

ORDINANCE NO. 519

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUSA, CALIFORNIA AMENDING VARIOUS SECTIONS AND ADDING ARTICLE 21.5 TO THE CITY ZONING CODE AND AMENDING SECTIONS AND ADDING CHAPTER 12F TO THE CITY OF COLUSA MUNICIPAL CODE ALL REGARDING CANNABIS MANUFACTURING USE AND REGULATORY PERMITS.

WHEREAS, in 1996, the voters of the State of California approved Proposition 215 (codified as Health & Safety Code Section 11362.5 *et seq.* and entitled “The Compassionate Use Act of 1996”); and,

WHEREAS, the intent of Proposition 215 was to enable seriously ill Californians to legally possess, use, and cultivate marijuana for medical use under state law; and,

WHEREAS, in 2003, the California Legislature adopted SB 420, the Medical Marijuana Program (“MMP”), codified as Health and Safety Code Section 11362.7 *et seq.*, which permits qualified patients and their primary caregivers to associate collectively or cooperatively to cultivate marijuana for medical purposes without being subject to criminal prosecution under the Penal Code; and,

WHEREAS, neither the Compassionate Use Act (“CUA”) nor the MMP require nor impose an affirmative duty or mandate upon local governments to allow, authorize, or sanction the establishment of facilities that cultivate or process medical marijuana within its jurisdiction; and,

WHEREAS, in May 2013, the California Supreme Court issued its decision in *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal. 4th 729, holding that cities have the authority to regulate or ban outright medical marijuana land uses; and,

WHEREAS, under the Federal Controlled Substances Act, codified in 21 U.S.C. Section 801 *et seq.*, the use, possession, and cultivation of marijuana are unlawful and subject to federal prosecution without regard to a claimed medical need; and

WHEREAS, on October 9, 2015, Governor Jerry Brown signed the “Medical Marijuana Regulation and Safety Act” (“Act”) into law; and,

WHEREAS, the Act became effective January 1, 2016 and contains provisions which allow for local governments to regulate licenses and certain activities thereunder; and,

WHEREAS, the Act contains a provision which sets forth that the State shall become the sole authority for regulation under certain parts of the Act, unless local governments have “land use regulations or ordinances regulating or prohibiting the cultivation of marijuana...” (Health and Safety Code §11362.777(c)(4); and,

WHEREAS, on June 27, 2016, the Governor signed SB 837, effective immediately, changing the terms in the Act from "medical marijuana" or "marijuana" to "medical cannabis" or "cannabis", and making other technical changes to the Act. SB 83 7 also adopted regulations relating to the use and diversion of water in connection with the cultivation of cannabis; and

WHEREAS, the electorate of the State of California voted and approved in November 2016 the Adult Use of Marijuana Act ("AUMA"). The purpose of AUMA is to establish a comprehensive system to legalize, control and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical marijuana, including marijuana products. Adults, age 21 and older, will be allowed to possess marijuana and grow certain amounts at home for personal use.

WHEREAS, outdoor cultivation of marijuana plants can produce a strong odor, which can be detectable far beyond property boundaries; and,

WHEREAS, without regulation, the indoor cultivation and manufacturing of marijuana and subsequent testing, distribution, and transportation has potential adverse effects to the health and safety of the occupants; including structural damage to the building due to increased moisture and excessive mold growth which can occur and can pose a risk of fire and electrocution; additionally, the use of pesticides and fertilizers can lead to chemical contamination within the structure, and adequate security is necessary; and,

WHEREAS, the regulatory requirement imposed upon issuance or approval of special use permits and regulatory permits for cannabis cultivation, manufacturing, distribution, testing, and transportation facilities will combat any potential threat to public health, safety, or welfare; and,

WHEREAS, the City intends to adopt a new Chapter 12F Cannabis Manufacturing Facilities Regulatory Permit, establishing a regulatory permit scheme for cannabis cultivation, manufacturing, distribution, testing, and transportation facilities; and

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

SECTION 1. Incorporation of Recitals.

The City Council hereby adopts the foregoing recitals as its findings in support of the following regulations and further finds that the following regulations are necessary and appropriate to protect the health, safety and welfare of the residents and businesses of Colusa from the identified adverse impacts of cannabis cultivation, processing, dispensing, delivery, and distribution within the City limits.

SECTION 2. CEQA.

The City Council finds that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 5060(c)(3) (the activity

is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

SECTION 3. Amendment to Article 2 of the Zoning Code of the City of Colusa.

Article 2, Section 2.02 of the Zoning Code of the City of Colusa, Special Combining Districts is hereby amended, adding a new Special Combining District to the table of Special Combining Districts as CM, Cannabis Manufacturing Combining District.

SECTION 4. Amendment to Article 4 of the Zoning Code of the City of Colusa.

Article 4, Section 2.02 of the Zoning Code of the City of Colusa, Definitions, Part C, definitions "C" is hereby amended to add the following new definitions:

Cannabis Manufacturing means the cultivation, processing, extraction, manufacturing, testing, distribution, and transportation of cannabis and cannabis products.

Cannabis Manufacturing Special Use Permit means a special use permit issued submitted directly to, and issued by, the City Council after a public hearing.

SECTION 5. Amendment to Article 4 of the Zoning Code of the City of Colusa.

Article 4, Section 2.02 of the Zoning Code of the City of Colusa, Definitions, Part M, definitions "M", medical marijuana dispensary is hereby amended as follows (underlined text):

Medical marijuana dispensary. Medical marijuana dispensary or dispensary means (1) any facility, building, structure or location, whether fixed or mobile, where a primary caregiver makes available, sells, transmits, gives or otherwise provides medical marijuana to three (3) or more of the following: a qualified patient or a person with an identification card, or a primary caregiver, in strict accordance with California Health and Safety Code Section 11362.5 et seq.; or (2) any facility, building, structure or location, whether fixed or mobile, where qualified patients and/or persons with identification cards and/or primary caregivers meet or congregate in order to collectively or cooperatively, distribute, sell, dispense, transmit, process, deliver, exchange or give away marijuana for medicinal purposes pursuant in California Health and Safety Code Section 11362.5 et seq. and such group is organized as a medical marijuana cooperative or collective as set forth in the Attorney General Guidelines. The terms "primary caregiver," "qualified patient," and "person with an identification card" shall be as defined in California Health and Safety Code Section 11362.5 et seq.

For purposes of this chapter, a "medical marijuana dispensary" shall not include the following uses, as long as the location of such uses are otherwise regulated by applicable law and complies strictly with applicable law, including but not limited to, California Health and Safety Code Section 11362.5 et seq.:

1. A clinic licensed pursuant to Chapter 1 of Division 2 of the California Health and Safety Code;
2. A health care facility licensed pursuant to Chapter 2 of Division 2 of the California Health and Safety Code;

3. A residential care facility for persons with chronic life-threatening illness licensed pursuant to Chapter 3.01 of Division 2 of the California Health and Safety Code;
4. A residential care facility for the elderly licensed pursuant to Chapter 3.2 of Division 2 of the California Health and Safety Code a residential hospice, or a home health agency licensed pursuant to Chapter 8 of the California Health and Safety Code.
5. A Cannabis Manufacturing facility authorized by a Cannabis Manufacturing Special Use Permit granted by the City Council and operating with a valid cannabis manufacturing regulatory permit issued by the City.

SECTION 6. Amendment to Article 33 of the Zoning Code of the City of Colusa.

Article 33, Use Permits, of the Zoning Code of the City of Colusa is hereby amended to add a new Section 33.03 to read as follows:

Article 33, Section 33.03 Cannabis Manufacturing Special Use Permit Application and Fee.

Cannabis manufacturing special use permits, which may be revocable, conditional or valid for a term period, may be issued by the city council for any of the uses or purposes for which such permits are required or permitted by the terms of this ordinance. Guarantees to insure compliance with terms and conditions may be required by the city council.

- (a) Cannabis manufacturing special use permits application and fee.
 1. Application for a cannabis manufacturing special use permit shall be made to the city planning department in writing on a form prescribed by the city and shall be accompanied by plans and elevations necessary to show details of the proposed use or building. Such application shall be accompanied by a fee in an amount as established from time to time by resolution of the city council and of which no part shall be returnable to the applicant. The application shall be presented directly to the City Council for action
 2. The city council shall hold a public hearing within sixty days after filing of an application for a cannabis manufacturing special use permit. Notice of use shall be given by one publication in a newspaper of general circulation published in the City of Colusa and by mailing notice to the applicant and owners of all property within three hundred feet of any boundary of the lot or parcel for which the cannabis manufacturing special use permit has been filed, as such owners are shown on the last equalized assessment roll of the County of Colusa. Notice in each case to be given at least ten days prior to such hearing for categorically exempt applications under CEQA, and twenty-one days for applications under CEQA for negative declarations and/or environmental impact reports prior to such hearing.

- (b) Action by the City Council.

1. The findings of the city council shall be that the establishment, maintenance or operation of the use or building applied for will or will not, under the circumstances of the 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 to be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the city.
 2. After making findings the city council shall either approve, with or without conditions, or deny said cannabis manufacturing special use permit.
- (c) Revocation.
1. In any case where the conditions of the granting of a cannabis manufacturing special use permit have not been, or are not, complied with, the city council shall give notice to the permittee of intention to revoke such permit at least ten days prior to a hearing thereon. Following such hearing the city council may revoke such permit.
 2. In any case where a cannabis manufacturing special use permit has not been used within one year after the date of granting thereof, then without further action by the city council the use permit granted shall be null and void.
- (d) Decision of the City Council Final.
- The decision of the city council shall be a final decision and appeal from said action shall be by writ of mandate in Superior Court.
- (e) Whenever a cannabis manufacturing special use permit is granted, the county assessor shall be so notified within thirty days of such action.
- (f) The cannabis manufacturing special use permit shall be issued to the business operator, be conditional upon issuance and holding of a valid cannabis manufacturing regulatory permit, and shall not run with the land.
- (g) No Cannabis Manufacturing Special User Permit shall be issued until either the City Council approves a Development Agreement for the site, an operations agreement for the site approved directly by the City Council, or until after the effective date of an approved ballot measure authorizing the taxation of commercial cannabis cultivation in the City.
- (h) The Cannabis Manufacturing Special Use Permit shall run with the Regulatory Permit and not the land.

SECTION 7. Adding a New Article 21.5 to the Zoning Code of the City of Colusa.

The Zoning Code of the City of Colusa is hereby amended to add a new Article 21.5, Cannabis Manufacturing Use Regulations, as set forth in the attached Exhibit A, which is incorporated herein by this reference.

SECTION 8. Adding a New Chapter 12F to the Municipal Code of the City of Colusa.

The Municipal Code of the City of Colusa is hereby amended to add a new Chapter 12F, Cannabis Manufacturing Facilities Regulatory Permit, as set forth in the attached Exhibit B that is incorporated herein by this reference.

INTRODUCED at a regular meeting of the City Council of the City of Colusa held on May 16, 2017, by the following vote:

AYES: Womble, Reische, Ponciano and Kelleher
ABSTAIN: Markss
ABSENT: None
NOES: None

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Colusa held on June 6, 2017, by the following vote:

AYES: Womble, Reische, Ponciano, Markss and Kelleher.
NOES: None.
ABSENT: None.
ABSTAIN: None.



KIRK KELLEHER, MAYOR

ATTEST:



SHELLY KITTLE, City Clerk

EXHIBITS:

Exhibit A: Cannabis Manufacturing Use Regulations
Exhibit B: Chapter 12F, Cannabis Manufacturing Facilities Regulatory Permit

EXHIBIT A

Article 21.5. - "CM" Cannabis Manufacturing Combining District—Regulations.

Sec. 21.5.01. - Regulations generally.

In any district with which is a combined "CM" district, the following regulations shall apply as to building type and construction, safety and security, required permits, and other relevant provisions necessary to protect the public health, safety and welfare. In any district with which is combined with any "CM" district, the regulations of this article shall apply in addition to those hereinbefore specified for such district, provided that if conflict in regulations occurs the regulations of this article shall govern.

Sec. 21.5.02. - Purpose and intent.

Cannabis Manufacturing Facilities shall be permitted, in accordance with the criteria and procedures set forth in this code, upon application and approval of a cannabis manufacturing special use permit and a regulatory permit, pertaining to the location and operation of the facility. The regulations set forth in Chapter 12 D and Chapter 12 E shall not be applicable to any Cannabis Manufacturing facility subject to a valid Cannabis Manufacturing Special Use Permit and a Cannabis Manufacturing Regulatory Permit, and the regulations set forth in this Article 21.5 and Chapter 12 F of the municipal code shall control the location and operation of a Cannabis Manufacturing facility, notwithstanding the regulations set forth in Chapter 12 D and Chapter 12 E.

Sec. 21.5.03. – Cannabis Manufacturing Special Use Permit.

(a) Prior to, or concurrently with, application for a Regulatory Permit, the Applicant shall process and be issued a Cannabis Manufacturing Special Use Permit as required by this Article and Article 33, Section 33.03 of this code. Information that may be duplicative in the two applications can be incorporated by reference. The Cannabis Manufacturing Special Use Permit shall run with the Regulatory Permit and not the land.

(b) No Cannabis Manufacturing Special User Permit shall be issued until either the City Council approves a Development Agreement for the site, a license agreement for the site, or until after the effective date of an approved ballot measure authorizing the taxation of commercial cannabis cultivation in the City.

Sec. 21.5.04. - Cannabis Manufacturing Facilities.

Cannabis manufacturing facilities permitted under this chapter include facilities where cannabis is manufactured into cannabis products, tested, and distributed, and may also include the associated activities of planting, growing, harvesting, trimming and grading, and transporting, that holds a valid cannabis manufacturing special use permit pursuant to this

Article, and a regulatory permit as required by this Code, subject to the provisions of the Compassionate Use Act of 1996 (California Health and Safety Code Section 11362.5), the Medical Marijuana Program Act (California Health and Safety Code Sections 11362.7 through 11362.83), the California Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August, 2008, the Medical Marijuana Regulation and Safety Act (AB 243, AB 266, and SB 643), and all statutes and regulations promulgated to implement the AMUA, and any other state laws pertaining to cultivating cannabis.

Sec. 21.5.05. - Definitions

"Act" means the Medical Marijuana Regulation and Safety Act, now called the Medical Cannabis Regulation and Safety Act. Both names may be used interchangeably, but shall have the same meaning.

"AUMA" means the Adult Use of Marijuana Act, approved by California voters in November 2016, with the express purpose to establish a comprehensive system to legalize, control and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical marijuana, including marijuana products. Adults, age 21 and older, will be allowed to possess marijuana and grow certain amounts at home for personal use.

"Applicant" means a person who is required to file an application for a permit under this Article.

"Business Owner" means the owner(s) of the Cannabis Manufacturing Operation. For corporations and limited liability companies, Business Owner means the President, Vice President, and any shareholder owning a 10% or greater share of the corporation or company. For partnerships, Business Owner means all general partners and managing partners.

"Cannabis" or *"Marijuana"* shall have the meaning set forth in California Business and Professions Code section 19300.S(f). Cannabis and marijuana may be used interchangeably, but shall have the same meaning.

"City" means the City of Colusa.

"Cannabis Manufacturing Facility" or *"Cannabis Operation(s)"* means a Cannabis Manufacturing facility permitted under this chapter where cannabis is manufactured into cannabis products, tested, and distributed, and may also include the associated activities of planting, growing, harvesting, trimming and grading, and transporting, as further defined in Sec. 21.5.04 above.

"Cannabis Manufacturing Regulatory Permit" or *"Regulatory Permit"* means the permit required under this Article and Chapter 12F of this code to operate a Cannabis Manufacturing facility, or to undertake any subcomponent of Cannabis Manufacturing which is done within the Cannabis Manufacturing facility by a subcontractor or tenant of the holder of a Cannabis Manufacturing Special Use Permit.

"Non-Commercial and Recreational Marijuana Activity" means all uses not included within the definition of Cannabis Manufacturing, including the personal use, cultivation, or consumption of marijuana, whether medical or recreational.

"Operator" means the Business Owner and any other person designated by the Business Owner as responsible for the day to day Cannabis Operations.

"Ordinance" means the ordinance adopting this Article, and including the terms of this Article, which may be commonly referred to as the City's "Cannabis Manufacturing Ordinance".

"Police Chief" means the Police Chief of the City of Colusa or his or her designee.

"Premises" or *"Site"* means the actual building(s), and/or designated units/suites, as well as any accessory structures, parking areas, or other immediate surroundings, and includes the entire parcel of property used by the Business Owner in connection with the Cannabis Operations.

"Premises Owner" means the fee owner(s) of the Premises where Cannabis Operations are occurring.

"Responsible Party" shall mean the Business Owner, Operator, manager(s), and any employee having significant control over the Cannabis Operations.

Sec. 21.5.06. - Minimum Operational Requirements and Restrictions.

The following operational requirements and restrictions shall apply to all Cannabis Manufacturing:

(a) *The Act and Other State Laws.* The Cannabis Operations shall at all times be in compliance with the Act and the implementing regulations, as they may be amended from time to time, as well as all required State license(s) under the Act, and any other applicable State law.

As recreational cannabis becomes lawful in California, and the Operator uses the approved Cannabis Operations for commercial recreational cannabis, the Operator shall comply with all statutes and regulations promulgated to implement the AMUA, and shall meet or exceed the health and safety requirements of the Act in any operations relating to recreational marijuana.

(b) **Signage.** There shall be no signage or markings on the Premises, or off-site, which in any way evidences that Cannabis Operations are occurring on the property. Interior building signage is permissible provided the signage is not visible outside of the building.

(c) **Marijuana and Cannabis Products Consumption.** No marijuana or cannabis products shall be smoked, ingested or otherwise consumed on the Premises. Adequate signage of this prohibition shall be displayed throughout the facility.

(d) **Alcoholic Beverages.** No Cannabis Operation shall hold or maintain a retail license from the State Department of Alcohol Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages. In addition, alcohol for personal consumption shall not be provided, stored, kept, located, sold, dispensed, or used on the Premises.

(e) **Transportation.** Transportation shall only be conducted according to activity permitted by State law.

(f) **Distribution.** There shall be no deliveries from the Premises of cannabis or cannabis containing products except to another State or local licensed or permitted cannabis business.

(g) **Non-Cannabis Manufacturing Activity.** No Non-Commercial or Recreational Marijuana Activity shall occur on the Premises.

(h) **Store Front Retail Sales.** Store front retail sale of any cannabis product is expressly prohibited.

(i) **Public Access.** There shall be no public access to the Premises.

(j) **Minors.** It shall be unlawful for any Operator to employ any person who is not at least eighteen (18) years of age, or any older age if set by the State.

(k) **Distance separation from schools.** Cannabis Operations shall comply with the distance separation requirements from schools as required by State law. In addition, a Cannabis Manufacturing Operation shall not be located within 1200 feet from any existing school or proposed school site as identified in the General Plan. Measurements shall be from the property boundary to property boundary. For purposes of this Article, school means any public or private school providing instruction in kindergarten or grades 1-12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

(l) Hours of Operation. Cannabis Manufacturing shall be allowed to operate per the requirements of the underlying zone district and subject to the City's noise and nuisance ordinances.

(m) Building and Related Codes. The Cannabis Operation shall be subject to the following requirements;

1. The Premises in which the Cannabis Operations occur shall comply with all applicable local, state and federal laws, rules, and regulations including, but not limited to, building codes and the Americans with Disabilities Act, as certified by the Building Official of the City. The Operator shall obtain all required building permits and comply with all applicable City standards.
2. The Responsible Party shall ensure that the Premises has sufficient electrical load for the Cannabis Operations.
3. Butane and other flammable materials are permitted to be used for extraction and processing provided the Operator complies with all applicable fire and building codes, and any other laws and regulations relating to the use of those products, to ensure the safety of that operation. The Colusa Fire Department shall inspect and approve the Premises for use of the products prior to City's issuance of a certificate of occupancy, or otherwise prior to opening for business, to ensure compliance with this requirement.
4. The Operator shall comply with all laws and regulations pertaining to use of commercial kitchen facilities for the Cannabis Operations.
5. The Operator shall comply with all environmental laws and regulations pertaining to the Cannabis Operations, including the use and disposal of water and pesticides, and shall otherwise use best practices in the handling and application of pesticides to avoid environmental harm.

(o) Odor Control. Cannabis Operations shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the facility that is distinctive to its operation is not detected outside the Premises, outside the building housing the Cannabis Operations, or anywhere on adjacent property or public rights-of-way. As such, Cannabis Operations must install and maintain the following equipment or any other equipment which the City's Building Official determines has the same or better effectiveness:

1. An exhaust air filtration system with odor control that prevents internal odors and pollen from being emitted externally; or
2. An air system that creates negative air pressure between the cannabis facility's interior and exterior so that the odors generated inside the cannabis facility are not detectable outside the cannabis facility.

(p) Consumable Products. Cannabis Operations that manufacture products in the form of food or other comestibles shall obtain and maintain the appropriate approvals from the State Department of Public Health for the provision of food or other comestibles, unless otherwise governed by the Act and licensed by the State.

(q) Secure Building. All Cannabis Operations shall occur entirely inside of a building that shall be secure, locked, and fully enclosed, with a ceiling, roof or top. The building, including all walls, doors, and the roof, shall be of solid construction meeting the minimum building code requirements for industrial structures, and include material strong enough to prevent entry except through an open door. The precise building construction and material to be used shall be identified and provided to the City prior to construction and provided with the application.

(r) Premises Security. The following security conditions shall apply:

1. Alarm System (both perimeter, fire and panic).
2. Remote monitoring of alarm systems.
3. Perimeter lighting systems (motion sensor) for after-hours security.
4. Perimeter security and lighting as approved by the Police Chief and Community Development Director.
5. Use of drive gates with card key access or similar to access the facility.
6. Entrance areas to be locked at all times, and under control of a designated Responsible Party.
7. Use of access control systems to limit access to grow and processing areas.
8. Exterior and interior camera systems approved by the Police Chief. The camera systems shall meet the minimum requirements of the Act, include interior monitoring of all access points of the site from the interior, and be of a minimum 5 mega pixels in resolution.
9. All security systems at the site must be attached to an uninterruptible power supply that provides 24 hours of continuous power.
10. Security patrols by a recognized security company licensed by the California Department of Consumer Affairs or otherwise acceptable to the

Police Chief, in a time, place and manner to the satisfaction of the Police Chief. All current contact information regarding the security company shall be provided to the Police Chief.

11. Accounting software systems need to be in place to provide audit trails of both product and cash, where applicable.
12. Electronic track and trace systems for cannabis products as approved by the Police Chief.
13. Premises may be inspected and records of the Business Owner audited by the City for compliance on a quarterly basis.
14. State of the art network security protocols and equipment need to be in place to protect computer information.
15. The foregoing requirements shall be approved by the Police Chief prior to commencing operations. The Police Chief may supplement these security requirements once operations begin, subject to review by the City Council if requested by the Business Owner.

Sec. 21.5.07. - Deliveries of Supplies and Transportation of Product.

The following rules apply to the deliveries and transportation:

(a) Deliveries to the Premises of supplies shall only occur as provided for in the diagram and floor plan on file with the City as part of the regulatory permit application. Delivery vehicles shall not have any markings indicating that deliveries are being made to a Cannabis Operation.

(b) The transportation of cannabis samples and product to and from the Premises shall be in unmarked vehicles with no indication that the vehicles are transporting cannabis samples and products. The Responsible Party shall stagger transportation times, vary routes from the facility, and take other security measures as requested by the Police Chief.

Sec. 21.5.08. - Premises Maintenance.

The Business Owner, Operator, and all Responsible Parties shall continually maintain the Premises and its infrastructure so that it is visually attractive and not dangerous to the health, safety, and general welfare of employees, patrons, surrounding properties, and the general public. The Premises of Cannabis Manufacturing shall not be maintained in a manner that causes a public or private nuisance.

Sec. 21.5.09. - Location of Uses.

Cannabis Manufacturing operations permitted by this Article shall only be allowed in the locations designated on the diagram and floor plan of the Premises submitted with the application for a Regulatory Permit. The Cannabis Manufacturing shall not operate at any place other than the address of the Cannabis Operation stated in the Regulatory Permit.

Sec. 21.5.10. - Cannabis Manufacturing Regulatory Permit.

No person or entity shall operate a Cannabis Manufacturing facility within the City of Colusa without first obtaining a Cannabis Manufacturing Regulatory Permit from the City as set forth in Chapter 12F of the municipal code. The Regulatory Permit shall be site specific and shall specifically identify the Cannabis Manufacturing activities that will be allowed at that site. No Cannabis Manufacturing activities will be allowed unless specifically identified in the Regulatory Permit. In addition, all persons or entities who undertake any subcomponent of Cannabis Manufacturing performed by a subcontractor or tenant of the holder of a Cannabis Manufacturing Special Use Permit within the Cannabis Manufacturing facility shall first obtain a Cannabis Manufacturing Regulatory Permit from the City.

Sec. 21.5.11. - Fees and Taxes.

All Cannabis Operations shall pay applicable fees and taxes, which may include one or more of the following:

(a) Business License Fee. The Business Owner shall at all times maintain a current and valid business certificate and pay all business taxes pertaining to Business Licensing.

(b) Regulatory License Fee. The Business Owner shall pay an annual regulatory license fee ("Regulatory Fee") to cover the costs of anticipated enforcement relating to the Cannabis Operation. The amount of the fee shall be set by Resolution of the City Council and be supported by the estimated additional costs of enforcement and monitoring associated with the Cannabis Operation. The Regulatory Fee shall be due and payable prior to opening for business and thereafter on or before the anniversary date. The Regulatory Fee may be amended from time to time based upon actual costs.

Sec. 21.5.12. - Record Keeping.

The Responsible Party shall make and maintain complete, accurate and legible records of the permitted Cannabis operations evidencing compliance with the requirements of this Article. Accounting and transaction records shall be maintained for a minimum of five years. Security surveillance system records shall be kept for a minimum of one year

Sec. 21.5.13. - Inspection.

Cannabis Operations shall be open for inspection by any City law enforcement officer or City code enforcement officer at any time the Cannabis Operation is operating, at any other time upon responding to a call for service related to the property where the Cannabis Operation is occurring, or otherwise upon reasonable notice. Recordings made by security cameras at any Cannabis Operation shall be made immediately available to the Police Chief upon verbal request. No search warrant or subpoena shall be needed to view the recorded materials.

Sec. 21.5.14. - Insurance.

(a) The Business Owner shall at all times carry a comprehensive general liability policy in the minimum amount of One Million Dollars (\$1,000,000) combined single limit policy, as shall protect the Business Owner and City from claims for such damages, and which policy shall be issued by an "A" rated insurance carrier. Such policy or policies shall be written on an occurrence form. The City Manager, in consultation with City's Risk Manager, may allow the Business Owner to obtain lesser amounts of insurance where multiple Business Owners are operating on the Premises, provided at all times the minimum insurance set forth herein is applicable to the Cannabis operations.

(b) The Business Owner shall furnish a notarized certificate of insurance countersigned by an authorized agent of the insurance carrier on a form approved by the City setting forth the general provisions of the insurance coverage. This countersigned certificate shall name the City and its respective officers, agents, employees, and volunteers, as additionally insured parties under the policy, and the certificate shall be accompanied by a duly executed endorsement evidencing such additional insured status. The certificate and endorsement by the insurance carrier shall contain a statement of obligation on the part of the carrier to notify the City of any material change, cancellation or termination of the coverage at least thirty (30) days in advance of the effective date of any such material change, cancellation or termination.

(c) Coverage provided hereunder by the Business Owner shall be primary insurance and not be contributing with any insurance maintained by the City, and the policy shall contain such an endorsement. The insurance policy or the endorsement shall contain a waiver of subrogation for the benefit of the City.

Sec. 21.5.15. - Violations: Enforcement.

(a) Any person that violates any provision of this Article shall be guilty of a separate offense for each and every day during any portion of which any such person commits, continues, permits, or causes a violation thereof, and shall be penalized accordingly.

(b) Any use or condition caused or permitted to exist in violation of any of the provisions of this Article shall be and is hereby declared a public nuisance and may be summarily abated by the City pursuant to the City of Colusa Municipal Code.

(c) Any person who violates, causes, or permits another person to violate any provision of this Article commits a misdemeanor.

(d) The violation of any provision of this Article shall be, and is hereby declared to be, contrary to the public interest and shall, at the discretion of the City, create a cause of action for injunctive relief.

(e) In addition to the civil remedies and criminal penalties set forth above, any person that violates the provisions of this Article may be subject to an administrative fine of up to one thousand dollars (\$1,000) for each violation and for each day the violation continues to persist.

Sec. 21.5.16. - Severability.

The provisions of this Article are hereby declared to be severable. If any provision, clause, word, sentence, or paragraph of this Article or of the Regulatory Permit issued to implement this Article, or the application thereof to any person, establishment, or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this Article.

End of Document

EXHIBIT B

Chapter 12F - CANNABIS FACILITIES REGULATORY PERMIT

12F-1 Purpose and intent.

Cannabis Manufacturing facilities shall be permitted, in accordance with the criteria and procedures set forth in this code, upon application and approval of a regulatory permit pertaining to the operation of the facility. Prior to obtaining a regulatory permit under this chapter, all applicants must obtain and maintain a Cannabis Manufacturing special use permit pertaining to the location of the facility, or show proof of a business relationship as a tenant or subcontractor of an entity holding a Cannabis Manufacturing Special Use permit, which has been validly issued by the city per the code.

12F-2 Cannabis manufacturing facilities.

Cannabis manufacturing facilities permitted under this chapter include facilities where cannabis is manufactured into cannabis products, tested, and distributed, and the associated activities of planting, growing, harvesting, trimming and grading, and transporting cannabis, subject to the provisions of the Compassionate Use Act of 1996 (California Health and Safety Code Section 11362.5), the Medical Marijuana Program Act (California Health and Safety Code Sections 11362.7 through 11362.83), the California Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August, 2008, the Medical Marijuana Regulation and Safety Act (AB 243, AB 266, and SB 643), and all other State laws pertaining to cultivating cannabis.

12F-3 Regulatory permit required.

A. Prior to initiating operations and as a continuing requisite to operating a cannabis manufacturing facility, the legal representative of the persons wishing to operate a cannabis manufacturing facility shall first obtain a regulatory permit from the city manager or designee under the terms and conditions set forth in this chapter. The legal representative shall file an application with the city manager or designee upon a form provided by the city and shall pay an application fee as established by resolution adopted by the city council as amended from time to time. An application for a regulatory permit shall include, but shall not be limited to, the following information:

B. The initial regulatory permit application period for cannabis manufacturing, facilities will not begin until either the city council approves a development agreement for the site, an operations agreement for a site, or until after the effective date of an approved ballot measure authorizing the taxation of commercial cannabis cultivation, manufacturing, distribution, testing, or transportation facilities in the city.

12F-4 - Cannabis Manufacturing Regulatory Permit Application and Responsible Party Designation.

A. Application. Applications for Regulatory Permits shall be filed by the proposed Business Owner(s) with the city manager or designee and include the information set forth herein. The city manager or designee may request such information he or she deems necessary to determine who the applicant is. The

EXHIBIT B

applicant shall certify under penalty of perjury that all of the information contained in the application is true and correct. The application shall contain the following items for the Business Owner, Operator and all Responsible Parties known at the time (if different than the Business Owner), and any other party designated below, to the extent the same shall apply:

1. The full name, present address, and telephone number, including such information to the Premises Owner.
2. Date of birth.
3. Tax identification number.
4. The address to which notices relating to the application is to be mailed.
5. Previous addresses for the five (5) years immediately preceding the present.
6. The height, weight, color of eyes and hair.
7. Photographs for identification purposes (photographs shall be taken by the Police Department).
8. All business, occupation, or employment for the five (5) years immediately preceding the date of submittal of the application form.
9. The Cannabis Operation business history, including whether the Business Owner and Responsible Parties while previously operating in this or another city, county or state has had a cannabis related license revoked or suspended, the reason therefore, and the business or activity or occupation subsequent to such action of suspension or revocation.
10. Complete property ownership and lease details, where applicable. If the Business Owner is not the Premises Owner, the application form must be accompanied with a notarized acknowledgment from the Premises Owner that Cannabis Operations will occur on its property.
11. A descriptive business plan for the Cannabis Operation, including a detailed list of all Cannabis Manufacturing operations and activities proposed to occur on the Premises.
12. A diagram and floor plan of the entire Premises, denoting all the use of areas proposed for Cannabis Operations, including, but necessarily limited to, cultivation, processing, manufacturing, testing, transportation, deliveries, and storage. The diagram and floor plan need not be prepared, but must be drawn to a designated scale or drawn with marked dimensions of the interior of the Premises to an accuracy of plus or minus six (6) inches.
13. The name or names of the Operator. The Operator shall designate one or more Responsible Parties, one of which shall at all times be available as a point of contact for the City, 24 hours per day. The contact information

EXHIBIT B

and schedule of the Operator and Responsible Parties shall be provided to the city manager or designee and updated within twenty-four (24) hours of any changes.

14. The proposed security arrangements for insuring the safety of persons and to protect the Premises from theft.
15. An accurate straight-line drawing prepared within thirty (30) days prior to the application depicting the building and the portion thereof to be occupied by the Cannabis Operation and the property line of any school as set forth in the Operational Requirements.
16. Authorization for the City, its agents and employees to seek verification of the information submitted.

B. **Improper or Incomplete Application.** If the applicant has completed the application improperly, or if the application is incomplete, the city manager or designee shall, within thirty (30) days of receipt of the original application, notify the applicant of such fact.

C. **Changes in Information.** Except as may otherwise be provided, the information provided in this subsection shall be updated to the city manager or designee upon any change within ten (10) days.

D. **Other Permits or Licenses.** The fact that an applicant possesses other types of State or City permits or licenses does not exempt the applicant from the requirement of obtaining a Regulatory Permit.

E. **Term of Permits and Renewals.** Regulatory Permits issued under this Chapter shall expire one (1) year following the date of issuance. Applications for renewal shall be made at least forty-five (45) days prior to the expiration date of the permit and shall be accompanied by the nonrefundable fee referenced in this section. When made less than forty-five (45) days before the expiration date, the expiration of the permit will not be stayed. Applications for renewal shall be acted on similar to applications for permits except that the city manager or designee shall renew annual permits for additional one year periods if the circumstances and information provided with the initial application have not materially changed.

F. **Grounds for Denial of Regulatory Permit.** The grounds for denial of a Regulatory Permit shall be one or more of the following:

1. The business or conduct of the business at a particular location is prohibited by any local or State law, statute, rule or regulation.
2. The Business Owner or Operator has been issued a local or state permit related to Cannabis Operations in any other location in California, or another state, and that permit was suspended or revoked, or the

EXHIBIT B

- Business Owner or Operator has had disciplinary action relating to the permit.
3. The Business Owner or Operator has knowingly made a false statement of material fact or has knowingly omitted to state a material fact in the application.
 4. Consistent with the Act or other applicable State law, the Business Owner or Operator, or any Responsible Person, has been:
 - a. Convicted of a serious or violent offense as listed under California Penal Code sections 667.5 and 1192.7(c); or
 - b. Convicted of any of the offenses listed in Business and Professions Code section 19323; or
 - c. Convicted of a misdemeanor involving moral turpitude as defined under State law (generally crimes relating to theft and dishonesty) within the five (5) years preceding the date of the application; or
 - d. Convicted of a felony involving the illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, unless the individual has received a Certificate of Rehabilitation as defined in the Act; or
 - e. Has engaged in misconduct related to the qualifications, functions and duties of a permittee, such as lying on an application, falsifying legal documents, or anything that would otherwise ban the permittee from obtaining a State license under the Act.
 - f. A conviction within the meaning of this subsection means a plea or verdict of guilty or a conviction following a plea of nolo contendere.
 5. Consistent with the Act or other applicable State law, the Business Owner or Operator has engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.
 6. The Business Owner or Operator is under eighteen (18) years of age, or any older other age set by the State.
 7. The Cannabis Operation does not comply with the zoning ordinance standards of the City of Colusa.
 8. The required annual business license fee, annual regulatory fee or revenue raising fee has not been paid.
- G. Notice of Decision and Final Action.

EXHIBIT B

1. Regulatory Permit. Action on the Regulatory Permit shall be as follows:

- a. The city manager or designee shall cause a written notice of his or her recommendation on the issuance or denial of a Regulatory Permit, and the date and time when the City Council will consider action on the Regulatory Permit, to be personally delivered or mailed to the applicant by certified U.S. mail, postage prepaid.
- b. Following a public hearing before the City Council, the Council may grant the Regulatory Permit subject to such conditions as it deems reasonable under the circumstances to protect the public health, safety, and welfare of the community, or it may deny the issuance of the Regulatory Permit for any of the grounds specified in this section. The decision of the Council shall be final, subject to judicial review below.

H. Suspension and Revocation of Regulatory Permit.

1. Regulatory Permit. The City Council may suspend or revoke the Regulatory Permit of a Commercial Cannabis Operation when any of the following occur:

- a. The Cannabis Operation is conducted in violation of any provision of this section, the Act, or any other applicable State law.
- b. The Cannabis Operation is conducted in such a manner as to create a public or private nuisance.
- c. A failure to pay the Regulatory Fee required by this section.
- d. A failure to take reasonable measures to control patron conduct, where applicable, resulting in disturbances, vandalism, or crowd control problems occurring inside or outside the Premises, traffic control problems, or obstruction of the operation of another business.
- e. A failure to comply with the terms and conditions of the Regulatory Permit or any cannabis manufacturing special use permit issued in connection therewith.
- f. Any act which would be considered grounds for denial of the Regulatory Permit in the first instance.

2. Procedures for Revoking Regulatory Permits. For Regulatory Permits, the procedures for revoking cannabis manufacturing special use permits shall be utilized except that the matter shall be heard by the City Council

EXHIBIT B

in the first instance, and shall be subject to the same judicial process as applied to a Cannabis manufacturing special use permit.

3. Immediate Suspension. The city manager or designee may immediately suspend or revoke a Regulatory Permit without notice or a hearing, subject to the appeal rights set forth herein, under either of the following circumstances:
 - a. The Business Owner or Operator is convicted of a public offense in any court for the violation of any law which relates to the Cannabis Operation.
 - b. The city manager or designee determines that immediate suspension is necessary to protect the public health, safety, and welfare of the community. The city manager or designee shall articulate the grounds for the immediate suspension in writing and the suspension shall only be for as long as necessary to address the circumstances which led to the immediate suspension.

I. Effect of Denial or Revocation. When the City Council shall have denied a Regulatory Permit or revoked a Regulatory Permit, no new application for a Regulatory Permit shall be accepted and no Regulatory Permit shall be issued to such person or to any corporation in which he or she shall have any beneficial interest for a period of one (1) year after the action denying or revoking the Regulatory Permit.

J. Abandonment. In addition to the suspension or revocation of a Regulatory Permit, a Regulatory Permit shall be deemed abandoned if Cannabis Operations cease for a period of more than ninety (90) consecutive days. Before restarting operations, a new Regulatory Permit shall be secured. The 90 day period shall be tolled during periods of force majeure, which shall be defined as follows: war; insurrection; strikes; lock outs; riots; floods; earthquakes; fires; casualties; supernatural causes; acts of the "public enemy"; epidemics; quarantine restrictions; freight embargoes; lack of transportation; unusually severe weather; inability to secure necessary labor; materials or tools; delays of any contractor, subcontractor or supplier; or any other causes beyond the reasonable control of the permittee.

12F-5 - Limitations on city's liability.

To the fullest extent permitted by law, the city shall not assume any liability whatsoever, with respect to approving any regulatory permit pursuant to this chapter or the operation of any cannabis manufacturing facility approved pursuant to this chapter. As a condition of approval of a regulatory permit as provided in this chapter, the applicant or its legal representative shall:

- A. Execute an agreement indemnifying the city from any claims, damages, etc., associated with the operation of the cannabis manufacturing facility;

EXHIBIT B

- B. Maintain insurance in the amounts and of the types that are acceptable to the city manager or designee;
- C. Name the city as an additionally insured on all city required insurance policies;
- D. Agree to defend, at its sole expense, any action against the city, its agents, officers, and employees related to the approval of a regulatory permit; and
- E. Agree to reimburse the city for any court costs and attorney fees that the city may be required to pay as a result of any legal challenge related to the city's approval of a regulatory permit. The city may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.

12F-6 - Additional terms and conditions.

Based on the information set forth in the application, the city manager or designee may impose reasonable terms and conditions on the proposed operations of the cannabis manufacturing facility in addition to those specified in this chapter.

12F-7 - Hours.

All Cannabis Manufacturing shall be allowed to operate per the requirements of the underlying zone district and subject to the City's noise and nuisance ordinances.

12F-8- Cannabis secured.

All cannabis and cannabis products shall be kept in a secured manner during business and non-business hours.

12F-9- Consumable cannabis products.

Cannabis Operations that manufacture products in the form of food or other comestibles shall obtain and maintain the appropriate approvals from the State Department of Public Health for the provision of food or other comestibles, unless otherwise governed by the Act and licensed by the State.

12F-10 – Taxes to be paid.

All cannabis manufacturing facilities must pay any applicable sales tax or other tax imposed pursuant to federal, state, and local law.

12F-11 - Point of sale system.

Cannabis manufacturing facilities shall have an electronic point of sale system that produces historical transactional data for review by the city manager or designee for auditing purposes.

12F-12 - Odor control.

Cannabis manufacturing facilities shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the cannabis manufacturing facility that is distinctive to its operation is not detected outside the cannabis manufacturing facility, anywhere on adjacent property or public rights-of-way, on or about any exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for common use by tenants or the visiting public, or within any other unit

EXHIBIT B

located within the same building as the cannabis manufacturing facility. As such, cannabis manufacturing facilities must install and maintain the following equipment or any other equipment which the city manager or designee determines has the same or better effectiveness:

- A. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally; or
- B. An air system that creates negative air pressure between the cannabis manufacturing facility's interior and exterior so that the odors generated inside the cannabis manufacturing facility are not detectable outside the cannabis manufacturing facility.

12F-13 - Records.

A. All cannabis manufacturing facilities shall perform an inventory on the first business day of each month and shall record the total quantity of each form of cannabis on the premises. These records shall be maintained for two years from the date created and shall be made available to the city manager or designee upon request.

B. Register of Employees. The Operator shall maintain a current register of the names of persons required to have Employee Permits. The register shall be available to the city manager or designee at all times immediately upon request.

12F-14 - Community relations.

Each cannabis manufacturing facility shall provide the city manager or designee with the name, phone number, facsimile number, and email address of an on-site community relations or staff person or other representative to whom the city can provide notice if there are operating problems associated with the cannabis manufacturing facility or refer members of the public who may have any concerns or complaints regarding the operation of the cannabis manufacturing facility. Each cannabis manufacturing facility shall also provide the above information to its business neighbors located within one hundred (100) feet of the cannabis manufacturing facility as measured in a straight line without regard to intervening structures, between the front doors of each establishment.

12F-15 - Compliance.

All cannabis manufacturing facilities and their related collectives or cooperatives shall fully comply with all the provisions of the Compassionate Use Act of 1996, the Medical Marijuana Program Act, the 2008 Attorney General Guidelines, the Medical Marijuana Regulation and Safety Act (AB 243, AB 266, and SB 643), all applicable provisions of this code, and any specific, additional operating procedures and measures as may be imposed as conditions of approval of the regulatory permit.

12F-16 - Inspections and enforcement.

A. Recordings made by security cameras at any cannabis manufacturing facility shall be made immediately available to the police chief upon verbal request; no search warrant or subpoena shall be needed to view the recorded materials.

EXHIBIT B

B. Subject to provisions of the regulatory permit regarding the use and handling of Confidential Information below, the Permittee shall provide IP access for remote monitoring of security cameras by the Colusa Police Department or Department designee.

C. The city manager or designee shall have the right to enter all cannabis manufacturing facilities from time to time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this chapter.

D. Operation of the cannabis manufacturing facility in non-compliance with any conditions of approval or the provisions of this chapter shall constitute a violation of the municipal code and shall be enforced pursuant to the provisions of this code.

E. The city manager or designee may summarily suspend or revoke a medical cannabis regulatory permit if any of the following, singularly or in combination, occur:

1. The city manager or designee determines that the cannabis manufacturing facility has failed to comply with this chapter or any condition of approval or a circumstance or situation has been created that would have permitted the city manager or designee to deny the permit under Section 5.68.090;
2. Operations cease for more than ninety (90) calendar days, including during change of ownership proceedings;
3. Ownership is changed without securing a regulatory permit;
4. The cannabis manufacturing facility fails to maintain two hundred forty (240) continuous hours of security recordings; or
5. The cannabis manufacturing facility fails to allow inspection of the security recordings, the activity logs, or the premises by authorized city officials.

12F-17 - Confidentiality Statement.

The City, Police Chief, Police Department employees, and any other law enforcement official acting under the direction of the Police Chief who access the Premises and video and/or audio feeds or recordings of the Premises ("Recipients") may receive or be provided with confidential information relating to the Cannabis Operations, which may include the following: data, records, plans, and matters relating to customers, vendors, tenants, agreements, and business records (collectively "Confidential Information").

To the extent Confidential Information is acquired without a warrant from access to the Premises and video and/or audio feeds or recordings as authorized under this section, the Recipients shall, to the maximum extent possible, keep such Confidential Information confidential and not disclose the Confidential Information to any third parties. Provided, however, that the Recipients may disclose Confidential Information to the State or Federal courts in California in

EXHIBIT B

connection with any criminal law enforcement action against the Business Owner or Operator, (including its employees, contractors and agents conducting business within the Premises) arising from or related to the Cannabis Operations, but only to the extent it is necessary and relevant to such criminal prosecution, and the Recipients shall file any such documents under seal to the extent they contain any Confidential Information.

Notwithstanding the foregoing, the City may disclose Confidential Information:

A. As may be required by the California Public Records Act or pursuant to a civil subpoena, provided however, the City shall notify the Operator and provide the Operator with a reasonable opportunity to obtain a protective order before disclosing the Confidential Information.

B. In connection with any City enforcement proceeding relating to compliance with City's Municipal Code and this section, but only to the extent the Confidential Information is relevant to the proceeding.

12F-18 - Permits not transferable.

Regulatory permits issued pursuant to this chapter are not transferable.

12F-19- Violations.

- A. Any violation of any of the provisions of this chapter is unlawful and a public nuisance.
- B. Any violation of any of the provisions of this chapter shall constitute a misdemeanor violation and upon conviction thereof any violation shall be punishable by a fine not to exceed one thousand dollars (\$1,000.00), or by imprisonment in the county jail for a period of not more than six months, or by both such fine and imprisonment. Each day a violation is committed or permitted to continue shall constitute a separate offense.
- C. In lieu of issuing a misdemeanor citation, the city may issue an administrative citation, and/or assess an administrative fine of up to one thousand dollars (\$1,000.00) for each violation of this chapter pursuant to the procedures set forth in Title 3.
- D. A separate offense occurs for each day any violation of this chapter is continued and/or maintained.
- E. The remedies provided herein are not to be construed as exclusive remedies, and in the event of violation, the city may pursue any proceedings or remedies otherwise provided by law.

12F-20 - Definitions.

EXHIBIT B

"Act" means the Medical Marijuana Regulation and Safety Act, now called the Medical Cannabis Regulation and Safety Act. Both names may be used interchangeably, but shall have the same meaning.

"AUMA" means the Adult Use of Marijuana Act, approved by California voters in November 2016, with the express purpose to establish a comprehensive system to legalize, control and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical marijuana, including marijuana products. Adults, age 21 and older, will be allowed to possess marijuana and grow certain amounts at home for personal use.

"Applicant" means a person who is required to file an application for a permit under this Article.

"Business Owner" means the owner(s) of the Cannabis Manufacturing Operation. For corporations and limited liability companies, Business Owner means the President, Vice President, and any shareholder owning a 10% or greater share of the corporation or company. For partnerships, Business Owner means all general partners and managing partners.

"Cannabis" or **"Marijuana"** shall have the meaning set forth in California Business and Professions Code section 19300.S(f). Cannabis and marijuana may be used interchangeably, but shall have the same meaning.

"City" means the City of Colusa.

"Cannabis Manufacturing Facility" or **"Cannabis Operation(s)"** means a Cannabis Manufacturing facility where cannabis is planted, grown, harvested, dried, cured, graded, trimmed, manufactured into cannabis products, tested, distributed, or transported.

"Cannabis Manufacturing Regulatory Permit" or **"Regulatory Permit"** means the permit required under Article 21.5 and Chapter 12F of this code to operate a Cannabis Manufacturing facility, or to undertake any subcomponent of Cannabis Manufacturing which is done within the Cannabis Manufacturing facility by a subcontractor or tenant of the holder of a Cannabis Manufacturing Special Use Permit.

"Operator" means the Business Owner and any other person designated by the Business Owner as responsible for the day to day Cannabis Operations.

"Police Chief" means the Police Chief of the City of Colusa or his or her designee.

EXHIBIT B

"Premises" or "Site" means the actual building(s), and/or designated units/suites, as well as any accessory structures, parking areas, or other immediate surroundings, and includes the entire parcel of property used by the Business Owner in connection with the Cannabis Operations.

"Premises Owner" means the fee owner(s) of the Premises where Cannabis Operations are occurring.

"Responsible Party" shall mean the Business Owner, Operator, manager(s), and any employee having significant control over the Cannabis Operations.