

August 22, 2016

Via Regular United States Mail and Certified Mail, Return Receipt Requested

Neil Richardson 15 Stone Pipe Drive Newport Coast, CA 92657

Re: Medical Cannabis Business Local License Approval

Dear Mr. Richardson:

I am pleased to inform you that the City of Cathedral City ("City") has completed its review of the Medical Cannabis Business Local License ("Local License") application and background check for Newport Holdings, LLC. (MCL 16-022) and you have met all the necessary criteria for issuance of a Local License. You or any other person may appeal the decision to grant your Local License to the City Council pursuant to Cathedral City Municipal Code section 2.04.100.

As you are likely aware, in order to commence operations your Medical Cannabis Business must first obtain a Conditional Use Permit as well, pursuant to the procedures set forth in Cathedral City Municipal Code chapter 9.108. If you have already submitted that application, it will continue to be processed without further action necessary from you. If you have not yet submitted that application, you must do so and complete the entire process and obtain your Conditional Use Permit prior to opening.

The Local License is enclosed and is valid for one year from the date of issuance. (Cathedral City Municipal Code section 5.88.055(F)). You are required to apply for renewal of the Local License no less than thirty (30) calendar days prior to the expiration date. (Cathedral City Municipal Code section 5.88.055(A)).

Should you have any questions, please contact City Planner Robert Rodriguez at 760-770-0344.

Sincerely,

CITY OF CATHEDRAL CITY

CHARLES MCCLENDON, CITY MANAGER



MEDICAL CANNABIS BUSINESS LOCAL LICENSE

(MCL 16-022)

THIS LICENSE HAS BEEN ISSUED PURSUANT TO CATHEDRAL CITY MUNICIPAL CODE CHAPTER 5.88. ISSUANCE HEREOF DOES NOT ENTITLE THE OWNER TO OPERATE OR MAINTAIN A BUSINESS IN VIOLATION OF ANY OTHER LAW OR ORDINANCE. THE LICENSE DOES NOT CONSTITUTE ENDORSEMENT OF ANY ORGANIZATION OR MERCHANDISE OR SERVICES OF ANY CHARACTER. THIS LICENSE IS NON-TRANSFERRABLE AND APPLICATION FOR RENEWAL MUST BE MADE AT LEAST 30 DAYS BEFORE EXPIRATION.

NEWPORT HOLDINGS LLC

ADDRESS: 35655 Bankside Drive

LICENSE TYPE: Cultivation

DELIVERY: No

Community Development Director

Date

THIS PERMIT SHALL EXPIRE ON AUGUST 22, 2017

POST IN A CONSPICUOUS PLACE