



California Cannabis Authority (CCA)
Board of Directors

BRIEFING MATERIALS

Thursday, March 22, 2018

Meeting Location:

Monterey County Government Center
Rosemary Conference Room, 1441 Schilling Place, Salinas, CA



**California Cannabis Authority (CCA)
AGENDA**

March 22, 2018 * 10:00 a.m. – 2:00 p.m.
*Monterey County Government Center
Rosemary Conference Room, 1441 Schilling Place, Salinas, CA 93901*

- I. 10:00 am Roll Call**
- II. 10:10 Approval of Bylaws**
*Alan Fernandes, CSAC Finance Corp Executive Vice President
Greg Turner, Founder, Turner Law – State and Local Tax Advocates*
- III. 10:30 Election of CCA Officers**
- IV. 10:45 Public Comment**
Each speaker is limited to two minutes. If you are addressing the Board on a non-agenda item, the Board may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2). However, the Board's general policy is to refer items to staff for attention, or have a matter placed on a future Board agenda for a more comprehensive action or report.
- V. 11:00 Appointment of CCA Executive Director**
- VI. 11:15 Adopt CCA FY 18-19 Budget**
*Alan Fernandes, CSAC Finance Corp Executive Vice President
Cara Martinson, CSAC Senior Legislative Representative*
- VII. 11:45 Break for Lunch**
- VIII. 12:15 Approve Agreement with CSAC Finance Corporation**
Alan Fernandes, CSAC Finance Corp Executive Vice President
- IX. 12:30 Approval of CCA Meeting Calendar**
Cara Martinson, CSAC Senior Legislative Representative
- X. 12:45 Approval of Contract for Legal Services**
- XI. 1:00 Discussion of Contract for Technology/ Data Services**
- XII. 1:15 Approval of Contract for Executive Director**
- XIII. 1:45 Closing Comments & Adjournment**

A person with a disability who requires a modification or accommodation in order to participate in a public meeting of the California Cannabis Authority may, five (5) days prior to the date scheduled for a regular meeting of the Board of Directors, contact the Headquarters Office at 1100 K Street, Suite 101, Sacramento, California 95814, phone number: (916) 650-8113 to request a disability related modification or accommodation in order to attend the meeting, or to request auxiliary aids or services in order to enable such person to understand the proceedings at such meeting. To access the full agenda packet, please call (916) 650-8113.

ATTACHMENTS

- Attachment One CCA Bylaws
- Attachment Two Election of CCA Officers Memo
- Attachment Three Executive Director Appointment Resolution,
Powers Conferred Resolution & Banking
Powers Resolution
- Attachment Four CCA Budget Summary, FY 2017-18, FY 2018-
19 Budget
- Attachment Five Intellectual Property License, Royalty and
Program Administration Agreement (CCA
Contact with CSAC Finance Corp.)
- Attachment Six..... Proposed CCA Meeting Calendar
- Attachment Seven..... Contact for Services: Legal Services
- Attachment Eight..... Contract for CCA Executive Director
- Attachment Nine INFORMATIONAL: Marketing and Outreach
Memo

Attachment One
CCA Bylaws

BYLAWS

CALIFORNIA CANNABIS AUTHORITY

A JOINT POWERS AUTHORITY



EFFECTIVE _____, 2018

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PREAMBLE

THESE BYLAWS are adopted and effective March 22, 2018 and shall govern the operation and conduct of the business and affairs of the California Cannabis Authority (the “Authority” or “CCA”) pursuant to the Joint Exercise of Powers Agreement of the California Cannabis Authority (the “Agreement”). The CCA is an agency voluntarily established by its Members for the purpose of providing the Members a mechanism to exercise common powers and through which coordinate, and to the extent authorized, administer, Member and Participant duties and obligations in respect to the licensure, enforcement, and taxation of the cultivation, manufacture, retail sale, transportation, storage, delivery, and testing of cannabis and cannabis related activities within their respective jurisdictions.

ARTICLE I – DEFINITIONS

The terms “Agreement”, “Authority”, “Members”, “Participants”, “CCA Data Server”, and “Public Agency”, as used in these Bylaws are defined in the Agreement and those definitions are all incorporated herein by reference.

ARTICLE II – THE AUTHORITY

Section 1 - Name of Authority.

The name of the Authority created by the Agreement shall be the California Cannabis Authority (the "Authority" or “CCA”).

Section 2 – Purpose.

The purpose of the Authority is:

- (a) to facilitate the collection, analysis, and exchange of data relating to cannabis business activities in order to support the regulatory and tax collection efforts of Members and Participants;
- (b) to coordinate regulatory and tax administrative practices for cannabis activities among Members and Participants;
- (c) to facilitate compliance by those subject to the regulatory and tax requirements of Members and Participants;

Section 3 - Office of Authority.

The principle office of the Authority shall be at such location as the Board of Directors may designate by resolution.

ARTICLE III - MEMBERSHIP

Section 1 – Members.

Members shall include Initial Members and each Public Agency that becomes a Member pursuant to Section 4 of Article I of the Agreement. Members shall only include Counties, or a City and County, which are legal subdivisions of the State of California. Initial Members shall mean

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those Counties constituting the first signatories of the CCA, identified by Schedule A attached to the Agreement.

Section 2 – Addition of Members

A County may become a Member by adopting a resolution authorizing and approving the execution and delivery by such Member of the Agreement as amended, signing a counterpart of the Agreement, and furnishing CCA with an official copy of the authorizing resolution as well as the signed counterpart of the Agreement.

Should any conforming changes to their ordinances be necessary to implement or otherwise comply with the terms of the Agreement, the County’s resolution authorizing and approving the execution of the Agreement should express the County’s commitment to executing those revisions.

Section 3 – Withdrawal.

A Member may withdraw from the Agreement upon written notice to the Secretary of the Board. The Secretary of the Board shall forward a copy of such written notice of withdrawal to the Treasurer and the remaining Board members. Any such withdrawal shall be effective only upon receipt of the written notice of withdrawal by the Secretary of the Board who shall acknowledge receipt of such notice of withdrawal in writing to such withdrawing Member and shall file such notice as an amendment to the Agreement effective upon such filing. The withdrawal of any Member from the Agreement shall not affect the Agreement or the Members’ obligations in regard to the Agreement.

ARTICLE IV – PARTICIPANTS.

A Public Agency that is not eligible to be a Member, may join CCA as a Participant. A Participant may be an agency of the State or a department or agency of a county, or city and county, whether or not the county, or city and county, is a Member, who duly executes and delivers to the CCA a Participant Agreement. A Participant shall not be entitled to representation on the Board of Directors or to vote on any matter coming before the Board of Directors.

A Participant shall be entitled to serve as a member of the Participants Advisory Council, which shall meet periodically as directed by the President

ARTICLE V - BOARD OF DIRECTORS

Section 1 – Membership.

The Authority shall be governed by a Board of Directors. Pursuant to Article II of the Agreement, each Member shall be entitled to participate and be represented by a designated representative on the Board of Directors. If a Member elects to exercise its right to representation on the Board of Directors, it shall promptly notify the Authority in writing of the names of the Board member and any alternates who have been selected to represent the Member, and subsequently of any successors to them. The Member shall also comply with any other procedures which may be established by resolution of the Board of Directors to identify and authenticate Member representatives. All designated Board members and alternates shall comply with the provisions of California law which require certain public officials to file Statements of Economic Interests. Any

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Member which is not then exercising its right to participate on the Board of Directors may change its status at any time by written notice to the Authority of that decision, by designation of its representative Board member and any alternates and by compliance with any other procedures established by the Board of Directors.

Section 2 - Powers.

The powers of the Board shall be as set forth in Section 2 of Article II of the Agreement.

Section 3 – Meeting.

(a) Regular Meetings. Regular meetings of the Board shall be held in winter and summer of each year at a time and place to be set by the Board. The agenda for each regular meeting of the Board shall be posted at the principal office of the Authority and mailed to each Member at least seven (7) days in advance of the meeting.

(b) Special Meetings. Special meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956. The agenda for each special meeting of the Board shall be posted at the principal office of the Authority and mailed to each Member at least seven (7) days in advance of the meeting. Notice of the time and place of any special meeting shall be given to each Member by any of the following: (a) personal delivery of written notice; or (b) first class mail, postage prepaid; or (c) telephone, including voicemail; or (d) facsimile; or (e) electronic mail; or (f) other electronic means.

(c) Public Meeting. All meetings of the Board of Directors, including regular, adjourned, and special meetings shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act (Government Code section 54956 *et seq.*).

(d) Quorum. The presence of a majority of the members of the Board shall constitute a quorum for the transaction of business. Except as otherwise provided in the Agreement, the Bylaws or by law, no action may be taken by the Board except by affirmative vote of not less than a majority of those members of the Board present. A smaller number may adjourn a meeting.

(e) Board Meetings by Telecommunication. Any Board meeting may be held by conference telephone, video screen communication, or other communications equipment as may be authorized by and to the extent consistent with the Ralph M. Brown Act (California Government Code sections 5490 *et seq.*). Participation in a meeting under this section shall constitute presence in person at the meeting if both of the following apply: (1) each Board member participating in the meeting can communicate concurrently with all other members; and (2) each member of the Board is provided the means of participating in all matters before the Board, including the capacity to propose or interpose an objection to, a specific action to be taken by the Authority.

(f) Expenses. The members of the Board of Directors shall be reimbursed for all reasonable and necessary travel expenses when required and incurred in connection with attendance at a meeting of the Board of Directors or a committee thereof. Travel expenses shall include all charges for transportation, meals, and lodging, other than first-class airfare. The cost of travel by private automobile shall be at the Standard Mileage Rate set annually by the Internal Revenue Service, unless otherwise set by the Board of Directors.

(e) Order of Business. At the regular meetings of the Board, the following shall be the order of business:

- i. Roll Call.
- ii. Approval of Minutes of the previous meeting.

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iii. Agenda Items.

iv. Adjournment

(g) Action by the Board. All resolutions of the Board shall be in writing, signed by the President and attested to by the Secretary. All other actions of the Board shall be by motion recorded in written minutes.

(h) Sub-Committees. The Board of Directors may establish or dissolve committees or Ad Hoc committees to assist the Board in the performance of its duties as they deem appropriate. Standing Committees are advisory to the Board of Directors. The Board of Directors may delegate certain duties to the committees as it deems appropriate. Members of standing and ad hoc committees shall include at least two, but not more than four, voting members of the Board. All members of standing subcommittees must be voting members of the Board. Non-members of the Board may be nonvoting members of ad hoc subcommittees created by the Board. Meetings of all standing subcommittees and ad hoc subcommittees with non-members of the Board must be held in accordance with the rules established for the Board itself and in accordance with the Ralph M. Brown Act.

(i) Participant Advisory Council. The “Participant Advisory Council” shall be a standing committee of the Authority. The Council shall perform such duties as the Board may delegate to it from time to time, but generally to advise the Board in respect to the interests of Participants in the Authority. The Council shall consist of all Participants who elect to exercise their right to participate in the Council by promptly notifying the Authority in writing, including providing the names of the Council representative and any alternates who have been selected to represent the Participant, and subsequently any successors to them.

The Council shall meet on the call of the Secretary of the Authority who shall serve as liaison between the Council and the Board of Directors. A chairman of the Council shall be elected bi-annually among participating Participants to serve as the leader organizer of Council meetings and to keep the minutes of such meetings. Minutes of Council meetings shall be recorded, and upon approval shall be distributed to the Executive Committee and Board of Directors. Meetings of the Council shall be conducted in accordance with the Ralph M. Brown Act (California Government Code sections 5490 et seq.).

(j) Rule of Order. All rules of order not otherwise provided for shall be determined, to the extent practicable, in accordance with “Robert's Rules of Order” provided, however, that no action of the Board shall be invalidated, or its legality otherwise affected by the failure or omission to observe or follow “Robert's Rules of Order.”

ARTICLE III - OFFICERS

At the first meeting of the Board of Directors, and thereafter at the first meeting following January 1 of each even numbered year, the Board of Directors shall elect a President, a Secretary, and a Treasurer to serve for two-year terms or until a successor is elected. Officers shall be elected by vote of a majority of those voting.

Section 1 –President.

The President shall preside at and conduct all meetings of the Board of Directors and shall carry out the resolutions and orders of the Board of Directors and shall exercise such other powers and perform such other duties as the Board of Directors shall prescribe. In his/her absence, the Secretary shall carry out the duties of the President.

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Section 2 –Secretary

The Secretary shall record the minutes of all meetings, prepare agendas, records and correspondence, attest documents requiring the execution by authorized representatives of the Authority, and fulfill such other duties normally required of the Secretary.

The Secretary shall serve as liaison between the Board of Directors and the Participant Advisory Council, shall call for and attend the Council’s meetings and be responsible for communications between the Council and the Board of Directors.

Section 3 –Treasurer

As set forth in Government Code section 6505, *et seq.*, in particular, section 6505.6, and Section 9 of Article III of the Agreement, the Treasurer shall possess the powers described in, and shall perform those functions required by: Government Code sections 6505, 6505.5 and 6505.6; all other applicable laws and regulations, including any subsequent amendments thereto, the Agreement, these Bylaws, and/or the direction of the Board of Directors.

(a) The Treasurer shall have custody of all Authority funds and shall provide for strict accountability thereof in accordance with Government Code section 6505.5 and other applicable laws other funding requirements.

(b) The Treasurer shall annually cause an independent audit to be made of the Authority by a certified public accountant, in accordance with Government Code sections 6505 and 6505.6, and shall present such audit to the Governing Board at one of its meetings and be available to answer any questions.

(c) The Treasurer may delegate disbursing authority to such persona as may be authorized by the Executive Committee to perform that function, subject to any limitations provided by law.

Section 4 - Vacancies

In the event the Member for whom the President, Secretary, or Treasurer has been appointed to represent ceases to be a Member, the resulting vacancy in office shall be filled at the next regular or specially called meeting of the Board of Directors after such vacancy occurs.

In the event an election of new officers is not held prior to the expiration of the terms of those current officers, the terms of those current officers shall extend automatically, and the current officers will continue to serve in their respective positions until an election of new officers is held.

ARTICLE III - EXECUTIVE COMMITTEE

Section 1 - Membership.

As set forth in Section 6 of Article III of the Agreement, the President, Secretary, and Treasurer of the Board shall serve as Executive Committee members during their tenure as such officers. In addition, two “at large” members of the Executive Committee shall be elected by a vote of the Board of Directors. The members of the Executive Committee shall be appointed as individuals and not merely as representatives of a specific Member Agency.

In the event that the Members number less than five (5), those Members shall serve as the Executive Committee.

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Section 2 - Term.

The terms of all members of the Executive Committee shall be two (2) years. A member may be reappointed to serve on the Executive Committee.

Section 3 - Powers, Duties and Responsibilities.

(a) The Executive Committee shall conduct, direct and supervise the day-to-day business of the Authority and in doing so shall exercise the powers expressly granted to it by the Agreement, these Bylaws and as otherwise delegated by the Board of Directors.

(b) The following duties and responsibilities shall be assumed and carried out by the Executive Committee, which shall have all powers necessary for those purposes:

- i. Provide general supervision and direction to the Executive Director.
- ii. Authorize payment of claims against the Authority.
- iii. Enter into contracts, within budget limits.
- iv. Make payments pursuant to previously authorized contracts, within budget limits; this authority includes the power to authorize and reimburse expenses incurred for budgeted activities, within budget limits.
- v. Review and recommend a budget to the Board no later than fifteen (15) days prior to a regularly scheduled meeting of the Board.
- vi. Act as Executive Director in the absence of the Executive Director.
- vii. Establish policies and procedures to implement the Agreement, the Bylaws and the operation of specific programs.
- viii. Appoint a nominating committee for each election of officers and members of the Executive Committee.

(c) Subject only to such limitations as are expressly stated in the Agreement, these Bylaws or a resolution of the Board of Directors, the Executive Committee shall have and be entitled to exercise all powers which may be reasonably implied from powers expressly granted and which are reasonably necessary to conduct, direct and supervise the business of the Authority.

Section 4 - Meetings.

(a) Regular Meetings. Regular meetings of the Executive Committee shall be held at least once a year and at other times as the Executive Committee deems appropriate. The time and place of regular meetings shall be set by the Executive Committee, and the Board of Directors shall be notified of the meeting schedule. The agenda for each regular meeting of the Executive Committee shall be posted at the principal office of the Authority and mailed to each Executive Committee member (including any alternate, if applicable) at least seven (7) days in advance of the meeting.

(b) Special Meetings. Special meetings of the Executive Board may be called by the President or a majority of Executive Committee members, in accordance with the provisions of California Government Code Section 54956. The agenda for each special meeting of the Committee shall be posted at the principal office of the Authority and mailed to each Executive Committee member so as to be received by each member at least two (2) days in advance of the meeting.

(e) Meetings by Telecommunication. Any Executive Committee meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this section shall constitute presence in person at the meeting if

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both of the following apply: (1) each Executive Committee member participating in the meeting can communicate concurrently with all other members; and (2) each member of the Executive Committee is provided the means of participating in all matters before the Executive Committee, including the capacity to propose or interpose an objection to, a specific action to be taken by the Authority.

(c) Public Meetings. All meetings of the Executive Committee shall be open to the public, except as provided by law.

(d) Quorum. Three (3) members of the Executive Committee shall constitute a quorum for the transaction of business. Except as otherwise provided, no action may be taken by the Executive Committee except by affirmative vote of not less than a majority of those Executive Committee members present. A smaller number may adjourn a meeting.

(e) Action by the Executive Committee. All resolutions of the Board shall be in writing, signed by the President and attested to by the Secretary. All other actions of the Board shall be by motion recorded in written minutes.

(f) Removal. A member may be removed from the Executive Committee in the following ways:

i. Death of the Committee member.

ii. Voluntary resignation.

iii. Absence from three (3) consecutive meetings without a valid reason, in which case the President may recommend to the Executive Committee that member be terminated from Executive Committee membership. If the Executive Committee recommends to the Board of Directors that an Executive Committee member be terminated, the Board of Directors shall vote on the matter at its next regularly scheduled meeting. Removal of an Executive Committee member shall require an affirmative vote of not less than two-thirds (2/3) of those Board members present.

ARTICLE IV – NOTICES

Whenever Members are required or permitted to take any action at a meeting, written notice of the meeting shall be given to each Member entitled to vote at that meeting. The notice shall specify the place, date and hour of the meeting and the means of electronic transmission by and to the Authority or electronic video screen communication, if any, by which Members may participate in the meeting. For a meeting of the Board of Directors, the notice shall state the matters that the Board intends to present for action by the Members. or a special meeting the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. The notice of any meeting at which officers are to be elected shall include the names of all persons who are nominees when notice is given.

Notice Requirements. Written notice of any meeting shall be given either personally, by first class registered or certified mail at the address of that member agency's principal office, or by electronic transmission, addressed to each Member entitled to vote.

Electronic Notice. Notice given by electronic transmission by the Authority shall be valid if delivered by either (a) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address for that Member on record with the Authority; (b) posting on an electronic message board or network that the Authority has designated for such communications, together with a separate notice to each member agency of the posting; or (c) any other means of electronic communication. Such electronic communication must be directed to a recipient Member

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agency which has provided an unrevoked consent to the use of electronic transmission for such communications; and which electronic communication creates a record that is capable of retention, retrieval and review by the Authority.

All such electronic communications shall include a written statement to the recipient member agency that such agency has the right to have the notice provided in non-electronic form and the recipient member agency may withdraw its consent to receive electronic communications in the place of written communications by providing written notice to the Authority of such withdrawal of consent.

Notice shall not be given by electronic transmission by the Authority if the Authority is unable to deliver two (2) consecutive notices to the member agency by that means, or otherwise becomes aware of the fact that the member agency cannot receive electronic communications.

ARTICLE IV - EXECUTIVE DIRECTOR

The powers and duties of the Executive Director, which may be modified by action of the Executive Committee, are:

(a) Subject to the authority of and as directed by the Executive Committee, to serve as chief administrative officer of the Authority and administer the affairs of the Authority in compliance with all applicable federal, state and local laws, statutes, codes, regulations and rules.

(b) Except as to what may be reserved to the Executive Committee, to hire, direct, discharge and remove all employees of the Authority and to retain and discharge consultants and to prescribe the duties and fix the compensation thereof.

(c) Annually to prepare and present a proposed budget for the Authority, to the Executive Committee and, after the approval of the Executive Committee, to the Board of Directors for its approval and, after approval by the Board of Directors, to maintain the expenditures of the Authority within the approved budget, as may be amended from time to time by the Board of Directors.

(d) Annually to prepare a proposed work plan for the Authority that is consistent with the proposed annual budget and the currently effective strategic plan; to submit the proposed work plan to the Executive Committee for its review, discussion, evaluation and possible adoption; and to implement the work plan adopted by the Board of Directors.

(e) To bring all pertinent issues to the attention of the Executive Committee, establish agendas for the Executive Committee and the Board of Directors meetings, and prepare and present reports and recommendations to the Executive Committee and the Board of Directors;

(f) To ensure that consultants under contract to the Authority procure insurance policies that provide adequate protection to the Authority and that such policies are in accord with any policy limits and policy coverage requirements directed by the Board of Directors.

(g) To perform such additional duties as the Board of Directors, the Executive Committee, these Bylaws, the Agreement or applicable law may require.

(h) To attend meetings of the Board of Directors and the Executive Committee.

(i) To serve as Custodian of Records of the Authority.

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ARTICLE V - OTHER OFFICERS AND EMPLOYEES

General Counsel. The Governing Board shall appoint a qualified person or firm to serve as the General Counsel to the Authority on any basis it desires, including, but not limited to, a contract or an employment basis. The General Counsel shall perform duties as directed by the Authority, including, but not limited to, the review of meeting agendas and agenda reports, insurance policies, and policies, and procedures for compliance with state, federal and local laws, including the Brown Act, agreements with vendors, memoranda of understanding with Participants, user agreements, and such other legal matters as may confront the Authority.

Additional Officers, Employees, and Contractors. The Board of Directors shall have the power to appoint, engage or employ such additional officers, employees, and independent contractors as may be appropriate. Such officers, employees, and independent contractors may also be, but are not required to be, officers and employees of the individual Members. None of the officers, employees, or independent contractors appointed by the Board of Directors shall be deemed, by reason of their employment by the Board of Directors, to be employed by any of the Members or, by reason of their employment by the Board of Directors, to be subject to any of the requirements of such Members.

Status of Members' Officers and Employees. As provided in Government Code section 6513, all of the privileges and immunities from liability and other benefits which apply to the activities of officers, agents, or employees when performing their respective functions within the territorial limits of their respective public agencies shall apply to them while engaged in the performance of any of their functions and duties extraterritorially under the Agreement.

ARTICLE IX – FISCAL MATTERS

Annual Budget. The Board of Directors shall adopt a Budget annually prior to July 1 of each calendar year. A majority vote of the total voting membership of the Board is required to adopt or amend a Budget.

Budget Amendments. The Board of Directors may at any time amend the budget to incorporate additional income and disbursements that might become available to the Authority for its purposes during a fiscal year.

Fiscal Year. The Authority shall be operated on a fiscal year basis beginning on July 1 of each year and continuing through the succeeding June 30.

Accounts. All funds shall be placed in appropriate accounts and the receipt transfer, or disbursement of such funds shall be accounted for in accordance with generally accepted accounting principles applicable to governmental entities and pursuant to Government Code Section 6505 and any other applicable laws. There shall be strict accountability of all funds. All revenues and expenditures shall be reported to the Board of Directors.

Audit. The records and accounts of the Authority shall be audited annually by an independent certified public accountant or public accountant, in compliance with Government Code sections 6505.5 - 6505.6, and copies of such audit report shall be filed with the State Controller and each party to the Authority no later than fifteen (15) days after receipt of said audit by the Board of Directors.

Agency Funds. All funds received by the Authority shall be utilized solely for the purposes of the Authority, and all expenditures of funds shall be made only upon authorized signature of the Executive Director or the Treasurer. Any funds not required for the immediate need of the Authority, as determined by the Board of Directors, may be invested in any manner authorized by

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law for the investment of funds of a public agency. All expenditures shall be made within the approved budget. No expenditure in excess of those budgeted shall be made without the approval of a majority of the total voting membership of the Board.

Contributions. Without in any way limiting the powers otherwise provided for in the Agreement, these Bylaws, or by statute, the Authority shall have the power and authority to receive, accept, and utilize the services of personnel offered by any Members, or their representatives or agents; to receive, accept, and utilize property, real or personal, from any Member or its agents or representatives; and to receive, accept, expend, and disburse funds by contract or otherwise, for purposes consistent with the provisions of the Authority, which funds may be provided by any participating Members, their agents, or representatives.

Insurance. The Authority shall have the right, and shall use its best efforts to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, to cover any liability asserted against or incurred by any Officer, Directors, employee, or agent in such capacity or arising from the Officer's, Director's, employee's or agent's status as such.

The Authority shall maintain, at a minimum, the following insurance policies:

(1) a general liability insurance policy protecting the Authority and its directors, officers and employees from damage claims by third parties alleging personal injury and/or property damage;

(2) Director's and Officer's Liability Coverage with Fiduciary Liability and Employee Dishonesty endorsements;

(3) a fidelity bond covering employees and/or agents of the Authority as deemed necessary and reasonable by the Board of Directors.

ARTICLE X - AMENDMENTS

These Bylaws may, from time to time and at any time, be amended or repealed, and new or additional bylaws adopted, by approval of the Board of Directors, provided, however, that the Bylaws may not contain any provision in conflict with any applicable laws or with the Agreement. Any Member may propose amendments to the Bylaws to the Board of Directors at any time by submitting a written request for amendment of the Bylaws to the Executive Director, together with proposed language constituting the requested Bylaws amendment.

A written request for amendment of the Bylaws shall be reviewed by the General Counsel for conflict with the Agreement or other applicable provisions of state law. If a conflict is identified, the proposing Member will be notified, and the question of conflict will be agendaized for consideration at the next regular Board meeting. If the Board of Directors determines that the proposed Bylaw amendment does conflict with the terms and provisions of the Agreement or other applicable state law, then the Board of Directors shall so notify the Member requesting the Bylaw amendment of that fact and of the Board's determination that the proposed Bylaw amendment will not be submitted to a vote of the Board due to such conflict.

Should the General Counsel determine that the proposed Bylaw amendment does not raise any issues of potential conflict with the terms and provisions of the Agreement or should the Board of Directors determine to propose an amendment to the Bylaws, the Board of Directors shall agendaize the proposed amendment for consideration and vote at the next regular Board meeting. A vote of fifty percent (50%) plus one (1) of the total voting membership of the Board of Directors is required to adopt an Amendment.

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ARTICLE XI - EFFECTIVE DATE

These Bylaws shall become effective immediately upon certification of approval of the Board of Directors by the Secretary. Any amendments to these Bylaws shall be effective immediately upon confirmation of a majority vote of a quorum of member agencies casting written ballots in favor of the proposed Bylaw amendment.

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CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of the California Cannabis Authority a California Joint Powers Authority; these Bylaws, consisting of 11 pages are the Bylaws of this organization as adopted by the Board of Directors of Authority on March 22, 2018; and that these Bylaws have not been amended or modified since that date.

Executed on March 22, 2018, at Monterey, California.

Secretary of California Cannabis Authority

Attachment Two
Election of CCA Officers Memo



March 11, 2018

To: California Cannabis Authority (CCA) Board of Directors
From: Cara Martinson, CSAC Senior Legislative Representative & Federal Affairs Manager
Alan Fernandes, CSAC Finance Corp Executive Vice President

RE: Election of CCA Officers

ACTION REQUESTED: The proposed bylaws of the California Cannabis Authority (CCA) require the CCA Board of Directors to elect a President, Secretary and a Treasurer at their first meeting to serve for a two-year term or until a successor is elected. Officers shall be elected by vote of a majority of those voting.

BACKGROUND. The following are officer descriptions from the proposed CCA bylaws:

The President shall preside at and conduct all meetings of the Board of Directors and shall carry out the resolutions and orders of the Board of Directors and shall exercise such other powers and perform such other duties as the Board of Directors shall prescribe. In his/her absence, the Secretary shall carry out the duties of the President.

The Secretary shall record the minutes of all meetings, prepare agendas, records and correspondence, attest documents requiring the execution by authorized representatives of the Authority, and fulfill such other duties normally required of the Secretary.

Treasurer shall have custody of all Authority funds and shall provide for strict accountability thereof in accordance with Government Code section 6505.5 and other applicable laws other funding requirements. The Treasurer shall annually cause an independent audit to be made of the Authority by a certified public accountant, in accordance with Government Code sections 6505 and 6505.6, and shall present such audit to the Governing Board at one of its meetings and be available to answer any questions. The Treasurer may delegate disbursing authority to such persona as may be authorized by the Executive Committee to perform that function, subject to any limitations provided by law.

Executive Committee shall be comprised of the President, Secretary, and Treasurer during their tenure as such officers. In addition, two "at large" members of the Executive Committee shall be elected by a vote of the Board of Directors. The members of the Executive Committee shall be appointed as individuals and not merely as representatives of a specific Member Agency. In the event that the Members number less than five (5), those Members shall serve as the Executive Committee.

Contact. For more information, please contact Cara Martinson, CSAC Senior Legislative Representative at cmartinson@counties.org, or 916-327-7500.

Attachment Three
Executive Director Appointment Resolution, Powers Conferred Resolution, Banking
Powers Resolution

**California Cannabis Authority
Resolution No. 2018-01**

Executive Director Appointment

WHEREAS, pursuant to the Joint Exercise of Powers Agreement, dated as of January 12, 2018, (the "JPA Agreement"), certain Public Agencies (the "Members"), authorized by their legislative or other governing bodies, agreed to jointly exercise their common power to create the California Cannabis Authority ("CCA") as an agency and public entity separate from its Members under Section 6509.7 of the Joint Exercise of Powers Act; and

WHEREAS, pursuant to Section 8(a) of Article III of the JPA Agreement, the Board of Directors of the CCA is required to appoint an Executive Director who shall be responsible for the general administration of the business and activities of the CCA as directed by the Executive Committee; and

WHEREAS, pursuant to Section 8(a) of Article III of the JPA Agreement, the Executive Director is responsible to coordinate all staff and consultants, be responsible for filings with the State of California, prepare all meeting notices, minutes, and required correspondence of the CCA, to maintain the records of the CCA, and perform such other duties as are assigned by the Board of Directors and Executive Committee; and

WHEREAS, pursuant to Section 8(e) of Article III of the JPA Agreement, the Executive Director shall have such powers, duties and obligations as are established by the JPA Agreement, the Bylaws, the policies, procedures and rules promulgated by the CCA and any contractual arrangements which may exist between CCA and the respective person; and

WHEREAS, the Board of Directors in recognition of its close working relationship with the California State Association of Counties ("CSAC") has agreed to submit all future nominated individuals for the position of Executive Director to the CSAC Executive Committee for consideration prior to appointment; and

WHEREAS, the Board of Directors, after careful consideration and deliberation at the March 22, 2018 Board meeting, selected Cara B. Martinson as the prime candidate for the position, and voted to approve the Agreement for Executive Director Services, dated March 22, 2018,

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the California Cannabis Authority, do hereby appoint Cara B. Martinson to the position of Executive Director of the California Cannabis Authority, with all the power and duties of that position, to commence April 1, 2018.

**California Cannabis Authority
Resolution of the Board of Directors
No. 2018-03**

WHEREAS, the Joint Exercise of Powers Agreement, dated January 12, 2018, creating the California Cannabis Authority (CCA), pursuant to Section 8 of Article III, requires the Board of Directors to appoint an Executive Director to perform the Authority's day-to-day business; and

WHEREAS, the Board desires the business of the association to be transacted in an efficient and appropriate manner; and

WHEREAS, from time to time the Executive Director and Secretary of the Authority must sign or approve documents on behalf of the Board;

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the California Cannabis Authority hereby authorizes the Executive Director and Secretary of the Authority, and their designees on staff, to execute and approve bank and other documents as authorized by the Board of Directors or the Executive Committee.

FURHTER BE IT RESOLVED, that this resolution shall remain in effect until rescinded by the Board of Directors.

Duly adopted this 22nd Day of March, 2018.

Secretary

**California Cannabis Authority
Resolution of the Board of Directors
No. 2018-02**

Powers Conferred on the Executive Director

WHEREAS, pursuant to the Joint Exercise of Powers Agreement, dated as of January 12, 2018, (the "JPA Agreement"), certain Public Agencies (the "Members"), authorized by their legislative or other governing bodies, agreed to jointly exercise their common power to create the California Cannabis Authority ("Authority" or "CCA") as an agency and public entity separate from its Members under Section 6509.7 of the Joint Exercise of Powers Act; and

WHEREAS, pursuant to Section 8(a) of Article III of the JPA Agreement, the Board of Directors of the CCA is required to appoint an Executive Director who shall be responsible for the general administration of the business and activities of the CCA as directed by the Executive Committee; and WHEREAS, pursuant to Section 8(a) of Article III of the JPA Agreement, the Executive Director is responsible to coordinate all staff and consultants, be responsible for filings with the State of California, prepare all meeting notices, minutes, and required correspondence of the CCA, to maintain the records of the CCA, and perform such other duties as are assigned by the Board of Directors and Executive Committee; and

WHEREAS, pursuant to Section 8(e) of Article III of the JPA Agreement, the Executive Director shall have such powers, duties and obligations as are established by the JPA Agreement, the Bylaws, the policies, procedures and rules promulgated by the CCA and any contractual arrangements which may exist between CCA and the respective person, and

NOW THEREFORE BE IT RESOLVED, that, in addition to any authority or obligation placed upon the Executive Director by the JPA Agreement, the By Laws, or other policies, procedures, or rules promulgated by the CCA, the Board of Directors, do hereby delegate and confer the following authority on the Executive Director:

- To conduct and supervise the activities of the Authority. Such activities include, but are not limited to, noticing Board meetings and hearings, management of the staff, meeting with other state and local public agency officials, implementing the Authority's policies and regulations;
- To execute any agreements and contracts. Prior to the execution of such documents the Executive Director shall obtain Board approval for any contract in which the amount of the contract exceeds \$ 50,000;
- To execute any and all personnel documents.
- To execute any and all leases with respect to real and personal property. Prior to the execution of such documents for any new lease of real property, the Executive Director shall obtain approval of the Board of Directors.
- To implement any policies or procedures necessary, convenient, or expedient to carry out the wishes of the Board of Directors, as expressed in the resolutions, policies, manuals, and other official documents adopted by the Board.

- To delegate any authority vested in the Executive Director by this resolution, or any other resolution of the Board of Directors or adopted hereafter by the Board, to be exercised by the Executive Director's designee.

In exercising the authority herein delegated, the Executive Director is directed, without restricting the authority specified, to bring the following matters to the attention of the members of the Board at a duly constituted meeting or by other appropriate communication:

- Matters of a unique or unusual nature;
- Matters that appear to depart from the policies of the Board;
- Matters involving significant policy questions;
- Highly controversial matters;
- Matters that involve a substantial risk of litigation;
- Any matter involving the execution of a contract or amendment thereto for which authority has not been expressly delegated by Board resolution;
- Any matter that a Board Member requests to be brought to the attention of the Board; and
- Any matter that, in the judgment of the Executive Director, should be brought to the attention of the Board.

The Board may revoke in whole or in part any specific or implied delegation to the Executive Director.

Attachment Four
CCA Budget Summary, FY 2017-18, FY 2018-19



March 14, 2018

To: California Cannabis Authority Board of Directors
From: Cara Martinson, CSAC Senior Legislative Representative & Federal Affairs Manager
Alan Fernandes, CSAC Finance Corporation Executive Vice President

RE: California Cannabis Authority (CCA) Proposed FY 2018-19 BUDGET

Recommendation. Adopt the proposed FY 2018-19 budget.

Background. The attached document represents a funding plan for the California Cannabis Authority (CCA) for fiscal year 2018-19. Staff has included a proposed FY 2018-19 budget for action, and an internal CSAC Finance Corporation (CSAC-FC) FY 2017-18 budget that reflects current year expenditures. These documents reflect our proposed revenue model, cost projections, anticipated income from contract revenue and start-up funding from CSAC-FC.

CSAC Finance Corporation (CSAC- FC). CSAC-FC is providing start-up costs for CCA, and is budgeted to expend \$125,000 in FY 2017-18, and \$180,000 in FY 2018-19 on developing the organization. Part of the mission of CSAC- FC is to provide a broad array of finance, investment, insurance and purchasing services to benefit California counties and related public agencies. As such, CSAC- FC is proposing to allocate funds within its budget on new business development directed at CCA. This funding will be paid back to CSAC-FC over time, as a percentage of revenue generated by CCA. In addition, CSAC- FC is proposing to perform program administration services to CCA, including the right to reproduce and use CSAC-FC's name and logo in connection with the operation of CCA and its programs, and various administrative functions.

Funds expended thus far in FY 2017-18 have been dedicated to legal services and data and technology consulting services. Staff has also budgeted funds for website development, bank fees and insurance costs, and staff and Board travel for the current budget year.

Revenue Model. In order to become self-sufficient and fiscally sound as an organization, staff is proposing a revenue model to fund the organization that is based on a fee charged to Members and participants of the organization. The fee is based on a percentage of total sales within the jurisdiction. This amount will be commensurate with the amount of data generated, and therefore equitable to each Member or participant's costs to the JPA.

The proposed fee would be 0.35%, or 35 basis points on total sales within the jurisdiction over which it has cannabis regulatory authority. This calculation is based on projected costs for data management, debt repayment/program administration and revenue necessary to fund and grow the organization.

Staff ran revenue projections based on 2014 legal medical sales in California, the most current data set available. Revenue generated from fees in FY 2018-19 are estimated to total \$85, 437 from the current three Members of CCA. This does not take into consideration projected Membership growth. It is the decision of the Member county or participating entity to determine what source the fee will come from.

Staff Costs. The FY 2018-19 budget is proposing to allocate \$36,000 for costs and travel to the position of an Executive Director. In addition, the FY 2018-19 budget allocates \$20,000 for staff and Board of Directors travel (excluding the Executive Director). These funds will be dedicated to travel associated with the next regular meeting of CCA and any interim travel.

Legal Services. The FY 2018-19 budget is proposing to allocate \$96,000 for legal services. This is based on a monthly retainer for legal services to ensure for legal representation at CCA meetings, general counsel on Brown Act, Public Records Act, and general municipal/public law counsel.

Contact. For more information, please contact Cara Martinson, CSAC Senior Legislative Representative at cmartinson@counties.org, or 916-327-7500.

**Cannabis Compliance Authority
Initial Budget
July 2017 through June 2018**

	<u>Budget</u>
Income	
101 — CSAC FINANCE CORPORATION	\$125,000
102 — CSAC In-Kind Staff Salaries/Travel	\$36,000
Total Income	\$161,000
Expense	
601 — CCA Operating Expenses	
601.1 — CCA Audit Services	\$0
601.2 — CCA Staff/Board Travel	\$10,000
601.3 — CCA Legal Services	\$60,000
601.4 — CCA Data Platform Fees	\$36,000
601.5 — CCA Insurance Premiums	\$5,000
601.6 — CCA Program Marketing	\$0
601.8 — CCA Board/Other Meetings	\$10,000
601.9 — CCA Bank Fees	\$5,000
601.10 — CCA Website Development	\$10,000
Total 601 — CCA Operating Expenses	<u>\$136,000</u>
Total 602 — CSAC FC Sponsor Fee	<u>\$0</u>
Total Expense	<u>\$136,000</u>
Net Income	<u>\$25,000</u>

**Cannabis Compliance Authority
 First Independent Fiscal Year Budget
 July 2018 through June 2019**

	<u>Budget</u>
Income	
101 — CSAC FINANCE CORPORATION	\$180,000
102 — CSAC In-Kind Staff Salaries/Travel	\$0
103 — Contract Revenue	\$85,437
Total Income	\$265,437
Expense	
601 — CCA Operating Expenses	
601.1 — CCA Audit Services	\$10,000
601.2 — CCA Staff/Board Travel	\$20,000
601.3 — CCA Legal Services	\$96,000
601.4 — CCA Data Platform Fees	\$35,883
601.5 — CCA Insurance Premiums	\$10,000
601.6 — CCA Program Marketing	\$5,000
601.8 — CCA Board/Other Meetings	\$10,000
601.9 — CCA Bank Fees	\$5,000
601.10 — CCA Website Development	\$5,000
601.11 — CCA Staff Salary/ Travel	\$36,000
Total 601 — CCA Operating Expenses	<u>\$232,883</u>
Total 602 — CSAC FC Sponsor Fee	<u>\$12,815</u>
Total Expense	<u>\$245,699</u>
Net Income	<u>\$19,738</u>

Attachment Five
Intellectual Property License, Royalty and Program Administration Agreement (CCA
Contact with CSAC Finance Corp.)

**INTELLECTUAL PROPERTY LICENSE, ROYALTY, AND PROGRAM
ADMINISTRATION AGREEMENT**

This Intellectual Property License, Royalty, and Program Administration Agreement (“Agreement”), dated as of March 22, 2018 (“Effective Date”), is made and entered into by and between the CSAC Finance Corporation, a California public benefit corporation (the “Administrator” or “CSAC-FC”), and the California Cannabis Authority, a California joint powers authority created pursuant to the Joint Powers Agreement, dated January 12, 2018 and effective January 23, 2018 (the “Authority” or “CCA”). The Authority and CSAC-FC are sometimes individually referred to herein as a “Party” and collectively, as the “Parties.”

RECITALS

WHEREAS, Section 6502 of Title 1, Division 7, Chapter 5 of the Government Code of the State of California (the Joint Exercise of Powers Act) provides that “if authorized by their legislative or other governing bodies, two or more Public Agencies by agreement may jointly exercise any power common to the contracting parties,” and

WHEREAS, Section 6500 of the Joint Exercise of Powers Act defines “Public Agency” to include “the federal government or any federal department or agency, this state, another state of any state department or agency, a county, county board of education, county superintendent of schools, city, public corporation, public district, or regional transportation commission of this state or another state, a federally recognized Indian tribe, or any joint powers authority formed pursuant to this article by any of these agencies,” and

WHEREAS, Section 6504 of the Joint Exercise of Powers Act, authorizes such an agreement to provide that “(a) contributions from the treasuries may be made for the purpose set forth in the agreement, (b) payments of public funds may be made to defray the cost of such purpose, (c) advances of public funds may be made for the purpose set forth in the agreement, such advances to be repaid as provided in said agreement, or (d) personnel, equipment or property of one or more of the parties to the agreement may be used in lieu of other contributions or advances. The funds may be paid to and disbursed by the agency or entity agreed upon, which may include a nonprofit corporation designated by the agreement to administer or execute the agreement for the parties to the agreement.”

WHEREAS, pursuant to the Joint Exercise of Powers Agreement, dated as of January 12, 2018, (the JPA Agreement), certain Public Agencies (the “Members”), authorized by their legislative or other governing bodies, agreed to jointly exercise their common power to create the CCA as an agency and public entity separate from its Members under Section 6509.7 of the Joint Exercise of Powers Act;

WHEREAS, the purpose of the CCA is to, among other things, coordinate and, to the extent authorized, administer, the Members’ and Participants’ duties and obligations in respect to laws pertaining to licensing, enforcement, and taxation of cultivation, manufacturing, retail sale, transportation, storage, delivery and testing of cannabis and cannabis related activities; and

WHEREAS, CSAC-FC, since well before, and continuing thereafter, the establishment of CCA as a Joint Powers Authority, has provided valuable intellectual property, direct services, and resources to ensure accountability and the success of CCA and its programs of benefit to the public and its Members; and

WHEREAS, the services and resources provided to CCA by CSAC-FC provide substantial public benefits to the people of California, including: helping to lower the costs of CCA programs paid for by the Members, reduce regulatory compliance costs for cannabis related business subject to taxation and regulation and their customers, strengthening city and county governments in our state, providing elected and appointed officials with vital information, management and governance tools, and promote the efficient and effective oversight, regulation, and taxation of cannabis and cannabis related businesses; and

WHEREAS, in consideration for intellectual property and the many services provided by CSAC-FC to CCA and in order to recognize and support the significant public benefits provided by CSAC-FC to CCA and its Members, CCA has agreed to provide CSAC-FC certain revenues arising from certain activities of CCA; and

WHEREAS, the parties intend that CCA shall have the ability through this agreement to use the skill, expertise, and time of CSAC-FC's employees and resources, that this Agreement provide a mechanism by which CCA will compensate CSAC-FC for the services and resources provided CCA, and thereby adopt an agreement that fully reflects the sponsorship, licensing of intellectual property, financial and administrative relationship, and duties among the Parties;

NOW, THEREFORE, in consideration of the foregoing and of the covenants, conditions, representations, and warranties contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. TERM.

This Agreement shall commence on the Effective Date and shall continue thereafter until June 30, 2021, unless earlier terminated in accordance with the terms of this Agreement This Agreement shall automatically renew for successive two (2) year terms (each a "Renewal Term" and together with the Initial Term, the "Term"), until June 30, 2024, unless either Party notifies the other Party, in writing, of its intent not to renew this Agreement at least ninety (90) days prior to the expiration of the then current Term.

2. TRADEMARK LICENSE.

2.1. During the Term, the CSAC-FC hereby grants to CCA a limited, non- exclusive, license and right to reproduce and use CSAC-FC's name and logo in connection with the operation of CCA and its programs. The Royalty Fees paid pursuant to this Agreement shall constitute the total amount of royalties due to CSAC-FC for use of their names and logos pursuant to this license. The CSAC-FC and CCA agree that, to protect the parties' mutual interests in the goodwill and reputation represented by CSAC-FC's marks, CCA and its contractors will only use CSAC-FC's name and logo in accordance with the quality control standards and specifications set forth herein, which are consistent with past practice and CSAC-FC's status and purpose, and the license may be terminated by CSAC-FC for failure to comply with such standards and specifications upon (30) calendar days prior written notice to the CCA; provided, however, that such termination of the license shall not be effective if the failure to comply has been cured by CCA prior to the expiration of the thirty (30) calendar day notice period. Neither CCA nor its contractors shall use CSAC-FC's name or logo in any manner which would disparage or tarnish or dilute the distinctive quality of these marks, or the

reputation and goodwill embodied therein, or which would reflect adversely on CSAC-FC or its marks, or any of CSAC-FC's other products and services. All licensed use shall be in accordance with all applicable laws, rules and regulations.

- 2.2. CSAC-FC agrees that it shall not license or otherwise permit their marks to be used by any other JPA or entity that competes with CCA's services and programs that are being provided on the Effective Date of this Agreement. If a JPA or other entity makes any unauthorized use of CSAC-FC's names or marks, CSAC-FC shall within ten business days of either being notified, or otherwise having knowledge of such unauthorized use, send a cease and desist letter and take such other legal action as may be necessary to enjoin such unauthorized use.

3. SERVICES TO CCA.

In furtherance of CSAC-FC's mission and beliefs, CSAC-FC agrees to provide certain services. CSAC-FC shall meet regularly to determine an appropriate distribution of services provided to CCA. Services to be provided include:

- 3.1. Use of Names and Logos. During the Term of this Agreement, CSAC-FC agrees to allow the use of its names and logos consistent with the terms of the license contained in Section 2 of this Agreement, and to communicate the programs and services of CCA through their existing communications tools with their members, special communications, annual and special conferences, and by providing any additional services that may be mutually agreed upon. CSAC-FC shall perform these services: (a) in a professional manner; (b) in a commercially reasonable manner; (c) in accordance with all applicable laws, rules, and regulations; and (d) according to the terms of this Agreement. CSAC-FC shall collaborate fully with the CCA Board, Executive Committee, and Executive Director, regarding the status of the Services performed hereunder.
- 3.2. Management and Administrative Services. CSAC-FC shall, through the term of this Agreement, provide such Management Services as CCA from time to time may specify. CSAC-FC may, at its discretion, sub-contract any of the services to be provided CCA to other persons or entities, subject to the authorization of the Executive Director, provided that such other persons or entities are sufficiently resourceful, experienced and qualified to full fill the duties to be assigned, and that CSAC-FC shall remain in all respects responsible for the due and proper performance by any such subcontractor. Such Management Services shall include:
 - 3.2.1. Governance Services. CSAC-FC shall assist CCA in the provision of general secretarial services, including, but not limited to, keeping statutory books and records, convening meetings of the Members of CCA, and meetings of the Boards of Directors and the Executive Committee and preparing adequate documentation for such meetings.
 - 3.2.2. Office space. CSAC-FC shall be responsible for establishing and maintaining regular office space for the performance of CCA duties.
 - 3.2.3. Financing. CSAC-FC shall assist CCA in all matters relevant to the financing of the CCA's activities, including the identification of sources of potential financing, negotiation of financing arrangements, and coordination of financing with other

agencies or entities for the benefit of CCA.

- 3.2.4. Books and Records. CSAC-FC shall, at the direction and discretion of the Executive Director, maintain the books and records of CCA, including the preparation of any filings with government agencies.
- 3.2.5.
- 3.2.6. Disputes. CSAC-FC shall provide general advice and assistance in the prosecution or defense of any and all legal proceedings by or against CCA, on CCA's behalf and follow up the same in accordance with such instructions as shall be provided to CSAC-FC in this respect by CCA.
- 3.2.7. Marketing Services. CSAC-FC shall provide advice and assistance in the marketing of CCA, including the identification of potential new Members and Participants, the identification of additional services to be provided by CCA to its Members and Participants.
- 3.2.8. General Administrative Services. CSAC-FC shall cause certain of its employees or other contractors as the Executive Director may from time to time request (collectively, "CSAC-FC Employees") to perform provide such general administrative services as may be required by CCA, including accounting services, access to, retention of, and consolidation of information, and advice and assistance in the general administration and management of CCA, subject to the sole direction of the Executive Director.
- 3.2.9. Program Development. CSAC-FC shall work with the CCA Board of Directors, Executive Committee, and Executive Director, and all other representatives of CCA to develop and evaluate new potential programs and services to be provided by CCA to its Members.
- 3.2.10. Coordination with Other Representatives. CSAC-FC shall coordinate any administrative, legislative services, program development and other work on behalf of CCA with the CCA Board of Directors, Executive Committee, and Executive Director, and all other representatives of CCA and its contractors.
- 3.3. Other Duties as Deemed Beneficial. CSAC-FC agrees to undertake any related or additional duties that would support the efforts of CCA to provide public benefit to the cities, counties and residents of California. The terms of and compensation for such additional duties may be the subject of a separate agreement for supplemental services between or among the Parties.
- 3.4. Service Level. In performing Management and Administrative Services under this Agreement, the Administrator shall (i) act in accordance with CCA's JPA Agreement and then current By-Laws, and with the instructions and at the direction of CCA, (ii) conform to and comply with the requirements of all applicable federal or state laws and regulations, and (iii) consult with legal counsel to and the independent public accountant for CCA, as necessary and appropriate, on whose advice the Administrator shall be entitled to rely. Except as otherwise provided in this Agreement, the Management and Administrative Services

hereunder shall be limited to those specific administrative and operational duties specified herein.

4. Personnel.

- 4.1. All personnel furnished by the Administrator to perform services on behalf of CCA pursuant to the provisions of this Agreement shall continue to be employees of Administrator and shall at all times be subject to the direct supervision and control of the Administrator. The Administrator will have the sole responsibility of paying all salaries, taxes (including, but not limited to federal social security taxes and California unemployment taxes), and all other expenses including the costs of retirement and health benefits provided by the Administrator to its employees. Administrator's employees will function under the Administrator's approved Employee Handbook.
- 4.2. The Administrator and CCA hereby agree that at all times during the term of this Agreement, the Administrator's employees hired to perform services for the benefit of CCA pursuant to this Agreement are independent contractors with respect to CCA. Under no circumstances shall the Administrator or the Administrator's employees working on the premises be considered agents or employees of CCA. Administrator acknowledges that its agents and employees are not entitled to workers' compensation benefits from CCA should any of the Administrator's employees sustain an injury in the course of performing services specified in this Agreement for the benefit of CCA.
- 4.3. The Administrator may from time to time retain as an independent contractor such person or persons as the Administrator may deem particularly suited to assist it in performing the Administrative Services.

5. Independent Contractor.

The Parties agree that at all times during the term of this Agreement Administrator, Administrator's employees and agents hired to perform services pursuant to this Agreement are independent contractors and are not agents or employees of CCA. Administrator shall have control over the means, methods, techniques, sequences, and procedures for performing and coordinating the Administrative Services required by this Agreement. CCA shall have the right to control Administrator only insofar as the result of Administrator's services rendered pursuant to this Agreement. If, in the performance of this Agreement, any third parties are employed or contracted by Administrator, such employees or subcontractors shall be entirely and exclusively under the direction, supervision and control of the Administrator. All terms of employment, including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or contract shall be determined by the Administrator, and CCA shall have no right or authority over such persons or the terms of their employment or contract.

6. ROYALTY AND SERVICES FEE.

CCA shall pay CSAC-FC a Royalty Fee to compensate CSAC-FC for any costs incurred by CSAC-FC in the formation and establishment of the Authority ("formation costs") as well as the intellectual property and related services as provided for in Sections 2 and 3 of this Agreement. The Fee shall be as follows:

- 6.1. On and after July 1, 2018, and until such time as CSAC-FC's Formation Costs have been fully

recovered, CCA shall pay CSAC-FC \$ 0.05% (5 basis points) of all incoming analyzed transactions.

- 6.2. For the fiscal year commencing after the Board of Directors determine that CSAC-FC's Formation Costs have been fully recovered until Termination (as specified below), CCA shall pay CSAC-FC \$0.03% (3 basis points) of all incoming analyzed transactions.

7. CCA BUDGET REVIEW.

CCA's operations are paid by fees from Members and Participants on analyzed transactions, those transactions of cannabis and cannabis related business subject to local regulation and taxation whose activities are monitored through the state "track and trace" system. Each fiscal year, CCA shall submit a copy of their proposed operating budget to CSAC-FC for review at least two weeks prior to adopting its annual operating budget.

8. TERMINATION.

This Agreement shall continue in full force until terminated in accordance with the provisions of this Agreement. On or after June 30, 2028, each Party may terminate this Agreement for any reason or no reason at all upon written notice to the other Party. The Term of this Agreement shall end on the last day of the fiscal year which commences eighteen (18) months after such written notice of termination is given.

- 8.1. If there is any material breach of this Agreement by one Party, the other Party may (reserving cumulatively all other remedies and rights under this Agreement and in law and in equity) terminate this Agreement by giving sixty (60) calendar days prior written notice to the breaching Party, and the Term shall end; provided, however, that such termination shall not be effective if the breach has been cured prior to the expiration of the sixty (60) calendar day notice period or within such longer cure period (not to exceed one hundred eighty (180) calendar days) as is reasonably necessary to cure the breach so long as the breaching Party is diligently proceeding to cure.
- 8.2. Upon termination or expiration of this Agreement, CSAC-FC shall receive the portion of all accrued, unpaid Fees to which they are entitled under this Agreement as of the effective date of such termination or expiration; provided, however, that CCA is not responsible for any accrued unpaid Fees due and owing to CSAC-FC until such fee revenues generating CSAC-FC's Fees have been received by CCA.

9. INDEMNIFICATION.

- 9.1. CSAC-FC hereby agrees to indemnify, defend and hold harmless CCA and its Members, Participants, officers, employees, agents, and representatives ("representatives") from and against any and all third-party causes of action, liabilities, claims, losses, costs, damages, and expenses (including reasonable attorneys' fees and legal costs, which shall be reimbursed as incurred) arising from or relating to or based on any of the following: (a) any breach by CSAC-FC of their obligations, representations, warranties, or covenants contained in this Agreement, or (b) CSAC-FC's negligence, willful misconduct, or fraud, except to the extent such causes of action, liabilities, claims, costs, damages, and expenses arise from a breach by CCA of any of its obligations, representations, warranties, or covenants herein or any act or omission of CCA. CSAC-FC shall only be responsible under this subsection for the acts or

omissions of their respective representatives.

- 9.2. CCA hereby agrees to indemnify, defend, and hold harmless CSAC-FC and their representatives from and against any and all third-party causes of action, liabilities, claims, losses, costs, damages, and expenses (including reasonable attorneys' fees and legal costs, which shall be reimbursed as incurred) arising from or relating to or based on any of the following: (a) any breach by CCA of its obligations, representations, warranties, or covenants contained in this Agreement, or (b) CCA's negligence, willful misconduct, or fraud; except to the extent such causes of action, liabilities, claims, costs, damages, and expenses arise from a breach by CSAC-FC of any of their obligations, representations, warranties, or covenants herein or any act or omission of CSAC-FC.
- 9.3. The Party providing the indemnity and defense pursuant to this Agreement shall have the right to: (a) employ attorneys to institute or defend any claim, which attorneys must be reasonably acceptable to the other Party, (b) take any other reasonably appropriate steps to protect all rights and interests at issue; or (c) settle, compromise in good faith, or in any other manner dispose of any claim and satisfy any judgment that may be rendered, except that no compromise, settlement, or disposition of any such claim may be effected or committed by the indemnifying Party without the prior written consent of the indemnified Party, which consent may not be unreasonably withheld or delayed. The indemnified Party shall have the right to participate in the defense of any such claim. If the indemnifying Party does not commence the defense of any claim promptly following written notice thereof, the indemnified Party shall have the right to retain separate counsel to represent its interests at the sole cost and expense of the indemnifying Party.
- 9.4. The indemnification provisions of this Section 9 shall survive the termination of this Agreement.

10. JPA AGREEMENT AND INFORMATION STATEMENT: CONFLICTS.

The parties acknowledge receipt of CCA's Joint Powers Agreement. The Administrator agrees that CCA's obligations under this Agreement shall be limited to CCA and its assets, and that the Administrator shall not seek satisfaction of any such obligation from any Member or Participant or its Shares nor from any Trustee, officer, employee or agent of CCA. Nothing herein shall be deemed to require CCA to take any action contrary to the Joint Powers Agreement or any applicable statute or regulation, or to relieve or deprive Trustees of their responsibility for and control of the conduct of the affairs of CCA. In the event of any conflict between the provisions of this Agreement and the provisions of CCA's Joint Powers Agreement which cannot be harmonized or reconciled the provisions of CCA's Joint Powers Agreement shall govern.

11. GOVERNING LAW AND DISPUTE RESOLUTION.

This Agreement will be governed by and interpreted in accordance with the laws of the State of California without regard to any conflict of laws principles.

12. ASSIGNMENT.

No Party may assign any of its rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of the other Parties (not to be unreasonably withheld).

This Agreement will be binding upon and will inure to the benefit of a Party's permitted successors and assigns.

13. INTERPRETATION OF HEADINGS.

The headings used in this Agreement are included for convenience only and in no way define or delimit any of the provisions hereof or otherwise affect their construction or effect. As used herein, words describing the singular number shall include the plural and vice versa, words denoting any gender shall include all genders, and the word "person" shall include individual, corporation, limited liability company, partnership (limited or general), joint venture, association, trust or other entity.

14. NON-LIABILITY OF MEMBERS AND PARTICIPANTS.

The parties to this Agreement agree that the liabilities of CCA under this Agreement are solely those of CCA and its assets and property. Members and Participants of CCA shall have no liability for the obligations and responsibilities of CCA specified in this Agreement.

15. ATTORNEYS' FEES.

In the event of litigation between the parties arising out of this Agreement, the prevailing or innocent party shall be entitled to an award of reasonable attorneys' fees from the other party in an amount sufficient to compensate the prevailing party for all attorneys' fees incurred in good faith.

16. SEVERABILITY.

If any provision of this Agreement is held unlawful or invalid by court or administrative decision, it shall be deemed severable and such unlawfulness or invalidity shall not in any way affect any other provision of this Agreement that can be given effect without the unlawful or invalid provision.

17. WAIVER.

Any failure of a Party to enforce, for any period of time, any of the provisions under this Agreement shall not be construed as a waiver of such provisions or of the right of said Party thereafter to enforce each and every provision under this Agreement.

18. COUNTERPARTS.

This Agreement may be executed in two or more counterparts, each of which, when so executed, shall be deemed an original, but all of which counterparts together shall constitute one and the same document.

19. ENTIRE AGREEMENT; AMENDMENTS.

This Agreement constitutes the entire understanding and agreement of the Parties respecting the subject matter of this Agreement and no modification, change, or amendment of this Agreement shall be binding upon the Parties, except by mutual express consent in writing of subsequent date duly signed by the authorized representatives of each of the Parties. Each party to this Agreement acknowledges that no representations or promises have been made by any party hereto which are not embodied herein, and that no other agreement or promise not contained in this Agreement shall be valid or binding.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date by their duly authorized representatives as set forth below.

Attachment Six
Proposed CCA Meeting Calendar



March 11, 2018

To: California Cannabis Authority (CCA) Board of Directors
From: Cara Martinson, CSAC Senior Legislative Representative & Federal Affairs Manager

RE: Proposed 2018-19 Meeting Calendar

The proposed bylaws of the California Cannabis Authority (CCA) stipulate that the Board shall meet twice annually in the summer and the winter. The bylaws also state that any Board meeting may be held by conference telephone, video screen communication or another equivalent.

As the first official meeting of CCA is taking place in March of 2018, staff proposes to hold the second regular meeting of the Board in the fall of 2018. For 2019, CCA can adhere to the winter/summer schedule. In addition to two regular in-person meetings, staff is proposing quarterly conference calls of the CCA Board of Directors. Joint Powers Authority (JPA) law requires in-person meetings of the organization to take place in a location of one of the members of the JPA. CCA has more members slated to join in the coming months. Meeting locations for the in-person meetings will be determined by the Board on a future conference call.

The following are proposed meeting dates:

Regular In-Person Meetings:

- Thursday, March 22, 2018
- Thursday, October 18, 2018
- Thursday, February 21, **2019**
- Thursday, July 18, **2019**

Quarterly Conference Calls for 2018:

- Friday, April 27, 2018
- Friday, June 22, 2018
- Friday, September 21, 2018
- Friday, December 7, 2018

Contact. For more information, please contact Cara Martinson, CSAC Senior Legislative Representative at cmartinson@counties.org, or 916-327-7500.

Attachment Seven
Contract for Services: Legal Services

LEGAL SERVICES AGREEMENT

BY AND BETWEEN

THE CALIFORNIA CANNABIS AUTHORITY

AND

TURNER LAW

This Legal Services Agreement (“Agreement”) is made and entered into on this 22ND day of March, 2018 (the “Effective Date”) by and between the **CALIFORNIA CANNABIS AUTHORITY**, the authority created by the Joint Powers Agreement, dated January 12, 2018 (the “Authority”) and **TURNER LAW** comprised of attorneys licensed to practice law in the State of California (“General Counsel” or “the Firm”), with its principal place of business located at 1121 L Street, Suite 700, Sacramento, CA 95814. The Authority and General Counsel may be referred to herein individually as a “Party” or collectively as the “Parties” or the “Parties to this Agreement.”

RECITALS

The following recitals are a substantive portion of this Agreement:

- A. The Authority desires to secure professional services from Turner Law to serve as General Counsel for the Authority, as more fully described in this Agreement.
- B. The Firm represents that it has the professional qualifications, expertise, necessary licenses, and desire to provide legal services of the quality and type, which meet objectives and requirements of the Authority.

AGREEMENT PROVISIONS

The Parties agree as follows:

1. RETENTION OF FIRM.

The Authority hereby confirms, retains, and authorizes General Counsel to represent the Authority and provide legal services as may be requested, from time to time, orally or in writing, by authorized representatives of the Authority on an as-needed basis. By this Agreement, the Authority is retaining Turner Law and not individual members of the firm. General Counsel’s client is the Authority, as a public entity, and not any of its individual Members, groups of individuals or any other person or entity. General Counsel shall report to and receive direction from the Executive Committee.

General Counsel shall perform such legal services for and on behalf of the Authority under the primary direction of the Executive Committee. General Counsel shall undertake, subject to the written approval of the Executive Director or the Executive Committee, additional duties as the Authority may authorize from time to time under the terms and conditions of this Agreement.

2. DESCRIPTION OF GENERAL COUNSEL SERVICES.

These services may include, but are not limited to, providing advice and counsel on legal matters affecting the Authority, attending and advising at Authority meetings, including Board of Director, and Executive Committee and other meetings at the direction of the Executive Director, performing legal research, representing Authority in administrative proceedings before administrative agencies, overseeing services provided to the Authority by other outside counsel, negotiating and drafting contracts, correspondence and other legal documents as may become necessary. The services shall also include the preparation and delivery of status reports to the Authority as specified in this Agreement.

3. TERM OF AGREEMENT.

The services of General Counsel commence upon the Effective Date of this Agreement and shall terminate on June 30, 2023, unless earlier terminated by one of the Parties. The Parties may extend the term by a written agreement, following approval of such agreement by the Authority. The General Counsel shall provide services as of the Effective Date. All the General Counsel's services pursuant to this Agreement shall be undertaken and completed in such sequence as to assure their completion as expeditiously as is consistent with professional skill and care.

4. THIRD PARTY REIMBURSABLE COMPENSATION

Third Party Reimbursable Legal Services shall include legal services provided to the Authority for which the Authority receives reimbursement from a third party. The Authority shall pay for Third Party Reimbursable Legal Services at General Counsel's then current published standard private client rates. Upon execution of any agreement providing for reimbursement of legal services by a third party, General Counsel shall provide a copy of its published rate schedule to the Authority. General Counsel shall also provide annual updates to the Authority when changes are made to the published rate schedule. Third Party Reimbursable Legal Services shall not be considered payments within the Monthly Retainer.

5. PUBLIC FUNDING.

General Counsel and the Authority mutually recognize that tax dollars from citizens and taxpayers of Counties pay for General Counsel's services under this Agreement. Given this fact, a heightened duty of care exists in both General Counsel and the Authority to ensure that General Counsel scrupulously adheres to principles of moderation, frugality, and cost consciousness in carrying forth the goals of this Agreement. General Counsel and each of its attorneys pledge themselves to scrupulously observe a duty of reasonableness and cost-effective representation in all aspects of this Agreement and to carry forth the ends of achieving the goals set forth herein while entailing the expenditure of only a reasonable sum for General Counsel's representation under this Agreement.

6. PAYMENT FOR SERVICE.

In consideration for General Counsel's performance of legal services on behalf of the Authority under the terms of this Agreement, and upon review and approval of General Counsel's bill by the Executive Director, General Counsel shall be compensated at the preapproved hourly rates and for authorized expenses set forth in the "Scope of Work and Schedule of Fees and Charges" set forth in Exhibit "A," attached and incorporated by this reference. Fees for services performed by these attorneys are shown in Exhibit "A." Fees for services performed by other retained consultants, subcontractors, experts or other

personnel for other legal services may be billed to the Authority only if approved in writing by the Executive Director.

7. BILLING INVOICES.

The Monthly Retainer specified in Exhibit "A," attached and incorporated hereto by this reference, shall be due on the first of each month, prior to the delivery of services. If any services are rendered in addition to the Monthly Retainer, under the terms and conditions specified in this Agreement, General Counsel shall, within fifteen (15) days after the end of each calendar month in which services are performed under this Agreement, submit to the Authority an itemized bill, describing in detail the specific services performed as set forth in this Agreement. General Counsel shall adhere to the Protocols and Guidelines set forth in Exhibit "B," attached and incorporated by this reference. The bill shall be submitted to:

Executive Director
California Cannabis Authority
1100 K Street, Suite 101
Sacramento, CA 95814

8. PROJECT PLAN, BUDGET AND RESERVES.

Upon request of the Executive Director, General Counsel shall provide a project plan or budget, or both, for any project or case assigned to General Counsel under this Agreement. Project plans and budgets shall conform to the guidelines set forth in Exhibit "C" (Project Plan and Budget) of this Agreement. Counsel understands and agrees that major unjustified deviations from the project budget, or failure to timely submit a project budget or revisions, if requested, or status reports may constitute a breach and result in termination of this Agreement.

9. LITIGATION GUIDELINES.

When litigation is included in the scope of work, the Firm must follow the litigation guidelines specified in Exhibit "D."

10. PERSONNEL BILLING.

General Counsel shall scrupulously examine all bills submitted for services rendered under this Agreement to assure that the General Counsel and firm has employed appropriate billing judgment in billing the Authority for service. General Counsel shall not bill for hours other than those hours expressly devoted to the tasks approved in advance by the Executive Director or Executive Committee. General Counsel agrees it will not bill for time, which is not specifically devoted to the task(s). General Counsel shall not use legal professionals for secretarial work and under no circumstances shall General Counsel have lawyers billing for making copies, scheduling appointments or taking care of matters or work which would otherwise be work performed by a law clerk, assistant or secretary. The General Counsel shall submit its bills in a format that readily allows detailed review by any Authority retained auditors.

11. STATUS REPORTS.

In addition to the reporting set forth in Section 9, if required, General Counsel shall, within fifteen (15) days of the end of each month thereafter, submit to Authority a written report setting forth a summary

of services performed on behalf of Authority during the preceding month, the current status of each significant pending matter or proceeding, results obtained or expected to be obtained, a summary of invoices for the preceding month and other information relating to the services rendered as Authority may reasonably request.

12. TERMINATION.

Either Party may terminate this Agreement by providing written notice to the other. Any termination hereunder shall become effective immediately upon receipt of written notice of termination; provided, however, that General Counsel may exercise its right of termination only to the extent and under terms and conditions consistent with the obligations of General Counsel under the Rules of Professional Conduct of the State Bar of California; and provided that in the event of termination, the amount due General Counsel for services rendered and costs and expenses incurred prior to termination shall remain due and payable. General Counsel agrees to turn over to any attorney substituted in its place, the entire file and attorney work product regarding any such matter within seven (7) days of any such termination.

13. CONFLICTS OF INTEREST.

No member of the governing body of the Authority, and no other officer, employee or agent of the Authority who exercises any discretion, function, or responsibility in connection with the carrying out of any project, to which this Agreement pertains, shall have any personal interest, direct or indirect, in this Agreement.

General Counsel agrees to secure the informed written consent of the Authority before accepting any representation adverse to the Authority (actual or apparent) during the term of this Agreement, and to forego the representation if the Authority, in its sole discretion, declines to grant such consent.

14. ASSIGNMENTS AND SUCCESSORS IN INTEREST.

Authority and General Counsel bind themselves, their partners, successors, assigns, executors and administrators to the terms of this Agreement. Except as otherwise set forth in this Agreement, no interest in this Agreement or any of the services provided for in this Agreement shall be assigned or transferred, voluntarily or by operation of law, without the prior written approval of the Authority.

15. AUDITS, RECORDS, AND DOCUMENTATION.

The Authority and any other federal, State or local governmental agency, and any of their authorized auditors or representatives, including the Authority's external auditor, shall have access to, and the right to audit and reproduce any of General Counsel's records related to work done for the Authority but only to the extent the Authority or such other governmental agency deems such access necessary to ensure that Authority is paying only the amounts to which General Counsel is properly entitled or for other purposes relating to the Agreement.

General Counsel shall maintain complete and accurate records of the services provided to Authority and expenses incurred on behalf of Authority. General Counsel shall maintain and preserve all such records for at least three (3) years after termination of the Agreement or until an audit has been completed and accepted in writing by Authority. Upon written notice by the Authority, the General Counsel shall promptly

make all such records available to auditors or other representatives of the Authority or other governmental agencies.

16. NON-DISCRIMINATION.

No discrimination will be made in the employment of any person under this Agreement because of the age, race, color, national origin, ancestry, religion, disability, sexual preference, or gender of that person.

If General Counsel, based upon acts related to the Authority, is found to be in violation of the nondiscrimination provisions of the State of California Fair Employment and Housing Act or any other provisions of federal law or executive order in the performance of this Agreement, General Counsel and the Firm are in default of this Agreement.

17. HOLD HARMLESS/INDEMNIFICATION.

General Counsel agrees to indemnify, hold harmless, release and defend (even if the allegations are false, fraudulent or groundless), to the maximum extent permitted by law, and covenants not to sue, the Authority, its Executive Committee and each member thereof, and its officers, employees, commission members and representatives, from any and all liability, loss, suits, claims, damages, costs, judgments and expenses (including attorney's fees and costs of litigation) which in whole or in part result from, or arise out of, or are claimed to result from or to arise out of any negligent performance under this Agreement, or any negligent acts, errors or omissions (including, without limitation, professional negligence) of General Counsel, its employees, representatives, subcontractors, or agents in connection with the performance of this Agreement. This Agreement to indemnify includes, but is not limited to, personal injury (including death at any time) and property or other damage (including, but without limitation, contract or tort or patent, copyright, trade secret or trademark infringement) sustained by any person or persons (including, but not limited to, companies, or corporations, General Counsel and its employees or agents, and members of the general public).

18. INSURANCE REQUIREMENTS.

General Counsel shall, at its own expense, procure and maintain policies of insurance of the types and in the amounts set forth below, for the duration of the Agreement, including any extensions thereto. The policies shall state that they afford primary coverage. Failure to maintain required insurance at all times shall constitute a default and material breach. In such event, General Counsel immediately shall notify the Authority and cease all performance under this Agreement until further directed by the Authority.

- 18.1 **General Liability.** General Liability with minimum limits of at least \$1,000,000 combined single limits written on an Insurance Services Office (ISO) Comprehensive General Liability "occurrence @ form or its equivalent for coverage on an occurrence basis. Premises/Operations and Personal Injury coverage is required.
- 18.2 **Professional Liability.** Professional errors and omissions coverage in a sum of at least \$1,000,000. If a claims-made policy is obtained, a "tail" of at least three years shall be purchased if non-renewed within three (3) years of completion of performance under this Agreement. Applicable aggregates must be identified and claims history provided to determine amounts remaining under the aggregate.

18.3 **Workers' Compensation.** Counsel shall comply with the applicable sections of the California Labor Code concerning workers' compensation for injuries on the job. Compliance is accomplished in one of the following ways: A) Provide copy of permissive self-insurance certificate approved by the State of California; or B) Secure and maintain in force a policy of workers' compensation insurance with statutory limits and employer's liability insurance with a minimal limit of \$1,000,000 per accident; or C) Certify in writing that no employees subject to the Labor Code's Workers' Compensation provision will be used in performance of this Agreement.

19. CONFIDENTIALITY AND DISCLOSURE.

The data, information and reports acquired or prepared by General Counsel in connection with matters upon which the Authority has retained General Counsel shall not be shown or distributed to any other public or private person or entity except as authorized by the Executive Director and in no event prior to having been first disclosed to the Executive Director. All information, documents, records, reports, data or other materials furnished by Authority to General Counsel or other such information, documents, records, data or other materials to which the General Counsel has access during its performance pursuant to this Agreement are deemed confidential and shall remain the property of Authority. General Counsel shall not make oral or written disclosure of such documents or materials, other than as necessary for its performance under this Agreement, without the prior written approval of the Executive Director.

20. AMENDMENTS.

This Agreement, including any Exhibits attached to it, represents the entire understanding of the Parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. The Parties may modify this Agreement only by a written amendment duly executed by the Parties. All agreements with Authority are subject to approval of the Executive Committee before Authority shall be bound thereby.

21. ENGAGEMENT OF OTHER COUNSEL, SPECIALISTS, OR EXPERTS.

General Counsel will not engage or otherwise incur an obligation to pay other counsel, specialists, or experts for services in connection with this Agreement without the prior approval of the Executive Director.

22. NOTICES.

All notices, invoices, reports, or other communication to the Parties shall be properly given if delivered in person or sent by First Class mail, facsimile, or overnight delivery and addressed as follows:

Executive Director
California Cannabis Authority
1100 K Street, Suite 101
Sacramento, CA 95814

In addition, to the Firm at its principal place of business listed on page one of this Agreement.

Either Party may change its address for receipt of notices under this Agreement by notice given in the manner provided herein.

23. LAW GOVERNING AGREEMENT.

This Agreement shall be interpreted under the laws of the State of California. All claims or controversies arising out of or related to performance under this Agreement shall be submitted to and resolved in a forum within Sacramento County Superior Court.

24. INVALID PROVISIONS.

If any provision of this Agreement is held to be illegal, invalid or unenforceable, in full or in part, then such provision shall be modified to the minimum extent necessary to make the provision legal, valid and enforceable, and the other provisions of this Agreement shall not be affected thereby.

25. LICENSE REQUIREMENTS.

General Counsel shall demonstrate that the attorney(s) who provide legal services to Authority under this Agreement are licensed to practice law in the State of California and, if not, indicate to the satisfaction of the Executive Director why such license is not required to perform the services required.

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives. The Parties agree that this Agreement shall become operative on the Effective Date.

APPROVED:

AUTHORITY

Wm. Gregory Turner, Founder
Turner Law
General Counsel

Cara B. Martinson
Executive Director
California Cannabis Authority

President
California Cannabis Authority

EXHIBIT "A"

SCOPE OF WORK AND SCHEDULE OF FEES & CHARGES

The Firm shall provide legal services as General Counsel for the Authority.

SCHEDULE OF FEES & CHARGES:

Monthly Retainer amount: \$ XXXX

Monthly retainer services: attendance at Authority meetings and such other meetings with Members, Participants (including potential Members and Participants), and other stake holders as requested by the Executive Director; Brown Act, Public Records Act, and general municipal/public law advice and legal counsel; conflict of interest advice; supervision of any outside counsel, standard document/opinion preparation and review; monitoring/update reporting of new and pending laws and legislation to ensure compliance; open meeting guidance; standard communications with Authority officials and staff.

Services not included in Monthly Retainer: Litigation services and other non-routine advice on taxes, assessments, and fees.

COMPENSATION

General Counsel services in excess of XX hours per month would be \$xxx per hour. Services outside of the defined Monthly Retainer services would be billed at \$xxx per hour, subject to annual rate adjustments or supplemental agreement among the Parties for the conduct of the work.

Expense reimbursement shall be at actual costs and conform to the requirements and limitations of Exhibit "B" attached hereto. Reimbursement for mileage shall be at the Standard Mileage Rate for Employees set annually by the Internal Revenue Service.

EXHIBIT "B"

BILLING PROTOCOLS/GUIDELINES

The Authority ("Authority") has adopted the following protocols for billing, budgeting, and planning for projects involving General and outside Counsel. All Counsel are required to comply with this protocol. If you have questions concerning it, please contact the Executive Director for clarification. In the event you wish to negotiate changes due to the internal operation of your firm, please raise them in writing as soon as possible. Any changes to this protocol will need prior, written approval from the Executive Director. In the interest of fairness, all firm attorneys are required to comply with this protocol. This protocol is also to be used in conjunction with any new proposal for services.

These protocols and guidelines are instituted to ensure that Counsel conveys the information necessary for the Authority to manage special projects and litigation. In addition, because these guidelines are set out in advance, they are designed to minimize any confusion or misunderstanding. Compliance with these guidelines should enhance the attorney-client relationship. If you have any comments or suggestions that could improve this system, please feel free to contact the Executive Director at the above-listed address.

BILLING FORMAT

Unless otherwise agreed, the following information must be provided in monthly bills:

1. A detailed description of work, in time increments of .1 hour (one-tenth of an hour) for and by each and every individual billing entry.
2. Identification of the lawyer who is in charge of the matter.
3. Reasonably detailed disbursement breakdowns with backup documentation of any individual charge exceeding \$100.00.
4. Each billing item must be separately stated on a separate line identifying the attorney, the time spent and the exact nature of the service rendered.
5. When charges are made for conferences, the specific reason for each conference will be stated. Conferences between attorneys shall be justified in detail.
6. When charges are made for research time, the specific issue being researched and the need for the research must be identified.
7. Each item billed should be coded to a specific litigation budget line item, if applicable.
8. A comparison of the percentage of work completed to the percentage of the litigation or project budget absorbed.
9. The Executive Director reserves the right to request various levels of detail and specific formats (such as columnar comparisons with established budgets).

BILLING GUIDELINES

1. All tasks set forth in Counsel's billing documentation shall be specific and detailed. Overly generalized listings of task descriptions such as "review contract" or "prepare for negotiations" are not acceptable.
2. Billings under this Agreement shall not be provided in more than six (6) minute increments and shall represent the devotion of a full six minutes before an increment is billed. Under no circumstances shall Counsel use "block billing" procedures, wherein a list or series of activities is done each day with only an aggregate amount of time specified.
3. Counsel shall keep the Authority advised of the identity and billing rates of the personnel working on the project account.
4. Counsel shall submit statements with every invoice covering the previous month's activities, not to exceed 31 days. The statement should identify the matter, current charges, and any past due or outstanding charges.
5. All bills must be submitted to the Authority within 15 days of the end of the prior month during which service was performed.
6. Counsel shall advise Authority whenever it anticipates the amount of services necessary to properly execute the task will exceed the amount of the contract. Counsel acknowledges the fiscal constraints on Authority funding and therefore Counsel assumes risk of non-payment for services rendered in the event the amount of services rendered exceeds the amount of the contract unless prior written authorization is received. Authorization to exceed the amount of the contract may be given only by Executive Director in writing.
7. Only those attorneys approved by the Authority may bill on a matter.
8. The Authority expects any attorney assigned to a matter to handle all significant matters in the litigation. The General Counsel must approve in advance the assignment of other attorneys to the litigation or project. The Authority may request that the assigned work be instead handled by the primary attorney.
9. Counsel shall not charge for more than one attorney at any hearing, deposition, or meeting of any kind without advance approval of the General Counsel.
10. No more than one paraprofessional may bill on a particular matter without the prior approval of the Authority.
11. The Authority has retained Counsel for its expertise, and therefore expects not to be billed for introductory or background research. Authority appreciates when Counsel has researched an issue previously and uses that research on present cases or projects. Counsel may not charge the Authority for work Counsel has done and billed another client for in the past.
12. The Authority does not allow "double billing" of any sort. If Counsel is working on another client's matter, the Counsel may not bill Authority for that time. This applies to travel time or any other matter.
13. Training time is not billable. Law clerks may be used only with prior approval.
14. Authority will not pay for new attorneys to "get up to speed" on a file unless it has been pre-approved.

15. If a matter arises that requires Counsel to open a new file, the General Counsel should be informed immediately.
16. Authority reserves the right to require additional substantiation of any item of claimed expense.

REIMBURSEMENTS

1. The Authority will reimburse Counsel for the following expenses, and for no other expenses:
 - Actual printing costs;
 - Actual copying costs when billed by a third-party and Firm copying costs, but at no more than at \$.12 / page for legal documents and file materials, but not library materials;
 - Actual cost of postage (including express mail delivery charges);
 - Transcription and reporter's fees; and
 - Reasonable travel. The Authority does not pay for meals unless Counsel is required to be away from office for one full day. All meals and/or travel reimbursements will be subject to approval by the Executive Director. Travel expenses are limited to the lesser of actual expenses or expenses that would be authorized for Authority employee travel pursuant to Authority policy.
 - The Authority will not reimburse for facsimile charges.
 - The Authority will not reimburse for computer research support services (e.g., Westlaw, LEXIS or computer timer or services). Such costs are properly the administrative overhead of the Firm.
2. The Executive Director must approve in advance any single reimbursement item in excess of \$250.
3. Any expense other than those listed in section "a." must be approved by the Executive Director in writing and in advance in an approved budget.
4. No compensation shall be allowed for administrative overhead or premiums added to the direct cost of research support or other services.
5. Court filings shall be prepared in a timely manner so that "rush" or "expedited" messenger fees are not incurred.
6. Messenger and other charges in excess of actual costs are not permitted. Authority does not allow cost, plus a percentage, for actual costs
7. Authority does not pay for secretarial time or secretarial overtime. Authority does not pay attorneys or paralegals for secretarial tasks or tasks that should not be included in Counsel's overhead. For example, faxing, mailing, arranging for messengers and calendaring are not acceptable charges.
8. Authority does not pay for billing or discussions of bills, including discussions initiated by the Authority or Authority's requests for additional information about a bill.
9. The practice of charging minimum billing charges is unacceptable. Please charge for actual time spent. For example, a minimum of .2 for phone calls or .4 for letters is unreasonable unless it is an accurate measure of time spent.
10. Do not charge for file opening or file closing. These are not true legal services, tasks or adequate descriptions of legal activities.

EXHIBIT "C"

PROJECT PLAN AND BUDGET

Project plans and budgets should conform to the following guidelines:

1. The project plan shall include a projection of recommended strategies and actions to be taken in the project and a range of costs for each such strategy or action.
2. If the scope of work includes representation of the Authority in litigation, the project plan shall include the following elements, with explanations:
 - Anticipated total costs;
 - The primary issues;
 - The probability of success; and
 - A settlement/trial recommendation.
3. The project plan will be modified during the litigation as the need arises.
4. The project budget shall include an estimate of the attorneys' hours and fees and disbursements during each phase and/or activity. All anticipated expenses must be listed and costs estimated.
5. In the event of litigation, the project budget shall include, but not be limited to, estimates for:
 - Pre-commencement (legal and factual research for the complaint or answer);
 - Pleadings;
 - Preliminary Motions;
 - Initial discovery;
 - Factual Investigation of merits (interviewing clients, employees and third parties);
 - Review and abstract Authority's documents;
 - Expert (non-medical) Investigation and reports;
 - Medical experts and examinations;
 - Legal research on merits;
 - More thorough discovery (including the identity of deponents and expected costs of each deposition and preparation);
 - Settlement negotiations;
 - Trial preparation; and
 - Trial.
6. The project budget should include the anticipated cost of each line item, the time allotted to complete it and the professional level of the person handling it.
7. The project budget is not a fixed fee agreement and is subject to revision.
8. Counsel shall provide revisions to the project plan or budget at the request of the Executive Director.
9. Counsel understands and agrees that major unjustified deviations from the project budget, or failure to timely submit a project budget or revisions, if requested, may constitute a breach and result in termination of this Agreement.

EXHIBIT "D"

LITIGATION GUIDELINES

The following guidelines should be followed when the scope of work includes representing the Authority in litigation:

1. The General Counsel shall consult the Executive Director regarding the component parts of litigation handled so that the Executive Director, in consultation with the Executive Committee, if necessary, can determine whether a particular activity is reasonable in light of its costs and benefits.
2. The Executive Director must approve the identity and number of personnel assigned to the litigation, and any changes.
3. Copies of major work product, pleadings, motions, orders, decisions, research memoranda, reports on significant developments, and quarterly status reports shall be submitted to the Executive Director to advise of any major developments in the lawsuit.
4. Generally, the Executive Director will rely upon General Counsel for guidance on litigation strategy. Nonetheless, prior approval from the Executive Director is necessary for demurrers, motions for summary judgment and discovery motions.
5. Authority expects that General Counsel will resolve all discovery disputes without court intervention. If this is impossible due to the conduct of others, please inform the Executive Director immediately. Authority's intent is to have discovery be fair and open with the money spent on reviewing relevant items that are discovered, not on discovery battles.
6. Provide full descriptions of legal tasks performed. This will help the Executive Director follow case development and understand the firm's strategy.
7. Some types of litigation-related expenses require prior approval by the Executive Director, including, but not limited to, experts and investigators. Expenses over a certain dollar amount also require prior approval. See Section III (Reimbursements) of Exhibit "B" (Billing Protocols and Guidelines) of this Agreement for a list of those expenses that the Authority will reimburse.

Attachment Eight
Contract for CCA Executive Director

CONTRACT FOR EXECUTIVE DIRECTOR SERVICES
BETWEEN THE CALIFORNIA CANNABIS AUTHORITY AND
CARA MARTINSON

This Agreement for Executive Director Services (“Agreement”), dated as of March 22, 2018 (“Effective Date”), is made and entered into by and between the California Cannabis Authority (the “CCA”), a California joint powers authority created pursuant to the Joint Powers Agreement, dated January 12, 2018 and effective January 23, 2018 (the “JPA Agreement”) and Cara B. Martinson (“Contractor”), sometimes individually referred to herein as a “Party” and collectively, as the “Parties.”

RECITALS

WHEREAS, pursuant to Section 8 of Article III of the JPA Agreement, the Board of Directors of the CCA is required to appoint an Executive Director who shall be responsible for the general administration of the business and activities of the CCA as directed by the Executive Committee; and

WHEREAS, the Board of Directors desires and is empowered by Section 8 of Article III of the JPA Agreement to retain a person or firm to provide Executive Director Services as an independent contractor to fulfill the Executive Director’s duties; and

WHEREAS, Contractor has served in various capacities representing California counties and through such experience has acquired special skills, abilities and knowledge regarding the role counties play in California government and public policy and specifically in regard to the role of state and local governments in regard to the legalization, regulation and taxation of recreational cannabis; and

WHEREAS, the CCA acknowledges Contractor to be an employee of the California State Association of Counties (CSAC) the express consent of the Executive Director of CSAC is required prior to the effective date of this Agreement; and

WHEREAS, Contractor warrants that she is qualified, competent, and desiring to render these services,

NOW THEREFORE, the Parties agree as follows:

1. SCOPE OF SERVICES

Contractor agrees to provide all of the services described in **Exhibit A** attached hereto and by this reference made a part hereof.

2. FURNISHED SERVICES

CCA agrees to:

- 2.1 Provide access to any facilities or property necessary for the performance of this Agreement.
- 2.2 Make available all pertinent data and records for Contractor’s use and review in performing services under this Agreement.

3. FEES AND PAYMENT SCHEDULE

Contractor shall be paid the Monthly Retainer representing compensation for the Basic Services as specified in Exhibit A to this Agreement. Contractor’s Monthly Retainer shall be inclusive of any

travel and lodging expenses incurred in fulfilling duties as Executive Director. Additional services which are beyond the scope of the Basic Services described in Exhibit A or services that require in excess of an estimated average of 40 hours per month, shall be arranged by separate agreement. Contractor shall provide CCA with her Federal Tax I.D. number or social security number.

4. TERM OF AGREEMENT

This Agreement shall commence on April 1, 2018 and shall continue in effect until terminated as provided herein. The Board shall review this Agreement and the compensation arrangements provided for herein on or before June 30, 2019, and at least annually thereafter on or before each subsequent fiscal year of CCA.

This Agreement may be terminated without cause upon thirty (30) days prior written notice by either party. This Agreement may be terminated by CCA immediately for cause. For the purposes of this Agreement, cause shall mean conviction of a misdemeanor involving the services provided under this Agreement or conviction of any felony. Cause also shall mean the unexcused failure to satisfactorily perform services required by this Agreement after CCA provides written notice to correct such failure and Contractor continues to fail to satisfactorily perform such services for a period of fifteen (15) days or more. The notice to correct shall specifically describe the services that Contractor has failed to perform satisfactorily. Upon termination without cause, Contractor shall be paid for all services performed to the date of termination.

5. INSURANCE

All required insurance coverages shall be substantiated with a certificate of insurance and must be signed by the insurer or its representative evidencing such insurance to CCA. The auto liability policy shall be endorsed naming CCA as an additional insured. The certificate(s) of insurance and required endorsement shall be furnished to the CCA prior to commencement of work hereunder. Each certificate shall provide for thirty (30) days advance written notice to CCA of any cancellation or reduction in coverage. Said policies shall remain in force through the life of this Agreement and shall be payable on a per occurrence basis only.

Nothing herein shall be construed as a limitation on Contractor's indemnification obligations under Section 14 of this Agreement

Failure to provide and maintain the insurance required by this Agreement will constitute a material breach. In addition to any other available remedies, CCA may suspend payment to the Contractor for any services provided during any time that insurance was not in effect and until such time as the Contractor provides adequate evidence that Contractor has obtained the required coverage.

- 5.1 Commercial Liability Insurance (bodily injury and property damage - \$1,000,000)
- 5.2 Comprehensive Automobile Liability Insurance (\$500,000/accident)
- 5.3 Worker's Compensation Insurance (should employees be hired)

The Contractor acknowledges the State of California requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code. If Contractor has employees, a copy of the certificate evidencing such insurance or a copy of the Certificate of Consent to Self-Insure shall be provided to CCA prior to commencement of work.

6. NONDISCRIMINATORY EMPLOYMENT

Contractor and/or any permitted subcontractor shall not unlawfully discriminate against any individual based on race, color, religion, nationality, sex, sexual orientation, age or condition of disability. Contractor and/or any permitted subcontractor understands and agrees that Contractor

and/or any permitted subcontractor is bound by and will comply with the nondiscrimination mandates of all Federal, State and local statutes, regulations and ordinances.

7. SUBCONTRACTING

The Contractor shall not subcontract nor assign any portion of the work required by this Agreement without the prior written approval of the Board of Directors of CCA. If Contractor is authorized to hire a subcontractor under this Agreement, Contractor shall require subcontractor to provide and maintain insurance coverage(s) identical to what is required of Contractor and shall require subcontractor to name Contractor and CCA as additional insureds. It shall be Contractor's responsibility to collect and maintain current evidence of insurance provided by its subcontractors and forward such evidence of insurance to CCA.

8. ASSIGNMENT

The rights, responsibilities and duties under this Agreement are personal to the Contractor and may not be transferred or assigned without the express prior written consent of the Executive Committee of CCA.

9. BOOKS OF RECORD AND AUDIT PROVISION

Contractor shall maintain on a current basis complete books and records relating to this Agreement. These documents and records shall be retained for at least five years from the completion of this Agreement. Contractor will permit CCA to audit all books, accounts or records relating to this Agreement or all books, accounts or records of any business entities controlled by Contractor who participated in this Agreement in any way. Any audit may be conducted on Contractor's premises or, at CCA's option, Contractor shall provide all books and records within a maximum of fifteen (15) days upon receipt of written notice from CCA. Contractor shall refund any monies erroneously charged within 30 days after such erroneous charges are discovered.

10. OWNERSHIP OF RECORDS

Any and all documents, information and reports prepared by the Contractor in performing services under this Agreement, shall be the property of the CCA. The Contractor may retain copies of these documents. In the event of the termination of this Agreement, for any reason whatsoever, Contractor shall promptly turn over all information, documents, and records to CCA without exception or reservation.

11. RELATIONSHIP BETWEEN THE PARTIES

It is expressly understood that in the performances of the services herein, the Contractor, and the agents and employees thereof, shall act in an independent capacity and as an independent contractor and not as employees or agents of the CCA. Contractor shall be solely responsible to pay all required taxes, including but not limited to, all withholding social security, and workers' compensation. Contractor's authority to act on behalf of CCA shall be defined by a Resolution Conferring Powers by the Board of Directors and Contractor shall have no power or authority to enter into any contracts or other obligations on behalf of CCA unless expressly authorized by the Executive Committee of CCA as appropriate.

12. AMENDMENT

This Agreement may be amended or modified only by written agreement of both parties.

13. JURISDICTION AND VENUE

This Agreement shall be construed in accordance with the laws of the State of California and the parties hereto agree that venue shall be in Sacramento County, California.

14. INDEMNIFICATION

CCA agrees to indemnify and defend Contractor from any claims and liabilities that arise from the performance of the services required by this Agreement. Contractor agrees to indemnify, defend, and hold harmless CCA, its employees, officers, contractors, consultants and agents, from any claims or liabilities arising from any acts, omissions or other wrongful conduct of Contractor outside the scope of services required by this Agreement.

15. COMPLIANCE WITH APPLICABLE LAWS

The Contractor shall comply with any and all Federal, State and local laws and regulations affecting services covered by this Agreement.

16. FORCE MAJEURE

A Party shall not be considered in breach of or in default under this Agreement on account of, and shall not be liable to the other Party for, any delay or failure to perform its obligations hereunder by reason of fire, earthquake, flood, explosion, strike, riot, war, terrorism, or similar event beyond that party's reasonable control (each a "Force Majeure Event"); provided, however, if a Force Majeure Event occurs, the affected Party shall, as soon as practicable: (a) Notify the other Party of the Force Majeure Event and its impact on performance under this Agreement; and (b) Use reasonable efforts to resolve any issues resulting from the Force Majeure Event and perform its obligations hereunder.

17. NOTICES

This Agreement shall be managed and administered on CCA's behalf by the President of the CCA. All invoices shall be submitted to and approved by the President as Contract Manager. All notices shall be given to CCA at the following location:

Contract Manager:	President, California Cannabis Authority
Address:	California Cannabis Authority 1100 K Street Suite 101 Sacramento, CA 95814

Notices shall be given to Contractor at the following address:

Contractor:	Cara B. Martinson
Address:	1100 K Street, Suite 101 Sacramento, CA 95814

18. Entire Agreement: Modification.

This Agreement constitutes the entire agreement and understanding between the Parties regarding the subject matter addressed herein. No modification or extensions of this Agreement shall be effective unless in writing and signed by the parties hereto, excepting therefrom the areas of discretion reserved by CCA as set forth herein.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

CALIFORNIA CANNABIS AUTHORITY

By: _____
 , President

CONTRACTOR:

By: _____
 Cara B. Martinson

EXHIBIT A
SCOPE OF SERVICES FOR EXECUTIVE DIRECTOR

Under the general direction of the Executive Committee, the Executive Director shall be responsible for the operation and the general management of CCA's activities and services.

The Monthly Retainer shall be: \$3,000 per month, inclusive of any travel and lodging expenses incurred in fulfilling duties as Executive Director.

The Executive Director's specific duties and responsibilities shall include the following:

1. Act as agent of CCA for the administration of all CCA functions and policies;
2. Give direction and leadership to the formulation and achievement of the organization's philosophy, mission, and its annual goals and objectives, including analysis and interpretation of financial and program data relating to CCA activities;
3. Attend meetings of the CCA in person, as needed, or telephonically, and make recommendations on all actions submitted to the Board of Directors or Executive Committee for consideration
- 4.
5. Work with the Board of Directors, Executive Committee, and staff to develop and implement policies, procedures, and long- range strategic plans;
6. Management of the services provided by any CCA Contractors
7. Oversee administrative, financial and program operations, and all personnel matters (design of staff organizational structure, hiring and firing responsibilities, etc.);
8. Monitor and respond to written and telephonic correspondence in a timely manner;
9. Prepare and, following Board approval, administer the CCA's annual budget, including reviewing and approving disbursements on behalf of CCA, performing a continuous review of CSCDA expenditures throughout the fiscal year to determine that expenditures are necessary and in accordance with CCA policy;
10. Negotiate and ensure compliance with CCA's contracts;
11. Manage overall CCA operations;
12. Pursue growth of Members and Participants while ensuring continued service delivery to existing Members and Participants;
13. Manage and Maintain a close working relationship with other local, state, and federal agencies, as well as representatives of the cannabis industry;
14. Manage CCA's response to Public Records Act requests and coordinate such responses with the General Counsel Administrators
15. Keep informed of trends, issues, events and developments within the cannabis industry as well as state and federal regulation of cannabis, through professional peer contacts, conference attendance, etc.

Attachment Nine
Marketing and Outreach Memo



March 11, 2018

To: California Cannabis Authority Board of Directors
From: Cara Martinson, CSAC Senior Legislative Representative & Federal Affairs Manager
RE: **California Cannabis Authority (CCA) Marketing Plan**

There are currently 18 counties that have passed a local ordinance to regulate some type of commercial cannabis activity within their jurisdiction. There are another eight counties that are actively working on the development of a commercial cannabis ordinance. While these regulatory programs vary widely, all have data needs. The goal of CCA is to attract all jurisdictions that are regulating and taxing cannabis at the local level to become a member or a participant of CCA to populate the data platform.

To execute this objective, staff is proposing a phased-in approach to marketing CCA to counties and other public entities. The first phase of our marketing program is to target counties that are actively regulating and/or taxing cannabis, or those that have expressed an interest in CCA while developing a cannabis ordinance. Staff has ongoing conversations and meetings pending with eight counties (see status update below), and plans to target more counties over the next several months. Our approach to counties will be prioritized by interest, scope of local regulatory program and access.

The second phase of the marketing plan is to work with Member counties to outreach to cities within their jurisdiction. For example, CCA, with help from our Board Members, can convene a meeting with the County and the cities that are actively regulating cannabis within their jurisdiction to propose becoming a participant of the JPA (not membership). Targeting cities with the help of our CCA Member counties will help populate the data platform, increase revenue to CCA and provide counties with jurisdiction-wide information. The second phase of marketing will take place after the data platform is operational, or as specific interest arises.

While ongoing conversations are happening with the spectrum of counties that are regulating, the following is a status update of specific counties that CCA is targeting for Membership.

Inyo – Supervisor Griffiths was a member of the CSAC CCA Working Group (2017); Presentation made to Department Heads (Feb); In the process of scheduling a demo of the data platform.

Nevada – Board of Supervisors Presentation (January) and follow-up conversations with CAO staff (Feb/March).

Los Angeles – CAO's office and Treasurer Tax Collector's Office participated in CSAC CCA Working Group (2017); Presentation to Department Heads (February) and demonstration; Follow-up pending.

San Francisco – Supervisor Cohen was a member of the CSAC Working Group (2017); Meeting with SF BOS Banking Subcommittee scheduled for week of March 12th.

Santa Barbara – Ongoing conversations with the CAOs Office (January); In the process of scheduling a meeting with department heads.

Santa Cruz – Meeting with Cannabis Manger and follow-up conversations with Treasurer Tax Collector (February/March); In the process of scheduling a demo of the data platform.

Sonoma – Conversations with Supervisor James Gore and County Counsel (February); In the process of scheduling a Department Head meeting and a demo of the data platform.

Yolo – Presentation to Department Heads (March); In the process of scheduling a demo of the data platform.

Contact. For more information, please contact Cara Martinson, CSAC Senior Legislative Representative at cmartinson@counties.org, or 916-327-7500.