

Dear Supervisors,

You will be considering whether to "pause" the review and processing of cannabis use permit applications until some point in the future when a potential revision to the current ordinance is put in place. I write to you today to point out why a "pause" can be not only detrimental but directly contrary to many of your stated goals. The proposed "pause" is also nothing of the sort, as the proposed language actually requires the denial of applications; not pausing them until a later date.

First, as you know, the legal cannabis industry is in a constant battle with players that are not concerned about use permits, "track and trace", worker's compensation and other insurance, OSHA, paying their taxes or otherwise complying with the law. We are always at a disadvantage when our efforts to comply with the law increase our costs and limit our ability to do business. We have spent many tens of thousands of dollars, if not more, towards our current use permit application in an attempt to comply with the law. If all our efforts to be compliant, submit well developed and researched reports, and address potential problem areas within the confines of the law are simply ignored because the "law may be changed," then we are once again disadvantaged expressly because we are trying to comply with the laws. Laws change, but until they do, we should be allowed to follow them.

Second, a "short delay" can be very consequential to both us and the county. We have been trying to diversify our farm to allow more than just grapes (an industry barely even on the ropes), walnuts (a former industry) and cannabis (an industry under direct attack from many directions). However, even simple ideas such as crop rotation, employee staffing and coordination, soil development and farming infrastructure are all at risk with further delays. We cannot invest capital in our project if we are uncertain whether the current laws will simply be "tabled" because some future laws that will require extensive hearings, debate and revisions may be passed sometime down the road. Limiting the compliant, good actors in this space also dramatically reduce the tax income the county so desperately needs.

Third, unless your goals are to increase regulatory obstacles and to reduce agricultural diversity in the county, a "pause" would effectively be punishing compliant applicants by doing the opposite of what is often stated as the goals of the board - decrease regulatory obstacles and to make it easier and more efficient to comply with the law. A potential "pause" would be extremely expensive not only to eventually comply with the laws but also in the lost opportunity to earn more income, produce more jobs and generate tax revenue. Applicants, like ourselves, have had to navigate hurdles to become compliant, and all a "pause" would be doing would be throwing money out the window and adding more and different regulatory hoops and challenges. A "pause" is an increase in expense and the addition of regulatory hurdles.

Fourth, the proposed amendment actually requires the denial of applications that have not been deemed "complete." In case you're unaware of what this means, it is not a matter of someone submitting a single sheet of paper and then spending years while the application sits stagnant. In our case, we submitted our use permit application, with professional reports prepared by very expensive experts. We have gone back and forth with the staff as they asked for "clarification" (including substantial delays when asked to simply confirm that our application is for what is stated). Currently, we have been asked to identify the exact location of our rows (not buildings, not cultivation, not roads, but the 2 to 3 foot wide rows - of which there are many hundreds some of which are very short). Thus, we have dutifully tried to comply with the laws as written, proposed, discussed, voted upon and approved by this very board, and have spent great amounts of money trying to be compliant, only to now face the prospect of having our application thrown out because there "may be" some change in the law down the road. Although our application is not deemed "complete" due to (at best) some technical overreach (which we are willing to work through), under the current wording of the application, all of our work would be obsolete and will have to be re-done at great expense, time and effort because the law may change in the future. Of course, if the ordinance is amended, no one can guarantee that there will not be a new round of amendments (and potential "pauses") to follow.

The impact of denying law abiding applicants the opportunity to have their compliant use permit applications processed will send a very strong message that legal cannabis is not valued in Lake County. There likely will still be the same amount of cannabis, but the remaining players will not be trying to comply with OSHA, environmental laws, providing water reports, providing insurance for county residents or paying the substantial fees and taxes that are paid by companies like ours. Those of us that have worked to comply with the law will be hamstrung and these additional hurdles will completely undermine any effort to: (1) reduce regulation, (2) avoid the negative consequences of illegal cannabis operations, (3) reduce the burden on tax-paying citizens of the County of Lake, (3) diversify the struggling agricultural industry of the County, and (4) generate income for the County. I do not believe those are the goals of this proposed amendment, but it will certainly be the result.

In short, unless there has been a substantial increase in the number of Cannabis Use Permit Applications in the last few weeks, there is no reason to "pause" anything. However, if you wish to "pause" applications (I don't believe many are coming in) what you will be considering is not a "pause" as you would be effectively and actually denying applications without any hearing or process. In the even there is still a desire to "pause" applications until there is a new ordinance in place, please give future applicants notice so they don't spend money, effort, planning and resources in an attempt to comply with the laws this board has considered, debated, passed and honored. For those that have

already submitted applications (whether deemed "complete" or not) to the board in good faith reliance that the laws, regulations, procedures and requirements mean something, their applications should be considered and processed under the current law. To do otherwise is literally the same as discouraging everyone (in other industries, and re other ordinances) from doing what is necessary to comply with the laws in place.

Thank you,

Peter Simon

(Pasta Farm)