



# THE CITY OF MONTEREY

## CANNABIS TESTING LABORATORY BUSINESS PERMIT APPLICATION FINANCIAL RESPONSIBILITY, INDEMNITY AND CONSENT TO INSPECTION TERMS (Must be Completed by at Least One Owner)

Dated: \_\_\_\_\_

I hereby agree to the following terms:

1. I herewith pay the sum of \$2,425 for the application fee for the review and processing of an application for commercial cannabis business permit.
2. If, after completion of the application process, any portion of the funds has not been expended or committed for expenditure, the City shall return such unexpended or uncommitted amount in the form of a check within sixty (60) days of the City's final action on the application.
3. There is no guarantee - expressed or implied - that by submitting the application or paying the application fee that I will obtain any land use entitlements or a permit to operate a commercial cannabis business.
4. All costs incurred by the City in processing said application, including staff time, attorney's fees, consultant's fees and overhead, shall be funded by me from the fees paid. This is my personal obligation and shall not be affected by the sale or transfer of the property subject to the application, changes in business organization, or any other reason.
5. I acknowledge and agree 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 applicant(s) and owner(s) of any claim, action, or proceeding that is or may be subject to this Agreement on Limitations of City's Liability, and Certifications, Assurances Warranties, and Indemnification to City. The City may, within its unlimited and sole discretion, participate in the defense of any such claim, action, or proceeding.
7. I will fund a deposit account ("Fund") to reimburse the City's cost, including attorney's fees, to defend any claim, action, or proceeding that is or may be subject to the Agreement on Limitations of City's Liability, and Certifications, Assurances Warranties, and Indemnification to City. In the event that any such claim, action, or proceeding is filed against the City, I shall within thirty (30) days of the filing deposit an initial sum of \$25,000 to the Fund to reimburse my portion of the City defense costs, as determined by the City in its sole discretion. The Fund shall, once established, shall at all times contain an amount necessary to cover not less than three months' worth of budgeted expenditures by the City relating to the City's defense of the claim, action, or proceeding, including all time to appeal, or as long as expenditures made by the City relating to its defense remain unreimbursed, whichever is

later. The City may, from time to time, in the City's sole and absolute discretion, request additional deposits from the applicant to ensure the fund balance is adequate to defend any claim, action or proceeding, including appeals related thereto. Once all remaining and outstanding reimbursements have been paid to the City by me, City shall return to me any remaining unused portion of my deposit.

**Applicant Initial Here:** \_\_\_\_\_

8. The City shall have a 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, to enter upon and inspect the subject property identified in my application, with or without prior notice, for the purposes of processing this application or inspection or photographing for compliance with all laws, regulations, and conditions placed on land use approvals or the cannabis business permit. No additional permission or consent to enter upon the property is necessary or shall be required. By signing this agreement, 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. If the foregoing statement is false, I agree to indemnify, defend, and hold harmless the City against any claim related to the release of any material subject to copyright protection or any other similar protection.

In the event a request for information under the California Public Records Act seeks disclosure of application materials marked by me as "Confidential information," the City will make reasonable efforts to provide notice to me prior to such disclosure to allow me to seek a protective order, injunctive relief, or other appropriate remedy. If I contend any designated application materials are exempt from the CPRA and wish to prevent disclosure, I agree that I am required, at my own, cost, liability, and expense to obtain a protective order, injunctive relief or other appropriate remedy from a court having jurisdiction over the matter at least two (2) days before City's deadline to respond to the California Public Records Act request. I understand and acknowledge that if I fail to obtain such a remedy before the deadline for the City's response to the request, the City will disclose the requested information and shall not be liable or responsible for such disclosure.

11. This agreement shall constitute a separate agreement from any cannabis business permit approval,

and that if the cannabis business 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 San Bernardino 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

**AGREEMENT ON LIMITATIONS OF CITY’S LIABILITY, AND  
CERTIFICATIONS, ASSURANCES, WARRANTIES, AND  
INDEMNIFICATION TO CITY  
(Must be Completed by All Owners)**

**A. WAIVER, RELEASE AND HOLD HARMLESS**

I hereby waive, release, and hold harmless the City of Monterey (“City”) and its Council, boards and commissions, officers, officials, employees, and agents from any and all actual and alleged claims, losses, damages, injuries, liabilities, costs (including attorney’s fees), suits or other expenses which arise out of, or which are in any way relate to my application for a cannabis business permit, the issuance of the cannabis business permit, the process used by the City in making its decision, the enforcement of the conditions of the cannabis business permit, or the cannabis business’ operations.

I hereby waive, release and hold harmless the City and its Council, boards and commissions, officers, officials, employees, and agents from any and all actual and alleged claims, losses, damages, injuries, liabilities, costs (including attorney’s fees), suits or other expenses which arise out of, or which are in any way relate to: (1) any repeal or amendment of any provision of the Monterey Municipal Code or Zoning Ordinance relating to commercial cannabis activity; or (2) any investigation, arrest or prosecution of me, or the cannabis business’ owners, operators, employees, clients or customers, for a violation of state or federal laws, rules or regulations relating to cannabis activities.

**B. AGREEMENT TO INDEMNIFY**

I shall defend (with Counsel reasonably approved by the City), indemnify, and hold harmless the City and its Council, boards and commissions, officers, officials, employees, and agents from and against any and all actual and alleged liabilities, demands, claims, losses, damages, injuries, actions or proceedings and costs and expenses incidental thereto (including costs of defense, settlement and attorney’s fees), which arise out of, or which are in any way related to i) the requested cannabis business permit and any land use entitlement related thereto, ii) the proceedings undertaken in connection with the approval, denial, or appeal of the requested cannabis business permit and any land use entitlement related thereto, iii) any subsequent approvals or licensing/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, vi) the City’s approval, consideration, analysis, review, issuance, denial or appeal of the cannabis business permit; vii) the City’s approval, consideration, analysis, review, issuance, denial or appeal of any land use entitlement related thereto, viii) the City’s drafting, adoption and passage of an ordinance, and related resolutions, policies, rules and regulations, allowing for 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 cannabis business, x) the operation of my cannabis business or activity, xi) the process used by the City in making its decision to approve, consider, analyze, review, issue, or deny, my cannabis business permit or any related land use entitlement, or the appeal of either, xii) City’s compliance or failure to comply with applicable laws and regulations or xiii) the alleged violation of any federal, state or local laws by my cannabis business or any of its officers, employees or agents, except where such liability is caused by the sole negligence or willful misconduct of the City.

City may (but is not obligated to) defend such challenge as City, in its sole discretion, determines appropriate, all at applicant's sole cost and expense. I shall bear any and all losses, damages, injuries, liabilities, costs, and expenses (including, without limitation, staff time and in-house attorney's fees on a fully-loaded basis, attorney's fees for outside legal counsel, expert witness fees, court costs, and other litigation expenses) arising out of or related to any challenge ("Costs"), whether incurred by me, City, or awarded to any third party, and shall pay to the City upon demand any Costs incurred by the City.

**C. OBLIGATIONS INDEPENDENT OF AWARD OF PERMIT, LICENSE, OR ENTITLEMENTS**

My obligations under this Agreement shall apply regardless of whether a cannabis business permit or any related permits or entitlements are issued.

**D. OBLIGATIONS SURVIVE EXPIRATION OF PERMIT, LICENSE, OR ENTITLEMENTS**

My obligations under this Agreement shall survive the expiration of any cannabis business permit or related permit or entitlement issued by the City. No modification of the permit, other approval, change in applicable laws and regulations, or change in processing methods shall alter the applicant's indemnity obligation.

**E. PROSECUTION UNDER FEDERAL LAW**

I understand that I, other applicants, owners, operators, employees, and members of the cannabis business may be subject to prosecution under Federal Laws.

**F. AUTHORIZED TO SIGN**

The person whose signature appears below is authorized to sign this Agreement 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 cannabis permit from the City of Monterey.

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 the City of Monterey Municipal Code Chapter 7, Article 7, and all other applicable sections of this Ordinance.

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

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Name of Business Entity

\_\_\_\_\_  
Date

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Applicant Signature

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Printed Name and Title

---

Name of Business Entity

---

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    )  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared, \_\_\_\_\_, who proved to me the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_