directly or timely reimburse on a monthly basis City for all such court costs, attorney's fees and time referenced herein.

Operator further agrees to indemnify, defend, and hold harmless City, its officers, officials, employees, agents, and consultants from any and all claims, costs, and liability for any damages, personal injury or death, or property damage which may arise directly or indirectly from Operator's Business Operations pursuant to this Agreement, except as caused by City's sole or gross negligence.

15. Insurance.

a. For the term of the Agreement, Operator shall be required to, and agrees to, maintain in full force and effect public liability and property damage insurance, including personal injury in an amount of not less than three million dollars (\$3,000,000) per occurrence and five million dollars (\$5,000,000) aggregate, and automobile insurance for owned and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate. Each policy shall have such coverage and limits as may be reasonably requested by City from time to time. Each policy shall have a self-insured retention of not more than one hundred thousand dollars (\$100,000.)

b. The insurance referenced herein shall include endorsements, naming as additional insureds the City, its officers, officials, employees, consultants, and agents. The endorsements shall also specify that the insurance is primary, with any policies held by the City to be non-contributing.

c. The insurance referenced herein shall be evidenced by certificate(s) of insurance, which shall be kept current during the term of this Agreement.

d. The certificate(s) and endorsement(s) shall be provided to, and approved by, the City Attorney prior to Operator beginning Business Operations.

e. The insurance shall be placed with a company authorized to transact business in the State of California and with a rating of not less than A.M. Best-A, or such other rating as approved by the City Attorney.

f. Operator shall provide at least thirty (30) days' prior written notice of any cancellation, reduction in scope or amount, or material modification of the insurance referenced herein.

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g. If Operator fails to maintain the insurance referenced herein, the City in its sole discretion may obtain such insurance at Operator's expense, with Operator obligated to promptly reimburse the City, or determine such failure to be Evidence of Default.

16. Notices. Any notice or communication required by the Agreement between the parties shall be in writing and may be delivered either personally or by registered mail, return receipt requested. Notice, whether given by personal delivery or by registered mail, shall be deemed to have been given and received on the day of actual receipt at any of the addresses designated below as to the party to whom the notice is sent. Any party hereto may at any time, upon written notice to the other party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. However, should a party's address no longer be valid such that delivery by registered mail, return receipt required, is not successful, then delivery by U.S. mail shall be effective five business days after mailing of notice. Such notices or communications shall be given to the parties at the addresses set forth below:

To the City of Antioch:

City of Antioch
200 H Street
Antioch, CA 94509
Attn: City Manager

With a copy to:

City of Antioch
200 H Street
Antioch, CA 94509
Attn: City Attorney

To Operator:

ANT Green LLC
312 Elliot St
San Francisco, CA 94134

With a copy to:

Harvest Law
1017 L St #275
Sacramento, CA 95814
Attn: Melissa Sanchez

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17. Miscellaneous

a. Each party has had an equal opportunity to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply to the Agreement.

b. If any term, provision, covenant, or condition of this Agreement is held by court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of the Agreement shall continue in full force and effect, unless enforcement of the Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would the frustrate the purpose of the Agreement.

c. The Parties shall take all steps reasonable and necessary to effectuate the terms and intent of the Agreement. However, no provision of the Agreement shall limit, or be construed to limit, the right of the City, the City Manager, the City Attorney, or the City Council to exercise discretion as to the Agreement or other matters.

d. The Parties are not, and shall not be construed, to be partners or joint venturers.

e. The only parties to the Agreement are City and Operator. There are no third-party beneficiaries and the Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person whatsoever.

f. In the event that suit is brought by either Party to the Agreement, the Parties agree that venue shall be exclusively vested in the state court of Contra Costa County, or in the U.S. District Court for the Northern District of California.

g. This Agreement and the Exhibits attached hereto contain all the representations and the entire agreement between parties with respect to the subject matter hereof.

h. The Parties acknowledge that City would not have entered into this Agreement had it been exposed to damage claims from Operator for any breach hereof. As such, the Parties agree that in no event shall Operator be entitled to recover damages against City for breach of this Agreement.

i. This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

j. All waivers must be in writing to be effective or binding upon the waiving party and no waiver shall be implied from any omission by a party to take or not take any action with respect to default or other matters. Failure by a party to insist upon the strict performance of any provisions of the Agreement by the other party shall not constitute waiver of such party's right to demand strict compliance by the other party in the future. Furthermore, no express written waiver of any default shall affect any other default or cover any other period of time specified I such express waiver.

ATTACHMENT A

k. Notwithstanding termination or expiration of this Agreement for any reason, Sections 6c, 6d, 10 and 14 shall be continuing obligations of Operator and shall survive this Agreement.

EXECUTED AS OF _____, 2024.

CITY OF ANTIOCH

OPERATOR

ANT Green LLC

Kwame P. Reed, Acting City Manager

Attest:

Yiu Ming Cheung, Sole Member

Elizabeth Householder, City Clerk

Approved as to form:

Thomas L. Smith, City Attorney



Organization Description

Monument Impact (MI)'s mission is to advance economic and racial equity in Contra Costa County by integrating advocacy with critical learning opportunities to ensure immigrants, refugees, and community members with low incomes have the power, skills, and relationships to secure living-wage jobs, stable housing, and good health. We envision a more equitable Contra Costa County where everyone, regardless of where they come from or how much money they have, thrives and plays an active role in the region's social, economic, and civic life. MI promotes from within and actively seeks community members and program graduates to fill positions. MI's success is due to an empathetic, well-trained staff who bring lived experience, knowledge, and profound understanding of the community served, resulting in a deep trust among low-income immigrants and other marginalized residents of color in Contra Costa County. Currently, 100% of MI's staff are bilingual and represent the community members served.

Issues or Challenges Addressed

The rate of prison admissions grew 486% in Contra Costa County between 1970 and 2000. This is primarily due to the War on Drugs, which has been well documented to have disproportionately affected Latinx and Black communities. While Contra Costa County overturned thousands of marijuana convictions in 2020, the damage to families had already been done.

Population Served

MI serves low-income immigrants and refugees in Central and East Contra Costa County. The immigrants and refugees that MI serves have disproportionately been affected by cannabis and other drug use in their communities. Post-immigration, immigrants and other communities of color see higher arrest and incarceration rates in the U.S. For example, in Contra Costa County, 24% of arrests in 2015 were Hispanics, compounding trauma on this population. This disproportionately affects residents of the City of Antioch since over 40% of the city's population identifies as Latinx, according to Census data for the City of Antioch. These rates don't reflect increased drug use among this population, but the focus of law enforcement on these communities. For some immigrants, a minor offense can have dire consequences, such as ICE detention and deportation, further compounding trauma on those directly affected and their families.

Strategic Funding

Some of our current strategic priorities is to build social equity in East Contra Costa County that include:

- Monument Impact (MI) is requesting funding for Antioch Blooming: Women Rooted in Action - a transformative program that will address economic and social barriers, empowering the lives of 15 BIPOC women residents in Antioch.
- Antioch Blooming – Women Rooted in Action would be carried out in 12 months in four phases focusing on the following:
 - Health
 - Economic Stability
 - Education
 - Community Engagement



ATTACHMENT C

ANTIOCH BLOOMING

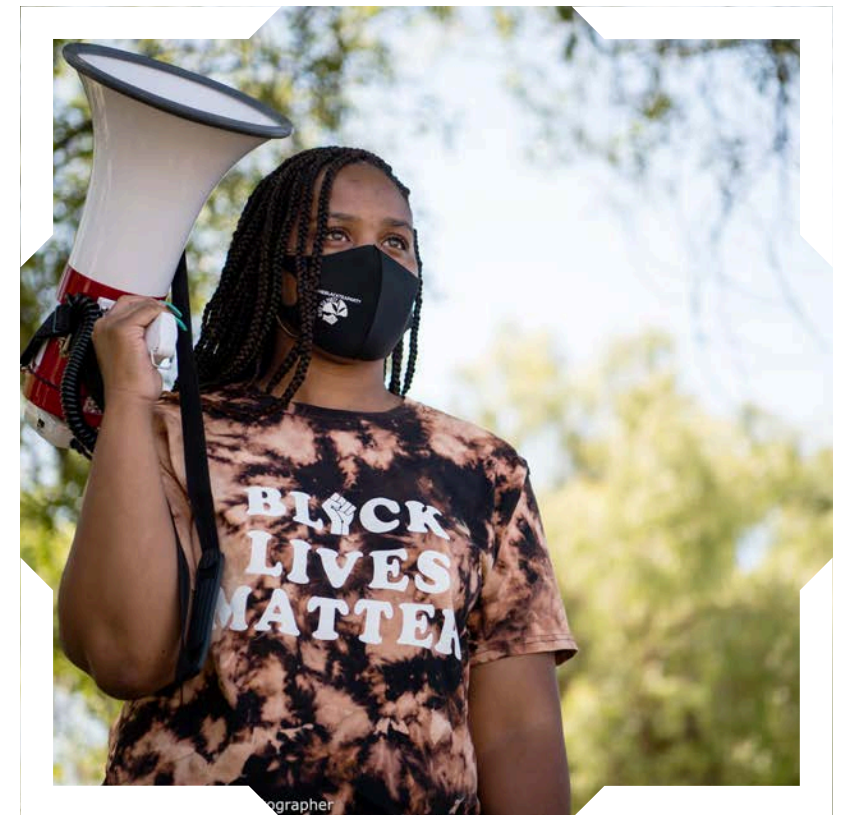
WOMEN ROOTED IN ACTION



Monument Impact

Monument Impact (MI) was established with a clear mission to promote racial and economic equity. The organization's success results from its well-trained staff who bring a unique blend of lived experience, knowledge, and a profound understanding of the community they serve.

This has fostered a deep trust among marginalized residents of color.



Agenda

01 Purpose

02 Program Overview

03 Impact on Community

PURPOSE



Monument Impact (MI) is requesting funding for **Antioch Blooming: Women Rooted in Action** – a transformative program that will address economic and social barriers, potentially changing the lives of 15 BIPOC women residents in Antioch.

MI will offer highly tailored services, ensuring that each participant's unique circumstances are taken into account. Intake documentation, meticulously designed to address participants' needs, will be the cornerstone of our approach. Participants will be introduced to available services, long-term skill development will be offered to provide stabilization and career advancement.

ANTIOCH BLOOMING

WOMEN ROOTED IN ACTION



Health



**Economic
Stability**



Education



**Community
Engagement**

HEALTH



- Mental health
 - Support group biweekly
 - Workshops around stress & anxiety management
- Physical health
 - Nutrition and healthy cooking classes
 - Community fridge and pantry
 - Exercise classes
 - Reproductive health related items
- Wellness
 - Self-care techniques
 - Care packages for at home relaxation

ECONOMIC STABILITY



- Monthly Stipend
 - To create an income floor
- Professional Development
 - Resume building
 - Interview preparation
 - Professional clothes closet
- Job Search/Job Readiness
- Entrepreneurship

EDUCATION



- Schooling
 - Computer Literacy
 - Courses in Microsoft Office Suite
 - Each participant would receive a computer
 - GED completion
 - College Preparation
 - Financial Aid & Scholarship Assistance
 - Trade Schools
- Life Skills
 - Automotive: Change tires, oil, etc.
 - Money Management
 - CPR Certification

COMMUNITY ENGAGEMENT



- Leadership Development Trainings
- Civic Engagement/Advocacy
 - Group will have the ability to choose one key issue they want to work in
 - Ex: Housing and Tenant Rights
 - Attend conferences, city meetings, etc.
- Arts & Culture
 - Field trips: museums, restaurants, cultural centers, etc.

CRITERIA

- Resident of Antioch in the surrounding area of 94509, specifically:
 - Northwest Antioch (Summersville/Auto Center area)
 - North Antioch (Cavallo Rd area)
- Women age 18+
- Income at 50% AMI or lower
 - Income levels from CCC Department of Housing & Community Development
- BIPOC, individual impacted by the War on Drugs:
 - Formerly incarcerated due to a drug conviction
 - Have an immediate family member who lived in the household before conviction and is currently incarcerated due to a drug conviction



OUTREACH

- Getting to know the needs of the community
 - Listening sessions/focus groups
 - Door knocking
 - Surveying
- Partner with local organizations to find potential participants
 - Churches, non-profits, local community leaders, etc
- Make public comments at city council meetings regarding the women's group application process to encourage folks to apply.
- Tabling at different locations within 94509 zip code.



APPLICATION PROCESS



Identify potential participants

Applications open

**Verify participants meet the
criteria**

Complete MI application

SELECTION PROCESS



- Community Outreach and recruitment
- Applications Process
 - Have a small committee review the applications to ensure they meet the criteria.
- Program Info-Session – REQUIREMENT
 - Invite selected applicants to an in person info session.
 - Use this meeting to explain program step by step objectives, goals, activities, and expectations.
- Final Selection/Onboarding
 - Confirm final cohort.
 - Inform participants on next steps.
 - Upcoming events
 - Important deadlines
 - Any necessary resources.

INTERVIEW PARTICIPANTS



- Each applicant will be interviewed, and documents will be reviewed
- Limit the number of applicants
- Keep a waitlist
- Work with AmeriCorps/social work interns to conduct outreach and interviews
- Promotores and staff conduct outreach

DOCUMENT VERIFICATION



ID and Address

- Participants must provide evidence that confirms their full name and home address in Concord, CA. Acceptable documents (unexpired or expired) with a color photo include:
 - CA Driver's License
 - CA State ID
- If ID doesn't include a current address, then applicants must supply two of the following documents:
 - Auto Insurance Card or Auto Registration Paperwork
 - Lease Agreement or Mortgage documents
 - Utility Bill within last three months
 - Bank Statement within last three months
 - Paycheck stub with imprinted name and address information within last three months

DOCUMENT VERIFICATION



Income and Employment

- Participants will be asked about their employment (ex: Are they employed? Self-employed?)
- To verify income, acceptable verification documents include one of the following:
 - Most recent Federal Income Tax form
 - Most recent paycheck stub from your employer, showing your full name
 - Bank statement showing income deposits/transactions

DOCUMENT VERIFICATION



Proof of Incarceration

- Court documents

Proof of age

- School Registration
- Birth Certificate

IMPACT

- Create a safe space for sharing experiences and challenges
- Increase stability
- More equip with resources
- Create Community leaders
- Inspire and empower women





Q&A

EMAIL

info@monumentimpact.org

WEBSITE

www.monumentimpact.org

INSTAGRAM

[@monumentimpact](https://www.instagram.com/monumentimpact)

FACEBOOK

[monumentimpact](https://www.facebook.com/monumentimpact)



STAFF REPORT TO THE CANNABIS COMMITTEE

DATE: Special Meeting of August 5, 2024

TO: Mayor Pro Tem and Committee Chair Wilson and Councilmember Torres-Walker

PREPARED BY: Kevin W. Kunding, Assistant City Attorney

APPROVED BY: Thomas Lloyd Smith, City Attorney

SUBJECT: OTC Antioch LLC: Consideration of Proposed Operating Agreement and Social Equity Program

RECOMMENDED ACTION

It is recommended that the Cannabis Committee:

1. Recommend approval of the operating agreement and social equity program for OTC Antioch LLC, and
2. Direct staff to place the operating agreement and social equity plan on an upcoming City Council agenda for consideration.

FISCAL IMPACT

The proposed action should generate increased revenue for the City and for its social equity program.

DISCUSSION

On September 13, 2022, the Antioch City Council approved a Cannabis Business Use Permit OTC Antioch LLC holds Cannabis Business Use Permit UP 22-01, approved by the City Council.

If the City Council approves its operating agreement, OTC Antioch LLC's business would be located at 300 G Street. Its proposed cannabis operation will include retail (license type 10, respectively.)

OTC Antioch LLC's operation will consist of two buildings totaling approximately 10,300 square feet, with the cannabis dispensary occupying the 6,800 square foot building at the northern portion of the site.

Before OTC Antioch LLC can begin operations, it must obtain City Council approval of its operating agreement. The draft operating agreement ("Exhibit A") has been provided to Antioch LLC for review and comment. It is the same operating agreement as the City is using with other cannabis businesses. OTC Antioch LLC has indicated it is prepared to accept the terms of the operating agreement.

The proposed recipient of the social equity program is Bridge Builders to the New Generation, located at 5032 Tehachapi Way Antioch, CA 94531. Bridge Builders to the New Generation is dedicated to fostering the social emotional learning and mental well-being of youth and families from marginalized communities, providing a supportive and inclusive environment where they can develop essential skills for success in college, career, and life. Our passionate team is committed to empowering underserved youth to lead fulfilling lives by nurturing their growth and offering opportunities for the development of educational, social, vocational, and independent living skills. Their vision is eliminate barriers to success, allowing underserved youth to live their dreams and attain their aspirations while being productive members of society. A copy of Bridge Builders to the New Generation's proposed social equity program is attached hereto as Exhibit B.

ATTACHMENTS

- A. Draft operating agreement
- B. Bridge Builders to the New Generation's proposal
- C. Bridge Builders to the New Generation's presentation

RECORDING REQUESTED BY,
AND WHEN RECORDED, MAIL TO:

City of Antioch
200 H Street
Antioch, CA 94509
Attn: City Clerk

Exempt from recording fee per Government Code §6103

OPERATING AGREEMENT

This Operating Agreement ("**Agreement**") is entered into between the City of Antioch, a municipal corporation ("**City**") and OTC Antioch LLC, a California limited liability company ("**Operator**"), whose address is 300 G Street, Antioch, California 94509. City and Operator may be referenced herein as "**Party**" or collectively as "**Parties.**"

RECITALS

- A. Operator submitted an application for approval of a use permit and design review for a cannabis business, as further detailed herein.
- B. On September 13, 2022, by Resolution No. 2022/165, the City Council approved a Cannabis Business Use Permit to operate cannabis business UP 22-01 ("**CBUP**"). A copy of the CBUP is attached hereto as **Exhibit A** and incorporated herein. The CBUP relates to the Site, as described in **Exhibit B**, attached hereto and incorporated herein.
- C. One condition of the CBUP is that the City and Operator execute an Operating Agreement. This Agreement meets this requirement of the CBUP.
- D. On _____, 2024, the City Council adopted Resolution No. 2023/___ approving this Agreement.

AGREEMENT

- 1. **Recitals.** The Recitals set forth above are incorporated herein as if fully set forth in this Agreement.
- 2. **Definitions.** The following terms, when capitalized herein, shall have the meanings specified below.
 - a. Agreement—This Agreement between the City and Operator.
 - b. Applicable Law—All applicable federal, state, regional, and local statutes, regulations, and rules including the Uniform Building Code and other Uniform Codes, the California Environmental Quality Act, the City's ordinances, resolutions, rules, and regulations, as each statute, regulation, regulation, rule,

Code, ordinance, and resolution may be amended from time to time, excluding such federal law which may conflict with state or local laws authorizing cannabis businesses or operations.

c. Business Operations—The commercial cannabis business operated at the Site by Operator, its officers, officials, employees, agents, and consultants, as approved by the City Council in the CBUP, and as subject to the terms and conditions of this Agreement.

d. Cannabis—Both medical and non-medical cannabis as defined by Health & Safety Code section 11362.5 and Business and Professions Code sections 26000 *et seq.*

e. Cannabis Business Use Permit—the Cannabis Business Use Permit UP 22-01, attached hereto as **Exhibit A**, as approved by City Council Resolution No. 2022/165.

f. City—the City of Antioch, California.

g. City Attorney—the City Attorney of the City.

h. City Council—the City Council of the City.

i. City Manager—the City Manager of the City.

j. Operator—OTC Antioch LLC.

k. Fees—All charges, expenses, costs, monetary exactions, and any other monetary obligations imposed on Operator by City, other than assessments or regular or special taxes, and not limited to fees paid pursuant to this Agreement.

l. Gross Receipts—The total of amounts actually received or receivables from sales and the total amounts actually received or receivable for the performance of any act or service for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares, or merchandise. Gross receipts shall also include all receipts, cash, credits and property of any kind without deduction of the cost of the property sold, the costs of the materials used, labor or services costs, interest paid or payable, or losses or other expenses whatsoever. Excluded from “gross receipts” are the following:

- Cash discounts allowed and taken on sales
- Credit allowed on property accepted as part of the purchase price and which property may later be sold
- Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser
- Such part of the sale price of property returned by a purchaser upon rescission of the contract of sale as is refunded whether in cash or by credit
- Amounts collected for others where the business is acting as an agent or trustee to the extent that such amounts are paid to those for whom collected, provided the agent or trustee furnishes to the City the names and addresses of the others and the amounts paid to them
- Receipts of refundable deposits, except that refundable deposits forfeited and taken into income of the business are not excluded

The intent of this definition is to ensure that, in calculating payments to the City, all sales and revenue from the Business Operations are captured and, therefore, this definition shall be given the broadest possible definition consistent with this intent.

m. Major amendment—Any modification to this Agreement that makes a substantive change, modification, or deviation in the terms of this Agreement or any Exhibits hereto.

n. Minor amendment—Any modification to this Agreement that does not make a substantive change, modification, or deviation in the terms of this Agreement or any Exhibits hereto.

o. Police Chief—the Police Chief of the City.

p. Project—The Business Operations, Site Development, Odor and other Mitigation Plans, Security Plans, and all other terms and conditions applicable to Operator's Business Operations.

q. Site—The physical location of the Operator's Business Operations, as described in **Exhibit B**, attached hereto.

r. Square Footage under Cultivation--the actual amount of canopy (measured by the aggregate area of vegetative growth of live cannabis plants on the premises including the area occupied by vertically and horizontally stacked canopies) that is limited by the maximum amount a cannabis business is authorized to cultivate by this Agreement or the CBUP, without deducting for unutilized square footage.

s. State license(s)—the license(s) issued by the State, whether through the Bureau of Cannabis Control or other regulatory agency authorizing the Operator to conduct its Business Operations

3. **Effective Date.** This Agreement shall be effective as of the date of the Resolution approving this Agreement, or such other date (if any) as specified in the Resolution approving this Agreement.

4. **Term of Agreement.** The initial term of this Agreement shall be ten years, with two possible extensions of five years each. This Agreement may be extended by mutual agreement of the Operator and the City Council on such additional terms and conditions as to which the Parties may agree. At the end of the term, Operator agrees to cease all Business Operations at the Site, notwithstanding the terms and conditions of the CBUP. The parties agree that, prior to the end of the initial ten-year term, they will meet and confer in good faith with the goal either of continuing this Agreement on the same terms and conditions or of modifying the Agreement so that the Business Operations may continue for the mutual benefit of the City and the Operator.

5. **Operating Conditions.** In addition to the terms and conditions set forth in the CBUP, Operator's Business Operations shall be subject to the additional terms and conditions:

a. Hours of operation of retail sales on the Site shall not exceed 7 days per week, 8:00 a.m. to 8:00 p.m. There are no other hours' restrictions on the Business Operations, including delivery.

b. Subsequent to the annual audit by the Police Department or a third party selected by the Police Department, the Police Chief shall have the discretion to require additional security measures or modify existing security measures at the Operator's expense, as may be required by law or reasonable for public safety. At Operator's expense, the Police Chief may also determine to require additional security

measures at any time upon the Department's finding that existing security measures are insufficient for the Business Operations to comply with the terms of the CBUP or to adequately protect public health and safety. The Police Chief's determination is appealable to the City Manager.

c. The City Manager may impose additional mitigation measures, whether relating to odor or other factors affecting public health and safety, on the Project at Operator's expense, as may be required by law or reasonable to maintain public health and safety. The City Manager's determination is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

6. Fees.

a. Operator agrees to pay all fees, whether imposed by the City, state, or other regulatory agencies in a timely manner. Operator's failure to pay such fees in a timely manner may, at the City's sole discretion, constitute Evidence of Default. City may provide thirty (30) days' prior written notice to Operator as to any unpaid City fees. If Operator fails to pay such fees, plus any interest or penalties due for late payment, Operator agrees that the City may record on the property which is the subject of the CBUP one or more liens for the fees owed.

b. Operator agrees to pay City beginning with the fifteenth of the month immediately following the date the City issues the Certificate of Occupancy for the Site the amounts set forth in **Exhibit C**, attached hereto and incorporated herein. The amount due for Gross Receipts is payable thereafter on the 15th of each month or, if the 15th is a weekend day or a national or state holiday, on the next business day ("Due Date"). The amount due based on square footage, with adjustments made during the year as square footage is increased or decreased, is payable thereafter quarterly, on January 15, April 15, July 15, and October 15 or, if the 15th is a weekend day or a national or state holiday, on the next business day ("Due Date"). The Operator shall also submit with each payment required by this section a report on a form provided by the Operator and approved by the City which lists the gross receipts for the period, any adjustments to the gross receipts and basis therefor, the gross receipts subject to the percentages set forth in Exhibit C, the square footage cultivated for the period, and the total amount due.

c. A payment is late or deficient under this Section if not postmarked by or received by the City Finance Department on or before the Due Date. A late or deficient payment shall be subject to a one-time penalty of five percent (5%) of the amount owed, plus monthly non-compounding interest at the maximum rate allowed by law, but not to exceed an annualized amount of ten percent (10%).

d. If the City Manager is not satisfied with the veracity of report(s) filed by Operator regarding the Business Operations' total gross receipts or square footage, the City Manager may compute and determine the amount of the fees to paid on the gross receipts or square footage and make a deficiency determination upon the basis of the facts contained in such report(s), or upon the basis of any information in City's possession, or that may come into City's possession within three years of the date the fees are paid. One or more deficiency determinations of the amount of fees owed for a period or periods may be made. The determination of the City Manager pursuant to this subsection is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

7. Social Equity Program.

a. Operator agrees to implement and maintain for the entirety of the term of this Agreement a Social Equity Program ("**Equity Program**") to benefit the City and its residents, to foster

equitable participation in the cannabis industry, and to create business opportunities for those most negatively impacted by the enforcement of cannabis laws prior to the legalization of cannabis in California. Operator shall initiate its Equity Program within three months of this Agreement's Effective Date.

b. Operator shall prepare a written Social Equity Program Plan ("**Equity Plan**"), which includes the Equity Program's description, a non-profit social equity program plan organization ("**Equity Plan Organization**") located in Antioch and approved by the City, and an action plan with goals, tasks, responsible parties, timelines, and measurable outcomes. The Equity Plan is set forth in **Exhibit D**, attached hereto and incorporated herein. Operator shall provide a written report, semi-annually, to the City Manager and City Attorney on its progress in carrying out the Equity Program's goals and measurable outcomes. Upon request of the City Manager or City Attorney, Operator also agrees to provide a presentation to the City Council on the Equity Plan's goals and measurable outcomes. The Equity Plan may be modified in writing by request of the Operator and only with prior written approval of the City Manager or the City Attorney.

c. If the City Council, the City Manager, or the City Attorney determines that Operator's Equity Plan does not adequately achieve the City's goals as set forth herein, the City Council, the City Manager, or the City Attorney shall have the discretion to require the Operator to modify its Equity Plan subsequent to one or more meetings with the Operator.

d. Operator agrees to fund its Equity Plan, as detailed in Exhibit D, with the first payment submitted to its Equity Plan Organization at the same time as the first payment for gross receipts and/or square footage is due under Section 6b hereof. Subsequent payments to its Equity Plan Organization shall be made quarterly with each subsequent quarterly payment due on January 15, April 15, July 15, and October 15 or, if the 15th is a weekend day or a national or state holiday, on the next business day. Late payment from the Operator to the Equity Plan Organization shall be subject to the same penalties and interest set forth in section 6 hereof.

8. Applicable Law. At all times, Operator shall conduct its Business Operations consistent with Applicable Law, including the City's ordinances, rules, and regulations; the CBUP; and this Agreement, as each may be amended or modified from time to time. Any violation thereof by Operator or its Business Operations may, at the City's discretion, be considered Evidence of Default.

9. Default.

a. If the City Manager finds Evidence of Default, the City Manager shall provide at least forty-five (45) days' written notice thereof to Operator, with the notice specifying the nature of the default, the facts supporting such Evidence of Default, and the manner in which the Default may be cured. Within that forty-five day period, Operator shall cure the Default to the City Manager's reasonable satisfaction, provide evidence with supporting facts as to why no Default exists, or provide alternatives satisfactory to the City Manager to address the Default.

b. If the City Manager is not satisfied with Operator's response and/or believes a Default continues to exist, then the City Manager may, at his/her sole discretion:

- Order the Operator to suspend all Business Operations at the Site until the Default is cured.
- Take such other action as may be authorized by the CBUP or this Agreement.

- Remedy the Default and charge the costs thereof to the Operator, who agrees to pay such sums.

c. The decision of the City Manager under this section is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

d. The remedies of this section, plus any other remedies set forth in this Agreement and remedies available in law or in equity are cumulative, and non-exclusive. Such remedies are distinct and separate whether or not exercised by the City. The City may, in its discretion, exercise any or all of its rights and remedies, at once or in succession, at such time or times as it considers to be appropriate.

10. Record Keeping. Operator shall keep, maintain, and preserve to the extent applicable all records that may be necessary to determine the amount of gross receipts, the number of retail delivery vehicles, the amount of cannabis manufactured, the amount of cannabis delivered, and any and all other records by which City may determine and verify the amount of fees due to the City pursuant to Section 6 hereof. At Operator's expense, City shall have the option of conducting, whether by City staff or by a City-selected consultant, an annual audit to verify the fees due to the City pursuant to Section 6 hereof and compliance with Exhibit D. City shall have the right to inspect such records at all reasonable times during normal business hours and upon not less than five (5) business days' prior notice. To the extent permitted by Applicable Law, City agrees to treat such records as confidential.

11. Annual Review. In addition to the right to conduct an audit pursuant to Section 10 hereof, the City Manager, at his/her discretion, may direct City staff or a third party to review, no more frequently than once per year, the Business Operations and compliance thereof with the CBUP and this Agreement. Operator shall be responsible for paying the costs of this annual review, which shall not exceed \$10,000 per review, adjusted annually by the CPI index for Bay area cities. In the event there is good cause for a review that would exceed \$10,000 (as adjusted annually), Operator and City shall negotiate a minor amendment to allow for such review. Generally, "good cause" shall be considered present upon the City's finding of a discrepancy, inconsistency, or omission in Operator's records, or when Operator is found to have violated this Agreement, or there is evidence substantiating a claim that Operator committed a regulatory violation under the laws of the State of California or the City's rules and regulations. Such determination will be based on the City's rules and regulations as well as the relevant laws and regulations of the State of California. Based on this review, City may require additional mitigation measures or other changes to the Business Operations to assure compliance with the CBUP and this Agreement.

12. Amendments. This Agreement may be amended from time to time, if in writing and signed by both parties. The City Manager or the City Attorney shall have the discretion to approve a Minor Amendment to this Agreement or to refer such Minor Amendment to the Council for review and possible action. The City Council, at a duly noticed public meeting, shall have the discretion to approve a Major Amendment or a Minor Amendment, which has been referred to the Council.

13. Assignment. City has entered into the Agreement with Operator in reliance upon Operator's specialized knowledge, experience, and expertise relating to the Project and cannabis-related business. Therefore, this Agreement may not be assigned or otherwise transferred by Operator, whether to a third party or to another entity (even if Operator is a partner, owner, or otherwise a participant in such entity), without the prior written authorization of the City Council at a duly noticed meeting. Any such assignment

or transfer, at City's sole discretion, may be considered Evidence of Default. Should Operator wish to assign or otherwise transfer the Agreement, Operator shall provide evidence to the reasonable satisfaction of the City Manager and the City Attorney of the specialized knowledge, experience, expertise, and financial stability of the proposed assignee or transferee prior to review and possible approval by the City Council.

14. Indemnification. Operator agrees to indemnify, defend, and hold harmless City, its officers, officials, employees, agents, and consultants from any and all administrative, legal, or equitable actions, claims, or other proceedings instituted by any person or entity not a party to the Agreement challenging the validity of the Agreement or any action arising out of or relating to the Agreement. Operator shall pay for City's costs of defense, whether directly or by timely reimbursement on a monthly basis. Such costs shall include, but not be limited to, all court costs and attorney's fees expended by the City in defense of the action or proceeding, plus staff and consultant time spent in regard to defense of the action or proceeding. The parties shall use best efforts to select mutually agreeable defense counsel but, if the parties cannot reach agreement, City may select its own legal counsel and Operator agrees to pay directly or timely reimburse on a monthly basis City for all such court costs, attorney's fees and time referenced herein.

Operator further agrees to indemnify, defend, and hold harmless City, its officers, officials, employees, agents, and consultants from any and all claims, costs, and liability for any damages, personal injury or death, or property damage which may arise directly or indirectly from Operator's Business Operations pursuant to this Agreement, except as caused by City's sole or gross negligence.

15. Insurance.

a. For the term of the Agreement, Operator shall be required to, and agrees to, maintain in full force and effect public liability and property damage insurance, including personal injury in an amount of not less than three million dollars (\$3,000,000) per occurrence and five million dollars (\$5,000,000) aggregate, and automobile insurance for owned and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate. Each policy shall have such coverage and limits as may be reasonably requested by City from time to time. Each policy shall have a self-insured retention of not more than one hundred thousand dollars (\$100,000.)

b. The insurance referenced herein shall include endorsements, naming as additional insureds the City, its officers, officials, employees, consultants, and agents. The endorsements shall also specify that the insurance is primary, with any policies held by the City to be non-contributing.

c. The insurance referenced herein shall be evidenced by certificate(s) of insurance, which shall be kept current during the term of this Agreement.

d. The certificate(s) and endorsement(s) shall be provided to, and approved by, the City Attorney prior to Operator beginning Business Operations.

e. The insurance shall be placed with a company authorized to transact business in the State of California and with a rating of not less than A.M. Best-A, or such other rating as approved by the City Attorney.

ATTACHMENT A

f. Operator shall provide at least thirty (30) days' prior written notice of any cancellation, reduction in scope or amount, or material modification of the insurance referenced herein.

g. If Operator fails to maintain the insurance referenced herein, the City in its sole discretion may obtain such insurance at Operator's expense, with Operator obligated to promptly reimburse the City, or determine such failure to be Evidence of Default.

16. Notices. Any notice or communication required by the Agreement between the parties shall be in writing and may be delivered either personally or by registered mail, return receipt requested. Notice, whether given by personal delivery or by registered mail, shall be deemed to have been given and received on the day of actual receipt at any of the addresses designated below as to the party to whom the notice is sent. Any party hereto may at any time, upon written notice to the other party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. However, should a party's address no longer be valid such that delivery by registered mail, return receipt required, is not successful, then delivery by U.S. mail shall be effective five business days after mailing of notice. Such notices or communications shall be given to the parties at the addresses set forth below:

To the City of Antioch:

If by personal delivery:

City of Antioch
200 H Street
Antioch, CA 94509

Attn: City Manager

If by U.S. mail:

City of Antioch
P. O. Box 5007
Antioch, CA 94531-5007

Attn: City Manager

With a copy to:

If by personal delivery:

City of Antioch
200 H Street
Antioch, CA 94509

Attn: City Attorney

If by U.S. mail:

City of Antioch
P. O. Box 5007
Antioch, CA 94531-5007

Attn: City Attorney

To Operator:

OTC Antioch LLC

15030 Ventura Blvd #169
Sherman Oaks, CA 91403
Attn: Norman Yousif

With a copy to:

Maddocks Law P.C.
23 Corporate Plaza Dr #150
Newport Beach, CA 92660
Attn: Sean Maddocks

17. Miscellaneous

a. Each party has had an equal opportunity to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply to the Agreement.

b. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of the Agreement shall continue in full force and effect, unless enforcement of the Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purpose of the Agreement.

c. The Parties shall take all steps reasonable and necessary to effectuate the terms and intent of the Agreement. However, no provision of the Agreement shall limit, or be construed to limit, the right of the City, the City Manager, the City Attorney, or the City Council to exercise discretion as to the Agreement or other matters.

d. The Parties are not, and shall not be construed, to be partners or joint venturers.

e. The only parties to the Agreement are City and Operator. There are no third-party beneficiaries and the Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person whatsoever.

f. In the event that suit is brought by either Party to the Agreement, the Parties agree that venue shall be exclusively vested in the state court of Contra Costa County, or in the U.S. District Court for the Northern District of California.

g. This Agreement and the Exhibits attached hereto contain all the representations and the entire agreement between parties with respect to the subject matter hereof.

h. The Parties acknowledge that City would not have entered into this Agreement had it been exposed to damage claims from Operator for any breach hereof. As such, the Parties agree that in no event shall Operator be entitled to recover damages against City for breach of this Agreement. The City agrees that, notwithstanding any claims against Operator and/or City as referenced above, as long as Operator's State license remains intact and the Operator is in full compliance with this Agreement, the CBUP, and the City's rules and regulations, Operator's business shall be allowed to continue in operation pending the outcome of relevant public hearing(s) scheduled to address alleged violations of this Agreement and/or Operator's CBUP.

i. This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

j. All waivers must be in writing to be effective or binding upon the waiving party and no waiver shall be implied from any omission by a party to take or not take any action with respect to default or other matters. Failure by a party to insist upon the strict performance of any provisions of the Agreement by the other party shall not constitute waiver of such party's right to demand strict compliance by the other party in the future. Furthermore, no express written waiver of any default shall affect any other default or cover any other period of time unless specified in such express waiver.

ATTACHMENT A

k. Notwithstanding termination or expiration of this Agreement for any reason, Sections 6c, 6d, 10 and 14 shall be continuing obligations of Operator and shall survive this Agreement.

EXECUTED AS OF _____, 2024

[Signatures on next page]

ATTACHMENT A

CITY OF ANTIOCH

OPERATOR
OTC Antioch LLC

Kwame P. Reed, Acting City Manager

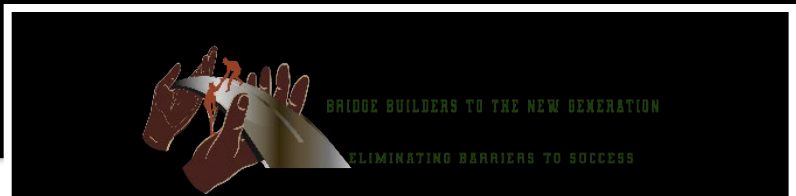
By: Norman Yousif
Its: Managing Member

Attest:

Elizabeth Householder, City Clerk

Approved as to form:

Thomas Lloyd Smith, City Attorney



Bridge Builders to the New Generation
5032 Tehachapi Way, Antioch, CA 94531
<https://www.bridgebuildersng.org/>
EIN: 85-1665741

ATTACHMENT B

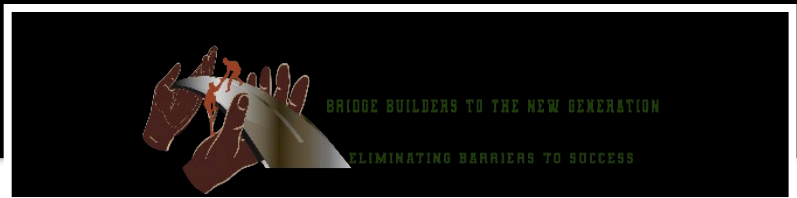
Founded in 2019, Bridge Builders to the New Generation (BBNG) currently serves 500+ majority BIPOC youth in seven schools in Antioch. Through school-site, after-school, and summer programming, BBNG provides youth with a culturally responsive and healing-centered space to explore their intersectional identities, name and process their trauma, develop social, emotional, and leadership capacities, engage in personal and academic goal setting, and create solutions to community problems. Through collectivity and the nurturing of possibility thinking, BBNG helps Antioch youth identify structural inequities and break the cycle of poverty, violence, and generational trauma to become self-actualized young adults. Through staff love, guidance, and peer-to-peer mentorship, BBNG youth interrupt deficit-based narratives and define their own personal, college, and professional aspirations.

Once known as a 'sundown town', the reverberation of systemic oppression pervades Antioch, through institutions like schooling, policing, housing, and healthcare. Public schools have pushed out and emotionally and psychologically harmed BIPOC youth with multidimensional struggles and their families. BBNG provides space to breathe, heal and build a bridge out of hopelessness and despair. Current program offerings include onsite school support, after-school academic support and leadership workshops, healing circles, peer mentoring, summer seminars, community mapping, college tours, and career field trips.

The ***Change the Narrative*** program provides college and career readiness grounded in culturally responsive, trauma-informed, and healing-centered social-emotional learning for middle and high school students in Antioch with marginalized, intersectional identities. Its purpose is to disrupt the trauma-to-discipline and school-to-prison pipeline by developing youth leaders both within the school environment and local community by providing staff- and peer mentorship, leadership development activities, and academic support. *Change the Narrative* gives our students a sense of belonging, fosters collectivity, and builds an expansive culture on school campuses and in the Antioch community.

Ultimately, BBNG envisions East Contra Costa County as a region that prioritizes the well-being of BIPOC youth by co-creating equity-driven solutions with youth and their families. We want to see an end to pathologizing and punishing youth for behaviors stemming from trauma. *Change the Narrative* seeks to disrupt systemic and structural inequities that plague Antioch's institutions by implementing a youth-centered, regional-specific approach, beginning with schools.

The project goals include providing youth with healing-centered communities in which they can name and process their trauma, interrogate their environments and advocate for their needs, establish a leadership identity, and meet personal, wellness, and academic goals. The project will annually serve 500+ BIPOC middle and high schoolers at five schools in Antioch Unified School District (AUSD): Deer Valley High School, Antioch High School, Dallas Ranch Middle School, Antioch Middle School, and Park Middle School, Marsh Elementary School, and Mission Elementary School.

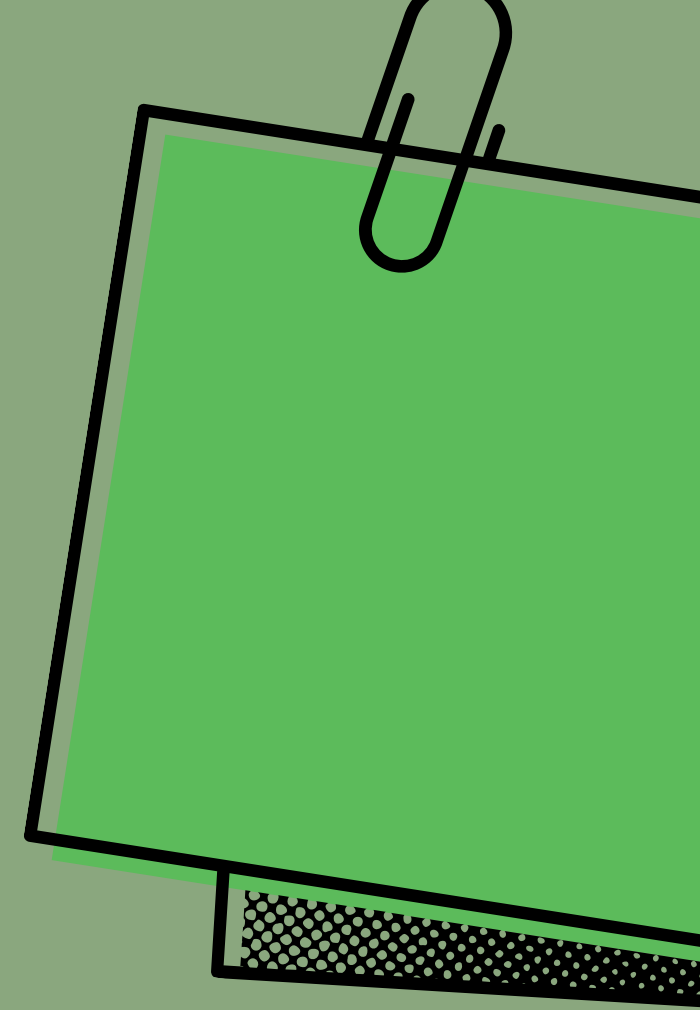


BBNG youth are majority BIPOC - 6 18-year-olds who identify as male, female, and gender-expansive. They have intersectional experiences related to generational trauma, drug use, family separation, housing insecurity and mental health challenges. The structural violence inflicted on BIPOC communities (e.g., crack epidemic, the 'War on Drugs', police brutality, gentrification) over the last decades has pushed low-income, BIPOC families out of Oakland and San Francisco and into cities like Antioch, with a lower cost of living. BBNG youth are from these families that moved to Antioch over the last two decades. To our youth, Antioch does not feel like home.

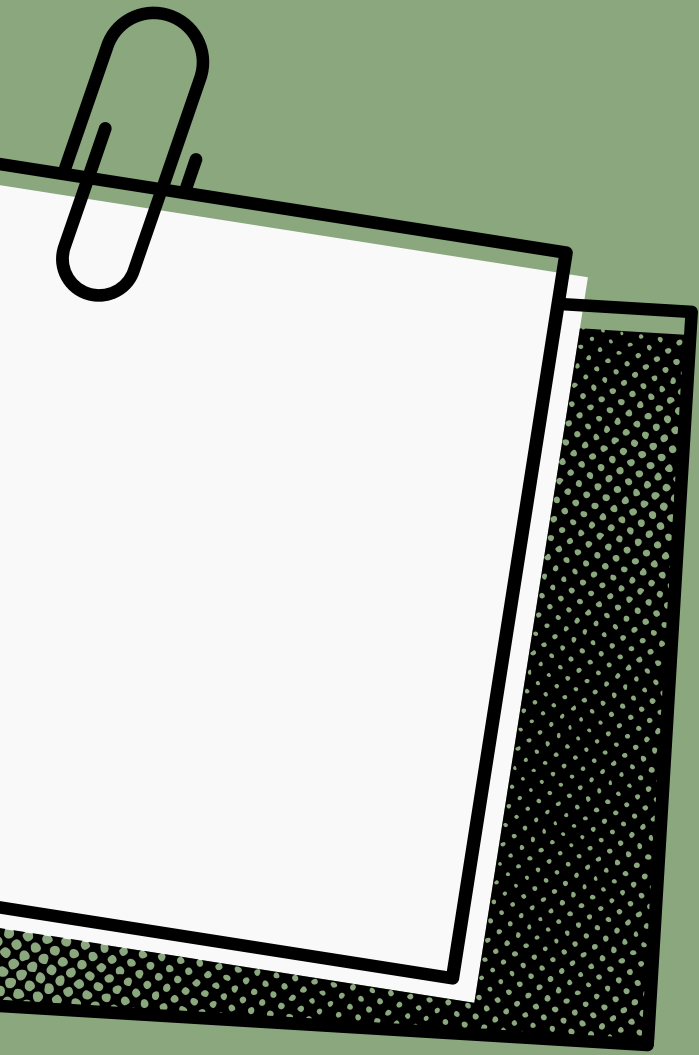
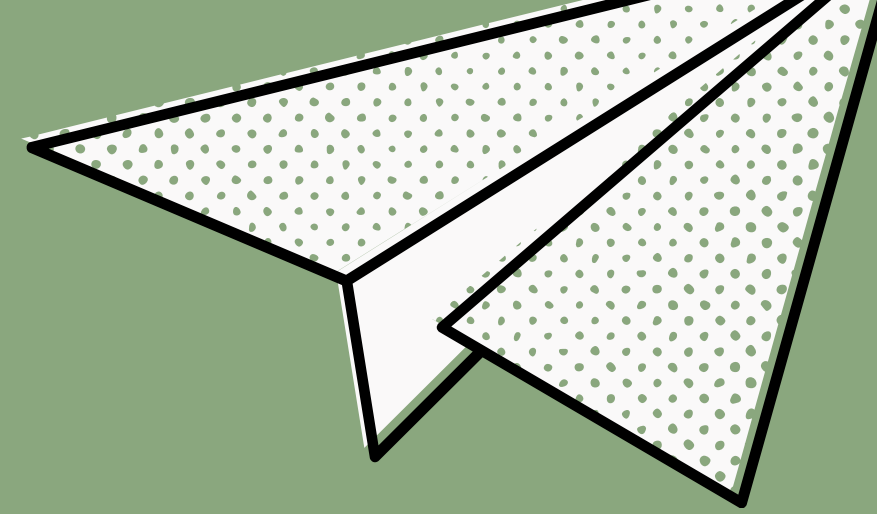
Antioch's schools and community institutions have more work to become culturally responsive and healing-centered. In 2011, the federal Office for Civil Rights Data Collection reported that Black students made up 21% of the AUSD population yet accounted for 60% of suspensions. In 2015, the East County [NAACP sued Antioch Unified School District](#), urging the district to examine discipline data, policies, and practices through a critical race lens. In the 2021-2022 school year, data showed that even more Black students have enrolled in schools across Antioch, and their suspension rates remain disproportionately higher than all subgroups.

ATTACHMENT C

Bridge Builders to the New Generation



Services



College
Readiness

Career
Readiness

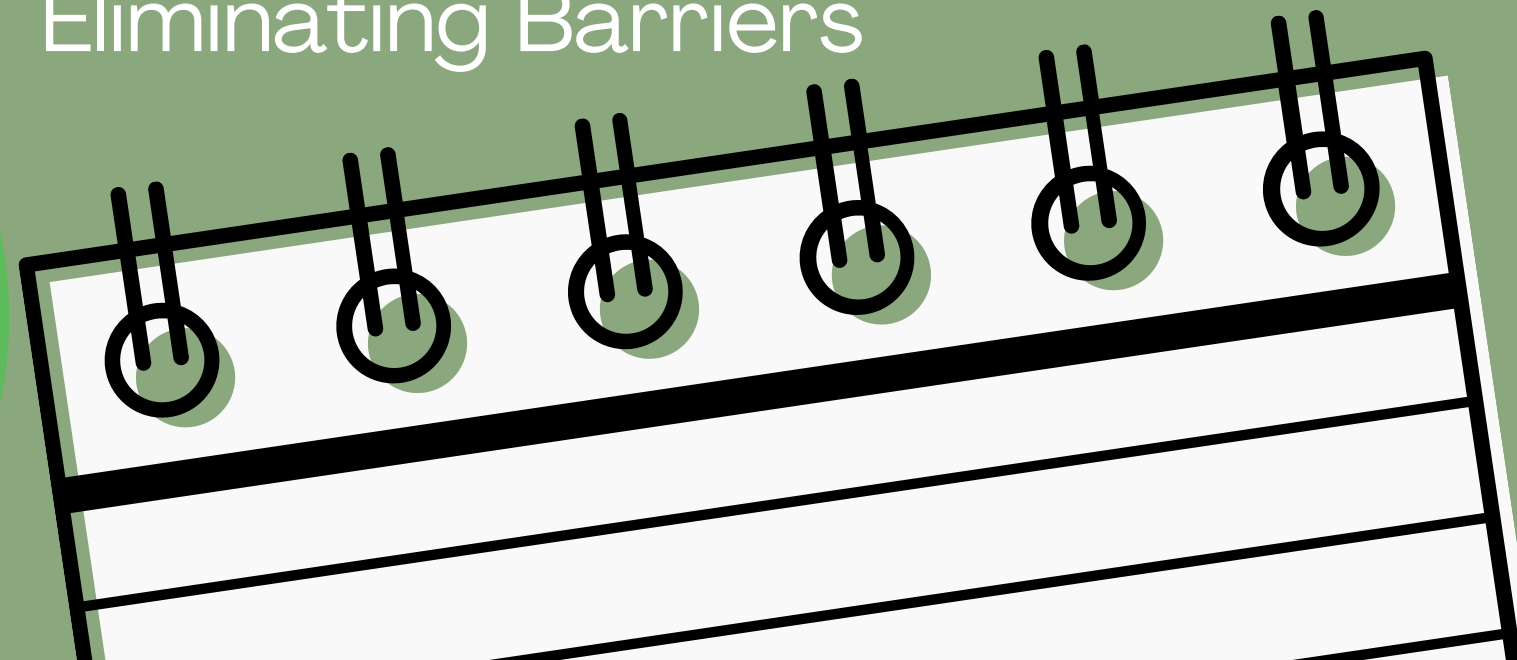
Community
Engagement

Defining Your Purpose

Changing the Narrative

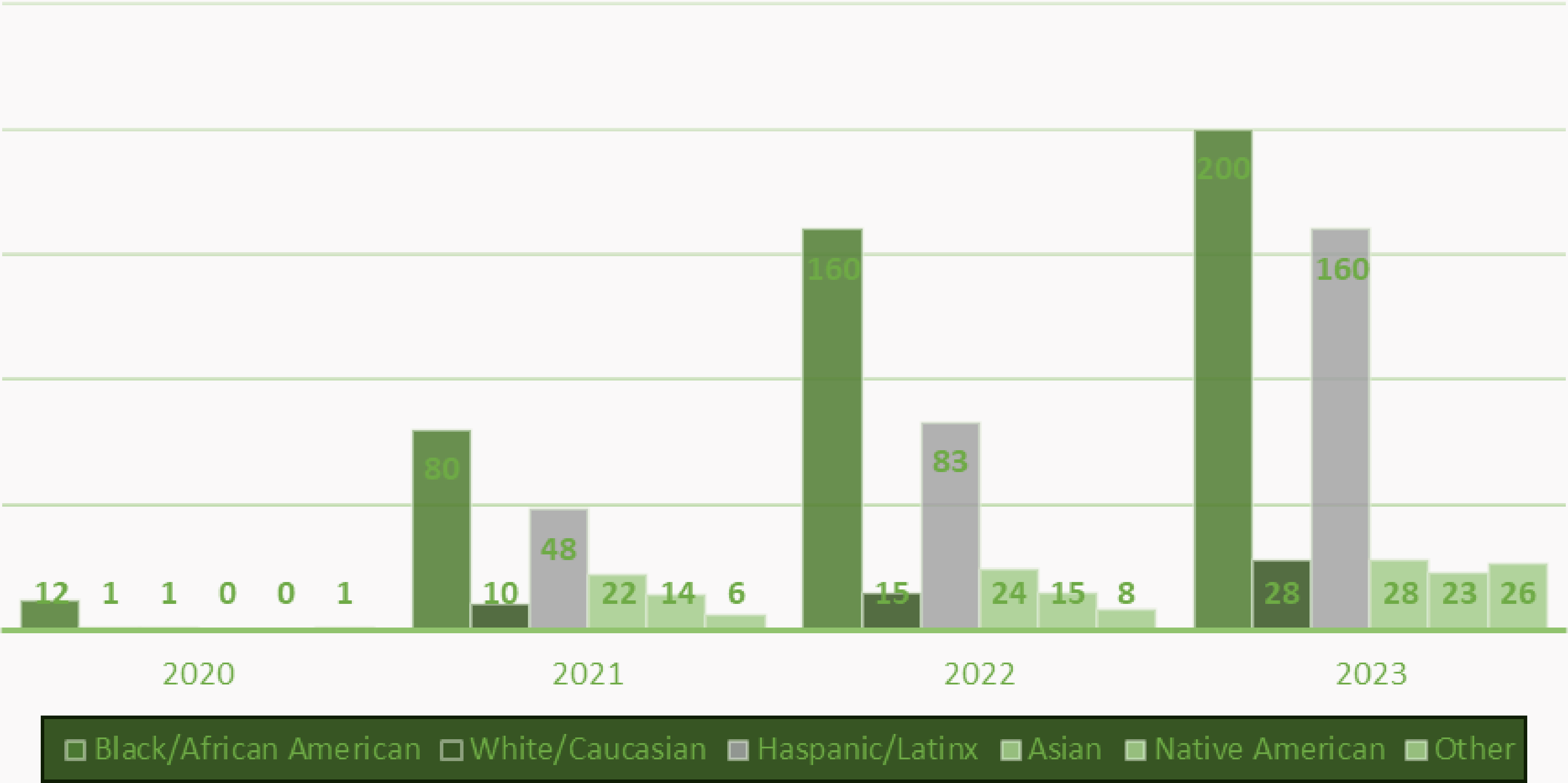
Eliminating Barriers

Academic
Advising

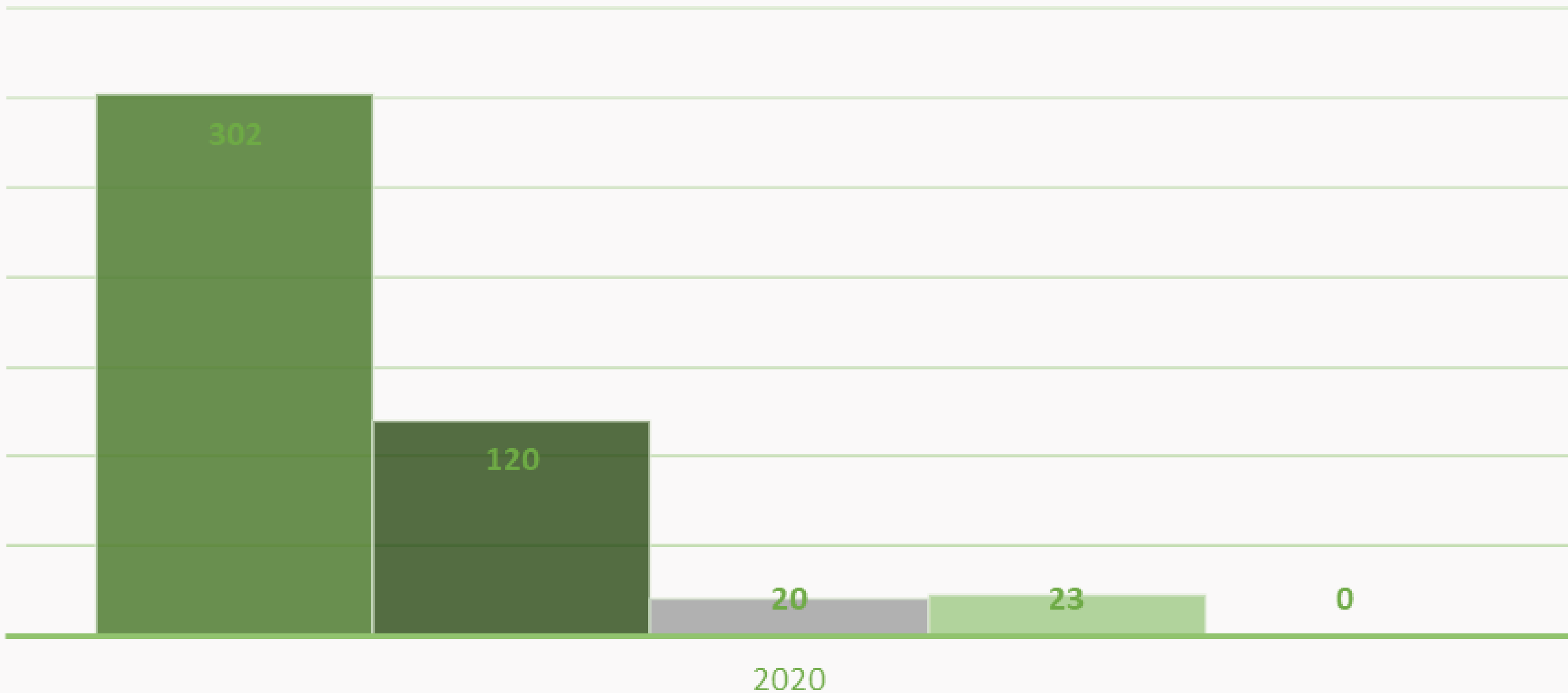


Student
Outreach

Student Demographics



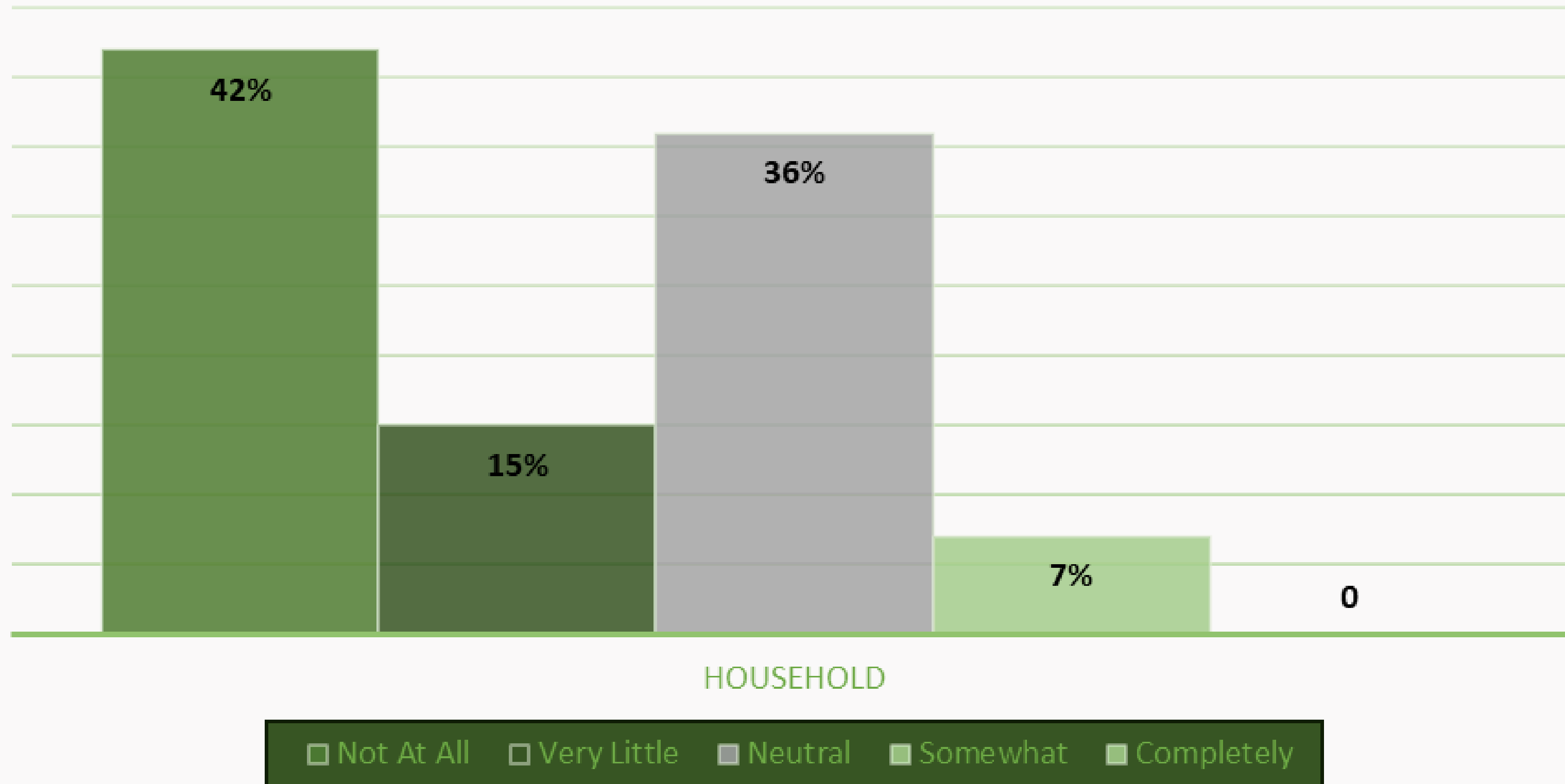
Family Dynamics



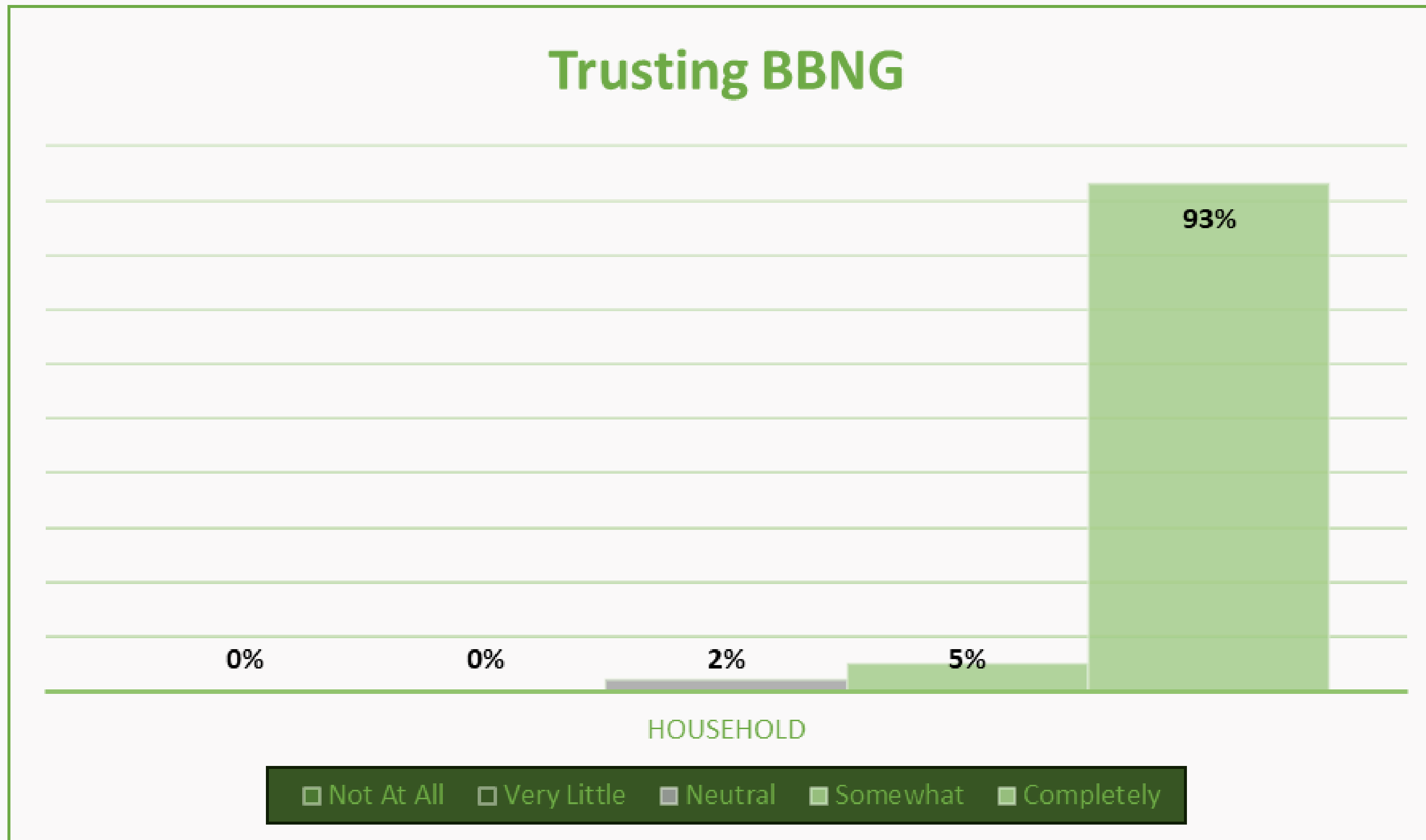
■ Single parent ■ Two Parent ■ Blended Family ■ Foster Care ■ Other

how much do you trust the education system?

Trusting the Schools

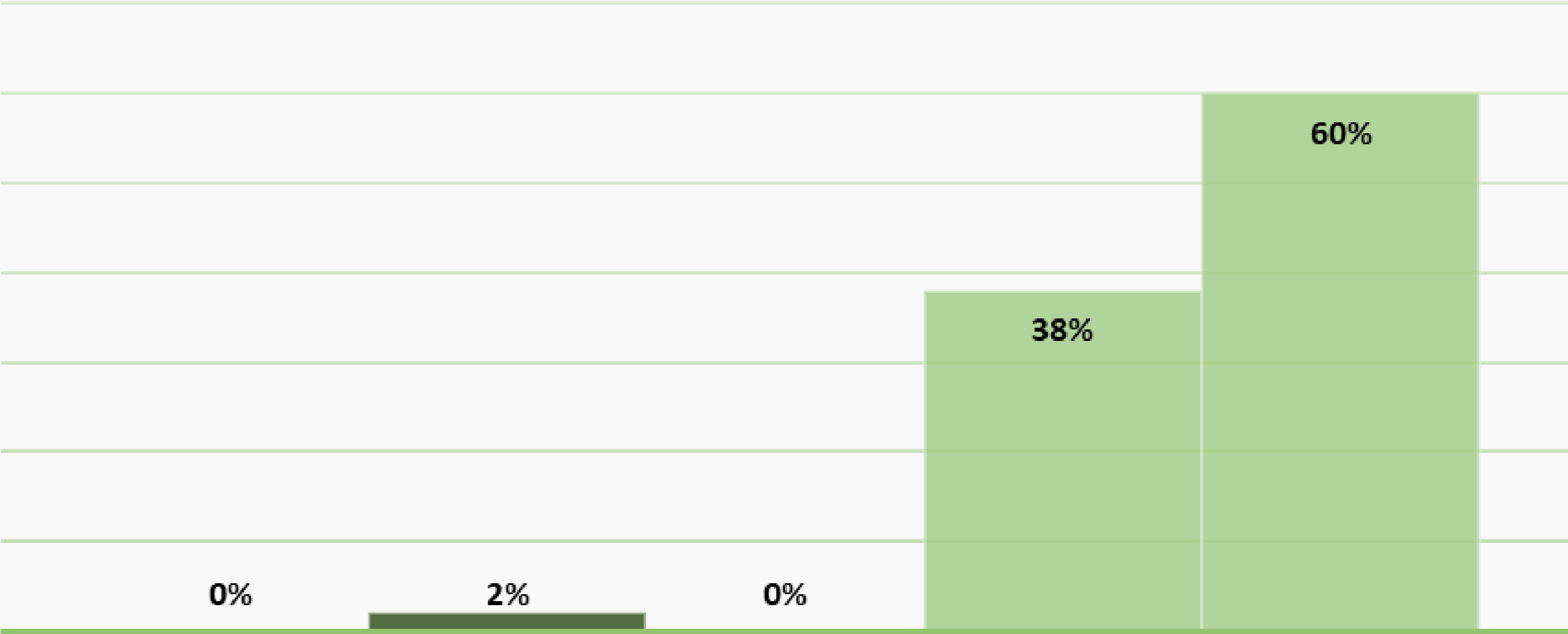


how much do you trust the Bridge Builders to the New Generation program?



Have you been affected by Gun Violence in your community?

Affected By Gun Violence



AFFECTED

- ☐ Not At All
- ☐ Very Little
- ☐ Neutral
- ☐ Somewhat
- ☐ Completely

Student Support

Elementary School: Building up

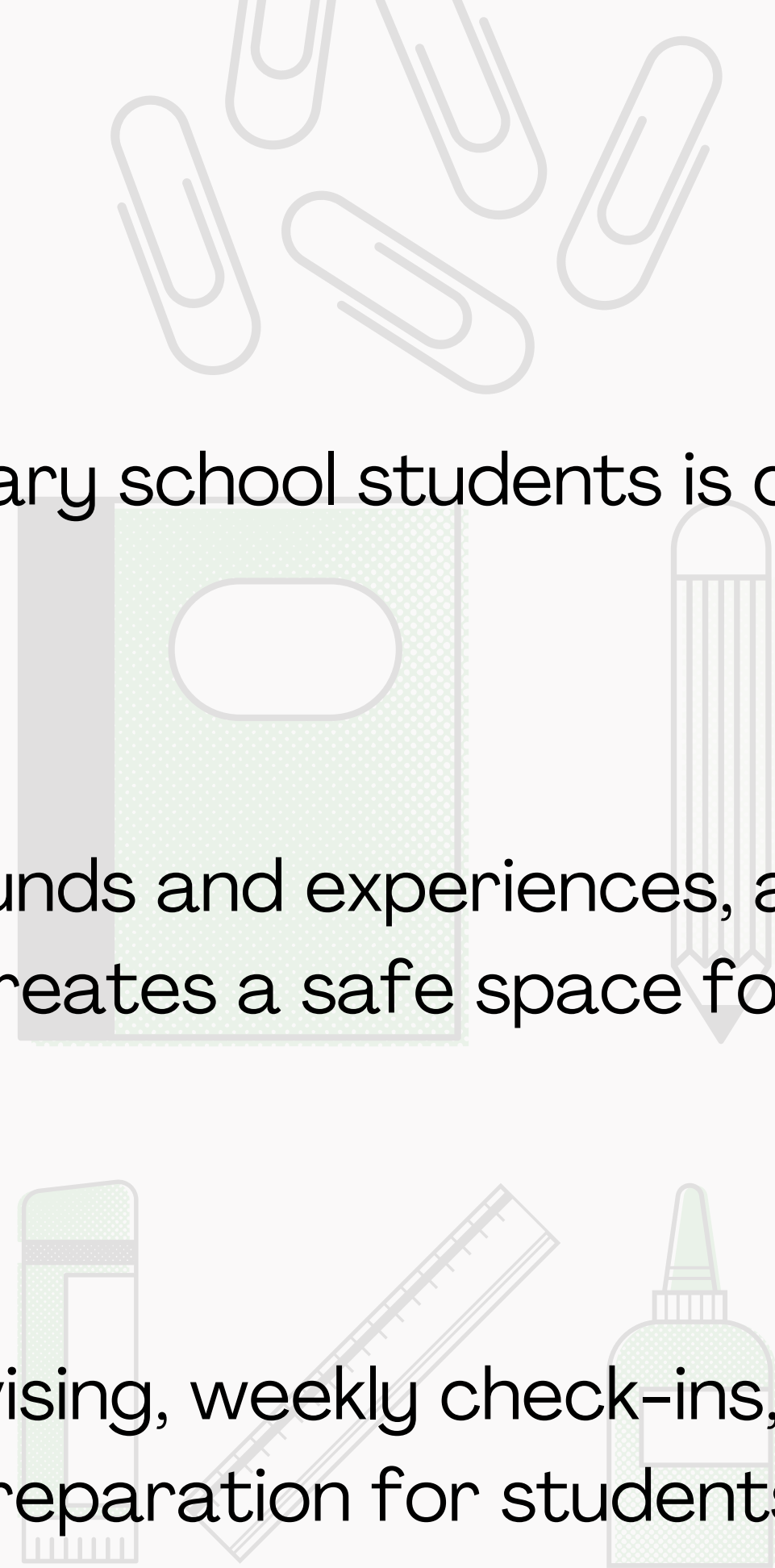
Creating a positive and uplifting environment for elementary school students is crucial for their self-esteem, confidence, and overall well-being.

Middle School: Finding Me

Encouraging self-expression, embracing diverse backgrounds and experiences, and teaching empathy and respect for others' perspectives creates a safe space for students to explore their identities.

High School: Finishing What I started

BBNG include mentorship, subject tutoring, academic advising, weekly check-ins, career readiness, SAT/ACT workshops, and college/A-G preparation for students.



Children from at-risk / low-income communities are not given the same opportunities as children from other communities. Schools can only provide a limited amount of support given the number of hours in a day that children attend school as well as budgetary constraints. In addition, these children often face dangerous situations within their community, have less parental support for homework and frequently deal with emotional and social problems that can interfere with school. Our goal is to level the playing field by providing a sense of purpose / belonging, exposing students to opportunities and offer resources to provide a path to a career that they otherwise would not get.

The statistics overwhelmingly support the importance of graduating High School

- **Addiction rates are twice as high among the unemployed vs those that are employed**
- High school dropouts are more than 8 times as likely to commit crimes and serve prison time versus those who graduate
- Only 1 in 10 youth from low-income families graduate from a four year college or trade school compared to much higher levels in middle and upper income families

What happens when we provide this level of support
When kids are in school, they are in a safer environment
Provide a barrier to drug use
Offer exposure to opportunities
Trades schools versus college
Starting a business versus working for a company
How to invest in their future

College Readiness

Objective

Students will be prepared for life after high school, and students will have a defined college path. Students will receive help filling out college application and financial aid we want to make sure that students are well prepared for higher education.

- Apply for college, Free Application for Federal Student Assistance (FAFSA), and Scholarships
- Take 3 campustours (Fall, Spring, Summer)
- Prepare for the SAT/ ACT
- Set up college emails
- Learn how to do resume/ cover letters
- Get letter of recommendations

Testimonies

“I learned that there are a lot of things to experience at usf and other colleges as well. Essay’s are definitely an important factor when applying to a college; such as activities, extracurricular, and many other things. You can join many clubs/programs to become more tapped in with whatever college you go to. Overall i learned that although college may not be for everyone it is something that everyone should at least consider experiencing”. USF Field Trip



E BUILDERS TO THE NEW GEN

Career Readiness

Objective:

Many students leave high school or College with no defined career path. This could lead to stress, depression, self-hatred, low self-esteem; because students will be working in order to receive compensation.

- Develop your own individualized goal plan.
- Build the skillsneeded to write a resume.
- Receive support on the careersearch process.
- Find a job &/or internship.
- Practice interview skills.

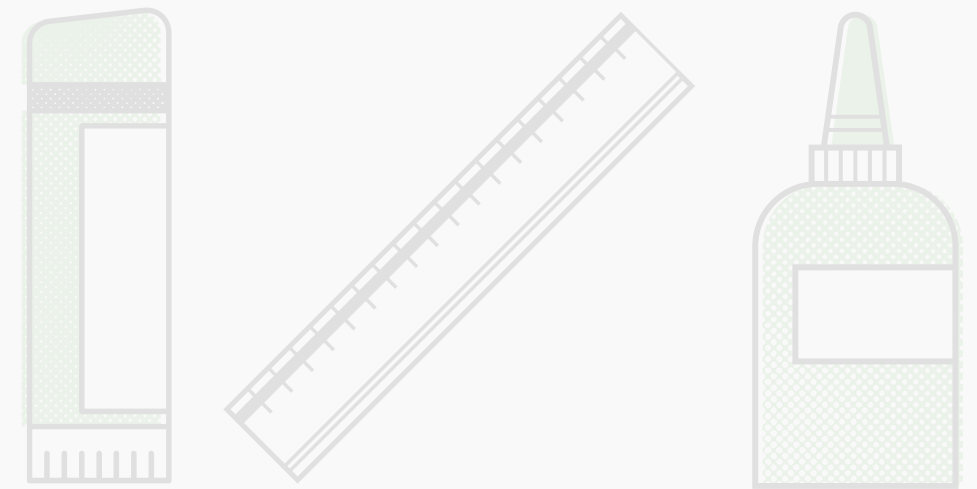


E BUILDERS TO THE NEW GEN

Testimonies

“I learned that having a LinkedIn account is important because you can make new connections with people who have the same interests as you. i also learned that you can work at any job and be honest with your true self no matter what background you come from or how you were raised”.

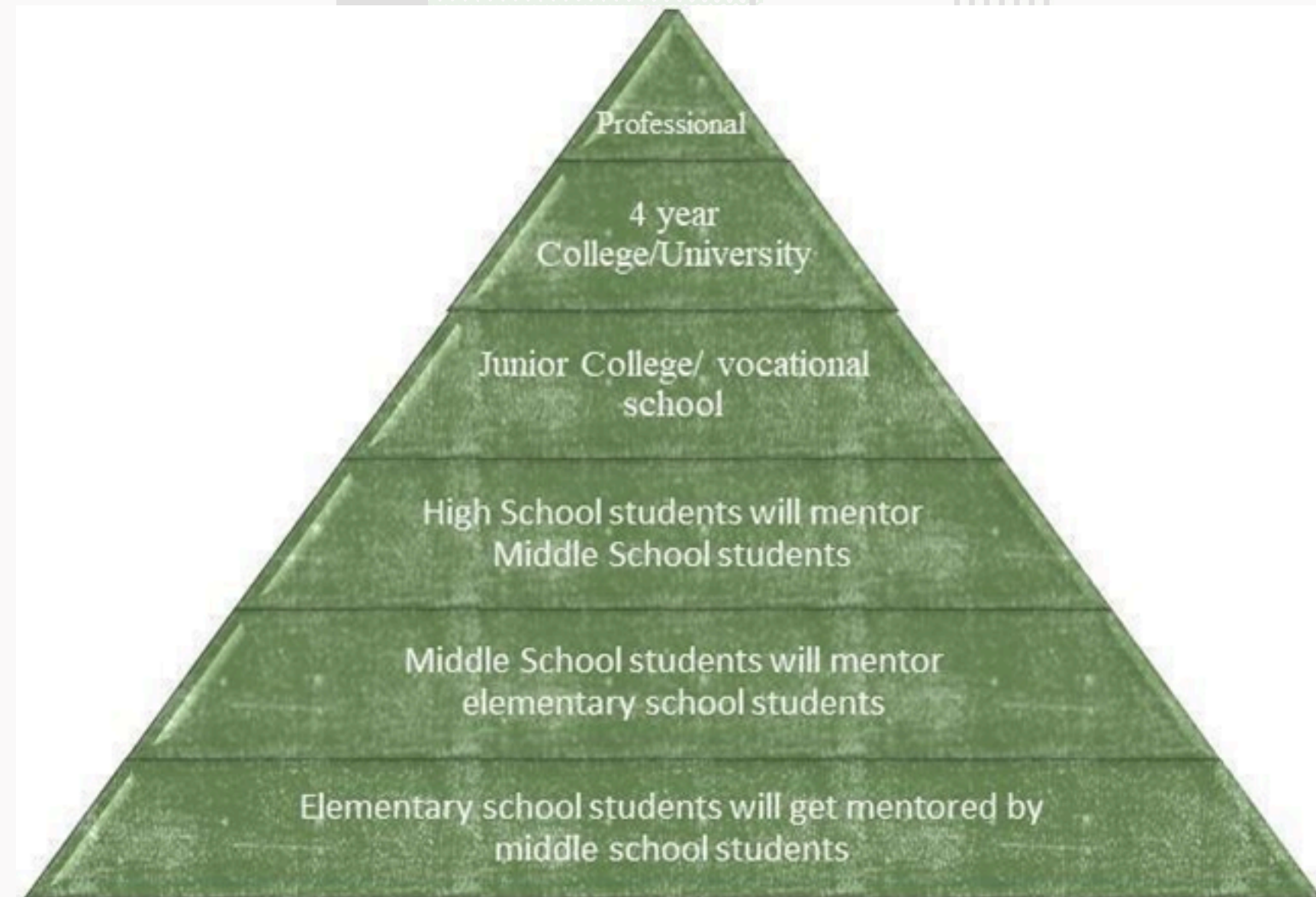
LinkedIn Fieldtrip



Peer Mentorship

Objective:

Generation Student Mentoring program is give our students the responsibility to mentor their peers. Students will gain leadership, accountability, for other students to give them knowledge that they wish they would have had when they were their mentees age.





E BUILDERS TO THE NEW GEN

Testimonies

“It has been a pleasure being a part of Bridge Builders. I have enjoyed spending time with friends and having the guidance of a knowledgeable mentor while still being on campus. The availability of tutoring and assistance with homework has been convenient and beneficial. Although I couldn't participate in the field trips due to volleyball practice, it sounds like a fun experience. Lastly, I appreciate Mr. G's authenticity and honesty with everyone”.

Student & Community Outreach

Objective:

the students and community an opportunity to get connected with each other through education.

- Students will earn community service hours for college applications
- Students will have an understanding on why we are doing community service
- Students will become leaders among their peers
- Students will learn how to set up and organize events, and workshops
- Parents will have workshops to help them with their student's education



BUILDERS TO THE NEW GEN

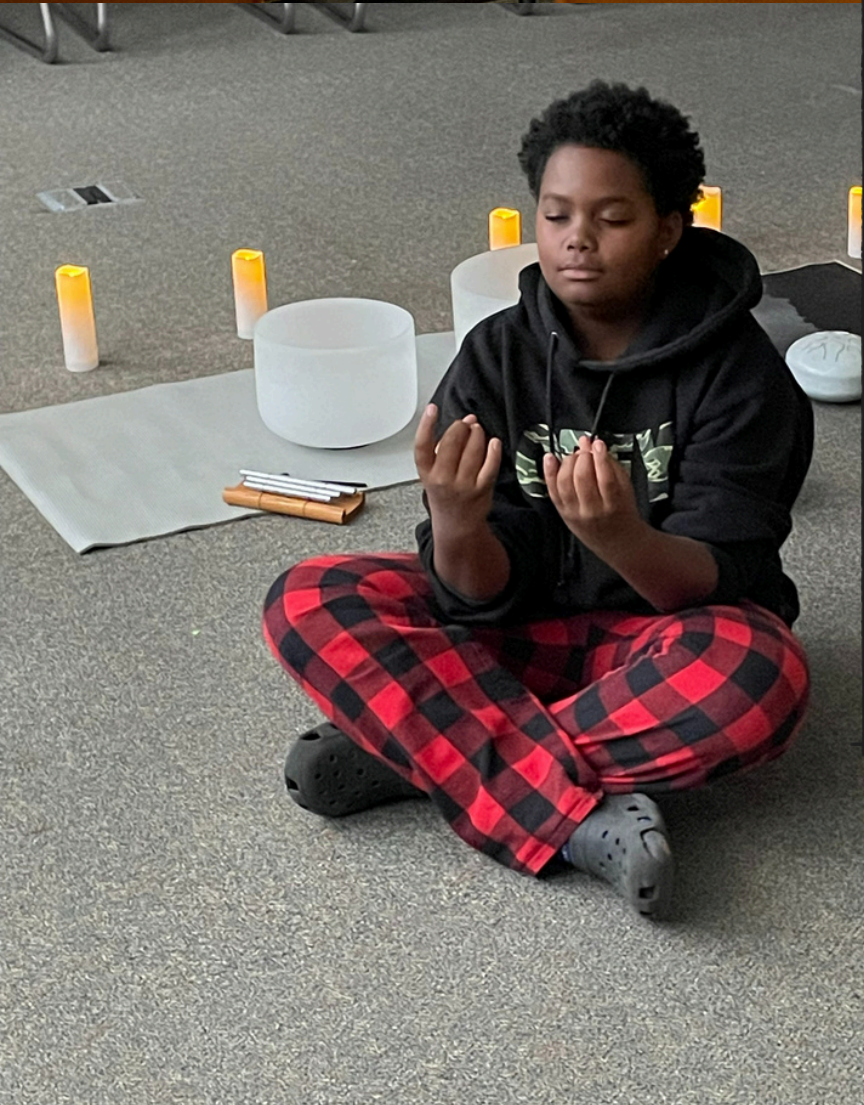
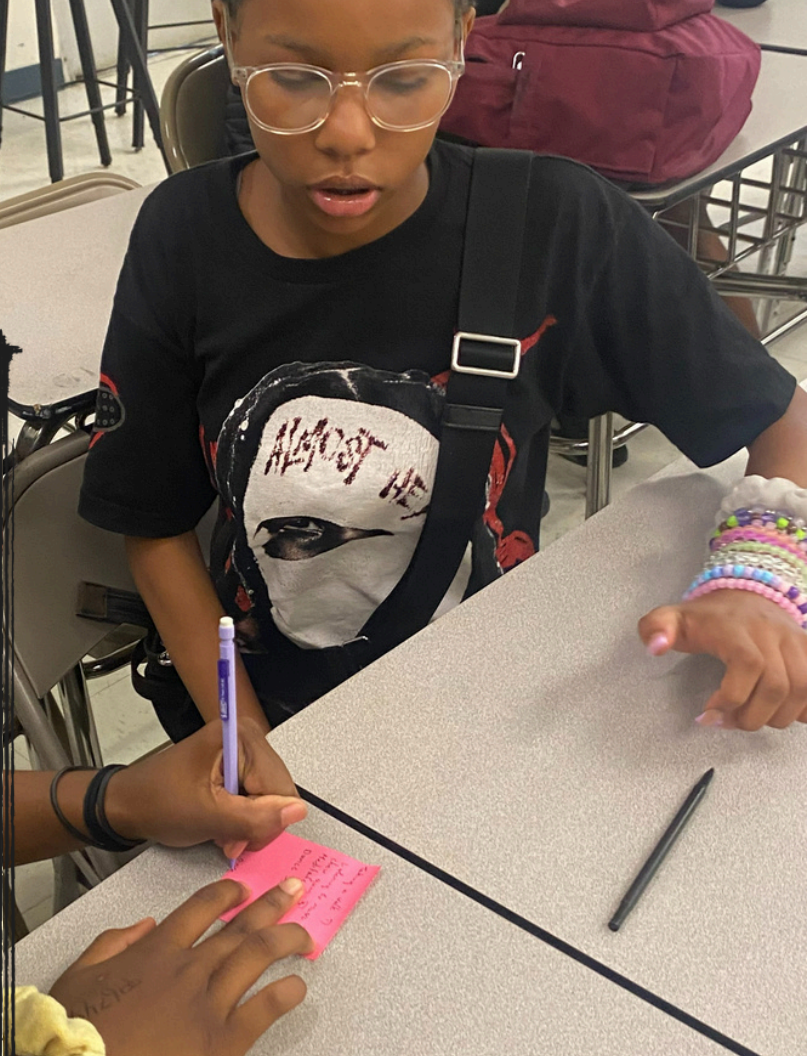
Social Emotional Assistance

Objective:

assisting with identifying and mitigating crises, promoting social justice, and enhancing social functioning so that adolescents in grades k-12 may be better equipped to cope with the many challenges they encounter in life following high school graduation.

- Provide effective tools for managing stress and emotions
- Increase Individual accountability amongst participants
- Promote and increase self-advocacy
- Provide effective tools to improve participant communication skills
- Model appropriate boundaries
- Provide psychosocial education that leads to positive change
- Increase participant self-esteem and confidence





BUILDERS TO THE NEW GEN

Testimonies

“Having Bridge Builders on the New Generation campus provides several benefits, one of which is having someone to talk to and confide in. It's important to recognize that not everyone feels comfortable opening up to their peers, but having a Bridge Builder as a mentor can bridge that gap. They create a safe and supportive environment where students can freely express their thoughts and feelings. Whether it's dealing with personal challenges at home or facing difficulties in school, students can rely on their mentors for guidance and support.

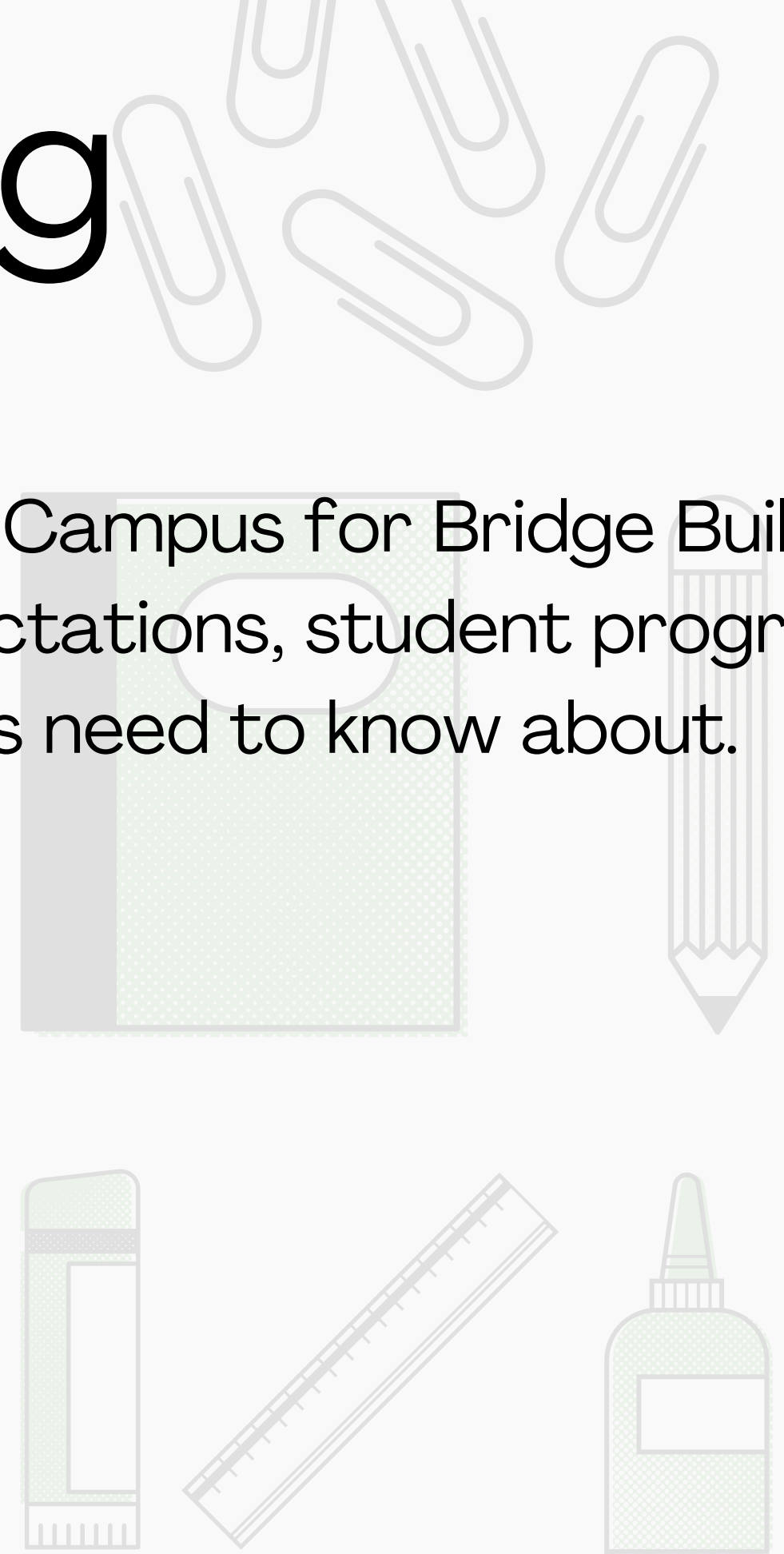
Mentors play a crucial role in assisting students with their mental well-being and providing valuable advice and assistance.

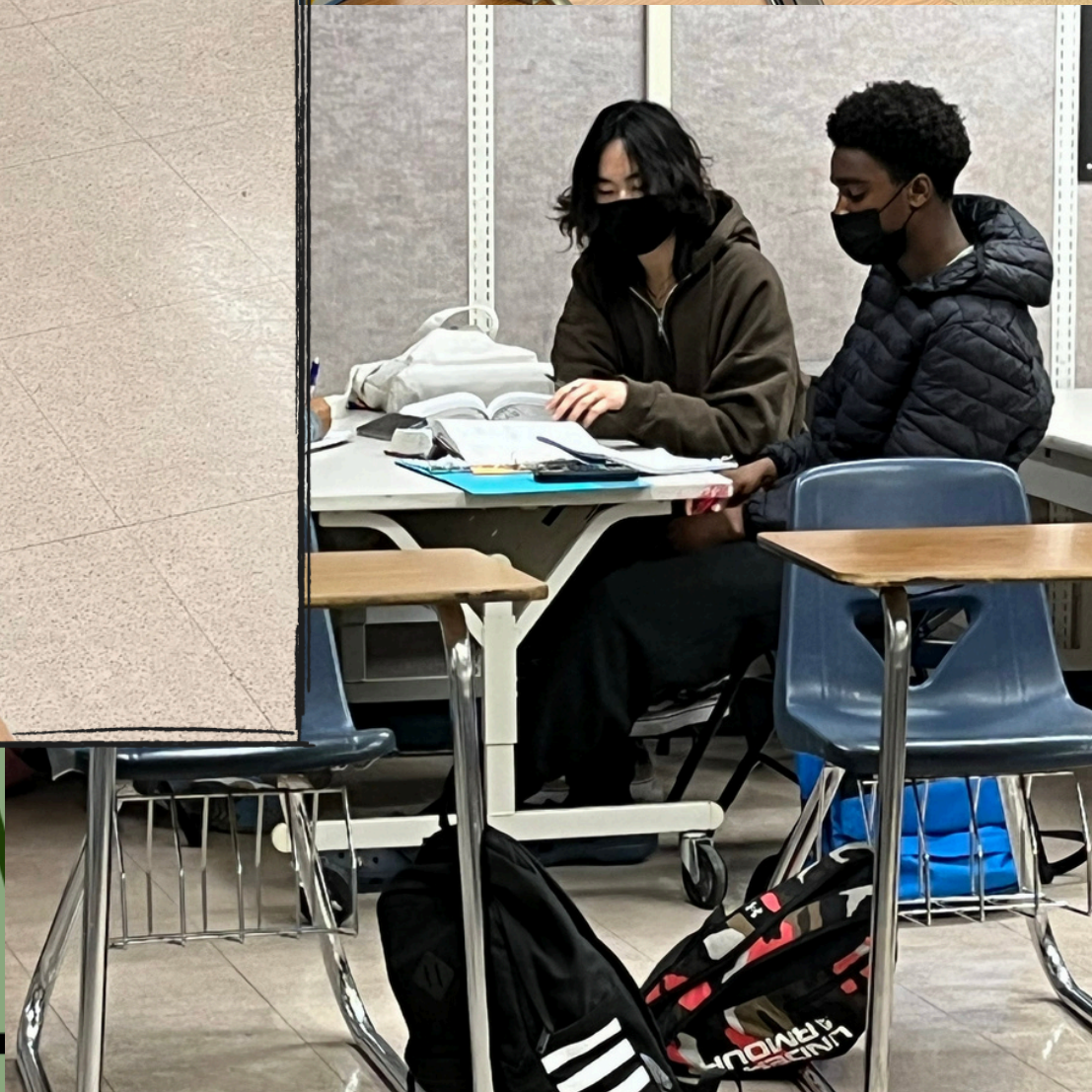
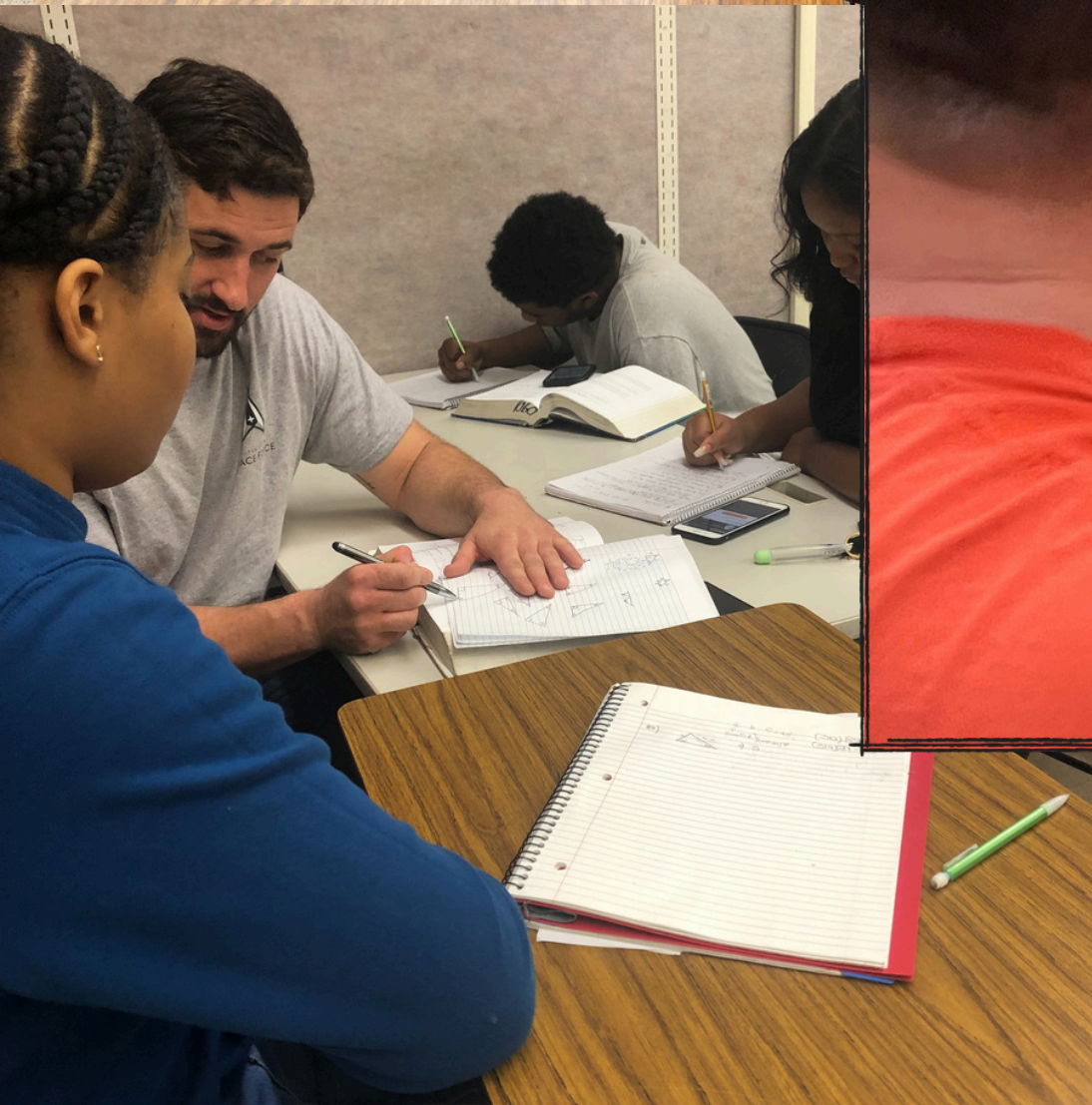
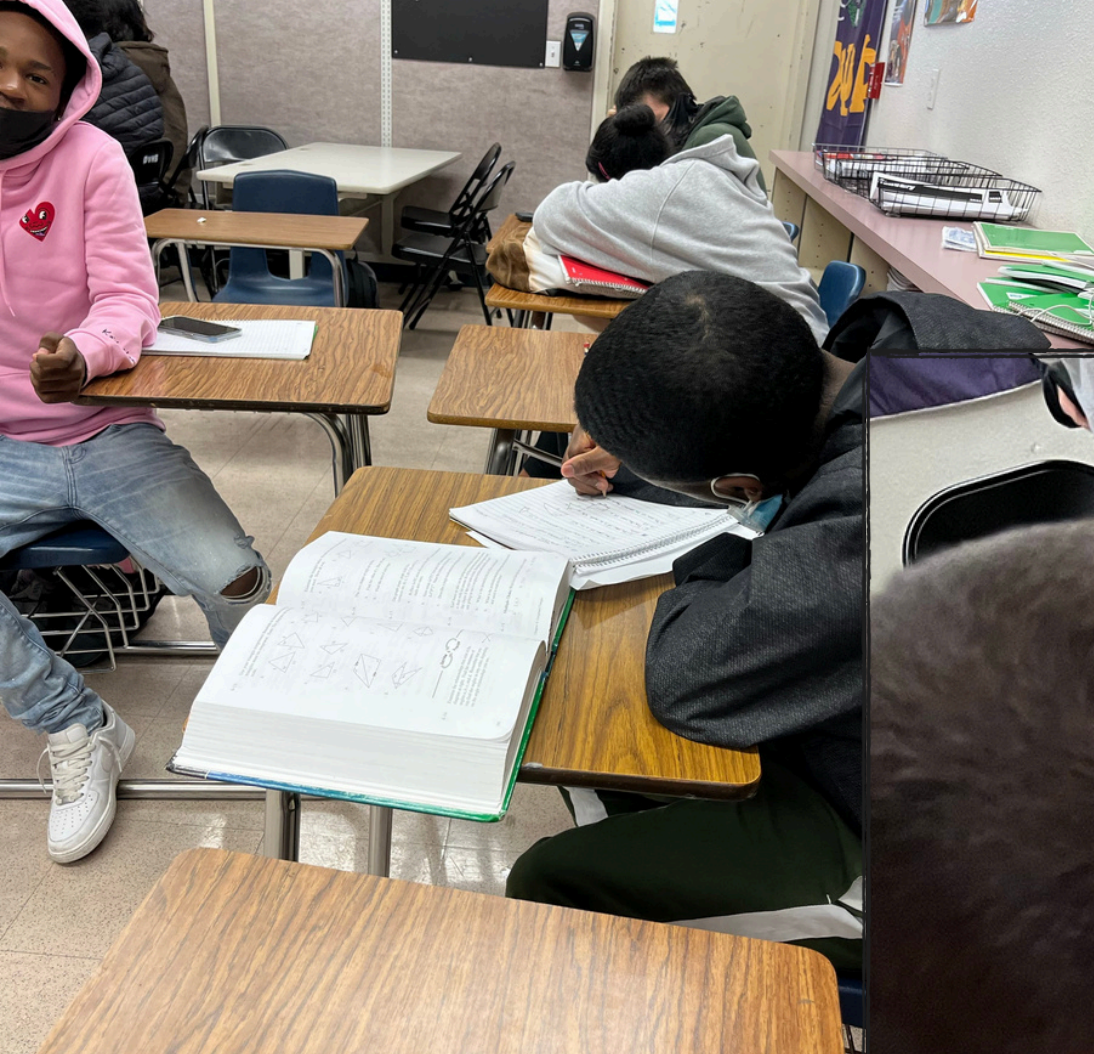
After School Tutoring

Objective:

Students after school are to report to the classroom on Campus for Bridge Builder staff. We will start off with a brief meeting on daily expectations, student progress, student achievement, any upcoming events that students need to know about.

- Get tutoring 3 times a week
- Go to teacher after school at least 3x a week
- Raise grade by 10% in Failing classes
- Keep students engaged in their coursework





E BUILDERS TO THE NEW GEN

STAFF REPORT TO THE CANNABIS COMMITTEE

DATE: Special Meeting of August 5, 2024

TO: Mayor Pro Tem and Committee Chair Wilson and
Councilmember Torres-Walker

PREPARED BY: Kevin W. Kunding, Assistant City Attorney

APPROVED BY: Thomas Lloyd Smith, City Attorney

SUBJECT: 2615 Somersville Rd LLC dba Flavors Antioch: Consideration of
Proposed Operating Agreement and Social Equity Program

RECOMMENDED ACTION

It is recommended that the Cannabis Committee:

1. Recommend approval of the operating agreement and social equity program for 2615 Somersville Rd LLC dba Flavors Antioch, and
2. Direct staff to place the operating agreement and social equity plan on an upcoming City Council agenda for consideration.

FISCAL IMPACT

The proposed action should generate increased revenue for the City and for its social equity program.

DISCUSSION

On September 27, 2022, the Antioch City Council approved a Cannabis Business Use Permit (UP 22-08) for 2615 Somersville Rd LLC dba “Flavors Antioch”.

If the City Council approves its operating agreement, the location of Flavors Antioch will be 2615 Somersville Road Antioch. The business will include retail sales (license type 10, respectively.)

Flavors Antioch is located on a lot with approximately 25,000 square feet of land. The dispensary will operate in a building with 4,057 square feet of space.

Before Flavors Antioch can begin operations, it must obtain City Council approval of its operating agreement. The City has provided the draft operating agreement (“Exhibit A”) for review and comment. It is the same operating agreement as the City is using with

other cannabis businesses, and Flavors Antioch has indicated it is prepared to accept the terms of the operating agreement.

The proposed recipient of the social equity program is Bridge Builders to the New Generation, located at 5032 Tehachapi Way Antioch, CA 94531. Bridge Builders to the New Generation is dedicated to fostering the social emotional learning and mental well-being of youth and families from marginalized communities, providing a supportive and inclusive environment where they can develop essential skills for success in college, career, and life. Our passionate team is committed to empowering underserved youth to lead fulfilling lives by nurturing their growth and offering opportunities for the development of educational, social, vocational, and independent living skills. Their vision is eliminate barriers to success, allowing underserved youth to live their dreams and attain their aspirations while being productive members of society. A copy of Bridge Builders to the New Generation's proposed social equity program is attached as Exhibit B.

ATTACHMENT

- A. Draft operating agreement
- B. Bridge Builders to the New Generation's proposal
- C. Bridge Builders to the New Generation's presentation

ATTACHMENT A

RECORDING REQUESTED BY,
AND WHEN RECORDED, MAIL TO:

City of Antioch
200 H Street
Antioch, CA 94509
Attn: City Clerk

Exempt from recording fee per Government Code §6103

OPERATING AGREEMENT

This Operating Agreement ("**Agreement**") is entered into between the City of Antioch, a municipal corporation ("**City**") and 2615 Somersville Rd LLC, a California limited liability company, which will do business as Flavors Antioch ("**Operator**"), whose address is 2615 Somersville, Antioch, California 94509. City and Operator may be referenced herein as "**Party**" or collectively as "**Parties**."

RECITALS

- A. Operator submitted an application for approval of a use permit and design review for a cannabis business, as further detailed herein.
- B. On September 27, 2022, by Resolution No. 2022/169, the City Council approved a Cannabis Business Use Permit to operate cannabis business UP 22-08 ("**CBUP**"). A copy of the CBUP is attached hereto as **Exhibit A** and incorporated herein. The CBUP relates to the Site, as described in **Exhibit B**, attached hereto and incorporated herein.
- C. One condition of the CBUP is that the City and Operator execute an Operating Agreement. This Agreement meets this requirement of the CBUP.
- D. On _____, 2024, the City Council adopted Resolution No. 2023/___ approving this Agreement.

AGREEMENT

- 1. **Recitals.** The Recitals set forth above are incorporated herein as if fully set forth in this Agreement.
- 2. **Definitions.** The following terms, when capitalized herein, shall have the meanings specified below.
 - a. Agreement—This Agreement between the City and Operator.
 - b. Applicable Law—All applicable federal, state, regional, and local statutes, regulations, and rules including the Uniform Building Code and other Uniform Codes, the California Environmental Quality Act, the City's ordinances, resolutions, rules, and regulations, as each statute, regulation, regulation, rule,

ATTACHMENT A

Code, ordinance, and resolution may be amended from time to time, excluding such federal law which may conflict with state or local laws authorizing cannabis businesses or operations.

c. Business Operations—The commercial cannabis business operated at the Site by Operator, its officers, officials, employees, agents, and consultants, as approved by the City Council in the CBUP, and as subject to the terms and conditions of this Agreement.

d. Cannabis—Both medical and non-medical cannabis as defined by Health & Safety Code section 11362.5 and Business and Professions Code sections 26000 *et seq.*

e. Cannabis Business Use Permit—the Cannabis Business Use Permit UP 22-08, attached hereto as **Exhibit A**, as approved by City Council Resolution No. 2022/169.

f. City—the City of Antioch, California.

g. City Attorney—the City Attorney of the City.

h. City Council—the City Council of the City.

i. City Manager—the City Manager of the City.

j. Operator—2615 Somersville.

k. Fees—All charges, expenses, costs, monetary exactions, and any other monetary obligations imposed on Operator by City, other than assessments or regular or special taxes, and not limited to fees paid pursuant to this Agreement.

l. Gross Receipts—The total of amounts actually received or receivables from sales and the total amounts actually received or receivable for the performance of any act or service for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares, or merchandise. Gross receipts shall also include all receipts, cash, credits and property of any kind without deduction of the cost of the property sold, the costs of the materials used, labor or services costs, interest paid or payable, or losses or other expenses whatsoever. Excluded from “gross receipts” are the following:

- Cash discounts allowed and taken on sales
- Credit allowed on property accepted as part of the purchase price and which property may later be sold
- Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser
- Such part of the sale price of property returned by a purchaser upon rescission of the contract of sale as is refunded whether in cash or by credit
- Amounts collected for others where the business is acting as an agent or trustee to the extent that such amounts are paid to those for whom collected, provided the agent or trustee furnishes to the City the names and addresses of the others and the amounts paid to them
- Receipts of refundable deposits, except that refundable deposits forfeited and taken into income of the business are not excluded

ATTACHMENT A

The intent of this definition is to ensure that, in calculating payments to the City, all sales and revenue from the Business Operations are captured and, therefore, this definition shall be given the broadest possible definition consistent with this intent.

m. Major amendment—Any modification to this Agreement that makes a substantive change, modification, or deviation in the terms of this Agreement or any Exhibits hereto.

n. Minor amendment—Any modification to this Agreement that does not make a substantive change, modification, or deviation in the terms of this Agreement or any Exhibits hereto.

o. Police Chief—the Police Chief of the City.

p. Project—The Business Operations, Site Development, Odor and other Mitigation Plans, Security Plans, and all other terms and conditions applicable to Operator's Business Operations.

q. Site—The physical location of the Operator's Business Operations, as described in **Exhibit B**, attached hereto.

r. Square Footage under Cultivation--the actual amount of canopy (measured by the aggregate area of vegetative growth of live cannabis plants on the premises including the area occupied by vertically and horizontally stacked canopies) that is limited by the maximum amount a cannabis business is authorized to cultivate by this Agreement or the CBUP, without deducting for unutilized square footage.

s. State license(s)—the license(s) issued by the State, whether through the Bureau of Cannabis Control or other regulatory agency authorizing the Operator to conduct its Business Operations

3. **Effective Date.** This Agreement shall be effective as of the date of the Resolution approving this Agreement, or such other date (if any) as specified in the Resolution approving this Agreement.

4. **Term of Agreement.** The initial term of this Agreement shall be ten years, with two possible extensions of five years each. This Agreement may be extended by mutual agreement of the Operator and the City Council on such additional terms and conditions as to which the Parties may agree. At the end of the term, Operator agrees to cease all Business Operations at the Site, notwithstanding the terms and conditions of the CBUP. The parties agree that, prior to the end of the initial ten-year term, they will meet and confer in good faith with the goal either of continuing this Agreement on the same terms and conditions or of modifying the Agreement so that the Business Operations may continue for the mutual benefit of the City and the Operator.

5. **Operating Conditions.** In addition to the terms and conditions set forth in the CBUP, Operator's Business Operations shall be subject to the additional terms and conditions:

a. Hours of operation of retail sales on the Site shall not exceed 7 days per week, 8:00 a.m. to 8:00 p.m. There are no other hours' restrictions on the Business Operations, including delivery.

b. Subsequent to the annual audit by the Police Department or a third party selected by the Police Department, the Police Chief shall have the discretion to require additional security measures or modify existing security measures at the Operator's expense, as may be required by law or reasonable for public safety. At Operator's expense, the Police Chief may also determine to require additional security

ATTACHMENT A

measures at any time upon the Department's finding that existing security measures are insufficient for the Business Operations to comply with the terms of the CBUP or to adequately protect public health and safety. The Police Chief's determination is appealable to the City Manager.

c. The City Manager may impose additional mitigation measures, whether relating to odor or other factors affecting public health and safety, on the Project at Operator's expense, as may be required by law or reasonable to maintain public health and safety. The City Manager's determination is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

6. Fees.

a. Operator agrees to pay all fees, whether imposed by the City, state, or other regulatory agencies in a timely manner. Operator's failure to pay such fees in a timely manner may, at the City's sole discretion, constitute Evidence of Default. City may provide thirty (30) days' prior written notice to Operator as to any unpaid City fees. If Operator fails to pay such fees, plus any interest or penalties due for late payment, Operator agrees that the City may record on the property which is the subject of the CBUP one or more liens for the fees owed.

b. Operator agrees to pay City beginning with the fifteenth of the month immediately following the date the City issues the Certificate of Occupancy for the Site the amounts set forth in Exhibit C, attached hereto and incorporated herein. The amount due for Gross Receipts is payable thereafter on the 15th of each month or, if the 15th is a weekend day or a national or state holiday, on the next business day ("Due Date"). The amount due based on square footage, with adjustments made during the year as square footage is increased or decreased, is payable thereafter quarterly, on January 15, April 15, July 15, and October 15 or, if the 15th is a weekend day or a national or state holiday, on the next business day ("Due Date"). The Operator shall also submit with each payment required by this section a report on a form provided by the Operator and approved by the City which lists the gross receipts for the period, any adjustments to the gross receipts and basis therefor, the gross receipts subject to the percentages set forth in Exhibit C, the square footage cultivated for the period, and the total amount due.

c. A payment is late or deficient under this Section if not postmarked by or received by the City Finance Department on or before the Due Date. A late or deficient payment shall be subject to a one-time penalty of five percent (5%) of the amount owed, plus monthly non-compounding interest at the maximum rate allowed by law, but not to exceed an annualized amount of ten percent (10%).

d. If the City Manager is not satisfied with the veracity of report(s) filed by Operator regarding the Business Operations' total gross receipts or square footage, the City Manager may compute and determine the amount of the fees to paid on the gross receipts or square footage and make a deficiency determination upon the basis of the facts contained in such report(s), or upon the basis of any information in City's possession, or that may come into City's possession within three years of the date the fees are paid. One or more deficiency determinations of the amount of fees owed for a period or periods may be made. The determination of the City Manager pursuant to this subsection is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

ATTACHMENT A

7. Social Equity Program.

a. Operator agrees to implement and maintain for the entirety of the term of this Agreement a Social Equity Program ("**Equity Program**") to benefit the City and its residents, to foster equitable participation in the cannabis industry, and to create business opportunities for those most negatively impacted by the enforcement of cannabis laws prior to the legalization of cannabis in California. Operator shall initiate its Equity Program within three months of this Agreement's Effective Date.

b. Operator shall prepare a written Social Equity Program Plan ("**Equity Plan**"), which includes the Equity Program's description, a non-profit social equity program plan organization ("**Equity Plan Organization**") located in Antioch and approved by the City, and an action plan with goals, tasks, responsible parties, timelines, and measurable outcomes. The Equity Plan is set forth in Exhibit D, attached hereto and incorporated herein. Operator shall provide a written report, semi-annually, to the City Manager and City Attorney on its progress in carrying out the Equity Program's goals and measurable outcomes. Upon request of the City Manager or City Attorney, Operator also agrees to provide a presentation to the City Council on the Equity Plan's goals and measurable outcomes. The Equity Plan may be modified in writing by request of the Operator and only with prior written approval of the City Manager or the City Attorney.

c. If the City Council, the City Manager, or the City Attorney determine that Operator's Equity Plan does not adequately achieve the City's goals as set forth herein, the City Council, the City Manager, or the City Attorney shall have the discretion to require the Operator to modify its Equity Plan subsequent to one or more meetings with the Operator.

d. Operator agrees to fund its Equity Plan, as detailed in Exhibit D, with the first payment submitted to its Equity Plan Organization at the same time as the first payment for gross receipts and/or square footage is due under Section 6b hereof. Subsequent payments to its Equity Plan Organization shall be made quarterly with each subsequent quarterly payment due on January 15, April 15, July 15, and October 15 or, if the 15th is a weekend day or a national or state holiday, on the next business day. Late payment from the Operator to the Equity Plan Organization shall be subject to the same penalties and interest set forth in section 6 hereof.

8. Applicable Law. At all times, Operator shall conduct its Business Operations consistent with Applicable Law, including the City's ordinances, rules, and regulations; the CBUP; and this Agreement, as each may be amended or modified from time to time. Any violation thereof by Operator or its Business Operations may, at the City's discretion, be considered Evidence of Default.

9. Default.

a. If the City Manager finds Evidence of Default, the City Manager shall provide at least forty-five (45) days' written notice thereof to Operator, with the notice specifying the nature of the default, the facts supporting such Evidence of Default, and the manner in which the Default may be cured. Within that forty-five day period, Operator shall cure the Default to the City Manager's reasonable satisfaction, provide evidence with supporting facts as to why no Default exists, or provide alternatives satisfactory to the City Manager to address the Default.

ATTACHMENT A

b. If the City Manager is not satisfied with Operator's response and/or believes a Default continues to exist, then the City Manager may, at his/her sole discretion:

- Order the Operator to suspend all Business Operations at the Site until the Default is cured.
- Take such other action as may be authorized by the CBUP or this Agreement.
- Remedy the Default and charge the costs thereof to the Operator, who agrees to pay such sums.

c. The decision of the City Manager under this section is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

d. The remedies of this section, plus any other remedies set forth in this Agreement and remedies available in law or in equity are cumulative, and non-exclusive. Such remedies are distinct and separate whether or not exercised by the City. The City may, in its discretion, exercise any or all of its rights and remedies, at once or in succession, at such time or times as it considers to be appropriate.

10. Record Keeping. Operator shall keep, maintain, and preserve to the extent applicable all records that may be necessary to determine the amount of gross receipts, the number of retail delivery vehicles, the amount of cannabis manufactured, the amount of cannabis delivered, and any and all other records by which City may determine and verify the amount of fees due to the City pursuant to Section 6 hereof. At Operator's expense, City shall have the option of conducting, whether by City staff or by a City-selected consultant, an annual audit to verify the fees due to the City pursuant to Section 6 hereof and compliance with Exhibit D. City shall have the right to inspect such records at all reasonable times during normal business hours and upon not less than five (5) business days' prior notice. To the extent permitted by Applicable Law, City agrees to treat such records as confidential.

11. Annual Review. In addition to the right to conduct an audit pursuant to Section 10 hereof, the City Manager, at his/her discretion, may direct City staff or a third party to review, no more frequently than once per year, the Business Operations and compliance thereof with the CBUP and this Agreement. Operator shall be responsible for paying the costs of this annual review, which shall not exceed \$10,000 per review, adjusted annually by the CPI index for Bay area cities. In the event there is good cause for a review that would exceed \$10,000 (as adjusted annually), Operator and City shall negotiate a minor amendment to allow for such review. Generally, "good cause" shall be considered present upon the City's finding of a discrepancy, inconsistency, or omission in Operator's records, or when Operator is found to have violated this Agreement, or there is evidence substantiating a claim that Operator committed a regulatory violation under the laws of the State of California or the City's rules and regulations. Such determination will be based on the City's rules and regulations as well as the relevant laws and regulations of the State of California. Based on this review, City may require additional mitigation measures or other changes to the Business Operations to assure compliance with the CBUP and this Agreement.

12. Amendments. This Agreement may be amended from time to time, if in writing and signed by both parties. The City Manager or the City Attorney shall have the discretion to approve a Minor Amendment to this Agreement or to refer such Minor Amendment to the Council for review and possible action. The City Council, at a duly noticed public meeting, shall have the discretion to approve a Major Amendment or a Minor Amendment, which has been referred to the Council.

ATTACHMENT A

13. Assignment. City has entered into the Agreement with Operator in reliance upon Operator's specialized knowledge, experience, and expertise relating to the Project and cannabis-related business. Therefore, this Agreement may not be assigned or otherwise transferred by Operator, whether to a third party or to another entity (even if Operator is a partner, owner, or otherwise a participant in such entity), without the prior written authorization of the City Council at a duly noticed meeting. Any such assignment or transfer, at City's sole discretion, may be considered Evidence of Default. Should Operator wish to assign or otherwise transfer the Agreement, Operator shall provide evidence to the reasonable satisfaction of the City Manager and the City Attorney of the specialized knowledge, experience, expertise, and financial stability of the proposed assignee or transferee prior to review and possible approval by the City Council.

14. Indemnification. Operator agrees to indemnify, defend, and hold harmless City, its officers, officials, employees, agents, and consultants from any and all administrative, legal, or equitable actions, claims, or other proceedings instituted by any person or entity not a party to the Agreement challenging the validity of the Agreement or any action arising out of or relating to the Agreement. Operator shall pay for City's costs of defense, whether directly or by timely reimbursement on a monthly basis. Such costs shall include, but not be limited to, all court costs and attorney's fees expended by the City in defense of the action or proceeding, plus staff and consultant time spent in regard to defense of the action or proceeding. The parties shall use best efforts to select mutually agreeable defense counsel but, if the parties cannot reach agreement, City may select its own legal counsel and Operator agrees to pay directly or timely reimburse on a monthly basis City for all such court costs, attorney's fees and time referenced herein.

Operator further agrees to indemnify, defend, and hold harmless City, its officers, officials, employees, agents, and consultants from any and all claims, costs, and liability for any damages, personal injury or death, or property damage which may arise directly or indirectly from Operator's Business Operations pursuant to this Agreement, except as caused by City's sole or gross negligence.

15. Insurance.

a. For the term of the Agreement, Operator shall be required to, and agrees to, maintain in full force and effect public liability and property damage insurance, including personal injury in an amount of not less than three million dollars (\$3,000,000) per occurrence and five million dollars (\$5,000,000) aggregate, and automobile insurance for owned and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate. Each policy shall have such coverage and limits as may be reasonably requested by City from time to time. Each policy shall have a self-insured retention of not more than one hundred thousand dollars (\$100,000.)

b. The insurance referenced herein shall include endorsements, naming as additional insureds the City, its officers, officials, employees, consultants, and agents. The endorsements shall also specify that the insurance is primary, with any policies held by the City to be non-contributing.

c. The insurance referenced herein shall be evidenced by certificate(s) of insurance, which shall be kept current during the term of this Agreement.

d. The certificate(s) and endorsement(s) shall be provided to, and approved by, the City Attorney prior to Operator beginning Business Operations.

ATTACHMENT A

e. The insurance shall be placed with a company authorized to transact business in the State of California and with a rating of not less than A.M. Best-A, or such other rating as approved by the City Attorney.

f. Operator shall provide at least thirty (30) days' prior written notice of any cancellation, reduction in scope or amount, or material modification of the insurance referenced herein.

g. If Operator fails to maintain the insurance referenced herein, the City in its sole discretion may obtain such insurance at Operator's expense, with Operator obligated to promptly reimburse the City, or determine such failure to be Evidence of Default.

16. Notices. Any notice or communication required by the Agreement between the parties shall be in writing and may be delivered either personally or by registered mail, return receipt requested. Notice, whether given by personal delivery or by registered mail, shall be deemed to have been given and received on the day of actual receipt at any of the addresses designated below as to the party to whom the notice is sent. Any party hereto may at any time, upon written notice to the other party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. However, should a party's address no longer be valid such that delivery by registered mail, return receipt required, is not successful, then delivery by U.S. mail shall be effective five business days after mailing of notice. Such notices or communications shall be given to the parties at the addresses set forth below:

To the City of Antioch:

If by personal delivery:

City of Antioch
200 H Street
Antioch, CA 94509

Attn: City Manager

If by U.S. mail:

City of Antioch
P. O. Box 5007
Antioch, CA 94531-5007

Attn: City Manager

With a copy to:

If by personal delivery:

City of Antioch
200 H Street
Antioch, CA 94509

Attn: City Attorney

If by U.S. mail:

City of Antioch
P. O. Box 5007
Antioch, CA 94531-5007

Attn: City Attorney

To Operator:

2615 Somersville Rd LLC
2615 Somersville Rd
Antioch, CA 94509

With a Copy to:

Drivon Consulting, Inc.

ATTACHMENT A

3439 Brookside Road Suite 104

Stockton, CA 95210

Tel.: (209) 915-5516

Email: zach@drivonconsulting.com

Attn: Zach Drivon, Attorney & CEO

AND

Feuerstein Kulick LLP

1940 Embarcadero

Oakland CA 94606

Attn: Kieran Ringgenberg

17. **Miscellaneous**

a. Each party has had an equal opportunity to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply to the Agreement.

b. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of the Agreement shall continue in full force and effect, unless enforcement of the Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purpose of the Agreement.

c. The Parties shall take all steps reasonable and necessary to effectuate the terms and intent of the Agreement. However, no provision of the Agreement shall limit, or be construed to limit, the right of the City, the City Manager, the City Attorney, or the City Council to exercise discretion as to the Agreement or other matters.

d. The Parties are not, and shall not be construed, to be partners or joint venturers.

e. The only parties to the Agreement are City and Operator. There are no third-party beneficiaries and the Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person whatsoever.

f. In the event that suit is brought by either Party to the Agreement, the Parties agree that venue shall be exclusively vested in the state court of Contra Costa County, or in the U.S. District Court for the Northern District of California.

g. This Agreement and the Exhibits attached hereto contain all the representations and the entire agreement between parties with respect to the subject matter hereof.

h. The Parties acknowledge that City would not have entered into this Agreement had it been exposed to damage claims from Operator for any breach hereof. As such, the Parties agree that in no

ATTACHMENT A

event shall Operator be entitled to recover damages against City for breach of this Agreement. The City agrees that, notwithstanding any claims against Operator and/or City as referenced above, as long as Operator's State license remains intact and the Operator is in full compliance with this Agreement, the CBUP, and the City's rules and regulations, Operator's business shall be allowed to continue in operation pending the outcome of relevant public hearing(s) scheduled to address alleged violations of this Agreement and/or Operator's CBUP.

i. This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

j. All waivers must be in writing to be effective or binding upon the waiving party and no waiver shall be implied from any omission by a party to take or not take any action with respect to default or other matters. Failure by a party to insist upon the strict performance of any provisions of the Agreement by the other party shall not constitute waiver of such party's right to demand strict compliance by the other party in the future. Furthermore, no express written waiver of any default shall affect any other default or cover any other period of time unless specified in such express waiver.

k. Notwithstanding termination or expiration of this Agreement for any reason, Sections 6c, 6d, 10 and 14 shall be continuing obligations of Operator and shall survive this Agreement.

EXECUTED AS OF _____, 2024

ATTACHMENT A

[Signatures on next page]

CITY OF ANTIOCH

OPERATOR

2615 Somersville Rd LLC

Kwame P. Reed, Acting City Manager

By: Vinayak Shastry

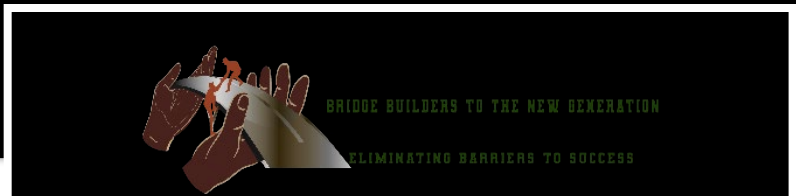
Attest:

Elizabeth Householder, City Clerk

Approved as to form:

Thomas Lloyd Smith, City Attorney

ATTACHMENT A



Bridge Builders to the New Generation
5032 Tehachapi Way, Antioch, CA 94531
<https://www.bridgebuildersng.org/>
EIN: 85-1665741

ATTACHMENT B

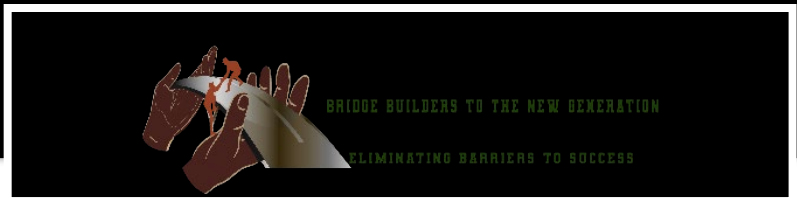
Founded in 2019, Bridge Builders to the New Generation (BBNG) currently serves 500+ majority BIPOC youth in seven schools in Antioch. Through school-site, after-school, and summer programming, BBNG provides youth with a culturally responsive and healing-centered space to explore their intersectional identities, name and process their trauma, develop social, emotional, and leadership capacities, engage in personal and academic goal setting, and create solutions to community problems. Through collectivity and the nurturing of possibility thinking, BBNG helps Antioch youth identify structural inequities and break the cycle of poverty, violence, and generational trauma to become self-actualized young adults. Through staff love, guidance, and peer-to-peer mentorship, BBNG youth interrupt deficit-based narratives and define their own personal, college, and professional aspirations.

Once known as a 'sundown town', the reverberation of systemic oppression pervades Antioch, through institutions like schooling, policing, housing, and healthcare. Public schools have pushed out and emotionally and psychologically harmed BIPOC youth with multidimensional struggles and their families. BBNG provides space to breathe, heal and build a bridge out of hopelessness and despair. Current program offerings include onsite school support, after-school academic support and leadership workshops, healing circles, peer mentoring, summer seminars, community mapping, college tours, and career field trips.

The ***Change the Narrative*** program provides college and career readiness grounded in culturally responsive, trauma-informed, and healing-centered social-emotional learning for middle and high school students in Antioch with marginalized, intersectional identities. Its purpose is to disrupt the trauma-to-discipline and school-to-prison pipeline by developing youth leaders both within the school environment and local community by providing staff- and peer mentorship, leadership development activities, and academic support. *Change the Narrative* gives our students a sense of belonging, fosters collectivity, and builds an expansive culture on school campuses and in the Antioch community.

Ultimately, BBNG envisions East Contra Costa County as a region that prioritizes the well-being of BIPOC youth by co-creating equity-driven solutions with youth and their families. We want to see an end to pathologizing and punishing youth for behaviors stemming from trauma. *Change the Narrative* seeks to disrupt systemic and structural inequities that plague Antioch's institutions by implementing a youth-centered, regional-specific approach, beginning with schools.

The project goals include providing youth with healing-centered communities in which they can name and process their trauma, interrogate their environments and advocate for their needs, establish a leadership identity, and meet personal, wellness, and academic goals. The project will annually serve 500+ BIPOC middle and high schoolers at five schools in Antioch Unified School District (AUSD): Deer Valley High School, Antioch High School, Dallas Ranch Middle School, Antioch Middle School, and Park Middle School, Marsh Elementary School, and Mission Elementary School.

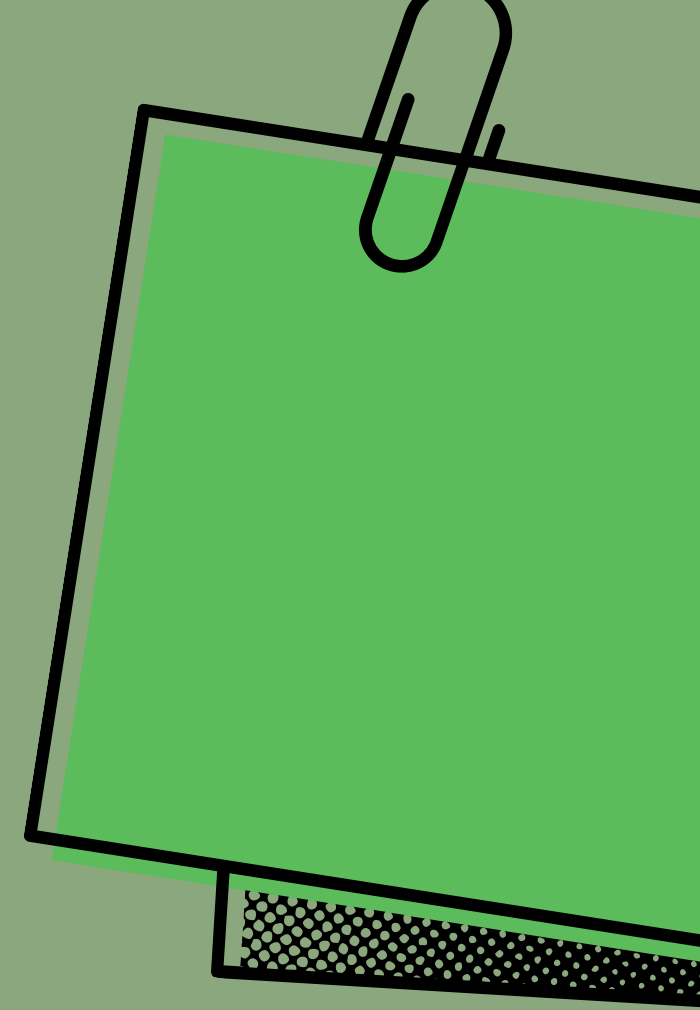


BBNG youth are majority BIPOC - 6 18-year-olds who identify as male, female, and gender-expansive. They have intersectional experiences related to generational trauma, drug use, family separation, housing insecurity and mental health challenges. The structural violence inflicted on BIPOC communities (e.g., crack epidemic, the 'War on Drugs', police brutality, gentrification) over the last decades has pushed low-income, BIPOC families out of Oakland and San Francisco and into cities like Antioch, with a lower cost of living. BBNG youth are from these families that moved to Antioch over the last two decades. To our youth, Antioch does not feel like home.

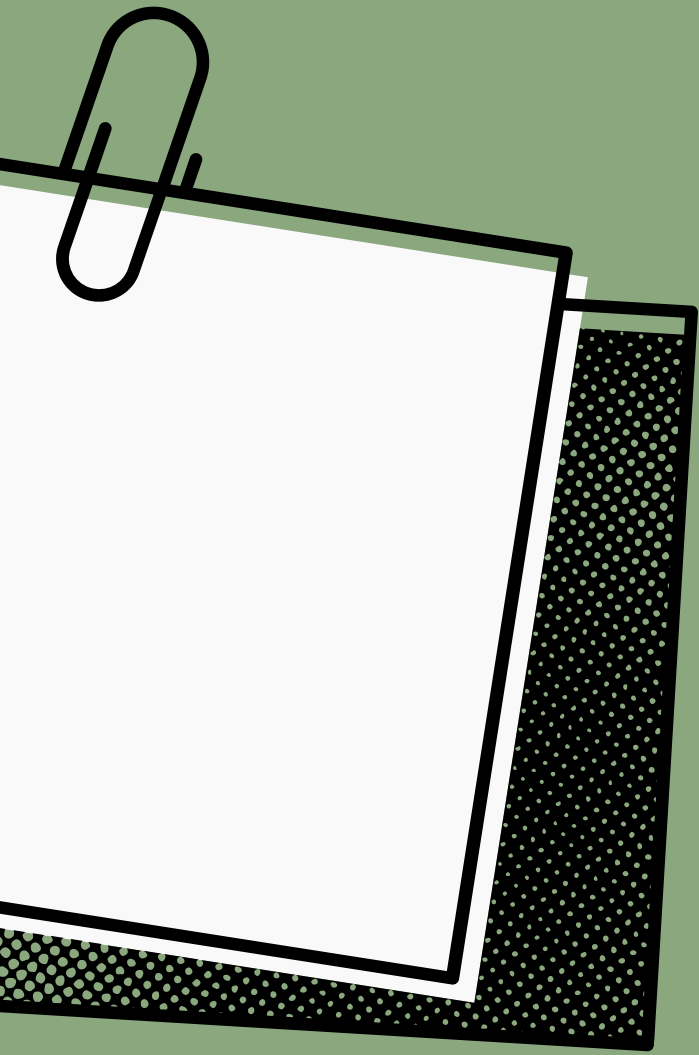
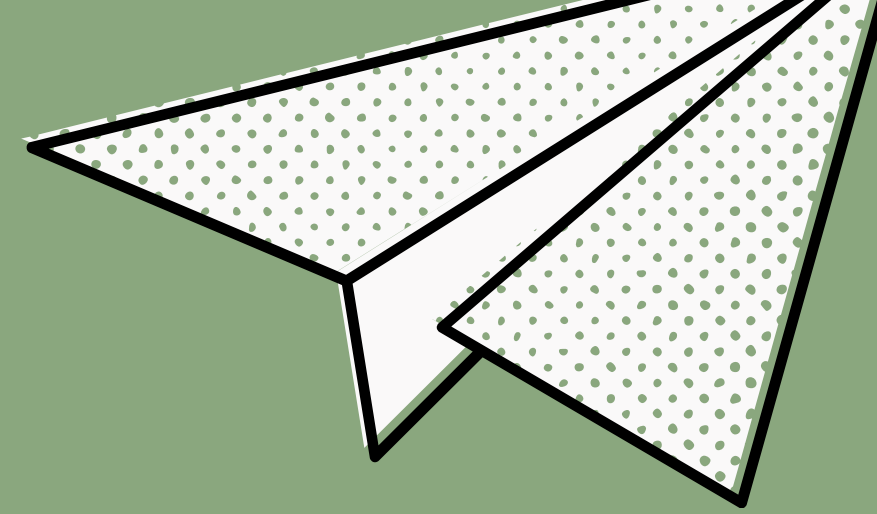
Antioch's schools and community institutions have more work to become culturally responsive and healing-centered. In 2011, the federal Office for Civil Rights Data Collection reported that Black students made up 21% of the AUSD population yet accounted for 60% of suspensions. In 2015, the East County [NAACP sued Antioch Unified School District](#), urging the district to examine discipline data, policies, and practices through a critical race lens. In the 2021-2022 school year, data showed that even more Black students have enrolled in schools across Antioch, and their suspension rates remain disproportionately higher than all subgroups.

ATTACHMENT C

Bridge Builders to the New Generation



Services



College
Readiness

Career
Readiness

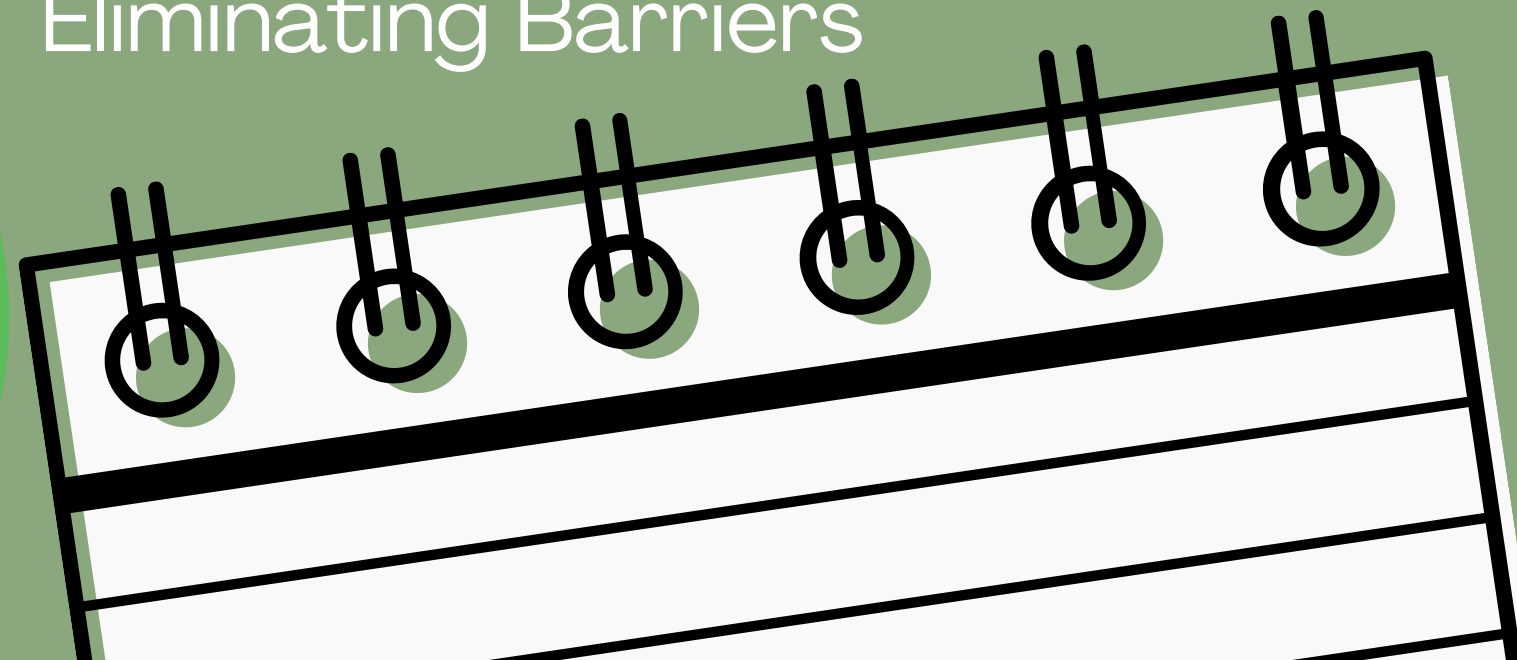
Community
Engagement

Defining Your Purpose

Changing the Narrative

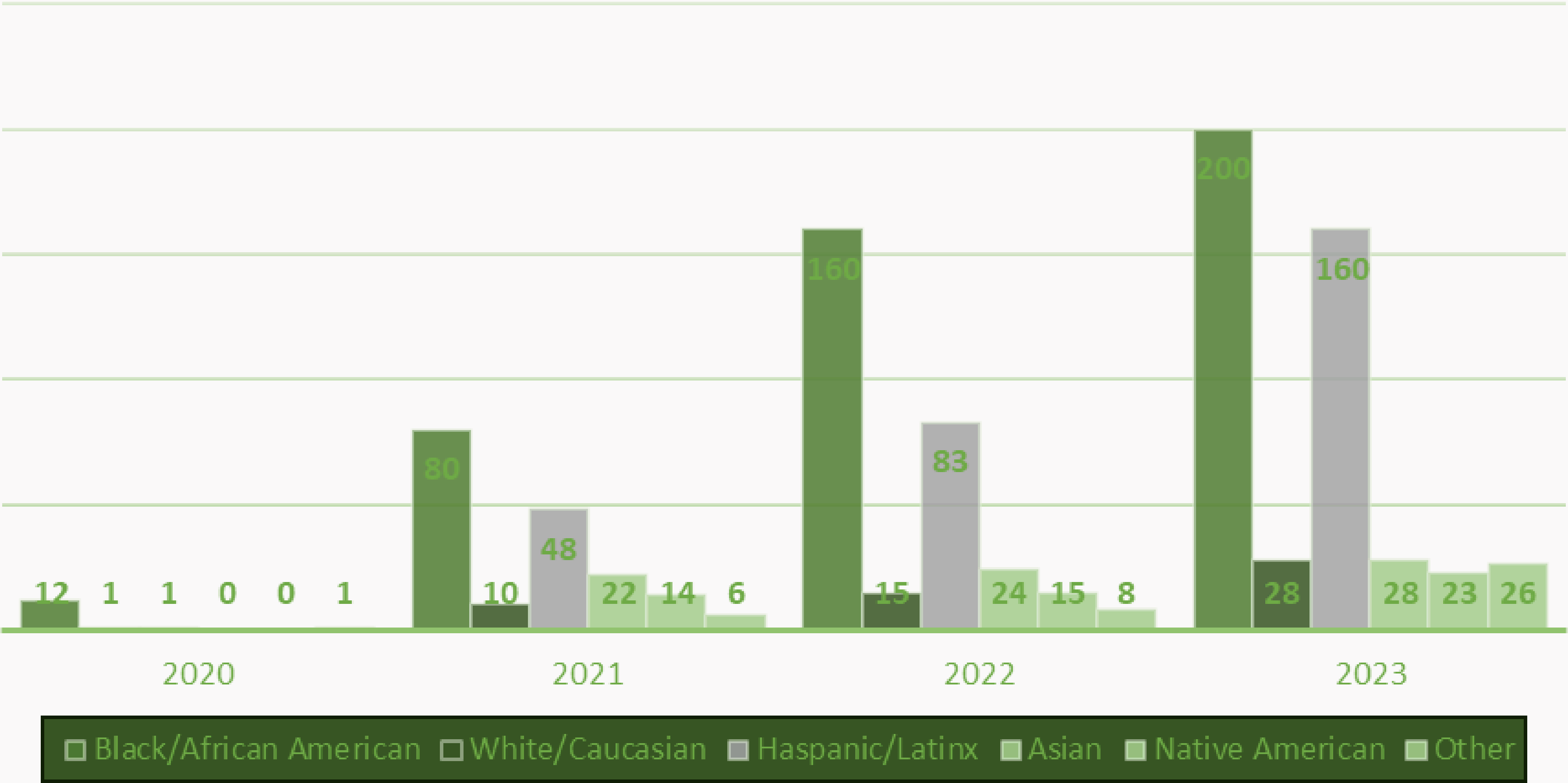
Eliminating Barriers

Academic
Advising

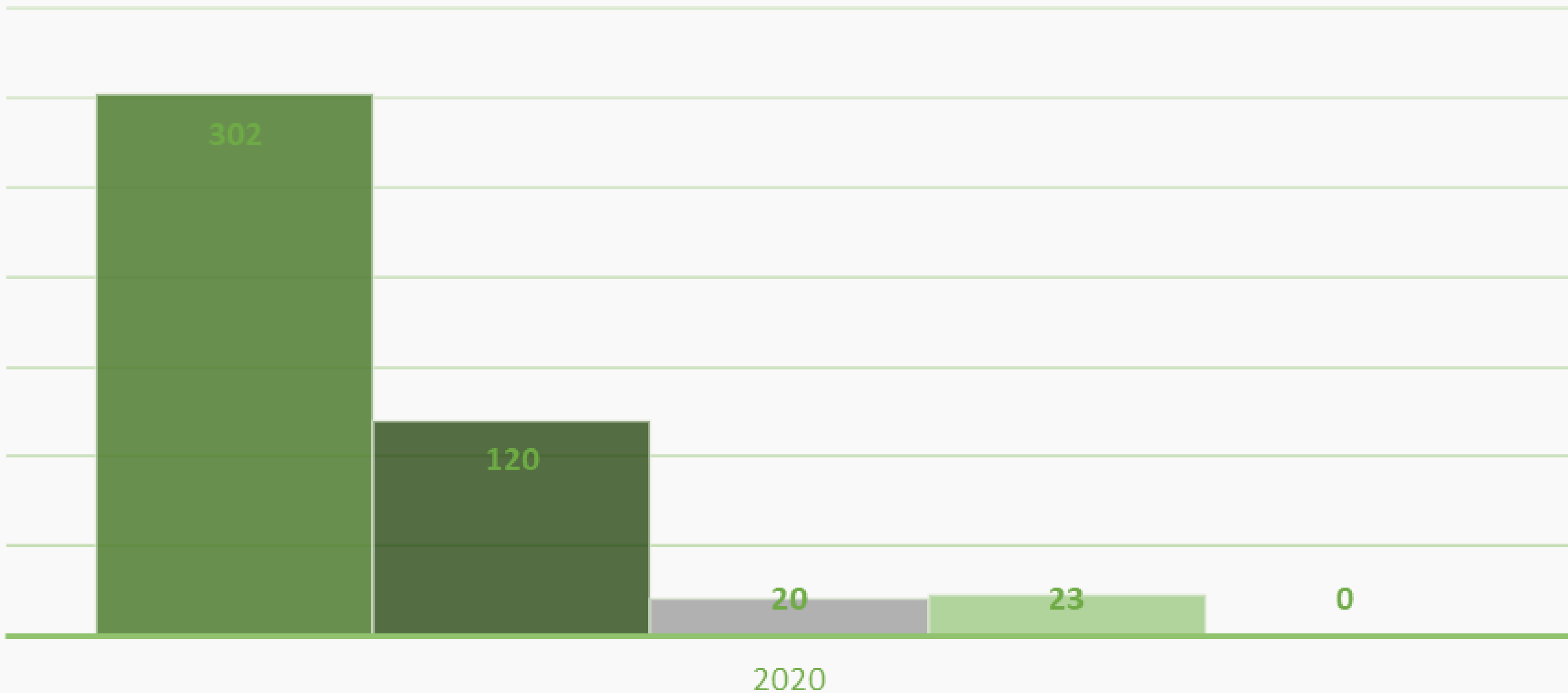


Student
Outreach

Student Demographics



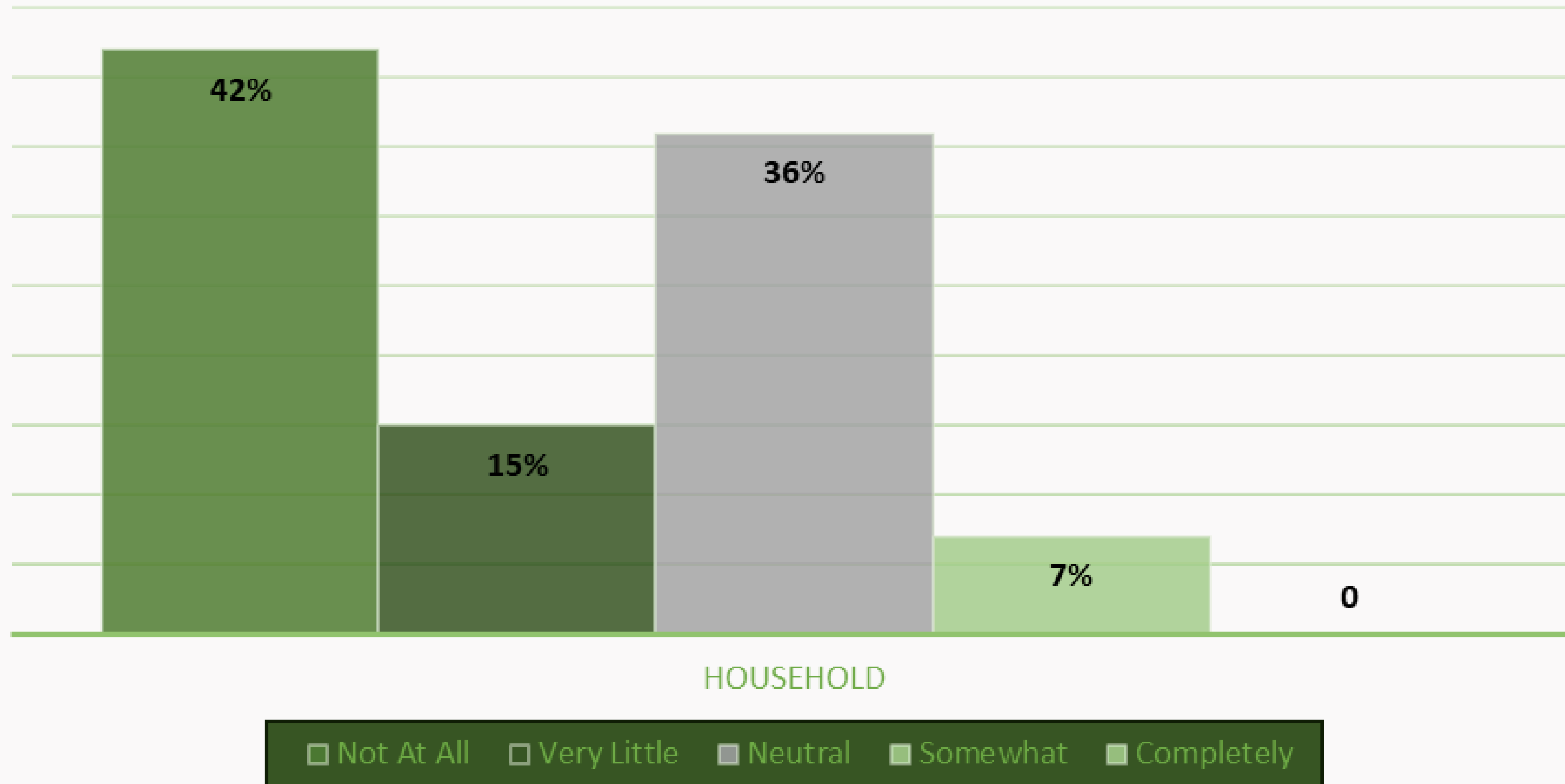
Family Dynamics



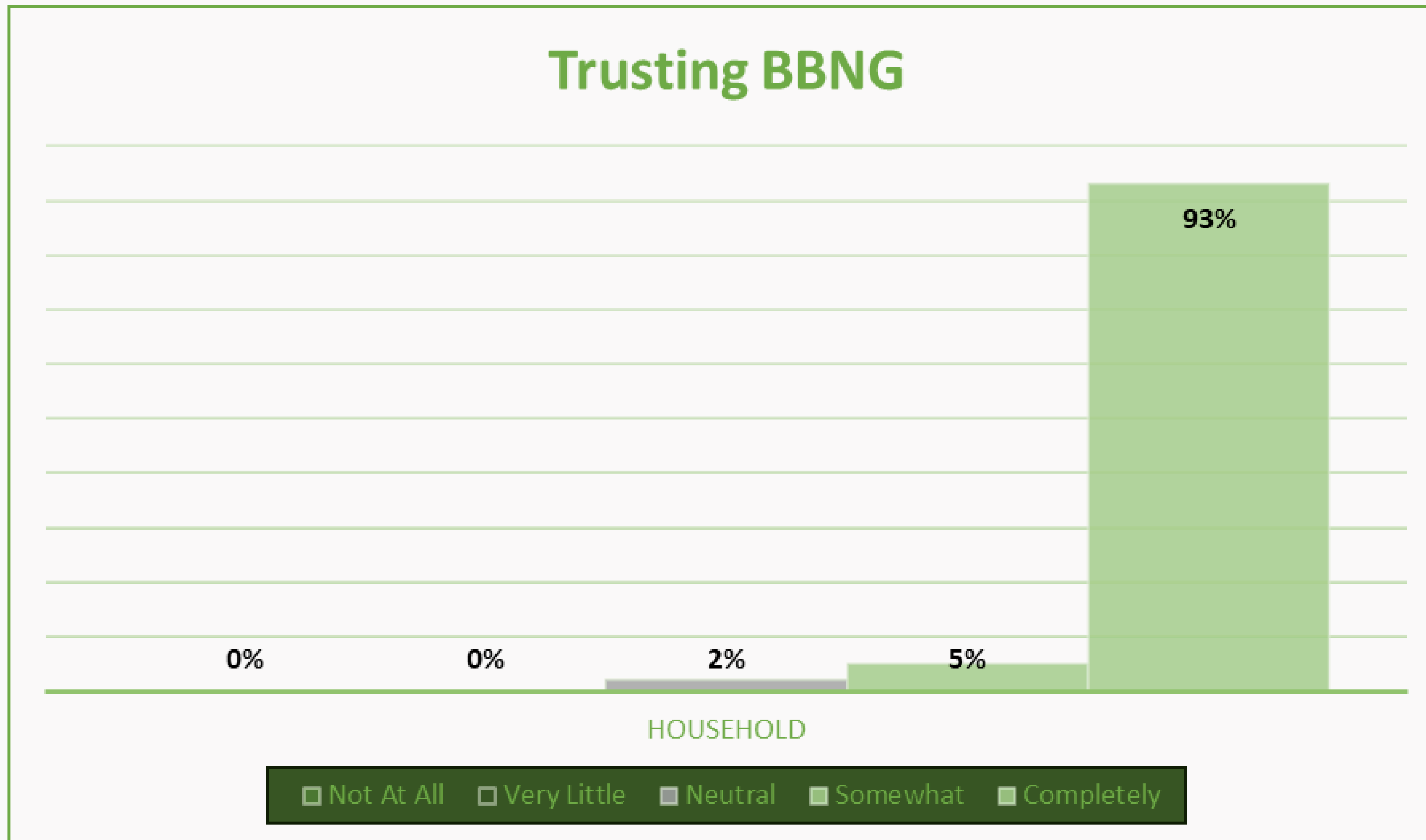
■ Single parent ■ Two Parent ■ Blended Family ■ Foster Care ■ Other

how much do you trust the education system?

Trusting the Schools

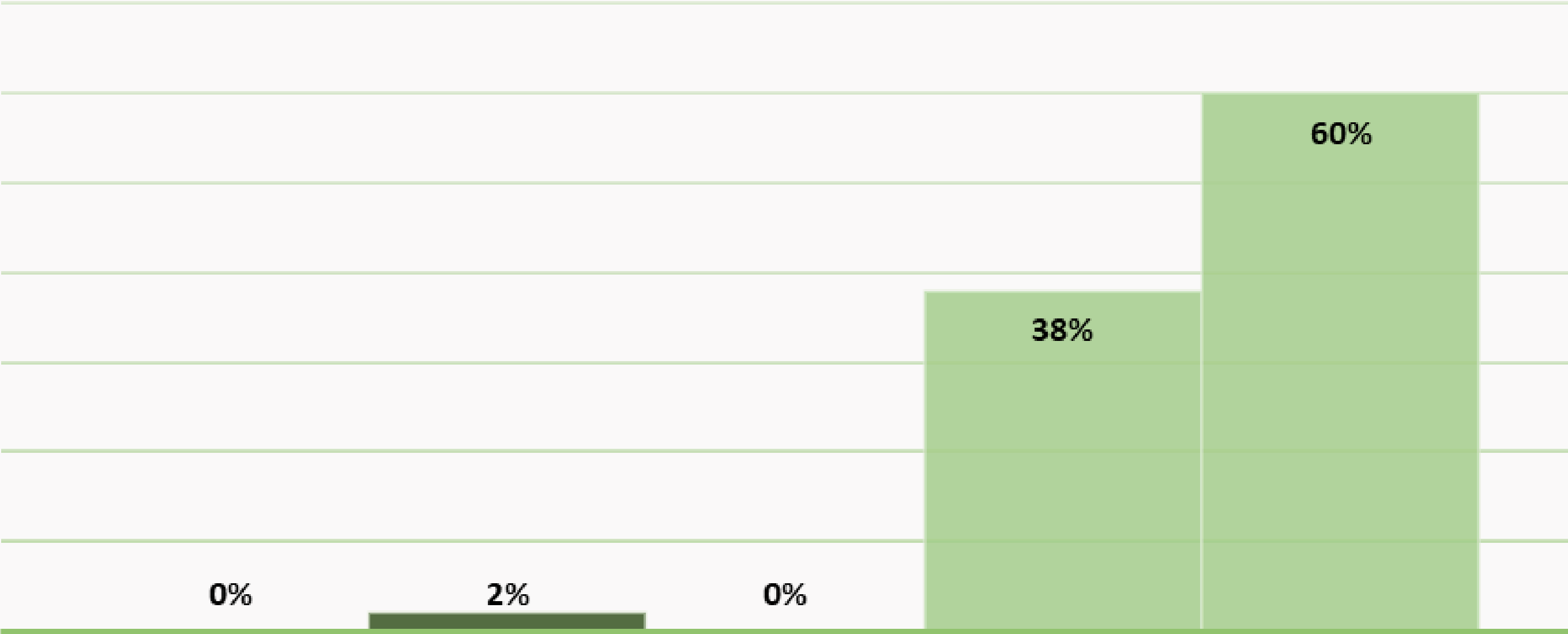


how much do you trust the Bridge Builders to the New Generation program?



Have you been affected by Gun Violence in your community?

Affected By Gun Violence



AFFECTED

- Not At All
- Very Little
- Neutral
- Somewhat
- Completely

Student Support

Elementary School: Building up

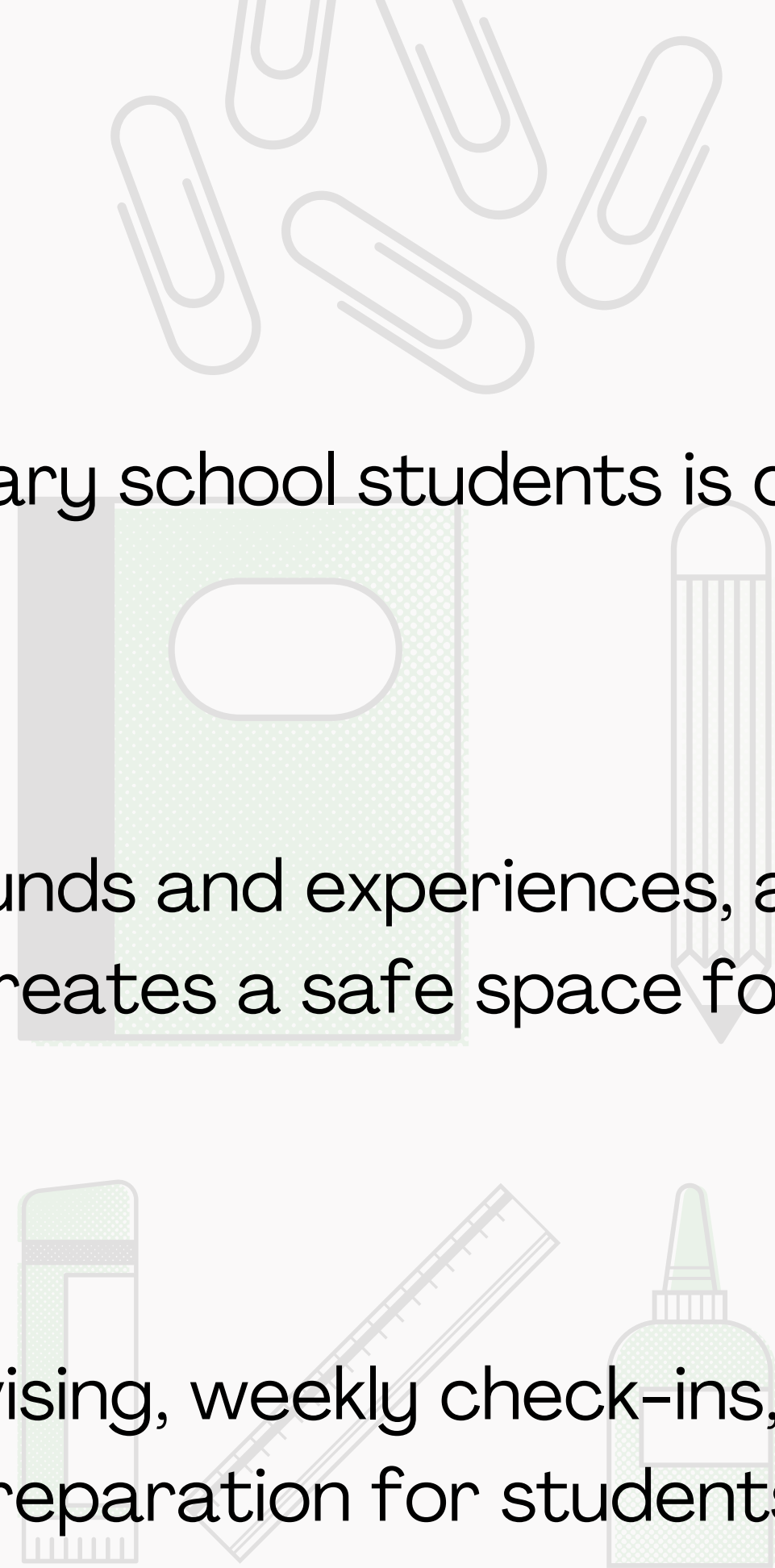
Creating a positive and uplifting environment for elementary school students is crucial for their self-esteem, confidence, and overall well-being.

Middle School: Finding Me

Encouraging self-expression, embracing diverse backgrounds and experiences, and teaching empathy and respect for others' perspectives creates a safe space for students to explore their identities.

High School: Finishing What I started

BBNG include mentorship, subject tutoring, academic advising, weekly check-ins, career readiness, SAT/ACT workshops, and college/A-G preparation for students.



Children from at-risk / low-income communities are not given the same opportunities as children from other communities. Schools can only provide a limited amount of support given the number of hours in a day that children attend school as well as budgetary constraints. In addition, these children often face dangerous situations within their community, have less parental support for homework and frequently deal with emotional and social problems that can interfere with school. Our goal is to level the playing field by providing a sense of purpose / belonging, exposing students to opportunities and offer resources to provide a path to a career that they otherwise would not get.

The statistics overwhelmingly support the importance of graduating High School

- **Addiction rates are twice as high among the unemployed vs those that are employed**
- High school dropouts are more than 8 times as likely to commit crimes and serve prison time versus those who graduate
- Only 1 in 10 youth from low-income families graduate from a four year college or trade school compared to much higher levels in middle and upper income families

What happens when we provide this level of support
When kids are in school, they are in a safer environment
Provide a barrier to drug use
Offer exposure to opportunities
Trades schools versus college
Starting a business versus working for a company
How to invest in their future

College Readiness

Objective

Students will be prepared for life after high school, and students will have a defined college path. Students will receive help filling out college application and financial aid we want to make sure that students are well prepared for higher education.

- Apply for college, Free Application for Federal Student Assistance (FAFSA), and Scholarships
- Take 3 campustours (Fall, Spring, Summer)
- Prepare for the SAT/ ACT
- Set up college emails
- Learn how to do resume/ cover letters
- Get letter of recommendations

Testimonies

“I learned that there are a lot of things to experience at usf and other colleges as well. Essay’s are definitely an important factor when applying to a college; such as activities, extracurricular, and many other things. You can join many clubs/programs to become more tapped in with whatever college you go to. Overall i learned that although college may not be for everyone it is something that everyone should at least consider experiencing”. USF Field Trip



E BUILDERS TO THE NEW GEN

Career Readiness

Objective:

Many students leave high school or College with no defined career path. This could lead to stress, depression, self-hatred, low self-esteem; because students will be working in order to receive compensation.

- Develop your own individualized goal plan.
- Build the skills needed to write a resume.
- Receive support on the career search process.
- Find a job &/or internship.
- Practice interview skills.

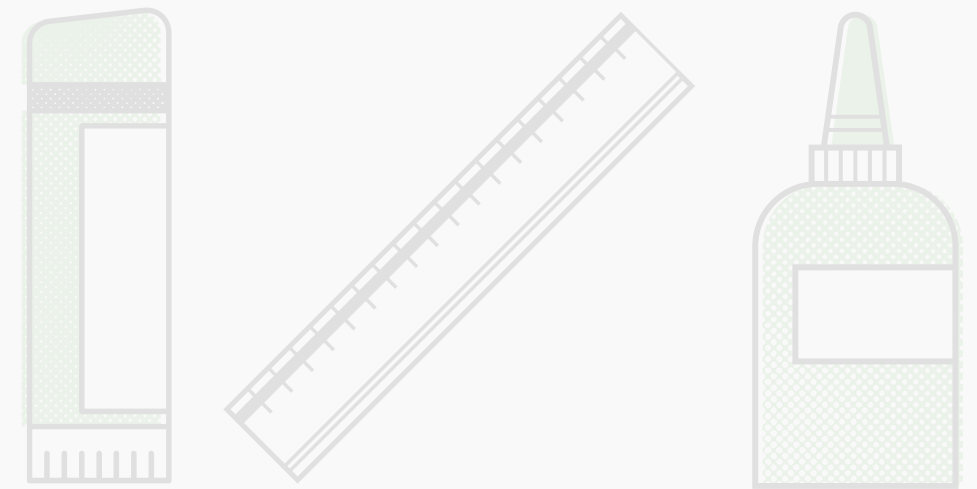


E BUILDERS TO THE NEW GEN

Testimonies

“I learned that having a LinkedIn account is important because you can make new connections with people who have the same interests as you. i also learned that you can work at any job and be honest with your true self no matter what background you come from or how you were raised”.

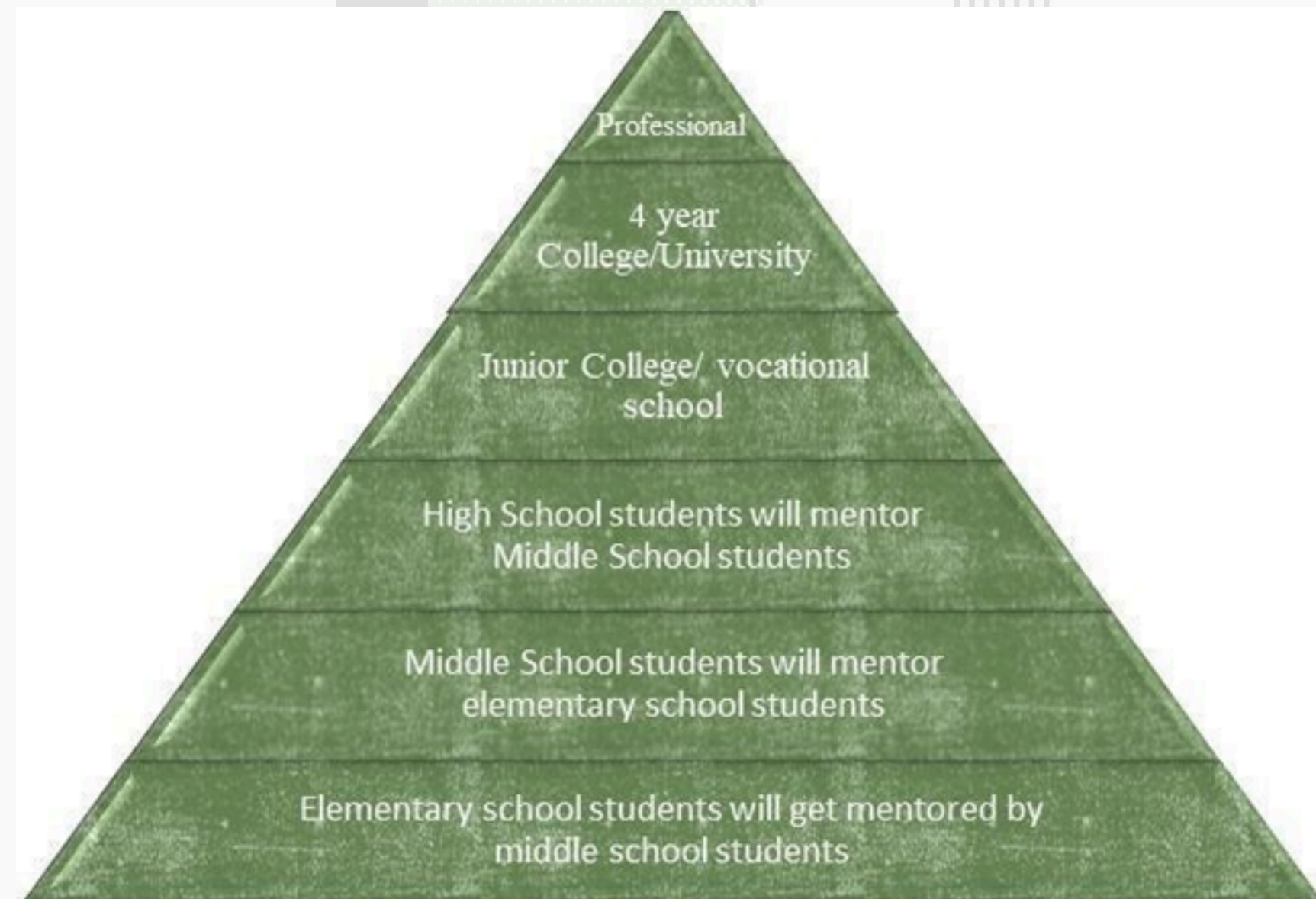
LinkedIn Fieldtrip



Peer Mentorship

Objective:

Generation Student Mentoring program is give our students the responsibility to mentor their peers. Students will gain leadership, accountability, for other students to give them knowledge that they wish they would have had when they were their mentees age.





E BUILDERS TO THE NEW GEN

Testimonies

“It has been a pleasure being a part of Bridge Builders. I have enjoyed spending time with friends and having the guidance of a knowledgeable mentor while still being on campus. The availability of tutoring and assistance with homework has been convenient and beneficial. Although I couldn't participate in the field trips due to volleyball practice, it sounds like a fun experience. Lastly, I appreciate Mr. G's authenticity and honesty with everyone”.

Student & Community Outreach

Objective:

the students and community an opportunity to get connected with each other through education.

- Students will earn community service hours for college applications
- Students will have an understanding on why we are doing community service
- Students will become leaders among their peers
- Students will learn how to set up and organize events, and workshops
- Parents will have workshops to help them with their student's education



E BUILDERS TO THE NEW GEN

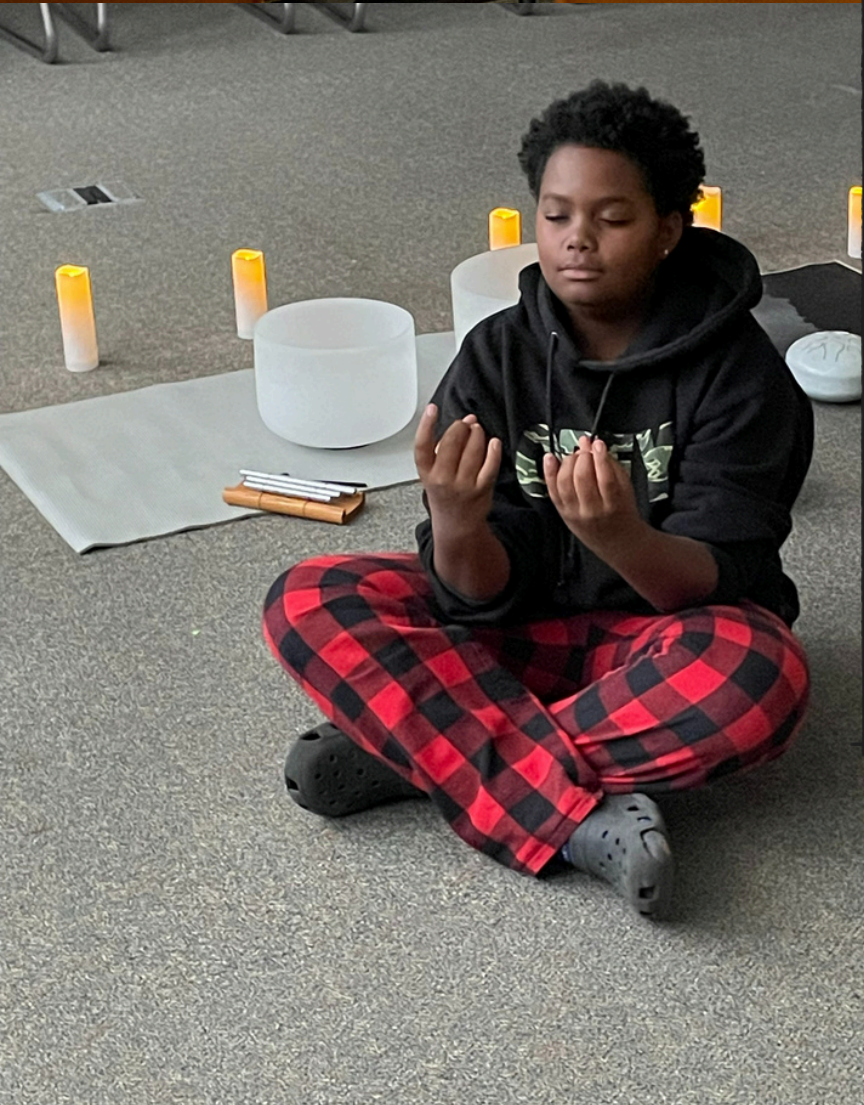
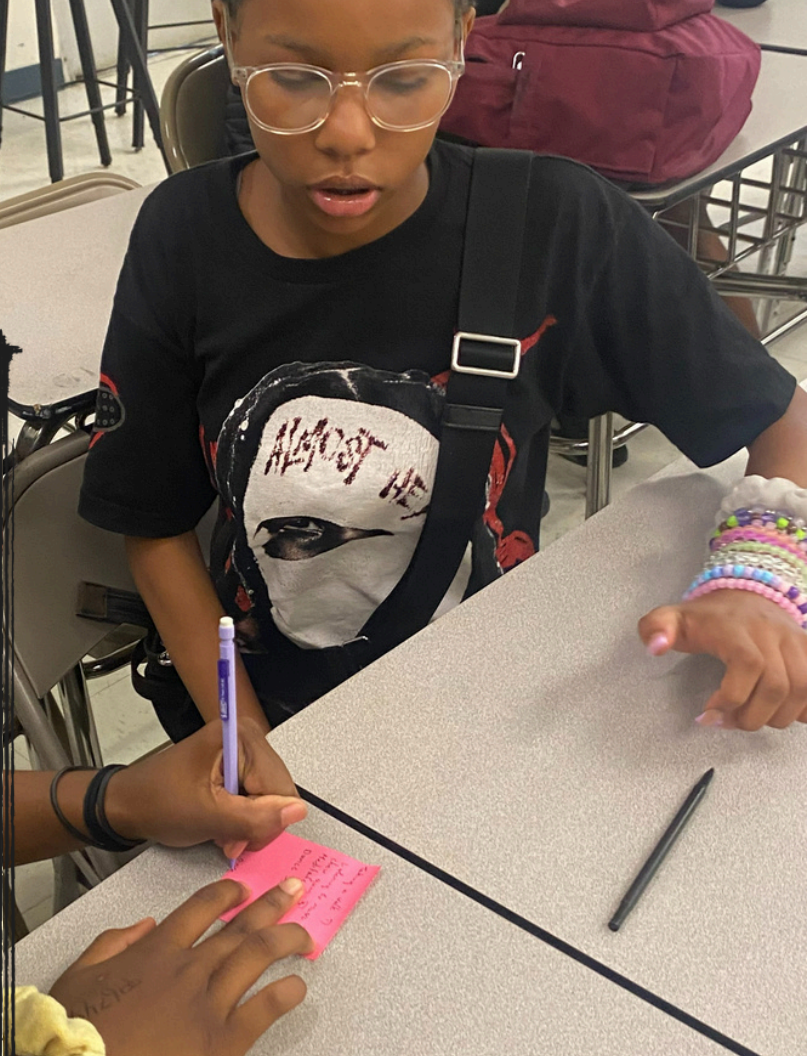
Social Emotional Assistance

Objective:

assisting with identifying and mitigating crises, promoting social justice, and enhancing social functioning so that adolescents in grades k-12 may be better equipped to cope with the many challenges they encounter in life following high school graduation.

- Provide effective tools for managing stress and emotions
- Increase Individual accountability amongst participants
- Promote and increase self-advocacy
- Provide effective tools to improve participant communication skills
- Model appropriate boundaries
- Provide psychosocial education that leads to positive change
- Increase participant self-esteem and confidence





BUILDERS TO THE NEW GEN

Testimonies

“Having Bridge Builders on the New Generation campus provides several benefits, one of which is having someone to talk to and confide in. It's important to recognize that not everyone feels comfortable opening up to their peers, but having a Bridge Builder as a mentor can bridge that gap. They create a safe and supportive environment where students can freely express their thoughts and feelings. Whether it's dealing with personal challenges at home or facing difficulties in school, students can rely on their mentors for guidance and support.

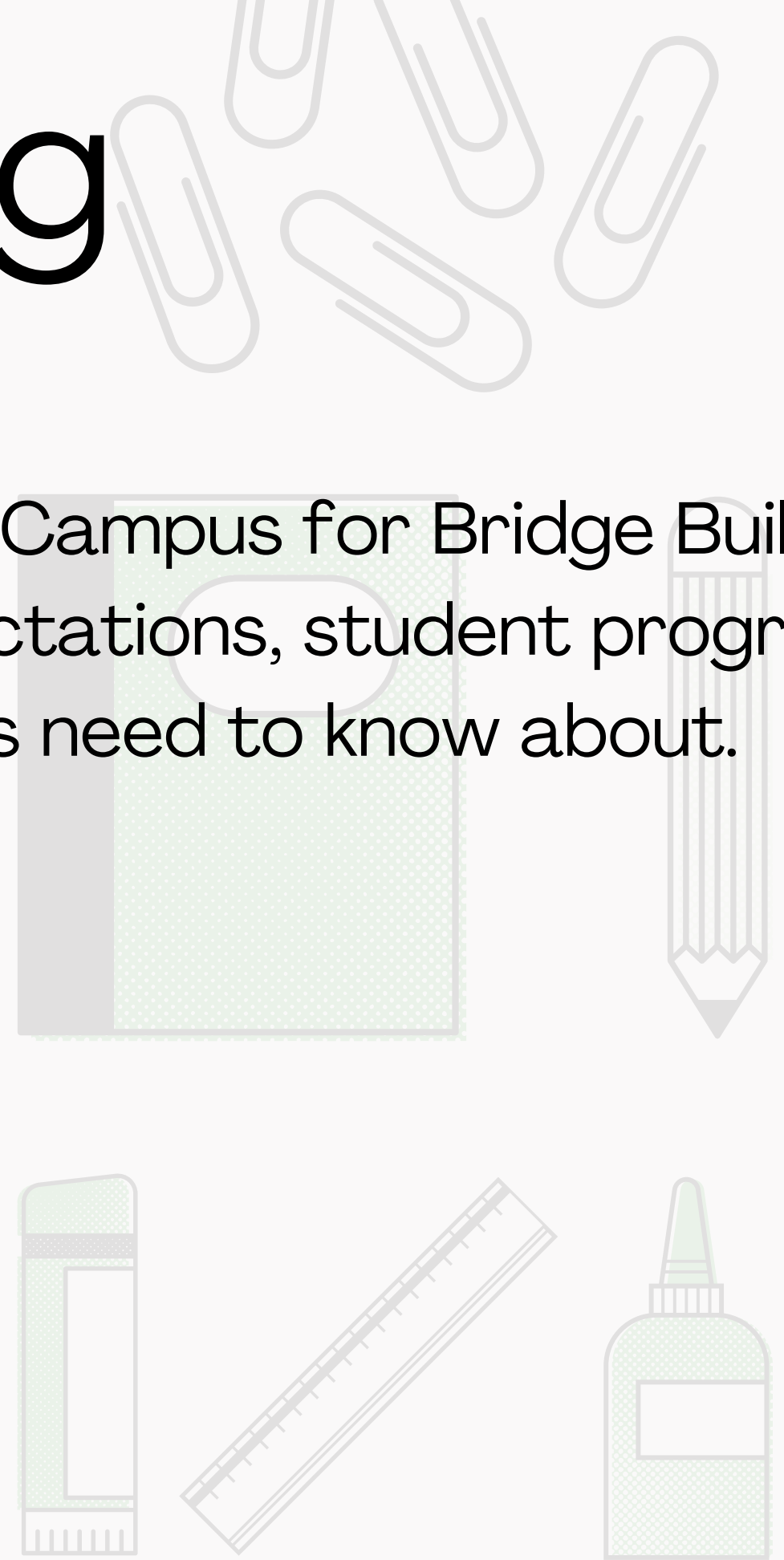
Mentors play a crucial role in assisting students with their mental well-being and providing valuable advice and assistance.

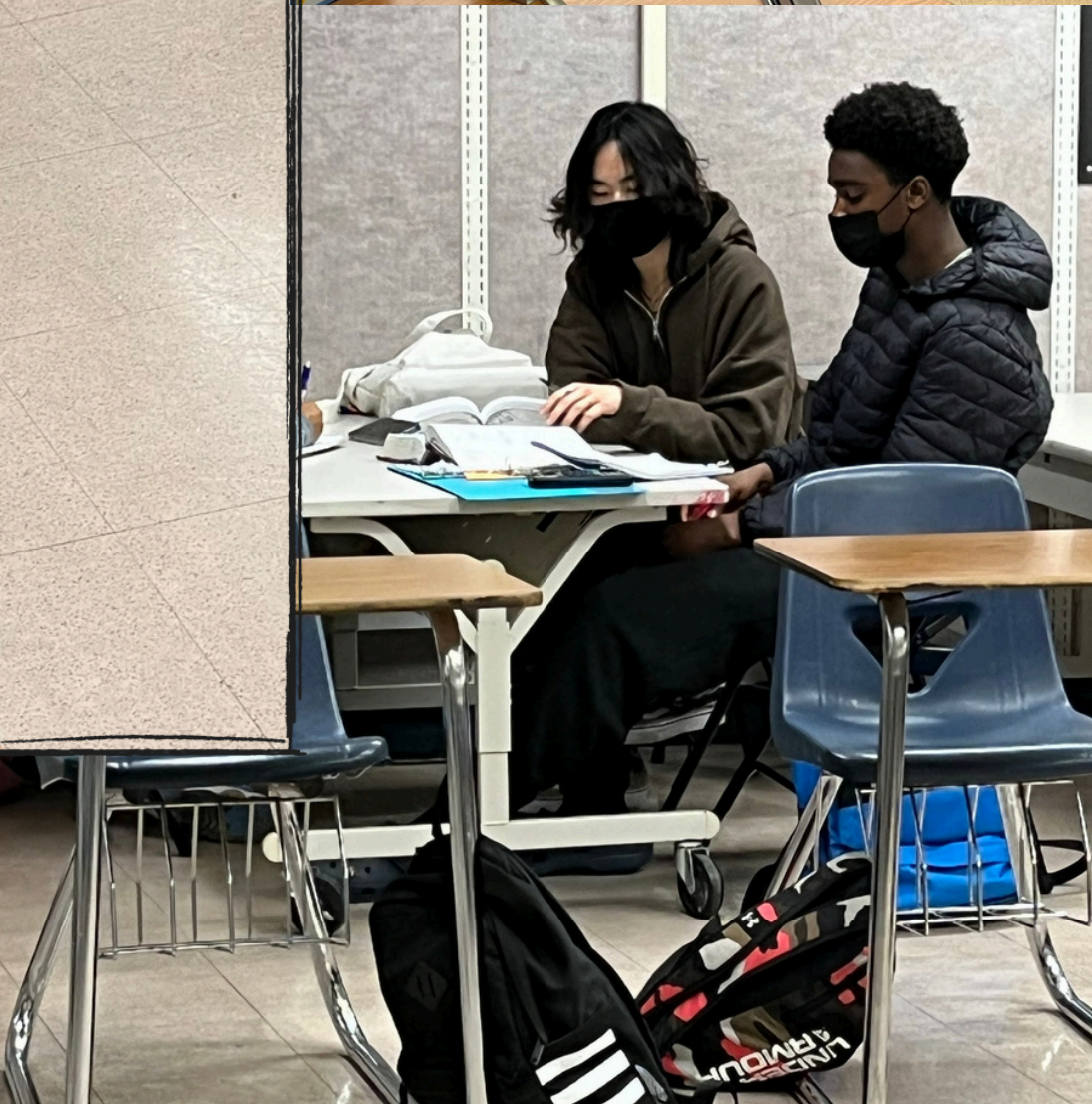
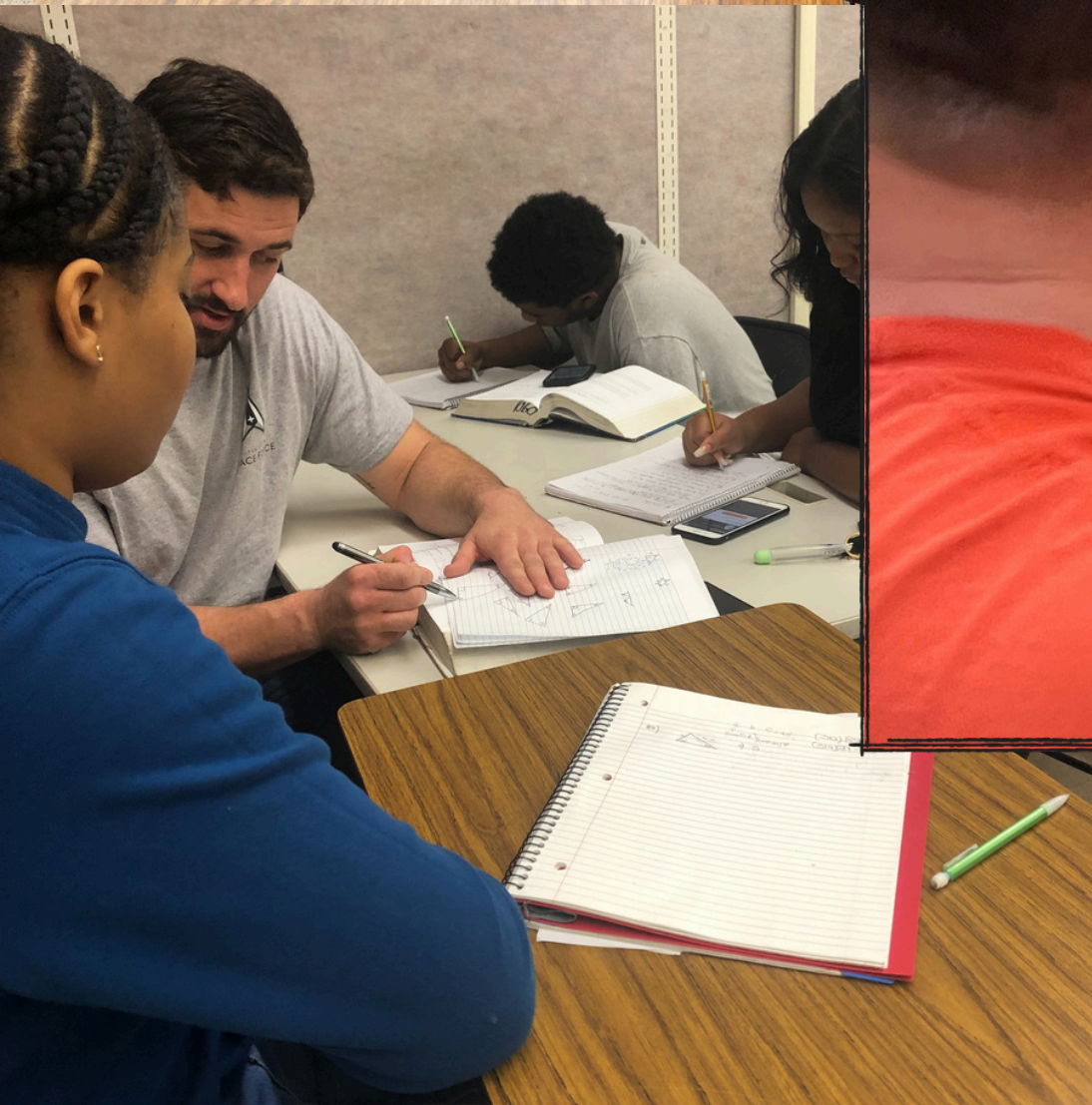
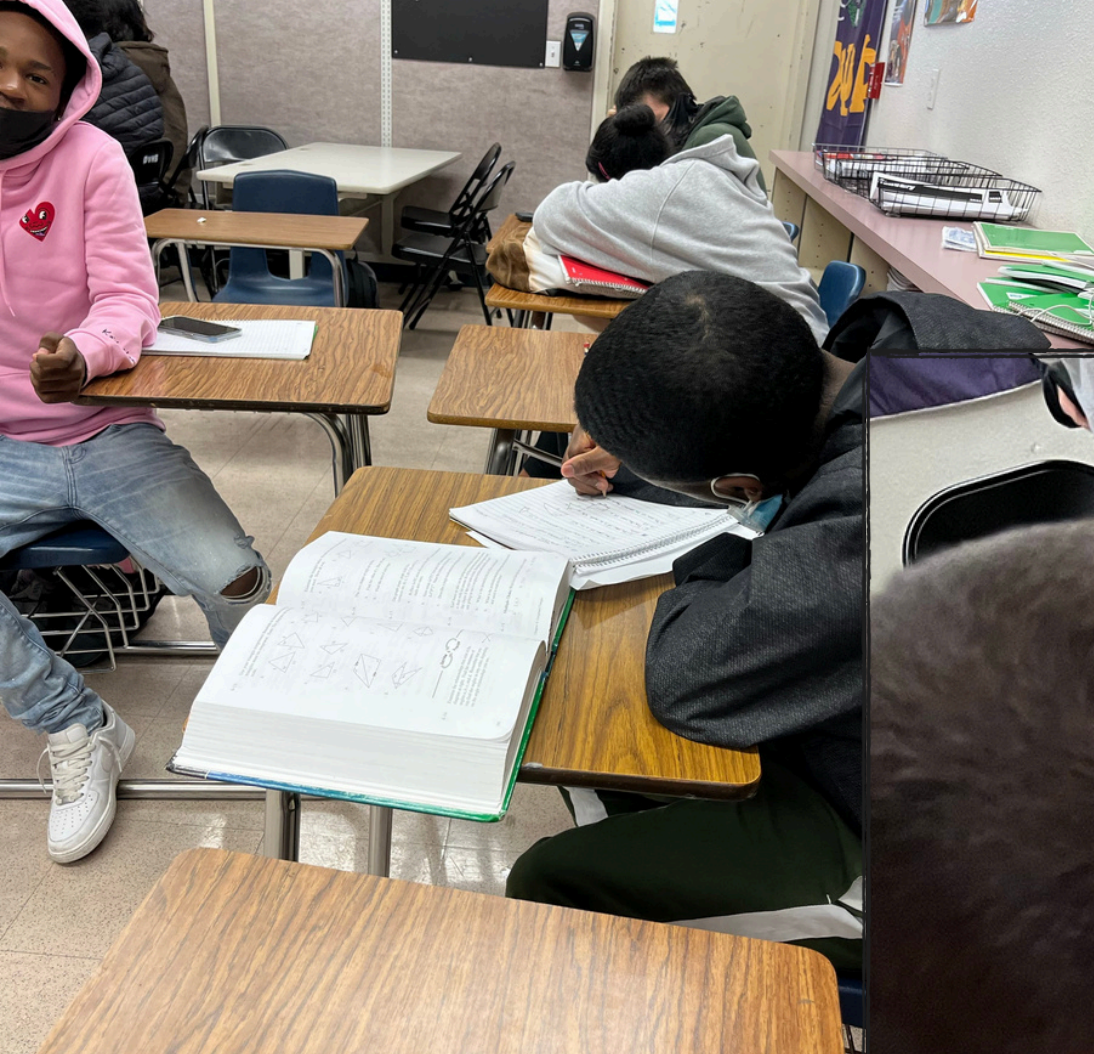
After School Tutoring

Objective:

Students after school are to report to the classroom on Campus for Bridge Builder staff. We will start off with a brief meeting on daily expectations, student progress, student achievement, any upcoming events that students need to know about.

- Get tutoring 3 times a week
- Go to teacher after school at least 3x a week
- Raise grade by 10% in Failing classes
- Keep students engaged in their coursework





E BUILDERS TO THE NEW GEN

STAFF REPORT TO THE CITY COUNCIL

DATE: Special Meeting of August 5, 2024

TO: Mayor Pro Tem and Committee Chair Wilson and Councilmember and Committee Member Torres-Walker

SUBMITTED BY: Kevin W. Kunding, Assistant City Attorney

APPROVED BY: Thomas Lloyd Smith, City Attorney

SUBJECT: Bakery Antioch I LLC: Review and Possible Recommendation Regarding Proposed Change in Ownership

RECOMMENDED ACTION

It is recommended that the Cannabis Standing Committee review Bakery Antioch I LLC's proposed change in ownership and determine whether to recommend the change to City Council.

FISCAL IMPACT

The proposed action should have no effect on the City budget.

DISCUSSION

Bakery Antioch I LLC's business is located at 2515 West 10th Street. On July 10, 2024, City Staff received a request from the owner of Bakery Antioch I, LLC, Adam Bierman, to transfer 100% of their ownership interest to Sarmad Hayawi, Amar Salim, and Steven Petrus. The request is attached as Attachment A for reference. A summary of the new proposed owners is attached as Attachment B.

The City's operating agreement with Bakery Antioch I LLC's limits its ability to assign their operating agreement to another business. Assignment includes any change in ownership, including a change in partners, of the business. Assignment is not allowed without Council approval at a duly noticed public meeting pursuant to Section 13 of the operating agreement. The purpose of this provision is to make sure that an assignment does not occur without the City having the opportunity to review the proposed assignee's knowledge, experience, expertise, and financial stability as relating to cannabis businesses. The current Operating Agreement is attached as Attachment C for reference.

Bakery Antioch I LLC has indicated that there's a change in ownership of its limited liability company. The operating agreement (Section 13) requires this type of transfer of ownership to be approved by the City Council. Without such approval, the transfer is invalid or violative of the operating agreement. Staff recommends that the Committee review this change of ownership and determine whether to recommend it to the City Council.

ATTACHMENTS

- A. Request for Change of Ownership
- B. Summary of Proposed New Owners
- C. Current Operating Agreement

ATTACHMENT A

DELIVERY VIA ELECTRONIC MAIL

Date: July 10, 2024

To: Kevin W. Kunding, Assistant City Attorney
Email: kkunding@antiochca.gov
Phone: (925) 779-7015

CC: Ruthann Ziegler, City Attorney
Email: rziegler@rzieglerlaw.com

From: Redworkshop Antioch, LLC
Adam Bierman, Owner
Owner Email:
Phone:

Re: Redworkshop Antioch, LLC's ("Transferor") Request for Approval of Transfer of Ownership of Cannabis Business Use Permit #19-14 to Sarmad Hayawi, Amar Salim, and Steven Petrus ("New Owners")

Dear Mr. Kunding,

Please accept this written request regarding Transferor's desire to transfer 100% of its ownership interest in Cannabis Business Use Permit #19-14, currently held by Bakery Antioch I, LLC and located at 2515 W. 10th Street, Antioch, CA 94509 (the "Site"). Contingent on the City's approval, the Transferor has agreed to transfer 100% of the ownership interest in Bakery Antioch I, LLC to Sarmad Hayawi, Amar Salim, and Steven Petrus (collectively, the "New Owners").

In compliance with Section 13 of the recorded Operating Agreement by and between the City of Antioch and Licensee, dated April 8, 2021, the Licensee and the Transferor provided evidence and documentation supporting the New Owners' specialized knowledge, experience, expertise, and financial stability to the City for its review and consideration on July 2, 2024.

The New Owners have reviewed the Operating Agreement and Cannabis Business Use Permit #19-14 and have represented to the Transferor that they agree to all the terms and conditions therein and will not be requesting any modifications.

In light of the foregoing, the Transferor and the New Owners would like to request an opportunity to appear at the next City Council meeting to seek Council's approval of the proposed transfer of ownership.

Thank you in advance for your time and consideration. Please contact me with any further questions or concerns.

Sincerely,



Adam Bierman, Owner

ATTACHMENT B

(CONFIDENTIAL)

Summary of Prospective Owners of Cannabis License

2515 West 10th Street, Antioch, California 94509

Sarmad Hayawi, Steven Petrus, and Amar Salim are experienced retail cannabis operators with added decades of general, small and large, business knowledge. Their prospective ownership of Bakery Antioch I, LLC is being submitted with the utmost understanding of their long history in retail business but also their dedication to their work.

Below, please find a brief summary of each partners cannabis and non-cannabis experience as well as their individual financials. You will also find a brief biography of each of each of them and the various skills they each have.

Sarmad Hayawi – Owner/Managing Partner

Summary

Cannabis Experience

- The Healing Center; Needles, CA
 - Managing Partner; 2022 – present
- Flame Santa Rosa; Santa Rosa, CA
 - Managing Partner; 2023 – present

Other Work Experience

- Freeway Insurance
 - District Manager; 2007 to present

Financials

- Monthly Income: \$40,000
- Cash on Hand: \$1.6 million
- Real Estate Assets: \$5 million
- Other Assets: \$200,000



Sarmad Hayawi is a seasoned entrepreneur with extensive experience in the cannabis industry, currently serving as the Managing Partner at both The Healing Center in Needles, California, and Flame Santa Rosa in Santa Rosa, California. With a proven track record of successful business management, Sarmad has demonstrated exceptional leadership and strategic vision. His role as a District Manager at Freeway Insurance since 2007 has further refined his ability to lead teams, manage operations, and drive business growth.

Sarmad's financial acumen is evident in his substantial investments, including significant real estate holdings and a diversified asset portfolio. His keen understanding of market dynamics, coupled with his robust financial foundation, makes him a reliable and forward-thinking business leader in the cannabis sector. Sarmad's dedication to excellence and his strategic approach to business development position him as a key player poised to drive the future success of his ventures.

(CONFIDENTIAL)

Summary of Prospective Owners of Cannabis License

2515 West 10th Street, Antioch, California 94509

Steven Petrus – Owner/Managing Partner

Summary

Cannabis Experience

- Flame Santa Rosa; Santa Rosa, CA
 - Managing Partner; 2023 – present

Other Work Experience

- Freeway Insurance
 - Vice-President; 2012 to present

Financials

- Monthly Income: \$20,000
- Cash on Hand: \$350,000
- Real Estate Assets: \$1.5 million
- Other Assets: \$120,000



Steven Petrus brings a wealth of experience and strategic vision to the cannabis industry as a Managing Partner at Flame Santa Rosa in Santa Rosa, California. His extensive background as Vice-President at Freeway Insurance since 2012 showcases his exceptional leadership and decision-making capabilities, contributing to the growth and stability of the organization.

Steven's strong financial position, bolstered by substantial real estate investments and a solid monthly income, underscores his commitment to growth and stability. His strategic investments and financial prudence highlight his ability to navigate complex markets and make sound business decisions. Steven's blend of insurance industry expertise and cannabis business acumen positions him as a dynamic and resourceful entrepreneur, poised for continued success in the rapidly evolving cannabis market. His dedication to innovation and excellence makes him a valuable asset in any business endeavor.

(CONFIDENTIAL)

Summary of Prospective Owners of Cannabis License

2515 West 10th Street, Antioch, California 94509

Amar Salim – Owner/Managing Partner

Summary

Cannabis Experience

- The Healing Center; Needles, CA
 - Managing Partner; 2022 – present
- Flame Santa Rosa; Santa Rosa, CA
 - Managing Partner; 2023 – present

Other Work Experience

- Car Dealership, Owner; San Diego, CA
- Convenience Store, Owner: San Diego, CA
- Pizza Restaurant, Owner; San Marcos, CA

Financials

- Monthly Income: \$40,000
- Cash on Hand: \$800,000
- Real Estate Assets: \$6 million
- Business Assets: \$400,000



Amar Salim is a versatile and accomplished business owner with a diverse portfolio in the cannabis, automotive, convenience store, and food service industries. As the Managing Partner at both The Healing Center in Needles, California, and Flame Santa Rosa in Santa Rosa, California, Amar leverages his extensive entrepreneurial experience to drive success and innovation. His ownership of a car dealership, convenience store, and pizza restaurant in San Diego and San Marcos, California, highlights his ability to manage and grow various business ventures.

Amar's impressive financial standing, with significant real estate and business assets, showcases his strategic investment skills and his commitment to fostering sustainable business growth across multiple industries. His hands-on approach and dedication to excellence have enabled him to build and maintain successful enterprises, while his strategic vision and innovative mindset position him as a leader capable of driving the future success of his cannabis ventures. Amar's diverse business acumen and strong financial foundation make him a formidable and inspiring figure in the entrepreneurial landscape.

(CONFIDENTIAL)
Summary of Prospective Owners of Cannabis License
2515 West 10th Street, Antioch, California 94509

Attached:

Bank Statement

ATTACHMENT C

Recorded at the Request of
Old Republic Title Company -
Oakland

#0179001510

RECORDING REQUESTED BY,
AND WHEN RECORDED, MAIL TO:

City of Antioch
200 H Street
Antioch, CA 94509
Attn: City Clerk



Electronically Recorded
CONTRA COSTA Co Recorder Office
DEBORAH COOPER, Clerk-Recorder
DOC - 2021-0188824
Thursday, Jul 1, 2021 13:17:00



Total Paid: No Fee

Receipt #: 202100142019

19 - eRecording Partners Network LLC

220 / ABPC / 1-26

Exempt from recording fee per Government Code §6103 / 07303

OPERATING AGREEMENT

This Operating Agreement ("**Agreement**") is entered into between the City of Antioch, a municipal corporation ("**City**") and Bakery Antioch I, LLC, a California limited liability corporation (formerly Bakery Antioch I, Inc., a California corporation) (collectively, "**Operator**"). Operator proposes a cannabis business located at 2515 W. 10th Street, Antioch, CA (the "**Site**"). City and Operator may be referenced herein as "**Party**" or collectively as "**Parties**".

RECITALS

- A. Operator submitted an application for approval of its use permit for a cannabis business consisting of a dispensary with delivery and a type N infusion license.
- B. On December 8, 2020, by Resolution No. 2020/182, the City Council approved Cannabis Business Use Permit # 19-14 relating to Operator's application ("**CBUP**"). A copy of the CBUP is attached hereto as Exhibit A and incorporated herein. The CBUP relates to the Site, as described in Exhibit B, attached hereto and incorporated herein.
- C. One condition of the CBUP is that the City and Operator execute an Operating Agreement. This Agreement meets this requirement of the CBUP.
- D. On December 8, 2020, the City Council adopted Resolution 2020/183 approving this Agreement.

AGREEMENT

- 1. **Recitals.** The Recitals set forth above are incorporated herein as if fully set forth in this Agreement.
- 2. **Definitions.** The following terms, when capitalized herein, shall have the meanings specified below.
 - a. Agreement—This Agreement between the City and Operator.

b. **Applicable Law**—All applicable federal, state, regional, and local statutes, regulations, and rules including the Uniform Building Code and other Uniform Codes, the California Environmental Quality Act, the City’s ordinances, resolutions, rules, and regulations, as each statute, regulation, regulation, rule, Code, ordinance, and resolution may be amended from time to time, excluding such federal law which may conflict with state or local laws authorizing cannabis businesses or operations.

c. **Business Operations**—The commercial cannabis business operated at the Site by Operator, its officers, officials, employees, agents, and consultants, as approved by the City Council in the CBUP, and as subject to the terms and conditions of this Agreement.

d. **Cannabis**—Both medical and non-medical cannabis as defined by Health & Safety Code section 11362.5 and Business and Professions Code sections 26000 *et seq.*

e. **Cannabis Business Use Permit**—the Cannabis Business Use Permit, attached hereto as **Exhibit A**, as approved by City Council Resolution 2020/182.

f. **City**—the City of Antioch, California.

g. **City Attorney**—the City Attorney of the City.

h. **City Council**—the City Council of the City.

i. **City Manager**—the City Manager of the City.

j. **Operator**—Bakery Antioch I, LLC, formerly Bakery Antioch I, Inc.

k. **Fees**—All charges, expenses, costs, monetary exactions, and any other monetary obligations imposed on Operator by City, other than assessments or regular or special taxes, and not limited to fees paid pursuant to this Agreement.

l. **Gross Receipts**—The total of amounts actually received or receivables from sales and the total amounts actually received or receivable for the performance of any act or service at the Site for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares, or merchandise. Gross receipts shall also include all receipts, cash, credits and property of any kind without deduction of the cost of the property sold, the costs of the materials used, labor or services costs, interest paid or payable, or losses or other expenses whatsoever. Excluded from “gross receipts” are the following:

- Cash discounts allowed and taken on sales;
- Credit allowed on property accepted as part of the purchase price and which property may later be sold;
- Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
- Such part of the sale price of property returned by a purchaser upon rescission of the contract of sale as is refunded whether in cash or by credit;
- Amounts collected for others where the business is acting as an agent or trustee to the extent that such amounts are paid to those for whom collected, provided the agent or trustee furnishes to the City the names and addresses of the others and the amounts paid to them; and

- Receipts of refundable deposits, except that refundable deposits forfeited and taken into income of the business are not excluded .

The intent of this definition is to ensure that, in calculating payments to the City, all sales and revenue from the Business Operations are captured and, therefore, this definition shall be given the broadest possible definition consistent with this intent.

m. Major amendment—Any modification to this Agreement that makes a substantive change, modification, or deviation in the terms of this Agreement or any Exhibits hereto.

n. Minor amendment—Any modification to this Agreement that does not make a substantive change, modification, or deviation in the terms of this Agreement or any Exhibits hereto.

o. Police Chief—the Police Chief of the City.

p. Project—The Business Operations, Site Development, Odor and other Mitigation Plans, Security Plans, and all other terms and conditions applicable to Operator’s Business Operations.

q. Site—The physical location of the Operator’s Business Operations, as described in Exhibit B, attached hereto.

r. State license(s)—the license(s) issued by the State, whether through the Bureau of Cannabis Control or other regulatory agency authorizing the Operator to conduct its Business Operations.

3. **Effective Date.** This Agreement shall be effective as of the date of the Resolution approving this Agreement, or such other date (if any) as specified in the Resolution approving this Agreement.

4. **Term of Agreement.** The initial term of this Agreement shall be ten years, with two possible extensions of five years each. This Agreement may be extended by mutual agreement of the Operator and the City Council on such additional terms and conditions as to which the Parties may agree. At the end of the term, Operator agrees to cease all Business Operations at the Site, notwithstanding the terms and conditions of the CBUP. The parties agree that, six months prior to the end of the initial ten-year term, they will meet and confer in good faith with the goal either of continuing this Agreement on the same terms and conditions or of modifying the Agreement so that the Business Operations may continue for the mutual benefit of the City and the Operator.

5. **Operating Conditions.** In addition to the terms and conditions set forth in the CBUP, Operator’s Business Operations shall be subject to the additional terms and conditions:

a. Hours of operation of retail sales on the Site shall not exceed 7 days per week, 8.00 a.m. to 8.00 p.m. There are no other hours’ restrictions on the Business Operations, including delivery.

b. Subsequent to the annual audit by the Police Department or a third party selected by the Police Department, the Police Chief shall have the discretion to require additional security measures or modify existing security measures at the Operator’s expense, as may be required by law or reasonable for public safety. At Operator’s expense, the Police Chief may also determine to require additional security measures at any time upon the Department’s finding that existing security measures are insufficient for the Business Operations to comply with the terms of the CBUP or to adequately protect public health and safety. The Police Chief’s determination is appealable to the City Manager.

c. The City Manager may impose additional mitigation measures, whether relating to odor or other factors affecting public health and safety, on the Project at Operator's expense, as may be required by law or reasonable to maintain public health and safety. The City Manager's determination is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

6. Fees.

a. Operator agrees to pay all fees, whether imposed by the City, state, or other regulatory agencies in a timely manner. Operator's failure to pay such fees in a timely manner may, at the City's sole discretion, constitute Evidence of Default. City shall provide thirty (30) days' prior written notice to Operator as to any unpaid City fees before declaring Evidence of Default, consistent with Section 9 of this Agreement. If Operator fails to pay such fees, plus any interest or penalties due for late payment, Operator agrees that the City may record on the property which is the subject of the CBUP one or more liens for the fees owed.

b. Operator agrees to pay City beginning with the fifteenth of the month immediately following the date the City issues the Certificate of Occupancy for the Site the amounts set forth in Exhibit C, attached hereto and incorporated herein. The amount due for Gross Receipts is payable thereafter on the 15th of each month or, if the 15th is a weekend day or a national or state holiday, on the next business day ("Due Date"). The amount due based on square footage, with adjustments made during the year as square footage is increased or decreased, is payable thereafter quarterly, on January 15, April 15, July 15, and October 15 or, if the 15th is a weekend day or a national or state holiday, on the next business day ("Due Date"). The Operator shall also submit with its Gross Receipts payment and its quarterly square footage payment a report on a form provided by the Operator and approved by the City which lists the gross receipts and square footage (if applicable) for the period; any adjustments to the gross receipts and square footage, and basis therefor; the gross receipts subject to the percentages set forth in Exhibit C; the square footage subject to Exhibit C; and the total amount due.

c. A payment is late or deficient under this Section if not postmarked by or received by the City Finance Department on or before the Due Date. A late or deficient payment shall be subject to a penalty of a one-time penalty of five percent (5%) of the amount owed, plus monthly non-compounding interest at the maximum rate allowed by law, but not to exceed an annualized amount of ten percent (10%).

d. If the City Manager is not satisfied with the veracity of report(s) filed by Operator regarding the Business Operations' total gross receipts or square footage, the City Manager may reasonably compute and determine the amount of the fees to paid on the gross receipts or square footage and make a deficiency determination upon the basis of the facts contained in such report(s), or upon the basis of any information in City's possession, or that may come into City's possession within three (3) years of the date the fees are paid. One or more deficiency determinations of the amount of fees owed for a period or periods may be made. The determination of the City Manager pursuant to this subsection is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

7. Social Equity Programs.

a. Operator agrees to implement and maintain for the entirety of the term of this Agreement a Social Equity Program ("**Equity Program**") to benefit the City and its residents, to foster

equitable participation in the cannabis industry, and to create business opportunities for those most negatively impacted by the enforcement of cannabis laws prior to the legalization of cannabis in California. Operator shall initiate its Equity Program within three months of this Agreement's Effective Date.

b. Operator has prepared a Social Equity Program Plan ("**Equity Plan**"), which includes the Equity Program's description, a non-profit social equity program plan organization ("**Equity Plan Organization**") located in Antioch and approved by the City, and an action plan with goals, tasks, responsible parties, timelines, and measurable outcomes. The Equity Plan is set forth in **Exhibit D**, attached hereto and incorporated herein, Operator shall provide a written report, quarterly for its first year of operation and semi-annually thereafter, to the City Manager and City Attorney on its progress in carrying out the Equity Program's goals and measurable outcomes. Upon request of the City Manager or City Attorney, Operator shall also agree to provide a presentation to the City Council on the Equity Plan's goals and measurable outcomes. The Equity Plan may be modified in writing by request of the Operator and only with prior written approval of the City Manager or the City Attorney.

c. If the City Council, the City Manager, or the City Attorney reasonably determine that Operator's Equity Plan does not adequately achieve the City's goals as set forth, the City Council, the City Manager, or the City Attorney shall have the discretion to require the Operator to modify its Equity Plan subsequent to one or more meetings with the Operator, except that the City may not unilaterally increase the percentage of gross receipts or income of any kind Operator provides identified in **Exhibit D** pursuant to its approved Equity Plan.

d. Operator agrees to fund its Equity Plan, as detailed in Exhibit D, with the first payment submitted to its Equity Plan Organization at the same time as the first payment for gross receipts and/or square footage is due under Section 6b hereof. Subsequent payments to its Equity Plan Organization shall be made quarterly with each subsequent quarterly payment due on January 15, April 15, July 15, and October 15 or, if the 15th is a weekend day or a national or state holiday, on the next business day. Late payment from the Operator to the Equity Plan Organization shall be subject to the same penalties and interest set forth in section 6 hereof.

8. **Applicable Law.** At all times, Operator shall conduct its Business Operations consistent with Applicable Law, including the City's ordinances, rules, and regulations; the CBUP; and this Agreement, as each may be amended or modified from time to time. Any violation thereof by Operator or its Business Operations may, at the City's discretion, be considered Evidence of Default, subject to the terms of Section 9 below.

9. **Default.**

a. If the City Manager finds Evidence of Default, the City Manager shall provide at least forty-five (45) days' written notice thereof to Operator, with the notice specifying the nature of the default, the facts supporting such Evidence of Default, and the manner in which the Default may be cured. Within that forty-five day period, Operator shall cure the Default to the City Manager's reasonable satisfaction, provide evidence with supporting facts as to why no Default exists, or provide alternatives satisfactory to the City Manager acting reasonably to address the Default.

b. If the City Manager is not satisfied with Operator's response and/or believes a Default continues to exist, then the City Manager may, at his/her sole discretion:

- Order the Operator to suspend all Business Operations at the Site until the Default is cured.
- Take such other action as may be authorized by the CBUP or this Agreement.
- Remedy the Default and charge the costs thereof to the Operator, who agrees to pay such sums.

c. The decision of the City Manager under this section is appealable pursuant to Title 1, Chapter 4 of the City's Municipal Code.

d. The remedies of this section, plus any other remedies set forth in this Agreement and remedies available in law or in equity are cumulative, and non-exclusive. Such remedies are distinct and separate whether or not exercised by the City. The City may, in its discretion, exercise any or all of its rights and remedies, at once or in succession, at such time or times as it considers to be appropriate.

10. **Record Keeping.** Operator shall keep, maintain, and preserve to the extent applicable all records that may be necessary to determine the amount of gross receipts, the number of retail delivery vehicles, the amount of cannabis manufactured, the amount of cannabis delivered, and any and all other records by which City may determine and verify the amount of fees due to the City pursuant to Section 6 hereof. At Operator's expense, City shall have the option of conducting, whether by City staff or by a City-selected consultant, an annual audit to verify the fees due to the City pursuant to Section 6 hereof and compliance with Exhibit D. City shall have the right to inspect such records at all reasonable times during normal business hours and upon not less than five (5) business days' prior notice. To the extent permitted by Applicable Law, City agrees to treat such records as confidential.

11. **Annual Review.** In addition to the right to conduct an audit pursuant to Section 10 hereof, the City Manager, at his/her discretion, may direct City staff or a third party to review, no more frequently than once per year, the Business Operations and compliance thereof with the CBUP and this Agreement. Operator shall be responsible for paying the costs of this annual review, which shall not exceed \$10,000 per review, adjusted annually by the CPI index for Bay area cities. In the event there is good cause for a review that would exceed \$10,000 (as adjusted annually), Operator and City shall negotiate a minor amendment to allow for such review. Based on this review, City may require additional mitigation measures or other changes to the Business Operations to assure compliance with the CBUP and this Agreement.

12. **Amendments.** This Agreement may be amended from time to time, if in writing and signed by both parties. The City Manager or the City Attorney shall have the discretion to approve a Minor Amendment to this Agreement or to refer such Minor Amendment to the Council for review and possible action. The City Council, at a duly noticed public meeting, shall have the discretion to approve a Major Amendment or a Minor Amendment, which has been referred to the Council.

13. **Assignment.** City has entered into the Agreement with Operator in reliance upon Operator's specialized knowledge, experience, and expertise relating to the Project and cannabis-related business. Therefore, this Agreement may not be assigned or otherwise transferred by Operator, whether to a third party or to another entity (even if Operator is a partner, owner, or otherwise a participant in such

entity), without the prior written authorization of the City Council at a duly noticed meeting. Any such assignment or transfer, at City's sole discretion, may be considered Evidence of Default. Should Operator wish to assign or otherwise transfer the Agreement, Operator shall provide evidence to the reasonable satisfaction of the City Manager and the City Attorney of the specialized knowledge, experience, expertise, and financial stability of the proposed assignee or transferee prior to review and possible approval by the City Council.

14. **Indemnification.** Operator agrees to indemnify, defend, and hold harmless City, its officers, officials, employees, agents, and consultants from any and all administrative, legal, or equitable actions, claims, or other proceedings instituted by any person or entity not a party to the Agreement challenging the validity of the Agreement or any action arising out of or relating to the Agreement. Operator shall pay for City's costs of defense, whether directly or by timely reimbursement on a monthly basis. Such costs shall include, but not be limited to, all court costs and attorney's fees expended by the City in defense of the action or proceeding, plus staff and consultant time spent in regard to defense of the action or proceeding. The parties shall use best efforts to select mutually agreeable defense counsel but, if the parties cannot reach agreement, City may select its own legal counsel and Operator agrees to pay directly or timely reimburse on a monthly basis City for all such court costs, attorney's fees and time referenced herein.

Operator further agrees to indemnify, defend, and hold harmless City, its officers, officials, employees, agents, and consultants from any and all claims, costs, and liability for any damages, personal injury or death, or property damage which may arise directly or indirectly from Operator's Business Operations pursuant to this Agreement, except as caused by City's sole or gross negligence.

15. **Insurance.**

a. For the term of the Agreement, Operator shall be required to, and agrees to, maintain in full force and effect public liability and property damage insurance, including personal injury in an amount of not less than three million dollars (\$3,000,000) per occurrence and five million dollars (\$5,000,000) aggregate, and automobile insurance for owned and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate. Each policy shall have such coverage and limits as may be reasonably requested by City from time to time. Each policy shall have a self-insured retention of not more than one hundred thousand dollars (\$100,000).

b. The insurance referenced herein shall include endorsements, naming as additional insureds the City, its officers, officials, employees, consultants, and agents. The endorsements shall also specify that the insurance is primary, with any policies held by the City to be non-contributing.

c. The insurance referenced herein shall be evidenced by certificate(s) of insurance, which shall be kept current during the term of this Agreement.

d. The certificate(s) and endorsement(s) shall be provided to, and approved by, the City Attorney prior to Operator beginning Business Operations.

e. The insurance shall be placed with a company authorized to transact business in the State of California and with a rating of not less than A.M. Best-A, or such other rating as approved by the City Attorney.

f. Operator shall provide at least thirty (30) days' prior written notice of any cancellation, reduction in scope or amount, or material modification of the insurance referenced herein.

g. If Operator fails to maintain the insurance referenced herein, the City in its sole discretion may obtain such insurance at Operator's expense, with Operator obligated to promptly reimburse the City, or determine such failure to be Evidence of Default.

16. **Notices.** Any notice or communication required by the Agreement between the parties shall be in writing and may be delivered either personally or by registered mail, return receipt requested. Notice, whether given by personal delivery or by registered mail, shall be deemed to have been given and received on the day of actual receipt at any of the addresses designated below as to the party to whom the notice is sent. Any party hereto may at any time, upon written notice to the other party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. However, should a party's address no longer be valid such that delivery by registered mail, return receipt required, is not successful, then delivery by U.S. mail shall be effective five business days after mailing of notice. Such notices or communications shall be given to the parties at the addresses set forth below:

To the City of Antioch:

City of Antioch
200 H Street
Antioch, CA 94509
Attn: City Manager

With a copy to:

City of Antioch
200 H Street
Antioch, CA 94509
Attn: City Attorney

To Operator:

Bakery Antioch I, LLC
c/o Cookies Retail LLC
4676 MacArthur Court, Floor 15
Newport Beach, CA 92660
Attn: Legal Counsel

With a copy to (which shall not constitute notice):

Reuben, Junius & Rose LLP

One Bush Street, Suite 600

San Francisco, CA 94104

Attn: Mark Loper, Esq.

17. Miscellaneous

a. Each party has had an equal opportunity to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply to the Agreement.

b. If any term, provision, covenant, or condition of this Agreement is held by court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of the Agreement shall continue in full force and effect, unless enforcement of the Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purpose of the Agreement.

c. The Parties shall take all steps reasonable and necessary to effectuate the terms and intent of the Agreement. However, no provision of the Agreement shall limit, or be construed to limit, the right of the City, the City Manager, the City Attorney, or the City Council to exercise discretion as to the Agreement or other matters.

d. The Parties are not, and shall not be construed, to be partners or joint venturers.

e. The only parties to the Agreement are City and Operator. There are no third-party beneficiaries and the Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person whatsoever.

f. In the event that suit is brought by either Party to the Agreement, the Parties agree that venue shall be exclusively vested in the state court of Contra Costa County, or in the U.S. District Court for the Northern District of California.

g. This Agreement and the Exhibits attached hereto contain all the representations and the entire agreement between parties with respect to the subject matter hereof.

h. The Parties acknowledge that City would not have entered into this Agreement had it been exposed to damage claims from Operator for any breach hereof. As such, the Parties agree that in no event shall Operator be entitled to recover damages against City for breach of this Agreement.

i. This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

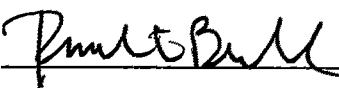
j. All waivers must be in writing to be effective or binding upon the waiving party and no waiver shall be implied from any omission by a party to take or not take any action with respect to default or other matters. Failure by a party to insist upon the strict performance of any provisions of the Agreement by the other party shall not constitute waiver of such party's right to demand strict compliance by the other party in the future. Furthermore, no express written waiver of any default shall affect any other default or cover any other period of time specified in such express waiver.

k. Notwithstanding termination or expiration of this Agreement for any reason, Sections 6c, 6d, 10 and 14 shall be continuing obligations of Operator and shall survive this Agreement.

EXECUTED AS OF 7/8, 2021.

CITY OF ANTIOCH

BAKERY ANTIOCH I, LLC

By: 
Rowland E. Bernal, Jr., City Manager

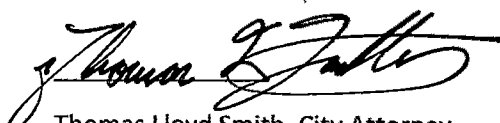
By: 
Brandon Johnson, Manager

Attest:



Elizabeth Householder, City Clerk

Approved as to form:


Thomas Lloyd Smith, City Attorney

TRUE COPY CERTIFICATION

(Government Code 27361.7)

Oakland, California
Place of Execution (City and State)

I certify under penalty of perjury that this material is a true copy of the original material contained in the document.


City of Antioch
Contra Costa County, CA
Incorporated February 6, 1872

Attest:

For Elizabeth Householder, City Clerk

eRecording Partners Network

7/1/2021
Date

By: 
Signature of Declarant

S. Rayndles
Type or Print Name

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

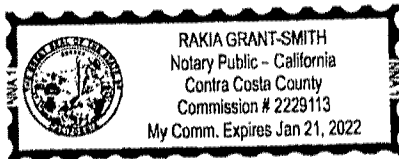
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Contra Costa }

On June 25, 2021 before me, Rakia Grant-Smith, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Rowland E. Bernal Jr.
Name(s) of Signer(s)

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



Place Notary Seal and/or Stamp Above

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

WITNESS my hand and official seal.

Signature Rakia Grant-Smith
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Operating Agreement
Document Date: April 8, 2021 Number of Pages: 20
Signer(s) Other Than Named Above: None

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
<input type="checkbox"/> Corporate Officer – Title(s): _____	<input type="checkbox"/> Corporate Officer – Title(s): _____
<input type="checkbox"/> Partner – <input type="checkbox"/> Limited <input type="checkbox"/> General	<input type="checkbox"/> Partner – <input type="checkbox"/> Limited <input type="checkbox"/> General
<input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact	<input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact
<input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator	<input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Other: _____
Signer is Representing: _____	Signer is Representing: _____

ACKNOWLEDGMENT

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

State of California
County of Orange)

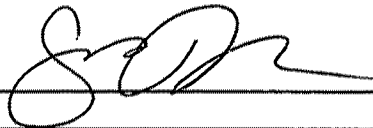
On April 8, 2021 before me, Sophia Naranjo, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature



(Seal)

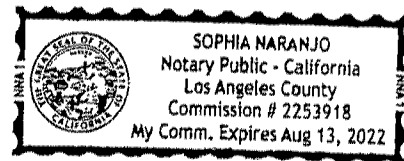


EXHIBIT A

[to be attached]

RESOLUTION NO. 2020/182

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH
APPROVING A USE PERMIT (UP-19-14) FOR CANNABIS DISPENSARY WITH
DELIVERY LOCATED AT 2515 WEST TENTH STREET**

WHEREAS, Bakery Antioch, Inc. requests approval of use permit for a cannabis dispensary with delivery (APN 074-051-018);

WHEREAS, this project is Categorically Exempt from the provisions of CEQA, pursuant to section 15301;

WHEREAS, the Planning Commission on October 21, 2020, duly held a public hearing and received and considered evidence, both oral and documentary and recommended that City Council approve the Use Permit;

WHEREAS, the City Council duly gave notice of public hearing as required by law; and

WHEREAS, on December 8, 2020, the City Council, duly held a public hearing on the matter, and received and considered evidence, both oral and documentary.

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby make the following findings for approval of a Cannabis Business Use Permit:

1. The granting of such Use Permit will not be detrimental to the public health or welfare or injurious to the property or improvements in such zone or vicinity.

The proposed cannabis dispensary is heavily conditioned to address public health and welfare issues. On-site armed security is required at all times with annual audits of the site security plan required. The business shall also maintain on-site odor control so that cannabis related odors are not readily detected outside the structure. Based upon the conditions imposed, the cannabis dispensary use will not create adverse impacts to the surrounding businesses and residents. In addition, the on-site security guards will serve as dedicated individuals to ensure agreed upon parking protocols and restrictions are monitored and adhered to in the parking lot.

2. The use applied at the location indicated is properly one for which a Use Permit is authorized.

The site is zoned Cannabis Business Zoning Overlay District. The Cannabis Business Zoning Overlay District allows cannabis dispensaries with the approval of a Use Permit.

RESOLUTION NO. 2020/182

December 8, 2020

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3. That the site for the proposed use is adequate in size and shape to accommodate such use, and all parking, and other features required.

The proposed cannabis dispensary will take place in an existing commercial building with sufficient parking. In addition, the on-site security guards will serve as dedicated individuals to ensure agreed upon parking protocols and restrictions are monitored and adhered to in the parking lot. The project's security guards will monitor the entrance and exit of all vehicles in the parking lot, and if a vehicle is seen parking in a neighboring, restricted space and the occupant is intending to enter the Cookies building, the driver will be notified that they will not be admitted entry unless they park their vehicle in a dedicated, permissible space. Furthermore, the site has a secure interior loading area for cannabis deliveries.

4. That the site abuts streets and highways adequate in width and pavement type to carry the kind of traffic generated by the proposed use.

The project site is currently developed and is located on the south side of West Tenth Street, which is adequate in width and pavement type to carry the traffic generated by the proposed use.

5. The granting of such Use Permit will not adversely affect the comprehensive General Plan.

The use will not adversely affect the comprehensive General Plan because the project is consistent with the General Plan designation for the site of Business Park.

6. That the location and site characteristics of the proposed cannabis business are consistent with all applicable State laws and City standards or guidelines, that all provisions have been made to ensure that the operation of the cannabis business will not create excessive demands for police service or other public services, and that the cannabis business will benefit the City of Antioch.

The conditions of approval on the project are consistent with the Cannabis Guidelines. The security plan has been reviewed by the Antioch Police Department and security conditions have been included per their direction. The fees generated by the sale of cannabis will provide a financial benefit to the City of Antioch.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Antioch does hereby **APPROVE** the use permit for a cannabis dispensary with delivery, located at 2515 West Tenth Street (APN 074-051-018) subject to the following conditions:

RESOLUTION NO. 2020/182

December 8, 2020

Page 3

A. GENERAL CONDITIONS

1. The project shall comply with the Antioch Municipal Code. All construction shall conform to the requirements of the California Building Code and City of Antioch standards.
2. The applicant shall defend, indemnify, and hold harmless the City in any action brought by a third party to challenge the land use entitlement. In addition, if there is any referendum or other election action to contest or overturn these approvals, the applicant shall either withdraw the application or pay all City costs for such an election.
3. The project shall be implemented as indicated on the application form and accompanying materials provided to the City and in compliance with the Antioch Municipal Code, or as amended by the Planning Commission or City Council.
4. No building permit will be issued unless the plan conforms to the project description and materials as approved by the City Council and the standards of the City.
5. This approval expires two years from the date of approval by the City Council (December 8, 2022), unless an extension has been approved by the Zoning Administrator. Requests for extensions must be received in writing with the appropriate fees prior to the expiration of this approval. No more than one one-year extension shall be granted.
6. No permits or approvals, whether discretionary or ministerial, shall be considered if the applicant is not current on fees, reimbursement payments, and any other payments that are due.
7. City staff, including the Antioch Police Department, shall inspect the site for compliance with conditions of approval prior to the issuance of a Certificate of Occupancy or commencement of the business.
8. The applicant shall obtain an encroachment permit for all work to be done within the public right-of-way.

B. CONSTRUCTION CONDITIONS

1. The use of construction equipment shall comply with AMC § 5-17.04 and 5-17.05, or as approved in writing by the City Manager.
2. The project shall be in compliance with and supply all the necessary documentation for AMC § 6-3.2: Construction and Demolition Debris Recycling.

3. Building permits shall be secured for all proposed construction associated with this facility, including any interior improvements not expressly evident on the plans submitted.
4. Standard dust control methods shall be used to stabilize the dust generated by construction activities.

C. AGENCY REQUIREMENTS

1. All requirements of the Contra Costa County Fire Protection District shall be met, including:
 - a. The owner/contractor shall submit a minimum of two (2) complete sets of plans and specifications of the subject project to the Fire District for review and approval prior to construction to ensure compliance with minimum requirements related to fire and life safety. Plan review and inspection fees shall be submitted at the time of plan review submittal. (105.4.1) CFC, (107) CBC
 - b. Fire District approval is required before any expansion of the business or processes other than retail sales.
 - c. Provide quantity, type and location of any hazardous materials to be stored and used on the site with tenant improvement plans
2. Changes of use or occupancy. Changes shall not be made in the use or occupancy of any structure that would place the structure in a different division of the same group or occupancy or in a different group of occupancies, unless such structure is made to comply with the requirements of this code. (§102.3) CFC
3. The developer shall submit a minimum of two (2) complete sets of building plans and specifications of the subject project, including plans for any of the following required deferred submittals, to the Fire District for review and approval prior to construction to ensure compliance with minimum requirements related to fire and life safety. Plan review and inspection fees shall be submitted at the time of plan review submittal. (105.4.1) CFC, (901.2) CFC, (107) CBC
 - Fire sprinklers
 - Fire alarm
 - Emergency Responder Radio Coverage System (ERRCS)

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December 8, 2020

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D. FEES

1. The applicant shall pay all City fees which have been established by the City Council and as required by the Antioch Municipal Code.
2. The applicant shall pay all required fees at the time of building permit issuance.

E. PROPERTY MAINTENANCE

1. No illegal signs, pennants, banners, balloons, flags, or streamers shall be used on this site at any time.
2. The site shall be kept clean of all debris (boxes, junk, garbage, etc.) at all times.

F. PROJECT-SPECIFIC REQUIREMENTS

1. This Use Permit approval applies to the operation of a cannabis dispensary with delivery as depicted on the project plans and application materials submitted to the Community Development Department. Any forthcoming plans submitted for any purpose shall be entirely consistent with these received plans and application materials and conditions of approval herein.
2. The hours of operation for on-site operations and deliveries shall not exceed seven days a week from 9:00 AM – 8:00 PM.
3. All necessary licenses from the State of California shall be obtained prior to opening.
4. All persons entering the business must be at least 21 years of age with a valid identification card. An electronic reader shall be used to read and validate identification cards.
5. No smoking or ingestion of cannabis products on-site is allowed.
6. No free samples of cannabis products are allowed.
7. Cannabis products that are not used for display purposes or immediate sale shall be stored in a secured and locked room, safe, or vault, and in a manner reasonably designed to prevent diversion, theft, and loss.
8. Cannabis related waste shall be stored and secured in a manner that prevents diversion, theft, loss, hazards and nuisance.

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December 8, 2020

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9. The operator shall take reasonable steps to discourage and correct objectionable conditions that constitute a nuisance in parking areas, sidewalks and areas surrounding the premises during business hours if directly related to patrons of the business.
10. A copy of this Use Permit and City of Antioch business license, as well as any other State licenses, shall be on display during business hours and in a conspicuous place so that they may be readily seen by all persons entering the facility.
11. No signs, tinting, or other graphic material may be used to obscure the storefront windows.
12. No drive-through, drive-up, or walk-up window services are allowed.
13. No fewer than two uniformed and armed security guards who are employed by a Private Patrol Operator (Security Company) who is currently licensed with the California Department of Consumer Affairs shall be on-site during business operating hours. One armed security guard shall be on-site at all times, even when the facility is closed. A copy of the contract with the Security Company shall be provided to the Community Development Director for review and approval prior to issuance of a certificate of occupancy.
14. The name of the Security Company, proof of liability insurance including a copy of all exceptions, their State license number, and the guard registration numbers for the employed guards shall be provided to the Community Development Department. Should there be a change in the security private patrol operator or in the liability insurance of the applicant, the Community Development Director shall be notified within five (5) business days.
15. The City Council may require modification, discontinuance or revocation of this use permit if it finds that the use is operated or maintained in a manner that it:
 - Adversely affects the health, peace or safety of persons living or working in the surrounding area; or
 - Contributes to a public nuisance; or
 - Has resulted in excessive nuisance activities including disturbances of the peace, illegal drug activity, diversion of Cannabis or Cannabis Products, public intoxication, smoking in public, harassment of passersby, littering, or obstruction of any street, sidewalk or public way; or
 - Has resulted in or has been the target of criminal activity requiring undue attention and dedication of the Antioch Police Department resources; or

RESOLUTION NO. 2020/182

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Page 7

- Violates any provision of Antioch Municipal Code or condition imposed by a City issued permit, or violates any provision of any other local, state, regulation, or order including those of state law or violates any condition imposed by permits or licenses issued in compliance with those laws.
 - Results in more than three distinct unresolved odor complaints in a twelve (12) month period.
16. The business shall incorporate and maintain adequate on-site odor control measures in such a manner that the odors of cannabis and cannabis-related products shall not be readily detected from outside of the structure in which the business operates or from other non-Cannabis businesses adjacent to the site.
 17. During regular business hours, all cannabis business premises shall be accessible, upon request, to an authorized City employee or representative for random and/or unannounced inspections. The cannabis business may be charged a fee for any inspections.
 18. An annual audit of the site's security plan shall be submitted to the Antioch Police Department. The audit shall be conducted by City staff or a third-party company subject to the approval of the Antioch Police Department.
 19. All points of ingress and egress to the business shall be secured with Building Code compliant commercial-grade, non-residential door locks and/or window locks. Entry and exit doors to restricted cannabis areas shall be made of reinforced metal with metal frames and have a security lock system.
 20. Building signage shall not state that cannabis or cannabis products are stored, sold or handled on the site. Images of cannabis leaves, green crosses, or similar commonly-identifiable graphics are not allowed. All building and on-site signage shall be subject to staff review and approval.
 21. Any proposed exterior changes to the site shall be shown on the building permit plan submittal. Exterior changes may be subject to administrative design review approval.
 22. The only cannabis paraphernalia allowed to be sold at the site are vape pens, vape pen batteries, and chargers unless approved in writing by the Community Development Director.
 23. Delivery vehicles shall not contain identifiable markings that associate the delivery service with the cannabis business.
 24. The loading and unloading of vehicles for delivery of cannabis shall be conducted in a secured, gated or enclosed area.

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25. All delivery of cannabis to the site shall take place in a caged/gated delivery area with a dedicated armed security guard to be present during all deliveries.
26. Bollards shall be placed on the site in front of windows and doors that make the site vulnerable to a "smash and grab" scenario. The location of the bollards shall be subject to the review and approval of the Antioch Police Department prior to issuance of building permits for the project.
27. Visible signage shall be placed at the entrance of the facility notifying the public of surveillance on site.
28. All dedicated vehicle parking spaces shall be signed with "Cookies Customer Parking" with the additional acknowledgement that "Parking in any space not specifically designated as Cookies Customer Parking is expressly prohibited and vehicles that do so will be subject to towing and impoundment."
29. The required on-site security guards shall monitor and enforce the agreed upon parking protocols and restrictions, including but not limited to, if a customer's vehicle is seen parking in a restricted space, the driver will be notified by security and will be asked to park their vehicle in a permitted space.
30. Prior to a certificate of occupancy being issued for the site, the Antioch Police Department shall conduct a site inspection to assess the security of the site. Any changes the Antioch Police Department deems necessary upon site inspection shall be incorporated into a revised site security plan that is then submitted for their review and approval. No certificate of occupancy will be issued without final approval of a site security plan by the Antioch Police Department.
31. Security measures shall be designed to ensure emergency access is provided to the Antioch Police Department and the Contra Costa Fire Department for all areas on the premises in case of an emergency.
32. Security surveillance cameras shall be installed and maintained in good working order to provide coverage on a twenty-four (24) hour real-time basis of all internal and external areas of the site where cannabis is stored, transferred and dispensed, where any money is handled, and all parking areas. The cameras shall be oriented in a manner that provides clear and certain identification of all individuals within those areas. Cameras shall remain active at all times and be capable of operating under any lighting condition. Security video must use standard industry format to support criminal investigations and shall be maintained for a minimum of sixty (60) days.

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December 8, 2020

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33. Exterior lighting surrounding the building shall comply with Section § 9-5.1715 of the Antioch Municipal Code, which requires outdoor parking areas to have a minimum illumination at ground level of two foot-candles.
34. A professionally monitored security alarm system shall be installed and maintained in good working condition. The alarm system shall include sensors to detect entry exit from all secure areas and all windows. The name and contact information of the alarm system installation and monitoring company shall be kept as part of the onsite books and records.
35. A local contact who will be responsible for addressing security and safety issues shall be provided to, and kept current with, the Antioch Police Department.
36. Any changes to the required security measures shall be subject to the review and approval of the Antioch Chief of Police or their designee.
37. The applicant shall enter into an operating agreement with the City of Antioch prior to a certificate of occupancy being issued for the site. No business license shall be issued without an approved operating agreement.

* * * * *

I HEREBY CERTIFY the foregoing resolution was duly adopted by the City Council of the City of Antioch, County of Contra Costa, State of California, at a regular meeting of said City Council held on the 8th day of December 2020, by the following vote:

AYES: Council Members Wilson, Motts, Thorpe, Ogorchock and Mayor Wright

NOES: None

ABSENT: None

ABSTAIN: None

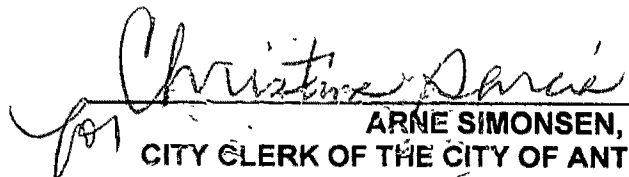

ARNE SIMONSEN, MMC
CITY CLERK OF THE CITY OF ANTIOCH

EXHIBIT B

The Site is located at 2515 W. 10th Street, Antioch, CA 94509, and is APN 074-051-018-5

EXHIBIT C

Business type	Yr 1	Yr 2	Yr 3	Yr 4+
Retail (% of Gross Receipts)	2%	3%	4%	5%
Microbusiness (% of Gross Receipts) *	2%	3%	5%	6%
Cultivation (per square foot) *	\$2	\$3	\$5	\$6

*Eligible for local employment incentive, as follows:

The total amount payable to City by the Operator pursuant to this Exhibit shall be reduced by the following amount(s) if the Operator employs not fewer than the following numbers of Antioch residents on a full-time basis, providing healthcare benefits:

At least 20 City residents	1%, but not to exceed \$60,000
At least 50 City residents	3%, but not to exceed \$150,000
At least 100 City residents	6%, but not to exceed \$300,000
At least 150 City residents	9%, but not to exceed \$450,000
200 or more City residents	12%, but not to exceed \$600,000

Example: If the revenue due to the City from Operator, based on Gross Receipts, is \$500,000, and the Operator employs 51 City residents, then the \$500,000 would be reduced by 3% and the Operator would owe the City \$485,000.

For any Operator requesting the local employment incentive, the City reserves the right to verify the number of City residents employed on an annual basis.

EXHIBIT D

Operator will donate a percentage of gross receipts to programs whose purpose is to help underprivileged children or adults who have been adversely affected by drug abuse, with such programs serving Antioch residents.

Consistent with this goal, Operator will provide to Opportunity Junction, Inc., an Antioch 501 (c)(3) non-profit corporation, the following funding: 0.25% in year one, 0.37% in year 2, and 0.5% in year 3 and thereafter (with a minimum annual guarantee of \$25,000) of gross receipts, paid consistent with the terms of the Operating Agreement.

Operator's funding will help Opportunity Junction expand its existing Healthcare Career Pathway program into Antioch. This program offers training to become a Certified Nursing Assistant ("CNA"), which will help the trainees begin careers leading to financial security and increase the number of local CNAs, which may improve healthcare equity in the region.