

CONDITIONS OF APPROVAL

RESOLUTION: 2018-XX & 2018-XX
PROJECT: PA 2018-40/DA 2018-12/CUP 2018-08
PROJECT NAME: IE Licensing, LLC
PROJECT LOCATION: APN: 370-301-012 and 013
APPROVAL DATE:
EFFECTIVE DATE:
EXPIRATION DATE:

GENERAL CONDITIONS

Planning Application No. 2018-40 (Development Agreement No. 2018-12 and Conditional Use Permit No. 2018-08) proposes to establish a 9,000 SF Cannabis Facility is proposed to be located within an existing building. The facility will consist of a 1,709.8 SF dispensary, 5,157.6 SF of cultivation space, 559.3 SF of manufacturing space and ancillary uses. The Project is generally located at the northwest corner of the intersection Mission Trail and Corydon and more specifically referred 31887 Corydon Units #150 and 160 (APN: 370-301-012 and 013).

1. Conditional Use Permit No. 2018-08 shall be limited to the floor plan prepared by the applicant and included in the staff report. In the event the applicant proposes to modify the floor plan, the modification shall be subject to review by the Community Development Director. The Community Development Director may approve the modification or refer the matter to the Planning Commission if judged to be substantial.
2. The applicant shall defend (with counsel acceptable to the City), indemnify, and hold harmless the City, its Officials, Officers, Employees, Agents, and its Consultants (Indemnitees) from any claim, action, or proceeding against the Indemnitees to attack, set aside, void, or annul an approval of the City, its advisory agencies, appeal boards, or legislative body concerning approval, implementation and construction of CUP 2018-05 which action is bought within the time period provided for in California Government Code Sections 65009 and/or 66499.37, and Public Resources Code Section 21167, including the approval, extension or modification of CUP 2018-05 or any of the proceedings, acts or determinations taken, done, or made prior to the decision, or to determine the reasonableness, legality or validity of any condition attached thereto. The Applicant's indemnification is intended to include, but not be limited to, damages, fees and/or costs awarded against or incurred by Indemnitees and costs of suit, claim or litigation, including without limitation attorneys' fees, penalties and other costs, liabilities and expenses incurred by Indemnitees in connection with such proceeding. The City will promptly notify the applicant of any such claim, action, or proceeding against the City. If the project is challenged in court, the City and the applicant shall enter into formal defense and indemnity agreement, consistent with this condition.
3. Within 30 days of Project approval and prior to issuance of any building permits, the applicant shall sign and complete an "Acknowledgement of Conditions," and shall return the executed original to the Community Development Department for inclusion in the case records.
4. Conditional Use Permit No. 2018-08 shall lapse and become void two years following the date on which the Conditional Use Permit became effective, unless one of the following: (1)

prior to the expiration of two years, a building permit related to the conditional use permit is issued and construction commenced and diligently pursued toward completion; or (2) prior to the expiration of two years, the applicant has applied for and has been granted an extension of the design review approval pursuant to subsections (B) and (C) of LEMC Section 17.168.080. Subject to the provisions of LEMC Section 17.168.110, a conditional use permit granted pursuant to the provisions of this section shall run with the land and shall continue to be valid upon a change of ownership of the site or structure, which was the subject of the Conditional Use Permit application.

5. The Conditional Use Permit granted herein shall run with the land and shall continue to be valid upon a change of ownership of the site or structure which was the subject of this approval. An application for modification, expansion or other change in a Conditional Use Permit shall be reviewed according to the provisions of the LEMC, Title 17 in a similar manner as a new application.
6. Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a cannabis facility to operate within the City, until the State of California, or its respective department or division, reinstates or reissues the State license. Should the State of California, or any of its departments or divisions, revoke or terminate the license of a cannabis facility, such revocation or termination shall also revoke or terminate the ability of a cannabis facility to operate within the City. This CUP will expire and be of no further force and effect if any state issued license remains suspended for a period of 6 months. Documentation of three violations during routine inspections or investigations of complaints shall result in the scheduling of a hearing before the Planning Commission to consider revocation of the Conditional Use Permit.
7. This business operator shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees and permits required under federal, state and local law. This business operator shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees and permits required under federal, state and local law. This business operator shall cooperate with the City with respect to any reasonable request to audit the business' books and records for the purpose of verifying compliance with State and Local regulations and this CUP, including but not limited to a verification of the amount of taxes required to be paid during any period and the limitation on gross sales receipts.
8. The applicant shall pay all applicable City fees, including but not limited to: Development Impact Fees (DIF), Fire Facilities Fees, and Traffic Infrastructure Fees (TIF) per LEMC Section 16.74, Transportation Uniform Mitigation Fees (TUMF) per LEMC Section 16.83, Area Drainage Fees per LEMC Section 16.72, MSHCP Fee per LEMC Section 16.85, Capital Improvement Impact/Mitigation Fees, Stephens Kangaroo Habitat Fee (K-Rat) per LEMC Section 19.04, and Plan Check fees, at the rate in effect at the time of payment.

Operational Standards

9. The uses authorized by this Conditional Use Permit must be conducted in accordance with all applicable state and local laws, including, but not limited to compliance with the most current versions of the provisions of the California Code of Regulations that regulate the uses permitted hereby. Any violation thereof shall be a violation of the conditions of this permit and may be cause for revocation of this permit.
10. The applicant shall at all times comply with Chapter 17.176 (Noise Ordinance) of the LEMC.

Prior to the issuance of a building permit, documentation demonstrating compliance shall be provided.

11. The applicant shall at all times comply with Chapter 14.08 (Stormwater/Urban Runoff Management and Discharge Control of the LEMC. Prior to the issuance of a building permit, documentation demonstrating compliance shall be provided.
12. Odor control devices and techniques shall be incorporated to ensure that odors from marijuana are not are not detected outside the property, anywhere on adjacent property or public right-of-way, or within any other units located within the same building as the cannabis facility. Building and mechanical permits must be obtained from the Building Division prior to work commencing on any part of the odor control system.
13. Air quality control devices and techniques shall be incorporated to ensure that the ambient external air quality is not impacted by the cannabis facility. Building and mechanical permits must be obtained from the Building Division prior to work commencing on any part of the air quality control system. Prior to the Building Division issuing a building permit contact the South Coast Air Quality Management District (AQMD) located at: 21865 Copley Dr. Diamond Bar, CA 91765-4178, Tel: 909- 396-2000. A building permit shall not issued until an Identification Number is provided by AQMD and any applicable permits have been issued.
14. Applicant shall contact the Elsinore Valley Municipal Water District (the local water and sewer purveyor) and submit an application and plans for project review. Applicant must obtain approval of all plans prior to the issuance of a building permit and a letter of project completion by the District prior to the issuance of a Certificate of Occupancy. Any Cannabis facility shall meet the minimum requirements of the district and not discharge any material into a sewer system without first obtaining approval.
15. No outdoor storage, cultivation, manufacturing or any other form of use of cannabis or cannabis products, byproducts or waste are permitted at any time.
16. The sale, dispensing, or consumption of alcoholic beverages on or about the premises is prohibited.
17. The consumption of any cannabis or cannabis product in any form is prohibited from occurring onsite.
18. The owner/operator shall prohibit loitering by persons outside the facility both on the premises and within fifty feet (50') of the premises.
19. Persons under the age of twenty-one (21) years shall not be allowed on the premises of this business. It shall be unlawful and a violation of this CUP for the owner/operator to employ any person who is not at least twenty-one (21) years of age.
20. There shall be no loitering in or around the business.
21. The operator shall maintain free of litter all areas of the premises under which applicant has control.
22. No cannabis or cannabis products, or graphics depicting cannabis or cannabis products,

- shall be visible from the exterior of this property, or on any of the vehicles owned or used as part of the cannabis business.
23. Cannabis liquid or solid waste must be made unusable and unrecognizable before leaving a secured storage area and shall be disposed of at facility approved to receive such waste.
 24. Extraction and post-processing winterization operations shall be conducted according to the approved Registered Design Professional's technical report; approved Fire Protection Plan; and the approved building construction plans. Any change in equipment, operation, or hazard shall be submitted to the City for review and approval before the change taking place.
 25. The storage, use, and disposal of volatiles, solvents, or hazardous materials at this facility shall be conducted according to the 2016 California Fire Code and the Riverside County Environmental Health Department regulations.
 26. All cannabis and cannabis products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with State and local regulations.
 27. Cannabis Facility Site Restricted.
 - No cannabis permittee shall open their cultivation site to the public.
 - No cannabis permittee shall allow anyone on the cultivation site, except for managers, staff, and other persons with a bona fide business or regulatory purpose for being there, such as contractors, inspectors, and cannabis transporters.
 - A manager must be onsite at all times that, any other person, except for security guards, is on the site.
 - While onsite, managers and staff of the cannabis cultivation permittee must wear their identification badge at all times.
 - Any person other than managers or staff who are on the cultivation site must sign in, wear a visitor badge, and be escorted on the site by a manager at all times.
 28. The use shall be conducted, at all times, in a manner that will allow the quiet enjoyment of the surrounding neighborhood. The operator shall institute whatever security and operational measures are necessary to comply with this requirement.
 29. If operation of this use triggers concerns related to parking, noise, traffic, or other impacts, at the discretion of the Community Development Director, this Conditional Use Permit may be referred back to the Planning Commission for subsequent review at a Public Hearing. If necessary, the Commission may modify or add conditions of approval to mitigate such impacts, or may revoke said Conditional Use Permit.

Site Security Plans

30. Each cannabis facility shall have a security plan approved by the City prior to the issuance of a Cannabis Business Permit. The security plan shall be a narrative and also include a

detailed security plan delineating the physical location of the specific equipment. The proposed security plan must include the following at a minimum:

- Summary of the security plan, this shall be included in the project description, all other elements shall be incorporated as a separate attachment, entitled security plan, to the project description.
 - Security surveillance cameras. Security surveillance cameras and a video recording system must be installed to monitor all doors into the buildings on the site, the parking lot, loading areas, and all exterior sides of the property adjacent to the public rights of way. The cameras and recording system must be of adequate quality, color rendition, and resolution to allow the identification of any individual present on the site. The recording system must be capable of exporting the recorded video in standard MPEG formats to another common medium, such as a DVD or USB drive.
 - Security video recording and retention. Video from the security surveillance cameras must be recording at all times (24 hours a day, seven days a week) and the recording shall be maintained for at least 30 days. The video recordings shall be made available to the City upon request.
 - Location of security cameras and the areas to be covered by the security cameras.
 - Location of audible interior and exterior alarms.
 - Location of exterior lighting.
 - Name and contact information of Security Company.
 - Entrances to all dispensing and cultivation areas will be locked and under control of staff at all times.
 - Name of security guard and proof that security guard is licensed by the California Department of Consumer Affairs and whether security guard will be present at the cannabis facility during all hours of operation.
 - If the security guard is to be armed, proof that security guard possesses a valid Security Guard Card and Firearms Permit issued by the California Department of Consumer Affairs.
 - Alarm system. Professionally and centrally-monitored fire, robbery, and burglar alarm systems must be installed and maintained in good working condition. The alarm system must include a private security company that is required to respond to every alarm.
31. Any modifications to the approved security plan shall be reviewed and approved prior to the modifications being implemented.
32. Site security plans requirements may change at the sole discretion of the City. Any changes of requirements imposed by the City shall be complied at minimum during the annual inspection process or sooner as required by the City.

33. In the event any discrepancies between local and state regulations exist, the more restrictive requirements shall prevail.

Fire Protection Plan

34. Each cannabis facility shall have fire protection plan approved by the Fire Marshal prior to the issuance of a Cannabis Business Permit. The fire protection plan shall be a narrative and also include a detailed fire protection plan delineating the physical location of the specific equipment. The proposed fire protection plan must include the following at a minimum:

- Summary of the fire protection plan, this shall be included in the project description, all other elements shall be incorporated as a separate attachment, entitled security plan, to the project description.
- Occupancy Classification. The Use and Occupancy Classification of Marijuana Business. Please identify the proposed use and occupancy classification of the proposed use. Use and occupancy classifications may be found in Chapter 3 of the California Building Code (CBC), and California Fire Code (CFC).
- Hazard Communication. When storing or using any type of hazardous materials, CFC Section 407 should be followed and the appropriate paperwork made accessible to the fire code official. Additionally the CFC should be consulted. The CFC gives responders the information of the hazardous chemicals that is on the property.
 - Material Safety Data Sheets (MSDS) shall be on property and made easily accessible.
 - Containers and/or packages related to hazardous materials shall be properly labeled and warning signage shall be properly displayed and easily visible.
 - All persons shall be trained on what to do in the event of an emergency involving hazardous material on the property.

Fire protection plans shall refer to the location of all hazard communication information.

- Interior Finishes. It is common in marijuana grow facilities to use a Visqueen® or Mylar® type plastic/polyethylene or polyester sheeting to cover walls and ceilings. Any use of plastic to enclose rooms or cover walls and/or ceilings must be installed in accordance with building and fire code requirements. Interior finishes must comply with flame spread ratings in accordance with Table 803.3 of the CFC. (Note: Hanging plastic from ceilings or suspended overhead structures to create wall dividers is typically NOT compliant with code provisions for a wall partition or interior finish.)
- Exits and Exit Signage, Egress Security measures are often extreme in cannabis facilities. The desire for security in no way overrides the minimum requirements for exiting and egress. Common issues associated with exits and egresses are as follows: Number of exits shall be in accordance with the CFC. Fire protection plan shall identify

- Means of egress cannot be concealed in any way.
 - Exit doors and their function (these cannot be eliminated without prior approval).
 - Where 2 or more exits are required, egress doors are required to swing in the direction of egress travel.
 - Where more than one exit is required, illuminated exit signs are to be provided that must be readily visible from any direction of egress travel.
 - Intermediary exit signs may also be required per Section 1013 of the CFC.
 - H occupancies require specific considerations for exiting.
- Locks and Key Box Where security and life safety objectives conflict, alternative measures may be required or permitted by the City. SECURITY GATES – Due to the increased security measures typically required, and the potential hazards associated with marijuana facilities, the City is authorized to require that any security gate be installed across a fire apparatus road first be approved before installation.
 - KEY BOXES – Installation of a key box in an approved location, which will permit timely access to the facility in the event of an emergency shall be identified.
 - LOCKS – The installation of “approved” locks on any and all gates or similar barriers, which will permit timely access to all areas of the facility’s property in the event of an emergency. If the facility has electronic access controls, the City will require an access code or electronic access card be provided.
 - BOLTS, BARS, LOCKS & LATCHES – Egress doors are required to open easily when exiting without the need for a key, without using extra effort and/or without having special knowledge in order to operate the installed hardware. Door handles, pulls, latches, locks and other operating devices should be free of tight grasping, tight pinching or twisting of the wrist to operate. Slide bolts, security bars, dead bolts, thumb latches and similar hardware items are prohibited from being installed on emergency egress doors.
 - ALTERNATIVE LOCKING DEVICES - Delayed egress locks and electromagnetic locks are permitted for use in other occupancy types, and must be approved for use by the City.
 - Fire suppression systems. Fire protection plan shall include all suppression systems designed to meet the specific
35. Fire prevention plan requirements may change at the sole discretion of the City. Any changes of requirements imposed by the City shall be complied at minimum during the annual inspection process or sooner as required by the City.
36. In the event any discrepancies between local and state regulations exist, the more restrictive requirements shall prevail.

Closure Plan

37. Prior to the approval of a Cannabis Business Permit a separate document referred to as a closure plan shall be reviewed and approved. At a minimum the closure plan shall include

- Remediation Plan. Describe how the cannabis facility will be remediated at end of use. (Process of Removing Equipment, Chemicals, and other items/remnants).
 - A closure cost estimate. Closure costs include the expenses for ceasing operation of the cannabis facility and safely closing the unit and cleaning up any contamination. Post-closure care costs include long-term maintenance of the unit or facility, monitoring, and record keeping during the required post-closure care period. Owner/operators calculate cost estimates based on the cost of paying a third party to perform the required closure and post-closure care activities as outlined in the facility's remediation plan. Cost estimates must be adjusted annually throughout the operational life of the facility to account for inflation.
38. Surety Bond. A surety bond from a surety company shall be submitted and maintained through out the life of the cannabis business permit that all closure and post-closure plan requirements will be fulfilled. If the owner/operator fails to meet the requirements specified in the bond, the surety company is liable for the costs.
39. Closure plan requirements may change at the sole discretion of the City. Any changes of requirements imposed by the City shall be complied at minimum during the annual inspection process or sooner as required by the City.
40. In the event any discrepancies between local and state regulations exist, the more restrictive requirements shall prevail.

Insurance

41. The owner/operator shall obtain and maintain at all times during the term of the permit comprehensive general liability insurance and comprehensive automotive liability insurance protecting the permittee in an amount of not less than one million dollars (\$1,000,000.00) per occurrence, combined single limit, including bodily injury and property damage and not less than one million dollars (\$1,000,000.00) aggregate for each personal injury liability, products-completed operations and each accident, issued by an insurance provider admitted and authorized to do business in California and shall be rated at least A-:viii in A.M. Best & Company's Insurance Guide. Proof of said insurance must be provided to the Planning Division before the business commences operations. Any changes to the insurance policy must be submitted to the Community Improvement Division within 10 days of the date the change is effective.

Signs

42. Street address shall be visible from the public street and/or shall be displayed on the freestanding sign. If there is no freestanding sign, the street address may be displayed on the fascia adjacent to the main entrance or on another prominent location. When the property has alley access, address numerals shall be displayed in a prominent location visible from the alley. Numerals shall be a minimum twelve (12) inches in height with not less than three-fourth-inch stroke and shall contrast sharply with the background. Identification of individual units shall be provided adjacent to the unit entrances. Letters or numerals shall be four (4) inches in height with not less than one-fourth-inch stroke and shall contrast sharply with the background.

43. The following signs in measurements of not less than eight by 10 inches shall be clearly and legibly posted in a conspicuous location inside the cannabis site where they will be visible to members and customers in the normal course of a transaction, stating:
- Smoking, ingesting or consuming cannabis on this property or within 20 feet of the cannabis facility is prohibited.
 - Drinking, ingesting or consuming alcohol on this property or within 20 feet of the cannabis facility is prohibited.
 - That no person under the age of twenty-one (21) years of age is permitted to enter upon the premises.
 - That loitering by persons outside the facility both on the premises and within fifty feet (50') of the premises is prohibited.
 - Juveniles are prohibited from entering this property unless they are a qualified patient or a primary caregiver and they are in the presence of their parent or legal guardian."
 - Neither the City of Lake Elsinore, nor any other governmental agency, has tested or inspected any cannabis product for pesticides, or other regulated contaminants, distributed at this location.
44. Business identification signage shall be limited to that needed for identification only. Business identification signage shall not include any references to marijuana or cannabis, whether in words or symbols. All signs shall comply with the Municipal Code. No sign shall be installed until the owner/operator or its designated contractor has obtained any permit required from the City.
45. Signs on the cannabis facility building shall not obstruct the entrance or windows of the facility.

Records Retention/Reporting

46. The owner/operator of this cannabis facility shall maintain accurate books and records, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis, or at any time upon reasonable request of the City, the owner/operator shall file a sworn statement detailing the number of sales by the medical marijuana business during the previous twelve month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes paid or due to be paid.
47. The owner/operator shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the medical marijuana business, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the cannabis facility. The register required by this condition shall be provided to the City Manager upon a reasonable request.
48. The owner/operator shall maintain an inventory control and reporting system that accurately

documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the production or manufacturing, laboratory testing and distribution processes. Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPPA), the owner/operator shall allow City officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted medical marijuana activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (24) hours after receipt of the City's request, unless otherwise stipulated by the City.

49. The owner/operator shall have in place a point-of-sale tracking system to track and report on all aspects of the medical marijuana business including, but not limited to, such matters as cannabis tracking, inventory data, and gross sales (by weight and by sale). The owner/operator shall ensure that such information is compatible with the City's record-keeping systems. The system must have the capability to produce historical transactional data for review by the City Manager.

Construction Permitting

50. Any internal or external modifications to the building shall require a building permit.
51. No Certificate of Occupancy shall be issued without the issuance of a Cannabis Business Permit and a City Business License.
52. The Applicant shall meet all applicable Building Codes in effect at the time, including but not limited to: 2016 California Building Code, 2016 California Electrical Code, 2016 California Mechanical Code, 2016 California Plumbing Code, 2016 California Green Building Standards Code, and 2016 California Energy Code (or the applicable adopted California Building Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Green Building Standards, and California Energy Code, at the time of plan submittal or permit issuance) and California Code of Regulations, also known as the California Building Standards Code, as amended by the City. Requirements for accessibility to sites, facilities, buildings, and elements by individuals with disability shall comply with Chapter 11 B of the 2016 California Building Code.
53. The conditions of approval and ordinance or code provisions of planning application PA-18-06 shall be blueprinted on the face of the site plan as part of the plan check submittal package.
54. Plans shall be prepared by a California licensed Architect or Engineer. Plans shall be wet stamped and signed by the licensed Architect or Engineer prior to the issuance of building permits.
55. The applicant/operator shall comply with all requirements of the Riverside County Fire Department Lake Elsinore Office of the Fire Marshal.
56. Comply with the requirements of the 2016 California Fire Code and referenced standards as amended by the City.

Conditional Use Permit Inspections

57. No person having responsibility for the operation of a cannabis business, shall impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a medical marijuana business under this chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsifies any records, recordings or other documents required to be maintained by a cannabis business under state or local law.
58. The City Manager or their designees may enter this business at any time during the hours of operation without notice, and inspect the location of this business as well as any recordings and records required to be maintained pursuant to LEMC or under applicable provisions of State law. The City Manager or his or her designees may conduct inspections at the site, as well as any recordings and records required to be maintained pursuant to the Municipal Code or under applicable provisions of State law.
59. Quarterly Inspections will be conducted by the City to verify compliance with the approved operation. The applicant will pay for the inspection according to the Additional Required Inspections as adopted in the Fee Schedule. Code Enforcement officers, the Building Official and/or the Fire Marshal may enter and inspect the location of this business between the hours of 8:00 am and 5:00 pm Monday through Friday upon 24 hours telephonic notice to the owner or operator, to ensure compliance with this CUP.
60. Annual Fire & Life Safety Inspections will be conducted by the Fire Station Crew for emergency response pre-planning and site access familiarization. The applicant will pay for the inspection according to the adopted Fee Schedule.

I hereby state that I acknowledge receipt of the approved Conditions of Approval for the above named project and do hereby agree to accept and abide by all Conditions of Approval as approved by the City of Lake Elsinore City Council on _____. I also acknowledge that all Conditions shall be met as indicated.

Date: _____

Applicant's Signature: _____

Print Name: _____

Address: _____

Phone Number: _____