



## Massachusetts Cannabis Control Commission

### Marijuana Retailer

#### General Information:

License Number: MR283710  
Original Issued Date: 02/01/2024  
Issued Date: 02/01/2024  
Expiration Date: 02/01/2025

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Ember Gardens NBR LLC

Phone Number: 774-488-9226 Email Address: shyde@embergardens.com

Business Address 1: 1 Nauset Street

Business Address 2:

Business City: New Bedford Business State: MA

Business Zip Code: 02746

Mailing Address 1: 254 Newhill Ave.

Mailing Address 2:

Mailing City: Somerset Mailing State: MA

Mailing Zip Code: 02726

### 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: 15.84

Percentage Of Control: 15.84

Role: Owner / Partner

Other Role:

First Name: George

Last Name: Friedlander

Suffix:

Gender: Male

User Defined Gender:

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

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 2

Percentage Of Ownership: 43.96

Percentage Of Control: 43.96

Role: Owner / Partner

Other Role:

First Name: Steven

Last Name: Soscia

Suffix:

Gender: Male

User Defined Gender:

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

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 3

Percentage Of Ownership: 16.16

Percentage Of Control: 16.16

Role: Owner / Partner

Other Role:

First Name: Shane

Last Name: Hyde

Suffix:

Gender: Male

User Defined Gender:

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

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 4

Percentage Of Ownership: 11.09

Percentage Of Control: 11.09

Role: Owner / Partner

Other Role:

First Name: Daniel

Last Name: Gillan

Suffix:

Gender: Male

User Defined Gender:

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

Specify Race or Ethnicity:

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

Entity with Direct or Indirect Authority 1

Percentage of Control: 60

Percentage of Ownership: 60

Entity Legal Name: Ember Gardens Holdings LLC

Entity DBA:

DBA City:

Entity Description: A DE-based limited liability company that serves as the ownership passthrough for Ember Gardens companies

Foreign Subsidiary Narrative:

Entity Phone: 774-488-9226

Entity Email: shyde@embergardens.com

Entity Website:

Entity Address 1: 254 Newhill Ave

Entity Address 2:

Entity City: Somerset

Entity State: MA

Entity Zip Code: 02726

Entity Mailing Address 1: 254 Newhill Ave

Entity Mailing Address 2:

Entity Mailing City: Somerset

Entity Mailing State: MA

Entity Mailing Zip Code: 02726

Relationship Description: Ember Gardens Holdings LLC has an ownership interest in the applicant and exercises direct authority through its role as a managing member of the LLC applicant. Ember Gardens Holdings LLC's main contribution to the applicant entity is the day-to-day operational management, expertise and the IP ownership of the brand Ember Gardens.

Entity with Direct or Indirect Authority 2

Percentage of Control: 40

Percentage of Ownership: 40

Date generated: 03/05/2024

Entity Legal Name: NEC Capital LLC		Entity DBA:	DBA
			City:

Entity Description: A MA-based limited liability company that is an investment tool for the legal cannabis industry

Foreign Subsidiary Narrative:

Entity Phone: 401-821-0700	Entity Email: ssoscia@embergardens.com	Entity Website:
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Entity Address 1: 1 Nauset Street	Entity Address 2:
Entity City: New Bedford	Entity Zip Code: 02746
Entity Mailing Address 1: 1 Nauset Street	Entity Mailing Address 2:
Entity Mailing City: New Bedford	Entity Mailing Zip Code: 02746

Relationship Description: NEC Capital LLC has an ownership interest in the applicant and exercises direct authority through its role as a managing member of the LLC applicant. NEC Capital LLC provides the funding for the applicant.

CLOSE ASSOCIATES AND MEMBERS

No records found

CAPITAL RESOURCES - INDIVIDUALS

No records found

CAPITAL RESOURCES - ENTITIES

Entity Contributing Capital 1

Entity Legal Name: NEC Capital LLC		Entity DBA:
Email: ssoscia@mutualprop.com	Phone: 401-996-3700	
Address 1: 1 Nauset Street	Address 2:	
City: New Bedford	State: MA	Zip Code: 02746
Types of Capital: Monetary/Equity, Debt	Other Type of Capital:	Total Value of Capital Provided: \$100    Percentage of Initial Capital: 100
Capital Attestation: Yes		

BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

DISCLOSURE OF INDIVIDUAL INTERESTS

Individual 1

First Name: Shane	Last Name: Hyde	Suffix:
Marijuana Establishment Name: Fuego Farms Inc.	Business Type: Marijuana Cultivator	
Marijuana Establishment City: Middleboro	Marijuana Establishment State: MA	

Individual 2

First Name: Shane	Last Name: Hyde	Suffix:
Marijuana Establishment Name: Fuego Farms Inc.	Business Type: Marijuana Product Manufacture	
Marijuana Establishment City: Middleboro	Marijuana Establishment State: MA	

Individual 3

First Name: Shane	Last Name: Hyde	Suffix:
Marijuana Establishment Name: Ember Gardens Boston LLC	Business Type: Marijuana Retailer	
Marijuana Establishment City: Boston	Marijuana Establishment State: MA	

Individual 4

First Name: Shane Last Name: Hyde Suffix:  
Marijuana Establishment Name: Ember Gardens Delivery LLC Business Type: Other  
Marijuana Establishment City: Middleboro Marijuana Establishment State: MA

Individual 5

First Name: Shane Last Name: Hyde Suffix:  
Marijuana Establishment Name: Ember Gardens Cape Cod LLC Business Type: Marijuana Retailer  
Marijuana Establishment City: Orleans Marijuana Establishment State: MA

Individual 6

First Name: Shane Last Name: Hyde Suffix:  
Marijuana Establishment Name: Ember Gardens Production LLC Business Type: Marijuana Cultivator  
Marijuana Establishment City: Deerfield Marijuana Establishment State: MA

Individual 7

First Name: Shane Last Name: Hyde Suffix:  
Marijuana Establishment Name: Ember Gardens Production LLC Business Type: Marijuana Product Manufacture  
Marijuana Establishment City: Deerfield Marijuana Establishment State: MA

Individual 8

First Name: Shane Last Name: Hyde Suffix:  
Marijuana Establishment Name: Ember Gardens NBP LLC Business Type: Marijuana Product Manufacture  
Marijuana Establishment City: New Bedford Marijuana Establishment State: MA

Individual 9

First Name: George Last Name: Friedlander Suffix:  
Marijuana Establishment Name: Fuego Farms Inc. Business Type: Marijuana Cultivator  
Marijuana Establishment City: Middleboro Marijuana Establishment State: MA

Individual 10

First Name: George Last Name: Friedlander Suffix:  
Marijuana Establishment Name: Fuego Farms Inc. Business Type: Marijuana Product Manufacture  
Marijuana Establishment City: Middleboro Marijuana Establishment State: MA

Individual 11

First Name: George Last Name: Friedlander Suffix:  
Marijuana Establishment Name: Ember Gardens Boston LLC Business Type: Marijuana Retailer  
Marijuana Establishment City: Boston Marijuana Establishment State: MA

Individual 12

First Name: George Last Name: Friedlander Suffix:  
Marijuana Establishment Name: Ember Gardens Delivery LLC Business Type: Other  
Marijuana Establishment City: Middleboro Marijuana Establishment State: MA

Individual 13

First Name: George Last Name: Friedlander Suffix:  
Marijuana Establishment Name: Ember Gardens Cape Cod LLC Business Type: Marijuana Retailer  
Marijuana Establishment City: Orleans Marijuana Establishment State: MA

Individual 14

<b>First Name:</b> George	<b>Last Name:</b> Friedlander	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Ember Gardens Production LLC	<b>Business Type:</b> Marijuana Cultivator	
<b>Marijuana Establishment City:</b> Deerfield	<b>Marijuana Establishment State:</b> MA	

#### Individual 15

<b>First Name:</b> George	<b>Last Name:</b> Friedlander	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Ember Gardens Production LLC	<b>Business Type:</b> Marijuana Product Manufacture	
<b>Marijuana Establishment City:</b> Deerfield	<b>Marijuana Establishment State:</b> MA	

#### Individual 16

<b>First Name:</b> George	<b>Last Name:</b> Friedlander	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Ember Gardens NBP LLC	<b>Business Type:</b> Marijuana Product Manufacture	
<b>Marijuana Establishment City:</b> New Bedford	<b>Marijuana Establishment State:</b> MA	

#### Individual 17

<b>First Name:</b> Daniel	<b>Last Name:</b> Gillan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Fuego Farms Inc.	<b>Business Type:</b> Marijuana Cultivator	
<b>Marijuana Establishment City:</b> Middleboro	<b>Marijuana Establishment State:</b> MA	

#### Individual 18

<b>First Name:</b> Daniel	<b>Last Name:</b> Gillan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Fuego Farms Inc.	<b>Business Type:</b> Marijuana Product Manufacture	
<b>Marijuana Establishment City:</b> Middleboro	<b>Marijuana Establishment State:</b> MA	

#### Individual 19

<b>First Name:</b> Daniel	<b>Last Name:</b> Gillan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Ember Gardens Boston LLC	<b>Business Type:</b> Marijuana Retailer	
<b>Marijuana Establishment City:</b> Boston	<b>Marijuana Establishment State:</b> MA	

#### Individual 20

<b>First Name:</b> Daniel	<b>Last Name:</b> Gillan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Ember Gardens Delivery LLC	<b>Business Type:</b> Other	
<b>Marijuana Establishment City:</b> Middleboro	<b>Marijuana Establishment State:</b> MA	

#### Individual 21

<b>First Name:</b> Daniel	<b>Last Name:</b> Gillan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Ember Gardens Cape Cod LLC	<b>Business Type:</b> Marijuana Retailer	
<b>Marijuana Establishment City:</b> Orleans	<b>Marijuana Establishment State:</b> MA	

#### Individual 22

<b>First Name:</b> Daniel	<b>Last Name:</b> Gillan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Ember Gardens Production LLC	<b>Business Type:</b> Marijuana Cultivator	
<b>Marijuana Establishment City:</b> Deerfield	<b>Marijuana Establishment State:</b> MA	

#### Individual 23

<b>First Name:</b> Daniel	<b>Last Name:</b> Gillan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Ember Gardens Production LLC	<b>Business Type:</b> Marijuana Product Manufacture	
<b>Marijuana Establishment City:</b> Deerfield	<b>Marijuana Establishment State:</b> MA	

Individual 24

First Name: Daniel

Last Name: Gillan

Suffix:

Marijuana Establishment Name: Ember Gardens NBP LLC

Business Type: Marijuana Product Manufacture

Marijuana Establishment City: New Bedford

Marijuana Establishment State: MA

Individual 25

First Name: Stephen

Last Name: Soscia

Suffix:

Marijuana Establishment Name: Ember Gardens Production LLC

Business Type: Marijuana Cultivator

Marijuana Establishment City: Deerfield

Marijuana Establishment State: MA

Individual 26

First Name: Stephen

Last Name: Soscia

Suffix:

Marijuana Establishment Name: Ember Gardens Production LLC

Business Type: Marijuana Product Manufacture

Marijuana Establishment City: Deerfield

Marijuana Establishment State: MA

Individual 27

First Name: Stephen

Last Name: Soscia

Suffix:

Marijuana Establishment Name: Ember Gardens NBP LLC

Business Type: Marijuana Product Manufacture

Marijuana Establishment City: New Bedford

Marijuana Establishment State: MA

MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 1 Nauset Street

Establishment Address 2:

Establishment City: New Bedford

Establishment Zip Code: 02746

Approximate square footage of the establishment: 9000

How many abutters does this property have?: 11

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

HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Certification of Host Community Agreement	NBR HCA Certification Form.pdf	pdf	630e6e51d239e20007e446e7	08/30/2022
Community Outreach Meeting Documentation	Post w City Clerk (Stamped) Attachement B.pdf	pdf	630e6e87d239e20007e4482b	08/30/2022
Community Outreach Meeting Documentation	NB Newspaper Ad (New) Attachment A.pdf	pdf	630e6ea944fa35000add320e	08/30/2022
Community Outreach Meeting Documentation	NB Certified Mail Redacted Attachement C.pdf	pdf	630e711644fa35000add3a1a	08/30/2022
Community Outreach Meeting Documentation	Attestation of # of Attendees NBR.pdf	pdf	630e740b44fa35000add4086	08/30/2022
Community Outreach Meeting Documentation	04.09.20_Form_COM_Attestation (NBR).pdf	pdf	632c7ad32bb69400084ee017	09/22/2022
Plan to Remain Compliant with Local Zoning	1_ - Plan to Remain Compliant with Local Zoning (3) (1).pdf	pdf	632c7c8c2bb69400084ee5d9	09/22/2022

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
Other	CCOE & EG NBR Contract.pdf	pdf	632c7aef76c66600080b99ba	09/22/2022
Other	EG NBR- CCOE Donation Acceptance Letter.pdf	pdf	632c7afa2bb69400084ee0d6	09/22/2022
Plan for Positive Impact	2_- Plan for Positive Impact (1) (2).pdf	pdf	632c7b582bb69400084ee14e	09/22/2022

ADDITIONAL INFORMATION NOTIFICATION

Notification:

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: Owner / Partner

Other Role:

First Name: Shane

Last Name: Hyde    Suffix:

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 2

Role: Owner / Partner

Other Role:

First Name: George

Last Name: Friedlander    Suffix:

RMD Association: Not associated with an RMD

Background Question: yes

Individual Background Information 3

Role: Owner / Partner

Other Role:

First Name: Daniel

Last Name: Gillan    Suffix:

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 4

Role: Owner / Partner

Other Role:

First Name: Stephen

Last Name: Soscia    Suffix:

RMD Association: Not associated with an RMD

Background Question: no

ENTITY BACKGROUND CHECK INFORMATION

Entity Background Check Information 1

Role: Parent Company

Other Role:

Entity Legal Name: Ember Gardens Holdings LLC

Entity DBA:

Entity Description: A Delaware incorporated limited liability company based in Massachusetts.

Phone: 774-488-9226

Email: shyde@embergardens.com

Primary Business Address 1: 254 Newhill Ave.

Primary Business Address 2:

Primary Business City: Somerset

Primary Business State: MA

Principal Business Zip Code: 02726

**Additional Information:** This entity holds the ownership interest of the founders and owners of Ember Gardens and all the companies that will be under its umbrella

Entity Background Check Information 2

Role: Partner		Other Role:	
Entity Legal Name: NEC Capital LLC		Entity DBA:	
Entity Description: A MA based LLC that loans or invests capital funds into legal cannabis businesses.			
Phone: 401-862-2252		Email: jphillip@phillipproperties.com	
Primary Business Address 1: 1 Nauset Street		Primary Business Address 2:	
Primary Business City: New Bedford		Principal Business Zip	
		Code: 02746	

**Additional Information:** NEC Capital LLC is a organization that will partner with Ember Gardens Production LLC to operational business management services as well as potential future capital needs.

MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	Ember Gardens NBR, LLC Certificate of Org..pdf	pdf	630e874144fa35000add5a8a	08/30/2022
Department of Unemployment Assistance - Certificate of Good standing	Ember Gardens NBR Dept. of Unemployment Affidavit.pdf	pdf	630e87bfd239e20007e46eba	08/30/2022
Bylaws	Ember Gardens NBR LLC OA Agreement.pdf	pdf	630e8825d239e20007e46ef3	08/30/2022
Department of Revenue - Certificate of Good standing	NBR Dept. of Revenue Letter of Good Standing 09.16.2022.pdf	pdf	632c7be32bb69400084ee3a1	09/22/2022
Secretary of Commonwealth - Certificate of Good Standing	NBR Sec. of State Letter of Good Standing 09.02.2022.pdf	pdf	632c7bec2bb69400084ee410	09/22/2022

No documents uploaded

Massachusetts Business Identification Number: 001457262

Doing-Business-As Name: Ember Gardens

DBA Registration City: New Bedford

BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Proposed Timeline	4_ - Proposed Timeline (1).pdf	pdf	630e889a44fa35000add5b8c	08/30/2022
Plan for Liability Insurance	5_ - Plan for Obtaining Liability Insurance (1).pdf	pdf	630e88a1d239e20007e46f50	08/30/2022
Business Plan	3_ - NBR Business Plan (Reduced).pdf	pdf	632c7c3376c66600080b9d1b	09/22/2022

OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload
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				Date
Plan for obtaining marijuana or marijuana products	6_ - Plan for Obtaining Marijuana or Marijuana Products (1).pdf	pdf	630e8982d239e20007e4705b	08/30/2022
Separating recreational from medical operations, if applicable	7_ - Separating Recreational From Medical Operations If Applicable (1).pdf	pdf	630e898944fa35000add5c88	08/30/2022
Restricting Access to age 21 and older	8_ - Restricting Access to Adults Age 21 & Older (1).pdf	pdf	630e8990d239e20007e4706f	08/30/2022
Security plan	9 - Security Plan (1) (1).pdf	pdf	630e8997d239e20007e47083	08/30/2022
Prevention of diversion	10_ - Prevention of Diversion (1).pdf	pdf	630e89a1d239e20007e47097	08/30/2022
Storage of marijuana	11_ - Storage of Marijuana (1).pdf	pdf	630e89a8d239e20007e470ab	08/30/2022
Transportation of marijuana	12_ - Transportation of Marijuana (1).pdf	pdf	630e89ae44fa35000add5c9f	08/30/2022
Inventory procedures	13_ - Inventory Procedures (1).pdf	pdf	630e89b5d239e20007e470c2	08/30/2022
Quality control and testing	14_ - Quality Control and Testing (1).pdf	pdf	630e89bcd239e20007e470e2	08/30/2022
Dispensing procedures	15_ - Dispensing Procedures (1).pdf	pdf	630e89c2d239e20007e470fa	08/30/2022
Personnel policies including background checks	16_ - Personnel Policies (1).pdf	pdf	630e89c9d239e20007e4710e	08/30/2022
Record Keeping procedures	17_ - Record Keeping Procedures (1).pdf	pdf	630e89d044fa35000add5ccc	08/30/2022
Maintaining of financial records	18_ - Maintaining of Financial Records (1).pdf	pdf	630e89d8d239e20007e47132	08/30/2022
Diversity plan	19_ - Diversity Plan (2).pdf	pdf	630e89df44fa35000add5ce0	08/30/2022
Qualifications and training	20_ - Qualifications and Training (1).pdf	pdf	630e89e7d239e20007e47146	08/30/2022
Energy Compliance Plan	21_ - Energy Compliance Plan (1) (1).pdf	pdf	630e89ec44fa35000add5cf7	08/30/2022

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

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

ADDITIONAL INFORMATION NOTIFICATION

Notification:

COMPLIANCE WITH POSITIVE IMPACT PLAN - PRE FEBRUARY 27, 2024  
No records found

COMPLIANCE WITH DIVERSITY PLAN  
No records found

HOURS OF OPERATION

Monday From: 10:00 AM	Monday To: 7:00 PM
Tuesday From: 10:00 AM	Tuesday To: 7:00 PM
Wednesday From: 10:00 AM	Wednesday To: 7:00 PM
Thursday From: 10:00 AM	Thursday To: 7:00 PM
Friday From: 10:00 AM	Friday To: 7:00 PM
Saturday From: 10:00 AM	Saturday To: 7:00 PM
Sunday From: 10:00 AM	Sunday To: 7:00 PM

## Host Community Agreement Certification Form

### Instructions

Certification of a host community agreement is a requirement of the application to become a Marijuana Establishment (ME) and Medical Marijuana Treatment Center (MTC). Applicants must complete items 1-3. The contracting authority for the municipality must complete items 4-8. Failure to complete a section will result in the application not being deemed complete. This form should be completed and uploaded into your application. Please note that submission of information that is "misleading, incorrect, false, or fraudulent" is grounds for denial of an application for a license pursuant to 935 CMR 500.400(2) and 501.400(2).

### Certification

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

1. Name of applicant:

Ember Gardens NBR, LLC

2. Name of applicant's authorized representative:

Shane Hyde

3. Signature of applicant's authorized representative:



4. Name of municipality:

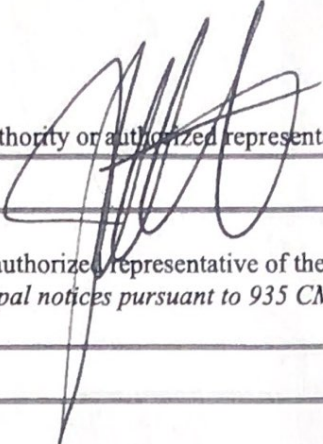
New Bedford, MA

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

Hon. Jon Mitchell



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

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

8. Host community agreement execution date:

## Ember Gardens NBP & NBR Outreach Meeting

Ember Gardens NBP and Ember Gardens NBR welcomes you to join us at our in-person community outreach meeting as a way of introducing our companies to New Bedford. The proposed business is recreational cannabis retail and product manufacturing at 2359 Purchase St. (1 Nauset Street) New Bedford MA, 02746.

The meeting will take place on April 14th, 2022 from 6 PM - 8 PM at Groundwork located at 1213 Purchase Street Unit 2 New Bedford MA, 02746 to give an opportunity to ask questions and give feedback on our proposal.

**Questions:** [info@embergardens.com](mailto:info@embergardens.com)

OFFICE OF THE CITY CLERK  
NEW BEDFORD, MA  
2022 MAR 29 AM 10:54  
CITY CLERK



# "Attachment A"



Publication Name:

**Standard-Times**

Publication URL:

[www.southcoasttoday.com/](http://www.southcoasttoday.com/)

Publication City and State:

New Bedford, MA

Publication County:

Bristol

[Back](#)

Notice Publish Date:

Thursday, March 31, 2022

## Notice Content

**Ember Gardens** NBP & NBR Outreach Meeting **Ember Gardens** NBP and Ember Gardens NBR welcomes you to join us at our in-person community outreach meeting as a way of introducing our companies to New Bedford. The proposed business is recreational cannabis retail and product manufacturing at 2359 Purchase St. (1 Nauset Street) New Bedford MA, 02746. The meeting will take place on April 14th, 2022 from 6PM - 8PM at Groundwork located at 1213 Purchase Street Unit 2 New Bedford MA, 02746 to give an opportunity to ask questions and give feedback on our proposal. Questions: [info@embergardens.com](mailto:info@embergardens.com) Mar. 31 #7098065



7202 0090 0001 1206 2022

7202 0040 0001 1206 2008

**U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT**  
Domestic Mail OnlyFor delivery information, visit our website at [www.usps.com](http://www.usps.com)  
New Bedford, MA 02746

Certified Mail Fee	\$3.75
Extra Services & Fees (check box, add fee as appropriate)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$0.58

Total Postage and Fees \$4.33

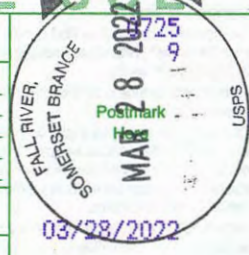
Sent To [REDACTED]

Street and Apt. No., or PO Box No.

2415 Purchase St.  
New Bedford, MA 02746

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

**U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT**  
Domestic Mail OnlyFor delivery information, visit our website at [www.usps.com](http://www.usps.com)  
New Bedford, MA 02745

Certified Mail Fee	\$3.75
Extra Services & Fees (check box, add fee as appropriate)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$0.58

Total Postage and Fees \$4.33

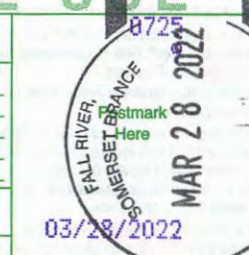
Sent To [REDACTED]

Street and Apt. No., or PO Box No.

513 Church St.  
New Bedford, MA 02745

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions



7202 0090 0001 1206 2015

**U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT**  
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Postage \$0.58

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

Postage \$0.58

Total Postage and Fees \$4.33

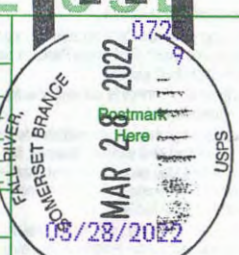
Sent To [REDACTED]

Street and Apt. No., or PO Box No.

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New Bedford, MA 02746

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Derby, CT 06418

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

Postage \$0.58

Total Postage and Fees \$4.33

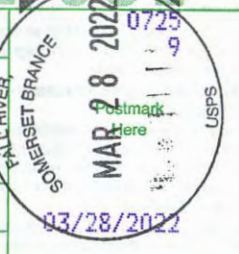
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PO Box 1001  
Derby, CT 06418

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ATTACHMENT C



7249 0437

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New Bedford, MA 02746

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☐ Return Receipt (hardcopy) \$0.00

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Postage \$0.58

\$

Total Postage and Fees \$4.33

\$

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7249 0451

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Postage \$0.58

\$

Total Postage and Fees \$4.33

\$

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500 Water St. Dept J910

City, State, ZIP+4®

Jacksonville, FL 32202

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Certified Mail Fee \$3.75

\$0.00

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$0.00

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☐ Adult Signature Required \$0.00

☐ Adult Signature Restricted Delivery \$0.00

Postage \$0.58

\$

Total Postage and Fees \$4.33

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New Bedford, MA 02745

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\$0.00

Extra Services & Fees (check box, add fee as appropriate)

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☐ Adult Signature Required \$0.00

☐ Adult Signature Restricted Delivery \$0.00

Postage \$0.58

\$

Total Postage and Fees \$4.33

\$

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242 Tarry St

City, State, ZIP+4®

New Bedford, MA 02745

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Lakerville, MA 02347

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\$	\$0.00
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<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage \$0.58

Total Postage and Fees \$4.33

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24 Central Ave  
Lakerville, MA 02347

City, State, ZIP+4<sup>®</sup>

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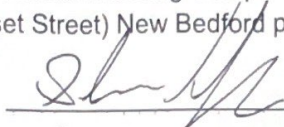
See Reverse for Instructions



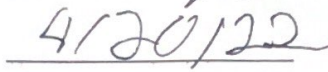
**Attestation of # of Attendees**

Shane Hyde , CEO of Ember Gardens NBR attests that zero people of the general public attended the in person Community Outreach Meeting on April 14th, 2022 for a retail dispensary at the 2359 Purchase Street, (1 Nauset Street) New Bedford property.

Shane Hyde:

A handwritten signature in black ink, appearing to read "Shane Hyde", written over a horizontal line.

Date:

A handwritten date "4/20/22" in black ink, written over a horizontal line.

CEO

# Community Outreach Meeting Attestation Form

## Instructions

Community Outreach Meeting(s) are a requirement of the application to become a Marijuana Establishment (ME) and Medical Marijuana Treatment Center (MTC). 935 CMR 500.101(1), 500.101(2), 501.101(1), and 501.101(2). The applicant must complete each section of this form and attach all required documents as a single PDF document before uploading it into the application. If your application is for a license that will be located at more than one (1) location, and in different municipalities, applicants must complete two (2) attestation forms – one for each municipality. Failure to complete a section will result in the application not being deemed complete. Please note that submission of information that is “misleading, incorrect, false, or fraudulent” is grounds for denial of an application for a license pursuant to 935 CMR 500.400(2) and 501.400(2).

## Attestation

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

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



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

a. Date of publication:

b. Name of publication:

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

a. Date notice filed:

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

a. Date notice(s) mailed:

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



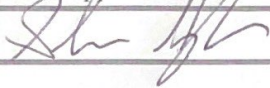
Name of applicant:

Ember Gardens NBR

Name of applicant's authorized representative:

Shane Hyde

Signature of applicant's authorized representative:



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

Ember Gardens understands that it will be the job of all of the executive level employees and compliance manager to stay up to date with the most current local and state bylaws regarding Marijuana operations. Ember Gardens, throughout this process and ongoing, will ensure compliance with local zoning using our team of compliance experts and experienced executives.

## **On-going Compliance**

- Ember Gardens compliance and legal team will stay up to date with any local zoning ordinances or changes
- Ember Gardens will stay in close contact with the City of New Bedford and its relevant departments in regards to updating any SOP's, emergency plans, security plans etc.
  - Anytime Ember Gardens changes its emergency plan they will notify the Fire Department, Police Department, and Health Department.
  - Anytime Ember Gardens changes its security plan they will notify the Police Department

## **Order of Local Licensing Steps:**

1. Complete RFI Application
2. Negotiation of Host Agreement
3. City Counsel Approval
4. Provisional License
5. Special Permit
6. Register as a Business in the City of New Bedford
7. Building Permit
8. Certificate of Occupancy
9. Final CCC inspection

## **Breakdown of Local Required Permits**

- Pre-screening and Site Eligibility
- Sign Host Community Agreement
- Security & Emergency response Plan Approved by Health Dept, Police, & Fire Dept.
- Compliance with BOH regulations
  - Community Health Impact Assessment
  - Outreach Meetings for Health Assessment



- Planning Board Special Permit
  - “A special permit granted under this section is non-transferable and shall have a term limited to the duration of the applicant's ownership or leasing of the premises as a Marijuana Establishment or a Medical Marijuana Treatment Center. A special permit issued for a Marijuana Establishment or Medical Marijuana Treatment Center shall not be transferable or assignable to a different location or to a different type of Marijuana Establishment or Medical Marijuana Treatment Center. A change of the licensee or ownership of the Marijuana Establishment or Medical Marijuana Treatment Center shall require submission of an application for a new special permit application or modification of the existing special permit to the Planning Board for approval.”
  - “A special permit shall lapse if the applicant does not commence construction or operation of the proposed Marijuana Establishment or Medical Marijuana Treatment Facility within one (1) year of the special permit's issuance”
  - Refer to below “Transfer/Discontinuance Of Use/Lapse.” regulations for more detail
- Local Final License granted by City Licensing Board

## **Overview of Bylaws**

### **Location Requirements and Restrictions.**

- Marijuana Establishments and Medical Marijuana Treatment Centers shall only be located in Industrial Districts A (IA), B (IB), and C (IC).
- No Marijuana Establishment or Medical Marijuana Treatment Center shall be located within: 500 feet of any public or private school providing education in kindergarten or any of grades 1 through 12, licensed daycare center, nursery school, preschool, building operated as part of the campus of any private or public institution of higher learning, playground, park, public library, church, excluding chapels located within a cemetery, substance abuse treatment facility, Marijuana Establishment, or Medical Marijuana Treatment Center; or
- 200 feet of any dwelling or dwelling unit.
  - The distance under this provision shall be measured in a straight line from the nearest point of the property line in question to the nearest point of the property line where the Marijuana Establishment or Medical Marijuana Treatment Center will be located.
- No Marijuana Establishment or Medical Marijuana Treatment Center shall be located inside a dwelling or building containing a dwelling unit or inside any building containing transient housing, including a hotel, motel, or dormitory.
- Marijuana Establishments shall satisfy the conditions and requirements of all other applicable sections of the Zoning Ordinance, including but not limited to dimensional and parking requirements.

- The Ember Gardens location has been confirmed by the City of New Bedford as being located outside the 500 feet buffer zone of any pre-existing public or private school providing education in kindergarten or any of grades 1 through 12. Distances shall be determined from the nearest lot line of the proposed establishment to the nearest lot line of an existing establishment or school.
- Use approval shall be applicable to the applicant only.
- This establishment is allowed through acquiring a special permit.

### **Operational Requirements and Restrictions.**

- The hours of operation shall be set by the special permit granting authority, but in no event shall a Marijuana Establishment or Medical Marijuana Treatment Center that dispenses marijuana or marijuana products to the public be open to the public between the hours of 7:00 p.m. and 10:00 a.m. Monday through Sunday.
- No drive-through service shall be permitted at a Marijuana Establishment or Medical Marijuana Treatment Center.
- No marijuana shall be smoked, eaten, or otherwise consumed or ingested on the premises of any Marijuana Establishment or Medical Marijuana Treatment Center absent a positive vote by ballot question presented to the voters of the city at a biennial state election pursuant to M.G.L.A. c. 94G, § 3(b). The prohibition on on-site consumption shall also include private social clubs or any other establishment which allows for social consumption of marijuana or marijuana products on the premises, regardless of whether the product is sold to consumers on site.
- No outside storage of marijuana, related supplies, or promotional materials shall be permitted.
- All Marijuana Establishments and Medical Marijuana Treatment Centers shall be ventilated in such a manner that:
  - No pesticides, insecticides, or other chemicals or products used in the cultivation or processing of marijuana are dispersed into the outside atmosphere; and
  - No odor from marijuana or its processing can be detected by a person with an unimpaired and otherwise normal sense of smell at the exterior of the Marijuana Establishment, Medical Marijuana Treatment Center, or any adjoining use or property.
- 4134B. Marijuana Establishments and Medical Marijuana Treatment Centers shall not be permitted as Home Occupations under [section 2500](#) of [Chapter 9](#) of the New Bedford Code of Ordinances.
- 4135B. Any Medical Marijuana Treatment Center that received a provisional certificate of registration from the Department of Public Health prior to July 1, 2017 and has entered into a Host Community Agreement with the City shall be exempt from citing and permitting requirements of this ordinance with respect to its medical marijuana operations, but shall obtain a special permit to convert or expand its operations to include a non-medical Marijuana Establishment.



## **Special Permit Regulations**

- Except as provided in Section 4135B herein, it shall be unlawful for any Marijuana Establishment or Medical Marijuana Treatment Center to operate in the City without first obtaining a special permit from the Planning Board.
- A Marijuana Establishment or Medical Marijuana Treatment Center must obtain a new special permit or a modification of its existing special permit for each additional use that is proposed after the initial permitting process.
- The special permit requirements set forth in this section shall be in addition to, and not in lieu of, any other licensing and permitting requirements imposed by any other federal, state, or local law, including site plan review by the Planning Board under [Section 5400](#) of [Chapter 9](#) of the New Bedford Code of Ordinances.
- No activity shall be conducted at a Marijuana Establishment or Medical Marijuana Treatment Center other than that for which the special permit has been issued.
- A Marijuana Establishment or Medical Marijuana Treatment Center must, prior to seeking a special permit from the Planning Board, file a security plan with the New Bedford Police Department that includes information relating to alarms, fencing, gates, limited access areas, delivery procedures, police details, and video and lighting locations. The security plan shall show the arrangement of pedestrian circulation and access to the public points of entry to the premises from the nearest public or private street or off-street parking area. When Marijuana Establishments and Medical Marijuana Treatment Centers update their security plans, they must share these updates with the New Bedford Police Department. These security plans and updates shall, to the maximum extent permissible under the law, remain confidential.
- A Marijuana Establishment or Medical Marijuana Treatment Center must, prior to seeking a special permit from the Planning Board, file an emergency response plan with the New Bedford Fire, Police, and Health Departments. When Marijuana Establishments and Medical Marijuana Treatment Centers update their emergency response plans, they must share these updates with the New Bedford Fire, Police, and Health Departments. These emergency response plans and updates shall, to the maximum extent permissible under the law, remain confidential.

## **Special Permit Application Criteria**

- **4143B. Application.** A special permit application for Marijuana Establishments and Medical Marijuana Treatment Centers must be filed with the Planning Board. In addition to the special permit requirements of [Section 5300](#), as part of the application, each applicant shall submit to the Planning Board:
  - The name and address of each owner of the Marijuana Establishment or Medical Marijuana Treatment Center.
  - A list of all executives, managers, officers, directors, persons or entities having direct or indirect authority over the management, policies, security operations or

cultivation operations of the Marijuana Establishment or Medical Marijuana Treatment Center.

- Proof of approval from the Commonwealth of Massachusetts for the proposed Marijuana Establishment or Medical Marijuana Treatment Center, including copies of all required registrations, licenses, and permits issued to the applicant for the facility by the state and any of its agencies, including the Cannabis Control Commission and/or the Department of Public Health, as the case may be. The Planning Board shall not consider or act upon any special permit application that does not demonstrate that the proposed Marijuana Establishment or Medical Marijuana Treatment Center has obtained a preliminary license or provisional certificate of registration from the state or one of its agencies.
- A copy of any executed Host Community Agreement entered into between the Marijuana Establishment or Medical Marijuana Treatment Center and the City, signed by the Mayor and approved by the City Council.
- Evidence of the applicant's right to use the site in question for a Marijuana Establishment or Medical Marijuana Treatment Center, such as a deed, a copy of the lease agreement with a notarized statement from the property owner attesting to its validity, a real estate contract contingent upon successful licensing and permitting, or a notarized letter of intent by the owner of the property indicating intent to lease the premises to the applicant upon successful licensing and permitting.
- A detailed description of the proposed activities to occur at the site in relation to the special permit criteria set forth in Sections [4150B](#) and 5320 of [Chapter 9](#) of the New Bedford Code of Ordinances. Such narrative shall include information relating to the cultivation, manufacturing, and processing of marijuana and marijuana products; on-site sales of marijuana products; off-site deliveries; distribution of educational materials; and other programs or activities.
- A statement from the New Bedford Police Chief or his/her designee, acknowledging review and approval of the applicant's security plan submitted pursuant to Section 4141B(v) above. This statement may be on a form approved by the Planning Board.
- Statements from the New Bedford Fire, Police, and Health Departments that each department has reviewed and approved the applicant's emergency response plan submitted pursuant to Section 4141B(vi) above. These statements may be on forms approved by the Planning Board.
- An odor control plan that provides for adequate ventilation, detailing the specific odor-emitting activities or processes to be conducted on-site, the source of those odors, the locations from which they are emitted from the facility, the frequency of such odor-emitting activities, the duration of such odor-emitting activities, and the administrative and engineering controls that will be implemented to control such odors, including maintenance of such control.
- A quantitative transportation analysis, prepared by a qualified transportation specialist acceptable to the Planning Board, modeling the expected origin and frequency of client and employee trips to the site, the expected modes of

transportation used by clients and employees, and the frequency and scale of deliveries to the site.

- **Transfer/Discontinuance Of Use/Lapse.**

- A special permit granted under this section is non-transferable and shall have a term limited to the duration of the applicant's ownership or leasing of the premises as a Marijuana Establishment or a Medical Marijuana Treatment Center. A special permit issued for a Marijuana Establishment or Medical Marijuana Treatment Center shall not be transferable or assignable to a different location or to a different type of Marijuana Establishment or Medical Marijuana Treatment Center. A change of the licensee or ownership of the Marijuana Establishment or Medical Marijuana Treatment Center shall require submission of an application for a new special permit application or modification of the existing special permit to the Planning Board for approval.
- Any Marijuana Establishment or Medical Marijuana Treatment Center permitted under this section shall be required to remove all material, plants, equipment and other paraphernalia within ninety (90) days of ceasing operations or immediately following the expiration, revocation, or voiding of its state license. A Marijuana Establishment or Medical Marijuana Treatment Center shall notify the Planning Board and Zoning Enforcement Officer in writing within forty-eight (48) hours of any cessation of operations or expiration, revocation, or voiding of any state license or registration.
- A special permit shall lapse if the applicant does not commence construction or operation of the proposed Marijuana Establishment or Medical Marijuana Treatment Facility within one (1) year of the special permit's issuance.

# **Plan for Positive Impact**

## **Positive Impact Plan for Ember Gardens**

Goal: Restorative justice through high quality education. Ember Gardens intends to provide scholarship funds and internship/training opportunities for four students from areas of disproportionate impact in MA to receive workforce or entrepreneurship training in the local cannabis industry with CCOE. Ember Gardens, with founders that are in the Social Equity Program, has a goal of making a positive impact by providing educational opportunities, and social and restorative justice to Massachusetts residents that were disproportionately impacted by the war on drugs.

We will provide educational access to workforce training in concert with our strategic partner Cannabis Community Care and Research Network (CCOE) to those from areas of disproportionate impact within Massachusetts (as identified by CCC criteria) for any of the following workforce training areas:

- Cannabis Retail
- Cannabis Culinary Infusion

Programs: In order to achieve the goal stated above, Ember Gardens will lead two programs. The first is to make a monetary donation to support student scholarships annually and the second is to provide on-site internship opportunities with students in the form of expert internship and mentoring hours.

1. An annual monetary donation of \$16,000 will be made to CCOE in order to provide scholarships to four students through the certification program instituted by CCOE.
  - a. Students will receive \$4,000 each to use at their discretion for cannabis, CCOE or business courses.
2. On-site internship will support four students sponsored by the scholarship to have 50 hours of EG and CCOE hands-on training designed for employment for one year. The class of students from each of the four areas of workforce training (Cultivation, Retail, Extraction and Culinary Infusion) will be mentored by the experts who work at EG. This will provide those looking to break into the industry invaluable real-world knowledge and skills that can assist certification graduates in getting employment within an industry they are passionate about.

Metrics: To measure the success of our programs we intend to track the following metrics and will form a report of our progress **each year upon the renewal of licenses and every year after.**

1. For Program 1, four students from disproportionate areas of impact within Massachusetts (as identified by the CCC) will participate in the workforce training programs fully free under Ember Gardens sponsorship. Ember Gardens will work with CCOE to certify these four students so they don't incur any financial burden through our annual donation while receiving this education and training and qualify for the scholarship via CCOEs criteria. Ember Gardens will also offer internship opportunities for these students to complete the certificate program. Ember Gardens will receive written documentation that certifies that these students do not incur the financial burden.
2. For Program 2, at the conclusion of each of the four classes and internship program for each of the four sponsored students, Ember Gardens will evaluate the students performance based on EG driven company metrics of success. Additionally, CCOE and EG will evaluate the overall performance of the student during the internship phase and provide evaluation and feedback to the student at the time of course completion. EG will then offer full-time employment to at least one of the sponsored students at the conclusion of the program, based upon the students skills and abilities and how they fit with EG's current hiring needs. Protocols Implementation Protocol: While implementing this plan, Ember Gardens will adhere to the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of Marijuana Establishments. Implementation Protocol: Any actions taken, or programs instituted by Ember Gardens or any of its affiliates while implementing this plan will not violate the Cannabis Control Commission's regulations with respect to limitations on ownership or control or other applicable state laws. Implementation Protocol: All internship students that attend the onsite training portion of the program will be of the age 21 or older, and will undergo the same age verification process all visitors must pass before entering the facility, with the checking/documentation of their legal ID. If the intern does not meet this age requirement, then they will be asked to leave the facility and asked to rejoin the program when they meet the necessary age requirements

#### **Internship & Scholarship Program Commitments:**

- Full-time Internship: 2 internships per year (Paid internship)
- Part-time Internship: 2 internships per year (Paid internship)
- One day "tour": A minimum of 5 per year for intern candidates

A minimum of one individual from those negatively impacted by the war on drugs or is a spouse or family member of someone impacted will have either a full or part time internship per cohort.

**Tracking Employment:** We will track employment metrics of all program participants to understand our success rate of the program's ability to get participants placed in the industry.

Beyond tracking employment we will send surveys to assess what different types of wages, management level, industry segment etc of apprentices trained .

**Tracking Courses Completed:** We will keep track of the effectiveness of our scholarship program by requesting certificates of completion from all participants who receive the stipend.

## **COVID 19 Considerations**

When COVID-19 struck in early 2020, everything changed dramatically. Forced into lockdown mode with a large percentage of the workforce suddenly operating from home, business interest in (and need for) virtual training accelerated at an unprecedented pace.

Ember Gardens plans to ensure access to all training programs virtually through video libraries and zoom training sessions in concert with CCOE's goals that virtually bring together citizens, medical patients, academics, researchers, community members, healthcare professionals, policy makers, and the cannabis industry. Ember Gardens and CCOE does this by sharing online, collaborative, and innovative research, education & program resources that drive change.

## **Recruitment Method Plan**

1. We will utilize the EG website and social media platforms like Instagram, Twitter, and LinkedIn to post information about our internship program and a way to sign up online. This strategy will combine the bandwidth of different cannabis staffing companies and our partners CCOE who have a wide network of interested candidates for the program and access to these groups through their experience with communities and social science studies.
2. As a part of our local hiring plan, we will also provide information about our internship program in our advertisements in areas that have been disproportionately impacted by the war on drugs, like Wareham and New Bedford.
3. The disproportionately impacted communities we will focus on and target for our plan will be those closest geographically - Wareham & New Bedford.




**EMBER GARDENS NBR, LLC**  
**CERTIFICATE OF ORGANIZATION**

This Certificate of Organization of Ember Gardens NBR, LLC ("Company") is being duly executed and filed by NEC Capital, LLC, as Managing Member and authorized agent, to form a limited liability company under the Massachusetts Limited Liability Company Act, M.G.L. c.156C, §1 et seq., ("Act") and said agent certifies as follows:

1. NAME        The name of the Company is Ember Gardens NBR, LLC.
2. REGISTERED OFFICE    The address of the office of the Company required to be maintained in the Commonwealth at which it will maintain its records in accordance with the Act is 1 Nauset Street, New Bedford, MA 02746.
3. AGENT FOR SERVICE OF PROCESS    The Company's agent for service of process within the Commonwealth is Registered Agents Inc. of 82 Wendell Avenue Suite 100 Pittsfield, Massachusetts 01201. Resident Agents Inc. consents to the appointment.
4. DATE OF DISSOLUTION        The Company has no specific date of dissolution.
5. MANAGERS        As of the date hereof, the Managing Member of the Company is NEC Capital, LLC of 1 Nauset Street New Bedford, Massachusetts.
6. EXECUTION OF DOCUMENTS        NEC Capital, LLC, as Managing Member, with an address of 1 Nauset Street New Bedford, Massachusetts 02726 is solely authorized to execute, acknowledge, deliver and record any recordable instrument on behalf of the Company purporting to affect an interest in real property, whether to be recorded with a registry of deeds or a district office of the Land Court.
7. EXECUTION OF DOCUMENTS RELATING TO REAL PROPERTY NEC Capital, LLC as Managing Member of the Company is authorized to execute, acknowledge, deliver and record any recordable instrument on behalf of the Company purporting to affect an interest in real property, whether to be recorded with a registry of deeds or a district office of the Land Court.
8. GENERAL CHARACTER OF THE BUSINESS    The general character of the business of the LLC is to acquire, own, maintain, develop, construct, rehabilitate, renovate, improve, finance, manage, operate, lease sell, convey, assign, mortgage or otherwise deal with the delivery, directly or indirectly of products and services, including through other limited liability companies, corporations, joint ventures, and general and/or limited partnerships, and to carry on any related business activity and to engage in and lawful business trade, profession, purpose or activity.
9. FEDERAL EMPLOYER ID NUMBER    The federal employer ID number is 85-2845686

IN WITNESS WHEREOF, the undersigned hereby affirms under the penalties of perjury that the facts stated herein are true, this 3<sup>rd</sup> day of September 2020.

  
\_\_\_\_\_  
NEC Capital, LLC, Authorized Agent

**EMBER GARDENS NBR LLC**  
**Limited Liability Company Agreement**

**THE UNITS OF LLC INTEREST ISSUED PURSUANT TO THIS LIMITED LIABILITY COMPANY AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER SUCH ACT AND/OR APPLICABLE STATE SECURITIES LAWS, OR UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED. ANY TRANSFER OF THE SECURITIES REPRESENTED BY THIS AGREEMENT IS FURTHER SUBJECT TO OTHER RESTRICTIONS, TERMS AND CONDITIONS SET FORTH HEREIN.**



**EMBER GARDENS NBR LLC  
LIMITED LIABILITY COMPANY AGREEMENT**

THIS **LIMITED LIABILITY COMPANY AGREEMENT** (the “**Agreement**”) is entered into and shall be effective as of the \_\_\_\_\_ (the “**Effective Date**”), and is made by and among the Persons that are admitted as members of Ember Gardens NBR LLC, a Massachusetts limited liability company (the “**Company**”), in accordance with the terms hereof and whose names are set forth as Members on Schedule A hereto from time to time (each of such Persons is referred to as a “**Member**” and together they are referred to as the “**Members**”).

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members and the Company agree as follows:

**1. Definitions.**

1.1 Definitions. Capitalized terms used in this Agreement shall have the meanings set forth or referred to below.

“**Act**” means the Massachusetts Limited Liability Company Act, \_\_\_\_\_ et seq. (as from time to time amended and including any successor statute of similar import).

“**Adjusted Capital Account**” means, with respect to any Member, such Member’s Capital Account as of the date of determination, after crediting to such Capital Account any amounts that the Member is obligated to restore (to the extent recognized under Treasury Regulations Section 1.704-1(b)(2)(ii)(c)) and debiting to such Economic Capital Account the items described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6). The foregoing definition of Adjusted Capital Account and the provisions of Sections 5.5 and 5.6(d) are intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted and applied consistently therewith.

“**Affiliate**” means, with respect to any specified Person, any other Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Person specified. For purposes of this definition, “Affiliate” shall include, with respect to any natural Person, the spouse, parents, siblings and children of such Person and any trust of which some or all of such family members of such Person are the exclusive beneficiaries.

“**Agreement**” – See Preamble.

“**Bankruptcy**” means the happening of any of the following: (a) the making of a general assignment for the benefit of creditors; (b) the filing of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing an inability to pay debts as they become due; (c) the entry of an order, judgment or decree by any court of competent jurisdiction adjudicating the Company or a Member to be bankrupt or insolvent; (d) the filing of a voluntary petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation; (e) the filing of an answer or other pleading admitting the material allegations of, or consenting to, or defaulting in

answering, an involuntary bankruptcy petition filed against the Company or a Member in any bankruptcy proceeding; (f) the filing of a voluntary application or other pleading or any action otherwise seeking, consenting to or acquiescing in the appointment of a liquidating trustee, receiver or other liquidator of all or any substantial part of the Company's or a Member's properties; (g) the commencement against the Company or a Member of any proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation which has not been quashed or dismissed within one hundred eighty (180) days; or (h) the appointment without consent of the Company or such Member or acquiescence in the appointment of a liquidating trustee, receiver or other liquidator of all or any substantial part of the Company's or a Member's properties without such appointment being vacated or stayed within ninety (90) days and, if stayed, without such appointment being vacated within ninety (90) days after the expiration of any such stay.

**"Bankruptcy Code"** means Title 11 of the United States Code, as amended.

**"Business"** – means the retail sale of cannabis products to adults as permitted by the laws of the Commonwealth of Massachusetts.

**"Business Day"** means any day, other than a Saturday or Sunday, on which commercial banks are open for business in Boston, Massachusetts.

**"Capital Account"** – See Section 5.4.

**"Capital Contribution"** means, as to each Member, the amount of cash actually contributed to the Company by such Member or its predecessor.

**"Certificate of Formation"** – See Section 2.1.

**"Change in Control"** means a transaction or series of related transactions in which a person, or a group of related persons, acquires from the Members or from the Company Units representing more than fifty percent (50%) of the outstanding voting power of the Company.

**"Code"** means the United States Internal Revenue Code of 1986, as from time to time amended, and any successor thereto.

**"Company"** – See Preamble.

**"Company Minimum Gain"** – See Section 5.9(b).

**"Deemed Liquidation Event"** means (a) the acquisition of the Company by another individual or entity that is neither a Member nor an Affiliate of a Member by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger, consolidation or sale of member interests or equity), unless in each case the Members of record are as constituted immediately prior to such acquisition or sale and one or more Members and their affiliates will, immediately after such acquisition or sale (by virtue of securities issued as consideration for the Company's acquisition, sale or otherwise) hold in the aggregate at least a majority of the voting power of the surviving or acquiring entity; (b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or a series of related

transactions, by the Company or any Subsidiary of the Company to an unaffiliated third party of all or sustainably all of the assets of the Company and its Subsidiaries taken as a whole or the sale or disposition (whether by merger, consolidation or otherwise) of one or more Subsidiaries of the Company if substantially all the assets of the Company taken as a whole are held by such Subsidiary or Subsidiaries, except where such sale, lease, transfer, exclusive license or disposition is to a wholly owned subsidiary of the Company; or (c) any other sale of all or substantially all of the business of the Company to a Person that is neither a Member of the Company or an Affiliate of a Member of the Company, whether by sale of assets, sale of equity, a merger or otherwise; or (d) any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or in the event of its insolvency.

**“Distributable Cash”** means the excess of the sum of cash receipts (other than Capital Contributions) over the sum of cash disbursements for Company expenses, and amounts reserved against liabilities (contingent or otherwise) of the Company as determined by the Managers.

**“Drag-Along Member”** – See Section 7.6(a).

**“Drag-Along Notice”** – See Section 7.6(b).

**“Drag-Along Right”** – See Section 7.6(a).

**“Economic Capital Account”** means, with respect to any Member, such Member’s Capital Account as of the date of determination, after crediting to such Capital Account any amounts that the Member is deemed obligated to restore under Treasury Regulations Section 1.704-2.

**“Effective Date”** – See Preamble.

**“Ember Garden Member”** means Ember Garden Holdings LLC, a Delaware limited liability company, its successors and permitted assigns.

**“Excess Profit Balance”** – See Section 5.7(b).

**“Fiscal Year”** – See Section 11.5.

**“Fair Market Value”** means, with respect to any Member’s Units, the value of such Units as determined by mutual agreement of the Member and the party or parties purchasing the Interest. If no such amount is mutually agreed to within thirty (30) days of the applicable determination period, then the Fair Market Value of the relevant Percentage Interest shall be the price at which a willing seller would sell and a willing buyer would buy, the Percentage Interest, free and clear of all liens, security interests, or other encumbrances, in an arm’s length transaction for cash, without time constraints, without being under any compulsion to buy or sell, and without any minority interest discount, discount attributable to transfer restrictions, or control premium, as determined by an independent valuation conducted by a third party independent accounting firm or appraiser chosen by the Company.

**“Good Cause”** shall exist during the pendency of any of the following:

i. The dissolution of the Company; the cessation of substantially all business activity by the Company; the filing by or against the Company of a petition seeking relief under the United States Bankruptcy Code; the appointment of a receiver for all or substantially all of the assets of the Company; or the Company's undertaking an assignment for the benefit of creditors;

**"Incentive Documents"** – See Section 3.13.

**"Incentive Pool"** – See Section 3.13.

**"Investment Company Act"** means the Investment Company Act of 1940, as amended.

**"Involuntary Transfer"** – See Section 7.4(a).

**"Liquidating Agent"** – See Section 10.1.

**"LLC Interest"** – means "limited liability company interest" as that term is defined in the Act.

**"Lock-Up Period"** – See Section 7.11.

**"Majority Interest"** means Members who, at the time in question have a Percentage Interest aggregating more than fifty-one percent (51%) of all Percentage Interests held by the Members.

**"Manager(s)"** – See Section 3.1.

**"Managing Member"** shall mean each of NEC Capital LLC and Ember Gardens Holdings LLC.

**"New Subchapter 63C"** – See Section 5.10(a).

**"Non-recourse deductions"** – See Section 5.9(c).

**"Oversubscription"** – See Section 7.3(b).

**"Partnership Representative"** – See Section 5.10(a).

**"Percentage Interest"** means, with respect to a Member, a percentage equal to such Member's Units divided by the aggregate Units owned by all Members, as adjusted pursuant hereto.

**"Permitted Transfer"** – See Section 7.1(a).

**"Permitted Transferee"** means, with respect to any Member, (i) any trust created solely for the benefit of such Member or for the lineal ancestors, descendants or siblings of such Member, provided that such Member retains control of such trust, (ii) such Member's estate, (iii) any spouse, lineal ancestors or descendants or siblings of such Member, (iv) any corporation, partnership or limited liability company in which such Member, or the lineal ancestors, descendants or siblings of such Member, is or are the direct and beneficial owners of all of the equity interests (provided

such Member, lineal ancestors, descendants or siblings agree in writing to remain the direct and beneficial owners of all such equity interests), provided that such Member retains control of such entity, or (v) the personal representatives of such Member upon such Member's death for the purposes of administration of such Member's estate or upon such Member's adjudicated incapacity for the purposes of the protection and management of the assets of such Member.

**"Person"** means a corporation, governmental unit, association, retirement system, international organization, joint venture, partnership, limited liability company, trust or individual.

**"Proportionate Percentage"** – See Section 7.3(b).

**"Registration Event"** – See Section 7.11.

**"Regulatory Authority"** means any government body, agency, authority, bureau, board, commission, court, department, official, political subdivision, tribunal, or other instrumentality of any government, whether federal, state, local, domestic or foreign with regulatory control or jurisdiction over the Company, the Business, or any of its Subsidiaries or Affiliates, including but not limited to the Massachusetts Cannabis Control Commission.

**"Remaining Members"** means any Member who, in connection with any proposed Transfer pursuant to Article 7, is not a Transferring Member.

**"Requisite Units"** See Section 3.1.

**"Securities Act"** means the Securities Act of 1933, as amended.

**"Subsidiary"** means any corporation, company, joint venture, limited liability company, association, or other entity in which such Person owns, directly or indirectly, fifty percent (50%) or more of the outstanding equity securities or interests, the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such entity.

**"Substitute Member"** – See Section 7.4(b).

**"Supermajority Interest"** means Members who, at the time in question have a Percentage Interest aggregating at least sixty percent (60%) of all Percentage Interests held by the Members.

**"Tag-Along Right"** – See Section 7.7.

**"Tag-Along Seller"** – See Section 7.7.

**"Tax Distribution Amount"** – See Section 6.3.

**"Transfer"** means any transfer, assignment, sale, conveyance, hypothecation, license, lease, partition, pledge, or grant of a security interest in a Member's LLC Interest in the Company, and includes any "involuntary transfer" such as a sale of any part of the LLC Interest therein in connection with any Bankruptcy or similar insolvency proceedings, the death of a Member or a divorce or other marital settlement involving any Member, or any other disposition or encumbrance of a Member's LLC Interest. For purposes of this Agreement, any transfer, exchange

or series of transfers (or exchanges), directly or indirectly, of the stock, partnership, member or other ownership interests of any Member that is a business organization or an entity (or any combination of such transfers or exchanges, whether direct or in connection with a merger, acquisition, sale, or similar reorganization or transaction, including issues of new stock or other ownership interests, or the exercise of options, warrants, debentures or other convertible instruments, or a redemption of other interests in the Member, and any similar transactions involving the stock or other ownership interests of such Member), shall also be deemed to be a Transfer with regard to the LLC Interests owned by such Member.

**“Transfer Notice”** shall mean the written notice delivered, or deemed to be delivered, by a Transferring Member to the Company and, in appropriate circumstances, each Remaining Member, pursuant to Sections 7.3 and 7.4 hereof evidencing such Transferring Member’s intention or obligation to sell, all or a portion of its, his or her Units at the purchase price and upon the terms and conditions specified in this Agreement.

**“Transferring Member”** means any Member transferring their Units in accordance with and subject to Article 7.

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

**“Unit”** – See Section 5.1.

**“Withholding Payment”** – See Section 6.4.

1.2. Interpretation. When a reference is made in this Agreement to an Article, Section or Schedule, such reference shall be to an Article or Section of, or a Schedule to, this Agreement unless otherwise indicated. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The captions used in this Agreement are for convenience only and shall not affect the meaning or interpretation of any of the provisions of this Agreement. As used herein, the singular shall include the plural, the masculine gender shall include the feminine and neuter, and the neuter gender shall include the masculine and feminine, unless the context otherwise requires

1.3. Discretion. Whenever in this Agreement a Person is permitted or required to make a decision (a) in its “sole discretion” or “discretion” or under a grant of similar authority or latitude, such Person shall be entitled to consider only such interests and factors as it desires, including its own interests, or (b) in its “good faith” or under another expressed standard, such Person, shall act under such express standard and shall not be subject to any other or different standard imposed by any other agreement or by relevant provisions of law or in equity or otherwise.

## **2. Formation of Company.**

2.1 Formation. The Company was formed as a limited liability company by the filing of its Certificate of Formation with the Secretary of State for the Commonwealth of Massachusetts (the “Certificate of Formation”) under and pursuant to the Act on November 2, 2021.

2.2 Name and Offices. The name of the Company is Ember Gardens NBR LLC. The name of the registered agent of the Company in the Commonwealth of Massachusetts and the registered office of the Company in the Commonwealth of Massachusetts is set forth in the Certificate of Formation. The Company may maintain such other registered agent, registered office, or principal place of business and designate any places of business as the Members may from time to time determine.

2.3 Character of Business; Purposes; Powers. The Company was formed to operate and own the Business and may engage in any and all lawful activities as the Managers deem necessary or advisable related thereto. The Company shall possess and may exercise all powers necessary or convenient to the conduct and promotion of its business, subject to any restrictions set forth herein.

2.4 Tax Classification. The Members acknowledge that pursuant to Treasury Regulations Section 301.77013, the Company shall be classified as a partnership for federal income tax purposes until the effective date of any election to change its classification on IRS Form 8832, Entity Classification Election.

2.5 No State-Law Partnership. The Members acknowledge the Company’s status as a limited liability company formed under the LLC Act. The Company’s classification as a partnership will apply only for federal (and, as appropriate, state and local) income tax purposes. This characterization does not create or imply a general partnership, limited partnership, or joint venture among the Members for state law or any other purpose.

## **3. Authority of the Managers.**

3.1 Management Structure. Except as otherwise expressly provided or restricted in this Agreement (including Section 3.4 below), and subject in all instances to the terms and provisions hereof, the Managers (the “**Managers**”) shall have complete and exclusive control of the management and conduct of the business of the Company and the authority to do all things necessary or appropriate to carry out the purpose of the Company without any further act, vote or approval of any Member. There shall be no less than two (2) Managers on the board of Managers (the “**Board**”). The initial two Managers are set forth on Schedule A attached hereto. Each Managing Member shall have the right to appoint one Manager and each Manager may only be removed by the Managing Member that appointed that Manager. In the event any Manager dies, suffers a disability, resigns, or is removed from office at any time, as promptly as practicable, the Managing Member that appointed the Manager shall designate a successor to fill the vacancy left by him or her.

3.2 Powers of the Managers. The Managers shall have the right and authority to take those actions that they deem necessary, useful, or appropriate for the oversight and management of the Company's business, as set forth in this Agreement. Each Manager shall have one (1) vote and, except as otherwise provided in this Agreement, the Managers shall act by the majority consent of the Managers. For the avoidance of any doubt, any Manager vote resulting in a tie shall be considered a "no action" on the matter at hand. A deadlock of the Managers can be resolved by a vote of the Members holding a Supermajority Interest. In the absence of such a Supermajority vote of the Members, the matter that is the subject of the deadlock shall not be approved. Any contract, instrument, or act of any Manager on behalf of the Company shall be conclusive evidence in favor of any bona-fide third party dealing with the Company that such Manager has the authority, power, and right to execute and deliver such contract or instrument and to take such action on behalf of the Company.

3.3 Decisions Reserved to the Managers. Without limiting Section 3.1 or 3.2 in any way, but subject to Section 3.4 below, the Managers shall have exclusive responsibility and authority to act with respect to the following matters:

- i. The sale of substantially all of the Company assets of the Company or the merger of the Company with or into another entity;
- ii. The admission of new Members to the Company or the issuance of additional interests in the Company to an existing Member or the appointment of additional Managers of the Company;
- iii. Borrowing money or granting a lien in the Company assets;
- vi. Determining the amount of cash that may be distributed to the Members;
- viii. Agreements with municipalities; and
- ix. The dissolution of the Company.

3.4 Responsibility for Day to Day Management. The day to day management of the Company is delegated to the employee-managers of the Company and the management company, Ember Gardens Management, LLC. Day to day management shall include, without limitation, the following:

- i. Hiring of employees;
- ii. Product purchasing contracts;
- iii. Marketing promotions;
- iv. CCC compliance;
- v. Staffing plan;
- vi. Facility design, equipment and software purchases;



- vii. Community and municipal engagement;
- viii. Manufacturing strategies and operations;
- ix. Product strategies and choices;
- x. Public relations strategy;
- xi. Accounting and tax compliance;
- xii. Banking relationships; and
- xiii. Accounts payable.

Notwithstanding anything to the contrary set forth herein, the Manager appointed by Ember Gardens Member shall have sole decision making authority regarding the Company name and branding. It is acknowledged by the Managers, Members and the Company that (i) the intellectual property used by the Company has been and will continue to be developed by and is solely will be owned by Ember Gardens Holdings LLC. Any derivative works, suggestions, improvements, modifications or joint development of intellectual property will be the sole and exclusive property of Ember Gardens Holdings, LLC; (ii) the Company is authorized and directed to enter into a License Agreement at no cost but otherwise on customary terms for the purpose of obtaining rights to use such intellectual property; and (iii) the Company is authorized and directed to enter into a Management Agreement with Ember Gardens Management LLC pursuant to which the Company will procure management services at a cost which covers 100% of the cost of providing such services by the management company.

3.5 Duties of the Managers. Each Manager shall devote to the affairs of the Company such time as may be reasonably necessary to carry out their obligations hereunder. Each Manager shall perform their duties as a Manager in good faith, in a manner he reasonably believes to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A Manager who so performs their duties shall not have any liability by reason of being or having been a Manager of the Company. To the extent that, at law or in equity, a Manager has duties and liabilities relating thereto to the Company or to the Members, such Manager shall not be liable to the Company or any Member for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they expressly restrict the duties and liabilities of a Manager otherwise existing at law or in equity, are agreed by the Members to replace, to the extent permitted by law, such other duties and liabilities of such Manager.

3.6 Meetings of the Managers. Meetings of the Managers may be called by any Manager. Written notice of each such meeting shall be given to each Manager by electronic mail, or similar method (in each case, notice shall be given at least seventy-two (72) hours before the time of the meeting) or sent by both electronic mail and overnight courier service (in which case notice shall be given at least five (5) days before the meeting). If a Manager is unable to attend a properly noticed meeting, the meeting will be rescheduled by the Manager that called the meeting, but not more than one week later than the original meeting time. If a Manager is unable to attend the rescheduled meeting, the sole Manager attending the meeting may act on behalf of the

Company at the rescheduled meeting. Any action required to be taken at a meeting of the Managers, or any action that may be taken at a meeting of the Managers, may be taken at a meeting held by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Notwithstanding anything to the contrary in this Section 3.5, the Managers may take without a meeting any action that may be taken by the Managers under this Agreement if such action is approved by the unanimous written consent of the Managers.

3.7 Other Activities of the Managers and Members. Nothing in this Agreement shall be deemed to restrict in any way the rights of the Managers, Members or of any Affiliate of a Manager or Member, to conduct or participate in any other business or activity whatsoever. Each Manager and each Member waives any right it might otherwise have to share or participate in any other interests or activities of any other Manager.

3.8 Expenses. The Company shall (i) pay or reimburse the Managers for all reasonable out-of-pocket costs and expenses, including, without limitation, reasonable attorney's fees, incurred in connection with the formation of the Company, (ii) pay or reimburse the Managers for reasonable out-of-pocket costs and expenses incurred in connection with their activities on behalf of the Company, and (iii) replenish any reserves utilized by the Company; provided that, in all cases, the Managers shall make available to the other Member(s) invoices or other reasonable evidence of such expenses. In addition, in the case of any Company expenses with respect to travel and other costs related to the business, the Managers shall be entitled to reimbursement from the Company for such expenses if approved by the Managers. Subject to the expenses that are reimbursable under this Section 3.7, the Members will bear all expenses related to their own overhead and organization.

3.9 Indemnification. The Company shall indemnify each Manager and Officer against all losses, liabilities, damages and out-of-pocket expenses in connection with any litigation, action, suit or other proceeding incurred by such Manager or Officer as a result of any actions or inactions taken or omitted in connection with providing services to the Company or any Subsidiary or the performance of the Manager's or Officer's duties; provided, however, that no Manager or Officer shall be entitled to indemnification pursuant to this Section 3.8 with respect to any matter as to which such Manager or Officer has committed an act or omission that constituted bad faith, fraud, gross negligence, willful misconduct, a material breach of this Agreement or a criminal offense. No Manager or Officer shall be entitled to indemnification pursuant to this Section 3.8 with respect to any litigation, action, suit or proceeding that relates solely to a dispute between or among two or more of the Managers or Officers. The right of indemnification provided hereby shall not be exclusive of, and shall not affect, any other rights to which any Manager or Officer may be entitled and nothing contained in this Section 3.8 shall limit any lawful rights to indemnification existing independently of this Section 3.8.

3.10 Payment of Indemnification Expenses. Prior to the final disposition of any claim or proceeding with respect to which any Manager or Officer may be entitled to indemnification hereunder, the Company shall pay to the Manager or Officer, in advance of such final disposition, an amount equal to all expenses of such Manager or Officer reasonably incurred in the defense of such claim or proceeding so long as the Company has received a written undertaking of such Manager or Officer to repay to the Company the amount so advanced if it shall be finally

determined that such Manager or Officer was not entitled to indemnification hereunder, provided that the Company shall have no obligation to make any such advance payments for any claim or proceeding involving a dispute between the Manager or Officer and the Members.

#### **4. Members.**

4.1. Members Are Not Agents. Pursuant to Article 3, the management of the Company is vested in the Managers. The Members shall have no power to participate in the management of the Company except as expressly authorized by this Agreement and except as expressly required by the LLC Act. No Member, acting solely in the capacity of a Member, is an agent of the Company nor does any Member, unless expressly and duly authorized in writing to do so by the Managers, have any power or authority to (a) bind or act on behalf of the Company in any way, (b) pledge its credit, (c) execute an instrument on its behalf, or (d) render it liable for any purpose. No Member shall owe any duty or obligation to the Company or the other Members solely by being a Member of the Company, except as expressly provided herein.

4.2. Member Liability. No Member shall be liable under a judgment, decree, or order of a court, or in any other manner, for the debts or any other obligations or liabilities of the Company. A Member shall be liable only to make its Capital Contributions and shall not be required to restore a deficit balance in its Capital Account or to lend any funds to the Company or, after its Capital Contributions have been made, to make any additional contributions, assessments, or payments to the Company except as required by the express terms of this Agreement, provided that a Member may be required to repay distributions made to it as provided in Section 1555 of the LLC Act or any successor provision.

4.3. Transactions Between a Member and the Company. Except as otherwise provided by applicable law, upon the consent of the Managers, any Member may, but shall not be obligated to, lend money to the Company, act as surety for the Company and transact other business with the Company and has the same rights and obligations when transacting business with the Company as a person or entity who is not a Member; provided that the terms of any such transaction shall be comparable to those negotiated by unrelated parties on an arm's length basis (as determined by the Managers), and such transaction be disclosed to the other Members. A Member, any Affiliate thereof or an employee, stockholder, agent, director, manager, member, or officer of a Member or any Affiliate thereof may also be a Manager, Officer, employee, or agent of the Company. The existence of these relationships and acting in such capacities will not result in the Member being deemed to be participating in the control of the business of the Company or otherwise affect the limited liability of the Member.

4.4. No Withdrawal. No Member may withdraw from the Company prior to the dissolution and winding-up of the Company unless such Member (i) complies with the provisions regarding the Transfer of Units set forth in Article 7 or (ii) receives the unanimous prior approval of the Managers. If a Member attempts to withdraw in violation of this Agreement, such Member will forfeit its LLC Interest.

4.5 Meetings of the Members. Meetings of the Members may be called at any time by members holding at least a 25% Percentage Interest or by any Manager. Each meeting of the Members shall be called with at least five (5) Business Days' but not more than thirty (30) Business

Days' advance written notice, specifying the agenda for the meeting. Such notice may be waived by a Member at any time and will be deemed to have been waived if the Member participates in the meeting and has been provided with a written agenda for the meeting. Meetings may also be held telephonically whereby each Member can hear each of the other Members. The Managers shall establish all other provisions relating to meetings of Members, including the time, place or purpose of any meeting at which any matter is to be voted on by any Members, voting in person or by proxy or any other matter with respect to the exercise of any such right to vote. For any matter requiring the consent or vote of the Members, each Member who votes on such matter shall vote an amount of votes equal to the number of Units owned by such Member. Action required or permitted to be taken at a meeting of Members may be taken without a meeting, prior notice, or a vote if the action is evidenced by one or more written consents describing the action taken, signed by Members entitled to vote whose votes would be sufficient to take the action in question if given at a meeting.

## **5. Capital Accounts; Profits and Losses.**

5.1. Capital Contributions. Each Member has been issued an LLC Interest in exchange for the Capital Contribution set forth opposite its name in Schedule A. No Member shall be obligated under any circumstances to make Capital Contributions in excess of the amounts set forth opposite its name on Schedule A. Each LLC Interest is represented by one or more “**Units.**”

5.2. Additional Contributions. Except as set forth in Section 5.1, no Member shall be required to make any additional Capital Contributions.

5.3. Status of Capital Contributions. Except as approved by the Managers: (a) no part of the contributions of any Member to the capital of the Company may be withdrawn by any Member; (b) no Member shall be entitled to receive interest on such Member's contributions to the capital of the Company; and (c) no Member contributing cash to the Company shall have the right to demand or receive property other than cash in return for such Member's contribution to the Company.

5.4. Capital Accounts. A separate capital account (each, a “**Capital Account**”) shall be maintained for each Member in accordance with the rules of Treasury Regulations Section 1.704-1(b)(2)(iv), and this Section 5.4 shall be interpreted and applied in a manner consistent therewith. Whenever the Company would be permitted to adjust the Capital Accounts of the Members pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(f) to reflect revaluations of Company property the Company may so adjust the Capital Accounts of the Members, and the Company shall so adjust the Capital Accounts when so permitted in connection with (and as of) any withdrawal or removal of a Member. If the Capital Accounts of the Members are adjusted pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(f) to reflect revaluations of Company property, (x) the Capital Accounts of the Members shall be adjusted in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g) for allocations of depreciation, depletion, amortization and gain or loss, as computed for book purposes, with respect to such property, (y) the Members' distributive shares of depreciation, depletion, amortization and gain or loss, as computed for tax purposes, with respect to such property shall be determined so as to take account of the variation between the adjusted tax basis and book value of such property in the same manner as under Code Section 704(c) and (z) the amount of upward and/or downward adjustments to the

book value of the Company property shall be treated as income, gain, deduction and/or loss for purposes of applying the allocation provisions of this Article 5. If Code Section 704(c) applies to Company property, the Capital Accounts of the Members shall be adjusted in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g) for allocations of depreciation, depletion, amortization and gain and loss, as computed for book purposes, with respect to such property.

5.5. Revaluation of Assets. In connection with any withdrawal or removal of a Member, the Company shall value the Company's assets in good faith and use such valuations in adjusting Capital Accounts pursuant to Section 5.4 to the extent permitted under Treasury Regulations Section 1.704-1(b)(2)(iv)(f). In the case of a withdrawal of a Member or a repurchase of the LLC Interest of a Member, the Managers shall specially allocate to the withdrawing Member the costs and expenses associated with implementing such withdrawal.

5.6. Capital Account Adjustments. In furtherance and not in limitation of the provisions of Section 5.4, any fees, expenses or other costs of the Company that are paid by a Member and that are required to be treated as capital contributions to the Company for purposes of Code Section 704(b) and the Treasury Regulations thereunder shall be added to the balance of the Member's Capital Account. Any fees, costs or other expenses of a Member that are paid by the Company and that are required to be treated as distributions for purposes of Code Section 704(b) and the Treasury Regulation thereunder shall be so treated and subtracted from such Member's Capital Account, and the Company's payment thereof shall not be treated as an item of deduction or loss. This Section 5.6 is intended to prevent any payments by a Member or the Company from giving rise to a violation of Code Section 704(b) while at the same time preserving to the extent possible the parties' intended economic arrangement and shall be applied consistent with such intent.

5.7. Allocation of Income and Loss. After application of Section 5.9, and subject to Section 5.8 and the other provisions of this Article 5, any remaining items of income, gain, loss or deduction shall be allocated among the Members and to their Capital Accounts as follows:

(a) Profits. Income and gain for each Fiscal Year shall be allocated in the following order and priority:

(i) First, to completely offset all prior allocations of loss or deduction to the Members pursuant to Section 5.8(b)(iii) and then Section 5.8(b)(ii), in the proportions set forth in each such subparagraph

(ii) Second, to completely offset all prior allocations of loss or deduction pursuant to Section 5.8(b)(i)

(iii) The balance, if any, to the Members on a pro rata, *pari passu* basis based on their Percentage Interests.

(b) Losses. Losses and deductions for each Fiscal Year shall be allocated in the following order and priority:

(i) First, to the extent that a Member's Capital Account exceeds its unrecovered Capital Contribution (an "**Excess Profit Balance**") as of the last day of such Fiscal Year, in the same proportion that such Member's Excess Profit

Balance bears to the Excess Profit Balances of all the Members, until all such Excess Profit Balances are reduced to zero.

(ii) Second, to the Members in proportion to their positive Capital Account balances as of the last day of such Fiscal Year, until such balances are reduced to zero.

(iii) The balance, if any, to the Members in proportion to their Percentage Interests, as finally calculated and determined as of the last day of such Fiscal Year.

5.8. Loss Limitation. No allocation of net loss shall be made pursuant to Section 5.4 to the extent that it causes or increases a deficit balance in any Member's Adjusted Capital Account at the end of any Fiscal Year. All such items in excess of the limitation set forth in this Section 5.8 shall be allocated first pro rata to the Members who would not have a deficit balance at the end of such Fiscal Year until the Adjusted Capital Account balances of such Members is zero, and thereafter pro rata among all the Members according to their Percentage Interests.

5.9. Minimum Gain Chargebacks, Non-Recourse Deductions and Qualified Income Offset. Prior to making the allocations required by Section 5.8, the Company shall make the following special allocations

(a) In the event any Member receives adjustments, allocations or distributions described in Treasury Reg. § 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by Treasury Regulations, any Adjusted Capital Account Deficit, as quickly as possible, provided that an allocation pursuant to this Section 5.9(a) shall be made only to the extent that each Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Agreement have been tentatively made as if this Section 5.9(a) were not in this Agreement. This provision is intended to comply with the qualified income offset requirement contained in Treasury Reg. § 1.704-1(b)(2)(ii)(d)(3) and shall be construed in accordance with the provisions thereof.

(b) Notwithstanding any other provisions of this Agreement, if there is a net decrease in Company Minimum Gain during a taxable year, the Members shall be allocated items of income and gain in accordance with Treasury Regulations Section 1.704-2(f). For purposes of this Agreement, the term "**Company Minimum Gain**" shall have the meaning set forth in Treasury Regulations Section 1.704-2(b)(2), and any Member's share of Company Minimum Gain shall be determined in accordance with Treasury Regulations Section 1.704-2(g)(1). This Section 5.9(a) is intended to comply with the minimum gain charge-back requirement of Treasury Regulations Section 1.704-2(f) and shall be interpreted and applied in a manner consistent therewith.

(c) Non-recourse deductions shall be allocated to the Members, pro rata, in proportion to their Percentage Interests. "**Non-recourse deductions**" shall have the meaning set forth in Treasury Regulations Section 1.704-2(b)(1).

(d) Notwithstanding any other provisions of this Agreement, to the extent required by Treasury Regulations Section 1.704-2(i), any items of income, gain, loss or deduction

of the Company that are attributable to a nonrecourse debt of the Company that constitutes “partner nonrecourse debt” as defined in Treasury Regulations Section 1.704-2(b)(4) (including chargebacks of partner nonrecourse debt minimum gain) shall be allocated in accordance with the provisions of Treasury Regulations Section 1.704-2(i). This Section 5.9(d) is intended to satisfy the requirements of Treasury Regulations Section 1.704-2(i) (including the partner nonrecourse debt minimum gain chargeback requirements) and shall be interpreted and applied in a manner consistent therewith.

(e) Any Member who unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) that causes or increases a deficit balance in its Adjusted Capital Account shall be allocated items of income and gain in an amount and a manner sufficient to eliminate, to the extent required by Treasury Regulations Section 1.704-1(b)(2)(ii)(d), such deficit balance as quickly as possible.

#### 5.10. Tax Matters

(a) Partnership Representative. The Members shall designate an individual to be the “**Partnership Representative**” pursuant to Section 6223 of Subchapter 63C of the Code, as amended by the Bipartisan Budget Act of 2015, P.L. 114-74 (“**New Subchapter 63C**”), and who shall be authorized and required to represent the Company in connection with all examinations of the Company’s affairs by tax authorities, including resulting administrative and judicial proceedings, and who shall. The Partnership Representative, at the direction of the Members, is authorized and required to represent the Company (at the Company’s expense) in connection with all examinations of the Company’s affairs by tax authorities and to expend Company funds for professional services and costs associated therewith, and shall provide all notices and perform all acts required in such role. Initially, the Partnership Representative shall be Shane Hyde.

(b) Payments. In the event that the Company is required to pay any imputed underpayment pursuant to the New Subchapter 63C, then each person that was a Member in the applicable reviewed year, within the meaning of Section 6225(d)(1) of the New Subchapter 63C, shall make a payment to the Company in an amount equal to the portion of the imputed underpayment allocable to such Member, taking into account any modifications of the imputed underpayment under Section 6225(c) of the New Subchapter 63C; provided, however, that if such person is also a Member at the time the Company pays such imputed underpayment, the Company may instead withhold from amounts due to such Member from the Company such Member’s allocable share of the imputed underpayment and any such amount withheld shall be treated as having been distributed by the Company to such Member and then paid by such Member to the Company; and provided further that no payment by or withholding from a person shall be required if such person complied with the provisions of Section 6225(c)(2) of the New Subchapter 63C. For the avoidance of doubt, no payment made to the Company pursuant to this Section 5.10(b) shall be treated as a Capital Contribution. In the event that the Company receives a tax refund or tax benefit pursuant to the New Subchapter 63C, then each person that was a Member in the applicable reviewed year shall receive a payment from the Company in an amount equal to the portion of the tax refund or tax benefit allocable to such Member, taking into account any modifications of the tax refund or tax benefit under Section 6225(c)

of the New Subchapter 63C. Any dispute regarding the portion of any tax liability, tax refund or tax benefit allocable to a Member shall be determined by such independent accounting firm agreed to by the applicable Persons. Each Member shall provide such information to the Company as the Partnership Representative may reasonably request to reduce the amount of any imputed underpayment and shall take such actions as the Partnership Representative may reasonably request (including the filing of an amended tax return) in order to assist the Company in complying with the New Subchapter 63C. Notwithstanding anything in this Agreement to the contrary, all rights and obligations of a Member under this Section 5.10(b) shall survive both the Member's ceasing to be a partner of the Company for federal income tax purposes and the dissolution of the Company.

(c) Liability. The Partnership Representative shall not be liable to the Company or the Members for any action such person takes or fails to take in connection with any judicial or administrative proceeding, including, without limitation, the agreement to or failure to agree to a settlement or the extension of or failure to extend the relevant statutes of limitations, unless such action or failure constitutes willful misconduct, fraud, gross negligence or breach of a fiduciary duty to the Company.

(d) Code Section 704(b) Compliance. The allocation provisions contained in this Article 5 are intended to comply with Code Section 704(b) and the Treasury Regulations promulgated thereunder, and shall be interpreted and applied in a manner consistent therewith. Items of income, gain, deduction and loss for federal income tax purposes shall be allocated in the same manner as the corresponding items are allocated for book purposes pursuant to this Article 5 except as otherwise required by Code Section 704(c) or Section 5.4, Section 5.8, or Section 5.9.

## **6. Distributions.**

6.1. Distributions. Each Member's distributive share of income, gain, loss, deduction or credit, as determined by the Company's accountants, shall be allocated according to Section 5.8 of this Agreement. Distributable cash shall be distributed at such times and in such amounts as the Managers deem appropriate but no less often than quarterly. Distributions of Distributable Cash shall be made in the following manner:

(a) Operating Distributions. After distributing the Tax Distribution Amount to each Member, remaining Distributable Cash shall be distributed to the Members at the sole discretion of the Managers, pro rata in accordance with their respective Units.

(b) Deemed Liquidation Event. Distributable Cash from a Deemed Liquidation Event shall be distributed to the Members as follows:

(i) to all the Members pro rata in accordance with their respective Units.

6.2 No Deficit Restoration by Members. No Member shall have any obligation to restore a deficit balance in its Capital Account upon liquidation of its LLC Interest in the Company or otherwise.

6.3 Distributions to Permit Member Tax Payments. Within the thirty (30) day period



beginning on the last day of each Fiscal Year (other than the year in which the Company liquidates under Article 10), the Managers shall use its good faith efforts to calculate (using reasonable assumptions and applying the highest combined federal and state income tax rates applicable to Massachusetts residents) and distribute to each Member the amount that corresponds to that Member's estimated federal and state income tax liability related to that Member's distributive share of taxable income and gain of the Company allocated to that Member for that Fiscal Year (the "**Tax Distribution Amount**"). The Tax Distribution Amount of a given Member with respect to their Units for a given Fiscal Year shall be reduced by amounts distributed to that Member under Section 6.1 with respect to their Units during that Fiscal Year. Further, the amount distributed to a Member under this Tax Distribution Amount with respect to their Units shall be treated as an advance to that Member on distributions of Distributable Cash under Section 6.1 and liquidating distributions under Section 10.3. The excess of the amount of cash distributed to a Member under this Section 6.3 for a given Fiscal Year minus the amount distributable to that Member under Section 6.1 for that year shall be treated as a loan obligation of that Member to the Company for purposes of determining that Member's Capital Account, Adjusted Capital Account.

6.4 Withholding. The Company shall at all times be entitled to make payments with respect to any Member in amounts required to discharge any obligation of the Company to withhold from a distribution or make payments to any governmental authority with respect to any foreign, United States federal, state or local tax liability of such Member arising as a result of such Member's LLC Interest in the Company (a "**Withholding Payment**"). Any Withholding Payment made from funds withheld upon a distribution will be treated as distributed to such Member for all purposes of this Agreement. Any other Withholding Payment will be deemed to be a recourse loan by the Company to the relevant Member. The amount of any Withholding Payment treated as a loan, plus interest thereon from the date of each such Withholding Payment until such amount is repaid to the Company at an interest rate per annum equal to the applicable federal rate of interest then in effect, with a maturity no later than the final liquidation of the Company, shall be repaid to the Company upon demand by the Company; provided, however, that in the Managers' sole discretion, any such amount may be repaid by deduction from any distributions payable to such Member pursuant to this Agreement (with such deduction treated as an amount distributed to the Member).

6.5 Certain Distributions Prohibited. Anything in this Article 6 to the contrary notwithstanding, no distribution shall be made to any Member if, and to the extent that, such distribution would not be permitted under Section 1555 of the Act.

## **7. Transfers by Members.**

7.1 Assignability of LLC Interests. Subject to Section 7.9 below, any Member may Transfer their interest to a Permitted Transferee upon providing the Company with thirty (30) day's prior written notice. Except in accordance with the foregoing, no Member may Transfer their Units or any underlying LLC Interest without the prior written consent of the majority of the Managers, such consent in the discretion of the Managers or the prior written consent of a majority interest of the Members (a "**Permitted Transfer**"). No assignment shall be binding upon the Company until the Managers receive an executed copy of such assignment, pursuant to which the assignee shall make the same representations warranties and covenants to the Company as were made by the assignor, except as otherwise agreed by all of the other Members in their sole

discretion. Any assignee of a Member's Units pursuant to this Section 7.1 may only be admitted to the Company as a Member in accordance with Section 7.2. The Managers may require the assignor or assignee to pay the Company's reasonable out-of-pocket costs incurred in connection with the proposed Transfer, including any additional accounting, tax preparation or other administrative expenses incurred (or to be incurred) by the Company as a result of any tax basis adjustments under Section 743 of the Code.

7.2 New Members. The admission of an assignee as a Member shall in all events be conditioned upon compliance with the requirements of Article 7 and the assignee's written assumption, in form and substance reasonably satisfactory to the Managers, of all obligations of the assigning Member and execution of an instrument reasonably satisfactory to the Managers whereby such assignee becomes a party to this Agreement as a Member.

7.3 Rights of First Refusal: Voluntary Transfer.

(a) Mandatory Offer to the Company. If a Member desires to Transfer any of its Units following receipt of a good faith offer from any unaffiliated third party, and if such Transfer is otherwise permitted hereunder, the Transferring Member shall deliver a Transfer Notice to the Company, identifying the name and address of the proposed transferee, the number of Units to be Transferred, the purchase price and terms of payment, any other material facts relating to the proposed Transfer. Each Member shall be limited to one proposed Transfer (which may involve several purchasers but only if in a single closing) governed by this Section 7.3(a) during each calendar year, and any voluntary transfer in violation of the foregoing shall be prohibited without the consent of the Managers. Upon receipt of such Transfer Notice, the Managers shall promptly forward a copy of such notice to the Remaining Members. The receipt of the Transfer Notice by the Company shall constitute an irrevocable offer of the subject Units by the Transferring Member to the Company and, to the extent not acquired by the Company at its discretion, the Remaining Members, for a price and on the terms set forth in such notice, except that if non-cash consideration represents all or a component of the purchase price, the Company and/or the Remaining Members, as applicable, may provide reasonable substitution for such consideration, including promissory notes issued by the Company and/or the Remaining Members, as applicable. Such offer to sell to the Company shall be irrevocable for a period of thirty (30) days from the date of receipt of the Transfer by the Company and, within such thirty (30) day period, the Company may, by delivering a written notice to the Transferring Member, accept the Transferring Member's offer in respect of all (or less than all if the Remaining Members agree to acquire the balance of the Units pursuant to Section 7.3(b)) of the Units so offered. If the Company does not notify the Transferring Member of its decision to accept such offer within such thirty (30) day period, such offer to sell shall be deemed to have been declined by the Company. The Company may assign its purchase option to another Person selected by the Managers.

(b) Mandatory Offer to the Remaining Members. If the Company does not elect to purchase all of the Units offered in the Transfer Notice in accordance with Section 7.3(a), the Transferring Member shall offer to each of the Remaining Members its, his or her pro rata portion, based on each Remaining Member's Percentage Interest (for each Remaining Member, its "**Proportionate Percentage**"), of the Units not sold to the Company, said

offer to the Remaining Members to be effective upon delivery of a copy of the Transfer Notice by the Executive Committee to the Remaining Members in accordance with Section 7.3(a). The receipt by the Remaining Members of such notice shall constitute an irrevocable offer of the subject Units for a purchase price equal to and on the terms set forth in such notice. Such offer shall be irrevocable for a period of thirty (30) days following the expiration of the thirty (30) day notice period specified in Section 7.3(a). Each Remaining Member may, by delivering written notice to the Company within the applicable response period, accept such offer to purchase up to all of such Member's Proportionate Percentage of the offered Units. If any Remaining Member does not notify the Company of its, his or her decision to accept such offer to sell within the above-referenced applicable response period, such offer to sell shall be deemed to have been declined by any such Remaining Member(s). Each Remaining Member that agrees to purchase their full Proportionate Percentage may also specify in writing, that it, he or she is electing to subscribe for all or any portion of the remaining Units which any other Remaining Members or the Company do not elect to purchase under the terms of this Section 7.3(b) (an "**Oversubscription**"); provided, however, that if the subscriptions requested by all the Remaining Members pursuant to this Oversubscription option exceed the number of Units available, then each such Remaining Member requesting an Oversubscription shall be entitled to purchase his, her or its pro rata (determined with reference to those requesting Oversubscriptions) share of the remaining Units.

(c) Purchase All Securities. Notwithstanding anything to the contrary herein, the purchase rights of the Company and the Remaining Members shall be null and void unless the Company (or its approved designee) and/or the Remaining Members, individually or as a group, agree to acquire all of the Units offered by the Transferring Member.

(d) Payment of Purchase Price. If the Company and/or any Remaining Members elect to purchase all the Units in accordance with the provisions of this Section 7.3, closing on the sale of the Units shall be made at the office of the Company on a mutually satisfactory business day within sixty (60) days of the date of the last acceptance of an offer to sell by the Company or the Remaining Members, as the case may be, at the price and upon the terms specified herein or, if the third party purchaser of such Units who made the good faith offer has so specified in its offer, at the option of the purchaser at such later date as was specified in such offer. Delivery of certificates or other instruments evidencing such Units duly endorsed for transfer to the Company and/or to the Remaining Members, as the case may be, shall be made by such date in exchange for the purchase price thereof.

(e) Transfer to Transferee Named in Notice of Intention to Sell. If neither the Company nor the Remaining Members purchase all of the Units offered by the Transferring Member pursuant to this Section 7.3, the Transferring Member may then transfer all (but not less than all) of the Units specified in the Transfer Notice to the party specified in the Transfer Notice within ninety (90) days of the expiration of the offering periods referenced in Sections 7.3(a) and 7.3(b), for the purchase price and on the terms specified in such notice, subject to the provisions hereof, including, without limitation, Section 7.2; provided, however, that if the subject Units are not transferred to such third party within

ninety (90) days of the expiration of said offering periods, the right of the Transferring Members to sell the Units shall expire and the restrictions relating to transfer imposed upon the Transferring Member by this Article 7 shall be reinstated.

(f) Drag-Along and Tag-Along. Notwithstanding anything to the contrary contained herein the rights and restrictions of the Transferring Member and Remaining Members granted by this Section 7.4 shall not apply to a Change of Control transaction, and such transaction instead shall be governed by Sections 7.6 and 7.7.

#### 7.4 Rights of First Refusal: Involuntary Transfer.

(a) In the event of the death of a Member that would result in a Transfer or a Transfer by operation of law to any Person other than the Company, a Member or a Permitted Transferee (such as, but not limited to, a Member's former spouse as part of a divorce proceeding, a Member's trustee in bankruptcy or a purchaser at any creditor's or court sale) (each an "**Involuntary Transfer**"), the Transferring Member or their representative shall deliver a Transfer Notice to the Company setting forth the circumstances of such Involuntary Transfer. Such Transfer Notice shall constitute an offer to sell all of such Transferring Member's Units for Fair Market Value to the Company and Remaining Members all in accordance with offering, purchase, sale, closing procedures and related provisions set forth in Section 7.3 above; provided that (i) all applicable offering periods shall be suspended while the Fair Market Value of such Units is being determined in accordance with the terms hereof, (ii) the purchase rights of the Company and the Remaining Members shall remain effective, regardless if the Company and/or the Remaining Members, individually or as a group, agree to acquire all or only a portion of the Units offered by the Transferring Member, and (iii) up to eighty percent of the purchase price may be paid by the Company or Remaining Members via note(s) bearing 5% interest amortized over a five year period (the remaining percent of the purchase price to be paid in cash at closing).

(b) Transfer to Transferee Named in Notice of Intention to Sell. If neither the Company nor the Remaining Members purchase all of the Units offered by the Transferring Member pursuant to this Section 7.3, then any of Transferring Member's remaining Units may then be Transferred in accordance with applicable law, but such transferee shall become a Substitute Member with only an economic interest in the Company ("**Substitute Member**"). A Substitute Member shall only become a Member with consent of the Managers, which consent may be granted or withheld in each Manager's sole discretion, and upon executing this Agreement or a joinder hereto.

7.5 Prohibited Transfers. Except as otherwise specifically provided herein, any purported direct or indirect Transfer of a Unit or any underlying LLC Interests that is not a Permitted Transfer shall be null and void and of no force or effect whatsoever; provided that, if the Company is required to recognize a Transfer that is not a Permitted Transfer, the LLC Interests Transferred shall be strictly limited to the Transferor's rights to allocations and distributions as provided by this Agreement with respect to the Transferred LLC Interests, which allocations and distributions may be applied (without limiting any other legal or equitable rights of the Company) to satisfy any debts, obligations, or liabilities for damages that the assignor or assignee of such

LLC Interests may have to the Company. In the case of a Transfer or attempted Transfer of LLC Interests that is not a Permitted Transfer, the parties engaging or attempting to engage in such Transfer shall be liable to indemnify and hold harmless the Company and the other Members from all cost, liability, and damage that any of such indemnified Members may incur (including, without limitation, incremental tax liabilities, lawyers' fees and expenses) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnity granted hereby.

#### 7.6 Drag-Along Right.

(a) If one or more Members holding a Supermajority Interest propose to enter into a Change in Control transaction, then, subject to Section 3.12, such Transferring Member(s) shall have the right ("**Drag-Along Right**"), but not the obligation, to cause each of the non-Transferring Members (each, a "**Drag-Along Member**") to tender its Units, for the same consideration, at the same time and on the same terms as the Transferring Members, to the proposed purchaser for purchase. A determination by the Transferring Members to exercise the Drag-Along Right shall be made based upon a written agreement to do so executed by the Transferring Members.

(b) If the Transferring Members elect to exercise their Drag-Along Right under this Section 7.5(b), then such Transferring Members shall notify the Company and each Drag-Along Member in writing ("**Drag-Along Notice**"). The Drag-Along Notice shall be given at least thirty (30) days before closing of the proposed Transfer. Each Drag-Along Notice shall set forth (A) the name and address of the proposed purchaser to which the Transferring Members propose to Transfer the Units and the Units proposed to be Transferred, (B) the amount and form of consideration and terms and conditions of payment offered by the proposed purchaser, and any other material terms pertaining to the Transfer, and (C) that the proposed purchaser has been informed of the rights provided for in this Section 7.5(b) and has agreed to purchase the Units in accordance with the terms hereof. Upon the receipt of a Drag-Along Notice, each Drag-Along Member shall be obligated to sell all, but not less than all, of its Units to the proposed purchaser on the terms set forth in the Drag-Along Notice and make the same representations and warranties of the Drag-Along Member as it relates to the ownership and transferability of their Units.

7.7 Tag-Along Rights. Notwithstanding anything to the contrary contained herein, in the event one or more Members holding a Supermajority Interest (each a "**Tag-Along Seller**") desire to enter into a Change in Control Transaction, in accordance with the terms of this Article 7, then each remaining Member shall have the right (a "**Tag-Along Right**") to require that a number of his, her or its Units equal to the percentage of Units to be transferred by the Tag-Along Seller also be transferred on the same terms as a part of the proposed transfer, except as set forth below. In the event that the purchaser is unwilling to amend its offer to purchase all such Units of each qualified remaining Member who has exercised their Tag-Along Right, then, if the Tag-Along Seller desires to proceed with the transfer, the total number of Units that such third party is willing to purchase will be allocated as between the Tag-Along Seller and all remaining Members who have exercised their Tag-Along Right on a pro rata basis in proportion to the aggregate number of Units held by the Tag-Along Seller and such remaining Members, as determined by the Manager, if a dispute arises. All such Units will be sold or transferred to the purchaser in a single closing

on the terms applicable to the Tag-Along Seller, and, subject to the foregoing, each such Unit will receive the same consideration.

7.8 Obligations of Assignee. Any assignee of the Units of a Member in the Company pursuant to a Permitted Transfer, irrespective of whether such assignee has accepted and adopted in writing the terms and provisions of this Agreement, shall be deemed by the acceptance of such assignment to have agreed to be subject to the terms and provisions of this Agreement in the same manner as its assignor. Furthermore, at the election of the Managers, if Section 743(b) of the Code applies to any Transfer of a Unit of a Member, the assignee of such Unit shall be responsible for any costs reasonably incurred by the Company in complying with the requirements thereof.

7.9 Additional Requirements. As additional conditions to the validity of any Transfer of a Member's LLC Interest in the Company, such Transfer shall not, except to the extent waived by the Managers:

- (a) have any adverse impact on the Members' or the Company's compliance with federal or state securities laws;
  - (b) require the approval of any Regulatory Authority unless and the transferee has provided the Executive Committee with evidence reasonably sufficient to indicate that such approval has been duly obtained;
  - (c) violate the registration provisions of the Securities Act, or the securities laws of any applicable jurisdiction;
  - (d) cause the Company not to be entitled to exemption from registration as an "investment company" pursuant to the Investment Company Act;
  - (e) result in the termination of the Company under the Code;
  - (f) result in a breach of any agreement that binds the Company or the Members;
- or
- (g) cause the Company to fail to satisfy the requirements of any otherwise applicable safe harbor from treatment as a publicly traded partnership under Treasury Regulations Section 1.7704-1 or otherwise to be taxed as a corporation under the publicly traded partnership under Code Section 7704 and the Treasury Regulations thereunder.

The Managers may require reasonable evidence as to the foregoing, including, without limitation, a favorable opinion in writing in a form and from legal counsel reasonably satisfactory to the Managers. Any assignment, transfer or substitution that violates the conditions of this Section 7.9 shall be null and void ab initio.

7.10 Treatment of Assignees. Any reference in this Agreement to the Capital Account or Capital Contribution of a Member who is an assignee of all or a portion of any Units shall include the Capital Account and Capital Contribution of the assignor (or a pro rata portion thereof in the case of an assignment to such assignee of less than all the Units of the assignor).

7.11 Lock-Up; Market Standoff. In the event of an IPO or the filing of a registration statement with the Securities and Exchange Commission (a “**Registration Event**”), each Member agrees that, at the request of the Company, such Member not Transfer, make any short sale, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a Transfer, any Securities of the Company (including any Additional Securities acquired in or following the IPO) for the longer of 210 days following the Registration Event or for such longer amount of time necessary to ensure compliance with federal law (“**Lock-Up Period**”); provided that the Managers and Officers each also agree not to make any Transfers of Company Securities during such Lock-Up Period. The obligations contained in this Section 7.11 will not apply to a Registration Events relating solely to (i) employee benefit plans on Form S-1 or Form S-8, or similar forms that may be promulgated in the future, or (ii) transactions on Form S-4 or similar forms that may be promulgated in the future. The Members agree to execute such instruments, documents and agreements as the Company or its underwriters may reasonably request to carry out the intent of this Section 7.11.

## **8. Member Representations and Warranties.**

8.1 General Representations and Warranties of the Members. Each Member represents and warrants to each of the other Members and to the Company as of the date hereof, as follows:

(a) Such Member’s LLC Interest is free and clear of liens and encumbrances (except those expressly set forth in this Agreement) and has not been pledged, assigned or transferred (beneficially or otherwise) to any Person.

(b) This Agreement has been duly authorized, executed and delivered by, and is binding upon, such Member. There are no consents or approvals of governmental authorities or third parties that are required for the execution and delivery of this Agreement by such Member; the execution of this Agreement by such Member shall not constitute a default under any material contract or agreement to which such Member is bound; and no agreement or obligation exists that affects such Member that has the effect of restricting the ability of the other Members to perform their obligations under this Agreement.

(c) Such Member is duly formed, validly existing and in good standing under the laws of the jurisdiction in which it has been formed and duly authorized and qualified to do all things required of it under this Agreement and any agreement executed in connection with the transactions herein contemplated.

8.2 Securities Laws Representations. Each Member represents and warrants to each of the other Members and to the Company as of the date hereof, as follows:

(a) Such Member is an “Accredited Investor” as defined in Regulation D promulgated under the Securities Act.

(b) Such Member’s LLC Interest in the Company has been acquired solely by and for the account of such Member for investment purposes only and is not being purchased for resale or distribution; such Member has no contract, undertaking, agreement or arrangement with any Person to sell, transfer or pledge to such Person or anyone else

such Member's LLC Interest (or any portion thereof); and such Member has no present plans or intentions to enter into any such contract, undertaking or arrangement.

(c) Such Member acknowledges that (i) its LLC Interest in the Company has not and will not be registered under the Securities Act, or the securities laws of any state, and cannot be sold or transferred without compliance with the registration provisions of the Securities Act, and the applicable state securities laws, or compliance with exemptions, if any, available thereunder and (ii) its LLC Interest in the Company is subject to restrictions on transfer contained in this Agreement. Such Member understands that neither the Company nor any of the other Members has any obligation or intention to register the LLC Interests under any securities act or law and it is not expected that any public market for the LLC Interests will arise.

(d) Such Member expressly represents that (i) it has such knowledge and experience in financial and business matters in general, and in investments of the type to be made by the Company in particular; (ii) it is capable of evaluating the merits and risks of an investment in the Company; (iii) its financial condition is such that it has no need for liquidity with respect to its investment in the Company to satisfy any existing or contemplated undertaking or indebtedness; (iv) it acknowledges the economic risk of its investment in the Company, including the risk of losing all of such investment, and is able to bear such risk of loss; and (v) it has either secured independent tax advice with respect to the investment in the Company, upon which it is solely relying, or it is sufficiently familiar with the income taxation of partnerships and limited liability companies that it has deemed such independent advice unnecessary.

(e) Such Member acknowledges that the other Members have allowed it an opportunity to ask questions and receive answers thereto and to verify and clarify any information contained in this Agreement. Such Member is aware of the provisions of this Agreement providing for Capital Contributions from time to time and the penalties associated with failure to make such Capital Contributions.

(f) Such Member has relied solely upon this Agreement and independent investigations made by it in making the decision to purchase its LLC Interest in the Company.

(g) Such Member expressly acknowledges that (i) no regulatory agency has reviewed or passed upon the adequacy or accuracy of the information set forth in the documents submitted to such Member or made any finding or determination as to the fairness for investment, or any recommendation or endorsement of an investment in the Company; and (ii) any anticipated U.S. federal or state income tax benefits applicable to such Member's LLC Interest in the Company may be lost through changes in, or adverse interpretations of, existing laws and regulations.

(h) Such Member understands that the Company will not register as an investment company under the Investment Company Act, nor will it make a public offering of its securities within the United States.



## **9. Duration and Dissolution of the Company.**

9.1 Duration and Dissolution. Subject to Section 9.3 and this Section 9.1, the term of the Company shall continue until dissolved in accordance with Section 9.3 hereof. Upon the dissolution of the Company, for any reason whatsoever, the Company shall continue in existence solely for the purpose of winding up and liquidating its affairs.

9.2 Bankruptcy of Member. The occurrence of any of the events specified in the Act (including, without limitation, death, adjudication of incompetency, Bankruptcy or insolvency, dissolution or voluntary or involuntary withdrawal as a Member) shall not, in and of itself, cause the dissolution or termination of the Company.

9.3 Dissolution. The term of the Company shall terminate and the Company shall dissolve ninety days after the date of the first of any of the following events.

- (a) Upon the unanimous consent of the Managers.
- (b) Any dissolution or termination required by the operation of law.

The dissolution of the Company shall not affect the surviving rights and obligations of the Members under this Agreement and the parties agree that none of them will make disparaging statements to third parties regarding another party to this Agreement following such dissolution.

## **10. Liquidation of the Company.**

10.1 General. Upon the dissolution of the Company, the Company shall be liquidated in accordance with this Article 10 and the Act. The dissolution, liquidation and termination shall be conducted and supervised by the Managers or such third party liquidator as the Managers may appoint (the Managers or such other Person, as applicable, being referred to as the “**Liquidating Agent**”). The Liquidating Agent shall have all of the rights, powers, and authority with respect to the assets and liabilities of the Company in connection with the dissolution, liquidation and termination of the Company that the Managers have with respect to the assets and liabilities of the Company, subject to the rights of the Members hereunder. The Liquidating Agent shall liquidate the Company as promptly as shall be practicable after the dissolution of the Company, consistent with realizing the value of Company assets.

10.2 Priority. The proceeds of liquidation shall be applied in the following order of priority:

- (a) To pay the costs and expenses of the dissolution and liquidation;
- (b) To pay matured debts and liabilities of the Company to all creditors of the Company (including, without limitation, any liability to any Member);
- (c) To establish any reserves which the Liquidating Agent may deem necessary or advisable for any contingent or unmatured liability of the Company to all Persons (including Members); and

- (d) The balance, if any, to the Members, in accordance with Section 6.1(b)

Upon the completion of the liquidation of the Company, each Member shall be furnished with a statement prepared by the Company's accountant, which shall set forth the assets and liabilities of the Company as at the date of complete liquidation and each Member's share thereof. Upon completion of the liquidation of the Company pursuant to this Article 10, the Members shall cease to be members of the Company and the Liquidating Agent shall execute, acknowledge, and cause to be filed a certificate of cancellation of the Company.

## **11. Books; Accounting; Tax Elections; Reports.**

11.1 Books and Accounts. Complete and accurate books and accounts shall be kept and maintained for the Company at its principal place of business. Such books and accounts shall be kept in accordance with procedures applied in a consistent manner. Each Member or its duly authorized representative at its own expense shall at all reasonable times have access to, and may inspect and make copies of, such books and accounts of the Company upon reasonable prior written notice to the Managers, for any purpose reasonably related to the Member's LLC Interest. The Managers shall prepare and maintain Schedule A attached hereto which shall indicate name of each Member and the Member's status as a Member and Capital Contributions.

11.2 Records Available. The Managers shall maintain at the Company's principal office the following documents: (i) a current list of the full name and last known business address of each Member; (ii) a copy of the certificate of formation and all amendments thereto; (iii) copies of all of the Company's federal, state and local income tax returns and of any financial statements of the Company for the three most recent Fiscal Years; (iv) copies of the information related to expenses as set forth in Section 3.7; and (v) copies of this Agreement and all amendments thereto. Such documents are subject to inspection and copying at the reasonable request and at the expense of any Member during ordinary business hours upon reasonable prior written notice to the Managers, for any purpose reasonably related to the Member's LLC Interest.

11.3 Annual Financial Statements and Reports. Commencing with the first full calendar year following the date of this Agreement, the Managers will prepare and send to each Member, within ninety days after the end of each Fiscal Year, (i) unaudited financial statements, including a balance sheet and statement of income of the Company as of such year-end and a statement of operations, Members' equity and cash flow for such year-end, (ii) a description of any transactions between the Company or its Subsidiaries; and (iii) a statement of all distributions made to such Member during such year and such Member's Capital Account balance as of such year-end.

11.4 Reliance on Accountants. All decisions as to accounting matters shall be made by the Managers, to the extent consistent with the terms of this Agreement, in accordance with procedures applied in a consistent manner.

11.5 Fiscal Year. The fiscal year (the "**Fiscal Year**") of the Company shall be the same as its taxable year. The taxable year of the Company shall be the period ending on December 31 of each year, except as otherwise required by the Code.

## **12. Miscellaneous.**

12.1 Power of Attorney Each Member hereby constitutes and appoints the Board and the Liquidating Agent, with full power of substitution, as his, her or its true and lawful agent and attorney-in-fact, with full power and authority in his, her or its name, place and stead, to execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (a) this Agreement, all certificates and other instruments and all amendments thereof in accordance with the terms hereof which the Board deems appropriate or necessary to form, qualify, or continue the qualification of, the Company as a limited liability company in the Commonwealth of Massachusetts and in all other jurisdictions in which the Company may conduct business or own property; (b) all instruments which the Board deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement in accordance with its terms; (c) all conveyances and other instruments or documents which the Board and/or the Liquidating Agent deem appropriate or necessary to reflect a Transfer made in accordance with Article 7, or the dissolution and liquidation of the Company pursuant to the terms of this Agreement, including articles of dissolution; and (d) all instruments relating to the admission, withdrawal or substitution of any Member. The foregoing power of attorney is irrevocable and coupled with an interest, and shall survive the death, disability, incapacity, dissolution, bankruptcy, insolvency or termination of any Member and the Transfer of all or any portion of his, her or its Units and shall extend to such Member's heirs, successors, assigns and personal representatives.

12.2 Further Assurances. The Members agree to execute such instruments and documents as may be required by law or which are necessary or appropriate to carry out the intent of this Agreement so long as they do not alter the rights and obligations of the Members under this Agreement.

12.3 Successors and Assigns. The agreements contained herein shall be binding upon and inure to the benefit of the permitted successors and assigns of the respective parties hereto.

12.4 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without regard to the conflicts of laws principles thereof.

12.5 Severability. The determination that any one or more of the provisions of this Agreement is unenforceable shall not affect the enforceability of the other provisions of this Agreement.

12.6 Counterparts. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. A facsimile, telecopy or other reproduction of this Agreement may be executed by one or more parties hereto and delivered by such party by facsimile or any similar electronic transmission device pursuant to which the signature of or on behalf of such party can be seen. Such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party hereto, all parties hereto agree to execute and deliver an original of this Agreement as well as any facsimile, telecopy or other reproduction hereof.

12.7 Entire Agreement. This Agreement (including its Exhibits) represents the entire agreement among the parties hereto, and supersedes all prior agreements among the parties hereto, with respect to the subject matter hereof.

12.8 Amendment. The provisions of this Agreement may be amended or waived at any time and from time to time by the Supermajority Interest, without the consent of any other Member. Without the consent of any other Member, or the Board, the Executive Committee or any Manager may amend Schedule A from time to time to reflect the admission or withdrawal of any Member, or a change in any Member's Capital Contributions, or the appointment or removal of any Manager or Executive Committee Member in each case to the extent permitted under and pursuant to the terms of this Agreement. Notwithstanding the forging, no amendment shall obligate a Member to make additional contributions to the Company, adversely affect the limited liability of a Member, otherwise increase the liability or obligations of a Member without such Member's written consent.

12.9 Force Majeure. If the Company or the Managers is delayed by causes beyond its reasonable control in performing any act which this Agreement requires be performed by a specified time, the Company or the Managers, as the case may be, shall be entitled to such additional time to perform such act as is reasonable in light of such delay. This provision shall not relieve the Company or the Managers from the obligation to perform any such act.

12.10 Notices. All notices, demands, solicitations of consent or approval, and other communications hereunder shall be in writing and shall be sufficiently given if personally delivered, sent by electronic transmission (including facsimile and electronic mail) or sent postage prepaid by overnight courier or registered or certified mail, return receipt requested, addressed as follows: if intended for the Company or the Managers, to the Company's principal office, if intended for any Member, to the address of such Member set forth on Schedule A, or to such other address as such Member may designate from time to time by written notice to the Company, or to such other address as such Member may designate from time to time by written notice to the Company. Notices shall be deemed to have been given: (a) when personally delivered; (b) when transmitted on a Business Day by electronic transmission with confirmation of receipt or by facsimile with machine-generated confirmation of transmission without notation of error, if sent before 5:00 p.m. local time of the recipient, otherwise the following Business Day; or (c) if mailed or sent by overnight courier, on the date on which received.

12.11 Waiver of Jury Trial. EACH OF THE PARTIES HEREBY AGREES TO THE FULL EXTENT PERMITTED BY APPLICABLE LAW NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND FULLY WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS AGREEMENT, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH THE DEALINGS OF ANY PARTY HERETO IN CONNECTION WITH ANY OF THE ABOVE, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER IN CONTRACT, TORT OR OTHERWISE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY THE PARTIES AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE

RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 12.10 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY.

12.12 No Right of Partition or Redemption. No Member and no successor-in-interest to any Member shall have the right to have the property of the Company partitioned, or, except as otherwise provided in this Agreement, to require the redemption of its interest in the Company.

12.13 Third Party Beneficiaries. Except with respect to the rights and benefits afforded to the Managers and Officers under Sections 3.8 and 3.9, the provisions of this Agreement are not intended to be for the benefit of any creditor or other person to whom any debts or obligations are owed by, or who may have any claim against, the Company or any of its Members, except for Members, in their capacities as such. Notwithstanding any contrary provision of this Agreement, no such creditor or person shall obtain any rights under this Agreement or shall, by reason of this Agreement, be permitted to make any claim against the Company or any Member.

12.14 Arbitration. Any dispute, controversy or claim arising out of or relating to this contract, including the validity, invalidity, breach or termination thereof, shall be determined by binding arbitration administered by the American Arbitration Association and conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect on the date demand for arbitration is made. The place of arbitration shall be Boston, Massachusetts. There shall be a single arbitrator appointed by mutual agreement of the parties. If the parties are unable to agree upon the appointment of an arbitrator within fourteen days of delivery of a demand for arbitration by claimant to the respondent, then the American Arbitration Association shall appoint the arbitrator in accordance with the aforementioned rules. The decision of the arbitrator shall be final and binding on the parties, and not subject to appeal. Judgment on the arbitration award may be entered in any court having jurisdiction thereof. The costs and expenses of any arbitrator shall be borne fifty percent (50%) by the Member and fifty percent (50%) by the Company, provided that such arbitrator, as part of his/her decision, may award costs (including attorneys' fees) to the prevailing party if such arbitrator believes that a party has not brought or prosecuted such a claim in good faith.

12.15 Waiver of Potential Conflicts of Interest. Each of the Members and the Company acknowledges that Drummond Woodsum & MacMahon ("DW") is representing only Ember Gardens Holdings LLC in connection with the preparation of this Agreement. By executing this Agreement, each of the Members and the Company hereby consents to DW representing the Company in the future and waives any actual or potential conflict of interest which may arise in the future as a result of DW's representation of both the Company and Ember Gardens Holdings LLC and Ember Gardens Management, LLC. Each of the Members represents that it has had the opportunity to consult with independent counsel concerning this Agreement and regarding this conflict waiver.

*[Remainder of Page Intentionally Left Blank]*

IN WITNESS WHEREOF, the undersigned have executed this Limited Liability Company Agreement of Ember Gardens NBR LLC as of the date first written above.

**MEMBERS:**

Ember Gardens Holdings LLC

By: \_\_\_\_\_  
Its:

NEC Capital, LLC

By: \_\_\_\_\_  
Its:

**Schedule A**

<b><u>Member</u></b>	<b><u>Capital Contribution</u></b>	<b><u>Units</u></b>	<b><u>Ownership Percentage</u></b>
Ember Gardens Holdings LLC	\$600	600	60%
NEC Capital LLC	\$400	400	40%*

Initial Managers:

Shane Hyde  
Stephen Soscia



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

mass.gov/dor

Letter ID: L1212881856  
Notice Date: September 15, 2022  
Case ID: 0-001-691-611



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



EMBER GARDENS NBR, LLC  
1 NAUSET ST  
NEW BEDFORD MA 02746-1515

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

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

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

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

### *What if I have questions?*

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

### *Visit us online!*

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

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

Edward W. Coyle, Jr., Chief  
Collections Bureau





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

William Francis Galvin  
Secretary of the  
Commonwealth

August 30, 2022

TO WHOM IT MAY CONCERN:

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

**EMBER GARDENS NBR, LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **September 4, 2020.**

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

I also certify that the names of all managers listed in the most recent filing are: **NONE**

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

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



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

# **Plan for Obtaining Liability Insurance**

## **Company Insurance Plan Overview**

Pursuant to the CCC regulations our company will acquire the types of Liability Insurance that fulfill the following requirements:

A. General Liability Insurance coverage for no less than 1 million dollars per occurrence and 2 million dollars in aggregate annually.

B. Product Liability insurance coverage for no less than 1 million dollars per occurrence and 2 million dollars in aggregate annually.

C. Deductible shall be no higher than 5,000 \$ per occurrence

If for whatever reason, Ember Gardens Orleans LLC is unable to secure insurance prior to the beginning of operations, we will commit \$250,000 to escrow in order to provide coverage for any potential liability.

All documents showing insurance policies shall be maintained via our Financial Records Policy, and kept on hand at all times to provide proof to the Commision.

WHO: The Chief Financial Officer will be in charge of sourcing, maintaining and reporting on the insurance policies held by the company.

# **Business Plan**

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## **Executive Summary**

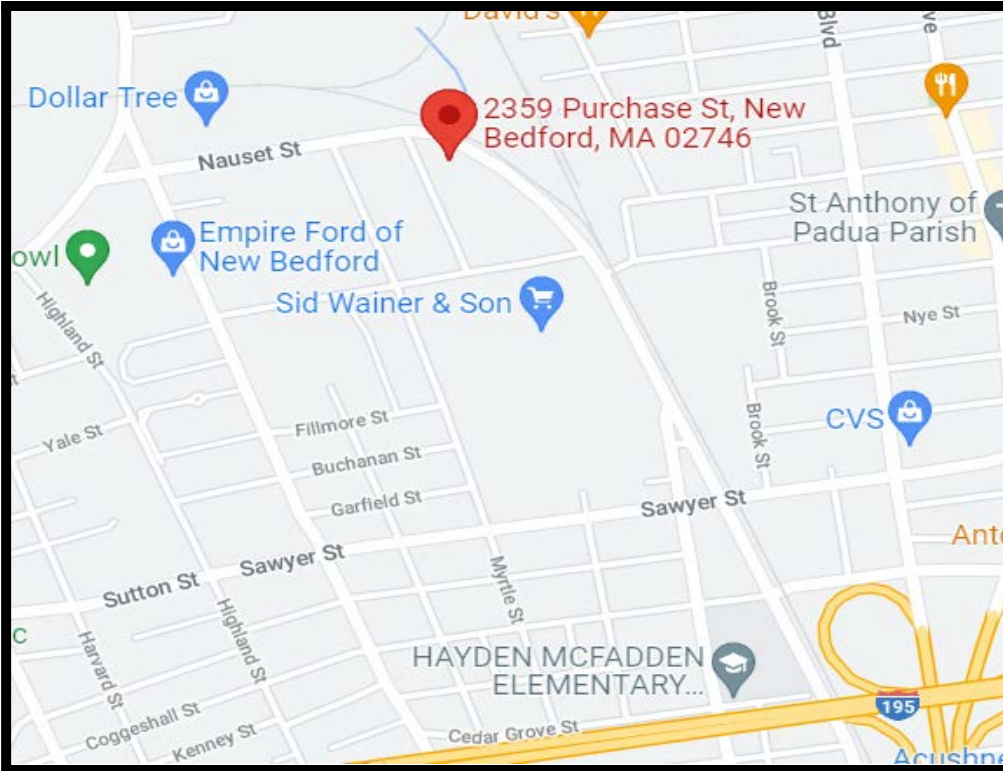
Ember Gardens is a startup company which is about to enter the now legal recreational cannabis market of Massachusetts. The company was founded in 2017 by Massachusetts

locals, two of which are in the state sanctioned Social Equity Program. Initially, Ember Gardens entered the cultivation and product manufacturing spheres of the industry, receiving Provisional Licenses for these two parts of the business in April 2020 from the Cannabis Control Commission (CCC); the state regulatory body for the cannabis industry. These licenses are located in the town of Middleboro, which is near Plymouth. With these production licenses, Ember Gardens plans on creating a line of fully organic flower and extraction products. However, the plan is to eventually become a fully vertically integrated company, so Ember Gardens will also be entering into the retail space. The objective is to open a dispensary in Bristol County on the south coast of MA in the City of New Bedford, at 2359 Purchase Street. The purpose of this business plan is to show the vision for that location which we hope will provide a blueprint of many more stores across the country.

## **Location & Neighborhood Summary**

We were able to secure via lease a compliantly zoned location at 2359 Purchase Street, a high-traffic area in New Bedford. **This location is compliantly zoned, being 500 feet away from any K-12 public school.** Prior to opening Ember Gardens will ensure compliance with all local zoning. With a location that is architecturally part of the neighborhood's overall aesthetic character, our goal for our dispensary is to blend in to the neighborhood as much as possible, with planning for our physical design, business operations, product selection and everything in-between focusing on accomplishing that goal.





## **Building Design Summary**

In the main building, the retail floor will be approximately 4,000 sq ft. and the manufacturing/production area would be 5,000 sq ft. The total square footage of the facility approximately being 9,000 square feet.

We have worked with a rendering artist to complete conceptual exterior designs. We are including the designs here.



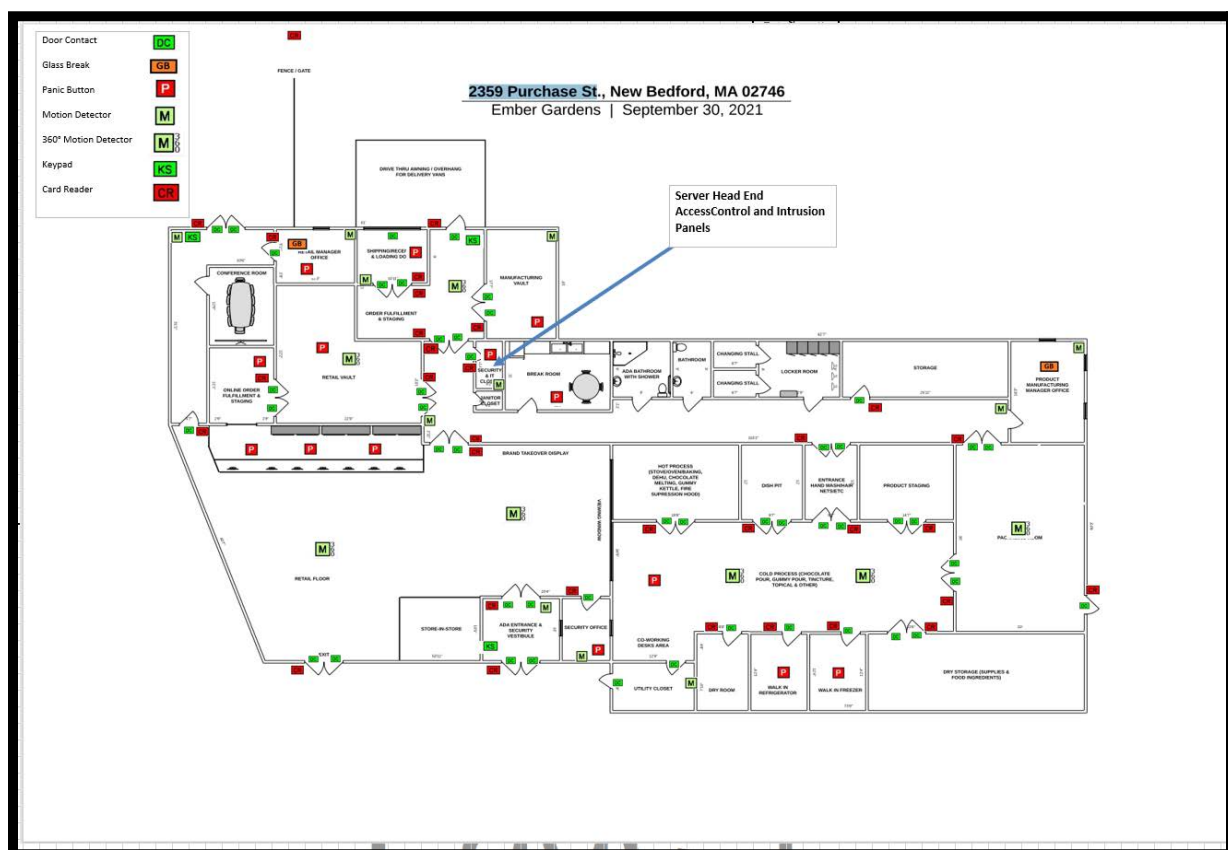


## **Security Summary**

Headed by our Chief of Security Aaron Washington, our security staff will be trained professionals that will be equipped to supervise various security tasks including but not limited to customer ID processing, observation of camera feeds, securing product/cash inflow and outflow, and incident responses. We will also have our staff ensure customers do not use any cannabis products in or around the dispensary. With our customers, employees, neighbors, and the general populace in mind, we will develop thorough standard operating procedures that will provide strict instructions and protocols for all aspects of the operation. These procedures will be paired with state-of-the-art security technology. Per state regulations, our facility will be outfitted with all the necessary security equipment in order to provide a safe and secure environment for our customers and employees. The best in-class security cameras, alarms, locks, and safes will be set up and implemented by a security company with experience in outfitting cannabis dispensaries. We will ensure there are also backup systems in the event of power outages, so the location always stays secure. All products will be stored in a highly secure vault, with the only exceptions being the small sample quantities displayed on the retail floor. At closing, these sample quantities will also be returned to the vault. The vault will only be accessible to authorized personnel.



Another main component of security are the product and cash pickups and drop-offs. Products will be dropped off on demand at the rear of the building, so as not to disturb or create any type of security risk. The product drop-offs (or pickup for unsold products) will occur at times negotiated and agreed upon with our immediate neighbors in order to lessen the amount of disruption as much as possible. It will also be overseen by our security personnel, with the exact times being random and unannounced in order to prevent any security incidents. Our company will employ a professional cash pickup service (such as Brinks) to transport all cash funds to our partner bank, GFA Credit Union. These pickups will be performed at a random cadence to decrease risk. Our own security personnel will also assist and oversee the cash pickup service company to ensure an orderly and compliant process. All of this and more are detailed in the Security Plan Overview.



## Retail Operations

Our location will be modeled as a local & convenient dispensary with a focus on product quality and superior customer service. Our operations will also be geared towards one of our primary goals of being a good neighbor and fitting seamlessly into the community.

After parking, customers will enter through a security checkpoint onto the retail floor, where they will have three options. The first is to pick up an order that was previously placed online. After payment and a second (or third) ID check, one of our Retail Associates will bring the order out to the customer. The second option will allow the customer to browse and checkout on their own via tablet style checkout stations, with no human interaction until the order is made and prepared. Then a Retail Associate will do a second ID check and accept payment when handing the customer his or her order. Finally, a customer may buy our products the old fashion way, with interactions with our knowledgeable Retail Associates, who can direct and assist the customer find out what product suits them best. Then as always, at the time of purchase a second ID check will occur before the payment and the execution of the order. We plan on having a spacious retail floor that will allow space to our customers from both each other and our staff (if desired!). It will also have multiple display cases, allowing customers to browse products without congesting the flow of traffic and holding up other customers. Finally, a separate exit will be made available to the customers that doesn't mix and impede the customers entering or currently still shopping on the retail floor.

## **Customer Traffic Summary**

Due to the high-traffic nature of our location, controlling traffic and customer lines and preventing loitering will be a key part of our duties of being a good neighbor. Thus, we have tailored core operations around being able to control lines and loitering including our customer flow system and our foot-patrol security procedures.

## **Feasibility of the Site**

- We plan to have four to six full service customer POS stations, a purpose-built online order pickup area, and up to four self-service tablet style check out stations allowing for plenty of room and a good process flow inside of the store. With approximately 25 parking spaces, we anticipate that the flow of traffic through the store will exceed the parking turnover.
- There will be handicap parking directly adjacent to the main front entrance

## **Intended Traffic and Parking Problem Mitigation Measures**

- We agree to work with the NB Police Department on police details to help control the flow of traffic entering and exiting the dispensary. We will continuously work with the City of New Bedford to ensure there are no traffic disruptions from our operation.
- An offsite satellite parking lot with transportation for employee parking will be negotiated if deemed necessary.
- Ember Gardens agrees to conduct a traffic study per City of New Bedford's request.



### **Lines & Loitering Control**

- Security will limit the flow of customers inside the building in order to control the flow of traffic. If lines form, we will use line management methods to route customers along the paved pathway and behind the building, out of sight from the main road.
- Security will perform foot patrols around the exterior of property to control all lines and prevent any loitering - asking patrons to enter the store or leave, preventing any congestion, consumption, or secondary transactions in the parking lot.
- All lines will follow strict COVID-19 guidelines when required, allowing for 6 feet of social distancing inside and outside the store. Security will limit the occupancy of the building as determined by the CDC and the City of New Bedford.

### **Employment Plan Summary**

We anticipate having approximately 19 employees full and part time. Below are the employee roles with estimated numbers:

**General Manager** – The General Manager oversees day-to-day operations of the dispensary, managing core department managers (Security, Sales, Customer Services, Inventory) and managing all strategies and tasks related to facilities, accounting, sales and marketing, and public relations. He or she has financial responsibility for the P&L and is responsible for

successful strategy execution. This position reports to and is accountable to the corporate officers.

The General Manager provides leadership to all departments throughout the dispensary. He or she keeps tight control of the senior management-approved budget and oversees operations according to established policies and procedures. This staff member is ultimately responsible for overall building appearance, cleanliness, comfort, functionality, safety, security, and overall customer experience.

Finally, this position is ultimately responsible for employees' strict adherence to laws and regulations concerning marijuana. We will have two General Managers at this location, with one being in a junior management role.

**Assistant General Manager** – The Assistant General Manager helps oversee day-to-day operations of the dispensary, managing core department managers (Security, Sales, Customer Services, Inventory) and assisting in managing all strategies and tasks related to facilities, accounting, sales and marketing, and public relations. This position reports to and is accountable to the General Manager and will fill in for them from time to time.

**Retail Lead (Budtender Lead)** – A senior budtender who leads a shift of budtenders at the storefront and represents the cannabis dispensary. Retail Leads are responsible for educating Retail Associates and consumers about the effects, benefits, and overall experience of cannabis products. While they are typically not medically trained, these marijuana dispensary employees serve as important guides to using cannabis products, and tailor their customer and patient service to all levels of experience.

The job description for Budtender Lead usually entails a number of additional responsibilities in comparison to a regular budtender. The role involves completing these tasks on top of the typical Retail Associates duties:

- Training and mentorship of all budtenders
- Leading shifts and assisting managers in secondary tasks like menu creation, etc.
- Assisting with inventory management

**Retail Associates (Budtenders)** – An employee who works at the storefront and represents the cannabis dispensary. Retail Associates are responsible for educating consumers about the effects, benefits, and overall experience of cannabis products. While they are typically not medically trained, these marijuana dispensary employees serve as important guides to using cannabis products, and tailor their customer and patient service to all levels of experience.

The job description for budtenders usually entails a number of responsibilities in the dispensary. The role typically includes:

- Acting as the face of the dispensary, greeting customers
- Facilitating the sale
- Educating customers about a variety of cannabis products, including flower, edibles, and concentrates

- Staying abreast of new products, strains, changes in laws, and industry trends in order to provide the highest level of service to customers
- Weighing and packaging products as needed
- Providing recommendations on cannabis products based on customer requests
- Maintaining medical cannabis patient information and proper records (if at a medical dispensary)
- Advising customers on proper safety measures to follow when consuming cannabis
- Verifying proper identification and paperwork from customers
- Assisting in various dispensary operations, including operating the cash register and maintaining hygienic conditions.

**Security Staff** – Due to the industry potentially being in all cash and the high value of the product being stored and transported, it has been common for cannabis businesses to have hired security either on the payroll or via outsourcing. While the usual high level of physical security on the site is good enough to deter most cases of robbery on premises, there is a need for a person to be present during business hours to monitor said security equipment and to respond to any incidents. The security guard will also handle any customer/visitor management to ensure compliance with such regulations. Hires would be people with previous private security, military or law-enforcement experience. There will be four Security Staff hired in the summer and two in the winter.

**Inventory Lead** – These are senior inventory associates with experience and they have been promoted to lead shifts with involves all of the typical responsibilities of an inventory associate as well as the additional responsibility of the following:

- Training and mentorship of all Inventory Associates
- Leading shifts and assisting managers in inventory related management
- Auditing inventory vault.

**Inventory Associate** – These employees will manage and negotiate the incoming sales orders and oversee that the orders are being fulfilled. They will also track, audit and maintain the inventory of the various goods that need to be stored and shipped, both for compliance and sales reasons. They would spend time working both in both the office and on the production floor, depending on the duties needed that day. These individuals will be highly organized, with backgrounds in sales, audit or inventory preferred. A yearly salary would range between 36k to 55k. Paying bonuses tied to sales made will also be made once the company reaches a certain level of financial security.

**Facilities Manager** – This manager will be responsible for coordinating all maintenance and repairs of the facilities' equipment, buildings, utilities, etc. This individual would be an expert in both mechanical and electrical aspects of the operation. Backgrounds in engineering and trades, as well as experience with maintenance and safety & management tasks that promote a clean and safe working environment are strongly recommended. A yearly salary would range between \$45k-\$65k based on experience.

## **Product Assortment Summary**

To cater to our planned customer type, we plan on providing a diverse selection of cannabis products ranging from exotic cannabis flower to different infused products and extractions. Ember Gardens currently holds cultivation and manufacturing licenses and we plan on supplying our New Bedford location with our product at some point in the future. However, we also plan on sourcing products from other growers and producers across the state, and for our location in New Bedford we plan on giving preference to local growers and manufacturers. Later in the plan we discuss in detail the product types we plan to provide and our process of sourcing product as well as all inventory tracking procedures.

## **Community Relations Summary**

Our company plans on giving back to the community that is willing to host us, and we plan on being active in both the city and the neighborhood. Having a Social Equity background, we know well what a helping hand can do for people in need. We also want to get rid of the misnomer of criminality that is sometimes associated with the cannabis industry. In order to achieve this, we have numerous programs we plan to set up with the city, neighborhood, and the state. Through training programs, and financial support we plan on assisting those wanting to enter the cannabis industry, those impacted by the “War on Drugs”, and those organizations that are fighting to create inclusion and race equality. Specifics of these plans are below in the operational details section. Ember will pledge \$150,000 (or 1.5% of the facility's annual sales) to New Bedford based non-profit or City run organizations that provide substance abuse prevention and education programs in the City Public School district.



## **Company History**

- Founded in 2018, Fuego Farms Inc. (now known as Ember Gardens) has primarily been working to secure its recreational cultivation and manufacturing licenses, only moving into retail recently.
- In 2018, we secured a properly zoned property in Middleborough, MA, near Plymouth. In early 2019, we secured our Host Community Agreement with the town and submitted our application to the CCC shortly after.
- In mid-2019, one of our founders, George Friedlander, was accepted into the state's Social Equity Program. In early 2020, a second founder, Desmond Hyde, was also accepted into the program. Two of our original three founders are now part of this unique program.
- Our cultivation and manufacturing license applications were deemed complete in Feb. 2020 by the CCC. We received both of our provisional licenses on April 9th, 2020.
- In March 2021, we secured an agreement to use the Route 6A property for retail operations, beginning our journey to secure local approvals from the City of Orleans in order to open our dispensary. Ember Gardens is set to be the name of our retail locations.

## **The Ember Gardens Team**

### **Company Founders**

#### **Shane Hyde**

From Somerset, MA, Shane graduated from the University of Tampa and has worked in the financial industry for over six years for the hedge fund Bridgewater Associates. At Bridgewater, Shane has learned how a world class organization runs and operates, including how a unique culture of radical truth and transparency between colleagues better both the individual and the firm. He is focused primarily on corporate finance, accounting, HR, and project management while always having an immense passion for cannabis and immersing himself in the workings of the industry since legalization here in Massachusetts. Finally, he will implement the same culture that demands open thought and meaningful disagreement to ensure that Ember Gardens operates as an idea meritocracy.

#### **George Friedlander**

George is from Fall River, MA. After graduating from Durfee Highschool in 2006 he worked at Amtrak for 3 years in South Boston. After leaving Amtrak he followed his passion of growing cannabis by traveling to the mountains of Northern California. Here he worked on grow operations as large as 300 acres. He has been involved in the cannabis industry for over 8 years in legal states such as California, Oregon and Washington. He has helped with the startup of trademarked "Dank Granny" by MedPro, a medical company based in California. His methods of growing are not that of the usual cannabis cultivation. He encourages "No Till Organic" regenerative agricultural techniques that are not common amongst cannabis

cultivators. He strives to provide people with the knowledge and understanding of cannabis, teaching them the benefits of the plant and how it can positively impact people's lives as medicine. George is a current member of the Social Equity Program set up by the CCC. George's initial management position will be Head of Cultivation.

### Dan Gillan

From Andover, MA, Dan has worked extensively in the regulated cannabis industry in both California and Massachusetts for the past 6 years including Senior Management roles within large scale regulated operations in Massachusetts growing and managing teams of 40+ employees.

In 2013, Dan was hit by an SUV while riding his motorcycle which left him in critical condition with four broken vertebrae in his spine, a frontal lobe brain injury, and many other complications. One year later, after the initial phase of physical recovery, Dan sold his studio business in Andover and traveled the US in an Airstream camper across 36 states and 13 national parks. In 2015, Dan finally landed on a few cannabis farms in Santa Cruz and Mendocino County, CA where he began to learn his craft and construct his dreams for the industry. He later went on to start a lab tested solventless extraction company which was on shelves in dispensaries in Santa Cruz, San Jose, Los Angeles, and Orange County in 2015 and 2016. In 2017, Dan was recruited back home to Massachusetts where the industry started growing rapidly.

Cannabis has helped Dan entirely stop the use of all opioid and non-opioid pain medication which was originally assumed to be a life-long necessity due to the severe trauma to his body. Cannabis has been a huge part of Dan's journey to healing from his injuries and a big part of the drive behind his passion for product development and for doing what is right in this industry.

His dedication to helping people, combined with his expertise in cannabis science and entrepreneurial spirit, makes him a natural fit. He has a proven track record in growing and running scaled cannabis operations, launching successful products and partnerships, and is also an expert in the strict compliance regulations of Massachusetts.

### Desmond Hyde

From Somerset, MA, Desmond is a cannabis advocate that has been working towards breaking into this industry since legislation in 2016. After graduating from his local community college, he dove into his passion for cannabis and business by joining his longtime friends and family to create Ember Gardens. As a member of the Social Equity Program, Desmond believes that the cannabis industry and Ember Gardens have a chance to help right the wrongs and give back to the same communities and people harmed by the terribly misguided War on Drugs.

## Senior Team & Partners

### Thomas O'Neill III

Thomas P. O'Neill III is the founder and chief executive officer of O'Neill and Associates, New England's leading public relations and government affairs consulting firm. O'Neill and Associates integrates federal, state and local government relations with strategic communications, media relations and marketing to provide custom public affairs campaigns to clients in a diverse range of industries.

A former state legislator and Lieutenant Governor of the Commonwealth of Massachusetts, Mr. O'Neill's work has long focused on the intersection of government, business and nonprofit causes. His expertise spans the public and private sector in areas that include transportation, healthcare, higher education, financial services and nonprofit development.

From offices in Boston, Massachusetts and Washington, D.C., Mr. O'Neill oversees all aspects of O'Neill and Associates, including strategic planning, marketing, long-term growth and client servicing. From 1975 to 1983, Mr. O'Neill served as Lieutenant Governor of the Commonwealth of Massachusetts. During his term in office, Mr. O'Neill created and administered the Commonwealth's Office of Federal-State Relations in Boston and Washington, D.C. His work focused largely on securing federal transportation infrastructure funding for the state by coordinating the efforts of New England governors with the Northeast and Midwest congressional delegations. During his term of office, he also served on the U.S. State Department Ambassadorial Screening Committee. From 1973 to 1974, Mr. O'Neill represented the City of Cambridge and the Town of Belmont in the Massachusetts House of Representatives.

A longtime leader in Greater Boston's health care sector, Mr. O'Neill has served in prominent roles on several health care governing boards including Tufts Health Plan, Mount Auburn Hospital and Caregroup. He is also prolific in his community and philanthropic work. In addition to his longtime presence on the Boston College board of trustees, Mr. O'Neill serves on the boards of the Massachusetts Hospital Schools Foundation, the Women's Lunch Place, Project Bread, the International Fund for Animal Welfare, and the American Ireland Fund. He currently acts as the chair of the board for Tufts Health Plan Foundation and has recently become the first President of the Boston Irish Abbey Theater Association. He is particularly active with Cristo Rey Boston, the innovative work-study program that began at his alma-mater North Cambridge Catholic High School. He is also a member of the board of Catholic Democrats, a national advocacy organization dealing with faith and politics.

The oldest son of the late U.S. Speaker Tip O'Neill, Mr. O'Neill began in politics by running his father's campaigns and later his own. Mr. O'Neill earned a bachelor's degree from Boston College and a master's degree in public administration at the Harvard John F. Kennedy School

of Government. Thomas will serve on the Ember Gardens Board of Directors. He joined the team in March 2020.

### Aaron Washington

Aaron was a 28-year veteran of the Massachusetts State Police Force, serving 26 years within the state SWAT team, with the last 10 years as the SWAT team's head. Aaron was also in the Massachusetts National Guard for 28 years, serving primarily as military police. Since retiring, Aaron has owned his own security company, dealing primarily with security details for VIPs. Aaron will be serving as our Chief Security Officer and will lend his vast experience to help Ember Gardens set up a secure location and to develop robust security-related procedures. Aaron joined the team in March 2019.

## **Advisory Board**

Below are individuals who are willing to provide their expertise in advising the Ember Gardens founders and management in the areas that represent their respective fields.

### Michael N. Kent, MS, Ph.D.

Mike is an academic with a focus on microbiology. He received his Ph.D. in Biomedical Sciences from Wright State University in 2002, which is where he also received his MS degree in Microbiology & Immunology in 1996. Since 2010, he has been a graduate assistance professor at Boonshoft School of Medicine at Wright State. Before that, he has taken apart in numerous research studies and projects in microbiology ranging from the Air Force to the National Institute of Health. Michael's expertise in microbiology will assist our team in the R&D of cannabis. Helping EG to understand more about the foundational molecular makeup of the cannabis plant and supporting our cultivation and manufacturing teams in using that knowledge to produce better medical cannabis products, Michael will be an important cog of our team in the future.

### W. Stanley Hyde

Stanley has over three decades of construction and project management experience and most recently worked for the Kraft Group/New England Patriots. He has been involved in the day-to-day management of large size projects, such as the construction of Gillette Stadium in Foxborough. Stanley has already helped Ember Gardens develop its approach to construction planning and design and will be heavily involved in the in-depth planning and management/execution of the company's production and retail sites.

## **Strategic Partnerships**

Below are companies and organizations that we have partnered with so far.

### **Cannabis Center of Excellence**

The Virtual Cannabis Center of Excellence, INC. (CCOE, INC.) is a registered 501c3 non-profit organization that conducts citizen-science focused



population studies and programs in the areas of community engagement, medical cannabis, adult-use cannabis, and social justice in the cannabis industry. The CCOE serves as a virtual resource & network of cannabis industry professionals, academics, policy makers, healthcare providers, consumers, and patients who aim to break the stigma and advance social justice in the cannabis industry. Website: <https://www.cannacenterofexcellence.org/>

Ember Gardens is partnered with CCOE for our Positive Impact Plan, which is described later in this plan.

### **Janover LLC**

Janover LLC is an accounting firm headquartered in New York City. In business for 80 years offering assistance to various industries and clients, Janover entered the cannabis world 6 years ago when they hired/assembled their own cannabis tax and accounting experts into a team able to service any type of cannabis company within any US state. Janover LLC became a partner in February 2020. Website: <http://www.jrllc.com/>



### **GFA Federal Credit Union**

GFA Federal Credit Union is a credit union/bank located in Gardner, Massachusetts. They made headlines as the first bank to service recreational cannabis companies in mid-2019. Along with providing traditional services to cannabis companies such as we, they also are beginning a pilot program to provide asset-backed lending directly to cannabis companies. Ember Gardens became a partner in February 2020, upon Ember passing the vetting process. Website: <https://www.gfafcu.com/>



### **O'Neill and Associates**

In 1991, former Lieutenant Governor Thomas P. O'Neill III envisioned a new paradigm for the traditional lobbying business by integrating communications and government relations to create a better brand of public affairs—one that achieves the greatest reach and the highest results. He assembled seasoned government and public relations professionals with diverse backgrounds and created a model company. Besides Tom joining our Board of Directors, O'Neill and Associates will be our lead partner in opening our Boston retail location. With reach extending throughout Boston, New England and the nation they will serve as a partner for Ember Gardens both in Massachusetts and beyond for lobbying, brand messaging, and other related areas. O'Neill and Associates became a partner in March 2020. Website: <https://www.oneillandassoc.com/>

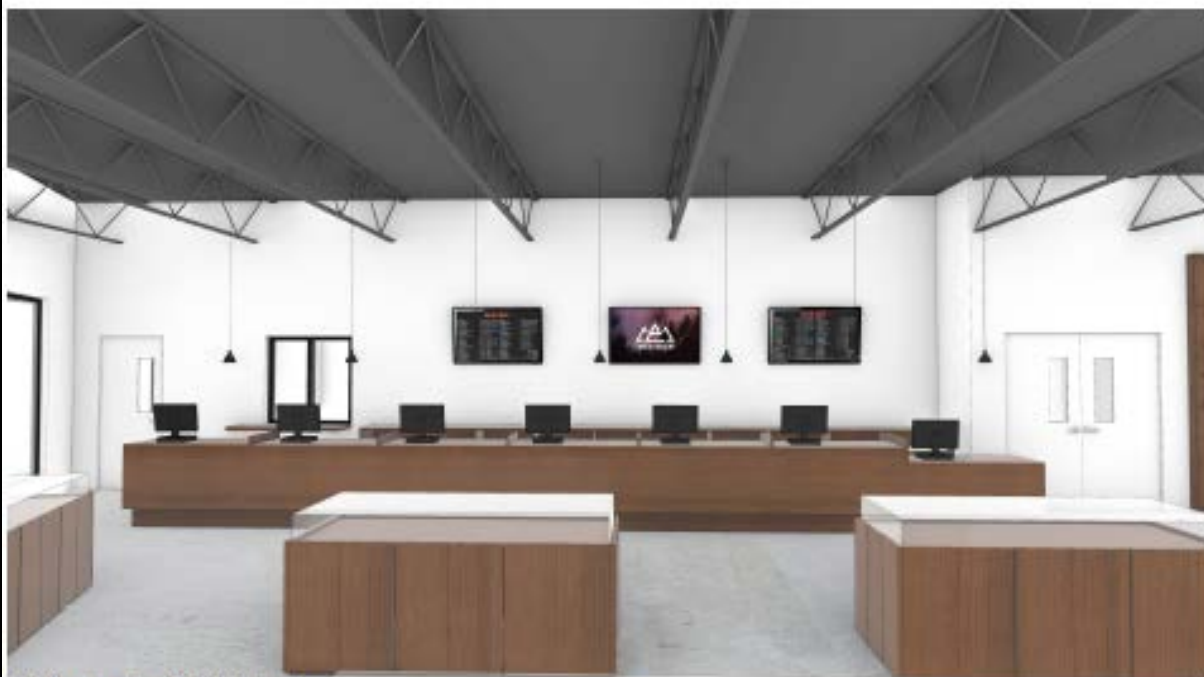


## Details of Location & Operations



Retail floor





Retail floor - view toward Point-of-Sale counter



Retail floor - Service Counter

## **Neighborhood Relations**

Ember Gardens values community feedback and constructive criticism to create the best operational plan for each specific site. These are examples of some of the changes we have made based on feedback from the community.

Ember Gardens has implemented a traffic flow designed for maximum efficiency and safety, forbidding customers to take a left out of the parking lot through monitoring the exit with a traffic attendant. This will be a zero tolerance policy and customers who do not obey EG visitor procedures will be blacklisted from our store.

Ember Gardens received feedback from its abutters to add privacy fences and more natural landscaping to further mitigate any nuisance created by operating.

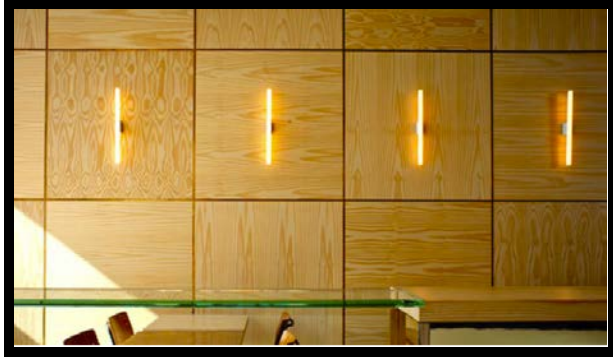
Continuous Feedback: Our company will continue and formalize a process to maintain an open feedback channel for all our neighbors directly with company management.



## Building Exterior



The interior of the building will however be altered to match the design theme we plan on establishing with our brand, which will be a modern and clean look with a focus on wood veneer finishing. The natural wood choice will be a whiter, light color that will brighten up the space, which will be especially important as no natural light will be visible on the sales floor. It will also have numerous ties to nature, including pictures, displays, and furniture fixtures such as tables. Examples of the planned aesthetics of the interior of the location are below:



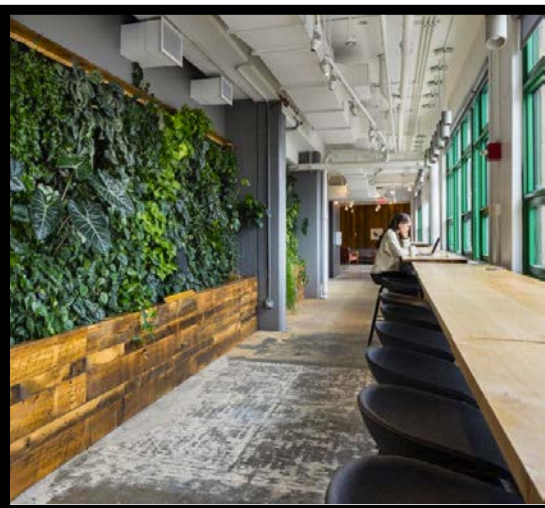
The walls that will be wood veneer will be in panels, similar to the picture above. Some panels will be replaced with TVs that will showcase our menu and products. Other panels will be replaced with pictures/images of nature that resonate with our Ember Gardens brand, with some examples below.





(This is an example of how some of the wood panels would be replaced with TVs, artworks, plant walls and more. This example is a TV.)

The location will also encompass display cases, plant fixtures and furniture that align with the same brand image and upscale feel of the store such as living walls and live-edge tables. Some examples are below...





## Customer & Operational Flow

- Customers will be able to pre-order on the website, over the phone, or in person via third party technology provider / booking software integrated into our website and POS software.
- Customers will arrive at the location and check in with the security team to undergo an ID check.
- Customers will be asked to show their ID again to the retail associate helping them and then will browse the store displays, menu options, and eventually place their order with the retail associate who can answer any and all questions.
- Experienced customers will be able to place their order online and simply “pick up” their order during their visit rather than browsing or asking questions if they so choose - this is an expedited option for repeat customers and other people familiar with the products and process.
- Once the customer transaction has been completed they will receive their products in Child Resistant packaging and promptly leave the sales floor and exit the building. There will be no loitering on premise or in the surrounding areas. Security staff will ensure this does not occur and any customers that violate policies or law will be added to customer blacklist and the local police and the CCC will be notified as required.

## Security Plan Overview

### Security Staff

Headed by our Chief of Security Aaron Washington, a 28-year veteran of the Massachusetts State Police Force, serving 26 years within the state SWAT team, with the last 10 years as the SWAT team’s head. Our security staff will be trained professionals that will be equipped to supervise various security tasks including but not limited to customer ID processing to prevent any underaged customers, observation of camera feeds, securing product/cash inflow and outflow, and incident responses.

We will have three active staff during all hours of operation – one inside at the security checkpoint and two outside. Outside, one will always be posted in front of the location and the second patrolling the adjacent streets and alleyways – both outdoor staff members will be trained to prevent customers using products or performing secondary transactions, along with picking up any cannabis related trash. All security staff shall be equipped to consistently monitor all live camera feeds.

### Security Equipment

Per state regulations, our facility will be outfitted with all the necessary security equipment in order to provide a safe and secure environment for our customers and employees. The best

in-class security cameras, alarms, locks, and safes will be set up and implemented by a security company with experience in outfitting cannabis dispensaries. We will ensure there are also backup systems in the event of power outages, so the location always stays secure. We also are committing to partnering with the Orleans Police Department in installing additional security equipment throughout the Back Bay neighborhood in order to ensure no improper sales, use or other criminal activity related to our location occurs. All locks and security equipment will be checked daily to ensure they are in proper working order.

### Product Storage

All products will be stored in a highly-secure vault, with the only exceptions being the small sample quantities displayed on the retail floor. At closing, these sample quantities will also be returned to the vault. The vault will only be accessible to authorized personnel. Odor controls (such as carbon filters) will be put in place to ensure no smell of cannabis products impacts our neighbors and the public and will be constantly maintained. Inventory checks and audits will be done daily by the General Manager to insure no employee theft.

### Identification & Prevention of Diversion to Minors

- Proper Identification - Upon entrance, our Security Staff situated at the Security Desk shall be positively identifying all individuals seeking access to the premises of the dispensary to limit access solely to individuals 21 years of age or older. Access will only be granted to qualified customers and visitors. At the time of a customer/visitor entrance, their ID will be checked by security personnel utilizing the most modern equipment to authenticate the presented identification. Any customer or visitor who is under the age of 21 will not be allowed to enter the facility.
- Signage will be placed at all entrances to indicate the age restrictions in place.
- All customers and visitors are to present legally acceptable identification, including a driver's license, passport, or some other form of legal photo identification to verify their identity and age upon entrance to the facility to Ember Gardens' security personnel – who will be trained on identification techniques.
- Any individual who is under 21 shall be escorted out of the facility.
- Any individual that presents false identification documents shall be reported to local law enforcement along with a creation of an incident report that shall be sent to applicable CCC officials.
- Any Ember Gardens employee is mandated to be 21 years of age or older. Any Ember Gardens employee who is found to be under this age to fraud shall be terminated for cause immediately per termination procedures and reported to local authorities and the CCC.
- Customer Bans and Blacklist – Any customer who breaks the law (in relation to our dispensary) or our policies will be banned from future service.

## **Employment Benefits & Positive Impact Plan**

### Projected Staff

Ember Gardens anticipates having up to a seasonal 20 full and part-time staff at this location. This includes general managers, budtenders (retail associates), and security staff.

### Wages & Benefits

Employees will be paid competitive wages (\$19/hr+ for retail associates) and benefits will include health care, vision/dental, transit subsidies, maternity/paternity leave, 401k, continued education, and more.

### Positive Impact Plan

Goal: Restorative justice through high quality education. Ember Gardens intends to provide scholarship funds and internship/training opportunities for four students from areas of disproportionate impact in MA to receive workforce or entrepreneurship training in the local cannabis industry with CCOE. Ember Gardens, with founders that are in the Social Equity Program, has a goal of making a positive impact by providing educational opportunities, and social and restorative justice to Massachusetts residents that were disproportionately impacted by the war on drugs.

We will provide educational access to workforce training in concert with our strategic partner Cannabis Community Care and Research Network (CCOE) to those from areas of disproportionate impact within Massachusetts (as identified by CCC criteria) for any of the following workforce training areas:

- Cannabis Retail
- Cannabis Culinary Infusion

## **Separating Recreational From Medical Operations If Applicable**

Ember Gardens is an adult-use recreational cannabis company only. Ember Gardens is not currently applying for or operating a medical cannabis operation and does not now or in the future have any plans to conduct medical operations.



# **Restricting Access to Adults Age 21 & Older**

## **Restricting Access to Individuals under the Age of 21 (Visitation Procedure)**

### **Management Procedure Overview**

In order to prevent underaged individuals from accessing our facility, all customers, outside vendors, contractors and visitors shall go through a thorough identification check prior entering the facility. For non-customers, they need to obtain a visitor identification badge prior to entering any limited access areas. These non-customer visitors shall also be escorted at all times by an Ember Gardens' employee authorized to enter the limited access area. The visitor identification badge shall be visibly displayed at all times while the non-customer visitor is in any limited access area. All non-customer visitors must be logged in and out and that log shall be available for inspection by the Commission at all times. At the time of a customer or visitor entrance, their ID will be checked by security personnel utilizing the most modern equipment to authenticate the presented identification. **Any customer or visitor who is under the age of 21 will not be allowed to enter the facility.** All visitor identification badges shall be returned to the company upon exit (badge not needed for customers). Ember Gardens will limit access to all areas of the facility to authorized personnel/agents.

During the hiring procedure, all candidates under the age of 21 shall be automatically disqualified. **Any hire, and thus employee, shall be 21 or older** when Ember Gardens applies for that individual's Laboratory Agent Registration Card with the CCC.

### **General Policies**

- Who: Security Guard to conduct visitor check-in, incident reporting (if necessary) executed by the VP of Security and/or Chief of Security.
- Where: Lobby/Security Booth
- All customers and visitors are to present legally acceptable identification, including a driver's license, passport, or some other form of legal photo identification to verify their identity and age upon entrance to the facility to Ember Gardens security personnel.
- Security personnel will be required to keep a log of all non-customer visitors
- **Any individual who is under 21 shall be escorted out of the facility.**

- Any individual that presents false identification documents shall be reported to local law enforcement along with a creation of an incident report that shall be sent to applicable CCC officials.
- **Any Ember Gardens employee is mandated to be 21 years of age or older.** Any Ember Gardens employee who is found to be under this age to fraud shall be terminated for cause immediately per termination procedures and reported to local authorities and the CCC.

### **Customer & Visitor Procedure**

1. All customers and visitors will be directed to the main entrance of the facility into the lobby.
2. At the security booth within the lobby, customers or visitors shall present legal photo ID to on-duty security guards.
3. Security guards will visually inspect the ID to ensure that the picture matches the customer or visitor, and also check DOB to ensure the age of customer or visitor is 21 or over.
4. After confirming the picture, security guards scan ID with onsite ID checking technology to verify authenticity.
5. If ID checks out, the visitor signs into the visitor log and is issued a visitor ID badge/FOB and is escorted by a designated Ember Gardens employee into the facility. Customer does NOT need to sign into any log.
6. If a customer or visitor fails an ID check for being under the age of 21, then security escorts the customer or visitor out of the facility and contacts local law enforcement. The incident is documented and reported to CCC and other local or state organizations with interest in such matters.
7. If a customer purchases a product, the customer presents a legal photo ID to the Retail Associate executing the retail transaction. Retail Associate visually inspects ID to confirm customer matches.

# **Quality Control and Testing**

## **General Sanitation**

### **General Sanitation Overview**

Since the dispensary is distributing consumer goods, the highest level of sanitation and cleanliness is needed. The whole facility will be cleaned regularly in accordance with the guidelines stated below in order to maintain pure and uncontaminated product.

### **Sanitation Guidelines and General Practices**

- Uniforms will be provided by Ember Gardens.
- Hand-washing facilities shall be adequate and convenient and shall be furnished with running water at a suitable temperature.
- There shall be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations.
- Litter and waste shall be properly removed, disposed of so as to minimize the development of odor and minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal shall be maintained in an adequate manner pursuant to 935 CMR 500.105(12).
- There shall be adequate safety lighting in all processing and storage areas.
- All contact surfaces, including utensils and equipment, shall be maintained in a clean and sanitary condition. Such surfaces shall be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the US Environmental Protection Agency (EPA), in accordance with labeled instructions.
- Water supply shall be sufficient for necessary operations. Water source shall be capable of providing a safe, potable, and adequate supply of water.
- Plumbing shall be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the facility. Plumbing shall properly convey sewage and liquid disposable waste from the facility. There shall be no cross-connections between the potable and wastewater lines.
- The facility shall provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair. These facilities shall be cleaned on a regular cadence to ensure the high-level of sanitation found throughout the facility. Signage indicating that all employees must wash hands prior to returning to work will be posted throughout the toilet facilities.

- Storage and transportation of finished products shall be under conditions that will protect them against physical, chemical, and microbial contamination as well as against deterioration of finished products or their containers.
- All vehicles and transportation equipment used in the transportation of marijuana products or edibles requiring temperature control for safety will be provided and maintained 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).
- Any hired third-party cleaning services shall be instructed and trained to operate in compliance for all cannabis areas.
  - Third-party cleaners shall be escorted by a registered agent at all times while on the premises.
  - Third-party cleaners will go through the Visitor Procedure prior to entering the facility.
- Facility shall be inspected for overall cleanliness once per week by the management of each department. Report on the state of sanitation will be given to the Executive Committee for review.

## **Internal Audit Policy**

### **Internal Audit General Overview**

Ember Gardens will install a comprehensive set of audits. This responsibility will be carried out by the CEO, with the corporate governance requiring them to audit each department of the business. When hired, the Head of Compliance will be the designated person who will carry out the audits, reporting results directly to the department manager responsible for that particular audit, and if need be, the General Counsel. These audits shall occur quarterly at minimum to ensure constant compliance. Moreover, they will not be broadcast to the general population of employees, so the audit remains authentic. The Head of Compliance or manager performing the audit shall be granted all access necessary to complete the task fully. Areas of the business to audit are, but not limited to,

- Facility Sanitation
- Disposal Logs
- Mechanical and Equipment Physical Inspection
- Perimeter Security Systems
- Interior Security Systems
- Transport Security Systems and Logs

- Visitor Log
- Packaging Materials
- Loading Dock Safety
- Financial Books and Ledgers
- Cyber-Security
- Inventory Logs
- Vault Entry Logs

If violations or deficiencies are found, immediate rectification will occur. Those responsible for the flags within the audit will be held responsible to fix them and then ensure they don't recur. If violations are continuous or especially flagrant, termination could occur.

## **Lab Testing of Products for Retail Sales**

### **Retail Lab Testing Overview**

As required by all legal cannabis market places, testing must be performed on all cannabis and cannabis related products prior to any sale to the general public in compliance with M.G.L. c. 94G, § 15; & CMR 935.500.160.

### **General Policies**

- No cannabis product shall be packaged or sold that has not first been tested by an Independent Testing Laboratory and deemed to comply with the standards required under CMR 935.500.160.
- To ensure compliance with these regulations, no product will be received into the building without a double verified METRC manifest showing Test Passes status on all products received. If products are not in compliance with testing, the deliveries will be rejected prior to entering the inventory system.
- Whether from in-house license-to-license transfers, or if from 3rd party retail establishments, the products will require the same testing standards to stay in compliance with CMR 935.500.160.
- Absolutely no products will be sold unless they meet these requirements.

# **Personnel Policies and Procedures**

## **Background Check Procedure**

### **Background Check Overview**

The background check process is mandatory for anyone who wishes to work in the Massachusetts recreational or medicinal cannabis industry. This process is outlined as one of the key steps of the Hiring Procedure, this document will dive into more detail of what can be expected for each candidate when going through.

### **General Policies**

- Who:
  - HR Team, managed by the Head of HR, will ensure the proper data is received and submitted for each background check.
  - The Chief Security Officer will provide guidance on selecting a third-party background check company.
- All background checks shall be recorded and saved per the Personnel Record-Keeping Procedure.
- Any failed background check will prohibit the hiring of the candidate.
- The company will pay the costs of all background checks.

### **Information Gathered**

- The full name, date of birth, social security number and address of the individual
- All aliases used previously or currently in use by the individual, including maiden name, if any
- A copy of the applicant's driver's license, government-issued identification card, liquor purchase identification card issued pursuant to M.G.L. c. 138, § 34B, or other verifiable identity document acceptable to the Commission
- An attestation that the individual will not engage in the diversion of marijuana products
- Written acknowledgment by the applicant of any limitations on his or her authorization to cultivate, harvest, prepare, package, possess, transport, and dispense marijuana in the Commonwealth
- A description and the relevant dates of any criminal action under the laws of the Commonwealth, or another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority, whether for a felony or misdemeanor and which resulted in conviction, or guilty plea, or plea of nolo contendere, or admission of sufficient facts.

- A description and the relevant dates of any civil or administrative action under the laws of the Commonwealth, another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority relating to any professional or occupational or fraudulent practices.
- A description and relevant dates of any past or pending denial, suspension, or revocation of a license or registration, or the denial of a renewal of a license or registration, for any type of business or profession, by any federal, state, or local government, or any foreign jurisdiction.
- A description and relevant dates of any past discipline by, or a pending disciplinary action or unresolved complaint by, the Commonwealth, or a like action or complaint by another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority with regard to any professional license or registration held by the applicant.
- Any other information required by the Commission or the third-party background check company.

## **Employee Policies (High-Level Overview)**

### **Employee Policies Overview**

The document will serve as a high-level overview of some (but not all) of the key policies as it relates to our employees' relationship with the company. It does NOT serve as our official Employee Handbook. An official Employee Handbook, using information shown here as a starting point, will be created after the acquisition of the Provisional License from the Commission but prior to the company receiving its Final License and Commence Operations notice. The official Employee Handbook will be made available for review by the Commission at that time, after it has been written and reviewed by subject matter experts in Massachusetts Labor Law.

After the beginning of operation, the Head of HR in conjunction with the General Counsel will oversee the Employee Handbook and ensure it is maintained and updated with changes in both company policy and Massachusetts or Federal Labor Laws.

### **Policies**

#### **Payroll**

Company payroll will occur on a monthly basis to start but will transition to a bi-weekly. We will purchase payroll software to easily process these payments, which includes calculating the various taxes for both the employee and employer. This is very important to avoid any type of tax or labor compliance issues, especially in an industry where



financial audits are likely. For hourly employees, it shall be their responsibility to fill out timecards and have their direct manager approve them before handing them into the current responsible party taking care of payroll.

### Time Off

Ember Gardens will offer to all employees two weeks or 10 business days of PTO time per year. We will allow employees to carry over unused PTO into the following year, capping out at 25 business days. All time off requests must be approved by the employee's direct manager, either prior to any vacations or after the fact in the case of a sick day. We will not, however, allow employees to get PTO if their bank is at 0, any days not worked at that point will be considered unpaid.

We believe offering a good time off package is a valuable benefit to our employees, and all shall have it. PTO time will accrue as the employee stays with the company. It is one of the tools that we hope entices workers to stay with us long-term and avoid as much employee turnover as possible. Upon termination, any PTO not used by the employee will be paid out based on their current salary in the final check per Massachusetts labor laws.

### Work Hours

All full-time employees shall be expected to work 40 hours per week, with additional time needed if requested by management. Hourly employees shall be paid overtime for the additional time, while salary employees shall receive compensation days (essentially a PTO day added to their bank), if they work more than 48 hours during the week. However, any manager or employee that owns common stock in the company will not be allowed to accrue compensation days, as the extra time put forth should be for the benefit of the company and thus raising the value of the stock they own.

Daily hours shall be from 10 am to 8 pm. Employees may come in earlier and stay later as long as they achieve their 8 hours of work, but only at times permitted by local laws.

Holidays which our employees will have off are any Holidays recognized by the Town of New Bedford and Bristol County.

### Drug and Alcohol Free Workplace

Ember Gardens explicitly prohibits:

- The use, possession, solicitation for, or sale of narcotics or other illegal drugs, alcohol, or prescription medication without a prescription on company or customer premises or while performing an assignment.

- Being impaired or under the influence of legal or illegal drugs or alcohol away from the company or customer premises, if such impairment or influence adversely affects the employee's work performance, the safety of the employee or of others, or puts at risk the company's reputation.
- Possession, use, solicitation for, or sale of legal or illegal drugs or alcohol away from the company or customer premises, if such activity or involvement adversely affects the employee's work performance, the safety of the employee or of others, or puts at risk the company's reputation.
- The presence of any detectable amount of prohibited substances in the employee's system while at work, while on the premises of the company or its customers, or while on company business. "Prohibited substances" include illegal drugs, alcohol, or prescription drugs not taken in accordance with a prescription given to the employee.

#### Leave Policy

Per state law, our company will provide 3 paid jury duty days. We will also provide 3 days of Bereavement Leave for immediate family members.

In addition, we will provide 4 weeks of parental leave for employees. Like the PTO policy, this is a benefit we want to give back to our employees to ensure that they feel they are cared for. This is part of our strategy of retaining and taking care of our employees to avoid turnover and to get their best effort and ownership mentality.

#### Severance

Severance will be given to employees when management deems it necessary. Our most common use of it will be to make sure that employees with non-compete clauses (those that are close and involved with confidential information), in order to make sure they don't jump ship to an immediate competitor straight away, thus allowing the company time to prepare and mitigate such a move. Severance duration and amount shall be determined on an individual basis by management at the time of termination.

#### Non-Compete Clauses

For employees that will work with confidential IP or financial materials (think management positions in the Finance, Cultivation and Manufacturing Departments), employee contracts will contain some type of non-compete clause that will prevent them from working for an immediate competitor for a certain period after termination. This is to allow the company time to mitigate the risk of defection. Employees with such clauses will be paid via severance to mitigate any financial hardship they may endure. All non-compete clauses will be written within allowable labor laws and practices and

reviewed by the General Counsel. Waivers may be granted in certain cases by the CEO.

#### Review Period & Compensation Changes

All employees, from the CEOs on down, will undergo an annual review to evaluate their performance, based on a scale from 0 to 5 (with 5 being the best). Each manager shall be up front with the expectations of their employee at the beginning of the year and/or employment, so that both sides are on the same page when the review process commences. During this review process, changes to compensation can be negotiated; however, any increases above a certain threshold will have to be signed off by the CFO and Executive Committee. If there is a disagreement between the employee under review and their manager, it can be escalated up to the next management level in order to attempt to reach a consensus on what is verifiable.

Promotions and transfers will also be discussed in these meetings, to ensure that our employees have a development path and something to work towards. Moreover, knowing what our employees want to do will enable us to provide them with the training and opportunities they need to grow, which will in turn provide benefits to our company as a whole, with a more skilled and engaged workforce.

#### Bonuses

There will be two main categories of bonuses given to employees. The first category will be discretionary annual bonuses granted to any employee that performs above and beyond their expectations (higher than a 3 on the performance scale). The manager will have discretion to grant up to a certain amount, but any bonuses above that must be approved by both the CFO and the Executive Committee. These bonuses shall reward the employees that go above and beyond, and the promise of such bonuses for good performers should drive employees to take more ownership and achieve more than what is expected of them. Before reviews begin, however, the CFO will determine how much money shall be allocated for bonuses, so as to avoid any potential jeopardy to the company's overall financial health.

#### Benefits

After completing the capital investments and as the employee count rises, we plan on investing back into our workforce by providing benefits such as health, dental, vision, profit sharing, 401k, etc. as deemed financially possible by the CFO and Executive Committee.

## Ethics

Our Company will institute an ethics policy that will hold all of our employees to the highest professional standards. We are committed to uncompromising integrity in all that we do, and in the way in which we relate to each other, and to people outside the company. While the standards in this policy are mainly based on laws, they also reflect the values that define us and our company. We must constantly strive to avoid any circumstances that may create a conflict, or the appearance of a conflict, between our personal interests and those of the company. The standards in this policy may be implemented, interpreted, or amended from time to time through written procedures or other compliance guidelines. All supervisory and management employees, including all officers and directors of the company, have a special responsibility to lead according to the standards of this policy, in both words and action. Our supervisory and management employees are also expected to adhere to and promote our “open door” policy. This means that they are available to anyone with ethical or other concerns, questions or complaints. We also maintain a confidential “hotline” that employees can call in those circumstances (the HR department will manage the “hotline” and all resulting inquiries) All concerns, questions and complaints will be taken seriously and handled promptly, confidentially, and professionally. Moreover, no retaliation will be taken against any employee for raising any concern, question or complaint in good faith. In order to maintain a culture where the good of the company comes first and foremost, it will be a prerogative to hold all employees accountable to these ethics’ outlines. For violations, punishment can include up to termination and possible legal action if laws themselves were broken.

## Worker Safety

Ensuring the safety and wellbeing of Ember Gardens’s employees and visitors will be taken very seriously. Strict guidelines will be created to minimize the risk to both people and product. The following guidelines will be a requirement for continued employment.

- Fire Safety – Ember Gardens will have numerous fire extinguishers on site as well as smoke detectors. Ember Gardens will also insure that all structures are in full compliance of fire code regulations.
- Monitoring of Hazardous Gasses – Ember Gardens will install detectors that will monitor for hazardous gasses such as carbon monoxide to ensure the safety of the people on site. This will also be in line with any commercial regulations in this area.
- Evacuation Maps and Procedures – All operational structures will have clear access to exits in the need for a quick evacuation. These exits shall remain clear always. When hired, employees will also receive training on where these exits are. For larger structures, maps will be posted to indicate the locations of all the exits.

- Medical Equipment on Site – Ember Gardens will have on site a medical station that will have a first aid kit, AED, and any other necessary medical equipment necessary. This will be installed in a clearly marked location that is accessible to all employees.

## **Personnel Record-Keeping**

### **Personnel Record-Keeping Overview**

The importance of an accurate employee record stretches far beyond the legal ramifications of that information not being current. For employers, keeping accurate records can help recruitment, identify gaps in skills, and save time while performing administrative duties.

It's also a legal responsibility. Maintaining tax information, wage information, employee demographics, and other required documentation is essential to meeting your legal obligations. When regulators ask for employee information, having it available in a single, easy to find place is essential.

Lastly, the contents of the personnel file provide a historical overview of the important happenings during an employee's career. They support the decisions that are made about the employee and his or her career. They demonstrate the employer's rationale behind hiring, promotions, transfers, rewards and recognition, and firing decisions.

### **General Guidelines**

- Who: The Head of HR will be responsible for the custodianship and authenticity of all employee data and records.
- Proper security, including protections against outside viruses/malware, access to appropriate personnel, password protections, etc. will be implemented.
- All data entered will either be reviewed or at some point be brought under the scope of an internal audit to ensure its authenticity.
- **Data will be stored in the cloud to avoid the possibility of lost records.**
- **All physical records will be securely stored in a locked location with access only available to authorized personnel. All digital records will be highly secured utilizing the latest digital security protocols only accessible to authorized personnel and the CCC. This is to ensure information remains confidential.**
- Records kept must be available for inspection by the Commission, upon request.

## **Records**

- Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
- A personnel record for each employee (marijuana establishment agent).
  - Such 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
    - Notice of completed responsible vendor and eight-hour related duty training.
    - Medical Records (if applicable to job)
    - Drug Tests (if applicable)
    - I-9 Records
  - 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.
  - Payroll Data - Salary and wages paid to each employee, stipend paid to each board member, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with the company.
- Resumes of potential candidates and any other data collected during the interview/hiring process

# Employee Termination

## Termination Overview

The process of offboarding an employee after a voluntary or involuntary termination. This process will be fully documented and archived to ensure a legal and compliant offboarding, and to ensure that there are no chances of future grievances by exiting employees against the company.

## General Policies

- Who:
  - Manager of terminating employee to indicate to HR Manager that termination is occurring.
  - HR Manager or HR Associate to inform employees of termination if involuntary.
  - HR Manager or HR Associate to conduct exit interviews and ensure the collection of any company property.
  - Manager of termination employee to provide Termination Agreement terms, contract reviewed by the General Counsel and HR Manager to ensure the contract meets legal and company policies.
- All steps of the process are to be documented and archived per the Personnel Records Procedure.
- Direct manager of terminating employee shall never have direct contact with employee if termination is involuntary
- Copies of receipt of final pay will be made to ensure compliance with Massachusetts Labor Law.
- **Any employee/agent that has been caught in the diversion of marijuana, engaged in unsafe practices, or been convicted or entered a guilty plea for a felony charge of distribution of a drug to a minor shall be dismissed immediately and terminated involuntarily for cause.** This employee/agent shall then be reported to local law authorities and the CCC immediately upon discovery of said violations, with all appropriate evidence handed over. An immediate internal investigation will also then take place to identify if any company policies or procedures need updating to prevent a repeat offense.

## Procedure

### Voluntary Termination



1. Upon resignation, employees must provide in writing their last working day within their resignation letter and deliver the letter to the direct manager.
2. Direct manager informs HR Manager or HR Associate notification of the termination and the date effective.
3. On the termination date, the employee returns all company assets including Marijuana Establishment Agent Registration Card to HR Manager or HR Associate.
4. HR Manager or HR Associate Member conducts an exit interview and signs a document indicating that all assets were returned.
5. If applicable, the HR Manager or HR Associate will give a Termination Agreement to the employee and provide a signature deadline in accordance with Massachusetts labor law.
  - a. If signed, HR Manager or HR Associate will follow up periodically to ensure adherence to the terms of agreement.
  - b. General Counsel and HR Manager to review any Termination Agreement prior to it being given to the terminated employee.
6. Company will send employees final compensation which includes any unused PTO within the next pay cycle in accordance with Massachusetts labor law.
7. HR Manager or HR Associate will notify the CCC within one business day of employee termination.
8. Employee records will be kept for at least 12 months after termination per Personnel Records Procedure.

#### Involuntary Termination

1. Notification of termination (including the final date) is given to the HR Manager by the direct manager of the terminating employee.
2. HR Manager or HR Associate notifies employee of termination in person in Human Resources Area
  - a. Onsite security personnel are notified that involuntary termination is about to take place and are available to call to escort employees off premises if necessary.
3. On the day of termination the employee returns all company assets including Marijuana Establishment Agent Registration Card to HR Manager or HR Associate.
4. HR Manager or HR Associate conducts exit interview and signs document indicating that all assets were returned
5. If applicable HR Manager or HR Associate will give Termination Agreement to employee and provide signature deadline in accordance with Massachusetts labor law.

- a. If signed, HR Manager or HR Associate will follow up periodically to ensure adherence to the terms of agreement.
  - b. General Counsel and HR Manager to review any Termination Agreement prior to it being given to an exiting employee for signing.
6. Company will distribute to the employee final compensation which includes any unused PTO on the last day of employment in accordance with Massachusetts labor law.
7. HR Manager or HR Associate will notify the CCC within one business day of employee termination
8. Employee records will be kept for at least 12 months after termination per Personnel Records Procedure

## **Hiring Procedures**

### **Hiring Overview**

The hiring procedure is the method our company will search for and bring on new employees. This will be done as new employees are needed either from expansion needs or the need to replace former employees lost to turnover. The interview and background check will be extensive to ensure the right person is hired.

### **General Policies**

- Who:
  - Hiring Manager to indicate that there is an open position and provide guidelines for open position posting and qualifications needed.
  - HR Associate to post open role to appropriate hiring channels
  - HR Associate to provide submitted resumes to Hiring Manager
  - Hiring Manager is to conduct Resume reviews, and interview processes.
  - HR Associate is to oversee the background check process, Chief Security Officer and/or VP of Security to provide guidelines for background check (See Background Check Procedure).
  - HR Manager and General Counsel to review employee contracts for compliance reasons.
- The hiring of all positions will take into consideration Ember Gardens host agreement with the local municipality to hire locally and advertise positions at local job fairs, career centers ect.
- The hiring of all positions will take into consideration Ember Gardens Diversity Plan, to employ a diverse workforce.

- The hiring of all positions will take into consideration Ember Gardens Positive Impact Plan and Diversity Plan, to employ a wide range of employees from different economic circumstances.
- All hiring steps including applications, interviews, and background checks shall be recorded and saved per the Personnel Records Procedure.

## **Procedure**

1. Hiring Manager indicates there is an open position
  - a. Hiring Manager provides qualifications, salary range, when position needs to be filled and job description
2. HR Associate posts open position on appropriate channels
  - a. Internal Postings that are made available to employees
  - b. Company website
  - c. Career Websites
    - i. Indeed.com
    - ii. Hemp Staff
  - d. Local job fairs and career centers which are to be done per the Social Equity, Diversity, and local hiring plans and initiatives.
3. Resume Analysis
  - a. Hiring managers of position reviews resumes and selects candidates
4. Collection of personal data
  - a. Candidates fill out employment application containing all pertinent data either on company website application portal or via third party employment firms
5. Phone Call Screening
  - a. Hiring manager discusses resume and experiences and determines if they want to move forward with hiring process
6. In-house interview
  - a. Hiring manager with at least one other member of management for multiple perspectives
  - b. Candidate fills out Application for Registration of a Marijuana Establishment Agent
7. Reference check
  - a. Primary manager will call at least three references provided by candidate
8. Verbal Offer
  - a. Hiring manager calls candidate to discuss compensation and role/title
9. The final contract is written by the Hiring Manager and then is reviewed by both general council and HR Management to ensure the contract meets legal and company policies.

- a. Includes employment contract, NDA, non-compete if applicable, shareholder agreements if applicable
  - b. Send written employment offer package to candidate
10. Document returned and signed contract from candidate.
11. Submit candidate information to the background check company per Background Check Procedure.
  - a. Company will pay all associated fees and for background check and information requests
  - b. If candidate fails to pass background checks they are notified of the failure and the process is terminated
12. HR Associate will submit candidate application for Marijuana Establishment Agent to CCC
13. Upon receiving an Agent Registration card, the candidate is called by the Hiring Manager and is informed of the start date.
14. Candidate then undergoes onboarding and training per Onboarding and General Training Procedure.

## **Marijuana Agent Card Application & Renewal**

### **Marijuana Agent Card Overview**

In order for anyone to work in the Massachusetts' cannabis industry, they need to be in possession of a Marijuana Agent Card, as supplied by the Cannabis Control Commission. These cards also then must be annually renewed and returned when the Agent is no longer working at the company.

### **General Policies**

- Who: Head of HR is responsible, along with the Compliance Manager, to ensure all employees have valid and up to date Agent Cards.
  - Head of HR will execute the renewal of the licenses annually.
- Company will maintain database of each employee's Agent Registration Card renewal dates which notifies HR when renewals are upcoming
- 30 days before the renewal date, Ember Gardens will submit renewal application and associated fees to the CCC
- Upon successful renewal, the company will update employee records and swap out physical cards until the next renewal cycle.
- Employees will carry on their person their Marijuana Agent Card at all times when on the clock.
- All such individuals issued a card shall be:

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

# **Record Keeping Procedures**

## **Personnel Record-Keeping Overview**

The importance of an accurate employee record stretches far beyond the legal ramifications of that information not being current. For employers, keeping accurate records can help recruitment, identify gaps in skills, and save time while performing administrative duties.

It's also a legal responsibility. Maintaining tax information, wage information, employee demographics, and other required documentation is essential to meeting your legal obligations. When regulators ask for employee information, having it available in a single, easy to find place is essential.

Lastly, the contents of the personnel file provide a historical overview of the important happenings during an employee's career. They support the decisions that are made about the employee and his or her career. They demonstrate the employer's rationale behind hiring, promotions, transfers, rewards and recognition, and firing decisions.

## **Record Keeping Policies**

1. Establishments shall maintain their records in accordance with generally accepted accounting principles. 935 CMR 500.105(9)
2. Ember Gardens will maintain an accurate and organized record of the following:
  - a. Inventory records as required by 935 CMR 500.105(8). 935 CMR 500.105(9)
  - b. Seed-to-sale tracking records for all marijuana as required by 935 CMR 500.105(8)(e). 935 CMR 500.105(9)
  - c. Written operating procedures shall be maintained as required by 935 CMR 500.105(1). 935 CMR 500.105(9)
3. The following business records shall be maintained:
  - a. Assets and liabilities;
  - b. Monetary transactions;
  - c. Books of accounts;
  - d. Sales records; and
  - e. Salary and wages paid to each employee. 935 CMR 500.105(9)

## **General Guidelines**

- Who: The Head of HR will be responsible for the custodianship and authenticity of all employee data and records.
- Proper security, including protections against outside viruses/malware, access to appropriate personnel, password protections, etc. will be implemented.
- All data entered will either be reviewed or at some point be brought under the scope of an internal audit to ensure its authenticity.
- **Data will be stored in the cloud to avoid the possibility of lost records.**
- **All physical records will be securely stored in a locked location with access only available to authorized personnel. All digital records will be highly secured utilizing the latest digital security protocols only accessible to authorized personnel and the CCC. This is to ensure information remains confidential.**
- Records kept must be available for inspection by the Commission, upon request.

## **Records**

- Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
- A personnel record for each employee (marijuana establishment agent).
  - Such 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
    - Notice of completed responsible vendor and eight-hour related duty training.
    - Medical Records (if applicable to job)
    - Drug Tests (if applicable)
    - I-9 Records

- 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.
- Payroll Data - Salary and wages paid to each employee, stipend paid to each board member, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with the company.
- Resumes of potential candidates and any other data collected during the interview/hiring process

## **Waste Disposal Policy**

1. No fewer than two Marijuana Establishment Agents shall witness and document how the solid waste or organic material containing Marijuana is handled on-site including, but not limited to, the grinding up, mixing, storage and removal from the Marijuana Establishment in accordance with 935 CMR 500.105(12). When Marijuana Products or waste is disposed or handled, the Marijuana Establishment shall create and maintain an electronic record of the date, the type and quantity disposed or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two Marijuana Establishment Agents present during the disposal or other handling, with their signatures. A Marijuana Establishment shall keep these records for at least three years. This period shall automatically be extended for the duration of any disciplinary action and may be extended by an order of the Commission.
2. Establishments shall keep these waste records for at least three years. 935 CMR 500.105(12)



# **Financial, Accounting, and Audit Procedures**

**WHO:** Chief Financial Officer (CFO) is ultimately responsible for the proper execution of all financial related matters. He or she will also create the policies, training plans, financial statement formats, and payment processing procedures. CEO and Board of Directors will also provide higher level policies, mandates and guidelines.

The Head of Tax, Controller, and Treasury Manager will be managers reporting to the CFO, each heading their respective areas of Tax Compliance, Accounting, and Banking/Cash Flow. Staff Accountants will be the employees with the responsibility of maintaining the accounting books and other transactional financial matters, overseen by the Controller.

## **Financial Management Overview**

There will be a firm grip on every dollar to going in and out of the organization, and the accounting books will reflect as such. The CFO (with CEO guidance) will handle the payment of all bills, salaries, taxes and any other costs with the cash on hand. All cash transactions will be meticulously kept track of and documented due to the impediment of not being able to reference electronic bank or credit card statements & transactions (at least until laws permit otherwise). All transactions will be recorded in real time, including but not limited to:

- Assets and liabilities
- All monetary transactions
- All books of accounts, journals ledgers contracts, copies of checks, invoices and vouchers
- Sales records, quantity, form and cost
- Salary wages paid to employees
- Stipend paid to board members
- Executive pay outs
- Any benefit of item or value paid to any individual affiliated with the company

## **Financial Records**

Records will be kept and stored securely, with a private cloud-based storage one possible option. The company financials will be private information excluding the Board of Directors, Executive and Management Committees, shareholders and any state, local or Federal authorities.

## **Accounting Overview**

As a C Corporation and a business that will have projected high revenues within the first three years, the only logical (and legally allowed) choice of accounting will be the Accrual Method.

The accrual basis of accounting is the concept of recording revenues when earned and expenses as incurred. Accrual basis accounting is the standard approach to recording transactions for all larger businesses, which due to our projected revenue streams, Ember Gardens is to be within a year. This concept differs from the cash basis of accounting, under which revenues are recorded when cash is received, and expenses are recorded when cash is paid. For example, a company operating under the accrual basis of accounting will record a sale as soon as it issues an invoice to a customer, while a cash basis company would alternatively wait to be paid before it records the sale. Similarly, an accrual basis company will record an expense as incurred, while a cash basis company would otherwise wait to pay its supplier before recording the expense.

The accrual basis of accounting is advocated under both generally accepted accounting principles (GAAP) and international financial reporting standards (IFRS). Both of these accounting frameworks provide guidance regarding how to account for revenue and expense transactions in the absence of the cash receipts or payments that would trigger the recording of a transaction under the cash basis of accounting. The accrual basis of accounting tends to provide more even recognition of revenues and expenses over time, and so is considered by investors to be the most valid accounting system for ascertaining the results of operations, financial position, and cash flows of a business. In particular, it supports the matching principle, under which revenues and all related expenses are to be recorded within the same reporting period; by doing so, it should be possible to see the full extent of the profits and losses associated with specific business transactions within a single reporting period.

The accrual basis requires the use of estimates in certain areas. For example, a company should record an expense for estimated bad debt that have not yet been incurred. By doing so, all expenses related to a revenue transaction are recorded at the same time as the revenue, which results in an income statement that fully reflects the results of operations. Similarly, the estimated amount of product returns, sales allowances, and obsolete inventory may be recorded. These estimates may not be entirely correct, and so can lead to materially inaccurate financial statements. Consequently, a considerable amount of care must be used when estimating accrued

expenses. Estimates of both our expenses and revenues will initially be based on our financial projections that have been created for the business. They will then be in turn based on the actual results of the initial 6-8 months of operations, which should more or less reflect the realistic expectation of both manufacturing and harvest operations.

Hiring staff accountants and a CFO with experience with accounting with this method will be a requirement, except perhaps bookkeepers or other transactional personnel. A competent staff will be hired as soon as possible after the first harvest is sold, to certify our accounting books are meticulously maintained by trained professionals to prepare for financial audits, both internal and external.

### **Internal Financial Audits**

Our accounting and finance teams and personnel must go about all their work with the full expectation that they will be double checked at some point by auditors. The key to an efficient and successful financial audit is preparation. Being well prepared for an audit saves time and money, and ultimately helps your business achieve the desired outcome: an accurate financial statement.

Being Organized - Before the audit takes place, we will have a reconciled trial balance with all of the posted year-end adjustments recorded. Closing out the financial year that the auditor will be reviewing saves time, as it's difficult to audit efficiently when the numbers are still changing. This will be part of our procedures since we can anticipate an audit. We will coordinate staff to assist with the audit and ask how many auditors will be working in our office, as we'll potentially need to provide them with adequate space. Acting as a cohort will be an important component during this process.

Setting Up a Timeline - Good communication with the auditors is critical to avoiding surprises and creating a timeline for the audit up front is a crucial step in establishing that dialogue. Determining when the audit will begin and end, as well as any incremental deadlines, and receive it in writing will be part of our audit preparation. Obtaining a detailed list from the auditors of which documents and information they'll need to see will be essential for adequate preparation as well. We will also request any necessary confirmations promptly to save auditors time spent waiting for responses.

Requesting Back Documentation - Once the audit is finished, we will request supporting documentation of any adjustments the auditors made, as well as the account combinations and adjusted trial balance used in preparing the financial statements. This will ensure our books are up to date with any of the auditor's findings or adjustments.

Internal Audit Teams – As previously mentioned in the management sections of this plan, each CEO along with the Head of Compliance will conduct internal audits of the company to ensure compliance with all Federal, state and local regulations. This will also include internal financial audits as well, where the CFO will partner with the responsible parties. These internal audit checks will allow us to prepare for external audits and provide our accounting and finance teams to practice and prepare for the real thing. It will also of course help to uncover any errors that may be present so they may be corrected prior to any external audit occurring.

Use of Checklists – We will use extensive use of checklists when prepping for the financial audit. An example of such a checklist can be shown below:

### **Payment of Taxes**

We will have three separate government entities where tax payments will be made. First, as a C-Corporation, we will pay the Federal IRS corporate income tax. Second, will be to the state of Massachusetts, for the taxes put in place for the cannabis industry. Third, will be to the City of New Bedford, which shall be entitled to local taxes stipulated in the host agreement. All tax payments will be made timely, and preferably electronically.

These payments will in most cases be paid quarterly, with some coming at year end. While we will at some point early on in our company's existence hire a Head of Tax who will manage and ensure that these taxes are done correctly, in the meantime we will use some outside firms to make sure these are being done correctly. Under or overpaying taxes can result in a whole set of problems, ranging from compliance violations to reducing capital available for expansion. It is quintessential, therefore, for us to always ensure our tax payments are made with the utmost accuracy every quarter.

### **Budget Process & Internal Financial Controls**

The budget process, and the controls that will be put in place to ensure that all spending is approved and tracked by the appropriate parties and will be enshrined into the Corporate Governance document. The budgeting of funds is important for setting the necessary boundaries for each team or department, so managers can plan out the details in conjunction with what they can achieve regarding the financial resources available to them. This process would occur prior to the beginning of the operating year, with the CFO and Executive Committee playing the most central role, though other managers in their respective departments (mostly the Management Committee) will also have a role to play with regards to their specific areas. The tracking of budgets will

consequently be both the dual responsibility of the managers in the areas that receive designated funds, and the CFO/Finance Department, in order to make sure they are being held accountable to the proper levels of expenditure. If mid-years adjustments, whether up or down, to the budgets need to be made, it will go through a formal process, based on the Corporate Governance structure, with appropriate approvals needed for the right levels of management based on the amount of the increase/decrease. Large single disbursements will also need approvals, the thresholds determined by the Corporate Governance document as well. The CFO and the Finance Department will be the central player in all budget creation and management throughout the company, as they will have the best comprehension of the financial situation of the company, and how budgets and expenditures of the precise areas affect the company's financial position overall.

The controls of financial budgets and expenditures will be clear to all of management, with detailed written records of not only the transactions, but the approvals needed for them to occur as well as be maintained. This level of detail will help the company in any potential external audit, which along with auditing the financial statements themselves, audit that company controls are being followed, and executed accordingly. Having external audit results manifest that our internal financial controls work and are being followed will then be a great asset to the company, as it will show the public (and potential buyers, investors, etc.) that our company is being a commendable operation, and allow them to have confidence in the financial statements we are producing. Functioning in an industry that still expresses some ambivalence in the public discourse, the reputation of our financial reporting and operations is essential.

### **Retail Specific Record Keeping**

- Ember Gardens is prohibited from utilizing software or other methods to manipulate or alter sales data. 935 CMR 500.140(6) (required for retail only)
- Ember Gardens 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)
- Ember Gardens shall maintain records that it has performed the monthly analysis. 935 CMR 500.140(6)
- If Ember Gardens 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
- Ember Gardens shall comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements. 935 CMR 500.140(6)

- Ember Gardens shall adopt separate accounting practices at the point-of-sale for marijuana and non-marijuana sales. 935 CMR 500.140(6)
- A retailer that is co-located shall maintain and provide to the Commission on a biannual basis accurate sales data during the six months immediately preceding this application for the purpose of ensuring an adequate supply of marijuana and marijuana products under 935 CMR 500.140(10). 935 CMR 500.140(6)
  - There are no current plans to co-locate medical sales for Ember Gardens Cape Cod but the record keeping procedure will incorporate this update if the transition happens in the future.

# Diversity Plan

## Plan Goals

1. Increasing the number of individuals falling into the below-listed demographics working in general staff, management and executive positions at the establishment while providing tools to ensure their success. Goal tracking metrics shall be made available for review. Ember Gardens will designate 50% of its staff and management to be female and/or minorities. These are the goals further broken down as follows:

- Staff by Demographics
  - 25% Woman
  - 25% Minorities
  - 5% Veterans
  - 5% Persons with disabilities; and
  - 5% LGBTQ+

2. Cultivate diversity among suppliers, vendors, and service providers, to the extent possible. Preference will be given to vendors and contractors falling into the above listed categories. To track the progress of this plan, **our HR Department on a quarterly basis shall write a report listing all the engagement Ember Gardens conducted with vendors and contractors that fall into the above listed categories.**

- Goal of utilizing 20% diversity suppliers
- This 20% will be broken down into the following goals:
  - 7% Woman
  - 7% Minorities
  - 2% Veterans
  - 2% Persons with disabilities; and
  - 2% LGBTQ+

## Plan Programs (Execution of Diversity Plan)

- **Program for Goal 1** - To achieve our hiring goal, across staff, management and executives our company will work internally, with Cannabis Center of Excellence (our PIP and diversity partner) and with local job placement agencies to assist in hiring minorities and women and the other groups mentioned above to diversify our workforce. We will routinely gather and monitor data to assess the success of these diversity initiatives and make improvements that detail our shortcomings of our own or those of

the local job placement agencies to ensure we complete the goals laid out in our plan. To track the progress of this plan, **our HR Department on a quarterly basis shall write a report listing all the engagement Ember Gardens conducted with local job placement agencies and recruiters, detailing the number of candidates reached, how many of them went through the interview process and how many have been offered and started employment. This report shall then be reviewed by the CEO.**

If unsatisfactory progress is being made in achieving the goals outlined in the plan under this program (Program 1) with the local job placement agencies, the CEO will make adjustments to the program, including instituting more direct recruiting efforts, such as company run job fairs or the writing of classifieds in the employment section of local newspapers. These more direct recruiting efforts will be executed on a quarterly basis (meaning one job fair per quarter, one listing of open positions per quarter in employment sections of local newspapers with language present that we are looking for someone that is a woman or a racial minority). Job fairs will be held in the dispensary municipality as well as areas of disproportionate impact as defined by the CCC. If this more direct recruiting approach is deemed necessary a quarterly report shall still be conducted by the HR Department and given to the CEO for review.

All reports done by the HR Department shall be made available to the CCC for review upon the license renewal process.

- **Program for Goal 2** - To achieve our goal of cultivating diversity among suppliers, vendors, and service providers we will use databases like the Supplier Diversity Program's (SDP <https://www.mass.gov/supplier-diversity-program-sdp> ) to find vendors and contractors falling into the above listed categories.

To track the progress of this plan, **our HR Department on a quarterly basis shall write a report listing all the engagement Ember Gardens conducted with vendors and contractors that fall into the above listed categories.**

Program 1 Example: Ember Gardens shall post quarterly advertisements in the local newspaper, the New Bedford Standard Times, stating that the establishment is specifically looking for women, veterans, minorities LGBTQ+, or persons with disabilities to work for the establishment.

Program 2 Example: Ember Gardens will start its bidding process by contacting the necessary subcontractors from the SDP database in order to meet or exceed its 20% vendor goal before moving on to non SDP subcontractors.

### **Plan Metric Tracking, Implementation Protocols and Measurements**



The HR Department will collect this data during the hiring process and maintain the company's personnel records per the Personnel Records Procedure. HR, in conjunction with the company CEO, will ensure the following metrics are kept to ensure we are progressing to meet the goals outlined in this plan and to confirm the programs we have in place to achieve them are working as intended. The success of this plan will be reviewed during Ember Gardens' license renewal process, which shall occur annually and every year after.

1. **Metric Tracked:** Number of individuals from the above-referenced demographic groups who were hired and retained after the issuance of a license.
2. **Metric Tracked:** Number of members of management that fall into the above-listed demographics since initial licensure.
3. **Metric Tracked:** Number of positions created since initial licensure and the ratios of the above demographics within those positions.
4. **Metric Tracked:** Number of postings in diverse publications or general publications with supporting documentation
5. **Metric Tracked:** Number of contractors or vendors used that fall into the above-listed demographics.
6. **Implementation Protocol:** Any actions taken, or programs instituted by Ember Gardens or any of its affiliates while implementing this plan will not violate the Cannabis Control Commission's regulations with respect to limitations on ownership or control or other applicable state laws.
7. **Implementation Protocol:** While implementing this plan, Ember Gardens will adhere to the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of Marijuana Establishments.
8. **Implementation Protocol:** All progress and successes of this plan shall be documented in a manner that is easily reviewable by the CCC during Ember Gardens' license renewal process, which shall occur annually and every year after.

# **Training Plan**

## **Employee Onboarding & General Training**

### **Employee Onboarding Overview**

Ember Gardens will implement a comprehensive employee training program, so that each employee understands their role in keeping the facility, themselves, and products safe and secure.

- All current owners, managers, and employees shall complete the Responsible Vendor Program after July 1, 2019 or when available. 935 CMR 500.105(2)
- All new employees shall complete the Responsible Vendor Program within 90 days of being hired. 935 CMR 500.105(2)
- Responsible Vendor Program documentation must be retained for four (4) years. 935 CMR 500.105(2)

### **General Policies**

- Who:
  - Hiring manager of new employees will be in charge of training
  - HR Associate's managed by Head of HR, will ensure new employees receive, fills out and returns all employment forms
    - The HR Department is in charge of ensuring the "Responsible Vendor Training Program" is completed annually by all employees.
  - Members of the Security Department give orientation on company and facility security and emergency procedures, policies and evacuation plans.
- Employment forms will include
  - I-9 information
    - Permissible personal identification documents
  - Tax forms (federal and state)
  - Bank account information (direct deposit)
  - Emergency contacts
- Ember Gardens will train all security and administrative personnel on identification techniques.
- During mandatory employee training, all employees will be given information on the security system, and why it is in place. Signage will also be placed through the establishment advising that the area is under video surveillance.
- When an employee is hired, they will be required to waive the right to privacy while working on the premises. During employee training all personnel will be

informed of this policy and that it is in place to prevent illegal diversion of cannabis products.

- At a minimum, staff shall receive eight hours of on-going training annually. (this is the responsibility of direct managers).
- Any requirements dictated by the Commission regarding the “Responsible Vendor Training Program” will be managed by the HR Department, and ensured of its execution by the CEO to maintain compliance for all employees and other associated parties that hold a Marijuana Agent Registration associated with the company.

### **Procedure**

1. Upon start employee will undergo the following general training exercises within their first week of employment
  - Onboarding and review of Employee Handbook and it's policies
    - Policies include but are not limited to:
      - Personal conduct in the workplace
      - Drug free work environment
      - Sexual harassment training
      - Discrimination training
      - General safety training
      - Security training
      - Prevention of diversion policies
  - Employee and hiring manager will sign documents indicating completion of training sessions
2. Employees will submit all I-9, payroll and other information required by the company for compliance reasons within their first week of employment, collected by the HR Department and stored per the Personnel Recording-Keeping Procedure.
3. Employees undergo job specific training
  - Details outlined in the Staffing Plan, Cultivation Training Plan, and Manufacturing Training Plan.

## **Retail Training**

### **Retail Training Overview**

Training for the retail sector will be highly job specific. Most team members will have significant previous experience and training in retail settings however they may be new to the cannabis industry and will have specific training to cover those areas. Upon starting a new role, team members will undergo training, shadowing, and examination

by their supervisors. Uniform training of employees will ensure state and company compliance that will result in consistent productive operations yielding the highest quality final products. Retail Associates will have a wide range of tasks and require the necessary skills to master those tasks. Employee training will cover all facets of the retail operations from safety, compliance, customer service, product training, and process quality.

### **General Policies**

- Who: Retail Associates managed by Retail Managers, and VP of Retail
- Where:
  - Retail Areas
- Designated process manager and/or designated trainer/specialist will spend a minimum of 2-3 weeks alongside designated Retail Associate during training period.
- Assessment of Retail Associate in the retention of required materials, knowledge, and abilities to perform required tasks sufficiently will be conducted via written and visual compliance tests in week 4.
- In the event that additional training is needed to support the Retail Associate in their continued progress through their designated positional requirements, feedback from the Associate will be documented and utilized to improve their success through the training process.
- Performance evaluations of Retail Associates will be conducted every 6 months.
- Retail Associates will not be required to have more than one primary designated area of responsibility.
- Retail Associates will be required to understand and participate when needed in a supporting capacity as determined by management in all areas that fall under Retail Operations.
- Maintain a safe work environment.
- Maintain a sterile work environment.
- Uphold all state and company policies and procedures.
- Make sure that all the tools and equipment are properly maintained.
- Maintain accurate and proper labeling of material batches per Inventory Procedures.
- Ensure strict compliance with dispensing procedures

## **List of Anticipated Positions and Their Qualifications**

**Retail GM** – The General Manager oversees day-to-day operations of the dispensary, managing core department managers (Security, Sales, Customer Services, Inventory) and managing all strategies and tasks related to facilities, accounting, sales and marketing, and public relations. He or she has financial responsibility for the P&L and is responsible for successful strategy execution. This position reports to and is accountable to the corporate officers. The General Manager provides leadership to all departments throughout the dispensary. He or she keeps tight control of the senior management-approved budget and oversees operations according to established policies and procedures. This staff member is ultimately responsible for overall building appearance, cleanliness, comfort, functionality, safety, security, and overall customer experience. Finally, this position is ultimately responsible for employees' strict adherence to laws and regulations concerning marijuana. We anticipate the salary range of our General Managers to be between 50-100k depending on experience.

Projected Start Date – At inception.

Reporting To – COO

Direct Reports – Retail Associates; Security Guards; Assistant GM

**Assistant General Manager** – The Assistant General Manager helps oversee day-to-day operations of the dispensary, managing core department managers (Security, Sales, Customer Services, Inventory) and assisting in managing all strategies and tasks related to facilities, accounting, sales and marketing, and public relations. This position reports to and is accountable to the General Manager and will fill in for them from time to time.

Projected Start Date – At inception.

Reporting To – GM

Direct Reports – Retail Associates; Security Guards

**Retail Lead (Budtender Lead)** – A senior budtender who leads a shift of budtenders at the storefront and represents the cannabis dispensary. Retail Leads are responsible for educating Retail Associates and consumers about the effects, benefits, and overall experience of cannabis products. While they are typically not medically trained, these marijuana dispensary employees serve as important guides to using cannabis products, and tailor their customer and patient service to all levels of experience. The job description for Budtender Lead usually entails a number of additional responsibilities in comparison to a regular budtender. The role involves completing these tasks on top of the typical Retail Associates duties:

- Training and mentorship of all budtenders

- Leading shifts and assisting managers in secondary tasks like menu creation, etc.
- Assisting with inventory management

Projected Start Date – At inception.

Reporting To – GM & AGM

Direct Reports – Retail Associates;

**Retail Associates (Budtenders)** – An employee who works at the storefront and represents the cannabis dispensary. Retail Associates are responsible for educating consumers about the effects, benefits, and overall experience of cannabis products. While they are typically not medically trained, these marijuana dispensary employees serve as important guides to using cannabis products, and tailor their customer and patient service to all levels of experience.

The job description for budtenders usually entails a number of responsibilities in the dispensary. The role typically includes:

- Acting as the face of the dispensary, greeting customers
- Facilitating the sale
- Educating customers about a variety of cannabis products, including flower, edibles, and concentrates
- Staying abreast of new products, strains, changes in laws, and industry trends in order to provide the highest level of service to customers
- Weighing and packaging products as needed
- Providing recommendations on cannabis products based on customer requests
- Maintaining medical cannabis patient information and proper records (if at a medical dispensary)
- Advising customers on proper safety measures to follow when consuming cannabis
- Verifying proper identification and paperwork from customers
- Assisting in various dispensary operations, including operating the cash register and maintaining hygienic conditions.

There would be a combination of full-time and part-time employees for the Retail Associate role. The starting salary would be \$38,000 per year (The national average salary for a Budtender is \$32,539 in the United States.) Regular pay increases would occur for Retail Associates who perform highly and gain experience on the job.

Projected Start Date – At inception.  
Reporting To – GM & AGM & Retail Lead  
Direct Reports – None

**Security Guard/Driver** – Due to the industry potentially being in all cash and the high value of the product being stored and transported, it has been common for cannabis businesses to have hired security either on the payroll or via outsourcing. While the usual high level of physical security on the site is good enough to deter most cases of robbery on premises, there is a need for a person to be present during business hours to monitor said security equipment and to respond to any incidents. The security guard will also handle any visitor management to ensure compliance with such regulations. The high vulnerability of either cash or product in transit will also add the dual responsibility of the security guards becoming the company drivers. They will work in close unison with the Head of Logistics and Packaging when doing these transportation runs. Hopefully, with the company's ability to deposit cash in banks, these runs will be for cannabis products only. Hires would be people with previous private security, military or law-enforcement experience. They would be full-time employees paid between \$18-\$25 per hour.

Projected Start Date – At inception.  
Reporting To – GM & AGM  
Direct Reports – None

**Inventory Lead** – These are senior inventory associates with experience and they have been promoted to lead shifts with involves all of the typical responsibilities of an inventory associate as well as the additional responsibility of the following:

- Training and mentorship of all Inventory Associates
- Leading shifts and assisting managers in inventory related management
- Auditing inventory vault.

Projected Start Date – At inception.  
Reporting To – GM & AGM  
Direct Reports – Inventory Associates

**Inventory Associate** – These employees will manage and negotiate the incoming sales orders and oversee that the orders are being fulfilled. They will also track, audit and maintain the inventory of the various goods that need to be stored and shipped, both for compliance and sales reasons. They would spend time working both in both the office and on the production floor, depending on the duties needed that day. These individuals

will be highly organized, with backgrounds in sales, audit or inventory preferred. A yearly salary would range between 36k to 55k. Paying bonuses tied to sales made will also be made once the company reaches a certain level of financial security.

Projected Start Date – At inception.

Reporting To – GM & AGM & Inventory Lead

Direct Reports – None



# **Energy & Water Efficiency Policies**

## **General Overview**

In a world where attention is increasingly paid to environment friendly practices within industries, legal cannabis has come into the spotlight as an area where improvements to energy efficiencies are needed. The Commission, working with state environmental officials, have set guidelines to have businesses employ environmentally and energy-saving equipment and processes. Ember Gardens will adhere and go above and beyond to satisfy these requirements, becoming an example for good environmental practices in the Massachusetts cannabis industry. **Ember Gardens shall satisfy minimum energy efficiency and equipment standards established by the Commission and meet all applicable environmental laws, regulations, permits and other applicable approvals, including those related to water quality and solid and hazardous waste management, prior to obtaining a final license under 935 CMR 500.103(2). In addition, Ember Gardens shall adopt and use additional best management practices as determined by the CCC to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts, and shall provide energy and water usage reporting to the CCC upon demand. Some of these practices are detailed below.**

## **General Policies**

- **Retail Area** - In the retail area, a concerted effort will be made to ensure proper energy saving practices, such as the use of LED lighting, timers/motion detectors to ensure that lights do not remain illuminated if there is no need (with strict exceptions to all lighting needed to maintain a secure facility). There also will be the concerted effort to control the retail areas temperature in the most energy efficient manner - so not to waste natural gas, oil or electricity in the heating and cooling of those areas.
- **Natural Lighting** - In the construction of our retail and back office space Ember Gardens will utilize natural lighting with frosted finishes to supplement LED lighting reducing electrical load and energy consumption.
- **Renewable Energy Generation** - Energy efficiency opportunities will be considered as well as on-site generators once Ember Gardens reaches the stage of working with engineers to create site & building plans upon receiving provisional license.
- **Energy Efficiency Programs (State & Local Oversight)** - Ember Gardens will work with an electrical engineer to review energy efficient policies pursuant to M.G.L. c. 25, § 21 statutes regarding energy efficiency programs. As well as work with various local boards to see how other local businesses enact policies and procedures to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts in a way that complies with all local regulations.

- EG will consider 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. 935 CMR 500.105(15)
- Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants. 935 CMR 500.105(15)