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**CITY OF HEMET
HEMET, CALIFORNIA
RESOLUTION NO. 2024-136**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HEMET, CALIFORNIA, ESTABLISHING THE
APPLICATION AND REVIEW CRITERIA FOR
STOREFRONT CANNABIS BUSINESSES**

The City Council of the City of Hemet, California (hereafter referred to as the "City Council") does resolve as follows:

WHEREAS, Article XVI of Chapter 18 of the Hemet Municipal Code ("HMC") establishes the regulatory standards and requirements for the operation of commercial cannabis businesses, including storefront retail operations, in the City of Hemet; and

WHEREAS, Section 18-509(a) of the HMC provides that the City Council may adopt by resolution the procedures governing the application process, and the manner in which the decision will ultimately be made regarding the issuance of any commercial cannabis business permits, which shall include or require the City Manager or their designee to provide detailed objective review criteria to be evaluated on a point system or equivalent quantitative evaluation scale tied to each set of review criteria ("Review Criteria").

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HEMET DOES
HEREBY RESOLVE AS FOLLOWS:**

SECTION 1. Findings.

The recitals set forth above are hereby adopted as findings in support of this Resolution.

1 **SECTION 2. Adoption of Review Criteria.**

2 The City Council hereby adopts the Review Criteria for Storefront Retail Cannabis
3 Businesses set forth in Exhibit "A," attached hereto, to review storefront retail commercial
4 cannabis business permit applications.
5

6 **SECTION 3. Severability.**

7 If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in
8 this ordinance or any part thereof is for any reason held to be unconstitutional or invalid,
9 or ineffective by any court of competent jurisdiction, such decision shall not affect the
10 validity or effectiveness of the remaining portions of this ordinance or any part thereof.
11 The City Council hereby declares that it would have passed each section, subsection,
12 subdivision, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that
13 any one (1) or more subsections, subdivisions, paragraphs, sentences, clauses, or
14 phrases be declared unconstitutional, or invalid, or ineffective.
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16

17 **SECTION 4. CEQA Findings.**

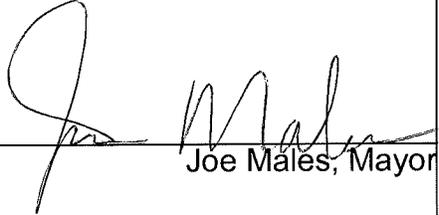
18 The City Council hereby finds that the adoption of this Resolution is exempt
19 pursuant to Section 15061(b)(3) of the Guidelines of the California Environmental Quality
20 Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by
21 the general rule that CEQA applies only to projects that have the potential for causing a
22 significant effect on the environment.
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25 **SECTION 5. Effective Date.**

26 This resolution shall take effect and be in force immediately.
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PASSED, APPROVED AND ADOPTED this 9th day of July, 2024.



Joe Males, Mayor

ATTEST:


John Paul Maier, City Clerk

1 State of California)
2 County of Riverside)
3 City of Hemet)

4 I, John Paul Maier, City Clerk of the City of Hemet, do hereby certify that the
5 foregoing resolution was adopted by the Hemet City Council on the 9th day of July,
6 2024, and was passed by the following vote:
7

8 AYES: Council Members: Krupa, Lilienthal, Mayor Pro Tem Peterson,
9 Mayor Males.
10 NOES: Council Members: None.
11 ABSTAIN: Council Members: None.
12 ABSENT: Council Members: Kendrick.

13 
14 _____
15 John Paul Maier, City Clerk



City of Hemet

Planning Department
445 East Florida Avenue
Hemet, CA 92543
P: 951.765.2375

E: Planstaff@hemetca.gov
<https://www.cityofhemet.org>

APPLICATION PROCEDURES & GUIDELINES FOR A STOREFRONT RETAIL COMMERCIAL CANNABIS BUSINESS PERMIT

**Application Period
OPENS – [***DATE***]**

Information regarding the Commercial Cannabis Business (CCB) Application process can be found on the City's website at [***WEBSITE***] and includes the following:

- Application Procedures & Guidelines
- Hemet Municipal Code (HMC) Article XVI
- Commercial Cannabis Business (CCB) Permit Application
- Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement Background Check Portal Link Scan form(s)

The application period for a Storefront Retail Cannabis Business Permit to operate a Storefront Retail CCB in the City of Hemet ("City") will open on [***DATE***] and will remain open until closed. Prior to closing the application process, the City will post a Notice of Application Deadline at the website linked above. The Notice of Application Deadline will advise that the application period will close not later than 30 days from when the notice is posted. Applications will be available on the City website linked above along with these procedures. Applications must be submitted to the Planning Department in their entirety. Any incomplete application will be returned. Applications submitted before the deadline will be reviewed and awarded consistent with these guidelines and the HMC.

APPLICANTS SHOULD MONITOR THE CITY'S WEB PAGE FOR ANY ADDITIONAL INFORMATION, FAQ'S, OR UPDATES. IT IS THE RESPONSIBILITY OF THE APPLICANT TO STAY INFORMED OF THIS INFORMATION.

LIMITATIONS

Pursuant to Hemet Municipal Code Section 18-508 the maximum number of Storefront Retail CCBs in Hemet is limited to five (5). The locational restrictions on Storefront Retail CCBs are listed in Hemet Municipal Code Section 18-525.

AMENDMENTS TO THE APPLICATION

If the City determines that a submitted application is incomplete or does not otherwise meet the minimum requirements of this resolution, the City shall send a Notice of Deficiency to the applicant generally describing the manner in which the application is incomplete or deficient. The applicant may resubmit those sections deemed incomplete or deficient. The applicant must submit all amendments as a single submission. If an applicant fails to correct those sections deemed incomplete or deficient upon submission of the amendment, the application will be rejected and the applicant will be given an opportunity to reapply, subject to a new application fee.

CITY'S RESERVATION OF RIGHTS

The City reserves the right to reject any and/or all applications, with or without cause or reason. The City may modify, postpone, or cancel the request for a Cannabis Business Permit without liability, obligation, or commitment to any party, firm, or organization. In addition, the City reserves the right to request and obtain additional information from any applicant to conduct a complete review of the application or an investigation into the truthfulness of the statements set forth in the application or provided at any stage of the application process.

[CONTINUES ON NEXT PAGE]

APPLICATION PROCESS

This application process is adopted pursuant to Hemet Municipal Code Article XVI. Review the information regarding the application process and which documents you will need. Before submitting your application, review your application in its entirety to ensure that it is complete and accurate. Review the information regarding the Storefront Retail Cannabis Business Permit application process for a CCB on the City webpage provided on page one.

The following procedures outline the application evaluation and selection process, required materials, and other information necessary to apply for a Cannabis Business Permit to operate a Storefront Retail facility in the City of Hemet.

APPLICATION SUBMITTAL REQUIREMENTS

Applications must respond to all requirements outlined in the “Application Procedures & Guidelines for a Cannabis Business Permit.” Applicants must submit all required application materials together in one complete comprehensive application package. This can be done in person, FED EX, UPS or any other common carrier delivery service as long as it is a complete application. The application package must include all the following documents with original signatures for each document.

- (a) Cannabis Business Permit Application;
- (b) Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement;
- (c) Agreement on Limitations of City’s Liability and Indemnification to City; and
- (d) Application fee and Background Check fee(s).

In addition, all Applicants must submit a USB flash drive containing one complete copy of the application submittal requirements as outlined in the below format. The application package and application fees must be received by the Community Development Department at the same time.

Responses to the Evaluation Criteria (Sections 1-7 found in Appendix A of the Application Procedures & Guidelines) shall be limited to 200 pages. Responses pertaining to Backgrounds, Proof of Capitalization, Zoning Verification Letter, and Property Owner Consent/Lease Agreements and Property Owner/Landlord Affidavit shall not be included in the 200-page limitation. Those responses should be saved in PDF files that are separate from the Evaluation Criteria (see below). All materials must be submitted on a USB flash drive in a PDF format in the following files:

PDF File #1 – Cannabis Business Permit Application (pages 1-3), Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement (pages F1-F3,) Agreement on Limitations of City Liability and Indemnification to City (pages F4-F6); and with required signatures for all documents.

PDF File #2 – Evaluation Criteria (Responses to Sections 1-7 of Appendix A limited to 200 pages)

PDF File #3 – Background Check documentation (All required documents for each owner). Upon submission of the online background application, Applicants will receive an email confirmation. This confirmation needs to be printed, scanned, and included within PDF File #3.

PDF File #4 – Proof of Capitalization (All bank statements, loan documents, promissory notes, financial and commitment letters)

PDF File #5 – Zoning Verification Letter and Proof of Insurance which shows the location being insured in the City of Hemet, the type of activity being insured and the name of the business being insured. Copies from another location owned by the Applicant will not qualify.

BACKGROUND CHECK

Each Owner must undergo a criminal history background check to demonstrate they do not provide “good cause” for denial per HMC Sections 18-506 and 18-531(k). Owners who do not meet the criminal history eligibility requirements of Section 18-531(k) will be disqualified. The background form can be found online at:

https://hdlcompanies.formstack.com/forms/bc_hemet_2.

In addition, each successful applicant will be asked to submit to a Live Scan as part of the background check as determined by the Chief of Police. Prior to being issued a permit, the Applicant’s primary contact will be notified by email with the instructions on how to schedule the Live Scan appointment.

The initial background check fee for each owner shall be \$300.00. This process will be required to meet the minimum threshold qualifications pursuant to HMC Section 18-531(k). The results of the background check along with the City-issued Zoning Verification Letter must be included with the CCB Application (Phase I).

ZONING VERIFICATION LETTER (ZVL)

Prior to submitting a Cannabis Business Permit Application, an Applicant must obtain a Zoning Verification Letter from the Planning Department. To secure this letter, an Applicant must make a written request which should specify the intended use of the building (storefront retail), and the proposed building location. Please advise the City if you currently occupy the premises or if there is a tenant currently occupying the premises.

The issuance of a ZVL does not constitute written evidence of permission given by the City or any of its officials to operate a cannabis business, nor does it establish a “permit” within the meaning of the Permit Streamlining Act, nor does it create an entitlement under the Zoning or Building Code. A regulatory permit for a CCB does not constitute a permit that runs with the land on which the cannabis business is established. Please note that the cannabis business will require a discretionary permit.

FEES

All applicants will be required to submit a fee of \$10,227.00. This amount will be charged against time spent by City staff and the Consultant reviewing applications and administering the application process. Applicants are advised that they may be required to pay additional amounts as required for the sole purpose of the City's completion of the application review process. However, there will also be a separate fee for the Zoning Verification Letter (ZVL) of \$313.00 per site and the Background Check Fee of \$300.00.

Payment must be made by a certified check, cashier's check or money order made payable to the City of Hemet. Please note the City will not accept cash or credit cards and application fees are non-refundable.

APPLICATION REVIEW, SCORING AND APPROVAL PROCESS

PHASE I: DETERMINATION OF ELIGIBILITY

Applications must be submitted in their entirety to move forward in the review process. Upon receiving a completed application City staff will review the application in its entirety using the Application Submittal checklist on Page 1 of the CCB Application. Applications determined to be eligible will be forwarded to the Consultant for Phase II (Application Evaluation and Review).

PHASE II: APPLICATION EVALUATION AND REVIEW

Applications will be evaluated by the Community Development Director and given a pass/fail determination based on the criteria listed below. See APPENDIX A for a description of the evaluation criteria:

- Section 1. Business Plan
- Section 2. Labor and Local Enterprise Plan
- Section 3. Neighborhood Compatibility Plan)
- Section 4. Safety Plan
- Section 5. Security Plan
- Section 6. Community Benefit and Investment
- Section 7. Location

Those applications which are determined to meet the minimum criteria and pass will move on to Phase III of the application process. Those Applicants which do not meet the minimum criteria and are determined to have failed in whole or in part will be provided the opportunity to cure the deficiencies and resubmit the requested information to the City. Please note that Applicants may only amend their application one time, therefore, Applicants are encouraged to provide a quality application when resubmitting the requested information.

PHASE III: LOTTERY

If five (5) or fewer applications are submitted to Phase III, then all applications submitted will be issued a Storefront Commercial Cannabis Business Permit.

If six (6) or more applications are submitted to Phase III, then all approved applications will be entered in the random lottery drawing, which will be conducted during regular business hours. The City will announce the location, date, and time at least two weeks before conducting the lottery drawing on the City's website linked above. The lottery drawing details will be emailed to approved applicants and any other interested person who has requested to receive cannabis lottery updates.

Results of the lottery drawing will be available immediately to those persons attending the lottery drawing in person. The City will also notify the applicants included in the lottery and post the lottery winners on the website listed above.

APPEALS:

Any Applicant wishing to appeal any decision made in the application process, or the results of the Lottery, may appeal to the appointed hearing officer within ten (10) days of the Applicant receiving a notice that he/she would not move forward in the application process or be issued a permit. Such appeals shall comply with the requirements of Hemet Municipal Code Sections 18-515, *et seq.*

Note: Being awarded a Cannabis Business Permit does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for all construction including: electrical, plumbing, fire, Planning Department permits or reviews, and any other permits, licenses, or reviews as deemed necessary by the relevant departments or governmental entities in charge of said permits. Nor does the award of a Cannabis Business Permit guarantee that the plans submitted via the Cannabis Business Permit application process meet the standards or requirements in Article XVI and any other permit requirements from other City departments or agencies.

CONTACT

If you have any questions or would like an update on the status of your application, please contact the City of Hemet [***PHONE***] or by email at [***EMAIL***].

APPENDIX A: EVALUATION CRITERIA

All of the following information must be submitted on a USB flash drive in PDF format (Please do not submit any documents in Word format) when the application is initially filed for consideration as part of Phase I. All responsive documentation shall be saved in five (5) individual digital files as described in the APPLICATION PROCEDURES & GUIDELINES FOR A COMMERCIAL CANNABIS BUSINESS PERMIT.

CRITERIA

1. BUSINESS PLAN

- 1.1. Owner qualifications. Resumes are not to exceed two (2) pages per owner.
- 1.2. A budget for construction, operation, and maintenance, compensation of employees, equipment costs, utility cost, and other operation costs.
- 1.3. Proof of capitalization in the form of documentation of cash or other liquid assets on hand, Letters of Credit, or other equivalent assets.
- 1.4. Pro forma for at least three years of operation.
- 1.5. Fully describe hours of operation and opening and closing procedures.

RETAIL

- 1.6. Fully describe the day-to-day operations if you are applying for a **RETAIL** permit this should include at a minimum the following criteria.
 - A. Describe customer check-in procedures.
 - B. Identify location and procedures for receiving deliveries during business hours.
 - C. Identify the name of the Point-of-sale system to be used and the number of Point-of-Sale locations.
 - D. Estimate the number of customers to be served per hour/day.
 - E. Describe the proposed product line to be sold and estimate the percentage of sales of flower and manufactured products.
 - F. If proposed, describe delivery service procedures, number of vehicles and product security during transportation.
 - G. How the Cannabis Business will conform to local and state laws. See HMC Section 18.33 as they pertain to retail establishments in the City of Hemet.
 - H. How cannabis and cannabis products will be tracked and monitored to prevent diversion. Describe the Point-of-Sale system to be used and how it will interact with the state's mandated track and trace system.

2. LABOR AND LOCAL ENTERPRISE PLAN

- 2.1. Describe whether the Commercial Cannabis Business is committed to offering employees a Living Wage.
- 2.2. Briefly describe benefits provided to employees such as health care, vacation, and medical leave, to the degree they are offered as part of employment.

- 2.3. Describe compensation to and opportunities for continuing education and employee training.
- 2.4. Describe the extent to which the Commercial Cannabis Business will be a locally managed enterprise whose owners and /or managers reside within or own a commercial business within the City of Hemet, the Sphere of Influence for the City, or the San Jacinto Valley generally.
- 2.5. Describe the number of employees, title/position, and their respected responsibilities.

3. NEIGHBORHOOD COMPATIBILITY PLAN

- 3.1. Describe how the CCB will proactively address and respond to complaints related to noise, light, odor, litter, vehicle, and pedestrian traffic.
- 3.2. Describe how the CCB will be managed to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community.
- 3.3. Describe odor mitigation practices.
- 3.4. Identify potential sources of odor.
- 3.5. Describe odor control devices and techniques employed to ensure that odors from cannabis are not detectable beyond the licensed premises.
- 3.6. Describe all proposed system maintenance.
- 3.7. Describe the waste management plan.
- 3.8. Describe outreach efforts to sensitive uses listed in the HMC, as well as other sensitive uses such as places of worship. Provide any letters of support received from such sensitive uses.

4. SAFETY PLAN

The Safety Plan should consider all possible fire, medical and hazardous situations. Complete policy/procedures manuals are not required at this point in the application process. Please only provide a description for each criterion which incorporates the following provisions:

- 4.1. The Safety Plan shall be prepared and/or assessed by a professional fire prevention and suppression consultant.
- 4.2. Describe accident and incident reporting procedures.
- 4.3. Describe evacuation routes.
- 4.4. Location of fire extinguishers and other fire suppression equipment.
- 4.5. Describe procedures and training for all fire and medical emergencies.

5. SECURITY PLAN

The Security Plan should consider all access control, inventory control, cash handling procedures. Complete policy/procedures manuals are not required at this point in the application process. Please only provide a description for each criteria which incorporates the following provisions:

- 5.1. The Security Plan shall be prepared and/or assessed by a professional security consultant.
- 5.2. Premises (Security) Diagram. In addition to diagrams submitted for other sections of the application, applicants are expected to submit a premises diagram (or site plan) which, focuses on the proposed security measures and how they relate to the overall business. (Pursuant to CCR Title 16, Division 42, §15006. Premises Diagram).
 - A. The diagram shall be accurate, dimensioned and to scale (minimum scale 1/4"). The scale may be smaller if the proposed location exceeds more than a 1/2-acre parcel but must not be printed on larger than an 11" x 17" sheet of paper. (Blueprints and engineering site plans are not required at this point of the application process)
 - B. The diagram must be drawn to scale and clearly identify property boundaries, entrances, exits, interior partitions, walls, rooms, windows, and doorways. The activity in each room and the location of all cameras must be identified in the diagram.
 - C. Description of cannabis activity that will be conducted in each area of the premise. Commercial cannabis activities that must be identified on the diagram/site plan may include but are not limited to the following if applicable to the business operations; storage areas, batch sampling areas, loading/unloading of shipment areas, packaging and labeling, customer sales areas, training areas, employee break room areas, extractions, infusions, processing, and testing areas.
 - D. Limited-access areas, defined as areas in which cannabis goods are stored or held and only accessible to licensees, or its employees or contractors and areas used for video surveillance monitoring and storage devices (Pursuant to CCR Title 16, Division 42, §15000 (ll) Limited-Access Area and §15042 Limited-Access Area.
 - E. Number and location of all video surveillance cameras.
- 5.3. Identify intrusion alarm and monitoring system including the name and contact information for the monitoring company (if the company has been selected).
- 5.4. Briefly describe cash handling procedures.
- 5.5. Discuss whether the CCB will utilize the services of on-site security guards. Include in the discussion:
 - A. Number of guards.
 - B. Hours guards will be on-site.
 - C. Locations at which they will be positioned.
 - D. Guards' roles and responsibilities.

6. LOCATION

- 6.1. In addition to the location-related details provided in the Cannabis Business Permit Application (pages 1-3), the application shall include a thorough description of the proposed location, including but not limited to the overall property, building, and floor plan.
- 6.2. The application shall include at least one (1) photograph of the front (street side) of the building or street view of the vacant parcel.
- 6.3. Premises (Site) Diagram for each proposed location. In addition to diagrams submitted for other sections of the Cannabis Business Permit Application, applicants are expected to submit a premise/site diagram that focuses on the overall property, building. This diagram should show the overall parcel and adjoining or neighboring buildings that may be affected by the commercial cannabis business.
 - A. A Premise (Site) Diagram must be accurate, dimensioned and to-scale (minimum scale of 1/4"). The diagram shall provide a detailed description of all available/shared parking spaces, driveway locations, and auxiliary buildings on the parcel. (Blueprints and engineering site plans are not required at this point of the application process. Security features are not required for this section.)

7. COMMUNITY BENEFITS AND INVESTMENTS PLAN

The Cannabis Business Permit Application should describe all benefits the CCB will provide to the local community. Benefits may be in the form of volunteer services, monetary donations to local non-profit organizations, financial support of City-sponsored activities or organizations, in-kind donations to the City or other charitable organizations and/or any other economic incentives to the City. (See Hemet Municipal Code Section 18-530(c)).



COMMERCIAL CANNABIS BUSINESS APPLICATION

Planning Department
455 East Florida Avenue
Hemet, CA 92543
Ph: 951.765.2375
Email: Planstaff@hemetca.gov
https://www.cityofhemet.org

APPLICANT (ENTITY) INFORMATION

APPLICANT (ENTITY) NAME: _____ DBA: _____

Physical Address: _____ City: _____ State: _____ Zip: _____

PRIMARY CONTACT (Same as above? [] Yes [] No): _____

Title: _____

Address: _____ City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

HAS ANY INDIVIDUAL IN THIS APPLICATION APPLIED FOR ANY OTHER CANNABIS PERMIT IN THE CITY OF HEMET: [] Yes [] No

Select one or more of the following categories. For each category, indicate whether you are applying for Adult-Use ("A") or/and Medicinal ("M") or both. Please note Retail can only be done in conjunction with another permitted activity at the same location.

[] Adult Use [] Medical Use

[] Retail (Storefront) [] Retail (Non-Storefront) [] Cultivation [] Distribution [] Manufacturing [] Microbusiness [] Testing Labs

Business Formation Documentation: Describe how the business is organized (attach to Business Plan).

[] Sole Partnership [] Corporation [] S-Corporation [] Limited Liability Company [] Limited Partnership

PROPERTY OWNER NAME: _____

Address: _____ City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

Zoning Verification Letter (Please attach): [] Yes [] No

Assessor's Parcel Number (APN): _____

Proposed Location Square Footage: _____

APPLICATION SUBMITTAL CHECKLIST

Applications failing to submit any of the following will be deemed incomplete unless otherwise noted by an asterisk for special deadlines, and will not move forward in the application process:

- One (1) printed hard copy of a complete and signed Commercial Cannabis Initial Application form (Pages 1-3), with the Application Fee.
All Evaluation Criteria outlined in Appendix A saved in PDF format on a single USB flash drive. (This section shall not exceed 200 pages).
Proof of comprehensive general liability insurance (minimum \$1M per occurrence) or evidence by an Insurance Agency that the cannabis business is insurable.
A signed and notarized Property Consent form and Lease Agreement.
A signed Financial Responsibility, Indemnity and Consent to Inspect Terms Agreement form (Pages F1-F3).
A signed Limitations of City Liability and Indemnification to City form (Pages F4-F6).
Proof of Background Check Fee receipt.
Application Zoning Verification Letter (ZVL).

* Background and Financial documents are not part of the 200-page limitation.

**The only information that can be submitted after the initial application is proof of insurance prior to the City Awarding a Cannabis Permit however, at a minimum proof of insurability must be provided with the initial application package.

SUPPORTING INFORMATION

List all fictitious business names the applicant is operating under including the address where each business is located:

Has the Applicant or any of its owners been the subject of any administrative action, including but not limited to suspension, denial, or revocation of a cannabis business license at any time during the past five (5) years? If so, please list and explain:

Is the Applicant or any of its owners currently involved in an application process in any other jurisdiction?

APPLICATION CERTIFICATION

I hereby certify, under penalty of perjury, on behalf of myself and all owners, managers and supervisors identified in this application that the statements and information furnished in this application and the attached exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented are true and correct to the best of my knowledge and belief. I understand that a misrepresentation of fact is cause for rejection of this application, denial of the permit, or revocation of a permit issued.

In addition, I understand that the filing of this application grants the City of Hemet permission to reproduce submitted materials for distribution to staff, Commissions, Boards and City Council Members, and other Agencies to process the application. Nothing in this consent, however, shall entitle any person to make use of the intellectual property in plans, exhibits, and photographs for any purpose unrelated to the City's consideration of this application.

Furthermore, by submitting this application, I understand and agree that any business resulting from an approval shall be maintained and operated in accordance with requirements of the City of Hemet Municipal Code and State law.

Under penalty of perjury, I hereby declare that the information contained in within and submitted with the application is true, complete, and accurate. I understand that a misrepresentation on the facts is cause for rejection of this application, denial of a license or revocation of an issued license.

Name

Signature

Title

Date

For details about the information required as part of the application process, see the Application Procedures & Guidelines, City of Hemet Municipal Code Article XVI, and any additional requirements to complete the application process. All documents can be found online at <https://www.cityofhemet.org>. For questions, please contact the Community Development Department at 951.765.2375 or Planstaff@hemetca.gov.

OWNER INFORMATION

It must be completed by all owners with a 10% ownership or more. The total ownership percentage should equal 100%. Exception: If the business is a Publicly Traded Company (PTC), they will only be required to list all the Board of Directors and/or any person with an ownership interest of 10% or more. Please provide supporting documentation if you are claiming the PTC Waiver.

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.

Ownership % _____

Name: _____ Title: _____

Address: _____ City: _____ State: _____ Zip: _____

Background Information Included as required? Yes No

Signature: _____ Date: _____

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.

Ownership % _____

Name: _____ Title: _____

Address: _____ City: _____ State: _____ Zip: _____

Background Information Included as required? Yes No

Signature: _____ Date: _____

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.

Ownership % _____

Name: _____ Title: _____

Address: _____ City: _____ State: _____ Zip: _____

Background Information Included as required? Yes No

Signature: _____ Date: _____

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.

Ownership % _____

Name: _____ Title: _____

Address: _____ City: _____ State: _____ Zip: _____

Background Information Included as required? Yes No

Signature: _____ Date: _____

Add more pages as necessary to accommodate all Commercial Cannabis Business Owners

**CITY OF HEMET
COMMERCIAL CANNABIS BUSINESS LICENSE APPLICATION
FINANCIAL RESPONSIBILITY, INDEMNITY AND
CONSENT TO INSPECTION TERMS**

Dated: _____, 2024

I hereby agree to the following terms:

1. I herewith pay the sum of \$8,500 for the application fee for the review and processing of an application for commercial cannabis business permit.
2. The entire fee amount paid to the City of Hemet (“City”) is non-refundable for any reason. There is no guarantee - expressed or implied - that by submitting the application or paying the application fee that I will obtain a regulatory permit to operate a commercial cannabis business, land use entitlements, or any benefit whatsoever.
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 fees paid. This is my personal obligation and shall not be affected by 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. The City will promptly notify the Applicant(s) and Owner(s) of any claim, action, or proceeding that is or may be subject to this Agreement on Limitations of City’s Liability, and Certifications, Assurances Warranties, and Indemnification to City. The City may, within its unlimited and sole discretion, participate in the defense of any such claim, action, or proceeding.
6. I will fund a deposit account (“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 the agreement on limitations of City’s Liability, and Certifications, Agreement of Limitations of City’s Liability, and Certifications, Assurances, Warranties, and Indemnification to City

Assurances Warranties, and Indemnification to City. 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 \$10,000 to the Fund to reimburse my portion of the City defense costs, as determined by the City in its sole discretion. The Fund shall 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. 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.

7. The City shall have the sole and absolute right to approve any and all counsel employed to defend the City. To the extent the City uses any of its resources to respond to such claim, action or proceeding, or to assist the defense, I will reimburse the City for those costs. Such resources include, but are not limited to, staff time, court costs, City Attorney's time, or any other direct or indirect cost associated with responding to, or assisting in defense of, the claim, action, or proceedings.
8. 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.
9. 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.

In the event a request for information under the California Public Records Act seeks disclosure of application materials marked by me as “Confidential information,” the City will make reasonable efforts to provide notice to me prior to such disclosure to allow me to seek a protective order, injunctive relief, or other appropriate remedy. If I contend any designated application materials are exempt from the CPRA and wish to prevent disclosure, I agree that I am required, at my own, cost, liability, and expense to obtain a protective order, injunctive relief or other appropriate remedy from a court having jurisdiction over the matter at least two (2) days before City’s deadline to respond to the California Public Records Act request. I understand and acknowledge that if I fail to obtain such a remedy before the deadline for the City’s response to the request, the City will disclose the requested information and shall not be liable or responsible for such disclosure.

10. 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.
11. This Agreement shall be construed and enforced in accordance with the laws of the State of California and in any legal action or other proceeding brought by either party to enforce or interpret this Agreement; the appropriate venue is the Riverside County Superior Court.

[Signature Page Follows]

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(s)/Owner(s):

Printed Name

Signature

Property Owner(s): (if different)

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

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

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 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.

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. 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.

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. AUTHORIZED TO SIGN

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

[Signature Page follows]

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 Article XVI, and all other applicable sections of this Ordinance.

Applicant Signature

Printed Name and Title

Name of Business Entity

Address of Permitted Location

Date

Applicant Signature

Printed Name and Title

Name of Business Entity

Address of Permitted Location

Date

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

City of _____

Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 20____, by _____, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

(Seal) Signature _____