

**DEPARTMENT OF
CANNABIS REGULATION**

CANNABIS REGULATION
COMMISSION

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City of Los Angeles

CALIFORNIA



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VACANT
ASSISTANT EXECUTIVE DIRECTOR

<http://cannabis.lacity.gov>

March 4, 2025

The Honorable City Council
City of Los Angeles
City Hall, Room 395
Los Angeles, California 90012

Attention: Government Operations Committee

2025 CANNABIS EQUITY GRANT ACCEPTANCE, EXPENDITURE PROGRAM, AND FUNDING REQUIREMENTS

Dear Honorable Members:

The Los Angeles Department of Cannabis Regulation (DCR) requests authority to accept a grant award of \$3,500,000 for the 2025 Cannabis Equity Act Grant from the State of California Governor's Office of Business and Economic Development, and approval for related actions necessary to effectuate and expend funds provided by the grant agreement and provide front-funding for the portion of the award provided on a reimbursement-basis only. There is no General Fund impact because the non-grant funded personnel costs associated with administering DCR's Social Equity Program are utilized toward the local matching fund requirement.

RECOMMENDATIONS:

That the City Council, subject to approval of the Mayor:

1. Authorize the Executive Director of the Department of Cannabis Regulation (DCR), or designee, to accept the 2025 Cannabis Equity Act Grant in the amount of \$3,500,000 (CEG-2025-660) from the State of California Governor's Office of Business and Economic Development (GO-Biz);
2. Adopt the Grant Resolution (Attachment 1) authorizing the Executive Director of DCR, or designee, to execute on behalf of the City of Los Angeles the Grant Agreement (Attachment 2) for CEG-2025-660 for the period of April 1, 2025 through October 31, 2026, including any extensions or amendments thereof;
3. Authorize the Executive Director of DCR, or designee, to execute, on behalf of the City of Los Angeles, all other CEG-2025-660 grant documents necessary relative to the grant award;

4. Authorize the Controller to accept, deposit, and set up grant receivables up to \$3,500,000 of CEG-2025-660 grant funds in the California Local Equity Grant Program Fund No. 64F, Department 13;
5. Authorize the Controller to establish and appropriate up to \$3,500,000 within Fund 64F/13 California Local Equity Grant Program Fund, Account No. TBD entitled "2025 Cannabis Equity Grant" for the receipt and disbursement of grant funds;
6. Authorize the Controller to set up an account entitled "CEG 2025 Receivables" within the Department of Cannabis Regulation Special Revenue Trust Fund No. 60E for the 25 percent front-funding required by CEG-2025-660, to be repaid when grant funds are made available;
7. Authorize the DCR Executive Director, or designee, to expend said funds from the accounts listed above for the purposes set forth in this report and consistent with the grant agreement; and,
8. Authorize DCR to prepare Controller instructions and/or make any corrections or clarifications to the above instructions that may be required, subject to the approval of the City Administrative Officer, in order to effectuate the intent of City Council, and request the Controller to implement these instructions.

BACKGROUND

The California Cannabis Equity Act of 2018 established by Senate Bill 1294 (Equity Act) and the Budget Act of 2019, Item 1111-490 - Reappropriation (Budget Act of 2019) appropriated funding for the state to provide to local jurisdictions to develop and operate local cannabis equity programs that focus on the inclusion and support of individuals in California's legal cannabis marketplace who are from communities negatively or disproportionately impacted by cannabis criminalization.

Earlier this year, the City of Los Angeles was awarded \$3,500,000 from GO-Biz pursuant to California Assembly Bill 97. In order to accept these funds, the City Council must first adopt a resolution (Attachment 1) authorizing DCR to execute by electronic signature on behalf of the City of Los Angeles the grant agreement with GO-Biz, including any extensions or amendments thereof.

In order to effectively and efficiently administer certain programs established under Los Angeles Municipal Code ("LAMC") Section 104.20, DCR prepared an expenditure plan (Attachment 2, Exhibit A) to utilize CEG-2025-660 grant funds in support of the City's Social Equity Program ("SEP"). Specifically, SEP will utilize these funds by providing \$3,115,000 in fee waivers to Social Equity Individual Applicants ("SEIAs") and \$350,000 to provide Direct Technical Assistance ("DTA") to SEIAs, which DCR plans to provide in the form of one-on-one coaching via an existing contracted vendor. DCR currently offers over 1,500 hours of free business, professional, and workforce development coaching with subject-matter experts from a wide range of expertise. Finally, \$35,000 will be utilized for Administrative Costs, to continue support for partially grant-funded positions authorized in the adopted budget.

FRONT-FUNDING REQUIREMENT

Similar to the 2024 award year, the 2025 Cannabis Equity Act Grant provides funding disbursed in four (4) equal payments of \$875,000, with specific requirements attached to the disbursements. An initial disbursement of 25 percent of the Grant Award will be issued directly to DCR after execution of the Grant Agreement by all parties. The second and third 25 percent disbursements will be issued after DCR provides documentation that prior disbursements were expended in accordance with the Grant Agreement. The final 25 percent disbursement will be provided on a reimbursement-basis only. This arrangement requires DCR to front-fund the final 25 percent of the Grant Award, to be reimbursed after DCR provides sufficient documentation to GO-Biz demonstrating that all prior disbursements and the final \$875,000 of the Grant Award were expended in accordance with the Grant Agreement. To satisfy this requirement, DCR requests to establish an account in Fund 60E to provide this front-funding, to be repaid when grant funds are made available.

Subject to the availability of funds, up to \$3,115,000 in grant funds may be utilized to waive fees for verified Social Equity (SE) Applicants and Licensees. To be eligible for fee waivers, the Applicant or Licensee shall be subject to Los Angeles Municipal Code (LAMC) section 104.20, shall be in good standing, and shall not be delinquent on any City tax, DCR fee, or DCR fee payments previously deferred under Section 104.20(c)(4)(ii). Fee waivers shall be issued on a first come, first served basis. Until August 31, 2026, DCR may apply fee waivers to the local Annual License Application process, local environmental review process, and Annual License Renewal process including, but not limited to the following fee types: Annual License Application, Categorical Exemption Fee, Environmental Assessment / Initial Study, Environmental Analysis Review Services (Actual Cost of Consultant Services), Publication Fee / County Clerk Notice of Exemption Filing Fee, Mailed Notice, Printed Notice, Written Notice, and License Renewal. After August 31, 2026, any remaining funds shall be pro-rated toward 2027 License Renewal fees for renewal records submitted on or before September 30, 2026.

If you have any questions regarding this matter, please contact Zachary De Corse, Chief Management Analyst, at zachary.decorse@lacity.org. For specific questions regarding the Cannabis Equity Grant, you may contact Dr. Imani Brown, Social Equity Program Director, at imani.brown@lacity.org.



JASON KILLEEN
Assistant Executive Director

Attachments:

1. Cannabis Equity Grants Program for Local Jurisdictions Grant Resolution
2. Cannabis Equity Grants Program for Local Jurisdictions Grant Agreement (“CEG-2025-660”)

RESOLUTION

WHEREAS, the members of the California Legislature have recognized the need for cannabis equity grant funding; and

WHEREAS, funding has been provided to the Governor's Office of Business and Economic Development to provide grant funds to local governments; and

WHEREAS, the City of Los Angeles has adopted and operates a local equity program for commercial cannabis activity; and

WHEREAS, the City of Los Angeles has determined that it will use grant funds from the Governor's Office of Business and Economic Development to assist local equity applicants and licensees through its local equity program for commercial cannabis activity as described in its application for grant funds;

NOW, THEREFORE, BE IT RESOLVED that the Director of the Social Equity Program of the City of Los Angeles is authorized to execute by electronic signature on behalf of the City of Los Angeles, the grant agreement with the Governor's Office of Business and Economic Development, including any extensions or amendments thereof and any subsequent grant agreement with the Governor's Office of Business and Economic Development in relation thereto.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that any liability arising out of the performance of this grant agreement, including civil court actions for damages, shall be the responsibility of the grant recipient and the authorizing agency. The Governor's Office of Business and Economic Development and the State of California disclaim responsibility for any such liability.



GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT

STATE OF CALIFORNIA • OFFICE OF GOVERNOR GAVIN NEWSOM

CANNABIS EQUITY GRANTS PROGRAM FOR LOCAL JURISDICTIONS

GRANT AGREEMENT

This Cannabis Equity Grants Program for Local Jurisdictions Grant Agreement ("Agreement") is by and between the City of Los Angeles ("Grantee") and the California Governor's Office of Business and Economic Development ("GO-Biz"), hereinafter jointly referred to as the "Parties" or individually as the "Party." Unless otherwise specified in this Agreement, all definitions, rules, guidelines, and requirements specified in the Cannabis Equity Grants Program for Local Jurisdictions Grant Solicitation ("Grant Solicitation") issued on October 1, 2024, shall apply to this Agreement. The identification number for this Agreement is **CEG-2025-660**.

In consideration of the mutual covenants and promises in this Agreement, the Parties agree as follows:

1. **Authority.** This Agreement is authorized and entered into pursuant to the California Cannabis Equity Act, commencing with Business and Professions Code section 26240, in which GO-Biz is authorized to provide grants to Eligible Local Jurisdictions to do either of the following:
 - a. Assist the Local Jurisdiction in the development of its Local Equity Program.
 - b. Assist Local Equity Applicants and/or Local Equity Licensees in the Local Jurisdiction to gain entry to, and to successfully operate in, the state's regulated cannabis marketplace.
2. **Grant Term.** The performance period of this Agreement shall be from April 1, 2025, or when this Agreement is fully executed by all Parties, whichever is later, through October 31, 2026. Except as provided for in section 8 of this Agreement, grant funds shall be expended only during the Grant Term. For purposes of this Agreement, "expend" means checks/payments issued and disbursed by Grantee. Merely encumbering, reserving, or setting aside the grant funds for future use does not qualify as expending the grant funds. For amounts withheld by Grantee for "local and state application, licensing, and regulatory fees," such fees must be due, payable, and paid during the Grant Term.
3. **Grant Award.** Based on its grant application and the points allocated to Grantee pursuant to the scoring criteria in the Grant Solicitation, and conditioned upon the requirements set forth in this Agreement, GO-Biz shall provide Grantee a Grant Award of up to three million five hundred thousand dollars (\$3,500,000.00) for the term of this Agreement. In no event shall GO-Biz be obligated to pay any amount in excess of the Grant Award. Grantee waives any and all claims against GO-Biz and the State of California for any costs that exceed the Grant Award. If Grantee makes any changes to its Local Equity Program relating to the program's eligibility criteria that was submitted to GO-Biz with its grant application, it may not expend any portion of the Grant Award until it receives written confirmation from GO-Biz that the changes are acceptable.
4. **Grant Scope/Description.** Grantee agrees to use the Grant Award, in accordance with Exhibit A ("Budget"), for the purposes of assisting its Local Equity Applicants and/or Local Equity Licensees to gain entry to, and successfully operate in, the state's regulated cannabis marketplace. However, no portion of the Grant Award allocated in the Budget under the "Grants and Loans" funding category may be used for any fees related to Grantee's Local Equity Program, including eligibility verification fees. Grantee also agrees to expend its own funds during the Grant Term in accordance with Exhibit B ("Matching Funds Budget").
5. **Grant Award Disbursement.** Twenty-five (25) percent of the Grant Award will be issued directly to Grantee after execution of this Agreement by all parties, and Grantee providing to GO-Biz a copy of the resolution or motion its governing body passed to provide Grantee the authorization to execute this Agreement. The second

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twenty-five (25) percent of the Grant Award will be issued after Grantee provides documentation that the initial disbursement was expended in accordance with this Agreement and the Budget. The third twenty-five (25) percent of the Grant Award will be issued after Grantee provides documentation that the second disbursement was expended in accordance with this Agreement and the Budget. The final twenty-five (25) percent of the Grant Award will be issued on a reimbursement basis after Grantee provides documentation that the third disbursement and the remaining amount of the Grant Award amount was expended in accordance with this Agreement and Budget, along with documentation substantiating expenditures in the Matching Funds Budget.

- 6. Interest Accrued on Grant Award.** Grantee shall deposit any advance payments into a federally-insured, interest-bearing account. This account must allow for tracking interest earned and withdrawals. Any interest earned on Grant Award funds must be reinvested into the same account or used for the purposes specified in this Agreement. Grantee is responsible for maintaining accurate records of both the Grant Award principal amount and the interest accrued thereon.
- 7. Unused Grant Funds.** Except as provided for in section 8, any amount of the Grant Award, and any interest accrued thereon, provided under this Agreement that is not expended within the Grant Term, or at the time of early termination of this Agreement, whichever is sooner, shall be returned to GO-Biz. Grantee shall notify GO-Biz of such unused grant funds and GO-Biz shall provide Grantee with instructions as to how to return the funds.
- 8. Continued Use of Grant Funds.** Any portion of the Grant Award originally expended by Grantee during the Grant Term that is returned or repaid to Grantee (e.g., loan repayments from Local Equity Licensees to Grantee, in which the loaned amounts were grant funds from this Agreement) may be used subsequent to the end of the Grant Term, however, any such funds shall retain their character and may only be used for the same purposes as identified in the Budget and subject to the same conditions as set forth in this Agreement, which will survive the Grant Term.
- 9. Eligible Uses.** Grant funds may only be used for the following purposes in accordance with the Budget:
 - a. To provide low-interest or no-interest loans or grants to Grantee's Local Equity Applicants and/or Local Equity Licensees to assist the applicants and/or licensees with startup and ongoing costs.
 - b. To provide or fund Direct Technical Assistance to Grantee's Local Equity Applicants and/or Local Equity Licensees. No more than ten (10) percent of the total grant award may be used for Direct Technical Assistance.
 - c. To assist in the administration of the Grantee's Local Equity Program. No more than one (1) percent of the total grant award may be used for administration, which includes the following:
 - Employing staff or hiring consultants to administer Grantee's Local Equity Program, including administering loans and grants.
 - Grantee's costs associated with its efforts to provide sources of capital to its Local Equity Applicants and/or Local Equity Licensees.
- 10. Subcontractors.** No amount of the Grant Award may be used to subcontract any of the commitments contemplated in this Agreement to another entity or person, unless such amount is specifically identified as a subcontracted expense in the Budget. Furthermore, Grantee may not use any amount of the Grant Award on the same subcontractor (including commonly controlled entities and parties treated as related under sections 267, 318, or 707 of the Internal Revenue Code) to provide both Direct Technical Assistance and administrative services.
- 11. Funding Contingency Clause.** Grantee agrees that GO-Biz's obligation to pay any sum under this Agreement is contingent upon availability of funds disbursed to GO-Biz for such purposes. If there is insufficient funding, GO-Biz shall have the option to either: 1) terminate this Agreement, whereby no party shall have any further

obligations or liabilities under this Agreement, or 2) negotiate an Agreement amendment with Grantee to reduce the Grant Award to be provided under this Agreement.

12. Documentation and Reporting Requirements.

- (a) Grantee must be able to demonstrate to the satisfaction of GO-Biz that the Grant Award was expended for eligible uses in accordance with the Budget.
- i. For expenditures in the “Grants and Loans” budget category, Grantee’s records must include the names of its Local Equity Applicants and Local Equity Licensees, eligibility criteria verification documents (self-attestations are not acceptable unless approved in writing, in advance, by GO-Biz), and evidence of disbursements, including dates and descriptions.
 - ii. For expenditures in the “Direct Technical Assistance” budget category, Grantee’s records must include the name of each Local Equity Applicant and Local Equity Licensee served, a detailed description of the services provided to each Local Equity Applicant and Local Equity Licensee, the number of hours of service provided to each Local Equity Applicant and Local Equity Licensee, and evidence expenditures.
 - iii. For expenditures in the “Administrative Costs” budget category, Grantee’s records must include the name of each administrative service provider, the specific services provided, the amount of time providing services, and evidence of expenditures.
- (b) Grantee shall submit periodic reports to GO-Biz to document its progress assisting its Local Equity Applicants and/or Local Equity Licensees to gain entry to, and to successfully operate in, the state’s regulated cannabis marketplace in accordance with the Budget. Grantee shall use the periodic performance report template available at <http://www.business.ca.gov/CEG>. Each periodic report shall be due in accordance with the chart below. For the first periodic report, the beginning date is either April 1, 2025, or when this Agreement is fully executed by all Parties, whichever is later. If this Agreement is terminated before the end of the Grant Term, Grantee must submit its periodic reports, within thirty (30) calendar days of the termination date, to document its progress through the termination date of the Agreement.

Period	Report Due Date
April – September 2025	October 31, 2025
October – December 2025	January 31, 2026
January – March 2026	April 30, 2026
April – June 2026	July 31, 2026
July – October 2026	November 30, 2026

- (c) In addition to the periodic reports referenced above, pursuant to California Business and Professions Code section 26244(c), Grantee shall submit an annual report to GO-Biz on or before January 1, 2026, and annually thereafter for each year grant funds are expended. No report shall be submitted prior to December 15, 2025. Grantee shall provide a report to GO-Biz whether or not the Grant Term has expired, or Grantee has expended the grant funds before the end of the Grant Term. At a minimum, the annual report to GO-Biz shall include all of the following information:
- How Grantee disbursed the grant funds.
 - How Grantee identified Local Equity Applicants and/or Local Equity Licensees, including how the Grantee determines who qualifies as a Local Equity Applicant or Local Equity Licensee.
 - The number of Local Equity Applicants and/or Local Equity Licensees that were served by the grant funds.
 - Aggregate demographic data on Local Equity Applicants, Local Equity Licensees, as applicable, and all other applicants and licensees in the jurisdiction, including, but not limited to, race, ethnicity, gender, sexual orientation, income level, education level, prior convictions, and veteran status. This

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information will be consolidated and reported without the individual's identifying information. Nothing in this subparagraph requires applicants or licensees to report this information should they wish to decline reporting one or more of the listed characteristics.

- If the Grantee requires Local Equity Applicants and/or Local Equity Licensees to become eligible through specific ownership percentages, a breakdown of Local Equity Applicants' and Local Equity Licensees' business ownership types and percentages of ownership.
- At least one success story, including the contact information for the individual that the story relates to, that describes a Local Equity Applicant and/or Local Equity Licensee that was assisted as a result of the grant funds.

(d) Grantee must maintain records detailing the expenditure of all grant funds for a period of seven (7) years after the end of the Grant Term, and shall provide this information to GO-Biz upon request.

13. Audit. The books, accounts, files, and other records of Grantee which are applicable to this Agreement shall be made available for inspection, review, and audit upon request by GO-Biz and its designated representatives to verify proper use of the Grant Award.

14. Termination of Agreement. This Agreement may be terminated by GO-Biz upon action, or inaction, by Grantee that constitutes a material breach of this Agreement. A material breach includes, but is not limited to, refusal or inability to complete the commitments contemplated in this Agreement, improper expenditure of grant funds, failure to properly maintain records or allow GO-Biz access to records as required under this Agreement, and failure to timely complete and submit the reports required under this Agreement. GO-Biz will notify Grantee in writing if it intends to terminate the Agreement pursuant to this section and provide Grantee an opportunity to cure the breach or breaches within thirty (30) calendar days.

15. Assignment. This Agreement is not assignable by Grantee, either in whole or in part, without the consent of GO-Biz in the form of a written amendment.

16. Amendment. This Agreement may be amended or modified only in writing signed by all parties.

17. Grantee – Representations and Warranties. Grantee represents and warrants that:

- (a) It is an Eligible Local Jurisdiction as set forth in the Grant Solicitation.
- (b) It is not a party to any agreement, written or oral, creating obligations that would prevent it from entering into this Agreement or satisfying the terms herein.
- (c) All of the information in its grant application and all materials submitted to GO-Biz are true and accurate.
- (d) Its governing body has authorized it to enter into this Agreement and has designated by title the individual authorized to sign the Agreement on behalf of it, through a resolution or motion in the same or substantially similar form as the Sample Resolution posted on GO-Biz's website at www.business.ca.gov/CEG.
- (e) It understands and agrees it is not eligible to apply for a subsequent Cannabis Equity Grants Program for Local Jurisdictions grant until it has expended its Grant Award under this Agreement as follows:
 - Grantee must demonstrate it has expended at least fifty (50) percent of the grant funds awarded pursuant to this Agreement if greater than twelve (12) and fewer than eighteen (18) months have elapsed since execution of this Agreement (calculated from the date this Agreement was fully executed to the application due date for any subsequent round of the Cannabis Equity Grants Program for Local Jurisdictions).
 - Grantee must demonstrate it has expended at least eighty (80) percent of any grant funds awarded pursuant to this Agreement if eighteen (18) or more months have elapsed since execution of this Agreement (calculated from the date this Agreement was fully executed to the application due date for any subsequent round of the Cannabis Equity Grants Program for Local Jurisdictions).

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- Grantee's expenditures, as required above, must be evidenced by expenditures reported in the most recent periodic report submitted to GO-Biz by the application due date for the subsequent round of the Cannabis Equity Grants Program for Local Jurisdictions for which Grantee is applying.
- (f) It understands and agrees that its Local Equity Program may not include eligibility criteria that violate the Equal Protection Clauses of the U.S. and California Constitutions, and Article 1, Section 31 of the California Constitution (Prop. 209) such as race, ethnicity, gender, sexual orientation, etc.
- (g) It understands and agrees that its use of the Grant Award for this Agreement and future grants shall be limited to one (1) percent of the award for administrative costs until a total of \$1,261,175.00 is reconciled through this manner, or otherwise returned to GO-Biz, which is the resolution mutually agreed to by the Parties as a result of the audit that concluded in January 2024. The amount remaining after this Agreement, is \$497,529.76 [\$1,261,175.00 - \$178,645.24 (CEG-2023-544) - \$270,000.00 (CEG-2024-574) - \$315,000.00 (this Agreement) = \$497,529.76].

18. Nondiscrimination. During the performance of this Agreement, Grantee shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment, or against any applicant seeking to participate in Grantee's programs funded under this Agreement, because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition, age, marital status, veteran and military status, drug addiction and alcoholism. Grantee shall insure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment. Grantee shall comply with the provisions of the Fair Employment and Housing Act (Government Code, section 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, section 7285.0 et seq.). If applicable, Grantee shall give written notice of its obligations under this clause to labor organizations with which it has collective bargaining or other agreements. If applicable, Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

19. Union Activities. Grantee acknowledges that Government Code section 16645.2 applies to this Agreement. Pursuant to Government Code section 16645.2, Grantee certifies that none of the Grant Award will be used to assist, promote, or deter union organizing. If Grantee makes expenditures to assist, promote, or deter union organizing, it shall maintain records sufficient to show that no portion of the Grant Award was used for those expenditures. Grantee shall provide those records to the Attorney General upon request.

20. Media Release. Grantee may elect to issue a press release related to this Agreement, but any release shall be approved by GO-Biz in writing prior to such release. Such approval shall not be unreasonably withheld.

21. Indemnification/Warranty and Disclaimer/Limitation of Liability. Grantee shall defend, indemnify, and hold GO-Biz and its agents or assigns, harmless from and against all claims, damages, and liabilities (including reasonable attorneys' fees) arising from this Agreement due to Grantee's breach of this Agreement, or the result of Grantee's negligence or willful misconduct. UNDER NO CIRCUMSTANCES WILL THE STATE OF CALIFORNIA, GO-BIZ, ITS AGENTS OR EMPLOYEES, BE LIABLE TO GRANTEE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES THAT ARISE FROM THIS AGREEMENT.

22. Force Majeure. If by reason of force majeure Grantee's performance hereunder is delayed or prevented, then the performance by Grantee may be extended for the amount of time of such delay or prevention. The term "force majeure" shall mean any fire, flood, earthquake, or public disaster, strike, labor dispute or unrest, embargo, riot, war, insurrection or civil unrest, any act of God, any act of legally constituted authority, or any other cause beyond Grantee's control which would excuse Grantee's performance as a matter of law.

23. Notice of Force Majeure. Grantee agrees to provide GO-Biz written notice of an event of force majeure under this Agreement within ten (10) calendar days of the commencement of such event and within ten (10) calendar days after the termination of such event, unless the force majeure prohibits Grantee from reasonably giving

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notice within this period. Grantee will give such notice at the earliest possible time following the event of force majeure.

- 24. Integration.** This Agreement (including the exhibits hereto and any written amendments hereof executed by the Parties) constitutes the entire Agreement between the Parties related to this Grant Award and supersedes all prior agreements and understandings, oral and written, between the Parties with respect to the Grant Award described herein.
- 25. Notice.** Within thirty (30) calendar days of the effective date of this Agreement, Grantee shall notify GO-Biz, in writing, of the name, address, phone number, and email of its primary and secondary contact persons for future communication relating to this Agreement. In addition, Grantee agrees to immediately inform GO-Biz of any changes to the name, address, phone number, and email of its primary and secondary contact persons. Unless otherwise specified in this Agreement, any notice required or permitted to be given under this Agreement to GO-Biz shall be emailed to CEG@gobiz.ca.gov.
- 26. Ambiguities.** Each Party has had the opportunity to seek the advice of counsel or has refused to seek the advice of counsel. Each Party and its counsel, if appropriate, have participated fully in the negotiation, drafting, review, and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any Party.
- 27. Necessary Acts, Further Assurances.** The Parties shall at their own cost and expense execute and deliver any further documents and shall take such other actions as may be reasonably required or appropriate to carry out the intent and purposes of this Agreement.
- 28. Sections and Other Headings.** The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.
- 29. Attorneys' Fees.** In the event of any litigation between the parties concerning the terms and provisions of this Agreement, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.
- 30. Representation on Authority of Parties/Signatories.** Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each Party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such Party's obligations hereunder have been duly authorized and that this Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.
- 31. Severability.** If any portion of this Agreement is to any extent invalid, illegal, or incapable of being enforced, such portion shall be excluded to the extent of such invalidity, illegality, or unenforceability; all other terms hereof shall remain in full force and effect.
- 32. Governing Law and Consent to Jurisdiction.** This Agreement will be governed, construed, and enforced according to the laws of the State of California without regard to its conflict of laws rules. Each party hereby irrevocably consents to the exclusive jurisdiction and venue of any state court located within Sacramento County, State of California in connection with any matter arising out of this Agreement or the transactions contemplated under this Agreement.

Remainder of the page is intentionally left blank. Signature page immediately follows.

Governor's Office of Business and Economic Development

By:

Name: Will Koch

Title: Deputy Director

Date:

Grantee

City of Los Angeles

By:

Name: Dr. Imani Brown

Title: Social Equity Program Director

Date:

Exhibit A Budget

Cannabis Equity Grants Program for Local Jurisdictions Assistance for Cannabis Equity Program Applicants & Licensees Application Budget Detail - Funding Request Type 2					
JURISDICTION NAME:		City of Los Angeles			
Total Grant Amount Requested (may not exceed \$3,500,000):					\$ 3,500,000.00
A. Grants and Loans					
Assistance for Local Equity Applicants' and Licensees' Startup and Ongoing Costs		Grants	No-interest Loans	Low-interest Loans	Total
A1	Rent	\$ -	\$ -	\$ -	\$ -
A2	Lease	\$ -	\$ -	\$ -	\$ -
A3	Local and state application, licensing, and regulatory fees*	\$ 3,115,000.00	\$ -	\$ -	\$ 3,115,000.00
A4	Legal assistance	\$ -	\$ -	\$ -	\$ -
A5	Regulatory compliance	\$ -	\$ -	\$ -	\$ -
A6	Testing of cannabis	\$ -	\$ -	\$ -	\$ -
A7	Furniture	\$ -	\$ -	\$ -	\$ -
A8	Fixtures and equipment	\$ -	\$ -	\$ -	\$ -
A9	Capital improvements	\$ -	\$ -	\$ -	\$ -
A10	Training and retention of a qualified and diverse workforce	\$ -	\$ -	\$ -	\$ -
A11	Other (Please Specify)	\$ -	\$ -	\$ -	\$ -
Grants and Loans Subtotal					\$ 3,115,000.00
B. Direct Technical Assistance Costs (May not exceed 10% of total amount requested)					
To Provide or Fund Direct Technical Assistance (TA) to Local Equity Applicants and Equity Licensees					Total
Personnel Classifications		Role in Project	Annual Salary and Benefits	Percentage of Time	
B1			\$ -		\$ -
B2			\$ -		\$ -
Other Direct Technical Assistance Costs					Amount
B11	(Subcontracted) BLC Vendors-Regulatory compliance, business & workforce development, business & technology educational services				\$ 350,000.00
B12					\$ -
Direct Technical Assistance Costs Subtotal					\$ 350,000.00
C. Administrative Costs (May not exceed 1% of total amount requested)					
Personnel Classifications		Role in Project	Annual Salary and Benefits	Percentage of Time	Total
C1	COMMUNITY AFFAIRS ADVOCATE	SEP Director - Oversees all aspects of the SEP	\$ 180,000.00	13.6%	\$ 24,400.00
C2	MANAGEMENT ANALYST	SEP Lead - assists in program development and management	\$ 106,000.00	10.0%	\$ 10,600.00
C3			\$ -		\$ -
Other Administrative Costs					Amount
C11					\$ -
C12					\$ -
Administrative Costs Subtotal					\$ 35,000.00
Direct Technical Assistance Costs as Percentage of Total Amount Requested					10.00%
Administrative Costs as Percentage of Total Amount Requested					1.00%
GRAND TOTAL					\$ 3,500,000.00

*May not be used for fees related to Grantee's Local Equity Program, including eligibility verification fees.

Exhibit B

Matching Funds Budget

Cannabis Equity Grants Program for Local Jurisdictions Type 2 - Matching Funds Budget Template - April 1, 2025 - October 31, 2026					
JURISDICTION NAME:		City of Los Angeles			
Total Matching Funds:					\$ 3,000,000.00
A. Grants and Loans					
Assistance for Local Equity Applicants' and Licensees' Startup and Ongoing Costs		Grants	No-interest Loans	Low-interest Loans	Total
A1	Rent	\$ -	\$ -	\$ -	\$ -
A2	Lease	\$ -	\$ -	\$ -	\$ -
A3	Local and state application, licensing, and regulatory fees*	\$ -	\$ -	\$ -	\$ -
A4	Legal assistance	\$ -	\$ -	\$ -	\$ -
A5	Regulatory compliance	\$ -	\$ -	\$ -	\$ -
A6	Testing of cannabis	\$ -	\$ -	\$ -	\$ -
A7	Furniture	\$ -	\$ -	\$ -	\$ -
A8	Fixtures and equipment	\$ -	\$ -	\$ -	\$ -
A9	Capital improvements	\$ -	\$ -	\$ -	\$ -
A10	Training and retention of a qualified and diverse workforce	\$ -	\$ -	\$ -	\$ -
A11	Other (Please Specify)	\$ -	\$ -	\$ -	\$ -
Grants and Loans Subtotal					\$ -
B. Direct Technical Assistance Costs					
To Provide or Fund Direct Technical Assistance (TA) to Local Equity Applicants and Equity Licensees					Total
Personnel Classifications	Role in Project		Annual Salary and Benefits	Percentage of Time	
B1			\$ -		\$ -
B2			\$ -		\$ -
Other Direct Technical Assistance Costs					Amount
B11					\$ -
B12					\$ -
Direct Technical Assistance Costs Subtotal					\$ -
C. Administrative Costs					
Personnel Classifications	Role in Project		Annual Salary and Benefits	Percentage of Time	Total
C1	COMMUNITY AFFAIRS ADVOCATE	SEP Director - Oversees all aspects of the SEP	\$ 180,000.00	86.4%	\$ 155,600.00
C2	MANAGEMENT ANALYST	SEP Lead - assists in program development and management	\$ 106,000.00	90.0%	\$ 95,400.00
C3	MANAGEMENT ANALYST	SEP Staff - SEP contract administration	\$ 106,000.00	100.0%	\$ 106,000.00
C4	SR ADMINISTRATIVE CLERK	SEP Clerical Support	\$ 75,000.00	100.0%	\$ 75,000.00
C5					\$ -
Other Administrative Costs					Amount
C11	FY 2025-26 Department Admin Support Staff (prorated to 470 SEIA licenses of 1,403 total licenses, or 33.5%)				\$ 1,311,000.00
C12	FY 2025-26 Department Expenses (prorated to 470 SEIA licenses of 1,403 total licenses, or 33.5%)				\$ 461,000.00
C13	Indirect costs for SEP Staff (C1-C4) - CAP 46 Fringe Benefits (48.79%) & Central Services (17.74%), applied to total salary cost (\$432k)				\$ 287,000.00
C14	Indirect costs for Admin Staff (C11) - CAP 46 Fringe Benefits (48.79%) & Central Services (17.74%), applied to total salary cost (\$1.311M). Note: line item adjusted down by \$363k to meet max match amount required of \$3M.				\$ 509,000.00
C15					\$ -
Administrative Costs Subtotal					\$ 3,000,000.00
GRAND TOTAL OF MATCHING FUNDS					\$ 3,000,000.00

*May not be used for fees related to Grantee's Local Equity Program, including eligibility verification fees.