



Massachusetts Cannabis Control Commission

Marijuana Retailer

General Information:

License Number: MR284346
Original Issued Date: 01/12/2023
Issued Date: 12/12/2024
Expiration Date: 12/12/2025

ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: House of Ermias, LLC

Phone Number: 219-629-2009 **Email Address:** obayode@gmail.com

Business Address 1: 267 Broadway

Business Address 2:

Business City: Chelsea

Business State: MA

Business Zip Code: 02150

Mailing Address 1: 267 Broadway

Mailing Address 2:

Mailing City: Chelsea

Mailing State: MA

Mailing Zip Code: 02150

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: 60

Percentage Of Control:

60

Role: Executive / Officer

Other Role:

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.: \$

POSITIVE IMPACT PLAN

Positive Impact Plan:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	Plan For Positive Impact Updated.docx (1).pdf	pdf	63727ec35225350008235076	11/14/2022

ADDITIONAL INFORMATION NOTIFICATION

Notification:

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

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

Individual Background Information 2

Role:	Other Role:
First Name: Akeem	Last Name: Raphael 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	Certificate of Good Standing.pdf	pdf	618fdc51084df83201bfca0b	11/13/2021
Articles of Organization	Certificate of Organization (as filed and accepted).pdf	pdf	618fe76e5ca77d31bb6b5d35	11/13/2021
Articles of Organization	Certificate of Amendment (MA, removing Kyle) (1).pdf	pdf	618fe77bd8c16731dcbe2c20	11/13/2021
Bylaws	House of Ermias LLC (Single Member, MA) Operating Agreement.docx (1).pdf	pdf	618fe7b12c8fa137b9c7a6a9	11/13/2021
Department of Revenue - Certificate of Good standing	Department of Revenue Certificate of Good Standing.jpg	jpeg	633273502bb694000853d567	09/26/2022
Department of Unemployment Assistance - Certificate of Good standing	Certificate of Good Standing Employer Department.pdf	pdf	63586dc3a311610008aaf697	10/25/2022

Certificates of Good Standing:

Document Category	Document Name	Type	ID	Upload
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				Date
Secretary of Commonwealth - Certificate of Good Standing	Certificate of Good Standing William Galvin.jpg	jpeg	66db411794e8b800085b6432	09/06/2024
Department of Unemployment Assistance - Certificate of Good standing	DUA Compliance 2.png	png	66e475c594e8b80008639290	09/13/2024
Department of Revenue - Certificate of Good standing	Certificate of Good Standing Department of Revenue.pdf	pdf	671927bea18da60008de43b1	10/23/2024
Department of Revenue - Certificate of Good standing	Information about Departement of Revenue (1).pdf	pdf	67192d34249166000845c9e3	10/23/2024

Massachusetts Business Identification Number: 872864295

Doing-Business-As Name: House of Ermias LLC

DBA Registration City: Chelsea

BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	HOUSE_OF_ERMIAS_LL_- _Letter_of_Intent_to_Bind_Insurance_(Retail).pdf	pdf	618fe0ad2c8fa137b9c7a693	11/13/2021
Business Plan	House of Ermias Official Business Plan *****.pdf	pdf	62e8273dfad13900086f96d2	08/01/2022
Proposed Timeline	House of Ermias Timeline and TechStack - Mutual Action Plan.pdf	pdf	6627fb6179104200086e21fb	04/23/2024
Capitalization Table	Capitalization Table (1).pdf	pdf	671928b1a18da60008de47cd	10/23/2024
Operating Agreement or Articles of Incorporation	Attestation for CCC (1).pdf	pdf	6719299e249166000845c0c2	10/23/2024

OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Energy Compliance Plan	Energy Compliance Plan.pdf	pdf	62e82884c4bff6000934db85	08/01/2022
Qualifications and training	Qualification and Training.pdf	pdf	62e82897c4bff6000934dbad	08/01/2022
Personnel policies including background checks	Personnel Policies House of Ermias.pdf	pdf	62e828bffad13900086f9a32	08/01/2022
Quality control and testing	Quality Control and Testing House of Ermias.pdf	pdf	62e828cffad13900086f9a46	08/01/2022
Restricting Access to age 21 and older	Restricting Access To Age 21 Or Older.pdf	pdf	62e82902fad13900086f9ae2	08/01/2022
Maintaining of financial records	Maintenance of Financial Records (2).pdf	pdf	633273b076c6660008106fa9	09/26/2022
Storage of marijuana	Storage of Marijuana House of Ermias (2).pdf	pdf	6332741276c6660008106fd3	09/26/2022
Transportation of marijuana	Transportation of Marijuana House of	pdf	633274362bb694000853d5c7	09/26/2022

Ermias (3).pdf				
Inventory procedures	Inventory Procedures House of Ermias (2).pdf	pdf	6332745776c6660008106ffa	09/26/2022
Dispensing procedures	Dispensing Procedures (2).pdf	pdf	633274802bb694000853d5ee	09/26/2022
Record Keeping procedures	Record Keeping Procedure (2).pdf	pdf	633274c72bb694000853d615	09/26/2022
Prevention of diversion	Plan for Preventing Diversion.pdf	pdf	6332752d2bb694000853d687	09/26/2022
Plan for obtaining marijuana or marijuana products	Plan to Obtain Marijuana or Marijuana Infused Products (1).pdf	pdf	6332755e76c66600081070db	09/27/2022
Security plan	House of Ermias Security Plan (1)-compressed.pdf	pdf	635b0902bd58f90008715472	10/27/2022
Diversity plan	Diversity Plan Updated.pdf	pdf	636c497ce78dd30008b75ba1	11/09/2022

MARIJUANA RETAILER SPECIFIC REQUIREMENTS

No documents uploaded

No documents uploaded

ATTESTATIONS

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

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

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

Notification:

I 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 - PRE FEBRUARY 27, 2024

Progress or Success Goal 1

Description of Progress or Success: Have yet to open

COMPLIANCE WITH DIVERSITY PLAN

Diversity Progress or Success 1

Description of Progress or Success: Have yet to open or begin hiring

HOURS OF OPERATION

Monday From: 9:00 AM	Monday To: 9:00 PM
Tuesday From: 9:00 AM	Tuesday To: 9:00 PM
Wednesday From: 9:00 AM	Wednesday To: 9:00 PM
Thursday From: 9:00 AM	Thursday To: 9:00 PM
Friday From: 9:00 AM	Friday To: 9:00 PM
Saturday From: 9:00 AM	Saturday To: 9:00 PM
Sunday From: 9:00 AM	Sunday To: 9:00 PM

Request For Documentation

We are still in PPLI stage at the moment and do not have this documentation you are requesting, as we are pre-operating.

Plan For Positive Impact

House of Ermias LLC (the “**Company**”) is basing its headquarters in Chelsea, Massachusetts, an area that has been identified by the Commission as an area of disproportionate impact.

During its first year of operations, the Company will implement the following goals, programs and measurements pursuant to this Plan for Positive Impact

The Company’s goals for this Positive Impact Plan are as follows:

1. Hire, in a legal and non-discriminatory manner, ***at least 50% of its employees*** from areas of disproportionate impact identified by the Commission, and/or Massachusetts residents who have, or have family members who have, past drug convictions in areas of disproportionately impact. Disproportionate impact areas we are focused on are: Chelsea, Lynn, Revere.
2. Provide self and professional development programs around emotional intelligence, financial literacy, and career development. Our efforts will be focused primarily in Chelsea.

Program

This program will be part of our requirements for all employees to take in addition to workshops we will provide to the public. The program will be eligible to 20 individuals of the public from Chelsea per session and will be conducted in our establishment. We will develop a **MONTHLY** curriculum around these topics:

- 1.) Emotional Intelligence
- 2.) Financial Literacy
- 3.) Lateral Thinking
- 4.) Neuroplasticity
- 5.) How to create generational wealth
- 6.) Impact of nutrition on health
- 7.) Conflict resolution
- 8.) Design Thinking
- 9.) Contracts Law 101
- 10.) Know Your Rights
- 11.) Improv

How Will This Program Be Marketed?

House of Ermias shall post monthly advertisements in the local newspaper, The Chelsea Record, stating the existence of this program. We will conduct 2 PR campaigns with the Chelsea Record to highlight the initiation of the campaign to raise awareness. The second campaign will focus on the individuals who partook and overall success/discovery uncovered throughout the program.

Annual and Quarterly Review for Employees

We will be conducting quarterly and annual OKR's (objectives and key results). Employees will grade managers and manager will grade employees. Then 1:1 meetings will be set to go over comments.

Grades will be based on a scale of 1-5 on the following:

- Usefulness and applicability of topics and tactics discussed in real life
- Did instructor and staff create a sense of comfort to express oneself freely
- Would they recommend training to friends, family members
- Do they want to take another course on the individual topic eg Should we do another workshop delving deeper on 1 of the 12 topics listed in Program section

Annual Review of Curriculum Program

Each year, the Company will review the following criteria in an effort to measure the success of its Positive Impact Plan.

1. Identify the number of individuals hired who (i) came from areas of disproportionate impact as defined by the Commission; or (ii) have past drug convictions; and
2. Identify the number of educational events or informational sessions it holds and attendance. Success will be graded on 50% of attendees identify as minority, women, LGBTQ, disabled, or veterans.
3. Collect surveys from attendees grading the impact the workshops have had on them. Grades will be based on a scale of 1-5 on the following:
 - Usefulness and applicability of topics and tactics discussed in real life
 - Did instructor and staff create a sense of comfort to express oneself freely
 - Would they recommend training to friends, family members
 - Do they want to take another course on the individual topic eg Should we do another workshop delving deeper on 1 of the 12 topics listed in Program section
3. House of Ermias LLC will continue to assess the viability and impact of financial donations made, and annually review donation goals amounts.

The Company affirmatively states that it: (1) acknowledges and is aware, and will adhere to, the requirements set forth in 935 CMR 500.105(4), which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment; any actions taken, or programs instituted, will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws; and (3) the Company will be required to document progress or success of this plan, in its entirety, annually upon renewal of its provisional license and each year after.



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

William Francis Galvin
Secretary of the
Commonwealth

September 23, 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

HOUSE OF ERMIA S LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **April 8, 2021**.

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: **OLA BAYODE**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **OLA BAYODE, JESSE COOK-DUBIN**

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



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

William Francis Galvin
Secretary of the Commonwealth



The Commonwealth of Massachusetts
William Francis Galvin

Minimum Fee: \$500.00

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

Certificate of Organization

(General Laws, Chapter)

Identification Number: 001499947

1. The exact name of the limited liability company is: HOUSE OF ERMIAS LLC

2a. Location of its principal office:

No. and Street: 267 BROADWAY
 City or Town: CHELSEA State: MA Zip: 02150 Country: USA

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

No. and Street: 267 BROADWAY
 City or Town: CHELSEA State: MA Zip: 02150 Country: USA

3. The general character of business, and if the limited liability company is organized to render professional service, the service to be rendered:

THE COMPANY IS ORGANIZED FOR THE SOLE PURPOSE OF APPLYING FOR A LICENSE WITH THE CANNABIS CONTROL COMMISSION, OR APPLYING FOR THE APPROVAL OF THE TRANSFER OF SUCH A LICENSE.

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:

Name: JESSE COOK-DUBIN
 No. and Street: 28 NORTH STREET, 3RD FLOOR
 City or Town: PITTSFIELD State: MA Zip: 01201 Country: USA

I, JESSE COOK-DUBIN resident agent of the above limited liability company, consent to my appointment as the resident agent of the above limited liability company pursuant to G. L. Chapter 156C Section 12.

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
MANAGER	KYLE UMEMBA	267 BROADWAY CHELSEA, MA 02150 USA
MANAGER	OLA BAYODE	267 BROADWAY CHELSEA, MA 02150 USA

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
SOC SIGNATORY	JESSE COOK-DUBIN	28 NORTH STREET, 3RD FLOOR PITTSFIELD, MA 01201 USA

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	OLA BAYODE	267 BROADWAY CHELSEA, MA 02150 USA
REAL PROPERTY	KYLE UMEMBA	267 BROADWAY CHELSEA, MA 02150 USA

9. Additional matters:

**SIGNED UNDER THE PENALTIES OF PERJURY, this 8 Day of April, 2021,
OLA BAYODE**

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

THE COMMONWEALTH OF MASSACHUSETTS

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

April 08, 2021 10:52 AM

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

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth



The Commonwealth of Massachusetts William Francis Galvin

Minimum Fee: \$100.00

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

[| LOGOUT |](#)

Certificate of Amendment

(General Laws, Chapter)



Help with this form

Identification Number: 001499947

The date of filing of the original certificate of organization: 04/08/2021

1.a. Exact name of the limited liability company: HOUSE OF ERMIA S LLC

1.b. The exact name of the limited liability company as amended, is:

2a. Location of its principal office:

No. and Street: 267 BROADWAY

City or Town: CHELSEA State: MA Zip: 02150 Country: USA

3. As amended, the general character of business, and if the limited liability company is organized to render professional service, the service to be rendered:

4. The latest date of dissolution, if specified: (mm/dd/yyyy)

5. Name and address of the Resident Agent:

Name: JESSE COOK-DUBIN
No. and Street: 28 NORTH STREET, 3RD FLOOR
City or Town: PITTSFIELD State: MA Zip: 01201 Country: USA

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

Check here if the business address for the current entry is the same as the office location.

Delete	Name	Address (no PO Box) Address, City or Town, State, Zip Code
<input type="checkbox"/>	OLA BAYODE	267 BROADWAY CHELSEA, MA 02150 USA

First Name: Middle Name: Last Name: Suffix:

City: State: Zip: Country:

Business Address:

- Same Person as -

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

Check here if the business address for the current entry is the same as the office location.

Delete	Name	Address (no PO Box) Address, City or Town, State, Zip Code
<input type="checkbox"/>	JESSE COOK-DUBIN	28 NORTH STREET, 3RD FLOOR PITTSFIELD, MA 01201 USA

First Name: Middle Name: Last Name: Suffix:

City: State: Zip: Country:

Business Address:

- Same Person as -

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

Check here if the business address for the current entry is the same as the office location.

Delete	Name	Address (no PO Box) Address, City or Town, State, Zip Code
<input type="checkbox"/>	OLA BAYODE	267 BROADWAY CHELSEA, MA 02150 USA

First Name: Middle Name: Last Name: Suffix:

City: State: Zip: Country:

Business Address:

- Same Person as -

9. Additional matters:

10. State the amendments to the certificate:

REFLECTS THAT KYLE UEMBA IS NO LONGER A MANAGER OR REAL PROPERTY SIGNATORY

11. The amendment certificate shall be effective when filed unless a later effective date is specified:

 (mm/dd/yyyy)

Filer's Contact Information

(Enter a contact name, mailing address, and email and/or phone number.)

Contact Name:

Business Name:

No. and Street: - Same Address as -

City or Town: [State:](#) Zip: [Country:](#)
Contact Phone: ext:
Contact Email:

Please provide an email address to receive an expedited response from the Corporations Division. If the filing is rejected for any reason, you will be contacted. If no email address is provided, correspondence from the Division will be sent by mail.

SIGNED UNDER THE PENALTIES OF PERJURY, this 6 Day of May, 2021,
, **Signature of Authorized Signatory.**

By selecting ACCEPT you hereby acknowledge that this electronic document is submitted in compliance with M.G.L. Chapter and that the information is true and correct as of the date the electronic filing is

- Accept Decline

OPERATING AGREEMENT
OF
HOUSE OF ERMIA S LLC

**OPERATING AGREEMENT
OF
HOUSE OF ERMIAIS LLC**

OPERATING AGREEMENT (the “Agreement”) of **HOUSE OF ERMIAIS LLC**, a limited liability company (the “Company”) organized pursuant to the Massachusetts Limited Liability Company Act (the “Act”), made and entered into as of May 7, 2021, by House of Ermias Holdings LLC, as sole member (the “Member”).

PRELIMINARY STATEMENT

The Company was organized as a limited liability company on April 8, 2021, by filing the Certificare (as defined herein) with the Secretary of the Commonwealth of Massachusetts.

This Agreement sets forth the understanding of the Member regarding its rights, obligations, and duties with respect to the Company and its business, management, and operations.

AGREEMENT

IT IS THEREFORE AGREED AS FOLLOWS:

1. **DEFINITIONS.**

As used in this Agreement, the following terms have the following meanings:

1.1 “Capital Contribution” means the amount of cash and/or the value of any other property or services contributed to the Company by a Member.

1.2 “Certificate” means the Certificate of Organization of the Company, as amended or restated from time to time.

1.3 “Code” means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

1.4 “Person” shall have the meaning given that term in Section 2 of the Act.

1.5 “Regulations” means income tax regulations, including temporary regulations, promulgated under the Code by the United States Treasury Department, as the same may be amended from time to time.

2. **ORGANIZATION.**

2.1 Formation and Organization. The Company was organized as a Massachusetts limited liability company on April 8, 2021 by the filing of the Certificate with the Secretary of the Commonwealth of Massachusetts.

2.2 Name. The Company shall be known as “House of Ermias LLC” or such other name as may be approved by the Member. All Company business must be conducted in that name or such other names that comply with applicable law and as the Member may select from time to time.

2.3 Principal Office; Other Offices; Registered Agent. The principal office and place of business of the Company shall be located at 267 Broadway, Chelsea, Massachusetts 02150 or such other place as the Member may designate from time to time. The Company may have such other offices as the Member may designate from time to time. The registered agent in Massachusetts is Jesse Cook-Dubin, 28 North Street, 3rd Floor, Pittsfield, Massachusetts 01201.

2.4 Purposes. The sole purpose of the Company shall be to apply for a license with the Cannabis Control Commission, or apply for the approval of the transfer of such a license. The Company shall have all the powers necessary or convenient to effect any purpose for which it shall be formed, including all powers granted by the Act.

2.5 Foreign Qualification. Upon approval by the Member, the Company may elect to qualify, continue, or terminate the Company as a foreign limited liability company in any jurisdictions in which the Company may conduct business.

2.6 Term. The Company shall continue perpetually in existence unless and until the Company shall be dissolved, wound up, and terminated in accordance with Section 8 hereof.

3. MEMBER.

3.1 The Member. The name of the sole member of the Company is House of Ermias Holdings LLC.

3.2 Termination of the Member’s Interest. The Member shall cease to be a member of the Company upon the Member’s dissolution, bankruptcy, or upon assignment of the Member’s entire membership interest.

3.3 Additional Members. Additional members of the Company may be admitted only by written consent of the Member and upon execution of an amended and restated operating agreement of the Company.

4. CAPITAL CONTRIBUTIONS. The Member has contributed \$15,000 in cash as its initial Capital Contribution. The Member may make, but shall not be required to make, any additional capital contribution(s). No Interest shall be paid on capital contributions.

5. TAXATION; ALLOCATION.

5.1 Taxation as a Disregarded Entity. So long as there shall be a single Member, the Company shall be treated as a disregarded entity for federal income tax purposes. All elections by the Company for federal income tax or other tax purposes shall be determined by the Member.

5.2 Allocation. So long as there shall be a single Member, the entire net profit or net loss of the Company for each fiscal year shall be allocated to the Member and must be reported by the Member on all federal, state, and local income and other tax returns required to be filed by the Member.

6. MANAGEMENT AND OPERATION; LIABILITY; INDEMNIFICATION.

6.1 Management. The Member shall have full, complete, and exclusive power, authority and discretion with respect to the management of the business, affairs and properties of the Company; and all powers of the Company shall be exercised by or under the authority of the Member and the Member shall be the “manager” of the Company within the meaning of the Act. Actions by the Member relating to the management of the company may be memorialized in written resolutions signed by the Member, but written resolutions are not required to authorize action by the Member.

6.2 Authority. The Member shall be the agent of the Company and has the authority to bind the Company on all matters in its sole discretion. The authority of the member includes without limitation the authority, in the name and on behalf of the Company, to: (a) sign, seal, execute, and deliver contracts, agreements, and other instruments; (b) sell, lease, exchange, mortgage, pledge, or otherwise transfer or dispose of all or substantially all of the property or assets of the Company; (c) merge the company with any other entity; (d) amend the Certificate of the Company or this agreement; (e) change the nature of the business of the company, and (f) execute, swear to, acknowledge, and deliver all certificates, documents, and other instruments as may be necessary or required to comply with applicable law, including without limitation filings necessary to register the Company to do business in foreign jurisdictions as set forth in Section 2.5.

6.3 Appointees.

6.3.1 Officers. In connection with the management of the Company, the Member shall be authorized and empowered to appoint in writing one or more persons to act on behalf of the Company as officers of the Company with such titles as may be appropriate, including without limitation the titles of President, Vice President, Treasurer, and Secretary.

6.3.2 Delegation of Authority. In connection with the management of the Company, the Member shall be authorized and empowered to delegate in writing any and all power and authority described in this Agreement with respect to the business and affairs of the

Company to any individual or entity, including without limitation any officers of the Company appointed pursuant to Section 6.3.1.

6.3.3 Any person described in Section 6.3.1 or 6.3.2 (collectively, “Appointees”) shall have the authority appointed or delegated to them in writing including without limitation, being designated as an authorized person, within the meaning of the Act, to execute, deliver, and file the Certificate for the Company and, together with other Appointees, such other certificates as may be necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

6.4 Management Standards. The Member and any Appointee shall conduct the affairs of the Company in good faith and in a manner designed to further the best interests of the Company. Except in instances of bad faith or willful misconduct, neither the Member nor any Appointee shall be liable to the Company or the Member for errors or omissions in the performance of its duties with respect to the Company.

6.5 Outside Business Interests. The Member may engage in or possess an interest in other business ventures of any nature or description, independently or with others, and the Company shall not have any rights by virtue of this Agreement in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture shall not be deemed a breach of this Agreement.

6.6 Liabilities of the Member. The Member, shall not be liable under any judgment of a court, or in any other manner, for any debt, obligation, or liability of the Company, whether that liability or obligation arises in contract, tort, or otherwise, solely by reason of its status as the Member of the Company. The Member shall have no liability to the Company if the Member shall rely upon the opinion of tax counsel or accountants retained by the Company with respect to all matters (including disputes) relating to any provision of this Agreement.

6.7 Indemnification.

6.7.1 Right to Indemnification. The Company shall indemnify, to the fullest extent permitted by Massachusetts law, the Member or any Appointee against all liabilities, costs and expenses (including, without limitation, amounts paid in satisfaction of judgments, in settlement, or as fines and penalties, counsel fees, and disbursements reasonably incurred) in connection with the defense or disposition of, or otherwise in connection with or resulting from, any pending or threatened action, suit, or other proceeding, whether civil, criminal, administrative, or investigative, before any court or administrative, legislative, or investigative body, in which it may be or may have been involved as a party or otherwise or with which it may be or may have been threatened, while in office or thereafter, by reason of it being or having been the Member or Appointee or by reason of any action taken or not taken in any such capacity, except with respect to any matter as to which it shall have been finally adjudicated by a court of competent jurisdiction not to have acted in good faith in the reasonable belief that its action was in the best interests of the Company. Expenses, including, without limitation, counsel fees and disbursements so incurred by any such person in defending any such action,

suit, or proceeding may be paid from time to time by the Company in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of the person indemnified; provided, however, that the person indemnified shall be obligated to repay the amounts so paid if it shall ultimately be determined that indemnification of such expenses shall not be authorized hereunder, which undertaking may be accepted without reference to the financial ability of such person to make repayment.

6.7.2 Settlement. As to any matter disposed of by settlement by any person indemnified under Section 6.7.1, pursuant to a consent decree or otherwise, no such indemnification either for the amount of such settlement or for any other expenses shall be provided unless such settlement shall be approved as in the best interests of the Company, after notice that it involves such indemnification, by the Member in its sole discretion. No such approval shall prevent the recovery from the Member or any Appointee of any amounts paid to it as indemnification in accordance with the preceding sentence if such person shall be subsequently adjudicated by a court of competent jurisdiction not to have acted in good faith in the reasonable belief that its action was in the best interests of the Company.

6.7.3 Rights Not Exclusive. The right of indemnification hereby provided shall not be exclusive of or affect any other rights to which the Member or any Appointee may be entitled or which may lawfully be granted to it.

6.7.4 Insurance. By action of the Member, notwithstanding any interest of the Member in such action, the Company may purchase and maintain insurance, in such amounts as the Member may from time to time deem appropriate, on behalf of the Member or any Appointee against any liability incurred by the Member in such capacity, or arising out of its status as such, whether or not the Company would have the power to indemnify it against such liability. The Company may enter into indemnity contracts with such Persons as the Member shall determine.

6.7.5 Amendment. No amendment or repeal of any of the provisions of this Section 6.7 which adversely affects the rights under this Section 6.7 of the Member or any Appointee shall apply with respect to such party's acts or omissions that occurred at any time prior to such amendment or repeal, unless such amendment or repeal was voted for or was made with the written consent of such party.

7. BOOKS AND RECORDS; BANK ACCOUNTS; EXPENSES; REPORTS.

7.1 Accounting Period. Unless otherwise determined by the Member, the annual accounting period of the Company shall be the calendar year.

7.2 Maintenance of Books and Records. The Company shall keep such books and records relating to the operations of the Company as are appropriate and adequate for the Company's business in the discretion of the Member. The books and records shall be available for inspection by the Member at the principal office of the Company.

7.3 Accounts. The Company may establish and maintain one or more separate bank and investment accounts and arrangements for Company funds in the Company's name with financial institutions and firms that the Member shall determine. The Company's funds, assets, properties, and accounts shall be maintained separately and shall not be commingled with the funds of the Member or any Appointee.

7.4 Expense Reimbursement. If the Member has or shall make advances for the payment of expenses related to the business of the Company, the Member shall have the right to repayment of such expenditures on a schedule determined by the Member and prior to any distribution to the Member. No interest shall accrue on that advance.

7.5 Reports to the Member. The Company shall provide the Member, sufficiently in advance of the Member's requirement to file its tax returns, with (a) such information required by the Code and the tax laws of any state and (b) information concerning the Company's income, gain, loss, deduction or credit when relevant filing the Member's federal, state or local taxes.

8. DISSOLUTION; LIQUIDATION; TERMINATION.

8.1 Dissolution. The Company shall dissolve and its business and affairs shall be wound up on the first to occur of the following:

8.1.1 The written consent of the Member;

8.1.2 The entry of a decree of judicial dissolution under the Act; or

8.1.3 Any other event causing dissolution of the Company under the Act.

8.2 Liquidation. Upon dissolution of the Company, the Member or a Person chosen by the Member (in such capacity, the "Liquidating Trustee"), shall carry out the winding up of the Company, and shall immediately commence to wind up the Company's affairs; provided that a reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the satisfaction of liabilities to creditors so as to enable the Member to minimize the normal losses attendant upon a liquidation. The proceeds of liquidation shall be distributed in the following order and priority: First, to creditors of the Company, including the Member if a creditor, to the extent permitted by law, in satisfaction of the liabilities of the Company (whether by payment or the making of reasonable provision for payment thereof); Second, to the Member.

The Member shall look solely to the Company's assets for the return of its Capital Contribution(s), and if the assets of the Company remaining after payment of or due provision for all debts, liabilities, and obligations of the Company shall be insufficient to return such Capital Contribution(s), the Member shall have no recourse against the Company.

8.3 Termination. On completion of the distribution of Company assets as provided in this Agreement, the Company shall be terminated, and the Member (or such other Person or Persons as the Act may require or permit) shall cause the cancellation of the Certificate and any filings made as provided in Section 2.5 and shall take such other actions as may be necessary to terminate the Company.

9. GENERAL PROVISIONS.

9.1 Notices. Except as otherwise specified herein, any notice, approval, consent or communication under this Agreement shall be in writing and shall be considered given when (1) delivered personally, (2) mailed by registered or certified mail, return receipt requested or (3) transmitted by electronic mail, with a confirming copy sent by overnight mail or courier service to the addresses set forth below. Notice given by a party's counsel shall be considered notice given by that party.

(a) If to the Company, to it at:

267 Broadway
Chelsea, MA 02150
Email: manager@houseofermias.co

(b) If to the Member, to it at:

House of Ermias Holdings LLC
267 Broadway
Chelsea, MA 02150
Email: obayode@gmail.com

(c) In each case, with a copy to:

Jesse Cook-Dubin, Esq.
Cohen Kinne Valicenti & Cook LLP
28 North Street, 3rd Floor
Pittsfield, MA 01201
Fax No. 413-341-1060
Email cookdubin@cohenkinne.com; abunnell@cohenkinne.com

9.2 Entire Agreement. This Agreement sets forth the entire understanding of the Member relating to the Company and supersedes and replaces any prior understanding, agreement, or statement (written or oral) of intent with respect to the Company.

9.3 Effect of Waiver or Consent. A waiver of or consent to, express or implied, any breach or default by any Person in the performance by that Person of its obligations hereunder shall not be a consent or waiver to or of any other breach or default in the performance by that or any other Person of the same or any other obligations of that or any other Person

hereunder. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default hereunder, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute-of-limitations period has run.

9.4 Amendment or Modification. This Agreement may not be amended except upon approval by the Member and any amendment of this Agreement so approved shall be binding with the same force and effect as if executed as part of this original Agreement. The Member may amend this Agreement to (a) add to the duties or obligations of the Member or any Appointee or surrender any right or power granted to the Member or any Appointee herein, (b) cure any ambiguity, correct or supplement any provision herein which may be inconsistent with any other provisions herein or correct typographical or other errors or omissions, and (c) make similar minor changes in order to conform this Agreement to law. All amendments made in accordance with this Section 9.4 shall be evidenced by a writing executed by the Member and any other parties there to, as the circumstance may warrant, and a copy of such written amendment shall be kept at the office of the Company. Notwithstanding the foregoing: (i) this Agreement shall be amended from time to time in each and every manner to comply with the then existing requirements of the Code, Regulations, and rulings of the Internal Revenue Service affecting the status of the Company as a disregarded entity for federal income tax purposes, and no amendment shall be proposed which shall directly or indirectly affect or jeopardize the then status of the Company as a disregarded entity for federal income tax purposes except as contemplated under Section 3.3 of this Agreement; (ii) no amendment to this Agreement shall reduce the Member's right to allocations or distributions; and (iii) amendments to Section 6.7 shall be subject to the limitations set forth in Section 6.7.5.

9.5 Binding Effect. This Agreement shall be binding on and inures to the benefit of the Member and its legal representatives and assigns.

9.6 Governing Law; Severability. This Agreement shall be construed in accordance with, and governed by, the laws of the Commonwealth of Massachusetts without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Massachusetts or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the Commonwealth of Massachusetts. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

9.7 Further Assurances. The Member shall execute and deliver all certificates, instruments, and other documents and shall take all such other action deemed necessary or appropriate to comply with the requirements of the Act for the formation and operation of the Company and to comply with any laws, rules, and regulations relating to the acquisition, operation, or holding of the property of the Company or to effectuate the provisions of this Agreement.

9.8 Third Party Beneficiaries. None of the provisions of this Agreement shall be for the benefit of or enforceable by any third party, including, without limitation, any creditor of the Company or the Member. No such third party shall obtain any right under any provision of this Agreement or shall by reason of any such provision make any claim in respect of any debt, liability, or obligation (or otherwise) against the Company or the Member.

9.9 Section Titles. The headings herein are included as a matter of convenience only and do not define, limit, or describe the scope of this Agreement or the intent of any of the provisions hereof.

9.10 Remedies Cumulative. No remedy conferred upon or reserved to the Company, the Member, or any Appointee by this Agreement shall be intended to be exclusive of any other remedy. Each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Company, the Member or any Appointee hereunder now or hereafter existing at law or in equity or by statute.

[The remainder of this page is intentionally left blank. The signature page follows.]

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first set forth above.

MEMBER:

HOUSE OF ERMIA HOLDINGS LLC

By: Ola Bayode
Ola Bayode, Sole Member



Commonwealth of Massachusetts
Department of Revenue
Geoffrey E. Snyder, Commissioner
mass.gov/dor

Letter ID: L0348124096
Notice Date: August 23, 2022
Case ID: 0-001-666-302

CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



HOUSE OF ERMIAS
75 GILBERT ST
MALDEN MA 02148-1718



000042

Why did I receive this notice?

The Commissioner of Revenue certifies that, as of the date of this certificate, **HOUSE OF ERMIAS** is in compliance with its tax obligations under Chapter 62C of the Massachusetts General Laws.

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

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

What if I have questions?

If you have questions, call us at (617) 887-6400 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 9:00 a.m. to 4:00 p.m..

Visit us online!

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

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

Edward W. Coyle, Jr., Chief
Collections Bureau

Use the confirmation code below to print another copy of this letter or to review your submission.
Confirmation Code: F7zq84



77 Central Street, Wellesley, MA 02482
617-500-1824 www.budrisk.com

Cannabis Control Commission
Union Station,
2 Washington Square,
Worcester, MA 01604

RE: HOUSE OF ERMIAAS LLC (Retail License)

Please be informed that the above referenced applicant has made formal application through our general brokerage for general liability and product liability insurance with minimum limits of \$1,000,000 per occurrence, and \$2,000,000 annual aggregate, and application for additional excess liability limits. In accordance with 935 CMR 500.101(1); 935 CMR 500.105(10), the deductible for each policy can be no higher than \$5,000 per occurrence. The below underwriters have received this application and are expecting to provide proposals within the coming weeks. HOUSE OF ERMIAAS LLC has purchased a bond with a bond limit in compliance with the Commission's request. We look forward to providing liability coverage to HOUSE OF ERMIAAS LLC as soon as a bindable proposal is available.

Quadscore Insurance Services
Cannasure Insurance Services, Inc.
Next Wave Insurance Services LLC
Canopius US Insurance Company
United Specialty Insurance Company

Best Regards,

James Boynton

James Boynton
Managing Broker
MA Insurance License #1842496
jim@budrisk.com

HOUSE OF **ermiias**

1



BUSINESS PLAN

PREMIUM CANNABIS DISPENSARY



Content

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01



Executive Summary

Company Summary

Market Opportunities

Start-up Summary

Financial Summary

Company Summary

House of Ermias is a cannabis dispensary/retail store that will provide an unparalleled patient shopping experience.

Our dispensary/retail store is the only one located in Broadway Downtown Chelsea which is the busiest street in the city with ample amount of parking and transportation networks.

The facility is well positioned, and it matches the ideal picture of a community store. Although the business is launching with just one outlet in City, we have plans to leverage up to 10 licenses to provide a vertically integrated solution around cultivation, delivery, social consumption, and product manufacturing.

Our knowledgeable budtenders will navigate and guide our customers through our vast product variety featuring locally sourced medicines along with our core product line of the highest quality cannabis flowers, concentrates, edibles and more.

House of Ermias is to be organized/formed as a Limited Liability Company (LLC)/Corporation taxed as a C-Corp and will be led by Ola Bayode and Akeem Raphael, who will both serve as Founders of the operation.

Products & Services

Aside from the dispensing of cannabis plant material and concentrates which is our core product, House of Ermias will sell a wide range of additional Recreational Cannabis Infused products such as edibles and topicals. We will also engage in the sale of accessories and supplies related to concentrate delivery methods.

House of Ermias dispensary/retail store will ensure that all our customers are given first class treatment whenever they visit our store. We have a CRM software that will enable us to manage a one-on-one relationship with our customers no matter how large our patient base grows. We will ensure that we get our customers involved in their own personal health decisions to make the right choices for their unique medicinal needs.

Current Problems/Challenges in the Massachusetts Dispensary Market

- 1.) **Bland Experience:** Transaction based, relationships are not built.
- 2.) **Real Estate isn't being maximized:** Dispensaries could organize more ancillary programs, pop up partnerships, art programs, cannabis educational workshops, mental health focus groups.
- 3.) **Compliance:** Retailers must prove they can prioritize compliance, operations, and growth simultaneously.
- 4.) **Lack of Minority-Owned Retail businesses:** Minority owned business can tap into a demographic to add \$\$ to the cannabis industry and provide cultural enhancements lacking in some of the premier brands currently established. There's not enough representation.

Our Solution

Provide an omni-present lifestyle brand that enhances the shopping experience for people that love cannabis while providing a cross-section for the discovery of art, fashion, food, music, and personal development.

We will do this by:

- 1.) Improving Customer Experience: Industry-leading retail design, and a customer service-obsessed organizational culture.
- 2.) Improving Community Interactions: Haven for discovery, education and expression of community values and identity through art, fashion, music, food, wellness.
- 3.) Creation of new careers/profession types: Employees are empowered to treat their jobs as a career instead of temporary. This will create specialization and emerging sub-industries.

Vision

Bring everything cannabis related into one house in a way that is aesthetically pleasing. Become a cultural hub. Eventually franchise business model across the country

Values

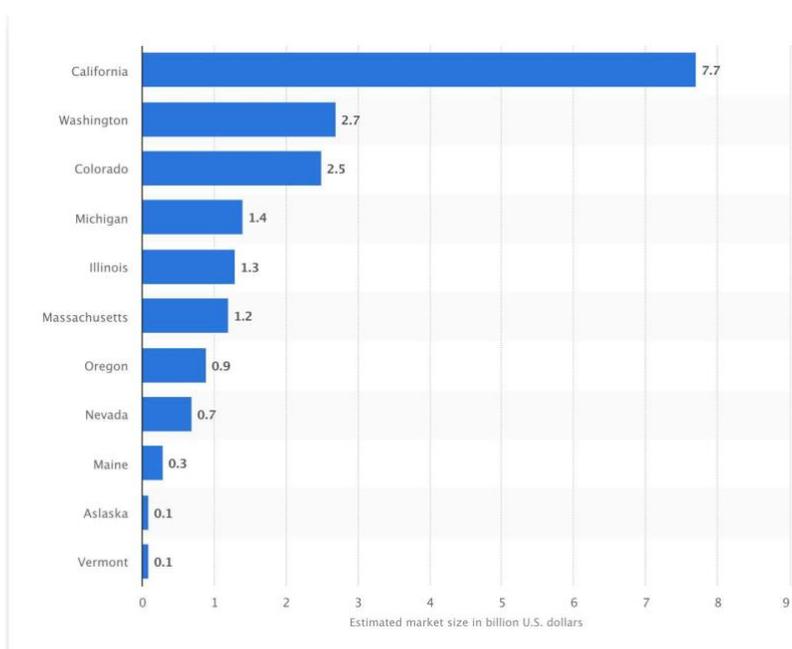
- 1.) Always create win-win situations with those we do business with.
- 2.) Hold the highest design and moral standards/principles while in pursuit of our dream to make people feel happy and inspired.
- 3.) Punish stagnation. Must constantly be testing and reiterating. Must reward innovation even if results are negative.

Market Opportunities

According to the report by Arcview Market Research and BDS Analytics: “The Road Map to a \$57 Billion Worldwide Market According to the report by Arcview Market Research and BDS Analytics: “The Road Map to a \$57 Billion Worldwide Market”¹, spending on legal cannabis worldwide is expected to hit \$57 billion by 2027. The recreational cannabis market will cover about 67% of the spending while medical cannabis will take up the remaining 33%.

The North America legal cannabis market amounted to over \$20 billion in 2020, growing by 45 percent on the year. The largest market was the United States, which totaled over \$17.5 billion. It was followed by Canada with about \$2.7 billion. Analysts predict the overall cannabis market for legal adult-use and medical sales in North America to reach \$23.8 billion in 2021 with the compound annual growth rate (CAGR) to almost 20%.

With the adoption of recent initiatives, 38% of the population now lives in jurisdictions that have



2022 Sales Forecast by State, Statista

legalized recreational cannabis, and 76% of all states have approved cannabis for medical use.

On November 8, 2016, Massachusetts voters approved the adult recreational use of marijuana. In 2017, an eight-person Cannabis Control Commission (CCC) was appointed by the Massachusetts state government to write the draft regulations for the law. The final regulations were released in April 2018, and outline the requirements for cultivation, production, security, transport, and retail sale of cannabis to consumers over 21 years of age.

The CCC is now accepting applications for Licensed Marijuana Establishments. With 39 cities, 312 towns, and 14 counties, the local municipalities of Massachusetts have been granted the authority to govern their own recreational cannabis industry which will inevitably result in varying local by-laws on the production, manufacturing, and sale of the plant across the state.

The advent of medical marijuana legalization in 2012 has helped produce market conditions that have created a more educated and sophisticated product consumer. It is natural, therefore, that the emerging adult-use market will lead consumers to have high expectations for the quality of the products they consume.

Start Up Summary

The business will be fully funded with \$1.8 million. This will include total capital cost of over \$533,500, leaving nearly \$1.3 million as working capital.

Table 1. Start-up expenses, \$

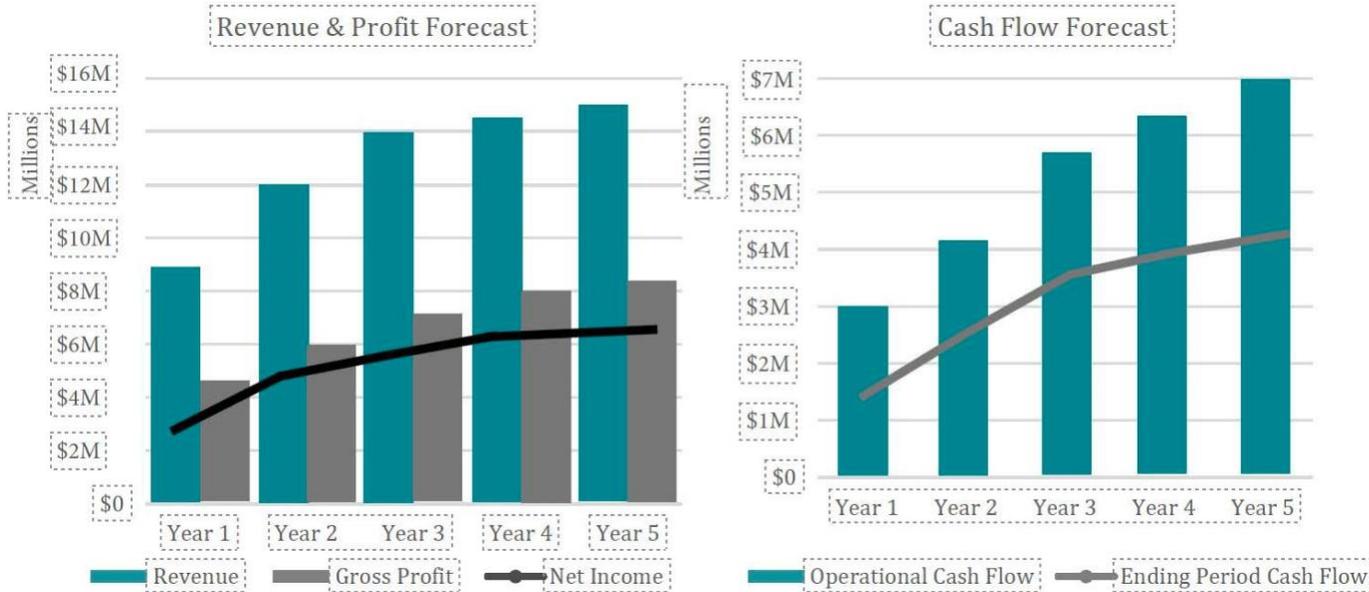
CAPEX	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Permits and Community Impact Fee	0	50,000	0	0
Space improvements including finishing/painting, kitchen, office space, bathrooms, etc.	400,000	0	0	0
Security system including multiple camera feeds and metal/weapons detectors	50,000	500	500	500
Furniture, Display Counters, Refrigerators, Freezers, Multiple POS/ Cash Registers, Registration Computer, Commercial Label Printer, Storage Hardware and Shelving	20,000	17,500	17,500	17,500
Cost for Computer Software (Accounting Software, Payroll Software, CRM Software, Microsoft Office, QuickBooks Pro)	7,500	7,500	0	0
Insurance	6,000	6,000	6,000	6,000
OPEX				
Rent	45,000	45,000	45,000	45,000
Operating Expenses (COGS)	225,000	750,000	1,050,000	1,350,000
Salaries & Benefits (Manager, Budtenders, Security)	49,466	168,399	184,000	184,000
Marketing & Sales Expenses	150,000	100,000	50,000	50,000
Misc. (Office Supplies/Bank Charges, Utilities, Accounting, Legal, Part Time)	70,000	30,000	30,000	30,000
Total	820,666	1,174,899	1,383,000	1,683,000

Financial Summary

House of Ermias will fund its startup costs largely through debt/equity fundraising.

From a total investment of \$1.8 million, House of Ermias is expected to generate nearly \$9.0 million in gross revenues with net income after taxes of nearly \$1.5 million in Year 2, its first full year of operations.

Revenues are expected to grow to nearly \$12.0 million in the beginning of Year 3 with a net income after taxes of 2.6M. The cannabis industry is expected to grow at a 25% CAGR til 2025 and we believe if we can keep up with the market pace of around 18%-25% CAGR, our revenue after year 3 will be \$14.0 million and a net income after taxes of \$3.3million.



After first year of operations, it is expected that House of Ermias will be able to trim expenses through realizing business efficiencies, gaining operational experience and industry knowledge.

Direct and Indirect Social Impacts

House of Ermias will create more than 8 new jobs in the Suffolk County and will spend approximately \$2.5M in salaries and over \$7M in Social Security, Medicare, and local taxes over the next 5 years. It is estimated that we will be spending an additional \$6M in Federal taxes. The Founders are already embedded within the community, providing social program activities for the youth and local businesses.

	Year 1	Year 2	Year 3	Year 4	Year 5
Federal Tax	644,497	958,027	1,210,027	1,450,449	1,625,449
State Tax and Local Tax	613,000	912,000	1,152,000	1,330,000	1,560,000
Community programs	50,000	50,000	50,000	50,000	50,000

02



Market Overview

Global Cannabis Market
North America Cannabis Market
The U.S. Cannabis Market
SWOT Analyses

Global Market

The March 2021 update to BDSA's global legal cannabis forecast shows that global cannabis sales for 2020 reaching nearly \$21.3 billion³, an increase of 48% over 2019 sales.

Spending on legal cannabis worldwide is expected to reach about \$43 billion by 2024 at a compound annual growth rate (CAGR) of 25% from 2019 and hit \$57 billion by 2027, while cannabis market in the United States and Canada is estimated to be about \$46.5 billion and other \$10.5 billion would go to other markets. The largest growth rate is predicted within the rest-of-world markets with projected \$2.5 billion in 2027. The recreational cannabis

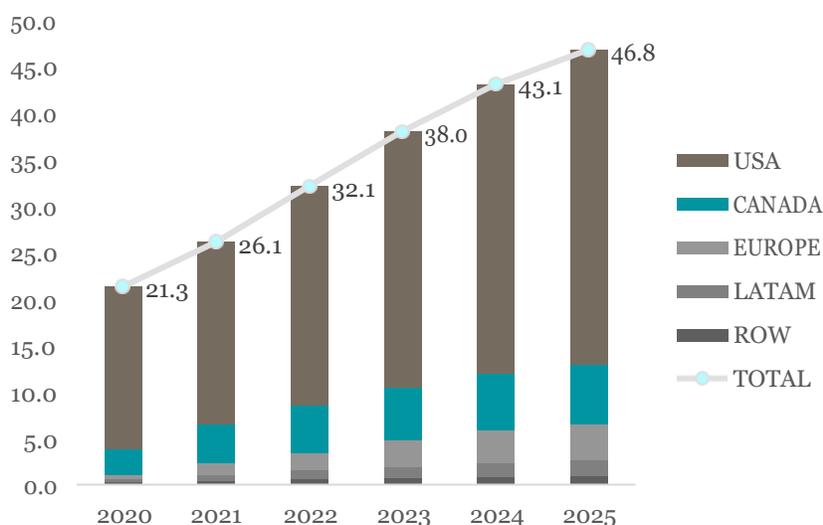


Figure 2. Global spending by region (in USD billions), BDSA forecast

market will cover about 67% of the spending while medical cannabis will take up the remaining 33%.

Legal medical cannabis spending outside the U.S. and Canada almost doubled in 2020, from \$560 million to nearly \$1.1 billion, largely due to markets in Germany and Mexico. According to the report, international cannabis sales will increase in value to about \$8.3 billion in 2026 at a CAGR of 40%.

Key Trends:

- The initial decision by many U.S. states and Canada to create medical-only cannabis regulations prompted many other countries to act similarly while legalization of adult recreational use in Canada and in almost 40% of U.S. states triggered a second wave of legalizing laws internationally to increase access to cannabis products.
- The size of the Latin America cannabis market has an estimated market value of \$300 million in 2020 and is projected to be driven by Mexico with a CAGR of 104%. Mexico is expected to account for nearly 32% of legal cannabis spending outside the U.S. and Canada.
- The August 2020 update to BDSA's global legal cannabis forecast shows almost \$4 billion by 2025 in the European region with about 50% of sales expected to be in Germany, while Brightfield Group forecasts over \$3.1bn with a 2020-2025 CAGR of 52%.
- Australia's legal cannabis market is forecast to grow from \$95 million in 2020 to \$1.2 billion in 2027, the 5th largest in the world.
- Israel has a small population and a long history of legal medical cannabis use. It continues to be a leader over the years in the development of cannabis pharmaceuticals.

³ <https://www.globenewswire.com/news-release/2021/03/02/2185408/0/en/BDSA-Reports-Global-Cannabis-Sales-Exceeded-21-Billion-in-2020-Forecasts-55-9-Billion-by-2026.html>

North American Cannabis Market

The North America legal cannabis market amounted to over \$20 billion in 2020, growing by 45 percent on the year. The largest market was the United States, which totaled over \$17.5 billion. It was followed by Canada with about \$2.7 billion.

The report from cannabis industry analysts BDS Analytics forecasts that the entire legal cannabis market in North America to reach \$23.8 billion in sales – an almost 20% annual growth rate by 2021 – as more states legalize cannabis for recreational use and existing markets mature and will grow to \$46.5 billion six years later based on the Arcview Market Research report⁴.

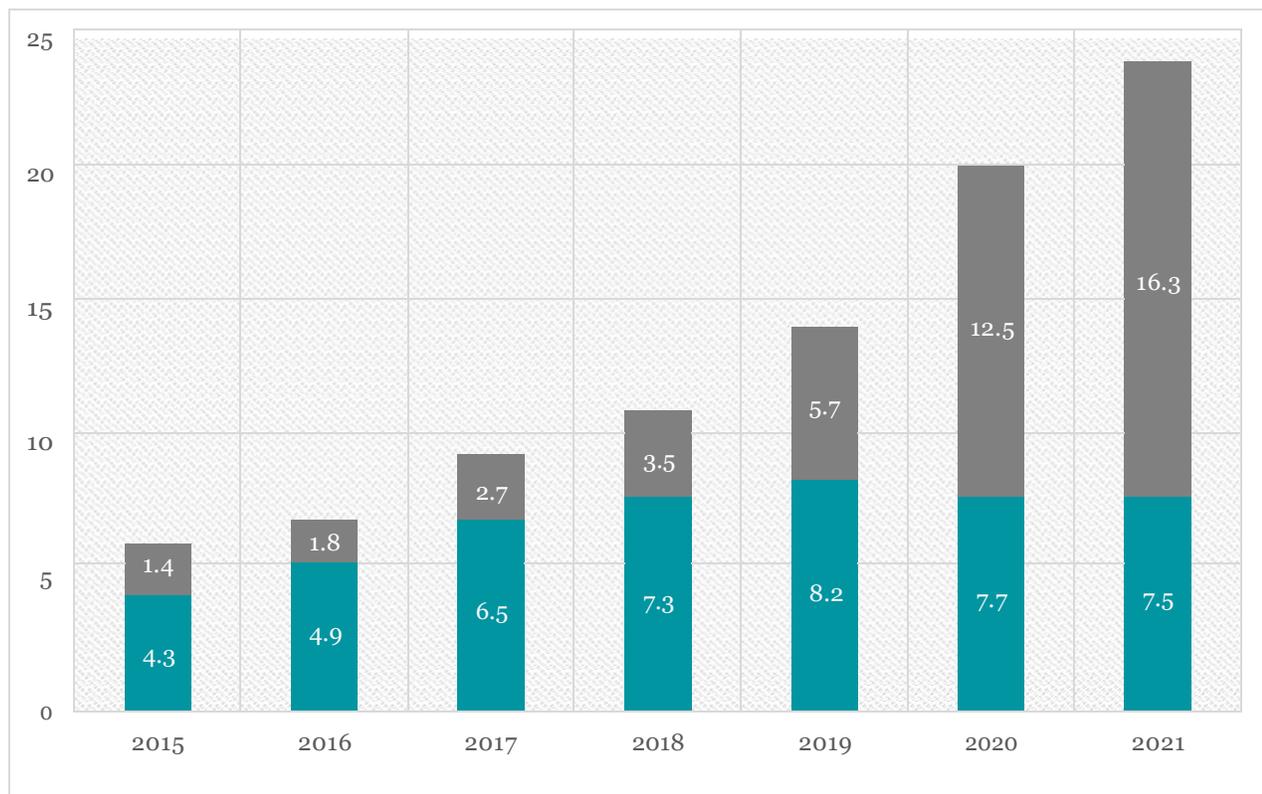


Figure 3. Medical and recreational cannabis sales forecast, billion \$

⁴ <https://bdsanalytics.com/>

The U.S. Cannabis Market

The U.S. legal cannabis sales reached \$12.2 billion in 2019 according to the Arcview/BDS report and experts estimate that 2020 sales passed \$17.5 billion (about \$10.4 billion of adult-use sales and \$7.1 billion for medical sales) and by 2024 could be as high as \$31.1 billion.

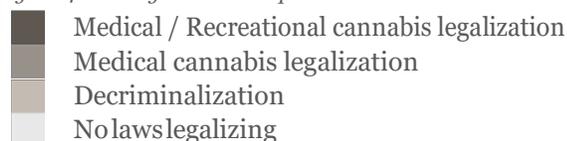
Although the use of cannabis is illegal under the federal law and the federal government classifies cannabis as a schedule 1 drug, 76% of the U.S. states have legalized it in some form. Most states legalized it only for medical purposes, but 19 states – Alaska, Arizona (2020), California, Colorado, Connecticut (2021),

Illinois (2019), Maine, Michigan (2018), Montana (2020), Nevada, New Jersey

(2020), New Mexico (2021), New York (2021), Massachusetts, Oregon, South Dakota (2020), Vermont (2020), Virginia (2021) and Washington – have gone further, legalizing the recreational use.



Figure 4. U.S. legalization map



The U.S. legal cannabis sales reached \$12.2 billion in 2019 according to the Arcview/BDS report and as a result, 38 states, the District of Columbia, Puerto Rico, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands have effective medical cannabis laws, and 19 states and the District of Columbia now allow cannabis for recreational use.

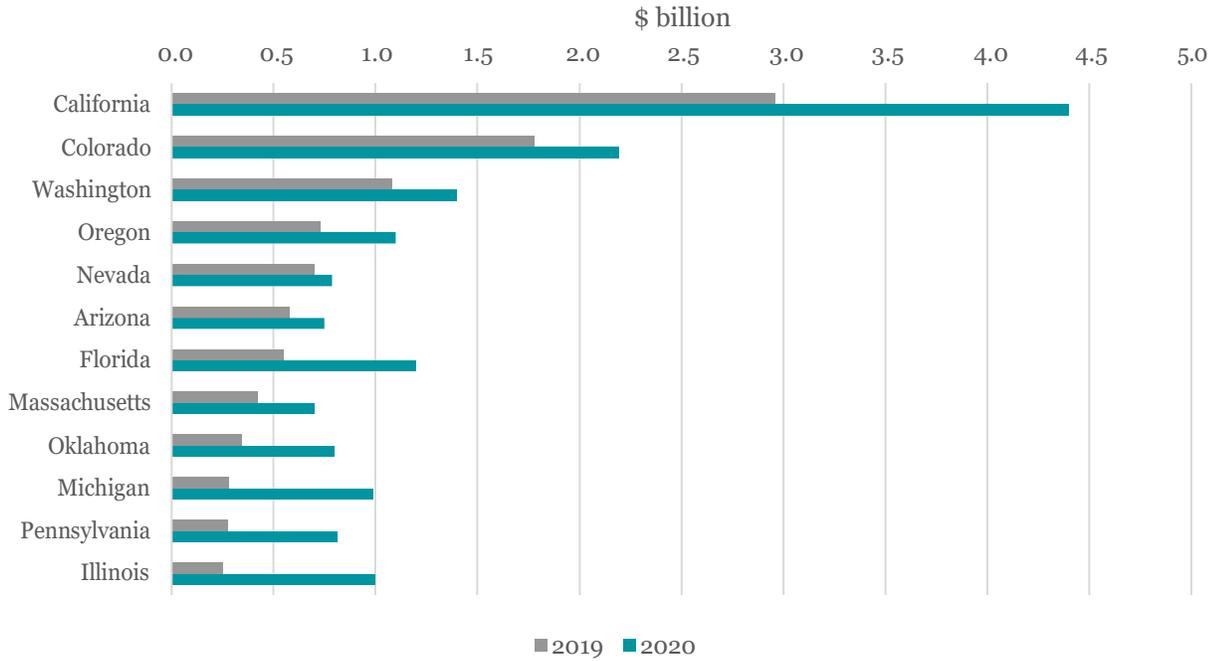


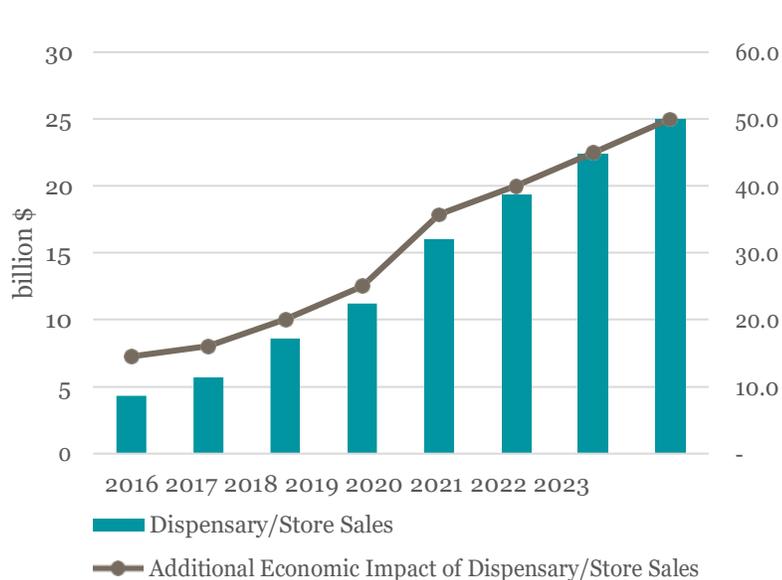
Figure 5. Medical and recreational cannabis sales in top states, 2019-2020

There are more than 20,000 active licenses for cannabis businesses in the U.S. This includes cultivation, extraction and manufacturing, retail, distribution and testing licenses.

The industry employed 211,000 people in 2018 and the number of full-time cannabis employees grew 17% to 247,300 in 2019 and the industry added 77,300 full-time jobs in 2020. If cannabis market continues its growth trend, the number of workers in that industry could reach about 500,000 by 2022.

The U.S. Cannabis Retail Sector

The expected growth came after a solid 2016, when recreational cannabis sales increased by 80% to reach \$1.8 billion. Colorado and Washington led the charge, while Oregon’s adult-use market posted strong sales gains in its first full calendar year of operation. The industry also saw a spike in medical cannabis sales, as patient counts rose in new states and continued climbing in mature markets.



According to a BDS Analytics report, the retail sector owed \$1 billion in state taxes in 2016 and another \$1.4 billion in 2017.

According to the data published in MJBizdaily Factbook, 2018 sales of legal recreational and medical cannabis in the United States to soar by almost 50%, hitting \$8.5 billion on the back of continued growth in existing recreational cannabis markets⁵.

It is estimated that overall retail sales surpassed \$16 billion in 2020 – an increase of roughly 40% over 2019 – and by 2023, could rise between \$25

Figure 6. Cannabis retail industry economic impact

billion and \$30 billion annually – nearly a threefold increase from estimated annual sales in 2019.

The total economic output from legal cannabis will grow 150% from \$16 billion in 2017 to \$40 billion by 2021, according to the “US Legal Cannabis: Driving \$40 Billion Economic Output” report released by Arcview Market Research, in partnership with BDS Analytics.

Based on medical applications, the cannabis market is widely categorized into chronic pain (about 44% in 2019), mental disorders, cancer, and others.

The increased demand for pain management throughout the world with a large patient pool suffering from several chronic illnesses is the key factor driving the growth. Mental disorders are expected to emerge as the fastest-growing segment, owing to the high prevalence of various mental disorders⁶.

⁵ <https://mjbizdaily.com/factbook/>

⁶ <https://www.grandviewresearch.com/industry-analysis/legal-marijuana-market>

SWOT Analyses

S

- Building of dependable relationships with indoor and outdoor cultivators, concentrates and edibles manufactures across Massachusetts
- Diversified, Strategic Partnerships
- Only dispensary located in Downtown Chelsea

W

- Enhanced risk of banking / financial / IRS scrutiny
- Lack in professional workforce for a cannabis industry
- High starting capital
- Founders first venture into cannabis retail

O

- High growth industry
- Growing interest and demand for natural, alternative medicine
- Trend toward greater cannabis legalization, including the use of cannabis for recreational purposes
- A significant drop in wholesale pricing
- Global Market

T

- Enforcement of federal law
- Possible cannabis law changing
- Indicators of a slowed global economy
- Eventual market saturation

03



Sales Strategy

Positioning

Marketing Plan

Target Customers

Positioning

1. Store Location – The store is the only dispensary on Broadway Chelsea Downtown
2. Professional Staff – We will train knowledgeable and friendly staff who will help clients select the best product for their needs.
3. Product Quality – House of Ermias will offer the best cannabis products to establish its brand and provide the most effective treatment for its clients. We will solicit feedback from our customers to continuously improve product offerings.
4. Referral Networks – We will work closely with various medical and alternative health clinics across the state. We will establish a referral network that supports product consistency, brand recognition, and reliable delivery.
5. Pricing – House of Ermias will set its price very competitively.
6. Free Delivery – We will be pursuing our delivery license and provide incentives such as free delivery for all orders over \$100.

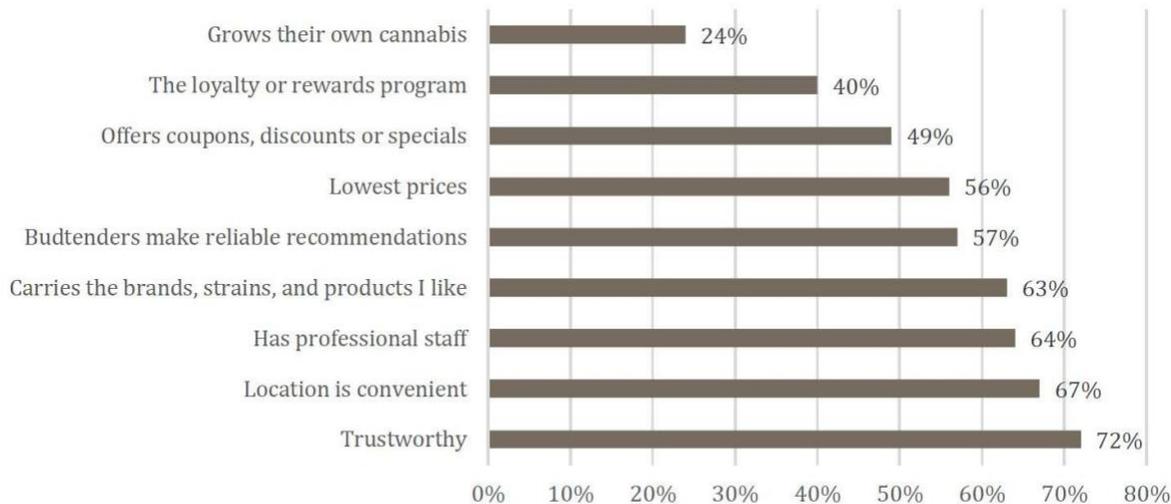


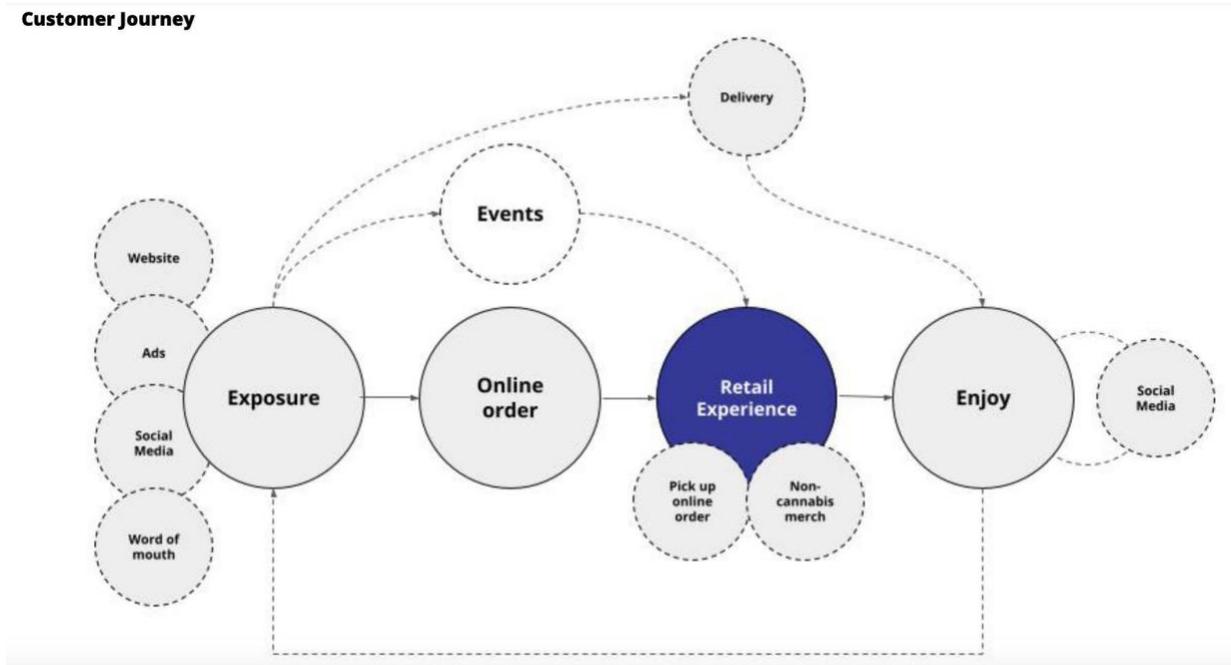
Figure 13. How important are each of the following in choosing where you shop?

Marketing Plan

Online advertising platforms are placing strict rules on how companies can market their products. Google, Facebook and Twitter all have advertising policies that restrict the promotion of the sale of cannabis. Google’s policy prohibits ads that promote “substances that alter mental state for the purpose of recreation.” Facebook restricts any “illegal, prescription, or recreational drugs.” And Twitter bans “illegal drugs” as well as substances that cause “legal highs.” Instagram and Facebook have decided to go a step further by removing pages of cannabis related businesses.

The most effective strategies for legal cannabis companies are direct marketing at industry conferences and other events, building communities around marijuana -related concerns such as health and wellness. The marketing and sales strategy of House of Ermias will be based on generating long-term personalized relationships with wholesalers and retail customers.

Marketing Plan



Marketing and advertising campaign includes:

- Business and industry associations
- Business events and conferences: It also includes event sponsorships, health, or related industry events to gain brand exposure and bring the House of Ermias name to the forefront of the community.
- Brand development: It includes branded products such as shirts, hats, grinders, cases/containers, etc. will be offered through our online store.
- Brochures: We will produce high-quality brochures that will be distributed to doctors who issue cannabis prescriptions, clinics and other licensed vendors.
- Website: We will have a professionally-designed website integrated with a payment system.
- Information kits for clients and medical/health practitioners: Information kits will include registration forms, brochures, and general information on the use of medical/recreational marijuana. They will also provide information on how to process orders.
- Social Media: We will have a significant social media presence. Appropriate forums will be monitored daily, with dedicated staff resources to be active and knowledgeable participants. We will develop a social media content strategy which will include Twitter, Facebook, Instagram, LinkedIn and YouTube. Our staff will be trained in the legalities of promoting our products.
- Guerrilla marketing: Implementing a guerrilla marketing division to focus on low-cost unconventional marketing tactics that yield maximum results.

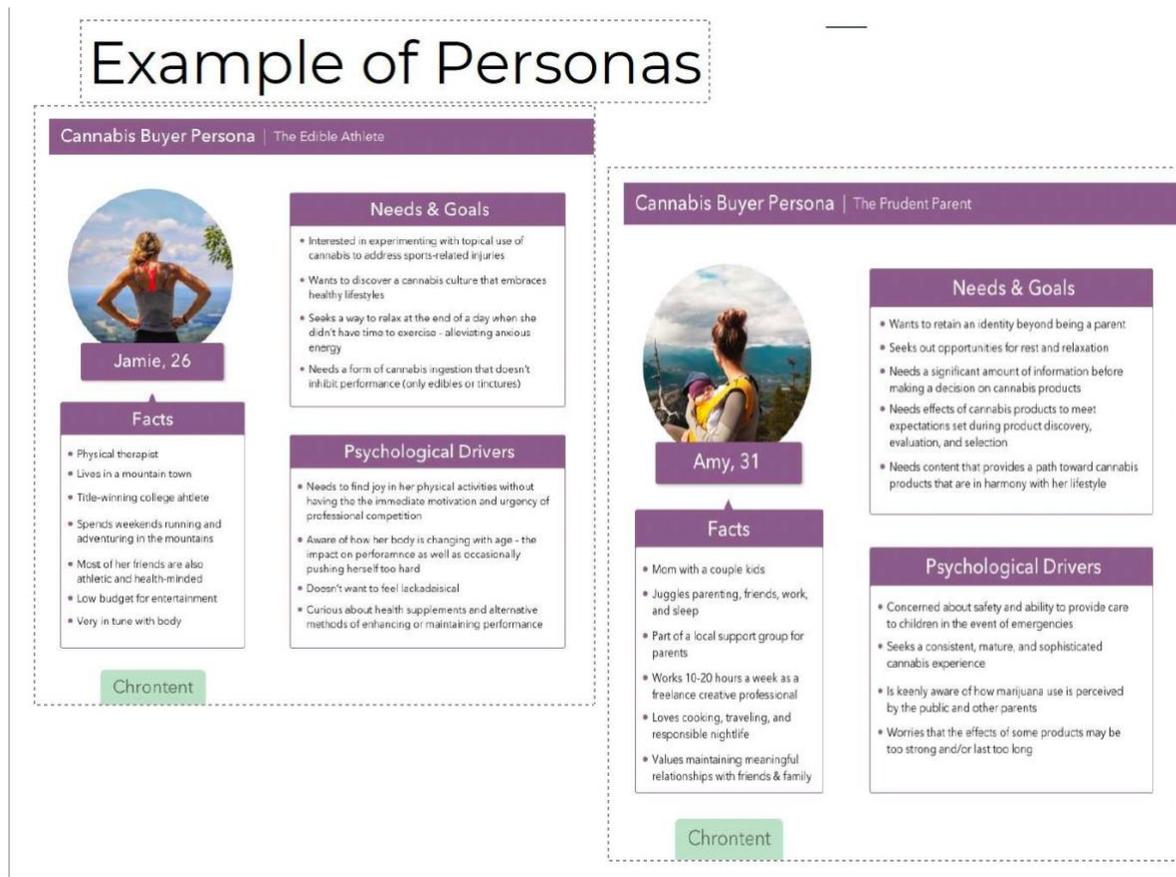
Table 3. Cannabis business directories

WEEDMAP https://weedmaps.com/	Cannabis and hemp/CBD products and businesses finder.	15.83 million total visits each month
LEAFLY https://www.leafly.com/	Services include cannabis and hemp/CBD finder, online store, branding, doctors' portal.	16.29 million total visits each month
https://www.cannasaver.com/ http://cannabiscouponcodes.com/	Websites for cannabis and related coupons.	about 80 thousand visits each month

Target Customers

Aside from the cannabis which is our core product, House of Ermias dispensary/retail store will retail a wide range of Cannabis Infused to customers who are based in the Greater Boston Area. We will also engage in the sale of accessories such as pipes, lighters, apparel, etc.

House of Ermias dispensary/retail store will ensure that all our customers are given first class treatment whenever they visit our store. We have a CRM software that will enable us to manage a one-on-one relationship with our customers no matter how large our patient base grows. We will ensure that we get our customers involved in their own personal health decisions to make the right choices for their unique needs.



Cannabis Buyer Persona | The Business Traveler



Bill, 45

Facts

- Travels monthly for conferences, client meetings, and pitches
- Has a regimented home life of family, work, exercise, friends
- Tries a local beer in every new city he visits
- Values feeling connected to local culture wherever he goes
- Expert-level consumer - skilled at finding the best restaurants, products, entertainment

Needs & Goals

- Needs the comfort and amenities of home while traveling
- Wants to have experiences he can't have at home - seeks personal as well as professional enrichment while on business trips
- Wants a curated cannabis experience - shopping for cannabis & length and effects of product need to match his level of professionalism
- Wants to establish his 'Spots' - the places he returns to each visit because they make him feel like a local

Psychological Drivers

- Ambitious to try things that his peers haven't so he can return home with interesting stories to relate
- Feels anxious about upcoming meetings and social events
- Would like to find an alternative to alcohol to take the edge off when high-pressure meetings and events are over
- Desires to feel more in touch with his creative side after lots of business work

Chrontent

04

Operating Plan

Store Location and Facilities

Physical Security

Testing and Other Requirements

Tracking Solution

Cannabis Store Location and Facilities

Location and Building Specifications

The physical address of our retail shop facility will be: 267 Broadway, Chelsea, MA 02150

We have located our facility in a commercial use area that acquired Zoning and Land Use permits for. The store is a 5,000 sqft space and we will be the sole occupants of the building. We have 2 parking spots designated for employees however we are leasing an 8 space parking lot 300ft away from the building. There is ample street parking available for our customers as well as 2 additional lots located 500 ft adjacent from the location of the building.

The facility has 3 means of egress (1 of them which we are designating for emergency use only). The facility will be guarded by security personnel during hour of operations.

A site plan showing the entire structure of the retail center, including the streets, parking lots, other tenants within the facility, and any other entities that physically border the store can be found in the Appendix.

After conversion, the internal plan of the facility will have the following configurations:

- Areas where cannabis will be kept or handled have no external doors or windows and can be accessed only from within the facility.
- Walls separating the admission area and retail area
- All main access point door hinges will be equipped with hinge-in-locking screws to increase security.

This configuration yields optimal conditions for surveillance. These existing design elements will not only make unauthorized access extremely unlikely, but also act as a deterrent discouraging thefts.

Location and Building Specifications

A floor plan of the retail store detailing the location of the following:

- A. All entrances and exits
- B. The location of any windows
- C. The location of all cameras, and their field of view
- D. The location of all alarm inputs (door contacts, motion detectors, duress/hold up devices) and alarm sirens
- E. The location of the surveillance control panel and alarm systems
- F. Restricted and public areas shown (Appendix)

Lighting

The main objectives of our security lighting system at the store is to illuminate dark areas and detect and recognize movement in the protected area. The best vision with outdoor lighting is obtained from downward directed and shielded security lighting that is constantly on, supplemented with instant on lighting triggered by motion detectors.

House of Ermiias will ensure that sufficient lighting requirements are met between dusk and dawn. We will add external security lighting, including high flood spot lights to both facilities. Each facility and all walkways of each facility will be well illuminated to maximize visibility. Lighting will be operated automatically by a photo-sensor, ensuring that lighting will always be optimal for video capture.

Guards

Once each facility is operational, we will employ name of company, a private company that will provide security guards. Uniformed armed and unarmed security personnel will be on site monitoring the facility during hours of operation. All security personnel will be thoroughly screened, trained, and strictly supervised by our Security Department working in conjunction with Security Consultant to ensure they are of the highest capability.

During operating hours, we will have at least one or total of number on-site security guards at the entrance and number on-site security guards at the store.

Security personnel will perform and keep records of having performed routine regular inspections of all security systems, barriers, gates, doors, and locks, immediately reporting any malfunctioning or compromised security feature to the Security Agent. Any incidents qualifying as irregular or suspicious will be handled immediately.

Physical Security Plan

We will secure the perimeter of our facilities to prevent unauthorized intrusion. With our store, we plan to use one or more of the following critical elements to secure the perimeter of our building: security fencing, security guards, and electronic surveillance (round-the-clock manned or alarmed camera surveillance and electronic intrusion detection).

The perimeter will be secured by video surveillance and adequate outside security lighting. In addition, during non-operational hours, all entryways and exits and all windows will be externally covered by according metal fencing.

House of Ermiias motion detectors will monitor the inside of all exterior doors and windows. These are separate sensors from our video camera motion detectors.

Customers Access

The property has a total of 8 common parking spaces behind the building with access to public parking spaces in 2 lots 500m adjacent from the building. These spaces will easily accommodate customers traffic. There also is an abundance of neighborhood parking in the surrounding areas in the event that parking on site is not possible.

Procedure

- A. Customers will enter the store through the facility's front entrance.
- B. Entrance into the areas where cannabis is kept will be authorized by personnel buzzing customers into an area located between the waiting room and cannabis viewing/holding area.
- C. Once in this holding area, store agents in the back with can view anyone and control the second "buzzer door," allowing them into the cannabis area.

The entry door to the cannabis products area will be operated on a "double buzzer" system, controlled by the person assigned to the control area. This person will be viewing the waiting room and allowing access into the rear only after proper screening and the agents in the back are ready. At this point, customers will be escorted to the area where the products can be viewed. No weapons will be allowed in the facility, and anyone entering the cannabis products area will have to walk through a metal detector. Signs that indicate this will also be posted. In addition, there will be a guard on site in the area of the cannabis products, roving the perimeter and the waiting area.

Internal Access-Point Control

Movement within the facility will be tightly controlled. All main access doors, doors to the store will require keycards and electronic passcodes. In addition, customers will need to buzz in from the waiting room as described above. Only permitted employees will be allowed to enter into the store.

Limited Access to Secured Areas and Visitors

House of Ermias has the limited access areas. House of Ermias ensures that the secured areas are accessible only to licensee, licensee representatives, and authorized personnel, service personnel or distributors.

Electronic Security System

We will install a comprehensive electronic security system with video surveillance/recording capability, third-party monitoring, intrusion detection, and panic buttons.

Video Surveillance

We will employ state-of-the art external and internal cameras, each with a minimum resolution capacity of 1280x720 pixels. All video footage will be stored for a minimum of 90 days. Recordings are subject to inspection. This is sufficient to allow facial identification of anyone in or nearing the facility. Our CCTV camera system with digital recorder includes:

Cameras: Motorized IP cameras, Fisheye cameras , 1080p resolution, 15 frames per second, Low Bandwidth, Wide Dynamic Range, 24 hour connectivity, Integrated System, 90 day storage, Perimeter surveillance Placed at POS, safes

External video surveillance will cover all areas of possible ingress and egress. Internal video surveillance will cover the following:

1. Waiting room
2. Reception office
3. The retail sales floor with a camera located at each point of sale location
 - a. The camera placement must allow for recording of the facial features of any person purchasing or selling cannabis goods
 - b. This covers all areas where cannabis is present or handled, including all point-of-sale locations, and all means of access to such areas.
4. Entrances and exits from both indoor and outdoor vantage points
5. Security Rooms
6. All limited access areas
7. Areas where cannabis goods are weighed, packed, stored, loaded, or unloaded for transportation, prepared, or moved within the premises.
8. Areas storing the surveillance system device with at least once camera recording the access points to the secured surveillance recording area
 - a. The physical media or storage device on which surveillance recordings are stored shall be secured in a manner to protect the recording from tampering or theft
9. Video surveillance will cover external and internal areas 24/7 at a minimum of 15 frames per second

A failure notification system will provide both audible and visible notifications if there is any failure in the electronic monitoring system.

Third-Party Monitoring

House of Ermias anticipates contracting with vendor to help deter, detect, and document security events at each facility from a remote location. Vendor will monitor for fire and for security breach of doors or windows. Trained professionals from their monitoring centers will be able to access our security surveillance system at all times and will report and document any suspicious activity. Our internal security personnel will work with vendor to establish guidelines for what entails suspicious activity and to ensure regulatory compliance. We will also work closely with the Chelsea Police Department and Fire.

There will be triggers around the facility to alert our monitoring team of a possible intrusion or unauthorized access. Triggers can be:

- Motion sensor surveillance cameras
- Unauthorized electronics access
- Security and fire alarms

Intrusion and Motion Detection

Our alarm system will have motion detectors covering entryways and exits, hallways, the retail sales floor, storage rooms, and windows.

Burglary Alarm System

We shall install, maintain, and use a professionally monitored robbery and burglary alarm system; which meet the following requirements:

- A test signal shall be transmitted to the central station every 24 hours.
- At minimum, the system shall provide coverage of all facility entrances and exits, rooms with exterior windows, rooms with exterior walls or walls shared with other facility tenants, storage rooms that contain safes.
- The system shall include at least 1 holdup alarm for staff use
- They system shall be inspected, and all devices tested annually by a qualified alarm vendor.

Fire Security

The facility will comply with all local fire code requirements. Fire Prevention is a vital aspect of processing safety. As part of House of Ermiias commitment to the safety of our employees, we have developed a comprehensive Fire Plan to address how fires will be prevented and managed/contained if they do occur. Knowing that people are our most valuable resources, all employees will be trained and required to conduct themselves with consistent due diligence to prevent fires from occurring.

Testing & Other Requirements

Laboratory Testing Requirements

- A retailer may not send cannabis goods to a distributor for testing.

Packaging and Labeling Requirements

- A retailer shall not accept cannabis goods that are not properly packaged and labeled.
- A retailer may not send unpackaged cannabis goods to another licensee for packaging or labeling. Cannabis goods in possession of a retailer that do not meet packaging and labeling requirements must be destroyed.
- Exit packaging is not required to child-resistant and can no longer be used to satisfy the child resistant packaging requirements. All cannabis goods must be in child-resistant packaging prior to delivery to a retailer.

Tracking Solution

Company intends to use special tracking solution, which will allow us to remain compliant while helping to identify key data points to streamline and optimize inventory management at each phase of the operation: transportation, lab testing and dispensing.

Transport Manifests – Creating, submitting, and storing compliant transportation manifests noting vehicle, driver, and cargo contained for regulatory review.

Product Details – Product details for the inventory items, printing key information directly on the labels including ingredients, potency results, plus a reactive expiration date that can lock a product if it's past expiration.

Inventory Management – Analyzing the sales data to optimize the dispensary store inventory to the customers.

Data Driven CRM – Out-of-the-Box Customer Relationship Management (CRM) tools to reward loyal customers and referrals. Setup targeted email and text campaigns based on customer's favorite products, last visit date, purchase history, birthdays and more.

05



Organizational Structure

Personnel Plan

Executive Team

Personnel Plan

House of Ermias is a business that will be built on a solid foundation. From the outset, we have decided to recruit only qualified people to man various job positions in our company. We are quite aware of the rules and regulations governing the cannabis industry of which cannabis dispensing falls under which is why we decided to recruit experienced and qualify employees as foundational staff of the organization. We hope to leverage on their expertise to build our business brand to be well accepted in the United States.

These are the positions that will be available at House of Ermias

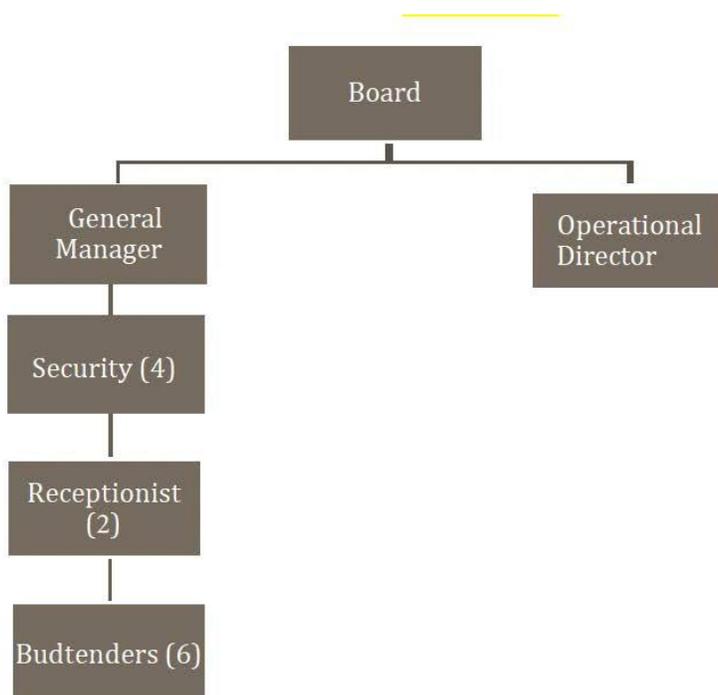


Figure 15. Organizational structure

Table 5. Personnel plan

Position	Year 1	Year 2	Year 3	Annual Salary
Operations Director	1	1	1	100,000
Receptionist	2	2	2	45,000
Budtenders	6	8	8	60,000
Security	4	4	4	Outsource

Executive Team



Ola Bayode, Founder

Business Development, Channel Partnerships, Hiring, Product Vision, Market Research. Extensive experience in the tech startups. Firm understanding of go-to-market strategy and implementation. Social justice warrior, and passion for developing the youth.



Akeem Raphael, Co-Founder

Technology and Systems Integration Specialist at Harvard Business School. Experienced in building and managing systems. Managed several home real estate projects in the Greater Boston Area.



James Suh, Retail Advisor

Retail Design, Product Marketing, Merchandise, Sustainability. Designer at Nutrivite. Worked with key clients retail rebranding initiatives such as AT&T, Chic-Fil-A. Focus on minimalism, eco-friendly concepts that can withstand high traffic volumes while creating an engaging experience for consumers.



Operations Advisor

Co-owner of multiple dispensaries in Los Angeles (Buddha Boys), and partner in cultivator facility. Strain grown won 1st place at 2017 Blazers Cup. Strain endorsed by Snoop Dogg and Tommy Chong. Currently building out 80 acre community in Tulsa, OK.

06

Financial Plan

Funding Analyses

Funding analysis

Company intends to raise \$1,800,000 for 5 years with 8% dividend and profit share 8%. First repayment will start from 11th month.

Table 6. Long-term debt schedule, \$

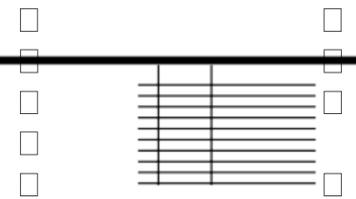
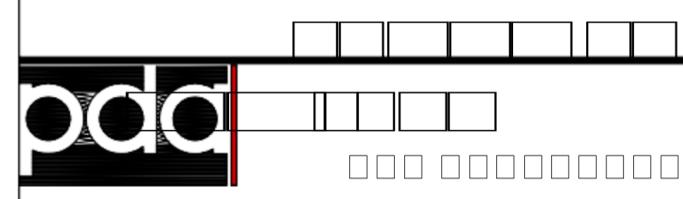
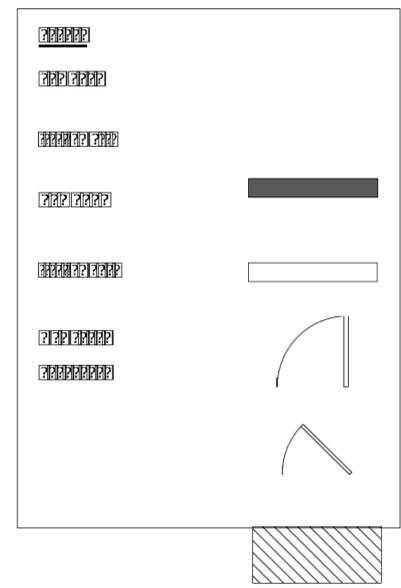
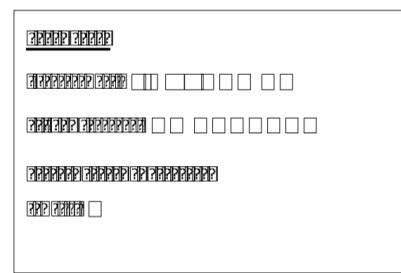
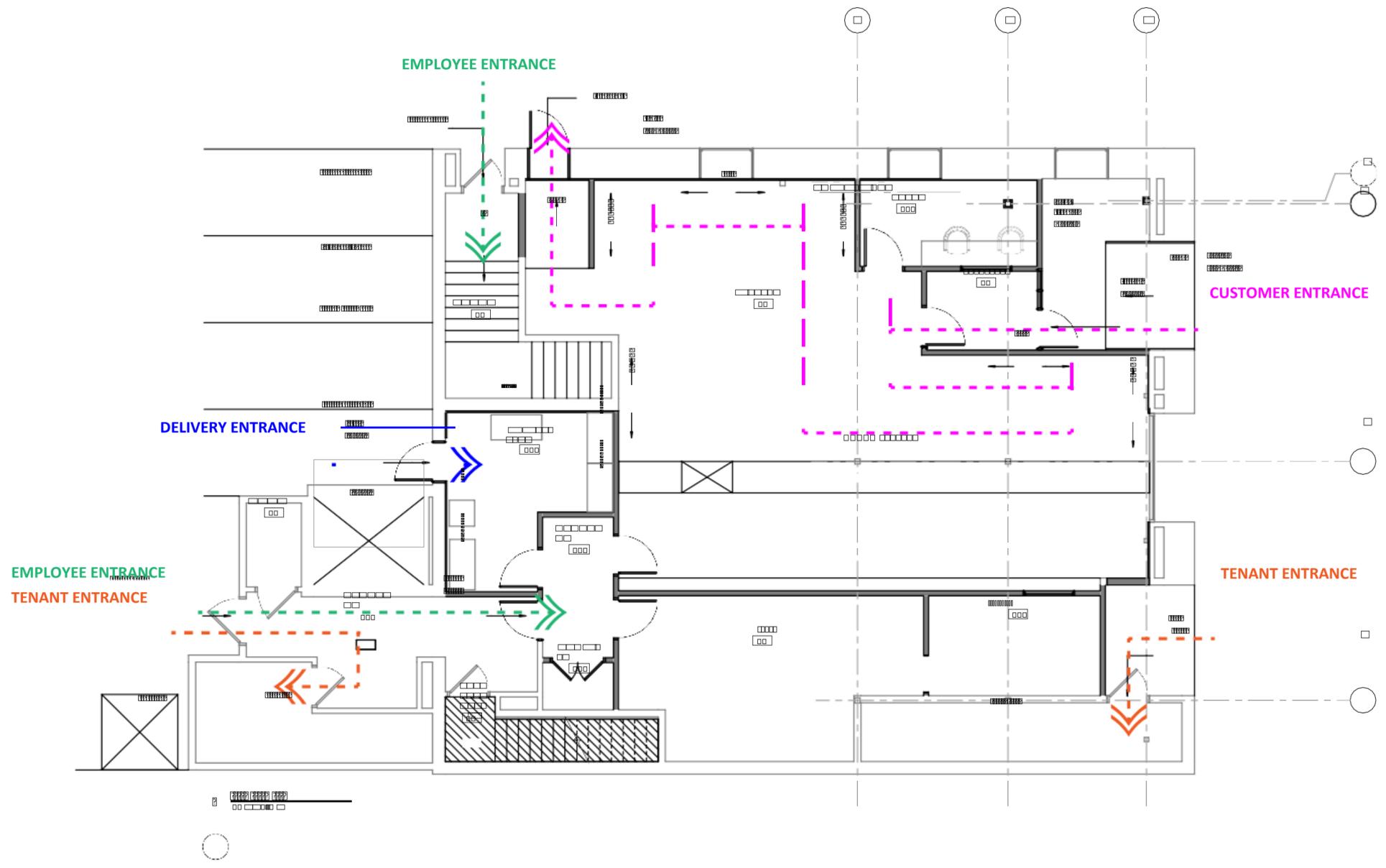
Long-term Debt	1	2	3	4	5	6
Long-Term Debt Beginning Balance	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Long-Term Debt Repayment	0	0	0	0	0	0
Long-Term Debt Ending Balance	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
ROI	0	0	0	0	0	0
Profit Share (Investors)	0	0	0	0	0	0
Long-term Debt	7	8	9	10	11	12
Long-Term Debt Beginning Balance	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,788,000
Long-Term Debt Repayment	0	0	0	0	12,000	12,000
Long-Term Debt Ending Balance	1,800,000	1,800,000	1,800,000	1,800,000	1,788,000	1,656,000
ROI	0	0	0	0	0	0
Profit Share (Investors)	0	0	0	0	0	120,000
Long-term Debt	13	14	15	16	17	18
Long-Term Debt Beginning Balance	1,656,000	1,644,000	1,632,000	1,420,000	1,408,000	1,396,000
Long-Term Debt Repayment	12,000	12,000	12,000	12,000	12,000	12,000
Long-Term Debt Ending Balance	1,644,000	1,632,000	1,420,000	1,408,000	1,396,000	1,184,000
ROI	0	0	0	0	0	0
Profit Share (Investors)	0	0	200,000	0	0	200,000
Long-term Debt	19	20	21	22	23	24
Long-Term Debt Beginning Balance	1,184,000	1,172,000	1,160,000	948,000	936,000	924,000
Long-Term Debt Repayment	12,000	12,000	12,000	12,000	12,000	12,000
Long-Term Debt Ending Balance	1,172,000	1,160,000	948,000	936,000	924,000	712,000
ROI	0	0	0	0	0	0
Profit Share (Investors)	0	0	200,000	0	0	200,000
Long-term Debt	25	26	27	28	29	30
Long-Term Debt Beginning Balance	712,000	700,000	688,000	412,000	400,000	388,000
Long-Term Debt Repayment	12,000	12,000	12,000	12,000	12,000	12,000
Long-Term Debt Ending Balance	700,000	688,000	412,000	400,000	388,000	112,000
ROI	0	0	0	0	0	0
Profit Share (Investors)	0	0	264,000	0	0	264,000

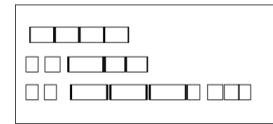
Long-term Debt	31	32	33	34	35	36
Long-Term Debt Beginning Balance	112,000	100,000	88,000	0	0	0
Long-Term Debt Repayment	12,000	12,000	12,000			
Long-Term Debt Ending Balance	100,000	88,000	0	0	0	0
ROI	0	0	188,000	200,000	212,000	488,000
Profit Share (Investors)	0	0	264,000	0	0	264,000
Long-term Debt	37	38	39	40	41	42
Long-Term Debt Beginning Balance	0	0	0	0	0	0
Long-Term Debt Repayment						
Long-Term Debt Ending Balance	0	0	0	0	0	0
ROI	500,000	512,000	844,000	856,000	868,000	1,200,000
Profit Share (Investors)	0	0	320,000	0	0	320,000
Long-term Debt	43	44	45	46	47	48
Long-Term Debt Beginning Balance	0	0	0	0	0	0
Long-Term Debt Repayment						
Long-Term Debt Ending Balance	0	0	0	0	0	0
ROI	1,212,000	1,224,000	1,556,000	1,568,000	1,580,000	1,912,000
Profit Share (Investors)	0	0	320,000	0	0	320,000
Long-term Debt	49	50	51	52	53	54
Long-Term Debt Beginning Balance	0	0	0	0	0	0
Long-Term Debt Repayment						
Long-Term Debt Ending Balance	0	0	0	0	0	0
ROI	1,924,000	1,936,000	2,292,000	2,304,000	2,316,000	2,672,000
Profit Share (Investors)	0	0	344,000	0	0	344,000
Long-term Debt	55	56	57	58	59	60
Long-Term Debt Beginning Balance	0	0	0	0	0	0
Long-Term Debt Repayment						
Long-Term Debt Ending Balance	0	0	0	0	0	0
ROI	2,684,000	2,696,000	3,052,000	3,064,000	3,076,000	3,108,000
Profit Share (Investors)	0	0	344,000	0	0	344,000

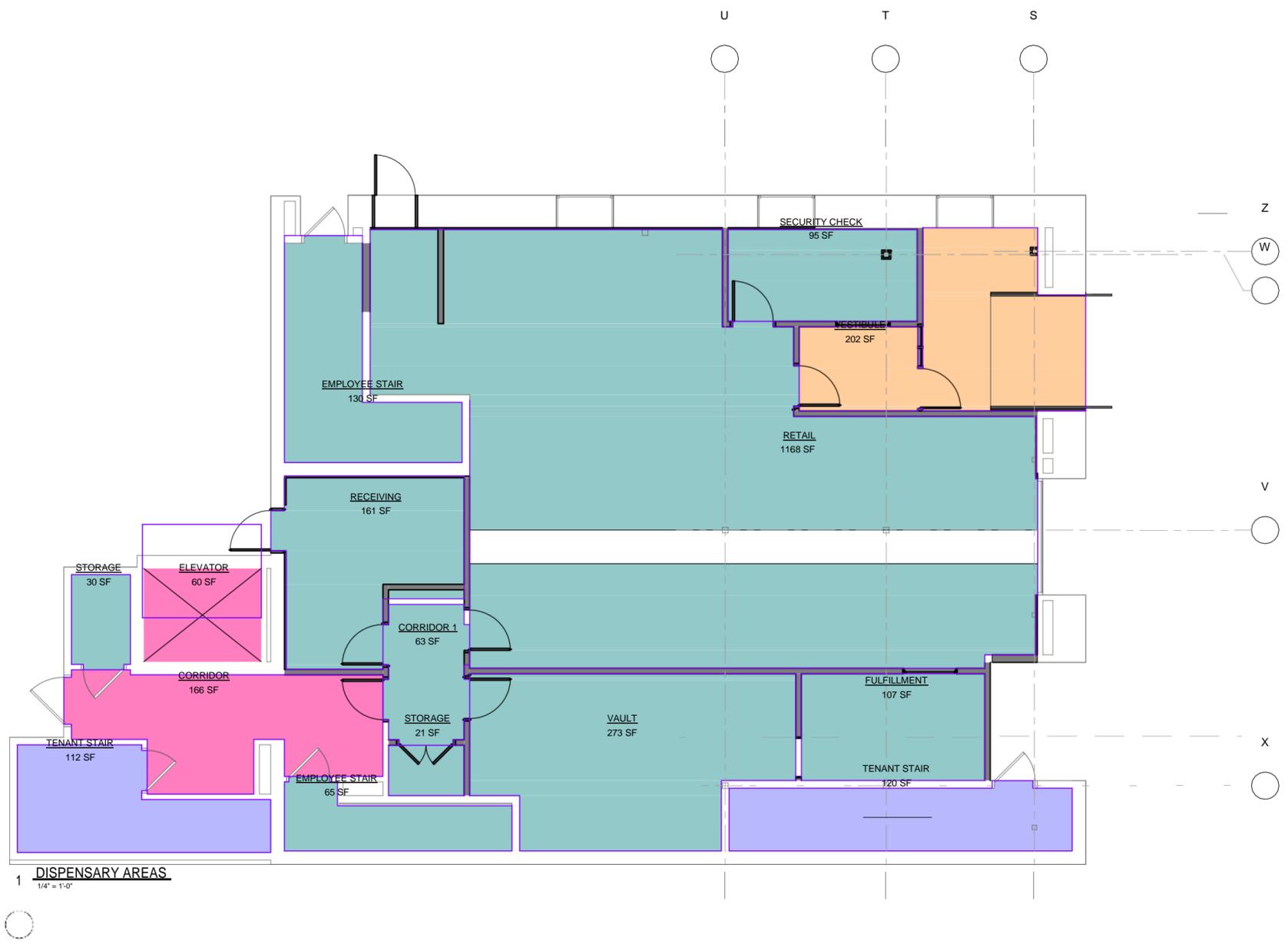
07



Appendix







1 DISPENSARY AREAS
1/4" = 1'-0"

HOUSE OF ERMIAS

267 Broadway, Chelsea, MA

4224

NO	DATE	ISSUE

SD-3
AREA DIAGRAM



Street View



Security Clearance



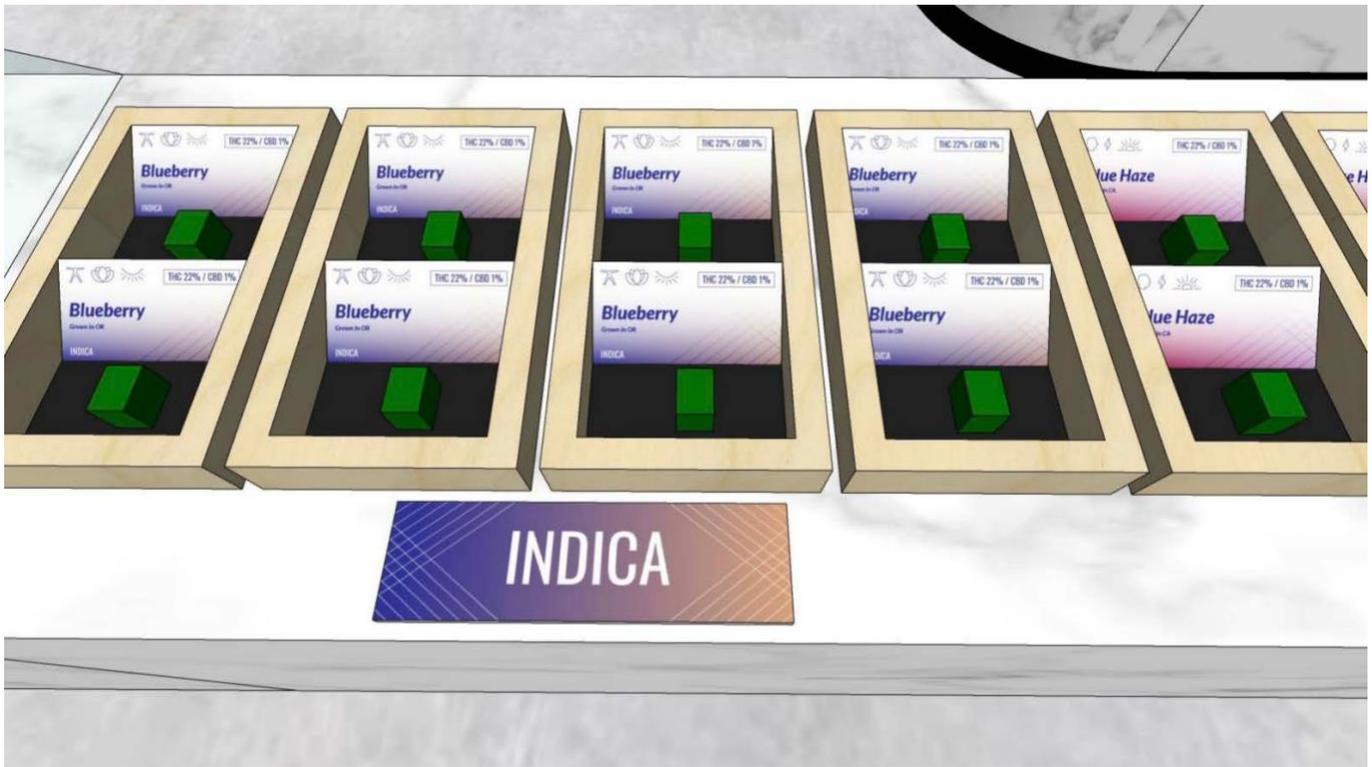
Store View From Entry Perspective



Ancillary Product Display



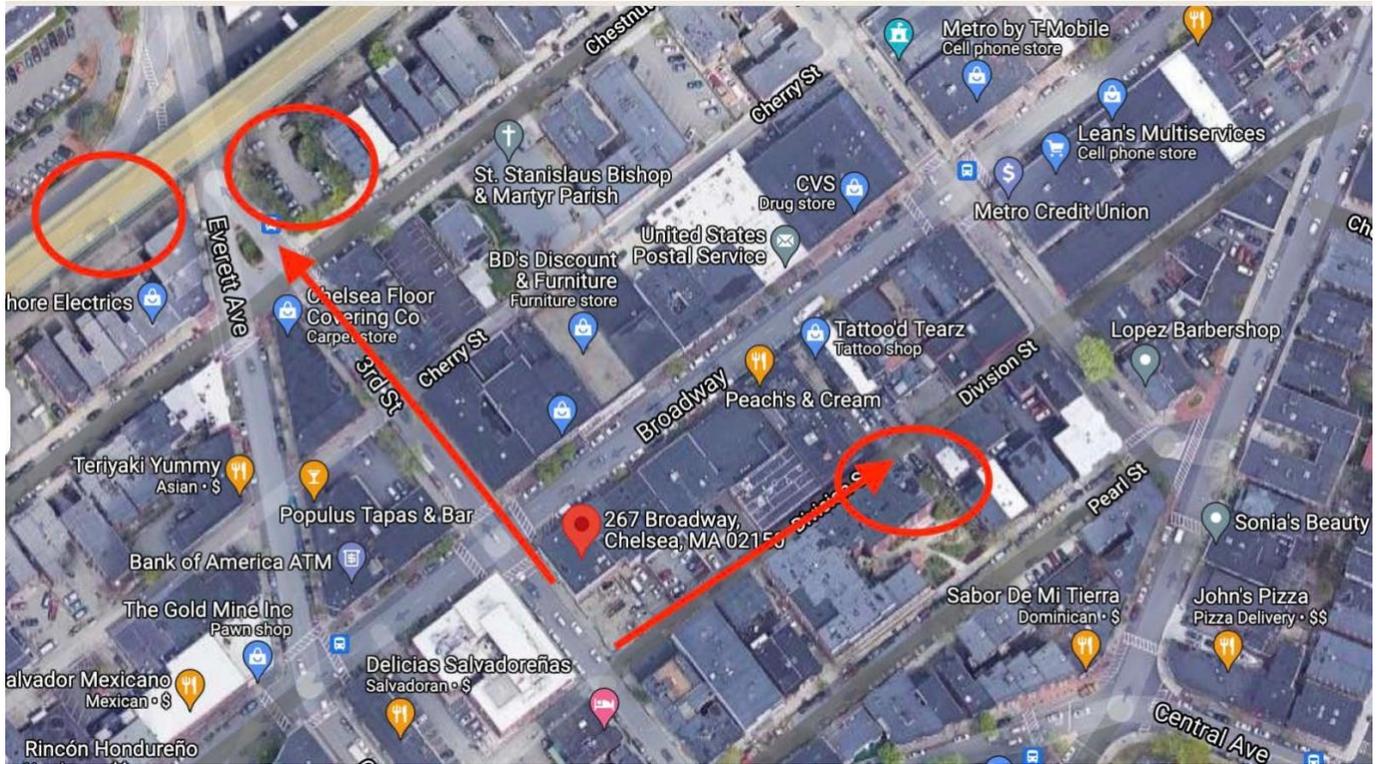
Cannabis Product Display



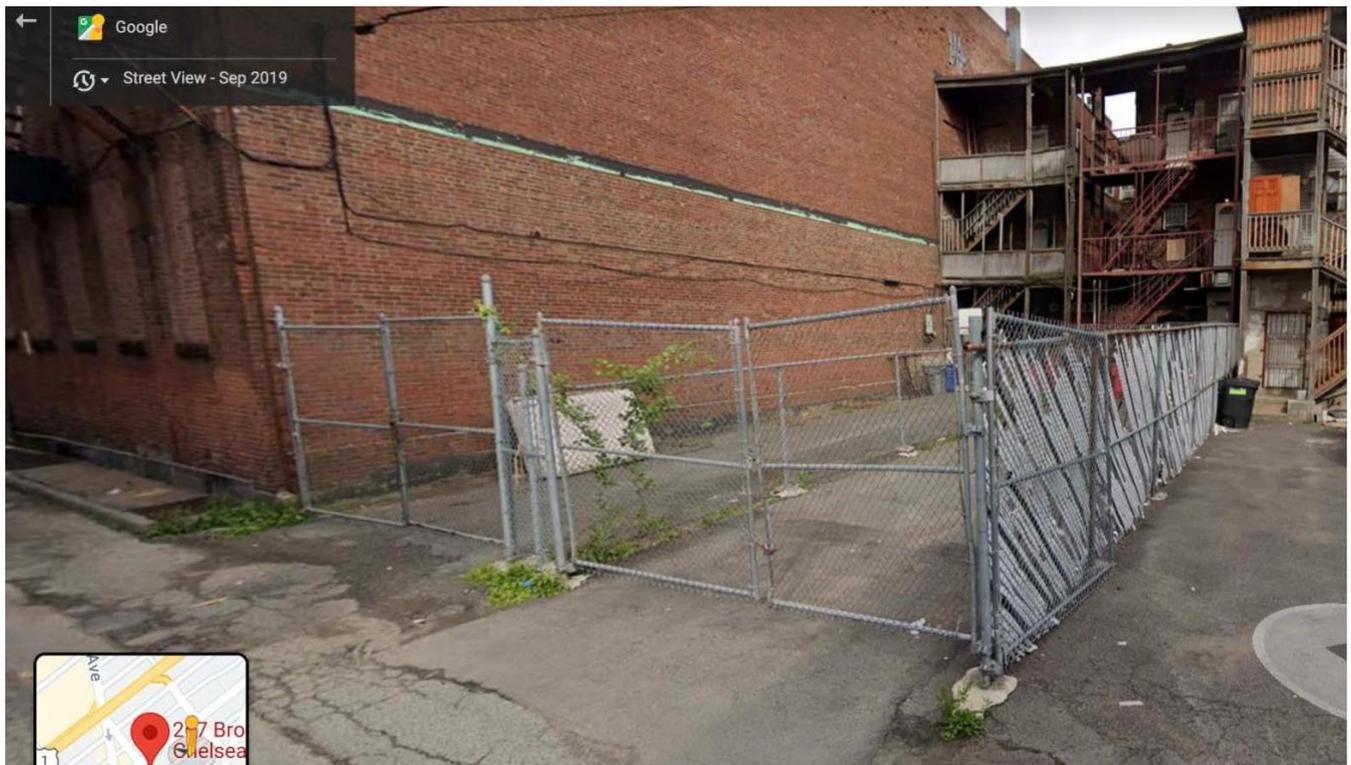
Sales Checkout



Map Showing Parking We Will Provide (all between 300ft-500 ft away)



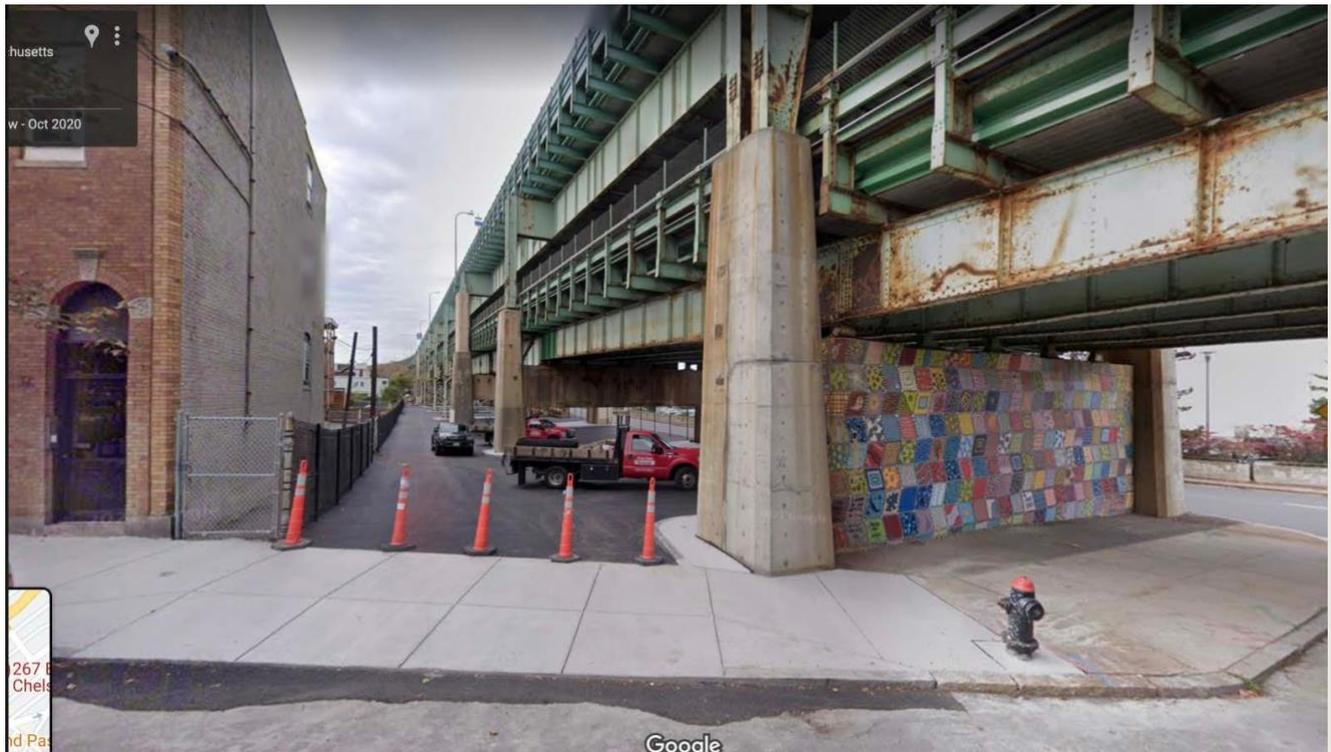
Division St Parking (We are leasing this.. 300 ft away)



Public Parking on Chestnut Ave (less than 500 ft away)



Public Parking on Everett Ave (less than 500 ft away)



Security Systems



- Motorized IP cameras
- Fisheye cameras
- 1080p resolution
- 15 frames per second
- Low Bandwidth
- Wide Dynamic Range
- 24 hour connectivity
- Integrated System
- 90 day storage
- Perimeter surveillance
- Placed at POS, safes

Security Systems



- Employee access cards
- Easily assign permissions and restrictions
- Control door schedules
- Connectivity to law enforcement/fire department
- View access logs
- Digital Visitor Log
- Duress and Panic alarm
- Power Failure alert

Energy Compliance Plan

House of Ermias shall 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*. The Company will 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 Executive Office of Energy and Environmental Affairs (the "EOEEA") to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts, including but not limited to:

- Identification of potential energy use reduction opportunities (such as natural lighting and energy efficiency measures), and a plan for implementation of such opportunities;
- 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;
- Strategies to reduce electric demand (such as lighting schedules, active load management, and energy storage); and
- Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.

This policy may also be referred to by the Company as the "**Energy Compliance Policy**".

Qualification & Training

Employees

House of Ermias initially staff its dispensary facility with eight on-site employees for efficient and smooth operations. The staff will include the Dispensary General Manager (1), a Cannabis Product Manager(2), Associate Cannabis Product Manager(3), and Security Manager (4).

Dispensary General Manager – Closely supervises the Product Management department in providing customer reception, education and support, new customer orientation, and a positive customer experience overall; ensures the dispensary is in strict compliance with all state regulations with regard to patient registration and dispensary access; ensures educational materials are available to customers; receives and resolves any customer issues; ensure entire staff is providing excellent customer service; oversees retail package handling, product display, proper dispensary floor storage of product, and accurate sales transactions and reporting; ensure full compliance in dispensing of products; providing absolute accuracy in the sales process; monitors and analyzes sales reports, addresses customer concerns when necessary; oversees inventory and cash controls; orders and receives product; ensures storage, labeling, tracking and reporting of all product and cash, and enforces quality control standards.

Cannabis Product Manager – Greets customers upon entrance to the dispensary, verifies and checks in customers, conducts new customer orientation and education, orients customers as to their legal rights and responsibilities, addresses questions and resolves complaints, addresses special needs, and assists the Security team in monitoring the dispensary's security status.

Associate Cannabis Product Manager – Provides outstanding customer service by efficiently providing marijuana with absolute accuracy in the sales process; ensures marijuana is sold only to customers carrying a valid registration card, and that all sales are accurately and comprehensively tracked in the POS system.

Security Manager – Works as a member of the security team to implement security policies and procedures to protect the property, confidentiality and assets from theft, damage or acts of vandalism; acts as a visible resource for the responsible and secure operation of the facility, interacting with customers and staff in a positive manner, while maintaining compliance with dispensary rules of conduct and state laws and regulations.

Employee Training

House of Ermias will hire all employees, at first, on a probationary basis. During this probationary period, candidates will complete a comprehensive training program and will be evaluated for suitability in a restricted-access environment. Training will be customized based on the role of the employee and will include, at minimum, a Responsible Vendor Program. Prior to performing any job functions employees will learn the responsibilities of their position and how the position operates daily. A component of this part of training is done in a shadowing context. New hires will spend time following around their supervisor and

current agents working the same role. New hires will be able to physically experience a regular day in this position and will be able to ask questions. House of Ermias ensures that all hired staff will complete job-specific training prior to performing job functions by having the Human Resources Manager sign off on their records. Training will be held on-site and will cover the following:

1. Health and Sanitation;
2. Legal Compliance;
3. Safety and Security;
4. Inventory Monitoring and Reporting/Recordkeeping;
5. Marijuana Product Education; and
6. Job Specific Roles.

Annual Training

Pursuant 935 CMR 500.105(2)(a), House of Ermias maintains that all its agents receive at least eight hours of on-going training annually. This training could cover a variety of topics ranging from updated laws and regulations to cannabis education. The General Manager is ultimately responsible for the topics covered in annual, on-going training and is assisted by the Operations Manager who is ultimately responsible for ensuring all House of Ermias' agents complete annual training. House of Ermias will utilize both internal and external experts and professionals in fostering on-going training. On-going training will be recorded and stored along with an individual's personnel records.

Responsible Vendor Training

Prior to commencing operations, all current owners, managers, and employees with House of Ermias will have attended and successfully completed a Responsible Vendor Program. Once all agents have successfully attended and completed the program, House of Ermias will be designated as "responsible vendor", a status House of Ermias will maintain so long as operations continue. All new employees of House of Ermias will also participate in a Responsible Vendor Training program within their first 90 days of service to maintain House of Ermias' status as a responsible vendor. Once an agent has completed a responsible vendor training program, they must complete the program annually to ensure House of Ermias' maintains status as a responsible vendor. House of Ermias' will maintain records of responsible vendor training compliance for at least 4 years. Administrative employees who do not handle or sell marijuana may take the Responsible Vendor Program voluntarily.

Health and Sanitation

House of Ermias will provide thorough training to all facility employees to mitigate potential sanitation or safety risks. An emphasis will be placed on the regular cleaning and sanitation of all areas where products and customers may be present.

Health and sanitation training will focus primarily on contamination prevention and employees will learn best practices for preventing contamination of marijuana products from biological contaminants (e.g. parasites, mold, bacteria), physical contaminants (e.g. dirt, dust, glass) and chemical contaminants (e.g. cleaning compounds, sanitizing agents, solvents). Training will focus on:

1. Inventory inspections – Procedure for inspecting marijuana products for signs of damage (e.g. water damage), pests and expiration dates.
2. Cleaning and sanitizing – Procedures for:
 - a) regular cleaning of equipment, utensils and surfaces to protect against

- contamination; and
 - b) cleaning and sanitization of display cabinets, countertops and other service areas at the beginning and end of each shift, and throughout the day as needed.
3. Handling of marijuana products – Protocol for proper sanitation and personal hygiene prior to handling any marijuana product.

Health and sanitation training will also include the protocol for handling, storing and disposing of marijuana waste. Additional details related to health and sanitation may be found in the Quality Control and Testing document.

Legal Compliance

Legal compliance training will educate employees on Applicable Law and include the following:

1. Inventory tracking compliance;
2. Required labeling and packaging of marijuana products;
3. Daily purchasing limits;
4. Recordkeeping and confidentiality;
5. Prevention of illegal diversion of marijuana; and
6. Disposal of marijuana waste.

Employees will complete initial legal compliance training at new employee orientation and will receive additional training from time-to-time as necessary to track any relevant changes to Applicable Law.

Security

Each successful employee applicant shall undergo basic safety and security training before beginning work. As a part of the employee orientation process, all employees will be provided with a copy of the final security plan, as well as security and safety training. Security and safety training shall consist of examination and discussion of the security plan, premises orientation, emergency training, and situational training.

Initial employee safety and security training shall include:

1. Building orientation and access authority which shall include:
 - a) The proper use of employee's access badge for entry into the premises and main building entrance;
 - b) The proper use of employee's access badge for entry into employee's authorized access areas;
 - c) Facility standard business hours and protocol for entry and exit outside standard business hours;
 - d) The proper use of employee's agent card;
 - e) Employee's authorized entry and exit points;
 - f) Employee's locker; and
 - g) Restroom and sink facilities.
2. Measures and controls for the prevention of diversion, theft or loss of marijuana which shall include:
 - a) Necessity of keeping all limited access areas always locked and secured;
 - b) Prohibited activities such as entrance into unauthorized access areas;
 - c) Awareness of video monitoring; and

- d) Requirement to report any unusual activity, security concern, or loitering.
3. Procedures and instructions for responding to an emergency that will include:
 - a) Accident prevention training;
 - b) How to respond to an emergency;
 - c) Emergency service provider location;
 - d) Emergency service contact information;

 - e) Emergency first aid kit locations; and
 - f) Emergency exits and panic button locations.

Inventory Monitoring and Reporting

Inventory Monitoring and Reporting/Recordkeeping training will focus on making all employees proficient in House of Ermias' inventory tracking and point of sale systems and protocols for recordkeeping. House of Ermias will utilize the point of sale ("POS") system training program and resources to provide hands-on, situational training to employees on the protocols and procedures required by the Cannabis Control Commission ("CCC" or "Commission").

Product Education

The Company will provide comprehensive training of employees regarding various aspects of marijuana use. Such training will aim to provide all employees with a thorough understanding of the following:

1. The various marijuana strains, and the benefits and drawbacks of each;
2. The various marijuana products and consumption methods, and the benefits and drawbacks of each;
3. The various cannabinoids (including THC and CBD) found in marijuana products and the benefits and drawbacks of each; and
4. Dosage information, cannabinoid content and serving size for different marijuana products.

Warnings for different marijuana products. Marijuana product education training sessions will be held periodically to keep employees informed on new marijuana products and information on marijuana strains.

Customer Education

House of Ermias will ensure the availability of an adequate supply of up-to-date educational materials. Whenever possible these materials will be available in languages accessible to all patients we serve, as well as for the visually and hearing impaired. These materials will be made available for inspection by DPH/CCC upon request.

The Handbook contains a wide variety of topics to educate patients about House of Ermias, including:

- Rules and regulations to abide by from state and local laws;
- Research studies on health effects;
- A warning that marijuana has not been analyzed or approved by FDA, that there is limited information on side effects, that there may be health risks associated with using marijuana, and that it should be kept away from children;
- A warning that when under the influence of marijuana, driving is prohibited by M.G.L. c.90, s. 24, and machinery should not be operated;
- Information to assist in the selection of marijuana, describing the potential differing effects of various strains of marijuana, as well as various forms and routes of administration;

- Information describing the impact of potency and its role in determining proper dosages and titrations for different routes of administration;
- A discussion of tolerance, dependence, and withdrawal;
- Facts regarding substance abuse signs and symptoms, as well as referral information for substance abuse treatment programs;
- Any other information required by DPH.

House of Ermias provides our customers with the most accurate information related to the health effects of marijuana, and that the content contained in the Handbook is accurate and up-to-date. House of Ermias will also provide educational materials from Americans for Safe Access (ASA). ASA has compiled a number of educational booklets covering a range of medicinal conditions and the efficacy of marijuana in treating these conditions. These booklets are concise summaries for the administration of and current research regarding the application of marijuana

in treating the associated condition. They contain clinical as well as anecdotal evidence on the efficacy of medicinal marijuana treatments and include citations of relevant research materials for further reading. These booklets will be available to all patients free of charge.

Booklets will be available for these specific conditions:

- Gastrointestinal Disorders and Medicinal Marijuana
- Chronic Pain and Medicinal Marijuana
- Multiple Sclerosis and Medicinal Marijuana
- Cancer and Medicinal Marijuana
- Arthritis and Medicinal Marijuana
- Movement Disorders and Medicinal Marijuana
- Aging and Medicinal Marijuana
- HIV/AIDS and Medicinal Marijuana

Mental Health Workshops

House of Ermias will provide an avenue for cannabis consumers to discuss mental health issues they may be experiencing. House of Ermias in partnership will organize weekly events with local organizations that focus on topics such as: substance abuse, anxiety, depression, PTSD, at the Dispensary. Organization of events and planning will be executed between Chief Health Officer and Dispensary General Manager.

Physical Health Workshops

House of Ermias' Chief Health Officer will hold workshops discussing how to effectively use CBD to recover from physical discomfort. House of Ermias will hold Annual 5-K's, partner with local gyms to advocate customers to lead a healthier lifestyle.

Personnel Policies

Hiring & Vendor Selection

Facility security is enhanced by the selection of qualified personnel to assist with the operation of the business. To promote public perception and the security interests of House Of Ermias, all prospective employees and vendors shall be stringently vetted during the application process. Each employment candidate shall undergo a thorough background check and character assessment review. Only the most desirable candidates will be selected.

However, and in any event, a person who:

- 1.) Has been convicted of an excluded felony offense (marijuana-related will be pardoned);
- 2.) Does not work pursuant to the Regulations of the Division or
- 3.) Is less than 21 years of age will not serve as a Store agent, i.e., employee or vendor.

In addition, a person shall not work at the Dispensary as an agent until the CCC has issued his or her badge. All vendors shall have all requisite licenses and legal authority to operate its business. Employees shall, at all times during employment, display their valid employee card. An employee needing to update or report a lost agent card must report the same to Security Manager or Agent-in-Charge. See Employee Handbook for specific procedure to be followed in the event of the loss of either the State-issued ID card or the Dispensary-issued ID card. Employee shall not be permitted to report to work until they obtain a corrected or replacement State-issued card. Valid House of Ermias- issued agent identification card will assist in building safety in that only authorized and trained personnel shall be allowed into the House of Ermias.

Employee Expectations & Security Training

In addition to obtaining the agent card, each successful employee shall undergo safety, security and dispensing training before beginning work. As a part of the employee orientation process, and as an ongoing regimen, all employees will be provided with a copy of the Employee Handbook, the Security Plan, as well as security and safety training. Security and safety training shall consist of examination and discussion of the Security Plan, premises orientation, emergency training, and situational training. Situational training consists of instruction related to particular employees' job duties. For instance, the Budtender will have different day-to-day safety concerns than a Packager in the facility. Refresher training will be provided to each employee on a consistent basis and intermittently as necessary.

Initial employee safety and security training shall include:

- 1) Building orientation and access authority which shall include:
 - a) The proper use of employee's access badge for entry into the premises and main building entrance;
 - b) The proper use of employee's access badge for entry into employee's authorized

access areas;

- c) The proper use of employee's agent card;
- d) Employee's authorized entry and exit points;
- e) Employee's locker; and
- f) Restroom and sink facilities.

2) Measures and controls for the prevention of diversion, theft or loss of marijuana which shall include:

- a) Necessity of keeping all facility doors locked and secure at all times
- b) Prohibited activities such as entrance into unauthorized access areas
- c) Awareness of video monitoring
- d) Inventory Management training for the tracking of all product-related activities and information
- e) Requirement to report any unusual activity, security concern, or loitering

3.) Procedures and instructions for responding to an emergency that will include:

- a) Accident prevention training
- b) How to respond to an emergency

- c) Emergency service provider location
- d) Emergency service contact information
- e) Emergency first aid kit locations
- f) Emergency exits and panic button locations

To promote professionalism and organization, all employees will be expected to follow the established safety practices set forth in the Security Plan, be in compliance with the approved uniform dress code for their respective position of employment, display proper hygiene, keep a professional physical appearance, and wear their agent card at all times.

Security Staff

As part of the employee pool, House of Ermias will hire security employees to assist the Security Manager with the performance and implementation of the Security Plan. Security staff will wear a distinct uniform, act and address individuals in a formal manner, and continuously patrol when not on a fixed duty assignment.

Employee Log

For the safety and security of the premises surrounding the building, the building, its occupants, plants and products, the Security Manager will keep a current and accessible roster of all employees and ensure that all employees are aware of terminations or duty reassignments as they occur. All terminated employees or those not having valid agent cards shall be prohibited from being in, on or about the Dispensary.

Employee Termination

Upon termination of any employee, whether it be voluntary or involuntary, House of Ermias shall ensure that terminated employee's keys, uniform, tools and access codes and cards are returned, and ensure that such codes and access points are altered so as to prevent the terminated employees' access. House of Ermias shall notify the CCC within ten (10) days after a marijuana establishment agent ceases to be employed by at the Dispensary.

Premises Access

There is limited expectation for visitors at the Dispensary. House of Ermias' Security Plan details protocols to ensure:

- 1.) Only authorized employees have access cards to the Dispensary
- 2.) Only certain authorized employees have access to the locked segregated areas within the Dispensary that contain marijuana

- 3.) Unauthorized access into any access area will result in the automatic triggering of audible and visible alarms to prevent unwanted access
- 4.) All employees are properly identified and display their agent card
- 5.) All visitors are properly supervised. In the event of an emergency, the security manager will assist all emergency service providers so as to ensure that the emergency situation is remedied, employees and visitors are clear of harm, and that any risk of loss, theft, or diversion is quelled.

Employee and Visitor Badges

The only persons who may be on the premises of House of Ermias

- Dispensary are:
- 1.) An employee
 - 2.) A customer that is 21+ age
 - 3.) A person with appropriate authority and a visitor identification badge
 - 4.) A person inspecting House of Ermias Dispensary with proper government authority

Any person other than those authorized to be on the Dispensary premises must obtain a visitor identification badge from House of Ermias at the time of entering the main entrance. All persons on or about the premises must visibly display proper identification at all times. Any lost or stolen agent card, or those that may need to be updated, must be immediately reported to the Security Manager and the CCC.

Only authorized employees may dispense visitor badges, and only upon verification of such person's valid state picture identification card (i.e. driver's license), completion of the visitor information form, and such person's signature thereon and on the visitor log. The visitor log shall indicate the date, time and duration of the visit as well as the escort responsible for the visitor.

A person who obtains a visitor identification badge, including, without limitation, an outside vendor or contractor, if appropriate:

- 1.) Must be escorted and monitored by an agent at all times he or she is on the premises
- 2.) Must visibly display his or her visitor identification badge at all times he or she is on the premises
- 3.) Must return the visitor identification badge to House of Ermias upon leaving the premises of the medical marijuana establishment and sign out

Visitor Log

House of Ermias shall maintain a visitor log that includes the name of the visitor and the date, time and purpose of each visit by a person other than those authorized to be on the premises as an Employee. House of Ermias shall make its visitor log available to the CCC and local law enforcement upon request

Registration

House of Ermias will apply for registration of all its board members, directors, employees, executives, managers, and volunteers who are associated with House of Ermias as Marijuana Establishment Agents. Applications will comply with 935 CMR 500.030. All House of Ermias individuals applying for registration will have signed and notarized the CORI Acknowledgement Form, pursuant to 803 CMR 2.09. Applicants will also give authorization to obtain a full set of fingerprints in accordance with M.G.L. c. 94G, § 21. For extensive details on House of Ermias personnel initially registering to be Marijuana Establishment Agents, see the Background Check packet included in this application. Once a licensed Marijuana Retailer, personnel in Human Resources are held responsible for the proper registration of new agents.

Record Keeping

House of Ermias keeps various records regarding personnel and personnel policies included the records outlined in 935 CMR 500.105(9)(d). These records will include but won't be limited to the following:

- Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
- A personnel record for each marijuana establishment agent. These records shall be maintained for at least 12 months after termination of the individual's affiliation with the Marijuana Establishment and shall include, at a minimum, the following:
 - all materials submitted to the Commission pursuant to 935 CMR 500.030(2);
 - documentation of verification of references;
 - the job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;
 - 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;
- documentation of periodic performance evaluations;
 - a record of any disciplinary action taken; and
 - notice of completed responsible vendor and eight-hour related duty training.
- A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;
 - Personnel policies and procedures; and
 - All background check reports obtained in accordance with 935 CMR 500.030.

House of Ermias is ultimately responsible for the keeping and maintenance of these confidential records pursuant 935 CMR 105(1).

Immediate Termination

House of Ermias has an immediate termination policy that applies to House of Ermias staff who have diverted marijuana, engaged in unsafe practices regarding the operation of the dispensary, or been convicted or entered a guilty plea, plea of nolo contendere, or admission to enough facts of a felony drug offense involving the distribution to a minor. For incidents related to diversion or unsafe practices, House of Ermias will investigate and report findings to the Cannabis Control Commission (“CCC” or “Commission”) and/or law enforcement official when appropriate.

Disciplinary Policies and Procedures

House of Ermias’ discipline policies and procedures are designed to provide a structured corrective action process to prevent and improve a recurrence of undesirable behavior and/or performance issues. The steps outlined below of House of Ermias’ discipline policy and procedure have been designed consistent with House of Ermias’ organizational values, best practices, and employment laws.

House of Ermias reserves the right to combine or skip steps depending upon facts of each situation and the nature of the offense. The level of disciplinary intervention may also vary. 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 House of Ermias’ organization. House of Ermias

is an alcohol, smoke, and drug-free workplace.

Step 1: Counseling and Verbal Warning

Step 1 creates an opportunity for the immediate supervisor to schedule a meeting with an agent to bring attention to the existing performance, conduct, or attendance issue. The supervisor should discuss with the agent 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 the Step 1 meeting. The agent will be asked to sign the written documentation. The agent'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, House of Ermias 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 department manager will meet with the agent and review any additional incidents or information about the performance, conduct, or attendance issues as well as any prior relevant corrective action plans. Management will outline the consequences for the agent of his or her continued failure to meet performance and/or conduct expectations. A formal performance improvement plan requiring the agent's immediate and sustained corrective action will be issued within five business days of a Step 2 meeting. A warning outlining that the agent 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 agent from the workplace. When immediate action is necessary to ensure the safety of the agent or others, the immediate supervisor may suspend the agent 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.

Depending upon the seriousness of the infraction, the agent may be suspended without pay in full-day increments consistent with federal, state and local wage-and-

hour employment laws. Nonexempt/hourly agents 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 agents is reserved for serious workplace safety or conduct issues. The General Manager will provide guidance so that the discipline is administered without jeopardizing the FLSA exemption status.

Pay may be restored to the agents 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, House of Ermias will try 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, House of Ermias reserves the right to combine and skip steps depending upon the circumstances of each situation and the nature of the offense. Furthermore, agents may be terminated without prior notice or disciplinary action. Management's recommendation to terminate employment must be approved by the General Manager. Final approval may be required from the CEO or designee. Nothing in this policy provides any contractual rights regarding agent discipline or counseling nor should anything in this policy be read or construed as modifying or altering the employment-at-will relationship between House of Ermias and its agents.

Appeal Process

Agents 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 agent performance and/or conduct issues while allowing for an equitable solution.

If the agent 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 local law enforcement. Theft, intoxication at work, fighting and other acts of violence are also not subject to progressive discipline and may be grounds for immediate termination.

Documentation

The agent will be provided copies of all progressive discipline documentation, including all performance improvement plans. The agent 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 agent's official personnel record.

Separation of Employment

Separation of employment 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 agent separates from House of Ermias, his or her supervisor must contact the General Manager to schedule an exit interview, typically to take place on agent's last workday.

Types of Separation

Resignation

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

Retirement

An agent who wishes to retire is required to notify his or her department director in writing at least one month before planned retirement date. It is the practice of House of Ermias to give special recognition to agents at the time of their retirement.

Job Abandonment

An agent 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 agent's normal shift on the second day. The department manager will notify the General Manager at the expiration of the second workday and initiate the paperwork to terminate the agent. Agents who are separated due to job abandonment are ineligible to receive accrued benefits and are ineligible for rehire.

Termination

Agents of House of Ermias are employed on an at-will basis, and the company retains the right to terminate an agent at any time.

Reduction in Workforce

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

Release

Release is the end of temporary or seasonal employment. The General 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 agent will contact the General Manager as soon as notice is given to schedule an exit interview. The interview will be on the agent's last day of work or another day that is mutually agreed upon.

Return of Property

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

Termination of Benefits

An agent separating from House of Ermias is eligible to receive benefits if the appropriate procedures are followed as stated above. Two weeks' notice must be given, and the agent must work the full two work weeks. Accrued vacation leave will be paid in the last paycheck. 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 agent requests immediate termination of benefits. Information about the Consolidated Omnibus Budget Reconciliation Act (COBRA) continued health coverage will be provided. Agents will be required to pay their share of the dependent health and dental premiums through the end of the month.

Rehire

Former agents who have left in good standing and were classified as eligible for rehire may be considered for reemployment. An application must be submitted to the General Manager, and House of Ermias must meet all minimum qualifications and requirements of the position, including any qualifying exam, when required.

Department managers must obtain approval from the General Manager or designee prior to rehiring a former agent. Rehired agents begin benefits just as any other new agent. Previous tenure will not be considered in calculating longevity, leave accruals, or any other benefits.

An agent 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.

Training

House of Ermias will ensure that all its marijuana establishment agents complete training prior to performing any job functions. Training is tailored to roles and responsibilities of the job and will include a Responsible Vendor Program. House of Ermias agents will also receive at least 8 hours of on-going training annually. For more information, see the Qualifications and Training document.

Mandatory Meetings

There will be a mandatory reoccurring, company-wide meeting on a monthly basis. All required personnel will be notified of their required attendance. Certain personnel, such as house-keeping staff, may not be required to attend. Each department will have a mandatory weekly meeting scheduled by the department manager. The department managers will provide agendas for all meetings and will report to their executive manager.

Breaks

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

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 and at 6-month intervals thereafter. A written synopsis must be provided to, and signed by, the agent under review. Reviews are retained in each agent's employment file. Performance reviews must consider positive performance factors and areas requiring improvement. Scoring systems may be utilized to help reflect the agent's overall performance.

Structural Failure or Power Loss

If the House of Ermias retail facility experiences a structural failure or power loss, an authorized House of Ermias manager will decide if evacuation is necessary. If evacuation is deemed necessary, the designated House of Ermias manager will verbally transmit the evacuation message or sound the evacuation alarm, depending on the severity of the evacuation. Scenarios exist where only a section of the facility may lose power. To ensure the type of power failure, employees are trained to check separate sections to confirm how much of the facility has lost power. If the entire facility has lost power, staff will move to the facility common area and using emergency lighting, maneuver through the facility towards exits. Once everyone is outside, the facility is locked and secured.

Fire Emergencies

The House of Ermias retail facility will be equipped with fire alarm systems that include smoke detectors and pull-down alarms that notify the local fire department when triggered. The emergency response system is also equipped with sirens and flashing strobe lights that activate in times of emergencies. At the signal of a fire

emergency, employees are to evacuate immediately. Employees are trained for fires and are educated on some of the dangers when fleeing a fire, for example the varied toxicity of smoke and the importance of avoiding it. When fires are noticed by employees and not severe, employees are to immediately notify management. For more serious fires, the fire alarm is triggered before notification of management. Employees are trained to use fire extinguishers and are made familiar of their locations during training.

Chemical Emergencies

House of Ermias' staff is trained to be aware of, help identify chemical emergencies. If employees notice individuals becoming ill for unexplained reasons, they are instructed to steer clear of the affected area. If the emergency is determined to be originating from inside the facility, management will evacuate the building. Once outside, all will move away from the facility, uphill and upwind from the affected area if possible. If management identifies the emergency to be coming from outside, staff will be led to a room that can be sealed. In both scenarios, authorities are contacted immediately.

Bomb or Terrorist Threat (Call)

In the event of a bomb threat, House of Ermias trains employees to handle them in an inconspicuous manner until the threat can be identified to be serious. When a call comes into the facility that identifies itself as a bomb threat, House of Ermias' employees are instructed to keep the caller on the line for as long as possible. If the caller doesn't give specific details to a bomb, employees are to inquire. House of Ermias trains employees to pay attention to the phone call, specifically for anything that could help in identifying the caller (male or female, other sounds giving locational clues). Immediately after the caller hangs up, the employee receiving the call must report the information to law enforcement authorities. Management will be notified after.

Hazardous Spill

Spills and leaks are immediately reported to the manager who determines an appropriate response. Any staff member designated to clean up a spill must wear appropriate personal protective equipment. For spills or leaks deemed to be particularly hazardous and require expertise, a professional waste cleanup contractor will be hired. Spills and leaks are all cleaned up to meet all standards set by the Commission and all applicable environmental laws.

Quality Control and Testing

General

House of Ermias will only sell marijuana and marijuana product pursuant to 935 CMR 500 and will only purchase marijuana supply from licensed Marijuana Establishments.

No marijuana will be sold or otherwise marketed for adult use that is not capable of being tested by an Independent Testing Laboratory, pursuant to 935 CMR 00.140(9). Suppliers must provide documentation of its compliance, or lack thereof, with the testing requirements of 935 CMR 500, which House of Ermias inspects during intake procedures. The storage and transportation of finished products will be under conditions that will protect them against physical, chemical, and microbial contamination, pursuant to 935 CMR 500.105(3). House of Ermias' vehicles and transportation equipment used in the transportation of marijuana products or edible requiring temperature control for safety will be designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the marijuana products or edibles from becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c)

Sanitization and Cleanliness

Designated, applicable areas of the facility, including utensils, equipment used in the handling of marijuana or marijuana products and infrastructure, are sanitized with House of Ermias cleaning agents approved by the Cannabis Control Commission ("CCC" or "Commission") approved regularly in a scheduled manner. All contact surfaces will be maintained, cleaned, and sanitized as frequently as necessary to protect against contamination, pursuant to 935 CMR 500.105(3). Cleaning and sterilization are ongoing efforts by staff to virtually eliminate risk of internal and external contaminants. The House of Ermias facility will be designed with sufficient space for the placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations pursuant to 935 CMR 500.105(3).

The facility will provide House of Ermias employees with adequate, readily accessible toilet facilities pursuant to 935 CMR 500.105(3). Additionally, House of Ermias will ensure that the water supply will be sufficient for necessary operations. Furthermore, House of Ermias will make sure that the facility's plumbing will be of adequate size and design and maintained to carry sufficient quantities of water to required locations throughout the establishment.

Staff are required to wash their hands before the start of any shift and House of Ermias maintains staff should keep their hands clean throughout the day. All staff who work directly with marijuana are required to maintain adequate personal cleanliness, and comply with the requirements for food handlers specified in 105 CMR 300.00.

At the end of a business day and the building is closed to the public and House of Ermias staff take time to clean parts of the facility. House of Ermias has cleaning policies requiring

staff to clean the sales area at the close of the day including tasks such as wiping down tables and glass and sweeping and mopping the floor. In addition to daily maintenance, at least monthly, storage areas of marijuana are cleaned and sanitized, wiping down walls, racks and thoroughly sanitizing the room.

Any toxic items on the premises will be identified, held, and stored in a manner that protects against contamination of marijuana pursuant to 935 CMR 500.105(3).

Quarantine

Despite House of Ermias ensuring purchased marijuana and marijuana product is tested and compliant with 935 CMR 500, instances may occur where House of Ermias is notified of product that since intake, has been labelled as unfit for sale. Any contaminated inventory associated with a failed compliance test is immediately segregated and labeled as failed. Disposal activities will render the product unrecognizable and unusable. Upon the completion of product batch research, House of Ermias will notify the Commission of its findings no later than 72 hours after receiving the results of the laboratory results.

Waste Disposal

House of Ermias disposes of all waste in accordance to 935 CMR 500.110 12. Any product deemed unfit for sale follows strict protocol for proper handling and disposal. Marijuana awaiting disposal has its own storage area, separate from other storage areas. House of Ermias employees will be trained to properly remove all litter and waste so as to minimize the development of odor and the potential for the waste attracting and harboring pests pursuant to 935 CMR 500.105(3) and (12).

Only designated, authorized House of Ermias agents can complete waste disposal procedures. Besides the General Manager, Security Director, and Inventory Manager, all other agents need to be pre-authorized. For all House of Ermias procedures involving the disposal of waste containing cannabis, at least two agents will be present for the entirety of the process. The agents will witness and document exactly how the cannabis was handled and disposed of. A Waste Disposal Report will include, at minimum, the date, type and quantity disposed, the location, and the names of the agents who conducted the process. House of Ermias will ensure that the entirety of the waste disposal is clearly caught on camera.

Before rendering the product useless, House of Ermias agents are trained to log the appropriate information on quantity, weight, storage bin details, relevant time and dates, and anything else required by the Commission. Once the designated agents receive clearance from authorized management, they will sign out the dumpster key and remove the designated bin or container from the quarantined area. The House of Ermias agents will then mix the marijuana waste with solid waste product, rendering it unusable and unrecognizable. Next, agents will place the mix into an industrial trash bag to be mixed further with liquid dish

detergent. The trash bag will be placed into the locked dumpster before agents sign off on the report and the report is filed away.

Restricting Access To Age 21 Or Older

House of Ermias, LLC (“the Company”) is a marijuana establishment as defined by 935 CMR 500.002. The Company sets forth the following policies and procedures for restricting access to marijuana and marijuana infused products to individuals over the age of twenty-one (21) pursuant to the Cannabis Control Commission’s (the “Commission”) regulations at 935 CMR 500.105(1)(o). This regulation states that written operating procedures for the Company shall include “policies and procedures to prevent the diversion of marijuana to individuals younger than 21 years old.

A. COMPLIANCE WITH 935 CMR 500.105(1)(o)

The Company incorporates and adopts herein by reference, all of the provisions for the prevention of diversion outlined in the Company’s Standard Operating Procedure for the Prevention of Diversion. The provisions detailed in the Company’s Standard Operating Procedure for the Prevention of Diversion apply to the prevention of diversion of marijuana and marijuana infused products to all minors and all individuals under the age of twenty-one (21).

B. SPECIFIC PROVISIONS FOR RESTRICTING ACCESS TO AGE 21 AND OLDER

As stated above, the Company incorporates herein, all provisions for the prevention of diversion of marijuana and marijuana infused product to individuals under the age of twenty-one (21) as detailed in the Company’s Standard Operating Procedure for the Prevention of Diversion. Specific provisions regarding restricting access to individuals age twenty-one (21) and older include the following:

1. The Company will only employ marijuana establishment agents, as defined by the Commission’s definitions at 935 CMR 500.002, who are at least twenty-one (21) years old.
2. The Company will only allow visitors, age twenty-one (21) or older, at the Company’s facilities. The Company defines visitors in accordance with the Commission’s definitions at 935 CMR 500.002. The Company will designate an authorized agent to check the identification of all visitors entering the Company’s facilities and entry shall only be granted to those aged twenty-one (21) or older. Acceptable forms of currently valid identification include:
 - a. A motor vehicle license;
 - b. A liquor purchase identification card;
 - c. A government-issued identification card;
 - d. A government-issued passport; and a United States-issued military identification card

Maintenance of Financial Records

The POS system we select will be designed to collect data associated with business management including assets, liabilities, monetary transactions, and the like. The POS keeps a realtime record of all processes within the Dispensary. Detailed, refined reports may easily be

configured to produce the information required by management or upon inspection by state and local regulators. The POS features password protection and unique codes that will be used as electronic signatures. Records will be kept of all logins and records created or edited during that login time.

Our Operations and Management Practices Plan calls for the organized and secure retention of all business records including: assets and liabilities; monetary transactions; written or electronic accounts that include bank statements, journals, ledgers and supporting documents, agreements, checks, invoices and vouchers; and any other financial accounts reasonably related to the Dispensary operations. Management will make frequent sweeps of cash drawers and place cash in the vault along with randomly scheduled cash pickups to deliver cash from the Dispensary to our bank via armored car service.

Our policy will ensure the following:

A retailer is prohibited from utilizing software or other methods to manipulate or alter sales data. 935 CMR 500.140(6)

A retailer shall conduct a monthly analysis of equipment to determine that no software has been installed that could be utilized to manipulate or alter sales data a. 935 CMR 500.140(6)

A retailer shall maintain records that it has performed the monthly analysis.935 CMR 500.140(6)

If a retailer determines that software or other methods have been installed/utilized to manipulate or alter sales data: it shall immediately disclose the information to the Commission, cooperate in any investigation, and take such other action directed by the Commission. 935 CMR 500.140

A retailer shall comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements. 935 CMR 500.140(6)

A retailer shall adopt separate accounting practices at the point-of-sale for marijuana and non-marijuana sales. 935 CMR 500.140(6)

Record Keeping Procedure

Record Keeping

House of Ermias will implement recordkeeping policies and procedures, including purchases, denials of sale, any delivery options, confidentiality and retention. In addition, House of Ermias will implement recordkeeping policies and procedures to ensure that records are maintained as required. Specifically, House of Ermias will maintain the following records:

- 1.) Operating procedures including security measures, employee security policies, storage of marijuana, recordkeeping and inventory protocols, plans for staffing and quality control, emergency procedures, drug-free workplace policies, patient education description, pricing standards and procedures, production and distribution policies and procedures..
- 2.) Establishments shall maintain their records in accordance with generally accepted accounting principles. *935 CMR 500.105(9)*.
- 3.) Personnel records that include job descriptions, a personnel record for each dispensary agent that includes a copy of the dispensary agent application submitted to DPH, performance evaluations, documentation of all required training and verification of reference, a staffing plan, personnel policies and procedures, and all CORI reports obtained.
- 4.) Business records including assets and liabilities, monetary transactions, books of account, sales records, and salary and wage information
- 5.) Waste Disposal Records: Maintained either in hard-copy format or electronically as required under *935 CMR 500.105(12)*, waste disposal records will include, at minimum, the date, type and quantity disposed or handled, the manner of the disposal or other handling, the location and the printed names of the House of Ermias' agents present with their signatures. Logs associated with waste are readily available per request from the Commission or law enforcement. Archived waste disposal data is maintained for 3 years. Waste disposal procedures can be found in the Quality Control and Testing document. No fewer than 2 established agents must witness the disposal of waste in accordance with *500.110(1)* and *500.105(12)*
- 6.) House of Ermias will utilize an encrypted, secure electronic customer database that is strictly controlled and continually backed up to store required records. All entries made for each sale will be dated (date and time) and signed (electronically) by the authorized dispensary agent making the entry and will include the dispensary agent registry identification number. An entry will be made to reflect each purchase, denial of sale. This data will also be analyzed to monitor

the performance of the dispensary and improve the variety of services offered.

7.) We shall maintain records in accordance with generally accepted accounting principles. 935 CMR 500.105(9)

Incident Reporting

We will utilize incident logs (referred to as Incident Reports) to document the occurrence of specific events. Security incidents should be reported in order to provide information to Management for decision making, recovering lost or stolen property, obtaining restitution for losses, and aiding in the formulation of risk reduction practices, policies and procedures.

Each security Incident Report must be classified using one of the following:

- 1.) Any Security incident/law violation which may result in the dismissal or prosecution of employee(s)
- 2.) Alarm/False ! Fire
- 3.) Alarm/False ! Security
- 4.) Arrests by law enforcement
- 5.) Assault, attack, molestation or threats of/to employees while on company property or in the performance of their work
- 6.) Break & Enter ! Building
- 7.) Burglary or attempted burglary of the building(s)
- 8.) Confrontations between staff and others
- 9.) Damaged Property ! malicious or extensive
- 10.) Disturbance !"Employee/Visitor/Contractor/Visitors
- 11.) Drug Abuse
- 12.) Fire
- 13.) Found Property
- 14.) Incidents which have a potential for receiving media coverage
- 15.) Injuries to staff, contractors, visitors, clients
- 16.) Incidents involving homicide, weapons, hostages, sabotage, explosions or hazardous chemicals
- 17.) Lost or stolen medicine [MUST BE REPORTED TO LOCAL LAW ENFORCEMENT. SEE SECTION BELOW ON REPORTING TO LAW ENFORCEMENT OFFICIALS.]
- 18.) Missing Property ! Facility/Personal
- 19.) Misuse of company information and data processing where financial gain or damage to House of Ermias is involved
- 20.) Reports of substance abuse or sale of narcotics on property
- 21.) Robbery !"Armed/Unarmed, or attempted robbery committed on House of Ermias property, or of a House of Ermias employee in the course of company business, regardless of whether anything was taken
- 22.) Sexual Incident !"Harassment/Assault/Obscene Call/Other
- 23.) Suspicious Person ! Contacted
- 24.) Suspicious Person ! No Contact
- 25.) Suspicious Circumstances ! General
- 26.) Theft or vandalism of property by an employee

27.) Theft or loss of credit cards

28.) Theft, forgery or alteration of checks

29.) Theft, unauthorized disclosure, loss, malicious destruction of proprietary information, or physical assets classified as sensitive, high risk or confidential to include espionage, eavesdropping or other improper means of obtaining same

30.) Threat "Bomb Threat !"Other, received by staff, visitors or contractors

31.) Trespass

32.) Vandalism !Facility/Personal/Vehicle

33.) Violation of any other law on company premises

In general, all thefts, damage, or loss over \$500 should be reported immediately. All security incidents listed above should be reported to the General Manager. Follow up reports should be submitted concerning any significant developments relating to the incident. All incidents must be formally closed.

Reporting to Local Law Enforcement

In a non-emergency incident or when life/safety is not a concern, security personnel are required to work with the General Manager prior to reporting a relevant security incident to the police.

Any incident involving lost or stolen marijuana must be reported to the Department and to local law enforcement via a police report. All reports must be made within 24 hours of becoming aware of the theft or loss.

To notify authorities, staff will do one of the following:

- 1.) Call 911.
- 2.) File inperson with the Police Department.
- 3.) Submit a written report to the Police Department.

We will investigate all work related accidents in a timely manner. The Security Manager is responsible for accident investigation, and other management personnel will be involved as needed.

All incidents are documented on individual Incident Reports, but they are also tracked by type, location, and number of incidents on a monthly Incident Summary. There is one Incident Summary "By Type," and one "By Location." Incident Summaries are filed within 10 calendar days. All Incident Reports shall be maintained indefinitely by the Security Department.

Diversity Plan

House of Ermias is a minority owned company that promotes and provides equitable opportunity for all employees. House of Ermias' goal is to build a high-performing, diverse workforce based on mutual acceptance and trust. We are committed to maintaining a workforce and environment which is diverse with regard to Minorities, Women, Veterans, People with disabilities; and People who as LGBTQ+ or identify as nonnormative gender identities and sexual orientations.

House of Ermias will comply with the requirements of 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment. Any actions taken, or programs instituted, by House of Ermias will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

Purpose

The purpose of this policy is to outline the responsibilities of the Company, the Company's management team and Agents to ensure that House of Ermias is a diverse and inclusive company that promotes a discrimination free work environment and providing opportunities for all employees to use their diverse talents to support the company's mission.

Goals

The goals that House of Ermias is committed to achieving through this plan and our vision include:

1. Make the House of Ermias workplace and management team as diverse as possible to include qualified employees with no regard to race, gender, age, disability, religion, sexual orientation, or any other non-merit factor. Our goal is to have the following workforce demographic:

- 75% minority
- 50% female
- 10% disability
- 10% veteran
- 10% LGBTQ

2. Our Goal is to have a 75% retention rate and a 90% job satisfaction rate for the workforce demographic listed above. In addition to this goal, we will give employees the opportunity to create upward mobility within our organization. We strive to promote at least 50% of staff that fall under the workforce demographic listed above within the fiscal year.

3. Include as our suppliers, contractors and wholesale partners businesses owned by minorities. Our goal is to have 50% of our suppliers and contractors meet the following criteria:

- 50% minority
- 20% female
- 10% disability
- 10% veteran
- 10% LGBTQ

Recruitment and Hiring Plan

House of Ermias looks to recruit and hire diverse employees and plans to promote equity among minorities, veterans, people with disabilities and people of all gender identities and sexual orientations in the operation of our company to the extent possible. To promote diversity and equity House of Ermias will;

1. The House of Ermias hiring plan gives preference to individuals who are minorities.
2. Institute a “blind hiring” policy in which the personal information of the candidate is hidden from the hiring manager during the application review process that can lead to unconscious (or conscious) bias about the candidate.
3. Human Resource training for Hiring Managers that address unconscious bias and cultural sensitivity. • This training will be completed within 60 days of hire or promotion and annually thereafter.
4. Promote our Diversity Hiring preferences on recruitment websites (i.e. Indeed, Monster.com) and on our social media presence (i.e. our website, LinkedIn, Facebook etc.)
5. Use job descriptions that are catered to and appeal to diverse candidates.
6. Engage with Industry trade groups, training companies and recruitment companies that promote diversity and inclusion, these include Mass CBA and Elevate NE. Engagement with these groups will include education for our hiring team, leads on candidates that fit our hiring plan of a diverse population and job postings that highlight our diversity hiring preference.
7. We expect to advertise job posting and promote this plan 60 days prior to our expected opening date. Additional job postings and promotions of this program will be done as needed. • Job Postings will be run in the Chelsea Record and on Masslive.com
8. House of Ermias will count the number of individuals hired who are women, minorities, and persons with disabilities. This number will be assessed from the total number of individuals hired to ensure that 50% of all individuals hired fall within this goal.

Inclusion Plan

House of Ermias is determined to provide a work environment that is a diverse and inclusive workplace. We encourage a broad range of opinions, ideas and perspectives that drives creativity, innovation and excellence. Our goal, which must be met, is to ensure that every employee, contractor and visitor feels safe, respected, welcome, comfortable, supported and accepted. To ensure inclusion in our workplace House of Ermias will;

1. Provide training to all employees regarding inclusion in the workplace

- This training will be completed during onboarding and annually thereafter.
2. Provide advanced training to managers in their roles in fostering an inclusive workplace environment.
 - This training will be completed within 60 days of hire or promotion and annually thereafter.
 3. Implementation of our Non-Discrimination, Harassment and Retaliation Policy. This policy includes provisions for responding to complaints, discipline for non-compliance and evaluation of the circumstances to see if this plan needs improvements.
 4. Conduct annual surveys of all employees to compile information on job satisfaction, inclusion and the workplace environment.
 - The first survey will be completed 6 months after receiving Provisional License.
 5. Conduct detailed exit interviews with all employees who leave the company to compile information on job satisfaction, inclusion and the workplace environment. Supplier Diversity Plan House of Ermias is committed to utilizing, to the extent possible, minority-owned, women owned, veteran owned, LGBT-owned and businesses owned by persons with disabilities as our suppliers and contractors.
 6. House of Ermias recognizes that sourcing products and services from previously under-used suppliers helps to sustain and progressively transform a company's supply chain, thus quantitatively reflecting the demographics of the community in which it operates by recording transactions with diverse suppliers. To that end, House of Ermias will give preference to these individuals and companies.
 1. House of Ermias will compile data on all suppliers and contractors as to the demographics of the ownership and employees.
 2. When sourcing services with suppliers and contractors we will clearly promote the preference outlined above.

Measurement and Accountability

Quarterly, the executive management team along with the Human Resources Director will meet and review the progress of this plan and to make adjustments and changes if necessary. 60 days prior to our license renewal date, and annually thereafter House of Ermias will produce a comprehensive report that will be made available to the Commission for review during the renewal process. (House of Ermias acknowledges that license renewal occurs one year from receipt of our Provisional License and each year thereafter.) This report will include the following metrics that will be used to measure the progress or success of the Plan. At a minimum this data will include:

1. All attempts to hire;
2. Actual hires;
3. Demographics of all employees and applicants;

4. Employee training, pay, benefits and advancement;
5. Data compiled from the annual employee survey and from exit interviews;
6. Training records for employees, managers and hiring managers;
7. The number and percentage of suppliers, contractors and other partners that meet the criteria of minorities contracted; and
8. A comprehensive ledger on all expenses, contracts and agreements that includes whether or not the expense is a qualifying one under this plan's goals. This report to be made available to the Commonwealth of Massachusetts and the City of Chelsea. House of ERMIA Managers and appropriate community stakeholders will meet to discuss the report and make any necessary adjustments.