City Council Meeting Agenda

Monday, August 17, 2026 at 6:00 PM

33 Church Street, Sutter Creek, CA 95685

The Agenda can be found on the City's Website: www.cityofsuttercreek.org

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The City of Sutter Creek City Council Meeting will be available in person and LIVE on YouTube at https://www.youtube.com/@CityofSutterCreek**.**

You can also watch the meeting on Zoom (please note Zoom participation is only available for viewing.

https://us02web.zoom.us/j/81391466458?pwd=4jXmBm1AP5bEbiID3iDwuxk4GpreRY.1

Or Dial by phone: 301 715 8592 Webinar ID: 816 8589 0182 Passcode: 186036

Unless stated otherwise on the agenda, every item on the agenda is exempt from review under the California Environmental Quality Act ("CEQA") per CEQA Guidelines Sections 15060(c), 15061(b)(3), 15273, 15378, 15301, 15323 and/or Public Resources Code Section 21065.

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1. **Call to Order and Establish a Quorum for Regular Meeting**
2. **Pledge of Allegiance to the Flag**
3. **Public Forum**

   At this time, the public is permitted to address the City Council on items not appearing on the agenda. Comments may not exceed 5 minutes. In accordance with State Law, however, no action or discussion may take place on any item not appearing on the posted agenda. The City Council may respond to statements made or questions asked or may request Staff to report back at a future meeting on the matter. The exceptions under which the City Council may discuss and/or take action on items not appearing on the agenda are contained in Government Code §54954.2. Public comment on any item listed below shall be limited to five minutes, unless additional time is permitted by the Mayor/Council.

4. **City Manager's Report**

   This section is an opportunity to provide Council members with a brief status update on staff activities. No action is expected to be taken by the Council.

5. **Presentations**

6. Approval of Minutes

A. City Council Minutes of August 3, 2026 will be included in the supplemental packet.

7. Consent Agenda

Items listed on the consent agenda are considered routine and shall be enacted in one motion. Any item may be removed for discussion at the request of Council or the Public.

8. Ordinances and Public Hearing

A. Sutter Creek Responsible and Compliant Retail LLC DBA Embarc

Consideration of a Zoning Ordinance Amendment, Development Agreement, Site Plan, Sign Permit, Conditional Use Permit- 11 RIDGE ROAD (APN: 044-020-063)

Staff recommends the City Council take the following actions:

Conduct a public hearing and receive public input

Including hearing from the applicant and appellant

Consider the following actions by separate motions:

Find that the approval of proposed ordinances approving a development agreement and amending Titles 10 and 18 of the Sutter Creek Municipal Code are Categorically Exempt under Section 15301 Class 1, Existing Facilities, from CEQA and Section 15061 (b)(3) (Common-Sense Exemption) and instruct staff to file a Notice of Exemption after council action on zoning ordinances and development agreement; and

Adopt ordinance to approve the Development Agreement with Sutter Creek Responsible and Compliant Retail, LLC DBA Embarc; and

Introduce, and Waive First Reading, of an Ordinance Amending Sections 10.42.050 and 10.42.060 of the Sutter Creek Municipal Code to Authorize a Commercial Cannabis Land Use when Approved by a Conditional Use Permit; and

Introduce, and Waive First Reading of, an Ordinance Amending Sections 18.60.020, 18.60.030, and 18.60.040 of the Sutter Creek Municipal Code Authorizing a Single Retail Storefront Cannabis Dispensary as a Conditional Use in any Zoning District Subject to the Execution of a Development Agreement; and

After considering the appeal filed by Teresa Ryan of the Planning Commission's approval of the Site Plan Permit, Conditional Use Permit, and Sign Permit:

Find that the approval of a Site Plan Permit, Conditional Use Permit, and Sign Permit for Sutter Creek Responsible and Compliant Retail LLC DBA Embarc, at 11 Ridge Road, for one retail and delivery cannabis business, are Categorically Exempt under Section 15301 Class 1, Existing Facilities, from CEQA and Section 15061 (b)(3) (Common-Sense Exemption) and instruct staff to file a Notice of Exemption; and

Adopt resolution to approve, with conditions, a Site Plan Permit, Conditional Use Permit, and Sign Permit for Sutter Creek Responsible and Compliant Retail LLC DBA Embarc, at 11 Ridge Road, for one retail and delivery cannabis business.

9. Administrative Agenda

10. Mayor and Council Member Reports

This section is to provide Council members an opportunity to present updates on their activities and to request items be placed on future agendas.

11. City Attorney's Report

This section provides an opportunity for the City Attorney to report on any activities or upcoming legislation of importance to the City. No action is expected to be taken by the Council.

12. Information and Correspondence

A. Department Monthly Reports will be in a Supplemental Packet closer to the meeting date.

13. Closed Session

14. Report from Closed Session

15. Adjournment

The next regularly scheduled meeting is September 21, 2026.

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TO: CITY OF SUTTER CREEK CITY COUNCIL

MEETING DATE: AUGUST 17, 2026

FROM: ERIN VENTURA, PLANNING CONSULTANT,
TOM DUBOIS, CITY MANAGER

SUBJECT: Sutter Creek Responsible and Compliant Retail LLC DBA Embarc- Zoning Ordinance Amendment, Development Agreement, Site Plan, Sign Permit, Conditional Use Permit- 11 RIDGE ROAD (APN: 044-020-063)

RECOMMENDATION:

Staff recommends the City Council take the following actions:

1. Conduct a public hearing and receive public input
    a. Including hearing from the applicant and appellant
2. Consider the following actions by separate motions:
    a. Find that the approval of proposed ordinances approving a development agreement and amending Titles 10 and 18 of the Sutter Creek Municipal Code are Categorically Exempt under Section 15301 Class 1, Existing Facilities, from CEQA and Section 15061 (b)(3) (Common-Sense Exemption) and instruct staff to file a Notice of Exemption after council action on zoning ordinances and development agreement; and
    b. Adopt ordinance to approve the Development Agreement with Sutter Creek Responsible and Compliant Retail, LLC DBA Embarc; and
    c. Introduce, and Waive First Reading, of an Ordinance Amending Sections 10.42.050 and 10.42.060 of the Sutter Creek Municipal Code to Authorize a Commercial Cannabis Land Use when Approved by a Conditional Use Permit; and
    d. Introduce, and Waive First Reading of, an Ordinance Amending Sections 18.60.020, 18.60.030, and 18.60.040 of the Sutter Creek Municipal Code Authorizing a Single Retail Storefront Cannabis Dispensary as a Conditional Use in any Zoning District Subject to the Execution of a Development Agreement; and
    e. After considering the appeal filed by Teresa Ryan **of** the Planning Commission’s approval of the Site Plan Permit, Conditional Use Permit, and Sign Permit:
        i. Find that the approval of a Site Plan Permit, Conditional Use Permit, and Sign Permit for Sutter Creek Responsible and Compliant Retail LLC DBA Embarc, at 11 Ridge Road, for one retail and delivery cannabis business, are Categorically Exempt under Section 15301 Class 1, Existing Facilities, from CEQA and Section 15061 (b)(3) (Common-Sense Exemption) and instruct staff to file a Notice of Exemption; and
        ii. Adopt resolution to approve, with conditions, a Site Plan Permit, Conditional Use Permit, and Sign Permit for Sutter Creek Responsible and Compliant Retail LLC DBA Embarc, at 11 Ridge Road, for one retail and delivery cannabis business.

BACKGROUND:

On May 11, 2026, the City received an application from Sutter Creek Responsible and Compliant Retail, LLC DBA Embarc ("Embarc") to develop and operate a commercial cannabis retail and delivery business at 11 Ridge Road in the Sutter Hill area. They are forecasting generating direct fees and sales tax to the City plus community benefit payments totaling $685,000 a year in exchange for vested rights to operate a single dispensary for renewable five year terms, subject to an initial one-year pilot program and compliance with all City requirements. They will also generate tax and excise fees for the County, the Fire District, and the State.

State of California Legal Cannabis Background: In 2016, California voters approved Proposition 64, the "Adult Use of Marijuana Act" (AUMA), legalizing and regulating the sale of nonmedical cannabis for adults 21 and over. In 2017, the state passed Senate Bill 94 (MAUCRSA), creating a unified regulatory structure for both medicinal and adult-use cannabis. While the state enforces rigorous licensing, strict age restrictions, security mandates, and a mandatory "track-and-trace" system (METRC), MAUCRSA preserves local authority, mandating that state licenses cannot be issued if a business violates local ordinances. The City of Sutter Creek currently prohibits retail cannabis, but this application proposes a carefully regulated exception for a single facility. Attachments 16 and 17 summarize and list cannabis related state laws.

The Development Agreement Approach: To maximize local control and public benefit, the City is utilizing a Development Agreement (DA) pursuant to California Government Code sections 65864 et seq.. A DA is a voluntary, bilateral contract between the City and the developer. The DA approach ensures that the City receives negotiated benefits—such as a 8% retail fee on gross receipts, an additional 1% Community Investment Fund Fee—that are legally exempt from being classified as a general tax requiring voter approval under Article XIII C of the California Constitution. In exchange, the developer receives vested property rights and reduced economic risk.

Business Environment & Project Description: Embarc is an experienced cannabis operator with 17 legally permitted retail storefronts across California, founded by Lauren Carpenter and Dustin Moore. Their business model focuses on integrating into the community, partnering with local law enforcement, and providing robust employee benefits, including $18/hour starting wages and union representation via the United Food and Commercial Workers (UFCW).

The company is forecasting generating revenue that would provide $625,000 in fees and taxes to the City of Sutter Creek in the first full year of operation. In addition, it would donate $60,000 as a community benefit, and generate significant tax revenue for the County, the State and the Fire district.

Project Description:

The proposed project involves the adaptive reuse of a vacant, 2,662-square-foot former Umpqua Bank building located at 11 Ridge Road. No new construction or expansion of the building footprint is proposed. The site will feature 17 on-site parking spaces, utilize the bank's existing security infrastructure (like the vault), and undergo minor interior and exterior cosmetic improvements.

Overview of entitlements & how the documents relate

The City Council is asked to review the project as a complete, interconnected package. Because Sutter Creek does not currently permit cannabis sales, this project relies on multiple layers of municipal approvals working together:

1. **Zoning Ordinance Amendment (Titles 10 & 18):** This is the foundational step. It amends the City's Municipal Code to create a narrow exception allowing *up to one* storefront retail cannabis dispensary in the City. Without this amendment, the project cannot exist.

2. **The Development Agreement (DA):** This is the governing contract. It binds Embarc to specific operational and financial commitments that go far beyond standard zoning requirements. It mandates the payment of the 8% retail fee to the City, the 1% Community Investment Fund, 100% local hiring priorities, youth drug education funding, on-site security guards and 24 hour live monitoring, and providing real-time camera access to the Sutter Creek Police Department.

3. **Conditional Use Permit (CUP):** The CUP applies the new Zoning Amendment to this specific site at 11 Ridge Road. It ensures the use is compatible with the surrounding C-2 Commercial corridor and explicitly incorporates the operating conditions laid out in the DA.

4. **Site Plan & Sign Permits:** These documents dictate the physical reality of the site. The Site Plan Permit confirms that the minor tenant improvements adhere to City standards. The Sign Permit regulates the aesthetic branding, allowing Embarc to replace the existing illuminated box and monument signs with new faces that conform to local design guidelines.

Planning Commission Decisions
At the July 8, 2026 special meeting of the Planning Commission, the Commissioners unanimously passed the two motions below on a 4-0 (Commissioner Trudgen absent) vote.

Motion: Commissioner Kirkley moved, and Vice Chair Baggett seconded, to recommend that the City Council:

1. *Find that the proposed Zoning Ordinance Amendment and Development Agreement are categorically exempt from CEQA pursuant to CEQA Guidelines Section 15301 (Class 1 – Existing Facilities) and Section 15061 (b)(3) (Common-Sense Exemption) ;*
2. *Adopt a Zoning Ordinance Amendment allowing exactly one (1) retail cannabis business within the City of Sutter Creek, subject to the conditions of the Development Agreement and Conditional Use Permit; and*
3. *Approve the Development Agreement with Sutter Creek Responsible and Compliant Retail LLC DBA Embarc with the following suggested changes:*
   a. *Encourage Embarc to include younger members on the Community Board*
   b. *Align Section 6.1.1 Retail payment timing and Section 7.1.1 Report and payment timing*

Prior to the vote, Chair Mulvey requested that staff review and provide recommended revisions to the Development Agreement for City Council consideration regarding the drug education program participants, requesting to include a "younger person" on the board and to correct conflict between Section 6.1.1 relating to retail fee payments, and Section 7.1.1 relating to the timing of certified reports and payments. The motion maker and second accepted the amendment directing staff to address these items and present any recommended revisions to the City Council.

Attachment #2c. "Ordinance Approving Development Agreement with Embark for Cannabis Dispensary" includes an updated agreement with the correction to Sections 7.1.1 and 6.1.1

Motion: Vice Chair Baggett moved, and Chair Mulvey seconded, to:

1. *Find that the project is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15301 (Class 1 – Existing Facilities and Section 15061 (b)(3) (Common-Sense Exemption) ; and*
2. *Approve, with conditions, the Site Plan Permit, Conditional Use Permit, and Sign Permit for Sutter Creek Responsible and Compliant Retail LLC DBA Embarc at 11 Ridge Road for one retail cannabis business with delivery services, contingent upon City Council approval of the Zoning Ordinance Amendment and Development Agreement.*
    a. *Modify CUP condition #27 to provide that the number of delivery trips shall be in accordance with State Law*

Attachment #3."Embarc CUP, Site Plan and Sign Permit CC Resolution" contains an updated condition #27. If the council wants to be more restrictive, it can revert #27 to two trips a day, which is what was originally presented to the Planning Commission.

Appeal
On July 13, 2026 the City received an appeal of the Planning Commission decisions from Teresa Ryan representing Sutter Creek Residents Against Marijuana-Dispensaries. The five (5) bases for the appeal can be found in Attachment #1 "The appeal letter . "

DISCUSSION:

Zoning Ordinance Amendment

The following changes are proposed:

Chapter 18.06 Procedures, provides procedures for the amendment of the General Plan, Zoning Map, and this Development Code, whenever required by public necessity and general welfare. A zoning ordinance amendment was initiated by the applicant, Embarc.

The City of Sutter Creek currently prohibits retail cannabis business within the City. SCMC 10.42 The applicant has requested a Zoning Ordinance Amendment to amend the code to allow for an exception for a single retail cannabis business to be a permitted use within the City. The proposal limits it to one (1) establishment which must obtain a Conditional Use Permit and to enter into a Development Agreement with the City in order to operate.

The applicant requests amendments to Title 10- Public Peace, Safety, and Morals and Title 18-Zoning Ordinance.

The specific amendments to Title 10 are the following:

10.42.050 - Sales, transfers, and deliveries prohibited.

Except when a conditional use permit has been approved under Chapter 18.60 of this Code, sales, transfers, or deliveries of marijuana for any purpose, whether medical or non-medical, to any person at any residence or public place within city limits are prohibited.

10.42.060 - Commercial activity prohibited.

Except when a conditional use permit has been approved under Chapter 18.60 of this Code, no commercial, office, industrial, or other non-residential building or structure within city limits may be used to allow, transact, or facilitate the cultivation, sale, processing, storage, or transfer of marijuana for any purpose, whether medical or non-medical.

The specific amendments to Title 18 are the following:

18.60.020 - Uses permitted in any zone.

The following uses may be permitted in any zone unless limited to specific zones, and upon the granting of a conditional use permit:

A. Bed and breakfast inns;

…(removed for brevity)

Q. Golf courses, driving ranges and country clubs~~.~~:

R. Special events~~.~~; and

S. A storefront retail cannabis dispensary, provided only one such dispensary may operate within city limits at one time, and further provided the operator of the conditionally permitted dispensary enters into a development agreement for the same term as any approved conditional use permit.

18.60.030 - Conditions.

In approving a use permit, the commission may include such conditions as the commission deems reasonable and necessary under the circumstances to preserve the integrity and character of the district and to secure the general purposes of this title and the general plan. Such conditions, without limiting the discretion and authority of the commission in this regard, may include time limitations, architectural and site approval, street dedication, and street and drainage improvements. For any application to conditionally permit a retail storefront cannabis dispensary, the commission may incorporate by reference into the conditional use permit any conditions that are separately included in any development agreement to be approved for the cannabis use.

18.60.040 - Findings and decisions**.**

The commission, on the basis of the evidence submitted at the hearing, may grant use permits required by the provisions of this title when it finds that:

A. The proposed uses of the property are desirable to the public convenience or welfare;

B. The proposed uses will not impair the integrity and character of the area in which it is located or the zoning district;

C. The proposed uses would not be detrimental to public health, safety, or general welfare;

D. There are adequate public utilities and services available for the proposed uses; ~~and~~

E. The proposed uses of the property are in harmony with the various elements or objectives of the general plan and the purposes of this title.; and

F. For any storefront retail cannabis dispensary, the proposed use will be subject to a separately approved development agreement for the same term as the approved conditional use permit and:

1. The development agreement will provide for appropriate community benefit as consideration for the City's execution of the agreement;

2. The operator has a demonstrated record of successfully operating storefront retail cannabis dispensaries in at least three jurisdictions for a period of at least three years preceding the date of its application;

3. The operator demonstrates it will have adequate capitalization, access to a stable workforce, and a business location conducive to sustaining long-term operations; and

4. The operator, including its principals, shareholders, partners, and officers, has not been convicted of, found civilly liable for, or administratively ordered to fines or penalties for having sold or distributed cannabis or cannabis products in violation of any state statute, state regulation, or local ordinance.

Zoning Amendment Ordinance Findings

An amendment to the General Plan, the Zoning Map or text may be approved only after the Planning Commission has reviewed the proposed amendment, at a public hearing, and made a recommendation to the City Council.

Development Agreement (DA)

Embarc can operate a one year Pilot program subject to an extensive compliance review required to continue operation. The DA sets an initial term of five (5) years, with potential five-year extensions at the City's discretion based on good-faith compliance. The City can terminate the agreement at any time for failure to comply with the terms of the agreements and permits.

- **Financial Benefits:** Embarc will pay an **8% retail fee** to the City on gross receipts, remitted quarterly. This fee includes a protective offset clause: if the City enacts or increases a voter-approved cannabis excise or business tax during the term, the 8% retail fee will be reduced by the amount of that tax paid (though it will not be reduced below zero).
- **Community Benefits:** Embarc will dedicate **1% of gross receipts** into a Community Fund. This fund will be governed and administered by a Community Advisory Board (CAB) consisting of at least two (2) members who reside in Sutter Creek and one(1) who either works or lives in Sutter Creek.
- **Youth Drug and Alcohol Prevention Education:** Within six months of opening to the public, Embarc will fund and implement a youth drug education and prevention program using a recognized curriculum.
- **Local Hiring & Staffing:** Embarc commits to using commercially reasonable best efforts to recruit and **hire 100% of its employees** from within the City of Sutter Creek and Amador County, prioritizing those within a 5-mile radius. Additionally, the Sutter Creek Police Department (SCPD) will require a Livescan background check for all employees.
- **Security & Law Enforcement Access:** Embarc will provide the SCPD with secure, real-time, remote access to its video surveillance cameras. Furthermore, management must immediately notify the SCPD of any criminal activity, suspected criminal activity, or internal security breaches (such as faulty alarms or damaged cameras/locks) as soon as practicable. There is a detailed, confidential security plan that has been reviewed by Sutter Creek PD. Sutter Creek PD will have the ability to access the property at any time.
- **Community Camera Fund:** From the Community Fund, Embarc will contribute the lesser of (i) 20% of the Community Fund or (ii) $25,000 toward a community camera fund available to the Sutter Creek Police Department for installation and annual service fees of cameras throughout the City.
- **Good Neighbor Obligations:** Embarc will maintain a 24/7 Community Hotline and a written complaint response protocol. New provisions also mandate that any graffiti on the property must be removed within 48 hours of discovery or notification, and Embarc must submit a monthly Good Neighbor Report to the City detailing hotline calls, complaint resolutions, and a banned individual list.
- **State Cannabis Law:** The DA requires Permittee to operate in compliance with all “State Cannabis Law”, defined to include the Compassionate Use Act, The Medical Marijuana Program Act, AUMA, MAUCRSA, and DCC regulations promulgated thereunder, as amended. Attachments are included which summarize state law, and provide a longer more detailed listing. The Attachment “Embarc_Sutter Creek DA Conditions Summary” summarizes state law requirements and Permittees agreement to meet or exceed those requirements.

- **Regular Communications and Meetings:** In addition to notification and reports, the agreement requires ongoing meetings to review the operation of the dispensary, address community complaints and any impacts on the community.

Attachments #8-13 are detailed plans which are incorporated by reference into the Development Agreement.

Business Plan

1. Hours. 8 a.m. to 10 p.m, seven days a week.
2. Employees. Will employ 15 - 18 employees, in year 3 anticipate plus one delivery driver. Expect to have an average of 6 - 7 employees on-site on a typical day.
3. Customers. Walk-in visitations without appointment during approved business hours
4. Parking. Exceeds requirements, 17 parking spaces.
5. Delivery service. In year 3, may start delivery according to state law with a single vehicle - one or two outbound deliveries daily during approved operating hours.
6. Ventilation. Carbon filter system installed per code to prevent potential off-site odors.
7. Security Plan. The confidential security plan is on file with Sutter Creek PD.
8. Admittance. The proposed operating plan requires that dispensary staff verify proof of valid identification at check-in of each walk-in customer visitation.

Community Benefits Plan

1. 1% of gross receipts will be put into a community benefit fund to be used to support local organizations, schools, and City sponsored programs.
2. Community Advisory Board:
    a. Develop and implement a community relations plan.
    b. Allocation of community funding.
    c. Oversight and accountability of Embarc operations.
    d. Assist in establishing and building community trust.
    e. Ensure appropriate and thoughtful community education.
3. Youth Education and Prevention.
4. Employee Volunteerism.
5. Community Partnerships:
    a. Community Education
    b. Senior Outreach
    c. Discount program for seniors and veterans.
    d. Local business partnerships
    e. Compassionate use- reduce or no cost
    f. Addiction resources

The Applicant has demonstrated to City staff, by its application documentation and reference checks with multiple cities, that it is qualified to operate a Commercial Cannabis business and has pledged in this Development Agreement that it will operate its business in accordance with state and local law and in a responsible manner to contribute positively to the community and the local economy.

The terms and conditions of the Development Agreement have undergone extensive review by City staff and have been found to be fair, just and reasonable. The pursuit of the Project will best serve the interests of its citizens and the public health, safety, and welfare by entering into this Development Agreement.

Development Agreement Findings

17.40.050 The City Council may approve a Development Agreement, with or without conditions, only if all of the following findings can be made:

A. Consistency. The provisions of the development agreement are consistent with the general plan and any applicable master plan, public financing plan, specific plan, and special purpose plan for the area; and

B. Development Title. The proposed development complies with all provisions of these guidelines.

The following applications were reviewed by the Planning Commission at the July 8, 2026 Special Meeting. The Planning Commission made the required findings for approval. Because the approval was appealed, the City Council is tasked to review the applications de novo.

Conditional Use Permit

The property is zoned C-2 (Commercial) and surrounded by compatible multi-tenant commercial uses, including a gas station, retail stores, food truck, a septic treatment company, and a concrete plant. There are several empty storefronts nearby.

A Conditional Use Permit works with the Development Agreement to give the city more direct control. Several of the CUP conditions, reference commitments with the DA.

The following Conditions of Approval are in addition to what is required in the DA:

1. The Conditional Use Permit shall not be operational unless or until a Zoning Ordinance Amendment has been adopted by the City Council.
2. The Conditional Use Permit shall not be operational unless or until a Development Agreement is fully executed by the City and the Development Agreement remains valid
3. Applicant’s operations must comply with all applicable laws and regulations. Failure to comply with applicable laws or regulations is a violation of this CUP and constitutes grounds for revocation of the CUP.
4. Applicant’s operations must comply with the Development Agreement.
5. Applicant’s operations must comply with the Business plan submitted to the City.
6. Applicant’s operations must comply with the Safety Plan submitted to the City and approved by the Police Chief.
7. Applicant’s operations must comply with the Labor and Employment plan submitted to the City.
8. Applicant’s operations must comply with the Neighborhood Compatibility plan submitted to the City.
9. Applicant’s operations must comply with the Community Benefits Plan submitted to the City.
10. Applicant’s operations must comply with the Location Plan submitted to the City.
11. Applicant shall notify the City in writing within 10 days of any change in licensure status with the California Bureau of Cannabis Control.
12. There shall be no consumption of cannabis products or alcoholic beverages on the subject site.
13. Indoor or Outdoor Live music and entertainment, or use of amplified speakers for advertising, entertainment or promotions is not permitted by this CUP. Events of this type would require separate application, review, and approval from the City prior to each and every event.

14. Applicant shall pay the $50.00 CEQA Notice of Exemption (NOE) filing fee to the Amador County Recorder.
15. Applicant shall comply with Section 18.06.090 and 18.06.100 of the Zoning Code regarding the 12-month period to implement the Project and/or Extension of time.
16. Applicant must obtain a Business License.
17. Applicant must comply with their approved Site Plan Permit.
18. Applicant shall upgrade existing parking and path of travel to meet current ADA standards.
19. Applicant shall provide building plans and obtain building permits for interior improvements including necessary ADA upgrades.
20. Any building or parking area illumination including security lighting, shall be arranged to direct light and glare away from adjoining properties.
21. Any new signage added must be reviewed and approved by the Planning Commission.
22. The site shall be kept clean of all debris (boxes, junk, garbage, etc.) at all times. All scrap materials shall be stored in a container and shall be removed regularly.
23. Hours of operation. Cannabis retail businesses shall not be open to the public and shall not conduct retail sales or deliveries before eight a.m. or after ten p.m. on Monday-Sunday.
24. Odor control. Odors shall be contained on the property on which the cannabis retail business is located.
25. No business operations or retail merchandise shall be visible from the exterior of a building where a cannabis retail business is located.
26. Cannabis retail businesses shall ensure that advertising and marketing of cannabis and cannabis products are not targeted to individuals less than twenty-one years of age.
27. If and when delivery becomes available, a plan must be submitted to the City for review. ~~No more than two delivery trips will be permitted per day.~~ The number of deliveries per day shall not exceed what is allowed by State Law.
28. Any Conditional Use Permit granted in accordance with the terms of the City of Sutter Creek Municipal Code may be revoked if any of the conditions or terms of such permit are violated, the use is discontinued, or if any law or ordinance is violated in connection therewith.

The change to condition of approval #27 is the recommendation from the planning commission. As this is under appeal, the Council can decide to accept the original condition, the PC recommended decision or deny the Condition Use Permit.

Conditional Use Permit Findings

In order for the City Council to grant approval of the Conditional Use Permit, it must make the following findings:

1. The proposed uses of the property are desirable to the public convenience or welfare;
2. The proposed uses will not impair the integrity and character of the area in which it is located or the zoning district;
3. The proposed uses would not be detrimental to public health, safety, or general welfare
4. There are adequate public utilities and services available for the proposed uses; and
5. The proposed uses of the property are in harmony with the various elements or objectives of the general plan and the purposes of this title.
6. For any storefront retail cannabis dispensary, the proposed use will be subject to a separately approved development agreement for the same term as the approved conditional use permit and:

a. The development agreement will provide for appropriate community ben[efit] consideration for the City's execution of the agreement;

b. The operator has a demonstrated record of successfully operating storefront retail cannabis dispensaries in at least three jurisdictions for a period of at least three years preceding the date of its application;

c. The operator demonstrates it will have adequate capitalization, access to a stable workforce, and a business location conducive to sustaining long-term operations; and

d. The operator, including its principals, shareholders, partners, and officers, has not been convicted of, found civilly liable for, or administratively ordered to fines or penalties for having sold or distributed cannabis or cannabis products in violation of any state statute, state regulation, or local ordinance.

Recommended Findings

1. The proposed uses of the property are desirable to the public convenience or welfare;

   Currently residents of Amador County are leaving the county to purchase cannabis. Allowing one retail cannabis business within the County will provide a public convenience.

2. The proposed uses will not impair the integrity and character of the area in which it is located or the zoning district;

   With the required conditions and Development Agreement, the integrity and character of the area will not be impaired. The area in which the proposed project is located is a commercial corridor with a mix of uses, including gas stations, convenience stores, a concrete plant, a septic service company, and retail stores.

3. The proposed uses would not be detrimental to public health, safety, or general welfare

   With the required conditions and Development Agreement, public health, safety, and general welfare will not be detrimentally impacted. Must comply with extensive state laws.

4. There are adequate public utilities and services available for the proposed uses; and

   The proposed project is located in an existing retail/commercial building with existing utilities and services. The previous use as a bank has extremely similar usage profile in terms of trip generation and parking

5. The proposed uses of the property are in harmony with the various elements or objectives of the general plan and the purposes of this title.

   The use of the property will be in harmony with the general plan and C2 zoning. The applicant will improve the property, including landscaping and revitalize the area

6. For any storefront retail cannabis dispensary, the proposed use will be subjec separately approved development agreement for the same term as the approved conditional use permit and:

   a. The development agreement will provide for appropriate community benefit as consideration for the City's execution of the agreement;

   The development agreement has been reviewed by City staff, with special consideration to ensure appropriate community benefits have been included. An 8% benefit fee will be collected by the city's general fund and a 1% fee will be put into a separate community benefit fund.

   b. The operator has a demonstrated record of successfully operating storefront retail cannabis dispensaries in at least three jurisdictions for a period of at least three years preceding the date of its application;

   Embarc currently operates more than three retail storefronts across California.

   c. The operator demonstrates it will have adequate capitalization, access to a stable workforce, and a business location conducive to sustaining long-term operations; and

   Based on the business information provided to the City, Embarc has demonstrated it will have adequate capitalization, access to a stable workforce, and a business location conducive to sustaining long-term operations.

   d. The operator, including its principals, shareholders, partners, and officers, has not been convicted of, found civilly liable for, having sold or distributed cannabis or cannabis products in violation of any state statute, state regulation, or local ordinance.

   Embarc and its principles have no actions against them recorded by the State's Department of Cannabis Control which is responsible for licensing and no records of Cannabis actions by the Department of Taxation. The principles have attested that they have not violated any regulation or ordinance.

Site Plan Permit

The Applicant is proposing to make minor improvements to the site, including interior and exterior tenant improvements to the existing building and new landscaping. The existing building, which once operated as a bank, will be used as a retail cannabis business which will operate consistent with State Cannabis Law, all other applicable California law, and the project approvals.

Table 1. Relevant Summary of Proposed Site

Description	Proposed	Meets Requirements?
Site	11 Ridge Road	-
Building Plan	2,662 sf	Yes- existing
Lot Size	.25 acres/10,890 sf	Yes
Zoning	C-2	Yes
General Plan Land Use Description	C-Commercial	Yes
Is this in the Main Street Historic District?	No	-
Historic District?	No	-
Parking	17 parking spaces	Per SC Code 9 spaces are required.
Access	Ridge Road/Highway 49	Yes
Fencing	None proposed	–
Trees and Landscaping per 13.24.120	Planters in front of the building	Yes

Map 1. Aerial Photo

EXISTING VIEW

PROPOSED VIEW

1 SITE PLAN
1:10

SCALE 1 INCH = 10 FEET
10 0 10 20

NORTH

INDEX OF DRAWINGS

SITE ACCESSIBILITY NOTES

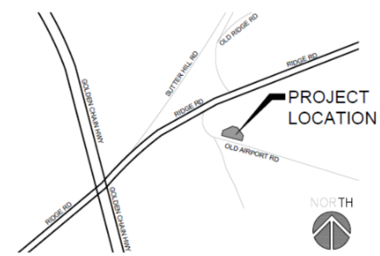
1. ACCESSIBLE PATH OF TRAVEL (POT), AS INDICATED SHALL COMPLY WITH 11B-402 OF THE CALIFORNIA BUILDING CODE. POT SHALL BE AN IDENTIFIABLE ACCESSIBLE ROUTE WITHIN AN EXISTING SITE, BUILDING OR FACILITY BY MEANS OF WHICH A PARTICULAR AREA MAY BE APPROACHED, ENTERED AND EXITED, AND WHICH CONNECTS A PARTICULAR AREA WITH AN EXTERIOR APPROACH (INCLUDING SIDEWALKS, STREETS AND PARKING AREAS), AN ENTRANCE TO THE FACILITY, AND OTHER PARTS OF THE FACILITY. ACCESSIBLE PATH SHALL BE:
   - 1.1. THE RUNNING SLOPE OF WALKING SURFACES SHALL NOT EXCEED 1:20 EXCEPT FOR SIDEWALKS, WHICH SHALL NOT EXCEED THE GENERAL GRADE ESTABLISHED FOR THE ADJACENT STREET OR HIGHWAY)
   - 1.2. CROSS SLOPE SHALL NOT EXCEED 1:48 (PER 11B-403.3).
   - 1.3. CLEAR WIDTH OF SIDEWALKS AND WALKS SHALL BE 48" WIDE MINIMUM (PER 11B-403.5.1).
   - 1.4. VERTICAL CHANGES IN LEVEL SHALL COMPLY WITH 11B-303.2 AND SHALL NOT EXCEED $\frac{1}{4}$" MAXIMUM.
   - 1.5. BEVELED CHANGES IN LEVEL SHALL COMPLY WITH 11B-303.3 AND SHALL NOT EXCEED $\frac{1}{2}$" MAXIMUM, TO INCLUDE A $\frac{1}{4}$" VERTICAL AND $\frac{1}{4}$" BEVELED WITH A SLOPE NOT EXCEEDING 1:2.
2. DOORS, DOORWAYS, AND GATES THAT ARE PART OF AN ACCESSIBLE ROUTE SHALL COMPLY WITH SECTION 11B-404, INCLUDING ALL GROUND LEVEL ENTRANCES AND EXITS.
3. PER 11B-203.5 MACHINERY SPACES, SPACES FREQUENTED ONLY BY SERVICE PERSONNEL FOR MAINTENANCE, REPAIR OR OCCASIONAL MONITORING OF EQUIPMENT SHALL NOT BE REQUIRED TO COMPLY WITH CHAPTER 11B OF THE CALIFORNIA BUILDING CODE.

PROJECT SUMMARY

BUILDING DATA

APN	044020063
JURISDICTION	CITY OF SUTTER CREEK
ZONING	COMMERCIAL
CLIMATE ZONE	12
SITE AREA	10,890 SF/0.25 ACRES
OCCUPANCY CLASSIFICATION	M, S-1
TYPE OF CONSTRUCTION	VB
SPRINKLERED	NO
OCCUPANCY SEPARATIONS	NO
TOTAL EXISTING BUILDING AREA	2,682 SF
EXISTING TENANT AREA	2,682 SF
TENANT IMPROVEMENT AREA OF WORK	2,682 SF
PROPOSED NEW AREA	NO ADDED AREA - TENANT IMPROVEMENTS ONLY

VICINITY MAP



DEVELOPMENT NOTES:

1. THE PROPOSED CANNABIS RETAIL BUSINESS CONFORMS WITH THE GENERAL PLAN, AND THE LOCAL COMMUNITY PLAN.
2. THE PROPOSED CANNABIS RETAIL BUSINESS COMPLIES WITH THE ZONE DISTRICT DEVELOPMENT STANDARDS AND ALL OTHER RELATED DEVELOPMENT STANDARDS.
3. THE PROPOSED CANNABIS RETAIL BUSINESS IS ADEQUATE IN SIZE AND SHAPE TO ACCOMMODATE THE YARDS, WALLS, FENCES, PARKING AND LOADING FACILITIES, LANDSCAPING, AND ALL ITEMS REQUIRED FOR THE DEVELOPMENT.
4. THE PROPOSED CANNABIS RETAIL BUSINESS IS SERVED BY HIGHWAYS ADEQUATE IN WIDTH AND IMPROVED AS NECESSARY TO CARRY THE KIND AND QUANTITY OF TRAFFIC SUCH USE WILL GENERATE.
5. THE PROPOSED CANNABIS RETAIL BUSINESS IS PROVIDED WITH ADEQUATE ELECTRICITY, SEWERAGE, DISPOSAL, WATER, FIRE PROTECTION, AND STORM DRAINAGE FACILITIES FOR THE INTENDED PURPOSE.
6. THE PROPOSED CANNABIS RETAIL BUSINESS DEMONSTRATES COMPATIBILITY WITH THE SURROUNDING CHARACTER OF THE NEIGHBORHOOD AND BLEND IN WITH EXISTING BUILDINGS. THE ESTABLISHMENT LOOKS SIMILAR TO OTHER NEARBY BUILDINGS.

NOTE:

SITE FULLY COMPLIES WITH T-24, ACCESSIBILITY STANDARDS: AND SUBJECT TO FIELD VERIFICATION.

SITE PLAN DISCLAIMER:

ALL SITE INFORMATION NOTED ON THIS PAGE WAS COLLECTED THROUGH COUNTY IMAGERY, GIS DATA, AND PARCEL RECORDS. NO SURVEY OF THE PROPERTY HAS BEEN CONDUCTED.

CANNABIS BUSINESS ACTIVITY NOTE:

1. NO CANNABIS CULTIVATION WILL BE CONDUCTED
2. ALL CANNABIS ACTIVITY LIMITED TO COMMERCIAL BUSINESS
3. ALL CANNABIS ACTIVITY WILL BE CONDUCTED WITHIN BUILDING INTERIOR
4. NO CANNABIS OR CANNABIS PRODUCTS OR GRAPHICS DEPICTING CANNABIS OR CANNABIS PRODUCTS SHALL BE VISIBLE FROM THE EXTERIOR OF ANY PROPERTY ISSUED A COMMERCIAL CANNABIS BUSINESS PERMIT, OR ON ANY OF THE VEHICLES OWNED OR USED AS PART OF THE CANNABIS RETAIL BUSINESS. NO OUTDOOR STORAGE OF CANNABIS OR CANNABIS PRODUCTS IS PERMITTED AT ANY TIME.

KM architecture

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A Full Service Architectural Practice
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(530) 344-4073

EMBARC SUTTER CREEK

11 RIDGE RD
SUTTER CREEK, CA
95685

CONDITIONAL USE PERMIT

APN:
044020063

Drawn By	A. ICMAT
Project Architect	KIRK MILLER
Scale	AS NOTED
Date	04/29/2026
Project Number	20112.42

This drawing is not final, or to be used for construction until the Architect's or Engineer's seal and signature appear above.

SHEET TITLE

OVERALL
SITE PLAN

MARK	DESCRIPTION	DATE
	CUP SUBMISSION	

SHEET NO.

AS-101

FINISH SCHEDULE

NOTE: INTERIOR FINISH MATERIALS APPLIED TO WALL AND CEILINGS SHALL BE TESTED AS SPECIFIED IN SECTION 803.1.1., CLASS A

OFFICE, IT, RECEPTION, & AREAS NOT INDICATED BELOW:
1. GWB WALLS TO BE PRIMED AND PAINTED SEE PAINT SCHEDULE, THIS NOTE
2. EXISTING CEILING GRID TO REMAIN, REPLACE MISSING OR DAMAGED CEILING TILES
3. 4" BLACK RUBBER BASE
4. EXISTING FLOOR FINISH TO REMAIN @ OWNERS DISCRETION, REMOVE (E) FLOOR FINISH AND BROOM CLEAN (E) SLAB
5. OPTION 1: PROVIDE OPTION AT OFFICE FOR LOW MAINTENANCE COMMERCIAL CARPET TILE BY ARMSTRONG FLOORING, OR EQUAL

SECURE STORAGE ROOM:
1. GWB WALLS TO BE PRIMED AND PAINTED TO BE PRIMED AND PAINTED SEE PAINT SCHEDULE, THIS NOTE,
2. EXISTING CEILING GRID TO REMAIN, REPLACE MISSING OR DAMAGED CEILING TILES
3. 4" BLACK RUBBER BASE
4. EXISTING FLOOR FINISH TO REMAIN @ OWNERS DISCRETION, REMOVE (E) FLOOR FINISH AND BROOM CLEAN (E) SLAB

BREAK ROOM:
1. GWB WALLS TO BE PRIMED AND PAINTED TO BE PRIMED AND PAINTED SEE PAINT SCHEDULE, THIS NOTE
2. EXISTING CEILING GRID TO REMAIN, REPLACE MISSING OR DAMAGED CEILING TILES
3. 4" BLACK RUBBER BASE
4. EXISTING FLOOR FINISH TO REMAIN @ OWNERS DISCRETION, REMOVE (E) FLOOR FINISH AND BROOM CLEAN (E) SLAB
7. OPTION 1: PROVIDE OPTION TO EPOXY FINISH (E) CONCRETE FLOORING

RETAIL AREA, LOBBY, INTAKE AND RECEPTION.
1. PROVIDE LEVEL 4 FINISH AT ALL NEW SALES FLOOR WALLS, PATCH AND PAINT (E) WALLS WHERE REQUIRED
2. GWB WALLS TO BE PRIMED AND PAINTED TO BE PRIMED AND PAINTED SEE PAINT SCHEDULE, THIS NOTE
3. COORDINATE WITH OWNER ON THE USE OF WALL DECALS/ MURALS/ WALLPAPER - WHERE REQUIRED, PROVIDE SUITABLE SUBSTRATE FOR MOUNTING
4. EXISTING CEILING GRID TO REMAIN, REPLACE MISSING OR DAMAGED CEILING TILES, PRIME & PAINT FULL CEILING (GRID AND TILES) TO BE PRIMED AND PAINTED SEE PAINT SCHEDULE, THIS NOTE
5. 4" BLACK VINYL COVE BASE
6. EXISTING FLOOR FINISH TO REMAIN @ OWNERS DISCRETION, REMOVE (E) FLOOR FINISH AND BROOM CLEAN (E) SLAB
7. OPTION 1: PROVIDE OPTION TO EPOXY FINISH (E) CONCRETE FLOORING

RESTROOM / JANITOR:
1. WALLS TO BE PRIMED AND PAINTED TO BE PRIMED AND PAINTED SEE PAINT SCHEDULE, THIS NOTE. PROVIDE SMOOTH FINISH FRP TO 48" AFF ON WALLS, COLOR AS SELECTED BY OWNER
2. EXISTING RESILIENT FLOOR AND COVE BASE TO REMAIN

GENERAL:
1. PRIME & PAINT ALL SIDES OF EXPOSED WOOD FINISHES
2. UNLESS OTHERWISE NOTED, BROOM CLEAN (E) EXPOSED CONCRETE SLAB
3. UNLESS OTHERWISE NOTED, PROVIDE 4" BLACK VINYL COVE BASE AT ALL WALLS TO RECEIVE GWB FINISH
4. ALL HM DOOR TRIM TO BE PAINTED BLACK SEMI-GLOSS
5. PROVIDE SCHLUTER SCHIENE TRANSITION STRIPS, 304 STAINLESS STEEL FINISH, AT ALL SAME-HEIGHT MATERIAL TRANSITIONS AND TERMINATIONS, PROVIDE SLOPED TRANSITIONS, 304 STAINLESS STEEL FINISH, WHERE CHANGE IN LEVEL IS REQUIRED (REFER TO SHEET G-003 FOR THRESHOLD & CHANGE IN LEVEL REQUIREMENTS).

PAINT SCHEDULE:

1. DOORS AND FRAMES: CHANTILLY LACE DOORS, EBONY KING FRAMES
2. ALL INTERIOR WALLS: BENJAMIN MOORE CHANTILLY LACE OC-65 EGGSHELL
3. RESTROOM / JANITOR: BENJAMIN MOORE CHANTILLY LACE OC-65 SEMI GLOSS
4. EXTERIOR TRIM: BENJAMIN MOORE EBONY KING
5. EXTERIOR BUILDING: BENJAMIN MOORE ICE MIST

LEGEND

(E) WALL
(N) WALL
PARTITION TYPE, SEE SHEET A-501

NOTES:
1. SALES AREA COUNTERS TO BE A DEFERRED SUBMITTAL BY OWNER/CONTRACTOR
2. SALES AREA COUNTERS (SERVICE COUNTERS) SHALL COMPLY WITH CBC 11B-904 AND SHALL BE LOCATED ADJACENT A WALKING SURFACE COMPLYING WITH 11B-403
3. SALES AREA COUNTERS SHALL BE PROVIDED WITH AN ACCESSIBLE COUNTER WITH A 30"x48" CLEAR FLOOR AREA ARRANGED FOR PARALLEL APPROACH PER CBC 11B-305.5(B)
4. MAXIMUM HEIGHT OF THE ACCESSIBLE COUNTER IS 34" AFF
5. THE ACCESSIBLE COUNTER SHALL EXTEND THE FULL DEPTH OF THE SERVICE COUNTER AND SHALL BE A MINIMUM LENGTH OF 36" WITH 30"x48" CLEAR FLOOR AREA PER CBC 11B-305.5(B)
6. THE MEANS OF EGRESS SERVING A ROOM OR SPACE, SHALL BE ILLUMINATED AT ALL TIMES THAT THE ROOM OR SPACE SERVED BY THE MEANS OF EGRESS IS OCCUPIED. THIS APPLIES TO LIGHTING OTHER THAN THE EXIT SIGNS. 2022 CFC, SECTION 1008.2.
7. PROVIDE EMERGENCY LIGHTING ON EXTERIOR LANDINGS AS REQUIRED BY 2022 CFC, SECTION 1010.1.6 FOR EXIT DOORWAYS THAT LEAD DIRECTLY TO THE EXIT DISCHARGE. 2022 CFC, SECTION 1008.3.2
8. PROVIDE ILLUMINATED EMERGENCY POWER PER CFC, SECTION 1008.3.2
9. A SMOKE DETECTOR SHALL BE PROVIDED IN THE MAIN SUPPLY AIR DUCT OF EACH HVAC UNIT TO SHUT OFF THE POWER SOURCE OF THE UNIT UPON THE DETECTION OF SMOKE WHEN THE TOTAL CFM IN EXCESS OF 2000. 2022 CMC 608, 608.1.
10. INCLUDE NOTE ON STORE FRONT WITH EMPLOYEE NAME AND 24 HOUR PHONE NUMBER

CANNABIS BUSINESS ACTIVITY NOTE:

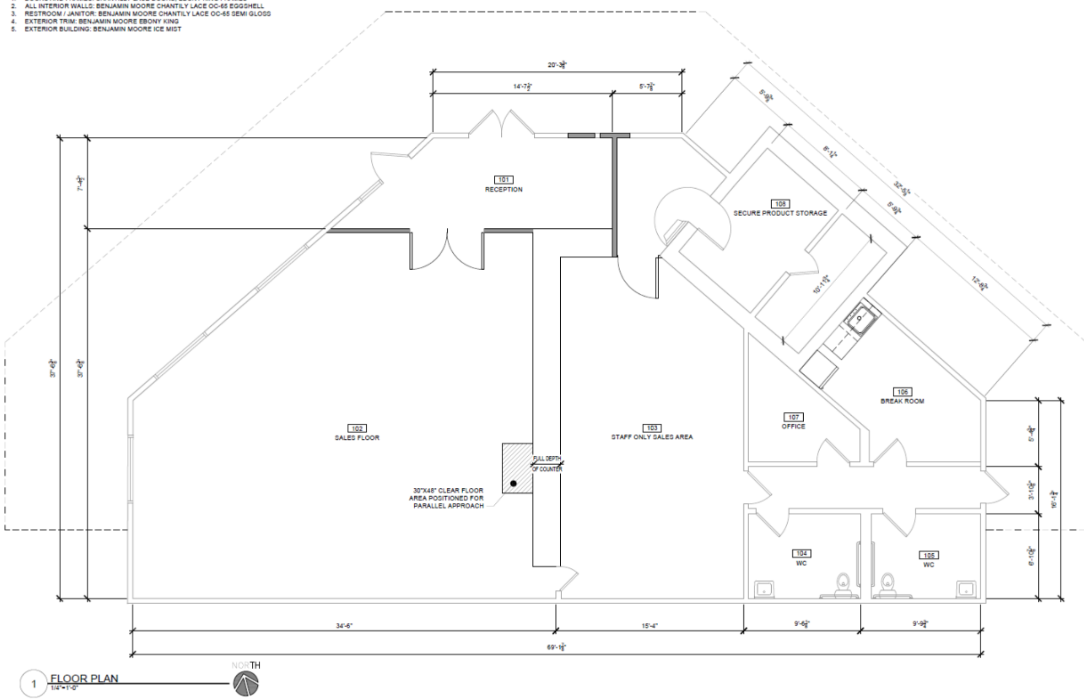
1. NO CANNABIS CULTIVATION WILL BE CONDUCTED
2. ALL CANNABIS ACTIVITY LIMITED TO COMMERCIAL BUSINESS
3. ALL CANNABIS ACTIVITY WILL BE CONDUCTED WITHIN BUILDING INTERIOR
4. NO CANNABIS OR CANNABIS PRODUCTS OR GRAPHICS DEPICTING CANNABIS OR CANNABIS PRODUCTS SHALL BE VISIBLE FROM THE EXTERIOR OF ANY PROPERTY ISSUED A COMMERCIAL CANNABIS BUSINESS PERMIT, OR ON ANY OF THE VEHICLES OWNED OR USED AS PART OF THE CANNABIS RETAIL BUSINESS. NO OUTDOOR STORAGE OF CANNABIS OR CANNABIS PRODUCTS IS PERMITTED AT ANY TIME.

FIRE EXTINGUISHER NOTE:

CONTRACTOR SHALL PROVIDE & LOCATE FIRE EXTINGUISHERS PER EXIT PLAN, SHEET LS-101.

EGRESS DOOR NOTE:

REFER TO NOTES 6-8 ON THIS SHEET FOR EGRESS DOOR REQUIREMENTS.



1 FLOOR PLAN
1/4"=1'-0"

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EMBARC SUTTER CREEK

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CONDITIONAL USE PERMIT

APN:
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Drawn By: A. ICMAT
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Scale: AS NOTED
Date: 04/29/2026
Project Number: 20112.42

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SHEET TITLE

FLOOR PLAN

MARK	DESCRIPTION	DATE
	CUP SUBMISSION	

SHEET NO.

A-101

The project site is situated in an area with other commercial uses.

Direction	Zoning	Use
North	C-2	Commercial, Residential
East	C-2	Multitenant Commercial
South	R1A (County)	Vacant
West	C-2	Multitenant Commercial, gas station

General Plan: The Project site is designated "C" Commercial on the Land Use Diagram. The "C," Commercial, land use designation is applied to those areas of the City where retail, commercial, and professional business services are preferred.

- Minimum parcel or lot size is 7,000 square feet.
  - The Project parcel is approximately 10,890 square feet (.25 acres) in compliance with the land use standard.
- Maximum lot coverage of 85%.
  - The Project coverage is below the maximum coverage standard with about 24% coverage.
- Maximum building height is 50 feet.
  - The existing building is well below the allowable height..

Zoning: The Project site is designated "C-2" (Commercial) on the Zoning Map. The C-2 Zone is designated for retail commercial uses to insure the economic vitality of the community. The project complies with all development standards of the C-2 zones and, with the adoption of the Zoning Ordinance Amendment, is an allowed use, with CUP.

Design Standards: The application is not with the Historic District and therefore was not reviewed by the Design Review Committee. The exterior changes they are proposing are very minor and will not change the existing character of the building.

Parking: The Sutter Creek Municipal code does not explicitly have retail cannabis as a listed use. Retail commercial and professional offices require 1 space for every 300 sf of floor area. Staff categorizes this site as retail commercial, therefore 7 parking spaces are required.
The applicant is proposing 17 parking spaces. The site can accommodate additional parking as needed.

Fencing: The applicant is not proposing any fencing at this time.

Access: Main access to the project is off of Ridge Road, with secondary access located off Old Airport Road.

Landscaping: The applicant is proposing minimal landscaping at the front of the buildings. They will be installing planters.

Environmental:This project qualifies for a Categorical Exemption under Section 15301, Class 1 (Existing Facilities) and Section 15061 (b)(3) (Common-Sense Exemption) of the California Environmental Quality Act (CEQA) Guidelines.

Pursuant to Section 18.50 (Site Plan Review), all development within the C-2 zoning district is required to obtain Site Plan approval. The applicant has submitted the necessary materials and plans to satisfy the submittal requirements for Site Plan review.

Site Plan Findings
In order for the City Council to grant approval of the Site Plan permit, they must make the following findings:

1. The proposed site development is essential or desirable to the public convenience or welfare;
2. The proposed site development will not impair the integrity and character of the area in which it is located, or the zoning district;
3. The proposed site development will insure that adequate public utilities and services are provided so that the project would not be detrimental to public health, safety, or general welfare;

Recommended Findings

1. The proposed site development is essential or desirable to the public convenience or welfare;

   It revitalizes a vacant building within the city and can potentially attract additional new businesses. It will be a public convenience, eliminating long drives by current residents to cannabis stores in adjacent counties.

2. The proposed site development will not impair the integrity and character of the area in which it is located, or the zoning district;

   The project will not impair the integrity of the zoning district. It utilizes an existing commercial retail space, requires only minor cosmetic tenant improvements, and provides 17 on-site parking spaces, which exceeds the requirement of 9 spaces for retail commercial.

3. The proposed site development will insure that adequate public utilities and services are provided so that the project would not be detrimental to public health, safety, or general welfare;

   The business is proposing to use an existing commercial building that has adequate public utilities to serve that operation.

Sign Permit

The applicant has requested a Sign Permit to update the existing signs. They are proposing to update a monument sign and wall mounted sign.

The monument size is currently existing and was originally approved along with the building. There are two signs on the existing monument sign. The top sign measures 96” by 73” and is double sided (97.33 sf). The smaller sign is 22” by 30” and is also double sided (9.2 sf).

EXISTING VIEW

PROPOSED VIEW

The applicant is also proposing to replace the existing wall sign. The new sign is 192” by 36” (48 sf).

(1) COLORS & MATERIALS (WALL SIGN)

Based on Table 15.1 Allowable Sign Area, the applicant is allowed up to a total of 116 ft of signage, with no individual signs exceeding two-thirds of the area permitted.

Recommended Findings

While the existing signs slightly exceed the allowable square footage under current code, they are legally existing structures. Staff recommends allowing the applicant to replace the faces of the existing signs, as this avoids the need to demolish and rebuild the structures and complies with the visual standards of the commercial corridor.

CEQA REVIEW:

CEQA Analysis
As part of the review process for this application, the City is required to analyze the potential impacts under CEQA for the Project, the Zoning Amendment, and the Development Agreement.. Staff has determined that the project is categorically exempt from CEQA review.

Class 1 (Existing Facilities): Under CEQA Guidelines § 15301, this exemption applies to the operation, permitting, or minor alteration of existing private structures involving negligible or no expansion of use. The project involves a 2,598 square-foot building with 1300 sq ft of retail floor space. There will be tenant improvements in an existing commercial building (formerly a bank) with no expansion to the building footprint.

Common Sense Exemption: Under CEQA Guidelines § 15061(b)(3), it can be seen with certainty that there is no possibility the adaptive reuse of an existing commercial building into a carefully regulated retail storefront will have a significant effect on the physical environment.

Traffic Impact Analysis

A potential impact of the proposed use is the potential for increased traffic compared to the former bank use, specifically during the p.m. peak hour on weekdays. Data from traffic reports prepared for other dispensaries throughout California and from the Institute of Traffic Engineers (ITE) suggest that the trip generation for a dispensary will be higher than for a bank, including the p.m. peak traffic hour on weekdays. Trip generation for banks is approximately 100 trips per 1,000 square feet of floor area and trip generation for retail cannabis dispensaries have been analyzed at rates of 70 to 250 trips per 1,000 square feet of floor area. However, because of the small size of the building’s publicly accessible retail floor space (approximately 1,300 square feet), the potential increase to daily trip generation (up to 195 trips when multiplying 1.3 ksf by a potential increase of 150 daily trips compared to the former bank land use) will have a less than significant transportation impact under CEQA.

Vehicle Miles Travelled (VMT) Analysis

Past changes in State environmental legislation require that public agencies use a metric known as vehicle miles traveled (VMT) rather than the LOS (Level of Service) analysis for determining transportation impacts under CEQA. The finding that the project will have a less than significant transportation impact is supported by VMT recommendations published by the California Governor’s Office of Planning and Research (OPR). The OPR data indicates that a project may be presumed to have a less than significant VMT impact because the addition of new locally-serving retail uses (e.g., under 50,000 square feet) typically reduces travel miles by redistributing vehicle trips to within a closer proximity of where customers generally work or reside. If approved, residents from the City and greater Amador County area will have a local option for cannabis dispensary purchases that currently require an approximately 22 (San Andreas) to 32 mile (Shingle Springs) trip to existing dispensaries located in Calaveras or El Dorado counties.

Therefore, as provided by OPR's guidance on locally-serving retail uses, the traffic increase proposed by the dispensary retail operation may be presumed to have a less than significant VMT impact because adding new smaller-scale retail uses to the local transportation framework is typically shown to reduce travel miles by improving destination accessibility and creating more opportunity for customers to travel shorter distances than previously available.

Referrals to other Agencies

The initial application package was referred to City staff and affected agencies. The City received comments back from the following departments or agencies:

- ACTC
- City Engineering/Building Department
- City's Sewer Engineer
- PG&E
- Amador County

The comments received have either been included as Conditions of Approval, incorporated the proposal or been addressed in this staff report.

Response to Amador County General Services Administration: Amador County submitted a letter opposing the project, arguing that the City must prepare an Environmental Impact Report (EIR) because the project presents an "unusual circumstance" under CEQA and raises public health and safety concerns. The City respectfully disagrees with the County's legal and factual assertions:

- **"Unusual Circumstances" Do Not Apply:** The County claims that being the "first" dispensary in the county constitutes an "unusual circumstance" that defeats the categorical exemptions. Under the California Supreme Court standard (*Berkeley Hillside Preservation v. City of Berkeley*), a challenger must show the project is physically unusual for its class *and* has a reasonable possibility of creating a significant environmental effect. Political or cultural novelty does not legally constitute an "unusual circumstance". A 2,598 square foot retail use in an existing commercial structure is standard, not unusual.
- **Social Concerns Are Not CEQA Impacts:** The County extensively cites public health studies regarding youth cannabis use, DUID rates, and social behaviors. CEQA strictly governs *physical changes to the environment*, not the secondary social or public health consequences of a legal business activity. Furthermore, the project complies with all state buffer zones; it is not located within 600 feet of any school, and some of the schools referenced by the County are located in Jackson, not Sutter Creek.
    - **Regulated Market vs. Illicit Market:** Cannabis is legal in the State of California. Prohibiting retail access locally does not eliminate consumption; it merely drives residents to the unregulated illicit market or neighboring jurisdictions. A legally permitted dispensary ensures that products are state-tested for safety, accurately dosed, and strictly kept out of the hands of minors.
    - **Strict Operational Safeguards:** To address the concerns regarding youth access to high-potency products and edibles, the pilot program will mandate stringent operational protocols. This includes mandatory 21+ age verification at the door, robust on-site security, and strict adherence to state packaging laws that expressly prohibit marketing to minors.
    - **State Funding for Local Impacts:** The County notes that the impacts of legalization fall heavily on County services, including the Sheriff's Office, the District Attorney, and emergency responders. It is important to note that a significant portion of state cannabis excise tax revenues is legally mandated to fund the California Highway Patrol to develop DUID enforcement protocols, as well as to fund youth education, intervention, and public health programs specifically designed to mitigate the externalities the County has cited.
    - **Local Funding for Local Impacts:** The County notes that the impacts of legalization fall heavily on County services, including the Sheriff's Office, the District Attorney, and emergency responders. It is important to note that the County will receive increased sales tax from the business.

The City of Sutter Creek is committed to a safe, highly regulated pilot program that provides legal access for adults while strictly protecting our community. We value our partnership with Amador County and will ensure that the operator adheres to the highest standards of safety and legal compliance.

No Illegal "Piecemealing": The County incorrectly argues that utilizing a Development Agreement, CUP, and Zoning Amendment together means the City is illegally "piecemealing" the project to avoid an EIR. CEQA's anti-piecemealing rule prevents agencies from artificially dividing a single project into smaller pieces. Approving a complete, integrated project entitlement as categorically exempt in its entirety is standard and lawful practice.

- **Constitution Concerns - Voluntary Contract vs General Tax:** A Development Agreement is a voluntary, bilateral contract entered into by the City and the developer. Any community benefit fees negotiated within this agreement are contractual obligations voluntarily accepted by the business in exchange for vested development rights. These fees are assessed on the business's gross receipts—not levied legislatively upon the public or the consumer as a sales tax. Because the fee is a mutually agreed-upon contractual condition of property development between the City and the applicant, it is exempt from the constitutional definition of a tax. Therefore, it does not require a ballot measure or voter approval.

Response to ACTC:

ACTC submitted a comment letter requesting formal traffic impact analyses, parking studies, and regional cumulative impact studies, framing these as CEQA requirements. The City finds these requests inapplicable and adequately resolved by current data and law:

- **Shift from LOS to VMT (SB 743):** ACTC's demands rely on a Level of Service (LOS) framework that measures intersection congestion. However, under California Senate Bill 743, LOS was abolished as a CEQA significance standard for land use projects on July 1, 2020, and was replaced by Vehicle Miles Traveled (VMT).
- **Net Regional VMT Reduction:** The Governor's Office of Planning and Research (OPR) guidelines dictate that local-serving retail projects typically redistribute trips and are presumed to have a less-than-significant VMT impact. Because there are currently no licensed dispensaries in Amador County, consumers are traveling to Sacramento, Calaveras County, or other distant jurisdictions. This project will capture existing regional trips and convert them to short local trips, acting as a net regional VMT reducer.
- **Comparable Trip Generation:** According to the authoritative Institute of Transportation Engineers (ITE) Trip Generation Manual (11th Edition), the proposed 2,662 sq. ft. dispensary with approximately 1,300 sq.ft of retail floor space is estimated to generate up to 195 daily vehicle trips. The incremental increase from the prior walk-in bank is a potential increase of 150 daily trips and will have a less than significant transportation impact under CEQA.
- **Parking Sufficiency & Operations:** The site provides 17 existing parking spaces (including 2 ADA spots), nearly doubling the local code requirement of 9 spaces. Modern cannabis dispensaries feature rapid transaction times (5-7 minutes) via online pre-ordering, which ensures high parking turnover. Finally, operational logistics like delivery dispatch and armored transport scheduling are not CEQA issues; they are tightly regulated through the binding operational conditions of the CUP and the Development Agreement.
- **Delivery and Dispatch Operations:** These logistical concerns are standard operational issues mitigated through the development agreement and conditions of approval. Prior to starting a delivery service Permittee must submit a formalized Delivery and Security Management Plan as a condition of operating. This plan will mandate that:
    - Cannabis delivery dispatch vehicles must utilize standard, low-profile passenger vehicles rather than oversized commercial freight trucks.

- Employee parking and delivery staging will be restricted to designated, off-zones on-site to maintain clear ingress/egress.
- Armored transport arrivals will be restricted to scheduled, non-peak commuting hours to eliminate on-site circulation friction.

CEQA CONCLUSION:

The proposed project involves the reuse of an existing commercial building with operational impacts strictly governed by state law and an enforceable Development Agreement. The arguments presented by the County and ACTC rely on inapplicable legal standards (LOS instead of VMT) and policy objections rather than evidence of physical environmental impacts. Therefore, the project is properly determined to be Categorically Exempt under CEQA Guidelines Section 15301.

BUDGET IMPACT:

The applicant is paying for all costs to process the application.

According to their submitted pro-forma forecast, they anticipate the following Gross Revenue, and we calculate the following benefits to the City and City non-profit organizations.

Year	Gross Revenue	City Retail Fee (8%)	City Sales Tax (2%)	% of FY25-26 General ($3.2M)	Community Benefit Fee(1%)
Year 1	$6,228,954	$498,316	$124,579	19.5%	$62,290
Year 2	$6,914,139	$553,131	$138,283	21.6%	$69,141
Year 3	$8,918,086	$713,447	$178,362	27.9%	$89,181
Year 4	$9,720,714	$777,657	$194,414	30.4%	$97,207
Year 5	$10,595,579	$847,646	$211,912	33.1%	$100,596

The general fund would receive the City Retail Fee and Sales Tax. To put in context, the City's general fund is currently $3.2M a year. City revenues are generally growing at about 2 - 3% a year (Sales tax, hotel tax, property tax), while expenses are growing at 5 - 10 % a year including inflation.

If the applicant generates sales as they forecast, this would become the single largest source of income to the city, increasing the general fund by 20% in the first full year of operation. These funds will be used for public safety, roads, infrastructure, and all of the things that the City needs. We anticipate being able to fund an additional law enforcement officer if the revenue materializes and it is approved by the Council.

The Community Benefit fund will be used partially to fund Youth education about drugs and alcohol, and if the Council approves, Cameras that will enable better law enforcement throughout Sutter Creek with Cameras around Main street and the major entrances into the City. A Community Benefit board will determine how to allocate additional funds.

Sensitivity Analysis
The above numbers are based on the applicants pro-forma numbers. The applicant is investing nearly $2M to open a dispensary, and an additional $3M in working capital, so they appear to have faith in their forecast. It is also clear that Amador county residents are purchasing multi-million dollar amounts of cannabis products annually today either via delivery into the county or by driving to one of the ten dispensaries close by. If we reduce their forecast by 50%, to $3.1M in gross revenue, the amount of funds to the city is still significant, representing a 10% increase in the general fund.

Revenue Generation Outside the City
The County would receive 1.25% of the Sales Tax, The Fire District would receive 0.5% of the sales tax and the State would receive 6% of the sales tax. In addition, the State collects a 15% Cannabis Excise Tax and State Income Tax. After the state pays the fixed cost of operating the State's Cannabis regulating agencies, 60% of those taxes go to Youth education and prevention, 20% goes to environmental protection and 20% goes to State and Local Law Enforcement, including the California Highway Patrol.

California law dictates that 60% of the state's available cannabis tax revenue goes into a single fund: the Youth Education, Prevention, Early Intervention and Treatment Account (YEPEITA).

Instead of cutting checks directly to the 58 counties, the state divides that account among various state agencies. Those agencies then create specific grant programs that local entities must apply for. Local bans on dispensaries have no impact on eligibility for these state grants though counties must actively apply for grants.

Because it is a competitive process, a county whose agencies and local non-profits actively submit strong proposals will secure more youth funding than a county that does not engage with the grant system.Staff is not aware of Amador County itself applying for a grant but organizations operating within Amador County have successfully applied for and won competitive state funds.

For example, through the Elevate Youth California program (the largest grant funded by the state's cannabis tax revenue), Amador County has received direct investment. The Buena Vista Rancheria of Me-Wuk Indians, located in Amador County, was awarded a $600,000 grant. The funding is specifically earmarked to improve behavioral health outcomes for Native American youth leaders in the county through youth-led civic engagement, increasing cultural awareness, and building protective factors against substance use.

PUBLIC NOTICING:

Public notice of this public hearing was provided in accordance with California Government Code Section 65867 and Sutter Creek Municipal Code Section 18.06.050. Notice was published and distributed in the manner prescribed by law to inform interested parties of the date, time, place, and purpose of the hearing.

RECOMMENDATION:

Staff recommends the City Council take the following actions:

1. Conduct a public hearing and receive public input
    a. Including hearing from the applicant and appellant
2. Adopt separate motions to:
    a. Find that the approval of proposed ordinances approving a development agreement and amending Titles 10 and 18 of the Sutter Creek Municipal Code are Categorically Exempt under Section 15301 Class 1, Existing Facilities, from CEQA and Section 15061 (b)(3) (Common-Sense Exemption) and instruct staff to file a Notice of Exemption after council action on zoning ordinances and development agreement; and
    b. Adopt ordinance to approve the Development Agreement with Sutter Creek Responsible and Compliant Retail, LLC DBA Embarc;and
    c. Introduce, and Waive First Reading, of Ordinance Amending Sections 10.42.050 and 10.42.060 of the Sutter Creek Municipal Code to Authorize a Commercial Cannabis Land Use when Approved by a Conditional Use Permit; and
    d. Introduce, and Waive First Reading of, an Ordinance Amending Sections 18.60.020, 18.60.030, and 18.60.040 of the Sutter Creek Municipal Code Authorizing a Single Retail Storefront Cannabis Dispensary as a Conditional Use in any Zoning District Subject to the Execution of a Development Agreement; and
    e. After considering the appeal filed by Teresa Ryan of the Planning Commission's approval of the Site Plan Permit, Conditional Use Permit, and Sign Permit:
        i. Find that the approval of a Site Plan Permit, Conditional Use Permit, and Sign Permit for Sutter Creek Responsible and Compliant Retail LLC DBA Embarc, at 11 Ridge Road, for one retail and delivery cannabis business, are Categorically Exempt under Section 15301 Class 1, Existing Facilities, from CEQA and Section 15061 (b)(3) (Common-Sense Exemption) and instruct staff to file a Notice of Exemption; and
        ii. Adopt resolution to approve, with conditions, a Site Plan Permit, Conditional Use Permit, and Sign Permit for Sutter Creek Responsible and Compliant Retail LLC DBA Embarc, at 11 Ridge Road, for one retail and delivery cannabis business.

Attachments:

1. Appeal Letter by Teresa Martin
2. <u>Ordinances</u>
    a. Ordinance of the City Council of the City of Sutter Creek Amending Sections 10.42.050 and 10.42.060 of the Sutter Creek Municipal Code to Authorize a Commercial Cannabis Land Use when Approved by a Conditional Use Permit.
    b. Ordinance of the City Council of the City of Sutter Creek Amending Sections 18.60.020, 18.60.030, and 18.60.040 of the Sutter Creek Municipal Code Authorizing a Single Retail Storefront Cannabis Dispensary as a Conditional Use in any Zoning District Subject to the Execution of a Development Agreement.
    c. Ordinance of the City Council of the City of Sutter Creek Approving a Development Agreement with Sutter Creek Responsible and Compliant

Retail, LLC to Operate a Storefront Retail Cannabis Dispensary on t
Real Property located at 11 Ridge Road, Sutter Creek, California.

3. Resolution of the City Council approving a CUP, Site Plan, and Sign Permit for 11 Ridge Road
4. Notice of Exemption
5. Public Hearing Notice
6. Planning Commission July 8 Special Meeting Draft Minutes
7. Applicant Embarc July 8 Presentation to the Planning Commission
8. July 8th Planning Commission "At Places" packet
9. Embarc Budget - Pro Forma Updated with Correct Fees
10. Link to Planning Commission Packet including (https://meetings.municode.com/adaHtmlDocument/index?cc=SUTTRCRKCA&me=4969866919e246e398687b56aae8187c&ip=True) :
    a. Site Permit Application
    b. Sign Permit Application
    c. Planning Commission Staff report from July 8, 2026
    d. Applicant Cover letter, exec summary and qualifications
    e. Business plan and Pro Forma
    f. Labor and Employment plan
    g. Neighborhood Compatibility plan
    h. Community Benefits Plan
    i. Location Plan
    j. California Cannabis Health and Safety Code
    k. California Cannabis Regulations
    l. County Letter (with links)
    m. ACTC Letter
    n. Owner Authorization
11. Link to Additional public correspondence from Planning Commission
    a. https://meetings.municode.com/adaHtmlDocument/index?cc=SUTTRCRKCA&me=b4d79aeef39f402e8a7f51c1a24e1684&ip=True

July 14, 2026

City of Sutter Creek
18 Main Street
Sutter Creek, CA 95685
With email to:
eventura@haugebrueck.com
tdubois@cityofsuttercreek.org

Re: Appeal to City Council regarding Planning Commission's decisions relating to Embarc dispensary project on 11 Ridge Road

Per the procedures set forth in the City's municipal code, Chapter 18.06 (Procedures), and per the direction of Planning Consultant, Erin Ventura, I, Teresa Ryan, a resident of Sutter Creek, am filing this appeal on behalf of myself, on behalf of my husband, Martin Ryan, and on behalf of the Association called the Sutter Creek Residents Against Marijuana-Dispensaries (Association), of which I am president (Appellants). My contact information is tzryan55@gmail.com.

I am informed by Erin Ventura that the filing fee is $375, which I am submitting with this appeal. I am also informed by Erin Ventura that I should file this appeal at the front office because the City does not presently have a City Clerk, and that I should email a copy of this appeal to both Ms. Ventura and Tom DuBois.

On July 8, 2026, the Sutter Creek Planning Commission approved CEQA exemptions ("existing facilities" and "common sense") and approved a conditional use permit for a marijuana dispensary at 11 Ridge Road (Dispensary Project). The Planning Commission also recommended approval of a zoning ordinance to allow retail marijuana business within the City, and also recommended approval of a "development agreement" with Sutter Creek Responsible and Compliant Retail, LLC DBA Embarc.

Appellants hereby appeal all the decisions made by the Planning Commission related to the Dispensary Project, including the approvals of the CEQA exemption and use permit, and the recommendations to approve the zoning amendment and "development agreement."

The bases of the appeal are all the bases raised by myself and others that have been submitted in writing or orally to the City of Sutter Creek. This includes oral comments at the Planning Commission meeting and other public meetings related to the Dispensary Project, and it includes the arguments set forth in the letters submitted by Amador County. Those bases include, but are not limited to, the following:

1. The proposed use is detrimental to public health, safety, and general welfare. Accordingly, the City cannot make the necessary use permit findings.

2. The Dispensary Project is not exempt from CEQA. There are no applicable categorical exemptions, and the "common sense" exemption is likewise inapplicable.

3. The "unusual circumstances" exception to the categorical exemption applies and prevents the use of any categorical exemption.

4. The "development agreement" is in fact a sales tax agreement (commonly referred to as a revenue sharing agreement or a gross receipts business tax), and it is prohibited by the California Constitution without a vote of approval by the citizens.

5. The City is providing preferential treatment in contracting and in the procurement of an exclusive license in violation of the 14th Amendment of the U.S. Constitution (equal protection clause) and State law. The City's failure to act fairly and reasonably in its contracting practices (by failing to allow others to competitively bid) shows favoritism and allows for potential corruption and creates the appearance of corruption. This is also true in the contractual payment to a "Community Advisory Board" established by the permittee to provide educational and other services.

Please contact me if you have any questions.

Respectfully submitted,

Teresa Ryan

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF SUTTER CREEK AMENDING SECTIONS 10.42.050 AND 10.42.060 OF THE SUTTER CREEK MUNICIPAL CODE TO AUTHORIZE A COMMERCIAL CANNABIS LAND USE WHEN APPROVED BY CONDITIONAL USE PERMIT

WHEREAS, the City of Sutter Creek ("City") has separately adopted an Ordinance, Ordinance No. ___, amending provisions of Chapter 18.60 of the Sutter Creek Municipal Code to authorize the permitting of a single retail storefront cannabis dispensary within city limits when a development agreement is executed between the City and applicant;

WHEREAS, to effectuate the intent of Ordinance No. ____, the City Council deems it necessary to also amend provisions in a separate title of the Sutter Creek Municipal Code, Title 10, concerning commercial cannabis uses; and

WHEREAS, the City Council relies on, and incorporates by reference, the findings it made in support of Ordinance No. ___, as its findings in support of adoption of this ordinance.

NOW, THEREFORE, the City Council of the City of Sutter Creek does hereby ordain as follows:

Section 1.

Chapters 10.42.050 of the City Code is amended to read as follows:

10.42.050 - Sales, transfers, and deliveries prohibited.

Except when a conditional use permit has been approved under Chapter 18.60 of this Code, sales, transfers, or deliveries of marijuana for any purpose, whether medical or non-medical, to any person at any residence or public place within city limits are prohibited.

Section 2.

Chapters 10.42.060 of the City Code is amended to read as follows:

10.42.060 - Commercial activity prohibited.

Except when a conditional use permit has been approved under Chapter 18.60 of this Code, no commercial, office, industrial, or other non-residential building or structure within city limits may be used to allow, transact, or facilitate the cultivation, sale, processing, storage, or transfer of marijuana for any purpose, whether medical or non-medical.

Section 3. REPEAL OF INCONSISTENT ORDINANCES

Any provisions of the Sutter Creek Municipal Code inconsistent with this Ordinance are hereby repealed.

Section 4. SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason deemed or held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Sutter Creek hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or other portions might subsequently be declared invalid or unconstitutional.

Section 5. PUBLICATION.

The City Clerk shall certify to the passage of this Ordinance and shall cause this Ordinance or a summary thereof to be printed once within fifteen (15) days after its adoption in a newspaper of general circulation, published and circulated in the City of Sutter Creek.

PASSED, APPROVED, AND ADOPTED this ____ day of August 2026 by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

APPROVED:

____
Claire Gunselman, Mayor

ATTEST:

___________________________________ ______________________
Alejandra Zambrano, Interim City Clerk Date

ORDINANCE NO. __

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUTTER CREEK AMENDING SECTIONS 18.60.020, 18.60.030, AND 18.60.040 OFTHE SUTTER CREEK MUNICIPAL CODE AUTHORIZING A SINGLE RETAIL STOREFRONT CANNABIS DISPENSARY AS A CONDITIONAL USE IN ANY ZONING DISTRICT SUBJECT TO THE EXECUTION OF A DEVELOPMENT AGREEMENT

WHEREAS, California law authorizes local jurisdictions to regulate or prohibit commercial cannabis activities within their jurisdictions and recognizes the authority of cities to determine whether, and under what conditions, cannabis businesses may operate within their boundaries;

WHEREAS, the City of Sutter Creek ("City") is a located in rural county and has a population of approximately 2,700 residents, so the City Council finds that land use decisions concerning commercial cannabis activities must be tailored to the City's unique size, character, geography, and public safety needs;

WHEREAS, the City Council recognizes that cannabis is a lawful product under California law for qualified medicinal use and adult-use consumption by persons 21 years of age and older;

WHEREAS, because residents of the City and the surrounding county areas currently must travel substantial distances to access licensed cannabis dispensaries located in the Sacramento Metropolitan Region, the City Council finds that permitting a limited, locally regulated dispensary will improve access to legal and regulated cannabis products while reducing reliance upon unregulated or illicit sources;

WHEREAS, the City Council further finds that a locally regulated dispensary, subject to a development agreement, will provide economic benefits to the community through permit fees, regulatory fees, tax revenues, community benefit payments, employment opportunities, and related economic activity;

WHEREAS, the City Council finds that the establishment of a community benefit program, as would be required under a development agreement, would provide direct and measurable benefits to City residents and community organizations;

WHEREAS, the City Council finds that permitting only a single storefront retain cannabis dispensary within city limits is necessary to ensure effective oversight, monitoring, and enforcement by City staff and law enforcement personnel. Given the City's size and available administrative resources, the City Council finds that a single dispensary can be effectively regulated and monitored while minimizing impacts on surrounding properties and neighborhoods;

WHEREAS, the City Council finds that authorizing more than one dispensary would not materially improve access to cannabis products for residents but could increase the risk of adverse land use impacts, enforcement burdens, market saturation, and incompatibility with the City's small population and location within a rural county outside a larger, metropolitan area;

WHEREAS, the City Council finds that state law and local regulations impose extensive security, age-verification, surveillance, inventory-control, and operational requirements designed to prevent access by persons under 21 years of age and to protect public health and safety;

WHEREAS, the City Council further finds that limiting cannabis retail activity to one licensed dispensary will allow the City to closely monitor compliance with these regulations and promptly address any operational concerns;

WHEREAS, the City Council finds that a single licensed dispensary will adequately serve the needs of residents and visitors while preserving the City's small-town character, protecting public safety, minimizing land use impacts, and ensuring that commercial cannabis activity remains compatible with surrounding uses;

WHEREAS, the City Council therefore finds that allowing one licensed cannabis dispensary, subject to the requirements of this Chapter 18.60 of the Sutter Creek Municipal Code, appropriately balances lawful consumer access, economic development, community benefits, public safety, neighborhood compatibility, youth protection, and the preservation of the City's small community nature in a rural county; and

WHEREAS, based upon the foregoing findings, the City Council determines that limiting the number of cannabis dispensaries within the City to one licensed dispensary is reasonable, necessary, and in the public interest.

NOW, THEREFORE, the City Council of the City of Sutter Creek does hereby ordain as follows:

Section 1.

Section 18.60.020 of the Sutter Creek City Code is amended to read as follows:

18.60.020 - Uses permitted in any zone.

The following uses may be permitted in any zone unless limited to specific zones, and upon the granting of a conditional use permit:

A. Bed and breakfast inns;

B. Cemeteries, columbariums, mausoleums and mortuaries;

C. Day care centers (adult/child);

D. Churches or other places used exclusively for religious worship;

E. Educational institutions including public and private schools;

F. Establishments or enterprises involving large assemblages of people or vehicles including: amusement parks, circuses, carnivals, expositions, fair grounds, open air theaters, recreational and sports centers, and recreation vehicle parks;

G. Hospitals and sanitariums;

H. Institutions of a philanthropic (benevolent) or eleemosynary (charitable) nature;

I. Libraries, museums and private clubs

;J. Large scale neighborhood housing projects having a minimum gross area of five acres;

K. Mining and natural resources development together with the necessary buildings, apparatus or appurtenances incidental thereto;

L. Outdoor retail sales;

M. Parks, playgrounds, parking lots or structures, and community buildings;

N. Public utility or public service buildings, structures and uses, except as otherwise provided in this ordinance;

O. New or remodeled residential structures in a commercial or industrial zone;

P. Existing structures converted to residential uses in a commercial or industrial zone; ~~and~~

Q. Golf courses, driving ranges and country clubs~~.~~;

R. Special events~~.~~; and

S. A storefront retail cannabis dispensary, provided only one such dispensary may operate within city limits at one time, and further provided the operator of the conditionally permitted dispensary enters into a development agreement for the same term as any approved conditional use permit.

Section 2.

Section 18.60.030 of the Sutter Creek City Code is amended to read as follows:

18.60.030 - Conditions.

In approving a use permit, the commission may include such conditions as the commission deems reasonable and necessary under the circumstances to preserve the integrity and character of the district and to secure the general purposes of this title and the general plan. Such conditions, without limiting the discretion and authority of the commission in this regard, may include time limitations, architectural and site approval, street dedication, and street and drainage improvements. For any application to conditionally permit a retail storefront cannabis dispensary, the commission may incorporate by reference into the conditional use permit any conditions that are separately included in any development agreement to be approved for the cannabis use.

Section 3.

Section 18.60.040 of the Sutter Creek City Code is amended to read as follows:

18.60.040 - Findings and decisions.

The commission, on the basis of the evidence submitted at the hearing, may grant use permits required by the provisions of this title when it finds that:

A. The proposed uses of the property are desirable to the public convenience or welfare;

B. The proposed uses will not impair the integrity and character of the area in which it is located or the zoning district;

C. The proposed uses would not be detrimental to public health, safety, or general welfare;

D. There are adequate public utilities and services available for the proposed uses; ~~and~~

E. The proposed uses of the property are in harmony with the various elements or objectives of the general plan and the purposes of this title~~.~~; and

F. For any storefront retail cannabis dispensary, the proposed use will be subject to a separately approved development agreement for the same term as the approved conditional use permit and:

1. The development agreement will provide for appropriate community benefit as consideration for the City's execution of the agreement;

2. The operator has a demonstrated record of successfully operating storefront retail cannabis dispensaries in more than one other jurisdiction for a period of at least three years preceding the date of its application;

3. The operator demonstrates it will have adequate capitalization, access to a stable workforce, and a business location conducive to sustaining long-term operations; and

4. The operator, including its principals, shareholders, partners, and officers, has not been convicted of, found civilly liable for, having sold or distributed cannabis or cannabis products in violation of any state statute, state regulation, or local ordinance.

Section 4. REPEAL OF INCONSISTENT ORDINANCES

Any provisions of the Sutter Creek Municipal Code inconsistent with this Ordinance are hereby repealed.

Section 5. SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason deemed or held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Sutter Creek hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or other portions might subsequently be declared invalid or unconstitutional.

Section 6. PUBLICATION.

The City Clerk shall certify to the passage of this Ordinance and shall cause this Ordinance or a summary thereof to be printed once within fifteen (15) days after its adoption in a newspaper of general circulation, published and circulated in the City of Sutter Creek.

Presented to the Planning Commission for recommendation on July 8, 2026 and PASSED, APPROVED, AND ADOPTED this ____ day of August 2026 by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

APPROVED:

____
Claire Gunselman, Mayor

ATTEST:

____
Pam Caronongan, City Clerk

____
Date

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF SUTTER CREEK APPROVING A DEVELOPMENT AGREEMENT WITH SUTTER CREEK RESPONSIBLE AND COMPLIANT RETAIL LLC TO OPERATE A STOREFRONT RETAIL CANNABIS DISPENSARY ON THE REAL PROPERTY LOCATED AT 11 RIDGE ROAD, SUTTER CREEK, CALIFORNIA

WHEREAS, the Planning Commission on July 8. 2026 approved and recommended that the City Council approve a development agreement between the City of Sutter Creek and Sutter Creek Responsible and Compliant Retail LLC, which Development Agreement is attached as Exhibit A and incorporated by reference ("Development Agreement"); and

WHEREAS, after due notice, the Planning Commission and the City Council did conduct public hearings on this matter as required by Government Code section 65867 and Section 17.40.040 of the Sutter Creek Municipal Code; and

WHEREAS, pursuant to California Government Code Section 65864, *et seq.*, the Planning Commission has transmitted to the City Council its findings and recommendations concerning the proposed storefront retail cannabis dispensary; and

WHEREAS, the Development Agreement is in the public interest and is consistent with the City's General Plan and Zoning Ordinance (Title 18 of the Sutter Creek Municipal Code); and

WHEREAS, the City Council has reviewed and considered the Development Agreement and the findings and recommendations of the Planning Commission.

NOW, THEREFORE, The City Council of the City of Sutter Creek does hereby ordain as follows:

Section 1. The City Council finds, with respect to the Development Agreement, that:

(a) It is consistent with the City's General Plan, policies and is compatible with the uses authorized in, and the regulations prescribed for, the zone in which the real property is located as a conditional use permitted by Chapter 18.60 of the Sutter Creek Municipal Code;

(b) It will not be detrimental to the public health, safety and general welfare since it encourages the construction of a project that is desirable and beneficial to the public;

(c) It complies with all applicable City and State regulations governing development agreements, including all requirements stated in Chapter 17.40.020 and 17.40.030 of the Sutter Creek Municipal Code, as applicable; and

(d) It is necessary to strengthen the public planning process and to reduce the public and private costs of development uncertainty.

Section 2. REPEAL OF INCONSISTENT ORDINANCES
Any provisions of the Sutter Creek Municipal Code inconsistent with this Ordinance are hereby repealed.

Section 3. SEVERABILITY
If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason deemed or held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Sutter Creek hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or other portions might subsequently be declared invalid or unconstitutional.

Section 4. PUBLICATION.
The City Clerk shall certify to the passage of this Ordinance and shall cause this Ordinance or a summary thereof to be printed once within fifteen (15) days after its adoption in a newspaper of general circulation, published and circulated in the City of Sutter Creek.

PASSED, APPROVED, AND ADOPTED this ____ day of August 2026 by the following vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

APPROVED:

____
Claire Gunselman, Mayor

ATTEST:

_______________________________ ___________________
Alejandra Zambrano, Interim City Clerk Date

Exhibit A - Development Agreement

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Sutter Creek

Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code § 6103

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into as of______________________ 2026 (the "Execution Date"), by and between the CITY OF SUTTER CREEK, a California municipal corporation ("City") and Sutter Creek Responsible and Compliant Retail LLC ("Permittee"). City and Permittee are sometimes referenced together herein as the "Parties." In instances when a provision hereof applies to each of the Parties individually, either may be referenced as a "Party." The Parties hereby jointly render the following statement as to the background facts and circumstances underlying this Agreement.

RECITALS

A. The State of California enacted California Government Code sections 65864 et seq. ("Development Agreement Statutes") to authorize municipalities to enter into development agreements with those having a legal or equitable interest in real property to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development in connection with the development of real property within their jurisdiction.

B. The purpose of the Development Agreement Statutes is to authorize municipalities, in their discretion, to establish certain development rights in real property for a period of years regardless of intervening changes in land use regulations, to vest certain rights, and to meet certain public purposes of the local government.

C. As authorized by the Development Agreement Statutes, the City has adopted Section 17.40, *et seq*., of the City's municipal code (the "Municipal Code") establishing the procedures and requirements for the consideration of development agreements with the City.

D. Permittee currently owns legal or equitable interest in real property considered in this Agreement, located at 11 Ridge Rd., Sutter Creek, CA 95685, in the City of Sutter Creek, County of Amador, State of California (the “Site”). The Site includes Assessor’s Parcel Numbers: [________________________________] as is more fully described in **Exhibit A** and shown on the map in **Exhibit B**, both exhibits being attached hereto and incorporated herein by this reference.

E. On September 18, 2017, the City Council adopted Ordinance No. 365 §2, 2017 prohibiting all marijuana uses in the City to the extent allowed under California law, with an exception for an individual who desires to grow up to six (6) marijuana plants at their private residence (the “Cannabis Ordinance”).

F. On November 8, 2016, California voters approved Proposition 64, titled the “Adult Use of Marijuana Act” (the “AUMA”) and enacted a state statutory scheme legalizing, controlling, and regulating the cultivation, processing, manufacturing, distribution, testing, and sale of nonmedical (“adult-use“ or “recreational”) cannabis, including cannabis products, for use by adults twenty-one (21) years of age and older.

G. On June 27, 2017, Governor Brown signed Senate Bill 94, the “Medicinal and Adult- Use Cannabis Regulation and Safety Act” (“SB 94” or the “MAUCRSA”). SB 94 creates one state regulatory structure for medical and adult-use cannabis use and commercial cannabis activities, reconciling AUMA, with Proposition 215 and MAUCRSA. SB 94 continues to provide that a state license will not be approved for a business to engage in Commercial Cannabis Activity if the business activity violates any local ordinance or regulation.

H. The City Council adopted Municipal Code Section [________], on __________, 2026, modifying the Cannabis Ordinance to allow a single commercial cannabis retail business in the City, such that any proposed commercial cannabis retail business must have an Agreement and a business permit prior to operation.

I. Presently, Permittee intends to utilize the Site for the sale of cannabis. Permittee is an authorized corporation as allowed by law duly formed under California law for the purpose of commercial cannabis sales (“Commercial Cannabis Activity”). Such Commercial Cannabis Activity facilities shall operate in accordance with the California State Compassionate Use Act (Health & Saf.Code, § 11362.5) (“CUA”), the Medical Marijuana Program Act (Health & Saf. Code, §§ 11362.7 et seq.) (“MMP”), the Control, Regulate and Tax Adult Use of Marijuana Act of 2016 (“AUMA”), and the Medicinal and Adult Use Regulation and Safety Act (“MAUCRSA”), Ordinance No. 365 §2, 2017 and regulations promulgated thereunder, and any additional California state law related to Commercial Cannabis Activity (collectively “State Cannabis Law”). Prior to operating a Commercial Cannabis Activity facility, Permittee shall be required to obtain a business permit from City pursuant to City ordinance.

J. Permittee shall obtain all required state licenses issued under State Cannabis Law.

K. Pursuant to the California Environmental Quality Act ("CEQA") (Public Resources Code §21000 et seq.) and the State CEQA Guidelines (Cal. Code Regs ,tit. 14, §15000 et seq.), the whole of the Project, including the Development Agreement, has been reviewed and found to be exempt from CEQA pursuant to State CEQA Guidelines Section 15301 Existing Facilities and a Notice of Exemption will be filed upon adoption of this Resolution.

L. Permittee presently intends to develop and open a commercial cannabis facility on the Site consistent with State Cannabis Law, all other applicable California law, and Project approvals (known as the "Project").

M. The Project will include commercial retail cannabis sales to individuals under State Cannabis Law at the Project Site.

N. Project Description. The Project will consist of a total planning area of approximately [_______] square feet. The Project is designed to integrate seamlessly into the City's General Plan, and any applicable master plan, public financing plan, specific plan, and special purpose plan for Project Site.

O. City and Permittee have agreed that, as a condition of allowing the Project, as defined herein, and due to the unique circumstances of the proposed Project, Permittee shall pay to the City a retail fee of eight percent (8%) based on the gross receipts of Permittee's commercial cannabis retail sales, as hereinafter defined.

P. City has given public notice of its intention to adopt this Agreement and has conducted public hearings thereon pursuant to California Government Code section 65867 and Municipal Code Section 17.40.040. City has found that the provisions of this Agreement and its purposes are consistent with the objectives, policies, general land uses and programs specified in City's General Plan, zoning code, and municipal ordinances.

Q. City, in entering into this Agreement, acknowledges that certain City obligations hereby assumed shall survive beyond the terms of the present City Council members, that this Agreement will serve to bind City and future City Councils to the obligations hereby undertaken, and that this Agreement shall limit the future exercise of certain governmental and proprietary powers of City. By approving this Agreement, the City Council has elected to exercise certain governmental powers at the time of entering into this Agreement rather than defer its actions to some undetermined future date. The terms and conditions of this Agreement have undergone extensive review by City staff, the Planning Commission, and the City Council and have been found to be fair, just and reasonable. City has concluded that the pursuit of the Project will serve the best interests of its citizens and that the public health, safety, and welfare are best served by entering into this Agreement. Permittee has represented to City that it would not consider or engage in the Project absent City approving this Agreement; *i.e.*, assuring Permittee that it will enjoy the development rights given in this Agreement. The City Council specifically finds that this Agreement satisfies each and every one of the required findings in Municipal Code Section 17.40.050.

R. The City agrees that Permittee's land use entitlements for the Project shall vest for the term of this Agreement as described below, including, but not limited to, the right to commercial cannabis retail sales and related development in compliance with State Cannabis Law and local ordinances.

S. After conducting a duly noticed hearing on _____________2026, in conjunction with Section 17.40.040 of the City's Municipal Code, the Planning Commission of the City reviewed, considered, and approved Resolution No.____________ recommending approval of the Project to City Council. The Planning Commission found the Project consistent with the objectives, policies, general land uses and programs specified in the general plan; compatible with the uses authorized in the Commercial zone; is in conformity with the public necessity, public convenience, general welfare and good land use practices; will not be detrimental to the health, safety and general welfare of the city; will not adversely affect the orderly development of property or the preservation of property values; and will have a positive fiscal impact on the City.

T. After conducting a duly noticed hearing on.____________ 2026, in conjunction with Section 17.40.040 of the City's Municipal Code, and after independent review and consideration, the City Council approved the execution of this Agreement. The City Council found the Project consistent with the objectives, policies, general land uses and programs specified in the general plan; compatible with the uses authorized in the Commercial zone; is in conformity with good land use practices; will not be detrimental to the health, safety and general welfare of the City; and is in the best interest of the City of Sutter Creek and its residents.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

1. <u>Binding Effect of Agreement</u>. The Parties agree that the Recitals above are true and correct and intend to be bound by same; the Parties further agree to the incorporation by reference herein of said Recitals, together with all definitions provided and exhibits referenced therein. This Agreement pertains to the Site as described in **Exhibit A** and shown in **Exhibit B**. Except as otherwise provided in Section 14 of this Agreement, the burdens of this Agreement are binding upon the Permittee. In order to provide continued notice thereof, the Parties will record this Agreement with the Amador County Recorder. Should the size or orientation of any Site component specified above be changed in minor respects, e.g., changed by a lot line adjustment, this Agreement shall not thereby be deemed to have been affected or invalidated, but the rights and obligations of the Parties shall remain as provided herein.

2. <u>Relationship of the Parties</u>. It is hereby specifically understood and acknowledged that the Project is a private project and that neither City nor Permittee will be deemed to be the agent of the other for any purpose whatsoever. City and Permittee hereby renounce the existence of any form of joint venture or partnership between or among them and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making City and Permittee joint venturers or partners.

3. <u>Term</u>. Except as otherwise specified herein, the initial term of this Agreement (the "Term") shall be for five (5) years from the Execution Date. The Term shall generally be subject to earlier termination or extension as hereinafter provided.

3.1 <u>Term Extension.</u> This Agreement shall be subject to any number of five (5) year extensions as provided in this Agreement. The City Manager is authorized to enter into the term extensions after conducting a periodic review in accordance with Government Code section 65865.1. If, on the basis of substantial evidence, the Permittee demonstrates to have complied in good faith with the terms and conditions of this Agreement, the Parties shall enter into a written extension signed by both Parties.

3.1.1 Litigation. Any third party-initiated litigation that arises from or is related to any City action or omission with respect to this Agreement or any subsequent City approval required in connection with the Project's development, or third party initiated litigation having the actual effect of delaying the Project's development. This extension period related hereto shall include any time during which appeals may be filed or are pending.

3.1.2 Government Agencies. Any delay arising from or related to the act(s) or omission(s) of any third party governmental agency, quasi-public entity or public utility, and beyond the reasonable control of Permittee.

3.1.3 Force Majeure. Any delay resulting from riot, war, acts of terrorism, an event during the Term creating radioactive or toxic/hazardous contamination, a catastrophic earthquake, flood, fire or other physical natural disaster, excluding weather conditions regardless of severity, strikes or industrial disputes at national level affecting development involved personnel not employed by Permittee, its subcontractors or suppliers and effecting an essential portion of the Project's development, excluding any industrial dispute that is specific to development taking place as a part of the Project.

3.2 Term Extensions. The Term of this Agreement may be extended in either of the following ways:

3.2.1 Request of Permittee. This Agreement's Term shall be extended for additional five (5) year periods following the expiration of the initial Term upon the occurrence of all of the following:

3.2.1.1 Written Notice. Permittee shall give written notice to City of a request for the Term Extension no later than one hundred twenty (120) calendar days before the expiration of the Term; and

3.2.1.2 No Default by Permittee. Permittee shall not be in default with respect to any material provision of this Agreement or any subsequent agreement or understanding between the Parties arising from or related to this Agreement, having received notice from City of said default per this Agreement, or if Permittee did in fact default as to this Agreement, upon notice from City, that Permittee did cure said default during the period to cure provided herein to City's reasonable satisfaction.

3.3 Default and Termination for Cause. Without prejudice to its other remedies at law or in equity, the City may terminate this Agreement for cause within thirty (30) days' written notice to Permittee. Cause as used in this section is defined as:

3.3.1 Failure to materially comply with the terms of the City of Sutter Creek Permits issued to Permittee by City;

3.3.2 Failure of Permittee to maintain a valid active City of Sutter Creek Business License;

3.3.3 Failure by Permittee to accurately report gross receipts information or other data necessary for City to calculate/confirm operating or development agreement fees (e.g., retail fee);

3.3.4 Failure by Permittee to pay operating agreement fees and related reimbursement costs within thirty (30) days of the date those fees are due;

3.3.5 Failure by Permittee to cooperate with City or City's authorized agents in any inspection, examination and audit of Permittee's commercial cannabis business books and records (including tax filings and returns).

3.3.6 This Agreement will automatically terminate if:

3.3.6.1 Permittee's Permit is revoked by City or is not renewed by City, or

3.3.6.2 Permittee transfers its Permit in violation of Paragraph 43 of this agreement. .

3.3.7 Cure Period. Permittee shall cure the default resulting from the cause for termination within thirty (30) days of the date of the notice of termination. If Permittee fails to cure the default within thirty (30) days of the date of the notice of termination for cause, this Agreement will be terminated. If the default is of a nature that cannot reasonably be cured within thirty (30) days, Permittee shall not be in default if Permittee: (i) commences cure within the initial thirty (30) day period; (ii) diligently pursues cure to completion; and (iii) completes cure within ninety (90) days of the original notice of default. A default that is timely cured within the Cure Period shall be deemed fully cured and shall not constitute grounds for termination. This Agreement shall continue in full force and effect as if the default had not occurred.

3.3.8 If Permittee disputes in good faith that a default has occurred under Section 3.3 of this Agreement, Permittee shall provide written notice of such dispute to City within fifteen (15) days of receipt of the notice of default. The Cure Period shall be tolled during the pendency of any dispute resolution process, and City shall not terminate this Agreement while such dispute is pending.

3.4 <u>License Compliance Review.</u> No later than ninety (90) days following the first anniversary of the date Permittee opens the Project to the public, the City Manager shall conduct a License Compliance Review ("Compliance Review") to assess Permittee's compliance with the terms and conditions of this Agreement and all applicable City of Sutter Creek Permits. If, on the basis of substantial evidence, Permittee demonstrates to the City Manager that it has complied in good faith with the material terms and conditions of this Agreement, including but not limited to: (i) timely payment of Retail Fees; (ii) accurate submission of Certified Reports; (iii) maintenance of required state and local licenses and permits; (iv) compliance with the Security Plan and Good Neighbor obligations; and (v) satisfaction of Community Benefit obligations under Sections 8.4 and 8.5 of this Agreement; then the City Manager shall issue a written finding of compliance ("Compliance Finding") within thirty (30) days of the conclusion of the Compliance Review. If the City Manager determines, on the basis of substantial evidence, that Permittee has not complied in good faith with a material term or condition of this Agreement, the City Manager shall issue a written finding of non-compliance identifying: the specific provision(s) with which Permittee has failed to comply. A finding of non-compliance pursuant to this Section shall constitute a notice of default under Section 3.3 of this Agreement, subject to any applicable cure periods.

3.5 Termination of Agreement. Upon the termination of this Agreement, either by expiration or otherwise, Permittee shall have no right to engage in Commercial Cannabis Activity at the Project Site, except as may otherwise be allowed by City ordinance or law. Any such termination shall not relieve Permittee of any outstanding or previously incurred liability, payment or obligation to the City. All fees due between the Parties shall immediately be due and payable.

4. Defined Terms. As used in this Agreement, the following terms shall have the meanings hereinafter set forth:

4.1 Certified Report. "Certified Report" shall mean a detailed document prepared by Permittee on a form acceptable to the City's Finance Supervisor to report to City of the sales by Permittee, as defined herein, in the Project during each Operational Quarter, as defined herein. Each Certified Report shall be certified as true and correct by a duly-authorized officer of Permittee. City may also require certification by Permittee.

4.2 Certification of Non-Income Tax Exemption. Permittee certifies that Permittee is not income tax exempt under State or Federal Law and that Permittee will not file for such an exemption from the Internal Revenue Service or the Franchise Tax Board. Permittee will also require all tenant(s) to certify that tenant(s) are not income tax exempt under State or Federal Law and will not file for such an exemption.

4.3 Gross Receipts. Except as otherwise specifically provided, means the total amount actually received or receivable from all sales and transfers; the total amount of compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of. materials, goods, wares or merchandise; and discounts, gifts, rents, royalties, fees, commissions, dividends, and gains realized from trading in stocks 'or bonds, however designated. Included in "gross receipts" shall be all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom.

4.3.1 Cash discounts where allowed and taken on sales;

4.3.2 Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as gross receipts;

4.3.3 Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

4.3.4 Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;

4.3.5 Receipts derived from the occasional sale of used, obsolete or surplus trade fixtures, machinery or other equipment used by the taxpayer in the regular course of the taxpayer's business;

4.3.6 Receipts derived from convenience fees charged for ATM or cashless ATM services;

4.3.7 Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar; and

4.3.8 Retail sales of non-cannabis products, such as t-shirts, sweaters, hats, stickers, key chains, bags, books, posters, rolling papers, cannabis accessories such as pipes, pipe screens, vape pen batteries (without cannabis) or other personal tangible property

4.4 Operational Quarter. “Operational Quarter” shall mean any calendar quarter, or portion of a calendar quarter, during which any Gross Receipts of the Project is produced, as defined herein. The calendar quarters shall begin and end as follows: January 1 through March 31; April 1 through June 30; July 1 through September 30; and October 1 through December 31.

4.5 Land Use Regulations. “Land Use Regulations” shall mean all ordinances, resolutions, codes, rules, regulations and official policies of the City governing the development and use of land, including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, timing and phasing of development, the maximum height and size of buildings, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction and initial occupancy standards and specifications applicable to the Project. “Land Use Regulations” do not include any City ordinance, resolution, code, rule, regulation or official policy governing:

4.5.1 The conduct or taxation of businesses, professions, and occupations applicable to all businesses, professions, and occupations in the City;

4.5.2 Other than as provided in this Agreement, taxes and assessments of general application upon all residents of the City, provided that the taxes and assessments are not imposed for the purpose of taxing the right, power or privilege of developing or improving land (e.g., excise tax) or to directly finance the acquisition or dedication of open space or any other public improvement in respect of which the Developer is paying any fee or providing any improvement pursuant to this Agreement;

4.5.3 The control and abatement of nuisances;

4.5.4 The granting of encroachment permits and the conveyance of rights and interests which provides for the use of, access to or the entry upon public property, as may be approved by mutual agreement between Developer and City; and

4.5.5 The exercise of the power of eminent domain.

4.6 Existing Land Use Regulations. "Existing Land Use Regulations" means all Land Use Regulations in effect as of the approval date of this Agreement, including the Project approvals.

4.7 Retail Fee. Shall mean eight percent (8%) of Gross Receipts due to the City at the end of each Operational Quarter. In the event the City enacts or increases a voter-approved cannabis excise or business tax applicable to Permittee's operations at the Project Site during the Term, the Retail Fee due under this Agreement for each applicable Operational Quarter shall be reduced by the amount of such voter-approved tax paid by Permittee for that quarter, provided that the Retail Fee shall not be reduced below zero. The Parties shall execute a written amendment memorializing any such reduction within thirty (30) days of the effective date of the applicable voter-approved tax.

5. Annual State Retail License; Background Checks.

5.1 Permittee shall be required to receive and maintain in good standing its state cannabis retail license issued by the Department of Cannabis Control (or successor agency) as a condition to operating, and any lapse or failure by Permittee to do so shall be deemed to be a default under this Agreement.

5.2 All of Permittee's "owners" (as defined under Cal. Code Regs. Tit. 4, § 15003), "financial interest holders" (as defined under Cal. Code Regs. Tit. 4, § 15004), and employees shall be disclosed to the City. All such owners, financial interest holders, and employees shall be subject to all applicable requirements and qualifications under State Cannabis Laws.

6. Fee Payments.

6.1 Fee Payments. . In consideration of City's entering into this Agreement and, as a condition of the City's approval of the Project and the land use entitlements granted herein, including: (i) the vested rights to develop and operate the Project during the Term; (ii) City's ongoing cannabis permitting review and administration; (iii) annual compliance monitoring and periodic review pursuant to Government Code § 65865.1; (iv) law enforcement coordination and surveillance access administration; (v) community benefits program oversight; (vi) ALPR program administration; and (vii) all other City regulatory services and oversight required under this Agreement, State Cannabis Laws, and the City's municipal ordinances throughout the Term of this Agreement, the following payments shall be made to City:

6.1.1 Eight percent (8%) of Gross Receipts for operations from the Commercial Cannabis Activity of the storefront retail operations, to be paid quarterly. Retail Fees shall be due and payable to the City within thirty (30) calendar days following the end of each Operational Quarter, concurrent with submission of the Certified Report required under Section 7.1. Any Retail Fee not received by the City within thirty (30) calendar days following the end of the applicable Operational Quarter shall be deemed delinquent, and a penalty equal to twenty-five percent (25%) of the total delinquent amount shall be immediately due and payable.

7. Payment Procedures. The following procedures shall apply during the operation of the Project:

7.1 Remittance of Retail Fees/Certified Reports. Within thirty (30) calendar days following the end of each Operational Quarter during the Term of this Agreement, commencing with the first Operational Quarter in which the Project has commenced, Permittee shall submit the Certified Report to the City's Finance Director together with payment of the Retail Fees for that Operational Quarter as identified in the Certified Report. Permittee shall pay Retail Fees to City on a quarterly basis without exception. Any material misstatement or misrepresentation in the Certified Report and any failure to pay Retail Fees when due shall constitute events of default by Permittee subject to the default provisions of this Agreement.

7.2 Maintenance of Records. Permittee shall maintain complete records of its operations to substantiate and document the content of each Certified Report. Such records shall include, without limitation, invoices and payments taken by Permittee and/or any operator of the commercial cannabis facility. Permittee shall maintain such records in a form and location reasonably accessible to City, following reasonable notice to Permittee, for a period of at least five (5) calendar years following Permittee’s submission of the Certified Report to which the records apply.

7.3 Audit. The City may conduct an audit or arrange for a third-party independent audit, at Permittee’s expense, of Permittee records regarding Certified Reports and the Gross Receipts, at the sole discretion of the City. Such audit would not occur more than once in one calendar year. The City’s Finance Director shall provide at least seven (7) business days written notice of the commencement of such audit to Permittee and shall reasonably attempt to schedule the audit so as to reduce the impact on Permittee operations as much as is feasible. Permittee shall cooperate with the City in completing the audit. If the audit reveals that Permittee has underpaid the payment due at the end of any Operational Quarter, Permittee shall pay such underpaid amounts to the City within thirty (30) calendar days of receipt of written notice from the City’s Director of Finance. If the underpaid amount is more than five percent (5%) of the amount due, Permittee shall pay a penalty of an additional five percent (5%) of Gross Receipts for first time underpayment and an additional fifteen percent (15%) of Gross Receipts for any subsequent violations of the payment due at the end of the Operational Quarter. If the audit reveals that the Permittee has overpaid any amount of the Gross Receipts, City shall provide written notification to Permittee and shall credit such amount against Permittee’s subsequent quarterly payments of Gross Receipts until the overpaid amount has been resolved.

7.4 Site Inspection. From time to time, the City has the right to inspect the Facility for the purpose of monitoring operations, checking quantities and verifying volumes of product during operating hours or any time deemed appropriate to insure accurate reporting. The City must give notice at least forty-eight (48) hours in advance of any inspection.

8. Covenants of Permittee. During the Term of this Agreement, Permittee hereby covenants and agrees with the City as follows:

8.1 Implementation. Permittee shall use commercial reasonable efforts to pursue the implementation of the Project as expeditiously as feasible, in the form approved by the City, subject to all applicable laws, this Agreement, the business permit, and the Municipal Code.

8.2 Maintain & Operate Project. Permittee shall maintain and operate the Project on the Site, throughout the Term of this Agreement, in accordance with the Project approvals and all City, State and Federal laws.

8.3 Operating Hours. Permittee shall operate the Project only during the hours agreed to within the business plan plan attached to this agreement, and in no case will exceed hours permitted under State Cannabis Law,.

8.4 Community Benefits. Permittee shall pay one percent (1%) of Gross Receipts into a community benefits fund (the "Community Fund"), for the benefit of the City and its residents. The Community Fund shall be governed and administered by a Community Advisory Board ("CAB") established and maintained by Permittee in accordance with Section 8.5 of this Agreement.

8.5 Community Advisory Board. Permittee shall establish and maintain a three person Community Advisory Board ("CAB") consisting of at least two (2) members who reside within the City of Sutter Creek and one (1) member who resides or works within the City of Sutter Creek. The CAB shall meet no fewer than four (4) times per calendar year. The CAB shall have authority to direct all allocations from the Community Fund required under Section 8.4 of this Agreement. Permittee shall provide the City Manager with a written list of current CAB members by January 31 of each calendar year and shall invite City representatives to participate in each CAB meeting in a non-voting, advisory capacity. For the avoidance of doubt, a vacancy on the CAB shall not constitute a default under this Agreement. Permittee shall have sixty (60) days from the date the vacancy arises to appoint a replacement member.

8.6 Youth Drug Education and Prevention. Within six (6) months of the date Permittee first opens the Project to the public, Permittee shall fund and implement a youth drug education and prevention program using a curriculum recognized by the California Department of Education or a comparable accredited national evidence-based program. Permittee shall use commercially reasonable efforts to partner with at least one locally based youth-serving organization in delivering such program. Permittee shall provide the City Manager with an annual written summary of program activities and total expenditures, due by January 31 of each calendar year.

8.7 Local Hiring. Permittee shall use reasonable best efforts to recruit and hire 100% of the employees from within the City of Sutter Creek and Amador County. In filling open positions, Permittee's recruitment process shall prioritize, in order: (i) qualified applicants residing within a five (5) mile radius of the Project Site; (ii) all other qualified residents of the City of Sutter Creek; and (iii) qualified residents of Amador County. Prior to the date Permittee first opens the Project to the public, Permittee shall conduct at least one community job fair at a location within Sutter Creek and shall post all open positions through at least one locally distributed media outlet. Permittee shall provide the City Manager with an annual written report by January 31 of each calendar year summarizing the number of employees hired during the preceding calendar year and the ZIP codes of their primary residence at the time of hire. Sutter Creek PD requires a Livescan for all Permittee employees

8.8 Window Design Standards. Permittee shall maintain clear, unobstructed windows in all areas of the Project premises where no commercial cannabis activity occurs. In areas where cannabis products, transactions, or displayed inventory would otherwise be visible from the public right-of-way, Permittee shall apply a frosted or opaque window treatment from floor level to a height of five (5) feet above finished floor. Permittee shall maintain all window treatments in good condition throughout the Term of this Agreement. Any material change to the window design shall require prior written approval from the City Manager, which shall not be unreasonably withheld.

8.9 Law Enforcement Surveillance Access. Permittee shall provide the Sutter Creek Police Department ("SCPD") with secure, real-time, read-only remote access to video surveillance cameras required to be maintained at the Project premises under State Cannabis Law. Permittee shall establish such access prior to the date Permittee first opens the Project to the public and shall maintain such access in good working order throughout the Term of this Agreement. In the event of any technical failure disrupting SCPD access, Permittee shall restore access within seventy-two (72) hours of written notice from the City. Permittee shall cooperate with all law enforcement requests for surveillance footage and still images within twenty-four (24) hours of any such request.

8.10 The Permittee shall immediately notify the Sutter Creek Police Department of any criminal activity, or suspected criminal activity, occurring at the Subject Property. In the event of any internal security system breach, including a faulty alarm system, broken or damaged surveillance cameras or other videorecording equipment, or broken or damaged locks, doors, or lighting which may increase risk of criminal activity at the Subject Property, the Manager of the Permittee shall notify the City Police Department as soon as practicable after becoming aware of the security system breach. The Permittee shall diligently attempt to fix or resolve any such security breach immediately; if circumstances require additional time and delay to remedy, the Permittee shall so notify the City Police Department and provide an estimated timeline the security breach will be secured.

8.11 City of Sutter Creek Surveillance Cameras. Permittee shall commit from the Community Fund payment in the amount of (i) 20% of the Community Fund or (ii) $25,000 annually, whichever is less towards a community camera fund available to the Sutter Creek Police Department ("SCPD") for use of installation and annual service fees of cameras throughout the City.

8.12 Security Plan. Prior to opening the Project to the public, Permittee shall file a written Security Plan with the City Manager detailing Permittee's security staffing, surveillance equipment specifications, alarm systems, access control measures, and cash handling procedures. Any material modification to the Security Plan that reduces security staffing levels or reduces surveillance coverage shall require prior written approval from the City Manager. Permittee shall conduct an annual review of the Security Plan and provide a written summary of any changes to the City Manager due by January 31 of each calendar year. For purposes of this Section, "material modification" means any change that reduces the number of security personnel on duty during operating hours by more than twenty-five percent (25%) from the levels set forth in the then-current Security Plan, or that eliminates coverage of any entrance, exit, or cannabis or currency storage area by the surveillance system.

8.13 Good Neighbor Obligations.

(a) Community Hotline. Prior to the date Permittee first opens the Project to the public, Permittee shall establish a dedicated telephone number for community communications regarding the Project (the "Community Hotline"). Permittee shall post the Community Hotline number conspicuously at the entrance to the premises and shall provide the number in writing to all property owners and occupants of record within one thousand (1,000) feet of the Project Site. A designated manager shall be responsible for receiving and logging all Community Hotline communications. Permittee shall maintain a written log of all Community Hotline calls and shall retain such logs for no fewer than three (3) years. Permittee shall make the Community Hotline logs available to the City Manager within five (5) business days of written request.

(b) Complaint Response Protocol. Permittee shall adopt and maintain a written complaint response protocol addressing noise, odor, litter, traffic, parking, loitering, and public consumption issues. The protocol shall require: (i) documentation of each complaint received, including date, time, nature of complaint, and contact information if provided; (ii) written or verbal response to the complainant within forty-eight (48) hours of receipt; (iii) documented resolution of the complaint; and (iv) implementation of corrective measures to prevent recurrence where feasible. Permittee shall provide a written summary of complaints received and resolutions reached to the City Manager within five (5) business days of written request.

(c) Pre-Opening Neighbor Notification. Prior to the date Permittee first opens the Project to the public, Permittee shall provide the name, direct telephone number, and email address of the Project's designated on-site general manager to all property owners and occupants of record within one thousand (1,000) feet of the Project Site. Permittee shall provide updated contact information to such neighbors within thirty (30) days of any change in the designated contact person.
(d) Graffiti on the property will be removed within 48 hours of discovery or notification, whichever is earlier.

(e) In addition to responding to written requests within the specified time frame, Permittee will provide a monthly Good Neighbor Report that includes hotline calls and resolutions, complaint log and resolutions, and banned individual list.

8.14 Permittee agrees to comply with requirements found in Exhibits to this agreement including Business Plan, Labor and Employment plan, Neighborhood compatibility plan, Security plan, Community Benefits plan, and Location plan.

8.15 No promotional messages will be visible outside of the building. Signage is limited to only what is approved in the Sign Permit.

8.16 The Parties acknowledge that, as of the Execution Date; the Project as proposed is consistent with the densities, building heights, setbacks, and lot sizes required by the Sutter Creek Municipal Code and that no new dedications of property or land for public use are required as a condition of this Agreement or the approvals granted hereunder.

9. Insurance and Indemnification.

9.1 Insurance Requirements. Permittee shall procure and maintain in full force and effect at all times during the Term of this Agreement, and any extensions thereof, policies of insurance issued by a carrier or carriers licensed and authorized to do business in the State of California, which: (A) are rated "A-VII" or better in Best's Key Rating Guide and financially sound on a current basis; (B) shall be primary and noncontributory with respect to City; (C) with respect to any liability policy, name City as an additional insured; and (D) include a waiver of subrogation in favor of City. Permittee shall deliver to City certificates of insurance no later than thirty (30) days prior to opening the Project to the public. Upon City's request, Permittee shall deliver complete copies of any insurance policies required under this Agreement. Permittee shall be required to procure the following coverages:

(a) statutory workers' compensation insurance as required by applicable law, together with employer's liability insurance with limits of not less than One Million Dollars ($1,000,000) per accident, One Million Dollars ($1,000,000) disease-policy limit, and One Million Dollars ($1,000,000) disease-each employee;

(b) commercial general liability insurance written on an occurrence basis, including, without limitation, premises/operations, broad-form property damage, personal injury and advertising injury, completed operations, products liability, independent contractors, fire legal liability, and assault-and-battery and security-services coverage, with limits of not less than Two Million Dollars ($2,000,000) per occurrence and Five Million Dollars ($5,000,000) general aggregate;

(c) commercial automobile liability insurance covering owned, hired and non-owned vehicles used in connection with Permittee's business or operations at or relating to the Project, with limits of not less than One Million Dollars

($1,000,000) combined single limit per accident;

(d) products and completed-operations liability insurance specifically covering cannabis goods sold, dispensed or distributed by Permittee, with limits of not less than Two Million Dollars ($2,000,000) per occurrence and Five Million Dollars ($5,000,000) general aggregate; and

(e) crime/employee dishonesty/on-premises and in-transit money and securities coverage in an amount not less than One Million Dollars ($1,000,000) per occurrence.

9.2 Permittee shall defend (with Counsel reasonably approved by the City), indemnify, and hold harmless the City and its Council, boards and commissions, officers, officials, employees, and agents from and against any and all actual and alleged liabilities, demands, claims, losses, damages, injuries, actions or proceedings and costs and expenses incidental thereto (including costs of defense, settlement and attorney's fees), which arise out of, or which are in any way related to i) the business permit and any land use entitlement related thereto, ii) the proceedings undertaken in connection with the approval, denial, or appeal of the business permit and any land use entitlement related thereto, iii) any subsequent approvals or licensing/permits relating to the business permit and any land use entitlement related thereto, iv) the processing of the business permit and any land use entitlement related thereto, v) any amendments to the approvals for the business permit and any land use entitlement related thereto, vi) the City's approval, consideration, analysis, review, issuance, denial or appeal of the business permit; vii) the City's approval, consideration, analysis, review, issuance, denial or appeal of any land use entitlement related thereto, viii) the City's drafting, adoption and passage of an ordinance, and related resolutions, policies, rules and regulations, allowing for cannabis businesses, ix) the City's drafting, adoption and passage of an ordinance, and related resolutions if necessary in the future regarding any zoning law amendment(s) related to Permittee, x) the operation of Project or activity, xi) the process used by the City in making its decision to approve, consider, analyze, review, issue, or deny, the business permit or any related land use entitlement, or the appeal of either, xii) City's compliance or failure to comply with applicable laws and regulations or xiii) the alleged violation of any federal, state or local laws by Permittee or any of its officers, employees or agents, except where such liability is caused by the sole negligence or willful misconduct of the City.

9.3 City may (but is not obligated to) defend such a challenge as City, in its sole discretion, determines appropriate, all at applicant's sole cost and expense. Permittee shall bear any and all losses, damages, injuries, liabilities, costs, and expenses (including, without limitation, staff time and in-house attorney's fees on a fully-loaded basis, attorney's fees for outside legal counsel, expert witness fees, court costs, and other litigation expenses) arising out of or related to any challenge ("Costs"), whether incurred by Permittee, City, or awarded to any third party, and shall pay to the City upon demand any Costs incurred by the City. The Permittee shall have the right, at its sole cost and expense, to participate in the defense of any such challenge with counsel of its choosing. The City shall reasonably cooperate with Permittee in coordinating the defense, including sharing relevant non-privileged information and consulting in good faith regarding strategy; provided, however, that the City shall retain sole control over the defense and settlement of the matter. Permittee shall have the right to intervene in any such proceeding as a party, to the extent permitted by applicable law. The City shall not unreasonably withhold, condition, or delay its consent to such intervention; provided that such intervention does not, in the City's reasonable determination, compromise its legal positions, defenses, or immunities.

9.4 The City may require that Permittee fund a deposit account ("Fund") to reimburse the City's cost, including attorney's fees, to defend any claim, action, or proceeding that is or may be subject to the agreement on limitations of City's liability, and certifications, assurances warranties, and indemnification to City. In the event that any such claim, action, or proceeding is filed against the City, City may require that Permittee, within 30 days of the filing, deposit an initial sum of $25,000 to the Fund to reimburse my portion of the City defense costs, as determined by the City in its sole discretion. The Fund shall, once established, at all times contain an amount necessary to cover not less than three months' worth of budgeted expenditures by the City relating to the City's defense of the claim, action, or proceeding, including all time to appeal, or as long as expenditures made by the City relating to its defense remain unreimbursed, whichever is later. The City may, from time to time, in the City's sole and absolute discretion, request additional deposits from the Permittee to ensure the fund balance is adequate to defend any claim, action or proceeding, including appeals related thereto. Once all remaining and outstanding reimbursements have been paid to the City by Permittee, City shall return to Permittee any remaining unused portion of my deposit.

10. Hold Harmless.

10.1 Permittee hereby waives, releases, and holds harmless the City of Sutter Creek and its Council, boards and commissions, officers, officials, employees, and agents from any and all actual and alleged claims, losses, damages, injuries, liabilities, costs (including attorney's fees), suits or other expenses which arise out of, or which are in any way relate to my application for a business permit, the issuance of the business permit, the process used by the City in making its decision, the enforcement of the conditions of the business permit, or the cannabis business' operations.

10.2 Permittee hereby waives, releases and holds harmless the City and its Council, boards and commissions, officers, officials, employees, and agents from any and all actual and alleged claims, losses, damages, injuries, liabilities, costs (including attorney's fees), suits or other expenses which arise out of, or which are in any way relate to: (1) any repeal or amendment of any provision of the Sutter Creek Municipal Code or Zoning Ordinance relating to commercial cannabis activity; or (2) any investigation, arrest or prosecution of Permittee, operators, employees, clients or customers, for a violation of state or federal laws, rules or regulations relating to cannabis activities.

10.3 The provisions of this subsection shall survive the termination or expiration of this Agreement for any reason.

11. Covenants of City. During the Term of this Agreement, City hereby covenants and agrees with Permittee as follows:

11.1 Expeditious Services. City shall process applications and address questions and concerns raised by Permittee representatives at the "counter" at City Hall as expeditiously as reasonably possible. Upon Permittee's request, or if, in an exercise of City's own discretion, City staff determines that it cannot comply with this Section, City shall expeditiously engage the services of private contract planners, plan checkers or inspectors ("Private Contractors") to perform such services as may be necessary to assist in processing the project plans as described herein. Compensation of such Private Contractors shall be at Permittee's sole cost and expense, inclusive of any administrative cost to City of integrating services by Private Contractors into the project's development processing. Permittee shall pay such costs and expenses of Private Contractors via reimbursement to City, per City's applicable policies and procedures. City shall have absolute discretion in the selection of such Private Contractors.

11.2 Vested Rights. During the term of this Agreement, Permittee shall have the vested right and entitlement to develop and operate the Project in accordance with the Land Use Regulations, in addition to any operating standards found in the Municipal Code, which may be amended only to the minimum extent required to address an imminent and specifically identified public health or safety hazard, provided that: (i) the City Council adopts written findings identifying the specific hazard and the minimum amendment necessary to address it; (ii) Permittee receives at least thirty (30) days prior written notice of the proposed amendment and an opportunity to comment; and (iii) any such amendment does not materially impair Permittee's ability to operate the Project as authorized herein. Nothing in this Section shall limit the City's reserved powers under California Government Code § 65865.4.

11.3 Building Permits and Other Approvals and Permits. Subject to (a) Permittee's compliance with this Agreement, the Project approvals, and the Municipal Code; and (b) payment of the usual and customary fees and charges of general application charged for the processing of such applications, permits and certificates and for any utility connection, or similar fees and charges of general application, the City shall process and issue to Permittee promptly upon application therefore all necessary use permits, building permits, occupancy certificates, permits, licenses and other required permits for the construction, use and occupancy of the Project, or any portion thereof, as applied for, including connection to all utility systems under the City's jurisdiction and control (to the extent that such connections are physically feasible and that such utility systems are capable of adequately servicing the Project).

11.4 Procedures and Standards. The standards for granting or withholding permits or approvals required hereunder in connection with the development of the Project shall be governed as provided herein by the standards, terms and conditions of this Agreement and the Project approvals, and to the extent not inconsistent therewith, the Existing Land Use Ordinances, but the procedures for processing applications for such permits or approvals (including the usual and customary fees of general application charged for such processing) shall be governed by such ordinances and regulations as may then be applicable.

12. Effect of Agreement.

12.1 Grant of Right. This Agreement shall constitute a part of the Enacting Ordinance, as if incorporated by reference therein in full. The Parties acknowledge that this Agreement grants Permittee the right and entitlement to develop the Project and use the land pursuant to specified and known criteria and rules as set forth in the Project approvals and Existing Land Use Ordinances, and to grant the City and the residents of the City certain benefits which they otherwise would not receive.

12.2 Binding on City. This Agreement shall be binding upon the City and its successors in accordance with and subject to its terms and conditions, unless subsequent action is taken by the City, whether by ordinance or resolution of the City Council, by referenda, initiative, or otherwise. As long as the Development Agreement is in good standing, the Permittee shall have a right to a business permit.

12.3 Future Conflicting Local Laws. Notwithstanding any other provision of this Agreement, a conflicting City Law enacted after the Execution Date shall apply to the Project only if: (i) it is required by changes in State or Federal law; (ii) the City Council adopts written findings that the change is the minimum necessary to address an imminent and specifically identified threat to public health or safety; or (iii) it is agreed to in a written amendment signed by both Parties pursuant to Section 13.2 of this Agreement. The Parties acknowledge that the City's approval of this Agreement constitutes a legislative action subject to referendum; however, the Parties intend that the vested rights granted herein shall be enforceable against any subsequently enacted City Laws to the maximum extent permitted by California Government Code sections 65864 et seq.

13. Specific Criteria Applicable to Development of the Project.

13.1 Applicable Ordinances. Except as set forth in the Project approvals and subject to the provisions of Section 10.2 below, the Existing Land Use Ordinances shall govern the development of the Site hereunder and the granting or withholding of all permits or approvals required to develop the Site; provided, however, that (a) Permittee shall be subject to all changes in processing, inspection and plan-check fees and charges imposed by City in connection with the processing of applications for development and construction upon the Site so long as such fees and charges are of general application and are not imposed solely with respect to the Project Site, (b) Permittee shall abide by the California Building Standards Codes in effect at the time of such applications, and (c) and development shall be consistent with current operating standards as set forth in the Municipal Code.

13.2 Amendment to Applicable Ordinances. Any change to the Existing Land Use Ordinances that conflicts with the Project approvals shall nonetheless apply to the Project if, (i) it is determined by City and evidenced through findings adopted by the City Council that the change or provision is reasonably required in order to prevent a condition dangerous to the public health or safety; (ii) it is required by changes in State or Federal law; or (iii) it is otherwise expressly permitted by this Agreement.

14. Supersedure of Subsequent Laws or Judicial Action.

14.1 The provisions of this Agreement shall, to the extent feasible, be modified or suspended as may be necessary to comply with any new decision issued by a court of competent jurisdiction (a "Decision"), enacted or made after the Execution Date which prevents or precludes compliance with one or more provisions of this Agreement. Promptly after enactment of any such new Decision, the Parties shall meet and confer in good faith to determine the feasibility of any such modification or suspension based on the effect such modification or suspension would have on the purposes and intent of this Agreement. In addition, Permittee and City shall have the right to challenge the new Decision preventing compliance with the terms of this Agreement. In the event that such challenge is successful, this Agreement shall remain unmodified and in full force and effect, except that the Term shall be extended, in accordance with Section 3.1 above, for a period of time equal to the length of time the challenge was pursued, to the extent such challenge delayed the implementation of the Project.

14.2 The Parties recognize that California adopted, through ballot initiative, the AUMA and may adopt through initiative or legislative action other laws and regulations pertaining to either medical or adult use of cannabis. The Parties intend through this Agreement that Permittee shall have the right for retail sales of cannabis as allowed by current State Cannabis Law, pertaining to Commercial Cannabis Activity. To the extent the changes in California law change the legal process or structure by which cannabis retailers can or may operate (i.e. for-profit vs. non-profit entities, size of licensees, etc.), the Parties intend this Agreement to be flexible to allow such changes and may alter the procedures specified herein, or otherwise, as may be necessary.

15. CEQA. The City has reviewed the Project pursuant to the California Environmental Quality Act ("CEQA") (Public Resources Code § 21000 et seq.) and the State CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.), and has determined that the Project, including this Development Agreement, is categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301 (Existing Facilities), because the Project involves minor alteration of an existing private structure with no expansion of use. A Notice of Exemption shall be filed with the County Clerk-Recorder upon City Council approval of this Agreement. No Initial Study, Negative Declaration, Mitigated Negative Declaration, or Environmental Impact Report is required for this Project.

16. Building Permits. Nothing set forth herein shall impair or interfere with the right of City to require the processing of building permits as required by law relating to any specific improvements proposed for the Project pursuant to the applicable provisions of the Municipal Code, inclusive of such California and international codes as have been adopted in accord therewith, that are in effect at the time such permits are applied for; provided, however, no such permit processing shall authorize or permit City to impose any condition on and/or withhold approval of any proposed improvement the result of which would be inconsistent with this Agreement.

17. Review for Compliance.

17.1 Periodic Review. Pursuant to California Government Code section 65865.1, City shall engage in an annual review of this Agreement, on or before the anniversary of the Execution Date, in order to ascertain Permittee's good faith compliance with its terms (the "Periodic Review"). In the event City fails to formally conduct such annual review, Permittee shall be deemed to be in full compliance with the Agreement.

18. Amendment or Cancellation. This Agreement may be amended or canceled in whole or in part only by mutual consent of the Parties or in the manner provided in California Government Code section 65865.1 or California Government Code section 65868.

19. Provide Notice. Provide the other Party with written notice of such State or Federal law or regulation, a copy of such law or regulation and a statement identifying how such law regulation conflicts with the provisions of this Agreement.

20. Meet and Confer. Upon notice by one Party to another as to preemption or frustration of this Agreement by law or regulation, the Parties shall promptly meet and confer in good faith and make a reasonable attempt to modify or suspend this Agreement to comply with such applicable Federal or State law or regulation. If the Parties cannot agree on a manner or method to comply with such Federal or State law or regulation, the Parties may, but shall not be required to, engage in alternative dispute resolution.

21. Notices. All notices or other communications required or permitted hereunder shall be in writing and shall be either personally delivered (which shall include delivery by means of professional overnight courier service which confirms receipt in writing [such as Federal Express or UPS]), sent by telecopier or facsimile ("Fax") machine capable of confirming transmission and receipt, or sent by certified or registered mail, return receipt requested, postage prepaid to the following parties at the following addresses or numbers:

If to City:

With copy to:

If to Permittee:

440 N Barranca Ave #8433
Covina, CA 91723
Attention: Legal Notices

With copy to:

Embarc 1125 I St
Sacramento, CA 95814
Attention : Legal Notices

Notices sent in accordance with this Section shall be deemed delivered upon the: (a) date of delivery as indicated on the written confirmation of delivery (if sent by overnight courier service); (b) date of actual receipt (if personally delivered by other means); (c) date of transmission (if sent by email or telecopier, so long is sender receives actual confirmation that the transmission was received); or (d) date of delivery as indicated on the return receipt (if sent by certified or registered mail, return receipt requested). Notice of change of address shall be given by written notice in the manner detailed in this Section.

22. Breach and Remedies. Notwithstanding any provision of this Agreement to the

contrary, Permittee shall not be deemed to be in default under this Agreement with respect to any obligation owed solely to City, and City may not terminate or modify Permittee' rights under this Agreement, unless City shall have first delivered a written notice of any alleged default to Permittee that specifies the nature of such default. If such default is not cured by Permittee within thirty (30) calendar days after receipt of such notice of default, City may terminate Permittee's rights under this Agreement. In the event that a breach of this Agreement occurs, irreparable harm is likely to occur to the non- breaching Party and damages will be an inadequate remedy. To the extent permitted by law, therefore, it is expressly recognized that injunctive relief and specific enforcement of this Agreement are proper and desirable remedies, and it is agreed that any claim by Permittee against City for an alleged breach of this Agreement shall be remedied by injunctive relief or an appropriate action for specific enforcement of this Agreement and not by a claim or action for monetary damages.

23. Entire Agreement. This Agreement and the Exhibits A - F herein contain the entire integrated agreement among the Parties. The Parties intend that this Agreement state their agreement in full to each and every one of its provisions. Any prior agreements, understandings, promises, negotiations or representations respecting the matters dealt with herein or the duties of any Party in relation thereto, not expressly set forth in this Agreement, are agreed by all Parties to be null and void.

24. Severability. If any term, provision, condition, or covenant of this Agreement, or the application thereof to any Party or circumstance, shall to any extent be held invalid or unenforceable, the remainder of the instrument, or the application of such term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

25. Attorneys' Fees. In the event any Party hereto brings an action or proceeding for a declaration of the rights of the Parties, for injunctive relief, for an alleged breach or default, or any other action arising out of this Agreement, or the transactions contemplated hereby or institutes a reference or arbitration proceeding as may expressly be permitted by the terms of this Agreement, the prevailing Party in any such action shall be entitled to an award of actual attorneys' fees and costs incurred in such action or proceeding, without regard to any rule of court or schedule of such fees maintained by the court, in addition to any other damages or relief awarded, regardless of whether such action proceeds to final judgment.

26. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which constitute one and the same instrument.

27. Execution of Agreement. The Parties shall sign this Agreement on or within five (5) business days of approval.

28. Estoppel Certificate. City shall, at any time and from time to time within ten (10) calendar days after receipt of written notice from Permittee so requesting, execute, acknowledge and deliver to Permittee a statement in writing: (a) certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement, as so modified, is in full force and effect); and (b)

acknowledging that there are no uncured defaults on the part of Permittee hereunder or specifying such defaults if any are claimed. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the Site. Upon Permittee's written request, City shall issue a certificate of performance evidencing completion of any of Permittee's obligation(s) under this Agreement.

29. Discretion to Encumber. The Parties hereto agree that this Agreement shall not prevent or limit Permittee, in any manner, at Permittee's sole discretion, from encumbering the Site or any portion thereof or any improvements thereon then owned by such person with any mortgage, deed of trust or other security device ("Mortgage") securing financing with respect to the Site or such portion. City acknowledges that the lenders providing such financing may require certain modifications, and City agrees, upon request, from time to time, to meet with Permittee and/or representatives of such lenders to negotiate in good faith any such request for modification. City further agrees that it will not unreasonably withhold its consent to any such requested modification. Any mortgagee or trust deed beneficiary of the Site or any portion thereof or any improvements thereon and its successors and assigns ("Mortgagee") shall be entitled to the rights and privileges of Permittee herein.

30. Lender Requested Modification/Interpretation. City acknowledges that the lenders providing financing to Permittee may request certain interpretations and modifications of this Agreement. City therefore agrees upon request, from time to time, to meet with the Permittee and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. The City will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement, provided, further, that any modifications of this Agreement are subject to the provisions of this Agreement relative to modifications or amendments.

31. Governing Law and Venue. This Agreement and the legal relations between the Parties shall be governed by and construed in accordance with the laws of the State of California. Furthermore, the Parties agree to venue in Amador County, California.

32. Mutual Covenants. The covenants contained herein, including those contained in the Recitals herein, are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the Party benefited thereby of the covenants to be performed hereunder by such benefited Party.

33. No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties . No other person or entity shall have any right of action based upon any provision of this Agreement.

34. Waiver. Failure by a Party to insist upon the strict performance of any of this Agreement's provisions by the other party, or the failure by a Party to exercise its rights upon the default of the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by the other Party with the terms of this Agreement thereafter.

35. Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

36. Recordation of Agreement. This Agreement and any amendment or cancellation thereof shall be recorded with the County Recorder by the City Clerk within the period required by Government Code Section 65868.5.

37. Headings. The headings in this Agreement are inserted for convenience only. They do not constitute part of this Agreement and shall not be used in its construction.

38. Waiver. The waiver by any party to this Agreement of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach of that or any other provision of this Agreement.

39. Jointly Drafted. It is agreed among the Parties that this Agreement was jointly negotiated and jointly drafted by the Parties and their respective counsel, and that it shall not be interpreted or construed in favor of or against any party solely on the ground that it drafted the Agreement. It is also agreed and represented by all Parties that said Parties were of equal or relatively equal bargaining power and that in no way whatsoever shall this Agreement be deemed to be a contract of adhesion, or unreasonable or unconscionable.

40. Independent Legal Counsel. Each Party acknowledges that it has been represented by independent legal counsel of its own choice throughout all of the negotiations that preceded the execution of this Agreement or has knowingly and voluntarily declined to consult legal counsel, and that each Party has executed this Agreement with the consent and on the advice of such independent legal counsel.

41. Further Cooperation. The Parties herein agree to execute any and all agreements, documents or instruments as may be reasonably necessary in order to fully effectuate the agreements and covenants of the Parties contained in this Agreement, or to evidence this Agreement as a matter of public record, if required to fulfill the purposes of this Agreement. The Parties further agree to mutually cooperate with one another in carrying out the purposes of this Agreement.

42. Enforceability. This Agreement shall not become binding and shall have no force and effect whatsoever until such time as it has been fully executed by and delivered to all of the parties hereto.

43. Assignment Permitted at City's Sole Discretion**.** The parties acknowledge that this Agreement is based upon the unique qualifications, experience, expertise, reputation, and personal performance of the Permittee. Accordingly, Permittee may not assign, delegate, transfer, or otherwise convey any of its rights, duties, or obligations under this Agreement, whether voluntarily, involuntarily, by operation of law, merger, consolidation, sale of assets, change of control, or otherwise, without the prior written consent of the other party, which consent may be withheld in the other party's sole discretion. Any attempted assignment, delegation, transfer, or conveyance without such prior written consent shall be null, void, and of no force or effect.

[Signatures on following pages]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Execution Date.

"**CITY**"	CITY OF SUTTER CREEK, CA a California Municipal Corporation
Date: ______________________, 2026	By: __________________________________
	Attest:
	By: __________________________________
	Approved as to form:
	By: __________________________________

A

CKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or

STATE OF CALIFORNIA }
COUNTY OF ________________
}

On____________________before me, ____
(insert name and title of the officer)

personally appeared ____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

____
Signature of Notary

“PERMITTEE”

Sutter Creek Responsible and Compliant LLC, a California limited liability company

Date: ____________________, 2026

By: ________________________________

____
Manager

Approved as to form:

____

By: ________________________________
Eric Lightman, Esq. Attorney for Permittee

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }
COUNTY OF ________________
}

On____________________before me, ____
(insert name and title of the officer)

personally appeared ____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

____
Signature of Notary

Exhibits

A. Business Plan
B. Labor and Employment Plan
C. Neighborhood Compatibility Plan
D Security Plan (confidential) Plan
E. Community Benefits Plan
F. Location Plan

RESOLUTION 26-27-*

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUTTER CREEK APPROVING THE SITE PLAN, CONDITIONAL USE PERMIT, AND SIGN PERMIT FOR SUTTER CREEK RESPONSIBLE AND COMPLIANT RETAIL LLC DBA EMBARC TO OPERATE A STOREFRONT RETAIL CANNABIS DISPENSARY ON THE REAL PROPERTY LOCATED AT 11 RIDGE ROAD, SUTTER CREEK, CALIFORNIA

WHEREAS, on the City Council of the City of Sutter Creek did on Monday August 17, 2026, hold a public hearing for a Site Plan, Conditional Use Permit, and Sign Permit application for improvements to an existing building located within the C-2 zoning district, the establishment of a retail cannabis dispensary, with delivery, and the replacement of signs located at 11 Ridge Road, ; and

WHEREAS, the City Council did at the public hearing receive a report from the planning staff, receive input from the Applicant and members of the public in attendance, and at the close of the public hearing did deliberate; and

WHEREAS, the City Council does find the proposal is exempt from environmental review as a Class 15301 (Existing Facilities) and Section 15061 (b)(3) (Common-Sense Exemption) Categorical Exemptions under CEQA.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Sutter Creek hereby approves a Site Plan Permit for 11 Ridge Road based on the following Findings:

1. The proposed site development is essential or desirable to the public convenience or welfare;
2. The proposed site development will not impair the integrity and character of the area in which it is located, or the zoning district;
3. The proposed site development will insure that adequate public utilities and services are provided so that the project would not be detrimental to public health, safety, or general welfare;

BE IT FURTHER RESOLVED that the City Council of the City of Sutter Creek hereby approves a Conditional Use Permit for Embarc at 11 Ridge Road based on the following Findings:

1. The proposed uses of the property are desirable to the public convenience or welfare;
2. The proposed uses will not impair the integrity and character of the area in which it is located or the zoning district;
3. The proposed uses would not be detrimental to public health, safety, or general welfare
4. There are adequate public utilities and services available for the proposed uses; and
5. The proposed uses of the property are in harmony with the various elements or objectives of the general plan and the purposes of this title.
6. For any storefront retail cannabis dispensary, the proposed use will be subject to a separately approved development agreement for the same term as the approved conditional use permit and:

   a. The development agreement will provide for appropriate community benefit as consideration for the City's execution of the agreement;

b. The operator has a demonstrated record of successfully operating storefront cannabis dispensaries in at least three jurisdictions for a period of at least three years preceding the date of its application;

c. The operator demonstrates it will have adequate capitalization, access to a stable workforce, and a business location conducive to sustaining long-term operations; and

d. The operator, including its principals, shareholders, partners, and officers, has not been convicted of, found civilly liable for, having sold or distributed cannabis or cannabis products in violation of any state statute, state regulation, or local ordinance.

BE IT FURTHER RESOLVED the City Council hereby approves the Site Plan, Conditional Use, and Sign Permit, subject to the following Conditions of Approval:

1. The Conditional Use Permit shall not be operational unless or until a Zoning Ordinance Amendment has been adopted by the City Council.
2. The Conditional Use Permit shall not be operational unless or until a Development Agreement is fully executed by the City and the Development Agreement remains valid
3. Applicant's operations must comply with all applicable laws and regulations. Failure to comply with applicable laws or regulations is a violation of this CUP and constitutes grounds for revocation of the CUP.
4. Applicant's operations must comply with the Development Agreement.
5. Applicant's operations must comply with the Business plan submitted to the City.
6. Applicant's operations must comply with the Safety Plan submitted to the City and approved by the Police Chief.
7. Applicant's operations must comply with the Labor and Employment plan submitted to the City.
8. Applicant's operations must comply with the Neighborhood Compatibility plan submitted to the City.
9. Applicant's operations must comply with the Community Benefits Plan submitted to the City.
10. Applicant's operations must comply with the Location Plan submitted to the City.
11. Applicant shall notify the City in writing within 10 days of any change in licensure status with the California Bureau of Cannabis Control.
12. There shall be no consumption of cannabis products or alcoholic beverages on the subject site.
13. Indoor or Outdoor Live music and entertainment, or use of amplified speakers for advertising, entertainment or promotions is not permitted by this CUP. Events of this type would require separate application, review, and approval from the City prior to each and every event.
14. Applicant shall pay the $50.00 CEQA Notice of Exemption (NOE) filing fee to the Amador County Recorder.
15. Applicant shall comply with Section 18.06.090 and 18.06.100 of the Zoning Code regarding the 12-month period to implement the Project and/or Extension of time.
16. Applicant must obtain a Business License.
17. Applicant must comply with their approved Site Plan Permit.
18. Applicant shall upgrade existing parking and path of travel to meet current ADA standards.
19. Applicant shall provide building plans and obtain building permits for interior improvements including necessary ADA upgrades.

20. Any building or parking area illumination including security lighting, shall be arran direct light and glare away from adjoining properties.
21. Any new signage added must be reviewed and approved by the Planning Commission.
22. The site shall be kept clean of all debris (boxes, junk, garbage, etc.) at all times. All scrap materials shall be stored in a container and shall be removed regularly.
23. Hours of operation. Cannabis retail businesses shall not be open to the public and shall not conduct retail sales or deliveries before eight a.m. or after ten p.m. on Monday-Sunday.
24. Odor control. Odors shall be contained on the property on which the cannabis retail business is located.
25. No business operations or retail merchandise shall be visible from the exterior of a building where a cannabis retail business is located.
26. Cannabis retail businesses shall ensure that advertising and marketing of cannabis and cannabis products are not targeted to individuals less than twenty-one years of age.
27. If and when delivery becomes available, a plan must be submitted to the City for review. The number of deliveries per day shall not exceed what is allowed by State Law.
28. Any Conditional Use Permit granted in accordance with the terms of the City of Sutter Creek Municipal Code may be revoked if any of the conditions or terms of such permit are violated, the use is discontinued, or if any law or ordinance is violated in connection therewith.

PASSED AND ADOPTED by the City Council of the City of Sutter Creek on Monday the 17th day of August, 2026 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

THE CITY OF SUTTER CREEK

____
Claire Gunselman, Mayor

ATTEST:

____
Alejandra Zambrano, Interim City Clerk

Notice of Exemption

To: ☐ Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: City of Sutter Creek
18 Main Street
Sutter Creek, CA 95685

☒ County Clerk
County of Amador
810 Court Street
Jackson, CA 95642

Project Title: Sutter Creek Responsible and Compliant Retail LLC DBA Embarc Dispensary

Project Location – City: Sutter Creek – Commercial C-2 Zoning District

Project Location – Specific: 11 Ridge Road, APN 044-020-063 **Project Location – County:** Amador

Description of Nature, Purpose, and Beneficiaries of Project:

The City received an application from Sutter Creek Responsible and Compliant Retail, LLC DBA Embarc, (the "Applicant") on May 11, 2026, for the rights and entitlements to develop and operate a commercial cannabis retail sales and delivery business at 11 Ridge Road in the Sutter Hill area of the City. The application includes a Zoning Ordinance amendment, a Development Agreement, a Conditional Use Permit, a Sign Permit and Site Plan Permit. Business will occur in a former bank building

Name of Public Agency Approving Project: City of Sutter Creek

Name of Person or Agency Carrying Out Project: Tom DuBois, City Manager

Exempt Status: (*check one*)

- ☐ Ministerial (Sec. 21080(b)(1);15268);
- ☐ Declared Emergency (Sec. 21080(b)(3);15269(a));
- ☐ Emergency Project (Sec. 21080(b)(4);15269(b)(c));
- ☒ Categorical Exemption. Section 15301 (Existing Facilities) and Section 15061 (b)(3) (Common-Sense Exemption)
- ☐ Statutory Exemptions. State code number:

Reasons why project is exempt: The City has determined that the project application falls within a Class 1 Section 15301 and Section 15061 (b)(3) (Common-Sense Exemption) Categorical Exemptions under CEQA. Section 15301 allows operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. The project is consistent with the Class 1 example 15301 as it proposes interior and exterior building alterations that are negligible and includes no expansion of the former bank land use. The project is also consistent with the Class 1 example 15301 as it proposes new copy on existing on-premises signs. Therefore, the project qualifies for this exemption.

Under CEQA Guidelines § 15061(b)(3), it can be seen with certainty that there is no possibility the adaptive reuse of an existing commercial building into a carefully regulated retail storefront will have a significant effect on the physical environment.

Lead Agency Contact Person: Tom DuBois Phone: (209) 215-4890

Notice of Exemption

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? ☐ Yes ☐ No

Signature: ________________________ Date: _____________ Title: City Manager, City of Sutter Creek

☒ Signed by Lead Agency Date received for filing at OPR:

☐ Signed by Applicant

POSTED:____________________

City of Sutter Creek
City Council

AMENDED NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council of the City of Sutter Creek will conduct a public hearing to consider the following applications for property located at 11 Ridge Road, Sutter Creek, California, submitted by Sutter Creek Responsible and Compliant Retail, LLC, DBA Embarc.

At a Special Meeting held on July 8, 2026, the Planning Commission considered the proposed applications and took the following actions:

- Recommended that the City Council adopt a Zoning Ordinance Amendment to allow exactly one (1) retail cannabis business within the City of Sutter Creek, subject to approval of a Conditional Use Permit and Development Agreement;
- Recommended that the City Council approve a Development Agreement between the City of Sutter Creek and Sutter Creek Responsible and Compliant Retail, LLC, DBA Embarc, establishing the terms and conditions for operation of the City's sole retail cannabis business;
- Approved a Conditional Use Permit, Site Plan Permit, and Sign Permit for the establishment and operation of a retail cannabis business with delivery services at 11 Ridge Road, subject to City Council review and final action where applicable, including finding the project categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Class 1 – Existing Facilities) and Section 15061 (b)(3) (Common-Sense Exemption).

The City Council will conduct a public hearing to consider the following:

1. A Zoning Ordinance Amendment to allow exactly one (1) retail cannabis business within the City of Sutter Creek, subject to approval of a Conditional Use Permit and Development Agreement.
2. A Development Agreement between the City of Sutter Creek and Sutter Creek Responsible and Compliant Retail, LLC, DBA Embarc, establishing the terms and conditions for operation of the City's sole retail cannabis business.

During this public hearing, the City Council will also consider the appeal of the Planning Commission's approval, at its July 8, 2026 special meeting, of a Site Plan Permit, Conditional Use Permit, and Sign Permit to allow the establishment and operation of one retail cannabis business with delivery services within an existing commercial building located at 11 Ridge Road.

Further, the City Council will consider finding that the proposed Zoning Ordinance Amendment and Development Agreement, and appealed approvals of the Site Plan Permit, Conditional Use Permit, and Site Permit, are categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Class 1 – Existing Facilities) and Section 15061 (b)(3) (Common-Sense Exemption).

Public Hearing Information

All interested persons are invited to attend the public hearing and provide testimony regarding the proposed applications. Written comments may be submitted to the City prior to the hearing and will be made part of the administrative record.

Project information is available on the City's website at **www.cityofsuttercreek.org**.
If you challenge any of the above actions in court, you may be limited to raising only those issues that you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City prior to the close of the public hearing.

DATE : Monday August 17, 2026

TIME: 6:00 P.M. or as soon thereafter as the matter may be heard
PLACE: Community Building, 33 Church St., Sutter Creek

Planning Commission - Special Meeting Minutes

Wednesday, July 08, 2026 at 6:00 PM

33 Church Street, Sutter Creek, CA 95685

The Agenda can be found on the City's Website: www.cityofsuttercreek.org

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1. Call to Order, Roll Call, and Establish a Quorum for Regular Meeting

The meeting was called to order at 6:00 p.m.

PRESENT: Chair Lucy Mulvey, Vice Chair Thomas Baggett, Commissioner Meredith Hansen, and Commissioner Michael Kirkley

ABSENT: Commissioner Robert Trudgen

STAFF: City Manager DuBois, Contract City Planner Erin Ventura and Interim City Clerk Alejandra Zambrano

2. Pledge of Allegiance to the Flag

Chair Mulvy led the Pledge of Allegiance.

3. Public Forum

No public comment on items not on the agenda.

4. Consent Agenda

A. Planning Commission Minutes of May 11, 2026

Recommendation: Approval of Minutes

Motion made by Commissioner Kirkley, seconded by Commissioner Hansen to adopt planning commission minutes of May 11, 2026.

AYES: Mulvey, Baggett, Hansen, Kirkley
NOES: None
ABSENT: Trudgen
ABSTAIN: None
MOTION PASSED 4-0-1

5. Public Hearings

Chair Mulvey opened the public hearing and requested Commissioner disclosures. Contract City Planner Ventura presented the staff report. Representatives of Sutter Creek Responsible and Compliant Retail LLC DBA Embarc provided an overview of the proposed retail cannabis project.

Chair Mulvey opened the public hearing for public comment.

The following individuals provided public comment: Lisa Barad, Robert Allen, Brian Comnes, Craig Lambert, Glen Spitzer, Martin Ryan, Peter Gale, Tom Cohness, Patricia Sedga, Ron Houck, Pete Jensen, Josh Little, Susan Ross, Chris Garcia, Al Biers, Suzane Houk, X Vierges, and Stacey Tyler.

The applicant's representative responded to questions and concerns raised during public comment regarding youth access, community impacts, and the operation of the proposed regulated cannabis business.

Chair Mulvey closed the public hearing.

During Commission deliberations, Commissioner Kirkley discussed the availability of cannabis and the benefits of a regulated cannabis market. Vice Chair Baggett discussed responsible cannabis use and personal responsibility. Commissioner Hansen shared her perspective as a Registered Nurse and discussed comparative public health concerns related to cannabis and other substances while acknowledging concerns regarding the proposed location. Chair Mulvey discussed cannabis regulation, community impacts, and opportunities for community involvement. The applicant's representative responded by discussing the establishment of a community advisory board composed of local volunteers and provided examples of similar programs in other jurisdictions.

City Attorney Derek Cole explained the rationale for drafting the proposed Zoning Ordinance Amendment to permit one retail cannabis business at a time based on local market conditions and to allow the City an opportunity to evaluate the use before considering future amendments. Mr. Cole further explained the required findings supporting the project's categorical exemption under the California Environmental Quality Act (CEQA).

Motion: Commissioner Kirkley moved, and Vice Chair Baggett seconded, to recommend that the City Council:

1. Find that the proposed Zoning Ordinance Amendment and Development Agreement are categorically exempt from CEQA pursuant to CEQA Guidelines Section 15301 (Class 1 – Existing Facilities) and Section 15061 (b)(3) (Common-Sense Exemption) ;
2. Adopt a Zoning Ordinance Amendment allowing exactly one (1) retail cannabis business within the City of Sutter Creek, subject to the conditions of the Development Agreement and Conditional Use Permit; and

3. Approve the Development Agreement with Sutter Creek Responsible and Compliant Retail LLC DBA Embarc.

Prior to the vote, Chair Mulvey requested that staff review and provide recommended revisions to the Development Agreement for City Council consideration regarding the drug education program language, Section 6.1.1 relating to retail fee payments, and Section 7.1.1 relating to the timing of certified reports and payments. The motion maker and second accepted the amendment directing staff to address these items and present any recommended revisions to the City Council.

AYES: Mulvey, Baggett, Hansen, Kirkley
NOES: None
ABSENT: Trudgen
ABSTAIN: None
MOTION PASSED 4-0-1

Chair Mulvey discussed Condition No. 27 of the Conditional Use Permit regarding delivery limitations and recommended revising the condition to provide that the number of delivery trips shall be in accordance with State law.

Motion: Vice Chair Baggett moved, and Chair Mulvey seconded, to:

1. Find that the project is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15301 (Class 1 – Existing Facilities and Section 15061 (b)(3) (Common-Sense Exemption) ; and
2. Approve, with conditions, the Site Plan Permit, Conditional Use Permit, and Sign Permit for Sutter Creek Responsible and Compliant Retail LLC DBA Embarc at 11 Ridge Road for one retail cannabis business with delivery services, contingent upon City Council approval of the Zoning Ordinance Amendment and Development Agreement.

The motion included a modification to Condition No. 27 to provide that the number of delivery trips shall be in accordance with State law.

AYES: Mulvey, Baggett, Hansen, Kirkley
NOES: None
ABSENT: Trudgen
ABSTAIN: None
MOTION PASSED 4-0-1

6. Adjournment

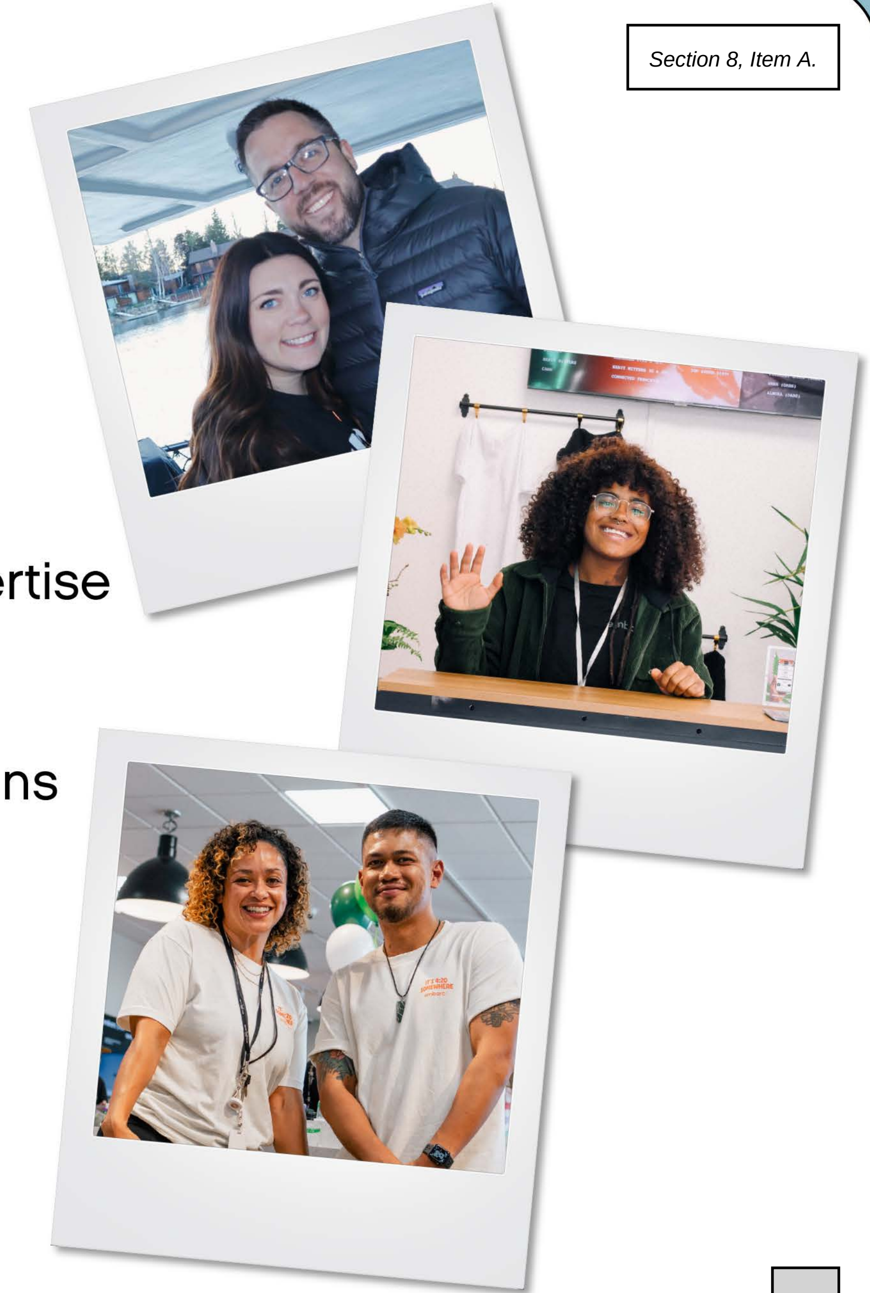
Chair Mulvey adjourned the meeting at 8:28 p.m.

embarc
Sutter Creek

Planning Commission – Sutter Creek
July 8, 2[illegible]

MEET EMBARC

- Deep Local Roots
- Demonstrated Industry Leadership & Operational Expertise
- Secure, Compliant & Tested Through Existing Operations
- Ready to Execute Efficiently on Our Proposal



PROVEN RETAIL OPERATOR

MORE THAN 450 PAGES OF SOPS

PROPRIETARY TRAINING & EDUCATION

LOCAL HIRING & A CBA WITH UFCW UNION

COMPLIANCE AUDITING SOFTWARE

GENERATES MORE REVENUE PER SQ/FT THAN NATION'S LEADING RETAILERS

PROVEN MULTI-MARKET OPERATOR

A PROVEN REGIONAL BRAND

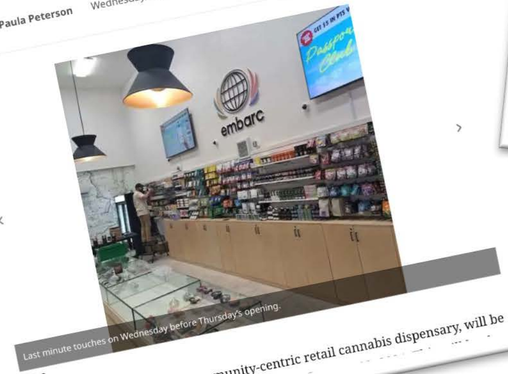
SouthTahoeNOW.com
Your One Stop for Lake Tahoe News & Information

News Community Fire Prevention Elections 2026 Events Submit a Story Advertising Options

LIFESTYLE

Embarc opens Meyers cannabis retail store Community Advisory Board in place

by Paula Peterson Wednesday, January 17, 2024 - 8:25pm



Last minute touches on Wednesday before Thursday's opening.

MEYERS, Calif. – Embarc, a community-centric retail cannabis dispensary, will be

CITY OF SOUTH LAKE TAHOE
SALES TAX UPDATE
3Q 2020 (JULY - SEPTEMBER)

TOP 25 PRODUCERS

Aisle 1
Azul Latin Kitchen
Base Camp Pizza
BevMo
CVS Pharmacy
Do it Yourself Home Center
Embarc Tahoe
Grocery Outlet
Heavenly Sports
Jim Bagan Toyota
KB Chevron
McDonalds
McP's Pub Tahoe
Meeks Building Center
Raleys
Riva Grill on the Lake
Ross
Safeway
Safeway Fuel
Smart & Final
Sports Ltd
Stateline Brewery & Restaurant
TJ Maxx
Up Shirt Cr
Western Ne

abc10 News Weather Sports

SACRAMENTO

First equity-backed cannabis retail dispensary opens in Sacramento

The cannabis store-front 'Embarc Sacramento' announced its opening Monday, with the help of a Sacramento-based equity program.

Author: Vicente Vera
Published: 8:00 PM PST November 18, 2022
Updated: 8:00 PM PST November 18, 2022

SACRAMENTO, Calif — More than four years after Sacramento approved the city's cannabis equity program, its first partly-fund on 6233 Mack Road in South Sacramento.

First approved for licensing in March 2020, the 'Embarc Sacrame owned by Black personal trainer Robert Jackson. He filed the app well.

Tracy Press

Celebrate Tracy News Voice Our Town Sports Datebook Obituaries Advertising

Dispensary draws crowd for grand opening

By Bob Browne Jan 12, 2024

A long line formed outside of Embarc Tracy on Pavilion Parkway on Saturday morning for the grand opening of Tracy's second retail cannabis dispensary.
Bob Browne/Tracy Press

Even though Tracy's second retail cannabis storefront had been open for a couple of weeks, a grand opening celebration at Embarc Tracy on Pavilion Parkway on Saturday drew a big enough crowd for a long line to form in front of shop.

DAILY DEMOCRAT

mbarc Woodland opens for business

f of Emarc Woodland and representatives from the Woodland Chamber of Commerce hosted a ribbon cutting ceremony on Aug. 6. (Taylor Heede ins/Daily Democrat)

By TAYLOR HEEDEN | theeden@dailydemocrat.com
PUBLISHED: August 8, 2025 at 6:30 AM PDT

COMMUNITY BENEFITS: PROVEN & FUNDED

THE RIGHT PEOPLE AT THE TABLE
Community Advisory Board

+

SIGNIFICANT ONGOING FUNDING
Community Investment Fund & Volunteerism

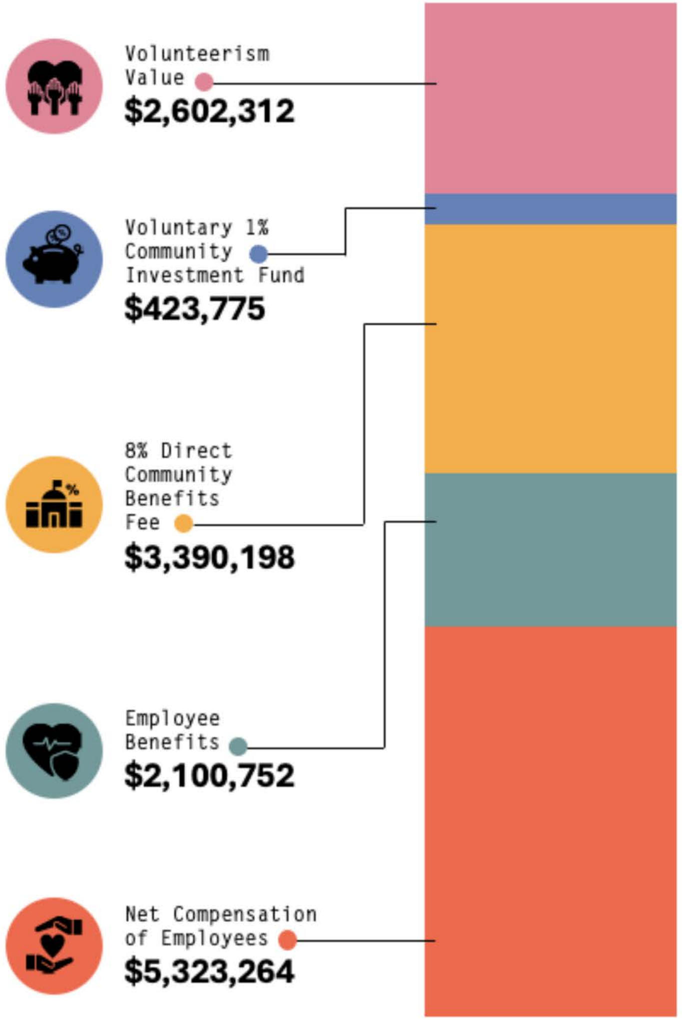
=

ABILITY TO BE NIMBLE IN ADDRESSING PRIORITY NEEDS
Embarc's Community Benefits

	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Community Benefits Fee to the City (8%)	$498,316	$553,131	$713,447	$777,657	$847,646	**$3,390,198**
Internal Community Investment Fund (1%)	$62,290	$69,141	$89,181	$97,207	$105,956	**$423,775**
TOTAL	**$560,606**	**$622,272**	**$802,628**	**$874,864**	**$953,602**	**$3,813,972**

~$14 MILLION

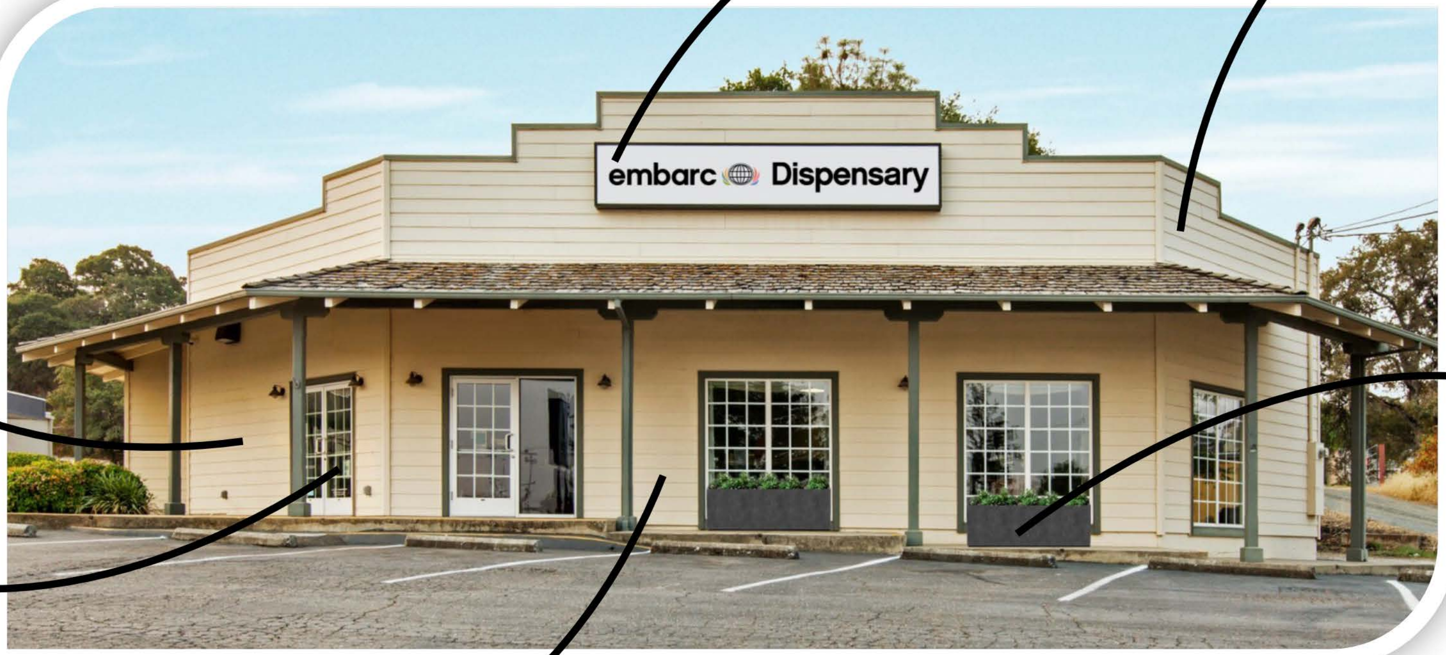
INVESTED IN SUTTER CREEK OVER FIRST 5 YEARS



THOUGHTFULLY VETTED LOCATION

- Thoroughly vetted and compliant with all municipal and state regulations
- Demonstrated potential to bolster the Sutter Hill business corridor
- Maximizes public health and safety
- Appropriately accessible to enhance municipal revenue generation and community investment
- Extensive engagement to understand redevelopment potential

11 RIDGE ROAD SITE IMPROVEMENTS



New branded signage

Fresh coat of paint

Removal of ATM

Window frosting between the sales floor and exterior

Installation of planter boxes w/ territorial reinforcement

Significant investments in security infrastructure

LAYERED SECURITY – 360° APPROACH

- Robust Security Plan
- Secure Delivery Protocols
- Fully Banked
- Accept Electronic Payments At All Locations Reducing Cash By 50%
- Secure Car Currency Pickups
- CPTED Approach With Territorial Reinforcement
- UL Listed Alarm
- Secure Product Vault with Sensors, Fire Code-Compliant 5-point Door
- Real-Time Shared Camera Access With Police Department
- Talk Down Feature
- 24 Hour Security Through Combination of Onsite Guards & Live Monitoring
- Analytical Cameras
- 5 Point Locks On Doors
- A Proven Partner To Law Enforcement
- Uniformed Guards & PPSO Managers
- Access Controls
- Private Patrol Alarm Response
- Panic Buttons

THOUGHTFUL LAYOUT BUILT ON CPTED PRINCIPLES

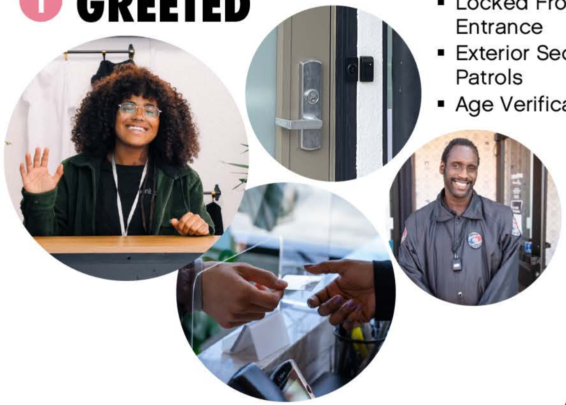
SECURITY ROOTED IN CRIME PREVENTION THROUGH ENVIRONMENTAL DESIGN (CPTED)

Natural Surveillance: Clear sightlines maximize visibility.

Target Hardening: Layered, discreet security deters crime.

Territorial Reinforcement: Defined spaces establish ownership and control.

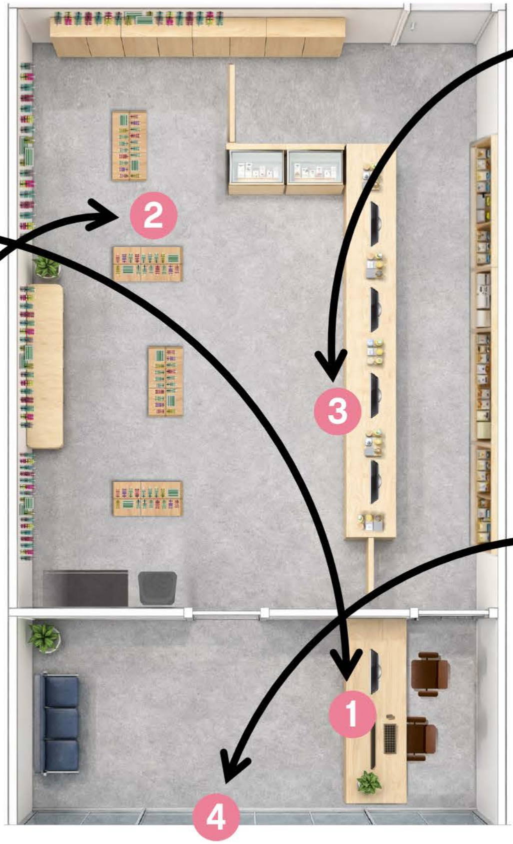
1 GREETED



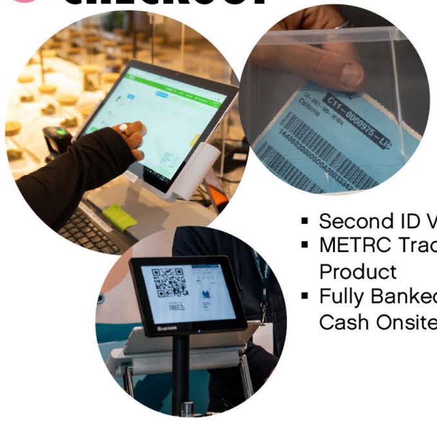
- Locked Front Entrance
- Exterior Security Patrols
- Age Verification

2 GUIDED

- Secure Door to Sales Area
- Tested & Compliant Products



3 CHECKOUT



- Second ID Verification
- METRC Tracked Product
- Fully Banked to Limit Cash Onsite

4 EXIT

- Opaque Shopping Bags
- Security to Prevent Loitering
- Dozens of Surveillance Cameras

Always accessible to you

Lauren Carpenter
lauren@goembarc.com

Dustin Moore
dustin@goembarc.com

Josh Lewis
jlewis@goembarc.com

embarc
Sutter Creek

City of Sutter Creek Planning Commission

Special Meeting July 8, 2026

Sutter Creek Responsible and Compliant Retail LLC DBA Embarc
11 Ridge Road, Sutter Creek

Zoning Ordinance Amendment, Development Agreement,
Site Plan, Sign Permit, Conditional Use Permit

Quasi-Judicial Meeting

- Commission Disclosures
- Staff Presentation
- Public Hearing
  - Applicant Presentation (up 10 minutes)
  - Public Comment
  - Applicant Response (up to 5 minutes)
- Planning Commission questions and debate
- Motions and voting

Consideration for Tonight

Staff recommends the Planning Commission do the following:

1. Conduct a public hearing and receive public input, and

Recommend to Council:

2. Adopt a Zoning Ordinance Amendment to allow one (1) retail cannabis business within the City, subject to conditions of a development agreement and CUP;
3. Approve the Development Agreement (DA) with Sutter Creek Responsible and Compliant Retail, LLC DBA Embarc.
4. Find, that the Zoning Ordinance Amendment and Development Agreement are Categorically Exempt from CEQA under Section 15301 Class 1, Existing Facilities and Section 15061, subd. (b)(3) Common-Sense.

Approve contingent on Council approval**:**

5. Approve a Site Plan Permit, Conditional Use Permit, and Sign Permit for Sutter Creek Responsible and Compliant Retail LLC DBA Embarc, 11 Ridge Road, for one retail and delivery cannabis business.
6. Find that the Site Plan Permit, CUP, and Sign Permit are Categorically Exempt from CEQA under Section 15301 Class 1, Existing Facilities and Section 15061, subd. (b)(3) Common-Sense Exemption.

Project Overview

Proposal	• Commercial cannabis retail sales and delivery business (Embarc) • Adaptive reuse of the vacant 2,662 sq. ft. former Umpqua Bank building • Minor tenant improvements • 17 on-site parking spaces
Applications	• Citywide Zoning Ordinance Amendment • Development Agreement • Conditional Use Permit • Site Plan Application • Sign Permit
Pilot Program	• 1-year pilot program • 5-year Development Agreement • Location: 11 Ridge Road
Project Timeline & Review	• February 17, 2026: City Council voted 3–2 to consider a development agreement for a single location. • May 11, 2026: Complete application submitted by Embarc. • July 8, 2026: Planning Commission reviewing the project as a package

Overview

In addition to core materials, the Planning Commission Packet includes:

1. Overview of state laws regulating cannabis
2. Background on retailer Embarc, including business and operating plans
3. Community letters
4. CEQA concerns by other agencies and responses

Zoning Ordinance Amendment

Zoning Amendment (Title 10 & Title 18) Findings

Current Code
Prohibits retail cannabis Businesses within the City Of Sutter Creek (SCMC 10.42)

Proposed Amendment
Creates an exception for up to one (1) retail cannabis dispensary as a conditionally permitted use, with DA.

Findings:

1) Strict Control - permitted use strictly requires a CUP and Council approved DA. Protects public interest by regulated environment.
2) Cap Remains - If applicants fails / closes, limit remains one (1) permit total.
3) General Plan Harmony - Maintains internal consistency, retail is already an allowed use in Commercial C-2 Zone.

Development Agreement (DA)

Development Agreement Findings 17.150.040

A. Consistency. The provisions of the development agreement are consistent with the general plan and any applicable master plan, public financing plan, specific plan, and special purpose plan for the area; and

B. Development Title. The proposed development complies with all provisions of these guidelines.

Generally, Development Agreements are used to negotiate community benefits beyond what is required in general zoning regulations.

Development Agreement

Proposed Zoning Ordinance Amendment requires a Development Agreement and a Conditional Use Permit in order to operate a retail cannabis business.

City Financial Benefits	• Payment of 8% public benefit fee to the City. • Payment into community law enforcement fund for cameras. *Currently cannabis taxes and fees by area residents are going to other counties and cities.*
Community Benefits	• Payment of 1% into Community nonprofit fund controlled by local Board. • Fund Youth Drug and Alcohol education program. • Priority hiring of Sutter Creek residents with union jobs (15-18 jobs). • Security access for law enforcement. • 24/7 Hotline for good neighbor obligations.
Operational Control	• Strict City oversight. • Extensive State Regulation. • Detailed operating, security and community agreements. • Required meetings and reporting.
Minimize City Blight	• Location has been deserted for several years. • Adjacent buildings have empty storefronts as well.

One Year Pilot Program

- **One-Year Pilot and Compliance Review:** Begins with initial one-year pilot program.
  To continue operating, Embarc will be subjected to an extensive compliance review by the City.
- **Five-Year Initial Term:** The DA establishes an overall initial term of five years.
- **Potential Extensions:** If Embarc complies with the terms and conditions of the agreement, the City has the discretion to grant additional five-year extensions.
- **Termination Rights:** The City retains the authority to terminate the agreement at any time if Embarc fails to comply with the terms of the DA, the CUP, and associated permits.

While the DA has a five-year, renewal term, the first year is a probationary pilot period. Continued operation requires passing a strict compliance review.

Conditional Use Permit (CUP)

Embarc's Operational Plan Highlights

- **Hours.** 8 a.m. to 10 p.m, seven days a week.
- **Employees**. Will employ 15 - 18 employees. Delivery starting in year 3 with 1 additional employee.
  6 - 7 employees on-site on a typical day.
- Walk-in visitations without appointment during approved business hours
- **Delivery service.** In year 3, may start delivery according to state law with a single vehicle. One or two outbound deliveries daily during approved operating hours.
- **Admittance.** The proposed operating plan requires that dispensary staff verify proof of valid identification at check-in of each customer.

embarc

Partial List of Proposed Conditions

1. Meet all conditions in the Development Agreement.
2. Comply with applicable laws and regulations.
3. Notify City of any change in state licensure status.
4. No live music or amplified speakers for advertising, entertainment.
5. Comply with ADA requirements.
6. Lighting directed away from adjoining properties.
7. Comply with 12 month period to implement the project.
8. Obtain business license.
9. Odor control, contained to the property.
10. No marketing or advertising targeted to people under age 21.
11. No more than two delivery trips per day.

Required CUP Findings

1. The proposed uses of the property are desirable to the public convenience or welfare;
Currently residents are leaving the county to purchase cannabis. Allowing one retailer will provide a public convenience.
2. The proposed uses will not impair the integrity and character of the area in which it is located;
Will not impair character of the C-2 zone. Location is currently somewhat blighted, empty storefronts, mix of uses including gas stations, convenience stores, and retail stores.
3. The proposed uses would not be detrimental to public health, safety, or general welfare;
Permitted use strictly requires a CUP and DA. Protects public interest by regulated environment.
4. There are adequate public utilities and services available for the proposed uses;
Adequate utilities in place. Existing building with extremely similar usage and parking profile.
5. The proposed uses of the property are in harmony with the general plan.
Applicant will add landscaping and revitalize a vacant building. Surrounded by compatible uses.

Site Plan Permit

Site Plan Permit

Description	Proposed	Meets Requirements?
Site	11 Ridge Road	-
Building Plan	2,662 sf	Yes- existing
Lot Size	.25 acres/10,890 sf	Yes
Zoning	C-2	Yes
Parking	17 parking spaces	Per SC Code 9 spaces are required.
Trees and Landscaping per 13.24.120	Planters in front of the building	Yes

EXISTING VIEW

PROPOSED VIEW

Site Plan Area

- C-2 Commercial - Adjacent compatible uses.
    - North: C-2 commercial (office, storage rental, residential)
    - South: R1A County (Vacant)
    - East: C-2 Multi Tenant Commercial (financial advisor, real estate, Amador Stars, Amador Plumbing)
    - West: C-2 Multi Tenant Commercial (smoke shop, Pump Co, gas station)
- Scope of Work - Minor interior and exterior tenant improvements.
- Outside of Historic Districts

Site Plan Findings

In order for the Planning Commission to grant approval of the Site Plan permit, they must make the following findings:

1. The proposed site development is essential or desirable to the public convenience or welfare;
   Revitalizes vacant building and area. Eliminates long drives to other counties and cities by current residents.

2. The proposed site development will not impair the integrity and character of the area in which it is located, or the zoning district;
   Existing commercial retail space, meets or exceeds site requirements.

3. The proposed site development will insure that adequate public utilities and services are provided so that the project would not be detrimental to public health, safety, or general welfare;
   Existing commercial retail space with utilities and services.

Sign Permit

Sign Permit

- Maximum of 116 sf total allowed
- Current legal, non-conforming signs exceed code by 38.5 sq ft (original monument sign + wall sign installed for former bank)
- Propose replacing only the faces on existing signs
- **Recommendation**
  Allow face replacement of the existing signs rather than forcing removal and replacement.

CEQA

CEQA Findings

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301, Class 1 Existing Facility

Class 1 (Existing Facilities): Under CEQA Guidelines § 15301, this exemption applies to the operation, permitting, or minor alteration of existing private structures involving negligible or no expansion of use.

The project involves a 2,662 square-foot building with 1,300 sq ft of retail floor space. There will be tenant improvements in an existing commercial building (formerly a bank) with no expansion to the building footprint.

CEQA Exemption and the Vehicle Miles Travelled (VMT)

Determination: Exempt under Section 15301 Class 1 (Existing Facilities). Allows operation within a space previously approved for a bank with no physical expansion.	**Traffic Question:** LOS shows dispensary trip rates of 70 - 250 trips per 1,000sf. Banks are 100 trips per 1,000sf. 1,300 sf of retail adds 195 new daily trips, less than significant. **LOS is no longer a CEQA requirement.**	**VMT:** Result is “less than significant” impact under VMT metrics. Existing VMT is reduced compared to driving to nearby dispensaries.	**Rationale:** Adding local-serving retail (under 50K sf) reduces regional travel miles. Sutter Creek residents travel 22-32 miles to one of the 10 surrounding dispensaries. A local store shortens these trips.

CEQA Update

- Applicant has provided input based on California Supreme Court ruling issued June 25, 2026 that the City should also reference CEQA Section 15061(b)(3) (Common Sense Exemption).
- The City will reference both Sections 15301 and 15061(b)(3) when it goes to the City Council.

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061, subd. (b)(3) Common-Sense Exemption

Under CEQA Guidelines § 15061(b)(3), it can be seen with certainty that there is no possibility the adaptive reuse of an existing commercial building into a carefully regulated retail storefront will have a significant effect on the physical environment.

The project involves a 2,662 square-foot building with 1,300 sq ft of retail floor space. There will be tenant improvements in an existing commercial building (formerly a bank) with no expansion to the building footprint.

Recommendation

Staff recommends the Planning Commission do the following:

1. Conduct a public hearing and receive public input, and

Recommend:

2. Adopt a Zoning Ordinance Amendment to allow one (1) retail cannabis business within the City, subject to conditions of a development agreement and CUP;
3. Approve the Development Agreement with Sutter Creek Responsible and Compliant Retail, LLC DBA Embarc.
4. Find, that the Zoning Ordinance Amendment and Development Agreement are Categorically Exempt from CEQA under Section 15301 Class 1, Existing Facilities and Section 15061, subd. (b)(3) Common-Sense Exemption.

Approve contingent on Council approval**:**

5. Approve a Site Plan Permit, Conditional Use Permit, and Sign Permit for Sutter Creek Responsible and Compliant Retail LLC DBA Embarc, 11 Ridge Road, for one retail and delivery cannabis business.
6. Find that the Site Plan Permit, CUP, and Sign Permit are Categorically Exempt from CEQA under Section 15301 Class 1, Existing Facilities and Section 15061, subd. (b)(3) Common-Sense Exemption.

Gmail **Tom Dubois <tdubois@cityofsuttercreek.org>**

Re: July 8th 2026 Planning Commission Meeting

eventura@haugebrueck.com <eventura@haugebrueck.com> Tue, Jul 7, 2026 at 9:40 AM
To: Thomas Baggett <thomasjbaggett@gmail.com>, Tom Dubois <tdubois@cityofsuttercreek.org>
Cc: Planning Commission <planning-commission@cityofsuttercreek.org>, Derek Cole <dcole@colehuber.com>

Planning Commissioners- I wanted to point out a couple of errors in the staff report, incorrect municipal codes sections were sited.

Below are the correct codes sections:

Chapter 18.06 Procedures,

Development Agreements 17.40.

Please let me know if you have any questions and I apologize for the errors.

Thank you,

Erin Ventura

Planning Consultant

City of Sutter Creek

Hauge Brueck Associates, LLC

(916) 283-5800 ext 103

eventura@haugebrueck.com

[Quoted text hidden]

embarc

July 7, 2026

Via Email

Chair and Members of the Planning Commission
City of Sutter Creek
c/o Erin Ventura, City Planner (eventura@haugebrueck.com)
c/o Tom DuBois, City Manager (tdubois@cityofsuttercreek.org)

Re: Correction to the Administrative Record — California Supreme Court Decision in Sunflower Alliance v. Department of Conservation (June 25, 2026); Proposed Cannabis Retail Facility at 11 Ridge Road (APN 044-020-063); July 8, 2026 Planning Commission Hearing

Dear Chair and Members of the Commission:

We write on behalf of Sutter Creek Responsible and Compliant Retail LLC ("Permittee") to correct and update the administrative record on a single point of law. Our June 30, 2026 and July 3, 2026 letters described *Sunflower Alliance v. Department of Conservation* as pending before the California Supreme Court and characterized the decision as measuring "negligible" expansion of use by the risk of environmental harm. The Supreme Court issued its opinion on June 25, 2026. In the interest of an accurate record, we bring the decision and its correct holding to the Commission's attention.

The Supreme Court reversed the Court of Appeal and held that the phrase "negligible or no expansion of existing or former use" in the Class 1 exemption refers to an expansion or change in the nature or degree of a facility's use, not to the risk of environmental harm caused by the change. (*Sunflower Alliance v. Dept. of Conservation* (2026) __ Cal.5th __ [S287414].) The Court remanded for the Court of Appeal to reconsider the exemption under that framework.

To the extent our June 30 and July 3 letters stated that *Sunflower Alliance* measures "negligible" by the risk of environmental harm, or that the decision supports the City on that basis, those statements reflected the Court of Appeal's reasoning, which the Supreme Court has now rejected, and they should be disregarded. We think it important that the record be accurate on this point, and we correct it here.

The decision does not undermine the exemption; in relevant respects it assists it. Three points bear on the Commission's determination:

First, the Supreme Court confirmed that the Class 1 exemption can apply to a new use at an existing facility; the exemption is not limited to continuation of an identical use. Any suggestion that a change from a bank to a retail dispensary is categorically disqualifying is therefore incorrect.

Second, under the correct standard the question is whether the change in the nature or degree of the use is negligible. It is. The former bank and the proposed dispensary are both walk-in commercial uses open to the public during ordinary business hours, occupying the same tenant space in the same existing building, with no change to the building footprint, no new construction, and no expansion of the building envelope. The character of the use — a small commercial storefront — is unchanged, and its degree, a modest retail tenant in an existing commercial building on a commercial corridor, is a negligible change within the meaning of the exemption as now construed.

Third, and most significantly, the Supreme Court made clear that the risk of environmental harm is analyzed separately from the Class 1 "use" question, through other parts of CEQA's framework. That confirms the path the Commission should follow here. The record's evidence that the Project will have no significant physical or transportation impact, including that transportation significance is measured by vehicle miles traveled under CEQA Guidelines section 15064.3, under which this locally serving use is less than significant and likely VMT-reducing, does its work under the common-sense exemption (§15061, subd. (b)(3)), which does not contain the "negligible expansion of use" element and is not subject to the "unusual circumstances" exception. For that reason, we reiterate our request that the Commission rest its exemption determination on both independent grounds identified in the record: the Class 1 (§15301) and the common-sense exemption (§15061, subd. (b)(3)); so that the determination is secure regardless of how the "negligible expansion of use" question is resolved for Class 1.

We appreciate the Commission's attention to the accuracy of the record and remain available to provide any additional information. We respectfully renew our request that the Project be approved and the Development Agreement executed at the July 8, 2026 hearing, and that this letter be entered into the administrative record in its entirety.

Sincerely,

Eric Lightman
General Counsel
Sutter Creek Responsible and Compliant Retail LLC
c/o Embarc | 1125 I Street, Sacramento, CA 95814
eric@goembarc.com | 215.582.7666

cc: City Council Members Gunselman, Sierk, Feist, Riordan, and Swift
Tom DuBois, City Manager (tdubois@cityofsuttercreek.org)
Erin Ventura, City Planner (eventura@haugebrueck.com)
Derek Cole, City Attorney (dcole@colehuber.com)
Josh Lewis, Embarc (jlewis@goembarc.com)
Seena Samimi, Meyers Nave (ssamimi@meyersnave.com)
Greg Gillott, Amador County Counsel (ggillott@amadorcounty.gov)

Gmail

Tom Dubois <tdubois@cityofsuttercreek.org>

Submission letter for Planning Commission meeting on 7-8-26

alan bierce <alanhelen@sbcglobal.net> Sat, Jul 4, 2026 at 5:38 PM
To: "eventura@haugebrueck.com" <eventura@haugebrueck.com>, "info@cityofsuttercreek.org" <info@cityofsuttercreek.org>, "tdubois@cityofsuttercreek.org" <tdubois@cityofsuttercreek.org>, "dcole@colehuber.com" <dcole@colehuber.com>
Cc: "jsierk@cityofsuttercreek.org" <jsierk@cityofsuttercreek.org>, "jswift@cityofsuttercreek.org" <jswift@cityofsuttercreek.org>, Dan Riordan <dan.riordan1953@gmail.com>, "sfeist@cityofsuttercreek.org" <sfeist@cityofsuttercreek.org>, Claire Gunselman <cgunselman@cityofsuttercreek.org>

Note to the City Recorder/City Manager – Please make this correspondence part of the administrative record for the July 8, 2026 Planning Commission dispensary hearing.

At the Sutter Creek City Council meeting on February 17th, the council voted to "have staff continue discussions with Embarc (a proposed marijuana retailer)) to discuss an agreement and <u>potential pilot program</u> for a retail cannabis dispensary in the city".

I would suggest that the proposed discussion go hand in hand with continued research with regard to the negative impacts of marijuana, and I question that the council has significantly researched those impacts.

IASIC, the International Academy on the Science and Impact of Cannabis, has stated "it is our conclusion, based on review of the scientific evidence, that public health effects of commercial cannabis on American health are harmful. These growing negative impacts further strain health care and additional treatment resources to an extent that far surpasses taxation revenues". The study specifically noted consequences that include; psychosis, suicide, brain development, opioid use, traffic fatalities, Emergency Room visits and neonatal exposure.

A study by the National Institute of Health assessed the impacts of the legalization of the recreational use of marijuana in the state of Colorado, when it was legalized in 2012. It spoke of dramatic increases in DUI's, noting that traffic deaths where people tested positive for marijuana

increased by 138%; the study reveals a significant increase in pro crimes, particularly larceny and burglary; and, it spoke to significant and continuing public health issues.

In a report by ADAI, Addictions, Drug & Alcohol Institute, the study spoke of marijuana and its potentially negative impacts that can occur when TCH and CBD are combined with many prescribed medications. It is a very comprehensive study and needs to be required reading for the city council.

A cannabis dispensary will make money for the city of Sutter Creek, but that amount will pale in comparison to the money that is realized by Embarc. They are not in business to assist local communities. They are in business to make significant profits, regardless of the negative impacts that their business may have for the community.

In my opinion, this is a bad decision for the community, most specifically for minors and young adults. The positive side of the ledger provides some increased revenues. The negative side of the ledger includes the increased demands on police services, health issues (specifically for minors and younger adults) and a compromise to the values of the community.

By the way, what ever happened to the proposed pilot program? That does not appear to be part of the package that is proposed for consideration by the Planning Commission.

Al Bierce

Born and raised in Amador County and current resident of Sutter Creek

Gmail

Tom Dubois <tdubois@cityofsuttercreek.org>

Submission letter for the Planning Commission on 7-8-26

1 message

alan bierce <alanhelen@sbcglobal.net> Mon, Jul 6, 2026 at 2:43 PM
To: "eventura@haugebrueck.com" <eventura@haugebrueck.com>, "info@cityofsuttercreek.org" <info@cityofsuttercreek.org>, "tdubois@cityofsuttercreek.org" <tdubois@cityofsuttercreek.org>, Derek Cole <dcole@colehuber.com>, Claire Gunselman <cgunselman@cityofsuttercreek.org>, Dan Riordan <dan.riordan1953@gmail.com>, "jsierk@cityofsuttercreek.org" <jsierk@cityofsuttercreek.org>, "jswift@cityofsuttercreek.org" <jswift@cityofsuttercreek.org>, Pam Caronongan <pcaronongan@cityofsuttercreek.org>, "sfeist@cityofsuttercreek.org" <sfeist@cityofsuttercreek.org>

Note to the City Recorder/City Manager - Please make this correspondence part of the administrative record for the July 8, 2026 Planning Commission dispensary hearing.

PLANNING COMMISSION

JULY 8, 2026

Hi. Al Bierce, city of Sutter Creek.

Two days ago I decided to do an exercise. I put the phrase “negative health effects of THC for minors and young adults” into Google. I got a lot of information.

The American College of Cardiology has completed studies that indicate that the use of TCH, and not just for young people, heavily increases the risk of heart attacks and strokes.

The Center for Disease Control has completed studies that show that THC affects brain function and brain development, and warns that such usage can contribute to anxiety, depression and schizophrenia, especially in users under the age of 25. An article on “the Adverse Effects of Marijuana on the Developing Brain”, is complex but particularly informative.

The National Institute of Drug Abuse has studies that show that 3 in 10 cannabis users form a Cannabis Use Disorder...i.e., addiction. In 2021, nearly 5 million young adults aged 18 to 25 and 1.3 million adolescents aged 12-17 had a diagnosable marijuana use disorder.

The American Lung Association indicates that when marijuana is smoked, it releases the same toxins and carcinogens as tobacco. Enough said.

SAMHSA, in its studies, has shown that uses of THC during pregnancy are linked to fetal growth restriction, premature births and impact children's cognitive development.

A study by the National Institute of Health assessed the impacts of the legalization of recreational marijuana. That study revealed that traffic deaths where people tested positive for marijuana had increased 138%. Another National Institute of Health study shows that more than 3000 cases of accidental cannabis consumption are reported to national control centers every year (90 % of those in kids under 5), a 1300% increase.

In 2016, California voted to legalize the use of recreational marijuana, while also allowing individual counties and cities to have outright bans. All incorporated cities in Amador County, as well as the Board of Supervisors imposed these bans for the entire county.

So, here we are in 2026, discussing a development agreement to allow a retail cannabis store in Sutter Creek. What has changed? Have all these studies changed?

A single thing has changed. A retailer has come to town and is offering to throw money at the city, to cloud the issue that marijuana is not something that is unacceptable to our community.

So, it is decision time. Do we as a city “chase the money”, or do we do what is right for the health, safety and welfare of our city, particularly the youth and younger adults in our community and “JUST SAY NO”!

PLEASE MAKE THIS CORRESPONDENCE PART OF THE ADMINISTRATIVE RECORD FOR THE July 8, 2026 PLANNING COMMISSION DISPENSARY HEARING:

CEQA Review Requirement

The Sutter Creek City Council has arbitrarily determined that the Embarc Cannabis Dispensary to be located on 11 Ridge Road, in Sutter Creek (near the Ridge Road and Highway 49 intersection) is exempt from the California Environmental Quality Act (CEQA). The Sutter Creek City Council decided this by narrowly focusing on only the building itself and not on the extenuating impacts clearly listed in John Gedney, Executive Director of the Amador County Transportation Commission's (ACTC) letter to Erin Ventura, Planning Consultant, City of Sutter Creek which states:

"To comply with CEQA requirements, ACTC staff recommends that the City requires the applicant, Embarc, to prepare and submit the formal impact analyses listed below:

1. A professional traffic impact analysis
2. A parking demand and circulation study
3. A delivery operations and management plan
4. Regional and Cumulative transportation impact analysis
5. Emergency access and public safety circulation analysis
6. CEQA documentation (preferably in coordination with the DCC) that adequately evaluates transportation and operational impacts."

The Embarc cannabis dispensary will be open from 8:00 a.m. to 10:00 p.m., 14 hours per day, every day. Statistics show the average single purchase at a cannabis dispensary is approximately $60.

Using Embarc's projected sales for years one through five, the following breakdown shows how many customers per day, for 365 days, and per hour, the cannabis dispensary will experience at that location on Ridge Road:

Year 1: Gross Revenue: $6,228,954. Equals 284 customer sales per day for 365 days. Equals 20 customers per hour.

Year 2: Gross Revenue: $6,914,139. Equals 315 customer sales per day for 365 days. Equals 22 customers per hour.

Year 3: Gross Revenue: $8,918,086. Equals 407 customer sales per day for 365 days. Equals 29 customers per hour.

Year 4: Gross Revenue: $9,720,714. Equals 443 customer sales per day for 365 days. Equals 31 customers per hour.

Year 5: Gross Revenue: $10,595,579. Equals 484 customer sales per day for 365 days. Equals 35 customers per hour.

Using Embarc's projected sales and the escalating number of customer ingresses and egress over five years at that location will exponentially exceed the type of traffic experienced by the prior occupant at that location, Umpqua Bank. It is imperative that the City utilizes the CEQA process and conducts an Environmental Impact Report (EIR) to determine if the Ridge Road location can safely handle the aforementioned ingress and egress of traffic/customers over a five year period.

Without the CEQA process, the City and the Planning Commission cannot make the findings that the project:

*Will not adversely affect Public Transportation Infrastructure

*Is compatible with the surrounding Circulation System

*Will avoid significant environment impacts

The CEQA process is necessary for the City and Planning Commission to guarantee their required due diligence and provide transparency in processing Embarc's application. To do otherwise would not be in the best interest of the community they serve.

Respectfully Submitted,

Teresa Ryan

Sutter Creek

BUDGET

In summary and as previously stated, Embarc has hundreds of pages of documents designed to conform with all State and local laws, regulations, industry best practices, and Embarc-specific proprietary procedures. The responses above are intended to provide a thorough overview of Embarc's comprehensive understanding of, and plans to conform to, pertinent State and local laws, but are not exhaustive of Embarc's ongoing efforts to maintain compliant operations.

Embarc has developed the following detailed budget and has sufficient capital in place to fully fund startup costs and initial operations. This budget is based on practical experience from a team that has operationalized dozens of dispensaries across careers spanning every element of the legal cannabis supply chain, as well as actual costs and best practices after opening and operating 17 Embarc dispensaries throughout California.

Our budget specifically contemplates costs associated with construction, operations, maintenance, compensation of employees, equipment, property lease, security equipment and staff, City fees, state fees, utility costs, product purchases, and other anticipated contingency costs.

We have more than enough working capital reserved to cover construction and operationalization for the proposed Sutter Creek dispensary. Below are anticipated costs associated with construction and initial operationalization. These figures are informed by actual costs from other communities and have been verified by our construction team, which led the execution of Embarc's unique retail vision across multiple projects to date.

Uses of Capital	Amount
Equipment	$100,000
Construction Costs, Leasehold Improvements	$400,000
Financing Cost	-
Operations, Inventory Purchases	$300,000
Operations, Maintenance	$72,000
Operations, Professional Fees	-
Operations, Insurance	$48,000
Operations, Other	$57,612
Employee Compensation and Related Expenses	$694,313
Property Lease, Security Deposit	$16,000
Property Lease, Rent	$72,000
Property Lease, Utilities	$19,000
Security Equipment and Staff	$120,000
Local Cannabis Business License and Application Fees	$10,306
State Cannabis Business License and Application Fees	$57,000
Total Startup Budget	**$1,966,231**
Excess Working Capital	$3,033,769
Total Uses of Capital	**$5,000,000**

PRO FORMA

Preparing a thoughtful pro forma is an important component of evaluating the long-term viability and economic potential of this project. Embarc has worked diligently to develop projections informed by practical operating experience, market research, and the City's goals and expectations for community benefit generation.

While every cannabis market is unique and actual performance may vary based on market conditions, regulatory changes, competition, and consumer behavior, the projections below reflect an intentionally aggressive yet thoughtfully developed model intended to demonstrate the long-term potential of the proposed operation and its potential benefit to the City. Importantly, the pro forma anticipates a ramp-up period as the business establishes itself within the community, builds customer awareness, and develops a stable customer base over time. As with most new retail operations, particularly in emerging or underserved cannabis markets, revenue growth is expected to increase progressively throughout Years 1 through 5 as operations mature and consumer awareness expands.

Our five-year pro forma demonstrates Embarc's strong financial position, operational discipline, and long-term solvency. The model reflects Embarc's proven ability to launch and operate compliant, financially stable cannabis retail businesses throughout California, supported by a leadership team with extensive financial and operational expertise.

These projections illustrate that Embarc has both the financial capacity and operational experience to meet its long-term obligations, maintain regulatory compliance, and work toward delivering meaningful economic and community benefits to the City of Sutter Creek over time.

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue						
Retail	-	$6,228,954	$6,914,139	$7,536,411	$8,214,688	$8,954,010
Delivery	-	-	-	$1,381,675	$1,506,026	$1,641,569
Total Revenue	**-**	**$6,228,954**	**$6,914,139**	**$8,918,086**	**$9,720,714**	**$10,595,579**
Cost of Goods Sold						
Product COGS	-	$3,041,806	$3,526,211	$4,548,224	$4,957,564	$5,403,745
Other COGS	-	$31,145	$34,571	$44,590	$48,604	$52,978
Internal Community Investment Fund (1%)	-	$62,290	$69,141	$89,181	$97,207	$105,956
Community Benefit Fee to City (8% - Pass Through)	-	$498,316	$553,131	$713,447	$777,657	$847,646
Excise Taxes (15% - Pass Through)	-	$934,343	$1,037,121	$1,337,713	$1,458,107	$1,589,337
Total Cost of Goods Sold	**-**	**$3,446,688**	**$3,975,630**	**$5,127,900**	**$5,589,411**	**$6,092,458**
Gross Profit	**-**	**$2,782,266**	**$2,938,509**	**$3,790,187**	**$4,131,304**	**$4,503,121**
% Margin	*nmf*	*44.7%*	*42.5%*	*42.5%*	*42.5%*	*42.5%*
Operating Expenses						
Employee Compensation	$94,699	$1,199,229	$1,282,230	$1,674,910	$1,828,538	$1,986,652
Safety and Security	-	$240,000	$247,200	$254,616	$262,254	$270,122
Professional Fees	-	-	-	-	-	-
Advertising and Promotion	-	$155,724	$172,853	$222,952	$243,018	$264,889
Rent	$24,000	$96,000	$98,880	$101,846	$104,902	$108,049
Utilities	$6,000	$25,000	$24,720	$25,462	$26,225	$27,012
Repairs and Maintenance	-	$24,000	$24,000	$24,000	$24,000	$24,000
Custodian	-	$12,000	$12,000	$12,000	$12,000	$12,000

Insurance	-	$24,000	$24,000	$24,000	$24,000	$24,000
California Cannabis Business License	-	$57,000	$96,000	$96,000	$96,000	$96,000
Local Cannabis Business License	$10,306	$32,000	$32,000	$32,000	$32,000	$32,000
Office Supplies	-	$6,000	$6,000	$6,000	$6,000	$6,000
Meals and Entertainment	-	$6,000	$6,000	$6,000	$6,000	$6,000
Vehicles	-	$12,000	$12,000	$12,000	$12,000	$12,000
Employee Training	-	$6,000	$6,000	$6,000	$6,000	$6,000
Uniforms	-	$2,500	$2,500	$2,500	$2,500	$2,500
IT	-	$18,000	$18,000	$18,000	$18,000	$18,000
Point of Sale	-	$18,000	$18,000	$18,000	$18,000	$18,000
Total Operating Expenses	**$135,005**	**$1,933,453**	**$2,082,383**	**$2,536,286**	**$2,721,438**	**$2,913,224**
EBITDA	**($135,005)**	**$848,813**	**$856,125**	**$1,253,901**	**$1,409,866**	**$1,589,896**
% Margin	*nmf*	*13.6%*	*12.4%*	*14.1%*	*14.5%*	*15.0%*
Federal Income Taxes	-	$584,276	$617,087	$795,939	$867,574	$945,655
State Income Taxes	-	$69,731	$70,377	$105,541	$119,328	$135,243
Depreciation & Amortization	-	$60,000	$60,000	$60,000	$60,000	$60,000
Total Income Taxes and D&A	**-**	**$714,007**	**$747,464**	**$961,480**	**$1,046,902**	**$1,140,898**
Net Income (Loss)	**($135,005)**	**$134,806**	**$108,661**	**$292,421**	**$362,964**	**$448,998**
% Margin	*nmf*	*2.2%*	*1.6%*	*3.3%*	*3.7%*	*4.2%*

TIMELINE

Below please find a timeline for operationalization. This was created by our internal Development team which possesses an in-depth understanding and extensive experience with local government entitlement processes, planning, building plan checks, and permitting – of which is crucial for the efficient opening of a cannabis business.

Our team members have successfully operationalized dozens of cannabis licenses from the ground up in various jurisdictions. By applying our direct knowledge of local and State regulatory frameworks, we consistently adhere to or surpass our projected operational timelines. Once approved, we act swiftly, aligning with aggressive schedules to ensure operations commence without delay.

To that end, Co-founder and Chief Compliance Officer Dustin Moore has managed the entitlement for all 17 existing Embarc locations and has overseen more than 100 project-specific entitlements throughout his career in communities across California and the country. This experience ensures he is intimately involved in every aspect of entitlement and operationalization to ensure the project not only conforms with all requirements but also participates meaningfully in each community's broader development goals. It is because of this nuanced approach that we open quickly and in true partnership with the cities we serve.

This track record is demonstrable. Across all Embarc's operational communities, we have consistently been the first or among the first to initiate operations—even during the height of the COVID-19 crisis—often months or even years ahead of other license recipients. Such efficiency isn't a coincidence; it is the result of a deliberate and strategic operational ethos. We don't just plan; we execute with precision and speed. This is a commitment we plan to uphold in Sutter Creek.

Based on our current understanding of the local development process, Embarc anticipates opening its doors in Sutter Creek in Q4 2026 and no later than early 2027. Because the building is currently developed and will only require basic tenant improvements, we anticipate construction can be completed quickly.

The schedule currently contemplates:

May, June	Staff Review of Application
July	Planning Commission
August	City Council
Sept	Submit Drawings Submit State & Local Licenses
Oct	Initiate Construction Initiate Hiring
Mid-Nov	Final Inspections Receive All Licenses In-Store Training Soft Opening
Dec	Grand Opening

The proposed tenant improvements for the conversion of the existing vacant bank building into a cannabis retail dispensary are anticipated to be minor in scope and completed within an estimated four (4) to six (6) week construction schedule following issuance of all required permits and approvals.

The project is primarily focused on interior cosmetic improvements, security enhancements, operational upgrades, and minor modifications necessary to support compliant cannabis retail operations while preserving the existing building footprint and primary building systems.

Given the property's prior use as a financial institution, the site already contains many physical and security-related features beneficial to dispensary operations, including an existing vault, teller counter infrastructure, secured access points, and a functional commercial layout. As a result, substantial structural modifications are not anticipated.

Proposed tenant improvements are expected to include:

- Interior painting, flooring, and general cosmetic upgrades;
- Installation of retail display fixtures, cabinetry, point-of-sale infrastructure, and customer queuing elements;
- Installation and integration of state-required security and alarm systems, including cameras, access controls, and monitoring equipment;
- Installation of exterior and interior signage consistent with local regulations;
- Limited partition modifications and finish carpentry associated with office, storage, and inventory areas; and
- Final health, safety, and life-safety inspections prior to occupancy.

Construction activities are expected to occur generally in the following sequence:

Week 1: Mobilization, demolition of minor non-structural elements.

Weeks 2–3: Interior finish work, installation of painting, cabinetry, retail fixtures, security infrastructure, and low-voltage systems.

Weeks 4–5: Final equipment installation, testing of surveillance and access-control systems, signage installation, punch-list completion, and cleaning.

Week 6 (if necessary): Final inspections, permit sign offs, staff setup and training, and preparation for operational readiness.

Because the project involves relatively limited tenant improvements within an existing commercial structure, construction impacts to surrounding businesses and adjacent properties are expected to be minimal and temporary in nature. No expansion of the existing building footprint or significant exterior site work is proposed.