

Exhibit “C”

Part II, Chapter 13, Article I, Business Tax Receipts and Certificate of Use and Occupancy

Sec. 13-2 Definitions.

Cannabis has the meaning given to it by section 893.02(3), Florida Statutes, and shall include all forms of medical Cannabis or low-THC Cannabis.

Compassionate Use Act shall mean section 381.986, Florida Statutes, and chapter 2016-123, Laws of Florida, as amended from time to time, and any rules or regulations promulgated thereunder.

Cultivation or cultivate shall mean the process by which a person grows a Cannabis plant.

Derivative Products shall mean products derived from Cannabis, including but not limited to, Cannabis oil or consumable products containing or derived from Cannabis.

Dispensing shall mean the retail sales of Cannabis or Derivative Products at a licensed Medical Cannabis Dispensary, but does not include making deliveries of Cannabis or Derivative Products to the residence or business of an authorized individual, or to a health care facility, as permitted by other relevant ordinances and state law.

Medical Cannabis Dispensary shall mean a business licensed to dispense Cannabis pursuant to applicable law and that is engaged in the retail sale of Cannabis or Derivative Products, but shall not include making deliveries of Cannabis or Derivative Products to the residence or business of an authorized individual, or to a health care facility, as permitted by other relevant ordinances and state law.

Sec. 13-29. Medical Cannabis Dispensary

- (a) It shall be unlawful for any person or entity to establish or operate a Cannabis Dispensing Business in the City without first having obtained from the State of Florida approval to do so pursuant to the Compassionate Use Act or any other relevant law, and having obtained from the City a Business Tax Receipt, and having obtained from the City a Certificate of Use and Occupancy for the facility to be operated in connection with such business. Such Business Tax Receipt and Certificate of Use and Occupancy shall be kept current at all times and shall be conspicuously displayed at all times in the premises to which they apply. The failure to maintain a current Business Tax Receipt, or to maintain a current Certificate of Use and Occupancy for any location at which Cannabis Dispensing Business is conducted, shall constitute a violation of this Section.
- (b) *Numerical limit on Medical Cannabis Dispensaries.* Only one Business Tax Receipt / Certificate of Use and Occupancy in the City shall be issued for every 67,600 residents, as certified in the most recent census or periodic demographic studies conducted by the University of Florida. However, if a census or periodic demographic study conducted by the University of Florida indicates a resident count of at least 50% of that required for

issuance of a new Certificate of Authority, a new Business Tax Receipt/ Certificate of Use and Occupancy shall be authorized. For example:

Residents Indicated	Business Tax Receipt/ Certificate of Use and Occupancy Authorized
$\leq 101,400$	1
101,400 – 169,000	2
169,001 – 236,599	3
236,600 – 304,199	4
304,200 – 371,799	5

- (c) *Medical Cannabis Dispensary Lottery.* When a Business Tax Receipt/Certificate of Use and Occupancy for Medical Cannabis Dispensary is deemed available, the City will conduct a lottery. The procedures for the lottery will be as follows.
- 1) A public notice that the City is accepting applications for the medical cannabis dispensary lottery will be displayed in city hall and published in newspaper of general circulation for a period of 14 days.
 - 2) Complete applications for the medical cannabis dispensary lottery will be accepted for a period of 30 days commencing from the date of public notice.
 - 3) Upon closure of the lottery application period the City will conduct a random drawing to select the name of the winning applicants, as well as 4 additional applications to serve as alternate winners in the event that the first winner is unable to fulfill the application requirements as described below. The names will be tallied in order of selection and posted at City Hall for public view.
 - 4) The 1st selected applicant will have up to 365 days upon being notified to secure a Business Tax Receipt/Certificate of Use and Occupancy.
 - 5) In the event the 1st selected applicant is unable to secure a Business Tax Receipt/Certificate of Use and Occupancy within 180 days the City will notify the 1st selected applicant of their noncompliance.
 - 6) The then 2nd selected applicant will have up to 365 days upon notification of being selected to secure a Business Tax Receipt/Certificate of Use and Occupancy.
 - 7) This process will continue until the medical cannabis dispensary Business Tax Receipt/Certificate of Use and Occupancy has been issued.
- (d) *Medical Cannabis Dispensary Lottery Application fee.* The application fee for a medical cannabis dispensary lottery shall be \$10,000 each.
- (e) No Business Tax Receipt or Certificate of Use and Occupancy shall be transferred or sold without the prior written consent of the City.
- (f) No company, individual, or corporation can obtain more than one Business Tax Receipt or Certificate of Use and Occupancy for a medical cannabis dispensary at any given time,

except that if there are no other applicants at time of additional medical cannabis dispensary license lottery.

- (g) No Business Tax Receipt or Certificate of Use and Occupancy shall be issued to, held by, or renewed by any Applicant or Operator who fails to comply with the following Mandatory Requirements:
- 1) Maintain approval as a dispensing organization by the State of Florida, Department of Health, Office of Compassionate Use pursuant to the Compassionate Use Act, or any other applicable law.
 - 2) Ensure no owner, Investor, or manager of the Applicant or Operator has been found guilty of, regardless of adjudication, or entered a plea of nolo contendere or guilty to, or has been adjudicated delinquent, and the record has not been sealed or expunged for, any crime enumerated in section 435.04(2), Florida Statutes, or any felony involving false representations or false statements, fraud, or money laundering.
- (h) *Operating Hours.* A medical cannabis dispensing facility may operate only during the hours of 7:00 a.m. to 7:00 p.m.
- (i) *Security Measures.* In order to protect business property, each medical cannabis dispensing facility shall be equipped with the following implements at owner's expense;
- 1) A centrally monitored silent system that notifies the Boynton Beach Police Department or a private security agency that a break in or robbery is taking place;
 - 2) Full time private armed security personnel from a licensed security firm during all hours personnel are on the premises;
 - 3) A security camera capable of recording and retrieving an image, operational at all times during and after business hours, and located at every ingress and egress site of the dispensary;
 - 4) A drop safe or cash management system for maximum protection of business revenue.
- (j) *Deliveries.* All incoming product deliveries shall be received through rear property entrance.
- 1) Deliveries must be overseen by armed security personnel, and
 - 2) Must show clear documentation of all shipment unloading/loading through security camera.
- (k) *Delivery Service.* No medical cannabis dispensing facility shall conduct any form of off-site delivery service or mail order of cannabis and/or cannabis paraphernalia.
- (l) *Adequate facilities.* To maintain all business activity within the closed building, all medical cannabis dispensing facilities shall provide adequate seating for patients within the

establishment. It shall be unlawful for any person to sit in a parked vehicle, gather, or loiter outside of the building where the dispensary is located and operates, including, but not limited to, sidewalks, parking areas, right-of-ways, or neighboring properties for any period of time longer than that is reasonably required to arrive and depart.

- 1) The medical cannabis dispensing facilities shall post conspicuous “No Loitering” signs on all sides of that portion of the building occupied by the medical cannabis dispensing facility. Owner shall first reach agreement with the City to ensure proper enforcement.

(m) *Display of state registration.* Any medical cannabis dispensing facility shall be registered with the State of Florida and with the city and shall prominently display in a public area near its main entrance copies of all state licenses, city business tax receipt and certificate of use and occupancy.

- 1) Licensed documents must be kept up to date.
- 2) Must be displayed in plain language and also at client eye level.

(n) *Vending.* A medical cannabis dispensing facilities shall not utilize any type of vending machines for the dispensing of Cannabis and/or cannabis paraphernalia on-site or off-site.

(o) *On-Site consumption of cannabis and/or alcoholic beverages.* No consumption of cannabis (other than as may be incidental to instruction or demonstration of the proper use of a dispensing device) or alcoholic beverages shall be allowed on the premises including in the parking areas, sidewalks or rights-of-way. The persons responsible for the operation of the medical cannabis dispensing facilities shall take all necessary and immediate steps to ensure compliance with this paragraph.

(p) *Compliance with other laws.* A medical cannabis dispensing facility shall at all times comply with all state laws, regulations and City of Boynton Beach Code of Ordinances.

(q) *Inspection.* The City shall have the right to periodically inspect the premises of the dispensing facility at any reasonable time to ensure that the facility has a current valid certificate of use, and to ensure compliance with the terms and conditions under which it was issued. Violators will be subject to all appropriate penalties, including revocation of the certificate of use.