



## Massachusetts Cannabis Control Commission

### Marijuana Product Manufacturer

#### General Information:

License Number: MP281673  
Original Issued Date: 06/12/2020  
Issued Date: 06/12/2020  
Expiration Date: 06/12/2021

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: CCE CAT LLC

Phone Number: 508-364-4929  
Email Address: rcatania@wickedrestaurant.com

Business Address 1: 800 Falmouth Rd  
Business City: Mashpee Business State: MA Business Zip Code: 02649  
Business Address 2: B-1  
Mailing Address 1: 800 Falmouth Rd  
Mailing City: Mashpee Mailing State: MA Mailing Zip Code: 02649  
Mailing Address 2: Unit C-101

### CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

### PRIORITY APPLICANT

Priority Applicant: no  
Priority Applicant Type: Not a Priority Applicant  
Economic Empowerment Applicant Certification Number:  
RMD Priority Certification Number:

### RMD INFORMATION

Name of RMD:  
Department of Public Health RMD Registration Number:  
Operational and Registration Status:  
To your knowledge, is the existing RMD certificate of registration in good standing?:  
If no, describe the circumstances below:

### PERSONS WITH DIRECT OR INDIRECT AUTHORITY

Person with Direct or Indirect Authority 1

Percentage Of Ownership: 54.5 Percentage Of Control: 70  
Role: Owner / Partner Other Role:

First Name: Robert	Last Name: Catania	Suffix:
Gender: Male	User Defined Gender:	
What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)		
Specify Race or Ethnicity:		

#### Person with Direct or Indirect Authority 2

Percentage Of Ownership: 15.5	Percentage Of Control: 30	
Role: Owner / Partner	Other Role:	
First Name: William	Last Name: Catania	Suffix:
Gender: Male	User Defined Gender:	
What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)		
Specify Race or Ethnicity:		

#### ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

No records found

#### CLOSE ASSOCIATES AND MEMBERS

##### Close Associates or Member 1

First Name: Jordan	Last Name: Catania	Suffix:
Describe the nature of the relationship this person has with the Marijuana Establishment: Jordan Catania will provide day to day managerial support during operations.		

##### Close Associates or Member 2

First Name: Michael	Last Name: Lahart	Suffix:
Describe the nature of the relationship this person has with the Marijuana Establishment: Michael Lahart is providing 10% startup costs for CCE CAT LLC		

##### Close Associates or Member 3

First Name: Lionel	Last Name: Pinsonneault	Suffix:
Describe the nature of the relationship this person has with the Marijuana Establishment: Lionel Pinsonneault is providing 10% investment in CCE CAT LLC		

#### CAPITAL RESOURCES - INDIVIDUALS

##### Individual Contributing Capital 1

First Name: William	Last Name: Catania	Suffix:	
Types of Capital: Monetary/Equity	Other Type of Capital:	Total Value of the Capital Provided: \$120000	Percentage of Initial Capital: 15
Capital Attestation: Yes			

#### CAPITAL RESOURCES - ENTITIES

No records found

#### BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

#### DISCLOSURE OF INDIVIDUAL INTERESTS

No records found

#### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 800 Falmouth Rd Unit B-1

Establishment Address 2:

Establishment City: Mashpee

Establishment Zip Code: 02649

Approximate square footage of the Establishment: 2500

How many abutters does this property have?:

12

Have all property abutters have been notified of the intent to open a Marijuana Establishment at this address?: Yes

#### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Certification of Host Community Agreement	HCA Certification Form .pdf	pdf	5cf58674722cea17c125fcb9	06/03/2019
Community Outreach Meeting Documentation	Newspaper Notice CCE CAT LLC copy-compressed.pdf	pdf	5d0bd44c69291617ba86183d	06/20/2019
Community Outreach Meeting Documentation	Town Notice CCE CAT LLC.pdf	pdf	5d0bd45c722cea17c126231b	06/20/2019
Community Outreach Meeting Documentation	Abutters Sample Letter for State .pdf	pdf	5d0bd4c113edb917cc1fe9ee	06/20/2019
Plan to Remain Compliant with Local Zoning	Plan to Remain Compliant with Local Zoning CCE CAT LLC.pdf	pdf	5d0bdb9eacc50017edd63d5a	06/20/2019
Community Outreach Meeting Documentation	COM Attestation CCE CAT 012020.pdf	pdf	5e2895ee61c9e9045a78e8cd	01/22/2020

Total amount of financial benefits accruing to the municipality as a result of the host community agreement. If the total amount is zero, please enter zero and provide documentation explaining this number.: \$

#### PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	Positive Impact Plan - CCE CAT LLC - 012320.pdf	pdf	5e28967102a6e70453528d1f	01/22/2020

#### ADDITIONAL INFORMATION NOTIFICATION

Notification: I Understand

#### INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: Owner / Partner      Other Role:

First Name: Robert      Last Name: Catania      Suffix:

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 2

Role: Owner / Partner      Other Role:

First Name: William      Last Name: Catania      Suffix:

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 3

Date generated: 12/03/2020

<b>Role:</b> Manager	<b>Other Role:</b>
<b>First Name:</b> Jordan	<b>Last Name:</b> Catania <b>Suffix:</b>
<b>RMD Association:</b> Not associated with an RMD	
<b>Background Question:</b> no	

#### ENTITY BACKGROUND CHECK INFORMATION

No records found

#### MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Department of Revenue - Certificate of Good standing	Cert of good stand DOR CCE.pdf	pdf	5cf529b7bbb965134133a841	06/03/2019
Secretary of Commonwealth - Certificate of Good Standing	Cert of Good Standing SOC CCE.pdf	pdf	5cf529b833099617d7943e2e	06/03/2019
Articles of Organization	Certificate of Org CCE.pdf	pdf	5cf529baf6a8617e208d637	06/03/2019
Bylaws	Operating agreement CCE CAT LLC Bylaws pages-1-15.pdf	pdf	5d0ce76c50e7af1803c20d90	06/21/2019
Bylaws	Operating agreement CCE CAT LLC - compressed-pages-16-28.pdf	pdf	5d0d013a41a4321320f29cc8	06/21/2019
Bylaws	Operating agreement CCE CAT LLC - compressed-pages-29-41.pdf	pdf	5d0d0163acc50017edd63f54	06/21/2019

No documents uploaded

**Massachusetts Business Identification Number:** 001359505

**Doing-Business-As Name:** Spirited Extractions

**DBA Registration City:** Mashpee

#### BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	CCE CAT LLC PROPOSAL FOR INSURANCE.pdf	pdf	5cfe78d5bbb965134133b7ac	06/10/2019
Proposed Timeline	Proposed Timeline - CCE CAT LLC - 012220.pdf	pdf	5e289b4e64339304b08fb5ba	01/22/2020
Business Plan	Spirited Extractions Biz plan.pdf	pdf	5e28a0c6d29b0704447d3809	01/22/2020

#### OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Types of products Manufactured.	CCE CAT LLC Types of Products Manufactured.pdf	pdf	5d0bdca6622b7c1357f72c4c	06/20/2019
Record Keeping procedures	Record keeping procedures - CCE CAT, LLC - 062119.pdf	pdf	5d0d0b0864ca8317f4fccd6a	06/21/2019
Security plan	Security Plan - CCE CAT, LLC - 062119.pdf	pdf	5d0d0b091dae681319cebd13	06/21/2019



Personnel policies including background checks	Personnel Policies and Background Checks - CCE CAT LLC - 062119.pdf	pdf	5d0d0b8350e7af1803c20e59	06/21/2019
Maintaining of financial records	Maintaining financial records - CCE CAT, LLC - 062119.pdf	pdf	5d0d0b84c70e2b132b316c32	06/21/2019
Storage of marijuana	Storage of marijuana - CCE CAT, LLC - 062119.pdf	pdf	5d0d2fcfb9b965134133d4e1	06/21/2019
Transportation of marijuana	Transportation of marijuana - CCE CAT, LLC - 011720.pdf	pdf	5e28a45e02a6e70453528d68	01/22/2020
Inventory procedures	Inventory procedures - CCE CAT, LLC - 011720.pdf	pdf	5e28a4c9813339048c3f8ba2	01/22/2020
Restricting Access to age 21 and older	Plan to restrict access 21 - CCE CAT, LLC - 011720.pdf	pdf	5e28a5187225f00469654fed	01/22/2020
Prevention of diversion	Prevention of diversion - CCE CAT LLC - 012420.pdf	pdf	5e2b3de9d29b0704447d3e03	01/24/2020
Quality control and testing	Quality control and testing - CCE CAT, LLC - 011720.pdf	pdf	5e2b3e281c3b1d04a32aec90	01/24/2020
Qualifications and training	Qualifications and Training - CCE CAT LLC - 011720.pdf	pdf	5e2b40631c3b1d04a32aeca2	01/24/2020
Diversity plan	Diversity Plan - CCE CAT LLC - 012220.pdf	pdf	5e2b40c881ae16046bec5707	01/24/2020
Sample of unique identifying marks used for branding	Spirited_Extractions-3.png	png	5e2f22637225f00469655b32	01/27/2020
Method used to produce products	Methods used to produce products - CCE CAT LLC - 030420.pdf	pdf	5e5fea37d2a4e44405838f18	03/04/2020
Types of products Manufactured.	Types of products manufactured - CCE CAT LLC - 030420.pdf	pdf	5e5fea39c51b0d43fad1cd12	03/04/2020

## ATTESTATIONS

I certify that no additional entities or individuals meeting the requirement set forth in 935 CMR 500.101(1)(b)(1) or 935 CMR 500.101(2)(c)(1) have been omitted by the applicant from any marijuana establishment application(s) for licensure submitted to the Cannabis Control Commission.: I Agree

I understand that the regulations stated above require an applicant for licensure to list all executives, managers, persons or entities having direct or indirect authority over the management, policies, security operations or cultivation operations of the Marijuana Establishment; close associates and members of the applicant, if any; and a list of all persons or entities contributing 10% or more of the initial capital to operate the Marijuana Establishment including capital that is in the form of land or buildings.: I Agree

I certify that any entities who are required to be listed by the regulations above do not include any omitted individuals, who by themselves, would be required to be listed individually in any marijuana establishment application(s) for licensure submitted to the Cannabis Control Commission.: I Agree

Notification: I Understand

I certify that any changes in ownership or control, location, or name will be made pursuant to a separate process, as required under 935 CMR 500.104(1), and none of those changes have occurred in this application.:

I certify that to the best knowledge of any of the individuals listed within this application, there are no background events that have arisen since the issuance of the establishment's final license that would raise suitability issues in accordance with 935 CMR 500.801.:

I certify that all information contained within this renewal application is complete and true.:

## ADDITIONAL INFORMATION NOTIFICATION

**Notification:** I Understand

**COMPLIANCE WITH POSITIVE IMPACT PLAN**

No records found

**COMPLIANCE WITH DIVERSITY PLAN**

No records found

**PRODUCT MANUFACTURER SPECIFIC REQUIREMENTS**

No records found

**HOURS OF OPERATION**

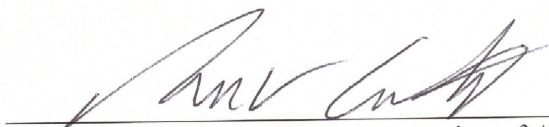
<b>Monday From:</b> 10:00 AM	<b>Monday To:</b> 7:00 PM
<b>Tuesday From:</b> 10:00 AM	<b>Tuesday To:</b> 7:00 PM
<b>Wednesday From:</b> 10:00 AM	<b>Wednesday To:</b> 7:00 PM
<b>Thursday From:</b> 10:00 AM	<b>Thursday To:</b> 7:00 PM
<b>Friday From:</b> 10:00 AM	<b>Friday To:</b> 7:00 PM
<b>Saturday From:</b> Closed	<b>Saturday To:</b> Closed
<b>Sunday From:</b> Closed	<b>Sunday To:</b> Closed

## Host Community Agreement Certification Form

The applicant and contracting authority for the host community must complete each section of this form before uploading it to the application. Failure to complete a section will result in the application being deemed incomplete. Instructions to the applicant and/or municipality appear in italics. Please note that submission of information that is "misleading, incorrect, false, or fraudulent" is grounds for denial of an application for a license pursuant to 935 CMR 500.400(1).

### Applicant

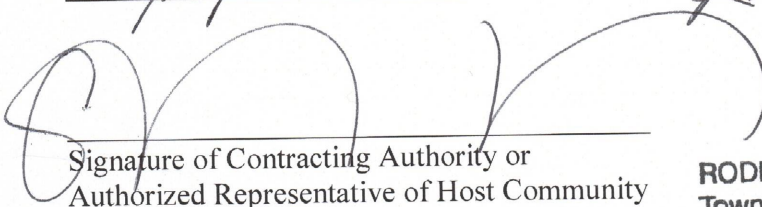
I, Robert V Catania, (insert name) certify as an authorized representative of CCE CAT LLC (insert name of applicant) that the applicant has executed a host community agreement with Town of Mashpee (insert name of host community) pursuant to G.L.c. 94G § 3(d) on 5-28-19 (insert date).

  
Signature of Authorized Representative of Applicant

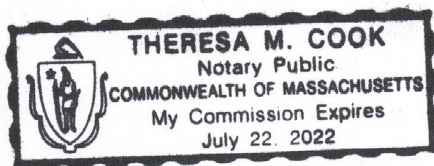
### Host Community

I, Rodney C. Collins, (insert name) certify that I am the contracting authority or have been duly authorized by the contracting authority for Town of Mashpee (insert name of host community) to certify that the applicant and Town of Mashpee (insert name of host community) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on 5/28/2019 (insert date).

RATIFIED BY BOARD OF SELECTMEN  
5/20/2019

  
Signature of Contracting Authority or  
Authorized Representative of Host Community

RODNEY C. COLLINS  
Town Manager



Rodney C. Collins; Personally Known  
Theresa M. Cook to me 5/28/2019  
Notary Public  
My Commission Expires July 22, 2022



# Strip Club’s Owner Surrenders Entertainment License

By SAM HOUGHTON

A large dumpster outside of the infamous Great Neck Road North location was likely indication enough. Then, shrubberies were planted in front of the building and the facade painted.

It is now highly unlikely that Zachary’s Pub will make a comeback as Cape Cod’s one and only strip club.

The owner of the former longtime club, Richard E. Halpern, brought his permit to Mashpee Town Hall recently and surrendered the adult-entertainment license in a rare instance of a public license forfeiture.

The Mashpee Board of Selectmen accepted the turning in of the license at its regular meeting on Monday, with little fanfare.

Town Manager Rodney C. Collins said that with the surrender of the license, anyone looking to reopen Zachary’s would need to start over, which would require an approval from the board of selectmen.

If the chairman of the board’s comments are any indication, the likelihood of an affirmative vote from the current board would be slim.

“There will be no more floor shows in a residential area,” Selectman Andrew R. Gottlieb said.

The town’s current zoning does not allow adult-entertainment venues within residential areas.

Mr. Halpern sold the Mashpee

‘I’m 76 years old and I have two children, a 1-year-old and a 3-year-old, and I decided to retire.’

Richard E. Halpern  
Owner, Zachary’s Pub

property in early May. The Barnstable County Registry of Deeds recorded the \$2 million sale of the Great Neck Road North property on May 7.

The grantees listed in the deal are Juan Marichal, who works at Seaport Village Realty in Hyannis, and the River Bend Village Trust. An attorney representing Mr. Marichal said that he plans to rent out apartments on the property and has no interest in running a club. The businessman rents out properties around the Cape.

In a message to his employees in May, Mr. Halpern announced that he was retiring.

“I’m 76 years old and I have two children, a 1-year-old and a 3-year-old, and I decided to retire,” Mr. Halpern said.

Zachary’s was a bit of an anomaly when it first began hosting nude

dancers. Mashpee, as Town Planner Evan R. Lehrer explained, did not have a section in its bylaws allowing or not allowing adult entertainment. Because there was no mention of it in the town’s zoning, Mr. Lehrer said that adult entertainment was allowed. Technically, he said, it would have been allowed anywhere in town.

Then in 1998, after some residents protested the operation of a strip club in a residential area, Town Meeting passed an ordinance specifically for adult entertainment. The bylaw provided “reasonably regulated areas” for adult entertainment venues, but did not prohibit them entirely. Because Zachary’s had been opened prior to the bylaw, it was allowed to continue its operation.

The zoning ordinance that passed Town Meeting allows



GENE M. MARCHAND/ENTERPRISE

Zachary’s Pub on Great Neck Road North prior to recent changes at the property, which has changed ownership.

adult-entertainment uses within C-1 and C-2 commercial zones, which is essentially Mashpee Commons and the surrounding area, as well as a few commercial areas near Dino’s, on Main Street, and the eastern end of Route 28.

The clubs are not allowed to open

within 500 feet of a residential area, 1,000 feet from a school, or 1,500 feet from another strip club. One goal of the bylaw was to restrict creating a hub for strip clubs or to prevent the “clustering and concentration” of adult-entertainment establishments.

Mr. Lehrer said that he did receive at least one inquiry from someone interested in reopening the club. Mr. Lehrer said that he referred the person to the town manager.

Mr. Collins said he has not received an application to reopen the club.

## Mashpee Cell Hearings Likely To Restart

By SAM HOUGHTON

Residents in Mashpee hoping the cellphone tower proposed by the town in the southern part of Mashpee would go up quickly are getting no relief this week.

The town’s legal counsel advised that the two newly elected members of the Mashpee Planning Board should not sit in on the pending hearing in front of the board.

As a result, the applicants on behalf of the town, Blue Sky Towers, will likely request that the hearing begin anew, with five voting members sitting in.

The planning board has already held a number of hearings on the tower, one lasting over three hours.

Through the board of selectmen, the town issued a request for proposals two years ago to build a tower on Red Brook Road on the same parcel where Mashpee Fire Station 2 is located. Blue Sky Towers was granted the project. The company proposes building a 150-foot-tall tower.

The project has gone before the Cape Cod Commission, which gave the tower the green light; Town

Meeting has debated the project, which resulted in a not-so-favorable outcome; and now the planning board is scheduled to continue its public hearing on the tower on Wednesday, June 19.

The board continued the discussion from a meeting in May and decided to hire an independent consultant to review some of the testimony filed by Blue Sky.

Since then, one planning board member, David W. Weeden, was voted off the board. Another board member David Kooharian did not seek reelection; that lead to the vacancy of his seat. Two new members, John F. Phelan and Joseph D. Callahan, were voted in as the newest members of the board.

With its opinion for the planning department, the town’s legal counsel referenced an appeals court decision in Massachusetts known as the Mullin case. A judge in the 1983 case

ruled that if a planning board member misses more than one hearing when substantive plans were presented, that member cannot rule on the proposal.

Still, four members of the current board have been present for the hearings. Associate member Robert Hansen has sat through the hearings. He would continue to and could rule on the decision before the board.

But Town Planner Evan R. Lehrer said that the applicant, Blue Sky, has said that it wants a full board reviewing the material and ruling.

To approve a special permit, the board needs a supermajority of members voting in favor. If only four members were sitting in on the hearing, all four would need to approve the plans, Mr. Lehrer said.

The town planner said the town anticipates that Blue Sky will ask to restart the hearing and to have five members in on the hearing and vote.

## Driven



BRENDA M. SHARP/ENTERPRISE

Golfers practice their swings at New Seabury Athletic Club.

### Falmouth Fish Market



— NEW HOURS —

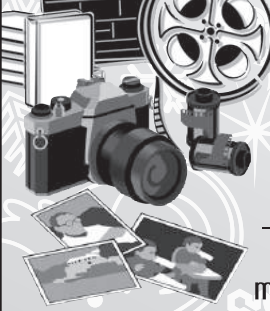
MONDAY-THURSDAY 10AM-5:30PM • FRIDAY 9AM-6PM  
SATURDAY 9AM-5PM • Closed SUNDAY

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mydvd@mooredvd.com • www.mooredvd.com

James T. Morse  
Attorney at Law

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- Wills, Estates & Trusts
- Civil Litigation & Personal Injury
- Dispute Mediation & Resolution

508.540.6500 184A Jones Road, Falmouth, MA 02540  
www.jamestmorselaw.com | info@jamestmorselaw.com

Notice is hereby given that a  
Community Outreach Meeting for  
CCE CAT LLC, a proposed Marijuana  
manufacturing/extraction business  
located at 800 Falmouth Road,  
unit B-1, Mashpee, MA 02649 is  
scheduled for Tuesday June 18th at  
12pm (in unit C101, above address.)  
We will present our project and there  
will be an opportunity for the public  
to ask questions. If you are unable  
to attend, please reach out to ezra@  
greenglove.cc for more information.

### Subscribe

Paper & Online  
Subscriptions Available

Call 1-800-286-7744  
or 508-299-8379

## Why just a Band-Aid won’t do.

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CAPE COD HEALTHCARE  
Wound Care

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**Attachment B**



Ezra Parzybok <ezparz@gmail.com>

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**FW: NOTICE OF COMMUNITY OUTREACH MEETING CCE CAT LLC RETAIL MARIJUANA PRODUCT MANUFACTURING JUNE 18, 2019 12 NOON**

1 message

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**Robert Catania** <rcatania@wickedrestaurant.com>  
To: Ezra Parzybok <ezra@greenglove.cc>

Fri, Jun 7, 2019 at 4:54 PM

Robert V Catania  
President/Founder  
Wicked Restaurant & Wine Bar  
[rcatania@WickedRestaurant.com](mailto:rcatania@WickedRestaurant.com)  
[www.WickedRestaurant.com](http://www.WickedRestaurant.com)  
Office 508-477-7422 ext. 106

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**From:** Terrie Cook <[tmcook@mashpeeema.gov](mailto:tmcook@mashpeeema.gov)>  
**Sent:** Friday, June 7, 2019 4:18 PM  
**To:** All Department Heads <[AllDepartmentHeads@mashpeeema.gov](mailto:AllDepartmentHeads@mashpeeema.gov)>  
**Cc:** Rodney C. Collins <[rccollins@mashpeeema.gov](mailto:rccollins@mashpeeema.gov)>; Wayne E. Taylor <[wtaylor@mashpeeema.gov](mailto:wtaylor@mashpeeema.gov)>  
**Subject:** NOTICE OF COMMUNITY OUTREACH MEETING CCE CAT LLC RETAIL MARIJUANA PRODUCT MANUFACTURING JUNE 18, 2019 12 NOON  
**Importance:** High

Good Afternoon:

At the request of the Town Manager, attached is a notice from Robert Catania of CCE CAT LLC of a Community Outreach meeting for the proposed marijuana product manufacturing operation proposed at [800 Falmouth Road, Unit B-1](#) in Mashpee.

The meeting will take place at 12 Noon on Tuesday, June 18, 2019 at [800 Falmouth Road, Unit C-101](#), Mashpee, MA.

Thank you.

**Terrie M. Cook** | Administrative Assistant

Office of the Town Manager

[16 Great Neck Road North, Mashpee, MA 02649](#)

*Office:* 508.539.1401 | *Fax:* 508.539.1142

*Email:* [tmcook@mashpeeema.gov](mailto:tmcook@mashpeeema.gov)



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**Outreach meeting notice\_.pdf**  
566K

CCE CAT LLC  
800 Falmouth Rd B-1  
Mashpee, MA 02649



Mashpee MA 02649

June 4, 2019

Dear Abutter to 800 Falmouth Rd, Mashpee, MA:

CCE CAT LLC is a proposed cannabis manufacturer located at 800 Falmouth Rd unit B-1. We are giving notice of our public Community Outreach Meeting at unit C-101 (same address) on Tuesday June 18<sup>th</sup> 2019 at 12pm. The public is welcome to attend and ask questions about our plans for compiling with all state and local regulations. If you are not able to attend the meeting but would like to know more, feel free to contact Rob Catania or Ezra Parzybok, below.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Catania".

Rob Catania, CEO  
rcatania@wickedrestaurant.com

Ezra Parzybok  
Cannabis Consultant  
ezra@greenglove.cc  
413-539-3059

### **CCE CAT LLC; Plan to Remain Compliant with Local Zoning**

CCE CAT attests that it will, through its operation of a manufacturing establishment in the town of Mashpee, MA, follow and remain compliant with all local zoning requirements under the Mashpee Zoning Bylaw:

Sections I-XIII of the Mashpee Special Permit regulations

Marijuana Uses of the Mashpee General Bylaw

As CCE CAT LLC has been granted a host agreement by the town of Mashpee, we plan to follow the use regulations for permitted use at our Falmouth Street location, performance standards for security and fire, and special provisions for parking, loading, signs, etc.

As all Marijuana Establishments in the town of Mashpee require Special Permit approval, we will ensure compliance with local laws.

We will also continue to communicate with Rodney Collins, the town manager, on a regular basis to remain updated and compliant with any changes or additions to local zoning.



## Community Outreach Meeting Attestation Form

The applicant must complete each section of this form and initial each page before uploading it to the application. Failure to complete a section will result in the application being deemed incomplete. Instructions to the applicant appear in italics. Please note that submission of information that is “misleading, incorrect, false, or fraudulent” is grounds for denial of an application for a license pursuant to 935 CMR 500.400(1).

I, Robert Catania, (*insert name*) attest as an authorized representative of CCE CAT LLC (*insert name of applicant*) that the applicant has complied with the requirements of 935 CMR 500 and the guidance for licensed applicants on community outreach, as detailed below.

1. The Community Outreach Meeting was held on June 18, 2019 (*insert date*).
2. A copy of a notice of the time, place, and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was published in a newspaper of general circulation in the city or town on June 7, 2019 (*insert date*), which was at least seven calendar days prior to the meeting. A copy of the newspaper notice is attached as Attachment A (*please clearly label the newspaper notice in the upper right hand corner as Attachment A and upload it as part of this document*).
3. A copy of the meeting notice was also filed on June 7, 2019 (*insert date*) with the city or town clerk, the planning board, the contracting authority for the municipality, and local licensing authority for the adult use of marijuana, if applicable. A copy of the municipal notice is attached as Attachment B (*please clearly label the municipal notice in the upper right-hand corner as Attachment B and upload it as part of this document*).
4. Notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed on June 6, 2019 (*insert date*), which was at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. A copy of one of the notices sent to abutters and parties of interest as described in this section is attached as Attachment C (*please clearly label the municipal notice in the upper right hand corner as Attachment C and upload it as part of this document; please only include a copy of one notice and please black out the name and the address of the addressee*).

5. Information was presented at the community outreach meeting including:
  - a. The type(s) of Marijuana Establishment to be located at the proposed address;
  - b. Information adequate to demonstrate that the location will be maintained securely;
  - c. Steps to be taken by the Marijuana Establishment to prevent diversion to minors;
  - d. A plan by the Marijuana Establishment to positively impact the community; and
  - e. Information adequate to demonstrate that the location will not constitute a nuisance as defined by law.
6. Community members were permitted to ask questions and receive answers from representatives of the Marijuana Establishment.

# The Green Gateway Positive Impact Program

## Introduction

This direct mentor-to-mentee program will be hosted in Holyoke, MA, a community that is an Area of Disproportionate Impact (ADI) as defined by the Commission. CCE CAT LLC. has committed to funding the *Green Gateway Positive Impact Program* for a minimum of five years. Execution of this program will commence at the receipt of a provisional Marijuana Establishment license. Quarterly scheduled seminars will be promoted and advertised through print media, social media, poster campaigns, and any other means.

## Acknowledgements

The applicant will adhere to the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment.

No actions taken, or programs instituted by the applicant will violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

No donation or program to support any specifically named organizations or the furtherance of their goals have been proposed as this is a direct mentor-to-mentee program.

## Goals:

This program will meet the spirit and objectives of state law M.G.L. Ch. 94G §4 that requires Licensed Marijuana Establishments to, “...engage in processes and policies that promote and encourage full participation in the regulated cannabis industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement and to positively impact those communities.”

The Commission has identified the groups this plan is intended to impact as the following:

- Past or present residents of the geographic ADI, which have been defined by the Commission and identified in its *Guidance for Identifying Areas of Disproportionate Impact*.
- Commission-designated Economic Empowerment Priority applicants;
- Commission-designated Social Equity Program participants;
- Massachusetts residents who have past drug convictions; and
- Massachusetts residents with parents or spouses who have drug convictions.
- The above persons are hereinafter be referred to as the **Primary Target Group (PTG)**.

The goal of the program is to provide ADI communities access to the following training, educational and mentorship resources, with a goal of attracting 25% of attendees from the PTG described above:

- Access to **quarterly** training seminars (see seminar content below)
  - PTG participants will acquire or adapt some of the tools and skills necessary to achieve success as either an entrepreneur or employee within the licensed marijuana industry.
  - PTG participants will be empowered to better understand and recognize if, and where, their interest within the licensed marijuana industry lies.
  - PTG participants will have access to guidance and support in the job-seeking process for those looking to gain employment within the industry.

- Provide PTG participants open access to expert, proactive, post-seminar mentorship and counseling, a resource center providing documents and information of use to both PTG entrepreneurs and those seeking employment in the licensed marijuana industry, and access to weekly group and individual conference calls with leading industry consultants and ancillary professionals.
- Promote PTG attendee participation in a wide-reaching quarterly survey designed to identify and overcome the obstacles to success in the industry, and thus make a positive impact on others seeking to contribute or participate in the licensed marijuana industry.

## Programs:

The *Green Gateway Positive Impact Program* comprises three main elements:

**One day seminar** - This free, quarterly seminar will be conducted at a suitable venue in the above ADI or for PTG participants remotely. The goal of these seminars is to directly assist members of the PTG by providing participants with knowledge, resources, tools and guidance to strengthen, promote and empower their successful participation in this industry as an entrepreneur, business owner, or employee.

### Seminar Content:

- Introduction
- A brief history of Marijuana regulation
- Federal Law, State Law, Regulations and Administrative Decisions
- The Cannabis Control Commission
- Developing your vision
- Developing your business plan
- The Application Process - Threading the needle
- Community Resources for Economic Development
- Home-Grown Cannabis regulations
- Employment in the Marijuana Industry
- Open Forum
- Next steps

**Mentorship and Counseling** - Seminar participants will be offered free, **ongoing** access to a “help-desk” facility that provides access to the knowledge and experience of professional industry consultants with expertise in Business Development, Marijuana Licensing, Federal and State law, and Federal and State accounting. This post-seminar mentorship and counseling facility will assist and guide PTG participants by providing the following:

- Exclusive access to licensing, compliance and regulatory resources that provides access to documents, state and local resources, service providers and articles that will benefit the PTG participant.
- Exclusive access to our “Ask me anything” FAQ sessions, where PTG participants may pose questions and receive answers to Marijuana industry related issues.
- A **weekly** telephone conference that comprises a 60-minute check-in with PTG participants, with a Q&A session, followed by a number of, 30-minute, pre-booked individual calls that allow PTG participants to pose or discuss business sensitive or confidential questions and matters without fear of disclosure.

**Positive Impact Survey** - A goal and measurement of our program progress will be our Positive Impact Survey. All participants in the seminar may complete and submit the pre-seminar baseline survey. The goal of the survey is to help identify the “capture” demographics of attendees. A second,

follow-up survey will be completed and submitted at the conclusion of the seminar. This will help identify our core survey group.

The goal of the program is to gather a cadre of core survey participants. This group should comprise those participants whose interest in the marijuana industry and the Green Gateway Program extends beyond the initial seminar. Participants in the core survey, while benefiting from ongoing mentorship and counseling, will through a series of in-depth questionnaires, focus groups and feedback opportunities, provide a wealth of data detailing demographics, backgrounds, challenges and advantages encountered or perceived by seminar attendees and survey participants. The qualitative and quantitative findings of our survey will be published in an annual report. This report will help assess and measure the obstacles and routes to success for PTG participants.

### **Measurements:**

**Program Progress and Success** - The success and impact of this program will be measured through the following means:

- **Attendance** - Attendance will be counted and recorded through both the survey and attendee records. Attendance goals will be achieved if at least 25% of attendees are PTGs from any ADI.
- **Feedback** - All attendees, survey participants, and survey recipients will be asked to complete feedback surveys on the content and delivery of this program. Our feedback goals will be achieved if 75% or more attendees provide feedback and that feedback rating is at least 3.5 out of 5.
- **Sustainability** - One of our benchmarks of success will be sustained participation in our program. We define "sustained participation" as the continued engagement of at least 25% of attendees in our post seminar activities such as mentorship and counseling activities, accessing our resource center, or participating in our weekly telephone conference during the 3 months following their first seminar
- **Survey Data use** -The success of our survey data efforts may be measured by the circulation of our annual data report to at least two state organizations: the governing body of the above ADI, and two independent regional workforce development and/or economic development organizations.
- **License Renewal:** A comprehensive annual report that shows the progress or success of this plan will be provided to the CCC prior to annual renewal of the license and each year thereafter, commencing with the date of provisional license.



Commonwealth of Massachusetts  
Department of Revenue  
Christopher C. Harding, Commissioner

mass.gov/dor

Letter ID: L0764593024  
Notice Date: May 21, 2019  
Case ID: 0-000-872-003



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



CCE CAT LLC  
35F SOUTH ST # MASHPEEMA  
MASHPEE MA 02649-6501

### ***Why did I receive this notice?***

The Commissioner of Revenue certifies that, as of the date of this certificate, CCE CAT LLC is in compliance with its tax obligations under Chapter 62C of the Massachusetts General Laws.

This certificate doesn't certify that the taxpayer is compliant in taxes such as unemployment insurance administered by agencies other than the Department of Revenue, or taxes under any other provisions of law.

**This is not a waiver of lien issued under Chapter 62C, section 52 of the Massachusetts General Laws.**

### ***What if I have questions?***

If you have questions, call us at (617) 887-6400 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 8:30 a.m. to 4:30 p.m..

### ***Visit us online!***

Visit [mass.gov/dor](http://mass.gov/dor) to learn more about Massachusetts tax laws and DOR policies and procedures, including your Taxpayer Bill of Rights, and MassTaxConnect for easy access to your account:

- Review or update your account
- Contact us using e-message
- Sign up for e-billing to save paper
- Make payments or set up autopay

Edward W. Coyle, Jr., Chief  
Collections Bureau



William Francis Galvin  
Secretary of the  
Commonwealth

*The Commonwealth of Massachusetts*  
*Secretary of the Commonwealth*  
*State House, Boston, Massachusetts 02133*

May 21, 2019

TO WHOM IT MAY CONCERN:

I hereby certify that a certificate of organization of a Limited Liability Company was filed in this office by

**CCE CAT LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **December 18, 2018.**

I further certify that said Limited Liability Company has filed all annual reports due and paid all fees with respect to such reports; that said Limited Liability Company has not filed a certificate of cancellation; that there are no proceedings presently pending under the Massachusetts General Laws Chapter 156C, § 70 for said Limited Liability Company's dissolution; and that said Limited Liability Company is in good standing with this office.

I also certify that the names of all managers listed in the most recent filing are: **ROBERT V CATANIA**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **ROBERT V CATANIA**

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **NONE**



In testimony of which,

I have hereunto affixed the

Great Seal of the Commonwealth

on the date first above written.

*William Francis Galvin*

Secretary of the Commonwealth





**The Commonwealth of Massachusetts**  
**William Francis Galvin**

Minimum Fee: \$500.00

Secretary of the Commonwealth, Corporations Division  
One Ashburton Place, 17th floor  
Boston, MA 02108-1512  
Telephone: (617) 727-9640

**Certificate of Organization**  
(General Laws, Chapter )

Identification Number: 001359505

1. The exact name of the limited liability company is: CCE CAT LLC

**2a. Location of its principal office:**

No. and Street: 35F SOUTH STREET  
City or Town: MASHPEE State: MA Zip: 02649 Country: USA

**2b. Street address of the office in the Commonwealth at which the records will be maintained:**

No. and Street: 35F SOUTH STREET  
City or Town: MASHPEE State: MA Zip: 02649 Country: USA

3. The general character of business, and if the limited liability company is organized to render professional service, the service to be rendered:  
MANUFACTURING AND RETAIL SALES AND ALL OTHER LAWFUL PURPOSES IN THE COMMONWEALTH OF MASSACHUSETTS

**4. The latest date of dissolution, if specified:**

**5. Name and address of the Resident Agent:**

Name: ROBERT V CATANIA  
No. and Street: 35F SOUTH STREET  
City or Town: MASHPEE State: MA Zip: 02649 Country: USA

I, ROBERT V. CATANIA resident agent of the above limited liability company, consent to my appointment as the resident agent of the above limited liability company pursuant to G. L. Chapter 156C Section 12.

**6. The name and business address of each manager, if any:**

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
MANAGER	ROBERT V CATANIA	35F SOUTH STREET MASHPEE, MA 02649 USA

7. The name and business address of the person(s) in addition to the manager(s), authorized to execute documents to be filed with the Corporations Division, and at least one person shall be named if there are no managers.



**8. The name and business address of the person(s) authorized to execute, acknowledge, deliver and record any recordable instrument purporting to affect an interest in real property:**

<b>Title</b>	<b>Individual Name</b> First, Middle, Last, Suffix	<b>Address</b> (no PO Box) Address, City or Town, State, Zip Code

**9. Additional matters:**

**SIGNED UNDER THE PENALTIES OF PERJURY, this 18 Day of December, 2018,**  
**ROBERT V. CATANIA**

*(The certificate must be signed by the person forming the LLC.)*

THE COMMONWEALTH OF MASSACHUSETTS

I hereby certify that, upon examination of this document, duly submitted to me, it appears that the provisions of the General Laws relative to corporations have been complied with, and I hereby approve said articles; and the filing fee having been paid, said articles are deemed to have been filed with me on:

December 18, 2018 10:27 AM

A handwritten signature in black ink, reading "William Francis Galvin". The signature is written in a cursive, flowing style with a large initial 'W'.

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*

**OPERATING AGREEMENT  
OF  
CCE CAT LLC**

**THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES DESCRIBED HEREIN MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO SUCH SECURITIES UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO CCE CAT LLC THAT SUCH REGISTRATION IS NOT REQUIRED.**

THIS OPERATING AGREEMENT of CCE CAT LLC (the “*Company*”) is made and entered into as of December 18, 2018 (the “*Effective Date*”), by and among: (1) the Company; (2) Robert V. Catania, individually as Manager (as defined below) of the Company; and (3) those Persons (as defined below) who become Members (as defined below) of the Company either by executing and delivering this Agreement or a Joinder to Operating Agreement, in the form attached hereto as Exhibit 1 (a “*Joinder Agreement*”) which is countersigned by the Manager (each an “*Member*” and collectively as the “*Members*”).

**RECITALS**

WHEREAS, the Company has been formed as a limited liability company pursuant to the Massachusetts Act (as defined below), by filing the Massachusetts Certificate (as defined below) with the Massachusetts SOS (as defined below); and

WHEREAS, the Parties (as defined below) desire to set forth the business and management of the Company, the Manager’s authority in connection with the Company and the Members’ respective interests in the Company.

NOW, THEREFORE, in consideration of the agreements and obligations set forth in this Agreement (as defined below) and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**ARTICLE I.**

**DEFINITIONS**

The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided herein):

“*Accredited Investor*” shall have the same meaning as in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended.

***“Additional Capital Contribution”*** means, as of any given date, any Capital Contribution made by a Member to the Company pursuant to Section 8.2 in excess of such Member’s Initial Capital Contribution.

***“Adjusted Capital Account Deficit”*** means, as of any particular date with respect to any Member, the deficit balance, if any, in such Member’s Capital Account as of such date after giving effect to the following adjustments:

(a) Such Capital Account shall be increased to reflect amounts, if any, attributable to partnership minimum gain or partner nonrecourse debt minimum gain which such Member is deemed to be obligated to restore pursuant to Tax Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5).

(b) Such Capital Account shall be reduced to reflect any items described in Tax Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

***“Affiliate”*** means, with respect to any Person, any other Person which, directly or indirectly, Controls, is Controlled by or is under common Control with such Person (and the term ***“Affiliated”*** shall have a correlative meaning).

***“Agreement”*** means this Operating Agreement as originally executed and as it may be amended and/or restated from time to time.

***“Bona Fide Offer”*** means an offer which complies with the following conditions:

(a) The offer shall be in writing and shall constitute an agreement legally binding on the proposed purchaser of a Membership Interest (or any portion thereof) without any material conditions precedent or right on the part of the proposed purchaser to withdraw the offer for 120 calendar days after submission of the offer;

(b) The proposed purchaser(s) shall be an Accredited Investor;

(c) The offer shall be for a purchase of Membership Interests (or any portion thereof) solely for cash payable all at the time of sale; and

(d) The proposed purchaser(s) shall not be a competitor, or Affiliated with a competitor, of the Company.

***“Book Value”*** means, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(a) The initial Book Value of any asset contributed to the Company by a Member shall be the gross fair market value of such asset, as determined by the Manager, and shall be subsequently reduced by depreciation taken into account with respect to such asset for purposes of determining Profits or Losses hereunder;

(b) The Book Values of all Company assets shall be adjusted to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code

Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Tax Regulations Section 1.704-1(b)(2)(iv)(m) and subparagraph (e) of the definition of "Profits" and "Losses" hereunder;

(c) The Book Value of any Company asset Distributed to any Member shall be adjusted to equal the gross fair market value (taking Code Section 7701(g) into account) of such asset on the date of distribution, as determined by the Manager; and

(d) The Book Values of the Company assets may be adjusted to equal their respective gross fair market values as provided in Section 8.3.

**"Business Day"** means any day other than a Saturday, a Sunday or a legal holiday on which national banks are not open for general business in the Commonwealth of Massachusetts.

**"Call Pro Rata Portion"** means, with regard to each Major Member, the Units then owned by the Terminating Member (and/or the Call Permitted Transferees of the Terminating Member) divided by a fraction: (1) the numerator of which is the number of Units then owned by the Major Member in question; and (2) the denominator of which is the number of Units then owned by all Major Members.

**"Capital Account"** means a capital account maintained in accordance with the rules contained in Tax Regulations Section 1.704-1(b)(2) as maintained in accordance with applicable rules under the Code and as set forth in Tax Regulations Section 1.704-1(b)(2)(iv) as amended from time to time.

**"Capital Contribution"** means any contribution, as defined in Massachusetts Act Section 2(3), to the capital of the Company in cash, Property, services rendered, a promissory note or other obligation to contribute cash, Property or to perform services by a Member whenever made.

**"Capital Transaction"** means: (1) any merger or consolidation of the Company with or into another Entity in which the holders of the Company's issued and outstanding Membership Interests immediately before such consolidation or merger do not, immediately after such consolidation or merger, retain equity in the surviving Entity representing a majority of the voting power of the surviving Entity or equity representing a majority of the voting power of an Entity that wholly owns, directly or indirectly, the surviving Entity; (2) a sale or exclusive license of all or substantially all of the Company's assets; or (3) a transaction in which Members agree, in writing, to sell or exchange Membership Interests which represent at least a majority of the-then outstanding Membership Interests then held by Members of the Company to a third Person or Persons.

**"Cause"** means any one or more of the following: (1) any act by a Person serving as a Manager constituting personal dishonesty in connection with such Person's responsibilities to the Company; (2) any act of gross misconduct or gross negligence by a Person serving as Manager which results in material harm to the Company, whether monetarily or otherwise; (3) the indictment of a Person serving as Manager in connection with any crime classified as a

felony under any Federal, state or local law (excluding the Federal Cannabis Laws to the extent that the cultivation, harvesting, production, distribution, sale and/or possession of cannabis and cannabis products is illegal under the Federal Cannabis Laws); (4) the use by a Person serving as Manager of a controlled substance without a prescription or the use of alcohol which materially impairs such Person's ability to carry out such Person's duties and responsibilities to the Company as a Manager; (5) any material breach of this Agreement or any other agreement by and between a Person serving as Manager and the Company or any of its Affiliates containing confidentiality, invention and/or development assignment, non-competition and/or non-solicitation covenants; or (6) any breach by a Person serving as Manager of any of such Person's fiduciary duties to the Company or any of its Affiliates.

**"Code"** means the Internal Revenue Code of 1986, as amended from time to time.

**"Confidential Information"** means all information and documentation relating to the Company's business of a proprietary and confidential nature, including, but not limited to, information and documentation relating to the Company's products, services, deliverables, intellectual property, intellectual property rights, customers, marketing plans and/or business strategies.

**"Control"** means the possession, directly or indirectly, of the power to direct or cause the direction of the management, policies or activities of the Person in question, whether through ownership of voting securities, by contract or otherwise (and the terms **"Controlled"** and **"Controlling"** shall have correlative meanings).

**"Exempted Securities"** means: (1) securities issued as a Distribution on all then outstanding Units on a pro rata basis; (2) securities issued in connection with a Unit split or other similar recapitalization; and (3) Units (or portions thereof) issued after the Effective Date (the **"Applicable Capital Raise Date"**) which are sold for a purchase price of at least \$1,000.00 per Unit and have the same rights, preferences and obligations as the Units sold on the Applicable Capital Raise Date (the **"Exempted Units"**), provided that Exempted Securities shall not include Exempted Units with an aggregate value in excess of \$495,000.00.

**"Federal Cannabis Laws"** means the U.S. federal, civil or criminal laws as they relate to the cultivation, harvesting, production, distribution, sale and possession of cannabis or cannabis products, including, but not limited to, the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960.

**"Distribution"** means a Transfer of Property to a Member (and the terms **"Distributed"** and **"Distribute"** shall have correlative meanings).

**"Entity"** means any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, association, foreign trust, foreign business organization or other entity.



***"Fiscal Year"*** means the Company's fiscal year, which shall be the calendar year.

***"Initial Capital Contribution"*** means the first contribution to the capital of the Company made by a Member pursuant to this Agreement.

***"Insolvency Event"*** means any one of the following events with regard to the Company: (1) the filing of a voluntary petition or otherwise initiating proceedings to have the Company adjudicated bankrupt or insolvent; (2) consenting to the institution of bankruptcy or insolvency proceedings against the Company, or filing a petition seeking or consenting to reorganization or relief of the Company as debtor under any applicable federal or state law relating to bankruptcy, insolvency, or other relief for debtors with respect to the Company; (3) seeking or consenting to the appointment of any trustee, receiver, conservator, assignee, sequestrator, custodian, liquidator (or other similar official) of the Company or of all or any substantial part of the Properties and assets of the Company; (4) making any general assignment for the benefit of creditors of the Company; (5) admitting in writing the inability of the Company to pay its debts generally as they become due; (6) declaring or effecting a moratorium on the Company's indebtedness; or (7) the taking any action in furtherance of any of the foregoing actions.

***"Major Member"*** means a Member who owns (at the relevant time) at least 10% of the then issued and outstanding Units of the Company.

***"Majority Interest"*** means Members owning the then issued and outstanding Units representing at least a majority of all of the then issued and outstanding Units (voting or consenting as a single class).

***"Manager"*** means Robert V. Catania. To the extent that any Person: (a) succeeds Robert V. Catania in his capacity as Manager pursuant to the terms of this Agreement, then such Person shall be deemed to be the Manager under this Agreement; or (b) is appointed to be an additional Manager pursuant to the terms of this Agreement, then such Person, together with Robert V. Catania (or his successor, if any) if applicable, shall be collectively referred to in this Agreement as the Manager.

***"Massachusetts Act"*** means the Massachusetts Limited Liability Company Act, M.G.L. Chapter 156C, in effect at the time of the initial filing of the Massachusetts Certificate with the office of the Massachusetts SOS, and as thereafter amended and/or restated from time to time.

***"Massachusetts Certificate"*** means the Certificate of Organization creating the Company, as it may, from time to time, be amended and/or restated in accordance with the Massachusetts Act.

***"Massachusetts SOS"*** means the Secretary of the Commonwealth of the Commonwealth of Massachusetts.

***"Member"*** means each of the Parties who executes this Agreement as a Member and each of the Parties who may become Members after the Effective Date pursuant to Section 4.2.

***“Membership Interests”*** means, with respect to any Member, such Member’s entire ownership interest in the Company at any particular time, which interest shall be expressed in Units, including, without limitation, such Member’s right to share in Profits and Losses and to receive Distributions of Net Distributable Cash pursuant to this Agreement and any and all benefits to which such Member may be entitled as provided in this Agreement and the Massachusetts Act.

***“Net Distributable Cash”*** means with respect to any fiscal period, cash receipts of the Company from all sources during such fiscal period, plus the amount of cash receipts previously added to or used to establish Reserves that the Manager determines should no longer be kept in the Reserves, less the sum of the following to the extent paid or set aside by the Company: (1) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders, including repayment of any advances made by any Member; (2) all cash expenditures incurred in connection with the operation of the Company Business; (3) all capital expenditures; and (4) such Reserves as the Manager deems reasonably necessary to the proper operation of the Company Business and/or to satisfy any requirements of the Company’s lenders.

***“New Securities”*** means, collectively, any securities that may be issued by the Company after the Effective Date, including, but not limited to: (1) rights, options, or warrants to purchase Company securities; and (2) securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for other Company securities; provided however, that the term New Securities shall not include any Exempted Securities.

***“Offsettable Decrease”*** means any adjustment, allocation or Distribution described in Tax Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) that causes or increases an Adjusted Capital Account Deficit of the applicable Member as of the end of the taxable year to which the adjustment, allocation or Distribution relates.

***“Party”*** means each Member, each Person serving as Manager and the Company, and collectively, the ***“Parties”***.

***“Person”*** means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such “Person” where the context so permits.

***“Pro Rata Basis”*** means, with respect to each Member, the number or figure in question multiplied by a fraction, the numerator of which is the number of then issued and outstanding Units owned by such Member and the denominator of which is the total number of all issued and outstanding Units then owned by all Members.

***“Profits”*** and ***“Losses”*** (as applicable) mean with respect to each Fiscal Year, the Company’s taxable income or loss for such Fiscal Year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Company that is exempt from federal income tax shall be added to such taxable income or loss;



(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Tax Regulations Section 1.704-1(b)(2)(iv)(i) not otherwise taken into account in computing Profits or Losses pursuant to this definition, shall be subtracted from such taxable income or loss;

(c) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Book Value of the Property disposed of, notwithstanding that the adjusted tax basis of such Property differs from its Book Value;

(d) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account depreciation for such Fiscal Year, computed in accordance with Tax Regulations Section 1.704-1(b)(2)(iv)(g);

(e) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Tax Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining a Member's Capital Account as a result of a Distribution other than in complete liquidation of a Member's Membership Interests, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses;

(f) In the event the Book Value of any Company asset is adjusted pursuant to subparagraphs (c) or (d) of the definition of "Book Value," the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits and Losses; and

(g) Notwithstanding the foregoing, any items of income, gain, loss and deduction which are specifically allocated pursuant to Sections 11.4 through 11.7 of this Agreement shall not be taken into account in computing Profit or Loss under this Agreement.

It is intended that, among other deductions, operating expenses, all salary, bonuses and other compensation and guaranteed payments (including, without limitation, the amount of any cash and the fair market value of any equity interest in the Company or any other Entity) paid to any Person serving as Manager and/or an officer, or other employee, agent or consultant of the Company shall be deducted from Profits or added to Losses, as appropriate.

**"Property"** means any property, real or personal and tangible or intangible, including cash, and any legal or equitable interest in such property, but excluding services and promises to perform in the future.

**"Reserves"** means, with respect to any fiscal period, funds set aside or amounts allocated during such period to reserves which shall be maintained in amounts: (1) deemed sufficient by the Manager for working capital; (2) deemed sufficient by the Manager to pay taxes, insurance, debt service or other costs or expenses incident to the ownership or operation of

the Company Business (whether presently or in the future); and (3) required by any lender of the Company.

**“Sale of the Company”** means: (1) a transaction or series of related transactions in which a Person, or a group of related Persons, acquires Units from Members representing more than fifty percent (50%) of the outstanding voting power of the Company (a **“Units Sale”**); (2) any consolidation or merger of the Company with or into any other Entity in which the holders of the Company’s issued and outstanding Units immediately before such consolidation or merger do not, immediately after such consolidation or merger, retain equity in the surviving Entity representing a majority of the voting power of the surviving Entity or equity representing a majority of the voting power of an Entity that wholly owns, directly or indirectly, the surviving Entity; or (3) a sale or exclusive license of all or substantially all of the Company’s assets.

**“Super-Majority Interest”** means Members owning the then issued and outstanding Units representing at least 66 2/3% of all of the then issued and outstanding Units (voting or consenting as a single class).

**“Tax Regulations”** means the Federal Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

**“Transfer” or “Transferred”** means any sale, exchange, assignment, distribution (upon liquidation or otherwise), encumbrance, hypothecation, gift, pledge, transfer or other disposition or alienation, whether absolute, contingent or collateral, in any way (including, without limitation, by operation of law).

**“Units”** means the number of Units set forth opposite a Member’s name on **Exhibit A** attached to this Agreement under the heading “Units”.

## ARTICLE II.

### FORMATION OF THE COMPANY

**2.1 Formation.** On December 18, 2018, the Company was formed as a Massachusetts limited liability company upon the execution and filing of the Massachusetts Certificate with the Massachusetts SOS in accordance with the provisions of the Massachusetts Act.

**2.2 Name.** The name of the Company as stated in the Massachusetts Certificate is CCE CAT LLC.

**2.3 Registered Office and Resident Agent.** The Company’s registered office is at the office of its registered agent at 35F South Street, Mashpee, MA 02649 and the name of its registered agent at such address is Robert V. Catania. The registered office and registered agent may be changed from time to time by the Company by filing the address of the new registered office and/or the name of the new registered agent with the Massachusetts SOS pursuant to the Massachusetts Act and the applicable rules promulgated thereunder.

**2.4 Principal Place of Business.** The principal place of business of the Company is 35F South Street, Mashpee, MA 02649. The Company may locate its places of business at any other place or places as the Manager may from time to time deem advisable.

### ARTICLE III.

#### BUSINESS OF THE COMPANY; RESTRICTIONS

**3.1 Purposes.** The purposes of the Company are: (a) to manufacture and sell products; and (b) to carry out any business or activity which may be lawfully carried on by a limited liability company under the Massachusetts Act (collectively, the "**Company Business**").

**3.2 Company Powers.** In furtherance of the Company Business (but subject, however, to all other provisions of this Agreement, including, but not limited to, Section 3.3 below), and without limiting in any way the powers conferred upon the Company under the Massachusetts Act, the Company is hereby authorized, directly or indirectly:

(a) To acquire (by purchase, lease or otherwise), own, finance, manage, operate, maintain, lease, sell, convey, assign, mortgage, dispose of and otherwise invest in and deal with any real or personal Property necessary, convenient, or incidental to the accomplishment of the Company Business;

(b) To borrow money, secured or unsecured, and issue evidences of indebtedness in furtherance of the Company Business, and to secure the same by mortgages, pledges, or other liens;

(c) To guarantee the indebtedness and obligations of other Persons where appropriate in furtherance of the Company Business;

(d) To repay in whole or in part, refinance, recast, increase, modify or extend any indebtedness incurred by the Company;

(e) To enter into, modify, amend, supplement, perform and carry out contracts of any kind, including contracts with Affiliates, necessary to, in connection with, or incidental to the accomplishment of the Company Business;

(f) To satisfy, adjust, compromise and/or settle any and all obligations of, and claims made against, the Company;

(g) To enter into or engage in any kind of activity necessary to, in connection with, or incidental to the accomplishment of the Company Business, so long as said activities may be lawfully carried on or performed by a limited liability company under the Massachusetts Act and any other federal and/or state laws applicable to the Company;

(h) To invest any funds of the Company and open, maintain and close accounts with one or more banks or other financial institutions; and

(i) To distribute and/or sell all or portions of any equity interests in Persons created by and/or owned in whole or in part by the Company.

**3.3 Major Decisions.** Notwithstanding anything to the contrary contained in this Article III or any other provision of this Agreement, the following actions shall not be taken by the Company without first obtaining the vote or prior written consent of the Members owning a Super-Majority Interest:

- (a) approving, allowing or facilitating an Insolvency Event;
- (b) allowing the election of any Person to serve as Manager or allowing the removal for Cause of any Person serving as Manager pursuant to Section 5.3 below;
- (c) causing the Company to dissolve or be a party to a Capital Transaction;
- (d) creating any class or series of equity or other equity securities (including, but not limited to, securities convertible into or exercisable for equity securities) of the Company other than the Units;
- (e) reclassifying, altering or amending any existing security of the Company in respect of: (i) the Distribution of assets on the liquidation, dissolution or winding up of the Company; or (ii) the payment of Distributions in the ordinary course of the Company Business;
- (f) amending, altering or repealing any provision of the Massachusetts Certificate or this Agreement that has an adverse effect on rights or obligations of any Member;
- (g) making Distributions other than as set forth in this Agreement;
- (h) creating, the authorizing, or issuing any indebtedness for borrowed money, or permit any subsidiary of the Company to take any such action with respect to any indebtedness for borrowed money, if the aggregate indebtedness for borrowed money of the Company and its subsidiaries following such action would exceed \$250,000.00 (other than equipment leases);
- (i) causing a fundamental change in the business of the Company from the Company Business;
- (j) consummating any transaction, whether written or oral, with any Affiliate of the Company or any Person serving as Manager;
- (k) paying total compensation to any Person serving as Manager in any Fiscal Year of the Company in excess of \$100,000.00; or
- (l) paying any employee of, or consultant to, the Company total compensation in any Fiscal Year of the Company in excess of \$100,000.00.

Except as otherwise expressly provided in this Section 3.3 or required by the Massachusetts Act, the Members shall have no other voting or approval rights.

## ARTICLE IV.

### MEMBERS

**4.1 *Members Generally.*** The names, addresses, Units and Capital Contributions of the Members are as listed on Exhibit A attached to this Agreement.

**4.2 *Additional Members.*** The Company may admit additional Members and issue Membership Interests to them if: (a) the Company and such additional Members execute and deliver Joinder Agreements; and (b) the Company adds the additional Members' information to Exhibit A attached to this Agreement (which additions shall not be deemed amendments of this Agreement pursuant to Section 14.6 below).

## ARTICLE V.

### MANAGEMENT

**5.1 *Management of the Company by the Manager.*** The business and affairs of the Company shall be managed by its Manager. Except as otherwise provided in Section 3.3 above or by non-waivable provisions of applicable law, the Manager shall have full and complete authority, power and sole discretion to manage and control the business, affairs and Properties of the Company, to make all decisions regarding those matters and to perform any or all other acts or activities customary or incident to the management of the Company Business. Subject to Section 3.3 above, the Manager shall determine, from time to time, the compensation to be paid to the Persons serving as Manager and/or officers, employees, agents and consultants of the Company.

**5.2 *Number, Tenure and Qualifications of Managers.*** Pursuant to Section 5.3 below, the Company shall initially have one (1) Manager who shall be Robert V. Catania; provided however, that the number of Persons serving as Manager of the Company may be increased or decreased by the Members owning a Super-Majority Interest. Notwithstanding the foregoing sentence, the Company shall not have fewer than one (1) Person serving as Manager. Each Person serving as Manager shall serve until the earliest of: (a) the resignation of such Person; (b) the removal of such Person pursuant to Section 5.3(c) below; and (c) the death or intentional dissolution and liquidation of such Person. In the event that there shall be no Person serving as Manager (because of resignation or otherwise), Persons to serve as Manager may be elected by the vote or written consent of the Members owning a Super-Majority Interest.

**5.3 *Voting Agreement.***

(a) The Members agree that in each election of Managers of the Company (whether at a special or annual meeting or by written consent) during the term of this Agreement they each shall vote all voting securities presently owned or hereafter acquired by them or over which they exercise voting control: (a) to fix and maintain the number of Persons serving as Manager at one (1); and (b) for the election as Manager of the nominees determined as set forth in Section 5.3(b).



(b) So long as Robert V. Catania owns 25% or more of the issued and outstanding Units, Robert V. Catania shall be entitled to nominate one person to serve as Manager and the initial nominee of Robert V. Catania is Robert V. Catania. Such nominee shall be deemed to be the nominee selected by Robert V. Catania in each election until another nominee is selected by Robert V. Catania and written notice of such selection has been given to the Company and the other Members.

(c) Each Person nominated and elected as Manager in accordance with Sections 5.3(a) and (b) above shall serve until such Person's successor is nominated, elected and qualified or until such Person's earlier resignation or removal. Each Person serving as Manager may be removed during such Person's term of office: (i) without Cause only by the written consent of the Member who nominated such Person; and (ii) with Cause only Members owning a Super-Majority Interest. Any Manager vacancy nominated as described in Section 5.3(b) may be filled, after nomination pursuant to Section 5.3(b), only by vote or written consent the Members owning a Super-Majority Interest.

**5.4 Certain Powers of the Manager.** Without limiting the generality of Section 5.1, but subject to the provisions of Section 3.3 above, the Manager shall have power and authority, on behalf of the Company:

(a) To acquire Property from any Person (including Persons serving as Manager) as the Manager may determine in its sole discretion. The fact that any Member or Person serving as Manager is directly or indirectly Affiliated or connected with any such Person shall not prohibit the Manager from dealing with that Person.

(b) To borrow money for the Company from banks, other lending institutions, Members, Persons serving as Manager, or Affiliates of the Members or the Persons serving as Manager on such terms as the Manager deems appropriate, and in connection therewith, to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums. No indebtedness shall be contracted or liability incurred by or on behalf of the Company except by the Manager or by officers, agents or employees of the Company expressly authorized in writing to contract such indebtedness or incur such liability by the Manager.

(c) To purchase liability and other insurance to protect the Company's Property and the Company Business.

(d) To hold and own any Company Property in the name of the Company.

(e) To invest any Company funds temporarily in checking accounts, time deposits, money market accounts or short-term governmental obligations.

(f) To execute (or to authorize any Person to execute) on behalf of the Company all instruments and documents, including, without limitation, all documents and instruments for the Company contemplated by or in connection with the operation of the Company Business, including, without limitation, checks; drafts; notes and other negotiable instruments; documents providing for the acquisition, mortgage or disposition of the Company's Property; assignments; bills of sale; leases; partnership agreements; operating agreements of

other limited liability companies; and any other instruments or documents necessary, in the opinion of the Manager, to conduct the Company Business. For purposes of clarification, no Member or any other Person shall have the authority to execute documents or in any way bind the Company without prior written authorization of the Manager.

(g) To employ or retain employees, agents, consultants, accountants, legal counsel and/or other experts to perform services for the Company and to compensate them from Company funds.

(h) To do and perform all other acts as may be necessary or appropriate to the conduct of the Company Business.

**5.5 Manager(s) Meetings/Actions.** Regular meetings of the Manager may be held without call or notice at such times and such places within or without the Commonwealth of Massachusetts as the Persons serving as Manager may, from time to time, determine. Special meetings of the Manager may be held at any time and at any place designated in the written notice for the meeting when called by: (a) a Person serving as Manager; or (b) Members owning a Super-Majority Interest. A Person serving as Manager may participate in any meeting of the Manager by means of a conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at the meeting. It shall be sufficient notice to a Person serving as Manager to: (i) send notice of such a meeting by overnight courier or electronic mail at least twenty-four (24) hours before such meeting addressed to such Person at such Person's usual or last known business, residence or electronic mail address; or (ii) to give notice of such a meeting to a Person serving as Manager in person or by telephone at least twenty-four (24) hours before such meeting. Notice shall be given by the Person(s) calling the meeting in question. The requirement of notice to any Person serving as Manager shall be waived by such Person's attendance at the meeting without protesting prior thereto or at its commencement the lack of notice. At any meeting of the Manager, the presence of a majority of the Persons serving as Manager then in office shall constitute a quorum for the transaction of business. Any Manager meeting may be adjourned by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice. Except where specifically required pursuant to this Agreement, the Manager may act at any meeting where there is a quorum only by majority vote. No Member, other than in a Member's capacity as a Person serving as Manager, may take any action on behalf of the Company unless expressly authorized to do so in writing by the Manager.

**5.6 Written Consent.** Any action by the Manager permitted under this Agreement or the Massachusetts Act may be taken without a meeting if all of the Persons serving as Manager consent to the action in writing and the consents are filed with the records of the Company. Such consent shall be treated for all purposes as a vote of the Manager at a meeting.

**5.7 Meeting by Telephone.** The Persons serving as Manager may meet by conference telephone call if all Persons serving as Manager participating can hear one another on such call and the requisite notice is given or waived.

**5.8 Appointment and Removal of Officers.** The Manager shall have the right to appoint, terminate (with or without cause), remove (with or without cause) and replace (with or without cause) officers of the Company, including, but not limited to, a Chief Executive Officer, a President, Vice Presidents, a Treasurer, and a Secretary, and to assign to such officers duties and authorities that the Manager, in its discretion, determines will benefit the Company. As of the Effective Date, the Manager appoints Robert V. Catania as the Chief Executive Officer of the Company. The Chief Executive Officer shall oversee the day-to-day operations of the Company.

**5.9 Tax Matters Partner; Partnership Representative.**

(a) The Manager shall designate a Member from time to time to act as “tax matters partners” for the Company as prescribed by Section 6231 of the Code. Until he shall resign or be removed by the Manager, Robert V. Catania shall act as the “**Tax Matters Partner**” for the Company, and shall have the powers and authority necessary to perform the functions of that role under the Code.

(b) This Section 5.9(b) shall apply for taxable years of the Company beginning on or after January 1, 2018.

(i) For purposes of this Section 5.9(b), unless otherwise specified, all references to provisions of the Code shall be to such provisions as in effect following the effective date of its amendment by Section 1101 of H.R. 1314, the “Bipartisan Budget Act of 2015”, as such provisions may subsequently be modified.

(ii) The Manager shall be the Company’s designated “partnership representative” within the meaning of Code Section 6223 (the “**Tax Representative**”) with sole authority to act on behalf of the Company for purposes of Subchapter C of Chapter 63 of the Code and any comparable provisions of state or local income tax laws, provided, however, that the Manager may appoint any other Person to serve as Tax Representative and the Manager may remove any Person serving as Tax Representative.

(iii) If the Company is eligible to elect, pursuant to Code Section 6221(b) (or successor provision), to have Subchapter C of Chapter 63 of the Code not apply to any federal income tax audits and other proceedings for any taxable year, the Tax Representative may cause the Company to make such election.

(iv) If any partnership adjustment (as defined in Code Section 6241(2)) is determined with respect to the Company, the Tax Representative shall promptly notify the Members upon the receipt of a notice of final partnership adjustment, and the Tax Representative shall take such actions as it shall deem appropriate, including filing a petition in the applicable tax court, causing the Company to pay the amount of any such adjustment under Code Section 6225, or making an election under Code Section 6226.

(v) If any such partnership adjustment is finally determined with respect to the Company and the Tax Representative has not caused the Company to make the election under Code Section 6226, then: (x) the Members (including former Members) shall take such actions as may be requested by the Tax Representative, including filing amended tax returns and paying any tax due in accordance with Code Section 6225(c)(2); (y) the Tax



Representative shall use commercially reasonable efforts to make any modifications available under Code Sections 6225(c)(3), (4) and (5); and (z) any imputed underpayment (as determined in accordance with Code Section 6225) or partnership adjustment that does not result in an imputed underpayment shall be apportioned among the Members of the Company for the taxable year in which the adjustment is finalized in such manner as may be necessary (as determined by the Tax Representative) so that, to the maximum extent possible, the tax and economic consequences of the partnership adjustment and any associated interest and penalties are borne by the Members based upon their Units (or the Units of their predecessor Members) for the "reviewed year" (as defined in Code Section 6225(d)).

(vi) If any Entity in which the Company owns an equity interest: (x) pays any partnership adjustment under Code Section 6225; (y) requires the Company to file an amended tax return and pay associated taxes to reduce the amount of a partnership adjustment imposed on such other Entity; or (z) makes an election under Code Section 6226, the Tax Representative may cause the Company to make the request for an administrative adjustment provided for in Code Section 6227 consistent with the principles and limitations set forth in Sections 5.9(b)(iv) and 5.9(b)(v) above for partnership adjustments of the Company, and the Members shall take such actions as may be reasonably requested by the Tax Representative in furtherance of such request for an administrative adjustment.

(vii) The obligations of each Member or former Member under this Section 5.9(b) shall survive the Transfer by such Member of its Units and the termination of this Agreement or the dissolution of the Company.

#### **5.10 Liability.**

(a) Except as otherwise provided by the Massachusetts Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Person serving as Manager and/or an officer shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Person serving as Manager and/or an officer of the Company. No Person serving as Manager and/or an officer shall be required to lend any funds to the Company.

(b) No Person serving as Manager has guaranteed any Profits for or Distributions to any Member nor has any such Person guaranteed the return of any Member's Capital Contributions. No Person serving as Manager shall be liable to the Company or to any Member for any loss or damage sustained by the Company or any Member except loss or damage resulting from: (i) the intentional misconduct of such Person; or (ii) the gross negligence of such Person. The Persons serving as Manager shall be entitled to rely on information, opinions, reports or statements, including, but not limited to, financial statements or other financial data, prepared or presented in accordance with the provisions of Section 11 of the Massachusetts Act.

**5.11 Duties; Other Opportunities.** The Persons serving as Manager and/or officers of the Company shall devote such time and effort as is reasonably necessary to manage the Company and may have other business interests and may engage in other activities in addition to

those relating to the Company. The Company, the Persons serving as Manager and the Members agree that: (a) no business opportunities shall be deemed the property of the Company; (b) the Persons serving as Manager and/or officers, each Member and each of their Affiliates may engage in, participate in or possess an interest in any other business venture of any nature or description, independently or with others, even if any such transaction may be considered to be competitive with, or a business opportunity that may be beneficial to, the Company and/or any of its direct or indirect subsidiaries, it being expressly understood that the Persons serving as Manager and/or officers, a Member and any such Affiliates may be entering into transactions that are similar to the transactions into which the Company and/or its direct and indirect subsidiaries may enter; (c) neither the Company, the Persons serving as Manager and/or officers nor any Member shall have any right, by virtue of this Agreement, at law or equity or otherwise, to share or participate in any such transaction of the Persons serving as Manager and/or officers, a Member or any such Affiliate or to the income, profits or proceeds derived therefrom; and (d) neither any Person serving as Manager and/or an officer, a Member nor any such Affiliate shall incur any liability to the Company or any Person serving as Manager and/or an officer or any Member as a result of engaging in any other business venture.

**5.12 Certain Transactions.** Subject to the provisions of Section 3.3 above, the Company is permitted in the normal course of its business to enter into transactions with any Member, any Person serving as Manager and/or an officer, Affiliate, or with any Affiliate of any Member, Person serving as Manager and/or officer or other Affiliate, provided that the price and other terms of such transactions are fair to the Company and that the price and other terms of such transactions are not less favorable to the Company than those generally prevailing with respect to comparable transactions between unrelated Persons.

**5.13 Bank Accounts.** The Manager may from time to time open bank accounts in the name of the Company and only the Manager may determine the authorized signatories thereon.

**5.14 Indemnity of the Manager and Officers.** To the fullest extent permitted under the Massachusetts Act, the Company shall: (a) indemnify and hold harmless the Persons serving as Manager and/or officers for all costs, losses, liabilities and damages (collectively, the "**Losses**") paid or accrued by such Persons; and (b) make advances for expenses to the Persons serving as Manager and/or officers, with respect to any matters relating, directly or indirectly, to the Company Business; provided however, that the Company shall not indemnify any Person serving as Manager and/or an officer for any Losses that arise from such Person's intentional misconduct or gross negligence.

**5.15 Resignation.** Any Person serving as Manager and/or an officer of the Company may resign at any time by giving written notice to any other Person serving as Manager or Members owning a Majority Interest. The resignation of any Person serving as Manager and/or an officer shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The resignation of a Person serving as Manager and/or an officer shall not affect such Person's rights as a Member and shall not constitute withdrawal as a Member (if applicable).

**5.16 Expenses.** The Persons serving as Manager and/or officers of the Company shall be reimbursed for all reasonable expenses incurred in connection with managing the Company pursuant to any expense reimbursement policy adopted by the Manager.

## ARTICLE VI.

### MEETINGS OF MEMBERS

**6.1 Meetings.** Meetings of the Members, for any purpose or purposes, unless proscribed by applicable law, may be called by: (a) the Manager; or (b) Members owning a Majority Interest.

**6.2 Place of Meetings.** The Manager or the Members calling a meeting of the Members may designate any place, either within or outside the Commonwealth of Massachusetts, as the place of meeting for any meeting of the Members. If no designation is made, or if a special meeting is called, the place of meeting shall be the principal executive office of the Company in the Commonwealth of Massachusetts.

**6.3 Notice of Meetings.** Written notice stating the place, day and hour of a Members meeting and the purpose or purposes for which the meeting is called shall be delivered not less than two (2) nor more than sixty (60) calendar days before the date of the meeting by or at the direction of the Person calling the meeting, to each Member.

**6.4 Quorum.** Except as otherwise provided by applicable law or by this Agreement, the owners of a Majority Interest present in person or represented by proxy or attorney-in-fact shall constitute a quorum at all meetings of the Members for the transaction of business. If, however, a quorum shall not be present or represented by proxy or attorney-in-fact at any meeting of the Members, the Members owning a majority of the then issued and outstanding Units entitled to vote at such meeting and present in person or represented by proxy or attorney-in-fact, shall have power to adjourn the meeting without notice other than announcement at the meeting until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) calendar days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member.

**6.5 Voting Requirements.** When a quorum is present at any Members meeting, the vote of the owners of a Majority Interest present in person or represented by proxy or attorney-in-fact shall decide any question brought before such meeting, unless the question is one upon which, by express provision of applicable law or of this Agreement, a different vote is required. In such a case, such express provision shall govern the decision of such question. Except as otherwise required by applicable law, whenever a vote or consent of the Members of the Company is required by this Agreement or by applicable law each holder of a Unit shall be entitled to one vote per Unit (and if a holder owns a fraction of a Unit, such holder shall be entitled to vote a fraction of a vote equal to the fraction of the Unit they own). The voting of Units pursuant to this Agreement may be effected in person, by proxy, by attorney-in-fact, by written consent or in any other manner permitted by applicable law.

**6.6 Proxies/Attorneys-In-Fact.** At all meetings of Members, each Member may vote Units in person, by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Such proxy or, if applicable, the document authorizing the attorney-in-fact, shall be filed with a Person serving as Manager before or at the time of the meeting. No proxy or document authorizing an attorney-in-fact shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy or the document authorizing the attorney-in-fact.

**6.7 Record Date.** For the purpose of determining the Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or entitled to consent to Member action in writing without a meeting, or entitled to receive payment of any Distribution, or in order to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or electronically mailed or the date on which the resolution declaring such Distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

**6.8 Action by Members Without a Meeting.** Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by at least the owners of then issued and outstanding Units having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which a quorum of Members entitled to vote thereon were present and voted. Written notice of such action effected by written consent shall be given to the Members who have not executed such written consent within a reasonable time after such action has been approved by the Members as herein provided.

**6.9 Waiver of Notice.** When any notice is required to be given to any Member, a waiver thereof in writing signed by the Member entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice. In addition, if a Member is present (either in person or telephonically) at a duly called meeting of the Members and does not object to any failure to give proper notice of such meeting promptly after such Meeting begins or prior to such meeting, such Member is deemed to have waived notice of such meeting.

**6.10 Meeting by Telephone.** Members may meet by conference telephone call if all Members participating can hear one another on such call and the requisite notice is given or waived.

## ARTICLE VII.

### LIMITATIONS ON RIGHTS AND OBLIGATIONS OF MEMBERS

**7.1 Limitation of Liability.** Each Member's liability with regard to the Company shall be limited as set forth in this Agreement, the Massachusetts Act and other applicable law.

**7.2 No Liability for Company Obligations.** Except as otherwise provided by the Massachusetts Act, the debts, obligations and liabilities of the Company, whether arising in



contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member of the Company. The Members shall only be liable to make payment of their respective Capital Contributions as and when due hereunder and other payments as expressly provided in this Agreement.

**7.3 *Priority and Return of Capital.*** No Member shall have priority over any other Member, either as to the return of Capital Contributions or as to Profits, Losses or Distributions. This Section shall not apply to loans (as distinguished from Capital Contributions) which a Member has made to the Company.

## ARTICLE VIII.

### CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

**8.1 *Member Capital Contributions.*** Each Member's Capital Contributions to the Company are as set forth opposite each Member's name on Exhibit A attached hereto under the heading "Capital Contribution".

**8.2 *Additional Capital Contributions.*** No Member shall have any obligation to make any Capital Contribution in excess of its Initial Capital Contribution, except as agreed to in writing by such Member. Additional Capital Contributions may be requested by the Manager to be made by the Members from time to time as is determined by the Manager to be necessary and appropriate in connection with the conduct of the Company Business and in order to pay taxes, insurance premiums, principal and interest on indebtedness of the Company and various other costs of the operation of the Company, including, but not limited to, capital expenditures. Upon the making of any Additional Capital Contribution by a Member to the Company, the Manager shall update Exhibit A in all appropriate respects to reflect such Additional Capital Contribution and such updating of Exhibit A shall not be deemed to be an amendment of this Agreement pursuant to Section 14.6 below.

**8.3 *Maintenance of Capital Accounts.*** The Company shall establish and maintain a Capital Account for each Member. Capital Accounts shall, generally, be increased by: (a) the amount of any money contributed or deemed to be contributed by the Member to the capital of the Company; (b) the fair market value of any Property contributed or deemed to be contributed, as determined by the Manager and the contributing Member at arm's length at the time of contribution (net of liabilities assumed by the Company or subject to which the Company takes such Property, within the meaning of Section 752 of the Code); and (c) the Member's share of Profits and of any separately allocated items of income or gain. Each Member's Capital Account shall, generally, be decreased by: (i) the amount of any money Distributed to the Member by the Company; (ii) the fair market value of any Property Distributed to the Member, as determined in good faith by the Manager (net of liabilities of the Company assumed by the Member or subject to which the Member takes such Property within the meaning of Section 752 of the Code); and (iii) the Member's share of Losses and of any separately allocated items of deduction or loss. If the Manager decides, in its sole discretion, the Property of the Company shall be revalued and the Capital Accounts of the Members shall be adjusted as permitted by Tax Regulations Sections 1.704-1(b)(2)(iv)(f) and 1.704-1(b)(2)(iv)(g).

**8.4 Compliance with Section 704(b) of the Code.** The provisions of this Article VIII, as they relate to the maintenance of Capital Accounts, are intended, and shall be construed, and, if necessary, modified to cause the allocations of Profits, Losses, income, gain and credit pursuant to Article XI to have substantial economic effect under the Tax Regulations promulgated under Section 704(b) of the Code, in light of the Distributions made pursuant to Article X. Notwithstanding anything herein to the contrary, this Agreement shall not be construed as creating a deficit restoration obligation.

**8.5 Loans to Company.** Nothing in this Agreement shall prevent any Person serving as Manager and/or an officer, any Member, any Affiliate thereof or any third Person from making secured or unsecured loans to the Company by agreement with the Company. The making of any loan by any such Person shall not create any additional fiduciary duty between the Person making the loan (on the one hand) and the Company (on the other hand) and shall not otherwise restrict the right to foreclose, or restrict any other legal remedies which may be exercised by the Person making the loan as may be provided to a third party creditor under applicable law.

**8.6 Issuance of Additional Membership Interests.** Subject to the provisions of Section 3.3 above, any Person acceptable to the Manager may become a Member of the Company upon the issuance by the Company of Membership Interests for such consideration as the Manager shall agree pursuant to the provisions of Section 4.2. No new Members shall be entitled to any retroactive allocation of Profits or Losses, income, expense or deductions incurred by the Company. The Company may, at its option, at the time such new Member is admitted, close the Company books (as though the Company's tax year had ended) or make allocations of Profit or Loss, income, expense or deductions to a new Member for that portion of the Company's tax year in which a Member was admitted in accordance with the provisions of Section 706(d) of the Code and the Tax Regulations. Upon the admission of any additional Member as provided herein, Exhibit A shall be updated in all appropriate respects to reflect such admission and such updating of Exhibit A shall not be deemed to be an amendment of this Agreement pursuant to Section 14.6 below.

**8.7 Issuance of Membership Interests.** Subject to the provisions of Section 3.3 above, the Company shall have the right to issue Membership Interests in such numbers and having such rights and privileges and upon such terms and conditions as the Manager may specify from time to time, subject in each case to the provisions of this Agreement. Membership Interests may be issued for cash, other Property, promissory notes, past and/or future services or any combination thereof. Subject to the provisions of Section 3.3 above, options or warrants to acquire Membership Interests (or any portion thereof), or instruments that are convertible into Membership Interests (or any portion thereof), having such rights and privileges and upon such terms and conditions as the Manager may specify from time to time, subject in each case to the provisions of this Agreement, may be sold or granted by the Company. The Company shall not issue any certificates in respect of Membership Interests or any portions thereof.

**8.8. Record of Membership Interests Transactions.** The Company shall maintain a written record in which shall be noted all transactions affecting the issuance and Transfers of Membership Interests and/or portions thereof. No Transfer of Membership Interests and/or portions thereof shall be effective as against the Company unless such Transfer complies with



the provisions of this Agreement, including those contained in Section 9.3, and the Company has received documentation, reasonably acceptable to it, from any Person(s) it deems appropriate, evidencing such Transfer and the transferee's agreement to be bound by all provisions of this Agreement. Upon receipt of the documentation discussed in the previous sentence, the Company shall enter the Transfer upon the Company's written records.

## ARTICLE IX.

### SPECIAL PROVISIONS

#### **9.1     *Adjustments of Units; Dilution of Units.***

(a) If the Company shall at any time or from time to time after the Effective Date effect any Unit split, reverse Unit split or other similar recapitalization with respect to the Units (an "**Equitable Adjustment Event**"), then the Company shall make an equitable adjustment to each Member's then outstanding Units such that the portion of the Profits and Losses and Distributions that a Member is entitled to in connection with such Member's Units immediately after such Equitable Adjustment Event shall remain substantially the same to the portion of the Profits and Losses and Distributions, that such Member was entitled to immediately prior to such Equitable Adjustment Event.

(b) Each Member acknowledges and agrees that: (i) the Company may issue additional securities (including Membership Interests) to Persons after the Effective Date; (ii) any such issuance of additional securities may result in such Persons owing securities that are entitled to portions of the Company's Profits, Losses and/or Distributions (including, but not limited to, Distributions of Net Distributable Cash); (iii) the issuance of such additional securities may reduce the portion of the Profits, Losses and/or Distributions which each Member was entitled to prior to the issuance of such additional securities; and (iv) the Company may adjust **Exhibit A** to reflect the issuance of such additional securities (which adjustments shall not be deemed amendments of this Agreement pursuant to Section 14.6 below).

#### **9.2     *Information Rights/Confidentiality.***

(a) From the Effective Date until the dissolution of the Company, the Company hereby agrees to provide each Member (promptly after the Company's receipt of a written notice from a Member with regard to the information referred to in clauses (i) and (iv) below only) with:

(i) a written report after the end of each fiscal year of the Company detailing: (x) each Member's outstanding (and unrepaid) Capital Contributions and Units; and (y) all Distributions made to Members during the most recently ended fiscal year;

(ii) the Company's state and federal income tax returns for the prior Fiscal Year at the same time it provides the Members their respective Federal Schedule K-1s for such prior Fiscal Year pursuant to Section 9.2(a)(iii) below;

(iii) a Federal Schedule K-1 and any additional or substitute forms or schedules required to enable each Member to timely (subject to extensions permitted by law) file such Member's Federal and state income tax returns for each taxable year of the Company in which the Member was a Member; and

(iv) the information of the Company referenced in Section 10 of the Massachusetts Act, it being understood that: (x) the Manager in its sole discretion may limit dissemination of such information to the requesting Member; and (y) the exercise of such discretion shall be in compliance with the standards set forth in Section 10 of the Massachusetts Act.

(b) From the Effective Date until the dissolution of the Company, the Company hereby agrees to provide each Major Member (provided that the Manager has reasonably determined that such Major Member is not a competitor, or is Affiliated with a competitor, of the Company):

(i) as soon as practicable, but in any event within 180 calendar days after the end of each Fiscal Year of the Company: (x) a balance sheet as of the end of such Fiscal Year, (y) statements of income and of cash flows for such Fiscal Year, and (z) a statement of Members' equity as of the end of such Fiscal Year;

(ii) such other information relating to the financial condition, business, prospects, or affairs of the Company as such Major Member may from time to time reasonably request; provided however, that the Company shall not be obligated under this Section 9.2(b)(ii) to provide information: (x) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless protected by an enforceable confidentiality agreement, in a form acceptable to the Company, which may include the provisions of Section 9.2(d) below); or (u) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

(c) From the Effective Date until the dissolution of the Company, the Company hereby agrees to provide each Major Member (provided that the Manager has reasonably determined that such Major Member not is a competitor, or is Affiliated with a competitor, of the Company), at such Major Member's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with the Persons serving as Manager, during normal business hours of the Company as may be reasonably requested by such Major Member; provided however, that the Company shall not be obligated pursuant to this Section 9.2(c) to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless protected by an enforceable confidentiality agreement, in form acceptable to the Company, which may include the provisions of Section 9.2(d) below) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

(d) Each Member agrees that such Member will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its ownership in the Company)

any Confidential Information, unless such Confidential Information: (i) is known or becomes known to the public in general (other than as a result of a breach of this Section 9.2(d) by such Member); (ii) has been authorized in writing by the Manager to be disclosed; or (iii) is or has been made known or disclosed to the Member by a third Person without a breach of any obligation of confidentiality such third Person may have to the Company; provided however, that a Member may disclose Confidential Information: (x) to such Member's attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring the Member's ownership in the Company; (y) to any prospective purchaser of any securities of the Company from such Member (so long as such purchaser is not a competitor, or is not Affiliated with a competitor, of the Company), if such prospective purchaser agrees in writing to be bound by the provisions substantially similar to this Section 9.2(d) (and such writing is delivered to the Company prior to any such disclosure); or (z) as may otherwise be required by law, provided that the Member notifies the Company of such potential disclosure at least 14 calendar days prior to such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

### **9.3     *Restrictions on Transfer.***

(a) No Member may Transfer all or any part of his, her or its Membership Interests (or any portion thereof) or otherwise withdraw from the Company, except: (i) as provided in Sections 9.3(e) and 9.3(f); or (ii) with the approval of the Manager, which may be withheld for any reason or for no reason.

(b) Every Transfer of Membership Interests (or any portions thereof) permitted by this Section 9.3, including, without limitation, Transfers permitted by Sections 9.3(a), 9.3(e) and 9.3(f), shall nevertheless be subject to the following:

(i) No Transfer of any Membership Interest or portion thereof may be made if such Transfer would cause or result in a breach of any agreement binding upon the Company or of then applicable rules and regulations of any governmental authority having jurisdiction over such Transfer. The Manager may require as a condition of any Transfer that the transferor Member: (x) assume all costs incurred by the Company in connection therewith; and (y) furnish an opinion of counsel, satisfactory to the Company, that the proposed Transfer complies with applicable law, including all applicable federal and state securities laws.

(ii) The Manager may require, as a condition to the admission to the Company as a Member of any transferee who is not otherwise a Member, that such transferee demonstrate to the reasonable satisfaction of the Manager that he, she or it (and/or its Affiliates): (x) is not then under indictment of a felony crime; (y) has not at any time been convicted of a felony crime; and/or (z) is an Accredited Investor. In addition, a transferee of a Membership Interest (or any portion thereof) who is not otherwise a Member, shall not be admitted to the Company as a Member without: (A) executing and delivering to the Company a Joinder Agreement with any changes thereto deemed in the best interests of the Company by the Manager; and (B) delivering to the Manager any agreements and/or documents requested by the Manager in connection with such Transfer. Any proposed transferee who is not admitted to the Company as a Member pursuant to the previous sentence need not be recognized by the Company for any purpose.

(iii) Upon the admission or withdrawal of any Member as provided in this Agreement, the Manager shall update **Exhibit A** in all appropriate respects to reflect such admission or withdrawal and such updating of **Exhibit A** shall not be deemed to be an amendment pursuant to Section 14.6 below).

(iv) Notwithstanding anything contained herein to the contrary, no Membership Interest (or any portion thereof) shall be Transferred if, by reason of such Transfer, the classification of the Company as a partnership for federal income tax purposes would be adversely affected or jeopardized, or if such Transfer would have any other material adverse effect for federal income tax purposes.

(c) A transferor of any Membership Interest (or any portion thereof) properly Transferred under this Agreement shall be relieved of liability under this Agreement with respect to the transferred Membership Interest (or portion thereof) arising or accruing on or after the effective date of the Transfer.

(d) Any Transfer of any Membership Interest (or any portion thereof) in contravention of any of the provisions of this Agreement shall be null and void and ineffective to Transfer any interest in the Company, and shall not bind, or be recognized by, or on the books of, the Company, and any proposed transferee or assignee in such transaction shall not be or be treated as or deemed to be a Member for any purpose. In the event any Member shall at any time Transfer a Membership Interest (or any portion thereof) in contravention of any of the provisions of this Agreement, then the Company and each other Member shall, in addition to all rights and remedies at law and equity, be entitled to a decree or order restraining and enjoining such transaction, and the breaching Member shall not plead in defense thereto that there would be an adequate remedy at law; it being expressly hereby acknowledged and agreed that damages at law would be an inadequate remedy for a breach or threatened breach of the violation of the provisions concerning such transactions set forth in this Agreement.

(e) Any Transfer by a Member of a Membership Interest (or any portion thereof) to: (i) any other Member; or (ii) the Company (each of the transferees referenced in this Section 9.3(e) being referred to in this Agreement as “**Permitted Transferees**”), shall be permitted without any approval of the Manager and without compliance with the provisions of Section 9.3(f), but such permitted Transfers shall in any event be subject to Sections 9.3(b)-(d) and 9.6 hereof.

(f) A Member may Transfer his, her or its Membership Interests (or any portion thereof) without the approval of the Manager (but shall in any event be subject to the provisions of Sections 9.3(b)-(d) hereof) if:

(i) such Member (the “**Offering Member**”) first: (x) obtains a Bona Fide Offer for the purchase of such Member’s Membership Interests (or any portion thereof); and (y) makes the Membership Interests (or portions thereof) which are the subject of the Bona Fide Offer available to the other Members on an Pro Rata Basis (provided that the Units owned by the Offering Member shall be excluded from the denominator of such calculation) upon the same terms and provisions as are set forth in such Bona Fide Offer, in the manner set forth in this Section 9.3(f).



(ii) The Offering Member shall furnish a written notice (a ***“ROFR Offer Notice”***) to each other Member and the Company which contains: (x) a true and complete copy of the Bona Fide Offer; (y) full and fair disclosure of any material information available relating to the proposed Transfer that is not contained in the Bona Fide Offer; and (z) the portion of the Membership Interests (or portions thereof) in question that such Member can purchase pursuant to this Agreement (each a ***“ROFR Offered Interest”*** and collectively the ***“ROFR Offered Interests”***). After receipt of the ROFR Offer Notice, each other Member shall have a period of thirty (30) calendar days (the ***“Original ROFR Offer Period”***) within which to elect, by written notice to the Offering Member (a ***“ROFR Exercise Notice”***), to purchase all or part of their respective ROFR Offered Interests at the price (the ***“ROFR Purchase Price”***) and upon the terms set forth in the ROFR Offer Notice.

(iii) If not all Members shall have agreed to purchase their ROFR Offered Interests in full (any such remaining ROFR Offered Interests are referred to herein as the ***“ROFR Remaining Interests”***), then: (x) the Offering Member shall provide the Members who did offer to purchase their full ROFR Offered Interests in their ROFR Exercise Notices (each a ***“Fully Participating ROFR Member”***) a written notice within ten (10) calendar days after the end of the Original ROFR Offer Period (each a ***“ROFR Overallotment Notice”***) which discloses the ROFR Remaining Interests available for purchase and offers each such Fully Participating ROFR Member the opportunity to purchase a portion of the ROFR Remaining Interests equal to the ROFR Remaining Interests multiplied by a fraction, the numerator of which is the number of issued and outstanding Units owned by the Fully Participating ROFR Member in question and the denominator of which is the number of issued and outstanding Units owned by all Fully Participating ROFR Members (each a ***“ROFR Overallotment Portion”***); and (y) each Fully Participating ROFR Member shall have ten (10) calendar days after receipt of a ROFR Overallotment Notice to elect, by written notice to the Offering Member (each a ***“ROFR Overallotment Exercise Notice”***), to purchase all or part of their ROFR Overallotment Portion. Each Fully Participating ROFR Member may assign such Person’s right to purchase any portion of such Person’s ROFR Overallotment Portion to any Person who is a Member of the Company as of the date of the ROFR Offer Notice and who is an Accredited Investor.

(iv) If any Membership Interests of the Offering Member are being purchased by one or more Members pursuant to Section 9.3(f)(ii) and/or (iii), the closing of such purchase and sale shall take place at the principal office of the Company no later than sixty (60) calendar days after the date the ROFR Offer Notice was received by the Company (each a ***“ROFR Closing”***). At each ROFR Closing, the applicable ROFR Purchase Prices shall be paid by the purchasing Member(s) upon the terms set forth in the ROFR Offer Notice and the Offering Member shall execute and deliver to the purchasing Members and the Company: (i) such instruments as may be reasonably required to vest in the purchasing Member(s) the Offered Interests to be sold free and clear of all liens, claims and encumbrances; and (ii) such documents and instruments as may be reasonably required by the Company in connection with such Transfer (including, but not limited to, those documents and instruments referenced in Section 9.3(b) above).

(v) If an Offered Interest of the Offering Member shall not be purchased by the purchasing Member(s) as aforesaid, the Offering Member may sell such unpurchased Offered Interest to the maker of the Bona Fide Offer, but only upon the terms and

provisions originally set forth in the Bona Fide Offer, provided such sale satisfies the following requirements:

(x) Such sale is concluded within one hundred twenty (120) calendar days after the delivery to the Offering Member of the Bona Fide Offer; and

(y) The Offering Member and the purchaser execute and deliver any agreements and documents to the Company required by Section 9.3(b) above.

#### **9.4. Drag Along.**

(a) In the event that a Sale of the Company is approved (by vote or written consent) by Members owning a Super-Majority Interest (the Members who constitute the Super-Majority Interest in connection with such approval being referred to herein as the “**Selling Members**”), specifying that this Section 9.4 shall apply to such transaction, then each Member and the Company hereby agree (as applicable):

(i) if such transaction requires Member approval, with respect to all Units that such Member owns or over which such Member otherwise exercises voting power, to vote (in person, by proxy or by action by written consent, as applicable) all Units in favor of, and adopt, such Sale of the Company (together with any related amendment to this Agreement determined by the Selling Members and the Manager to be required in order to implement such Sale of the Company) and to vote in opposition to any and all other proposals that could reasonably be expected to delay or impair the ability of the Company to consummate such Sale of the Company;

(ii) if such transaction is a Units Sale, to sell the same proportion of the Units beneficially held by such Member as is being sold by the Selling Members to the Person to whom the Selling Members propose to sell their Units and on the same terms and conditions as the Selling Members;

(iii) to execute and deliver all related documentation and take such other action in support of the Sale of the Company as shall reasonably be requested by the Manager and/or the Selling Members in order to carry out the terms and provision of this Section 9.4(a), including, without limitation, executing and delivering instruments of conveyance and transfer, and any purchase agreement, merger agreement, indemnity agreement, escrow agreement, consent, waiver, governmental filing, instruments duly endorsed for transfer (free and clear of impermissible liens, claims and encumbrances) and any similar or related documents;

(iv) not to deposit or subject, and to cause their Affiliates not to deposit or subject, except as provided in this Agreement, any Membership Interests (or any portion thereof) owned by such Party or Affiliate in a voting trust or subject any Membership Interests (or any portion thereof) to any arrangement or agreement with respect to the voting of such Membership Interests, unless specifically requested to do so by the acquiror in connection with the Sale of the Company;

(v) to refrain from exercising any dissenters’ rights, rights of appraisal or similar rights under applicable law at any time with respect to such Sale of the Company;



(vi) if the consideration to be paid in exchange for the applicable Membership Interests pursuant to this Section 9.4(a) includes any securities and due receipt thereof by any Member would require under applicable law: (x) the registration or qualification of such securities or of any Person as a broker or dealer or agent with respect to such securities; or (y) the provision to any Member of any information other than such information as a prudent issuer would generally furnish in an offering made solely to Accredited Investors, the Company may cause to be paid to any such Member in lieu thereof, against surrender of the applicable Membership Interests which would have otherwise been sold by such Member, an amount in cash equal to the fair value (as determined in good faith by the Manager) of the securities which such Member would otherwise receive as of the date of the issuance of such securities in exchange for the applicable Membership Interests; and

(vii) in the event that the Selling Members, in connection with such Sale of the Company, appoint a Member representative (the “**Member Representative**”) with respect to matters affecting the Members under the applicable definitive transaction agreements during or following consummation of such Sale of the Company: (x) to consent to (A) the appointment of such Member Representative, (B) the establishment of any applicable escrow, expense or similar fund in connection with any indemnification or similar obligations, and (C) the payment of such Member’s pro rata portion (from the applicable escrow or expense fund or otherwise) of any and all reasonable fees and expenses to such Member Representative in connection with such Member Representative’s services and duties in connection with such Sale of the Company and its related service as the representative of the Members, and (y) not to assert any claim or commence any suit against the Member Representative or any other Member with respect to any action or inaction taken or failed to be taken by the Member Representative in connection with its service as the Member Representative, absent fraud or willful misconduct.

(b) Notwithstanding the foregoing, a Member will not be required to comply with Section 9.4(a) above in connection with any proposed Sale of the Company (the “**Proposed Sale**”) unless:

(i) any representations and warranties to be made by such Member in connection with the Proposed Sale are limited to representations and warranties related to authority, ownership and the ability to convey title to such Member’s Membership Interests, including, but not limited to, representations and warranties that: (w) the Member holds all right, title and interest in and to the applicable Membership Interests such Member purports to hold, free and clear of all liens and encumbrances; (x) the obligations of the Member in connection with the transaction have been duly authorized, if applicable; (y) the documents to be entered into by the Member have been duly executed by the Member and delivered to the acquirer and are enforceable against the Member in accordance with their respective terms; and (z) neither the execution and delivery of documents to be entered into in connection with the transaction, nor the performance of the Member’s obligations thereunder, will cause a breach or violation of the terms of any agreement, law or judgment, order or decree of any court or governmental agency applicable to such Member;

(ii) the Member shall not be liable for the inaccuracy of any representation or warranty made by any other Person in connection with the Proposed Sale, other than the Company or another Member (and then only to the extent that funds may be paid out of

an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any Member of any of identical representations, warranties and covenants provided by all Members);

(iii) the liability for indemnification, if any, of such Member in the Proposed Sale and for the inaccuracy of any representations and warranties made by the Company or its Members in connection with such Proposed Sale, is several and not joint with any other Person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any Member of any of identical representations, warranties and covenants provided by all Members), and is pro rata in proportion to, and does not exceed, the amount of consideration paid to such Member in connection with such Proposed Sale;

(iv) liability shall be limited to such Member's applicable share (determined based on the respective proceeds payable to each Member in connection with such Proposed Sale in accordance with the provisions of this Agreement) of a negotiated aggregate indemnification amount that applies equally to all Members, but that in no event exceeds the amount of consideration otherwise payable to such Member in connection with such Proposed Sale, except with respect to claims related to fraud by such Member, the liability for which need not be limited as to such Member; and

(v) except as otherwise provided in this Section 9.4, upon the consummation of the Proposed Sale, each holder of Membership Interests will receive the same form of consideration for their Membership Interests as is received by other Members in respect of their Membership Interests.

**9.5 Right of First Offer.** Subject to the terms and conditions of this Section 9.5 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each Major Member (who is an Accredited Investor) pursuant to the following terms and conditions:

(a) The Company shall give written notice (a "**New Securities Offer Notice**") to each Major Member stating: (i) its bona fide intention to offer such New Securities; (ii) the amount of such New Securities to be offered; (iii) the price and terms, if any, upon which it proposes to offer such New Securities; and (iv) the total amount of such New Securities that the Major Member in question is permitted to purchase pursuant to the first sentence of Section 9.5(b).

(b) By notification to the Company within twenty (20) calendar days after the New Securities Offer Notice is sent by the Company, each Major Member (who is an Accredited Investor) may elect to purchase or otherwise acquire, at the price and on the terms specified in the New Securities Offer Notice, some or all of such New Securities which equals the amount of New Securities multiplied by a fraction: (i) the numerator of which is the number of outstanding Units then owned by the Major Member in question; and (ii) the denominator of which is the number of outstanding Units then owned by all Major Members (an "**Initial Pro Rata Share**"). At the expiration of such twenty (20) calendar day period, the Company shall promptly notify in writing each Major Member who elects to purchase or acquire such Major Member's full Initial

Pro Rata Share (each a “**Fully Exercising Member**”) of: (x) any other Major Member’s failure to do likewise; and (y) the Additional Pro Rata Share (as defined below) of the Remaining New Securities (as defined below) that such Fully Exercising Member is entitled to purchase. During the ten (10) calendar day period commencing after the Company has sent such notice (the “**Oversubscription Period**”), each Fully Exercising Member may, by giving written notice to the Company, elect to purchase or acquire, in addition to such Major Member’s Initial Pro Rata Share, up to that portion of the New Securities for which the Major Members were entitled to subscribe, but that were not subscribed for by the Major Members (the “**Remaining New Securities**”), equal to the Remaining New Securities multiplied by a fraction: (A) the numerator of which is the number of outstanding Units then owned by the Fully Exercising Member in question; and (B) the denominator of which is the number of outstanding Units then owned by all Fully Exercising Members (an “**Additional Pro Rata Share**”). The closing of any sale pursuant to this Section 9.5(b) (each a “**Preemptive Rights Closing**”) shall occur on or before the ninetieth (90th) calendar day after the date that the New Securities Offer Notice was sent by the Company; provided however, that the Company may terminate any offers set forth in the applicable New Securities Offer Notice at any time prior to the applicable Preemptive Rights Closing (regardless of any acceptances received pursuant to this Section 9.5(b)) if it terminates all offers to purchase the New Securities described in the applicable New Securities Offer Notice.

(c) If all New Securities referred to in the New Securities Offer Notice are not elected to be purchased or acquired as provided in Section 9.5(b), the Company may, during the ninety (90) calendar day period following the expiration of the Oversubscription Period (the “**Free Sale Period**”), offer and sell the remaining unsubscribed portion of such New Securities (the “**Free Sale New Securities**”) to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the New Securities Offer Notice. If the Company does not sell such Free Sale New Securities within the Free Sale Period, the right provided hereunder shall be deemed to be revived and such Free Sale New Securities shall not be offered unless first reoffered to the Members in accordance with this Section 9.5.

(d) This Section 9.5, all provisions in this Section 9.5 and all executory contracts entered into pursuant to this Section 9.5 (but not consummated) shall terminate and be of no further force or effect immediately prior to the consummation of a Capital Transaction.

## **9.6 Call Option.**

(a) If any Member dies or is dissolved (each a “**Terminating Member**”), then each of the Major Members shall have the option, but not the obligation, to purchase some or all of their Call Pro Rata Portion of the securities of the Company then owned by such Terminating Member pursuant to the terms of this Section 9.6.

(b) Upon death or dissolution of a Terminating Member, the executor, custodian or Person holding similar authority with regard to such Terminating Member’s estate or the Person(s) who have the obligation to wind-up or dissolve the Terminating Member (as applicable) (each a “**Call Responsible Party**”) shall notify the Company and the Major Members in writing of the occurrence such event within twenty (20) calendar days of the occurrence of such event (a “**Call Notice**”).



(c) Within twenty (20) calendar days after receipt by the Company of the applicable Call Notice, the: (i) Company; and (ii) the applicable Call Responsible Party, shall select a single appraiser (the “**Single Appraiser**”) or, failing the selection of a mutually acceptable Single Appraiser within such period, within an additional ten (10) calendar day period (x) the Company shall appoint an appraiser (the “**Company Appraiser**”) (y) the applicable Call Responsible Party shall appoint an appraiser (the “**Call Responsible Party Appraiser**”) and (z) the Company Appraiser and the Call Responsible Party Appraiser shall jointly appoint a third appraiser (the “**Third Appraiser**”), or failing action within such period by any applicable Person or the appraisers, any unappointed appraiser or appraisers shall be appointed by the American Arbitration Association, Boston, Massachusetts, upon application of any applicable Person or appraiser.

(d) Within twenty (20) calendar days from the appointment of the Single Appraiser or the Third Appraiser (as applicable), the Single Appraiser or the Third Appraiser shall: (i) proceed to determine the fair market value of all of the securities owned by the Terminating Member (the “**Total Purchase Price**”) taking into account all discounts that such Single Appraiser or Third Appraiser deems appropriate (including, but not limited to, minority and illiquidity discounts), and such determination shall be final and binding upon all interested persons; and (ii) promptly notify in writing (x) the Company; (y) the Major Member; and (z) the applicable Call Responsible Party of the Total Purchase Price.

(e) The Company shall promptly furnish to the Single Appraiser or the Third Appraiser (as applicable) such information concerning its financial condition, earnings, capitalization, business prospects and sales of its Membership Interests as the Single Appraiser or the Third Appraiser may reasonably request.

(f) On or before 180 calendar days after the determination of the Total Purchase Price (the “**Repurchase Deadline**”), each of the Major Members has the option, but not the obligation, to purchase some or all of their Call Pro Rata Portion of the securities owned by the Terminating Member for a pro rata amount of the Total Purchase Price; it being agreed that if the Major Members desire to purchase less than all of the securities owned by the Terminating Member, the fair market value of each security (or equivalent unit of each security) being purchased by the Major Members shall be equal to the total number of Units (or equivalent unit of each security) owned by the Terminating Member divided by the Total Purchase Price (each a “**Call Option**”). Each Major Member may exercise its respective Call Option by delivering a written notice to the applicable Call Responsible Party within thirty (30) calendar days after the determination of the Total Purchase Price with copies to the Company and the other Major Members which states (each a “**Purchase Notice**”): (i) such Major Member’s election to purchase some or all of the securities owned by the Terminating Member; (ii) the exact securities (by number and type) that such Major Member desires to purchase; (iii) the portion of the Total Purchase Price that the Major Member is required to pay for such securities pursuant to this Section 9.6; and (iv) the date of consummation of the purchase (which may not be later than the Repurchase Deadline) (the “**Closing**”). At the Closing: (x) the applicable Call Responsible Party shall execute and deliver to the purchasing Major Members all instruments and all other documents and agreements reasonably requested by the Company to effect the purchase; and (y) the Major Members participating in such sale shall deliver the Total Purchase Price (or applicable portion thereof) to the applicable Call Responsible Party by either (I) bank check (II)

wire of immediately available funds to an account designated by the applicable Call Responsible Party (III) delivery of a promissory note payable to the subject Terminating Member in the amount of the Total Purchase Price (or applicable portion thereof) which promissory note shall be payable over five (5) years in five (5) equal annual installments with interest (on a per-annum basis) accruing at the prime rate published by Bank of America, N.A. (or its successor, if applicable) as of the date of issuance of the promissory note or (IV) any combination of the consideration referenced in clauses (I), (II) and/or (III) above. If a Major Member does not complete the purchase of the applicable securities by the Repurchase Deadline for any reason (except the non-compliance of applicable Call Responsible Party to comply with the provisions of this Section 9.6), then the Call Option of such Major Member shall be deemed to be immediately and irrevocably terminated with regard to the securities owned by the subject Terminating Member proposed to be purchased by such Major Member.

(g) The Company shall pay the fees and expenses of any appraiser appointed pursuant to this Section 9.6. Any Major Member may assign any or all of its rights under this Section 9.6 to any other Major Member.

## ARTICLE X

### DISTRIBUTIONS TO MEMBERS

**10.1 Ordinary Distributions of Net Distributable Cash.** Net Distributable Cash shall be Distributed in the ordinary course of business (and not in connection with the consummation of a Capital Transaction or a dissolution of the Company) to the Members on a Pro Rata Basis at such times and in such amounts as shall be determined by the Manager.

**10.2 No Interest on and Return of Capital Contribution.** No Member shall be entitled to interest on its Capital Contributions (except as otherwise provided herein) or to return of its Capital Contributions.

**10.3 Distribution of Assets.** If the Company at any time Distributes any of its assets in-kind to any Member, the Capital Account of each Member shall be adjusted to account for that Member's allocable share (as determined under Article XI below) of the Profits or Losses that would have been realized by the Company had it sold the assets that were Distributed at their respective fair market values immediately prior to their Distribution, and such Distribution shall be deemed to be a Distribution made in accordance with Section 10.1 or Section 13.3, as applicable.

**10.4 Limitation on Distributions.** No Distribution of Company Property shall be declared and paid unless, after giving effect thereto, the assets of the Company are equal to or exceed the Company's liabilities.

**10.5 Tax Withholding.** If the Company incurs a withholding tax obligation with respect to the share of income allocated to any Member: (a) any amount which is (i) actually withheld from a Distribution that would otherwise have been made to such Member and (ii) paid over in satisfaction of such withholding tax obligation shall be treated for all purposes under this Agreement as if such amount had been Distributed to such Member; and (b) any amount which is so paid over by the Company, but which exceeds the amount, if any, actually withheld from a

Distribution which would otherwise have been made to such Member, shall be treated as an interest-free advance (subject to the other provisions of this Section 10.5) to such Member. Amounts treated as advanced to any Member pursuant to this Section 10.5 shall be repaid by such Member to the Company within 30 calendar days after the Manager gives written notice to such Member making demand therefor. Any amounts so advanced and not timely repaid shall bear interest, commencing on the expiration of said 30 calendar day period, compounded monthly on unpaid balances, at a rate of eight percent (8.0%) per annum. The Company shall offset any unpaid advance amounts from any future Distributions that would otherwise be made to such Member.

**10.6 Tax Distributions.** If taxable income or gain is allocated to the Members under Article XI for any taxable year and no Distribution of cash is contemplated with respect to such taxable income or gain before such Member is required to make a Federal income tax payment for such taxable year (including any quarterly estimated tax payments) with respect to such taxable income or gain, then to the extent that the Company has sufficient available cash the Company shall Distribute to each Member in cash, with respect to each Fiscal Year of the Company, an amount which, in the good faith judgment of the Manager, is necessary to allow each Member to pay any federal and state income taxes payable by such Member on the share of the items of net taxable income of the Company allocable to such Member (in its capacity as a Member with respect to its Membership Interests in the Company and not with respect to any payments from the Company to the Member other than with respect to its Membership Interests including, without limitation, the payment of salary and other compensation) for such Fiscal Year as reflected on the Schedule K-1 prepared by the Company with respect to such Member, assuming that such Member files an individual income tax return and is subject to the highest combined marginal United States federal and state income tax rates applicable to individuals who are resident in such of the Members' states of residence that has the highest state individual marginal tax rate (the "**Applicable State**") (taking into account the character of such taxable income and the deductibility of state and local income taxes for federal income tax purposes, and without regard to whether the Member is an individual or may be subject to income tax in or reside in a state other than the Applicable State) then in effect (such amount for each Member, such Member's "**Estimated Tax Liability**", and such distributions, "**Tax Distributions**"); provided, however, that if the Company does not have sufficient cash available to distribute 100% of each Member's Estimated Tax Liability for such fiscal year, the cash available shall be distributed to the Members in proportion to the amounts of their respective Estimated Tax Liability for such fiscal year. Notwithstanding the foregoing, Tax Distributions that would otherwise be payable to a Member shall be reduced by the amount of any other cash Distributions made by the Company to such Member during such Fiscal Year or within 105 calendar days thereafter, provided, however, that for purposes of this Section 10.6, any Tax Distributions made within 105 calendar days after the beginning of any Fiscal Year with respect to the prior Fiscal Year shall not be accounted for as a Distribution for the Fiscal Year in which it was made. The Manager shall use reasonable efforts to make advance Distributions to the Members of their respective Tax Distributions in amounts sufficient to permit the Members to satisfy their quarterly estimated tax payment obligations at least five (5) calendar days before the date any quarterly estimated payments are due to be made by individuals resident in the Applicable State. Notwithstanding anything herein to the contrary, the Manager shall administer this Section 10.6 in a manner that ensures that all Distributions made pursuant to this Section are made at the same time to all Members and are made to the Members in proportion to their Unit



ownership (so that each Unit, regardless of class or series, receives the same Tax Distribution). All such Tax Distributions shall be credited against future Distributions to which each such Manager or Member may be entitled under Section 10.1 and Section 13.3.

## ARTICLE XI.

### ALLOCATIONS AND TAXES

**11.1 Allocations of Profits.** Except as provided in Sections 11.3 through 11.7 and Section 11.11, the Company's Profits for each Fiscal Year shall be allocated to the Members as follows:

(a) First, to the Members in proportion to, in the inverse order in which, and to the extent of, the Losses previously allocated to them pursuant to Section 11.2, until the cumulative amounts allocated to each Member pursuant to this Section 11.1(a) for such Fiscal Year and all prior Fiscal Years are equal to the cumulative Losses so allocated to such Member; and

(b) Second, the remaining Profits shall be allocated to the Members in the amounts and proportions in which Distributions were made (and as provided below in this Section 11.1, deemed made) to them pursuant to Section 10.1 and 13.3(c);

provided however, that in making any allocations pursuant to Sections 11.1(b) for any Fiscal Year in which the Profits to be so allocated exceed the cash Distributed pursuant to Sections 10.1 and 13.3(c), such allocations shall be made as if cash in an amount equal to such Profits was actually Distributed pursuant to such Sections, with the excess being deemed Distributed for purposes of this Section 11.1, and any amounts so allocated shall be taken into account in determining the amount of any subsequent allocations of Profits pursuant to Section 11.1(b).

**11.2 Allocations of Losses.** Except as provided in Sections 11.3 through 11.7 and Section 11.11, the Company's Losses for each Fiscal Year shall be allocated to the Members as follows:

(a) First, if at such time any Member has a positive balance in its Capital Account, to such Members in proportion to their respective Capital Account balances until the balances of their respective Member's Capital Accounts are reduced to zero; and

(b) Second, the remaining Losses shall be allocated to the Members on a Pro Rata Basis.

**11.3 Limitation on Loss Allocation.** Notwithstanding the provisions of Section 11.2, if the amount of Losses for any Fiscal Year that would otherwise be allocated to a Member under Section 11.2 would cause or increase an Adjusted Capital Account Deficit of such Member as of the last day of such Fiscal Year, then an amount of such Losses equal to such excess shall be allocated to the other Members to the extent allowable under this Section 11.3, and the remainder of such Losses, if any, shall be allocated to that Member.

**11.4 Member Nonrecourse Deductions.** Notwithstanding any provision of this Agreement to the contrary, any item of Company Loss, deduction or expenditure described in Code Section 705(a)(2)(B) for any Fiscal Year (or any portion of any such item) that is required to be allocated to the Members under Section 1.704-2(i)(1) of the Tax Regulations shall be allocated to the Members for such Fiscal Year in the manner so required by such Tax Regulation.

**11.5 Minimum Gain and Member Nonrecourse Debt Minimum Gain Chargeback.** Notwithstanding any provision hereof to the contrary, any item of Company income or gain for any Fiscal Year (or any portion of any such item) that is required to be allocated to the Members under Sections 1.704-2(f) or 1.704-2(i)(4) of the Tax Regulations shall be allocated to the Members for such Fiscal Year in the manner so required by such Tax Regulations. This Section 11.5 is intended to comply with the minimum gain chargeback requirements in Section 1.704-2(f) of the Tax Regulations and Section 1.704-2(i)(4) of the Tax Regulations, as applicable, and shall be interpreted consistently therewith.

**11.6 Qualified Income Offset.** In the event any Member, in such capacity, unexpectedly receives an Offsettable Decrease, such Member will be allocated items of income and gain (consisting of a pro rata portion of each item of partnership income and gain for such year) in an amount and manner sufficient to offset such Offsettable Decrease as quickly as possible. This Section 11.6 is intended to constitute a “qualified income offset” within the meaning of Tax Regulations Section 1.704-1(b)(2)(ii)(d)(3) and shall be interpreted consistently therewith.

**11.7 Gross Income Allocation.** Notwithstanding any provision of this Agreement to the contrary, if a Member has an Adjusted Capital Account Deficit as of the last day of any Fiscal Year, then all items of income and gain of the Company (consisting of a pro rata portion of each item of Company income and gain) for such Fiscal Year shall be allocated to such Member in the amount and in the manner sufficient to eliminate such Adjusted Capital Account Deficit as quickly as possible.

**11.8 Section 704(c) Allocation.** In accordance with Code Section 704(c) and the Tax Regulations thereunder, income, gain, loss, and deduction (including depreciation) with respect to any Property contributed to the capital of the Company by a Member shall, solely for tax purposes, be allocated so as to take into account any variation between the adjusted basis of such Property to the Company for federal income tax purposes and its initial Book Value at the time it was contributed to the Company (computed in accordance with subparagraph (a) of the definition of Book Value). In the event the Book Value of any Company asset is adjusted, pursuant to subparagraph (d) of the definition of Book Value, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Book Value in the same manner as required under Section 704(c) of the Code and the Tax Regulations thereunder. Allocations pursuant to this Section are solely for purposes of Federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member’s Capital Account or share of allocations or distributions pursuant to any provision of this Agreement.

**11.9 Distributions Allocable to Nonrecourse Liabilities.** For purposes of Section 11.7 hereof, the determination of whether any Distribution by the Company pursuant to Article X hereof is allocable to the proceeds of a nonrecourse liability of the Company shall be made by the Manager under any reasonable method in accordance with Section 1.704-2(h)(2) of the Tax Regulations which, to the extent possible, will prevent any such Distribution from ultimately causing an allocation to one or more Members under Section 11.7 hereof that will result in a distortion of the manner in which the Members intend to divide Company Distributions under Articles X and XIII hereof.

**11.10 Excess Nonrecourse Liabilities.** Excess nonrecourse liabilities (as the same is defined in Tax Regulations Section 1.752-3(a)(3)) shall be allocated among the Members on a Pro Rata Basis.

**11.11 Curative Allocations.** The allocations set forth in Sections 11.4, 11.5, 11.6 and 11.7 hereof (the “**Regulatory Allocations**”) are intended to comply with certain requirements of Sections 1.704-1(b) and 1.704-2 of the Tax Regulations. The Members do hereby acknowledge and agree that the Regulatory Allocations may not be consistent with the manner in which the Members intend to divide Company Distributions. Accordingly, the Manager is hereby authorized and directed to divide other allocations of Profit and Loss (or portions thereof) among the Members in any reasonable manner so that, after such offsetting special allocations are made, the amount of each Member’s Capital Account will be, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not a part of this Agreement and all Company items had been allocated to the Members solely pursuant to Sections 11.1, 11.2 and 11.3 hereof.

**11.12 Allocations Relating to Taxable Issuance of Membership Interests.** Any income, Profit, gain, Loss, or deduction realized as a direct or indirect result of the issuance of a Membership Interests of the Company by the Company to a Member (the “**Issuance Items**”) shall be allocated among the Members so that, to the extent possible, the net amount of such Issuance Items, together with all other allocations under this Agreement to each Member, shall be equal to the net amount that would have been allocated to each such Member if the Issuance Items had not been realized.

**11.13 Elections.** The Manager may make any tax elections for the Company allowed under the Code or the tax laws of any state or other jurisdiction having taxing jurisdiction over the Company.

**11.14 Taxes of Taxing Jurisdictions.** To the extent that the laws of any taxing jurisdiction require, each Member requested to do so by the Manager will submit an executed agreement indicating that the Member will make timely income tax payments to the taxing jurisdiction in question and that the Member accepts personal jurisdiction of the taxing jurisdiction in question with regard to the collection of income taxes attributable to the Member’s income, and interest, and penalties assessed on such income. If the Member fails to provide such agreement, the Company may withhold and pay over to such taxing jurisdiction income taxes with respect to such income. Any such payments with respect to the income of a Member shall be treated as a Distribution for purposes of Article X. The Members may, where permitted by the rules of any taxing jurisdiction, file a composite, combined or aggregate tax return reflecting

the income of the Company and pay the tax, interest and penalties of some or all of the Members on such income to the taxing jurisdiction, in which case the Company shall inform the Members of the amount of such tax, interest and penalties so paid.

## ARTICLE XII.

### BOOKS AND RECORDS

**12.1 Books of Account and Records.** Proper and complete records and books of account shall be kept or shall be caused to be kept by the Manager in which shall be entered fully and accurately all transactions and other matters relating to the Company's business in such detail and completeness as is customary and usual for businesses of the type engaged in by the Company. The books and records shall at all times be maintained at the principal executive office of the Company.

**12.2 Records, Audits and Reports.** At the expense of the Company, the Manager shall maintain (or shall arrange for the maintenance of) records and accounts of all operations and expenditures of the Company, including, but not limited to, the following records:

- (a) A current list of the full name and last known address of each Member;
- (b) Copies of records to enable a Member to determine the relative voting rights, if any;
- (c) A copy of the Massachusetts Certificate and all amendments thereto;
- (d) Copies of the Company's federal, state, and local income tax returns and reports, if any, for the six (6) most recent years;
- (e) Copies of this Agreement, together with any amendments and/restatements thereto; and
- (f) Copies of any financial statements of the Company for the six (6) most recent years.

**12.3 Tax Returns.** The Manager shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business.

**12.4 Accounting Period.** The Company's accounting period shall be the Fiscal Year.

## ARTICLE XIII.

### DISSOLUTION AND TERMINATION

**13.1 Dissolution.** The Company shall be dissolved only: (a) upon the consummation of a Capital Transaction; or (b) upon the vote or written consent of the Manager followed by the approval of the Members owning a Super-Majority Interest.



**13.2 Effect of Dissolution.** Upon dissolution, the Company shall cease to carry on its business, except as permitted by Section 45 of the Massachusetts Act. Upon dissolution, the Manager shall wind up the affairs of the Company, leaving adequate Reserves for any anticipated known or unknown claims against the Company.

**13.3 Winding Up, Liquidation and Distribution of Assets.** Upon the dissolution of the Company (including, in connection with the consummation of a Capital Transaction), its affairs shall be wound up and it shall be liquidated. The Company's Profit or Loss (including, without limitation, any gain or loss resulting from any sales or other dispositions of Company Property in connection with the liquidation of the Company) shall continue to be computed and shall be allocated to the Members in accordance with Article XI, and the Members' Capital Accounts shall be adjusted in accordance with Article VIII. The proceeds of such liquidation and the Company's other assets shall be Distributed as follows:

- (a) First, to pay and discharge in the order provided by applicable law all of the Company's ascertained debts and liabilities to creditors, including Members;
- (b) Second, to set aside Reserves in an amount reasonably required in the judgment of the Manager to provide for contingent or other liabilities of the Company;
- (c) Third, to the Members on a Pro Rata Basis.

In implementing this Section 13.3, each Member shall receive his or her share of such Distributions in cash or in kind, and the portion of such share that is received in cash may vary from Member to Member, all as the Manager may determine in its sole discretion. In addition, as soon as practicable, the remaining balance, if any, of the Reserves established in accordance with Section 13.3(b) shall be distributed to Members in the manner set forth in Section 13.3(c).

Notwithstanding the provisions of Article XI, the Profits and Losses (and items of gross income, gain, loss and deduction) of the Company for the Fiscal Year in which the liquidation of the Company occurs and, to the extent the Manager determines necessary, prior open years, shall be allocated or, in the case of prior open years, reallocated by filing amended tax returns, in a manner such that, to the extent possible, the Capital Account of each Member, immediately prior to the final liquidating Distribution, is equal to the amount which such Member is entitled to receive under Section 13.3(c).

**13.4 Distribution in Kind.** Notwithstanding Section 13.3, if any assets of the Company are to be Distributed in kind, such assets shall be Distributed on the basis of the fair market value thereof, as determined by the Manager in its sole discretion. Any Member entitled to any interest in such assets shall, to the extent such assets cannot be appropriately subdivided by the Company at the time of such Distribution, receive such interest therein as a tenant-in-common with all other Members so entitled (except in the case of any interests held by Members as joint tenants or tenants by the entirety). All liquidating Distributions shall be made by the end of the taxable year of the Company in which there is a liquidation of the Company for purposes of Regulation Sections 1.704-1(b)(2)(ii)(b) and 1.704-1(b)(2)(ii)(g), or, if later, within 90 calendar days after the date of such liquidation.



**13.5 Distribution Constitutes Complete Return.** Distribution of cash or Property to the Members in accordance with the provisions of Sections 13.3 and 13.4 shall constitute a complete return to the Members of their respective interests in the Company.

**13.6 Conduct of Winding Up.** The winding up of the Company's affairs and the liquidation and distribution of its assets shall, subject to the provisions of the Massachusetts Act and this Agreement, be conducted exclusively by the Manager who is authorized to do any and all acts authorized by law for such purposes.

**13.7 Return of Contribution Nonrecourse to Other Members.** Except as provided by law or as expressly provided in this Agreement, upon dissolution each Member shall look solely to the assets of the Company for the return of its Capital Contribution. If the Company Property remaining after the payment or discharge of amounts set forth in Section 13.3 is insufficient to return the Capital Contribution of one or more Members, such Member or Members shall have no recourse against the Company any other Member, or any Person serving (or who has served) as Manager. In no event shall any Member with a negative Capital Account balance have any obligation to restore any amount to such Capital Account.

## **ARTICLE XIV.**

### **MISCELLANEOUS PROVISIONS**

#### **14.1 Governing Law; Venue; No Jury Trial.**

(a) This Agreement shall be governed by, interpreted and construed in accordance with laws of the Commonwealth of Massachusetts, including, but not limited to, the Massachusetts Act, without reference to principles of conflicts or choice of laws of any jurisdiction that would require the application of the laws of another jurisdiction.

(b) Each Party to this Agreement hereby: (i) agrees that any suit, action, proceeding, claim or cause of action arising out of or relating to this Agreement shall be instituted in a state or federal court located in the Commonwealth of Massachusetts (the "**Massachusetts Courts**"); (ii) irrevocably submits to the jurisdiction of any such Massachusetts Court in any such suit, action or proceeding; and (iii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the Massachusetts Courts, that its Property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

(c) EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY SUIT, ACTION, PROCEEDING, CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT AND/OR THE MEMBERSHIP INTERESTS (OR ANY PORTION THEREOF). THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES AND/OR CLAIMS THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THE TRANSACTIONS EVIDENCED BY THIS AGREEMENT OR ANY AGREEMENT PURSUANT TO WHICH UNITS (OR ANY PORTION THEREOF) ARE

PURCHASED FROM THE COMPANY, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION 14.1(c) HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, IF DESIRED, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

**14.2 No Action for Partition.** No Member has any right to maintain any action for partition with respect to the Property of the Company.

**14.3 Execution of Additional Instruments.** Each Member hereby agrees to execute such other statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

**14.4 Construction.** Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa. In addition, the Parties acknowledge and agree that: (a) each Party and its counsel, if desired, reviewed and negotiated the terms and provisions of the Agreement and have contributed to its revision; (b) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of the Agreement; and (c) the terms and provisions of the Agreement shall be construed fairly as to all Parties and not in favor of or against any Party, regardless of which Party was generally responsible for the preparation of the Agreement.

**14.5 Headings.** The headings, titles and captions in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof and in no way are to be construed to affect the meaning or construction of this Agreement or any provision hereof.

**14.6 Amendments; Waivers.** Any term or provision of this Agreement may be amended or terminated only with the written consent of the Company and Members owning a Super-Majority Interest at the date of such amendment or termination. Any amendment or termination effected in accordance with this Section 14.6 shall be binding upon the Company, all Persons serving as Manager and all Members. Any right or obligation under this Agreement may be waived only with the written consent of the Person prejudiced by such waiver. No delay or omission to exercise any right, power or remedy accruing to any Person under this Agreement, upon any breach or default of any other Person under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting Person nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring.

**14.7 Rights and Remedies Cumulative.** The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any Person shall not

preclude or waive the right to use any or all other remedies. Such rights and remedies are given in addition to any other rights the Parties may have by law, statute, ordinance or otherwise.

**14.8 Heirs, Successors and Assigns.** Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the Parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors and assigns.

**14.9 Creditors.** None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company.

**14.10 Notices; Counterparts.** All notices required or permitted hereunder shall be: (a) in writing; (b) addressed to the intended recipient at (i) in the case of a Member, the address listed for such Party on **Exhibit A** hereto or such other address as may be listed on the Company's books and records at the time of such notice or (ii) in the case of the Company or the Manager, at the Company's principal place of business with a copy to Seyfarth Shaw LLP, Two Seaport Lane, Boston, MA 02210-2028; Attn: Louis DiFronzo, Esquire; and (c) deemed duly made and delivered (i) if personally delivered, on the Business Day when personally delivered or (ii) one (1) Business Day following the Business Day when deposited with a nationally recognized overnight courier, overnight delivery service fees prepaid. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

**14.11 Invalidity.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and the Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted. If any particular provision herein is construed to be in conflict with the provisions of the Massachusetts Act, the Massachusetts Act shall control and such invalid or unenforceable provisions shall not affect or invalidate the other provisions hereof, and this Agreement shall be construed in all respects as if such conflicting provision were omitted.

**14.12 Further Assurances.** The Members each agree to: (a) cooperate with and take all actions requested by the Manager; and (b) execute and deliver in a timely fashion any and all additional documents deemed necessary by the Manager, to effectuate the purposes of the Company and this Agreement.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]**

IN WITNESS WHEREOF, the Parties have executed this Agreement under seal as of the Effective Date.


**COMPANY:**

**CCE CAT LLC**

By:   
Robert V. Catania  
Manager

Dated: December 18, 2018

**MANAGER:**

  
Robert V. Catania

Dated: December 18, 2018



# CANNABIS INSURANCE PROGRAM

## COVERAGE PROPOSAL

Please find your approved quote per your submission. If you have any questions, please contact your underwriter.



- |                     |                               |
|---------------------|-------------------------------|
| <b>Section I:</b>   | Premium Summary               |
| <b>Section II:</b>  | Location & Operations Summary |
| <b>Section III:</b> | Coverage Summary              |
| <b>Section IV:</b>  | Coverage Form Summary         |
| <b>Section V:</b>   | Binding Requirements          |

**Section I**

# QUOTE

Quote Prepared For: CCE,CAT.LLC

Date Prepared:06/07/2019

Broker of Record: Cannabis Insurance Consultants, Inc.

Producer: Tony Carastro

## **Knight Specialty Insurance Company**

**Coverages****Quote****Rating Basis:**

<ul style="list-style-type: none"><li>• General Liability</li><li>• Property</li></ul>	<table><tr><td>Total Premium</td><td>\$19,580.00</td></tr><tr><td>Underwriting Fee</td><td>\$1,500.00</td></tr><tr><td>Inspection Fee</td><td>\$625.00</td></tr><tr><td>Stamping Fee</td><td>\$22.41</td></tr><tr><td><u>Surplus Lines Tax</u></td><td><u>\$1,076.90</u></td></tr><tr><td>Grand Total</td><td>\$22,804.31</td></tr></table>	Total Premium	\$19,580.00	Underwriting Fee	\$1,500.00	Inspection Fee	\$625.00	Stamping Fee	\$22.41	<u>Surplus Lines Tax</u>	<u>\$1,076.90</u>	Grand Total	\$22,804.31	<ul style="list-style-type: none"><li>• General Liability – Gross Revenue</li><li>• Gross Revenue: \$900,000</li><li>• Property – Property Values</li></ul>
Total Premium	\$19,580.00													
Underwriting Fee	\$1,500.00													
Inspection Fee	\$625.00													
Stamping Fee	\$22.41													
<u>Surplus Lines Tax</u>	<u>\$1,076.90</u>													
Grand Total	\$22,804.31													

## Section II

### Scheduled Operations:

Recreational Cannabis Retail Manufacture

### Scheduled Locations:

Loc #1/Bldg #1

800 Falmouth AVE.Unit C-101 Mashpee, MA 02649

### Section III

### Coverage Summary

<b>General Liability Coverage Limits</b>		<b>Occurrence Form</b>	
			<b>Premium</b>
General Aggregate		\$2,000,000.00	
Each Occurrence		\$1,000,000	
Products Completed Operations		Excluded	
Personal & Advertising Injury		\$1,000,000	
Damage to Premises Rented to You		\$100,000	
Pesticide Endorsement		\$50,000	Not Quoted
Medical Payments		\$1,000	
Stop Gap Coverage-WA Only		\$1,000,000	Not Quoted
Hired and Non-Owned Auto Endorsement		\$0	Not Quoted
Deductible		\$2500 (Per Occurrence)	
Additional Insured Certificate	<b>(Fully Earned)</b>	#1	\$50.00
Primary Wording		#0	\$0.00
Waiver of Subrogation		#0	\$0.00

<b>Property )</b>		<b>Coverage Limits</b>	<b>Premium</b>
Building	RCV, 90% Coinsurance <b>Wind and Hail Excluded</b>	\$1,000,000.00	
Loss of Income	90% Coinsurance	\$200,000.0	
Cannabis Inventory/Finished Stock	ACV	\$200,000.00	
*Cannabis Finished Stock on Display is limited to		\$200,000.00 (LOC	
*Cannabis Finished Stock on Display is limited to		1) \$30,000.00	
*Cannabis Finished Stock on Display is limited to		(LOC 2)	
Outdoor Sign	RCV, 90% Coinsurance	<del>\$300,000.00</del> (LOC 3)	
Indoor Grow Equipment and Tools	RCV, 90% Coinsurance	\$200,000	
Outdoor Grow Equipment and Tools	RCV, 90% Coinsurance	\$0.00	
Business Personal Property	RCV, 90% Coinsurance	\$25,000.00	
Tenants Improvements	RCV, 90% Coinsurance	\$20,000.00	
Property Deductible		\$2,500 (Per Occurrence)	
Commercial Property Endorsement	Form		Not Quoted
• Accounts Receivable		\$25,000	
• Employee Dishonesty		\$25,000	
• Money & Securities		\$25,000	
• Outdoor Property (Trees, Radio/TV, Antennas, Sign)		\$25,000	
• Outdoor Property (Trees, Shrubs or Plants)		\$500 each tree/\$2,500	
• Personal Effects and Property of Others		\$25,000	
• Property In Transit Coverage		\$ theft limit	
• Property Off-Premises		\$25,000	
• Spoilage		\$25,000	
• Valuable Papers and Records(Other than Electronic Data)		\$25,000	
Property endorsement deductible		\$500	
<b>Note:</b> Backed Up Sewers and Drains Endorsement is included at no charge, if Property is packaged with General Liability.			



**Excess Liability** Falls Lake National Insurance Company (A.M. Best Rated A X)**Occurrence Form****Coverage Limits****Premium**

Excess Liability

Quoted

\$2500.00

**Crop:** Falls Lake National Insurance Company (A.M. Best Rated A X)**Coverage Limits****Premium**

Crop Schedule:

Not Quoted

\$0.00

- Seeds RCV, 90% Coinsurance
- Immature Seedlings RCV, 90% Coinsurance
- Vegetative Plants RCV, 90% Coinsurance
- Flowering Plants RCV, 90% Coinsurance
- Harvested Plants RCV, 90% Coinsurance
- Finished Stock RCV, 90% Coinsurance

\$0.00

\$0.00

\$0.00

\$0.00

\$0.00

\$0.00

Deductible

\$2500 (Per Occurrence)

**Products Liability: Claims Made Form**

- **Product Liability Coverage**

**Coverage Limits****Premium**

Each Claim

\$1,000,000/

Policy Term Aggregate

\$2,000,000

Deductible

\$2,500

- **Endorsements**

Product Withdrawal

\$1,000,000

Deductible

Retro Active Period

Date:mm/dd/yyyy

Vendor Certificate

Falls Lake National Insurance Company

Section IV

**COVERAGE FORMS**

Form #	Description
IL DS 00 09 08	COMMON POLICY DECLARATIONS
IL 00 03 09 08	CALCULATION OF PREMIUM
IL 00 17 11 98	COMMON POLICY CONDITIONS
IL 00 21 09 08	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)
IL 02 70 09 12	CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL
IL 01 02 05 05	CALIFORNIA CHANGES – ACTUAL CASH VALUE
IL 01 04 09 07	CALIFORNIA CHANGES
IL 09 35 07 02	EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES
IL 09 53 01 15	EXCLUSION OF CERTIFIED ACTS OF TERRORISM
IL 09 85 01 15	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT
CG DS 01 10 01	COMMERCIAL GENERAL LIABILITY DECLARATIONS
CG 00 01 04 13	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CG 20 11 04 13	ADDITIONAL INSURED-MANAGERS OR LESSORS OF PREMISES
CG 21 04 11 85	PRODUCTS/COMPLETED OPERATIONS HAZARD INCLUDED
CG 21 06 05 14	EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY – WITH LIMITED BODILY INJURY EXCEPTION
CG 21 47 12 07	EMPLOYMENT-RELATED PRACTICES EXCLUSION
CG 21 49 09 99	TOTAL POLLUTION EXCLUSION ENDORSEMENT
CG 21 67 04 02	FUNGI OR BACTERIA EXCLUSION
CG 21 75 01 15	EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES
CG 21 76 01 15	EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM
CG 32 34 01 05	CALIFORNIA CHANGES
CG 03 00 01 96	DEDUCTIBLE LIABILITY INSURANCE
CG 21 44 07 98	LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT
CP DS 00 10 00	COMMERCIAL PROPERTY DECLARATIONS
CP 00 10 10 12	BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CP 00 30 10 12	BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
CP 00 90 07 88	COMMERCIAL PROPERTY CONDITIONS
CP 01 40 07 06	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

CP 10 30 10 12	PROPERTY CAUSES OF LOSS – SPECIAL FORM
CP 10 54 06 07	WINDSTORM OR HAIL EXCLUSION
MMD 10 01 01 15	AUDIT PREMIUMS – AMENDATORY ENDORSEMENT
MMD 10 03 01 15	BACK-UP OF SEWERS, DRAINS OR SUMPS COVERAGE
MMD 10 04 01 15	COMBINATION GL ENDORSEMENT – NON CONTRACTORS
MMD 1006 01 15	EXCLUSION – ASSAULT AND BATTERY
MMD 10 07 01 15	BANNED SUBSTANCE EXCLUSION
MMD 10 08 01 15	CARCINOGENS ENDORSEMENT
MMD 1009 01 15	EXCLUSION – EMPLOYEES OF INDEPENDENT CONTRACTORS, LEASED/TEMPORARY/1099/VOLUNTEER WORKERS, CASUAL LABORERS
MMD 10 17 01 15	EXCLUSION - TOBACCO OR RELATED PRODUCTS
MMD 1011 01 15	EXCLUSION – TOTAL MOLD, MILDEW OR OTHER FUNGI
MMD 10 20 01 17	ENDORSEMENTS CANNABIS AND HEMP BUSINESS PROPERTY FORM
MMD 1012 01 15	EXCLUSION – PROFESSIONAL LIABILITY
MMD 1014 01 15	EXCLUSION - SEXUAL ABUSE AND / OR MOLESTATION
MMD 1015 01 15	EXCLUSION - TANNING BEDS
MMD 00 00 01 18	SHORT RATE CANCELLATION TABLE
MMD 1018 01 15	GOVERNMENTAL ACTS & CRIMINAL ACTIVITIES
MMD 1021 01 15	MINIMUM EARNED PREMIUM ENDORSEMENT
MMD 1022 01 15	EXCLUSION - AMERICANS WITH DISABILITIES ACT
MMD 1027 01 15	PROTECTIVE SAFEGUARDS
MMD 1032 01 15	ABSOLUTE ASBESTOS EXCLUSION
MMD 1033 01 15	ABSOLUTE LEAD EXCLUSION
MMD 1034 01 15	AIRCRAFT PRODUCTS AND AIRCRAFT GROUNDING HAZARDS EXCLUSION
MMD 1037 01 15	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM
MMD 1040 01 15	RESIDENTIAL EXCLUSION
CA PHN 10 16	CALIFORNIA CONSUMER COMPLAINT NOTICE
MMD 1047 05 17	DESIGNATED CLASSIFICATION LIMITATION
MMD 10 48 09 17	FIRE HAZARD PROPERTY MITIGATION SAFEGUARD (CALIFORNIA)
FLFCC SOS 1000 CA (07 18)	FALLS LAKE CA SERVICE OF SUIT CLAUSE
FLFCC PP 3000 (07 18)	FALLS LAKE PRIVACY POLICY
FLF CC 2018 (SLEX)	SANCTION AND LIMITATION EXCLUSION CLAUSE

D2	NON ADMITTED DISCLOSURE
MMD 10 53 09 18	EXCLUSION – RACKETEER INFLUENCED CORRUPTION ORGANIZATIONS (RICO)
MMD 10 30 10 18	FALLS LAKE TO REPORT A CLAIM

**NOTE: All KNIGHT Insurance Company forms listed above are included in this quote. If there are coverages you want included that are not, please contact underwriting with the changes you would like. All changes must be made in writing and will require approval by Cannabis Insurance consultants, LLC. all rates are subject to change.**



## Section V

### BINDING REQUIREMENTS

No coverage is bound until accepted & approved by Cannabis Insurance Consultants, LLC. Rates are subject to change upon receipt of completed applications. The terms & conditions offered may differ from what has been requested.

**Signatures and Quotes are only good for 30 days from: 06/07/2019**

Consult the policy for all specific terms and conditions and complete policy exclusions

#### **BINDING REQUIREMENTS:**

- NWISMMMD v1.4 Application signed and dated. Please note that a signed application is required at the time binding is requested. Signatures cannot be older than 5 days.
- Criminal check authorization form
- SECTION 1-
- SECTION 1.B- Please make sure this section applies for all locations.
- SECTION 2-Please make sure this section applies for all locations.
- SECTIONS 3-7 LOC 1-Please list full physical address.
- SECTION 3-Please make sure all locations GL limits match as quoted with \$1M/\$2M limits.
- SECTION 3
- SECTION 4 LOC
- SECTION 4 LOC 3-Please confirm that applicant is sole tenant and no other buildings attached to qualify for building coverage at this location.
- SECTION 4
- SECTION 4.B
- SECTION 9-Please uncheck the property box if no loss payee is currently needed per your email.
- TRIA Form
- Inspection Requirement Form
- CA D1
- CA SL 2
- Copy of signed finance agreement
- Product Liability Year End Audit Requirement Form
- General Liability Year End Audit Requirement Form
- Please provide a copy of the permit and/or license issued by the state, city or local agency that governs cannabis related businesses. If you're license/permit is pending, please provide any other business license authorizing you to do such business in the state. Upon

receipt of your cannabis permit and/or license, please send to our underwriting department to complete the file as this is a requirement to maintain your policy in good standing. **\*\*\*Please note that proof of permit or license is due within 30 days of binding to avoid cancellation.\*\*\***

- Insured signed and dated No Known Loss Letter with Insured's Legal business name included. Please date this from 1-year prior to bind request date.

Upon receipt of the above, we will determine if the premium is still valid and if coverage can be put in force. If you have any questions, please do not hesitate to contact our office. We are pleased to assist you in this regard.

Sincerely,

Cannabia Insurance Consultants, LLC

Underwriter: maria martinez

Phone: 813-489-6255

Email: [tony@carastroins.com](mailto:tony@carastroins.com)

# Spirited Extractions

## Buisness Plan



### Brief Overview

- Create a unique, premium quality, pure Full Spectrum Cannabis extract to use in our E-Pen line using state of the art hardware and packaging.
- Secure a small (3500) sq ft commercial space to rent.
- Hire an attorney and consultant who specializes in assisting with cannabis licensing. I have people lined up already.
- Seek local permits, then state permits.
- Purchase all equipment needed. Hire small staff to start.
- Secure contracts with the best growers in the state to purchase premium cannabis to extract.
- Produce full spectrum, high quality concentrates. These concentrates will be the base to all we produce.
- Fill pens, concentrate jars, and pack into retail packaging, cs. packs. Make tinctures, capsules, and develop a specialty niche edible product or two. I am currently working on several ideas.
- Like great wines we will source high quality strains and process them in unique artful blends. The process I am focused on is Ethanol extractions. Ethanol appears to be the up and coming trend as its growing in CA., WA. and Oregon. I want to be a head of the curve on this.
- Ethanol (Food Grade Alcohol) uses a very specific process will produce some of the finest oils you can make. This process is getting the most natural components of the plant material vs the other most common methods.
- People have described the oils as “it tastes like real cannabis in an oil or liquid form”.
- My experience in creating restaurant brands, menus, wine and spirit lists, is a great asset that can be channeled into this industry. I have always been focused on natural healing and wholistic living. I always try to treat myself and family naturally first. I have extensively researched and experimented with herbs, essential oils and tinctures over the years. (See Bio for my background) The vast majority of E-pens on the market are using distillate in them. I explain the types and why I think distillate is far inferior to ethanol.

## Market Trend Overview /Forecast

When reviewing the trends of other legal states ahead of MA some trends are emerging.

In MA medical dispensaries had to grow and produce their own extracts and edibles. They had to grow their own cannabis as well. In other states the recreational trend has gone to specialty extraction companies selling to retailers. The process of growing, drying, curing, packaging, extracting and making pens is a lot for some companies to handle in house. Naturally many retailers will now try to outsource or wholesale purchase these items wholesale. Many retailers in MA will only buy items wholesale and just focus on their retail stores. People gravitate to what methods and products they are most comfortable with. All three areas are different expertise.

As we know in this hiring market, the more focused we are the easier it will be to succeed.

Businesses will find it is easier to focus on this one production and set up a facility just for this. I believe as time goes on more of these first to open medical dispensaries will convert to buy wholesale concentrates to better focus on growing and retailing. This has been the trend in other states who are further along then we are.

Many new recreation retailers will only get a license for retail. Getting our brand and message out early and strong is going to be important. Doing trade shows to meet retailers and make connections is also important.

When reading statistics across the country in trade magazines and talking to industry professionals some trends are becoming clear. Dried flower sales are dropping and concentrates are growing at a very fast rate. E- Pen sales specifically seem to have a bright future. The form factor is just so easy and affective for people. I have focused on this for several years now as I saw this coming. I have spent hours upon hours and extensive money to learn how to perfect this process with no professional equipment. Professional equipment will make it better and more consistent.



### The main categories in cannabis retail market.

#### Overview of each

##### Dried flower.

Pros: Full spectrum powerful affects. Still to this day the purest and best overall affects when vaporized. Do not need to spend much money on equipment...Economical. Easy to dose and can be smoked for those who still prefer that method still.

Cons: Less convenient to grind fresh and use. Requires more power and expensive equipment to vaporize and degradation takes place with each hit. Smoking is less medically beneficial as terpenes are destroyed at too high a temperature.

##### Pure Concentrates

Types.

**Distillate with simulated terpenes added.** (Most Common in E-Pens) Very refined and processed. Can be made from co2 or ethanol extraction. Not as natural, less

holistic benefits or affects. Easy to mass produce cheap if you know what to do and can afford equipment. All terpenes flavonoids are removed in this process to make a clear THC extract. Some terpenes are then added then back from other food sources. 8-20 terpenes vs hundreds that occur naturally in the flower. Losing most of nature is not as good as keeping what's there in the first place.

**BHO:** Butane Honey Oil, great quality when made correctly, but dangerous to make and bad marketing perception. Becoming less popular. The solvent is Butane, so people are not excited about that.

Does contain much more terpenes then distillate or co2. Can be dabbed or vaped.



**Ethanol:** (Also known as alcohol) The best when done right and where it is going in the future. Full spectrum and safe to make. We will be using food grade Ethanol/alcohol. Most natural. When done correctly, it retains terpenes from original plant best. This is what we will be focused on and be at the forefront in MA.

This is catching on in CA now and slowly growing. I want to be first or one of the first to market if possible.

Very potent, close to full spectrum affects, when made well.

Much more involved to properly smoke or vaporize. Each hit in a portable degrades fast and much can be wasted. This con is avoided when made into a pen.

Serious concentrate purest use a technique called dabbing at very high temps too complicated for the majority of the population. Portable devices for this have gotten better though.

**Rosin:** This product has great terpene retention due to its low temperature, less refined methods.

The draw backs... You can't use it in an E- pen and hard to make in volume.

### **Hash/Bubble Hash**

Very natural method, potent affects. Full spectrum.

Overview: Quality varies more than any category here. - The oldest cannabis concentrate type is hashish. This process goes back literally thousands of years in many parts of the world. Old methods were rubbed and then screens through sieves to form the dense thick substance we all knew growing up. We still have some extraction artists making old school hash and the more modern version which is called "bubble hash" Bubble hash is made with cold ice-water. Very natural process. Different grades of it go from dark, less pure oil wise to what is called full melt, where it bubbles when you smoke it. That is where the term bubble hash comes from.

A big draw back today is it must be smoked for best results. Low temp vaporization does not work well.

### **E-Pens/Cartridges.**

Overview: You need to start with pure extract first, then carefully process it to make it thinner and able to work in a pen cartridge.

The easiest to use and learn. Great for novelists. Can be close to full spectrum with the extractions methods we will be using. Taste with our method is the best of all forms in my opinion...no degradation between hits. New very affordable equipment is making this market very exciting. Very easy to dose and control the amount you get. I have been constantly testing and seeking the newest, best products being made in this area. I have sourced out several strong companies who make cutting edge products.

### **Edibles**

Pros: Discreet to take. Some people really like the affects as they are different then vaping or smoking. Affects can last longer.

Cons: Very easy to overdose, (Not dangerous) just very unpleasant, even for experienced users. Hard to dose.

Affects can last too long. Can vary by many variables, food, alcohol, quality. Must follow state requirement limits per item. Can be food, or capsules

Takes 30-90 minutes to feel full affects.

Popularity is increasing as new innovative products come out.



## **Marketing Plan**

- 1- Create the best, purest Cannabis e-Pen line on the market.
- 2- Use the best, state of the art hardware from already established sources.
- 3- Work with packaging designers to create a brand that matches our products uniqueness and focus.
- 4- Make connections with all retailers as they open in the state with on the road sales people, email marketing, web presence, social media, strong convention showing (Purchase tables), give out samples to retailers.
- 5- Focus the message on the following buzz words.

Premium Full spectrum Extracts

Natural and Pure

High Terpenes,

Good mix of local grown strains from the best growers.

Trained and Educated sales staff on the road.

Local New England company. (There are out of state, big companies coming in to MA)

Not all players will be local.



### **Consumer Target**

#### **Older Consumers**

A large growing audience is older people who smoked cannabis in their youth. They are interested in the health benefits of cannabis and not real interested in smoking unless they are a smoker already. They find E-Pens easy to use, and more medical looking then smoking a bong or joint. More discreet. They are much easier to dose then any other category.

#### **Younger Consumers**

Enjoy pens as well for the convenience factor. Similar reasons. Hard core consumers will enjoy our pure extract line for dabbing which is still very popular.

### **Spirited Extractions: Sativa /Indica Scale.**

One of the most common disconnects with people buying cannabis is the lack of understanding of the effects of the individual strains they are selecting or purchasing.

I myself have seen the struggle people have with this when trying new strains.

I have come up with a system to rate this on a scale of 1-10. Pretty simple.

# 1 being the most relaxed, sleepy-Indica

# 10 being the most energized up-sativa.

I would like to mark and rate every product we sell with a number and explain this system to all sales people and on our web site and maybe some packaging where it fits. There is obviously a need for next level affects descriptions beyond this as well. We will have to clarify what we can claim and not claim legally with our attorney.

## **Wine Industry Similarities.**

The more I learn about cannabis and the industry the more I see correlations to the wine industry.

My years of experience tasting, buying, and marketing wines and spirits confirms this.

I want to use the same descriptions I would use on a wine list along with a next level affects description along with my Indica/ Sativa Scale. Making the extractions in this very raw natural method draws many similarities to how Olive oil and wine has been marketed.

The over processed cannabis extracts such as Distillate and Co2 which are most common for pen market right now by far.

Distillate to me vs Ethanol would be comparable to cheap overly processed olive oil to the finest extra virgin olive oil.

In the wine industry, unfiltered is making a come back now compared to filtered wine that took hold in the 80's and 90's . The more I work on this the more I see the correlations of cannabis industry to the wine industry.



## **Terpenes and Flavonoids**

I have a saying I use...**The cannabinoids are the engine and the terpenes are the rutter.**

Preserving the Natural Terpenes and flavonoids in Cannabis is important.

This extraction process is focused on extracting a broad spectrum of what's naturally in the flower we will extract. This is why the common distillate on the market now is not as good. Filtering them out then adding back a recreated/reduced version from food source is not the same as preserving the natural terpenes in the source plants used.

## **Terpenes & the entourage effect**

Several studies (some from as early as the 1980s) have shown that terpenes work together to help cannabinoids (like THC and CBD) pass through the bloodstream easier and “lower” the blood-to-brain barrier.

Basically, you feel more or less of the effects of a strain based on the terpenes found in it.

Not only that, but because terpenes have their own medicinal effects (apart from providing the tastes and smells of cannabis), they work together to amp up or chill out the dominant effects of the other cannabinoids. This is called the “entourage effect” because of the way the different components can work together, play off each other, and enhance or downplay the end effects.

If cannabinoids and terpenes are all together and working towards the same goal, you'll notice stronger effects. If they're counterbalancing each other (as they would in a group), the effect on the whole is muted.

By using terpenes to modulate the adverse effects of other cannabinoids, producers are now able to create super strains of cannabis that are laser-focused on creating the best experience possible for as many patients as possible.

Whether that means tempering a THC “high” with anti-anxiety or anti-inflammatory properties of a particular terpene or doubling the anti-depressant properties of a CBD-rich strain, the opportunities for medicinal uses are extensive.

However, research in this area is still ongoing, and the industry is looking forward to learning more about how terpenes function singularly as well as together in different strains.

## Flavonoids vs. Terpenes

Flavonoids sound like flavors... but they're actually the *color-giving* nutrients in living things. They're also one of the largest nutrient families known to scientists at over 6,000 members.

Around 20 of these compounds have been identified in the cannabis plant, which is great because they're also known for their antioxidant and anti-inflammatory health benefits.

Flavonoids are what gives cannabis plants a purple or brighter green color. Further research is needed to understand the role flavonoids can play for therapeutic cannabis treatments, but the research on terpenes is much further along.

## Closing Notes

Getting to market in this first year of retail openings is very important. I want to get into as many stores as possible to be at the forefront. Canada recently went legal and ran out of product fast. This has happened in every state so far. The demand has exceeded the supply early on. Having a strong hold in the market early is important. Getting licensed and funded sooner than later is important. Consultants in the industry are seeing business valuations as high as 5-8 times the yearly sales. See the recently sold MA medical cannabis company NETA, which just sold for \$ 70 Million to a Canadian company last month.

Producing high quality, pure Full Spectrum Cannabis extract to use in a E-Pen line using state of the art hardware and packaging will assist in getting into as many stores as possible. The niche products will help us get in the door with our whole line.



# Disclaimer

This Business Plan summarizes certain information about a new company ( ***Spirited ' Extractions***) that has been formed for the purposes of operating a marijuana manufacturing facility. Except where the context requires otherwise, “ ***Spirited ' Extractions***”, “Company”, “we”, “us”, and “our” refer to the new company.

## Disclaimer

This Business Plan is confidential and proprietary. It is being furnished by ***Spirited ' Extractions*** to prospective investors for the sole purpose of evaluation of the transaction. Without the prior written permission of the Company, such potential investors will not release this document or discuss the information contained herein or make a reproduction of or use this Business Plan for any other purpose. Prospective investors should not assume that this Business Plan is complete and should conduct their own analysis and investigation of the Company and consult with their personal financial, legal, tax and other business advisers before investing in the Company. Prospective investors agree that they are responsible for conducting their own due diligence investigation to verify to their satisfaction any information, opinions or estimates in this document.

Prospective investors in the Company and any other persons who receive this Business Plan agree that they will hold its contents and all related documents in confidence and that they will not utilize such information to the detriment of the Company. Distribution or reproduction of this Business Plan or related materials, in whole or in part, is prohibited.

The Company makes no representations or warranties as to the accuracy or completeness of the information presented herein. Nothing contained herein is or should be relied on as, a promise or representation as to the future performance of the Company.

## Forward-looking statements

Certain statements in this Business Plan constitute forward-looking statements, which may be identified by words such as “will,” “expect,” “estimate,” “intend,” “anticipate,” “projection” and other words indicating that the statements are forward-looking. Such forward-looking statements are expectations only and are subject to known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company, or industry results, to differ materially from any future results, performance or achievement implied by such forward-looking statements. All of the financial information in this Business Plan is unaudited.



# **CCE CAT, LLC.**

## **Record Keeping Procedures**

**An extract from our Manufacturing Facility Operations Manual**

## **1.1. Record keeping procedures**

1.1.1. Pursuant to 935 CMR 500.000, company records will be available for inspection by the Commission, upon request. CCE CAT, LLC, will maintain the following written records that are required and subject to inspection, as well as any additional documentation that it may be directed to record by the Commission:

1.1.1.1. Written Operating Procedures as required by 935 CMR 500.105 (1) The Operations Manager has copies of the company operating procedures.

1.1.1.1.1. It is the responsibility of all employees to carefully read, understand and follow these operating procedures.

1.1.1.1.2. All employees are responsible for ensuring that these operating procedures are followed.

1.1.1.1.3. Any deviation from standard operating procedures must be authorized by the Operations Manager or your immediate supervisor.

1.1.1.1.4. These operating procedures will be revised from time-to-time and minor adjustments will likely be made. All revisions will be carefully noted and the operating procedures manual updated.

1.1.1.1.5. Any material changes will be communicated to the Commission

1.1.1.1.6. Inventory records as required by 935 CMR 500.105(8);

### **1.1.2. Inventory records include:**

Shipping and delivery manifests

Delivery and shipping video recordings

Daily production stock withdrawal and return reports

Weekly inventory reports

Product return reports

1.1.2.1. Shipping manifests - All deliveries and shipments will be accompanied by a shipping manifest. Once this document has been used to verify the delivery or shipment it must be scanned for digital storage and the original placed in the appropriate ringbinder and stored in the records cabinet.

1.1.2.2. Delivery and shipment packing and unpacking video recordings - All deliveries and shipments will be recorded using a video recording device. These recordings will be transferred to digital storage medium, clearly labelled with the date and manifest number(s) and stored in the records cabinet. Any and all variances from the manifest must be reported in accordance with standard operating procedures.

1.1.2.3. Daily production stock withdrawal and return reports - Each day, items will be removed from the main storage vault and placed in the production area for use. These items will be carefully recorded at the time of withdrawal. Unused production stock will be recorded on the same sheet when returned to the storage vault at the end of daily operations.

1.1.2.3.1. If, during the course of the day, additional items must be withdrawn from the storage vault, they too will be added to the withdrawal report and accounted for upon the return of production stock to the storage vault.

- 1.1.2.3.2. Any and all variances must be reported in accordance with standard operating procedures. All inventory records are to be digitized and a hard copy kept in the records cabinet.
- 1.1.2.4. Weekly inventory reports - Each week, the Operations Manager, together with another licensed employee will conduct an inventory of all goods in the storage vault. Any and all variances must be reported in accordance with standard operating procedures. All inventory records are to be digitized and a hard copy kept in the records cabinet.
- 1.1.2.5. Seed-to-sale tracking records for all marijuana products as required by 935 CMR 500.105(8)(e). The company uses a proprietary Seed-to-sale tracking software that allows cultivators, manufacturers, retailers, the Commission and others to quickly and easily track marijuana and marijuana products from propagation to sale.
- 1.1.2.6. Our manufacturing establishment receives raw marijuana, and marijuana products in a variety of forms for use in our range of products .
- 1.1.2.7. Once goods are delivered and manifests verified, all marijuana products must be entered into the Seed-to-sale tracking software in order to maintain an unbroken chain of custody.
- 1.1.2.8. All goods pertaining to a specific manifest will be entered into the system as a batch. Where applicable, a report pertaining to these items will be generated on the seed-to-sale software, printed out, and securely attached to the manifest.
- 1.1.3. **Personnel records:**
  - 1.1.3.1. All personnel files are to be stored in the records cabinet
  - 1.1.3.2. The employee handbook contains a job description for each employee and volunteer position in the company. A signed copy of the relevant job description for each employee will also be kept in the individual personnel record of each employee.
  - 1.1.3.3. A personnel record for each marijuana establishment agent shall be maintained for at least 12 months after termination of the individual's affiliation with the Marijuana Establishment and shall include, at a minimum, the following:
    - 1.1.3.3.1. all materials submitted to the Commission pursuant to 935 CMR 500.030(2);
    - 1.1.3.3.2. documentation of verification of references; the job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision
    - 1.1.3.3.3. documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;
    - 1.1.3.3.4. documentation of periodic performance evaluations;
    - 1.1.3.3.5. a record of any disciplinary action taken.
    - 1.1.3.3.6. notice of completed responsible vendor and eight-hour related duty training.
    - 1.1.3.3.7. records of any health and safety related incidents

#### **1.1.4. Personnel policies and procedures**

- 1.1.4.1. All personnel policies and procedures are clearly outlined in the employee handbook, a copy of which is available to all employees.
- 1.1.4.2. Certain specialized procedures are contained in the security plan.
- 1.1.4.3. All new employees will be required to read the employee handbook and security plan, undergo basic security training and sign a document acknowledging receipt of each and all of these elements. This acknowledgement will be stored with their individual personnel record.
- 1.1.4.4. All personnel files are to be stored in the records cabinet
- 1.1.4.5. All employees will be subject to a state-mandated background check. Background check reports obtained in accordance with 935 CMR 500.030 will be digitized and a hard copy placed into the individual personnel records
- 1.1.4.6. All records of waste disposal must be maintained pursuant to 935 CMR 500.105(12).
- 1.1.4.7. In the course of normal operations quantities of marijuana waste may be generated from normal processing operations, packaging errors, or customer returns. All marijuana waste must be disposed of in accordance with 935 CMR 500.105 (12).
- 1.1.4.8. All cannabis waste must be handled in accordance with the **Cannabis Waste Disposal Procedures** above.
- 1.1.4.9. The items disposed of and recorded in the inventory reconciliation report must also be entered in the seed-to-sale tracking software to ensure the completion of an unbroken chain of custody.
- 1.1.4.10. At least two licensed marijuana agents must witness and document this process.
- 1.1.4.11. Such documentation shall be retained for a minimum of three years or longer if so directed by the Commission.

#### **1.1.5. Security Device Log**

- 1.1.5.1. The issue and return of all security devices such as swipe cards, keys, codes and combinations must be noted in the security device log.
  - 1.1.5.2. Employees acknowledge the receipt or return of such devices by signing this log.
  - 1.1.5.3. Recording the issue and return of all security devices is the responsibility of the Operations Manager or senior management as required in the security plan.
  - 1.1.5.4. The issue of security devices may only be authorized by the Operations Manager or senior management as required in the security plan.
  - 1.1.5.5. The issue of codes and combinations is acknowledged by signing the relevant entry in the security device log. On NO account may the actual code or combination be noted or written down, either in the security device log or elsewhere. See the security plan for additional details.
- 1.1.6. Following closure of a Marijuana Establishment, all records must be kept for at least two years at the expense of the Marijuana Establishment and in a form and location acceptable to the Commission.





# **CCE CAT, LLC**

**Personnel Policies and Background Checks  
Manufacturing Facility Employee Handbook**

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# 1. Introduction

## 1.1. The Employee Handbook

- 1.1.1. This Employee Handbook ("Handbook") is designed to summarize certain personnel policies and benefits of CCE CAT, LLC. (the "Company") and to acquaint employees with many of the rules concerning employment with the Company. This Handbook applies to all employees, and compliance with the Company's policies is a condition of employment. This Handbook supersedes all previous employment policies, written and oral, express and implied. The Company reserves the right to modify, rescind, delete, or add to the provisions of this Handbook from time to time at its sole and absolute discretion. This Employee Handbook is not a binding contract between the Company and its employees, nor is it intended to alter the at-will employment relationship between the Company and its employees. The Company reserves the right to interpret the policies in this Handbook and to deviate from them when, in its discretion, it determines it is appropriate.

## 1.2. Changes in Policy

- 1.2.1. Since our business is constantly changing, the Company expressly reserves the right to revise, modify, delete, or add to any and all policies, procedures, work rules, or benefits stated in this handbook or in any other document, except for the policy of at-will employment as described below. Nothing in this employee handbook or in any other document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee. Any changes to your at-will employment status, described below, must be in writing and must be signed by the Company.
- 1.2.2. With respect to all other changes to Company policies, we will notify you of these changes in writing. No oral statements or representations can in any way alter the provisions of this Handbook. Changes will be effective on dates determined by CCE CAT, LLC. and you may not rely on policies that have been superseded.
- 1.2.3. **If you are uncertain about any policy or procedure, please check with your Supervisor or Human Resources Manager.**

## 1.3. Employment-At-Will

- 1.3.1. Employment with the Company is on an at-will basis, unless otherwise specified in a written employment agreement. You are free to resign at any time, for any reason, with five days notice. Similarly, the Company is free to conclude the employment relationship at any time for any lawful reason, with or without cause, and with five days notice.
- 1.3.2. Nothing in this Handbook will limit the right of either party to terminate an at-will employment. No section of this Handbook is meant to be construed, nor should be construed as establishing anything other than an employment-at-will relationship. This Handbook does not limit management's discretion to make personnel decisions such as reassignment, change of wages and benefits, demotion, etc. No person other than the Executive Director, President, or a member of the Board of Directors has the authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment other than at-will terms. Only the Executive Director, President, or member of the Board of Directors of the Company has the authority to make any such agreement, which is only binding if it is in writing and signed by the President of the Company.



#### **1.4. Marijuana Establishment Agent - Background Checks**

- 1.4.1. The Commonwealth of Massachusetts requires that all board members, directors, employees, executives, managers, or volunteers of a Marijuana Establishment must be 21 years of age or older and in possession of a state-issued Registration Card. Consequently, all those described above are subject to extensive background checks.
- 1.4.2. Executive officers, managers and employees of a Licensed Marijuana Establishment shall apply for registration for all of its board members, directors, employees, executives, managers, and volunteers who are associated with that Marijuana Establishment.
- 1.4.3. The Commission shall issue a registration card to each individual determined to be suitable for registration. All such individuals shall:
  - 1.4.3.1. be 21 years of age or older;
  - 1.4.3.2. not been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority; and
  - 1.4.3.3. be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802.
- 1.4.4. The Commonwealth of Massachusetts requires, as a condition of employment in a Licensed Marijuana Establishment, the possession of a valid marijuana establishment agent Registration Card. No board member, director, employee, executive, manager, or volunteer may be engaged by a Licensed Marijuana Establishment without possession of a valid Registration Card.
- 1.4.5. Consequently, denial or revocation of a registration card by the Commission will render any individual unemployable by a Licensed Marijuana Establishment. This may lead to the withdrawal of offers of employment or appointment in the event of a denial of a registration card, and immediate dismissal in the event of revocation of a registration card.
- 1.4.6. The Company shall notify the Commission no more than one business day after a marijuana establishment agent ceases to be associated with the establishment. The registration shall be immediately void when the agent is no longer associated with the Company..
- 1.4.7. Registration cards are valid for one year from the date of issue, and may be renewed on an annual basis upon a determination by the Commission that the applicant for renewal continues to be suitable for registration.
- 1.4.8. After obtaining a registration card for a marijuana establishment agent, the Company is responsible for notifying the Commission of any changes to the information that the establishment was previously required to submit to the Commission or after discovery that a registration card has been lost or stolen.
- 1.4.9. All marijuana establishment agents shall carry the registration card associated with the appropriate Marijuana Establishment at all times while in possession of marijuana products, including at all times while at the establishment or while transporting marijuana products.
- 1.4.10. A marijuana establishment agent affiliated with multiple Marijuana Establishments shall be registered as a marijuana establishment agent by each Marijuana Establishment and shall be issued a registration card for each establishment.

## 2. Manufacturing Roles, Qualifications, and, Training

### 2.1. Facility Job Classifications and Requirements:

- 2.1.1. **Operations Manager** - The operations manager is the face of the facility. The manager must interface with staff, law enforcement, vendors, and customers. The principal responsibility of the operations manager is to coordinate and facilitate the operations of the facility. They must maintain records, have contact with suppliers and the grow site, embrace customer service and understand marketing. They will train employees and decide which products to process and manufacture, and determine best pricing based on market conditions. They are responsible for keeping up with all changes in local and state law regarding operation of the facility. The most important job of the store manager is to ensure the security and integrity of our inventory.
- 2.1.2. **Wholesale Sales Agent** - The store has a need for retail professionals who can communicate articulately and passionately with customers about a wide range of cannabis products. Desirable backgrounds include previous marijuana vertical experience, sales, pharmacy, education, and customer service. Knowledge of cannabis, the varieties of cannabis, and their effects is highly relevant. They must be keenly aware of the difference of Indica, Sativa and their hybrids. A sales agent will maintain records in accordance with the Operations Manual, serve customers, offering advice and recommendations, be mindful and vigilant in terms of security, and diversion. Sales agents will be trained by the operations manager. This position may be full-, or part-time.
- 2.1.3. **Production Associate** - Our facility has an ongoing need for production associates to process and manufacture our range of cannabis products. This product range includes, but is not limited to:

Edibles  
Extracts  
Pre-rolls  
Tinctures  
Beverages  
Vape pens

Production associates will be required to possess or undergo training in the following manufacturing skills:

Extraction  
Weighing  
Measuring  
Filling cones  
Freezing  
Drying

As with all employees, their duties include ensuring the integrity of the facility's security systems and protecting the facility and its customers from outside criminal disturbance. Desired backgrounds include previous marijuana vertical experience, pharmacy, education, and customer service. Knowledge of cannabis, the varieties of cannabis, and their effects is highly relevant. They must be keenly aware of the difference of Indica, Sativa and their hybrids. A production associate will maintain records in accordance with the Operations Manual, fulfill production

routines, offering advice and recommendations, be mindful and vigilant in terms of security, and diversion. Production associates will be trained by the operations manager. This position may be full-, or part-time.

## **2.2. Employee Training and Selection**

2.2.1. Our production facility is looking for motivated, friendly, articulate and compassionate people to help create our products and provide our customers and consumers with the finest cannabis products available. We look for people with the above attributes and certain preferred core skills. We are willing to train others in order to ensure workforce diversity. Some of the desirable backgrounds we are looking for include sales, pharmacy, and those with previous experience in the cultivation, processing, and sale of cannabis products through various networks. Previous work experience in a medical or production marijuana facility is highly desirable. We generally train all employees in the following subjects, but tailor each course according to their role within our organization.

- 2.2.1.1. Cannabis Science
- 2.2.1.2. Horticultural & Organic Cultivation
- 2.2.1.3. Methods of Extraction
- 2.2.1.4. Methods of Ingestion
- 2.2.1.5. Cooking with Cannabis
- 2.2.1.6. Medical marijuana use
- 2.2.1.7. Massachusetts Cannabis Law

2.2.2. Our company is looking for all types of help for our wholesale manufacturing operation, both operational, and administrative. Typical responsibilities include:

- 2.2.2.1. Production management
- 2.2.2.2. Wholesale Sales
- 2.2.2.3. Production and manufacturing
- 2.2.2.4. Packaging labeling and inventory
- 2.2.2.5. Sanitation and maintenance of the facility
- 2.2.2.6. Security of the facility and deliveries
- 2.2.2.7. Back-office business and management roles such as, account management, administration, etc.

## 3. Employment Policies

### 3.1. Employee Classifications

- 3.1.1. The following terms are used to describe employees and their employment status:
- 3.1.2. **Exempt Employees** - Employees whose positions meet specific tests established by the Federal Labor Standards Act ("FLSA") and Massachusetts state law. In general, exempt employees are those engaged in executive, managerial, high-level administrative and professional jobs who are paid a fixed salary and perform certain duties. In addition, certain commissioned sales employees and highly paid computer professionals are exempt. Exempt employees are not subject to the minimum wage and overtime laws.
- 3.1.3. **Non-exempt Employees** - Employees whose positions do not meet specific tests established by the FLSA and Massachusetts state law. All employees who are covered by the federal or state minimum wage and overtime laws are considered non-exempt. Employees working in non-exempt jobs are entitled to be paid at least the minimum wage per hour and a premium for overtime.
- 3.1.4. **Regular Employee** - Employees who are hired to work on a regular schedule. Such employees can be either full-time or part-time. The distinction between full-time and part-time depends upon the number of hours that an employee works.
- 3.1.5. **Full-Time Employee** - Employees who are not temporary employees, independent contractors, or independent consultants and who are regularly scheduled to work a schedule of 40 hours per work week.
- 3.1.6. **Part-Time Employee** - Employees who are not temporary employees, independent contractors, or independent consultants and who are regularly scheduled to work less than 40 hours per work week.
- 3.1.7. **Temporary Employees** - Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project. Employment assignments in this category are of limited duration and the temporary employee can be let go before the end of the defined period. Short term assignments generally are periods of three (3) months or less, however, such assignments may be extended. All Temporary employees are at-will regardless of the anticipated duration of the assignment [see Employment-at-Will Policy). Temporary employees retain that status unless and until notified in writing of a change.
- 3.1.8. **Independent Contractor or Consultant** - These individuals are not employees of the Company and are self-employed. An independent contractor or consultant is engaged to perform a task according to his/her own methods and is subject to control and direction only as to the results to be accomplished. Independent contractors or consultants are not entitled to benefits.
- 3.1.9. Each employee will be advised of his or her status at the time of hire and any change in status. Regardless of the employee's status, the employee is employed at-will and the employment relationship can be terminated by the Company or the employee at any time, with or without cause.

### **3.2. Equal Employment Opportunity & American with Disabilities Act.**

- 3.2.1. It is the policy of the Company to provide equal employment opportunities to all employees and employment applicants without regard to unlawful considerations of race, religion, creed, color, national origin, sex, sexual orientation, gender identity, age, ancestry, physical or mental disability, medical condition including medical characteristics, marital status or any other classification protected by applicable local, state or federal laws. This policy prohibits unlawful discrimination based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. This policy applies to all aspects of employment, including, but not limited to, hiring, job assignment, working conditions, compensation, promotion, benefits, scheduling, training, discipline and termination. Reasonable accommodation is available for qualified individuals with disabilities, upon request.
- 3.2.2. The Company expects all employees to support our equal employment opportunity policy, and to take all steps necessary to maintain a workplace free from unlawful discrimination and harassment.
- 3.2.3. In compliance with the Americans with Disabilities Act (ADA), the Company provides accommodation to the disabled to the full extent required by law. The Company may require medical certification of both the disability and the need for accommodation. Keep in mind that the Company can only seek to accommodate the known physical or mental limitations of an otherwise qualified disabled individual. Therefore, it is your responsibility to come forward if you are in need of an accommodation. The Company will engage in an interactive process with the employee to identify possible accommodations, if any will help the applicant or employee perform the job. We further recognize that employees with life threatening illnesses, including but not limited to cancer, heart disease and AIDS, may wish to continue engaging in as many of their normal pursuits as their condition allows, including work. As long as these employees are able to meet acceptable performance standards with or without reasonable accommodation, and medical evidence indicates that their working does not present a substantial threat to themselves or others, they will be permitted to do so.

### **3.3. Diversity Plan**

It is the policy of this company to foster equal opportunity for all employees and to promote principles of diversity management that will enhance the level of effectiveness and efficiency of its business operations. The concept of diversity management is a strategic business objective that seeks to increase organizational capacity in a workplace where the contributions of all employees are recognized and valued. Our company's goal is to build a high-performing, diverse workforce based on mutual acceptance and trust. It is also our company's policy to select the best qualified applicant for the job, regardless of race, national origin, gender, age, disability, religion, sexual orientation, or any other non-merit factor.

Senior management support the development and implementation of a Diversity Management Plan (DMP) to guide diversity management initiatives and the development of appropriate measures to document how well the company is achieving its diversity management objective. The DMP represents a structured approach to ensure continued progress in reaching its diversity management goals, promoting a discrimination-free



work environment, and providing opportunities for all employees to use their diverse talents to support the company's business operations.

**3.3.1. The company is committed to the following objectives:**

- 3.3.1.1. Building a talented, dedicated, diverse workforce;
- 3.3.1.2. Educating the workforce regarding diversity management principles;
- 3.3.1.3. Improving communication throughout the company;
- 3.3.1.4. Motivating employees to reach their highest potential and to make their greatest contribution to the company;
- 3.3.1.5. Encouraging employees to offer their views and suggestions toward achieving business and organizational goals without threat of retribution;
- 3.3.1.6. Respecting and appreciating individual differences;
- 3.3.1.7. Creating and maintaining an inclusive approach to all systems, policies, and practices; and
- 3.3.1.8. Selecting the best qualified applicant for the job, regardless of race, national origin, gender, age, disability, religion, sexual orientation, or any other non-merit factors.

**3.3.2. Role of Leadership (Managers and Supervisors)**

Leaders are responsible for leading change, fostering desired behaviors, and ensuring that:

- 3.3.2.1. Organizational systems, policies, and practices support the vision and are responsive to change;
- 3.3.2.2. The workplace is inclusive; and Managing diversity principles are integrated into the operations of the organization.

**3.3.3. Role of All Employees**

- 3.3.3.1. Support the principles of diversity management;
- 3.3.3.2. Respect others, including differences and similarities in views, styles, backgrounds, etc.; and
- 3.3.3.3. Fully participate in the company's efforts to foster greater organizational effectiveness and efficiency through the application of the principles of diversity management.

**3.3.4. Initial Approach**

This DMP represents the company's initial approach to establish comprehensive diversity management goals and measures, and allows for periodic review of company accomplishments to determine future focus areas. The Plan is based on the best information currently available about the company's internal environment and will be reevaluated every 3 years, or as needed.

**3.3.5. Goals and Measures**

The DMP goals, along with the performance measures that will be tracked at the agency level, are as follows:

**3.3.6. Goal 1 - Recruit diverse employees at all levels.**

- 3.3.6.1. **Outcome Measure** - Diversity of new hires compares favorably to relevant local labor market.

**3.3.7. Goal 2 - Develop and retain diverse employees by promoting an environment that values differences.**

- 3.3.7.1. **Outcome Measure 1** - The company's retention rate by demographic group compares favorably with external retention rates.

- 3.3.7.2. **Outcome Measure 2** - Employee satisfaction survey results by demographic group compare favorably to survey results of the company's total workforce.
- 3.3.8. **Goal 3** - Increase the diversity of employees in senior and managerial positions.
- 3.3.8.1. **Outcome Measure** - Consistent with applicable law, representation of minorities and women in senior level and managerial positions is enhanced.

**3.3.9. Our company's Organizational Values**

Our company Organizational Values serve as a guide to decision-making and individual conduct. They indicate qualities our company endorses and how our company will conduct critical work efforts as well as how it will value and treat its employees. Each of the following values embodies the diversity management and inclusion initiatives:

- 3.3.9.1. **Integrity** in our working relationships, practices and decisions.
- 3.3.9.2. **Excellence** both in our individual and collective actions.
- 3.3.9.3. **Service** to the customer, and others who are affected by our work.
- 3.3.9.4. **Respect** for individuals' roles, diversity, and viewpoints.
- 3.3.9.5. **Cooperation** in the planning, management, and work of the agency.
- 3.3.9.6. **Commitment** to protecting the health and safety of our customers and each other..
- 3.3.9.7. **Openness** in communications and decision making.

**3.3.10. Strategic Plan**

The Strategic Plan includes five goals: Safety, Security, Openness, Effectiveness, and Management Excellence. Of these, the Management Excellence Goal provides for the use of innovative recruitment strategies, leadership development, enhanced management accountability, creation of a discrimination-free environment, and support for training and development of staff.

**3.3.11. Performance Plan**

The company Performance Plan incorporates the diversity workforce goals of sustaining a high-performing, diverse workforce and achieving a level of workplace diversity that compares favorably with the relevant local labor market.

**3.3.12. Performance Management**

The company's Performance Management System links to diversity management principles through the leadership of people. Every manager should aspire to the following key leadership attributes which reflect the goals of diversity management:

- 3.3.12.1. Build diversity
- 3.3.12.2. Communicate effectively
- 3.3.12.3. Demonstrate personal leadership
- 3.3.12.4. Build capability
- 3.3.12.5. Coach
- 3.3.12.6. Mentor
- 3.3.12.7. Develop
- 3.3.12.8. Motivate

**3.3.13. Affirmative Employment Plan**

The company Affirmative Employment Plan includes four Guiding Principles that embody the principles of diversity management. They include:

- 3.3.13.1. Creating a working environment that is free from discrimination, including harassment, and is accessible to individuals with disabilities;
- 3.3.13.2. Ensuring that company policies, processes, and procedures provide all employees the opportunity to participate in business accomplishments, and to compete fairly and equitably for career enhancement and advancement;
- 3.3.13.3. Employing a competent and highly skilled workforce, consistent with the local labor market, and enabling employees to accomplish the company's business objectives by providing support, tools, and a positive environment; and
- 3.3.13.4. Recognizing, appreciating and valuing diversity, thereby establishing trust, respect, and concern for the welfare of all employees within the company

The DMP builds on the Guiding Principles of the Affirmative Employment Plan and specifically details those actions that management needs to take to make diversity and inclusion a reality at our company.

#### **3.3.14. Human Capital Strategic Plan**

The company has established several human capital goals which are embodied in the Human Capital Strategic Plan. The following goals link to the DMP:

- 3.3.14.1. Develop the company's current and future leaders.
- 3.3.14.2. Strengthen managerial and supervisory accountability for setting individual and organizational performance expectations and for providing timely and complete feedback.
- 3.3.14.3. Foster a work environment that is free of discrimination and provides opportunities for all employees to optimally use their diverse talents in support of the company's business objectives and goals.
- 3.3.14.4. Use innovative recruitment, development, and retention strategies to achieve a high quality, diverse workforce with the skills needed to achieve our mission.

#### **3.3.15. Workplace Operating Plan**

The workplace operating plans include activities that management plans to achieve during the fiscal year consistent with the company's Performance Plan and Strategic Plan. The operating plans take the overall goals in the Strategic Plan and specify actions that will be taken to accomplish the goals.

Several areas are delineated in the operating plans to highlight the diversity and inclusion initiatives.

#### **3.3.16. Examples of diversity strategies**

- 3.3.17. Management strategies are provided for workplace consideration. Strategies implemented in the workplace should contribute to the company's success in diversity management. Senior management will monitor company progress in this area and provide periodic status reports.
- 3.3.18. **GOAL 1.0** - Recruit diverse employees at all levels.

##### **Strategic response:**

- 3.3.18.1.1. Use diverse members of staff to evaluate candidates for vacancies, when possible.
- 3.3.18.1.2. Strengthen and develop relationships with targeted groups (e.g., minority populations) in historically minority communities and organizations and identify other areas with large diverse populations.

- 3.3.18.1.3. Serve as liaison with employees, and encourage them to apply for development programs.
- 3.3.18.1.4. Continue to review and modify recruitment strategies for identifying and attending minority and women job fairs.

3.3.19. **GOAL 2.0** - Develop and retain diverse employees by promoting an environment that values differences.

**Strategic response:**

- 3.3.19.1.1. Communicate strategies to clarify links between diversity management strategies and successful business operations.
- 3.3.19.1.2. Support skills and training needs assessments and the development and implementation of individual development plans (IDPs) consistent with business priorities and workforce goals.
- 3.3.19.1.3. Conduct an organizational assessment to determine organizational strengths and areas for improvements related to diversity management principles. Develop action plans to address any improvement areas identified in the employee satisfaction survey results or based upon workplace-specific organizational assessment.
- 3.3.19.1.4. Enhance mechanisms (e.g., discussion groups, staff meetings) where managers and employees can express their ideas and concerns on diversity and work environment issues. Use facilitated support as needed.
- 3.3.19.1.5. Promote company diversity management efforts through effective communications.
- 3.3.19.1.6. Promote diversity on major team tasks. Where appropriate, incorporate best diversity management practices.
- 3.3.19.1.7. Support continuous development of managerial leadership, technical, and administrative talent to ensure organizational continuity.

3.3.20. **GOAL 3.0** - Increase the diversity of employees in senior and managerial positions.

**Strategic response:**

- 3.3.20.1.1. Support participation of qualified employees in internal and external leadership and development programs.
- 3.3.20.1.2. Provide staff with meaningful career planning, mentoring, and developmental opportunities for exposure to senior management.
- 3.3.20.1.3. Hold focus groups (or conduct survey) to determine where there may be concerns or problems with fairness in recruitment, developmental opportunities, appraisals, promotions, and awards.
- 3.3.20.1.4. Identify and address perceived barriers to advancement opportunities.
- 3.3.20.1.5. Increase emphasis on developing candidates for internal and external leadership development programs.
- 3.3.20.1.6. Ensure that employees are given challenging assignments to develop core skills and qualifications.
- 3.3.20.1.7. Ensure emphasis on the principles contained in the DMP.
- 3.3.20.1.8. Attract a pool of more diverse applicants for senior positions.
- 3.3.20.1.9. Select the most qualified candidate regardless of race, national origin, gender, age, disability, religion, sexual orientation, or any other non-merit factor.

### **3.4. Confidentiality.**

- 3.4.1. In the course of employment with the Company, employees may have access to "Confidential Information" regarding the Company, which may include its business strategy, future plans, financial information, contracts, suppliers, customers, personnel information or other information that the Company considers proprietary and confidential. Maintaining the confidentiality of this information is vital to the Company's competitive position in the industry and, ultimately, to its ability to achieve financial success and stability. Employees must protect this information by safeguarding it when in use, using it only for the business of the Company and disclosing it only when authorized to do so and to those who have a legitimate business need to know about it. This duty of confidentiality applies whether the employee is on or off the Company's premises, and during and even after the end of the employee's employment with the Company. This duty of confidentiality also applies to communications transmitted by the Company's electronic communications. See Internet, Email and Computer Use policy, below.
- 3.4.2. As a condition of employment with the Company, all employees must sign a Non-Disclosure Agreement.

### **3.5. Employment of Relatives**

- 3.5.1. The Company recognizes that the employment of relatives in certain circumstances, such as when they will work in the same department, or supervise or manage the other, or have access to confidential or sensitive information regarding the other, can cause problems related to supervision, safety, security or morale, or create conflicts of interest that materially and substantially disrupt the Company's operations. When the Company determines any of these problems will be present, it will decline to hire an individual to work in the same department as a relative of an existing employee. Relatives subject to this policy include: father, mother, sister, brother, current spouse or domestic partner, child (natural, foster, or adopted), current mother-in-law, current father-in-law, grandparent, or grandchild.
- 3.5.2. If present employees become relatives during employment, the Company should be notified so that we may determine whether a problem involving supervision, safety, security or morale, or a conflict of interest that would materially and substantially disrupt the Company's operations exists. If the Company determines that such a problem exists, the Company will take appropriate steps to resolve the problem, which may include reassignment of one relative (if feasible) or asking for the resignation of one of the relatives.

### **3.6. Introductory Period**

- 3.6.1. The first 30 days of employment are considered an introductory period for all newly hired employees. During this time, you will learn your new responsibilities, get acquainted with fellow employees, and determine whether you are happy with the position. Also, during this time, your manager will monitor your performance. Upon completion of the introductory period, your manager will review your performance. If the Company finds your performance satisfactory and decides to continue your employment, you will be advised of any improvements expected. This is also an opportunity for you to make suggestions

to improve the Company's efficiency and operations. Completion of the introductory period does not entitle you to remain employed by the Company for any definite period of time, but instead allows both you and the Company to evaluate whether or not you are right for the position. Your status as an at-will employee does not change. The employment relationship may be terminated with or without cause and with or without advance notice, at any time by you or the Company.

### **3.7. Personnel Records and Employee References**

- 3.7.1. The Company maintains a personnel file and payroll records for each employee as required by law. Personnel files and payroll records are the property of the Company and may not be removed from Company premises without written authorization. Because personnel files and payroll records are confidential, access to the records is restricted. Generally, only those who have a legitimate reason to review information in an employee's file are allowed to do so. Disclosure of personnel information to outside sources will be limited. However, the Company will cooperate with requests from authorized law enforcement or local, state, or federal agencies conducting official investigations and as otherwise legally required.
- 3.7.2. Employees may contact a Human Resources representative to request a time to review their payroll records and/or personnel file. With reasonable advance notice, an employee may review his or her own records in the Company's offices and in the presence of an individual appointed by the Company to maintain the records. No copies of documents in your file may be made, with the exception of documents that you have previously signed, or documents that may be obtained by you subject to state and/or federal law. You may add your comments to any disputed item in the file.
- 3.7.3. By policy, the Company will provide only the former or present employee's dates of employment and position(s) held with the Company and eligibility for rehire, if asked. Compensation information may also be verified if written authorization is provided by the employee.

### **3.8. Privacy**

- 3.8.1. The Company is respectful of employee privacy. All employee demographic and personal information will be shared only as required in the normal course of business. If a healthcare plan becomes available in the future, healthcare enrollment information will be kept in a separate folder from other human resources forms. Workers' Compensation information is not considered private healthcare information; however, this information will be released only on a need-to-know basis.
- 3.8.2. The Company does not make or receive any private healthcare information through the course of normal work. If any employee voluntarily shares private healthcare information with a member of management, this information will be kept confidential. If applicable, the Company will set up guidelines for employees and management to follow to ensure that company employees conform to the requirements of the Health Insurance Portability and Accountability Act (HIPAA).



### **3.9. Immigration Law Compliance**

- 3.9.1. In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form 1-9 on day of hire and present documentation establishing identity and employment eligibility within three business days of date of hire. Former employees who are rehired must also complete an 1-9 form if they have not completed an 1-9 form with the Company within the past three years, or if their previous 1-9 form is no longer retained or valid. You may raise questions or complaints about immigration law compliance without fear of reprisal.

### **3.10. Religious Accommodation**

- 3.10.1. The Company will make reasonable accommodations for employees' observance of religious holidays and practices unless the accommodation would cause an undue hardship on the Company's operations. If you desire a religious accommodation, you are required to make the request in writing to your manager as far in advance as possible. You are expected to strive to find co-workers who can assist in the accommodation (e.g., trade shifts) and cooperate with the Company in seeking and evaluating alternatives.

### **3.11. Political Neutrality**

- 3.11.1. Maintenance of individual freedom and our political institutions necessitates broad scale participation by citizens concerning the selection, nomination and election of our public office holders. The Company will not discriminate against any employee because of identification with and support of any lawful political activity. Company employees are entitled to their own personal political position. The Company will not discriminate against employees based on their lawful political activity engaged in outside of work. If you are engaging in political activity, however, you should always make it clear that your actions and opinions are your own and not necessarily those of the Company, and that you are not representing the Company.

## **4. Hours of Work and Payroll Practices**

### **4.1. Pay Periods and Paydays**

- 4.1.1. Employees are paid on a weekly basis. All employees will be paid on Friday of each week. All employees are paid by check on the above-mentioned payday. If the regular payday falls on a weekend or Company holiday, employees will be paid on the last business day before the holiday and/or weekend.

### **4.2. Overtime**

- 4.2.1. non-exempt employees will be paid in accordance with Federal and Massachusetts state law. All overtime work by non-exempt employees must be authorized in advance by their manager. Only hours actually worked will be used to calculate overtime pay.

### **4.3. Rest and Meal Periods**

- 4.3.1. All rest and meal periods will be in accordance with Massachusetts state law. To the extent Massachusetts state law does not require rest and meal breaks, non-exempt employees will be provided a 10-minute rest break for every four hour period of work. This time is counted and paid as time worked. Non-exempt employees scheduled to work more than a five hour period will be provided a 30-minute unpaid meal period.

### **4.4. Time Cards**

- 4.4.1. Non-exempt employees are required to keep an accurate and complete record of their attendance and hours worked. Time cards are official business records and may not be altered without the employee's supervisor's approval and may not be falsified in any way.

### **4.5. Payroll Deductions**

- 4.5.1. Various payroll deductions are made each payday to comply with federal and state laws pertaining to taxes and insurance. Deductions will be made for the following: Federal and State Income Tax Withholding, Social Security, Medicare, State Disability Insurance & Family Temporary Disability Insurance, and other items designated by you or required by law (including a valid court order). You can adjust your federal and state income tax withholding by completing the proper federal or state form and submitting it to Accounting. At the start of each calendar year, you will be supplied with your Wage and Tax Statement (W-2) form for the prior year. This statement summarizes your income and deductions for the year.

### **4.6. Wage Garnishment**

- 4.6.1. A garnishment is a court order requiring an employer to remit part of an employee's wages to a third party to satisfy a just debt. Once the Company receives the legal papers ordering a garnishment, we are required by law to continue making deductions from your check until we have withheld the full amount or until we receive legal papers from the court to stop the garnishment. Even if you have already paid the debt, we still need the legal papers to stop the garnishment.



## **5. Standards of Conduct and Employee Performance**

### **5.1. Anti-Harassment and Discrimination**

- 5.1.1. The Company is committed to providing a work environment free of sexual or any form of unlawful harassment or discrimination. Harassment or unlawful discrimination against individuals on the basis of race, religion, creed, color, national origin, sex, sexual orientation, gender identity, age, ancestry, physical or mental disability, medical condition including medical characteristics, marital status or any other classification protected by local, state or federal laws is illegal and prohibited by Company policy. Such conduct by or towards any employee, contract worker, customer, vendor or anyone else who does business with the Company will not be tolerated. Any employee or contract worker who violates this policy will be subject to disciplinary action, up to and including termination of his or her employment or engagement. To the extent a customer, vendor or other person with whom the Company does business engages in unlawful harassment or discrimination, the Company will take appropriate corrective action.

### **5.2. Prohibited Conduct**

- 5.2.1. Prohibited harassment or discrimination includes any verbal, physical or visual conduct based on sex, race, age, national origin, disability or any other legally protected basis if:
  - 5.2.1.1. submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment or engagement.
  - 5.2.1.2. submission to or rejection of such conduct by an individual is used as a basis for decisions concerning that individual's employment or engagement; or it creates a hostile or offensive work environment.
- 5.2.2. Prohibited harassment includes unwelcome sexual advances, requests for sexual favors and lewd, vulgar or obscene remarks, jokes, posters or cartoons, and any unwelcome touching, pinching or other physical contact. Other forms of unlawful harassment or discrimination may include racial epithets, slurs and derogatory remarks, stereotypes, jokes, posters or cartoons based on race, national origin, age, disability, marital status or other legally protected categories.
- 5.2.3. Prohibited harassment might also be transmitted using the Company's electronic communications system, or through other on-line conduct.

### **5.3. Complaint Procedure**

- 5.3.1. Employees or contract workers who feel that they have been harassed or discriminated against, or who witness any harassment or discrimination by an employee, contract worker, customer, vendor or anyone else who does business with the Company, should immediately report such conduct to their supervisor or any other member of management.
- 5.3.2. Do not allow an inappropriate situation to continue by not reporting it, regardless of who is creating the situation. No employee, contract worker, customer, vendor or other person who does business with this organization is exempt from the prohibitions in this policy. In response to every complaint, the Company will conduct an investigation and, if improper conduct is found, take appropriate corrective action.

- 5.3.3. To the extent that an employee or contract worker is not satisfied with the Company's handling of a harassment or discrimination complaint, he or she may also contact the appropriate state or federal enforcement agency for legal relief.

## **5.4. Attendance**

- 5.4.1. Punctuality and regular attendance are essential to the successful operation of the Company's business. If an employee is unable to report to work (or to report to work on time) for any reason, the employee must notify his or her supervisor before his or her starting time. If an employee desires to leave work for any reason during the workday, the employee must obtain the approval of his or her supervisor prior to leaving. In the event that the employee fails to call his or her supervisor or report for work for 3 consecutive
- 5.4.2. workdays, the employee will be deemed to have voluntarily resigned from his or her employment with the Company and will be removed from the payroll. Excessive absenteeism or tardiness may subject the employee to disciplinary action, up to and including termination.

## **5.5. Discipline and Standards of Conduct**

- 5.5.1. As an at-will employer, the Company may impose discipline whenever it determines it is necessary or appropriate. Discipline may take various forms, including verbal counseling, written warnings, suspension, demotion, transfer, reassignment or termination. The discipline imposed will depend on the circumstances of each case; therefore, discipline will not necessarily be imposed in any particular sequence. Moreover, at any time the Company determines it is appropriate, an employee may be discharged immediately.
- 5.5.2. Every organization must have certain standards of conduct to guide the behavior of employees. Although there is no possible way to identify every rule of conduct, the following is an illustrative list (not intended to be comprehensive or to limit the Company's right to impose discipline for any other conduct it deems inappropriate]. Keep in mind that these standards of conduct apply to all employees whenever they are on Company property and/or conducting Company business (on or off Company property]. Engaging in any conduct the Company deems inappropriate may result in disciplinary action, up to and including termination. Such conduct may include:
  - 5.5.2.1. Dishonesty;
  - 5.5.2.2. Falsification of Company records;
  - 5.5.2.3. Unauthorized use or possession of property that belongs to the Company, a coworker, or member of the public;
  - 5.5.2.4. Possession or control of illegal drugs, weapons, explosives, or other dangerous or unauthorized materials;
  - 5.5.2.5. Fighting, engaging in threats of violence or violence, use of vulgar or abusive language, horseplay, practical jokes or other disorderly conduct that may endanger others or damage property;
  - 5.5.2.6. Insubordination, failure to perform assigned duties or failure to comply with the Company's health, safety or other rules;
  - 5.5.2.7. Unauthorized or careless use of the Company's materials, equipment or property;
  - 5.5.2.8. Unauthorized and/or excessive absenteeism or tardiness;
  - 5.5.2.9. Lack of teamwork, poor communication, unsatisfactory performance, unprofessional conduct, or conduct improper for the workplace;
  - 5.5.2.10. Sexual or other illegal harassment or discrimination;

- 5.5.2.11. Unauthorized use or disclosure of the Company's confidential information;
- 5.5.2.12. Violation of any Company policy.

## **5.6. Dress Code**

- 5.6.1. What we wear to work is a reflection of the pride we have in our Company, in what we do, and in ourselves. Although dress code requirements will vary according to job responsibilities, we ask that your appearance at all times show discretion, good taste, and not present a hazard in the performance of your job.
- 5.6.2. Approval or disapproval of what constitutes appropriate dress is at the discretion of the duty manager.

## **5.7. Safety**

- 5.7.1. The Company is committed to providing a safe workplace. Accordingly, the Company emphasizes "safety first." It is the employee's responsibility to take steps to promote safety in the workplace and work in a safe manner. By remaining safety conscious, employees can protect themselves and their coworkers.
- 5.7.2. Employees are expected to promptly report all unsafe working conditions, accidents and injuries, regardless of how minor so that any potential hazards can be corrected.

## **5.8. Substance and Abuse**

- 5.8.1. The Company is committed to providing its employees with a safe and productive work environment. In keeping with this commitment, it maintains a strict policy against the use of alcohol and the unlawful use of drugs in the workplace. Consequently, no employee may consume or possess alcohol, or use, possess, sell, purchase or transfer illegal drugs at any time while on the Company's premises or while using the Company vehicles or equipment, or
- 5.8.2. No employee may report to work with illegal drugs (or their metabolites) or alcohol in his or her bodily system. The only exception to this rule is that employees may engage in moderate consumption of alcohol that may be served and/or consumed as part of an authorized Company social or business event.
- 5.8.3. "Illegal drug" means any drug that is not legally obtainable or that is legally obtainable but has not been legally obtained in accordance with the Laws of the Commonwealth of Massachusetts. It includes prescription drugs not being used for prescribed purposes or by the person to whom it is prescribed or in prescribed amounts. It also includes any substance a person holds out to another as an illegal drug.
- 5.8.4. Any violation of this policy will result in disciplinary action, up to and including termination of employment.
- 5.8.5. Any employee who feels he or she has developed an addiction to, dependence upon, or problem with alcohol or drugs, legal or illegal, is strongly encouraged to seek assistance before a violation of this policy occurs. Any employee who requests time off to participate in a rehabilitation program will be reasonably accommodated. However, employees may not avoid disciplinary action, up to and including termination, by entering a rehabilitation program after a violation of this policy is suspected or discovered. When, in the Company's sole and absolute discretion, the Company determines it is appropriate, an employee may be offered the option of participating in and satisfactorily completing a Company-approved drug and/or alcohol rehabilitation program in lieu of termination.



## **5.9. Workplace Searches**

- 5.9.1. To protect Company property, prevent diversion, and to ensure the safety of all employees, the Company reserves the right to inspect and search any employee's office, desk, drawers, cabinets, files, locker, equipment, including computers, e-mail and voicemail, Company vehicles, and any area on Company premises. In this regard, it should be noted that all offices, desks, file drawers, cabinets, lockers, and other Company equipment and facilities are the property of the Company, and are intended for business use.
- 5.9.2. Employees should have no expectation of privacy with respect to items brought onto Company property and/or stored in Company facilities. Inspection may be conducted at any time, without notice, at the discretion of the Company.
- 5.9.3. In addition, when the Company deems appropriate, employees may be required to submit to searches of their personal vehicles, parcels, purses, handbags, backpacks, briefcases, lunch boxes or any other possessions or articles brought on to the Company's property.
- 5.9.4. Persons entering the premises who refuse to cooperate in an inspection conducted pursuant to this policy may not be permitted to enter the premises. All employees must cooperate in an inspection; failure to do so is insubordination and will result in disciplinary action, up to and including termination.

## **5.10. Social Media Policy**

- 5.10.1. CCE CAT, LLC. is committed to utilizing social media to enhance its profile and reputation, to listen and respond to customer opinions and feedback, and to drive revenue, loyalty and advocacy. We encourage employees to support our activities through their personal social networking channels while adhering to the guidelines outlined in this section.
- 5.10.2. For the purpose of this section, social media and networking refers to the use of web-based and mobile applications for social interaction and the exchange of user generated content. Social media channels can include, but are not limited to: Facebook, Twitter, LinkedIn, YouTube, blogs, review sites, forums, online communities and any similar online platforms.
- 5.10.3. Employees are expected to conduct themselves in a professional manner, to respect the views and opinions of others, and to demonstrate respect for the company, its ownership, clients, guests, vendors, employees and competitors.
- 5.10.4. The Company and its employees are committed to conducting ourselves in accordance with best industry practices in social networking, to being responsible citizens and community members, to listening and responding to feedback, and to communicating in a courteous and professional manner. Behavior and content that may be deemed disrespectful, dishonest, offensive, harassing or damaging to the company's interests or reputation are not permitted.
- 5.10.5. The use of social media channels on company time for personal purposes is not allowed.
- 5.10.6. Any social media contacts, including "followers" or "friends," that are acquired through accounts (including but not limited to email addresses, blogs, Twitter, Facebook, YouTube, LinkedIn, or other social media networks) created on behalf of the Company will be the property of the Company.
- 5.10.7. Employees must not disclose private or confidential information about the Company, its employees, clients, suppliers or customers on social networks. Employees must respect trademarks, copyrights, intellectual property and proprietary information. No third-party content should be published without prior permission from the owner.

- 5.10.8. The Company maintains the right to monitor company-related employee activity in social networks. Violation of policy guidelines is grounds for discipline, up to and including termination.

5.11. **Cell Phone Policy**

- 5.11.1. The use of personal cell phones at work is discouraged because it can interfere with work and be disruptive to others. Therefore, employees who bring personal cell phones to work are required to keep the ringer shut off or placed on vibrate mode when they are in the facility, and to keep cell phone use confined to breaks and meal periods. Conversations should be had away from areas where other employees are working. When cell phone use interferes with the satisfactory performance of an employee's duties or disturbs others, the privilege of using a personal cell phone at work may be taken away and other disciplinary action, up to and including termination, may be imposed.
- 5.11.2. The Company may provide cell phone allowances to employees in certain positions in an effort to improve efficiency and effectiveness. When cell phones are used for Company business, employees must comply with all Company policies governing conduct, including our policies prohibiting discrimination, harassment, and violence in the workplace. When using the cell phone in a public place, please remember to maintain the confidentiality of any private or confidential business information. As a courtesy to others, please shut cell phones off or place on vibrate mode during meetings.

## **6. Employee Benefits and Services**

### **6.1. General**

- 6.1.1. Aside from those benefits required by state and federal regulations, CCE CAT, LLC. also offers additional benefits for its full-time employees.
- 6.1.2. From time to time, benefits may be added or deleted from the benefits package.
- 6.1.3. The Company reserves the right to make such changes. This Handbook does not contain the complete terms and/or conditions of any of the Company's current benefit plans. It is intended only to provide general explanations.
- 6.1.4. For information regarding employee benefits and services, employees should contact Human Resources.

### **6.2. COBRA**

- 6.2.1. Under the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986, if you are covered under the Company's group health insurance plan(s) you are entitled to continue your coverage in the event that your employment with the Company ends. Under COBRA, the Company must offer each qualified beneficiary (the employee and any covered dependents) who would otherwise lose coverage under the plan as a result of a qualifying event an opportunity to continue their insurance coverage. A qualifying event is defined as termination of employment, a reduction in the number of hours of employment, death of covered employee, divorce or legal separation, a dependent child ceases to be dependent, eligibility of the covered employee for Medicare, or an employer's bankruptcy.

### **6.3. Worker's Compensation**

- 6.3.1. All states have Workers' Compensation laws whose purpose is to promote the general welfare of people by providing compensation for accidental injuries or death suffered in the course of employment. These laws are designed to provide protection to workers suffering occupational disabilities through accidents arising out of, and in the course of employment.
- 6.3.2. CCE CAT, LLC. carries Workers' Compensation Insurance for all employees and pays the entire cost of the insurance program.
- 6.3.3. An employee who suffers an injury or illness in connection with the job is usually eligible to receive payment through the insurance company for lost wages.
- 6.3.4. In addition to disability payments, necessary hospital, medical and surgical expenses are covered under Workers' Compensation, with payments being made directly to the hospital or physician.
- 6.3.5. Workers' Compensation benefits to injured workers also includes assistance to help qualified injured employees return to suitable employment.

### **6.4. Social Security Benefits (FICA)**

- 6.4.1. During your employment, you and the Company both contribute funds to the Federal government to support the Social Security Program. This program is intended to provide you with retirement benefit payments and medical coverage once you reach retirement age.

### **6.5. Unemployment Insurance**

- 6.5.1. The company pays a state and federal tax to provide employees with unemployment insurance coverage in the event they become unemployed through no fault of their own or due to circumstances described by law. This

insurance is administered by applicable state agencies, who determine eligibility for benefits, the amount of benefits (if any), and duration of benefits.

## **7. Employee Leaves of Absence and Time Off**

### **7.1. General**

- 7.1.1. While regular attendance is crucial to maintain business operations, the Company recognizes that, for a variety of reasons, employees may need time off from work. The Company has available a number of types of leaves of absence. Some are governed by law and others are discretionary. For all planned leaves, however, employees must submit a request at least 14 days in advance; in case of emergencies, employees should submit the request as soon as they become aware of the need for leave. All leaves must have the approval of the Company management. If, during a leave, an employee accepts another job, engages in other employment or consulting outside of the Company, or applies for unemployment insurance benefits, the employee may be considered to have voluntarily resigned from employment with the Company.
- 7.1.2. All requests for a leave of absence will be considered in light of their effect on the Company and its work requirements, as determined by the Company management, which reserves the right to approve or deny such requests in its sole discretion, unless otherwise required by law. For disability-related leave requests, the Company will engage in an interactive process with the employee to determine if a leave is the most appropriate accommodation.
- 7.1.3. The employee must provide a certification from his or her health care provider to the Company to support a leave for medical reasons. Failure to provide the required certification to the Company in a timely manner will result in delay or denial of leave.
- 7.1.4. If an employee requires an extension of leave, the employee must request such extension and have it approved before the expiration of the currently approved leave.
- 7.1.5. While the Company will make a reasonable effort to return the employee to his or her former position or a comparable position following an approved leave of absence, there is no guarantee that the employee will be reinstated to his or her position, or any position, except as required by law.

### **7.2. Sick Days**

- 7.2.1. Eligible employees are entitled to paid sick days in accordance with Massachusetts law.

### **7.3. Pregnancy-Disability Leave**

- 7.3.1. Employees who are disabled on account of pregnancy, childbirth, or a related medical condition may request an unpaid leave of absence. Such leave will be granted for the period of disability, up to a maximum of four months. Time off may be requested for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, and recovery from childbirth.
- 7.3.2. Leave provided for pregnancy disability is treated separately from leaves required by the state family and medical leave law. However, the first 12 workweeks of a pregnancy disability leave will be treated concurrently as a leave pursuant to the federal Family and Medical Leave Act ("FMLA") for all eligible employees.
- 7.3.3. Employees who wish to take a pregnancy disability leave must notify Human Resources of the date the leave is expected to commence and the estimated duration of the leave. Notice should be given as indicated above. The employee must also provide a medical certification of disability to the Company. Failure to provide the required medical certification to the Company in a timely manner will

result in delay or denial of leave. Before returning to work, the employee must provide a medical certification that she is able to resume her original job duties. Appropriate forms may be obtained from Human Resources.

7.3.4. Employees who return to work immediately following the expiration of an approved pregnancy disability leave will generally be reemployed in their former position or a comparable job, as required by law.

7.3.5. Employees who are affected by pregnancy may also be eligible to transfer to a less strenuous or hazardous position or duties, provided certain prerequisites are met. Reasonable accommodations may be requested with the advice of the employee's health care provider. In addition, lactation accommodation is also available, upon request. For more information on pregnancy disability leave or transfer and its effect on the terms, conditions or benefits of employment, please contact Human Resources.

#### **7.4. Workers' Compensation Leave**

7.4.1. Any employee who is unable to work due to a work related injury or illness and who is eligible for Workers' Compensation benefits will be provided an unpaid leave for the period required. The first 12 weeks will be treated concurrently as a family and medical leave under the federal Family Medical Leave Act ("FMLA") for eligible employees.

#### **7.5. Voting Time**

7.5.1. Employees who are registered voters and who lack sufficient time outside of work to vote in any local, state, and national election may take up to two hours off work with pay at the beginning or end of the day for this purpose. Employees should provide at least two working days' notice when time off is required.



# **CCE CAT, LLC.**

## **Maintaining Financial Records**

**An extract from our Manufacturing Facility Operations Manual**

## 1.1. Financial Record Keeping

Pursuant to 935 CMR 500.000, company records will be available for inspection by the Commission, upon request. All financial records will be maintained in accordance with generally accepted accounting principles. CCE CAT, LLC, will maintain the following written records that are required and subject to inspection, as well as any additional documentation that it may be directed to record by the Commission:

- 1.1.1. The company will maintain business financial records, which shall include manual or computerized records of:
  - 1.1.1.1. Assets and liabilities.
  - 1.1.1.2. Monetary transactions.
  - 1.1.1.3. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers
  - 1.1.1.4. Sales records including the quantity, form, and cost of marijuana products; and
  - 1.1.1.5. Inventory records as required by 935 CMR 500.105(8) and as outlined in the General Record Keeping section of our standard operating procedures.
- 1.1.2. Inventory records include:
  - 1.1.2.1. Shipping manifests
  - 1.1.2.2. Delivery and unpacking video recordings
  - 1.1.2.3. Daily sales stock withdrawal and return reports
  - 1.1.2.4. Weekly inventory reports
  - 1.1.2.5. Product return reports
- 1.1.3. Salary and wages paid to each employee, stipends paid to each board member, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with a Marijuana Establishment, if any.
- 1.1.4. All financial transactions and accounts will be entered into a proprietary accounting software by a bookkeeper specifically employed for the purpose.
- 1.1.5. The accounting software used will provide security and backup capabilities in accordance with 935 CMR 500.000 and the company security plan.
- 1.1.6. Daily sales reports will be generated by the bookkeeper and stored both digitally and as a hard copy in the records cabinet.
- 1.1.7. The accounts will be reviewed monthly by a licensed CPA.
- 1.1.8. The Operations Manager will generate a sales report from the point of sale system at the conclusion of each day. This report should be digitized and a hard copy stored in the records cabinet
- 1.1.9. Expense records
  - 1.1.9.1. Operations Managers and senior management may be provided with a company debit card and/or check-signing authorization. A receipt must be obtained and presented to the bookkeeper for all expenses paid through these means
  - 1.1.9.2. Documentation supporting business expenses such as statements and invoices, details of cash payments, receipts and the like must be securely stored in the records cabinet and presented to the bookkeeper for entry into the accounting software.

- 1.1.10. Contracts and Agreements - CCE CAT, LLC, will likely enter into a number of contracts and agreements with the host municipality, service providers, financial institutions, property owners etc. Such contracts and agreements include, but are not limited to;
- Sales and Purchase agreements
  - Loan agreements
  - Rental agreements
  - Lease agreements
  - Franchise agreements
  - Sale and lease back agreements
  - Trading agreements with suppliers
  - Insurance policies
  - Legal documentation
- All such documentation must be digitized and a hard copy stored in the records cabinet.
- 1.1.11. Other documents may include;
- Deposits with utility companies
  - Contracts with telecommunications companies
  - Business registration documents and certificates
  - Business licensing documents
  - Surety bonds
  - Tax records

All such documentation must be digitized and a hard copy stored in the records cabinet.

# **CCE CAT, LLC.**

## **Plan to Restrict Access to Persons Under 21**

**An extract from our Manufacturing Facility Operations Manual**

### IMPORTANT NOTE

The manufacturer and wholesale sale of cannabis products is our reason for existence. We have been licensed by the state and local authorities to provide and sell inspected, quality cannabis products for adult use, and, where appropriate, to educate our clientele on any questions they might have about the safe use of these products.

Inevitably, many customers will seek out cannabis for its perceived medical benefits. **We are not doctors, and consequently, cannot give medical advice.** We can offer guidance and share anecdotal stories of what customers have experienced from some of the different strains and delivery methods (tincture, edibles, etc...) that we offer, but **we cannot give assurances that any cannabis product will work to alleviate any particular ailment or symptom.**

As a licensed manufacturing establishment we are mandated to follow the state's requirements for tracking sales. Our license only permits wholesale sales to licensed marijuana retail establishments. The state requires that we track and record all sales transactions including customer details. This is also an essential element of our company policy of rigorous compliance with all state and local legislation and by-laws, and a key component of our strategy to combat diversion. All customers must have their details, including their verified state retail marijuana license entered into the database prior to any sale or transfer. These details, together with a record of their purchases, will be recorded and maintained for the benefit of state inspectors.

**NO** customer may enter our production premises without first presenting a valid, recognized, photo ID to the Duty Manager. Valid ID must be shown before entering the facility and at the Point of Sale for data-entry purposes.

**There are NO EXCEPTIONS, and NO EXCUSES to this rule.**

#### 1. Restricting Access to age 21 and older

- 1.1. All employees and registered agents must be 21 years of age or older.
- 1.2. All visitors must be 21 years of age or older.
- 1.3. In accordance with 935 CMR 500.110 (1) (a) and 935 CMR 500.105 (14), **NO** person may enter our premises without first producing a valid, state or federal, photo ID.
- 1.4. Valid ID must be presented to the Duty Manager prior to entering the facility, and at the Point of Sale for data-entry purposes.
- 1.5. No person under 21 years of age may enter the premises. There are **NO** exceptions to this rule.
- 1.6. Loitering, in accordance with 935 CMR 500.110 (1) (b) is not permitted under any circumstances. Any person suspected of loitering should be politely questioned by a member of staff and, if unable to credibly account for their presence, be asked to leave the vicinity. Should the person refuse, the matter should be elevated to the Operations Manager who may, if necessary, contact local law enforcement for assistance in removing the person from the facility.
- 1.7. All cannabis waste will be rendered unusable and safely disposed of as outlined in **Cannabis Waste Disposal Procedures**, above.
- 1.8. All access to cannabis product will be strictly controlled and monitored as outlined in **Prevention of Diversion**, above.

# **CCE CAT, LLC.**

## **Quality Control and Testing**

**An extract from our Manufacturing Facility Operations Manual**



## 1.1. Quality Control and Testing

### 1.1.1. Incoming marijuana inventory

- 1.1.1.1. In accordance with 935 CMR 500.160 (9), no marijuana product shall be sold or otherwise marketed for adult use that has not first been tested by an independent, state-licensed, testing laboratory and deemed to comply with the standards required under 935 CMR 500.160
- 1.1.1.2. We must ensure that only the leaves and flowers of the female marijuana plant are processed accordingly in a safe and sanitary manner as prescribed below:
  - Well cured and generally free of seeds and stems;
  - Free of dirt, Sand, debris, and other foreign matter;
  - Free of contamination by mold, rot, other fungus, and bacterial diseases;
  - Prepared and handled on food-grade stainless steel tables; and
  - Packaged in a secure area.
- 1.1.1.3. All of the raw cannabis materials used in our products are tested by our cultivation suppliers. The initial quality control and testing of these raw cannabis materials is the responsibility of these suppliers. That being said, there are certain steps that we can take to ensure that the products entering our inventory are tested, have achieved the correct quality, and are stored and rotated in a manner that best ensures their continued quality throughout their shelf-life.
  - All products must be thoroughly checked upon arrival at our facility in accordance with **Transportation of Marijuana** and **Inventory Control and Reconciliation** protocols above.
  - Should the accompanying test report indicate contaminant levels in excess of those accepted by DPH protocols identified in 935 CMR 500. 160 (1), the Operations Manager will immediately notify senior management who will notify the commission within 72 hours.
  - Together, the Operations Manager, the testing laboratory, and the original producer will determine whether the product is suitable for remediation or whether the entire batch must be destroyed in accordance with 935 CMR 500.105 (12).
  - Each of the three parties should submit a report on the incident to the Commission.
  - The Operations Manager should check each item and identify any that are outdated, damaged, mislabeled, contaminated or compromised. Any such products should be set aside for disposal.
  - Once the products enter our inventory it is the Operations Manager's responsibility to ensure that:
    - 1.1.1.3.○.1. Stock is efficiently rotated to ensure that older product is used before newer product.
    - 1.1.1.3.○.2. All stock is appropriately stored to prevent spoiling and damage to the product.

### **1.1.2. Outgoing marijuana inventory**

- 1.1.2.1. In accordance with 935 CMR 500.160 (9), no marijuana product shall be sold or otherwise marketed for adult use that has not first been tested by an independent, state-licensed, testing laboratory and deemed to comply with the standards required under 935 CMR 500.160
- 1.1.2.2. All of our products are sold pre-packaged and tested by a state-licensed, marijuana test laboratory. The final quality control and testing of our products is the responsibility of both the test laboratory and CCE CAT, LLC. There are certain steps that we must take to ensure that the products leaving our inventory for delivery to licensed retail establishments are tested, have achieved the correct quality, and are stored and rotated in a manner the best ensures their continued quality throughout their shelf-life.
- 1.1.2.3. All products must be thoroughly checked prior to shipment from our facility in accordance with **Transportation of marijuana** and **Inventory Control and Reconciliation** protocols above.
- 1.1.2.4. No production batch may be cleared for shipment before a sample has been submitted to the testing lab for analysis and the relevant test report has been received by us and entered into the database.
- 1.1.2.5. Should the test report indicate contaminant levels in excess of those accepted by DPH protocols identified in 935 CMR 500. 160 (1), the Operations Manager will immediately notify senior management who will notify the commission within 72 hours.
- 1.1.2.6. Together, the Operations Manager, the testing laboratory, and the original cultivator will determine whether the product is suitable for remediation or whether the entire production batch must be destroyed in accordance with 935 CMR 500.105 (12).
- 1.1.2.7. Each of the three parties should submit a report on the incident to the Commission.
- 1.1.2.8. The Operations Manager should check each item and identify any that are outdated, damaged, mislabeled, contaminated or compromised. Any such products should be set aside for disposal.
- 1.1.2.9. Whilst our products remain in our inventory it is the Operations Manager's responsibility to ensure that:
  - Stock is efficiently rotated to ensure that older product is sold before newer product.
  - All stock is appropriately stored to prevent spoiling and damage to the product.

### **1.1.3. Hygiene**

- 1.1.3.1. All agents whose job includes contact with marijuana is subject to the requirements for food handlers specified.
- 1.1.3.2. Any agent working in direct contact with marijuana shall conform to sanitary practices while on duty, including:
  - Maintaining adequate personal cleanliness; and
  - Washing hands appropriately.

- 1.1.3.3. Hand-washing facilities shall be located in production areas and where good sanitary practices require employees to wash and sanitize their hands.
- 1.1.3.4. There shall be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations.
- 1.1.3.5. Litter and waste shall be properly removed so as to minimize the development of odor and the potential for the waste attracting and harboring pests.
- 1.1.3.6. Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately kept clean and in good repair.
- 1.1.3.7. All contact surfaces shall be maintained, cleaned, and sanitized as frequently as necessary to protect against contamination.
- 1.1.3.8. All toxic items shall be identified, held, and stored in a manner that protects against contamination of marijuana.
- 1.1.3.9. Water supply shall be sufficient for necessary operations.
- 1.1.3.10. Plumbing shall be of adequate size and design and maintained to carry sufficient quantities of water to required locations throughout the establishment.
- 1.1.3.11. The establishment shall provide its employees with adequate, readily accessible toilet facilities.
- 1.1.3.12. Storage and transportation of finished products shall be under conditions that will protect them against physical, chemical, and microbial contamination.

**CCE CAT, LLC**  
**Qualifications and Training**  
**Manufacturing Facility Employee Handbook**

# 1. Manufacturing Roles, Qualifications, and, Training

## 1.1. General

- 1.1.1. All employees shall receive training on job specific duties prior to performing those job functions.
- 1.1.2. All employees shall receive a minimum of eight (8) hours of ongoing training annually.
- 1.1.3. All current owners, managers, and employees shall complete the Responsible Vendor Program after July 1, 2019 or when available.
- 1.1.4. All new employees shall complete the Responsible Vendor Program within 90 days of being hired.
- 1.1.5. Responsible Vendor Program documentation must be retained for four (4) years.

## 1.2. Facility Job Classifications and Requirements:

- 1.2.1. **Operations Manager** - The operations manager is the face of the facility. The manager must interface with staff, law enforcement, inspectors, vendors, and customers. The principal responsibility of the operations manager is to coordinate and facilitate the operations of the facility. They must maintain records, have contact with suppliers and the grow site, embrace customer service and understand marketing. They will train employees and decide which products to process and manufacture, and determine best pricing based on market conditions. They are responsible for keeping up with all changes in local and state law regarding operation of the facility. The most important job of the store manager is to ensure the security and integrity of our inventory.
- 1.2.2. **Duty Manager** - The Duty manager deputizes for the Operations Manager in their absence. The Duty manager must interface with staff, law enforcement, inspectors, vendors, and customers. They must maintain records, have contact with suppliers and the grow site, embrace customer service and understand marketing. They will train and supervise employees. They are responsible for keeping up with all changes in local and state law regarding operation of the facility. The most important job of the store manager is to ensure the security and integrity of our inventory.
- 1.2.3. **Wholesale Sales Agent** - The store has a need for retail professionals who can communicate articulately and passionately with customers about a wide range of cannabis products. Desirable backgrounds include previous marijuana vertical experience, sales, pharmacy, education, and customer service. Knowledge of cannabis, the varieties of cannabis, and their effects is highly relevant. They must be keenly aware of the difference of Indica, Sativa and their hybrids. A sales agent will maintain records in accordance with the Operations Manual, serve customers, offering advice and recommendations, be mindful and vigilant in terms of security, and diversion. Sales agents will be trained by the operations manager. This position may be full-, or part-time.
- 1.2.4. **Production Associate** - Our facility has an ongoing need for production associates to process and manufacture our range of cannabis products. This product range includes, but is not limited to:
  - Edibles
  - Extracts
  - Pre-rolls

Tinctures  
Beverages  
Vape pens

Production associates will be required to possess or undergo training in the following manufacturing skills:

Extraction  
Weighing  
Measuring  
Filling cones  
Freezing  
Drying

As with all employees, their duties include ensuring the integrity of the facility's security systems and protecting the facility and its customers from outside criminal disturbance. Desired backgrounds include previous marijuana vertical experience, pharmacy, education, and customer service. Knowledge of cannabis, the varieties of cannabis, and their effects is highly relevant. They must be keenly aware of the difference of Indica, Sativa and their hybrids. A production associate will maintain records in accordance with the Operations Manual, fulfill production routines, offering advice and recommendations, be mindful and vigilant in terms of security, and diversion. Production associates will be trained by the operations manager. This position may be full-, or part-time.

### **1.3. Employee Training and Selection**

1.3.1. Our production facility is looking for motivated, friendly, articulate and compassionate people to help create our products and provide our customers and consumers with the finest cannabis products available. We look for people with the above attributes and certain preferred core skills. We are willing to train others in order to ensure workforce diversity. Some of the desirable backgrounds we are looking for include sales, pharmacy, and those with previous experience in the cultivation, processing, and sale of cannabis products through various networks. Previous work experience in a medical or production marijuana facility is highly desirable. We generally train all employees in the following subjects, but tailor each course according to their role within our organization.

- 1.3.1.1. Cannabis Science
- 1.3.1.2. Horticultural & Organic Cultivation
- 1.3.1.3. Methods of Extraction
- 1.3.1.4. Methods of Ingestion
- 1.3.1.5. Cooking with Cannabis
- 1.3.1.6. Medical marijuana use
- 1.3.1.7. Massachusetts Cannabis Law

1.3.2. Our company is looking for all types of help for our wholesale manufacturing operation, both operational, and administrative. Typical responsibilities include:

- 1.3.2.1. Production management
- 1.3.2.2. Wholesale Sales
- 1.3.2.3. Production and manufacturing
- 1.3.2.4. Packaging labeling and inventory
- 1.3.2.5. Sanitation and maintenance of the facility
- 1.3.2.6. Security of the facility and deliveries

- 1.3.2.7. Back-office business and management roles such as, account management, administration, etc.



# **Diversity Plan CCE CAT, LLC**

## **Introduction**

To the extent permissible by law it is the policy of this company to promote equity among the following demographic groups:

1. Minorities;
2. Women;
3. Veterans;
4. People with disabilities; and
5. People who identify as LGBTQ+

The execution of this plan will be documented and reviewed annually. The outcome of this review will be provided by our company to the Commission prior to the annual renewal of our license.

Any action taken, or programs instituted, by our company for the execution of this plan will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

This plan will adhere to the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of Marijuana Establishments.

## **Goals**

Our company has established the diversity goal of employing 20% or more women and or veterans in retail and management positions to help them achieve their goal of entering the adult-use marijuana industry.

## **Programs**

The following programs will help effectuate the above goals:

1. Employment opportunities- when available- will be published no less frequently than annually- in diverse media with the objective of more effectively reaching women and veterans;
2. Distribute internal workplace information sheets, bi-annually, aimed at encouraging current employees to recommend women and veterans for employment;
3. Participate in job and recruitment fairs- no less than annually when employees are needed- that specifically target women and veterans
4. women and veterans will be offered opportunities to shadow their immediate supervisor to help achieve a transfer of the skills, knowledge, and responsibilities that this role demands.

**Measurement**

Ideally, a cross-section of the individuals that are employed by our company should reflect the demographic make-up of the community that we serve. To that end we intend to focus our efforts on the following metrics:

1. Have five employment positions been created since initial licensure?
2. Have we advertised available positions in diverse media with the objective of more effectively reaching women and veterans?
3. Have we attended at least one job and recruitment fair that specifically targets women and or veterans?
4. Have women and or veterans been hired and retained for at least 20% of the available positions?
5. Have women and or veterans been offered opportunities to engage in shadow training?
6. How many women and or veterans have chosen to engage in shadow training?

None of the above shall prevent the company from hiring the most qualified candidates and complying with all employment laws and other legal requirements. In addition to direct hiring, the company will work in good faith, in a legal and non-discriminatory manner to consider the status of vendors, suppliers, contractors, and tradesmen when planning to employ such individuals from within the local municipality