

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

Dated: _____, 202_

I hereby agree to the following terms:

1. I am herewith depositing the sum of \$_____ as an initial deposit for the review and processing of a commercial cannabis business permit.
2. The entire amount deposited is non-refundable for any reason unless specifically stipulated in the application procedures. There is no guarantee - expressed or implied - that by submitting the application or making the deposit identified above that I will obtain any land use entitlements or a permit to operate a commercial cannabis business. I understand that City staff may recommend denial of the application for any reason, that staff may change its recommendation at any time, and that staff's recommendation of approval does not guarantee approval by any reviewing committee, commission, the City Manager or City Council.
3. All costs incurred by the City in processing said application, including staff time, attorney's fees, and overhead, shall be paid by me from the deposit on account. This is my personal obligation and shall not be affected by sale or transfer of the property subject to the application, changes in business organization, or any other reason. As work proceeds on an application, actual City costs, as established by the City, will be charged against the deposit account. The City will deduct such costs from said monies on deposit at such times and in such amounts as City determines. The City may demand additional deposits be made by me over the course of processing the application such as prior to each submittal, public review, and hearing(s), as applicable to the permit to cover costs incurred and likely to be incurred. "Costs incurred by the City" as identified in this paragraph shall include costs for the services of staff, attorneys, contractors, or consultants. The City shall exercise its sole discretion in determining whether it is necessary to engage the services of an outside contractors or consultants to assist with application processing, which costs are to be paid by me.
4. If it is determined that the amount on deposit will not be adequate to cover all costs associated with application processing, I shall deposit additional monies, or the application will be deemed withdrawn. If at any point in the processing of the application the amount on deposit becomes depleted, City staff will suspend work on the application until sufficient funds are restored. City may make a written demand for additional deposit(s) and I shall deposit with City such additional sums within the time stated in City's demand. If I fail to deposit such additional sums within said period, City staff, and all contractors and consultants for the City, will cease work on said application. I acknowledge that the application will not be finalized for hearing or decision and will be deemed withdrawn and refer any deficit owed to the City for collection of the outstanding balance.

5. The applicant acknowledges and agrees to the defense, waiver, and indemnification obligations stated in the attached "Agreement on Limitations of City's Liability, and Certifications, Assurances Warranties and Indemnification to City", incorporated herein by reference.
6. The City will promptly notify the Applicants and Owner of any such claim, action, or proceeding that is or may be subject to this Agreement. The City may, within its unlimited discretion, participate in the defense of any such claim, action, or proceeding.
7. In the event that any claim, action, or proceeding as described above is filed against the City, I shall within 30 days of the filing make an additional deposit of \$20,000 to the City to cover the costs or expenses involved in City defense. If during the litigation process, actual costs or expenses incurred reach 80% of the amount on deposit, I shall deposit additional funds sufficient to bring the balance up to the amount of \$20,000.
8. The City shall have the sole and absolute right to approve any and all counsel employed to defend the City. To the extent the City uses any of its resources to respond to such claim, action or proceeding, or to assist the defense, I will reimburse the City for those costs. Such resources include, but are not limited to, staff time, court costs, City Attorney's time, or any other direct or indirect cost associated with responding to, or assisting in defense of, the claim, action, or proceedings.
9. I consent and expressly allow, authorize, and permit the City, all its departments, agents, and employees (collectively, "City"), to enter upon and inspect the subject property identified herein, with or without prior notice, for the purposes of inspecting, photographing, and/or processing this application and to inspect for compliance with all laws, regulations, and conditions placed on land use approvals or the permit. No additional permission or consent to enter upon the property is necessary or shall be required. By signing this application, I further certify and warrant I am authorized to, and hereby do, consent, and allow such inspections on my behalf and on the behalf of each and all Owners of the property and Applicants.
10. I understand that all materials submitted in connection with my application are public records subject to inspection and copying by members of the public. By filing an application, I agree that the public may inspect and copy these materials and the information contained therein, and that some or all of the materials may be posted on the City's website. For any materials that may be subject to copyright protection, or which may be subject to Sections 5500.1 and 5536.4 of the California Business and Professions Code, by submitting such materials to the City I represent that I have the authority to grant, and hereby grant, the City permission to make the materials available to the public for inspection and copying, whether in hardcopy or electronic format.
11. This Agreement shall constitute a separate agreement from any permit approval, and that if the permit, in part or in whole, is revoked, invalidated, rendered null or set aside by a court of competent jurisdiction, I agree to be bound by the terms of this Agreement, which shall survive such invalidation, nullification or setting aside.

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

After review and consideration of all of the foregoing terms and conditions, I agree to be bound by and to fully and timely comply with all of the foregoing terms and conditions, and the attached "Agreement on Limitations of City's Liability, and Certifications, Assurances Warranties and Indemnification to City".

Applicant(s)/Owner(s):

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

Property Owner(s): (if different)

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

Agreement on Limitations of City's Liability, and Certifications, Assurances, Warranties, and Indemnification to City

(Must be completed by all applicants)

A. WAIVER AND RELEASE OF LIABILITY AND AGREEMENT TO INDEMNIFY THE CITY OF CHICO

The applicant/permittee, owners and operators, and each of them, jointly and severally if more than one, hereby waive and release the City from any and all liability for monetary damages related to or arising from the application for a permit, the issuance of the permit, or the enforcement of the conditions of the permit. The applicant certifies that under no circumstances shall the applicant cause any cause of action for monetary damages against the City of Chico, the permitting official or any City employee or agent as a result of this permit application or issuance or the enforcement of the conditions of the permit.

B. RELEASE CITY OF CHICO FROM LIABILITY FOR ISSUING THE APPLICANT A PERMIT

By applying for a permit pursuant to the City of Chico Commercial Cannabis Business Permit Program and by accepting a permit from the City of Chico acting as the Local Permitting Authority, the applicant/permittee, owners and operators, and each of them, jointly and severally if more than one, waives and releases City of Chico, and its elected officials, employees, agents, insurers and attorneys, and each of them, from any liability for injuries, damages, costs and expenses of any nature whatsoever that result or relate to the investigation, arrest or prosecution of business owners, operators, employees; clients or customers of the applicant/permittee for a violation of state or federal laws, rules or regulations relating to cannabis activities.

C. AGREEMENT TO INDEMNIFY CITY OF CHICO

The applicant/permittee, owners and operators, and each of them, jointly and severally if more than one, shall defend, indemnify, and hold harmless the City of Chico, its boards and commissions, officers, employees, attorneys and agents against and from any and all liabilities, demands, claims, actions or proceedings and costs and expenses incidental thereto (including costs of defense, settlement and reasonable attorney's fees), which any or all of them may suffer, incur, be responsible for or pay out as a result of or in connection with any challenge to, any claim related to, or any liability or demands, of any nature whatsoever, related to:

- (i) The requested cannabis business permit and any land use entitlement and/or Conditional Use Permit related thereto;
- (ii) The proceedings undertaken in connection with the adoption, approval, denial, or appeal of the requested cannabis business permit and any land use entitlement related thereto;
- (iii) Any subsequent approvals or permits relating to the requested cannabis business permit and any land use entitlement related thereto;
- (iv) The processing of the requested cannabis business permit and any land use entitlement related thereto;
- (v) Any amendments to the approvals for the requested cannabis business permit and any land use entitlement related thereto; and

- (vi) The City's approval, consideration, analysis, review, issuance, denial or appeal of my Commercial Cannabis Permit;
- (vii) The City's approval, consideration, analysis, review, issuance, denial or appeal of my land use entitlement and/or Conditional Use Permit;
- (viii) The City's drafting, adoption and passage of an ordinance, and related resolutions, policies, rules and regulations, allowing for commercial cannabis businesses;
- (ix) The City's drafting, adoption and passage of an ordinance, and related resolutions if necessary in the future regarding any zoning law amendment(s) related to my commercial cannabis business;
- (x) The operation of my commercial cannabis business or activity;
- (xi) The process used by the City in making its decision to approve, consider, analyze, review, issue, or deny, my commercial cannabis permit or land use entitlement, or the appeal of either; and/or
- (xii) The alleged violation of any federal, state or local laws by the commercial cannabis business or any of its officers, employees or agents.
- (xiii) The City of Chico shall promptly notify the applicant of any claim, action or proceeding which may be filed and shall cooperate fully in the defense, as provided for in Government Code Section 66474.9.

D. OBLIGATIONS INDEPENDENT OF AWARD OF LICENSE, PERMIT, OR ENTITLEMENTS

My obligations under this indemnification shall apply regardless of whether a license or any permits or entitlements are issued.

E. OBLIGATIONS SURVIVE EXPIRATION OF LICENSE, PERMIT, OR ENTITLEMENTS

My obligations under this agreement shall survive the expiration of any permit or entitlement issued by the City.

F. CERTIFICATION OF LIVE SCAN/BACKGROUND CHECK

The applicant, commercial cannabis business manager and anyone with an ownership interest in the business referenced herein represents and certifies they have submitted to a Live Scan and/or background check no earlier than 30 days prior to the date of this application.

G. PERMIT RENEWAL CERTIFICATION

For renewals, the applicant represents and certifies that they continue to hold in good standing any permit/license required by the State of California where applicable for a commercial cannabis business operation.

H. PROSECUTION UNDER FEDERAL LAW

The applicant understands that owners, operators, employees, and members of the commercial cannabis business may be subject to prosecution under Federal Laws.

I. AUTHORIZED TO SIGN

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

I declare under penalty of perjury that the information provided on this form is true and correct and do hereby apply for a permit pursuant to City of Chico Chapters 5.42 and 19.75 and in compliance with City of Chico Chapter 5R.42 and all other applicable sections of this Ordinance.

Applicant Signature

Printed Name and Title

Name of Business Entity

Address of Permitted Location

Date

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

State of California

City of _____

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

(Seal) Signature _____