



## **SPECIAL MEETING**

# **CANNABIS STANDING COMMITTEE**

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**Date:** FRIDAY, OCTOBER 4, 2024  
**Time:** 11:00 a.m.  
**Place:** Antioch City Hall - Council Chambers  
200 H Street  
Antioch, CA 94509

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### **COMMITTEE MEMBERS**

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

***PLEASE TURN OFF CELL PHONES BEFORE ENTERING COUNCIL CHAMBERS.***

**ACCESSIBILITY:** 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 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@antiochca.gov](mailto:publicworks@antiochca.gov).

# **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. The Speaker Request forms are located at the entrance of the Council Chambers.

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](mailto:cityattorney@antiochca.gov), **prior to 9:00 a.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 9:00 a.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

11:00 A.M. ROLL CALL – Committee Members

## INTRODUCTIONS

### ***CONSENT AGENDA for Cannabis Standing Committee***

- A. CANNABIS STANDING COMMITTEE SPECIAL MEETING MINUTES FOR SEPTEMBER 20, 2024

Recommended Action: Motion to approve the Meeting Minutes.

### ***REGULAR AGENDA for Cannabis Standing Committee***

1. PRESENTATION BY OPPORTUNITY JUNCTION REGARDING THE SOCIAL EQUITY PROGRAM FOR BAKERY ANTIOCH I, LLC

Recommended Action: Motion to receive and file the presentation.

2. BAKERY ANTIOCH I, LLC CHANGE OF OWNERSHIP

Recommended Action: It is recommended that the Cannabis Standing Committee take one of the following actions:

- Motion to recommend that the City Council **approve** Bakery Antioch I LLC's request to transfer 100% of their ownership interest to Sarmad Hayawi, Amar Salim, and Steven Petrus;
- Motion to recommend that the City Council **deny** Bakery Antioch I LLC's transfer 100% of their ownership interest to Sarmad Hayawi, Amar Salim, and Steven Petrus;
- **Take no action.**

**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**  
**2:00 P.M.**

**September 20, 2024**  
**Council Chambers**

## **ROLL CALL**

Council Member/Committee Chair Wilson called the meeting to order at 2:00 P.M. and Acting City Clerk Rosales called the roll.

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

Staff: Assistant City Attorney, Kevin Kunding  
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 AUGUST 5, 2024**

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 August 5, 2024.

## **REGULAR AGENDA**

### **1. BAKERY ANTIOCH I, LLC CHANGE OF OWNERSHIP**

Assistant City Attorney Kunding presented the staff report dated September 20, 2024, recommending the Cannabis Standing Committee review Bakery Antioch I LLC's proposed change in ownership and determine whether to recommend the change to City Council.

#### **A. Public Comment**

Sharmad Hayawi, Steven Petrus and Sharmad Salim, Owner / Managing Partners explained they took over ownership six months ago and purchased the business two weeks ago and they were now finished with construction and waiting for Fire Marshal approval. They explained the business would be dba Flame Dispensary and they had two other locations.

**A**

**10-04-24**

**B. Discussion and direction to staff**

In response to Council/Committee Member Torres Walker, the owner / managing partners stated that they were unaware of an equity partner.

Assistant City Attorney Kunding commented that there should be an equity partner.

Council Member/Committee Chair Wilson stated the staff report indicated the original owner's equity partner was Opportunity Junction.

Assistant City Attorney Kunding stated it was his understanding that the intention was for the purchasers to comply with all the original agreements. He explained that there was a dba name change; however, since the name of the business and name of the group bound by the operating agreement had not legally changed; he did not believe an amendment would be necessary.

Council/Committee Member Torres Walker requested a presentation from Opportunity Junction on their agreement with the former operator.

In response to Council Member/Committee Chair Wilson, the applicants indicated that they understood the Social Equity Agreement; however, they were not familiar with Opportunity Junction's program.

Assistant City Attorney Kunding commented that Opportunity Junction had given a presentation to the Cannabis Standing Committee in the past. He stated he was unsure if it was proper to have a presentation this afternoon since it was not on the agenda. He noted it would be a good idea for the parties to discuss the program; however, he did not believe that a presentation needed to occur in an open meeting since it was just a transfer of ownership.

Council/Committee Member Torres Walker clarified that she was not on Council at the time the original Operating Agreement was signed, and she was not aware of the details of the that agreement.

Assistant City Attorney Kunding stated that this item dealt with the transfer of ownership and everything else in the contract remained the same, so he did not set an agenda item to have a presentation from Opportunity Junction. He noted the Cannabis Standing Committee could set a presentation and then hold a vote at another meeting. He stated that Committee Members had the opportunity this afternoon to speak with and ask questions of the new proposed owners and he did not believe it would be necessary to bring them back to a subsequent meeting.

Council/Committee Member Torres Walker stated that while she did not have an issue with the new operator, she was not comfortable voting without understanding the initial agreement between Opportunity Junction and Bakery.

Assistant City Attorney Kunding responded that a discussion regarding the initial agreement should be placed on an agenda, so it was open to public comment.

Council/Committee Member Torres Walker stated she would support recommending this item to the City Council after there was another meeting to allow issues around the Equity Program to be resolved.

Assistant City Attorney Kunding responded that staff would coordinate with Committee Members to schedule a meeting date as soon as possible, so a vote could occur at that meeting, and they could forward it to Council soon after.

Council/Committee Member Torres Walker stated it would be important for the new operator to be present to hear the presentation from Opportunity Junction.

Council Member/Committee Chair Wilson suggested the operators meet with Opportunity Junction.

Council/Committee Member Torres Walker recommended the Cannabis Standing Committee reconvene to have a presentation from Opportunity Junction and a vote to move the item to Council.

In response to the applicant, Assistant City Attorney Kunding explained Social Equity Partnerships.

Council/Committee Member Torres Walker reiterated that she was not comfortable moving forward without understanding the past relationship between the non-profit and operator.

Council/Committee Member Torres Walker provided a history and the purpose of the Social Equity Program and explained that understanding if the non-profits were serving the community with the intent the resources were meant to serve, was important.

Assistant City Attorney Kunding added that his intention would be to continue communicating with the operators' legal counsel and he would inform him of the new Cannabis Standing Committee meeting date.

Council/Committee Member Torres Walker thanked the operators for wanting to do business in Antioch.

On motion by Council/Committee Member Torres-Walker, seconded by Council Member/Committee Chair Wilson the Cannabis Standing Committee members unanimously tabled Bakery Antioch I, LLC Change of Ownership and directed staff to bring the item back as soon as possible and include a presentation from the Social Equity Partner.

Council Member/Committee Chair Wilson stated they wanted the business to be successful.

## **ADJOURNMENT**

On motion by Council/Committee Member Torres Walker, seconded by Council/Committee Chair Wilson the Committee unanimously adjourned the meeting at 2:23 P.M.

Respectfully submitted:

*Kitty Eiden*

KITTY EIDEN, Minutes Clerk

**STAFF REPORT TO THE CITY COUNCIL**

**DATE:** Special Meeting of October 4, 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:** Social Equity Presentation by Opportunity Junction

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**RECOMMENDED ACTION**

It is recommended that the Cannabis Standing Committee receive and file the presentation from Opportunity Junction.

**FISCAL IMPACT**

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

**BACKGROUND**

Opportunity Junction was approved as the Social Equity Partner for Bakery Antioch I LLC by the Cannabis Standing Committee on November 25, 2020.

At the September 20, 2024 Cannabis Committee meeting during an agenda item devoted to the change of Bakery Antioch I LLC's change of ownership, the Committee requested that Opportunity Junction make a presentation for the benefit of the Committee and the proposed new owners of Bakery Antioch I LLC. The slides for Opportunity Junction's PowerPoint Presentation are attached as Attachment A.

**ATTACHMENTS**

A. Opportunity Junction PowerPoint Slides





Social Equity Presentation  
October 4, 2024

We believe that  
everyone who works  
hard deserves the  
opportunity to succeed

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# History

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Opportunity Junction was launched in 2000, growing from a start-up nonprofit with a single job training and placement program to a regional hub for economic security programs and services.

# Programs & Services

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- Administrative Careers Training
- Healthcare Career Pathway
- Career Counseling and Placement Assistance
- Technology Center





# What Sets Us Apart?

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- Data Informed
- Innovation & Adaptation
- Wraparound Support
- Alumni Services

# Healthcare Career Pathway

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# HCP Demographics (Antioch)

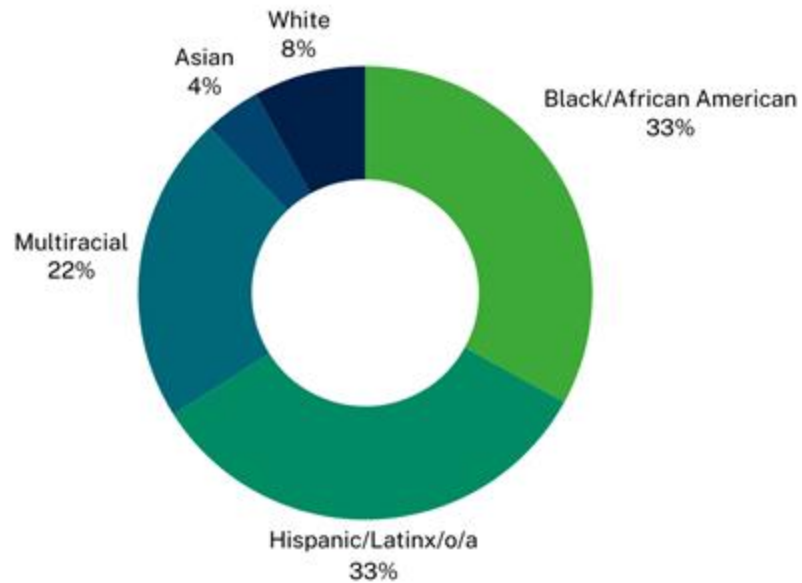


38% Single Parents



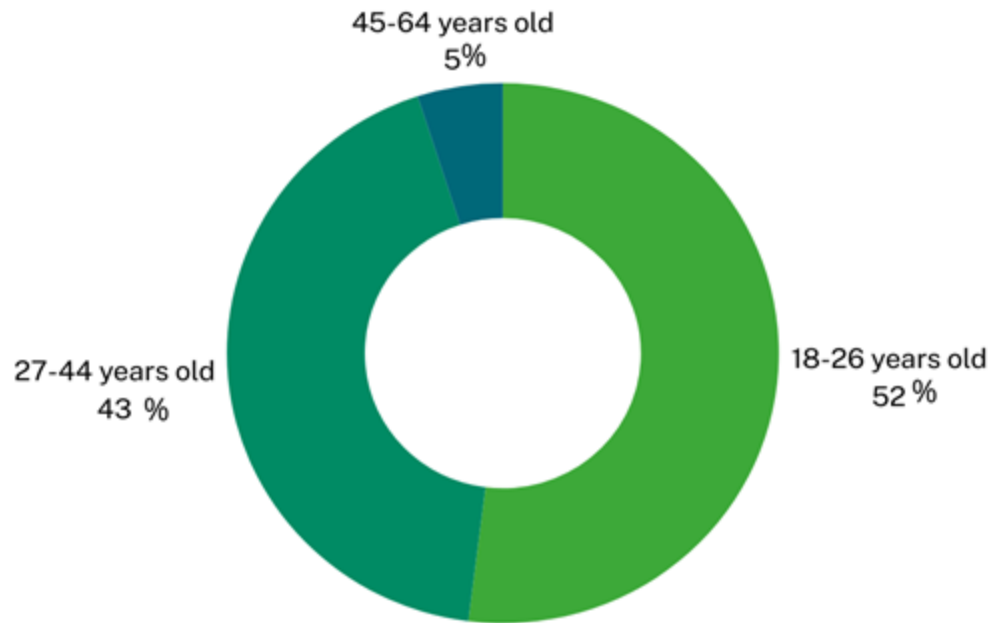
Extremely low income: 83%

Very low income: 15% | Low Income: 2%



# Transition Age Youth

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# Antioch HCP Outcomes FY2023-24

Metrics	Results
Total Enrollments	55
Graduation Rate	93%
Total Passed Licensing	53
Placement Rate (of those who enrolled)	88%
Placement Rate (of those who completed training)	96%
Average Starting Wage	\$24.78/hr
Average hours/week	39

# MA Pilot Cohort: 17 Trainees

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**100%**  
GRADUATION  
RATE



**47%**  
YOUTH  
AGE 18-26



**89%**  
ELI OR VLI



**88%**  
FEMALE  
TRAINEES



**82%**  
BIPOC



# Success Story

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**STAFF REPORT TO THE CITY COUNCIL**

**DATE:** Special Meeting of October 4, 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

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**RECOMMENDED ACTION**

It is recommended that the Cannabis Standing Committee motion to:

1. Recommend that the City Council **approve** Bakery Antioch LLC's request to transfer 100% of their ownership interest to Sarmad Hayawi, Amar Salim, and Steven Petrus;

**OR**

2. Recommend that the City Council **deny** Bakery Antioch LLC's transfer 100% of their ownership interest to Sarmad Hayawi, Amar Salim, and Steven Petrus;

**OR**

3. **Take no action.**

**FISCAL IMPACT**

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

**BACKGROUND**

This item originally was presented to the Committee on August 5, 2024, but a decision was tabled because representatives for the prospective owners were not present to answer questions for the Committee members.

At the September 20, 2024, meeting, the Committee directed staff to coordinate a special Committee meeting where Opportunity Junction, Bakery Antioch I's current social equity partner, would give the Committee a Social Equity Presentation. The slides for that presentation are attached as Attachment A.

### **DISCUSSION**

Bakery Antioch I LLC's business is located at 2515 West 10<sup>th</sup> 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 B for reference. A summary of the new proposed owners is attached as Attachment C.

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 D 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@rzeiglerlaw.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")**

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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

**(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  
19 - eRecording Partners Network LLC

Receipt #: 202100142019

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 15<sup>th</sup> of each month or, if the 15<sup>th</sup> 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 15<sup>th</sup> 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 15<sup>th</sup> 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

Bakery Antioch I, LLC (Cookies) Operating Agreement

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.

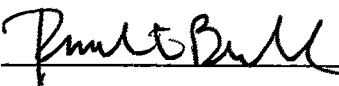
j. All waivers must be in writing to be effective or binding upon the waiving party and no waiver shall be implied from any omission by a party to take or not take any action with respect to default or other matters. Failure by a party to insist upon the strict performance of any provisions of the Agreement 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.

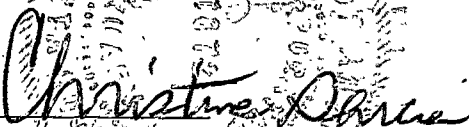

CITY OF ANTIOCH

BAKERY ANTIOCH I, LLC

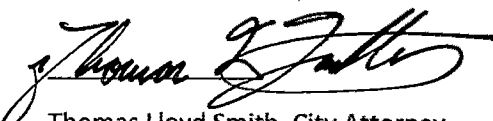
By:   
Rowland E. Bernal, Jr., City Manager

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 }

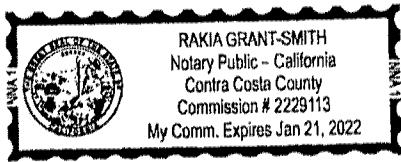
On June 25, 2021 before me, Rakia Grant-Smith, Notary Public  
*Date Here Insert Name and Title of the Officer*

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) 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.



Place Notary Seal and/or Stamp Above

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: \_\_\_\_\_

Corporate Officer – Title(s): \_\_\_\_\_  Corporate Officer – Title(s): \_\_\_\_\_

Partner –  Limited  General  Partner –  Limited  General

Individual  Attorney in Fact  Individual  Attorney in Fact

Trustee  Guardian or Conservator  Trustee  Guardian or Conservator

Other: \_\_\_\_\_  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 )

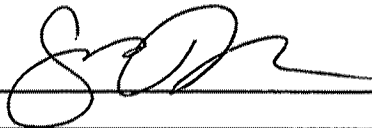
On April 8, 2021 before me, Sophia Naranjo, Notary Public  
(insert name and title of the officer)

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.

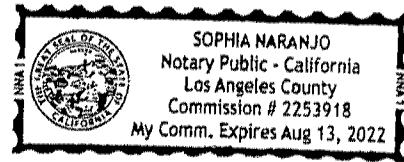
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.

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

Page 2

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, permittable 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)

**RESOLUTION NO. 2020/182**

December 8, 2020

Page 5

**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.

**RESOLUTION NO. 2020/182**

December 8, 2020

Page 6

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**

December 8, 2020

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.

**RESOLUTION NO. 2020/182**

December 8, 2020

Page 8

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.



**RESOLUTION NO. 2020/182**

December 8, 2020

Page 9

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.

\* \* \* \* \*

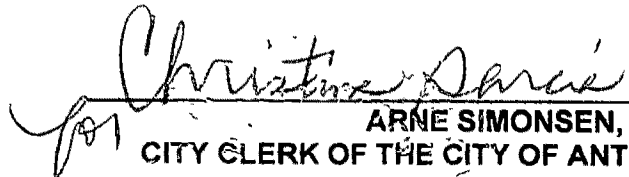
**I HEREBY CERTIFY** the foregoing resolution was duly adopted by the City Council of the City of Antioch, County of Contra Costa, State of California, at a regular meeting of said City Council held on the 8<sup>th</sup> day of December 2020, by the following vote:

**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.