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APPLICANT LETTER

Project Address: 3505 Cadillac Avenue, Suite O-209, Costa Mesa 92626

Description of Proposed Business

AK Exclusives Inc. has secured a turnkey location to run a distribution and non-storefront retail (delivery) commercial cannabis operation.

AK will seek a Type 9 non-storefront retail and Type 11 distribution license from the state.

Hours of operation will be 7 days per week, 10am-10pm.

AK will initially start with 2 employees, including the owner and manager. Assuming that operations expand as planned, AK hopes to retain 8-10 employees at full capacity. One distribution vehicle and one leased delivery vehicle will be employed initially. Depending on whether AK will be able to market successfully and serve more customers in the area, AK hopes to expand to a fleet of four delivery vehicles.

The distribution function will enable AK to source, transport, and test products for its retail operation, reducing reliance on a third party distributor and significantly reducing the timeline to have inventory on hand for consumers. AK will also benefit from having direct relationships with suppliers, which will improve inventory management, strengthen quality control, and allow AK to pass savings on to customers.

Equipment

AK expects to install a vault/drop safe in its delivery premises, to ensure that products and assets are secure within the licensed facility. No other equipment will be installed.

Building and Space

AK Exclusives' premises is located in a large business park with a great deal of parking. Year Built 1983. Total building area is 50,510 SF. Unit #O-209 is located in a two story office of the building with a total of 4,212 square feet, where the suite consists of 2,079 square feet, and approximately 1,170 square feet of usable space. AK has shared access to 200 square feet of common area, as well as exclusive use of one restroom.

The prior use of the building and space appear to be office and storage uses.

If you have any questions regarding this application letter, please don't hesitate to contact me:

A handwritten signature in black ink, appearing to read "Eileen Wade", written in a cursive style.

Eileen Wade
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