



*The Perfect Balance™*

# **BODY AND MIND STANDARD RETAIL APPLICATION**

**1410 Country Club Dr.  
Suites 120-122  
Madera, California  
93638**

**Standard Retail  
Commercial  
Cannabis Permit  
Application**



## **NMG CA 1, LLC**

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## Introducing Body and Mind



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## Body and Mind

**“For us, The Perfect Balance is more than a slogan. It’s what we strive for in every product we deliver and decision we make.”**

NMG CA 1, LLC is a subsidiary of Body and Mind, Inc., an experienced cannabis operator that has developed, constructed, and managed successful medical and adult use cannabis retail, cultivation, and processing facilities throughout the country. Our years of cannabis experience have allowed us to become industry experts and successfully start up and operate compliant, thriving cannabis businesses in five states. Not only have we built strong connections with our communities and local community leaders, but we have also created solid relationships with local architects, vendors, contractors, and agencies to coordinate installations, building inspections, final permits, licensing, and commence operations. Today, each of our fully developed medical and adult-use marijuana facilities continue to grow and increase their financial standing, while providing to be an economic and social benefit to the surrounding communities.

## Operational and Business Management

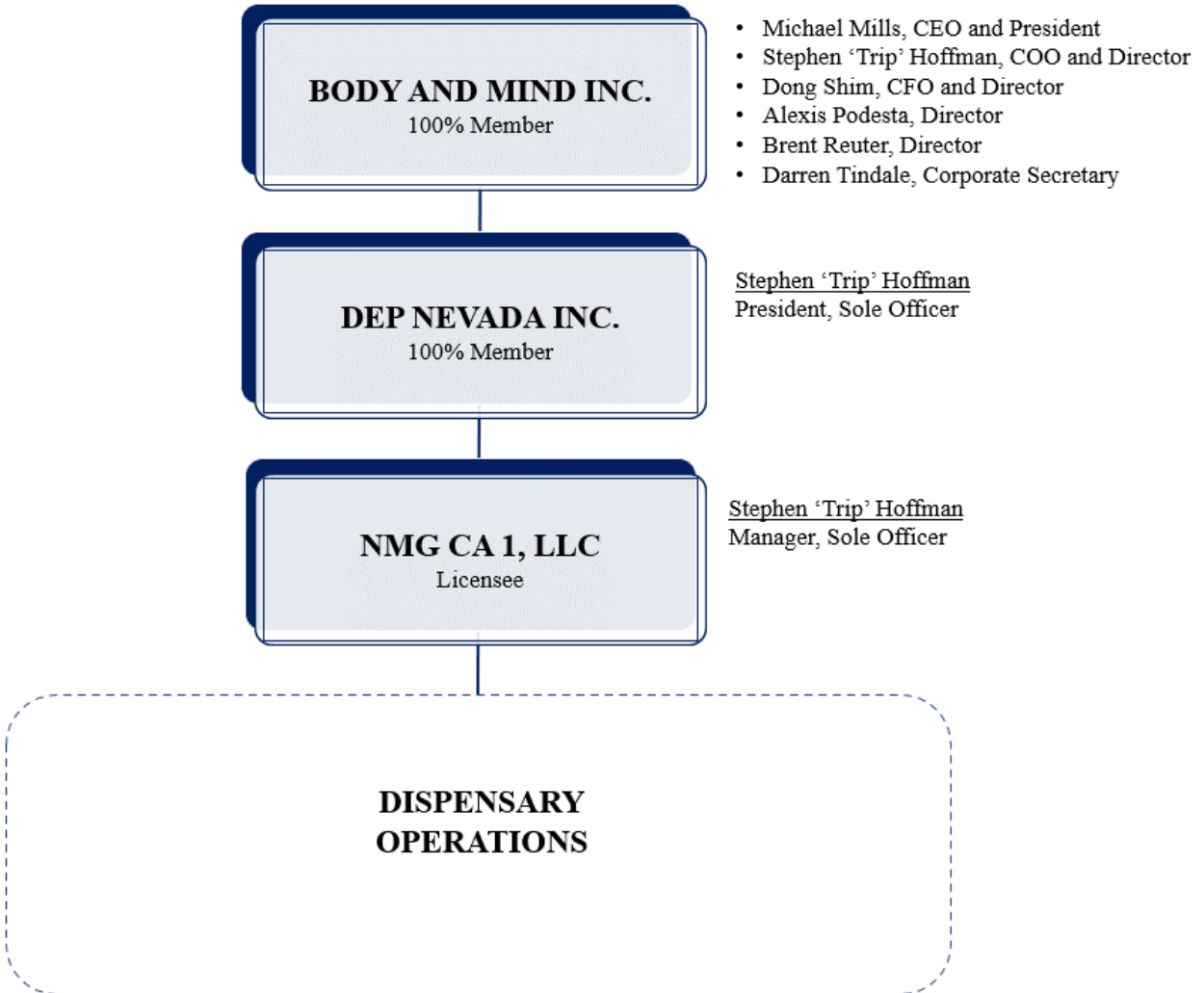
We are experienced in all aspects of establishing and operating a compliant marijuana facility, from the very beginning of the process to the ongoing, daily operations. We have designed floor plans, security plans, elevations, exterior site plans, and interior décor, and engaged local businesses to provide supplies, decoration, furnishings, and other interior decorations. We have created business plans that cover all aspects of operating a licensed marijuana facility, including business models, goals, objectives, values, competitive advantage, quality control, community service and outreach, market analysis, risk management, construction budgets, operational budgets, security, facility design, security systems, inventory management, statewide monitoring systems, employee security training, transportation plans, disposal plans, compliance, minimizing environmental impact, marketing and advertisement, branding, competition, pricing, sales, operations, site design, executive management, management team, operations team, personnel team, employee handbook, recruiting, training, diversity, social equity, and plans for local recruiting and job creation. Every time, our methods and commitment has enabled us to be a leader in the cannabis industry.

## Organization

Our applicant, NMG CA 1, LLC, is a California limited liability company, wholly owned and managed by DEP Nevada Inc., a Nevada corporation. Body and Mind, Inc. owns 100% of DEP Nevada Inc. and is a publicly traded company (“BMMJ”) with no single individual or entity owning 5% or more of the company. Body and Mind, Inc. is known for its management team, community-involved strategy, and frugal use of

capital. Below is an organizational chart of NMG CA 1, LLC.

Organizational Chart



### The Project



Body and Mind is proposing a dispensary at 1410 Country Club Dr., Suites 120-122, in a 2,632 square foot retail commercial space with ample parking and safe access. The two suites are currently vacant and require no demolition, since the spaces are empty and ready to be improved. There are 62 parking spaces on the front and sides of the building, which includes ADA-compliant parking and van accessibility, pedestrian paths, loading areas, sidewalks, and walkways to the storefront. The commercial property is strategically located in the C-1 zoning district, adjacent to Highway 99 in the growing North side of Madera. Other major retailers located nearby include Starbucks, Jack in the Box, Burger King, Panda Express, Grocery Outlet, Wing Stop, and Vallarta Supermarkets.

We anticipate hiring 15-25 employees with full health benefits to operate the dispensary and provide security services, depending on the sales demand. **During our first year of operation, we expect to see up to 135 customers per day, or approximately 11 customers per hour, with total sales grossing \$250,000 per month. After our first year of operation, we believe the total will grow to 175 customers per day, or approximately 15 customers per hour, with total sales grossing about \$330,000 per month.**

### Body and Mind Storefront

Body and Mind was founded in 2015. It all started when we were awarded one of the first medical marijuana cultivation and processor licenses in the State of Nevada. By 2016, Body and Mind had successfully designed, constructed, and opened a cultivation facility in Las Vegas, Nevada, after obtaining the necessary licenses, permits, and certificates of occupancy. After years of preparation, research, and assembling a team of industry experts, Body and Mind was granted many awards for their full menu of sativa, indica, and hybrid strains that continue to be recognized as some of the best genetics by cannabis connoisseurs and new customers searching for the perfect balance. We seized the moment and expanded our business into retail operations, successfully designing, developing, building, and opening several dispensaries. To date, we operate a total of six dispensaries, two cultivations, and three manufacturing businesses.

The storefronts we operate today provide a unique, supportive experience for customers that connects us with our communities. At all our retail locations, we host fundraising events and donate a percentage of sales to local non-profits that are selected by our employees and customers. We regularly volunteer in our communities, work with local leaders, offer compassionate care programs that benefit veterans, senior citizens, and low-income customers, and run incubator programs that train qualified social equity employees. By striving to uplift our communities, we have been able to maintain our original brand intention and operate our storefronts with an emphasis on human interaction, community engagement, shared experiences, and product knowledge. Our mission is to operate compliant, profitable stores and ensure we benefit our communities and educate our customers so that customers feel safe, secure, content, and confident in their purchasing decisions.

### List of Active Licenses with Common Ownership

Below is a list of our active operational licenses with common ownership.

California			
Name	Address	Type	License No(s)
BaM Body and Mind	7625 Carroll Rd., San Diego, California	Retailer	C10-0000653-LIC (AU and MED)
BaM Body and Mind	3411 E. Anaheim St. Long Beach, California	Retailer	C10-0000732-LIC (AU and MED)
The Reef	1900 Fremont Ave., Seaside, California	Retailer	C10-0000253-LIC (AU and MED)
Ohio			
Name	Address	Type	License No(s)
BaM Body and Mind	709 Sugar Ln. Elyria, Ohio	Retailer	MMD.0700054 (MED)
BaM Body and Mind	719 Sugar Ln. Elyria, Ohio	Processor	MMCPP00095 (MED)
Michigan			
Name	Address	Type	License No(s)
BaM Body and Mind	885 E. Apple Ave. Muskegon, Michigan	Retailer	AU-R-000617 (AU) PC-000756 (MED)
Nevada			
Name	Address	Type	License No(s)
BaM Body and Mind	3375 Pepper Ln. Las Vegas, Nevada	Cultivation	79806207400948405980 (AU) 30658964196185382559 (MED)
BaM Body and Mind	6420 Sunset Corp. Dr. Las Vegas, Nevada	Processor	20833618692863727137 (AU) 82120463387641172380 (MED)
BaM Body and Mind	3375 Pepper Ln. Las Vegas, Nevada	Distributor	99035327095322531359 (AU)

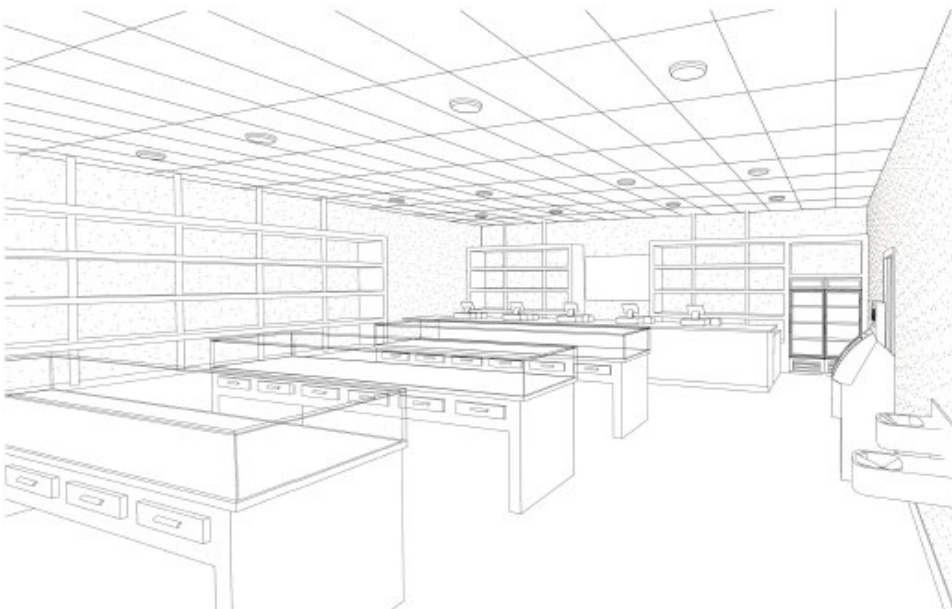


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# SECTION A BUSINESS PLAN

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## Section A. Business Plan

### 1. Finances

#### Overview

Our officers and advisors have many years of experience in establishing new marijuana businesses, the costs associated with the startup process, the timing of cash flows, and the licensing and staffing challenges that go along with the process. We understand that one tenet of potential cannabis business success is having a detailed financial operations plan in place before the business gets started. To that end, we have prepared a Capital Expenditure plan for construction, operations, maintenance, compensation of employees, property lease, security equipment and staff, city and state fees, utility costs, product purchases, and other anticipated contingency costs. As detailed below, our budget demonstrates that we have sufficient capital in place to pay for startup costs and 12-14 months of operating costs.

#### Startup Budget

Based on our experience, the total capital required to bring the project to startup completion, including construction, operations, maintenance, compensation of employees, property lease, security equipment and staff, licensing fees, utility costs, product purchases, and other anticipated costs have been estimated to require \$1.41 million. This amount is based on all expected fixed costs, not including sales dependent expenses such as retail labor. We believe the process will require at least 5-6 months from beginning of construction design to opening the business, and another 12-14 months of operational expenses to reach positive cash flow. Further, as part of a proper team preparation and business ramp-up, we assume that the core staff and all fixed business expenses begin to accrue about 3 months prior to business opening.

#### BaM - Madera Pre-Operation Budget

Estimated Project Start Date	12/1/2022
Duration	26 weeks
Estimated Open Date	6/1/2023

<u>Item</u>	<u>Amount</u>	<u>Notes</u>
Rent	\$ 45,000.00	Includes rent and NNN costs for 12 months.
Construction Cost	\$ 773,735.50	Includes architect, permits, insurance and contingency allowance.
Security and Surveillance Systems	\$ 45,000.00	Includes low voltage wiring, all sensor equipment, controls, video recording, and backup power.
Furniture & Electronics	\$ 15,000.00	Includes desks, tables, breakroom appliances, file cabinets, chairs and product display monitors.
Computers & POS Systems	\$ 7,500.00	Includes point of sale computers, printers, office computers, ID scanners and label printers.
Inventory & Supplies*	\$ 155,000.00	Includes initial inventory for sale and all admin/office supplies.
Staffing	\$ 15,000.00	Includes General Manager and all training of staff prior to opening for business.
License Fee	\$ 47,491.00	Includes City application fee and payment for State operational license
Contingency	\$ 50,000.00	
<b>Total</b>	<b>\$ 1,153,726.50</b>	

\* \$150,000 of this cost is for product inventory to be sold during the first 6 weeks of operation. This amount is to be considered as startup capital for operations.

## Section A. Business Plan

### Proof of Capitalization

We have secured financing through our parent company, DEP Nevada Inc., a well-capitalized management company in the cannabis industry. Based on the Capital Expenditure pro forma, we have established a line of credit with DEP Nevada Inc. with a credit limit of up to \$2,000,000. Our credit limit in excess of the estimated capital requirement will provide further assurance that the project will be fully funded to achieve success.



**To view the entire document, please contact  
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