



## Massachusetts Cannabis Control Commission

### Marijuana Cultivator

#### General Information:

License Number: MC283314  
Original Issued Date: 11/18/2021  
Issued Date: 10/13/2022  
Expiration Date: 11/18/2023

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Advanced Cultivators, LLC

Phone Number: 978-854-3942 Email Address: [rborges@advancedcultivators.com](mailto:rborges@advancedcultivators.com)

Business Address 1: 100 Phoenix Avenue	Business Address 2: Units 3 and 5
Business City: Lowell	Business State: MA
Business Zip Code: 01852	
Mailing Address 1: 100 Phoenix Avenue	Mailing Address 2: Units 3 and 5
Mailing City: Lowell	Mailing State: MA
Mailing Zip Code: 01852	

### 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: 35.75	Percentage Of Control: 50
Role: Manager	Other Role:

First Name: Richard	Last Name: Borges	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: 7	Percentage Of Control:	
Role: Other (specify)	Other Role: Member	
First Name: Francis	Last Name: Healy	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: 7	Percentage Of Control:	
Role: Other (specify)	Other Role: Member	
First Name: Deborah	Last Name: Martin	Suffix:
Gender: Female	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 4		
Percentage Of Ownership: 7	Percentage Of Control:	
Role: Other (specify)	Other Role: Member	
First Name: David	Last Name: Radochia	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 5		
Percentage Of Ownership: 35.75	Percentage Of Control: 50	
Role: Manager	Other Role:	
First Name: Steven	Last Name: Ramirez	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 6		
Percentage Of Ownership: 5	Percentage Of Control:	
Role: Other (specify)	Other Role: Member	
First Name: Julie Ann	Last Name: Whitson	Suffix:
Gender: Female	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 7**

Percentage Of Ownership: 2.5

Percentage Of  
Control:

Role: Other (specify)

Other Role: Member

First Name: Oscar

Last Name: Rivera      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:**

**ENTITIES WITH DIRECT OR INDIRECT AUTHORITY**

No records found

**CLOSE ASSOCIATES AND MEMBERS**

No records found

**CAPITAL RESOURCES - INDIVIDUALS**

No records found

**CAPITAL RESOURCES - ENTITIES**

Entity Contributing Capital 1

Entity Legal Name: Advanced Cultivators, LLC

Entity DBA:

Email:

rborges@advancedcultivators.com

Phone:

978-854-3942

Address 1: 100 Phoenix Avenue

Address 2: Units 3 and 5

City: Lowell

State: MA

Zip Code: 01852

Types of Capital: Monetary/Equity

Other Type of  
Capital:

Total Value of Capital Provided:  
\$35402.53

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: 100 Phoenix Avenue

Establishment Address 2: Units 3 and 5

Establishment City: Lowell

Establishment Zip Code: 01852

Approximate square footage of the Establishment: 11497

How many abutters does this property have?: 14

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

Cultivation Tier:

Cultivation Environment:

**FEE QUESTIONS**

Cultivation Tier: Tier 02: 5,001 to 10,000 sq. ft.      Cultivation Environment: Indoor

### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan to Remain Compliant with Local Zoning	Advanced - Plan to Remain Compliant with Local Zoning.pdf	pdf	607f2ade2e84db44a04c9401	04/20/2021
Certification of Host Community Agreement	HCA Certification Form.pdf	pdf	607f31394989114597238c78	04/20/2021
Community Outreach Meeting Documentation	RFI Revised - COM Attestation form Plus Attachments.pdf	pdf	60b1385cb8d6493626556c3c	05/28/2021

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

### PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	RFI 2 Revised - Advanced - Final Positive Impact Plan (with Letter).pdf	pdf	611feb890b068e073262628b	08/20/2021

### ADDITIONAL INFORMATION NOTIFICATION

Notification:

### INDIVIDUAL BACKGROUND INFORMATION

#### Individual Background Information 1

Role: Other Role:  
First Name: Richard Last Name: Borges Suffix:  
RMD Association: Not associated with an RMD  
Background Question: no

#### Individual Background Information 2

Role: Other Role:  
First Name: Francis Last Name: Healy Suffix:  
RMD Association: Not associated with an RMD  
Background Question: no

#### Individual Background Information 3

Role: Other Role:  
First Name: Deborah Last Name: Martin Suffix:  
RMD Association: Not associated with an RMD  
Background Question: no

#### Individual Background Information 4

Role: Other Role:  
First Name: David Last Name: Radochia Suffix:  
RMD Association: Not associated with an RMD

Background Question: no

#### Individual Background Information 5

Role: Other Role:  
First Name: Steven Last Name: Ramirez Suffix:  
RMD Association: Not associated with an RMD  
Background Question: no

#### Individual Background Information 6

Role: Other Role:  
First Name: Julie Ann Last Name: Whitson Suffix:  
RMD Association: Not associated with an RMD  
Background Question: no

#### Individual Background Information 7

Role: Other Role:  
First Name: Oscar Last Name: Rivera Suffix:  
RMD Association: Not associated with an RMD  
Background Question: no

#### ENTITY BACKGROUND CHECK INFORMATION

No records found

#### MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Secretary of Commonwealth - Certificate of Good Standing	DUA Certificate of Compliance.pdf	pdf	607f31655997354560766703	04/20/2021
Articles of Organization	MA Corporations Search Entity Summary.pdf	pdf	607f31b216d4db44ccf594bd	04/20/2021
Articles of Organization	Advanced Cultivators LLC Certificate of Organization.pdf	pdf	6081b7a909011007a03cdef8	04/22/2021
Articles of Organization	Advanced - Operating Agreement.pdf	pdf	6082e44e247e180786c92ecc	04/23/2021
Secretary of Commonwealth - Certificate of Good Standing	SOC Certificate of Good Standing (2).pdf	pdf	608b1f0885675207abc78955	04/29/2021
Department of Revenue - Certificate of Good standing	Department of Revenue Certificate.pdf	pdf	608b1f0e031c12076ccf14d8	04/29/2021

Certificates of Good Standing:

Document Category	Document Name	Type	ID	Upload Date
Secretary of Commonwealth - Certificate of Good Standing	SOC Certificate.PDF	pdf	6320995744fa35000aecc523	09/13/2022
Department of Revenue - Certificate of Good standing	DOR Certificate.pdf	pdf	6320995dd239e20007f3bfa1	09/13/2022
Department of Unemployment Assistance - Certificate of Good standing	DUA Certificate.pdf	pdf	6320996244fa35000aecc542	09/13/2022

Massachusetts Business Identification Number: 001447479

Doing-Business-As Name:

DBA Registration City: Lowell

### BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Proposed Timeline	Advanced - Proposed Timeline for Commencement of Operations.pdf	pdf	607f320b03415644ba108507	04/20/2021
Plan for Liability Insurance	Advanced - Plan for Obtaining Liability Insurance.pdf	pdf	607f3217a6d53445a21e5a48	04/20/2021
Business Plan	Advanced - Business Plan.pdf	pdf	6081b912954bd3079c68d354	04/22/2021

### OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Maintaining of financial records	Advanced - Maintaining of financial records.pdf	pdf	607f326c8bb25444af30207f	04/20/2021
Personnel policies including background checks	Advanced - Personnel policies including background checks.pdf	pdf	607f326d4989114597238c81	04/20/2021
Dispensing procedures	Advanced - Dispensing Procedures.pdf	pdf	607f326f2e84db44a04c9437	04/20/2021
Energy Compliance Plan	Advanced - Energy Compliance Plan.pdf	pdf	607f327103415644ba10850b	04/20/2021
Inventory procedures	Advanced - Inventory Procedures.pdf	pdf	607f3273599735456076670c	04/20/2021
Prevention of diversion	Advanced - Prevention of Diversion.pdf	pdf	607f32a48d8557457dbb9e4e	04/20/2021
Qualifications and training	Advanced - Qualifications and Training.pdf	pdf	607f32af518b4d44994182f5	04/20/2021
Quality control and testing	Advanced - Quality Control and Testing.pdf	pdf	607f32b903415644ba10850f	04/20/2021
Record Keeping procedures	Advanced - Record Keeping Procedures.pdf	pdf	607f32c23a37ef458c08790a	04/20/2021
Restricting Access to age 21 and older	Advanced - Restricting Access to age 21 and older.pdf	pdf	607f32cda6d53445a21e5a52	04/20/2021
Security plan	Advanced - Security Plan.pdf	pdf	607f32d821aec245a96cc363	04/20/2021
Transportation of marijuana	Advanced - Transportation of marijuana.pdf	pdf	607f32e92e84db44a04c943f	04/20/2021
Storage of marijuana	Advanced - Storage of Marijuana.pdf	pdf	607f32ea9cefd04567d4f412	04/20/2021
Policies and Procedures for cultivating.	RFI Revised - Advanced - Policies and Procedures for Cultivating.pdf	pdf	60b138edd96e5535e0394692	05/28/2021
Diversity plan	RFI 3 Revised - Advanced - Final Diversity Plan.pdf	pdf	6125533aab67390764399c20	08/24/2021

### 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 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 Agree

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 Agree

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

#### ADDITIONAL INFORMATION NOTIFICATION

Notification:

#### COMPLIANCE WITH POSITIVE IMPACT PLAN

##### Progress or Success Goal 1

**Description of Progress or Success:** Goal 1: \$5,000 annual donation to Greater Lowell Community Foundation.

Progress: Completed. Please see the attached agreement, which confirms that a \$5,250 donation from Advanced to GLCF was made on June 27, 2022.

##### Progress or Success Goal 2

**Description of Progress or Success:** Goal 2: At the end of year 5 of operations, the Company intends to employ a workforce that is at least 45% composed of Impacted Individuals. At the end of year 1 of operations, the Company expects to employ a workforce that is at least 30% composed of Impacted Individuals.

Progress: Not Yet Applicable. Advanced is not yet operational. It has not yet completed its build out, received a final license or commenced hiring of employees.

##### Progress or Success Goal 3

**Description of Progress or Success:** Goal 3: Participate in at least 1 job fair per year in Lowell once the company is operational.

Progress: Not Yet Applicable. Advanced is not yet operational. It has not yet completed its build out, received a final license or commenced hiring of employees. Once Advanced is in a position to begin recruiting employees, it will participate in at least 1 job fair per year in Lowell to identify disproportionately impacted individuals as candidates for open positions within the company.

##### Progress or Success Goal 4

**Description of Progress or Success:** Goal 4: Advertise job openings in the Greater Lowell Chamber of Commerce (Chamber).

Progress: In Process. Advanced is not yet operational and is not yet in a position to commence the hiring process. However, attached please find confirmation of Advanced's 2022 membership renewal with the Chamber. Once Advanced is in a position to publish job openings and begin to hire employees, it will advertise all job positions through the Chamber.

#### COMPLIANCE WITH DIVERSITY PLAN

##### Diversity Progress or Success 1

**Description of Progress or Success:** Goal 1: Recruit a Diverse Workforce and hire a workforce that is comprised of at least 50% of diverse individuals within four years of commencing operations in Lowell. By the end of year four of operations in Lowell, Advanced will endeavor to

employ a workforce with the following diversity profile:

- 40% minorities;
- 10% veterans;
- 10% LGBTQ+ individuals;
- 10% women; and
- 5% persons with disabilities.

Progress: Not Yet Applicable. Advanced is not yet operational and is not yet in a position to commence the hiring process.

#### Diversity Progress or Success 2

**Description of Progress or Success:** Goal 2: Participate in at least 1 job fair per year in Lowell once the company is operational.

Progress: Not Yet Applicable. Advanced is not yet operational. It has not yet completed its build out, received a final license or commenced hiring of employees. Once Advanced is in a position to begin recruiting employees, it will participate in at least 1 job fair per year in Lowell to identify diverse individuals as candidates for open positions within the company.

#### Diversity Progress or Success 3

**Description of Progress or Success:** Goal 3: Advertise job openings in the Greater Lowell Chamber of Commerce (Chamber).

Progress: In Process. Advanced is not yet operational and is not yet in a position to commence the hiring process. However, attached please find confirmation of Advanced's 2022 membership renewal with the Chamber. Once Advanced is in a position to publish job openings and begin to hire employees, it will advertise all job positions through the Chamber.

#### Diversity Progress or Success 4

**Description of Progress or Success:** Goal 4: Require all employees to complete comprehensive diversity, discrimination, harassment and sensitivity training courses as part of their initial orientation process and at least yearly thereafter.

Progress: Not Yet Applicable. Advanced is not yet operational and is not yet in a position to commence the hiring process.

#### HOURS OF OPERATION

Monday From: 7:00 AM	Monday To: 11:00 PM
Tuesday From: 7:00 AM	Tuesday To: 11:00 PM
Wednesday From: 7:00 AM	Wednesday To: 11:00 PM
Thursday From: 7:00 AM	Thursday To: 11:00 PM
Friday From: 7:00 AM	Friday To: 11:00 PM
Saturday From: 7:00 AM	Saturday To: 11:00 PM
Sunday From: 7:00 AM	Sunday To: 11:00 PM



### **Draft Plan to Remain Compliant with Local Zoning**

Advanced Cultivators, LLC will remain compliant at all times with the local zoning requirements set forth in the Lowell, MA Zoning Bylaw, more specifically, Zoning Bylaw 7.10 governing Marijuana Establishments. In accordance with Lowell's Zoning Bylaw, Advanced's proposed marijuana product manufacturing and cultivation location at 100 Phoenix Ave Unit #5 & #3 in Lowell is located in an L1 District, which allows for Advanced's proposed use upon the receipt of a Site Plan Review in accordance with the requirements of Section 7.10 of the Lowell Zoning By-Law.

In accordance with Lowell Zoning Bylaw 7.10 and G.L. c. 94G, §5(b)(3), Advanced's proposed facility is not located within five hundred (500) feet of any lot occupied by a school attended by children under the age of 18, or any playground, public athletic field, or similar public recreational facility. Likewise, Advanced's proposed facility will not be located on a lot that is within five hundred (500) feet of any other lot in use as a Marijuana Retailer or Medical Marijuana Treatment Center. For the avoidance of doubt, Advanced will comply with all of the criteria set forth in Lowell's Zoning Bylaw, 7.10 governing the siting and operation of Marijuana Establishments within the town.

Advanced will work cooperatively with various municipal departments, boards, and officials to ensure that its facility remains compliant with all laws, regulations, rules, and codes with respect to design, construction, operation and security. In accordance with 935 CMR 500.101, Advanced has convened a properly noticed Community Outreach Meeting on March 23, 2021 to inform and gather feedback from the community related to its proposed marijuana establishment. Advanced has also retained counsel to assist with ongoing compliance with local zoning and regulatory compliance.

## Host Community Agreement Certification Form

### Instructions

Certification of a host community agreement is a requirement of the application to become a Marijuana Establishment (ME) and Medical Marijuana Treatment Center (MTC). Applicants must complete items 1-3. The contracting authority for the municipality must complete items 4-8. Failure to complete a section will result in the application not being deemed complete. This form should be completed and uploaded into your application. 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(2) and 501.400(2).

### Certification

The parties listed below do certify that the applicant and municipality have executed a host community agreement on the specified date below pursuant to G.L. c. 94G § 3(d):

1. Name of applicant:

Advanced Cultivators, LLC.

2. Name of applicant's authorized representative:

Richard B. Borges

3. Signature of applicant's authorized representative:

*Richard B. Borges*

4. Name of municipality:

City of Lowell

5. Name of municipality's contracting authority or authorized representative:

Kileen Donoghue



6. Signature of municipality's contracting authority or authorized representative:



7. Email address of contracting authority or authorized representative of the municipality (*this email address may be used to send municipal notices pursuant to 935 CMR 500.102(1) and 501.102(1).*):

eslagle@lowellma.gov

8. Host community agreement execution date:

2/17/21

## Community Outreach Meeting Attestation Form

### Instructions

Community Outreach Meeting(s) are a requirement of the application to become a Marijuana Establishment (ME) and Medical Marijuana Treatment Center (MTC). 935 CMR 500.101(1), 500.101(2), 501.101(1), and 501.101(2). The applicant must complete each section of this form and attach all required documents as a single PDF document before uploading it into the application. If your application is for a license that will be located at more than one (1) location, and in different municipalities, applicants must complete two (2) attestation forms – one for each municipality. Failure to complete a section will result in the application not being deemed complete. 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(2) and 501.400(2).

### Attestation

I, the below indicated authorized representative of that the applicant, attest that the applicant has complied with the Community Outreach Meeting requirements of 935 CMR 500.101 and/or 935 CMR 501.101 as outlined below:

1. The Community Outreach Meeting was held on the following date(s): 03/23/2021
2. At least one (1) meeting was held within the municipality where the ME is proposed to be located.
3. At least one (1) meeting was held after normal business hours (this requirement can be satisfied along with requirement #2 if the meeting was held within the municipality and after normal business hours).



4. A copy of the community outreach notice containing the time, place, and subject matter of the meeting, including the proposed address of the ME or MTC was published in a newspaper of general circulation in the municipality at least 14 calendar days prior to the meeting. A copy of this publication notice is labeled and attached as "Attachment A."

a. Date of publication: 3/9/20

b. Name of publication: The Lowell Sun  
Newspaper

5. A copy of the community outreach notice containing the time, place, and subject matter of the meeting, including the proposed address of the ME or MTC was filed with clerk of the municipality. A copy of this filed notice is labeled and attached as "Attachment B."

a. Date notice filed: 3/9/20

6. A copy of the community outreach notice containing the time, place, and subject matter of the meeting, including the proposed address of the ME or MTC was mailed at least seven (7) calendar days prior to the community outreach meeting to abutters of the proposed address, and residents within 300 feet of the property line of the applicant's proposed location as they appear on the most recent applicable tax list, notwithstanding that the land of the abutter or resident is located in another municipality. A copy of this mailed notice is labeled and attached as "Attachment C." Please redact the name of any abutter or resident in this notice.

a. Date notice(s) mailed: 03/09/2021

7. The applicant presented information at the Community Outreach Meeting, which at a minimum included the following:
- The type(s) of ME or MTC to be located at the proposed address;
  - Information adequate to demonstrate that the location will be maintained securely;
  - Steps to be taken by the ME or MTC to prevent diversion to minors;
  - A plan by the ME or MTC to positively impact the community; and
  - Information adequate to demonstrate that the location will not constitute a nuisance as defined by law.
8. Community members were permitted to ask questions and receive answers from representatives of the ME or MTC.



Name of applicant:

Advanced Culitavators, LLC

Name of applicant's authorized representative:

Richard B Borges

Signature of applicant's authorized representative:



## RECEIPT

03/08/21

# digitalfirst

MEDIA

BOSTON HERALD

Account: **1394565**  
 Name:  
 Company: **Advanced cultivators, LLC**  
 Address: **RICHARD Borges & Steve Ramirez**  
**100 Phoenix Ave unit #5&3**  
**LOWELL, MA 01852**  
 Telephone: **(978) 854-3942**  
 Fax:  
 Description: **Notice is hereby given that a Commun**

Date: **03/08/21**  
 Start Date: **03/09/21** Stop Date: **03/16/21**  
 Class: **1201 - Legal Notices**  
 Ad ID: **2140251**  
 Ad Taker: **CRASTAMAS**  
 Sales Person: **Amanda Stamas (LFC301)**  
 Words: **65**  
 Lines: **17**  
 Agate Lines: **27**  
 Depth: **1.9**  
 Inserts: **4**  
 Blind Box:  
 PO Number:

## Ad sample

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for 3/23/2021 at 5 pm at 100 Phoenix Ave Unit #5, Lowell, MA. The proposed cannabis cultivation establishment is anticipated to be located at 100 Phoenix Ave. Unit #5 and #3, Lowell, MA 01852. There will be an opportunity for the public to ask questions.

March 9 16 2021

Total: **\$176.04**  
 Paid Amount: **\$0.00**  
 Amount Due: **\$176.04**

## Publication

The Sun, Lowell Sun Digital

We Appreciate Your Business!  
 Thank You !

March 11 2021

Notice is hereby given that  
a Community Outreach  
Meeting for a proposed  
Marijuana Establishment,  
Advanced Cultivators, LLC,  
is scheduled for 3/23/2021  
at 5 pm at 100 Phoenix  
Ave Unit #5, Lowell, MA.

The proposed cannabis  
cultivation establishment  
is anticipated to be located  
at 100 Phoenix Ave. Unit  
#5 and #3, Lowell, MA  
01852. There will be an  
opportunity for the public  
to ask questions.

March 9 18 2021



3/8/2021

Dear City Clerk,

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for 3/23/2021 at 5 pm at 100 Phoenix Ave Unit #5, Lowell, MA. The proposed cannabis cultivation establishment is anticipated to be located at 100 Phoenix Ave. Unit #5 and #3, Lowell, MA 01852. There will be an opportunity for the public to ask questions.

Sincerely,

Advanced Cultivators, LLC.

RECEIVED  
CITY CLERK'S OFFICE  
2021 MAR -9 AM 11:55



3/8/2021

Dear Property Owner,

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for 3/23/2021 at 5 pm at 100 Phoenix Ave Unit #5, Lowell, MA. The proposed cannabis cultivation establishment is anticipated to be located at 100 Phoenix Ave. Unit #5 and #3, Lowell, MA 01852. There will be an opportunity for the public to ask questions.

Sincerely,

Advanced Cultivators, LLC.

450 0000 8817 2826

U.S. Postal Service™  
**CERTIFIED MAIL® RECEIPT**  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**Lowell, MA 01852**

**OFFICIAL USE**

Certified Mail Fee	\$3.60	0853
Extra Services & Fees (check box, add fee as appropriate)	\$0.00	32
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$0.55	

Postmark Here  
LOWELL MA 01854  
MAR 9 2021  
USPS

450 0000 8817 2832

U.S. Postal Service™  
**CERTIFIED MAIL® RECEIPT**  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**Reading, MA 01867**

**OFFICIAL USE**

Certified Mail Fee	\$3.60	0853
Extra Services & Fees (check box, add fee as appropriate)	\$0.00	32
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$0.55	

Postmark Here  
LOWELL MA 01854  
MAR 9 2021  
USPS

450 0000 8817 2840

U.S. Postal Service™  
**CERTIFIED MAIL® RECEIPT**  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**Lowell, MA 01852**

**OFFICIAL USE**

Certified Mail Fee	\$3.60	0853
Extra Services & Fees (check box, add fee as appropriate)	\$0.00	32
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$0.55	

Postmark Here  
LOWELL MA 01854  
MAR 9 2021  
USPS

450 0000 8817 2857

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**CERTIFIED MAIL® RECEIPT**  
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Extra Services & Fees (check box, add fee as appropriate)	\$0.00	32
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$0.55	

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<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$0.55	

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**Lynsboro, MA 01879**

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Certified Mail Fee	\$3.60	0853
Extra Services & Fees (check box, add fee as appropriate)	\$0.00	32
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Postage	\$0.55	

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Lowell, MA 01852

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Certified Mail Fee	\$3.60	0853
\$		32
Extra Services & Fees (check box, add fee as appropriate)	\$0.00	
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Postage	\$0.55	

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Tynasboro, MA 01879

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\$		32
Extra Services & Fees (check box, add fee as appropriate)	\$0.00	
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Postage	\$0.55	

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Carlisle, PA 17013

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Certified Mail Fee	\$3.60	0853
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Extra Services & Fees (check box, add fee as appropriate)	\$0.00	
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Dragut, MA 01826

**OFFICIAL USE**

Certified Mail Fee	\$3.60	0853
\$		32
Extra Services & Fees (check box, add fee as appropriate)	\$0.00	
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LOWELL MA 01852  
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Lowell, MA 01852

**OFFICIAL USE**

Certified Mail Fee	\$3.60	0853
\$		80
Extra Services & Fees (check box, add fee as appropriate)	\$0.00	
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Postage	\$0.55	

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Extra Services & Fees (check box, add fee as appropriate)	\$0.00	
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
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Postage	\$0.55	

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LOWELL MA 01852  
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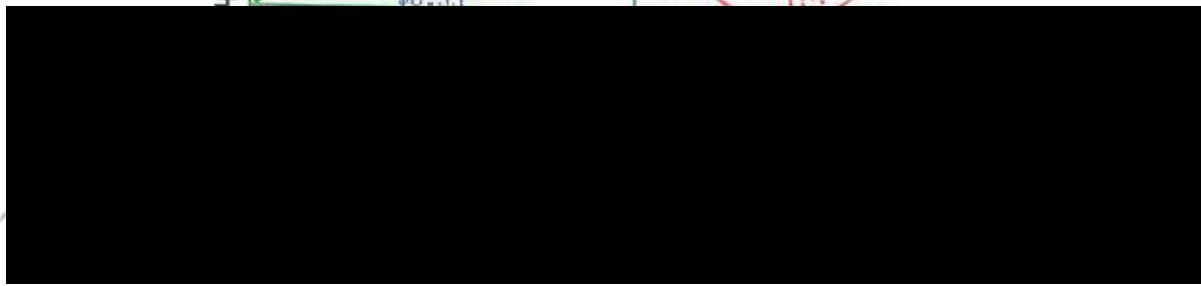
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Certified Mail Fee	\$3.60
Extra Services & Fees (check box, add fee as appropriate)	
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Postage	\$0.55

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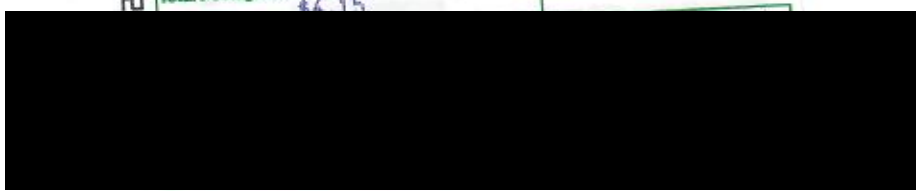
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Lowell, MA 01852

**OFFICIAL USE**

Certified Mail Fee	\$3.60
Extra Services & Fees (check box, add fee as appropriate)	
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<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$0.55
Total Postage and Fees	\$4.15

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MAR 9 2021  
0853 80  
03/09/2021



## Bartlett, Stephen

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**From:** Bartlett, Stephen  
**Sent:** Thursday, September 8, 2022 12:35 PM  
**To:** 'eslagle@lowellma.gov'  
**Cc:** 'mgeary@lowellma.gov'  
**Subject:** Request for Information for Advanced Cultivators License Renewal Application

Good Afternoon:

We are assisting our client, Advanced Cultivators, LLC ("Advanced"), complete its annual license renewal application to the Cannabis Control Commission related to its cultivation facility located at 100 Phoenix Ave., Units 5 & 3, Lowell, MA. As part of the license renewal application, Advanced is required to request certain information from the City. Accordingly, we are hereby requesting from the City the following information:

- **Records of any costs imposed on the City that are reasonably related to the operation of the ME or MTC. Please note that, in accordance with M.G.L. c. 94G, § 3(d), any cost to a city or town imposed by the operation of a ME or MTC shall be documented and considered a public record as defined by M.G.L. c. 4, § 7, cl. 26. Please also note that Commission guidance clarifies that these costs can include actual and anticipated costs associated with the operation of the establishment.**
- **The total amount of financial benefits accruing to the City as a result of the host community agreement.**

We understand that the City may not have responsive records to provide. However, Advanced is nonetheless required to ask the City for any responsive records. We very much appreciate your attention to this request and please do not hesitate to reach out to me with any questions.

Best,

Steve

**Stephen L. Bartlett** | Associate  
**Pronouns:** he, him, his

**FOLEY HOAG LLP**  
Seaport West  
155 Seaport Boulevard  
Boston, Massachusetts 02210-2600

617 832 3007 phone  
617 832 7000 fax  
[www.foleyhoag.com](http://www.foleyhoag.com)

## Bartlett, Stephen

---

**From:** Cigliano, Francesca <FCigliano@lowellma.gov>  
**Sent:** Tuesday, September 13, 2022 3:11 PM  
**To:** Bartlett, Stephen  
**Subject:** Request for Information for Advanced Cultivators License Renewal Application

**\*\*EXTERNAL\*\***

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Good afternoon,

I am writing regarding your request for the following information:

1. **Records of any costs imposed on the City that are reasonably related to the operation of the ME or MTC. Please note that, in accordance with M.G.L. c. 94G, § 3(d), any cost to a city or town imposed by the operation of a ME or MTC shall be documented and considered a public record as defined by M.G.L. c. 4, § 7, cl. 26. Please also note that Commission guidance clarifies that these costs can include actual and anticipated costs associated with the operation of the establishment.**
2. **The total amount of financial benefits accruing to the City as a result of the host community agreement.**

Please reference the City of Lowell's FY23 budget for information relative to your request:

<https://www.lowellma.gov/DocumentCenter/View/19241/City-of-Lowell-FY2023-Proposed-Budget>

Sincerely,  
Fran

**Francesca Cigliano** | *Interim Director of Development Services*  
Department of Planning and Development  
The City of Lowell  
375 Merrimack St. | Lowell, MA 01852  
t: 978.674.1424 | f: 978.446.7103 |



## **Plan to Positively Impact Areas of Disproportionate Impact**

### **Introduction**

The Cannabis Control Commission (“Commission”) has designated twenty-nine communities in Massachusetts as areas of disproportionate impact. Advanced Cultivators, LLC’s (the “Company”) facility is located in Lowell, MA, which the Commission has designated as such an area.

### **Positive Impact Goal**

Advanced Cultivators, LLC is committed to having a positive impact the City of Lowell by providing training and employment opportunities to Lowell residents, as well as financial support through collaboration with community agencies. The Company will strive to support the community’s efforts to lessen existing barriers by making beneficial training, employment, education and community services readily accessible. At the end of year 5 of operations, the Company intends to employ a workforce that is at least 45% composed of Impacted Individuals. At the end of year 1 of operations, the Company expects to employ a workforce that is at least 30% composed of Impacted Individuals.

### **Positive Impact Programs**

Through Advanced Cultivators, LLC’s comprehensive hiring initiatives, residents will have a direct path to learning more about a career in cannabis cultivation, training, and obtaining gainful employment. Recruitment efforts will be made with special attention to qualified individuals with past marijuana-related convictions (to the extent permitted by law and Commission regulations) and/or parents or spouses with such drug convictions from areas of disproportionate impact (collectively, with residents of Lowell, “Impacted Individuals”). To supplement Advanced Cultivators, LLC’s path to training and employment of Impacted Individuals, the Company will also establish an internship training program within the first two years of operation. The internship program will serve as a training tool for those Impacted Individuals with no experience in the cannabis cultivation industry. The experience gained during the internship will allow Impacted Individuals to acquire valuable skills and knowledge needed to secure gainful employment in the future. At the outset of the internship program (which will begin during the first two years of operation in Lowell), the Company will hire one intern for one-year internship. At the end of the first internship, the Company will reevaluate the program and, potentially, hire more interns.

The Company will also participate in job fairs in Lowell and post job opportunities in other designated areas of disproportionate impact. The Company will participate in at least one job



fair per year in Lowell. Because Advanced Cultivators is not yet operational and does not yet know when it will participate in its first job fair, it cannot yet provide a specific location. However, future versions of this Positive Impact Plan will provide more specific locational details once they are available.

The Company will advertise job openings with the Greater Lowell Chamber of Commerce to ensure that the posting reach a diverse audience of potential applicants. These far-reaching efforts will allow the Company to identify a diverse applicant pool. The Company will advertise these positions as they become available, but not less than annually. However, it will commit to posting all jobs openings with these organizations when they arise in the normal course of business growth.

In addition, the Company has formed a partnership with the Greater Lowell Community Foundation ("GLCF"). Please see the attached Exhibit A, which provides evidence of that partnership. GLCF's mission is to foster community growth and development through funding, leadership, and collaboration to transform the lives of the individuals and organizations that it serves. GLCF fulfills this through: 1) grant-making to nonprofit organizations, high school scholarships, and special funding initiatives; 2) working in partnership with our donors and other funders to achieve high impact philanthropy; and 3) serving as a convener and center of information where ideas are shared to leverage common agendas and resources in the future. Advanced Cultivators has agreed to make a \$5,000 annual financial contribution to GLCF in order to support its valuable work benefitting residents of Lowell and other Impacted Individuals.

### **Positive Impact Measurement**

In order to track Advanced Cultivators, LLC's commitment to positively impact Lowell and Impacted Individuals, the Company will document all efforts made as well as outcomes (in accordance with the Commission's record keeping procedures). Documentation will include but is not limited to the following:

- Job fair attendance.
- Job postings and recruitment sources.
- Applicant information and follow up efforts.
- Current staff analysis including internship positions.

All documentation will be analyzed by the Human Resources Manager and the data compiled will be provided to the executive team for evaluation. Advanced Cultivators, LLC intends to meet the following hiring goals in years 1-4 of operation:



**Commencement of Operations:** Minimum 25% Impacted Individual employment.

**End of Year 1:** Minimum 30% Impacted Individual employment.

**End of Year 2:** Minimum 35% Impacted Individual employment.

**End of Year 3:** Minimum 40% Impacted Individual employment.

**End of Year 4:** Minimum 45% Impacted Individual employment.

The Company will also track its \$5,000 annual contributions to GLCF and provide evidence of such annual donations upon the renewal of its license.

Advanced acknowledges that its progress or success with respect to this plan must be documented one year from provisional licensure and each year thereafter.

### **Positive Impact Plan Acknowledgments**

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



April 29, 2021

**Board of Directors**

Chair  
Chet Szablak  
Vice Chair  
Karen Frederick  
Treasurer  
Michael King  
Assistant Treasurer  
Charles Comtois  
Clerk  
Dorothy Chen-Courtin

President Emeriti  
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Atty. Andrea S. Batchelder  
Susanne Beaton  
Brian L. Chapman  
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Atty. Matthew C. Donahue  
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Sheila Och  
JuanCarlos Rivera  
James C. Shannon III, CPA  
Brian J. Stafford, CPA, MST  
Jay Stephens  
Ryan Swartz  
Niki Tsongas

President & CEO  
James E. Linnehan Jr., Esq.

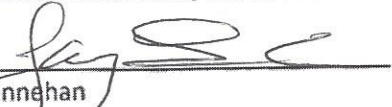
This document is to recognize a new partnership between The Greater Lowell Community Foundation (GLCF) and Advanced Cultivators, LLC of Lowell, MA.

As terms of this agreement, Advanced Cultivators, LLC shall make an initial gift of \$5,000.00 to GLCF by May 7, 2021, and repeat that gift of \$5,000.00 annually by May 1 of each new year. These funds will be used to support our work in Lowell and for disproportionately disadvantaged communities we serve.

This agreement does not entail any other rights, responsibilities, or privileges to either party.

This partnership agreement may be terminated by GLCF should the annual \$5,000.00 gift from Advanced Cultivators, LLC not be received by May 7 of each new year.

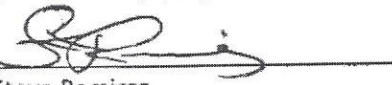
Agreed by

  
Jay Linnehan  
President and CEO  
Greater Lowell Community Foundation  
100 Merrimack Street, Suite 202, Lowell, MA 01852  
(978) 970-1600 \* jay@glcfoundation.org

Date

4-30-21

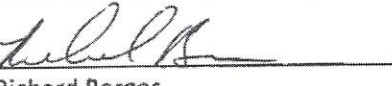
Agreed by

  
Mr. Steve Ramirez  
Principal  
Advance Cultivators, LLC  
Phoenix Ave, Lowell, MA 01852  
(978) 854-3938 (cell) \* sramirez@advancedcultivators.com

Date

4-30-21

Agreed by

  
Mr. Richard Borges  
Principal  
Advance Cultivators, LLC  
Phoenix Ave, Lowell, MA 01852  
978-854-3942 (cell) \* RBorges@advancedcultivators.com

Date

4-30-21



Confirmed in Compliance  
With National Standards for  
U.S. Community Foundations



THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT  
DEPARTMENT OF UNEMPLOYMENT ASSISTANCE

Charles D. Baker  
GOVERNOR

Karyn E. Polito  
LT. GOVERNOR



329815899

Rosalin Acosta  
SECRETARY

Richard A. Jeffers  
DIRECTOR

ADVANCED CULTIVATORS  
100 PHOENIX AVE STE 1 ... 5  
LOWELL, MA 01852-4986

EAN: 22190192  
March 18, 2021

Certificate Id:46305

The Department of Unemployment Assistance certifies that as of 3/17/2021 ,ADVANCED CULTIVATORS is current in all its obligations relating to contributions, payments in lieu of contributions, and the employer medical assistance contribution established in G.L.c.149,§189.

This certificate expires in 30 days from the date of issuance.

Richard A. Jeffers, Director

Department of Unemployment Assistance

# Corporations Division

## Business Entity Summary

**ID Number: 001447479**[Request certificate](#)[New search](#)**Summary for: ADVANCED CULTIVATORS LLC**

<b>The exact name of the Domestic Limited Liability Company (LLC):</b> ADVANCED CULTIVATORS LLC		
<b>Entity type:</b> Domestic Limited Liability Company (LLC)		
<b>Identification Number:</b> 001447479		
<b>Date of Organization in Massachusetts:</b> 07-14-2020		
<b>Last date certain:</b>		
<b>The location or address where the records are maintained</b> (A PO box is not a valid location or address):		
Address: 100 PHOENIX AVE #5		
City or town, State, Zip code, Country: LOWELL, MA 01852 USA		
<b>The name and address of the Resident Agent:</b>		
Name: PAUL K. FLAVIN, ESQUIRE		
Address: 424 ADAMS STREET		
City or town, State, Zip code, Country: MILTON, MA 02186 USA		
<b>The name and business address of each Manager:</b>		
<b>Title</b>	<b>Individual name</b>	<b>Address</b>
MANAGER	RICHARD BRANDON BORGES	100 PHOENIX AVE #5 LOWELL, MA 01852 USA
<b>In addition to the manager(s), the name and business address of the person(s) authorized to execute documents to be filed with the Corporations Division:</b>		
<b>Title</b>	<b>Individual name</b>	<b>Address</b>
SOC SIGNATORY	STEVEN RAMIREZ	8 READING HILL AVE MELROSE, MA 02176 USA
<b>The name and business address of the person(s) authorized to execute, acknowledge, deliver, and record any recordable instrument purporting to affect an interest in real property:</b>		
<b>Title</b>	<b>Individual name</b>	<b>Address</b>
REAL PROPERTY	RICHARD BRANDON BORGES	100 PHOENIX AVE #5 LOWELL, MA 01852 USA

☐ **Consent**☐ **Confidential Data**☐ **Merger Allowed**☐ **Manufacturing****View filings for this business entity:**

ALL FILINGS  
Annual Report  
Annual Report - Professional  
Articles of Entity Conversion  
Certificate of Amendment  
Certificate of Cancellation

[View filings](#)**Comments or notes associated with this business entity:**[New search](#)

**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.: 85-1259829

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

Advanced Cultivators, LLC

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

28 Hamilton Road, Peabody, MA 01852

- (3) The general character of the business:

A cannabis cultivation company and to engage in any activities in which an LLC organized under the laws of MA may lawfully engage.

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

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

NAME

ADDRESS

Paul K. Flavin, Esquire

424 Adams Street, Milton, MA 02186

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

NAME

ADDRESS

Richard B. Borges

Steven Ramirez

8 Reading Hill Ave, Melrose, MA 02176

- (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)*: \_\_\_\_\_

\_\_\_\_\_  
Consent of resident agent:

I \_\_\_\_\_,  
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.*

# COMMONWEALTH OF MASSACHUSETTS

William Francis Galvin  
Secretary of the Commonwealth  
One Ashburton Place, Boston, Massachusetts 02108-1512

## Limited Liability Company Certificate (General Laws Chapter 156C, Section 12)

I hereby certify that upon examination of this limited liability company certificate, duly submitted to me, it appears that the provisions of the General Laws relative thereto have been complied with, and I hereby approve said application; and the filing fee in the amount of \$ \_\_\_\_\_ having been paid, said application is deemed to have been filed with me this

\_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, at \_\_\_\_\_ a.m./p.m.  
*time*

Effective date: \_\_\_\_\_

WILLIAM FRANCIS GALVIN  
*Secretary of the Commonwealth*

Filing fee: \$500

### TO BE FILLED IN BY LIMITED LIABILITY COMPANY Contact Information:

Paul K. Flavin, Esquire

Colucci, Colucci, Marcus & Flavin, P.C.

424 Adams Street, Milton, MA 02186

Telephone: 617-698-6000

Email: [pflavin@coluccilaw.com](mailto:pflavin@coluccilaw.com)

Upon filing, a copy of this filing will be available at [www.sec.state.ma.us/cor](http://www.sec.state.ma.us/cor).  
If the document is rejected, a copy of the rejection sheet and rejected document will be available in the rejected queue.

## ADVANCED CULTIVATORS, LLC

### OPERATING AGREEMENT

THIS OPERATING AGREEMENT, dated as of the 15 day of June, 2020. Amended , dated as of the 8 day of April, 2021 is by and among the persons identified as Members in Schedule A: Richard B. Borges, Steven Ramirez, Francis X. Healy, Jr., David Radochia, Julie Ann Whitson , Deborah Marion and Oscar Ramirez Rivera. (each such person being individually referred to as a “Member” and all such persons being referred to collectively as the “Members”). Richard B. Borges, Steven Ramirez, shall serve as, and are signing this Agreement in their capacity as, Managers (each such person being individually referred to as a “Manager” and all such persons being referred to collectively as the “Managers”) of the limited liability company formed hereby.

WHEREAS, Advanced Cultivators, LLC (hereinafter referred to as the “LLC” or the “Company”) has been formed as a limited liability company under the Massachusetts Limited Liability Company Act (the “Act”) by the filing on this date of a Certificate of Organization (the “Certificate”) in the office of the Secretary of State of the Commonwealth of Massachusetts; and

WHEREAS, the Managers and the Members wish to set out fully their respective rights, obligations and duties with respect to the LLC and its business, management and operations.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

#### ARTICLE I Definitions

The following capitalized terms used in this Agreement shall have the respective meanings ascribed to them below:

“*Act*” means the Massachusetts Limited Liability Company Act, in effect at the time of the initial filing of the Certificate with the Office of the Secretary of State of the Commonwealth of Massachusetts, and as thereafter amended from time to time.

“*Adjusted Capital Account*” means, for each Member, such Member's Capital Account balance increased by such Member's Share of Minimum Gain.

“*Affiliate*” shall mean, with respect to any specified person or entity, (i) any person or entity that directly or indirectly controls, is controlled by, or is under common control with such specified person or entity; (ii) any person or entity that directly or indirectly controls 10 percent or more of the outstanding equity securities of the specified entity or of which the specified person or entity is directly or indirectly the owner of 10 percent or more of any class of equity securities; (iii) any person or entity that is an officer of, director of, manager of, partner in, or trustee of, or serves in a similar capacity with respect to, the specified person or entity or of which the specified person or entity is an officer, director, partner, manager or trustee, or with respect to which the specified

person or entity serves in a similar capacity; or (iv) any person that is a member of the Immediate Family of the specified person.

*“Agreement”* means this Operating Agreement as it may be amended, supplemented, or restated from time to time.

*“Bankruptcy”* means the occurrence of any of the following events:

- (i) a Member makes an assignment for the benefit of creditors;
- (ii) a Member files a voluntary petition in bankruptcy;
- (iii) a Member is adjudged a bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceeding;
- (iv) a Member files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation;
- (v) a Member files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature;
- (vi) a Member seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Member or of all or any substantial part of his or her properties; or
- (vii) 120 days after the commencement of any proceeding against a Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if, within 90 days after the appointment without its consent or acquiescence of a trustee, receiver or liquidator of the Member or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, the appointment is not vacated.

*“Capital Account”* means a separate account maintained for each Member and adjusted in accordance with Treasury Regulations under I.R.C. § 704. To the extent consistent with such Treasury Regulations, the adjustments to such accounts shall include the following:

- (i) There shall be credited to each Member's Capital Account the amount of any cash (which shall not include imputed or actual interest on any deferred contributions) actually contributed by such Member to the capital of the LLC, the fair market value (without regard to I.R.C. § 7701(g)) of any property contributed by such Member to the capital of the LLC, the amount of liabilities of the LLC assumed by the Member or to which property distributed to the Member was subject and such Member's share of the Net Profits and Gross Income of the LLC and of any items in the nature of income or gain separately allocated to the Members; and there shall be charged against each Member's Capital Account the amount of all cash distributions to such Member, the fair market value (without regard to I.R.C. § 7701(g)) of any property distributed to such Member by the LLC, the amount of liabilities of the Member assumed by the LLC or to which property contributed by the Member to the LLC was subject and such Member's share of

the Net Losses and Nonrecourse Deductions of the LLC and of any items in the nature of losses or deductions separately allocated to the Members.

(ii) If the LLC at any time distributes any of its assets in kind to any Member, the Capital Account of each Member shall be adjusted to account for that Member's allocable share of the Net Profits, Net Losses or Gross Income that would have been realized by the LLC had it sold the assets that were distributed at their respective fair market values (taking I.R.C. § 7701(g) into account) immediately prior to their distribution.

(iii) In the event any interest in the LLC is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

*“Capital Transaction”* means a sale or other disposition of all or a portion of the LLC's property in a single transaction or in a series of related transactions, other than such a sale or disposition in the ordinary course of the LLC's business and any refinancing.

*“Carrying Value”* means, with respect to any asset, the asset's adjusted basis for federal income tax purposes; *provided, however*, that (i) upon a contribution of an asset in kind, and (ii) in the circumstances described in Treasury Regulations Section 1.704-1(b)(2)(iv)(f), the Carrying Values of all the LLC's assets, shall be adjusted to their respective fair market values and shall thereafter be adjusted in accordance with the provisions of Treasury Regulations Section 1.704-1(b)(2)(iv)(g).

*“Certificate”* means the Certificate of Organization creating the LLC, as it may, from time to time, be amended in accordance with the Act.

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

*“Consent”* means the written consent or approval of 70% in interest, based on Percentage Interests, of those Members entitled to participate in giving such Consent.

*“Distributable Cash”* means, with respect to any fiscal period, the excess of all cash receipts of the LLC from any source whatsoever, including normal operations, sales of assets, proceeds of borrowings, capital contributions of the Members, proceeds from a Capital Transaction, and any and all other sources over the sum of the following amounts:

(i) cash disbursements for advertising and promotion expenses, salaries, employee benefits (including profit-sharing, bonus and similar plans), fringe benefits, accounting and bookkeeping services and equipment, costs of sales of assets, utilities, rental payments with respect to equipment or real property, management fees and expenses, insurance, real estate taxes, legal expenses, costs of repairs and maintenance, and any and all other items customarily considered to be “operating expenses”;

(ii) payments of interest, principal and premium, and points and other costs of borrowing under any indebtedness of the LLC, including, without limitation, (A) any mortgages or deeds of trust

encumbering the real property or other assets owned or leased by the LLC, and (B) any Voluntary Loans;

(iii) payments made to purchase inventory or capital assets, and for capital construction, rehabilitation, acquisitions, alterations and improvements; and

(iv) amounts set aside as reserves for working capital, contingent liabilities, replacements or for any of the expenditures described in clauses (i), (ii) and (iii) above, deemed by the Manager to be necessary to meet the current and anticipated future needs of the LLC.

*“Economic Risk of Loss”* means the risk as determined under Treasury Regulations Section 1.752-2 (taking all applicable “grandfathering” rules into account) that a member or person related to a member will suffer an economic loss as a result of the failure of the limited liability company to repay a liability.

*“Excess Negative Balance”* for a Member means the excess, if any, of (i) the negative balance in a Member's Capital Account after reducing such balance by the net adjustments, allocations and distributions described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6) which, as of the end of the LLC's taxable year are reasonably expected to be made to such Member, over (ii) the sum of (A) the amount, if any, the Member is required to restore to the LLC upon liquidation of such Member's interest in the LLC (or that is so treated pursuant to Treasury Regulations Section 1.704-1(b)(2)(ii)(c)), (B) the Member's Share of Minimum Gain and (C) that portion of any indebtedness of the LLC (other than Partner Nonrecourse Debt) with respect to which the Member bears the Economic Risk of Loss that such indebtedness would not be repaid out of the LLC's assets if all of the LLC's assets were sold at their respective Carrying Values as of the end of the fiscal year or other period and the proceeds from the sales together with any amounts described in clause (A), above, were used to pay the LLC's liabilities.

*“Gross Income”* means, for each fiscal year or other period, an amount equal to the LLC's gross income as determined for federal income tax purposes for such fiscal year or period but computed with the adjustments specified in clauses (i), (ii) and (iii) of the definition of “Net Profits” and “Net Losses.”

*“Immediate Family”* (i) with respect to any individual, means his or her ancestors, spouse, issue, spouses of issue, any trustee or trustees, including successor and additional trustees, principally for the benefit of any one or more of such individuals, and any entity or entities, all of the beneficial owners of which are such trusts and/or such individuals, but (ii) with respect to a Legal Representative, means the Immediate Family of the individual for whom such Legal Representative was appointed and (iii) with respect to a trustee, means the Immediate Family of the individuals who are the principal beneficiaries of the trust.

*“Invested Capital”* means, at any point in time, for any Member, the excess of (i) the aggregate amount of the capital contributed to the LLC by such Member over (ii) the aggregate amount distributed (or deemed distributed) to such Member pursuant to Section 4.01(c), below.

*“Legal Representative”* means, with respect to any individual, a duly appointed executor, administrator, guardian, conservator, personal representative or other legal representative appointed as a result of the death or incompetency of such individual.

*“LLC”* means the limited liability company formed pursuant to the Certificate and this Agreement, as it may from time to time be constituted and amended.

*“LLC Capital”* means an amount equal to the sum of all of the Members' Adjusted Capital Account balances determined immediately prior to the allocation to the Members pursuant to Sections 5.01(b)(ii) or 5.01(c)(i), below, of any Net Profits or Net Losses from a sale or other disposition of the assets of the LLC other than in the ordinary course of the LLC's trade or business, increased by the aggregate amount of Net Profits to be allocated to the Members pursuant to Section 5.01(b)(ii) as a result of such sale or other disposition or decreased by the aggregate amount of Net Losses to be allocated to the Members pursuant to Section 5.01(c)(i) as a result of such sale or other disposition.

*“Manager”* shall refer to any person named as a Manager in this Agreement and any person who becomes an additional, substitute or replacement Manager as permitted by this Agreement, in each such person's capacity as (and for the period during which such person serves as) a Manager of the LLC. *“Managers”* shall refer collectively to all of such persons in their capacities as (and for the period during which such persons serve as) Managers of the LLC.

*“Member”* shall refer severally to any person named as a Member in this Agreement and any person who becomes an additional, substitute or replacement Member as permitted by this Agreement, in such person's capacity as a Member of the LLC. *“Members”* shall refer collectively to all such persons in their such capacities as Members.

*“Minimum Gain”* means the amount determined by computing with respect to each Nonrecourse Debt of the LLC, the amount of Gross Income, if any, that would be realized by the LLC if it disposed of the property securing such debt in full satisfaction thereof, and by then aggregating the amounts so computed. For purposes of determining the amount of such Gross Income with respect to a liability, the Carrying Value of the asset securing the liability shall be allocated among all the liabilities that the asset secures in the manner set forth in Treasury Regulations Section 1.704-2(d)(2).

*“Net Profits”* and *“Net Losses”* mean the taxable income or loss, as the case may be, for a period as determined in accordance with I.R.C. § 703(a), computed with the following adjustments:

- (i) Items of gain, loss, and deduction shall be computed based upon the Carrying Values of the LLC's assets (in accordance with Treasury Regulations Sections 1.704(b)(2)(iv)(g) and 1.704-3(d)) rather than on the assets' adjusted bases for federal income tax purposes;
- (ii) Any tax-exempt income received by the LLC shall be included as an item of gross income;

(iii) The amount of any adjustments to the Carrying Values of any assets of the LLC pursuant to I.R.C. § 743 shall not be taken into account;

(iv) Any expenditure of the LLC described in I.R.C. § 705(a)(2)(B) (including any expenditures treated as being described in Section 705(a)(2)(B) pursuant to Treasury Regulations under I.R.C. § 704(b)) shall be treated as a deductible expense; and

(v) The amount of Gross Income and Nonrecourse Deductions specially allocated to any Members pursuant to Sections 5.01, 5.02 and 5.03, below, shall not be included in the computation.

*“Nonrecourse Debt”* means any liability of a limited liability company to the extent that the liability is nonrecourse for purposes of Treasury Regulations Section 1.1001-2.

*“Nonrecourse Deductions”* for a taxable year means deductions funded by Nonrecourse Debt (as determined under Treasury Regulations Sections 1.704-2(c) and 1.704-2(i)(2)) for such year and is generally equal to the excess, if any, of (i) the net increase in Minimum Gain during such year over (ii) the sum of (A) the aggregate distributions of proceeds from Nonrecourse Debts attributable to increases in Minimum Gain during such year and (B) increases in Minimum Gain during such year attributable to conversions of liabilities into Nonrecourse Debts.

*“Partner Nonrecourse Debt”* means any Nonrecourse Debt to the extent that a member bears the Economic Risk of Loss associated with the debt.

*“Percentage Interest”* shall be the percentage interest of a Member set forth in *Schedule A*, as amended from time to time and subject to adjustment pursuant to Section 3.02.

*“Securities Act”* means the Securities Act of 1933, as amended.

*“Share of Minimum Gain”* means, for each Member, the sum of such Member's share of Minimum Gain attributable to Nonrecourse Debt other than Partner Nonrecourse Debt (computed in accordance with Treasury Regulations Section 1.704-2(g)) and such Member's share of Minimum Gain attributable to Partner Nonrecourse Debt (computed in accordance with Treasury Regulations Section 1.704-2(i)(5)).

*“Transfer”* and any grammatical variation thereof shall refer to any sale, exchange, issuance, redemption, assignment, distribution, encumbrance, hypothecation, gift, pledge, retirement, resignation, transfer, or other withdrawal, disposition or alienation in any way (whether voluntarily, involuntarily or by operation of law) as to any interest as a Member. Transfer shall specifically, without limitation of the above, include assignments and distributions resulting from death, incompetency, Bankruptcy, liquidation and dissolution.

*“Voluntary Loan”* shall mean a loan made pursuant to Section 3.05 of this Agreement.

## ARTICLE II

### General

2.01 *Name of the Limited Liability Company.* The name of the limited liability company is **Advanced Cultivators, LLC**. The name of the LLC may be changed at any time or from time to time with the approval of the Managers and the Consent of the Members.

2.02 *Office of the Limited Liability Company; Agent for Service of Process.* The address of the registered office of the LLC for purposes of Section 5 of the Act is 28 Hamilton Road, Peabody, MA 01960. The name and address of the resident agent for service of process for the LLC is Richard B. Borges, 28 Hamilton Road, Peabody, MA 02176. The Managers may establish places of business of the LLC within and without the Commonwealth of Massachusetts, as and when required by the LLC's business and in furtherance of its purposes set forth in Section 2.04 hereof, and may appoint agents for service of process in all jurisdictions in which the LLC shall conduct business. The Managers may cause the LLC to change from time to time its resident agent for service of process, or the location of its registered office in Massachusetts; provided, however, that the Manager shall promptly notify all Members in writing of any such change.

2.03 *Organization.* The Managers shall cause to be filed such certificates and documents as may be necessary or appropriate to comply with the Act and any other applicable requirements for the operation of a limited liability company in accordance with the laws of the Commonwealth of Massachusetts and any other jurisdictions in which the LLC shall conduct business, and shall continue to do so for so long as the LLC conducts business therein.

2.04 *Purposes and Powers.* The general character of the business of the LLC, as set forth in the Certificate, is to engage in the business of marijuana cultivation and sale and to engage in any activities directly or indirectly related or incidental thereto; and, generally, to engage in any other businesses and activities in which a limited liability company organized under the laws of the Commonwealth of Massachusetts may lawfully engage.

Subject to all other provisions of this Agreement, in furtherance of the conduct of its business, the LLC is hereby authorized:

- (a) to enter into, execute, modify, amend, supplement, acknowledge, deliver, perform and carry out contracts of any kind, including operating agreements of LLCs (whether as a member or manager), joint venture agreements, limited partnership and general partnership agreements, contracts with Affiliates, including other contracts establishing business arrangements or organizations necessary to, in connection with, or incidental to the accomplishment of the purposes of the LLC;
- (b) to borrow money and issue evidences of indebtedness or guarantees in furtherance of any or all of the purposes of the LLC, and to secure the same by mortgages, pledges or other liens on the property of the LLC;
- (c) to the extent that funds of the LLC are available therefore, to pay all expenses, debts and obligations of the LLC;

(d) to enter into or engage in any kind of activity necessary to, in connection with, or incidental to the accomplishment of the purposes of the LLC, so long as said activities may be lawfully carried on or performed by an LLC under the laws of the Commonwealth of Massachusetts; and

(e) to take any other action not prohibited under the Act or other applicable law.

**2.05 *Members.*** The Members of the LLC are identified on *Schedule A* hereto. Additional Members may be admitted to the LLC pursuant to and in accordance with Article VIII hereof.

**2.06 *Designation of Managers.*** Richard B. Borges and Steven Ramirez are hereby designated as the Managers of the LLC. Any Manager may withdraw or be removed as a manager of the LLC, and other persons may be added or substituted as Managers, only in the manner specified in Sections 8.02 and 8.03.

**2.07 *Managers as Members.*** Any Manager may hold an interest in the LLC as a Member, and such person's rights and interest as a Manager shall be distinct and separate from such person's rights and interest as a Member.

**2.08 *Liability of Members.*** The liability of the Members for the losses, debts and obligations of the LLC shall be limited to their capital contributions; provided, however, that under applicable law, the Members may under certain circumstances be liable to the LLC to the extent of previous distributions made to them in the event that the LLC does not have sufficient assets to discharge its liabilities. Without limiting the foregoing, (i) no Member, in his, her or its capacity as a Member (or, if applicable, as a Manager) shall have any liability to restore any negative balance in his, her or its Capital Account and (ii) the failure of the LLC to observe any formalities or requirements relating to exercise of its powers or management of its business or affairs under this Agreement or the Act shall not be grounds for imposing personal liability on the Members or Managers for liabilities of the LLC.

**2.09 *Notices of Default.*** No Member or Manager shall be obliged to give notice of an existing or potential default of any obligation of the LLC to any of the Members, nor, subject to the provisions of Section 3.02(b), shall any Member or Manager be obligated to make any capital contributions or loans to the LLC or otherwise supply or make available any funds to the LLC, even if the failure to do so would result in a default of any of the LLC's obligations or the loss or termination of all or any part of the LLC's assets or business.

**2.10 *Investment Representations.*** Each Member, by execution of this Agreement or an amendment hereto reflecting such Member's admission to the LLC, hereby represents and warrants to the LLC the following:

(a) He is acquiring an interest in the LLC for its own account for investment only, and not with a view to, or for sale in connection with, any distribution thereof in violation of the Securities Act, or any rule or regulation thereunder;

(b) He understands that (i) the interest in the LLC it is acquiring has not been registered under the Securities Act or applicable state securities laws and cannot be resold unless subsequently registered under the Securities Act and such laws or unless an exemption from such registration is available; (ii) such registration under the Securities Act and such laws is unlikely at any time in the future and neither the LLC nor the Members or Managers are obligated to file a registration statement under the Securities Act or such laws; and (iii) the assignment, sale, transfer, exchange or other disposition of the interests in the LLC is restricted in accordance with the terms of this Agreement;

(c) He has had such opportunity as it has deemed adequate to ask questions of and receive answers from the Manager or other representatives of the LLC concerning the LLC, and to obtain from representatives of the LLC such information that the LLC possesses or can acquire without unreasonable effort or expense, as is necessary to evaluate the merits and risks of an investment in the LLC;

(d) He has, either alone or with its professional advisers, sufficient experience in business, financial and investment matters to be able to evaluate the merits and risks involved in investing in the LLC and to make an informed investment decision with respect to such an investment;

(e) He can afford a complete loss of the value of its investment in the LLC and is able to bear the economic risk of holding such investment for an indefinite period;

(f) If it is an entity, (i) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization; (ii) it has full organizational power to both execute and deliver this Agreement and perform its obligations hereunder; (iii) its execution, delivery and performance of this Agreement has been authorized by all requisite action on behalf of the entity; and (iv) it has duly executed and delivered this Agreement.

### ARTICLE III

#### Capital Contributions; Additional Financing

3.01 *Capital Accounts.* For each Member (and each permitted assignee), the LLC shall establish and maintain a separate Capital Account.

#### *3.02 Capital Contributions.*

(a) Each Member has contributed to the capital of the LLC the amount set forth opposite its name on *Schedule A* attached hereto.

1. In exchange for a 35.75% interest in the LLC, Richard B. Borges has contributed, as his Capital Contribution to the LLC, the amount of \$50,000.00
2. In exchange for a 35.75% interest in the LLC, Steven Ramirez has contributed, as is Capital Contribution to the LLC, the amount of \$50,000.00

3. In exchange for a 7% interest in the LLC, Francis X. Healy, Jr. has contributed, as a Capital Contribution to the LLC, the amount of \$100,000.00
4. In exchange for a 7% interest in the LLC, David Radochia has contributed, as a Capital Contribution to the LLC, the amount of \$100,000.00
5. In exchange for a 7% interest in the LLC, Deborah Martin has contributed, as a Capital Contribution to the LLC, the amount of \$100,000.00
6. In exchange for 5% interest in the LLC, Julie Ann Whitson has contributed as a Capital Contribution to the LLC, the amount of \$100,000.00
7. In exchange for 2.5% interest in the LLC, Oscar Ramirez Rivera has contributed as a Capital Contribution to the LLC, the amount of \$250,000.00

(b) If the Managers determine at any time, or from time to time, that the LLC requires funds to carry out its purposes, conduct its business, meet its obligations, or make any expenditure authorized by this Agreement in excess of the amounts generated from the LLC's operations and the amounts specified on *Schedule A* hereto, the Members may, but shall not be required to, contribute any such additional capital. The Managers may request, in writing, that the Members contribute such additional funds to the LLC in the same ratio as their interests in the LLC. Each such request must be made not less than 30 days prior to the due date for such capital contribution. The Managers may request more than one contribution pursuant to this paragraph.

(c) In the event that any Member shall fail to provide the capital contribution requested pursuant to Paragraph 3.02(b), then:

- (i) all Members, including the Managers, shall have the option to make such capital contribution in the ratio of their respective interests in the LLC. Such contribution shall be made following written notice from the Manager of the amount of such contribution. If any Member shall fail to make such contribution within 30 days of the mailing of such notice, then the Managers may solicit and accept capital contributions in the amount required from any person (whether or not a Member) that the Manager may select, in its sole discretion. If the person making such a contribution is not a Member, then prior to the acceptance of such contribution, such person shall execute such documents as the Managers deem necessary or appropriate to admit such person as a Member;
- (ii) the interests of the Members shall be adjusted to be in the ratio of their respective capital contributions;
- (iii) This Agreement, including *Schedule A* hereto, shall be amended to reflect any such adjustment of the Members' Percentage Interests; and each Member, and each person who is hereinafter admitted to the LLC as a Member, hereby consents to any such amendment and the modification of his, her or its Percentage Interest in the manner provided herein, and acknowledges that, in connection with any such amendment, such Member's Percentage Interest may be diluted.

3.03 *No Withdrawal of or Interest on Capital.* Except as otherwise provided in this Article III, no Member shall be obligated or permitted to contribute any additional capital to the LLC. No interest shall accrue on any contributions to the capital of the LLC, and no Member shall have the right to withdraw or to be repaid any capital contributed by the Member, or to receive any other payment in respect to the Member's interest in the LLC, including, without limitation, payment received as a result of the withdrawal or resignation of such Member from the LLC, except as specifically provided in this Agreement.

3.04 *Third-Party Loans.* In the event that the LLC requires additional funds to carry out its purposes, conduct its business or meet its obligations, or to make any expenditure authorized by this Agreement, the LLC may borrow funds from such third-party lender(s) on such terms and conditions as may be approved by Consent of the Members.

3.05 *Voluntary Loans.* In the event the LLC requires additional funds to carry out its purposes, conduct its business, meet its obligations or make any expenditure authorized by this Agreement, any Member may, but shall not be obligated to, loan such funds to the LLC. Any loan made pursuant to this Section 3.05 (a "Voluntary Loan") shall be nonrecourse to the Members; shall be evidenced by a promissory note or demand promissory note as determined by the Member providing the loan; shall not violate the LLC's other loan or contractual arrangements; shall have terms approved by the Consent of the Members; and shall be repaid out of the first funds available therefore and in any event prior to any distribution to any Member of Distributable Cash.

#### ARTICLE IV

##### Allocations Of Income And Losses

4.1 Net Income and Net Losses All items of Company income, gain, loss, and deduction, and all net profits and losses (all as determined for book purposes), except as otherwise specified in this Article 4, shall be allocated to the Members in proportion to their respective "Percentage Interests."

4.2 Special Allocations. The following provisions of this Section 4.2 shall apply notwithstanding any other provision of this Article 4:

(a) Any item of Company loss, deduction, or Section 705(a)(2)(B) Expenditures with respect to a partner nonrecourse liability pursuant to Section 1.704-2(i)(2) of the Regulations shall be allocated to the Member or Members who bear the economic risk of loss for such liability in the time and manner described in Section 1.704-2(i) of the Regulations;

(b) Except as provided in Section 4.2(a), if there is a net decrease in Minimum Gain for any Fiscal Year or other period, the Members shall be allocated items of Company income and gain for such Fiscal Year or other period in accordance with

Section 1.704-2(f) of the Regulations. This Section 4.2(b) is intended to comply with the minimum gain chargeback requirements under Section 1.704-2(f) of the Regulations and shall be interpreted consistently therewith;

(c) Except as provided in Sections 4.2(a) and (b), in the event a Member unexpectedly receives any adjustment, allocation, or distribution described in Section 1.704-1(b)(2)(ii)(d)(4), (5), or (6) of the Regulations in any Fiscal Year or other period and such Member has an Adjusted Capital Account Deficit, then items of income and gain of the Company (consisting of a pro rata portion of each item of Company gross income and gain) for such Fiscal Year or other period (and, if necessary, for subsequent Fiscal Years or other periods) shall be allocated to such Member in the amount and manner sufficient to eliminate such excess as quickly as possible. It is the intent of the parties that this Section 4.2(c) constitute a “qualified income offset” under Section 1.704(b)(2)(ii)(d) of the Regulations;

(d) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Sections 732, 734 or 743 of the Code is required to be taken into account, pursuant to Section 1.704-1(b)(2)(iv)(m) of the Regulations, in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases basis) or loss (if the adjustment decreases basis). Such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which Capital Accounts are required to be adjusted pursuant to such Section of the Regulations.

#### 4.3 Federal Income Tax Allocations.

(a) Except as required by Section 704(c) of the Code or its Regulations, the Company shall allocate its tax items in the same manner and in the same percentages as the book items in the same manner and in the same percentages as the book items are allocated in accordance with this Article 4.

(b) Income, gain, loss, and deduction with respect to any property contributed to the capital of the Company by a Member shall be allocated, solely for tax purposes, among the Members so as to take account of any variation between the adjusted tax basis of such property to the Company for federal income tax purposes and its agreed fair market value at the time of contribution. Such allocations shall be made in compliance with Section 704(c) of the Code and Regulations adopted pursuant thereto under any reasonable method selected by the Members.

(c) If property contributed to the capital of the Company is distributed (other than to the contributing Member) within seven (7) years of such contribution, then gain or loss shall be allocated with respect to such distribution in accordance with Section 704(c) of the Code.

(d) The Manager shall make any elections or other decisions relating to such allocations in any manner than reasonably reflects the purposes and intention of this Agreement.

(e) Allocations pursuant to this Section 4.3 are solely for purposes of federal, state, and local taxes, and shall not affect or in any way be taken into account in computing any Member's Capital Account or share of net income and net losses or distributions pursuant to any provision of this Agreement.

#### 4.4 Other Allocation Rules

(a) The allocations set forth in this Article 4 (the "Regulatory Allocations") are intended to comply with the requirements of Sections 1.704-1(b) and 1.704-2 of the Regulations. The Regulatory Allocations may not be consistent with the manner in which the Members intend to divide Company distributions. Accordingly, the Manager is authorized to divide other allocations of net income, net losses, and other items among the Members so as to prevent the Regulatory Allocations from distorting the manner in which Company distributions will be divided among the Members. The Managers shall have discretion to accomplish this result in any reasonable manner.

(b) If additional Members are admitted to the Company on different dates during any Fiscal Year or other period, the net income or net losses allocated to the Members for such Fiscal Year or other period shall be allocated among the Members in proportion to each Member's Percentage Interest from time to time during such Fiscal Year and in accordance with Section 706 of the Code, using any convention permitted by law and selected by the Manager.

(c) For purposes of determining the profits, losses, or any other items allocable to any period, net income, net losses, and any other items shall be determined on a daily, monthly, or other basis as the Managers may determine using any permissible method under Section 706 of the Code and its Regulations.

(d) The Members are aware of the income tax consequences of the allocations made by this Article 4 and agree to be bound by the provisions of this Article 4 in reporting their shares of Company income and loss for income tax purposes.

### ARTICLE V Distributions

#### 5.1 Distributions.

(a) *Priority Tax Distributions.* Provided that there is cash available for distribution, the Company shall distribute to each Member, annually, an estimated amount (the "Priority Tax Distribution") sufficient for such Member to pay federal and state income taxes on any otherwise undistributed net profits of the Company which will be taxable to the Member in said year, assuming, for such purposes, that each Member is in

the highest federal and state marginal income tax bracket. Notwithstanding anything herein to the contrary, the Company shall make any required Priority Tax Distributions to the Members no later than March 31st of the year following the year to which such Priority Tax Distributions relate.

(b) *Other Distributions.* In addition to any Priority Tax Distributions made pursuant to the preceding Section 5.1(a), Cash from Operations for each Fiscal Year or other period shall be distributed to the Members in proportion to their respective Percentage Interests, and otherwise in proportion to their respective Percentage Interests. No Member, including a resigning Member, shall have the right to any distribution from the Company except as expressly provided herein.

## ARTICLE VI

### Management

6.01 *Management of the LLC.* Subject to the provisions of this Agreement, the overall management and control of the business and affairs of the LLC shall be vested in the Managers. If at any time there is more than one Manager, all decisions, approvals, actions, consents and matters to be made, granted, withheld, taken or acted upon by the Manager can be taken by either Manager without the consent of the others. Any Manager may delegate its authority to another Manager as to any particular matter, or as to all matters for a specified period of time (not to exceed 45 days), by a writing duly executed by such delegating Manager.

All management and other responsibilities not specifically reserved to the Members in this Agreement shall be vested in the Managers, and the Members shall have no voting rights except as specifically provided in this Agreement. Each Manager shall devote such time to the affairs of the LLC as may be reasonably necessary for performance by the Managers of his, her or its duties hereunder, provided such persons shall not be required to devote full time to such affairs.

Specifically, but not by way of limitation, and subject to all other provisions of this Agreement (including without limitation, Sections 6.03 and 6.06), the Managers shall be authorized in the name of and on behalf of the LLC, or in its own name and on its own behalf, as appropriate, to do all things necessary or appropriate to carry on the business and purposes of the LLC, including, without limitation, the following:

- (i) to acquire by purchase, lease, exchange or otherwise; and to sell, finance, refinance, encumber and otherwise deal with, any real or personal property with the Consent of the Members;
- (ii) to borrow money and issue evidences of indebtedness, or to guarantee loans and to secure the same by mortgage, deed of trust, pledge or other lien on any assets or property of the LLC, and to pay, prepay, extend, amend or otherwise modify the terms of any such borrowings with the Consent of the Members;
- (iii) to employ executive, administrative and support personnel in connection with the business of the LLC; to pay salaries, expense reimbursements, employee benefits, fringe benefits, bonuses and any other form of compensation or employee benefit to such persons and entities, at such

times and in such amounts as may be determined by the Managers in his, or, or its sole discretion; and to reimburse the Managers for expenses incurred by it (directly or indirectly) to provide executive, administrative and support services in connection with the business of the LLC;

(iv) to hire or employ such agents, employees, managers, accountants, attorneys, consultants and other persons necessary or appropriate to carry out the business and operations of the LLC; and to pay fees, expenses, salaries, wages and other compensation to such persons;

(v) to pay, extend, renew, modify, adjust, submit to arbitration, prosecute, defend or compromise, upon such terms as it may determine and upon such evidence as it may deem sufficient, any obligation, suit, liability, cause of action or claim, including taxes, either in favor of or against the LLC;

(vi) to determine the appropriate accounting method or methods to be used by the LLC;

(vii) to cause the LLC to make or revoke any of the elections referred to in I.R.C. §§ 108, 704, 709, 754 and 1017 and any similar provisions enacted in lieu thereof, and in any other section of the Code;

(viii) to establish and maintain reserves for such purposes and in such amounts as it deems appropriate from time to time with the Consent of the Members;

(ix) to pay all organizational expenses and general and administrative expenses of the LLC;

(x) to deal with, or otherwise engage in business with, or provide services to and receive compensation therefore from, any person who has provided or may in the future provide any services to, lend money to, sell property to or purchase property from the LLC, including, without limitation, any Member or Manager;

(xi) to engage in any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to the accomplishment of the purposes of the LLC with the exception of the contracts for the purchase, refinance, or sale of real estate which shall require the Consent of the Members;

(xii) to pay any and all fees and to make any and all expenditures that the Managers, in his, her, or its sole discretion, deems necessary or appropriate in connection with the organization of the LLC, the management of the affairs of the LLC, and the carrying out of the LLC's obligations and responsibilities under this Agreement, including, without limitation, fees, reimbursements and expenditures payable to a Member or Manager;

(xiii) to exercise all powers and authority granted by the Act to managers, except as otherwise provided in this Agreement;

(xiv) to cause the LLC and its properties and assets to be maintained and operated in such a manner as the Managers may determine; subject, however, to obligations imposed by applicable

laws or by any mortgage or security interest encumbering the LLC and such properties and assets from time to time, and by any lease, rental agreement or other agreement pertaining thereto;

(xv) to cause to be obtained and continued in force all policies of insurance required by any mortgage, lease or other agreement relating to the LLC's business or any part thereof, or determined by the Managers to be in the best interests of the LLC;

(xvi) to cause to be paid any and all taxes, charges and assessments that may be levied, assessed or imposed on any of the assets of the LLC unless the same are contested by the Managers; and

(xvii) to perform any other act the Managers may deem necessary, convenient or desirable for the LLC or the conduct of the LLC's business not inconsistent with the other provisions of this Agreement.

*6.02 Intentionally omitted.*

*6.03 Intentionally omitted.*

*6.04 Binding the LLC.* The signature of one Manager on any agreement, contract, instrument or other document shall be sufficient to bind the LLC in respect thereof, and conclusively evidence the authority of such Manager and the LLC with respect thereto, and no third party need look to any other evidence or require the joinder or consent of any other party.

*6.05 Compensation of Managers and Members.* No payment shall be made by the LLC to any Managers or Member for such Manager or Member's services as a Manager or Member, except as provided in this Agreement. Other than his 85% return of net proceeds, the Managers shall not be entitled to compensation for services provided by that Manager, if any, and reimbursement from the LLC for all expenses incurred by such Manager in managing and conducting the business and affairs of the LLC.

The Managers shall determine which expenses, if any, are allocable to the LLC in a manner that is fair and reasonable to the Managers and the LLC, and, if such allocation is made in good faith, it shall be conclusive in the absence of manifest error.

*6.06 Contracts with Members.* With the approval of the Managers in each case, the LLC may engage in business with, or enter into one or more agreements, leases, contracts or other arrangements for the furnishing to or by the LLC of goods, services or space with any Member or Affiliate of a Member, and may pay compensation in connection with such business, goods, services or space, provided in each case the amounts payable thereunder are reasonably comparable to those that would be payable to unaffiliated persons under similar agreements, and, if the Managers determine in good faith that such amounts are so comparable, such determination shall be conclusive absent manifest error.

*6.07 Exculpation and Indemnification; Fiduciary Duty.*

(a) The Members' respective obligations to each other are limited to the express obligations described in this Agreement, which obligations the Members shall carry out with ordinary prudence and in a manner characteristic of businesspersons in similar circumstances. No Member shall be a fiduciary of, or have any fiduciary obligations to, the other Members in connection with the LLC, this Agreement, or such Member's performance of its obligations under this Agreement; and each Member hereby waives to the fullest extent permitted by applicable law any rights it may have to claim any breach of fiduciary obligation under this Agreement or in connection with the LLC.

(b) No Managers or his, hers, or its Affiliates shall have any liability to the LLC or to any Member for any loss suffered by the LLC that arises out of any action or inaction of any Managers or his, her, or its Affiliates, if such Manager or its Affiliates, as the case may be, in good faith, determined that such course of conduct was in the best interests of the LLC and such course of conduct did not constitute gross negligence or willful misconduct of such Manager or its Affiliates.

(c) Each Manager and its Affiliates shall be indemnified by the LLC against any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by it with respect to actions taken by such Manager or its Affiliates on behalf of the LLC, provided that no indemnification shall be provided for any person with respect to any matter as to which he or she shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interests of the LLC.

Without limiting the foregoing, the LLC shall cause such indemnification to include payment by the LLC of expenses incurred in defending a civil or criminal action or proceeding in advance of the final disposition of such action or proceeding, upon receipt of an undertaking by the person indemnified to repay such payment if he or she shall be adjudicated not to be entitled to indemnification under this Section 6.07, which undertaking may be accepted without reference to the financial ability of such person to make repayment. Any indemnification to be provided hereunder may be provided even if the person to be indemnified is no longer a Manager or an Affiliate of a Manager.

Notwithstanding the foregoing, no Manager, or its respective Affiliates, or any person acting as a broker-dealer, shall be indemnified for any losses, liabilities or expenses arising from or out of a violation of federal or state securities laws or any other intentional or criminal wrongdoing.

(d) Any indemnity under this Section 6.07 shall be paid from, and only to the extent of, LLC assets, and no Member shall have any personal liability on account thereof. The LLC shall not incur the cost of that portion of any insurance, other than public liability insurance, that insures any party against any liability as to which such party is herein prohibited from being indemnified.

#### *6.08 Other Activities.*

(a) The Members, Managers and any of their Affiliates may engage in and possess interests in other business ventures and investment opportunities of every kind and description, independently or with others, including serving as directors, officers, stockholders, managers, members and general or limited partners of corporations, partnerships or other LLCs with purposes similar to or the same as those of the LLC. Neither the LLC nor any other Member or Managers shall have any rights in or to such ventures or opportunities or the income or profits therefrom.

## ARTICLE VII

### Fiscal Matters

#### *7.01 Books and Records.*

The Managers shall keep or cause to be kept complete and accurate books and records of the LLC on the income tax method of reporting and otherwise in accordance with generally accepted accounting principles consistently applied, which shall be maintained and be available, in addition to any documents and information required to be furnished to the Members under the Act, at the office of the LLC for examination and copying by any Member or Manager, or his, her or its duly authorized representative, at its reasonable request and at its expense during ordinary business hours. A current list of the full name and last known address of each Member and Managers, a copy of this Agreement, any amendments thereto, the Certificate, including all certificates of amendment thereto, executed copies of all powers of attorney, if any, pursuant to which this Agreement, any amendment, the Certificate or any certificate of amendment has been executed, copies of the LLC's financial statements and federal, state and local income tax returns and reports, if any, for the three most recent fiscal years, shall be maintained at the registered office of the LLC required by Section 5 of the Act.

The LLC shall have no obligation to deliver or mail a copy of the Certificate or any amendment thereto to the Members.

*7.02 Reports.* Within 120 days after the end of each fiscal year, the Managers shall cause to be prepared and sent to all Members an un-audited financial report of the LLC, including a balance sheet and a profit and loss statement, and, if such profit and loss statement is not prepared on a cash basis, a statement of changes in financial position. Within 90 days after the end of each fiscal year, the Managers shall furnish all Members with such information as may be needed to enable the Members to file their federal income tax returns and any required state income tax return. The cost of all such reporting shall be paid by the LLC as an LLC expense. Any Member may, at any time, at its own expense, cause an audit of the LLC books to be made by a certified public accountant of its own selection. All expenses incurred by such accountant shall be borne by such Member.

*7.03 Bank Accounts.* The Managers shall be responsible for causing one or more accounts to be maintained in a bank (or banks) which is a member of the F.D.I.C., which accounts shall be used for the payment of the expenditures incurred by the Managers in connection with the business of the LLC, and in which shall be deposited any and all cash receipts of the LLC. All deposits and funds not needed for the operations of the LLC may be invested in short-term investments,

including securities issued or fully guaranteed by United States government agencies, certificates of deposit of banks, bank repurchase agreements covering the securities of the United States government, commercial paper rated A or better by Moody's Investors Services, Inc., money market funds, interest-bearing time deposits in banks and thrift institutions and such other similar investments as the Managers may approve and consented to by all Members. All such amounts shall be and remain the property of the LLC, and shall be received, held and disbursed by the Managers for the purposes specified in this Agreement. There shall not be deposited in any of said accounts any funds other than funds belonging to the LLC, and no other funds shall in any way be commingled with such funds. Withdrawals from any LLC bank or similar account shall be made, and other activity conducted on such signature or signatures as shall be approved by the Managers.

7.04 *Fiscal Year.* The fiscal year of the LLC shall end on December 31 of each year.

7.05 *Tax Matters Partner.* Managers Richard B. Borges and Steven Ramirez are hereby designated as the "tax matters partners" of the LLC. If at any time such person is not eligible under the Code to serve, or refuses to serve, as the tax matters partner, another Member shall be designated by the Managers to serve as the tax matters partner. The tax matters partner is hereby authorized to and shall perform all duties of a tax matters partner under the Code and shall serve as tax matters partner until his, her or its resignation or until the designation of his, her or its successor, whichever occurs sooner.

## ARTICLE VIII

### Transfers of Interests

8.01 *General Restrictions on Transfer of Interests by Members.*

(a) Except as provided in Section 8.05 below, no Member may Transfer his, her or its interest in the LLC (including without limitation, by resignation as a member of the LLC) unless:

(i) in the case of a Member which is not a Manager, the Managers shall have previously approved such Transfer in writing, the granting or denying of which approval shall be in the Managers' absolute discretion; and

(ii) in the case of a Member which is a Manager, unless such Transfer shall have been previously Consented to by the other Members, which Consent may be granted or denied in the other Members' absolute discretion.

No assignment of the interest of a Member shall be made if, in the opinion of counsel to the LLC, such assignment (i) may not be effected without registration under the Securities Act, (ii) would result in the violation of any applicable state securities laws, (iii) unless approved by the Managers (or, in the case of a transfer by a Member which is a Manager, unless Consented to by the other Members), would result in a termination of the LLC under I.R.C. § 708 or (iv) unless Consented to by the Managers (or, in the case of a transfer by a Member which is a Manager, unless Consented to by the other Members), would result in the treatment of the LLC as an association taxable as a corporation or as a "publicly-traded limited partnership" for tax

purposes. The LLC shall not be required to recognize any such assignment until the instrument conveying such interest has been delivered to the Managers for recordation on the books of the LLC. Unless an assignee becomes a substituted Member in accordance with the provisions of Section 8.01(b), it shall not be entitled to any of the rights granted to a Member hereunder, other than the right to receive all or part of the share of the Gross Income, Net Profits, Net Losses and Nonrecourse Deductions (and items thereof), its distributions of cash or property or returns of capital to which its assignor would otherwise be entitled in respect of the interest assigned.

(b) An assignee of the interest of a Member, or any portion thereof, shall become a substituted Member entitled to all the rights of a Member if, and only if:

(i) the assignor gives the assignee such right;

(ii) in the case of a Transfer by a Member which is not a Manager, the Managers approve such substitution, the granting or denying of which consent shall be in the Managers' absolute discretion;

(iii) in the case of a Transfer by a Member that is a Manager, the other Members, acting by Consent, shall have approved such substitution, which approval shall specify whether such assignee shall assume the role and duties of the Manager in respect of the assigned interest, and, if such assignee is not to assume such role and duties, that there is at least one remaining Manager; or, if there is no remaining Manager, the Members, acting by Consent, shall have elected to continue the LLC and, if they so desire, have selected a new Manager or Managers and entered into an agreement with such new Manager(s) as to their economic interests, if any, in the LLC, and their other rights, duties and responsibilities;

(iv) the assignee pays to the LLC all costs and expenses incurred in connection with such substitution, including, specifically, without limitation, costs incurred in the review and processing of the assignment and in amending the LLC's current Certificate and/or Operating Agreement, if required; and

(v) the assignee executes and delivers an Amendment to this Agreement (and to the Certificate, if required), which Amendment shall be executed by the Managers and such assignee, and such other instruments, in form and substance satisfactory to the Manager (or, if clause (iii) above is applicable, to the Members acting by Consent in connection with such substitution), as may be necessary, appropriate or desirable to effect such substitution and to confirm the agreement of the assignee to be bound by the terms and provisions of this Agreement.

(c) The LLC and the Managers shall be entitled to treat the record owner of any LLC interest as the absolute owner thereof in all respects, and shall incur no liability for distributions of cash or other property made in good faith to such owner until such time as a written assignment of such interest has been received and accepted by the Managers and recorded in the books of the LLC. The Managers may refuse to accept an assignment until the end of the next successive quarterly accounting period. In no event shall any membership interest, or any portion thereof, be sold, transferred or assigned to a minor or incompetent, and any such attempted sale, transfer or assignment shall be void and ineffectual and shall not bind the LLC or the Managers.

8.02 *Withdrawal or Termination of the Manager.* A Manager may voluntarily resign, withdraw or retire as Manager from the LLC, provided such resignation does not adversely affect the tax classification of the LLC.

A Manager's status as a Manager may be terminated only by assent of that Manager to be terminated and action of unanimous approval of one hundred percent of the Members (acting by Consent) and, if there are at the time other Managers, the approval of a majority in interest of such other Managers shall also be required. If the terminated Manager is also a Member, no such termination shall modify such person's rights or obligations as a Member.

8.03 *Additional or Substituted Manager.* Additional or substituted Managers may be selected from among the Members (or may be admitted, as both Managers and Members, to the LLC) at any time upon the written approval of, and with such rights, obligations, responsibilities and economic interest as may be approved by the unanimous approval of one hundred percent of the Members.

8.04 *Restrictions as to Certain Matters.* Every Transfer of an interest of a Member of the LLC permitted by this Article VIII shall be subject to the following restrictions.

(a) No Transfer of any interest in the LLC may be made if such Transfer would cause or result in a breach of any agreement binding upon the LLC or of then applicable rules and regulations of any governmental authority having jurisdiction over such Transfer. The Managers may require as a condition of any Transfer that the transferor furnish an opinion of counsel, satisfactory to the LLC (both as to counsel and as to the substance of the opinion), that the proposed Transfer complies with applicable law, including federal and state securities laws, and does not cause the LLC to be an investment company as such term is defined in the Investment Company Act of 1940, as amended.

(b) The Managers may require, as a condition to the admission to the LLC as a Member of any transferee who is not a Member, that such transferee demonstrate to the reasonable satisfaction of the Managers that he, she or it is either a financially responsible person or has one or more financially responsible persons who have affirmatively assumed the financial obligations of the transferee under this Agreement, if any, on his, her or its behalf.

(c) Unless the Managers has specifically approved otherwise in writing, a transferor of an interest as a Member of the LLC (if the transferee is a Member hereunder or if the transferee becomes a Member pursuant to the provisions of this Agreement) shall not be relieved of liability under this Agreement with respect to the transferred interest arising or accruing on or after the effective date of the Transfer, except to the extent of the payments made in the transferor's place by any transferee of its interest; and the LLC may proceed to collect any amount due from the transferor as and when due, together with interest thereon from the date for payment stated herein at the rate of 18 percent per annum, compounded monthly (but not exceeding the maximum rate permitted by law) and all costs and expenses of collection incurred by the LLC (including reasonable fees and disbursements of counsel).

(d) Any person who acquires in any manner whatsoever an interest (or any part thereof) in the LLC, whether or not such person has accepted and assumed in writing the terms and provisions of this Agreement or been admitted into the LLC as a Member as provided in Section 8.01(b), shall be deemed, by acceptance of the acquisition thereof, to have agreed to be subject to and bound by all of the obligations of this Agreement with respect to such interest and shall be subject to the provisions of this Agreement with respect to any subsequent Transfer of such interest.

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

8.05 *Permitted Transfers*. The following Transfers shall be permitted without the approval of the Manager or Members otherwise required under Section 8.01(a) above, but such permitted Transfers shall in any event be subject to Sections 8.01(b) and 8.04 hereof:

(a) An interest as a Member of the LLC may be Transferred from time to time to any Legal Representative(s) and/or Affiliate(s) and/or member(s) of the Immediate Family of the transferring Member.

## ARTICLE IX

### Miscellaneous

9.01 *Events Causing Dissolution*. The LLC shall be dissolved and its affairs wound up upon the following:

(a) the sale or other disposition of all or substantially all of the assets of the LLC, unless the disposition is a transfer of assets of the LLC in return for consideration other than cash, and the Managers decide not to distribute all or substantially all of such noncash items to the Members;

(b) subject to the provisions of Section 9.02, the death, insanity, retirement, resignation, expulsion, Bankruptcy, dissolution or occurrence of any other event that terminates the membership of a Member who is also a Manager;

(c) the election to dissolve the LLC made in writing by the Managers *with the* Consent of the Members;

(d) any consolidation or merger of the LLC with or into any entity, following which the LLC is not the resulting or surviving entity; or

(e) upon the occurrence of an event specified under the laws of the Commonwealth of Massachusetts as one effecting dissolution; except that where, under the terms of this Agreement or the Act, the LLC is not to terminate, the LLC shall immediately be reconstituted and reformed on all the applicable terms, conditions and provisions of this Agreement. The LLC shall not be dissolved upon the death, insanity, retirement, resignation, expulsion, bankruptcy, dissolution or occurrence of any other event that terminates the membership of a Member, except as provided in Section 9.01(b).

*9.02 Continuation of the LLC.* Notwithstanding the occurrence of an event specified in Section 9.01(b), the LLC shall not be dissolved, and its business and affairs shall not be discontinued, and the LLC shall remain in existence as a limited liability company under the laws of the Commonwealth of Massachusetts if the remaining Members, acting by Consent, elect within 90 days after such occurrence to continue the LLC and the LLC's business, and designate from among the Members one or more Managers.

*9.03 Procedures on Dissolution.* Dissolution of the LLC shall be effective on the day on which occurs the event giving rise to the dissolution, but the LLC shall not terminate until its Certificate shall have been canceled and the assets of the LLC shall have been distributed as provided herein. Notwithstanding the dissolution of the LLC, prior to the termination of the LLC, as aforesaid, the business of the LLC and the affairs of the Members, as such, shall continue to be governed by this Agreement. The remaining Managers or, if there be none, a liquidator appointed with the Consent of the Members, shall liquidate the assets of the LLC, apply and distribute the proceeds thereof as contemplated by this Agreement and cause the cancellation of the Certificate.

*9.04 Distributions upon Liquidation.*

(a) After paying liabilities owed to creditors, the Managers or such liquidator shall set up such reserves as it deems reasonably necessary for any contingent or unforeseen liabilities or obligations of the LLC. Said reserves may be paid over by such Managers or such liquidator to a bank, to be held in escrow for the purpose of paying any such contingent or unforeseen liabilities or obligations and, at the expiration of such period as such Managers or such liquidator may deem advisable, such reserves shall be distributed to the Members or their assigns in the manner set forth in paragraph (b), below.

(b) After paying such liabilities and providing for such reserves, the Managers or liquidator shall cause the remaining net assets of the LLC to be distributed to and among the Members in the order of priority set forth in Article IV hereof. In the event that any part of such net assets consists of notes or accounts receivable or other non-cash assets, the Managers or liquidator may take whatever steps it deems appropriate to convert such assets into cash or into any other form that would facilitate the distribution thereof. If any assets of the LLC are to be distributed in kind, such assets shall be distributed on the basis of their fair market value, net of any liabilities.

## ARTICLE X

### General Provisions

10.01 *Notices*. Any and all notices under this Agreement shall be given in writing, and shall be effective (a) on the fourth business day after being sent by registered or certified mail, return receipt requested, postage prepaid; (b) on the first business day after being sent by express mail, or commercial overnight delivery service providing a receipt for delivery; (c) on the date of hand delivery; or (d) on the date actually received, if sent by any other method. To be effective, all such notices shall be addressed, if to the LLC, at its registered office under the Act, and if to a Member or Managers, at the last address of record on the LLC books.

10.02 *Word Meanings*. Words such as “herein,” “hereinafter,” “hereof,” and “hereunder” refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The singular shall include the plural, and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires.

10.03 *Binding Provisions*. Subject to the restrictions on transfers set forth herein, the covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the parties hereto, their heirs, Legal Representatives, successors and assigns.

10.04 *Applicable Law; Choice of Venue*. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, including the Act, as interpreted by the courts of the Commonwealth of Massachusetts, notwithstanding any rules regarding choice of law to the contrary. Any legal action or proceeding relating to this Agreement, the LLC or the businesses of the LLC shall be brought exclusively in the courts of the Commonwealth of Massachusetts or of the United States for the District of Massachusetts.

10.05 *Counterparts*. This Agreement may be executed in several counterparts, and, as so executed, shall constitute one agreement binding on all parties hereto, notwithstanding that all of the parties have not signed the same counterpart.

10.06 *Separability of Provisions*. Each provision of this Agreement shall be considered separable. To the extent that any provision of this Agreement is prohibited or ineffective under the Act, this Agreement shall be considered amended to the smallest degree possible to make the Agreement effective under the Act (and, if the Act is subsequently amended or interpreted in such manner as to make effective any provision of this Agreement that was formerly rendered invalid, such provision shall automatically be considered valid from the effective date of such amendment or interpretation).

10.07 *Section Titles*. Section titles are for descriptive purposes only and shall not control or alter the meaning of this Agreement as set forth in the text.

10.08 *Amendments*. Except as otherwise specifically provided in this Agreement, including, without limitation, in Sections 2.05 and Article VIII, this Agreement may be amended or modified only as follows:

(i) By the Managers With the Consent of the Members, and any such amendment may include, without limitation, an amendment providing for capital contributions from, distributions to, and allocations of Net Profits and Net Losses (and items thereof) to one or more additional classes of

Members; provided that (x) no such amendment shall increase the liability of, increase the obligations of, or adversely affect the interest of any Member without the specific approval of such Member (except that an amendment adopted pursuant to Section 2.05 or Section 3.02 may reduce a Member's interest in the LLC without such Member's specific approval); (y) if any provision of this Agreement provides for the approval or consent of a greater number of Members or of Members holding a higher percentage of the total Percentage Interests of the Members, any amendment effectuated pursuant to such provision, and any amendment to such provision, shall require the approval or consent of such greater number of Members or of Members holding such higher percentage of Percentage Interests; and (z) subject to clauses (x) and (y) above, any amendment to this Section 10.08 shall require the approval of one hundred percent of the Members.

(ii) By the Manager acting alone, to cure any ambiguity, to correct or supplement any provision herein that may be inconsistent with any other provision herein; or to make any other provisions with respect to matters or questions arising under this Agreement consistent with the provisions of this Agreement; and to delete or add any provision of this Agreement required to be so deleted or added by any federal agency or state "blue-sky" commissioner or similar such official, which addition or deletion is deemed by such agency or official to be for the benefit or protection of the Members.

(iii) By the Managers acting alone, to modify appropriate provisions of this Agreement, if the LLC is advised at any time by its legal counsel that the allocations of profits and losses and similar items provided for in Article V hereof are unlikely to be respected for federal income tax purposes, either because of the promulgation and adoption of Treasury Regulations under I.R.C. § 704 or other developments in applicable law. In making any such amendment, the Managers shall use its best efforts to effect as little change in the economic and tax arrangements among the Members as it shall determine in its sole discretion to be necessary to provide for allocations of profits and losses to the Members that it believes will be respected for federal income tax purposes. No such amendment shall give rise to any claim or cause of action by any Member or the Company.

**10.09 *Third-Party Beneficiaries.*** The provisions of this Agreement, including Article III, are not intended to be for the benefit of any creditor (other than a Member who is a creditor) or other person (other than a Member in his, her or its capacity as a Member) to whom any debts, liabilities or obligations are owed by (or who otherwise has any claim against) the LLC or any of the Members. Moreover, notwithstanding anything contained in this Agreement, including, without limitation, Article III, no such creditor or other person shall obtain any rights under this Agreement or shall, by reason of this Agreement, make any claim in respect of any debt, liability or obligation (or otherwise) against the LLC or any Member or Manager.

**10.10 *Entire Agreement.*** This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter. The Members and Managers hereby agree that each Member and each Manager shall be entitled to rely on the provisions of this Agreement, and no Member or Manager shall be liable to the LLC or any other Member or

Manager for any action or refusal to act taken in good faith reliance on the terms of this Agreement.

10.11 *Waiver of Partition*. Each Member agrees that irreparable damage would be done to the LLC if any Member brought an action in court to dissolve the LLC. Accordingly, each Member agrees that he, she or it shall not, either directly or indirectly, take any action to require partition or appraisal of the LLC or of any of the assets or properties of the LLC, and notwithstanding any provisions of this Agreement to the contrary, each Member (and his, her or its successors and assigns) accepts the provisions of the Agreement as his, her or its sole entitlement on termination, dissolution and/or liquidation of the LLC, and hereby irrevocably waives any and all rights to maintain any action for partition or to compel any sale or other liquidation with respect to his, her or its interest, in or with respect to any assets or properties of the LLC. Each Member agrees that he, she or it will not petition a court for the dissolution, termination or liquidation of the LLC.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

MANAGER:



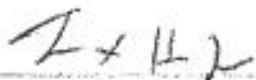
Richard B. Borges

MANAGER:



Steven Ramirez

MEMBER:



Francis X. Healy, Jr.

MEMBER:



David Radochia

MEMBER:



Deborah Martin

MEMBER:



Julie Ann Whitson

MEMBER:



Oscar Ramirez Rivera

## **SCHEDULE A**

### **TO OPERATING AGREEMENT OF ADVANCED CULTIVATORS, LLC**

#### MEMBERS

<i>Names and Addresses of Members</i>	<i>Percentage Interest</i>	<i>Capital Contribution</i>
MEMBERS		
Richard B. Borges 28 Hamilton Road Peabody, MA 01960	35.75%	\$50,000.00
Steven Ramirez 8 Reading Hill Avenue Melrose, MA 02176	35.75%	\$50,000.00
Francis X. Healy, Jr. 1 Leblanc Lane Middleton, MA 01949	7%	\$100,000.00
David Radochia 115 Glenwood Road Somerville, MA 02145	7%	\$100,000.00
Deborah Martin 41 Mountain Gate Road Ashland, MA 01721	7%	\$100,000.00
Julie Ann Whitson 303 Salem St Wakefield, MA 01880	5%	\$100,000.00
Oscar Ramirez Rivera 13180 ½ Pipeline Ave Chino, CA 91710	2.5%	\$250,000.00
Total:	100 %	\$750,000.00



William Francis Galvin  
Secretary of the  
Commonwealth

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

April 16, 2021

TO WHOM IT MAY CONCERN:

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

**ADVANCED CULTIVATORS LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **July 14, 2020**.

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

I also certify that the names of all managers listed in the most recent filing are:  
**RICHARD BRANDON BORGES**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **RICHARD BRANDON BORGES, STEVEN RAMIREZ**

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **RICHARD BRANDON BORGES**



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

*William Francis Galvin*  
Secretary of the Commonwealth



Commonwealth of Massachusetts  
Department of Revenue  
Geoffrey E. Snyder, Commissioner

mass.gov/dor

Letter ID: L0866075456  
Notice Date: March 26, 2021  
Case ID: 0-001-119-775



## CERTIFICATE OF GOOD STANDING/TAX COMPLIANCE REQUEST STATUS



ADVANCED CULTIVATORS, LLC  
28 HAMILTON RD  
PEABODY MA 01960-2132

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

We received your request for a Certificate of Good Standing and/or Tax Compliance for ADVANCED CULTIVATORS, LLC. As of the date of this notice, the Commissioner of Revenue is unable to certify whether you are in compliance with your tax obligations under Chapter 62C of the Massachusetts General Laws.

According to our records, you're not registered with the Department of Revenue. As a result, we don't know if you have any outstanding liabilities. We're also unable to determine if you're legally required to file and pay taxes in Massachusetts.

### *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, 9:00 a.m. to 4:00 p.m.

### *Visit us online!*

Visit [mass.gov/dor](https://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

Use the confirmation code below to print another copy of this letter or to review your submission.  
Confirmation Code: s4ddzb

Edward W. Coyle, Jr., Chief  
Collections Bureau



### **Plan to Obtain Liability Insurance**

Advanced Cultivators, LLC (“Advanced”) will obtain and maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, and product liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, except as provided in 935 CMR 500.105(10)(b) or otherwise approved by the Commission. The deductible for each policy shall be no higher than \$5,000 per occurrence.

Prior to commencing operations, Advanced will provide proof of having obtained a surety bond or escrow account in an amount equal to its licensure fee payable to the Marijuana Regulation Fund to ensure payment of the cost incurred for the destruction of cannabis goods necessitated by a violation of St. 2016, c. 334, as amended by St. 2017, c. 544 or 935 CMR 500.000 or the cessation of operation of Advanced Cultivators, LLC.





## **BUSINESS PLAN**

**ADVANCED CULTIVATORS, LLC**

**APRIL 2021**



## TABLE OF CONTENTS

1. Executive Summary
2. Company Description
3. Marketing and Pricing
4. Capitalization and Financial Projections



## **1. Executive Summary**

### **1.1 Mission Statement**

Advanced Cultivators, LLC (“Advanced Cultivators”) will leverage the cannabis industry experience of its operators to bring to Lowell, MA a community-minded business that will be a rewarding workplace and center of opportunity for employees, a thoughtful partner for the town, and a first-class experience for customers. Through partnership and dialogue, Advanced Cultivators will ensure not only that it fully complies with all applicable laws and regulations, but also fulfills the promise of cooperation embodied in the Commonwealth’s decision to legalize adult use cannabis.

### **1.2 Products**

Advanced Cultivators will offer a wide variety of cannabis products to suit evolving consumer preferences, and to be a partner with consumers in broadening their horizons with respect to the benefits and opportunities of cannabis. These will include a range of traditional sativa, indica, and hybrid cannabis flower products produced in strict compliance with Cannabis Control Commission (“CCC”) quality standards and industry best practices. All products will meet CCC quality and testing standards, tracking and trace-ability requirements, and other regulatory standards.

### **1.3 Customers and Marketing**

Lowell, MA is an ideal base for marijuana cultivation operations. Advanced Cultivators plans to undertake a responsible and targeted integrated marketing program to promote awareness and understanding of the Advanced Cultivators brand. Advanced Cultivators’s program will include a fully integrated website and digital marketing tools, proprietary search engine optimization techniques and paid search, social media, earned media, direct marketing and partnership programs with uncompromised attentiveness to only targeting adult markets per CCC regulations.

Based upon available studies and experience of its principles, opportunity in the Massachusetts marketplace continues to grow. The Commonwealth’s legal cannabis market grew to over \$1 billion in 2020, with room to expand from there. In 2017, for example, the Colorado cannabis market generated \$1.7 billion in sales, despite having a lower and more dispersed population, fewer potential users, and lower average income than does Massachusetts.



## **2. Company Description**

### **2.1 Structure**

Advanced Cultivators is a Massachusetts domestic corporation, and is applying for a license to operate an adult use cultivation operation at 100 Phoenix Avenue.

### **2.2 Operations**

Advanced Cultivators's facility will feature a Tier 2 cultivation area and comply with all applicable Massachusetts regulations. These include:

- Maintaining general liability coverage and product liability insurance as required by 935 CMR 500.105;
- Providing adequate lighting, ventilation, temperature, humidity, space, and equipment as required by 935 CMR 500.105 and 500.110;
- Incorporating energy efficiency and conservation as required by 935 CMR 500.105(15);
- Maintaining a surety bond or escrow in the event of cessation of operations as required by 935 CMR 500.000.

### **2.3 Security**

Advanced Cultivators understands that security is critical not only to comply with regulations, but also to build the confidence of the host community. For these reasons Advanced Cultivators will engage with an experienced security contractor – to design, implement, and monitor comprehensive security plans for its cultivation facility.

And while Advanced Cultivators has the utmost confidence in its security team, Advanced Cultivators also understands that local input is critical to crafting an effective security plan that functions within a host community. For this reason, Advanced Cultivators will engage with the Lowell Chief of Police for final approval of its security plans, and will renew that approval annually. Advanced Cultivators will coordinate with the Lowell Police Department regarding siting of all interior and exterior security cameras, provide unimpeded access to all security camera feeds to the Lowell Police Department, and ensure that at least two cameras will be located so as to provide an unobstructed view in each direction of the public way on which the facility is located.



Beyond approving security plans, Advanced Cultivators will partner with the Lowell Police Department to ensure the security of its facilities, and resolution of community concerns. Advanced Cultivators shall:

- Engage in periodic meetings with the Lowell Police Department to review operational concerns and other issues.
- Participate with the Lowell Police Department in a comprehensive diversion prevention plan.
- Submit for the Lowell Police Chief's approval the CORI report of any new manager to be hired for either facility.
- Report within twenty four hours any known instance of diversion of marijuana, inventory discrepancies, theft, loss or other criminal action, discrepancy in weight or inventory during transportation, vehicle accidents, diversions, losses or other reportable incidents that occur during transport, any suspicious act involving sale, cultivation, distribution, process or production of marijuana, unauthorized destruction of marijuana, loss or unauthorized alteration of the establishment's records, alarm activation or other event that requires public safety personnel to respond, failure of security alarm due to power loss or mechanical failure expected to last longer than eight hours, and any other breach of security.
- Verify the legal age of all visitors using a government-issued identification prior to the visitor being admitted into the facility.

### **3. Marketing and Pricing**

Advanced Cultivators will build a brand that is synonymous with quality. By locating its cultivation in Lowell, MA and by leveraging its principals' business experience, Advanced Cultivators will keep costs competitive without sacrificing quality, and build a loyal following of cannabis manufacturers and retailers with interest in an authentic home-grown brand.

### **4. Capitalization**

Attached as Exhibit A to this Business Plan are copies of financial projections demonstrating proof of adequate capitalization to begin operation of Advanced Cultivators's cultivation facility in Lowell, MA.

# Exhibit A

### 3 Year Profit Projection Model

Revenue			Q1-Year 1	Q2-Year 1	Q3-Year 1	Q4-Year 1	Year 1	Year 2	Year 3
Name	Assumptions								
<b>Source 1 - Flowers</b>									
Number of potential customers									
• Total addressable market (TAM)	10% CAGR		34	34	67	134	268	295	324
• Servicable addressable market (SAM)	33% %TAM		88	88	88	88	88	97	107
• Servicable obtainable market (SOM)	9% %SAM		8	8	8	8	8	23	42
Conversion to purchaser	5% Annual		11.3%	11.3%	22.5%	45.0%	90.0%	94.5%	99.2%
Number of purchasing customers			7	7	7	7	7	22	41
Product purchases per year per customer			367	367	367	367	367	198	175
Total number of products sold per year			642	642	642	642	2,569	4,364	7,245
Product / Service Price	Annual		\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800
<b>Total Revenue</b>			\$ 2,440,550	\$ 2,440,550	\$ 2,440,550	\$ 2,440,550	\$ 9,762,200	\$ 16,584,432	\$ 27,531,000
Costs							Year 1	Year 2	Year 3
Name	Assumptions								
<b>Category 1 - Variable</b>									
FloraGro	Per Pound		\$ 2.72	\$ 2.72	\$ 2.72	\$ 2.72	\$ 2.72	\$ 2.72	\$ 2.72
FloraBloom	Per Pound		\$ 2.72	\$ 2.72	\$ 2.72	\$ 2.72	\$ 2.72	\$ 2.72	\$ 2.72
FloraMicro	Per Pound		\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31	\$ 3.31
Flora Blend	Per Pound		\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19
Floralicious Plus	Per Pound		\$ 5.84	\$ 5.84	\$ 5.84	\$ 5.84	\$ 5.84	\$ 5.84	\$ 5.84
Sugaree	Per Pound		\$ 5.84	\$ 5.84	\$ 5.84	\$ 5.84	\$ 5.84	\$ 5.84	\$ 5.84
Calimagic	Per Pound		\$ 1.36	\$ 1.36	\$ 1.36	\$ 1.36	\$ 1.36	\$ 1.36	\$ 1.36
Liquid KoolBloom	Per Pound		\$ 1.56	\$ 1.56	\$ 1.56	\$ 1.56	\$ 1.56	\$ 1.56	\$ 1.56
Electricity	Per Pound		\$ 74.92	\$ 74.92	\$ 74.92	\$ 74.92	\$ 74.92	\$ 74.92	\$ 74.92
Water	Per Pound		\$ 17.03	\$ 17.03	\$ 17.03	\$ 17.03	\$ 17.03	\$ 17.03	\$ 17.03
Plant Soft Ties	Per Pound		\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58	\$ 0.58
Germination Plug Tray/Domes	Per Pound		\$ 0.88	\$ 0.88	\$ 0.88	\$ 0.88	\$ 0.88	\$ 0.88	\$ 0.88
Germination Plugs	Per Pound		\$ 1.69	\$ 1.69	\$ 1.69	\$ 1.69	\$ 1.69	\$ 1.69	\$ 1.69
Rockwool Cubes	Per Pound		\$ 21.41	\$ 21.41	\$ 21.41	\$ 21.41	\$ 21.41	\$ 21.41	\$ 21.41
Packaging	Per Pound		\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Pots	Per Pound		\$ 6.72	\$ 6.72	\$ 6.72	\$ 6.72	\$ 6.72	\$ 6.72	\$ 6.72
Botanicare ReadyGro Moisture	Per Pound		\$ 4.42	\$ 4.42	\$ 4.42	\$ 4.42	\$ 4.42	\$ 4.42	\$ 4.42
<b>Sub-total Variable</b> per unit			\$ 142.07	\$ 142.07	\$ 142.07	\$ 142.07	\$ 153.21	\$ 153.21	\$ 153.21
<b>Total Variable</b> all units			\$ 91,242	\$ 91,242	\$ 91,242	\$ 91,242	\$ 393,585	\$ 668,638	\$ 1,109,973
<b>Total Variable Cost</b>			\$ 91,242	\$ 91,242	\$ 91,242	\$ 91,242	\$ 393,585	\$ 668,638	\$ 1,109,973
<b>Category 2 - Fixed Costs</b>									
Rent	Annual		\$ 37,350.00	\$ 37,350.00	\$ 61,050.00	\$ 37,350.00	\$ 149,400.00	\$ 149,400.00	\$ 244,200.00
Employee	Annual		\$ 70,720.00	\$ 70,720.00	\$ 70,720.00	\$ 70,720.00	\$ 282,880.00	\$ 400,680.00	\$ 535,808.00
Insurance	Annual		\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
<b>Total Fixed Cost</b>			\$ 120,570	\$ 120,570	\$ 144,270	\$ 120,570	\$ 482,280	\$ 600,080	\$ 830,008
<b>Total Cost</b>			\$ 211,812	\$ 211,812	\$ 235,512	\$ 211,812	\$ 875,865	\$ 1,268,718	\$ 1,939,981
<b>Total COGS</b>			\$ 330	\$ 330	\$ 367	\$ 330	\$ 341	\$ 291	\$ 268
<b>Gross Profit (\$)</b>			\$ 2,228,739	\$ 2,228,739	\$ 2,205,039	\$ 2,228,739	\$ 8,886,335	\$ 15,315,714	\$ 25,591,019
<b>Gross Margin (%)</b>			91.32%	91.32%	90.35%	91.32%	91.03%	92.35%	92.95%



### **Maintaining of Financial Records Plan**

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

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

cooperate with the Commission in any investigation regarding manipulation or alteration of sales data, and take any other such action as directed by the Commission.

- E. Advanced shall maintain records that it has completed the required monthly audits and make such records available to the Commission upon request.
- F. Finally, Advanced shall institute separate accounting practices for marijuana and non-marijuana sales and comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.



## **Personnel Policies Including Background Checks**

### **Introduction**

Advanced Cultivators, LLC (“Advanced”) will maintain personnel records as a separate category of records due to the sensitivity and importance of information concerning agents, including registration status and background check records. At a minimum, Advanced will maintain the following personnel records: 1) job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions; 2) personnel records for each marijuana establishment agent; 3) a staffing plan that will demonstrate accessible business hours and safe conditions; 4) personnel policies and procedures; and 5) all background check reports obtained in accordance with 935 CMR 500.030. Advanced anticipates that it will employ marijuana agents to fill the following job roles for its marijuana cultivation facility in Lowell, MA:

- A. Director of Cultivation
- B. Facility Manager
- C. Human Resources Manager
- D. Cultivation Aide(s)
- E. Director of Security
- F. Security Guard(s)

### **Marijuana Agent Personnel Records**

Personnel records for each marijuana agent (as defined in 935 CMR 500.002) will be maintained for at least twelve (12) months after termination of the agent’s affiliation with Advanced and will include, at a minimum, the following: 1) all materials submitted to the Commission pursuant to 935 CMR 500.030(2); 2) documentation of verification of references; 3) the job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision of the marijuana agent; 4) documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters; 5) documentation of periodic performance

evaluations; 6) records of any disciplinary actions taken; 7) notice of completed responsible vendor and eight-hour related duty training; 8) results of initial background investigation, including CORI reports; and 9) documentation of all security related events (including violations) and the results of any investigations and description of remedial actions, restrictions, or additional training required as a result of an incident. These personnel records will be kept in a secure location to maintain confidentiality and be accessible only to the agent's manager or members of the executive management team.

### **Marijuana Agent Background Checks**

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

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

Advanced will make employment suitability determinations in accordance with the procedures set forth in 935 CMR 500.800. In addition to the requirements established in 935 CMR 500.800, Advanced will:

- A. Comply with all guidance provided by the Commission and 935 CMR 500.802: Tables B through D to determine if the results of the background are grounds for Mandatory Disqualification or Presumptive Negative Suitability Determination;
- B. Consider whether offense(s) or information that would result in a Presumptive Negative Suitability Determination under 935 CMR 500.802. In the event a Presumptive Negative Suitability Determination is made, Advanced will consider the following factors:

1. Time since the offense or incident;
2. Age of the subject at the time of the offense or incident;
3. Nature and specific circumstances of the offense or incident;
4. Sentence imposed and length, if any, of incarceration, if criminal;
5. Penalty or discipline imposed, including damages awarded, if civil or administrative;
6. Relationship of offense or incident to nature of work to be performed;
7. Number of offenses or incidents;
8. Whether offenses or incidents were committed in association with dependence on drugs or alcohol from which the subject has since recovered;
9. If criminal, any relevant evidence of rehabilitation or lack thereof, such as information about compliance with conditions of parole or probation, including orders of no contact with victims and witnesses, and the subject's conduct and experience since the time of the offense including, but not limited to, professional or educational certifications obtained; and
10. Any other relevant information, including information submitted by the subject; and

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

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

Advanced will cause its background screening to be conducted by an investigative firm holding the National Association of Professional Background Screeners (NAPBS®) Background Screening Credentialing Council (BSCC) accreditation and capable of performing the searches required by the regulations and guidance provided by the Commission. Any references provided by the marijuana agent will be verified at the time of hire. As deemed necessary, individuals in to be hired for key Advanced positions with unique and sensitive access (e.g., members of the executive management team) will undergo additional screening, which may include interviews

with prior employers and/or colleagues. As a condition of continued employment, agents, volunteers, contractors, and subcontractors are required to renew their Registration Cards (as that term is defined in 935 CMR 500.002) annually and submit to other background screening as may be required by Advanced or the Commission.

## **Staffing Plan and Business Hours**

### *Hiring and Recruitment*

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

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

In accordance with 935 CMR 500.105(1)(r), Advanced has in place policies and procedures to promote workplace safety consistent with the standards set forth in the Occupational Safety and Health Act ("OSHA") of 1970. Advanced shall furnish to each of employees employment and a place of employment, which are free from recognized hazards that are causing or likely to cause death or serious physical harm. In turn, Advanced shall comply with all applicable OSHA regulations.

### *Standards of Employee Conduct*

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

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

Advanced also has a zero-tolerance policy against use of alcohol, tobacco and other smoking products (including, but not limited to, marijuana consumption), or drugs within its Lowell facility. All employees and volunteers (if any) will be made aware of this zero-tolerance policy, and Advanced will have in place policies and procedures to ensure company-wide compliance.

#### *Violence and Weapons in the Workplace*

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

#### *At-Will Employment*

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

#### *Workplace Attire*

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

#### *Staffing Plan Record Retention*

Prior to commencing operations in Lowell, Advanced will implement a tailored staffing plan, which shall include job descriptions for each employee and volunteer position (if any) at the facility, in addition to an organizational chart that is consistent with those job descriptions. For each employee or volunteer, Advanced will retain all staffing and personnel records described in 935 CMR 500.105(9) for at least 12 months after termination of the employee/volunteer's affiliation with Advanced.

### **Overview of Personnel Policies and Procedures**

### Standard Employment Practices

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

### *Advancement*

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

### *Written Policies*

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

### *Investigations*

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

### *Designated Outside Counsel*

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

### *Employee Quality Control Samples*

If Advanced intends to provide its employees will quality control samples for the purpose of ensuring product quality and determining whether to make the product available to sell, all such samples will be distributed in accordance with 935 CMR 500.120(14) and 500.130(9), as applicable.

Quality Control Samples provided to employees:

- May not be consumed on the licensed Premises;
- May not be sold to another licensee or Consumer; and

- Shall be tested in accordance with 935 CMR 500.160: Testing of Marijuana and Marijuana Products.

Advanced acknowledges that it is limited to providing the following aggregate amount of Quality Control Samples to all employees in a calendar month period:

- Four grams per strain of Marijuana flower and no more than seven strains of Marijuana flower;

All Quality Control Samples shall have a legible, firmly affixed label on which the wording is no less than 1/16 inch in size containing at minimum the following information:

- A statement that reads: “QUALITY CONTROL SAMPLE NOT FOR RESALE”;
- The name and registration number of the Marijuana Cultivator or Product Manufacturer;
- The quantity, net weight, and type of Marijuana flower or Marijuana Product contained within the package; and
- A unique sequential, alphanumeric identifier assigned to the Cultivation or Production Batch associated with the Quality Control Sample that is traceable in Advanced’s Seed-to-sale system.

## **Job Status**

### *Job Classifications*

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

### *Work Schedules*

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

### *Mandatory Meetings and Community Service Days*

There will be a mandatory reoccurring company-wide meeting on a quarterly basis. All full-time employees will be notified of their required attendance. Advanced will also organize and encourage employee participation in community service activities in Lowell.

### *Breaks*

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

### *Performance Reviews*

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

### *Leave Policies*

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

Advanced anticipates observing the following holidays:

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

## **Disciplinary Policies**

### *Purpose*

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

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

### *Procedure*

#### *Step 1: Counseling and Verbal Warning*

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

Within five business days, the supervisor will prepare written documentation of a Step 1 meeting. The employee will be asked to sign the written documentation. The employee's signature is needed to demonstrate the employee's understanding of the issues and the corrective action needed.

#### *Step 2: Written Warning*

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

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

#### *Step 3: Suspension and Final Written Warning*

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

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

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

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

#### *Step 4: Recommendation for Termination of Employment*

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

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

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

#### *Appeal Process*

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

#### *Performance and Conduct Issues Not Subject to Progressive Discipline*

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

#### *Documentation*

The employee will be provided copies of all progressive discipline documentation, including all performance improvement plans. The employee will be asked to sign copies of this documentation attesting to their receipt and understanding of the corrective action outlined in these documents. Copies of these documents will be placed in the employee's official personnel file.

#### *Separation of Employment*

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

#### *Types of Separation*

##### *1. Resignation*

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

##### *2. Retirement*

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

##### *3. Job Abandonment*

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

4. Termination

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

5. Reduction in Workforce

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

6. Release

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

*Exit Interview*

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

*Return of Property*

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

*Termination of Benefits*

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

*Health Insurance*

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

### *Rehire*

Former employees who left in good standing and were classified as eligible for rehire may be considered for reemployment. An application must be submitted to the Human Resources Manager, and the applicant must meet all minimum qualifications and requirements of the position, including any qualifying exam and current registration with the Commission, when required.

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

### **Compensation**

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

### *Selection Criteria*

1. The compensation system will price positions to market by using local, national, and marijuana-industry specific survey data.
2. The market data will primarily include marijuana-related businesses and will include survey data for more specialized positions and will address significant market differences due to geographical location.
3. The system will evaluate external equity, which is the relative marketplace job worth of every marijuana-industry job directly comparable to similar jobs at Advanced, factored for general economic variances, and adjusted to reflect the local economic marketplace.
4. The system will evaluate internal equity, which is the relative worth of each job in the organization when comparing the required level of job competencies, formal training and experience, responsibility and accountability of one job to another, and arranging all jobs in a formal job-grading structure.

5. Professional support and consultation will be available to evaluate the compensation system and provide on-going assistance in the administration of the program.
6. The compensation system must be flexible enough to ensure that the company is able to recruit and retain a highly-qualified workforce, while providing the structure necessary to effectively manage the overall compensation program.

### *Responsibilities*

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

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

### *Management Responsibility*

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



### **Energy Compliance Plan**

Advanced Cultivators, LLC (“Advanced”) appreciates that consideration of energy efficiency and conservation should occur during the application process for marijuana establishment licensees and throughout the operational life of its facility. Advanced’s cultivation facility at 100 Phoenix Ave Units #5 & #3 in Lowell will include a Tier 2 cultivation operation. Accordingly, Advanced will develop procedures to comply with all energy conservation regulations and guidance documents applicable to cultivation facilities. In accordance with 935 CMR 500.105(1)(q), Advanced will implement policies and procedures for energy efficiency and conservation that shall include:

- A. Identification of potential energy use reduction opportunities (including, but not limited to, natural lighting, heat recovery ventilation and energy efficiency measures), and a plan for implementation of such opportunities;
- B. Consideration of opportunities for renewable energy generation including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;
- C. Strategies to reduce electric demand (such as lighting schedules, active load management and energy storage); and
- D. Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants

The build-out of the facility at 100 Phoenix Ave Units #5 & #3 in Lowell will include collaboration with energy professionals who will review facility and equipment needs and make recommendations for optimal facility equipment choices based on energy usage. In addition, to the extent the Commonwealth’s Executive Office of Energy and Environmental Affairs (“EOEEA”) promulgates any energy or water conservation regulations applicable to marijuana cultivators, Advanced will nimbly incorporate such regulations into its energy compliance procedures.

To the extent that waste is produced on site, Advanced will comply with the Commission's Guidance on Best Management Practices for Waste Management.<sup>1</sup> Likewise, Advanced will nevertheless comply with the Commission's Guidance on Best Management Practices for Water Use.<sup>2</sup>

For the avoidance of doubt, all of Advanced's energy and water conservation procedures will be fully compliant with h 935 CMR 500.101(1)(c)(10) and 500.105(15), to the extent applicable to marijuana cultivators. Likewise, in accordance with 935 CMR 500.130(3), Advanced will meet all applicable environmental laws, regulations, permits and other applicable approvals including, but not limited to, those related to water quality and quantity, wastewater, solid and hazardous waste management and air pollution control, including prevention of odor and noise pursuant to 310 CMR 7:00: Air Pollution Control, and to use additional best management practices as determined by the Commission in consultation with the working group established under St. 2017, c. 55, § 78(b) or applicable departments or divisions of the EOEEA to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts.

In constructing and operating the cultivations areas of its Lowell Facility, Advanced will ensure continued compliance with each provision within 935 CMR 500.120(11). With respect to lighting, as required by 935 CMR 500.120(11)(h) Advanced will comply with either: (1) the HLPD standard; or (2) the Horticultural Lighting Qualified Product List (Horticultural QPL):

- A. HLPD: HLPD must not exceed 36 watts per gross square foot, but for Tier 1 and Tier 2 which must not exceed 50 watts per square foot. HLPD is a measure of total watts of Horticultural Lighting Equipment per total Horticulture Lighting Square Footage, expressed as number of watts per square foot. (HLE / HLSF = HLPD)
- B. 2. Horticultural QPL: All horticultural lighting used in a facility must be:
  - 1. Listed on the current Design Lights Consortium Solid-State Horticultural QPL or other similar list approved by the Commission as of the date of license application, AND

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<sup>1</sup> Available at: [https://mass-cannabis-control.com/wp-content/uploads/200825\\_Energy\\_and\\_Environment\\_Compiled\\_Guidance.pdf](https://mass-cannabis-control.com/wp-content/uploads/200825_Energy_and_Environment_Compiled_Guidance.pdf).

<sup>2</sup> *Id.*

2. Lighting Photosynthetic Photon Efficacy (PPE) is at least 15 percent above the minimum Horticultural QPL threshold rounded up to the nearest 0.1 micromoles per joule ( $\mu\text{mol/J}$ ).

In accordance with 934 CMR 500.120(11)(c), the building envelope for all facilities, except Greenhouses, shall meet minimum Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR: State Building Code), International Energy Conservation Code (IECC) Section C402 or The American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE) Standard 90.1 Sections 5.4 and 5.5 as applied or incorporated by reference in 780 CMR: State Building Code. Similarly, in accordance with 935 CMR 500.120(11) and 501.120(12)(c), any HVAC and dehumidification systems used in Advanced's Lowell facility will meet Massachusetts Building Code requirements, 780 CMR, which in turn incorporates Chapter 403 of the International Energy Conservation Code (IECC) and Chapter 6 of the American Society of Heating, Refrigerating and Air-Conditioning Engineers Handbook. Advanced will establish and document safety protocols to protect workers, Consumers, or Visitors (e.g., eye protection near operating Horticultural Lighting Equipment).

Finally, because Advanced's Lowell facility will include a cultivation operation, Advanced will maintain policies and procedures addressing all efforts to mitigate environmental impacts, as required under 935 CMR 500.120(12)(e) and 935 CMR 501.120(13)(e).



## **Employee Qualifications and Training Plan**

Advanced Cultivators, LLC (“Advanced”) shall ensure that all marijuana establishment agents undergo and maintain comprehensive training prior to performing job functions, and at regular intervals. Training shall be tailored to the roles and responsibilities of the job function of each marijuana establishment agent, and at a minimum shall include participation in a Responsible Vendor Program pursuant to 935 CMR 500.105(2)(b). Records of these trainings will be maintained for at least 4 years. Advanced will require that all marijuana agents and staff receive and participate in, a minimum of, eight (8) hours of training annually, including a minimum of 4 hours of responsible vendor training in accordance with 935 CMR 500.105(2)(a) and (b)(1). In addition, Advanced will ensure that all employees are trained on job specific duties prior to performing job functions.

### **Company Training Programs**

Advanced Training Policies shall be as follows:

- A. All owners, managers and employees that are involved in the handling and wholesaling of marijuana for adult use at the time of licensure or renewal of licensure, as applicable, shall attend and successfully complete a responsible vendor training.
- B. All new employees involved in the handling and wholesaling of marijuana for adult use shall successfully complete a responsible vendor program within 90 days of hiring.
- C. After initial successful completion of a responsible vendor program, each owner, manager, and employee involved in the handling and wholesaling of marijuana for adult use shall successfully complete the program once each year thereafter in order to maintain designation as a responsible vendor.
- D. Administrative employees who do not handle or wholesale marijuana may voluntarily participate in the responsible vendor program.
- E. Advanced shall maintain records of responsible vendor training program compliance for four (4) years and make them available for inspection by the Commission and any other applicable licensing authority upon request during normal business hours.

### **Responsible Vendor Program**



With respect to Responsible Vendor Training and in accordance with 935 CMR 500.105, Advanced's marijuana agents first take the Basic Core Curriculum. On completing the Basic Core Curriculum, an agent will be eligible to take the Advanced Core Curriculum. Advanced shall ensure that its Responsible Vendor Training Program's core curriculum includes the following minimum requirements and meets any other requirements of a Commission approved curriculum:

- A. Safety, Security and Rules and Regulations pertaining to Cultivation of marijuana including sanitary procedures;
- B. Discussion concerning marijuana's effect on the human body, with specific focus on:
  - 1. Marijuana's physical effects based on type of marijuana product;
  - 2. Duration of physical effects; and
  - 3. Recognizing the signs of impairment.
- C. Diversion prevention and prevention of sales to minors;
- D. Compliance with all inventory tracking requirements;
- E. Acceptable forms of identification, with specific focus on:
  - 1. Verifying identification;
  - 2. Spotting false identification;
  - 3. Confiscating fraudulent identifications;
  - 4. Common mistakes made in verification.
- F. Other state laws and regulations affecting owners, managers, and employees, which shall include:
  - 1. Local and state licensing and enforcement;
  - 2. Incident and notification requirements;
  - 3. Administrative and criminal liability;



4. License sanctions and court sanctions;
  5. Waste disposal;
  6. Health and safety standards;
  7. Patrons prohibited from bringing marijuana onto licensed premises;
  8. Permitted hours of sale;
  9. Conduct of establishment;
  10. Permitting inspections by state and local licensing and enforcement authorities;
  11. Licensee responsibilities for activities occurring within licensed premises;
  12. Maintenance of records;
  13. Privacy issues; and
  14. Prohibited purchases and practices.
- G. Any other areas of training determined by the Commission to be included in a responsible vendor training program.

### **Personnel Plans**

At launch or shortly thereafter, the company plans to hire personnel to fill the following positions:

- A. Director of Cultivation
- B. Facility Manager
- C. Human Resources Manager
- D. Cultivation Aide(s)
- E. Director of Security



F. Security Guard(s)



## **Quality Control and Testing**

Advanced Cultivators, LLC (“Advanced”) is dedicated to selling the highest quality marijuana and marijuana products to its customers. That commitment requires Advanced to maintain safe and sanitary working conditions, to hold its employees to the highest sanitation standards, and to ensure that its products are properly tested for contaminants. Accordingly, Advanced shall abide by the below requirements:

### **Testing of Marijuana**

- A. Advanced shall engage an Independent Testing Laboratory to test its marijuana and marijuana products in compliance with the *Protocol for Sampling and Analysis of Finished Medical Marijuana Products and Marijuana-infused Products*, as amended in November, 2016, published by the Massachusetts Department of Public Health (“DPH”) and to test its environmental media (e.g., soils, solid growing media, and water) in compliance with the *Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Dispensaries* published by the DPH.
- B. Advanced will never market or sell marijuana or marijuana product that is not capable of being tested by Independent Testing Laboratories (except as allowed under 935 CMR 500.000).
- C. Advanced will utilize an Independent Testing Laboratory to conduct testing for contaminants as required by the Commission, including for mold, mildew, heavy metals, plant-growth regulators, and pesticides not approved for use on marijuana by the Massachusetts Department of Agricultural Resources. Testing records shall be maintained for no less than one year.
- D. For any products that fail initial testing, Advanced subject the products to a Second Confirmatory Test in accordance with the procedures set forth in 935 CMR 500.002 and 500.160(13).
- E. Advanced shall provide written notification within seventy-two hours to the Commission of any testing results indicating that its marijuana or marijuana products’ contaminant levels are above the acceptable limits identified in 935 CMR 500.160(1), that contamination cannot be remediated, and must be disposed of. Advanced shall also ensure that its Independent Testing Laboratory notify the Commission of the results. In its written notification to the Commission,

Advanced shall offer a proposed plan to destroy the contaminated product and to identify and remediate the source of contamination.

- F. All transportation of marijuana and marijuana products to and from an Independent Testing Laboratory shall be secure and in compliance with 935 CMR 500.105(13).
- G. Following testing, all excess marijuana shall be disposed of in compliance with Advanced's Disposal Policy and 935 CMR 500.105(12), either by the Independent Testing Laboratory returning the excess marijuana to Advanced for disposal or by the Independent Testing Laboratory disposing of it directly.
- H. If Advanced were to sell or transfer marijuana or marijuana products to other Marijuana Establishments, then, consistent with 935 CMR 500.120(6), Advanced would provide documentation of compliance or lack thereof, as the case may be, with the testing requirements of 935 CMR 500.160.
- I. In accordance with 935 CMR 500.160(13), if Advanced receives notice that Marijuana it has submitted for testing has failed any test for contaminants shall either reanalyze the Marijuana without remediation, take steps to remediate the identified contaminants, or dispose of the Marijuana.
  - 1. Reanalysis by a Second Independent Testing Laboratory ("ITL"). If Advanced chooses to reanalyze the sample, a sample from the same batch shall be submitted for reanalysis at the ITL that provided the original failed result. If the sample passes all previously failed tests at the initial ITL, a sample from the same batch previously tested shall be submitted to a second ITL other than the initial ITL for a Second Confirmatory Test. To be considered passing and therefore safe for sale, the sample shall have passed the Second Confirmatory Test at a second ITL. Any Marijuana that fails the Second Confirmatory Test may not be sold, transferred or otherwise dispensed to Consumers, Patients or Licensees without first being remediated. Otherwise, Advanced shall dispose of any such product
  - 2. Remediation. If Advanced chooses to remediate, a new test sample shall be submitted to a licensed ITL, which may include the initial ITL for a full-panel test. Any failing Marijuana may be remediated a maximum of two times. Any Marijuana that fails any test after the second remediation attempt may not be sold, transferred or otherwise dispensed to Consumers, Patients or Licensees. Advanced shall dispose of any such product.
  - 3. If Advanced chooses to dispose of the Marijuana, it shall do so in compliance with 935 CMR 500.105(12): Waste Disposal.

## **Handling of Marijuana & Sanitation**

Advanced shall handle and process marijuana and marijuana products in a safe and sanitary manner. Advanced shall implement the following policies:

- A. Advanced shall process the leaves and flowers of the female marijuana plant only. Such leaves and flowers shall be: (i) well cured and generally free of seeds, stems, dirt, sand, debris, mold, rot, other fungus, and bacterial diseases; (ii) prepared and handled on food-grade stainless steel tables; (iii) free of dirt sand, debris, and other foreign matter; (iv) of contamination by mold, rot, other fungus, and bacterial diseases; and (v) packaged in a secure area.
- B. Any Advanced agent whose job includes contact with marijuana or nonedible marijuana products shall comply with the requirements for food handlers specified in 105 CMR 300.000: *Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements*; maintain adequate personal hygiene; and wash their hands thoroughly before starting work, and at any other time when hands may have become soiled or contaminated. Advanced shall provide such agents with readily-accessible hand-washing and drying facilities in all areas where good sanitary practices require employees to wash and sanitize their hands.
- C. The building envelope for Advanced's facility (including floors, walls, and ceilings) will allow for adequate cleaning/repair.
- D. Advanced shall implement the following policies and procedures to ensure that its facility is maintained in a sanitary condition:
  - 1. Provide adequate storage for equipment and materials necessary for the maintenance of sanitary operations;
  - 2. Remove and dispose of litter and waste, in a manner consistent with 935 CMR 500.105(12), to prevent the development of odor and minimize the potential for the waste attracting and harboring pests;
  - 3. Ensure that the facility is constructed in a manner that allows surfaces to be kept clean and in good repair;
  - 4. Provide ample lighting in all areas where marijuana is processed and stored and where equipment or utensils are cleaned;
  - 5. Purchase equipment and utensils that are designed to allow adequate sanitization;
  - 6. Maintain all contact surfaces in a clean and sanitary condition, cleaning them as frequently as necessary to protect against contamination. All cleaning of contact surfaces will be performed with a sanitizing agent registered by the US Environmental Protection Agency ("EPA");

7. Clearly label any toxic item and store them in a manner that protects against contamination of marijuana products;
  8. Maintain a safe, potable, and adequate water supply, with plumbing that is adequately designed and installed to carry sufficient quantities of water throughout the facility, and to convey sewage and liquid disposable waste from the facility;
  9. Maintain a water supply that is sufficient for all necessary operations at the facility;
  10. Maintain restroom facilities that are maintained in sanitary condition and good repair;
  11. Provide agents with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair; and
  12. Store products that can facilitate the rapid growth of undesirable microorganisms in a manner that prevents such growth.
- E. Advanced shall store and transport products under conditions that protect against physical, chemical, and microbial contamination as well as against deterioration of finished products or their containers. This includes ensuring that vehicles and transportation equipment provide adequate temperature control to prevent the marijuana products or edibles from becoming unsafe during transportation.
- F. If applicable, all edible products shall be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 590.000: *Minimum Sanitation Standards for Food Establishments*.



## **Recordkeeping Procedures**

### **Introduction**

Advanced Cultivators, LLC (“Advanced”) has established policies regarding recordkeeping and record-retention in order to ensure the maintenance, safe keeping, and accessibility of critical documents. Advanced intends to maintain all records, to the extent feasible, in electronic form. If physical records are used, they will be stored at Advanced’s Lowell cultivation facility in a locked room designated for record retention. All written and electronic records will be available for inspection by the Commission upon request in accordance with 935 CMR 500.300(1).

### **Recordkeeping Procedures**

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

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

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

on an annual basis. Written operating policies and procedures will include the following:

1. Security measures in compliance with 935 CMR 500.110;
2. Agent security policies, including personal safety and crime prevention techniques;
3. A description of Advanced's hours of operation and after-hours contact information, which will be provided to the Commission, made available to law enforcement officials upon request, and updated pursuant to 935 CMR 500.000;
4. Storage of marijuana in compliance with 935 CMR 500.105(11);
5. A description of the various strains of marijuana to be cultivated;
6. Procedures to ensure accurate recordkeeping, including inventory protocols in compliance with 935 CMR 500.160;
7. Plans for quality control, including product testing for contaminants in compliance with 935 CMR 500.160;
8. A staffing plan and staffing records in compliance with 935 CMR 500.105(9);
9. Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;
10. Alcohol, smoke, and drug-free workplace policies;
11. A plan describing how confidential information will be maintained;
12. Policy for the immediate dismissal of any dispensary agent who has: 1) diverted marijuana (which diversions will be reported the Lowell Police Department and to the Commission); 2) engaged in unsafe practices with regard to cultivation operations, which will be reported to the Commission; or 3) been convicted or entered a guilty plea, plea of *nolo contendere*, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority;
13. A list of all Advanced executives and members, if any, of the licensee must be made available upon request by any individual. 935 CMR 500.105(1)(m)'s requirement may be fulfilled by placing this information on Advanced's website;
14. Policies and procedures for the handling of any cash on Advanced's premises including but not limited to storage, collection frequency and transport to financial institution(s);
15. Policies and procedures to prevent the diversion of marijuana to individuals younger than 21 years old;
16. Policies and procedures for energy efficiency and conservation that will include: 1) identification of potential energy use reduction opportunities (including but not limited to natural lighting, heat recovery ventilation and energy efficiency measures), and a plan for implementation of such opportunities; 2) consideration of opportunities for renewable energy generation, including, where applicable, submission of building plans

showing where energy generators could be placed on site, and an explanation of why the identified opportunities were not pursued, if applicable; 3) strategies to reduce electric demand (such as lighting schedules, active load management and energy storage); and 4) engagement with energy efficiency programs offered pursuant to M.G.L. c. 25 § 21, or through municipal lighting plants.

- F. Handling and Testing of Marijuana Records: Advanced will maintain the results of all testing for a minimum of one (1) year.
- G. Inventory Records: the record of each inventory will include, at a minimum, the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the agents who conducted the inventory in accordance with 935 CMR 500.105(8)(d).
- H. Seed-to-Sale Tracking Records: Advanced will use a Commission-approved seed-to-sale tracking system, most likely *METRC*, to maintain real-time inventory. *METRC* inventory reporting meets the requirements specified by the Commission and 935 CMR 500.105(8)(c) and (d), including, at a minimum, an inventory of marijuana plants; marijuana plant-seeds and clones in any phase of development such as propagation, vegetation, flowering; marijuana ready for dispensing; all marijuana products; and all damaged, defective, expired, or contaminated marijuana and marijuana products awaiting disposal. Advanced's tracking software will enable Advanced to tag and track all marijuana seeds, clones, plants, and marijuana products in compliance with the seed-to-sale methodology in a form and manner approved by the Commission.
- I. Waste Disposal Records: when marijuana or marijuana products are disposed of, Advanced will create and maintain a written record of the date, the type and quantity disposed of or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two Advanced agents present during the disposal or handling, with their signatures in compliance with 935 CMR 500.105(12). Advanced will keep disposal records for at least three (3) years. This period will automatically be extended for the duration of any enforcement action and may be extended by an order of the Commission.
- J. Incident Reporting Records: within ten (10) calendar days, Advanced will provide written notice to the Commission of any incident described in 935 CMR 500.110(7)(a), by submitting an incident report, detailing the incident, the investigation, the findings, resolution (if any), confirmation that the Lowell Police Department and Commission were notified within twenty-four (24) hours of discovering the breach, and any other relevant information. Reports and supporting documents, including photos and surveillance video related to a reportable incident, will be maintained by Advanced for no less than one (1) year or the duration of an open investigation, whichever is longer, and made available to the Commission and law enforcement authorities upon request.

- K. Visitor Records: a visitor sign-in and sign-out record will be maintained at the security office. The record will include the visitor's name, address, organization or firm, date, time in and out, and the name of the authorized agent who will be escorting the visitor.
- L. Security Records: Advanced will maintain a current list of authorized agents and service personnel that have access to the surveillance room will be available to the Commission upon request. Twenty-four (24) hour recordings from all video cameras that are available for immediate viewing by the Commission upon request and that are retained for at least ninety (90) calendar days.
- M. Transportation Records: Advanced will retain all transportation manifests (which, in each instance, will be created in accordance with 935 CMR 500.105(13)(f)) for a minimum of one (1) year and make them available to the Commission upon request.
- N. Closure: In the event that Advanced's Lowell facility closes, all records will be kept for at least two (2) years at Advanced's expense in a form (electronic, hard copies, etc.) and location acceptable to the Commission. In addition, Advanced will communicate with the Commission during the closure process and accommodate any additional requests that the Commission or other Commonwealth agencies may have.



### **Plan for Restricting Access to Age 21 and Older**

Access to Advanced Cultivators, LLC's ("Advanced") Lowell, MA marijuana cultivation facility shall be strictly limited to individuals age 21 or older who possess a valid, non-expired, government-issued photo identification verifying their age. In accordance with 935 CMR 500.050(5), all Advanced agents shall be age 21 or older, and Advanced will require all visitors to present government-issued photo identification to verify their age. Upon entry into the premises of the marijuana establishment by any individual, a trained Advanced security agent will immediately inspect the individual's proof of identification and determine the individual's age, in accordance with 935 CMR 500.140(2). Additionally, Advanced will verify the age of all visitors to the premises to confirm that are 21 or older.

In the event that Advanced discovers that any of its agents intentionally or negligently allowed a person under the age of 21 to enter its facility, the agent will be terminated and the Commission will be notified in accordance with 935 CMR 500.105(1).

Advanced's advertising, marketing, and labeling practices will comply with 935 CMR 500.105, including the requirements designed to ensure that individuals under 21 years of age do not use marijuana or marijuana products. Advanced's website will require all online visitors to verify that they are 21 years of age or older prior to accessing the website, in accordance with 935 CMR 500.105(4)(b)(13).

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

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

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



Finally, Advanced will never sell any edible products that resemble a realistic or fictional human, animal or fruit, including artistic, caricature or cartoon renderings, in accordance with 935 CMR 500.150(1)(b). Similarly, per 935 CMR 500.105(4)(a)(5), any marketing, advertising and branding materials for public viewing will prominently display a warning stating, “For use only by adults 21 years of age or older. Keep out of the reach of children. Marijuana can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of marijuana.”



## **Diversity Plan**

### **Introduction:**

Advanced Cultivators, LLC (or “the Company”) is committed to creating and sustaining a comprehensive diversity and inclusion policy. This plan is designed to encourage equity among women, minorities, veterans, people with disabilities, and LGBTQ+ individuals. Our commitment to an inclusive workplace where employees feel valued and supported will enable the Company to attract and retain a diverse workforce representing our clients and community.

### **Goals:**

#### **Goal #1: Recruit a Diverse Workforce:**

Advanced Cultivators, LLC is focused on creating an organization that supports workplace diversity, workplace inclusion, sustainability and accountability. To increase diversity of thinking and perspectives in the workplace, the Company is dedicated to recruiting from a diverse group of qualified candidates. The Company is committed to achieving a goal of employing, retaining and providing opportunity for advancement to a workforce that is comprised of at least 50% of diverse individuals within four years of commencing operations in Lowell. By the end of year four of operations in Lowell, Advanced will endeavor to employ a workforce with the following diversity profile:

- 1- 40% minorities;
- 2- 10% veterans;
- 3- 10% LGBTQ+ individuals;
- 4- 10% women; and
- 5- 5% persons with disabilities.

#### **Goal #2: Create Internal Infrastructure to Train, Develop and Retrain Diverse Employees:**

Additionally, our company will implement infrastructure to empower diverse employees to thrive and move vertically within the Company. This begins with fostering a hospitable work environment staffed with employees who have been trained on diversity awareness and unconscious bias. The Company’s efforts will be supported by program development, employee training (including Diversity Awareness Training for all employees), and supervision from the Company’s Diversity Committee.

### **Diversity Programs:**



### *Initiatives to Recruit a Diverse Workforce:*

Advanced Cultivators, LLC strives to ensure equity in the cannabis industry for diverse individuals. The following recruitment efforts through will enable the Company to offer training, internships, employment opportunities, sponsorships, and support with fundraisers. The following steps are plans for the Company's diversity program, which will be carried out to create and maintain opportunities for qualified diverse applicants:

- The Company will provide current and potential future job opportunity updates to community representatives from recruitment organizations, whose missions are to support the hiring of diverse individuals. On that score, the Company will advertise job openings with the Greater Lowell Chamber of Commerce to ensure that the posting reach a diverse audience of potential applicants. The Company cannot yet predict how many jobs postings will be made. However, it will commit to posting all jobs openings as positions become available, but not less than annually.
- In working with surrounding community agencies, the Company will participate in job fairs Lowell, MA. The Company will participate in at least one job fair per year in Lowell. Because Advanced Cultivators is not yet operational and does not yet know when it will participate in its first job fair, it cannot yet provide a specific location. However, future versions of this Diversity Plan will provide more specific locational details once they are available.

### *Initiatives for Employee Training, Development and Retention*

Advanced Cultivators, LLC values its employees and is committed to fostering a supportive equitable work environment in order to promote career growth and decrease employee turnover. Employees will be afforded the opportunity to participate in comprehensive training, continuing career education opportunities, career counseling, career development, and advancement. Advanced's Human Resources Manager will be responsible for clearly defining job descriptions, communicating to all employees available training programs, promotion opportunities, and continuing education opportunities. All supervisors and managers will be instructed to refer employees seeking career counseling to the Human Resources Manager.

As part of our company's Diversity Plan, in order to establish an inclusive and diverse environment, the Human Resources Manager will review all hiring decisions to guarantee that the company's standards of a diverse and inclusive work environment is reflected in its hiring decisions and employee profile. In addition, Advanced Cultivators will require all new employees to complete comprehensive diversity, discrimination, harassment and sensitivity training courses as part of their initial orientation process and at least yearly thereafter. These courses will serve as educational tools for our employees and emphasize our zero-tolerance pledge against workplace harassment and discrimination. Advanced Cultivators will utilize



trainings offered by Course for Diversity (<https://coursefordiversity.com/states/MA>), which trainings include modules on value of diversity, protected categories, stereotypes, breaking down barriers, how to optimize diversity, handling complaints, and laws that apply to diversity in the workplace. Course for Diversity is a nationally recognized training organization and its Diversity Awareness Training Class meets general continuing professional development (CPD) and continuing professional education (CPE) requirements.

Our company is committed to addressing all reports of issues, concerns, or complaints as well as taking corrective actions as needed. All employees will be instructed to report any such incidences to our Human Resources Manager. The Human Resources Manager will then be obligated to report incidences to the executive team and appropriate actions will be determined and enforced.

The Company's Diversity Plan will include the following educational and training resources:

- An employee handbook, which will include the Equal Opportunity and Reasonable Accommodations statements and workplace zero tolerance policies including but not limited to harassment and discrimination prohibitions.
- Initial and yearly training programs for all employees.
- Posting Company communications in highly visible areas for all employees.
- Management and employee presentations on diversity initiatives.

### **Diversity Measurement**

To ensure the effectiveness of the company's Diversity Plan, as well as ensuring the Company's diversity goals are met, a set of quality assurance policies and evaluation procedures will be created. Through implementation of our Diversity Plan procedures and policies, the Human Resources Manager will have the responsibility of overseeing the Diversity Plan implementation by conducting annual evaluations and audits to ensure diversity goals are being met or exceeded. As part of that oversight, the Human Resources Manager will analyze the company's diversity plan progress by conducting annual assessments and formulate an Annual Diversity Audit Report, which will be reviewed by the executive team. The comprehensive annual audit report will include all information deemed necessary to ensure compliance with the Commission's rules regulations governing marijuana establishments including but not limited to the following:

- A comprehensive summary of all efforts made by the Company to monitor and enforce the Diversity Plan.
- Data tracking: A complete review of all applications to ensure that the company is receiving interest from a diverse population including minorities, women, veterans, people with disabilities, and LGBTQ+ individuals.
- Follow-up communication with interested, diverse candidates for employment.



- Employment data for all job classifications: Including information to ensure equal representation in the workforce of people with disabilities, minorities, women, veterans, and LGBTQ+ individuals.
- Identification and value of all contracts awarded for goods and services including but not limited to contracts with diverse subcontractors.

The Annual Diversity Audit Report will serve as an essential tool for the Human Resources Manager and executive team to assess the Company's progress toward hiring and retaining a workforce comprised of a minimum of 50% diverse individuals within four years of operation. The following prospective targets will serve as guideline to meet our timeline:

**Commencement of Operations:** A minimum of 25% diverse individual employment

**Completion of Year 1:** A minimum of 30% diverse individual employment

**Completion of Year 2:** A minimum of 35% diverse individual employment

**Completion of Year 3:** A minimum of 40% diverse individual employment

**Completion of Year 4:** A minimum of 50% diverse individual employment

Advanced acknowledges that its progress or success with respect to this plan must be documented one year from provisional licensure and each year thereafter.

### **Diversity Plan Acknowledgments**

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