

NOTICE AND CALL OF THE SPECIAL MEETING OF THE MADERA CITY COUNCIL

205 W. 4th Street, Madera, California 93637

NOTICE AND AGENDA

**Friday, August 22, 2025
4:00 p.m.**

**Council Chambers
City Hall**

The Madera City Council meetings are open to the public. This meeting will also be available for public viewing and participation through Zoom. Members of the public may also observe the live-streamed meeting on the City's website at www.madera.gov/live. Members of the public may comment on agenda items at the meeting or remotely through an electronic meeting via phone by dialing (669) 900-6833 enter ID: 812 3850 9376 #. Press *9 to raise your hand to comment and *6 to unmute yourself to speak. Comments will also be accepted via email at citycouncilpubliccomment@madera.gov or by regular mail at 205 W. 4th Street, Madera, CA 93637.



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<https://attend.wordly.ai/join/FTZJ-3396>

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<https://attend.wordly.ai/join/FTZJ-3396>

CALL TO ORDER:

ROLL CALL: Mayor Cece Gallegos
Mayor Pro Tem Jose Rodriguez, District 2
Councilmember Rohi Zacharia, District 1
Councilmember Steve Montes, District 3
Councilmember Anita Evans, District 4
Councilmember Elsa Mejia, District 5
Councilmember Artemio Villegas, District 6

INVOCATION:

PLEDGE OF ALLEGIANCE:

APPROVAL OF AGENDA:

PUBLIC COMMENT:

Members of the public shall have an opportunity to address the City Council regarding matters on this Agenda at the time the agenda item is called. Speakers should limit their comments to three (3) minutes.

A. CLOSED SESSION:

A-1 Conference with Legal Counsel – Anticipated Litigation
Deciding whether to initiate litigation pursuant to Government Code Section 54956.9(d)(4)
One Case

B. PETITIONS, BIDS, RESOLUTIONS, ORDINANCES, AND AGREEMENTS:

B-1 Consideration of a Resolution Requesting the Voiding of the Community Benefit Agreement dated August 15, 2024, with Madera Has Culture, Inc. (dba Culture Cannabis Club) Arising from the Corporation's Suspension by the California Secretary of State

Recommendation: Adopt a Resolution of the City Council of the City of Madera Requesting the Voiding of, and Voiding, the Community Benefit Agreement dated August 15, 2024, by and between the City of Madera and Madera Has Culture, Inc. (Corporation Suspended) (Report by Will Tackett)

FUTURE MEETING DATES:

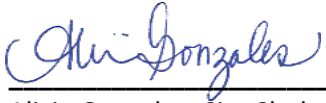
- Wednesday, September 3, 2025
- Wednesday, September 20, 2025

ADJOURNMENT:

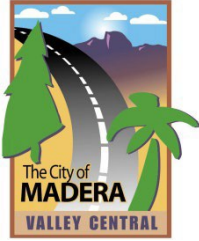
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- The meeting room is accessible to the physically disabled. Requests for accommodations for persons with disabilities such as signing services, assistive listening devices, or alternative format agendas and reports needed to assist participation in this public meeting may be made by calling the City Clerk's Office at (559) 661-5405 or emailing cityclerkinfo@madera.gov. Those who are hearing impaired may call 711 or 1-800-735-2929 for TTY Relay Service. Requests should be made as soon as practicable as additional time may be required for the City to arrange or provide the requested accommodation. Requests may also be delivered/mailed to: City of Madera, Attn: City Clerk, 205 W. 4th Street, Madera, CA 93637. At least seventy-two (72) hours' notice prior to the meeting is requested but not required. When making a request, please provide sufficient details that the City may evaluate the nature of the request and available accommodations to support meeting participation. Please also provide appropriate contact information should the City need to engage in an interactive discussion regarding the requested accommodation.

- Please silence or turn off cell phones and electronic devices while the meeting is in session.
 - Regular meetings of the Madera City Council are held the 1st and 3rd Wednesday of each month at 6:00 p.m. in the Council Chambers at City Hall.
 - Any writings or documents provided to a majority of the City Council within 72 hours of the meeting regarding any item on this agenda will be made available for public inspection at the City Clerk's office located at 205 W. 4th Street, Madera, CA 93637 and on the City website at www.madera.gov
 - Questions regarding the meeting agenda or conduct of the meeting, please contact the City Clerk's Office at (559) 661-5405.
 - Para asistencia en español sobre este aviso, por favor llame al (559) 661-5405.
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I, Alicia Gonzales, City Clerk for the City of Madera, declare under penalty of perjury that I posted the above agenda for the Special Meeting of the Madera City Council for August 22, 2025, near the front entrances of City Hall and on the City's website www.madera.gov at 3:45 p.m. on August 21, 2025.




Alicia Gonzales, City Clerk




REPORT TO CITY COUNCIL

Approved by:



Will Tackett, Community Development Director



Arnoldo Rodriguez, City Manager

Council Meeting of: August 22, 2025

Agenda Number: B-1

SUBJECT:

Consideration of a Resolution Requesting the Voiding of the Community Benefit Agreement dated August 15, 2024, with Madera Has Culture, Inc. (dba Culture Cannabis Club) Arising from the Corporation's Suspension by the California Secretary of State.

RECOMMENDATION:

1. Adopt a Resolution of the City Council of the City of Madera Requesting the Voiding of, and Voiding, the Community Benefit Agreement dated August 15, 2024, by and between the City of Madera and Madera Has Culture, Inc. (Corporation Suspended).

SUMMARY:

After an extensive consideration and public participation, in December of 2023 the City Council issued a notice of an award of a Standard Retail or Microbusiness Commercial Cannabis Business (CCB) Permit to six applicants. Consistent with the City's Cannabis Businesses Ordinance and regulations, each applicant was required to enter into a community benefits agreement.

One of these applicants was Madera Has Culture, Inc. (dba Culture Cannabis Club) ("Culture"). Culture submitted its community benefits agreement to the City, which was dated August 15, 2024. The community benefits agreement confirmed the issuance of a CCB Permit to Culture.

Under the City's ordinance, each CCB Permit issued expires 12 months after the date of issuance. Just before the expiration, Culture submitted applications for a sign permit and a building permit (the property had been previously red tagged for unlawful construction without a permit). When processing the permits, Staff discovered that the California Secretary of State has a California Franchise Tax Board suspension for Culture. These types of corporate entity suspensions are typically associated with failure to pay or file tax returns.

A suspension affects the validity of contracts. Under California law, a suspended corporation is

disqualified from exercising its corporate powers, rights, and privileges, including entering into contracts. Revenue and Taxation Code §23301 provides that a corporation's powers may be suspended for failure to pay taxes, and during this suspension, the corporation is prohibited from conducting business activities, including entering into contracts. Additionally, during the suspension period, the corporation is disqualified from exercising any corporate rights, powers, or privileges, except for limited purposes such as filing an application for tax-exempt status or amending its articles of incorporation to establish a new corporate name.

Culture's suspension calls into question whether it was able to actually enter into a community benefits agreement with the City in the first instance. Even assuming that the agreement is valid, the City Council also has authority to void the agreement as well. Revenue and Taxation Code §23304.1(a), states that contracts made during the period of suspension are "voidable at the request of any party to the contract other than the taxpayer." This voidability applies to contracts made while the corporation's powers, rights, and privileges are suspended under Revenue and Taxation Code §23301.

The California Secretary of State reports that the suspension has been in effect for more than one year. Culture acknowledged to the City that the corporation knew of the suspension, and the corporation should have had more than sufficient time to address this issue. Despite this, the corporation still remains suspended as of the date of this report and is still unable to conduct business despite the passage of more than 15 months.

Although not directly related to the issue of the voiding of the community benefits agreement, to promote transparency it should be noted that the corporate suspension has other impacts. For example, Culture's CCB Permit has now automatically expired as it did not exercise its permit within 12 months (August 15, 2025) as required pursuant to Madera Municipal Code section 6-5.15. Although Culture did submit application(s) for a sign permit (initially for another applicant that was rejected) and a building permit just before the expiration date, as a suspended corporation it lacks legal authority to engage in such activities because it is disqualified from exercising corporate powers during the suspension period. Even if a compliant application had been submitted with sufficient time to allow for processing, which was not the case, Culture still could not legally obtain permits due to its suspension.

Even though the CCB Permit has automatically expired, or the agreement is voided, Culture may still re-apply along with other applicants for a CCB Permit if the application process is re-opened by the City Council.

FISCAL IMPACT:

There is no significant fiscal impact associated with the recommended action.

ATTACHMENTS:

1. Resolution of the City Council of the City of Madera Requesting the Voiding of the Community Benefit Agreement dated August 15, 2024, by and between the City of

Madera and Madera Has Culture, Inc. (Corporate Suspension by the Secretary of State)

- a. Community Benefit Agreement dated August 15, 2024.
2. California Secretary of State corporate status information for Madera Has Culture, Inc. (Suspended – FTB). See also <https://bizfileonline.sos.ca.gov/search/business>.

ATTACHMENT 1

Resolution of the City Council of the City of Madera
Requesting the Voiding of the Community Benefit
Agreement dated August 15, 2024, by and between the
City of Madera and Madera Has Culture, Inc.
(Corporate Suspension by the Secretary of State)

Including:
Community Benefit Agreement dated August 15, 2024.

RESOLUTION NO. 25-__

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA,
CALIFORNIA, REQUESTING THE VOIDING OF THE COMMUNITY BENEFIT
AGREEMENT DATED AUGUST 15, 2024, BY AND BETWEEN THE CITY OF
MADERA AND MADERA HAS CULTURE, INC. (CORPORATION SUSPENDED)**

WHEREAS, the City of Madera and Madera Has Culture, Inc. (dba Culture Cannabis Club) entered into a Community Benefits Agreement to the City, dated August 15, 2024 (“Agreement”); and

WHEREAS, the City recently discovered that the California Secretary of State has designated Madera Has Culture, Inc., as “Suspended – FTB” and not in good standing, which was acknowledged by its representative. Further, the suspension has been in effect more than a year – including the time Madera Has Culture, Inc., purported to enter into the Agreement; and

WHEREAS, a corporation's powers may be suspended for failure to pay taxes, and during this suspension, the corporation is prohibited from conducting business activities, including entering into contracts. Additionally, during the suspension period, the corporation is disqualified from exercising any corporate rights, powers, or privileges, except for limited purposes such as filing an application for tax-exempt status or amending its articles of incorporation to establish a new corporate name.

WHEREAS, Madera Has Culture, Inc.’s suspension at the time it purported to enter into the Agreement calls into question whether it was legally capable of entering into the Agreement with the City in the first instance; and

WHEREAS, even assuming the corporation was legally able to enter into the Agreement and the Agreement is valid, the City Council also has authority to void the agreement; and

WHEREAS, to the extent the Agreement is not already void, or automatically expired, the City Council now desires to request Madera Has Culture, Inc., agree the Community Benefits Agreement dated August 15, 2024, is void such that it is of no further force or effect.

NOW, THEREFORE, be it resolved by the City Council of the City of Madera as follows:

1. The City Council incorporates the recitals as if set forth in fully herein.
2. The City Council finds that Madera Has Culture, Inc. (dba Culture Cannabis Club) was and is a suspended corporation by the California Secretary of State, and that its powers, rights, and privileges are suspended under Revenue and Taxation Code §23301 or as otherwise set forth by law.

3. The City Council finds that, to the extent the Agreement was not void from its inception due to Culture's suspended status at the time of entry, the City is a party to the Community Benefits Agreement dated August 15, 2024, with Madera Has Culture, Inc. The Community Benefits Agreement is attached as Exhibit "A."
4. As the governing body of the City of Madera, to the extent the agreement is not already expired, which the City believes it is, the City Council requests the voidability of the Community Benefits Agreement dated August 15, 2024, with Madera Has Culture, Inc. It is the intent of the City Council the Agreement is voided both by request and action as contemplated by Revenue and Taxation Code §23304.1(a), or any other statute or law authorizing the Agreement to be voided, and that the Agreement be of no further force or effect to the extent it is not already void as of its inception.
5. The City Manager, or designee, is authorized to take all actions on behalf of the City to effectuate this Resolution, including to notify Madera Has Culture, Inc., on behalf of the City of the request to void the Community Benefits Agreement dated August 15, 2024, and receiving confirmation from that corporation the Agreement is voided.
6. This Resolution shall take effect immediately.

COMMUNITY BENEFITS AGREEMENT

THIS COMMUNITY BENEFITS AGREEMENT ("Agreement") is dated as of AUGUST 15, 2024 and is entered into by and between the CITY OF MADERA ("City") and Madera Has Culture, Inc. (dba Culture Cannabis Club) ("Licensee"). This Agreement shall take effect on the "Effective Date," as this term is hereafter defined. City and Licensee may each be referred to herein individually as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, on June 16, 2021, the Madera City Council adopted Ordinance No. 977 C.S., adding Chapter 5 to Title VI (Cannabis Businesses) to the Madera Municipal Code ("MMC"), which authorized commercial cannabis businesses in the City and established a regulatory program requiring all cannabis uses to obtain a commercial cannabis business permit issued by the City prior to commencing operation;

WHEREAS, pursuant to Section 6-5.11 of the MMC, the application procedure for a cannabis business permit shall include a component on community benefits;

WHEREAS, pursuant to Section 6-5.11 of the MMC, any community benefits that a cannabis business agrees to provide shall be incorporated into the terms and conditions under which the cannabis business will operate with the City's approval, if and when a cannabis business permit is issued. Such terms and conditions shall be in addition to the requirements of the MMC;

WHEREAS, pursuant to Section 6-5.11 of the MMC, community benefits may include but are not limited to: in-kind donations; sponsorship of community events; financial support or otherwise, for special community events such as fairs, afterschool programs, youth centers, Boys and Girls Clubs, local schools whether public or private; school athletic programs; school clubs; community centers, homeless shelters, senior centers and/or senior living facilities, parks and recreation programs;

WHEREAS, Licensee has been issued a Commercial Cannabis Business Permit ("License") to conduct specified cannabis related activities in the City at the premises specified therein ("Site"); and,

WHEREAS, Licensee acknowledges and agrees that the City would not have approved the License if Licensee had not agreed to comply with all of the conditions of the License and MMC, including, but not limited to, its obligation to enter into this Agreement;

WHEREAS, Licensee also acknowledges and agrees that, prior to its application for a License from the City to operate a cannabis business, Licensee was fully aware of its obligation to enter into a binding Community Benefit Agreement with the City consistent with the terms of this Agreement, and Licensee chose to move forward with such application process;

WHEREAS, Licensee and the City desire to enter into this Agreement setting forth the Parties' understanding of the benefits that Licensee's business will provide to the Madera community.

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

ARTICLE 1 GENERAL PROVISIONS

Section 1.1. Findings. City hereby finds and determines that entering into this Agreement furthers the public health, safety, and general welfare and is consistent with Section 6-5.11 of the MMC.

Section 1.2. Recitals. The Recitals above are true and correct and are hereby incorporated into and made a part of this Agreement. In the event of any inconsistency between the Recitals and the provisions of Articles 1 through 5 of this Agreement, or of any Exhibit to this Agreement, the provisions of Articles 1 through 5 shall prevail.

Section 1.3. Definitions. In this Agreement, unless the context otherwise requires, the terms below have the following meanings:

"Agreement" means this Community Benefits Agreement and all Exhibits attached hereto.

"California Cannabis Laws" means the Medicinal and Adult/Use Cannabis Regulation and Safety Act ("MAUCRSA") and the regulations adopted and promulgated by the State Licensing Authorities pursuant to MAUCRSA, as such laws and regulations may be amended from time to time.

"Cannabis" shall have the same meaning as that appearing in Cal. Business and Professions Code Section 26001(f).

"Cannabis product" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

"City" means the City of Madera, a municipal corporation and general law city.

"City Council" means the City of Madera City Council.

"City Manager" means the City Manager of the City of Madera, or his or her designee.

"Commercial Cannabis Activity" has the same meaning as that term is defined under MAUCRSA and includes the cultivation, possession, manufacture, distribution, processing,

storing, laboratory testing, packaging, labeling, transportation, delivery, or sale of cannabis and cannabis products as regulated under Chapter 5 of Title VI of the MMC.

“Commercial Cannabis Business Permit” means a regulatory license issued by the City to a cannabis business pursuant to Chapter 5 of Title VI of the MMC and which is required before any Commercial Cannabis Activity may be conducted in the City.

“Community Benefits” has the meaning set forth in Section 2.1 of this Agreement.

“Community Benefit Fees” means any and all fees or monetary contributions required to be paid by Licensee, or which Licensee has committed to pay, pursuant to Section 2.2 of this Agreement.

“Complaining Party” has the meaning set forth in Section 4.2 of this Agreement.

“Defaulting Party” has the meaning set forth in Section 4.2 of this Agreement.

“MMC” means the Madera Municipal Code.

“Licensee” has the meaning set forth in the preamble of this Agreement, above.

“Licensee’s Application” means the application for a Commercial Cannabis Business Permit submitted by Licensee to the City.

“Effective Date” has the meaning set forth in Section 1.5 of this Agreement.

“Major Amendment” means an amendment that shall have a material effect on the terms of the Agreement. A Major Amendment also has the meaning set forth in Section 1.8 of this Agreement. Major Amendments shall require approval by the City Council.

“MAUCRSA” means the Medicinal and Adult-Use Cannabis Regulation and Safety Act, codified as Business and Professions Code Section 26000 et seq., as may be amended from time to time.

“Medicinal” with regard to cannabis or cannabis products means cannabis or cannabis products, respectively, intended to be sold or used for medicinal purposes as set forth in MAUCRSA.

“Minor Amendment” means a clerical amendment to the Agreement that shall not materially affect the terms of the Agreement and any amendment described as minor herein. A Minor Amendment also has the meaning set forth in Section 1.8 of this Agreement.

“Notice of Default” has the meaning as set forth in Section 4.2 of this Agreement.

“Notice of Review” has the meaning as set forth in Section 3.2 of this Agreement.

"Project" means Commercial Cannabis Activity performed by Licensee at the Site pursuant to the License.

"Regulations" has the meaning set forth in the Recitals, above.

"Regulatory Fees" mean charges owed by the Licensee to the City for the City's costs incurred in processing applications related to the License, administering its cannabis-related ordinance with regard to the License, and monitoring legal compliance of License in connection with this Agreement and/or the License, including, but not limited to audits, financial reports, and building and safety-related inspections by the City.

"Required Permits" means any permit required by City for conducting cannabis activities in the City, including, but not limited to: Commercial Cannabis Business Permit, City Planning Entitlement, ; City Building Permit; City Business License;; Madera County Public Health Permit; California Department of Tax and Fee Administration Seller's Permit; and State Cannabis Licenses for each licensed activity as applicable.

"Site" has the meaning as set forth in the Recitals, above.

"State Cannabis Licenses" means licenses issued by a State Licensing Authority to Licensee to conduct Commercial Cannabis Activities at the Site.

"State Licensing Authority" means the state agency responsible for the issuance, renewal, or reinstatement of State Cannabis Licenses, or the state agency authorized to take disciplinary action against a business licensed under the California Cannabis Laws.

"Term" has the meaning set forth in Section 1.6 of this Agreement.

Section 1.4. Project is a Private Undertaking. The Parties agree that the Project is a private business and that City has no interest therein, except as authorized in the exercise of its governmental functions. City shall not for any purpose be considered an agent of Licensee or the Project.

Section 1.5. Effective Date of Agreement. This Agreement shall become effective ("Effective Date") upon the date when all of the following conditions have been satisfied: (i) this Agreement has been fully executed by the Parties; (ii) all conditions set forth in the License have been satisfied; and (iii) all the permits required by the City have been issued and are in effect.

Section 1.6. Term. The term of this Agreement ("Term") shall commence on the Effective Date and shall terminate upon the earlier to occur of: (i) termination pursuant to Section 1.7 of this Agreement or (ii) expiration and/or termination of the License.

Section 1.7. Termination. This Agreement shall terminate upon the occurrence of any of the following events:

- (a) the expiration of the Term;

- (b) the Licensee no longer has a possessory, legal or other equitable interest in the Site;
- (c) the Licensee has ceased operations related to the Project on the Site;
- (d) mutual written consent of the Parties;
- (e) abandonment, revocation, or termination of one or more Required Permits, provided that the termination shall be effective when Licensee's administrative appeal rights, if any, have been exhausted;
- (f) unauthorized assignment (or attempted assignment) of the License;
- (g) unauthorized change of control of the Licensee; or
- (h) as set forth in Section 4.4 of this Agreement.

The rights and obligations of the Parties set forth in Sections 5.2, 5.3, 5.4, and 5.5, and any right or obligation of the Parties in this Agreement which by its express terms is intended to survive termination of this Agreement, will survive any such termination.

Section 1.8. Amendment of Agreement. This Agreement shall be amended only by mutual consent of the Parties. All amendments shall be in writing. The City Council hereby expressly authorizes the City Manager to approve a Minor Amendment to this Agreement, upon notification to the City Council. A Major Amendment to this Agreement must be approved by the City Council in accordance with the MMC. The City Manager shall, upon consultation with the City Attorney, have the discretion to determine if an amendment is a Minor Amendment or a Major Amendment. Nothing in this Agreement shall be construed as requiring a noticed public hearing for an amendment of this Agreement, unless required by law.

Section 1.9. Fees. Licensee agrees to pay all Regulatory Fees, Community Benefit Fees, and any other applicable fees to the City related to Licensee's operation of the Project on the Site, including, but not limited to those fees referenced in Article 2 of this Agreement.

ARTICLE 2 COMMUNITY BENEFITS

Section 2.1. Intent. The Parties acknowledge and agree that the License confers substantial private benefits on the Licensee that will place burdens on City infrastructure, services, and neighborhoods and that the private benefits provided to the developer should be balanced with commensurate public benefits for the community ("Community Benefits").

Section 2.2. Community Benefits. Licensee agrees to provide Community Benefits as set forth in the Community Benefits and Investments Plan attached hereto and incorporated herein as

Exhibit "A." Any failure or breach by Licensee in providing the commitments set forth in Exhibit "A" shall be deemed a breach of this Agreement.

Section 2.3. Yearly Reports. In addition to the recordkeeping requirements set forth in the MMC, Licensee shall provide the City a written report describing the Community Benefits provided by Licensee to the Madera community and which demonstrate Licensee's compliance with the commitments set forth in Section 2.2 of this Agreement ("Annual Report").

ARTICLE 3 ANNUAL REVIEW

Section 3.1. Timing of Annual Review. The City shall conduct an annual review of Licensee's good faith compliance with this Agreement. The City shall make reasonable efforts to conduct such review in conjunction with any applicable renewal application for the License.

Section 3.2. Initiation of Review. The City Manager, or his or her designee, shall initiate the annual review by providing the Licensee with forty-five (45) days' written notice that the City intends to undertake such review ("Notice of Review"). Within ten (10) days of receiving the Notice of Review, Licensee shall provide to the City the Annual Report described in Section 2.3. The City shall not waive its right to conduct its annual review of Agreement for failure to provide timely notice of the initiation of such annual review.

Section 3.3. Staff Reports. To the extent practical, the City shall deliver to the Licensee a copy of all staff reports and related exhibits concerning the Licensee's performance under the Agreement within thirty (30) days after Licensee provides its Annual Report to the City.

Section 3.4. Fee for Annual Review. The reasonable cost for the City's annual review of this Agreement shall be paid by Licensee, not to exceed the actual costs incurred by the City in connection with such review.

ARTICLE 4 DEFAULT AND REMEDIES

Section 4.1. Default. The failure of either Party to perform any obligation or duty under this Agreement within the time required by this Agreement shall be a default and after the giving of notice and the passage of the applicable amount of time, such a default shall constitute an event of default.

Section 4.2. Notice. A party ("Complaining Party") may not assert that the other Party ("Defaulting Party") has committed or caused an event of default unless the Complaining Party has first given written notice to the Defaulting Party ("Notice of Default"), specifying the nature of the default and the manner in which the default may be cured, if known to the Complaining Party. Any failure or delay by the Complaining Party in giving such Notice of Default shall not waive such default or waive any of the Complaining Party's remedies.

Section 4.3. Cure. The Defaulting Party shall have thirty (30) days from the receipt of the Notice of Default to cure the default except as otherwise provided herein.

Monetary Default. In the case of a monetary default (e.g. failure to pay Regulatory Fees or Community Benefits Fees), any such default must be cured by the payment of the amount demanded within such thirty (30) day period.

Non-Monetary Default. In the case of non-monetary defaults, if the default cannot be reasonably cured within 30 days, the default shall be deemed cured if: the cure is commenced at the earliest practicable date following receipt of the Notice of Default and the cure is diligently prosecuted to completion (but in no event shall Licensee be allowed more than sixty (60) days after receipt of the Notice of Default to complete the cure of the default).

Section 4.4. Remedies. If the Defaulting Party fails to cure a default in accordance with Section 4.3, an event of default shall be deemed to have occurred and the Complaining Party shall have the right to seek all appropriate remedies, at law or in equity, including specific penalty or termination of this Agreement without further or separate notice to the Defaulting Party. If Licensee fails to cure a default, City may terminate or revoke the License upon the expiration of applicable cure period, subject to Licensee's appeal rights, if any.

ARTICLE 5 MISCELLANEOUS PROVISIONS

Section 5.1. Indemnification. To the fullest extent permitted by law, the City shall not assume any liability whatsoever with respect to having issued a Commercial Cannabis Business Permit or otherwise approving the operation of any Commercial Cannabis Business. Licensee agrees to indemnify, defend (at Licensee's sole cost and expense), and hold the City and its officers, officials, employees, representatives, and agents harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to the City's issuance of the Commercial Cannabis Business Permit, the City's decision to approve the operation of the Commercial Cannabis Business or activity, the process used by the City in making its decision, the performance of any community benefit set forth herein, or the alleged violation of any federal, state or local laws by the Commercial Cannabis Business or any of its officers, employees or agents. Operator shall reimburse the City for all costs and expenses, including but not limited to legal fees and costs and court costs, which the City may be required to pay as a result of any legal challenge related to the City's approval of the Operator's Commercial Cannabis Business Permit, or related to the City's approval of a Commercial Cannabis Activity. The City may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.

Section 5.2. Insurance.

(a) Prior to execution of this Agreement by City, Licensee shall obtain and maintain during the performance of this Agreement the insurance coverages as specified in the MMC and the Commercial Cannabis Business Permit, issued by a company

satisfactory to the City, unless the City waives, in writing, the requirement that Operator obtain and maintain such insurance coverages.

(b) Prior to commencement of any activity under this Agreement, Licensee shall file with the City evidence of insurance coverage as specified herein.

(c) Maintenance of proper insurance coverages by Licensee is a material element of this Agreement. Licensee's failure to maintain or renew insurance coverages or to provide evidence of renewal may be considered as a material breach of this Agreement.

Section 5.3. Assignment. Licensee shall not have the right to sell, assign, or transfer all or any part of its rights, title, and interests in all or a portion of this Agreement and/or the License to any person, firm, corporation, or entity during the Term of this Agreement without the advance written consent of the City Manager. Any assignment or transfer prohibited by this Agreement will be considered an immediate breach of this Agreement and City may elect to immediately terminate this Agreement.

Section 5.4. Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following addresses, or at such other address as the respective Parties may provide in writing for this purpose:

CITY:
City of Madera
205 W 4th St,
Madera, CA 93637
Attn: City Manager
Phone: (559) 661-5400
Fax: (559) 674-2972
Email: arodriguez@madera.gov

LICENSEE
Madera Has Culture, Inc. (dba Culture Cannabis Club)
1 Corporate Park Suite 112
Irvine, CA 92606
Attn: Devon Julian
Phone: (619) 277-2827
Email: devon@culturecannabisclub.com

Section 5.5. Governing Law and Venue. This Agreement shall be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue, without exception, shall be in the Madera County Superior Court of the State of California. If, and only if, applicable law requires that all or part of any such litigation be tried exclusively in federal court, venue, without exception, shall be in the Eastern District of California Fresno Division.

Section 5.6. Severability. If this Agreement in its entirety is determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any term or provision of this Agreement shall be determined by a court to be invalid and unenforceable, or if any term or provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, any provisions that are not invalid or unenforceable shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement. The Parties expressly agree that each Party is strictly prohibited from failing to perform any and all obligations under this Agreement on the basis that this Agreement is invalid, unenforceable, or illegal under federal law. By entering into this Agreement, each Party disclaims any right to tender an affirmative defense in any arbitration or court of competent jurisdiction, that performance under this Agreement is not required because the Agreement is invalid, unenforceable, or illegal under federal law.

Section 5.7. Attorneys' Fees and Costs. Unless otherwise provided in this Agreement, if any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement by and between the Parties, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

Section 5.8. Waiver. A waiver by any Party of any breach of any term, covenant, or condition herein contained or a waiver of any right or remedy of such Party available hereunder, at law or in equity, shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition herein contained or of any continued or subsequent right to the same right or remedy. No Party shall be deemed to have made any such waiver unless it is in writing and signed by the Party so waiving.

Section 5.9. Integration. This Agreement, together with its specific references, attachments, and Exhibits, constitutes all of the agreements, understandings, representations, conditions, warranties, and covenants made by and between the Parties hereto. Unless set forth herein, no Party to this Agreement shall be liable for any representations made, express or implied.

Section 5.10. Calculation of Time Period. All time referenced in this Agreement shall be calendar days, unless the last day falls on a legal holiday, Saturday, or Sunday, in which case the last day shall be the next business day.

Section 5.11. Captions. The captions of this Agreement are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

Section 5.12. Mandatory and Permissive. "Shall" and "will" and "agrees" are mandatory. "May" or "can" are permissive.

Section 5.13. Counterparts. This Agreement may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

Section 5.14. Other Documents. The Parties agree that they shall cooperate in good faith to accomplish the objectives of this Agreement and, to that end, agree to execute and deliver such other instruments or documents as may be necessary and convenient to fulfill the purposes and intentions of this Agreement.

Section 5.15. Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all formal requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, each Party hereto warrants and represents that it has not breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

Section 5.16. Advice of Legal Counsel. Each Party acknowledges that it has reviewed this Agreement with its own legal counsel and, based upon the advice of that counsel, freely entered into this Agreement.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have caused this Community Benefits Agreement to be executed as evidenced by the signatures of the authorized officers of each of them which appear below.

LICENSEE:

MADERA HAS CULTURE, INC. (dba Culture Cannabis Club)

By: [Signature]
Devon Julian, Chief Executive Officer

Date: 6-5-24

**CITY OF MADERA,
A MUNICIPAL CORPORATION**

By: [Signature]
Arnoldo Rodriguez, City Manager

Date: 8-15-24

ATTEST:

By: [Signature]
Alicia Gonzales, City Clerk

APPROVED AS TO FORM (CALIFORNIA):

By: [Signature]
Shannon Chaffin, City Attorney



***Attach Notary Acknowledgments. If signing for an entity, bylaws, resolutions, or other documents may be required to establish authority to sign on behalf of the entity.**

EXHIBIT A

COMMUNITY BENEFITS AND INVESTMENT PLAN

Licensee Shall:

1. Make monetary contributions to a Community Benefits Fund ("Fund") established by the Licensee and, in addition to the 4% municipal tax on Gross Receipts, commits to contributing 2% of Gross Receipts on a quarterly basis for the benefit of public safety, youth education, empowerment and drug addiction, supporting recreational and educational programs, as grants for artists, or other uses benefiting the community and may include, but is not limited to: in-kind donations, sponsorship of community events; support, financial or otherwise for community-based organizations and projects. "Gross Receipts" for purposes of this paragraph shall mean all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom: Cash discounts where allowed and taken on sales, Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as gross receipts, Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser, Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts, Receipts derived from the occasional sale of used, obsolete or surplus trade fixtures, machinery or other equipment used by the taxpayer in the regular course of the taxpayer's business; and Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar. Licensee shall provide a report annually to the City which includes a list of all payments made for community benefits in accordance with this Agreement and copies of the prior 12 months account statements for the Fund showing all deposits and withdrawals. Any proposed change to the allowable uses of the fund must be approved by the City Council. Failure to provide the required accounting or failure to disburse funds in accordance with this Agreement shall be grounds for revocation of the Cannabis Business Permit. City shall have the right to audit Licensee's books at any time to verify the requirements of this paragraph.

2. Additionally, Licensee shall make an initial deposit to the Fund, upon approval of their Cannabis Business Permit, equal to \$75,000.00.

3. Use the funds in the Community Benefits Fund exclusively for charitable contributions to local non-profit organizations including, but not limited to:

- O.L.L.V.E. Foundation
- Madera Chamber of Commerce
- Downtown Business Association
- American Cancer Society

4. Create a volunteer hour program for its employees, wherein Licensee provides at least 30 cumulative hours per month of paid time to employees for time spent volunteering with local non-profit organizations and community service initiatives in the City.

5. Provides creative and ongoing education programs for individuals 55+ and veterans. Licensee shall provide state-of-the-art and uncomplicated digital kiosks to allow individuals to get detailed information about cannabis products and its wellness characteristics. Licensee shall offer private consultation areas where a customer or patient can ask questions about their specific wellness goals and get personalized answers from an experienced employee. Targeted outreach programs shall take place at scheduled times at senior living facilities and/or veteran centers where Licensee's educated ambassadors can talk to small groups of residents about the benefits of moderate consumption of cannabis.

6. Provide youth education and drug prevention programs utilizing the following resources for age appropriate materials:

- <https://www.cdc.gov/marijuana/index.html>
- <https://teen-safe.org/resources>
- <https://abovetheinfluence.com/resources/>
- <https://nida.nih.gov/research-topics/parents-educators>

ATTACHMENT 2

California Secretary of State corporate status
information for Madera Has Culture, Inc.

(Suspended – FTB).


See also:

<https://bizfileonline.sos.ca.gov/search/business>.

ATTACHMENT 2

MADERA HAS CULTURE, INC.
(4745310)

×



Request
Certificate

Initial Filing Date

05/27/2021

Status

Suspended - FTB

Standing - SOS

Good

Standing - FTB

Not Good

Standing - Agent

Good

Standing - VCFCF

Good

Inactive Date

05/01/2024

Formed In

CALIFORNIA

Entity Type

Stock Corporation - CA - General

Principal Address

1 CORPORATE PARK SUITE
112
IRVINE, CA 92606

Mailing Address

1 CORPORATE PARK SUITE
112
IRVINE, CA 92606

!

Statement of Info Due Date

05/31/2025

Agent

Individual
DEVON JULIAN
1 CORPORATE PARK SUITE
112
IRVINE, CA 92606

System Amendment - FTB Suspended - 5/1/2024			
Amendment Type	Field Name	Changed From	Changed To
System Amendment - FTB Suspended	Filing Status	Active	Suspended - FTB
Control ID	FTB - Standing	3	4
Date			
5/1/2024			