



OFFICE OF THE CITY ADMINISTRATOR  
1 Frank H. Ogawa Plaza  
11<sup>th</sup> Floor  
Oakland, CA 94612

**APPLICATION FOR SPECIAL ACTIVITY PERMIT  
MEDICAL CANNABIS DISPENSARY**

City Identification Number: \_\_\_\_\_

Application is hereby made by: Oakland Cannabis Institute, LLC  
☐ Individual ☐ Partnership ☒ Corporation

to operate a Medical Cannabis Cultivation and Manufacturing Facility at the following location:

705 - 721 Broadway Oakland, CA 94607 510-893-1400  
Address Telephone No.

Email address: oaklandcannabis@yahoo.com Fax: 510-893-0875

Doing business as: Oakland Organics

The premises are owned by Jane Yarn and now  
Name of building owner

used as Medical Cannabis Collective - Oakland Organics

The person to be in charge of this operation will be: Dona Ruth Frank

who resides at \_\_\_\_\_  
Address City Zip

Phone \_\_\_\_\_

For access to premises, call: Robert Mc Carthy (661) 703-1376  
Name (Telephone No.)

The names, residence address and business address of applicant (including all members of the firm or partnership and all officers and directors of the corporation) and of all persons interested in the permit, if granted, are as follows (make additional sheet, if needed):

NAME: Dona Ruth Frank DATE OF BIRTH: [REDACTED]  
TITLE/POSITION: Managing Member  
Home Address: [REDACTED]  
City/Zip: [REDACTED] Home Phone: [REDACTED]  
Email: dona@organicann.com CA ID/DRIVER'S LICENSE #: [REDACTED]  
Business Address: P.O. Box 5286  
City/Zip: San Jose, CA 95102 Business Phone: 707 588 8811

NAME: \_\_\_\_\_ DATE OF BIRTH: \_\_\_\_\_  
TITLE/POSITION: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
City/Zip: \_\_\_\_\_ Home Phone: \_\_\_\_\_  
Email: \_\_\_\_\_ CA ID/DRIVER'S LICENSE #: \_\_\_\_\_  
Business Address: \_\_\_\_\_  
City/Zip: \_\_\_\_\_ Business Phone: \_\_\_\_\_

NAME: \_\_\_\_\_ DATE OF BIRTH: \_\_\_\_\_  
TITLE/POSITION: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
City/Zip: \_\_\_\_\_ Home Phone: \_\_\_\_\_  
Email: \_\_\_\_\_ CA ID/DRIVER'S LICENSE #: \_\_\_\_\_  
Business Address: \_\_\_\_\_  
City/Zip: \_\_\_\_\_ Business Phone: \_\_\_\_\_

NAME: \_\_\_\_\_ DATE OF BIRTH: \_\_\_\_\_  
TITLE/POSITION: \_\_\_\_\_  
Home Address: \_\_\_\_\_  
City/Zip: \_\_\_\_\_ Home Phone: \_\_\_\_\_  
Email: \_\_\_\_\_ CA ID/DRIVER'S LICENSE #: \_\_\_\_\_  
Business Address: \_\_\_\_\_  
City/Zip: \_\_\_\_\_ Business Phone: \_\_\_\_\_

I declare under the penalty of perjury that all foregoing statements are true and correct.  
Any false statement shall be cause for revocation of any permit issued under Chapter  
5.80 of the Oakland Municipal Code.

Dana Ruth France  
Name of applicant (Print)

[Signature]  
Signature of Applicant

2/22/11  
Date

Dated at Santa Rosa, California, this 22nd day of February,  
20 11 Year  
(City) Date Month

Signed: [Signature]  
(Applicant or Authorized Representative)

Name (In Print): Dana Ruth France

FOR OFFICE USE ONLY  
DO NOT WRITE BELOW THIS BOX

Nancy Marcus  
City Administrator's Office

2/23/11  
Date

948583  
Receipt No.

### Participating Departments:

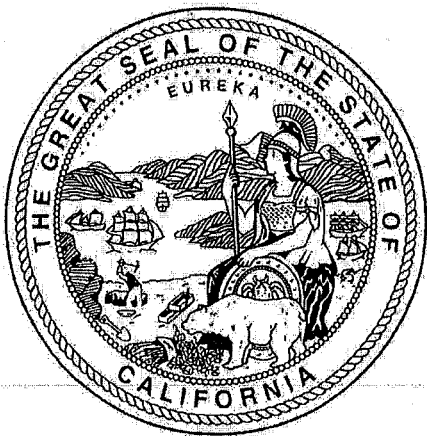
- ☐Oakland Fire Department
- ☐Oakland Police Department
- ☐Building Services
- ☐CEDA/Redevelopment
- ☐Environmental Services
- ☐Planning

**State of California**  
**Secretary of State**



I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

SEP 14 2009

DEBRA BOWEN  
Secretary of State





State of California  
Secretary of State

LLC-1

File #

200925310048

**ENDORSED - FILED**  
in the office of the Secretary of State  
of the State of California

SEP 09 2009

**LIMITED LIABILITY COMPANY  
ARTICLES OF ORGANIZATION**

A \$70.00 filing fee must accompany this form.

**IMPORTANT - Read Instructions before completing this form.**

This Space For Filing Use Only

**ENTITY NAME** (End the name with the words "Limited Liability Company," or the abbreviations "LLC" or "L.L.C." The words "Limited" and "Company" may be abbreviated to "Ltd." and "Co.," respectively.)

1. NAME OF LIMITED LIABILITY COMPANY

Oakland Cannabis Institute, LLC

**PURPOSE** (The following statement is required by statute and should not be altered.)

2. THE PURPOSE OF THE LIMITED LIABILITY COMPANY IS TO ENGAGE IN ANY LAWFUL ACT OR ACTIVITY FOR WHICH A LIMITED LIABILITY COMPANY MAY BE ORGANIZED UNDER THE BEVERLY-KILLEA LIMITED LIABILITY COMPANY ACT.

**INITIAL AGENT FOR SERVICE OF PROCESS** (If the agent is an individual, the agent must reside in California and both Items 3 and 4 must be completed. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 3 must be completed (leave Item 4 blank).)

3. NAME OF INITIAL AGENT FOR SERVICE OF PROCESS

Lisa Gygax

4. IF AN INDIVIDUAL, ADDRESS OF INITIAL AGENT FOR SERVICE OF PROCESS IN CALIFORNIA CITY STATE ZIP CODE

6490 Front Street

Forestville CA 95436

**MANAGEMENT** (Check only one)

5. THE LIMITED LIABILITY COMPANY WILL BE MANAGED BY:



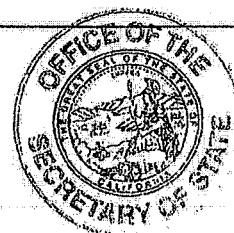
ONE MANAGER



MORE THAN ONE MANAGER



ALL LIMITED LIABILITY COMPANY MEMBER(S)



**ADDITIONAL INFORMATION**

6. ADDITIONAL INFORMATION SET FORTH ON THE ATTACHED PAGES, IF ANY, IS INCORPORATED HEREIN BY THIS REFERENCE AND MADE A PART OF THIS CERTIFICATE.

**EXECUTION**

7. I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

DATE

8/20/09

SIGNATURE OF ORGANIZER

Dona Frank

TYPE OR PRINT NAME OF ORGANIZER

**IRS** DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
CINCINNATI OH 45999-0023

Date of this notice: 08-12-2009

Employer Identification Number:  
27-0721842

Form: SS-4

Number of this notice: CP 575 A

OAKLAND CANNABIS INSTITUTE  
OCANN  
% DONA RUTH FRANK SOLE MBR  
PO BOX 5286  
SANTA ROSA, CA 95402

For assistance you may call us at:  
1-800-829-4933

IF YOU WRITE, ATTACH THE  
STUB AT THE END OF THIS NOTICE.

**WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER**

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 27-0721842. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 941  
Form 940

10/31/2009  
01/31/2010

If you have questions about the form(s) or the due date(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

If you are required to deposit for employment taxes (Forms 941, 943, 940, 944, 945, CT-1, or 1042), excise taxes (Form 720), or income taxes (Form 1120), you will receive a Welcome Package shortly, which includes instructions for making your deposits electronically through the Electronic Federal Tax Payment System (EFTPS). A Personal Identification Number (PIN) for EFTPS will also be sent to you under separate cover. Please activate the PIN once you receive it, even if you have requested the services of a tax professional or representative. For more information about EFTPS, refer to Publication 966, *Electronic Choices to Pay All Your Federal Taxes* and Publication 4248, *EFTPS (Brochure)*. If you need to make a deposit before you receive your Welcome Package, please visit an IRS taxpayer assistance center to obtain a Federal Tax Deposit Coupon, Form 8109-B. To locate the taxpayer assistance center nearest you, visit the IRS Web site at <http://www.irs.gov/localcontacts/index.html>. Note: You will not be able to obtain Form 8109-B by calling 1-800-829-TAXFORMS (1-800-829-3676).

JANE YOON



Dec 30, 2009

CITY OF OAKLAND  
Special Activities Permits  
1 Frank Ogawa Plaza  
Oakland, CA 94612

RE: Oakland Cannabis Institute  
701-721 Broadway, Oakland, CA

Dear Sir or Madam:

This letter is to inform you that: 1) I own the premises at 701-721 Broadway, Oakland, CA; 2) the Oakland Cannabis Institute, LLC, a cannabis dispensing collective, is my tenant there; and 3) I will continue to rent to this collective during the permit review process and anticipate doing so as long as it holds the appropriate permit(s) with the City of Oakland and remains in compliance with all rules and regulations imposed by the City.

Do not hesitate to contact me if you have any questions.

Yours very truly,



JANE YOON

PATRICK O'CONNELL, Alameda County Clerk-Recorder  
1106 Madison Street, First Floor  
Oakland, CA 94607 Telephone (510) 272-6362

**ENDORSED  
FILED  
ALAMEDA COUNTY**

FEB 03 2011

**FICTITIOUS BUSINESS NAME STATEMENT**  
**USE BLACK OR DARK BLUE INK ONLY**

PATRICK O'CONNELL, County Clerk  
BY [Signature] Deputy

**FILING FEE:**

Please call (510) 272-6362 for current filing fees or visit our website at www.acgov.org.

FILE NUMBER: 447723  
DO NOT WRITE ABOVE THIS LINE

PLEASE READ INSTRUCTIONS ON BACK OF THIS FORM - TYPE OR PRINT LEGIBLY					
<b>A</b>	FICTITIOUS BUSINESS NAME(S) <u>Oakland Organics</u>				
<b>B</b>	Street Address of Principal Place of Business (P.O. Box not acceptable) ** City County State Zip <u>705 Broadway Oakland, CA Alameda CA 94607</u> Mailing Address (Optional) City County State Zip <u>P.O. Box 5286 Santa Rosa Sonoma CA 95402</u>				
<b>C</b>	<table border="1"> <tr> <td> <b>① Show full name of 1st Registrant. (If Registrant is Corporation, LLC or LLP, show full name of Entity.)***</b>  <u>[Redacted]</u> - <u>Oakland Cannabis Institute,</u>  Residence Street Address (P.O. Box not acceptable)  <u>[Redacted]</u>  City State Zip  <u>California</u>  (If a corporation or LLC, show state where registered.) </td> <td> <b>② Show full name of 2nd Registrant if any. (If Registrant is Corporation, LLC or LLP, show full name of Entity.)***</b>  <u>LLC</u>  Residence Street Address (P.O. Box not acceptable)  City State Zip  If a corporation or LLC, show state where registered. </td> </tr> <tr> <td> <b>③ Show full name of 3rd Registrant if any. (If Registrant is Corporation, LLC or LLP, show full name of Entity.)***</b>  Residence Street Address (P.O. Box not acceptable)  City State Zip  If a corporation or LLC, show state where registered. </td> <td> <b>④ Show full name of 4th Registrant if any. (If Registrant is Corporation, LLC or LLP, show full name of Entity.)***</b>  Residence Street Address (P.O. Box not acceptable)  City State Zip  If a corporation or LLC, show state where registered. </td> </tr> </table>	<b>① Show full name of 1st Registrant. (If Registrant is Corporation, LLC or LLP, show full name of Entity.)***</b> <u>[Redacted]</u> - <u>Oakland Cannabis Institute,</u> Residence Street Address (P.O. Box not acceptable) <u>[Redacted]</u> City State Zip <u>California</u> (If a corporation or LLC, show state where registered.)	<b>② Show full name of 2nd Registrant if any. (If Registrant is Corporation, LLC or LLP, show full name of Entity.)***</b> <u>LLC</u> Residence Street Address (P.O. Box not acceptable) City State Zip If a corporation or LLC, show state where registered.	<b>③ Show full name of 3rd Registrant if any. (If Registrant is Corporation, LLC or LLP, show full name of Entity.)***</b> Residence Street Address (P.O. Box not acceptable) City State Zip If a corporation or LLC, show state where registered.	<b>④ Show full name of 4th Registrant if any. (If Registrant is Corporation, LLC or LLP, show full name of Entity.)***</b> Residence Street Address (P.O. Box not acceptable) City State Zip If a corporation or LLC, show state where registered.
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<b>D</b>	<b>BUSINESS CONDUCTED BY: ****</b> <input type="checkbox"/> an Individual <input type="checkbox"/> Husband and wife <input type="checkbox"/> State or local registered domestic partners <input type="checkbox"/> Co-partners <input type="checkbox"/> a Joint venture <input type="checkbox"/> a General partnership <input type="checkbox"/> a Limited liability partnership <input type="checkbox"/> a Trust <input type="checkbox"/> a Corporation <input type="checkbox"/> a Limited partnership <input checked="" type="checkbox"/> a Limited liability company <input type="checkbox"/> an Unincorporated association other than a partnership (Check only 1 box)				
<b>E</b>	<input type="checkbox"/> The registrant began to transact business under the fictitious business name(s) listed above on <u>1/1/2011</u> **** (Write "N/A" on the line above if you have not yet begun transacting business using the fictitious business name.) (date)				
<p>I DECLARE THAT ALL INFORMATION IN THIS STATEMENT IS TRUE AND CORRECT. (A REGISTRANT WHO DECLARES AS TRUE INFORMATION WHICH HE OR SHE KNOWS TO BE FALSE IS GUILTY OF A CRIME.)</p> <p><b>NOTICE:</b> IN ACCORDANCE WITH BUSINESS AND PROFESSIONS CODE SECTION 17920(A), THE FICTITIOUS NAME STATEMENT EXPIRES 5 YEARS FROM THE DATE ON WHICH IT WAS FILED IN THE OFFICE OF THE COUNTY CLERK EXCEPT, AS PROVIDED IN SUBDIVISION (B) OF SECTION 17920, WHEN IT EXPIRES 40 DAYS AFTER ANY CHANGE IN THE FACTS AS SET FORTH IN THE STATEMENT PURSUANT TO SECTION 17913 OTHER THAN A CHANGE IN THE RESIDENCE ADDRESS OF A REGISTERED OWNER. A NEW FICTITIOUS BUSINESS NAME STATEMENT MUST BE FILED BEFORE THE EXPIRATION.</p> <p>The filing of this statement does not of itself authorize the use in this state of a fictitious business name in violation of the rights of another under federal, state, or common law (see Section 14411 et seq., Business and Professions Code).</p>					
<b>SIGNATURE OF REGISTRANT</b> <u>Dora Frank Managing Member</u> PRINT NAME AND TITLE OF PERSON SIGNING, EXCEPT INDIVIDUAL					

THIS STATEMENT WAS FILED WITH THE COUNTY CLERK-RECORDER OF ALAMEDA COUNTY ON THE DATE INDICATED BY THE FILE STAMP ABOVE.

CITY OF OAKLAND  
BUSINESS TAX CERTIFICATEACCOUNT  
NUMBER

0467402

The issuing of a Business Tax Certificate is for record purposes only. It does not release the taxpayer from the responsibility of complying with the tax laws of the City of Oakland and/or any other regulatory law or regulation of the State of California, or any other governmental agency. The Business Tax Certificate expires on December 31st of each year. Per Section 170.001(a) of the O.M.C., you are allowed to renew your certificate until March 1st of the following year.

CALIFORNIA ADVOCATE RELIEF EXCHANGE

EXPIRATION DATE

12/31/2019

BUSINESS LOCATION

701 BROADWAY  
OAKLAND, CA 94607-4000

BUSINESS TYPE

Z

Cannabis

NAME  
MAILING ADDRESS

CALIFORNIA ADVOCATE RELIEF EXCHANGE  
701 BROADWAY  
OAKLAND, CA 94607-4000

Public information above this line  
to be conspicuously posted.





DISPLAY CONSPICUOUSLY AT PLACE OF BUSINESS FOR WHICH ISSUED

CALIFORNIA STATE BOARD OF EQUALIZATION

**SELLER'S PERMIT**



ACCOUNT NUMBER

8/17/2009 SR CH 101-305723

OAKLAND CANNABIS INSTITUTE, LLC  
705 BROADWAY  
OAKLAND, CA 94607-4000

D.B.A.

**NOTICE TO PERMITTEE**  
You are required to obey all Federal and State laws that regulate or control your business. This permit does not allow you to do otherwise.

IS HEREBY AUTHORIZED PURSUANT TO SALES AND USE TAX LAW TO ENGAGE IN THE BUSINESS OF SELLING TANGIBLE PERSONAL PROPERTY AT THE ABOVE LOCATION. THIS PERMIT IS VALID ONLY AT THE ABOVE ADDRESS.

THIS PERMIT IS VALID UNTIL REVOKED OR CANCELED AND IS NOT TRANSFERABLE. IF YOU SELL YOUR BUSINESS OR TAKE OUT OF A PARTNERSHIP, NOTIFY US OR YOU COULD BE RESPONSIBLE FOR SALES AND USE TAXES OWED BY THE NEW OPERATOR OF THE BUSINESS.

Not valid at any other address.

For general tax questions, please call our Information Center at 800-400-7115.

For information on your rights, contact the Taxpayers' Rights Advocate Office at 888-324-2798 or 916-324-2798.

PER-002-REV-01-02-09

**A MESSAGE TO OUR NEW PERMIT HOLDER**

As a seller, you have rights and responsibilities under the Sales and Use Tax Law. In order to assist you in your endeavor and to better understand the law, we offer the following sources of help:

- Visiting our Website at [www.sboe.ca.gov](http://www.sboe.ca.gov)
- Visiting our district office
- Attending a Basic Sales and Use Tax Law class offered at one of our district offices
- Sending your questions in writing to any one of our offices
- Calling our toll-free Information Center at 800-400-7115

As a seller, you have the right to issue resale certificates for merchandise that you intend to resell. Conversely, you have the responsibility of not issuing resale certificates. While the sales tax is imposed upon the retailer:

- You have the right to seek reimbursement of the tax from your customer.
- You are responsible for filing and paying your sales and use tax returns timely.
- You have the right to be treated in a fair and equitable manner by the employees of the Board.
- You are responsible for following the regulations set forth by the Board.

As a seller, you are expected to maintain the normal books and records of a prudent businessperson. You are required to maintain these books and records for not less than four years, and make them available for inspection by a Board representative when requested. You are also expected to notify us if you are buying, selling, adding a location, or discontinuing your business, adding or dropping a partner, officer, or member, or when you are moving any or all of your business locations. If it becomes necessary to surrender this permit, you should only do so by mailing it to a Board office, or giving it to a Board representative.

If you would like to know more about your rights as a taxpayer or if you are unable to resolve an issue with the Board, please contact the Taxpayers' Rights Advocate Office for help by calling toll-free 888-324-2798 or 916-324-2798. Their fax number is 916-324-3310.

Please post this permit at the address for which it was issued and at a location visible to your customers.

STATE BOARD OF EQUALIZATION

Sales and Use Tax Department

containing the Premises, then Landlord may cause Tenant to be served with a 3-Day Notice to Quit, and, if Tenant does not timely vacate the Premises within 3 days of service of said notice, evidenced by Tenant's return of the keys to the Premises to Landlord, then Tenant shall forfeit its right to return of the security deposit and Tenant shall be in material breach or default of this Lease.

4.4 Tenants shall not do or permit to be done in or about the premises anything which is of a hazardous or dangerous nature, or which will increase the rate of, or cause cancellation of, any insurance on the building of which the Premises are a part.

4.5 Tenants shall not obstruct or interfere with the rights of Landlord's other tenants, their customers and invitees, nor injure or annoy them. Currently, there are two (2) other tenants in Landlord's commercial rental property, containing the Premises, at 7<sup>th</sup> & Broadway, Oakland, CA.

4.6 Tenant shall not cause, maintain or permit any nuisance in, on or about the Premises, nor commit any waste therein or thereon.

4.7 Except for the upstairs apartment, Tenant shall not use nor permit the use of the Premises or any part thereof as living or sleeping quarters.

4.8 Tenant shall furnish, install and maintain the Premises and any trade fixtures, furniture and other property reasonably appropriate in connection with the conduct of Tenant's business. Tenant acknowledges that the Landlord shall not provide a security alarm system for the Premises; and if Tenant decides that such a security alarm system is required, Tenant alone shall be responsible for the cost of buying or leasing, installing and maintaining such an alarm or system.

4.9 Tenant agrees that, at its own cost and expense, it will comply with and conform to all laws and ordinances and any and all lawful requirements and orders of any properly constituted governmental board or authority, in every way relating to the use of or occupancy of the Premises, or installation of anything (incl. any trade fixtures) at the Premises, throughout the entire term of this Leases.

#### ARTICLE 5. SECURITY DEPOSIT

5.1 Upon execution of this Lease, Tenant shall deposit with Landlord the sum specified in Article 1(d)(1), above. Said sum shall be held by Landlord as security for the faithful performance by Tenant of all obligations under this Lease. Said deposit shall not be assigned, transferred or encumbered by Tenant, and any attempt to do so by Tenant shall not be binding upon Landlord.

5.2 If Tenant defaults with respect to any provision of this Lease, or should Landlord make any payment on behalf of Tenant, Landlord may (but shall not be required to) use, apply or retain all or any part of said deposit for the payment of any rent or any other sum spent or obligated to be spent by reason of Tenant's default, or to compensate Landlord for any other loss or damage which Landlord has suffered or may suffer by reason of Tenant's default. If any portion of said deposit is so used, applied or retained, Tenant shall within five (5) days after service of written demand by/from Landlord therefore, deposit cash or certified funds with Landlord in an amount sufficient to restore said deposit to its original sum. Tenant's failure to do so shall constitute a material breach of this Lease, and Landlord may, without further notice, exercise its remedies specified in Article 24 hereof.

5.3 Landlord shall not be required to keep said deposit separate from its general funds and shall not be deemed a trustee thereof, and Tenant shall not be entitled to interest on any sums deposited or redeposited under this Article. If Tenant vacates the Premises after the initial period under this Lease, said security deposit or its then remaining balance shall be refunded to Tenant, or the last assignee or successor in interest thereto, within ninety (90) business days after the termination of this Lease. In the event Landlord's interest in this Lease is sold, transferred or otherwise terminated, Landlord shall transfer said deposit to its successor in interest, and thereupon Landlord shall be discharged from any further liability with respect thereto.

## ARTICLE 6. UTILITIES, WATER, GARBAGE, ETC.

6.1 Tenant, at its own cost and expense, shall pay for all water, gas, heat, electricity, garbage disposal, sewer charges, telephone, and any other utility or service charge related to its occupancy of the Premises.

6.2 Landlord's commercial property, containing the Premises, has two (2) other tenants. Each tenancy is has separate meters for electricity. However, controls for gas, located inside the Premises, are not separately metered. Tenant shall pay seventy-five percent (75%) of all charges jointly metered for gas with the other two (2) tenants.

6.3 Landlord shall not be liable in damages, consequential or otherwise, nor shall there be any rent abatement, arising out of any interruption or reduction whatsoever in utility services (i) which is due to fire, accident, strike, governmental authority, acts of God, or other causes beyond the reasonable control of Landlord or (ii) any temporary interruption in such service which is necessary to the making of alterations, repairs, or improvements to the building or any part of it, or (iii) which the Landlord deems necessary in order to conserve energy.

## ARTICLE 7. REAL ESTATE TAXES

7.1 Tenant shall pay, as additional rent, its proportionate share of all "Taxes" (as hereinafter defined) which may be levied, assessed or imposed against or become a lien upon, the land, buildings and all other improvements in the building. The term "Taxes" shall include impositions for the purpose of funding special assessment districts, water and sewer rents, rates and charges (including water and sewer charges which are measured by the consumption of the actual user of the item or service for which the charge is made) levies, fees (including license fees) and all other taxes, governmental levies and charges of every kind and nature whatsoever, (and whether or not the same presently exist or shall be enacted in the future) which may during the term be levied, assessed, imposed, become a lien upon or due and payable with respect to, out of or for:

(a) The building or any part thereof, or of any land, or improvements thereon, or the use, occupancy or possession thereof;

(b) Any interest of Landlord and/or Tenant (including any legal or equitable interest of Landlord or its mortgagee, if any) in the building and/or the underlying realty or upon the Lease or any document to which tenant is a party creating or transferring an interest or an estate in the Premises;

(c) The rents receivable by Landlord for the building imposed or which may be based thereupon or measured thereby, including gross receipts taxes, business taxes, business and occupation taxes but excluding net income or excess profits taxes;

(d) The ownership, leasing, operation, maintenance, alteration or repair of the building; and

(e) "Taxes" shall also include interest on installment payments and all costs and fees (including reasonable attorneys and appraisers fees) incurred by Landlord in contesting Taxes and negotiating with public authorities as to the same. "Taxes" shall not include, however, any excess of the savings realized from such contest(s) or negotiation(s); in addition, "taxes" shall not include any franchise, estate, inheritance, corporation, transfer, net income or excess profits tax.

7.2 Tenant shall pay to Landlord, as "additional rent", property taxes, as follows: For the first 36 months during the initial term hereof, Tenant's share of property taxes shall be that portion of the total of the Taxes assessed on Landlord's overall commercial property in any such tax fiscal year, multiplied by seventy-five percent (75%). Should Tenant elect to exercise the option as permitted herein under ARTICLE 2.2, Tenant's proportionate share of property taxes shall be that portion of the total of the Taxes assessed on Landlord's overall commercial property in any such tax fiscal year, multiplied by seventy-five percent (75%) as of the date when such taxes are assessed.

7.3 Commencing with the rent commencement date, tenant shall pay Landlord each month, together with



# LEASE AGREEMENT

OAKLAND ORGANICS, LLC  
DONA FRANK

7th & Broadway, Oakland, CA 94607

## ARTICLE 2. TERM & OPTION

2.1 The initial term of this Lease shall commence on 9/1/12 and shall terminate at midnight on 8/31/15, and the premises shall be delivered to Tenant on 9/1/12.

2.2 Options: At the expiry of the initial term and provided Tenant is not then in default, Tenant shall have the option to extend the term for one additional period of three (3) years. Such option must be exercised, in writing, by Tenant giving Landlord notice of its exercise of the option not less than ninety (90) days before the expiration of the original Lease term.

## ARTICLE 3. RENT

3.1 Tenant agrees to pay to Landlord, without offset or deduction of any kind, the monthly Rent on the 1<sup>st</sup> day of each calendar month during the Initial Term (and, if exercised, the Option Term) of this lease. Payment may be made by hand-delivery, mail (1<sup>st</sup>-class US mail, postage prepaid), or by electronic inter-bank transfer.

3.2 Rent, as defined herein, is set forth in Article 1.(b), above, and Articles 3.4, 3.6, 7.1 through 7.3, 8.2, 13.2, 24.13, and 27.2, below. Rent, including "Additional Rent", is also set forth elsewhere in this Lease.

3.3 Tenant's obligation to pay rent shall commence on the Rent Commencement Date which is defined in Article 1.(g), above.

3.4 Base Rent shall remain the same throughout the initial term of this Lease, but additional rent for property taxes and liability insurance may fluctuate. If Tenant exercises the option to extend, allowed per Article 2.2, base rent for the 1<sup>st</sup> year of that option period shall increase by 5% and shall be increased each year thereafter by 5% compounded annually.

3.5 Late Charges: Tenant acknowledges that rent is due on the 1<sup>st</sup> of each successive month, and is delinquent if not paid by the 5<sup>th</sup>. Late payments by Tenant to Landlord of monthly rent and/or other payments required to be paid by Tenant hereunder will cause Landlord to incur costs not contemplated by this lease, the exact amount of such costs being extremely difficult to ascertain. It is therefore agreed by and between the parties that, in the event rent is not paid by the 5<sup>th</sup>, Tenant shall additionally pay late charges, also defined as rent, in the amount not less than 10% of monthly rent.

3.6 In the event Landlord causes Tenant to be served with a 3-day notice to pay rent or quit, and provided Tenant is delinquent in rent under the terms hereof, the cost of preparation and service of process of that notice shall be construed as Additional Rent.

3.7 Any unpaid Rent and any other sums due and payable hereunder by Tenant shall bear interest at the maximum lawful rate of ten (10%) percent per annum from the due date and until payment thereof.

## ARTICLE 4. USE OF PREMISE

4.1 The premises shall be used and occupied only for the purposes described in Article 1.(h), above, and for no other purposes without Landlord's prior written consent, which consent shall not be unreasonably withheld.

4.2 Tenant has inspected the Premises and warrants that, as of the date this Lease is executed by Tenant, the Premises are fit for their intended purpose and use.

4.3 Tenant shall not do or permit to be done in or about the Premises anything which is illegal or unlawful under the laws of the State of California. If the federal government, State of California, County of Alameda or City of Oakland, seeks to enforce a statute, ordinance, regulation or case holding, for the purpose of abating, precluding or limiting the dispensing of medical marijuana, or if Landlord is threatened with forfeiture of her commercial property,

each payment of monthly Base Rent, the amount set forth in ARTICLE 1(b)(2), above, as an impound toward its share of Taxes. Tenant's actual obligation for taxes shall be determined and computed by Landlord not less often than annually and at the time each such computation is made, Landlord and Tenant shall adjust for any difference between impounded amounts and Tenant's actual share. At the time of each such computation, Landlord may revise the monthly payment for taxes set forth immediately above by written notice to Tenant. Tenant shall pay its share of taxes during each year of the Lease term. Landlord shall furnish such figures, computation and information as Tenant may reasonably request for the purpose of verifying the amounts charged to Tenant by Landlord.

#### ARTICLE 8. REPAIRS, MAINTENANCE & ALTERATIONS

8.1 Landlord shall keep and maintain the roof (including the structural integrity thereof) and the exterior surfaces of the exterior walls of the building in which the leased Premises are located (exclusive of sidewalks, doors, door frames, door checks, other entrances, and window frames which are part of common area, and storefronts) in good repair. Tenant shall give Landlord prompt written notice of any damage to the Premises requiring repair by Landlord. However, Landlord shall not be required to make any such repairs occasioned by the act or negligence of Tenant or its agents employees, invitees, licensees or contractors.

8.2 Except as set forth in article 8.1, above, Tenant shall, at its expense, keep and maintain the Premises and every part thereof, including sidewalks, in good order, condition and repair, and shall do such reasonable periodic painting of the interior thereof as may be required and approved by Landlord. Tenant shall keep its sewers and drains open and clear and shall keep the common areas and vacant lot adjacent to the Premises fronting Broadway St., Oakland, clean and free of debris. Except in the case of a fire or casualty which shall be governed by the provisions of Article 11 hereof, Tenant shall reimburse Landlord on demand for the cost to repair any damage to the Premises, the common areas, or the building, generally, caused by Tenant, its employees, customers, agents or invitees. If Tenant fails to comply with the foregoing requirements, Landlord may (but shall not be obligated to) effect such maintenance and repair, and the cost thereof shall be due and payable, as Additional Rent, from Tenant to Landlord within five (5) days after written demand therefor by Landlord. Tenant's failure to pay such Additional Rent shall constitute a material breach of this Lease, and Landlord may, without any further notice, exercise its remedies specified in Article 24 hereof.

8.3 Tenant shall, at its expense, contract for the repair and maintenance of any air conditioning and heating system, if either is provided at the Premises, and provide Landlord with a copy of said contract within ten (10) days after Tenant opens for business. The contract shall be for the benefit of Landlord and Tenant, and shall be placed with a licensed contractor approved by Landlord.

8.4 Subject to provision 8.5, below, Tenant shall not make any alteration, changes or improvements in or to the Premises or any part thereof without first obtaining Landlord's written consent, and all of the same shall be at Tenant's sole cost. Landlord may impose as a condition of its consent such requirements as Landlord, in her sole discretion, may deem reasonable and desirable, including but not limited to, the requirement that Tenant utilize for such purposes only contractors, materials, mechanics and material men approved by Landlord and that good and sufficient plans and specifications be submitted to Landlord at such times as its consent is required. All alterations, additions, changes and improvements made by Tenant shall become the property of Landlord and a part of the realty and shall be surrendered to Landlord upon the expiration, or sooner termination, of the Lease. Further, Landlord may designate by written notice to Tenant those alterations, additions and improvements which may be removed by Tenant at the expiration or termination of the Lease and Tenant shall promptly remove the same and repair all damage caused by such removal at its cost and with all due diligence.

8.5 Tenant may make nonstructural alterations and improvements to the interior of the Premises, of ten thousand dollars (\$10,000) or less per alteration, without Landlord's consent, provided the work is performed by licensed contractors, in a good and workmanlike manner, and pursuant to local permits.

8.6 Tenant, within sixty (60) days of 9/1/12, shall repair and prevent water damages at the Premises (incl. basement area, its ceiling, and the floor immediately above it) to Landlord's personal satisfaction.

## ARTICLE 9. COMMON AREAS

9.1 Tenant at its sole expense, shall keep and maintain during the term of this Lease, all Common Areas within Landlord's commercial building.

9.2 The term Common Areas as used in this Lease generally shall include all portions, areas and facilities of the building that are not occupied by Tenant or other tenants or reserved by Landlord, including without limitation landscaped areas, parking lots, sidewalks and walkways and other area facilities and improvements provided by Landlord for the convenience and use of Tenant or its agents employees, invitees, licensees or contractors.

## ARTICLE 10. TRADE FIXTURES AND SURRENDER

10.1 Upon the expiration or sooner termination of the term hereof, Tenant shall surrender the Premises including, without limitation, all apparatus and fixtures then upon the Premises, in as good condition as when received, reasonable wear and tear alone excepted, broom clean and free of trash and rubbish and, subject to Landlord's election set forth in Article 8.4 with all alterations, changes, additions and improvements which may have been made or installed from time to time either by Landlord or tenant in, on or about the Premises. All of the same shall be the property of Landlord and shall be surrendered by tenant without any injury, damage or disturbance thereto, and tenant shall not be entitled to any payment therefor. Said property of Landlord shall include, without limitations, all lighting fixtures, fluorescent bulbs and bulbs, and all partitions whether removable or otherwise.

10.2 Tenant may remove moveable trade fixtures, furniture and other of its personal property, unless otherwise provided in this Lease and if Tenants are not in default hereunder, prior to the termination of this Lease, and at their own cost to repair any damage to the Premises and the building caused by such removal. If Tenant fails to remove any of such property within 15 days of vacating the premises, Landlord may at its option retain such property as abandoned by Tenant and title thereto shall thereupon vest in Landlord, or Landlord may remove the same and dispose of it in any manner and Tenant shall, upon demand, pay Landlord the actual expense of such removal and disposition plus the cost of repair of any and all damages to said Premises and building resulting from or caused by such removal.

10.3 The voluntary or other surrender of this Lease by Tenants, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of the Landlord terminate all or any existing subleases and subtenancies, or may, at Landlord's option, operate as an assignment to it of any or all such subleases or subtenancies.

10.4 If, at any time during the last thirty (30) days of the initial term hereof, Tenant has removed all or substantially all of its aforesaid property from the Premises, Landlord shall thereafter have the right to enter said Premises for the purpose of altering, renovating and/or redecorating the Premises. Such entry or work shall not be deemed either an eviction or a disturbance of Tenant's use enjoyment, and/or occupancy of the Premises.

## ARTICLE 11. DAMAGE OR DESTRUCTION

11.1 Except as otherwise provided in Article 11.2, if the Premises are damaged and destroyed by any casualty covered by Landlord's fire insurance policy, Landlord shall repair such damage as soon as reasonably possible, to the extent of the available proceeds, and the Lease shall continue in full force and effect.

11.2 If the Premises are damaged or destroyed by any casualty covered by Landlord's fire insurance policy to such an extent as to render the same untenable in whole or substantial part, or to the extent of twenty-five percent (25%) or more of the replacement value of the Premises during the last twelve (12) months of the terms herein, or if the insurance proceeds are not sufficient to repair the damage, or if the building of which the Premises are a part shall be damaged to the extent of (50%) or more of the replacement value, Landlord may either (i) repair such damage as soon as reasonably possible, in which event this Lease shall continue in full force and effect, or (ii) cancel and terminate this Lease as of the date of the occurrence of such damage by giving Tenant written notice of Landlord's election to do so within ninety (90) days after the date of the occurrence of the damage.

11.3 If at anytime during the term herein the Premises are damaged and such damage was caused by a casualty not covered under Landlord's insurance policy specified in Article 13.2 hereafter, Landlord may, at its option, either (i) repair such damage as soon as reasonably possible at Landlord's expense, in which event this Lease shall continue in full force and effect, or (ii) cancel and terminate this Lease as of the date of the occurrence of such damage, by giving Tenant written notice of Landlord's election to do so within thirty (30) days after the date of occurrence of such damage, in which event this Lease shall so terminate unless within thirty (30) days thereafter Tenant agrees to repair the damage at its cost and expense or pay for Landlord's repair of such damage.

11.4 In the event of damage or destruction not caused by Tenant's fault or neglect, then and only then shall the Base Rent payable hereunder be proportionately reduced during the period of damage any repair or restoration pursuant to this Article 11, said reduction to be based upon the extent to which the damage or the making of such repairs or restoration shall interfere with Tenant's business conducted in the Premises.

11.5 In the event of damage or destruction to the Premises caused by the negligence or intentional misconduct of Tenant, its customers, agents or invitees, Tenant shall continue to pay rent to Landlord, unabated.

11.6 Landlord shall in no event be required or obligated to repair, restore or replace any of Tenant's leasehold improvements, trade fixtures or any other property whatsoever in or at the Premises.

#### ARTICLE 12. EMINENT DOMAIN/FORFEITURE

12.1 If all, substantially all or a portion of the Premises is taken under the power of eminent domain or forfeiture (or similar law authorizing the involuntary taking of private property, which may include a sale to or taking by a public body), Landlord shall have the right, at its option, to terminate this Lease effective the date possession is taken by said authority; and Landlord: 1) shall not be obligated to reimburse to Tenant for anything including an amount equal to the lesser of the unamortized cost or depreciated value of leasehold improvements made at the Premises at Tenant's sole or partial cost; and 2) shall be entitled to any and all income, rent, award and any interest thereon whatsoever which may be paid or made in connection with such public or quasi-public use or purpose.

12.2 Tenant hereby assigns to Landlord its entire interest in any and all such awards, and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease.

12.3 Nothing herein shall be deemed to give Tenant any right to claim either from Landlord or from the condemning authority compensation or damages for Tenant's trade fixtures and personal property.

#### ARTICLE 13. INSURANCE

##### Landlord Insurance Reimbursement

13.1 Landlord shall obtain and keep in force during the term hereof, a policy or policies of insurance covering loss or damage to Premises providing protection against all perils included within the classification of fire, extended coverage, vandalism, and malicious mischief, together with an endorsement providing for rental income insurance covering a period of up to twelve (12) months covering Base Rent. At Landlord's sole option, Landlord may obtain earthquake insurance.

13.2 Tenant shall reimburse to Landlord, as "additional rent", for the cost of liability insurance obtained by Landlord, as follows: For each of the first thirty-six (36) months during the Initial Term hereof, Tenant's share of liability insurance shall be seventy-five (75) percent of the annual cost for liability insurance on Landlord's overall commercial property. Should Tenant elect to exercise the option as permitted herein under ARTICLE 2.2, for each of the next thirty-six (36) months during the Option Term hereof, Tenant's share of liability insurance shall be seventy-five (75) percent of the annual cost for liability insurance on Landlord's overall commercial property.

13.3 Commencing with the rent commencement date, Tenant shall pay Landlord each month, together with each payment of monthly Base Rent, the amount set forth in ARTICLE 1(b)(2), above, as an impound toward its share of liability insurance. Tenant's actual obligation for liability insurance shall be determined and computed by Landlord not less often than annually and at the time each such computation is made, Landlord and Tenant shall adjust for any difference between impounded amounts and Tenant's actual share. At the time of each such computation, Landlord may revise the monthly payment for liability insurance set forth immediately above by written notice to Tenant. Tenant shall pay its share of liability insurance during each year of the Lease term. Landlord shall furnish such figures, computation and information as Tenant may reasonably request for the purpose of verifying the amounts charged to Tenant by Landlord.

#### Tenant Insurance

13.4 Tenant shall, at all times during the Initial Term (and, if exercised, the Option Term), at its expense, carry and maintain insurance policies in the amounts and in the form hereinafter provided:

(a) Bodily Injury. Bodily injury liability insurance with limits of not less than One Million Dollars (\$1,000,000) per person and One Million Dollars (\$1,000,000) per occurrence insuring against any and all liability of the insured in connection with, arising from or pertaining to any incident at the Premises or, due to medical marijuana being dispensed to a patient who, after going off the Premises, results in harm to that or any other person.

(b) Property Damage. Property damage liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence.

(c) All such insurance shall specifically insure the performance by tenant of the indemnity clause as to liability for injury to or death of persons and loss of or damage to property contained in Article 15 hereof. Said insurance shall name Landlord as "additional insured", and shall provide that Landlord, although named as additional insured, shall nevertheless be entitled to recovery thereunder for any loss suffered by it, its agents, servants and employees by reason of Tenant's negligence. Said insurance shall be primary insurance as respects Landlord and not participating with any other available insurance.

13.5 In addition, Tenant shall, at all times during the term hereof, at its expense, carry and maintain insurance policies in the amounts and in the form hereinafter provided:

(a) Plate Glass; Tenant shall, at its expense, carry and maintain plate glass insurance for personal injury, but shall have the right to self-insure against risk of property damage to plate glass. In either event, Tenant shall replace plate glass within ten (10) days of property damage thereto.

(b) Tenant improvements: Insurance covering all of Tenant's leasehold improvements, trade fixtures, merchandise and other personal property from time to time in the Premises in an amount not than eighty percent (80%) of their full replacement cost, providing protection against any peril included within the classification "Fire and Extended Coverage", together with insurance against sprinkler damage, vandalism and malicious mischief. The proceeds of insurance shall, so long as this Lease remains in effect, be used to repair or replace the property damaged or destroyed.

13.6 Policy Form: All insurance to be carried by tenant hereunder shall be in companies, on forms and with loss payable clauses satisfactory to Landlord and copies of such policies or certificates evidencing such insurance shall be delivered to Landlord within ten (10) days after delivery of possession of the Premises to Tenant and within thirty (30) days prior to the expiration date of each policy. No such policy shall be cancelable except after twenty (20) days advance written notice to Landlord. Tenants shall have the right to maintain required insurance under blanket policies provided that Landlord is named therein as an additional insured and provided further that the coverage afforded Landlord will not be reduced or diminished by reason thereof.

13.7 If Tenant fails to pay, procure and maintain any insurance policy obligation required herein, Landlord may (but shall not be obligated to ) procure the same on Tenant's behalf, and the cost of same shall be payable as Additional rent within five (5) days after written demand therefor by Landlord. Tenant's failure to pay such Additional Rent shall constitute a material breach of this Lease, and Landlord may, without any further notice, exercise its remedies specified in Paragraph 24 hereof.

13.8 Tenant represents, covenants and warrants that its intended "use" of the Premises does not currently violate the terms of any of Tenant's insurance policies.

#### ARTICLE 14. WAIVER OF SUBROGATION

14.1 Any insurance carried by either party with respect to the Premises and property contained in the Premises or occurrences related to them shall include a clause or endorsement denying to the insurer rights of subrogation against the other party to the extent rights have been waived by the insured prior to occurrence of injury or loss. Each party, notwithstanding any provisions of this Lease to the contrary waives any right of recovery against the other for injury or loss due to hazards covered by insurance containing such clause or endorsement to the extent that the injury or loss is covered by such insurance.

#### ARTICLE 15. RELEASE AND INDEMNITY

15.1 Tenant shall indemnify and hold harmless Landlord against and from any and all claims, actions, damages, liability and expenses, including attorneys fees, arising from or out of Tenant's use of the Premises or from the conduct of its business or from any activity, work, or other things done, permitted or suffered by the Tenant in or about the Premises. Tenant shall further indemnify and hold Landlord harmless from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performance of any obligation on Tenant part to be performed under the terms of the Lease, the arising from any act of negligence of the Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and from all costs, damages, attorneys fees, and liabilities incurred in defense of any such claim of any action or proceeding brought thereon, including any action or proceeding brought against Landlord by reason of such claim. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises, from any cause other than Landlord's negligence. Tenant shall give prompt notice to Landlord in case of casualty or accidents in the Premises.

15.2 Landlord shall not be liable for injury or damage which may be sustained by the person, goods wares, merchandise or property of Tenant, their employees, invitees or customers, or by any other person in or about the Premises caused by or resulting from fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Demised Premises or from other sources. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant of the buildings.

#### ARTICLE 16. INSOLVENCY, ETC. OF TENANT

16.1 The filing of any petition in bankruptcy whether voluntary or involuntary, or the adjudication of Tenant as a bankrupt or insolvent, or the appointment of a receiver or trustee to take possession of all or substantially all of tenant's assets, or an assignment by Tenant for the benefit of its creditors, or any action taken or suffered by Tenant under any State or Federal insolvency or bankruptcy act including, without limitation the filing of a petition for or in reorganization, or the taking or seizure under levy of execution or attachment of the Premises or any part thereof, shall constitute a breach of this Lease by Tenant, and in any one or more of said events Landlord may at its option terminate this Lease by written notice to Tenant; provided, however, in the event of the filing against Tenant of an involuntary petition in bankruptcy, the same shall not constitute a breach of this lease if the petition is dismissed within sixty (60) days of the filing.

16.2 Neither this Lease nor any interest therein or thereunder, nor any estate thereby created in favor of Tenant, shall be an asset of Tenant in or under any bankruptcy, insolvency or reorganization proceeding, nor shall any of the same pass by operation of law under any State or Federal insolvency or bankruptcy law to any trustee, receiver, or assignee for the benefit of creditors or any other person whatever without Landlord's express written consent.

16.3 Landlord shall be entitled, notwithstanding any provision of this Lease to the contrary, upon re-entry of the Premises in case of breach under this Article, to recover from Tenant as damages for loss of the bargain resulting from such breach, and not as a penalty, such amounts as are specified in Article 24, unless any statute governing the proceeding in which such damages are to be proved shall lawfully limit the amount thereof capable of proof, in which later event Landlord shall be entitled to recover as and for its damages the maximum amount permitted under said statute.

#### ARTICLE 17. PERSONAL PROPERTY AND OTHER TAXES

17.1 Tenant shall pay, before delinquency, any and all taxes and assessments, sales, use, business, occupation or other taxes, and license fees or other charges whatever levied, assessed or imposed upon its business operations conducted in the Premises. Tenant shall also pay, before delinquency, any and all taxes and assessments levied, assessed or imposed upon its equipment, furniture, furnishings, trade fixtures, merchandise and other personal property in, on or upon the Premises.

17.2 Tenant shall pay all taxes and assessments levied, assessed or imposed on its leasehold improvements, regardless of whether such improvements were installed and/or paid for by Tenant or by Landlord, and regardless of whether or not the same are deemed to be a part of said building.

17.3 Tenant shall pay (or reimburse Landlord forthwith on demand) any exercise tax, gross receipts tax, or any other tax however designated, and whether charged to Landlord, or to tenant, or to either or both of them, which is imposed on or measured by or based on the rentals to be paid under this Lease, or any estate or interest of Tenants, or any occupancy, use or possession of the Premises by Tenants.

17.4 Nothing hereinabove contained in this Article shall be construed as requiring Tenant to pay any inheritance, estate, succession, transfer, gift, franchise, income or profits tax or taxes imposed upon Landlord.

#### ARTICLE 18. SIGNS AND PROMOTION

18.1 Tenant shall not, without first obtaining the written consent of Landlord, place or maintain any sign of any kind anywhere in, on or about the Premises, and shall promptly remove any such sign which has been placed without Landlord's prior written consent. All signs shall be subject to review and approval by the Landlord with regard to location, size and design. Further, all signs must be approved by the applicable governmental authorities as well. Tenant shall, at its own cost and expense, install one sign identifying the name of the business specified in Article 1.(c) hereof across the facade of the Premises. Further, Tenant shall make all repairs required by reason of the installation and maintenance of its signs.

#### ARTICLE 19. ASSIGNMENT AND SUBLETTING

19.1 Tenant shall not assign, voluntarily, involuntarily, or by operation or law transfer, hypothecate, or otherwise encumber this Lease or Tenant's interest therein, and shall not sublet nor permit the use by others of the Premises or any part thereof, without first obtaining in each instance Landlord's prior written consent. If consent is once given by Landlord to any such assignment, transfer, hypothecation or subletting, such consent shall not operate as a waiver of the necessity for obtaining Landlord's consent to any subsequent assignment, transfer, hypothecation or sublease. Any such assignment or transfer without Landlord's consent shall be null and void and shall, at Landlord's election, constitute a material breach of this Lease.



19.2 The consent of Landlord required under Paragraph 19.1, above, shall not be unreasonably withheld. Should Landlord withhold its consent for any of the following reasons, the withholding shall be deemed to be reasonable:

(a) Tenant assigns to an assignee where the assignee does not have a net worth of at least \$1,000,000 and \$250,000 in liquid assets, has a risk score on his/her/its credit report of under "650" or where that credit report shows unlawful detainer filings, a bankruptcy, or any unsatisfied judgments.

(b) Use of the Premises by the assignee or reassignee is different than that authorized under ARTICLE 1(h) or ARTICLE 4, above.

(c) Tenant does not agree in a signed writing to stand surety for and personally guaranty the rent due and payable by the assignee, reassignee or subtenant, to Landlord under the terms of this Lease, before the assignment, reassignment, or sublease.

(d) Tenant assigns or sublets its interest to a 3<sup>rd</sup> party who, in the opinion of the City of Oakland, does not qualify to hold Tenant's permit to dispense medical marijuana.

19.3 Each assignee, sublessee or transferee shall assume and be deemed to have assumed this Lease and shall be and remain liable jointly and severally with Tenant for the payment of all rents due hereunder, and for the due performance during the term of all the covenants and conditions herein set forth by tenant to be performed. No assignment or transfer shall be effective or binding on Landlord unless said assignee, transferor or transferee shall, concurrently, deliver to Landlord a recordable instrument which contains a covenant of assumption by said assignee or transferee; provided that failure or refusal to so execute said instrument shall not release or discharge the assignee, transferor or transferee from its liability aforesaid.

19.4 If Tenant is a corporation (not publicly traded) or if Tenant is an unincorporated association or a partnership, except for transfers of stock between existing shareholders of Tenant, the transfer, assignment, or hypothecation of any stock or interest in such corporation, association or partnership in the aggregate in excess of fifty percent (50%) shall be deemed an assignment within the meaning of this Article.

19.5 If Tenant intends to assign this Lease or any interest therein, sublet all or any part of the Premises, Tenant shall give prior written notice to Landlord of each such proposed assignment or subletting specifying the proposed assignee or subtenant and the terms of such proposed assignment or sublease. Landlord shall, within thirty (30) days thereafter, notify Tenant in writing either, that it consents (subject to any conditions of consent that may be imposed by Landlord), or does not consent to such transaction.

19.6 In the event of an approved assignment, pursuant to this Article 19, Tenant shall assign to Landlord the right to rent from the assignee previously due and owing by Tenant to Landlord, and Tenant agrees to stand surety for any default in rent payable by the assignee to Landlord. In the event of an approved subletting, pursuant to this Article 19, Tenant shall assign to Landlord one hundred percent (100%) of any and all subrentals payable by subtenant(s) to Tenant which are in excess of the rent payable by Tenant to Landlord under this Lease, and Tenant and subtenant(s) shall become jointly and severally liable to Landlord for the said rent.

19.7 Tenant agrees to reimburse Landlord for Landlord's reasonable costs and attorneys fees incurred in connection with the processing and documentation of any requested assignment, transfer, hypothecation or subletting of this Lease aforesaid.

## ARTICLE 20. RIGHT OF ENTRY

20.1 Within twenty-four (24) hours of written notice from Landlord to Tenant, Tenant shall permit Landlord or its agent(s) entry into the Premises for any reason or no reason. Entry may be sought for any day, including weekends and holidays, at any time, between 9:00 am and 10:00 pm. If, after such notice, Tenant refuses or prevents entry into the Premises by Landlord or its agent(s), then Tenant shall forfeit its right to return of the security deposit and shall be

in material breach of this Lease.

20.2 Tenant consents to provide Equilon Enterprises, LLC, dba Shell Oil Products US (hereinafter, "SHELL"), or its agents or employees, unfettered access, between 9:00 am to 5:00 pm (Monday through Friday), to the basement of the premises, to install monitoring wells or vapor probes, and to permit SHELL unfettered access to thereafter periodically monitor such wells or probes, conduct tests, inspections, surveys, appraisals, or environmental studies. Landlord agrees to provide tenants with at least 24-hour advance written notice before SHELL accesses the premises.

20.3 If Landlord seeks entry of the Premises pursuant to Article 20.2 (but not Article 20.1), above, entry and/or any work performed in connection therewith shall be undertaken in a manner that does not unreasonably interfere with Tenant's business operations.

20.4 Notice to enter from Landlord to Tenant is not required in an emergency situation (e.g., fire, flood, earthquake, or other like occurrence).

#### ARTICLE 21. CONSENT OF LANDLORD

21. Whenever Landlord's consent or approval is required prior to any action under this Lease, in no event shall Landlord be liable in monetary damages for withholding its consent or approval.

#### ARTICLE 22. RIGHTS OF LANDLORD

22. All covenants to be performed by Tenant under this Lease shall be performed by Tenant at its sole cost and expense and without any abatement of any rent to be paid hereunder. If Tenant shall fail to pay any sum, other than rent, required by this Lease to be paid by it or shall fail to perform any other act on its part to be performed, and such failure shall continue beyond the applicable grace period, if any, set forth in Article 24, Landlord may (but shall not be obligated to) and without waiving or releasing Tenant from any of its obligations, make any such payment or perform any such other act on Tenant's behalf. All necessary and incidental costs, incurred by Landlord, shall be due and payable by Tenant as Additional Rent within five (5) days after service by Landlord of written demand therefore. Tenant's failure to pay such Additional Rent shall constitute a material breach of this Lease, and Landlord may, without any further notice, exercise its remedies specified in Paragraph 24 hereof.

#### ARTICLE 23. LANDLORD DEFAULT

23.1 If Landlord shall be in default of any covenant of this Lease to be performed by it, Tenant, prior to exercising any right or remedy it may have against Landlord on account thereof, shall give ninety (90) days written notice of such default, specifying the nature of such default. Notwithstanding anything to the contrary elsewhere in this Lease, Tenant agrees that if the default specified in said notice is of such nature that it can be cured by Landlord, but cannot with reasonable diligence be cured within said ninety (90) day period, then such default shall be deemed cured if Landlord within said thirty (30) days period commences to cure and, thereafter, takes steps to continue to diligently cure.

23.2 If Landlord shall fail to cure a default of any covenant of this Lease to be performed by it and, as a consequence of such uncured default, Tenant shall recover a money judgment against Landlord, such judgment shall be satisfied solely out of the proceeds of sale received upon execution of such judgment against the right, title and interest of Landlord in the building and its underlying realty and out of the rents, or other income from said property receivable by Landlord, or out of the consideration received by Landlord on a account of any sale or other transfer of its right, title and interest in said property, but neither Landlord nor any partner or joint venturer of/with Landlord shall be personally liable for any deficiency.

## ARTICLE 24. LANDLORD REMEDIES

24.1 The occurrence of any of the following shall constitute a material breach or default of this Lease by Tenant:

- (a) Tenant's failure to pay when due any of the rent required hereunder to be paid by Tenant where such failure continues for five (5) days after the same is due; or
- (b) Tenant's violation of Article 4.3; or
- (c) Tenant's violation of Article 20.1; or
- (d) Tenant's failure to observe and perform any other term, provision or covenant of this Lease, whether or not that failure constitutes a material breach or default hereunder; or
- (e) Tenant's abandonment of the Premises.

24.2 In the event of any aforesaid material breach or default by Tenant, then in addition to any and all other remedies available to Landlord, either at law or in equity, Landlord shall have the right to bring an unlawful detainer and/or ejectment action, or any other action, against Tenant, or assignee or sublessee thereof, enabling Landlord to recover:

- (a) Restitution and possession of the Premises; and
- (b) Money damages for:
  - (1) Unpaid back rent; plus
  - (2) Per diem (or daily) damages through the end of the Initial Term of this Lease (or, if the option to extend is exercised pursuant to Article 3.5, through the end of that Option Period); plus
  - (3) Property damages to the Premises; plus
- (c) Costs and reasonable attorney's fees.

24.3 If Landlord brings an unlawful detainer and/or ejectment action against Tenant, Landlord need not elect to terminate the Lease either on a written notice (to pay rent or quit; or to quit) or in the complaint. If no such election is contained in the notice or complaint, then Landlord shall be entitled to per diem damages pursuant to Article 24.2(b)(2), above. However, Landlord shall have the duty to mitigate such award for per diem damages, as follows: 1) Landlord shall take reasonable steps to re-let the Premises; and 2) Landlord shall reimburse to Tenant the amount of rent received from re-letting not to exceed the amount of the award for per diem damages but only if judgment for that award is fully satisfied.

24.4 In the event of a material breach or default by Tenant, Landlord shall without incurring any liability also have the right, with or without terminating this Lease, to re-enter the Premises and remove all property and persons therefrom, and any property which is removed may, at Landlord's election, either be stored in a public warehouse or disposed of.

24.5 No re-entry or re-taking of possession of the Premises by Landlord under this Article shall be construed as an election to terminate this Lease unless a written notice of such intention thereof be given to Tenant or unless the termination thereof be adjudged by a court of competent jurisdiction. Notwithstanding any reletting without termination by Landlord because of Tenant's default, Landlord may at any time after such reletting elect to terminate this Lease because of such default.

24.6 Nothing contained in this Article shall constitute a waiver of Landlord's right to recover damages to it caused by Tenant's default; nor shall anything in this Article adversely affect Landlord's right, as in this Lease elsewhere provides, to indemnification from Tenant against liability for injury or damage to persons or property occurring prior to a termination of this Lease.

#### ARTICLE 25. PRIORITY OF LEASE AND ESTOPPEL CERTIFICATE

25.1 At Landlord's election, this Lease shall be either superior to or subordinate to any and all trust deeds, mortgages, or other security instruments, ground leases, or leaseback financing arrangements now existing or which may hereafter be executed covering the Premises and/or the land underlying the same or any part or parts of either thereof, and for the full amount of all advances made or to be made thereunder together with interest thereon, and subject to all the provisions thereof, all without the necessity of having further instruments executed by Tenant to effectuate the same. Tenant agrees to execute, acknowledge and deliver upon request by Landlord any and all documents or instruments which are or may be deemed necessary or proper by Landlord to more fully and certainly assure the superiority or the subordination of this Lease and to any such trust deeds, mortgages or other security instruments, ground leases, or lease backs. This Lease shall continue in full force and effect as aforesaid, and Tenant shall automatically become the Tenant of Landlord's successor in interest and shall attorn to said successor in interest. Tenant hereby irrevocably appoints Landlord as its attorney-in-fact, coupled with an interest to execute and deliver, for and in the name of Tenant, any document or instrument provided for in this Article.

25.2 Tenant shall at any time and from time to time execute, acknowledge and deliver to Landlord, within ten (10) days after Landlord's request therefor, a written statement certifying as follows:

(a) That this Lease is unmodified and in full force (or if there has been modification thereof, that the same is in full force as modified and stating the nature thereof):

(b) That to the best of its knowledge, there are no uncured defaults on the part of Landlord (of if any such default exists, the specific nature and extent thereof):

(c) The date to which any Rents and other charges have been paid in advance, if any.

25.3 If Tenant shall fail to execute and deliver any such statement to Landlord within fifteen (15) days after Landlord's written request therefor, Landlord may, as Tenant's attorney-in fact coupled with an interest, execute said statement for and on behalf of Tenant, and in Tenant's name. Further, Landlord, at its option, may treat same as a material breach and default under this Lease.

#### ARTICLE 26. HOLDING OVER

26. If, without the execution of a new lease or written extension of this Lease, and with the consent of Landlord, Tenant holds over after the expiration of the term of this Lease, Tenant shall be deemed to be occupying the Premises as Tenant from month-to-month, which tenancy may be terminated as provided by law. During said tenancy, the rent payable to Landlord by Tenant shall be one hundred fifty percent (150%) of the Base Rent, set forth in Article 3 of this Lease, plus Tenant's pro rata share for property taxes and liability insurance, unless a different rate is agreed upon, and upon all of the other terms, covenants and conditions set forth in this Lease so far as the same are applicable. If Tenant fails to surrender the Premises upon the termination of this Lease, in addition to any other liabilities to Landlord arising therefrom, Tenant shall and does hereby agree to indemnify Landlord and hold Landlord harmless from loss of liability from such failure including, but not limited to, claims made by any succeeding tenant founded on such failure.

#### ARTICLE 27. NOTICES

27.1 Wherever in this Lease it shall be required or permitted that notice, approval, advice, consent or demand be given or served by Landlord or Tenant to/on the other, the same shall be given or served, and shall not be deemed to have been duly given or served unless it is in writing and served, pursuant to Code of Civil Procedure ("CCP")

§1162, by a registered California process server, or forwarded by certified or registered mail, or delivered by courier (i.e., UPS, Fed-X, etc.), with confirmation receipt, addressed where appropriate, to:

If to Landlord -----> JY BROADWAY, LLC  
1803 3rd Ave.  
Oakland, CA 94606

If to Tenant -----> OAKLAND ORGANICS, LLC  
458 Broadway  
Oakland, CA 94607

OR



27.2 Notice shall be deemed effective and complete on the date of personal delivery where served pursuant to CCP §1162.1. Notice shall be deemed complete on the date of mailing where served pursuant to CCP §§ 1162.2 or 1162.3. In the case of delivery by mail or courier service (i.e., UPS, Fed-X, etc.), notice shall be deemed effective on the date of receipt or attempted delivery as specified on the return receipt.

27.3 Either Landlord or Tenant may change its address but must provide its new address by written notice forwarded by certified or registered mail to the other. Notice of change of address shall be provided within ten (10) days of the change.

#### ARTICLE 28. LIENS

28.1 Tenant shall pay all costs for work done by it or caused to be done by it in the Premises and Tenant shall keep both said Premises and the building free and clear of all mechanics liens and liens on account or work done for Tenant or persons claiming under it. Tenant agrees to and shall indemnify and hold Landlord harmless against liability, loss, damage, costs, attorneys' fees, and any other expenses on account of claims of lien of laborers or material man for work performed or materials or supplies furnished for Tenant or persons claiming under it. If any such lien shall attach to the Premises, the building, or any portion thereof, Tenant shall promptly, and in any event within twenty (20) days, discharge it as a matter of record. If necessary to accomplish same, Tenant shall furnish and record a bond to insure the protection of Landlord, the Premises, the building or such portion thereof as may be affected from loss by virtue of any such lien.

28.2 Any bond furnished by Tenant pursuant to the provisions of Article 28.1, above, shall be a lien release bond issue by a corporation authorized to issue surety bonds in the State of California. The bond shall meet the requirements of Civil Code section 3143 and shall provide for the payment of any sum that the claimant may recover on the claim, together with said lien claimant's costs of suit if he recovers therein.

28.3 If Tenant shall not have paid a charge for which a Mechanics' lien claim has been filed, and Tenant shall not have discharged same of record within the time permitted by Article 28.1, above, Landlord may (but shall not be obligated to) pay said claim and any claims, and the amount so paid, together with reasonable attorneys fees incurred in connection therewith shall be payable by Tenant to Landlord, as additional rent, within five (5) days after service of written demand therefore. Tenant's failure to pay such Additional Rent shall constitute a material breach of this Lease, and Landlord may, without any further notice, exercise its remedies specified in Paragraph 24 hereof.

28.4 Tenant shall, at least ten (10) days prior to commencing any work which might result in a lien as aforesaid, give Landlord written notice of its intention so to do to enable Landlord to post, file and record a legally effective notice of non-responsibility. Landlord or its representatives shall have the right to enter into the Premises and

A large, stylized handwritten signature in dark ink, located at the bottom right of the page.

inspect the same at all reasonable times, and shall have the right to post and keep posted thereon said notices of non-responsibility and such other notices as Landlord may deem proper to protect its interest therein.

#### ARTICLE 29 QUIET ENJOYMENT

29. Landlord agrees that Tenant, upon payment of the Base Rent, the Additional Rent, and all other sums and charges required to be paid by Tenant hereunder, and the due and punctual performance of all of Tenant's other covenants and obligations under this Lease, shall have the quiet possession of the Premises.

#### ARTICLE 30. ATTORNEYS' FEES

30. Should either party hereto institute any action or proceeding in court to enforce any provision hereof or for damages or for declaratory or other relief hereunder, the prevailing party shall be entitled to costs and reasonable attorney's fees from the losing party.

#### ARTICLE 31. GUARANTY CLAUSE

31.1 Landlord and Tenant contemplate the full, timely and faithful performance of each and every term, provision and covenant of this Lease. DONA RUTH FRANK as personal guarantor, shall stand surety for any debt or default of/by Tenant, including but not limited to unpaid rent, except:

- (a) where DONA RUTH FRANK has been physically incapacitated, so as not to be able to perform her duties as Managing Member of Tenant, or has been incarcerated for a period of not less than three (3) months by a public authority; and
- (b) Landlord is served with 30-day written notice thereof.

31.2 If Tenant assigns this Lease pursuant to Article 19, above, said guarantor's obligation to stand surety for the debt or default of assignee shall be discharged and released.

31.3 The above exception does not apply if Landlord and Tenant litigate in any court any breach, noncompliance or requirement(s) of any term, provision or covenant of this Lease.

#### ARTICLE 32. MISCELLANEOUS

32.1 Nothing contained in this Lease shall be deemed or construed as creating a partnership or joint venture between Landlord and Tenant or between Landlord and any other party, or cause Landlord to be in any manner responsible for the debts or obligations of Tenant, or any other party.

32.2 If any provision of this Lease shall be determined to be void or voidable by any court of competent jurisdiction, such determination shall not effect any other provision of this Lease and all such other provisions shall remain in effect. It is the intention of the parties hereto that if any provisions of this Lease is capable of two constructions, one of which would render the provision void or voidable and the other of which would render the provision valid, then the provision valid, then the provision shall have the meaning which renders it valid.

32.3 If Tenant hereunder is a corporation, the parties executing this Lease on behalf of Tenant represent and warrant to Landlord that: 1) he/she is authorized to execute this Lease; 2) this Lease is executed in the usual course of corporate business of Tenant and that neither the corporate Articles nor Bylaws of Tenant require the consent of its shareholders thereto; 3) Tenant is a valid and existing corporation; 4) all things necessary to qualify Tenant to do business in California have been accomplished prior to the date of this Lease; 5) all franchise and other corporate taxes have been paid; and 6) all reports, fees and taxes required to be filed or paid by said corporation in compliance its applicable laws will be filed and paid when due.

32.4 Landlord represents, covenants and warrants that it has lawful title to the Premises and has full right, power and authority to enter into this Lease

32.5 The entire agreement between the parties hereto is set forth in this Lease, and any agreement hereafter made shall be ineffective to change, modify, alter or discharge it in whole or in part unless such agreement is in writing and signed by both said parties. It is further understood that there are no oral agreements between the parties hereto affecting this Lease, and that this Lease supersedes and cancels and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between said parties or displayed by Landlord to Tenant with respect to the subject matter of this Lease, and none of the same shall be available to interpret or construe this Lease. All negotiations and oral agreements acceptable to both parties hereto have been merged into and are included in this Lease.

32.6 The laws of the State of California shall govern the validity, performance and enforcement of this Lease. Although the printed provisions of this Lease were prepared and drawn by Landlord, this Lease shall not be construed either for or against Landlord or Tenant, but its construction shall be at all times in accord with the general tenor of the Language so as to reach a fair and equitable result.

32.7 A waiver of any breach or default shall not be a waiver of any other breach or default. Landlord's consent to or approval of, any act by Tenant requiring Landlord's consent or approval shall not be any act by Tenant requiring Landlord's consent or approval and shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent similar act by Tenant. The acceptance by Landlord of any rental or other payments due hereunder with knowledge of the breach of any of the covenants of this Lease by Tenant shall not be construed as a waiver of any such breach. The acceptance at any time or times by Landlord of any sum less than that which is required to be paid by Tenant shall, unless Landlord specifically agrees otherwise in writing shall be deemed to have been received only on account of the obligation for which it is paid, and shall not be deemed an accord and satisfaction notwithstanding any provisions to the contrary written on any check or contained in a letter of transmittal.

32.8 Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, enemy or hostile action, riot, civil commotion, fire or other casualties or causes beyond the reasonable control of Landlord or Tenant, shall not excuse, discharge or release Tenant from its obligation to pay Rent during that period of prevention, delay or stoppage.

32.9 The term Landlord as used in this Lease, so far as covenants or obligations on the part of Landlord are concerned, shall be limited to mean and include only the current owner or owners of the Premises, and in the event of a transfer or transfers of title thereto, Landlord herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall be automatically freed and relieved from and after the date of such transfer or conveyance of all liability as respects the performance of any covenants or obligations hereunder.

32.10 Upon Landlord's written request, Tenant shall promptly furnish to Landlord, from time to time, financial statements reflecting Tenant's current financial condition.

32.11 Time is of the essence with respect to the performance of each term, provision covenant or agreement of this Lease, and the terms "performance" and "time is of the essence", shall be interpreted and construed in their strictest sense. Any failure by Tenant to totally and timely perform, even if by a single day, shall be deemed a "material" breach of this Lease.

32.12 Submission of this instrument by or on behalf of Landlord for examination or execution by Tenant is not binding as a Lease unless and until this instrument is: 1) fully executed by Landlord and Tenant; and 2) Tenant delivers to Landlord this instrument containing Tenant's original signature.

32.13 The captions shown in this Lease are for convenience or reference only, and shall not, in any manner, be utilized to construe the scope or the intent of any provisions thereof.

32.14 Tenant shall not record this Lease nor any short form memorandum thereof without Landlord's written consent.

32.15 Landlord hereby discloses that the Premises may not be free of all asbestos, asbestos containing materials, hydrocarbons, and other hazardous or toxic materials.

32.16 Landlord may terminate this lease at any time for any reason or without a reason on 1-year written notice to Tenant.

32.17 The words, "person and persons", as used herein or elsewhere in this Lease shall mean individuals, partnerships, firms, associations and corporations.

32.18 Tenant acknowledges and affirms that, through DONA RUTH FRANK, it has read this Lease and fully understands and appreciates the words and terms used in it, as well as their effect; and that Tenant's signing of this Lease is a free and voluntary act, without reliance upon the representations of any person except as contained in this agreement. Tenant is represented by counsel or has had the opportunity to receive the advice of counsel in reviewing this Lease, and so, in the event of any dispute over the terms of this Lease, the general rule shall not apply that ambiguities are construed against the party drafting an instrument, Landlord and Tenant being deemed to have participated equally in the drafting of this Lease.

IN AGREEMENT HEREOF, the parties date and sign below:

DATED:

9/11/12

JANE YOON, for Landlord  
JY BROADWAY, LLC

DATED:

9/11/2012

DONA RUTH FRANK for Tenant  
OAKLAND ORGANICS, LLC

DATED:

9/11/2012

DONA RUTH FRANK, as Guarantor

ORIGINAL

8433 credit toward  
Oct. 2012 rent.



**NORTHERN CALIFORNIA SMALL BUSINESS ASSIST INC**

PO BOX 6286

SANTA ROSA, CA 95402

1060

DATE

9/12/2012

80-4110/1211

405

PAY TO THE ORDER OF

Jane Loon  
Sixty nine thousand

00

\$ 69,000.00

100 DOLLARS

SONOMA BANK  
201 V. Main St., Sebastopol, CA 95472  
Sonoma Bank 800-448-3666 www.viabank.com

705-721 Broadway  
Ole Chul  
1st Last Deposit OK

FOR



# Oakland Organics

NATURAL MEDICINE



Greetings,

Please find enclosed the Oakland Cannabis Institute, LLC dba Oakland Organics application and business information packet. Our collective has joined to provide safe access to medical cannabis for those in the City of Oakland that use cannabis as a medicine. It is our goal to provide the cleanest, safest and most sustainably cultivated cannabis possible using current techniques and technologies.

Thank you for giving our collective an opportunity to submit this application. We hope that our collective will positively represent the City of Oakland in this historical time of taking a step forward toward safe access to this medicine. We take what we do very seriously and we will proudly represent the City of Oakland with respect and dignity.

Our goal is to provide the cleanest, safest and most sustainably cultivated cannabis possible.

## OAKLAND CANNABIS INSTITUTE, LLC ARTICLES OF INCORPORATION



### **Oakland Cannabis Institute, LLC dba Oakland Organics:**

On the following pages, you will find the Oakland Cannabis Institute, LLC Articles of Incorporation, the federal identification number (FEIN) and the State Board of Equalization (SBOE) sales tax permit to operate the business.

We have chosen the LLC method of incorporation because we tried to obtain a "non-profit" status from the IRS and could not. Since we are working with a "controlled substance" that the federal government deems illegal, the IRS would not issue the coveted non-profit status (501(c)3) to our group or any group that openly discloses that the purpose of their application is to distribute medical cannabis.

Oakland Organics operates as a "not for profit" which means that any monetary gains over and above operating expenses are donated to the members of our collective and to our community.

Should non-profit status become available (when medical cannabis becomes federally legal), Oakland Organics will immediately apply for this status. Until then we do not find it a sound practice to apply to the IRS under the guise of "herbal remedies" or a "gardening store" to obtain the status under false pretenses.

We will remain a not for profit and allow an open viewing of our books when requested.



**Dona Ruth Frank**

I am qualified to run a successful dispensing collective in a law-abiding manner, and I have done so for almost six years. The collectives I operate adhere to a strict set of guidelines that keep our operations running smoothly as well as providing a safe, clean atmosphere for our patients.

#### **Objective**

The objective of this resume is to provide the City of Oakland permit evaluation staff with an overview of my professional education and experience. I bring a vast amount of skill and attention to detail to the safe, clean operation of the dispensing collective that I will operate in the City of Oakland. My 21-year background working for the federal government helps me to professionally and respectfully work with city, county, state and federal governments. The Sonoma County Board of Supervisors has personally acknowledged that I am known for running a tight ship and I have their respect. As the operator of the Oakland Organics cannabis dispensary, I vow to maintain the exact professionalism that won their compliment.

2005-Present

#### **CANNABIS DISPENSING COLLECTIVE OPERATOR**

Operator of the Organic Cannabis Foundation, LLC in Santa Rosa, CA and working to provide safe access to the sick and dying of Northern California. Owner of the American Growers Exchange, LLC, a gardening store that provides education and information for the small cannabis cultivator. Operator of the Oakland Cannabis Institute, LLC, a cannabis dispensing collective in Oakland, CA. and operator of Hillcrest Organics, a cannabis dispensing collective in San Diego, CA.

2000-2005

#### **INDEPENDENT SMALL BUSINESS OWNER**

Developed a record, CD and DVD retail store into a thriving small business. Included ebay store that coincided with the brick and mortar store.

1984-2000 - United States Postal Service - Santa Rosa, CA.

#### **POSTMASTER**

Started at lowest rank, achieved rank of Postmaster.

1977- 1982 - United States Coast Guard - Petaluma, CA.

#### **PHOTOJOURNALIST**

Photojournalist and public affairs liaison between the press and the service.

Received the good conduct medal and was honorably discharged after five years of active duty service.

#### **Education**

Winston Churchill High School, Westland, MI - Diploma  
Santa Rosa Junior College Santa Rosa, CA - AS, AA Degree  
US Coast Guard Leadership and Management School - Certificate  
Defense Information School - Diploma  
Boating Safety School - Diploma  
Postal Leadership Courses - Certificates  
Numerous Independent Small Business Administration Classes  
Medicinal Plant Studies - ongoing classes  
Sustainable Agriculture - ongoing classes  
Botany - ongoing classes

#### **Professional Memberships**

Member of Americans for Safe Access  
Marijuana Policy Project  
National Organization for the Reform of Marijuana Law (NORML)  
Students for Sensible Drug Policy  
Drug Policy Alliance  
Medical Cannabis Safety Commission  
Sonoma Alliance for Medical Marijuana  
Amnesty International  
National Center for Lesbian Rights  
American Civil Liberties Union

#### **References**

Sandra Muckinhaupt - [REDACTED]  
Susan Gerling - [REDACTED]  
Lauren Goodwin - [REDACTED]  
Timothy Ritter - [REDACTED]  
Jeanine Vatalaro - [REDACTED]



**Tim Ritter**

1974- 2005 - Albertson's Inc. - Boise, Id.

**STORE DIRECTOR**

Started as courtesy clerk in 1974. Worked various management positions. Promoted to Store Director in 1995. Operated stores with over \$14,000,000 in annual sales. Supervised staff of 100+ employees.

2006 - Present - Organic Cannabis Foundation - Santa Rosa, CA.

**MANAGER**

Oversee all day-to-day operations.

**Education**

1980 - 1981 College of San Mateo, San Mateo, CA - General education/Fire science.

1971 - 1974 Carlmont High School, Belmont, CA - Diploma.

**Certifications**

Fire Academy Certificate, EMT1 FS State Certification, Community Service

2008-Present City of Cotati Planning Commissioner

**Key Skills**

Human Resources, Project Management, Marketing & Sales, Teamwork, Monitoring & Controlling Processes, Work Experience

**Interests**

Giants baseball, camping, skiing, gardening, tennis.



**Lauren Goodwin**

2007- Present - OrganiCann - Santa Rosa, Ca.

**MANAGER**

Overseeing multiple daily operations including: cash handling, customer service, position scheduling, patient verification, product purchases and placement, inventory control, and daily reports. Specializing in Notary services, human resources, payroll, and problem-solving at a managerial level.

2002 - 2006 - Kaiser Permanente - Santa Rosa, Ca.

**PHARMACY CLERK**

Intense patient relationships providing special care in knowledge of multiple pharmaceuticals and translation of written prescriptions. Proficient in P.I.M.S operating system. Responsible for daily reports, cash handling, and inventory control. Security bonded for this position.

**Education**

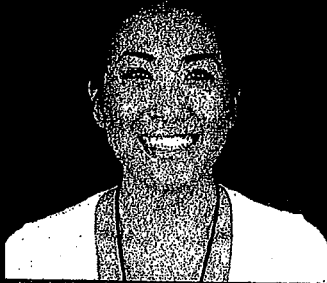
2009 Rockhurst University Continuing Education Centers - Creative Leadership Skills for Managers and Supervisors.

2008 Santa Rosa Junior College - California Notary Republic.

1998 Rancho Cotate High School - Diploma.

**Qualifications**

Extensive knowledge of both customer service and creative leadership. Proven sales performer with expertise in professional public relations. Excellent communication skills, particularly in the area of establishing relationships with new potential buyers. Outstanding organizational, multi-tasking and problem solving skills.



**Surina Sisavath**

2006 - Present - OrganiCann - Santa Rosa, Ca.

**LEAD MANAGER**

Responsible for general management of the company and overseeing the companies multiple locations. Accountable for administrating front desk duties, floor management, sales, inventory purchasing and control.

2005 - 2006 - Juice Shack - Santa Rosa, CA

**FLOOR SUPERVISOR/KEY HOLDER**

Accountable for opening and closing store as well as cash handling and delegating duties to staff.

**Key Skills**

Highly organized and accurate with well developed ability to multitask.

Adept to time, budget and staff management.

Exceptional customer service and people oriented. Skilled in cultivating excellent relationships with both colleagues and clients.

Proficient in Microsoft Word and Excel.



**Stephen Rochlin**

2010 - Present - Bolt Staffing - American Canyon, CA

2003 - 2009 Hines Nurseries, Inc. - Irvine, CA

**TERRITORY SALES REPRESENTATIVE**

Create new leads, develop prospects and follow through to aggressively close sales.

Outside sales and account management in six Bay Area counties to mass merchant retailers.

Consistently meeting and exceeding sales quotas. Product knowledge, including botanical names, growing conditions and care.

2000 - 2003 - Friedman Brothers - Sonoma, CA

1998 - 2000 - Hydrofarm, Inc. - San Rafael, CA

**RETAIL SALES**

Nursery / showroom presentation including plant maintenance in both outdoor and hydroponic atmospheres. Showroom and phone sales, cash management, daily books and bank deposits, purchasing, inventory control, shipping and receiving.

1996 - 1998 - Solid Oak Ale House - Mt. Shasta, CA

**CO-OWNER AND CORPORATE TREASURER**

All aspects of business start-up including construction phase and systems set-up. Staff management, purchasing/inventory control, daily books and deposits, booking weekly music & entertainment, special events, management shifts.

**Education**

1999 - 2001 Napa Valley College Napa, CA • 24 units in Viticulture Certification Program, General Studies, 3.8 GPA

1987 - 1991 Casa Grande High School Petaluma, CA • General Studies and Forestry, 3.0 GPA

# **OAKLAND ORGANICS OPERATIONS PLAN**

## **Hours of Operation:**

Oakland Organics will be open and available to serve our patients:

**Monday through Friday 10:00 am - 6:45 pm**

**Saturday and Sunday 10:00 am - 5:45 pm**

We close on Christmas Day, New Years Day, Easter Sunday, Memorial Day, Fourth of July, Labor Day and Thanksgiving Day.

## **Membership and Administrative Fees:**

We have never nor will we ever charge a fee for being a member of our collective.

## **Point of Sale System:**

All cannabis and supplementary item transactions are recorded through a point of sale (POS) system called "Cash Register Express". We have been using this software for almost five years and although it is not industry specific software, it is an excellent record keeping software for cash and credit transactions. We do not accept checks. This POS system quickly and accurately divulges individual, daily, monthly, weekly and/or yearly transactions with a click of the mouse. This software makes it fast and easy for us to do our monthly taxes as it allows us to "dump" our numbers into "Quickbooks". We employ a fulltime bookkeeper that monitors our transactions daily for accuracy and ensures there is no diversion of cash or medicine.

## **Other Product Transactions:**

Oakland Organics teaches patients how to sustain themselves through the safe and legal cultivation of their own cannabis medicine. While hydroponic stores cater to large commercial cannabis cultivators, Oakland Organics instructs individual patients on the cultivation of small one to ten plant outdoor gardens that can self sustain each patient for many months without having to purchase their medicine from an outside source. At our location, we make the nutrient and cultivation supplies available to our collective patients for a low cost. We do not provide medicating devices at our location.



# OAKLAND ORGANICS STAFFING PLAN

*It is important to remember that all Oakland Organics staff members are also patients.  
At no time is there any person working at the dispensing collective that is not a patient.*

## **Management Staff:**

Oakland Organics Management Staff consists of two daily managers on duty at all times. These managers are trained in leadership and have the exceptional ability to work with the sick and dying patients that they serve daily.

## **Managing Member:**

The Managing Member oversees all operations. This manager works directly with staff, management, patients, patient providers, patient cultivators, law enforcement, government officials, attorneys, accountants, public affairs consultants, computer system consultants, etc.

## **Lead Manager:**

The Lead Manager oversees all operations at the dispensing collective including: building entry for staff and patients, safe entry, inventory accuracy, banking, staff bonuses, staff discipline, enhanced safety measures, clean house rules and regulations, OSHA, ADA requirements, compliance with taxing agencies, compliance with the City of Oakland Ordinances, staff driver safety, fire escape training and plans, emergency exit plan, fire extinguisher maintenance, etc. The Lead Manager reports to the Managing Member twice or more daily.

## **Floor Manager:**

The Floor Manager handles the day-to-day operations on the dispensing collective floor. This manager works with patients and staff to assure quality control, accurate dispensing and patient satisfaction. This manager also works with staff on timecards, scheduling, lunch and breaks, vacation scheduling, benefits and medical insurance. This manager reports to the Lead Manager.

**Security Staff Manager:**

Please see the security plan for the exact duties of the Security Manager. The Security Manager reports throughout the day to the Lead Manager and if requested or necessary, to the Managing Member.

**Intake/Dispensing Staff:**

The intake and dispensing staff work directly with patients on a daily basis. They assist the patients with recommendations on types of cannabis that can be used to best suit their personal needs. They also assist the patients in choosing the way to use the medicine such as through vaporization, ingestion or smoking.

The staff assures that the intake and dispensing areas are kept clean and safe. They stock and re-stock complimentary reading materials, handouts and newsletters with pertinent information about cannabis as medicine. Intake/Dispensing Staff report directly to the Floor Manager.

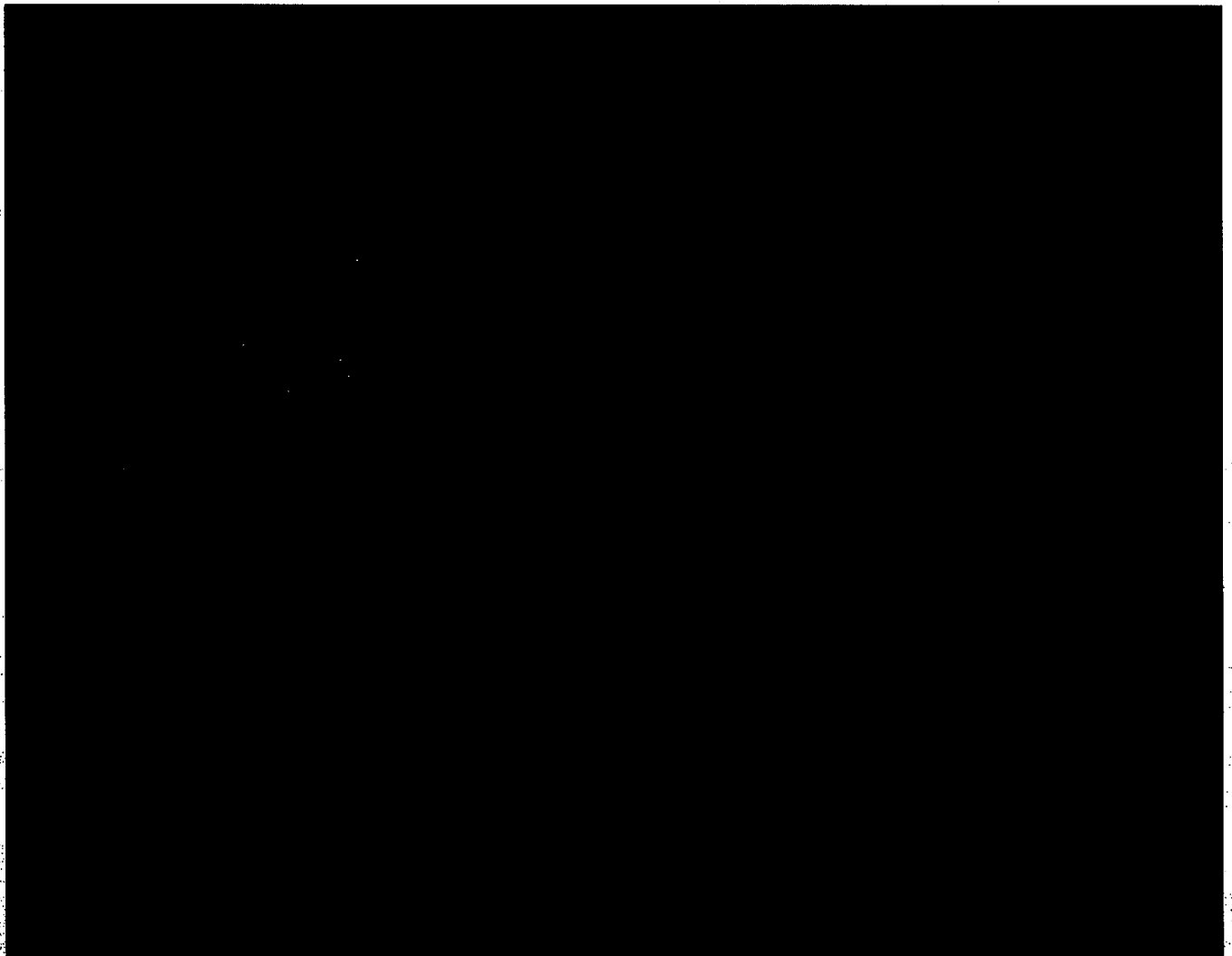
**Cultivators/Cannabis Processors:**

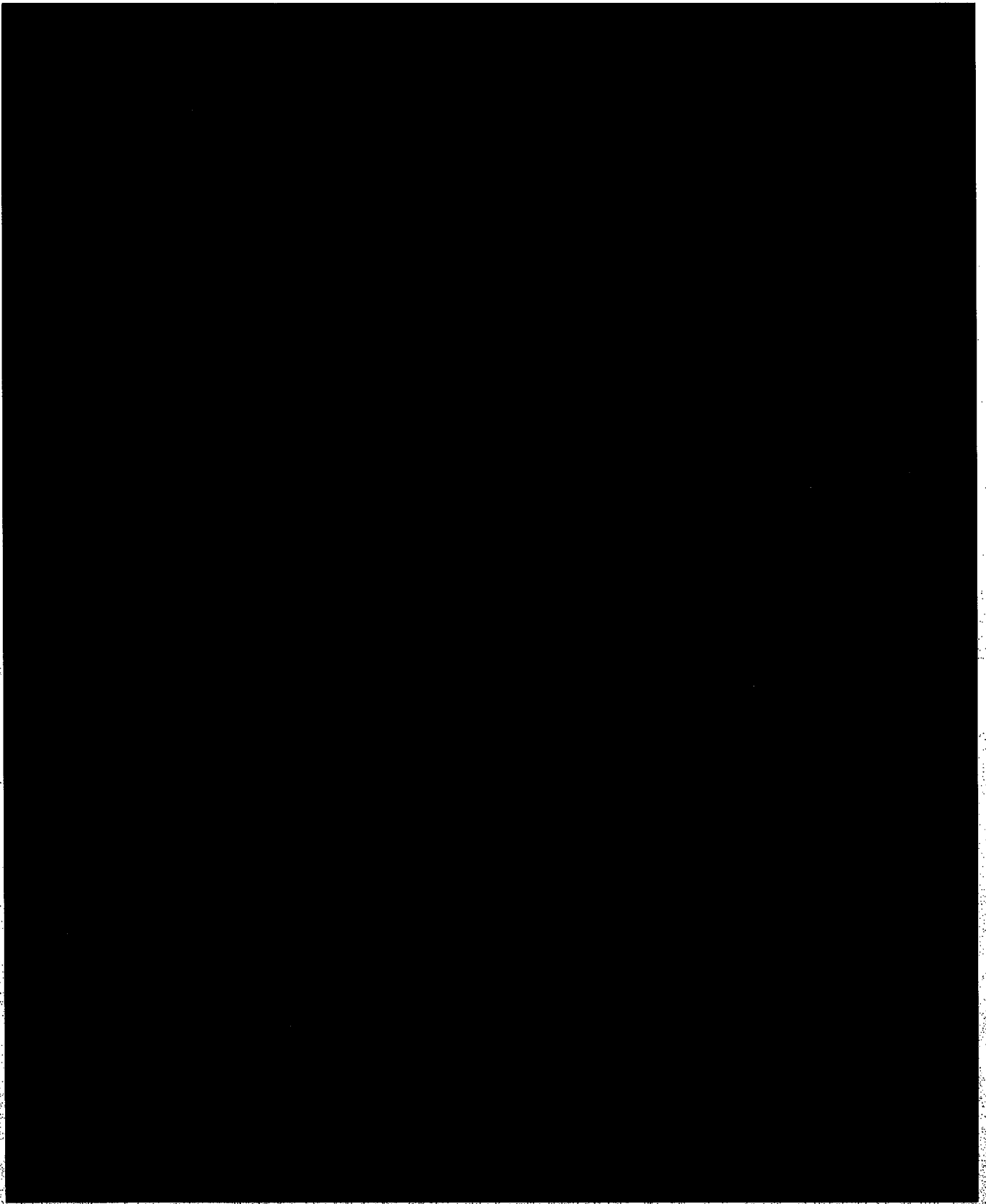
The Cultivators and Cannabis Processors prepare and package the cannabis medicine for the collective patients. From the seeds to the flower tops, the cultivators/processors are an essential aspect to the daily collective operations. It is their duty to inspect and report any discrepancies with the cannabis they attend to daily. These staff members report to the Floor Manager.

# **OAKLAND ORGANICS SECURITY AND SAFETY PLAN**

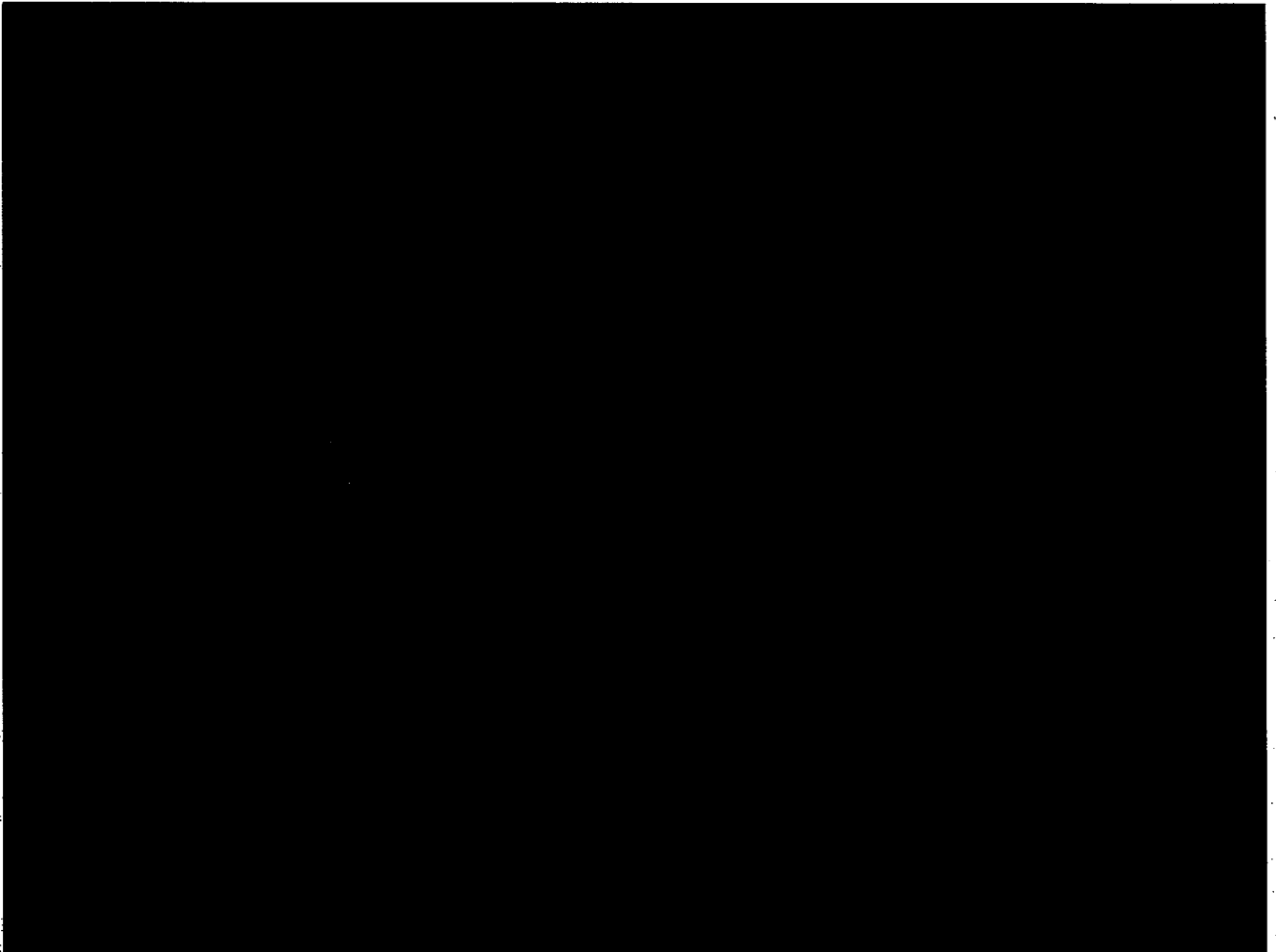
## **Staff:**

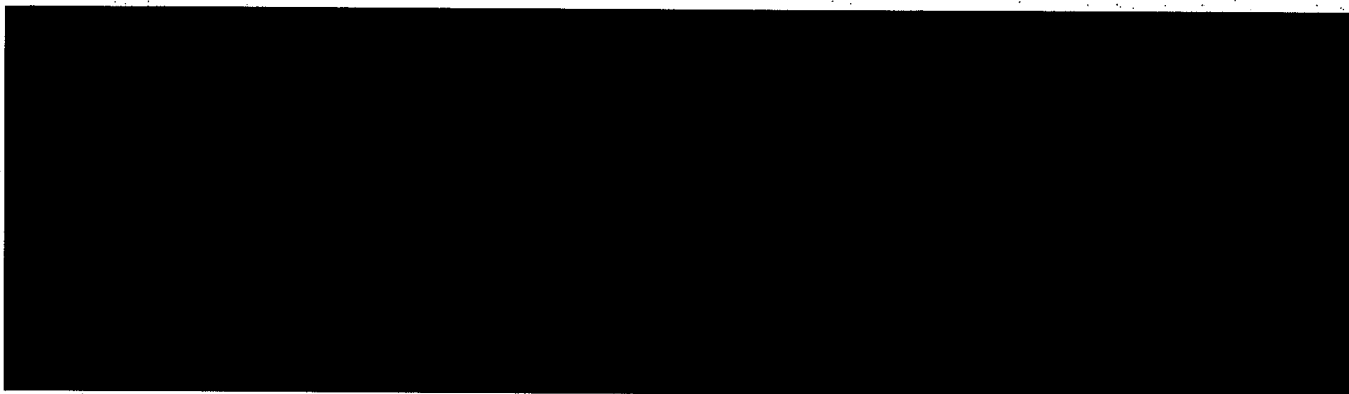
Oakland Organics Security and Safety Escort Staff consist of eight professionally trained security employees. Three security staff members are on duty at all times with additional security staff available for breaks, holidays and days off. Our staff includes a security team manager that all team members report to daily. All security team members possess a security "guard card". All security staff members keep up to date with current local/state laws and regulations concerning the safety and privacy of our members as well as cannabis dispensing membership requirements.





**Alarm System:**





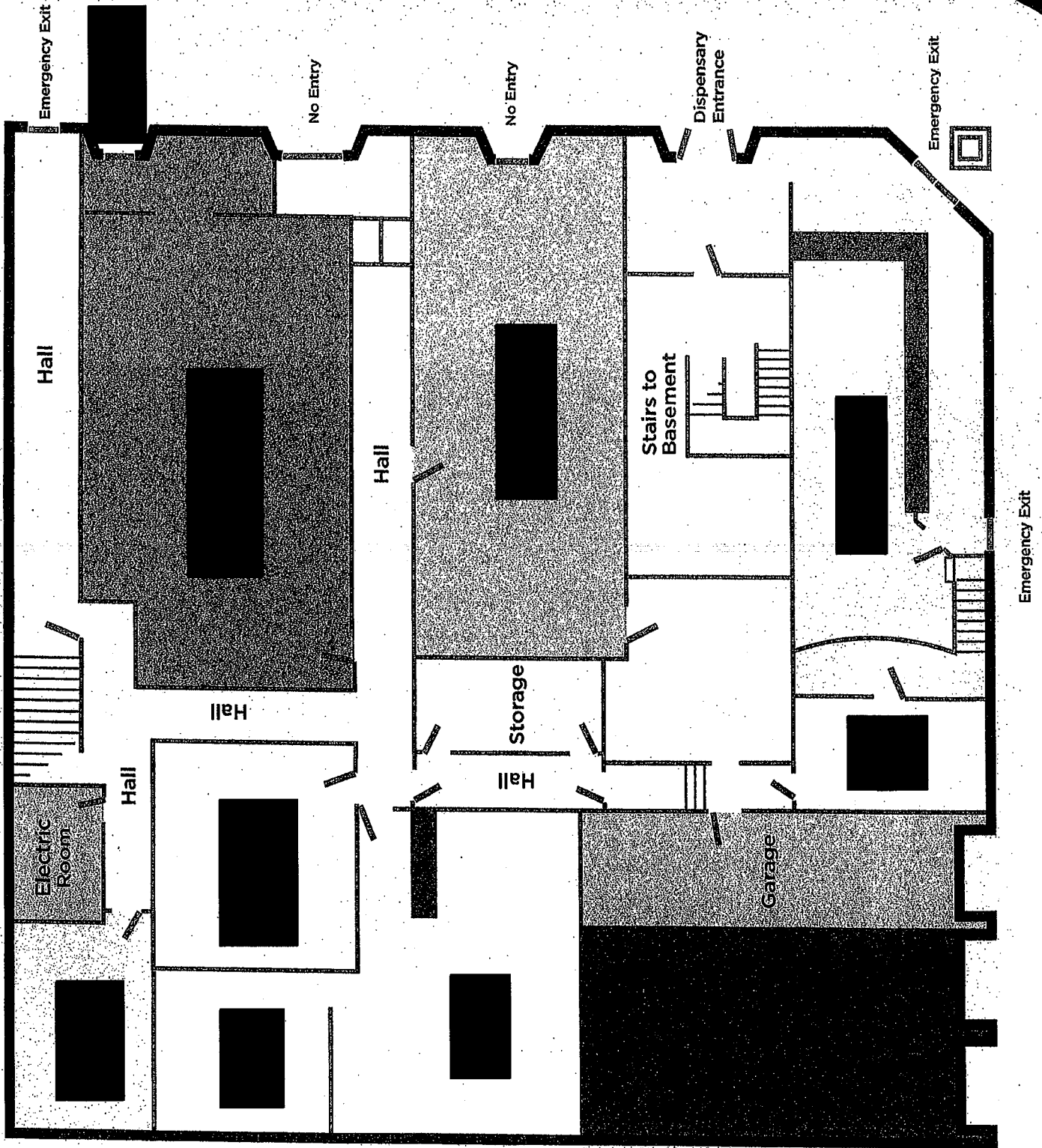
**Safety Lighting:**

The outside of the building is well-lit at all entrances and in the parking lot. The lighting complies with the City of Oakland's lighting requirements for commercial buildings.



*Oakland  
Organics*

705 Broadway Boulevard





# **OAKLAND ORGANICS BUILDING INFORMATION**

## **Location**

Oakland Organics is located at 705 - 721 Broadway, Oakland, California. The usable portion of the building area is a total of 4295 square feet. Approximately 2,100 square feet are designated as the dispensing and patient processing areas. This building is zoned Central Business District - Commercial (CBD-C), a commercial designation that falls within the City of Oakland's Ordinance guidelines.

## **Parking**

There are five complimentary designated parking spaces at the side lot of the dispensing collective and an additional 30 plus parking spaces for a fee within the same parking lot. Extra-metered parking is available on the street directly in front of the collective on Broadway, as well as the opposite side of the street and on 7th Street. This parking lot is easy to navigate and has ample parking for the patients we serve daily. Please see the attached parking lot map.

## **Front Lobby Check-In**

Patients are comfortably accommodated in the front lobby area until they are verified as current patient members or until they qualify to gain membership. There is comfortable seating and refreshments available for those that must wait for their doctor to verify their recommendations. Flat screen security monitors are located in the lobby area to alert the patients that a camera security system protects them. Please see attached map.

## **Dispensing Collective Area**

The area designated for the dispensing collective is spacious and set up for the patient to feel comfortable in their surroundings. Because we do not allow onsite consumption of medicine, patients are encouraged to move in and out of this area in a prompt, efficient manner. The dispensing process is streamlined to help patients make their medicine choice and exit the premises efficiently to avoid any perceived loitering. On average, we have streamlined our process to approximately 7 minutes per patient, which avoids parking lot back up, and/or excessive waiting. Please see attached building layout for dispensing area location.




### **Management Office**

The management office is where all business and personnel paperwork is processed. The management office also houses a large security flat screen monitor that constantly rotates, showing all views of the building within seconds. These cameras are monitored throughout the day to ensure the safety of the patients and the staff. Please see attached building layout for the location of the management office.



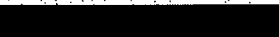
### **ADA Bathroom**

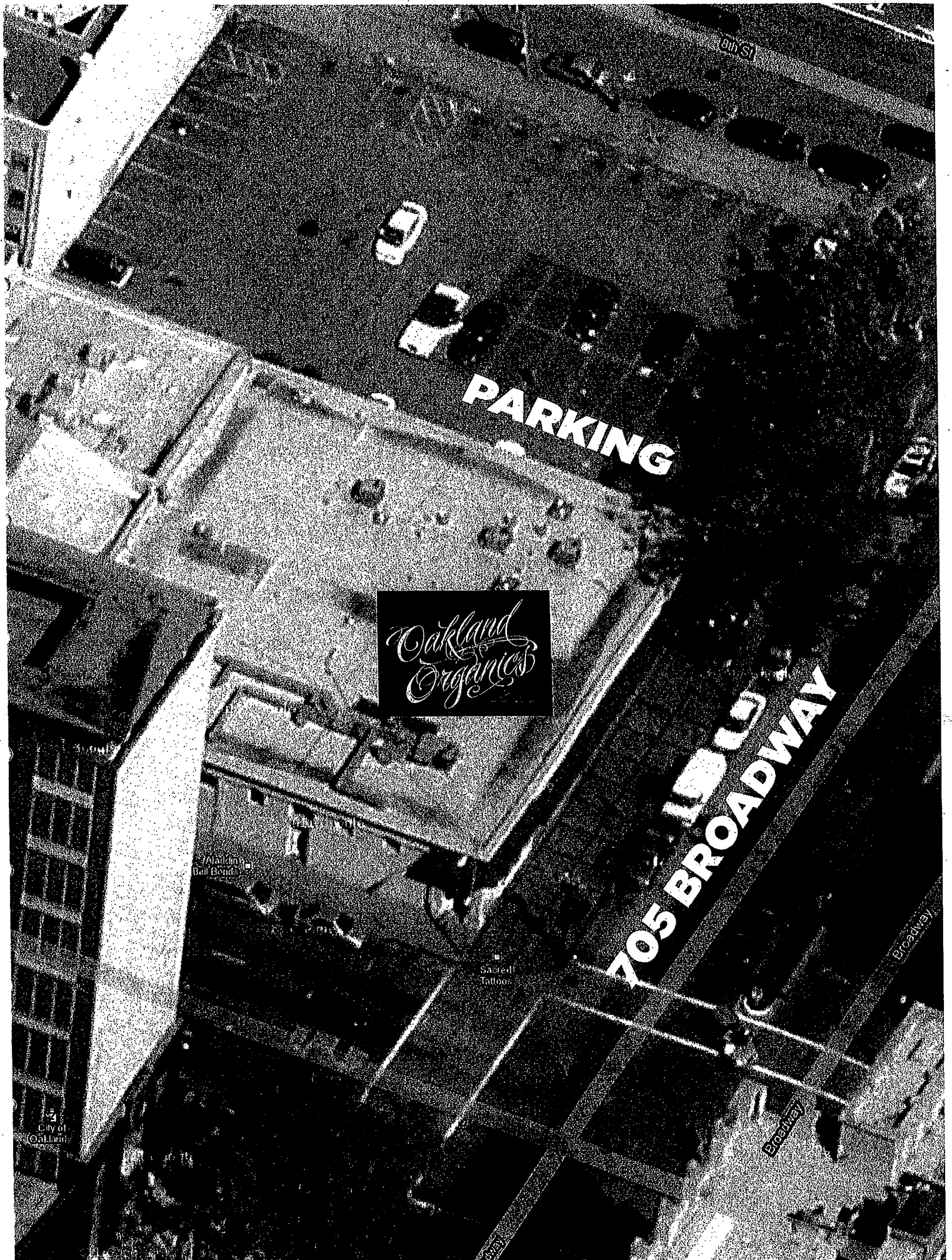
ADA restrooms are available to the public on an "as needed" basis. The restrooms are located just outside the dispensing area for patients to use if necessary. Safety personnel will escort any patient that needs to use the restroom. Please see attached building layout for the location of the ADA restrooms.

### **Employee Break Room**

A door located  This door has a numeric coded lock for safety and throughout the day, the door is kept closed. It has an "Employees Only" notification on it. This area is spacious and allows the employees to relax during their break times. Please see attached building layout for the location of the employee break room.

### **Plant Emporium Area**

The plant emporium is located   
 Patients are checked in for arrival at the front security desk and then they are escorted and "buzzed in" to  Please see attached building layout for the location of the plant emporium.



PARKING

Oakland  
Organics

705 BROADWAY

8th St

Broadway

Broadway

Sacred  
Tattoos

Alameda  
Ball Fields

City of  
Oakland

# **OAKLAND ORGANICS PATIENT MEDICINE SUPPLY**

## **Collective Suppliers of Dry Cannabis, Medicated Foods and Concentrated Cannabis Byproducts:**

Oakland Organics obtains all medical grade cannabis from our patient collective. Members are asked to bring in their excess cannabis at specific appointment times for evaluation. During this evaluation, an Oakland Organics medical cannabis inspection expert will visually inspect the cannabis for purity and possible acceptance.

The inspection includes discovery/elimination of unwanted contaminants such as mold, mildew, pet/human hair, foreign objects etc. If the medical grade cannabis is presented with any of the above faults or conditions, the medicine is immediately rejected and deemed not usable for medical cannabis patient purposes.

It is the wish of the Oakland Organics staff, management and patient collective members that an aggregate cultivation facility becomes an eventual reality. This will help in quality control and testing.

All of the above is inclusive for obtaining the medical cannabis concentrated byproducts.

## **On Site Aggregated Cannabis Cultivation:**

At present, Oakland Organics has no onsite cultivation taking place. It is the hope of Oakland Organics to be able to predominantly supply our collective with self-cultivated medicine. We believe this is the only method of absolutely knowing the quality controls that are in place for safe and reliable cannabis medicine.

## **Production of Medicated Foods:**

Oakland Organics concentrates and medicated food products are made in house or are produced by carefully selected patients from within the collective. All of our food handlers must be safety certified and hold their food safety certification. We produce all products in a certified commercial kitchen and label our products with ingredient and caution labels. It is the desire and hope of Oakland Organics that the Food and Drug Administration steps forward soon to regulate this aspect of our industry. Until that day, we strive to present a product to our patients that is clean, safe and of the utmost quality.



## **OAKLAND ORGANICS FINANCIALS**

Please find the last six months of financials for the Oakland Cannabis Institute, LLC in the envelope marked confidential.

## **OAKLAND ORGANICS RECORD KEEPING**

Oakland Organics complies with all local and state laws. Every aspect of our medical cannabis dispensing collective is operated just as is any other business licensed to operate in the State of California. Oakland Organics responsibly pays Federal Income Tax, State Income Tax, Social Security Tax, Medicare, City of Oakland Business Tax, Workers Compensation, and State Board of Equalization Sales Tax. We hold liability insurance and medical insurance for our employees.

### **Bookkeeper**

Jeanine Vatalaro is our on staff bookkeeper that maintains every detail of the incoming and outgoing income of the business. Jeanine is also responsible for banking duties and for oversight of the inventory systems.

### **Payroll Accountant**

Gerling and Lee is the accounting firm that handles the payroll of Oakland Organics. We pay our employees biweekly by check or direct deposit. This accounting firm also attends to the employee medical and dental benefits as well as our workers' compensation insurance.

### **Certified Public Accountant**

Constance Austring is the Certified Public Accountant for Oakland Organics. Because tax issues are sometimes difficult and confusing, we prefer to have an expert do our tax work to assure perfection when dealing with government entities.

### **Record Storage**

All financial records are kept at the above-mentioned individuals' business offices for their safekeeping. All records are available for viewing at the request of the City of Oakland with a 24-hour notice.



# **OAKLAND ORGANICS PATIENT SERVICES AND OUTREACH**

*We have designed the following services to benefit the dispensing collective members as well as the local community.*

## **Standardized Cannabis Medicine:**

The purpose of Oakland Organics is to bring quality, clean and safe organic medicine to our collective members. By cultivating a plant that produces consistent medicine each time, patients can depend on the potency and cleanliness of the medicine provided. As it stands, research of the cannabis plant is extremely limited by the world governments. It is the intention of Oakland Organics to study and produce a standardized method of plant production to assure efficacy and patient safety every single time.

## **Clean Medicine Testing:**

All Oakland Organics cannabis medicine is tested for molds, mildews and pesticides. A gas chromatograph also tests the purity and strength of the medicine. This testing process helps to assure that patients are receiving the highest quality and cleanest medicine available.

## **Mandatory Food Safety Classes and Labeling:**

All medicated food products are produced and handled by officially trained and certified food handlers. Dosage information is also available for safe intake of the medicine. All cannabis medicine and food products are discretely packaged and safety labeled with "keep out of reach of children and pets".

## **Patient Rights and Responsibilities:**

Patients are given free information about their rights and responsibilities concerning how they carry their medicine, cannabis possession limitations, cannabis cultivation limitations, cannabis storage and safekeeping. We provide this information via free handout materials as well as information on free classes held at nearby collectives.



# **OAKLAND ORGANICS DISCOUNT DAYS**

## **Over 55 and Veteran Discount Days:**

Tuesday, Thursday and Sunday, all veterans and over 55'ers receive a ten percent discount.

## **Wednesday Edible Day:**

On Wednesdays, all edible medicine is discounted by ten percent.

## **Every Day Discount:**

Every day is ten percent discount day if a patient purchases more than \$150 worth of medicine and they receive 20 percent off if their purchase exceeds \$450. All purchases are discounted by this amount and are elevated if the day is an over 55 or veteran discount day as well.

## **Patient Compassion Medicine Day:**

Each Wednesday, patients that are low income or are in need, receive free medicine that is provided to them from the collective members as a whole. This free medicine will also be provided when the aggregated cultivation facility is in full working mode.

## **Complimentary Safe and Ample Parking:**

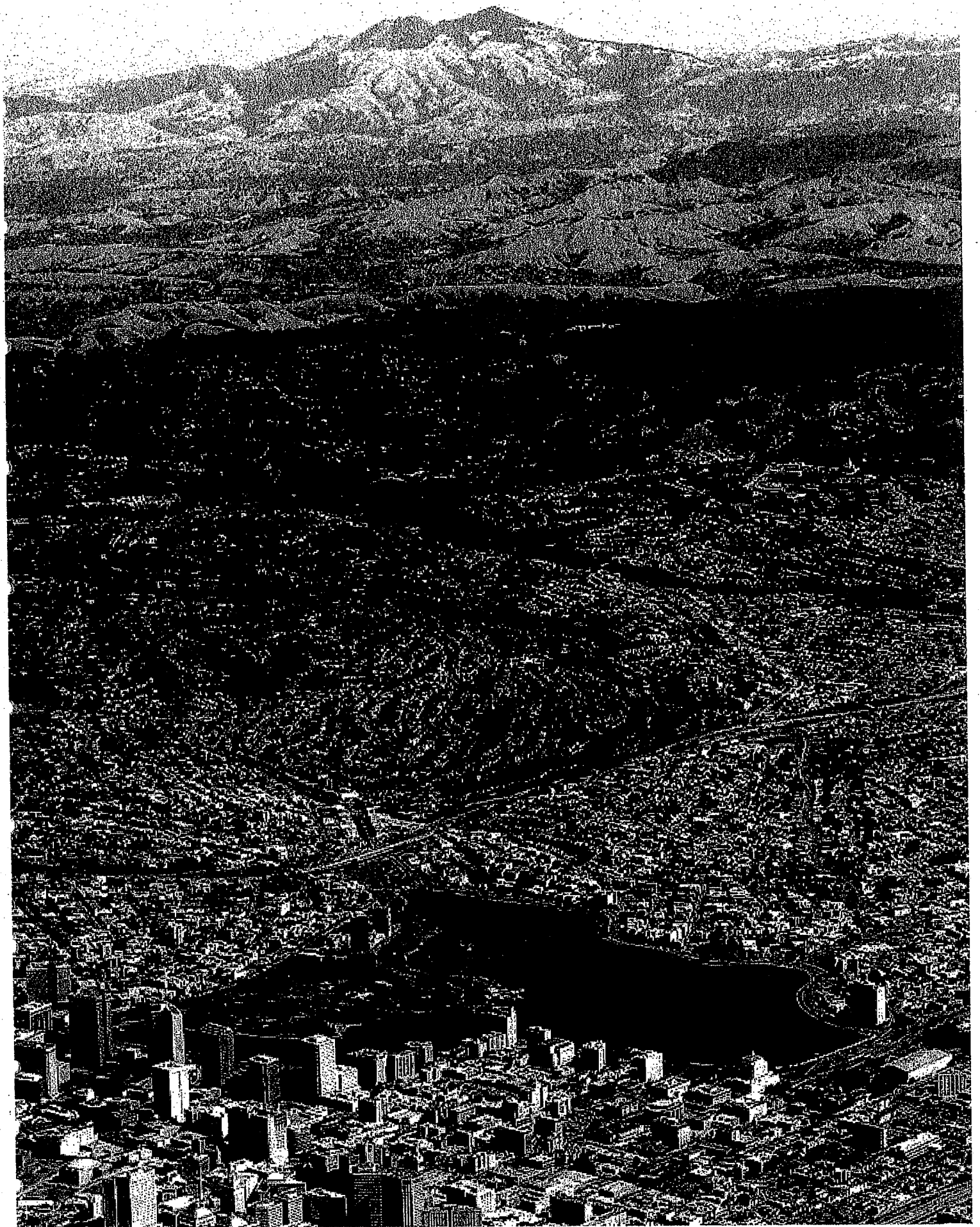
Although there is free ample parking in the Oakland Organics dispensing collective parking lot, patients are encouraged to take public transportation, bicycle or walk to the collective. Transit and bicycle maps are available onsite for the patients.

## **One on One Education:**

By appointment, patients may meet with our cultivation experts to learn and ask questions about sustainable and organic cultivation practices. Patients may bring in small plant samples and/or photos of their garden for evaluation and suggestions on how they can improve or change their cultivation practices.

## **Quarterly and Holiday Patient Appreciation Days:**

Each quarter and on holidays, collective staff puts on "patient appreciation day". Patients are invited to a free lunch and are requested to provide staff and management with feedback about how we can better serve the collective. This has proven to be a very effective method for improving relationships and growing friendships between staff, management, patients and



### Production of Medicated Foods:

Oakland Organics concentrates and medicated food products are made in house or are produced by carefully selected patients from within the collective. All of our food handlers must be safety certified and hold their food safety certification. We produce all products in a certified commercial kitchen and label our products with ingredient and caution labels. It is the desire and hope of Oakland Organics that the Food and Drug Administration steps forward soon to regulate this aspect of our industry. Until that day, we strive to present a product to our patients that is clean, safe and of the utmost quality.



#### **WARNING**

This product contains  
medical cannabis.  
Please keep out of reach  
of children and pets.  
For medical use only.



#### **STRAWBERRY BROWNIES**

Doses: 2-3

Chocolate brownie w/strawberry filling

Ingredients: Flour, sugar, baking powder, vanilla, eggs,  
chocolate, strawberry preserves, cannabutter.

## **OAKLAND ORGANICS DIVERSION PREVENTION**

### **Patient Medicine Diversion:**

Because of the expense of the medicine obtained through city permitted cannabis dispensing collectives, patient diversion of this medicine is a rare occurrence. At our collective, cannabis medicine has tax and business overhead included in the patient cost. Diversion for profit would be difficult and not a strategically sound business practice for those endeavoring to succeed in purchasing medicine to make a profit. The "Black Market" would be a far more appealing method for those working toward the profitable business of cannabis redistribution.

### **Employee Medicine Diversion:**

The "Cash Register Express" point of sale (POS) system used by Oakland Organics tracks all inventory and transactions. At all times we are aware of in stock inventory items. It would be delightful to think that no employee steals from their employer, but the truth is that careful monitoring must be rigorously maintained daily to prevent employees from helping themselves to the cannabis medicine and money. The POS system helps with this monitoring as well as security cameras and security staff. Any employee caught diverting money or medicine is terminated immediately.

## **OAKLAND ORGANICS PATIENT MONITOR AND TRACKING SYSTEM**

Below is a description of the complete process a patient undergoes to become a member of our collective.

### **Initial Visit:**

If a patient does not possess an Oakland Patient ID Center Card, on the first visit, the new patient comes to Oakland Organics, before they can enter the building, they are greeted by the safety staff and asked to show their valid California drivers' license or a valid California identification card. No patient may enter with an expired DL/ID or any other form of identification. We will ONLY accept these two forms of identification. Unfortunately, patients under the age of 18 years old are not allowed membership in our collective. Because there are many collectives in the outlying areas of Oakland that will serve these patients, we recommend them to these collectives.

### **Doctor's Recommendation:**

The patient must next provide the safety staff with a valid (current) doctor's recommendation. This recommendation must be a full size embossed document. We will not accept cards issued by a doctor's office or minimized documents.

### **Entry into the Collective:**

After presenting the aforementioned valid documents, our potential new member is invited into the waiting room and is asked to fill out our membership agreement, and to read and sign our rules and regulations documents (see attached).

While the patient does this, our administrative staff verifies on the Medical Board of California website that the patients doctor is in good standing. We then call the doctor's office to verify that the patients' recommendation is valid and that the doctor did indeed recommend that this patient use cannabis as medicine.

If we cannot verify any of the above documents or if any of the documents are deemed unacceptable for any reason, the patient is turned away and asked to return with valid documentation.

If all documentation is valid and all forms are signed and completed, the patient is accepted as a member of the collective. Next, the patient is invited to the cannabis dispensing area.

**Tracking Software:**

Oakland Organics uses "Open Trac Software Systems", a software system used to monitor each patient visiting the dispensing collective. Each and every member is checked into the system every single time they visit. Patients are allowed one visit per day and this software sends an error alarm, should the patient try to enter twice.

Open Trac software allows us to track daily visits as well as the patients' photograph, California identification number, date of birth, expiration of their doctor's recommendation (usually one year) and city of residence. This software also allows us to annotate any pertinent information about that patient that we may need to access in case of emergency, etc.

**Entry into the Dispensing Area:**

In the dispensing area, we give new patients a quick tour of the area and we then verbally remind them of the rules and regulations about redistribution.

**Medicine Amounts Per Patient and Monitoring Redistribution:**

Oakland Organics allows our patients to purchase up to one ounce of dried cannabis flowers per day, seven concentrates per day and up to ten medicated edibles per day. This amount is convenient for patients that can only visit once a week or once per month. Should we encounter a patient that is purchasing this maximum daily amount more than once per week, we quietly ask the patient to come into the management office and remind the patient that diversion of their medicine is illegal.

Because of sales tax and the cost of a doctor's recommendation, it is a rare occasion that we encounter patient redistribution. Due to the aforementioned, the high cost of the patients' medication stalls redistribution for profit, making profiteering nearly impossible. "Black Market" street sales that have no overhead or taxation are far more appealing to those looking to redistribute for profit.



# **OAKLAND ORGANICS RULES and REGULATIONS**

It is the policy of Oakland Organics to update our rules and regulations from time to time to reflect changes in the law.

The facilities of Oakland Organics are designed to provide a safe, friendly environment for our clients. We also seek to give each of our clients the highest level of confidentiality we can. The following rules and regulations are strictly enforced at all times.

Oakland Organics is a smoke-free facility. Extinguish all smoking materials prior to entering the facility parking lot and please do not smoke until you are off the facility property.

It is understood by all parties that membership of Oakland Organics is a privilege not a right.

Membership may be revoked at any time by management for violation of any action not covered by the rules and regulations that, in the opinion of management, brings discredit or unwelcome public attention to our organization.

NO cell phones, recording devices or cameras are permitted in any Oakland Organics facility at any time. All devices must be left in your vehicle, in the parking lot.

NO person under the age of 18 is allowed on the premises even with a valid recommendation for medical cannabis, as well as a valid California Identification Card or California Driver's License.

Members agree NOT to operate motor vehicles or other mechanical devices while medicated.

Members agree NOT to consume or open their cannabis purchase within 1000 feet of the premises of Oakland Organics or in any other place prohibited by law.

Members agree NOT to sell or attempt to sell any medical cannabis acquired from Oakland Organics.

Members are allowed ONE visit per day.

Members agree to uphold the restrictions on amounts of medical cannabis in their possession according to SB420, local regulations, and their physician.

Members must NOT bring any weapons or anything that can be used as a weapon on the premises. Pocket knives, tools etc. must be left in your vehicle or surrendered to security while in the building.

It is the member's responsibility to make sure any and all passengers are aware and subjected to the rules and regulations of Oakland Organics.

It is the member's responsibility to keep an up-to-date recommendation. Our staff members are not expected to remind you of your expiration date.



## MEDICINAL MEDICINE FAQ

### What is the difference between THC, CBD and CBN?

THC, CBD and CBN are all in a class of compounds known as cannabinoids.

- Delta-9-Tetrahydrocannabinol or (THC) is responsible for 70-100% of the effects experienced by the user.
- It possesses mild to moderate analgesic effects it is used for pain relief, relaxation and appetite stimulation.
- High quality strains range from 15-25% THC with very potent and carefully prepared strains reaching upwards of 30%.
- Recent research suggests that patients with a predisposition to schizophrenia should avoid high THC cannabis.

Cannabidiol or (CBD) occurs in many strains, especially those originating from Afghanistan and Pakistan.

- The genetics of THC and CBD result in concentrations that are normally 0-50% of the cannabinoids present.
- It has analgesic, sedative and antibiotic properties.
- Some researchers feel it lessens the anxiety-related effects some users experience with cannabis.
- It is recommended for patients who seek relief from inflammation, anxiety, convulsions and nausea.
- CBD has also been shown to inhibit cancer cell growth.

Cannabinol or CBN is an oxidative degradation product of THC. It may result from improper storage or curing and extensive processing, such as when making concentrates.

- CBN has some psychoactivity, but it is less than THC.
- CBN is thought by some researchers to enhance the dizziness and disorientation some users of cannabis experience.

# GUIDE TO UNDERSTANDING MEDICINAL CANNABIS TESTING

THC-CBD potency testing helps you choose the right medicine

- THC has analgesic, euphoric, appetite stimulation and relaxation properties.
- CBD has analgesic, sedative, antibiotic properties and may inhibit the growth of cancer cells.
- High CBD medicines are recommended for patients who seek relief from inflammation, anxiety, convulsions, nausea or who are undergoing treatment for cancer.
- High CBD medicines also prolong the duration of the effects of the THC present in the medicine, according to recent research.

Expected levels of THC in medicinal flowers\*

Good Cannabis 5- 10%

Very Good Cannabis 10-25%

Excellent Cannabis 25-32%

Expected levels of THC in medicinal concentrates\*

Hash 25-70%

Bubble Hash 25-85%

Pressed Kief 45-85%

Kief 45-85%

Our testing program.

- Testing program for THC/CBD/CBN, mold and fungus ensures the safety of the medicine.
- Testing performed by the Bay Area's only independent lab owned and operated by real scientists using precision equipment.
- Sources: GW Pharmaceuticals, NORML-MAPS Marijuana Potency Testing Project.

## **DELIVERY OF MEDICAL CANNABIS TO OAKLAND ORGANICS PATIENTS**

Unless specifically requested, delivery services to Oakland residents will be on a limited emergency basis only. This service is only available to those patients in the surrounding areas that are homebound or have absolutely no other means of transportation to obtain their medicine.

Because of the dangers of delivery services and because verification of the patients valid doctors recommendation is essential, we will require an initial visit from the patient and/or their caregiver to our Oakland Organics facility.

During this initial visit, we will verify that the patient and/or caregiver are current in their doctor's recommendation and identification. We will then obtain a copy of their credit or debit card. There will be no cash transactions for delivery services. We will make several copies of their recommendation and will also copy their California driver's license or California identification card.

For delivery, the patient will simply make a call to our collective or go to our website, place their order and we will make every attempt to make a same day delivery. No more than one ounce of medicine will be delivered to any one patient/caregiver.

We will use the patient/caregiver credit card on file to fill the order. We will attach the receipt to the bag and we will also attach the patient/caregiver recommendation to the bag.

When we arrive at the patient/caregiver address, they must provide the same valid driver's license or identification card that they initially presented when they came to the collective to sign up for the delivery process. If they cannot do this, the delivery order will be returned to the facility and cancelled. No exceptions.



## Client/Caregiver Membership Agreement

Welcome to Oakland Organics. You are about to become a member of a collective group of individuals that exchange and use cannabis as medicine.

Your signature below is explicit consent that you choose to become a member of the collective group called Oakland Organics.

We ask that you be a good neighbor at all times, abide by all of the collective rules and regulations and never re-distribute your medicine.

Member's Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ Zip \_\_\_\_\_  
Phone \_\_\_\_\_

I swear under penalty of perjury under the law of the State of California that I am a person legally entitled to obtain medical cannabis in that I have been advised by my physician documented on my recommendation that I will medically benefit from the medical use of cannabis and that I lack the means to fully provide medical cannabis for myself.

I hereby authorize my referring physician to release to Oakland Organics any and all necessary information to confirm my referral.

In addition, I verify that I am not a member nor working for a law enforcement agency.

I agree as a condition of my membership to obey all the rules and regulations of Oakland Organics and agree that my client/caregiver membership agreement will be terminated should I violate any of those rules and regulations.

I verify the above facts are true and correct under the penalty of perjury and I understand that any disclosure regarding the collective or its members will result in civil liability.

\_\_\_\_\_  
MEMBER'S SIGNATURE

\_\_\_\_\_  
DATE

### **Private Emergency Assistance:**

Through experience, we have noted that patients and employees find themselves in situations where they need assistance and have nowhere else to turn. A few examples of this is assisting in the costs for flights for a death in the family, lost rent money, medication needed but not afforded, family burials, attorneys fees, etc. Management determines the validity of the need, and then either donates or loans whatever is necessary to remedy the patient or employee need.

Many dispensing collectives believe that offering services such as massage, acupuncture, yoga, etc. benefit the patients and the community. Whereas we find these events helpful, we would rather spend our time and collective monies (energy) in providing our needy clients with medicine and services that help in their daily life. It is also our focus to concentrate on bringing clean, safe cannabis to our collective members rather than misuse our extra funding on external lavishness such as massage or yoga. The patients that we assist each week agree.

*Oakland  
Organics*  
NATURAL MEDICINE

Oakland  
Organics

RAJALAI MEDICINE

