



# Massachusetts Cannabis Control Commission

## Public Record Request

### Marijuana Cultivator

#### General Information:

License Number: MC281466  
Original Issued Date: 03/07/2020  
Issued Date: 03/07/2020  
Expiration Date: 03/07/2021  
Payment Received: \$5000      Payment Required: \$5000

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: EMB Natural Ventures, LLC

Phone Number: 203-444-6551      Email Address: eddie@embnaturalventures.com

Business Address 1: 140 Middle Water Street

Business Address 2:

Business City: Holyoke

Business State: MA

Business Zip Code: 01040

Mailing Address 1: P.O. Box 565

Mailing Address 2:

Mailing City: Holyoke

Mailing State: MA

Mailing Zip Code: 04041

### 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: Percentage Of Control:  
57

Role: Owner / Partner Other Role:

First Name: Eddie Last Name: Fernandez Suffix:

Gender: Male User Defined Gender:

What is this person's race or ethnicity?: Hispanic, Latino, or Spanish (Mexican or Mexican American, Puerto Rican, Cuban, Salvadoran, Dominican, Colombian)

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 2

Percentage Of Ownership: Percentage Of Control: 33

Role: Owner / Partner Other Role:

First Name: Mark Last Name: Ellis Suffix:

Gender: Male User Defined Gender:

What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 3

Percentage Of Ownership: Percentage Of Control: 10

Role: Owner / Partner Other Role:

First Name: Brandon Last Name: Hudson Suffix:

Gender: Male User Defined Gender:

What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)

Specify Race or Ethnicity:

**ENTITIES WITH DIRECT OR INDIRECT AUTHORITY**

Entity with Direct or Indirect Authority 1

Percentage of Control: 57 Percentage of Ownership: 57

Entity Legal Name: Fernandez Natural Ventures, LLC Entity DBA: DBA  
City:

Entity Description: Massachusetts Limited Liability Company

Foreign Subsidiary Narrative:

Entity Phone: 203-444-6551 Entity Email: eddie@embnaturalventures.com Entity Website:

Entity Address 1: 44 School St Entity Address 2: Suite 325

Entity City: Boston Entity State: MA Entity Zip Code: 02108

Entity Mailing Address 1: 44 School St Entity Mailing Address 2: Suite 325

Entity Mailing City: Boston Entity Mailing State: MA Entity Mailing Zip Code: 02108

Relationship Description: Fernandez Natural Ventures, LLC, the sole member of which is Eddie Fernandez, is one of the members of EMB Natural Ventures, LLC.

Entity with Direct or Indirect Authority 2



**Entity Legal Name:** EMB Natural Ventures, LLC **Entity DBA:**  
**Email:** eddie@embnaturalventures.com **Phone:** 413-561-3175  
**Address 1:** P.O. Box 565 **Address 2:**  
**City:** Holyoke **State:** MA **Zip Code:** 01041  
**Types of Capital:** Monetary/Equity **Other Type of Capital:** Total Value of Capital Provided: \$3000000 **Percentage of Initial Capital:** 100  
**Capital Attestation:** Yes

#### BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

#### DISCLOSURE OF INDIVIDUAL INTERESTS

No records found

#### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

**Establishment Address 1:** 140 Middle Water St  
**Establishment Address 2:**  
**Establishment City:** Holyoke **Establishment Zip Code:** 01040  
**Approximate square footage of the Establishment:** 25000 **How many abutters does this property have?:** 2  
**Have all property abutters have been notified of the intent to open a Marijuana Establishment at this address?:** Yes  
**Cultivation Tier:** Tier 03: 10,001 to 20,000 sq. ft **Cultivation Environment:** Indoor

#### FEE QUESTIONS

**Cultivation Tier:** Tier 03: 10,001 to 20,000 sq. ft **Cultivation Environment:** Indoor

#### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Certification of Host Community Agreement	Host Community Agreement Certification.pdf	pdf	5c38112aa8a6bb721699c6d9	01/10/2019
Community Outreach Meeting Documentation	Community Outreach Meeting Attestation Form.pdf	pdf	5c3d31eeeadf341230f632f3	01/14/2019
Plan to Remain Compliant with Local Zoning	EMBNV Operations Plan - Remaining Compliant with Local Zoning.pdf	pdf	5c3f8c35635d511b3474b843	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
Other	Letter from Nueva Esperanza (10-3-19).pdf	pdf	5d977b60d471f115eb599f27	10/04/2019
Plan for Positive Impact	Positive Impact Plan (November 2019).pdf	pdf	5de3236f0f35e05798b39880	11/30/2019

**ADDITIONAL INFORMATION NOTIFICATION**

Notification: I Understand

**INDIVIDUAL BACKGROUND INFORMATION**

Individual Background Information 1

Role: Manager Other Role:  
First Name: Eddie Last Name: Fernandez Suffix:  
RMD Association: Not associated with an RMD  
Background Question: no

Individual Background Information 2

Role: Manager Other Role:  
First Name: Mark Last Name: Ellis Suffix:  
RMD Association: Not associated with an RMD  
Background Question: no

Individual Background Information 3

Role: Manager Other Role:  
First Name: Brandon Last Name: Hudson Suffix:  
RMD Association: Not associated with an RMD  
Background Question: no

Individual Background Information 4

Role: Executive / Officer Other Role:  
First Name: William Last Name: Musson Suffix:  
RMD Association: Not associated with an RMD  
Background Question: no

Individual Background Information 5

Role: Executive / Officer Other Role:  
First Name: Michael Last Name: Dixon Suffix:  
RMD Association: Not associated with an RMD  
Background Question: no

**ENTITY BACKGROUND CHECK INFORMATION**

Entity Background Check Information 1

Role: Partner Other Role:  
Entity Legal Name: Fernandez Natural Ventures, LLC Entity DBA:  
Entity Description: Massachusetts Limited Liability Company  
Phone: 203-444-6551 Email: eddie@embnaturalventures.com  
Primary Business Address 1: 44 School St Primary Business Address 2: Suite 325  
Primary Business City: Boston Primary Business State: MA Principal Business Zip Code:  
02108  
Additional Information: Sole member/manager: Eddie Fernandez

Entity Background Check Information 2

Role: Partner

Other Role:

Entity Legal Name: Aralia One, LLC

Entity DBA:

Entity Description: Texas Limited Liability Company, authorized to do business in Massachusetts

Phone: 214-762-2221

Email: mark.ellis@ablanaonline.com

Primary Business Address 1: 16027 Chalfont Pl

Primary Business Address 2:

Primary Business City: Dallas

Primary Business State: TX

Principal Business Zip Code: 75248

Additional Information: Sole member/manager: Mark Ellis

### Entity Background Check Information 3

Role: Partner

Other Role:

Entity Legal Name: KoraDon LLC

Entity DBA:

Entity Description: Connecticut Limited Liability Company, authorized to do business in Massachusetts

Phone: 617-850-5516

Email: brandon@ctnaturalventures.com

Primary Business Address 1: 96 Bank St

Primary Business Address 2:

Primary Business City: Waterbury

Primary Business State: CT

Principal Business Zip Code: 06702

Additional Information: Sole member/manager: Brandon Hudson

### MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	Certificate of Organization.pdf	pdf	5c40ed97eadf341230f6387c	01/17/2019
Bylaws	By-Laws.pdf	pdf	5c40edb23d84de123a60d205	01/17/2019
Secretary of Commonwealth - Certificate of Good Standing	Certificate of Good Standing Dept of Commonwealth (9-10-19).pdf	pdf	5d977266c1731c15b88f308b	10/04/2019
Department of Revenue - Certificate of Good standing	Certificate of Good Standing Dept of Revenue (10-7-19).pdf	pdf	5d9b4773e87dc81b070009f7	10/07/2019

No documents uploaded

Massachusetts Business Identification Number: 001332247

Doing-Business-As Name:

DBA Registration City:

### BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	Letter from Fitelson Agency.pdf	pdf	5c40efb6635d511b3474ba2e	01/17/2019
Business Plan	Business Plan (October 2019).pdf	pdf	5d976d536eb01d1b28fb003b	10/04/2019
Proposed Timeline	Business Plan Proposed Timeline (October 2019).pdf	pdf	5d976d5fa489aa1afc401152	10/04/2019

## OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Policies and Procedures for cultivating.	EMBNV Operations Plan - Cultivation Policies and Procedures.pdf	pdf	5c3fa4d85fd63c1b24eb0f72	01/16/2019
Restricting Access to age 21 and older	EMBNV Operations Plan - Restricting Access.pdf	pdf	5c3fa4ee3183181258e16cfd	01/16/2019
Security plan	EMBNV Operations Plan - Security.pdf	pdf	5c3fa504b411c1126cefe8d2	01/16/2019
Prevention of diversion	EMBNV Operations Plan - Prevention of Diversion.pdf	pdf	5c3fa515293a5312448e4f1f	01/16/2019
Personnel policies including background checks	EMBNV Operations Plan - Personnel Policies.pdf	pdf	5c3fa589293a5312448e4f23	01/16/2019
Maintaining of financial records	EMBNV Operations Plan - Maintaing Financial Records.pdf	pdf	5c3fa5ad9ff0081b48216181	01/16/2019
Qualifications and training	EMBNV Operations Plan - Qualifications and Training.pdf	pdf	5c3fa5d4c4b7a71b66d0e85c	01/16/2019
Storage of marijuana	Storage Plan (October 2019).pdf	pdf	5d9773251b7a141b1db84068	10/04/2019
Transportation of marijuana	Transportation (October 2019).pdf	pdf	5d97733fa489aa1afc401175	10/04/2019
Inventory procedures	Inventory Procedures (October 2019).pdf	pdf	5d9773a7a489aa1afc401179	10/04/2019
Quality control and testing	Quality Control and Testing (October 2019).pdf	pdf	5d9773bf08d9401ae68c61f8	10/04/2019
Record Keeping procedures	Record Keeping (October 2018).pdf	pdf	5d9773e14e842f1b123bbc0a	10/04/2019
Diversity plan	Diversity Plan (November 2019).pdf	pdf	5de32292170b4c5353e3c9eb	11/30/2019

## 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

<b>Monday From: 8:00 AM</b>	<b>Monday To: 8:00 PM</b>
<b>Tuesday From: 8:00 AM</b>	<b>Tuesday To: 8:00 PM</b>
<b>Wednesday From: 8:00 AM</b>	<b>Wednesday To: 8:00 PM</b>
<b>Thursday From: 8:00 AM</b>	<b>Thursday To: 8:00 PM</b>
<b>Friday From: 8:00 AM</b>	<b>Friday To: 8:00 PM</b>
<b>Saturday From: Closed</b>	<b>Saturday To: Closed</b>
<b>Sunday From: Closed</b>	<b>Sunday To: Closed</b>



## **EMB Natural Ventures**

Having secured a site, a Community Host Agreement, and a Special Permit, and having successfully completing the initial community outreach, EMB Natural Ventures, LLC (“EMB”) is applying for a Marijuana Cultivator license to do business in a 25,000 square foot facility in the City of Holyoke, MA. The facility will be equipped to grow up to 3,000 plants and flowers concurrently, including up to 15 different strains of cannabis.

Under the direction of its three principals, all successful entrepreneurs, EMB is poised to create and operate a successful business that creates employment, provides tax revenue, and adheres to

# **EMB NATURAL VENTURES, LLC**

*Business Plan*

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## **A Cannabis Cultivation Establishment**

October 2019



***PROPRIETARY & CONFIDENTIAL***

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## EXECUTIVE SUMMARY

EMB Natural Ventures, LLC (“EMBNV”) is a duly-organized Massachusetts limited liability company with an application pending to enter the legal adult use cannabis cultivation market in the Commonwealth of Massachusetts. Upon licensing from the Massachusetts Cannabis Control Commission (the “Commission”), the company will construct an indoor, state-of-the-art grow facility with related administrative offices. EMBNV’s business will be established within a renovated brownstone industrial building within the City of Holyoke’s General Industry zone designated for urban redevelopment.

The cannabis cultivator serves as the foundation of the legal adult cannabis industry. EMBNV is committed to producing the highest quality cannabis flower tailored to the needs and desires of the Commonwealth’s adult use consumers. Industry research reveals that opportunity and need exist for cultivators to do a better job of assessing customer needs and to match those needs to plants with four-month to five-month growth and harvest cycles. EMBNV’s operations, which will be in strict compliance with the legal requirements set forth in 935 Code of Massachusetts Regulations 500.00, et seq., will focus on outreach to its direct customers, such as licensed cannabis product manufacturers and retailers. This process will allow EMBNV to plan for, and to produce, specific product variants expertly and efficiently. By growing customer-specific strains in its facility, utilizing tailored environmental controls and soil media, EMBNV will set itself apart and will produce and provide the premier cannabis offering in the Commonwealth of Massachusetts.

### Opportunity

In 2016, Massachusetts Ballot Question 4 legalized adult use of cannabis by a 54% to 46% margin of approval. The Commonwealth thereafter passed Session Law – Acts of 2016 Chapter 334, revised by Acts of 2017 Chapter 55, to regulate and tax the legal use of cannabis for individuals 21 years of age or older. Based upon this legislation, the Commission was formed in 2017 and thereafter promulgated regulations, 935 CMR 500.000, et seq., for the legal adult use cannabis industry within the Commonwealth. This “recreational use” law placed Massachusetts in line with other states that have opened the legal cannabis industry to its citizenry.

As of the writing of this Business Plan, 48 states in the U.S., as well as the District of Columbia have enacted medical marijuana or CBD/low-THC laws. Ten states have laws regulating the cultivation and sale of marijuana for all adults, and a number of other states across the country are prepared to enact medical and/or adult use marijuana laws in 2019. The majority of these ten “recreational” states have permitted commercial production with oversight being assigned to a state agency with the task of creating a comprehensive regulatory framework within which all stakeholders must work. In Massachusetts, that state agency is the Commission.

The estimated market size of legal consumers of cannabis products in Massachusetts is between 725,000 and 800,000. This customer base is approximately 25% greater than the estimated 2018 market in Colorado, which has had adult-use cannabis laws for some time. It is indisputable that there is an oncoming market need for responsible cannabis cultivators and a growing demand for recreational use cannabis products will soon follow. With the opening of the first few Marijuana Retailers in the Commonwealth, early sales reports have confirmed what most expected: Massachusetts residents and

visitors will be enthusiastic participants in the cannabis industry. The need is high for responsible businesses that will consistently cultivate, process and package high-quality cannabis products and transport those products to marijuana establishments throughout the Commonwealth.

“Marcos Marrero says that if one were to have a machine running an optimization algorithm that would weigh a host of quantitative and qualitative factors to ultimately determine the very best spot in the region — and maybe the country — to locate a marijuana cultivation and distribution facility, it would, when done with its analysis, likely spit out two words: Holyoke and Massachusetts.”

BusinessWest.com “There’s Certainly Growing Interest in Holyoke” (March 2018).

Indeed, the City of Holyoke provides an ideal location for a new cannabis business because of the City’s support for new businesses, plenty of available industrial space, and low utility costs. The City’s revitalization plan specifically identifies cannabis establishments as target businesses to attract to Holyoke. EMBNV’s cultivation facility coincides with many of the City’s revitalization goals, such as: Enhancing the Entrepreneurial Eco-system, Clean Energy Innovation and Development, and Urban Agriculture Industry Cluster. Holyoke Mayor Alex Morse predicts an “industrial renaissance,” supported in part by the cannabis industry, in the once thriving business and industrial districts.

## **Business Model**

EMBNV’s business model will create demand for limited production runs of high-quality cannabis flower for use by licensed cannabis product manufacturers and for sale at select licensed cannabis retailers throughout the Commonwealth. End users demand consistent and predictable cannabis products, and companies that produce inferior product will likely fail. EMBNV, through its cultivation processes and operational ability to repeat production, will earn the loyalty of its customer base to own the top spot for customer demanded cannabis flower in products and at retail.

By working closely with its licensed cannabis establishment customers, EMBNV can tailor plant strains, characteristics and quantity to create ideal products for the future retail market. The goal will be to pre-sell entire harvest yields to discerning, high-end cannabis establishments. Extensive company research has poised EMBNV to create and maintain successful partnerships with all licensed cannabis retailers within the Commonwealth, in order to provide consistent and repeatable sources of business for its products.

The company will be known for excellent customer service, as well as always adhering to core values of honesty and integrity. Each of EMBNV’s principals has a demonstrated record of professional excellence with attributes easily transferrable to the cannabis industry. Each individual has a long record of meeting business commitments, a core value that will enable EMBNV to distinguish itself as an industry leader with respect to its products and its supply chain.

The company will also seek out innovative product manufacturers that are developing the latest cannabis products and dosing mechanisms. New cannabis products, such as micro-dosed spice packets for adding to foods or drinks, will be developed by high-end product manufacturing establishments. EMBNV aims to meet the expected demand for consistent high-quality plants in predictable volumes and schedules.

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Focusing on quality, and developing strong industry relationships, will provide the best protection for the company from any market price fluctuations as product supply and demand vary in the coming years. Lean operations combined with predictable revenue from pre-sales will enable EMBNV to grow operations. The company chose a facility in Holyoke in which operations can expand within nearby business structures to up to ten times the initial square footage.

EMBNV's application to the Commission is for a Tier 3 cultivation facility, but 935 CMR 500.050(2)(c) will allow the company to expand its cultivation Tier to increase the useable canopy square footage as market demand increases. The established operational plans and procedures in place are not dependent on the Tier level and may be consistently applied to any future tier designation. The company's selection of a site for operations is another strong indicator of its ownership's business acumen and dedication to success. Each of the pre-operational decisions made by EMBNV has been carefully thought out with total consideration of the stringent regulatory framework established by the Commission and the Massachusetts Department of Public Health. This thoughtful and serious development of its business model, as evidenced by its successful adoption of a Host Community Agreement with the City of Holyoke, as well as by a successful community outreach campaign, places EMBNV in a strong position to attain success in a relatively short period of time.

### Cultivation Philosophy

The founders of EMBNV have witnessed first-hand, and had a part in, the explosive growth of controlled environment agriculture, an indoor, technology-based approach to achieving optimal growing conditions throughout the development of any given crop. In recent years, the indoor agricultural industry has experienced remarkable advancements in lighting, air handling, and environmental control systems. EMBNV's founders have experience in the design and operation of an indoor (non-cannabis) organic grow facility in Waterbury, Connecticut. The ability to create optimal conditions for all stages of a plant's development delivers the highest quality plants at high-capacity yields. EMBNV's founders have a record of hands-on success in this unique process. As demonstrated in EMBNV's Operating Plans, copies of which have been submitted to the Commission, both EMBNV and its professional vendors and consultants (both present and contemplated) are well-versed in the additional operational requirements incumbent upon cannabis cultivators, as set forth in 935 CMR 500.120.



The company's success in maximizing its yield of fresh, genetically pure, high-quality products will come from its ability to control and innovate in six primary areas of agriculture:

- 1) Lighting: leverage low-energy light sources that will provide optimized spectrum and appropriate photosynthetic photon flux density (PPFD) for every stage of plant growth.
- 2) Grow Medium: use of a proprietary, balanced medium to maximize healthy and stable root growth.

- 3) Air Circulation and Ventilation: simulation of the beneficial conditions that plants experience in nature, such as air movement and humidity, to strengthen plants and to minimize exposure to pests and other contaminants. Air surrounding the plants will have been carbon-filtered and purified with UV light when circulated outside the plant areas.
- 4) Temperature: an optimal temperature control system has been designed for the different stages of cannabis growth, to provide appropriate temperature fluctuation and to increase product flavor and effectiveness.
- 5) Nutrients: organic and base nutrients will be combined to form a proprietary form of nutrient blends, customized for product strain, stage of lifecycle, and plant size.
- 6) Water: a water purification system will be utilized to filter and purify the local water supply, as well as to adjust to optimal pH for the most effective and efficient use by the plants.

### Community Outreach

EMBNV's ownership believes that being a good corporate citizen means more than running a clean, ethical and compliant cannabis cultivation business. It also means providing support and care for the communities in which the company does business. EMBNV will commit its corporate resources to support community projects and non-profit organizations. The company's founders, who possess diverse strengths and philanthropic callings, have established four pillars of EMBNV's community outreach plan:

- 1) Uplift and empower the local employment environment with a goal of 80% of staff from the City of Holyoke. This employment goal far exceeds minimum level expected by the City of Holyoke, but EMBNV is sincerely committed to this goal. EMBNV was excited to learn of, and fully embraces, the Commission's recent approval of a first-of-a-kind proposal from the City of Holyoke, Holyoke Community College, and the Cannabis Community Care & Research Network. This joint venture will provide a training ground for residents of Holyoke who are seeking jobs in the cannabis industry. EMBNV looks forward to serving as a partner with this initiative, which is sure to benefit both it and local residents.
- 2) Coordinate and lead local educational events providing advice regarding agricultural techniques and legal issues unique to the cannabis industry, as well as regarding general topics of interest to the community. Programs are planned concerning the responsible use of cannabis products in both recreational and medical settings.
- 3) Charitable giving in the form of paid volunteer hours for company employees and monetary donations as a percentage of the company's profits.
- 4) EMBNV's corporate philosophy is embodied, in part, by the terms and conditions set forth in its Community Host Agreement with the City of Holyoke which calls for the payment of impact fees, a local hiring commitment, and cooperation with local public safety officials.

Like the mission of the Commission itself, EMBNV's goal is to conduct all its processes in an open and transparent manner, to engage in regular and consistent two-way communication with all concerned

stakeholders, and to build a world-class business that is a credit to its principals, its customers, and the City of Holyoke. EMBNV will be a thoughtful, engaged and responsive neighbor and corporate citizen.

## Target Market

EMBNV's customer base is expected to be licensed Product Manufacturers, Research Facilities, Retailers, and Laboratories in the Commonwealth of Massachusetts.

The Commission began accepting applications for prospective licensees in April 2018. Marijuana License classes include:

- Marijuana Cultivator
- Craft Marijuana Cooperative
- Marijuana Product Manufacturer
- Marijuana Retailer
- Marijuana Research Facility
- Marijuana Transporter
- Marijuana Microbusiness
- Independent Testing Laboratory and Standards Laboratory



End consumers for legal adult use cannabis in Massachusetts will purchase products from a licensed retailer. These retailers will provide cannabis flower direct from cultivators, like EMBNV, and will provide products such as vapes, extracts, and edibles produced by licensed product manufacturers. EMBNV will focus on relationships with retailers and product manufacturers before the first generation of plants start as seedlings. As previously mentioned, EMBNV has conducted exhaustive research into all present and prospective clientele and is fully prepared to establish business relationships with industry partners as soon as it is licensed.

## Competition

The legal adult use of cannabis for medical or recreational purposes is still in its infancy across the United States. In 30 states, cannabis products are permitted under specific guidelines for medical purposes, while in 10 states plus the District of Columbia cannabis sales have been legalized for all adult-use purposes. After a successful ballot initiative this past November, Michigan became the most recent state permitting adults age 21 and over to purchase and possess recreational-use marijuana. Of particular note is the State of Vermont which, in January 2018 became the first state to utilize the legislative process, rather than ballot initiative, to legalize the recreational use of marijuana.

Existing federal law, however, precludes marijuana sales across state lines. As a result, EMBNV's prospective business, as well as its prospective competition, will be found exclusively within the Commonwealth of Massachusetts, where legal retail sales of cannabis products began only in late 2018.

The data from those states in which fully-legal programs have already been established demonstrates the boom and bust cycles created by high numbers of cannabis supply businesses coming into the market. Maintaining high quality products while paying close attention to operational costs has proven crucial for the most successful cultivators, product manufacturers, and retail establishments. The vast majority of recreational licenses granted by the Commission have been Marijuana Retailer licenses. The most recent data from the Commission indicates that the consuming public has embraced the advent of recreational marijuana. With four weeks of reported gross sales across the Commonwealth, consumers are spending approximately \$364,000.00 daily on marijuana.

EMB NV takes these robust sales figures for what they are – a small sample size. But it is indisputable that there is a market for this business within the Commonwealth. Data from other jurisdictions, which have been studied by EMB NV, provides more long-term supportive data that lead to the initiation of the company's Marijuana Cultivator license application.

EMB NV will compete with other cultivators, craft cannabis cooperatives, and microbusinesses to supply the available products for Massachusetts residents and tourists. To be successful, and to achieve a position as a preferred supplier of high-quality cannabis products, EMB NV has committed to creating, adopting and implementing the following measures, all within the regulatory framework of state law:

- Focus on producing consistent, high-quality cannabis to meet demand.
- Maintain an effective operational structure, and foster strong relationships with cannabis retailers and product manufacturers, which will allow for quick responses to shifting customer needs.
- Control expenses to protect margins, in anticipation of a likely reduction in the retail price of cannabis products as supply balloons within the next three to five years.
- Work in conjunction with the local community to foster good will and understanding for legal adult use of cannabis, creating an overall positive impact for the citizens and economy of the City of Holyoke.
- Establish a solid system of procedures and controls, including with regard to operations, management, back office, and front office, with constant attention to regulatory compliance to accomplish the company's mission.

## COMPANY SUMMARY

### The Company

EMB NV's application to the Commission for a cannabis cultivation license is pending. Upon the issuance of a license, which is anticipated in early 2019, the company intends to begin operation of its growing business in a facility in Holyoke, MA containing approximately 25,000 square feet of available space.

EMB NV expects to employ up to 25 individuals for its business operations, with a focus on drawing the majority of its employees from residents of Holyoke and the surrounding areas. In its initial community

outreach, EMBNV made known its desire to hire local men and women, and the company's message has been well received by community members and nearby businesses. The use of local personnel, combined with the operation of a facility located within the city's enterprise zone, will generate significant economic benefits for the city.

Within 18 months of the issuance of a license from the Commission, EMBNV anticipates production of a crop comprised of up to five cannabis strains. Ultimately, the facility will have the ability to grow up to 3,000 plants and flowers concurrently, producing up to 15 different strains of cannabis from seedling to finished product.

## The Management Team

**Eddie Fernandez** is an entrepreneur, business owner, and horticulturist based in Waterbury, CT. He was born in Connecticut and raised in Puerto Rico before moving with his parents to the Norwich, CT area. He now resides with his own family in Hamden, CT. In 2003, he formed a retail insurance agency, which ultimately became The Tiano Group, LLC, a Connecticut-based business serving Latin American and immigrant communities in securing insurance through the Affordable Care Act. At its height, Tiano had annual commission revenue in excess of \$80 million with approximately 200 sales personnel. In 2013, Mr. Fernandez founded One Touch Repair LLC, which operates out of Waterbury, CT. The company provides logistical support to municipalities and large companies for employee electronic devices, such as cell phones, tablets and radios. He continues to operate that company, which has annual sales of approximately \$500,000.

In January 2017, Mr. Fernandez created CT Natural Ventures, LLC ("CT Natural Ventures"), an indoor, organic grow facility based in Waterbury, CT that produces basil, microgreens, parsley, mints, peppers and tomatoes, with sales mostly being made to public school districts in Connecticut's Hartford and New Haven Counties. Through CT Natural Ventures, Mr. Fernandez and his staff have successfully developed optimal systems for controlled environment agriculture, including through innovative uses of LED lighting and soil nutrition. These systems should easily be adapted to the cannabis cultivation operation planned for EMBNV in Holyoke, MA. Mr. Fernandez has carefully studied and familiarized himself with the various operational requirements for indoor marijuana cultivators, including the regulations set forth in 935 CMR 500.120.

Mr. Fernandez, who is bilingual in English and Spanish, has been a life-long builder of relationships, and he enjoys contributing to and improving each of the communities of which he is a part. He expects to use his platform with EMBNV to stimulate employment and business opportunities for minority groups in Holyoke, MA.

**Mark Ellis** is an entrepreneur and investor based in Dallas, TX. In 1991, he earned his Bachelor of Science degree from Massachusetts Institute of Technology in Computer Science, with a concentration in Mathematics. He has since had a successful career in software product development, including serving in executive and management level positions in several start-up companies. In particular, he was a co-founder and Chief Technology Officer of PeopleAnswers, a predictive analytics software company that helps companies decrease employee turnover and increase productivity.

Mr. Ellis designed and led development of the company's innovative software systems, transforming the way clients select and manage talent. PeopleAnswers achieved 40 consecutive quarters of revenue growth prior to its acquisition by Infor, Inc. After the company's acquisition, Ellis stayed on as a Group Vice President at Infor.

Mr. Ellis has also been an active real estate investor and developer, having purchased, built and/or renovated over 100 homes in the Dallas, TX area. He has extensive experience in planning and managing construction projects from start to finish and enjoys applying his eye for design, as well as his people and project management skills, to fully renovate and revitalize distressed properties.

**Brandon Hudson** has over 15 years of experience in business leadership, engineering, business acquisition, and program management. An honors graduate of the United States Air Force Academy, Mr. Hudson served his country with distinction as a member of the United States Air Force. His undergraduate degree is in electrical engineering.

From 2004-2007, Mr. Hudson served as an officer at Hanscom Air Force Base in Massachusetts, where he researched, designed and built next-generation infrared surveillance sensors. Following his service, he excelled in a number of industries directly serving federal, state and or municipal governmental entities. He provided technological and logistical support for terrestrial and satellite radio systems. Among the companies he worked for is EF Johnson Technologies, based in Irving, TX, where he was a Systems Service Manager, leading a cross-functional team that provided complex data analytics relating to sales, operations, marketing and engineering.

Currently, he owns and manages SGNL Communications, LLC, an authorized radio service provider for the City of Waterbury, CT and a State of Connecticut licensed V9 radio and television dealer and servicer. He has extensive experience designing, deploying and maintaining digital public safety grade two-way radio systems, and maintaining those systems for Waterbury's police, fire and public works departments. In particular, he is proficient in financial data management and ensuring compliance with federal, state and municipal laws, policies and regulations.

#### *Additional EMBNV Team Members Who Are Not Part of Ownership*

**William Musson** is expected to serve as EMBNV's Director of Production. He specializes in all aspects of controlled environment agriculture, excelling in the healthy production of organic herbs and produce from seed to flower. He has been the Operations Manager for CT Natural Ventures since that company began operating in January 2017, and throughout his time with the company he has gained extensive knowledge in all details that go into a successful indoor grow facility, including the design and building of an indoor grow framework and the use and assembly of vertical racks, light installations, and HVAC, plumbing and electric systems.

Growing multiple herbs and vegetables in an indoor setting, Mr. Munson has become a master at achieving optimal production under the many environmental challenges faced in an indoor agricultural operation, resulting in quality organic product with low waste and cost. Experimenting with different soils, nutrient recipes, and different grow mediums such as hydroponics, he has used his experience with CT Natural Ventures to gain advanced horticultural tools, which should be easily applicable when he moves to EMBNV's operation in Holyoke, MA.

Earlier in his career, Mr. Munson was a professional baseball player in Australian leagues.

**Michael Dixon** is expected to serve as EMBNV's Director of Human Resources, after working for many years as a human resources executive, and the principal Connecticut contact, in the retail and corporate divisions of P.C. Richard & Son, the largest chain of private, family-owned appliance, television, electronics and mattress stores in the United States, with over 2,800 employees. Among his responsibilities has been acting as local representative for media promotions as the on-air contact for both radio and news communications, as well as for the organization of an annual Greater New Haven Chamber of Commerce event including 120 key business owners and employees in New Haven County, CT.

Since 1997, Mr. Dixon has trained in Chinese martial arts, reaching a 6th Degree black belt, a master level rank in the Chinese Kempo Karate system. He also teaches martial arts and has promoted over 60 students to the degree of 1st Degree black belt and higher.

## SALES AND MARKETING PLAN

### Summary

In order to be successful, EMBNV will create a sustainable revenue stream sufficient to produce positive cash flow for the business. The company will implement a robust Sales and Marketing program to accomplish this goal and to grow the business steadily over time. Each of the company's principals has extensive experience in "start-up" businesses, and each brings a deep wealth of knowledge in the implementation of the organizational discipline needed to achieve long-term profitability. EMBNV's mission is to achieve financial success while being an exemplary corporate citizen. Believers in the adage that a "rising tide floats all boats," the company's leadership team is committed to giving back to the community that sustains its operations. The company's success will, in turn, be beneficial to both the City of Holyoke and the Commonwealth of Massachusetts.

### Methods

EMBNV will employ various approaches to generating sales and conducting its marketing, and the relative importance of these approaches can be expected to evolve over time. A primary goal of the company is always to utilize the best sales/marketing approaches based on how the company, the market, and the industry mature. This process will always be a moving target, and it requires both knowledge and sound judgment to make the right decisions at the right times to create the best outcomes. All sales and marketing campaigns will be fully compliant with the requirements and directives of 935 CMR 500.105, as they pertain to advertising, marketing, labeling, packaging and branding protocols.

As cannabis sales in Massachusetts experience an initial increase with the operation of more and more retail establishments, a corresponding increase can be expected in the demand for product, and one of the primary initial challenges of EMBNV will be meeting that demand.

During this early phase of the company's growth, consumers will have little knowledge about the different producers and products. They will be largely be indiscriminate, content to purchase any product

in the new market. However, as the market evolves and becomes more sophisticated over a period of years, consumers will become educated and can be expected to develop purchasing and product preferences. EMBNV understands this phenomenon and will position itself to be a company of choice for recognized and sought-after products and brands. The company's principals have experienced this "product cycle" in various industries, including in the non-cannabis organic grow market, and will rely on this expertise in making EMBNV a market leader in Massachusetts.

### **Selling to Retail Establishments**

As a marijuana cultivator, EMBNV will generate consistent revenue by selling to licensed retail establishments. During the early phases of the company's growth, its sales/marketing efforts will focus almost exclusively on direct sales to these establishments. Initially, consumers will have no direct exposure to EMBNV, and the retail establishment buying agents alone will control end-product sales. Over time, however, as consumers develop preferences and an awareness of the source of different retail products, retail establishments will respond to those preferences and place orders based on the evolving consumer demands.

Although EMBNV will be selling directly to retail establishments, the company will study, influence and respond to consumer preferences in various ways, through market research and customer feedback, which will impact sales through both direct and indirect channels. EMBNV's operational goal will be to conduct its business in such a manner as to influence the decisions of both retail establishment buyers and their consumers. This approach will maximize revenue and play an important role in educating consumers and influencing their behavior.

### **Generating Awareness**

Generating awareness is a necessary component of any successful business, and that phenomenon will be no different in the cannabis industry. How to market products and make potential customers cognizant of one's place in the market requires a well-conceived, consistently applied plan. At the outset, such a plan will involve things like branding, product naming, logos, and packaging design, allowing EMBNV's products to be recognized and requested. Developing recognizable consumer brands and recognizable products opens the door to creating product loyalty, which is key for long-term success. Each of EMBNV's principals has extensive experience in bringing products and services to market and in creating successful business campaigns that result in sustainability of market concepts.

### **Creating Loyalty**

Many factors go into creating loyalty for a company or its products, including earning a particular reputation, presenting a particular image, standing for certain causes, and conveying emotions or meaning. EMBNV is aware of the dynamics of brand loyalty and plans to foster such loyalty over time through its mastery of these factors. The company's marketing plan, and more importantly its total commitment to the cultivation, processing and packaging of top value cannabis, will create the loyalty needed for a successful business. There are no shortcuts to earning a good reputation. EMBNV's principals have spent careers doing just that, which uniquely positions them to replicate that success in the Massachusetts cannabis industry.

### **Utilizing Best Practices**

EMB NV also recognizes the need to deploy capital wisely, especially in the start-up phase. The company will make sound decisions about how best to increase sales, and to improve its marketing, through various stages of business growth, and the company will use capital-efficient approaches in each such stage. EMB NV's capital stack is fully funded to finance all initial start-up costs through the point of positive cash flow. In addition, sufficient reserves are available to account for unforeseen market fluctuations or changes in the business.

The company will leverage the considerable experience of its leadership team to develop sales, branding, marketing, relationships, and community outreach programs. In particular, the company will select inside staff and outside partners to assist with executing those programs in a productive and cost-effective manner. A series of industry specific set of "best practices" will be established, implemented and executed, including the use of technology and tools to streamline operations and to help operate the business.

### **Limiting Target Audience**

EMB NV is committed to limiting its target audience in a responsible manner. The company is cognizant of the responsible and necessary safeguards established by the Commonwealth's regulatory framework on this issue, and the company will take careful steps to limit its communications and interactions to only individuals over 21 years of age. To do this, the company will utilize various forms of age identification and confirmations to help maintain this standard. These "best practice" protocols will be carried across all of EMB NV's platforms.

### **Relationship-Based Sales**

EMB NV recognizes the importance of creating positive and long-lasting relationships. The company's principals have each spent their careers establishing and fostering the types of relationships needed to be successful in business and in life. These "soft-skills" are easily transferrable to their work on behalf of EMB NV. Relationship-based selling, including the acts of recognizing and responding to the unique needs of both individuals and businesses, will be core to its approach of working with retail establishments. EMB NV has already been performing research necessary to establish the desired relationships with all pertinent stakeholders, and, to the extent possible, the company will have personal, face-to-face interactions with each operating retail establishment in Massachusetts as part of its effort to develop healthy and productive business relationships. Eddie Fernandez, one of the company founders, has especially deep experience in sales and will focus his efforts and talents on relationship-based sales to retail establishments. Mr. Fernandez will regularly meet with representatives of individual retail establishments to develop and foster such relationships.

### **Standards and Commitments**

EMB NV will aim to establish a reputation as a trusted partner to retail cannabis establishments, and in that respect the company will aspire to the highest standards as a good corporate citizen. The company will be known for excellent customer service, including transparency and prompt responsiveness to

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questions and concerns. The company's principals believe that frequent, positive interactions with retail establishments are important for supporting repeat sales, as part of a constructive relationship-based selling approach. No company, regardless of the industry, can achieve sustainable success without repeat business. One of EMBNV's core missions and operational goals will be to make each first-time customer a customer for life.

EMBNV's core values of honesty and integrity will be demonstrated by its honoring commitments. All commitments, to the Commission, the Commonwealth, the City of Holyoke and its residents, and the company's customer base, will be treated with the utmost seriousness. This focus on meeting commitments will extend to supplying products for orders placed by retail establishments. The company will strive to make accurate predictions of production volumes and will communicate timelines for delivery.

Once EMBNV accepts an order, it commits to supplying quality products on a timely basis. The company will have in place an established set of protocols, including a sophisticated production and inventory management system, which will enable it to meet and exceed each of its commitments. The company views this set of standards as part of its commitment to the Commission, the Commonwealth, and the City of Holyoke for the privilege of serving as a partner in creating a cannabis dispensing system that works well for all stakeholders.

### **Creating Engagement**

EMBNV will create engagement programs for ongoing communications with retail establishments. These will include phone calls, in-person visits, mailings, and online contact as a means of collecting and responding to feedback. As is true in most modern-day businesses, EMBNV will also take advantage of the positive opportunities presented by the various forms of available social media. All of EMBNV's engagement protocols will be fully compliant with the framework set forth in the applicable provisions of the Code of Massachusetts Regulations.

The company will also provide information on existing products, and previews of upcoming products, through its communications. As permitted by the regulatory framework, the company may explore incentive and rewards programs for retail establishments to increase sales and deepen relationships.

### **Timing**

The company will begin visiting and selling to retail establishments several months in advance of its first harvest. The goal is for every harvest to be fully committed to buyers and for each batch of product to be shipped out immediately when ready. The company will strive to minimize product aging and storage, as well as to achieve just-in-time availability for its products. An industry-best "real-time inventory," and meticulous attention to detail concerning its cultivation processes, will allow EMBNV to make the best use of time throughout the cultivation and sales cycles. The company will offer the freshest products and consistently meet its delivery commitments, taking care not to oversell or to fall short of demand.

## Generating Awareness

### Branding and Product Recognition

Where possible and appropriate, EMBNV expects to brand its products. Effective branding, product naming, logos, and packaging design will allow the company's products to be recognized, respected and requested. This effort will all be accomplished while strictly complying with the requirements of the applicable regulatory requirements.

Inside the Commonwealth's retail establishments, EMBNV may have limited control over presentation and exposure, especially with flower products. For cases where EMBNV controls packaging, however, the company will have the opportunity to directly present its brand. Especially with edibles, ointments, and other derivative products that the company may offer in the future with appropriate licensing, the company will have greater opportunities to control packaging in a more consistent manner. Such opportunities may also be possible with flower products alone, and the company will fully strive to control packaging and presentation.

### Marketing Channels

The company will utilize a variety of channels for communicating with retail establishments and consumers. Both in-bound and out-bound marketing techniques will be employed. For example:

- **Brochures and printed material.** EMBNV will primarily use written collateral to facilitate retail establishment sales. Information concerning EMBNV's operations, services and products will be conveyed and highlighted to potential customers.
- **Retail establishment portals.** EMBNV will create an online web portal for retail establishments, allowing them to access information about the company and its products. Retail establishments will have the ability to place orders online, view order status, and view payment history and balances due. The site will utilize dynamic sections to facilitate an on-line community, and forums will be established for retail establishments, allowing them to exchange ideas and to communicate openly. In addition, EMBNV will share industry updates and regulatory news, providing suggestions and best practices for how retail establishments can improve and expand their businesses. When necessary, the company will use professional consultants and vendors to assist in this industry education. The fully-integrated platform will allow retail establishments to provide confidential suggestions and feedback to EMBNV and to receive responses directly from the company.
- **Consumer-facing site.** As allowed by the regulatory framework, EMBNV will provide an age-restricted consumer site that includes information about the company and its products. The site will communicate how the company is acting responsibly while cultivating and handling cannabis, as well as how the cannabis industry is benefiting the community. The company will also present reviews, testimonials, and case studies, and it will provide information on where to go to buy EMBNV products.
- **Partner sites.** EMBNV will create an online presence, beyond its own website, by partnering with content aggregators, industry portals, product verification systems, and other sites.

- **Conventions.** EMBNV will have a presence at conferences, conventions, industry gatherings, and appropriate community events. In so doing, the company will gain exposure and establish itself as a thought-leader, a trusted source of information, and a responsible producer in the industry.

The company may also explore limited uses of social media platforms for certain communications, but it will do so cautiously and sparingly, understanding that it is offering adult products requiring sensitivity to legal age restrictions and community perceptions. First and foremost, the company will be a responsible partner in creating a successful cannabis program for the Commonwealth of Massachusetts.

## Creating Loyalty

### Differentiators

The key to building customer loyalty is by creating ways to distinguish EMBNV and its products from others. Such factors as branding, product labeling, and marketing will allow retail establishments and consumers easily to recognize those distinctions. Establishing and communicating what those specific distinctions are, as a brand promise, is a key part of creating loyalty, which is one of the goals of EMBNV management. When consumers know what sets a company apart, they are more likely to view its products positively and to buy its products when they visit retail establishments.

### Building a Reputation

EMBNV will strive to create positive impressions at all touch-points. The company will maintain high standards and ethics, focus on quality over quantity, keep its delivery promises, and communicate effectively with its customers. By consistently making positive impressions, EMBNV will develop a reputation of excellence. Retail establishments will be more inclined to buy from the company, and consumers will choose its products over others.

EMBNV will position itself as a responsible producer of premier cannabis products, with a goal of establishing a reputation as an industry leader that uses superior, eco-friendly grow processes to achieve high-quality results. The company will also strive to establish itself to be a thought leader in the industry, pushing to advance the cause of healthy and enjoyable cannabis use and to create better products and experiences for its customers.

### Utilizing Best Practices

#### Leadership Team Involvement

Each of EMBNV's principals has many decades of collective experience that will be brought to bear for the benefit of the business. The company's founders will devote their full-time efforts to the business, and each will focus on his respective areas of expertise. Regarding sales and marketing, the team will make contributions as indicated below.

Eddie Fernandez will bring his deep experience with relationship-based sales to leading retail establishment sales and engagement. He will also be involved in leading communication strategies, branding decisions, and community outreach.

Mark Ellis will bring his technology leadership and business development experience to identifying and deploying technical strategies and solutions. These efforts will include a website with tools for online ordering and feedback for retail establishments, online engagement, including a consumer-facing content framework, and setup of a Customer Relationship Management system to track the life cycle of a sales inquiry from prospect to customer.

Brandon Hudson will bring his experience with government, technology, and community relationships to help with social media engagement, market analysis and automation, product direction, sales tracking and analytics, and all aspects of compliance.

Using EMBNV's existing human resources for key sales and marketing functions, especially in its early stages, will allow the company to conserve capital and to ensure that it is making the best decisions.

### Outside Resources

EMBNV's management is in discussions with Hibu (<https://hibu.com>), a firm that has led the marketing efforts for leading cannabis producers around the country. Hibu is familiar with the regulatory framework governing a Massachusetts cannabis cultivator, and EMBNV is exploring the possibility of engaging with that company for assistance with marketing technology and capabilities.

EMBNV has also identified a freelance branding and graphic design specialist with an interest in working with the company to create branding, product packaging designs, and other marketing strategies.

The company will also be making an investment in business-solution software designed by Metrc LLC, a recognized industry leader in providing cannabis cultivators the ability to monitor key data points during cultivation, harvest, extraction, packaging and transport of cannabis products.

EMBNV has, or will establish, relationships with other professionals, including attorneys, consultants and vendors who are available to it as it goes from applicant to license holder. While fully understanding that it is the responsibility party with regards to full compliance with the Code of Massachusetts Regulations, EMBNV acknowledges that to be a successful business venture it will need to employ the services of others for various aspects of its business operations.

### Market Research

EMBNV recognizes that the cannabis industry is changing rapidly in Massachusetts and around the country. With that in mind, the company will engage with think tanks and research groups to understand current and likely future market conditions and trends. This process will help guide corporate strategy and decision-making. Operational decisions will be data-driven. Understanding customer needs and preferences will help ensure that EMBNV brings the best products to market and promotes those products in the ways most likely to be successful.

EMBNV will also perform analyses to refine and segment its sales audience and to optimize engagement, utilizing the channels that the company determines are most effective for delivering communication and generating action.

## Use of Tools

EMBNV will utilize technology tools for sales and marketing. These include a Customer Relationship Management system, online order placement and tracking systems for its retail establishment clients to use, marketing automation tools, conversion rate tracking and analytics, and various tools to promote a strong digital presence. All these efforts will be in full compliance with the applicable regulations set forth in 935 CMR 500.000, et seq.

## Limiting Target Audience

EMBNV will produce, and takes seriously its responsibility to produce, legal adult products and understands that communication with consumers must be age-restricted and appropriate. First and foremost, the company will be a responsible partner in creating a successful cannabis program for the Commonwealth of Massachusetts, reinforcing the message that the company's participation in the cannabis industry is positive and will bring benefits to both the Commonwealth and the City of Holyoke.

## Target Market

EMBNV will target cannabis retail establishments, licensed product manufacturers, and research laboratories that understand the value of high-quality cannabis flower delivered on a consistent basis. The company's sales and marketing efforts will rely heavily on feedback from licensed agents in the expanding Massachusetts industry.

Existing legal cannabis states' markets have shown a pattern of retailers and product manufacturers establishing a solid customer base, only to have customer loyalty undermined when those retailers and manufacturers are unable to meet current demands while balancing future demands, especially with evolving trends and preferences.

Within two months of its cultivation license approval by the Commission, and before the first seed is planted, EMBNV's sales and marketing staff will start evaluating likely buying tendencies within the Commonwealth. The goal is to understand the business being conducted by the company's direct customers, as well as to evaluate the tastes and preferences of the ultimate consumers, in order to develop a plan for how EMBNV can best serve its intended market. This evaluation process will dictate the company's decision-making as to which strains will be generated, and in what quantities, to ensure a consistent supply of high-quality cannabis matching customer preferences as projected during the period approximately five months after planting begins.

# OPERATIONS AND IMPLEMENTATION

## Cultivation Facility

EMBNV has entered into a lease, with an option to purchase, a 25,000 square foot brownstone industrial building in the industrial zone of Holyoke, MA. It is the company's intention to exercise that option following the granting of a cultivation license, at which point the company will renovate and outfit the

facility to provide an ideal location in which to grow, harvest, dry, cure and package cannabis flower in environmentally-optimized conditions.

Massachusetts allows two types of facilities for cultivation: greenhouse and indoor.

The disadvantages of greenhouse growing include:

- Land footprint is larger due to single-layer growing.
- Environment controls must consider weather and seasonal climate.
- Fewer options to benefit urban economic empowerment areas.

The principal indoor challenges include:

- Maintaining proper ventilation.
- Higher energy costs.
- Facility rent or purchase prices inflate because of the profitability in the legal cannabis industry.



(Source: Medicine Man Technologies)

Indoor cultivation advantages include:

- Cleanliness, and control over the environment for all stages of plant cultivation.
- Security can be more robust and complete.
- EMBNV's host city, Holyoke, has an abundance of vacant industrial and warehouse square footage for potential expansion.

EMBNV will construct and implement a 100% indoor grow facility in Holyoke, MA. The customized 25,000 square foot facility will be designed to maximize control over an optimal plant environment. In addition, the revitalization of this industrial building will help to improve an economically challenged area within the city.

## Cultivation Plan

EMBNV's cultivation facility design utilizes the latest in agricultural technology, from lights to resource recapture systems. The company has developed a combination of agriculture tools to improve energy and labor efficiencies. It has also created direct relationships with technology vendors to test its design plans by growing herbs, greens and fruiting plants. The experience and success of one of the company's founders, Eddie Fernandez, in the controlled environment agriculture industry, particularly in the science that supports indoor growth, will help to ensure that EMBNV's facility will be at the forefront of the available technology.

### Space Optimization: Go Vertical

The traditional image of an agricultural development site may be farm fields stretching to the horizon, comprised of a virtual sea of vegetation. The only way to recreate something similar within the constraints of an indoor facility is to create layers – that is, to go vertical with shelves of plants.

EMBNV can produce a significant quantity of cannabis plants within the confines of a 25,000 square foot facility because the company's proven tiered grow structures will be optimized for every stage of the growth of such plants.

In particular, the company will implement the following techniques to optimize space without sacrificing quality:

- Shelving racks for all seedling and vegetative stages.
- Low-heat, high PPF lights to minimize the required distance between lights and plant shelves.
- Flexible plumbing and electrical design to supply various sizes of rack systems.
- Plant stress training to shape plant height, maximizing the ration of yield vs. height.

The company expects to achieve space efficiency in a manner that will allow grow systems to be reproduced in almost any industrial building, whether for cannabis or non-cannabis products.








### Solar Options

The high energy requirements of cannabis grow facilities creates an opportunity to save operational costs by utilizing renewable and off-grid power generation and storage solutions. EMBNV's proposed facility in Holyoke, MA offers an extensive roof and nearby vacant lots which could be utilized for solar panels.

EMBNV is in the process of evaluating possible solar options and, if feasible, will acquire surrounding land over time to support solar panels as part of the company's commitment to eco-friendly cultivation practices.

Cultivation Strains

EMBNV will initially focus on cannabis strains that grow well indoors and have proven their market viability based on consumption by experienced and novice cannabis customers. The company’s research and development has identified several strains of cannabis that meet this criterion:

	Strain Name	Sativa / Indica	THC	CBD	Effects:
	Green Doctor (GD-1)	20% Indica, 80% Sativa	8%	High	Hungriness, Energy, Focus
	Afghan Kush (fem)	100% Indica	20%	Medium	Euphoriat, Happiness, Hungriness, Relaxation, Sleepiness
	Chronic Widow (fem)	65% Indica, 35% Sativa	23%	High	Relaxed, Sleepy, Relaxation, Pain Alleviation
	Big Bud	60% Indica, 40% Sativa	16%	Low	Euphoriat, Happiness, Relaxation, Sleepy
	Bruce Banner	20% Indica, 80% Sativa	25%	Low	Energy, Happiness, Relaxation
	Green Cush	75% Indica, 25% Sativa	22%	Low	Energy, Euphoriat, Happiness, Uplifting
	Agent Orange	45% Indica, 55% Sativa	19%	Low	Uplifting

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## FINANCIAL ANALYSIS

### Financial Feasibility

EMBNV currently maintains a checking account at KeyBank with a cash balance in excess of \$3 million, providing ample cash on hand so that the company will be able to fund the renovation, build-out, and initial operations of its licensed cannabis cultivation facility through the point at which the business reaches profitability.

The company is funded exclusively through the assets of its owners and has not relied on outside financing of any kind, traditional or non-owner investor. One of the company's principals in particular, Mark Ellis, has a net worth in excess of \$19 million. He has provided the company's initial funding, and he is prepared to direct as much of his capital into the company as is necessary to make the business successful.

Mr. Ellis holds most of his wealth in the form of real estate in Dallas TX, one of the hottest markets in the country for home sales. Either directly or through single-member companies, he owns over 90 properties and can quickly sell or obtain loans against his real estate holdings to generate additional funds for EMBNV, if required. He has over \$1 million cash in checking accounts available for immediate use, should EMBNV require additional funds. The liquid assets that Mr. Ellis has available, plus the capital that he can raise through sale of real estate holdings, is more than enough to overcome any unforeseen setbacks, as well as to fund expansion plans that the company may entertain.

By self-funding the business through internal resources, EMBNV has significant advantages over prospective cannabis cultivators that may struggle to raise outside capital or to satisfy investor demands for frequent capital distributions. The company's financial resources will allow it to stay on course, implement its plans, reinvest capital, and make decisions for the long-term benefit of the business. The company will also have the flexibility to deploy additional capital along the way if necessary.

### Investment Requirements

As shown in the table set forth on the second page of the Appendix to this Business Plan ("Cash Flow Forecast Years 1-4"), EMBNV's total start-up expenses for the first year are projected to be \$2,965,136, inclusive of renovations, capital equipment, and operational expense funding before positive cash flow is achieved. This projected figure also includes a reserve of \$167,000 in projected wind-down costs, as required in the Commission's regulations.

EMBNV estimates seven months for renovation of the brownstone building before the company begins actual grow operations. The company expects positive cash flow approximately one year after receiving a cultivation license.

Initial investments will cover facility renovation and capital equipment, including the following projected expenses:

- Renovating the building: exterior, interior, remediation, code compliance, utility supply systems.

- Security system, including redundant alarm and monitoring equipment, cameras, data storage, security room, door access panels, and security badges, all fully compliant with the regulatory requirements.
- Office equipment, including computers, all necessary software and office furniture.
- Growing equipment and environmental systems, including over 250 Gavita HPS 1000W lights, CO<sub>2</sub> generators, A/C systems for grow rooms, master controllers for each room, grow tables, and tools.

**Proof of Capitalization Documents**

A Key Bank checking account statement in EMBNV’s name is being provided to the Commission as part of the company’s application for a Massachusetts Marijuana Cultivator License, showing in excess of \$3 million of available funds.

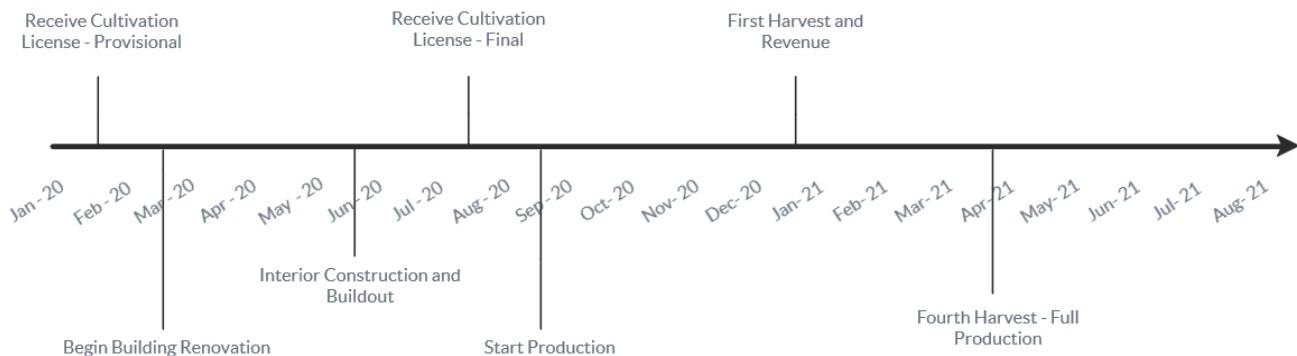
Available upon request, the company is also prepared to furnish the following documentation:

- A full listing of real estate holdings owned by EMBNV principal Mark Ellis, either directly or through his single-member companies.
- Individual property closing statements and related entity ownership from Mr. Ellis’ business.
- Financial statements for Mr. Ellis and his business entities.

**Timeline**

In the event that EMBNV is awarded a Marijuana Cultivator License by or before the first quarter of 2020, renovation will begin immediately thereafter on the industrial building located at 140 Middle Water Street in Holyoke, MA. Design and construction professionals have been consulted, and the company has conservatively estimated seven months for building renovations and cultivation area construction.

**EMB Natural Ventures - Cultivation Facility Timeline**



Based upon that timeline, production would begin in September 2020. In order to deliver consistent and predictable supply of products to customers, the company will prime the grow facility over a period of three months. Initial seeding will be constrained to 25% of full capacity, followed by three more seeding rounds at one-month intervals from the beginning of production. When the first mature plants are harvested, which is projected for January 2021, the company estimates volume to be approximately 25% of a full-rate production schedule. Consistent monthly harvests will be maintained through continual seeding on the front end of production, combined with different grow cycle times based on strain. EMBNV estimates full-rate production harvests to be achieved by April 2021.

Owner capital easily covers the necessary funds should this timeline be pushed back, even if for a significant period.

### **Financial Forecast**

EMBNV forecasts positive monthly cash flow approximately one year from issuance of a cultivation license, with overall profitability occurring in the second year of operation. Profit forecasts are based on a 25,000 square foot facility utilizing 11,135 square feet for plant cultivation. The financial analysis assumes an average wholesale price of \$2,900.00 per pound of cannabis. This price is intentionally conservative for a new recreational market. These assumptions are expected to enable the company to reach actual profitability no later, and possibly sooner, than the projected dates. The financial projections also include the creation of reserve funds to maintain positive net revenue through inevitable periods of market price fluctuations.

EMBNV will fund initial renovation and equipment procurement through owner capital investment. The first-year expenses consist primarily of capital expenses such as building renovation costs and grow facility equipment. Key staff members, such as quality control and security officers, will be hired starting in July 2019 to help finalize the design and outfitting of grow areas. By September 2019, operational expenses should be at approximately 60% of costs for full production. By January 2020, the facility will be fully staffed and operational.

January 2020 also represents the first sales revenue by processing about 25% of full production capacity, which would also provide the first revenue that would be used to calculate the Host Community Agreement impact fee for the City of Holyoke. The company estimates positive cash flow in February 2020, when sales volume reaches 50% of full capacity. By April 2020, the company will be at full rate production and will have consistent revenue exceeding operating expenses for cultivation operations.

Based upon projected revenue for 2020, the City of Holyoke can expect EMBNV to pay an impact fee of approximately \$300,000.

EMBNV will leverage the experience gained by its principals from renovating and outfitting the CT Natural Ventures' non-cannabis organic grow facility in Connecticut to accurately predict operating costs for the Holyoke cannabis cultivation facility. The company has already developed relationships with suppliers for grow equipment, including lighting, racks, soil, temperature control, and air treatment. Utility rates reflect the rates provided by the City of Holyoke for the years 2015 through 2017.

Indoor cannabis cultivation requires significant electricity. The City of Holyoke utility rates rank as some of the most affordable in the Commonwealth of Massachusetts. Moreover, EMBNV will reduce overall electricity load by utilizing energy efficient LED lights for over 50% of its plants' growth cycle. The company used the electricity rate of \$0.18 per kilowatt hour and a water rate of \$5.75 per 1000 gallons in its financial cost analysis. These costs were taken from utility summary documents provided by the City of Holyoke.

## Appendix A: Financial Statement Summaries

### Income Statement Summary Years 1 - 4 (Yearly)

Revenue	2019	2020	2021	2022
<b>Total Revenue</b>	-	\$ 10,279,158	\$ 12,840,135	\$ 14,438,845
<b>Cost of Goods Sold</b>				
<b>Total Cost of Goods Sold</b>	-	334,722	384,119	404,196
<b>Gross Margin</b>	-	9,944,436	12,456,017	14,034,649
<b>Payroll</b>	471,841	1,424,251	1,563,738	1,715,474
<b>Operating Expenses</b>				
Advertising	10,000	120,000	123,600	127,308
Car and Truck Expenses	2,320	73,080	87,696	96,466
Contract Labor - Security	71,848	344,871	355,217	365,873
Insurance (other than health)	17,000	30,000	32,010	32,970
Lab Product Testing	2,500	87,000	91,350	95,918
Legal and Professional Services	120,000	180,000	186,750	192,353
Licenses	7,500	15,000	17,000	17,500
Office Expense	27,500	90,000	93,600	96,408
Rent - 140 Middle Water	75,660	87,300	87,300	87,300
Repairs and Maintenance	1,500	20,700	30,485	41,558
Supplies	5,000	30,000	30,600	32,283
Travel, Meals and Entertainment	-	30,000	30,000	31,500
Utilities	10,750	299,016	328,918	361,810
Host Community Fee (3% Revenue)	-	308,375	385,204	433,165
<b>Total Operating Expenses</b>	\$ 351,578	\$ 1,715,342	\$ 1,879,730	\$ 2,012,411
<b>Income (Before Other Expenses)</b>	\$ (823,419)	\$ 6,804,844	\$ 9,012,549	\$ 10,306,765
<b>Other Expenses</b>				
Depreciation	9,108	32,045	109,302	109,302
<b>Total Other Expenses</b>	\$ 9,108	\$ 32,045	\$ 109,302	\$ 109,302
<b>Net Income Before Income Tax</b>	\$ (832,527)	\$ 6,772,799	\$ 8,903,247	\$ 10,197,463
<b>Income Tax</b>	\$ -	\$ 2,709,120	\$ 3,561,299	\$ 4,078,845
<b>Net Income/Loss</b>	\$ (832,527)	\$ 4,063,679	\$ 5,341,948	\$ 6,118,618

Holyoke Host Community Fee	\$308,374.75	\$385,204.06	\$433,165.34
Massachusetts Income Tax - 5.1% (Pass-through income)	\$207,247.64	\$272,439.37	\$312,049.51
Massachusetts Income Tax - Withholding - Annual	\$53,326.26	\$58,509.07	\$64,139.75
TOTAL to State	\$260,573.90	\$330,948.44	\$376,189.27

Cash Flow Forecast Years 1 – 4 (Yearly)

<b>EMB Natural Ventures</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Beginning Balance</b>				
<b>Cash Inflows</b>				
Sales	\$ -	\$ 10,279,158	\$ 12,840,135	\$ 14,438,845
<b>Total Cash Inflows</b>	\$ -	\$ 10,279,158	\$ 12,840,135	\$ 14,438,845
<b>Cash Outflows</b>				
Escrow - Wind-down Set Aside	\$ 167,000			
<b>Building Construction</b>				
Sitework and Exterior	\$ 165,350	\$ -	\$ -	\$ -
Design Plans and Permits	\$ 25,000	\$ -	\$ -	\$ -
Electrical Systems	\$ 208,890	\$ -	\$ -	\$ -
HVAC Systems	\$ 292,000	\$ -	\$ -	\$ -
Plumbing Systems (incl. Fire Prot)	\$ 83,500	\$ -	\$ -	\$ -
Doors / Windows / Finishes	\$ 438,000	\$ -	\$ -	\$ -
Security and Alarm System	\$ 125,000	\$ -	\$ -	\$ -
<b>New Fixed Asset Purchases</b>				
Equipment - Grow Rooms	\$ 503,477	\$ -	\$ 26,675	\$ 6,745
Furniture	\$ 48,000	\$ 30,000	\$ -	\$ -
Vehicles	\$ 78,000	\$ 78,000	\$ -	\$ -
Cost of Goods Sold	\$ -	\$ 334,722	\$ 384,119	\$ 404,196
<b>Operating Activities</b>				
Operating Expenses	\$ 359,078	\$ 1,715,342	\$ 1,879,730	\$ 2,012,761
Payroll	\$ 471,841	\$ 1,424,251	\$ 1,563,738	\$ 1,715,474
Income Tax	\$ -	\$ 2,709,120	\$ 3,561,299	\$ 4,078,845
<b>Total Cash Outflows</b>	\$ 2,965,136	\$ 6,291,434	\$ 7,415,560	\$ 8,218,020
<b>Net Cash Flows</b>	\$ (2,965,136)	\$ 3,987,724	\$ 5,424,575	\$ 6,220,824
<b>Owner's Capital Contribution</b>	\$ 2,990,136	\$ 8,611	\$ -	\$ -
<b>Ending Cash Balance</b>	\$ 25,000	\$ 4,021,336	\$ 9,445,911	\$ 15,666,735

# Appendix B: Financial Statements Detailed (month to month)

## Income Statement Year 1 (month to month)

2019	January	February	March	April	May	June	July	August	September	October	November	December	Annual Totals
Revenue													
Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cost of Goods Sold													
Total Cost of Goods Sold	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll	\$ -	\$ 4,827	\$ 4,827	\$ 4,827	\$ 4,827	\$ 18,101	\$ 24,135	\$ 54,304	\$ 72,405	\$ 90,506	\$ 96,540	\$ 96,540	\$ 471,841
Operating Expenses													
Advertising	-	-	-	-	-	-	-	-	-	-	-	10,000	10,000
Car and Truck Expenses	-	-	-	-	-	-	-	-	-	-	1,160	1,160	2,320
Contract Labor - Security	-	-	-	-	-	-	-	-	7,185	14,370	21,554	28,739	71,848
Insurance (other than health)	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	2,500	2,500	2,500	2,500	17,000
Lab Product Testing	-	-	-	-	-	-	-	-	-	-	-	2,500	2,500
Legal and Professional Services	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Licenses	-	5,000	-	-	-	-	-	10,000	-	-	-	-	15,000
Office Expense	-	-	-	-	-	-	-	-	5,000	7,500	7,500	7,500	27,500
Rent - 140 Middle Water	1,455	1,455	7,275	7,275	7,275	7,275	7,275	7,275	7,275	7,275	7,275	7,275	75,640
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-	500	1,000	1,500
Supplies	-	-	-	-	-	-	-	-	-	-	2,500	2,500	5,000
Travel, Meals and Entertainment	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	250	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,750
Host Community Fee (3% Revenue)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	\$ 11,705	\$ 17,955	\$ 19,275	\$ 19,275	\$ 19,275	\$ 19,275	\$ 19,275	\$ 29,275	\$ 32,960	\$ 42,645	\$ 53,989	\$ 74,174	\$ 359,078
Income (Before Other Expenses)	\$ (11,705)	\$ (22,782)	\$ (24,102)	\$ (24,102)	\$ (24,102)	\$ (31,376)	\$ (43,410)	\$ (83,579)	\$ (105,365)	\$ (133,151)	\$ (150,530)	\$ (170,714)	\$ (830,919)
Other Expenses													
Depreciation	-	206	784	1,292	1,782	2,272	2,605	2,855	3,061	3,266	3,266	4,814	32,045
Total Other Expenses	-	206	784	1,292	1,782	2,272	2,605	2,855	3,061	3,266	3,266	4,814	32,045
Net Income Before Income Tax	\$ (11,705)	\$ (22,988)	\$ (24,886)	\$ (25,394)	\$ (25,884)	\$ (39,648)	\$ (46,015)	\$ (86,434)	\$ (108,426)	\$ (136,418)	\$ (155,344)	\$ (179,823)	\$ (862,964)
Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income/Loss	\$ (11,705)	\$ (22,988)	\$ (24,886)	\$ (25,394)	\$ (25,884)	\$ (39,648)	\$ (46,015)	\$ (86,434)	\$ (108,426)	\$ (136,418)	\$ (155,344)	\$ (179,823)	\$ (862,964)

Income Statement Year 2 (month to month)

2020	January	February	March	April	May	June	July	August	September	October	November	December	Annual Totals
Revenue													
Total Revenue	\$ 233,888	\$ 467,776	\$ 935,552	\$ 935,552	\$ 935,552	\$ 943,348	\$ 951,210	\$ 959,136	\$ 967,129	\$ 975,189	\$ 983,315	\$ 991,510	\$ 10,279,158
Cost of Goods Sold													
Total Cost of Goods Sold	\$ 7,676	\$ 15,353	\$ 30,705	\$ 30,705	\$ 30,705	\$ 30,961	\$ 31,219	\$ 31,479	\$ 31,479	\$ 31,479	\$ 31,479	\$ 31,479	\$ 334,722
Gross Margin	\$ 226,212	\$ 452,423	\$ 904,847	\$ 904,847	\$ 904,847	\$ 912,387	\$ 919,991	\$ 927,657	\$ 935,650	\$ 943,709	\$ 951,836	\$ 960,030	\$ 9,944,436
Payroll	\$ 111,134	\$ 111,134	\$ 115,905	\$ 120,675	\$ 120,675	\$ 120,675	\$ 120,675	\$ 120,675	\$ 120,675	\$ 120,675	\$ 120,675	\$ 120,675	\$ 1,424,251
Operating Expenses													
Advertising	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	\$ 120,000
Car and Truck Expenses	1,740	3,480	5,220	6,960	6,960	6,960	6,960	6,960	6,960	6,960	6,960	6,960	\$ 73,080
Contract Labor - Security	28,739	28,739	28,739	28,739	28,739	28,739	28,739	28,739	28,739	28,739	28,739	28,739	\$ 344,871
Insurance (other than health)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	\$ 30,000
Lab Product Testing	2,500	5,000	7,500	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	\$ 87,000
Legal and Professional Services	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	\$ 180,000
Licenses	5,000	-	-	-	-	-	-	10,000	-	-	-	-	\$ 15,000
Office Expense	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	\$ 90,000
Rent - 140 Middle Water	7,275	7,275	7,275	7,275	7,275	7,275	7,275	7,275	7,275	7,275	7,275	7,275	\$ 87,300
Repairs and Maintenance	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	\$ 20,700
Supplies	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	\$ 30,000
Travel, Meals and Entertainment	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	\$ 30,000
Utilities	2,4918	2,4918	2,4918	2,4918	2,4918	2,4918	2,4918	2,4918	2,4918	2,4918	2,4918	2,4918	\$ 299,016
Host Community Fee (3% Revenue)	7,017	14,033	28,067	28,067	28,067	28,300	28,536	28,774	29,014	29,256	29,499	29,745	\$ 308,375
Total Operating Expenses	\$ 118,689	\$ 124,946	\$ 143,219	\$ 145,459	\$ 145,459	\$ 145,693	\$ 145,929	\$ 156,166	\$ 146,406	\$ 146,648	\$ 146,892	\$ 149,838	\$ 1,715,342
Income (Before Other Expenses)	\$ (3,611)	\$ 216,344	\$ 645,723	\$ 638,713	\$ 638,713	\$ 646,019	\$ 653,387	\$ 650,815	\$ 668,568	\$ 676,386	\$ 684,269	\$ 689,517	\$ 6,004,844
Other Expenses													
Depreciation	-	206	784	1,292	1,782	2,272	2,605	2,855	3,061	3,266	3,474	3,681	\$ 32,045
Total Other Expenses	-	206	784	1,292	1,782	2,272	2,605	2,855	3,061	3,266	3,474	3,681	\$ 32,045
Net Income Before Income Tax	\$ (3,611)	\$ 216,138	\$ 644,940	\$ 637,421	\$ 636,931	\$ 643,748	\$ 650,782	\$ 647,960	\$ 665,508	\$ 673,120	\$ 679,455	\$ 680,409	\$ 6,779,799
Income Tax	\$ -	\$ 85,011	\$ 257,976	\$ 254,968	\$ 254,772	\$ 257,499	\$ 260,313	\$ 259,184	\$ 266,203	\$ 269,248	\$ 271,782	\$ 272,164	\$ 2,709,120
Net Income/Loss	\$ (3,611)	\$ 131,127	\$ 386,964	\$ 382,452	\$ 382,158	\$ 386,249	\$ 390,469	\$ 388,776	\$ 399,305	\$ 403,872	\$ 407,673	\$ 408,245	\$ 4,065,679

Income Statement Year 3 (month to month)

2021	January	February	March	April	May	June	July	August	September	October	November	December	Annual Totals
Revenue													
Total Revenue	\$ 1,003,077	\$ 1,014,780	\$ 1,026,619	\$ 1,038,596	\$ 1,050,713	\$ 1,062,971	\$ 1,075,373	\$ 1,087,919	\$ 1,100,611	\$ 1,113,452	\$ 1,126,442	\$ 1,139,584	\$ 12,840,135
Cost of Goods Sold													
Total Cost of Goods Sold	\$ 31,550	\$ 31,550	\$ 31,550	\$ 31,550	\$ 31,550	\$ 31,550	\$ 31,550	\$ 32,654	\$ 32,654	\$ 32,654	\$ 32,654	\$ 32,654	\$ 384,119
Gross Margin	\$ 971,527	\$ 983,230	\$ 995,069	\$ 1,007,046	\$ 1,019,163	\$ 1,031,422	\$ 1,043,823	\$ 1,055,265	\$ 1,067,957	\$ 1,080,797	\$ 1,093,788	\$ 1,106,930	\$ 12,456,017
Payroll	\$ 122,022	\$ 122,022	\$ 127,258	\$ 132,493	\$ 132,493	\$ 132,493	\$ 132,493	\$ 132,493	\$ 132,493	\$ 132,493	\$ 132,493	\$ 132,493	\$ 1,563,738
Operating Expenses													
Advertising	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	\$ 123,600
Car and Truck Expenses	7,308	7,308	7,308	7,308	7,308	7,308	7,308	7,308	7,308	7,308	7,308	7,308	\$ 87,696
Contract Labor - Security	29,601	29,601	29,601	29,601	29,601	29,601	29,601	29,601	29,601	29,601	29,601	29,601	\$ 355,217
Insurance (other than health)	2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668	2,668	\$ 32,010
Lab Product Testing	2,625	5,250	7,875	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	\$ 91,350
Legal and Professional Services	15,563	15,563	15,563	15,563	15,563	15,563	15,563	15,563	15,563	15,563	15,563	15,563	\$ 186,750
Licenses	16,000	-	-	-	-	-	-	11,500	-	-	-	-	\$ 27,500
Office Expense	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	\$ 93,600
Rent - 140 Middle Water	7,275	7,275	7,275	7,275	7,275	7,275	7,275	7,275	7,275	7,275	7,275	7,275	\$ 87,300
Repairs and Maintenance	1,575	1,575	1,575	1,575	10,325	1,575	1,575	1,575	1,575	1,575	1,575	4,410	\$ 30,485
Supplies	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	\$ 30,600
Travel, Meals and Entertainment	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	\$ 30,000
Utilities	27,410	27,410	27,410	27,410	27,410	27,410	27,410	27,410	27,410	27,410	27,410	27,410	\$ 328,918
Host Community Fee (3% Revenue)	30,092	30,443	30,799	31,158	31,521	31,889	32,261	32,638	33,018	33,404	33,793	34,188	\$ 385,204
Total Operating Expenses	\$ 163,267	\$ 150,743	\$ 153,223	\$ 154,107	\$ 163,221	\$ 154,838	\$ 155,210	\$ 167,087	\$ 155,968	\$ 156,353	\$ 156,742	\$ 159,972	\$ 1,890,230
Income (Before Other Expenses)	\$ 684,238	\$ 710,965	\$ 714,589	\$ 720,446	\$ 723,450	\$ 744,090	\$ 756,120	\$ 755,685	\$ 779,497	\$ 791,952	\$ 804,552	\$ 814,465	\$ 9,002,049
Other Expenses													
Depreciation	9,108	9,108	9,108	9,108	9,108	9,108	9,108	9,108	9,108	9,108	9,108	9,108	\$ 109,302
Total Other Expenses	9,108	9,108	9,108	9,108	9,108	9,108	9,108	9,108	9,108	9,108	9,108	9,108	\$ 109,302
Net Income Before Income Tax	\$ 677,130	\$ 701,856	\$ 705,480	\$ 711,338	\$ 714,341	\$ 734,982	\$ 747,011	\$ 746,577	\$ 770,388	\$ 782,843	\$ 795,444	\$ 805,357	\$ 8,897,747
Income Tax	\$ 270,852	\$ 280,743	\$ 282,192	\$ 284,535	\$ 285,737	\$ 293,993	\$ 298,804	\$ 298,631	\$ 308,155	\$ 313,137	\$ 318,178	\$ 322,143	\$ 3,557,099
Net Income/Loss	\$ 406,278	\$ 421,114	\$ 423,288	\$ 426,803	\$ 428,605	\$ 440,989	\$ 448,207	\$ 447,946	\$ 462,233	\$ 469,706	\$ 477,266	\$ 483,214	\$ 5,335,648

Cash Flow Forecast Year 1 (month to month)

2019	January	February	March	April	May	June	July	August	September	October	November	December	Totals
<b>Beginning Balance</b>	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	
<b>Cash Inflows</b>													
Sales	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
<b>Total Cash Inflows</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cash Outflows</b>													
Escrow - Wind-down Set Aside		167,000											\$ 167,000
<b>Building Construction</b>													
Stework and Exterior	-	65,000	50,500	49,850	-	-	-	-	-	-	-	-	\$ 165,350
Design Plans and Permits	-	10,000	5,000	5,000	-	5,000	-	-	-	-	-	-	\$ 25,000
Electrical Systems	-	-	24,850	-	95,450	65,740	13,900	8,950	-	-	-	-	\$ 208,890
HVAC Systems	-	-	-	-	150,000	75,000	27,000	40,000	-	-	-	-	\$ 292,000
Plumbing Systems (incl. Fire Prot)	-	-	59,500	-	24,000	-	-	-	-	-	-	-	\$ 83,500
Doors / Windows / Finishes	-	-	48,000	110,000	62,000	100,000	85,000	33,000	-	-	-	-	\$ 438,000
Security and Alarm System	-	-	-	-	57,500	28,600	38,900	-	-	-	-	-	\$ 125,000
<b>New Fixed Asset Purchases</b>													
Equipment - Grow Rooms	-	-	-	-	-	100,695	-	226,565	-	176,217	-	-	\$ 503,477
Furniture	-	-	-	-	-	10,000	18,000	5,000	5,000	5,000	2,500	2,500	\$ 48,000
Vehicles	-	-	-	-	-	-	-	-	-	-	78,000	-	\$ 78,000
Cost of Goods Sold	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
<b>Operating Activities</b>													
Operating Expenses	11,705	17,955	19,275	19,275	19,275	19,275	19,275	29,275	32,960	42,645	53,989	74,174	\$ 359,078
Payroll	-	4,827	4,827	4,827	4,827	18,101	24,135	54,304	72,405	90,506	96,540	96,540	\$ 471,841
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
<b>Total Cash Outflows</b>	\$ 11,705	\$ 264,782	\$ 211,952	\$ 188,952	\$ 413,052	\$ 422,412	\$ 226,210	\$ 397,094	\$ 110,365	\$ 314,368	\$ 231,030	\$ 173,214	\$ 2,965,136
<b>Net Cash Flows</b>	\$ (11,705)	\$ (264,782)	\$ (211,952)	\$ (188,952)	\$ (413,052)	\$ (422,412)	\$ (226,210)	\$ (397,094)	\$ (110,365)	\$ (314,368)	\$ (231,030)	\$ (173,214)	\$ (2,965,136)
<b>Owner's Capital Contribution</b>	\$ 36,705	\$ 264,782	\$ 211,952	\$ 188,952	\$ 413,052	\$ 422,412	\$ 226,210	\$ 397,094	\$ 110,365	\$ 314,368	\$ 231,030	\$ 173,214	\$ 2,990,136
<b>Ending Cash Balance</b>	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

Cash Flow Forecast Year 2 (month to month)

2020	January	February	March	April	May	June	July	August	September	October	November	December	Totals
<b>Beginning Balance</b>	\$ 25,000	\$ 25,000	\$ 158,344	\$ 446,081	\$ 1,079,794	\$ 1,718,506	\$ 1,597,286	\$ 2,250,673	\$ 2,901,488	\$ 2,784,357	\$ 3,460,743	\$ 4,145,012	
<b>Cash Inflows</b>													
Sales	233,888	467,776	935,552	935,552	935,552	943,348	951,210	959,136	967,129	975,189	983,315	991,510	\$ 10,279,158
<b>Total Cash Inflows</b>	\$ 233,888	\$ 467,776	\$ 935,552	\$ 935,552	\$ 935,552	\$ 943,348	\$ 951,210	\$ 959,136	\$ 967,129	\$ 975,189	\$ 983,315	\$ 991,510	\$ 10,279,158
<b>Cash Outflows</b>													
Escrow - Wind-down Set-Aside													
<b>Building Construction</b>													
Stework and Exterior	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Design Plans and Permits	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Electrical Systems	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
HVAC Systems	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Plumbing Systems (incl. Fire Prot)	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Doors / Windows / Finishes	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Security and Alarm System	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
<b>New Fixed Asset Purchases</b>													
Equipment - Grow Rooms	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Furniture	5,000	5,000	15,000	5,000	-	-	-	-	-	-	-	-	\$ 30,000
Vehicles	-	78,000	-	-	-	-	-	-	-	-	-	-	\$ 78,000
Cost of Goods Sold	7,676	15,353	30,705	30,705	30,705	30,961	31,219	31,479	31,479	31,479	31,479	31,479	\$ 334,772
<b>Operating Activities</b>													
Operating Expenses	118,689	124,946	143,219	145,459	145,459	145,693	145,929	156,166	146,406	146,648	146,892	149,838	\$ 1,715,342
Payroll	111,134	111,134	115,905	120,675	120,675	120,675	120,675	120,675	120,675	120,675	120,675	120,675	\$ 1,424,251
Income Tax	-	-	342,987	-	-	767,240	-	-	785,700	-	-	813,193	\$ 2,709,120
<b>Total Cash Outflows</b>	\$ 242,499	\$ 334,432	\$ 647,815	\$ 301,839	\$ 296,839	\$ 1,064,569	\$ 297,823	\$ 308,321	\$ 1,084,261	\$ 298,803	\$ 299,046	\$ 1,115,186	\$ 6,291,434
<b>Net Cash Flows</b>	\$ (8,611)	\$ 133,344	\$ 287,737	\$ 633,713	\$ 638,713	\$ (121,220)	\$ 653,387	\$ 650,815	\$ (117,131)	\$ 676,386	\$ 684,269	\$ (123,676)	\$ 3,987,724
<b>Owner's Capital Contribution</b>	\$ 8,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,611
<b>Ending Cash Balance</b>	\$ 25,000	\$ 158,344	\$ 446,081	\$ 1,079,794	\$ 1,718,506	\$ 1,597,286	\$ 2,250,673	\$ 2,901,488	\$ 2,784,357	\$ 3,460,743	\$ 4,145,012	\$ 4,021,336	\$ 40,213,336

Cash Flow Forecast Year 3 (month to month)

2021	January	February	March	April	May	June	July	August	September	October	November	December	Totals
<b>Beginning Balance</b>	\$ 402,336	\$ 4,718,074	\$ 5,429,039	\$ 5,313,494	\$ 6,033,940	\$ 6,757,390	\$ 6,634,598	\$ 7,390,718	\$ 8,146,403	\$ 8,011,692	\$ 8,797,368	\$ 9,594,721	
<b>Cash Inflows</b>													
Sales	1,003,077	1,014,780	1,026,619	1,038,596	1,050,713	1,062,971	1,075,373	1,087,919	1,100,611	1,113,452	1,126,442	1,139,584	\$ 12,840,135
<b>Total Cash Inflows</b>	\$ 1,003,077	\$ 1,014,780	\$ 1,026,619	\$ 1,038,596	\$ 1,050,713	\$ 1,062,971	\$ 1,075,373	\$ 1,087,919	\$ 1,100,611	\$ 1,113,452	\$ 1,126,442	\$ 1,139,584	\$ 12,840,135
<b>Cash Outflows</b>													
Escrow - Wind-down Set Aside													
<b>Building Construction</b>													
Sitework and Exterior	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Design Plans and Permits	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Electrical Systems	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
HVAC Systems	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Plumbing Systems (incl. Fire Prot)	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Doors / Windows / Finishes	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Security and Alarm System	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
<b>New Fixed Asset Purchases</b>													
Equipment - Grow Rooms	-	-	-	-	-	-	-	-	6,000	6,275	7,200	7,200	\$ 26,675
Furniture	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Cost of Goods Sold	31,550	31,550	31,550	31,550	31,550	31,550	31,550	32,654	32,654	32,654	32,654	32,654	\$ 384,119
<b>Operating Activities</b>													
Operating Expenses	152,767	150,243	153,223	154,107	163,221	154,838	155,210	167,087	155,968	156,353	156,742	159,972	\$ 1,879,730
Payroll	122,022	122,022	127,258	132,493	132,493	132,493	132,493	132,493	132,493	132,493	132,493	132,493	\$ 1,563,738
Income Tax	-	-	830,134	-	-	866,882	-	-	908,208	-	-	-	\$ 3,561,299
<b>Total Cash Outflows</b>	\$ 306,339	\$ 303,815	\$ 1,142,164	\$ 318,150	\$ 327,263	\$ 1,185,763	\$ 319,253	\$ 332,234	\$ 1,235,322	\$ 327,775	\$ 329,089	\$ 1,288,394	\$ 7,415,560
<b>Net Cash Flows</b>	\$ 696,738	\$ 710,965	\$ (115,545)	\$ 720,446	\$ 723,450	\$ (122,792)	\$ 756,120	\$ 755,685	\$ (134,711)	\$ 785,677	\$ 797,352	\$ (148,810)	\$ 5,424,575
<b>Owner's Capital Contribution</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Ending Cash Balance</b>	\$ 4,718,074	\$ 5,429,039	\$ 5,313,494	\$ 6,033,940	\$ 6,757,390	\$ 6,634,598	\$ 7,390,718	\$ 8,146,403	\$ 8,011,692	\$ 8,797,368	\$ 9,594,721	\$ 9,445,911	\$ 9,445,911
<b>Owner's Capital Contribution Balance</b>	\$ 2,998,747	\$ 2,998,747	\$ 2,998,747	\$ 2,998,747	\$ 2,998,747	\$ 2,998,747	\$ 2,998,747	\$ 2,998,747	\$ 2,998,747	\$ 2,998,747	\$ 2,998,747	\$ 2,998,747	\$ 2,998,747



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MAX FITELSON & SON, INC.  
INSURANCE  
300 Long Beach Blvd.  
Stratford, CT 06615  
Phone: (203) 375-5449  
Fax: (203) 375-5902  
Cell: (203) 767-8043

January 11, 2019

EMB Natural Resources, LLC  
Attention: Mr. Eddie Fernandez  
P.O. Box 565  
Holyoke, MA 04041

Eugene S. Fitelson  
Barry A. Fitelson  
Ronald P. Fitelson  
Robert C. Fitelson

Re: Surety Bond

Dear Mr. Fernandez:

It was a pleasure meeting with you in my office recently regarding your company's prospective general liability insurance and surety bond needs in connection with your plans, once a license is obtained from the Massachusetts Cannabis Control Commission, to begin doing business as a cannabis cultivation facility at 140 Middle Water Street, Holyoke, MA 01040.

Regarding general liability and products liability insurance coverage, we have confirmed that, subject to your company's satisfactorily completing an application, coverage consistent with the requirements found at 935 CMR 500.105(10) – that is, \$1,000,000 per occurrence, and \$2,000,000 in aggregate, annually, for each type of coverage – can be obtained for your planned Massachusetts Marijuana Establishment from CannGen Insurance Services, LLC, which is based at 110 West A Street, #675, San Diego, CA 92101.

Regarding a surety bond, we have confirmed that, subject to your company's satisfactorily completing an application, a bond consistent with the requirements found at 935 CMR 500.105(16) can be obtained for your planned Massachusetts Marijuana Establishment from Surety One, Inc., which is based at 5 West Hargett Street, 4th Floor, Raleigh, NC 27601.

I will look forward to assisting you with these matters once you have obtained your license from the Massachusetts Cannabis Control Commission.

Sincerely yours,



Albert A. Ambrose

**HOST COMMUNITY AGREEMENT CERTIFICATION  
ADULT USE MARIJUANA ESTABLISHMENT  
LICENSE CLASS: MARIJUANA CULTIVATOR**

The applicant, **EMB NATURAL VENTURES, LLC**, a Massachusetts limited liability company whose address is P.O. Box 565, Holyoke, MA 01041, and whose principal office is intended to be located at 140 Middle Water Street, Holyoke, MA 01040, and the contracting authority for the host community, the **CITY OF HOLYOKE**, a municipal corporation with principal offices at 536 Dwight Street, Holyoke, Massachusetts 01040, 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, Eddie Fernandez, certify as an authorized representative of EMB Natural Ventures, LLC, that the applicant has executed a Host Community Agreement with the City of Holyoke pursuant to G.L.c. 94G § 3(d) on October 25, 2018.



\_\_\_\_\_  
Name: Eddie Fernandez  
Title: Manager and CEO

**Host Community**

I, Alex Morse (insert name) certify that I am the contracting authority or have been duly authorized by the contracting authority for the City of Holyoke that the applicant and the City of Holyoke have executed a Host Community Agreement pursuant to G.L.c. 94G § 3(d) on 10-25-2018 (insert date).



\_\_\_\_\_  
Signature of Contracting Authority or  
Authorized Representative of Host Community

## COMMUNITY OUTREACH MEETING ATTESTATION FORM

I, Eddie Fernandez, attest as Manager/CEO and an authorized representative of EMB NATURAL VENTURES, LLC (the "Applicant/Marijuana Establishment") that the Applicant/Marijuana Establishment has complied with the requirements of 935 CMR 500 and the guidance for license applicants on community outreach, as detailed below.

1. The Community Outreach Meeting for the Applicant/Marijuana Establishment was held on November 20, 2018.
2. A copy of a notice of the time, place and subject of the meeting, including the proposed address of the Applicant/Marijuana Establishment, was published in "The Republican," a newspaper of general circulation in the City of Holyoke, MA, on November 7, 2018, which was at least seven calendar days prior to the meeting. A copy of the newspaper notice is attached as Attachment A.
3. A copy of the meeting notice was also filed on November 5, 2018 with the City Clerk, the Planning Board, the Mayor's office, and City Council's office (the local licensing authority for the adult use of marijuana). A copy of the municipal notice is attached as Attachment B.
4. Notice of the time, place and subject matter of the meeting, including the proposed address of the Applicant/Marijuana Establishment, was mailed on November 5, 2018, which was at least seven days prior to the Community Outreach Meeting, to abutters of the proposed address of the Applicant/Marijuana Establishment, and residents within 300 feet of the property line of the Applicant/Marijuana Establishment, 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 the abutters and parties of interest as described in this section is attached as Attachment C.
5. Information was presented at the Community Outreach Meeting including the following:
  - a. The type 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 Applicant/Marijuana Establishment to prevent diversion to minors;
  - d. A plan by the Applicant/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 to receive answers from representatives of the Applicant/Marijuana Establishment.

  
\_\_\_\_\_  
Eddie Fernandez

Dated: 11/29/18

ELECTION 2018

# WMass gains power with shift to Dems

## Neal, McGovern poised to assume key roles

BY SHANNON YOUNG  
syoung@repub.com

like and respect," he said. "It's no secret that when it comes to tax code and tax policy, that the policy wonk that is Richard Neal is regarded well by Republicans."  
McGovern's potential Rules Committee chairmanship,

US SENATE, HOUSE

# Warren defeats Diehl, shifts focus to future

## Jim McGovern wins another term

BY SHANNON YOUNG  
syoung@repub.com  
BOSTON — Massachusetts Democrat Elizabeth Warren claimed a resounding U.S. Senate victory yesterday over Republican challenger Geoff

US SENATE



"I'll make you this promise: We are just getting started," she said.  
With focus on Warren's political future dominating much of the 2018 Massachusetts U.S. Senate race, Diehl repeatedly questioned the Democrat's commitment to representing state voters on Capitol Hill.

sincerity of Diehl's support for the president and cast the GOP U.S. Senate hopeful as a "fake Trumper."  
Ayyadurai, who initially entered the race as a Republican before switching to run as an independent, protested his exclusion from debates between Warren and Diehl. Warren is among several

legacy-type projects if named Ways and Means chairman.

"Given his seniority and the time that he's had in Congress and that this is perhaps closer to the end of his career than to the beginning, a lot of things that he will do will very much be in regards to what will be his legacy," Cignoli said. "So there could be some very large projects, long-lasting, long-impacting projects throughout Western Massachusetts — an area that always lags economically behind Boston. This is our time."

Cignoli said Neal's ability to work with Republicans gives such projects a better chance of becoming reality under his potential leadership.

"Neal is a student of history and a professor of history: He knows that for legacy, impactful change in his district and even nationally, he's going to have to be that person that reaches across the aisle. He's got a reputation and a track record — for the last 15, 16 years — as being one of the few Democrats that Republicans

sachusetts on Capitol Hill than his primary opponent.

Neal's message appeared to resonate with 1st Congressional District residents, who decided to send him on to an unopposed November general election with 71 percent of the vote to Amatul-Wadud's 29 percent.

Following his primary win, the congressman turned his full attention to helping other Democrats win House races across the country in hopes of flipping the chamber to the Democratic Party's control.

Neal, who campaigned for candidates in California, Florida, Arizona and New Hampshire, stressed that his focus was on winning 24 seats.

"I just want the House," he said in an interview.

McGovern, who was named the Rules Committee's ranking member in April, also lent support to Democratic candidates across the country in the lead-up to Election Day, despite focusing on his re-election fight against Republican Tracy Lovvorn.

porters. "They ignored the party bosses who said they should wait their turn. They ignored the consultants who said they should cover up their tattoos and smile more. They ignored the powerful men of the Republican Party who never took them seriously. They refused to let anyone shut them up or stand in their way."

That, Warren argued, is "how real change begins."

Despite the outcome of such races, Warren urged women and other Democratic candidates to acknowledge their power and urged them to "stay in the fight," especially given the current occupant of the White House.

"Yes, it's going to be hard," she said. "Nevertheless, we will persist. And we will deliver the change this country deserves. ... So much depends on what we do next. Donald Trump and his corrupt friends have spent the last two years building a wall of anger and division and resentment. Tonight, as the first

she would consider running for president after the 2018 midterm election.

"It is time for women to go to Washington and fix our broken government and that includes a woman at the top," she said. "After Nov. 6, I will take a hard look at running for president."

The Democrat, who has gained national attention for her vocal criticism of Trump and GOP leaders, doubled down on that plan when asked in a late-October debate whether she'd serve her full term if re-elected.

"I've already said that I will take a look at running for president after the election," she told moderators of the WCVB debate. "But I can guarantee this: No matter what I do, I will work for the people of the commonwealth of Massachusetts."

Amid supporters' calls for the Democrat to run in 2020, Warren reiterated her pledge to continue to "never stop working (her) heart out" for the people of Massachusetts.

Jackpot, 2 WTA's Doors Open 4pm Kitchen 4:30, Bingo @ 6pm Horse Race/Bingo Nuts Scratch Tickets

**TUESDAY**  
**CHRIST the KING**  
43 Warsaw Ave, Ludlow 583-6957  
Polish Food • Free Coffee/Tea  
Progressive Consolation \$300  
Minimum Entrance - \$10 pack  
6:30pm • Exit 7-MA Pike  
DOOR PRIZES

**WEDNESDAY**  
**POLISH CLUB**  
355 East St., Ludlow 583-6385  
Red Progressive with a \$1199 or \$600 consolation prize  
Black Progressive with a \$1199 or \$200 consolation prize  
50/50, 2 WTA's, Layer Cake Special 4:30pm Kitchen Open  
Free Coffee & Tea  
DOOR PRIZES 6:30 PM START

Progressive - \$1199\* Red/White/Blue WTA (minus taxes) (Starts at \$5's)\* \*Consolation Prizes \$200 Progressive / \$100 RWB \$15 Admission / Full Kitchen

**FAIRVIEW K OF C SUPER BINGO**  
1599 Memorial Dr., Chicopee 413-532-2011 • KofC4044.com  
The Only Electronic Bingo  
Wkly Prizes • Prog. \$3,000  
Stinger Games • Horse Race  
6:15 Early • 6:30 Start  
Handicap Access • Min. Entry \$15

**CALL TODAY 413-788-1250 TO LIST HERE**



### Aviso de reunión de alcance comunitario EMB Natural Ventures, LLC

El aviso se da por la presente que EMB Natural Ventures, LLC, una compañía de Massachusetts, celebrará una reunión de extensión de la comunidad el **Martes, 20 de noviembre de 2018** En la **Pizzería Capri, 18 Cabot Street, Holyoke, MA 01040** Entre **6:00 y 8:00 PM**, para discutir la propuesta de la compañía para localizar un establecimiento de la marihuana del uso del adulto en la ciudad de Holyoke.

El propósito del establecimiento está destinado a ser un cultivador de marihuana, haciendo negocios en el edificio situado en **140 Middle Water Street, Holyoke, MA 01040**, que se operaría de acuerdo con las regulaciones de la Comisión de control de cannabis de Massachusetts en **935 CMR 500.000 et seq.**

Los temas que se discutirán en la reunión incluirán, pero no se limitarán a:

1. El tipo de establecimiento de marihuana que se ubicará en la dirección propuesta;
2. Información adecuada para demostrar que la ubicación se mantendrá de forma segura;
3. Los pasos van a ser tomados por EMB Natural Ventures, LLC para prevenir la diversión a los menores de edad;
4. Planes de EMB Natural Ventures, LLC para impactar positivamente a la comunidad; y
5. Información adecuada para demostrar que el emplazamiento no constituirá una molestia, tal como lo define la ley.

Se alienta a los miembros de la comunidad a que asistan a la reunión y participen en el debate con el fin de obtener más información sobre el mecanismo propuesto y su funcionamiento. Representantes de EMB Natural Ventures, LLC estarán presentes para que los asistentes puedan hacer preguntas y recibir respuestas como parte de la discusión.

La compañía también estará recolectando resumen y proporcionando la información para las personas que estén interesados en ser empleados en la facilidad.

Se ha presentado una copia de este aviso con el Secretario Municipal, la Junta de planificación, la autoridad contratante para la ciudad de Holyoke, y la autoridad local de licencias para el uso adulto de marihuana que corresponde.

EMB Natural Ventures, LLC  
**Eddie Fernandez**  
CEO y Gerente General

### NOTICE OF COMMUNITY OUTREACH MEETING EMB Natural Ventures, LLC

Notice is hereby given that EMB Natural Ventures, LLC, a Massachusetts company, will hold a Community Outreach Meeting on **Tuesday, November 20, 2018**, at **Capri Pizzeria, 18 Cabot Street, Holyoke, MA 01040**, between **6:00 and 8:00 pm**, to discuss the company's proposal to locate an adult-use Marijuana Establishment in the City of Holyoke.

The proposed establishment is intended to be a Marijuana Cultivator, doing business at the building located at **140 Middle Water Street, Holyoke, MA 01040**, which would be operated in accordance with Massachusetts Cannabis Control Commission regulations at **935 CMR 500.000, et seq.**

Topics to be discussed at the meeting will include, but not be limited to:

1. The type of Marijuana Establishment to be located at the proposed address;
2. Information adequate to demonstrate that the location will be maintained securely;
3. Steps to be taken by EMB Natural Ventures, LLC to prevent diversion to minors;
4. Plans by EMB Natural Ventures, LLC to positively impact the community; and
5. Information adequate to demonstrate that the location will not constitute a nuisance, as defined by law.

Members of the community are encouraged to attend the meeting and to participate in the discussion in order to learn more about the proposed facility and its operation. Representatives of EMB Natural Ventures, LLC will be present so that attendees may ask questions and receive answers as part of the discussion.

The company will also be collecting resumes and providing information for individuals who are interested in becoming employed at the facility.

A copy of this Notice has been filed with the City Clerk, the Planning Board, the contracting authority for the City of Holyoke, and the local licensing authority for the adult use of marijuana, if applicable.

EMB Natural Ventures, LLC  
**Eddie Fernandez**  
CEO and General Manager

**NOTICE OF COMMUNITY OUTREACH MEETING**  
**EMB Natural Ventures, LLC**

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EMB Natural Ventures, LLC

*Eddie Fernandez*

**CEO and General Manager**

**NOTICE OF COMMUNITY OUTREACH MEETING**  
**EMB Natural Ventures, LLC**

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1. The type of Marijuana Establishment to be located at the proposed address;
2. Information adequate to demonstrate that the location will be maintained securely;
3. Steps to be taken by EMB Natural Ventures, LLC to prevent diversion to minors;
4. Plans by EMB Natural Ventures, LLC to positively impact the community; and
5. Information adequate to demonstrate that the location will not constitute a nuisance, as defined by law.

Members of the community are encouraged to attend the meeting and to participate in the discussion in order to learn more about the proposed facility and its operation. Representatives of EMB Natural Ventures, LLC will be present so that attendees may ask questions and receive answers as part of the discussion.

The company will also be collecting resumes and providing information for individuals who are interested in becoming employed at the facility.

A copy of this Notice has been filed with the City Clerk, the Planning Board, the contracting authority for the City of Holyoke, and the local licensing authority for the adult use of marijuana, if applicable.

EMB Natural Ventures, LLC

*Eddie Fernandez*

**CEO and General Manager**

# EMB NATURAL VENTURES, LLC

## A Cannabis Cultivation Establishment

---

### Operating Plan - Remaining Compliant with Local Zoning

January 2019

#### **Description**

EMB Natural Ventures is a Massachusetts company with applications pending for a license from the state's Cannabis Control Commission, and for a special permit from the City of Holyoke, in order to conduct business as a cannabis cultivator in a 25,000 square foot facility located at 140 Middle Water Street, Holyoke, MA.

The facility will be equipped to grow approximately 3,000 cannabis plants and flowers concurrently, including up to 15 different strains, from seedling to finished product.

***PROPRIETARY & CONFIDENTIAL***

The data contained in this document is considered proprietary and confidential and is not to be used by, or disclosed to, any unauthorized individuals or agencies without the written permission of EMB Natural Ventures, LLC. No duplication of the whole or any part of this document is permitted.

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COMPLIANCE STANDARDS..... 4

## SUMMARY

EMB Natural Ventures (EMBNV) is a new cultivation company that intends to provide high-quality cannabis flower to the legal adult use market in the Commonwealth of Massachusetts.

Pursuant to The Code of Massachusetts Regulations, specifically 935 CMR 500.000, et seq.: “Cannabis Control Commission – Adult Use of Marijuana,” EMBNV will establish and maintain policies and procedures demonstrating EMBNV’s extensive ability to cultivate the cannabis plant securely, safely, sustainably and efficiently.

## COMPLIANCE STANDARDS

EMBNV has entered into a Lease Agreement, containing an option to purchase, for a site located at 140 Middle Water Street, in Holyoke, Massachusetts. In addition, a Host Community Agreement (“HCA”) was executed by EMBNV and the City of Holyoke on October 25, 2018. The HCA stipulates certain conditions and responsibilities of the parties not covered by local zoning approval processes.

In addition, the City of Holyoke has promulgated a Code of Ordinance (the “Zoning Ordinance”), in compliance with Massachusetts General Laws Chapter 40A, known as the “Zoning Act,” for the stated purposes “to promote the general welfare of the City of Holyoke, to protect the health and safety of its inhabitants, to encourage the most appropriate use of land throughout the city, to preserve the cultural, historical and agricultural heritage of the community, to increase amenities of the city, and to reduce the hazard from fire by regulating the location and use of buildings and the area of open space around them.” Effective December 19, 2017, the City also promulgated a new section 7.10 of the Zoning Ordinance, imposing “reasonable safeguards and regulation of the time, place and manner of marijuana establishments.”

EMBNV has pending an application submitted to the Holyoke City Council for a Special Permit, consistent with the provisions of section 7.10 of the Zoning Ordinance. Toward that end, EMBNV has contracted with the land use and engineering firm Vanasse, Hangen, Brustin, Inc. (“VHB”), a multi-national consulting entity with local offices in Springfield, MA. In particular, VHB’s Director of Land Development, John Furman, PE, has been working closely with EMBNV in conducting the necessary research, planning and design in furtherance of the company’s Special Permit application. VHB is a recognized expert in land use planning, development, and design, and the firm will be working closely with the Holyoke Planning Board and City Council in support of EMBNV’s permitting and land use issues.

VHB is well-versed in all pertinent provisions of the Zoning Ordinance and keeps abreast of all relevant revisions to those provisions. The firm has already completed a Development Impact Statement, as required by section 10.1.6 (1) of the Zoning Ordinance, as well as a Traffic Impact Statement, as required by section 10.1.6 (2). A site plan has also been prepared by VHB, including a locus map and site diagram showing (among other things) exterior improvements and security measures, existing conditions survey,

building floor plans, and additional site details. All of VHB's work conducted to date has been submitted to the City of Holyoke in support of EMBNV's pending Special Permit application.

EMB NV will continue to utilize the services of VHB throughout the Special Permit application process, including in anticipation of a public hearing to be conducted by the City Council, and will also utilize that firm's expertise in the Building Permit process. In the event that the Special Permit and Building Permit are granted, VHB will remain engaged in a professional relationship with EMBNV to ensure that EMBNV's planned Marijuana Establishment in the City of Holyoke remains fully compliant with the Zoning Ordinance and the Zoning Act. This relationship will include regular communication between EMBNV and VHB so that EMBNV will remain knowledgeable of any future revisions to the Zoning Ordinance, as well as to ensure that EMBNV continues to adhere to all zoning requirements of the City of Holyoke.

EMB NV is keenly aware of the need to have access to, and working relationships with, various experts in all facets of their operations. As a result, VHB is expected to serve as a valued partner with EMBNV and with all stakeholders in the zoning process related to EMBNV's business enterprise, and VHB will serve as a key partner in ensuring compliance with present and future zoning requirements.

**D**

**The Commonwealth of Massachusetts**

**William Francis Galvin**

Secretary of the Commonwealth

One Ashburton Place, Room 1717, Boston, Massachusetts 02108-1512

**Limited Liability Company  
Certificate of Organization  
(General Laws Chapter 156C, Section 12)**

Federal Identification No.: \_\_\_\_\_

(1) The exact name of the limited liability company:

**EMB Natural Ventures, LLC**

(2) The street address of the office in the commonwealth at which its records will be maintained:

44 School Street, Suite 325, Boston, MA 02108

(3) The general character of the business:

Agricultural growing facility

(4) Latest date of dissolution, if specified: \_\_\_\_\_

(5) The name and street address, of the resident agent in the commonwealth:

NAME

ADDRESS

United Corporate Services, Inc.

44 School Street, Suite 325

Boston, MA 02108

(6) The name and business address, if different from office location, of each manager, if any:

NAME

ADDRESS

Eddie Fernandez

180 Perry Road, Hamden, CT 06514


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

NAME ADDRESS

- (8) The name and business address, if different from office location, of each person authorized to execute, acknowledge, deliver and record any recordable instrument purporting to affect an interest in real property recorded with a registry of deeds or district office of the land court:

NAME ADDRESS

- (9) Additional matters:

Signed by (by at least one authorized signatory):  \_\_\_\_\_  
 Jeffrey C. Dannenberg, Esq.

Consent of resident agent:

I United Corporate Services, Inc.

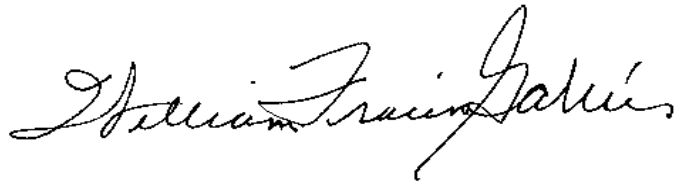
resident agent of the above limited liability company, consent to my appointment as resident agent pursuant to G.L. c 156C § 12\*

\*or attach resident agent's consent hereto.

THE COMMONWEALTH OF MASSACHUSETTS

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

June 13, 2018 09:18 AM

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

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*

**BY-LAWS  
OF  
EMB NATURAL VENTURES, LLC  
(A Massachusetts Limited Liability Company)**

**ARTICLE I  
OFFICES**

Section 1.01 **Offices.** The Company shall have its registered office in the State of Massachusetts, and may have such other offices and places of business within or without the State of Massachusetts as the Board of Managers may from time to time determine or the business of the Company may require.

**ARTICLE II  
STOCKHOLDERS**

Section 2.01 **Place of Meetings.** Meetings of members for any purpose may be held at such place or places, either within or without the State of Massachusetts, as shall be designated by the Board of Managers, or by the President with respect to meetings called by him.

Section 2.02 **Annual Meeting.** The annual meeting of members shall be held on such date as may be determined by the Board of Managers. At such meeting, the members shall elect a Board of Managers and transact such other business as may properly come before the meeting.

Section 2.03 **Special Meetings.** Special meetings of members may be called at any time by the Board of Managers or by the President, and shall be called by the President or Secretary at the written request of members owning a majority of the shares of the Company then outstanding and entitled to vote.

Section 2.04 **Notice of Meetings.** Written notice of the annual meeting or any special meeting of stock shall be given to each stockholder entitled to vote thereat, not less than ten nor more than sixty days prior to the meeting, except as otherwise required by statute, and shall state the time and place and, in the case of a special meeting, the purpose or purposes of the meeting. Notice need not be given, however, to any stockholder who submits a signed waiver of notice, before or after the meeting, or who attends the meeting in person or by proxy without objecting to the transaction of business.

Section 2.05 **Quorum.** At all meetings of members, the holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business, except as otherwise provided by statute, the Certificate of Organization or these By-Laws. When a quorum is

once present to organize a meeting, it is not broken by the subsequent withdrawal of any stockholder.

**Section 2.06 Voting.** (a) At all meetings of members, each stockholder having the right to vote thereat may vote in person or by proxy, and, unless otherwise provided in the Certificate of Organization or in any resolution providing for the issuance of any class or series of stock adopted by the Board of Managers pursuant to authority vested in the Board by the Certificate of Organization, shall have one vote for each percentage of membership interest registered in his name. Election of managers shall be by voice ballot.

(b) When a quorum is once present at any meeting of members, a majority of the votes cast, whether in person or represented by proxy, shall decide any question or proposed action brought before such meeting, except for the election of managers, who shall be elected by a plurality of the votes cast, or unless the question or action is one upon which a different vote is required by express provision of statute, the Certificate of Organization or these By-Laws or an agreement among members, in which case such provision shall govern the vote on the decision of such question or action.

**Section 2.07 Adjourned Meetings.** Any meeting of members may be adjourned to a designated time and place by a vote of a majority in interest of the members present in person or by proxy and entitled to vote, even though less than a quorum is present, or by the President if a quorum of members is not present. No notice of such adjourned meeting need be given, other than by announcement at the meeting at which adjournment is taken, and any business may be transacted at the adjourned meeting which might have been transacted at the meeting as originally called. However, if such adjournment is for more than thirty days, or if after such adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at such meeting.

**Section 2.08 Action by Written Consent of Members.** Any action of the members required or permitted to be taken at any regular or special meeting thereof may be taken without any such meeting, notice of meeting or vote if a consent in writing setting forth the action thereby taken is signed by the holders of outstanding stock having not less than the number of votes that would have been necessary to authorize such action at a meeting at which all shares entitled to vote were present and voted. Prompt notice of the taking of any such action shall be given to any members entitled to vote who have not so consented in writing.

**Section 2.09 Members of Record.** (a) The members from time to time entitled to notice of or to vote at any meeting of members or any adjournment thereof, or to express consent to any corporate action without a meeting, or entitled to receive payment of any dividend or other distribution or the allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, shall be the members of record as of the close of business on a date fixed by the Board of Managers as the record date for any such purpose. Such a record date shall not precede the date upon which the resolution fixing the record date is adopted

by the Board of Managers, and shall not, with respect to stockholder meetings, be more than sixty days nor less than ten days before the date of such meeting, or, with respect to stockholder consents, more than ten days after the date upon which the resolution fixing the record date is adopted by the Board of Managers.

(b) If the Board of Managers does not fix a record date, (i) the record date for the determination of members entitled to notice of or to vote at a meeting of members shall be as of the close of business on the day next preceding the day on which notice of such meeting is given, or, if notice is waived as provided herein, on the day next preceding the day on which the meeting is held; (ii) the record date for determining members entitled to express consent to corporate action in writing without a meeting, where no prior action by the Board of Managers is necessary, shall be the close of business on the day on which the first signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation; and (iii) the record date for determining members for any other purpose shall be at the close of business on the day on which the resolution of the Board of Managers relating thereto is adopted.

### **ARTICLE III MANAGERS**

Section 3.01 **Board of Managers.** The management of the affairs, property and business of the Company shall be vested in a Board of Managers, the members of which need not be members. In addition to the power and authority expressly conferred upon it by these By-Laws and the Certificate of Organization, the Board of Managers may take any action and do all such lawful acts and things on behalf of the Company and as are not by statute or by the Certificate of Organization or these By-Laws required to be taken or done by the members.

Section 3.02 **Number.** The number of managers shall be as fixed from time to time by the Board of Managers.

Section 3.03 **Election and Term of Managers.** At each annual meeting of the members, the members shall elect managers to hold office until the next annual meeting. Each manager shall hold office until the expiration of such term and until his successor, if any, has been elected and qualified, or until his earlier resignation or removal.

Section 3.04 **Annual and Regular Meetings.** The annual meeting of the Board of Managers shall be held promptly after the annual meeting of members, and regular meetings of the Board of Managers may be held at such times as the Board of Managers may from time to time determine. No notice shall be required for the annual or any regular meeting of the Board of Managers.

Section 3.05 **Special Meetings.** Special meetings of the Board of Managers may be called by the President, by an officer of the Company who is also a manager or by any two managers, upon one day's notice to each manager either personally or by mail, telephone, or fax transmission, and if by telephone confirmed in writing before or after

the meeting, setting forth the time and place of such meeting. Notice of any special meeting need not be given, however, to any manager who submits a signed waiver of notice, before or after the meeting, or who attends the meeting without objecting to the transaction of business.

**Section 3.06 Place of Meetings.** (a) The Board of Managers may hold its meetings, regular or special, at such places, either within or without the State of Massachusetts, as it may from time to time determine or as shall be set forth in any notice of such meeting.

(b) Any meeting of the Board of Managers may be held by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and such participation shall constitute presence at the meeting.

**Section 3.07 Adjourned Meetings.** A majority of the managers present, whether or not a quorum, may adjourn any meeting of the Board of Managers to another time and place. Notice of such adjourned meeting need not be given if the time and place thereof are announced at the meeting at which the adjournment is taken.

**Section 3.08 Quorum of Managers.** A majority of the total number of managers shall constitute a quorum for the transaction of business. The total number of managers means the number of managers the Company would have if there were no vacancies.

**Section 3.09 Action of the Board of Managers.** The vote of a majority of the managers present at a meeting at which a quorum is present shall be the act of the Board of Managers, unless the question or action is one upon which a different vote is required by express provision of statute, the Certificate of Organization or these By-Laws, in which case such provision shall govern the vote on the decision of such question or action. Each manager present shall have one vote.

**Section 3.10 Action by Written Consent of Managers.** Any action required or permitted to be taken at any meeting of the Board of Managers or of any committee thereof may be taken without a meeting, if a written consent thereto is signed by all members of the Board of Managers or of such committee, and such written consent is filed with the minutes of proceedings of the Board of Managers or committee.

**Section 3.11 Resignation.** A manager may resign at any time by giving written notice to the Board of Managers, the President or the Secretary of the Company. Unless otherwise specified in the notice, the resignation shall take effect upon receipt by the Board of Managers or such officer, and acceptance of the resignation shall not be necessary.

**Section 3.12 Removal of Managers.** Any or all of the managers may be removed with or without cause by the members.

**Section 3.13 Newly Created Manager Positions and Vacancies.** Newly created manager positions resulting from an increase in the number of managers or vacancies

occurring in the Board of Managers for any reason except the removal of managers without cause may be filled by a vote of the majority of the managers then in office, although less than a quorum. Vacancies occurring by reason of the removal of managers without cause shall be filled by a vote of the members. A manager elected to fill a newly created manager position or to fill any vacancy shall hold office until the next annual meeting of members, and until his successor, if any, has been elected and qualified.

Section 3.14 **Chairman.** At all meetings of the Board of Managers, the Chairman of the Board, or in the absence of the Chairman, or if no chairman has been elected or appointed, a chairman chosen by the managers present at such meeting, shall preside.

Section 3.15 **Committees Appointed by the Board of Managers.** The Board of Managers may, by resolution passed by a majority of the entire Board of Managers or by written consent of all of the managers, designate one or more committees, each committee to consist of one or more of the managers. The Board may also designate one or more managers as alternate members of any committee who may replace any absent or disqualified committee member at any committee meeting. Any such committee, to the extent provided in the resolution, except as restricted by law, shall have and may exercise the powers of the Board of Managers in the management of the affairs, business and property of the Company, and may authorize the seal of the Company to be affixed to all papers which may require it.

Section 3.16 **Compensation.** No compensation shall be paid to managers, as such, for their services, but the Board of Managers may authorize payment of an annual retainer and/or fixed sum and expenses for attendance at each annual, regular or special meeting of the Board of Managers. Nothing herein contained shall be construed to preclude any manager from serving the Company in any other capacity and receiving compensation therefor.

#### **ARTICLE IV OFFICERS**

Section 4.01 **Offices, Election and Term.** (a) At its annual meeting, the Board of Managers shall elect or appoint a President and a Secretary and may, in addition, elect or appoint at any time such other officers as it may determine. Any number of offices may be held by the same person.

(b) Unless otherwise specified by the Board of Managers, each officer shall be elected or appointed to hold office until the annual meeting of the Board of Managers next following his election or appointment and until his successor, if any, has been elected or appointed and qualified, or until his earlier resignation or removal.

(c) Any officer may resign at any time by giving written notice to the Board of Managers, the President or the Secretary of the Company. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof, and the acceptance of the resignation shall not be necessary to make it effective.

(d) Any officer elected or appointed by the Board of Managers may be removed by the Board of Managers with or without cause. Any vacancy occurring in any office by reason of death, resignation, removal or otherwise may be filled by the Board of Managers.

Section 4.02 **Powers and Duties.** The officers, agents and employees of the Company shall each have such powers and perform such duties in the management of the affairs, property and business of the Company, subject to the control of and limitation by the Board of Managers, as generally pertain to their respective offices, as well as such powers and duties as may be authorized from time to time by the Board of Managers.

Section 4.03 **Sureties and Bonds.** If the Board of Managers shall so require, any officer, agent or employee of the Company shall furnish to the Company a bond in such sum and with such surety or sureties as the Board of Managers may direct, conditioned upon the faithful performance of his duties to the Company and including responsibility for negligence and for the accounting for all property, funds or securities of the Company which may come into his hands.

## **ARTICLE V CERTIFICATES AND TRANSFER OF SHARES**

Section 5.01 **Certificates.** Unless otherwise provided pursuant to the Limited Liability Act of the State of Massachusetts, the shares of membership interests of the Company shall be represented by certificates, as provided by the Limited Liability Act of the State of Massachusetts. They shall be numbered and entered in the books of the Company as they are issued.

Section 5.02 **Lost or Destroyed Certificates.** The Board of Managers may in its discretion authorize the issuance of a new certificate or certificates in place of any certificate or certificates theretofore issued by the Company, alleged to have been lost, stolen or destroyed. As a condition of such issuance, the Board of Managers may require, either generally or in each case, the record holder of such certificates, or his legal representative, to furnish an affidavit setting forth the facts of such alleged loss, theft or destruction, together with proof of advertisement of the alleged loss, theft or destruction, and a bond with such surety and in such form and amount as the Board may specify indemnifying the Company, any transfer agent and registrar against any claim against any of them relating to such lost, stolen or destroyed certificates.

Section 5.03 **Transfer of Shares.** (a) Upon surrender to the Company or the transfer agent of the Company of a certificate for shares or other securities of the Company duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the Company shall issue a new certificate to the person entitled thereto, and cancel the old certificate, except to the extent the Company or such transfer agent may be prevented from so doing by law, by the order or process of any court of competent jurisdiction, or under any valid restriction on transfer imposed by the Certificate of Organization, these By-Laws, or agreement of security holders. Every such transfer shall be entered on the transfer books of the Company.

(b) The Company shall be entitled to treat the holder of record of any share or other security of the Company as the holder in fact thereof and shall not be bound to recognize any equitable or other claim to or interest in such share or security on the part of any other person whether or not it shall have express or other notice thereof, except as expressly provided by law.

## **ARTICLE VI INDEMNIFICATION**

Section 6.01 **Indemnification.** The Company shall indemnify the managers, officers, agents and employees of the Company in the manner and to the full extent provided in the Limited Liability Act of the State of Massachusetts. Such indemnification may be in addition to any other rights to which any person seeking indemnification may be entitled under any agreement, vote of members or managers, and any provision of these By-Laws or otherwise. The managers, officers, employees and agents of the Company shall be fully protected individually in making or refusing to make any payment or in taking or refusing to take any other action under this Article VI in reliance upon the advice of counsel.

## **ARTICLE VII MISCELLANEOUS**

Section 7.01 **Corporate Seal.** The seal of the Company shall be circular in form and bear the name of the Company, the year of its organization and the words, "Corporate Seal, Massachusetts." The seal of the certificates for membership shares or any company obligation for the payment of money, or on any other instrument, may be a facsimile, engraved, printed or otherwise reproduced.

Section 7.02 **Execution of Instruments.** All company instruments and documents shall be signed or countersigned, executed, and, if desired, verified or acknowledged by a proper officer or officers or such other person or persons as the Board of Managers may from time to time designate.

Section 7.03 **Fiscal Year.** The fiscal year of the Company shall be as determined by the Board of Managers.

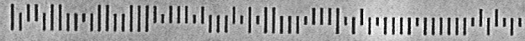
## **ARTICLE VIII AMENDMENTS**

Section 8.01 **Amendments.** These By-Laws may be altered, amended or repealed from time to time by the members or by the Board of Managers without the assent or vote of the members.





## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



EDDIE FERNANDEZ  
EMB NATURAL VENTURES LLC  
44 SCHOOL ST RM 325  
BOSTON MA 02108-4209

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

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

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

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

### *What if I have questions?*

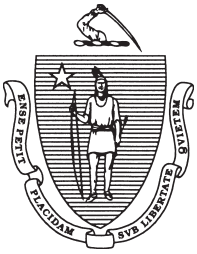
If you have questions, call us at (617) 887-6400 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 8:30 a.m. to 4:30 p.m..

### *Visit us online!*

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

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

Edward W. Coyle, Jr., Chief  
Collections Bureau



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

William Francis Galvin  
Secretary of the  
Commonwealth

Date: September 10, 2019

To Whom It May Concern :

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

**EMB NATURAL VENTURES, LLC**

in accordance with the provisions of Massachusetts General Laws, Chapter 156C, on  
**June 13, 2018.**

I further certify that said Limited Liability Company has not filed a Certificate of Cancellation;  
that said Limited Liability Company has not been administratively dissolved; and that, so far as  
appears of record, said Limited Liability Company has legal existence.



In testimony of which,  
I have hereunto affixed the  
Great Seal of the Commonwealth  
on the date first above written.

A handwritten signature in black ink, reading "William Francis Galvin".

Secretary of the Commonwealth

Certificate Number: 19090194910

Verify this Certificate at: <http://corp.sec.state.ma.us/CorpWeb/Certificates/Verify.aspx>

Processed by:

# EMB NATURAL VENTURES, LLC

## A Cannabis Cultivation Establishment

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### Operating Plan – Diversity Plan

November 2019

#### **Description**

EMB Natural Ventures is a Massachusetts company with an application pending for a license from the state's Cannabis Control Commission, in order to conduct business as a cannabis cultivator in a 25,000 square foot facility located at 140 Middle Water Street, Holyoke, MA.

The facility will be equipped to grow approximately 3,000 cannabis plants and flowers concurrently, including up to 15 different strains, from seedling to finished product.

***PROPRIETARY & CONFIDENTIAL***

The data contained in this document is considered proprietary and confidential and is not to be used by, or disclosed to, any unauthorized individuals or agencies without the written permission of EMB Natural Ventures, LLC. No duplication of the whole or any part of this document is permitted.

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DIVERSITY HIRING ..... 4

## SUMMARY

EMB Natural Ventures (EMBNV) is a new cultivation company that intends to provide high-quality cannabis flower to the legal adult use market in the Commonwealth of Massachusetts.

Pursuant to The Code of Massachusetts Regulations, specifically 935 CMR 500.000, et seq.: “Cannabis Control Commission – Adult Use of Marijuana,” EMBNV will establish and maintain policies and procedures demonstrating EMBNV’s extensive ability to cultivate the cannabis plant securely, safely, sustainably and efficiently.

## DIVERSITY HIRING

### Goal:

EMBNV’s management believes that being a good corporate citizen means more than running a clean, ethical and compliant cannabis cultivation business. It also means leading by example, by having an employment pool comprised of a healthy cross-section of the community, including in particular by trying to achieve a level of equity among minorities, women, veterans, people with disabilities, and individuals identifying as LGBTQ+, with an ultimate goal of ensuring employment opportunities for work in EMBNV’s establishment among individuals falling into these demographics.

### Programs:

One area on which EMB intends to focus in particular in its employment opportunity outreach in Holyoke will be the city’s Spanish-speaking population, most notably individuals of Puerto Rican origin. A decade-long economic crisis, followed by the devastation of Hurricane Maria in September 2017, left Puerto Ricans with significant challenges in rebuilding on the island. Many individuals and families chose instead to move to the U.S. mainland. The resulting migration has changed the demographics of a number of cities and towns, including Holyoke, which already had a significant Latino population.

This long-underserved segment of the Holyoke community, which obviously includes women, veterans, people with disabilities, and individuals identifying as LGBTQ+, will be given every opportunity to become an integral part of EMBNV’s success. One of the company’s founders and its majority owner, Eddie Fernandez, is bilingual in English and Spanish, having been born in Connecticut and raised in Puerto Rico by family members residing in that U.S. territory, and he is both proud of and loyal to his heritage. Mr. Fernandez and other members of the company’s management and staff will work with city officials, as well as community and religious leaders, to create outreach programs, presented in both Spanish and English, to encourage currently unemployed individuals, including economically challenged Latino residents, to apply for work at EMBNV’s facility and, once there, to develop sound job skills.

As part of its commitment to ensuring diversity in the recruitment and employment process, EMBNV will also implement a program to work with the Holyoke’s Economic Development Office and area workforce development agencies, such as CareerPOINT and HolyokeWorks, to assist in achieving some of these policy objectives. As necessary, the company will also post both English and Spanish language

advertisements in one or more local newspapers, such as *The Republican*, on a monthly basis, stating that the company is specifically seeking to employ individuals within the above-referenced classifications.

Measurements:

For a relatively small company like EMBNV, setting specific numerical goals for any given category of diversity hiring may be impractical. However, given that Holyoke's general population is at least 50% Latino, EMBNV's management expects to achieve at the outset of the company's operations a level of hiring from within that population on at least a commensurate level.

Among the records to be created and maintained by EMBNV's Human Resources Director will be one that tracks, to the extent feasible and as permitted by state and federal law, the overall number of individuals within the demographics set forth in the "Goals" section above, as compared to the company's overall number of employees. Again, as feasible, those records will include (a) the number of individuals from within those demographics who were hired and retained after issuance of a license to the company, broken down by work area (such as cultivation staff, administration, security, transportation, and management), and (b) the number of individuals promoted from within the company. To ensure that the company's diversity hiring goals are being met, the company's management will meet with the Human Resources Director no less than monthly to discuss the degree of success of these goals, as well as to determine whether the company's strategies for achieving these goals need to be enhanced.

The company will be prepared to present documentation of the progress or success of its diversity hiring plan upon each annual renewal of its cultivation license.

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

Any actions taken, or programs instituted, by EMBNV will not violate the Commission's regulations with respect to limitations on ownership or control, or any other applicable state laws.

# EMB NATURAL VENTURES, LLC

## A Cannabis Cultivation Establishment

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### Operating Plan – Maintaining Financial Records

January 2019

#### **Description**

EMB Natural Ventures is a Massachusetts company with applications pending for a license from the state's Cannabis Control Commission, and for a special permit from the City of Holyoke, in order to conduct business as a cannabis cultivator in a 25,000 square foot facility located at 140 Middle Water Street, Holyoke, MA.

The facility will be equipped to grow approximately 3,000 cannabis plants and flowers concurrently, including up to 15 different strains, from seedling to finished product.

***PROPRIETARY & CONFIDENTIAL***

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## SUMMARY

EMB Natural Ventures (EMBNV) is a new cultivation company that intends to provide high-quality cannabis flower to the legal adult use market in the Commonwealth of Massachusetts.

Pursuant to The Code of Massachusetts Regulations, specifically 935 CMR 500.000, et seq.: “Cannabis Control Commission – Adult Use of Marijuana,” EMBNV will establish and maintain policies and procedures demonstrating EMBNV’s extensive ability to cultivate the cannabis plant securely, safely, sustainably and efficiently.

Back office support relative to the creation and maintenance of financial records will support operational and general business decision-making and will enable the company to meet its financial obligations, in a transparent and efficient manner, to all stakeholders, including the City of Holyoke, in accordance with its Host Community Agreement, and the Commonwealth of Massachusetts.

EMBNV will:

- Produce accurate, timely and complete financial statements, including absorption cost accounting, which details the expenses associated with production of a final product.
- Operate a robust internal control system, including proper segregation of duties and safeguarding of key assets.
- Maintain detailed accounting policies and procedures.
- Maintain a secure electronic database for storage of all financial documents, including invoices, sales receipts, and bank records, that are readily available.
- Utilize an effective dashboard and key performance indicators.
- Employ a timely cash and tax forecasting system.

EMBNV business records will include manual and/or computerized records of assets and liabilities, monetary transactions, accounting records, sales records, and salary and wage information for each employee.

## ACCOUNTING METHODS

EMBNV intends to utilize generally accepted accounting principles (GAAP) and full absorption costing as a manufacturer of cannabis flower. The Chief Financial Officer (CFO) will oversee the financial program and procedures. A robust accounting tool, Intuit QuickBooks®, will be connected directly to a company’s manufacturing process tracking system, BioTrackTHC®, to ensure continuity of production, sales, and cash flows in real time.

EMBNV staff will be able to respond quickly, transparently and completely to requests for financial, sales or audit information by the Cannabis Control Commission (Commission).

## HANDLING CASH ON PREMISES

The legal adult use cannabis industry in the Commonwealth of Massachusetts, and across the country, is an unusually cash-heavy industry. Bank services are currently limited, at best, due to perceived risks on the part of federally-regulated banks and credit unions. Current public discourse appears to indicate a brighter future for safe banking for Marijuana Establishments. Until that future arrives, however, EMBNV will implement safeguards for cash collection, storage, transport, and accurate accounting.

### Storage

Cash will be maintained in an on-site vault within multiple layers of the company's security access system. The cash vault will be used exclusively for cash and any physical records associated with cash. At no time will product or production materials co-mingle the same space as the cash storage.

Procedures will be established, similar to those one might find in a local bank, for permissible access to cash at the beginning and at the end of each day. To access cash in the vault, the presence of two individuals shall be required, with at least one such individual being a management representative.

Cash machines will be used to verify, count and bind bills for storage and use. To prevent tampering, cash machines will remain in secure areas with limited access.

### Collection Frequency

Cash transactions will occur at the following times:

- Biweekly payroll.
- Return of transportation truck from delivery of sold goods.
- Payment of bills to vendors.
- Payment of taxes.

EMBNV will vary and randomize its protocols on a daily basis in order to minimize the predictability of when cash may be arriving to or leaving from the facility, either on official business or in the hands of employees. Of paramount importance is the personal safety of the company's personnel, who will be paid on a biweekly basis within the legal guidelines of state and federal wage and employment laws.

Cash will be dispersed by a management representative or an authorized supervisor who will be trained in the policies and procedures of the company's cash and accounting practices. Requests for cash to pay bills or taxes will arrive through the company's tracking and accounting systems. Relevant personnel will prepare the cash corresponding to the bill or invoice. When a staff member picks up the cash to make payments or deliveries, a chain of custody document will be signed to document the individuals responsible for that cash.

## Transport

Transportation of cash outside the facility will be arranged in secure vehicles owned or contracted by EMBNV. The vehicles will enter the loading area in the company's facility, such that the exterior bay door of that area closes and secures before any transactions take place. Cash will be transferred to the vehicle by authorized security personnel, with manifest documents detailing amount, purpose, destination, and staff driving the vehicle.

When cash proceeds from goods sold are brought into the facility, those proceeds will be accepted by a company finance representative and security person. The delivery personnel, whether employed by EMBNV or by an outside contractor, will review the manifest, transfer the cash, and provide written acknowledgement of the delivery at the loading area. The cash will be taken directly to the facility's vault area for bill verification and counting. The financial and inventory tracking systems will be updated at the conclusion of the verification to document accurate receipt of capital. Discrepancies will be immediately reported to the CFO and Security Officer.

EMBNV will work with the Commission, the City of Holyoke, and state and federal officials to develop procedures for delivering tax payments in a safe manner, always looking forward in order to stimulate the development of solutions for improving the efficiency and safety of all cash transactions.

## RECORD KEEPING

Financial records will be consolidated in Intuit QuickBooks®, or some similarly robust and customizable accounting software platform. Bookkeeping personnel will ensure consistent processing and storage of:

- On-premises cash balance.
- Bank statements, if applicable.
- Sales invoices.
- Purchase invoices and supporting documents.
- Tax records.
- Employee payroll records.
- Company assets and liabilities.

Records will be securely backed up on a daily basis to a secure cloud-storage platform such as box®. Reports will be available at any time as requested by company officers, Commission representatives, or law enforcement officials.

## ACCOUNTING OF BENEFITS TO THE MUNICIPALITY

EMBNV's management is excited to contribute to the growth and prosperity of the City of Holyoke and the Commonwealth of Massachusetts. The company's financial processes will include a specific program

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to track and review the financial contributions made to the City of Holyoke, consistent with the company's Host Community Agreement. This information will be made available to the Commission, as required in 935 CMR 500.103(4)(d). All other regulatory mandates will be fully complied with as well.

# EMB NATURAL VENTURES, LLC

## A Cannabis Cultivation Establishment

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### Operating Plan – Personnel Policies

January 2019

#### **Description**

EMB Natural Ventures is a Massachusetts company with applications pending for a license from the state's Cannabis Control Commission, and for a special permit from the City of Holyoke, in order to conduct business as a cannabis cultivator in a 25,000 square foot facility located at 140 Middle Water Street, Holyoke, MA.

The facility will be equipped to grow approximately 3,000 cannabis plants and flowers concurrently, including up to 15 different strains, from seedling to finished product.

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## SUMMARY

EMB Natural Ventures (EMBNV) is a new cultivation company that intends to provide high-quality cannabis flower to the legal adult use market in the Commonwealth of Massachusetts.

Pursuant to The Code of Massachusetts Regulations, specifically 935 CMR 500.000, et seq.: “Cannabis Control Commission – Adult Use of Marijuana,” EMBNV will establish and maintain policies and procedures demonstrating EMBNV’s extensive ability to cultivate the cannabis plant securely, safely, sustainably and efficiently.

The bedrock of any business is its people. EMBNV understands that it will be successful only as its employees are successful. As a result, the company’s personnel policies, which will be incorporated into an Employee Handbook, have been designed to ensure that all individuals employed by the company are treated fairly regardless of their personal or employment status. The company commits to choosing and assessing its employees based on their prospective or actual job performance and nothing else. Good employees will always have opportunities with EMBNV.

The company will enforce the personnel policies consistently, fairly, and in good faith. The Chief Executive Officer is ultimately responsible for maintaining this commitment. The company plans to employ a Human Resources (HR) Director to maintain personnel policy documentation and to monitor proper enforcement.

The company will also engage legal counsel to help generate its personnel policies documentation prior to full staffing, as well as to monitor implementation of those policies. The personnel policies will be reviewed and updated regularly to reflect knowledge gained in working within the legal adult use cannabis industry in the Commonwealth of Massachusetts. Compliance with work-force and employment laws will always be a first priority.

This personnel policies plan is a general guide to EMBNV’S policies. The company, in its sole discretion, may modify the policies summarized here on those occasions when it determines that particular circumstances warrant individualized consideration. Each employee will receive these policies in a formal Employee Handbook.

The language of that Handbook will not create a contract between the company and its employees. Although the company’s management will value its relationship with each employee, striving for a continuing and mutually satisfactory employment relationship, it is understood that most employees will be “at will,” meaning that the company shall not be obligated to continue that relationship if, at any time, or for any nondiscriminatory reason, it does not wish to do so. Likewise, any employee may leave the company at any time for any reason or for no reason at all.

This plan reflects company personnel policies and practices and employee benefits in effect at the time the document was prepared. Consistent with applicable law, EMBNV retains the right to make changes to its policies and Employee Handbook from time to time, as it deems appropriate.

## STANDARD EMPLOYMENT PRACTICES

### Equal Opportunity Employer

EMBNV provides equal employment opportunities to all employees and applicants for employment without regard to race, color, religious creed, national origin, ancestry, gender, sexual orientation, age, genetic information, military service, disability, or any other category protected by applicable federal, state, or local law.

The company will comply with all applicable federal, state and local laws governing nondiscrimination in employment. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training.

The company is committed to ensuring that equal opportunity in employment exists at the company for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis. Under both state and federal law, qualified disabled persons may be entitled to a reasonable accommodation to performance of an employee's essential functions. Upon request, reasonable accommodations will be available to all qualified disabled employees.

### Sexual and Other Unlawful Harassment

EMBNV will maintain a work environment that nourishes respect for the dignity of each individual employee. The company takes very seriously this obligation to its employees. In that regard, it is against the company's policies for any employee to harass or annoy another person for any reason, including based on gender or any other protected classification. This right to be free from a hostile work environment extends to EMBNV's obligations to ensure that visitors and outside vendors act appropriately and professionally.

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct or visual depiction of a sexual nature constitute sexual harassment when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or environment.

Any employee who believes that she or he is being unlawfully harassed or that this policy has been violated will be instructed immediately to contact HR or a member of the company's management. All complaints of harassment will be promptly, thoroughly and confidentially investigated, and where necessary appropriate corrective action will be taken. Any person found to have unlawfully harassed another employee would be subject to appropriate disciplinary action, up to and including discharge.

The company is committed to addressing and remedying behavior that violates this policy. If an employee finds it necessary, he or she may report claims of discrimination by contacting The Massachusetts

Commission Against Discrimination, One Ashburton Place, Boston, MA 02108, or The Equal Opportunity Commission, 475 JFK Federal Building, Government Center, 4th Floor – Room 475, Boston, MA 02203.

No retaliation will be permitted against any individual who brings forward a concern under this policy or participates in any investigation.

EMB NV will provide periodic training of its employees in the area of what constitutes workplace harassment and how to avoid even the perception that such conduct may be taking place.

## **Problem Resolution**

EMB NV seeks to deal openly and directly with its employees and believes that communication between employees and management is critical to solving problems. No employee problem will be viewed as too small or insignificant, and the company will endeavor to resolve all instances of workplace discord in an amicable manner.

Co-workers who may have a problem with one another will be encouraged to attempt to resolve the problem themselves. If a resolution cannot be agreed upon, both employees should approach the HR Director, who will work with them to determine an appropriate resolution. If only one employee approaches the HR Director, resolution efforts will be handled discreetly, thoughtfully and professionally.

## **Immigration Law Compliance**

EMB NV will not hire anyone who is not legally authorized to work in the United States. As a condition of employment, all new and, in certain instances, past employees must show valid proof that they are eligible to work in the United States.

## **Non-Disclosure / Confidentiality**

The protection of confidential business information and trade secrets is vital to the interests and success of the Company.

Such confidential information includes, but is not limited to, the following examples:

- Compensation data.
- Financial information.
- Marketing strategies.
- Pending projects and proposals.
- Proprietary production processes.
- Personnel/Payroll records.
- Conversations between any persons associated with the company.

All employee confidential information will be protected as such, and access will be limited as required by law.

All employees will be required to sign a non-disclosure agreement as a condition of employment. Employees who improperly use or disclose trade secrets or confidential business information will be subject to discipline or other legal action, including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

## **Conflict of Interest**

EMBNV will implement a conflict of interests policy applicable to all of its employees, management personnel, contractors and vendors. This policy prohibits anyone related to the company who may have access to confidential information from selling or sharing that information with others for personal gain or interest.

## **Employee Probationary Period**

All employees begin employment with a ninety (90) day “probationary period.” This period gives new employees a chance to learn about the company and to give the company a chance to learn about them. The company uses this time to make sure that new employees can handle their work satisfactorily and that their abilities are being properly applied.

Employees must continue to perform up to company expectations after the probationary period, and the nature of employment remains at-will at all times.

All new employees are hired on a probationary basis for the first ninety (90) days and may be discharged any time therein without hearing procedures.

## **Standards of Conduct**

EMBNV expects that all of its employees will conduct themselves in a businesslike and ethical manner. Furthermore, an employee should report any dishonest activities or damaging conduct to an appropriate supervisor.

In the event that an employee becomes aware of another employee’s behavior or actions, which is believed to be inappropriate, illegal, or problematic, or that in any way inhibits or affects one’s job performance or the company’s work environment, the first employee should discuss such behavior or actions with her or his supervisor or the HR Director. All reasonable concerns will be promptly, thoroughly and confidentially investigated by the company, and where necessary appropriate corrective action will be taken. Employees should not discuss such actions or behavior with one another. Indeed, an employee’s discussing such matters with other employees may, in and of itself, create an unacceptable work environment for which the offending employee will be held responsible and for which he or she may be disciplined in accordance with the company’s disciplinary policy.

## **Criminal Background Check**

All prospective employees of EMBNV will be subject to a thorough background check compliant with the regulations governing EMBNV’s operation as a licensed cannabis cultivator, as defined in the Code of

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Massachusetts Regulations at 035 CMR 500.000 promulgated by the Massachusetts Cannabis Control Commission (Commission).

All company employees must be suitable for registration as a Marijuana Establishment Agent. Suitability is defined as:

- 21 years of age or older.
- Not having been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority.
- Determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802.

In addition, the company will refuse to hire any individual who is found to have an organized crime or gang affiliation.

As a condition of employment, each employee must submit information, and give authorization, to the company in order to allow for request to be made of a Criminal Offender Record Information (CORI) report. This report will be provided to the Commission as part of the application for registering a licensed agent. EMBNV will prepare the application for registration of each establishment agent and pay associated fees. The company will assign an Executive staff member as the CORI Officer (CO), who will be registered with the Department of Criminal Justice Information Systems pursuant to 803 CMR 2.04: iCORI Registration.

Suitability determination will be made by the Commission in accordance with the procedures set forth in 935 CMR 500.800. More information regarding Mandatory Disqualification and Presumptive Negative Suitability Determination can be found under 935 CMR 500.802: Tables B through D.

## GENERAL POLICIES AND PROCEDURES

### Work Location

EMBNV's offices and production facility will be located at 140 Middle Water Street, Holyoke, MA 01040.

### Work Schedule

Facility hours are from 8:00 a.m. to 8:00 p.m., Monday through Friday. The office and reception hours are from 8:30 a.m. to 5:00 p.m. Employees are generally assigned regular work hours and may not change them unless a manager or supervisor specifically approves a request. Employees are expected to arrive at work on time, ready to perform their jobs when their workday is scheduled to begin. Those employees scheduled to work until the end of production hours should be prepared to work until all cultivation tasks have been evaluated and all other office work has been completed. The office schedule provides only an estimate of what may be the end of the workday.

## Personal Data and Reporting Changes

Upon commencement of employment, an employee must provide the HR Director with certain personal data, including home address and telephone number, the name of the person to be contacted in an emergency, the number of dependents, and tax withholding information. Although it is the responsibility of every employee to keep such information accurate and up to date, EMBNV will make periodic inquiries of its employees to ensure that all information is current and accurate.

Each employee is required to notify the HR Director, in advance, of the dates of all approved vacation or leave time to be taken. Additionally, employees are to inform the HR Director in advance of sick days taken and excessive lateness in arriving at work.

## Job Classifications

In the event that an employee's status changes (e.g., full-time to part-time) during the course of her or his employment, the employee's job classification and benefits may be re-evaluated.

## Sign-In Sheet

At hire, an employee will be informed of his or her hours of work, eligibility for any benefits, and status as a part-time or full-time employee. EMBNV has regular weekday and weekend hours. The company expects all employees to work their assigned hours, as well as whenever else may be necessary to serve the needs of cultivation operations. The company expects each employee's cooperation.

## Pay Periods and Pay Day

All employees are paid bi-weekly. For payroll purposes, the workweek is defined as beginning on Sunday and ending on Saturday. On Tuesdays, employees will receive detailed pay stubs regarding their weekly pay. If an employee believes there is a discrepancy in pay, she or he should report it to the HR Director immediately. If there is, in fact, an error, the company will try to resolve it in time for the current week's pay or by the next pay period after finding the error.

The cannabis industry has a unique challenge with limited access to banking services due to the discrepancy between state and federal laws. For this reason, unless alternative payroll practices can be found and implemented, salary payments may be dispensed in cash to employees by the CFO or designated representative, less applicable tax and FICA withholding. For the safety and security of employees, payday can be Wednesday, Thursday or Friday. The company will ensure employees receive pay no later than the end of office hours on the Friday immediately following the pay period.

Should an employee know he or she will be absent from work on pay day, the employee will be paid upon return to the office. In cases of extended absence, such as planned vacation, the company may approve pre-payment for work completed before the employee leaves for such absence. Other extenuating circumstances such as emergency medical leave will be handled on a case by case basis.

## Time Keeping

Employees are required to sign a work log each day, both upon arrive and departure from the facility, including if leaving the building for any reason during the workday. The HR Director will record on the log each employee's use of vacation and sick time. It is each employee's responsibility to see that her or his time is recorded accurately and legibly. No one should sign the work log on behalf of another employee. The HR Director will also maintain confidential employee time records in separate files.

## Breaks

The specific time of each employee's lunch period will be determined by the HR Director or Director of Production, so as to provide sufficient staffing throughout the work day. All employees are expected to adhere to the lunch schedules. Additional breaks will be scheduled in accordance with state labor laws.

## Salary Increases

Salary increases are based on performance, tenure or promotion. All salary increases are at the discretion of EMBNV's management.

## Performance Reviews

EMBNV will strive to develop individual performance goals and plans, where necessary, to maximize everyone's ability to succeed within the organization. Individual performance will be based on company Key Performance Indicators (KPIs).

## Attendance & Punctuality

Punctuality and regular attendance are important for the smooth operation of the company's business operations. If an employee is consistently late or excessively absent, the company's ability to perform work is affected, and an unfair burden is placed on the other employees. Therefore, unless an employee's absence is permitted or excused under EMBNV holiday, vacation, sick or other policies, the employee is responsible for being at work and arriving on time. If the employee is going to be absent or late, it is his or her responsibility to call the office and the HR Director as soon as possible. In the event of absence for several days or more, the employee must notify the office and HR Director each day so that arrangements can be made on the employee's behalf.

Employees who must leave the office before closing time because of illness or any other reason must inform their supervisor.

An employee who foresees the need to take sick leave (e.g., for non-emergency surgery or for a doctor's appointment) must inform the HR Director as soon as practicable, so that plans can be made to cover the absence.

An employee who is absent for reasons other than those permitted or excused by the company's holiday, vacation or leave policies, or who repeatedly fails to provide notice as required, will be subject to appropriate disciplinary action, up to and including discharge at the discretion of management.

## Availability for Work

Employees must be available for work during normal hours of the company's business operations. If, for any reason, there is a change in an employee's work availability status, management requests as much notice as possible.

## Mandatory Meetings

Employees may be required to attend mandatory personnel meetings. The employees are expected to arrive promptly for such meetings and to sign a related work log.

## Leaving the Office

All employees who leave the building during working hours are required to notify a staff member, their supervisor, or the HR Director that they are leaving and when they will return. Employees working in areas containing plants and plant material must follow quality control protocols to check in tools and equipment prior to leaving.

## Overtime

To provide adequate coverage for EMBNV, employees may be asked to work overtime by the CEO or respective director, and full cooperation of all employees is expected, allowing for personal conflicts, such as family or childcare needs.

Hourly employees will be paid time and one-half (1.5) for hours worked in excess of 40 hours during a scheduled work-week. Exempt employees are not eligible for overtime pay. The calculation of overtime hours will not include holiday, sick leave or vacation days during a given scheduled workweek.

## Holidays

Employees shall be entitled to the following paid holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Eve (1/2 day - Close at 1:00 p.m.) and Christmas Day. Should any of the holidays enumerated above fall on a Saturday or Sunday, Employee shall be entitled to a Friday or Monday holiday in lieu of the weekend date. Employee shall be entitled to any additional holidays declared to be holidays by the CEO.

Due to the nature of the cultivation work performed at EMBNV, some employees will be required to work on a holiday. For hourly employees, this time is treated as overtime. Exempt employees will receive time off to make up for working on a holiday.

EMBNV will make reasonable efforts to accommodate holidays pertaining to an employee's established beliefs that are not included in the above list. Employees should speak with the HR Director to obtain approval for taking time off to observe such holidays.

After 90 days of employment, hourly employees regularly working more than 35 hours per week will be eligible for paid holidays. Hourly employees working more than 20 hours per week will be compensated

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for one (1) paid holiday per year of the employee’s choice. For additional time off, employees may take religious holidays without pay. Arrangements must be made in advance with the HR Director.

**Vacation**

Employees working more than 35 hours per week are eligible for the following paid vacation time after the completion of six months of continuous employment.

Vacation Accrual Per Calendar Year	Service Period
1 Week	Year 1
2 Weeks	Year 2 – 5
3 Weeks	Year 6 and up

Employees who are employed for a regular work schedule of more than twenty-five (25) hours, but less than 35 hours, per week are entitled to the following paid vacation after the completion of six months of continuous employment.

Vacation Accrual Per Calendar Year	Service Period
1 Week	Year 1 – 5
2 Weeks	Year 6 and up

Part-time employees will be paid based on the average number of hours worked per week in the quarter in which the vacation falls. All employees working less than an average of twenty-five (25) hours per week are not eligible for paid vacation time. All employees must give written notice of their desire to take vacation at least 30 days in advance. Although every effort will be made to accommodate requests, the company retains the right to deny or delay specific vacation date requests based on its business needs. In case of scheduling conflicts, preference will be given based on seniority.

Unused vacation time cannot be carried over to subsequent years and will not be paid out upon separation of employment.

Vacations are earned from January 1 to December 31 of each calendar year and are taken in the same year in which they are earned (for example, vacation time earned in 2018 is to be taken between January 1, 2018 and December 31, 2018).

An authorized company holiday that falls on a normal business day during an employee’s vacation is not counted as a vacation day.

When given advance notice, the company will consider requests for additional time without pay. If an employee has a special type of vacation in mind, he/she should talk to the supervisor to see if a solution can be reached.

## **Sick Time**

Full-time employees accrue sick leave at the rate of 6 hours per month worked, up to 64 hours per year (the equivalent of eight 8-hour days). Sick leave for part-time employees is pro-rated based upon a 40-hour work week. For example, a half-time (or 20-hour per week) employee accrues sick leave at the rate of 3 hours per month worked, up to 36 hours of sick leave per year.

Sick leave is to be used in the event that an employee is unable to work due to illness, injury, or other medical condition. Sick leave may be used as part of medical leave or sick childcare leave and as otherwise required by applicable law. Sick leave may also be used for routine dental or medical appointments.

In the event of incapacity due to sickness or injury, employees must advise their supervisor or the HR director no later than 9:00 AM on the first day of absence. Full reasons must be given at this time.

Unused sick leave is forfeited upon termination of employment.

## **Food and Beverages**

EMB NV can be expected sometimes to have visitors or regulatory officials in its building. The building's interior should always reflect a professional appearance. Eating at one's desk is prohibited and should be done only at the designated area within the building. All employees are personally responsible for keeping their work areas clean and presentable.

Coffee and water may be obtained free of charge in the designated eating area. It is the obligation of all employees to keep that area neat and clean.

Carrying or consuming food and beverages in areas containing plant materials is prohibited. Employees working in areas with plant materials will be provided water containers for use within the restricted areas. No outside beverage containers, such as thermoses or water bottles, are allowed in areas containing plant materials at any stage of growth, harvest, packaging or processing.

## **Visitors**

Other than management personnel and employees, only authorized visitors, such as customer representatives, are permitted at EMB NV's offices. This rule is designed to protect the company from theft and to comply with the Commission's regulations. Visits from friends and family are prohibited.

All visitors must enter through the reception area. Any employee who notices an unauthorized visitor should notify her or his supervisor immediately.

## Attire and Office Appearance

Employees' appearances shall be in keeping with the company's business standards. Employees are expected to use good judgment and taste and to show courtesy to their co-workers and associates by dressing in a fashion that is presentable and appropriate. The HR Director shall be the final arbiter of the suitability of attire.

## Use of Office Equipment, Computer Systems, Telephones and Supplies

EMBNV's copy services, postage, fax and other similar equipment and supplies are to be utilized for company purposes only and may not be used for personal needs.

Personal cell phones, whether used for oral communications, email, text messaging, or photo-imaging, are prohibited within the facility. EMBNV will have a facility communication system that allows patching phone calls directly to a hand-held transponder in case of emergency. Each employee will be issued a transponder when working at the facility.

Even through the company's communications system, personal telephone calls during business hours, both incoming and outgoing, should be brief and confined to communications that are truly necessary.

Company computer equipment is to be used for the company's business purposes only. Passwords and other forms of identification and authorization are not to be shared or otherwise disclosed. Computer software may not be used, copied or adapted in any way for personal use or for any other purpose not directly related to work performed for the company. Individuals may be held personally liable for the use of the company's software for purposes unrelated to the company's business, as well as for any other actions taken in connection with company software, including violations of federal and state laws and actions in breach of licensing agreements. The unauthorized addition, deletion or change of computer-based information is prohibited. Likewise, employees are not permitted to remove computer-based information from an assigned location.

Personal e-mail should not be accessed in the office. Under no circumstances should personal attachments ever be opened on EMBNV computers.

All electronic and telephone communication systems, and all communications and information transmitted by, received from, or stored in these systems, are the property of the company and as such are intended for job-related purposes. Personal use of any company communication device should be avoided. Electronic or telephone communication systems may not be used to transmit messages that may be considered inappropriate under the company's policies, including those policies prohibiting harassment. Employees are not permitted to use a code, access a file, or retrieve any stored communication unless authorized to do so or unless they have received prior clearance from an authorized company representative. All pass codes are the property of the company and may be used by the company to access electronic and telephone communications at any time. The company reserves the right to monitor any electronic, telephone or other communications made using the company systems or property.

## Ordering Supplies

All supplies shall be ordered through the Facility Manager, subject to approval by the appropriate executive staff member. It is the responsibility of each employee to report to the Facility Manager when supplies required for the performance of that employee's duties are needed.

## Personal Property

EMBNV does not assume responsibility for any personal property located on its premises. Employees are to use their own discretion when choosing to bring personal property into the office and do so at their own risk. Additionally, employees may not bring or display in the office any property that may be reasonably considered inappropriate or offensive to others.

Employees working in plant cultivation areas are required to store personal property in secure lockers outside of restricted production areas.

## Personal Safety

The health, safety and security of each employee are very important to the company. The company will make reasonable efforts to address an employee's safety concerns. Employees should remember to use caution and good judgment in all activities and should notify the Director of Production or the Facility Manager if they believe there is a safety issue that should be addressed.

## Office Security

Given the nature of EMBNV's business operations, security precautions are of great significance. All employees are expected to follow and respect security precautions, which may change from time to time.

## Outside Inquiries

If the company receives a telephone call from an outside agency requesting information about an employee, the company will provide the employee's date of employment, job title, and full-time or part-time status. The company will not provide, but will verify, the employee's Social Security number. Any employee who does not wish to have the above information released to outside callers should notify the HR Director to that effect. If an employee is terminated, personnel records, which include any performance documentation, attendance, the reason for termination, or other information, will be released only with the terminated employee's written authorization or as required by law.

## Performance assessment cycle

Quarterly assessments are tied to company-specific KPIs. Promotions are considered annually, based on the quarterly assessments.

## Discipline

EMB NV endeavors to deal constructively with employee performance problems and employee errors. The facts and circumstances of each case will determine the disciplinary process. Depending upon the facts and circumstances, the discipline applied may include, among other things, oral or written warnings, probation, suspension without pay, or immediate discharge. Each situation will be considered applying a variety of factors, including (but not limited to) the seriousness of the situation, the employee's past conduct and length of service, and the nature of the employee's previous performance or incidents involving the employee. Details of this process are outlined further in the Corrective Action section below.

## Corrective Action

Corrective action is taken against an employee in response to a rule infraction or a violation of company policies. Correction action will continue until the violation or infraction is corrected.

Corrective Action usually begins with a verbal warning, followed by a written warning that is placed in the employee's personnel folder. If more serious corrective action is required, the employee may be put on probation or have his or her employment terminated.

EMB NV considers some violations as grounds for immediate dismissal, including, but not limited to: insubordinate behavior, theft, destruction of company property, breach of confidentiality agreement, untruthfulness about personal background, drug or alcohol abuse, or threats of violence.

Employees charged with some infraction, and subject to corrective action, may appeal that corrective action. An appeal must be submitted in writing to the HR Director. If, after reviewing the corrective action, the HR Director or the Facility Manager determines that the procedures were properly followed, the corrective action will stand. If the HR Director or the Facility Manager has failed to follow company protocol, the action may be reversed.

## Alcohol, Smoke and Drug-Free Workplace

The consumption of alcohol, tobacco and cannabis products, and illegal drugs is strictly prohibited in EMB NV's workplace. Because smoke residue in particular is very harmful to plant cultivation, employees who chose to smoke before starting work or on breaks are required to sanitize both their hands and any materials exposed to smoke that may be present in plant handling areas.

# LEAVE POLICIES

## General Leave Policies

EMB NV provides eligible employees with leaves of absence for a variety of reasons. The following discussion summarizes the company's leave policies.

As with all policies, EMB NV reserves the right to revise or rescind these policies at its discretion, and in accordance with legal requirements.

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To apply for leave, or to inquire into what leave may be available, an employee should contact the HR Director. Employees applying for leave will be asked to state for what purpose they need the leave, when they want the leave to begin, and when they expect the leave to end. The HR Director will inform an employee what type and duration of leave, if any, has been approved and will also tell the employee which requirements, such as certification of a health condition, the employee must fulfill.

All leaves are generally granted for a specific period of time. An employee who foresees being unable or unwilling to return to work at the end of the leave period should apply for any other leave for which the employee is eligible, including an extension of the current leave. The company reserves the right to terminate the employment of an employee who does not return to work at the end of the approved leave period.

### **Medical Leave of Absence Policy**

Any employee who is unable to work because of her or his own medical condition, whether due to accident, illness, injury, pregnancy or related medical condition, or in some cases to the medical condition of an immediate family member, may be entitled to an unpaid leave of absence under the federal Family and Medical Leave Act. This policy applies to both work-related and non-work-related illnesses and injuries. EMVNV will comply with the requirements of the Massachusetts earned sick time law, as codified in M.G.L. c. 149, § 148C, and 940 CMR 33.00, et seq.

Such leaves will be granted for the period of the medical condition, typically not to exceed two (2) months. This period begins on the first day of absence due to the medical condition.

During the entire time that an employee is away from work due to work-related or non-work-related medical condition, he or she must report progress, in person or by telephone, to the HR Director each week.

Employees expecting to request a medical leave of absence must inform the HR Director, in writing, immediately upon discovery of a condition and must indicate the expected time period that they will be unavailable for work. In cases of emergency, employees must contact the HR Director, or if that Director is unavailable, any member of the company's management, as soon as possible of the need for medical leave. In all cases, such notice must include a doctor's note indicating the employee's anticipated return date, if one exists. The company may also require a medical examination, at no cost to the employee, by a physician designated by the company, consistent with applicable federal and state law.

Employees out on medical leave are entitled to continue their then-in-place health insurance benefits at no cost for one month, subject to any changes the company makes in health insurance coverage. Thereafter, employees may continue health insurance at their own cost. Employees can also substitute paid vacation or sick time for any unpaid portion of the leave.

### **Return from Medical Leave**

Prior to returning from any medical leave of absence, employees must submit a doctor's certificate stating that they are medically able to perform the essential functions of the employee's job, with or without reasonable accommodation. The company, however, cannot guarantee reinstatement. When the

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employee is able to return to work, the company will attempt to return an employee to her or his original position, if available. If the original position is unavailable, the company will attempt to place the employee in an equivalent, or suitable, vacant position consistent with the company's business and staffing needs.

### **Short-Term Disability Benefits**

Employees may be eligible for short-term disability benefits if they are ill, injured, or otherwise unable to work. The company maintains short-term disability plans in accordance with Massachusetts law. An employee seeking short-term disability leave benefits must complete the necessary paperwork.

### **Personal Leave of Absence**

Requests for personal leave without pay are considered individually and granted at the discretion of the company's management. The reason for the request, the employee's length of service, the employee's work record, and the demands of the individual's job are examples of the types of factors typically considered in evaluating a request for personal leave of absence. A request for personal leave of absence will be granted only if the employee is not eligible for any other type of leave. An employee may not be on an unpaid personal leave of absence for more than two months in any calendar year.

### **Jury Duty**

Employees summoned for jury duty will be allowed the necessary time off from work to perform this civic responsibility. Employees must attempt to give the company 15 days advance notice of the beginning of a jury duty requirement. The company will pay such employees the difference between their regular salary and any jury duty fees received for the first week of service. Employees will be expected to report to work during all regular hours if their presence is not required in a jury room or court. EMBNV may require the employee to supply documentation from the court affirming the employee's jury duty service.

### **Funeral Leave**

When a death occurs in an employee's immediate family, an employee may take up to three days with pay in order to attend the funeral or make funeral arrangements. Additional time off may be granted, with or without pay, at the discretion of the company. For purposes of the funeral leave policy, "immediate family" means an employee's spouse or domestic partner or child, as well as the parent, grandparent, brother or sister of the employee or the employee's spouse or domestic partner.

### **Emergency Closing and Severe Weather**

Unless notified by the HR Director, employees are required to report to work on all regularly scheduled days, regardless of weather conditions. Employees who are unable to report to work due to weather conditions must notify their immediate supervisor as soon as possible. Hourly employees get paid only if they attend work, even if the company decides to remain closed due to inclement weather.

## Benefits

EMB NV is committed to providing a generous benefits program for all employees, as permitted by the company's financial performance.

Based on employment status, an employee may be eligible for certain benefits. At the timing of hiring, each employee will be informed by the HR Director of benefits eligibility. Separate documentation will be furnished to each employee, which will explain the nature and availability of each such benefit. Benefits may be modified, added or terminated at any time by the insurance company or provider, per the terms of the plan or by the company's management at its discretion. EMB NV will fully comply with all city, state and federal laws regarding the provision of benefits.

Company community involvement directives allow employees to earn wages while participating in community-based initiatives, such as volunteer work, participation in local Big Brother/Big Sister programs, Junior Achievement, or other community-based service programs. Additionally, the company may, at its discretion, establish tuition reimbursement programs for programs that benefit employee advancement.

## Workers' Compensation

EMB NV employees are covered by the provisions of the Massachusetts Workers' Compensation Act, M.G.L. c. 152, and appropriate insurance coverage will be applied for by EMB NV.

As required by law, the company provides workers' compensation coverage for accidental injuries and illness arising out of or in the course of employment. In connection with this coverage, employees are required to report all injuries and illnesses sustained by them in the office or in connection with their employment, no matter how minor, immediately to the HR Director. If an employee has been injured on the job, he or she must complete the necessary accident or incident report notification forms in a timely fashion. Failure to do so may result in the denial of workers' compensation benefits.

## SEPERATION POLICIES

The company requires that employees return all documents, files, computer equipment, uniforms, company supplies, business credit cards, keys and other company owned property on or before the last day of work.

## Termination

Employees terminated from employment are expected to surrender company keys and other company property. The final paycheck reflecting work up to the close of the date of termination, including payment for any unused vacation days earned to date, will be provided to the employee on the day of discharge or at the next payroll date, at the company's discretion.

## Resignations

Employees who resign are requested to submit such resignation in writing to their supervisors, with as much notice as possible, and no less than four weeks in advance, in order to accommodate the company's need to find a suitable replacement. All salary and benefits are terminated as of the separation date. If an employee resigns, the employee will receive a final paycheck on the next regular payroll date following the separation date.

## Job Abandonment

Any employee who is absent for three consecutive days without notifying his or her supervisor, or who fails to report to work on or before the expiration of a leave, will be deemed to have voluntarily resigned, consistent with applicable law.

## Exit Interview

Whenever possible, the company will schedule an exit interview with the departing employee. The purpose of this interview is to aid the company to understand the reasons for employee turnover, to capture ideas and suggestions for improvement, and to ensure that employees are treated fairly regarding employment matters. The exit interview will not be done by the departing employee's supervisor.

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EMBNV'S personnel policies are designed to set forth a clear and complete set of directives and guidelines for its employees in the often-changing landscape of labor-management relations. Against this backdrop, EMBNV is committed to recruiting, hiring and retaining the best workforce in the industry.

# EMB NATURAL VENTURES, LLC

## A Cannabis Cultivation Establishment

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### Operating Plan – Qualifications and Training

January 2019

#### **Description**

EMB Natural Ventures is a Massachusetts company with applications pending for a license from the state's Cannabis Control Commission, and for a special permit from the City of Holyoke, in order to conduct business as a cannabis cultivator in a 25,000 square foot facility located at 140 Middle Water Street, Holyoke, MA.

The facility will be equipped to grow approximately 3,000 cannabis plants and flowers concurrently, including up to 15 different strains, from seedling to finished product.

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## SUMMARY

EMB Natural Ventures (EMBNV) is a new cultivation company that intends to provide high-quality cannabis flower to the legal adult use market in the Commonwealth of Massachusetts.

Pursuant to The Code of Massachusetts Regulations, specifically 935 CMR 500.000, et seq.: “Cannabis Control Commission – Adult Use of Marijuana,” EMBNV will establish and maintain policies and procedures demonstrating EMBNV’s extensive ability to cultivate the cannabis plant securely, safely, sustainably and efficiently.

## QUALIFICATIONS AND TRAINING

EMBNV will emphasize progressive staffing policies that encourage employee growth, long-term commitment, and diversity. The company acknowledges and embraces the social, ethnic and economic diversity of the residents in the City of Holyoke and aims to set an example of positive employment opportunity, as well as to offer second chances to individuals who would otherwise be qualified for gainful employment but for criminal records involving offenses unrelated to effective job performance at a cannabis cultivation facility. Entry level job positions in the areas of product processing, transportation, and office administration represent a significant percentage of the company’s staff and offer future employees gainful employment in a growing industry. Skills development through training and experience will lead to employee promotions within the company as the company grows.

EMBNV will develop a comprehensive staffing plan, guiding recruitment and hiring of management and executive staff, as well as a training matrix related to all employees. Staffing and training policies and procedures will ensure the secure, safe, sustainable and effective cultivation of cannabis products. Company and staff activities will comply with the Cannabis Control Commission (Commission) regulations, as promulgated in 935 CMR 500.000, et seq.

The company is excited to avail itself of prospective future employees coming from the recently-established social equity training program, which includes both the City of Holyoke and Holyoke Community College as founding partners. This initiative endorsed by the Commission is certain to produce a pool of qualified and motivated Holyoke area residents who are seeking employment in the cannabis industry.

Highlights of the plan include:

- General staffing policies.
- An estimate of staffing requirements.
- Descriptions of responsibilities and requirements for manager and higher level positions.
- A comprehensive training program required for each employee with evaluation within 90 days of hire.
- Additional training topics required for management positions.

- Forms to assist in the hiring process.

EMBNV's recruiting and hiring efforts will be directed toward diverse candidates with specialized qualifications (depending on the position), including:

- Interest and aptitude for alternative medicine.
- Absence of criminal records for disqualifying offenses.
- Experience in restricted access, highly-regulated facilities.
- Experience, interest, and the ability to achieve success in the cannabis industry.
- Health-related educational/professional backgrounds.

## Employee Pre-Employment Screening

EMBNV Prior to employment, EMBNV will require all employees to:

- Be 21 years of age or older.
- Provide background information compliant with 935 CMR 500.030.
- Undergo a complete background check.
- Be suitable for registration as a Marijuana Establishment Agent in the Commonwealth of Massachusetts, consistent with 935 CMR 500.800 and 500.802.

Employees will also be required to sign a series of forms and agreements acknowledging they are aware that failure to comply with state and local regulations and company policies could result in immediate termination and potential criminal prosecution, if applicable.

## Registration of Marijuana Establishment Agents

Each EMBNV employee will be registered with the Commission, and the company will pay the necessary fee for each employee, upon receiving appropriate clearance, to receive a registration card. All requirements of 935 CMR 500.030 will be strictly complied with. Employee registration cards will be renewed annually, provided that the employees remain suitable for registration. The company's Director of Production will maintain records of all registered agents. Any changes to personnel information or employment status will be reported to the Commission within five business days, as required by 935 CMR 500.030(6).

## JOB QUALIFICATIONS

EMBNV will use defined job qualifications to filter applicants to those who will best help maintain company-wide safety and effectiveness, as well as to promote the company's diversity program. Company management will frequently review job qualifications for their applicability to the current operations. The company may adjust systems and processes in order to remove unnecessarily restrictive qualifications so as to expand the pool of qualified candidates who will succeed in a particular job or skill

area. Objective employment requirements, such as criminal history or employment eligibility, will comply with state and federal employment and anti-discrimination laws.

EMBNV aims to hire highly qualified and capable employees prepared to meet or exceed the requirements of their positions. Job qualifications will be communicated with applicants during the application process and be provided to employees in new-hire packets.

The company will evaluate applicants based on five primary categories: experience, education, ability to perform in the job position, language ability, and physical effort capability if applicable.

The following tables list each job position and a summary of the qualifications for each based on the five categories. Company staff positions are divided into two groups: the Executive, Leadership and Administrative Staff; and the Operations Staff.

Executive and administration staff consists of the Chief Executive Officer, Chief Operating Officer, the Controller, the Quality Assurance Officer, the Sales Director, and Administrative Professionals.

Operations staff will be required to move throughout the facility working directly with grow operations, product, production equipment, and facility equipment based on day-to-day needs of the plants and the scheduled production process. Operations staff consists of the Director of Production, Cultivation Staff, Processing Staff, Transportation Drivers, Security Officer, Security Guards, and the Facility Manager.

## Executive, Leadership and Administrative Staff

	Experience	Education	Ability	Language Ability	Physical Effort
<b>Chief Executive Officer (CEO)</b>	10+ years business leadership and management with focus on strategy and revenue	Successful business leadership experience is more important than specific formal education.	Strategic leadership; Effective communication to team leaders; Quick and decisive action	Fluent English spoken and written; Spanish as secondary a plus.	8 – 10 hours desk / office work
	<b>Responsibility:</b>	Reports to the owners / shareholders. The CEO sets the strategic direction for the company. He engages with government officials, industry partners, and other company leaders to develop the cannabis industry in Massachusetts and grow EMBNV's presence.			
<b>Chief Operating Officer (COO)</b>	10+ years business leadership and management	4 year college degree; Operational Management training; MBA a plus	Experienced and efficient leader; Clear Communication; Excellent people skills	Fluent English spoken and written; Spanish as secondary a plus.	8 – 10 hours desk / office work
	<b>Responsibility:</b>	Reports to the CEO. The COO designs and implements business strategies, plans and procedures. He sets comprehensive goals for performance and growth. He oversees daily operations at the company's grow facility. He reviews and secures all company records and reports in accordance with company policy and government regulatory compliance.			
<b>Chief Financial Officer (CFO)</b>	10+ years Finance and Accounting	4 year college degree; Certified Public Accountant; Advanced degree preferred	Detail oriented; Proactive communicator; Computer Proficiency	Fluent English spoken and written	8 – 10 hours desk / office work
	<b>Responsibility:</b>	Reports to the COO. The CFO is the company's chief accounting officer and bears responsibility for preparing financial statements, business plans, budgets, taxes, compliance certifications and special projects such as planning short- and long-term business strategies, sales of assets, and securing financing or investors			
<b>Quality Assurance Officer (QAO)</b>	10+ years Quality Control Management	4 year college degree; QA program certification	Detail oriented; Proactive communicator; Negotiation; Creativity; Computer Proficiency	Fluent English spoken and written	8 – 10 hours desk / office work
	<b>Responsibility:</b>	Reports to the COO. The QAO designs and implements quality control procedures for production and business operations. He collaborates with the Director of Production to proactively implement quality control procedures and feedback loops. He efficiently identifies and corrects quality deficiencies in production efficiency, product quality, operational safety, seed-to-sale tracking, and reporting.			
<b>Sales Director</b>	10+ years in business to business sales; medical or specialty retail preferred	4 year college degree; sales training and certifications a plus.	Results oriented; Energetic; Commercial Awareness; Exceptional communication and negotiating skills	Proficient spoken and written; Spanish as secondary a plus.	8 – 10 hours on feet, stairs, ladders, lift 50 lbs., work with chemicals and machines
	<b>Responsibility:</b>	Reports to COO. Responsible for the care and maintenance of facility equipment and systems. The facilities manager will design and implement routine maintenance procedures for all facility systems and coordinate with outside vendors and subcontractors as required. He will respond to reports of equipment problems and respond quickly to resolve the issue and mitigate its impact on business operations and safety.			
<b>Administrative Professionals</b>	3+ years in high-pressure multitask environment	High school degree. Training Courses and Certifications for Office Tools like Microsoft Suite	Observant; Proactive; Helpful; Detailed; Problem Solving Abilities	Proficient spoken and written; Spanish as secondary a plus.	8 – 10 hours desk / office work
	<b>Responsibility:</b>	Reports to assigned company officer. The professional supports their company officer with office functions such as answering telephones, relaying messages, maintaining files, preparing presentations, ordering supplies, researching information, and preparing documents.			

## Operations Staff

	Experience	Education	Ability	Language Ability	Physical Effort
<b>Director of Production</b>	3 – 5 years managing grow operations	Vocational degree; Horticulture certification; manufacturing training	Effective Communicator; Detail Oriented; Leadership	Fluent English spoken and written; Spanish as secondary a plus.	8 – 10 hours on feet, stairs, ladders, lift 50 lbs.
	<b>Responsibility:</b>	Reports to the COO. The Director develops, implements and improves the entire cannabis cultivation operation from seed selection and acquisition through final product delivery to the end customer. He is responsible for overseeing staff members completing tasks and properly reporting activities for the Seed-to-Sale tracking system. He works with company leadership to implement production strategies and tactics which will support company goals.			
<b>Cultivation Staff</b>	2 - 3 years working in horticulture growing	Horticulture training, degree preferred	Responsive; Trainable; Self-Starter; Team Player	Proficient English spoken and written; Spanish as secondary a plus.	8 – 10 hours on feet, stairs, ladders, lift 50 lbs.
	<b>Responsibility:</b>	Reports to the Director of Production. Staff serve as area managers responsible for the daily task lists of the various growth stages. Document and track every interaction with the plants. They are expected to be an operational stand-in for the Director of Production when he is not present.			
<b>Processing Staff</b>	Plant trimming and packaging, following detailed process	Proven capability verified with functional test	Meticulous detail; light hands / nimble; pro-active communication; team player	Understand moderate spoken English; written English on forms. Fluent Spanish acceptable.	8 – 10 hours on feet or chair; stairs; ladders
	<b>Responsibility:</b>	Reports to the Director of Production. Staff provide manpower during plant harvest, trim, dry, cure, and packaging. They must be able to follow and comply with detailed process instructions.			
<b>Transportation Driver</b>	2+ years commercial driving	Commercial driving training and license; security training a plus	Skilled driver and navigator; Observant; Detail Oriented; Courteous and personable	Conversational spoken English; moderate written English. Spanish native or secondary a plus	8 – 10 hours on feet, stairs, ladders, lift 50 lbs., chemicals and machines
	<b>Responsibility:</b>	Reports to Director of Production. Drivers securely load and unload customers' products meticulously following company procedures. Attention to detail regarding products, security, and documentation is mandatory and strictly enforced.			
<b>Security Officer</b>	10+ years security	Trained and certified in security and protection; weapons training and license; team leadership	Observant; Leader; Independent; Detail Oriented; Calm in a crisis	Proficient English spoken and written; Spanish as secondary a plus.	8 – 10 hours on feet, stairs, ladders; can restrain and hold down large individual
	<b>Responsibility:</b>	Reports to COO. The Security Officer designs and implements the company's security plan and enforcement. He must ensure all aspects of the grow facility, grow operations, and product transportation are secure at all times. He oversees the implementation of and compliance with security protocols such as entrance ID verification, product and cash secure storage, record retention and security, alarm system operation and testing, and any security reports to local or state officials as necessary.			
<b>Security Guard</b>	5+ years security	Trained and certified in security and protection; weapons training and license	Observant; Independent; Detail Oriented; Calm in a crisis	Proficient spoken and written; Spanish as secondary a plus.	8 – 10 hours on feet, stairs, ladders; can restrain and hold down large individual
	<b>Responsibility:</b>	Reports to Security Officer. Security guards are responsible for the proactive securing and monitoring of the company's production facility, personnel, and operational activities. They must demonstrate commitment to company policies and procedures. They will oversee crucial facility areas and activities such as product transition points (e.g. product trimming and packaging), personnel entrance verification, and counting and transporting cash.			
<b>Facilities Manager</b>	5+ years commercial construction technician (electric or HVAC)	Vocational degree; certification in trade like electrician or HVAC	Detail oriented; Efficient; Clean workmanship; Documentation	Proficient spoken and written; Spanish as secondary a plus.	8 – 10 hours office or travel,
	<b>Responsibility:</b>	Reports to COO. Responsible for the care and maintenance of facility equipment and systems. The facilities manager designs and implements routine maintenance procedures for all facility systems and coordinates with outside vendors and subcontractors. He will receive reports of equipment problems and respond quickly to resolve the issue and mitigate its impact on business operations and safety.			

## EMPLOYEE TRAINING

Qualified candidates will be hired with a 90-day probationary period. During this period, employees will participate in a rigorous training process and be evaluated for suitability for their job function and effectiveness working in a restricted-access environment. Training will include a review of the employee handbook, third-party Responsible Vendor Training certification class, and training tailored to the employee's position in both a classroom and hand-on setting. The training program will include:

- All employees will take, and pass, the Responsible Vendor Certification Training Class annually.
- Managers will receive instruction on Best Practices in Hiring, Effective Training Techniques, and Evaluating Employees.
- Quarterly legal training will supplement annual certification training by communicating any changes to or clarifications of local, state and federal laws relating to cannabis products. Legal obligations of licensed cannabis businesses and registered agents will be emphasized.
- Security training will include how to respond to a variety of emergencies, facility access policies, and diversion detection and reporting procedures. Training will be tailored to the employee's job duties.
- Safety training will emphasize an understanding of safety data sheets, personal protective equipment, task-specific safety, and chemical spill cleanup.

Any training designed by company management will involve the Quality Assurance Officer, in order to create training modules that will be comprehensive and address worker knowledge, safety and security.

Successful completion of each training course is contingent on passing a comprehensive test with a score of 80% or better administered at the conclusion of the course. Should an employee fail to achieve an 80% score, he or she will be given an opportunity to receive additional training and to retake the test. A second failure to pass the test may result in discharge of the employee.

The trainer has the authority to use alternate means of testing employee knowledge after a training module. This alternate means would be utilized only if it completely and adequately evaluates the employee's understanding of the material, and that understanding could be documented in company records.

Employee attendance at all training sessions will be recorded physically or electronically, and the resulting records will be forwarded to and retained by the COO. Training records will be maintained for current and former employees for four years.

EMBNV's qualifications and training plan is part of the company's total commitment to being an industry leader. It is designed to ensure that the company has the most highly-qualified, motivated and diverse labor force in the market, thereby positioning the company as an example of best practices in the Massachusetts cannabis industry, as well as providing direct and ancillary benefits to its municipal partner, the City of Holyoke.

# EMB NATURAL VENTURES, LLC

## A Cannabis Cultivation Establishment

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### Operating Plan – Quality Control and Testing

October 2019

#### **Description**

EMB Natural Ventures is a Massachusetts company with an application pending for a license from the state's Cannabis Control Commission, in order to conduct business as a cannabis cultivator in a 25,000 square foot facility located at 140 Middle Water Street, Holyoke, MA.

The facility will be equipped to grow approximately 3,000 cannabis plants and flowers concurrently, including up to 15 different strains, from seedling to finished product.

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## SUMMARY

EMB Natural Ventures (EMBNV) is a new cultivation company that intends to provide high-quality cannabis flower to the legal adult use market in the Commonwealth of Massachusetts.

Pursuant to The Code of Massachusetts Regulations, specifically 935 CMR 500.000, et seq.: “Cannabis Control Commission – Adult Use of Marijuana,” EMBNV will establish and maintain policies and procedures demonstrating EMBNV’s extensive ability to cultivate the cannabis plant securely, safely, sustainably and efficiently.

Quality control procedures at EMBNV’s facility are designed to ensure through a regular review process that the company’s products adhere to a defined set of quality criteria.

## KEY PERSONNEL

Quality control will be an overarching goal of all EMBNV employees, processes and products. A Quality Control Committee will consist of:

- Quality Assurance Officer (who will head the committee)
- Director of Production
- Chief Operating Officer

The Quality Assurance Officer (QAO) sets the strategic plan for company-wide compliance with state and federal regulations, particularly those defined by the Cannabis Control Commission (Commission) in 935 CMR 500.000, et seq. The QAO has access to all company processes and reports to evaluate company effectiveness in regulation compliance and quality production. The QAO also coordinates with licensed independent testing laboratories to have testing conducted on products and grow mediums, as required by 935 CMR 500.160. The QAO will also be responsible for enforcement of the company’s policies for responding to laboratory results that indicate unacceptable levels of contaminants.

The Director of Production is responsible for predicting, measuring, and maintaining the quality of EMBNV’s cannabis products. On-site testing equipment will be managed by the Director of Production. In addition to his or her responsibility for the production of such products, the Director of Production is also responsible for the selection and implementation of all tools and storage vessels for cannabis products at each stage of production, including final packaging and transport.

The Chief Operating Officer (COO) will maintain all records of quality control tests, the results of such tests, and all actions taken to fix quality control issues. This includes the regulatory mandate to maintain testing results for no less than one year. The COO will compile the required report of any test result indicating contaminant levels are above acceptable limits. This report will include a plan of remediation written and agreed to by the QAO and Director of Production. The report will be sent to the Commission within 72 hours of the company’s receipt of the original test results.

## KEY PROCEDURES

### Proactive Quality Processes

#### Training

EMBNV is committed to providing consistently high-quality cannabis products for responsible Massachusetts adult consumers. Quality and quality control are fundamental to the success of the business as a whole. Each employee must commit to quality control as a key factor to successfully performing her or his duties. Training on personal commitment to quality in each job position will empower every employee to maintain quality standards in every task, thus ensuring quality overall.

#### Seed to Sale Tracking

EMBNV will utilize the Commonwealth's METRC tracking program for the legal cannabis industry.

By tracking product at every stage of production, from seed through all growth stages, and from harvest to delivery to a licensed Marijuana Agent, EMBNV is prepared to provide all information necessary to prove quality of products. The tracking will also enable company personnel to respond quickly to any instances of quality issues found internally or by independent laboratory testing.

#### Cultivation

The Director of Production will create a grow process that produces high-quality cannabis products as efficiently as possible. Quality of products shall never be compromised. Selection and implementation of quality grow equipment is critical. Examples include:

- Clean soil and growing material, compliant with agricultural and cannabis regulations, and capable of passing independent laboratory testing.
- Airflow controls, such as fans and air handlers to promote strong plant growth while deterring pests.
- Nutrient selection effective for the company's grow methods without introducing contaminants.
- Clean water source and transport hoses and basins.
- Vessels contacting product comply with *Good Manufacturing Practices for Food* as defined in Massachusetts regulations found in 105 CMR 500.000, et seq. and federal Food and Drug Administration regulations found in 21 CFR Part 110, et seq.
- Ensuring that only the leaves and flowers of the female marijuana plant are processed accordingly in a safe and sanitary manner, as prescribed as follows:
  - Well cured and generally free of seeds and stems;
  - Free of dirt, sand, debris, and other foreign matter;
  - Free of contamination by mold, rot, other fungus, and bacterial diseases;

Prepared and handled on food-grade stainless steel tables; and  
Packaged in a secure area.

All agents whose jobs include contact with cannabis products shall be subject to the same requirements for food handlers specified in 105 CMR 300.000, et seq.

Any agent working in direct contact with cannabis products shall conform to sanitary practices while on duty, including (i) maintaining adequate personal cleanliness, and (ii) washing hands appropriately.

Hand-washing facilities shall be located in the production areas, as well as where good sanitary practices require employees to wash and sanitize their hands.

There shall be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations.

Litter and waste shall be properly removed so as to minimize the development of odor and the potential for the waste attracting and harboring pests.

Floors, walls and ceilings of the facility shall be constructed in such a manner that they may be adequately kept clean and in good repair.

All contact surfaces shall be maintained, cleaned, and sanitized as frequently as necessary to protect against contamination.

All toxic items shall be identified, held, and stored in a manner that protects against contamination of cannabis products.

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 the facility.

EMBNV shall provide its employees with adequate, readily accessible toilet facilities.

Storage and transportation of finished products shall be under conditions that will protect them against physical, chemical, and microbial contamination.

## Testing

EMBNV will maintain internal testing equipment for continuous testing of production materials and products. Test results will be logged so that any trends toward unusual measurements or excessive contaminant levels can be addressed before maximum acceptable levels are exceeded.

The company will also furnish samples of grow materials, growing mediums, and final products to a licensed Independent Marijuana Testing Laboratory, in compliance with 935 CMR 500.160.

## Corrective Remediation Plan

Upon receipt of laboratory results indicating contaminant levels above acceptable limits, EMBNV will initiate the creation of a remediation plan. A copy of the plan will be submitted to the Commission within 72 hours of the company's receipt of the original test results.

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EMBNV's process for remediation includes:

- Calling together the Quality Control Committee (QCC) to review the laboratory results and find the root cause.
- The Director of Production, with the assistance of the Record Keeper, will identify all product materials in any phase of production which may be affected by the offending root cause material or process.
- The QCC will identify the method of removing the offending material or process from the current operation.
- The QCC will identify any product material in production or any finished product in storage or already shipped that was affected by the offending material or process.
- If the product requires disposal, the QCC will implement the Waste Disposal procedure to document the disposal of product in EMBNV's possession. If the product requiring disposal has already left the facility, a formal recall will be issued, which will require documentation of return or destruction and disposal of contaminated product.
- If contaminated product material can be removed from the overall materials or process, it will be transferred and documented accordingly.
- Company operating policies and procedures will be updated, as necessary, such that the root cause of any contamination event does not occur again.
- Personnel will be trained to be aware of the source of any contamination and the identified steps to remediate, as well as how to minimize the risk of future occurrences.

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EMBNV's quality control and testing plan will be spearheaded by senior-level employees and will following well-defined protocols to ensure that all products produced sold by the company will be in compliance with the applicable regulatory framework.

# EMB NATURAL VENTURES, LLC

## A Cannabis Cultivation Establishment

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### Operating Plan – Record Keeping Procedures

October 2019

#### **Description**

EMB Natural Ventures is a Massachusetts company with an application pending for a license from the state's Cannabis Control Commission, in order to conduct business as a cannabis cultivator in a 25,000 square foot facility located at 140 Middle Water Street, Holyoke, MA.

The facility will be equipped to grow approximately 3,000 cannabis plants and flowers concurrently, including up to 15 different strains, from seedling to finished product.

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## INTRODUCTION

EMB Natural Ventures (EMBNV) is a new cultivation company that intends to provide high-quality cannabis flower to the legal adult use market in the Commonwealth of Massachusetts.

Pursuant to The Code of Massachusetts Regulations, specifically 935 CMR 500.000, et seq.: “Cannabis Control Commission – Adult Use of Marijuana,” EMBNV will establish and maintain policies and procedures demonstrating EMBNV’s extensive ability to cultivate the cannabis plant securely, safely, sustainably and efficiently.

EMB Natural Ventures (EMBNV) defines record keeping as: making and maintaining complete, accurate and reliable evidence of business transactions in the form of recorded information. Company information is a valuable corporate asset to be captured, managed, and used effectively to advance the company’s core business and strategic priorities.

The primary purposes for the company’s record keeping procedures are:

- Keeping records of work that has been done to assist with future work
- Providing an audit trail of the decisions that have been made ensuring accountability.
- Complying with regulatory requirements.

### What is a record?

A record is defined as any form of recorded information, received or created, that is of historical significance to the company, or which provides evidence of the decisions and actions of the company while undertaking its business activities. Company records may be in any form including: paper, electronic, audio, video, data within business systems, and photographs.

The company will implement a “digital by default” record creation and retention policy. Where possible, and allowed by law or regulation, records will be created, modified, and stored in digital format.

Duplicates of records, such as a printed report of monthly production activity or a copy of a financial statement, are meant for short term use and should be properly disposed once the related work activity is completed.

### Record Lifecycle

EMBNV is committed to implementing record keeping procedures in accordance with the information lifecycle:



## RECORD KEEPING RESPONSIBILITIES

EMBNV shall maintain its records in accordance with generally accepted accounting principles. Because records of a Marijuana Establishment must be available for inspection by the Commission upon request, all of EMBNV's records subject to inspection shall be kept in writing, including, but not necessarily limited to, all records required in any section of 935 CMR 500.000, et seq., as well as the following:

- (a) Written operating procedures, as required by 935 CMR 500.105(1);
- (b) Inventory records, as required by 935 CMR 500.105(8)
- (c) Seed-to-sale tracking records, using the Metrc software program, for all cannabis products, as required by 935 CMR 500.105(8)(c);
- (d) The following personnel records:
  1. Job descriptions for each employee, agent, and (if any) volunteer position, as well as organizational charts consistent with the job descriptions;
  2. A personnel record for each employee or agent of the company, which shall be maintained for at least 12 months after termination of the individual's affiliation with the company, including, at a minimum, the following:
    - a. All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
    - b. Documentation of verification of references;
    - c. The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;
    - d. Documentation of periodic performance evaluations;
    - e. A record of any disciplinary action taken; and
    - f. Notice of completed responsible vendor and 8-hour related duty training, if applicable.
  3. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;
  4. Personnel policies and procedures; and

5. All background check reports obtained in accordance with 935 CMR 500.030 and 935 CMR 500.105(9);
- (e) Business records, which shall include physical or electronic records of:
1. Assets and liabilities;
  2. Monetary transactions;
  3. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
  4. Sales records including the quantity, form, and cost of cannabis products; and
  5. Salary and wages paid to each employees, stipend paid to each board member, and any executive compensation, bonus, benefit, or item of value paid to any individual or entity affiliated with EMBNV.
- (f) Waste disposal records, as required under 935 CMR 105(12); and
- (g) In the event of closure of the facility, all records must be kept for at least two years at the expense of EMBNV and in a form and location acceptable to the Commission.

## RECORD KEEPING PROCEDURES

Records and information will be captured, used and kept in the most efficient and appropriate format, with a preference for the creation and maintenance of digital only records wherever possible.

Electronic records will leverage enterprise level business and industry cloud-based tools to effectively and efficiently create and manage information databases. Every database will be backed up on a regular basis. Some of the enterprise level software tools include:

- Massachusetts's Department of Health's METRC tracking system.
- QuickBooks for business financial records.



- BOX online secure cloud storage: best-in-class security, compliance and data protection.



Each of these platforms enables EMBNV to provide real-time record retrieval, storage and analysis. Records can immediately be retrieved from each of these databases when requested by the Cannabis Control Commission (Commission), as well by as the company's owners and management. EMBNV

understands that the granting of a license acts as its consent to unannounced records inspections by the Commission, as a result of which the company has an obligation to maintain its records in an accurate and orderly manner. The company's record-keeping plan will be an indispensable component of this continuing obligation.

## Records Access and Security

Staff members are to only access those files and records which are necessary for the proper fulfillment of their duties or that they are lawfully requested to access. An employee's level of access to records is relevant to:

- Position responsibilities and requirements
- Level of delegated authority
- Privacy considerations
- Legal professional privilege
- Commercial sensitivity
- Other specific considerations where confidentiality restricts the normal right of access to records

Authorization from the Chief Operating Officer may be required before access is granted.

The company is required to comply with laws and regulations that permit access to its records by members of law enforcement and authorized government agencies as part of a legal process, such as by subpoena or court order, or by request of the Commission, such as required in 935 CMR 500.000, et seq. EMBNV will be fully compliant with its obligations in this regard.

## Electronic Systems Access

Electronic record systems will utilize individual login credentials to secure and track access. Each staff member is responsible for the security of their login credentials and the records accessible through that login. Should a login be forgotten or compromised, the staff member should notify company security or the COO immediately.

## Records Security

Paper and physical records will be securely maintained in cabinets or filing systems provided by the company. Official versions of physical records should remain on company property at all times. In the event an authorized staff member requires a document off-site, a copy can be made for short-term use. The duplicate should be disposed upon completion of the related work task.

Electronic records will be securely stored and accessible through enterprise level, cloud based software solutions and geographically diverse server storage.

## Retention and Disposal

Records will be retained in accordance with the Record Retention Schedule outlined in the Appendix of this document.

Most documents, once they are no longer needed by the company, have no further value and should be destroyed. Confidential records will be marked accordingly and must be destroyed in a secure way, such as cross-cut shredding or contracting with a reputable outside company for secure file pickup and destruction. The disposal protocol will ensure that no company records are accessible by any third party.

## ROLES AND RESPONSIBILITIES

All company staff members are responsible for creating, capturing, using, retaining, and disposing of company information in accordance with established procedure. Staff members are personally accountable for the correct management and use of company records and information in the course of performing their assigned responsibilities.

The company will provide training to each staff member commensurate with their role and responsibilities.

### Director of Records Management

The Chief Operating Officer (COO) will have overall responsibility for the implementation of, and the adherence to, established record-keeping procedures.

### Records Management Committee

The company's COO, legal counsel, Chief Financial Officer, and Quality Assurance Officer will serve as the Records Management Committee (RMC). The RMC will periodically review the effectiveness and compliance of the company's record keeping program. It will review changes to company operating processes and government regulations to adjust record keeping procedures accordingly.

At least annually, a comprehensive records review and audit will evaluate the effectiveness of tools and processes for record-keeping and retrieval. During this annual review, records will be transferred to long-term storage or disposed to maintain efficiencies of real-time data storage.

\*\*\*

EMBNV's record-keeping policies will enable the company to conduct its business operations in a thorough, professional and predictable manner. The policies will also assist EMBNV in being a trusted partner with all stakeholders, including the City of Holyoke and the state agencies with an interest in the company's operations.

## APPENDIX: RECORD RETENTION SCHEDULE

EMBNV will retain business activity records based on the following table. Changes in government regulations affecting record retention will be provided to the company Records Management Committee, which will adjust retention schedules accordingly. Following the retention period, records may be disposed in accordance with the company's record-keeping policy disposal procedures.

Records will be retained beyond the retention period in the event of any enforcement action, investigation, or by order of an authorized government agency, such as the Commission.

<b>ACCOUNTING</b>	<b>Retention Period</b>
Accounts Payable Ledger	7 years
Accounts Receivable Aging Reports	7 years
Accounts Receivable Ledger	7 years
Accounts Receivable Invoices	7 years
Accounts Written-off	7 years
Authorization - Accounting	5 years
Balance Sheets	Permanent
Bank Reconciliations	7 years
Bank Statements	7 years
Bank Deposit Slips	3 years
Budgets	3 years
Canceled Checks	10 years
Cancelled Dividend Checks	Permanent
Cash Book	Permanent
Cash Disbursement & Receipt Record	Permanent
Cash Sales Slips	7 years
Charge Slips	7 years
Charts of Accounts	Permanent
Check Register	Permanent
Expense Reports	7 years
Financial Statements	Permanent
General Ledger	Permanent
Journal Entries	Permanent
Petty Cash Records	7 years
Profit/Loss Statements	Permanent
Purchase Order	7 years
Vendor Invoices	7 years
Voucher Check Copies	7 years

<b>Corporate Records</b>	<b>Retention Period</b>
Amendments	Permanent
Annual Reports	Permanent
Articles of Incorporation	Permanent
Audit Reports	Permanent
Audit - Internal	6 years
Board of Directors - Committee	Permanent
Board of Directors - Minute Books	Permanent
Bylaws	Permanent
Capital Stock Ledger	Permanent
Capital Stock Transactions	Permanent
Charter	Permanent
Contracts - After Termination	Permanent
Contributions	7 years
Financial Statements	Permanent
Organizational Charts	Permanent
Partnership Agreement	Permanent
Stockholders - Minute Book	Permanent
<b>Fixed Assets</b>	<b>Retention Period</b>
Depreciation Schedule	Permanent
Inventory Records	Permanent
Plans and Blueprints	Permanent
Plant Cost Ledger	Permanent
Property Appraisals	Permanent
Property Register	Permanent
Records for Property Subject to Depletion	Permanent
<b>Human Resources</b>	<b>Retention Period</b>
Accident Reports - Settled	Settlement + 7 years
Attendance Records	Termination + 7 years
Background Checks	Termination + 7 years
Dental Benefits	Termination + 5 years
Disability Benefits - After Expiration/Settlement	Expiration / Settlement + 7 years
Disciplinary Actions	Termination + 7 years
Employee Medical History	Termination + 7 years
Employment Application - Not Hired	3 years
Family & Medical Leave	Termination + 4 years
Garnishments	Termination + 5 years

<b>Human Resources</b>	<b>Retention Period</b>
Life Insurance Benefits	Termination + 5 years
Medical Benefits	Termination + 7 years
Performance Evaluations - After Termination	Termination + 7 years
Personnel File - After Termination	Termination + 7 years
Personnel Files - Current Employees	Permanent
Profit Sharing Agreement	Permanent
Safety Reports	Termination + 5 years
Sick Pay	Termination + 4 years
Sign-in Logs	2 years
Training - Company	Termination + 3 years
Training - Responsible Vendor	Termination + 4 years
Vacation Files	Termination + 4 years
Workers' Compensation Benefits	10 years
<b>Insurance</b>	<b>Retention Period</b>
Automobile Insurance Claims	10 years
Disability Insurance Claims - After Termination	7 years
Expired Insurance Policies	10 years
Fire Inspection Reports	6 years
Insurance Appraisals	6 years
Safety Records	6 years
Foreign Insurance Policies	3 years
<b>Legal</b>	<b>Retention Period</b>
Bill of Sale	Permanent
Business Permits	Permanent
Claims and Litigation Concerning Torts and Breach of Contract	Permanent
Company Closure - all records	Greater of 2 years or Individual Retention Time
Contracts - Employees	Permanent
Contracts - Government	Permanent
Contracts - Labor Union	Permanent
Contracts - Special	Permanent
Copyrights	Permanent
Correspondence - Legal	Permanent
Deeds/Titles	Permanent
Leases/Canceled	10 years
Licenses	Permanent
Mortgages	Permanent

<b>Legal</b>	<b>Retention Period</b>
Notes Receivable - Canceled	10 years
Patents	Permanent
Stock and Bond Record	Permanent
Title Papers	Permanent
Trademarks - Registered	Permanent
<b>Operations</b>	<b>Retention Period</b>
Cultivation Batch Record	4 years
Receiving Documents	10 years
Site Plans and Layout	Permanent
Telecommunications Copies	1 years
Transport Manifests	10 years
Vehicle Operating and Maintenance	Decommission + 2 years
Waste Disposal	4 years
<b>Payroll</b>	<b>Retention Period</b>
Contractors	3 years
Checks - Payroll	7 years
Commission Reports - Salesperson	6 years
Employee Withholding Exemption Certificates	10 years
Payroll Register	4 years
Payroll Records - After Termination	10 years
Salary History	8 years
Time Reports	7 years
W-2 Forms	Permanent
Vacation/Sick Pay	4 years
<b>Security</b>	<b>Retention Period</b>
Alarm System Activity Log	4 years
HD Surveillance - Audio and Video - On-site recall	90 days
HD Surveillance - Audio and Video - Off-site storage	12 months
Material Diversion Violation	Permanent
RFID Scan Log - Active Employees	Permanent
RFID Scan Log - Terminated Employees	Termination + 7 years
Security Checklists	2 years
Visitor Log	3 years

<b>Taxation</b>	<b>Retention Period</b>
Tax Free Reorganization	Permanent
338 Election	7 years
Canceled Checks - Tax Payments	Permanent
Correspondence - Tax	Permanent
Depreciation Schedules	Permanent
Income Tax Returns	Permanent
Inventory Reports	Permanent
FUTA/FICA/Income Tax Withholding	7 years
Payroll Tax Returns	Permanent
Revenue Agent Reports	Permanent
Sales Tax Returns	Permanent

# EMB NATURAL VENTURES, LLC

## A Cannabis Cultivation Establishment

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### Operating Plan – Restricting Access to Age 21 or Older

January 2019

#### **Description**

EMB Natural Ventures is a Massachusetts company with applications pending for a license from the state's Cannabis Control Commission, and for a special permit from the City of Holyoke, in order to conduct business as a cannabis cultivator in a 25,000 square foot facility located at 140 Middle Water Street, Holyoke, MA.

The facility will be equipped to grow approximately 3,000 cannabis plants and flowers concurrently, including up to 15 different strains, from seedling to finished product.

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## OVERVIEW

EMB Natural Ventures (EMBNV) is a new cultivation company that intends to provide high-quality cannabis flower to the legal adult use market in the Commonwealth of Massachusetts.

Pursuant to The Code of Massachusetts Regulations, specifically 935 CMR 500.000, et seq.: “Cannabis Control Commission – Adult Use of Marijuana,” EMBNV will establish and maintain policies and procedures demonstrating EMBNV’s extensive ability to cultivate the cannabis plant securely, safely, sustainably and efficiently.

Scientific studies have shown that the human brain continues to develop into the 20s. In addition, research has demonstrated that individuals who refrain from using cannabis products until age 21 are unlikely to develop a lifelong habit. This much evidence, both scientific and anecdotal, that cannabis should not be consumed by underage individuals was impliedly acknowledged in the vote by the citizens of Massachusetts to approve responsible cannabis use by adults only. The regulatory framework promulgated by the Cannabis Control Commission (Commission) is designed, in part, to implement the will of the voters by ensuring that access is restricted from underage individuals.

As a licensed marijuana cultivator, EMBNV will strictly enforce age restrictions pertaining to access to cannabis products and materials, particularly by controlling the following areas of the company’s business operations:

- Building Access and Security.
- Personnel Policy and Enforcement.
- Material Packaging and Transport.
- Waste Disposal.
- Marketing and Advertising.

## BUILDING ACCESS AND SECURITY

Control of facility access is the primary method that will be used by EMBNV to restrict access to individuals age 21 and older. The company’s facility will operate indoors in an urban industrial area. Exterior access security will be in place on every point of ingress and egress.

Personnel will have only one entry door leading to a segregated security checkpoint. Further access into the facility will be permitted only through an electronically-managed access door.

In order to limit entry into the facility only to authorized individuals, the checkpoint will be continuously monitored by security personnel during normal business hours. Access will only be granted only to authorized representatives of the grow facility and pre-authorized visitors, including representatives of vendors and contractors, who are in compliance with state regulations and EMBNV’s own minimum access requirements, which include being 21 years or older.

Age will be confirmed by checking government-issued identification. Anyone without proper identification will be denied access, and this mandate will be strictly adhered to by all EMBNV employees.

Other than with regard to representatives of the Cannabis Control Commission (Commission) and fire, rescue and law enforcement personnel, any non-employee visitors must be escorted at all times while in the facility. Each visitor, regardless of purpose for being on-site, must read and sign a disclosure document that details the rules and regulations licensed agents must adhere to for the legal cultivation of cannabis products.

Vehicle loading docks will be segregated from the rest of the facility, with an interior access door between the loading bay and rest of the facility. At no time will products in any form be stored in the loading bay. Product will be moved into the loading bay only after exterior doors are closed and secured. Transportation personnel will be confirmed as licensed agents with the Commission. Only company employees will be present during transfers to or from a transportation vehicle.

## PERSONNEL POLICIES AND ENFORCEMENT

EMBNV personnel will be trained in state regulations for legal cannabis use, as well as in company policies. Specific rules will be written, and universally applied, for the following categories:

- Facility visitors.
- Daily operations and access to the facility and specific areas within the facility.
- Immediate reporting of any misplaced cannabis products or byproducts.
- See and report policies of any individuals not displaying current or accurate credentials.
- Strict disciplinary action for any agent violating security and access policies.

## MATERIAL PACKAGING AND TRANSPORT

Limiting access to final products during transfer from the production facility to the end customer will prevent products from reaching any unauthorized individuals, including those under the age of 21.

Final products will be packaged and sealed in compliance with regulations detailed in 935 CMR 500.000, et seq. Packaging will be sealed air-tight in tamper-proof bags or containers. Labels will detail the company logo, product details, and warnings as required by the Commission's regulations.

Transport of final product will be made only by EMBNV employees in company vehicles. Manifests will be created in triplicate, detailing the individuals present during all stages of transport. EMBNV will confirm active licenses and/or other government-issued identification for each party in the chain of custody and transport and will ensure that products are placed into approved locked storage during transport.

## WASTE DISPOSAL

All product waste will be disposed of on-site in compliance with regulations set forth in 935 CMR 500.000, et seq. Only EMBNV employees will partake in such disposal. No visitors to the facility shall be permitted in the waste disposal area at any time that product is present or waste disposal is in progress.

## MARKETING AND ADVERTISING

As a cultivator, EMBNV will provide cannabis flower as wholesale product to licensed processors, research facilities, and retailers. EMBNV's buyers will take custody of products upon delivery and receipt from the company's licensed transport agent. At that point, physical control of the product becomes the buyer's responsibility.

In an effort to ensure compliance with the Commission's regulations set forth in 935 CMR 500.000, et seq., EMBNV commits to responsible marketing and advertising. Any advertising materials will target only end customers who are age 21 and older. The choice of the company's various advertising outlets shall be calculated to ensure that at least 85% of the actual audience is age 21 or older.

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EMBNV's restricting access policy is designed to ensure that its products are accessible only to adults. The company's owners and managers understand their solemn responsibility to all of the interested stakeholders in the company's business operations and commit to a zero tolerance policy with regard to proper access.

# EMB NATURAL VENTURES, LLC

## A Cannabis Cultivation Establishment

---

### Operating Plan – Positive Impact

November 2019

#### **Description**

EMB Natural Ventures is a Massachusetts company with an application pending for a license from the state's Cannabis Control Commission, in order to conduct business as a cannabis cultivator in a 25,000 square foot facility located at 140 Middle Water Street, Holyoke, MA.

The facility will be equipped to grow approximately 3,000 cannabis plants and flowers concurrently, including up to 15 different strains, from seedling to finished product.

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## SUMMARY

EMB Natural Ventures (EMBNV) is a new cultivation company that intends to provide high-quality cannabis flower to the legal adult use market in the Commonwealth of Massachusetts.

Pursuant to The Code of Massachusetts Regulations, specifically 935 CMR 500.000, et seq.: “Cannabis Control Commission – Adult Use of Marijuana,” EMBNV will establish and maintain policies and procedures demonstrating EMBNV’s extensive ability to cultivate the cannabis plant securely, safely, sustainably and efficiently.

The principals of EMBNV believe that being a good corporate citizen means more than running a clean, ethical and compliant cannabis cultivation business. It also means providing support and care for the communities in which the company does business. EMBNV is committed to being a good corporate citizen and neighbor in the city where it does business, Holyoke, MA, which has been designated by the Commission as an area of disproportionate impact, as defined in 935 CMR 500.101(1)(a).

The company’s founders have established two goals for creating a positive impact upon current residents of the City of Holyoke:

- 1) Coordinating and leading local educational programs.
- 2) Donations to local charitable organizations, and stimulating local volunteering.

## EDUCATIONAL PROGRAMS

### Goal:

To provide mentoring and technical guidance to unemployed and unskilled individuals within the Holyoke community.

### Programs:

EMBNV will develop and lead free workshops and seminars to educate interested members of the public in the City of Holyoke not only about indoor agricultural techniques, such as those to be utilized by the company at its Holyoke cannabis cultivation facility, but also about basic skills for managing oneself in the home and the workplace.

The company has already entered into a Memorandum of Understanding with a local organization named Nuestras Raices, Inc. for the use of classroom space at 325 Main Street, Holyoke, MA 01040, to be utilized for conducting classes designed for members of the Holyoke community. Even while EMBNV’s cultivation license application to the Commission is pending, company representatives have already begun teaching formal classes at Nuestras Raices in areas including employment interview skills, managing personal finances, health, and nutrition. Solicitation of participants for these classes has been through locally-distributed flyers. Once EMBNV begins its own operations, a wider assortment of classes will be offered, including in areas of agricultural techniques, and advertisement of class subjects, and the days and times at which classes will be offered, will be placed in one or more local news publications.

Once the program becomes fully implemented, EMBNV will dedicate one or more of its employees to teach such classes at the Nuestras Raices location, during normal work hours, no less than three days each week, with each class having a duration of one to two hours. Class sizes are expected to be between 10 and 15 individuals.

Measurements:

Individuals who attend EMBNV's classes will be asked to complete an attendance sheet for each class, including the individual's name, address, and contact information, and at the end of each class participants will be asked to complete written evaluations of whether the class and the instructor was worthwhile and met the participants' expectations. Information from these attendance sheets and evaluations will be input to the company's internal database, together with documentation of which company employees are involved in teaching. At least monthly, those records will be reviewed by EMBNV's management in order to determine (a) whether greater outreach may be necessary to attract more participation, (b) which subject matters tend to attract the highest levels of attendance, and (c) which employees tend to be the most productive class leaders. Classes that are shown to be less well attended will either be modified or eliminated, while the more popular classes may be expanded, or new classes in similar subject areas may be introduced.

The company will be prepared to present documentation of the progress and success of its teaching programs upon each annual renewal of its cultivation license.

## CHARITABLE GIVING, AND VOLUNTEERING

Goal:

To provide business resources, including company finances and employee time, to local charitable organizations and community groups.

Programs:

EMBNV's management expects to donate at least 2% of the company's profit to charitable causes within the City of Holyoke on an annual basis. In so doing, the company will seek to align its resources with the needs and goals of a community that is in the midst of an impressive revitalization process. As part of its efforts, management looks forward to getting to know the generous and hardworking leaders and staff members at charitable organizations and nonprofit companies in the area, as well as local clergy, to gain an understanding of where funding would most uplift the city and sustain a better quality of life for the city's residents. It is expected that, within six months of the commencement of the company's operations, management will have chosen which local charitable organizations will be the initial recipients of company giving, and that list of organizations may grow or be modified as time goes on.

Even while EMBNV's application to the Commission is pending, the company has made both monetary and nonmonetary donations to one local charitable organization in particular, Nueva Esperanza, Inc., which is dedicated to the Puerto Rican and Afro Caribbean culture that comprises a significant portion of the Holyoke community. With its application, EMBNV has furnished to the Commission a letter from that organization acknowledging the company's past giving as well as the organization's willingness to accept

future donations. During its first year of operations (regardless of whether the company reaches a point of profitability), the company plans to make monetary contributions to Nueva Esperanza, Inc. in the amount of \$1,000.00 per year, in quarterly payments of \$250.00, and going forward such contributions would expect to be increased commensurate with the company's growth and profitability.

In addition to monetary giving, EMBNV will provide structured opportunities for its employees to volunteer within the community as part of their job responsibilities. In particular, the company intends to dedicate at least one half day (approximately four hours) per month for each of its employees to perform volunteer work, while getting paid by the company, dedicated to charitable causes within the Holyoke community.

Measurements:

During each month of the company's operations, detailed records will be kept showing (a) which organizations and groups within the Holyoke community are benefitting from these programs, (b) the amount s of monetary giving to each such organization and group, and (c) the time that is dedicated by each member of the company's staff to volunteer work within the community during work hours. EMBNV's programs for charitable giving and volunteer work will be reviewed by the company's management at least quarterly to determine whether the company is meeting its corresponding goals.

The company will be prepared to present documentation of the progress or success of these programs upon each annual renewal of its cultivation license.

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

Any actions taken, or programs instituted, by EMBNV will not violate the Commission's regulations with respect to limitations on ownership or control, or any other applicable state laws.