

NOTICE OF MEETING & AGENDA

Friday, June 16th, 2023
11 a.m. – 12:30 p.m.

1100 K Street, Suite 101
Sacramento, CA 95814

REMOTE LOCATIONS

Santa Barbara County Admin building
105 E Anapamu Street
Santa Barbara, CA 93101
4th floor – Room 413

Humboldt County
825 5th Street
Eureka, CA 95501
Room 111

San Luis Obispo County
Auditor-Controller-Treasurer-Tax Collector
1055 Monterey St. Rm D-290
San Luis Obispo, CA 93408

Zoom Access

<https://zoom.us/j/8267160176>

Meeting ID: 826 716 0176

Call in Number: +1 (669) 900-9128 Code: 8267160176#

PUBLIC COMMENT:

The Board welcomes and encourages public participation in its meetings. The public may take appropriate opportunities to comment on any issue before the Board. If public comment is not specifically requested, members of the public should feel free to request an opportunity to 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.

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AGENDA

- I. 11:00 am Opening Remarks & Roll Call
Tom Haynes, President
- II. 11:05 am Approval of Minutes (Prior Two) (See Attached)
Tom Haynes, President
- III. 11:10 am Legislative Update
Greg Turner, Executive Director / Counsel CCA
Cara Martinson, Public House Consulting
(See Attached)
- IV. 11:30 am Organizational Update
Greg Turner, Executive Director / Counsel CCA
 - A. FY 23-24 Budget (See Attached) – Board Action
 - B. Outreach Update
- V. 11:50 am Platform Update
Adam Crabtree, NCS Analytics
- VI. 12:00 pm Public Comment
- VII. 12:10 pm Close Session

Except where noticed for a time certain, all times are approximate and subject to change. The meeting may be canceled or changed without notice. For verification, please contact gturnerecca.ca.gov. Action may be taken on any item on the agenda. Items may be taken out of order, tabled or held over to a subsequent meeting, to accommodate speakers, or to maintain a quorum



CCA Board Meeting
Via Video / Teleconference Call
February 17, 2023
MINUTES

February 17, 2023 via Video / Teleconference Call - Meeting called to order at 11:02am

1. Roll Call.

- X Rex Bohn , Supervisor Humboldt County
Justin Cooley for Jim Hamilton, Treasurer-Tax Collector, San Luis Obispo County, CCA Treasurer
- X Tom Haynes, Assistant Chief Financial Officer, Yolo County
Alisha McMurtrie, Treasurer-Tax Collector, Inyo County
- X Jeff Frapwell, Assistant County Executive Officer, Santa Barbara County
- X Joann Ivamoto, Cannabis Program Manager, Monterey County
Others: Greg Turner, Adam Crabtree, Christy Higgins, Tim Townsend, Amy Christensen, Cara Martinson, Brittany Heaton

2. Resolution 2022-05 – Teleconference Meetings of the CCA – The resolution concerned teleconference meetings in light of the ongoing COVID health crisis. The resolution was motioned by Jeff Frapwell, seconded by Tom Haynes and unanimously approved.

3. Approval of Minutes – The minutes for December 9, 2022 were presented. Jeff Frapwell moved approval, seconded by Rex Bohn and approved without descent.

4. Organizational Update –

A. Brown Act Requirements – The State of Emergency for COVID is released at the end of February. The Brown Act requires the board meetings to be in person. The board decided to begin meeting in person but also facilitate teleconference. The meetings will be on a rotational schedule for location convenience.

B. Fee Structure/Budget Update – The board discussed the current fee structure and possible changes to accommodate all. More discussion will take place at the annual meeting.

C. Outreach Update – Discussions are ongoing with San Diego, LA, Lake County, Santa Cruz and Sonoma. A Webinar was completed for potential counties and cities and anticipating additional webinars.

5. Legislative Update –

Cara Martinson gave an update on legislative process and outreach. She is working with supervisors, RCRC and CSAC to support legislation. She will be reaching out for letters of support. It was also noted the CCA sponsored legislation was included in the agenda packet.

6. Platform Update –

Adam Crabtree, CEO of NCS Analytics advised the market has been in a decline, however the platform is starting to see a rebound, seeing more mergers and acquisitions and prices are up. The Platform is providing new screens and reports to make it easier for users.

7. Public Comment – There was no public participants.

8. Adjourn – Meeting adjourned at 12:29pm



CCA Annual Board Meeting
Via Video / Teleconference Call/In-Person
April 13, 2023
MINUTES

April 13, 2023 via Video / Teleconference Call/In Person - Meeting called to order at 9:04am

1. Roll Call.

- X Rex Bohn , Supervisor Humboldt County
 - X Jim Hamilton, Treasurer-Tax Collector, San Luis Obispo County, CCA Treasurer
 - X Tom Haynes, Assistant Chief Financial Officer, Yolo County
Alisha McMurtrie, Treasurer-Tax Collector, Inyo County
 - X Brittany Heaton, Deputy CEO Santa Barbara County
Joann Ivamoto, Cannabis Program Manager, Monterey County
- Others: Greg Turner, Adam Crabtree, Christy Higgins, Tim Townsend, Cara Martinson, Justin Cooley, Bob Roach, Detra Williams, D Bryan, Supervisor Bruno Sabatier, David Mangone, Erin Moffet, Nick Chulos, Genine Coleman, Mackenzie Slade, Mike Sofis

2. Legislative Update – Cara Martinson, Public House Consulting

A. AB687 – The bill is set for hearing next week. It has support from CSAC and several counties. It has a two-fold purpose:

1. Grant access to joint powers of authority to the full metric data set
2. Include zip code data into the metric

The hope is the bill will move to appropriations in May 2023. The funding would allow CCA to provide the data to every licensing county.

3. Update on Federal Safe Banking Act –

Presentation provided by Erin Moffet, Director of Policy and Communications Cannabis Financial Industry Group (CFIG) & David Mangone.

4. Local Government and the Legacy Farmer -

Presentation provided by Genine Coleman, Founder, Origins Council.

5. Navigating the Legal Marketplace with Data -

Presentation provided by Adam Spiker, Vice President, Spiker Rendon Consulting.

6. Platform and Market Data Update – Adam Crabtree

Market Update

- Continuing to see the market contract
- Seeing price increases in the wholesale market with less product but consumers are not seeing price increase

7. Public Health Outcomes of Cannabis Legalization -

Presentation provided by Michael Sofis, Phd and Mackenzie Slade, MPH Cannabis Public Policy Consulting.

8. Public Comment – Bob Roach not so optimistic about profitability. He is a strong supporter of AB 687.

9. Adjourn – Meeting adjourned for lunch

AB 351 Chen, R - Cannabis: license transfers.

This bill would give the Department of Cannabis Control the power to transfer and reassign the licenses and it would also help to further AUMA's goals. (Based on 03/23/2023 text)

Location:

05/03/2023 - Assembly APPR.
SUSPENSE FILE

AB 374 Haney, D - Cannabis: retail preparation, sale, and consumption of noncannabis food and beverage products.

This law allows local jurisdictions to allow retailers and microbusinesses to have areas to smoke or ingest cannabis products. Additionally, retailers and microbusinesses can also sell and prepare non-cannabis food and beverages, and even sell tickets for musical or other performances. (Based on 05/18/2023 text)

Location:

06/01/2023 - Senate RLS.

AB 420 Aguiar-Curry, D - Cannabis: industrial hemp.

This bill also states that cannabis regulations do not prohibit the sale or manufacture of products containing hemp and its derivatives, as long as they follow state law. (Based on 02/02/2023 text)

Location:

06/01/2023 - Senate RLS.

AB 471 Kalra, D - Cannabis catering.

This bill would add a new license - the state caterer license - allowing the licensee to serve marijuana or marijuana products at a private event, with certain restrictions such as the attendees must be 21 and over and no alcohol or tobacco may be sold at the event. The owner of the property on which the event is held must also give permission for its use. The bill states that it is furthering the purpose and intent of AUMA. (Based on 05/01/2023 text)

Location:

05/17/2023 - Assembly APPR.
SUSPENSE FILE

AB 599 Ward, D - Suspensions and expulsions: tobacco.

This bill would change the laws that school districts have to follow concerning suspensions and expulsions related to the possession and use of tobacco, nicotine products, and other drugs, including controlled substances. On July 1, 2025, school districts would be prohibited from suspending or recommending a student for expulsion solely based on these substances. Local educational agencies would also have to develop a plan to address students who possess or use these substances on school property, reduce criminalization, and include information about resources for education and support for substance abuse. The state would also develop a model policy for dealing with these situations. The California Constitution would provide reimbursement for certain costs mandated by the state. (Based on 03/28/2023 text)

Location:

06/07/2023 - Senate ED.

AB 623 Chen, R - Cannabis: THC testing variances.

In short, the existing MAURCSA and AUMA control and regulate the sale and use of marijuana, and this bill would further require the Department of Cannabis Control to establish regulations to adjust testing variances for edible cannabis products that contain less than 5 milligrams of THC in total. (Based on 03/16/2023 text)

Location:

06/12/2023 - Senate APPR.

AB 687 Hart, D - California Cannabis Authority.

This bill would require the track and trace program to capture the ZIP Code of delivery address, and require the department to allow certain local agencies and the California Cannabis Authority to have read-access to the database of the software. The agencies would use this information to regulate and tax cannabis and conduct research. The bill would declare the necessity of the special statute for the California Cannabis Authority. (Based on 04/11/2023 text)

Location:

06/01/2023 - Senate RLS.

Legislation of Interest

AB 741 Jones-Sawyer, D - The California FAIR Plan Association: cannabis.

This bill prohibits the California FAIR Plan from refusing to give, cancel or renew coverage because of legal cannabis possession or a commercial cannabis license. (Based on 02/13/2023 text)

Location:

04/28/2023 - Assembly 2 YEAR

AB 766 Ting, D - Cannabis: invoices: payment.

According to this bill, cannabis companies have to pay for goods and services no later than 15 days after the invoice date set out on the receipts. If they fail to do so, the Department of Cannabis Control will issue either a warning or a citation or take disciplinary action in order to enforce the laws. The bill also outlines that companies cannot purchase goods or services on credit if there is an unpaid invoice. There are also a few exceptions for invoice payments due before January 1st, 2024. (Based on 04/12/2023 text)

Location:

05/19/2023 - Assembly 2 YEAR

AB 794 Flora, R - Cannabis: advertising and marketing restrictions.

This new bill will require all advertisements of cannabis to include both the name and license number of the licensee responsible for the advertisement. (Based on 02/13/2023 text)

Location:

04/28/2023 - Assembly 2 YEAR

AB 993 Rubio, Blanca, D - Cannabis Task Force.

This bill would expand a task force on the regulation of commercial cannabis to include representatives from the Civil Rights Department and the Department of Industrial Relations. (Based on 02/15/2023 text)

Location:

06/05/2023 - Senate APPR.

AB 1111 Pellerin, D - Cannabis: small producer event sales license.

This bill would also allow a small producer licensee who has a valid state and local license to be able to sell in certain temporary events for up to 32 days a year. The bill also includes updates designed to meet the purpose and intentions of Prop 64. (Based on 05/22/2023 text)

Location:

06/07/2023 - Senate B., P. & E.D.

AB 1126 Lackey, R - Cannabis: citation and fine.

This bill would allow the Department of Cannabis Control to give citations for a claim or representation of a product as licensed cannabis without a license, including the unlicensed use of the cannabis. Universal symbol. (Based on 02/15/2023 text)

Location:

05/03/2023 - Senate B., P. & E.D.

AB 1171 Rubio, Blanca, D - Cannabis: private right of action.

This bill permits a person who obtains the license to bring an action in superior court against those engaging in commercial cannabis activity without a license. The court can then enter an order that prevents the person from continuing with the activity, and the licensee is entitled to actual damages, a maximum of \$500,000, and their attorney fees and costs. Additionally, the bill confirms that it is within the purpose of AUMA and its provisions. (Based on 05/03/2023 text)

Location:

05/24/2023 - Senate B., P. & E.D.

AB 1207 Irwin, D - Cannabis: labeling and advertising.

This bill This bill would implement provisions of AUMA by prohibiting the sale or manufacture of cannabis or cannabis products that are attractive to children, as defined, and by prohibiting the advertisement and marketing of cannabis or cannabis products in a way that is attractive to children. It also prohibits cannabis or cannabis products intended for use by inhalation or combustion from containing any natural or synthetic flavors or descriptors of flavors. (Based on 04/19/2023 text)

Location:

06/07/2023 - Senate B., P. & E.D.

AB 1272 Wood, D - State Water Resources Control Board: drought planning.

This bill would require the Natural Resources Agency the State Water Resources Control Board to establish a program to create principles and guidelines for diverting and using water in coastal watersheds during times of water shortage. The principles and guidelines would provide for public trust, public health and safety, and the human right to water. Additionally, the bill would authorize the Board to issue a cease and desist order if a person violates the principles and guidelines and allow the person to be held civilly liable for an amount not to exceed \$500 for each day that the violation occurs. (Based on 02/16/2023 text)

Location:

06/07/2023 - Senate N.R. & W.

AB 1364 Carrillo, Juan, D - Fish and wildlife protection and conservation: lake or streambed alterations.

This bill makes changes to existing law that prohibits an entity from changing or using material from rivers, streams, or lakes without notifying the Department of Fish and Wildlife first. The Department of Fish and Wildlife may require a lake or streambed alteration agreement to ensure the protection of fish and wildlife resources. The changes made by this bill are not substantial, but will still have an effect on the existing law. (Based on 02/17/2023 text)

Location:

05/05/2023 - Assembly 2 YEAR

AB 1424 Jones-Sawyer, D - Occupational safety and health: cannabis delivery employee.

This bill would ensure driver safety protocols for delivery employees, as well as provide workers with retaliation protection and the right to refuse work if it creates a hazard. They would also create a cause of action for wages if an employee is laid off or discharged for refusing dangerous work and create a presumption that the employer has violated the law if they take adverse employment action against an employee within 90 days of them refusing a dangerous delivery. (Based on 04/03/2023 text)

Location:

04/28/2023 - Assembly 2 YEAR

AB 1448 Wallis, R - Cannabis: enforcement by local jurisdictions.

This bill gives local agencies the authority to impose an administrative fine or penalty to enforce illegal cannabis activities in their communities. (Based on 05/03/2023 text)

Location:

06/01/2023 - Senate RLS.

AB 1565 Jones-Sawyer, D - California Cannabis Tax Fund: local equity program grants.

This bill would appropriate \$15000000 to the Department of Cannabis Control to assist local equity applicants and licensees to get into, and run, the cannabis market in California, furthering the purposes of AUMA. (Based on 02/17/2023 text)

Location:

06/01/2023 - Senate RLS.

AB 1567 Garcia, D - Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024.

This bill would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount \$15,995,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, clean energy, and workforce development programs. This bill would provide for the submission of these provisions to the voters at the March 5, 2024, statewide primary election. (Based on 05/26/2023 text)

Location:

06/01/2023 - Senate RLS.

AB 1610 Jones-Sawyer, D - Cannabis: Department of Cannabis Control.

This bill requires the department to maintain a list of recalled cannabis products on its website, including standardized operating procedures and proficiency tests to ensure accurate results. Testing labs and retailers must adhere to quality assurance standards and testing procedures. This bill will also allow for annual audits of the testing laboratories and their results must be posted online. These regulations ensure the safety and accuracy of products sold to consumers. (Based on 03/23/2023 text)

Location:

06/01/2023 - Senate RLS.

AB 1616 Lackey, R - California Cannabis Tax Fund: Board of State and Community Corrections grants.

This bill would require the Board of State and Community Corrections to prioritize local governments whose programs seek to address the unlawful cultivation and sale of cannabis and authorize them to make grants to local governments that ban both indoor and outdoor commercial cannabis cultivation or ban retail sale of cannabis or cannabis products. It declares that its provisions further the purposes and intent of AUMA, which requires a 2/3 vote of both houses to amend. (Based on 02/17/2023 text)

Location:

06/01/2023 - Senate RLS.

AB 1619 Dixon, R - Pharmacists: drug disclosures: cannabis or cannabidiol interactions.

This bill would require pharmacists to attach a label to prescription containers if the drug inside has major or moderate interactions with edible or inhaled cannabis or cannabidiol products. Pharmacies must develop their own guideline on what medications require a label. A violation of this new law is a crime and the state does not have to reimburse local agencies for it. (Based on 03/23/2023 text)

Location:

04/28/2023 - Assembly 2 YEAR

AB 1684 Maienschein, D - Local ordinances: fines and penalties: cannabis.

This bill allows local agencies to create ordinances that can impose fines for unlicensed cannabis cultivation, manufacturing, processing, distribution, or sale. The fines can be up to \$1000 per violation, or \$10000 per day. The fines can also be imposed on the property owner, each owner of the occupant business entity, and hold them liable for the violation. Also, the local agency can refer a violation case to the State Attorney General. (Based on 03/09/2023 text)

Location:

05/17/2023 - Senate GOV. & F.

AB 1719 Bonta, D - Cannabis: California Environmental Quality Act.

This bill would provide that CEQA does not apply to cannabis activities such as retail distribution, manufacture and laboratory testing, as long as certain conditions are met. (Based on 03/16/2023 text)

Location:

04/28/2023 - Assembly 2 YEAR

SB 51 Bradford, D - Cannabis provisional licenses: local equity applicants.

This bill would extend provisional licensure for local equity applicants for retailer activities indefinitely and would renew provisional licensure until five years from the date the provisional license was issued. This bill is declares that it furthers the purposes and intent of AUMA and that it makes an urgent impact. (Based on 05/22/2023 text)

Location:

06/08/2023 - Assembly B.&P.

SB 250 Umberg, D - Controlled substances: punishment.

This bill seeks to define what qualifies as "seeking medical assistance" and further clarifies that if someone is in possession of the drugs due to an overdose, they are not in violation of the law. Additionally, if someone discovers that the drugs have been contaminated, they can deliver them to a local public health department or law enforcement and their identity will remain confidential. Lastly, the bill puts in place a protective measure that requires evidence of an interest and need for protecting the limitation. (Based on 06/05/2023 text)

Location:

05/26/2023 - Assembly PUB. S.

SB 285 Allen, D - Cannabis: retail preparation, sale, and consumption of noncannabis food and beverage products.

This bill aims to let local jurisdictions to permit the preparation or sale of noncannabis food or beverage products in the consumption area, and the sale of prepackaged noncannabis-infused nonalcoholic food and beverages in the consumption area. (Based on 04/11/2023 text)

Location:

05/26/2023 - Assembly B.&P.

SB 302 Stern, D - Compassionate Access to Medical Cannabis Act.

This bill would expand access to cannabis for patients over age 65 with a chronic disease, and allow home health agencies to provide access as well. It would also ensure that the patient's use of medical cannabis cannot be used as reason to deny them admission to a health care facility. (Based on 06/12/2023 text)

Location:

06/01/2023 - Assembly HEALTH

SB 508 Laird, D - Cannabis: licenses: California Environmental Quality Act.

This bill would exempt the Department of Cannabis Control from being classified as a responsible agency under CEQA if the local jurisdiction has filed a notice of determination or an exemption for the activity as long as it conforms with the scope already analyzed by the local jurisdiction. (Based on 05/09/2023 text)

Location:

06/08/2023 - Assembly B.&P.

SB 512 Bradford, D - Cannabis: taxation: gross receipts.

This bill will affect all cities and also provides for reimbursement for costs mandated by the state. Lastly, it declares that this bill furthers the purposes and intent of the AUMA. (Based on 05/03/2023 text)

Location:

05/30/2023 - Assembly DESK

SB 540 Laird, D - Cannabis and cannabis products: health warnings.

This bill would, on or before July 1, 2025, authorize DCC to reevaluate regulations for warning about the safety of cannabis use to determine whether any additional warnings are necessary to reflect evolving science, and would require the department to adopt regulations for cannabis and cannabis product labels or inserts reflecting the evolving science regarding the risks that cannabis use may cause consumers. The bill would, on or before January 1, 2030, and every 5 years thereafter, require DCC to reevaluate the adopted regulations to determine whether the requirements reflect the state of the evolving science on cannabis health effects and on effective communication of health warnings. The bill would require the department to convene, as needed, an advisory committee, with a specified composition, for the sole purpose of considering the accuracy and relevance of current warning label and insert requirements, reviewing possible updates and amendments, and making recommendations to the department about any updates or amendments. The bill would, on or before January 1, 2025, require the department, in consultation with the State Department of Public Health, to create and post for public use a single-page flat or folded brochure that includes prescribed information, including, among other things, implications and risks associated with cannabis use, as specified. The bill would, on and after March 1, 2025, require a retailer or microbusiness selling, or person delivering, cannabis or cannabis products to a consumer to display the brochure at the point of sale in person or online, and make available upon request of a consumer a copy of the brochure at the time of first purchase or delivery. The bill would, on or before January 1, 2030, and every 5 years thereafter, require the department to either recertify the information in the brochure or provide updated language, as specified.

(Based on 02/14/2023 text)

Location:

06/08/2023 - Assembly B.&P.

SB 622 Allen, D - Cannabis regulation: plant identification program: unique identifier.

This bill would require the unique identifier required under Prop. 64 to be attached at the base of each plant, attached in close proximity to each plant, as determined by the department, or attached in a manner as otherwise required by regulation. Based on 03/22/2023 text)

Location:

06/01/2023 - Assembly B.&P.

SB 700 Bradford, D - Employment discrimination: cannabis use.

Starting January 1, 2024, employers will not be allowed to punish someone for using cannabis outside of work. In addition, employers will not be allowed to ask potential employees about their past use of cannabis. (Based on 04/13/2023 text)

Location:

05/30/2023 - Assembly DESK

SB 753 Caballero, D - Cannabis: water resources.

This bill would add that a person 18 and older may be charged with a felony if they plant, cultivate, harvest, dry, or process more than 50 cannabis plants, and that felony charge may be imposed if the person violates certain environmental restrictions. This bill would also make it a misdemeanor punishable by up to 6 months in jail, a maximum fine of \$500, or both if specified conditions are not met. This bill would impose a state-mandated local program, but no reimbursement for its costs is required. (Based on 05/18/2023 text)

Location:

05/31/2023 - Assembly DESK

SB 756 Laird, D - Water: inspection: administrative procedure: notice: service.

This bill would authorize the State Water Resources Control Board to investigate streams, stream systems, lakes, and other bodies of water to prevent any waste, unreasonable use, or method of diversion of water. It would also authorize the board to inspect the property or facility of any person or entity in an investigation. Furthermore, the bill would authorize the Board to participate in an inspection of an unlicensed cannabis cultivation site. The bill would also expand methods of notice for cease and desist orders to include physical delivery that provides a receipt, as well as electronic mail. The bill additionally authorizes service of a complaint or order by any method of physical delivery that provides a receipt. Finally, the bill states that no reimbursement is required for any costs mandated by the state. (Based on 05/15/2023 text)

Location:

06/01/2023 - Assembly W.,P. & W.

SB 820 Alvarado-Gil, D - Cannabis: enforcement: seizure of property.

This bill would, subject to specified exceptions, authorize the department or local jurisdiction, after obtaining an inspection warrant, to seize specified property in the place or building, or within any yard or enclosure, where commercial cannabis activity is conducted without a license required by MAUCRSA. The bill would also authorize the department or a local jurisdiction to seize a vehicle used to conceal, convey, carry, deliver, or transport cannabis or cannabis products by or for a person engaging in commercial cannabis activity without that license, except as specified. The bill would impose requirements for notice of seizure, forfeiture proceedings, and the sale and distribution of proceeds upon a judgment in favor of the forfeiture. (Based on 05/01/2023 text)

Location:

05/19/2023 - Senate 2 YEAR

SB 833 McGuire, D - Cannabis licensing following program: cultivation licenses: reduced license fee.

This bill would create a program for cannabis cultivators who choose to reduce their cultivation temporarily. It would let them maintain their license, and pay a reduced fee. It is important to note that this bill is declared to further the purposes and intent of AUMA. (Based on 03/22/2023 text)

Location:

06/08/2023 - Assembly B.&P.



Budget Update

		FY 2021-22 Actual	FY 2022-23 Budget	F/YE 2022-23 Est.	Scenario 1 FY 23-24 (1Q)	Scenario 2 FY 23-24
Sources:						
BEGINNING YEAR FUND BALANCE AVAILABLE		96,524	171,284	171,284	131,387	131,187
REVENUES:						
Base Membership Dues			244,000	168,000	42,000	231,000
Platform Usage Charges			977,220	779,500	150,000	600,000
Total From Membership Fees		967,755	1,221,220	947,500	192,000	831,000
Accounts Receivable						
Accounts/Notes Payable						
Other Funding (Grants / FC)						
Interest		843	1,100	2,250	350	850
TOTAL SOURCES		968,598	1,222,320	949,750	192,350	831,850
Uses:						
EXPENDITURES:	Codes					
Professional Services	5050340	135,800	135,000	242,405	58,950	195,000
Outside Legal Services	5050320	96,000	96,000	96,000	24,000	48,000
Insurance	5050160	-	2,500	2,429	2,500	2,500
Audit	5050030	-	8,500	22,900	8,500	8,500
Program Marketing	5050010	5,000	7,500	123	-	5,000
Website Management	5050100	4,744	4,500	5,412	1,500	4,500
Sponsorship Fees (Misc Exp)	5050270	675	137,500	1,000	-	-
Data Platform Fees (Data Communications)	5050100	638,091	786,500	612,627	135,000	540,000
Board Travel	5050450	-	4,500	359	-	4,500
Telephone / Telecommunications	5050440	-	1,850	-	-	-
Board Meetings	5050125	5,622	3,500	-	1,250	-
Credit Card Fees	5050095	835	650	695	-	695
Office Expenses	5050280	2,690	2,500	5,697	1,500	5,500
TOTAL EXPENDITURES:						
Fixed Costs		250,691	267,000	377,020	98,200	274,195
Variable Costs		638,766	924,000	612,627	135,000	540,000
		889,457	1,191,000	989,647	233,200	814,195
Exigencies		79,141	31,320	(39,897)	(40,850)	17,655
TOTAL USES		968,598	1,222,320	949,750	192,350	831,850

CONTRACT FOR EXECUTIVE DIRECTOR SERVICES
BETWEEN THE CALIFORNIA CANNABIS AUTHORITY AND
WM. GREGORY TURNER

This Agreement for Executive Director Services ("Agreement"), dated as of July 1, 2023 ("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 Wm. Gregory Turner ("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 has and continues to serve CCA as General Counsel and also engaged in the practice of law as a member of the California State Bar with clients unrelated to the activities and interests CCA; and

WHEREAS, Contractor warrants that he 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 more than an estimated average of 80 hours per month, shall be arranged by separate agreement.

Contractor shall provide CCA with his Federal Tax I.D. number or social security number.

4. TERM OF AGREEMENT

This Agreement shall commence on July 1, 2023, and shall continue in effect until September 30, 2023, unless renewed or otherwise terminated as provided herein. The Board shall review this Agreement and the compensation arrangements provided for herein on or before June 30, 2022, 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:	Wm. Gregory Turner
Address:	1121 L Street, 7 th Floor 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.

CONTRACTOR

CALIFORNIA CANNABIS AUTHORITY

Wm. Gregory Turner

Tom Haynes
Assistant Chief Financial Officer, Yolo County
President, California Cannabis Authority

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: \$9,650 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. Work with the Board of Directors, Executive Committee, and staff to develop and implement policies, procedures, and long- range strategic plans;
5. Management of the services provided by any CCA Contractors
6. Oversee administrative, financial and program operations, and all personnel matters (design of staff organizational structure, hiring and firing responsibilities, etc.);
7. Monitor and respond to written and telephonic correspondence in a timely manner;
8. 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;
9. Negotiate and ensure compliance with CCA's contracts;
10. Manage overall CCA operations;
11. Pursue growth of Members and Participants while ensuring continued service delivery to existing Members and Participants;
12. Manage and Maintain a close working relationship with other local, state, and federal agencies, as well as representatives of the cannabis industry;
13. Manage CCA's response to Public Records Act requests and coordinate such responses with the General Counsel Administrators
14. 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.

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 ____ day of June, 2023 (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 1017 L Street, No. 146, Sacramento, CA 95781. 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 September 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:

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:

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:

Wm. Gregory Turner, Founder
Turner Law
General Counsel

Tom Haynes
Assistant Chief Financial Officer, Yolo County
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: \$ 8,000, inclusive of any reasonable travel and lodging expenses incurred in fulfilling duties as General Counsel.

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 20 hours per month would be \$450 per hour. Services outside of the defined Monthly Retainer services would be billed at \$550 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.