# Exhibit A

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# EXHIBIT A DRAFT RESOLUTION

# Before the Planning Commission in and for the County of Monterey, State of California

## In the matter of the application of: MCCAHON/LADYBUG FARMS, LLC (PLN170127) RESOLUTION NO.

Resolution by the Monterey County Planning Commission:

- Finding that a change of use within existing greenhouse and warehouse facilities is not an expansion of use beyond what existed at the time of the lead agency's determination, which qualifies as a Class 1 Categorical Exemption per Section 15301 of the CEQA Guidelines and none of the exceptions under Section 15300.2 apply; and
- Approving a Use Permit to allow approximately 715,000 square feet of canopy area for commercial medical cannabis cultivation in existing and reconstructed greenhouses, and approximately 10,000 square feet of non-volatile medical cannabis processing/manufacturing operations within an existing warehouse at 1400 San Juan Road, Royal Oaks.

[PLN170127, McCahon/Ladybug Farms, LLC, 1400 San Juan Rd., Royal Oaks, North County Area Plan area (APN 267-031-008-000)]

McCahon/Ladybug Farms, LLC application (PLN170127) came on for public hearing before the Monterey County Planning Commission on March 14, 2018. Having considered all the written and documentary evidence, the administrative record, the staff report, oral testimony, and other evidence presented, the Planning Commission finds and decides as follows:

## FINDINGS

- FINDING: CONSISTENCY The Project, as conditioned, is consistent with the applicable plans and policies which designate this area as appropriate for development.
  EVIDENCE: a) An application for a Use Permit to allow a medical cannabis
  - **EVIDENCE:** a) An application for a Use Permit to allow a medical cannabis cultivation and non-volatile manufacturing operation at 1400 San Juan Road, Royal Oaks was filed on October 30, 2017 and was deemed complete on January 25, 2018.
    - b) During the course of review of this application, the project has been reviewed for consistency with the text, policies, and regulations in:

- the 2010 Monterey County General Plan;
- the North County Area Plan;
- Monterey County Zoning Ordinance (Title 21);

No conflicts were found to exist. A neighboring homeowner called the project planner to express concerns regarding the security of the proposed commercial medical cannabis operation. No communications were received during the course of review of the project indicating any inconsistencies with the text, policies, and regulations in these documents.

- c) The property is located at 1400 San Juan Road, Royal Oaks (APN267-031-008-000), North County Area Plan. The parcel is zoned Farmland, 40 acres per unit (F/40), which allows commercial cannabis cultivation and manufacturing operations subject to a Use Permit in each case. Therefore, the project is an allowed land use for this site.
- d) The proposed application involves use of existing greenhouses, warehouses, and office space on the site. Two existing greenhouses (Greenhouse U and V) are proposed to be rebuilt. New development is limited to erection of an eight-foot-tall chain link fence around the property to provide security, and new security cameras and lighting.
- e) <u>Location</u>: The cultivation and manufacturing operation are proposed within existing greenhouses, with the exception of two greenhouses that will be reconstructed, in the Farmland zoning district. Drying, trimming, curing, packaging, and nonvolatile manufacturing will occur within existing warehouses on-site. The property is located more than 600 feet from the nearest school, public park or drug recover facility.
- f) <u>Unique Identifiers</u>: The Operations Plan (D-9, Track and Track Measures) describes how Ladybug Farms, LLC will have a point-ofsale tracking system, such as Bio Track, to track and report on all aspects of the business including, but not limited to, cannabis tracking, inventory data, and gross sales (by weight and by sale). The system will have the capability to produce historical transactional data for review by the County designee.
- g) <u>Security:</u> The General Development Plan (Security Measures) provides a detailed description of security measures to be implemented on-site. The proposed security measures have been reviewed by the RMA and Monterey Regional Fire and include 24-hour on-site security guards, procedural safeguards, an eight-foot perimeter fence with secured gate access and razor wire, interior and exterior video surveillance, electronic security systems, and emergency response plans.
- h) <u>Pesticides and Fertilizers</u>: The Operations Plan (D-14-c. Hazardous Materials Questionnaire) identifies the types and quantities of fertilizers, pesticides, gasses and fuels that will be labeled and stored in Building C to avoid contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife. Ladybug Farms will follow all pesticide use requirements of local, State, and Federal law. Ladybug Farms, LLC will obtain an operator ID for use of pesticides and fertilizers. Annual training is provided for all staff members on protocols for chemical use and storage. Pesticides and fertilizers will be stored in accordance with Section 21.67.050.B7.

- i) <u>Water conservation measures</u>: The Operations Plan (E-2-a Water Conservation Measures for medical cannabis cultivation), describes how the site will benefit from water conservation methods, including automatic drip irrigation system and impulse water techniques, already employed at the existing greenhouse facilities. The combination of a drip irrigation system and impulse water techniques are appropriate to minimize projected water use for the operations consistent with Section 21.67.050.B.8.
- i) Energy Efficiency: Renewable energy is encouraged but not required for medical cannabis cultivation. The commercial cannabis operations will require some use of artificial lighting as well as use of mechanical systems for environmental controls which could increase energy demands and result increased greenhouse gas emissions. The Operation Plan (E-2-b. Projected Energy Demand and Proposed Renewables) describe how project energy demands will be reduced at the existing facilities. To minimize project energy demand of the medical cannabis cultivation operation the applicant will change the energy curtain materials for the greenhouses from single poly covering with a 50% insulation factor to a new synthetic double material that has an 85% insulation factor. This will reduce the amount of natural gas needed to heat the greenhouses. The applicant will also use LED lighting in place of the current lighting system to reduce electricity use by approximately 60%.
- k) <u>Visibility:</u> No plants or advertisements of cannabis plants or products will be visible from off-site. An 8-foot tall security fence with privacy screening (i.e., chain link fence with full privacy slates or non-see through green netting) will be provided and no advertising signage is proposed.
- <u>Canopy size:</u> Ladybug Farms, LLC. will cultivate approximately 715,000 square feet or 16 acres' total canopy area at the site. Monterey County will require that any tenant at the site obtain a State licenses for the total canopy area cultivated.
- m) Any cultivation business operating at the site will be required to obtain the appropriate Commercial Cannabis Business Permits pursuant to Chapter 7.90 of the Monterey County Code, a Business License pursuant to Chapter 7.100 of the Monterey County Code, and proper cultivation licenses from the State. These other licenses and entitlements will ensure ongoing monitoring of compliance with the plans and operational requirements. Failure to obtain and maintain all required permits, licenses, and entitlements may be ground for revocation of this permit.
- n) The application, project plans, and related support materials submitted by the project applicant to Monterey County RMA-Planning for the proposed development found in Project File PLN170127.
- 2. **FINDING: SITE SUITABILITY** The site is physically suitable for the use proposed.
  - **EVIDENCE:** a) The project has been reviewed for site suitability by the following departments and agencies: Agricultural Commissioner's Office, Environmental Health Bureau, Monterey Regional Fire Protection

District, RMA-Environmental Services, RMA- Planning, RMA-Public Works, Sheriff's Office, and Water Resources Agency. There has been no indication from these departments/agencies that the site is not suitable for the proposed development. Conditions recommended have been incorporated.

- b) <u>Odor</u>: The site is primarily located on, and surrounded by, large lot agricultural lands. Odor emitting activities include cannabis cultivation, harvesting, and packaging; and cannabis manufacturing extraction. Odors are not anticipated to impact sensitive receptors in the area.
- c) The Operations Plan (D-11, Odor Prevention Devices), submitted by the applicant, describes in detail the proposed odor prevention devices for the project. Odor prevention devices, including fans and charcoal filters, will be installed in all greenhouses to prevent odor sources from cultivation. Odor prevention devices, including a planned closed HVAC system, fans, and charcoal filters, will be installed in Manufacturing Building G, to prevent odor sources from drying and curing, and manufacturing. Ladybug Farms, LLC will utilize standard operating procedures designed as a guideline to property train employees how to maintain and record maintenance of the HVAC system and charcoal filters. A Condition of Approval (Condition 9) has been added to require installation and maintenance of odor control devices.
- d) The site has been used for agricultural uses for several decades. The transition of the existing greenhouses to cannabis plants would be similar to the historic uses at the site.
- e) Operational plans including security, tracking, reporting, sustainability measures, and other relevant information are proposed to address regulatory requirements and minimize impacts at the site and in the surrounding areas (See also Finding 1 with relevant evidences)
- f) The application, project plans, and related support materials submitted by the project applicant to the Monterey County RMA - Planning for the proposed development found in Project File PLN170127.
- 3. FINDING: HEALTH AND SAFETY The establishment, maintenance, or operation of the project applied for will not under the circumstances of this particular case be detrimental to the health, safety, peace, morals, comfort, and general welfare of persons residing or working in the neighborhood of such proposed use, or be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the County.
  - **EVIDENCE:** a) The project was reviewed by the Agricultural Commissioner's Office, Environmental Health Bureau, Monterey Regional Fire Protection District, RMA-Environmental Services, RMA- Planning, RMA-Public Works, Sheriff's Office, and Water Resources Agency. The respective agencies have recommended conditions, where appropriate, to ensure that the project will not have an adverse effect on the health, safety, and welfare of persons either residing or working in the neighborhood.

- b) Necessary public facilities are available including an existing water system, septic-systems, and PG&E utilitiesThe well and septic systems have been tested to ensure they comply with the relevant health standards. The septic system will require an upgrade prior to issuance of the Cannabis Business License.
- c) Operational plans including security, tracking, reporting, sustainability measures, and other relevant information are proposed to address regulatory requirements and minimize impacts at the site and in the surrounding areas (See also Finding 1 with relevant evidences).
- d) Any business cultivating cannabis at the site will be required to obtain appropriate Commercial Cannabis Business Permits pursuant to Chapter 7.90 of the Monterey County Code, a Business License pursuant to Chapter 7.100 of the Monterey County Code, and appropriate licenses from the State. These other licenses and entitlements will ensure ongoing monitoring of compliance with the plans and operational requirements.
- e) The Agricultural Commissioner's Office will inspect packaging, labeling, and weighing devices used on-site.
- f) The application, project plans, and related support materials submitted by the project applicant to the Monterey County RMA - Planning for the proposed development found in Project File PLN170127.
- 4. **FINDING: NO VIOLATIONS -** The subject property is in compliance with all rules and regulations pertaining to zoning uses. No violations exist on the property.
  - **EVIDENCE:** a) Staff reviewed Monterey County RMA Planning and Building Services Department records and is not aware of any violations existing on subject property.
    - b) Staff researched County records to assess if any violation exists on the subject property. There are no known violations on the parcel.
    - c) The application, plans and supporting materials submitted by the project applicant to Monterey County RMA-Planning for the proposed development are found in Project File PLN170127.
- 5. **FINDING: STATE AND COUNTY REQUIREMENTS**: As proposed, the applicant has demonstrated that they can and will comply with all of the requirements of the State and County for the cultivation of cannabis.
  - **EVIDENCE** a) Operational plans including security measures, track and trace programs, monitoring and reporting requirements, packaging and labeling standards, sustainability measures, and other relevant information are proposed to address regulatory requirements contained in Section 21.67.050 and Section 12.67.060 of the Inland Zoning Ordinance Title 21 (See also Finding 1 with relevant evidences).
    - b) Any business cultivating cannabis at the site will be required to obtain appropriate Commercial Cannabis Business Permits pursuant to Chapter 7.90 of the Monterey County Code, a Business License pursuant to Chapter 7.100 of the Monterey County Code, and appropriate licenses from the State. These other licenses and entitlements will ensure ongoing monitoring of compliance with the

plans and operational requirements on the local and State level. Failure to obtain and maintain all required permits, licenses, and entitlements may be grounds for revocation of this permit.

- 6. **FINDING: REQUIRED SET BACKS: -** The cultivation will not be located within six hundred feet from any school, public park, or drug recovery facility.
  - **EVIDENCE:** a) The cultivation will be located at 1400 San Juan Road, Royal Oaks (APN267-031-008-000)
    - b) There are no schools, parks or known drug recovery facilities in the area.

7. **FINDING: WATER EFFICENCY: -** As proposed, the cultivation includes adequate measures to minimize use of water for cannabis cultivation at the site.

- **EVIDENCE:** a) Plans and materials contained in the file (PLN170127) include measures to minimize water use for cultivation. A combination of a drip irrigation system and impulse water techniques will be employed at the existing greenhouse facilities.
  - b) The project is located in an area with known groundwater overdraft outside of Zone 2C (the area of benefit of the Salinas Valley Water Project).with Zone 2C of the Salinas Valley groundwater basin (Policy PS-3.1). Activities proposed at the site are similar in nature and intensity to the historic use of the property and measures have been incorporated in the proposal to improve water efficiency of operations at the site. With water efficiency measures incorporated, use of the existing facilities for commercial cannabis activities are not anticipated to result in increased demand on the groundwater aquifers.
  - c) Adequate water quantity and quality are available for the proposed use by the on-site well.
- 8. **FINDING: ENERGY EFFICENCY:** As proposed, the project includes adequate measures to address the projected energy demand for cannabis cultivation at the site.
  - **EVIDENCE:** a) To minimize the project's energy demand, the applicant will change the energy curtain materials in the existing greenhouses from single poly covering with a 50% insulation factor to a new synthetic double material that has an 85% insulation factor. This will reduce the amount of natural gas needed to heat the greenhouses. The applicant will also use LED lighting in place of the current lighting system to reduce electricity use by approximately 60%.
- 9. **FINDING: QUALITY CONTROL:** Adequate measures are proposed to ensure that cannabis cultivated and manufactured at the site meets the industry standards.
  - **EVIDNECE:** a) The Operations Plan (D-2-b, Safety and Quality of Products) submitted for the project describes the standard operating procedures designed as a guideline for the safety and quality of all products. The following procedures will be implemented for the safety and quality of

cannabis products: properly sanitizing and cleaning floors, bathrooms, walls, surfaces, drying nets, pruning scissors, trim trays, drip trays, storage fridge and freezer.

- b) The Operations Plan (D-7, Product Supply Chain, D, Testing) submitted for the project describes how all medical cannabis and medical cannabis products will be tested by a registered testing laboratory prior to retail sale or dispensing. After testing, grading and weighing, the product will be packaged and labeled.
- c) Operational standards ensure that all plants are inspected for fungus, molds, mites, pesticides, or foreign substances on a plant in the vegetative and flowering state.
- d) The Operations Plan (E-3-B, Storage Protocol) submitted for the project describes how the medical cannabis manufacturing operation will store all raw materials that are not drying and curing in a safe room (Building G). The room will be kept at a constant temperature of 65 degrees F. All vents and air quality controls will be maintained as required in the manufacturing facility quality control standard operation procedure section.
- e) Operational standards that ensure testing of each batch of cannabis produced at the site will be addressed through the Commercial Cannabis Business Permit required pursuant to Chapter 7.90 of the Monterey County Code.
- 11. **FINDING: SAFTEY FROM HAZARDS:** The cultivation will provide adequate measures to ensure the manufacturing facility does not pose a significant threat to the public or to neighboring uses from explosion or from the release of harmful gases, liquids, or substances.
  - **EVIDNECE:** a) The Operations Plan (F-3 Hazardous Material Usage and Storage) submitted for the project includes the Permit to Operate issued to McCahon Floral, Inc. by the Certified Unified Program Agency Monterey County Environmental Health Division to operate hazardous materials. This permit is valid through June 30, 2018. Ladybug Farms, LLC will be required to obtain the same permit for handling and usage of hazardous materials if applicable.
    - b) The Operations Plan (D-2-b Safety and Quality of Products) submitted for the project includes standard operating procedures for emergency situations; such as, a fire, chemical spill, carbon dioxide leak, or any other emergency situations to assure that all employees are aware of what to do in the case of an emergency.
- 12. **FINDING: FEDERAL COMPLIANCE:** The cultivation will provide adequate measures that address the federal enforcement priorities for cannabis activities including restricting access to minors, prohibiting use or possession of firearms for security purposes at the premises, and ensuring that cannabis and cannabis products are supplied from permitted and licensed sources.
  - **EVIDENCE:** a) Plans and materials contained in file PLN170127 include descriptions of security measures that restrict youth access to the site. The applicant proposes to transport products produced on-site for batch testing and, pending test results, to the next step in the supply chain. Unique

identifiers, track and trace systems, and adequate records will be kept providing on-going evidence of non-diversion requirements. On-site security is prohibited from carrying firearms.

- b) Background checks of all persons with 10 percent or more interest in the cannabis businesses will be conducted. Any known association with organized crime may be grounds for denial of business permits and State licenses required to operate the dispensary.
- c) Any cannabis cultivation business operating at the site will be required to obtain appropriate Commercial Cannabis Business Permits pursuant to Chapter 7.90 of the Monterey County Code, a Business License pursuant to Chapter 7.100 of the Monterey County Code, and appropriate licenses from the State. These other licenses and entitlements will ensure ongoing monitoring of compliance with the plans and operational requirements on the local and State level.
- d) Violations of Federal Enforcement priorities may be grounds for revocation of this permit.

13. **FINDING: CEQA (Exempt): -** The project is categorically exempt from environmental review and no unusual circumstances were identified to exist for the proposed project

- **EVIDENCE:** a) California Environmental Quality Act (CEQA) Guidelines Section 15301, categorically exempts permitting, licensing, and minor alterations of existing structures and facilities involving negligible or no expansion of use beyond that existing.
  - b) The project entails a change in agricultural use within an existing greenhouses and related facilities at the site. The site has traditionally been used for agricultural greenhouse uses and this Use Permit would authorize the use of the same facilities for cultivation of medical cannabis. Physical development is limited to installing security fencing around the perimeter of the site and upgrades to existing facilities.
  - c) None of the exceptions under CEQA Guidelines Section 15300.2 apply to this project. The project is not in a particularly sensitive environment, will not result in cumulatively considerable impacts, will not impact a hazardous waste site or historical resources, and will not damage scenic resources.
  - d) The applicant has proposed appropriate Operations Plan and details to minimize nuisances in the vicinity including odor and security measures (see the preceding Findings and Evidence).
  - e) The application, project plans, and related support materials submitted by the project applicant to Monterey County RMA-Planning for the proposed development found in Project File PLN170127.

# 14. **FINDING: APPEALABILITY -** The decision on this project may be appealed to the Board of Supervisors

# **EVIDENCE:** a) Section 21.80.040.D of the Monterey County Zoning Ordinance states that the proposed project is appealable to the Board of Supervisors.

b) The project is not located in the Coastal Zone.

# **DECISION**

**NOW, THEREFORE**, based on the above findings and evidence, the Planning Commission does hereby:

- 1. Find that a change of use within existing greenhouse and warehouse facilities is not an expansion of use beyond what existed at the time of the lead agency's determination, which qualifies as a Class 1 Categorical Exemption per Section 15301 of the CEQA Guidelines; and none of the exceptions under Section 15300.2 apply; and
- 2. Approve a Use Permit to allow approximately 715,000 square feet of canopy area for commercial medical cannabis cultivation, and approximately 10,000 square feet of canopy area for non-volatile processing/manufacturing operations within existing warehouse space 1400 San Juan Road, Royal Oaks, in general conformance with the attached sketch the attached Operations Plan, and subject to the attached conditions all being attached hereto and incorporated herein by reference.

**PASSED AND ADOPTED** this 14<sup>h</sup> day of March, 2018 upon motion of \_\_\_\_\_\_, seconded by \_\_\_\_\_\_, by the following vote:

AYES: NOES: ABSENT: ABSTAIN:

Jacqueline R. Onciano, Secretary to the Planning Commission

## COPY OF THIS DECISION MAILED TO APPLICANT ON

## THIS APPLICATION IS APPEALABLE TO THE BOARD OF SUPERVISORS.

# IF ANYONE WISHES TO APPEAL THIS DECISION, AN APPEAL FORM MUST BE COMPLETED AND SUBMITTED TO THE CLERK TO THE BOARD ALONG WITH THE APPROPRIATE FILING FEE ON OR BEFORE

This decision, if this is the final administrative decision, is subject to judicial review pursuant to California Code of Civil Procedure Sections 1094.5 and 1094.6. Any Petition for Writ of Mandate must be filed with the Court no later than the 90th day following the date on which this decision becomes final.

## <u>NOTES</u>

1. You will need a building permit and must comply with the Monterey County Building Ordinance in every respect.

Additionally, the Zoning Ordinance provides that no building permit shall be issued, nor any use conducted, otherwise than in accordance with the conditions and terms of the permit granted or until ten days after the mailing of notice of the granting of the permit by the appropriate authority, or after granting of the permit by the Board of Supervisors in the event of appeal.

Do not start any construction or occupy any building until you have obtained the necessary permits and use clearances from Monterey County RMA-Planning and RMA-Building Services Department office in Salinas.

2. This permit expires 3 years after the above date of granting thereof unless construction or use is started within this period.

# Monterey County RMA Planning

# DRAFT Conditions of Approval/Implementation Plan/Mitigation Monitoring and Reporting Plan

PLN170127

#### 1. PD001 - SPECIFIC USES ONLY

Responsible Department: RMA-Planning

Condition/Mitigation This Use Permit permit (PLN170127) allows 715,000 square feet of canopy area for **Monitoring Measure:** commercial medical cannabis cultivation, and approximately 6,000 square feet of canopy area for non-volatile medical cannabis processing/manufacturing operations within an existing building. The property is located at 1400 San Juan Rd (Assessor's Parcel Number 261-031-008-000), North County Area Plan. This permit was approved in accordance with County ordinances and land use regulations subject to the terms and conditions described in the project file. Neither the uses nor the construction allowed by this permit shall commence unless and until all of the conditions of this permit are met to the satisfaction of the Director of RMA - Planning. Any use or construction not in substantial conformance with the terms and conditions of this permit is a violation of County regulations and may result in modification or revocation of this permit and subsequent legal action. No use or construction other than that specified by this permit is allowed unless additional permits are approved by the appropriate authorities. To the extent that the County has delegated any condition compliance or mitigation monitoring to the Monterey County Water Resources Agency, the Water Resources Agency shall provide all information requested by the County and the County shall bear ultimate responsibility to ensure that conditions and mitigation measures are properly fulfilled. (RMA - Planning)

Compliance or Monitoring Action to be Performed: Compliance or Monitoring Action to be Performed:

#### 2. PD002 - NOTICE PERMIT APPROVAL

| Responsible Department:                                | RMA-Planning   |
|--|--|
| Condition/Mitigation<br>Monitoring Measure:            | The applicant shall record a Permit Approval Notice. This notice shall state:<br>"A [Type of Permit] (Resolution Number ***) was approved by [Name of Hearing<br>Body] for Assessor's Parcel Number *** on [Date the permit was approved]. The<br>permit was granted subject to *** conditions of approval which run with the land. A<br>copy of the permit is on file with Monterey County RMA - Planning." |
|  | Proof of recordation of this notice shall be furnished to the Director of RMA - Planning prior to issuance of grading and building permits, Certificates of Compliance, or commencement of use, whichever occurs first and as applicable. (RMA - Planning)   |
| Compliance or<br>Monitoring<br>Action to be Performed: | Prior to the issuance of grading and building permits, certificates of compliance, or commencement of use, whichever occurs first and as applicable, the Owner/Applicant shall provide proof of recordation of this notice to the RMA - Planning.  |

#### 3. PD003(A) - CULTURAL RESOURCES NEGATIVE ARCHAEOLOGICAL REPORT

Responsible Department: RMA-Planning

Condition/Mitigation lf, during the course of construction, cultural, archaeological, historical or Monitoring Measure: paleontological resources are uncovered at the site (surface or subsurface resources) work shall be halted immediately within 50 meters (165 feet) of the find until a qualified professional archaeologist can evaluate it. Monterey County RMA - Planning and a qualified archaeologist (i.e., an archaeologist registered with the Reaister of Professional Archaeologists) shall be immediately contacted by the responsible individual present on-site. When contacted, the project planner and the archaeologist shall immediately visit the site to determine the extent of the resources and to develop proper mitigation measures required for recovery. (RMA - Planning)

Compliance or Monitoring Action to be Performed:

or The Owner/Applicant shall adhere to this condition on an on-going basis.

Prior to the issuance of grading or building permits and/or prior to the recordation of the final/parcel map, whichever occurs first, the Owner/Applicant shall include requirements of this condition as a note on all grading and building plans. The note shall state "Stop work within 50 meters (165 feet) of uncovered resource and contact Monterey County RMA - Planning and a qualified archaeologist immediately if cultural, archaeological, historical or paleontological resources are uncovered."

When contacted, the project planner and the archaeologist shall immediately visit the site to determine the extent of the resources and to develop proper mitigation measures required for the discovery.

#### 4. PDSP001 - ANNUAL INSPECTION

| Responsible Department:                                | RMA-Planning  |
|--|---|
| Condition/Mitigation<br>Monitoring Measure:            | The retailer shall allow access to the retail facilities and records if requested by the County, its officers, or agents, and shall pay an annual inspection and submit to inspections from the County or its officers to verify compliance with all relevant rules, regulations, and conditions. |
| Compliance or<br>Monitoring<br>Action to be Performed: | The retailer shall allow for inspection of the premises and records on an ongoing basis.  |

#### 5. PDSP002 - INSPECTION OF RECORDS

Responsible Department: Code Enforcement

Condition/Mitigation<br/>Monitoring Measure:The applicant, owner, and all permittees agree to submit to, and pay for, inspections<br/>of the operations and relevant records or documents necessary to determine<br/>compliance with Monterey County Code from any enforcement officer of the County or<br/>their designeeCompliance or<br/>Compliance orOngoing during cannabis operations. Allow access to cannabis business records and

Action to be Performed: pay any required inspection fees.

#### 6. PDSP003 - COMMERCIAL CANNABIS PERMIT

| Responsible Department:                                | RMA-Planning  |
|--|---|
| Condition/Mitigation<br>Monitoring Measure:            | Any person, business, or entity cultivating cannabis on the property shall obtain a valid<br>and fully executed commercial cannabis permit pursuant to Chapter 7.90 of the<br>Monterey County Code prior to commencing commercial cannabis activities at the site<br>and must maintain such permits in good standing in order to continue operations. |
| Compliance or<br>Monitoring<br>Action to be Performed: | Within 90 days of approval of this Use Permit, the business currently operating at the site shall apply for and obtain all required commercial cannabis business permits.   |

#### 7. PDSP004 - GROUNDS FOR REVOCATION

#### Responsible Department: RMA-Planning

| Condition/Mitigation<br>Monitoring Measure:            | The owner shall be responsible for ensuring that all commercial cannabis activities at<br>the site operate in good standing with all permits and licenses required by the<br>Monterey County Code and State law. Failure to take appropriate action to evict or<br>otherwise remove permittess and persons conduction commercial cannabis activities<br>at the site who do not maintain permits or licenses in good standing with the County or<br>State shall be grounds for the suspension or revocation of this Use Permit. |
|--|--|
| Compliance or<br>Monitoring<br>Action to be Performed: | Ongoing during cannabis operations.<br>The owner shall ensure that all commercial cannabis activities obtain and maintain all<br>required permits, licenses, and entitlements or take appropriate actions to evict<br>operators who do not maintain appropriate permits, licenses, and entitlements.   |

#### 8. PDSP005 - COMPLIANCE WITH OPERATIONS PLANS

| Responsible Department:                                | RMA-Planning   |
|--|--|
| Condition/Mitigation<br>Monitoring Measure:            | The cultivation activities shall be maintained in accordance with the operating plans approved by the County.                  |
| Compliance or<br>Monitoring<br>Action to be Performed: | Ongoing during cannabis operations. Cultivation activities shall comply with the operations plans approved by this Use Permit. |

#### 9. PDSP006 - ODOR CONTROL

| Responsible Department:                                | RMA-Planning  |
|--|---|
| Condition/Mitigation<br>Monitoring Measure:            | The property owner shall ensure that any cannabis businesses operating on -site conforms to Section 7.90.100.A.7 of the Monterey County Code, as may be amended, including requiring installation and maintenance of odor prevention devices and techniques that are capable of ensuring odors from cannabis are not detectable off-site. |
| Compliance or<br>Monitoring<br>Action to be Performed: | Prior to issuance of Commercial Cannabis Business Permits, the owner/applicants shall provide plans and information to the satisfaction of the Chief of Planning, describing how odors will be controlled and how the odor control devices will be maintained.  |
|  | Odor prevention devices shall be maintained in accordance with approved odor control plans during the life of the operations.   |

#### 10. PDSP007 - PERMITS, LICENSES, AND ENTITLEMENTS

Responsible Department: RMA-Planning

**Condition/Mitigation Monitoring Measure:** The owner shall be responsible for ensuring that all commercial cannabis activities at the site operate in good standing with all permits and licenses required by the Monterey County Code and State law. Failure to take appropriate action to evict or otherwise remove permittee and persons conducting commercial cannabis activities at the site who do not maintain permits or licenses in good standing with the County or State shall be grounds for the suspension or revocation of a Use Permit pursuant to Section 21.67.120 of the Monterey County Code.

Action to be Performed: Action

#### 11. PWSP0002 - DRIVEWAY IMPROVEMENTS

Responsible Department: RMA-Public Works

Condition/Mitigation Applicant/Owner shall improve the existing driveway connection/pavement to San Monitoring Measure: Juan Road. Trim or remove the hedges and vegetation to the driveways at San Juan Road to provide sight visibility.

Compliance or<br/>MonitoringPrior to Building Issuance Owner/Applicant shall obtain an encroachment permit from<br/>RMA. Improvements are to be completed prior to occupancy or commencement of<br/>use. Applicant is responsible to obtain all permits and environmental clearances