

Summary of Recommended Commercial Cannabis Operators

The Interview Panel recommends to the City Council that the eight (8) cannabis companies listed in Table 1 be issued a Commercial Cannabis Permit. Brief summaries of these applicants' proposed business activities in Hayward are presented below.

Table 1: Cannabis Companies Recommended for Permit Award

#	Company / Applicant Name	Business Type
1	Meristematic, Inc	Cultivation
2	CBRA, Inc.*	Delivery
3	Mijosa, LLC*	Distribution
4	BAS Research	Manufacturing
5	Empress Extracts*	Manufacturing
6	Gurpreet Singh	Manufacturing
7	Precision Apothecary	Microbusiness
8	Always On Time Consulting	Microbusiness

** Applicant was previously approved for other cannabis activity in Round 1, Tier 1.*

Meristematic (Cultivation)

The applicant intends to operate a cannabis nursery in Hayward, employing a specialized method (i.e., tissue culture micropropagation) to create healthy, reliable plant clones and clean starter plants. Meristematic plans to sell these young plants to breeders, nurseries, and large-scale cultivators. The applicant has not yet secured a location, but plans to operate its nursery within the City's industrial corridor.

The applicant's management team includes: Mike Stevens (CEO), Michael Smith (CFO), Dr. Ted Klein (Chief Science Officer), and David Bennett (Legal Affairs). Mr. Stevens (CEO) has over 20 years of cannabis cultivation experience and was responsible for hybridizing the Jeid and Jah Love strains of cannabis. Mr. Smith (CFO) has over 10 years of relevant experience in finance and strategic planning, working with American Express and Samsung. Dr. Klein (CSO) has over 25 years' experience in agribusiness working at Dupont. David Bennett (Legal Affairs) has over 15 years' experience in the legal and entertainment industries, and is also CEO of Hayward cannabis delivery permit applicant CBRA, Inc. (described below). Collectively, the resumes submitted show a highly experienced management team.

The applicant plans to hire approximately 3 employees in their first year of operation, and their hiring plan states that they will target at least 50% local hires and offer all employees a living wage. The applicant proposed a number of community benefits activities including health education outreach and funding of law enforcement and community health education programs, likely at the Eden Area YMCA and the Eden Youth and Family Center.

CBRA, Inc. (Delivery)

Note: This applicant was previously approved for a cannabis Distribution permit in Round 1, Tier 1.

CBRA, Inc. plans to run a non-storefront retail delivery business in Hayward. The applicant proposes to procure cannabis and cannabis products from licensed cannabis distributors and then deliver and sell them to recreational and medical customers. Applicant intends to accept orders via the internet, using a secured website powered by Meadow, their selected POS (point of sale) and inventory control system. The applicant has not yet secured a location, but plans to locate within the City's industrial corridor.

The applicant and CEO, David Bennett, is an attorney with over 15 years' experience in the legal and entertainment industries, in addition to having cannabis industry experience through running one of San Jose's original sixteen dispensaries. Note that Mr. Bennett is also serving as Head of Legal Affairs for Hayward cannabis cultivation permit applicant Meristematic (described above).

The applicant plans to hire 3-5 drivers in their first year of operation, and their hiring plan states that they will target at least 50% local hires and offer all employees a living wage. The applicant proposed a number of community benefits activities including health education outreach and funding of law enforcement and community health education programs, likely at the Eden Area YMCA and the Eden Youth and Family Center.

Mijosa, LLC (Distribution)

Note: This applicant was previously approved for cannabis Cultivation and Manufacturing permits in Round 1, Tier 1.

Mijosa, LLC plans to operate a vertically-integrated cannabis business in Hayward, which includes cultivation and manufacturing operations (already recommended for permitting) and this proposed distribution business. Mijosa plans to cultivate cannabis flowers under its cultivation permit, transfer product to its proposed distribution business, and then transfer to its manufacturing operation to produce cannabis extracts, oils, and vape cartridges. If granted this distribution permit, Mijosa would also serve as a distributor to other licensees. Mijosa has yet to secure a location, but their initial target property was located at 2376 Davis St., and they continue to search for appropriate locations within Hayward's industrial corridor.

Applicant Alexander (Sasha) Plotitsa will serve as the Chief Operating Officer of Mijosa. He has experience in the cannabis industry as a founder of Medithrive, an award winning medical cannabis dispensary in San Francisco. He is currently authorized to operate a medical cannabis dispensary in San Francisco. Other management team members include: Misha Breyburg (CEO), Joe Polyak (CFO), Jim Savitskiy (Director of Marketing and PR), Alex Sergiyenko (Director of HR and Compliance), and Alina Savitskaya (Community Outreach Coordinator).

Mijosa plans to hire a limited number of staff for their distribution business, and their hiring plan focuses on diversity, local hiring, and providing a living wage to all staff. The applicant proposed a number of community benefits activities including: support for local substance abuse organizations, including Project Eden, and conducting food drives for South Hayward Parish and Alameda County Community Food Bank.

BAS Research (Manufacturing)

BAS Research is a cannabis research, extraction, and manufacturing company currently based in Berkeley, CA. The applicant was the first cannabis manufacturing company to be issued a permit by the State of California and the City of Berkeley in 2016. Since then, BAS has grown its revenue to \$7.6 million in 2018. BAS Research now seeks to expand its operations by relocating its large-scale extraction and manufacturing services to Hayward, while focusing its Berkeley facility on research, chemistry formulation, and post-processing of “raw” cannabis extracts into “finished” cannabis oil. The new Hayward entity will be named “Best Manufacturing.” The applicant plans to generate revenue both by serving as the extraction subcontractor to its sister company in Berkeley, and by providing a variety of services to other licensees including extraction services, contract manufacturing, packaging, and fulfillment. BAS has secured a location at 23100 Foley Street and has already completed the majority of the construction needed for its proposed Hayward facility.

Applicant Dr. Bao Le is a seasoned executive and dedicated entrepreneur with a twenty-year history of creating successful startups, such as Aquatic Gallery Services, ParSquare, and Proficio Bank. The other identified member of the team, Myha Trieu, has over 17 years of experience in business operations, human resources, and administration. An accomplished entrepreneur and executive, Myha has been instrumental in helping companies at all stages to align their resources for long-term growth.

The applicant plans to hire eighteen (18) benefited positions in its first year of operations, and expressed a preference for hiring local residents. The applicant has committed to giving back 1% of pre-tax income for community benefits activities focused on revitalizing the neighborhoods surrounding their facility such as graffiti abatement, landscaping, and other visible efforts to help foster a sense of place and support neighborhood pride.

Empress Extracts (Manufacturing)

Note: This applicant was previously approved for a cannabis Cultivation permit in Round 1, Tier 1.

In addition to its proposed 10,000 sq. ft. cultivation operation, Empress Extracts proposes to operate a cannabis manufacturing business in Hayward. This business would involve non-volatile extraction and the production of a range of cannabis products including Empress Live Resin, Empress Wax, Gemmy’s Full-Extract Oil, and various edibles. The applicant has secured a location at 2034 American Ave. and has developed a conceptual site plan.

Applicant Emily Scarborough is an award-winning producer of cannabis extracts. Ms. Scarborough owned and operated a medical cannabis extraction company until she closed it following the legalization of recreational cannabis. She currently runs a grow operation at the Oakland Cannaplex, producing products which are being sold at the San Leandro Harborside dispensary. The applicant’s proposed COO is Jorge Esparza who has relevant commercial cannabis management experience as part-owner of the San Francisco dispensary La Corona.

The applicant plans to hire up to ten employees in Hayward and has committed to hiring Hayward residents and providing a livable wage. The applicant proposed a number of community benefits activities including donating 5% of annual profits to a local organization recommended by the Community Service Commission. Applicant proposes to donate \$6,500 to Downtown Streets in its first year of operation.

Gurpreet Singh (Manufacturing)

The applicant proposes to operate a commercial cannabis manufacturing operation in Hayward which will employ CO2 extraction processes to produce cannabis waxes, tinctures, and vape cartridges. The applicant has identified a location at 25515 Whitesell St. and intends to rent/operate 5,000 sq. ft. of the overall 50,000 sq. ft. at that location for cannabis manufacturing purposes.

The applicant's management team includes Gurpreet (Gary) Singh (CEO); Ramesh Chimmani (CTO), and Gregory Gill (COO). Mr. Singh is a Silicon Valley veteran and has served management roles at various start-ups and larger companies including Zebra Technologies and Nokia. Dr. Chimmani is currently serving as a Laboratory Director at Nature's Medicines, one of Arizona's premium Cannabis Companies. He brings 11 years of natural product expertise and experience developing novel methods, products and processes for cannabis extractions and formulations. Mr. Gill has 15 years of experience across multiple segments of the cannabis industry, including cultivation, distribution, and retail sales.

The applicant plans to hire between 10-20 employees in its first three years of operation, will provide a living wage to its employees, and proposes a job training program to Hayward residents twice per year to create a pipeline for local hiring. The applicant proposed a number of community benefits including both volunteer activities and a commitment to giving back 1 % of net profits to fund programs in entrepreneurship mentoring, public art, and literacy tutoring.

Precision Apothecary (Microbusiness)

Note: Since its application was submitted, this business has been merged into a larger cannabis conglomerate company named Juva Life, whose CEO is Douglas Chloupek. Juva Life is also associated with applicant Always on Time Consulting (see below). Many of the same individuals occupy management team positions at both Precision Apothecary and Always on Time Consulting.

Precision Apothecary is now a wholly owned subsidiary of Juva Life, a vertically-integrated cannabis business whose CEO is Douglas Chloupek. Juva Life was established partly to enable fundraising, and this entity has thus far raised \$5.5 million to build out its component businesses. The applicant is currently raising another round of funding and hopes to conduct an IPO in Canada at a future date. The applicant owns other existing cannabis businesses in Stockton, CA—including 50,000 sq. ft. of cultivation, manufacturing, and delivery operations—and the applicant's existing cultivation business has an expected production of over 9,000 pounds of cannabis per year. The applicant's stated intention is to use Hayward as the location for its overall corporate headquarters for Juva Life.

Precision Apothecary (to be later branded as "Juva Labs") is a sub-business of Juva Life which focuses on developing "precision cannabis", which the applicant defines as "delivering the right medicine to the right patient at the right time." The applicant will conduct multi-phase clinical investigations to test and refine the medical efficacy of various cannabis extractions, and offer a range of pharmacy-grade cannabis products. They will seek to develop intellectual property rights and patents for their own products, as well as creating white-label products for other licensees. The applicant has identified a 20,000 sq. ft. facility for this business at 25571 Clawiter Rd.

The applicant's management team includes: Douglas Chloupek (Founder & CEO), Dr. Rakesh Patel (Founder & Medical Director), Neil Ruditsky (COO), Tom Leschak (Cultivation Manager), Kari

Gothie (VP of Finance), Daniel Hughes (Project Manager), and Cliff Nichols (Marketing and Administration Manager). Mr. Chloupek has been a successful cannabis entrepreneur for over 10 years, and has launched, owned, and sold multiple businesses across the cannabis industry supply chain including Valley Grown Enterprises, Lux Wellness, and Medmar Healing Center. He also co-founded (Hayward permit applicant) BAS Research but has since sold his stake in the company. Doug is also a founding member of the California Cannabis Industry Association. Dr. Patel is an oncologist and clinical researcher with over 250 lectures and 100 publications worldwide. Mr. Ruditsky has spent more than two decades in senior leadership positions in the hospitality and cannabis industries. Tom Leschak has served as the master grower for (Hayward applicant Always on Time Consulting, DBA Frosted Flower) and co-founded the CannAcademy, a trade school for cannabis horticulture.

The applicant plans to hire between 20-60 staff over its first three years of operation, and has committed to both targeting Hayward residents and providing a living wage. The applicant's proposed community benefits activities include: participating in community cleanups, contributing to local food drives and blood drives, and providing support for Hayward organizations and charities recommended by the Community Service Commission.

Always On Time Consulting, DBA Frosted Flowers (Microbusiness)

Note: Since its application was submitted, this business has entered into a (pending) agreement to be acquired by the larger conglomerate company Juva Life (see above), whose CEO is Douglas Chloupek. Juva Life is also associated with applicant Precision Apothecary. Many of the same individuals occupy management team positions at both Precision Apothecary and Always on Time Consulting.

Always On Time Consulting (DBA Frosted Flowers) has entered into a (pending) agreement to be acquired by Juva Life, a vertically-integrated cannabis business whose CEO is Douglas Chloupek. Juva Life was established partly to enable fundraising, and this entity has thus far raised \$5.5 million to build out its component businesses. The applicant is currently raising another round of funding and hopes to conduct an IPO in Canada at a future date. The applicant owns other existing cannabis businesses in Stockton, CA—including 50,000 sq. ft. of cultivation, manufacturing, and delivery operations—and the applicant's existing cultivation business has an expected production of over 9,000 pounds of cannabis per year. The applicant's stated intention is to use Hayward as the location for its overall corporate headquarters for Juva Life.

Always On Time Consulting (currently DBA Frosted Flowers, but potentially to be later rebranded if the Juva Life acquisition is completed) focuses on cannabis cultivation, manufacturing, distribution, and retail operations. The applicant proposes to cultivate approximately ten varieties of cannabis flowers using semi-organic techniques; use CO2 extraction processes to produce oils; and produce a range of consumer products including "honey bud", pre-rolls, and "fusion rolls".

Applicant has identified a potential site at 3363 Enterprise Ave., adjacent to the proposed Precision Apothecary facility at 25571 Clawiter Rd. Depending on the outcome of the commercial cannabis and CUP permitting processes, planned acquisition/merger, and other business and legal factors, the applicant may decide to co-locate with Precision Apothecary at this location in a side-by-side "campus" model or seek a different location.

The applicant's management team includes: Douglas Chloupek (Founder & CEO), Neil Ruditsky (COO), Tom Leschak (Cultivation Manager), Kari Gothie (VP of Finance), Daniel Hughes (Project

Manager), and Cliff Nichols (Marketing and Administration Manager). Mr. Chloupek has been a successful cannabis entrepreneur for over 10 years, and has launched, owned, and sold multiple businesses across the cannabis industry supply chain including Valley Grown Enterprises, Lux Wellness, and Medmar Healing Center. He also co-founded (Hayward permit applicant) BAS Research but has since sold his stake in the company. Doug is also a founding member of the California Cannabis Industry Association. Mr. Ruditsky has spent more than two decades in senior leadership positions in the hospitality and cannabis industries. Tom Leschak has served as the master grower for (Hayward applicant Always on Time Consulting, DBA Frosted Flower) and co-founded the CannAcademy, a trade school for cannabis horticulture.

The applicant plans to hire between 20-60 staff over its first three years of operation, and has committed to both targeting Hayward residents and providing a living wage. The applicant's proposed community benefits activities include: participating in community cleanups, contributing to local food drives and blood drives, and providing support for Hayward organizations and charities recommended by the Community Service Commission.

Details of the Two "No Award" Recommendations:

The material below summarizes and documents the deliberations of the Interview Panel in deciding not to recommend awarding commercial cannabis permit to two of the Tier 2 applicants.

Cypress Ventures (Manufacturing)

The Interview Panel unanimously recommends not approving Cypress Ventures for a commercial cannabis permit in Hayward. The reasons for this decision include:

- **Business Plan and Operations:** The applicants were unable to provide adequate details about their business plan and proposed operations. Their vision for the suite of businesses proposed was vague and unformed. While the applicants articulated a willingness to follow the required rules, they demonstrated an inadequate understanding of the relevant state and local regulations, and provided insufficient details on how they would ensure compliance with those regulations. Applicant's discussion of availability of adequate funds to cover startup costs lacked clarity and consistency.
- **Management Team and Experience:** Applicants were unable to provide sufficient information about the identities of key members of their management team, or their relevant experience. When the applicants were asked about the role of a principal team member that had been included in the written application, the question elicited confusion as to whether that individual would be a co-owner, management team member, or employee. Applicant demonstrated insufficient business management experience.
- **Safety and Security Plan:** Applicant showed a poor understanding of the security and safety requirements for the proposed business activities. Despite having secured a specific site for their business, applicant was unable to provide adequate details about their plans for ensuring transactional security, perimeter security, delivery security, fire protection, or employee safety.

Should the applicant choose to apply for any Hayward commercial cannabis permits under any future RFPs, the Panel recommends that the applicant team further develop and elaborate the details of these areas of deficiency, along with other critical components of their plan.

MDLM Consulting (Microbusiness)

The Interview Panel unanimously recommends not approving MDLM Consulting for a commercial cannabis permit in Hayward. The reasons for this decision include:

- **Business Plan and Operations:** The applicants were unable to provide adequate details about their business plan and proposed operations. Their vision for the suite of businesses proposed was vague and unformed. While the applicants articulated a willingness to follow the required rules, they demonstrated an inadequate understanding of the relevant state and local regulations, and provided insufficient details on how they would ensure compliance with those regulations. Applicant's discussion of availability of adequate funds to cover startup costs lacked clarity and detail.
- **Management Team and Experience:** Applicants provided insufficient information about the capacity of the team to manage and operate a successful commercial cannabis business in Hayward. The proposed leadership team appeared to lack requisite management and technical experience, and applicant was not able to provide adequate detail on their hiring plan to strengthen these deficiencies.
- **Safety and Security Plan:** Applicant showed a poor understanding of the security and safety requirements for the proposed business activities. Applicant was unable to provide adequate details about their plans for ensuring transactional security, perimeter security, delivery security, fire protection, or employee safety.

Should the applicant choose to apply for any Hayward commercial cannabis permits under any future RFPs, the Panel recommends that the applicant team further develop and elaborate the details of these areas of deficiency, along with other critical components of their plan.