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Business Owner of Dynamic Meds, Inc., and Property Owner c/o Alfonso Luera 4605 Wade Ave. Perris, CA 92571 lueraenterprises@gmail.com

Residential Address: Alfonso Luera 31101 Montgomery Ave Nuevo, CA 92567

City of Perris' Response to Dynamic Meds' Notice of Appeal Re:

(Dynamic Meds, Inc. 4605 Wade Ave., Perris, CA 92571)

Dear Mr. Bynum:

On behalf of the City of Perris, please allow this correspondence to respond to the Notice of Appeal received on September 17, 2021 from Dynamic Meds, Inc. ("Dynamic Meds").

We initially acknowledge that the City's correspondence sent September 7, 2021 created some confusion as the letter mistakenly used the term "revocation" rather than simply "abandonment," as it should have. However, even if the initial correspondence was not the model of clarity in this limited regard, the Perris Municipal Code ("PMC") sections referenced within the initial correspondence correctly identified the sections related to abandonment, and further explained how the permit applications were abandoned. Due to the possibility of confusion in that portion of the initial correspondence, we understand that Dynamic Meds filed an appeal to what ultimately is a non-appealable action. all of which is the subject of the instant response.

Further, we apologize for the delay in formally responding and acknowledge that the City should have responded sooner to the notice of appeal. However, as discussed above, the notice of appeal did not have an avenue to proceed in order to be processed as it was an appeal of permit abandonments, which is a non-appealable action under cited provisions of the PMC. Part of the delay was due to lengthy discussions with the City, which initially included the possibility of still moving forward with an administrative review and appeal. However, as you are aware, upon separate discussions with both the City and your office over the course of the past several weeks, the City's position is that there is no appeal available as the permit applications were abandoned

as all conditions of approval were not completed in a timely fashion, and despite the City's repeated attempts to work with your client to complete the process over the course of several years.

Per PMC Sections 5.58.080 and 5.54.080 there is no right to appeal an abandoned commercial marijuana permit or abandoned medical marijuana dispensary permit. As such, there is no avenue for an administrative review.

In understanding the City's response, it is important to note the following:

First, Dynamic Meds' medical cannabis permit application (filed August 2017) and adult use application (filed December 2017) were conditionally approved, but never actually granted because the conditions of approval were never completed. As you know, a general conditional approval is only a preliminary approval, subject to completing all of the conditions of approval prior to receiving final approval. The City provided conditions for approval in Fall of 2017 and continued to attempt to work with Dynamic Meds over the years to help comply with and complete the requisite improvements. (see Timeline provided below) However, to this date, these conditions of approval have not been completed by Dynamic Meds. Importantly, the failure to complete the conditions timely was not the result of the City's latest refusals to continue processing submittals; Dynamic Meds had not completed the conditions as of the date of the City's last correspondence. As such, the applications are deemed abandoned per PMC Sections 5.58.080 and 5.54.080. Further, PMC Sections 5.58.090 and 5.54.100 provide the respective permit renewal process which provides that permits need to be renewed on an annual basis, which was not timely renewed here. Finally, Dynamic Meds does not have a vested right since the applications were incomplete, yearly renewal applications were not filed, and the conditions for approval were never fully completed. Specifically, cannabis permits are revocable privileges "and shall not create or establish any vested rights for the development or use of a property." (PMC 5.58.080 (a))

Second, per the PMC, Dynamic Meds was not permitted to operate until demonstrating compliance and completion of all conditions of approval in order to receive final approval. However, in violation of the law, **Dynamic Meds began to operate and in fact illegally operated** for about 3.5 years without proper permits. In addition to operating illegally the entire time, Dynamic Meds was also operating at an extreme competitive economic advantage in comparison to the other dispensaries by not paying taxes. During the entire time of illegal operation, Dynamic Meds has not produced any evidence that they had a state approved license to operate, or a certificate of occupancy, or even a valid business license (which was revoked due to being erroneously issued). In fact, as of today, Dynamic Meds does not have a state cannabis permit, and per the Bureau of Cannabis Control's website, never had any state cannabis permits. Yet—again—it operated illegally for several years.

Third, the only reason Dynamic Meds finally halted their illegal operation on August 6, 2021was as a result of being raided by the Sheriffs' Department; your clients did not do so voluntarily. That Dynamic Meds did not reopen and continue illegal operations is irrelevant.

Fourth, as discussed above, since the permits were abandoned, there is no applicable appeal process per the PMC. Although the typical remedy would be to reapply, the City currently has a moratorium on dispensary permit applications, per Resolution Number 5252, which has been in effect since March 27, 2018.

The following provides a timeline of events which led to the abandonment of Dynamic Meds' Medical Marijuana Dispensary and Adult Use Regulatory Retailer permits:

- On <u>August 22, 2017</u>, Salvador Hernandez submitted a Medical Marijuana Dispensary Permit (No. 17-05171) application to the City.
- 2. On <u>October 17, 2017</u>, the City sent correspondence to Dynamic Meds (to Alfonso Luera) informing of items that needed to be corrected or clarified in order to deem the application as "complete."
- 3. On November 17, 2017, the following building comments were listed upon Administrative Development Plan Review of ADPR Marijuana (No. 17-05171):
 - ➤ Must Comply with the Latest Adopted Version of the California Fire Code 2016 Edition.
 - ➤ Must Have Proper Fire Access to the Building facility and around the facility.
 - > A proper all-weather road will be required for Fire Department access to the facility.
 - ➤ The new proposed use will have to comply with the 2016 California Building Code Access regulations for the parking areas, access ramps, this will include the proper placement of the required signs for access and parking.
 - > The parking lot will have to be paved and re-stripped.
 - > Handicapped parking will have to be provided for the site.
 - > The Building MIGHT have to have commercial fire sprinklers installed depending on the existing fire flow for the proposed facility.
 - > The location of any existing fire hydrant will have to be identified on the plans and the size of the existing hydrant will also have to be identified.
 - > The distance to the proposed structure from the fire hydrant will have to be provided.

- ➤ Proper fire flow will also have to be provide for the proposed commercial use. Proof of the required fire flow will have to be provided.
- ➤ Any proposed addition and remodel to the exterior of the modular, will have to comply with the latest adopted version of the 2016 California Electrical Code, Mechanical Code, Plumbing Code, Building Code, and Energy Codes.
- > Any interior remodels or additions will have to be reviewed, approved, and inspected through HCD.
- 4. On <u>December 21, 2017</u>, Alfonso Luera submitted for a business license to HDL the City's business license contractor, although the application permit was still in process.
- 5. On <u>February 27, 2018</u>, Alfonso Luera submitted a Minor Modification (No. 18-05038) for site improvements to operate the dispensary to the City.
- 6. On <u>August 28, 2018</u>, the City sent correspondence to Dynamic Meds (to Alfonso Luera) for abandonment of the application due to inactivity for both the Medical Marijuana Dispensary Permit (No. 17-05171) application and the Minor Modification (No. 18-05038). Applicant was notified that progress must be made on the project or it will be abandoned.
- 7. On October 23, 2018, Dennis Grubb & Associates, LLC performed a development review for 4605 Wade Avenue to assess compliance with Minor Modification (No. 18-05038), and provided the following conditions:
 - ➤ Prior to the to the issuance of a building permits a fire department access plan shall be submitted to the City of Perris for review and approval. The fire department access plan shall comply with the requirements specified by the City of Perris Guideline for Fire Department Access & Water Requirements for Commercial & Residential Development, and the California Fire Code ("CFC"), Chapter 5.
 - ➤ A fire department access road complying with the CFC, Chapter 5 and the approved fire department access plans shall be installed prior to building construction.
 - > All required fire hydrants shall be installed and operational prior to building construction.
 - > All fire hydrants shall remain operational during construction.

- ➤ All required fire hydrants shall be readily visible and immediately accessible. A clear space of not less than 3-feet shall be maintained at all times.
- The permanent building address shall be provided and either internally or externally lighted during hours of darkness. The address shall be clearly visible from the street fronting the property and comply with California Fire Code Section 505.1 for size and color.
- All buildings shall be provided with fire alarm systems including smoke detectors throughout. Construction plans shall be submitted to the city for review and approval to the City of Perris prior to installation.
- ➤ Prior to building final, the building 'shall be provided with a Knox Lock key box located no more than seven-feet above the finished surfaced and near the main entrance door.
- ▶ Prior to the issuance of building permits a City of Perris Chemical Classification Disclosure shall be submitted for review and approval. All hazardous materials as defined by the fire code that will either be stored or used at the facility shall be disclosed. The disclosure package can be obtained at http://www.citvofperris.org/citv-hall/forms/fire-forms/ChemicalClassificationPackaaeQ1-17.pdf
- ▶ Prior to the use of any flammable gas for extraction processing plans shall be submitted to the city for review and approval for the required flammable gas detection system. Ensure that the flammable gas detection system shall be listed or approved and shall be calibrated to the types of fuels or gases used for the extraction process. The gas detection system shall be designed to activate when the level of flammable gas exceeds 25 percent of the lower flammable limit (LFL).
- Prior any extraction processing a Technical Report by a California Licensed Fire Protection Engineer (FPE) or by a Registered Design Professional (RDP) shall be provided to the city for review and approval. The report shall cover all aspects of the oil extraction process and the equipment use. The technical report shall contain at a minimum, but not limited to, all of the following:
 - o Manufacturer information (name, company, phone/email contacts).
 - o Preparer of record on technical report.
 - O Date of review and report revision history.
 - Signature page shall include all of the following, Author, Date, Seal and Signature of the Engineer

- Model number of the item evaluated. If the equipment is provided with a serial number, the serial number shall be included for verification at time of site inspection.
- Methodology of the design or peer review process used to determine minimum safety requirements. Methodology shall consider the basis of design and shall include a code analysis and code path to demonstrate the reason as to why specific code or standards are applicable or not.
- Equipment description. A list of every component and subassembly (fittings, hose, quick disconnects, gauges, site glass, gaskets, valves, pumps, vessels, containers, switches, etc.) of the system or equipment, indicating the manufacturer, model number, material, and solvent compatibility. Include manufacturers' data sheets.
- O A general flow schematic or general process flow diagram of the process. Post-processing or winterization shall be included in this diagram. All primary components of the process equipment shall be identified and match the equipment list above. Operating temperatures, pressures, and solvent state of matter shall be identified in each primary step or component. A piping and instrumentation diagram (P&ID).
- Record of any pressure vessels, and spec sheets. Indicate if pipe is used for fabricated components.
- O Structural analysis for the frame system supporting the equipment.
- Process safety analysis of the extraction system, from the introduction of raw product to the end of the extraction process.
- O Comprehensive process hazard analysis (PHA) considering failure modes and points of failure throughout the process. The process hazard analysis shall include a review of emergency procedure information provided by the manufacturer of the equipment or process, assembly instructions, operation and maintenance manuals provided by the manufacturer.
- o Identify the location of all Class I & II, Division 1 & 2, zones, and a review of all electrical components verifying they are listed for the hazardous environment in which they are located.
- o List of references used in the analysis. CFC § 3804.3.

- O NOTE: Prior to contracting with the FPE or RDP obtain the City of Perris Fire Marshal Office approval for the proposed firm/individual. Resumes and or other supporting documentation shall be provided that demonstrates that they are experts in the oil extraction process and equipment and the associated hazard. Exception: Pressure Safety Inspectors LLC (Chris Witherell) is a pre-approved RDP.
- ▶ Prior to the operation of any extraction processing a site inspection shall be performed by Technical Report California Licensed Fire Protection Engineer (FPE) or by a Registered Design Professional (RDP) who prepared the Technical Report once the extraction equipment is installed. Once the inspection is completed the FPE/RDP shall prepare a report on their findings. The report shall include the serial number of the equipment used in the process and shall confirm the equipment installed is the same model and type of equipment identified in the technical report. The Finding Report shall be provided to the Perris Fire Marshal Office for review and approval prior to fire department final inspection.
- 8. On November 9, 2018, the City prepared Conditions of Approval for the Medical Marijuana Dispensary Permit (No. 17-05171) application and the Minor Modification (No. 18-05038) which included the following required modifications to the site:
 - The project's grading shall be in a manner to perpetuate existing drainage patterns, any deviation from this, concentration or increase in runoff must have approval of adjacent property owners. Drainage easements shall be obtained from effected property owners or if within this site, shall be shown on the final map. The applicant shall accept the offsite runoff and convey to acceptable outlet.
 - ➤ The incremental increase in runoff between developed and undeveloped state (100-year) and the nuisance runoff shall be retained within onsite private detention basin and drainage to adequate outlet as approved by City and pursuant to Riverside County Flood Control standards.
 - > Onsite landscape area(s) shall be designed in a manner to collect the onsite nuisance runoff.
 - ➤ Prior to issuance of any permit, the developer shall sign the consent and waiver forms to join the lighting and landscape districts. The developer shall maintain all on and offsite landscaping.

- > This project is located within EMWD's water and sewer service area. The applicant shall install water and sewer facilities as required by EMWD and Fire Department.
- > The applicant shall submit to City Engineer the following for his review;
 - Onsite Grading Plan and Erosion Control Plans
 - Water and Sewer Plans
- > The project's design shall be in compliance with EMWD and Riverside County Standards and coordinated with approved plans for adjacent developments.
- ➤ All pads shall be graded to be a minimum of 1' above 100-year calculated water surface or adjacent finished grade.
- Nance Street along the property frontage shall be improved with concrete curb and gutter located 20 feet south of centerline within 30 feet half width dedicated right-of-way and minimum of 32 feet of new pavement per County of Riverside Standard No. 105 Section "C" (60'/40').
- ➤ Wade Avenue along the property frontage shall be improved with concrete and gutter located 22 feet east of centerline within 33 feet half width dedicated right-of-way and minimum of 34' of new pavement per County of Riverside Standard No. 104 Section "A" (66'/44').
- ▶ 6' concrete sidewalk and driveways shall be installed pursuant to Riverside County and ADA standards. All driveway approaches shall be constructed per Riverside County standards for Commercial Driveway (Std. 207A) and comply with the ADA requirements.
- A streetlight shall be installed along perimeter street adjacent to this site as approved by City Engineer per City of Perris standards. Streetlights shall be prepared by Electrical Engineer and shall be LS3, LED.
- > Pavement transition shall be provided per Caltrans standards.
- 9. On November 13, 2018, the City approved the Medical Marijuana Dispensary Permit (No. 17-05171) application and the Minor Modification (No. 18-05038) and sent the approval to Salvador Hernandez. The site required modifications to be able to begin operating. These improvements were noted under Minor Modification 18-05038 and included the following:
 - ➤ City Ordinances and Business License. The subject business shall maintain compliance with Ordinance Nos. 1330 and 1339 of the City of Perris, Chapter 5.54 "Medical Marijuana Dispensary Regulatory

- Program" and Chapter 3.40 "Marijuana Tax" of the Perris Municipal Code ("PMC"), and all other local and City Ordinances, and State Law, including but not limited to an annual fire inspections and maintenance of a City business license.
- State of California Requirements: The medical marijuana dispensary shall be conducted in a secure, safe and business-like manner consistent with all applicable local and state laws, rules and regulations governing medical marijuana dispensaries, including without limitation the Compassionate Use Act as set forth in California Health & Safety Code Section 11362.5, the Medical Marijuana Regulation and Safety Act of 2015, and the Medical Marijuana Program Act as set forth in the California Health and Safety Code Sections 11362.7 et seq.
- Conformance to Approved Plans. Development of the project site plan and floor plan shall conform substantially to the approved set of plans dated November 2018. Any deviation shall require appropriate Planning Division review and approval. Prior to start of business, all improvements as shown on the approved site plan shall be completed.
- Term of Approval. This approval shall be valid for a period of one (1) year from the date of permit approval/issuance. The holder of the medical marijuana dispensary permit may apply for the renewal of the permit no less than 60 days prior to the permit's expiration date.
- ➤ Minor Modification. All conditions of Minor Modification (Minor Mod) PLN18-05038 shall be adhered to and remain in effect with the approval of this permit.
- Operational Requirements. Prior to operations and business license issuance, all floor plan improvements as shown on the approved floor plan on file with this application shall be completed. All appropriate building permits and/or Tenant Improvement permits shall be obtained and finaled prior to Certificate of Occupancy and Business License Issuance.

Conditions of Approval PLN 17-05171

- Hours of Operation: Business hours shall be limited between the hours of 6:00 a.m. PST to 9:00 p.m. PST, 7 days of week.
- O All operations shall be in conformance with the submitted business plan, security plan, lighting plan, odor control plan, employees/operators listed on file with this permit. Any changes shall require written notification to the Planning Division for review and approval.

> Compliance Reviews and Financial Audits

- The City of Perris and/or its designee shall conduct quarterly (4) compliance reviews to review business practices, procedures, and internal controls to ascertain the level of risk assessment.
- b. The City of Perris and/or its designee shall conduct one (1) financial audit during the term of the permit to verify the accuracy of the gross receipts reported to the City and to ensure regulatory compliance with state and local laws. This audit shall verify the accuracy of the annual gross receipts reported by the Medical Marijuana Dispensary to the City of Perris for purposes of calculating the amount of business tax due.
- Property Maintenance. The project shall comply with provisions of Perris Municipal Code 7.06 regarding Landscape Maintenance, and Chapter 7.42 regarding Property Maintenance.
- ▶ Indemnification. The developer/applicant shall indemnify, protect, defend, and hold harmless, the City and any agency or instrumentality thereof, and/or any of its officers, employees and agents from any and all claims, actions, or proceedings against the City, or any agency or instrumentality thereof, or any of its officers, employees and agents, to attack, set aside, void, annul, or seek monetary damages resulting from an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board or legislative body including actions approved by the voters of the City, Medical Marijuana Dispensary Permit (MMDP) PLN17-05171 and Minor Modification (Minor Mod) 18-05038. The City shall promptly notify the developer/applicant of any claim, action, or proceeding for which indemnification is sought and shall further cooperate fully in the defense of the action.
- City Engineer. The Medical Marijuana Dispensary shall comply with the City of Perris City Engineer conditions dated November 9, 2018.
- ➤ Fire. The Medical Marijuana Dispensary shall comply with the City of Perris Fire conditions dated October 23, 2018.
- Building. The Medical Marijuana Dispensary shall comply with the City of Perris Building Official comments dated November 27, 2017.
- 10. However, the applicant failed to conduct these improvements and opened their business anyways.
- 11. A valid Certificate of Occupancy was never received. PMC §16.20.090.

- 12. On <u>December 14, 2018</u>, Salvador Hernandez submitted an Adult Marijuana Dispensary Permit (17-05171) application to the City.
- 13. On <u>January 25, 2019</u>, HDL (the City's third-party vendor) reviewed the regulatory permit application.
- 14. On <u>February 5, 2019</u>, the City approved Dynamic Meds' Adult Marijuana Dispensary Permit (18-05353) application with the following Conditions of Approval.
 - City Ordinances and Business License. The subject business shall maintain compliance with Ordinance Nos. 1330 and 1339 of the City of Perris, Chapter 5.54 "Medical Marijuana Dispensary Regulatory Program," Chapter 5.58 "Adult-Use Marijuana Retailer Regulatory Program," and Chapter 3.40 "Marijuana Tax" of the Perris Municipal Code, and all other local and City Ordinances, and State Law, including but not limited to an annual fire inspections and maintenance of a City business license.
 - State of California Requirements: The medical marijuana dispensary and adult use marijuana retailer shall be conducted in a secure, safe and business-like manner consistent with all applicable local and state laws, rules and regulations governing medical marijuana dispensaries, including without limitation the Compassionate Use Act as set forth in California Health & Safety Code Section 11362.5, the Medical Marijuana Regulation and Safety Act of 2015, and the Medical Marijuana Program Act as set forth in the California Health and Safety Code Sections 11362.7 et seq.
 - ➤ Conformance to Approved Plans. Development of the project site plan and floor plan shall conform substantially to the approved set of plans dated February 5, 2019. Any deviation shall require appropriate Planning Division review and approval. Prior to start of business, all improvements as shown on the approved site plan shall be completed.
 - > Term of Approval. This approval shall be valid for a period of one (1) year from the date of permit approval/business license issuance. The holder of the medical marijuana dispensary permit may apply for the renewal of the permit no less than 60 days prior to the permit's expiration date.
 - ➤ Minor Modification. All conditions of Medical Marijuana Dispensary (MMD) Permit PLN17-05171 and Minor Modification 18-05038 shall be adhered to and remain in effect with the approval of this permit.

> Operational Requirements.

- O Prior to operations and business license issuance, all floor plan improvements as shown on the approved floor plan on file with this application shall be completed. All appropriate building permits and/or Tenant Improvement permits shall be obtained and finaled prior to Certificate of Occupancy and Business License Issuance.
- O Hours of Operation: Business hours shall be limited between the hours of 6:00 a.m. PST to 9:00 p.m. PST, 7 days of week.
- O All operations shall be in conformance with the submitted business plan, security plan, lighting plan, odor control plan, employees/operators listed on file with this permit. Any changes shall require written notification to the Planning Division for review and approval.

> Compliance Reviews and Financial Audits.

- The City of Perris and/or its designee shall conduct quarterly (4) compliance reviews to review business practices, procedures, and internal controls to ascertain the level of risk assessment
- o The City of Perris and/or its designee shall conduct one (1) financial audit during the term of the permit to verify the accuracy of the gross receipts reported to the City and to ensure regulatory compliance with state and local laws. This audit shall verify the accuracy of the annual gross receipts reported by the Medical Marijuana Dispensary and adult-use marijuana retailer establishment to the City of Perris for purposes of calculating the amount of business tax due.
- Property Maintenance. The project shall comply with provisions of Perris Municipal Code 7.06 regarding Landscape Maintenance, and Chapter 7.42 regarding Property Maintenance.
- > Indemnification. The developer/applicant shall indemnify, protect, defend, and hold harmless, the City and any agency or instrumentality thereof, and/or any of its officers, employees and agents from any and all claims, actions, or proceedings against the City, or any agency or instrumentality thereof, or any of its officers, employees and agents, to attack, set aside, void, annul, or seek monetary damages resulting from an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board or legislative body including actions approved by the voters of the City, Adult-Use Retailer Regulatory promptly notify shall City Permit 18-05353.The developer/applicant of any claim, action, or proceeding for which

indemnification is sought and shall further cooperate fully in the defense of the action..

> Adult-Use Regulations.

- Security. Adult-use retailers shall maintain the following security measures:
 - Entrances to the dispensing area and any storage area shall be locked at all times, shall be only accessible by employees, and shall be under the control of only employees
 - The interior premises of the adult-use retailer shall be equipped with and, at all times during which it is open to the public, shall remain illuminated with overhead lighting fixtures of sufficient intensity to illuminate every place to which members of the public or portions thereof are permitted access with an illumination of not less than two foot-candles as measured at the floor level.
- Location and distance restrictions. The adult-use retailer shall be located at and operated within the same location and premises for which the applicant's current and valid medical marijuana dispensary has been issued.

Sale Restrictions

- Adult-use retailers shall not sell or dispense marijuana or marijuana products to individuals under the age of 21.
- Adult-use retailers shall not sell or dispense more than 28.5 grams of marijuana in any singular transaction
- > Records. Adult-use retailers shall maintain records reflecting:
 - The source (including name, location, and contract information) of all marijuana dispensed, sold, or stored by the adult-use retailer.
 - O The dates upon which all customers are sold marijuana and the amount sold.
 - O The delivery of marijuana, from the adult-use retailer by an employee, to a customer located outside of the adult-use retailer location, including but not limited to the identity of the recipient, the amount delivered, the date of the delivery, the address of the delivery, the name of the employee making the delivery, and a written receipt from the customer confirming the delivery.

O Proof of a valid and current permit issued by the city in accordance with this chapter. Every adult-use retailer shall display at all times during business hours the permit issued pursuant to the provisions of this chapter in a conspicuous place so that it may be readily seen by all persons entering the location of the adult-use retailer.

> Employees

- O An adult-use retailer shall maintain results of live scans conducted annually by the adult-use retailer on all employees with the written results of such live scans being maintained at the location of the adult-use retailer.
- All owners and managers must have a current and valid identification card.
- Only marijuana products. Consistent with this Chapter and State law, Adult-use retailers shall only dispense, offer to sell, or provide marijuana, marijuana products, and marijuana- related products. Marijuana-related products include, but are not limited to, pipes used for the consumption of marijuana, rolling papers for the consumption of marijuana, etc.
- No alcohol. Adult-use retailers 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
- No lounge or cafe. Adult-use retailers shall not operate as a lounge, cafe or restaurant serving food or drinks for consumption on-site. There shall be no seating area, tables, couches, or chairs for the gathering or congregating of individuals.

> Site Management

- O The adult-use retail permit holder shall take all reasonable steps to discourage and correct conditions that constitute a nuisance in parking areas, sidewalks, alleys, and areas surrounding the premises and adjacent properties during business hours if related to the operation of the adult-use retailer
- Reasonable steps shall include immediately calling the police upon observation of the activity and requesting that those engaging in activities that constitute a nuisance or are otherwise illegal to cease those activities unless personal safety would be threatened in making the request.

- Nuisance includes but is not limited to disturbances of peace, open public consumption of marijuana, alcohol or controlled substances, excessive pedestrian or vehicular traffic, including the formation of any pedestrian lines outside the building, illegal drug activity, harassment of passersby, excessive littering, excessive loitering, illegal parking, excessive loud noises, especially late at night or early in the morning hours, lewd conduct or police detentions and arrests.
- The adult-use permit holder shall make available to customers who are dispensed, sold, or provided with marijuana or marijuana products a list of the rules and regulations governing marijuana use and consumption within the city.

> Delivery of marijuana.

- All employees who provide delivery of marijuana from an adult-use retailer to a customer located outside the adult-use retailer location must have a valid identification card at all times with the employee while the delivery is being made.
- O All deliveries must be recorded by the adult-use retailer and maintained in the regular records of the adult-use retailer. These records shall include but not be limited to the identity of the recipient, the amount delivered, the date of the delivery, the address of the delivery, and the name of the employee making the delivery.
- Upon receipt of a delivery outside of the location of the adult-use retailer, a customer must sign for the delivery on a written identifiable receipt to be kept in the regular records of the adult-use retailer.
- All deliveries must leave the adult-use retailer in sealed containers whose seals will not be broken until receipt of the delivery by the customer.

> Suspension and Revocation

O The Director is authorized to suspend and/or revoke a medical marijuana dispensary permit and or adult-use marijuana retailer permit issued pursuant to this chapter upon the determination through written findings of a failure to comply with any provision of this chapter, any condition of approval, or any agreement or covenant as required pursuant to this chapter.

- O The Director may suspend or revoke a medical and adult marijuana dispensary permit if any of the following occur:
 - The Director determines that the medical marijuana dispensary or adult-use marijuana retailer has failed to comply with any aspect of this chapter, any condition or approval, or any agreement or covenant as required pursuant to this chapter; or
 - Operations cease for more than 180 calendar days (including during any change of ownership, if applicable); or
 - Ownership is changed without securing a new medical marijuana dispensary permit or adult-use marijuana retailer regulatory permit; or
 - The medical marijuana dispensary and or adult-use marijuana retailer fails to maintain required security camera recordings; or
 - The medical marijuana dispensary and adult-use retailer fails to allow inspection of the security recordings, the activity logs, the records, or of the premise by authorized City officials.
- 15. On <u>January 1, 2020</u>, Dynamic Meds' official business license was issued in error by HDL. However, the City was initially unaware of this mistakenly issued license.
- 16. On <u>January 14, 2020</u>, the 's Code Enforcement Department inspected Dynamic Meds to verify that they were operating 24/7, due to numerous complaints received over the past several months. A violation of PMC § 5.54.110 was observed as well as a violation of the Conditions of Approval which states the hours of operation are between 6:00 a.m. to 9:00 p.m. only.
- 17. On <u>January 23, 2020</u>, City's Code Enforcement Department inspected Dynamic Meds after the agreed upon hours of operation and discovered the business was open, operating, and servicing customers in violation of the hours as set forth in the Conditions of Approval. The City issued a Notice of Violation of PMC § 5.54.110 was issued by the City's Code Enforcement Department.
- 18. On <u>February 6, 2020</u>, the City's Code Enforcement Department determined that Dynamic Meds was operating without a valid City Business License, although a license had been erroneously issued. **PMC § 5.54.110**.

- 19. On March 4, 2020, the City's Code Enforcement Department confirmed with the Business License Department that Dynamic Meds does not have a current business license and confirmed with the Planning and Building Department that there is no Certificate of Occupancy for this location.
- 20. On March 6, 2020, the City Prosecutor's Office sent (via certified mail) the 1st Notice of Criminal Violations of:
 - > Failing to obtain a business license for Dynamic Meds prior to operating on the property. PMC § 5.04.010.
 - ➤ Operating a business without first obtaining a certificate of occupancy. PMC § 16.20.090.
- 21. On April 1, 2020, the City Prosecutor's Office sent (via certified mail) Lawrence Bynum, counsel for Dynamic Meds, a final Notice of Criminal Violations of:
 - > Failing to obtain a business license for Dynamic Meds prior to operating on the property. PMC § 5.04.010.
 - Operating a business without first obtaining a certificate of occupancy.
 PMC § 16.20.090
- 22. On <u>June 12, 2020</u>, the City revoked Dynamic Meds' business license which had been erroneously issued. This action was taken because a Certificate of Occupancy was never obtained for Dynamic Meds, Inc.
- 23. On <u>July 1, 2020</u>, Dynamic Meds submitted grading and street improvement plans to the City Engineer's office.
- 24. On <u>July 10, 2020</u>, the City sent correspondence informing you that the City of Perris had revoked the business license issued to Dynamic Meds operating at the above-referenced property. This letter clarified that there is no appeal process and corrected the municipal code citation for the provisions for an appeal. This letter mandated that Dynamic Meds immediately cease the operation of the unlicensed medical marijuana dispensary located at the property. This letter provided Notice of Criminal Violations of:
 - > Failing to obtain a business license for Dynamic Meds prior to operating on the property. PMC § 5.04.010.
 - ➤ Operating a business without first obtaining a certificate of occupancy. PMC § 16.20.090

- 25. On <u>July 20, 2020</u>, Engineering approved of the grading and street improvement plans.
- 26. On November 4, 2020, Dynamic Meds submitted electrical plans to the City's Building Department.
- 27. On <u>January 6, 2021</u>, the City's Building Department approved the electrical plans (PMT 20-01840). The plans expired on July 6, 2021, as the electrical plans are valid for six months.
- 28. On or about <u>August 6, 2021</u>, Dynamic Meds ceased their illegal operation as a result of a raid by the Sheriff's Department.
- 29. On <u>September 7, 2021</u>, the City sent Dynamic Meds correspondence regarding expiration of their license, and revocation of any apparent authority provided by the mistakenly issued license.
- 30. As of March 2, 2022, the grading and street improvement plans, along with the electrical plans have yet to be paid for and issued.

The PMC is clear that operation of a medical marijuana dispensary and adult use retail dispensary without the proper permits and licenses is unlawful. See PMC §§ 5.54.020, 5.54.040, 5.58.020. Section 5.54.04 of the PMC includes conditions for issuance and continued provision of a medical marijuana dispensary permit, such as obtaining a regulatory permit, strict adherence to every requirement in the PMC chapter, permitting reasonable inspections, and maintaining current information with the City. However, here the Certificate of Occupancy was never issued, which is a violation of the Conditions of Approval for which the marijuana dispensary permit was issued.

Since Dynamic Meds failed to meet the requisite conditions, both the Medical Marijuana Dispensary Permit and Adult Use Regulatory Retail Permit are deemed abandoned. Per PMC § 5.54.080(b), upon determination that the applicant has completed the application improperly, the applicant shall have 30 days to provide a complete application or it will be deemed abandoned. Although the City timely notified Dynamic Meds of the deficiencies several times, including providing notice that the applications would be abandoned, Dynamic Meds yet failed to complete the conditions of approval and the applications remained incomplete. Per PMC § 5.54.080(b), the incomplete applications were and are deemed abandoned.

In summary, the City's position is that there is no appeal available as the permit applications were abandoned. Per PMC Sections 5.58.080 and 5.54.080 there is no right to appeal an abandoned commercial marijuana permit or abandoned medical marijuana dispensary permit. As such, there is no avenue for an administrative review.

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At this stage, without some other formal offer of resolution from Dynamic Meds which addresses all of the outstanding concerns outlined within this response, the City hereby considers this matter closed.

Regards,

ALESHIRE & WYNDER, LLP

G. Ross Trindle, III

GRT:pbg

cc: Kenneth Phung, Planning Director – City of Perris (via email only)
Eric Dunn, Esq., City Attorney – City of Perris (via email only)
Robert Trejo, Code Enforcement Supervisor – City of Perris (via email only)
Nathan Perez, Senior Planner – City of Perris (via email only)