



| OFFICE USE ONLY                             |                    |
|---|--------------------|
| Application No.: Regulatory Permit 2018-156 |                    |
| Application Submittal Date                  | 1/16/25            |
| Expiration Date (for renewals only)         | 3/19/2025          |
| License Type                                | Manufacturing      |
| Operating Fee                               | \$5 of gross sales |
| Renewal Fee                                 | \$7,636.00         |
| Accepted By                                 | <i>[Signature]</i> |

**Completed Applications must be submitted to  
Community Development at:**  
339 Fifth St., Hollister, Ca 95023  
Telephone (831) 636-4356x1253

## CANNABIS FACILITY REGULATORY PERMIT APPLICATION

### Pursuant to City of Hollister Ordinance No. 1179

Upon receipt of a completed application and payment of the application and fee, the Director of Development Services shall investigate the information contained in the application to determine whether the applicant shall be issued the requested permit. The purpose of the review is to ensure that the cannabis facility will be conducted in a secure, safe and business-like manner consistent with all applicable local and state laws, rules and regulations governing cannabis facilities, including without limitation the Compassionate Use Act as set forth in California Health & Safety Code Section 11362.5, the Medical Marijuana Regulation and Safety Act of 2015, and the Medical Marijuana Program Act as set forth in the California Health and Safety Code Sections 11362.7 et seq.

**Renewals**

No regulatory permit may be renewed unless a new registration has been filled with the Cannabis Affairs Office a minimum of sixty (60) days prior to the expiration date of the Regulatory Permit.

Check one only:

- Check here if **NEW** Commercial Cannabis Operation Regulatory Permit
- Check here if **RENEWAL** of a Commercial Cannabis Facility Operation Regulatory Permit

*-If renewal, provide the existing permit Regulatory Permit number and expiration date here:*

No.: \_\_\_\_\_ Date: 03/19/2025 Business Name: Faultline Manufacturing

Check one:

- Dispensary                       Distribution Facility                       Delivery
- Cultivation Facility                       Laboratory Testing                       Manufacturing

|   |
|---|
| <b>Applicant /Business Name : Faultline Manufacturing</b> |
| <b>Project Location: 1785 San Felipe Road Unit E</b>      |
| <b>Assessor's Parcel No.: 051-120-076</b>                 |
| <b>Land Use of Property : Industrial (M1)</b>             |

**ZONING:** Permitted cannabis facilities (cultivation, manufacturing, testing and distribution) may locate and/or operate in the North Gateway (NG), Industrial Business Park (IBP), Light Industrial (MI), Airport Support (AS), and West Gateway (WG) Zoning Districts. A dispensary is permitted in any of the mentioned above zoning districts except for the West Gateway (WG). (Chapter 5.42 Section 5.42.160 of the Hollister Municipal Code)

**LOCATION**

All cannabis facilities shall be setback a minimum of 600 feet from a school, and a minimum of 150 feet from a conforming residential use, a conforming religious institution or a licensed rehabilitation facility, as defined in HMC Section 5.42.160. Does the property meet the sensitive use restrictions defined in this section?

YES  NO

**Applicant Information (to be completed by applicant)**

**A. APPLICANT INFORMATION (to be completed by applicant):**

**APPLICANT:** Ashley McPhail

|   |  |
|---|--|
| Mailing Address: <u>2111 Alturas ct.</u>  | Phone No. <u>(831) 288-4768</u>                |
| City, State, Zip: <u>Hollister, Ca. 95023</u>   | E-Mail: <u>Ashleymcphail33@gmail.com</u>       |
| <b>OWNER (IF DIFFERENT FROM APPLICANT):</b> <u>Matthew S. McPhail / McPhail Enterprises LLC</u> |  |
| Mailing Address: <u>1419 Squire Ct.</u>   | Phone No. <u>831 833 9525</u>                  |
| City, State, Zip: <u>Hollister, CA 95023</u>  | E-Mail: <u>Mcphailenterprisesllc@gmail.com</u> |
| <b>LEGAL REPRESENTATIVE:</b> <u>James Roberts</u>   |  |
| Mailing Address: <u>1798 Technology Dr. Ste. 292</u>  | Phone No. <u>(408) 275-9600</u>                |
| City, State, Zip: <u>San Jose, Ca 95110</u>   | E-Mail: <u>Jroberts@robertselliot.com</u>      |

(Attach additional sheets as necessary)

**B. PROPERTY OWNER CONSENT:**

In the event that neither the applicant or owner are the legal owners of the subject property contemplated by this application, the application must be accompanied with a "PROPERTY OWNER'S STATEMENT OF CONSENT" stating and acknowledging that a cannabis facility will be operated on the subject property contemplated by this application and containing the notarized signature from the legal owner of the property. If either applicant or owner is the legal owners of the subject property contemplated by this application, then evidence of such legal ownership shall be submitted in a form that is satisfactory to the Director.

**SEE EXHIBIT "A" APPLICATION FOR CANNABIS FACILITY LICENSE**

**PROPERTY OWNER:**

Mailing Address: 1419 Squire Ct Phone No. 831 833 9525  
City, State, Zip: Hollister Ca. 95023 E-Mail: myprailenterprisesllc@gmail.com

**C. BUSINESS OPERATIONS (dispensaries only):**

Estimated Number of Qualified Patients and Primary Caregivers (as defined in HMC Section 5.54.030):

Days/Hours of Operation:

Delivery Service to be provided: \_\_\_\_\_ Yes \_\_\_\_\_ No

Hours of Delivery Service:

Name of all owners, employees, and managers, as defined in HMC Section 5.42.050 (attach additional sheets if necessary):

1. NAME/TITLE: Ashley McPhail/owner PHONE NO.: (831) 288-4768  
ADDRESS: 2111 Alturas ct. Hollister, Ca. 95023
2. NAME/TITLE: \_\_\_\_\_ PHONE NO.: (831) 833-9524  
ADDRESS: Kim Hurtado/Manager 2111 Alturas ct. Hollister, Ca. 95023
3. NAME/TITLE: Alysa McPhail/Employee PHONE NO.: (831) 537-6828  
ADDRESS: 2111 Alturas ct. Hollister Ca. 95023

Raul Rivas (408) 422-3661

Sargon Shiba (847) 293-7744

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**D. APPLICANT AUTHORIZATION**

I hereby authorize and consent to the City Manager and the Director of Development Services of the City of Hollister, including their designees, to seek verification of the information contained in this application and any attachments.

NAME OF APPLICANT: Ashley McPhail

SIGNATURE OF APPLICANT: Ashley McPhail

DATE: 1.8.25

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**E. TERMS AND CONDITIONS**

I hereby certify that I have reviewed the contents of Chapter 5.42 of the City of Hollister Municipal Code and acknowledge, understand, and agree to be bound by its terms and conditions.

NAME OF APPLICANT: Ashley McPhail

SIGNATURE OF APPLICANT: Ashley McPhail

DATE: 1.8.25

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**F. FURTHER INFORMATION AND INSPECTIONS**

I agree to submit any additional and further information as deemed necessary by the City Manager or the Director of Development Services, including their designees, in order to process this application.

I further agree to permit the City Manager, Director of Development Services, the Hollister Police Department, and their respective designees to conduct inspections, for the purpose of ensuring compliance with local and State laws, of the proposed medical cannabis facility at the discretion of the City, including inspection of:

- Security recordings made by security cameras required by Chapter 5.42 of the Hollister Municipal Code
- Inspect facility for compliance with overall health and safety standards
- Inventory records, files, and financial records for auditing purposes
- Other written records and files pertaining to the proposed medical cannabis facility.

NAME OF APPLICANT: Ashley McPhail

SIGNATURE OF APPLICANT: Ashley McPhail

DATE: 1.8.25

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**G. INDEMNIFICATION AND RELEASE**

I release the City of Hollister, its agents, officers, elected officials, and employees from any and all claims, injuries, damages, or liabilities of any kind arising from (a) any repeal or amendment of Chapter 5.42 of the Hollister Municipal Code or any provision of the Zoning Code relating to medical cannabis facilities, and (b) any arrest or prosecution of me, my managers, employees, or members for violation of State or federal laws; and I will defend, indemnify, and hold harmless the City of Hollister and its agents, officers, elected officials, and employees from and against any and all claims or actions: (a) brought by adjacent or nearby property owners or any other parties for any damages, injuries, or other liabilities of any kind arising from operations at the subject property contemplated by this application, and (b) brought by any party for any problems, injuries, damages, or other liabilities of any kind arising out of the distribution of marijuana produced at the subject property contemplated by this application.

NAME OF APPLICANT: Ashley McPhail

SIGNATURE OF APPLICANT: Ashley McPhail

DATE: 1.8.25

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**Cannabis Facility Regulatory Permit Applicant Release Agreement and Affidavit of Acknowledgement**

As an applicant for Cannabis Facility, I hereby acknowledge and agree to the following and in addition, as a condition of issuance or renewal of a regulatory permit as required, the City Council may impose such additional terms and conditions on the issuance or renewal of the regulatory permit and the operation of the facility from time to time as the City Council deems appropriate. (Please initial every section that is applicable to the license you are applying for).

**Applicant and Facility Eligibility:**

By initialing, you are indicating your agreement to the section you are initialing. Furthermore, you affirm that the documents submitted to the city during your application remain accurate. In the event of any changes, please promptly provide the updated documents.

- Am Copy of the applicant's Articles of Incorporation or Articles of Organization;
  - Am Copy of the applicant's bylaws or operating agreement;
  - Am Copy of the applicant's Certificate of Status issued by the California Secretary of State;
  - Am Copy of the applicant's Entity Status Letter from the California Franchise Tax Board;
  - Am Copy of the applicant's Board of Equalization Seller's Permit;
  - Am The applicant's Federal Employer Identification Number;
  - Am Evidence of the legal right for the applicant to occupy and use the property either a deed or lease for a cannabis facility. In the event that the applicant is not the owner of record of the property, the applicant must provide a notarized statement from the owner of the property acknowledging and consenting to use of the property as a medical cannabis facility by the applicant; and
  - Am The identification of any individual with a financial interest in the applicant including the address, phone number, email address, description of percentage ownership interest, and copies of government issued identification for each individual;
  - Am The proposed location is evaluated for conformance with the zoning and sensitive use restrictions contained in Section 5.42.160 of the Municipal Code; which shall include a reliable mapping of the proposed location and distances to all sensitive uses, satellite mapping is preferred;
  - Am Satisfactory Live Scan conducted by the City Police Department pursuant to Section 5.42.060 of the Municipal Code; and
- Government issued identification to determine that each applicant, manager, and employee of the cannabis facility is over eighteen (18) years of age and that no applicant, manager, or employee of the cannabis facility is a licensed physician making patient recommendations for cannabis pursuant to Section 5.42.070 of the Municipal Code.

**Applicant and Facility Evaluation**

By initialing, you are indicating your agreement to the section you are initialing. Furthermore, you affirm that the documents submitted to the city during your application remain accurate. In the event of any changes, please promptly provide the updated documents.

- Am Comprehensive site plan and floor plan of the facility which includes the dimensions of the interior floor plan; location of all exist doors, width of doors and panic hardware; principal uses of the floor area including where non-patients will be permitted, storage areas, retails areas, areas for cash handling and storage and restricted areas.
- Am Security plan demonstrating compliance with Chapter 5.42 of the Municipal Code and this Resolution
- Am Identification of companies providing security services including the company's named, address, contract information, California Business license and PPO.

- Am Identification of a security liaison – name, contact information
- Am Identification physical security measures
- Am The medical cannabis dispensing procedures, including whether the medical cannabis dispensary will engage in the delivery of medical cannabis or medical cannabis products and the detailed delivery protocols
- Am Business Plan including financial information, revenue and expense projections, capital investment and operating reserves.
- Am Community Benefits Plan with a dedicated community liaison. –
- Am Plan for preference in hiring City of Hollister residents at 200% above the "living wage" for the Federal Poverty Level for a family of two.
- Am Employee manual, benefits and vacation pay plan
- Am Procedures for identifying, managing, and disposing of contaminated, adulterated, deteriorated or excess cannabis or medical cannabis products
- Am Preference for participation in clinical or academic research seeking to understand the efficacy and adverse effects of cannabis as a pharmacological agent.
- Am Procedures for inventory control including a detailed description of inventory tracking software and procedures
- Am The odor management plan including detailed description ventilation
- Am Signage plan
- Am Cash management policies and procedures
- Am Policies and procedures for adopting, monitoring, implementing, and enforcing all other requirements of Chapter 5.42 of the Municipal Code
- Am Proposed development agreement with no less than Five Percent (5%) gross sales with the City

**Cannabis Dispensary Operating Requirements**

In addition to the operating requirements applicable to cannabis dispensaries contained in the Hollister Municipal Code (including but not limited to Chapter 5.42), cannabis dispensaries shall comply with the following operating requirements:

**By initialing, you are indicating your agreement to the section you are initialing. Furthermore, you affirm that the documents submitted to the city during your application remain accurate. In the event of any changes, please promptly provide the updated documents.**

\_\_\_\_ Until regulatory implementation of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), a cannabis dispensary shall ensure that all cannabis and cannabis products sold, given away, or donated by the dispensary were batch tested by a cannabis testing center that maintains operations in full conformance with the State and local regulations prior to sale, being given away, or donation.

- \_\_\_ Prior to sale, being given away, or donation, a cannabis dispensary shall ensure that all cannabis and cannabis products are packaged and sealed "exit packaging" that are childproof, opaque and is closable if not intended for single use. Opaque container shall mean a container that is constructed or coated in such a manner as to ensure the contents inside is shielded from view. Childproof shall mean any container that meets the standards set forth in Part 1700 of Title 16 of the Code of Federal Regulations.
  
- \_\_\_ A cannabis dispensary shall maintain a limited access area where cannabis and cannabis products are sold, given away, or donated to qualified patients and primary caregivers. A "buzz-in" electronic/mechanical entry system shall be utilized to separate the limited access area from a reception or reception/lobby area. A cannabis dispensary must verify an individual's (a) status as a qualified patient or primary caregiver and (b) identification via valid government issued identification card before allowing an individual to access the limited access area and purchase or receive cannabis or cannabis products.
  
- \_\_\_ A cannabis dispensary shall notify qualified patients and primary caregivers of the following verbally (or by written agreement) and by posting of a sign (or signs) conspicuously within the dispensary: "The sale or diversion of cannabis without a permit issued by the City of Hollister is a violation of State law and the Hollister Municipal Code."
  
- \_\_\_ "Use of medical cannabis shall be limited to the patient identified on the doctor's recommendation. Secondary sale, barter, or distribution of medical cannabis or medical cannabis products purchased from [Insert Name of Dispensary] is a crime and can lead to arrest."
  
- \_\_\_ "Patrons must immediately leave the dispensary and not consume cannabis or cannabis products until at home or in an equivalent private location. Staff shall monitor the location and vicinity to ensure compliance."
  
- \_\_\_ "The use of cannabis or cannabis products may impair a person's ability to drive a motor vehicle or operate heavy machinery."
  
- \_\_\_ "Forgery of medical documents is a felony crime. Entry into the premises by persons under the age of eighteen (18) is prohibited unless they are a qualified patient and accompanied by a licensed attending physician, parent, or legal guardian."
  
- \_\_\_ "CALIFORNIA PROP. 65 WARNING: Smoking of cannabis and cannabis-derived products will expose you and those in your immediate vicinity to cannabis smoke. Cannabis smoke is known by the State of California to cause cancer."
  
- \_\_\_ A cannabis dispensary shall maintain a database identifying all qualified patients and primary caregivers that have received cannabis or medical cannabis products from the dispensary. The database shall identify each qualified patient's designated primary caregiver (if any), the name of the physician providing the recommendation for medical cannabis, and shall reflect whether the recommendation is written or oral. The database shall also identify the city and county of residence for each qualified patient and his or her primary caregiver.
  
- \_\_\_ A cannabis dispensary shall facilitate the sale, giving away, or donation of medical cannabis or medical cannabis products with a technology platform owned by or licensed to the dispensary that uses point-of-sale technology to track and database technology to record and store the following information for each transaction involving the exchange of medical cannabis or medical cannabis products between the dispensary and qualified patient or primary caregiver:
  - \_\_\_ The identity of the qualified patient or primary caregiver receiving medical cannabis or medical cannabis products from the dispensary.
  - \_\_\_ The type and quantity of medical cannabis or medical cannabis products dispensed and received.

- \_\_\_ The dollar amount charged by the dispensary and received by the individual dispensing medical cannabis or medical cannabis products on behalf of the dispensary for the medical cannabis or medical cannabis products dispensed and received.
- \_\_\_ A cannabis dispensary shall not sell, give away, or donate medical cannabis or medical cannabis products to qualified patients or primary caregivers between the hours of 6:00am and 10:00pm.
- \_\_\_ Any other operating requirement included in the development agreement between the cannabis dispensary and the City pursuant to Section 5.42.090 of the Municipal Code.

**CANNABIS FACILITIES AND DELIVERY REGULATIONS.**

**By initialing, you are indicating your agreement to the section you are initialing.**

**Cannabis Facility Infrastructure and Security Regulations**

In addition to the infrastructure and security requirements contained in the Hollister Municipal (including but not limited to Chapter 5.42), cannabis facilities shall comply with the following infrastructure and security regulations:

- Am Alarms and closed circuit television. A Police Department-licensed, 24-hour centrally monitored alarm system is required. The system shall automatically notify the Police Department dispatch and allow camera system access for dispatch to relay vital information to responding officers on alarm activations.
- Am Closed circuit television ("CCTV") video monitoring shall be installed that meets the following criteria: Continuous 24-hour operation and recording with minimum archival period of six months cloud based storage for motion activated movement.
- Am Sufficient cameras, angles of observation and lighting to allow facial feature identification of persons in interior and exterior areas where cannabis or cannabis products is present at any time.
- Am Sufficient cameras, angles of observation and lighting to allow facial feature identification of persons in the immediate exterior areas of doors, windows, or other avenues of potential access. 20 feet on either side and out from every door.
- Am All CCTV recordings shall be accessible to law or code enforcement officers at all times during operating hours and otherwise upon reasonable request. All CCTV recording systems shall have the capability of producing tapes, DVDs or other removable media of recordings made by the CCTV system, including still photograph images.
- Am To prevent tampering, the recorder shall be kept in a secure, locked location and all recordings shall be date and time stamped.
- Am Windows and glass panes shall have vandal-resistant glazing, shatter-resistant film, glass block, or bars installed equipped with latches that may be released quickly from the inside to allow exit in the event of emergency.
- Am Windows vulnerable to intrusion by a vehicle must be protected by bollards or landscaping grade separation reasonably sufficient to prevent such intrusion.
- Am Roofs, roof hatches, sky lights, and ceilings: All means of gaining unauthorized access to the roof shall be eliminated. Exterior roof ladders shall be secured with locked ladder covers.

- Am Roof hatches and skylights shall be secured so as to prevent intrusion.
- Am Where a cannabis facility is located in a building with other tenants, the cannabis facility shall be secured against unauthorized access from other tenant spaces or common areas, including access through crawl spaces, ceiling spaces, ventilation systems or other access points concealed from the common areas
- Am Visibility: cannabis or cannabis products or graphics depicting cannabis or cannabis products within the cannabis facility shall not be visible with the naked eye from the perspective of a pedestrian immediately exterior to the property line of the cannabis facility.
- Am Exterior landscaping within 10 feet of a cannabis facility shall be free of locations which could reasonably be considered places where a person could conceal themselves considering natural or artificial illumination.
- Am Exterior building lighting and parking area lighting must be of sufficient foot-candles and color rendition, so as to allow the ready identification of any individual committing a crime on site at a distance of no less than forty feet.
- Am Fire suppression system: An approved automatic fire sprinkler system, designed in compliance with International Fire Code is required.
- Am Entrances, exits, and doors: A cannabis facility shall have a single plainly identified primary entrance/exit site that is visible from public or common areas.
- Am Any exit or entrance that is not visible from a public or common area shall be plainly marked as an emergency exit only. Such emergency exits shall be self-closing, self-locking, commercial grade locks equipped with an alarm and not used except in an emergency.
- Am Any aluminum door shall be fitted with steel inserts at the lock receptacles.
- Am Any outward opening doors shall be fitted with hinge stud kits, welded hinges or set-screw hinge pins.
- Am Panic exit hardware shall be "push-bar" design.
- Am Double doors shall be fitted with three-point locking hardware and push-bars consistent with fire agency regulations or requirements.
- Am All emergency exits shall be solid core doors featuring hinge-pin removable deterrence. Emergency exit doors shall have latch guards at least 12 inches in length protecting the locking bolt area. Latch guards shall be of minimum 0.125-inch thick steel, affixed to the exterior of the door with non-removable bolts, and attached so as to cover the gap between the door and the doorjamb for a minimum of six inches both above and below the area of the latch.
- Am All glass doors or doors with glass panes shall have shatter-resistant film affixed to prevent glass breakage.
- Am Identification and access badges: Managers and employees of a cannabis facility shall wear identification badges with photo identification on breakaway style lanyards, at chest height.
- Am The identification badges shall be the means to access areas of the cannabis facility not designed for public access.
- Am The identification badge access system shall have a duress feature.

Am The identification badge access system shall have a readily available recorded log for entry/exit time of areas of the medical cannabis facility not designed for public access. The electronic logs must be retained for 90 days.

Am Biometric access system: Entrances to areas of a medical cannabis facility where medical cannabis or medical cannabis products are cultivated, manufactured, processed, stored, tested, or labeled must have biometric scanners for individual unmistakable identifying access.

Am The biometric access system shall have a readily available recorded log for entry/exit time for to the secured areas. The electronic logs must be retained for 90 days.

Am Security personnel: A cannabis facility shall utilize adequate security personnel and patrols to ensure the safety of persons and to protect the facility from theft at all times.

Am All security personnel utilized by the cannabis facility shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card" at all times.

Am Security liaison: A cannabis facility shall provide the City Manager or designee with the name, telephone number, and email address of a security liaison to whom the City can provide notice if there are security problems associated with the medical cannabis facility or refer members of the public who may have any concerns or complaints regarding the security of the medical cannabis facility. Each cannabis facility shall also provide the above information to all businesses and residences located within 100-foot radius of the cannabis facility.

Am The security liaison shall be reasonably available to meet with the City Manager, the City's Police Chief, or their designees, regarding any security related measures or and operational issues.

Am Any other infrastructure and security condition included in the development agreement between the cannabis facility and the City pursuant to Section 5.42.090 of the Municipal Code.

#### **All Cannabis Facility General Operating Requirements**

In addition to the operating requirements applicable to cannabis facilities contained in the Hollister Municipal (including but not limited to Chapter 5.42), cannabis facilities shall comply with the following general operating requirements:

**By initialing, you are indicating your agreement to the section you are initialing.**

Am A cannabis facility shall post, in a prominent location within the facility, a copy of its cannabis facility regulatory permit and a document that provides (a) the name, telephone number, and address of a person(s) authorized to accept service of process on behalf of the cannabis facility, (b) the name, telephone number, and address of the facility's community relations liaison required pursuant to Section 5.42.240 of the Municipal Code, and (c) the name, telephone number and address of the facility's security liaison required pursuant to this Resolution.

Am There shall be at least one responsible person at the cannabis facility to act as manager and supervise employees at all times during business hours. Such responsible person shall undergo a Fingerprint-Based Criminal History Records Check conducted by the City Police Department pursuant to Section 5.42.060 of the Municipal Code and shall not have been convicted of an offense listed in Section 5.42.070.7.A of the Municipal Code.

Am No recommendations or approvals by a physician to use medical cannabis or medical cannabis products shall be issued at a cannabis facility.

Am All finished cannabis and cannabis products (except for limited amounts of cannabis used for display purposes, samples, or immediate sale) shall be secured and locked in a room, safe, or vault in a manner as to prevent diversion, theft, and loss. No outdoor storage of cannabis or cannabis products is permitted at any time.

Am A cannabis facility shall utilize an inventory and point-of-sale tracking system to track and report on all aspects of the facility's business including, but not limited to, such matters as cannabis tracking, inventory data, and gross sales (by weight and by sale). The cannabis facility 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 or designee.

Am A cannabis facility shall use weighing or measuring devices that meet standards equivalent to Division 5 of the Business and Professions Code.

Am All cannabis or cannabis products sold, distributed, tested, or manufactured by cannabis facility shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the State and local regulations.

Am Signage and notices: In addition to the requirements otherwise set forth in this section, business identification signage for a cannabis facility shall conform to the requirements of the Municipal Code, including, but not limited to, seeking the issuance of a City sign permit.

Am No signs placed on the premises of a cannabis facility shall obstruct any entrance or exit to the building or any window.

Am Each entrance to a cannabis facility shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the cannabis facility is prohibited.

Am Business identification signage shall be limited to that needed for identification only, and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. No cannabis facility shall advertise by having an individual holding a sign and advertising the business to passersby, whether such person is on the premises of the cannabis facility or elsewhere including, but not limited to, the public right-of-way. No "A Frame" style signs allowed in front of business or on curbside.

Am Signage shall not be directly illuminated, internally or externally, except that the name and address of the business may be illuminated at night.

Am Odor control: Odor control devices and techniques shall be incorporated in all cannabis facilities to ensure that odors from cannabis are mitigated to the maximum extent reasonably possible so as to minimize off-site detection. All cannabis facilities shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the cannabis facility that is distinctive to its operation is mitigated to the maximum extent reasonably possible so as to minimize off-site detection, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the cannabis facility. As such, cannabis facilities must install and maintain the following equipment or any other equipment which the City Manager or designee determines is a more effective method or technology: exhaust air filtration system with odor control that prevents internal odors from being emitted externally.

Am An air system that creates negative air pressure between cannabis facility's interior and exterior, so that the odors generated inside the cannabis business are not detectable on the outside of the cannabis business.

Am A cannabis facility shall (i) prohibit loitering by individuals outside the cannabis facility, whether the loitering is occurring immediately outside the cannabis facility or anywhere else on the property or parcel; (ii) on-site consumption of cannabis or alcohol; and (iii) loud car stereos or activities disruptive to the neighboring

businesses or residences outside the cannabis facility, whether the disruption is occurring immediately outside the cannabis facility or anywhere else on the property or parcel.

Am

A cannabis facility shall notify the City Manager or designee IMMEDIATELY after discovering any of the following: Discrepancies identified during inventory.

Am

Diversion, theft, loss, or any criminal activity involving the cannabis business or any agent or employee of the cannabis business.

Am

The loss or unauthorized alteration of records related to cannabis, registering qualifying patients, primary caregivers, or employees or agents of the cannabis facility.

Am

Any other breach of security.

Am

Agents or employees of the City requesting access to a medical cannabis facility or the records required to be maintained by a medical cannabis facility shall be given unrestricted access.

Am

A medical cannabis facility shall implement and monitor procedures for cash management, security, and storage.

Am

A cannabis facility shall secure worker's compensation insurance covering employees of the medical cannabis facility.

Am

A cannabis facility shall secure general liability insurance with an aggregate limit not less than \$1,000,000.00.

Am

Any other operating requirement included in the development agreement between the cannabis facility and the City pursuant to Section 5.42.090 of the Municipal Code.

### **Cannabis Cultivation Facility Operating Requirements**

In addition to the operating requirements applicable to medical cannabis cultivation facilities contained in the Hollister Municipal (including but not limited to Chapter 5.42), medical cannabis cultivation facilities shall comply with the following operating requirements:

By initialing, you are indicating your agreement to the section you are initialing.

\_\_\_ A cannabis cultivation facility shall not use pesticides or insecticides prohibited by federal, State, or local law for fertilization or production of edible produce.

\_\_\_ A cannabis cultivation facility shall comply with all applicable federal, State, and local laws regarding use and disposal of pesticides and fertilizers.

\_\_\_ Until regulatory implementation of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), a cannabis cultivation facility shall send (or make arrangements for a cannabis distribution facility to send) cannabis cultivated by the facility for batch testing to a cannabis testing center that maintains operations in full conformance with the State and local regulations prior to distribution to a medical cannabis dispensary.

\_\_\_ Prior to transportation, a cannabis cultivation facility shall package and seal all medical cannabis in tamper-evident packaging and use a unique identifier, such as a batch and lot number or bar code, to identify and track the medical cannabis.

\_\_\_ Any other operating requirement included in the development agreement between the cannabis cultivation facility and the City pursuant to Section 5.42.090 of the Municipal Code.

### **Cannabis Manufacturing Facility Operating Requirements**

In addition to the operating requirements applicable to medical cannabis manufacturing facilities contained in the Hollister Municipal (including but not limited to Chapter 5.42), medical cannabis manufacturing facilities shall comply with the following operating requirements:

**By placing your initials, you are expressing your consent to the specific section you are initialing.**

Am

All cannabis manufacturing facilities must adhere to City of Hollister Building Department Codes as required by the Building Official.

Am

All manufacturers, whether Type 7 or Type S, must adhere to all regulations and requirements set by the California Department of Public Health (California Code of Regulations, Title 17; Division 1, Chapter 13. Manufactured Cannabis Safety).

Am

A cannabis manufacturing facility shall only produce, distribute, provide, donate, or sell non-potentially hazardous food, as established by the State Department of Public Health pursuant to Section 114365.35 of the Health and Safety Code.

Am

Prior to transportation, a cannabis manufacturing facility shall package and seal all medical cannabis products in tamper-evident packaging and use a unique identifier, such as a batch and lot number or bar code, to identify and track the medical cannabis products.

Am

Any other operating requirement included in the development agreement between the medical cannabis manufacturing facility and the City pursuant to Section 5.42.090 of the Municipal Code.

### **Cannabis Distribution Facility Operating Requirements**

In addition to the operating requirements applicable to cannabis distribution facilities contained in the Hollister Municipal (including but not limited to Chapter 5.42), medical cannabis distribution facilities shall comply with the following operating requirements:

**By placing your initials, you are expressing your consent to the specific section you are initialing.**

\_\_\_

A cannabis distribution facility shall only procure, sell, or transport cannabis or medical cannabis products that are packaged and sealed in tamper-evident packaging that uses a unique identifier, such as a batch and lot number or bar code, to identify and track the medical cannabis or cannabis products.

\_\_\_

A cannabis distribution facility shall maintain a database and provide a list of the individuals and vehicles authorized to conduct transportation on behalf of the cannabis distribution facility to the City Manager or designee.

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Individuals authorized to conduct transportation on behalf of the cannabis distribution facility shall have a valid California Driver's License.

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Individuals authorized to conduct transportation on behalf of the cannabis distribution facility shall undergo a Fingerprint-Based Criminal History Records Check conducted by the City Police Department pursuant to Section 5.42.060 of the Municipal Code and shall not have been convicted of an offense listed in Section 5.42.070.7.A of the Municipal Code.

- \_\_\_ Individuals transporting cannabis or cannabis products on behalf of the cannabis distribution facility shall maintain a physical copy of the transportation request (and/or invoice) and shall make it available upon request of agents or employees of the City requesting documentation.
- \_\_\_ During transportation, the individual conducting transportation on behalf of the cannabis distribution facility shall maintain a copy of the cannabis distribution facility's medical cannabis facility regulatory permit and shall make it available upon request of agents or employees of the City requesting documentation.
- \_\_\_ A cannabis distribution facility shall only transport cannabis or cannabis products in a vehicle that is (a) insured at or above the legal requirement in California, (b) capable of securing (locking) the cannabis or cannabis products during transportation, and (c) capable of being temperature controlled if perishable cannabis or cannabis products are being transported.
- \_\_\_ Any other operating requirement included in the development agreement between the cannabis distribution facility and the City pursuant to Section 5.42.090 of the Municipal Code.

**Operating Requirements for the Transportation of Cannabis or Cannabis Products**

In addition to any applicable operating requirements contained in the Hollister Municipal (including but not limited to Chapter 5.42), cannabis cultivation facilities and cannabis manufacturing facilities may transport cannabis or medical cannabis products produced at the particular facility subject to the following operating requirements:

**By placing your initials, you are expressing your consent to the specific section you are initialing.**

Am The facility shall maintain a database and provide a list of the individuals and vehicles authorized to conduct transportation on behalf of the facility to the City Manager or designee.

Am Individuals authorized to conduct transportation on behalf of the facility shall have a valid California Driver's License.

Am Individuals authorized to conduct transportation on behalf of the facility shall undergo a Fingerprint-Based Criminal History Records Check conducted by the City Police Department pursuant to Section 5.42.060 of the Municipal Code and shall not have been convicted of an offense listed in Section 5.42.070.7.A of the Municipal Code.

Am Individuals transporting cannabis or cannabis products on behalf of the facility shall maintain a physical copy of the transportation request (and/or invoice) and shall make it available upon request of agents or employees of the City requesting documentation.

Am During transportation, the individual conducting transportation on behalf of the facility shall maintain a copy of the facility's cannabis facility regulatory permit and shall make it available upon request of agents or employees of the City requesting documentation.

Am A facility shall only transport medical cannabis or medical cannabis products in a vehicle that is (a) insured at or above the legal requirement in California, (b) capable of securing (locking) the medical cannabis or medical cannabis products during transportation, and (c) capable of being temperature controlled if perishable medical cannabis or medical cannabis products are being transported.

AM

Any other operating requirement included in the development agreement between the facility and the City pursuant to Section 5.42.090 of the Municipal Code.

### **Cannabis Testing Center Operating Requirements**

In addition to the operating requirements applicable to cannabis testing centers contained in the Hollister Municipal (including but not limited to Chapter 5.42), cannabis testing centers shall comply with the following operating requirements:

**By placing your initials, you are expressing your consent to the specific section you are initialing.**

- \_\_\_ A cannabis testing center shall adopt a standard operating procedure using methods consistent with general requirements established by the International Organization for Standardization, specifically ISO/IEC 17025, to test cannabis and medical cannabis products.
- \_\_\_ A cannabis testing center shall be accredited by a body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement.
- \_\_\_ A cannabis testing center shall establish standard operating procedures that provide for adequate chain of custody controls for samples transferred to the testing laboratory for testing.
- \_\_\_ A cannabis testing center shall destroy the remains of samples of medical cannabis or medical Cannabis product upon completion of analyses.
- \_\_\_ Any other operating requirement included in the development agreement between the cannabis testing center and the City pursuant to Section 5.42.090 of the Municipal Code.

### **Cannabis Delivery Operating Requirements**

In addition to the operating requirements applicable to delivery (as defined Section 5.42.180 of the Hollister Municipal Code) in contained in the Hollister Municipal Code (including but not limited to Chapter 5.42), cannabis dispensaries (a) permitted by the City of Hollister pursuant to Chapter 5.42 of the Hollister Municipal Code and (b) based outside the City of Hollister operating in compliance with Section 5.42.180 of the Hollister Municipal Code may conduct delivery subject to the following operating requirements:

**By placing your initials, you are expressing your consent to the specific section you are initialing.**

- \_\_\_ Until regulatory implementation of the Medical Cannabis Regulation and Safety Act, a medical cannabis dispensary shall ensure that all cannabis and cannabis products sold, given away, or donated by the dispensary were batch tested by a medical cannabis testing center that maintains operations in full conformance with the State and local regulations prior to delivery.
- \_\_\_ Prior to delivery, a cannabis dispensary shall ensure that all cannabis and cannabis products are packaged and sealed in tamper-evident packaging that includes a unique identifier, such as a batch and lot number or bar code, to identify and track the medical cannabis or medical cannabis products.
- \_\_\_ Upon delivery, a cannabis dispensary shall notify qualified patients and primary caregivers of the following in writing: "The sale or diversion of cannabis without a permit issued by the City of Hollister is a violation of State law and the Hollister Municipal Code."

\_\_\_ "Use of medical cannabis shall be limited to the patient identified on the doctor's recommendation. Secondary sale, barter, or distribution of medical cannabis or medical cannabis products purchased from [Insert Name of Dispensary] is a crime and can lead to arrest."

"Patrons shall not consume cannabis or medical cannabis products until at home or in an equivalent private location."

\_\_\_ "The use of medical cannabis or medical cannabis products may impair a person's ability to drive a motor vehicle or operate heavy machinery."

"Forgery of documents is a felony crime. Consumption of medical cannabis or cannabis products by persons under the age of eighteen (18) is prohibited unless they are a qualified patient."

\_\_\_ "CALIFORNIA PROP. 65 WARNING: Smoking of cannabis and cannabis-derived products will expose you and those in your immediate vicinity to cannabis smoke. Cannabis smoke is known by the State of California to cause cancer."

\_\_\_ A cannabis dispensary shall maintain a database identifying all qualified patients and primary caregivers that have received medical cannabis or medical cannabis products from the dispensary. The database shall identify each qualified patient's designated primary caregiver (if any), the name of the physician providing the recommendation for medical cannabis, and shall reflect whether the recommendation is written or oral. The database shall also identify the city and county of residence for each qualified patient and his or her primary caregiver.

\_\_\_ A cannabis dispensary shall facilitate the delivery of cannabis or cannabis products with a technology platform owned by or licensed to the dispensary that uses point-of-sale technology to track and database technology to record and store the following information for each transaction involving the exchange of cannabis or cannabis products between the dispensary and qualified patient or primary caregiver:

- The identity of the individual delivering cannabis or cannabis products on behalf of the dispensary.
- The identity of the qualified patient or primary caregiver receiving medical cannabis or medical cannabis products from the dispensary
- The type and quantity of cannabis or cannabis products delivered and received.
- The dollar amount charged by the dispensary and received by the individual delivering cannabis or cannabis products on behalf of the dispensary for the cannabis or cannabis products delivered and received.

\_\_\_ A dispensary shall maintain a database and provide a list of the individuals and vehicles authorized to conduct delivery on behalf of the dispensary to the City Manager or designee and the City Police Department.

\_\_\_ Individuals authorized to conduct delivery on behalf of the dispensary shall have a valid California Driver's License.

\_\_\_ Individuals authorized to conduct delivery on behalf of the dispensary shall undergo a Fingerprint-Based Criminal History Records Check conducted by the City Police Department pursuant to Section 5.42.060 of the Municipal Code and shall not have been convicted of an offense listed in Section 5.42.070.7.A of the Municipal Code.

\_\_\_ Individuals delivering cannabis or cannabis products on behalf of the dispensary shall maintain a physical copy of the delivery request (and/or invoice) and shall make it available upon request of agents or employees of the City requesting documentation.

— During delivery, the individual conducting delivery on behalf of the dispensary shall maintain a copy of the dispensary's (a) cannabis facility regulatory permit (if permitted by the City of Hollister pursuant to Chapter 5.42 of the Hollister Municipal Code) or (b) City Business license under Title 5 of the Hollister Municipal Code (if based outside the City of Hollister and operating in compliance with Section 5.42.180 of The Hollister Municipal Code) and shall make it available upon request of agents or employees of the City requesting documentation.

— A dispensary shall only delivery cannabis or cannabis products in a vehicle that is (a) insured at or above the legal requirement in California, (b) capable of securing (locking) the medical cannabis or medical cannabis products during transportation, (c) capable of being temperature controlled if perishable medical cannabis or medical cannabis products are being transported, and (d) does not display advertising or symbols visible from the exterior of the vehicle that suggest the vehicle is used for delivery or affiliated with a dispensary.

— A dispensary shall facilitate delivery with a technology platform owned by or licensed to the permittee that uses Global Positioning System technology to track and database technology to record and store the following information:

- The time that the individual delivering medical cannabis or medical cannabis products on behalf of the delivery departed the delivery.
- The time that the individual delivering cannabis or cannabis products on behalf of the dispensary completed delivery to the qualified patient or primary caregiver.
- The time that the individual delivering cannabis or cannabis products on behalf of the delivery returned to the delivery.
- The route the individual delivering cannabis or cannabis products on behalf of the delivery traveled between departing and returning to the dispensary to conduct delivery.
- For each individual delivery transaction, the identity of the individual delivering cannabis or cannabis products on behalf of the dispensary.
- For each individual delivery transaction, the vehicle used to deliver medical cannabis or medical cannabis products on behalf of the dispensary.
- For each individual delivery transaction, the identity of the qualified patient or primary caregiver receiving medical cannabis or medical cannabis products from the dispensary.
- For each individual delivery transaction, the type and quantity of cannabis or cannabis products delivered and received.
- For each individual delivery transaction, the dollar amount charged by the dispensary and received by the individual delivering cannabis or cannabis products on behalf of the dispensary for the cannabis or cannabis products delivered and received.

The individual delivering medical cannabis or medical cannabis products on behalf of the dispensary shall personally verify for each individual delivery transaction (a) the identity of the qualified patient or primary caregiver receiving cannabis or cannabis products from the dispensary and (b) the validity of the qualified patient's recommendation from a physician to use cannabis for medical purposes or primary caregiver's status as a primary caregiver for the particular qualified patient.

\_\_\_ No delivery transactions shall occur in the City of Hollister between the hours of 6:00 a.m. and 10:00 p.m.

\_\_\_ Any other operating requirement included (a) in the development agreement between the cannabis dispensary and the City pursuant to Section 5.42.090 of the Municipal Code (if the dispensary is permitted by the City of Hollister pursuant to Chapter 5.42 of the Hollister Municipal Code) or (b) in the City Business license under Title 5 of the Hollister Municipal Code (if the dispensary is based outside the City of Hollister and operating in compliance with Section 5.42.180 of the Hollister Municipal Code).

\_\_\_ I understand that the City Council or designee may revoke a regulatory permit with cause at any time and;

\_\_\_ Regulatory permits are not transferrable and any attempt to assign or transfer such permits shall render the permit null and void.

\_\_\_ Each regulatory permit shall expire one year from its date of issuance. The date of issuance may be effective upon an application obtaining a certificate of occupancy

\_\_\_ I understand the applicant and the employees of the cannabis facility may be subject to prosecution under federal laws.

\_\_\_ I understand the City of Hollister accepts no legal liability in connection with the approval and subsequent operation of the cannabis facility.

\_\_\_ Cannabis Use Permit/ Development Agreement conditions of approval

\_\_\_ For the cost to the City of administering the cannabis facilities and operations, fees are due and payable to the City in four (4) equal quarterly installments for cultivation, or actual gross receipts for manufacturing commencing ninety (90) days after the City issues a regulatory permit (for delivery) or certificate of occupancy.

Signature of Applicant Ashley McPhail

Date 1.8.25

Signature of Applicant \_\_\_\_\_

Date \_\_\_\_\_

Signature of Applicant \_\_\_\_\_

Date \_\_\_\_\_