



Massachusetts Cannabis Control Commission

Marijuana Retailer

General Information:

License Number: MR281844
Original Issued Date: 03/11/2020
Issued Date: 03/11/2020
Expiration Date: 03/11/2021

ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: CTDW LLC

Phone Number: 978-804-3361 Email Address: Ctuttle@ctpboston.com

Business Address 1: 11 Larchmont Street Business Address 2:

Business City: Salem Business State: MA Business Zip Code: 01970

Mailing Address 1: 3 Dodge Street Mailing Address 2:

Mailing City: Salem Mailing State: MA Mailing Zip Code: 01970

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: 38.13 Percentage Of Control: 51

Role: Executive / Officer Other Role:

First Name: Paul "Chip" Last Name: Tuttle Suffix:

Gender: Male	User Defined Gender:
What is this person's race or ethnicity?: Decline to Answer	
Specify Race or Ethnicity:	
Person with Direct or Indirect Authority 2	
Percentage Of Ownership: 36.63	Percentage Of Control: 49
Role: Executive / Officer	Other Role:
First Name: Donald	Last Name: Wyse
	Suffix:
Gender: Male	User Defined Gender:
What is this person's race or ethnicity?: Decline to Answer	
Specify Race or Ethnicity:	

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

Entity with Direct or Indirect Authority 1

Percentage of Control: 100	Percentage of Ownership: 100
Entity Legal Name: CTDW Holdings, Inc.	Entity DBA:
	DBA City:
Entity Description: Parent Company (Sole Member of CTDW, LLC), with identical ownership and control as the Applicant, CTDW, LLC.	
Foreign Subsidiary Narrative:	
Entity Phone: 617-959-4029	Entity Email: donald.wyse@gmail.com
Entity Address 1: 11 Larchmont Road, Salem, MA 01970	Entity Website:
Entity City: Salem	Entity Address 2:
Entity State: MA	Entity Zip Code: 01970
Entity Mailing Address 1: 11 Larchmont Road, Salem, MA 01970	Entity Mailing Address 2: 4 Antigo Way Nahant, MA 01908
Entity Mailing City: Salem	Entity Mailing Zip Code: 01970
Entity Mailing State: MA	

Relationship Description: CTDW Holdings, Inc. ("Parent") is now the sole member (i.e., sole owner) of CTDW, LLC ("Applicant"). Paul M. Tuttle, Jr. owns 38.13% of the issued and outstanding shares of capital stock of Parent and Donald D. Wyse owns 36.63% of the issued and outstanding shares of capital stock of Parent. Tuttle and Wyse previously owned 51% and 49% of the membership interests in Applicant, and contributed those membership interests in exchange for the same percentage (51% and 49%, respectively) of the issued and outstanding shares of capital stock of Parent. Tuttle and Wyse have since sold a total of 25.24% of the issued and outstanding shares of Parent to ten (10) different individuals. Of these ten (10) individuals who among them own collectively 25.24% of the issued and outstanding shares of Parent, no individual or entity owns more than 10% of shares of Parent. None of these ten (10) individuals are owners, control persons, executives, or close associates as those terms are defined by 935 CMR 500. They are passive investors.

Parent's two-person Board of Directors is comprised of Tuttle and Wyse, as is the two-member Board of Managers of Applicant. Tuttle is President and Secretary of Parent and remains CEO of Applicant. Wyse is Treasurer, CFO and COO of Parent, and remains COO of Applicant.

CLOSE ASSOCIATES AND MEMBERS

No records found

CAPITAL RESOURCES - INDIVIDUALS

Individual Contributing Capital 1

First Name: Paul "Chip"	Last Name: Tuttle	Suffix:
Types of Capital: Monetary/ Equity	Other Type of Capital:	Total Value of the Capital Provided: \$650829.74
		Percentage of Initial Capital: 72

Capital Attestation: Yes

Individual Contributing Capital 2

First Name: Donald

Last Name: Wyse

Suffix:

Types of Capital: Monetary/Equity Other Type of Capital: Total Value of the Capital Provided: \$250000 Percentage of Initial Capital: 28

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: 3 Dodge Street

Establishment Address 2:

Establishment City: Salem

Establishment Zip Code: 01970

Approximate square footage of the establishment: 6240

How many abutters does this property have?: 1

Have all property abutters 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
Plan to Remain Compliant with Local Zoning	7. Seagrass - Plan to Remain Compliant with Local Zoning.pdf	pdf	5c3cd7ccd7a931124edfea59	01/14/2019
Community Outreach Meeting Documentation	Outreach Attestation - COMPLETE.PDF	pdf	5c3cd83d635d511b3474b3f3	01/14/2019
Certification of Host Community Agreement	Host Community Agreement Certification Form.pdf	pdf	5c3f76ee5fd63c1b24eb0ea7	01/16/2019

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	Seagrass - Plan to Positively Impact Areas of Disproportionate Impact.pdf	pdf	5d743844af9d6f1dd58a2599	09/07/2019
Other	Seagrass - North Shore CDC Letter.pdf	pdf	5d743885af9d6f1dd58a259d	09/07/2019

ADDITIONAL INFORMATION NOTIFICATION

Notification: I understand

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: Executive / Officer **Other Role:**

First Name: Paul "Chip" **Last Name:** Tuttle **Suffix:**

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 2

Role: Executive / Officer **Other Role:**

First Name: Donald **Last Name:** Wyse **Suffix:**

RMD Association: Not associated with an RMD

Background Question: no

ENTITY BACKGROUND CHECK INFORMATION

Entity Background Check Information 1

Role: Parent Company **Other Role:**

Entity Legal Name: CTDW Holdings, Inc. **Entity DBA:**

Entity Description: Parent Company (Sole Member of CTDW, LLC), with identical ownership and control as the Applicant, CTDW, LLC.

Phone: 617-959-4029 **Email:** donald.wyse@gmail.com

Primary Business Address 1: 11 Larchmont Road, Salem, MA 01970 **Primary Business Address 2:**

Primary Business City: Salem **Primary Business State:** MA **Principal Business Zip Code:** 01970

Additional Information: CTDW Holdings, Inc. ("Parent") is now the sole member (i.e., sole owner) of CTDW, LLC ("Applicant"). Paul M. Tuttle, Jr. owns 51% of the issued and outstanding shares of capital stock of Parent and Donald D. Wyse owns 49% of the issued and outstanding shares of capital stock of Parent. Tuttle and Wyse previously owned 51% and 49% of the membership interests in Applicant, and contributed those membership interests in exchange for the same percentage (51% and 49%, respectively) of the issued and outstanding shares of capital stock of Parent.

Parent's two-person Board of Directors is comprised of Tuttle and Wyse, as is the two-member Board of Managers of Applicant. Tuttle is President and Secretary of Parent and remains CEO of Applicant. Wyse is Treasurer, CFO and COO of Parent, and remains COO of Applicant.

MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	CTDW Amended and Restated Operating Agreement.pdf	pdf	5cd4d978bd6ce20a6daff04f	05/09/2019
Department of Revenue - Certificate of Good standing	Seagrass - Certificate of Good Standing (DOR).pdf	pdf	5d743e8c3567ed1db89e20ab	09/07/2019
Secretary of Commonwealth - Certificate of Good Standing	Seagrass - Certificate of Good Standing (SOS).pdf	pdf	5d743e8d816d7b225d159423	09/07/2019
Bylaws	Seagrass - Explanation for Submittal of Operating Agreement Not Bylaws.pdf	pdf	5d9b51fc4e842f1b123bc086	10/07/2019
Bylaws	CTDW Amended and Restated Operating Agreement.pdf	pdf	5d9b520808d9401ae68c66cb	10/07/2019
Articles of Organization	Seagrass - Explanation_of_Non-	pdf	5d9b520fbc90861af114c46d	10/07/2019

	Submittal_of_Articles of Organization.pdf			
Articles of Organization	CTDW Amended and Restated Operating Agreement.pdf	pdf	5d9b5219e87dc81b07000a39	10/07/2019

No documents uploaded

Massachusetts Business Identification Number: 001329790

Doing-Business-As Name: Seagrass

DBA Registration City: Salem

BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Business Plan	19. Seagrass - Business Plan.PDF	pdf	5c4098ef3d84de123a60d158	01/17/2019
Plan for Liability Insurance	Seagrass - Plan for Obtaining Liability Insurance.pdf	pdf	5d74404d816d7b225d15942b	09/07/2019
Proposed Timeline	Seagrass - Projected Timeline.pdf	pdf	5d7440e5c544c91e011c74b3	09/07/2019

OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Restricting Access to age 21 and older	4. Seagrass - Plan to Restrict Access 21 or Older.pdf	pdf	5b9ff40e89bc002d9918c2d3	09/17/2018
Security plan	5. Seagrass - Security Plan.pdf	pdf	5b9ff415cea8212d4c7b6ce2	09/17/2018
Prevention of diversion	6. Seagrass - Diversion Prevention.pdf	pdf	5b9ff4205e9b3d2d528a9338	09/17/2018
Storage of marijuana	7. Seagrass - Storage of Marijuana.pdf	pdf	5b9ff42b18807b2d67c4196b	09/17/2018
Inventory procedures	9. Seagrass - Inventory Procedures.pdf	pdf	5b9ff44ad389b22d7bd65764	09/17/2018
Dispensing procedures	11. Seagrass - Dispensing Procedures.pdf	pdf	5b9ff4c10d95792d85f444a4	09/17/2018
Personnel policies including background checks	12. Seagrass - Personnel Policies Including Background Checks.pdf	pdf	5b9ff4cfcea8212d4c7b6cea	09/17/2018
Record Keeping procedures	13. Seagrass - Record Keeping Procedures.pdf	pdf	5b9ff4d74e62492d8f3461c5	09/17/2018
Qualifications and training	16. Seagrass - Qualifications and Training.pdf	pdf	5b9ff5608d67cc394b81d37c	09/17/2018
Plan for obtaining marijuana or marijuana products	3. Seagrass - Plan for Obtaining Marijuana or Marijuana Products.pdf	pdf	5c3d21b2edbb73122a612357	01/14/2019
Transportation of marijuana	Seagrass - Transportation of Marijuana Plan.pdf	pdf	5d74419d8906c11df69ca3da	09/07/2019
Quality control and testing	Seagrass - Quality Control and Testing.pdf	pdf	5d7441d3c544c91e011c74b7	09/07/2019
Maintaining of financial records	Seagrass - Plan for Maintaining Financial Records.pdf	pdf	5d744286d4b61e1ddc08d290	09/07/2019
Diversity plan	Seagrass_-_Revised_Diversity_Plan.pdf	pdf	5d9b532db107e415ca9107b3	10/07/2019

MARIJUANA RETAILER SPECIFIC REQUIREMENTS

No documents uploaded

No documents uploaded

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

HOURS OF OPERATION

Monday From: 10:00 AM	Monday To: 9:30 PM
Tuesday From: 10:00 AM	Tuesday To: 9:30 PM
Wednesday From: 10:00 AM	Wednesday To: 9:30 PM
Thursday From: 10:00 AM	Thursday To: 9:30 PM
Friday From: 10:00 AM	Friday To: 10:00 PM
Saturday From: 10:00 AM	Saturday To: 10:00 PM
Sunday From: 11:00 AM	Sunday To: 8:00 PM



SEAGRASS

Plan to Remain Compliant with Local Zoning

Seagrass Salem (“Seagrass”) will remain compliant at all times with the local zoning requirements set forth in Salem’s Zoning Ordinance and, more specifically, Salem’s September 28, 2017 Amendment to the Zoning Code Ordinance Relative to Adult Use Marijuana. In accordance with Salem’s Zoning Ordinance, Seagrass’ proposed retail marijuana establishment at 3 Dodge Street, is located in a B5 (Central Development) Zoning District, which allows for the siting of marijuana retailers pursuant to issuance of a special permit. On August 29, 2018, in compliance with §§ 6.10.4 and 9.4 of Salem’s Zoning Ordinance, Seagrass received a special permit from the Zoning Board of Appeals authorizing its marijuana retailer use.

Furthermore, pursuant to § 8.7 of the Salem Zoning Ordinance, because Seagrass’ facility does not involve new construction over two thousand (2,000) square feet, Seagrass’ site plan does not need to be reviewed and approved by the Salem Planning Board. In accordance with G.L. c. 94G, §5(b)(3) and § 6.10.6.5 of the Salem Zoning Ordinance, Seagrass’ proposed facility is not located within five hundred (500) feet of a pre-existing public or private school providing education in kindergarten or any of grades 1 through 12, or within five hundred (500) feet of houses of worship and funeral homes, or within one thousand (1,000) feet from institutions of higher education, colleges or universities.

Seagrass will comply with all conditions and standards forth in any local permit required to operate a marijuana establishment at Seagrass’ proposed location. In addition, Seagrass will comply with all of the criteria set forth in Salem’s marijuana zoning amendment, including § 6.10.6 through § 6.10.13. In accordance therewith, Seagrass convened several meetings with various municipal officials and boards to discuss Seagrass’ plans for a proposed marijuana retailer establishment and executed a Host Community Agreement with Salem on December 20, 2018. Seagrass strives to work cooperatively with various municipal departments, boards, and officials to ensure that its marijuana retailer establishment remains compliant with all laws, regulations, rules, and codes with respect to design, construction, operation and security.

Seagrass has received approval of its Security and Emergency Plans from the Salem Police Department on August 14, 2018, following an in-person meeting with Chief Mary Butler.

In accordance with 935 CMR 500.101 and local zoning, Seagrass convened a properly noticed Community Outreach Meeting on August 13, 2018 to inform and gather feedback from the community related to its proposed marijuana retailer establishment.

Seagrass has also retained counsel to assist with ongoing compliance with local zoning and regulatory compliance.

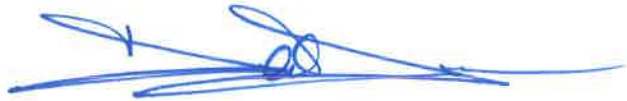
Community Outreach Meeting Attestation Form

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, Donald D. Wyse, (insert name) attest as an authorized representative of CTDW LLC (Seagrass) (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 Aug 13/2018 (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 August 4/2018 (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 August 2/2018 (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 August 2/2018 (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.


Set 15/18

CLASSIFIED MARKETPLACE

THE SALEM NEWS Saturday, August 4, 2018 13



JOB NORTH

THE NORTH OF BOSTON EMPLOYMENT SECTION

TO PLACE AN
EMPLOYMENT ADCALL
1-800-927-9200

When your boss' boss wants to talk

Keep the tone neutral. Especially if you are going from memory, you will put yourself at a disadvantage if you sound like you are venting.

Your goal is to have something you would feel comfortable with in a meeting with all interested parties.

Be prepared for both your boss and his boss to ask for a copy and for it to be potentially considered an official

document.

Be clear in your own mind about your desired outcome. While you are disappointed in your boss right now, keep the focus on solving your business issue.

You may be considering a conversation with him, letting him know that his boss has set up a call with you. Transparency is a good thing in general; however, this could be a touchy step to

take. Ask your HR representative to advise you. In fact, as his boss has reached out to you, there's a possibility they are already involved.

Worst case, he will likely find out that you and she have talked. If he puts you on the spot, he is being a bit out of line as your boss. And you can readily speak to the awkward position the whole business is putting you in.

Or, after everything is

resolved, you can have a "clearing the air" conversation with him if you think there's a need.

Do some prep to get ready for your chat with his boss. Using your documentation, be ready to give a concise summary of the situation. Think through questions she may have, and also challenges she may make to your viewpoint of the situation.

CES FOR YOUR COMMUNITY

Take notice, they could affect you!

PUBLIC NOTICES

PUBLIC NOTICE

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Retailer is scheduled for Monday, August 13, 2018 at 5:30 p.m. at The Hawthorne Hotel, second floor, 18 Washington Square West, Salem, Massachusetts 01970. The proposed Marijuana Retailer is anticipated to be located at 3 Dodge Street, Salem, Massachusetts. There will be an opportunity for the public to ask questions. SN - 8/4/18

COMMONWEALTH OF
MASSACHUSETTS
THE TRIAL COURT

PUBLIC NOTICES

CITATION ON PETITION FOR FORMAL ADJUDICATION Docket No. ES18P1977EA Commonwealth of Massachusetts The Trial Court

Probate and Family Court
Essex Probate and Family Court
36 Federal Street
Salem, MA 01970
(978) 744-1020

Estate of: Sandra Fox
Date of Death: 01/18/2016

To all interested persons:
A Petition for Formal Probate of Will with Appointment of Personal Representative has been filed by Patricia A. Thayer of National City

PUBLIC NOTICES

COMMONWEALTH OF MASSACHUSETTS THE TRIAL COURT PROBATE AND FAMILY COURT Essex Probate and Family Court 36 Federal Street Salem, MA 01970 (978) 744-1020

Docket No. ES18P2256EA
Estate of:
Mary N. Coyle

Date of Death: 03/22/2018
CITATION ON PETITION
FOR FORMAL ADJUDICATION
To all interested persons:
A Petition for Formal Probate of Will with Appointment of Personal Representative has been filed by: Stephen M. Coyle of Beverly

PUBLIC NOTICES

CITATION GIVING NOTICE OF PETITION FOR APPOINTMENT OF GUARDIAN FOR INCAPACITATED PERSON PURSUANT TO G.L. c. 190B, Section 5-304 Docket No. ES18P2224GD Commonwealth of Massachusetts The Trial Court

Probate and Family Court
Essex Probate and Family Court
36 Federal Street
Salem MA, 01970

William Marquis Of: Beverly, MA

RESPONDENT

Alleged Incapacitated Person
To the named Respondent and all other interested persons, a petition has been filed by DMH c/o Office of General Counsel of Westborough, MA in the above captioned matter

Attachment B

ALEXANDER & FEMINO

ATTORNEYS AT LAW
ONE SCHOOL STREET
BEVERLY, MASSACHUSETTS 01915

LEONARD F. FEMINO
THOMAS J. ALEXANDER

JAMES M. ALEXANDER

TELEPHONE (978) 921-1990
FAX (978) 921-4553

TJA@ALEXANDERFEMINO.NET

August 2, 2018

Via Certified Mail Return Receipt Requested

SALEM CITY OF
City Hall:
93 Washington St.
Salem, MA 01970

CITY CLERK
SALEM, MASS.

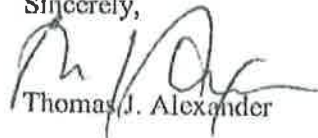
2018 AUG -9 AM 8:27

RE: Special Permit Application for Marijuana Retailer at 3 Dodge Street
Pursuant to Salem Zoning Ordinance §§ 6.10, 8.2, 9.4.2

Dear Sir/Madam:

Pursuant to the City of Salem Zoning Ordinance § 6.10.7.10, I am writing to notify you that CTDW LLC has filed an Application with the Board of Appeals for a special permit to operate as a Marijuana Retailer at 3 Dodge Street, Salem, Massachusetts. A public hearing will be held on the application at 5:30 p.m. at the Hawthorne Hotel, Second Floor, 18 Washington Square West, Salem, Massachusetts 01970 on Monday, August 13, 2018. The public will be able to ask questions. Please do not hesitate to contact me with any questions or concerns.

Sincerely,


Thomas J. Alexander

TJA/gsw

Thomas Alexander

From: Ilene Simons <ISimons@Salem.com>
Sent: Thursday, August 09, 2018 10:06 AM
To: Thomas Alexander
Subject: Notice of Public Hearing
Attachments: SKM_36818080909010.pdf

This email is being sent to show that your notice was time stamped in our office and posted on our official bulletin board.

If you have any further questions, please call.

Thank you,

Ilene Simons
City Clerk
Justice of the Peace
93 Washington St.
Salem, MA 01970
(978) 745-9595 ext. 41202

From: Janet Emmons
Sent: Thursday, August 09, 2018 10:02 AM
To: Ilene Simons <ISimons@Salem.com>
Subject: FW: Message from KM_368

Janet Emmons
Assistant Registrar
City Clerks Office, Room 3
93 Washington Street
Salem, MA 01970
978-745-9595 Ext. 41206
jemmons@salem.com

From: cityclerkmfp@salem.com <cityclerkmfp@salem.com>
Sent: Thursday, August 09, 2018 10:02 AM
To: Janet Emmons <jemmons@salem.com>
Subject: Message from KM_368

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, Donald Wyse, (insert name) certify as an authorized representative of CTDW LLC (insert name of applicant) that the applicant has executed a host community agreement with The City of Salem (insert name of host community) pursuant to G.L.c. 94G § 3(d) on Dec. 20, 2018 (insert date).


Signature of Authorized Representative of Applicant

Host Community

I, Kimberly Driscoll, (insert name) certify that I am the contracting authority or have been duly authorized by the contracting authority for the City of Salem (insert name of host community) to certify that the applicant and the City of Salem (insert name of host community) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on December 20, 2018 (insert date).


Signature of Contracting Authority or
Authorized Representative of Host Community



SEAGRASS

Plan to Positively Impact Areas of Disproportionate Impact

Introduction

The Cannabis Control Commission (“Commission”) has identified certain communities in Massachusetts as areas of disproportionate impact. Although Salem, Massachusetts is not one of those communities, Seagrass Salem’s (“Seagrass”) marijuana retailer establishment will be located less than fifteen miles of three such communities: 1) Lynn (abutting municipality); 2) Revere (~10 miles); and 3) Chelsea (~12 miles) (collectively, the “Impacted Communities”). Seagrass has partnered with the North Shore Community Development Coalition (“North Shore CDC”) to provide positive impacts and meet the hiring goals discussed below in the Impacted Communities.

Seagrass’s commitment to community building drives its desire to lift these neighboring communities. In pursuit of that objective, Seagrass will exert best efforts to provide access, foster inclusivity, and broadcast opportunities to the residents of these communities, in order to remove existing barriers to entry in the adult-use cannabis industry.

Positive Impact Goals

Seagrass will positively impact the Impacted Communities by providing employment opportunities and training, through real-world experience, to residents of the Impacted Communities with the paramount goal of providing avenues for advancement in the promising adult-use cannabis industry. More specifically, Seagrass will target for employment opportunities residents of the Impacted Communities who have past marijuana-related drug convictions (to the extent permitted by law and Commission regulations) and/or parents or spouses with drug convictions. Seagrass hopes that, by directing its hiring efforts at these previously marginalized communities, it can ensure that the expected prosperity from the burgeoning adult-use cannabis industry in the state will benefit residents of Impacted Communities from all walks of life and backgrounds. Seagrass’ long-term target for its Salem marijuana retailer location is to hire a staff that is at least 50% composed of residents (or former residents) of the Impacted Communities and/or Salem residents with past marijuana-related CORIs and/or parents or spouses with drug convictions by year 5 of operations at Seagrass’ Salem marijuana retailer establishment.

Positive Impact Programs

Seagrass will employ a two-fold approach to attracting qualified candidates from Impacted Communities. With respect to staffing and employment opportunities, Seagrass will give hiring preference to qualified applicants who are residents of the Impacted Communities and/or who have marijuana-related CORIs and/or parents or spouses with drug convictions. To achieve this



SEAGRASS

goal Seagrass intends to, in partnership with its community partners (primarily the North Shore CDC), regularly participate at job fairs in the Impacted Communities, in order to identify and recruit residents of the Impacted Communities who have an interest in the adult-use cannabis industry.

More specifically and without limiting its participation at job fairs hosted by others, Seagrass commits to funding and hosting three (3) job fairs prior to opening and in its first year of operations. Seagrass will organize, publicize and host these three (3) job fairs with the North Shore CDC. Two (2) of these job fairs will be held in Lynn and one (1) in Revere, both of which are Impacted Communities.

To supplement its dedicated community outreach efforts, Seagrass will also introduce an internship training program during the first 2 years of operation of its Salem marijuana retailer establishment facility, where a limited number of skilled entry-level positions will be made available to a diverse pool of applicants from Impacted Communities, with specific priority given to individuals who have marijuana-related CORIs and/or parents or spouses with drug convictions. The internship program will be used to educate and train the foregoing individuals, who may otherwise lack experience in the adult-use cannabis industry with the expectation that, upon completion of the program, interns will possess the job skills and experience to secure gainful employment at any adult-use cannabis facility within the Commonwealth. To bolster its internship program, Seagrass will explore a partnership with the North Shore CDC's job training program, Youth Build, to identify individuals interested in employment in the adult-use cannabis industry and, more specifically, retail strategies and small-business management. The internship program will be reevaluated annually based on Seagrass' capacity and needs, with the expectation that the program will grow proportionally with the company. Youth Build has committed to ensuring that only individuals who are 21 years of age or older will be permitted to participate in Seagrass' internship training program, and will verify the age of any prospective participant. Both Seagrass and Youth Build will verify age of potential applicants by (1) verifying age through an identification check of appropriate documents during the intake process; and (2) registering interns (since they will perform functions in the marijuana establishment) as marijuana establishment agents during the periods of their internship. *See Accompanying Letter from the North Shore CDC.*

To further ensure it meets its goals and to positively benefit the Impacted Communities, and to support the efforts of its partner, the North Shore CDC in the Impacted Communities, Seagrass will contribute \$25,000 annually to the North Shore CDC. *See Accompanying Letter from the North Shore CDC.*



Positive Impact Measurement

Seagrass aspires to become a household name within and recognized supporter of the Impacted Communities. Consistent with that aspiration, Seagrass will diligently track its positive impact and community outreach efforts. With its community organization partner(s), Seagrass will record and maintain (in accordance with the Commission's record keeping procedures) employment applications, for both full-time employment opportunities and internship positions, with the expectation that applications from residents of the Impacted Communities will steadily increase during Seagrass' first 5 years of operation in of its Dodge Street location. In addition, Seagrass will record and document its participation at job fairs in the Impacted Communities and pledges to steadily increase its participation at local job fairs (with specific attention to participating at job fairs within the Impacted Communities) in years 1 through 5 of operation. This process will include recording (through use of sign-in sheets or the like) and following-up (via email communications or mailings) with attendees who express interest in employment opportunities at Seagrass' marijuana retailer establishment in Salem.

Prior to opening and in its first year of operations, Seagrass will organize, publicize and host these three (3) job fairs with the North Shore CDC. Two (2) of these job fairs will be held in Lynn and one (1) in Revere, both of which are Impacted Communities. Seagrass will then compare and analyze how many of these local residents ultimately apply for either full-time opportunities or internship positions. This regular evaluation will permit Seagrass to accurately measure its reach into the Impacted Communities and quantify its relationships with individuals who have past marijuana-related drug convictions and/or parents or spouses with drug convictions. In turn, Seagrass will regularly audit these results and recalibrate its local outreach programs, if necessary.

The Human Resources Manager will oversee progress toward Seagrass' long-term hiring goal (*see* Positive Impact Goals) by obtaining, at least annually, employee biographical data through self-identifying surveys. Seagrass also intends to meet the following intermediate hiring goals in years 1-4 of operation:

Commencement of Operations: minimum 25% Impacted Community and/or disproportionately impacted individual employment.

End of Year 1: minimum 30% Impacted Community and/or disproportionately impacted individual employment.

End of Year 2: minimum 35% Impacted Community and/or disproportionately impacted individual employment.



SEAGRASS

End of Year 3: minimum 40% Impacted Community and/or disproportionately impacted individual employment.

End of Year 4: minimum 45% Impacted Community and/or disproportionately impacted individual employment.

These short-term metrics will ensure that Seagrass is regularly evaluating progress toward its hiring goals and employing corrective actions if intermediary targets are not met.

Positive Impact Plan Acknowledgments

Seagrass pledges to adhere to the requirements set forth in 935 CMR 500.105(4)(a) which provides the permitted advertising, branding, marketing and sponsorship practices for all Marijuana Establishments. Seagrass likewise pledges not to employ any of the prohibited practices articulated in 935 CMR 500.105(4)(b). Finally, none of the actions taken or programs instituted by Seagrass will violate the Commission's regulations with respect to limitations on ownership or control or any other applicable state laws.

**AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT
OF
CTDW LLC**

This Amended and Restated Limited Liability Company Agreement (this “**Agreement**”) of CTDW LLC (the “**Company**”), is entered into by CTDW Holdings, Inc., as the sole member of the Company (the “**Member**”) as of May 7, 2019 (the “**Effective Date**”).

WHEREAS, the Company was formed pursuant to and in accordance with Section 12 of the Massachusetts General Laws Chapter 156C, as amended from time to time (the “**Act**”) upon the filing of a certificate of organization on May 29, 2018 with the office of the Secretary of the Commonwealth of the Commonwealth of Massachusetts;

WHEREAS, Donald D. Wyse and Paul M. “Chip” Tuttle (the “**Initial Members**”) executed the Company’s initial operating agreement dated February 28, 2019 (the “**Prior LLC Agreement**”);

WHEREAS, pursuant to that certain Exchange Agreement dated April 23, 2019, the Initial Members contributed their limited liability company interests in exchange for shares of the Member’s common stock, resulting in the Company being a wholly owned subsidiary of the Member; and

WHEREAS, the Member wishes to amend and restate in its entirety the Prior LLC Agreement as provided herein to set forth its rights and obligations the sole Member of the Company.

NOW, THEREFORE, the Member agrees that the Prior LLC Agreement is hereby amended and restated in its entirety, as follows:

1. **Name.** The name of the Company shall be “CTDW LLC”.
2. **Purpose.** The principal purpose and general character of the Company’s business is to engage in cannabis activities, to engage in any and all activities necessary, advisable or incidental thereto to the extent permitted under, and in accordance with, Massachusetts Law, and to engage in any lawful act or activity for which a limited liability company may be formed under the Act. The Company shall have the power, privilege and authority to take any and all actions necessary, convenient, desirable or incidental to the business and purposes of the Company.
3. **Principal Office.** The address of the office of the Company in The Commonwealth of Massachusetts at which shall be kept the records required under Section 9 of the Act is 11 Larchmont Road, Salem, MA 01970, or such other address within The Commonwealth of Massachusetts as the Managers may designate.
4. **Resident Agent.** The name and address of the resident agent for service of process on the Company is Paul M. “Chip” Tuttle, 11 Larchmont Road, Salem, MA 01970. The Managers may from time to time designate another person to be such resident agent, provided such person is an individual resident of, a corporation incorporated under the laws of, or a foreign corporation authorized to do business in, The Commonwealth of Massachusetts.

5. Member. The name of the sole member of the Company is CTDW Holdings, Inc.
6. Powers. The business and affairs of the Company shall be managed by its managers (the “**Managers**”). Immediately prior to and continuing as of the Effective Date, the Managers of the Company are Paul M. “Chip” Tuttle and Donald D. Wyse. Decisions regarding the business and affairs of the Company shall require the mutual agreement of both Managers. Once both of the Managers have approved or decided a matter, each Manager is authorized to take any and all actions, including signing documents, necessary to implement such decisions or approvals. The Managers shall have the power to do any and all acts necessary or convenient to or in furtherance of the purposes described herein, including all powers, statutory or otherwise, granted by the Act to managers. A Manager may resign as a manager at any time. A substitute Manager (in the event of a vacancy) or additional Managers may be appointed by the consent of the Member.
7. Capital Contributions. The capital contributions of the Member to the Company shall consist of any funds or property contributed to the Company by the Member as reflected in the books and records of the Company.
8. Distributions. Distributions shall be made at such times and in such amounts as the Member shall determine in accordance with the Act.
9. Additional Contributions. The Member is not required to make any additional capital contributions to the Company.
10. Dissolution. The Company shall continue until the earlier of (i) the effective date of judicial dissolution under Section 44 of the Act or (ii) the date specified in a written consent by the Member to dissolve the Company.
11. Liability. The Member shall have no liability for the obligations or liabilities of the Company except to the extent required by the Act. No member or manager shall be obligated personally for any debt, obligation or liability of the Company solely by reason of being a member or acting as a manager of the Company.
12. Governing Law. This Agreement shall be governed by, and construed and enforced under, the Act and the other laws of The Commonwealth of Massachusetts, without regard to its principles of conflicts of laws.
13. Effective Time. This Agreement shall be effective as of the Effective Date.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Amended and Restated Limited Liability Company Agreement as of the date first set forth above.

MEMBER:

CTDW Holdings, Inc., a Delaware corporation

By: Paul M. "Chip" Tuttle
Name: Paul M. "Chip" Tuttle
Title: President



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

mass.gov/dor

Letter ID: L0307230592
Notice Date: September 4, 2019
Case ID: 0-000-884-134



CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



CHIP TUTTLE
CTDW LLC
11 LARCHMONT RD # 1
SALEM MA 01970-2419

Why did I receive this notice?

The Commissioner of Revenue certifies that, as of the date of this certificate, CTDW 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 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



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

William Francis Galvin
Secretary of the
Commonwealth

August 28, 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

CTDW LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **May 29, 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:
DONALD D WYSE JR, PAUL M TUTTLE JR

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **DONALD D WYSE JR, PAUL M TUTTLE JR**

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **DONALD D WYSE, PAUL M TUTTLE JR.**



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

Explanation for Non-Submittal of Bylaws

The applicant, CTDW, LLC, received an RFI on August 28, 2019 that states “For the application to be considered compliant please upload a copy of the establishment’s bylaws.” The establishment is CTDW, LLC, a limited liability company organized under Massachusetts law. In Massachusetts, limited liability companies, such as CTDW, LLC, do not create bylaws; only corporations do. Limited liability companies are governed by their Operating Agreements, not bylaws, which are the governance documents for companies organized as corporations. CTDW, LLC’s Operating Agreement was submitted with CTDW, LLC’s Management and Operations Profile Packet on May 9, 2019.

**AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT
OF
CTDW LLC**

This Amended and Restated Limited Liability Company Agreement (this “**Agreement**”) of CTDW LLC (the “**Company**”), is entered into by CTDW Holdings, Inc., as the sole member of the Company (the “**Member**”) as of May 7, 2019 (the “**Effective Date**”).

WHEREAS, the Company was formed pursuant to and in accordance with Section 12 of the Massachusetts General Laws Chapter 156C, as amended from time to time (the “**Act**”) upon the filing of a certificate of organization on May 29, 2018 with the office of the Secretary of the Commonwealth of the Commonwealth of Massachusetts;

WHEREAS, Donald D. Wyse and Paul M. “Chip” Tuttle (the “**Initial Members**”) executed the Company’s initial operating agreement dated February 28, 2019 (the “**Prior LLC Agreement**”);

WHEREAS, pursuant to that certain Exchange Agreement dated April 23, 2019, the Initial Members contributed their limited liability company interests in exchange for shares of the Member’s common stock, resulting in the Company being a wholly owned subsidiary of the Member; and

WHEREAS, the Member wishes to amend and restate in its entirety the Prior LLC Agreement as provided herein to set forth its rights and obligations the sole Member of the Company.

NOW, THEREFORE, the Member agrees that the Prior LLC Agreement is hereby amended and restated in its entirety, as follows:

1. Name. The name of the Company shall be “CTDW LLC”.
2. Purpose. The principal purpose and general character of the Company’s business is to engage in cannabis activities, to engage in any and all activities necessary, advisable or incidental thereto to the extent permitted under, and in accordance with, Massachusetts Law, and to engage in any lawful act or activity for which a limited liability company may be formed under the Act. The Company shall have the power, privilege and authority to take any and all actions necessary, convenient, desirable or incidental to the business and purposes of the Company.
3. Principal Office. The address of the office of the Company in The Commonwealth of Massachusetts at which shall be kept the records required under Section 9 of the Act is 11 Larchmont Road, Salem, MA 01970, or such other address within The Commonwealth of Massachusetts as the Managers may designate.
4. Resident Agent. The name and address of the resident agent for service of process on the Company is Paul M. “Chip” Tuttle, 11 Larchmont Road, Salem, MA 01970. The Managers may from time to time designate another person to be such resident agent, provided such person is an individual resident of, a corporation incorporated under the laws of, or a foreign corporation authorized to do business in, The Commonwealth of Massachusetts.

5. Member. The name of the sole member of the Company is CTDW Holdings, Inc.
6. Powers. The business and affairs of the Company shall be managed by its managers (the “**Managers**”). Immediately prior to and continuing as of the Effective Date, the Managers of the Company are Paul M. “Chip” Tuttle and Donald D. Wyse. Decisions regarding the business and affairs of the Company shall require the mutual agreement of both Managers. Once both of the Managers have approved or decided a matter, each Manager is authorized to take any and all actions, including signing documents, necessary to implement such decisions or approvals. The Managers shall have the power to do any and all acts necessary or convenient to or in furtherance of the purposes described herein, including all powers, statutory or otherwise, granted by the Act to managers. A Manager may resign as a manager at any time. A substitute Manager (in the event of a vacancy) or additional Managers may be appointed by the consent of the Member.
7. Capital Contributions. The capital contributions of the Member to the Company shall consist of any funds or property contributed to the Company by the Member as reflected in the books and records of the Company.
8. Distributions. Distributions shall be made at such times and in such amounts as the Member shall determine in accordance with the Act.
9. Additional Contributions. The Member is not required to make any additional capital contributions to the Company.
10. Dissolution. The Company shall continue until the earlier of (i) the effective date of judicial dissolution under Section 44 of the Act or (ii) the date specified in a written consent by the Member to dissolve the Company.
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12. Governing Law. This Agreement shall be governed by, and construed and enforced under, the Act and the other laws of The Commonwealth of Massachusetts, without regard to its principles of conflicts of laws.
13. Effective Time. This Agreement shall be effective as of the Effective Date.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Amended and Restated Limited Liability Company Agreement as of the date first set forth above.

MEMBER:

CTDW Holdings, Inc., a Delaware corporation

By: Paul M. "Chip" Tuttle
Name: Paul M. "Chip" Tuttle
Title: President

Explanation for Non-Submittal of Articles of Organization

The applicant, CTDW, LLC, received an RFI on September 24, 2019 that states “Please upload your establishment’s Articles of Organization.” The establishment is CTDW, LLC, a limited liability company organized under Massachusetts law. In Massachusetts, limited liability companies, such as CTDW, LLC, do not create Articles of Organization; only corporations do. Limited liability companies are governed by their Operating Agreements, not Articles of Organization, which are the foundational documents for companies organized as corporations. CTDW, LLC’s Operating Agreement was submitted with CTDW, LLC’s Management and Operations Profile Packet on May 9, 2019, and is attached again.

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OF
CTDW LLC**

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MEMBER:

CTDW Holdings, Inc., a Delaware corporation

By: Paul M. "Chip" Tuttle
Name: Paul M. "Chip" Tuttle
Title: President



SEAGRASS

Business Plan

*CTDW, LLC, d/b/a Seagrass
Adult-Use Cannabis Marijuana Retailer*

Seagrass will provide for retail sale safe, locally-produced cannabis products to discerning consumers in a high-end, service-oriented boutique. The business is designed and administered to be consistent with the character of Salem’s thriving downtown business district and to create a secure, comfortable shopping experience for its customers. The Seagrass brand promotes responsibility and sustainability – both in the use of cannabis products, and, consistent with Salem’s marine heritage, the protection of the local coastal environments of Salem Sound and its surrounding waterways.

After nearly a year of exploration and diligence of potential retail locations in Salem, CTDW, LLC purposely secured a premiere location at 3 Dodge Street, proximate to public transportation and easily reachable by pedestrians in the heart of the city’s thriving central business district. At the same time, the location is situated a discreet and appropriate distance from parks, playgrounds, churches, and other places where children congregate.

Products

Primary types of products will include marijuana and marijuana-infused products -- flower, concentrates, balms, beverages, and other products manufactured from the cannabis plant, including products containing THC in weights and dosages consistent with CCC limits, quality and testing standards, tracking and trace-ability, other regulatory standards, and consumer demands for safe, regulated products.

With an emphasis on supporting local cannabis businesses, Seagrass proposes to source half of its inventory from established licensed growers and processors in Massachusetts and half its inventory from local small growers and manufacturers, the “micro-businesses” specifically encouraged by the adult-use cannabis statute and CCC regulations.

Seagrass will source and sell both branded products from these providers and “white label” products that will be marketed and sold with Seagrass branding.

Target Customers and Demographics

Seagrass’ customer base will be comprised of Salem residents, residents of its surrounding communities and visitors to the city.



Consumer research of states with recreational cannabis sales indicates approximately 19% of the adult population consumes legal cannabis products, with usage distributed across age (only 21+), gender, income levels and other demographics. Seagrass intends to serve all of these demographics equally and without differentiation by creating a shopping experience appealing to anyone with an interest in purchasing cannabis products.

Preliminary Market Analysis (Conservative):

- Salem -- 43,000 residents, 1,000,000 annual visitors
 - 19% of population consumes based on weighted average of CA, WA, CO, & NY (8% - std. deviation of sample)
 - ~8k cannabis consumers within Salem
 - average spend \$165 per month
 - more than 1,000,000 annual visitors, 19% of cannabis consumers within that population
 - Assuming capture ~1,800 residents @ ~\$165/month, approaching \$3.5 M in revenue
 - Average Massachusetts Tourist in 2014 spent \$740 on food, entertainment, and recreation (FER).
 - Assuming a conservative 10% capture of the \$740 spent on FER by Salem visitors, 100,000 visitors for transactions totaling \$7.4M in revenue
- Upon optimization of operations and maturation of the market, Seagrass will generate annual revenues approaching \$11M in 2023.

See Seagrass Financial Statements and Projections at [Attachment 1](#).

Costs/Start-Up

\$2.5M start-up budget

- \$1M for buildout hard costs (2,000 sf of retail at \$300/sf // 4,000 sf at \$100/sf)
- \$.5M for development costs (\$250k for licensing, \$125k for rent, and \$125k for FFE deposits)
- \$.5M for start-up operational costs (\$350k for pre-opening / initial labor and operating expenses, \$100k for inventory, and \$50k for escrows and other operating deposits)
- \$.5M for contingency (25% of development and initial operating budgets)

See Seagrass Financial Statements and Projections at [Attachment 1](#).



Capitalization

Principals Chip Tuttle and Don Wyse have funded the initial business operations of CTDW, LLC, and collectively possess over \$1.8M in assets to fund the additional start-up and ongoing operational expenses of the marijuana establishment.

Benefits to Salem

Seagrass will produce comprehensive benefits for the city of Salem including:

- generating substantial tax (local marijuana tax plus property taxes) revenues and HCA payments directly to the city projected to be in excess of \$800,000 annually;
- enhancing the downtown Salem shopping experience consistent with the emergence of other high-end retailers, specialty shops and boutiques in the area;
- ensuring a safe, secure experience for Salem residents who want to buy legal, regulated cannabis products and, in turn, contributing to eradication of black market purchases;
- activating the underutilized Dodge Street corridor, expanding foot traffic in the area and promoting connectivity with Washington, New Derby, Derby and lower Lafayette Streets;
- attracting additional tourism and visitation to the city's central business district from surrounding communities, including during non-peak times;
- providing the City with a cannabis operator with fully local ownership and control to ensure connectivity to the city, its residents and businesses and



SEAGRASS

maximizing cooperation, sensitivity and responsiveness should challenges arise;

- generating minimal traffic and parking issues comparative to other uses or proposals given its proximity to ample public parking, public transportation (commuter rail and bus) and other local attractions;
- ensuring the continued use of important commercial property as part of the ongoing development efforts in the Dodge St area;
- lifting local charitable causes, including its neighbors as the North Shore Community Health, Inc. and the North Shore CDC, both designated recipients of voluntary annual contributions in its HCA;
- providing job opportunities for Salem residents;
- sourcing products from other cannabis businesses in Salem;
- working cooperatively with the Salem PD and Salem's other cannabis businesses on policies and programs for safe and responsible handling and use of products, and;
- promoting sustainable practices and awareness of the importance of preserving healthy local marine environments and providing significant annual funding as part of its partnership with Salem Sound Coastwatch.

See Seagrass Financial Statements and Projections at [Attachment 1](#).

Competitive Advantages

Seagrass location is one of its major competitive advantages and points of differentiation when compared with other cannabis proposals for Salem (and most other proposals in the Commonwealth). Its proximity to local businesses, public transportation, offices, restaurants and other attractions means increased exposure for Seagrass to a large potential customer base. The downtown location also gives Seagrass the ability to capture a significant portions of Salem's tourism market more readily than other proposed locations. And, a substantial number of Salem's 40,000-plus residents live within a half mile walk of its location due to higher comparative density in the surrounding neighborhoods.

As important, Seagrass' purpose-driven mission and brand messaging will create a competitive advantage over other cannabis retailers. Similarly, we believe Seagrass commitment to source product from smaller, local growers will resonate with consumers. As will the relative quality of



the Seagrass shopping experience with interiors modeled off the highest-end cannabis retailers in California and Colorado.

Seagrass' location is so appealing that it will create sourcing opportunities and efficiencies as cannabis growers and processors in the state compete for placement and shelf-space.

Marketing/Pricing

Seagrass is planning a responsible, targeted and integrated marketing program to raise awareness, interest and understanding of the Seagrass brand, its sustainability mission, its products and its Salem location. The program will include fully integrated web site and digital marketing tools, proprietary search engine optimization techniques and paid search, social media, earned media, direct marketing and partnership programs with uncompromised attentiveness to only targeting adult markets per CCC regulations. Seagrass also plans loyalty programs and other incentives for high volume customers.

Seagrass pricing should be competitive in the local adult use cannabis market on the North Shore due in part to its relatively low costs to enter the market. Seagrass Salem location, service model, shopping experience, variety of products and strains and its plan to feature locally-sourced products combine to create unique selling propositions, driving profitability. Pricing will ultimately depend on a variety of factors including the availability of product in an emerging market.

Officers and Directors and Advisory Team

Paul M “Chip” Tuttle – Chief Executive Officer

Donald Wyse, Jr. – Chief Operating Officer

Matt Hawes – Senior Business Advisor, Cannabis Consultant

Femi Wasserman –Marketing, Communications, Corporate Responsibility Consultant



SEAGRASS

ATTACHMENT 1

Income Statement / Balance Sheet / Cash Flow Statement

Seagrass Salem	2019	2020	2021
<u>INCOME STATEMENT</u>			
Revenue	\$ 4,805,364	\$ 7,499,588	\$ 10,234,732
COGS	\$ 2,727,054	\$ 4,352,548	\$ 4,969,833
Gross Profit	\$ 2,078,310	\$ 3,147,041	\$ 5,264,899
Gross Margin	43%	42%	51%
Expenses	\$ 1,629,652	\$ 2,421,357	\$ 3,443,350
<u>GAAP EBITDA</u>	\$ 448,659	\$ 725,684	\$ 1,821,549
EBITDA Margin	9%	10%	18%
<u>Net Cash Flow</u>	<u>after apply 280(e)</u>		
Profit Margin	\$ 32,997	\$ 96,276	\$ 768,570
	1%	1%	8%
<u>BALANCE SHEET (BOY)</u>			
Current Assets	\$ -	\$ 1,032,997	\$ 1,129,273
Cash	\$ -	\$ 782,997	\$ 879,273
Inventory	\$ -	\$ 250,000	\$ 250,000
Fixed Assets	\$ 1,500,000	\$ 1,200,000	\$ 900,000
Buildout	\$ 1,500,000	\$ 1,200,000	\$ 900,000
TOTAL ASSETS	\$ 1,500,000	\$ 2,232,997	\$ 2,029,273
Liabilities	\$ -	\$ -	\$ -
<u>TOTAL LIABILITIES</u>	\$ -	\$ -	\$ -
<u>Total Equity</u>	\$ 1,500,000	\$ 2,232,997	\$ 2,029,273

CASH FLOW STATEMENT

Cash at BOY	\$	-	\$	782,997	\$	879,273
Cash Flow from Operations	\$	(1,717,003)	\$	96,276	\$	-
Operations	\$	32,997	\$	96,276		
Changes to Inventory	\$	(250,000)				
Real estate Improvements	\$	(1,500,000)				
Cash Flow from Investing	\$	-	\$	-	\$	-
Cash Flow from Financing	\$	2,500,000	\$	-	\$	-
<u>TOTAL CHANGE CASH FLOW</u>	\$	782,997	\$	96,276	\$	-
CASH AT EOY	\$	782,997	\$	879,273	\$	879,273



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Plan for Obtaining Liability Insurance

Seagrass will carry insurance as required by applicable Massachusetts statutes and regulations. At a minimum, Seagrass will obtain a liability insurance policy that includes general liability and product liability insurance coverage of no less than \$1 million per occurrence and \$2 million in aggregate annually. The deductible for each policy will be no higher than \$5,000 per occurrence.



SEAGRASS

Plan For Restricting Access To Age 21 and Older

Seagrass' marijuana retailer operation will only be accessible to consumers 21 years of age or older with a verified and valid, government-issued photo ID.

Upon entry into the premises of the marijuana establishment by any individual, a trained Seagrass security agent will immediately inspect the individual's proof of identification and determine the individual's age, in accordance with 935 CMR 500.140(2). As additionally confirmed in meetings with the City of Salem Police Department, Seagrass will use an electronic fraud detection scanner on all identifications presented, regardless of the customer's appearance.

Should Seagrass ever discover that it has ever intentionally or negligently sold a product to an individual under the age of 21, any agent involved in that transaction will be immediately terminated. Seagrass will immediately notify the Commission pursuant to 935 CMR 500.105(1)(l).

Additionally, Seagrass will not hire any individuals who are under the age of 21 or who have been convicted of distribution of controlled substances to minors, pursuant to 935 CMR 500.030(1).

As required by 935 CMR 500.105(4), Seagrass will not market, advertise, or brand products or materials in any manner that is targeted to, deemed to appeal to or portray minors under the age of 21.

As required by 935 CMR 500.105(6)(b), packaging of any Seagrass product will not use bright colors, resemble existing branded products, feature cartoons or celebrities commonly used to market products to minors, feature images of minors or other words that refer to products commonly associated with minors or otherwise be attractive to minors.

Seagrass's website will require all online visitors to verify they are 21 years of age or older prior to accessing the website, in accordance with 935 CMR 500.105(4)(b)(13).

Seagrass will not engage in any advertising, marketing and branding by means of television, radio, internet, mobile applications, social media, or other electronic communication, billboard or other outdoor advertising, including charitable, sporting or similar events, unless at least 85% of the audience is reasonably expected to be 21 years of age or older as determined by reliable and current audience composition data.

Seagrass will never sell any edible products that resemble a realistic or fictional human, animal or fruit, including artistic, caricature or cartoon renderings, in accordance with 935 CMR 500.150(1)(b). Similarly, per 935 CMR 500.105(4)(a)(5), any marketing, advertising and branding materials for public viewing will prominently display a warning stating, "For use only



SEAGRASS

by adults 21 years of age or older. Keep out of the reach of children. Marijuana can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of marijuana.”



SEAGRASS

Personnel Policies Including Background Checks

Introduction

Seagrass will maintain personnel records as a separate category of records due to the sensitivity and importance of information concerning agents, including registration status and background check records. At a minimum, Seagrass will maintain the following personnel records: 1) job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions; 2) personnel records for each marijuana establishment agent; 3) a staffing plan that will demonstrate accessible business hours and safe conditions; 4) personnel policies and procedures; and 4) all background check reports obtained in accordance with 935 CMR 500.030. Seagrass will employ marijuana agents to fill the following job roles for its marijuana retailer facility in Salem:

1. Store Manager
2. Human Resources Manager
3. Security Manager
4. Security Guard(s)
5. Sales Associate(s)
6. Inventory Associates(s)

Marijuana Agent Personnel Records

Personnel records for each marijuana agent (as defined in 935 CMR 500.002) will be maintained for at least twelve (12) months after termination of the agent's affiliation with Seagrass and will include, at a minimum, the following: 1) all materials submitted to the Commission pursuant to 935 CMR 500.030(2); 2) documentation of verification of references; 3) the job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision of the marijuana agent; 4) 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; 5) documentation of periodic performance evaluations; 6) records of any disciplinary actions taken; 7) notice of completed responsible vendor and eight-hour related duty training; 8) results of initial background investigation, including CORI reports; and 9) documentation of all security related events (including violations) and the results of any investigations and description of remedial actions, restrictions, or additional training required as a result of an incident. These personnel records will be kept in a secure location to maintain confidentiality and be only accessible to the agent's manager or members of the executive management team.



Marijuana Agent Background Checks

In addition to completing the Commission's agent registration process, all agents hired to work for Seagrass will undergo a detailed background investigation prior to being granted access to Seagrass' Salem marijuana retailer facility or beginning work duties. Background checks will be conducted on all agents in their capacity as employees or volunteers for the Salem retailer facility pursuant to 935 CMR 500.100 and will be used by the Security Manager, who will be registered with the Department of Criminal Justice Information Systems pursuant to 803 CMR 2.04: iCORI Registration and the Commission for purposes of determining the suitability of individuals for registration as a marijuana establishment agent with the licensee.

For purposes of determining suitability based on background checks performed in accordance with 935 CMR 500.101(1), Seagrass will consider: 1) all conditions, offenses, and violations are construed to include Massachusetts law or like or similar law(s) of another state, the United States or foreign jurisdiction, a military, territorial or Native American tribal authority, or any other jurisdiction; 2) all criminal disqualifying conditions, offenses, and violations include the crimes of attempt, accessory, conspiracy, and solicitation. Juvenile dispositions will not be considered as a factor for determining suitability; and 3) where applicable, all look back periods for criminal conditions, offenses, and violations included in 935 CMR 500.802 commence upon the date of disposition; provided, however, that if disposition results in incarceration in any institution, the look back period will commence upon release from incarceration.

Seagrass will make employment suitability determinations in accordance with the procedures set forth in 935 CMR 500.800. In addition to the requirements established in 935 CMR 500.800, Seagrass will: 1) comply with all guidance provided by the Commission and 935 CMR 500.802: Tables B through D to determine if the results of the background are grounds for Mandatory Disqualification or Presumptive Negative Suitability Determination; 2) consider whether offense(s) or information that would result in a Presumptive Negative Suitability Determination under 935 CMR 500.802. In the event a Presumptive Negative Suitability Determination is made, Seagrass will consider the following factors:

1. Time since the offense or incident;
2. Age of the subject at the time of the offense or incident;
3. Nature and specific circumstances of the offense or incident;
4. Sentence imposed and length, if any, of incarceration, if criminal;
5. Penalty or discipline imposed, including damages awarded, if civil or administrative;
6. Relationship of offense or incident to nature of work to be performed;
7. Number of offenses or incidents;



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8. Whether offenses or incidents were committed in association with dependence on drugs or alcohol from which the subject has since recovered;
9. If criminal, any relevant evidence of rehabilitation or lack thereof, such as information about compliance with conditions of parole or probation, including orders of no contact with victims and witnesses, and the subject's conduct and experience since the time of the offense including, but not limited to, professional or educational certifications obtained; and
10. Any other relevant information, including information submitted by the subject; and

3) consider appeals of determinations of unsuitability based on claims of erroneous information received as part of the background check during the application process in accordance with 803 CMR 2.17: Requirement to Maintain a Secondary Dissemination Log and 2.18: Adverse Employment Decision Based on CORI or Other Types of Criminal History Information Received from a Source Other than the DCJIS.

Upon adverse determination for a particular applicant, Seagrass will provide the applicant a copy of their background screening report and a pre-adverse determination letter providing the applicant with a copy of their right to dispute the contents of the report, who to contact to do so and the opportunity to provide a supplemental statement. After 10 business days, if the applicant does not dispute the contents of the report and no applicant-provided statement gives cause to alter the suitability determination, an adverse action letter will be issued providing the applicant information on the final determination made by Seagrass along with any legal notices required. All suitability determinations will be documented in compliance with all requirements set forth in 935 CMR 500 et seq. and guidance provided by the Commission.

Seagrass will cause its background screening to be conducted by an investigative firm holding the National Association of Professional Background Screeners (NAPBS®) Background Screening Credentialing Council (BSCC) accreditation and capable of performing the searches required by the regulations and guidance provided by the Commission. Any references provided by the marijuana agent will be verified at the time of hire. As deemed necessary, individuals in to be hired for key Seagrass positions with unique and sensitive access (e.g., members of the executive management team) will undergo additional screening, which may include interviews with prior employers and/or colleagues. As a condition of continued employment, agents, volunteers, contractors, and subcontractors are required to renew their Registration Cards (as that term is defined in 935 CMR 500.002) annually and submit to other background screening as may be required by Seagrass or the Commission.

Staffing Plan and Business Hours



Hiring and Recruitment

Seagrass' Human Resource Manager will engage the executive management team and supervisory staff on a regular basis to determine if vacancies are anticipated and whether specific positions need to be created in response to company needs. Seagrass' hiring practices will include but are not limited to the following and apply to all types of working situations including hiring, firing, promotions, harassment, training, wages and benefits:

1. Equal Employment Opportunity Commission (EEOC) Compliance;
2. Seagrass' Diversity Plan;
3. Seagrass' Plan to Positively Impact Areas of Disproportionate Impact;
4. Background Checks and References;
5. Mandatory reporting of criminal convictions (and termination if necessary);
6. State and Federal Family Leave Act;
7. Workplace Safety Laws;
8. State and Federal Minimum Wage Requirements; and
9. Non-Disclosure and Non-Complete Agreements

Standards of Employee Conduct

Seagrass' mission is to provide a professional workplace free from harassment and discrimination for employees. Seagrass has a zero-tolerance policy on harassment or discrimination based on sex, race, color, national origin, age, religion, disability, sexual orientation, gender identity, gender expression, or any other trait or characteristic protected by any applicable federal, state, or local law or ordinance. Harassment or discrimination on the basis of any protected trait or characteristic contravenes Seagrass' Code of Conduct. A broad range of behavior could constitute harassment and/or discrimination. In general, harassment is any verbal or physical conduct that: 1) has the purpose or effect of creating an intimidating, hostile, or offensive working environment; 2) as the purpose or effect of unreasonably interfering with an individual's work performance; or 3) adversely and unjustifiably affects an individual's employment opportunities.

Employees are expected to maintain the highest degree of professional behavior. All harassment or discrimination by employees is strictly prohibited. Furthermore, harassing or discriminatory behavior of non-employees directed at Seagrass' employees or customers also is condemned and will be promptly addressed.

Violence and Weapons in the Workplace



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Any and all acts of violence in the workplace will result in immediate dismissal of the employee, customer, or parties involved. The Salem Police Department and other law enforcement authorities, as applicable, will be contacted immediately in the case of a violent event. Weapons are not permitted at Seagrass' Salem facility by employees, customers, or any other parties. Agents (including employees) found carrying weapons at Seagrass' facility will be immediately terminated. Vendors or other visitors to the facility found carrying weapons on the premises will be asked to leave and/or the police will be notified accordingly.

At-Will Employment

In the state of Massachusetts, employment is assumed to be at-will unless otherwise stated. At-will employment implies that employer and employee alike may terminate the work relationship at any given moment and for any legitimate purpose. Wrongful termination may be more difficult to prove in an at-will arrangement because of the freedom that each party has to end the employment. However, there are still many instances wherein a termination or discharge can be called wrongful, even in an at-will employment.

Workplace Attire

The required attire for registered marijuana agents at Seagrass' facility varies based upon required duties. New hire training will define appropriate attire for each role and the Human Resources Manager will be responsible for ensuring compliance with all requirements is met.

Business Hours

Operating hours will be decided by the City of Salem. Seagrass proposes:

M-TH – 10 AM – 9:30 PM

F-S – 10 AM – 10 PM

S – 11 AM – 8 PM

Seagrass will coordinate closely with the City during peak tourist season to close early as appropriate.

Overview of Personnel Policies and Procedures

Standard Employment Practices

Seagrass values and thrives off of the contributions of its management and staff positions. Seagrass intends to be a market leader in workplace satisfaction by offering competitive wage and benefits packages and nurturing a corporate culture that values meaningful work-life balance, complete transparency and accountability and service to the Salem community.



Advancement

The organization will be structured in a relatively flat manner, with promotional opportunities within each department. Participation in training and bi-annual performance evaluations will be critical for any promotions or pay increases. Seagrass pledges to be an equal opportunity employer and advancer of its employees. *See Seagrass' Diversity Plan for greater detail.*

Written Policies

Seagrass' written policies will address, inter alia, the Family and Medical Leave Act (FMLA), the Consolidated Omnibus Budget Reconciliation Act (COBRA), equal employment opportunity, discrimination, harassment, the Employee Retirement Income Security Act (ERISA), disabilities, maintenance of personnel files, privacy, email policy, 935 CMR 500.000 et. seq., holidays, hours, sick time, personal time, overtime, performance reviews, disciplinary procedures, working hours, pay rates, overtime, bonuses, veteran preferences, drug testing, personnel policies, military leaves of absence, bereavement leave, jury duty, CORI checks, smoking, HIPAA, patient confidentiality, and compliance hotline.

Investigations

Seagrass will develop policies and procedures to investigate any complaints or concerns identified or raised internally or externally in order to stay remain compliant with 935 CMR 500.000 et. seq.

Designated Outside Counsel

Seagrass may retain counsel specializing in employment law to assist the Human Resources Manager with any issues and questions.

Job Status

Job Classifications

Positions at Seagrass are categorized by rank and by department. Seagrass executive management team oversees the overall success toward achieving the company's mission. Seagrass' founders, Chip Tuttle and Donald Wyse are responsible for implementation of the mission and the greater executive management team is responsible for ensuring that all departments are properly executing their functions and responsibilities. Job classification is comprised of three rank tiers: Executive Management, Management/Supervisors, and Non-Management Employee Staff.

Work Schedules



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Work schedules will be either part-time, full-time, or salaried, depending of the specific position¹. Schedules will be set according to the needs of each department as determined by the applicable department manager and the supervising executive manager. It is the department manager's responsibility to develop and implement a work schedule that provides necessary duty and personnel coverage but does not exceed what is required for full implementation of operations. The department manager will also ensure that adequate coverage occurs on a daily basis and does not lead to unnecessary utilization of overtime coverage.

Mandatory Meetings and Community Service Days

There will be a mandatory reoccurring company-wide meeting on a quarterly basis. All full-time employees will be notified of their required attendance. Seagrass will also organize and encourage employee participation in community service activities in Salem. Seagrass pledges to pay employees for up to two community service days per calendar.

Breaks

Daily breaks, including lunch breaks, will comply with the laws of the Commonwealth of Massachusetts.

Performance Reviews

Performance reviews will be conducted by executive or department managers. Reviews will be conducted at three-month intervals for new employees during the first year of employment and at 6-month intervals thereafter. A written review will be provided to, and signed by, the employee under review. Reviews must be retained in each employee's personnel file and treated as a personnel record in accordance with Seagrass' Recordkeeping Policies. Performance reviews must take into account positive performance factors and areas requiring improvement. Scoring systems may be utilized to help reflect the employee's overall performance.

Leave Policies

Seagrass leave policies will comport with all state and federal law. All full-time employees will receive two 40-hour weeks of paid vacation per annum. Additional leave must be requested at least 2 weeks in advance and approved by the employee's department manager. Seagrass will determine which holidays will be observed and which departments will not be required to work. Seagrass will offer paid maternity leave. Additional leave will not be paid and must be approved by the department manager.

¹ Internships may either be part-time or full-time depending on the development of Seagrass' internship training program and the company's then-existing staffing needs. See Seagrass' Plan to Positively Impact Areas of Disproportionate Impact for greater details.



Seagrass anticipates observing the following holidays:

- New Year's Day;
- Martin Luther King Day;
- Presidents' Day;
- Memorial Day;
- Independence Day;
- Labor Day;
- Thanksgiving; and
- Christmas Day.

Disciplinary Policies

Purpose

Seagrass' discipline policy and procedure is designed to provide a structured corrective action process to improve and prevent a recurrence of undesirable behavior and/or performance issues. The steps outlined below have been designed for consistency with Seagrass' organizational values, best practices, and employment laws.

Seagrass reserves the right to combine or skip steps depending upon facts of each situation and the nature of the offense – each offense will be reviewed and remediated on a case-by-case basis. The level of disciplinary intervention may also vary. The procedure outlined below is intended to provide guidance to the Seagrass Human Resources Manager and executive management team and not bind them in any given disciplinary scenario. Some of the factors that will be considered depend upon whether the offense is repeated despite coaching, counseling, and/or training; the employee's work record; and the impact the conduct and performance issues have on Seagrass' organization.

Procedure

Step 1: Counseling and Verbal Warning

Step 1 creates an opportunity for the immediate supervisor to schedule a meeting with an employee to bring attention to the existing performance, conduct, or attendance issue. The supervisor should discuss with the employee the nature of the problem or violation of company policies and procedures. The supervisor is expected to clearly outline expectations and steps the employee must take to improve performance or resolve the problem.

Within five business days, the supervisor will prepare written documentation of a Step 1 meeting. The employee will be asked to sign the written documentation. The



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employee's signature is needed to demonstrate the employee's understanding of the issues and the corrective action needed.

Step 2: Written Warning

While it is hoped that the performance, conduct, or attendance issues that were identified in Step 1 have been corrected, Seagrass recognizes that this may not always be the case. A written warning involves a more formal documentation of the performance, conduct, or attendance issues and consequences.

During Step 2, the immediate supervisor and a department manager or director will meet with the employee and review any additional incidents or information about the performance, conduct, or attendance issues as well as any prior relevant corrective action plans. Seagrass management will outline the consequences for the employee of his or her continued failure to meet performance and/or conduct expectations. A formal performance improvement plan (PIP) requiring the employee's immediate and sustained corrective action will be issued within five business days of a Step 2 meeting. A warning outlining that the employee may be subject to additional discipline up to and including termination if immediate and sustained corrective action is not taken may also be included in the written warning.

Step 3: Suspension and Final Written Warning

There may be performance, conduct, or safety incidents so problematic and harmful that the most effective action may be the temporary removal of the employee from the workplace. When immediate action is necessary to ensure the safety of the employee or others, the immediate supervisor may suspend the employee pending the results of an investigation.

Suspensions that are recommended as part of the normal progression of this progressive discipline policy and procedure are subject to approval from a next-level manager and the Human Resources Manager.

Depending upon the seriousness of the infraction, the employee may be suspended without pay in full-day increments consistent with federal, state and local wage-and-hour employment laws. Nonexempt/hourly employees may not substitute or use an accrued paid vacation or sick day in lieu of the unpaid suspension. Due to Fair Labor Standards Act (FLSA) compliance issues, unpaid suspension of salaried/exempt employees is reserved for serious workplace safety or conduct issues. The Human Resources Manager will provide guidance so that the discipline is administered without jeopardizing the FLSA exemption status.



Pay may be restored to the employee if an investigation of the incident or infraction absolves the employee.

Step 4: Recommendation for Termination of Employment

The last and most serious step in the progressive discipline procedure is a recommendation to terminate employment. Generally, Seagrass will endeavor to exercise the progressive nature of this policy by first providing warnings, a final written warning, and/or suspension from the workplace before proceeding to a recommendation to terminate employment. However, Seagrass reserves the right to combine and skip steps depending upon the circumstances and severity of each situation and the nature of the offense. Furthermore, employees may be terminated without prior notice or disciplinary action.

Management's recommendation to terminate employment must be approved by the Human Resources Manager and department manager or designee. Final approval may be required from the CEO or designee.

Notwithstanding the foregoing, nothing in this policy provides any contractual rights regarding employee discipline or counseling nor should anything in this policy be read or construed as modifying or altering the employment-at-will relationship between Seagrass and its employees.

Appeal Process

Employees will have the opportunity to present information that may challenge information management has used to issue disciplinary action. The purpose of this process is to provide insight into extenuating circumstances that may have contributed to the employee performance and/or conduct issues while allowing for an equitable solution. If the employee does not present this information during any of the step meetings, he or she will have five business days after that meeting to present information.

Performance and Conduct Issues Not Subject to Progressive Discipline

Behavior that is illegal is not subject to progressive discipline and may be reported to the Salem Police Department or other law enforcement authorities. Theft, intoxication at work, fighting and other acts of violence are also not subject to progressive discipline and are grounds for immediate termination.

Documentation

The employee will be provided copies of all progressive discipline documentation, including all performance improvement plans. The employee will be asked to sign copies of this



SEAGRASS

documentation attesting to their receipt and understanding of the corrective action outlined in these documents. Copies of these documents will be placed in the employee's official personnel file.

Separation of Employment

Separation of employment within an organization can occur for several different reasons. Employment may end as a result of resignation, retirement, release (end of season or assignment), reduction in workforce, or termination. When an employee separates from Seagrass, his or her supervisor must contact the Human Resources Manager to schedule an exit interview, typically to take place on employee's last workday.

Types of Separation

1. Resignation

Resignation is a voluntary act initiated by the employee to end employment with Seagrass. The employee must provide a minimum of two (2) weeks' notice prior to resignation. If an employee does not provide advance notice or fails to actually work the remaining two weeks, the employee will be ineligible for rehire and will not receive accrued benefits. The resignation date must not fall on the day after a holiday.

2. Retirement

An employee who wishes to retire is required to notify his or her department director and the Human Resources Manager in writing at least one (1) month before planned retirement date. It is the practice of Seagrass to give special recognition to valued employees at the time of their retirement.

3. Job Abandonment

An employee who fails to report to work or contact his or her supervisor for two (2) consecutive workdays will be considered to have abandoned the job without notice effective at the end of the employee's normal shift on the second day. The department manager will notify the Human Resources Manager at the expiration of the second workday and initiate the paperwork to terminate the employee. Employees who are separated due to job abandonment are ineligible to receive accrued benefits and are ineligible for rehire.

4. Termination

Employees of Seagrass are employed on an at-will basis, and the company retains the right to terminate an employee at any time.

5. Reduction in Workforce



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An employee may be laid off due to changes in duties, organizational changes, lack of funds, or lack of work. Employees who are laid off may not appeal the layoff decision through the appeal process.

6. Release

Release is the end of temporary or seasonal employment. The Human Resources Manager, in consultation with the department manager, will inform the temporary or seasonal worker of their release according to the terms of the individual's temporary employment.

Exit Interview

The separating employee will contact the Human Resources Manager as soon as notice is given to schedule an exit interview. The interview will be on the employee's last day of work or other day, as mutually agreed upon.

Return of Property

The separating employee must return all company property at the time of separation, including but not limited to uniforms, cell phones, keys, facility access cards, computers, and identification cards. Failure to return some items may result in deductions from final paycheck. An employee will be required to sign the Wage Deduction Authorization Agreement to deduct the costs of such items from the final paycheck.

Termination of Benefits

An employee separating from Seagrass is eligible to receive benefits as long as the appropriate procedures are followed as stated above. Two weeks' notice must be given, and the employee must work the full two work weeks. Any accrued vacation and/or accrued sick leave will be paid in the last paycheck.

Health Insurance

Health insurance terminates on the last day of the month of employment, unless the employee requests immediate termination of benefits. Information about the Consolidated Omnibus Budget Reconciliation Act (COBRA) continued health coverage will be provided. Employees will be required to pay their share of the dependent health and dental premiums through the end of the month.

Rehire

Former employees who left in good standing and were classified as eligible for rehire may be considered for reemployment. An application must be submitted to the Human Resources Manager, and the applicant must meet all minimum qualifications and requirements of the



position, including any qualifying exam and current registration with the Commission, when required.

Department managers must obtain approval from the Human Resources Manager or designee prior to rehiring a former employee. Rehired employees begin benefits just as any other new employee. Previous tenure will not be considered in calculating longevity, leave accruals, or any other benefits. An applicant or employee who is terminated for violating policy or who resigned in lieu of termination from employment due to a policy violation will be ineligible for rehire.

Compensation

Seagrass believes that it is in the best interests of both the organization and its employees to fairly compensate its workforce for the value of the work provided. Seagrass intends to use a compensation system that will determine the current market value of a position based on the skills, knowledge, and behaviors required of a fully-competent incumbent. The system used for determining compensation will be objective and non-discriminatory in theory, application and practice. The company has determined that this can best be accomplished by using a professional compensation consultant, as needed, and a system recommended and approved by the executive management team.

Selection Criteria

1. The compensation system will price positions to market by using local, national, and marijuana-industry specific survey data.
2. The market data will primarily include marijuana-related businesses and will include survey data for more specialized positions and will address significant market differences due to geographical location.
3. The system will evaluate external equity, which is the relative marketplace job worth of every marijuana-industry job directly comparable to similar jobs at Seagrass, factored for general economic variances, and adjusted to reflect the local economic marketplace.
4. The system will evaluate internal equity, which is the relative worth of each job in the organization when comparing the required level of job competencies, formal training and experience, responsibility and accountability of one job to another, and arranging all jobs in a formal job-grading structure.
5. Professional support and consultation will be available to evaluate the compensation system and provide on-going assistance in the administration of the program.
6. The compensation system must be flexible enough to ensure that the company is able to recruit and retain a highly-qualified workforce, while providing the structure necessary to effectively manage the overall compensation program.

Responsibilities



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The executive management team will possess final approval authority over Seagrass' compensation system.

1. On an annual basis the executive management team will review and approve, as appropriate, recommended changes to position-range movement as determined through the vendor's market analysis process.
2. As part of the annual budgeting process, the executive management team will review and approve, as appropriate, funds to be allocated for total compensation, which would include base salaries, bonus, variable based or incentive-based pay, and all other related expenses, including benefit plans.

Management Responsibility

1. The CEO, Chip Tuttle, is charged with ensuring that Seagrass is staffed with highly-qualified, fully-competent employees and that all company programs are administered within appropriate guidelines and within the approved budget.
2. The salary budget will include a gross figure for the following budget adjustments, but the individual determinations for each employee's salary adjustment will be the exclusive domain of the CEO: determining the appropriate head count, titles, position levels, merit and promotional increases and compensation consisting of salary, incentive, bonus, and other discretionary pay for all positions.
3. The CEO will ensure that salary ranges are updated at least annually, that all individual jobs are market priced at least once every two years, and that pay equity adjustments are administered in a fair and equitable manner.



SEAGRASS

Record Keeping Procedures

Introduction

Seagrass has established policies regarding recordkeeping and record-retention in order to ensure the maintenance, safe keeping, and accessibility of critical documents. Seagrass intends to maintain all records, to the extent feasible, in electronic form. If physical records are used, they will be stored at Seagrass' Salem marijuana retailer establishment in a locked room designated for record retention. All written and electronic records will be available for inspection by the Commission upon request in accordance with 935 CMR 500.300(1).

Recordkeeping Procedures

All records will be maintained in accordance with Generally-Accepted Accounting Principles ("GAAP"). In order to ensure that Seagrass' recordkeeping practices remain compliant with the specific requirements of 935 CMR 500.030, executive management team review of Corporate Records, Business Records, and Personnel Records for completeness, accuracy, and timeliness of such documents will occur as part of Seagrass' quarter-end closing procedures. Seagrass will meet Commission recordkeeping requirements and retain a copy of all records for two (2) years, unless otherwise specified in the regulations and herein below. In addition, Seagrass will update its internal operating procedures on regular basis, as needed and under the supervision of the executive management team in order to ensure the safe and compliant keeping of records. Seagrass' internal operating procedures will provide for the safe and compliant keeping and maintenance of the following critical enterprise records:

- A. Corporate Records: are defined as those records that require, at a minimum, annual reviews, updates, and renewals. These records include:
 - 1. Insurance Coverage Records (including: Directors & Officers Policies, Product Liability Policies; General Liability Policies, Umbrella Policies, Workers Compensation Policies and Employer Professional Liability Policies);
 - 2. Third-Party Contracts;
 - 3. Commission Required Registrations (including: Annual Agent Registration(s) and Annual Marijuana Establishment Registration);
 - 4. Local Compliance Documents (including: Certificate of Occupancy, Special Permits, Variances, Site Plan Approvals and As-Built Drawings); and
 - 5. Corporate Governance Filings (including: Annual Reports and Secretary of State Filings).



SEAGRASS

- B. Business Records: as are required by 935 CMR 500.105(9)(e). Seagrass will keep these records in electronic form, of possible, so that Seagrass can efficiently produce the records for inspection by the Commission. Seagrass' business records include: 1) statements of assets and liabilities; 2) monetary transactions; 3) books of accounts, which will include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers; 4) sales records including the quantity, form and cost of marijuana products; and 5) salary and wages paid to each agent, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with Seagrass, including members, if any.
- C. Personnel Records: will include at least: 1) job descriptions for each agent and volunteer position, as well as organizational charts consistent with the job descriptions; 2) a staffing plan that will demonstrate accessible business hours; 3) personnel policies and procedures; 4) all background check reports obtained in accordance with 935 CMR 500.030; and, finally, 5) a personnel file for each marijuana establishment agent. Seagrass will maintain such personnel files for at least twelve (12) months after termination of the agent's or employee's affiliation with Seagrass. Seagrass' personnel files will include for each agent, at a minimum, the following:
1. All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
 2. Documentation of verification of references;
 3. The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision of the agent;
 4. 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;
 5. Documentation of periodic performance evaluations;
 6. A record of any disciplinary action taken; and
 7. Notice of completed responsible vendor and eight-hour related duty training.
- D. Agent Training Records: Seagrass will maintain documentation of all required training, including training regarding privacy and confidentiality requirements, and a signed statement of the individual indicating the date, time, and place he or she received the training, the topics discussed and the name and title of the



SEAGRASS

presenter(s). Seagrass will maintain records of responsible vendor trainings of agents for at least four (4) years.

E. Written Operating Policies and Procedures: policies and procedures related to Seagrass' operations will be updated by the executive management team on an ongoing basis as needed and undergo a review by the executive management team on an annual basis. Written operating policies and procedures will include the following:

1. Security measures in compliance with 935 CMR 500.110;
2. Agent security policies, including personal safety and crime prevention techniques;
3. On premises verification of identification for adult-use retail consumers pursuant to 935 CMR 500.140;
4. Making educational materials about marijuana products available to consumers on site, which shall include the warnings required by 935 CMR 500.140;
5. A description of Seagrass' hours of operation and after-hours contact information, which will be provided to the Commission, made available to law enforcement officials upon request, and updated pursuant to 935 CMR 500.000;
6. Storage of marijuana in compliance with 935 CMR 500.105(11);
7. Description of the various strains of marijuana to be sold, and the form(s) in which marijuana will be dispenses;
8. Procedures to ensure accurate recordkeeping, including inventory protocols in compliance with 935 CMR 500.160;
9. Plans for quality control, including product testing for contaminants in compliance with 935 CMR 500.160;
10. A staffing plan and staffing records in compliance with 935 CMR 500.105(9);
11. Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;
12. Alcohol, smoke, and drug-free workplace policies;
13. A plan describing how confidential information will be maintained;
14. Policy for the immediate dismissal of any dispensary agent who has: 1) diverted marijuana (which diversions will be reported the Salem Police Department and to the Commission); 2) engaged in unsafe practices with regard to Seagrass' operations, which will be reported to the Commission; 3) or been convicted or entered a guilty plea, plea of *nolo contendere*, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the



SEAGRASS

- laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority;
15. A list of all Seagrass executives and members, if any, of the licensee must be made available upon request by any individual. 935 CMR 500.105(1)(m) requirement may be fulfilled by placing this information on Seagrass' website;
 16. Policies and procedures for the handling of any cash on Seagrass' premises including but not limited to storage, collection frequency and transport to financial institution(s);
 17. Policies and procedures to prevent the diversion of marijuana to individuals younger than 21 years old;
 18. Policies and procedures for energy efficiency and conservation that will include: 1) identification of potential energy use reduction opportunities (including but not limited to natural lighting, heat recovery ventilation and energy efficiency measures), and a plan for implementation of such opportunities; 2) consideration of opportunities for renewable energy generation, including, where applicable, submission of building plans showing where energy generators could be placed on site, and an explanation of why the identified opportunities were not pursued, if applicable; 3) strategies to reduce electric demand (such as lighting schedules, active load management and energy storage); and 4) engagement with energy efficiency programs offered pursuant to M.G.L. c. 25 § 21, or through municipal lighting plants.
- F. Handling and Testing of Marijuana Records: Seagrass will maintain the results of all testing for a minimum of one (1) year.
- G. Inventory Records: the record of each inventory will include, at a minimum, the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the agents who conducted the inventory in accordance with 935 CMR 500.105(8)(d).
- H. Seed-to-Sale Tracking Records: Seagrass will use software (presumably METRC) to maintain real-time inventory. This software meets the requirements specified by the Commission and 935 CMR 500.105(8)(c) and (d), including, at a minimum, an inventory of marijuana plants; marijuana plant-seeds and clones in any phase of development such as propagation, vegetation, flowering, if applicable; marijuana ready for dispensing; all marijuana products; and all damaged, defective, expired, or contaminated marijuana and marijuana products awaiting disposal. Seagrass' tracking software will enable tag and track all



SEAGRASS

marijuana seeds, clones, plants, and marijuana products in compliance with the seed-to-sale methodology in a form and manner approved by the Commission.

- I. Waste Disposal Records: when marijuana or marijuana products are disposed of, Seagrass will create and maintain a written record of the date, the type and quantity disposed of or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two Seagrass agents present during the disposal or handling, with their signatures in compliance with 935 CMR 500.105(12). Seagrass will keep disposal records for at least three (3) years. This period will automatically be extended for the duration of any enforcement action and may be extended by an order of the Commission.
- J. Incident Reporting Records: within ten (10) calendar days, Seagrass will provide written notice to the Commission of any incident described in 935 CMR 500.110(7)(a), by submitting an incident report, detailing the incident, the investigation, the findings, resolution (if any), confirmation that the Salem Police Department and Commission were notified within twenty-four (24) hours of discovering the breach, and any other relevant information. Reports and supporting documents, including photos and surveillance video related to a reportable incident, will be maintained by Seagrass for not less than one (1) year or the duration of an open investigation, whichever is longer, and made available to the Commission and law enforcement authorities upon request.
- K. Visitor Records: a visitor sign-in and sign-out record will be maintained at the security office. The record will include the visitor's name, address, organization or firm, date, time in and out, and the name of the authorized agent who will be escorting the visitor.
- L. Security Records: Seagrass will maintain a current list of authorized agents and service personnel that have access to the surveillance room will be available to the Commission upon request. Twenty-four (24) hour recordings from all video cameras that are available for immediate viewing by the Commission upon request and that are retained for at least ninety (90) calendar days.
- M. Transportation Records: Seagrass will retain all transportation manifests (which, in each instance, will be created in accordance with 935 CMR 500.105(13)(f)) for a minimum of one (1) year and make them available to the Commission upon request.
- N. Closure: In the event that Seagrass' Salem marijuana retailer facility closes, all records will be kept for at least two (2) years at Seagrass' expense in a form



SEAGRASS

(electronic, hard copies, etc.) and location acceptable to the Commission. In addition, Seagrass will communicate with the Commission during the closure process and accommodate any additional requests that the Commission or other Commonwealth agencies may have.



SEAGRASS

Qualification and Training

All employees hired to work at Seagrass will be qualified and licensed as a marijuana establishment agent and, additionally, will be properly trained to serve in their respective roles in a manner setting Seagrass up for success and consistency in regulatory compliance.

All Seagrass marijuana establishment agents will be 21 years of age or older in compliance with 935 CMR 500.030. Similarly, no marijuana establishment will be hired who has been convicted of a criminal 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.

Additionally, all Seagrass marijuana establishment agents will meet the requirements of 935 CMR 500.802. In the event that Seagrass discovers any of its agents become unsuitable for licensure as marijuana establishment agents, Seagrass will terminate the agent's employment and notify the Commission within 1 business day that the agent is no longer associated with the establishment.

Pursuant to 935 CMR 500.105(2), and before performing any regulated job activities, each of Seagrass's marijuana establishment agents will complete a Seagrass-specific training program customized for the roles and responsibilities of the agent's job function. This agent training will, at minimum, include the Responsible Vendor Program to be established by the Commission and at least eight (8) hours of on-going training annually.

On or after July 1, 2019, all of Seagrass's current owners, managers, and employees – regardless of function – will have attended and successfully completed a Responsible Vendor Program operated by an education provider accredited by the Commission to provide the annually required responsible vendor training to marijuana establishment agents. All new, non-administrative employees will complete the Responsible Vendor Program within 90 days of employment. As required, all owners, managers, and employees will subsequently complete the continuing vendor responsibility program courses once every year thereafter.

Records of responsible vendor training program compliance will be maintained for at least four (4) years per Commission regulations.

As part of Seagrass's overall training, marijuana establishment agents will receive training on a variety of topics, including but not limited to the following:

1. Marijuana's physical effect on the human body, including variations in different types of marijuana products and methods of administration, and recognizing the visible signs of impairment;



SEAGRASS

2. Best practices for diversion prevention and prevention of sales to minors and full training on the components of Seagrass's Diversion Prevention Plan;

3. Compliance with seed-to-sale tracking, storage and inventory management requirements;

4. Training on secondary identification checks, including acceptable forms of identification and recognizing fraudulent documents;

5. All other areas of Responsible Vendor training as determined by the Commission; and

6. Other significant state laws and rules affecting operators, such as:

- Local and state licensing and enforcement;
- Incident and notification requirements;
- Administrative and criminal liability and license sanctions and court sanctions;
- Waste disposal and health and safety standards;
- Patrons prohibited from bringing marijuana onto licensed premises;
- Permitted hours of sale and conduct of establishment;
- Permitting inspections by state and local licensing and enforcement authorities;
- Licensee responsibilities for activities occurring within licensed premises;
- Maintenance of records and privacy issues; and
- Prohibited purchases and practices.



SEAGRASS

Quality Control and Testing

Seagrass will comply with the all sanitary requirements for marijuana retailers, as well as its own cleanliness and hygiene protocols. First, any Seagrass agent whose job includes contact with marijuana or marijuana infused products is subject to the requirements for food handlers specified in 105 CMR 300.000, and all edible MIPs will be handled and stored in compliance with the sanitation requirements in 105 CMR 500.000, and with the requirements for food handlers specified in 105 CMR 300.000, where applicable. As a marijuana retailer, Seagrass will not be preparing or processing any marijuana or MIPs, but rather selling those products at retail.

Seagrass agents working in direct contact with any marijuana or marijuana products will maintain adequate personal cleanliness and wash hands thoroughly in an adequate hand-washing area before starting work, and at any other time when hands may have become soiled or contaminated.

Seagrass's hand-washing facilities will be adequate and convenient and will be furnished with running water at a suitable temperature. Likewise, Seagrass will ensure that litter and waste is properly removed and disposed of so as to minimize the development of odor and minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal will be maintained in an adequate manner pursuant to 935 CMR 500.105(12);

Seagrass's floors, walls, and ceilings will be constructed in such a manner that they may be adequately kept clean and in good repair and will have adequate safety lighting in any areas where equipment or utensils are cleaned. Overall, the building, fixtures, and other physical facilities will be maintained in a sanitary condition.

Contact surfaces, including utensils and equipment, will be maintained in a clean and sanitary condition. Such surfaces will be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the US Environmental Protection Agency (EPA), in accordance with labeled instructions.

Readily accessible toilet facilities will be maintained in a sanitary condition and in good repair and storage practices will ensure that products that can support the rapid growth of undesirable microorganisms are held in a manner that protects them against the growth of these microorganisms or other contamination.

Seagrass will have written and well-established policies and procedures for immediately responding to voluntary and mandatory recalls of any products carried by Seagrass. Seagrass will assign a point of contact to receive reports of voluntary and mandatory recalls, or other public health reports, and this staff person will also monitor relevant sources of procedures. Once a recall is triggered, Seagrass will immediately quarantine the affected product, document the actions taken, and report as required.



SEAGRASS

Any inventory that becomes outdated, spoiled, damaged, deteriorated, mislabeled, or contaminated will be disposed of in accordance with the provisions of 935 CMR 500.105(12), and all applicable state and local statutes, ordinances, and regulations.

Seagrass will not sell or otherwise market any marijuana or MIPs that have not first been satisfactorily tested by Independent Testing Laboratories, unless allowed under 935 CMR 500.000. No marijuana product will be sold or otherwise marketed for adult use that has not first been tested by an Independent Testing Laboratory and deemed to comply with the standards required under 935 CMR 500.160, and labeled as such. Seagrass will independently monitor independently testing protocols and procedures of its wholesale providers through its quality assurance program. Seagrass is not a marijuana cultivator or product manufacturer.

Finally, Seagrass' quality control and assurance practices will ensure that:

- There shall be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations.
- All toxic items shall be identified, held, and stored in a manner that protects against contamination of marijuana.
- Water supply shall be sufficient for necessary operations.
- Plumbing shall be of adequate size and design and maintained to carry sufficient quantities of water to required locations throughout Seagrass' Salem facility.
- Storage and transportation of finished products to Seagrass shall be under conditions that will protect them against physical, chemical, and microbial contamination.
- Seagrass will notify the Commission within 72 hours of any laboratory testing results indicating contamination if contamination cannot be remediated and disposal of the production batch is necessary.



SEAGRASS

Plan for Maintaining Financial Records

Seagrass' operating policies and procedures and comprehensive recordkeeping procedures (*see* Seagrass' companion Recordkeeping Procedures for greater detail) will ensure that its financial records are accurate and maintained in compliance with the Commission's regulations at 935 CMR 500 *et. seq.* Seagrass' financial records maintenance plan includes policies and procedures requiring that:

- A. Confidential information will be maintained in a secure location, kept separate from all other records, and will not be disclosed without the written consent of the individual to whom the information applies, or as required under law or pursuant to an order from a court of competent jurisdiction; provided however, the Commission may access this information to carry out its official duties.
- B. All recordkeeping requirements under 935 CMR 500.105(9) are followed, including the keeping written business records available for inspection, and in accordance with Generally Accepted Accounting Principles ("GAAP"), which will include manual or, if possible, electronic records of: 1) statements assets and liabilities; 2) monetary transactions; 3) books of accounts, which will include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers; 4) sales records including quantity, form and cost of marijuana products; and 5) salary and wages paid to each employee and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with a marijuana establishment, including members, if any.
- C. Additional written business records will be kept, including, but not limited to, records of: 1) compliance with liability insurance coverage or maintenance of escrow requirements under 935 CMR 500.105(10) and all bond or escrow requirements under 935 CMR 500.105(16); 2) fees paid under 935 CMR 500.005 or any other section of the Commission's regulations; and 3) fines or penalties, if any, paid under 935 CMR 500.550 or any other section of the Commission's regulations.
- D. Seagrass will not utilize software or other methods to manipulate or alter sales data.
- E. Seagrass will conduct a monthly analysis of equipment to confirm that no software has been installed that could be utilized to manipulate or alter sales data and Seagrass will maintain records that it has performed such monthly analyses.



SEAGRASS

- F. If Seagrass determines that software or other methods have been installed/utilized to manipulate or alter sales data, it will immediately disclose the information to the Commission, cooperate in any resulting investigation, and take such other action directed by the Commission.
- G. Seagrass will comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.
- H. Seagrass will employ separate accounting practices at the point-of-sale for marijuana and non-marijuana sales.



SEAGRASS

Diversity Plan

Introduction

Seagrass' Diversity Plan complements its Plan to Positively Impact Areas of Disproportionate Impact. Seagrass is committed to developing and maintaining an atmosphere of inclusivity and tolerance at its Salem, MA marijuana retailer establishment and hire a workforce that is representative and as diverse as Salem and its surrounding communities. Motivating those desires is the recognition that diversity in the workforce is a critical aspect of the company's contribution to the Salem community. Seagrass pledges to promote equity among minorities, women, veterans, people with disabilities, and people of all gender identities and sexual orientations. In addition, it will make every effort to employ and advance in employment qualified and diverse people at all levels within the company.

This effort will be led by senior consultant to Seagrass for Marketing, Communications and Corporate Responsibility, Femi Wasserman, and the Seagrass Human Resources Manager.

Diversity Goals

A diverse and representative workforce, drawn from within Salem and surrounding Areas of Disproportionate Impact, such as Lynn, Revere and Chelsea, is of paramount importance to Seagrass' executive management team. Seagrass will develop and maintain this diverse, aware and inclusive working environment through its: 1) hiring practices; 2) employee retention and advancement policies; 3) new employee training program; and 4) institutional oversight.

Seagrass' long-term goal is a minimum of 50% diverse (i.e., minorities, women, veterans, people with disabilities, and LGBTQ+ individuals) individual employment across the entire company by year 5 of operations. To achieve that goal, by year 5, Seagrass intends to hire a workforce that is composed of:

- (1) at least 25% minority employees;
- (2) at least 50% women employees;
- (3) at least 5-10% employees with disabilities;
- (4) at least 5-10% veterans; and
- (5) at least 25% LGBTQ+ employees.

Diversity Programs

As part of its diversity hiring initiative, Seagrass will regularly assess the language barriers to entry for both job applicants and persons expressing interest in employment opportunities during community job fairs. Seagrass' regular participation at community job fairs throughout the North Shore (primarily focusing on the diverse communities of Lynn, Revere and Chelsea, in addition to Salem) will ensure that a diverse pool of applicants is aware of job openings within



the company. During Seagrass' first year of operations in Salem, Seagrass will participate in at least three job fairs, including at least two in Lynn, and one in Revere.

Moreover, Seagrass' internship program will ensure that a diverse population has the opportunity to learn about the adult-cannabis industry and gain the expertise needed to fill employment opportunities within the company and learn the skills necessary to advance within the company and the industry.

Seagrass intends to work with its community partner, the North Shore Community Development Coalition's Youth Build program, in order to identify potential candidates (who will be at least 21 years of age or older) for the internship program. Seagrass will give hiring preference to internship candidates meeting the Commission's diversity criteria and will pay its interns an hourly wage equal to the hourly wage of full-time, entry-level employees at the company. Seagrass expects that its interns will develop critical skills necessary for gainful and long-term employment within the adult-use cannabis industry. Seagrass and North Shore CDC/Youth Build will verify the age of all applicants to the internship program. Seagrass will hire its first intern in Year 1 of operations, and in conjunction will develop a training curriculum that will include shadowing managers, sessions with industry leaders and Seagrass executives, and other hands-on learning experience. Seagrass also expects that exceptional interns will have the opportunity to join Seagrass' Salem team on a full-time basis upon completion of the internship program.

Seagrass is also committed to promoting equity and providing the support necessary for its diverse employees to thrive in their roles and advance within the company. In that regard, Seagrass' Human Resources Manager will be charged with affirmatively notifying all diverse employees about opportunities for advancement and job training (to the extent applicable to a diverse employee's job function or career ambitions) at the company. In addition, every diverse employee will be assigned a mentor, with whom the employee will meet regularly (at least twice per year) to discuss ongoing professional development and career goals. Mentors shall work closely with the Human Resources Manager to ensure that all diverse employees are receiving appropriate job training and information about opportunities for promotion within the company when they arise. Seagrass will also provide a stipend (up to \$50 per month) to diverse employees who regularly use public transportation to travel to work.

Seagrass will convey its commitments to diversity and tolerance to all new employees beginning on the date of hiring. In that regard, Seagrass will develop a robust diversity training program for all new employees. This program will require that all employees undergo diversity awareness and anti-bias training in accordance with industry best practices. Seagrass' diversity and anti-bias training will emphasize the company's zero-tolerance commitment against harassment and discrimination in the workplace and the company's unwavering pledge to take corrective action should any issues, concerns, or complaints arise. Staff-level employees will be required to



undergo diversity and anti-bias training at least annually. Upper management and supervisory employees will also be encouraged to enroll in executive diversity and anti-bias trainings as identified by Seagrass' Human Resources manager.

To ensure an inclusive and aware workforce and nurture a tolerant workplace, all employees will be encouraged to report all incidents of harassment and discrimination to the Human Resources Manager. The Human Resources Manager shall report all complaints to the Seagrass executive management team and the team shall take any necessary action to enforce and protect the company's zero-tolerance commitment against harassment and discrimination in the workplace.

Diversity Measurement

Seagrass will develop policies to regularly analyze the effectiveness of its diversity training, diversity hiring and diverse-employee advancement/mentoring programs for creating a diverse and inclusive work environment. As part of that regular analysis, Seagrass' Human Resources Manager will annually audit all job applications received by the company (for both internship and full-time positions) to ensure that the company is attracting interest from a diverse population of applicants which includes minorities, women, veterans, people with disabilities, and people of all gender identities and sexual orientations. Seagrass' Human Resources Manager will also audit all new hiring decisions to ensure that the company's commitment to a diverse and inclusive work environment is reflected in its hiring decisions and employee profile.

The Human Resources Manager will report the results of these audits to the Seagrass executive management team at least once per year in the form of an annual report. The executive management team will annually review the results of the report and determine whether the company's diversity policies have yielded a staff that reflects the diverse community of Salem and greater North Shore. The executive management team shall amend and update the Seagrass diversity training and/or diversity hiring/employee advancement programs as necessary to ensure that the policies yield a diverse workforce that reflects the surrounding communities.

The annual report shall also include detailed information about any harassment or discrimination complaints that arose during the preceding year, and the steps that the company took to investigate, resolve and remedy all such complaints. The executive management team shall annually review this information to ensure that the company's goals of inclusivity and tolerance are achieved in each year.

The Human Resources Manager will oversee progress toward Seagrass' long-term diversity hiring goal (*see* Diversity Goals section) by obtaining, at least annually, employee biographical data through self-identifying surveys. This will permit the Human Resources Manager to measure Seagrass' progress toward its diversity hiring goals. The Human Resources Manager will annually report progress to the executive team and ensure that Seagrass meets its long-term



diversity hiring goal. Furthermore, Seagrass intends to meet the following intermediate goals in years 1-4 of operation:

Commencement of Operations: minimum 25% diverse individual employment.

End of Year 1: minimum 30% diverse individual employment.

End of Year 2: minimum 35% diverse individual employment.

End of Year 3: minimum 40% diverse individual employment.

End of Year 4: minimum 45% diverse individual employment.

These short-term metrics will ensure that Seagrass is regularly evaluating progress toward its diversity hiring goals and employing corrective actions if intermediary targets are not met.

Diversity Plan Acknowledgments

Seagrass pledges to adhere to the requirements set forth in 935 CMR 500.105(4)(a) which provides the permitted advertising, branding, marketing and sponsorship practices for all Marijuana Establishments. Seagrass likewise pledges not to employ any of the prohibited practices articulated in 935 CMR 500.105(4)(b). Finally, none of the actions taken or programs instituted by Seagrass will violate the Commission's regulations with respect to limitations on ownership or control or any other applicable state laws.



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September 6, 2019

Cannabis Control Commission

101 Federal Street

13th floor

Boston, MA 02110

To Whom it May Concern:

It is my pleasure to confirm that the North Shore Community Development Corporation has partnered with CTDW, LLC / Seagrass in its outreach programs to the communities of Lynn, Revere and Chelsea, all of which have been designated by the Cannabis Control Commission as communities of disproportionate impact. Seagrass' target is to hire a staff that is at least 50% composed of residents (or former residents) of Lynn, Revere and/or Chelsea and/or Salem residents with past marijuana-related CORIs and/or parents or spouses with drug convictions within its first five (5) years.

To further these goals, we will partner with Seagrass to organize, publicize and host three (3) job fairs before the end of Seagrass' first year of operations. Two job fairs will be held in Lynn and one in Revere. Seagrass will fund the costs associated with these job fairs. Our YouthBuild program also will work with Seagrass to develop an internship training program for skilled entry-level positions, with specific priority given to individuals in Lynn, Revere, Chelsea and Salem who have marijuana-related CORIs and/or parents or spouses with drug convictions. We will ensure that only individuals who are 21 years of age or older will be permitted to participate in Seagrass' internship training program, and, with Seagrass, we will verify the age of any prospective participant.

Lastly, Seagrass has offered and we have gratefully accepted a \$25,000 annual donation.

I hope this information assists you in reviewing Seagrass' application.

Sincerely,

Mickey Northcutt
CEO

North Shore Community Development Coalition, Inc.
invests in neighborhoods to create thriving communities.