

2019-2020 ADMINISTRATIVE REGULATIONS AND PERFORMANCE STANDARDS
FOR CITY OF OAKLAND CANNABIS OPERATORS
Updated July 1, 2019

I. Introduction

Oakland Municipal Code (“OMC”) Sections 5.80.040 and 5.81.070 require the City Administrator to set forth operating and performance standards for cannabis operators.

The definitions set forth in OMC Chapters 5.80 and 5.81 apply to the interpretation and understanding of these Administrative Regulations (“Cannabis Operator Regulations”). Additions from prior Cannabis Operator Regulations are shown in underline and deletions are shown as ~~strikethrough~~.

II. Compliance with State Law, Municipal Code and Regulations

Cannabis operators must comply with all applicable state and local laws, policies or regulations, including, but not limited to, the Health and Safety Code, the Business and Professions Code, the Medical and Adult Use Cannabis Regulation and Safety Act (MAUCRSA) and any related regulations, the City of Oakland adopted Building Code, Plumbing Code, Electrical Code, Mechanical Code, Fire Code¹, and the Americans with Disabilities Act.

Medical cannabis operators must pay the Cannabis Tax as required pursuant to Section OMC 5.04.480 as may be amended and adult use cannabis operators must pay the Cannabis Tax as required pursuant to Section OMC 5.04.481 as may be amended.

Cannabis operators must comply with any applicable Conditions of Approval and the City Administrator’s Administrative Regulations for Cannabis Operators, including any additions or revisions hereto.

Failure to comply with the Conditions of Approval, the Cannabis Operator Regulations provided in this document, and any applicable local and state laws or regulations may result in the imposition of fines, and suspension or revocation of any permit. Cannabis operators may also be subject to enforcement through the City’s nuisance abatement process and other administrative enforcement mechanism, civil action, and/or criminal prosecution.

¹ See Title 15 of the Oakland Municipal Code for the Building, Plumbing, Electrical, Mechanical, and Fire Codes. https://library.municode.com/ca/oakland/codes/code_of_ordinances?nodeId=TIT15BUCO

III. Permitting

A. Applications for Permit

The City Administrator shall be responsible for implementing a process for selection of qualified cannabis operators, and may set forth criteria to determine an operator's qualifications to meet the requirements of the applicable City's ordinances, regulations and state law. In addition to the standards set forth in the Cannabis Operator Regulations provided herein and Oakland Municipal Code Chapters 5.80 and 5.81, the City Administrator or his/her designee may consider the history of applicant's operating experience in the City of Oakland and/or relevant information from outside jurisdictions during the review of his or her application for Cannabis Dispensary, Delivery-Only Dispensary, Cultivation, Manufacturing, Distribution, Lab Testing or Transporter permit or the renewal thereof.

In applying for a cannabis permit, the cannabis operators shall pay the required regulatory fee, permit application fees, and other processing fees annually in advance as mandated in Chapter 5.80 and 5.81 of the Oakland Municipal Code. Cannabis Permits are valid for one (1) year from the date of issuance. In no event does the Cannabis Permit confer a vested right to operate for beyond the one (1) year term. ~~Permit fees may be paid in two (2) installments, with the initial installment due prior to issuance of the permit and the balance due within six months.~~

Cannabis operators shall comply with any specific, additional administrative regulations, procedures and measures imposed as conditions of approval by the City Administrator to ensure that the operation is consistent with protection of the health, safety and welfare of the community and will not adversely affect surrounding uses. Additionally, any approved aspects of the cannabis operator's permit application shall be deemed to be incorporated into the operator's permit; failure to comply with all aspects of the approved permit application may be grounds for revocation of the permit.

B. Renewal of Permits

Permits must be renewed annually with the City Administrator's Office. Permit Holders shall contact the City Administrator's Office no later than forty-five (45) days before the expiration of the current permit to begin the renewal process. At that time, the cannabis operator shall submit verification of the current Business Tax Certificate, and any other requested financial documents or information as required by the OMC or the Regulations. If the Oakland cannabis operation is part of a multi-operator business or is included as part of a non-cannabis business for tax reporting purposes, the audited financial statements must be for the cannabis operation part of the business.

As part of the annual renewal process the cannabis operator shall be inspected by the Building Inspector, Fire Marshall, any applicable County agency or their designees as required by the City Administrator's Office. Violations of the OMC shall be corrected within a reasonable time, as determined by the Building Inspector, Fire Marshal or his/her designee. The cannabis operator shall provide proof to the City Administrator's Office that there are no outstanding violations of the OMC.

Dispensaries are subject to public hearings as part of their annual renewal.

C. Prohibited Operations and Nonconforming Uses for Dispensaries

OMC Section 5.80.80 provides as follows:

1. Operation of a dispensary or delivery only dispensary in violation of California Health and Safety Code Section 11326.7, et seq., 11362.5, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) and this chapter are expressly prohibited. It is unlawful for any dispensary or delivery only dispensary in the City, or any agent, employee or representative of such dispensary or delivery only dispensary, to permit any breach of peace therein or any disturbance of public order or decorum by any tumultuous, riotous or disorderly conduct on the premises of the dispensary or during the delivery of cannabis.
2. Except for uses established pursuant to Chapter 8.46, no use which purports to have distributed cannabis prior to the enactment of this chapter shall be deemed to have been a legally established use under the provisions of the Oakland Planning Code, this Code, or any other local ordinance, rule or regulation, and such use shall not be entitled to claim legal nonconforming status.
3. Any violations of this chapter, including administrative regulations authorized by this chapter, may be subject to administrative citation, pursuant to Chapters 1.08 and 1.12, and other applicable legal, injunctive or equitable remedies.

D. Prohibited Operations and Nonconforming Uses for Cultivators, Manufacturers and other facility permits pursuant to OMC Chapter 5.81

Oakland Municipal Code Sections 5.81.110 provide as follows:

1. Any cultivating, manufacturing, testing, or transporting—without a permit under this chapter is expressly prohibited. No use that purports to have cultivated, distributed, manufactured, tested or transported cannabis shall be deemed to have been a legally established use under the provisions of the Oakland Planning Code, the Oakland Municipal Code, or any other local ordinance, rule or regulation, and such use shall not be entitled to claim a vested right, legal nonconforming or other similar status.
2. Any violations of this chapter may be subject to administrative citation, pursuant to Chapters 1.08 and 1.12, and other applicable legal, injunctive or equitable remedies.

E. Revocation

Suspensions and revocations of permits shall follow the procedures set forth in OMC Sections 5.80.070 and 5.81.120.

F. Liability and Indemnity

OMC Sections 5.80.090 and 5.81.91 provide as follows as to the liability of a Cannabis operator that has been issued a permit (hereinafter referred to as “permittee”) by the City of Oakland:

1. To the fullest extent permitted by law, any actions taken by a public officer or employee under the provisions of this chapter shall not become a personal liability of any public officer or employee of the City.
2. To the maximum extent permitted by law, the permittees under this chapter shall defend (with counsel acceptable to the City), indemnify and hold harmless the City of Oakland, the Oakland City Council, and its respective officials, officers, employees, representatives, agents and volunteers (hereafter collectively called City) from any liability, damages, actions, claims, demands, litigation, loss (direct or indirect), causes of action, proceedings or judgment (including legal costs, attorneys' fees, expert witness or consultant fees, City Attorney or staff time, expenses or costs) (collectively called "action") against the City to attack, set aside, void or annul, any cannabis-related approvals and actions and comply with the conditions under which such permit is granted, if any. The City may elect, in its sole discretion, to participate in the defense of said action and the permittee shall reimburse the City for its reasonable legal costs and attorneys' fees.
3. Within ten (10) calendar days of the service of the pleadings upon the City of any action as specified in Subsection B. above, the permittee shall execute a letter of agreement with the City, acceptable to the Office of the City Attorney, which memorializes the above obligations. These obligations and the letter of agreement shall survive termination, extinguishment or invalidation of the cannabis-related approval. Failure to timely execute the letter of agreement does not relieve the applicant of any of the obligations contained in this section or any other requirements or performance or operating standards that may be imposed by the City.

G. Transfer of Permits

Permits issued under OMC Sections 5.80 and 5.81 only apply to the premises and the entities or individuals originally specified, except upon written permission of the City Administrator’s Office granted upon written application to the City Administrator’s Office made in the same manner as required in the original application process. All individuals with a direct or indirect interest in the permit not listed on the original application must undergo a live scan background check and inspections of the originally permitted premises by relevant agencies may be required.

IV. Performance Standards

A cannabis operator shall operate in conformance with the following standards, and such standards shall be deemed to be conditions of approval on any permit, to ensure that its operation

complies with California law, the OMC, and mitigates any potential adverse impacts of the cannabis operation.

Operations

1. Only dispensary and delivery-only dispensaries operators may provide cannabis to the public.
2. Only dispensaries are open to the public.
- ~~3. The City Administrator's Office must be notified 24 hours in advance and be informed as to which third party guests will be present, and why, and the measures that will be taken to prevent diversion of cannabis products. Examples of 3rd party guests who may be approved include contractors hired for verifiable construction or other work, and government officials.~~
3. Any cannabis provided to other cannabis operators, patients or adults 21 and over shall be properly labeled in strict compliance with state and local laws, regulations and policies.
4. Cannabis operators shall not allow cannabis to be smoked, ingested or otherwise consumed on the premises, except in strict compliance with the terms of an approved onsite consumption permit. The term premises includes the actual building, as well as any accessory structures, parking areas, or other immediately surrounding areas.
5. Cannabis operators shall not hold or maintain a license from the State Department of Alcoholic Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages at the same location as a cannabis operation.
6. Cannabis operators shall post a copy of the City of Oakland Business Tax Certificate issued by the Business Tax Office and a copy of the cannabis permit issued by the City Administrator's Office in a conspicuous place on the premises.
7. Manufacturing of edible cannabis products must be done in compliance with all state and county laws, including health department regulations.

Background Checks

8.
 - A. Prior to employment, but only after a conditional job or appointment offer has been made, Executives, Board Members and Managers of Cannabis operators permitted by the City of Oakland pursuant to OMC Chapter 5.80 or 5.81 must undergo a Live Scan background check. The purpose is to determine whether the individual has been convicted or plead guilty or *nolo contendere* to the following criminal offenses, or their equivalent if arising out of state:
 - a) Penal Code Section 187 (homicide)
 - b) Penal Code Section 207 (kidnapping)
 - c) Penal Code Section 211 (robbery)

- d) Penal Code Sections 245 (assault with deadly weapon)
- e) Penal Code Sections 458-464 (burglary)
- f) Penal Code Sections 470-483.5 (forgery)
- g) Penal Code Sections 484-502.9 (larceny)
- h) Penal Code Sections 503-515 (embezzlement)

Proposed Executives, Board Members, and Managers must contact the City Administrator for information related to the processing and cost of the fingerprinting, and any costs must be paid for in advance by the cannabis operation. Background checks shall be limited to the past seven (7) years.

If the background investigation determines a proposed Executive, Board Member or Manager has been convicted of or plead guilty or *nolo contendere* to one of the above offenses in the last seven years, the individual shall be informed of such by the City Administrator's Office and offered an opportunity to submit evidence of mitigation or rehabilitation to the City Administrator's Office before a final decision is made to exclude the proposed board member or manager. The City Administrator retains discretion in determining whether an Executive Director, Board Member or Manager is permitted to participate in the Cannabis Operation permit.

- B. If a Cannabis Operator elects to conduct a background check on other employees the background check must be done in the following manner.
 - i. Background checks may only take place after a conditional job offer has been made.
 - ii. Background checks must be conducted by a reputable third party.
 - iii. Background checks shall not utilize prior cannabis offenses to prohibit employment.
 - iv. Background checks must be in compliance with applicable state and federal laws including, but not limited to, Fair Credit Reporting Act (FCRA) 15 USC §1681 et seq. and Investigative Consumer Reporting Act (ICRAA) CA Civil Code §1786 et seq.

Records

9. Cannabis operators shall implement a track and trace program as prescribed by state law that records the movement of cannabis and cannabis products in their custody and make these records available to the City Administrator upon request.

10. Cannabis operators shall keep accurate records, follow accepted cash handling practices and maintain a general ledger of cash transactions.

11. Cannabis operators shall allow the City Administrator to access the books, records, accounts and all data relevant to its operations for purposes of conducting an audit or examination to determine compliance with the OMC, the Operating Regulations and applicable laws. Books, records, accounts and all relevant data shall be produced no later than twenty-four (24) hours after the date of the City Administrator's written request.

Facilities

12. Cannabis operators must be located six hundred feet (600') from any public or private school as measured via path of travel.
13. Cannabis operators shall not permit any breach of peace inside of their facility or any disturbance of public order or decorum by any tumultuous, riotous or disorderly conduct.
14. Cannabis facilities shall be designed with sufficient sound absorbing insulation so that the noise generated inside is not audible on the premises, or public rights-of-way, or any other building or other separate unit within the same building beyond that of a normal commercial office as determined by the City Administrator.
15. Cannabis facilities shall be designed to provide sufficient odor absorbing ventilation and exhaust system so that any odor generated inside the facility is not detected outside the building, on adjacent properties or public rights-of-way, or within any other unit located within the same building as the Cannabis operator, if the use only occupies a portion of a building.
16. No cannabis shall be detectable by sight outside of a cannabis facility.
17. Cannabis operators must implement a community beautification plan to reduce illegal dumping, littering, graffiti and blight and promote beautification of the adjacent community within 50 feet of the cannabis facility.
18. All cannabis associated with the cannabis operation must be stored at the site of the permitted facility.

Security

19. Security cameras shall be installed and maintained in good condition. The camera and recording system must be of adequate quality, color rendition and resolution so as to allow the identification of an individual. The minimum camera resolution shall be 1280 x 720 pixels. The cameras shall be in use 24 hours per day, 7 days per week, and shall cover all cannabis dispensing areas, storage areas, all doors and windows into the cannabis facility, parking areas and other areas as determined by the Chief of Police or his/her designee. The recordings shall be maintained at the property for a period of thirty (30) days. Surveillance cameras must satisfy any state requirements, including Bureau of Cannabis Control Regulation Section 5044.
20. The security cameras must be Internet Protocol (IP) cameras capable of providing real time footage over the internet. Operators must provide the Oakland Police Department with access to this real-time camera footage in case of an emergency.
21. The cannabis facility shall be alarmed with a centrally-monitored fire and burglar alarm system, and monitored by an alarm company properly licensed by the State of California

Department of Consumer Affairs Bureau of Security and Investigative Services in accordance with California Business & Professions Code § 7590 *et seq.* and whose agents are properly licensed and registered under applicable law.

22. Exterior windows and roof hatches at the property shall be secured so as to prevent unauthorized entry and also equipped with latches that may be released quickly from the inside to allow exit in the event of an emergency.

23. Cannabis facilities shall maintain adequate exterior lighting in the parking areas to help provide safety for qualified patients, primary caregivers, customers, and employees.

24. Non-dispensary facilities that are either (a) greater than 10,000 square feet or (b) subject to more than two burglaries, robberies, attempted burglaries, or attempted robberies, in less than six months shall maintain at least one security guard duly licensed by the State of California, Department of Consumer Affairs. Security guards shall possess a “Security Guard Card” at all times.

25. Any crimes or attempted crimes at the cannabis facility, including burglaries, robberies, attempted burglaries, and attempted robberies, must be reported within forty-eight (48) hours to the Oakland Police Department through a police report and to the City Administrator’s Office via an email to cannabisapp@oaklandca.gov.

26. Cannabis facilities lacking a security guard must maintain a safe at their facility that either weighs more than seven-hundred (700) lbs. or is bolted to the ground.

27. Exterior entry/exit doors shall be commercial grade with commercial grade locking mechanisms.

Signage

28. Exterior signage shall be limited to one wall sign not to exceed 10 square feet in area, and one identifying sign not to exceed two square feet in area unless otherwise proscribed by the Planning and Building Department in the zoning clearance issued to the Cannabis operation. Such signs shall not be directly illuminated.

~~30. Cannabis operators shall post a copy of their Cannabis Permit in a prominent location within their facility.~~

Labor & Employment Practices

29. Cannabis operators must provide compensation and opportunities for continuing education and training to their employees. Cannabis operators shall provide proof of their policy and regulations to the City Administrator or his/her designee upon request. The City reserves the right to review employee policies and procedures and to audit their employee records to determine how many employees have participated in education and training programs, as well as

what programs are being offered and how employees are being compensated to assure that the Cannabis operator is complying with this condition.

30. Cannabis operators must purchase at least 50% of their products, equipment, materials from Oakland businesses and hire only local firms for construction.

31. Cannabis operators must provide a living wage as defined by OMC Section 2.28 to their employees. Wage scale should be provided in writing for all levels of employment at the facility.

32. Cannabis operators must provide Equal Benefits and sign a Declaration of Non-Discrimination as required.

Equity Permit Program

33. In order to receive City benefits under the Equity Assistance Program, such as fee waivers, and technical or financial assistance, Equity applicants must annually submit income and residency documents to the City Administrator, or his/her designee, that verify their equity status.

34. General Applicants that the City approved as incubators based on their commitment to provide security measures and three years of free real estate or rent for a minimum of 1,000 square for an Equity Applicant to conduct its business operations must continue to provide this free space and security for the three-year period, regardless of whether the Initial Permitting Phase has expired. This three-year period commences when the equity applicant obtains access to the space for operating its business.

a. Incubated Equity Applicants shall have access to camera footage of their cannabis business premises as well as the exterior of the building in which the Equity business resides.

b. General Applicant incubators shall provide their Equity Applicants with a safe.

35. To preserve a General Applicant's incubator status, the equity applicant being incubated needs to be operating an active cannabis business.

36. Equity applicant ownership must satisfy the definition of "ownership" under OMC Sections 5.80.010 and 5.81.20 such that the equity qualifying individuals maintain control over at least half of the cannabis operation.

Local Authorization for a Temporary or Provisional State License

37. To maintain local authorization for a temporary or provisional state license to conduct commercial cannabis activity an operator must demonstrate good faith progress in obtaining approvals from the Building and Fire Prevention Bureaus. Good faith progress shall be demonstrated by satisfying the following milestones and requirements:

a. Applying for a Certificate of Occupancy and scheduling a Field Check Inspection with the Building and Fire Prevention Bureaus within sixty (60) days from the publishing of these Operator Guidelines.

b. Complying with all requirements outlined in any Correction Notice, Notice of Violation, and/or any other notice issued by the Bureaus of Building and Fire Prevention in regards to a violation of the California Building Standards Code (California Code of Regulations, Title 24) and any local Oakland amendments to said regulations, including but not limited to Title 15 of the Oakland Municipal Code.

c. Submitting any required plans and obtaining any required building and fire permits within sixty (60) days from the completion of the field check for all cannabis operators other than extraction operators. Extraction operators shall submit any required plans and obtain any required building and fire permits within ninety (90) days from the completion of the field check.

d. Completing work and obtaining final approvals within six (6) months of receiving plan approvals and permits from the Bureaus of Building and Fire Prevention.

e. Providing a monthly update before the fifth day of each month until the operator obtains a City of Oakland cannabis permit to cannabisapp@oaklandca.gov regarding the operators' progress towards completing the above milestones

38. In order for a General Applicant incubator to maintain its local authorization for a temporary or provisional state license, all Equity Applicants being incubated by them that have not yet obtained a City of Oakland cannabis permit must maintain their local authorization for a temporary or provisional state license in accordance with the requirements of Section thirty-seven (37) above.

California Environmental Quality Act ("CEQA")

39. Each Cannabis Operator must receive an environmental determination pursuant to CEQA (Public Resources Code Section 21000 et seq.) from the City prior to approval of the Cannabis Operation Permit. The City, in its discretion and based on substantial evidence in the record, may determine that either: (1) a CEQA exemption applies and a Notice of Exemption (NOE) is appropriate, or (2) further environmental study, including but not limited to, an Initial Study, Environmental Impact Report (EIR), or other study may be needed depending upon the proposed Cannabis operation. The City will inform the Cannabis operator before granting the Cannabis Operation Permit as to what, if any, further environmental review is needed, or whether an NOE is appropriate.

40. If the City determines that the Cannabis operation should receive an NOE, then the Cannabis operator must then file the NOE with Alameda County Clerk and the state Office of Planning and Research (OPR) within five (5) days from the date of the Cannabis Permit approval. The Cannabis Operator shall furnish proof of the filed NOE to the City Administrator or his/her designee upon request.

41. If further environmental review is needed, then the City will notify the Cannabis operation applicant, who will be responsible for paying for the environmental consultant. The City will then choose and retain the environmental consultant. The City will follow the same environmental review procedure required for City development projects.

Cultivator Specific Requirements

42. Indoor cultivators must demonstrate that one hundred percent (100%) of their electricity is derived from renewable or carbon free sources. This can be done by enrolling in East Bay Community Energy's Brilliant 100 program (<https://ebce.org/power-mix/>) and providing confirmation annually or more frequently if required by the City Administrator's Office.

Dispensary Specific Requirements

43. Dispensaries shall provide the City Administrator's Office, the Chief of Police, or their respective designees, and all neighbors located within fifty (50) feet of the premises with the name, phone number, and facsimile number of an on-site community relations staff person to whom one can provide notice if there are operating problems associated with the Dispensary. The Dispensary shall make a good faith effort to encourage neighbors to call the community relations staff person to try to solve operating problems, if any, before any calls or complaints are made to the City Administrator or Police Department.

44. Maximum operating hours for a Dispensary shall be as follows: 7:01 am to 9:59 pm daily. The Dispensary is prohibited from operating between the hours of 10:00 p.m. and 7:00 a.m. the next ensuing day, except that patients or customers who have entered the premises prior to closing time may complete their transactions and must be escorted out of premises immediately upon completion of transaction.

45. Dispensary operators must maintain a staff comprised of at least 50% Oakland residents with the goal of 25% of all employees from Oakland census tracts identified by the City Administrator as having high unemployment rates.

46. Dispensaries are encouraged to disclose the percentage level of delta-9 (trans) tetrahydrocannabinol, cannabidiol, and cannabinol in cannabis to qualified patients and customers prior to purchase.

47. Dispensaries shall maintain records of its medical cannabis patients using only the State of California Medical Marijuana Identification Card number issued by the county or the County's designee, pursuant to California Health and Safety Code Section 11362.7 *et seq.*, or a copy of the written recommendation, as a protection of the confidentiality of the cardholders. Dispensaries shall track when Members' medical cannabis recommendation and/or identification cards expire and enforce conditions of membership by excluding members whose identification card or recommendation are invalid or have expired. Additionally, operators shall exclude members or customers who are caught diverting cannabis. All membership records shall be available for inspection by the City Administrator or his/her designee upon the providing twenty-four (24) hour notice to the Cannabis operator.

48. Dispensaries shall, by using the patient or caregiver's identification number, keep an accurate account of the number of members and customers that visit or do business with the Cannabis operator each month, and for the entire permit year.

49. Within thirty (30) days of the end of the calendar quarter, Dispensaries shall provide the following patient, caregiver and customer information:
 - a. Total number of medical use patients vs. adult use customers in database.
 - b. Total number of Oakland medical patients vs. Oakland adult use customers in database;
 - c. Total number of visits per month of previous calendar quarter, broken down by overall medical patients visits vs adult use customer visits and number of Oakland medical patient visits vs Oakland adult use customer visits.

50. Within thirty (30) days of the end of the calendar quarter, Dispensaries shall provide the total number of cannabis employees and number of employees that are Oakland residents by zip code.

51. Within thirty (30) days of the end of the calendar quarter, Dispensaries shall provide information on any charitable donations made in the previous calendar quarter, including the name(s) of charitable organization(s) in receipt of donation(s) and the amount and/or kind of donation(s).

52. Dispensaries shall maintain a log of patient and customer complaints and shall make the log available to the City Administrator, or his/her designee, upon request. The log shall contain at a minimum the date of the complaint, the complaining patient's identification number or reference to his/her written recommendation, the nature of the complaint, and the action taken by the Cannabis operator to address the complaint.

53. Dispensaries must also be six hundred (600) feet via path of travel from any youth center or school as defined by OMC 5.80.

54. Dispensaries shall remove litter on and in front of the premises and, if necessary, on public sidewalks within one hundred feet (100') of the facility two (2) times, in four (4) hour intervals, each operating day.

55. During Business Hours, Dispensaries shall provide a minimum of two (2) security guards duly licensed by the State of California, Department of Consumer Affairs. Each security guard shall possess a "Security Guard Card" at all times.

56. Among other duties, security guards shall be responsible for ensuring compliance with OMC Chapter 8.30, which prohibits smoking within twenty-five feet (25') of any building entrance, exit, window and air intake vent of service buildings.

57. Dispensaries shall direct security guards to monitor the outside of the premises for loitering and unlawful sale of cannabis by members or customers. Further, those security persons shall be directed to report to the Dispensary all unlawful sales of cannabis by members or customers. The Dispensary shall immediately cease providing cannabis to the reported person, and make a report within twenty-four (24) hours to the Alameda County Health Department or the doctor that issued the medical cannabis recommendation for the member, if applicable. If the patient is subsequently re-approved by county health or its agent, the dispensary may resume the

providing medical marijuana to the patient and caregiver. The dispensary shall keep a record of all incidents where members unlawfully provide cannabis to non-members. Additionally, the dispensary shall inform patients and caregivers about this condition and remind them that it is unlawful for them to sell cannabis.

58. Dispensaries shall, within sixty (60) days of the issuance of permit, post, and thereafter maintain signs inside their facility where they may be easily read by members and customers. Each sign shall be white with black lettering, and shall comply with the following regulations regarding text, size and content:

Sign 1: Font size at least 1 inch; Overall size at least eighteen inches (18”) by thirty-three (33”)

CUSTOMER NOTICE

1. YOU HAVE THE RIGHT TO HAVE YOUR PRODUCT REWEIGHED AND SUPPLEMENTED IF IT IS UNDER THE STATED WEIGHT AT THE TIME OF PURCHASE.

2. IF YOU ARE PURCHASING MEDICAL CANNABIS AND YOU DO NOT HAVE A VALID STATE OF CALIFORNIA MEDICAL CANNABIS IDENTIFICATION CARD ISSUED BY ALAMEDA COUNTY HEALTH DEPARTMENT OR A VALID PATIENT ID CENTER CARD, THIS OPERATION MUST CONFIRM YOUR MEDICAL NEED FOR CANNABIS. IF YOU HAVE A VALID MEDICAL CANNABIS IDENTIFICATION CARD, YOU SHOULD NOT BE ASKED FOR ADDITIONAL INFORMATION.

Sign 2: Font size at least 1 inch

TO REGISTER COMPLAINTS OR COMPLIMENTS ABOUT THIS DISPENSARY, CONTACT: THE CITY OF OAKLAND 510-238-6370 OR BY EMAIL: CANNABISAPP@OAKLANDCA.GOV

Sign 3: Font size at least 1 inch

THE DIVERSION OF CANNABIS IS A VIOLATION OF STATE LAW.

Sign 4: Font size at least 1 inch

THE USE OF CANNABIS MAY IMPAIR A PERSON’S ABILITY TO DRIVE A MOTOR VEHICLE OR OPERATE HEAVY MACHINERY.

Sign 5: Font size at least 1 inch

LOITERING AT THE LOCATION OF A CANNABIS DISPENSARY FOR AN ILLEGAL PURPOSE IS PROHIBITED BY CALIFORNIA PENAL CODE SECTION 647(h).

Sign 6: Font size at least 1 inch

THIS CANNABIS OPERATION HAS RECEIVED A PERMIT TO OPERATE FROM THE CITY OF OAKLAND AND THE STATE OF CALIFORNIA

V. Effective Date of Cannabis Operator Regulations and Changes

Any amendments to these Cannabis Operator Regulations shall take effect immediately, and compliance with current regulations shall be required for all new permit applicants.

All cannabis operators impacted by a change in the Regulations, including but not limited to, a change in the existing regulations or the addition of a new regulation, shall comply with the changed or new regulation within sixty (60) days of the effective date of the regulation, unless a longer time is approved in advance in writing by the City Administrator.

AS YOU KNOW, THE CULTIVATION, POSSESSION, DISTRIBUTION AND SALE OF ANY TYPE OF CANNABIS, INCLUDING MEDICAL CANNABIS, IS PROHIBITED UNDER FEDERAL LAW.

A CANNABIS PERMIT ISSUED BY THE CITY OF OAKLAND DOES NOT PROVIDE ANY IMMUNITIES OR DEFENSES TO ~~STATE AND~~ FEDERAL PROSECUTION OR ENFORCEMENT ACTIONS AGAINST PERMITTEES, THEIR CULTIVATORS, LANDLORDS OR OTHER PARTIES INVOLVED IN CANNABIS ACTIVITY. AS A RESULT, THE PERMIT SHOULD NOT BE RELIED UPON AS PROVIDING ANY IMMUNITIES OR DEFENSES FROM SUCH PROSECUTION OR ENFORCEMENT ACTION.

The permittee agrees to indemnify and save harmless the City of Oakland, its officers, agents, employees and volunteers, and each of them, from any suits, claims, or actions brought by an person or persons, corporations, government agencies or other entities on account of any activities associated with this permit such as but not limited to cannabis distribution, cultivation or transportation.

Greg Minor,
Assistant to the City Administrator

Date: _____