

**CITY OF HEMET  
COMMERCIAL CANNABIS BUSINESS LICENSE APPLICATION  
FINANCIAL RESPONSIBILITY, INDEMNITY AND  
CONSENT TO INSPECTION TERMS  
(Must be completed by ALL owners)**

**Dated:** \_\_\_\_\_, 2025

I hereby agree to the following terms:

1. I herewith pay the sum of \$10,227 as the application fee for the review and processing of an application for a commercial cannabis business permit ("Application Fee").
2. The Application Fee, along with any other fees associated with the application, paid to the City of Hemet ("City") is non-refundable. There is no guarantee - expressed or implied - that by submitting the application or paying the Application Fee, or any fees associated with the application, that I will obtain any land use entitlements, permits, licenses or otherwise to operate a commercial cannabis business.
3. All costs incurred by the City in processing said application, including staff time, attorney's fees, Consultant's fees and overhead, shall be funded by me from the Application Fee, or any fees associated with the application. I understand and agree that this is my personal obligation and shall not be affected by any reason whatsoever, including any sale or transfer of the property subject to the application, changes in business organization, or any other reason.
4. I acknowledge and agree to the defense, waiver, and indemnification obligations stated in the attached "Agreement on Limitations of City's Liability, and Certifications, Assurances Warranties and Indemnification to City", incorporated herein by reference.
5. I consent and expressly allow, authorize, and permit the City, all its departments, agents, and employees, to enter upon and inspect the subject property identified in my application, with or without prior notice, for the purposes of processing this application or inspection or photographing for compliance with all laws, regulations, and conditions placed on land use approvals or the cannabis business permit. No additional permission or consent to enter upon the property is necessary or shall be required. By signing this agreement, I further certify and warrant I am authorized to, and hereby do, consent, and allow such inspections on my behalf and on the behalf of each and all Owners of the property and Applicants.
6. I understand that all materials submitted in connection with my application are public records subject to inspection and copying by members of the public. By filing an application, I agree that the public may inspect and copy these materials and the information contained therein, and that some or all of the materials may be posted on the City's website. For any materials that may be subject to copyright protection, or which may be subject to Sections 5500.1 and 5536.4 of the California Business and Professions Code, by submitting such materials to the City I represent that I have the authority to grant, and hereby grant, the City permission to make the materials available to the public for inspection and copying, whether in hardcopy or electronic format.

7. The Commercial Cannabis Business must receive their Certificate of Occupancy, be open, and operating within 12 months of issuance of the Commercial Cannabis Business Permit. If a business does not become operational as specified, the Cannabis Business permit shall be null and void, and of no further effect.
8. The Cannabis Business Permit shall not be transferred or otherwise sold within the first three (3) years of the date of issuance of the Cannabis Business Permit. If a business unlawfully transfer the permit, the Cannabis Business permit shall be null and void, and of no further effect.
9. After review and consideration of all of the foregoing terms and conditions, I agree to be bound by and to fully and timely comply with all of the foregoing terms and conditions, and the attached "Agreement on Limitations of City's Liability, and Certifications, Assurances Warranties and Indemnification to City".

**Applicant/Owner**

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Agreement on Limitations of City's Liability, and Certifications, Assurances, Warranties,  
and Indemnification to City  
(Must be completed by ALL owners)**

**A. WAIVER, RELEASE AND HOLD HARMLESS**

I hereby waive, release, and hold harmless the City of Hemet ("City") and its Council, boards and commissions, officers, officials, employees, and agents from any and all actual and alleged claims, losses, damages, injuries, liabilities, costs (including attorney's fees), suits or other expenses which arise out of, or which are in any way relate to my application for a cannabis business permit, the issuance of the cannabis business permit, the process used by the City in making its decision, the enforcement of the conditions of the cannabis business permit, or the cannabis business' operations.

I hereby waive, release and hold harmless the City and its Council, boards and commissions, officers, officials, employees, and agents from any and all actual and alleged claims, losses, damages, injuries, liabilities, costs (including attorney's fees), suits or other expenses which arise out of, or which are in any way relate to: (1) any repeal or amendment of any provision of the Hemet Municipal Code or Zoning Ordinance relating to commercial cannabis activity; or (2) any investigation, arrest or prosecution of me, or the cannabis business' owners, operators, employees, clients or customers, for a violation of state or federal laws, rules or regulations relating to cannabis activities.

**B. AGREEMENT TO INDEMNIFY**

I shall defend, indemnify, and hold harmless the City and its Council, boards and commissions, officers, officials, employees, and agents from and against any and all actual and alleged liabilities, demands, claims, losses, damages, injuries, actions or proceedings and costs and expenses incidental thereto (including costs of defense, settlement and attorney's fees), which arise out of, or which are in any way related to i) the requested cannabis business permit and any land use entitlement related thereto, ii) the proceedings undertaken in connection with the approval, denial, or appeal of the requested cannabis business permit and any land use entitlement related thereto, iii) any subsequent approvals or licensing/permits relating to the requested cannabis business permit and any land use entitlement related thereto, iv) the processing of the requested cannabis business permit and any land use entitlement related thereto, v) any amendments to the approvals for the requested cannabis business permit and any land use entitlement related thereto, vi) the City's approval, consideration, analysis, review, issuance, denial or appeal of the cannabis business permit; vii) the City's approval, consideration, analysis, review, issuance, denial or appeal of any land use entitlement related thereto, viii) the City's drafting, adoption and passage of an ordinance, and related resolutions, policies, rules and regulations, allowing for cannabis businesses, ix) the City's drafting, adoption and passage of an ordinance, and related resolutions if necessary in the future regarding any zoning law amendment(s) related to my cannabis business, x) the operation of my cannabis business or activity, xi) the process used by the City in making its decision to approve, consider, analyze, review, issue, or deny, my cannabis business permit or any related land use entitlement, or the appeal of either, xii) City's compliance or failure to comply with applicable laws and regulations, xii) the application or the application proves of the cannabis business, or xiii) the alleged violation of any federal, state or local laws by my cannabis business or any of its officers, employees or agents, except where such liability is caused by the sole negligence or willful misconduct of the City.

The City may (but is not obligated to) defend such challenge as City, in its sole discretion, determines appropriate, all at applicant's sole cost and expense. The City shall have the sole and absolute right to approve any and all counsel, consultants and/or other persons employed to defend the City. I shall bear any and all losses, damages, injuries, liabilities, costs, and expenses (including, without limitation, staff time and in-house attorney's fees on a fully-loaded basis, attorney's fees for outside legal counsel, expert witness fees, court costs, and other litigation expenses) arising out of or related to any challenge ("Costs"), whether incurred by me, City, or awarded to any third party, and shall pay to the City upon demand any Costs incurred by the City.

I shall and will fund a deposit account ("Deposit Fund") to reimburse the City's cost, including attorney's fees, to defend any claim, action, or proceeding that is or may be subject to this Agreement. In the event that any such claim, action, or proceeding is filed against the City, I shall within 30 days of the filing, deposit an initial sum of Twenty Thousand (\$20,000) to the Deposit Fund to pay for the City's defense costs, and otherwise, which costs shall be determined by the City in its sole discretion. The Deposit Fund shall always contain an amount necessary to cover three months' worth of budgeted expenditures by the City relating to the City's defense of the claim, action, or proceeding, including all time to appeal, or as long as expenditures made by the City relating to its defense remain unreimbursed, whichever is later ("Three Months of Expenditures"). Notwithstanding, whenever the Deposited Funds get depleted to an amount of Ten Thousand Dollars (\$10,000.00) or less, I shall replenish the amount on deposit with the City in whatever amount is necessary for the deposit amount to reach Twenty Thousand Dollars (\$20,000.00), or Three Months of Expenditures, whichever is greater ("Replenishment Amount"). City staff shall invoice Applicant with such amount in writing each month, or as necessary, and Applicant must remit payment within thirty (30) calendar days of date of the invoice ("Replenishment Deadline"). Should Applicant fail or refuse or otherwise not deposit the Replenishment Amount by any Replenishment Deadline, such failure or refusal shall constitute a material breach of this Agreement. Once all remaining and outstanding reimbursements have been paid to the City by me, City shall return to me any remaining unused portion of my Deposit Fund.

### **C. OBLIGATIONS INDEPENDENT OF AWARD OF PERMIT, LICENSE, OR ENTITLEMENTS**

My obligations under this Agreement shall apply regardless of whether a cannabis business permit or any related permits or entitlements are issued.

### **D. OBLIGATIONS SURVIVE EXPIRATION OF PERMIT, LICENSE, OR ENTITLEMENTS**

My obligations under this Agreement shall survive the expiration of any cannabis business permit or related permit or entitlement issued by the City. No modification of the permit, other approval, change in applicable laws and regulations, or change in processing methods shall alter the applicant's indemnity obligation.

### **E. PROSECUTION UNDER FEDERAL LAW**

I understand that I, other applicants, owners, operators, employees, and members of the cannabis business may be subject to prosecution under Federal Laws.

### **F. SEPARATE AGREEMENT**

This Agreement shall constitute a separate agreement from any cannabis business permit approval, and that if the cannabis business permit, in part or in whole, is revoked, invalidated,

rendered null or set aside by a court of competent jurisdiction, I agree to be bound by the terms of this Agreement, which shall survive such invalidation, nullification or setting aside.

**G. JOINT AND SEVERAL LIABILITY**

All Owners agree and understand that any and all responsibilities, obligations and liability are joint and several.

**H. MODIFICATIONS AND AMENDMENTS**

This Agreement shall be modified or amended only by a written instrument signed by both parties.

**I. NOTICES**

a. Any notice to be provided pursuant to this Agreement shall be in writing, and all such notices shall be delivered by personal service or by deposit in the United States mail, certified or registered, return receipt requested, with postage prepaid, and addressed to the parties as follows:

**To the City:** City Manager  
City of Hemet  
445 E. Florida Avenue  
Hemet, CA 92543

**To Owner:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

b. Notices and other documents shall be deemed delivered upon receipt by personal service or as of the second (2nd) day after deposit in the United States mail.

**J. NON-LIABILITY OF CITY OFFICERS AND EMPLOYEES**

No officer or employee of the City shall be personally liable to Owner or Applicant, or any successor in interest, in the event of any default or breach by the City of any obligation of the terms of this Agreement.

**K. INTERPRETATION**

Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement.

**L. WAIVER**

a. No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective, unless executed in writing and signed by the party making the waiver.

b. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision.

c. Failure of either party to enforce any provision of this Agreement shall not constitute a waiver of the right to compel enforcement of the remaining provisions of this Agreement.

#### **M. CAPTIONS AND HEADINGS**

The captions and headings contained in this Agreement are provided for identification purposes only and shall not be interpreted to limit or define the content of the provisions described under the respective caption or heading.

#### **N. SEVERABILITY**

If any one or more of the sentences, clauses, paragraphs or sections contained herein is declared invalid, void or unenforceable by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall not affect, impair or invalidate any of the remaining sentences, clauses, paragraphs or sections contained herein.

#### **O. GOVERNING LAW**

The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties under this Agreement, shall be construed pursuant to and in accordance with California law.

#### **P. RIGHTS AND REMEDIES**

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

#### **Q. VENUE**

All proceedings involving disputes over the terms, provisions, covenants or conditions contained in this Agreement and all proceedings involving any enforcement action related to this Agreement shall be initiated and conducted in the applicable court or forum in Riverside County, California.

#### **R. ATTORNEY'S FEES**

In the event any action, suit or proceeding is brought for the enforcement of, or the declaration of any right or obligation pursuant to this Agreement or as a result of any alleged breach of any provision of this Agreement, the prevailing party in such suit or proceeding shall be entitled to recover its costs and expenses, including reasonable attorney's fees, and any judgment or decree rendered in such a proceeding shall include an award thereof.

**S. AUTHORITY**

The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties.

**T. COUNTERPARTS**

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original and shall constitute one and the same instrument and shall become binding upon the parties when at least a copy hereof shall have been signed by the parties hereto.

**U. NO DAMAGE RELIEF AGAINST CITY**

The parties acknowledge that the City would not have entered into this Agreement had it been exposed to damage claims from Owner, or its successors in interest, assigns, partners, or anyone acting on behalf of Owner (“Owner Parties”) for any breach hereof. As such, the parties agree that in no event shall Owner or Owner Parties be entitled to recover damages against the City for breach of this Agreement.

**V. NO THIRD PARTY BENEFICIARIES**

The parties do not intend the benefits of this Agreement to inure to any third party, nor shall any provision of this Agreement be so construed.

**W. COMPLETE AGREEMENT**

This Agreement sets forth the entire agreement between the parties with respect to the subject matter contained herein, including agreements, covenants, representations and warranties, express or implied, oral or written. No earlier agreements, covenants, representations, express or implied oral or written have been made or relied on by any party. This Agreement supersedes all prior agreements and understandings.

**X. SUCCESSORS, HEIRS AND ASSIGNS**

Except as otherwise expressly provided herein, this Agreement shall be binding upon the successors, endorsees, assigns, heirs, and personal representatives of each of the parties to this Agreement and, likewise, shall inure to the benefit of the successors, endorsees, assigns, heirs, and personal representatives of each of the parties.

**Y. SIGNATURE**

The person(s) whose signature appears below is/(are) authorized to sign this Agreement on behalf of the business, applicant/permittee, and operators, and each of them, if more than one, has submitted this information and all attachments as required by the application process to obtain a cannabis permit from the City of Hemet.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

I declare under penalty of perjury that the information provided on this form is true and correct and do hereby apply for a permit pursuant to City of Hemet Chapter 18, and all other applicable sections of the Hemet Municipal Code.

\_\_\_\_\_  
Owner Signature

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Name of Business Entity

\_\_\_\_\_  
Address of Permitted Location

\_\_\_\_\_  
Date

*(Attach additional pages if necessary)*

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of \_\_\_\_\_

Subscribed and sworn to (or affirmed) before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2025, by \_\_\_\_\_, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature \_\_\_\_\_ (Seal)