

NOTICE OF MEETING & AGENDA

Friday, May 10, 2024
11:00 a.m. – 12:00 p.m.

1100 K Street, Suite 101
Sacramento, CA 95814

REMOTE LOCATIONS

Yolo County
625 Court St., Room 103
Woodland, CA 95695

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

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

Inyo County
Office of the Treasurer-Tax Collector
168 N. Edwards Street
Independence, CA93526

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 (See Attached)
Tom Haynes, President
- III. 11:10 am Legislative Update / Regulatory Update
Cara Martinson, Public House Consulting
- IV. 11:20 am Platform / Federal Update
Adam Crabtree, NCS Analytics
- V. 11:30 pm Organizational Update
Greg Turner, Executive Director / Counsel CCA
 - A. Budget Update
 - B. DRAFT CSAC FC – ED/CFO Contract (Possible Action)
 - C. DRAFT CSAC FC – Admin Svc Contract (Possible Action)
 - D. DRAFT “Participant Agreement” (See Attached)
- VI. 11:55 pm Public Comment
- VII. 12:00 pm Adjourn

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 gturner@cca.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/In-Person
March 8, 2024
MINUTES

March 8, 2024 via Video / Teleconference Call/In Person - Meeting called to order at 11:33am by Tom Haynes.

1. Roll Call

- X Rex Bohn , Supervisor Humboldt County
Jim Hamilton, Treasurer-Tax Collector, San Luis Obispo County, CCA Treasurer
- X Justin Cooley for Jim Hamilton
- X Tom Haynes, Assistant Chief Financial Officer, Yolo County
Alisha McMurtrie, Treasurer-Tax Collector, Inyo County
- X Brittany Odermann, Deputy CEO Santa Barbara County

Others: Greg Turner, Adam Crabtree, Christy Higgins, Tim Townsend, Cara Martinson, Stacie Frerichs

2. Approval of Minutes

Minute from BOD Meeting – December 15, 2023 presented and reviewed. Motion to approve by Rex Bohn with second by Justin Cooley. Vote was unanimous.

3. Legislative/Regulatory Update – Greg Turner & Cara Martinson

Greg Turner included a bill list in the agenda packet for review. Cara Martinson highlighted SB820 as well as AB2223. She also touched on the CCA sponsored bill last year and possible continued opportunities with the author Mr. Hart's office. She will pursue conversations with Mr. Hart's office and report back to the board.

4. Organizational Update – Greg Turner

A. FY 23 – 24 – Update

Greg Turner posed the question for next fiscal year, is Metric Viewer being seen as an alternative to being in the CCA Platform? Justin Cooley advised it doesn't compare to the platform. Metric Viewer is just data and does not provide analytics like the platform. He advised CCA fee has been approved by SLO for the next fiscal year. Brittany Odermann advised they have transferred the CCA fee to their operators however, there may be some changes from the board and Santa Barbara is uncertain if they will be moving forward with the platform for the new fiscal year. SB should have an update in a few weeks. Tom Haynes advised Yolo has not worked much with Metric Viewer. They are utilizing the CCA Platform and feel it is likely for Yolo to continue for the next fiscal year.

Greg Turner advised the CCA price/expense model may need to be restructured or changed back to a fee for service model with lower expenses without the complexity of joining the JPA and/or have membership. This would allow more entities namely Cities to join. Greg believes the existing structure will not allow the CCA Platform to sustain. Feedback from the board was supportive and Tom Haynes requested a written resolution. Greg advised he would bring the proposal/resolution for the next board meeting.

The next board meeting was scheduled for Friday, May 10, 2024 at 11:00am.

5. Platform/Federal Update – Adam Crabtree

Adam Crabtree advised NCS has been working on the Platform to increase speeds. In addition, the transparency project is now available on mobile devices. New alerts have been added for tax compliance issues on the platform as well.

6. Public Comment - None

7. Adjourned at 12:28pm

CONTRACT FOR EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER SERVICES
BETWEEN THE CALIFORNIA CANNABIS AUTHORITY AND
CALIFORNIA STATE ASSOCIATION OF COUNTIES FINANCE CORPORATION

This Agreement for Executive Director and Chief Financial Officer (CFO) Services (“Agreement”), dated as of June 1, 2024 (“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 California State Association of Counties Finance Corporation (CSAC FC) (“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 and CFO Services as an independent contractor to fulfill the Executive Director and CFO 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 will assign an employee of the CSAC FC and that the express consent of the Chief Executive Officer of CSAC FC is required prior to the effective date of this Agreement; and

WHEREAS, Contractor warrants that it 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 and CFO services. The Monthly Retainer shall be paid quarterly. 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.

4. TERM OF AGREEMENT

This Agreement shall commence on June 1, 2024 and shall continue in effect until terminated as provided herein. The Parties shall review this Agreement and the compensation arrangements provided for herein on or before June 30, 2025, 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

The Contractor at its sole cost and expense shall procure and maintain for the duration of this Agreement the following types and limits of insurance:

- 5.1 Commercial Liability Insurance (bodily injury and property damage - \$1,000,000)
- 5.2 Comprehensive Automobile Liability Insurance (\$1,000,000 per accident)
- 5.3 Employers' Liability Insurance (\$1,000,000 per accident)
- 5.4 Worker's Compensation Insurance. 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.

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

Notices shall be given to Contractor at the following address:

Contractor: Alan Fernandes
Chief Executive Officer
CSAC FC
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.

CONTRACTOR

CALIFORNIA CANNABIS AUTHORITY

Alan Fernandes
Chief Executive Officer
CSAC FC

Tom Haynes
President
California Cannabis Authority

EXHIBIT A

SCOPE OF SERVICES FOR EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

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: \$15,000 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. 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.;
15. Coordination of all budget and fiscal management, including bookkeeping services.

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

This Intellectual Property License, Royalty, and Program Administration Agreement (“Agreement”), dated as of June 1, 2024 (“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.”

Deleted: March 22, 2018

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; and

WHEREAS, CSAC FC has provided funds in support of CCA expending \$101,232 in FY 2017-18, \$200,000 in FY 2018-19, and \$200,000 in FY 2019-20, totaling \$501,232 in "formation costs"; and

WHEREAS the Parties hereby acknowledge and express their gratitude to CSAC FC for its generous support and contributions to the success of CCA in postponing satisfaction of these costs and of payments in prior fiscal years under this IP Agreement.

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, 2026, 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, 2030, 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.

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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, and at the discretion of the Executive Director, CSAC-FC agrees to provide certain services. CSAC-FC shall meet regularly with the Executive Director 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 the 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-FS 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. 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.
 - 3.2.6. 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.
 - 3.2.7. 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.
 - 3.2.8. 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.
 - 3.2.9. 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 June 1, 2024, the Executive Director and CFO service fees will be paid to CSAC-FC pursuant to the June 1, 2024 Contract for Executive Director and Chief Financial Officer Services between CCA and CSAC-FC.
- 6.2. The parties agree that in fiscal years that CCA is operating with a net positive income, the Executive Director and CFO service fees paid to CSAC-FC pursuant to the June 1, 2024, Contract for Executive Director and Chief Financial Officer Services between CCA and CSAC-FC shall be deemed offset payments towards the “formation costs” provided by CSAC-FC totaling \$501,232.
- 6.3. For the fiscal year commencing after the Board of Directors and CSAC-FC mutually determine that CSAC-FC’s Formation Costs have been fully recovered until Termination (as specified below), CCA shall pay CSAC-FC 50% of any Net Income or three (3) percent of CCA total combined revenue, whichever is higher, in addition to the Executive Director and CFO service fees should those services continue to be contractually provided by CSAC-FC.

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, 2026, 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

Deleted: <#>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. ¶ 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. ¶

Deleted: 2028

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.

APPROVED:

Alan Fernandes
Executive Vice President
CSAC Finance Corporation

~~Tom Haynes~~
President
California Cannabis Authority

Deleted: Supervisor Estelle Fennell

PARTICIPANT AGREEMENT

Between

CALIFORNIA CANNABIS AUTHORITY
[OTHER JURISDICTION]

This Agreement is made this [Insert Date] by and between the California Cannabis Authority (“CCA”), a Joint Powers Authority established and governed by California Counties pursuant to the Joint Exercise of Powers Act (Gov. Code, § 6500 et seq.)(the “Act”), with its principal office located at 1100 K Street, Suite 101, Sacramento, California, 95814 and [CONTRACTING CITY/COUNTY] (hereafter referred to as “[City/County]”), organized under the laws of the State of California, with its principal office located at [Insert Address].

WHEREAS, CCA, a recognized authority in the local government regulation and taxation of commercial cannabis, possesses unparalleled expertise in this field. Through its partnerships, CCA provides local governments like [City/County] with access to experts and a sophisticated data analytics platform. The “Platform” offers key insights into commercial cannabis activities in local jurisdictions, thereby bolstering regulatory and tax efforts.

AND WHEREAS, the [CITY/COUNTY] desires to engage CCA to provide such professional and software services specified and under the terms set forth herein;

NOW, THEREFORE, the parties agree as follows:

1. Scope of Services.

The specific services to be provided shall be outlined in the attached Schedule A, which may be amended from time to time by mutual written agreement of both parties.

2. Term of Agreement.

This Agreement remains in effect until terminated by any one Party. A Party may terminate this agreement by providing 10 (ten) days written notice to the other Party by e-mail, at which time the [CITY/COUNTY]’s access to CCA’s data platform and other services will be terminated.

3. Confidentiality:

- a. The Parties shall share State and Local Commercial Cannabis Licensee Data on a confidential basis, consistent with the California Public Records Act (CPRA), Government Code section 6254.5, subdivision (e), Business and Professions Code section 26067, and other applicable laws, concerning commercial cannabis activity.
- b. The Parties agree that all relevant records exempt from public disclosure under the CPRA and Information Practices Act of 1977, including those records shared between agencies pursuant to Government Code section 6254.5, subdivision (e), shall not be further distributed or disclosed without the originating agency’s permission or as

CCA PARTICIPANT AGREEMENT

required by law. If any such information is inadvertently distributed or disclosed, then all reasonable attempts shall be made to obtain the return of that information.

- c. The Parties agree that information shared under this Agreement shall be prominently labeled confidential and provide a basis for confidentiality. However, failure to label a record as confidential or to provide the basis for such confidentiality shall not waive any disclosure exemptions that may otherwise apply.
- d. The Parties agree to maintain a list of individuals within their respective agencies who will be permitted to share records pursuant to this Agreement and to share updated lists with each of the parties to this Agreement.
- e. If any of the Parties receive a CPRA Request or other request for records that have been shared by the other Party, the Party receiving the request shall immediately forward the request to the proper Party for a response.

4. Compensation and Payment:

In consideration of the services provided by CCA, the [City/County] agrees to pay CCA a total fee of [Insert Amount] payable in quarterly installments.

Invoices shall be submitted by CCA detailing services rendered and corresponding fees. The [City/County] shall pay the invoiced amounts within 30 days of receipt.

5. Terms of Access and Use of the Platform

[City/County] understands and agrees that Access to the Platform is restricted to authorized Users who have acknowledged CCA's Terms of Access and Use by reading and acknowledging its terms by written signature.

[City/County] understands that personnel may have access to the Platform only when necessary to accomplish their employment responsibilities. No User may access or use information derived from the Platform for personal or other reasons than the official duties of their employment. Users shall not access the Database for any other purpose. CCA, in its sole discretion, reserves the right to restrict, suspend, or terminate a User's Platform account without notice or liability to ensure the security of the licensee data and limit unauthorized access or use thereof.

[City/County] shall designate an Administrator to be responsible for maintaining CCA user lists and mediating who among [City/County] personnel shall have access to the Platform.

[City/County] agree to comply with applicable federal and state laws and regulations, including, without limitation, patient confidentiality, privacy and security laws, HIPAA, and HITECH.

[City/County] agree that [City/County] personnel will not disclose any information derived from their use of the Platform to anyone other than those individuals who have been authorized to receive it, except that such information may be disclosed to those acting in an official capacity in connection with official regulatory, tax, or law enforcement action.

6. Miscellaneous:

- a. This Contract represents the entire agreement between the parties. No change, waiver, or discharge hereof shall be valid unless in writing and signed by both parties.
- b. If any provision of this Contract is held invalid, the remainder of this Contract shall continue in full force and effect.

CCA PARTICIPANT AGREEMENT

IN WITNESS WHEREOF, and executed as of the date first above written, the Parties to this Agreement do hereby agree and consent to all terms and conditions provided herein. The persons signed below are authorized to sign on behalf of their respective agencies.

CALIFORNIA CANNABIS AUTHORITY

By:

Title:

Dated: _____

[CITY/COUNTY]

By:

Title

Dated: _____

SCHEDULE A
SCOPE OF SERVICES