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18 COUNTY OF SANTA CRUZ, et al

19 SUPERIOR COURT OF THE STATE OF CALIFORNIA

20 COUNTY OF FRESNO

21 COUNTY OF SANTA CRUZ; CITY OF
22 AGOURA HILLS; CITY OF ANGELS CAMP;
23 CITY OF ARCADIA; CITY OF ATWATER;
24 CITY OF BEVERLY HILLS; CITY OF CERES;
25 CITY OF CLOVIS; CITY OF COVINA; CITY
26 OF DIXON; CITY OF DOWNEY; CITY OF
27 MCFARLAND; CITY OF NEWMAN; CITY OF
28 OAKDALE; CITY OF PALMDALE; CITY OF
PATTERSON; CITY OF RIVERBANK; CITY
OF RIVERSIDE; CITY OF SAN PABLO; CITY
OF SONORA; CITY OF TEHACHAPI; CITY
OF TEMECULA; CITY OF TRACY; CITY OF
TURLOCK; and CITY OF VACAVILLE,

Plaintiffs,

v.

BUREAU OF CANNABIS CONTROL; LORI
AJAX, in her official capacity as Chief of the
Bureau of Cannabis Control; and DOES 1
through 10, inclusive,

Defendants.

Filing Fee Exempt
(Gov. Code § 6103)

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Superior Court of California
County of Fresno
By: Louana Peterson, Deputy

Case No.: 19CECG01224

**REQUEST FOR JUDICIAL NOTICE,
EXHIBITS VOLUME 1 (EXHIBITS 1-10)**

Complaint filed: April 4, 2019

Trial Date: July 16, 2020

Assigned for all purposes to Judge Rosemary
McGuire, Department 403.

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EXHIBIT 1

Chapter 7.130

CANNABIS DISPENSARY LICENSES

Sections:

| | |
|------------------|---|
| 7.130.010 | Purpose. |
| 7.130.030 | Definitions. |
| 7.130.050 | Prohibited activities. |
| 7.130.070 | Creation of the Cannabis Dispensary Licensing Program. |
| 7.130.090 | License category, application submission dates, and eligibility. |
| 7.130.110 | License required. |
| 7.130.130 | Enforcement. |

7.130.010 Purpose.

The purpose of this chapter is to provide local rules to regulate cannabis dispensaries in the unincorporated area of Santa Cruz County.

It is also the purpose of this chapter to mitigate the negative impacts and secondary effects associated with ongoing cannabis activities including, but not limited to, demands placed on law enforcement and administrative resources; neighborhood disruption; the exposure of children to cannabis; drug sales to minors and adults; fraud in issuing, obtaining, or using cannabis recommendations; robberies; burglaries; assaults; drug trafficking and other violent crimes.

This chapter is not intended to conflict with Federal or State law. It is the intention of the County that this chapter be interpreted to be compatible with Federal and State enactments and in furtherance of the public purposes that those enactments encompass. [Ord. 5257 § 1, 2017; Ord. 5227 § 1, 2016].

7.130.030 Definitions.

As used in this chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section:

(A) “Applicant” means the person or entity submitting an application for a dispensary license under this chapter on behalf of the owner or owners of the dispensary seeking to be licensed.

(B) “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, as defined under Business and Professions Code Section 19300.5(f), as may be amended.

(C) “Cannabis plant” means any mature or immature cannabis plant, or any cannabis seedling, unless otherwise specifically provided herein.

(D) “Cultivation” or “cultivate” means the planting, growing, developing, propagating, harvesting, drying, processing, or storage of, one or more cannabis plants or any part thereof in any location, indoor or outdoor, including within a fully enclosed and secure building.

(E) “Dispensary” means a fixed brick-and-mortar storefront location that sells cannabis. “Dispensary” does not include the following:

(1) Any location during only that time reasonably required for a primary caregiver to distribute, deliver, dispense, or give away cannabis to a qualified patient or person with an identification card who has designated the individual as a primary caregiver, for the personal medical use of the qualified patient or person with an identification card, in accordance with California Health and Safety Code Section 11362.5 and 11362.7 et seq.;

(2) The location of any clinic licensed pursuant to Chapter 1 (commencing with Section 1200), a health care facility licensed pursuant to Chapter 2 (commencing with Section 1250), a residential care facility for persons with chronic life-threatening illness licensed pursuant to Chapter 3.01 (commencing with Section 1568.01), a residential care facility for the elderly licensed pursuant to Chapter 3.2 (commencing with Section 1569), a hospice, or a home health agency licensed pursuant to Chapter 8 (commencing with Section 1725), all of Division 2 of the California Health and Safety Code where: (a) a qualified patient or person with an identification card receives medical care or supportive services, or both, from the clinic, facility, hospice, or home health agency, and (b) the owner or operator, or one of not more than three employees designated by the owner or operator, of the clinic, facility, hospice, or home health agency has been designated as a primary caregiver pursuant to California Health and Safety Code Section 11362.7(d) by that qualified patient or person with an identification card; or

(3) A cultivation site granted an exemption by the Planning Director pursuant to SCCC 13.10.670(G) as enacted by Ordinance No. 5090 (now repealed), so long as the area subject to cultivation is not expanded or enlarged beyond what existed at that location on January 1, 2012.

(F) "Level one dispensary license" means the license issued to a level one dispensary.

(G) "License" means the written evidence of permission given by the Licensing Official for a licensee to operate a dispensary. "License" does not mean "permit" within the meaning of the Permit Streamlining Act, and a license does not constitute a permit that runs with the land on which the dispensary sits.

(H) "Licensee" means the person or entity holding a valid license to operate a cannabis dispensary under this chapter.

(I) "Licensing Official" means the official appointed by the County Administrative Officer who is responsible for implementing the provisions of this chapter.

(J) "Manager" means any person to whom a dispensary has delegated discretionary powers to organize, direct, carry on or control its operations. Authority to control one or more of the following functions shall be prima facie evidence that such a person is a manager of the business: (1) to disburse funds of the business other than for the receipt of regularly replaced items of stock; or (2) to make, or participate in making, policy decisions relative to operations of the business.

(K) "CDL program" means the cannabis dispensary licensing program created by this chapter.

(L) "Parcel" means that unit of land assigned a unique Assessor's Parcel Number by the County Assessor, whether vacant or occupied by a building, group of buildings, or accessory buildings, and includes the buildings, structures, yards, open spaces, lot width, and lot area.

(M) "Park" means any playground, hiking or riding trail, recreational area, beach, community center or building, historic structure or facility, owned, managed or controlled by any public entity.

(N) "Owner" or "owners" means all persons or entities holding a financial interest in a cannabis dispensary. For purposes of this definition, the term "financial interest" does not include a security interest, lien, or encumbrance on property.

(1) If the owner is an entity, "owner" includes within the entity each person participating in the direction, control, or management of the dispensary, including but not limited to a corporate officer or a member of the board of directors.

(2) If the owner is a publicly traded company, "owner" means the chief executive officer in addition to anyone holding a financial interest in the dispensary.

(O) "School" means any licensed preschool or any public or private school providing instruction in kindergarten or grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

(P) "Vehicle" means a device by which any person or property may be propelled, moved, or drawn upon a street, sidewalk or waterway, including but not limited to a device moved exclusively by human power.

(Q) The following words or phrases when used in this section shall be construed as defined in California Health and Safety Code Section 11362.7: "identification card"; "person with an identification card"; "primary caregiver"; and "qualified patient." [Ord. 5257 § 1, 2017; Ord. 5227 § 1, 2016].

7.130.050 Prohibited activities.

(A) It is unlawful and shall constitute a public nuisance for anyone to own, establish, operate, use, or permit the establishment or operation of a dispensary without (1) a valid local license required by this chapter; and (2) a valid State license required under California law (as soon as State licenses become available for issuance).

(B) The prohibition in subsection (A) of this section includes renting, leasing, or otherwise permitting a dispensary to occupy or use a location.

(C) It is unlawful and shall constitute a public nuisance for anyone other than a locally licensed dispensary to engage in retail sales of cannabis, including mobile delivery of cannabis purchased by consumers online or over the telephone. [Ord. 5277 § 1, 2018; Ord. 5257 § 1, 2017; Ord. 5227 § 1, 2016].

7.130.070 Creation of the cannabis dispensary licensing program.

(A) There is hereby created the cannabis dispensary licensing program. The CDL program shall be operated by the Licensing Official. The Licensing Official shall be appointed by the County Administrative Officer and shall report directly to the County Administrative Officer.

(B) The Licensing Official shall take the necessary steps to build and manage the CDL program. This includes, but is not limited to, accomplishing the following tasks in compliance with the rules set forth in this chapter:

- (1) Creating application forms for licensees;
- (2) Conducting pre-licensure inspections;
- (3) Approving and denying license applications;

- (4) Issuing and revoking licenses;
- (5) Creating a system on the County's website to communicate the number of licenses issued and notifying the public as to whether applications for licenses are being accepted;

(6) Establishing and/or recommending the adoption of any policies, procedures, rules, regulations, or fees necessary to implement the CDL program; and

(7) Working with other officials in the County to ensure that licensees comply with all aspects of the County Code. [Ord. 5257 § 1, 2017; Ord. 5227 § 1, 2016].

7.130.090 License category, application submission dates, and eligibility.

(A) The license created under this chapter is the level one dispensary license.

(B) Acceptance of applications for an original level one dispensary license shall open on September 1, 2016, and close on November 30, 2016. After November 30, 2016, no additional applications for an original level one dispensary license shall be accepted.

Exception: This restriction shall not apply to the Santa Cruz Veterans Alliance. The Santa Cruz Veterans Alliance shall be permitted to submit an application until June 1, 2017.

(C) The following dispensaries are the only dispensaries eligible to apply for a level one dispensary license. These dispensaries may only apply for a license to operate on the parcel at which they are currently operating a dispensary. Requests by a level one dispensary licensee to change locations to a new parcel will be addressed by the Licensing Official on a case-by-case basis, considering all the requirements of this chapter. However, level one dispensaries shall not be allowed to move to a new parcel unless the new parcel meets all the requirements of this chapter.

- (1) Capitola Healing Association;
- (2) Central Coast Wellness Center;
- (3) Creekside Collective;
- (4) Evolution;
- (5) Granny Purps;
- (6) Green Acres;
- (7) Herbal Cruz;
- (8) California Agricultural Association;
- (9) KindPeoples Collective;
- (10) Redwood Coast Collective;
- (11) Santa Cruz Mountain Herb;
- (12) Santa Cruz Mountain Naturals;
- (13) Therapeutic Healthcare Collective;
- (14) Santa Cruz Veterans Alliance.

(D) Submission of an application for a level one dispensary license does not guarantee issuance of a license. [Ord. 5257 § 1, 2017; Ord. 5243 §§ 1, 2, 2017; Ord. 5227 § 1, 2016].

7.130.110 License required.

(A) Original License.

(1) Submission of the Application. An application for an original license under this chapter shall be made on the forms designated for that purpose promulgated by the Licensing Official, and shall include all required information, attachments, and signatures required by the Licensing Official. The forms shall be submitted under penalty of perjury, and shall include, but not be limited to, the following information:

- (a) The names of the applicant(s) and owner(s);
- (b) The exact location by street address and Assessor Parcel Number of the existing dispensary;
- (c) The applicants' and owners' waiver and release of the County from any and all liability for monetary damages related to or arising from the application for a license, the issuance of the license, the denial of the license, or the enforcement of the conditions of the license;
- (d) Background information to be determined by the Licensing Official, including but not limited to a statement that the applicant(s) and owner(s) have submitted to a LiveScan background check no earlier than 30 days prior to the date the application is submitted;
- (e) Tax identification information;
- (f) Security plans; and
- (g) Such other information as the Licensing Official deems reasonably necessary to a thorough review of the application.

(2) Payment of the Application Fee. An application for a license hereunder shall not be accepted unless it is accompanied by the payment of a nonrefundable application fee set by the Licensing Official and approved by the Board of Supervisors. The purpose of any and all fees assessed under this chapter is to pay for the costs of the CDL program.

(3) Review of the Application.

(a) Upon receipt of an application for an original license, the Licensing Official will create a licensing file related to the application, and will conduct an actual inspection of the dispensary to determine whether it meets the requirements of the CDL program. The Licensing Official shall be the custodian of the licensing file. The licensing file is subject to the California Public Records Act.

(b) Meeting the requirements of the CDL program does not automatically entitle an applicant to receive a license.

(4) Grant or Denial of the License. After concluding the required prelicense investigation, the Licensing Official shall notify the applicant in writing whether the license has been granted or denied. If an application for a level one dispensary license is denied, any further nonlicensed dispensary operations may only be carried out in accordance with the limitations set forth in subsection (H)(3) of this section.

(5) Payment of the License Fee. An original license shall not be granted to an applicant under this chapter until the applicant has paid a nonrefundable original license fee as set by the Licensing Official and approved by the Board of Supervisors.

(6) Length of Time the Original License Is Valid. An original level one dispensary license shall be valid from the date it is issued until December 31, 2017. If a licensee wishes to continue operating a dispensary after December 31, 2017, he or she must obtain a renewal license, as set forth below in subsection (B) of this section.

(B) Renewal License.

(1) Requirement to Obtain a Renewal License. In order to continue operating a dispensary after expiration of the original license, a licensee must obtain a renewal license before the original license expires. A renewal license must be obtained annually via application forms designated for that purpose. It is incumbent on the holder of a license to ensure that the license is renewed before expiration, in order to continue dispensing cannabis after December 31st of the year the renewal license expires.

(2) Submission of the Renewal License Application.

(a) An application for a renewal license shall be made on the forms designated for that purpose promulgated by the Licensing Official, and shall include all required information, attachments, and signatures required by the Licensing Official. The forms shall be submitted under penalty of perjury, and shall include, but not be limited to, the following information:

- (i) The information required for the submission of an original license under subsection (A) of this section;
- (ii) Identification of any changes to the information the applicant submitted on the original license application;
- (iii) Any law enforcement or license enforcement activity related to the licensee's operations during the past calendar year;
- (iv) A representation that the applicant continues to hold in good standing any license required by the State of California for dispensary operations;
- (v) Such other information as the Licensing Official deems reasonably necessary to a thorough review of the application.

(b) Renewal license applications will be accepted starting in the year 2017. In 2017, applications for a renewal license shall be accepted during the time frame determined by the Licensing Official. For all future years, applications for a renewal license shall only be accepted from September 1st through October 15th of any calendar year, in order to allow the Licensing Official to timely investigate the renewal license applications submitted for that calendar year. The Licensing Official is not authorized to accept an untimely renewal license application.

(3) Payment of the Renewal License Application Fee. An application for a renewal license shall be accompanied by the payment of a nonrefundable renewal license application fee set by the Licensing Official and approved by the Board of Supervisors.

(4) Review of the Renewal License Application. Upon receipt of an application for a renewal license, the Licensing Official shall update the licensee's licensing file and perform whatever investigation the Licensing Official deems necessary to determine whether to grant or deny the renewal license. The investigation may include a physical inspection of the dispensary, at the discretion of the Licensing Official, to determine whether the licensee remains in compliance with the regulations of the CDL program.

(5) Grant or Denial of the Renewal License. On or before December 31st of the year in which the renewal application is submitted, and after concluding the required renewal license investigation, the Licensing Official shall notify the applicant in writing of whether the renewal license has been granted or denied. If an application for a renewal license is denied, any further nonlicensed dispensary operations may only be carried out in accordance with the limitations set forth in subsection (H)(3) of this section.

(6) Payment of the Renewal License Fee. A renewal license shall not be granted to the applicant under this chapter until the applicant has paid a nonrefundable renewal license fee as set by the Licensing Official and approved by the Board of Supervisors.

(7) Length of Time the Renewal License Is Valid. The renewal license shall be valid for one calendar year, beginning January 1st of the year following issuance, and expiring on December 31st of that year. If a licensee wishes to continue operating a dispensary after December 31st of that year, it must obtain a new renewal license per the terms of this section.

(C) Amending a License.

(1) Licensees may submit an application to amend an existing license at any time, on a form promulgated by the Licensing Official for that purpose. Applications to amend a license will be reviewed by the Licensing Official in a manner consistent with the review of original and renewal license applications.

(2) Applicants seeking an amended license must include with their application a monetary deposit, to be determined by the Licensing Official or his or her designee, based on an estimate of the hours the Licensing Official will need to review the application and perform any necessary inspections. Additional deposits or payments shall be made as determined necessary by the Licensing Official in order to recover costs associated with processing the application.

(D) Required Statements on Licenses. All licenses issued by the Licensing Official shall contain the signature of the owner(s) of the license. In addition, all licenses shall contain the following statements, displayed prominently on the license itself:

(1) A warning that operators, employees, and members of cannabis dispensaries may be subject to prosecution under Federal laws; and

(2) An acknowledgment that, by accepting the license and operating a cannabis dispensary, the applicant and owners of the licensed facility have released the County from any and all liability for monetary damages related to or arising from the application for a license, the issuance of the license, the enforcement of the conditions of the license, or the revocation of the license; and

(3) Any other statements deemed necessary by the Licensing Official.

(E) Restrictions Relating to the Issuance of a License.

(1) No license may be issued to operate a dispensary unless the dispensary is located in a zone district designated as PA (Professional and Administrative Offices), C-1 (Neighborhood Commercial), C-2 (Community Commercial), C-4 (Commercial Services), or CT (Tourist Commercial) by the Santa Cruz County Zoning Ordinance.

(2) No license may be issued to operate a dispensary located within 600 feet from (a) a school; (b) another cannabis dispensary; or (c) an alcohol or drug treatment facility. The distance specified in this subsection shall be the horizontal distance measured in a straight line from the property line of the school or other dispensary to the closest property line of the lot containing the dispensary under review, without regard to intervening structures. The distance requirements set forth in this subsection shall not apply to those licensed health care and other facilities identified in California Health and Safety Code Section 11362.7(d)(1); or a dispensary that is in violation of the distance requirement of this subsection as a result of the establishment of a conflicting use (a school or other dispensary) after the date on which the State Board of Equalization issued a seller's permit to the dispensary for its location.

(3) No license may be issued to operate a dispensary within 300 feet of any parcel zoned RA (Single-Family Residential and Agriculture); RR (Single-Family Residential, Rural); R-1 (Single-Family Residential, Urban/Rural); RB (Single-Family Residential, Oceanfront/Urban); or RM (Multiple-Family Residential). The distance specified in this section shall be the horizontal distance measured in a straight line from the property line of the residentially zoned property to the closest property line of the lot on which the dispensary is to be located. This prohibition shall not apply to level one dispensaries operating in a location occupied on January 1, 2016.

(F) Mobile Delivery of Cannabis by Dispensaries.

(1) Holders of a level one dispensary license may deliver cannabis to cannabis consumers off-premises via mobile delivery services, subject to the provisions of this section. Only locally licensed dispensaries may engage in mobile delivery of cannabis.

(2) Dispensaries that engage in mobile deliveries shall keep complete and appropriate financial records enabling audit of all transactions accomplished via mobile delivery, and shall be able to distinguish between, and account for, sales between the categories of on-site sales versus mobile delivery sales for accounting purposes.

(3) Dispensaries that engage in mobile deliveries are prohibited from having any advertisement of their business or services on their delivery vehicles.

(G) Grounds For License Revocation. Grounds for revocation of a license include, but are not limited to, any of the following:

(1) Remaining open and/or operating between the hours of 10:00 p.m. and 8:00 a.m.

(2) Allowing alcohol or cannabis to be consumed at the premises (“premises,” for purposes of this subsection, includes any area used for parking any vehicle).

(a) Exception: Dispensary employees are allowed to consume cannabis (but not smoke it) within the dispensary itself, as permitted by their employer.

(3) Allowing a minor unaccompanied by a parent or legal guardian to enter the premises.

(4) Allowing a person less than 21 years of age to transport, distribute, deliver, dispense, or give away cannabis on behalf of the business.

(5) Allowing cannabis to be visible from the exterior of the premises.

(6) Illuminating any portion of the dispensary between the hours of 10:00 p.m. and 8:00 a.m. by lighting that is visible from the exterior of the premises, except such lighting as is reasonably utilized for the security of the premises.

(7) Failure by an applicant or owner of a dispensary to successfully pass the background check required by the Licensing Official, including but not limited to successfully passing the LiveScan background check conducted annually before the submission of an application for an original or renewal license.

A failed LiveScan is a LiveScan report that includes any felony conviction within the past 10 years and/or reflects that the applicant or owner is currently on parole or probation related to a felony conviction. Felony convictions for cannabis-related offenses prior to January 1, 2016, will not result in a failed LiveScan, unless the offense involved sales to a minor.

(8) Providing an on-site location for physicians or medical professionals to write recommendations for medical cannabis.

(9) Failing to provide litter and graffiti removal services for the business premises on a daily basis.

(10) Failure to provide adequate security precautions at all times, including, but not limited to, dedicated security personnel present during the dispensary’s hours of operation.

(11) Printing, publishing, advertising, or disseminating in any way or by any means of communication, or causing to be printed, published, advertised, or disseminated in any way or by any means of communication, other than by way of a dedicated business Internet website accessible only through an age gate portal, any notice or advertisement that includes the following information: pricing of cannabis, details regarding specific cannabis products, or cannabis photography or graphics related to the cannabis plant or cannabis products.

Notwithstanding the limitations imposed by this subsection (G)(11), a dispensary may provide the following: an entry in the telephone directory with the name, location, and phone number of the dispensary; or signage consistent with County signage regulations. Such directory entry or signage may identify the business as a “cannabis dispensary,” but shall not include pricing of cannabis, details regarding specific cannabis products, or cannabis photography or graphics related to the cannabis plant or cannabis products.

(12) Three or more citations for violation of Chapter 8.30 SCCC (Noise) within a single year.

(13) Possession, storage, or use of any firearm at the dispensary.

(14) Violation of any of the restrictions relating to the issuance of a license as set forth in this chapter.

(15) Violation of any Santa Cruz County Code provision related to the cultivation of cannabis, including but not limited to any provision in Chapter 7.128 SCCC.

(16) Failure to cooperate with a financial audit by the County of Santa Cruz of any and all aspects of the dispensary’s business, including but not limited to on-site inspection and review of financial transactions, sales records, payroll and employee records, purchase orders, overhead expense records, shipping logs, receiving logs, waste disposal logs, bank statements, credit card processing statements, inventory records, tax records, lease agreements, supplier lists, supplier agreements, policies and procedures, and examination of all financial books and records held by the dispensary in the normal course of business.

(17) Failure to timely remit the taxes required to be paid under Chapter 4.06 SCCC (Cannabis Business Tax).

(18) Violation of any Santa Cruz County Code provision or State law related to the extraction of cannabis oils, resins, or other compounds from cannabis plants.

(19) Violation of any Santa Cruz County Code provision or State law related to the cannabis business activity, including any provision of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”).

(20) Violation of any administrative rule or regulation promulgated by the Licensing Official.

(H) Denial or Revocation of License; Remedies.

(1) The Licensing Official may deny an application for an original or renewal license, or revoke an original or renewal license, for any of the following reasons:

(a) Discovery of untrue statements submitted on a license application.

(b) Revocation or suspension of any State license required to operate a dispensary.

(c) Previous violation by the applicant of any provision of the Santa Cruz County Code or State law related to operation of a dispensary or cultivation, transportation, extraction, or manufacture of cannabis or cannabis products.

(d) Operation of a dispensary in a manner contrary to any of the conditions set forth in subsection (E) of this section, Restrictions Relating to the Issuance of a License, or subsection (G) of this section, Grounds For License Revocation.

(e) The applicant or owner failed his or her last annual LiveScan background check.

(f) The creation or maintenance of a public nuisance.

(2) The Licensing Official’s denial of a license application or revocation of a license is a final action that is not subject to any further administrative remedy. The only legal remedy available to appeal the Licensing Official’s action is to file a petition for writ of mandate in the superior court under California Code of Civil Procedure Section 1085.

(3) If an application for an original or renewal license is denied, or if a license is revoked, all operations associated with the dispensary shall cease immediately, subject to the following exception:

If the applicant or operator is currently operating a dispensary, and the applicant or operator files a petition with the superior court challenging the Licensing Official’s denial or revocation decision within 30 days of the date the decision is issued, the applicant or operator may continue to operate the dispensary for 90 days from the date the Licensing Official’s decision was issued. Any dispensary operations that occur after the 90 days has elapsed may only be conducted with a valid local license.

(4) Under no circumstances shall a cause of action for monetary damages be allowed against the County of Santa Cruz, the Licensing Official, or any County employee as a result of a denial or a revocation of a license. [Ord. 5277 § 2, 2018; Ord. 5257 § 1, 2017; Ord. 5227 § 1, 2016].

7.130.130 Enforcement.

(A) In addition to the authority of the Licensing Official to revoke any license pursuant to this chapter, the Licensing Official may also elect to pursue one or more of those alternatives set forth in SCCC 19.01.030(A). It shall be a separate offense for each and every day during any portion of which any violation of, or failure to comply with, any provision of this chapter is committed, continued or permitted.

(B) Notwithstanding the limitations on civil penalties set forth in SCCC 1.12.070(A)(2), civil penalties for violation of this chapter shall be assessed as follows:

(1) A fine not exceeding \$2,500 for a first violation.

(2) A fine not exceeding \$5,000 for a second violation of the same County code provision within one year.

(3) A fine not exceeding \$7,500 for each additional violation of the same County code provision within one year.

(C) Whenever the Licensing Official determines that a public nuisance as defined in this chapter exists at any location within the unincorporated area of Santa Cruz County, he or she is authorized to issue a notice of violation pursuant to SCCC 1.12.070. However, a violator shall be provided with seven calendar days from notice of the violation to correct the violation before the imposition of civil penalties under SCCC 1.12.070(D)(2)(a).

(D) Nothing in this chapter shall be construed as imposing on the Licensing Official or the County of Santa Cruz any duty to issue a notice of violation, nor to abate any unlawful cannabis business activity, nor to take any other action with regard to any unlawful cannabis business activity, and neither the Licensing Official nor the County shall be held liable for failure to issue an order to abate any unlawful cannabis business activity, nor for failure to abate any unlawful cannabis business activity, nor for failure to take any other action with regard to any unlawful cannabis business activity. [Ord. 5257 § 1, 2017; Ord. 5227 § 1, 2016].

Chapter 7.134**PERSONAL CULTIVATION OF CANNABIS FOR NONCOMMERCIAL RECREATIONAL USE****Sections:**

| | |
|------------------|--|
| 7.134.010 | Purpose. |
| 7.134.030 | Definitions. |
| 7.134.050 | Prohibited activities. |
| 7.134.070 | Restrictions related to personal cultivation of cannabis for noncommercial recreational uses. |
| 7.134.090 | Enforcement. |

7.134.010 Purpose.

The purpose of this chapter is to provide, pursuant to California Health and Safety Code Section 11362.2, rules to regulate the noncommercial cultivation of the six living cannabis plants authorized to be grown under California Health and Safety Code Section 11362.1.

It is also the purpose of this chapter to mitigate the negative impacts and secondary effects associated with the cultivation of cannabis including, but not limited to, demands placed on law enforcement and administrative resources; neighborhood disruption; the exposure of children to cannabis; drug sales to minors and adults; robberies; burglaries; assaults; and other violent crimes.

This chapter is not intended to conflict with State law. It is the intention of the County that this chapter be interpreted to be compatible with State enactments and in furtherance of the public purposes that those enactments encompass. [Ord. 5242 § 1, 2017].

7.134.030 Definitions.

As used in this chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section:

(A) “Cannabis” means all parts of the plant *Cannabis sativa* L., as defined under the California Adult Use of Marijuana Act at Health and Safety Code Section 11018, as may be amended.

(B) “Cannabis plant” means any mature or immature cannabis plant, or any cannabis seedling, unless otherwise specifically provided herein.

(C) “Cultivation” or “cultivate” means the planting, growing, developing, propagating, harvesting, drying, and processing of cannabis plants or any part thereof.

(D) “Enclosure” means an area fully surrounded by a fence, wall, or other solid barrier that prevents access to cannabis. Enclosures must be equipped with a locked gate or door.

(E) “Private residence” means a house, apartment unit, mobile home, or other similar dwelling. [Ord. 5242 § 1, 2017].

7.134.050 Prohibited activities.

It is unlawful and shall constitute a public nuisance for any person to cultivate cannabis for his or her personal, non-commercial, recreational use in violation of the provisions of this chapter. [Ord. 5242 § 1, 2017].

7.134.070 Restrictions related to personal cultivation of cannabis for noncommercial recreational uses.

The following restrictions apply to any person who cultivates cannabis for his or her personal, noncommercial, recreational use:

(A) No more than six cannabis plants may be cultivated at any one time at a single private residence.

(B) Cultivation may only take place inside a structure or enclosure existing on the grounds of a private residence (structure, for purposes of this chapter, includes an ancillary structure such as a prefabricated shed or greenhouse).

(C) Any structure or enclosure used for cannabis cultivation must be kept locked and secured to prevent unauthorized entry.

(D) The private residence containing the cannabis plants must be occupied by, and the cannabis plants must be cultivated by, a person 21 years of age or older.

(E) Cannabis plants must not be visible with normal unaided vision from a public place. [Ord. 5242 § 1, 2017].

7.134.090 Enforcement.

(A) The County may pursue one or more of those alternatives set forth in SCCC 19.01.030(A) to enforce this chapter. It shall be a separate offense for each and every day during any portion of which any violation of, or failure to comply with, any provision of this chapter is committed, continued or permitted.

(B) Notwithstanding the limitations on civil penalties set forth in SCCC 1.12.070(A)(2), civil penalties for violation of this chapter shall be assessed as follows:

- (1) A fine not exceeding \$500.00 for a first violation.
- (2) A fine not exceeding \$1,000 for a second violation of the same County Code provision within one year.
- (3) A fine not exceeding \$2,500 for each additional violation of the same County Code provision within one year.

(C) Whenever the County determines that a public nuisance as defined in this chapter exists at any location within the unincorporated area of Santa Cruz County, the County is authorized to issue a Notice of Violation pursuant to SCCC 1.12.070.

(D) Nothing in this chapter shall be construed as imposing on the County of Santa Cruz any duty to issue a notice of violation, nor to abate any unlawful cannabis activity, nor to take any other action with regard to any unlawful cannabis activity, and the County shall not be held liable for failure to issue an order to abate any unlawful cannabis activity, nor for failure to abate any unlawful cannabis activity, nor for failure to take any other action with regard to any unlawful cannabis activity. [Ord. 5242 § 1, 2017].

I HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT IS A
CORRECT COPY OF THE ORIGINAL ON FILE IN THE OFFICE.
ATTEST MY HAND AND SEAL
THIS 9th DAY OF April, 2020
CARLOS J PALACIOS, COUNTY ADMINISTRATIVE OFFICER AND
EX-OFFICIO CLERK OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF SANTA CRUZ, CALIFORNIA.
BY *Maria Saltonay*, DEPUTY

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EXHIBIT 2



Office of the City Clerk
30001 Ladyface Court
Agoura Hills, CA 91301

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF AGOURA HILLS)

I, Kimberly M. Rodrigues, City Clerk of the City of Agoura Hills, California, do hereby certify that the attached nine (9) pages of **Ordinance No. 17-429**; *An Ordinance of the City Council of the City of Agoura Hills, California Amending Division 10 (Medical Marijuana Dispensaries Prohibited) of Part 2 (Special Regulations) of Chapter 6 (Regulatory Provisions) of Article IX (Zoning) of the Agoura Hills Municipal Code to Clarify that All Commercial Marijuana Activity for Medical, Non-Medical, and Any Other Purpose, is Prohibited in All Zones in the City, and to Allow Limited Indoor Marijuana Cultivation Consistent with State Law, and Deleting Section 4125 of the Agoura Hills Municipal Code, and Making A Finding of Exemption from CEQA under Section 15061(B)(3) of the CEQA Guidelines (Case No. Zoa-01326-2017)*; are a full, true and correct copy of the Ordinance adopted by the City Council at its Regular Meeting held at 6:00 p.m. on Wednesday, August 23, 2017, and is duplicate original of the ordinance on file and of record in the Office of the City Clerk.



Kimberly M. Rodrigues, MPPA, MMC
City Clerk

Dated: March 4, 2020

ORDINANCE NO. 17-429

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA AMENDING DIVISION 10 (MEDICAL MARIJUANA DISPENSARIES PROHIBITED) OF PART 2 (SPECIAL REGULATIONS) OF CHAPTER 6 (REGULATORY PROVISIONS) OF ARTICLE IX (ZONING) OF THE AGOURA HILLS MUNICIPAL CODE TO CLARIFY THAT ALL COMMERCIAL MARIJUANA ACTIVITY FOR MEDICAL, NON-MEDICAL, AND ANY OTHER PURPOSE, IS PROHIBITED IN ALL ZONES IN THE CITY, AND TO ALLOW LIMITED INDOOR MARIJUANA CULTIVATION CONSISTENT WITH STATE LAW, AND DELETING SECTION 4125 OF THE AGOURA HILLS MUNICIPAL CODE, AND MAKING A FINDING OF EXEMPTION FROM CEQA UNDER SECTION 15061(b)(3) OF THE CEQA GUIDELINES (CASE NO. ZOA-01326-2017)

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AGOURA HILLS DOES ORDAIN AS FOLLOWS:

SECTION 1. Findings and Purpose.

A. The City of Agoura Hills, California (the "City") is a municipal corporation, duly organized under the constitution and laws of the State of California.

B. On October 9, 2015, Governor Brown signed Assembly Bill 243, Assembly Bill No. 266, and Senate Bill 643 into law, which collectively were known as the Medical Cannabis Regulation and Safety Act (hereinafter "MCRSA"). The MCRSA established a State regulatory and licensing scheme for commercial medical marijuana businesses.

C. On November 8, 2016, California voters approved the Control, Regulate and Tax Adult Use of Marijuana Act ("AUMA"). The AUMA adds Section 11362.1 to the California Health and Safety Code, which makes it "lawful under state and local law" for persons 21 years of age or older to "possess, process, transport, purchase, obtain, or give away to persons 21 years of age or older without any compensation whatsoever" up to 28.5 grams of marijuana not in the form of concentrated cannabis or up to eight grams of marijuana in the form of concentrated cannabis. The AMUA also establishes a State regulatory and licensing scheme for commercial non-medical marijuana businesses. The provisions of the AUMA related to the possession, use, and cultivation of marijuana became effective on November 9, 2016.

D. On June 27, 2017, the Governor signed into law Senate Bill 94 which repealed the MCRSA, included certain provisions of the MCRSA in the licensing provisions of the AUMA, and created a single regulatory scheme for both medical and non-medical marijuana known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"). The MAUCRSA retains the provisions in the MCRSA and the AUMA that granted local jurisdictions control over whether marijuana businesses could

operate in a particular jurisdiction. Specifically, California Business and Professions Code section 26200 provides that the MAUCRSA shall not be interpreted to supersede or limit authority of a local jurisdiction to adopt and enforce local ordinances that completely prohibit the establishment or operation of one or more businesses licensed under the State, within that local jurisdiction. Furthermore, the MAUCRSA provides that a State licensing authority shall not approve an application for a State license for a marijuana business if approval of the State license will violate the provisions of any local ordinance or regulation. The MAUCRSA requires that a State licensing authority shall begin issuing licenses to marijuana businesses beginning January 1, 2018.

E. On July 9, 2017, the Planning Commission of the City of Agoura Hills held a public hearing on this proposed Ordinance, at which time all persons interested in the proposed Ordinance had the opportunity and did address the Planning Commission on these matters. Following the receipt of public testimony the Planning Commission closed the public hearing.

F. At the conclusion of the Planning Commission hearing and after due consideration of the testimony, the Planning Commission adopted Resolution No. 17-1195, recommending that the City Council adopt the proposed Ordinance to prohibit commercial marijuana activity and outdoor cultivation of marijuana, and to allow limited marijuana cultivation indoors, consistent with State law.

G. On August 9, 2017, the City Council of the City of Agoura Hills held a public hearing on the proposed Ordinance, at which time all persons interested in the proposed Ordinance had the opportunity and did address the City Council on these matters. Following the receipt of public testimony the City Council closed the public hearing.

H. All legal prerequisites to the adoption of this Ordinance have occurred.

SECTION 2. The City Council of the City of Agoura Hills hereby finds and determines that all of the above Recitals are true and correct and incorporates such Recitals into this Ordinance as if fully set forth herein.

SECTION 3. The City Council of the City of Agoura Hills hereby deletes Section 4125 (Compensation for medical marijuana.) of Chapter 1 (Prohibited Conduct; Offense) of the Agoura Hills Municipal Code in its entirety.

SECTION 4. The City Council of the City of Agoura Hills hereby amends Division 10 (Medical Marijuana Dispensaries Prohibited.) of Part 2 (Special Regulations) of Chapter 6 (Regulatory Provisions) of Article IX (Zoning) of the Agoura Hills Municipal Code in its entirety to read as follows:

| | |
|---------------------|------------------|
| "DIVISION 10 | MARIJUANA |
| Section 9660 | Purpose. |

| | |
|-----------------------|----------------------------|
| Section 9660.1 | Definitions. |
| Section 9660.2 | Prohibitions. |
| Section 9660.3 | Exceptions. |
| Section 9660.4 | Violation, penalty. |

9660 Purpose.

A. The city council finds that federal law prohibits the possession, manufacture, distribution, and dispensing of marijuana, and in order to serve the public health, safety, and welfare of the residents and businesses within the city, the declared purpose of this division is to prohibit all commercial marijuana activity, both medical and non-medical, within the city, as provided in this section.

B. California Business and Professions Code section 26055(d) provides that a State licensing authority shall not approve an application for a State license for a marijuana business if approval of the State license will violate the provisions of any local ordinance or regulation. California Business and Professions Code section 26200 authorizes a city to adopt and enforce local ordinances that completely prohibit the establishment or operation of one or more marijuana businesses licensed under the State, within that city.

C. The city council finds that a prohibition on all commercial marijuana activity, for medical, non-medical, or any other purpose, is necessary for the preservation and protection of the public health, safety, and welfare for the city and its community. The city council's prohibition of such activity is within the authority conferred upon the city council by State law and is an exercise of its police powers to enact and enforce regulations for the public benefit, safety, and welfare of the city and its community.

9660.1 Definitions.

For purposes of this division, the following definitions shall apply.

A. "Commercial marijuana activity" means the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, labeling, packaging, transportation, delivery or sale of marijuana and marijuana products, and includes the activities of any business licensed by the State or other government entity under Division 10 of the California Business and Professions Code, or any other provision of State law that regulates the licensing of marijuana businesses.

B. "Concentrated cannabis" means cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a cannabis plant is a concentrate.

C. "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of marijuana.

D. "Delivery" means the commercial transfer of marijuana or marijuana products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer.

E. "Distribution" means the procurement, sale, and transport of marijuana and marijuana products between entities licensed under Division 10 of the California Business and Professions Code, as the same may be amended from time to time.

F. "Fully enclosed and secure structure" means a space within a building, greenhouse, or other structure which has a complete roof enclosure supported by connecting walls extending from the ground to the roof, which is secure against unauthorized entry, provides complete visual screening, and which is accessible only through one or more lockable doors and inaccessible to minors.

G. "Indoors" means within a fully enclosed and secure structure.

H. "Manufacture" means to compound, blend, extract, infuse, or otherwise make or prepare a marijuana product.

I. "Marijuana" means all parts of the plant *Cannabis sativa linnaeus*, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Marijuana" also means the separated resin, whether crude or purified, obtained from marijuana, and any product containing marijuana. "Marijuana" includes marijuana that is used for medical, non-medical, or other purposes.

"Marijuana" does not include the mature stalk of the plant, fiber produced from the stalks, oil or cake made from seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. "Marijuana" also does not include industrial hemp, as defined in California Health and Safety Code section 11018.5, as the same may be amended from time to time.

J. "Marijuana accessories" means any equipment, products or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing marijuana, or for ingesting, inhaling, or otherwise introducing marijuana or marijuana products into the human body.

K. "Marijuana product" means marijuana that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not, limited to concentrated cannabis, or an edible or topical product containing marijuana or concentrated cannabis and other ingredients.

L. "MAUCRSA" means the Medical and Adult-Use Cannabis Regulation and Safety Act, as codified in Division 10 of the California Business and Professions Code, as the same may be amended from time to time.

M. "Outdoors" means any location that is not within a fully enclosed and secure structure.

N. "Person" means any individual, firm, co-partnership, joint venture, association, corporation, limited liability company, collective, cooperative, club, society, organization, non-profit, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

O. "Private residence" means a house, an apartment unit, a mobile home, or other similar dwelling, that is lawfully used as a residence.

9660.2 Prohibitions.

A. Commercial marijuana activity, whether or not for profit, is not a permitted use anywhere in the city. The city shall not approve any application for a building permit, conditional use permit, business license, or any other entitlement authorizing the establishment, operation, maintenance, development, or construction of any use that allows for commercial marijuana activity. This section shall prohibit all activities for which a State license is required pursuant to the MAUCRSA, as the same may be amended from time to time.

B. It shall be unlawful for any person to own, manage, establish, conduct, or operate, or to participate as a landlord, owner, employee, contractor, agent or volunteer, or in any other manner or capacity, in any commercial marijuana activity in the city.

C. To the extent not already prohibited by subsection A above, all Deliveries of marijuana or marijuana products to or from any location in the city are expressly prohibited. No person shall conduct or perform any delivery of any marijuana or marijuana products, which delivery either originates or terminates within the city. This subsection shall not prohibit any person from transporting marijuana through the jurisdictional limits of the city for delivery or distribution to a person located outside the city, where such transport does not involve delivery or distribution within the jurisdictional limits of the city.

D. All outdoor marijuana cultivation is prohibited in the city. Indoor marijuana cultivation is prohibited except as specified in section 9660.3(A)(5).

9660.3 Exceptions.

A. To the extent that the following activities are permitted by State law, nothing in this division shall prohibit a person 21 years of age or older from:

1. Possessing, processing, purchasing, transporting, obtaining or giving away to persons 21 years of age or older, without compensation whatsoever, not more than 28.5 grams of marijuana not in the form of concentrated cannabis;

2. Possessing, processing, purchasing, transporting, obtaining or giving away to persons 21 years of age or older, without compensation whatsoever, up to eight grams of marijuana in the form of concentrated cannabis;

3. Smoking or ingesting marijuana or marijuana products in a manner consistent with California Health and Safety Code section 11362.3, as the same may be amended from time to time;

4. Possessing, transporting, purchasing, obtaining, using, manufacturing, or giving away marijuana accessories to persons 21 years of age or older without compensation whatsoever; or

5. Engaging in the indoor cultivation of six (6) or fewer live marijuana plants within a single private residence or inside an accessory structure located upon the grounds of a private residence that is fully enclosed and secured, to the extent such cultivation is authorized by California Health and Safety Code sections 11362.1 and 11362.2, as the same may be amended from time to time.

B. This division shall also not prohibit any commercial marijuana activity that the city is required by State law to permit within its jurisdiction pursuant to the MAUCRSA.

9660.4 Violation, penalty

Violations of this section are subject to the general penalty provisions set forth in section 1200. In any civil action brought pursuant to this division, a court of competent jurisdiction may award reasonable attorneys' fees and costs to the prevailing party. Notwithstanding the penalties set forth in section 1200 of the Agoura Hills Municipal Code, this division does not authorize a criminal prosecution, arrest or penalty inconsistent with or prohibited by Health and Safety Code Section 11362.71 *et seq.* or Section 11362.1 *et seq.*, as the same may be amended from time to time. In the event of any conflict between the penalties enumerated under section 1200 of the Agoura Hills Municipal Code and any penalties set forth in state law, the maximum penalties allowable under state law shall govern."

SECTION 5. Planning Department staff has determined that the proposed Ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") and the City's CEQA Guidelines pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the proposed Project to prohibit commercial marijuana activity and outdoor marijuana cultivation will have a significant effect on the environment. Placing such a restriction on the use of property will not result in a permanent alteration of property, nor the construction of any new or expanded structures. The City Council has reviewed Planning Department Staff's determination of exemption, and based on its own independent judgment, concurs with Staff's determination of exemption. The City Council, therefore, directs that a Notice of Exemption be filed with the County Clerk of the County of Los Angeles in accordance with CEQA Guidelines.

SECTION 6. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, for any reason, is held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 7. Neither the adoption of this Ordinance nor the repeal of any other Ordinance of this City shall in any manner affect the prosecution for violations of ordinances, which violations were committed prior to the effective date hereof, nor be construed as a waiver of any penalty or the penal provisions applicable to any violation thereof.

SECTION 8. This Ordinance shall take effect thirty (30) days after its final passage and adoption. A summary of this Ordinance shall be published, and a certified copy of the full text of this proposed Ordinance shall be posted in the office of the City Clerk at least five (5) days prior to the City Council meeting at which this proposed Ordinance is to be adopted. Within fifteen (15) days after adoption of this Ordinance, the City Clerk is instructed to publish a summary of this Ordinance with the names of those City Council members voting for and against this Ordinance, and the City Clerk shall post in the office of the City Clerk a certified copy of the full text of the adopted Ordinance, along with the names of those City Council members voting for and against this Ordinance or amendment, at least until the day of such publication.

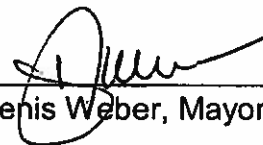
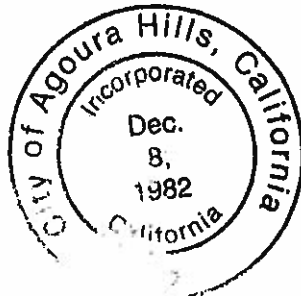
PASSED, APPROVED, AND ADOPTED this 23rd day of August, 2017, by the following vote to wit:

AYES: (5)
NOES: (0)
ABSENT: (0)
ABSTAIN: (0)

ATTEST:



Kimberly M. Rodrigues, MMC, City Clerk



Denis Weber, Mayor


APPROVED AS TO FORM:

A handwritten signature in black ink, appearing to read 'C. Lee', written over a horizontal line.

Candice K. Lee, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF AGOURA HILLS)

I, Kimberly M. Rodrigues, City Clerk of the City of Agoura Hills, California, do hereby certify that the foregoing is a full, true, and correct copy of **Ordinance No. 16-429** approved and adopted by the City Council of the City of Agoura Hills at a Regular City Council Meeting thereof held on the 23rd day of August, 2017, and that said Ordinance was published or posted pursuant to law.



Kimberly M. Rodrigues, MMC
City Clerk

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EXHIBIT 3

ORDINANCE NO. 483

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ANGELS CAMP ADDING CHAPTER 5.10, CANNABIS BUSINESS REGULATION, TO TITLE 5, AND REPEALING CHAPTER 8.25, MEDICAL CANNABIS REGULATIONS OF TITLE 8 OF THE ANGELS CAMP MUNICIPAL CODE, AND REPEALING ORDINANCE NO. 480, AN URGENCY ORDINANCE CONCERNING THE CULTIVATION, COMMERCIAL AND RETAIL SALE, DISTRIBUTION, AND DELIVERY OF MARIJUANA AND RELATED LAND USES, RELATING TO CANNABIS BUSINESS REGULATION

WHEREAS, in 1996, California voters approved Proposition 215, the Compassionate Use Act of 1996 (the “CUA”). The CUA enables seriously ill Californians to legally possess, use, and cultivate cannabis for medical use under state law. In 2003, the California Legislature adopted Senate Bill 420, entitled the Medical Marijuana Program (the “MMP”), which authorizes qualified patients and their primary caregivers to cultivate cannabis for medical purposes without being subject to criminal prosecution under the California Penal Code; and

WHEREAS, in 2016, the voters of California approved Proposition 64 entitled the “Control, Regulate and Tax Adult Use of Marijuana Act” (“AUMA”). AUMA legalized the adult-use and possession of cannabis by persons 21 years of age and older and the personal cultivation of up to six cannabis plants within a private residence; and

WHEREAS, on June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”), which created a single regulatory scheme for both medical and adult-use cannabis businesses. MAUCRSA authorizes local jurisdictions to control whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction; and

WHEREAS, on December 4, 2017, the City Council of the City of Angels Camp (“City Council”) adopted Ordinance 480, an urgency ordinance, to enact temporary cannabis regulations (the “Temporary Cannabis Ordinance”). The Temporary Cannabis Ordinance temporarily prohibited all commercial cannabis activity that originated within the City of Angels Camp (the “City”); and

WHEREAS, on December 7, 2017, the Bureau of Cannabis Control, the Department of Agriculture, and the Department of Public Health issued final emergency regulations relating to all cannabis businesses allowed under state law (collectively, the “Emergency Regulations”); and

WHEREAS, the City Council desires to amend the Temporary Cannabis Ordinance to permanently prohibit all cannabis businesses from operating within the City and regulate cannabis deliveries from businesses located outside the City in conformity with the CUA, Emergency Regulations, AUMA, and MAUCRSA; and

WHEREAS, the City Council finds that (1) cannabis businesses, whether for medicinal or adult-use purposes, can adversely affect the health, safety, and well-being of city residents and shall be prohibited within the City; (2) city-wide regulation of cannabis deliveries from businesses outside the City is proper and necessary to avoid the risks of criminal activity; and (3)

that cannabis business activity increases the risk that surrounding homes or businesses may be negatively impacted by nuisance activity; and

WHEREAS, the City Council finds that this ordinance is in the best interest of the health, welfare, and safety of the public.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CITY OF ANGELS DOES ORDAIN AS FOLLOWS:

SECTION 1: Chapter 5.10, Cannabis Business Regulations, is hereby added to the Angels Municipal Code to read as follows:

Chapter 5.10 Cannabis Business Regulations.

Section 5.10.010 - Legislative Intent.

It is the intent of the City to regulate commercial cannabis activities pursuant to state law. It is not the intent of the City to expand, reduce, or alter the penalties for violations of state cannabis laws.

Section 5.10.020 - Definitions.

- A. “Bureau” means the Bureau of Cannabis Control within the Department of Consumer Affairs, formerly named the Bureau of Marijuana Control, the Bureau of Medical Cannabis Regulation, and the Bureau of Medical Marijuana Regulation.
- B. “Business” means a profession, trade, occupation, gainful activity, and all and every kind of calling whether or not carried on for profit.
- C. “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin; whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. “Cannabis” does not mean “industrial hemp” as defined by section 11018.5 of the Health and Safety Code.
- D. “Cannabis business” means any business engaged in commercial cannabis activity. “Cannabis business” does not include any of the following:
 - 1. A clinic licensed pursuant to Chapter 1 of Division 2 of the Health and Safety Code.
 - 2. A residential care facility for persons with chronic life-threatening illness licensed pursuant to Chapter 3.01 of Division 2 of the Health and Safety Code.
 - 3. A residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the Health and Safety Code.

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EXHIBIT 4

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EXHIBIT 8

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EXHIBIT 9

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EXHIBIT 10

