



COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION (Retail Applications)

City of Santee
10601 Magnolia Ave
Santee, CA 92071
Email:
cannabisinfo@cityofsanteeca.gov

APPLICANT (ENTITY) INFORMATION

Applicant (Entity) Name: Santee Responsible and Compliant Retail LLC DBA: Embarc Santee

Physical Address: 8017 Mission Gorge Road, Santee, CA 92071
Street City State Zip

Primary Contact: Lauren Carpenter Title: Chief Executive Officer

Mailing Address: 440 N Barranca Ave #8433, Covina, CA 91723
Street City State Zip

Phone Number: 916-747-4643 Email: lauren@goembarc.com / licensing@goembarc.com

HAS ANY INDIVIDUAL IN THIS APPLICATION APPLIED FOR ANY OTHER CANNABIS PERMIT IN THE CITY OF SANTEE? ☐ Yes ☒ No

Indicate whether you intend to operate a Microbusiness with Retail. ☐ Yes ☒ No

Business Formation: Describe how the business is organized.

☐ Sole Partnership ☐ Corporation ☐ S-Corporation ☐ Limited Partnership ☒ Limited Liability Company
☐ Other (please describe): _____

PROPOSED LOCATION

Property Owner Name: Trakt Properties LLC

Proposed Location Address: 8017 Mission Gorge Road, Santee, CA 92071
Street City State Zip

Property Owner Phone Number: (619) 334-0613 Email: tom@huntington-pacific.com

Zoning Clearance Letter : ☐ Yes ☐ No

Assessor's Parcel Number (APN): 383-261-26 & 383-261-42

APPLICATION SUBMITTAL CHECKLIST

Applications must be submitted online via the City of Santee's Permitting and Licensing Portal. Applicants failing to submit any of the following will be deemed incomplete and will not move forward in the application process:

- ✓ A complete and signed Commercial Cannabis Business Permit Application form and Evaluation Criteria. The evaluation criteria response is limited to 125 pages.
- ✓ A signed Financial Responsibility, Indemnity and Consent to Inspection Agreement form.
- ✓ A signed Agreement to Limitations of City Liability and Indemnification to City form.
- ✓ Verification of Live Scan background submittal
- ✓ A signed and notarized Property Owner Consent/Landlord Affidavit.
- ✓ Proof of Insurance or Letter of Insurability from the Insurance Company
- ✓ Proof of Capitalization
- ✓ Zoning Verification Letter.
- ✓ Application Fee. (Note that this fee should be submitted in person to the City).

OWNER INFORMATION

For the purpose of this section, "owner" shall have the same meaning as the word "owner" set forth Santee Municipal Code Section 7.04.060, which includes any of the following:

1. A person with an aggregate ownership interest of 10 percent or more in the commercial cannabis business, unless the interest is solely a security, lien, or encumbrance;
2. An individual who manages, directs, or controls the operations of the commercial cannabis business, including but not limited to: A) member of the board of directors of a nonprofit; B) A general partner of a commercial cannabis business that is organized as a partnership; C) A non-member manager or manager of a commercial cannabis business that is organized as a limited liability company; D) The trustee(s) and all persons who have control of the trust and / or the commercial cannabis business that is held in trust; E) An individual with the authority to provide strategic direction and oversight for the overall operations of the commercial cannabis business, such as the chief executive officer, president or their equivalent, or an officer, director, vice president, general manager or their equivalent; F) An individual with the authority to execute contracts on behalf of the commercial cannabis business.

Ownership percentages should total 100%. If any individual(s) own(s) less than 10%, list the number of individuals who own less than 10% and the total percentage to reach 100%. For example, If John Doe owns 5%, Joe Smith owns 8%, and Mary Jones owns 9% state at the bottom of this form that three individuals own 22% so that the total will equal 100% once you individually include all those who own 10% or more.

I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.

Ownership % 85% Background information is included as required? ☒ Yes ☐ No

Owner Name: Lauren Carpenter Title: Chief Executive Officer

Address: 440 N Barranca Ave #8433, Covina, CA 91723

Signature: Lauren Carpenter Date: 10/23/2024

DocuSigned by: Lauren Carpenter Street City State Zip

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I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.

Ownership % 10% Background Information is included as required? ☒ Yes ☐ No

Owner Name: Dustin Moore Title: Chief Compliance Officer

Address: 440 N Barranca Ave #8433, Covina, CA 91723

Signature: Dustin Moore Date: 10/22/2024

Signed by: Dustin Moore Street City State Zip

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I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.

Ownership % 5% Background Information is included as required? ☐ Yes ☒ No less than 10% ownership interest

Owner Name: Dean Velasco Title: Local Partner

Address: [REDACTED]

Signature: Dean Velasco Date: 10/23/2024

Signed by: Dean Velasco Street City State Zip

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I declare under the penalty of perjury that the information provided on this disclosure form is true and accurate to the best of my knowledge.

Ownership % _____ Background information is included as required? ☐ Yes ☐ No

Owner Name: _____ Title: _____

Address: _____

Signature: _____ Date: _____

Street City State Zip

Add more pages as necessary to accommodate all Commercial Cannabis Business Owners

SUPPORTING INFORMATION

List all fictitious business names the applicant is operating under including the address where each business is located:

Santee Responsible and Compliant Retail LLC does not operate any other businesses.

Has the Applicant or any of its owners been the subject of any administrative action, including but not limited to suspension, denial, or revocation of a cannabis business license at any time in the previous five (5) years? If so, please list and explain:

No

Is the Applicant or any of its owners currently involved in an application process in any other jurisdiction(s)? If so, which jurisdiction(s)?

Yes, Lauren Carpenter and Dustin Moore are involved in cannabis retail application processes in the California City of Covina

APPLICATION CERTIFICATION

I hereby certify, under penalty of perjury, on behalf of myself and all owners, corporate officers, partners, and managers identified in this application that the statements and information furnished in this application and the attached exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented are true and correct to the best of my knowledge and belief. I understand that a misrepresentation of fact is cause for rejection of this application, denial of the permit, or revocation of a permit issued.

In addition, I understand that the filing of this application grants the City of Santee permission to reproduce submitted materials for distribution to staff, Commissions, Boards and City Council Members, and other Agencies to process the application. Nothing in this consent, however, shall entitle any person to make use of the intellectual property in plans, exhibits, and photographs for any purpose unrelated to the City's consideration of this application.

Furthermore, by submitting this application, I understand and agree that any business resulting from an approval shall be maintained and operated in accordance with requirements of the City of Santee Municipal Code and State law.

Under penalty of perjury, I hereby declare that the information contained in within and submitted with the application is true, complete, and accurate. I understand that a misrepresentation of the facts is cause for rejection of this application, denial of a license or revocation of an issued license. I further authorize the City, its agents, and employees to seek verification of the information contained in the application.

Lauren Carpenter

Name

Chief Executive Officer

Title

DocuSigned by:

Lauren Carpenter

Signature

10/23/2024

Date

For information required as part of the application process, see the Application Procedures and Review Criteria, City of Santee Municipal Code Chapter 7.04. All documents can be found online at <https://www.cityofsanteeca.gov/business/cannabis-business>. For questions, please email: cannabisinfo@cityofsanteeca.gov.

embarc

Santee



**COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION
STOREFRONT RETAIL & DELIVERY**

Santee Responsible and Compliant Retail LLC
DBA Embarc Santee



Dear Selection Committee,

I am honored to submit this proposal as a local partner of Embarc Santee, and I deeply appreciate the City's thoughtful approach as we contemplate the future of cannabis retail in Santee. As a long-time resident and business owner, I believe this licensing process represents a unique opportunity for our city to choose cannabis operators that will not only meet the needs of our community but enhance its vitality.

For more than two decades, my family and I have called Santee home, and since settling here, I have been wholeheartedly dedicated to the betterment of our community. From coaching youth sports to serving on local boards and revitalizing beloved businesses, I have developed a deep understanding of what it takes to foster strong community bonds. As the owner of Deano's Pub East and other successful establishments, my experience in managing businesses regulated by the California Department of Alcoholic Beverage Control has given me valuable insight into the importance of compliance, responsible operations, and building trust with the community. This background has equipped me with the skills necessary to ensure that cannabis retail in Santee will be managed with the same level of care and responsibility.

What resonated with me most about partnering with Embarc was their integrity and commitment to genuine community engagement. This isn't just about opening another business; it's about investing in Santee's future. Embarc's proven track record of delivering on their promises in the communities they currently serve speaks volumes. They don't just operate businesses—they integrate into the fabric of the community, creating jobs, supporting local initiatives, and ensuring that the benefits of their presence are felt by all residents.

As we embark on this new phase of commercial activity in Santee, my conviction is steadfast: this opportunity should be entrusted to operators who are not only responsible and compliant but also uphold the integrity and honesty that our community expects. Sharing this conviction is Embarc, a team recognized for their unwavering commitment to civic engagement, community partnership, and ensuring public health and safety above all else.

Embarc has consistently demonstrated a model for how cannabis businesses can operate positively and contribute to the welfare of the communities they serve. Their proven track record of successful operations across 15 stores in California highlights their ability not only to meet compliance requirements but also to set the benchmark for safe, secure, and compliant cannabis retail operations. Embarc leads by example, demonstrating what true partnership with city administration and local law enforcement should look like, while seamlessly integrating into the local economy. They have shown remarkable initiative and efficiency, being the first among their peers to operate in nearly all of the communities they serve today. This track record assures me, and I hope it assures the City of Santee, that if selected, we will promptly commence operations, generate tax revenues, and immediately deliver substantive community benefits.

Our primary commitment is to the Santee community. This focus will foster positive relationships with the City, community leaders, and our neighborhood. I take immense pride in our comprehensive community benefits plan, wholly driven by our Community Advisory Board, a group of respected local leaders responsible for directing and distributing 100% of Embarc's community benefit funding commitments, in perpetuity. Their involvement in this proposal's development and their continued engagement throughout the business's lifespan truly underlines our dedication to the community.

In my role as a local partner, I am fully committed to holding Embarc Santee accountable to the highest standards of integrity, transparency, and responsibility. I see it as my personal duty to ensure that Embarc consistently delivers on the promises made to the City of Santee and its residents. With my deep ties to this community, I am here not just as a partner but as a trusted steward who will ensure Embarc's operations align with our shared values and commitments. I will work closely with the Community Advisory Board and city leaders to ensure that the cannabis business operates in a way that prioritizes public safety, drives economic growth, and enhances the well-being of the entire community.

Santee deserves an operator who understands the unique needs and dynamics of the city and will continuously reinvest in its future. With Embarc's extensive experience and our shared vision for a responsible, thriving cannabis operation, I am confident that we are the right team to serve the residents of Santee. Thank you for considering our proposal, and I look forward to ensuring the continued success and safety of our community through this partnership.

Sincerely,

Dean Velasco

Dean Velasco
Local Partner, Embarc Santee

THE COMMUNITY AGREES – EMBARC IS THE RIGHT CHOICE FOR SANTEE

“As someone deeply invested in the education and future of Santee’s youth, I am eager to serve on Embarc’s Community Advisory Board. Embarc’s commitment to youth drug prevention and community enrichment aligns with the values we hold dear in this community. I look forward to helping guide their efforts to ensure that Santee’s youngest residents benefit from programs that will support their safety, education, and development, ensuring a brighter future for our community.”

Elana Levens-Craig,
Board Member, Santee School District Board of Education

“Having served Santee both in healthcare and as a veteran leader, I know the importance of ensuring our community’s safety and well-being. Embarc’s thoughtful, community-focused approach to cannabis operations gives me confidence in their ability to integrate responsibly into our city. Their dedication to transparency, safety, and giving back to our local organizations makes them an ideal partner in creating a secure and thriving Santee.”

Robyn Nolin,
Commander, Santee American Legion Post 364

“As someone who has spent years advocating for the residents of our mobile home community, I know how essential it is to have businesses that prioritize local needs. Embarc’s proven track record of responsible operations and their commitment to engaging local leaders through their Community Advisory Board gives me confidence in their ability to serve Santee in a way that enhances our community, not just economically, but through meaningful local contributions.”

John Hossick,
President, Santee Mobilehome Owners Action Committee (SMOAC)

“As a youth advocate, I believe that community businesses must play a role in supporting our young people. With cannabis businesses entering Santee, I am excited to have a role to play in holding them accountable and making sure their support for community initiatives is done correctly. Embarc’s demonstrated commitment to youth programs in other cities inspires me to join their Community Advisory Board and ensure that they bring the same level of dedication and care to Santee. I look forward to working with Embarc to develop a program that offers educational programs to prevent youth drug use for Santee youth. Given their success in other communities, I am confident we can bring the same success to Santee. Together, we will focus on preventing youth drug use and creating positive, supportive environments for our young residents to thrive.”

Jon Wooding,
Santee & Lakeside Community Director, Young Life Student Ministry

“While I do not support the presence of retail cannabis in the Santee community, once it is here, we have a duty to hold operators accountable to community responsibility and safety. I look forward to serving on Embarc’s Community Advisory Board and helping to ensure that all of Santee experiences the benefits of retail cannabis through distribution of their Community Investment Fund. As the City moves forward with cannabis, Embarc has earned my trust that they will conduct a safe, responsible and responsive business.”

Mike Aiken,
Retired Detective, San Diego Police Department

SECTION A: BUSINESS PLAN

Executive Summary

Thank you for the opportunity to submit this proposal. We are enthused at the prospect of operating a local cannabis business that will serve as a true partner to the Santee community.

Embarc Santee represents a partnership between Dean Velasco, an engaged community steward and small business owner dedicated to bettering the Santee community, and Lauren Carpenter and Dustin Moore, a highly skilled wife and husband team with a passion for cannabis and a commitment to community-driven operations. We bring diverse backgrounds and professional experiences to this endeavor, but our shared belief in the importance of cannabis businesses that integrate into and ultimately benefit the community is what unites us. From that shared belief, Embarc Santee was born.

Through its local partnership model, Embarc is the leading independent cannabis retailer in California. Embarc is deliberate in its growth, applying in communities where it has strong partnerships and ties to the community rather than in every jurisdiction that opts to license retailers. We are known for our meaningful civic engagement, patient and customer education, and community support.

Embarc is not simply writing a check or undertaking a few hours of volunteerism at the front end of an application process—we have integrated community-orientation into our operations since the beginning, making Embarc the first ever operator to put local community stakeholders at the helm of our decision-making via a Community Advisory Board. Our track record is evidenced in our existing operations in **15 legally permitted cannabis retail storefronts in communities across California**—and in nearly a dozen additional stores currently in development. We are more than just proven cannabis operators; we are trusted local partners in the communities we call home, which was a critical deciding factor for our local partners in choosing Embarc.

Ultimately, Embarc will bring Santee the same commitment to compliance, customers, and the community that are hallmarks of our business model and evident in existing operations:

UNPARALLELED CANNABIS & TRADITIONAL BUSINESS EXPERIENCE: Embarc Santee is a partnership between an engaged community steward and an operational team with over three centuries of combined business experience in cannabis, retail, supply chain, and other highly regulated industries.

SOUND FINANCIAL PRINCIPLES: Embarc is well capitalized, operates with sound financial principles, and has a realistic plan to scale. Our growth to date has been thoughtful and deliberate to ensure we remain responsive to the communities we serve.



COMPLIANCE TEAM LED BY THOSE WHO ARCHITECTED CALIFORNIA'S LEGAL CANNABIS INDUSTRY: Embarc has significant expertise navigating the complex legal and regulatory framework for cannabis as our team members effectively wrote and implemented legalization. Embarc shaped and continues to refine the cannabis regulatory landscape in California.

BEST-IN-CLASS EMPLOYER WITH A TRACK RECORD OF EMPOWERING EMPLOYEES: Embarc has a proven commitment to its employees, with industry-leading wages and benefits, meaningful education and training, and career advancement opportunities for its diverse workforce across existing operations. Our Collective Bargaining Agreements with UFCW ensure that our employees are represented fairly, transparently, and in the spirit of collaboration.

SAFETY AND SECURITY PLANS DEVELOPED BY LEADING EXPERTS IN PROTECTING PUBLIC HEALTH AND SAFETY: Embarc's Safety and Security Plans are developed by subject matter experts and tested through existing operations to ensure robust safety measures are at the forefront of operations.

A PROVEN BENEFIT TO NEIGHBORHOODS: Embarc's comprehensive Good Neighbor Policy has been proven through existing operations to proactively address community questions and concerns. Our Local Partner's deep roots in this community inform our understanding of neighborhood integration, and our multi-year community listening tour has driven our approach.

PHILANTHROPIC ETHOS WITH A TRACK RECORD OF COMMUNITY BETTERMENT: Embarc has developed meaningful partnerships with communities and has built engagement into our business model in significant ways. This results in tangible economic benefits for the City, its residents, and local nonprofit partners. The depth and breadth of our local Community Advisory Board is a testament to this proactive approach and is bolstered by the commitment to this community's public health, safety, and vibrancy embodied in our local ownership.

OPERATIONAL LEADERS WITH SIGNIFICANT LEGAL CANNABIS RETAIL EXPERIENCE: Embarc is committed to bringing best-in-class practices and the experience of a team that has operated legal cannabis dispensaries since legalization. We have a proven track record of delivering on promises to residents, officials, community leaders, neighbors, patients, and customers.

THIS IS HOW CANNABIS RETAIL CAN AND SHOULD OPERATE IN SANTEE.

PROMISES MADE, PROMISES KEPT

Given the industry's rapid maturation and the highly competitive nature of licensing processes, in many ways, applicants may seem more similar than different. Throughout our submission, we seek to differentiate ourselves by demonstrating some of the ways we live our values through action. While it is impossible to capture the totality of a company in a written proposal, our hope is that these small callouts provide a greater sense of who we are and, thus, who we will be if selected to operate in Santee. Look for these in subsequent pages as a glimpse into who we are as operators.

Embarc is a retail and delivery business that seeks to redefine the relationship between cannabis and the community by demonstrating through action that its business can seamlessly integrate into, and ultimately benefit, Santee. Embarc achieves this goal in various ways, including the creation of local roots through our partnership with a longtime local resident and community leader, a proven commitment to community engagement, a tangible benefits plan developed in coordination with members of this community, and through our fundamentally different approach to consumers—focusing on health, wellness, and approachability rather than the traditional emphasis on “getting high.”

Embarc provides safe and reliable access to medical and adult use cannabis through a warm and inviting retail expression and highly trained, professional staff. Our plans are designed to comply with Santee Municipal Code, all applicable rules and regulations, and all State laws. It is a realistic model of operations developed through a collaborative process that leverages the expertise of our seasoned team, existing cannabis retail operations, and best practices from the cannabis industry and beyond.

Our team brings the most extensive experience managing operational and regulatory compliance plans in the cannabis industry and over three centuries of combined expertise in operations, finance, retail, supply chain, and management across cannabis and traditional industries, coupled with experience operating dispensaries since day one post-legalization. The depth and breadth of this experience uniquely equip our team to execute our plan and begin safely serving patients and customers efficiently and with more community sensitivity than other operators.

We will operate a world-class dispensary with core values rooted in our deep respect for and understanding of this community, including a focus on health, wellness, and community education. Unlike outside interests, our proposed operation embodies and furthers the spirit of this unique place through everything from our strategic partnerships to day-to-day operations, given that it is led by a local resident and community leader with a vested interest in the public health and safety of the community.

Our track record is evidenced in our 15 existing licensed cannabis

retail and delivery operations throughout California in South Lake Tahoe, Alameda, Martinez, Fairfield, Fresno, Sacramento, Redwood City, Chico, Ventura, Indio, Meyers, Tracy, Fontana, and Madera—and in nearly a dozen additional stores currently in development.

Mission Statement

Embarc redefines the relationship between consumers and cannabis, focusing on health, relaxation, recreation, wellness, and approachability rather than the traditional emphasis on “getting high.” We believe a cannabis company can do well while doing good, integrating into, and enhancing the local community while operating with integrity and transparency. We effectuate this mission through three key values that serve as the basis for everything we undertake as a company:

ENRICH RATHER THAN ALTER: Whether a medical or adult use consumer, all cannabis is about wellness and is just one component of an individual’s health and wellbeing journey. Whether using cannabis for a specific ailment, general aches and pains, anxiety, or sleeplessness, at its root, cannabis use is about enriching one’s life. We believe in embracing that core truth through a focus on cannabis as a way of integrating into one’s existing lifestyle rather than altering it. Our product types focus on high CBD, low THC ratios and a variety of topicals to address aches and pains. We will offer a highly curated selection of only consciously crafted cannabis products, ensuring use of cannabis achieves our goal of enrichment of the self, one’s lifestyle, and the broader community.

COMMUNITY FIRST: While cannabis has existed in communities for decades, legal, regulated cannabis is still an emerging market. Communities are grappling with how to best integrate commercial cannabis activities into neighborhoods, balancing the economic opportunity of this industry with a desire to protect public health and safety. Embarc understands that operating such a business is a privilege and not a right and that a successful business model is predicated on the ability to consistently engage the community to ensure communication, transparency, integrity, and collaboration. By putting the community first, Embarc ensures a positive relationship with government, community leaders, and the neighborhood, ultimately allowing us to give back to the community in meaningful ways.

EXPERIENCE MATTERS: Experience and best practices matter. Embarc Santee is comprised of a dedicated community steward and business leaders with unparalleled experience operating compliant retail dispensaries. Embarc brings centuries of combined business and public health and safety experience and represents the vision and operational track record of executive-level leadership in cannabis, retail, supply chain, and other highly regulated industries. This expertise is integral to the development and execution of a new type of cannabis dispensary—one that communities can be proud to host.

1. FINANCES

Application includes a budget for 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. The budget must demonstrate sufficient capital to pay startup costs and at least three months of operating costs, as well as a description of the sources and uses of funds.

Embarc Santee has developed the following detailed budget, which demonstrates sufficient capital in place to fully fund startup costs and initial operations and 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 15 Embarc dispensaries throughout California. It 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.

Project Budget

We have \$7,000,000 in working capital to cover construction and operationalization for the proposed Santee dispensary. Below are anticipated costs associated with construction and initial operationalization, including sufficient capital to cover far more than the first three months of operation. 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	\$150,000
Construction Costs, Leasehold Improvements	\$450,000
Operations, Inventory Purchases	\$300,000
Operations, Maintenance	\$42,000
Operations, Professional Fees	\$12,000
Operations, Insurance	\$60,000
Operations, Other	\$63,570
Employee Compensation & Related Expenses	\$1,227,706
Property Lease, Security Deposit	\$24,000
Property Lease, Rent	\$135,000
Property Lease, Utilities	\$33,750
Security Equipment & Staff	\$118,260
Local Cannabis Business License & Application Fees	\$26,178
State Cannabis Business License & Application Fees	\$96,000
TOTAL STARTUP BUDGET	\$2,738,463
Excess Working Capital	\$4,261,537
TOTAL USES OF CAPITAL	\$7,000,000

As detailed in the chart, this represents a total startup budget,

including the first three months of operation, of \$2,738,463. We have committed the remaining \$4,261,537 in funding to ensure the business is well-funded far beyond the first three months of operations, providing sufficient capital surplus to cover over a year of operating expenses. Given this economic position, we remain more than prepared to address any unexpected issue and ensure we open and operate efficiently in Santee. Embarc will adhere to the timeline provided later in this proposal to complete construction, initiate operations in a timely manner, and begin generating revenue expeditiously.

Description of Operations Budget

We are acutely aware of the importance of proper budgeting and capitalization and have a keen understanding of expenses associated with licensing, constructing, and operating a dispensary given our existing footprint.

Our budget reflects wages and benefits for approximately 30 initial employees, growing as sales progress. The budget includes annual opportunities for employee wage increases and performance bonuses. In addition, since ongoing training and education are fundamental for success and safety in this newly legalized industry, we have included a monthly budget for this line item.

We have assumed a progressive increase in sales revenue for the first 12 months of operation based on consumer trend market research by BDS Analytics. After the first 12 months of operation, we have assumed steadily growing revenues, including adjustments on the revenue side to reflect a 7% compound annual growth rate ("CAGR") for sales, which we believe is conservative given projections as high as 25% from reliable sources and as demonstrated by existing operations. We have also included a commensurate increase in expenses to reflect more sales associates and other service-related increases.

Cost of Goods Sold (COGS)

The cost of Goods Sold includes product costs but also allocations to Embarc Santee's Community Investment Fund, which is pledged as 1% of total sales, and our proposed 6% direct fee payable to the City of Santee, both of which are detailed more thoroughly in Section F: Community Benefits & Investment Plan. California's 15% excise tax is presented as a pass through tax.

Employee Compensation

While many of the State's largest operators pay between \$16 and \$25 per hour, Embarc Santee retail employees will be paid between \$23.69 and \$38.11 an hour. While compensation varies based on experience and tenure, Embarc Santee will offer all employees a competitive wage as detailed below in the Employee Compensation Chart and in Section B – Labor & Employment Plan and Section – F Community Benefits & Investment Plan of this proposal. Embarc is committed to maintaining sufficient employees possessing the skills and experience needed to ensure collective success. We have developed a formula through existing operations to estimate our workforce needs for the first five years of operations. We forecast headcount and payroll by position as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5
Average Base Rate per Hour by Position					
General Manager	\$38.11	\$39.25	\$40.43	\$41.64	\$42.89
Store Managers	\$33.48	\$34.48	\$35.51	\$36.58	\$37.68
Inventory Specialist	\$24.72	\$25.46	\$26.23	\$27.01	\$27.82
Store Leads	\$24.72	\$25.46	\$26.23	\$27.01	\$27.82
Retail & Delivery Sales Associates ("Guides")	\$23.69	\$24.40	\$25.13	\$25.89	\$26.66

Average Base Rate per Hour by Position with Benefits + Eligible Bonus					
General Manager	\$55.25	\$45.14	\$46.50	\$47.89	\$49.33
Store Managers	\$45.36	\$37.07	\$38.18	\$39.32	\$40.50
Inventory Specialist	\$32.72	\$26.73	\$27.54	\$28.36	\$29.21
Store Leads	\$32.72	\$26.73	\$27.54	\$28.36	\$29.21
Retail & Delivery Sales Associates ("Guides")	\$31.36	\$25.62	\$26.39	\$27.18	\$28.00

Headcount by Position					
General Manager	1	1	1	1	1
Store Managers	3	3	3	3	4
Inventory Specialist	5	5	5	6	6

Store Leads	5	6	6	6	7
Retail & Delivery Sales Associates ("Guides")	16	17	18	19	21
TOTAL HEADCOUNT	30	32	33	35	39

Net Compensation of Employees by Position					
General Manager	\$91,159.12	\$93,893.89	\$96,710.71	\$99,612.03	\$102,600.39
Store Managers	\$224,550.30	\$231,286.81	\$238,225.41	\$245,372.18	\$336,977.79
Inventory Specialist	\$269,942.40	\$278,040.67	\$286,381.89	\$353,968.02	\$364,587.06
Store Leads	\$269,942.40	\$333,648.81	\$343,658.27	\$353,968.02	\$425,351.57
Retail & Delivery Sales Associates ("Guides")	\$827,823.36	\$905,949.19	\$988,017.53	\$1,074,194.61	\$1,222,885.76
Total Net Compensation of Employees	\$1,683,417.58	\$1,842,819.37	\$1,952,993.81	\$2,127,114.86	\$2,452,402.57
(+) Taxes, Benefits, Workers' Comp, & Union	\$438,763.20	\$475,013.12	\$497,659.35	\$536,093.12	\$609,555.00
TOTAL EMPLOYEE COMPENSATION	\$2,122,180.78	\$2,317,832.49	\$2,450,653.16	\$2,663,207.98	\$ 3,061,957.57

Of the above headcount, we plan to hire 100% locally. As detailed in Section B – Labor & Employment Plan of this proposal, employees will receive a competitive wage and benefits that far exceed average compensation in the industry. They will also be given the tools and resources to advance within the company while gaining invaluable skills that are applicable within this industry and beyond. The budget also contemplates annual opportunities for employee wage increases, performance bonuses as part of our store incentive programs, and a monthly budget for educational tools, training, and other resources.

Other Operating Expenses

- Safety and security include \$236,520 per year, which contemplates full-time security as detailed in Section C – Security Plan and increases by 3% annually.
- Professional fees of \$6,000 per year include a budget for legal expenses as well as annual tax filing and financial audits.
- The marketing budget is calculated as 2% of revenue.
- Rent commences at \$180,000 per year and increases by 3% annually.
- Utilities are estimated at \$45,000 per year and increases by 3% annually.
- Repairs and maintenance are estimated at \$9,000 per year.
- Custodial services are estimated at \$12,000 per year.
- Insurance is estimated at \$30,000 per year.
- Office supplies are estimated at \$12,000 per year.
- Meals and entertainment are estimated at \$6,000 per year.
- Vehicles are estimated at \$30,000 per year, comprised of 2 vehicles at \$1,250 per vehicle per month, or \$15,000 per year.
- Employee Training is estimated at \$6,000 per year.
- Uniforms are estimated at \$2,500 per year.
- IT is estimated at \$12,000 per year.
- Point-of-sale equipment/infrastructure is estimated at \$18,000 per year.

California Cannabis Business License fees are tied to projected revenues. We have estimated fees at \$96,000 per year. The City of Santee's local Cannabis Business Permit Renewal Fee costs \$27,749 annually. Licensing costs for pre-open budgeting include \$26,178, which accounts for application fees, an approximation on background check fees, and local Conditional Use Permit and Cannabis Business Permit fees.

Sources & Uses of Funds

Santee Responsible and Compliant Retail LLC has access to over \$7,000,000 in available funds. Proof of capitalization documents are included in PDF File #7 – Proof of Capitalization. This includes a funding commitment letter from Lauren Carpenter for \$7,000,000 and a bank balance verification letter from Salal Credit Union. These funds are more than sufficient to cover the startup costs of this proposed business.

1.A. PROOF OF CAPITALIZATION

Proof of capitalization, in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.

Per the City's Application Procedures and Guidelines, please see PDF File #7 for Proof of Capitalization. As noted above, this includes a funding commitment letter from Lauren Carpenter for \$7,000,000 and a bank balance verification letter from Salal Credit Union. These funds are more than sufficient to cover the startup costs of this proposed business.

1.B. PRO FORMA

A pro forma for at least three years of operations.

Providing an accurate pro forma is critical to a city's ability to understand the revenue potential from these businesses. It is imperative that projections be rooted in reality rather than conjecture. We have generated the following assumptions based on practical experience operating existing cannabis dispensaries and robust market research and documentation.

	Pre-Open	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue						
Retail	-	\$6,951,745	\$7,438,367	\$7,959,053	\$8,516,187	\$9,112,320
Delivery	-	\$1,042,762	\$1,115,755	\$1,193,858	\$1,277,428	\$1,366,848
Total Revenue	-	\$7,994,507	\$8,554,123	\$9,152,911	\$9,793,615	\$10,479,168
Cost of Goods Sold						
Product COGS	-	\$3,037,913	\$3,250,567	\$3,478,106	\$3,721,574	\$3,982,084
Other COGS	-	\$39,973	\$42,771	\$45,765	\$48,968	\$52,396
Direct Fee to the City (6.0%)	-	\$479,670	\$513,247	\$549,175	\$587,617	\$628,750
Voluntary Community Investment Fund (1.0%)	-	\$79,945	\$85,541	\$91,529	\$97,936	\$104,792
Excise Taxes (Pass Through)	-	-	-	-	-	-
Total Cost of Goods Sold	-	\$3,637,501	\$3,892,126	\$4,164,575	\$4,456,095	\$4,768,021
Gross Profit	-	\$4,357,006	\$4,661,997	\$4,988,337	\$5,337,520	\$5,711,147
% Margin	<i>nmf</i>	<i>54.5%</i>	<i>54.5%</i>	<i>54.5%</i>	<i>54.5%</i>	<i>54.5%</i>
Operating Expenses						
Employee Compensation	\$166,615	\$2,122,181	\$2,317,832	\$2,450,653	\$2,663,208	\$3,061,958
Safety and Security	-	\$236,520	\$243,616	\$250,924	\$258,452	\$266,205
Professional Fees	-	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Advertising and Promotion	-	\$159,890	\$171,082	\$183,058	\$195,872	\$209,583
Rent	\$45,000	\$180,000	\$185,400	\$190,962	\$196,691	\$202,592
Utilities	\$11,250	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648
Repairs and Maintenance	-	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Custodian	-	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Insurance	-	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
CA Cannabis Business License	-	\$96,000	\$96,000	\$96,000	\$96,000	\$96,000
Local Cannabis Business License	\$26,178	\$27,749	\$27,749	\$27,749	\$27,749	\$27,749
Office Supplies	-	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Meals and Entertainment	-	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Vehicles	-	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Employee Training	-	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Uniforms	-	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
IT	-	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Point of Sale	-	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
Total Operating Expenses	\$249,043	\$3,010,840	\$3,231,530	\$3,390,587	\$3,630,645	\$4,058,235
EBITDA	(\$249,043)	\$1,346,166	\$1,430,467	\$1,597,750	\$1,706,876	\$1,652,912
% Margin	<i>nmf</i>	<i>16.8%</i>	<i>16.7%</i>	<i>17.5%</i>	<i>17.4%</i>	<i>15.8%</i>
Federal Income Taxes	-	\$914,971	\$979,019	\$1,047,551	\$1,120,879	\$1,199,341
State Income Taxes	-	\$113,697	\$121,149	\$135,937	\$145,584	\$140,813
Depreciation & Amortiation	-	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Total Income Taxes and D&A	-	\$1,088,668	\$1,160,169	\$1,243,488	\$1,326,463	\$1,400,154
Net Income (Loss)	(\$249,043)	\$257,498	\$270,299	\$354,262	\$380,412	\$252,758
% Margin	<i>nmf</i>	<i>3.2%</i>	<i>3.2%</i>	<i>3.9%</i>	<i>3.9%</i>	<i>2.4%</i>

While the application calls for a 3 year pro forma, it is standard for our finance team to produce an accurate 5 year pro forma budget.

Supporting Documentation

Market Trends

The pro forma contemplates relevant market data and trends, including a market share analysis reflecting the impact of additional cannabis retailers that are likely to be permitted in nearby jurisdictions in the future. Given this dynamic, we have assumed conservative growth estimates for store performance, even in light of staggering overall market growth. Taking this information into account and understanding that Santee is in the process of licensing dispensaries, our calculations are based on a narrow geographic radius to provide realistic revenue estimates.

The City of Santee has decided to issue up to four cannabis retail licenses. Additionally, there are several jurisdictions surrounding Santee that either already have or are adding dispensaries that will operationalize over the coming years. We have taken a conservative approach to market share, modeling as a percentage of total sales in Santee (25%). Further, when calculating an addressable market, we considered only a 5-mile geographic radius from the site because other retail dispensaries will operationalize within and further saturate the broader market.

Revenue Projections

As discussed above, we have modeled conservative projections to account for regional market dynamics. The following revenue projections are based on projected demand for the region using standardized forecasting assumptions that have been borne over time. We have taken a more conservative approach to the compound annual growth rate for the Santee market as an additional precaution against an inflated pro forma.

Market Estimate	
Total Population 21+ within 5-mile Radius	251,110
Addressable Market	
Non-Medical Consumer Market	
Total Population 21+ within 5-mile Radius	251,110
(x) Estimated Consumers as a % of Population	20.0%
Addressable Non-Medical Consumers in Market	50,222
(x) Fair Share Attributable to Embarc	25.0%
Addressable Non-Medical Consumers	12,556
Medical Patient Market	
Total Population 21+ within 5-mile Radius	251,110
(x) Estimated Medical Patients as a % of Population	2.0%
Addressable Medical Patients in Market	5,022
(x) Fair Share Attributable to Embarc	10.0%
Addressable Medical Patients	502
Total Non-Medical Consumer & Medical Patient Addressable Market	13,058

Summary of Estimated Transaction Volume	Per Year	Per Day
Addressable Non-Medical Consumers	12,556	12,556
Transactions per Customer per Period – Adult-Use	12.00	0.03
Embarc Transactions per Period	150,672	413
Addressable Medical Patients	502	502
Transactions per Customer per Period – Medical	24.00	0.07
Embarc Transactions per Period	12,048	33
Embarc Transactions per Period – Adult-Use	150,672	413
Embarc Transactions per Period – Medical	12,048	33
Total Dispensary Transactions per Period	162,720	446
(x) Average Transaction Value	\$60.00	\$60.00
TOTAL REVENUE AT MATURITY	\$9,763,200	\$26,760

Over the course of the 5 year pro forma, we project a conservative compound annual growth rate of 7% and an average transaction value of \$60.00, which is in line with market data.

We appreciate the need for an accurate pro forma, both for the City to understand the realistic revenue potential associated with this use type and as operators in order to effectively operationalize and manage the business. Our pro forma has been developed by a team with years of cannabis financial and operational experience, has been informed by Embarc's existing operations, and has been developed using extensive data and market analysis to reflect this market.

I.C. SCHEDULE

A schedule for beginning operation, including a narrative outlining any proposed construction and improvements and a timeline for completion.

Below, please find a schedule for beginning operation, including a narrative outlining proposed construction and improvements and a timeline for their completion. This schedule was developed by Embarc's Development Team, which possesses an in-depth understanding and extensive experience with local government entitlement processes, planning, building plan checks, and permitting, 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.

Our team is second to none in California when it comes to entitling cannabis projects. Co-founder and Chief Compliance Officer Dustin Moore has managed the entitlement for all 15 existing Embarc locations and has managed more than a hundred project-specific entitlements throughout his career in communities throughout California and across 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.

Dustin's efforts are enhanced through a partnership with Embarc's in-house development team. Embarc's President of Development, Terri Gilles, has been responsible for more than a million square feet of construction across a career spanning two decades of development for companies including Google and Snapchat. Her experience throughout site selection, entitlement, regulatory approval, and construction informs Embarc's approach and ensures timely execution.

Terri oversees Embarc's project management and construction team, which brings nearly a century of combined construction experience in highly regulated businesses, including banks.

Our track record is demonstrable. Across 15 California 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 Santee.

- Embarc South Lake Tahoe opened more than a quarter before other license recipients and was the first of its cohort of licensees to open (there is a legacy operator that has been open for nearly a decade)
- Embarc Alameda was the first of its cohort of licensees to open by nearly two years (there is one store that opened prior because it was awarded in a prior licensing round)
- Embarc Martinez was issued one of one license during the licensing round
- Embarc Fairfield opened nearly a quarter before other license recipients and was the first to operate within the city
- In Fresno, Embarc on Blackstone Ave was the first of the license recipients to open and was one of only two to operate within the city for more than a year and a half
- Embarc Sacramento was the first of its cohort of recipients to open by approximately a year (the city has issued licenses previously that are operational)
- Embarc Redwood City opened in January 2023 and was the first to open in the city
- Embarc Chico opened in April 2023 and was the second to open, as the first had been built-to-suit prior to being awarded a license
- Embarc Ventura opened in September 2023 and was the first to open in the city
- Embarc Tracy opened in December 2023 and was the second of 11 recipients to open
- Embarc Meyers opened in January 2024 and is the first and only operator
- Embarc Indio opened in January 2024 and was the first to open in the city
- Embarc Fontana opened in April 2024 and was the first to open in the city
- Embarc Madera opened in May 2024 and is the first and only operator to open thus far
- Embarc Fresno on Shaw Ave opened in May 2024 and is the second Embarc location in the city
- Embarc San Bruno will open in mid-November 2024 and will be the first and only operator in the city

This track record in the communities we serve today demonstrates a consistent pattern of being first to market. Embarc marries the agility to rapidly actualize proposals with an unwavering commitment to regulatory compliance—a balance that has propelled our

timely openings across California. Our Development Team's depth of experience with local government processes and proficiency in planning and permitting shine through in our history. This blend of expert navigation through complex systems and steadfast dedication to expedience assures that we are well-equipped to establish a successful cannabis operation in Santee efficiently.

Embarc anticipates open its doors in Santee and begin generating revenue in Fall 2025. Embarc will aggressively pursue this schedule to complete this project in a timely manner and begin operations given our proven track record of executing our proposals rapidly and fastidiously in each community where we operate today. Because the building is currently developed and will only require basic tenant improvements, we anticipate construction will be completed quickly should we be fortunate enough to be selected to operate in Santee.

The following timeline for completion has been broken into four phases, some with distinct action items and some that will overlap to run concurrently where possible.

PHASE I: September 2022 – March 2023

This phase contemplates City administration of application review, scoring and selection.

OCTOBER 24, 2024: APPLICATION DUE

Pursuant to the City of Santee's application guidelines for storefront cannabis retail, Embarc will submit its application no later than October 24, 2024.

OCTOBER 2024 – MARCH 2025: CITY SELECTION PROCESS

Based on previous RFP processes for cannabis retail in other communities, we estimate that the City review process will take approximately five months. There is the potential for an appeal by failed applicants during the City's application Phases I through III, which could potentially slow the process. This potential delay is accounted for in the duration provided for this phase.

PHASE II: March – June 2025

This phase contemplates that Embarc is awarded a permit, at which point the Building Permit and Community Benefit Agreement process will begin. This includes filing applications to begin construction, entitlement and licensing. Additionally, given that application review and plan check can take between 30-90 days, Embarc intends to submit these plans within 30 days of being awarded a license to expedite the building permit process.

MARCH 2025: APPLY FOR OPERATING, DESIGN REVIEW, & BUILDING PERMITS

Embarc anticipates submitting for permits in March 2023. We anticipate the permitting process to take approximately 90 days which is why we have prioritized rapid submission. We look forward to the conditions of approval that encapsulate the commitments we have made to the community.

MARCH – JUNE 2025: SUBMIT BUILDING & SIGNAGE PLANS FOR REVIEW, PLAN CHECK, & PERMITS

To mitigate delay, Embarc has engaged a preeminent design studio and architecture firm to be prepared to complete stamped architectural drawings, including a site plan, floor plans, section drawings, building elevation drawings, and plumbing and mechanical plans immediately upon selection. Their expertise across projects of all scales and sizes will be vital to timely execution.

MARCH – JUNE 2025: SUBMIT STATE ANNUAL APPLICATION FOR A TYPE 10 CANNABIS RETAIL LICENSE

Embarc will submit an annual state cannabis license application immediately after finalization of local approval. While the permit will not be approved until the City has completed its process, Embarc will mitigate some of the waiting period by getting in the queue. Based on our communications with the DCC and the current processing time for applications, we believe the State licensing process should take approximately 4 months.

PHASE III: June – August 2025

This phase contemplates issuance of all permits related to land use and building and the subsequent commencement of construction. This is also when business operationalization commences.

JUNE 2025: ISSUANCE OF BUILDING PERMIT AND COMMENCEMENT OF CONSTRUCTION

Embarc anticipates receiving a building permit in June. At that point, the estimated 4-6 week construction process begins. Please note our construction schedule is further outlined in the following section.

AUGUST 2025: INITIATE OPERATIONALIZATION

Embarc will initiate operational preparations, including but not limited to employment recruitment through job fairs, postings and partnership with workforce development partners; marketing plan development; and ongoing community outreach.

PHASE IV: August – October 2025

The final phase of the process includes completion of construction, operations staging, issuance of a state annual license, and both soft and grand openings.

ONGOING: OPERATIONALIZATION

Embarc will continue operational preparations, including but not limited to the following: finalize employee hiring, finalize vendor agreements; initiate pre-marketing outreach activities; full security implementation; set up IT infrastructure; and continue ongoing community outreach. A General Manager will be hired at least eight weeks prior to opening to participate in the final weeks of operationalization, oversee manager training and help to develop initial inventory placement.

AUGUST – SEPTEMBER 2025: ISSUANCE OF STATE & LOCAL LICENSE, CERTIFICATE OF OCCUPANCY & BUSINESS LICENSE

A State Type-10 commercial cannabis license is issued prior to a Certificate of Occupancy. Upon final sign-off on construction by building and other City officials, a Certificate of Occupancy will be issued along with a local license for commercial retail at our site and a business license to conduct retail activities.

SEPTEMBER – OCTOBER 2025: CONSTRUCTION CONCLUDES & OPERATIONS STAGING BEGINS

The 4-6 week construction timeline outlined by our contractor is anticipated to be completed as early as September or as late as October depending on when a building permit is issued. In the final two weeks prior to opening, Embarc will finalize pre-opening preparations, including but not limited to: conduct in-store employee training and vendor educational workshops; inventory procurement and stocking (pending local approvals and state license); point-of-sale and track-and-trace trainings; on-site security and IT training; ongoing marketing and community outreach activities and a detailed compliance audit of all operations and components of the retail facility. During this time all final walkthroughs with the San Diego County Sheriff's Office and relevant City staff will occur, including a tour for public safety officers and interested City officials.

OCTOBER 2025: SOFT & GRAND OPENINGS

Once the business is fully licensed and compliant, Embarc will commence a soft opening that will last approximately 7-14 days to perfect operations before a Grand Opening.

Proposed Construction, Improvements, & Timeline for Completion

To bring its consumer experience and aesthetic to life, Embarc will undertake tenant improvements at the site, resulting in the transformation of a traditional office space into a secure and compliant high-end retail boutique. Our proposed tenant improvements will be minimal and focus mostly on aesthetic improvements due to the relatively new construction of the building. Our construction team has completed all necessary diligence and our plan includes the following:

EXTERIOR: Exterior enhancements will include the installation of compliant signage and a bicycle rack, as well as upgrades to the current landscaping. We will ensure all existing exterior site conditions meet ADA compliance standards, making minor repairs as necessary. These updates will help maintain a modern, welcoming appearance while ensuring accessibility for all visitors.

INTERIOR: Inside, the improvements will involve selective demolition to remove some walls and new framing, allowing us to redefine the space according to the proposed floor plan. Mechanical, electrical, and plumbing (MEP) engineers have confirmed that existing utilities are sufficient for the planned upgrades. Interior renovations will include the installation of new drywall, flooring in some areas, low voltage systems, and fire and security features in alignment with our safety and security plans. The restrooms and kitchenette will remain in their current locations. New fixtures, cabinetry, and

furniture will be installed as depicted in the concept renderings, providing a functional and aesthetically pleasing space for both employees and customers.

The scope outlined above ensures that the existing space will be reimaged into a modern, state-of-the-art retail facility with finishes consistent with modern upscale retail developments. Further, here is a specific timeline by which the construction will occur as provided by our contractor:

WEEK 1:

Mobilization
Demolition
Concrete/saw cut
Rough electrical
Metal stud framing

WEEK 2:

Inspect underground utility
Concrete pour back trench
Framing inspection
Security rough low voltage
Rough electrical (walls)
Rough mechanical
Rough electrical inspection
Insulate walls

WEEK 3:

Insulation inspection
Sheetrock
Nail inspection
Tape sheetrock
Door frame install
Acoustical ceiling grid

WEEK 4:

Paint
Glazing
Finish electrical
Finish security install
Millwork
Door install
Finish mechanical
Above grid inspection
Drop ceiling tiles
Point-of-sale and low voltage finish
Concrete sealer
Final inspections
Punch walk
Hand over
Move in

WEEKS 5-6:

Held for contingency should other activities face delays



1.D. ACCESS TO BANKING SERVICES

A letter from a bank, credit union, or similar financial institution stating that the cannabis applicant has, or will be provided, access to banking services. This letter should be within the last calendar month.



PO BOX 75029, SEATTLE, WA 98175-0029 • 800.562.5515 • SALALCU.ORG

October 7th, 2024

To Whom It May Concern:

This letter is to confirm that Santee Responsible and Compliant Retail LLC, dba Embarc Santee (Embarc), will be banking with Salal Credit Union (Salal) for their proposed cannabis retail and delivery operations in the City of Santee. I am also writing to affirm that Embarc's current accounts with Salal are in good standing. Embarc understands the importance of being fully banked in the other communities where they operate.

Should you have any additional questions, please do not hesitate to reach out to me directly at 206-697-1105.

Warmly,

A handwritten signature in black ink, appearing to read "Alicia Thomas". The signature is stylized with a large, looped initial "A" and a long, sweeping horizontal stroke at the end.

Alicia Thomas
Business Banking Officer
C.206.697.1105 F.206.298.3492
athomas@salalcu.org

2. DAILY OPERATIONS

The application describes the day-to-day operations of the proposed retail business. This shall include, at a minimum, a description of the following criteria:

Rooted in Proven SOPs

Embarc is proposing to operate a retail dispensary with delivery service in the City of Santee. As further detailed below, Embarc's operational plan has been designed to comply with all State and local regulations. It serves as a realistic model of operations developed through a collaborative process. Importantly, this plan will continue to be refined as it is informed by operations.

True compliance is predicated on a commitment to continuously innovate and refine to ensure best practices are easily implemented, maintained, and become a lived value rather than simply a mandate. Embarc has implemented industry-leading best practices perfected over decades of collective operational experience at some of the State's most respected dispensaries, along with input from our team who has been responsible for more than 2,000 retail stores across the globe, and valuable lessons learned from successfully operating Embarc's existing retail footprint of 15 operational stores.

Embarc's operating procedures and best practices are contained in our business plan, operating plan, employee handbooks, employee training program, and numerous other resources. In total, there are over **450 pages** of material specific to Embarc's operating procedures, policies, and best practices. Given that many of these materials are proprietary and this business permit application is subject to a Public Records Act request, and in deference to the need for succinct application materials, we have included a detailed overview of how Embarc's best practices have been included in the Standard Operating Procedures (SOPs) informing day-to-day operations for a retail and delivery business.

We welcome the opportunity to provide more detail on Embarc and its proposed operations in Santee at any time and full copies of policies and manuals from our robust library of information are available to the City of Santee upon request.

Physical Functionality

Our layout and customer flow have been designed to maximize security, compliance, and an optimal consumer experience. This concept has been proven in other communities—the concept is predicated on the following customer flow and experience:



1. GREETED: Guests are buzzed into the Screening Lobby, where they are welcomed by staff, and undergo immediate identification and age verification. While this is a strict compliance protocol, staff are trained to ensure this is a warm and inviting experience.



2. INTRODUCED: Once identification and age are verified and based on customer flow in the Retail Sales Area, guests will either move directly from the Screening Lobby into the Retail Sales Area or stay in the waiting area until space permits. The waiting area of the Screening Lobby has been designed with the customer in mind. Here you will find educational materials regarding cannabis as well as community-specific activations and installations.



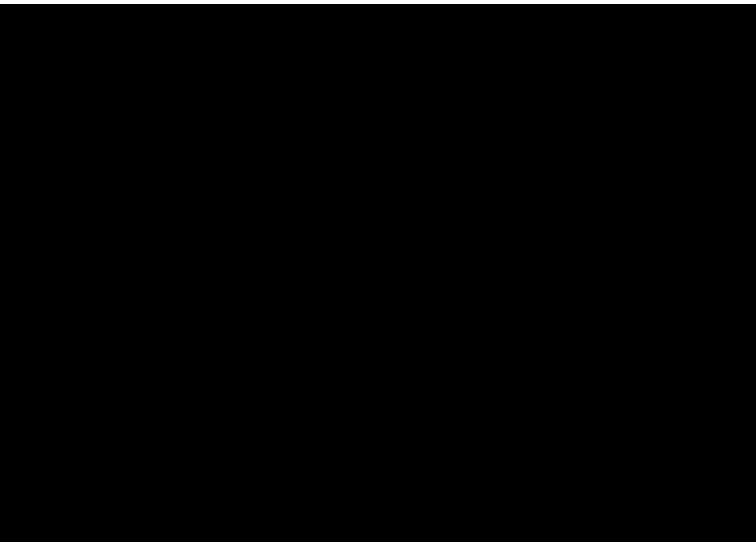
3. GUIDED: After entering the Retail Sales Area, guests will approach the counter-top, where they are greeted by a retail sales associate, called a "Guide." Guides take the guest through product selection, answer questions, and provide individualized suggestions. If there is a line of customers when a guest first enters the Retail Sales Area, the guest will queue until called up to the counter by a Guide.



4. CHECKOUT: Once the customer has selected products, the Guide will obtain the products and facilitate the transaction at a point-of-sale station. Purchased products are placed into an opaque exit package and guests are reminded to always keep their products stored in the product's compliant child-proof packaging to prevent accidental youth access. The easily identifiable exit package allows Security Officers to monitor customers exiting the building.



5. EXIT: Guests are thanked for coming and are directed to exit through the secure Exit Vestibule. Customers will not be permitted to loiter on the property.



2.A. CUSTOMER CHECK-IN PROCEDURES

Embarc utilizes state-of-the-art technology, security, and customer experience protocols to ensure no person under the age of 21 (or 18 with a valid physician's recommendation and/or medical card) is permitted to enter. These protocols have been proven to ensure no person enters the Retail Sales Area until their identification has been verified, including age, identity, and validity of medical recommendation, if one is provided.

Guests will enter utilizing the designated main entrance to the building, where signs will be posted clearly and legibly stating that no person under the age of 21 is permitted to enter. The premises will have a clearly labeled entrance door, which will lead into the access-controlled reception area, Screening Lobby, that will remain electronically locked and under Embarc's control during all business hours (with deadbolt security after-hours).

The entrance into the building will be locked at all times, with entry strictly controlled. A robust surveillance network complemented by viewing stations will allow for pre-screening of those approaching the business, ensuring only those who can be certainly identified on camera will be granted electronic access into the Screening Lobby to initiate the check-in process and that youth are not able to access even the waiting area.

Upon entry, a guest is greeted in the secure Screening Lobby area by a reception employee who visually inspects the guest's identification card before scanning it into Treez (Embarc's track-and-trace/point-of-sale) software, which automatically inputs necessary identity verification and compliance information into our point-of-sale (POS) system. As a redundant layer of security, the reception employee also scans the identification card using a portable age verification device such as the CAV-2000 (or a similar model, depending on best-in-class technology at the time of operations). Acceptable forms of identification include:

- A document issued by a federal, State, county, or municipal government, or a political subdivision or agency thereof, includ-

ing, but not limited to, a valid motor vehicle operator's license, that contains the name, date of birth, height, gender, and photo of the person;

- A valid identification card issued to a member of the Armed Forces that includes the person's name, date of birth, and photo; or
- A valid passport issued by the United States or by a foreign government.

To protect against any guest accessing the Retail Sales Area prior to identification verification, the Screening Lobby is secure without any access capabilities unless buzzed through the locked door by the Security Officer or reception employee, which only occurs after identification verification is complete.

Medical Patients & Caregivers

If the potential customer is between 18 and 20 years old (and thus only able to access the facility as a medical patient or caregiver), Embarc will confirm the customer's possession of a valid identification card utilizing the process outlined above as well as a physician's recommendation and/or Medical Marijuana Identification Card using a protocol that exceeds State regulations. Pursuant to State law, physician's recommendations will not be obtained or provided at our location. No person under the age of 21 will be allowed access to the Retail Sales Area without the following verification protocol:

- If the patient produces a physician's recommendation, staff will verify that the doctor's license is active and in good standing using the California Medical Board's online license verification program, BreZE; and upon verification that the physician's license is in good standing and active, the staff member will utilize the online verification system provided by the doctor to verify that the medical recommendation is valid. If no online platform is available, the staff member will call the physician's office and manually verify the recommendation.
- If the patient produces a State-issued medical identification card, the staff member will utilize the official website administered by the California Department of Public Health to verify the patient's identification card using the assigned nine-digit Unique User Identification Number.

Once the above procedures are complete, the following outcomes are possible:

1. The patient is properly verified, their information is entered into the Treez system, and their records are stored in a HIPAA-compliant database to meet State guidelines for record retention, or
2. The patient's verification fails, and they are asked to promptly leave the premises and only return with valid documentation.

Once age and identity verification are complete, the reception employee completes the guest's profile, including contact information in case of a product recall and should the guest want to join the Passport Club, Embarc's proprietary customer loyalty program. This

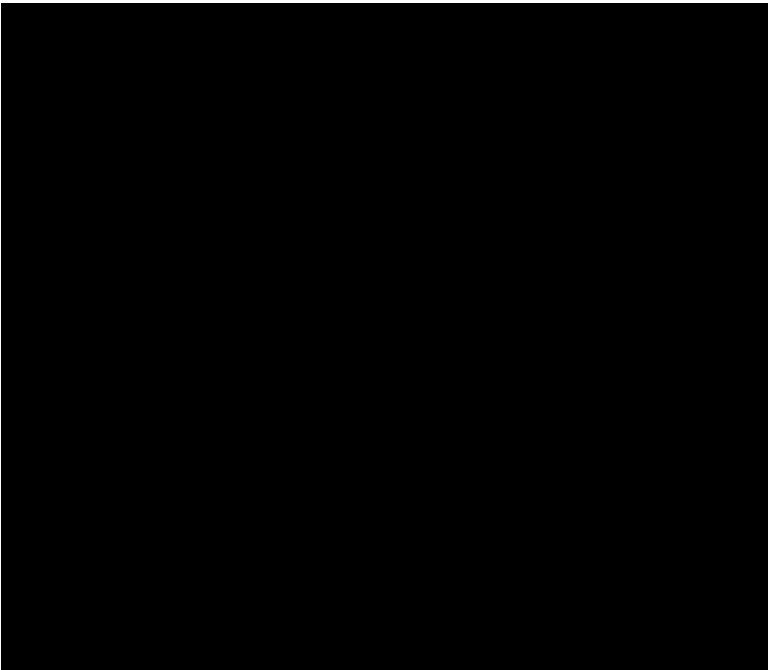
information is properly stored pursuant to all cannabis and general advertising laws and regulations. The guest is then buzzed into the Retail Sales Area, where they are greeted by a Guide (retail sales associate) or, if at capacity, are invited to wait in the Screening Lobby seating area. The patient will be asked to show the government-issued identification and, if applicable, a doctor's recommendation or MMIC card again at the POS station at the time of purchase.

2.B. RECEIVING DELIVERIES

Location(s) and procedures for receiving deliveries during business hours.

Location for Receiving Deliveries During Business Hours

Embarc has developed proven delivery receipt protocols through existing operations that maximize public health and safety and eliminate impacts to neighboring uses. The cornerstone of this approach includes the creation of a Secure Loading & Unloading area utilizing a secure sally port whereby the delivery vehicle enters a fully enclosed and secure garage prior to unloading deliveries. This secure loading area with roll-up door prevents the passage of cannabis goods from the main entrance of the building and protecting this process from public view.



Procedures for Receiving Deliveries During Business Hours

Embarc will confirm that we have already received the specific shipping manifest and certificate of analysis (COA) via CCTT-Metric prior to a scheduled delivery of a shipment of cannabis goods. As an additional layer of security as part of our daily rolling inventory reconciliation process, the Inventory Manager will perform package counts on all current inventory and ensure labels and actual weights are reconciled before accepting any new inventory to more easily identify discrepancies.

Embarc will not accept any delivery of cannabis or cannabis

products without receiving a copy of the shipping manifest and COA containing necessary and accurate information from the licensed distributor or licensed microbusiness authorized to engage in distribution responsible for making the delivery at least 24 hours prior to delivery.

RECEIVING SHIPMENTS OF CANNABIS GOODS AT THE LICENSED PREMISES

Embarc will receive shipments of cannabis goods only from licensed distributors and/or licensed microbusinesses authorized to engage in distribution and only during business hours with advance notice. [REDACTED]

Distribution schedules will be varied and will be maintained in confidence and only released to those with a business need-to-know in the moments prior to receipt of a distribution. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The vendor will be logged. Goods will be inspected for completeness, condition, and compliance. Compliant goods will be accepted and transferred into the track-and-trace account of Embarc. [REDACTED]

[REDACTED]

[REDACTED] Thereafter, the Security Guard will resume their duties.

Shipments of cannabis goods will be inspected for freshness and cannabis goods that have exceeded their expiration or sell-by date will not be accepted. Per State regulations, a shipment will either be accepted or refused in full.

Embarc will only accept deliveries during daylight hours and at

staggered times to prevent predictability. Embarc will not allow shipments of cannabis goods to enter the licensed premises through an entrance or exit that is available to the public and will only accept deliveries through the secure vendor entrance.

Embarc will inspect and accept the inventory in a limited-access area and under video surveillance. This area will be segregated from the rest of the premises to ensure delivery personnel do not have access to the inventory room or any other aspect of operations, further enhancing product security during intake.

Embarc will not engage in any packaging or labeling of cannabis or cannabis products and will not accept any cannabis or cannabis products from a distributor that are not packaged for final sale in a compliant manner. If an employee discovers a defect or nonconformity in an inventory shipment, they will refuse it. Furthermore, Embarc will not accept goods that have not passed laboratory testing as documented by a COA.

ACCEPTING CANNABIS GOODS - INVENTORY MANAGEMENT

When a shipment of cannabis goods arrives, Embarc will inspect the scheduled delivery's inventory and verify that the distributor or microbusiness authorized to engage in distribution has provided a hard copy shipping manifest. The hard copy shipping manifest will be inspected to verify that the shipping manifest contains the following information: name and type of the cannabis goods, UIDs of the cannabis goods, amount of cannabis goods by weight or count, total wholesale cost of the cannabis goods, estimated times of departure and arrival, actual time of departure and arrival, name, license number, and address of all licensees involved, such as the cultivator, the transporter, driver's license number of anyone driving the transport vehicle and make, model, and license plate number of the vehicle used for transport. When information in the shipping manifest is suspect or inaccurate, Embarc will seek clarification or correction from the distributor but refuse acceptance if warranted.

Embarc will reconcile all cannabis product package counts, labeling, and actual weights of the incoming shipment against the shipping manifest and CCTT-Metrc. When there is a discrepancy in weight or package reconciliation, Embarc will record and document the discrepancy in the Treez system which also serves as its chosen internal seed-to-sale tracking system in CCTT-Metrc and report the discrepancy to the Inventory Manager.

Embarc will inspect the shipment of cannabis or cannabis goods for freshness. When cannabis or cannabis goods have exceeded their expiration or sell-by date, Embarc will not accept them. Embarc will inspect the shipment's labeling and packaging and ensure that all cannabis or cannabis products are labeled and packaged for final sale. When there is a defect to a label or package, or any is missing, Embarc will refuse the shipment.

Embarc will confirm that cannabis goods in the shipment have all passed required testing. If the products have not passed testing,

Embarc will refuse the shipment. If the physical shipment and the shipping manifest are accurate, Embarc will sign the manifest. If the products or paperwork do not meet the above standards and Embarc refuses the shipment, we will record the refusal in CCTT-Metrc and indicate on the relevant manifest, invoice and/or sales receipt the specific reason for rejection.

Embarc will follow detailed steps as further outlined in our SOPs to accept a transfer in CCTT-Metrc, will immediately place the inventory in the designated Secure Product Storage Room and will retain the manifest, bills of lading, any certificates of analysis, and any sales invoices or receipts in Embarc's inventory tracking records for seven years. We will ensure that all records are legible, securely stored and are easily accessible upon request from local and/or State regulators.

Types of records produced and maintained when acquiring new inventory will include a shipping manifest, a sales invoice or receipt, a bill of lading, and a COA. The sales invoice or receipt will disclose, at minimum, Embarc's legal business name and license number.

2.C. POS SYSTEM

The Point-of-Sale system, including the name of the system, to be used and how it will interact with the state's mandated track and trace system. Locate and identify the number of Point-of-Sales terminals to be used when the business is at full capacity.

Point-of-Sale System & Track-and-Trace Interface

Embarc will seek approval from the City to utilize Treez as its point-of-sale (POS) system in Santee. Treez is an enterprise-quality retail management software built using the most sophisticated security systems available to increase security and productivity, resulting in faster transaction times and more secure monitoring.

Treez tracks and reports on all aspects of commercial cannabis activity, including but not limited to, cannabis tracking, inventory data, gross sales (by weight and by sale), and other information deemed necessary by the city. Embarc will ensure that the Treez system is compatible with the City's record-keeping systems and can produce historical transactional data for review.

Treez POS software manages and stores transaction information, including records, reports, manifests, and any other documents generated by Embarc. Per State requirements, this data is stored both physically and electronically in the cloud for a period of at least seven years. Importantly, Treez maintains the confidentiality of all customer and patient data and records.

Treez is an integrated software platform that automatically enforces best practices with a focus on compliance and loss prevention. Unique features of the Treez system include, but are not limited to, the following:

ACCURACY: Customizable inventory locations mirror the physical

workings of the store and segment inventory by medical or recreational status, fulfillment type, or sales channel to ensure accurate inventory at all times.

FULFILLMENT: A centralized dashboard streamlines processes across in-store, express, pick-up, and delivery orders and captures orders from all eCommerce marketplaces and fulfills them from a single place to ensure real time inventory management.

COMPLIANCE: Built-in tools to safeguard against selling over State-specific purchase limits, dynamic tax collection based on product type, customer classification, and delivery destinations, real time sale reporting to CCTT-Metr, and insulation from track-and-trace outages using the proprietary TraceTreez automation layer.

Treez Interaction with CCTT-Metr

Embarc will create and maintain an active and functional account within the CCTT-Metr system prior to engaging in any commercial cannabis activity. Once the Embarc accounts and systems are linked, the Treez system utilizes an Application Programming Interface (API) to facilitate a direct online connection to the California Cannabis Track-and-Trace system (CCTT-Metr), the State's track-and-trace platform.

Treez will then automatically interface with and push all the sales data to CCTT-Metr in real time. This enables sales data from Treez to be uploaded directly to CCTT-Metr, reducing the risk of diversion, loss, and theft while maintaining the integrity and safety of cannabis products as they move through the supply chain. Furthermore, Treez allows Embarc to remain compliant with requirements that commercial cannabis businesses must have an accounting software system in place to provide POS data as well as audit trails for both product and cash, where applicable.

Embarc will designate one individual owner as the CCTT-Metr account manager. The account manager may authorize additional owners or employees as system users and will ensure that each user is trained on the system prior to its access or use. This designated track and track account manager will be responsible for ensuring that the Treez system conducts all required reporting to the DCC.

Embarc will monitor all compliance notifications from the system and timely resolve the issues detailed in the compliance notification. Embarc will keep a record, independent of the system, of all compliance notifications received from CCTT-Metr, and how and when compliance was achieved. If Embarc is unable to resolve a compliance notification within three business days of receiving the notification, we will notify the DCC and local authorities immediately by submitting the appropriate Notification and Request Form. Embarc is accountable for all actions its owners or employees take while logged into or using the system, or otherwise while

conducting track-and-trace activities.

Number of Point-of-Sale Locations

At full capacity, Embarc will feature seven POS locations in the Retail Sales Area, as well as four employee-manned roving iPads for customer line management during peak hours, all strategically located based on significant analysis of both customer flow and safety and security considerations. At each POS location, surveillance camera placement will allow for the recording of facial features of any person purchasing or selling cannabis goods, or any person in the retail area with sufficient clarity to determine identity. Surveillance displays, including sensitive areas (Secure Product Storage Room and POS areas), will be maintained in areas limited to management or Security Officer viewing.

Embarc is fully banked and we have partnered with a fully compliant electronic payment solution so POS stations will include the ability to accept electronic payment. As a result of these capabilities, we have seen a more than 50% reduction in the number of cash transactions, dramatically reducing the amount of cash we have onsite at any given time.

[REDACTED]

[REDACTED]

2.D. NUMBER OF CUSTOMERS

The expected number of customers to be served per hour/day.

Embarc Santee's customer flow and staffing projections are based on our existing operations and best practices developed by a team with years of combined cannabis retail operational experience in California, ensuring a realistic representation of expected customer traffic.

The charts below provide a breakdown of our anticipated number of customers per day, seven days a week, for storefront and delivery services. These figures are incorporated into our revenue projections and pro forma financial statements.

	Year 1	Year 5
Storefront Customers Per Day	345	452
Delivery Customers Per Day	52	68
TOTAL CUSTOMERS PER DAY	397	520

	Year 1	Year 5	Year 1	Year 5
9 am to 10 am	12	20	2	3
10 am to 11 am	12	20	2	3
11 am to 12 pm	15	25	2	3
12 pm to 1 pm	20	30	4	5
1 pm to 2 pm	20	30	4	5
2 pm to 3 pm	20	30	4	5
3 pm to 4 pm	25	35	4	5
4 pm to 5 pm	41	50	6	7
5 pm to 6 pm	45	50	6	8
6 pm to 7 pm	45	52	6	8
7 pm to 8 pm	45	55	6	8
8 pm to 9 pm	45	55	6	8
TOTAL	345	452	52	68

Embarc Santee's customer flow and staffing projections are based on our existing operations and best practices developed by a team with dozens of years of combined cannabis retail operational experience in California. Based on this practical experience and actual results, and as indicated in our revenue projections and pro forma, we can expect that, on average, Embarc Santee will see approximately 50-55 customers in store per hour during high traffic periods between 4 pm and 9 pm at maturity. In lower traffic periods, between 9 am and 12 pm, we anticipate an average of approximately 20-30 customers per hour in store at maturity.

Importantly, this does not mean that there are that many customers in the store at once, given that not all customers arrive at the same time each hour. Often two or more customers arrive in one vehicle together, utilize public transit or bicycles, take advantage of our delivery service or Buy Online, Pick Up in Store (BOPIS) feature (resulting in significantly less time in the store than a customer that seeks personalized product recommendations from our Guides).

Contingency Plans for Peak Customer Volumes

Embarc will employ various methods to manage and maintain an appropriate staff-to-customer ratio, including, but not limited to, using the waiting area during high-volume hours. This protects the ability of our reception and security team to monitor customer flow effectively and ensures Guides can educate customers through one-on-one and personalized interaction.

PREMISES DESIGN & SIGNAGE: Our floorplan has been designed with a Screening Lobby that features a seating/waiting area for customers in the event that the Sales Area is at capacity. Additionally, the Sales Area features a well-organized stanchion queue to

manage customer flow efficiently. Once a customer reaches the front of the line, employees will guide them through the shopping and checkout process, and then direct them to exit the premises. These clearly marked lines and waiting areas help to maintain order and prevent overcrowding, pedestrian traffic spillage, or loitering outside the building. We will also utilize clear signage both inside and outside the store to guide customer movement and maintain an orderly environment.

SECURITY & STAFF PATROLS: In response to increased customer volumes, Embarc will bolster its pedestrian traffic management through dedicated security and staff measures. If necessary, an additional Security Guard will be scheduled to intensify surveillance and control of foot traffic within and around the store's boundaries. For peak situations, we will deploy an additional Embarc staff member outside the store to directly oversee and organize pedestrian flow, ensuring a smooth and orderly experience for our customers and minimizing any potential congestion. This proactive approach ensures safety and efficiency in managing high-traffic scenarios.

ADDITIONAL STAFF: To effectively manage anticipated high-volume periods, Embarc will strategically schedule extra staff on key dates and peak times. Moreover, as we grow familiar with customer traffic patterns, we will maintain a roster of on-call staff, ready to be deployed at short notice for unforeseen surges in customer volume. This flexible staffing model allows us to adapt swiftly to varying customer demands, maintaining efficiency and a high standard of service.

VIRTUAL QUEUE MANAGEMENT: To enhance customer convenience during high-traffic periods such as grand openings, holidays, and significant events like 4/20, Green Wednesday, and Black Friday, Embarc has adopted a convenient no-cost ticket-based system to hold their place in line. This approach allows customers to obtain a numbered ticket, providing the freedom to shop elsewhere or complete errands, and return during their specific time slot. Building on this, we're exploring the integration of a virtual queuing system as an addition to our mobile app. This advanced solution will further streamline customer flow, enabling patrons to wait off-site and receive notifications when it's their turn to shop at Embarc, ensuring a more organized and time-efficient shopping experience.

BOPIS & DELIVERY INCENTIVES: To effectively manage peak customer volumes, Embarc introduces tailored promotions encouraging the use of our BOPIS (Buy Online, Pick Up in Store) service and shopping during off-peak hours. This strategy aims to distribute customer traffic more evenly over time. In situations of unexpected in-store crowding, we will actively promote our online ordering system to waiting customers, offering an express pick-up option for later in the day, thereby reducing in-store dwell time. Additionally, we will highlight our delivery service as a convenient alternative, providing customers with multiple options to access our products

while alleviating congestion at the store.

These strategies collectively aim to manage customer volumes effectively, ensuring a smooth and safe shopping experience while minimizing the impact on the local community.

2.E. PRODUCT LINE

The proposed product line, including brand names, to be sold at the business, and estimate the percentage of sales of flower and manufactured products.

California has a rich history of cannabis cultivation and product innovation, with thousands of brands and hundreds of thousands of SKUs on the market. For most consumers, including many people who are new to cannabis or are re-entering the market for the first time in decades, this proliferation of brand and product optionality is overwhelming, leaving many folks uncertain about where to start.

Embarc seeks to fill that void through knowledgeable Guides that provide personalized attention. Because each person's body metabolizes cannabis differently, it is important to find the best product(s) to meet an individual's unique needs, and as such, our guiding ethos is values-driven curation to ensure a wide variety of products and modalities that ensures the right product for everyone. Embarc's brand and product curation is driven by the following guiding principles:

UPLIFT RATHER THAN DOMINATE: We believe in the power of prosperity through partnership, or the ability to uplift an entire ecosystem rather than centralize power in one company that seeks to dominate the supply chain. Partnering with small farmers, celebrating sustainable farming practices, and finding opportunities to amplify local, BIPOC, and female-owned brands is how we uplift one another and maintain the cannabis community and ecosystem.

SHARE VALUES, CULTIVATE CULTURE: As brands and products continue to come to market, consumers find themselves overwhelmed by optionality. Embarc will ask a few key questions when considering a brand partner for our shelves because shared values are the cornerstone of cultivating culture within our companies, our communities, and the industry at large:

- Does this brand have defined values?
- Do those values share commonality with our own?
- Does the brand live its values?
- Would our customers appreciate the opportunity to explore this new modality/strain/SKU?

DATA DRIVEN DECISION MAKING: While values are the first step in determining whether a brand is the right fit, data is the other critical component. For most dispensaries, inventory decisions are made based on which brands come to the shop and provide the most enticing deals. We believe consumers deserve better than that and have implemented extensive data analysis and customer

feedback loops into our purchasing process, utilizing customer survey tools, customer relationship management (CRM) analysis, and point-of-sale metrics. Embarc utilizes predictive analytics technology to help drive purchasing decisions. This ensures our shelves are stocked with what our customers want, not with whatever brand has engaged in predatory marketing strategies. This data and feedback loop are what ensure our curated selection is responsive to consumer behavior, purchasing patterns, and preferences.

Our product selection is also informed by our experience operating 15 successful cannabis retail storefronts in California today. We are constantly scrutinizing and analyzing which products our customers and patients are responding to and adjusting our product selection accordingly. We will use what we have learned to build upon, and continue to evolve, our product selection based on the feedback and needs of our customers and patients in Santee. This localized approach ensures our curation is rooted in values, local preferences, sustainability, local sourcing, and economic viability.

ECONOMIC ACCESSIBILITY: Embarc is committed to making cannabis accessible to a wide range of customers. Our assortment architecture ensures that we offer a value, good, better, and best option for each product category. This approach enables us to provide high-quality products at various price points, ensuring that community members across different income levels have access to the products they need. Whether someone is seeking a budget-friendly option or premium products, we have something for everyone.

WELLNESS-FOCUSED SELECTION: We also live our values by offering wellness and medicinal-grade product lines designed to support the health and well-being of our customers. We recognize that many people are turning to cannabis for its therapeutic benefits, and we prioritize sourcing products that cater to these needs. Our wellness-focused approach ensures that our product lineup includes offerings that are specifically formulated for pain management, stress relief, sleep support, and other health-related concerns, which is crucial to serving the needs of aging populations and wellness-seeking individuals in Santee.

Proposed Product Line to Be Sold

Embarc's proposed product line to be sold is informed and driven by our product curation ethos and will include, but not be limited to, the product types outlined in this section. In addition to prioritizing small farms, local cultivators and manufacturers, and amplification of female and BIPOC-owned brands, Embarc focuses on many products that are non-psychoactive and do not contain tetrahydrocannabinol, or THC, the psychoactive substance found in many adult use products. We always ensure ample options that contain cannabidiol or CBD, a non-psychoactive substance.

Embarc will only conduct business with other State-licensed cannabis businesses that can provide proof of their valid State license. Our team members have established business relationships with

the leading suppliers in the industry over the past decade, which ensures that when we open to the public, we will be able to consistently meet consumer demand for quality products without interruption.

Cannabis retailers carry hundreds of SKUs from dozens of brands, which shift over time based on customer preference, strain, availability, and many other factors. Above are many of the brand names we anticipate carrying upon opening, which will evolve over time to reflect customer purchasing patterns and preferences.

Edibles



Topicals



Tinctures



Beverages



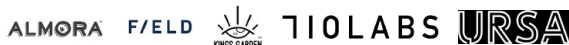
Flower



Pre-Rolls



Extracts



Tablets



Vape



Local Sourcing

Embarc always strives to collaborate with and feature cannabis goods that are locally cultivated, manufactured, and produced. We believe in the power of prosperity through partnership or the ability to uplift an entire ecosystem rather than centralize power in one company that seeks to dominate the supply chain. Partnering with and finding opportunities to amplify local brands and businesses is how we uplift one another and maintain the cannabis community and ecosystem.

To the extent they are available, we will expand our product selection to include products manufactured, cultivated, or distributed by licensed San Diego County cannabis businesses. These products will not only be carried at our Santee location but throughout the Embarc network, which is rapidly growing to be one of the largest retail dispensary footprints statewide. We believe this will allow these brands and businesses to gain prominence statewide. Our Director of Partnerships & Procurement and Purchasing Manager will both remain up to date on new cannabis businesses

located in San Diego County and look for opportunities for partnership in procurement.

Estimated Percentage of Sales by Category

As you can see in the following chart, Embarc's sales for tinctures and edibles—which are typically associated with higher CBD concentrations and management of aches and pains—are higher than the industry average, while our sales of concentrated cannabis and flower are lower than the industry average (based on data from the DCC's Data Dashboard). This is demonstrative of our focus on providing education on the variety of cannabis consumption methods available and their benefits for those seeking wellness and for aging populations. We will use these as a template when initially sourcing products for Embarc and will then utilize data collected from local purchases to drive inventory strategy.

We believe this category breakdown will be similar in Santee as our Guides are trained to educate consumers on the values of enrichment rather than the traditional focus on “getting high.” We have found that when consumers are educated on our product selection, they often opt for products that are not formulated solely for their ability to get the consumer high, which we believe is critical from a public health and safety perspective.

	Industry Average*	Embarc
Flower	33.06%	30.30%
Vape	29.74%	30.30%
Pre-Roll	16.78%	18.40%
Edible	10.95%	13.50%
Concentrate	7.10%	4.40%
Tincture / Capsules	1.81%	2.40%
Topical	0.41%	0.40%
Plant	0.12%	0.30%
Seed	0.03%	0.00%
TOTAL	100%	100%

*Industry average data sourced from the California Department of Cannabis Control (DCC) Data Dashboard

2.F. CONFORMING TO LAWS

[How the Cannabis Business will conform to local and state laws. See SMC Section 7.04.360 for local requirements pertaining to retail establishments in the City of Santee.](#)

Approach to Compliance & Conforming to State Laws

We will ensure that Embarc is operating in a manner compliant with all applicable State and local laws, including the Medical Cannabis Collective Laws, the Medical and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), any subsequently enacted State law or regulations, licensing requirements, SMC Chapter 7.04, and any specific additional operating procedures or requirements which may be imposed by the City. The Department of Cannabis Control

(DCC) has established nearly 250 pages of detailed regulations governing commercial cannabis activity, and Embarc has deep experience managing compliance with these regulations across 15 operational storefronts. Our team's proven track record demonstrates our ability to navigate these extensive regulations, ensuring that all operations meet the highest standards of safety, compliance, and efficiency. We understand the State and local regulatory landscape has been designed to protect the health and safety of employees and the community at large.

Operating a cannabis business is a privilege, not a right, and strict adherence to all laws and regulations is a cornerstone of our ability to operate. Given this dynamic, we approach compliance through the ethos that we are only as strong as our weakest link, i.e., having the best SOPs and compliance checklists in the world is meaningless if the team does not understand, implement, and live compliance through consistent action. That means conformance with all laws starts with meaningful initial training and ongoing education.

Given our team's experience as architects of California's legal cannabis regulatory landscape (detailed further in Section D: Qualification of Owners), Embarc's team members have been and continue to be at the forefront of compliance and regulatory development. Owners of Embarc helped draft the Medical Marijuana Regulation and Safety Act (MMRSA), Proposition 64 (2016), the Medical and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), and the implementing regulations promulgated by the three State licensing authorities: California Department of Food and Agriculture (CDFA), DCC and Manufactured Cannabis Safety Branch (MCSB) of the California Dept of Public Health (CDPH).

Owners of Embarc were involved with the consolidation of the three regulatory agencies overseeing commercial cannabis activities at the State level and are actively engaged in the subsequent regulatory "clean up." We will continue to engage in this critical work, analyzing the status of relevant pending State and local cannabis bills and regulations; working collaboratively with the industry and regulatory agencies; and developing industry best practices.

This cannabis regulatory development experience has taught us that true compliance requires a combination of skills—lawyers and regulatory experts shaping the policies, procedures, and checklists, as well as human resources and training professionals that translate technical language into practical tools to support daily operations.

As such, Embarc maintains a robust team dedicated to ensuring ongoing compliance at every level of the organization and leverages an ongoing feedback loop from the store team on what is working and where improvement is needed to continuously inform how we enhance our training, protocols, checklists, and other compliance tools to be most effective. Embarc will employ the below strategies and tactics to maintain compliance. These strategies are

briefly summarized below due to spatial constraints. However, they are outlined in detail in Section D – 2. Cannabis Industry Knowledge of this proposal.

A HOLISTIC APPROACH: Detailed SOPs are developed by a six-person compliance team and include topic-specific guidance as well as actionable documents for use in the stores based on operational needs. Key components of this holistic approach include:

- A compliance memo developed for each location specific to the business's unique needs;
- SOPs covering all retail and delivery operations;
- Daily, weekly, quarterly, and annual compliance checklists and audits;
- Consistent coordination between the Compliance Team and the store team to provide additional resources based on on-the-ground needs;
- Ongoing compliance audits to identify any areas where procedures need to be adjusted, where confusion may occur, or where additional resources must be allocated; and
- In-store compliance training before every store opening and during ongoing team meetings.

Embarc takes compliance audits seriously and promptly addresses any deficiencies found. Within 48 hours, the Compliance Team meets to discuss and remedy the issue, a revised SOP is generated, and pushed to all stores, if necessary. Employees are trained on the new SOP during their next scheduled shift to avoid future issues.

Embarc seeks to strike the balance between aggressively pursuing strict compliance with creating a safe space for the team to ask questions, suggest revisions, and otherwise feel that compliance is approachable rather than intimidating. For that reason, compliance is treated as an ongoing conversation.

RIGOROUS ONGOING TRAINING & EDUCATION: To ensure compliance with regulations, consistency is essential, and compliance must be a lived value rather than just a check box on a list. This means implementing initial and ongoing compliance education to keep SOPs top of mind and reinforce their importance.

Embarc Santee's General Manager will receive in-store training at an existing Embarc location to gain real-world experience operating under our specific protocols and procedures. Members of Embarc's leadership team will attend and co-lead the new store orientation and training alongside the Santee General Manager to share best practices and provide resources for improving the operationalization of the store. This approach helps ensure that compliance is a lived value and it facilitates information sharing among Embarc leadership.

Using our "Train the Trainer" approach, after the Santee General Manager is fully trained on all Embarc operations at existing locations, they will then be responsible for facilitating training for the

Santee team. All employees will complete training to ensure competency for their assigned functions before operations commence.

Initial training will include significant compliance and security training as part of the comprehensive multi-week training prior to opening a new store. Ongoing compliance education will include, but not be limited to, compliance quizzes, and weekly and quarterly re-trainings.

THIRD PARTY COMPLIANCE SOFTWARE FOR SELF-AUDITING: Our use of compliance software and self-auditing tool Simplifya as an additional resource for store leadership and staff is a critical component of maintaining compliance. This software makes mandatory audits easy to use and integrated within our regulatory and compliance structure. Successful audits are incentivized through a compliance metric tied to bonus compensation. This comprehensive approach has proven successful to date.

Compliance with Operating Regulations of SMC Chapter §7.04

While the State of California's laws and regulations regarding cannabis operations are thorough, the City has taken additional steps to maximize public health and safety. Embarc will maintain strict compliance with Santee Municipal Code Chapter 7.04 and all other relevant local rules and regulations, such as local building codes and zoning ordinances as further detailed below.

Embarc has extensive experience managing 15 operational storefronts across 14 different California communities, each of which has distinct local cannabis regulations. Our team is adept at managing these varied regulations while ensuring all store management and employees remain aware of both compliance and operational best practices. This experience positions us well to conform to the specific local laws of Santee, such as those outlined in SMC Chapter §7.04, and ensures that our team is fully trained on how to meet all compliance requirements, including local safety and operational regulations. By combining this regulatory experience with a strong commitment to training and continuous improvement, Embarc Santee will be fully equipped to maintain compliance with local laws while contributing positively to the community.

SMC §7.04.360

§7.04.360.A: Embarc Santee will ensure compliance by securing a cannabis business permit prior to operations.

§7.04.360.B-C: Embarc will implement strict verification procedures at the entrance and point-of-sale, ensuring compliance with age verification and documentation for both medicinal and adult-use customers. Embarc Santee will require all customers to show government-issued identification and, where applicable, a valid doctor's recommendation or cannabis card at both the entrance and point-of-sale, ensuring compliance with Health and Safety Code Section 11362.71. These verification procedures are outlined in Section 2.A of this Business Plan.

§7.04.360.D: Embarc will employ uniformed, licensed security personnel to monitor the premises, deter unlawful activity, and control site access. These personnel will comply with all regulatory requirements. Embarc Santee's full proposed Security Plan is provided in Section C of this proposal.

§7.04.360.E: Embarc will maintain only the necessary amount of cannabis products for daily sales in the Retail Sales Area of the premises, with additional products securely stored in a vault-like limited-access area—the Secure Product Storage Room.

§7.04.360.F: Embarc will ensure that doors leading to access to restrooms onsite are locked at all times, with access controlled by management staff.

§7.04.360.G: Embarc will adhere to all these conditions, ensuring cannabis is sold only on the licensed premises or compliant delivery addresses, with no drive-through or vehicle-based sales, child-resistant packaging, and thorough video surveillance systems in place.

§7.04.360.H: Embarc will strictly follow the age restrictions for both adult-use and medicinal cannabis sales, ensuring compliance with local and state regulations.

§7.04.360.J: Embarc will establish and monitor limited-access areas, granting entry only to authorized individuals and ensuring compliance with logging and security requirements. Full details concerning access control, limited-access areas, and Vendor/Visitor Logs are provided in Section C of this proposal.

§7.04.360.K: Embarc will operate strictly within the mandated hours of 9:00 a.m. to 9:00 p.m., seven days a week and acknowledges that the City may implement more restrictive hours as a condition of the permit, and if so, Embarc will comply with those new hours.

§7.04.360.L: Embarc will adhere to all applicable security measures detailed in Section 7.04.320, ensuring a secure and compliant retail environment. Embarc Santee's full proposed Security Plan is provided in Section C of this proposal.

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.

2.G. PREVENTING DIVERSION

How cannabis and cannabis products will be tracked and monitored to prevent diversion.

Embarc will use the Treez integrated inventory management and point-of-sale system, as well as strict procedures, quality controls, and security measures to ensure that each cannabis unit is accurately tracked and monitored at all times to prevent diversion.

Point-of-Sale System

To ensure compliant and efficient inventory control, Embarc will use Treez, its internal seed-to-sale inventory tracking and point-of-sale software, in addition to CCTT-Metrc. As described in Section A – 2.C. POS, Treez manages and stores transaction information, including records, reports, manifests, and other generated documents. Treez is an integrated platform that automatically enforces best practices in compliance and loss prevention and connects directly to CCTT-Metrc.

Treez supports our retail operations with strict inventory tracking and management. Products are tracked from the moment they are acquired to the moment they are sold or disposed of, and the forms and types of cannabis goods are documented and maintained at the store daily. Embarc will fully integrate and update inventory logs, checklists, and SOPs along with the Treez software. Treez can also print comprehensive labels and provide employee-restricted inventory adjustment screens and printable reports.

CCTT-Metrc's use of a Radio Frequency Identification (RFID) technology combined with serialized item tracking system creates an “end to end” surveillance system where we have real-time visibility at any given time into inventory and thus do not rely solely on audits for tracking. The strict use of this software to track products will allow Embarc to have a complete understanding of when a product was manufactured, when it arrived at the premises, and how long it has been in stock.

Track-and-Trace System Integration

California's Cannabis Track-and-Trace system (CCTT-Metrc), will be used to record the inventory and movement of cannabis and cannabis products through the commercial cannabis supply chain. This State mandated system is used by all State cannabis licensees. As noted above, Treez is CCTT-Metrc compliant software and related hardware that maintains secure, compliant use of the system. Embarc will have the ability to reconcile all on-premises and in-transit inventory records in CCTT-Metrc and Treez. California's use of CCTT-Metrc software provides critical regulatory features and supports regulations with technology to monitor for and prevent diversion. CCTT-Metrc promotes public safety and product safety with traceability and addresses cannabis diversion from a State mandated position. As mentioned above, the use of RFID technology and serialized item tracking creates an “end to end” surveillance system with real-time visibility. The RFID secure tag ID also creates

centralized control of security.

As described in Section A – 2.C. POS, Embarc will create and maintain an active and functional account within the CCTT-Metrc system and designate one individual owner as the account manager, who may authorize additional employees as users. The account manager and each user will be assigned a unique log-on, consisting of a username and password. Each user will only log on under their assigned log-on; will not use that of others; and will not share or transfer their log-on, username, or password to be used by any other individual for any reason.

CCTT-METRC TRAINING: Training on the use of the CCTT-Metrc system is required by law for licensees. Embarc will require that any of its employees who will be involved in the transfer of cannabis or inventory management generally have successfully completed the required training on the selected software application and the transactional/transportation security protocols described in this plan. The account manager will attend and successfully complete all required CCTT-Metrc training, including any orientation and continuing education.

TRACK-AND-TRACE REPORTING: Embarc will record all commercial cannabis activity in CCTT-Metrc. For each activity entered into the system, Embarc will also record the name and type of the cannabis goods; UID of the cannabis goods; amount of the cannabis goods, by weight or count; total wholesale cost of the cannabis goods, as applicable; date and time of the activity or transaction; name and license number of other licensees involved in the activity or transaction; and if the cannabis goods are being transported.

If there are any discrepancies between the type or quantity of cannabis goods specified in the shipping manifest and the type or quantity received by Embarc, Embarc will record and document the discrepancy in the system and in any relevant business record. If cannabis goods are being destroyed or disposed of, Embarc will record in the system the name of the employee performing the destruction or disposal, the reason for destruction and disposal, and the entity disposing of the cannabis waste. A description for any inventory adjustments will be made in the system, including, but not limited to, the spoilage or fouling of cannabis goods and any event resulting in damage, exposure, or compromise of cannabis goods.

All transactions must be entered into the system within 24 hours of occurrence. Embarc will only enter and record complete and accurate information into the system and will correct any known errors entered into the system immediately upon discovery.

LOSS OF CONNECTIVITY: If at any point, Embarc loses connectivity to CCTT-Metrc, Embarc will prepare and maintain comprehensive records detailing all commercial cannabis activities that were conducted during the loss of connectivity. Embarc will notify the DCC immediately for loss of connectivity utilizing the appropriate form and will not transport, receive, or deliver any cannabis goods until

such time as connectivity is restored.

Once connectivity has been restored, Embarc will enter all commercial cannabis activity that occurred during the loss of connectivity into the system within three calendar days. We will also document the cause for the loss of connectivity, the date and time when connectivity to the system was lost, and when it was restored.

SYSTEM RECONCILIATION: In addition to other inventory requirements, Embarc will reconcile the physical inventory of cannabis goods at the licensed premises with the records in the track-and-trace database at least once every 30 calendar days. Per internal policies, full reconciliations must occur no less frequently than once every other week, with a rolling inventory reconciliation occurring daily for the first 90 days of operations. Embarc will be able to account for all inventory and provide the status of all goods to regulators upon request. If Embarc finds a discrepancy between its physical inventory and the system database and the store will conduct an audit. Where a discrepancy remains, we will initiate an internal investigation to identify the source of the discrepancy. Where the discrepancy is not resolved, notification to the DCC and the Sheriff's Department will be made. Our bi-weekly inventory counts far exceed the regulatory requirement and ensure that our strict inventory controls go above and beyond to prevent diversion and ensure compliance.

Additional Inventory Tracking Considerations for Diversion Prevention

To ensure that all cannabis goods are tracked and monitored to prevent diversion, Embarc will employ the following additional inventory control measures.

SURVEILLANCE CAMERAS: All activities within the POS area will be under video surveillance, including sales transactions. All video recordings will be kept by Embarc for a minimum of 90 days, except in instances of investigation or inspection by the City or State, in which case Embarc will retain the recordings until such time as being notified by authorities that they may be destroyed. All limited-access and restricted-access areas where cannabis inventory is stored will be constantly monitored with state-of-the-art video surveillance camera equipment and monitored. At each POS location, and each location where inventory is being stored, camera placement will allow for the clear recording of facial features of any person purchasing or selling cannabis products, checking out any product from storage, or any person in the Retail Sales Area, with sufficient clarity to determine identity. The cameras will be placed to ensure there are no blind spots and will record continuously 24 hours per day, seven days per week, with a clear and accurate time and date stamp embedded on all recordings.

INVENTORY CONTROL DESIGN FEATURES: The key to Embarc's inventory control procedures are several design features supported by strict operational controls and procedures. Only management

and the Inventory Team have access to the Secure Product Storage Room. The Inventory Manager is responsible for handling product movements from the Secure Product Storage Room to the Retail Sales Area and Fulfillment Office of the business. This design strategy maximizes accountability, reduces loss exposure, reduces the movement of goods through common areas, and thereby restricts opportunities for diversion. This design also restricts intelligence relative to storage methods, premises design, and security features of the Secure Product Storage Room from front line employees, vendors, visitors, and customers. Additionally, third party distribution vendors are provided no access beyond the Secure Loading & Unloading Area—maintaining the location and intelligence surrounding product and currency storage in secrecy.

INVENTORY CONTROL SECURITY MEASURES: All inventory stored on the premises will be secured in the limited-access Secure Product Storage Room, controlled by biometric access, and only accessible by management or supervised employees with appropriate security clearance.

[REDACTED]

[REDACTED]

Additionally, only the quantity of cannabis and cannabis products necessary to meet the daily demand will be readily available for sale onsite in the Retail Sales Area. Any additional products will be stored in the Secure Product Storage Room, a locked area to which customers, vendors, and visitors will not have access.

INVENTORY STORAGE CONDITIONS: In accordance with State regulations, Embarc will store cannabis goods in the Secure Product Storage Room in a manner that controls temperature and humidity, and that prevents the entry of environmental contaminants.

Information & Records Security

Embarc acknowledges that it is responsible for the security of all cannabis items on the premises, including providing adequate safeguards against theft or diversion of cannabis items and required records. All records will be maintained in a legible fashion and protected from debris, moisture, contamination, hazardous waste, fire, and theft. All pertinent physical records and electronic media

storing such records will be stored in fire-resistant, locking filing cabinets or safes. All records will be immediately producible to regulatory inspectors upon an inspection, whether that inspection was noticed in advance or not.

Embarc takes precautions to protect consumer privacy and minimize the risk of cyber threats, ensuring the protection of sensitive financial records and preventing unauthorized access or intrusion. The network infrastructure is encrypted and password protected, and only trained personnel with authorization will have access to data systems. Users of the system will have role-based authentication. Sharing of logins among employees and managers is strictly prohibited. The software will have security features such as password lockouts, login timeouts, strong password requirements, periodic password changes, and admin-controlled user access. Embarc will, as needed, hire a third-party Information Technology company to ensure that digital record-keeping systems employed by the premises are secure.

Embarc stores electronic records both onsite and offsite and will make them available to regulators at any time. Onsite backup records storage includes daily backups onto a secure server located in the Management Office. Offsite storage may be managed by a third-party provider, but Embarc acknowledges that this does not relieve them of their responsibilities.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Sensitive files are password protected or stored in a secure file storage system and are never stored or transmitted over unsecured networks or public internet spaces. E-mailing sensitive data files to anyone outside Embarc's organization is strictly prohibited without management permission, and customer-specific information will not be shared with third parties without customer permission.

2.H. WASTE MANAGEMENT

The proposed waste management plan, including waste disposal locations and security measures.

Below is an overview of Embarc's Waste Management Plan. A comprehensive guide with internal waste management SOPs is available upon request.

Overview: Compliance with Laws & Regulations

Embarc Santee's Waste Management Plan has been designed to ensure that cannabis waste is stored, managed, and disposed of in accordance with all applicable waste management State and local regulations, including, but not limited to, Division 30 of the Public Resources Code. Embarc will not dispose of cannabis goods unless disposed of as cannabis waste, i.e., the cannabis has been made unusable and unrecognizable. Cannabis goods intended for

disposal will remain on the licensed premises until rendered into cannabis waste. Embarc will ensure that access to the cannabis goods is restricted to Embarc's employees or agents and that storage of the cannabis goods allocated for disposal is separate and distinct from other cannabis goods.

To be rendered as cannabis waste for proper disposal, including disposal as defined under Public Resources Code §40192, cannabis goods will first be destroyed on the licensed premises. This includes, at a minimum, removing or separating the cannabis goods from any packaging or container and rendering them unrecognizable and unusable. This does not require vape cartridges to be emptied of cannabis oil prior to disposal, provided that the vape cartridge itself is unusable at the time of disposal.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Embarc will report all cannabis waste activities, up to and including disposal, into CCTT-Metrc. All cannabis waste will be tracked and traced to its final location, and a non-hazardous waste manifest, bill of lading, or certified weight ticket is issued upon disposal.

Any cannabis product determined unfit or rejected will be immediately segregated and placed in the Cannabis Waste Queue for destruction by authorized individuals only. The authorized individuals will adhere to our SOPs for the safe disposal of all unfit or rejected cannabis products.

Embarc will ensure that all cannabis products that have been subjected to improper conditions are not salvaged but, instead, are properly disposed of. Such improper conditions may include, but are not limited to, extremes in temperature, humidity, smoke, fumes, pressure, age, or radiation. Any cannabis product that fails to meet the needs or preferences of Embarc Santee's customers will likewise be disposed of properly and compliantly. Our General Manager will determine and document the need for the disposal of excess, unfit, or rejected inventory. Unfit or rejected cannabis will be rendered unusable in the same manner as other cannabis waste, as detailed above.

[REDACTED]

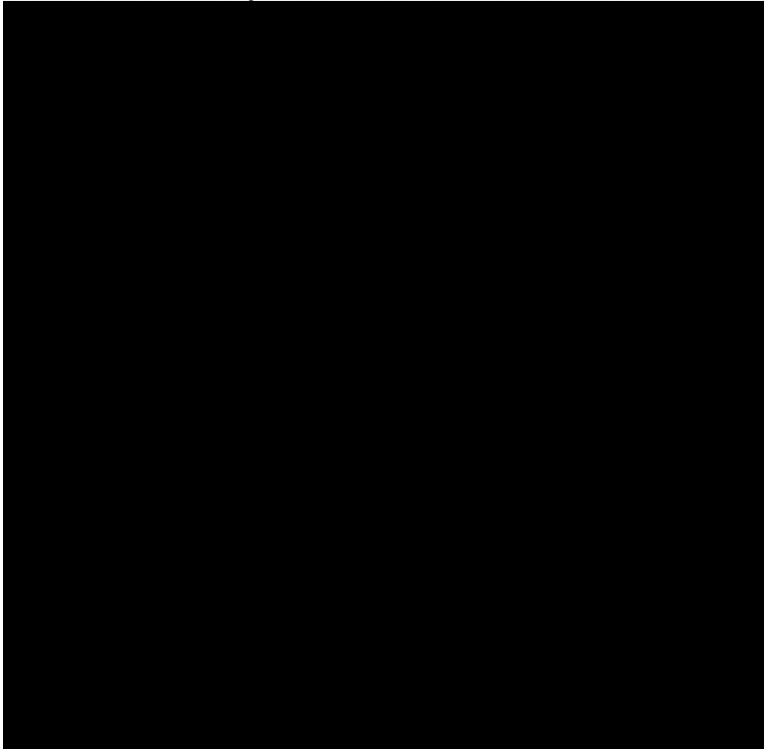
[REDACTED]

[REDACTED]

[REDACTED] Embarc will affix to the recalled products any bills of lading, shipping manifests, or other similar documents with product information and weight. Embarc acknowledges that the product held in quarantine will be subject to auditing by the Department of Public Health. Following the quarantine period, Embarc will render the recalled cannabis product unusable and unrecognizable and dispose of it in accordance with our SOPs under video surveillance.

Embarc will use the track-and-trace database and onsite documentation to ensure that the recalled cannabis products intended for destruction are identified, weighed, and tracked while on the licensed premises and when disposed of in accordance with regulations. Embarc will enter the products, weight, count, reason for destruction, and dates of quarantine into the track-and-trace database.

Cannabis Waste Disposal Locations



Security Measures

Embarc will purchase a secured cannabis waste receptacle, which will only be accessible by authorized personnel, its identified and contracted cannabis waste hauler, and any regulatory agencies needing access. No access will be available to the public. The secure waste receptacle will be nonabsorbent, water-tight, vector resistant, durable, easily cleanable, galvanized metal or heavy plastic with a tight-fitting lid. The container will be filled only to capacity, allowing complete closure of the lid. Waste containers will always be properly labeled with the type of waste accumulated and will be properly logged as part of Embarc’s track-and-trace program. Containers will be identified with a unique identification number (UID), tracking number, waste description, net weight, volume, and date of origin. Additionally, any cannabis and/or product UIDs will be documented upon disposal.


Embarc will report all cannabis waste activities up to and including disposal into the track-and-trace system. If cannabis goods are being destroyed or disposed of, Embarc will record the name of the employee performing the destruction or disposal, the reason for destruction and disposal, and the entity disposing of the cannabis

waste into the track-and-trace system.

Embarc will ensure that access to cannabis goods is restricted to our employees or agents and storage of cannabis goods allocated for disposal is separate and distinct from other cannabis goods. All areas where cannabis waste is being stored or where waste disposal activity is taking place will be under 24/7 video surveillance. Please refer to Section C – Security Plan for more detail concerning surveillance.

Methods of Rendering All Waste Unusable & Unrecognizable

Pursuant to requirements, all cannabis waste must be separated from its packaging and/or container and rendered unrecognizable and unusable prior to leaving the premises. This rendering will be conducted under video surveillance. Cannabis goods will be destroyed using mechanical and/or manual means (with hand tools) and proprietary methods, unique to the category of waste material, as follows.

Organic cannabis goods will be sorted and separated from inorganic cannabis goods for composting purposes. 



Vendor in Charge of Disposal

Embarc has identified Gaiaca as its waste management partner and together developed a robust Waste Management Plan that exceeds regulations. Gaiaca is CESCO, CAC, CMC, and CDPH certified and a leader in cannabis waste disposal as the nation’s first fully licensed, compliant cannabis waste management company. They have certifications as a Green Business and Small Business Enterprise (SBE). Gaiaca’s primary mission is to provide licensed cannabis operators with a compliant yet sustainable solution for their regulated cannabis waste. Since 2016, they have been the preeminent leader in the cannabis waste space, with a footprint in California, Nevada, Arizona, Michigan, Florida, and New York. Their policies and goals reflect environmental conscientiousness, and they are in good standing with the DCC, CDFA, CDPH, EPA, Cal-OSHA, the Department of Toxic Substances Control (DTSC), and CalRecycle.

Embarc will adjust its contract with Gaiaca to ensure the proper removal and storage of all cannabis waste as needed to reflect volume. Prior to final disposal, Gaiaca will ensure all cannabis goods have been destroyed, including removing the product from any packaging and rendering it unrecognizable and unusable as prescribed by the DCC.

Non-Cannabis Waste

As a company, we prioritize sustainability and reducing waste. The premises will be kept clean to prevent the accumulation of waste, and all waste generated will be disposed of safely and in accordance with local laws and ordinances. We will not produce any hazardous waste, and most of our waste will be paper products and office supplies. We are committed to responsible waste management practices and have implemented a waste reduction strategy to increase the recycling and reuse of materials, except in cases where waste management (such as cannabis waste) is strictly governed by specific regulations. In both the areas of our premises that are accessible to the public and in the back-of-house area, we will have waste receptacles with three compartments for landfill, recycling (including paper, glass, plastics, and metals), and composting. We will have clear signage on all receptacles to educate individuals on which items to place in which compartment. Embarc takes several steps to reduce the amount of waste produced and increase the number of materials composted. The compost compartments of our waste receptacles will be reserved for food scraps, food-soiled paper, yard trimmings, and Biodegradable Products Institute (BPI) certified compostable products.

Given the City's mandated spatial restraints, the above business plan contains only direct responses to the prompts rather than a comprehensive business plan. We welcome the opportunity to provide more detail on any component of the business and its proposed Santee operations at any time.



"THE BEST EXPERIENCE I'VE HAD AT A DISPENSARY."

**Jerry Morris**

1 review

★★★★★ 3 days ago **NEW**

I absolutely enjoyed embarc is great reasonable price and great staff would recommend everyone to go honestly it a blessed wonderful place.

Reply Like

**Jocelyn Kelzer**

4 reviews

★★★★★ 4 days ago **NEW**

Incredible new spot - online order with easy pickup. Friendly staff, great prices, quality product. Lucky to have so close!

Reply Like

**Elizabeth Payne**

Local Guide · 39 reviews · 221 photos

★★★★★ a day ago **NEW**

A very beautiful store very well thought out clean and pretty to look at I have found a few good deals that beat the other stores around. Kind and helpful employees. Definitely suggest that you check out embarc!

**Matt A**

4 reviews

★★★★★ 6 days ago **NEW**

Embarc is an amazing dispensary full of amazing people that just make you feel good about being you, I will always be a loyal customer! plus our bud tender we always get is named Jsolis he always makes us feel welcomed and helps us find exactly what we're looking for!

Reply Like

**Jon Bailey**

Local Guide · 23 reviews · 1 photo

★★★★★ a week ago **NEW**

This was my first experience at a dispensary in California and I was very impressed. The establishment was very clean and well managed. The staff was extremely accommodating and helpful. My budtender was able to give me great suggestions and was very knowledgeable. I left with a smile on my face. It's great to know 1% goes to making Fresno a better place too. Keep it up Embarc!

1

**Aileen Ford**

2 reviews

★★★★★ a day ago **NEW**

A welcoming place, always! Consistently EXCELLENT service, too! As always, Ana was right on point in helping me select a product for my changing needs. Especially appreciate being greeted by name at reception check in!! A pleasant boutique shop!

**“THEY KNOW THEIR CUSTOMERS
AND GO THE EXTRA MILE TO GIVE
EVERYONE A GREAT EXPERIENCE...”**

**Alex Melendez-Soto**

2 reviews

★★★★★ 2 weeks ago **NEW**

Awesome service and really went above and beyond to recommend exactly what I was looking for!

**David Raymundo**

1 review

★★★★★ 3 weeks ago **NEW**

“TOP SHELF PRODUCT MET WITH TOP SHELF SERVICE”.

I just had one of the best experiences at a dispensary in all 10 years of my patronage to these establishments.

I have never felt more welcome, been more informed on the products available to me or enjoyed talking to and learning from the staff at the Mack Rd location here in Sacramento, Ca Thanks to the assistance of the assistant general manager I was able to get top shelf product met with top shelf service! This is the new go to spot!

**Isabella Ursos**

2 reviews

★★★★★ a month ago

Upon entering this new dispensary, I was overwhelmed with the abundance of edibles. Alvin is an informative and passionate Budtender who helped me narrow down my options! 5 stars is not enough for the service and quality here.

**Mamta Singh**

1 review

★★★★★ a month ago

Alvin was the absolute sweetest bud-tender - for my first time ever buying I left with the biggest smile. He was so helpful, non-judgemental, and very accepting - exactly what I needed for my first time buying. Thank you sm, Alvin!

**Courtney Briggs**

1 review

★★★★★ a month ago

This place is nothing but classy. Everyone that works there is incredibly friendly and knowledgeable. This is our go to place. I am super happy to have this place in Alameda. If you aren't sure where to go, now you do.

**Dawn Tudor**

2 reviews

★★★★★ a month ago

The best shop! They know their customers and go the extra mile to give everyone a great experience. I'm loyal to embarc!

SECTION B:

LABOR & EMPLOYMENT PLAN

Embarc Santee is committed to making a positive impact on the local economy in myriad ways, from municipal revenue generation and community investment to meaningful job creation for residents with an emphasis on ongoing education, training, and matriculation from within.

We live our values through action—offering competitive wages, a comprehensive range of industry-best benefits, and implementing a proprietary education and training platform that helps our employees build successful and fulfilling careers. By prioritizing ongoing training and education, we empower our employees to achieve their full potential and contribute to the growth and success of our organization.

As one of only a few cannabis retailers led by a female CEO, Embarc's commitment to meaningful wages, benefits, inclusion, and opportunities for advancement starts at the top and is evident in how we approach the lifecycle of an employee's time with Embarc—from recruiting and hiring to ongoing education and professional development. The prioritization of inclusive hiring and opportunity creation will be evident in Santee, with a commitment to 100% local hiring to ensure our team members reflect the community they serve.

This section highlights Embarc's commitment to employment practices, labor representation, and offering competitive wages and benefits. Additional details about our Santee Labor Plan are provided in Section F - Community Benefits. This includes key information about our local hiring plan, dedication to 100% local hiring, initiatives for continued training and education, and other benefits to the local workforce.

Collective Bargaining

At Embarc, our commitment to employee empowerment is at the heart of everything we do. We are proud to be one of the few cannabis operators in California with a fully unionized workforce, demonstrating our recognition of and dedication to the collective bargaining rights of our employees. We have established Collective Bargaining Agreements (CBAs) across all of our operational stores in partnership with the United Food and Commercial Workers Union (UFCW), fostering a collaborative and values-driven workplace.

While State law mandates that cannabis companies sign Labor Peace Agreements (LPAs) once they reach a certain employee threshold, Embarc goes beyond mere compliance. From the outset, we proactively engage with the UFCW, often signing LPAs well before hitting the legal threshold—or even before submitting license applications in new communities. This approach reflects our core belief in fundamentally valuing our employees and creating spaces



where their voices are heard.

Should Embarc be selected to operate in Santee, we will maintain this transparent and collaborative approach. In alignment with our practices at other locations, we will actively engage with employees from the start, facilitating introductions with UFCW representatives during pre-opening training. Through an open and respectful card-check process, employees will have the opportunity to decide if they wish to unionize. If a majority of employees opt for union representation, Embarc will move swiftly to verify and recognize the Union, ratify a Collective Bargaining Agreement, and ensure that all employee benefits and protections are promptly implemented.

Our commitment to labor rights extends beyond meeting regulatory requirements; it is embedded in our ethos. We believe that supporting unionization and collective bargaining fosters an empowering work environment, promotes employee well-being, and helps us deliver the best experience for the communities we serve. At Embarc, promises made to employees are promises kept.



October 23, 2024

City of Santee Selection Committee, Staff, and Council Members,

On behalf of the United Food and Commercial Workers (UFCW) Union Local 135, which represents over 12,000 hardworking men and women across San Diego and Imperial counties, I am writing to express our strong support for Embarc's applications for retail and delivery operations in Santee. As a union representing diverse industries, including the rapidly growing legal cannabis sector, we are committed to ensuring that workers receive fair wages, comprehensive benefits, and a healthy work-life balance.

As California's cannabis industry expands, it is essential that the workforce behind it thrives. Workers deserve not only a living wage and strong benefits but also a supportive environment where they can grow. Embarc has proven to be a company that prioritizes its employees, the community, and responsible business practices.

Embarc's proposal highlights their commitment to 100% local hiring, offering competitive wages, meaningful benefits, and career advancement opportunities. These promises ensure that Embarc's presence will benefit local families and create sustainable jobs for Santee residents. A workforce truly embedded in the local community strengthens both the company and the city.

What truly sets Embarc apart is their dedication to a unionized workforce, demonstrating their respect for workers' rights and their commitment to labor standards. Embarc's positive working relationship with UFCW Locals across their operational stores exemplifies the kind of trusted community and workforce partnership that will benefit the City of Santee.

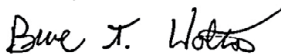
Additionally, Embarc brings:

- An experienced leadership team with a deep understanding of cannabis operations,
- A proven track record in regulatory compliance and navigating the legal market,
- Strong community ties and a commitment to responsible, ethical operations,
- Professionalism and integrity in all aspects of their business.

We strongly urge you to support Embarc's application for a retail dispensary in Santee. Embarc has been a valuable partner to UFCW, and we are confident that their presence will be equally beneficial to the City of Santee.

Thank you for your time and consideration.

Sincerely,



Todd Walters
President, UFCW Local 135

1. NUMBER OF EMPLOYEES

The application identifies the number of employees at initial opening and the maximum number of employees when the business is at full capacity.

Embarc anticipates 30 employees at the time of opening and will scale to meet demand as data is gathered through operations; we are estimating this at 39 employees by year 5. These roles will be supported by ownership which exists in service to the retail team.

Headcount by Position	Year 1	Year 5
General Manager	1	1
Store Managers	3	4
Inventory Specialist	5	6
Store Leads	5	7
Retail & Delivery Sales Associates ("Guides")	16	21
Total Headcount	30	39

2. EMPLOYEE RESPONSIBILITIES

The application identifies all positions to be employed at the proposed business, their responsibilities, and the salary ranges for those employment positions.

The following provides a brief overview of all positions and responsibilities. Employees receive a detailed memo outlining the day-to-day tasks and functions associated with their role, role-specific training and key metrics to guide performance as part of the onboarding process.

GENERAL MANAGER: The General Manager is responsible for overseeing day-to-day operations, including Store Managers and staff across sales, inventory, community, facilities, accounting, marketing, public relations, and more. This role is responsible for successfully developing and implementing strategies to constantly improve the business through merchandising, inventory, expense control, human resources management, and operational management. Importantly, this role is also ultimately responsible for ensuring strict adherence to all State and local laws and regulations pertaining to cannabis and business operations. Critical functions of the General Manager role include, but are not limited to:

- Embodying our values and leading in a positive and respectful manner;
- Ensuring compliance with all laws, policies, and procedures through regular store management and staff meetings, store walk-throughs, audits, etc.;
- Confirming daily cash receipts ensuring monies are deposited regularly, and reports are submitted as prescribed by company policies;
- Analyzing and measuring business trends;
- Developing and implementing plans to meet or exceed goals and objectives;
- Continually evaluating employee and store performance and

recruiting, inspiring, and training management candidates to grow from within; and

- Liaising with law enforcement, vendors, and community members as needed and through the lens of being proactive rather than reactive to opportunities, needs, and requests.

The General Manager will have weekly management meetings with ownership as well as a weekly call with all Embarc General Managers statewide. The meeting with ownership is designed to provide direct, ongoing access to senior leadership and the weekly General Managers Call facilitates information sharing and best practices.

STORE MANAGERS: Managers focus on customer satisfaction, daily operations, and operational flow. In addition, each Manager is responsible for a focus area: Inventory, Operations or Community Engagement. Based on each focus area, Managers are assigned specific roles and responsibilities necessary for the effective execution of their role. Critical functions of the Store Manager role include, but are not limited to:

- Maintaining a compliant work environment through coordination with the General Manager on daily, weekly, quarterly, and annual audits and spot checks;
- Motivating a positive team through communication, incentives, and evaluations;
- Confirming daily sales reports and cash receipts ensuring monies are deposited regularly, and reports are submitted as prescribed by company policies;
- Addressing customer needs and resolving issues, ensuring positive relationships;
- Ensuring inventory data is correct by performing inventory counts and checks;
- Executing employee volunteerism program with enthusiasm, inclusivity, and sensitivity;
- Maintaining communication with community members, stakeholders, and customers to ensure Embarc is a welcoming environment that is responsive to local needs; and
- Liaising with law enforcement, vendors, and community members as needed and through the lens of being proactive rather than reactive to opportunities, needs, and requests.

Managers have weekly meetings with their General Manager and monthly meetings with Embarc ownership to provide leadership, guidance, feedback, and to discuss new store initiatives and priorities in real time.

LEAD GUIDES: Lead Guides support the General and Store Managers in ensuring that all daily operating procedures are performed as required while promoting a company image of excellence through a strong work ethic, leadership by example, and the consistent delivery of impeccable customer service and store visual presentation. This role will also maximize sales through the development and supervision of sales staff. Lead Guides are responsible for ensuring transactions are carried out in compliance with all applicable laws and regulations. Critical functions of this role include, but

are not limited to:

- Implementing operational rules, regulations, policies, and procedures;
- Supervising, managing, and directing the activities of the Guides (sales team);
- Implementing company policies and ensuring staff adheres to best practices;
- Maintaining in-depth knowledge of all inventories, products, and trend knowledge;
- Assisting in employee performance reviews; and
- Assisting in hiring and training new employees.

The Chief Executive Officer participates in quarterly “all hands” meetings with staff to lead ongoing training, facilitate educational modules, and ensure coordination and collaboration among the team.

INVENTORY SPECIALISTS: Under the direction of and in coordination with the Inventory & Purchasing Manager, Inventory Specialists maintain the organization’s inventory by managing and supplying necessary items while maintaining accurate records of all procurements. Critical functions of the Inventory Specialist include, but are not limited to:

- Assisting with product intake;
- Providing inventory reports to Inventory & Purchasing Manager;
- Developing and maintaining good working relationships with vendors;
- Maintaining accurate daily records of goods received;
- Managing and maintaining the inventory system;
- Facilitating upgrades to related databases and/or software under the direction of the Inventory & Purchasing Manager;
- Conducting frequent spot and partial audits of physical inventory;
- Assisting with weekly physical inventory audits;
- Leading education and training on all products for staff; and
- Compiling delivery orders.

The Chief Executive Officer participates in quarterly “all hands” meetings with staff to lead ongoing training, facilitate educational modules, and ensure coordination and collaboration among the team.

GUIDES (RETAIL SALES & DELIVERY ASSOCIATES): Retail Sales and Delivery Associates, or Guides, work closely with customers to determine needs, answer questions, and recommend the right products. This role will promptly resolve customer issues and ensure maximum client satisfaction. Guides must maintain up to date knowledge of product features and maintain the store’s visual appearance. Critical functions of Guides include, but are not limited to:

- Friendly check-in with customers while scanning identification into the POS system;

- Ensuring high levels of customer satisfaction through excellent sales service;
- Assessing customers’ needs, providing assistance and information on product features;
- Maintaining in-stock and presentable condition of assigned areas;
- Actively seeking out customers in store;
- Remaining knowledgeable on products offered and discussing available options;
- Processing purchases;
- Handling customer returns using the compliance protocol and SOP; and
- Maintaining a neat and orderly work environment, including participation in the store cleaning and disinfecting protocols.

Guides are cross-trained to engage in both retail and delivery activities because it is critical that all employees have a thorough understanding of all products and modalities Embarc carries. Regardless of whether engaging with a customer in the store or on a doorstep, it is important for our team to be communicative and capable of answering questions rooted in extensive retail training.

The Chief Executive Officer participates in quarterly “all hands” meetings with staff to lead ongoing training, facilitate educational modules, and ensure coordination and collaboration among the team.

Salary Ranges

GENERAL MANAGER: The position is salaried and ranges between \$86k to \$96k in base salary with the opportunity for a 15% annual performance bonus.

MANAGERS: These positions are salaried, ranging between \$70k and \$80k in base salary with the opportunity for 7.5% annual performance bonuses.

INVENTORY SPECIALIST: This is an hourly position that ranges between \$23.50 and \$26 per hour with the opportunity for annual performance bonuses of up to 7.5% of the annualized salary amount corresponding to the hourly wage. They earn an additional estimated \$3 in tips per hour.

LEADS: These are hourly positions that range between \$23.50 and \$26 per hour with the opportunity for annual performance bonuses of up to 5% of the annualized salary amount corresponding to the hourly wage. They earn an additional estimated \$3 in tips per hour.

GUIDES: These are hourly positions that range between \$22.50 and \$25 per hour with the opportunity for annual performance bonuses of up to 5% of the annualized salary amount corresponding to the hourly wage. They earn an additional estimated \$3 in tips per hour.

Security (Contract – Not Included in Headcount)

Additionally, Embarc will partner with a local security company to

hire security staff. All Embarc security personnel will be at least 21 years of age to provide security services for the licensed retail premises and shall be licensed by the Bureau of Security and Investigative Services. We are enthused at the prospect of utilizing local services to ensure the protection of public health and safety on and about our premises.

SECURITY DIRECTOR: The Security Director is responsible for ongoing coordination with Embarc's Chief of Security, General Manager, all security guards, and staff to ensure ongoing compliance with all laws, regulations, procedures, and Good Neighbor Policy requirements on an ongoing basis. This role is also responsible for continuous innovation in the areas of safety and security, working collaboratively with Embarc's Chief of Security to implement industry-leading best practices throughout the lifetime of the business. Critical functions of the Security Director role include, but are not limited to:

- Implement and manage security operations including post orders, policies, and procedures;
- Implement measurable reporting process to include alarm monitoring, incident response, tracking and reporting of performance metrics and other service areas;
- Respond in a timely manner to emergent events, issues, and staffing deficiencies;
- Maintain relationships with local law enforcement and government agencies staff;
- Manage guard operations including budget management and performance metrics;
- Initiate preliminary investigations and write incident reports on all security related issues;
- Stay up-to-date on all regulatory issues in the security and cannabis industries; and
- Maintain a safe work environment by establishing, following, and enforcing standards and procedures and complying with legal regulations.

SECURITY GUARDS: Security Guards are responsible for the implementation of security policies and procedures and are ultimately tasked with maintaining public and employee health and safety on the premises. Critical functions of the Security Guards include, but are not limited to:

- Perform verification of inbound and outbound delivery vehicles;
- Monitor surveillance cameras via monitors;
- Provide safety escort of employees and customers (as needed);
- Observe and report any suspicious or unlawful activities;
- Conduct foot patrol of property and surrounding area;
- Inspect building, personnel, and access points;
- Obtain help by sounding alarms or calling local emergency department as necessary;
- Remain in compliance with all local, State, and federal ordinances;
- Protect the company's assets relative to theft, assault, and fire hazards; and

- Follow procedures for fire prevention, property patrol, traffic control, and more.

These security roles have not been included in our store headcount given they are contract positions with a third-party vendor.

3. EMPLOYEE BENEFITS

The application identifies the benefits provided to employees, including health care, vacation, and medical leave, to the degree they are offered as part of employment.

Embarc provides significant benefits to employees as part of their employment with Embarc. In other communities where we operate, these benefits account for millions of dollars in additional investment into the local workforce. To the greatest extent possible, our wages, benefits, and operations are designed to provide every employee with the opportunity to maximize their compensation and professional development. Given the need for brevity and a desire to be responsive to the prompt, the following provides brief details regarding Embarc's benefits, contemplating both traditional health and wellness benefits and internal programs designed to empower our employees.

Physical & Mental Health

HEALTH, DENTAL, & VISION: Employees will be offered a competitive benefits package that allows them to choose from health, vision, and dental insurance programs to best meet their needs. These benefits will be provided through the United Food and Commercial Workers Union, and the exact amount will be encapsulated in Embarc Santee's CBA. This ensures Embarc is contributing significantly, if not totally, to the cost of this coverage.

FREE COUNSELING: Embarc believes in the importance of both mental and physical well-being. As part of our comprehensive healthcare package, all employees are eligible for employer-paid mental health counseling from an independent healthcare professional.

PTO & Leave

VACATION/PAID TIME OFF: Employees are offered industry-leading paid time off, with accrual based on duration of employment and as many as 25 days per year based on tenure.

LEAVE: All employees accrue sick leave in accordance with all applicable laws and regulations. Additional leave includes but is not limited to:

- Maternity Leave
- Family Leave
- Pregnancy Disability
- Sick Leave
- Bereavement Leave
- Jury Duty and Witness Leave
- Time Off to Vote

- Victims of Crime Leave
- Domestic Violence
- Sexual Assault or Stalking Leave and Accommodation
- Civil Air Patrol Leave
- Military Leave
- Military Spouse Leave
- Organ & Bone Marrow Donor Leave
- School & Child Care Activities Leave
- Volunteer Civil Service Personnel
- Disability Leave

PARENTAL BONUS: In addition to our generous maternity and paternity leave, which exceeds Family and Medical Leave Act standards, Embarc provides additional paid leave beyond the State mandates based on tenure.

UNPAID TIME OFF: Employees may face a situation that requires additional time off beyond that provided through PTO and as required by law. Employees are eligible to apply for up to thirty days, with some cases allowing for as much as six months of additional unpaid time off to meet pressing needs.

PAID VOLUNTEERISM: Embarc employees are afforded up to 40 hours per year of paid volunteerism. These hours are conducted with other Embarc team members through organized volunteerism efforts, further detailed in Section F – Community Benefits & Investment Plan.

Financial & Economic Benefits

LIFE INSURANCE: Embarc offers 100% employer paid premium life insurance policies, providing a sense of security for employees and their families.

FINANCIAL LITERACY: Embarc is invested in our employees' futures. Research has shown that employees often do not contribute to retirement or participate in the stock market due to a lack of understanding. Embarc believes that providing financial education is part of a robust and well-rounded benefits program, including information on how stock options work and how to maximize their benefit, budgeting and saving, taxation, retirement planning, and related financial concepts. This training will be available to employees in multiple formats, including within our proprietary educational platform for all employees.

TUITION ASSISTANCE & SCHOLARSHIP PROGRAM: We offer tuition assistance and a scholarship program for qualifying employees, with a prioritization on coursework and professional skills development that directly aid in the advancement of the employee's career with Embarc.

TRANSPORTATION ASSISTANCE: While we will have ample parking, Embarc will provide staff with complimentary bus passes as needed and will install bike racks to encourage non-vehicular commuting.

Holistic Support

EMBARC CARES: A FUND FOR TEAM MEMBERS IN NEED: Now more than ever, living our values means being a conscientious employer and supporting our employees inside and outside the four walls of our business. Embarc has established an Employee Assistance Program to provide emergency grants in times of crisis. The fund's purpose is to assist staff in coping with unexpected hardships that place undue financial stress on them and/or their immediate family, either due to a qualified disaster or personal hardship. These awards are based on financial need and the severity of the disaster or emergency.

Importantly, these are not loans that must be paid back but monetary grants provided to address the economic impacts of the issue and help our team feel stable and secure rather than overwhelmed. We have found this grant program has made a meaningful impact on the lives of employees, creating a more open line of communication between the team, and providing a tangible demonstration of our commitment to the well-being of team members. Grants have been disbursed to address funeral expenses, travel to visit ailing parents, and emergency relocation, among others.

INTERNAL EMPLOYEE INCENTIVE PROGRAM: Embarc utilizes an incentive program intended to encourage employee performance and teamwork. Employees earn prizes and bonuses for reaching targets in attendance, cash handling, sales, education, compliance, and living our values.

Additional benefits include but are not limited to generous employee discounts and access to our proprietary education platform with professional and personal coursework, among others. These benefits are further outlined in the Community Benefits and Investment Plan Section F – 3 Local Outreach for Hiring.

Ultimately, Embarc has developed comprehensive wage and benefit plans to address the financial, physical, emotional, personal, and professional development needs of our employees. Given our partnership with UFCW, these wages and benefits will be encapsulated in a CBA to be ratified by employees in Santee, ensuring employees are represented, and these promises kept. These benefits are significant and demonstrate our commitment to the success of our team and their families.

SECTION C: SECURITY PLAN

Embarc Santee has developed a comprehensive Security Plan and will implement and maintain strict procedures to ensure the health, safety, and security of employees, customers, and the Santee community relative to Embarc's operations. Below, please find an abridged summary of proposed security measures specific to the City's application criteria excerpted from our comprehensive Security Plan, prepared by professional security consultant Matt Carroll. Embarc will gladly provide a complete copy of the Security Plan upon request.

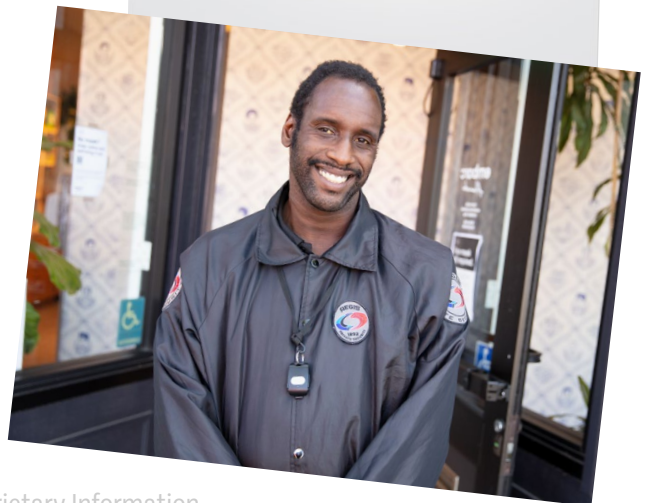
Transparency and communication with the San Diego County Sheriff's Office are critical to successful operations. While we believe the following security measures demonstrate an unparalleled understanding of security and compliance based on our professional security consultant's significant relevant experience and our existing operations, we welcome the opportunity to partner with the Sheriff's Office to further detail and/or modify the Security Plan components to align with the Department's goals.

Foreword

Embarc acknowledges that there are risks in operating a cannabis-related business, including burglary, robbery, theft, diversion, minors accessing the premises or products, and risks to the safety of employees, visitors, and the general public. Embarc is committed to ensuring a safe environment that mitigates as much risk as reasonably possible. Risk mitigation strategies include, but are not limited to, implementing those security requirements mandated by the California Code of Regulations, Title 4, Division 19: Department of Cannabis Control (DCC) Medicinal and Adult-Use Commercial Cannabis Regulations and all applicable locally instituted commercial cannabis regulations.

This Security Plan will be implemented by Embarc's appointed Security Director and will be maintained to ensure its relevancy and efficacy throughout the life of the business. The plan will be audited at least annually thereafter, and immediately following any significant security breach or security incident to ensure that the plan remains effective and that areas needing improvement are addressed as they are discovered. The plan will remain available for review by regulatory agencies, and Embarc will work collaboratively with the Sheriff's Office and other agencies as necessary to ensure that the plan meets or exceeds those minimum requirements imposed by regulatory agencies and legislative changes.

The plan is intended to serve as a living document governing the business' security during its design and throughout operations. Embarc will maintain an Appendix containing current security policies and those records relating to security equipment, contracts, warranties, equipment specifications, maintenance schedules, access



logs, training logs, and evidence of compliance with the routine security auditing aspects called for in this plan. The plan will be maintained in a manner that ensures sufficient detail is available to future managers who may be required to assume responsibilities as the Security Director. The plan will be held in confidence, stored securely, and accessible only to managers and owners.

Security policies, procedures, and practices that are relevant to non-managerial employees, vendors, and visitors will be parsed from this plan and provided to such persons in a format appropriate for their training, testing, and accountability with respect to the plan.

Core Tenets

The following Security Plan is built on four critical program elements:

MANAGEMENT LEADERSHIP & EMPLOYEE INVOLVEMENT: Embarc will commit the necessary financial, human, and time resources to ensure that all persons on the premises are protected from the identified and typical safety hazards associated with our operations. Management leadership will be responsible for leading the design, implementation, and continuous improvement of the site's safety procedures, including avenues for employee involvement in safety decision making and problem solving. Activities will include designated safety observers, peer safety training, analyzing and protecting against safety hazards, and planning activities to heighten safety awareness. Our team will ensure that visitors to the site do not introduce preventable safety hazards and have knowledge of safety procedures applicable to the purpose and function of their visit.

WORKSITE SAFETY ANALYSIS: Embarc has and will continue to engage outside consultants as necessary to conduct baseline surveys that identify and develop preventative controls to address potential facility safety hazards. Management and employees will work together to organize and conduct site inspections to continually address safety hazards and ensure safety remains top of mind in every aspect of our operations.

HAZARD PREVENTION & CONTROL: Management and employees will work together to analyze safety hazards inherent to job functions and will find means to eliminate those hazards whenever possible.

COMPREHENSIVE ONGOING TRAINING: Employee involvement in our safety program is only successful when everyone receives sufficient training to understand how to fulfill their safety responsibilities and opportunities. All employees will be trained in an initial and ongoing capacity to recognize safety hazards and to report any hazard found to the appropriate team member so that it can be corrected as soon as possible. Safety procedures will be integrated into initial and ongoing employee training and will be provided to visitors

on a case-by-case basis as it becomes relevant.

These core tenets have worked successfully across Embarc's existing operations to protect public and employee health and safety and will be similarly deployed in Santee if selected.

1. QUALIFIED SECURITY PROFESSIONAL

The application includes a security plan prepared by a qualified professional that meets or exceeds all the security requirements of SMC Section 7.04.320 and state law. The security plan can be prepared with in-house staff or a third-party security consultant but must clearly demonstrate that it meets the professional standards requested to receive the appropriate points for each criterion in this section. The qualifications of the person(s) preparing the security plan must be provided, for verification that they are able to meet these standards.

Professional Security Consultant

This Security Plan was developed by Matthew Carroll—the Security Chief of Embarc and the founder of Carroll Security Consulting, LLC (CSC). Unlike the masses who contract CSC for a limited engagement aimed at developing a Security Plan for application purposes, Embarc has retained CSC as a contract employee for many years. Beyond developing Security Plans for Embarc, CSC provides ongoing support, oversight, and auditing of security services and strategies across Embarc's network of storefront retail locations in California.

Carroll holds an A.A. in the Administration of Justice (Shasta College, 1997), is a graduate of a California Peace Officer Standards and Training Academy (Sacramento County Sheriff's Training Center, 1998), holds a B.S. in Criminal Justice (Sacramento State University, 2000), is a tactical communication instructor through the Verbal Judo Institute (2000), is a Crime Prevention Through Environmental Design practitioner (National Institute of Crime Prevention, 2009) and is an Emergency First Response Instructor (Emergency First Response/Professional Association of Diving Instructors, 2021).

Carroll served in public law enforcement from 1997–2006 with the Sacramento County Sheriff's Department and the Sacramento-Yolo Port District Police Department. While employed as a port police officer, Carroll was tasked with bringing the Port of Sacramento into compliance with post-9/11 maritime security requirements. This involved extensive Security Planning, development, and implementation of access control, training and maintenance protocols, and management of quarterly drills and semi-annual exercises in collaboration with the Federal, State, and local allied agencies. Carroll's Facility Threat Assessment and Facility Security Plans for the Port of Sacramento were deemed model plans and were used by the US Coast Guard as templates to assist other western seaboard ports in the development of their own plans.

Carroll served in the loss prevention and private patrol marketplaces from 1995–2020, serving in a range of capacities from covert surveillance to uniformed patrol and guard services to ownership of several security businesses based in the City of Sacramento. In 2003, Carroll co-founded Paladin Private Security in Sacramento (PPO 15029). Paladin was the largest mobile patrol service to operate from a single location anywhere in the United States, deploying upwards of eighty patrol cars daily at its peak and employing over two hundred, predominantly armed, Security Guards. Paladin served the security needs of commercial, residential, educational, entertainment, transportation, government, and cannabis entities. Carroll co-founded the Sacramento Security Training Center (SSTC), a State licensed security and firearms training center (TFF1511, TFB1320) and Emissary Secure Transport (cannabis-exclusive armored carrier licensed by the California Highway Patrol).

As Carroll's work in the commercial cannabis security planning arena grew, Carroll sold his interest in Paladin, SSTC and Emissary in order to focus his energies fulltime on consulting and planning services. Since 2015, Carroll has been consistently engaged by the commercial cannabis industry on a national scale. To date, Carroll has developed over 820 commercial cannabis Security Plans in 18 states and the District of Columbia—although predominantly in California.

Carroll's work in this regard has also attracted the public sector. Since 2016, Carroll has remained under contract with the Dixon Police Department and the Benicia Police Department as their cannabis security consultant and compliance auditor. As a police consultant, Carroll trains police and code enforcement personnel on cannabis regulations, assists in developing local regulations, reviews/scores cannabis business applications, interviews cannabis business applicants and conducts periodic security audits of cannabis businesses on behalf of those police departments contracting his services.

In developing Security Plans, Carroll incorporates his far-reaching education and experience from nearly three decades of security and policing experience toward the creation of a premises that is an inherently unattractive target for external and internal threats alike, supported by detailed operating protocols.

PROMISES MADE, PROMISES KEPT: SECURITY AT THE FOREFRONT OF DECISION-MAKING

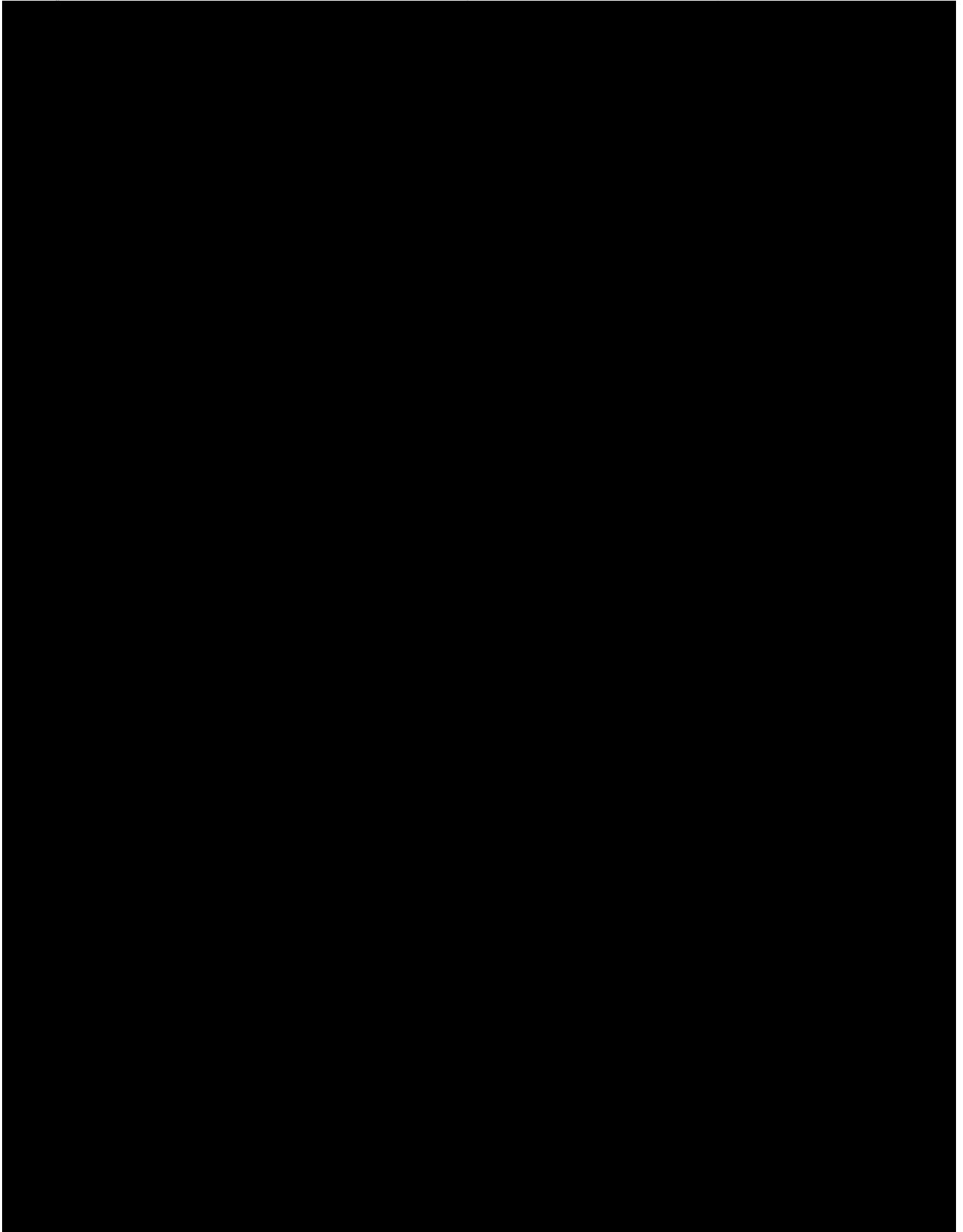
While Matt Carroll has been contracted to develop hundreds of cannabis Security Plans across the supply chain in California and across the country, Embarc is the only cannabis operator for which he feels comfortable being embedded as a member of the team. Embarc's willingness to put public health and safety at the forefront of decision-making, from site selection to floor plan development to training and ongoing management, has earned Mr. Carroll's seal of approval in a way none of the hundreds of other cannabis operators he has consulted with do.

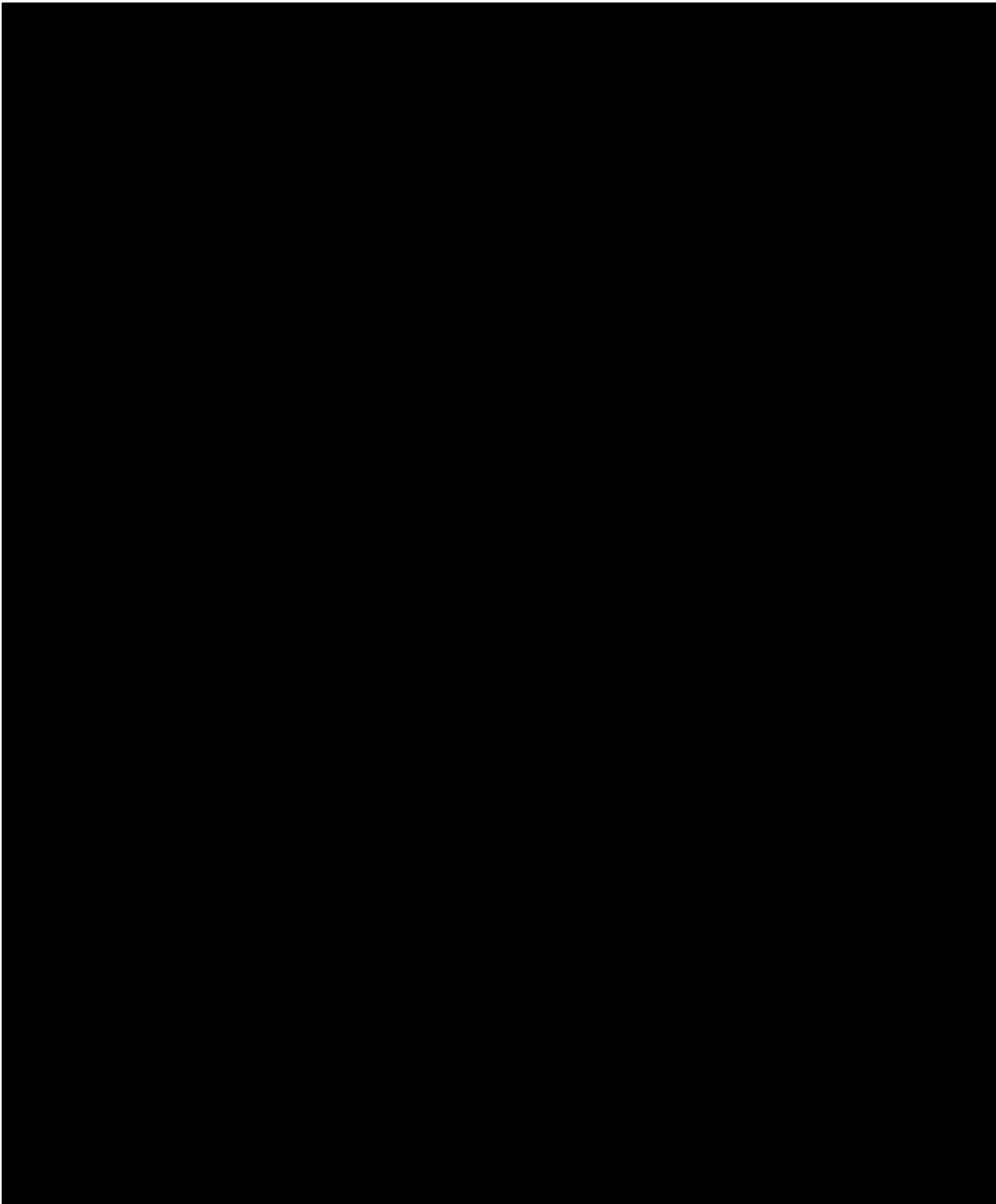
2. PREMISES DIAGRAM

The application includes a Premise Diagram in the Security Plan that meets the following requirements:

- A. The diagram meets all of the standards identified in Department of Cannabis Control (DCC) California Code of Regulations (CCR) Title 4, Division 19, §15006 Premises Diagram.**
- B. The diagram shows the boundaries of the property and the proposed location to be licensed, showing all dimensions, entrances and exits, interior partitions, walls, rooms, windows, and doorways, and includes a brief statement or description of the principal activity to be conducted therein.**
- C. The diagram shows and identifies commercial cannabis activities that will take place in each area of the premises and identifies all limited-access areas.**
- D. The diagram shows where all cameras are located and assigns a number to each camera for identification purposes.**
- E. If the proposed location consists of only a portion of a property, the diagram is labeled indicating which part of the property will be used for the licensed premises and what activities will be used for the remaining property.**

VEHICLE GATE
(CLOSED AFTER HOURS)





The premises was designed by Carroll Security Consulting, LLC (CSC) in conjunction with Embarc’s design consultants and principals. In developing the premises, we sought to implement all reasonably available CPTED strategies offered by the selected location, including various means of enhancing natural surveillance, territorial reinforcement, and target hardening, particularly in those areas where theft, burglary, robbery, and diversion were foreseeable. Key security design features reflected in this diagram include:

CONTACT-FREE SCREENING LOBBY: Until a visitor has remitted valid and matching identification, they should not be afforded physical access to any employees or areas containing valuables. Accordingly, this premises includes a Screening Lobby separated from the Retail Sales Area by separate inbound and outbound paths. Reception and security personnel will enjoy natural surveillance over the business’s main entrance and parking lot, the Retail Area entry path, the exit vestibule, the Screening Lobby waiting area, and the Retail Sales Area by way of a fishbowl design.

This design, supported by ballistically resistant polycarbonate windows and electronic access controls at the Reception & Security Workstation, ensures that first-contact employees are protected against ambush/swarm attempts, assaults, and the presentation of weapons by an offender. Employees are afforded the immediate ability to place the facility into electronically triggered lock-down and retreat into the Retail Sales Area under the protection of the intervening wall and security window and door of the Reception & Security Workstation.

WAITING AREA / CONGESTION CONTROL & PRE-REGISTRATION: Efficacy of natural surveillance and video monitoring relies on a Retail Area free of congestion. The Retail Sales Area will maintain an appropriate employee-to-customer ratio—ensuring the ability to monitor customers and provide good customer service. During peak periods, the waiting area of the Screening Lobby will provide an indoor, comfortable, and monitored area for overflow customers to wait until space is available for them in the Retail Sales Area. To expedite transactions in the Retail Area, first-time visitors to the business will be required to pre-register in the CCTT-Metrc -compliant track-and-trace point-of-sale (POS) software used by Embarc (Treez™).

RETAIL CUSTOMER AREA: The Retail Sales Area POS counter has been designed in a manner that provides for natural surveillance over the retail floor from two angles by retail staff and a third natural monitoring angle from the Reception & Security Workstations. This ensures no person in the Retail Sales Area may enjoy any sense of anonymity that could promote criminal conduct.

ENTRY & EXIT PATHS: Sharing a single entry/exit door to and from a Retail Sales Area places control over doors in the hands of visitors who may be co-conspirators willing to provide access to a third party by door holding. To avoid this common method for overtaking

cannabis retailers, Embarc has separated its Retail Sales Area inbound and outbound travel paths with a door redundant exit vestibule. The vestibule doors will be interlocked with its companion door through the access control system, ensuring the second door remains engaged until the first door passed has closed/engaged. To further prevent the use of the exit as an entry point, glass partition walls provide the Security Guard and reception employee with natural surveillance over the Exit Vestibule. Interlock devices will be configured in accordance with California Fire and Building Code Allowances.

TRANSFER SECURITY (SALLY PORT): Enhanced protection of distribution, armored carrier, and retail delivery operations is afforded by a sally port Secure Loading & Unloading Area. The sally port roll-up doors will be controlled remotely by interior staff, reducing exposure of employees and vendors arriving and departing the area and ensuring that any overtaking of an employee does not then afford an actor credentials with which to penetrate the premises. Only opening and closing managers will have keys/remotes capable of opening the sally port roll-up doors. This provides for both territorial reinforcement and target hardening as it relates to these high-value/high-exposure events.

SECURE PRODUCT STORAGE: Whereas environments ripe for intelligence leaks and internal theft provide direct access for retail staff to the Secure Product Storage Room, Embarc has adopted a model that maximizes product protection and increases employee accountability. The Secure Product Storage Room is accessible to limited supervisory personnel tasked with order fulfillment. Being removed from the Retail Sales Area ensures that those in the Retail Area do not enjoy direct insight into the location and security measures relative to the Product Storage Room and that specific credentials are needed for staff members to enter.

BREAK AREA & RESTROOMS: Break areas and restrooms are strategically placed such that no travel or insight to product or cash storage areas is provided in accessing these universally accessed staff areas.

EXTERIOR FENCING & GATE: The property’s perimeters are secured with fences and the entrance to the parking lot features a wrought iron gate, which can be closed and locked after business hours, further enhancing territorial security.

ADDITIONAL AFTER-HOURS FORTIFICATIONS: As outlined in the security diagram included herein, additional measures will be implemented to deter, delay, and prevent intruders from accessing rewards in the form of cash or cannabis goods.



3. OPERATIONAL SECURITY

The application includes a description of operational security, including but not limited to general security for access/visitor control and inventory control.

In accordance with Santee Municipal Code (SMC) §7.04.320., this security plan has been developed toward the deterrence and prevention of unauthorized entrance into areas containing cannabis or cannabis products and to deter and prevent the theft of cannabis or cannabis products at the business. The premises design and security features of the premises, supported by policies and oversight staff, have been designed to achieve these goals and include the measures and strategies that follow:

In accordance with SMC §7.04.360.K the operating hours of the business will be 9:00 am through 9:00 pm.

To assist in the deterrence of loitering and vandalism upon or about the property, and in accordance with SMC §7.04.320.A.18, Embarc will install, operate and maintain in good working order high-pitch frequency devices.

[REDACTED]

[REDACTED] Access to these rooms will be restricted to managerial and supervisory personnel further restricted by electronic access credentials aligned with the working days and hours of those team members. These rooms will be positioned in the premises as dead-ends and will not be part of an egress path nor areas used for passing through the premises. [REDACTED]

[REDACTED]

Access Control Customer Access Control

In accordance with SMC §7.04.320.A.12, the business entrances will remain locked at all times and will remain under the control of a designated responsible party that is either an employee of the business or a licensed Security Guard. While electronically

controlled strikes will be used to provide for remote access provisioning, these strikes will remain capable of key control so as to ensure that they remain secure in the event that an extended power outage were to overcome the ability of the backup power supplies to compensate for.

In accordance with SMC §7.04.360.J, customers will only be permitted in the designated customer areas of the business and Embarc will establish limited-access areas and permit only authorized individuals to enter the limited-access areas. In accordance with SMC §7.04.360.E the Retail Sales Area will contain only that limited quantity of cannabis and cannabis goods necessary to meet the average daily demand—all additional product will remain secured in the Secure Product Storage Room of the premises as identified on the security diagram.

In accordance with SMC § 7.04.360.B, employees of Embarc (not a third-party contractor/Security Guard) will be tasked with verifying that persons entering the premises are qualified to enter. Qualified persons shall include:

- A person who is at least 18 years old and possesses a physician's recommendation in accordance with the Compassionate Use Act of 1996, California Health and Safety Code §11362.5 et seq. Medical cannabis patients shall provide proof of a valid physician's recommendation and valid proof of identification; or
- A person who is at least 21 years of age who provides valid proof of identification demonstrating the age of the individual.

Access to the Retail Customer Area requires passage through several layers of controlled access points:

The exterior Screening Lobby entrances will remain electronically locked at all times (further secured by deadbolt after business hours). These doors will be electronically and remotely controlled by the reception employee. The reception employee will pre-screen those seeking entry using a video monitor at the Reception & Security Workstation, complemented by an intercom system allowing for communication with persons outside the entrance doors. Entrance will be granted only to those persons who can be identified by surveillance cameras; persons wearing disguises or articles that obscure their identity will be directed by signage and intercom to remove those items prior to entry. Where identity is discernable, the reception employee will grant access electronically.

The Reception & Security Workstation will enjoy natural surveillance over the Screening Lobby, Exit Vestibule, Retail Sales Area, and most of the parking lot through windows or glass partitions and the surveillance viewing station. The reception employee will be protected from unscreened persons by intrusion-resistant windows. A recessed document pass-thru will be incorporated into the reception employee service counter for the passing of identification. Submitted identification will be scanned with a barcode

reader, storing the customer's identity. The reception employee will verify the validity of the identification and that the presenter matches the identification. Thereafter, the customer will be granted electronic/remote access to the Retail Sales Area or invited to wait in the seating area of the Screening Lobby.

The efficacy of Retail Sales Area monitoring relies on natural surveillance by assigned staff members and unobstructed surveillance camera views. Accordingly, the Retail Area will be subject to occupancy limits based on the number of staff members assigned thereto. The waiting area of the Screening Lobby exists in order to provide a staging area for excess customers during peak hours. New customers will be required to register with Embarc's CCTT-Metric compliant track-and-trace system, Treez. Customers will not be granted passage from the Screening Lobby to the Retail Sales Area until they have registered with the software. This will speed transactions in the Retail Sales Area while ensuring individual purchasing limits are enforceable.

To heighten access control over the Retail Sales Area, the designed environment incorporates separate inbound and outbound paths of travel for customers. The outer door and inner door of the Exit Vestibule will be interlocked by the electronic access control system in accordance with fire and building code requirements and allowances. The video monitor at the Reception & Security Workstation will include a constant live view of the surveillance camera in the Exit Vestibule, complemented by windows providing for natural surveillance over this vestibule.

In the event that any person were to attempt to enter the Retail Sales Area by way of the Exit Vestibule, the design is intended to afford the reception employee and Security Guard perception and reaction time to activate alarms and override the inner door's lock to prevent further access by the offender.

In accordance with best security practices, the restroom will remain inaccessible to customers and under management's control.

Staff Access Control

Staff members will be issued color-coded employee identification badges. The entryway to each room of the premises will incorporate a placard with a color palette indicating the corresponding badge colors permitted in that room. Placards will be placed on both the inner and outer sides of each door to ensure visibility from either side. Policy will dictate that employees may only be in a room for which they are not routinely authorized when accompanied by a supervisor and where their presence in that area is temporarily and operationally necessary.

Employee badges will be equipped with RFID tags for use in the facility's electronic access control system. All doors of substance, as identified on the security diagram, will be equipped with electronically controlled strikes. Employee access to authorized areas will be role-controlled and aligned with the working days and hours of

the employee. Attempts to access unauthorized areas or attempted access of authorized areas outside of permitted days and hours will cause an electronic notification to management for follow-up investigation.

Employee badges/electronic access credentials will be strictly controlled, issued upon clock-in and returned upon clock-out. Daily accounting of employee credentials will be required by policy and performed by the closing manager. Employee credentials will be stored in a mounted desk safe at the Reception & Security Workstation. Employees arriving for work will enter the Screening Lobby and will be verified as scheduled by the reception employee—thereafter issued their employee identification and access credentials by the reception employee. Access privileges will be assigned as follows:

Level One Staff / Red (Retail Delivery Employees/Drivers)

No electronic access credentials. All access must be explicitly granted by interior staff.

Level Two Staff / Yellow (Reception Employees, Guides (Retail Associates), & Security Guards)

No exterior doors + Screening Lobby to Retail + Sales to Break

Level Three / Green (Inventory Team & Supervisors)

Exterior Doors + All Interior Doors except Management Office & Currency Safe/Vault Room

Level Four / Black (Managers)

All Doors

Guides will be assigned a POS terminal for their shift. No sharing of terminals will be permitted. Pre- and post-shift inventory accounting will be performed alongside drawer reconciliation. Lead Guides will be tasked with replenishing goods as assigned inventories wane. Inventory cabinets will be stocked with only that amount of cannabis goods consistent with the average daily sales. Supervisors will increasingly fill customer needs from the Secure Product Storage Room as needed.

Managers and Lead Guides responsible for sales area stock replenishments and Inventory Team employees tasked with filling express orders and retail delivery orders will be the only team members permitted in the Intake Area, Fulfillment Office, and Secure Product Storage Room—enhancing accountability and reducing intelligence leaks relating to premises design and security measures.

As retail delivery orders are filled, Inventory Team employees will stage packaged goods and associated documents in lockers positioned in the Fulfillment Office.

As express orders are filled by Inventory Team employees, orders will be carried to the staging lockers located adjacent the ADA & Express POS in the Sales Area. A single Guide will be tasked with managing ADA & Express transactions and will be the only party beyond

the Inventory Team employees issued a key to the Express Order staging lockers.

Visitors/Vendors Access Control

Vendors will include transporters (distributors and armored carriers), service providers (e.g. security systems integrators, utility workers), employment applicants and regulators (e.g. DCC, City of Santee). All visitors and vendors will be required to check in with the reception employee and will be issued a laminated visitor pass that shall be conspicuously worn on their person for the duration of their visit. They'll be assigned an escort and will remain attend- ed for the entirety of their visit. Their name, agency, visit purpose, time in, time out, and areas accessed will be logged. Visitor/Vendor Logs will be maintained in the business records of the business for no less than seven years. Visitors will be managed as follows:

TRANSPORTERS: DISTRIBUTORS

Distribution deliveries will be scheduled in advance and shall not occur during hours of darkness. Delivery schedules shall be main- tained in confidence, details shared only with those employees with a business need to know and only with sufficient advance no- tice as required for smooth business operations. Distributors will be required to notify Embarc of the approximate delivery time and shall include the name and photos of the distribution drivers sched- uled as part of the pre-scheduling process. [REDACTED]

Inventory Team employees will keenly monitor surveillance at the parking lot and exterior of the roll-up doors and will direct the site patrol Security Guard to clear the area of non-essential personnel and to stage nearby.

[REDACTED]

[REDACTED]

The vendor will be logged. Goods will be inspected for complete- ness, condition, and compliance. Compliant goods will be accept- ed and transferred into the track-and-trace account of Embarc. [REDACTED]

[REDACTED]

Thereafter, the Security Guard will resume their duties.

[REDACTED]

TRANSPORTERS: ARMORED CARRIERS

Embarc will contract with an armored carrier licensed by the Cali- fornia Highway Patrol for the transfer of currency off premises and intake of change or ATM funds.

Cash transfers will be varied, and never scheduled during hours of darkness. Pick-ups are scheduled on different days and times (staggered) each week to ensure they cannot be predicted. Trans- fer schedules will be maintained in confidence, known only to se- nior managers. The armored carrier will transmit to the manager the names of the scheduled drivers in advance of their arrival.

The frequency of service will be dependent on the average daily cash sales of the business. All cars associated with the armored car carrier will have 360-degree surveillance and GPS tracking at all times.

[REDACTED]

Law enforcement will be notified as necessary where suspicious activity is determined to be afoot.

[REDACTED]

[REDACTED]

Following the departure of the armored carrier, the patrol Security Guard will resume their ex- terior patrol functions.

Once picked up, the armored carrier manages cash transport to

Embarc's selected financial institution, whereby Embarc then has full access, given it is fully banked.

SERVICE PROVIDERS: Service providers will be permitted access to the property by appointment only (notwithstanding emergency circumstances). Any unscheduled service providers arriving without an appointment for alleged emergency circumstances will be verified telephonically with their agency prior to acceptance as a visitor. As described above, service providers will be required to check in with the reception employee, sign in on the Visitor/Vendor Log, wear a laminated visitor pass, and be assigned an escort and will remain attended for the entirety of their visit.

EMPLOYMENT APPLICANTS: Applicants for employment will be accepted by appointment only. Walk-ins will be directed to apply online and will be directed to return only upon establishment of an appointment. Applicants with appointments will be required to check in with the reception employee, sign in on the Visitor/Vendor Log, and will be issued a laminated visitor pass that shall be conspicuously worn on their person for the duration of their visit. Applicants will be directed to wait in the waiting area of the Screening Lobby until received by a manager. Interviews will be conducted in the break room, limiting applicants' insight to the layout and security features of the business back-office areas.

REGULATORS: Code Compliance Officers, Sheriff's Deputies, Fire Department staff, or other agents or employees of the City, or agents of the DCC ("Inspecting Authorities") requesting admission for the purpose of determining compliance with DCC or SMC regulations shall be given unrestricted access and allowed entry during all business hours. These Inspecting Authorities shall also have unimpeded access to inspect all on-site locations, records, reports, documents, points of sale, product, surveillance footage, and any other access deemed necessary to ensure compliance with regulations.

Inspecting Authorities will be required to access the premises by way of the customer entrance and will be required to check in with the reception employee. Inspecting Authorities will be required to remit agency issued photo identification verifying their lawful business. As described above, they will be required to check in with the reception employee, sign in on the Visitor/Vendor Log, and wear a laminated visitor pass. Inspecting Authorities will be assigned an escort for the duration of their visit in the form of a supervisor or manager.

Crime against cannabis businesses have been carried out by rogue peace officers under the color of authority in California and beyond. Accordingly, in the event that parties claiming to be Inspecting Authorities arrive outside traditional business hours (weekdays between 8:00 am and 5:00 pm), or in those cases where the on-duty manager suspects foul play, access may be slightly delayed as management attempts to verify the legitimacy of the parties at

hand by contacting their employing agency or by communicating with the Sheriff's Office.

Retail Delivery Operations

Embarc will provide retail delivery services to customers. Deliveries of cannabis goods will be performed by a delivery employee of Embarc who is at least 21 years of age—use of courier services or independent contractors will be prohibited.

In accordance with state regulations, delivery of cannabis goods will be made in-person to the customer making the delivery request and shall not be left unattended or delivered to any other person. The employee shall verify the customer's age, identity, delivery request, and if applicable, a valid physician's recommendation prior to completing the delivery.

In accordance with state regulations, cannabis products will not be left unattended in a vehicle, except for brief periods as necessary to deliver cannabis to a customer. If cannabis and cannabis products are left unattended in a vehicle, the vehicle will remain locked and will be equipped with an active, armed vehicle alarm system.

Embarc's Fulfillment Office will include a workstation providing for real-time GPS monitoring of all delivery vehicles and for ongoing communication with Retail Delivery Employees/Drivers. Drivers will be required to report all arrivals and departures from delivery locations scheduled and will incorporate a duress code word for communicating such conditions.

Vehicles used for delivery will be owned/leased, registered and insured by Embarc and will be equipped with locking product storage compartments permanently mounted in the trunk of the vehicle, as well as permanently mounted UL rated, keyed cash drop safes in the passenger compartment. Drivers will not carry a key to the drop safe. Drivers will carry limited cash (\$200 maximum) for change making in the course of delivery operations.

Drivers will have highly restricted access to the business premises. Drivers will not have credentials to enter any interior or exterior door (preventing their overtaking off premises from supplying keys/credentials to offenders). Inventory Team employees assigned to the Fulfillment office will electronically grant access to drivers to the Secure Loading & Unloading Area. Delivery drivers will not be permitted unsupervised access to the Fulfillment Office and will traverse this room only when accessing the break and restroom areas.

Delivery orders will be filled in the Fulfillment Office and staged in lockers here while awaiting Retail Delivery Employee/Driver retrieval. Following the return of a driver, a manager will convene at the delivery vehicle and will empty the contents of the drop safe and will collect any undelivered goods for return to the Secure Product Storage Room in accordance with state law.

Inventory Control

Inventory control is also addressed in BUSINESS PLAN Section A – 2.G., which covers how cannabis and cannabis products will be tracked and monitored to prevent diversion. Additionally, an overview is provided here to ensure compliance with the prompt. To ensure that all cannabis goods are tracked, monitored, and secured to prevent diversion, Embarc will employ the following inventory control measures.

POINT-OF-SALE SYSTEM: Embarc will utilize the Treez integrated inventory management and POS system, alongside CCTT-Metrc, to ensure compliant and efficient inventory control. Treez tracks and manages cannabis products from acquisition to sale or disposal, automatically enforcing best practices in compliance and loss prevention. The system connects directly to CCTT-Metrc, which uses Radio Frequency Identification (RFID) technology for real-time inventory visibility. This allows Embarc to monitor each cannabis unit, maintain accurate records, and prevent diversion. Embarc will also implement strict procedures, quality controls, and inventory logs to ensure full integration and compliance.

TRACK-AND-TRACE REPORTING: Embarc will record all commercial cannabis activity in CCTT-Metrc and track the inventory and movement of cannabis products throughout the supply chain. The Treez software, which integrates with CCTT-Metrc, ensures secure and compliant use, enabling Embarc to reconcile all inventory records both on-site and in transit. Embarc will maintain an active account within CCTT-Metrc, with designated account managers and trained staff to ensure accurate data entry for all transactions. All cannabis-related activities will be recorded in the system within 24 hours, including discrepancies, destruction, and disposal. In case of connectivity loss, Embarc will keep detailed records and enter all activities into the system once connectivity is restored, notifying the DCC as required. Employees involved in inventory management will complete the necessary CCTT-Metrc training, ensuring compliance with State regulations.

Strict inventory records will be kept in accordance with all regulations through the CCTT-Metrc track-and-trace software. Additionally, to provide a redundant measure of transparency and to ensure total compliance, all inventory records will be kept onsite electronically as well as stored in the cloud for a period of seven years. Embarc will keep a record of the following information for all cannabis goods in its inventory:

- A description of each item such that the cannabis goods can easily be identified;
- An accurate measurement of the quantity of the item;
- The date and time the cannabis goods were received by Embarc;
- The sell-by or expiration date provided on the package of cannabis goods, if any;
- The name and license number of the licensed distributor or licensed microbusiness that transported the cannabis goods to Embarc; and

- The price Embarc paid for the cannabis goods, including taxes, delivery costs, and any other costs.

INVENTORY RECONCILIATION: In addition to other inventory requirements, Embarc will reconcile the physical inventory of cannabis goods at the licensed premises with the records in the track-and-trace database at least once every 30 calendar days. Per internal policies, full reconciliations must occur no less frequently than once every other week, with a rolling inventory reconciliation occurring daily for the first 90 days of operations. Embarc will be able to account for all inventory and provide the status of all goods to regulators upon request. If Embarc finds a discrepancy between its physical inventory and the system database and the store will conduct an audit. Where a discrepancy remains, we will initiate an internal investigation to identify the source of the discrepancy. Where the discrepancy is not resolved, notification to the DCC and the Sheriff's Department will be made. Our bi-weekly inventory counts far exceed the regulatory requirement and ensure that our strict inventory controls go above and beyond to prevent diversion and ensure compliance.

SURVEILLANCE CAMERAS: All activities within the POS area will be under video surveillance, including sales transactions. All video recordings will be kept by Embarc for a minimum of 90 days, except in instances of investigation or inspection by the City or State, in which case Embarc will retain the recordings until such time as being notified by authorities that they may be destroyed. All limited-access and restricted-access areas where cannabis inventory is stored will be constantly monitored with state-of-the-art video surveillance camera equipment and monitored. At each POS location, and each location where inventory is being stored, camera placement will allow for the clear recording of facial features of any person purchasing or selling cannabis products, checking out any product from storage, or any person in the Retail Sales Area, with sufficient clarity to determine identity. The cameras will be placed to ensure there are no blind spots and will record continuously 24 hours per day, seven days per week, with a clear and accurate time and date stamp embedded on all recordings.

INVENTORY CONTROL DESIGN FEATURES: The key to Embarc's inventory control procedures are several design features supported by strict operational controls and procedures. Only management and the Inventory Team have access to the Secure Product Storage Room. The Inventory Manager is responsible for handling product movements from the Secure Product Storage Room to the Retail Sales Area and Fulfillment Office of the business. This design strategy maximizes accountability, reduces loss exposure, reduces the movement of goods through common areas, and thereby restricts opportunities for diversion. This design also restricts intelligence relative to storage methods, premises design, and security features of the Secure Product Storage Room from front line employees, vendors, visitors, and customers. Additionally, third party distribution vendors are provided no access beyond the Secure

Loading & Unloading Area—maintaining the location and intelligence surrounding product and currency storage in secrecy.

INVENTORY CONTROL SECURITY MEASURES: All inventory stored on the premises will be secured in the limited-access Secure Product Storage Room, controlled by biometric access, and only accessible by management or supervised employees with appropriate security clearance. [REDACTED]

[REDACTED]

[REDACTED]

Additionally, only the quantity of cannabis and cannabis products necessary to meet the daily demand will be readily available for sale onsite in the Retail Sales Area. Any additional products will be stored in the Secure Product Storage Room, a locked area to which customers, vendors, and visitors will not have access.

INVENTORY STORAGE CONDITIONS: In accordance with State regulations, Embarc will store cannabis goods in the Secure Product Storage Room in a manner that controls temperature and humidity, and that prevents the entry of environmental contaminants.

4. CASH HANDLING

The application includes a description of cash handling procedures, including the process for receiving, tracking, storing, and transporting cash generated by the retail business.

A detailed Currency Management Plan has been developed through coordination with our finance, operations, and compliance teams and have been thoroughly tested at existing Embarc locations.

Extensive training occurs on these procedures at all levels of the organization that continues throughout the lifetime of the business. When it comes to effective cash management, everyone must play their part, from Guides needing to be vigilant in managing their cash drawers to managers understanding their critical role in day-to-day cash management as a key to effective operations. This training occurs in multiple environments and formats, from one-on-one, role-specific training prior to a store opening to weekly trainings during staff meetings. At a high level, staff is trained on

the following policies and procedures:

- Cash will be kept out of view of general staff and the public;
- The counting of cash will be limited to the designated Management Office;
- All currency counting and storage areas will be under overt video surveillance; and
- Management will ensure that all currency is placed in the currency safe as soon as possible.

To ensure effective execution of cash handling procedures, Embarc has developed a detailed Cash Handling Guidebook with extensive, step-by-step SOPs based on various roles and responsibilities. The manual was developed to establish a uniform understanding of Embarc's internal controls and to provide a clear set of policies, procedures, and practices to safeguard the proper receipt, movement, and disbursement of cash.

Ultimately, it is the responsibility of the General Manager to ensure that these protocols are properly executed within the retail environment, and it is Embarc's expectation that any issues or concerns with cash management are immediately brought to the attention of the Accounting Team. Failure to do so will have consequences, up to and including termination.

For the purposes of this section, cash is defined as paper currency and coins. Embarc does not accept negotiable instruments at the retail level including such items as personal checks, cashier's checks, bank drafts, traveler's checks, money orders or the like.

Broad guiding principles of Embarc's internal controls include:

1. Responsibility for a given task must be clearly established such that one party is responsible. When responsibility is shared on a single task, it becomes much more difficult to ascertain the issue if something goes wrong.
2. Responsibility for related tasks should be divided among two or more individuals to allow for a "double authentication" to occur, i.e. for the other party to check the work of the other.
3. Record maintenance is mandatory, and when in doubt, err on the side of maintenance. Per state law governing commercial cannabis activities, detailed records must be maintained far beyond standard procedures in many traditional retail environments. Failure to maintain strict compliance with all reporting requirements can result in termination.
4. These procedures—while mandatory at all times—are intended to be living and breathing. If, in the course of managing cash while utilizing these processes, you discover an opportunity for improvement or efficiency, please share the idea with the Accounting Team. Embarc is open to improvement, but only when the Controller approves a modification to the current procedures and a new or modified Standard Operating Procedure has been deployed.

Below are high level summaries of key cash management functions

that are further detailed in Embarc’s Cash Handling Guidebook. The Guidebook provides detailed, step-by-step SOPs on cash management. This content has been detailed extensively but not exhaustively here. A complete policy/procedures manual is available to the City upon request.

Methods of Limiting the Amount of Cash on the Premises

Most cannabis operators must maintain significant cash onsite to pay taxes and maintain the weekly cadence of inventory deliveries to meet the needs of the business. Depending on the sales volume, this can require hundreds of thousands to millions of dollars in cash onsite, often handled by staff members with little previous experience in cash management.

Embarc employs a number of methods to limit the amount of cash on the premises, including the following:

- Embarc is fully banked;
- Embarc accepts electronic payment; and
- Embarc utilizes wire transfers and checks to pay municipal tax payments and vendors for inventory.

FULLY BANKED: The primary method of limiting the amount of cash on the premises is the fact that Embarc is fully banked with Salal Credit Union.

ACCEPTS ELECTRONIC PAYMENT: Embarc has partnered with a fully compliant electronic payment processor for credit and debit card transactions. As a result of these capabilities, Embarc has seen a more than 50% reduction in the number of cash transactions, dramatically reducing the amount of cash we have onsite at any given time.

WIRE TRANSFERS FOR PAYMENT: Most cannabis operators must maintain significant cash onsite to pay local and state tax payments (monthly, quarterly, and annually depending on the location) as well as to maintain the weekly cadence of inventory delivery to meet the needs of the business. Depending on the sales volume, this can require hundreds of thousands to millions of dollars each month in cash for distributors onsite, often handled by staff members with little previous experience in cash management.

To alleviate this risk to public safety, Embarc utilizes the fact that it is fully banked to pay local and state tax payments as well as nearly all inventory payments via wire transfer or check, depending on the vendor’s preference. This not only dramatically reduces the amount of cash onsite; it also ensures our Accounting Team has ongoing oversight into the accounting practices occurring at the store level. Finally, this benefits the store by streamlining the order intake process, saving time and energy.

Currency Secure Storage Plan

CURRENCY SAFE/VAULT: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

RETAIL SALES AREA: Money in the front-of-house areas is limited to the ATMs and Sales Area, an area occupied by employees during all operating hours and that is physically separated from the customer-accessible Retail Area by service counters. [REDACTED]

[REDACTED]

Therefore, cash is outside the reach of customers notwithstanding a customer making overt, apparent movements likely to draw the attention of staff to their actions.

ATMs are strategically located in the Retail Area, providing

customers with the option to withdraw cash for their purchases. In compliance with regulations, they will be easily accessible to individuals with disabilities, adhering to ADA standards. Positioned in well-lit areas under continuous surveillance, these ATMs will ensure user privacy, especially during PIN entry. The ATMs will have set transaction limits, robust cash handling procedures, and anti-skimming security measures. Regular audits will be conducted to ensure operational and security compliance, and the ATM placement will allow for easy access for servicing and emergency situations, maintaining their safety and effectiveness.

Currency Secure Transfer Plan

Transfer & Safe Handling Within the Premises

Strict controls are applied to cash handling procedures. The General Manager is ultimately responsible for proper accounting, transacting, and handling of currency on-site at each retail location, with specific roles and responsibilities for each job function, including Guides, Leads, Store Managers, and the General Manager.

Cash handling is an ongoing component of our retail teams' daily job functions. From opening the store with balanced registers and providing customers with accurate change to closing each evening and ensuring registers are balanced to sales numbers, we are vigilant in cash handling.

Staff is trained on cash handling SOPs when they are hired and throughout the lifetime of the business. A fundamental principle of cash management is accountability—everyone understands their role and there are consequences for not performing in accordance with all applicable rules, processes, and procedures.

As an example, team members are taught how to, and then expected to keep, their register drawers balanced. If registers are not balanced, there are consequences, ranging from verbal and written warnings up to and including termination if the issue continues. It is critical to employ a “fair but firm” policy regarding cash management.

Fundamental to proper protocols is a restriction on who may access cash. Only owners, the General Manager, and Store Managers may access the currency safe, always under video surveillance, and only for the purposes of completing a job duty. These team members are trained extensively on tracking funds as they go into or out of the currency safe, and they communicate with the Accounting Team daily to provide transparency throughout the process.

Importantly, the design of the facility is intended to facilitate safe and effective cash management. The path of travel for cash has been mitigated by design, with the use of physical barriers to reduce access to currency for non-managerial personnel.

HOW CASH FUNCTIONS IN THE RETAIL ENVIRONMENT: Each morning, as part of the Opening Procedures, the manager enters the Management Office and currency safe, double counts the cash

drop from the previous night, and records it in the Cash Log for deposit. Once the deposit is confirmed, the manager takes cash drawers out of the currency safe and counts each drawer to \$200 to start the day.

The manager then walks these cash drawers out of the Management Office and into the Sales Area, where they are handed to individual Guides one at a time to double count before they “open” their POS (cash register terminal) for the day. It is critical to include Guides in this process to ensure they take accountability for proper cash handling and counting procedures at their own registers.

During the day, cash will accumulate in each drawer as customers engage in transactions. Registers are permitted to contain no more than \$1,500 at a time. Our POS system tracks the quantity of currency per register in real-time and alerts management and staff when a cash drawer has exceeded its \$1,500 limit. Upon reaching the limit, the Guide will remove cash to bring the drawer back to \$200, place it in a signed, sealed envelope. The manager will relocate the currency envelopes to the Management Office for drawer reconciliation with the outgoing employee. The next employee using the cash drawer will receive a new cash drawer with \$200 to start their shift.

At the end of the day, the closing manager reconciles each cash drawer by closing the drawer and having the employee assigned to each cash drawer confirm that the cash number matches their sales numbers for the day. Including employees in the process of verifying their cash drawers is critical to instilling a sense of accountability.

All cash generated from the day is included in the daily tally, which is notated, bagged, signed by the manager, and kept in the currency safe as the “daily drop.” This drop is placed in a secure deposit bag in our currency safe, to be counted and confirmed a second time in the morning by a different manager.

COUNTING THE DRAWERS:

- At the end of each shift, the Guide will countdown their till, put the drop on the Print Day Summary report, leave the till at \$200 and return the drawer to the manager.
- At the end of the shift, the manager uses the money counter to verify the drop recorded on the Print Day Summary, and cash is put into a cash bag and put in the currency safe.
- If there is a variance in the drawer, the Guide recounts the drawer and reviews receipts to make sure it corresponds to the transaction in Treez (ex: a debit card transaction mis-marked as cash). If there is discrepancy, the manager identifies the issue, communicates it via email to all managers and the Accounting Team, and then fixes the issue in Treez.
- Managers will review the drawer balances periodically throughout the shift to make sure there are no discrepancies and correct any that are found.
- If the drawer is under more than \$10, there is a discussion to determine the reason, and if it is under a 2nd time, the employee

will receive a verbal warning. If there is a consistent problem the person can be moved off the drawer.

- The individual drop is counted by the manager with the money counter, and the drop is entered on the Drops Worksheet. Any variance must be noted and explained on that worksheet.
- At the end of the night, the manager and a lead use the cash counter to count the drops twice. The drop total is entered on the "PM Count" on the Cash Log.
- The drops are recounted in the morning by the opening manager and the total is entered on the Cash Log.
- At the next shift, the Guide will count the drawer to make sure that there is a \$200 beginning balance.

SAFE COUNT:

- The safe count is done with two people, both managers.
- One person counts the bills using the money counter, and the other counts the coins. The total for each currency is recorded in the safe Count Input Worksheet.
- The balance of the safe count is compared to the cash flow balance on the Cash Log Worksheet at the time of the count. Variances are investigated.
- Multiple times a week, the safe count and daily drops are reviewed by the Accounting Team with store leadership to ensure completeness, accuracy, and timeliness. The daily Cash Log Worksheet is signed off with evidence of the review.

VENDOR PAYMENTS - COD: In rare instances where cash on demand (COD) is required for inventory purchases, particularly from smaller distributors or social equity brands, our Cash Handling Guidebook provides detailed SOPs. When COD payments are necessary, the Inventory & Purchasing Store Manager or Inventory Specialist is responsible for accurately pre-counting the cash in a secured space. This process includes the use of the Cummins Allison JetScan money counter, renowned for its speed and accuracy, ensuring the precision of payments. All cash handling is conducted under camera surveillance to maintain security and integrity. The counted cash is then stored securely in the currency safe, and details of the payment, including brand name, invoice number, and amount, are meticulously recorded in the Cash Log prior to disbursement.

PAYROLL PAYMENTS: All employees are paid via direct deposit.

SUPPLIES/LUNCHES/ETC.: Two managers verify money coming out of the currency safe to make a purchase, and two managers count change coming back into the currency safe.

TIP JARS: There are tip jars at each POS. At the end of the night, tips are counted and added to the Cash Log and recounted by the opening manager in the morning. After the count, the money is incorporated with the safe count as tips are distributed through payroll based on hours worked.

Transfer On & Off the Premises by Armored Carriers

Embarc will contract with an armored carrier licensed by the

California Highway Patrol for the transfer of currency off premises and intake of change or ATM funds. Currency transfers on and off the premises by these armored carriers are detailed in Section 3 – Operational Security under Visitors/Vendors Access Control – Transporters: Armored Carriers.

The frequency of service will be dependent on the average daily cash sales of the business, but shall be no fewer than two times per week. Once picked up, the armored carrier manages cash transport to Embarc's selected financial institution, whereby Embarc then has full access, given it is fully banked.

Transfer of Currency On & Off the Premises for Retail Delivery

As Retail Delivery Employees/Drivers arrive and depart the premises to collect orders and remit any fees collected during deliveries, protection is afforded by Embarc's premises design and supported procedures. Drivers will carry two-way radios for communicating with security and management at the premises.

Retail delivery vehicles will be equipped with a permanently mounted keyed safe in the passenger compartment. While Embarc promotes electronic payment in advance for express and retail delivery online orders, it is anticipated that some customers may require cash transacting. Retail delivery employees will be issued \$200 for change-making at the start of each delivery session. Change-making cash will be carried on the driver's person and never left unattended in the vehicle.

As drivers are approaching the premises upon return, the patrol Security Guard will pre-screen the delivery vehicle at the roll-up door of the sally port. Upon clearance, the Security Guard will open the roll-up door by remote switch, granting the driver entry to the Loading & Unloading Area. The patrol Security Guard will close/lock the roll-up door by remote switch and resume their other duties.

The on-duty retail manager will stage in the Loading & Unloading Area and will convene with the driver at the vehicle, clearing the mounted currency safe of the vehicle and removing any end-of-shift inventory in need of removal. A manager will remove cash from the vehicle and will carry it to the Management Office for reconciliation and storage in the TL30 UL rated safe therein. All reconciliation will occur under video surveillance.

The driver and on-duty retail manager will proceed inside the Intake Area for delivery reconciliation and to issue any pending orders to the driver with associated documentation.

The on-duty retail manager will escort the driver back to the Loading & Unloading Area and secure goods in the mounted product safe, again using the display to ensure no threats are apparent outside of the sally port. The on-duty retail manager will notify the patrol Security Guard of the outbound driver. The patrol Security Guard will open the sally port roll-up door to release the driver, closing and locking the door once the driver has departed.

5. PERIMETER SECURITY

The application includes a description of perimeter security, exterior lighting, on-site security guards, proposed guard hours and their responsibilities.

Alarm System

In accordance with SMC §7.04.320.A.8, Embarc will maintain a professionally installed and centrally monitored fire, robbery, and intrusion alarm system. Such systems shall be installed, maintained and monitored by an Alarm Company Operator (ACO) licensed by the California Bureau of Security and Investigative Services. Embarc will acquire an alarm permit as required by the SMC and will comply with all conditions of such permit. The alarm permit will be conspicuously posted in the Screening Lobby of the premises.

In accordance with SMC §7.04.320.A.10, Embarc will contract with a Private Patrol Operator (PPO) licensed by the Bureau of Security and Investigative Services to provide a physical response to certain alarm activations as outlined below.

- In the event of an intrusion alarm, the monitoring center will be equipped to remotely access premises cameras and to engage persons on site verbally through talk-down speakers indicated on the security diagram.
- Where nuisance activity is afoot, but no criminal activity is apparent, remote monitoring agents will direct offenders away under threat of police notification.
- Where nuisance activity continues, the PPO will be dispatched to mitigate the circumstances on the property. The PPO will draw on police resources only where nuisance offenders are uncooperative or are chronic nuisance offenders. The PPO will be required by contract to provide a physical response within 20 minutes of notification (UL Standard).
- Where no indications of activity are apparent, the PPO will be dispatched to investigate. The PPO will be directed to retreat to a position of safety and monitoring of the site and to notify San Diego County Sheriff's Office if evidence of criminal activity is discovered during the response. The PPO will be directed to remain nearby and available to police to the extent needed and will remain until police conclude their response. Where physical damage to the premises renders the site accessible, the PPO will be required to remain present at the affected area(s) until leadership of Embarc resumes control of the property.
- In the event that the remote monitoring reveals active or fresh criminal activity, the monitoring center will not notify the PPO, but will dispatch Sheriff's Office and notify the Embarc leadership team, including its Security Chief (Matthew Carroll). Carroll maintains a tablet equipped for immediate access of all Embarc surveillance systems and will be able to immediately begin transmitting relevant data to on-scene Sheriff's Deputies as requested (e.g. suspect/vehicle images).

In the event of a robbery/panic alarm triggering:

- The security equipment on the premises will prompt an imme-

diately call to the San Diego County Sheriff's Office's Emergency Dispatch telephone number. A pre-recorded message will play upon receipt of the call, providing the business name, address and fact that a panic alarm has been activated;

- The monitoring center will call the Sheriff's Office Emergency Dispatch telephone number, while simultaneously accessing the video surveillance network of the premises to assess activity on site in an effort to determine if the activation was warranted or accidental. The monitoring center will share their observations with Sheriff's Office in real time.
- As desired, if no criminal activity is apparent, the monitoring center will contact the store to speak to the manager and receive the cancelation code (or duress code word as the case may be).

In the event of a fire alarm activation:

- The monitoring center will immediately notify the Santee Fire Department dispatch center, simultaneously accessing the surveillance network and sharing real-time observations as desired and for any duration desired.

In accordance with SMC §7.04.320.A.6, contact sensors will be installed to detect entry and exit from all secure areas and shall be monitored by an ACO licensed by the Bureau of Security and Investigative Services. The alarm plan was developed to meet UL Standard 681-2014, Extent 2—that standard most often applied to banks, credit unions and jewelry stores. This includes the presence of a door contact sensor on all exterior doors and all interior doors leading to a viable target or that reside upon a path between the outside and such target area.

The premises design is intended to delay intrusion efforts by requiring intruders to mitigate each intervening solid core, security-featured door, along their path. This is only an effective strategy where these intervening doors are supported by a policy requiring they actually be closed/locked. Incorporating electronic access controls and alarm contacts on all of these doors enforces this policy—preventing the system from arming at the close of business until all doors are secured.

In accordance with SMC §7.04.320.A.7, panic buttons will be installed in locations as approved by the San Diego County Sheriff or their designee and will include direct notification to the San Diego County Sheriff's Office as outlined above. Silent panic/robbery alarm triggers monitored by a central station and equipped for direct notification to the Sheriff's Office will be installed at Reception & Security Workstation, at each POS, at the Management Office, Currency Safe/Vault, Secure Product Storage Room, Secure Loading & Unloading Area, and Fulfillment Office. Assigned Security Guards and the manager on duty will wear panic pendants capable of activating the premises robbery alarm. Pendants will be carried in enclosures that detract from accidental triggering.

The premises alarm system will be equipped with:

- Battery back-up providing for at least 24-hours of continued operation in the event of a power failure;
- Cellular back-up to ensure continued notifications in the event of a facility phone line disruption;
- Line monitoring features that perform frequent call backs between the on-site monitoring equipment and the central station to ensure no interruptions in system communication capabilities;
- Non-emergency notification technology that allows managers and the contracted private patrol operator to be notified of detected system failures (e.g. power loss, communication loss);
- Audit features that allows Embarc to audit and export all system activity for no less than 90 days; and
- Regularly testing policy - at least weekly.

A manager capable of providing access to all rooms of the premises will be able to respond to the premises within one hour of notification. Embarc will maintain with the San Diego County Sheriff's Office a contact list including all active managers capable of providing such a response. As changes are made to this contact list, Embarc will update the Sheriff's Office with a revised contact list without delay.

Employees whose work requires issuance of alarm codes will be issued an individual user code. Sharing of alarm codes will be strictly prohibited. Embarc will audit this log for suspicious activity on a monthly basis and will maintain a log of auditing activities. Any suspicious activity discovered during the audit process will be immediately investigated.

Remote user accounts will be restricted to Read-Only privileges. Remote users will not be equipped to modify system configurations remotely. User accounts provided Administrative privileges shall be restricted to on-premises use by senior management or owners.

Alarm panels used for code entry will be cleaned regularly in order to prevent regularly used alphanumeric keys on the panel from becoming apparent. As panels show wear on routinely used alphanumeric keys Embarc will order the replacement of the panel through the contracted alarm company. Panels will be contained in enclosures to protect codes from onlookers and video recordings.

Embarc will incorporate a separate panel/zone for the cash vault room. This zone will remain armed at all times when not in immediate use. Access to this room will be limited to management personnel.

Surveillance System

In accordance with SMC §7.04.320.A.5, and as outlined on the "PPF Analysis" diagram following this section, Embarc will incorporate a video surveillance system with color cameras of at least HD, capable of low/no light infrared imaging, and a video recording system

that has been professionally installed and that is capable of retaining at least ninety (90) days of archived footage.

Placements will be capable of monitoring all entrances and exits to and from the premises, all interior spaces within the cannabis business which are open and accessible to the public, all interior spaces where cannabis, cash, or currency, is being stored for any period of time on a regular basis and all interior spaces where diversion of cannabis could reasonably occur. All cameras will record in color. All exterior cameras will be in weather-proof enclosures, will be located so as to minimize the possibility of vandalism, and will have the capability to automatically switch to infrared ("black and white") in low light conditions.

Embarc will ensure that the security surveillance camera's footage of all public areas (not limited-access areas) is remotely accessible by the city manager, and that it is compatible with the city's software and hardware. In addition, remote and real-time, live access to the video footage from the cameras recording the public areas (not limited-access areas) shall be provided to the San Diego County Sheriff at the expense of the permittee.

All video recordings including of limited-access areas shall be maintained for a minimum of ninety days and shall be made available to the San Diego County Sheriff upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the cannabis business and shall be capable of enlargement via projection or other means. To achieve this level of production, and as demonstrated on the accompanying "PPF Analysis", devices have been selected and placed in such a manner so as to produce a minimum resolution of the targeted viewing area(s) of 100 pixels per foot (80 pixels per foot being the industry-accepted "certain identification" standard).

Internet protocol address information shall be provided to the Sheriff's Office by Embarc to facilitate remote monitoring of security cameras by the department or its designee, but only in areas where customers/clientele have access. The recording system will be capable of exporting the recorded video in standard MPEG formats to another common medium such as a DVD or USB drive.

Embarc will maintain a digital video assessment and surveillance system (VASS) that will be installed by a third-party technology integrator. VASS installation will be performed professionally, ensuring that placements and associated cabling are protected against intentional or unintentional damage. Cameras will be placed in a manner that avoids intentional or unintentional obscurity as outlined on the pixel-per-foot (PPF) analysis complementing the security diagram and included hereafter.

All recordings and still frames produced will be accurately date and time stamped in accordance with measurements from the United States National Institute Standards and Technology standards.

Remote user accounts (including those provided to the San Diego County Sheriff's Office and its designees) will be restricted to Read-Only privileges. Remote users shall not be equipped to modify system configuration remotely. User accounts provided Administrative privileges will be restricted to on-premises use by senior management or owners. Where permissible by the VASS platform, remote connections to the surveillance server will be restricted to explicitly identified IP addresses of known/vetted parties with a business need to access the surveillance system remotely. Accounts with administrative privileges will be uniquely named, avoiding use of generic/default usernames such as "admin" or "sysadmin" that could be locked out by way of repeated failing remote access efforts.

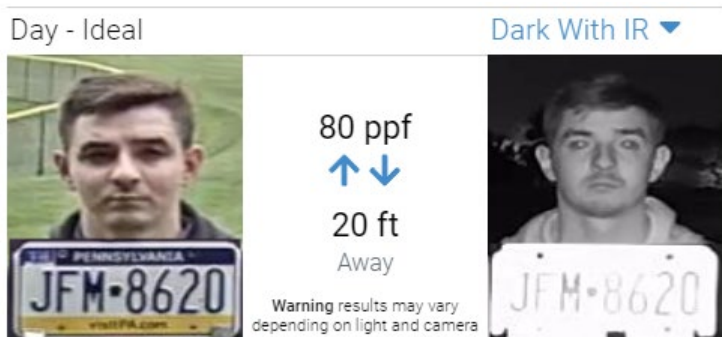
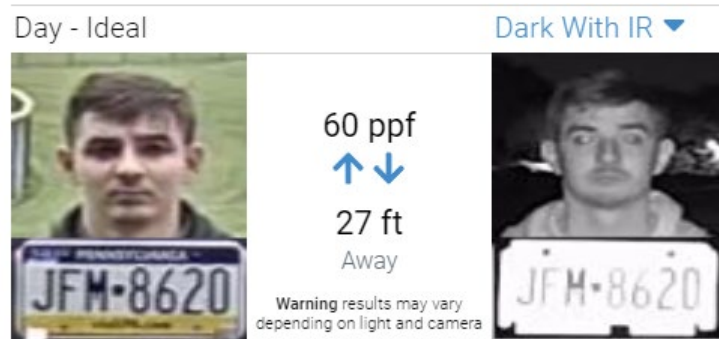
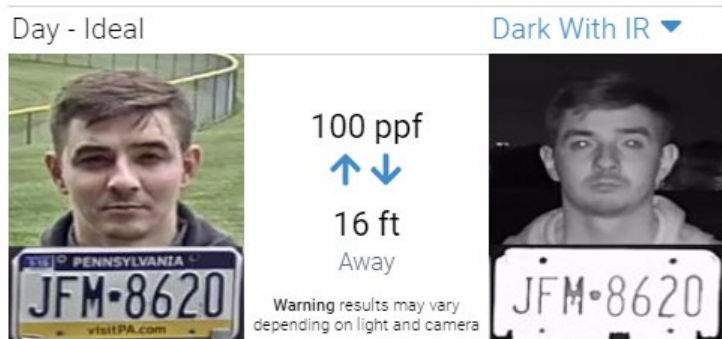
The VASS will, in addition to those commitments above:

- Be equipped with sufficient battery backup or automatically starting generator to support a minimum of 2-hours of recording time in the event of a power outage;
- Be stored in a locked, secure area that is accessible only to the management team;
- Be equipped with a failure notification system that provides electronic notice to Embarc and contracted PPO in the event of any prolonged surveillance interruption or failure lasting longer than fifteen minutes (system updates);
- Record at no less than 15 frames per second;
- Incorporate Live Video Monitoring Analytics for each side of the structure on which there is an entrance/exit leading to the licensed premises as well as key interior placements as identified on the security diagram above. The system will be configured to provide for a remote or on-site monitoring agent to audibly engage persons on the property through an exterior speaker.

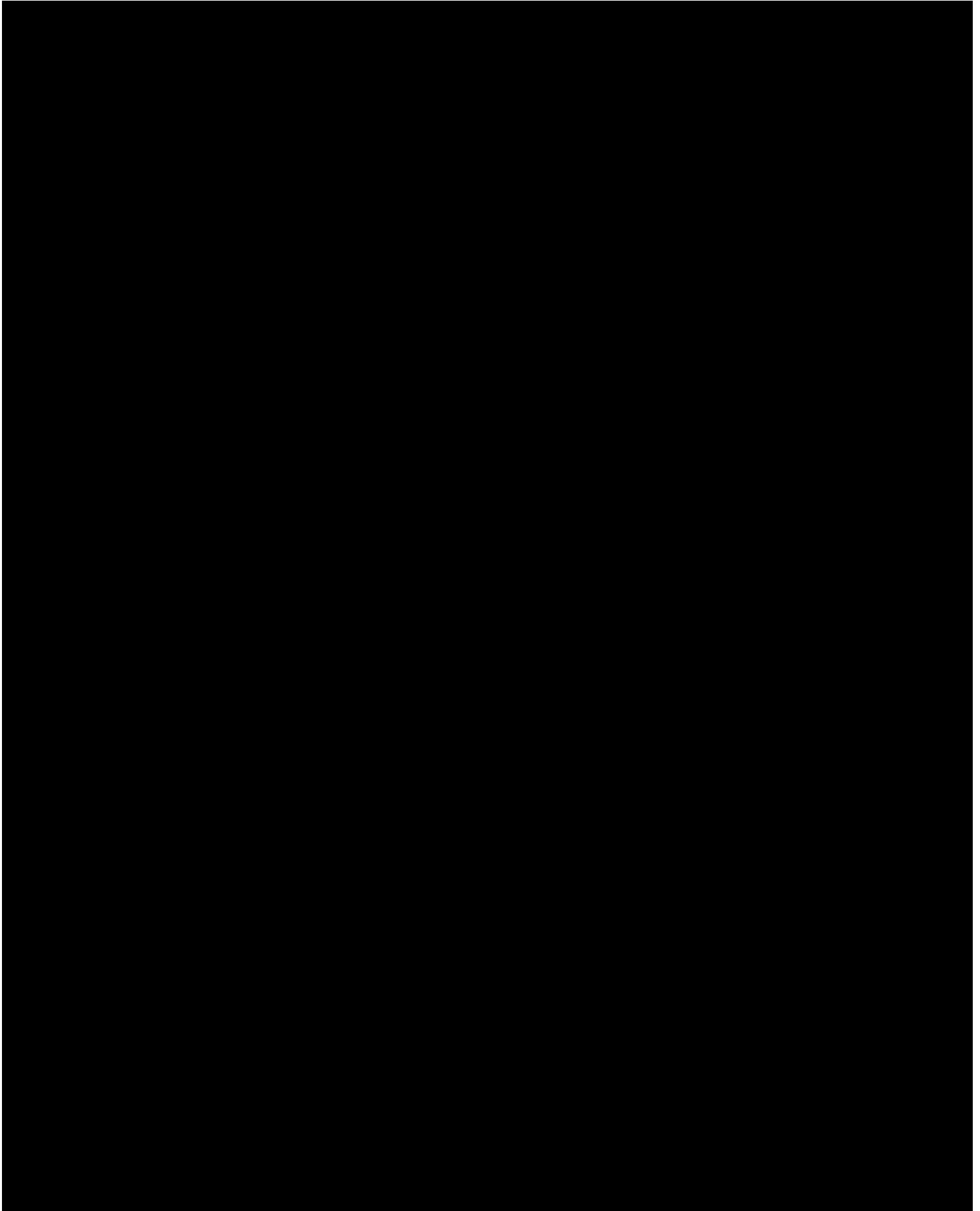
NOTE: the diagram that follows is based upon selected devices and planned device heights, angles of view, scene heights and assumes standard compression and lens quality of the selected devices. The blue-shaded areas indicate the views/ranges in which resolution can be expected to record at 80 pixels per foot at the furthest identified edge and to greater than 80 pixels per foot in all areas nearer the placement.

Unshaded areas are not uncovered—rather, these areas are effectively monitored, but to a lesser resolution than 80 pixels per foot. On the diagram provided, the green range indicates those areas where resolution will be 100 pixels per foot or better, with continued "certain identification" of 80 pixels per foot extending to that range demonstrated by the blue shading. Selected devices and demonstrated specifications are capable of clearly recording vehicle license plates at the parcel entrance drive and in all designated parking areas upon the parcel.

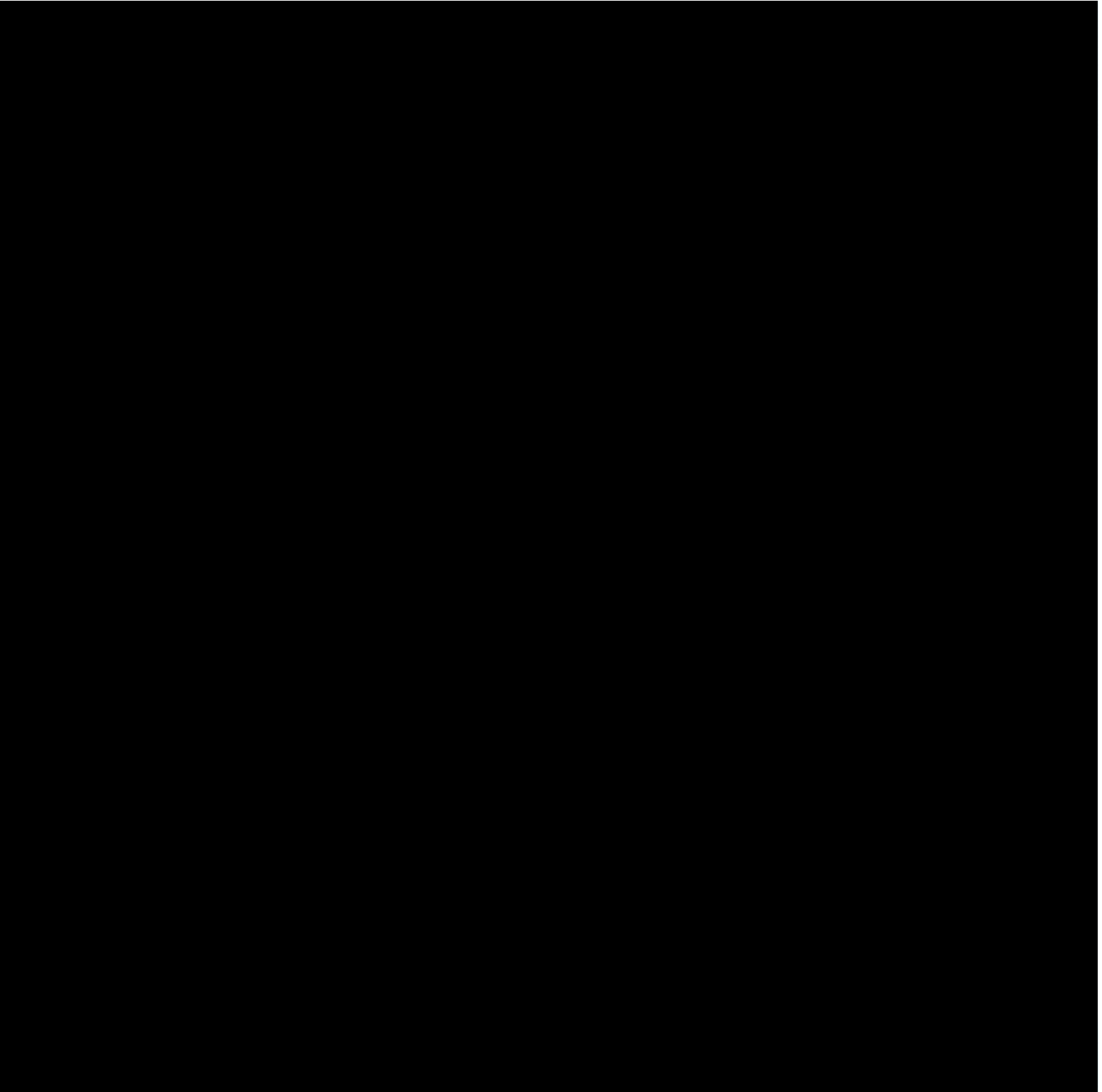
PPF EXAMPLES:



Scaled PPF Diagram - Exterior



Scaled PPF Diagram - Interior



Exterior Lighting

In accordance with SMC §7.04.320.A.1, perimeter lighting systems (including motion sensors) will be installed for after-hours security as approved by the San Diego County Sheriff and Director of Development Services or their respective designees. Embarc will employ motion sensor lighting if required, however we encourage the City of Santee and the San Diego County Sheriff's Office to reconsider this requirement and as a practice discourages the application of motion sensor lighting on projects requiring high security (such as cannabis businesses).

Motion lighting has a number of negative impacts on premises security including the following:

- Uniform white lighting serves as a natural deterrent to crime and provides general safety and security lighting. Where motion dictates the presence of this lighting or not, where the premises is void of motion, the premises may remain dark. This could incentivize criminal acts by promoting the perception target viability in contradiction to CPTED territorial reinforcement principals;
- Studies into the effect of lighting changes have demonstrated that witness reliability is dramatically affected where their observations of a person, vehicle or circumstance occurs amidst changing lighting conditions or where a subject (offender/vehicle) is witnessed traversing between those areas of a premises that are lighted and unlighted (areas with non-uniform lighting);
- Uniform white lighting to a level of 1.5 foot candles or better is capable of emulating daylight sufficient to keeping surveillance cameras operating in full color mode for best evidentiary value. While standard modern cameras and SMC requirements include automated transition capabilities from color to infrared (“black and white”) and vice versa, the transitional period affects the quality and reliability of video surveillance footage—often resulting in washed out images for 2-5 seconds. Crime happens fast, and those seconds of footage lost are often the most valuable segments of footage an investigator would have hoped for (e.g. the moment when the vehicle/person is close enough to the building to activate the lighting and is also close enough to ensure certain identification of the person, vehicle, license plate or other descriptive elements).

Embarc intends to install whatever is desired by the City of Santee and/or the San Diego County Sheriff, but desires to install LED lamps with full cutoff fixtures to limit glare and light trespass. Color temperature of selected fixtures would be between 2700K and 4100K with a color rendering index of 80 or higher and a light loss factor of .95 or better. All building access points and those parking spaces immediately adjacent the premises would be illuminated to a maintained minimum of 1.5 foot candles per square foot.

Exterior lighting will be shielded or otherwise designed to avoid spill-over illumination to adjacent streets and properties. All mature landscaping will follow the two-foot height maximum and six-foot canopy minimum rules to enhance passage of lighting and to enhance natural surveillance while reducing opportunities for concealment and ambush points.

Exterior Fencing

The property's perimeters are secured with fences and the entrance to the parking lot features a wrought iron gate, which can be closed and locked after business hours, further enhancing territorial security.

Uniformed Security Services

In accordance with SMC §§ 7.04.320 and 7.04.360.D, Embarc is prepared to contract with a licensed Private Patrol Operator to

provide Security Guard(s) on site 24 hours a day or alternative security as authorized by the City Manager and will have a verified response security patrol when closed to verify intrusion alarm activations after-hours prior to dispatching of the San Diego County Sheriff's Office.

Embarc respectfully requests the opportunity to meet with the San Diego County Sheriff or their designee to explore potential alternatives to onsite overnight guards, keeping in mind that our primary goal is the protection of human life. In several of our current operational dispensaries, we rely on live monitoring with talk-down features, which minimizes the likelihood of human error in response time and offers redundant security measures.

In other jurisdictions where Embarc has received exemptions from maintaining overnight security guards, we have successfully implemented an enhanced after-hours security strategy that combines high-tech surveillance and strategic patrols. In lieu of 24/7 on-site guards, Embarc uses a three-prong approach, focusing on advanced surveillance, which includes AI-driven analytical cameras capable of detecting suspicious behavior, notifying an offsite monitoring security vendor, and issuing remote interventions via a "talk-down" system. Random nightly patrols by licensed security officers provide additional coverage, with physical checks on doors and windows to complement the surveillance system. Embarc's contract with a licensed PPO ensures 24-hour availability for mobile guard response within 20 minutes to address emergencies, system failures, or additional security needs. This comprehensive strategy has been refined over nearly five years and has proven highly effective in safeguarding Embarc's other statewide operations.

We understand that each law enforcement department's preference may differ, and as such, we are committed to conforming to the Sheriff Office's preferences regarding overnight onsite monitoring. Embarc has experience in managing overnight patrols in several jurisdictions requiring such deployments.

In accordance with SMC, Security Guards assigned to the premises will be tasked with preventing individuals from remaining on the premises if they are not engaging in an activity directly related to the permitted operations of the business. In those cases where the individual refuses to voluntarily leave the premises, Security Guards or employees of the business will summon the San Diego County Sheriff's Office to intervene.

In accordance with the standards and practices of the Private Security Services Act, any persons employed in a uniformed security capacity will have undergone a California DOJ and FBI background investigation prior to licensure and ongoing clearances through the live-scan system of California. Services contracted will include, at minimum:

- Uniformed Security Guards assigned to the premises and assigned as follows:
 - Monitoring Station: assigned one hour prior to opening through the departure of the Closing Manager/Staff;
 - Patrol: assigned one hour prior to opening through the departure of the Closing Manager/Staff;
- On-call additional guard services as a contingency to failing surveillance or alarm infrastructure, civil unrest, natural disaster or other circumstances warranting a swelling of security resources;
- After hours, event-triggered remote video monitoring and remote talk-down service as it relates to those surveillance cameras identified for analytics-driven monitoring; and
- Intrusion alarm/surveillance triggered response with a guaranteed response time of 20 minutes or better.

Embarc will ensure that its contractor acknowledges and complies with the requirement that any of its employees assigned to or responding to the premises be at least 21 years of age.

Below, we have outlined on-site Security Guards, proposed guard hours, and their responsibilities in accordance with SMC §7.04.360.D and upon the premises 24 hours daily. If the Sheriff or their designee grants Embarc an exemption from the 24/7 guard requirement, an alternative schedule will be provided.

Monitoring Station

The Security Guard assigned to this position will:

- Arrive in advance of the opening manager, patrolling the exterior of the property to ensure that the premises is void of threats upon the arrival of the opening staff;
- Maintain natural surveillance over the business frontage, Screening Lobby and waiting area, Reception Workstation, Retail Sales Area;
- Maintain video-assisted surveillance with two large displays. One display will maintain static views over all access points to the business and its parking lot. The other display will cycle views of all other surveillance views for intermittent monitoring; and
- Maintain active awareness of the allowable number of customers in the Retail Sales Area as determined by the staff-to-customer ratio governing the Retail Sales Area, communicating capacity availability to the reception employee who will control the order in which customers are invited from the Screening Lobby to the Retail Sales Area.

Patrol

The Security Guard assigned to this position will:

- Maintain active patrol of the interior and exterior of the building. This officer will ensure that all access control policies are duly maintained while deterring and mitigating nuisance activities occurring upon or immediately about the premises;
- Responds at the direction of the Fulfillment Office to the Secure

Loading & Unloading Area to verify and supervise activities related to inbound distributors, armored carriers and retail delivery drivers; and

- Provides paid rest period and unpaid meal period coverage for the Monitoring Station role.

6. EMPLOYEE TRAINING & POLICIES

The application includes a description of employee training and general security policies.

Prior to working independent of direct supervision, all employees of Embarc will be required to complete organization and role-specific training. Incorporated into the overall training program will be security and compliance training that includes the points outlined herein.

Maintaining Employment Eligibility

In accordance with SMC, Embarc will ensure that employees and any other persons working within the business are legally authorized to do so under applicable state law and local regulations. Embarc will not employ any person who is found to have any disqualifying convictions. Embarc will, as a condition of employment, require annual re-certification of its employees by way of annually recurring criminal background investigations.

DCC Regulatory Compliance Awareness: Retail Storefront

- Understanding “Limited-Access Areas,” securement requirements, access restrictions, and third-party logging/escorting obligations per the DCC;
- Visitor logging and badging procedures and duty to report unauthorized persons in limited-access areas;
- Employee identification display requirements and facility color coding/access policies and duty to report unauthorized persons in areas for which their designation does not apply;
- Security staffing requirements relating to DCC and SMC provisions and the inability to be open for business at any time(s) that mandated security staffing is absent;
- Overview of alarm systems and codified duty to maintain the alarm in operable condition;
- Proper use of panic alarm triggers and what to expect upon an activation event;
- Track-and-trace requirements (transfers, sales, destruction, loss reporting);
- Cannabis waste, designation, destruction and disposal;
- Age validation requirements (adult use versus medical);
- Restricting retail access until after identification validation;
- Preventing customers from being left unattended in the Retail Sales Area;
- Prohibition of personal visitors after business hours;
- Restrictions relative to cannabis displays (areas prohibited, access controls, supervision);
- Product inspection protocols (accompaniment/supervision requirements);
- Prohibition of selling goods in opened packages;

- Labeling requirements, how to verify condition (expiration, seals, label content);
- Limitations on adult use possession and concentration;
- Limitations on medical possession and concentration;
- Managing returns, prohibition of resale;
- Prohibition of free provisioning of goods;
- Prohibition of on-premises packaging/labeling;
- Exit packaging requirements;
- Separate vendor entrance requirement.

DCC Regulatory Compliance Awareness: Retail Delivery Staff

- Duty to conspicuously display employer issued ID;
- Duty to carry driver license;
- Duty to carry DCC/Local licenses (and QR Code version);
- Delivery location prohibitions (out of state, K-12 schools, youth center, etc);
- Vehicle branding prohibitions;
- Duty to conceal goods in transport;
- Duty to use alarm system when vehicle is unattended;
- Duty to maintain GPS system in working order;
- Duty not to deviate from delivery route (and exceptions);
- Maximum allowable value (\$10,000) of goods/currency;
- Duty to maintain accurate ledger;
- Duty to return to premises at 30 minutes of inactivity;
- Warrantless stop/search allowances of regulators; and
- Prohibition against consuming cannabis goods/being under the influence.

General Security Policies – Facility

- General prohibition of restroom access for customers (and exception procedure);
- Prohibition of excessively early shift arrival (10 minute maximum);
- Prohibition of excessively remaining at shift end (10 minute maximum);
- Proper ingress/egress, clock-in/out procedures;
- Opening and closing procedures (high robbery risk time frames);
- Prohibition of taking employee ID/credentials off premises (management excepted);
- Prohibition of register/inventory drawer sharing;
- Prohibition of sharing passwords, codes or other security components;
- Prohibition of minors upon the premises;
- Prohibition of identity obscurity on premises (e.g. disguises, costumes, hats, hoods, etc)
- Prohibition of deadly weapons on the premises (peace officer exceptions);
- Maintaining direct control over issued keys/credentials;
- Maintaining control of inventory (territorial reinforcement);
- Prohibition against door propping at any time for any reason;
- Prohibition against tampering with cameras or other security features;
- Maintaining natural surveillance;
- Maintaining retail staff/customer ratio;
- Prescreening exiting with provided monitors;

- Door redundancies, delayed egress and duty to maintain intended design features;
- Zero tolerance for theft, diversion and other crime in the workplace;
- Whistleblower protection assurances/duty to report;
- Workplace search policy (e.g. employees, possessions, lockers, vehicles on premises)

Storefront: Robberies

Unlike a shoplifting incident, a robbery occurs when a suspect uses or threatens to use force when committing a theft. Whereas most shoplifting offenses in CA are infractions or misdemeanors carrying minimal criminal penalties, a robbery is a felony offense that can result in incarceration in State prison. The risks to the offender are considerably higher, thus the temperament of the offender may be more anxious, violent, and dangerous. Employees are to comply with all demands made by the suspect(s). The personal safety and that of our customers are the number one priority.

Robbery Prevention

- A minimum of two employees shall be on duty at all times during business hours, in addition to a minimum of one Security Guard (DCC regulation);
- On arrival, employees shall patrol all visible areas of the premises before committing to an approach. Any suspicious circumstances should be reported to the security vendor or police and no approach of the business will be made until the condition has been mitigated;
- Only scheduled employees or authorized vendors with an appointment shall be permitted upon the premises outside of regular business hours;
- Robberies most often occur at opening and closing times—particular care should be taken when entering/exiting the building at these times;
- Make immediate eye contact and greet all persons entering the property to immediately dispel any perceptions of anonymity/opportunity they may host;
- Utilize the premises design features as intended. Door redundancies serve to deter, delay and complicate offenders best when used as intended;
- Never handle bulk product or currency in view of the public or in uncontrolled areas;
- Maintain natural surveillance at all times; keep areas clear of obstructions/ambush points;
- Keep doors locked at all times; even if only stepping away momentarily; and
- Maintain lighting, alarm, and surveillance systems in operable and reliable order.

During a Robbery

- Stay as calm as possible. Speak slowly and clearly;
- Remain calm to reduce the likelihood of violence and to allow focus on robber details;
- Do not resist or attack the robber; additional provocation can increase danger;

- Cooperate fully and quickly. Do not resist in any way. Do not argue. Do not fight;
- Follow all instructions. Give the robber(s) whatever is demanded;
- Politely let the robber(s) know that you intend to cooperate;
- Forecast any movements (“I am going to use my right hand to open the drawer”)
- Activate the panic alarm if this can be accomplished safely, in secret;
- Make a mental note of robbers’ hands and make mental note of what is touched;
- Be systematic in mentally documenting the robber’s description, but try not to stare or make it obvious to the robber that you are mentally documenting details about them; and
- If safe to do so, monitor the robber’s departure (direction, vehicle, accomplices)

After a Robbery

- Notify police immediately by 911 or cellular equivalent;
- Assess any injuries and coordinate a medical response as necessary;
- Lock the doors. Do not let anyone into the crime scene until police arrive;
- Request all persons remain on scene;
- Request all persons write down or narrate their own unique observations;
- Request all persons keep their observations pure and that they not share observations with one another until after interviewed by responding law enforcement;
- If persons refuse to remain, allow them to exit but control the doors to prevent destruction of evidence. Touch the doors only in places the robber did not.
- Cease all business operations to reduce contamination of the crime scene;
- Don’t talk to others about what just happened. Keep observations unique and pure;
- While awaiting police, make notes while your memory is fresh;
- While awaiting police, review surveillance footage for relevant frames and print the best possible images so police can rapidly distribute the robber images; and
- Do not disrupt the crime scene. Leave everything as it was.

Law Enforcement Response Awareness

- Dispatched officers may not immediately approach the business;
- Officers may stage at a distance and watch the premises to gauge behaviors/activity;
- Officers may call into the business to speak with staff or offender (if a hostage scenario);
- If staff claims the scene is safe to enter, Officers may direct staff to come outside;
- Staff member may be directed to exit with arms raised, no weapons, etc.;
- Staff member may have firearms or less lethal weapons pointed at them;

- Staff member may be commanded to a particular area affording officers protection;
- Staff member may be made to lay down on the ground, face down, and submit to handcuffing. Officers must treat this as a dangerous situation until proven otherwise.
- Once the staff member is deemed safe, the staff member may be questioned;
- Once officers are satisfied that offenders are no longer on the premises, they may enter and search the premises and begin their investigation.

Storefront: Burglaries

The premises maintains an array of security devices including contacts, motion sensors, cameras, and related hardware. These devices are critical to the overall security of the premises and caution must be exercised by all occupants to ensure their continued effectiveness. Employees will be trained to:

- Report any damage to a security component immediately;
- Avoid tampering with any security component;
- Avoid blocking or covering any security component;
- Avoid blocking access to security panels;
- Secure all doors when not in active use. Never use doorstops;
- Never prop any exterior door open for any reason at any time;
- Check the video monitor for unusual activity outside prior to exiting;
- Keep security procedures confidential. Never discuss with third parties; and
- Report any unusual behaviors or activities of others to the on-duty Manager;

Managing Burglaries

- If evidence of a burglary is encountered (damaged door/window, evidence of ransacking), immediately notify the on-duty Manager;
- Do not touch or move anything. Preserve the crime scene;
- Immediately secure all relevant areas and prevent anyone from entering; and
- Notify police via the non-emergency number.

Storefront: Unusual Occurrences

Decoys are common tactics used by those wishing to commit burglaries or robberies. Traffic collisions, vehicle fires, dumpster fires, domestic quarrels, and other fabricated scenarios intended to distract victims and/or Security Guards may be deployed by criminals. Upon the occurrence of any significant unusual occurrence upon or immediately about the property, the first to observe the occurrence will notify the security monitoring station. The Security Guard will be responsible for activating a facility lock down. An emergency lock-down incorporates the following measures:

- Immediate notification of emergency services (911 or cellular equivalent);
- Immediate closure and locking of facility doors;
- Immediate directive to all persons on premises to shelter in

- place and remain inside; and
- No persons will be permitted to open any door until law enforcement has arrived or the unusual occurrence has been otherwise mitigated.

Storefront: Arrival & Departure Practices

In order to reduce take-over robbery attempts by way employee ambush on arrival, facility security policy requires that employees arriving for work:

- Park only in well lighted areas and attempt to park in view of surveillance cameras;
- Park as near to the premises as possible to reduce time/distance exposures;
- Arrive no earlier than ten minutes prior to their scheduled start time; and
- Retreat to a safe location and telephone the premises if, upon their arrival they observe any suspicious persons or vehicles at or immediately about the premises.
- To reduce take-over robbery attempts by way of employee ambush on departure, facility security policy requires that employees departing from work:
- Depart in separate pairs, each pair waiting to leave until the pair beforehand is away from the business and beyond the ability of an offender to corral/contain;
- Depart only through the designated exit doors, and only upon reviewing external camera views to ensure that no suspicious persons or activity are afoot nearby; and
- Immediately depart the premises and adhere to a strict prohibition of loitering on or about the premises.

Retail Delivery: Robberies Preventing Robberies

All employees who will serve as Delivery Drivers will complete a course of training on robbery prevention. The course of instruction will include the following training points:

- Maintain a high visual horizon to identify potential threats early. Consistently be on the lookout for suspicious persons loitering in the areas of a delivery. Where suspicious persons are present upon arrival, delay the delivery and retreat to a safe location to notify your supervisor. The supervisor will determine the course of action, whether that be to terminate the delivery, delay the delivery, or deploy a security detail to supervise the delivery;
- Be cognizant of other vehicles that may be following you on your route. As suspicions of following arise, broadcast the vehicle description, license plate, and description of occupants to your supervisor without delay. The supervisor will direct you, based on your present location as shown by GPS, to an alternative route and toward a designated safe haven in order to determine if the suspicious vehicle is in fact attempting to follow you. Where the suspicious vehicle changes course and continues to follow, the supervisor will notify law enforcement and will direct the Delivery Driver to proceed to the nearest manned law enforcement facility;

- If lighting conditions are poor upon arrival at the delivery location, delay the delivery and coordinate with your supervisor. The supervisor will contact the customer and require that exterior lighting at their residence be turned on to enhance the safety of the Delivery Driver upon his or her arrival;
- Keep the doors to the vehicle locked at all times. Keep the windows up at all times;
- Always visually inspect the interior of the vehicle prior to entering it;
- Keep the vehicle key separated from any personal keys;
- Keep the issued cellular phone turned on and upon your person;
- When taking breaks, completing paperwork, eating a meal, or otherwise, remember that you are still exposed and must be cognizant of your surroundings. Avoid stopping/parking in isolated or dark areas;
- Watch what you say. Avoid making statements indicating that you make for a good target. Avoid telling customers or others that you have been busy, that business is good, or other remarks that may incentivize a person to rob you of product or currency;
- Never disclose your route plan to outside parties or other employees without a legitimate business need to know. If other employees ask about your assigned route, notify a supervisor. This includes a prohibition relative to social media check-ins and use of location sharing applications;
- If, upon returning to your vehicle, you find a flyer, note, or other item upon your delivery vehicle, do not address it. Immediately leave the area and proceed to a populated, lighted area before investigating the item further;
- If, upon returning to your vehicle, you find that your vehicle has been blocked in or disabled (flat tire, severe vandalism), retreat to the customer's premises and request safe harbor while notifying your supervisor and determining a course of action (law enforcement notification, summoning of a security detail).

Managing Robberies

A robbery is defined by law as the taking of property by means of force, threat, or fear. A weapon is not required for a person to commit a robbery. The threat of a weapon or creating fear by other means is sufficient to accomplish the crime of robbery. Robbery is a significant felony and a crime of violence—even where no injury occurs. Robbery is not theft. Theft is a comparably minor offense that does not involve the use of force, threat, or fear. Considering the serious nature of a robbery, those committing this crime are often well aware of the risk they are taking. This can result in heightened stress on the part of the criminal and can contribute to the criminal making rash and thoughtless moves.

- To reduce the likelihood of violence in these circumstances, it is paramount that you, the victim, try to remain calm, polite and follow the instructions of the robber;
- Assume your assailant is armed, regardless of whether the assailant shows, references or infers that he or she is armed;
- Cooperate. Do not attempt to disarm, disrupt, delay, or defend against the taking of property. Cooperate only to degree you are asked to. Do not offer additional insight, information, or intelli-

gence that may assist the robber in achieving more than they intended;

- Try to focus on remembering a good description of the suspect(s) and their vehicle(s), as well as a description of any weapons displayed or discussed by the suspect(s);
- Once the suspect(s) have left the area, notify police without delay. Notify police first, before notifying your supervisor/dispatcher;
- Protect any evidence that may be left behind. This includes anything the suspect(s) may have touched, moved, or dropped (e.g. cigarette butts, beverage container); and
- If any witnesses were present, ask them to remain until police arrive.

Retail Delivery: Auto Burglary Preventing Auto Burglaries

Embarc will ensure that delivery vehicles are protected after hours. Delivery vehicles will be stored in a locked state, its alarm armed. No product or currency will remain in vehicles while stored after hours. Lighting in the parking area will be at or above 1.5 foot candles of luminance and under consistent monitoring by surveillance cameras. Drivers will, in the course of delivery operations:

- Ensure that vehicle windows are up, doors locked, and the alarm is armed at any time that they are away from the vehicle in the course of deliveries or on breaks;
- Never leave any items in plain view within the vehicle. Drivers who elect to bring a personal bag/lunch/snacks on the road with them will be required to stow these items in the trunk of the vehicle if left unattended in the vehicle;
- Keep the interior of the vehicle free of any visible bags, boxes, or valuables that may entice an opportunistic offender to commit burglary against the vehicle;
- Not park next to occupied vehicles;
- Not park in unlighted, isolated areas; and
- Be cognizant of surveillance cameras and, where possible, park in their viewing area.

Managing Auto Burglaries

- If suspects are seen, or witnesses are present, and the crime is fresh, notify police via the emergency number (crime in progress);
- If suspects are not seen, and no witnesses are present, notify police via the non-emergency number. Expect to be directed to do an online report for this type of crime;
- Visually canvass the surrounding area for surveillance cameras. If present, include their locations in your police report to assist investigators who may follow up on the crime;
- Notify your supervisor of the crime of what, if any, inventory, or currency was acquired; and
- Prior to operating the vehicle, inspect it for safety hazards (see if the ignition has been tampered with, if under-dash wiring has been manipulated, verify the hood and trunk latches have not been released prior to driving the vehicle).

Retail Delivery: Auto Theft Preventing Auto Theft

Auto theft is a crime often accomplished in a matter of seconds, and often by experienced offenders who can perform this crime without arousing suspicion of bystanders. In other cases, it is a crime committed by joyriders who take advantage of an unsuspecting motorist who left their vehicle running or who left their keys in the vehicle or accessible nearby the vehicle. To reduce the likelihood of auto theft, Embarc will ensure that delivery vehicles are protected after hours. Delivery vehicles will be stored in a locked state with its alarm armed. No product or currency will remain in vehicles while stored after hours. Lighting in the parking area will be at or above 1.5 foot candles of luminance and under consistent monitoring by surveillance cameras. Drivers will, in the course of delivery operations:

- Ensure that vehicle windows are up, doors and locked, and the alarm is armed at any time that they are away from the vehicle in the course of deliveries or on breaks;
- Not park next to occupied vehicles;
- Not park in unlighted, isolated areas;
- Be cognizant of surveillance cameras and, where possible, park in their viewing area;
- Never leave the vehicle running while unattended;
- Never leave vehicle keys unattended; and
- Never leave vehicle keys in the vehicle (e.g. when refueling)

Managing Auto Theft

- If a vehicle is stolen from the licensed premises, the premises Manager will notify the San Diego County Sheriff's Office immediately upon the discovery of the theft. Notification will be made by calling the non-emergency number;
- If a vehicle is stolen in the course of delivery operations, the theft will be deemed a crime in progress and immediately reported to the law enforcement agency of jurisdiction through the emergency number (911 or cellular equivalent);
- Visually canvass the surrounding area for surveillance cameras. If present, include their locations in your police report to assist investigators who may follow up on the crime; and
- Notify your supervisor of the crime of what, if any, inventory or currency was acquired.

Embarc's security plan was prepared by a professional security consultant and demonstrates how Embarc wishes to develop the floor plan and address other security issues on the property through the lens of Crime Prevention Through Environmental Design.

The plan provides a description and detailed premises diagram in accordance with all requirements. It includes a description of operational security, including but not limited to general security for access/visitor control and inventory control and a description of cash handling procedures, including the process for receiving, tracking, storing, and transporting cash generated by the retail business. Furthermore, the plan provides a description of perimeter security, exterior lighting, on-site security guards, proposed guard hours, and their responsibilities, as well as a description of employee training and general security policies. This content was excerpted from Embarc Santee's comprehensive security plan for the purposes of being responsive to the prompts. We welcome the opportunity to provide the comprehensive plan, and to discuss any of its components in more detail, at any time.



SECTION D: QUALIFICATION OF OWNERS

Embarc Santee represents a partnership between Dean Velasco, an engaged community steward and small business owner dedicated to bettering the Santee community, and Lauren Carpenter and Dustin Moore, a highly skilled wife and husband team with a passion for cannabis and a commitment to community-driven operations. We bring diverse backgrounds and professional experiences to this endeavor, but our shared belief in the importance of cannabis businesses that integrate into and ultimately benefit the community is what unites us. From that shared belief, Embarc Santee was born.

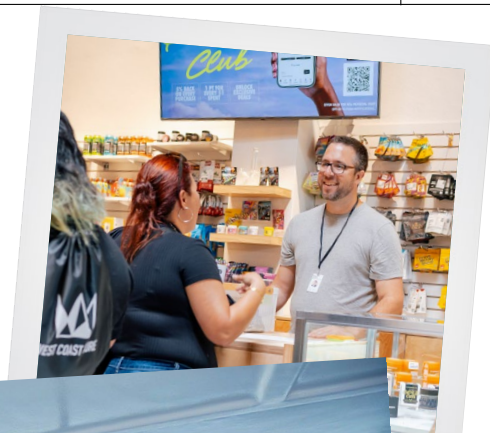
Lauren and Dustin believe an applicant must be truly local to understand the unique needs, values, and priorities of this community and to create an operation that reflects these qualities. Being truly local ensures that the business is the right fit for Santee and that its operational model is community-oriented. Emphasizing localism through proven retail operations is essential, ensuring that the business will prioritize public health, safety, and responsible integration. You will not find a team with a stronger record on these issues than us.

Dean Velasco's commitment to the Santee community's well-being is evident in his over 20 years as a resident, local business owner, and active community leader. Dean has been deeply involved in various initiatives that enhance the social and business fabric of the city, including youth sports, veterans' causes, and local civic engagement. His role as a small business owner and engaged community steward makes him deeply invested in ensuring that cannabis businesses, like Embarc, contribute positively to the Santee community.

Dean's proven track record in bettering the Santee community prompted his introduction to Embarc. After learning about our proposed plan for community-oriented operations in Santee, our partnership was born from a mutual belief in the importance of investing funds back into the community and ensuring the safety of Santee's residents.

In addition to his deep community involvement, Dean also has extensive experience operating highly regulated businesses. Dean has successfully managed several establishments under the oversight of the California Department of Alcoholic Beverage Control (ABC), including holding a full liquor license for Deano's Pub in La Mesa (2022-present) and beer and wine licenses for Riverwalk Grill (2018-2021) and Deano's Pub in Santee (2024). His ability to navigate compliance in regulated industries, along with his business integrity, demonstrates his capacity to uphold the highest standards of safety and operational excellence in cannabis retail.

Dean brings a proven commitment to public service, business



integrity, and community-driven development through his extensive experience as a local entrepreneur and active civic leader. As a longtime business owner and Chairperson of the Santee Park and Recreation Committee, Dean has been instrumental in driving community initiatives and economic development. His active involvement in local organizations, dedication to public welfare, and focus on enhancing Santee's business landscape ensures that Embarc will operate in alignment with the City's goals and values. Dean's deep-rooted connections in the community make him the ideal partner to help Embarc thrive while fostering local growth and supporting meaningful community initiatives.

Embarc team members were driving forces behind the State's successful effort to legalize adult use cannabis and continue to work tirelessly in shaping the State's ongoing refinement of regulations. This relevant experience, first in developing, implementing, and continuing to refine California's legal cannabis landscape, and now as operators navigating the rules we effectively wrote, is what gives Embarc Santee a competitive advantage—informing and enhancing Embarc's existing operations and those proposed here. The team also brings an extensive range of combined business experience and decades of combined cannabis experience to our proposed Santee business, representing the vision and operational track record of executive-level leadership in cannabis, retail, supply chain, and other highly regulated industries.

Given the City's desire to see these businesses operationalize expeditiously, Santee needs proven cannabis operators to ensure that the business is adequately funded and experienced to execute ambitious proposals quickly and efficiently. No team has a stronger track record than ours, as historically, Embarc has been the first of its cohort of licensees to open in the communities we serve today.

Embarc is one of the fastest growing independent cannabis retailers in California, known for creating unique retail expressions that reflect each of the communities we serve. By combining our deep connections to the area and a mutual vision with Dean Velasco, we are devoted to building a cannabis retail operation that genuinely caters to the community's needs.

Local Partner's Experience

Dean Velasco – Embarc Santee Local Partner & Community Liaison

A Respected Community Leader with a Proven Commitment to Santee's Growth and Success

Dean Velasco, known affectionately as “Deano,” is a respected community leader and successful entrepreneur whose deep roots in the Santee community make him an ideal partner for Embarc. With years of experience revitalizing local businesses and a proven commitment to civic leadership, Dean is uniquely equipped to help Embarc seamlessly integrate into Santee's thriving landscape. His passion for creating local jobs and fostering inclusive, community-focused environments aligns perfectly with Embarc's mission to

provide responsible cannabis retail operations that enrich the communities we serve.

Dean moved to the San Diego area at the age of three, growing up in a family rooted in the hospitality industry. His father owned and operated several restaurants, instilling in Dean the values of hard work, dedication, and community service. By age 12, Dean was working alongside his father, developing a passion for serving others and learning the importance of community-focused establishments. This early exposure to business and community involvement shaped Dean's future as a leader and entrepreneur.

After studying at San Diego State University, Dean began working in audiovisual management. In 2001, he joined Qualcomm, a global leader in wireless technology, where he would spend the next 23 years excelling in various leadership roles. He eventually led the AV Production department, where he managed a team of 20+ employees. Dean's ability to innovate, manage teams, and execute large-scale projects was key to his success at Qualcomm. Beyond his technical contributions, Dean was also a Board Member of eQuality, Qualcomm's employee network dedicated to fostering a safe, inclusive, and supportive workplace for LGBTQ+ employees.

Dean's commitment to the Santee community began when he and his wife, Erika, moved to the city in 2002, seeking the perfect place to raise their family. The couple, who met in junior high and have now been married for 27 years, found Santee to be the ideal environment for their two children. Both of their children went on to attend San Diego State University.

Over the past 15 years, Dean has served on the Board of and coached soccer through the American Youth Soccer Organization (AYSO) and helped launch the youth program at the Santee Sportsplex. He has also coached softball in the Amateur Softball Association (ASA) league and regularly volunteers at Carlton Hills Elementary, sharing his love of disc golf and chaperoning field trips. Dean's service extends to organizing deep-sea fishing trips for under-represented youth and raising funds for local parks and recreation programs, continually shaping the lives of Santee's youth.

As Chairperson of the Santee Park and Recreation Committee (SPARC) for the past seven years, Dean has led numerous initiatives, raising significant funds for municipal parks, community programs, and the Recreation Scholarship Program. He has also spearheaded special events and addressed public concerns regarding parks and recreational spaces. His involvement in local disc golf initiatives includes helping to install new courses and assisting at Mast Park as part of the SD Aces disc golf club.

In addition to his SPARC role, Dean has supported various civic efforts, including serving on the Santee City Council Salary Setting Committee, acting as President of the Riverwalk Homeowners Association, and membership with the Santee Kiwanis. He regularly volunteers for events like the Santee Summer Concerts, Street Fair,

and the Chamber of Commerce's Veteran Appreciation Golf Tournament. Dean's dedication to veterans is a hallmark of his civic engagement, from volunteering at the VFW and American Legion to raising funds for the Santee Veteran Memorial and supporting participation of disabled veterans to its dedication ceremony. Dean has also been a passionate advocate for the LGBT community, serving as DJ on the largest float in the Pride parade for four consecutive years, and continues to be actively involved in LGBTQ+ initiatives in Santee and beyond.

In 2017, Dean took a bold step into entrepreneurship by founding Riverwalk Grill in Santee's Town Center Community Park. This family-owned and operated establishment quickly became a beloved gathering spot, reflecting Dean's commitment to community-focused hospitality and revitalizing the area. The success of Riverwalk Grill demonstrated his ability to create spaces where locals could connect, relax, and enjoy a welcoming environment rooted in the values he learned from his family's restaurant business.

In 2021, Dean expanded his entrepreneurial efforts beyond Santee by revitalizing a struggling establishment in La Mesa, transforming it into the first Deano's Pub. This venture became a thriving community hub known for its live music and inclusive atmosphere. Building on that success, Dean brought his vision back to Santee in early 2024 with the opening of Deano's Pub East, revitalizing the former Hi-C-Era property on Woodside Avenue. This family-run venue has quickly become another vibrant social hub, offering live music, sports, and a welcoming environment that has made it a cornerstone of the community. Deano's Pub East is more than just a business—it actively supports community outreach programs like Buddy's Backpacks, which provides school supplies to children in need. Dean's ability to breathe new life into these spaces has solidified his reputation as a successful entrepreneur dedicated to the betterment of Santee.

Dean's leadership in civic roles has shaped key community programs, from expanding recreational opportunities to supporting local veterans and ensuring that underprivileged youth have access to meaningful experiences. Whether through his hands-on efforts with SPARC or his business sponsorships that benefit local schools and parks, Dean's influence is felt in every corner of Santee. His unwavering commitment to community service was perhaps best demonstrated in times of crisis, such as his quick response in organizing equipment and support following a tragic airplane crash in Santee, showing that his dedication extends well beyond business.

Dean Velasco's unique blend of entrepreneurial success and civic leadership makes him an invaluable partner for Embarc's growth in Santee. His journey—from corporate success to community advocate—demonstrates the power of passion, perseverance, and a deep commitment to giving back. Dean's proven ability to revitalize local businesses while deeply engaging with the community shows his dedication to making Santee a thriving, inclusive place

for its residents. As a local partner, his leadership and community-focused approach will ensure that Embarc not only thrives but also contributes meaningfully to the fabric of Santee. With his unwavering commitment to creating social bonds and supporting local causes, Dean embodies the values that align perfectly with Embarc's vision of fostering inclusive and community-centered cannabis retail operations.

1. PRIOR CANNABIS EXPERIENCE

Describe the business owner's prior experience in owning, managing, and operating a legally permitted or licensed retail cannabis business in the United States. For purposes of this section, owner has the definition provided in SMC Section 7.04.060.

Under the leadership of Lauren Carpenter and Dustin Moore, Embarc has successfully opened **15 legally permitted cannabis retail storefronts in communities across California**. These locations in South Lake Tahoe, Alameda, Martinez, Fairfield, Fresno, Sacramento, Redwood City, Chico, Ventura, Tracy, Meyers, Indio, Fontana, and Madera demonstrate Embarc's comprehensive understanding of the nuanced requirements of different jurisdictions and the ability to operationalize cannabis retail businesses in a variety of communities. Lauren and Dustin are also currently operationalizing 10 additional retail and delivery licenses within the State. All but one (a lottery process) of these 25 licenses were won through similar merit-based licensing processes, demonstrating our track record of developing community-centric businesses that align with the jurisdictions they serve.

Dustin and Lauren have assembled a leadership team with decades of combined experience in the legal cannabis market and more than a century of combined leadership in Fortune 500 companies. It is this experience that ensures we are historically the first of our cohort to open our doors in the communities where we operate today.

Embarc has nearly four hundred employees and anticipates doubling this count, given the nine stores being opened in 2024 and 2025. We have achieved cash-flow positivity—a rarity in the regulated cannabis industry—generating eight figures of revenue in 2022, nine figures in 2023, and ten in 2024. In several jurisdictions, we are a top tax producer, operating alongside well-known businesses such as Chevron, McDonald's, and Safeway in providing the most significant revenues to the city.

In fact, in 2023, Embarc's founders were named in Forbes' 42.0 list, a recognition of entrepreneurial brands and people revolutionizing the industry from the ground up—and bettering its chances at legalization. Forbes interviewed dozens of industry analysts, investors, entrepreneurs, executives, and business owners, studying sales data and financial documents to identify the 42 entrepreneurs and leaders who are paving the way.

In part, our success can be attributed to active engagement with

local community groups and non-profit organizations, providing seven figures of local community benefit in both 2022 and 2023. We were the first cannabis company to partner with the Boys & Girls Club and have also deployed a youth drug education and prevention program with a third-party accredited curriculum through a national youth organization. With our robust proprietary data, analytics, and business insights platform, Embarc has established itself as a leading provider of compliant and reliable cannabis across California, thanks to exceptional Standard Operating Procedures (SOPs) and vast experience in the market, both of which are used to continuously refine and optimize the business.

Detailed information about each of Embarc's operational businesses is provided on the following pages. Due to spatial constraints, copies of DCC licenses are available upon request.

Operational Legal California Cannabis Businesses

Owners Lauren Carpenter and Dustin Moore have ownership of and/or operate the following operational cannabis businesses:

Business Name	State License Number	Address	Operational For
Embarc Tahoe LLC dba Embarc Tahoe	C10-0000695-LIC	4035 Lake Tahoe Blvd, South Lake Tahoe, CA 96150	4 years, 4 months
Alameda Patients Group LLC dba Embarc Alameda	C10-0000774-LIC	1616 Webster St, Alameda, CA 94501	3 years, 8 months
Embarc Martinez LLC dba Embarc Martinez	C10-0000786-LIC	3503 Alhambra Ave, Martinez, CA 94553	3 years, 7 months
Embarc Events LLC	CEO14-0000067-LIC	N/A	3 years
Responsible and Compliant Retail Fairfield LLC dba Embarc Fairfield	C10-0000939-LIC	180 Serrano Dr Suite A, Fairfield, CA 94533	2 years, 8 months
Responsible and Compliant Retail Blackstone LLC dba Embarc Fresno	C10-0001096-LIC	4592 N Blackstone Ave Suite 103, Fresno, CA 93726	2 years, 3 months
Embarc Sacramento LLC dba Embarc Sacramento	C10-0001168-LIC	6233 Mack Rd, Sacramento, CA 95823	1 year, 11 months
Responsible and Compliant Retail Redwood City LLC dba Embarc Redwood City	C10-0001213-LIC	1870 Broadway, Redwood City, CA 94063	1 year, 8 months
Responsible and Compliant Retail Chico LLC dba Embarc Chico	C10-0001236-LIC	185 Cohasset Rd, Chico, CA 95926	1 year, 6 months
Responsible and Compliant Retail Ventura LLC License dba Embarc Ventura	C10-0001372-LIC	1890 E Main St, Ventura, CA 93001	1 year, 1 month
Responsible and Compliant Retail Tracy LLC dba Embarc Tracy	C10-0001397-LIC	2706 Pavilion Pkwy, Suite 110, Tracy, CA 95304	10 months
Embarc Meyers LLC dba Embarc Meyers	C10-0001398-LIC	3008 Us Highway 50 S Lake Tahoe, CA 96150	9 months
Indio Responsible and Compliant Retail LLC dba Embarc Indio	C10-0001414-LIC	45835 Towne St, Indio, CA 92201	9 months
Fontana Responsible and Compliant Retail LLC dba Embarc Fontana	C10-0001432-LIC	9132 Sierra Ave, Fontana, CA 92335	6 months
1784 Shaw Retail LLC dba Embarc Fresno	C10-0001442-LIC	1784 W Shaw Ave, Fresno, CA 93711	5 months
Responsible and Compliant Retail Madera LLC dba Embarc Madera	C10-0001447-LIC	530 East Yosemite Ave, Madera, CA 93638	5 months
San Bruno Responsible and Compliant Retail LLC dba Embarc San Bruno	C10-0001498-LIC	120 El Camino Real, San Bruno, CA 94066	Opening Mid-November 2024

California Cannabis Businesses in Development

Owners Lauren Carpenter and Dustin Moore have ownership of and/or will operate cannabis businesses in the following jurisdictions where Embarc's operations and permits are currently in development:

- County of Contra Costa
- City of Hanford
- City of Manteca
- City of Monterey
- City of Riverside (three locations)
- City of San Luis Obispo
- City of Stockton

Owner's Biographies

Lauren Carpenter – Owner & Chief Executive Officer

A Prolific Leader with a Proven Track Record of Cannabis Operations that Put Communities First

- 15 Years of Business Experience
- 7 Years of Cannabis Experience (Since Legalization in 2018)

Lauren has 15 years of private sector leadership experience in highly regulated industries, including energy, education, technology, food and alcohol, retail, and now, cannabis. She is a prolific team builder who has led key strategic efforts for some of the most diverse and successful business coalitions and campaigns in California, including for more than a dozen Fortune 50 companies.

Lauren executed all aspects of robust government, public, community, and regulatory affairs campaigns, from developing legislative and regulatory programs to implementing political campaigns in support or opposition to statewide and local ballot measures on business issues. She managed campaign budgets of tens of millions of dollars and led statewide teams across public opinion research, political strategy, issue advocacy, coalition building, and earned and paid media efforts. These experiences honed her leadership skills, working with and for teams in the private and public sectors. This diverse experience includes bridging the gaps between private industry and labor unions, working collaboratively on Project Labor Agreements and Collective Bargaining Agreements throughout the State, and developing coordinated workforce development programs focused on both existing employees and increased access to STEM education for youth.

After nearly a decade, Lauren transitioned from traditional business to cannabis, excited at the opportunity to shape a burgeoning industry after witnessing her husband serve as the day-to-day campaign manager for Prop. 64. Lauren saw this as an opportunity to leverage her government, public, and community affairs expertise to help the industry transition into a new and more transparent. Since that time, she has driven high-level strategic action for some of the largest and fastest growing cannabis retailers in the world.

Lauren served as Director of Government Affairs for Western States for MedMen, one of the world's largest vertically integrated cannabis operators, where she was responsible for political, government, public and community affairs strategies at the State and local levels across the Western United States. In this role, Lauren worked with governments throughout California and across the country to

implement responsible cannabis regulations—expertise she continues to leverage today.

Lauren then served as Chief Strategy Officer for Los Angeles-based cannabis retailer Sweet Flower, where she was responsible for creating and executing corporate strategic initiatives across community, regulatory, political, and business arenas. As part of a five-person team, Lauren engaged in the operationalization of retail assets in Los Angeles while honing the company's licensing strategy, community engagement programs, and government affairs platform. This experience at a start-up contrasted dramatically with her experience at the world's largest cannabis company, providing unique lessons learned by transitioning the company from aspirational to operational.

These experiences provided invaluable insights into what works, what does not, and where operators are still struggling to bridge the gap between cannabis and community. Lauren then had the opportunity to join forces with her decade-long mentor in launching Embarc Tahoe, and since that time, has drawn upon her diverse experience in the two areas most vital for Embarc—working with government and operating cannabis retail businesses at scale to launch and grow Embarc in communities throughout California. Lauren is responsible for Embarc's cannabis retail and delivery business, driving the long-term strategic growth of the company and working closely with local partners in every community to deliver on the promise of community-oriented cannabis. Her understanding of policy and government are critical to her role, given the tremendous role local and State regulations play in governing the business.

Lauren's belief in Embarc is rooted in her value system and prioritization of community betterment. Embarc has made a significant economic impact in communities throughout California, with seven figures of investment and thousands of volunteer hours with partner organizations that are doing vital work to shape their communities. It is this track record of true partnership that drives Embarc's operations.

As the founder, owner, and Chief Executive Officer at Embarc, Lauren is a hands-on leader who plays a crucial role in the Embarc's day-to-day operations. She is responsible for making major corporate decisions, managing the company's overall finances, allocating resources effectively, and overseeing teams and processes. Lauren maintains transparent communication with municipal leaders and vital stakeholders to ensure ongoing compliance and strong relationships.

Lauren's leadership style is marked by frequent interactions with employees at every level, ensuring efficiency in compliance, human resources, and financial performance. Her active participation in Community Advisory Board and staff meetings underscores her dedication to Embarc's communities and teams. In operational

management, she is deeply involved in all aspects of Embarc's stores, from planning to execution, including community engagement, financial oversight, and strategic growth. Collaborating closely with senior management, Lauren ensures high standards throughout the company and plays a key role in human resources, fostering an inclusive work environment. Her involvement extends to maintaining brand partnerships, overseeing marketing strategies, and conducting regular meetings with store management, highlighting her commitment to Embarc's success and her role as a proactive leader.

In addition to her leadership in cannabis retail operations, Lauren co-founded Embarc Events, a trailblazing cannabis concessionaire responsible for integrating cannabis sales and consumption into some of California's most iconic events. Embarc Events has played a pivotal role in safely introducing cannabis at large-scale public gatherings, collaborating with major festivals such as Outside Lands in San Francisco, BottleRock in Napa, Cali Roots in Monterey, and the California State Fair in Sacramento. Since 2021, Embarc Events has served as the official cannabis concessionaire for Outside Lands, seamlessly integrating cannabis through Grass Lands, a designated cannabis area within the three-day music festival attended by over 200k people. In 2024, Embarc Events further solidified its expertise by spearheading the introduction of onsite cannabis sales and a consumption lounge at the California State Fair for its 17-day run. Notably, this marked the first time in the history of state fairs that cannabis sales and consumption were allowed. Embarc's founders were instrumental in creating the regulatory framework that made this milestone possible. In addition to these offerings, the annual educational cannabis exhibit and the California Cannabis Awards highlighted the evolving role of cannabis in California's agricultural landscape, making it a historic and groundbreaking moment for the industry. By partnering with State and local authorities, Embarc Events ensures that cannabis offerings are presented responsibly, with a focus on safety, education, and community engagement. These efforts demonstrate how cannabis can coexist harmoniously within mainstream events, generating economic benefits while aligning with public health and safety standards.

Lauren holds a Bachelor of Public Policy and History degree from the University of California Santa Barbara.

Dustin Moore – Owner & Chief Compliance Officer

Responsible for Legalization—and Now Navigating the Landscape He Created

- 15 Years of Business Experience
- 10+ Years of Cannabis Regulatory Experience
- 7 Years of Cannabis Operational Experience

Dustin has been a driving force behind California's efforts to legalize and regulate commercial cannabis for a decade. In 2011, while

working for the Speaker of the California Assembly, Dustin developed legislation for medical cannabis regulations that served as the foundation for the regulatory framework in place today. In 2014, he began working to develop and ultimately served as Deputy Campaign Manager for Prop. 64, the successful ballot measure that legalized adult use cannabis in California. No one is more familiar with Prop. 64's language and intended implementation than Dustin.

After Prop. 64 passed overwhelmingly in 2016 and having developed unrivaled expertise about how to effectively regulate the cannabis industry, Dustin began working with local, State, national and international jurisdictions to assist in developing and implementing their regulatory and licensing programs, including in Canada, Mexico, and municipalities throughout California. Dustin is regarded as a subject matter expert whose advice and experience are sought by both the private and public sectors nationally and internationally. Dustin worked with Canada to develop their testing regulations and served as an advisor to the Mexican Senate in the development of Mexico's legalization legislation. He has served as Executive Director and Board Member of the International Cannabis Farmers Association and is a member of the State of California's Track-and-Trace Advisory Committee.

True to the intent of Prop. 64, Dustin specializes in policy development that prioritizes public health and safety. After nearly five years of cannabis policy development, Dustin became a founding partner at Axiom Advisors, the State's leading strategic consulting firm providing business and compliance services to professional cannabis associations, cannabis manufacturers, distributors, testing labs and retailers. The firm is responsible for managing compliance for more than 200 commercial cannabis license holders in California, including over three million square feet of licensed cultivation. Dustin is a highly regarded subject matter expert at countless cannabis events, panels, discussions, and conferences across the country.

Dustin's activism and volunteerism are a testament to values he believes are foundational to the spirit of the industry, starting when Dustin was engaged to assist in the drafting and passage of Prop. 64. Prop. 64 represents one of the largest systematic efforts in history to address the wrongs of the failed War on Drugs on low-income communities and communities of color. Prop. 64 enacted meaningful sentencing reform to expunge records for cannabis offenses and to provide significant funding for communities most harmed—a testament to his commitment to social equity.

Another critical component of creating equity in the industry is to ensure that small farmers do not get left behind. Dustin served as the volunteer Executive Director of the International Cannabis Farmers Association; a Northern California-based advocacy organization focused on creating equitable opportunity for California's small farmers. Finally, given his father has been a medical patient

for decades, Dustin serves on the State of California's Track-and-Trace Advisory Committee, ensuring that only safe, tested products are available in the legal market.

As Chief Compliance Officer at Embarc, Dustin is responsible for developing, implementing, and refining Embarc's compliance trainings, programs, policies, procedures, and technologies. He works closely with leadership and all staff to maintain ongoing compliance with local and State regulations. In addition, Dustin trains managers on regulatory and compliance requirements, fostering a culture of compliance throughout all levels of the Embarc team. Leveraging a decade of relationships, he creates operational efficiencies across Embarc's supply chain, technology, and brand partnerships. Furthermore, he oversees and coordinates with team members to ensure retail facility designs, site plans, and corresponding SOPs reflect all laws, regulations, and requirements.

Alongside Lauren, Dustin co-founded Embarc Events, a leading cannabis concessionaire responsible for integrating cannabis sales and consumption into large-scale public events across California. Drawing on his deep expertise in compliance, licensing, and public policy, Dustin has been instrumental in collaborating with the DCC, municipal authorities, and event organizers to bring cannabis experiences to life safely and effectively. His understanding of regulatory frameworks ensures that these events meet strict health and safety standards while aligning with State and local laws. Dustin's leadership has driven Embarc Events' success at high-profile events like Outside Lands, BottleRock, Cali Roots, and the California State Fair. Since 2021, Embarc Events has seamlessly integrated cannabis into Outside Lands through the designated Grass Lands area. In 2024, Dustin played a pivotal role in launching onsite cannabis sales and a consumption lounge at the California State Fair—a groundbreaking moment in the showcasing of cannabis as part of California's agricultural landscape. Through his extensive compliance background, Dustin ensures that Embarc Events operates responsibly, balancing public education, safety, and community engagement. His expertise helps demonstrate how cannabis can complement major events while generating economic benefits and maintaining a strong focus on public health and safety.

Dustin holds a Bachelor of Science degree in Political Science from the University of California Santa Cruz. He also completed Public Policy coursework at the University of Southern California, Price School of Public Policy in Sacramento.

Leadership & Key Team Members

Although the prompt specifically asks for the experience of owners of the business, it is important to briefly touch on the robust corporate infrastructure that developed and continues to refine tools, processes, procedures, and resources for our Embarc retail teams. Embarc's team plays an important role in ensuring our local teams have the support and accountability they need to run the day-to-day components of the business. As such, and in deference

to spatial constraints, brief resumes for key corporate infrastructure are included below.

Jeff Kirwan – Chief Operating Officer

Unparalleled Leadership: 30+ Years of Retail Mastery Meets Cannabis Innovation

30+ Years of Scaled Retail Experience, 7 Years of Cannabis Experience

- Over 30 years of national and international retail experience, holding executive positions at industry-leading companies like The Gap, Old Navy, and Target.
- Served as CEO and Global President of the Gap Division at The Gap, Inc., leading a global team of 45,000 employees and managing the brand across multiple channels and geographies.
- Instrumental in Gap Inc.'s expansion in Greater China, overseeing all brands and channels in mainland China, Hong Kong, and Taiwan, resulting in over 100 stores across 25 cities within just four years.
- Founding member and board member of HERBL Distribution, formerly California's largest full-service cannabis distribution company.
- Chief Operating Officer for Embarc, overseeing retail operations, driving growth strategies, and upholding quality standards across the organization.
- Pivotal in operationalizing new stores for Embarc and securing suitable brand collaborations, leveraging his extensive network within the California supply chain.
- Holds a Bachelor of Arts degree in Business Communications from Rhode Island College and a Master of Business degree, focusing on Human Resource Management, from the University of Maryland.
- Actively engages with numerous nonprofit organizations and encourages employee volunteerism, demonstrating a strong commitment to community support and making a positive impact.

Tessa O'Dowd – Chief Financial Officer

Financial Strategist Driving Growth, Operational Excellence, and Compliance in Regulated Markets

17 Years of Financial Experience in Regulated Markets, 5 Years of Cannabis Experience

- Over 21 years of financial management experience, with 17 years in highly regulated industries, including wine and cannabis.
- Served as CFO at Plus and Lowell Farms, focusing on financial planning, reporting, compliance, and raising capital for expansion. Played a pivotal role in aligning financial strategies with operational goals in fast-paced cannabis markets.
- Led financial operations at Bare Snacks, collaborating closely with supply chain teams to drive efficiencies, manage audits, and ensure regulatory compliance.

- Developed financial systems at JUSTIN Vineyards and Winery and Cameron Hughes Wine, managing accounting processes and cost accounting, essential to winery operations.
- Holds a Bachelor of Science in Business Administration (Human Resource Management) from California Polytechnic State University and a Master's in Business with a specialization in Accounting from Keller School of Management.
- Proven track record in leading financial operations, managing compliance and audits, overseeing HR functions, and driving operational efficiency across multiple industries, including cannabis and wine.

Jason Pitts – President of Supply Chain

Decades-Long Operational Leader with a Laser Focus on Scaling Retail and Driving Results

20 Years of Scaled Retail Experience, 5 Years of Cannabis Experience

- 20 years of national and international experience in supply chain and operations with established global brands and start-up companies in emerging industries, including Williams-Sonoma, Gap, Restoration Hardware and Procter & Gamble.
- Served as Vice President of Buying and Inventory Management at HERBL Solutions, formerly California's largest full-service cannabis distributor, where he was responsible for managing an annual inventory budget of over \$300 million across 30+ brand partners.
- Created and led HERBL's retail solutions division, providing inventory management, assortment planning, business analysis, and space planning consulting services to licensed cannabis retailers.
- As President of Supply Chain at Embarc, drives results through his expertise in retail solutions and inventory management.

Eric Lightman – General Counsel

Prolific Legal and Strategic Leader with Retail Cannabis Experience Scale

5 Years of Cannabis Experience

- Serves as General Counsel for Embarc's growing footprint.
- Served as Vice President of Legal and General Counsel at the Shryne Group ("STIIIZY") where he developed and scaled legal, operational, and risk management infrastructure for one of the nation's leading cannabis brands.
- Brings a track record of hands-on leadership, in-the-trenches development, and sound business strategy through scale to Embarc, where he oversees legal, risk management, and regulatory affairs in much the same capacity.
- Oversaw legal, risk management, and regulatory affairs for Shryne, including day-to-day operations, social equity programs, regulatory and compliance, licensure, community benefits and outreach, risk management, mergers and acquisitions, financing transactions, in and out of State expansion efforts, real estate financing, litigation, and business development.

Courtney Zalewski – President of Brand & Marketing

Industry-Leading Brand Builder with Responsible Cannabis Marketing Expertise

9 Years of Cannabis Experience

- President of Brand and Marketing at Embarc overseeing all brand initiatives and marketing for its existing and planned retail cannabis locations.
- Co-founder and managing partner of The Cannabis Café, the nation's first fully licensed cannabis consumption space and restaurant, overseeing all aspects of the business from capital fundraising, build-out, design, and day-to-day operations.
- Developed comprehensive SOPs for sales and consumption, ensuring the Cannabis Café operated smoothly, compliantly, and profitably.
- Former Vice President of Product and Design at Lowell Herb Co., one of California's most recognized cannabis brands, responsible for managing and executing all aspects of the brand, including marketing, branding, packaging, and product development based on sales data and industry trends.
- Co-founder and owner of a creative studio dedicated to the cannabis industry, working with several top-selling brands in the State and the country, advising on brand development, strategy, marketing, packaging, and product development.

Terri Gilles – President of Development

A Proven Builder of Dispensaries, Teams, Cultures, and Communities

5 Years of Cannabis Experience

- As President of Development at Embarc, Terri oversees the development and execution of all Embarc dispensaries.
- With two decades of experience in high-growth start-up companies ranging from sports to technology to cannabis, Terri brings a proven track record in developing and maximizing operations and efficiency.
- Prior to Embarc, Terri served as Chief Operating Officer at Sweet Flower, a Los Angeles-based cannabis retailer, where she transitioned the company from aspirational to operational, hiring and managing leadership and retail teams and building operational processes.
- Terri's expertise in physical buildouts, team building, and company growth has made her a valuable asset to Embarc, where she joined in its earliest days to build the company's physical, operational, and cultural infrastructure.

Freddy Cameron – Head of Stores & Retail Operations

26 Years of Retail Experience, 2 Years of Cannabis Experience

- Oversees Embarc's global retail team, ensuring operational excellence, compliance, and enhanced store performance across multiple locations.
- Former Senior Director of Retail Operations at Cookies, managing store operations for one of California's top cannabis brands.

Also led operations at Natural Hemp Co., focusing on supply chain, distribution, and product development.

- Nearly 15 years at Costco, culminating as Regional Director of Operations, and four years as Director of Operations at Sam's Club, driving profitability, efficiency, and talent development.
- Successfully opened new stores and standardized retail operations at Pressed Juicery, bringing innovations to improve customer experience and operations.
- Advisory Board Member for Diaspora Groceries, a social initiative focused on empowering communities through sustainable, healthy food access.
- Holds an MBA in Business Administration and a Bachelor's degree in Business from American Public University, graduating with honors and multiple academic distinctions.

Kevin Schmidt – Head of Regulatory Affairs

10 Years of Cannabis Policy Experience & 5+ Years of Cannabis Operational Experience

- Kevin is a fourth-generation public servant, equipped with the institutional knowledge required to navigate California's complex political and regulatory landscape.
- Served for five years as Policy Director for then-Lieutenant Governor Gavin Newsom, spearheading the Blue Ribbon Commission on Cannabis and serving as a senior advisor to the Proposition 64 campaign.
- Founding partner of the leading cannabis compliance, regulatory, and political consulting firm in California.
- Developed deep relationships within the cannabis industry and California government, critical to his role as Head of Regulatory Affairs for Embarc.

Devon Wardlow – Vice President of Public Affairs

5 Years of Cannabis Experience

- Brings over a decade of public affairs experience at federal and local levels to her role at Embarc.
- Served in the Obama Administration's White House Business Council and advanced technology policy with Facebook and Lyft.
- Expertise in navigating complex regulatory, policy, and community impacts and opportunities related to emerging industries.
- Served as Director of Public Affairs for Coastal Dispensary, leading the company's political and expansion strategies throughout California's cannabis industry.
- Committed community steward, serving as a Santa Barbara City Planning Commissioner and active volunteer for various political and philanthropic causes in the region.

Ivy Merriman – Director of Partnerships & Procurement

10 Years of Cannabis Experience

- Brings over a decade of operational experience and leadership as a subject matter expert in California's cannabis industry.
- Expertise includes operational management, product procurement, marketing and promotional activities, retail merchandis-

ing, inventory management, and compliance and regulations.

- Previously worked for cannabis brands including Brite Labs, Friendly Farms, and Urbana.
- Has led sales teams, conducted staff education, implemented strategic sales systems, and maintained quality control across the California supply chain.
- Unparalleled knowledge and network across California's cannabis industry, ensuring best practices and compliance are at the forefront of Embarc's operations.

Manisha Marquez – Director of Human Resources

14 Years of Business Experience & 3+ Years of Cannabis Experience

- Boasts an impressive decade-long career in human resources and management, including roles as the Director of Human Resources at Avitek Recruit and various positions at HCRC Inc Skilled Nursing.
- Demonstrated expertise in staffing, recruiting, retention, compensation, benefits, performance management, and regulatory compliance.
- Transitioning to the cannabis industry, she served as the Director of Human Resources at Perfect Union, managing HR operations across multiple states and overseeing a union workforce of over 350 employees.
- Led the implementation of competitive compensation, benefits, performance appraisal systems, employee incentive programs, and the WURK human resources information system (HRIS) across all entities.
- Significant contributions include negotiating Collective Bargaining Agreements, fostering partnerships with UFCW locals, and enhancing talent management, organizational effectiveness, employee benefits, and HR compliance in the cannabis sector.

Matthew Carroll – Head of Security

To avoid redundancy, please see Matthew's biography and relevant qualifications as part of the Section C – Security Plan included in this proposal.

2. CANNABIS INDUSTRY KNOWLEDGE

Describe the owner and/or team's overall knowledge of the cannabis industry, including identification of how industry best practices and State regulations have been incorporated in existing/prior legal businesses outside the City of Santee.

Embarc's extensive experience in the California cannabis industry is evident through our current operation of **15 licensed cannabis retail storefronts** across the State, along with our active expansion to nearly a dozen more locations. This success reflects our deep understanding of and proficiency in navigating the State's complex cannabis licensing framework. Our track record is demonstrable. Across these California communities, we have consistently been the first or among the first of our licensing cohort to initiate operations, often months or even years ahead of other license recipients.

Our team's capability is demonstrated by our foundational role in the cannabis sector and by our team's pivotal involvement in the drafting and passage of Prop. 64, which legalized cannabis in California. Our unique combination of regulatory and operational expertise positions us distinctively. We bring a comprehensive understanding of the industry, from legislative inception to practical implementation, ensuring that Embarc remains at the forefront of compliant and successful cannabis business operations.

While many of today's cannabis operators have participated in the regulatory development process either through lobbying or by providing public comment during the State's development of regulations, no team brings our unique combination of regulatory expertise in setting the foundation for legalization, writing and passing the law that legalized cannabis, and then working collaboratively with State agencies and local governments to ultimately further define and implement adult use cannabis in California.

After undertaking this policy development, team members then spent approximately two years founding, operating, leading, managing, and advising dozens of licensed commercial cannabis businesses across cultivation, manufacturing, testing, distribution, retail, delivery, events, on-site consumption, and technology to gain lessons learned from these first movers. Embarc was born out of these collective experiences and continues to be optimized and professionalized through our team's deep bench of traditional business experience. It is this combination that makes our team uniquely equipped to operate effectively in today's market.



Legalized Adult Use

Embarc's team members helped architect California's legal cannabis marketplace. Highlights of this experience include:

- Worked for then-Lieutenant Governor Gavin Newsom during the policy development of the Blue-Ribbon Commission on Cannabis, which led to the creation of Proposition 64;
- Assisted in the drafting and managed the passage of Proposition 64, The Adult Use of Marijuana Act, which legalized cannabis in California;
- Developed and continue to shape the laws and regulations for cannabis in California;
- Advises local, State, and national governments on the development of cannabis regulations, including cities throughout California, and the countries of Canada and Mexico;
- Manages the compliance for over 200 cannabis licenses statewide including more than a million square feet of licensed cultivation; and
- Serve on Boards, Commissions, and Committees regarding re-

sponsible cannabis, including California's Track-and-Trace Advisory Committee.



Lessons Learned

Embarc was built on a foundation of real-life experience. Through operating our own businesses and helping dozens of cannabis companies navigate within the regulatory framework we created, our team has a lifetime of lessons learned. Highlights of this experience include:

- Significant traditional retail experience including former CEO of The Gap who spent more than five years architecting California's cannabis supply chain via the State's largest full-service distributor;
- Former COO and CSO for fast growing retailer in Los Angeles;
- Former executives responsible for government, public, community, and regulatory affairs for some of the largest vertically integrated cannabis companies in the world;
- One of the most prolific brand builders in the cannabis industry, responsible for developing one of the State's top selling brands and executing the first legal consumption café in the country;
- Highly experienced supply chain executive with over 20 years of experience working with well-known global brands and startups in emerging industries, including California's leading cannabis supply chain distribution company; and
- Former law enforcement officer currently under contract with the cities of Dixon and Benicia Police Departments, training city staff, police, and code enforcement personnel on cannabis regulations, crime prevention strategies, crime prevention through environmental design (CPTED), and assisting with facility design review, security plan review, and both site and compliance inspections.



Optimized & Executed

Embarc's business model is informed not only by the lessons learned from operating within California's cannabis industry, but also from centuries of combined experience in traditional industries. Highlights of this experience include:



These lessons have been applied to our execution of Embarc, which brings experience operating 15 retail and delivery storefront businesses with nearly a dozen more on the horizon.

Industry Best Practices: Incorporating, Maintaining & Constantly Innovating

When contemplating how industry best practices and State regulations are incorporated into Embarc's existing cannabis businesses, it starts and ends with our deeply engrained compliance-based approach. As highlighted throughout our business and operating plans, compliance is the foundation of our operations and the lens through which industry best practices are evaluated, implemented, and continuously strengthened to meet evolving regulatory landscapes and marketplace needs.

During the early development of Embarc's business model, we applied our experience creating and refining the State's policy framework, statute, and regulations as core pillars. We are proud of the strong partnerships we have cultivated with the municipal governments in which we operate. But it is challenging to adequately detail how hundreds of pages of regulations are encapsulated into operations beyond providing significant information on how policies and day-to-day operational procedures are developed and implemented.

It is best summarized as an ethos: Embarc relies on a dedicated, passionate, and engaged team, working together in pursuit of a common goal, to continuously evolve. We are reimagining the cannabis experience of yesteryear by sparking joy and eliciting

curiosity in customers and patients. We live our values by being willing to learn and grow. We approach each day with a receptiveness to what this industry, and our communities, have to offer, and seek to integrate that growth into our operations to be better tomorrow than we are today.

Given cannabis is still an ever-shifting landscape, the best indicator of our ability to incorporate best practices is our willingness to listen and learn from those around us as we demonstrate through action how cannabis can benefit communities. This effort is continuously driven by our compliance and regulatory teams, which provide a critical feedback loop to inform our operations. As just a few examples:

- After significant internal discussion and stakeholder engagement, the State modified packaging requirements for cannabis goods. Given our team's extensive involvement in regulatory modification, we had already had discussions with the State's largest cannabis distributors to prepare for this change and had developed and deployed an SOP within 48 hours of release of the new regulation. It is because of our acute knowledge and ongoing engagement with California's governing regulatory agencies that our team can predict, adjust, and adopt policy changes in a compliant and expedient fashion.
- California approved emergency regulations requiring retailers to display quick response codes (QR codes) in the front window of the licensed premise. We worked in partnership with regulators to develop informed policy and are proud to be one of the first operators in the State to comply with the regulation we helped define.
- While California regulations require full inventory reconciliation every 30 days, Embarc's internal policy requires rolling daily reconciliation and bi-weekly full inventory counts as an industry best practice. This dramatically increases our management of inventory on hand and ensures we are not only compliant but also exceptionally responsible as it pertains to onsite cannabis goods.
- While many operators are cash only, Embarc is fully banked and accepts compliant electronic payment to dramatically reduce our amount of cash on hand. This industry-best approach, coupled with nearly 20 pages of cash handling and management procedures, are far more detailed than other operators.

PROMISES MADE, PROMISES KEPT: INDUSTRY BEST PRACTICES

Perhaps our most prolific example of implementing best practices into our operations is our exceptional currency management. As a result of this best practice, all Embarc locations are fully audited annually by a third-party audit provider. Few cannabis companies expend the resources on (or have the capability to withstand) this level of financial scrutiny—demonstrating the importance we place on transparency, accountability, and responsible operations.

Embarc's Proven Best Practices

Operational compliance requires a feedback loop between store-level teams and our compliance and regulatory affairs infrastructure, as well as easy to use tools for store-level ongoing compliance. This is encapsulated in Embarc's industry-leading best practices, perfected over decades of collective operational experience at some of the State's most respected dispensaries, along with input from our team who have been responsible for more than 2,000 retail stores across the globe, and valuable lessons learned from successfully operating Embarc's current retail footprint.

These practices are integrated into Embarc's SOPs by utilizing Simplifya, the foremost cannabis compliance software provider in the world. By leveraging the expertise of our industry-leading team and combining it with preeminent cannabis compliance software, we ensure each section of our SOP is comprehensive, easy-to-use, and scalable.

Best practices and operating procedures are contained in our business plan, operating plan, employee handbooks, employee training program, and numerous other resources. There are over 450 pages of material specific to Embarc's best practices, policies, and procedures. These proven practices continue to evolve through collaboration, innovation, and lessons learned through existing operations. It is our deep understanding of the need for honest, trusted leadership in the emerging legal cannabis industry that fuels Embarc's dedication to regulatory compliance, and it is this leadership that will deliver a safe, equitable, and participatory local cannabis business in Santee.

Compliance as a Lived Value - Implementing State & Local Regulations

A cornerstone of effectively managing the day-to-day operational requirements of a commercial cannabis business is integrating compliance as a lived value. Embarc Santee's operational plan has been designed to comply with the State's laws and regulations pertaining to commercial cannabis activity, as well as City of Santee Ordinances, Resolutions, Santee Municipal Code (SMC), and all other applicable local laws and regulations. It serves as a realistic model of operations developed through a collaborative process that leverages the expertise of our seasoned leadership team, industry specialists, and existing cannabis operations.

Compliance requires more than memos and audits (although both are important tools in our compliance toolbox); true compliance is predicated on a commitment to continuously innovate and refine to ensure best practices are easily implemented, maintained, and become a lived value rather than simply a mandate.

Our cannabis regulatory development experience has taught us that true compliance requires a combination of skills—lawyers and regulatory experts shaping the policies, procedures, and checklists, as well as human resources and training professionals that

translate technical language into practical tools to support daily operations. As such, Embarc maintains a robust team dedicated to ensuring ongoing compliance at every level of the organization and leverages an ongoing feedback loop from the store team on what is working and where improvement is needed to continuously inform how we enhance our training, protocols, checklists, and other compliance tools to be most effective. Embarc Santee will employ the following strategies and tactics to maintain compliance:

A Holistic Approach

Detailed SOPs are developed by a six-person compliance team including the Chief Compliance Officer, Head of Regulatory Affairs, and members of the legal team. These SOPs include topic-specific guidance as well as actionable documents for use in the stores based on operational needs. The most critical component of taking a holistic approach to compliance is understanding how to translate verbose legal mandates into actionable intelligence and toolkits for our team. Key components of this holistic approach include:

- A compliance memo developed for each location specific to the business's unique needs;
- SOPs covering retail and delivery operations, including such topics as opening and closing checklists, order intake checklists, order processing checklists, and more;
- Daily, weekly, quarterly, and annual compliance checklists and audits;
- Consistent coordination between the compliance team and the store leadership team to provide additional tools and resources based on on-the-ground needs;
- Ongoing compliance audits to identify any areas where procedures need to be adjusted to meet new requirements, where confusion may occur, or where additional resources must be allocated to maintain continued compliance; and
- In-store compliance training before every store opening and during ongoing team meetings throughout operations.

Given the importance of compliance, Embarc does not take the results of compliance audits lightly. If any deficiency is identified, our compliance team will log, record, and remedy the deficiency. Within 48 hours of any identified deficiency, the compliance team will meet to discuss the circumstances of the deficiency, how it was remedied, and how it will be avoided in the future. If after this meeting the Chief Compliance Officer deems it necessary, a revised SOP will be generated and pushed to all stores effective immediately and training on the SOP will occur during each employee's next scheduled shift.

Embarc seeks to strike the balance between aggressively pursuing strict compliance with creating a safe space for the team to ask questions, suggest revisions, and otherwise feel that compliance is approachable rather than intimidating. For that reason, compliance is treated as an ongoing conversation.

Rigorous Ongoing Training & Education

To effectively implement protocols and maintain ongoing compliance given the stringent rules and regulations in place, compliance must be a lived value reinforced through consistency. Providing this consistency means implementing initial and ongoing compliance education that keeps SOPs top of mind and a lived value rather than an aspiration or a check box on a list of “to dos.”

Given the General Manager will ultimately be responsible for the day-to-day activities and performance within the store, Santee's General Manager will receive in-store training at an existing Embarc location prior to training the team and opening the store in Santee. Real world experience operating under Embarc's specific protocols and procedures is vital to living compliance rather than simply understanding it. Furthermore, members of Embarc's leadership team including operational, human resources, compliance, and training leads will attend and co-lead the new store orientation and training alongside the Santee General Manager to provide best practices based on practical experience. This breaks down barriers and facilitates information sharing among Embarc leadership, providing resources during training to improve the operationalization of the store.

Using our “Train the Trainer” approach, after the Santee General Manager is fully trained on all Embarc operations at existing locations, they will then be responsible for facilitating training for the Santee team as operations are established. All employees including management staff will complete training to ensure competency of employees for their assigned functions before operations commence, and in the case of new employees after opening, before working shifts with customers.

Initial training will include significant compliance and security training as part of the comprehensive multi-week training prior to opening a new store. Ongoing compliance education will include, but not be limited to, compliance quizzes, and weekly and quarterly re-trainings. We will maintain records showing the completion of each employee's training for a period of two years and provide such records to the City Manager or designee upon request.

Third Party Compliance Software for Self-Auditing

Our use of compliance software and self-auditing tool Simplifya as an additional resource for store leadership and staff is a critical component of maintaining compliance. This software makes mandatory audits easy to use and integrated within our regulatory and compliance structure. Successful audits are incentivized through a compliance metric tied to bonus compensation.

Ultimately, Embarc's team is unmatched in its overall knowledge of the cannabis industry, starting with serving on the team that wrote the measure and legalized adult use and subsequently architected its regulatory implementation. This

experience, coupled with work for and within dozens of licensed cannabis companies throughout California, informed the creation of Embarc and now drives its best-in-class existing operations. Embarc has implemented industry best practices and State regulations into its business model because, in many ways, our team created them, therefore using them as the foundation for our infrastructure and business model.

OWNER'S INDUSTRY INVOLVEMENT & REGULATORY CONTRIBUTIONS

LAUREN CARPENTER

INDUSTRY-RELATED PROFESSIONAL ORGANIZATIONS: Lauren sits on the Policy Committee of the California Cannabis Industry Association, dedicated to uniting and representing the industry's diverse interests in policy advocacy. CCIA plays a key role in local and State-level advocacy, striving to shape regulations that foster innovation, protect small businesses, and ensure safety. Lauren is also a member of a Cannabis Executive Roundtable specific to C-Suite executives operating profitable enterprises within the industry that offers continuous training. She also sits on the Board of Directors for a Chamber of Commerce where we operate, actively reshaping perceptions of the cannabis industry with key business and community leaders.

PARTICIPATION IN GOVERNMENT REGULATORY AGENCIES: Lauren's extensive experience actually started with an internship with the Legislature, which in turn led to nearly a decade of work with State regulatory agencies governing her efforts in the energy, education, technology, food and alcohol, retail, and cannabis sectors. This unique background and diverse experiences has equipped her with a deep understanding of regulatory compliance and government affairs. Throughout her career, she has adeptly handled various aspects of legislative and regulatory programs, demonstrating her expertise in navigating complex regulatory landscapes. At Med-Men and Sweet Flower, and currently as CEO of Embarc, Lauren's interaction with the DCC ensures operational compliance, up-to-date licensing, and adherence to the evolving regulations of the cannabis industry, and Embarc's growth is predicated on consistent work with regulators in communities across California. Her experience in working closely with regulatory bodies highlights her proficiency in maintaining compliance and her ability to adeptly respond to regulatory changes, ensuring that Embarc operates within the legal frameworks set forth by the DCC and other regulatory agencies.

SPECIFIC CONTRIBUTIONS THAT HAVE BENEFITTED THE CANNABIS INDUSTRY:

- **Forging the Way for Female Leadership:** Lauren actively engages in mentoring women in the cannabis industry, sharing valuable resources to empower women and other underrepresented populations. Her goal is to create more inclusive opportunities for these groups to achieve professional success in the emerging cannabis sector.

- **Shaping the Pathway for Compliant Events:** Lauren is also co-founder of ancillary company Embarc Events, one of the nation's preeminent licensed event organizers. In this capacity, Lauren works with local and State governments in California and beyond to develop and refine the integration of licensed and compliant onsite cannabis sales and consumption into massive global events such as Outside Lands in San Francisco's Golden Gate Park and the California State Fair. Through this venture, Lauren and her team actively shape regulatory implementation on the cutting edge of cannabis consumption.
- **Reshaping the Approach to Community Investment:** As CEO of Embarc, Lauren pioneered the establishment of a Community Advisory Board (CAB) in each community where Embarc operates. These boards, comprising local leaders and stakeholders, play a crucial role in directing Embarc's Community Investment Fund, which dedicates 1% of gross receipts to community re-investment. This innovative approach ensures that a portion of cannabis sales revenue is funneled back into local communities, fostering growth and development. This model, introduced by Lauren, has set a precedent in the industry, inspiring other operators across California to adopt similar community-focused practices. Lauren takes pride in this achievement, recognizing the positive ripple effect it has created in numerous communities throughout the State.

DUSTIN MOORE

INDUSTRY-RELATED PROFESSIONAL ORGANIZATIONS: As the former Executive Director and later a Board Member of the International Cannabis Farmers Association, Dustin has advocated for and supported small farmers in an effort to create equitable opportunities in the industry. His role on the State of California's Track-and-Trace Advisory Committee furthers his commitment to regulatory excellence, where he has advised on policy development and ensured effective tracking of cannabis products across the supply chain.

PARTICIPATION IN GOVERNMENT REGULATORY AGENCIES:

Dustin's interaction with government regulatory agencies is extensive and influential. His work includes advocating for medical cannabis legislation while working for the Speaker of the California Assembly, which laid the groundwork for today's regulatory framework. As Deputy Campaign Manager for Prop. 64, he was instrumental in legalizing adult-use cannabis in California. His advisory roles with Canada and Mexico in developing their cannabis regulations demonstrate his global impact on cannabis policy.

SPECIFIC CONTRIBUTIONS THAT HAVE BENEFITTED THE CANNABIS INDUSTRY:

Along with Dustin's involvement in Prop. 64, he also addressed social equity issues, emphasizing restorative justice for communities affected by the War on Drugs. Dustin's co-founding of Embarc Events illustrates his innovative approach to integrating cannabis sales into live events, while prioritizing public health and safety.

3. OWNERSHIP TEAM IN DAY-TO-DAY OPERATION & MANAGEMENT

Describe the involvement of the ownership team in the day-to-day operation and management of the proposed business.

Ensuring Embarc Santee's operations are rooted in our core values requires leadership from our Ownership Team as well as day-to-day engagement and coordination among ownership, leadership, and store-level teams. As such, Local Partner Dean Velasco and Embarc's entire ownership and leadership team exist in service to our retail staff, who in turn are in service to our community. This feedback loop ensures the business remains rooted in values and provides the store team with the benefit of support at scale across all components of operations, including hiring, diversity and inclusion, compliance, marketing and outreach, human resources, technology, and more.

Lauren Carpenter - Owner & Chief Executive Officer

As the founder, owner, and Chief Executive Officer at Embarc, Lauren Carpenter is a hands-on leader who plays a crucial role in the company's day-to-day operations. She is responsible for making major corporate decisions, managing the company's overall finances, allocating resources effectively, and overseeing teams and processes. Lauren maintains transparent communication with municipal leaders and vital stakeholders to ensure ongoing compliance and strong relationships.

Lauren's leadership approach includes regular interaction with employees at all levels to guarantee that compliance, human resources, financial performance, and other essential business components run efficiently and effectively. She actively participates in each location's quarterly Community Advisory Board and All Hands Staff meetings, further demonstrating her commitment to the communities Embarc serves and the teams it creates.

Lauren will be intimately involved in every aspect of operational management, from concept to day-to-day execution. She frequently visits each Embarc store and makes a point to be available to be physically present and otherwise reachable by store staff. Her responsibilities will encompass meeting with City and community leaders, attending community engagement events and open houses, overseeing the financial health of Embarc operations, and steering growth and development strategies. She will work closely with senior management to establish and maintain quality standards across the company, collaborating with the Chief Operating Officer and Head of Stores & Retail Operations to operationalize the storefront.

Lauren will also play a pivotal role in Human Resources decisions, ensuring that Embarc remains an inclusive and diverse workplace. She maintains extensive brand partnerships across the California supply chain, which drives the company's product curation ethos. In addition to reviewing and approving marketing campaigns and

materials, Lauren hosts weekly meetings with Head of Stores & Retail Operations and attends Community Advisory Board meetings and community events each month. This level of involvement showcases her dedication to the success and growth of Embarc Santee and her commitment to being a responsive and engaged leader.

Dustin Moore – Owner & Chief Compliance Officer

As Chief Compliance Officer at Embarc, Dustin Moore is responsible for developing, implementing, and refining Embarc's compliance trainings, programs, policies, procedures, and technologies. He works closely with leadership and all staff to maintain ongoing compliance with local and State regulations. In addition, Dustin trains managers on regulatory and compliance requirements, fostering a culture of compliance throughout all levels of the Embarc team. Leveraging a decade of relationships, he creates operational efficiencies across Embarc's supply chain, technology, and brand partnerships. Furthermore, he oversees and coordinates with team members to ensure retail facility designs, site plans, and corresponding SOPs reflect all laws, regulations, and requirements.

Dustin will be intimately involved in Embarc Santee's operations. He will be responsible for ensuring the store's compliance with all local and State regulations, overseeing security and safety practices, policies, and hired security personnel. Dustin will train department heads on regulatory and compliance requirements and collaborate with the Chief Operating Officer and Head of Stores & Retail Operations to ensure the facility design, site plan, and corresponding SOPs meet all legal requirements. Additionally, he will engage with legal counsel as needed for contract reviews and host regular meetings with store-level staff and leadership.

Dean Velasco – Local Partner & Community Liaison

Dean will play a crucial role in Embarc Santee's daily operations, focusing on identifying opportunities to strengthen our community relationships and impact while serving as a key member of Embarc's accountability feedback loop. As our eyes and ears in the broader Santee community, Dean will ensure that our operations generate positive outcomes, collaborating with City leaders and community partners to make Embarc Santee approachable, responsive, and attentive to any questions, concerns, or needs that may arise.

Dean's involvement in the business's day-to-day operations encompasses various responsibilities, including managing neighborhood investment efforts, collaborating with business institutions to destigmatize retail cannabis and integrate it into the local commercial sector, and maintaining accessibility and transparency.

Ultimately, Dean will work closely with our leadership and store management teams to ensure Embarc is a genuine partner to both the City and the community. Dean will serve as Embarc Santee's Community Liaison, working alongside the General Manager once

the position is filled. In this capacity, he will be responsible for outreach and communication with the surrounding community, including neighborhood residents and nearby businesses. Together with the General Manager, Dean will be available to address and resolve complaints and respond to emergency operational issues or concerns related to the cannabis business, and ensure the accountability of Embarc's Neighborhood Compatibility Plan.



SECTION E: NEIGHBORHOOD COMPATIBILITY PLAN

Embarc believes operating a cannabis business is a privilege and not a right and that a successful business model is predicated on the ability to consistently engage the community to ensure transparency, integrity, and collaboration. By putting the community first, Embarc ensures a positive relationship with the City, local leaders, and the neighborhood, ultimately allowing us to participate in—and give back to—the community in meaningful ways.

Our commitment to earning the community's trust is embodied in ways large and small, from neighborhood benefits and volunteerism to empowering community members to provide feedback and direction on our operational model through our Community Advisory Board.

Based on our experience operating compliant retail and delivery operations in other communities, we understand the importance of proactivity in resolving potential issues before they arise and that being accessible is vital to prevent concerns from escalating to issues. Embarc has a proven approach to neighborhood engagement and responsiveness, as well as a detailed plan to prevent and/or appropriately address community concerns to prevent them from rising to the attention of the City.

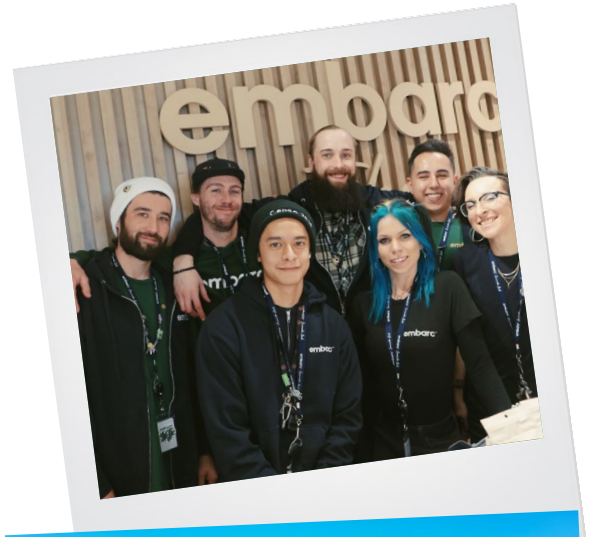
Embarc Santee will be maintained in accordance with the standards of the International Property Maintenance Code to ensure the licensed premises are safe, sanitary, and fit for occupation and use, and will utilize green business practices to ensure environmentally responsible operations.

We will proactively work with community members, neighborhood leaders, and local businesses to build a synergistic relationship based on respectful dialogue and ongoing approachability and have already identified and/or initiated meaningful partnerships that will ensure our reimagining of the proposed location serves as a net benefit to the neighborhood's health, safety, aesthetics, and economic viability, both for our proposed business and neighboring uses.

Why Santee?

At a time when many cannabis operators are racing to establish the largest national footprint by pursuing retail licenses in every community that opens a licensure process, Embarc chooses a different path. Our mission is to thoughtfully expand our presence in the emerging industry by selectively applying in communities that share our values and where we can cultivate genuine, long-lasting partnerships.

GROWING POPULATION & STRONG DEMOGRAPHICS: As a steadily growing part of San Diego County, Santee offers a suburban environment that attracts families and professionals. This demographic



provides a strong, stable consumer base for retail operations, contributing to the city's appeal.

COMMUNITY-ORIENTED ENVIRONMENT: Santee's commitment to fostering a tight-knit community, demonstrated through local events, parks, renowned recreational opportunities, and venues, makes it an ideal fit for Embarc's values. Our focus on local engagement aligns with the city's vision, ensuring our retail operation contributes positively to the community.

ECONOMIC GROWTH & DEVELOPMENT: Santee's continued investment in infrastructure, housing, and commercial projects creates a favorable landscape for new businesses. The city's proactive approach to supporting economic development makes it a promising location for growth-oriented businesses like Embarc.

THOUGHTFUL IMPLEMENTATION OF CANNABIS: The City of Santee's thoughtful and rigorous merit-based approach to cannabis licensing ensures that only the most responsible operators, who prioritize public health and safety, will be selected. By capping the number of retailers at four, the City is preventing market oversaturation and promoting sustainable business growth while maintaining high standards. The inclusion of a City-approved public outreach and youth education program further reflects Santee's commitment to safeguarding its residents, aligning directly with Embarc's values. These stringent regulations ensure that only operators who earn the trust of the community, city staff, and elected leaders will serve Santee, making this one of the key reasons why Embarc is eager to operate here.

The licensing process presents an opportunity for the City of Santee to select a partner that goes beyond the role of a mere cannabis purveyor but rather one that can genuinely maximize the benefits to this community. We are confident Embarc is the ideal choice.

The City of Santee's vision centered around "exceptional and dedicated people working together for a dynamic and progressive city where family, community, and diversity are embraced," aligns seamlessly with Embarc's core mission. At Embarc, we prioritize **accountability** by empowering our Community Advisory Board to ensure we deliver on our promises, working collaboratively with leadership to align our efforts with the community's expectations. Our **visionary** approach drives us to constantly innovate within the cannabis retail space, while our unwavering commitment to **integrity** ensures we maintain the highest ethical standards in all aspects of our business operations. Moreover, we maintain **professionalism** in every facet of our work, from the customer experience to our internal operations, holding ourselves to high standards of performance and respect. Finally, our deep **commitment** to the Santee community is reflected in every step we take—whether through local hiring, community

engagement, or promoting public safety.

From our carefully chosen location on Mission Gorge to our proposed community benefits, employee training and benefits, and ongoing neighborhood engagement plans outlined in this proposal, our commitment to Santee and its residents is unwavering and sincere.

Why Mission Gorge Road?

Our team's practical experience entitling dozens of cannabis operations in merit-based communities throughout the state has proven that location selection is critical to the viability of a proposed cannabis business. As such, prior to finalizing site selection, we undertake an extensive diligence process informed by our community listening tour and led by our executive leadership team and feedback from Community Advisory Board members and other stakeholders.

The first step in our real estate diligence process is to generate city-wide mapping to identify qualifying parcels. Our real estate team obtained a Santee parcel map and uploaded it into GIS mapping software to identify every eligible parcel in permissible zoning for commercial cannabis activity and overlay all sensitive use buffers to produce a complete list of compliant properties.

After an extensive review of all compliant parcels, we narrowed our focus to standalone buildings (to afford total control over the property) with parking and with appropriate square footage. We then reviewed all viable options with our Security Chief, Matt Carroll, to further narrow our review to properties that are most conducive to maximizing public safety. Finally, with a short list of just a few properties that met these criteria, we spoke with community members to understand where we would be most welcomed and mutually beneficial to local commerce.

As a result of these exhaustive efforts, we believe 8017 Mission Gorge Road is the most optimal site for cannabis retail in the City of Santee for the following reasons:

SENSITIVE USES: The parcel exceeds the City's 900-foot sensitive use buffer from any sensitive use—youth centers, K-12 Schools, day care operations, and parks.

MINIMAL RENOVATIONS: The size of our proposed building is adequate to accommodate our proposed operations and estimated number of customers. Its condition will require only cosmetic and operational tenant improvements rather than full construction or a major renovation. Embarc has been the first of its cohort of license recipients to open in nearly all the communities where we operate today—a testament to our ability to operationalize quickly and to our understanding that municipal revenue generation is a primary goal of these endeavors. Extensive renovations would create delays in the design, permitting, construction, and operationalization of

the business and would be antithetical to our track record of moving quickly upon award.

FREESTANDING BUILDING: The choice of a freestanding building for our proposed location is deliberate and strategic. Being the sole structure on the parcel, we are afforded complete control over the building's entire perimeter. This extends to the ability to implement customized security measures across the full property, including a robust network of surveillance cameras, advanced alarm systems, and comprehensive access control. Our Security Chief prioritizes this aspect of location selection due to the significant enhancement it provides to our site's security landscape. The standalone nature of the building enables us to build an integrated, top-tier security framework that aligns with our commitment to ensure the safety of our customers, employees, and the broader community.

SALLY PORT FOR SAFE DELIVERIES: The site features a roll-up garage door, allowing us to utilize a sally port for distribution deliveries, armored vehicle currency pick-ups, and retail delivery vehicle parking. This secure loading area with roll-up door prevents the passage of cannabis goods from the main entrance of the building and protecting this process from public view.

APPROPRIATE VISIBILITY: Our proposed location on Mission Gorge Road offers an ideal balance of visibility for a cannabis business. The location is not overly conspicuous, which could detract from the neighborhood's atmosphere, yet it remains easily accessible without posing safety concerns. This location strikes the perfect balance, making it highly suitable for a cannabis retail establishment. Together with Embarc's tasteful exterior designs, residents felt that this location would be the most appropriate for a cannabis business, ultimately benefiting the City as a whole.

Ultimately, it is Embarc's intention to be a contributing and responsible force in the community, and we are committed to ensuring that our dispensary never poses a nuisance to the neighborhood. Below we describe specific strategies, procedures, and equipment to ensure just that.

1. PROACTIVE STEPS TO AVOID BECOMING A NUISANCE OR HAVING NEGATIVE IMPACTS

Describe how the business will take proactive steps to avoid becoming a nuisance or having negative impacts on its neighbors or surrounding community. Additionally, describe how the business will react and respond to complaints specifically related to noise, light, odor, public consumption, loitering, littering, and vehicle and pedestrian traffic, including the business's plan for the use of social media to monitor and respond to complaints.

Embarc's best practices are rooted in proactive steps to ensure our cannabis operations avoid becoming a nuisance or having any

negative impacts on our neighbors or the surrounding community. Embarc will proactively engage with our surrounding neighborhood to react and respond to potential complaints regarding any potential issue, including such factors as noise, light, odor, public consumption, loitering, littering, and vehicle and pedestrian traffic.

Embarc's best practices and SOPs ensure our business is a positive addition to the community and can be boiled down to three critical components—ensuring accountability and accessibility; proactively engaging the community and neighborhood; and creating tangible benefits for our neighbors.

Step 1: Accessibility & Accountability

The first step to avoiding becoming a nuisance or having negative impacts is accessibility and accountability with our neighbors and the City we serve. Embarc will provide the City and all neighboring businesses and residents within 1,000 feet (far exceeding SMC requirements) with contact information for our Community Liaison, to whom notice of any problems can be provided 24/7. Local Dean Velasco and the to-be-hired General Manager will be the Community Liaisons for outreach and communication with the community. Contact information will be posted on the facility's exterior and online. Embarc's Owners and managers will attend meetings with the Santee City Manager or their designee to discuss retail cannabis implementation-related issues.

This will ensure accessibility at all levels for the neighborhood and surrounding community. The Community Liaison will be responsible for receiving, logging, and responding to any and all complaints and inquiries.

Embarc will encourage neighbors to report any impact, real or perceived, that they experience in relation to Embarc's operations and will dedicate all reasonable time and effort to resolving any such issue to the impacted neighbor's satisfaction. This mitigation could include making a roaming Security Guard available as a means of addressing any nuisance activities perceived as attributable to Embarc's business operations. Any such assigned Security Guard will be directed to mitigate the situation to the maximum limit permitted by the Private Security Services Act. Furthermore, Embarc will encourage neighboring residents to contact our personnel prior to contacting the City.

To ensure accountability, Embarc will maintain a log of any public nuisance activity on the premises or within 300 feet of the premises. The log will include information, including but not limited to the date and time of the occurrence, the type of activity, the circumstances surrounding the activity, the identity of any persons involved in the activity, the corrective action taken by Embarc, and the Sheriff's Office number if applicable. The log will be available to the City upon request.

The inquiry will be managed by our Local Partner or General Manager depending on the nature of the issue and whether it is community

or operationally based. Our Local Partner and/or the General Manager will be responsible for the timely resolution of any issues or concerns brought to our attention.

As discussed above, Embarc's Owners, managers, and Community Liaisons welcome the opportunity to attend regular meetings at the request of the City Manager, San Diego County Sheriff, or any other relevant authority to discuss any and all issues associated with cannabis operations in Santee, and in fact, have coalesced coalitions comprised of the local cannabis operators in other communities where we operate for the purpose of providing a centralized place for the City to work collaboratively with industry.

Ultimately, our goal is to mitigate any concerns before they arise to City leadership, and we will utilize our proven policies and tactics to achieve this goal.

Step 2: Proactive Community & Neighborhood Outreach

In our experience, proactive community and neighborhood engagement is a critical step in building trust and, in turn, positive relationships with our neighbors. We appreciate the importance of proactive engagement and ongoing collaboration with the community at large and the neighborhood surrounding our facility. As such, in addition to the extensive community benefits programs detailed in Section F – Community Benefits & Investment Plan, we have also identified proactive and ongoing engagement strategies to ensure thoughtful integration of our proposed operations into the neighborhood:

NEIGHBORING BUSINESS OUTREACH: Embarc will meet with neighboring businesses to detail proposed operations and identify opportunities for potential partnerships (where appropriate, given the use type). Embarc will document these meetings and provide a record should the City seek verification regarding neighboring business outreach. As part of this outreach plan, Embarc will provide the names, telephone numbers, and email addresses of the Community Liaison to whom notice of problems associated with the cannabis business can be provided.

Additionally, once the General Manager has been hired, Embarc will solicit another meeting to facilitate an introduction and sharing of contact information between the General Manager and neighboring businesses. We have found that establishing this relationship is the single most important mechanism for managing neighbor relations, as neighbors feeling comfortable contacting us directly with issues or concerns ensures we are able to address them in real time.

OPEN HOUSES: We will host at least two open houses between receipt of the right to operate locally and the commencement of operations, designed to provide residents and other stakeholders with the opportunity to meet our owners, ask questions about our proposed operations and get a better understanding of Embarc's vision. During these open houses, we will focus on impact mitigation and community benefits and be available to answer community

questions and/or concerns. Having these direct engagement opportunities is important for addressing concerns related to operations.

One of these meetings will occur immediately prior to opening the store and will focus on those nearest to our property to afford them the opportunity to understand the myriad compliance and security measures in place governing operations. Based on our experience, this type of community outreach is essential to dispelling myths and creating awareness of how legal cannabis dispensaries operate.

INFORMATIONAL CANVASSING: Embarc will canvass to relevant community and neighborhood stakeholders and will continue to connect with residents and nearby businesses before opening to provide contact information for team members and to engage directly to answer any questions about our operational plan. Doing so helps to proactively address comments and concerns prior to opening the business.

ONGOING ENGAGEMENT: Once operational, our ownership and management team will host annual "listening sessions" where members of the community will be able to voice opinions, ask questions, and meet the Embarc team. Our goal for these sessions is to address any unforeseen concerns and to ensure we are fulfilling our obligations as a good neighbor.

Step 3: Creating Benefits for Our Neighbors

The third step in ensuring nuisance avoidance is creating and delivering tangible benefits through our operations to our neighbors and the surrounding community.

NEIGHBORHOOD SAFETY: Increased safety surrounding the facility is a positive byproduct of the immense attention to detail given to our facility's security measures. Our presence in the neighborhood comes with patrolling Security Guards, an industry-leading surveillance system with coverage extending across the entirety of the interior and exterior of the facility and beyond, and advanced alarm systems with immediate access to local law enforcement. We are confident that the extreme importance placed on facility security and safety will result in a positive impact on the safety and well-being of our neighbors. In fact, other communities located near legal cannabis facilities have seen increased property values as a result of enhanced security and beautification efforts.

NEIGHBORHOOD BEAUTIFICATION: While engaging the neighborhood is critical, we also believe in the importance of rolling up our sleeves and participating in ongoing beautification efforts. As part of our paid employee volunteerism program, detailed further in Section F – Community Benefits & Investment Plan, our staff will serve as a volunteer Street Team on beautification projects near the store, which will be informed by ongoing discussions regarding neighborhood priorities with our Community Advisory Board and neighboring businesses.

COMMUNITY ADVISORY BOARD FEEDBACK LOOP: Embarc's Community Advisory Board is comprised of prominent local community members who will help shape best practices to innovate and improve operations and mitigate any potential for complaints from citizens, customers, other businesses, and the community at large. Given the Board members' insights into this community, they will be empowered to provide ongoing feedback, guidance, and accountability for our nuisance mitigation and proactive community engagement programs. This gives residents a seat at the table in addressing business operations in real time. Given our prioritization on neighborhood integration, we will gladly reserve a seat on the Community Advisory Board for a neighborhood representative.

PARTNERSHIP WITH SAN DIEGO COUNTY SHERIFF'S DEPARTMENT: In every city where we operate, Embarc has established strong, collaborative relationships with local law enforcement, fostering trust and transparency in the emerging cannabis industry. We have set aside a non-voting seat on the Community Advisory Board for a Sheriff's Department representative, who will offer quarterly updates and insights into our business operations. However, we will initiate outreach regarding this participation only after concluding the current process. This approach has proven effective in maintaining open communication across various communities.

COMMUNITY WELLNESS EVENTS: Embarc seeks to support Santee's health and wellness industries. Through providing educational seminars and partnering on outreach, we are confident our team's knowledge and resources can benefit Santee's health and wellness industry. As further detailed in Section F – Community Benefits & Investment Plan, Embarc is committed to hosting educational events on cannabis and welcomes the opportunity to include relevant wellness partners and businesses, when appropriate, in these efforts.

ENGAGING & UPLIFTING LOCAL BUSINESSES - NEIGHBORHOOD DISCOUNT PROGRAM: Encouraging our customers to dine, shop, and enjoy other businesses in the area when visiting our store is one way to create partnerships that support and uplift existing businesses in the community. Through our Neighborhood Discount Program, Embarc will offer a 10% discount to customers with same day receipts from local businesses within a quarter mile of our location. Additionally, we have identified numerous neighboring businesses in immediate proximity for collaboration and amplification.

It is through this collaborative and proactive approach to business management, neighborhood engagement, and supporting local businesses that Embarc will ensure we do not pose a nuisance to our surrounding neighbors and are accessible, approachable, and transparent with the Santee community at large.

Proposed Good Neighbor Policy

In every community where we operate, Embarc institutes a Good Neighbor Policy specific to mitigating local concerns and modeled

to address local regulations. We have drafted proposed policies informed by the Santee Municipal Code but would also welcome the opportunity to discuss our Good Neighbor Policies with City staff to incorporate any guidance prior to finalization.

As a responsible cannabis operator, Embarc Santee must:

- Create a safe exterior environment through design and site management.
 - Provide outside lighting in a manner that illuminates the outside street and sidewalk areas and adjoining parking as appropriate, without bothering neighbors;
 - Maintain the premises and adjacent sidewalk in good condition at all times;
 - Manage parking and traffic to negate impacts to surrounding areas;
 - Prohibit double parking directly outside the premises and prohibit blocking driveways;
 - Prohibit loitering around the premises, within 100 feet of the premises, or in the parking lot;
 - Enforce appropriate customer behavior outside the facility and in adjacent areas;
 - Prohibit littering in or around the premises;
 - Prohibit the consumption of cannabis products in or around the premises and advise individuals that consuming cannabis of any kind is prohibited in public places;
 - Post notices at all public entrances to and exits from the establishment that are clear, well-lit, prominently displayed, and maintained; and
 - Direct patrons to leave the establishment and neighborhood peacefully and in an orderly fashion.
- Provide the contact information for Embarc's Community Liaisons, responsible for community relations and issue mitigation.
- Provide adequate and appropriate ventilation to ensure odor controls result in no emission of noxious odors.
 - Be a benefit to surrounding parcels;
 - Maintain the premises in a clean and orderly fashion; and
 - Instruct security to secure the premises within 100 feet of any public entrance and exit.
- Follow signage requirements to ensure compliance with local codes and provide clear information for customers and the public:
 - Business identification signage will comply with the requirements of SMC;
 - No signs will obstruct any entrance, exit, or window of the building;
 - Each entrance will have a sign clearly stating that smoking, ingesting, vaping, or consuming cannabis on the premises or adjacent areas is prohibited. The sign will not be larger than two feet by two feet;
 - Signage will only display the name of the business and will not include any logos or information that identifies, advertises, or lists the services or the products offered;
 - No advertising through sign holders or individuals on the premises or in public spaces;

- No signage depicting any images of cannabis or cannabis products, and permanent banners, flags, temporary billboards, or other prohibited signs will not be used at any time;
- At the entrance, a notice will clearly state that no person under 21 years of age is permitted to enter the premises;
- The original copy of the cannabis business permit issued by the City, as well as the City-issued business license, will be posted inside the business in a location visible to the public.
- Implement youth education and prevention strategies.
 - Provide physical infrastructure, security, and tailored SOPs to discourage, mitigate and prohibit youth access and/or loitering; and
 - Provide ongoing investment for youth drug prevention and education to be deployed through community partners.

React & Respond to Complaints

Embarc employs a protocol for addressing and responding to complaints related to its business, including any potential complaint concerning noise, light, odor, public consumption, loitering, littering, and vehicle and pedestrian traffic, among others. This protocol is critical to ensuring consistency in response and in providing the data we need to modify SOPs as needed to alleviate the likelihood of issue recurrence.

Embarc will implement comprehensive good neighbor and nuisance mitigation strategies to alleviate community concerns. Although we believe our Local Partner, General manager, and the entire retail team will prevent these issues from arising by cultivating healthy and frequent communication with our neighbors, company policy will require that any staff receiving a complaint report the concern to their manager immediately.

We understand other potential impacts may arise from normal business operations which are not currently contemplated. Should that occur, we will work closely with community members, neighborhood leaders, and local businesses to document and resolve any issue. All necessary actions will be taken to resolve a complaint, and all records of complaints will be kept onsite. Should a complaint occur, employees will be required to adhere to the following written policies and procedures:

STEP 1: DOCUMENT THE CONCERN OR COMPLAINT: Any employee receiving a complaint will first document the concern on a standardized form. The employee will record as much information as possible, including the source of concern and the length of time it has transpired. The employee will also ask for and record the individual's contact information for follow up. Employees will be trained to ensure the complainant understands that we are sympathetic to the concerns and seek to address them immediately and transparently.

STEP 2: IMMEDIATELY REPORT THE CONCERN OR COMPLAINT

Employees will be trained and required to immediately report any

concern or complaint to the General Manager, CEO, and Ownership Team by scanning and emailing the form with the subject line "FOR IMMEDIATE ATTENTION." Employees are encouraged to provide their suggested solutions and potential mitigation strategies. Once emailed, the employee is also directed to speak with the General Manager in person, or with a Store Manager if the General Manager is not available. If the issue is truly urgent, a member of our Ownership Team will be called immediately. Chief Executive Officer, Lauren Carpenter, and Head of Stores & Retail Operations, Jason Pitts, will be notified so that the team can activate in real time.

STEP 3: DEVELOP & EXECUTE A PLAN OF ACTION

Next, the General Manager and employee will develop and execute an action plan to resolve the issue. The plan will articulate, and Embarc will implement, a short-term solution to alleviate the complainant's concern as well as a long-term solution to prevent the issue from arising in the future. Long-term solutions will be incorporated into our SOPs to prevent reoccurrence and employees will be trained on the new policy within one week of the solution being implemented.

STEP 4: FOLLOW UP WITH COMPLAINANT

Our Local Partner and/or General Manager will personally follow up with the complainant to ensure the concern was adequately and efficiently resolved. During the conversation, Embarc will identify actions taken to mitigate the concern and protocols developed to prevent the issue from occurring again. Finally, we will inquire if there are any additional concerns the complainant would like rectified or if the issue was resolved satisfactorily.

STEP 5: DOCUMENT THE INCIDENT & RESOLUTION

Lastly, our General Manager or designee will create a complaint report of the incident that documents the following:

- Concern, complaint, or grievance;
- Reporting employee's information;
- Complainant's contact information;
- Action plan and resolution;
- Protocols that were implemented to prevent the issue from re-occurring;
- Follow up conversation with the complainant and their disposition of the resolution; and
- Trainings that occurred as a result of any newly developed SOPs.

Reports will be distributed to the Ownership Team and the Community Advisory Board to ensure accountability and awareness. Embarc will keep all complaint reports for a minimum of five years, unless otherwise required by law. Periodically, our ownership team will audit these complaint reports to certify the efficacy of the response and subsequent policy alterations. This report log will be available to the City upon request.

To address and respond to complaints, Embarc will operate and maintain a 24-hour landline telephone number, or hotline, at the

premises for receiving complaints and other inquiries regarding the cannabis business as well as multiple 24/7 contacts. The General Manager will be responsible for receiving, logging, and responding to these complaints and other inquiries daily, following the protocol detailed in this section. The complaints will be logged and maintained in our business records in accordance with all local and State regulations. If any Embarc owner, manager, or employee logs any conduct which raises a reasonable suspicion of a violation of local or State regulations, Embarc will report the conduct to the San Diego County Sheriff, or their designee, within 24 hours of its discovery.

Noise

Embarc Santee is taking several precautions and implementing a variety of measures guaranteed to combat and mitigate excessive noise. Embarc will never produce excessive or unnecessary noises that would detrimentally impact the public health, comfort, safety, welfare, or prosperity of the surrounding neighborhood and Santee community.

All noise producing activities, including but not limited to construction, landscaping, and motor vehicle operation, will comply with all Santee noise ordinances. No sound production or reproduction systems inside the facility will be maintained at a volume level higher than what is necessary for the convenient hearing of persons present, including receiving activities. We will prohibit the use of horns or signal devices on any of our company or employee vehicles, except as a danger signal or to give warning.

To minimize our neighborhood impact during renovation, construction activities will only occur with a special permit from the City and between reasonable or preapproved hours. The premises, including the parking lot, will be monitored under constant video surveillance, and routinely patrolled by our Security Guards to ensure no inappropriate noise is produced.

If any person or vehicle is identified as causing a disturbance or being excessively noisy, that individual will immediately be escorted off the premises and, if necessary, reported to law enforcement. We will ensure all motor vehicles on our premises adhere to appropriate sound level decibels. Motor vehicles exceeding established limits will be asked to leave the premises by our security team. Our Security Guards will also work to ensure no motor vehicle on our premises is left idling.

Light

Embarc Santee understands the community's desire for a safe and secure facility that blends seamlessly into the surrounding neighborhood, along with the ability to enjoy the night sky without obtrusive bright lights. In compliance with all regulations, the exterior of our facility, including the parking lot, will be adequately illuminated for security purposes while not posing a nuisance.

Exterior lighting will be balanced and will not result in glare on

adjoining properties. It will complement the security systems and ensure that all areas of the premises and parking areas are visible while also providing increased lighting at all entrances to the premises. The exterior lighting required will be turned on from dusk to dawn. Specific details regarding exterior light standards are further detailed in Section C – Security Plan of this proposal.

Should facility lighting give rise to a complaint, we will work to develop a compliant lighting solution that accommodates neighborhood concerns without sacrificing security. Our security, maintenance and operational teams will ensure that the electrical system and lighting comply with all applicable State and local laws, regulations, ordinances, and other requirements, are maintained in good repair, and do not present an electrical shock or fire hazard.

Odor

As cannabis is legalized across the country, significant research is being undertaken to better understand odor intensity at each point in the cannabis supply chain. These findings are integral to ensuring air quality management best practices are in place specific to each use type.

One example of the research driving the development of best practices can be seen in the City of Denver's Public Health and Environment Guide to reducing the impact of cannabis operations on air quality. Per this Guide, odor generation is typically associated with the cultivation and manufacturing of cannabis, as both processes are odor intensive, and not with retail operations given all products arrive in their final form.

California law requires that all products arrive at a retail establishment fully processed, tested, packaged and sealed in child resistant packaging. Because all products arrive at Embarc retail facilities in their final packaged form, there are virtually no odors associated with this license type. Specifically, per State law, all packaging will protect the product from contamination; be tamper evident and sealed so the contents cannot be opened without destruction of the seal; and be child resistant as stipulated by the California Department of Public Health Code (40415).

Our proposed dispensary will receive, store, and sell packaged products in their final form. Consequently, it is highly improbable that any on-site product will emit a strong odor. Nevertheless, this section contains an overview of Embarc's comprehensive Odor Management Plan designed to ensure odors are undetectable.

Embarc is committed to mitigating any odors associated with our facility and will be responsive to the odor control requirements set forth in the applicable state and local regulations. Embarc's odor mitigation practices are intended to serve the following purposes:

- To ensure that air circulation resulting from Embarc retail operations does not impact our employees' health and welfare;
- To ensure that air circulation resulting from Embarc retail oper-

ations does not impact surrounding businesses and outdoor areas; and

- To ensure thoughtful operations that demonstrate a true commitment to the health and welfare of the City and its residents.

Embarc Santee will employ industry-leading best practices to ensure regulatory compliance and nuisance mitigation regarding potential odor through a combination of high-tech air scrubbing and carbon filtration systems, negative air pressure, and other odor mitigating techniques to ensure cannabis odors are not detectable off-site. Appropriate air purification systems and air scrubbers will be utilized to prevent the odor of cannabis from emanating beyond the walls of the premises. Other odor mitigation equipment will include, but not be limited to, charcoal filtration systems.

Given spatial constraints, Embarc's full odor management plan is too lengthy to be included here. At a high level, it contemplates the following critical components:

PHYSICAL INFRASTRUCTURE: Embarc's approach to retail design contemplates the importance of physical infrastructure necessary to mitigate odors, including those outlined above. It also includes a multi-room entrance area prior to accessing the Retail Sales Area to ensure no odor associated with displays are detectable beyond our doors.

BEST PRACTICES: Embarc will employ industry-leading best practices to prevent odors from being generated and/or detected inside or outside the facility. Embarc will provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the business that is distinctive to its operation is not detected anywhere outside of the facility and will utilize carbon and charcoal filtration as appropriate to cleanse the air.

COMMUNITY ENGAGEMENT & RESPONSIVENESS: In addition to physical infrastructure designed to mitigate odors, an important component of our odor control plan is community engagement and responsiveness. While our facility is designed to eliminate odors, we recognize that any new cannabis use, even if that use is not odor-generating, can result in questions and concerns from community leaders, residents, and businesses. Thus, a critical component of our Odor Management Plan is a robust community responsiveness protocol designed to be proactive in addressing community questions and diligent in responding to concerns.

INTERNAL PROCESS OWNERSHIP: Embarc's retail management structure ensures that there is at least one manager on-site during working hours. All managers and staff are trained extensively on SOPs, including the odor management protocols outlined in this proposal. Managers are responsible for ensuring any odor issues are resolved promptly and that the resolution is communicated effectively both internally and externally.

Many of Embarc's odor mitigation practices overlap with its hygiene

protocols. Embarc will train all employees to maintain a sanitary facility reinforced by anti-contamination SOPs. Per regulations, Embarc prohibits any employee or patron from consuming cannabis within or outside our licensed facility. To further minimize or eliminate odors emitted to the surrounding community, no cannabis will be stored or displayed in an area accessible to the general public or stored overnight outside of the building.

Through our leadership team's years of operating cannabis facilities and the lessons learned at our operational locations, we have developed protocols and procedures to mitigate and eliminate any potentially offensive odors that could be detectable by the surrounding community. Thus, our administrative controls have been field-tested and proven effective. They have been designed to ensure that no odors will be detectable outside of our facility.

The General Manager will ensure all odor-producing activities are isolated and mitigated and will perform routine audits to ensure that odor mitigation equipment, filters, and ventilation are working effectively and in good order.

Each employee will be trained to ensure that all doors remain closed and odor-emitting activities are isolated. If an employee notices any equipment malfunction, he or she is required to immediately report the situation to the General Manager, who will develop a plan of action to repair or replace the equipment.

Odor mitigation practices are only as good as their implementation. As a result, Embarc's Odor Management Plan seeks to be all-encompassing, focused not only on the mitigation of odors but also on the ongoing maintenance of best practices with clearly defined process ownership, community engagement, and communications protocols. It is this level of detail that ensures effective ongoing odor management is achieved.

As a component of our proposed Good Neighbor Policy, Embarc will be responsible for the development, implementation, and maintenance of a localized Odor Management Plan. This includes maintenance of all records relating to odor management, including system installation, maintenance, equipment malfunctions, and deviations from the plan.

The General Manager will verify the effectiveness of the air quality management system weekly by physically inspecting the system by listening for the sound of the system, visually ensuring the lights are on and the system is functioning and verifying there is no odor. The General Manager will log that the system has been checked weekly in an odor control maintenance log.

If Embarc receives an odor complaint, the General Manager will:

1. Log the date, time, source, contact information and description of the complaint.
2. Within 30 minutes, the General Manager will identify the source

of the odor by physically inspecting the facility for any unpackaged cannabis product that may be emitting odor. This includes inspection of all areas of the retail premises including secure storage area and retail floor, or any other areas where cannabis products are featured or stored.

3. Upon identification of the source of odor, the General Manager will dispose of the cannabis product in a secure and air-tight waste disposal area and log the disposal in the track and trace system as well as the odor control log.
4. The General Manager will also physically inspect the odor control system, within 30 minutes of receiving an odor complaint, to ensure it is functioning properly.
5. If the General Manager identifies that the odor control system is malfunctioning, the General Manager will immediately contact the manufacturer.

The General Manager will determine if the issue can be addressed with the manufacturer over the telephone and, if not, will schedule the first available appointment with the manufacturer to visit the retail facility to physically inspect the odor control system. If the odor control system cannot be fixed, the General Manager will immediately place an order for the first available replacement part or new system.

The General Manager will immediately communicate the complaint and resolution to Embarc's executive management team via email within 2 hours. The General Manager will discuss the source of the odor complaint or issue and its resolution with the retail team at the next team meeting to develop and implement procedures to avoid a future odor complaint.

Public Consumption

Embarc has clearly defined SOPs to ensure no public consumption surrounding its facilities, which is strictly enforced by both the Security Department and retail staff.

Specifically, Embarc prohibits the consumption of cannabis or cannabis products at or on the premises, in the parking areas of the premises, within 300 feet of the premises on the public right-of-way, or in those areas restricted under the provisions of California Health and Safety Code §11362.79.

This policy is enforced by rigorous monitoring of the dozens of surveillance cameras covering every inch of our parcel as well as by onsite Security Guards who are trained to prevent consumption in or around the premises, including but not limited to regular patrol of the premises. We will post clear and legible signs advising individuals that consuming cannabis of any kind is prohibited in public places.

If someone is consuming publicly, security immediately addresses the issue with a clear directive to cease consumption. If the behavior continues, patrons are warned that they will be banned from shopping at Embarc in the future. If, after being addressed by

security, the consumption continues, Security Guards will notify the Sheriff's Department. To date, Embarc has never required law enforcement intervention regarding any public nuisance, including but not limited to public consumption.

Security Guards will be aware of customers leaving the facility because all products must leave the store in an easily identifiable exit bag. This allows Security Guards to utilize visual inspection and live surveillance camera feed monitoring to view customers exiting the facility. Because we will always have Security Guards with visual access to both our security monitors and exterior, such personnel will be aware of any individuals on our property and can respond immediately should public consumption occur.

While Embarc has control over its premises, the reality is that no operator has meaningful control of what happens beyond the four boundaries of its property. As such, we complement our rigorous onsite monitoring and protocols with public education efforts to ensure that the community's cannabis consumers are aware of where they can and cannot consume cannabis in Santee. This educational information is intended to serve as an additional deterrent to public consumption.

Finally, deterring public consumption is part of actively monitoring for, and ultimately preventing, loitering, as further detailed below. It is coupled with onsite policies and procedures, including no opening of products onsite. By ensuring customers depart in a timely manner, loitering and on-premises consumption are avoided.

Loitering

Embarc prohibits all loitering outside the facility and will notify the San Diego County Sheriff's Department if anyone continues to loiter after all reasonable actions have been taken to remove the individual(s). Embarc will post signage (in multiple languages if desired and/or warranted) noting age restrictions and the prohibition on loitering. Simply put, loitering will not be tolerated under any circumstances.

All employees will receive training and implement protocols to reduce the risk of disruptive, nuisance behavior and negative impacts on neighbors. This includes ensuring that customers immediately exit the premises upon completing their purchase.

Security and staff will be responsible for controlling patrons' conduct on the property. Security Guards will be aware of customers leaving the facility who are carrying the easily distinguishable exit bags and will monitor their exit from the premises. Because we will always have Security Guards with visual access to both our security monitors and exterior, such personnel will be aware of any individuals on our property.

If any of our neighbors or members of the community feels that loitering on our premises is posing a nuisance to the community, we welcome them to reach out to our Community Liaisons, who will seek to rectify the situation immediately. Additional protocols will

be implemented to adequately meet the community's needs.

Importantly, our Security Guards will also engage in periodic neighborhood sweeps, ensuring no littering, loitering, or other negative impacts on the neighborhood. However, in the event a member of the community is concerned with loitering, our Community Liaisons, along with Security Guards, will immediately rectify the situation in real time.

Littering

We will utilize two primary methods for litter prevention and mitigation at our retail facility. The first method is providing ample waste receptacles for customers and staff. The second is employee litter checks and hourly premises inspections.

In addition to these methods, we will adopt a strict no-littering policy for all employees and customers. Any employee who is discovered to be littering on the premises will first receive a written warning, followed by increasingly serious disciplinary actions. We believe the best tool in the fight against littering is to give our patrons and employees ample places to properly dispose of their refuse.

In the public facing portions of our facility, we will have multiple three-stream waste receptacles. These receptacles will allow customers to properly dispose of their non-cannabis waste in landfill, recycling, and compost compartments to streamline the disposal process. Similarly, Embarc will provide three-stream waste receptacles for non-cannabis waste in all back-of-house areas where only employees or authorized contractors will be present.

With ample access to proper receptacles, there will be no excuse for our employees to not dispose of waste properly. All cannabis product waste will be disposed of in compliance with all applicable State and local laws, regulations, ordinances, and other requirements and as detailed in our Waste Management Plan. In the event a neighbor or member of the community feels that litter is accumulating in or around our facility, our Community Liaisons will immediately rectify the situation.

Vehicle Traffic

Embarc Santee does not anticipate impacts to vehicle traffic, given the site's parking and thoughtful site layout. We have nevertheless considered vehicular turning movements in relation to traffic flow, proximity and relationship to intersections, adequacy of sight distances, location, and access of parking, and should impacts to vehicle traffic occur, Embarc will designate an employee to manage customer parking and traffic flow in the parking lot.

Furthermore, we will offer BOPIS (Buy Online, Pick Up in Store) promotions and other discounts to encourage patrons to visit the store during non-peak hours to reduce vehicle traffic during peak hours. This strategy aims to distribute customer traffic more evenly over time. In situations of unexpected in-store crowding, we will actively promote our online ordering system to waiting customers,

offering an express pick-up option for later in the day, thereby reducing in-store dwell time. Additionally, we will highlight our delivery service as a convenient alternative, providing customers with multiple options to access our products while alleviating congestion at the store. In the event a community member is concerned with vehicular traffic, our ownership and leadership team will immediately investigate the situation and develop a more robust response protocol.

Pedestrian Traffic

Embarc is committed to preventing and addressing any complaints related to pedestrian traffic at our facility through thoughtful design, proactive measures, and responsive customer service. Our facility has been designed to ensure efficient customer flow within the property, preventing pedestrian traffic from spilling beyond the premises or disrupting the surrounding neighborhood. Should a large gathering of customers occur, clearly delineated lines and designated waiting areas will ensure customers wait in an orderly fashion. Security guards will actively patrol the area to maintain the flow of pedestrian traffic and ensure no disturbances occur.

Additionally, our Screening Lobby includes a seating/waiting area to accommodate customers when the Sales Area reaches capacity. Our Sales Area is equipped with a well-organized queue system to guide customers smoothly through the shopping and checkout process, with employees directing customers to exit the premises promptly. Signage inside and outside the store will help maintain order, preventing overcrowding or pedestrian spillover. Should pedestrian traffic remain an issue, we will engage an additional staff member to assist in managing the flow and offer incentives such as pre-ordering promotions to encourage visits during non-peak hours.

During high-traffic periods like grand openings, holidays, or events like 4/20, we will schedule additional security and staff members to intensify foot traffic control within and outside the store. Our proactive measures, including a no-cost ticket-based system and the potential integration of virtual queuing, will further ensure that customer flow is managed efficiently, minimizing any inconvenience to the surrounding community.

In the event of a community concern, Embarc's General Manager will investigate and resolve the issue promptly. Our commitment to the neighborhood includes periodic neighborhood sweeps by security guards to ensure that pedestrian traffic does not result in littering, loitering, or other disturbances, helping us maintain a positive relationship with our neighbors.

Plan for Social Media to Monitor & Respond to Complaints

Embarc plans to leverage social media as a crucial tool for engaging with the community and addressing concerns or complaints promptly. We will actively monitor platforms like Instagram, Facebook, Google, and Yelp for feedback and neighborhood concerns,

with a dedicated team of social media managers reviewing comments, direct messages, and tagged posts on a daily basis. This real-time monitoring allows us to quickly identify and respond to issues such as pedestrian traffic, store operations, or other community concerns.

When a complaint arises on social media, our social media managers will immediately notify the General Manager or relevant team members to ensure the issue is addressed quickly. Responses will be crafted thoughtfully, ensuring respectful and professional communication that acknowledges the concern and outlines the steps being taken to resolve the situation. This approach not only demonstrates our commitment to community engagement but also helps build trust with local residents.

For more complex concerns, we will encourage individuals to connect directly with our Community Liaison and management team to ensure their concerns are fully addressed and resolved to their satisfaction. This proactive approach will help maintain a positive relationship with the community, ensuring swift and effective resolutions to any issues that may arise.

In addition to responding to concerns, we will also use social media to proactively prevent potential issues by posting regular reminders and engaging with the community. Our proactive communication strategy will include reminders about our Good Neighbor Policy, which covers parking etiquette, noise control, and respectful behavior toward the surrounding neighborhood. These reminders will be posted ahead of peak business hours, special events, or days with expected high traffic, such as holidays or promotions.

For example, we can use social media to remind customers to park in designated areas, avoid loitering, and maintain quiet as they come and go from the store. Additionally, we will share tips on how customers can use BOPIS (buy online, pick up in-store) services to reduce waiting times and manage pedestrian traffic more efficiently. By maintaining an active and engaging presence on social media, we aim to promote responsible behavior, reinforce community values, and mitigate issues before they arise.

Embarc has developed a comprehensive approach to nuisance avoidance centered around proactive business management, easy-to-follow policies and procedures for its onsite team, and meaningful outreach to the surrounding neighborhood to ensure neighbors know whom to contact with questions or concerns. This approach is driven by lessons learned from existing operations and has proven effective in real-time. We welcome feedback or input from the City and our neighbors and view this plan as a living, breathing document. We will continue to evolve and adapt as we grow and ensure our policies remain rooted in best practices as our industry evolves.

2. ENSURING CANNABIS PRODUCTS DO NOT END UP IN THE HANDS OF YOUTH

Describe the policies that you would implement, and how you would enforce these policies, to ensure your cannabis products do not end up in the hands of underage youth.

Our Commitment to Protecting Santee's Youth

In our experience, the most impactful way to address community concerns is to provide sustainable, dependable resources to educate youth both today and into the future. Embarc Santee and our trusted Community Advisory Board members are committed to providing the tools and investment needed to protect and educate Santee's next generation.

During our community listening tour, we consistently heard from residents about the vital importance of safeguarding young people from the potential impacts of cannabis businesses as they begin to establish themselves within the City. We also recognize that SMC § 7.04.460.C requires permitted cannabis businesses to develop a City-approved public outreach and educational program for youth organizations and educational institutions, which should address the risks of youth addiction to cannabis and identify resources available to young people related to drugs and drug addiction.

We wholeheartedly understand and support the emphasis both residents and the City place on protecting our youth. We believe we can make a significant, positive impact through the careful implementation of our comprehensive youth education and drug prevention programs, given we have a track record of doing so in nearly every community we serve today. We are dedicated to carrying out these initiatives throughout California, ensuring that we contribute meaningfully to the well-being of young people and the broader community.

After much research and eliciting community feedback, Embarc chose the Botvin curriculum as the most effective and engaging youth drug prevention program. Our process involved identifying a target age group, adopting Botvin's certified resources, using a cognitive-behavioral framework, and conducting workshops with stakeholders such as drug prevention specialists, law enforcement, City Council members, parents, and Unified School District members across California communities. Botvin's e-LST Middle School 1 is a scientifically backed substance abuse and violence prevention program with over 35 years of research.

We first launched the Botvin program in 2022 through the Community Advisory Board at our first store in South Lake Tahoe. The Board used funds from our Community Investment Fund to implement the curriculum for the Boys and Girls Club of Lake Tahoe, engaging local youth in meaningful discussions. The Boys and Girls Club of Lake Tahoe piloted the program for 24 fifth-graders in 10 weekly 45-minute sessions and 28 teens, primarily sixth and seventh-graders, in 12 weekly 45- to 60-minute sessions. Participants appreciated

learning about managing emotions, coping with stress, and applying the three Cs (Clarify, Consider, and Choose) for decision-making. They were surprised by nicotine's addictiveness, targeted advertising, and its harmful effects on the body, ultimately gaining valuable knowledge and life skills. This program is further detailed in Section F – Community Benefits & Investment Plan.

"This program arms our youth with vital knowledge, often filling gaps in discussions that may not occur at home. Its value is immense, driving transformative change! While it may seem at times like teens aren't paying attention, they indeed are. The proof is in the conversations they carry forward, discussions that continue long after the day's lesson. This program doesn't just inform—it resonates and triggers important dialogues among the youth themselves."

AMY LINDSTROM
BOYS & GIRLS CLUB OF LAKE TAHOE,
TEEN ROOM LEAD

Building on this success, we have since been in various stages of funding similar programs across all the communities we operate in throughout California, ensuring consistent support for education and prevention initiatives statewide. Through our Community Advisory Boards and Community Investment Funds, Embarc has donated hundreds of thousands of dollars to launch youth drug education and prevention programs. Youth organizations in the following municipalities have already implemented these programs: South Lake Tahoe, Fairfield, Martinez, Alameda, Chico, Ventura, Fresno, and Fontana.



"Thanks to Embarc's contribution, we have successfully implemented the acclaimed Botvin LifeSkills Training program, which has been pivotal in educating our young members on the dangers of substance abuse while empowering them with crucial life skills. Additionally, the funding has allowed us to purchase the curriculum, support a dedicated staff position to administer the program, and provide essential training for our team. We deeply appreciate Embarc's proactive approach and ongoing commitment to ensuring the success of this drug education and prevention program."

**PRESIDENT OF A PROMINENT YOUTH
SERVICING ORGANIZATION IN ONE OF OUR
COMMUNITIES**

We are honored to have Jon Wooding, Santee & Lakeside Community Director of Young Life Student Ministry, as a member of our Community Advisory Board. Young Life is a global, faith-based organization that builds meaningful relationships with adolescents through local chapters. Volunteers and leaders connect with teens in schools, neighborhoods, and social settings, offering weekly clubs, camps, and activities to create an engaging environment where teens feel welcomed and supported. Jon has expressed great enthusiasm for the prospect of collaborating with us to implement the Botvin youth drug prevention program in Santee. If we are fortunate enough to be selected, Jon is eager to work alongside Embarc to ensure that this impactful program is successfully introduced to the community. His leadership and commitment, combined with our proven program model, will significantly contribute to preventing youth from accessing cannabis in Santee, strengthening the overall well-being of the community.

In addition to working with Young Life, we are dedicated to forging relationships with other youth-centered organizations in Santee. During our community listening tour, we had the privilege of meeting with leadership at the Boys & Girls Clubs of East County—Santee Clubhouse. We provided an overview of our prior success in youth drug prevention education, which sparked interest from their leadership. We are eager to continue engaging with the organization, working to earn their trust and establish a collaborative partnership. Our goal is to provide impactful youth drug prevention education that aligns with their mission and benefits the broader Santee community, ensuring local youth receive the resources and support they need to thrive.

"Through the Boys and Girls Clubs of Contra Costa, the Botvin curriculum has become a cornerstone of our youth education efforts, shaping the minds of young students in ways that extend far beyond the classroom. Through interactive discussions and hands-on activities, students are learning how to confidently make decisions, resist peer pressure, and understand the long-term effects of substance use. The program encourages students to explore how societal influences like advertising can skew their perceptions, sparking insightful conversations that we don't see in other programs. With students already engaged in the curriculum, the community impact is undeniable. Embarc has been an invaluable partner throughout this journey, not just with financial support but through their consistent engagement and responsiveness. Whether it's providing resources or checking in to ensure the program is running smoothly, their involvement goes far beyond a typical business partnership. Embarc is genuinely invested in the health and future of youth in our community, and that makes all the difference."

JOSE MARQUEZ,
EXECUTIVE DIRECTOR, BOYS & GIRLS
CLUB OF CONTRA COSTA

Ensuring Cannabis Products Do Not End Up in the Hands of Youth

In addition to youth drug prevention programming, it is essential for cannabis retailers to design their facilities and operations in a manner that effectively prevents cannabis from falling into the hands of young people. It is our responsibility to implement a robust Youth Prevention Plan to ensure the safety, security, and quality of life for the neighborhood, including for Santee's most promising residents—its youth.

As a cannabis retailer founded by policy and compliance experts, Embarc was born after the legalization and implementation of

Proposition 64. We worked with State government to develop the policies that would inevitably lead to adult use legalization and industry-wide regulation. As part of that process, our team members have engaged with communities across the State and are acutely aware of the need to protect youth. When selling a product that was illegal during our lifetimes, we believe it is incumbent upon us to implement a plan that protects our youth while educating our community—through action and continuous engagement—that legal, regulated cannabis can and should responsibly exist within a community.

While some studies and experiences from other regulated markets have found that youth cannabis use remains static or decreases in communities with access to legal, regulated cannabis, we believe that it is especially incumbent upon us as operators to proactively implement security and other deterrent measures to protect against youth exposure or access. We also believe in our responsibility to educate the community on the protocols and security measures we have in place to protect youth as a component of our ongoing commitment to supporting the successful implementation of youth drug prevention and education with our Community Advisory Board and non-profit partners.

We have many parents on our team and intimately understand the real concern parents face when sending their kids to school for a variety of reasons, including the proximity to retail cannabis and alcohol shops. We believe in our duty and commitment to the City, community partners, and neighbors to proactively engage, identify, educate, and address our local community's concerns regarding the safety and security of our neighborhood and the children that live, learn, play, and grow within it.

Embarc has developed a holistic, multifaceted approach to ensuring cannabis products do not end up in the hands of underage youth and that our storefront is safe, secure, and only frequented by those of appropriate age. A variety of physical features, staff protocols, and functional design concepts will be implemented at Embarc Santee to ensure a secure, comfortable environment that poses no risk to Santee's youth and positively contributes to the neighboring community. We will take a multi-layer approach to diversion prevention, including several state-of-the-art physical and bio-metric controls; detailed record keeping software; adequate and aesthetically pleasing exterior lighting; education for staff and the public; categorical access control; and dozens of other applied measures to ensure our products are only in the hands of authorized adults.

As responsible, community-oriented operators, we have developed a comprehensive Youth Prevention Plan to proactively take steps to ensure cannabis products do not end up in the hands of underage youth, detailed below.

INFRASTRUCTURE & SECURITY

- Implement physical infrastructure, security, and training proto-

cols to ensure no youth enter or loiter outside or within 50 feet of the storefront;

- Post all required signage in easily identifiable locations to communicate age restrictions, identification requirements, and to prevent loitering;
- Premises constructed and designed to prevent access by any unauthorized individual through a variety of security measures, including alarms, surveillance systems, and target hardening measures;
- The main public entrance always remains secured with commercial grade locks, and customers or authorized visitors will only be allowed access via remote unlock button (controlled by staff) after passing an initial visual inspection;
- Comprehensive surveillance system to provide full video coverage of the entire interior and exterior of the premises.
- Professional Security Guards enforcing age restrictions and preventing youth exposure or access; and
- Security Guards will conduct “youth prevention patrols” and will be trained to monitor against and prevent any shoulder tapping or potential third-party sales to minors.
- We will utilize mosquito alarms to deter loitering by emitting sound at high frequency intentionally tuned to be heard by those under the age 21. Mosquito alarms are known as an effective safety and security tool for preventing youth congregation.

PROMISES MADE, PROMISES KEPT: SUCCESSFULLY PREVENTING SHOULDER TAPPING

Our strict operational procedures and ongoing training protect against youth access and shoulder tapping activities. Our Tahoe location is situated on South Lake's main strip near Stateline, which can attract underage individuals seeking alcohol or cannabis access. Our team vigilantly monitors activities outside the shop, uses dedicated ID scanners to verify ID validity, and denies customers attempting third-party purchases for a group. We have caught attempted minor sales through these procedures and are confident in our ability to detect and deter attempted youth access to our storefronts. Moreover, we have significantly contributed to local youth activities during high-risk exposure times after school and on weekends, further safeguarding against potential youth access.

SOPS & EMPLOYEE TRAINING

- Staff training and education on the hazards of youth cannabis use and how to identify and prevent potential youth access to the licensed premises;
- Tailored operational procedures and post orders to provide specific guidance to Security Guards and employees on interacting with youth and develop store protocols around the path of travel timeframes for Santee's local students; and
- Stringent inventory control procedures will be put in place via an inventory tracking system, tools and forms for accounting and verification, and tasks and processes that will ensure ac-

countability at every stage through the retail product cycle.

“The company met with representatives from the school district, City leadership, and the Martinez Police Department to discuss the ways in which the business would protect youth from exposure. The company also reserved seats for members of the school board to sit on Embarc's Community Advisory Board. Since opening and operating at their location on Alhambra Avenue in March 2021, Embarc Martinez has had no incidents of youth access or any compliance or public health and safety infractions. They are in good standing with the City of Martinez.”

ERIC FIGUEROA,
FORMER CITY MANAGER

PRODUCT PACKAGING & LABELING:

- Embarc will only accept products from licensed distributors that conform to all packaging and labeling standards in the CCR § 17402-17412, including:
 - All packaging will be child-resistant and tamper-evident;
 - All packaging will have the California Universal Symbol;
 - All packaging will have the GOVERNMENT WARNING statement in bold print;
 - Package cannot imitate any package used for products typically marketed to children;
 - Edible products must be in opaque packaging;
 - Labeling must identify the product as a cannabis product or state “cannabis infused;”
 - If the package contains an amount of THC that exceeds the level allowed for adult use cannabis goods, it must state “FOR MEDICAL USE ONLY”
- Employees utilizes a check list at the time of product intake to ensure all proper packaging and labeling;
- All products sold to customers will be placed in an opaque child-proof exit bag before they are allowed to be carried out of the store; and
- At check out, Embarc reminds all customers to safely store all cannabis products in their child-proof packaging and out of reach of children in their homes.

AESTHETICS

- Exterior design of the premises has been developed to be a neutral presence on the street, without bright colors, imagery, or

any design feature that would appeal to youth;

- Exterior signage is for business identification only and does not feature any decals or other imagery intended to garner attention;
- Front windows are frosted or tinted and reinforced to allow natural light into the facility while preventing those outside from seeing what occurs indoors;
- No cannabis goods are visible from the exterior; and
- Site has been designed to be discreet and cohesive with neighboring uses.

OVERSIGHT & ENGAGEMENT

- Provide marketing materials to our Community Advisory Board for review and feedback to ensure community sensitive, age-appropriate, non-youth attracting images and messaging;
- Marketing and social media will meet audience composition data requirements and be respectfully tailored to address our only audience—adults;
- Participate in Santee Chamber of Commerce meetings to monitor local trends and identify opportunities of need to raise to the Board for consideration;
- Engage nearby school leadership to provide contact information for our Community Liaisons and to seek to provide youth drug prevention educational resources as we have in other communities; and
- Engage in regular check ins with City staff and/or Council to provide updates on our operations, receive feedback, and incorporate recommendations.

ACCESSIBLE, COLLABORATIVE, & TRANSPARENT

- Provide all neighbors within 1,000 feet of our proposed location with the contact information for our Community Liaisons and 24-hour community hotline;
- Facilitate transparent and accessible communications and relationships with our neighbors and surrounding community stakeholders; and
- Pursue a coordinated approach with neighboring and nearby businesses to collaboratively protect and support the youth in our community.

EDUCATE, EDUCATE, EDUCATE

- Educate all customers on the safe storage of cannabis in their home;
- Educate parents and community leaders by providing them with the resources to have difficult conversations with their kids about cannabis and the damages underage use can have on adolescent brain development as well as the increased potential of addiction in adolescent use;
- Partner with trusted community leaders to provide educational programming and resources to educators, community members, and non-profit stakeholders; and
- Fund a comprehensive, holistic approach to youth drug prevention and education programs (just as we do in every community where we operate).

Through our comprehensive and holistic approach to infrastructure, community engagement, operational procedures, youth prevention programming, and our proven track record of responsibly operating in the communities we serve, we are confident that cannabis will not end up in the hands of under-age youth.

While many cannabis industry operators write checks but do not put in the work to build the partnerships and the infrastructure needed to make a lasting impact, Embarc has a proven track record of respectfully and impactfully integrating with our partner communities by prioritizing the safety and education of young people in our community investments as well as every aspect of our operations.



SECTION F: COMMUNITY BENEFITS & INVESTMENT PLAN

1. LOCAL COMMUNITY BENEFITS

Describe the benefits that the business will provide to the local community, for example by directly aiding, participating in, or funding the work of local non-profits, community-based organizations, civic organizations, or social services organizations (“Community Organizations”).

We understand that while cannabis has existed within our communities for decades, legal, regulated cannabis is still an emerging market. Communities are grappling with how to best integrate commercial cannabis activities into existing neighborhoods, balancing the economic opportunity this industry represents with a desire to protect public health, safety, and neighborhood integrity.

Furthermore, Embarc believes operating a cannabis business is a privilege and not a right. Our successful business model is predicated on the ability to consistently engage the community and the City with integrity and through transparent collaboration. Given this foundational commitment to Santee—which is bolstered by the decades-long dedication of our Community Advisory Board members and Local partner—we will operate a business that provides meaningful ongoing benefits and serves as the type of partner the community can be proud of and will value.

PURPOSE

The Community Benefits Plan summarized below is intended to be a living, breathing document that encompasses the company’s core values and priorities for ongoing community engagement. It was developed with and will continue to evolve over time through collaboration with our Community Advisory Board.

Importantly, this plan does not contain static organizational commitments or one-time checks at the front end of a license pursuit; rather, it is the embodiment of Embarc’s proven community engagement model—one that values and respects the importance of diverse local perspectives and experiences in being able to adapt to continuously address evolving community needs.

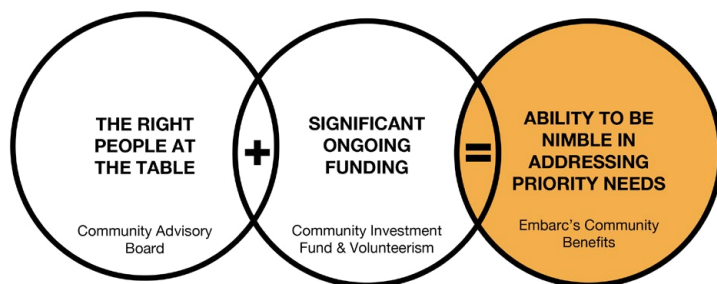
Also, our approach is also not formulated as a percentage of gross receipts to be responsive to the application prompt, but rather is a continuation of our existing business model evident in communities throughout California and localized through rigorous engagement with the Santee community.



PROMISES MADE, PROMISES KEPT: COMMUNITY IS IN OUR DNA

Embarc is proud to be the first cannabis operator in California to launch a Community Advisory Board in every community where it operates, ensuring engagement and sensitivity have been part of the company's DNA since the beginning. We are happy to see other operators similarly adopting this model, and we believe our track record of community engagement, not as an afterthought or reaction to others but at the forefront of how we operate, is critical to living our values in action. Specifically, we are living these values by welcoming accountability from the community and through creating true empowerment for local stakeholders by allowing them – rather than Embarc representatives – to direct all funding.

This approach is evident in how we identified our local partner, and in turn, how we worked collaboratively to compile our Community Benefits Plan for Santee. **The following plan has been formulated with significant input from local leaders—including local partnership—to create a plan developed by Santee residents for the Santee community.** It centers around the following equation:



COMMUNITY ADVISORY BOARD

In every community where we operate, Embarc's Community Advisory Board is empowered with total control over where community is directed in perpetuity. It is this group that will work collaboratively with our ownership to drive Embarc's efforts to address Santee's needs. The primary goals of the Community Advisory Board are to work collaboratively with Embarc leadership to implement and continue to refine our community benefits plan and to ensure safe, transparent, and community-oriented operations. Duties of the Board include:

1. Development and implementation of our community relations plan
 - Identifying and/or creating opportunities to help enhance and promote community input, engagement, education and awareness
 - Reviewing operational policies and procedures to identify opportunities for community and neighborhood engagement
2. Allocating all community funding
 - Assessing opportunities for financial contributions
 - Identifying local, immediate priority funding gaps in which

- our resources could provide flexible assistance
 - Determining the best allocation of community funding
3. Oversight and accountability for Embarc operations
 - Quarterly accountability on commitments made/commitments delivered
 - Reviewing marketing plans and advertisements
 - Monitoring Embarc's responses to any community feedback or concerns
 4. Assistance in establishing and building community trust
 - Continuous identification of community priorities, values and needs
 - Identifying opportunities for collaboration with local businesses and other stakeholders
 - Serving as a voice within the community
 5. Ensuring appropriate and thoughtful community education
 - Providing input on education and awareness programs
 - Recommending priority causes for employee and executive volunteer support
 - Providing consistent feedback to refine and best tailor our efforts

The Community Advisory Board is comprised of the individuals briefly detailed below. To ensure operational transparency we welcome the opportunity to include a participant from City government and/or a public safety officer but thought it inappropriate to reach out to such representatives prior to the conclusion of this process. While the City would likely not be a voting member, this is an opportunity for a City representative to remain apprised of, and provide feedback on, Embarc's operations and philanthropic execution.

The Community Advisory Board is comprised of the individuals briefly detailed below. To ensure operational transparency we welcome the opportunity to include a participant from City government but thought it inappropriate to reach out to such representatives prior to the conclusion of this process. While the City would likely not be a voting member, this is an opportunity for a City representative to remain apprised of, and provide feedback on, Embarc's operations and philanthropic execution.

Dean Velasco

Local Partner & Chairperson of the Santee Park and Recreation Committee

Elana Levens-Craig

Board Member, Santee School District Board of Education

Robyn Nolin

Nurse and Commander, Santee American Legion Post 364

John Hossick

President, Santee Mobilehome Owners Action Committee (SMOAC)

Jon Wooding

Santee & Lakeside Community Director, Young Life Student Ministry

Mike Aiken	Retired Detective, San Deigo Police Department
Santee Chamber of Commerce Representative*	Reserved
City / Law Enforcement Representative**	Reserved

*We recognize the significant role that the Santee Chamber of Commerce plays in fostering local economic growth and community engagement. As such, we believe it is crucial to have the Chamber's insights and leadership represented on our Community Advisory Board. We are committed to reserving a seat at the table for the Chamber when they are ready to join us at a later phase of this process. We look forward to collaborating with the Chamber as we work together to ensure our cannabis operations contribute positively to Santee's business landscape and community well-being.

**We have reserved a non-voting seat on the Board for a representative of the City and/or local law enforcement to ensure transparency in operations but will not conduct outreach for these purposes until after the conclusion of the licensing process.

DEAN VELASCO - EMBARC SANTEE LOCAL PARTNER & CHAIRPERSON OF THE SANTEE PARK AND RECREATION COMMITTEE: To avoid redundancy, please see Section D - Qualification of Owners for a full biography.

ELANA LEVENS-CRAIG - BOARD MEMBER, SANTEE SCHOOL DISTRICT BOARD OF EDUCATION: Elana is a dedicated community leader with nearly two decades of executive-level experience spanning the corporate, non-profit, and educational sectors. Her unwavering commitment to the Santee community is evident through her extensive involvement in local education and civic organizations. A former special education teacher in the Santee School District, Elana made a lasting impact by providing vital support to students with unique learning needs. Her passion for education continues today as she serves her 12th year on the Santee School District Board of Education, where she holds leadership roles on key committees such as the District Advisory Committee and Special Education Advisory Committee. In addition to her educational contributions, Elana brings a wealth of business expertise as the co-founder of Packaging Solutions for Today's Industry, a successful small business she and her husband led for over 15 years before its sale in 2020. Beyond her professional career, Elana is committed to public service. She is a three-time past president of the Rotary Club of Santee-Lakeside and currently serves as the club's Grants Chair and Foundation Treasurer. Her volunteer work includes serving area youth through the Rotary's RYLA program, Meals on Wheels, Father Joe's Villages, and Reading Legacies, a non-profit focused on fostering relationships through shared reading experiences for children. Elana holds a Master's degree in Education from San Diego State University. Her long-standing dedication to education and her deep ties to the Santee community make her a trusted

and respected leader, working to improve the quality of life for families and individuals throughout the region.

ROBYN NOLIN - REGISTERED NURSE & COMMANDER, SANTEE AMERICAN LEGION POST 364: Robyn is a long-time resident of Santee, a proud U.S. Army veteran, and a dedicated community leader. Honored in the Santee Hometown Heroes Banner program for her service as Private First Class in the U.S. Army from 1997 to 1999, Robyn continually demonstrates her commitment to veterans and local residents. As the Commander of American Legion Post 364, she has spearheaded numerous initiatives, providing direct support to veterans. Notably, Robyn coordinated the delivery of a mobility scooter to a recently hospitalized veteran, personally ensuring it was delivered despite logistical challenges. In addition to her work with the American Legion, Robyn is a highly respected registered nurse with over 20 years of experience. Her healthcare expertise, combined with her compassion, drives her continued involvement in supporting local healthcare and veterans' programs. As a mother to two high school boys raised in Santee, Robyn's contributions to the city are deeply personal. Her advocacy for veterans through organizations like VETogether at BNS Brewing further highlights her unwavering commitment to the well-being of others and to her community.

JOHN HOSSICK - PRESIDENT, SANTEE MOBILEHOME OWNERS ACTION COMMITTEE (SMOAC):

John is a dedicated and influential leader in the Santee community, continuing the impactful legacy of his late husband, Buddy Rubaya. Buddy, a beloved figure in the community, served as the President of SMOAC, where he was a passionate advocate for mobilehome residents, championing rights like rent control and helping to shape policies that uplift the community. In his current role as SMOAC's current President, John has not only preserved but expanded upon Buddy's legacy. He ensures that the organization continues to be a strong voice for local residents, particularly through vital programs like Buddy's Backpacks, an initiative launched in Buddy's memory. This program provides free backpacks filled with school supplies to local students in need, a reflection of both Buddy and John's shared commitment to supporting youth. John has volunteered with several other key initiatives, including the Elves Adopt-A-Senior program, Mother's Day Luncheons, Easter basket giveaways, and food pantry efforts that serve the Meadowbrook mobile home communities. These programs continue to benefit seniors, families, and youth, creating a lasting impact across Santee. John's leadership is driven by his deep commitment to community service and ensuring that the values Buddy championed live on.

JON WOODING - SANTEE & LAKESIDE COMMUNITY DIRECTOR, YOUNG LIFE STUDENT MINISTRY: Jon has been a dedicated member of the Santee community since 1987. After serving in the Navy and graduating from San Diego State University, Jon chose to devote his career to supporting and mentoring the youth. For nearly

25 years, Jon has worked in youth ministry, bringing compassion and guidance to students in San Diego County. As the Community Director for Young Life in Santee & Lakeside, Jon actively builds meaningful relationships with adolescents, meeting them on their turf—whether in schools, neighborhoods, or social settings. Through Young Life, a global, faith-based organization, Jon leads a team of volunteers to connect with teens, offering them a place of belonging and personal development through weekly clubs, camps, and activities. His efforts ensure that students feel supported and welcomed, regardless of their background. Jon has been instrumental in raising funds and recruiting volunteers to continue expanding the reach of Young Life. His focus is on engaging kids who might not otherwise have a community to turn to, providing them with mentorship, spiritual guidance, and a safe space. Over the past two decades, Jon has also volunteered with various churches throughout the area, including Rise City (formerly Harvest Christian Fellowship) and the Rock Church. Jon's commitment to serving the Santee community is rooted in his deep belief in giving back and making a positive impact in the lives of young people.

MIKE AIKEN - RETIRED DETECTIVE, SAN DIEGO POLICE DEPARTMENT: Mike is a long-time resident and dedicated leader in the Santee community. A retired Detective with over 28 years of service in the San Diego Police Department, Mike worked extensively in the narcotics division. As a K-9 handler, he partnered with his dog, Reilly, to actively educate school children on drug prevention during DEA Red Ribbon events. Mike also served 6 years in the United States Navy as a member of the submarine service. Today, Mike continues to serve the community as a business leader. Additionally, Mike plays a vital role in organizing annual events that bring local businesses and service organizations together while honoring veterans. Mike's background in both law enforcement and business gives him a valuable perspective on community safety and drug prevention, which he brings to his role on Embarc's Community Advisory Board.

It is this group of dedicated and trusted community leaders that will ensure benefits are directed to advance the neighborhood's needs, including a focus on the long-term interests of residents and a prioritization on the protection of this community's youth.

Ultimately, the Board is comprised of leaders with diverse backgrounds and experiences that inform their ability to make thoughtful determinations regarding how Embarc Santee executes its community benefits. Specifically, the Community Advisory Board decides funding priorities, volunteerism priorities, workforce development partnerships, financial support of City-sponsored activities, our ongoing neighborhood engagement plan and execution of Embarc's youth drug education and prevention program.

In addition to directing our committed community funding, the

Board meets quarterly to provide feedback on Embarc's operational model, including community outreach, neighbor and business engagements, local partnerships, the sensitivity of advertising and marketing efforts, and more.

Unlike most operators in the cannabis industry that attempt to apply their brand and values onto a community using a top-down approach, Embarc seeks to meet the needs of the community from the bottom up—as represented by the passion for the Santee community that these Board Members embody and the role they have been empowered to play within Embarc's local business. In this way, we are not proposing specific allocations to specific organizations, but rather ongoing funding that is directed by this community for this community forever.

COMMUNITY INVESTMENT FUND

The Community Advisory Board can make a sizable local impact because of our commitment to the creation of an internal Community Investment Fund. Just as it does in every community, **Embarc will allocate 1% of gross receipts to its Community Investment Fund in perpetuity**, generating significant, ongoing funding for community organizations through the efforts and allocations of our Community Advisory Board.

100% of the Community Investment Fund will be allocated by the Community Advisory Board to local organizations and partners, ensuring we prevent divestment by requiring all the benefits generated from operating a local cannabis business remain local. This is the same commitment Embarc makes in every community it operates, ensuring that this approach is sustainable and impactful in addressing community needs.

Please see Section 4 Direct Fee – Quantifying Impact below for an estimated projection of the funds that will be generated through this ongoing contribution, ensuring that Embarc's presence delivers measurable and lasting benefits to Santee's community organizations and initiatives.

Identifying Priorities

Our Community Advisory Board Members have lived in Santee for decades—even generations—and are unified in their commitment to preserving the unique and intangible qualities that make Santee a community where they choose to raise their families. As such, the Board's overarching mission is to support and uplift organizations, programs, and priorities that **enrich the quality of life for Santee residents, ensuring the creation of equitable opportunity for all, with a focus on educating and empowering local youth.**

Studies have indicated that quality of life is predicated on multiple factors: internal value, or the extent to which you feel personally fulfilled; external value, or the extent to which your network enhances fulfillment; and your environment, which can impact both mental and physical wellbeing. Given the interconnectedness of

these factors, the Board has identified the following three pillars as a central focus of our efforts in Santee:

- Enrich & Empower the Lives of Youth, as Thriving Youth are the Lifeblood of Families
- Support Healthy & Stable Households, as Families are the Pillars of Community
- Create & Maintain a Family Friendly Environment Such that Residents of Santee Thrive

Embarc recognizes that a community's needs and priorities shift over time which is why it is so critical for Embarc's focus to be driven by our Community Advisory Board who live and work locally.

As requested in the City's evaluation criteria, we have not identified any specific non-profit organizations at this time. If we are fortunate enough to be awarded a license, we will work with our Community Advisory Board members, including a representative from the City (if desired) to allocate resources to organizations that support the pillars identified by our Board.

Youth Education & Prevention Resources

Embarc is committed to executing a thoughtful youth education and drug prevention program that reflects the unique priorities of the Santee community. Our experience has shown that even the most well-designed youth prevention initiatives are ineffective without community buy-in. Therefore, if selected to operate in the City of Santee, we will actively collaborate with our Community Advisory Board and City leadership to introduce a third-party, accredited youth education and drug prevention program tailored specifically to Santee's needs. We are excited about the opportunity to work with local partners to ensure that these vital messages are delivered by responsible and trusted community leaders—not by Embarc—fostering a proven and community-sensitive model of engagement.

In our experience, educating both youth and the adults who shape their lives—parents, teachers, coaches, and mentors—is key to integrating legal cannabis operations into a community responsibly. Providing the tools and resources necessary for these influential adults allows us to create sustainable change. Throughout California, we have successfully implemented this approach, establishing programs that foster education on the dangers of substance abuse. We would bring this proven educational model to Santee with the flexibility to adapt to the community's needs and feedback.

During our community listening tour, residents frequently expressed concern about how cannabis businesses may impact young people. We also recognize the requirements outlined in SMC § 7.04.460.C, which mandates the development of a City-approved public outreach and educational program for youth organizations

and educational institutions to address the risks of cannabis use. We fully support and align with the City's emphasis on protecting its youth. Embarc Santee, with guidance from our Community Advisory Board, is dedicated to providing the tools and investments needed to safeguard Santee's next generation through impactful education and prevention initiatives.

We first launched the Botvin program in 2022 through the Community Advisory Board at our inaugural store in South Lake Tahoe, where the Boys and Girls Club of Lake Tahoe became the first organization to implement the curriculum. Their youth program engaged local children and teens in meaningful discussions, offering them the tools to resist substance abuse while empowering them with critical life skills. Building on this success, we have since initiated similar efforts across all of our operating communities, including Fairfield, Martinez, Alameda, Chico, Ventura, Fresno, and Fontana. **Through our Community Advisory Boards and Community Investment Funds, Embarc has donated hundreds of thousands of dollars to fund youth education and prevention programs statewide.**

During our Santee listening tour, we had the pleasure of meeting with Jon Wooding, Santee & Lakeside Community Director of Young Life Student Ministry. Jon expressed great enthusiasm for the prospect of collaborating with us to implement the Botvin youth drug prevention program in Santee. If we are fortunate enough to be selected, Jon is eager to work alongside Embarc to ensure that this impactful program is successfully introduced to the community. His leadership and commitment, combined with our proven program model, will significantly contribute to preventing youth from accessing cannabis in Santee, strengthening the overall well-being of the community.

“Teaching the Botvin curriculum is a great experience; it equips children with life skills and crucial knowledge about substances like tobacco, alcohol, and marijuana that will serve them for a lifetime. The program's structure fosters an environment where children comfortably ask questions and engage in meaningful conversations around challenging topics. It focuses not only on the short-term harm but also the long-term effects of substance use. I was particularly impressed by how it highlighted the influence of advertising on teens, triggering enlightening discussions about targeted marketing.”

This curriculum doesn't just educate, it empowers.

Working with Embarc has been a seamless and rewarding experience. Their commitment is evident in their regular check-ins about the curriculum's progress and effectiveness. Their willingness to ensure the right resources are being utilized and their robust support for community programs is truly commendable. Embarc isn't just a collaborator, but a dedicated partner in fostering community wellbeing.”

THERESA PAPANDREA,
BOYS & GIRLS CLUB OF LAKE TAHOE,
BOTVIN PROGRAM EDUCATOR

Program Overview

When founding members of our team led the development of Proposition 64, the initiative to legalize adult use cannabis in California, they knew youth prevention and education were paramount to maximizing public health and safety within communities. As such, and with intentionality, our team ensured that Proposition 64 would provide the resources and direction necessary to educate youth on the risks associated with cannabis use.

Proposition 64 included the development of a State-sponsored educational campaign, entitled “Let’s Talk” with curriculum specifically targeted to communities, parents, and youth. We have utilized this program, developed with a science-based approach by some of the brightest minds in California, as a foundation for resource development for the adults that play formative roles in the lives of youth.

Additionally, understanding impactful education requires tailored age-appropriate content, Embarc has adopted accredited and nationally recognized Botvin LifeSkills Training for middle school aged students for use by its selected community youth education and prevention partners. Embarc seeks to deploy targeted youth drug prevention education utilizing Botvin’s LST 1 for middle school aged youth in partnership with our Community Advisory Board and local community partners.

We will continue to refine our program and will work closely with the Department of Public Health, our Community Advisory Board, the City, and potentially other operators to ensure this program is the best fit for the Santee community. Cornerstones of this approach will be:

- Utilization of the “Let’s Talk” campaign to provide resources and toolkits for parents, teachers, coaches and others looking for guidance on how to navigate these discussions with youth
- Utilization of Botvin’s accredited LifeSkills program (or other similar curriculum as appropriate) specific to middle school aged youth, deployed through partnerships with appropriate messengers in the community including youth-oriented non-profits

“The Botvin curriculum delivers weekly lessons that are both enlightening and engaging, allowing young minds to recognize and challenge common misconceptions about tobacco, alcohol, and other drug use. It's more than just a class; it's a valuable asset that empowers teens to navigate peer and media pressures using robust coping and resistance skills. It's a resource that helps build self-esteem, promotes resilience, and fosters assertiveness. My heartfelt thanks to Embarc for providing this tool for our teens' growth and development!”

KIM YOUN,
LAKE TAHOE UNIFIED SCHOOL DISTRICT,
YOUTH COUNSELOR

Program Background

The National Institute on Drug Abuse developed A Research Based Guide for Parents, Educators, and Community Leaders for Preventing Drug Use in Children and Adolescents, which serves as an internationally recognized analysis that cites Botvin’s research as a guide on how to develop and implement effective youth drug prevention campaigns. This comprehensive guide contains significant science-based research that directed Embarc’s efforts to develop and implement an effective youth education and drug prevention campaign.

The following served as foundations in this endeavor:

1. Prevention programs should be tailored to address risks specific to population or audience characteristics, such as age, gender, and ethnicity, to improve program effectiveness (Oetting et al, 1997).
2. Prevention programs aimed at general populations in key transition points, such as the transition to middle school, can produce beneficial effects even among high-risk families and children. Such interventions do not single out at-risk populations

and, therefore, reduce labeling and promote bonding to school and community (Botvin et al, 1995; Dishion et al, 2002).

3. Community prevention programs reaching populations in multiple settings—for example, schools, clubs, faith-based organizations, and the media—are most effective when they present consistent, community-wide messages in each setting (Chou et al, 1998).
4. Community prevention programs that combine two or more effective programs, such as family-based and school-based programs, can be more effective than a single program alone (Battistich et al, 1997).
5. Prevention programs are most effective when they employ interactive techniques, such as peer discussion groups and parent role-playing, that allow for active involvement in learning about drug abuse and reinforcing skills (Botvin et al, 1995).
6. Prevention programs should include teacher training on good classroom management practices, such as rewarding appropriate student behavior. Such techniques help to foster students' positive behavior, achievement, academic motivation, and school bonding (Ialongo et al, 2001).
7. When communities adapt programs to match their needs, community norms, or differing cultural requirements, they should retain core elements of the original research-based intervention (Spoth et al, 2002b), which include:
 - Structure (how the program is organized and constructed);
 - Content (the information, skills, and strategies of the program); and
 - Delivery (how the program is adapted, implemented, and evaluated).

Based on this significant body of research, it is clear that the most effective program:

- Targets youth with age-appropriate content at various stages in of development;
- Utilizes multiple learning formats including interactive content;
- Involves multiple parties including teachers, parents, faith-based organizations and more to provide multiple access points for information; and
- Benefits from hyper-localism, as long as the program remains rooted in structure, content and delivery.

As such, our campaign is designed with these best practices in mind.

Audience

To ensure we are both effective and inclusive in outreach, we have segmented our youth drug prevention education into three categories: Youth General, Youth Targeted Age, and Adults in the Lives of Youth.

YOUTH GENERAL: Research has proven that the most effective youth education and drug prevention programs utilize two or more effective programs rather than any single program alone. For example, an effective school-based curriculum is more successful when

coupled with at-home and technological components. Thus, Embarc will implement a multicomponent program that takes a holistic approach to youth engagement through:

- Media campaigns with general anti-drug education messaging targeted to all youth
- Digital campaigns targeted to middle and high school students
- Educational programming for use as an in-school program, with a toolkit for teachers and/or a program coordinator

Creating a multicomponent program will ensure that youth education and prevention efforts engage youth across multiple channels, in many forums, and on a consistent basis to maximize efficacy.

YOUTH TARGETED IMPACT (MIDDLE SCHOOL): Evidence demonstrates that the first year of middle school is when childhood drug use typically appears, so education before and during the teen years can delay or prevent experimentation and onset of use. At the middle-school level, children are eager to fit in, often overriding instincts to avoid unhealthy behavior especially in the face of peer pressure. As such, Embarc will focus our youth drug prevention and education efforts on this critical age through the use of Botvin's accredited model.

ADULTS IN THE LIVES OF YOUTH: Ensuring that adults who play a critical role in a young person's life have the tools and education necessary to address questions from youth is a critical component of a community's transition to legal cannabis. In coordination with accredited resources from the State's Let's Talk Campaign and Botvin's individualized tutorials for adults in the lives of youth, Embarc will ensure Santee adults have the resources necessary to educate youth about the dangers of youth drug use through materials, toolkits and hosted educational events.

Understanding these are difficult conversations that the arrival of legal cannabis may have pushed to happen sooner than parents would have hoped, we believe it is our responsibility as leaders in the legal cannabis industry to do our part to ensure parents have the tools needed to answer tough questions during these critical conversations.

Content

Our Community Advisory Board Members have committed to working collaboratively to implement this effort for youth through local partnership(s). By utilizing the accredited and nationally recognized Botvin LifeSkills Training coursework as the starting point, we can leverage the best science available while tailoring our program specifically to Santee.

Embarc's Youth Drug Prevention and Educational coursework was developed through a series of workshops with youth drug prevention and education specialists. Embarc undertook a rigorous process to select Botvin's curriculum as the most effective, engaging, and suitable youth drug prevention education coursework for

young people today. Understanding that we alone should not decide what is the “best” education for young people, Embarc undertook an extensive process of ensuring Botvin’s accredited and nationally recognized content was an impactful and engaging course for today’s youth. We created our approach and coursework by:

- Identifying the target age group to focus our efforts;
- Adopting certified coursework resources from Botvin’s nationally recognized youth drug prevention work;
- Pursuing a cognitive behavioral approach to education as our framework; and
- Conducting numerous workshops with drug prevention specialists, members of law enforcement, City Council members, parents, and members of Unified School Districts in multiple California communities.

Botvin’s e-LST Middle School 1 is a substance abuse and violence prevention program based on more than 35 years of rigorous scientific research. LifeSkills Training is comprehensive and dynamic, designed to promote mental health, social-emotional learning (SEL) skills and positive youth development. In addition to helping young people resist drug, alcohol, and tobacco use, the LifeSkills Training Middle School program also effectively supports the reduction of violence and other high-risk behaviors. Through tailored courses, learning objectives include:

- **Personal Self-Management Skills:** Students develop skills that help them enhance self-esteem, develop problem-solving abilities, reduce stress and anxiety, and manage anger for better mental health.
- **General Social Skills:** Students gain skills to meet personal challenges such as overcoming shyness, communicating clearly, building relationships, and avoiding violence.
- **Drug Resistance Skills:** Students learn skills that help them build effective defenses against pressures to use tobacco, alcohol, and other drugs.

In this way, we are providing a holistic approach to drug resistance by also focusing on the vital personal and interpersonal factors necessary to effectively discourage youth drug use.

Understanding that those tasked with educating our young people must have the expertise, credentials, and trust of the community, we have initiated and will continue to develop meaningful partnerships with youth-servicing non-profit organizations to provide a full spectrum of ways in which we can appropriately and respectfully contribute to the education and personal development of the community’s youth. These efforts are tailored to the specific needs of the community through the guidance of our local partner and Community Advisory Board as youth drug prevention and education is not a one-time effort, but rather a continuous commitment to meeting the ever-changing needs of today’s youth.

We will work collaboratively with our Community Advisory Board to identify and finalize the most appropriate partnerships for the

lifetime of operations.

PROMISES MADE, PROMISES KEPT: SUPPORTING CRITICAL YOUTH EDUCATION WORK – TAHOE ALLIANCE FOR SAFE KIDS (TASK)

The Tahoe Drug-Free Coalition is a group of parents, community leaders, and local law enforcement officers dedicated to providing educational resources to the community to prevent youth drug use. Embarc’s team integrated into the organization, attending Board meetings over many months to rebrand the organization into Tahoe Alliance for Safe Kids, developing a new identity package and website, and creating communications channels to better target youth and parents during the pandemic. Our team participates in ongoing meetings to keep our finger on the pulse of the community discussion regarding youth drug use prevention and continuously monitor for adverse impacts associated with legal cannabis operations.

“Embarc has been a steadfast partner in our shared commitment to youth drug prevention and education. From providing the expertise to modernize TASK’s website and branding to funding the expansion of Friday Night Live programming, I appreciate the collaborative approach Embarc takes to community benefits and have full confidence in their operations and leadership.”

PAULA PETERSON,
BOARD MEMBER, TAHOE ALLIANCE FOR
SAFE KIDS

CASE STUDY: SENSITIVELY SUPPORTING YOUTH: BOYS & GIRLS CLUB OF LAKE TAHOE

Embarc conducted initial outreach to the Boys and Girls Club of Lake Tahoe more than five years ago (prior to the community’s licensing process even initiating) to get a better sense of community concern regarding legalization. At that time, it was virtually unheard of for a cannabis company to be working with a Boys and Girls Club, let alone for the discussion to be focused on youth education and how to navigate legal cannabis coming to the community.

Since that time, the Boys and Girls Club has continued to be a valued resource and community partner, both as a voice providing oversight of operations as a member of the Community Advisory Board and as a partner on vital local initiatives. Our partnership is multi-faceted, from providing volunteers for the organization’s annual fundraisers, to food and clothing drives to support families during the pandemic, to providing significant (\$50,000) economic

support for the organization to build a new Clubhouse for youth.

As previously detailed, the Boys and Girls Club successfully piloted Botvin's youth drug education and prevention curriculum in Tahoe, utilizing Embarc's resources and tools to engage local youth in meaningful conversations. The Club implemented the program with two distinct groups:

- 24 fifth-graders, who attended 45-minute sessions once per week for 10 weeks; and
- 28 teens, primarily sixth and seventh-graders, who participated in 45- to 60-minute sessions for 12 weeks.

The program facilitator reported that many students appreciated the emphasis on managing emotions and coping with stress. The participants expressed that they would remember the three Cs for making sound decisions: Clarify, Consider, and Choose. Furthermore, the students were struck by the addictive nature of nicotine and were surprised to learn how advertising specifically targets teenagers to consume cigarettes and vape pens. They also gained a better understanding of the detrimental effects these substances have on the human body. Overall, the program left a profound and lasting impact on the students, equipping them with valuable knowledge and life skills.

"The Advisory Board comprised of local community organizations, including our Drug Free Coalition, holds Embarc accountable to our community, while also advising them on how to distribute their business donations. Embarc is committed to philanthropy, and in the short time they have been open, have already donated thousands of dollars to local non-profits. I feel strongly that businesses permitted to retail cannabis must conform to the highest standards of ethics and business practices and be willing to work with and support local nonprofits and youth organizations. In Embarc you will find a business that exemplifies those standards and provides meaningful support and engagement with the local community."

JUDE WOOD,
EXECUTIVE DIRECTOR OF BOYS AND
GIRLS CLUB OF LAKE TAHOE

Volunteerism

In addition to the financial commitments made above, Embarc will deploy significant human resources to benefit community partners and local community needs.

Employee Volunteerism

There are few things that feel better than doing a good deed, except maybe doing it with your peers while getting paid. Embarc is committed to providing a positive workplace that encourages employees to give back to their community. Partnering our workforce with community organizations will foster a culture of volunteerism among our employees.

Embarc employees will be afforded up to 40 hours of paid time off to participate in local community activities and programs per year through our volunteerism program. These opportunities for engagement provide employees with tools for professional development by exposing them to a variety of local organizations. In addition, investment in employees reduces turnover and improves workplace performance.

Research shows that the best way to achieve employee participation is to provide structured volunteer opportunities. Embarc will provide our employees with opportunities to work with our community partners and allow team members to suggest and organize additional activities with their colleagues. These opportunities help employees:

- Learn new skills;
- Gain project management experience;
- Grow personal and professional networks;
- Create a positive presence in our community; and
- Participate in off-site team-building with purpose.

Embarc commits to providing up to 40 hours of paid community service per employee per year. Given we anticipate employing approximately 30 employees initially, this will result in 1,200 hours in paid volunteerism per year and will scale to more than 1,560 hours per year at maturity.

PROMISES MADE, PROMISES KEPT: VOLUNTEERISM IN ACTION - PUTTING PEOPLE BEFORE PROFIT

With more families suffering from food and housing insecurity than ever before, a community partner called us for help. The local food bank received notice that their scheduled volunteers had canceled, leaving them with no team to prepare and serve the community members relying on them for a hot meal. In less than 12 hours, we mobilized our team, closed our doors, and redirected our entire store staff to cover the shift, ensuring the community's most vulnerable residents received the meals they depend on. This is indicative of the deeply entrenched nature of our community partnerships, and of the

seriousness with which we approach volunteerism. Embarc seeks to be the type of partner you can call when it counts because of our track record of delivering on promises.

Executive Volunteerism

Our team represents the coming together of combined centuries of relevant business experience, which can be tremendously beneficial to local organizations and efforts. As part of our volunteerism commitment, we will provide more than just store-level employee volunteerism, although that is a critical component of our company ethos as it is important for team building and community investment.

Embarc will also donate significant, ongoing expertise and support from our owners and leadership team to drive ongoing efforts to bolster the community's priorities. This executive volunteerism demonstrates our willingness to act as a partner in achieving the City of Santee's goals.

PROMISES MADE, PROMISES KEPT: VOLUNTEERISM IN ACTION - OUR RESOURCES ARE YOURS

In today's world, educating and engaging youth and their families requires that organizations evolve to communicate in a manner that resonates. To accomplish this, one of our community partners wanted to fundamentally reshape their organization's brand and identity within the community. With our leadership team's extensive experience in branding, marketing, and communications, they asked us for help in bringing their reimagined brand to life. Our team led the charge in their rebranding, designing a new logo, creating a new website, and developing a comprehensive marketing campaign that modernizes their communications channels and outreach. This was not a one-off project; it required coordination between our graphic designers, brand and development teams, public and community affairs executives and more. We joined board calls and internal strategy meetings to ensure our final work product addressed the goals of our partner. Embarc is committed to leveraging our internal expertise to benefit our partners and the community we seek to serve.

OTHER BENEFITS TO THE LOCAL COMMUNITY

In addition to the efforts outlined above, Embarc will implement the following customary corporate social responsibility components expected of all community-oriented cannabis businesses as part of its broader Community Benefits Plan in Santee.

COMMUNITY EDUCATION: We will host educational panels, informational workshops, and non-profit partnership events as part of an ongoing community education and engagement effort. Education is critical in demystifying cannabis and breaking down the

barriers and stigma that prevent many from feeling comfortable asking questions about appropriate use. Topics for this education range from cannabis specific (understanding dosing and your body) to public safety (how to safely store cannabis at home). These will be led by Embarc team members and external subject matter experts as appropriate.

SENIOR OUTREACH: Seniors are one of the fastest growing consumer demographics for cannabis, but they are also the most likely to be susceptible to cannabis' long-lasting stigma. Therefore, it is important to create an atmosphere that makes seniors in the community feel as though they are a part of and welcome at Embarc. Employing seniors within the store is critical in breaking down that barrier.

In recognition of the tremendous medical benefits cannabis can provide this demographic, Embarc is committed to ongoing education and engagement with Santee's senior community to dispel the myths, eliminate the stigma and provide education without a sales pitch to help seniors navigate this new normal. We will explore opportunities to partner with senior citizens' groups and organizations to provide free education workshops on CBD, THC, medical cannabis, dosing, and more. Topics will include cannabis basics, cannabis and pain, cannabis and sleep, and more. In recognition of fixed incomes, we will also provide a discount to senior citizens.

CREATING A SUBCOMMITTEE AT THE CHAMBER OF COMMERCE OR A LOCAL CANNABIS INDUSTRY ASSOCIATION: When implementing a new industry—and particularly when that industry is cannabis—we believe the community will benefit from having unified businesses that work together to achieve common, community-oriented goals. While we did not think it was prudent to do so prior to being awarded a permit and coordinating with the other licensees, Embarc will gladly undertake an effort to coalesce the local cannabis industry under a common umbrella, or proactively engage in any existing efforts, through a subcommittee at the Chamber of Commerce or via an independent local Cannabis Industry Association. By bringing a representative from each legal cannabis business to the table, we can facilitate ongoing working relationships and positive collaboration among the legal and compliant cannabis operators. This could also provide a representative from the City the opportunity to engage with a singular, unified voice for the industry through participation as part of this effort.

NEIGHBORHOOD DISCOUNT PROGRAM: We aim to create partnerships that uplift existing businesses by encouraging our customers to dine, shop and enjoy other businesses when in the area to visit Embarc. Through our Neighborhood Discount Program, Embarc will offer a 10% discount to customers with same day receipts from local businesses within a quarter mile of our location and will engage in appropriate business-to-business partnerships, spearheaded by our local partner.

ADDITIONAL DISCOUNT PROGRAMS: High quality, safe and tested cannabis should be accessible rather than exclusive. As such, Embarc maintains a range of discount programs intended to benefit a variety of communities, including seniors, veterans, and neighbors. Additionally, to encourage customers to shop during non-peak hours and mitigate traffic and customer flow impacts, Embarc often offers incentives for online order pick-up or off-hours shopping.

LOCAL BUSINESS PARTNERSHIPS: Embarc will do its part to support working families by keeping dollars local, thereby growing the local economy. This support drives local tax revenues, which in turn supports our tax base and vital local services. It is our intention to obtain goods and retain services from locally licensed small businesses, including but not limited to construction services; landscaping services; maintenance and janitorial services; ongoing IT services; security services; miscellaneous professional services; local artisan goods/products; and most importantly—our employees. Chamber of Commerce membership will provide a great network of local business contacts for these and other vital components of keeping our dollars local.

In addition to hiring local employees, partnering with local vendors, and relying on local goods and services, Embarc will also create meaningful partnerships with local businesses to cross promote and market their goods and services. Such opportunities span a variety of businesses, ranging from health and wellness (yoga instruction, outdoor gear, etc.) to restaurants, coffee shops, and entertainment. By solidifying promotional partnerships, our operations can help to drive additional customers to these businesses.

These partnerships are not just promises made but actual mandates we implement at the store level. For any Purchase Order or Service Contract to be approved, the General Manager must check a box that the contractor or vendor is based in Santee. If the store proposes to use a non-local service provider, leadership must explain the reasoning for selecting an entity from outside the City for review and approval and must then identify an alternative option from within San Diego County.

COMPASSIONATE USE: Cannabis is recognized as an important medical treatment option for many medical conditions ranging from seizures to PTSD to cancer and more. To help meet the medical needs of some patients who are otherwise unable to afford cannabis, Embarc will offer reduced and no-cost medicinal products to low income and seriously ill patients. This program will be operated in accordance with regulations set forth by the DCC. Patients who want to receive benefits from this program must provide evidence of residency as well as medical and financial need. As part of our Compassionate Use Program, Embarc will host compassion days specifically geared toward veterans through a partnership with Weed for Warriors Project, the pre-eminent compassionate care provider for veterans.



Weed for Warriors: non-profit partners with Fresno pot store to give away free products

By Nic Garcia via
Sunday, September 18, 2022 6:26PM



FRESNO, Calif. (KFSN) -- Weed for Warriors partnered with a North Fresno cannabis shop to give out free products to Valley veterans suffering from PTSD and other service-related health concerns.

Events like this have been happening for years across the state, but this was the first time one was able to be held in Fresno.

Dozens of veterans came out to Embarc to receive their free cannabis.

Stephen Cono said the experience was amazing, "It feels great. It's a blessing. I used to have to drive all the way to Modesto for events like this, and finally, it's like seven minutes away from me now."

Mark Carrillo, the COO of Weed for Warriors, explained who they are trying to help, "Patients, people on disability, set incomes, can't come in here and spend a third of their money on medicine. They've got to eat. They've got to keep a roof over their head."

The leading motivator for Weed for Warriors is the nationwide veteran suicide crisis. On average, 22 veterans die by suicide every day.

"Legal access for veterans and other patients to get what they need is saving lives," says Carrillo.

ADDICTION RESOURCES: We understand that admitting you need help is the first and often hardest step to recovery, and as such, we must be prepared to provide relevant resources to anyone who is willing to ask. Embarc will partner with local community health organizations to make resources available regarding addiction recovery and will maintain materials onsite for such requests.

2. WAGES

Identify the minimum wage that will be offered to employees of the proposed business, excluding tips and gratuities. If entry-level employees are salaried, the Applicant shall divide the minimum annual salary by 2,087 hours to arrive at an hourly rate.

Embarc has a demonstrated track record of adherence to heightened pay and benefits standards and practices—a commitment to our employees that will continue should we be selected in Santee. These heightened pay and benefits standards and practices are outlined throughout this section.

One meaningful demonstration of Embarc's values are our wages, which are among the highest in the industry. While many of the

State's largest operators pay between \$16 and \$25 per hour, Embarc Santee retail employees will be paid between \$23.69 and \$38.11 an hour, depending on the role and experience level. These industry-leading wages will be encapsulated in our CBA with UFCW to ensure all employees receive a competitive wage. Embarc Santee's pro forma includes the following wages for employees, excluding tips and gratuities:

	Year 1	Year 2	Year 3	Year 4	Year 5
Average Base Rate per Hour by Position					
General Manager	\$38.11	\$39.25	\$40.43	\$41.64	\$42.89
Store Managers	\$33.48	\$34.48	\$35.51	\$36.58	\$37.68
Inventory Specialist	\$24.72	\$25.46	\$26.23	\$27.01	\$27.82
Store Leads	\$24.72	\$25.46	\$26.23	\$27.01	\$27.82
Retail & Delivery Sales Associates ("Guides")	\$23.69	\$24.40	\$25.13	\$25.89	\$26.66

This commitment is further detailed as part of the comprehensive financial documents included as part of the Business Plan in Section A – 1. Finances and in the Labor & Employment Plan in Section B – 2 Employee Responsibilities.

3. LOCAL OUTREACH FOR HIRING

Describe the Applicant's plans for local outreach to City of Santee residents for open positions, and any other actions proposed by the Applicant that are intended to benefit the local workforce and/or Applicant's local employees. Identify the anticipated minimum percentage of total annual payroll hours that will be performed at the business by City of Santee residents.

COMMITMENT TO & PLAN FOR 100% LOCAL HIRING

Embarc Santee will be locally operated through an internal 100% local hiring mandate, with strong ties to the community through our local partner, Dean Velasco.

We are proud to partner with long-time Santee resident and business owner Dean Velasco, whose deep ties to the community and successful track record of entrepreneurship will help ensure we meet our commitment to local hiring. Dean, known for founding and operating beloved establishments like Riverwalk Grill and Deano's Pub East, brings invaluable experience as a small business owner who understands the importance of creating job opportunities for local residents. His extensive involvement in community programs and initiatives uniquely position him to lead Embarc's efforts in hiring locally and fostering a team that truly reflects the Santee community. Dean's hands-on approach to community engagement will be instrumental in helping Embarc integrate and succeed in Santee.

We believe the health and welfare of Santee residents are rooted in the need for quality employment opportunities. Embarc Santee has committed to 100% local hiring, which will provide gainful, meaningful employment opportunities for local residents. This ensures that our team will reflect Embarc Santee customers and serve as a component of our overarching efforts to reflect, benefit, and integrate into the community.

We will target our recruitment efforts on those living within a five-mile radius of the store. When employees live in the same neighborhood where they work, they are more inclined to focus on positive neighborhood relations, community outreach, and volunteerism efforts as they are investing in their own neighborhood.

Our local hiring plan is a proven model used successfully in other communities predicated on a multi-pronged approach to engaging with the local workforce and the community to ensure we can meet our commitment to 100% local hiring.

First, we intend to develop and host a job fair with a variety of local and regional partners, including the United Food and Commercial Workers Union (UFCW). Potential local partners to identify a diverse pool of potential employees include:

- **San Diego Workforce Partnership:** Dedicated to reimagining workforce development, they provide inclusive programs that empower job seekers and meet the workforce needs of employers in San Diego County. Diversity, equity, and inclusion are at the core of their mission.
- **East County Economic Development Council:** Fosters connections between local businesses and organizations, facilitating opportunities for workforce development and job placement.
- **San Diego County Goodwill Employment Centers:** Goodwill operates six employment centers throughout San Diego County, offering job training and employment opportunities for individuals with disabilities and other barriers to employment. All services are provided at no cost to local residents.
- **Veterans East County Alliance (VECA):** Offers resources and the power of connectivity to support military personnel in their efforts to return to civilian life and the workforce.

- **Veterans of Foreign Wars Post 9327:** A nonprofit organization advocating for the rights and benefits of veterans in Santee.
- **Partnerships With Industry:** Provides support and employment opportunities to adults with intellectual and/or developmental disabilities living in San Diego County.
- **Access, Inc.:** A community-based organization that provides job training, education, and empowerment services to underserved populations, including immigrants and at-risk youth, promoting economic independence through employment opportunities.
- **Urban League of San Diego County:** Offers training, career-building, and job placement services with a focus on assisting African Americans and other underserved communities to achieve social and economic equality.

Next, our outreach will prioritize residents within a five-mile radius of the location. This will be achieved through a variety of tactics, including but not limited to hosting additional job fairs in partnership with UFCW and online outreach and engagement to the Santee workforce in consultation with local job placement partners, which will emphasize diverse local hiring. To ensure localism in hiring, we will prioritize interviews based on proximity to the location such that positions are first filled by those qualified applicants closest to the store.

Critical to the business' success is locating qualified candidates within Santee. **We anticipate that 100% of total annual payroll hours will be performed by residents of the City of Santee. We will strictly prioritize hiring locally from within Santee city limits until all positions are filled. In the unlikely event that any roles remain unfilled, we will expand our recruitment to San Diego County.** However, our primary focus remains on maximizing local employment to ensure that the majority of payroll hours come from Santee residents, thereby contributing to the local economy and fostering a stronger connection between the workforce and the community.

LOCAL OUTREACH & HIRING ENGAGEMENT

To complement our inclusive hiring strategies detailed in the previous section, the following outlines additional engagement plans to facilitate hiring a local workforce.

LOCAL PARTNERSHIP NETWORK: Dean Velasco has been a part of the fabric of Santee for over two decades, serving the community in a variety of capacities spanning from public service to the Chamber of Commerce to business leadership, and as such, he has each developed a deep bench of relationships with community leaders, non-profit organizations and local residents that we will engage in our hiring efforts. If selected to operate a retail cannabis business, Embarc will notify our extensive local community and business network of upcoming employment opportunities and will engage with these folks to ensure our workforce is local.

COMMUNITY ADVISORY BOARD MEMBERS: Our Community Advisory Board brings diverse backgrounds and experiences to their

work with Embarc. We will work with these partners to identify and recruit local applicants based on their extensive networks in our community.

LOCAL MEDIA AND ADVISORIES: Three months prior to opening, Embarc will post job opportunities in widely read media outlets such as the San Diego Union-Tribune and East County Magazine. We will utilize our existing relationships with journalists throughout the region to garner excitement and gain interest in Embarc's well-paying jobs with comprehensive benefits programs. One month prior to opening, Embarc leadership will participate in a fire-side chat with local journalists to provide an overview of our employment opportunities and create public awareness around Embarc and our commitment to hiring a fully local Santee team. We will focus the discussion on the burgeoning local cannabis industry and seek participation from the other selected operators to facilitate a unified, cohesive message to the community about the extensive public health, safety, compliance, security, and economic opportunities associated with the emerging industry.

BUSINESS LEADER PARTNERS: Three months prior to opening, Embarc will seek to partner with the Santee Chamber of Commerce to amplify career opportunities within the local cannabis industry. This engagement is also a tremendous opportunity to identify local businesses providing non-cannabis goods and services to ensure we are utilizing 100% local businesses for ongoing contracts ranging from landscaping and cleaning services to IT and maintenance. These efforts will be spearheaded by our local partner, Dean Velasco, who has been a Chamber member for many years.

SOCIAL MEDIA ENGAGEMENT: Social media is a powerful tool for local engagement. Three months prior to opening our doors, Embarc will launch a local hiring campaign through our curated local social media account to educate our community on job opportunities and career paths at Embarc and across the Santee cannabis industry. All of our social media engagement reflects the ethos that we carry at Embarc, and as such, all posts will be tasteful, respectful, and inclusive.

UNIVERSITY PARTNERS: Embarc will approach leadership at Grossmont College in El Cajon, Cuyamaca College in Rancho San Diego, and San Diego State University about engaging with appropriate student groups and workforce development resources to educate and raise awareness on careers in cannabis. Our local partner, Dean, and both of his children studied at San Diego State University, which will provide a meaningful connection to the university community. Leveraging Dean's personal ties to SDSU, Embarc will explore opportunities to collaborate with relevant departments and career services, offering internships, workshops, and other educational initiatives aimed at introducing students to the diverse career paths available in the cannabis industry.

ONLINE RECRUITMENT PLATFORMS: One month prior to opening,

Embarc will post upcoming job opportunities on trusted recruitment platforms such as Indeed and LinkedIn. We will limit the geographic radius to Santee, ensuring all applicants are local.

In each community we operate, we have successfully reached our goal of hiring from the local community in which we serve. As an example, and to demonstrate our ability to deliver on this promise, 95% of our Tahoe team lives on the mountain, and almost 80% of them reside within less than five miles of the store. We are confident in our ability to hire a local and diverse team to lead Embarc Santee, ensuring our shop is run by Santee residents for Santee residents.

OTHER ACTIONS PROPOSED INTENDED TO BENEFIT THE LOCAL WORKFORCE & EMBARC SANTEE EMPLOYEES

Embarc is dedicated to not only providing localized employment opportunities and competitive wages but also fostering a workforce that is skilled, well-supported, and positioned for long-term growth. We recognize that empowering our team members with education, training, and career development is essential to maintaining a motivated and high-performing workforce. In addition to our strong commitment to local hiring, we have implemented a range of initiatives designed to benefit both our employees and the local workforce in Santee. These initiatives include comprehensive paid training, mentorship programs, tuition assistance, and a clear pathway for internal promotions to ensure our team members can build lasting and meaningful careers.

Furthermore, Embarc is committed to creating a positive and supportive work environment through a robust package of supplemental employee benefits. These programs are designed to provide security and stability while encouraging personal and professional growth. By continually evolving these offerings, we ensure our team members have the resources they need to thrive both inside and outside the workplace. Below are the benefits offered to employees at Embarc, which further enhance our commitment to their well-being:

- Health, Dental & Vision Insurance
- Free Mental Health Counseling
- Vacation/Paid Time Off
- Maternity & Paternity Leave
- Family Leave
- Pregnancy Disability
- Leaves of Absence
- Parental Bonus
- Unpaid Time Off
- Paid Volunteerism
- Life Insurance
- Financial Literacy
- Transportation Assistance
- Embarc Cares – A Fund for Team Members in Need

- Internal Employee Incentive Program
- Employee Stock Option Program
- Employee Discount

Please see the Labor & Employment Plan Section B – 3 Employee Benefits of this proposal for detailed information on each of these employee benefits.

This comprehensive approach to employee support, in combination with our training and career development initiatives, forms the foundation of Embarc's commitment to the success of our team members and ensures that Embarc Santee will not only be a great place to work but also a key contributor to the local workforce. Below, we outline the specific actions Embarc will take to foster professional development for our employees at Embarc Santee.

Paid Training & Continuing Education

Embarc's robust paid education and employee training programs are integral to Embarc's business model and have a proven track record of creating a diverse and highly educated workforce. This plan is rooted in the fundamental belief in the value that ongoing education and learning bring to the organization. Rather than a one-size-fits-all approach, Embarc's policies and programs holistically facilitate the growth of its workforce through myriad tools, resources, and programs aimed at fostering growth throughout the lifecycle of an employee's matriculation.

All employees are paid at their regular rate of pay for onboarding, initial training, mentorship/mentee hours, apprenticeships, approved educational courses, workforce development programs, job-specific skills coursework, and Flight School: Embarc's Proprietary Education Hub (education and training platform) courses.

Through the creation of workplace programs and policies that provide and reinforce the importance of training, and by providing significant opportunities for ongoing paid education and training, Embarc sets team members up to advance within the company and in their careers.

Onboarding & Initial Training

Employees must be positioned to succeed through thorough initial and ongoing education, training, and effective leadership at every level of the organization, providing direction and guidance for the current position as well as a roadmap for continued growth. It is critical that clear performance expectations are set, and a pathway for upward mobility is created to inspire and motivate team members.

Embarc will require employees to receive two weeks of training prior to the store opening with a focus on compliance, security, operational procedures, cannabis knowledge, and product-specific expertise. Upon one year of employment with Embarc, employees will be required to undergo an annual training course. After completing the two-week initial training, Guides will be required to complete

various weekly, quarterly, and annual trainings. In addition to our existing ongoing training, Embarc is currently working with an expert in the fields of cannabis education and curriculum development to finalize additional modules within this robust internal training and matriculation program.

Within six weeks of hire, select employees will be required to complete the Cannabis Care Certification program developed by the nationally recognized Americans for Safe Access Foundation (the “ASA”). The mission of ASA is to ensure safe and legal access to cannabis for therapeutic use and research and the program is designed to help individuals better understand the endocannabinoid system and cannabis therapeutics. By completing this program these employees will have unparalleled knowledge into the interplay between cannabis consumption and the human body.

After employees are hired, and paperwork is complete, they undergo a two-week training consisting of three distinct tiers:

TIER 1 TRAINING – CANNABIS 101 (3 DAYS):

All employees must participate in our “Cannabis 101” training program that provides a broad overview of cannabis as a plant and a product. This training is also required of any contractors that have consistent interaction with Embarc guests such as our security team. This training details everything from the history of cannabis legalization in California; the laws and regulations that now allow for adult use cannabis, CBD, and THC; terpenes; and the State’s track-and-trace program, among others, and is critical to ensuring consistency in cannabis education. Importantly, given our focus on medical patients, it is vital that all employees understand cannabis’ medicinal use.

TIER 2 TRAINING – UNDERSTANDING EMBARC (2 DAYS)

Tier 2 Training details the company’s mission, vision, and goals; how values shape our desired interaction with guests, neighbors, and the community; the Employee Code of Conduct and what that means in practice; and community benefits, employee benefits, volunteerism, and ongoing engagement.

TIER 3 TRAINING – COMPLIANCE & BEST PRACTICES (5 DAYS)

While compliance is interwoven into every module during the training program, we also have a detailed Compliance & Best Practices tier before employees begin shadowing on the floor. During this training component, employees are provided an overview of cannabis compliance, and a detailed description of daily operations, including role-playing scenarios with mock guest identification verification, sales, purchases, inventory, and more.

After the two-week training is complete, employees begin shadow shifts. In the case of a new store opening, these are part of the role-playing scenarios included in Tier 3 training and are led by Store Managers from other Embarc locations. After completing shadowing shifts, employees begin independent shifts. They are then engaged in ongoing education and training, as we understand

that Guide education is an ongoing process.

Because the General Manager is ultimately responsible for the store’s day-to-day activities and performance, Santee’s General Manager will receive in-store training at one of Embarc’s existing locations prior to training the team and opening the store in Santee.

During operating hours there will always be at least one Lead Guide on the floor. Lead Guides are true cannabis experts with at least three years of cannabis operations experience and proven performance in our proprietary education program, assuring a true mastery of cannabis knowledge. This program includes written and oral testing components and additional training.

Guides continue to receive product education, compliance, and operational training throughout their tenure. This training includes ongoing education from our vendors and partners, product knowledge quizzes, weekly terpene profile discussions, and more. Continuous education is a component of our employee incentive plan and continuing to develop product and compliance knowledge is rewarded economically and with prizes. This keeps learning fun and ensures the team continues to grow and evolve with the industry. When given the proper resources, education, and encouragement, team members thrive at Embarc and in their greater educational and career aspirations.

Compass: A Mentorship Program to Build Opportunity from Within

Mentorship programs help to develop leaders by teaching new skills and providing diverse experiences that create mobility for future roles at Embarc and beyond. It is also a meaningful way to welcome new team members into the fold and to facilitate relationships across experience levels. We have implemented a mentorship program that pairs entry-level employees with more seasoned team members to cultivate passions and provide meaningful feedback on how to continue professional development and growth. This program is designed to break down barriers to entry and help employees identify other areas of interest to promote matriculation.

We understand that while someone may currently work as a Guide, they may have larger career ambitions at Embarc or beyond. We seek to foster development by providing the tools, guidance, resources, and skills necessary to be promoted into other leadership roles. Upon hiring or when brought to their Manager, employees are given the opportunity to apply for a mentor. Mentors are assigned based on the mentee’s interests, skills, hobbies, and desired growth trajectory.

While our core business focus is retail, it takes a team with diverse skills and experiences to build and sustain an effective business model. By offering a mentorship program, we are investing in our employees as more than “just” retail associates—they are vital team members with the potential to learn and grow in all facets of the company. Furthermore, these programs ensure working at Embarc has the potential to be more than a job—we provide

meaningful career opportunities with significant wages, benefits, and opportunities for advancement in each store, in multi-store leadership positions, and company-wide.

Local Workforce Pipeline – Apprenticeships & Training Partnerships

Embarc is committed to the creation of an apprenticeship program facilitating career pathways for underserved individuals while developing a resource for current employees to seek deeper educational or professional development training. In every community we seek to partner with local educational institutions, such as the community college, to create meaningful workforce development partnerships. By working with these programs, we support our employees’ development and aspirations. Embarc will engage with local workforce development partners in this effort and recruit qualifying individuals. Whether employees come to us through a college program or not, they will be invited and encouraged to enter the work experience program where they can often earn work-experience credits while simultaneously earning wages at Embarc. This partnership fosters personal and professional growth with educational programs focused on valuable life and professional skills.

While Embarc has done this alone in other communities, we welcome the opportunity to partner with the other local operators to develop an industry-wide professional networking pipeline supported with educational resources and training. Embarc has launched such a curriculum to provide relevant education and training for the legal commercial cannabis industry in other communities. We’ve partnered with regional community colleges, Chambers of Commerce, and local workforce development organizations and can implement a similar program in Santee.

Tuition Assistance & Scholarship Program

We offer tuition assistance and a scholarship program for qualifying employees, as well as provide scholarships to local residents in coordination with local community colleges. For example, in South Lake Tahoe, Embarc not only provides scholarships for students from the LGBTQIA+ community but also supports the student food bank—a vital wraparound service for many students today.

“We are grateful for Embarc’s commitment to supporting the students of Lake Tahoe Community College through scholarships and workforce development opportunities. These make a tangible impact in the lives of students.”

PROFESSOR WALTER MORRIS, PH.D.,
BOARD MEMBER, LAKE TAHOE
COMMUNITY COLLEGE FOUNDATION

Paid Job-Specific Skills Training

Embarc encourages team members interested in increasing responsibilities or growing to a new position within the company to propose to management the coursework they would like to undertake to be considered for internal promotion. Examples include HR training and certification courses; accounting training and book-keeping; and CAL/OSHA Certifications.

Opportunity Ladder

The burgeoning legal cannabis industry represents an opportunity to provide meaningful employment opportunities across the attainment spectrum. We welcome the opportunity to ensure working at Embarc can provide economic mobility rather than just a job. We achieve this by creating a deliberate opportunity ladder that recognizes barriers to entry and matriculation inherent in most hiring and operational practices and systematically works to eliminate them.

PROMISES MADE, PROMISES KEPT: MATRICULATION THROUGH EDUCATION & MENTORSHIP

Training and mentorship are critical to ensuring our employees grow with us and the best measure of effective employee empowerment is the last employee that was empowered. Amber is a great example of Embarc’s meaningful approach to employee empowerment—Amber joined our team as a Store Manager but in leading the team quickly realized her passion was in Human Resources rather than sales. To support her in achieving her goals, Embarc provided a scholarship for her HR coursework at Cornell University, partnered her with senior leadership as part of our internal mentorship program, and promoted her into an HR position companywide. This is an example of how to successfully matriculate from within through scholarship, wraparound support, and empowerment.

CAREER ADVANCEMENT – PRIORITIZED INTERNAL PROMOTIONS:

Embarc will promote from within through ongoing training, quarterly performance reviews, and annual meetings. When submitting a job requisition form to HR, Embarc employees are required to take an “Our Team First” approach. This requires HR and the individual requesting a new position be created (or a current position be filled) to discuss internal team members that could be appropriate for the role before any outside recruiting efforts are made. Jobs are posted in each retail store for a minimum of five days before being posted externally to ensure our staff is aware of new opportunities and able to pursue them if interested, and we partner with the UFCW to ensure our team members have ample time to apply for these promotions and/or opportunities. This is a collaborative and comprehensive process between HR and the department leads seeking the role to be filled, designed to prioritize upward mobility from within. When an employee is identified as the right fit for the role, HR engages that employee to determine their interest in the new role before undertaking any external recruiting practices.

REGULAR PERFORMANCE REVIEWS: While most employers rely on an annual review process, Embarc performs quarterly performance reviews and further encourages employees and supervisors to discuss performance on a frequent, ongoing basis. Data indicates that employees often feel uncomfortable asking for performance feedback, but quarterly reviews eliminate that barrier and create a culture of ongoing communication about performance, opportunities for improvement, and upward mobility paths. Consistency in communication also normalizes discussion of opportunity ladders and compensation which is vital to promoting the “Our Team First” policy in hiring. These reviews provide opportunities for the Manager and team member to explore areas where additional training or education could be helpful in promoting growth and then create a plan to meet them.

Flight School: Embarc’s Proprietary Education Hub Aimed at Helping Careers Soar

One of the most significant components of Embarc’s commitment to ongoing paid education and training is its proprietary education and training platform. Embarc’s “Education Hub” of professional development and training resources is foundational to ensuring our employees have the resources to grow both personally and professionally. This platform is a meaningful component of providing employees direct access to the education necessary to grow into senior positions in the company by:

- Helping to define clear expectations and requirements for internal promotion;
- Providing direct access to the required education to succeed;
- Encouraging employees to pursue the educational resources provided through culture building, prize incentives, and amplifying success stories; and
- Facilitating personal development through (free) life skills courses on topics ranging from personal finance, home loans, taxes, and other important life skills.

Embarc requires all employees to complete a minimum number of courses to remain up to date on all product knowledge and utilizes additional optional coursework as an opportunity for paid education to further round out knowledge and skillsets. **By creating a standardized continued education requirement through free access to education that can be undertaken during paid working hours, Embarc is leveling the playing field while setting a high bar.**

Embarc’s Education Hub will be provided to all Embarc Santee employees through our multi-modal online platform, accessible to employees through their personalized employee identification. Educational materials and individual coursework progress are tagged to each employee’s identification number, allowing the employee to track progress and earn certifications while allowing Managers to reward continued education.

Creating Long-Term Opportunity

A well-trained workforce is vital to creating a unique, differentiated

experience for customers and is thus key to a successful operation. As is summarized here, Embarc provides employees with ample opportunities for paid education and training, including but not limited to a paid two-week initial onboarding, daily, quarterly, and annual paid product, customer service and compliance trainings, and paid mentorship to develop and hone new skills in subject areas they are interested in.

But educational and training opportunities to broaden and sharpen our employees’ skills is vital outside the shop as well. Our operating budget contemplates a significant monthly allocation for educational tools, trainings, and resources to enhance team members’ experience in executing their professional functions.

These efforts have proven the value of taking a holistic approach to paid education and training, particularly given the legal adult-use market is still nascent in California, and there is little formal education and training available to provide career readiness in cannabis today. It is incumbent upon responsible operators to develop and implement meaningful opportunities for matriculation, creating a clearly defined and supported pathway for ongoing career advancement that sets team members up for success.

“Embarc has afforded me many opportunities to learn and grow inside and outside of the shop ... Embarc provided me access to a leadership skills training that has given me new tools to effectively lead our team. I appreciate the opportunities I am offered to expand my knowledge through Embarc-led and third-party educational activities and resources and I’m proud of what I’m able to put into action in engaging our team in new ways.”

MELISSA,
EMBARC MANAGER

Ultimately, Embarc has a proven track record of investment in the ongoing education and training of employees by providing free access to significant tools and resources and by ensuring significant paid working time is dedicated to ongoing development.

4. DIRECT FEE OFFERED TO THE CITY

The Community Benefits and Investment Plan shall also include a description of the direct fee that will be offered to the City, expressed as a percentage of annual gross receipts. The City anticipates a minimum of 5% of annual gross receipts.

Embarc Santee will offer 6% of gross receipts as a direct fee to the City.

Quantifying Impact

Contemplating the 6% of gross receipts paid to the City as a direct fee and 1% of gross receipts to our internal Community Investment Fund, the projected financial public benefit associated with this proposal over the first 60 months is as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Direct Fee to the City of Santee (6% of Sales)	\$479,670	\$513,247	\$549,175	\$587,617	\$628,750	
Community Investment Fund (1% of Sales)	\$79,945	\$85,541	\$91,529	\$97,936	\$104,792	
Total Taxes and Community Benefit Payments	\$559,615	\$598,789	\$640,704	\$685,553	\$733,542	\$3,218,203

Additionally, as detailed above, Embarc commits to significant on-going volunteerism from both retail and executive level employees:

RETAIL TEAM MEMBERS

Total value of committed store-level volunteerism over first 60 months

40 hours a year per retail employee = 6,760 hours

6,760 paid volunteerism hours at a blended hourly rate of \$27/hr is \$182,520 in paid volunteerism for employees.

EXECUTIVE TEAM MEMBERS

Total value of committed executive-level volunteerism over first 60 months:

100 hours a year x 10 employees = 1000 executive-level volunteer hours annually

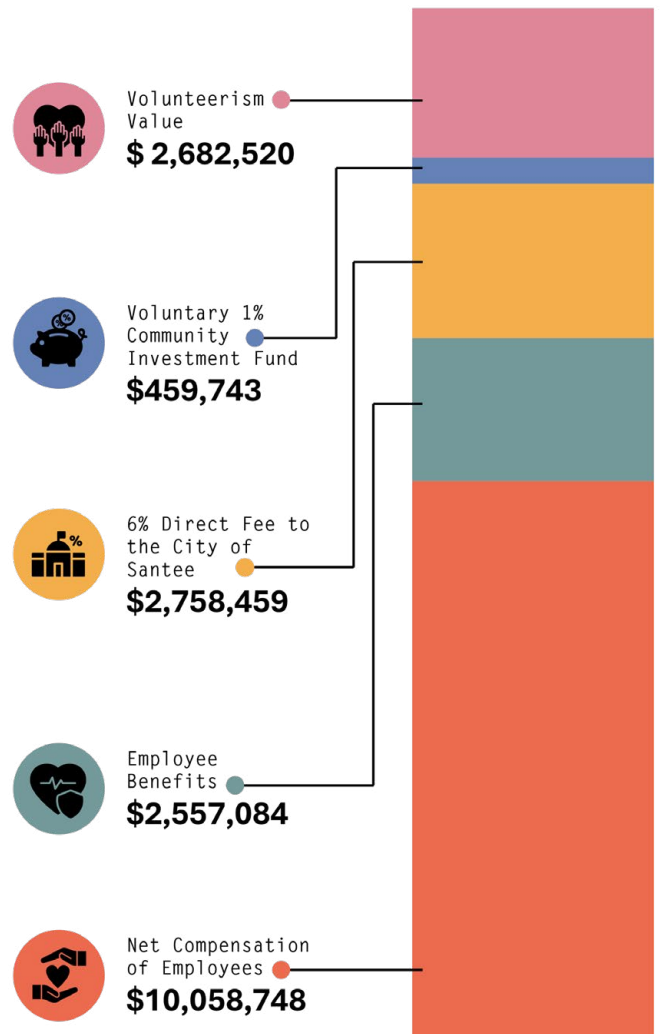
1000 hours x \$500 an hour = \$500,000 a year or \$2,500,000 in volunteerism for executive team members

Over the first 60 months, Embarc estimates the following benefits within the community:

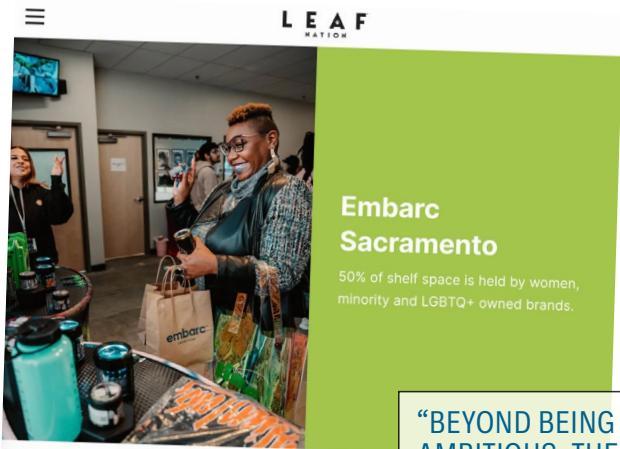
Total value of financial public impact:	\$3,218,203
Total value of volunteerism:	\$2,682,520
TOTAL:	\$5,900,723

\$18.52 MILLION

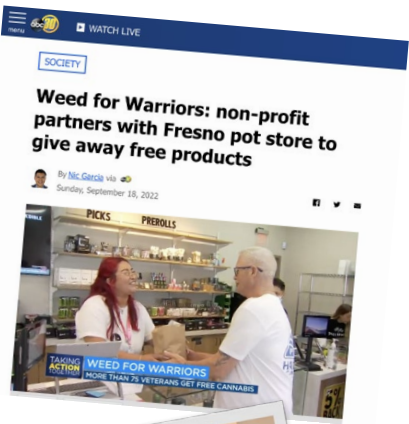
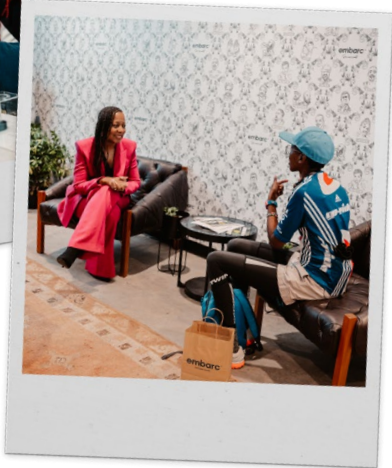
INVESTED IN SANTEE OVER FIRST 5 YEARS



“AN AUTHENTIC, PEOPLE AND COMMUNITY-FORWARD BUSINESS”

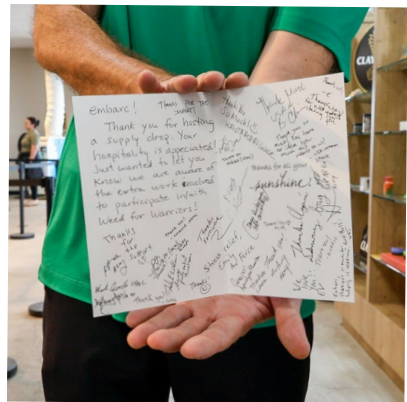


“BEYOND BEING AMBITIOUS, THE METHODOLOGY CARPENTER AND HER TEAM ARE UTILIZING TO BUILD THE EMBARC EMPIRE IS, QUITE FRANKLY, WHAT’S BEEN MISSING IN CANNABIS RETAIL: PURPOSE. IT IS ABUNDANTLY APPARENT THAT THE LEADERSHIP IS HERE FOR MORE THAN JUST MONEY AND THE GOAL IS TO CREATE AN AUTHENTIC, PEOPLE AND COMMUNITY-FORWARD BUSINESS – NOT JUST ANOTHER CHAIN OF POT SHOPS.”



“WE ARE PROUD AND GRATEFUL TO BE PARTNERING WITH EMBARC IN PROVIDING SAFE ACCESS TO CANNABIS FOR THESE VALUED COMMUNITY MEMBERS.”

- MARK CARRILLO, COO FOR WEED FOR WARRIORS



SUPPORTING OUR LOCAL COMMUNITIES

First Fresno cannabis dispensary opens. City councilmember is first official customer

BY THADDEUS MILLER
UPDATED JULY 14, 2022 4:45 PM



“TO DATE, EMBARC HAS WORKED WITH THE BOYS AND GIRLS CLUB, PROVIDED SHELTER FOR THE HOMELESS IN TAHOE, FUNDED COMMUNITY SCIENCE PROGRAMS, WRITTEN SCHOLARSHIPS FOR HIGHER EDUCATION, FUNDED SOBER GRADUATION NIGHTS, CLEANED STREETS, AND MORE”



CALIFORNIA CANNABIS DISPENSARY EMBARC PUTS COMMUNITY FIRST | INTERVIEW WITH FOUNDERS

SECTION G: PROPOSED SITE PLAN

As a partnership between experienced cannabis operators and a local business owner with deep ties to Santee, we believe strongly in the importance of creating a thriving retail location for the community as operational experience has taught us the importance of a properly sited and developed location to the business' ultimate success. As such, we have secured property at 8017 Mission Gorge Road—an appropriate location with parking, significantly buffered from sensitive uses, and validated as appropriate from multiple key community stakeholders and decades-long residents.

Why Santee?

At a time when many cannabis operators are racing to establish the largest national footprint by pursuing retail licenses in every community that opens a licensure process, Embarc chooses a different path. Our mission is to thoughtfully expand our presence in the emerging industry by selectively applying in communities that share our values and where we can cultivate genuine, long-lasting partnerships.

GROWING POPULATION & STRONG DEMOGRAPHICS: As a steadily growing part of San Diego County, Santee offers a suburban environment that attracts families and professionals. This demographic provides a strong, stable consumer base for retail operations, contributing to the city's appeal.

COMMUNITY-ORIENTED ENVIRONMENT: Santee's commitment to fostering a tight-knit community, demonstrated through local events, parks, renowned recreational opportunities, and venues, makes it an ideal fit for Embarc's values. Our focus on local engagement aligns with the city's vision, ensuring our retail operation contributes positively to the community.

ECONOMIC GROWTH & DEVELOPMENT: Santee's continued investment in infrastructure, housing, and commercial projects creates a favorable landscape for new businesses. The city's proactive approach to supporting economic development makes it a promising location for growth-oriented businesses like Embarc.

THOUGHTFUL IMPLEMENTATION OF CANNABIS: The City of Santee's thoughtful and rigorous merit-based approach to cannabis licensing ensures that only the most responsible operators, who prioritize public health and safety, will be selected. By capping the number of retailers at four, the City is preventing market oversaturation and promoting sustainable business growth while maintaining high standards. The inclusion of a City-approved public outreach and youth education program further reflects Santee's commitment to safeguarding its residents, aligning directly with Embarc's values. These stringent regulations ensure that only operators who earn the trust of the community, city staff, and elected leaders will serve Santee, making this one of the key reasons why Embarc is eager to operate here.



The licensing process presents an opportunity for the City of Santee to select a partner that goes beyond the role of a mere cannabis purveyor but rather one that can genuinely maximize the benefits to this community. We are confident Embarc is the ideal choice.

The City of Santee's vision centered around "exceptional and dedicated people working together for a dynamic and progressive city where family, community, and diversity are embraced," aligns seamlessly with Embarc's core mission. At Embarc, we prioritize **accountability** by empowering our Community Advisory Board to ensure we deliver on our promises, working collaboratively with leadership to align our efforts with the community's expectations. Our **visionary** approach drives us to constantly innovate within the cannabis retail space, while our unwavering commitment to **integrity** ensures we maintain the highest ethical standards in all aspects of our business operations. Moreover, we maintain **professionalism** in every facet of our work, from the customer experience to our internal operations, holding ourselves to high standards of performance and respect. Finally, our deep **commitment** to the Santee community is reflected in every step we take—whether through local hiring, community engagement, or promoting public safety.

From our carefully chosen location on Mission Gorge to our proposed community benefits, employee training and benefits, and ongoing neighborhood engagement plans outlined in this proposal, our commitment to Santee and its residents is unwavering and sincere.

Why Mission Gorge Road?

Our team's practical experience entitling dozens of cannabis operations in merit-based communities throughout the state has proven that location selection is critical to the viability of a proposed cannabis business. As such, prior to finalizing site selection, we undertake an extensive diligence process informed by our community listening tour and led by our executive leadership team and feedback from Community Advisory Board members and other stakeholders.

The first step in our real estate diligence process is to generate city-wide mapping to identify qualifying parcels. Our real estate team obtained a Santee parcel map and uploaded it into GIS mapping software to identify every eligible parcel in permissible zoning for commercial cannabis activity and overlay all sensitive use buffers to produce a complete list of compliant properties.

After an extensive review of all compliant parcels, we narrowed our focus to standalone buildings (to afford total control over the property) with parking and with appropriate square footage. We then reviewed all viable options with our Security Chief, Matt Carroll, to further narrow our review to properties that are most conducive

to maximizing public safety. Finally, with a short list of just a few properties that met these criteria, we spoke with community members to understand where we would be most welcomed and mutually beneficial to local commerce.

As a result of these exhaustive efforts, we believe 8017 Mission Gorge Road is the most optimal site for cannabis retail in the City of Santee for the following reasons:

SENSITIVE USES: The parcel exceeds the City's 900-foot sensitive use buffer from any sensitive use—youth centers, K-12 Schools, day care operations, and parks.

MINIMAL RENOVATIONS: The size of our proposed building is adequate to accommodate our proposed operations and estimated number of customers. Its condition will require only cosmetic and operational tenant improvements rather than full construction or a major renovation. Embarc has been the first of its cohort of license recipients to open in nearly all the communities where we operate today—a testament to our ability to operationalize quickly and to our understanding that municipal revenue generation is a primary goal of these endeavors. Extensive renovations would create delays in the design, permitting, construction, and operationalization of the business and would be antithetical to our track record of moving quickly upon award.

FREESTANDING BUILDING: The choice of a freestanding building for our proposed location is deliberate and strategic. Being the sole structure on the parcel, we are afforded complete control over the building's entire perimeter. This extends to the ability to implement customized security measures across the full property, including a robust network of surveillance cameras, advanced alarm systems, and comprehensive access control. Our Security Chief prioritizes this aspect of location selection due to the significant enhancement it provides to our site's security landscape. The standalone nature of the building enables us to build an integrated, top-tier security framework that aligns with our commitment to ensure the safety of our customers, employees, and the broader community.

SALLY PORT FOR SAFE DELIVERIES: The site features a roll-up garage door, allowing us to utilize a sally port for distribution deliveries, armored vehicle currency pick-ups, and retail delivery vehicle parking. This secure loading area with roll-up door prevents the passage of cannabis goods from the main entrance of the building and protecting this process from public view.

APPROPRIATE VISIBILITY: Our proposed location on Mission Gorge Road offers an ideal balance of visibility for a cannabis business. The location is not overly conspicuous, which could detract from the neighborhood's atmosphere, yet it remains easily accessible without posing safety concerns. This location strikes the perfect balance, making it highly suitable for a cannabis retail establishment. Together with Embarc's tasteful exterior designs, residents felt that this location would be the most appropriate for a cannabis

business, ultimately benefiting the City as a whole.

After a multi-month listening tour and community engagement with neighborhood leaders and community members City-wide, Embarc has coalesced a committed and engaged Community Advisory Board of local stakeholders who sat alongside us in the finalization (and hopeful implementation) of a community-oriented cannabis proposal that meets this neighborhood's needs while remaining approachable and accessible for those from throughout Santee and the region.

1. EXISTING SITE INFORMATION

1.A. PHYSICAL ADDRESS

Embarc Santee is proposing to locate at 8017 Mission Gorge Road, Santee, CA 92071.

Property Address: 8017 Mission Gorge Road, Santee, CA 92071

APN: 383-261-26 & 383-261-42

Zoning: CG (General Commercial)

District: 3

Date Constructed: 2021

1.B. DESCRIPTION OF THE EXISTING SITE

Narrative description of the existing site, including building(s), parking spaces, driveways, pedestrian sidewalks/rights-of-way;

Existing Site

Embarc's proposed location at 8017 Mission Gorge Road is a stand-alone building. This parcel is on the south side of Mission Gorge Road between Caribbean Way and Big Rock Road. It is conveniently located near the CA-52 exit 13 for Mast Blvd and the CA-125 Mission Gorge Road exit.

The building comprises approximately 3,700 square feet on two parcels totaling 23,593 square feet (.54 acres). It is ideally located on a main artery with ample ingress and egress.

Embarc's proposed location complies with Santee Municipal Code and sensitive use restrictions. Further, the property:

- Conforms with the City's general plan, any applicable specific plan, master plan, and design requirements.
- Complies with all applicable zoning and related development standards pursuant to City Code.
- Is constructed (and will be further enhanced) in a manner that minimizes odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties.
- Is adequate in size and shape to accommodate the parking and loading facilities, landscaping, and all items as required for business operations.
- Is served by highways adequate in width and improved as nec-

essary to carry the kind and quantity of traffic such use will generate.

- Is provided with adequate electricity, sewerage, disposal, water, fire protection, and storm drainage facilities for the intended purpose.

Building

As detailed above, the site features a building comprising approximately 3,700 square feet on two parcels totaling 23,593 square feet (.54 acres). The proposed premises is a stand-alone building newly constructed in 2021. The building's current use is as an office. Embarc is proposing no modifications to the total building but is proposing meaningful tenant improvements to transform the interior.

Fencing

The property's perimeters are secured with fences and the entrance to the parking lot features a wrought iron gate, which can be closed and locked after business hours, further enhancing territorial security.

Parking Spaces

The location's on-site parking configuration includes approximately 12 spaces (10 standard and two ADA-compliant), which provides a solid foundation for customer parking. The effective retail square footage is 2,840 square feet, excluding the Secure Loading & Unloading sally port area. Based on the city's requirement of one parking space per 250 square feet of retail space, the parking requirement is calculated at 12 spaces.

In addition to the on-site spaces, there is an empty parcel directly behind the property that presents a valuable opportunity for future development into a parking lot. This parcel has the potential to accommodate at least 25 additional spaces, ensuring that ample parking will be available as our operations grow. Additionally, there is a vacant lot at the southwest corner of Big Rock Road and Mission Gorge Road, offering another opportunity to expand parking in collaboration with local property owners and the City.

We are highly experienced in addressing parking needs for our retail operations, as demonstrated by our San Bruno location, where we successfully secured additional off-site parking to meet the demands of our customers. In that case, we leased a nearby parcel, adding convenience for our patrons and further solidifying our commitment to providing a seamless customer experience. These expansion opportunities, paired with our proven solutions for parking optimization, ensure that our proposed location can fully meet both the City's and our customers' needs.

Driveways

This location is ideally situated on a main artery with an existing driveway that is sufficient and provides appropriate ingress and egress on the site. Vehicular access is provided by a driveway along

Mission Gorge Road (both providing for ingress and for egress). These will be clearly marked and maintained for efficient use.

Pedestrian Sidewalks / Rights-of-Way

A Pedestrian sidewalk and public right of way abuts the property, ensuring the site enjoys ample pedestrian sidewalks allowing for ease of access. A pedestrian sidewalk borders the northern edge of the parcel along Mission Gorge Road.

1.C. PHOTOGRAPHS

Photographs of the existing property and building(s)



1.D. CURRENT USE

Description of how the site is currently being used;

Currently, the site is owner-occupied by Huntington Pacific Corporation (HPC) and used as office space for its general engineering contractor business. HPC specializes in public, private, and commercial grading, concrete, paving, and striping projects throughout the Southern California Region.

1.E. BUSINESSES CURRENTLY OPERATING ON THE PARCEL & ADJACENT PARCELS

Description of any businesses currently operating on the parcel (if any), and any parcels directly adjacent to the existing site.

The current occupant of the site is the owner, who utilizes the space as an office for Huntington Pacific Corporation (HPC), a general engineering contractor specializing in public and private infrastructure projects. Upon Embarc assuming the property, we will become the sole tenant.

Adjacent to the east of our proposed site is a small shopping center that offers the following businesses:

- **State Farm Insurance**
8047 Mission Gorge Rd, Unit A
- **Scissors Palace Touch**
8047 Mission Gorge Rd, Unit C
- **Mission Trails Bike Shop**
8047 Mission Gorge Rd, Unit D
- **The Secret Spot**
8047 Mission Gorge Rd, Unit G
- **J.C. Oberg, CPA**
8047 Mission Gorge Rd, Unit H

Adjacent to the west of our proposed site is a small shopping center that offers the following businesses:

- **Big Rock Market**
8011 Mission Gorge Rd, Suite A
- **Happy Pet**
8011 Mission Gorge Rd, Suite D
- **We Know Best**
8011 Mission Gorge Rd, Suite E
- **Fox's Giant Pizza**
8011 Mission Gorge Rd, Suite H
- **East County Sign Works**
8011 Mission Gorge Rd, Suite I

2. PROPOSED SITE INFORMATION

2.A. SITE PLAN

A site plan, drawn to scale, of the proposed business showing perimeter fencing, driveways, streets, property lines, buildings, parking areas, and outdoor areas.

Please see the following pages for site plan and proposed floor plan.

2.B. DESCRIPTION OF PROPOSED SITE IMPROVEMENTS

A narrative description of proposed site improvements, including façade rehabilitation, building expansion, parking, landscaping, fencing, or other exterior site improvements.

Creating an exceptional customer experience starts with the design and presentation of our site, which is why we plan to undertake aesthetic improvements that contribute to a warm and inviting retail atmosphere. Thoughtful design execution is central to Embarc's identity, and this is clearly reflected in the plans we have outlined here, as represented in the accompanying renderings.

Our proposed location at 8017 Mission Gorge Road is a newly constructed site that is already in excellent condition, requiring no major exterior modifications. This allows us to expedite the opening of our Santee location, enabling us to start operations swiftly. Given our strong track record of being the first cannabis retailer to open in nearly every community where we are selected to operate, we are confident that this site provides a prime opportunity for Embarc to repeat this achievement in Santee.

Embarc anticipates opening its doors in Santee and beginning operations by Fall 2025. We are committed to this schedule and will pursue it aggressively, leveraging our proven ability to execute projects quickly and efficiently in every community we serve. The minimal need for exterior improvements, combined with our experience in rapid project execution, means that we are well-positioned to deliver on this timeline. Should we be selected, we anticipate completing the required tenant improvements swiftly, allowing us to begin generating revenue and community benefits without delay.

Below is a detailed breakdown of the planned site improvements, ensuring that the property remains secure, compliant, and aligned with Embarc's high standards for design and customer experience:

FAÇADE REHABILITATION: We will install compliant Embarc signage on the façade of the building to enhance visibility and brand recognition while maintaining compliance with local regulations. The building's exterior paint and surface are in good condition, but we will touch up and refresh the paint as necessary to maintain a modern and inviting appearance. A comprehensive security inspection of the windows and doors will be conducted, and, if required, we will replace certain elements to enhance safety and security.

BUILDING EXPANSION: Our proposed space within the building is adequately sized for our operations, and as such, there are no plans for building expansion. The existing structure is sound and does not require any additional square footage for the successful execution of our business.

PARKING: The current parking lot is well-maintained, and we will work with the property owner to ensure it continues to meet our operational needs. While the site provides 12 parking spaces, we will explore potential collaborations with nearby property owners to

secure additional parking if needed. Bicycle racks will be installed near the entrance to support eco-friendly transportation for customers and staff.

LANDSCAPING: To enhance the aesthetic appeal of the property, we will work closely with the landlord to introduce drought-tolerant plants into the existing planters. This will not only beautify the site but also contribute to sustainability efforts by reducing water consumption. We will ensure that all landscaping is low-maintenance and complements the surrounding environment.

FENCING: There is no need for the addition of new fencing at the property. The existing partial perimeter fencing is in good condition, and we will ensure it remains well-maintained. Regular inspections will be conducted to ensure it provides adequate security and boundary definition.

LIGHTING: If necessary for enhanced security and visibility, we will install additional LED lighting around all access points and in the parking area. These lights will provide sufficient illumination during evening hours, ensuring a safe environment for both customers and employees while adhering to local lighting ordinances to minimize light pollution.

SECURITY FEATURES: We will install a robust security system with multiple surveillance cameras placed strategically around the building's exterior to ensure comprehensive monitoring of all entry points, parking areas, and surrounding grounds. This will complement our existing security measures detailed in Section C.

These thoughtful improvements are designed to ensure that our site meets all regulatory requirements, enhances customer experience, and fosters a secure, welcoming environment for all visitors. By focusing on these areas, we can efficiently begin operations while ensuring the highest standards of safety, accessibility, and aesthetic appeal.

2.C. VISUAL DEPICTIONS

Visual depictions of the proposed exterior of the cannabis business.



3. IMPACT ON THE SURROUNDING AREA

Describe how the proposed modifications and utilization of the site for cannabis retail activity will impact the public health, safety, welfare, environmental quality, and/or quality of life in the surrounding area.

Embarc's best practices are rooted in proactive steps to ensure our cannabis operations avoid having any negative impacts on our neighbors or the surrounding community. As detailed throughout this proposal, it is Embarc's intention to be a contributing and responsible force in the community, and we are committed to ensuring that our dispensary never poses a nuisance to the neighborhood, but rather, can serve as a boon to continued reinvestment.

As outlined above, our proposed exterior site improvements are limited to the addition of signage and minimal painting and the interior improvements are limited to reconfiguring the floor plan. It is unlikely these improvements will cause excessive noise or negative impacts on the quality of life for neighbors. Both exterior improvements and interior renovation activities will only occur with a special permit from the City, between reasonable or preapproved hours, and will comply with all relevant noise ordinances. Additionally, our estimated construction schedule should be limited to a maximum of 4-6 weeks.

Our robust Security Plan ensures we will have no negative impacts on the public health, safety, and welfare of the Santee community. Increased safety surrounding the facility is a positive byproduct of the immense attention to detail given to our facility's security measures. Our presence in the neighborhood comes with patrolling Security Guards, an industry-leading surveillance system with coverage extending across the entirety of the interior and exterior of the facility and beyond, and advanced alarm systems with immediate access to local law enforcement. We are confident that the extreme importance placed on facility security and safety will result in a positive impact on the safety and well-being of our neighbors. In fact, other communities located near legal cannabis facilities have seen increased property values as a result of enhanced security and beautification efforts.

The environment surrounding our location will not be impacted by our business, as we have a proven Odor Mitigation Plan that ensures odors from cannabis are not detectable off-site. All cannabis products arrive at Embarc retail facilities in their final packaged form, and there are virtually no odors associated with this license type. It is highly improbable that any onsite product will emit a strong odor. However, appropriate air purification systems, air scrubbers, odor mitigation equipment, and charcoal filtration systems will be utilized to prevent any odor of cannabis from emanating beyond the walls of the premises.

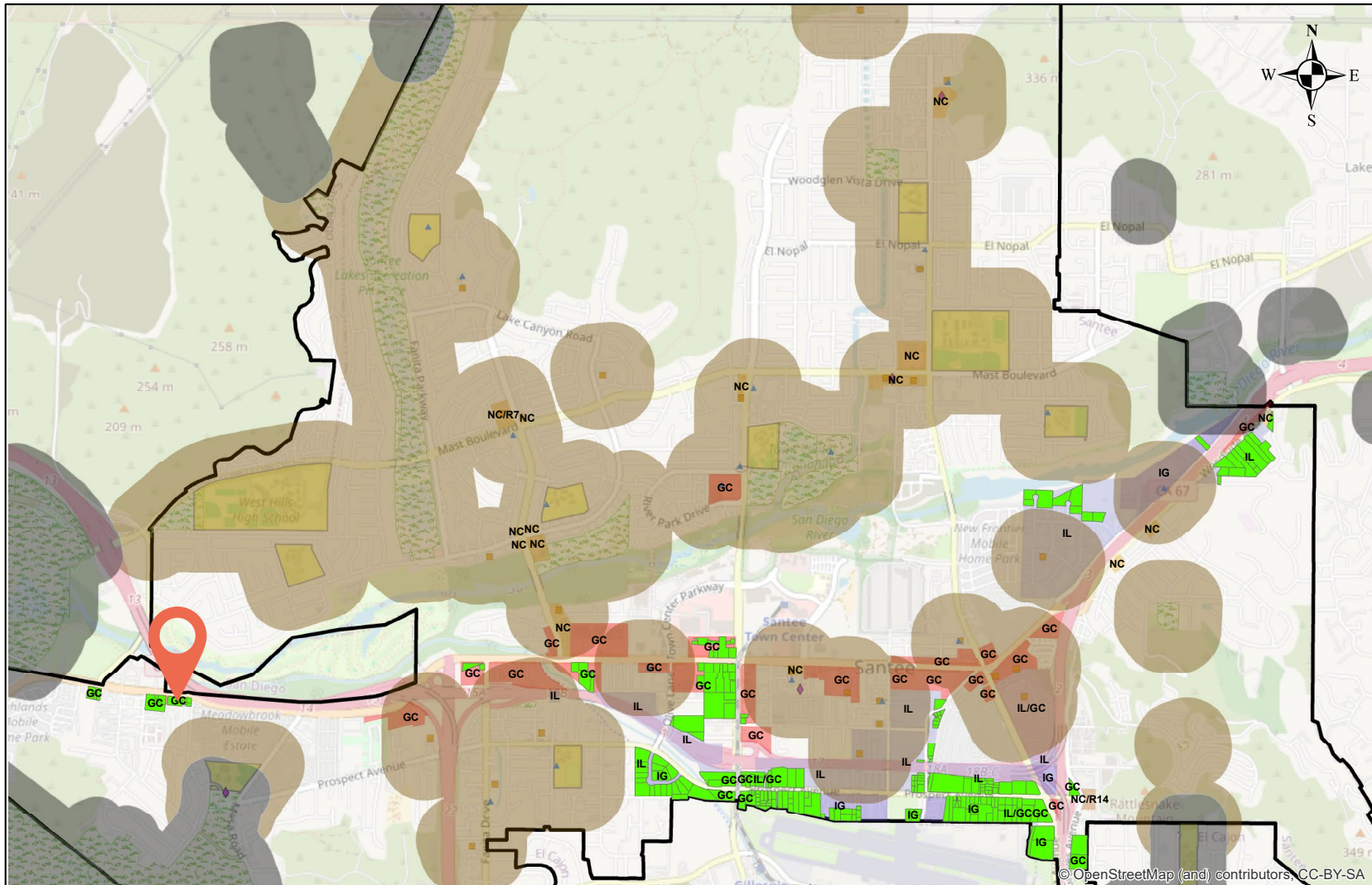
Our exterior store design has been developed to be a neutral presence on the street, without cannabis imagery or any design feature

that would appeal to youth or otherwise confuse a patron about the nature of our use. Exterior signage is for business identification only and does not feature decals intended to garner attention. Windows are frosted and reinforced to allow natural light into the facility while preventing those outside from seeing what occurs indoors. The building has been designed to be discreet and cohesive with neighboring uses.

Through our comprehensive and holistic approach to infrastructure, community engagement, operational procedures, youth prevention programming, and our proven track record of responsibly operating in the communities we serve, we are confident that the neighborhood will not be negatively impacted by our proposed location or operations. We look forward to being an engaged and responsive partner and neighbor to the Santee community.



Parcels Within Allowable Use Zone - 900'/600' Buffers



Legend - Buffers & Highlighted Parcels

- | | | | |
|---|---|--|---|
| Parcel Fully Within Allowable Use Area | ▲ Child Care Location | School | City Boundary |
| Out of City Sensitive Use - 600' Buffer State Law | ◆ Youth Center Location | Park | |
| In City 900' Buffer | ■ Religious Location | Santee Lakes Parcel | |

DRAFT

CITY OF SANTEE
COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION
(RETAIL APPLICATIONS)
FINANCIAL RESPONSIBILITY, INDEMNITY AND
CONSENT TO INSPECTION TERMS
(Must be completed by all owners)

Dated: October 18, 2024

I hereby agree to the following terms:

1. I herewith pay the sum of \$25,711 for the application fee for the review and processing of an application for commercial cannabis business permit.
2. The entire fee amount paid to the City of Santee ("City") is non-refundable. There is no guarantee - expressed or implied - that by submitting the application or paying the application fee that I will obtain a permit to operate a commercial cannabis business.
3. All costs incurred by the City in processing said application, including staff time, attorney's fees, Consultant's fees and overhead, shall be funded from the fees paid. This is a personal obligation and shall not be affected by sale or transfer of the property subject to the application, changes in business organization, or any other reason.
4. I acknowledge and agree to the defense, waiver, and indemnification obligations stated in the attached "Agreement on Limitations of City's Liability, and Certifications, Assurances Warranties and Indemnification to City", incorporated herein by reference.
5. The City will promptly notify the Applicant(s) and Owner(s) of any claim, action, or proceeding that is or may be subject to this Agreement on Limitations of City's Liability, and Certifications, Assurances Warranties, and Indemnification to City. The City may, within its unlimited and sole discretion, participate in the defense of any such claim, action, or proceeding.
6. I will 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, I shall within 30 days of the filing, deposit an initial sum of \$20,000 to the Fund to reimburse the appropriate portion of the City defense costs, as determined by the City in its sole discretion. The Fund shall contain an amount necessary to cover 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. Once all remaining

Agreement of Limitations of City's Liability, and Certifications, Assurances, Warranties, and Indemnification to City

and outstanding reimbursements have been paid to the City by me, City shall return any remaining unused portion of the deposit.

7. The City shall have the sole and absolute right to approve any and all counsel employed to defend the City. To the extent the City uses any of its resources to respond to such claim, action or proceeding, or to assist the defense, I will reimburse the City for those costs. Such resources include, but are not limited to, staff time, court costs, City Attorney's time, or any other direct or indirect cost associated with responding to, or assisting in defense of, the claim, action, or proceedings.
8. I consent and expressly allow, authorize, and permit the City, all its departments, agents, and employees, to enter upon and inspect the subject property identified in the application, with or without prior notice, for the purposes of processing this application or inspection or photographing for compliance with all laws, regulations, and conditions placed on land use approvals or the cannabis business permit. No additional permission or consent to enter upon the property is necessary or shall be required. By signing this agreement, I further certify and warrant I am authorized to, and hereby do, consent, and allow such inspections on behalf of each and all Owners of the property and Applicants.
9. I understand that all materials submitted in connection with the application are public records that the City may in accordance with applicable law determine are subject to inspection and copying by members of the public. By filing an application, I agree that the public may, if the City determines the law requires it, inspect and copy these materials and the information contained therein, and that some or all of the materials may be posted on the City's website. For any materials that may be subject to copyright protection, or which may be subject to Sections 5500.1 and 5536.4 of the California Business and Professions Code, by submitting such materials to the City I represent that I have the authority to grant, and hereby grant, the City permission to make the materials available to the public for inspection and copying, whether in hardcopy or electronic format.
10. This Agreement shall constitute a separate agreement from any cannabis business permit approval, and that if the cannabis business permit, in part or in whole, is revoked, invalidated, rendered null or set aside by a court of competent jurisdiction, I agree to be bound by the terms of this Agreement, which shall survive such invalidation, nullification or setting aside.
11. This Agreement shall be construed and enforced in accordance with the laws of the State of California and in any legal action or other proceeding brought by either party to enforce or interpret this Agreement; the appropriate venue is the San Diego County Superior Court.

After review and consideration of all of the foregoing terms and conditions, I agree to be bound by and to fully and timely comply with all of the foregoing terms and conditions, and the attached "Agreement on Limitations of City's Liability, and Certifications, Assurances Warranties and Indemnification to City".

Agreement of Limitations of City's Liability, and Certifications, Assurances, Warranties, and Indemnification to City

Applicant(s)/Owner(s):

Lauren Carpenter

Printed Name

Dustin Moore

Printed Name

Dean Velasco

Printed Name

Printed Name

Printed Name

DocuSigned by:
Lauren Carpenter

Signature
BF16C963DE794F5...

Signed by:
Dustin Moore

Signature
4E4989514F924CB...

Signed by:
Dean Velasco

Signature
B151FABD731241B...

Signature

Signature

Agreement on Limitations of City's Liability, and Certifications, Assurances, Warranties, and Indemnification to City

(Must be completed by all owners)

A. WAIVER, RELEASE AND HOLD HARMLESS

I hereby waive, release, and hold harmless the City of Santee ("City") and its City 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 the application for a cannabis business permit, the issuance of the cannabis business permit, the process used by the City in making its decision, the enforcement of the conditions of the cannabis business permit, or the cannabis business' operations.

I hereby waive, release and hold harmless the City and its City 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 Santee Municipal Code or Zoning Ordinance relating to commercial cannabis activity; or (2) any investigation, arrest or prosecution of me, or the cannabis business' owners, operators, employees, clients or customers, for a violation of state or federal laws, rules or regulations relating to cannabis activities.

B. AGREEMENT TO INDEMNIFY

I shall defend, indemnify, and hold harmless the City and its City 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 requested cannabis business permit and any land use entitlement related thereto, ii) the proceedings undertaken in connection with the approval, denial, or appeal of the requested cannabis business permit and any land use entitlement related thereto, iii) any subsequent approvals or licensing/permits relating to the requested cannabis business permit and any land use entitlement related thereto, iv) the processing of the requested cannabis business permit and any land use entitlement related thereto, v) any amendments to the approvals for the requested cannabis business permit and any land use entitlement related thereto, vi) the City's approval, consideration, analysis, review, issuance, denial or appeal of the cannabis 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 the cannabis business, x) the operation of the cannabis business or activity, xi) the process used by the City in making its decision to approve, consider, analyze, review, issue, or deny, the cannabis 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

Agreement of Limitations of City's Liability, and Certifications, Assurances, Warranties, and Indemnification to City

local laws by the cannabis business or any of its officers, employees or agents, except where such liability is caused by the sole negligence or willful misconduct of the City.

City may (but is not obligated to) defend such challenge as City, in its sole discretion, determines appropriate, all at applicant's sole cost and expense. I 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 me, City, or awarded to any third party, and shall pay to the City upon demand any Costs incurred by the City.

C. OBLIGATIONS INDEPENDENT OF AWARD OF PERMIT, LICENSE, OR ENTITLEMENTS

The obligations under this Agreement shall apply regardless of whether a cannabis business permit or any related permits or entitlements are issued.

D. OBLIGATIONS SURVIVE EXPIRATION OF PERMIT, LICENSE, OR ENTITLEMENTS

The obligations under this Agreement shall survive the expiration of any cannabis business permit or related permit or entitlement issued by the City. No modification of the permit, other approval, change in applicable laws and regulations, or change in processing methods shall alter the applicant's indemnity obligation.

E. PROSECUTION UNDER FEDERAL LAW

I understand that I, other applicants, owners, operators, employees, and members of the cannabis business may be subject to prosecution under Federal Laws.

F. AUTHORIZED TO SIGN

The person(s) whose signature appears below is/(are) authorized to sign this Agreement on behalf of the business, applicant/permittee, and operators, and each of them, if more than one, has submitted this information and all attachments as required by the application process to obtain a cannabis permit from the City of Santee.

I declare under penalty of perjury that the information provided on this form is true and correct and do hereby apply for a permit pursuant to City of Santee Municipal Code, Chapter 7.04, and all other applicable sections of the Municipal Code.

Lauren Carpenter Lauren Carpenter, Chief Executive Officer
Applicant Signature Printed Name and Title

Santee Responsible and Compliant Retail LLC 8017 Mission Gorge Rd, Santee, CA 92071
Name of Business Entity Address of Permitted Location

10/23/2024
Date

Dustin Moore Dustin Moore, Chief Compliance Officer
Applicant Signature Printed Name and Title

Santee Responsible and Compliant Retail LLC 8017 Mission Gorge Rd, Santee, CA 92071
Name of Business Entity Address of Permitted Location

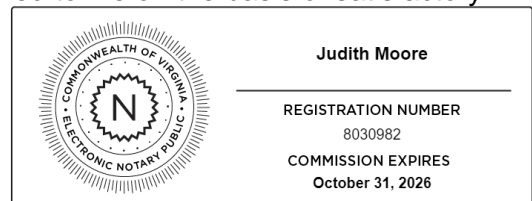
10/22/2024
Date

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~~ ^{Virginia}
County of ~~Prince William~~

Subscribed and sworn to (or affirmed) before me on this 22nd day of October, 2024, by Dustin Moore, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature Judith Moore (Seal)



Notarized remotely online using communication technology via Proof.

Agreement of Limitations of City's Liability, and Certifications, Assurances, Warranties, and Indemnification to City

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Jurat


Document Date: 10/23/2024

Number of Pages (including notarial certificate): 4

Commonwealth of Virginia

County of Prince William, Virginia

The foregoing instrument was subscribed and sworn
before me on 10/23/2024 by Lauren Carpenter.


7966620



My commission expires: 04/30/2025

Notarized remotely online using communication technology via Proof.

Electronic Notary Public



City of Santee

10601 Magnolia Ave
Santee, CA 92071
Email: cannabisinfo@cityofsanteeca.gov

PROPERTY OWNER CONSENT/LANDLORD AFFIDAVIT

Property Owner Consent/Landlord Affidavit is required for all Applications. If the business owner is the same person/entity as the property owner, the business owner must complete, sign and notarize the Property Owner Consent/Landlord Affidavit form. If the property is owned by an entity, the entity owner must complete, sign, and notarize the Property Owner Consent/Landlord Affidavit.

☒ I certify that I am/we are the record owner(s) of the property at:

8017 Mission Gorge Road Santee CA 92071
Street City State Zip
383-261-26 & 383-261-42
Accessor Parcel Number (APN)

and that the information filed is true and correct to the best of my (our) knowledge. I/We, as the owner(s) of the subject property, consent to the filing of this application and use of the property for the purposes described herein. I/We further consent and hereby authorize City representative(s) to enter upon my property for the purpose of examining and inspecting the property in preparation of any reports and/or required environmental review for the processing of the application(s) being filed.

BY MY SIGNATURE BELOW, I CERTIFY TO EACH OF THE FOLLOWING:

- ☒ I am the property owner or am authorized to act on the property owner's behalf, and the information I have provided above is correct. I acknowledge that I have read and understand the information contained herein.
- ☒ I acknowledge that the proposed commercial cannabis business Santee Responsible and Compliant Retail LLC
Tenant (Corporation/LLC/Partnership/Sole Owner)
has the legal right to occupy the property, and consent to the business conducting the following commercial cannabis activity at the Property:
- ☐ Retail (Storefront)
☒ Retail (Storefront with Deliver)
☐ Microbusiness (with Retail)
- ☒ I agree to comply with all applicable City Ordinances and State Laws.

SIGNATURE OF PROPERTY OWNER(S):

Thomas Huntington on behalf of Trakt Properties LLC

PRINTED NAME OF PROPERTY OWNER(S)

Thomas Huntington

SIGNATURE OF PROPERTY OWNER(S)

PRINTED NAME OF PROPERTY OWNER(S)

SIGNATURE OF PROPERTY OWNER(S)

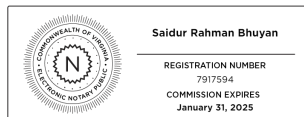
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Virginia Prince William County

Subscribed and sworn to before me this 18th day of October, 2024, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me Thomas Huntington.

***NOTARIZATION REQUIRED.** This authorization form will not be valid without notarization. The authorization contained in this form automatically expires upon sale or transfer of title to the Property. If sale or transfer of the Property occurs prior to obtaining a business license, the applicant must resubmit this notarized form with approval of the new legal owner(s) of the Property as well as pay any applicable fees. Property Owner authorization must be signed by all Property Owners of the property identified in the Application. Attach additional pages if necessary.

Saidur Rahman Bhuyan



Notarized remotely online using communication technology via Proof.



October 18, 2024

To Whom It May Concern:

I am writing to confirm that Santee Responsible and Compliant Retail LLC, dba Embarc Santee, will be able to obtain General Liability Insurance and any other necessary coverage to satisfy any and all municipal and state insurance requirements pertinent to their proposed retail and delivery operations in the City of Santee at their proposed location. I am also writing to affirm that Embarc has a track record of being an exemplary client; they understand the importance of insurance and have secured coverage far beyond minimum requirements in every other community where they operate—a testament to that understanding.

Should they be fortunate enough to receive a license, Santee Responsible and Compliant Retail LLC will obtain, per Santee Municipal Code §7.04.300.B:

- Commercial general liability insurance with a limit of no less than \$2,000,000 per occurrence and \$4,000,000 aggregate for bodily injury (including death), personal injury and property damage; and
- If the permittee or permittee's employees use vehicles in the operation of the business, automobile liability insurance for bodily injury (including death) and property damage including coverage for owned, non-owned and hired vehicles, with a limit of no less than \$1,000,000 per occurrence.

If the City of Santee determines more specific insurance requirements for commercial cannabis retail storefronts within the City, Embarc will comply with those insurance requirements. Additionally, based on Embarc's current insurance policies in other communities, they have a track record of exceeding municipal requirements, including product liability, product loss, and a general liability balloon policy. This demonstrates how seriously they take this requirement.

In my discussions with the Company, they have indicated they are prepared to obtain insurance immediately upon notification from the City of being selected to operate and/or receiving the right to apply for a permit. At that time, we are prepared to facilitate the company obtaining sufficient insurance coverage.

Sincerely,

Signed by:

A handwritten signature in black ink that reads "Charlotte Carlson".

10/18/2024

83CCFCB0D0C4491...

Charlotte Carlson, CLCS, CISR, Lic. #4125518
Commercial Lines Account Manager
Cannabis Practice

Office: [+1 310-207-8090](tel:+13102078090)

Email: charlotte.carlson@hubinternational.com

HUB International Insurance Services Inc., #0757776
16030 Ventura Blvd. #500, Encino, CA 91436

October 7, 2024

City of Santee
10601 Magnolia Ave
Santee, CA 92071

RE: Embarc Santee Proof of Capitalization

Dear City of Santee Selection Committee,

I am excited to present this letter as confirmation of financial capacity to support Embarc Santee's application for a cannabis retail storefront with delivery in the City of Santee.

I have funding to ensure the development and successful operation of our proposed location. To this end, I hereby confirm the availability of more than [REDACTED] in funding for the startup of the business.

Enclosed you will find "Proof of Funds" documentation from Salal Credit Union substantiating the ability to deliver on this financial commitment.

Should there be any additional financial details or further discussions required, please feel free to reach out to me directly.

Thank you for your consideration.

Warm regards,

A handwritten signature in black ink, appearing to read 'Lauren Carpenter', with a long horizontal flourish extending to the right.

Lauren Carpenter

October 7th, 2024

To Whom It May Concern:

Please accept this letter as confirmation that Lauren Carpenter is associated with accounts that currently hold an active membership in good standing with Salal Credit Union.

Accounts affiliated with Ms. Carpenter currently contain more than [REDACTED].

Should you have any additional questions, please do not hesitate to reach out to me directly at 206-697-1105.

Warmly,



Alicia Thomas
Business Banking Officer
C.206.697.1105 F.206.298.3492
athomas@salalcu.org

RECEIPT (REC-006223-2024)
FOR CITY OF SANTEE

BILLING CONTACT
Katie Whinnery
440 N Barranca Ave #8433
Covina, CA 91723



Payment Date: 10/18/2024

Reference Number	Fee Name	Transaction Type	Payment Method	Amount Paid
ZVL-2024-0024	Cannabis Zoning Verification Letter	Fee Payment	Credit Card	\$267.00
SUB TOTAL				\$267.00
TOTAL				\$267.00

INVOICE (INV-00006940)
FOR CITY OF SANTEE

BILLING CONTACT

Katie Whinnery
440 N Barranca Ave #8433
Covina, CA 91723



INVOICE NUMBER	INVOICE DATE	INVOICE DUE DATE	INVOICE STATUS	INVOICE DESCRIPTION
INV-00006940	10/18/2024	11/17/2024	Due	NONE

REFERENCE NUMBER	FEE NAME	TOTAL
ZVL-2024-0024	Cannabis Zoning Verification Letter	\$267.00
SUBTOTAL		\$267.00

REMITTANCE INFORMATION
Pay online at SanteePortal.org or City of Santee 10601 Magnolia Avenue Santee, CA 92071

TOTAL	\$267.00
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ZONING VERIFICATION LETTER REQUEST FORM (CANNABIS BUSINESS PERMIT)

Date: _____

Business Name: _____

Name of Applicant: _____

Proposed Location:

Address: _____

Accessor Parcel Number (APN): _____

Evidence of Legal Parcel : _____
(Attach As Separate Document)

Proposed Land Use: ☐ Retail

☐ Microbusiness with Retail

Zoning Verification Request: _____

Note: The issuance of a ZVL does not constitute written evidence of permission given by the City or any of its officials to operate a cannabis business, nor does it establish a “permit” within the meaning of the Permit Streamlining Act, nor does it create an entitlement under the Zoning or Building Code. Commercial Cannabis Retail Businesses (CCBs) are required to comply with all applicable development standards outlined in Santee Municipal Code. A regulatory permit for a CCB does not constitute a permit that runs with the land once a cannabis business is established.

RECORD OF SURVEY

THE NORTH 300 FEET OF THE WEST 87.02 FEET OF THE EAST 217.80 FEET, MEASURED AT RIGHT ANGLES TO THE EAST LINE OF LOT 3, IN BLOCK "E," FANITA RANCHO ACCORDING TO MAP THEREOF NO. 688, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, OCTOBER 22, 1891, BEING DESCRIBED IN DOCUMENT NO. 2005-0247450, RECORDED MARCH 25, 2005, AND THE WESTERLY 43.56 FEET OF THE EASTERLY 130.78 FEET OF THE NORTHERLY 500.00 FEET OF LOT 3, BLOCK "E", OF MAP THEREOF NO. 688, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, OCTOBER 22, 1891, BEING DESCRIBED IN DOCUMENT NO. 2005-0247452, RECORDED MARCH 25, 2005, EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA BY DOCUMENT NO. 1993-0379525, RECORDED JUNE 16, 1993.

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS SURVEY IS THE SOUTHERLY LINE OF MISSION GORGE ROAD (102.00' WIDE) AS SHOWN ON MAP NO. 10697, I.E.; N 85°24'26" W.

SURVEYOR'S STATEMENT

THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE PROFESSIONAL LAND SURVEYOR'S ACT AT THE REQUEST OF BURMAN E. FAUCETT AND AUDEAN FAUCETT, ON JANUARY 07, 2016.



Robert J. Russell
ROBERT J. RUSSELL, PLS 8211 DATE 01/18/2016

COUNTY SURVEYOR'S STATEMENT

THIS MAP HAS BEEN EXAMINED IN ACCORDANCE WITH SECTION 8766 OF THE PROFESSIONAL LAND SURVEYOR'S ACT
THIS 12th DAY OF MARCH 2016.



Raymond Louis Mathe
RAYMOND LOUIS MATHE
COUNTY SURVEYOR, PLS 6185
EXPIRES MARCH 31, 2016

RECORDER'S STATEMENT

FILE NO. 2016-7000092
FILED THIS 10 DAY OF MARCH 2016 AT 1:29 P.M. IN THE BOOK OF RECORD OF SURVEY MAPS AT PAGE 1 AT THE REQUEST OF ROBERT J. RUSSELL.

ERNEST J. DRONENBURG, JR.
COUNTY RECORDER

BY: *CCaple*
DEPUTY COUNTY RECORDER

FEE: \$10.00

ASSESSOR'S PARCEL NO.: 383-260-94 AND 383-260-95

CALIFORNIA COORDINATE INDEX: 242-1761

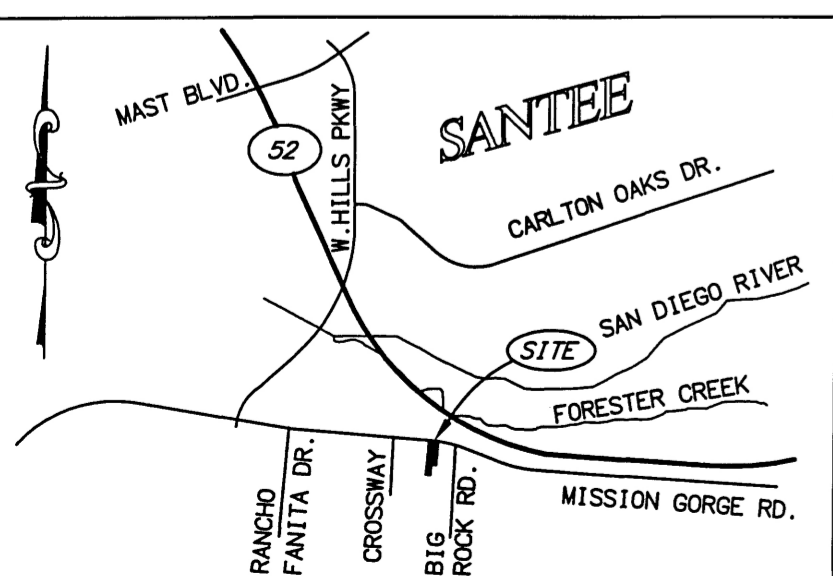
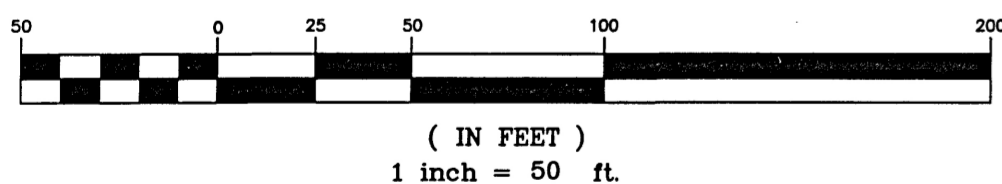
LEGEND

- INDICATES A FOUND 3/4" IRON PIPE MARKED "LS 3650," PER ROS 7726, UNLESS OTHERWISE NOTED.
- INDICATES A FOUND LEAD AND DISC MARKED "CALDOT," PER ROS 16019.
- ▲ INDICATES A FOUND 1" IRON PIPE WITH DISC MARKED "CALDOT," PER ROS 16019.
- INDICATES A SET 3/4" X 18" IRON PIPE AND DISC MARKED "LS 8211."
- () INDICATES RECORD DATA PER MAP NO. 10697.
- [] INDICATES RECORD DATA PER ROS 7726.
- < > INDICATES RECORD DATA PER ROS 16019.
- D1 INDICATES RECORD DATA PER DOCUMENT NO. 2005-0247450, RECORDED MARCH 25, 2005.
- D2 INDICATES RECORD DATA PER DOCUMENT NO. 2005-0247450, RECORDED MARCH 25, 2005.
- D3 INDICATES RECORD DATA PER DOCUMENT NO. 77-505546 RECORDED DECEMBER 7, 1977.
- (R) INDICATES "RADIAL" BEARING.
- S.F.N.F. INDICATES MONUMENT "SEARCHED FOR NOT FOUND."
- CALC INDICATES "CALCULATED."
- N.T.S. INDICATES "NOT TO SCALE."

LINE DATA TABLE

L1 N85°24'26"W 43.56' [N85°23'38"W 43.56']
L2 N51°08'57"E 60.00' [N51°09'45"E 59.99']
L3 N84°45'49"W 130.90' <S84°47'24"E 130.80'>
L4 N85°28'47"W 47.52' <S85°28'20"E 47.59'>
L5 N09°23'03"E (R) 3.63' <S09°22'15"W (R) 3.63'>

GRAPHIC SCALE



VICINITY MAP

NO SCALE

CITY OF SANTEE
TRACT 4094
MAP NO. 10697
FANITA RANCHO MAP NO. 688
BLOCK E
LOT 3

DETAIL A

NO SCALE

FOUND 2" IRON PIPE WITH DISC MARKED "LS 2813," PER MAP NO. 10697.

ROS 7726
FANITA RANCHO
MAP NO. 688
BLOCK E
LOT 3

ROS 7727

SEE
DETAIL A

N04°35'34"E 979.13' (N04°35'34"E 979.31') <N04°35'34"E>

D3

(217.08' D1)

217.80'

87.02'

(87.02' D1)

249.93'

S.F.N.F.

300.00' (300' D1 AND D3)

87.03'

21.00'

29.09' <29.06'>

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PARCELQUEST

12/14/2023 NM

CHANGES

BLK	OLD	NEW	YR	CUT
43	74	74	929	
5253	75476	74	1561	
5657	77	75	2573	
19,21	EWID	76	2105	CANC
77	78479	76	3076	CC
14420	80	77	2912	
54	270.08	77	3773	
55	81482	82	2548	
74	83484	83	2769	
21,22,37	86-88	84	90	
8-11	89-92	84	3544	
14415	93	84	3823	
86	CONDM	85	565	CC
87	CONDM	85	699	CC
88	SAME	90	5663	
90-91-94	SAME	93	5559	
58459	94,954	94	1127	CANC
78479	96,974	94	1699	CANC
75,76&83	98&99	18	37	
40&41	PG 26	19	54	
99	KILL	19	1436	
85	KILL	20	1389	
86 & SIDS	SAME & ST OP	20	4651	
261	-260-40&41	1	19	54
261	-260-VARS	2-43	20	10018
261	-260-28&29	44	20	54
44	44 SIDS & 45	21	556	
26&42	46&47	21	1243	
1	1 SIDS & 48	22	538	
17	SAME & ST OP	23	4601	
46 & 47	49 & 50	24	1094	

* COMMON AREA
* OPEN SPACE ESMT. & PUBLIC ACCESS

DETAIL
NO SCALE

SAN DIEGO COUNTY
ASSESSOR'S MAP
BOOK 383 PAGE 26 SHT 1 OF 2

DR.

FANITA

RHO

CARRIBEAN ST

CROSSWAY (PRIVATE ST)

POR 2

POR 3

POR 1

POR 2

POR 3

CONDO MISSION CONDMS PHASE I
DOC83-453370
(SEE SHT 2)

CONDO MISSION CONDMS
PHASE 2
DOC83-453371
(SEE SHT 2)

CONDO ROBINSON LANE
DOC2020-0084062
(SEE SHT 3)

CONDO ARIANA
(SEE SHT 3)

MAP 16376-SANTEE TRACT NO 2017-02
MAP 16304-CITY OF SANTEE TCT NO 2015-03
MAP 16211-SANTEE TCT NO 2015-06
MAP 10697-CITY OF SANTEE TCT 4094
MAP 688-FANITA RHO REVISED-BLK E
ROS 7726,7727,13694,22283,23514

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.