

2019 CITY OF OAKLAND

EQUITY APPLICANT DISPENSARY PERMIT APPLICATION

1. Applicant Information

a. Name: Green Star Hemp, LLC (updated 7/24/20)

b. Type of Corporate Structure:

Corporation Limited Liability Company Partnership Individual

Collective Other: _____

c. Doing Business As: _____

d. Please Attach a Copy of State Registration (if applicable)

e. Partner/Owner/Manager Information:

Please list all persons directly or indirectly interested in the permit sought, including all officers, directors, general partners, managing members, stockholders, and partners. Please attach additional pages if necessary (additional pages should be on 8½ x 11" paper; single sided, and include a Header with the applicant's name on the top right corner of each page).

Last Name: <u>Yang</u>	First Name: <u>Shuai</u>	Middle Initial:
Alias(es):		
Title: <u>MANAGER</u>		
[REDACTED]		
Business Address:		
City:	State:	Zip:

Last Name: <u>Lai</u>	First Name: <u>Kuang</u>	Middle Initial:
Alias(es):		
Title: <u>CEO</u>		
[REDACTED] m		
Business Address:		
City:	State:	Zip:

2019 CITY OF OAKLAND

EQUITY APPLICANT DISPENSARY PERMIT APPLICATION

1. Applicant Information

a. Name: Shuai Yang

b. Type of Corporate Structure:

Corporation Limited Liability Company Partnership Individual

Collective Other: _____

c. Doing Business As: Green Star Hemp LLC

d. Please Attach a Copy of State Registration (if applicable)

e. Partner/Owner/Manager Information:

Please list all persons directly or indirectly interested in the permit sought, including all officers, directors, general partners, managing members, stockholders, and partners. Please attach additional pages if necessary (additional pages should be on 8½ x 11" paper; single sided, and include a Header with the applicant's name on the top right corner of each page).

Last Name: Yang		First Name: Shui	Middle Initial:
Alias(es):			
Title: Owner			
Business Address:			
City:		State:	Zip:

Last Name:		First Name:	Middle Initial:
Alias(es):			
Title:			
Date of Birth:	Phone:	Email:	
Residential Address:			
City:		State:	Zip:
Business Address:			
City:		State:	Zip:

Last Name:		First Name:	Middle Initial:
Alias(es):			
Title:			
Date of Birth:	Phone:	Email:	
Residential Address:			
City:		State:	Zip:
Business Address:			
City:		State:	Zip:

Last Name:		First Name:	Middle Initial:
Alias(es):			
Title:			
Date of Birth:	Phone:	Email:	
Residential Address:			
City:		State:	Zip:
Business Address:			
City:		State:	Zip:

Last Name:		First Name:	Middle Initial:
Alias(es):			
Title:			
Date of Birth:	Phone:	Email:	
Residential Address:			
City:		State:	Zip:
Business Address:			
City:		State:	Zip:

2. Verification of Equity Status

OMC 5.80.010 and OMC 5.81 define an "Equity Applicant" as an Applicant whose ownership/owner²:

1. Is an Oakland resident; and
2. Has an annual income at or less than 80 percent of Oakland Average Medium Income (AMI) adjusted for household size; and
3. Either

(i) has lived in any combination of Oakland police beats 2X, 2Y, 6X, 7X, 19X, 21X, 21Y, 23X, 26Y, 27X, 27Y, 29X, 30X, 30Y, 31Y, 32X, 33X, 34X, 5X, 8X and 35X for at least ten of the last twenty years OR

(ii) was arrested after November 5, 1996 and convicted of a cannabis crime committed in Oakland.

² "Ownership" shall mean the individual or individuals who:

- i. With respect to for-profit entities, including without limitation corporations partnerships, limited liability companies, has or have an aggregate ownership interest (other than a security interest, lien, or encumbrance) of 50% or more of the entity.
- ii. With respect to not for-profit entities, including without limitation a non-profit corporation or similar entity, constitutes or constitute a majority of the board of directors.
- iii. With respect to collective has or have a controlling interest in the collective's governing body.

Please provide supporting documentation as described below:

For proof of ownership please provide entity formation documents or documents filed with the California Secretary of State (e.g. articles of incorporation, stock issuance records, operating agreements, partnership agreements).

For proof of income please provide federal tax returns and at least one of the following documents: two months of pay stubs, current Profit and Loss Statement, Balance Sheet, or proof of current eligibility for General Assistance, Food Stamps, Medical/CALWORKs, or Supplemental Security Income or Social Security Disability (SSI/SSDI).

For proof of conviction should be demonstrated through Court documents, Probation documents, Department of Corrections or Federal Bureau of Prisons documentation.

For proof of residency please complete the below Proof of Residency Chart and provide a minimum of two of the documents listed below, evidencing 10 years of residency shall be considered acceptable proof of residency. All residency documents must list the applicant's first and last name, and the Oakland residence address in applicable police beats

- California driver's record; or
- California identification card record ; or
- Property tax billing and payments; or
- Verified copies of state or federal income tax returns where an Oakland address is listed as a primary address; or
- School records; or
- Medical records; or
- Oakland Housing Authority records; or
- Utility company billing and payment covering any month in each of the ten years.

Proof of Residency Chart

NAME OF EQUITY INDIVIDUAL		
Shuai Yang		
CURRENT OAKLAND ADDRESS	DATES	
	FROM	TO
[REDACTED]	[REDACTED]	[REDACTED]
PRIOR OAKLAND ADDRESS(ES)		
[REDACTED]		

NAME OF EQUITY INDIVIDUAL		
CURRENT OAKLAND ADDRESS	DATES	
	FROM	TO
PRIOR OAKLAND ADDRESS(ES)		

NAME OF EQUITY INDIVIDUAL		
CURRENT OAKLAND ADDRESS	DATES	
	FROM	TO
PRIOR OAKLAND ADDRESS(ES)		

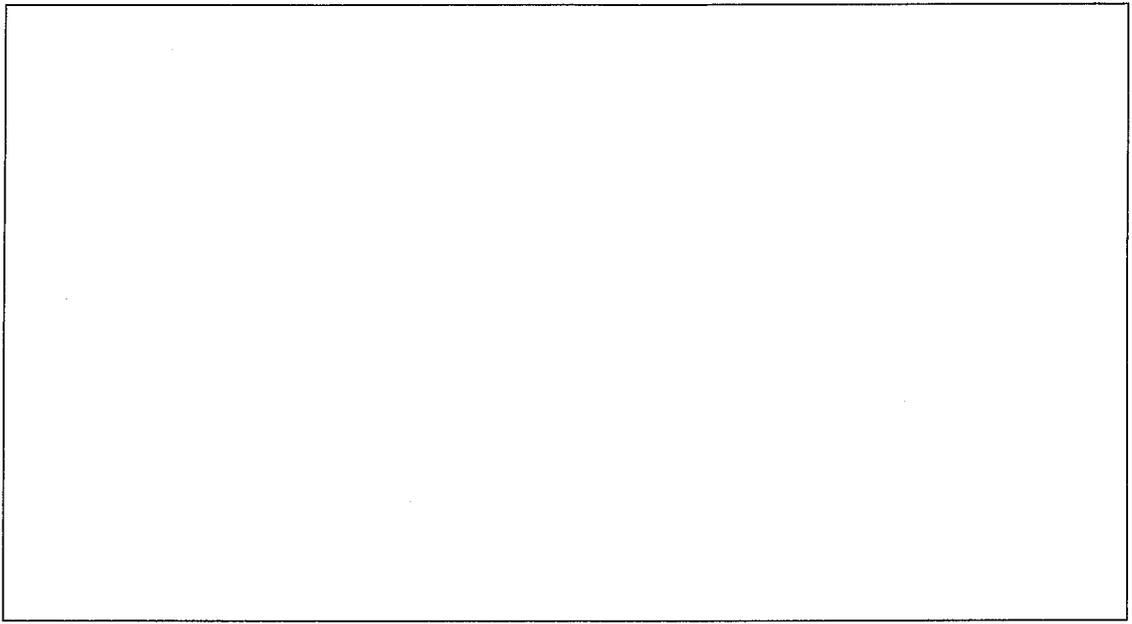
NAME OF EQUITY INDIVIDUAL		
CURRENT OAKLAND ADDRESS	DATES	
	FROM	TO
PRIOR OAKLAND ADDRESS(ES)		

3. Business Plan

Using only the spaces provided below, please answer the following questions.

- a) Describe Applicant's understanding of the cannabis dispensary market, what customers in this market are seeking, and how Applicant intends on capturing market share.

The demand of medical cannabis is very strong as of the population is growing tremendously in the bay area in City of Oakland. City of Oakland is only one of the few cities provide such this services. People lives in the bay area does not have too many options except people travel to the Oakland and purchase their medication. We will be one of the best medical cannnabis providers because of the high investment in four millions or more. Highest quality of the organic medications. In our studies, City of Oakland dispensaries only provide the needs for 20% of its patients. The market demands are strond and we are only trying to capture small portion of the increasing business.



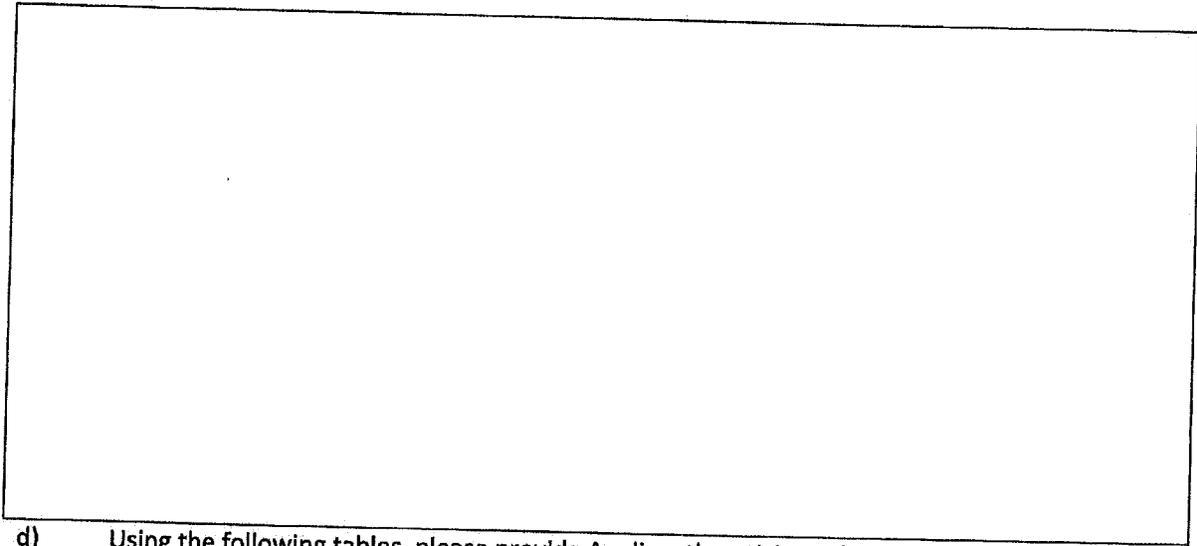
b) Describe Applicant's background and experience in cannabis dispensing or similar industries.

I have start working on cannabis cultivate since 2008, I have a passion to about this industry, I enjoy with this job. I did a lot of research about cannabis, I realized that cannabis could help a lot of people, help them rid of painful or saved their live. I learned different types of cannabis and their uses, and know how to grow them in their own way. I have been educating many people to learn how to grow and dispensing cannabis. At the same time, I also learning and improving my skill to be more knowledgeable in this industry. So I believe myself can be handle everything related this industry.

c) Explain how Applicant will cover its startup costs and working capital requirements. If Applicant's funds are currently available, please attach a letter of credit demonstrating sufficient capitalization to cover initial business costs. If these funds are not yet available, please outline how Applicant will gather enough capital to cover initial business costs. Examples include:

- I. Selling or converting other personal assets to raise funds.
- II. Borrowing against personal assets.
- III. Raising funds from investors.
- IV. Obtaining a loan from a third party.
- V. Obtaining a letter of credit from a third party.
- VI. Other (please describe)





d) Using the following tables, please provide Applicant's anticipated start-up expenses.

REAL ESTATE AND ADMINISTRATIVE EXPENSES	\$ AMOUNT
Purchase or Rent	22,000.00
Construction or Remodeling	1,500,000.00
Utility Deposits	80,000.00
Legal and Accounting Fees	15,000.00
Insurance	34,500.00
Prepaid Insurance	3,600.00
Pre-Opening Salaries and Benefits	15,000.00
Other (please provide detail) alarm system, security guard,	30,000.00

CAPITAL EQUIPMENT LIST	\$ AMOUNT
Furniture	100,000.00
Equipment	350,000.00
Fixtures	350,000.00
Machinery	60,000.00
Other (please provide detail) safe box, payment machine, odor control system	50,000.00

OPENING INVENTORY	\$ AMOUNT
Category 1: <small>Sativa- medical Cannabis</small>	20,000.00
Category 2: <small>Indica Medical Cannabis</small>	20,000.00
Category 3: <small>Hemp Oil</small>	10,000.00
Category 4: <small>THC Drops</small>	10,000.00
Category 5: <small>Edibles</small>	20,000.00

ADVERTISING AND PROMOTIONAL EXPENSES	\$ AMOUNT
Advertising	10,000.00
Signage	10,000.00
Printing	5,000.00
Travel/entertainment	24,000.00
Other/additional categories	8,000.00

OTHER EXPENSES	\$ AMOUNT
Reserve for Contingencies	20,000.00
Other Expense 1:	
Other Expense 2:	

e) Please provide a staffing plan for the first three years using the following tables for each anticipated owner or employee:

2021

Position Title:	Salary Costs per Month	Benefit Costs per Month	Number Employed at this Position	Anticipated Month of Hiring
Manager	3500	1000	1	12
Sale Consultant	2250	700	2	12

2022

Position Title:	Salary Costs per Month	Benefit Costs per Month	Number Employed at this Position	Anticipated Month of Hiring
Manager	3700	1000	1	12
Sale Consultant	2500	700	2	12

2023

Position Title:	Salary Costs per Month	Benefit Costs per Month	Number Employed at this Position	Anticipated Month of Hiring
Manager	3900	1000	1	12
Sale Consultant	2700	700	2	12

f) Please provide a forecast of your income statement (profit and loss) for each of the first three years, including:

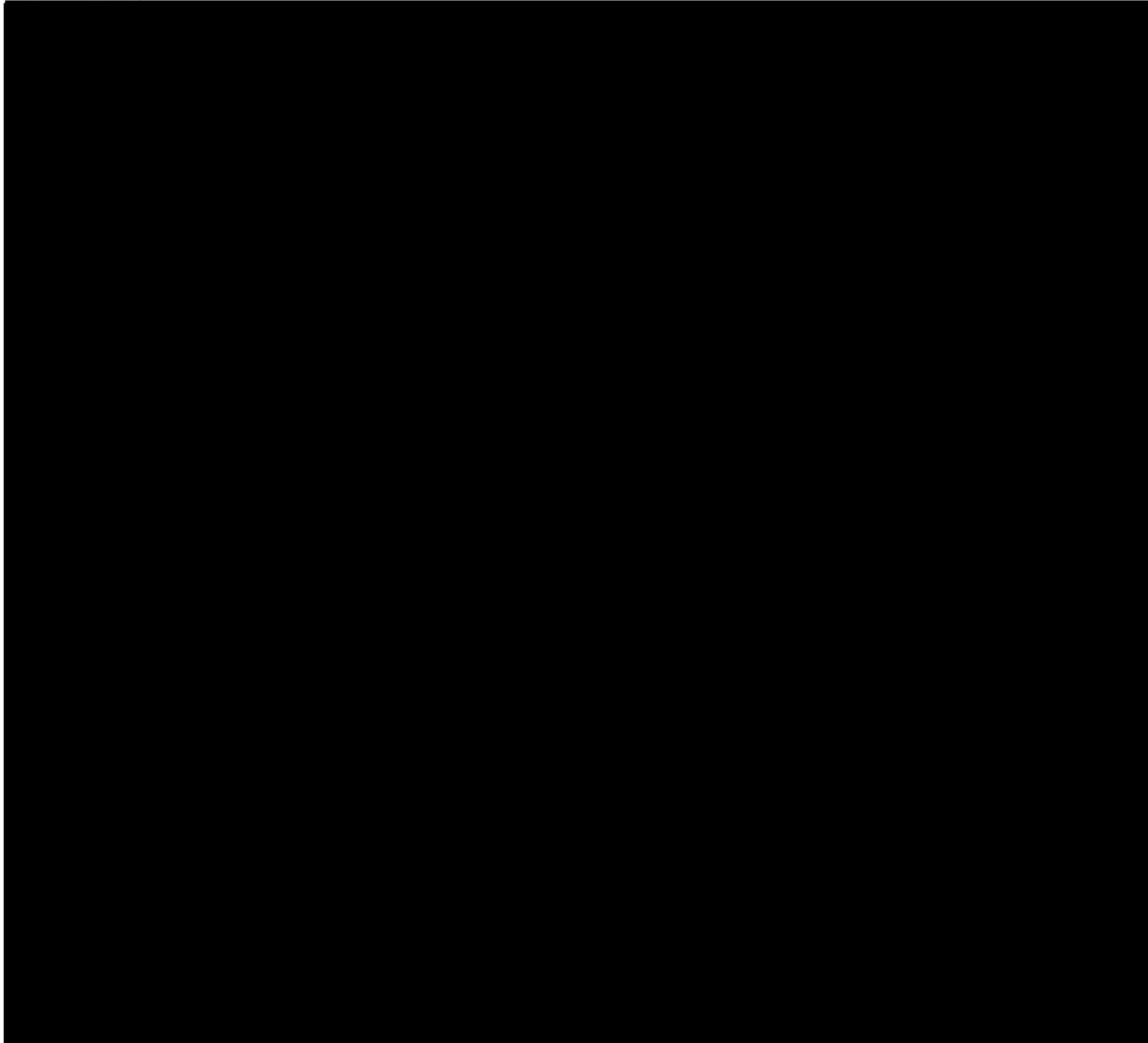
	2021	2022	2023
REVENUES			
Product/Service 1	200,000.00	200,000.00	200,000.00
Product/Service 2	200,000.00	250,000.00	250,000.00
Product/Service 3	200,000.00	200,000.00	200,000.00
Other Revenue	100,000.00	200,000.00	250,000.00
TOTAL REVENUES	700,000.00	850,000.00	900,000.00
COST OF GOODS SOLD			
Product/Service 1	25,000.00	30,000.00	40,000.00
Product/Service 2	25,000.00	30,000.00	40,000.00
Product/Service 3	25,000.00	30,000.00	40,000.00
Salaries-Direct	124,800.00	133,200.00	140,400.00
Payroll Taxes and Benefits-Direct	10,900.00	11,900.00	15,900.00
Depreciation-Direct	5,800.00	5,800.00	5,800.00
Supplies	9,500.00	8,000.00	10,000.00
Other Direct Costs	10,000.00	10,000.00	10,000.00
TOTAL COSTS OF GOODS SOLD	236,000.00	288,900.00	302,100.00
GROSS PROFIT (LOSS)	464,000.00	561,100.00	597,900.00
OPERATING EXPENSES			
Advertising and Promotion	8,500.00	8,500.00	8,500.00
Automobile/Transportation	9,000.00	9,000.00	9,000.00
Bad Debts/Losses and Thefts	5,800.00	5,800.00	5,800.00
Bank Service Charges	6,500.00	6,500.00	6,500.00
Business Licenses and Permits	290.00	290.00	290.00
Charitable Contributions	5,000.00	5,000.00	5,000.00
Computer and Internet	10,000.00	10,000.00	10,000.00
Continuing Education	5,000.00	5,000.00	5,000.00
Depreciation-Indirect	3,000.00	3,000.00	3,000.00
Dues and Subscriptions	2,000.00	2,000.00	2,000.00

	2021	2022	2023
Insurance	34,000.00	34,000.00	34,000.00
Meals and Entertainment	1,000.00	1,000.00	1,000.00
Merchant Account Fees	2,500.00	2,500.00	2,500.00
Miscellaneous Expense	3,000.00	3,000.00	3,000.00
Office Supplies	1,000.00	1,000.00	1,000.00
Payroll Processing	2,400.00	2,400.00	2,400.00
Postage and Delivery	200.00	200.00	200.00
Printing and Reproduction	1,000.00	1,000.00	1,000.00
Professional Services – Legal, Accounting	3,000.00	3,000.00	3,000.00
Occupancy	2,000.00	2,000.00	2,000.00
Rental Payments	22,000.00	22,000.00	22,000.00
Salaries-Indirect	14,000.00	14,000.00	14,000.00
Payroll Taxes and Benefits- Indirect	20,000.00	20,000.00	20,000.00
Subcontractor	20,000.00	20,000.00	20,000.00
Telephone	1,400.00	1,400.00	1,400.00
Travel	9,000.00	9,000.00	9,000.00
Utilities	6,000.00	6,000.00	6,000.00
Website Development	1,500.00	1,500.00	1,500.00
TOTAL OPERATING EXPENSES	199,090.00	199,090.00	199,090.00
OPERATING PROFIT (LOSS)	264,910.00	362,010.00	398,810.00
INTEREST (INCOME), EXPENSE & TAXES			
Interest (Income)	13,600.00	13,600.00	13,600.00
Interest Expense	15,800.00	15,800.00	15,800.00
Income Tax Expense	19,600.00	19,600.00	19,600.00
TOTAL INTEREST (INCOME), EXPENSE & TAXES	49,000.00	49,000.00	49,000.00
NET INCOME (LOSS)	\$215,910.00	\$313,010.00	\$349,810.00

4. Security Plan

Using only the space provided below, describe what measures Applicant will take to

- i. to avoid diversion of cannabis to unregulated market;
- ii. to prevent a burglary or armed robbery;
- iii. to minimize the loss of product in the case of a burglary or armed robbery.



A large empty rectangular box with a thin black border, intended for the applicant to provide their security plan details. The box is currently blank.

5. Compliance with State Law

Using only the space provided below, please describe how Applicant will comply with state law, including:

- i. The supply chain from which applicant will obtain cannabis and cannabis products (Applicants need not name specific vendors; Identifying license categories is sufficient).
- ii. How Applicant plans to record the movement of cannabis and cannabis products in their custody, such as with a track and trace system.

i:
The applicant will check the vendor's license online, we will buy the products from the vendor who has the active license on board.

ii: applicant will use the track and trace system.

6. Tax Rates

Using only the space provided below, please answer the following questions regarding local and state tax laws that apply to cannabis dispensaries.

i. Local Taxes:

a. What are the City of Oakland's current business tax rates for cannabis businesses?

up to \$1.5M (Equity Only): 0.12%
up to \$500k: 0.12%
\$500k + - \$1.5M: 5% Medical 6.5% Non-Medical
\$1.5M+-\$5M: 5% Medical 6.5% Non-Medical
Over \$5M: 5% Medical 9.5% Non-Medical

ii. State Taxes:

a. What is the cannabis excise tax rate for adult use cannabis purchases?

15%

b. What is the sales tax rate for adult use cannabis sales?

9.25%

iii. What measures, including point of sale systems, Applicant will implement to ensure proper collection of local and state taxes.

we will find a technical company set a payment system for us. The sale tax rate will caculate automatically when products checked out. we will also set sale tax rate online when we set up online purchase system in the future.

also, we have a CPA which named SUNRISE ACCOUNTANT SERVICE who will give me professional and legal tax advice for city of oakland and state of california. His office address is : 822 Franklin St #10 Oakland, CA 94607
Phone Number is : 510-763-9899

7. Odor Mitigation

Using only the space provided below, please submit a plan for how cannabis odors will not be detectable outside of the proposed facility, such as utilization of carbon filters.

Our primary approach to control odors is the implement best practices in our daily operations. Best prictices to provide dufficient cooling and air circulation without exhausting untreated air outside. To ensure that odor is not smelled outside the facility we will do the following:

1: Ventilation System

we will use can-filters which are activated carbon filters mounted to our exhaust fans for long-lasting. Consistent filtering performance with minimal change for odor to be detected. The can-filters will be attached to soild furfaces in container rooms walls or ceilings. The filters come with pre-filters to keep dust, mold and other particies from clogging the activated charcoal in the filter itself to prevent odor from escaping.

2: Storage Methods

We will store cannabis products in air tight stroage containers. The sotrage containers will be kept and locked inside of the facility for an extra layer of mitigating the smell of odor outside the facility.

3: Waste Disposal

Waste Management Procedures

Waste Disposal & Recycling Company-Bee Green Recycling & Supply at 5900 Coliseum, Oakland CA.

Our processing, handling and sotrage practices and waste management procedures ensures that we will dispose od cannabis and cannabis products in a safe end efficient manner.

8. Neighborhood Beautification

Using only the space provided below, please submit a community beautification plan detailing specific steps your business will take to reduce illegal dumping, littering, graffiti and blight and promote beautification of the adjacent community. Examples of specific steps include participating in City of Oakland Adopt a Spot/Drain program, installing murals, removing graffiti within 48 hours and providing landscaping.

The Green Star Hemp team is very familiar with the neighborhood where the dispensary will be located. We have determined that the major issues in around the location involve graffiti, a significant homeless population, and debris at a creek across the street from the dispensary location. To that end, Green Star Hemp will ensure that all graffiti on its premises will be removed within 48 hours, once noted by our security staff on patrol. Our security staff will visually inspect our premises on a regular basis and will step up patrol in the event of unusual activity. We will also try to assist the homeless population by engaging them on a weekly basis, to drop off food and other resources that would be helpful given the conditions, e.g., ponchos. We will also work with the City of Oakland to determine available resources, and communicate those to our homeless neighbors. In addition, we expect to send a clean up crew to the neighboring creek on a weekly basis to pick up debris, reducing the impact of illegal dumping in our immediate community.

9. Supporting Documents

Please check the boxes below for each supporting document submitted with this application. Please ensure that all supporting documents include a Header with the applicant's name on the top right corner of each page.

Copy of State Registration for corporate structure

Letter of Credit if applicable

Proof of Ownership

Proof of Income

And either

Proof of Residency

or

Proof of Conviction

10. Commitment to Participate in Post-Public Drawing Training

By submitting this application, I agree to participate in a technical assistance training provided by the City of Oakland for equity dispensary applicants selected in the public drawing and I understand that failing to participate in this training is grounds for the City of Oakland proceeding with the public drawing runner-up.

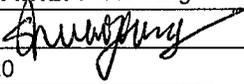
11. Oath of Application

I, the undersigned, declare under penalty of perjury that to the best of my knowledge, the information contained in this application and its supporting documentation is truthful, correct and complete; and, the information contained in this application and its supporting documentation discloses all facts regarding the applicant and associated individuals necessary to allow the City Administrator to properly evaluate the Applicant's qualifications for registration.

I, the undersigned further agree and acknowledge that I may be required to provide additional information as needed, for a complete investigation by the City Administrator.

I, the undersigned, further agree and recognize that I am responsible for obeying all Federal, State, County and local laws.

I, the undersigned, further agree and understand that any misrepresentations, omissions or falsifications in the application or any documents attached thereto or amendments thereto will be immediate grounds for the City Administrator to deny this permit application and/or immediate grounds for revocation of a medical cannabis permit.

APPLICANT NAME: Shuai Yang
SIGNATURE: 
DATE: 2/25/2020

FOR OFFICE USE ONLY:

Application:

Received by: _____ Date: _____

Receipt #: _____