



## Massachusetts Cannabis Control Commission

### Marijuana Retailer

#### General Information:

License Number: MR284013  
Original Issued Date: 06/10/2021  
Issued Date: 06/10/2021  
Expiration Date: 06/10/2022

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Erba C3 Dorchester LLC

Phone Number: 734-323-1822 Email Address: ankur@c3industries.com

Business Address 1: 43 Freeport Street

Business Address 2:

Business City: Boston

Business State: MA

Business Zip Code: 02122

Mailing Address 1: 2082 S. State Street

Mailing Address 2:

Mailing City: Ann Arbor

Mailing State: MI

Mailing Zip Code: 48104

### CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

### PRIORITY APPLICANT

Priority Applicant: no

Priority Applicant Type: Not a Priority Applicant

Economic Empowerment Applicant Certification Number:

RMD Priority Certification Number:

### RMD INFORMATION

Name of RMD:

Department of Public Health RMD Registration Number:

Operational and Registration Status:

To your knowledge, is the existing RMD certificate of registration in good standing?:

If no, describe the circumstances below:

### PERSONS WITH DIRECT OR INDIRECT AUTHORITY

Person with Direct or Indirect Authority 1

Percentage Of Ownership: Percentage Of Control: 16.33

Role: Executive / Officer

Other Role:

First Name: Ankur

Last Name: Rungta

Suffix:

Gender: Male User Defined Gender:

What is this person's race or ethnicity?: Decline to Answer

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 2

Percentage Of Ownership: Percentage Of Control: 16.33

Role: Executive / Officer Other Role:

First Name: Vishal Last Name: Rungta Suffix:

Gender: Male User Defined Gender:

What is this person's race or ethnicity?: Decline to Answer

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 3

Percentage Of Ownership: Percentage Of Control: 16.34

Role: Executive / Officer Other Role:

First Name: Joel Last Name: Ruggiero Suffix:

Gender: Male User Defined Gender:

What is this person's race or ethnicity?: Decline to Answer

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 4

Percentage Of Ownership: Percentage Of Control: 51

Role: Executive / Officer Other Role:

First Name: Brian Last Name: Chavez Suffix:

Gender: Male User Defined Gender:

What is this person's race or ethnicity?: Decline to Answer

Specify Race or Ethnicity:

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

Entity with Direct or Indirect Authority 1

Percentage of Control: 49 Percentage of Ownership: 49

Entity Legal Name: C3 Industries Inc. Entity DBA: DBA  
City:

Entity Description: Holding Company

Foreign Subsidiary Narrative:

Entity Phone: 734-323-1822 Entity Email: Entity Website:  
ankur@c3industries.com

Entity Address 1: 2082 S. State Street Entity Address 2:

Entity City: Ann Arbor Entity State: MI Entity Zip Code: 48104

Entity Mailing Address 1: 2082 S. State Street Entity Mailing Address 2:

Entity Mailing City: Ann Arbor Entity Mailing State: MI Entity Mailing Zip Code:  
48104

Relationship Description: C3 Industries Inc. is the holding company for Erba C3 Dorchester LLC . C3 Industries Inc. owns 49% of Erba C3 Dorchester LLC.

Entity with Direct or Indirect Authority 2

Percentage of Control: 51 Percentage of Ownership: 51

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<b>Entity Legal Name:</b> Massachusetts Citizens for Social Equity LLC		<b>Entity DBA:</b>	<b>DBA City:</b>
<b>Entity Description:</b> Holding Company			
<b>Foreign Subsidiary Narrative:</b>			
<b>Entity Phone:</b> 617-817-5615	<b>Entity Email:</b> antoniospizzeria.dot@gmail.com	<b>Entity Website:</b>	
<b>Entity Address 1:</b> 561 Dudley Street	<b>Entity Address 2:</b>		
<b>Entity City:</b> Roxbury	<b>Entity State:</b> MA	<b>Entity Zip Code:</b> 02119	
<b>Entity Mailing Address 1:</b> 561 Dudley Street	<b>Entity Mailing Address 2:</b>		
<b>Entity Mailing City:</b> Roxbury	<b>Entity Mailing State:</b> MA	<b>Entity Mailing Zip Code:</b> 02119	
<b>Relationship Description:</b> Massachusetts Citizens for Social Equity LLC is the holding company for Erba C3 Dorchester LLC. Massachusetts Citizens for Social Equity LLC. owns 51% of Erba C3 Dorchester LLC.			

#### CLOSE ASSOCIATES AND MEMBERS

No records found

#### CAPITAL RESOURCES - INDIVIDUALS

No records found

#### CAPITAL RESOURCES - ENTITIES

##### Entity Contributing Capital 1

<b>Entity Legal Name:</b> C3 Industries Inc.		<b>Entity DBA:</b>	
<b>Email:</b> ankur@c3industries.com	<b>Phone:</b> 734-323-1822		
<b>Address 1:</b> 2082 S. State Street		<b>Address 2:</b>	
<b>City:</b> Ann Arbor	<b>State:</b> MI	<b>Zip Code:</b> 48104	
<b>Types of Capital:</b> Monetary/Equity	<b>Other Type of Capital:</b>	<b>Total Value of Capital Provided:</b> \$1000000	<b>Percentage of Initial Capital:</b> 100
<b>Capital Attestation:</b> Yes			

#### BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

##### Business Interest in Other State 1

<b>Business Interest of an Owner or the Marijuana Establishment:</b> Business Interest of an Owner			
<b>Owner First Name:</b> C3	<b>Owner Last Name:</b>	<b>Owner Suffix:</b>	
Industries Inc.			
<b>Entity Legal Name:</b> QPS Holdings LLC		<b>Entity DBA:</b>	
<b>Entity Description:</b> Oregon Cannabis businesses (cultivation, manufacturing, retail etc.)			
<b>Entity Phone:</b> 734-323-1822	<b>Entity Email:</b> Ankur@c3industries.com	<b>Entity Website:</b>	
<b>Entity Address 1:</b> 10160 North Lombard St		<b>Entity Address 2:</b>	
<b>Entity City:</b> Portland	<b>Entity State:</b> OR	<b>Entity Zip Code:</b> 97203	<b>Entity Country:</b> United States
<b>Entity Mailing Address 1:</b> 2082 S. State Street		<b>Entity Mailing Address 2:</b>	
<b>Entity Mailing City:</b> Ann Arbor	<b>Entity Mailing State:</b> MI	<b>Entity Mailing Zip Code:</b> 48104	<b>Entity Mailing Country:</b> United States

##### Business Interest in Other State 2

<b>Business Interest of an Owner or the Marijuana Establishment:</b> Business Interest of an Owner		
<b>Owner First Name:</b> C3	<b>Owner Last Name:</b>	<b>Owner Suffix:</b>

Industries Inc.

**Entity Legal Name:** QPS Michigan Holdings LLC

**Entity DBA:**

**Entity Description:** Michigan Cannabis businesses (cultivation, manufacturing, retail etc.)

**Entity Phone:** 734-323-1822

**Entity Email:**

ankur@c3industries.com

**Entity Website:**

**Entity Address 1:** 2082 S State Street

**Entity Address 2:**

**Entity City:** Ann Arbor

**Entity State:** MI

**Entity Zip Code:** 48104

**Entity Country:** United States

**Entity Mailing Address 1:** 2082 S State Street

**Entity Mailing Address 2:**

**Entity Mailing City:** Ann Arbor

**Entity Mailing State:** MI

**Entity Mailing Zip Code:**  
48104

**Entity Mailing Country:** United  
States

### Business Interest in Other State 3

**Business Interest of an Owner or the Marijuana Establishment:** Business Interest of an Owner

**Owner First Name:** C3

**Owner Last Name:**

**Owner Suffix:**

Industries Inc.

**Entity Legal Name:** QPS Missouri Holdings LLC

**Entity DBA:**

**Entity Description:** Missouri Cannabis businesses (cultivation, manufacturing, retail etc.)

**Entity Phone:** 734-323-1822

**Entity Email:**

ankur@c3industries.com

**Entity Website:**

**Entity Address 1:** 122 East High Street, Floor 3

**Entity Address 2:**

**Entity City:** Jefferson City

**Entity State:** MI

**Entity Zip Code:** 65101

**Entity Country:** United States

**Entity Mailing Address 1:** 2082 S. State Street

**Entity Mailing Address 2:**

**Entity Mailing City:** Ann Arbor

**Entity Mailing State:** MI

**Entity Mailing Zip Code:**  
48104

**Entity Mailing Country:** United  
States

### DISCLOSURE OF INDIVIDUAL INTERESTS

#### Individual 1

**First Name:** Ankur

**Last Name:** Rungta

**Suffix:**

**Marijuana Establishment Name:** QPS Massachusetts Holdings, LLC

**Business Type:** Marijuana Cultivator

**Marijuana Establishment City:** Franklin

**Marijuana Establishment State:** MA

#### Individual 2

**First Name:** Vishal

**Last Name:** Rungta

**Suffix:**

**Marijuana Establishment Name:** QPS Massachusetts Holdings, LLC

**Business Type:** Marijuana Cultivator

**Marijuana Establishment City:** Franklin

**Marijuana Establishment State:** MA

#### Individual 3

**First Name:** Joel

**Last Name:** Ruggiero

**Suffix:**

**Marijuana Establishment Name:** QPS Massachusetts Holdings, LLC

**Business Type:** Marijuana Cultivator

**Marijuana Establishment City:** Franklin

**Marijuana Establishment State:** MA

#### Individual 4

**First Name:** Ankur

**Last Name:** Rungta

**Suffix:**

**Marijuana Establishment Name:** QPS Massachusetts Holdings, LLC

**Business Type:** Marijuana Product Manufacture

**Marijuana Establishment City:** Franklin

**Marijuana Establishment State:** MA

#### Individual 5

**First Name:** Vishal

**Last Name:** Rungta

**Suffix:**

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**Marijuana Establishment Name:** QPS Massachusetts Holdings, LLC **Business Type:** Marijuana Product Manufacture

**Marijuana Establishment City:** Franklin

**Marijuana Establishment State:** MA

#### Individual 6

**First Name:** Joel

**Last Name:** Ruggiero

**Suffix:**

**Marijuana Establishment Name:** QPS Massachusetts Holdings, LLC **Business Type:** Marijuana Product Manufacture

**Marijuana Establishment City:** Franklin

**Marijuana Establishment State:** MA

#### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

**Establishment Address 1:** 43 Freeport Street

**Establishment Address 2:**

**Establishment City:** Boston

**Establishment Zip Code:** 02122

**Approximate square footage of the establishment:** 4000

**How many abutters does this property have?:** 47

**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	Erba C3 - HCA Certification Form_SIGNED.PDF	pdf	60039ce036d86207eb96b666	01/16/2021
Plan to Remain Compliant with Local Zoning	Erba C3Dorchester - Plans to Remain Compliant.pdf	pdf	600da911a4d1c4079996a3be	01/24/2021
Community Outreach Meeting Documentation	Erba C3 Dorchester - Public Notice - Attachment C.pdf	pdf	600da9889aa497082efbced7	01/24/2021
Community Outreach Meeting Documentation	Erba C3 Dorchester - Filing with City - Attachment B.pdf	pdf	600dab1ca4d1c4079996a3c6	01/24/2021
Community Outreach Meeting Documentation	Erba C3 Dorchester - Newspaper Ad - Attachment A.pdf	pdf	600dacbd91465f076d75cb22	01/24/2021
Community Outreach Meeting Documentation	2021.01.28 - Cover Letter Re Community Meeting Recording.pdf	pdf	60130e9499372e0774f738f5	01/28/2021
Community Outreach Meeting Documentation	Erba C3 Dorchester - HCA Attestation Form.pdf	pdf	60130f6491465f076d75db9f	01/28/2021
Plan to Remain Compliant with Local Zoning	Erba RF1 - Erba C3 - Zoning Letter with Draft Decision_COMPLETE.pdf	pdf	605355c7e5be0207aec71f68	03/18/2021

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

#### PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	Erba RF1 1 - Erba C3 - Positive Impact Plan_COMPLETE.pdf	pdf	605354f94c3a6c079db3d0a0	03/18/2021

## ADDITIONAL INFORMATION NOTIFICATION

Notification:

### INDIVIDUAL BACKGROUND INFORMATION

#### Individual Background Information 1

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

#### Individual Background Information 2

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

#### Individual Background Information 3

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

#### Individual Background Information 4

Role: Executive / Officer      Other Role:  
First Name: Brian      Last Name: Chavez      Suffix:  
RMD Association: Not associated with an RMD  
Background Question: yes

### ENTITY BACKGROUND CHECK INFORMATION

#### Entity Background Check Information 1

Role: Parent Company      Other Role:  
Entity Legal Name: C3 Industries, Inc.      Entity DBA:  
Entity Description: Holding Company  
Phone: 734-323-1822      Email: ankur@c3industries.com  
Primary Business Address 1: 2082 S State Street      Primary Business Address 2:  
Primary Business City: Ann Arbor      Primary Business State: MI      Principal Business Zip Code: 48104  
Additional Information:

#### Entity Background Check Information 2

Role: Parent Company      Other Role:  
Entity Legal Name: Massachusetts Citizens for Social Equity, LLC      Entity DBA:  
Entity Description: Holding Company  
Phone: 617-817-5615      Email: antoniospizzeria.dot@gmail.com  
Primary Business Address 1: 561 Dudley Street      Primary Business Address 2:  
Primary Business City: Roxbury      Primary Business State: MA      Principal Business Zip Code: 02119  
Additional Information:

## MASSACHUSETTS BUSINESS REGISTRATION

### Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Secretary of Commonwealth - Certificate of Good Standing	COGS_Erba C3 Dorchetser_Jan 11, 2021.pdf	pdf	600488f916d57608051fdc65	01/17/2021
Articles of Organization	Article of Organization_ERBA C3 DORCHESTER LLC.pdf	pdf	6004890f9597d30802d2e8f1	01/17/2021
Secretary of Commonwealth - Certificate of Good Standing	Cert of Compliance_Erba C3 Dorchester_MASS Dept of Unemployment Assistance.pdf	pdf	6004892c44f61c07f680110a	01/17/2021
Bylaws	Operating Agreement - Erba C3 Dorchester LLC - Fully Executed.pdf	pdf	6004894389d382080d8eff60	01/17/2021
Department of Revenue - Certificate of Good standing	Erba C3 Dorchester - Certificate of Good Standing Department of Revenue.pdf	pdf	600db0859a7da608237ac74c	01/24/2021
Articles of Organization	Erba C3 DBA Letter.pdf	pdf	6053560c5100e00770dae6d2	03/18/2021
Bylaws	Erba C3 Nathan Crankshaw Letter.pdf	pdf	6053560d15bf0e07a4ba55c4	03/18/2021

No documents uploaded

Massachusetts Business Identification Number: 001425367

Doing-Business-As Name:

DBA Registration City: Boston

## BUSINESS PLAN

### Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	Erba C3 Dorchester, LLC - Insurance.pdf	pdf	600db0c691465f076d75cb2e	01/24/2021
Proposed Timeline	Erba C3 Dorchester - Proposed Timeline.pdf	pdf	600db1133a66f208090f26c7	01/24/2021
Business Plan	Erba C3 Dorchester - Business Plan.pdf	pdf	600db198acd73907b60f3be5	01/24/2021

## OPERATING POLICIES AND PROCEDURES

### Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Energy Compliance Plan	Erba C3 Dorchester - Energy Compliance Plan.pdf	pdf	600496bf36d86207eb96b723	01/17/2021
Inventory procedures	Erba C3 Dorchester - Inventory Procedures.pdf	pdf	60049756d18fa907c7d94c22	01/17/2021
Maintaining of financial records	Erba C3 Dorchester - Maintaining Financial Records.pdf	pdf	600497c6eb00b107e4547105	01/17/2021
Plan for obtaining marijuana or marijuana products	Erba C3 Dorchester - Obtaining Marijuana Product.pdf	pdf	6004983736d86207eb96b727	01/17/2021
Prevention of diversion	Erba C3 Dorchester - Prevention of Diversion.pdf	pdf	600498aab11eae07c3c5a956	01/17/2021

Qualifications and training	Erba C3 Dorchester - Qualifications and Training.pdf	pdf	6004991f36d86207eb96b72b	01/17/2021
Quality control and testing	Erba C3 Dorchester - Quality Control and Testing.pdf	pdf	6004998316d57608051fdc80	01/17/2021
Record Keeping procedures	Erba C3 Dorchester - Recordkeeping Procedures.pdf	pdf	600499ea44f61c07f6801136	01/17/2021
Restricting Access to age 21 and older	Erba C3 Dorchester - Restricting Access.pdf	pdf	60049a6336d86207eb96b72f	01/17/2021
Security plan	Erba C3 Dorchester - Security Plan.pdf	pdf	60049b189597d30802d2e916	01/17/2021
Separating recreational from medical operations, if applicable	Erba C3 Dorchester - Separating Medical and Recreational Products.pdf	pdf	60049b7f09cfae0810fd57b8	01/17/2021
Storage of marijuana	Erba C3 Dorchester - Storage of Marijuana.pdf	pdf	60049be116d57608051fdc85	01/17/2021
Transportation of marijuana	Erba C3 Dorchester - Transportation of Marijuana.pdf	pdf	60049c5deb00b107e454710c	01/17/2021
Dispensing procedures	Erba C3 Dorchester - Dispensing Procedures.pdf	pdf	600db79cc6de99078eaa96c4	01/24/2021
Personnel policies including background checks	Erba RFI 1 - Erba C3 Dorchester - Personnel Policies.pdf	pdf	604e3c3a183b5235aa44f0c6	03/14/2021
Diversity plan	Erba RFI 1 - Erba C3 - Diversity Plan_COMPLETE.pdf	pdf	6053563d59735d07bd821724	03/18/2021

#### 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

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**Notification:**

**COMPLIANCE WITH POSITIVE IMPACT PLAN**

No records found

**COMPLIANCE WITH DIVERSITY PLAN**

No records found

**HOURS OF OPERATION**

<b>Monday From: 10:00 AM</b>	<b>Monday To: 9:00 PM</b>
<b>Tuesday From: 10:00 AM</b>	<b>Tuesday To: 9:00 PM</b>
<b>Wednesday From: 10:00 AM</b>	<b>Wednesday To: 9:00 PM</b>
<b>Thursday From: 10:00 AM</b>	<b>Thursday To: 9:00 PM</b>
<b>Friday From: 10:00 AM</b>	<b>Friday To: 9:00 PM</b>
<b>Saturday From: 10:00 AM</b>	<b>Saturday To: 9:00 PM</b>
<b>Sunday From: 10:00 AM</b>	<b>Sunday To: 9:00 PM</b>

# 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:

2. Name of applicant’s authorized representative:

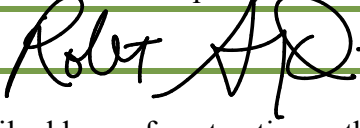
3. Signature of applicant’s authorized representative:

4. Name of municipality:

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



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:



**Compliance Plan**  
**Retail Application**  
**43 Freeport Street, Boston, Massachusetts 02122**  
**Erba C3 Dorchester LLC**

Erba C3 Dorchester LLC (“C3”) is seeking to operate a marijuana retail facility (the “**Facility**”) at 43 Freeport Street in Boston, Massachusetts (the “**Property**”). C3 will implement and enforce policies and procedures that adhere to all state and local rules and regulations, as amended from time-to-time (the “**Applicable Laws**”), including the rules set forth by the Cannabis Control Commission (the “**Commission**”). C3 will continue to update its written policies and procedures to reflect any amendments to the Applicable Laws.

In the City of Boston (the “**City**”), marijuana retail requires a Host Community Agreement (“HCA”) with the City as well as the issuance of a use variance by the Zoning Board of Appeal.

C3 has entered into the HCA with the City of Boston.

We are currently in the process of applying for a use variance for marijuana retail from the Zoning Board of Appeal and are scheduled for our hearing on February 2, 2021. Once issued, the special permit will not require ongoing renewal.

The City of Boston will also require a building permit to be issued before C3 will be able to commence construction of the Facility. C3 is currently preparing detailed architectural and engineering drawings for submission to the City of Boston for review and approval. C3 will submit its plans for building permit after it receives the use variance from the Zoning Board of Appeal.

The City of Boston will further require that a certificate of occupancy be issued upon the substantial completion of construction of the facility and prior to the start of operations. C3 will engage a highly experienced local general contractor to manage the construction process and lead the Facility through final inspections with the City and other relevant authorities. The general contractor will ultimately be responsible for addressing any inspection-related issues and obtaining the certificate of occupancy. Once C3 obtains the certificate of occupancy, it will seek final inspections from the CCC and to enter into operations.





# Attachment "C"

## **Notice of Public Meeting**

**Notice is hereby given that a Community Outreach Meeting for a Proposed Cannabis Establishment is scheduled for:**

**Date:** Thursday, August 20th, 2020

**Time:** 6:00PM - 8:00PM

**Event Link:** <https://bit.ly/2WCNKcZ>

**Event number:** 129 813 6821

**Event password:** uqYA5CkaU86

**Hosted online per the Cannabis Control Commission 4/27/2020 administrative order**

**The Proposed Cannabis Establishment is anticipated to be located at:**

**Erba C3 Dorchester LLC  
43 Freeport Street, Dorchester 02122**

There will be an opportunity for the public to ask questions.  
*Please, test and charge your device ahead of time.*

If you have any questions about this meeting or have comments about the proposal please contact:

**Patrick Fandel  
Mayor's Office of Neighborhood Services  
(617) 635-4819| [patrick.fandel@boston.gov](mailto:patrick.fandel@boston.gov)**

*Please note, the City does not represent the owner(s)/developer(s)/attorney(s). The purpose of this meeting is to get community input and listen to the community's positions on this proposal. This flyer has been dropped off by the proponents per the city's request*

# Attachment "B"

**From:** [Christian Janisse](#)  
**To:** [Christian Janisse](#)  
**Subject:** FW: [EXTERNAL] City of Boston\_Clerks Notice\_Cannabis Community Meeting: 43 Freeport Street , Dorchester  
**Date:** January 24, 2021 12:12:05 PM

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----- Forwarded message -----

From: **Regine Desir** <[regine.desir@boston.gov](mailto:regine.desir@boston.gov)>  
Date: Wed, Aug 5, 2020 at 10:43 AM  
Subject: Re: Cannabis Community Meeting: 43 Freeport Street , Dorchester  
To: Patrick Fandel <[patrick.fandel@boston.gov](mailto:patrick.fandel@boston.gov)>  
Cc: Public Notice <[publicnotice@boston.gov](mailto:publicnotice@boston.gov)>, Jerome Smith <[jerome.smith@boston.gov](mailto:jerome.smith@boston.gov)>, Edward McGuire <[edward.mcguire@boston.gov](mailto:edward.mcguire@boston.gov)>, Keith Williams <[keith.williams@boston.gov](mailto:keith.williams@boston.gov)>, Shanique Joseph <[shanique.joseph@boston.gov](mailto:shanique.joseph@boston.gov)>, Lesley Hawkins <[lesley.hawkins@boston.gov](mailto:lesley.hawkins@boston.gov)>, John Barry <[attorneyjdbarry@gmail.com](mailto:attorneyjdbarry@gmail.com)>

Hi Patrick

The following changes how been revised

<https://www.boston.gov/public-notices/13659666>

Best

Regine

On Wed, Aug 5, 2020 at 10:34 AM Patrick Fandel <[patrick.fandel@boston.gov](mailto:patrick.fandel@boston.gov)> wrote:

Hello all:

The cannabis meeting for this address has been rescheduled, can the public notice be updated to reflect the new date? The rescheduled date for the meeting will be on August 18th at 6:00PM via Webex Meeting Forum.

The applicant, ccd here, has been given the appropriate documents for notification, please see below.

Please let me know if you have any questions or concerns.

Best,

Patrick

On Mon, Jul 20, 2020 at 1:44 PM John Barry <[attorneyjdbarry@gmail.com](mailto:attorneyjdbarry@gmail.com)> wrote:

Thank you everyone.

On Mon, Jul 20, 2020 at 1:39 PM Regine Desir <[regine.desir@boston.gov](mailto:regine.desir@boston.gov)> wrote:

Hi John

The change has been made

<https://www.boston.gov/public-notices/13659666>

On Mon, Jul 20, 2020 at 1:35 PM John Barry <[attorneyjdbarry@gmail.com](mailto:attorneyjdbarry@gmail.com)> wrote:

Hi Patrick-

One quick edit.....our team just caught that the notice says "Wednesday, August 6th", but should read "Wednesday, August 5th"

Patrick-I just edited the Word version, and saved it as a PDF below. If you are OK with this version, you don't need to edit it".

It should be re-posted as Wednesday, August 5th, 2020.

Best Wishes,  
JD

On Mon, Jul 20, 2020 at 12:33 PM Patrick Fandel <[patrick.fandel@boston.gov](mailto:patrick.fandel@boston.gov)> wrote:

Thank you!

On Mon, Jul 20, 2020 at 12:06 PM Regine Desir <[regine.desir@boston.gov](mailto:regine.desir@boston.gov)> wrote:

Hi Patrick

The following meeting has been posted

<https://www.boston.gov/public-notices/13659666>

On Mon, Jul 20, 2020 at 11:48 AM Patrick Fandel <[patrick.fandel@boston.gov](mailto:patrick.fandel@boston.gov)> wrote:

Hello all:

The following address has been confirmed for a Community Outreach Meeting for a proposed Cannabis Establishment: 43 Freeport Street, Dorchester - the scheduled date for the meeting will be on August 5th at

6:00PM via Webex Meeting Forum.

The applicant, ccd here, has been given the appropriate documents for notification, please see below.

Please let me know if you have any questions or concerns.

Best,

Patrick

--



**Patrick Fandel**

Dorchester and City-Wide LGBTQ+ Liaison for  
Mayor Martin J. Walsh

Office of Neighborhood Services

Office: [617.635.4819](tel:617.635.4819)

Sign up for neighborhood news [here](#).

\*\*The City of Boston is subject to [MGL: Chpt.66, Sec.10 Public Records Law](#). Email sent or received by City employees are subject to these laws. Unless otherwise exempted from the public records law, senders and receivers of City email should presume that the email are subject to release upon request, and to state record retention requirements.

--

**Regine Desir, MCP**

Administrative Assistant

City of Boston: City Clerk's Office

1 City Hall Square, Rm 601

Boston, MA 02201-2006

Phone: [617-635-2047](tel:617-635-2047)

Fax: [617-635-4658](tel:617-635-4658)

Website: [www.boston.gov/city-clerk](http://www.boston.gov/city-clerk)

This email is subject to [MGL: Chapt.66, Sec.10 Public Records Law](#)

--



**Patrick Fandel**

Dorchester and City-Wide LGBTQ+ Liaison for  
Mayor Martin J. Walsh  
Office of Neighborhood Services  
Office: [617.635.4819](tel:617.635.4819)  
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--

**Regine Desir, MCP**

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1 City Hall Square, Rm 601  
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This email is subject to [MGL: Chapt.66, Sec.10 Public Records Law](#)

--



**Patrick Fandel**

Dorchester and City-Wide LGBTQ+ Liaison for  
Mayor Martin J. Walsh  
Office of Neighborhood Services  
Office: [617.635.4819](tel:617.635.4819)  
Sign up for neighborhood news [here](#).

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email are subject to release upon request, and to state record retention requirements.

--

**Regine Desir, MCP**

Administrative Assistant  
City of Boston: City Clerk's Office

1 City Hall Square, Rm 601  
Boston, MA 02201-2006  
Phone: 617-635-2047  
Fax: 617-635-4658  
Website: [www.boston.gov/city-clerk](http://www.boston.gov/city-clerk)

This email is subject to [MGL: Chapt.66, Sec.10 Public Records Law](#)

Attachment "B"

# COMMUNITY MEETING FOR PROPOSED DORCHESTER CANNABIS ESTABLISHMENT

There will be a virtual community outreach meeting for a proposed cannabis establishment on August 20th at 6 p.m.

JOIN THE MEETING

Event number: 129 813 6821

Event password: uqYA5CkaU86

August 20, 2020

- 06:00PM
- MEETING LINK: HTTPS://BIT.LY/2WCNK CZ BOSTON, MA 02201
- PATRICK.FANDEL@BOSTON.GOV
- 617-635-4819

Contact: PATRICK FANDEL

Neighborhoods: DORCHESTER

Posted: 07/20/2020 - 11:51AM

- RESOURCES:
- OFFICIAL FILED POSTING
  - OFFICIAL REVISED FILED POSTING
  - OFFICIAL SECOND REVISED FILED POSTING

# Attachment “A”

LEGAL NOTICES	LEGAL NOTICES
<p>Notice of Public Meeting</p> <p>Notice is hereby given that a Community Outreach Meeting for a Proposed Cannabis Establishment is scheduled for:</p> <p>Date: Thursday, August 20th, 2020 Time: 6:00PM - 8:00PM Event Link: <a href="https://bit.ly/2WCNKcZ">https://bit.ly/2WCNKcZ</a> Event number: 129 813 6821 Event password: uqYA5CkaU86</p> <p>Hosted online per the Cannabis Control Commission 4/27/2020 administrative order</p> <p>The Proposed Cannabis Establishment is anticipated to be located at:</p> <p>Erba C3 Dorchester LLC 43 Freeport Street, Dorchester 02122</p> <p>There will be an opportunity for the public to ask questions. Please, test and charge your device ahead of time.</p> <p>If you have any questions about this meeting or have comments about the proposal please contact:</p> <p>Patrick Fandel</p> <p>Mayor's Office of Neighborhood Services (617) 635-4819   <a href="mailto:patrick.fandel@boston.gov">patrick.fandel@boston.gov</a></p> <p>Please note, the City does not represent the owner(s)/developer(s)/attorney(s). The purpose of this meeting is to get community input and listen to the community's positions on this proposal. This flyer has been dropped off by the proponents per the city's request</p> <p>Aug 6</p>	

**For convenient home  
delivery of the Boston  
Herald call**

**800.882.1211**

fork  
lift



**A BLOG  
for food,  
fun & drink**

THURSDAY, AUGUST 6, 2020 BOSTON HERALD



January 28, 2021

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

**Attention: TO WHOM IT MAY CONCERN**

**Re: MRN284013 – Erba C3 Dorchester LLC**

Erba C3 Dorchester LLC (the “**Company**”) is seeking to operate a retail Marijuana Establishment at 43 Freeport Street, Boston, Massachusetts 02122 (the “**Facility**”).

This letter serves to confirm that the file size for the community meeting recording was too large to upload to the application portal. The Company emailed Anne Dimare at [licensing@cccmass.com](mailto:licensing@cccmass.com). A copy of the email, providing the url to download the videorecording, is enclosed with this letter.

Should you have any questions, please feel free to reach out to me directly by phone at 734-323-1822 or by email at [ankur@c3industries.com](mailto:ankur@c3industries.com).

Sincerely,

Ankur Rungta

**From:** [Christian Janisse](#)  
**To:** [CCC Licensing](#)  
**Cc:** [Ankur Rungta](#)  
**Subject:** MRN284013 - Community Meeting Recording  
**Date:** January 28, 2021 2:12:00 PM  
**Attachments:** [image002.png](#)

---

Dear Anne DiMare,

I am writing to you with respect to the above-noted application for Erba C3 Dorchester LLC. The link to download the video recording of our Company's community meeting is:

<https://www.dropbox.com/s/z1lhev0mcda7b/43%20Freeport%20Street%20-%20Cannabis%20Community%20Outreach%20Meeting?dl=0>

This link will also be provided in the cover letter we will have uploaded to the application portal. For your convenience, the community meeting took place on August 20, 2020 for the property located at 43 Freeport Street, Boston, MA 02122.

If you have any questions or need further assistance with accessing our video, please let me know.

Regards,  
Christian



**Christian Janisse**

*Business Development Associate*

**p:** 226-506-0440

**e:** [christian@c3industries.com](mailto:christian@c3industries.com)

**a:** 2082 S. State St., Ann Arbor, MI

**w:** [www.c3industries.com](http://www.c3industries.com)

# 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:

Name of applicant's authorized representative:

Signature of applicant's authorized representative:



March 17, 2021

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

**Attention: TO WHOM IT MAY CONCERN**

**Re: MRN284013 – Erba C3 Dorchester LLC**

---

Erba C3 Dorchester LLC (the “**Company**”) is seeking to operate a retail Marijuana Establishment at 43 Freeport Street, Boston, MA 02122 (the “**Facility**”). The Company received a request for more information on February 22, 2021, where the Cannabis Control Commission (the “**Commission**”) requested, among other things, that the Company provide a copy of the special permit required by the City of Boston.

This letter serves to confirm that the conditional use permit required by the City of Boston was approved by the Zoning Board of Appeal on February 2, 2021. We are awaiting the final signed copy of the conditional use permit, which we anticipate receiving within 60 days of the approval date. Attached as Schedule “A” is a draft copy of the special permit, as approved by the Zoning Board of Appeal.

We hope this letter provides clarity on this matter. Should you have any questions, please feel free to reach out to me directly by phone at 734-323-1822 or by email at [ankur@c3industries.com](mailto:ankur@c3industries.com).

Sincerely,

Ankur Rungta

**Schedule "A"**  
**Draft Special Permit**

**See attached.**

In this appeal, the Petitioner seeks a Conditional Use Permit pursuant to the Boston Zoning Code Article 65, § 65-15 and Article 6, § 6-3 to operate a Cannabis Establishment at the building located at 43 Freeport Street, Dorchester, Ward 15, within the Dorchester Neighborhood Zoning District and the Local Industrial Subdistrict (“the Property”).

### **BACKGROUND**

The Petitioner received a zoning code refusal from Plans Examiner Lisa Hoang, on behalf of the Commissioner, on or about May 18, 2020. It appealed said refusal and was given a public hearing date of February 2, 2021.

At the public hearing the Petitioner presented facts and materials, as to how it satisfied the criteria for a conditional use permit, as set forth in the Boston Zoning Code and public testimony was taken. A representative of the Mayor’s Office of Neighborhood Services, the District City Councilor’s Office, and a representative of the New England Regional Council of Carpenters all spoke in support of the Cannabis Establishment. No one spoke in opposition. Many community meetings were held, including the state required and properly noticed Community Meeting, and letters of support were filed in support of the project.

### **DOCUMENTS FILED WITH THE CITY AND/OR THE BOARD**

The Petitioner filed the following documents:

- Appeal and Filing Fee;
- Plans prepared by Bergmeyer Architects dated February 2, 2021;
- A Host Community Agreement executed by the Petitioner and the City of Boston; and
- Correspondence of the Boston Cannabis Board demonstrating its vote of support on October 21, 2020.

### **FINDINGS**

Based on the evidence before it, and pursuant to Article 6, § 6-3, the Board makes the following findings:

**a) The specific site is an appropriate location for such use;**

The Cannabis Establishment is a contemplated use in the Local Industrial Subdistrict of the Dorchester Neighborhood Zoning District. The location of the Cannabis Establishment is an appropriate location. The Cannabis Establishment has on-site parking and is centrally located and easily accessible via public or private means of transportation.



**b) The use will not adversely affect the neighborhood;**

The Cannabis Establishment will not adversely affect the neighborhood, or alter the essential character of the neighborhood, or produce an undesirable change in the character of the neighborhood. Pursuant to state and local regulations, the Cannabis Establishment is specifically designed to minimize and mitigate any impact on the neighborhood. It will be equipped with state-of-the-art security features including video surveillance and private security. The Petitioner stated that it will enhance the safety and security of the neighborhood by providing improved lighting, and investing substantial capital to improve and build-out the space.

**c) There will be no serious hazard to vehicles or pedestrians from the use;**

The Cannabis Establishment will not disturb the existing right of way, pedestrian access, and will not cause a serious hazard to vehicle or pedestrian traffic.

**d) No nuisance will be created by the use; and**

The Cannabis Establishment will not produce any unusual noise or odors, fumes or waste nor will it cause any serious hazard to pedestrians or create a nuisance. The Petitioner stated that it is, and will continue to be, subject to rigorous requirements set for by the CCC to ensure the proper operation of the Cannabis Establishment.

**e) Adequate and appropriate facilities will be provided for the proper operation of the use.**

The Cannabis Establishment will be fitted with high-end equipment, providing adequate and appropriate facilities to enhance its operation. The Petitioner further stated that it has designed the Cannabis Establishment in a manner that will be in keeping with the neighborhood, while preserving its ability to provide vital services. The Cannabis Establishment will benefit the City and promote the health and welfare of its residents by providing quality service to its customers and/or patients, and will operate in a professional manner.

Based on the foregoing Findings, the Board finds that the requested relief may be granted in harmony with the general purpose and intent of the Code and will not be injurious to the neighborhood or otherwise detrimental to the public welfare. The Cannabis Establishment will provide necessary access to customers and/or patients. It will serve as a benefit to the City by fulfilling the state mandate that Cannabis Establishments need to be allowed to open and operate, while ensuring the safety of the public.

43 Freeport Street (Ward 15)  
BOA-1068978  
Date of Hearing: February 2, 2021  
Permit # ALT1054604  
Page # 4

## **CONCLUSION**

Based on the evidence, the Board finds that all conditions required for the granting of a Conditional Use Permit under Article 6 § 6-3 of the Zoning Code have been met.

Therefore, acting under its discretionary power, the Board (the members and/or substitute members sitting on this appeal) voted unanimously to grant the requested Conditional Use Permit as described above, which annuls the refusal of the Building Commissioner and orders him to grant a Conditional Use Permit with the provisos provided below.

APPROVED AS TO FORM:

PROVISO:

---

Assistant Corporation Counsel

For this applicant only

BPDA Design review with specific emphasis on lighting, screening and buffering within the parking area of the Property.

# **Positive Impact Plan**

## **Marijuana Retailer Application**

### **43 Freeport St., Boston, MA 02122**

### **Erba C3 Dorchester LLC**

## **Introduction**

Erba C3 Dorchester, LLC (the “**Company**”) is seeking to operate a retail Marijuana Establishment (the “**Center**”) at 43 Freeport Street, Boston, Massachusetts (the “**Property**”). The Company is a subsidiary of a multi-state operator that currently holds licenses for cannabis cultivation, manufacturing and retail facilities in several states, including Oregon, Missouri, Massachusetts and Michigan. As a result, the Company has experience developing procedures that adhere to all state and local rules and regulations, as amended from time-to-time (the “**Applicable Laws**”), including the rules set forth by the Massachusetts Cannabis Control Commission (the “**Commission**”). Any actions taken, or programs instituted, will not violate the Commission’s regulations with respect to limitations on ownership or control or other Applicable Laws.

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

The Company shall document the progress or success of this plan annually upon renewal (i.e., one year from provisional licensure whether or not the Company has a final license).

## **Goals**

The Company is a multi-state cannabis company that is deeply committed to positively impacting populations and communities that have been disproportionately impacted by cannabis prohibition, including those that have been identified by the Commission. The Company is committed to devoting meaningful resources to encourage full participation in the regulated cannabis industry.

The goals of the Company’s Positive Impact Plan, include, but are not limited to:

1. Providing at least \$5,000 per year in financial support to WORK Inc., an organization that provides services to an area of disproportionate impact in Boston, MA; and
2. Providing at least \$5,000 per year as an educational grant to support individuals that are a past or present resident of those areas of Boston, MA identified as areas of disproportionate impact by the Cannabis Control Commission (collectively referred to as the “**ADI Targets**”) and are interested in continuing education and career development in the cannabis industry.

## **Programs**

The Company has developed specific programs to implement and achieve the goals set forth above.

The progress or success of the programs contained in this Positive Impact Plan will be documented each year upon licensure renewal.

### **Program #1: Community Program**

The Company will offer financial support to a non-profit organization that deliver services in ADI Targets. The Company is committed to providing a minimum of \$5,000 per year to its community partner, WORK Inc., an organization that provides community-based programs to adults with disabilities.

The Company has verified that WORK Inc. is willing to accept donations provided by the Company. A copy of the email from WORK Inc. confirming that it is willing to accept donations from the Company is attached in Schedule A to this Positive Impact Plan for the Commission's review.

### **Program #2: Educational Grant**

The Company is committed to supporting past or present residents of one of the ADI Targets with continuing education and career development opportunities in the cannabis industry. The Company will provide an education grant in the amount of \$5,000 per year to assist with the tuition costs associated with training, education and development of one individual's career in the cannabis industry.

Individuals interested in the Company's educational grant will need to submit an application form to the Company's human resource department for review and final determination. The Company's application form will ask applicants to provide basic demographic information, proof of past or present residence in at least of the ADI Targets and proof of enrolment in a training, education or development course related to the cannabis industry. This evidence could include a letter of acceptance or letter from the educational institution confirming the applicant's enrolment. In addition to completing the application questionnaire, all applicants will be required to be submit a short essay (no more than 500 words) to describe how they intend to use the educational grant to influence their community and directly benefit their career in the cannabis industry. Applications will be accepted between January 1<sup>st</sup> and March 31<sup>st</sup> of each calendar year. The Company will review all applications and issue its final decision on or before June 30<sup>th</sup> of each calendar year.

## **Measurements**

To ensure that the above goals are met, the Company will engage in the following review and measurements on at least an annual basis:

### **Community Program**

In order to measure the effectiveness of the Company's community programs, the following data will be collected and reviewed on a periodic basis:

1. Data outlining the financial contributions made by the Company to WORK Inc. to ensure it has donated at least \$5,000 per annum; and
2. Communication and feedback with its WORK Inc. on a regular basis.

## **Educational Grant**

The Company will maintain demographic information relating to all applicants considered as eligible to receive its educational grant it is effectively furthering its commitment to advancing education, training and career development initiatives within the ADI Targets. The analysis will analyze the demographic information with respect to the applicants interested in receiving its educational grant to determine whether at least one (1) individual within each calendar year met the criteria of being a past or present resident of one of the ADI Targets.

**From:** [Ankur Rungta](#)  
**To:** [Christian Janisse](#)  
**Subject:** FW: Pledge  
**Date:** February 2, 2021 12:40:22 PM

---

Please add this to the 43 Freeport application.

---

**From:** Desi Franjul <desiredhealth617@gmail.com>  
**Sent:** Tuesday, February 2, 2021 11:13 AM  
**To:** Ankur Rungta <Ankur@c3industries.com>; 561Dudley (561Dudley@protonmail.com) <561dudley@protonmail.com>; Brian Chavez <donchavez@gmail.com>; Administrative Assistant <adminassistant@c3industries.com>  
**Subject:** Fwd: Pledge

**CAUTION:** This email is from an external sender. Use caution when clicking links or opening attachments.

Here you go guys!

Thanks,  
Desi

To: [desiredhealth617@gmail.com](mailto:desiredhealth617@gmail.com) <[desiredhealth617@gmail.com](mailto:desiredhealth617@gmail.com)>

Ms. Franjul:

It was a pleasure speaking with you yesterday.

WORK Inc. gratefully accepts Erbe C3 Dorchester's pledge to donate to WORK Inc.

Thank you for your support of the Dorchester community.

Susan Buckley  
Special Projects Coordinator  
WORK Inc.  
617.691.1516  
[Sbuckley@workinc.org](mailto:Sbuckley@workinc.org)

The information contained in this email message and any attachments may be privileged and/or confidential. It is for intended addressee(s) only. If you are not the intended recipient, you are hereby notified that any review, disclosure, reproduction, distribution or other use of this

communication is strictly prohibited. If you received this email in error, please notify the sender by reply and delete the message without saving, copying or disclosing it. Thank you.

\*\*\*Please be advised that WORK Inc. does not allow attachments larger than 25MB or Zip files of any type. \*\*\*

Should you require to send an email larger than 25 MB, Zip file, or receive a bounce-back email stating that your message was not able to be delivered for any reason please email the WORK Inc. IT Department at [ITDept@workinc.org](mailto:ITDept@workinc.org) to resolve the issue.



William Francis Galvin  
Secretary of the  
Commonwealth

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

January 11, 2021

TO WHOM IT MAY CONCERN:

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

**ERBA C3 DORCHESTER LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **February 12, 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: **ANKUR RUNGTA**

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

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



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

Processed By:NGM





**The Commonwealth of Massachusetts**  
**William Francis Galvin**

Minimum Fee: \$500.00

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

**Certificate of Organization**

(General Laws, Chapter )

**Identification Number:** 001425367

**1. The exact name of the limited liability company is:** ERBA C3 DORCHESTER LLC

**2a. Location of its principal office:**

No. and Street: 2082 SOUTH STATE STREET  
 City or Town: ANN ARBOR State: MI Zip: 48104 Country: USA

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

No. and Street: 44 SCHOOL STREET  
SUITE 325  
 City or Town: BOSTON State: MA Zip: 02108 Country: USA

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

**4. The latest date of dissolution, if specified:**

**5. Name and address of the Resident Agent:**

Name: UNITED CORPORATE SERVICES, INC.  
 No. and Street: 44 SCHOOL STREET  
SUITE 325  
 City or Town: BOSTON State: MA Zip: 02108 Country: USA

**I, UNITED CORPORATE SERVICES, INC. resident agent of the above limited liability company, consent to my appointment as the resident agent of the above limited liability company pursuant to G. L. Chapter 156C Section 12.**

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
MANAGER	ANKUR RUNGTA	2082 SOUTH STATE STREET ANN ARBOR, MI 48104 USA

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

Title	Individual Name	Address (no PO Box)
-------	-----------------	---------------------

	First, Middle, Last, Suffix	Address, City or Town, State, Zip Code
SOC SIGNATORY	VISHAL RUNGTA	2082 SOUTH STATE STREET ANN ARBOR, MI 48104 USA

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	NATHAN A CRANKSHAW	2082 SOUTH STATE STREET ANN ARBOR, MI 48104 USA

**9. Additional matters:**

**SIGNED UNDER THE PENALTIES OF PERJURY, this 12 Day of February, 2020,**  
RAVI RUNGTA

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

THE COMMONWEALTH OF MASSACHUSETTS

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

February 12, 2020 11:16 PM

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

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*



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

Charles D. Baker  
GOVERNOR

Karyn E. Polito  
LT. GOVERNOR



306144784

Rosalin Acosta  
SECRETARY

Richard A. Jeffers  
DIRECTOR

Erba C3 Dorchester LLC  
2082 S STATE ST  
ANN ARBOR, MI 48104-4608

EAN: 22183086  
January 08, 2021

Certificate Id:44207

The Department of Unemployment Assistance certifies that as of 1/8/2021 ,Erba C3 Dorchester LLC is current in all its obligations relating to contributions, payments in lieu of contributions, and the employer medical assistance contribution established in G.L.c.149,§189.

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

Richard A. Jeffers, Director

Department of Unemployment Assistance

# **OPERATING AGREEMENT**

**OF**

## **ERBA C3 DORCHESTER LLC**

**Dated as of December 2, 2020**

THE UNITS IN ERBA C3 DORCHESTER LLC HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), THE SECURITIES LAWS OF ANY STATE OR ANY OTHER APPLICABLE SECURITIES LAWS IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS. THE UNITS MUST BE ACQUIRED FOR INVESTMENT PURPOSES ONLY AND MAY NOT BE OFFERED FOR SALE, PLEDGED, HYPOTHECATED, SOLD, ASSIGNED OR TRANSFERRED AT ANY TIME EXCEPT IN COMPLIANCE WITH (I) THE SECURITIES ACT, ANY APPLICABLE STATE SECURITIES LAWS, AND ANY OTHER APPLICABLE SECURITIES LAWS; AND (II) THE TERMS AND CONDITIONS OF THIS OPERATING AGREEMENT. THE UNITS MAY NOT BE TRANSFERRED OF RECORD EXCEPT IN COMPLIANCE WITH SUCH LAWS AND THIS AGREEMENT. THEREFORE, PURCHASERS OF UNITS WILL BE REQUIRED TO BEAR THE RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

**THIS AGREEMENT IS SUBJECT TO STRICT REQUIREMENTS FOR ONGOING REGULATORY COMPLIANCE BY THE PARTIES HERETO, INCLUDING, WITHOUT LIMITATION, REQUIREMENTS THAT THE PARTIES TAKE NO ACTION IN VIOLATION OF, TO THE EXTENT APPLICABLE TO COMPANY OPERATIONS, THE REGULATION OF THE USE AND DISTRIBUTION OF MARIJUANA NOT MEDICALLY PRESCRIBED, M.G.L. C. 94I, MARIJUANA ACTS, M.G.L. C. 94G, M.G.L. C. 94H, 935 C.M.R. 500.000: ADULT USE OF MARIJUANA, 935 C.M.R. 105 C.M.R. 725.00, *ET SEQ*, OR ANY OTHER APPLICABLE STATE OR LOCAL STATUTE OR REGULATORY REQUIREMENT OR THE GUIDANCE OR INSTRUCTION OF THE CANNABIS CONTROL COMMISSION OF THE COMMONWEALTH OF MASSACHUSETTS OR OF ANY OTHER APPLICABLE STATE OR LOCAL REGULATORY BODY OR AGENCY. THIS AGREEMENT CONTAINS SPECIFIC REQUIREMENTS AND COMMITMENTS BY THE PARTIES TO MAINTAIN FULLY THEIR RESPECTIVE COMPLIANCE WITH THE ACT AND THE REGULATOR. THE PARTIES HAVE READ AND FULLY UNDERSTAND THE REQUIREMENTS OF THIS AGREEMENT.**

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## **OPERATING AGREEMENT**

### **OF**

## **ERBA C3 DORCHESTER LLC**

THIS OPERATING AGREEMENT (this “Agreement”) of ERBA C3 DORCHESTER LLC, a Massachusetts limited liability company (the “Company”), is made as of December 2, 2020, by and among the Company, the Persons identified on the signature page hereto as “Members”, and each of the Persons identified on the signature page hereto as a “Manager”.

### **RECITALS**

**WHEREAS**, the Company was formed as of February 12, 2020 as a limited liability company under the laws of the Commonwealth of Massachusetts in accordance with the provisions of the Massachusetts Limited Liability Company Act by the filing of a Certificate of Organization for the Company (the “Certificate”) in the Office of the Secretary of State of the Commonwealth of Massachusetts; and

**WHEREAS**, the Company, the Members, and the Board wish to set out fully their respective rights, obligations and duties regarding the Company and its affairs, assets, liabilities and the conduct of its business; and

**NOW, THEREFORE**, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which each of the parties hereto hereby acknowledge, the Company, the Members, and the Board hereby agree as follows:

### **ARTICLE I** **DEFINITIONS**

For purposes of this Agreement, capitalized terms used, and not otherwise defined, herein shall have the meanings set forth below:

“Act” shall have the meaning set forth in Section 3.12.

“Affiliate” shall mean, as to any Member, any Person that (i) directly or indirectly Controls, is Controlled by or is under common Control with such Member; (ii) directly or indirectly owns a beneficial interest of ten percent (10%) or more in such Member; or (iii) is a Family Member.

“Assumed Tax Rate” shall mean the highest effective marginal statutory combined federal, state, municipal and local income tax rate for any Fiscal Year prescribed for an individual residing in Boston, Massachusetts, taking into account the character (e.g., long-term or short-term capital gain, ordinary or exempt) of the applicable income (but without taking into account any deductibility of state and local income taxes for federal income tax purposes).

“Agreement” shall have the meaning set forth in the Preamble.

“Board” shall have the meaning set forth in Section 4.2.

“Capital Account” shall have the meaning set forth in Section 5.1(b) hereof.

“Capital Contributions” shall mean the initial amount of cash or property contributed to the capital of the Company by a Member, increased by any additional contributions of cash or property made to the capital of the Company by such Member from time to time. Any reference to the Capital Contributions of a Member shall include the Capital Contributions made by a predecessor in interest of such Member.

“Capital Event Proceeds” means: (a) the net amount of cash or other assets received by the Company from a Capital Transaction, after (i) the deduction of all associated fees, expenses and costs paid or payable by the Company or one or more Members, and (ii) such other reserves as the Board may establish in its discretion. Capital Event Proceeds shall include: (a) all principal and interest payments with respect to any note or other obligation received by the Company in connection with a Capital Transaction; and (b) amounts distributed to the Company as an owner of another entity to the extent that the amount distributed, in the hands of the distributing entity, is in the nature of Capital Event Proceeds. Amounts released from a reserve of Capital Event Proceeds shall be treated as Capital Event Proceeds.

“Capital Transaction” means: (i) any liquidation (as defined in Treasury Regulations 1.704-1(b)(2)(iv)(g) or as provided herein) or dissolution; of the Company; (ii) a merger, conversion into a corporation, consolidation or other combination of the Company with or into any Person; or (iii) a sale or other disposition of all or substantially all of the Company's assets in a single transaction or in a series of related transactions; (iv) any placement of new or additional financing secured by Company Property or any refinancing of indebtedness secured by Company Property.

“Certificate” shall have the meaning set forth in the Recitals above.

“Confidential Information” means information or material proprietary to the Company or any Subsidiary or proprietary to others and entrusted to the Company or any Subsidiary, whether written or oral, tangible or intangible, which a Member obtains knowledge of through or as a result of the Member's activities on behalf of or membership in the Company (as distinguished from information or materials which such Member obtains knowledge of through or as a result of such Member's activities or involvement with a separate company including either Member's parent companies, affiliates, and/or subsidiaries). Confidential Information may include, without limitation, data, know-how, trade secrets, designs, plans, drawings, specifications, reports, customer lists, pricing information, marketing techniques and materials and historical and projected financial information. The term Confidential Information shall not include, however, any information which (i) is or becomes generally available to the public other than as a result of a disclosure in violation of this Agreement, (ii) is or becomes available to a party on a non-confidential basis from a source other than the Company, provided that such source is not known by a party to be prohibited from disclosing the information to the party by a contractual, legal or fiduciary obligation to the Company or (iii) was known to a party on a non-confidential basis prior to disclosure to the party by the Company.

“Claim” shall have the meaning set forth in Section 10.2.

“Class A Member” shall mean and refer to each Member holding any Class A Unit(s).

“Class A Unit” means the units of Class A interests as set forth on Exhibit A, as it may be amended from time to time, with the right to vote one (1) vote per Unit and with the other various



rights and privileges set forth herein, including, without limitation, such Member's interest in capital and profits.

“Class B Member” shall mean and refer to each Member holding any Class B Unit(s).

“Class B Unit” means the units of Class B interests as set forth on Exhibit A, as it may be amended from time to time, with the right to vote one (1) vote per Unit, and with the other various rights and privileges set forth herein, including, and without limitation, such Member's interest in capital and profits.

“Code” shall mean the Internal Revenue Code of 1986, as amended and in effect from time to time (or any corresponding provisions of succeeding law).

“Company” has the meaning given that term in the opening paragraph.

“Company Property” shall mean and include all property owned by the Company, whether real or personal and tangible or intangible.

“Control” and “Controlling” means either ownership of a majority of the outstanding voting interests with full right to vote the same and/or the capacity (whether or not exercised) to manage or direct the management of the business or affairs of the relevant Person.

“Corporate Reimbursement” shall have the meaning set forth in Section 4.9.

“Depreciation” shall mean, for each Fiscal Year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such Fiscal Year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such Fiscal Year or other period bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year or other period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Board.

“Economic Interest” shall mean an interest in the Company's Profits, Losses and distributions of the Company's assets pursuant to this Agreement and the LLCA arising from the transfer of Units (together with the appropriate portion of the transferor's Capital Contribution and Percentage Interest) which has not received any consent required hereunder, but shall not include any right to participate in the management or affairs of the Company, including the right to vote on, consent to or otherwise participate in any decision of the Members or the Board.

“Economic Interest Owner” shall mean the owner of an Economic Interest who is not a Member.

“Employee” means any individual performing services for the Company.

“Event of Withdrawal” shall mean (i) the bankruptcy or insolvency of any Member, a general assignment for the benefit of creditors of a Member, or the occurrence of any event causing the

termination of a Member's interest in the Company; or (ii) the assumption by a legal representative or successor in interest of control over the rights of a Member due to the death or incompetence of an individual Member, or dissolution or termination of any entity which is a Member, or the entry of a final decree of divorce or any other court order or decision requiring a Member to Transfer any of such Member's Units to such Member's spouse or any other third party who is not already a Member at the time of the filing of a petition, complaint, or similar legal instrument or action initiating divorce proceedings; or (iii) intentionally omitted.

"Fair Market Value" shall mean, as of any date and as to any asset being transferred, the cash-equivalent price at which the asset would change hands between a hypothetical, informed, able and willing buyer, and a hypothetical, informed, able and willing seller, both acting at arm's length in an open and unrestricted market, with neither party being under a compulsion to act and both having reasonable knowledge of all relevant facts.

"Family Member" shall mean and include a Member's spouse, parent, child, brother, sister, grandparent, grandchild, uncle, aunt, nephew, niece or in-law (whether naturally or by marriage or adoption) of such Member or the spouse of such Person; trusts for the benefit of each of the foregoing; a limited partnership of which a Member is the sole general partner (or sole owner of the general partner) and any of the foregoing are the sole limited partners; or a limited liability company in which the Member is a member having sole control over the operations of the entity and any of the foregoing are also members.

"Fiscal Year" shall have the meaning set forth in Section 2.9 hereof.

"Gross Asset Value" shall mean with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and the Board, provided, that if the contributing Member is a member of the Board, the determination of fair market value of a contributed asset shall be made by independent appraisal;

(ii) The Gross Asset Value of all Company assets shall be adjusted from time to time to reflect their respective gross fair market values, as determined by the Board taking into account: (A) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (B) the distribution by the Company to a Member of more than a de minimis amount of Company Property as consideration for an interest in the Company; and (C) the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g), provided, however, that the adjustments pursuant to clauses (A) and (B) above shall only be made if the Board reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(iii) The Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by the Board provided, that if the distributee is a member of the Board, the

determination of fair market value of such distributed asset shall be made by independent appraisal; and

(iv) The Gross Asset Value of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Sections 734(b) or 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Value shall not be adjusted pursuant to this subparagraph (iv) to the extent the Board determines that an adjustment pursuant to subparagraph (ii) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraphs (i), (ii) or (iv), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

“Initial Capital Contribution” shall mean the amount of a Member's original investment in the Company as properly reflected on Exhibit A, without adjustment for changes in the Capital account of such Member. Notwithstanding the foregoing, the Class B Member's Initial Capital Contribution shall also include all costs, fees, and expenses incurred by the Class B Member in connection with securing rights in the Premises and related cannabis licensure (including professional advisory fees, rent deposits, legal fees and other transaction costs) in an amount to be determined promptly after the effective date of this Agreement. All such costs shall be supported by reasonable documentation and evidence of payment by the Class B Member or its Affiliate, and the parties shall amend Exhibit A to reflect the same.

“LLCA” shall mean the Massachusetts Limited Liability Company Act and any successor statute, as amended from time to time.

“Lien” shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever.

“Majority of Members” shall mean, as of any date, as to any Class, the holders of the Units of the Class constituting a majority of all issued and outstanding Units of that Class. If any act requires the consent or approval of all Members, a “Majority of Members” shall mean the holders of a majority of all Classes consenting or approving as a single group. For purposes of clarity and illustration only, if the Company has only two (2) Classes of Members and an act requires consent or approval of all Members, approval or consent by a “Majority of Members” would require the approval or consent of all members of both Classes of Members to approve or consent to any such act.

“MCCC” shall mean the Massachusetts Cannabis Control Commission.

“Member” shall have the meaning set forth in the Recitals. For the avoidance of doubt, “Member” shall mean and include all holders of any Units and each Economic Interest Owner except that the Economic Interest Owner shall not have any rights to participate in the management of the Company, or the right to vote on, consent to or otherwise participate in any decision of the Members or the Board.

“Member Bankruptcy” shall have the meaning set forth in Section 9.5 hereof.

“Net Cash Flow “ shall mean the amount of the excess of the total cash revenues generated by the operations of the Store less all expenses incurred in connection with Store operations including, without limitation, the Corporate Reimbursement, licensing and regulatory compliance costs, taxes, operating expenditures, expenses, fees, costs, third party professional and advisory fees, insurance, lease payments, repairs and replacements of the leased property, and amounts set aside for creation of working capital and/or other reserves in an amount designated by the Class B Member of up to Two Hundred Thousand Dollars (\$200,000.00) or four percent (4%) of the Company’s trailing revenue over the prior twelve (12) months, whichever is greater, or such other amount as is deemed reasonably necessary by the Board.

“Percentage Interest” shall mean, with respect to any Member, as of any date, (i) if of a Class of Units, the ratio (expressed as a percentage) of such Member's Units of such Class on such date to the aggregate Units of that Class held by all Members on such date; and (ii) if of all Units, the ratio (expressed as a percentage) of all of such Member's Units on such date to the aggregate Units of all Members on such date. In the event that all or any portion of a Member's Units are transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Percentage Interest of the transferor to the extent it relates to the transferred Units.

“Person” shall mean a natural person or any corporation, association, joint venture, limited liability company, general or limited partnership, trust or other legal person or entity.

“Preferred Return” means a sum equal to nine percent (9%) per annum, cumulative and compounded, of the average daily balance for the applicable period of the Class B Member’s unreturned Capital Contribution, commencing on the date on which the Company commences work on the interior buildout of the Store.

“Profits” and “Losses” shall mean, for each Fiscal Year or other period, an amount equal to the Company's taxable income or loss for such Fiscal Year or other period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses pursuant to this definition of “Profits and “Losses” shall be added to such taxable income or loss;

(ii) Any expenditure of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Profits and Losses pursuant to this definition of “Profits and “Losses” shall be subtracted from such taxable income or loss;

(iii) In the event that the Gross Asset Value of any Company asset is adjusted pursuant to subparagraphs (ii) or (iii) of the definition of “Gross Asset Value,” the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits and Losses;

(iv) Gain or loss resulting from any disposition of Company Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(v) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or other period, computed in accordance with the definition of “Depreciation” set forth above;

(vi) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Section 743(b) is required pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustment shall be treated as an item of gain (if such item increases the basis of such asset) or loss (if the adjustment decreases the basis of such asset) from the disposition of the asset and shall be taken into account for purposes of computing Profit or Loss;

“Regulator” shall have the meaning set forth in Section 3.12.

“Store” means the licensed retail cannabis store owned and operated by the Company and located at 43 Freeport Street, Dorchester, MA 02122.

“Taxing Jurisdiction” shall have the meaning set forth in Section 5.4 hereof.

“Transfer” shall mean any offer, sale, conveyance, assignment, hypothecation, pledge, encumbrance, grant of a security interest in, transfer, or other disposition (including any gift, bequeath or otherwise transfer for no consideration (whether or not by operation of law, except in the case of bankruptcy)) of any Unit or any rights therein.

“Transferee” shall mean and include any recipient of a Transfer pursuant to Article VII hereof.

“Treasury Regulations” shall mean the rules and regulations promulgated by the Internal Revenue Service pursuant to the Code.

“Units” shall represent the Members' interests in the Company's Profits and Losses, distributions of the Company's assets pursuant to this Agreement and the LLCA, holder's Capital Contributions and Percentage Interest and all rights granted to Members to participate in the management or affairs of the Company, including the right to vote on, consent to or otherwise participate in any decision of the Members or the Board. “Units” shall include Class A Units, Class B Units, and any other Class of Units created hereunder.

“Withdrawing Member” shall have the meaning set forth in Section 7.5 hereof.

**ARTICLE II**  
**THE LIMITED LIABILITY COMPANY**

2.1 Formation. The Company was formed as a limited liability company pursuant to the provisions of the LLCA, and the Certificate was filed in the Office of the Secretary of State of the Commonwealth of Massachusetts as of the date set forth in the Recitals in conformity with the LLCA.

2.2 Name. The business of the Company shall be carried on in the name “Erba C3 Dorchester, LLC” with such variations and changes as the Board shall determine or deem necessary to comply with the requirements of the jurisdictions in which the Company's operations are conducted, or such other name or names as the Board may determine from time to time consistent with applicable law. The Company may conduct business under the trade name “High Profile”; provided, however, that Company will be required to sign C3 Industries, Inc.’s customary trademark licensing agreement (or other appropriate agreement), which shall be on terms mutually acceptable to all Members. The Company shall not operate under the “High Profile” brand during the first year of operations. The Company shall not be required to pay a licensing or royalty for the use of the “High Profile” brand so long as the Class B Member is a Member of the Company.

2.3 Registered Office; Registered Agent. The name and address of the Company's registered agent in the Commonwealth of Massachusetts is United Corporate Services, Inc., 44 School Street, Suite 505, Boston, MA 01208.

2.4 Principal Place of Business. The principal place of business of the Company shall be at 43 Freeport Street, Dorchester, MA 02122 or such other location as the Board may select from time to time.

2.5 Business Purpose of the Company. The general character of the business of the Company shall be to apply for a license with the MCCC for the retail sale of marijuana, to operate the Store at the Premises (defined below), and to engage in all other lawful business that a limited liability company may conduct in accordance with the LLCA and the Act (and subject to the provisions of Section 3.13, below), and in compliance with 935 C.M.R. 500 *et seq.*

2.6 Powers. The Company shall have all the powers necessary or convenient to carry out its purposes including, without limitation, all powers granted by the LLCA. In furtherance, and not in limitation, of the foregoing, the Company shall have the power to engage in the following activities:

(a) to enter into and perform its obligations under any ground lease, commercial lease, loan, mortgage, and/or security, other agreements contemplated by any of the foregoing and contracts, instruments and agreements incidental to the operation of the Store at the Premises (defined below);

(b) to enter into and perform its obligations under such contracts, agreements, instruments, guarantees of wholly-owned subsidiaries and other arrangements as the Board may deem necessary or appropriate in connection with the management and operation of the Company including, without limitation, contracts, agreements and arrangements with vendors, consultants, advisers, accountants, attorneys and other service providers;

(c) to enter into any contract, agreement or arrangement with any member, Manager, principal or guarantor of the obligations of the Company, or any Affiliate of any of the foregoing, provided that the terms and conditions of any such contract, agreement and/or arrangement shall be

commercially reasonable, shall reflect competitive market rate pricing and shall otherwise be substantially similar to those that would be available on an arm's length basis with an unaffiliated third party;

(d) to admit members and to accept capital contributions from time to time from the Members;

(e) to distribute to the Members all available cash to the extent that such distributions of available cash are not prohibited by applicable law and are otherwise in accordance with the terms and provisions of this Agreement;

(f) to pay (or to reimburse one or more Affiliates for) (i) the organizational, start-up and routine transactional and maintenance expenses of the Company, including the creation, assumption or incurrence of obligations to pay service providers to the Company and other ordinary course expenses of maintaining its existence and carrying out its various purposes under this Agreement and (ii) the fees, costs and expenses incurred in connection with the issuance and sale of Units to new Members; and

(g) to engage in any other lawful activities which are necessary to accomplish the foregoing or are incidental thereto or necessary in connection therewith.

2.7 Continuation. Subject to the provisions of Article IX, the Company shall have perpetual existence.

2.8 Fiscal Year. The fiscal year (the "Fiscal Year") of the Company for financial statement and accounting purposes shall end on the 31st day of December in each year.

### **ARTICLE III** **MEMBERS**

3.1 Members. No Person may become a Member unless he, she, or it is admitted in accordance with this Agreement, and also qualifies as a Person allowed to hold an interest in all licenses and registrations held by the Company, including to the extent applicable: (a) M.G.L. c. 94I and its implementing regulations 105 C.M.R. 725.00, *et seq.*; and (b) any Certificate(s) of Registration as a Marijuana Establishment pursuant to M.G.L. c. 94H and its implementing regulations 935 C.M.R. 500.000 and 935 C.M.R. 502.000, *et seq.*, each as applicable to the Company's business, and any other requirements of the Act and/or the Regulator.

3.2 Roster. The Company shall maintain a roster of the Members and the number and Class of Units and amounts or other property contributed to the Initial Capital Contributions, as well as all additional Capital Contributions, of each.

3.3 Actions Requiring the Consent of Members. Except as provided herein, no Member shall, or shall have any right to, participate in the management of the Company merely by virtue of such Member's status as a Member. All authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters, and to perform any and all other acts or activities customary or incident to the management of the Company's business is, and shall be vested in the Board except as otherwise set forth herein.

3.4 Meetings of Members. At any time and from time to time, the Board may, but shall not have any obligation to, call meetings of the Members, unless requested by Members holding not less than sixty percent (60%) of the Units, in which event the Board shall call a meeting within ten (10) days of its receipt of such request. Written notice of any such meeting shall be given to all Members not less than five (5) days and not more than sixty (60) days prior to the date of such meeting. A Majority of Members shall constitute quorum for all purposes at any such meeting. Each meeting shall be conducted by the Board or a designee of the Board. Each Member may authorize any other Person (regardless of whether such Person is a Member) to act on its behalf with respect to all matters on which such Member is entitled to consent or otherwise participate. Any proxy must be signed by the Member giving such proxy or by such Member's attorney-in-fact.

3.5. Written Consent in Lieu of Meeting. Any action of the Members which may be undertaken pursuant to Section 3.3 or 3.4 may also be taken by a written consent executed by such Members as would be required to approve such action at a duly convened meeting at which all Members were present.

3.6 Liability of the Members.

(a) No Liability for Company Obligations. All debts, obligations, and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall have any obligation with respect to for any such debt, obligation or liability of the Company solely by reason of being the Member.

(b) Limitation on Liability. Each Member's liability shall be limited as set forth in this Agreement, the LLCA and other applicable law. Except as otherwise provided by law or as expressly set forth in this Agreement, no Member shall be personally liable, merely as a Member, for the debts, or any other obligations or liabilities, of the Company, whether such liability or obligation arises in contract, tort or otherwise. A Member shall be liable only to make his, her or its Capital Contributions and shall not be required to restore a deficit balance in his, her or its Capital Account or to lend any funds to the Company or, after his, her or its Capital Contributions have been made, to make any additional contributions, assessments or payments to the Company, provided that a Member may be required to repay distributions made to it as provided in the LLCA.

3.7 Compliance with Securities Laws and Other Laws and Obligations. Each Member hereby represents and warrants to the Company and to each other Member and acknowledges that (a) it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in the Company and making an informed investment decision with respect thereto, (b) it is able to bear the economic and financial risk of an investment in the Company for an indefinite period of time and understands that it has no right to withdraw and have its Units repurchased by the Company, (c) it is acquiring its Units for investment only and not with a view to, or for resale in connection therewith, any distribution to the public or public offering thereof, and (d) it understands that the Units have not been registered under the securities laws of any jurisdiction and cannot be disposed of unless they are subsequently registered and/or qualified under applicable securities laws and the provisions of this Agreement have been complied with.

3.8 Power to Bind the Company. No Member, in its capacity as a Member, shall take part in the management or control of the business of the Company, transact any business in the name of the Company, have the power or authority to bind the Company or to sign any agreement or document in



the name of the Company, or have any power or authority with respect to the Company except (i) as expressly provided in this Agreement, (ii) as directed by the Board, or (iii) as provided in the Certificate of Organization, as the same may be amended from time to time. In the event of a conflict between this section and the provisions of Section 4.9, below, the provisions of Section 4.9 shall prevail.

3.9 Admission of Members. New members shall be admitted to the Company only with the prior written consent of the Board and a Majority of Members.

3.10 Member Resignation. Except in the case of a Transfer of its Units to a new Member in accordance herewith, a Member may not resign from the Company or otherwise disassociate itself from the Company without the consent of the Board.

3.11 Confidential Information. The Members recognize and acknowledge that as Members they will have access to, be provided with and, in some cases, prepare and create Confidential Information. A Member shall not, either while a Member or subsequent to cessation as a Member, use or disclose any Confidential Information, either personally or for the use of others, other than in furtherance of the Member's activities on behalf of the Company. A Member shall not disclose any Confidential Information to any Person not authorized by the Company to receive such Confidential Information without the prior written consent of the Company. Each Member shall use reasonable and prudent care to safeguard and protect and prevent the unauthorized use and disclosure of Confidential Information. The obligations contained in this Section 3.11 shall survive for as long as the Company in its sole judgment considers such information to be Confidential Information. Notwithstanding anything to the contrary herein, (i) each Member (and each employee, representative or other agent of a Member) may disclose to the Internal Revenue Service, and its agents and employees, without limitation of any kind, the tax treatment and tax structure of the Company and all materials of any kind (including opinions or other tax analyses) that are provided to such Member relating to such tax treatment and tax structure, (ii) each Member may disclose Confidential Information to its members, shareholders, directors, officers, employees, attorneys, agents, accountants, consultants, financial advisors and other representatives (collectively, "Representatives") who, in the Member's reasonable judgment, need to know such information, (iii) each Member may disclose any information that is required to be disclosed in order to comply with any applicable law or regulation, or in accordance with any order, ruling, request or supervisory practice of any regulatory agency having or claiming jurisdiction over the Member or (iv) is required to be disclosed by the Member pursuant to judicial, governmental or administrative process or in connection with any action, suit, claim, proceeding or investigation.

3.12 Regulatory and Licensure Cooperation. This Agreement is subject to strict requirements for ongoing regulatory compliance by the parties hereto, including, without limitation, requirements that the parties take no action in violation of, to the extent applicable, the Regulation of the Use and Distribution of Marijuana Not Medically Prescribed, M.G.L. c. 94I, Marijuana Acts, M.G.L. c. 94G, M.G.L. c. 94H, 935 C.M.R. 500.000: Adult Use of Marijuana, 935 C.M.R. 105 C.M.R. 725.00, *et seq* and any other applicable state or local statute or regulatory requirement (collectively, with all related rules and regulations under any of the foregoing, the "Act") or the guidance or instruction of the Cannabis Control Commission of the Commonwealth of Massachusetts, the City of Boston, or of any other applicable state or local regulatory body or agency (collectively, the "Regulator"). The Members acknowledge and understand that the Act and/or the requirements of the Regulator are subject to change and are evolving as the marketplace for state-compliant cannabis

business continues to evolve. If necessary to comply with the requirements of the Act and/or the Regulator, the parties hereby agree to (and to cause their respective Affiliates, spouses, and related parties and representatives to) use their respective commercially reasonable efforts to take all actions reasonably requested to ensure compliance with the Act and/or the Regulator, including, without limitation, negotiating in good faith to amend, restate, amend and restate, supplement, or otherwise modify this Agreement to reflect terms that most closely approximate the parties original intentions but are responsive to and compliant with the requirements of the Act and/or the Regulator. In furtherance, not limitation of the foregoing, the parties further agree to use commercially reasonable efforts (a) to timely respond to any informational requests, supplemental disclosure requirements, or other correspondence from the Regulator, subject to the Board's right to reasonably request, but not to demand, that the Regulator limit the scope of any such request, disclosure, or correspondence to that which is required by applicable law, and (b), to the extent not prohibited by applicable law, to keep all other parties hereto fully and promptly informed as to any such requests, disclosure requirements, or correspondence. If required by the Regulator, each Member shall provide the Company with any and all background information, fingerprints, and documentation as reasonably requested by the Company, to obtain the requisite approval, if necessary, from any governmental organizations, including but not limited to the Regulator, as are necessary to maintain all regulatory licenses held by the Company or its Subsidiaries and to add such Member as an owner of the Company.

3.13 Acknowledgment regarding Federal Cannabis Laws. The Members hereby agree and acknowledge that no party makes, will make, or shall be deemed to make or have made any representation or warranty of any kind regarding the compliance of this Agreement with any Federal Cannabis Laws. No Member shall have any right of rescission or amendment arising out of or relating to any non-compliance with Federal Cannabis Laws, and no party shall seek to enforce the provisions hereof in federal court under any circumstances. As used herein, "Federal Cannabis Laws" means any U.S. federal laws, civil, criminal or otherwise, as such relate, either directly or indirectly, to the cultivation, harvesting, production, distribution, sale and possession of cannabis, marijuana or related substances or products containing or relating to the same, including, without limitation, the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960 and the regulations and rules promulgated under any of the foregoing.

## **ARTICLE IV**

### **MANAGEMENT OF THE COMPANY**

4.1 Management by the Board. Except as provided in Section 4.8 or Section 4.9 below, or as otherwise provided to the Members pursuant to this Agreement, the management of the Company is vested in the Board, the powers of the Company shall be exercised by or under the authority of the Board. All services to be furnished by the Board may be delegated to and furnished by an officer or employee of the Board, an officer or employee of a Member of the Board, or any other Member, Person or agent designated or retained by the Board or as provided hereinafter. Decisions or actions taken by the Board in accordance with this Agreement shall constitute decisions or actions by the Company and shall be binding on the Company. In connection with the management of the business and affairs of the Company, without limiting the foregoing, the Board and/or the Class B Member, as

applicable and in accordance with the terms of this Article, for and in the name of, and on behalf of Company, without any approval by or Consent of the Members, are hereby authorized:

(a) to execute any and all agreements, contracts, documents, certifications and instruments necessary or convenient in connection with the development, financing, management, maintenance, operation and disposition of any Company asset;

(b) to borrow money from the Members (on commercially reasonable terms not above market rates) or third parties, to issue evidences of such indebtedness as is necessary, convenient or incidental to the accomplishment of the purposes of Company, and to secure the same by mortgage, pledge or other Lien on any Company asset;

(c) to borrow money from and for, and to guarantee the indebtedness of, wholly owned Affiliates, and to issue evidences of such indebtedness as is necessary, convenient or incidental to the accomplishment of the purposes of Company, and to secure the same by mortgage, pledge or other Lien on any Company asset;

(d) to prepay in whole or in part, renew, refinance, recast, consolidate, increase, modify or extend any debt of Company, and in connection therewith to execute and record any documents relating thereto;

(e) to enter into agreements to employ agents, attorneys, accountants, engineers, appraisers, or other consultants or contractors who may be Affiliates of, or otherwise affiliated with, any one or more of the Managers or Members, and to enter into agreements to employ any Member, Manager, or other Person to provide management or other goods and/or services to Company; provided, that any employment of such Member, Manager or Person is on terms not less favorable to Company than those offered by Persons who are not Affiliates of a Manager or Member for comparable good or services; provided, further, that unless the Board otherwise approves in advance (i) any such Person who is employed by the Company shall provide services solely to the Company on a full time basis and (ii) any Person who performs services as agent, attorney, accountant, engineer, appraisers, or other consultant or contractor shall provide to the Board a detailed breakdown of services rendered to the Company in order that the Board may evaluate the terms on which such services are provided and confirm that they are attributable solely to the Company.

(f) to pay out of Company funds any and all fees and make any and all expenditures which the Board, in its sole discretion, deems necessary or appropriate in connection with the organization of Company, the management of the affairs of Company, and the carrying out of the Board's obligations and responsibilities under this Agreement and the LLCA;

(g) except as otherwise directed by the Partnership Representative, as herein defined, with respect to those matters within the powers of the Partnership Representative, to make and revoke any election permitted to Company by any taxing authority in such manner as the Board may decide, and to cause to be paid any and all taxes, charges and assessments that may be levied, assessed or imposed upon any of the assets of Company, unless the same are contested by the Partnership Representative, which the Partnership Representative is hereby expressly authorized to do; and

(h) except as otherwise provided herein, to engage in any kind of activity and perform and carry out contracts of any kind necessary to, in connection with, or incidental to the accomplishment of the purposes of Company as may be lawfully carried on or performed by a limited liability company

under the laws of the Commonwealth of Massachusetts (including, without limitation, the LLCA) and in each jurisdiction where Company has qualified or is doing business (including, without limitation, their respective limited liability company acts or analogs thereof).

For the avoidance of doubt, the Class B Member and/or Company may enter into any contract, agreement or arrangement (whether for the provision of services or otherwise) with any Affiliate of the Company, an Affiliate of a Member, or of any member of the Board provided that the terms and conditions of any such contract, agreement or arrangement shall be commercially reasonable, shall reflect competitive market rate pricing and shall otherwise be substantially similar to those that would be available on an arm's length basis with an unaffiliated third party. The Members specifically authorize the Class B Member and/or Company to purchase cannabis products from the Class B Member's subsidiary, being QPS Massachusetts Holdings, LLC, so long as such products are (i) of good commercial quality and of types that meet consumer demand and (ii) are purchased at a price and terms comparable to those of similar products available on an arm's length basis from unaffiliated third party suppliers. The Class B Member agrees that purchases of product or inventory from QPS Massachusetts Holdings, LLC shall be on price and terms that are no less favorable than the best price and terms offered to similarly situated single retail store customers in the local geographic market.

4.2 Board. The Company shall have at least one (1) and as many as five (5) persons serving as Managers from time to time. Initially, the Board shall mean the Managers signing below (being Ankur Rungta and Brian Chavez). Thereafter, and at any time, as many as three (3) Managers may be nominated and appointed by Class A Members holding a majority of the Class A Units, and as many as two (2) Managers may be nominated and appointed by the Class B Members holding a majority of the Class B Units. A quorum shall consist of all Managers if there be three (3) or fewer Managers then serving on the Board, and otherwise a quorum shall be three (3) Managers; provided, however, that all decisions of the Board shall require an affirmative vote by at least one (1) Manager designated by the Class A Member *and* at least one (1) Manager designated by the Class B Member. When a quorum is present, the Board shall act by majority vote. Meetings of the Board shall be held at such places and times and with such frequency as is determined by it. Any Manager may call a meeting of the Board upon not less than two business days' advance notice, which notice may be given by electronic communication but with confirmation of such notice having been received by all Managers. Any meeting may be held in person, or by telephonic or other electronic communication permitting all Managers to communicate simultaneously. Actions of the Board also may be taken by unanimous written consent. Accurate minutes of any meeting of the Board shall be maintained by the Manager selected at that Board meeting.

4.3 Removal or Replacement of the Board. Each Manager shall serve until such Manager: (A) dies or resigns upon giving sixty (60) days prior written notice to the Members, or (B) is removed by the affirmative vote of the Members holding sixty percent (60%) of the Units of the Class that appointed such Manager, and until such Manager's successor shall have been appointed and qualified. Any replacement(s) to fill the vacancy of any such Manager shall be appointed as provided in Section 4.2.

4.4 No Exclusive Duty to Company. The Manager(s) shall not be paid any direct or indirect remuneration except as otherwise agreed to by the Members, and in all case in accordance with this Agreement and the LLCA. The Manager(s) shall devote to the Company such time as it may deem necessary to manage the affairs of the Company. Each Manager and Member may engage or have an interest in other business ventures which are similar to or competitive with the business of the

Company, including but not limited to, the ownership, financing, leasing, operation, management, syndication, brokerage or development of cannabis ventures competitive with ventures owned by the Company and the pursuit of such ventures shall not be deemed wrongful or improper or give the Company or the Members any rights with respect thereto. Neither the Board nor any Member shall be obligated to present an investment opportunity to the Company even if such investment opportunity is similar to or consistent with the business of the Company, and any such Person shall have a right to take for its own account or recommend to others any such investment opportunity. The Members specifically acknowledge that (i) the Class A Member and/or its affiliates own and/or operate (or intend on owning and/or operating) other licensed cannabis retail stores in the same geographic area as the Store, and (ii) the Class B Member and its affiliates and subsidiaries own and operate (and, in the future, intend on owning and operating) licensed cannabis cultivation, processing, and retail assets throughout the Commonwealth of Massachusetts and throughout the United States. Each Member's existing and future cannabis related business activities shall not be a violation of this Agreement (so long as each Member complies with the confidentiality requirements and other terms of this Agreement), and neither Member shall have any right to participate in the ownership or operation of any of the other Member's cannabis businesses by virtue of this Agreement. In the event that Brian Chavez or Jaison Chavez perform services in the Store after a written request to do so from the Class B Member, such party or parties shall be entitled to compensation at a rate of Fifty Dollars (\$50.00) per hour. Payment for such services shall be made in accordance with the Company's ordinary payroll.

4.5 Bank Accounts; Company Books. The Board may from time to time open bank accounts in the name of the Company. In accordance with Section 2.6 hereof, the Board shall maintain and preserve, during the term of the Company, and for six (6) years thereafter, all accounts, books, and other relevant Company documents. Upon reasonable request, each Member shall have the right, during ordinary business hours, to inspect and copy such Company documents at the requesting Member's expense.

4.6 Officers. The Board may appoint individuals as officers of the Company with such titles as the Board may select, including the titles of CEO, CFO, and COO, to act on behalf of the Company, with such power and authority as the Board may delegate to any such individual.

4.7 Fiduciary Duties. The fiduciary duties of the Members to the Company and of the Board and the officers to the Company and the Members are limited to the extent that each Member and Manager may fully exercise all rights specifically reserved to each, including but not limited to the rights to vote all matters and exercise all other rights given them herein in their own interests. For clarification, each Member and Manager shall otherwise have the obligation to fulfill his, her or its responsibilities as a Manager or Member of the Company in accordance with the covenants of good faith and fair dealing to minority equity holders.

4.8 Major Decisions. Notwithstanding anything to the contrary herein contained, the Company shall not, and the Board shall not approve, any of the following actions without the advance written approval of a Majority of Members of both Classes of Members, which approval shall be subject to each such Members' sole discretion. The term "Major Decision", as used in this Agreement, means any decision to:

(a) Sell, transfer, or enter into any transaction regarding any asset for a price in excess of Fifty Thousand Dollars (\$50,000) (excluding costs associated with the design and initial buildout of

the Store, initial capitalization of the Company to provide adequate working capital to operate, and procurement of cannabis and cannabis related inventory in the ordinary course of business, which shall not be considered a Major Decision), or the sale or transfer of any cannabis-related license or any cannabis-related agreement with any governmental or regulatory authority;

(b) Halt or refrain from continuing any efforts by Company or any advisor to proceed with the aggressive pursuit of all needed licenses, permits, and approvals to obtain final licensure as a Retail Marijuana Establishment from the Massachusetts Cannabis Control Commission to operate at 43 Freeport Street, Dorchester, MA 02122 (the “Premises”);

(c) Commit or create any Company borrowing or indebtedness in excess of Twenty-Five Thousand Dollars (\$25,000) (excluding any third-party trade payables incurred in the ordinary course of business of the Company), and approval of any renewals, extensions, amendments, or modifications to any such indebtedness;

(d) Acquire on behalf of the Company any rights in or to real property in addition to (or other than) the Premises;

(e) (i) File a petition for relief under the United States Bankruptcy Code, as amended, with respect to the Company, make an assignment for the benefit of creditors of the Company, apply for the appointment of a custodian, receiver or trustee for a the Company or any of its property, consent to any other bankruptcy or similar proceeding; consent to the filing of such proceeding with respect to the Company, or admit in writing the Company inability to pay its debts generally as they become due; (ii) execute or deliver any assignment for the benefit of creditors of the Company;

(f) Settle any litigation requiring the payment by the Company of more than Twenty-Five Thousand Dollars (\$25,000) or requiring pleading guilty to a crime;

(g) Change the business or character of the Company;

(h) Intentionally omitted;

(i) Issue additional Units or call additional capital pursuant to Section 5.1; or

(j) Amend this Section 4.8.

4.9 Day-to-Day Management of the Company by the Class B Member. The Members acknowledge that the Class B Member has significant experience in operating and managing licensed cannabis businesses throughout the country, and that the Class B Member has the corporate infrastructure which will enable it to effectively oversee the day to day business operations and continued growth of the Company. In light of the foregoing, and notwithstanding anything to the contrary herein, the Class B Member shall be responsible for all day-to-day management of, and shall be responsible for the provision of sufficient infrastructure and back office support for, the Company, consistent with all applicable laws, rules and regulations. As used in this Section, “day to day management” shall mean the control of decisions impacting Company business and operations other than those Major Decisions described in Section 4.8, above, and shall specifically include establishing a reserve for working capital from time to time, the initial capitalization of the Company and control over the initial design and buildout of the Store, subject to the terms and conditions below. In exchange therefor, the Class B Member shall be paid three percent (3%) of the amount by which

Company's monthly gross revenues exceed Three Hundred Fifty Thousand Dollars (\$350,000.00), provided that such fees shall not exceed Two Hundred Thousand Dollars (\$200,000.00) during any rolling twelve (12) month period (hereafter, the "Corporate Reimbursement"). The Corporate Reimbursement shall be paid out on a quarterly basis subject to availability of Net Cash Flow. The Class B Member shall also be entitled to receive prompt reimbursement from the Company of any reasonable and necessary out of pocket costs to unaffiliated third parties incurred in connection with its day to day management of the Company's operations, subject to providing reasonably detailed documentation therefor consistent with good bookkeeping practices. The parties acknowledge and agree that the Class B Member has agreed to commit up to One Million Four Hundred Thousand and 00/100 (\$1,400,000) Dollars towards the initial capitalization of the Company, inventory procurement, and the initial design and buildout of the Store, in amounts deemed reasonably necessary by the Class B Member. All such amounts shall be treated as Capital Contributions of the Class B Member, in addition to such fees, costs, and expenses incurred by the Class B Member in connection with pursuing and securing rights in the Premises, licensure, and other regulatory approvals (and the Class B Member shall provide reasonable documents substantiating such fees, costs, and expenses promptly after the Effective Date of this Agreement).

(i) Parameters on Initial Capitalization and Buildout. Subject to the terms hereof, the Class B Member has sole (but reasonable) discretion over the initial capitalization of the Company and initial buildout of the Premises, up to the amount of Eight Hundred Thousand Dollars (\$800,000.00), inclusive of such Class B Member's initial Capital Contribution. The Board must approve the amount and use of each additional capital expenditure or series of capital expenditures that in the aggregate exceed such threshold by One Hundred Thousand Dollars (\$100,000.00) or more, which approval shall not be unreasonably withheld, conditioned, or delayed under any circumstance (and any objection by one or more Board member(s) must be in writing, delivered promptly to the Class B Member, and must describe the objection(s) with particularity). The parties acknowledge and agree that the cost of the initial buildout of the Premises is anticipated to be Two Hundred and 00/100 Dollars (\$200.00) per square foot. So long as the Class B Member obtains at least three (3) competitive bids from qualified, licensed, and unaffiliated contractors, it shall be unreasonable for any Board member to object to the Class B Member's general contractor so long as such bid adheres to the proposed construction budget. Any such contractor shall be licensed, insured, and have adequate skills and experience to complete the buildout in substantial accordance with the proposed plans and construction schedule. The parties also acknowledge and agree that it shall be reasonable for the Class B Member to procure inventory in the amount of one (1) month of projected sales (which, for the initial inventory, shall be \$200,000.00 to \$250,000.00 worth of products and merchandise). Finally, the parties agree and acknowledge that the Board shall have the right to review and approve an annual budget for expenses in connection with commencement of, and ongoing operations, including marketing and promotion, payroll, and acquisition of store supplies and equipment, that all expenses incurred by the Company or the Class B Member on behalf of the Company that fall within that budget shall be deemed to be approved and that expenses that in the aggregate would cause any line item to increase by ten percent (10%) or more from the budget shall require further Board approval (which approval shall not be unreasonably withheld, conditioned, or delayed). The parties further agree that after establishing the initial annual budget, expenses incurred by the Class B Members in subsequent years shall be deemed to be reasonable (and shall not require further Board approval) to the extent that the aggregate amount of such expenses falling within any line item bear at most the same ratio to projected gross revenues as expenses falling within the equivalent line item bear to gross revenues in the initial budget approved by the Board. In all cases, the Class B Member

shall operate the Store in a matter commensurate with other retail cannabis stores owned and/or operated by the Class B Member or its affiliates and subsidiaries.

(ii) The Class B Member shall reimburse the Class A Member for reasonable, documented out of pocket expenses and costs incurred in connection with pursuing and securing rights in the Premises, licensure, and other regulatory approvals (in an amount not to exceed \$20,000) at such time as the Class B Member funds the initial working capital of the Company and/or the buildout of the Store.

4.10 Deadlock. In the event the Board and/or Members are unable to reach a decision by the required vote regarding a Major Decision (a “Deadlock”), the Board members and/or Members, as applicable shall meet and confer in good faith, and attempt to resolve any such Deadlock so as to promote the best interests of the Company. During the continuation of any Deadlock, the Company shall continue to operate in a manner consistent with its prior practices and this Agreement until such time as the Deadlock is resolved. In the event of a Deadlock one or more Members may trigger the dispute resolution mechanism set forth in Article XII.

## **ARTICLE V**

### **CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNT; PROFITS, LOSSES AND DISTRIBUTIONS**

#### 5.1 Capital Contributions; Capital Account.

(a) Initial Capital Contributions. Initially, the Board is authorized to issue 5,100 Class A Units and 4,900 Class B Units. The ownership and Initial Capital Contributions of each Member shall be as set forth on Exhibit A.

(b) Additional Capital Contributions.

(i) Subject to the terms of this Agreement, the Board and the Members may, from time to time, cause the Company to raise additional capital. In connection with any such capital-raising, the Company may issue and sell additional Class A Units or Class B Units, or additional Classes of Units in the Company which may be pari passu with, or senior in right to, any class of Units.

(ii) In addition to and not in limitation of the foregoing, and subject to the terms of this Agreement, the Board and the Members shall have the right, from time to time, to require the Class B Member to make Additional Capital Contributions in the amounts indicated in a written notice delivered by the Board to the Class B Member, if the Board and the Members reasonably and in good faith determine that such Additional Capital Contributions are necessary for Company operations (the “Call Notice”). Each such Call Notice shall specify: (A) the date by which the capital call must be received (which shall not be less than ten (10) business days from the date of the Call Notice unless emergency conditions exist), and (B) the total amount of the capital call. If the Class B Member shall fail or refuse to make an Additional Capital Contribution when required (the “Defaulting Member”), and such failure or refusal shall have continued for a period of twenty (20) days following the date of the Call Notice, then after expiration of such twenty (20) day period, the Board may raise such funds from one or more of the other Members, their respective Affiliates, or from third parties and



may offer the Defaulting Member's Class B Units in exchange therefor, in which event the Class B Member's Percentage Interest shall be reduced accordingly.

(c) Capital Accounts. A Capital Account shall be maintained on the books and records of the Company for each Member (each, a "Capital Account") in accordance with the provisions of this Section 5.1:

(i) To each Member's Capital Account there shall be credited such Member's Capital Contributions, such Member's distributive share of Profits and the amount of any Company liabilities assumed by such Member or that are secured by any Company Property distributed to such Member.

(ii) To each Member's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any Company Property distributed to such Member pursuant to any provision of this Agreement, such Member's distributive share of Losses, and the amount of any liabilities of the Company assumed by such Member or that are secured by any property contributed by such Member to the Company.

(iii) In the event that all or a portion of any interest in the Company is Transferred in accordance with this Agreement, the Transferee shall succeed to the Capital Account of the Transferor to the extent it relates to the Transferred interest.

The foregoing provisions, and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-1(b) of the Treasury Regulations and shall be interpreted and applied in a manner consistent with such Treasury Regulations. In the event that the Board shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities that are secured by contributed or distributed property or that are assumed by the Company or the Members) are computed in order to comply with such Treasury Regulations, the Board may make such modification, provided that it is not likely to have a material effect on the amounts distributable to any Member pursuant to Section 9.3 hereof upon the dissolution and liquidation of the Company. The Board shall also (i) make any adjustments necessary or appropriate to maintain equality between the aggregate Capital Accounts of the Members and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(q) and make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Treasury Regulations Section 1.704-1(b).

(d) Loans. No Member shall have any obligation to loan funds to the Company; provided, however, that the Company may borrow funds or enter into other similar financial accommodations with any Member or any Affiliate of any Member. Loans to the Company by any Member shall not be considered Capital Contributions.

5.2 Calculation of Profits and Losses. For financial accounting purposes, the Profits and Losses of the Company shall be determined on an annual basis in accordance with this Agreement.

5.3 Allocation of Profits, Losses, Credits and Other Items.

(a) Profits and Losses. Profits and Losses (and each item thereof) shall be allocated among the Members in such manner and amount as shall accurately reflect (a) such Member's obligation, if any, to make future contributions to the Company, (b) such Member's right to receive distributions from the Company, and (c) such Member's economic risk of loss with respect to any liability of the Company. It is the intention of the Members that the allocations pursuant to this Section 5.3(a) be made in such manner as will have substantial economic effect or otherwise be in accordance with the Members' interest in the Company in accordance with Treasury Regulations Section 1.704-1(b) and 1.704-2. Without limiting the foregoing, it is anticipated that all allocations of Profits and Losses (and items thereof) among the Members will be allocated to the Members, in accordance with the provisions of such Treasury Regulations regarding "partner nonrecourse deductions," "nonrecourse deductions," limitations imposed on the deficit balance in a Member's capital account and "qualified income offset," "partnership minimum gain," and "partner nonrecourse debt minimum gain," as such terms are defined in Treasury Regulations Sections 1.704-2(i)(1), 1.704-2(b)(1), 1.704-1(b)(2)(ii)(d), 1.704-2(b)(2) and 1.704-2(i)(2), respectively, are incorporated herein by reference, and shall apply to the Members (and any Transferees) in such Member's capacity as a member of the Company for federal income purposes. Losses allocated to a Member pursuant to this Section 5.3(a) shall not exceed the maximum amount of Losses that can be allocated to such Member without causing such Member to have a negative Adjusted Capital Account Balance at the end of any Fiscal Year or other allocation period in which any other Member does not have a negative Adjusted Capital Account Balance.

(b) Tax Allocations.

(i) Subject to Section 5.3(b)(ii) and 5.3(b)(iii), each item of income, gain, loss, or deduction for federal income tax purposes that corresponds to an item of income, gain, loss or expense that is either taken into account in computing Profits or Losses or is specially allocated pursuant to Section 5.3(a) shall be allocated among the Members in the same proportion as the corresponding item is allocated among them pursuant to Section 5.3(a).

(ii) In the event any property of the Company is credited to the Capital Account of a Member at a value other than its tax basis, then allocations of taxable income, gain, loss and deductions with respect to such property shall be made in a manner which will comply with Code Section 704(c). In connection with the admission of a subsequent Member as of the date hereof, the Capital Accounts of the Members shall be adjusted to reflect the current Gross Asset Values of the Company's assets, as described in subsection (ii)(A) of the definition of Gross Asset Value.

(iii) The tax allocations made pursuant to this Section 5.3(b) shall be solely for tax purposes and shall not affect any Member's Capital Account or share of non-tax allocations or distributions under this Agreement.

(c) Former Members. Any allocations described above in this Section 5.3 also shall be made by the Company to any former Member to the extent applicable, as reasonably determined by the Board.

(d) Code Section 754 Election. The allocation to a Member of items of taxable income, gain, loss, and deduction of the Company also shall be adjusted to reflect any election under Code Section 754.

(e) Intentionally omitted.

#### 5.4 Non-Federal Taxes.

(a) Elections. The Company may make any tax elections allowed under the tax laws of any state or other local jurisdiction having taxing jurisdiction over the Company (“Taxing Jurisdiction”). Upon approval by the Consent of the Members and subject to the terms of this Agreement, the Company may make differing tax elections at the state and federal levels.

(b) Taxes of Taxing Jurisdictions. As determined by the Board, to the extent that the laws of any Taxing Jurisdiction require, each Member requested to do so will submit to the Taxing Jurisdiction an agreement indicating that the Member will timely file all returns and make all income tax payments to the Taxing Jurisdiction or that the Member accepts personal jurisdiction of the Taxing Jurisdiction with regard to the collection of income taxes attributable to the Member's income, and interest and penalties assessed on such income or such other agreement as the Taxing Jurisdiction provides. If the Member fails to provide such agreement, to file such returns, or to make such tax payments, the Company may, and if required by the Taxing Jurisdiction shall, withhold and pay over to such Taxing Jurisdiction the amount of tax, penalty and interest determined as due under the laws of the Taxing Jurisdiction. Any such payments with respect to a Member shall be treated as an advance of a distribution to such Member, provided that if the Member was not entitled to such a distribution, without notice or demand the Member shall pay to the Company the amount the Company paid to the Taxing Jurisdiction. The Company may, where permitted by the rules of any Taxing Jurisdiction, file a composite, combined or aggregate tax return reflecting the income of the Company and pay the tax, interest and penalties of some or all of the Members on such income to the Taxing Jurisdiction, in which case the Company shall inform the Members of the amount of such tax, interest and penalties so paid and such amounts shall be also treated as such an advance distribution and be subject to repayment.

#### 5.5 Distributions.

(a) Generally. Distributions of Net Cash Flow and Capital Event Proceeds hereunder shall be made to the Members in accordance with Section 5.5(b) and (c) hereof at such time and in such amounts as provided hereafter.

(b) Tax Distributions to Members. Notwithstanding the other provisions of this Agreement, to the extent funds are available, the Board shall make distributions to the Members from time to time with respect to any taxable year in an amount to pay when due any federal, state and local income taxes imposed on such Members, calculated using the Assumed Tax Rate, that is attributable to the cumulative taxable income allocated to the Members under this Agreement. Tax distributions pursuant to this Section 5.5(b) shall not be made with respect to the year in which the Company liquidates. Tax distributions made hereunder shall be treated as an advance on other distributions to which a Member is entitled in respect of such Member's Units, and shall therefore

reduce the amount of other distributions payable to that Member under this Agreement in respect thereof.

(c) Priorities. All distributions of Net Cash Flow hereunder shall be made quarterly, subject to availability and the terms and conditions of this Agreement, in the following order:

(i) First, twenty percent (20%) to the Members pro rata and pari passu in proportion to their respective Percentage Interests, and eighty percent (80%) to the Class B Member until such time as (x) the Class B Member has received an amount equal to the sum of its accrued, but unpaid, Preferred Return and (y) its unreturned Capital Contribution has been repaid in full; and

(ii) Thereafter, to the Members pro rata and pari passu, in proportion to their respective Percentage Interests.

(d) Distributions of Capital Event Proceeds. Upon the occurrence of a Capital Transaction, after payment of debts and obligations of the Company (including any accrued but unpaid Corporate Reimbursements or other fees due and payable hereunder), the Company shall distribute the Capital Event Proceeds as follows:

(i) First, to fund reserves for working capital in such amounts as may be reasonably determined by the Board;

(ii) Second, one hundred percent (100%) to the Class B Member until the Class B Member has received an amount equal to the sum of all accrued, but unpaid, Preferred Return and its unreturned Capital Contribution has been repaid in full;

(iv) Thereafter, to the Members, pro rata and pari passu, in accordance with their respective Percentage Interests.

(e) Prohibited Distributions. Notwithstanding anything to the contrary contained herein, the Company shall not make any distribution to the Member if such distribution would violate the LLCA or other applicable law.

5.6 Withholding Taxes. The Company is authorized to withhold from distributions to the Members, and to pay over to a federal, state or local government, any amounts required to be withheld pursuant to the Code, or any other provisions of any other federal, state or local law. Any amounts so withheld shall be treated as having been distributed to the Members pursuant to Section 5.3 for all purposes of this Agreement.

5.7 Condition to Distributions. At any time or from time to time, and prior to making any distributions, the Board may request from any Member or other Person receiving a distribution an affidavit or other evidence that such Person is not a “foreign person” within the meaning of Code Section 1445 or Code Section 1446. If such Person does not provide such affidavit or other evidence in form and content reasonably satisfactory to the Members within 30 days after such request, the Board may withhold and pay over to the IRS such portion of such Person's distribution as may be necessary to comply with Code Section 1445 or Code Section 1446, and any amount so withheld and paid over shall be treated as a distribution to such Person at the time it is paid over to the IRS.

5.8 Creditor Status. No Member shall have the status of, or be entitled to any remedies available to, a creditor of the Company with respect to any distribution to which such Member may become entitled.

## **ARTICLE VI** **OFFICERS**

6.1 Officers. The Board may appoint individuals as officers of the Company with such titles as the Board may select, including the titles of President, Chief Executive Officer, Vice President, Treasurer and Secretary, to act on behalf of the Company, with such power and authority as the Board may delegate to any such individual.

6.2 Removal or Replacement of an Officer. Each officer shall serve until such officer: (A) dies or resigns, or (B) is removed by the affirmative vote of the Board.

## **ARTICLE VII** **TRANSFERABILITY**

7.1 Transfers Generally.

(a) No Member shall have the right to Transfer all or any of its Units except in accordance with this Article VII. Further, no Class A Member that is an entity (a “Entity Member”) shall permit any transfer of any equity or debt interests in that Entity Member, or creation of any new equity or debt interests in that Entity Member, without full compliance with all of this Article VII as though such interests in the Entity Member were Class A Member Units in the Company subject to the Sections 7.2 - 7.6, below, and in strict compliance with the Act and the Regulator. For purposes of clarity, as a precondition to being effective, any Transfer of Units by one or more Member must comply with the requirements of the Act and the Regulator.

(b) In the event that Sections 7.2 - 7.6, below are satisfied, regarding either the sale of a Member's Units to a third party purchaser or the gift of an interest in the Company, as a condition to recognizing the effectiveness and binding nature of any such sale or gift as against the Company or otherwise, and substitution of a new Member, the Board may require the Transferring Member and the proposed Transferee to execute, acknowledge, and deliver to the Board such instruments of transfer, assignment and assumption and such other certificates, representations and documents, and to perform all such other acts which the Board may deem necessary or desirable to:

- (i) constitute such Transferee as a Member;
- (ii) assure that the Transferee qualifies as a Member under Section 3.1;
- (iii) confirm that the Transferee has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of this Agreement, as the same may have been further amended (whether such Person is to be admitted as a new Member);
- (iv) preserve the Company after the completion of such Transfer or substitution under the laws of each jurisdiction in which the Company is qualified, organized or does business;

(v) maintain the status of the Company as a partnership for federal tax purposes;  
and

(vi) assure compliance with all applicable state and federal laws including securities laws and regulations, and any requirements of the equity or economic empowerment business with the City of Boston or the MCCC, the Act and/or the Regulator.

(c) Any Transfer of a Unit or admission of a Member or an Economic Interest Owner, in compliance with this Article VII shall be deemed effective as of the last day of the calendar month in which the Board consent thereto was given unless and except to the extent that any governmental or regulatory approval(s) are needed as a precondition to such transfer, in which event such transfer shall take place as of the last day of the calendar month in which the regulatory approval(s) are granted.

(d) The Transferring Member shall pay all costs, fees and expenses of the Company in preparing the documents, conducting the investigations and seeking all governmental or regulatory approval(s) it reasonably deems necessary to approve and effectuate such Transfer, whether or not the Transfer is approved or occurs. Transferring Member further hereby indemnifies the Company, the Board and the remaining Members against any and all loss, damage, or expense (including, without limitation, tax liabilities or loss of tax benefits and reasonable accounting and legal expense) arising directly or indirectly as a result of any transfer or purported transfer in violation of this Article VII.

#### 7.2 Transferee Not Member in Absence of Consent of Board.

(a) Notwithstanding anything contained herein to the contrary, if the Board does not approve the proposed Transfer of any Unit to a Transferee which is not a Member immediately prior to such Transfer, then the proposed Transferee shall have no right to become a Member or otherwise to participate in the management of the business and affairs of the Company. No Transfer of a Member's Interest in the Company (including any transfer of the Economic Interest or any other Transfer which has not been approved by the Board) shall be effective unless and until written notice (including the name and address of the proposed Transferee and the date of such transfer) has been provided to the Company and the non-transferring Members. Notwithstanding the above or anything to the contrary herein, the Board shall not unreasonably withhold, condition, or delay its approval to a proposed sale or Transfer of the Class B Member's Units so long as the proposed transfer and/or transferee, as applicable, otherwise complies with the requirements of this Article.

#### 7.3 Intentionally omitted.

#### 7.4 Right of First Refusal Upon Involuntary Withdrawal.

(a) In the event that any Member (a "Withdrawing Member") shall suffer an Event of Withdrawal, then in addition to the other requirements and limitations set forth in this Agreement, the legal representatives of the Withdrawing Member ("Representatives") shall give written notice within ninety (90) days of the occurrence of such event (the "Withdrawal Notice") to the other Members of the withdrawal of the Withdrawing Member.

(b) For a period of ninety (90) days after the receipt by the Members of the Withdrawal Notice, the Members shall have an option to purchase ("Option") all, but not less than all, of the

Withdrawing Member's Units in the Company ("Abandoned Interest"), on the terms and conditions set forth below in subparagraphs (c) and (d).

(c) The Option granted in this Section to the Members must be exercised by notice within said ninety (90) day period. If and to the extent that the Members do not exercise their right to purchase the Abandoned Interest in its entirety, the Economic Interest represented by the Abandoned Interest and right to request admission as a substitute Member shall pass to the authorized legal representative(s) of the Withdrawing Member by operation of law, but subject, nevertheless, to the provisions of Section 7.1(b), (c), and (d) hereof.

(d) The purchase price for the Abandoned Interest ("Abandoned Interest Purchase Price") shall be the Fair Market Value of the Abandoned Interest as determined by an appraiser selected by the Board. If possible, the appraiser (x) must be certified as a business appraiser by the American Society of Appraisers as an Accredited Senior Appraiser (ASA), or by the Institute of Business Appraisers as a Certified Business Appraiser (CBA), or by the American Institute of Certified Public Accountants as an Accredited In Business Valuation (ABV), or by the National Association of Certified Valuation Analysts as a Certified Valuation Analyst (CVA), and (y) must have experience in performing valuations of licensed cannabis businesses. The value of the Abandoned Interest shall be determined as of the date of the Event of Withdrawal, unless otherwise mutually agreed by the Company and the legal representatives of the Withdrawing Member. The cost of the appraisal shall be paid by the Company. The Abandoned Interest Purchase Price shall be paid in cash by wire transfer of immediately available funds or by certified or bank treasurer's check upon the transfer of the Abandoned Interest.

7.5 Permitted Transfers. Notwithstanding anything in the Agreement to the contrary, but subject to the requirements of Section 7.1, all transfers of Units or Economic Interests to a current Member, an Affiliate or to a Family Member can be undertaken without restriction. Notwithstanding anything in this Section 7.5 to the contrary, the Transferring Member shall maintain all voting rights attached to his Units during his lifetime in regard to any Transfer to an Affiliate or a Family Member and further provided that Members may only transfer their Units if such transfer of Units does not adversely impact the Company's status as a social equity or economic empowerment business with the City of Boston or the CCC, and all such transfers must otherwise comply with requirements imposed by the Act and/or the Regulator.

7.6 Tax Limitation. Notwithstanding anything to the contrary contained herein, no Transfer of, or Lien on, any interest in the Company shall be permitted if such Transfer or Lien would cause the Company to be treated as an association taxable as a corporation for U.S. federal income tax purposes, including pursuant to Section 7704 of the Code.

7.7 Holder of Record. The Company shall be entitled to treat the record owner of Units as the absolute owner thereof in all respects, and shall incur no liability to a purported transferee for distributions of cash or other property made in good faith to such owner until such time as (i) a written assignment of such Units has been received and accepted by the Company in accordance with the terms and conditions set forth in this Agreement and (ii) the transferee has been admitted as a Member of the Company and has fulfilled the terms and conditions of Section 7.1(b) of this Agreement. In the absence of the substitution (as provided herein) of a Member for an assigning or transferring Member, any payment to a Member or any trustee in bankruptcy in accordance with the terms of this Agreement shall acquit the Company and any other Member of all liability to any other persons or

entities who may be interested in such payment by reason of any purported assignment or transfer of such Member. In addition to and not in limitation of any other legal or equitable remedies which it may have, the Company and any of its Members may enforce its rights hereunder by actions for specific performance.

#### 7.8 Tag Along Rights.

(a) Notwithstanding anything contained herein to the contrary in this Article VII, in the event that the holders of any Class of Units (the “Tag-Along Transferors”) desire to transfer in the aggregate more than 50% of their Units (such Units, the “Tag-Along Units”) to any one or more Persons in an “arms'-length” single transaction or series of related transactions, then the Tag-Along Transferors shall provide all other Members of all Classes (the “Tag-Along Members”) with written notice (“Transfer Notice”) of their intention to transfer such Tag-Along Units, specifying in such Transfer Notice the identity of the proposed transferee, the number of Tag-Along Units to be transferred, the purchase price therefor (the “Purchase Price”), and the terms (the “Transfer Terms”) of the proposed sale (the “Proposed Sale”). For purposes of clarity, the transfer of more than 50% of the outstanding voting control of or right to receive distributions on the common equity in either Member in an “arms'-length” single transaction, a series of related transactions, or otherwise, shall not be deemed to be a transfer of an equivalent percentage of such Member’s Units and shall not entitle the other Member to exercise its Tag-Along Right (defined below).

(b) Upon receipt of Transfer Notice, each Member that is not a Tag-Along Transferor, shall, for a period of twenty (20) days (“Tag-Along Exercise Period”), have the right and option (“Tag-Along Right”) to sell to the proposed Transferee in the Proposed Sale at a price and on terms equivalent to the per Unit Purchase Price and the Transfer Terms, up to that number of Units owned by such Tag-Along Member as shall equal the product of (i) a fraction, (A) the numerator of which is the number of Tag-Along Units owned of record as of the date of the Tag-Along Notice by the Tag-Along Transferors, and (B) the denominator of which is the aggregate number of all Units of the same Class as such Tag-Along Units then issued and outstanding, multiplied by (ii) the number of Units owned of record by such Tag-Along Member as of the date of the Tag-Along Notice, in all cases subject to the terms and conditions of this Article. Such written notice shall state the aggregate number of Units that such Tag-Along Member proposes to include in such Transfer.

(c) If any Tag-Along Member exercises its rights pursuant to this Section 7.8, then Tag-Along Transferors will attempt to obtain from the proposed Transferee a commitment, for the benefit of each such Tag-Along Member, to purchase the number of Units that such Tag-Along Member proposes to include in such Transfer pursuant to this Section 7.8. To the extent Tag-Along Transferors cannot obtain such a commitment from such proposed Transferee for each of the Tag-Along Members, the Tag-Along Transferors and Tag-Along Members shall reduce the number of Units being sold by the Tag-Along Transferors and Tag-Along Members such that each Tag-Along Transferor and each Tag-Along Member sells a number of Units as is determined by multiplying (i) a fraction, the numerator of which is equal to the number of Units that such Tag-Along Transferor or such Tag-Along Member, as the case may be, would have sold if Tag-Along Transferors had obtained such commitments from such proposed Transferee, and the denominator of which is equal to the total number of Units that would have been sold by all of such Tag-Along Transferors and all of such Tag-Along Members if Tag-Along Transferors had obtained such commitments from such proposed Transferee, multiplied by (ii) the total number of Units that such proposed Transferee is in fact acquiring from all Tag-Along Transferors and all Tag-Along Members. Anything in this Section to



the contrary notwithstanding, each reduction shall be determined based on the amount to be distributed to each of the Tag-Along Transferors and each of the Tag-Along Members as if the proceeds were to constitute Capital Event Proceeds (with any non-cash consideration valued at its fair market value) and were to be distributed pursuant to Section 5.5 at the time of such Transfer.

(d) The closing of the Transfer of the Units with respect to which rights have been exercised by a Tag-Along Member pursuant to this Section 7.8 is subject to, and will take place concurrently with, the closing of the Transfer of the Units by Tag-Along Transferors to the proposed Transferee. At such closing, each Tag-Along Member electing to Transfer Units shall deliver to the proposed Transferee, free and clear of all liens, the Units to be sold and shall receive in exchange therefor, the consideration to be paid by the proposed Transferee (but giving effect to the distribution priorities set forth in Section 5.5 as if such sale were a Capital Transaction) in respect of such Units as described in the Tag-Along Notice.

(e) If any Tag-Along Transfer is not closed within six (6) months from the date of the Transfer Notice, with the same proposed transferee and at the same or better Purchase Price and Transfer Terms than those set forth in the Transfer Notice, then prior to concluding any other proposed transfer of a majority of Units to any one or more Persons in a single transaction or series of related transactions, the Tag-Along Transferors shall be required to give all Members a new notice of their desire to transfer in accordance with the foregoing requirements and the foregoing procedures shall again be followed.

(f) For purposes of clarity and avoidance of doubt, transfers pursuant to this Section must in all cases comply with the Act and the requirements of the Regulator. Neither party may exercise any right provided hereunder if the exercise of such right would violate the Act or the requirements of the Regulator (including specifically, and without limitation, any social equity requirements of the local governmental authority).

7.9 Intentionally omitted.

7.10. Adverse License Event.

(a) *Class A Member.* Notwithstanding anything to the contrary herein, in the event that the Class A Member's status as an owner of the Units is significantly likely to cause the Company not to be eligible to receive or maintain a license under the Act to operate the Store, under circumstances that are not reasonably capable of being cured (each, an "**Adverse License Event**"), then the Class B member shall purchase all, but not less than all, of the Units then held by such party (the "**Adverse Event Offered Interest**"), and such party shall be deemed to have offered the Adverse Event Offered Interest to the Class B Member. The closing of the purchase of the Adverse Event Offered Interest shall take place as soon as practicable following the Adverse License Event, but in no event more than thirty (30) days after the date the valuation referred to in Section 7.10(c) is delivered unless a later date is designated by Class B Member, and the parties shall execute all documents reasonably necessary to consummate such purchase (including, without limitation, entering into agreements and delivering certificates and instruments and consents as the Class B Member reasonably deems necessary or appropriate). The purchase price for the Adverse Event Offered Interest shall be the purchase price (defined below) *less* any costs, attorney fees, or other damages caused by the Adverse License Event or incurred by the Class B Member in connection with such sale. The purchase price for the Adverse Event Offered Interest shall be paid in twelve (12)

quarterly installments, at nine percent (9%) annual interest (subject to distributable Net Cash Flow) until paid in full; provided, however, that the Company may choose to prepay the purchase price in full at any time without penalty. For purposes of clarity, an Adverse License Event shall only be deemed to have occurred after the Regulator or other governmental authority has advised the Company (in writing or otherwise) of an actual or imminent threat to the Company's ability to receive or maintain licensure as required under the Act (and only after the impacted Member has exhausted all administrative or other appeals (if applicable), or if such Member has failed to promptly and diligently pursue such administrative or other appeals to completion).

(b) *Class B Member.* In the event that the Class B Member's status as an owner of the Units shall cause or constitute an Adverse Licensing Event, then the Class A Member shall purchase all, but not less than all, of the Adverse Event Offered Interest, and the Class B Member shall be deemed to have offered that Adverse Event Offered Interest to the Class A Member. The closing shall take place as soon as practicable but in no event more than thirty (30) days after the date the valuation referred to in Section 7.10(c) is delivered unless a later date is designated by the Class A Member, and the parties shall execute all documents reasonably necessary to consummate such purchase (including, without limitation, entering into agreements and delivering certificates and instruments and consents as the Class A Member reasonably deems necessary or appropriate). The purchase price for the Class B Member's Adverse Event Offered Interest shall be determined in the same manner as Section 7.10(a), above; provided, however, that, at the Class B Member's election, the Class B Member may choose to receive its unreturned Capital Contribution as compensation for the Adverse Event Offered Interest. The purchase price for such Adverse Event Offered Interest shall be paid in twelve (12) quarterly installments, with nine percent (9%) annual interest (subject to distributable Net Cash Flow), until paid in full; provided, however, that the Company may choose to prepay the purchase price at any time without penalty.

(c) *Purchase Price.* As used in this Section 7.10, "purchase price" shall mean the Fair Market Value of the Adverse Event Offered Interest as determined by an independent third party appraiser reasonably acceptable to the parties. If practicable under the circumstances, such appraiser (x) must be certified as a business appraiser by the American Society of Appraisers as an Accredited Senior Appraiser (ASA), or by the Institute of Business Appraisers as a Certified Business Appraiser (CBA), or by the American Institute of Certified Public Accountants as an Accredited In Business Valuation (ABV), or by the National Association of Certified Valuation Analysts as a Certified Valuation Analyst (CVA), and (y) must have experience in valuing licensed cannabis businesses. The appraiser must be retained as soon as practicable after the Company learns of the Adverse License Event and the appraiser shall be directed to deliver a valuation of the Adverse Offered Interest within fourteen (14) days of being retained.

7.11 Securities Issues. If the consideration to be paid in exchange for the Units pursuant to this Section 7 includes any securities and due receipt thereof by any Member would require under applicable law (x) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities; or (y) the provision to any Member of any information other than such information as a prudent issuer would generally furnish in an offering made solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act of 1933, as amended, the Company may cause to be paid to any such Member in lieu thereof, against surrender of the Units which would have otherwise been sold by such Member, an amount in cash equal to the fair value (as reasonably determined in good faith by the Board, without taking into account discounts for lack of control or marketability) of the securities which such Member would otherwise receive as

of the date of the issuance of such securities in exchange for the Units; provided that if there is insufficient cash available for such Members, the Company shall make such other arrangements as are reasonably necessary to make such payments within one year of the Closing.

## **ARTICLE VIII**

### **BOOKS, ACCOUNTING AND TAX TREATMENT**

8.1 Corporate Records. The Board shall keep or cause to be kept at the address of the Company (or at such other place as the Board shall determine in its discretion) during the term of the Company true and complete copies of: (i) the Company's the Certificate and all amendments thereto, (ii) the Company's current effective version of this Agreement and all amendments thereto, and (iii) all other writings, if any, prepared pursuant to a requirement in this Operating Agreement or prepared according to requirements of the LLCA. Any holder of Units will be granted access to inspect and copy or download Company records described in this Article VIII during normal business hours and with reasonable advance notification at the requesting Member's expense.

8.2 Accounting Period. The Company's accounting period shall be the calendar year.

8.3 Books and Records; Accounting. The Board shall keep or cause to be kept at the address of the Company (or at such other place as the Board shall determine in its discretion) during the term of the Company true and complete accounts, books and records regarding the business and financial condition of the Company and copies of the Company's federal, state, and local income tax returns and financial statements for the six most recent years.

8.4 Financial Statements and Other Information. The Company will send to all Members:

(a) not more than ninety (90) days after the end of each Fiscal Year a financial report prepared in accordance with accounting principles used to prepare the Company's federal income tax return and the information and statements needed by the Members to enable them to prepare their federal, state and local tax returns for such period. Tax returns and financial statements shall be prepared by an accountant selected by the Board. The Company shall also cause its accountants to prepare and distribute to the Members an annual financial statement containing balance sheets, statements of income, retained earnings and cash flow as of the end of such Fiscal Year and for the 12-month period then ended, in each case after the initial Fiscal Year or portion thereof setting forth in comparative form the figures for the preceding Fiscal Year, prepared in accordance with U.S. generally accepted accounting principles (GAAP), to be delivered no later than March 31 of the following calendar year.

(b) as soon as practicable, but in any event within forty five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, unaudited statements of income, retained earnings, and cash flows for such fiscal quarter, and an unaudited balance sheet as of the end of such fiscal quarter, all prepared in accordance with the books and records of the Company;

(c) as soon as practicable, but in any event within thirty (30) days of the end of each month, an unaudited statement of income, retained earnings, cash flows for such month, and an unaudited balance sheet as of the end of such month, all prepared in accordance with the books and records of the Company; and

(d) such other information relating to the financial condition, business, prospects, or corporate affairs of the Company as the Members may from time to time reasonably request. Without limiting

the foregoing, the Company shall provide the Members with read-only access to the Company's point-of-sale system.

8.5 Tax Treatment. The Members intend for the Company to be considered a partnership for Federal income tax purposes and agree that the Company will be governed by the provisions of Subchapter K of the Code and the applicable Treasury Regulations promulgated thereunder. The Members are aware of the income tax consequences of the allocations made by Article V and hereby agree to be bound by the provisions of Article V in reporting their shares of Company Profit and Losses for income tax purposes. The Board will undertake any and all actions necessary under the Code and the Treasury Regulations to ensure that the Company will be classified as a partnership for Federal income tax purposes and will file or cause to be filed any elections that may be required (but only if required) under the Code and the Treasury Regulations in order to ensure that the Company will be classified as a partnership for Federal income tax purposes. Notwithstanding any other provision of this Agreement to the contrary, with the consent of a Majority of Members of each Class of Units, the Company may elect to be classified as a corporation for Federal income tax purposes, in which event any provision of this Agreement specifically applicable to the Company being taxed as a partnership for Federal income tax purposes, including those of Article V, shall be deemed deleted. Notwithstanding the above or anything to the contrary herein, the Members agree that each Member (or their constituent entity or entities) have agreed to be treated as a corporation for federal, state and local income tax purposes (either by being structured as a C Corporation or electing to be taxed as such) unless either (i) the federal corporate tax rate is materially increased by future legislation beyond the rate currently in effect, or (ii) Section 280E of the Code has been amended and is no longer in effect.

8.6 Tax Returns and Other Elections.

(a) Preparation and Filing. The Board shall cause the preparation and timely filing of all returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to each Member as soon as practical after the end of the Company's fiscal year but in any event not more than ninety (90) days after the end of each Fiscal Year. The tax information provided to each Member shall include, without limitation, such Member's federal tax Schedule K-1.

(b) Tax Elections. Ankur Rungta is hereby authorized to make elections and prepare and file returns regarding any federal, state or local tax obligations of the Company, and to serve as the "Partnership Representative" of the Company for purposes of Section 6231(a)(7) of the Code, with power to manage and represent the Company in any administrative proceeding of the Internal Revenue Service in his sole discretion, provided that he shall make any tax election requested by Majority of Members if such election does not materially increase the tax obligations of any other Member.

## **ARTICLE IX** **DISSOLUTION**

9.1 Duration and Dissolution. The Company shall be dissolved and its affairs shall be wound up upon the first to occur of the following:

- (a) the sale of all or substantially all of the assets of the Company;
- (b) the determination by the Board to dissolve the Company; and
- (c) the entry of a decree of judicial dissolution under Section 44 of the LLCA.

The Company shall not be dissolved or otherwise terminated by reason of any Member Bankruptcy, and the Company shall continue its existence as a limited liability company upon, during and following any Member Bankruptcy.

9.2 Winding Up. Subject to the provisions of the LLCA and, unless otherwise required by law, the Board shall have the right to wind up the Company's affairs in accordance with Section 45 of the LLCA (and shall promptly do so upon dissolution of the Company in accordance with Section 43 or 44 of the LLCA) and shall also have the right to act as or appoint a liquidating trustee in connection therewith.

9.3 Distribution of Assets. Upon the winding up of the Company, once the Company has made payment of, or adequate provisions for, the debts, expenses and obligations of the Company, the remaining assets of the Company shall be distributed to the Members in accordance with Section 5.5(b).

9.4 Cancellation of Certificate. Upon the completion of the winding up of the Company and the distribution of the Company's assets, the Company shall be terminated and the Board shall cause the Company to execute and file a Certificate of Cancellation in accordance with Section 14 of the LLCA.

9.5 Member Resignation. Except in the case of a Transfer of its Units to a new Member in accordance herewith, a Member may not resign from the Company or otherwise disassociate itself from the Company without the consent of the Board.

## **ARTICLE X**

### **EXCULPATION AND INDEMNIFICATION**

10.1 Exculpation. Notwithstanding any other provisions of this Agreement, whether express or implied, or obligation or duty at law or in equity, none of (i) the Board, (ii) the Members, or (iii) any of their respective officers, directors, stockholders, partners, members, employees, representatives or agents acting in such capacity, shall be liable to the Company or any other Person for any act or omission (in relation to the Company, this Agreement, any related document or any transaction or investment contemplated hereby or thereby) taken or omitted in good faith by such Person and in the reasonable belief that such act or omission is in or is not contrary to the best interests of the Company and is within the scope of authority granted to such Person by this Agreement, provided that such act or omission does not constitute fraud, willful misconduct, bad faith or gross negligence; provided, further, that for the purposes hereof, any conduct, act, or omission of such Person, related to or arising from any activity or involvement with cannabis (marijuana) or the cannabis (marijuana) industry or otherwise resulting therefrom that may be a violation of Federal Cannabis Laws, shall not constitute fraud, willful misconduct, bad faith or gross negligence hereunder, solely by reason of being a violation of Federal Cannabis Laws, so long as such conduct, act, or omission could be reasonably believed to be in compliance with applicable state laws (including, without limitation, the Act).

10.2 Indemnification. To the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless each member of the Board, and may upon determination by the Board indemnify each Member, officer, employee, or representative, or any agent of the Company or any of its affiliates (to the extent indemnified, each individually an “Indemnified Person” and collectively the “Indemnified Persons”) from and against any and all losses, claims, demands, liabilities, expenses, judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Indemnified Person may be involved, or threatened to be involved, as a party or otherwise, by reason of its management of the affairs of the Company or which relates to or arises out of the Company or its property, business or affairs (a “Claim”). An Indemnified Person shall not be entitled to indemnification under this Section 10.2 with respect to any claim, issue or matter in which it has engaged in fraud, willful misconduct, bad faith or gross negligence; provided, that for the purposes hereof, any conduct, act, or omission of an Indemnified Person, related to or arising from any activity or involvement with cannabis (marijuana) or the cannabis (marijuana) industry or otherwise resulting therefrom that may be a violation of Federal Cannabis Laws, shall not constitute fraud, willful misconduct, bad faith or gross negligence hereunder, solely by reason of being a violation of Federal Cannabis Laws, so long as such conduct, act, or omission could be reasonably believed to be in compliance with applicable state laws (including, without limitation, the Act). Subject to Section 10.5, the Company shall advance to any Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any such Claim if the Indemnified Person agrees in writing before any such advancement that he will reimburse the Company for such fees, costs and expenses to the extent that it is determined that he was not entitled to indemnification under this Section 10.2.

10.3 Exclusions. The Company will not be liable to pay any Covered Loss or Covered Expense (an “Excluded Claim”):

- (a) For which payment is actually made to or on behalf of the Indemnified Person under such Members' and Boards' liability insurance policy as may be maintained by the Company (except for any deductible under, or excess beyond the amount covered by, such insurance);
- (b) For which the Indemnified Person is otherwise indemnified or reimbursed;
- (c) With respect to a Proceeding in which a final judgment or other final adjudication determines that the Indemnified Person is liable to the Company for breach of fiduciary duty by such person;
- (d) If a final judgment or other final adjudication determines that such payment is unlawful; or
- (e) With respect to fines assessed by the Regulator against any Indemnified Person.

10.4 Notice to Company; Insurance. Promptly after receipt by the Indemnified Person of notice of the commencement of or the threat of commencement of any Proceeding, the Indemnified Person will, if indemnification with respect thereto may be sought from the Company under this Article X, notify the Company of the commencement thereof. If, at the time of the receipt of such notice, the Company has any Members' and Boards' liability insurance in effect, the Company will give prompt notice of the commencement of such Proceeding to the insurer in accordance with the procedures set forth in the policy or policies in favor of the Indemnified Person. The Company will

thereafter take all necessary or desirable action to cause such insurer to pay, on behalf of the Indemnified Person, any and all Covered Loss and Covered Expense payable as a result of such Proceeding in accordance with the terms of such policies.

#### 10.5 Indemnification Procedures.

(a) Payments on account of the Company's indemnity against Covered Loss will be subject to the Company's first determining that the Covered Loss results from a claim which is not an Excluded Claim. Such a determination will be made by a majority vote of the Board not at the time parties to the Proceeding. The determination required by this Section 10.5(a) will be made within 60 days of the Indemnified Person's written request for payment of a Loss, and if it is determined that the Covered Loss is not an Excluded Claim payment will be made forthwith thereafter.

(b) Payment of an Indemnified Person's Covered Expenses in advance of the final disposition of any Proceeding will be made within twenty (20) days of the Indemnified Person's written request therefor. From time to time prior to the payment of Covered Expenses the Company may, but is not required to, determine (in accordance with Section 10.5(a)) whether the Covered Expenses claimed may reasonably be expected, upon final disposition of the Proceeding, to constitute an Excluded Claim. If such a determination is pending, payment of the Indemnified Person's Covered Expenses may be delayed up to sixty (60) days after the Indemnified Person's written request therefor, and if it is determined that the Covered Expenses are not an Excluded Claim, payment will be made forthwith thereafter.

10.6 Settlement. The Company will have no obligation to indemnify the Indemnified Person under this Article X for any amounts paid in settlement of any Proceeding effected without the Company's prior written consent. The Company will not unreasonably withhold or delay its consent to any proposed settlement. The Company may consent to a settlement subject to the requirement that a determination thereafter will be made as to whether the Proceeding involved an Excluded Claim or not.

10.7 Rights Not Exclusive. The rights provided hereunder will not be deemed exclusive of any other rights to which the Indemnified Person may be entitled under the LLCA, any agreement, vote of Members or of the disinterested Manager(s) or otherwise, both as to action in the Indemnified Person's official capacity and as to action in any other capacity while holding such position or office, and shall continue after the Indemnified Person ceases to serve the Company in an official capacity.

#### 10.8 Enforcement.

(a) Subject to the terms of this Agreement, the Indemnified Person's right to indemnification hereunder will be enforceable by the Indemnified Person in any court of competent jurisdiction and will be enforceable notwithstanding that an adverse determination has been made as provided in Section 10.5.

(b) In the event that any action is instituted by the Indemnified Person under this Article X to enforce or interpret any of the terms of this Article X, the Indemnified Person will be entitled to be paid all court costs and expenses, including reasonable attorneys' fees, incurred by the Indemnified Person with respect to such action, unless the court determines that each of the material assertions made by the Indemnified Person as a basis for such action was not made in good faith or was frivolous.

10.9 Successors and Assigns. This Article X will be (a) binding upon all successors and assigns of the Company (including any transferee of all or substantially all of its assets) and (b) binding on and inure to the benefit of the heirs, executors, administrators, and other personal representatives of the Indemnified Person. If the Company sells or otherwise transfers all or substantially all of its assets to a third party, the Company will, as a condition of such sale or other transfer, require such third party to assume and perform the obligations of the Company under this Article X.

10.10 Amendment. No amendment of this Article X will be effective as to an Indemnified Person without such Indemnified Person's written consent.

10.11 Acceptance by Indemnified Person. This Article X will apply, and the benefits hereof will be available, to each Member and Manager(s), of the Company who by accepting a respective position and serving on behalf of the Company will be deemed to have accepted the provisions of this Article X and to have agreed to abide by the terms contained herein.

## **ARTICLE XI** **MISCELLANEOUS**

11.1 Power of Attorney. Each Member does hereby irrevocably constitute and appoint the Board and any Person which becomes an additional or substituted Manager, and any of the foregoing acting alone, in each case with full power of substitution, its true and lawful agent and attorney-in-fact, with full power and authority in its name, place, and stead, to make, execute, acknowledge, swear to, attest, seal, deliver, file, register, and record such documents and instruments as may be necessary, convenient, or advisable, in the sole discretion of any such attorney-in-fact, to carry out the provisions of this Agreement, including (a) such amendments to this Agreement and the Certificate as are necessary, convenient, or advisable as are described below or to admit to the Company any additional or substituted Member or an additional or substituted Manager in accordance with the terms and provisions of this Agreement, (b) such documents and instruments as are necessary to cancel the Certificate, (c) an amended Certificate reflecting the terms of this Agreement, (d) all certificates and other instruments deemed necessary, convenient, or advisable by the Board to permit the Company to become or to continue as a limited liability company wherein the Members have limited liability in the jurisdictions where the Company may be doing business, (e) all fictitious or assumed name certificates required or permitted to be filed on behalf of the Company, and (f) all other instruments which may be required or permitted by law to be filed on behalf of the Company. The foregoing power of attorney is coupled with an interest and shall be irrevocable and survive the death, dissolution, bankruptcy, or incapacity of any Member.

11.2 Title to Company Property. All Company Property shall be deemed to be owned by the Company as an entity, and no Member, individually, shall have any ownership of such property. The Company may hold any of its assets in its own name or in the name of its nominee, which nominee may be one or more trusts, corporations, individuals or other entities. Any property held by a nominee trust for the benefit of the Company shall, for purposes of this Agreement, be treated as if such property were directly owned by the Company.

11.3 Amendments of the Agreement. Amendments to this Agreement may be made from time to time upon the approval of the Board and a Majority of Members, except that no amendment may amend Section 4.8 or 5.5, eliminate any Member's or Class of Members rights to consent or approve any action of the Company, or reduce any Class of Units' share of the Company's Profits, Losses or



distributions without the consent of the adversely affected Members. However, the Board may amend this Agreement without the approval of the Members to (i) reflect changes validly made in the ownership of Units or Economic Interests and the Capital Contributions of the Member, or (ii) reflect a change in the name of the Company.

11.4 Successors, Counterparts. This Agreement (i) shall be a legal, valid and binding agreement of the Company and the Members enforceable against the Company and each Member in accordance with its terms and (ii) may be executed in several counterparts with the same effect as if the parties executing the several counterparts had all executed one counterpart.

11.5 Waiver of Action for Partition. Each Member irrevocably waives during the term of the Company any right that such Member has or may have to maintain any action for partition with respect to the property of the Company.

11.6 Governing Law; Consent to Jurisdiction; Waiver of Jury Trial. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without giving effect to the principles of conflict of laws thereof. In particular, this Agreement shall be construed to the maximum extent possible to comply with all the terms and conditions of the LLCA. Subject to the provisions of Article XII, below, each Member hereby irrevocably consents to the exclusive jurisdiction of the state courts sitting in Boston, Massachusetts in connection with any matter or dispute relating to or arising under this Agreement or relating to the affairs of the Company. Further, each of the parties to this Agreement hereby waives any and all rights such party may have to a trial by jury in connection with any such matter or dispute.

11.7 Severability. If it shall be determined by a court of competent jurisdiction that any provisions or wording of this Agreement shall be invalid or unenforceable under the LLCA or other applicable law, such invalidity or unenforceability shall not invalidate the entire Agreement. In that case, this Agreement shall be construed so as to limit any term or provision so as to make it enforceable or valid within the requirements of any applicable law, and, in the event such term or provisions cannot be so limited, this Agreement shall be construed to omit such invalid or unenforceable terms or provisions. If it shall be determined by a court of competent jurisdiction that any provision relating to the distributions and allocations of the Company or to any expenses payable by the Company is invalid or unenforceable, this Agreement shall be construed or interpreted so as (i) to make it enforceable or valid and (ii) to make the distributions and allocations as closely equivalent to those set forth in this Agreement as is permissible under applicable law.

11.8 Integration. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes all prior agreements and understanding pertaining thereto. No covenant shall affect or be deemed to interpret, change or restrict the express provisions hereof.

11.9 Filings. Following the execution and delivery of this Agreement, the Board shall promptly prepare or cause to be prepared any documents required to be filed and recorded under the LLCA and shall promptly cause each such document to be filed and recorded in accordance with the LLCA and, to the extent required by applicable law, to be filed and recorded or notice thereof to be published in the appropriate place in each jurisdiction in which the Company may hereafter establish a place of business. The Board shall also promptly cause to be filed, recorded and published such statements of fictitious business name and any other notices, certificates, statements or other instruments

required by any provision of any applicable law of the United States or any state or other jurisdiction which governs the conduct of its business from time to time.

11.10 Headings. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope or intent of this Agreement or any provision hereof.

11.11 Additional Documents. The Members agree to perform all further acts and execute, acknowledge and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

11.12 Notices. All notices, requests and other communications shall be in writing (including facsimile or similar writing) and shall be given to the Members (and any other Person designated by any Member) at the address or facsimile number as such Member may hereafter specify for the purpose by notice. Each such notice, request, or other communication shall be effective (a) if given by facsimile, when transmitted to the number specified pursuant to this Section 11.12 and the appropriate confirmation is received, (b) if given by mail, seventy-two (72) hours after such communication is deposited in the mails with first-class postage prepaid, addressed as aforesaid, or (c) if given by any other means, when delivered at the address specified pursuant to this Section 11.12. To be deemed to be effective, any notice required or permitted to be sent to C3 Industries, Inc. pursuant to this Agreement must also be sent to:

Joelson Rosenberg, PLC  
Attn: Ian L. Gross, Esq.  
30665 Northwestern Hwy., Ste 200  
Farmington Hills, MI 48334  
Email: igross@jrlawplc.com

11.13 Waivers. The failure of any party to seek redress for violation of or to insist upon strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

11.14 Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

11.15 Separate Counsel. Each Member has been represented by legal counsel chosen by such Member in connection with the negotiation, documentation, execution and delivery of this Agreement.

## **ARTICLE XII** **DISPUTE RESOLUTION**

12.1 Dispute Resolution. In the event of any dispute, disagreement, or question arising out of or relating to this Agreement, or the validity, interpretation, breach or termination thereof (collectively, a “Dispute”) among the Members, the Members shall use their reasonable best efforts to resolve such Dispute through discussion and good faith negotiation. If, after such discussion and negotiation the

Members have not agreed on a resolution to such Dispute within thirty (30) days, then such Dispute shall be submitted to mediation.


12.2 Mediation. Any Dispute arising out of this Agreement not resolved pursuant to Section 12.1 shall be submitted to mediation, which shall focus on the needs of everyone concerned and seek to solve problems cooperatively, with an emphasis on dialogue and accommodation. The goal of the mediation shall be to preserve and enhance relationships by developing a mutually acceptable agreement which will fulfill the needs of everyone concerned. A Member desiring mediation may begin the process by giving the other Members a written notice and request to mediate, describing the issues involved and inviting the other Members to join with the calling Member to name a mutually agreeable mediator and a time frame for the mediation. The Members and the mediator may adopt any procedural format that seems appropriate for the particular Dispute. The contents of all discussions during the mediation shall be confidential and non-discoverable in subsequent arbitration or litigation, if any. If the Members can agree upon a mutually acceptable agreement, it shall be reduced to writing, signed by all Members and the Dispute shall be at an end. If the result of the mediation is a recognition that the Dispute cannot be successfully mediated, or if any Member refuses to mediate or to name a mutually acceptable mediator and a time frame for mediation, within a period of time that is reasonable considering the urgency of the subject matter, then any Member may demand arbitration.

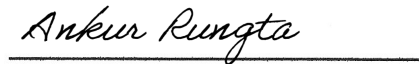
13.3 Arbitration. Subject to Sections 12.1 and 12.2, all Disputes shall be resolved by binding arbitration, and judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof. The arbitration shall be conducted by a single arbitrator in Boston, Massachusetts (which arbitrator shall be selected by the Board in its sole but reasonable discretion). If possible, the arbitrator must have experience handling disputes involving licensed cannabis businesses. In the event of any such arbitration, the prevailing party shall be entitled to recover reasonable costs and attorney fees as fixed by the arbitrator. Nothing herein, however, shall prevent a Member or the Company from resorting to a court of competent jurisdiction in those instances where injunctive relief may be appropriate or as otherwise contemplated under this Agreement (including, without limitation, enforcing confidentiality obligations). The arbitration must be conducted as soon as reasonably practicable after the Members' are unable to resolve the Dispute pursuant to Sections 12.1 and 12.2. The arbitrator must render a decision on the issue no later than ninety (90) days after submitting the matter to arbitration.

*[Signatures are on the following pages]*

IN WITNESS WHEREOF, the undersigned have duly executed this Operating Agreement as of the date first above written.

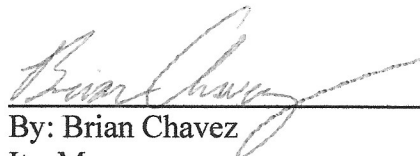
**MANAGERS:**

  
Brian Chavez

  
Ankur Rungta

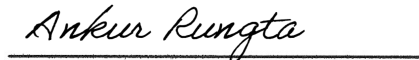
**CLASS A MEMBER:**

MASSACHUSETTS CITIZENS FOR SOCIAL EQUITY LLC, a  
Massachusetts limited liability company

  
By: Brian Chavez  
Its: Manager

**CLASS B MEMBER:**

C3 INDUSTRIES, INC., a Delaware  
corporation

  
By: Ankur Rungta  
Its: CEO

## ERBA C3 DORCHESTER LLC

### EXHIBIT A

#### Cap Table

<b>Members Name and Address</b>	<b>Class A Units</b>	<b>Class B Units</b>	<b>Initial Capital Contribution</b>	<b>Percentage Interests</b>
Massachusetts Citizens for Social Equity LLC* (100% by Brian Chavez)	5,100	0	\$0,000	51.0%
C3 Industries, Inc.	0	4,900	\$80,000	49.0%
<b>TOTAL</b>	<b>5,100</b>	<b>4,900</b>	<b>\$80,000</b>	<b>100%</b>
*Members from Black, African American, Hispanic or Latino descent				



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

mass.gov/dor

Letter ID: L1302295872  
Notice Date: January 21, 2021  
Case ID: 0-001-118-403



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



ERBA C3 DORCHESTER LLC  
2082 S STATE ST  
ANN ARBOR MI 48104-4608

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

The Commissioner of Revenue certifies that, as of the date of this certificate, ERBA C3 DORCHESTER 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

March 13, 2021

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

**Attention: TO WHOM IT MAY CONCERN**

**Re: MRN284013 – Erba C3 Dorchester LLC**

Erba C3 Dorchester LLC (the “**Company**”) is seeking to operate a retail Marijuana Establishment at 43 Freeport Street, Boston, MA 02122 (the “**Facility**”). The Company received a request for more information on February 22, 2021, where the Cannabis Control Commission (the “**Commission**”) requested, among other things, that the Company provide a DBA registration because the City of Boston was selected as the DBA registration city.

This letter serves to confirm that the Company does not have a DBA registration to disclose to the Commission at this time. The DBA registration city was originally selected in error; however, once an item is selected in the Commission’s application portal, it cannot be deselected – only another DBA registration city may be selected. The Company selected Boston, but left the DBA text blank.

We hope this letter provides clarity on this matter. Should you have any questions, please feel free to reach out to me directly by phone at 734-323-1822 or by email at [ankur@c3industries.com](mailto:ankur@c3industries.com).

Sincerely,

Ankur Rungta

March 13, 2021

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

**Attention: TO WHOM IT MAY CONCERN**

**Re: MRN284013 – Erba C3 Dorchester LLC**

Erba C3 Dorchester LLC (the “**Company**”) is seeking to operate a retail Marijuana Establishment at 43 Freeport Street, Boston, MA 02122 (the “**Facility**”). The Company received a request for more information on February 22, 2021, where the Cannabis Control Commission (the “**Commission**”) requested, among other things, that the Company elaborate on its relationship with Nathan Crankshaw.

This letter serves to confirm that Nathan Crankshaw is not a person of indirect or direct authority. Nathan is the Vice President of Finance at C3 Industries Inc., the minority corporate owner of the Company. As disclosed, in section 5 of the Commission’s application portal regarding entities with direct or indirect authority, C3 Industries Inc. is a holding company for the Company. As the VP of Finance, Nathan is recorded as an individual that is authorized to execute, acknowledge, deliver and record any recordable instrument purporting to affect an interest in real property held by the Corporation. Nathan does not have any direct or indirect authority over the management or policies of either the Company or C3 Industries Inc.

We hope this letter provides clarity on this matter. Should you have any questions, please feel free to reach out to me directly by phone at 734-323-1822 or by email at [ankur@c3industries.com](mailto:ankur@c3industries.com).

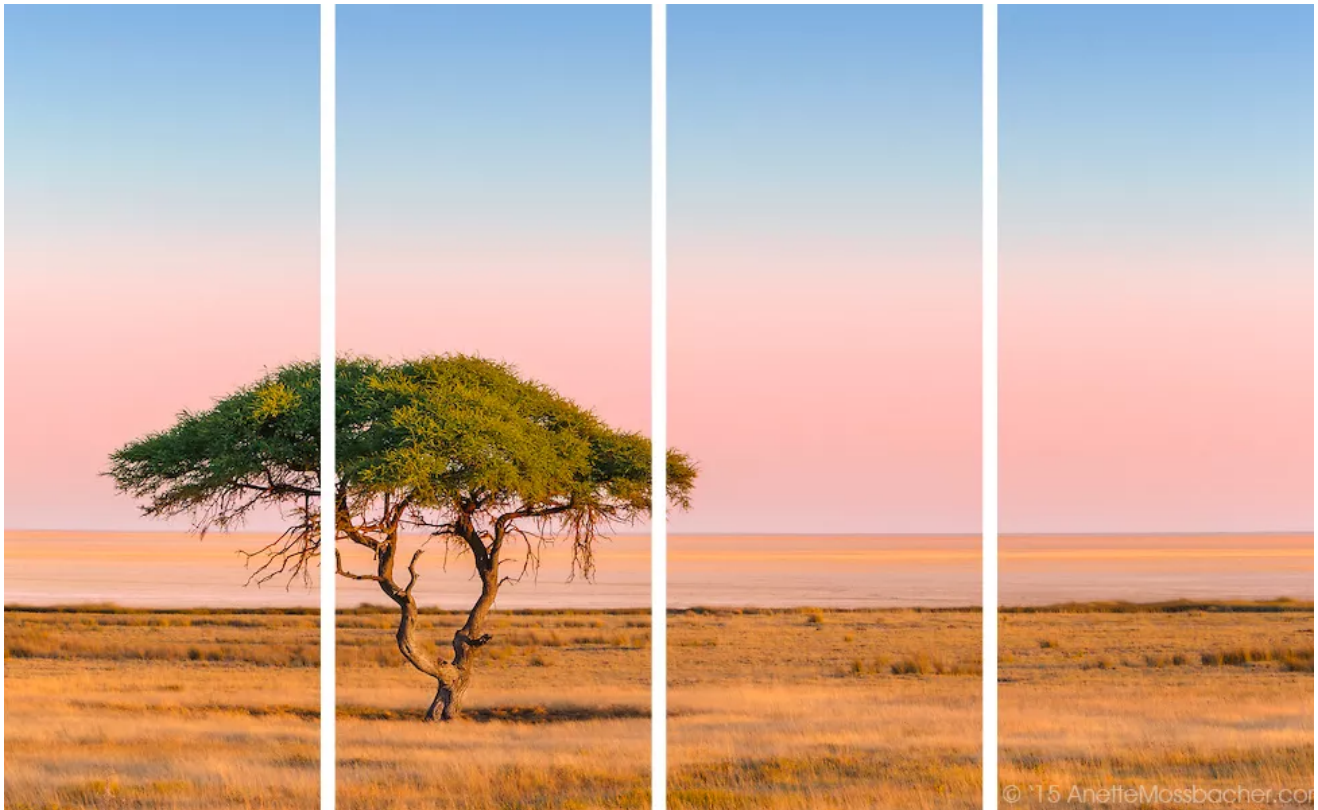
Sincerely,

Ankur Rungta





## Commercial Insurance Proposal



**Presented by:**

**The Roots Insurance**

Amanda Kugler  
2769 Coolidge Hwy  
Berkley, MI 48072

**Prepared for:**

**Erba C3 Dorchester, LLC**

Ankur Rungta  
2082 S State St.  
Ann Arbor, MI 48104

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**Liability Coverages & Limits**

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**Request to Bind Coverage**

# Disclosures & Notices

**SURPLUS LINES DISCLOSURE:** THIS POLICY IS WRITTEN WITH A CARRIER NOT LICENSED TO DO BUSINESS IN YOUR STATE. IN THE EVENT OF INSOLVENCY, THE PAYMENT OF CLAIMS IS NOT GUARANTEED.

**EARTHQUAKE & FLOOD DISCLOSURE:** THIS POLICY DOES NOT INCLUDE COVERAGE FOR EARTHQUAKES OR FLOODS. NOTIFY US IF YOU WOULD LIKE TO PURCHASE EARTHQUAKE AND/OR FLOOD INSURANCE.

# Liability Coverages & Limits

Schedule of Coverages	Limits
<b>General Liability</b>	
General Liability Each Occurrence	\$2,000,000
General Liability Aggregate	\$2,000,000
Personal & Advertising Injury	\$1,000,000
Products & Completed Operations Aggregate	Excluded
Damage to Premises	\$100,000
Medical Expenses	\$1,000
Hired & Non-Owned Auto	\$1,000,000
<b>Product Liability</b>	
Product Liability Each Occurrence	\$1,000,000
Product Liability Aggregate	\$1,000,000
Product Withdrawal/Recall	Excluded
<b>Directors &amp; Officers Liability</b>	Excluded
<b>Employer Practices Liability</b>	Excluded
<b>Cyber Liability</b>	Excluded
<b>Excess Liability</b>	
Each Occurrence	Excluded
Aggregate	Excluded
<b>Workers' Compensation</b>	Excluded
<b>Professional Liability</b>	Excluded
<b>Acts of Terrorism</b>	Excluded

# Property Coverages & Limits

Schedule of Coverages	Limits
<b>Commercial Property</b>	
Building Coverage	Excluded
Business Personal Property/TIB Replacement Cost, Special Form, 0% Coinsurance, \$2,500 Deductible	\$500,000
Business Income	Excluded
Equipment Breakdown	Excluded
Finished Stock Agreed Value	\$200,000
Crop	Excluded
Flood	Excluded
Earthquake	Excluded
<b>Cargo</b>	Excluded
<b>Employee Dishonesty/Crime</b>	Excluded
<b>Acts of Terrorism</b>	Excluded

# Scheduled Locations

43 Freeport Street Dorchester, MA 02122

## Endorsements & Exclusions

The following endorsements and exclusions apply to this policy

Burglary and Robbery Protective Systems, Earthquake Exclusion, Flood Exclusion, Marijuana Risk Warranty, Protective Safeguards Endorsement, Windstorm or Hail Percentage Deductible

**This information displayed is intended to be a brief review of limits and coverages. It is not intended to be a complete description of all coverages, exclusions, limitations, terms or conditions. Please refer to the policy for a complete explanation of the coverage provided.**

# Premium Summary

Coverage	Annual Premium
Commercial Property	\$4,494.00
General Liability	\$1,134.00
Product Liability	\$5,000.00
Surplus Lines Tax	\$425.12
Policy Fee	\$250.00

**Total Annual Premium    \$11,303.12**

**25% earned minimum premium applies**

By signing below, I am certifying and attesting that my agent has offered me the insurance coverages listed in the SCHEDULE OF COVERAGES above and that I am declining to purchase any coverage EXCLUDED in this schedule. I agree that my agent and/or The Roots Insurance will be held harmless and not liable in the event I suffer a loss for which I have declined to purchase appropriate coverage for.

\_\_\_\_\_  
Insured Signature

\_\_\_\_\_  
Date

# Payment Plans

**IMPORTANT: To bind your insurance coverage, you must complete the following:**

1. Sign and date all marked areas on this proposal
2. Verify your mailing address
3. Select a payment option below
4. Provide complete payment information for either a credit card or checking account

**First Named Insured:** **Erba C3 Dorchester, LLC**

2082 S State St.

Ann Arbor, MI 48104

☐

**Full Pay:**

Pay the full annual premium of **\$11,303.12**.

☐

**Installment  
Plan:**

Pay the initial deposit of **\$3,013.28**. The balance will be financed with  
**3** equal installments of **\$2,763.28**.

☐

**Check this box if you would like to set up automatic EFT payments.**

\*Any mid-term premium bearing endorsements may affect  
the payment plan.

---

Insured Signature

---

Date



# Down Payment Authorization

I hereby authorize The Roots Insurance to charge the account identified below for the down payment of the commercial insurance policy quoted:

(COMPLETE ONE)

Credit Card Information		
Card Type:	<input type="checkbox"/> MasterCard	<input type="checkbox"/> Visa <input type="checkbox"/> Discover
Cardholder Name (as shown on card): _____		
Card Number: _____		
Expiration Date (mm/yyyy): _____		
CVV Code: _____		
Cardholder ZIP Code (from credit card billing address): _____		

A 3.25% CHARGE APPLIES TO CREDIT CARD PAYMENTS

Electronic Funds Transfer
Account Holder Name (as shown on card): _____
Bank Name: _____
Account Number: _____
Routing Number: _____

A \$3.00 CHARGE APPLIES TO EFT PAYMENTS

\_\_\_\_\_  
Insured Signature

\_\_\_\_\_  
Date

# Request to Bind Coverage

Jan 22, 2021

I, Ankur Rungta, request to bind coverage for Erba C3 Dorchester, LLC, effective on 2021-01-21. I acknowledge that the minimum earned premium and policy fees indicated above apply to this policy and are fully earned by the insurance carrier upon my request to bind coverage. Premium charges for Additional Insured's and Waivers of Subrogation (if applicable) are fully earned upon inception.

By signing below, I acknowledge and accept responsibility for the full amount of these earned premiums, taxes and policy fees, and agree to pay the earned premium and policy fees to Conifer should I cancel this policy for any reason.

***\*NOTE: Completing this form confirms your intent to bind coverage, but coverage will not be bound until we receive a written binder and payment is accepted. The effective date of the policy will be the date indicated above or the date we receive a written binder and payment is accepted, **whichever is later**. Please refer to your policy for coverages. Additional coverages may be available upon request.***

---

Insured Signature

---

Date

---

Agent Signature

---

Date



Conifer  
Insurance  
Company

Quote Number

**QCP0200012**

## COMMERCIAL LINES QUOTE

Quote is valid for 30 days (until 2/20/2021)

**Named Insured and Mailing Address:**

Erba C3 Dorchester LLC

2082 S State St  
Ann Arbor, MI 48104

THIS INSURANCE IS ISSUED PURSUANT TO THE MASSACHUSETTS SURPLUS LINES LAW. PERSONS INSURED BY SURPLUS LINES CARRIERS DO NOT HAVE THE PROTECTION OF THE MASSACHUSETTS INSURANCE GUARANTY ACT TO THE EXTENT OF ANY RIGHT OF RECOVERY FOR THE OBLIGATION OF AN INSOLVENT UNLICENSED INSURER. SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY MASSACHUSETTS REGULATORY AGENCY.

POLICY PERIOD: From 1/21/2021 to 1/21/2022 12:01 Standard Time at your mailing address above.

**INSURED TYPE:** LLC

**THIS QUOTE CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.**

COVERAGE PARTS	PREMIUM
Commercial Property Coverage Part	\$4,494.00
Commercial General Liability Coverage Part	\$1,134.00
Commercial Liquor Liability Coverage Part	Not Applicable
Commercial Medical Malpractice Coverage Part	Not Applicable
Commercial Auto Coverage Part	Not Applicable
Commercial Inland Marine Coverage Part	Not Applicable
Director and Officers Liability Coverage Part	Not Applicable
Commercial Product Liability Coverage Part	\$5,000.00
Glass	Not Applicable
Management Protection Liability Coverage Part	Not Applicable
Surplus Lines Tax	\$425.12
Surplus Lines Fee	\$0.00

**Servicing Agent:**

Amanda Kugler (000775A)  
2769 Coolidge Hwy.  
Berkley, MI 48072

**Responsible Agent of Record:**

Amanda Kugler  
The Roots Insurance Agency (000775)  
2769 Coolidge Hwy.  
Berkley, MI 48072



Conifer  
Insurance  
Company

Policy Fee	\$250.00
<b>TOTAL QUOTE PREMIUM</b>	<b>\$11,303.12</b>

## TAXES AND FEES

FEE NAME	CHARGE
Policy Fee	\$250.00
MA Surplus Tax	\$425.12
<b>TOTAL</b>	<b>\$675.12</b>



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Company

**Forms and Endorsements:**

**Premium**

CICS0S (06-14) Service of Suit

CICPRIV01 (10-15) Privacy Policy

IL0003 (07-02) Calculation of Premium

IL0017 (11-98) Common Policy Conditions

Marijuana Risk Warranty

**Limits and/or coverages provided on this quote may differ from those requested on the application.**



**Payment Plans:**

Plan	Premium	Payments	DownPay%	DownPay	Installment
<input type="checkbox"/> DIRECT-BILL-FULL-PAY-12 <b>FULL PREMIUM DUE TO BIND</b>	\$11,303.12	1	100.00%	\$11,303.12	\$0.00
<input type="checkbox"/> DIRECT-BILL-2-PAY-12 <b>50% DOWN PAY, REMAINING PAYMENTS DUE 60</b>	\$11,303.12	2	50.00%	\$5,776.56	\$5,526.56
<input type="checkbox"/> DIRECT-BILL-FULL-PREMIUM-FINANCE <b>FULL PREMIUM DUE TO BIND</b>	\$11,303.12	1	100.00%	\$11,303.12	\$0.00
<input type="checkbox"/> DIRECT-BILL-2-PAY-12-INSTALL-3 <b>50% DOWN PAY, REMAINING PAYMENTS DUE 60</b>	\$11,303.12	2	50.00%	\$5,776.56	\$5,526.56
<input type="checkbox"/> DIRECT-BILL-4-PAY-12-210-INSTALL-3 <b>25% DOWN PAY, REMAINING PAYMENTS DUE 60, 120, 210 DAYS</b>	\$11,303.12	4	25.00%	\$3,013.28	\$2,763.28
<input type="checkbox"/> DIRECT-BILL-2-PAY-12-180-INSTALL-3 <b>50% DOWN PAY, REMAINING PAYMENT DUE 180 DAYS FROM EFFECTIVE DATE</b>	\$11,303.12	2	50.00%	\$5,776.56	\$5,526.56
<input type="checkbox"/> DIRECT-BILL-PREMIUM-FINANCE-4-PAY-12-210 <b>25% DOWN PAY, REMAINING PAYMENTS DUE 60, 120, 210 DAYS</b>	\$11,303.12	4	25.00%	\$3,013.28	\$2,763.28
<input type="checkbox"/> DIRECT-BILL-4-PAY-12-180 <b>25% DOWN PAY, REMAINING PAYMENTS DUE 60, 120, 180 DAYS</b>	\$11,303.12	4	25.00%	\$3,013.28	\$2,763.28
<input checked="" type="checkbox"/> MI-THC-DIRECT-BILL-4-PAY-12-180 <b>25% DOWN PAY, REMAINING PAYMENTS DUE 60, 120, 180 DAYS</b>	\$11,303.12	4	25.00%	\$3,013.28	\$2,763.28
<input type="checkbox"/> MI-THC-DIRECT-BILL-FULL-PAY-12 <b>FULL PREMIUM DUE TO BIND</b>	\$11,303.12	1	100.00%	\$11,303.12	\$0.00
<input type="checkbox"/> MI-THC-EFT-RECURRING-DIRECT-BILL-4-PAY-12-180-25 <b>25% DOWN PAY, REMAINING PAYMENTS DUE 60, 120, 180 DAYS</b>	\$11,303.12	4	25.00%	\$3,013.28	\$2,763.28
<input type="checkbox"/> DIRECT-BILL-PREMIUM-FINANCE-9-PAY-12 <b>25% DOWN PAY, REMAINING PAYMENTS DUE OVER NEXT 9 MONTHS, BEGINNING 30 DAYS FROM EFFECTIVE DATE OF COVERAGE</b>	\$11,303.12	9	25.00%	\$3,013.28	\$1,036.23
<input type="checkbox"/> EFT-RECURRING-DIRECT-BILL-2-PAY-12-50	\$11,303.12	2	50.00%	\$5,776.56	\$5,526.56



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**50% DOWN PAY, REMAINING PAYMENTS DUE 60**

<input type="checkbox"/>	EFT-RECURRING-DIRECT-BILL-2-PAY-12-50-180-InstFee3	\$11,303.12	2	50.00%	\$5,776.56	\$5,526.56
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**50% DOWN PAY, REMAINING PAYMENT DUE 180 DAYS FROM EFFECTIVE DATE**

<input type="checkbox"/>	EFT-RECURRING-DIRECT-BILL-4-PAY-12-210-25	\$11,303.12	4	25.00%	\$3,013.28	\$2,763.28
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**25% DOWN PAY, REMAINING PAYMENTS DUE 60, 120, 210 DAYS**

<input type="checkbox"/>	EFT-RECURRING-DIRECT-BILL-4-PAY-12-25-270-InstFee3	\$11,303.12	4	25.00%	\$3,013.28	\$2,763.28
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**25% DOWN PAY, REMAINING PAYMENTS DUE 90, 180, 270 DAYS**

<input type="checkbox"/>	EFT-RECURRING-DIRECT-BILL-9-PAY-12-20	\$11,303.12	9	20.00%	\$2,460.63	\$1,105.31
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**20% DOWN PAY, REMAINING PAYMENTS DUE OVER NEXT 9 MONTHS, BEGINNING 30 DAYS FROM EFFECTIVE DATE OF COVERAGE**

<input type="checkbox"/>	EFT-RECURRING-DIRECT-BILL-9-PAY-12-20-InstFee3	\$11,303.12	9	20.00%	\$2,460.63	\$1,105.31
--------------------------	--	-------------	---	--------	------------	------------

**20% DOWN PAY, REMAINING PAYMENTS DUE OVER NEXT 9 MONTHS, BEGINNING 30 DAYS FROM EFFECTIVE DATE OF COVERAGE**

<input type="checkbox"/>	EFT-RECURRING-DIRECT-BILL-9-PAY-12-25	\$11,303.12	9	25.00%	\$3,013.28	\$1,036.23
--------------------------	---------------------------------------	-------------	---	--------	------------	------------

**25% DOWN PAY, REMAINING PAYMENTS DUE OVER NEXT 9 MONTHS, BEGINNING 30 DAYS FROM EFFECTIVE DATE OF COVERAGE**

<input type="checkbox"/>	DIRECT-BILL-9-PAY-12-INSTALL-3	\$11,303.12	9	25.00%	\$3,013.28	\$1,036.23
--------------------------	--------------------------------	-------------	---	--------	------------	------------

**25% DOWN PAY, REMAINING PAYMENTS DUE OVER NEXT 9 MONTHS, BEGINNING 30 DAYS FROM EFFECTIVE DATE OF COVERAGE**

<input type="checkbox"/>	DIRECT-BILL-9-PAY-12	\$11,303.12	9	25.00%	\$3,013.28	\$1,036.23
--------------------------	----------------------	-------------	---	--------	------------	------------

**25% DOWN PAY, REMAINING PAYMENTS DUE OVER NEXT 9 MONTHS, BEGINNING 30 DAYS FROM EFFECTIVE DATE OF COVERAGE**

<input type="checkbox"/>	DIRECT-BILL-9-PAY-12-20DOWN	\$11,303.12	9	20.00%	\$2,460.63	\$1,105.31
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**20% DOWN PAY, REMAINING PAYMENTS DUE OVER NEXT 9 MONTHS, BEGINNING 30 DAYS FROM EFFECTIVE DATE OF COVERAGE**

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**NOTICE OF SURPLUS LINES PLACEMENT TO INSURED**

**CONIFER INSURANCE COMPANY**

**PLEASE READ IT CAREFULLY**

**Notice to Insured:**

I hereby affirm that, prior to the placement of the insurance coverage with Conifer Insurance Company, a surplus lines insurer, I have been advised that:

- (i) The insurer with which the surplus lines broker places the insurance is not licensed by my state and may not be subject to its supervision; and
- (ii) In the event of insolvency of the surplus lines insurer, losses will not be paid by my state insurance guaranty association.

**NOTICE OF POLICY FEE**

Furthermore, I hereby affirm that, I have been advised that the non-refundable policy fee referenced below has been charged by the Agent and is part of the insurance contract. I also affirm that said fee is reasonable.

Amount of Policy Fee: \$250

---

**Signature of Named Insured**

---

**Date**

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**COMMERCIAL PROPERTY QUOTE**

Conifer Insurance  
550 W. Merrill Street  
Suite 200  
Birmingham, MI 48009  
Phone 248-559-0840 / Fax 248-559-0870  
underwriting@coniferinsurance.com

The Roots Insurance Agency  
2769 Coolidge Hwy.  
Berkley, MI 48072  
(248) 671-4676

Named Insured: Erba C3 Dorchester LLC

DBA:

Mailing Address: 2082 S State St  
Ann Arbor, MI 48104

Policy Period: 1/21/2021 to 1/21/2022 at 12:01 A.M. Standard Time at your mailing address above.

**DESCRIPTION OF PREMISES**

Prem. No.	Bldg. No.	Location	Construction	Occupancy
1	1	43 Freeport Street Dorchester, MA 02122	Masonry	0567 - Mercantile Sole Occupancy Only – Not Otherwise Classified – Moderate Susceptibility

**COVERAGES PROVIDED**

**Insurance At The Described Premises Applies Only For Coverages For Which A Limit Of Insurance is Shown**

Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes Of Loss	Coinsurance*	Premium	Deductible
1	1	Personal Property	\$500,000	Special Form		\$0	\$2,500
		Finished Stock	\$200,000			\$2,000	\$2,500
		Crop Coverage	Excluded			Excluded	Excluded

**Windstorm or Hail Percentage Deductible applies - see form CP 03 21 06 95**

**\*If Extra Expense Coverage, Limits On Loss Payment**

**OPTIONAL COVERAGES****Applicable Only When Entries Are Made In The Schedule Below**

Prem. No.	Bldg. No.	Agreed Value			Replacement Cost (X)		
		Exp. Date	Cov.	Amount	Building	Pers. Prop.	Incl. "Stock"
1	1	01/21/2022	Personal Property	\$500,000.00			

<b>Inflation Guard (%)</b>	<b>**Monthly Limit Of</b>	<b>Maximum Period</b>	<b>**Extended Period</b>
<b>Bldg.</b>	<b>Pers. Prop.</b>	<b>Indemnity (Fraction)</b>	<b>Of Indemnity (Days)</b>

Prem. No.	Bldg. No.	Agreed Value			Replacement Cost (X)		
		Exp. Date	Cov.	Amount	Building	Pers. Prop.	Incl. "Stock"
1	1	01/21/2022	Finished Stock	\$200,000.00			

<b>Inflation Guard (%)</b>	<b>**Monthly Limit Of</b>	<b>Maximum Period</b>	<b>**Extended Period</b>
<b>Bldg.</b>	<b>Pers. Prop.</b>	<b>Indemnity (Fraction)</b>	<b>Of Indemnity (Days)</b>

Prem. No.	Bldg. No.	Agreed Value			Replacement Cost (X)		
		Exp. Date	Cov.	Amount	Building	Pers. Prop.	Incl. "Stock"
1	1					X	X

<b>Inflation Guard (%)</b>	<b>**Monthly Limit Of</b>	<b>Maximum Period</b>	<b>**Extended Period</b>
<b>Bldg.</b>	<b>Pers. Prop.</b>	<b>Indemnity (Fraction)</b>	<b>Of Indemnity (Days)</b>
		N/A	

**\*\*Applies to Business Income Only****MORTGAGEHOLDERS**

Prem. No.	Bldg. No.	Mortgageholder Name And Mailing Address
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**FORMS APPLICABLE**

Forms and Endorsements made part of this policy at time of issue:

<u>Description</u>	<u>Premium</u>
CIHC04 (08-15) Finished Stock Coverage Form	
CP0010 (06-07) Building and Personal Property Coverage Form	
CP0090 (07-88) Commercial Property Conditions	
CP0140 (07-06) Exclusion of Loss due to Virus or Bacteria	
CP1032 (08-08) Water Exclusion Endorsement	
IL0031 (01-06) Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism	
IL0935 (07-02) Exclusion of Certain Computer Related Losses	
IL0953 (01-15) Exclusion of Certified Acts of Terrorism	
CICP07 (05-16) Non-Structural Hail Loss Limitation Endorsement	
CP0321 (06-95) Windstorm or Hail Percentage Deductible	
CP1030 (06-07) Causes of Loss - Special Form	
CP1211 (10-00) Burglary and Robbery Protective Systems	
IL0415 (04-98) Protective Safeguards Endorsement	

**Limits and/or coverages provided on this quote may differ from those requested on the application.**

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QUOTE NUMBER: QCP0200012

COMMERCIAL GENERAL LIABILITY

**COMMERCIAL GENERAL LIABILITY QUOTE**

Conifer Insurance 550 W. Merrill Street Suite 200 Birmingham, MI 48009 Phone 248-559-0840 / Fax 248-559-0870 underwriting@coniferinsurance.com	The Roots Insurance Agency 2769 Coolidge Hwy. Berkley, MI 48072 (248) 671-4676
Named Insured: Erba C3 Dorchester LLC	
DBA:	
Mailing Address: 2082 S State St Ann Arbor, MI 48104	
Policy Period: 1/21/2021 to 1/21/2022 at 12:01 A.M. Standard Time at your mailing address above.	

**LIMITS OF INSURANCE**

Each Occurrence Limit \$2,000,000  
General Aggregate Limit \$2,000,000  
Personal & Advertising Injury Limit \$1,000,000 Any one person or organization  
Damage to Premises \$100,000 Any one premises  
Products/Completed Operations Aggregate Limit Excluded  
Medical Expense Limit \$1,000 Any one person  
Hired and Non-Owned Auto Liability Limit \$1,000,000

**DESCRIPTION OF BUSINESS**

FORM OF BUSINESS:

☐ Individual ☐ Partnership ☐ Corporation ☒ LLC ☐ Joint Venture ☐ Other**ALL PREMISES YOU OWN, RENT OR OCCUPY**

Loc #	DBA	Address
1		43 Freeport St Dorchester, MA 02122

**CLASSIFICATION AND PREMIUM**

Loc #	Item #	Class Code	Premium
1	1	13720 - Health or Natural Food Stores	Included

<b>ENDORSEMENTS</b>
---------------------

Forms and Endorsements made part of this policy at time of issue:

<u>Description</u>	<u>Premium</u>
CG0001 (04-13) Commercial General Liability Form	
CG0068 (05-09) Recording and Distribution of Material or Information In Violation of Law Exclusion	
CG2101 (11-85) Exclusion - Athletics or Sports Participants	
CG2106 (05-14) Exclusion - Access or Disclosure of Confidential or Personal Information and Data - Related Liability - with Limited Bodily Injury Exception	
CG2109 (06-15) Exclusion - Unmanned Aircraft	
CG2132 (05-09) Communicable Disease Exclusion	
CG2139 (10-93) Contractual Liability Limitation	
CG2146 (07-98) Abuse or Molestation Exclusion	
CG2147 (12-07) Employment-Related Practices Exclusion	
CG2149 (09-99) Total Pollution Exclusion	
CG2166 (06-15) Exclusion - Volunteer Workers	
CG2167 (12-04) Fungi and Bacteria Exclusion	
CG2173 (01-15) Exclusion of Certified Acts of Terrorism	
CG2175 (01-15) Exclusion of Certified Acts of Terrorism and Exclusion Of Other Acts of Terrorism Committed Outside The United States	
CG2176 (01-15) Exclusion of Punitive Damages as a Result of Certified Acts of Terrorism	
CG2186 (12-04) Exclusion - Exterior Insulation and Finish Systems	
CG2196 (03-05) Silica or Silica-Related Dust Exclusion	
CIGL 84 Hired Auto and Non-Owned Auto Liability	\$150
CIGL01 (04-10) Exclusion - Lead Paint	
CIGL02 (04-10) Exclusion - Asbestos	
CIGL05 (05-17) Animals Exclusion	
CIGL21 (04-19) Cross Suits Exclusion	
CIGL32 (01-14) Minimum Earned Premium Endorsement	
CIGL34 (08-14) Firearms Exclusion	
CIHC01 (10-15) Biological or Chemical Materials Exclusion	
CIHC02 (08-15) Seepage And/Or Pollution And/Or Contamination Exclusion	
IL0021 (09-08) Nuclear Energy Liability Exclusion Endorsement	
CG2104 (11-85) Products/Completed Operations Hazard Exclusion	
CG2116 (07-98) Exclusion-Designated Professional Services	
CG2144 (07-98) Limitation of Coverage to Designated Premises	
CIGL03 (09-10) Exclusion - Assault & Battery	



**Limits and/or coverages provided on this quote may differ from those requested on the application.**

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**COMMERCIAL PRODUCT LIABILITY QUOTE**

Conifer Insurance 550 W. Merrill Street Suite 200 Birmingham, MI 48009 Phone 248-559-0840 / Fax 248-559-0870 underwriting@coniferinsurance.com	The Roots Insurance Agency 2769 Coolidge Hwy. Berkley, MI 48072 (248) 671-4676
---	---

Named Insured: Erba C3 Dorchester LLC

DBA:

Mailing Address: 2082 S State St  
Ann Arbor, MI 48104

Policy Period: 1/21/2021 to 1/21/2022 at 12:01 A.M. Standard Time at your mailing address above.

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE  
TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE  
STATED IN THIS POLICY.**

**LIMITS OF INSURANCE**Each Occurrence Limit \$1,000,000  
General Aggregate Limit \$1,000,000**DESCRIPTION OF BUSINESS**

FORM OF BUSINESS:

☐ Individual ☐ Partnership ☐ Corporation ☒ LLC ☐ Joint Venture ☐ Other**ALL PREMISES YOU OWN, RENT OR OCCUPY**

Loc #	DBA	Address	Occurrence Limit	Aggregate Limit
1		43 Freeport St Dorchester, MA 02122		

**COMMERCIAL PRODUCT LIABILITY QUOTE****ENDORSEMENTS**

Forms and Endorsements made part of this policy at time of issue:

**Description****Premium**

CIHC05 (06-18) Massachusetts Cannabis Operations  
Products-Completed Operations Liability Policy

\$5,000

**Limits and/or coverages provided on this quote may differ from those requested on the application.**

CONIFER INSURANCE COMPANY  
550 W. MERRILL STREET, SUITE 200  
BIRMINGHAM MI 48009  
TELEPHONE: 248-559-0840

DISCLOSURE TO OUR POLICYHOLDERS  
ABOUT TERRORISM INSURANCE COVERAGE

Under the Federal Terrorism Risk Insurance Act of 2002, effective November 26, 2002, we are now offering you the right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102 (1) of the Act.

"The term **"act of terrorism"** means any act that is certified by the Secretary of the Treasury in concurrence with the Secretary of State, and the Attorney General of the United States to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion."

Coverage provided by your policy for losses caused by one of these certified Acts of Terrorism is partially reimbursed by the United States under a formula established by Federal law. Under this formula, the United States pays 85% of covered Terrorism losses exceeding the statutorily established deductible paid by Conifer Insurance Company. The premium charged for this coverage is provided below and does not include any charges for the portion of loss covered by the Federal Government under the Act.

**Selection or Rejection of Terrorism Coverage**

This is our offer to you of coverage for Acts of Terrorism. If you choose to pay the quoted premium below on the renewal of your policy, you will be covered for Acts of Terrorism. If you do not choose to pay this quoted premium, we will exclude Terrorism coverage from your policy.

**CHECK ONE**

\_\_\_\_\_ I WILL purchase the offered terrorism coverage for a premium of \$\_\_\_\_\_ TBD

\_\_\_\_\_ I WILL NOT purchase the offered terrorism coverage and will have no coverage for terrorism losses.

**IF YOU DO NOT RETURN THIS FORM TO US, YOU WILL BE CHARGED THE APPROPRIATE PREMIUM FOR TERRORISM COVERAGE.**

\_\_\_\_\_  
Policyholder/ Applicant's Signature

Policyholder DBA

Policyholder Name

Erba C3 Dorchester LLC

Policy Number

Agent Name & Number

Amanda Kugler (000775)

\_\_\_\_\_  
Date

CICTRIA 01 05 11

**COMPANY COPY – PLEASE RETURN**

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I/We \_\_\_\_\_ of \_\_\_\_\_ do hereby state that in \_\_\_\_\_, 20 \_\_\_\_, I/We directed \_\_\_\_\_ my/our Insurance Broker to obtain insurance against certain risks as described herein. My/Our Insurance Broker informed us that the required insurance could not be obtained from, or would not be written by, companies licensed or admitted to transact business in the Commonwealth of Massachusetts.

I/We, the Assured, was/were informed that the type and amount of insurance shown below could be obtained from certain insurers not admitted to transact business in the Commonwealth. I/We was/were further informed:

**A. The surplus lines insurer with whom the insurance was placed is not licensed in this state and is not subject to Massachusetts regulations.**

**B. In the event of the insolvency of the surplus lines insurer, losses will not be paid by the state insurance guaranty fund.**

Signature by Assured \_\_\_\_\_  
 Print Name \_\_\_\_\_  
 Date: \_\_\_\_\_

**THIS PORTION MUST BE COMPLETED AND SIGNED BY THE ORIGINAL BROKER**

Name of Insured \_\_\_\_\_ Address \_\_\_\_\_  
 Location of Property \_\_\_\_\_  
 Description: \_\_\_\_\_  
 Coverage: \_\_\_\_\_  
 Limit: \_\_\_\_\_ Premium \_\_\_\_\_

I/We hereby verify that I/We explained the foregoing to the insured and it was acknowledged that he/she understood such.

License # \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

A copy of this affidavit must be kept in the original broker's file and a copy must be given to the assured at the time said copy was completed by him/her.

**AFFIDAVIT BY SPECIAL BROKER**

I, \_\_\_\_\_ of \_\_\_\_\_ in said county of \_\_\_\_\_ depose and say that I was engaged directly by the Assured named herein or informed by the Assured's Insurance licensed Agent/Broker that after diligent efforts, he/she is unable to procure in companies admitted to do business in this Commonwealth the amount and/or type of insurance necessary to protect the insurable interests described above. This Affidavit is made to comply with the requirements of Section 168 of Chapter 175 of the General Laws, and to authorize me as a licensed special insurance broker under said section to procure insurance for said insurable interests beyond that which companies admitted to do business in the Commonwealth are willing to write thereon. The following companies or groups are among those which have accepted all or part thereof:

Company	NAIC#	Policy #	Premium
_____	_____	_____	_____
_____	_____	_____	_____

**Amendments to Affidavit: ( ) Increase ( ) Decrease**

_____	_____	_____	_____
_____	_____	_____	_____

I hereby verify the foregoing statements and declare that they were made under the penalties of perjury.

License # \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

A copy of this affidavit must be kept in the Special Brokers File and the original filed with the Division of Insurance of the Commonwealth of Massachusetts within *twenty days* following date of procurement.

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**Conifer  
Insurance  
Company**

**Conifer Insurance**

P.O. Box 3003, Birmingham, MI 48012

866-412-2424

## **AUTHORIZATION AGREEMENT FOR AUTOMATIC WITHDRAWAL OF MONTHLY PAYMENTS**

☐ New Policy (**Return with Bind Request**) ☐ Change to Bank Information (**Email to [accounting@coniferinsurance.com](mailto:accounting@coniferinsurance.com)**)

**\*\*\* Customer MUST receive a copy of this authorization \*\*\***

I hereby authorize Conifer Insurance and its subsidiaries, hereinafter called Company to initiate monthly deductions from my checking account identified below. These monthly withdrawals will be payment of premium and fees on the insurance policy issued by Company to me, and any renewals thereafter.

I authorize the Financial Institution named below as the DEPOSITORY to accept and post entries to my account.

I understand this authorization allows Company to adjust the monthly deductions to reflect any premium changes and policy renewals. Company agrees to notify me at least three (3) calendar days prior to making a deduction that is different than the Monthly Withdrawal Amount on the most recent Automatic Bank Account Withdrawal Schedule issued by Company. We do not reverse entries back directly to the account.

### **CUSTOMER INFORMATION**

Insured Name: \_\_\_\_\_ Policy Number: \_\_\_\_\_

### **CUSTOMER BANK INFORMATION** (The customer must be a primary bank account holder)

Name(s) on the Account: \_\_\_\_\_

Name of the Financial Institution: \_\_\_\_\_

Branch Address of Financial Institution: \_\_\_\_\_

*PLEASE NOTE THAT THE ACCOUNT MUST BE A CHECKING ACCOUNT.*

Routing/Transit/ABA #: \_\_\_\_\_ Account #: \_\_\_\_\_

This authorization will remain in effect until I provide notice to company and the DEPOSITORY of its termination. I may terminate this authorization by writing Company. We do not cancel a scheduled withdrawal unless a payment is made manually by calling Company within 10 business days of the withdrawal date. Company will not cancel a scheduled withdrawal without a substitute method of payment. In order to process a bank account change, Company must receive notice at least ten (10) business days prior to the Monthly Withdrawal Date.

Per standard banking procedures, funds need to be available one (1) day prior to the Monthly Withdrawal Date. If the monthly deduction is returned unpaid, no further deductions will be taken until a replacement payment has been made. Company will also apply an NSF fee to the policy. Please note: EFT withdrawals from your bank account will be made by **Conifer Insurance**.

Signed x \_\_\_\_\_ Date \_\_\_\_\_

Signed x \_\_\_\_\_ Date \_\_\_\_\_  
(Additional account holder)

**Mailing Address:**  
Conifer Insurance  
P.O. Box 3003  
Birmingham, Michigan 48012

**Phone Number:**  
866-412-2424

**Email:**  
[accounting@coniferinsurance.com](mailto:accounting@coniferinsurance.com)

**IMPORTANT NOTE FOR CREDIT UNION MEMBERS:** Many smaller credit unions use a different account and/or routing number than the one shown on your check. You may wish to verify these numbers with your local office to assure proper set up for withdrawals.

**PLEASE NOTE:** The Monthly Withdrawal Date may not be changed during the policy period.

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Conifer  
Insurance  
Company

## T.H.C. General Liability Application

### General Information

Named Insured: Erba C3 Dorchester, LLC

DBA: \_\_\_\_\_

Mailing Address: 2082 S State St.

City, State, Zip Code: Ann Arbor MI 48104

Website Address: \_\_\_\_\_

Contact Name: Ankur Rungta Contact Phone: 734-412-4604

Contact Cell: \_\_\_\_\_ Email Address: ankur@c3industries.com

Insured Type: ☐ Corporation ☐ Partnership ☒ LLC  
☐ Individual ☐ Other: \_\_\_\_\_

Proposed Policy Term: \_\_\_\_\_ Effective: 03/01/2021 Expiration: 03/01/2022

### Underwriting Information

Date business was established: \_\_\_\_\_

What are the total Sales for the last 12 months (All locations)?:

Location Address:	Sales:
1. 43 Freeport Street, Dorchester, MA 02122	\$ 3M
2.	\$
3.	\$
4.	\$
5.	\$

History – All questions must be answered. Failure to disclose proper history could invalidate any and all coverages.

- Has any application for similar insurance made on behalf of the applicant and/ or any owner, officer, director, employee, manager or managing member thereof of any predecessor, subsidiary, or affiliated organization thereof been declined, cancelled or non-renewed?  
☐ Yes ☒ No
- Has the applicant had any prior liability and/ or property claims in the past five (5) years?  
☐ Yes ☒ No If Yes, please attach current loss runs including details.

3. Complete the following for any applicant or any principal, partner, owner, officer, director, manager or managing member of the applicant or any person(s) or organization(s) proposed for this insurance or any predecessor, subsidiary or affiliated organization:

a. Have any of the above been convicted of a felony in the last 10 years? ☐ Yes ☒ No

If Yes, please provide details: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

#### General Liability

Limit : ☐ \$1,000,000 per occurrence/ \$1,000,000 aggregate Please quote \$2M/\$2M limits.  
☐ \$1,000,000 per occurrence/ \$2,000,000 aggregate

1. Is the applicant or any of the applicant's employees or contracted workers armed with any type of weapon? ☐ Yes ☒ No

If Yes, are all permits and licensing requirements complied with? ☐ Yes ☐ No

2. Does the applicant utilize employed or contracted security guard(s)? ☐ Yes ☒ No

If Yes, please provide the following:

a. Number of Guards: \_\_\_\_\_

b. Does the applicant obtain Certificates of Insurance and is the applicant named as an Additional Insurance? ☐ Yes ☐ No

#### Product Liability

Limit: ☐ \$100,000 per occurrence/ \$100,000 aggregate Please quote \$1M/\$1M limits.  
☐ \$300,000 per occurrence/ \$300,000 aggregate

1. List complete description of products manufactured, sold or distributed by the applicant: \_\_\_\_\_  
\_\_\_\_\_

2. Do you manufacture the completed product? ☐ Yes ☒ No

If No, what component parts are purchased by you: All

3. Will any vendor repackage, re-label or modify your product? ☐ Yes ☒ No

If Yes, please explain: \_\_\_\_\_

#### Hired and Non-Owned Auto

Limit: \$1,000,000 ☒ Yes ☐ No

1. Do you deliver or transport cannabis living plants or harvested goods: ☐ Yes ☒ No

2. Are annual MVR reports of all drivers ordered? ☐ Yes ☒ No

3. Do you allow any fire arms or weapons in the vehicle? ☐ Yes ☒ No

#### Property Section

Please attach the appropriate supplement for each location (Dispensary, Grow or Lessor's Risk). All other

Non-Cannabis risks please submit an Acord Property application.

\_\_\_\_\_, an authorized representative of \_\_\_\_\_  
understands and agrees this application and any supplements attached hereto will be relied upon for  
issuance of any policy. I further understand and agree that failure to provide a true and accurate  
response to the foregoing questions may, at the option of the company, result in the voiding of the  
insurance issued in reliance on this application and/ or denial of claims under any policy issued.

I authorize and consent to investigations of information bearing upon moral character, professional  
reputation and fitness to engage in the activities of my business and I agree to release to Conifer  
Insurance Company, any documents, records or other information bearing upon the foregoing. I  
understand and agree these investigations shall not be confined to information submitted in this  
application, but shall include any other sources of information deemed relevant by the Company as may  
be authorized by law.

I understand this insurance is being provided through a surplus lines company and the insurer may not  
be subject to all the insurance laws and rules in my state and the risk is not protected by the State  
Insurance Insolvency Fund.

**THIS APPLICATION MUST BE SIGNED BY THE APPLICANT WITHIN 10 DAYS OF BINDING.**

**SIGNING THIS FORM DOES NOT BIND THE COMPANY TO COMPLETE THE INSURANCE. COVERAGE  
BECOMES EFFECTIVE WHEN ACCEPTED BY THE INSURANCE COMPANY.**

\_\_\_\_\_  
Authorized Applicant Signature

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Title



Conifer  
Insurance  
Company

## T.H.C. General Liability Application

### General Information

Named Insured: Erba C3 Dorchester, LLC

DBA: \_\_\_\_\_

Mailing Address: 2082 S State St.

City, State, Zip Code: Ann Arbor MI 48104

Website Address: \_\_\_\_\_

Contact Name: Ankur Rungta Contact Phone: 734-412-4604

Contact Cell: \_\_\_\_\_ Email Address: ankur@c3industries.com

Insured Type: ☐ Corporation ☐ Partnership ☒ LLC  
☐ Individual ☐ Other: \_\_\_\_\_

Proposed Policy Term: \_\_\_\_\_ Effective: 03/01/2021 Expiration: 03/01/2022

### Underwriting Information

Date business was established: \_\_\_\_\_

What are the total Sales for the last 12 months (All locations)?:

Location Address:	Sales:
1. 43 Freeport Street, Dorchester, MA 02122	\$ 3M
2.	\$
3.	\$
4.	\$
5.	\$

History – All questions must be answered. Failure to disclose proper history could invalidate any and all coverages.

- Has any application for similar insurance made on behalf of the applicant and/ or any owner, officer, director, employee, manager or managing member thereof of any predecessor, subsidiary, or affiliated organization thereof been declined, cancelled or non-renewed?  
☐ Yes ☒ No
- Has the applicant had any prior liability and/ or property claims in the past five (5) years?  
☐ Yes ☒ No If Yes, please attach current loss runs including details.

3. Complete the following for any applicant or any principal, partner, owner, officer, director, manager or managing member of the applicant or any person(s) or organization(s) proposed for this insurance or any predecessor, subsidiary or affiliated organization:

a. Have any of the above been convicted of a felony in the last 10 years? ☐ Yes ☒ No

If Yes, please provide details: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

#### General Liability

Limit : ☐ \$1,000,000 per occurrence/ \$1,000,000 aggregate Please quote \$2M/\$2M limits.  
☐ \$1,000,000 per occurrence/ \$2,000,000 aggregate

1. Is the applicant or any of the applicant's employees or contracted workers armed with any type of weapon? ☐ Yes ☒ No

If Yes, are all permits and licensing requirements complied with? ☐ Yes ☐ No

2. Does the applicant utilize employed or contracted security guard(s)? ☐ Yes ☒ No

If Yes, please provide the following:

a. Number of Guards: \_\_\_\_\_

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#### Product Liability

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☐ \$300,000 per occurrence/ \$300,000 aggregate

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\_\_\_\_\_

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If Yes, please explain: \_\_\_\_\_

#### Hired and Non-Owned Auto

Limit: \$1,000,000 ☒ Yes ☐ No

1. Do you deliver or transport cannabis living plants or harvested goods: ☐ Yes ☒ No

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Please attach the appropriate supplement for each location (Dispensary, Grow or Lessor's Risk). All other

Non-Cannabis risks please submit an Acord Property application.

\_\_\_\_\_, an authorized representative of \_\_\_\_\_  
understands and agrees this application and any supplements attached hereto will be relied upon for  
issuance of any policy. I further understand and agree that failure to provide a true and accurate  
response to the foregoing questions may, at the option of the company, result in the voiding of the  
insurance issued in reliance on this application and/ or denial of claims under any policy issued.

I authorize and consent to investigations of information bearing upon moral character, professional  
reputation and fitness to engage in the activities of my business and I agree to release to Conifer  
Insurance Company, any documents, records or other information bearing upon the foregoing. I  
understand and agree these investigations shall not be confined to information submitted in this  
application, but shall include any other sources of information deemed relevant by the Company as may  
be authorized by law.

I understand this insurance is being provided through a surplus lines company and the insurer may not  
be subject to all the insurance laws and rules in my state and the risk is not protected by the State  
Insurance Insolvency Fund.

**THIS APPLICATION MUST BE SIGNED BY THE APPLICANT WITHIN 10 DAYS OF BINDING.**

**SIGNING THIS FORM DOES NOT BIND THE COMPANY TO COMPLETE THE INSURANCE. COVERAGE  
BECOMES EFFECTIVE WHEN ACCEPTED BY THE INSURANCE COMPANY.**

\_\_\_\_\_  
Authorized Applicant Signature

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Title



## Marijuana Risk Warranty

In consideration of the premium charged, it is hereby agreed and understood that the following warranties apply to this policy.

- A. No coverage will be afforded by this policy for theft unless the following items are strictly adhered to:
1. Store all **finished stock** in a secure, locked safe or vault and in such a manner as to prevent diversion, theft and loss;
  2. During non-business hours, all **finished stock** must be kept in a locked, 1 / 2 ton or greater safe which is bolted to the floor or in a locked TL-15 rated or greater safe which is bolted to the floor or in a locked one ton or greater safe. This includes perishable items such as kif, butane hash, cookies and any other preparation of medical marijuana.
  3. An operating and functional central station burglar alarm must be installed at the premises which have contacts on all windows and doors that open to the outside. The alarm must have contacts on all windows and doors adjacent to common stairways and/or hallways. Furthermore, the alarm must have motion detectors which cover the room in which the safe is kept. This burglar alarm must be turned on and fully operational during non-business hours.
- B. No coverage will be afforded by this policy for fire and/or smoke damage or any other peril which arises out of a loss by fire unless:
1. The premises have been inspected by a licensed electrician who has determined that the electrical architecture, power supply and number of circuits is adequate for the nature of your operations.

---

Signed by the First Named Insured

---

Date



INDUSTRIES

# **Dorchester Marijuana Retail Business Plan**

STRICTLYCONFIDENTIAL • NOTFORDISTRIBUTION

# Partnership – MCSE & C3 Industries

- Erba C3 Dorchester LLC was established as a partnership between Massachusetts Citizens for Social Equity (MCSE) and C3 Industries Inc. to operate a marijuana retailer at 43 Freeport Street, Boston, Massachusetts
- MCSE is building a leading cannabis platform in Massachusetts with plans for multiple retail locations in Boston as well as a cultivation and processing facility further down the road
- For the 43 Freeport site, MCSE has brought in minority partner C3 Industries
- C3 Industries was founded by Indian-American brothers Ankur and Vishal Rungta and is a family owned and operated multi-state cannabis company based in Michigan
- C3 is building a cultivation and processing facility in Franklin, Massachusetts and will be able to act as a supply partner for MCSE's retail locations
- C3 will also provide significant support for the 43 Freeport location in the areas of compliance, accounting / finance, HR and legal

# Founding Team – MCSE Leadership



## **Brian Chavez , President and CEO**

A lifelong resident of Boston, Brian and his brother Jason own and operate their family run restaurant, Antonio's HiFi Pizzeria in Dorchester – the Fields Corner Business of the Year in 2016. Brian has a degree in economics from UMASS Boston.

# Founding Team – C3 Industries Leadership



**Ankur Rungta**

**CEO**

- Accomplished entrepreneur with experience across industries including law, real estate, media & cannabis

MOELIS & COMPANY SULLIVAN & CROMWELL LLP

**Highlights:**

- Investment Banker at Moelis & Company specializing in real estate
- Attorney in the NYC Corporate Group of Sullivan & Cromwell



**Vishal Rungta**

**President & CFO**

- Accomplished entrepreneur with experience across industries including finance, tech, media and cannabis

Google MOELIS & COMPANY TPG

**Highlights:**

- Business Operations and Strategy at Google
- Private Equity Associate at TPG Growth
- Investment Banker at Moelis & Company, focused on restructuring and capital markets



**Joel Ruggiero**

**Chief Horticultural Officer**

- Cannabis cultivation expert with years of experience in the industry



**Highlights:**

- Award-winning Head of Cultivation at The Green Solution, a leading cannabis producer in Colorado
- Managed a 50,000 square foot cultivation facility
- Consulted on design, build out and operations in multiple states

# C3 Industries

*The company has built a strong platform for continued growth and is capitalizing on the success in OR and MI to replicate a nearly identical facility in MA and soon in MO*



## Cultivation & Processing



### Oregon



### Michigan



### Massachusetts



### Missouri



- 36,000 sq. ft. cultivation & processing facility with annual production of 7,000+ pounds



- Acquired wholesale license and began selling third-party brands



- Hydrocarbon and distillate processing lab going operational by end of year



- Distributing wholesale flower and product to over 150 physical store locations



- 35,000 sq. ft. cultivation & processing facility with annual production of 7,000+ pounds



- Operations began in November 2019



- High volume hydrocarbon and distillate processing as well as infused products



- Adjacent facility site secured and construction launching soon for expansion to quadruple production



- Under construction on 37,000 sq. ft. cultivation & processing facility with annual production of 7,000+ pounds



- Targeting launch of operations in Q2 2021



- High volume hydrocarbon and distillate processing as well as infused products



- C3 was awarded an infused product manufacturing license, with target launch of mid 2021



- LOI signed and initial regulatory approval obtained to acquire a cultivation license; design and permitting underway for 40,000 sq. ft. cultivation & processing facility

# C3 Industries

*The Company has built a strong platform for continued growth and was recently awarded 5 competitive dispensary licenses in Missouri*



## Retail



### Oregon

- Recently acquired an existing store in Portland; completing renovation and opening in January 2021
- Opportunistically targeting portfolio of up to 3 - 5 stores in the greater Portland market



### Michigan

- Full approvals received for Ann Arbor, Detroit, Buchanan, Grant, (2) Grand Rapids, Kalamazoo, Flint, Muskegon stores
- Several additional locations secured and in local licensing process
- Targeting a total retail portfolio of 15+ stores in MI
- Management team connected and knowledgeable in the local market – HQ in Ann Arbor, MI



### Massachusetts

- Regulations allow for 3 retail stores
- First two stores locally approved in Berlin and Dorchester; targeting opening in Q3 of 2021
- Recommended for license for third location in Natick and awaiting final approval



### Missouri

- C3 was awarded 5 retail licenses, one of the few groups in MO that won the maximum number allowed
- The 5 licenses have leases on attractive locations in Sunset Hills (St. Louis), St. Charles, Columbia, St. Robert and Cape Girardeau
- Stores will start operations in Q2 2021



# Existing C3 Industries Dispensary

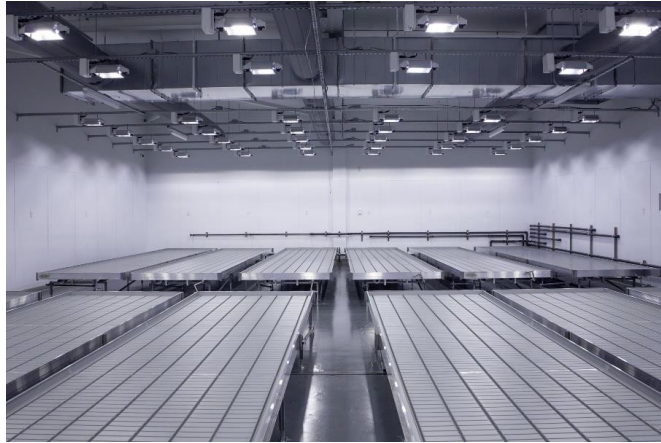
*C3I was granted 1 of the 28 licenses available in Ann Arbor; the location opened in March 2020 and is one of the top performing dispensaries in the area*





# Existing C3 Industries Facility

*C3 Industries' facilities pictured below, located in Oregon and Michigan, are fully operational and have had zero operational failures to date; an identical facility is currently under construction in Franklin, Massachusetts*





# C3 Industries MA Platform

*C3 Industries is building out a vertically-integrated portfolio in Massachusetts, with cultivation, manufacturing and multiple retail sites*

- **Cultivation and Manufacturing:** Franklin, MA
  - Provisional licenses for cultivation and manufacturing have been issued by the CCC and the company is half of the way through construction
  - Construction is anticipated to be complete in Q3 2021
  - The facility will supply flower and infused products to our retail stores as well as the wholesale market
  - The wholesale market in MA continues to be supply constrained and controlling supply will be a major competitive advantage for the Company's retail locations
- **Retail:** Management remains focused on securing three licenses:
  - Berlin
    - Secured attractive site, and host agreement has been executed with the city of Berlin
    - State licensing process is almost complete
  - Dorchester (Boston)
    - Received approval, along with social equity partner MCSE, and secured attractive location
    - State licensing process now underway
  - Natick
    - Application submitted in June 2020
    - Recommended for licensing by the committee, now awaiting final vote / confirmation

# Dorchester Launch Plan

## Months

0-2

- Host Community Agreement signed
- Submission of CCC application
- Preparation of site plan materials
- Submission of site plan and variance materials to Boston ZBA
- Preparation of permit drawings

## Months

3-4

- Approval of variance by ZBA
- Issuance of provisional license from the Commission
- Submission of drawings for building permits

## Months

5-7

- Issuance of building permit
- Commencement of construction
- Staffing of key store positions
- Ordering of key systems and compliance set up

## Month

8

- Completion of construction and Certificate of Occupancy
- CCC final inspections
- Procurement of initial inventory
- Issuance of CCC license and start of operations



# Dorchester Financial Projections

	Year 1	Year 2	Year 3	Year 4	Year 5
Customers Per Day	200	215	230	245	275
Avg \$ Per Cust. Per Day	\$120	\$120	\$120	\$120	\$120
% Flower Sales	50%	50%	50%	50%	50%
% Concentrates Sales	50%	50%	50%	50%	50%
Flower Sales	\$4,380,000	\$4,708,500	\$5,037,000	\$5,365,500	\$6,022,500
Concentrates Sales	\$4,380,000	\$4,708,500	\$5,037,000	\$5,365,500	\$6,022,500
<b>Total Gross Sales</b>	<b>\$8,760,000</b>	<b>\$9,417,000</b>	<b>\$10,074,000</b>	<b>\$10,731,000</b>	<b>\$12,045,000</b>
State Sales Tax and Local Host Agreement	20%	20%	20%	20%	20%
<b>Net Sales</b>	<b>\$7,008,000</b>	<b>\$7,533,600</b>	<b>\$8,059,200</b>	<b>\$8,584,800</b>	<b>\$9,636,000</b>
Flower Gross Profit	\$1,927,200	\$2,071,740	\$2,216,280	\$2,360,820	\$2,649,900
Concentrates Gross Profit	\$1,927,200	\$2,071,740	\$2,216,280	\$2,360,820	\$2,649,900
<b>Total Gross Profit</b>	<b>\$3,854,400</b>	<b>\$4,143,480</b>	<b>\$4,432,560</b>	<b>\$4,721,640</b>	<b>\$5,299,800</b>
Rent	\$120,000	\$122,400	\$124,848	\$127,345	\$129,892
Utilities	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Office Supplies	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Packaging	\$87,600	\$94,170	\$100,740	\$107,310	\$120,450
Retail Staff and Security	\$700,800	\$753,360	\$805,920	\$858,480	\$963,600
Store Manager	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Staff Benefits	\$23,274	\$24,851	\$26,428	\$28,004	\$31,158
Payroll Provider & Taxes	\$77,580	\$82,836	\$88,092	\$93,348	\$103,860
<b>Total Operating Costs</b>	<b>\$1,114,254</b>	<b>\$1,182,617</b>	<b>\$1,251,028</b>	<b>\$1,319,487</b>	<b>\$1,453,960</b>
Marketing	\$140,160	\$150,672	\$161,184	\$171,696	\$192,720
IT & Software	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Insurance	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Banking	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Legal & Accounting	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Licenses & Compliance	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
<b>G&amp;A Expenses</b>	<b>\$284,160</b>	<b>\$294,672</b>	<b>\$305,184</b>	<b>\$315,696</b>	<b>\$336,720</b>
<b>Operating Profit</b>	<b>\$2,455,986</b>	<b>\$2,666,191</b>	<b>\$2,876,348</b>	<b>\$3,086,457</b>	<b>\$3,509,120</b>
% Margin (Using Net Sales)	35.0%	35.4%	35.7%	36.0%	36.4%

# **Energy Compliance Plan**

## **Marijuana Retailer Application**

### **43 Freeport St., Boston, MA 02122**

### **Erba C3 Dorchester LLC**

#### **Introduction**

Erba C3 Dorchester LLC (the “**Company**”) is seeking to operate a retail Marijuana Establishment (the “**Center**”) at 43 Freeport St., Boston, Massachusetts (the “**Property**”). The Company is a subsidiary of a large multi-state operator that currently hold licenses for cannabis cultivation, production and retail facilities in several states, including Massachusetts, Oregon, Missouri and Michigan. As a result, the Company has experience developing and implementing appropriate plans protocols to meet all energy compliance requirements under all state and local rules and regulations, as amended from time-to-time (the “**Applicable Laws**”), including the rules set forth by the Cannabis Control Commission (the “**Commission**”).

The Company will seek to use best practices to reduce energy and water usage and pursue energy efficiency and compliance measures as outlined below.

#### **Identification of potential energy use reduction opportunities (such as natural lighting and energy efficiency measures), and a plan for implementation of such opportunities.**

The Company has extensive experience designing and building out licensed cannabis facilities, including both production facilities and retail stores. The Company has an in-house Director of Design, as well as a long-time third-party architectural and engineering team that leads the design of all of its facilities.

In our design process for the Center, we will evaluate different options for lighting and HVAC and will seek to design a system that is as energy-efficient as possible within the Center’s operational and budgetary parameters. Our electrical and mechanical engineers have extensive experience evaluating LED lighting options as well as energy-efficient HVAC equipment and controls and will go through that process for this project.

In the event of any facility upgrade, renovation or expansion, or in the event of equipment replacement, we will utilize the same team described above and the same process to select a path that is as energy-efficient as possible within the Company’s operational and budgetary parameters.

We also have experience applying for incentives with Mass Save (we did so for our Franklin, Massachusetts production facility) and we intend to apply for any available Mass Save incentives for this project as well.

#### **Consideration of opportunities for renewable energy generation, including, where available, 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.**

As part of our mechanical engineering design process, we will explore renewable energy generation to see if it is feasible for this project.

It is unlikely that this would be possible in this case for several reasons:

- We are leasing our unit, and it is a single unit within a much larger building
- Our budget for an interior retail buildout will likely not be able to support the extensive capital needed for this equipment
- The small energy usage of our retail store would likely not support a third-party financing of a generator for our unit

The owner of the Property is currently planning to put in a significant solar panel installation at the Property in the next 12-18 months. The energy from the panels will support our usage as well as those of the other tenants of the Property.

In the event of any facility upgrade, renovation or expansion, or in the event of equipment replacement, we will utilize the same team described above and the same process to select a path that is as energy-efficient as possible within the Company's operational and budgetary parameters.

**Strategies to reduce electric demand (such as lighting schedules, active load management, and energy storage).**

The Center will feature new HVAC equipment and controls and will be designed with energy efficiency in mind. The Company will regularly monitor the energy demand at the Center and make adjustments to operations based on the data it collects.

The Center will have procedures in place to minimize energy usage during off hours including turning off lights, adjustment of temperature setpoints etc. The Manager will be responsible for managing utility costs and pursuing energy saving opportunities.

The Company is also evaluating load management strategies including demand use interruption. We will finalize this as we as the Center moves closer to operation. We intend to try to enter into a supply agreement that includes demand use interruption features.

**Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.**

As mentioned above, the Company has experience applying for incentives with Mass Save for its cultivation and processing facility in Franklin, Massachusetts, which is currently in development and has provisional licensing. For this project, we intend to apply for any available Mass Save incentives for both our lighting and HVAC systems.

We will submit the Mass Save applications once our engineering design and drawings are further along and will provide evidence of the same at the Architectural Review stage.

**Maintaining of Financial Records**  
**Marijuana Retailer Application**  
**43 Freeport St., Boston, MA 02122**  
**Erba C3 Dorchester LLC**

**Introduction**

Erba C3 Dorchester LLC (the “**Company**”) is seeking to operate a retail Marijuana Establishment (the “**Center**”) at 43 Freeport Street, Boston, Massachusetts (the “**Property**”). The Company is a subsidiary of a large multi-state operator that holds cannabis licenses for cultivation, production and retail facilities in several states, including Massachusetts, Missouri, Oregon and Michigan. As a result, the Company has experience maintaining financial information on the accrual basis in accordance with Generally Accepted Accounting Principles (“**GAAP**”). The Company will implement financial controls and reporting structures to ensure accuracy, security and data integrity. With respect to the maintaining of financial records, the Company will ensure the following:

1. **Recordkeeping:** The Company maintains its accounting records in QuickBooks Enterprise. This system supports detailed transaction data for the Company purchases, inventory valuation, revenue and payroll. QuickBooks is hosted via virtual private network through Right Networks. Data is stored on a secure server, as well as backed up to local computers daily. Supporting documentation for transactions are stored on Microsoft Sharepoint (a third-party data storage provider) secured servers. Access to the Company’s financial records are limited to authorized employees on an as needed basis. In addition, the Company will modify each authorized employees’ security settings to ensure their access is limited to only those requirements that are required to satisfy their job duties.
2. **Accounting Review:** The Company will engage with a third-party accounting firm to review annual financial reports for compliance with GAAP.
3. **Tax:** The Company will engage with a third-party tax service to prepare and file all applicable local, federal, and state tax returns.

The Company will ensure the following business records are maintained:

- (i) Assets and liabilities;
- (ii) Monetary transactions;
- (iii) Books of accounts;
- (iv) Sales records; and
- (v) Salary and wages paid to each employee.



## **Dispensing Software**

Pursuant to 935 CMR 500.140(5)(a), the Company shall only utilize a point-of-sale system that is approved by the Commission. Pursuant to 935 CMR 500.140(5)(f), the Company will adopt separate accounting practices, at the point-of-sale, for marijuana and non-marijuana related sales. In accordance with 935 CMR 500.140(5)(c), the Company, and its agents/employees, shall not utilize any software, or alternative methods, to manipulate or alter sales data.

Pursuant to 935 CMR 500.140(5)(d), the Company shall conduct a monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data.

The Company will maintain records that it has performed the monthly analysis and produce same to the Commission, upon request.

In the event the Company determines that software has been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data, the Company shall:

- (i) immediately disclose the information to the Commission;
- (ii) cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
- (iii) take such other action directed by the Commission to comply with 935 CMR 500.105.

In addition, the Company shall comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements. In the event the Company becomes co-located, it shall maintain, and provide, to the Commission, on a biannual basis, accurate sales data during the six (6) months immediately preceding the Company's application for the purpose of ensuring an adequate supply of marijuana and marijuana products, as required under 935 CMR 502.140(5).

For more information on the Company's recordkeeping policies and procedures, please refer to the "Recordkeeping Procedures" section of this application.

# **Qualifications and Training**

## **Marijuana Retailer Application**

**43 Freeport St., Boston, Massachusetts 02122**

**Erba C3 Dorchester LLC**

### **Introduction**

Erba C3 Dorchester LLC (the “**Company**”) is seeking to operate a retail Marijuana Establishment (the “**Center**”) at 43 Freeport Street, Boston, Massachusetts (the “**Property**”). The Company is a subsidiary of a large multi-state operator that holds cannabis licenses for cultivation, production and retail facilities in several states, including Massachusetts, Missouri, Oregon and Michigan. The Company has extensive operational experience and policies and procedures in place to provide extensive training and education to all employees.

### **Training**

The Company will originally hire all employees on a probationary basis. During this probationary period, candidates will complete a comprehensive training program and will be evaluated for suitability in a restricted-access environment. Training will be highly customized based on the role of each employee and the employee’s level of experience and training. In accordance with 935 CMR 500.105(2)(a), the Company will ensure that all hired staff will complete training prior to performing job functions.

The Company will fully train staff members of the Center on all aspects of the business before operations are commenced. Training and education will be all-encompassing, covering:

1. General Training;
2. Responsible Vendor Training;
3. Health and Sanitation;
4. Legal Compliance, including privacy and confidentiality;
5. Safety and Security;
6. Inventory Monitoring and Reporting/Recordkeeping;
7. Marijuana Product Education; and
8. Job Specific Roles.

### **General Training**

The Company’s general training will include, but is not limited to the following topics:

1. Recordkeeping – The Company will train its employees on its stringent recordkeeping protocols that ensure data acquired by all logging and tracking systems is responsibly and accurately maintained.
2. Inventory Monitoring and Reporting – The Company will ensure all employees are proficient in the Center’s inventory protocols with respect to tracking, monitoring and reporting all marijuana products sold at the Center.
3. Acceptable Forms of Identification – The Company will ensure all employees are familiar with inspecting identification, including how to spot false identification, policies regarding

confiscation of fraudulent identification and best practices regarding common mistakes made during the identification process.

4. Cash Handling – The Company will ensure all incoming employees are properly trained and informed of their cash handling responsibilities.
  - a. Employees will also be trained to recognize counterfeit currency and will receive general fraud protection training.
5. Center Information – The Company will provide all requisite information to ensure all staff members are fully informed on the important Center specific information, such as understanding what the limited access areas are and the Center’s hours of operations.

For certainty, the Company will ensure its general training seminars in respect of inventory and recordkeeping protocols address all statutory requirements set out in the Applicable Laws, including, but not limited to 935 CMR 500.105(8) and 935 CMR 500.105(9), respectively.

## **Responsible Vendor Training**

The Company will have its Center designated as a “responsible vendor” by ensuring all current owners, manager, and employees attend and successfully complete a responsible vendor program, as required by 935 CMR 500.105(2)(b). Pursuant to 935 CMR 500.105(2)(b)(2), all new employees of the Company will also participate in a responsible vendor training program within their first ninety (90) days of service. Once an agent has completed a responsible vendor training program, they must, in accordance with 935 CMR 105(2)(b)(3), complete the program annually to ensure the Company maintains status as a responsible vendor. Pursuant to 935 CMR 500.105(2)(b)(5), the Company will maintain records of responsible vendor training compliance for at least four (4) years. Administrative employees who do not handle or sell marijuana may take the responsible vendor program voluntarily.

## **Health and Sanitation Training**

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

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

1. Inventory inspections – Procedure for inspecting marijuana products for signs of damage (e.g. water damage), pests and expiration dates.
2. Cleaning and sanitizing – Procedures for:
  - a) regular cleaning of equipment, utensils and surfaces to protect against contamination; and
  - b) cleaning and sanitization of display cabinets, countertops and other service areas at the beginning and end of each shift, and throughout the day as needed.
3. Storage of chemicals – Procedures for identifying and storing chemicals, including cleaning compounds, sanitizing agents and solvents.

4. Handling of marijuana products – Protocol for proper sanitation and personal hygiene prior to handling any marijuana product.

Health and sanitation training will also include the protocol for handling, storing and disposing of marijuana waste. The operating systems for waste disposal shall be maintained in an adequate manner pursuant to 935 CMR 500.105(12). These policies and training programs are aimed at ensuring all employees are informed on how to safely handle and dispense marijuana products in a sanitary manner.

## **Legal Compliance Training**

Legal compliance training will educate employees on all Applicable Laws that the Company and the Center may be subject to. The legal compliance training will focus particularly on the Applicable Laws that inform the day-to-day operations of the Center. Legal compliance training will include, but is not limited to, the following topics:

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

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

## **Safety and Security Training**

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

Initial employee safety and security training shall include, but is not limited to, the following topics:

1. Building orientation and access authority, which shall include:
  - a) The proper use and display of employee's identification and access badge for entry into the Center and main building entrance;
  - b) The proper use and display of employee's identification and access badge for entry into employee's authorized access areas;
  - c) The Center's standard business hours and protocol for entry and exit outside standard business hours;
  - d) Employee's authorized entry and exit points;
  - e) Employee's locker; and
  - f) Restroom and sink facilities.
2. Measures and controls for the prevention of diversion, theft or loss of marijuana products, which shall include:

- a) Necessity of keeping all limited access areas locked and secure at all times;
  - b) Prohibited activities such as entrance into unauthorized access areas;
  - c) Awareness of video monitoring; and
  - d) Requirement to report any unusual activity, security concern, or loitering.
3. Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies, including, but not limited to:
- a) Accident prevention training;
  - b) How to respond to an emergency;
  - c) Emergency service provider location;
  - d) Emergency service contact information;
  - e) Emergency first aid kit locations; and
  - f) Emergency exits and panic button locations.

## **Recordkeeping & Inventory Management Training**

The Company's inventory and recordkeeping training will also ensure employees are proficient in the operation and data entry procedures to utilize the point-of-sale system used at the Center and the statewide seed-to-sale tracking system.

The Company's recordkeeping training will notify employees of each type of records that must be well documented and maintained, including:

- (i) Inventory records required by 935 CMR 500.105(8);
- (ii) Seed-to-sale tracking records for all marijuana products, as required by 935 CMR 500.105(8)(e);
- (iii) All written operating policies and procedures implemented by the Company, as required by 935 CMR 500.105(1);
- (iv) All personnel records listed in 935 CMR 500.105(9)(d);
- (v) The staffing plan implemented by the Company;
- (vi) All personnel policies and procedures applicable to the Company;
- (vii) All background check reports obtained in accordance with Applicable Laws;
- (viii) All business records listed in 935 CMR 500.105(9)(e); and
- (ix) All waste disposal records, if applicable, as required under 935 CMR 500.105(12).

The Company's training program and standard operating procedures will guide its employees to ensure all appropriate steps are taken to properly document the above noted records.

The Company will ensure its inventory is maintained in said seed-to-sale tracking system in real-time by implementing proper inventory controls and procedures, as well comprehensive inventory review protocols. The Company will utilize best practices and standard operating procedures it has already successfully implemented within its existing retail dispensaries.

## **Marijuana Product Education Training**

The Company will provide comprehensive training of employees regarding various aspects the marijuana products to be sold at the Center. Such training will aim to provide all employees with a thorough understanding of the following topics:

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

Marijuana product education training sessions will be held periodically to keep employees informed on new marijuana products and information on marijuana strains that will be acquired and sold by the Company at the Center.

### **Annual Training**

Pursuant to 935 CMR 500.105(2)(a), the Company will ensure all of its employees receive at least eight (8) hours of on-going training annually. This training could cover a variety of topics ranging from updated laws and regulations to cannabis education. The Store Manager is ultimately responsible for the topics covered in annual on-going training. The Company will utilize both internal and external experts and professionals in fostering on-going training. On-going training will be recorded and stored with the individual's personnel records in accordance with 935 CMR 500.105(9)(d).

**Quality Control and Testing**  
**Marijuana Retailer Application**  
**43 Freeport St., Boston, MA 02122**  
**Erba C3 Dorchester LLC**

**Introduction**

Erba C3 Dorchester LLC (the “**Company**”) is seeking to operate a retail Marijuana Establishment (the “**Center**”) at 43 Freeport Street, Boston, Massachusetts (the “**Property**”). The Company is a subsidiary of a multi-state operator that currently holds licenses for cannabis cultivation, manufacturing and retail facilities in several states, including Oregon, Missouri, Massachusetts and Michigan. As a result, the Company has significant experience implementing policies that ensure a neat, tidy and sanitary facility. The Company will ensure the Center operates in compliance with all state and local rules and regulations, as amended from time-to-time (the “**Applicable Laws**”), including the rules set forth by the Cannabis Control Commission (the “**Commission**”).

The Company will comply with the following sanitary requirements:

1. Any Company agent whose job includes contact with marijuana or nonedible marijuana products, including cultivation, production, or packaging, is subject to the requirements for food handlers specified in 105 CMR 300.000, and all edible marijuana products will be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 500.000, and with the requirements for food handlers specified in 105 CMR 300.000.
2. Any Company agent working in direct contact with preparation of marijuana or nonedible marijuana products will conform to sanitary practices while on duty, including:
  - a. Maintaining adequate personal cleanliness; and
  - b. Washing hands thoroughly in an adequate hand-washing area before starting work, and at any other time when hands may have become soiled or contaminated.
3. The Company’s hand-washing facilities will be adequate and convenient and will be furnished with running water at a suitable temperature. Hand-washing facilities will be located in Company’s working areas and where good sanitary practices require employees to wash and sanitize their hands, and will provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices;
4. The Company’s facility will have sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations;
5. The Company will ensure that litter and waste is properly removed and disposed of so as to minimize the development of odor and minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal will be maintained in an adequate manner pursuant to 935 CMR 500.105(12);
6. The Company’s floors, walls, and ceilings will be constructed in such a manner that they may be adequately kept clean and in good repair;

7. The Company's facility will have adequate safety lighting in all processing and storage areas, as well as areas where equipment or utensils are cleaned;
8. The Company's buildings, fixtures, and other physical facilities will be maintained in a sanitary condition;
9. The Company will ensure that all contact surfaces, including utensils and equipment, will be maintained in a clean and sanitary condition. Such surfaces will be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the US Environmental Protection Agency (EPA), in accordance with labeled instructions. Equipment and utensils will be so designed and of such material and workmanship as to be adequately cleanable;
10. All toxic items will be identified, held, and stored in a manner that protects against contamination of marijuana products;
11. The Company will ensure that its water supply is sufficient for necessary operations, and that such water supply is safe and potable;
12. The Company's plumbing will be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the marijuana establishment. Plumbing will properly convey sewage and liquid disposable waste from the marijuana establishment. There will be no cross-connections between the potable and waste water lines;
13. The Company will provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair;
14. The Company will hold all products that can support the rapid growth of undesirable microorganisms in a manner that prevents the growth of these microorganisms; and
15. The Company will store and transport finished products under conditions that will protect them against physical, chemical, and microbial contamination, as well as against deterioration of finished products or their containers.

The Company will ensure that the Center is always maintained in a sanitary fashion and will comply with all applicable sanitary requirements.

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

## **Product Recalls**

The Company will follow established policies and procedures for handling voluntary and mandatory recalls of marijuana products. Such procedures are sufficient to deal with recalls due to any action initiated at the request or order of the Commission, and any voluntary action by the Company to remove defective or potentially defective marijuana products from the market, as well as any action undertaken to promote public health and safety.



Upon notification of a received complaint, the Company will begin its investigation process. Initially the Company will gather information about the nature of the product complaint. The Company will determine whether the product in question must be withdrawn or recalled. The Company will comply with any public notices, issued by the Commission, regarding product recalls.

Upon a determination that a product recall will occur, the facility shall:

1. Gather all information collected in the tracking process;
2. Detain and segregate products to be recalled that are in the facility's control and post a DO NOT DISTRIBUTE sign;
3. Complete the Withdrawal and Recall Log;
4. Send a Notification of Recall or Withdrawal to the affected customers that purchased said product;
5. Ensure the following information is accurately provided:
  - a. Name and Product Code of the recalled product(s);
  - b. Production date(s) of the withdrawn or recalled product(s);
  - c. Reason for the withdrawal or recall;
  - d. Quantity of recalled product(s) distributed;
  - e. Quantity of recalled product(s) in inventory (for internal use only);
  - f. Area(s) of distribution and customers affected (for internal use only); and
6. Coordinate and monitor the recovery of all affected product(s) in the Company's possession.

**Recordkeeping Procedures**  
**Marijuana Retailer Application**  
**43 Freeport St., Boston, MA 02122**  
**Erba C3 Dorchester LLC**

**Introduction**

Erba C3 Dorchester LLC (the “**Company**”) is seeking to operate a retail Marijuana Establishment (the “**Center**”) at 43 Freeport Street, Boston, Massachusetts (the “**Property**”). The Company is a subsidiary of a large multi-state operator that currently holds cultivation, production and retail licenses in several states, including Oregon, Missouri, Massachusetts and Michigan. As a result, the Company has significant experience recording, storing, and maintaining all pertinent records of a retail marijuana business. The Company will ensure the Center operates in compliance with all state and local rules and regulations, as amended from time-to-time (the “**Applicable Laws**”), including the rules set forth by the Cannabis Control Commission (the “**Commission**”).

The Company maintains various records associated with business activity as company policy and good practice. Records maintained by the Company will be made available to the Commission upon request. When possible, the Company records shall be retained electronically and saved redundantly to avoid total loss.

The types of records to be maintained by the Company will comply with all requirements set out sections of 935 CMR 500.105(9) and shall include, but not limited to:

1. **Financial Records:** Maintained in accordance with generally accepted accounting principles and kept electronically. Financial business records will include, but not be limited to: assets and liabilities, monetary transactions, books of accounts, sales records, salaries and wages, and all additional records outlined in 935 CMR 500.105(9)(e) or required by the Commission from time to time.
2. **Personnel Records:** Maintained electronically and permanently, regardless of the employee’s current status with the Company. Personnel records will contain all the information outlined in 935 CMR 500.105(9)(d). The Company will also maintain records of responsible vendor training program compliance for four (4) years and make same available to inspection by the Commission or any other applicable licensing authority upon request during normal business hours. After an employee is hired by the Company, a personnel file will be created containing information such as their resume, application, copy of government issued license, emergency contacts, and other details as may be required by the Commission. Employee records will be updated by Company as necessary, such additional training records and/or disciplinary occurrence.
3. **Trainings:** Maintained electronically, the Company will maintain records of responsible vendor training program compliance for four (4) years. Training records will include, but not be limited to, the scope of a training, and the names, signatures and titles of agents participating and instructing. The Company agents will complete additional trainings that

may not be outlined by the Commission's rules and regulations. These additional trainings may not be retained by the Company for a four (4) year period, which is required by the Commission for other training, such as the responsible vendor trainings. Training records will be maintained with an employee's personnel records.

4. **Contracts:** Maintained electronically and in hard-copy format. Contracts are retained indefinitely or until deemed unnecessary by the Company in its sole and absolute discretion. From inception, the Company will create a file, both physical and virtual, to store all contracts to which the Company is a party to (i.e., third-party vendor contracts, employment contracts, etc.). Signed contracts will be to the database for an indefinite period of time.
5. **Written Operating Procedures:** As required by 935 CMR 500.105(8)(e) and maintained electronically. The Company expects these documents to evolve with the business; therefore, they are retained and updated into perpetuity. Written operating procedures will be stored in a database whose access will be limited to specific employees based on their position and job duties.
6. **Inventory Records:** Maintained electronically via the state appointed cannabis tracking system. Detailed inventory records are maintained as required by 935 CMR 500.105(8)(e). Every inventory record will include, at minimum, the date of inventory, a summary of inventory findings, and the names, signatures and titles of those who conducted the inventory. Summarized inventory detail is maintained in accordance with financial record standards. If inventory records were taken by use of an oral recording device, they are promptly transcribed.
7. **Security Records:** Pursuant to 935 CMR 500.110(5)(5), the Company will maintain and retain all twenty-four (24) hour recordings from all video cameras for period of at least ninety (90) calendar days. These recordings will be made available to the Commission immediately upon request. Other security related records the Company maintains are security maintenance check reports, visitor logs, and daily security walk-through reports. Recordings will not be destroyed or altered and will be retained as long as necessary if the Company is aware of a pending criminal, civil or administrative investigation or legal proceeding for which the recording may contain relevant information. All recordings will be maintained in a secure location to prevent theft, loss, destruction and alterations.
8. **Transportation Records:** Maintained electronically or in hard-copy format, transportation records are any and all records not defined elsewhere in this document that include, but not limited to: manifest records, vehicle registration and inspection documentation, and drivers' licenses. For more information on the Company's transportation policies and procedures, please refer to the "Transportation and On-Site Deliveries" and "Delivery to Customers" sections of this RFI response.
9. **Waste Disposal Records:** Maintained either in hard-copy format or electronically as required under 935 CMR 500.105(12), waste disposal records will include, at minimum, the date, type and quantity disposed or handled, the manner of the disposal or other handling, the location and the names of the Company agents present with their signatures. Logs associated with waste will be readily available with ninety (90) days of data, at which time they are transferred into archive via limited-access filing cabinet. Pursuant to 935 CMR 500.105(12)(d), archived waste management data is maintained for three (3) years.
10. **Maintenance Records:** Maintained in electronic and hard-copy format. Work orders associated with building or equipment maintenance are retained for three (3) years.

11. **Visitor Logs:** Maintained in electronic and hard-copy format. Visitor logs are done by day and will include, at minimum, the visitors name, date and time of visit, and reason of visit. Visitor logs are retained for at least three (3) years after the day of visit.
12. **Seed-to-Sale Tracking Records:** Tracking records for all marijuana products as required by 935 CMR 500.105(8)(e).
13. **Point of Sale Records:** The Company will be utilizing a point-of-sale system that is approved by the Commission. The Company will conduct a monthly analysis of its equipment and sales data, which same will be available to the Commission upon request.
14. **Incident Reporting:** The Company will notify appropriate law enforcement authorities and the Commission of any breach of security immediately, and in any event no later than twenty-four (24) hours following discovery of the breach. Notification will be made if any one of the occasions listed in 935 CMR 500.110(7)(a) occurs or as necessary as determined by the Company.

Pursuant to 935 CMR 500.105(9)(g), following the potential closure of the prospective marijuana retailer, all Company records shall be retained, at the expense of Company, for a minimum of two (2) years, in a form and location acceptable to the Commission.

## **Related Policies and Procedures:**

### **Visitor Recordkeeping**

The Company will limit access to its facility to pre-approved staff members, select outside vendors and/or contractors. Each visitor must be at least twenty-one (21) years of age or older, present a valid, government issued, photo identification and sign the visitor log to gain entry to the facility. Visitor logs will be available to the Commission and law enforcement upon request.

All outside visitors, vendors, and contractors must obtain a visitor identification badge prior to entering limited access areas. Visitors must display their visitor identification badge at all times during their visitation. Visitors are required to sign out upon exiting the facility. For additional security, the Company will require an authorized employee to accompany any visitor(s) that require access to secured areas where marijuana and/or marijuana product(s) are stored.

### **Recording Diversion, Theft, and Loss**

In accordance with 935 CMR 500.110(7)(a), the Company will ensure the Commission and law enforcement authorities are notified immediately upon discovering a breach of security. The Company staff will complete an incident report for breaches of security along with any other events deemed appropriate by management. The Company agents who witnessed, discovered, encountered or were otherwise involved in the incident, will be required to fill out an incident report. The General Manager is also required to complete an incident report for all occurrences. The Company will ensure all incident reports are filed and stored in a secure manner at the facility.

# **Restricting Access**

## **Marijuana Retailer Application**

### **43 Freeport St., Boston, MA 02122**

### **Erba C3 Dorchester LLC**

## **Introduction**

Erba C3 Dorchester LLC (the “**Company**”) is seeking to operate a retail Marijuana Establishment (the “**Center**”) at 43 Freeport Street, Boston, Massachusetts (the “**Property**”). The Company is a subsidiary of a multi-state operator that currently holds licenses for cannabis cultivation, manufacturing and retail facilities in several states, including Oregon, Missouri, Massachusetts and Michigan

The Company is committed to ensuring a safe environment that mitigates as much risk as possible. Risk mitigation includes, but is not limited to, implementing the security requirements as mandated by all state and local rules and regulations, as amended from time-to-time (the “**Applicable Laws**”), including the rules set forth by the Cannabis Control Commission (the “**Commission**”).

## **Security Measures**

The Company deploys two primary practices to support the overall security of its Center: access restriction and surveillance monitoring. Exterior entrances of the Center will be secure with standard commercial-grade locking mechanisms. Entry through exterior doors will be controlled via electronic key-cards and/or key pad PIN entry. Internal man-doors will be controlled with identical key-cards and/or key pad PIN entry. Access to specific areas, such as limited access areas, are restricted by demonstration of need. For example, administrative employees are not permitted to enter the flower rooms.

The Center will also have 24-hour surveillance recording covering key areas of the interior and exterior of the building. Additionally, areas known to be high risk will be monitored more closely. Recordings will be saved digitally and periodically backed up to an offsite data storage partner. The Company will deploy surveillance systems to prevent and detect theft or loss of marijuana and/or unauthorized access. The security system will comply with all requirements imposed by the Applicable Laws, including, but not limited to, the Commission’s security requirements set out in 935 CMR.

For more information regarding the Company’s security policies and procedures, please refer to the “Security Plan” and “Storage of Marijuana” sections of this application

## **Prevention of Diversion**

The Company prevents diversion to individuals younger than twenty-one (21) years old by positively identifying individuals seeking access into the Center through verifying the individual’s active, government issued identification card.

## **Customers' Access**

Upon entry into the reception area of the Center, the Company's employees will immediately verify the identity, and age, of the customer in accordance with 935 CMR 500.140(2). Any individuals that enter the premises who are not 21 years or older will be asked to leave.

Pursuant to 935 CMR 500.105(2)(b)(7)(d), the Company's training program will address acceptable forms of identification, how to check identifications, including protocols to identify false or fraudulent identifications and best practices to avoid common mistakes made during the verification process.

In addition, the Company's employees will verify the customer's identity again prior to final checkout and record, as required by 935 CMR 500.140(2)(b). The purpose of this verification is to not only act as a safeguard in respect of validating the customer's age and identity, but to also determine whether the customer's order does not exceed the sales limits imposed by all Applicable Laws, specifically 935 CMR 500.140(3).

## **Visitors' Access**

Pursuant to 935 CMR 500.110, entry to the Center will only be granted to pre-approved staff and visitors twenty-one (21) years of age or older. Each visitor is required to show a valid, government-issued, photo identification and sign the visitor log. Identification is verified by the Company personnel at the entrance to the Center prior to receiving clearance. Visitors must leave their identification with the Company's personnel, which identification will be returned to the visitor at the end of their visit. During their visitation, the visitor will receive a visitor badge that must kept on their persons and visibly displayed at all times. Each visitation is tracked through a visitor log that contains, at a minimum, the first and last name of the visitor, the purpose of their visit, the date and time of the visit, and any notes by the Company's staff. Visitor logs will be maintained for at least three (3) years. For more information on the Company's recordkeeping policies and procedures, please refer to the "Recordkeeping Procedures" section in this application.

In accordance with 935 CMR 500.030(1), the Company shall ensure each of its employees and/or agents:

- i. are 21 years of age or older
- ii. have 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; and
- iii. been determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802.

**Separating Medical and Recreational Marijuana  
Marijuana Retailer Application  
43 Freeport St., Boston, MA 02122  
Erba C3 Dorchester, LLC**

**Introduction**

Erba C3 Dorchester LLC (the “**Company**”) is seeking to operate a retail Marijuana Establishment (the “**Center**”) at 43 Freeport Street, Boston, Massachusetts (the “**Property**”). The Company is a subsidiary of a multi-state operator that currently holds licenses for cannabis cultivation, manufacturing and retail facilities in several states, including Oregon, Missouri, Massachusetts and Michigan. The Company will ensure the Center operates in compliance with all state and local rules and regulations, as amended from time-to-time (the “**Applicable Laws**”), including the rules set forth by the Cannabis Control Commission (the “**Commission**”).

**The Company will solely provide adult-use recreational marijuana products at the Center. For certainty, the Company will not sell any medical marijuana products at the Center. As a result, the Company does not require an operating procedure with respect to separating medical and recreational marijuana products.**

# **Personnel Policies**

## **Marijuana Retailer Application**

### **43 Freeport St., Boston, MA 02122**

### **Erba C3 Dorchester LLC**

#### **Introduction**

Erba C3 Dorchester LLC (the “**Company**”) is seeking to operate a retail Marijuana Establishment (the “**Center**”) at 43 Freeport Street, Boston, Massachusetts (the “**Property**”). The Company is a subsidiary of a large multi-state operator that holds cannabis licenses for cultivation, production and retail facilities in several states, including Massachusetts, Missouri, Oregon and Michigan. As a result, the Company has significant experience with attracting, hiring, and retaining employees. The Company has developed a large, sophisticated library of standard operating procedures that will be implemented at the Center to ensure the Center operates in compliance with all state and local rules and regulations, as amended from time-to-time (the “**Applicable Laws**”), including the rules set forth by the Cannabis Control Commission (the “**Commission**”).

Please refer to **Exhibit “A”** to review a copy of the Company’s Employee manual.

#### **Hiring Procedures**

The Company believes that hiring qualified individuals to fill positions contributes to the overall success of the Company. Each employee is hired to make significant contributions to the Company. In hiring the most qualified candidates for positions, the Company will draw on its experience operating existing retail facilities in other states which has proven to be successful.

#### **Hiring Process and Procedures**

##### **Personnel requisitions**

Personnel requisitions must be completed to fill vacant positions. Requisitions must be initiated by the Store Manager and approved by the corporate human resource (“**HR**”) department.

Personnel requisitions should indicate, at a minimum, the following:

- (i) Position title;
- (ii) Position hours/shifts;
- (iii) Essential job functions and qualifications (or a current job description may be attached); and
- (iv) Any special recruitment advertising instructions.

##### **Job postings**

HR will create job postings that briefly describe the job opening and communicate the Company brand. All job openings will be posted internally and externally with sources appropriate for the position being filled. Jobs will remain posted until the position is filled.



The Store Manager, concurrently with the HR department, will be responsible for tracking all applicants and retaining applications and resumes as required. The Company shall screen prospective employees against the requirements listed in 935 CMR 500.030(1).

#### *Internal applicants*

Current employees with a satisfactory employment status may apply for internal job openings. All applicants for a posted vacancy will be considered based on their qualifications and ability to perform the job successfully.

#### *Interview process*

The Store Manager and the HR department will screen applications and resumes prior to scheduling interviews. Initial interviews are generally conducted by the Store Manager and the HR department using behavior-based interview questions and a structured interview process.

#### *Reference checks*

The HR department will conduct professional reference checks and employment verification on the top candidates.

#### **Job offers**

After a decision has been made to hire a candidate, an offer will be made contingent on the satisfactory completion of required background checks and testing, as required by 935 CMR 500.030(3). Background checks will vary depending on the position and may include criminal history, credit history, driving record, drug testing or any other relevant information for the job. The Company shall record confirmation of criminal history background checks within the employee's personnel records and provide same to the Commission pursuant to 935 CMR 500.030(3).

Internal applicants must complete required background checks, including the CORI forms. Once the HR department receives satisfactory results from all required background checks and tests, candidates will be provided with a final job offer. The Company shall have a policy in place that requires employees to report any new or pending charges or convictions.

Pursuant to 935 CMR 500.030(1), the Company will ensure all employees apply for a Registration Card to be authorized as a Marijuana Establishment Agent. All employees will be required to renew their respective Registration Cards on an annual basis in accordance with 935 CMR 500.030(5). In order to comply with 935 CMR 500.030(7), employees are required to always carry their Registration Card while performing any job duties at the Center.

#### **Employee Dismissal**

Pursuant to 935 CMR 500.105(1)(m), the Company shall immediately dismiss any employee who has diverted marijuana, engaged in unsafe practices in respect of the operation of the Center, or who has been convicted or entered a guilty plea for a felony charge of distribution to a minor.

In the event an employee is found to have:

- (i) diverted marijuana, the Company shall promptly notify local law enforcement and the Commission; or

- (ii) engaged in any unsafe practices, the Company shall promptly notify the Commission.

If an employee is no longer employed by the Company, then the Company shall remove access and permissions to the Center and the statewide monitoring system. Pursuant to 935 CMR 500.030(4), the Company will notify the Commission no more than one business day after an employee, registered as a Marijuana Establishment Agent, ceases to be associated with the Company.

## Staffing

The Company intends to maintain sufficient employment levels to operate in a lean manner, yet employ enough individuals to maintain safety, security and customer service. An example of the Company's Center staffing plan is as follows:

1. **Store Manager:** The Store Manager is primarily responsible for the day-to-day operations of the Center. The Store Manager shall oversee the Company's employees working at the Center and all dispensing of marijuana. Specifically, the Store Manager will:
  - a. Lead recruiting, training and supervision of Center staff;
  - b. Interact with customers and ensure customer satisfaction;
  - c. Manage inventory receipts and compliance with Applicable Laws;
  - d. Oversee selling process and compliance with Applicable Laws;
  - e. Lead health and safety efforts for employees and customers;
  - f. Manage the Center's operating budget with the direction of corporate team; and
  - g. Oversee administrative items and compliance with the direction of corporate team.
2. **Assistant Manager:** The Assistant Manager will work directly with the Store Manager to lead day-to-day operations of the Center. The Assistant Manager will be capable of completing the Store Manager's tasks in their absence. Specifically, the Assistant Manager will:
  - a. Work directly with Budtenders to promote superior customer service;
  - b. Provide exceptional training to Budtenders on the Company's point-of-sale system;
  - c. Be the first line of communication with Budtenders and customers to resolve issues;
  - d. Lead opening and/or closing procedures for the Center;
  - e. Oversee "cash drops" i.e. the process of transferring currency from the register to the limited-access vault; and
  - f. Assist the Store Manager to ensure compliance with Applicable Laws.
3. **Sales Associate:** The Sales Associate interacts directly with customers to provide an exceptional customer experience while complying with all Applicable Laws.
  - a. Cheerfully interact with customers from greeting to final sale;
  - b. Demonstrate excellent knowledge of Company product offerings and make knowledgeable recommendations to customers based on experience and knowledge of products;
  - c. Ability to explain the effects and differences of indica, sativa or a hybrid strain and recommend strains;
  - d. Ability to distinguish the different types of marijuana and the different therapeutic effects caused by consumption;

- e. Ensure selling procedures are carried out safely and sanitary;
  - f. Upsell customers via current coupons and/or promotions;
  - g. Assist other Budtenders as needed; and
  - h. Carry out sales transactions on Company point-of-sale software.
4. **Receptionist:** The Receptionist supports all Center staff through clerical management.
  - a. Greet customers and communicate Company and regulatory policies;
  - b. Gather required customer documentation;
  - c. Manage inbound and outbound phone calls;
  - d. Support data entry and point-of-sale system management as needed; and
  - e. Other tasks as assigned by the Assistant Manager or Store Manager.
5. **Shift Leads:** Responsible for performing management functions when no other Managers are on duty while also guiding the patients through the process of understanding, selecting and acquiring cannabis products that fit their needs.
6. **Inventory Specialist:** Responsible for intaking and labeling new product, monitoring the store's inventory, and packaging and labeling orders to ensure operational efficiencies and compliance with all Applicable Laws.
7. **Security:** Responsible for safe-guarding all entries to the Center, as well as handling emergency security situations. Security employees report directly to the Store Manager.

Please refer to **Exhibit "B"** to review the job description the Company will use during the hiring process for the above noted employment positions.

## Training

The Company will originally hire all employees on a probationary basis. During this probationary period, candidates will complete a comprehensive training program and will be evaluated for suitability in a restricted-access environment. Training will be highly customized based on the role of each employee and the employee's level of experience and training. In accordance with 935 CMR 500.105(2)(a), the Company will ensure that all hired staff will complete training prior to performing job functions. Training will be held on-site and will cover the following topics:

1. General Training;
2. Responsible Vendor Training;
3. Health and Sanitation;
4. Legal Compliance, including privacy and confidentiality;
5. Safety and Security;
6. Inventory Monitoring and Reporting/Recordkeeping;
7. Marijuana Product Education; and
8. Job Specific Roles.

Please refer to **Exhibit "C"** to review various standard operating procedures related to employment and personnel policies to be implemented at the Center.

## Employee Records

Pursuant to 935 CMR 500.105(9), the Company shall maintain its records in accordance with all Applicable Laws, which records will be available for inspection by the Commission upon request.

Pursuant to 935 CMR 500.105(9)(d), the Company shall, at a minimum, maintain the following personnel records:

- (i) Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
- (ii) A personnel record for each marijuana establishment agent, which same shall be maintained for a period of at least twelve (12) months after termination of the individual's affiliation with the Company and shall include, at a minimum, the following:
  - a. All materials submitted to the commission pursuant to 935 CMR 500.030(2), including, but not limited to:
    - i. full name, date of birth and address of the individual;
    - ii. all aliases used previously or currently in use by the individual, including maiden name, if any;
    - iii. a copy of the individual'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;
    - iv. an attestation that the individual will not engage in the diversion of marijuana;
    - v. a written acknowledgment by the individual of any limitation on his or her authorization to dispense marijuana;
    - vi. all background information required under the Applicable Laws, including criminal convictions, civil or administrative actions, professional licensing, and business licensing;
  - b. Documentation of verification of references;
  - c. The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;
  - d. 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;
  - e. Documentation of periodic performance evaluations;
  - f. A record of any disciplinary action taken;
  - g. Notice of completed responsible vendor and eight-hour related duty training; and
- (iii) A staffing plan that demonstrates accessible business hours;

**Exhibit “A”  
Employment Manual**

**See attached.**



# **Employee Handbook**

**QPS Michigan Holdings LLC D/B/A C3 Industries**  
**Last Updated on May 1, 2020**

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## **Welcome**

Welcome to C3 Industries (“C3I” or the “Company”)! We are delighted that you have chosen to join our organization and hope that you will enjoy a long and successful career with us. As you become familiar with our culture and mission, we hope you will take advantage of opportunities to enhance your career and further the Company’s goals.

C3 Industries was founded in 2016 with goal of becoming a leading cannabis cultivator and manufacturer, with a focus on superior quality for the discerning cannabis consumer. Together, our leadership has over 5 decades of experience in various disciplines. Our team and talent are our biggest asset and we look to continuously improve our capabilities and bring in new people when and where appropriate. Our employees use their creativity and skills to create the highest quality cannabis products. With your hard work, creativity, and talent, C3I will continue to achieve its goals. We sincerely hope you will take pride in being an important part of the Company's success.

Please take time to review the policies contained in this handbook. If you have questions, feel free to ask your supervisor or to contact the Human Resources Department.

## **Introduction**

This Employee Handbook ("Handbook") is a compilation of personnel policies, practices and procedures currently in effect at QPS Michigan Holdings, LLC D/B/A C3 Industries ("C3 Industries", "C3I" or the "Company").

The Handbook is designed to introduce you to our Company, familiarize you with Company policies, provide general guidelines on work rules, benefits and other issues related to your employment, and help answer many of the questions that may arise in connection with your employment.

This Employee Handbook is not a contract of employment and does not create a contract of employment. Like most US companies, C3 Industries generally does not offer individual employees formal employment contracts with the Company. This Handbook does not create a contract, express or implied, guaranteeing you any specific term of employment, nor does it obligate you to continue your employment for a specific period of time. The purpose of the Handbook is simply to provide you with a convenient explanation of present policies and practices at the Company. This Handbook is an overview or a guideline. It cannot cover every matter that might arise in the workplace. For this reason, specific questions regarding the applicability of a particular policy or practice should be addressed to the Human Resources Department.

The Company reserves the right to modify any of our policies and procedures, including those covered in this Handbook, at any time. We will seek to notify you of such changes by email and other appropriate means. However, such a notice is not required for changes to be effective.

# **General Employment Policies and Practices**

## **Equal Employment Opportunity**

The Company provides equal employment opportunities to all employees and applicants for employment without regard to race, color, ancestry, national origin, gender, sexual orientation, marital status, religion, age, disability, gender identity, results of genetic testing, or service in the military. Equal employment opportunity applies to all terms and conditions of employment, including hiring, placement, promotion, termination, layoff, recall, transfer, leave of absence, compensation, and training.

C3I expressly prohibits any form of unlawful employee harassment or discrimination based on any of the characteristics mentioned above. Improper interference with the ability of other employees to perform their expected job duties is absolutely not tolerated.

## **Commitment to Diversity**

The Company is committed to creating and maintaining a workplace in which all employees have an opportunity to participate and contribute to the success of the business and are valued for their skills, experience, and unique perspectives. This commitment is embodied in company policy and the way we do business at C3I and is an important principle of sound business management.

## **Employment at Will**

Employment at C3I is on an at-will basis unless otherwise stated in a written individual employment agreement signed by an executive of the Company.

This means that either the employee or the Company may terminate the employment relationship at any time, for any reason, with or without notice.

Nothing in this employee handbook is intended to or creates an employment agreement, express or implied. Nothing contained in this or any other document provided to the employee is intended to be, nor should it be, construed as a contract that employment or any benefit will be continued for any period of time.

Any salary figures provided to an employee in annual or monthly terms are stated for the sake of convenience or to facilitate comparisons and are not intended and do not create an employment contract for any specific period of time.

Nothing in this statement is intended to interfere with, restrain, or prevent concerted activity as protected by the National Labor Relations Act. Such activity includes employee communications regarding wages, hours, or other terms or conditions of employment. Company employees have the right to engage in or refrain from such activities.

## **Recruitment and Hiring**

The Company's primary goal when recruiting new employees is to fill vacancies with persons who have the best available skills, abilities, or experience needed to perform the work. Decisions regarding the recruitment, selection, and placement of employees are made on the basis of job-related criteria.

When positions become available, qualified current employees are encouraged and are welcome to apply for the position. As openings occur, notices relating general information about the position are posted. For information on how to apply, please reach out to Human Resources.

We encourage current employees to recruit new talent for our Company.

## **Employee Referral Program**

Recommending a Potential Employee. C3I employees may refer potential candidates by emailing Talent Acquisition the following information:

- Candidate name
- Phone Number
- Email Address
- Current Resume

Employees may still refer potential candidates regardless of whether an opening exists. The candidate's information will be added to our Applicant Tracking System and their account will be flagged for future opportunities.

The Hiring Process. All candidates, referred or not, will go through the same hiring process established by Talent Acquisition. The Talent Acquisition team will keep C3I employees updated on their referral's interview process, including whether an offer is being made.

The Referral Rebate. If a referred candidate is hired, a referral bonus, less applicable payroll taxes, will be paid to the employee following a 90-day waiting period. The Talent Acquisition Team will be responsible for tracking this time frame and the referral bonus will be paid during the first payroll following the referred employee's 90th day.

The standard Referral Rebates that are listed below will be distributed unless otherwise noted. Rebate amounts are subject to change at any time.

- Hourly/Entry Level: \$100
- Salaried/Professional/Supervisor: \$250
- Manager Level: \$500
- Executive & Director Level: \$750

The Talent Acquisition Team may change the referral bonus for a specific requisition based on factors such as the current job market, the position, the location, time of year and various other factors. Those values will be announced once a specific requisition is opened.

Exclusions. Directors and Managers are not eligible for referral rebates in situations where the new hire is a member of their own team.

## **Employment of Relatives and Domestic Partners**

Relatives and domestic partners may be hired by the company if approved by a Company executive. For the purposes of this policy, "relatives" are defined as spouses, children, siblings, parents, or grandparents. A "domestic partnership" is generally defined as a committed relationship between two individuals who are sharing a home or living arrangements.

Current employees that are relatives or those who marry each other or become involved in a domestic partnership will be permitted to continue employment with the company provided they don't work in a direct supervisory relationship with each other or otherwise pose difficulties as mentioned above. If relatives or employees who marry or live together do work in a direct supervisory relationship with each other, the company will attempt to reassign one of the employees to another position for which he or she is qualified if such a position is available. If no such position is available, one of the employees may be required to leave the company.

## **Employment Classifications**

In order to determine eligibility for benefits and overtime status and to ensure compliance with federal and state laws and regulations, C3I classifies its employees as shown below. The Company may review or change employee classifications at any time.

### **Exempt Employees**

Exempt employees are not subject to the overtime pay provisions of the federal Fair Labor Standards Act (FLSA). An exempt employee is one whose specific job duties and salary meet all of the requirements of the U.S. Department of Labor's regulations.

### **Non-Exempt Employees**

Nonexempt employees are eligible to receive overtime pay for overtime hours worked per the guidelines outlined in the federal Fair Labor Standards Act (FLSA). Nonexempt employees are generally paid on an hourly basis.

### **Full-Time Employees**

Full-time employees are those who are regularly scheduled to work at least 40 hours per week that are not hired on a temporary basis.

### **Part-Time Employees**

Part-time employees are those who are regularly scheduled to work fewer than 40 hours per week that are not hired on a temporary basis. Part-time employees are not eligible for Company-paid benefits, except as required by law.

### **Temporary Employees**

Temporary employees are hired for an interim period of time, usually to fill in for vacations, leaves of absence, or projects of a limited duration. Temporary employees are not eligible for Company-paid benefits, except as required by law.

### **Seasonal Employees**

Seasonal employees are those hired into a position for which the customary annual employment is 6 months or less. Seasonal employees are generally not eligible for benefits.

If your status changes from temporary or seasonal to part-time or full-time, you are considered hired on the date you become a full-time or part-time employee for purposes of calculating eligibility for benefits that require a minimum term of employment.

## **Conflicts of Interest**

C3I expects all employees to conduct themselves and company business in a manner that reflects the highest standards of ethical conduct, and in accordance with all federal, state, and local laws and regulations. This includes avoiding real and potential conflicts of interests.

Exactly what constitutes a conflict of interest or an unethical business practice is both a moral and a legal question. C3I recognizes and respects the individual employee's right to engage in activities outside of employment which are private in nature and do not in any way conflict with or reflect poorly on the company.

It is not possible to define all the circumstances and relationships that might create a conflict of interest. If a situation arises where there is a potential conflict of interest, the employee should discuss this with a manager for advice and guidance on how to proceed. The list below suggests some of the types of activity that indicate improper behavior, unacceptable personal integrity, or unacceptable ethics:

1. Simultaneous employment by another firm that is a competitor of or supplier to C3I.
2. Carrying on company business with a firm in which the employee, or a close relative of the employee, has a substantial ownership or interest.
3. Holding a substantial interest in, or participating in the management of, a firm to which the company makes sales or from which it makes purchases.
4. Borrowing money from customers or firms, other than recognized loan institutions, from which our company buys services, materials, equipment, or supplies.
5. Accepting substantial gifts or excessive entertainment from an outside organization or agency.
6. Speculating or dealing in materials, equipment, supplies, services, or property purchased by the company.
7. Participating in civic or professional organization activities in a manner that divulges confidential company information.
8. Misusing privileged information or revealing confidential data to outsiders.
9. Using one's position in the company or knowledge of its affairs for personal gains.
10. Engaging in practices or procedures that violate antitrust laws, commercial bribery laws, copyright laws, discrimination laws, campaign contribution laws, or other laws regulating the conduct of company business.

## **Standards of Conduct**

C3I expects its employees to conduct themselves in a professional and polite manner and to comply with all company policies and procedures. Conduct that interferes with the orderly and efficient business operation is unacceptable. Examples of unacceptable behavior include but is not restricted to violation of the company's policies and safety rules; insubordination; unauthorized or illegal possession, use or sale of alcohol and/or controlled substances on work premises or during working hours while engaged in company activities; use or sale of weapons, firearms or explosives on work premises; theft or dishonesty; physical or sexual harassment; disrespect toward fellow employees, visitors or other members of the public; performance of outside work while on company time; unauthorized use of company property, equipment or facilities; poor attendance or poor performance.

Any individual displaying unacceptable behavior will be subject to disciplinary action which may include a verbal warning, written warning, suspension, or termination of employment. The company does not guarantee that one form of action will necessarily precede another. Nothing in this policy is designed to modify our employment-at-will policy.

## **Outside Employment**

Employees are permitted to work a second job as long as it does not interfere with their job performance with C3I. Employees with a second job are expected to work their assigned schedules. A second job will not be considered an excuse for poor job performance, absenteeism, tardiness, leaving early, refusal to travel, or refusal to work overtime or different hours.

If outside work activity causes or contributes to job-related problems, it must be discontinued, or the employee may be subject to disciplinary action, up to and including termination.

## **Confidential Information**

The protection of confidential business information and trade secrets is vital to the interests and success of C3I. Confidential information is any and all information disclosed to or known by you because of employment with the company that is not generally known to people outside the company about its business. Company techniques, processes, floorplans, equipment and general design are considered confidential; therefore, photos and recordings of facility interiors are prohibited.

An employee who improperly uses or discloses trade secrets or confidential business information will be subject to disciplinary action up to and including termination of employment and legal action, even if he or she does not actually benefit from the disclosed information.

All inquiries from the media must be referred to a Company executive.

This provision is not intended to, and should not be interpreted to, prohibit employees from discussing wages and other terms and conditions of employment if they so choose.

## **Diversion**

Diversion is the unwanted movement and sale of legal marijuana into an illegal market, locally or over Michigan state lines. C3I prohibits employees from participation in diversion and will make all efforts to eliminate diversion from the Company's business. C3I has a zero-tolerance policy regarding diversion and, as such, any employee found to engage in diversion will be dismissed immediately. For questions about diversion, please ask your manager or HR representative.

## **Black Market**

Like diversion, the Company views participation in the black market as any illegally produced marijuana or marijuana product sold into an illegal market, locally or over Michigan state lines. C3I prohibits employees from participation in the black market. Any employee found to engage in black market activities will be dismissed immediately. For questions about black market activity, please ask your manager or HR representative.



## **Caregiver Withdrawal**

Employees of a Michigan cultivation or processing facility may not, during the term of their employment with the company, maintain the status of a registered primary caregiver. If a facility employee is a registered primary caregiver at the time of hire, they must agree to withdraw their registration immediately.

If it is determined that a facility employee has maintained their caregiver status after the start of their employment with the Company, the employee will be terminated.

## **Pending Charges or Convictions**

Employees are required to report any new or pending charges or convictions to the C3I Human Resources Department immediately. If an employee is charged or convicted for a controlled substance-related felony or any other felony, the Company is required to report it immediately to the Marijuana Regulatory Agency (MRA).

Failure to report pending charges or convictions in a timely manner will result in disciplinary action, up to and including termination.

## **Orientation and Training**

To help you become familiar with the Company and our way of doing things, the Company will provide an orientation and training session within the first few days after you begin work. Some of the content of the session will depend in large part on the nature of your responsibilities, while other parts will be applicable to all employees. In addition, the Company may periodically offer additional training or educational programs. Some programs may be voluntary, while others will be required.

## **Immigration Law Applicable to All Employees**

The Company complies with the Immigration Reform and Control Act of 1986 by employing only U.S. citizens and non-citizens who are authorized to work in the United States. All employees are asked on their first day of work to provide original documents verifying the right to work in the United States and to sign a verification form required by federal law (Form I-9). If you cannot verify your right to work in the United States within three (3) days of hire, the Company is required by law to terminate your employment.

## **Work Week and Hours of Work**

The standard workweek is from Sunday 12:00 a.m. until Saturday 11:59 p.m. Work hours will be determined by the appropriate supervisor and will vary based on department and location. Individual work schedules vary depending on the needs of each department.

## **Meal and Rest Breaks**

Employees are entitled to a 30-minute unpaid meal break each day. If a non-exempt employee is required to work through a meal break, he or she will be paid for the 30-minute period. Employees are also entitled to two 15-minute rest periods each day. Meal and rest breaks will be scheduled by the department supervisor or manager.

## Time Records

All non-exempt employees are required to complete accurate weekly time reports within Zenefits that show all time actually worked. These records are required by governmental regulations and are used to calculate regular and overtime pay. The Company will provide a platform for recording hours to each employee. Hours worked must be approved by a supervisor each week. Employees are responsible for ensuring time reports are accurate. Discrepancies should be addressed with a supervisor as soon as possible.

## Overtime Hours

When required due to the needs of the business, you may be asked to work overtime. Overtime is actual hours worked in excess of 40 in a workweek. Non-exempt employees will be paid time and one half their regular rate of pay for all hours actually worked in a workweek. Paid leave, such as holiday, PTO, bereavement time, and jury duty does not apply toward work time. All overtime work must be approved in advance by a supervisor or manager.

## Attendance and Punctuality

Punctual and regular attendance is an essential responsibility of each employee at C3I. Employees are expected to report to work as scheduled, on time and prepared to start working. Employees also are expected to remain at work for their entire work schedule. Late arrival, early departure or other absences from scheduled hours are disruptive and must be avoided.

This policy does not apply to absences covered by the Family and Medical Leave Act (FMLA), leave provided as a reasonable accommodation under the Americans with Disabilities Act (ADA) or time off that is protected under any other state or federal laws. These exceptions are described in separate policies.

## Absence

“Absence” is defined as the failure of an employee to report for work when he or she is scheduled to work. The two types of absences are defined below:

- *Excused absence* occurs when the following conditions are met:
  - The employee provides to his or her supervisor sufficient notice and the absence request is approved in advance by the employee’s supervisor.
  - OR*
  - The employee calls out due to covered sickness/illness as defined by state law or the employee calls out due to an unforeseen personal emergency.
  - AND*
  - The employee has been with the company for at least 90 days and has accrued enough paid time off (PTO) to cover the absence.
- *Unexcused absence* occurs when the above conditions are not met.
  - Any absence that is deemed unexcused is unpaid, even if the employee has paid time off available.

An unexcused absence counts as one occurrence for the purposes of discipline under this policy.

Employees with three or more consecutive days of excused absences because of illness or injury must give C3I proof of physician's care and a fitness for duty release prior to returning to work.

Employees must take earned PTO for every absence unless otherwise allowed by company policy (e.g., leave of absence, bereavement, jury duty).

### **Tardiness and Early Departures**

Employees are expected to report to work and return from scheduled breaks on time. If employees cannot report to work as scheduled, they must notify their supervisor no later than their regular starting time. This notification does not excuse the tardiness but simply notifies the supervisor that a schedule change may be necessary.

Employees who must leave work before the end of their scheduled shift must notify a supervisor immediately.

Tardiness and early departures are each one-half an occurrence for the purpose of discipline under this policy.

### **Communication**

If unable to arrive at work on time, or if an employee will be absent for an entire day, the employee must contact the supervisor via phone call or text message as soon as possible and at least one hour before the start of their shift. E-mail messages are not acceptable except in certain emergency circumstances.

### **Job Abandonment**

Failure to show up or call in for a scheduled shift without prior approval may result in termination. If an employee fails to report to work or call in to inform the supervisor of the absence for two (2) consecutive days or more, the employee will be considered to have voluntarily resigned employment.

### **Disciplinary Action**

Excessive absenteeism is defined as one (1) or more occurrence(s) of unexcused absence in a 30-day period and may result in disciplinary action. Four (4) occurrences of unexcused absence in a 12-month period are considered grounds for termination.

### **Emergency Closings**

C3I will always make every attempt to be open for business. In situations in which some employees are concerned about their safety, management may advise supervisors to notify their departments that the office is not officially closed, but anyone may choose to leave the office if he or she feels uncomfortable.

If the office is officially closed during the course of the day to permit employees to leave early, non-exempt employees who are working on-site as of the time of the closing will be paid for a full day. If you leave earlier than the official closing time, you will be paid only for actual hours worked, or you can take PTO time. Exempt employees will be paid for a normal full day but are expected to complete their work at another time.

## **Dress and Grooming**

The Company provides a casual yet professional work environment for its employees. Specific dress code for each employee will be based on their department and function and will be set by their supervisor. The Company believes that it is important to always project a professional image to our customers, visitors, and coworkers. All employees are expected to dress in a manner consistent with good hygiene, safety, and good taste. Please use common sense. Any questions or complaints regarding the appropriateness of attire should be directed to the Human Resources department.

## **Workspace**

Employees are responsible for maintaining the workspace assigned to them. A clean, orderly workspace provides an environment conducive to working efficiently. Employees should keep in mind that their workspace is part of a professional environment that portrays the Company's overall dedication to providing quality service to its clients. Therefore, your workspace should be clean, organized and free of items that are not required to perform your job.

## **Personnel Records**

It is important that the Company maintain accurate personnel records at all times. You are responsible for notifying the Human Resources Department of any change in name, home address, telephone number, immigration status, or any other pertinent information. By promptly notifying the Company of such changes, you will avoid compromise of your benefit eligibility, the return of W-2 forms, or similar inconvenience.

## **Access to Personnel Records**

Employee files are maintained by the Human Resources Department and are considered confidential. Managers and supervisors may only have access to personnel file information on a need-to-know basis. Personnel file access by current employees and former employees upon request will generally be permitted within 10 days of the request unless otherwise required under state law. Personnel files are to be reviewed in the Human Resources Department. Employee files may not be taken outside the department. Representatives of government or law enforcement agencies, in the course of their duties, may be allowed access to file information. The Company will furnish copies of personnel files upon request.

## **Performance Management and Salary Reviews**

### **90 Day Review**

C3 Industries utilizes a 90-day review process to ensure that new employees or employees that are new to a role are given formal feedback on how they are settling in. This is an opportunity for both the employee as well as the manager to provide each other candid feedback.

HR will engage with and coordinate this process with the applicable manager.

## **Annual Review**

The annual performance appraisal process provides a means for discussing, planning and reviewing the performance of each employee.

Performance appraisals influence salaries, promotions and transfers, and it is critical that managers are objective in conducting performance reviews and in assigning overall performance ratings.

All full-time and part-time employees are provided an annual performance review and are considered for merit pay increases as warranted.

HR will establish the format and timing of all review processes. The completed evaluations will be retained in the employee's personnel file.

## **Separation from Employment**

In all cases of voluntary resignation (one initiated by the employee), employees are asked to provide a written notice to their supervisors at least 10 working days in advance of the last day of work. The 10 days must be actual working days. Holidays and paid time off (PTO) will not be counted toward the 10-day notice. Employees who provide the requested amount of notice will be considered to have resigned in good standing and generally will be eligible for rehire.

In most cases, Human Resources will conduct an exit meeting on or before the last day of employment to collect all company property, and to discuss final pay. If applicable, information regarding benefits continuation through the Consolidated Omnibus Budget Reconciliation Act (COBRA) will be sent to the employee's home address.

Should it become necessary because of business conditions to reduce the number of employees or work hours, this will be done at the discretion of the company.

## **Bulletin Boards**

All required governmental postings are posted on the boards located in the break room. These boards may also contain general announcements.

Employees are able to submit notices of general interest, such as for-sale notices; recreational-type announcements and/or club functions (e-mail should not be used for the aforementioned); postcards; expressions of gratitude or sympathy; and notices looking for/offering carpools, tickets, roommates, or pets.

The company reserves the absolute right to refuse permission to post or to take down any announcement. Items deemed inappropriate will be removed. All notices posted by employees will be removed after 2 weeks unless otherwise stipulated.

## **Solicitation**

Employees should be able to work in an environment that is free from unnecessary annoyances and interference with their work. In order to protect our employees and visitors, solicitation by employees is strictly prohibited while either the employee being solicited or the employee doing the soliciting is on "working time." "Working time" is defined as time during which an employee is not at a meal, on break, or on the premises immediately before or after his or her shift.

Employees are also prohibited from distributing written materials, handbills, or any other type of literature on working time and, at all times, in “working areas,” which includes all office areas. “Working areas” do not include break rooms, parking lots, or common areas shared by employees during nonworking time.

Nonemployees may not trespass or solicit or distribute materials anywhere on company property at any time.

## **Computers, Internet, Email and Other Resources**

The company provides a wide variety of communication tools and resources to employees for use in running day-to-day business activities. Whether it is the telephone, voice mail, fax, scanner, Internet, intranet, e-mail, text messaging, or any other company-provided technology, use should be reserved for business-related matters during working hours. All communication using these tools should be handled in a professional and respectful manner.

Employees should not have any expectation of privacy in their use of company computer, phone, or other communication tools. All communications made using company-provided equipment or services including email and internet activity, are subject to inspection by the company. Employees should keep in mind that even if they delete an email, voicemail or other communication, a copy may be archived on the company’s systems.

E-mails that are not job-related have the potential to drain, rather than enhance, productivity and system performance. You should also be aware that information transmitted through e-email is not completely secure, and information you transmit and receive could damage the reputation and/or competitiveness of the company.

The company encourages employees to use this tool only to communicate with fellow employees, suppliers, customers, or potential customers regarding company business. Internal and external e-mails are considered business records and may be subject to discovery in the event of litigation. Be aware of this possibility when sending e-mails within and outside the company.

Refrain from using e-mail in a manner that violates any of our company guidelines/policies, including but not limited to the Equal Opportunity and Harassment policies, the Conflict of Interest Policy, etc. Delete any e-mail messages prior to opening that are received from unknown senders and advertisers.

It is the company’s goal to respect the dignity of employees at all times. Because e-mail, telephone and voice mail, and internet communication equipment are provided for company business purposes and are critical to the company’s success, your communications may be accessed without further notice by Information Technology department administrators and company management to ensure compliance with this guideline.

The electronic communication systems are not secure and may allow inadvertent disclosure, accidental transmission to third parties, etc. Sensitive information should not be sent via unsecured electronic means.

Office telephones are for business purposes. While the company recognizes that some personal calls are necessary, these should be kept as brief as possible and to a minimum. Personal use of

the company's cell phones, long-distance account, or toll-free numbers is strictly prohibited. Abuse of these privileges is subject to corrective action up to and including termination.

The company reserves the right to monitor customer calls to ensure employees abide by company quality guidelines and provide appropriate levels of customer service. Employees working in sales and customer service will be subject to telephone monitoring. Should an employee need to make or receive a personal call during work hours, a telephone designated for that purpose should be used. Should the subject matter of the conversation become personal while monitoring is taking place, monitoring of the call will immediately be discontinued.

It is also against company policy to turn off antivirus protection software or make unauthorized changes to system configurations installed on company computers. Violations of this policy may result in termination for a first offense.

## **Social Media Acceptable Use**

The company encourages employees to share information with co-workers and with those outside the company for the purposes of gathering information, generating new ideas, and learning from the work of others. Social media provide inexpensive, informal, and timely ways to participate in an exchange of ideas and information. However, information posted on a website is available to the public and, therefore, the company has established the following guidelines for employee participation in social media.

Note: As used in this policy, "social media" refers to blogs, forums, and social networking sites, such as Twitter, Facebook, LinkedIn, YouTube, Instagram, and Snapchat, among others.

Off-duty use of social media. Employees may maintain personal websites or web logs on their own time using their own facilities. Employees must ensure that social media activity does not interfere with their work. In general, the company considers social media activities to be personal endeavors, and employees may use them to express their thoughts or promote their ideas.

On-duty use of social media. Employees may only engage in social media activity during work time provided it is directly related to their work, approved by their manager, and does not identify or reference company clients, customers, or vendors without express permission. The company monitors employee use of company computers and the Internet, including employee blogging and social networking activity. Personal smart phones, tablets and computers will not be used to update Company social media accounts or used to post about the company, directly or indirectly.

Respect. Demonstrate respect for the dignity of the company, its owners, its customers, its vendors, and its employees. A social media site is a public place, and employees should avoid inappropriate comments. For example, do not use ethnic slurs, personal insults, or obscenity, or use language that may be considered inflammatory. Even if a message is posted anonymously, it may be possible to trace it back to the sender.

Post disclaimers. If an employee identifies himself or herself as a company employee or discusses matters related to the company on a social media site, the site must include a disclaimer on the front page stating that it does not express the views of the company and that the employee is expressing only his or her personal views. For example: "The views expressed on this website/Web log are mine alone and do not necessarily reflect the views of my employer." Place the disclaimer

in a prominent position and repeat it for each posting expressing an opinion related to the company or the company's business. Employees must keep in mind that if they post information on a social media site that is in violation of company policy and/or federal, state, or local law, the disclaimer will not shield them from disciplinary action.

Competition. Employees should not use a social media to criticize the company's competition and should not use it to compete with the company.

Confidentiality. Do not identify or reference company clients, customers, or vendors without express permission. Employees may write about their jobs in general but may not disclose any confidential or proprietary information. For examples of confidential information, please refer to the confidentiality policy. When in doubt, ask before publishing.

Products and facilities. Employees are prohibited from posting pictures and/or videos of company products or facilities on their personal social media accounts without express written permission.

New ideas. Please remember that new ideas related to work, or the company's business belong to the company. Do not post them on a social media site without the company's permission.

Links. Employees may provide a link from a social media site to the company's website during employment (subject to discontinuance at the company's sole discretion). Employees should contact the Web design group to obtain the graphic for links to the company's site and to register the site with the company.

Trademarks and copyrights. Do not use the company's or others' trademarks on a social media site or reproduce the company's or others' material without first obtaining permission.

Avoid statements about the company's future. Writing about projected growth, sales and profits, future products or services, marketing plans violates Company policy.

Legal. Employees are expected to comply with all applicable laws, including but not limited to, Federal Trade Commission (FTC) guidelines, copyright, trademark, and harassment laws.

Discipline. Violations of this policy may result in discipline up to and including immediate termination of employment.

Note: Nothing in this policy is meant to, nor should it be interpreted to, in any way limit your rights under any applicable federal, state, or local laws, including your rights under the National Labor Relations Act to engage in protected concerted activities with other employees to improve terms and conditions of employment, such as wages and benefits.

## **Employee Privacy**

In this age of the Internet where privacy has become an increasing concern, we take your privacy very seriously. The privacy and security of your personal data ("Personal Information") which we collect from you is important to us. It is equally important that you understand how we handle this data. The Company will not knowingly collect or use Personal Information in any manner not consistent with this policy, as it may be amended from time to time, and applicable laws.

Collection of Information. In the course of conducting our business and complying with federal, state, and local government regulations governing such matters as employment, tax, insurance,



etc., we must collect Personal Information from you. The nature of the information collected varies somewhat for each employee, depending on your employment responsibilities, the location of the facility where you work, and other factors. We collect Personal Information from you solely for business purposes, including those related directly to your employment with the Company, and those required by governmental agencies.

Use of the Information Collected. The primary purposes for collection, storage and/or use of your Personal Information include, but are not limited to:

Human Resources Management. We collect, store, analyze, and share (internally) Personal Information in order to attract, retain, and motivate a highly qualified workforce. This includes recruiting, compensation planning, succession planning, reorganization needs, performance assessment, training, employee benefit administration, compliance with applicable legal requirements, and communication with employees and/or their representatives.

Business Processes and Management. Personal Information is used to run our business operations including, for example, scheduling work assignments, managing Company assets, reporting and/or releasing public data (e.g., annual reports, etc.), and populating employee directories. Information may also be used to comply with government regulation.

Safety and Security Management. We use such Personal Information as appropriate to ensure the safety and protection of employees, assets, resources, and communities.

Communication and Identification. We use your Personal Information to identify you and to communicate with you.

Limited Disclosure. The Company acts to protect your Personal Information and ensure that unauthorized individuals do not have access to such information by using security measures to protect Personal Information. We will not knowingly disclose, sell, or otherwise distribute your Personal Information to any third party without your knowledge and, where appropriate, your express written permission, except where disclosure is reasonably necessary to comply with the law.

Security of Personal Information. We employ reasonable security measures and technologies, such as password protection, encryption, physical locks, etc., to protect the confidentiality of your Personal Information. Only authorized employees have access to Personal Information. If you are an employee with such authorization it is imperative that you take the appropriate safeguards to protect such information. Paper and other hard copy containing Personal Information (or any other confidential information) should be secured in a locked location when not in use. Computers and other access points should be secured when not in use by logging out or locking. Passwords and user IDs should be guarded and not shared. When no longer necessary for business purposes, paper and hard copies should be immediately destroyed using paper shredders or similar devices. Do not leave copies in unsecured locations waiting to be shredded or otherwise destroyed. Do not make or distribute unauthorized copies of documents or other tangible medium containing Personal Information. Electronic files containing Personal Information should only be stored on secure computers and not copied or otherwise shared with unauthorized individuals within or outside of the Company.

The Company will make reasonable efforts to secure Personal Information stored or transmitted electronically from hackers or other persons who are not authorized to access such information.

Any violation or potential violation of this policy should be reported to your immediate supervisor, designated manager, or Human Resources Department. The failure by any employee to follow these privacy policies may result in discipline up to and including discharge of the employee. Any questions or suggestions regarding this policy may also be directed to your immediate supervisor, designated manager, or Human Resources Department.

## **Telephones**

Access to the Company telephone system is given principally for work-related activities or approved educational/training activities. Incidental and occasional personal use is permitted. This privilege should not be abused and must not affect the employee's performance of employment-related activities. Telephone usage should be based upon cost-effective practices that support the Company's mission and should comply with applicable rules and regulations.

You should use common sense and your best judgment when making or receiving personal cellular phone calls at work. To the extent possible, employees should make personal cell phone calls during their breaks or lunch times. The use of cameras on cell phones during work hours is prohibited to protect the privacy of the Company as well as of fellow employees. However, this restriction will not apply to any recordings made in the exercise of any rights granted to an employee by federal law.

The Company telephone system is at all times the property of the Company. By accessing the telephone system through facilities provided by the Company, you acknowledge that the Company has the right to monitor its telephone system from time to time to ensure that employees are using the system for its intended purposes.

The Company prohibits the use of hand-held cellular devices while driving. Employees are strongly encouraged to use a hands-free cellular device while driving, should the use become a necessity in the course of employment. Sending and/or receiving text messages is expressly prohibited while operating any vehicle.

## **Smoke-Free Workplace**

Smoking is not allowed in company buildings or work areas at any time. "Smoking" includes the use of any tobacco products, electronic smoking devices, and e-cigarettes containing nicotine cartridges.

Smoking is only permitted during break times in designated outdoor areas. Employees using these areas are expected to dispose of any smoking debris safely and properly.

## **Drug-Free Workplace**

It is the policy of C3I to maintain a drug- and alcohol-free work environment that is safe and productive for employees and others having business with the company.

The unlawful use, possession, purchase, sale, distribution, or being under the influence of any illegal drug and/or the misuse of legal drugs while on company or client premises or while performing services for the company is prohibited. The State of Michigan prohibits the

consumption and unauthorized distribution of marijuana and marijuana infused products in licensed facilities. C3I employees are prohibited from any consumption or unauthorized distribution of marijuana on site.

Compliance with this policy is a condition of employment. Notwithstanding any provision herein, this policy will be enforced at all times in accordance with applicable state and local law.

Any employee violating this policy is subject to discipline, up to and including termination, for the first offense.

## **Safety and Accident Rules**

Safety is a joint venture at the Company. We strive to provide a clean, hazard-free, healthy, safe environment in which to work, and we make every effort to comply with all relevant federal, state and local occupational health and safety laws, including the federal Occupational Safety and Health Act. As an employee, you have a duty to comply with the safety rules of the Company, and you are expected to take an active part in maintaining this hazard-free environment. You must observe all posted safety rules, adhere to all safety instructions provided by your supervisor, and use safety equipment where required. Your workspace should be kept neat, clean and orderly. You are required to report any accidents or injuries – including any breaches of safety – and to promptly report any unsafe equipment, working condition, process or procedure to a supervisor. In addition, if you become ill or get injured while at work, you must notify your manager immediately. Failure to do so may result in a loss of benefits under the state workers' compensation law.

Failure to abide by the Company's safety and accident rules may result in disciplinary action, up to and including termination.

## **Security**

Due to the nature of the business, employees are asked to treat personal and company security as a top priority. For safety purposes and to remain compliant with the Marijuana Regulatory Agency (MRA), all company office space, retail locations, and production facilities are under 24/7 video surveillance. The Company's security procedures are outlined in its standard operating procedures and all employees will receive security training covering such procedures.

## **Workplace Violence Prevention**

C3I is committed to providing a safe, violence-free workplace for our employees. Due to this commitment, we discourage employees from engaging in any physical confrontation with a violent or potentially violent individual or from behaving in a threatening or violent manner. Threats, threatening language, or any other acts of aggression or violence made toward or by any employee will not be tolerated. A threat may include any verbal or physical harassment or abuse, attempts to intimidate others, menacing gestures, stalking, or any other hostile, aggressive, and/or destructive actions taken for the purposes of intimidation. This policy covers any violent or potentially violent behavior that occurs in the workplace or at company-sponsored functions.

All C3I employees bear the responsibility of keeping our work environment free from violence or potential violence. Any employee who witnesses or is the recipient of violent behavior should

promptly inform their supervisor, manager, or the Human Resources Department. All threats will be promptly investigated. No employee will be subject to retaliation, intimidation, or discipline as a result of reporting a threat in good faith under this guideline.

Any individual engaging in violence against the company, its employees, or its property will be prosecuted to the full extent of the law. All acts will be investigated, and the appropriate action will be taken. Any such act or threatening behavior may result in disciplinary action up to and including termination.

The Company prohibits the possession of weapons on its property at all times, including our parking lots or company vehicles. Additionally, while on duty, employees may not carry a weapon of any type. Weapons include, but are not limited to, handguns, rifles, automatic weapons, and knives that can be used as weapons (excluding pocketknives, utility knives, and other instruments that are used to open packages, cut string, and for other miscellaneous tasks), martial arts paraphernalia, stun guns, and tear gas. Any employee violating this policy is subject to discipline up to and including dismissal for the first offense.

The company reserves the right to inspect all belongings of employees on its premises, including briefcases, purses and handbags, gym bags, and personal vehicles on company property.

## **Anti-Discrimination & Harassment**

### **Discrimination is Prohibited**

The Company is an equal opportunity employer and makes all employment decisions without regard to race, religion, color, sex (including pregnancy, childbirth, medical condition related to pregnancy or childbirth, sexual orientation, and gender identity), national origin, disability, age, genetic information, height, weight, marital status, or any other status protected under applicable federal, state, or local laws. This policy applies to all terms and conditions of employment, including but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, benefits, compensation, and training. We seek to comply with all applicable federal, state and local laws related to discrimination, and will not tolerate the interference with the ability of any of the Company's employees to perform their job duties.

The Company makes decisions concerning employment based strictly on an individual's qualifications and ability to perform the job under consideration, the comparative qualifications and abilities of other applicants or employees, and the individual's past performance within the organization.

If you believe that an employment decision has been made that does not conform with management's commitment to equal opportunity, you should promptly bring the matter to the attention of your immediate supervisor, designated manager, or Human Resources Department. Your complaint will be promptly, thoroughly and impartially investigated. There will be no retaliation against any employee who files a complaint in good faith, even if the result of the investigation produces insufficient evidence to support the complaint.

### **Americans with Disabilities Act**

The federal Americans with Disabilities Act (ADA) prohibits discrimination against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, fringe benefits, job training, and other terms, conditions and privileges of employment. The ADA does not alter the Company's right to hire the best-qualified applicant, but it does prohibit discrimination against a qualified applicant or employee because of his or her disability, or because of a perceived disability. As a matter of Company policy, the Company prohibits discrimination of any kind against people with disabilities.

### **Disabled Defined**

An applicant or employee is considered disabled if he or she (1) has a physical or mental impairment that substantially limits one or more major life activities; (2) has a record or past history of such an impairment; or (3) is regarded or perceived (correctly or incorrectly) as having such impairment.

A qualified employee or applicant with a disability is an individual who satisfies the requisite skill, experience, education and other job-related requirements of the position held or desired, and who, with or without reasonable accommodation, can perform the essential functions of that position.

## **Reasonable Accommodation**

A reasonable accommodation is any change in the work environment (or in the way things are usually done) to help a person with a disability apply for a job, perform the duties of a job, or enjoy the benefits and privileges of employment.

Qualified applicants or employees who are disabled should request reasonable accommodation from the Company in order to allow them to perform a particular job. If you are disabled and you desire such reasonable accommodation, contact your immediate supervisor, designated manager, or Human Resources Department. On receipt of your request we will meet with you to discuss your disability. We may ask for information from your health care provider(s) regarding the nature of your disability and the nature of your limitations or take other steps necessary to help us determine viable options for reasonable accommodation. We will then work with you to determine whether your disability can be reasonably accommodated, and if it can be accommodated, we will explore alternatives with you and endeavor to implement a mutually agreeable accommodation.

Reasonable accommodation may take many forms and it will vary from one employee to another. Please note that according to the ADA, the Company does not have to provide the exact accommodation you want, and if more than one accommodation works, we may choose which one to provide. Furthermore, the Company does not have to provide an accommodation if doing so would cause undue hardship to the Company.

## **Lactation Accommodation**

The company will provide a reasonable amount of break time to accommodate an employee's need to express breast milk for the employee's infant child. The company will make a reasonable effort to provide the employee with the use of a room or other location in close proximity to the employee's work area for the employee to express milk in private that meets lactation accommodation requirements.

An employee may request an accommodation for lactation breaks by notifying their supervisor or a member of the HR Department. Upon notification, HR will meet directly with the employee to discuss the lactation accommodation.

The requested break time should, if possible, be taken concurrently with other scheduled break periods. Non-exempt employees must clock out for any lactation breaks that do not run concurrently with normally scheduled rest periods. Any such breaks will be unpaid.

## **Workplace Harassment**

The Company is committed to providing a work environment that provides employees equality, respect, and dignity. In keeping with this commitment, the Company has adopted a policy of “zero tolerance” with regard to employee harassment. Harassment is defined under federal law as unwelcome conduct that is based on race, color, religion, sex (including pregnancy, sexual orientation and gender identity), national origin, age (40 or older), disability, or genetic information. Harassment becomes unlawful where: (1) enduring the offensive conduct becomes a condition of continued employment; or (2) the conduct is severe or pervasive enough to create a work environment that a reasonable person would consider intimidating, hostile, or abusive.

This policy applies to all aspects of your employment. Harassment of any other person, including, without limitation, fellow employees, contractors, visitors, clients, or customers, whether at work or outside of work, is grounds for immediate termination. The Company will make every reasonable effort to ensure that its entire community is familiar with this policy and that all employees are aware that every complaint received will be promptly, thoroughly, and impartially investigated, and resolved appropriately. The Company will not tolerate retaliation against anyone who complains of harassment or who participates in an investigation.

## **Sexual Harassment**

Sexual harassment is prohibited by federal, state and local laws, and applies equally to men and women. Federal law defines sexual harassment as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature, when the conduct: (1) explicitly or implicitly affects a term or condition of an employee's employment; (2) is used as the basis for employment decisions affecting the employee; or (3) unreasonably interferes with an employee's work performance or creates an intimidating, hostile or offensive working environment.

Such conduct may include but is not limited to: subtle or overt pressure for sexual favors; inappropriate touching; lewd, sexually oriented comments or jokes; foul or obscene language; posting of suggestive or sexually explicit posters, calendars, photographs, graffiti, or cartoons; and repeated requests for dates. Company policy further prohibits harassment and discrimination based on sex stereotyping. Sex stereotyping occurs when one person perceives a man to be unduly effeminate or a woman to be unduly masculine and harasses or discriminates against that person because he or she does not fit the stereotype of being male or female. The Company encourages reporting of all perceived incidents of sexual harassment, regardless of who the offender may be. Every employee is encouraged to raise any questions or concerns with his or her immediate supervisor, designated manager, or the Human Resources Department.

## **Supervisors' Responsibilities**

All managers are expected to ensure that the work environment is free from sexual and other harassment. They are responsible for the application and communication of this policy within their work areas. Managers should:

- Encourage employees to report any violations of this policy before the harassment becomes severe or pervasive.
- Make sure Human Resources Department is made aware of any inappropriate behavior in the workplace.
- Create a work environment where sexual and other harassment is not permitted.

## **Procedures for Reporting and Investigating Harassment**

Employees should report incidents of inappropriate behavior or sexual harassment as soon as possible after the occurrence. Employees who believe they have been harassed, regardless of whether the offensive act was committed by a manager, co-worker, vendor, visitor, or client, should promptly notify their immediate supervisor, designated manager, or Human Resources Department. If the employee's immediate supervisor is involved in the incident, the employee

should report the incident to Human Resources. The Company takes claims of harassment seriously, no matter how trivial a claim may appear. All complaints of harassment, sexual harassment, or other inappropriate sexual conduct will be promptly, thoroughly and impartially investigated by the Company.

The Company prohibits retaliation against any employee who files or pursues a harassment claim. To the extent possible, all complaints and related information will remain confidential, except to those individuals who need the information to investigate, educate, or take action in response to the complaint.

All employees are expected to cooperate fully with any ongoing investigation regarding a harassment incident. Employees who believe they have been unjustly charged with harassment can defend themselves verbally or in writing at any stage of the investigation.

To protect the privacy of persons involved, confidentiality will be maintained throughout the investigatory process to the extent practicable and appropriate under the circumstances. Investigations may include interviews with the parties involved, and, where necessary, individuals who may have observed the alleged conduct or who may have relevant knowledge.

At the conclusion of a harassment investigation, the complainant and the alleged “harasser” will be informed of the determination.

### **Penalties for Violation of Anti-Harassment Policy**

If it is determined that inappropriate conduct has occurred, the Company will act promptly to eliminate the offending conduct, and take such action as is appropriate under the circumstances. Such action may range from counseling to termination of employment and may include such other forms of disciplinary action (such as, for example, suspension), as the Company deems appropriate under the circumstances and in accordance with applicable law.



## **Compensation**

### **Payroll Practices**

The Company's pay date for all employees is biweekly on Friday. If pay day falls on a federal holiday, employees will receive their paycheck on the preceding workday.

### **Deductions from Pay/Safe Harbor**

The Company does not make improper deductions from the salaries of exempt employees and complies with the salary basis requirements of the Fair Labor Standards Act (FLSA). Employees classified as exempt from the overtime pay requirements of the FLSA will be notified of this classification at the time of hire or change in position.

Permitted deductions. The FLSA limits the types of deductions that may be made from the pay of an exempt employee. Deductions that are permitted include:

- Deductions that are required by law, e.g., income taxes;
- Deductions for employee benefits when authorized by the employee;
- Absence from work for one or more full days for personal reasons other than sickness or disability;
- Absence from work for one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy or practice of providing compensation for salary lost due to illness;
- Offset for amounts received as witness or jury fees, or for military pay; or
- Unpaid disciplinary suspensions of one or more full days imposed in good faith for workplace conduct rule infractions.

During the week an exempt employee begins work for the company or during the last week of employment, the employee will only be paid for actual hours worked. In addition, an employee may be paid only for hours worked during a period when the employee is using unpaid leave under the Family and Medical Leave Act (FMLA).

Improper deductions. If an employee classified as exempt believes that an improper deduction has been taken from his or her pay, the employee should immediately report the deduction to the Human Resources Department. The report will be promptly investigated and if it is found that an improper deduction has been made, the company will reimburse the employee for the improper deduction.

### **Direct Deposit**

Paychecks may be directly deposited into your checking and/or savings accounts. For employees that participate in direct deposit, digital paycheck stubs can be acquired by accessing C3I's payroll system. Please contact your HR representative for details regarding online access.

## **Benefits**

### **General**

This section describes the benefits currently provided by the Company. Details regarding each benefit plan will be provided to you by the Human Resources Department. Benefit plans governed by the federal Employee Retirement Income Security Act (ERISA) may be further described in formal Summary Plan Descriptions or other legal documents, which are available for your review.

Employees meeting the eligibility criteria for particular benefits may participate in the various insurance programs offered by the Company. Periodically there will be an Open Enrollment period. If you decline to participate in these programs on your initial eligibility date, you may request entry into the plan during Open Enrollment or Special Enrollment.

### **Medical Insurance**

The Company offers medical insurance to all eligible employees. Details of the plan(s) may be found in the HRIS portal. This Handbook does not constitute such a legal document. The Company offers medical coverage for eligible employees and their eligible dependents. Your Summary Plan Description (SPD) contains more details. In the event of any conflict between the information contained in this Handbook and in the Company's SPDs, the SPDs shall govern. The plan(s) is subject to change at the Company's discretion.

### **Dental Insurance**

The Company offers a dental plan for eligible employees. Please refer to the dental Summary Plan Description for an explanation of the plan benefits and limitations.

### **Vision Insurance**

The Company offers a vision plan for eligible employees. Please refer to the vision Summary Plan Description for an explanation of the plan benefits and limitations.

### **Employee Contributions**

The Company's benefit package is contributory; that is, you are responsible for a portion of the premium for your benefits. A portion of the premium, up to a maximum per month, is contributed by the Company. Your contributory cost is deducted from your paycheck.

### **Continuation of Health Coverage**

Federal law generally requires employers with 20 or more employees to give employees, spouses, and dependent children the right to continue group health benefits for limited periods of time under certain circumstances, such as voluntary or some types of involuntary job loss, reduction in hours worked, death, divorce and other life events. Employees ordinarily may continue their health coverage for up to 18 months when their employment is terminated.

### **Workers' Compensation Insurance**

Workers' compensation is a "no-fault" system that provides compensation for medical expenses and wage losses to employees who are injured or who become ill because of employment.

C3I pays the entire cost of workers' compensation insurance. The insurance provides coverage for related medical and rehabilitation expenses and a portion of lost wages to employees who sustain an injury on the job.

The company abides by all applicable state workers' compensation laws and regulations.

If an employee sustains a job-related injury or illness, it is important to notify the supervisor and Human Resources immediately. The supervisor will complete an injury report with input from the employee and return the form to the Human Resources department. Human Resources will file the claim with the insurance company. In cases of true medical emergencies, report to the nearest emergency room.

Workers' compensation benefits (paid or unpaid) will run concurrently with FMLA leave, if applicable, where permitted by state and federal law.

## **Employee Discounts, Purchases, and Returns**

### **Discount Eligibility**

All current C3I employees, pursuant to any applicable state laws, are allowed to make discounted online purchases on Cloud Cover and High Profile webstores and in person at any High Profile dispensary. Discounts are applied to the full retail value of the product and no other discounts may be applied with the use of an employee discount. In-store purchases made using an employee discount may not exceed \$500.00 per month per employee, regardless of which High Profile location is visited in any given instance.

In order to receive a discount, eligible employees must:

- Have their current employment status verified by the applicable store manager
- Present a valid photo ID as well as any additional documentation required by state law
- Be present at the time of purchase
- Pay for their own purchases. Purchases may not be made with someone else's check, debit or credit card
- Complete purchases with the appropriate level of discount (see Discount Percentages by Classification)

### **Discount Percentages by Merchandise Classification**

	Flower	Concentrates & Infused Products	Apparel, Accessories, etc.
Cloud Cover Products	20%	20%	20%
Other Vendor Products	15%	15%	15%

### **Discount Transaction Policies and Procedures**

Only members of the store management team (Store Manager, Assistant Manager) may ring employee purchases and the highest-ranking manager in the store at the time must perform the transaction. Employees are prohibited from ringing their own sale. For manager purchases, any other member of management may ring the transaction. All purchases must be made before or

after a shift, or on an employee's day off. Purchases cannot be made during a break. Non-exempt employees purchasing items must be clocked out prior to making a purchase.

### **Employee Returns**

Returns of any kind are not permitted.

### **Purchase Tracking Policies and Procedures**

The C3I Accounting Department will compile and provide employee purchase reports to each store manager on a weekly and monthly basis. Employees are responsible for ensuring they do not exceed their monthly purchase limit and are encouraged to track each purchase. Employees should also connect with the Manager of the High Profile location they frequent or the Accounting Department for current purchase information.

### **Violations**

Violations of this policy include, but are not limited to:

- Trading discounts
- Accepting reimbursement for purchased items, other than from a family member
- Providing discounts greater than allowed in this policy
- Exceeding your monthly purchase limit
- Reselling product in any capacity
- Purchases by store employees made for the purpose of meeting that store's sales goal

Exceeding the monthly purchase limit will result in:

- First Offense – Warning
- Second Offense – Warning and employee discount eligibility revoked for 3 months
- Third Offense – Employee discount eligibility revoked

Any violation or abuse of this Employee Discount Policy may result in disciplinary action up to and including termination of employment. Such a violation or abuse must be reported to an immediate supervisor or the HR department immediately.

## **Holidays, Vacation and Other Leave**

### **Holidays**

Our company normally observes the following holidays during the year:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Christmas

Holidays falling on a Saturday will be observed on the preceding Friday. Holidays falling on Sunday will be observed on the following Monday. Each year in January the company will issue a listing of the specific dates on which each holiday will be observed for that year.

Additionally, all full-time corporate and facility employees as well as full-time, exempt retail employees will be provided the ability to schedule two (2) floating holidays per calendar year. Dates are subject to supervisor approval and employees are eligible to use floating holidays after completing their first 90 days of employment. Employees who provide advance written notice of their resignation may not use floating holidays during their notice period. Floating holidays do not roll over from year to year and will expire at the end of the calendar year.

Holiday Pay. Full-time employees receive holiday pay immediately upon joining the company, part-time employees and hourly retail employees are not eligible for holiday pay.

From time to time employees may be required to work on an observed holiday. Retail employees required to work on an observed holiday will be paid time and a half on that day. Salaried facility employees required to work on an observed holiday will receive an additional floating holiday and hourly facility employees will receive holiday pay plus pay for any hours worked on an observed holiday.

Employees are required to work their scheduled workday before and after the holiday in order to be paid for the holiday, unless they are absent with prior permission from their supervisor. Exceptions will be considered for employees able to show proof of sickness or other hardship causing the absence.

### **Paid Time Off (PTO)**

C3I employees are eligible for paid time off (PTO). PTO can be used as vacation time, sick time, or time to take care of personal matters and may be taken for one or more hours at a time. Employees are eligible to use PTO after completing their first 90 days of employment.

PTO is earned on a pro-rata basis throughout the year depending on employment status, position and seniority. For example, an employee provided with 2 weeks of PTO, or 80 hours, per year will earn 3.076 hours per pay period.

We feel it is extremely important for employees to take time away from work. To facilitate this goal only 80 hours, or 10 days, of unused, earned PTO may be carried over from employment year

to employment year by each employee. Hours in excess of 80 at the end of the pay period in which the employee's anniversary date occurs will be forfeited. Because C3I's HR system provides current readily available PTO balance information, each employee is responsible for monitoring their unused PTO.

Upon termination, employees who provide at least two weeks' advance written notice of their resignation, or who are terminated by the company other than for cause, will be paid for accrued but unused PTO up to a maximum of 40 hours. All other terminating employees will not be paid for accrued but unused PTO. Hourly (full and part time) retail employees will not be paid for unused PTO at the time of termination. Employees who provide advance written notice of their resignation may not use PTO or call in for a scheduled shift during their notice period. If an employee does not work all scheduled hours during their notice period, they will not receive a PTO payout.

## **Requesting Time Off**

Requests for time off should be submitted to your supervisor as early as possible. For planned vacations or personal business, time off requests should be made no later than two weeks prior to the time requested. Requests for time off are granted whenever possible, but the Company reserves the right to ask employees to change their request in order to meet business needs.

Regarding time off requests that are protected under Michigan's Paid Medical Leave Act; employees are asked to provide notice for foreseeable circumstances (e.g., a planned medical treatment) whenever possible. However, if the need for sick time off is not foreseeable, employees are asked to notify their supervisor as soon as is practical. Please note, if an employee misses three (3) or more consecutive days because of illness, C3I may require the employee to provide a physician's written permission to return to work.

## **Bereavement Leave**

Employees with more than 3 months' service may take up to 3 days of paid bereavement leave upon the death of a member of their immediate family. "Immediate family members" are defined as an employee's spouse, domestic partner, parents, stepparents, siblings, children, stepchildren.

The company may require verification of the need for the leave. The employee's supervisor and Human Resources will consider this time off on a case-by-case basis.

Payment for bereavement leave is computed at the regular hourly rate to a maximum of 8 hours for 1 day. Time off granted in accordance with this policy shall not be credited as time worked for the purpose of computing overtime.

## **Military Service Leave**

C3I supports the military obligations of all employees and grants leaves for uniformed service in accordance with applicable federal and state laws. Any employee who needs time off for uniformed service should immediately notify the Human Resources department and his or her supervisor, who will provide details regarding the leave. If an employee is unable to provide notice before leaving for uniformed service, a family member should notify the supervisor as soon as possible.

Upon return from military leave, employees will be granted the same seniority, pay, and benefits as if they had worked continuously. Failure to report for work within the prescribed time after completion of military service will be considered a voluntary termination.

All employees who enter military service may accumulate a total absence of 5 years and still retain employment rights.

## **Personal Leave of Absence**

In an effort to recognize the need of employees who require time off in addition to other types of leave, C3I may consider an unpaid personal leave of absence without pay for up to a maximum of 30 days.

**Eligibility.** All regular employees employed by C3I for a minimum of 90 days are eligible to apply for an unpaid personal leave of absence. Job performance, absenteeism and departmental requirements all will be taken into consideration before a request is approved. Approvals of the immediate supervisor, department director and human resources are required. Requests for unpaid personal leave may be denied or granted by the company for any reason or no reason and are within the sole discretion of the company. C3I reserves the right to terminate employment for any reason or no reason during the leave of absence.

### **Procedures**

**Employee.** An eligible employee should submit a request in writing to his or her immediate supervisor. The requesting employee will be asked to acknowledge in writing his or her understanding that all requests for personal leaves are not granted.

**Supervisor.** The immediate supervisor will:

- Review the request taking workload scheduling and departmental requirements into consideration
- Make a recommendation to and obtain a decision from the department director/manager
- Submit the department-level decision to human resources for final approval
- Return a decision to the employee as soon as feasible after receipt of the written request

If the request is approved, the supervisor will notify human resources as soon as possible. Once the employee returns, the supervisor will immediately notify human resources that the employee has returned to active status.

**Human Resources.** HR is responsible for ensuring that any employee on an approved personal leave of absence is not paid.

**Return to work/extension of leave.** An employee is required to return from the unpaid personal leave on the originally scheduled return date. If the employee is unable to return, he or she must request an extension of the leave in writing. If C3I declines to extend the leave, the employee must then return to work on the originally scheduled return date or be considered to have voluntarily resigned from his or her employment. Extensions of leave will be considered on a case-by-case basis. In the event the approved leave was due to a medical purpose, C3I retains the right to require a note from a physician that returns them back to work with or without restrictions.

## **Family and Medical Leave**

C3I complies with the federal Family and Medical Leave Act (FMLA), which requires employers to grant unpaid leaves of absence to qualified workers for certain medical and family-related reasons. The company abides by any state regulated leave laws. The more generous of the two laws will apply to the employee if the employee is eligible under both federal and state laws.

Please note there are many requirements, qualifications, and exceptions under these laws, and each employee's situation is different. Contact the Human Resources department to discuss options for leave.

**General Provisions.** C3I will grant up to 12 weeks of leave during a 12-month period to eligible employees (or up to 26 weeks of military caregiver leave to care for a covered servicemember with a serious injury or illness).

**Eligibility.** Employees are eligible for FMLA if they have worked for the company for at least 12 months, at least 1,250 hours over the past 12 months, and work at a location where the company employs 50 or more employees within 75 miles. Whether an employee has worked the minimum 1,250 hours of service is determined according to FLSA principles for determining compensable hours or work.

**Calculation.** C3I will utilize the rolling 12-month period calculation method for determining the available amount of FMLA leave. Using this method, the company will look back over the last 12 months from the date of the request, add all FMLA time the employee has used during the previous 12 months and subtract that total from the employee's 12-week leave allotment.

**Reasons for Taking Leave.** Under federal law, unpaid leave may be requested for pregnancy and prenatal care; preplacement activities, birth, adoption, or foster placement of a child; or the serious health condition of a child, spouse, parent, domestic partner, or the employee. State law may have additional reasons defined.

**Certification.** The company reserves the right to require a medical certification to be completed by a health care provider that supports the need for leave either for a serious health condition of the employee or the employee's immediate family member. The company will allow an employee at least 15 calendar days to obtain the medical certification. Failure to provide a fully completed Medical Certificate may result in delay or denial of leave. The company reserves the right to seek a second or third opinion if deemed necessary.

**Military Family Leave Entitlements.** Under federal law, unpaid leave may also be requested by eligible employees who have any qualifying exigency arising out of the fact that the spouse or a son, daughter, parent, domestic partner, or next of kin of the employee is on covered active duty (or has been notified of an impending call or order to covered active duty) in the armed forces and may use their 12-week entitlement to address certain qualifying circumstances. Qualifying circumstances may include deploying on short notice, attending certain military events, arranging for alternative childcare and school activities, addressing certain financial and legal arrangements, attending certain counseling sessions, engaging in rest and recuperation, and attending post deployment reintegration briefings.

The federal FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered service member during a single 12-month period.



This leave applies if the employee is the spouse, son, daughter, parent, domestic partner, or next of kin caring for a covered military service member or veteran recovering from an injury or illness suffered while on active duty in the armed forces or that existed before the beginning of the member's active duty and was aggravated by service or that manifested itself before or after the member became a veteran.

**Leave Designation.** If an employee does not expressly request FMLA leave, the company reserves the right to designate a qualifying absence as FMLA leave and will give notice of the FMLA designation to the employee. If an absence is a qualifying event under FMLA, the leave will run concurrent with short-term disability, long-term disability, PTO, workers' compensation, and/or any other leave where permitted by state and federal law.

**Benefits.** Under federal law, employers must continue healthcare benefits during FMLA leave as though the employees were still at work and must pay the employer's part of the premium. The employee will continue to be responsible for the employee's portion of the premium as well.

**Interaction with Accrued Paid Time Off.** FMLA leave and paid time off will run concurrently as provided under company policy except where prohibited by state law.

**Job Protection.** An employee's job, or an equivalent job, is protected while the employee is on leave. Both federal and applicable state laws require that employees be returned to their positions or to another job of like pay and status at the end of FMLA leave.

*Note:* If an employee is unable to return to work after the expiration of federal or state FMLA, an extension may be granted if the condition constitutes a disability under the Americans with Disabilities Act (ADA) or in certain workers' compensation cases.

**Return-to-Work Policy.** When such work is available, the company will attempt to provide an employee with a temporary modified or light-duty assignment in accordance with documented medical restrictions.

## **Time Off for Voting**

The Company encourages all employees to vote. Most polling facilities for elections for public office have hours that are scheduled to accommodate working voters. The Company, therefore, requests that employees schedule their voting for before or after their work shifts. An employee who expects a conflict, however, should notify his or her supervisor, in advance, so that schedules can be adjusted if necessary.

## **Jury Duty/Court Appearances**

The company supports employees in their civic duty to serve on a jury. Employees must present any summons to jury duty to their supervisor as soon as possible after receiving the notice to allow advance planning for an employee's absence.

Employees will be paid for up to 2 weeks of jury duty service at their regular rate of pay minus any compensation received from the court for the period of service. Employees may use any accrued time off if required to serve more than 2 weeks on a jury.

If an employee is released from jury duty after 4 hours or less of service, he or she must report to work for the remainder of that workday.

Time for appearance in court for personal business will be the individual employee's responsibility. Normally, personal days or vacation days will be used for this purpose.

**Exhibit “B”  
Job Descriptions**

**See attached.**

## **C3 Industries**

### **Job Description**

<b>JOB TITLE</b> Assistant Store Manager	<b>REPORTS TO</b> Store Manager	<b>WORK LOCATION</b> Grant
<b>DEPARTMENT</b> Retail	<b>JOB TYPE</b> Full Time	<b>FLSA STATUS</b> Exempt

#### **JOB SUMMARY:**

The Assistant Store Manager is to support the manager in the daily operations of the store, including supervising employees, working with customers, and to effectively drive sales through exceptional customer service.

#### **JOB DUTIES:**

Core duties and responsibilities include the following. Other duties may be assigned.

- Assist Store Manager in planning and implementing strategies to attract and retain repeat customers.
- Serve as a role model for store employees in sales generation and customer service by making the customer experience the priority; regularly work sales floor and register.
- Track the progress of weekly, monthly, quarterly, and annual goals.
- Monitor and maintain inventory levels and communicate discrepancies to upper Management.
- Contribute in management and store meetings, offering suggestions for employee development, sales opportunities, and organizational improvements.
- Maintain visual standards, including merchandise presentation, signage, lighting and general maintenance.
- Assisting Store Manager with developing store schedule to ensure proper store coverage during peak hours.
- Handle and mitigate customer complaints in a professional manner to ensure their overall satisfaction.
- Educate and coach store employees on product knowledge, loss prevention procedures, and safety protocol.
- Comply with company cash handling policies and perform daily cash management responsibilities and compliance reporting per company policy.
- Split tips, within company guidelines, amongst team members at the end of the business day when Store Manager is not present.
- Create reports, analyze and interpret data, such as store sales, units per sale, and sales per hour.
- Assist Store Manager with hiring, training and development new and current employees.
- Ensure all employees adhere to companies' policies and guidelines, and act as store representative when Store Manager is not present.

#### **SUPERVISORY RESPONSIBILITIES:**

Directly supervises Shift Leads, Sales Associates and Receptionists when Store Manager is not present, within given retail store.

#### **JOB REQUIREMENTS:**

- 1-3 years retail management experience or equivalent.
- Proven ability to motivate and influence others through personal actions and examples.
- Experience with POS and inventory management systems.
- Ability to open and close the store independently.
- Proven ability to establish strong credibility and build relationships and operate in an environment of ambiguity.
- Strong results-orientation and commitment to quality, performance and deliverables.
- Effective multi-tasker with demonstrated ability to prioritize.
- Demonstrate strong oral and written communication skills; ability to correspond in a professional, businesslike manner.

**PHYSICAL REQUIREMENTS, WORKING CONDITIONS & UNIFORM REQUIREMENTS:**

- Employee is occasionally required to sit, climb or balance, stoop, kneel, crouch, or crawl; the employee is frequently required to stand, walk, talk or hear; the employee is regularly required to use hands or fingers to, handle or feel, reach with hands and arms.
- Employee is occasionally required to lift up to 50 pounds; the employee is frequently required to lift up to 25 pounds.
- The Employee uniform would consist of either a sponsored High Profile or Cloud Cover Cannabis top. Until the employee receives their High Profile or Cloud Cover Cannabis apparel, the employee can wear all black clothing.

Employee signature below constitutes employee's understanding of the requirements, essential functions and duties of the position as listed above.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **C3 Industries**

### **Job Description**

<b>JOB TITLE</b> Sales Associate	<b>REPORTS TO</b> Store Manager	<b>WORK LOCATION</b> Packard
<b>DEPARTMENT</b> High Profile	<b>JOB TYPE</b> Full Time/ Part Time	<b>FLAS STATUS</b> Non- Exempt

#### **JOB SUMMARY:**

The Sales Associate is responsible for guiding the patients through the process of understanding, selecting and acquiring cannabis products that fit their needs, while providing world class customer service.

#### **JOB DUTIES:**

Core duties and responsibilities include the following. Other duties may be assigned.

- Provide the highest level of customer service to patients by making the patient's experience the priority.
- Assist patients to better understand product offerings and benefit.
- Educate patients on cannabis properties and selection of proper genetics according to their desired effect, relief for patients' ailments or per request.
- Handle customer complaints in a professional manner; escalate to management when needed.
- Maintain product knowledge and keep up on current cannabis trends.
- Accurately use and maintain Point of Sale (POS) system.
- Comply with company cash handling policies and perform daily cash management responsibilities and compliance reporting per company policy.
- Ensure sales floor is properly stocked and the presence of the store is well maintained during down time.
- Assist with store operations including opening and closing of the store, intake of product and inventory counts.
- Work closely with management team to increase sales and foot traffic.
- Daily compliance with dispensary policies, including but not limited to the following: state/local regulation compliance, security protocols, access protocols, inventory tracking, dress code, and work schedules.
- Maintain compliance with local and state regulations, company policies and SOPs.

#### **SUPERVISORY RESPONSIBILITIES:**

None

#### **JOB REQUIREMENTS:**

- 1+ years' customer service experience, High school diploma or General Education Diploma (GED)
- Experience with POS systems, and cash handling practices.
- Commitment to reaching Key Performance Indicators on a regular basis.
- Effective multi-tasker with demonstrated ability to prioritize tasks.
- Ability to work independently with little or no direct supervision.
- Demonstrate strong oral and written communication skills; ability to correspond in a professional and businesslike manner.

- Knowledge of state and local regulations preferred.
- Ability to pass a background check and is 21 years of age.

**PHYSICAL REQUIREMENTS, WORKING CONDITIONS & UNIFORM REQUIREMENTS :**

- Employee is occasionally required to sit, climb or balance, stoop, kneel, crouch, or crawl; the employee is frequently required to stand, walk, talk or hear; the employee is regularly required to use hands or fingers to, handle or feel, reach with hands and arms.
- Employee is occasionally required to lift up to 50 pounds; the employee is frequently required to lift up to 25 pounds.
- The Employee uniform would consist of either a sponsored High Profile or Cloud Cover Cannabis top. Until the employee receives their High Profile or Cloud Cover Cannabis apparel, the employee can wear all black clothing.

Employee signature below constitutes employee's understanding of the requirements, essential functions and duties of the position as listed above.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **C3 Industries**

### **Job Description**

<b>JOB TITLE</b> Inventory Specialist	<b>REPORTS TO</b> Store Manager	<b>WORK LOCATION</b> Ann Arbor, MI
<b>DEPARTMENT</b> Retail – High Profile	<b>JOB TYPE</b> Full Time	<b>FLAS STATUS</b> Non - Exempt

#### **JOB SUMMARY:**

The Inventory Specialist will be responsible for intaking and labeling new product, monitoring the store's inventory, and packaging and labeling orders to ensure operational efficiencies and compliance with state and local laws.

#### **JOB DUTIES:**

Core duties and responsibilities include the following. Other duties may be assigned.

- Assist with intaking product received to the store into current inventory tracking software in a timely manner; train applicable employees on store SOP's for intake, packaging, labeling and inventory tracking.
- Ensure product matches manifest description; escalate to management to ensure corrective action is taken when needed.
- Label and package incoming customer orders in a timely manner, in accordance with state compliance.
- Maintain a database with SKU/UPC numbers; ensure all reconciliation is regularly completed including matching physical inventory to METRC inventory.
- Perform cycle counts daily, weekly and monthly as needed.
- Create and maintain inventory reports for all products on hand in the store; implement corrective actions to resolve discrepancies.
- Ensure all product is labeled accurately and in a timely manner under company SOP's.
- Maintain active knowledge of incoming inventory and inventory levels on hand.
- Record and monitor all items with shelf-life daily and notify Management when material has expired or is damaged.
- Organize and maintain backroom inventory areas for efficient material storage and handling.
- Provide hands-on training of inventory tracking system and inventory procedures for new and current employees.
- Maintain compliance with local and state regulations, company policies and SOPs.
- Assist in other day to day functions of the store.

#### **SUPERVISORY RESPONSIBILITIES:**

None.

#### **JOB REQUIREMENTS:**

- 1+ years' experience in inventory management, High school diploma or General Education Diploma (GED)
- Experience with POS systems, inventory tracking systems, required; METRC experience preferred.
- Excellent organization skills, with a high attention to detail.



- Effective multi-tasker with demonstrated ability to prioritize tasks.
- Ability to work independently with little or no direct supervision.
- Demonstrate strong oral and written communication skills; ability to correspond in a professional and businesslike manner.
- Knowledge of state and local regulations preferred.
- Ability to pass a background check and is 21 years of age.

**PHYSICAL REQUIREMENTS WORKING CONDITIONS & UNIFORM REQUIREMENTS:**

- Employee is occasionally required to sit, climb or balance, stoop, kneel, crouch, or crawl; the employee is frequently required to stand, walk, talk or hear; the employee is regularly required to use hands or fingers to, handle or feel, reach with hands and arms.
- Employee is occasionally required to lift up to 50 pounds; the employee is frequently required to lift up to 25 pounds.
- Specific vision abilities required by this job include close vision and the ability to adjust focus.
- The Employee uniform would consist of either a sponsored High Profile or Cloud Cover Cannabis top. Until the employee receives their High Profile or Cloud Cover Cannabis apparel, the employee can wear all black clothing.

Employee signature below constitutes employee's understanding of the requirements, essential functions and duties of the position as listed above.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **C3 Industries Job Description**

<b>JOB TITLE</b> Shift Lead	<b>REPORTS TO</b> Store Manager	<b>WORK LOCATION</b> Packard St., Ann Arbor
<b>DEPARTMENT</b> High Profile	<b>JOB TYPE</b> Full Time	<b>FLAS STATUS</b> Non- Exempt

### **JOB SUMMARY:**

The Shift Lead is responsible for performing management functions when no other Managers are on duty while also guiding the patients through the process of understanding, selecting and acquiring cannabis products that fit their needs.

### **JOB DUTIES:**

Core duties and responsibilities include the following. Other duties may be assigned.

- Provide the highest level of customer service by making the patient's experience the priority.
- Assist patients to better understand product offerings and benefit.
- Educate patients on cannabis properties and selection of proper genetics according to their desired effect, relief for patients' ailments or per request.
- Serve as a role model for store employees in sales generation and customer service by making the customer experience the priority.
- Handle customer complaints in a professional manner; handle escalated manners when Store Manager or Assistant Manager are not present.
- Maintain product knowledge and keep up on current cannabis trends.
- Accurately use and maintain Point of Sale (POS) system; assist in training employees on an as needed basis.
- Comply with company cash handling policies and perform daily cash management responsibilities and compliance reporting per company policy.
- Utilize down time productively to ensure sales floor is properly stocked for team members and next shift; Delegate and confirm team members are completing shift duties.
- Open and close the store, assist with intake of product, inventory counts, and daily cash balancing
- Split tips, within company guidelines, amongst team members at the end of the business day when Store Manager is not present.
- Contribute in management and store meetings, offering suggestions for employee development, sales opportunities, and organizational improvements.
- Ensure daily compliance with dispensary policies, including but not limited to the following: state/local regulation compliance, security protocols, access protocols, inventory tracking, dress code, and work schedules.
- Ensure all employees adhere to companies' policies and guidelines, and act as store representative when Store Manager or Assistant Store Manager are not present.

### **SUPERVISORY RESPONSIBILITIES:**

Directly supervises stores Sales Associates and Receptionists when Store Manager and Assistant Store Manager are not present.

**JOB REQUIREMENTS:**

- 3+ years' customer service experience, High school diploma or General Education Diploma (GED)
- Experience opening and closing a retail store or restaurant preferred.
- Experience with POS systems, and cash handling practices.
- Commitment to reaching Key Performance Indicators on a regular basis.
- Effective multi-tasker with demonstrated ability to prioritize tasks.
- Ability to work independently with little or no direct supervision.
- Demonstrate strong oral and written communication skills; ability to correspond in a professional and businesslike manner.
- Knowledge of state and local regulations preferred.
- Ability to pass a background check and is 21 years of age.

**PHYSICAL REQUIREMENTS, WORKING CONDITIONS & UNIFORM REQUIREMENTS:**

- Employee is occasionally required to sit, climb or balance, stoop, kneel, crouch, or crawl; the employee is frequently required to stand, walk, talk or hear; the employee is regularly required to use hands or fingers to, handle or feel, reach with hands and arms.
- Employee is occasionally required to lift up to 50 pounds; the employee is frequently required to lift up to 25 pounds.
- The Employee uniform would consist of either a sponsored High Profile or Cloud Cover Cannabis top. Until the employee receives their High Profile or Cloud Cover Cannabis apparel, the employee can wear all black clothing.

Employee signature below constitutes employee's understanding of the requirements, essential functions and duties of the position as listed above.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **C3 Industries**

### **Job Description**

<b>JOB TITLE</b> Store Manager	<b>REPORTS TO</b> Regional Manager	<b>WORK LOCATION</b> Groesbeck
<b>DEPARTMENT</b> Retail	<b>JOB TYPE</b> Full Time	<b>FLAS STATUS</b> Exempt

#### **JOB SUMMARY:**

The Store Manager will oversee day to day operations of the store, including supervising employees, inventory management, working with customers, and effectively driving sales through exceptional customer service.

#### **JOB DUTIES:**

Core duties and responsibilities include the following. Other duties may be assigned.

- Oversee and drive all aspects of store performance, ensuring efficient and sound operations, maximum profit and a best in class store experience.
- Ensure Key Performance Indicators (KPI) are being tracked and achieved on a weekly, monthly and yearly basis.
- Create sales reports, analyze and report data, such as store sales, units per sale, and sales per hour.
- Handle and mitigate customer complaints in a professional manner to ensure their overall satisfaction, train team on best practices.
- Collaborate and lead Assistant Store Managers in planning and implementing strategies to attract and retain repeat customers.
- Serve as a role model for store employees in sales generation and customer service by making the customer experience the priority.
- Work closely with Regional Manager to establish and promote Customer Loyalty Programs.
- Ensure best in class customer experience exists by staying connected to customer needs, anticipating changes, and preparing teams to meet consumer challenges.
- Ensure employee training of POS systems, METRC, and other inventory control systems.
- Monitor and maintain inventory levels and communicate discrepancies to Management.
- Run internal store meetings, provide feedback for employee development, sales opportunities, and organizational improvements.
- Maintain visual standards, including merchandise presentation, signage, lighting and general maintenance.
- Develop store's schedule to ensure proper sales floor coverage during peak selling hours; approve employees time off requests to ensure proper store coverage.
- Educate and coach store employees on product knowledge, shrink protocol, and safety protocol.
- Comply with company cash handling policies and perform daily cash management responsibilities and compliance reporting per company policy.
- Split tips, within company guidelines, amongst team members at the end of the business day.
- Work closely with the Human Resource Department with hiring new employees, training and development new and current employees.

- Partner with cross functional leaders to ensure adequate inventory levels, proper merchandising and other operational aspects to optimize store performance.
- Ensure implementation and adherence to all local and state laws and inspection requirements.

**SUPERVISORY RESPONSIBILITIES:**

Directly supervises Assistant Store Managers, Shift Leads, Sales Associates and Receptionists.

**JOB REQUIREMENTS:**

- Bachelor's degree and 3-5 years retail management experience preferred, or equivalent.
- Comprehensive knowledge of retail operations, merchandising, and sales.
- Proficient in Microsoft Office applications, POS systems; experience with METRC preferred.
- Proven ability to motivate and influence others through personal actions and examples.
- Ability to drive proven improvements across all areas managed
- Proven ability to establish strong credibility and build relationships and operate in an environment of ambiguity.
- Ability to build and lead a best in class retail team.
- Strong results-orientation and commitment to quality, performance and deliverables.
- Effective multi-tasker with demonstrated ability to prioritize.
- Demonstrate strong oral and written communication skills; ability to correspond in a professional, businesslike manner.

**PHYSICAL REQUIREMENTS, WORKING CONDITIONS & UNIFORM REQUIREMENTS:**

- Employee is occasionally required to sit, climb or balance, stoop, kneel, crouch, or crawl; the employee is frequently required to stand, walk, talk or hear; the employee is regularly required to use hands or fingers to, handle or feel, reach with hands and arms.
- Employee is occasionally required to lift up to 50 pounds; the employee is frequently required to lift up to 25 pounds.
- Specific vision abilities required by this job include close vision and the ability to adjust focus.
- The Employee uniform would consist of either a sponsored High Profile or Cloud Cover Cannabis top. Until the employee receives their High Profile or Cloud Cover Cannabis apparel, the employee can wear all black clothing.

Employee signature below constitutes employee's understanding of the requirements, essential functions and duties of the position as listed above.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit “C”**  
**Standard Operating Procedures**

**See attached.**

# Recruitment and Hiring

## Process & Responsibilities

STEP	PROCESS	COMPLETED BY
Requisition		
Hiring need determined	<ul style="list-style-type: none"> <li>- Notify Talent Acquisition of the hiring need</li> <li>- Talent Acquisition will schedule an intake call/ meeting to discuss</li> <li>- Receive approval from Executive team member</li> </ul>	Hiring Manager/ Leadership
Intake Meeting	<ul style="list-style-type: none"> <li>- Gather information for the position including qualifications, title &amp; reporting manager, pay scale &amp; PTO level, anticipated start date, job description details, persons involved in interview process &amp; hiring manager involvement in each pipeline stage</li> <li>- Develop &amp; review AcuMax profile for role</li> </ul>	Talent Acquisition & Hiring Manager
Breezy Set up	<ul style="list-style-type: none"> <li>- Ensure all members of hiring team breezy accounts are set up &amp; expectations of how they will need to utilize the account (notes, scheduling links, interview guides, scorecards)</li> <li>- Talent Acquisition will schedule a call for new Breezy users, or those who would like a refresher</li> </ul>	Talent Acquisition & Hiring Manager
Create Job Description & Job Ad	<ul style="list-style-type: none"> <li>- Save job description to Shared Drive &amp; gather needed input prior to posting</li> <li>- Analyze metrics from previous postings on job board activity to determine if a paid posting is needed</li> </ul>	Talent Acquisition
Scorecard & interview guide	<ul style="list-style-type: none"> <li>- Create scorecard and interview guide for the position</li> <li>- Talent acquisition will communicate how to utilize them as tools &amp; how they relate</li> </ul>	Talent Acquisition
Pipeline within Breezy	<ul style="list-style-type: none"> <li>- Establish pipeline (entry level vs. manager), stage actions per pipeline stage, and hiring team members (hiring manager vs. team member)</li> </ul>	Talent Acquisition
Recruitment		
Resume screening	<ul style="list-style-type: none"> <li>- Review resumes and filter to not qualified, phone screen or manager review. Source when needed</li> </ul>	Talent Acquisition
Conduct Phone Screen	<ul style="list-style-type: none"> <li>- Follow interview guide, add notes &amp; scorecard once phone screen is completed &amp; move to proper pipeline stage</li> <li>- Send rejection emails when applicable</li> </ul>	Talent Acquisition
Review candidates	<ul style="list-style-type: none"> <li>- Review candidates with hiring team by reviewing notes &amp; scorecards in Breezy, or with a phone call</li> <li>- Move qualified candidates to next pipeline stage &amp; notify candidates of next steps (interview or rejection email) &amp; establish a schedule for 1<sup>st</sup> round interview</li> </ul>	Talent Acquisition/ Hiring Manager
Conduct 1 <sup>st</sup> round in person Interview	<ul style="list-style-type: none"> <li>- Confirm interview time with candidate and hiring manager</li> <li>- Hiring manager to complete interview by following provided interview guide</li> </ul>	Talent Acquisition/ Hiring Manager
Evaluation	<ul style="list-style-type: none"> <li>- Review notes from interview and complete candidate's scorecard within Breezy</li> </ul>	Hiring Manager

	<ul style="list-style-type: none"> <li>- Connect with Talent Acquisition on next steps/ hiring or rejecting. (entry level production candidates will have 1 in person interview, unless needed)</li> </ul>	
Pipeline Movement	<ul style="list-style-type: none"> <li>- Talent Acquisition will move candidates to proper pipelines and ensure proper communication is happening per stage action</li> </ul>	Talent Acquisition
Schedule 2 <sup>nd</sup> in person interview	<ul style="list-style-type: none"> <li>- Coordinate with hiring team &amp; candidates on 2<sup>nd</sup> round in person interview</li> <li>- Inform candidate of additional interviewers attending &amp; any additional information</li> <li>- Send rejection emails to applicable candidates from 1<sup>st</sup> round interview</li> </ul>	Talent Acquisition
2 <sup>nd</sup> round interview	<ul style="list-style-type: none"> <li>- Reference hiring managers &amp; talent acquisitions notes prior to interview</li> <li>- Follow provided interview guide</li> </ul>	Predetermined interview team
Discussion & selection	<ul style="list-style-type: none"> <li>- Evaluate each candidate and discuss as a group post interview</li> <li>- Complete candidate scorecard within Breezy following interview</li> <li>- Determine which candidate to hire and communicate decisions with Talent Acquisition</li> </ul>	Interview team & Talent Acquisition
Hiring		
Confirm Details	<ul style="list-style-type: none"> <li>- Confirm offer details including, payrate, startdate, reporting manager &amp; PTO</li> </ul>	Talent Acquisition
Offer approval	<ul style="list-style-type: none"> <li>- Receive approval from executive team member, if applicable</li> </ul>	Talent Acquisition
Verbal Offer	<ul style="list-style-type: none"> <li>- Extend formal offer via phone call</li> <li>- Communicate pay rate, PTO and desired start date</li> <li>- OR Only - confirm status of Workers Permit</li> </ul>	Talent Acquisition
Compose written offer	<ul style="list-style-type: none"> <li>- Upon verbal offer acceptance compose formal offer in Zenefits</li> <li>- Draft email to include Zenefits link &amp; first day information per position (including address, start time, hiring manager contact information, special instructions on attire, etc.)</li> </ul>	Talent Acquisition
Initiate new hire checklist	<ul style="list-style-type: none"> <li>- Add new hire checklist in Trello</li> <li>- Reach out to IT and applicable manager to coordinate onboarding</li> </ul>	HR Generalist
Confirm acceptance	<ul style="list-style-type: none"> <li>- Confirm offer acceptance prior to candidates first day in Zenefits &amp; that the background check &amp; any required documents have been uploaded (OLCC workers permit for OR)</li> </ul>	Talent Acquisition
Notify team	<ul style="list-style-type: none"> <li>- Notify team of acceptance, start date, and any other special instructions</li> </ul>	Talent Acquisition

## Intake Meeting Checklist

All checklist items are to be completed during the intake meeting. The intake meeting checklist can also be found in Trello.

- Job Title
- AcuMax Profile
- Reporting manager
- Hiring managers
- Full or part time
- Compensation (salaried or hourly)



- PTO
- Anticipated start date
- Availability requirements
- Job description
- Job Ad
- Pipeline & pipeline involvement

## Interview Guides

Interview guides will be saved in HR Shared drive. Talent Acquisition drafts an interview guide prior to first round of in person interview. Include the following:

- Review of work history, identifying any gaps in work & why they are interested in leaving current role
- Behavioral Interview questions

Talent Acquisition will review with hiring manager prior to in person interviews. These are to be used to guide hiring team through interviews.

## Scorecards

Talent Acquisition will establish areas to score candidates on during interview process. Scorecards will be set up in ATS when the requisition is opened.

- AcuMax Profile Fit
- Company Culture
- Priority Requirements
- Additional Skills Required

Scorecards are to be completed in Breezy by everyone participating in the interviews, within 24 hours of the interview.

## New Hire Welcome Emails

Talent Acquisition will email new hire after the verbal offer is accepted. Includes the following items:

- Confirmation of start date, start time, and address to working location and who will be there to let them in
  - If first day start location is different, include both locations
- Manager & HR Generalist's contact information
- Zenefits link with explanation of what is needed to complete new hire paperwork (identifications, state license, completion of handbook signoff)
- Role specific required items/ things to note

Drafts of these emails, per department can be found in the HR Shared drive in the New Hire folder.

## New Hire Announcement Emails

- Talent Acquisition will email applicable team members announcement of new hires, 3 days prior to their first day. Email should include the following:
  - Name, first day, job title
  - If a professional position, include previous role and number of years of experience
- Oregon new hires
  - Facility Hires: Oregon facility outlook group, CHO, HR Generalist
- Michigan new hires
  - Facility Hires: Michigan Facility outlook group, CHO, HR Generalist
  - Retail Hires: Regional Managers, Store Managers, HR Generalist
  - Corporate office: Michigan Office Outlook group, Executive team, and any individuals in OR who they would interact with
- Please add Executive team members at your discretion

## **New Hire/Onboarding Checklist**

HR to set up the appropriate state New Hire Checklist in Trello. Checklist items to include (but not limited to):

- Confirm verbal offer
- Confirm caregiver status (MI)
- Confirm workers permit (OR)
- Set Employee up in Zenefits
- Send Onboarding/Welcomeemail
- Email office/facility team of new hire
- Add employee to 90 day review list
- Send new hire checklist/instructions to manager
- Notify IT
- Confirm backgroundcheck
- Confirm Zenefits setup is complete
- Set up payroll account in ADP
- Add employee to Metrc
- Order businesscards
- Request company credit card (if applicable)

## **Policies**

### **Internal Candidates**

Current employees with a satisfactory employment status may apply for internal job openings. The consents of the employee's manager and the HR department may be necessary for employees with less than 6 months of service with C3 Industries.

All applicants for a posted vacancy will be considered based on their qualifications and ability to perform the job successfully. Internal candidates who are not selected will be notified by the HR department. Internalcandidates thatare selected willbeprovidedawrittenofferdetailing theterms ofthenewposition.

The transition of current employee to new role will occur at the determination of new and existing managers. The employee maybe asked to continue in their current role until that roles is filled. Employee maybe asked to train their replacement.

### **Use of Recruiting Firms/Staffing Companies**

From time to time the use of temporary employees acquired through a temporary staffing agency may be necessary. Itwillbeatthediscretionoftheapplicablemanager or facility leader tomakethe determination that temporary staffing is needed.

Headhunters, recruiters and/or direct hire agencies should be utilized in very limited situation and at the sole discretion of the HR department.

All contracts for temporary staffing agencies, recruiters, etc. should be reviewed, negotiated and signed by the Head of HR.

# Background Checks

C3 Industries (C3I) believes that hiring qualified individuals contributes to our overall strategic success. Background checks serve as an important part of the selection process. The information we collect helps C3I promote a safe work environment for our current and future employees. Background checks also help us obtain information necessary to determine an applicant's overall employability and to ensure the protection of C3I's physical property, proprietary information and other assets. C3I complies with all applicable federal, state and local laws, including fair employment practices and equal employment opportunity, when conducting background checks.

C3 Industries requires a background check for all full-time, part-time and temporary employees. All offers of employment at C3I are contingent upon satisfactory results of a thorough background check.

Background checks will include:

- Social Security Verification: Validates the applicant's Social Security number, date of birth and former addresses
- Criminal History: Includes review of criminal convictions and probation. The following factors will be considered for applicants with a criminal history:
  - The nature of the crime and its relationship to the position
  - The time since the conviction
  - The number (if more than one) of convictions
  - Whether hiring, transferring or promoting the applicant would pose an unreasonable risk to the business, its employees or its customers and vendors
  - Whether hiring the individual would be in violation of any state specific cannabis regulations

The following additional background search will be required if applicable to the position:

- Motor Vehicle Records: Provides a report on an individual's driving history in the state requested. This search will be run when driving is an essential requirement of the position

## Procedure

As part of the job offer process candidates are required to complete a background check authorization form, which is processed electronically via Zenefits and Checkr. Checkr is the third-party agency that conducts the background check and provides reporting.

A designated HR representative will review all results. The HR representative will notify the hiring manager regarding the results of the check. In instances where negative or incomplete information is obtained, the HR representative will notify the appropriate manager and the head of HR. HR along with the appropriate manager will assess the potential risks and liabilities related to the job's requirements and determine whether the individual should be hired. If a decision not to hire a candidate is made based on the results of a background check, there may be certain additional Fair Credit Reporting Act (FCRA) requirements that will be handled by Human Resources in conjunction with the employment screening service.

## Record-Keeping

C3 Industries assures applicants that all information obtained from the background check process will only be used as part of the employment process and will be kept strictly confidential. Background check information will be maintained and housed in C3I's HRIS, Zenefits. Only appropriate human resources personnel at C3I will have access to this information. C3I complies with all federal and state laws regarding the collection, storing and disposal of applicant information, such as the Fair and Accurate Credit Transactions Act (FACTA).

C3I employees are required to report any new or pending charges or convictions. If a C3I employee is charged or convicted for a controlled substance-related felony or any other felony, C3I will immediately report it to the department.

# Adverse Action

Adverse Action is any action we take that can adversely affect a candidate including, but not limited to, not hiring or promoting them. As an employer, we have the obligation under the Fair Credit Reporting Act (FCRA) to provide a copy of the background check and a notification to the candidate before declining to hire or promote them so they can dispute inaccuracies or give more context.

## Step 1. Before We Take an Adverse Action

Before we reject a job application, or applicant, reassign or terminate an employee, deny a promotion, or take any other adverse employment action based on information in a consumer report, we will send the applicant or employee the following:

- A copy of the C3I Pre-Adverse Action notice
- A copy of the consumer report we relied on to make our decision; and
- A copy of the "Summary of Your Rights Under the Fair Credit Reporting Act"

Giving the person the notice in advance gives them the opportunity to review the report and tell us if it is correct.

## Step 2. Provide a waiting period of at least 5 business days

This gives the candidate enough time to dispute the information on the report.

## Step 3. After We Take an Adverse Action

If we take an adverse action based on information in a consumer report, we will send the applicant or employee the C3I Adverse Action notice via email. That notice will include the following information:

- The name, address, and phone number of Checkr;
- A statement that Checkr did not make the decision to take the unfavorable action and can't give specific reasons for it; and
- A notice of the person's right to dispute the accuracy or completeness of any information Checkr furnished, and to get an additional free report from the company if the person asks for it within 60 days.

# Payroll

## Process & Responsibilities

STEP	PROCESS	COMPLETED BY
Approve timecards	<ul style="list-style-type: none"> <li>- Log into Zenefits</li> <li>- Time &amp; Attendance app &gt; Pay Periods</li> <li>- Choose correct pay period</li> <li>- Review timecards for direct reports</li> <li>- Make adjustments/corrections as needed</li> <li>- Check the "approve" box to approve</li> </ul>	Managers/Managers
Approve and submit commissions	<ul style="list-style-type: none"> <li>- Calculate sales commissions</li> <li>- Provide commission amounts to HR for payment</li> </ul>	Accounting
Submit approved reimbursements	<ul style="list-style-type: none"> <li>- Email HR the spreadsheet of approved employee reimbursements</li> </ul>	Accounting
Ensure timecards are approved	<ul style="list-style-type: none"> <li>- Log into Zenefits</li> <li>- Time &amp; Attendance app &gt; Pay Periods</li> <li>- Choose the correct pay period</li> <li>- Look for green check marks</li> </ul>	HR
Check for time off requests	<ul style="list-style-type: none"> <li>- Time Off app &gt; Time Off Requests</li> <li>- Ensure there are no unapproved PTO requests for the current pay period</li> </ul>	HR
Confirm employee updates in Pay Connect, Update ADP	<ul style="list-style-type: none"> <li>- Pay Connect app &gt; Updates</li> <li>- View and make necessary changes in ADP; click the green checkmark once complete</li> </ul>	HR
Submit time sheets to "payroll"	<ul style="list-style-type: none"> <li>- Time &amp; Attendance app &gt; select pay period</li> <li>- Ensure regular hours are in the ballpark</li> <li>- Submit to Payroll</li> </ul>	HR
Pull reports for hourly employee data	<ul style="list-style-type: none"> <li>- Time &amp; Attendance app &gt; Reports</li> <li>- Summary Report &gt; Get Report</li> <li>- Select pay period and download</li> <li>- Filter list down to:               <ul style="list-style-type: none"> <li>o Regular hours</li> <li>o OT</li> <li>o Vacation</li> </ul> </li> </ul>	HR
Enter employee hours into ADP (hourly employees only)	<ul style="list-style-type: none"> <li>- ADP &gt; Run Payroll</li> <li>- Enter applicable employee hours</li> </ul>	HR
Enter payroll updates noted in Trello	<ul style="list-style-type: none"> <li>- Make changes for the current payroll only</li> <li>- When making onetime adjustments, make the adjustment in the payroll grid vs. employee profile</li> <li>- Enter sales commissions and reimbursements</li> <li>- Note terminations</li> </ul>	HR
1099 Employees	<ul style="list-style-type: none"> <li>- Enter pay into Misc. Amount</li> </ul>	HR
Run Payroll	<ul style="list-style-type: none"> <li>- Preview Payroll</li> <li>- Confirm payroll adjustment currently noted</li> <li>- Confirm that any manual check cut in the preceding weeks appear</li> <li>- Make sure that terminated employees are not double paid</li> <li>- Make corrections as needed by going back</li> <li>- Submit to ADP (this step cannot be reversed)</li> </ul>	HR
Forward Applicable Reports	<ul style="list-style-type: none"> <li>- Send Total Cash Required for payroll as well as payroll summary report to CFO and Head of Accounting</li> </ul>	HR

# Policies

## Payroll Accountability

It is the employee's responsibility to ensure that they have correctly submitted their timecards. Employees can, at any time, view their time worked via the Zenefits app. Additionally, employees are responsible for submitting reimbursements, commissions, mileage, etc. to their manager/applicable department for approval in a timely fashion. Employees are also responsible for ensuring that they provide accurate bank, tax and other information to HR.

Managers are responsible for submitting and approving payroll related items by the designated timeline required by HR.

## Payroll Submission

Payroll is processed every other week. The HR team is to process and submit payroll no later than end of day on the Tuesday of pay week.

Managers, Managers and the Accounting team are required to complete their applicable payroll tasks no later than end of day on the Monday of pay week. Anything not submitted to HR on time will not be paid on that week's payroll. Should any timecards be left unapproved, HR will use their discretion and will approve and process timecards on behalf of the applicable manager or manager.

## Payroll Corrections

Should payroll errors be discovered, HR will make every effort to remedy those errors in a timely fashion. However, HR reserves the right to make those corrections and adjustments on the next payroll.

## Final Pay

Final pay for employees in the state of Michigan will be made on the next regularly scheduled pay date.

Final pay for employees in the state of Oregon will be made in accordance with Oregon's final pay rules. A summary of the applicable timelines are as follows:

- Employee quits with 48 hours' notice or more – on last day of employment
- Employee quits with no notice – within 5 business days
- Employee is terminated – end of the first business day after the date of separation

HR will ensure that final pay is calculated and distributed accordingly.

## **Benefits – Insurance Enrollment Processes and COBRA**

### **Medical Insurance**

The Company offers medical insurance to all eligible employees and their eligible dependents. Details of the plan(s) may be found in Zenefits and employees may also refer to the Summary Plan Description for an explanation of the plan benefits and limitations. This SOP does not constitute such a legal document. Plans are subject to change at the Company's discretion.

### **Dental Insurance**

The Company offers a dental plan for eligible employees. Please refer to the dental Summary Plan Description for an explanation of the plan benefits and limitations.

### **Vision Insurance**

The Company offers a vision plan for eligible employees. Please refer to the vision Summary Plan Description for an explanation of the plan benefits and limitations.

### **Employee Contributions**

The Company's benefits package is contributory; that is, employees who enroll into an insurance policy are responsible for a portion of the premium for their benefits. A portion of the premium, up to a maximum per month, is contributed by the Company. The contributory cost is deducted bimonthly from paychecks.

### **Continuation of Health Coverage (COBRA)**

Federal law generally requires employers with 20 or more employees to give employees, spouses, and dependent children the right to continue group health benefits for limited periods of time under certain circumstances, such as voluntary or some types of involuntary job loss, reduction in hours worked, death, divorce and other life events. Employees ordinarily may continue their health coverage for up to 18 months when their employment is terminated.

### **Enrollment Periods Definitions:**

#### **New Hire Enrollment:**

New Hires are eligible for benefits the 1st of the month following 60 days of employment. New Hires are provided a total of 60 days from date of hire to enroll into benefits. Enrollment is completed through Zenefits.

#### **Qualifying Life Event:**

A Qualifying Life Event is an occurrence that allows an employee to make changes to their benefit plan. Changing a benefit plan is limited to major life events including marriage, birth of a child, death, etc. If you have any questions regarding a Qualifying Event (QLE), contact your HR representative. Individuals experiencing a QLE must complete enrollment through Zenefits and provide documentation to support the need for the change within 30 days of the effective date. Note: If enrollment or documentation is not presented to the support the change within the required time frame, the employee will lose the opportunity to enroll into the plan.

#### **Open Enrollment:**

Each year, the Company will designate an enrollment period for the next Plan Year. Employees will have the opportunity to either make changes or keep their benefits the same each year. Open Enrollment will be completed in Zenefits. Employees who do not make an affirmative selection will have their current plan roll

over to the next year or will be mapped to the closest applicable plan to their current selection in the event of a plan change.

Note: Employees who fail to make changes or enroll during Open Enrollment will not be able to make changes to their benefits during the next plan year outside of a Qualifying Life Event.

## Process & Responsibilities

STEP	PROCESS	COMPLETED BY
<b>New Hire Enrollment</b>		
Notification	<ul style="list-style-type: none"> <li>• Zenefits outlines a Benefits Enrollment task on an employee profile.</li> <li>• Reminders from HR prior to enrollment deadline are sent via email and confirmed at 30-day check ins.               <ul style="list-style-type: none"> <li>• HR may follow up with Managers if not confirmed with employees. HR will make Managers aware that employees will not be eligible to enroll after deadline.</li> </ul> </li> </ul>	Zenefits/HR
Enrollment	<ul style="list-style-type: none"> <li>• Log into Zenefits.</li> <li>• Select the 'Benefit Enrollment' task.</li> <li>• Follow prompts to either enroll or decline coverage.</li> </ul>	Employee
Enrollment Completed	<ul style="list-style-type: none"> <li>• Insurance Carriers receive data and enroll new hire into benefits.               <ul style="list-style-type: none"> <li>• Medical card is mailed directly to the employee.</li> <li>• Dental and Vision will not mail cards.</li> </ul> </li> </ul>	Zenefits

STEP	PROCESS	COMPLETED BY
<b>Qualifying Life Event</b>		
Life Event Occurs	<ul style="list-style-type: none"> <li>• Employees can make changes to their benefit elections in the event of a Qualifying Life Event (QLE). A QLE includes, but is not limited to:               <ul style="list-style-type: none"> <li>• Marriage</li> <li>• Divorce</li> <li>• Birth of a Child</li> <li>• Death                   <ul style="list-style-type: none"> <li>• If you are unsure if an Employee has had a QLE, please have them contact HR directly.</li> </ul> </li> </ul> </li> <li>• Enrollment and documentation of QLE must be completed through Zenefits 30 days from the date the QLE commenced.</li> </ul> <p>Failure to complete enrollment and provide required documentation in 30-day time frame will result in the inability to enroll into C3I's benefit plans.</p>	Employee



	<ul style="list-style-type: none"> <li>Example: Newborn is born on Monday, April 1, 2020. Enrollment must be completed no later than April 30, 2020. Employee tries to enroll newborn on May 2, 2020. Employee has missed enrollment window and is no longer able to make changes to their insurance plan. They must wait for Open Enrollment to make changes to their benefit plans.</li> </ul>	
Enrollment	<ul style="list-style-type: none"> <li>Log into Zenefits.</li> <li>Select the 'Change or Review your Benefits Selection' tasks.</li> <li>Select 'Make Changes' from the pop-up box. <ul style="list-style-type: none"> <li>Follow prompts to make changes to benefits.</li> <li>Upload necessary documentation to correspond with the Qualifying Life Event.</li> <li>Submit enrollment.</li> </ul> </li> </ul>	Employee
Enrollment Completed	<ul style="list-style-type: none"> <li>Insurance Carriers receive data and enroll new hire into benefits. <ul style="list-style-type: none"> <li>Medical card is mailed directly to the employee.</li> </ul> </li> <li>Dental and Vision will not mail cards.</li> </ul>	Zenefits

STEP	PROCESS	COMPLETED BY
<b>Open Enrollment</b>		
Notification	<ul style="list-style-type: none"> <li>HR will email all employees notifying them of the Open Enrollment period.</li> <li>Open Enrollment is held once per year at the end of the Calendar year. Employees will have the opportunity to either make changes to their benefits or keep their benefits the same for the next calendar year.</li> </ul>	Zenefits/HR
Enrollment	<ul style="list-style-type: none"> <li>Log into Zenefits.</li> <li>Select the 'Open Enrollment' task.</li> <li>Follow prompts to make changes to coverage. <ul style="list-style-type: none"> <li>Note: Individuals that are not making changes to their benefits for the following calendar year do not need to elect into benefits – if they make no changes their benefit elections will roll over to next year.</li> <li>Note: If an individual has benefits and wants to decline benefits for following plan year, they must decline their benefits. Failure to do so will result in them being enrolled into the same benefits as the current year.</li> </ul> </li> <li>Employees will have the opportunity to ask HR questions during the Open Enrollment period.</li> </ul>	Employee
Enrollment Completed	<ul style="list-style-type: none"> <li>Insurance Carriers receive data and enroll employees into benefits.</li> </ul>	Zenefits

	<ul style="list-style-type: none"> <li>Medical card is mailed directly to the employee – only for individuals that are new to the medical plan. <ul style="list-style-type: none"> <li>Note: Those that have already been enrolled into the plan will not receive a new medical card each plan year.</li> </ul> </li> <li>Dental and Vision will not mail cards.</li> </ul>	
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Insurance Cards: Employees may contact the insurance carriers directly or can log into their plan portals to print insurance cards.

STEP	PROCESS	COMPLETED BY
<b>Continuation of Health Coverage (COBRA) - Benefits at Termination</b>		
Employee Terminated in Zenefits	<ul style="list-style-type: none"> <li>The employee's benefits are effective through the end of the month of termination. <ul style="list-style-type: none"> <li>Example: Employee terminates on May 10 – benefits will remain effective through May 31.</li> <li>Note: C3I will take the full benefit premium payment from final paycheck based on allowed deductions.</li> </ul> </li> <li>HR will terminate the Employee in Zenefits.</li> </ul>	Zenefits/HR
COBRA Issued	<ul style="list-style-type: none"> <li>Zenefits will communicate to COBRA Complete (Our TPA for COBRA) that an employee has been terminated.</li> <li>COBRA Complete will send enrollment packet directly to the terminated employee's home. <ul style="list-style-type: none"> <li>The terminated employee will have the option to continue coverage under our plan. In the event they elect to continue coverage, they pay the TPA directly for the full cost of the insurance premium.</li> </ul> </li> </ul>	Employee

## **Policies for Compensation Adjustments**

### Promotions

In determining the base pay for existing employees who have had increase in duties and responsibilities resulting in a new position or job reclassification, the following factors should be considered when determining the new pay rate:

- Current performance rating.
- Current salary.
- Salary of similar jobs within the company.
- Salary budget.

*New Position:* When an employee applies for and accepts a new position the pay increase will vary from 4% to 10%, however, the increase should not be less than the minimum market rate.

*Job Reclassification:* When the duties and responsibilities of a position increase by 25% or more, the position is submitted to the head of HR for review and evaluation. If the evaluation indicates that the pay range should change, then the employee would be eligible for a pay raise. The standard raise will range from 4% to 10%. (Link to Promotion SOP)

### Lateral Job Moves

Salary increases of up to 4% may be awarded to encourage employees to accept lateral job moves (i.e. moving to a different job at the same level). (Link to Promotion SOP)

### Demotion

A demotion is a move to a position with a lower salary range (Link to Demotion SOP). Some possible reasons for a demotion include:

*New position/Transfer:* When an employee applies for and accepts a new position with a lower pay range, the employee's salary will be lowered over a reasonable amount of time, typically up to six months, to adjust to the new salary range. Consult with HR to determine the appropriate schedule for the salary adjustment(s). Terms and conditions of the demotion should be documented in a letter and a copy signed by the employee should be placed in their file.

*Job Reclassification:* When the duties and responsibilities of a position decrease by 25% or more, the position is submitted to the head of HR for review and evaluation. If the evaluation indicates that the pay range should change, then the employee's current compensation will be evaluated. When circumstances warrant, a demoted employee's salary may remain the same. Managers should consult with Human Resources to determine decreases in pay. Terms and conditions of the demotion should be documented in a letter and a copy signed by the employee should be placed in their file.

*Demotion/Performance:* When an employee does not meet the standards of a position on a continual basis the manager can request that the employee be demoted to a position with a lower pay range. The manager should consult with HR to determine if a downward pay adjustment is necessary or if the employee's pay will continue to be "in range" for the new position. If a pay adjustment is required, a grace period of 6 months should be applied before any adjustment is made. Consult with HR to determine the appropriate schedule for the salary adjustment(s). Terms and conditions of the demotion should be documented in a letter and a copy signed by the employee should be placed in their file.

### Merit Increase

As a pay-for-performance employer, C3 Industries compensates primarily on performance and the results achieved. Each employee must have a year-end performance evaluation (Link to Performance Management – Review SOP). Employee performance ratings in conjunction with the merit matrix is utilized in determining the amount of each merit increase.

A new merit matrix is calculated each year based on the payroll budget, the previous year's performance data and market data. The updated merit matrix will be available for managers to review upon request.

#### Off-Cycle Adjustments

Occasionally, an employee's pay may fall below the range minimum, or above the range maximum. Special consideration must be taken to ensure the employee's pay is equitable.

For employees that are paid below market rate managers should work with the head of HR to create a structured pay increase plan to bring the employees pay into range.

#### Employee Communication

Managers may not discuss any proposed pay increase with the employee until applicable approvals are obtained.

### **Demotions**

Demotions are to be used for employees that are not doing well in their current position, and there is no other option left except reducing their responsibilities. *Note: Performance Management process must be followed before consideration of demotion.*

Reasons to demote an employee:

- The employee demonstrated poor performance.
- The employee lacks skills for their current position.
- The employee's current position is being eliminated.
- The employee is being disciplined for misconduct.

### **Process & Responsibilities**

STEP	PROCESS	COMPLETED BY
<b>Demotion</b>		
Notification	<ul style="list-style-type: none"><li>• Manager Contacts HR to discuss options and availability for potential demotion</li></ul>	Manager
Discussion	<ul style="list-style-type: none"><li>• Manager and HR will review and evaluate if demotion if best course of action. Be prepared to discuss:<ul style="list-style-type: none"><li>• Reason for demotion</li><li>• What action have we taken with the employee</li><li>• Evaluation of any other avenues prior to demotion</li></ul></li></ul>	Manager w/ Support from HR
Decision is Made	<ul style="list-style-type: none"><li>• If a decision is made to demote an employee both HR and the Manager will work together to:<ul style="list-style-type: none"><li>• Develop a transition plan</li><li>• Communicate to the employee</li><li>• Make other appropriate notifications as necessary</li></ul></li></ul>	Manager w/ Support from HR

## Promotions

Promotion opportunities to positions of higher responsibility for existing staff members will be limited only by the individual's ambition, attitude and qualifications in experience, education and capabilities. Any employee in good standing is eligible for promotion consideration, assuming he or she meets the minimum qualifications for the position.

## Process & Responsibilities

STEP	PROCESS	COMPLETED BY
<b>Promotion – Within Same Department</b>		
Change in Job Duties	<ul style="list-style-type: none"> <li>• Manager's wishing to recommend a promotion because of a change in Job Duties:               <ul style="list-style-type: none"> <li>• Review and revise the employee's job description in accordance with the employee's actual job duties</li> <li>• Make note of major changes in responsibility that would warrant consideration of a promotion</li> </ul> </li> </ul>	Manager
Submit Recommendation to Head of HR	<ul style="list-style-type: none"> <li>• Manager should submit the updated job description and/or any recommendation for a pay increase to the HR department</li> <li>• The Head of Human Resources will review documentation and recommendation and will evaluate current market rate and the internal structure at C3I               <ul style="list-style-type: none"> <li>• Once reviewed the Head of the HR department will review and determine if the recommendation should be support, modified, or denied</li> <li>• HR will follow up directly with the requesting Manager to relay the outcome of the request</li> <li>• <b>Note:</b> Managers should not communicate out any change in job, pay, ect until official confirmed approval is received.</li> </ul> </li> </ul>	Manager w/ Support from HR
<b>Promotion – Into Another Department</b>		
Job is Posted	<ul style="list-style-type: none"> <li>• Employee should make current manager aware that they are applying/pursuing a job in another department</li> <li>• Employee applies to posted job               <ul style="list-style-type: none"> <li>• Please see Internal Candidate Policy (Link to Internal Candidate Policy)</li> </ul> </li> </ul>	Employee

# Employee Departures

## Voluntary Resignation

A termination is considered voluntary when an employee makes the decision to resign. Upon notification of a voluntary resignation the manager should request for the employee to put their resignation in writing. Voluntary Resignation template can be found in the HR SOP's "Blank Documents" Folder.

If an employee voluntarily resigns and gives the required 2 weeks' notice their accrued PTO will be paid out. In the event an employee gives a notice period that is less than 2 weeks (as outlined in the handbook) then the employee will not receive any pay out of their PTO.

## Process & Responsibilities

STEP	PROCESS	COMPLETED BY
<b>Voluntary - Resignation</b>		
Notice provided	<ul style="list-style-type: none"><li>Employee to provide notice to manager, preferably in writing.</li><li>Manager to request Resigning Employee to complete a Voluntary Resignation Form or to put resignation in writing.</li><li>Manager to advise HR of employee's pending departure.</li></ul>	Employee & Manager
Initiate Termination Checklist	<ul style="list-style-type: none"><li>Reach out to employee to confirm departure.</li><li>Initiate applicable resignation checklist in Trello.</li><li>Prepare final pay, if applicable, and any other necessary documents.</li></ul>	HR
Conduct Exit Interview	<ul style="list-style-type: none"><li>Provide employee with follow up letter regarding important departure information.</li><li>Meet with employee to collect feedback on the employee's experience with the company.</li></ul>	HR
Address Building Access	<ul style="list-style-type: none"><li>Ensure that all company property has been returned and that all building and account access has been removed.</li></ul>	Manager
Process Termination	<ul style="list-style-type: none"><li>Ensure all applicable documents are added to employee file.</li><li>Process termination in ADP &amp; Zenefits</li><li>Ensure COBRA notices are sent, if applicable.</li></ul>	HR

## Conducting Exit Interviews

For all voluntary employee departures HR will schedule and conduct employee exit interviews. HR will complete an exit interview form for each exit interview conducted. Exit interview will be electronically filed in the HRIS. Data/feedback collected via an exit interview will be kept confidential in order to encourage candor and feedback from departing employee. If issues are brought to the attention of HR during the exit interview process, HR will bring those issues forward to the appropriate person.

# Employee Departures

## Involuntary Terminations

In order to ensure uniform and consistent procedures for employee terminations, C3 Industries has established rules applicable to all such terminations.

To ensure adherence to all federal, state and local laws all involuntary terminations must be approved by Human Resources as well as the division director, executive or designate and processed in accordance with the provisions outlined in this policy. Notwithstanding the foregoing, should a manager be present when serious misconduct occurs, he/she may immediately suspend the employee, pending an investigation and notification to Human Resources.

## Process & Responsibilities

STEP	PROCESS	COMPLETED BY
<b>Involuntary - Termination</b>		
Discuss with HR	<ul style="list-style-type: none"><li>Review reasons and any applicable documentation with HR.</li><li>HR to confirm that the appropriate protocols have been followed.</li></ul>	Manager
Initiate Termination Checklist	<ul style="list-style-type: none"><li>Initiate applicable resignation checklist in Trello</li><li>Prepare final pay, if applicable, and any other necessary documents.</li></ul>	HR
Conduct Termination Meeting	<ul style="list-style-type: none"><li>Meet with employee, inform them that they are terminated, effective immediately, and provide a brief reason.</li><li>Provide employee a termination letter summarizing termination and any necessary end of employment details.</li><li>Collect company property and provide the employee any personal belongings they may have stored onsite.</li><li>Ensure the employee exits the building and departs the premises.</li></ul>	Manager w/ Support from HR
Address Building Access	<ul style="list-style-type: none"><li>Ensure that all company property has been returned and that all building and account access has been removed.</li></ul>	Manager
Process Termination	<ul style="list-style-type: none"><li>Ensure all applicable documents are added to employee file.</li><li>Process termination in ADP &amp; Zenefits.</li><li>Ensure COBRA notices are sent, if applicable.</li></ul>	HR

## Policies

### Conducting Termination Meetings

The employee's direct manager is responsible for conducting the termination meeting, however, there should always be a witness in the room during a termination meeting. Whenever possible the witness should be a representative from HR. If HR is not available, other acceptable alternatives include, a member of the executive team or the manager's manager.

Termination meetings should be conducted in a private space, ideally first thing in the morning or at the very beginning of the employee's shift, if possible. The employee's personal items are to be boxed up by HR or the employee's manager prior to the termination meeting. The terminated employee will be asked to exit the premises immediately. The terminated employee is not permitted to re-enter the general work area.

#### Procedural Notes

1. When the Company initiates a termination, the termination is considered involuntary.
2. Involuntary terminations may occur for a variety of reasons, including with cause (i.e., employee misfeasance or malfeasance) or without cause (i.e., as a part of a layoff).
3. When practical, employees will be warned and counseled. However, failure to correct behavior or further violation of company policy may result in additional disciplinary action, up to and including termination. Depending on the nature of the offense, the Company reserves the right to terminate any employee without warning.
4. Warnings and counseling are to be documented on the Disciplinary Counseling Report form.
5. With respect to all involuntary terminations:
  - a. The company will inform the employee of the reason for termination.
  - b. The date of separation will be the employee's last day worked.
6. Human Resources will prepare any and all termination paperwork, will ensure applicable forwarding address, will process termination of benefits per the company's plan documents, and will coordinate and prepare final pay. HR will also ensure that the employee is terminated in a uniform and consistent manner from all appropriate systems.
7. The employee's manager must ensure that company property is reclaimed and employee access to any buildings, or online accounts is removed.
8. All terminated employees will be paid in accordance with state and federal laws. Earned but unused Paid Time Off will be paid in accordance with the company's Paid Time Off policy.



# Employee Referral Program

## How to recommend a potential employee

1. Email TalentAcquisition (emily@c3industries.com) the following information:
  - Candidate name
  - Phone Number
  - Email Address
  - Current Resume
2. The Candidate can apply to any open positions directly through the C3 Industries website. During the online application process the candidate will have the opportunity to note the name of the referring employee.

NOTE: You can still recommend someone as a potential candidate even if we don't have a current role open that is the right fit. We will still add the candidate's information to our Applicant Tracking System and flag them for future opportunities.

## The Hiring Process

- All candidates, regardless of whether or not they were referred, will go through the same hiring process (established by Talent Acquisition).
- The Talent Acquisition Team will keep the referring employee updated throughout the candidate's interview and hiring process, to include if an offer is being made.

## The Referral Rebate

- If the candidate is hired, a referral bonus (less applicable payroll taxes) will be paid to the employee following a 90-day waiting period. The Talent Acquisition Team will track this time frame.
- The referral bonus will be paid during the first payroll following the referred employee's 90<sup>th</sup> day.
- The standard Referral Rebates that are listed below may change at any time and will be distributed unless otherwise noted.

Hourly/ Entry Level	\$100
Salaried/ Professional/ Manager	\$250
Manager Level	\$500
Executive & Director Level	\$750

- The Talent Acquisition Team may increase the referral bonus for a specific requisition based on factors such as: the current job market, the position, the location, time of year and various other factors. Those values will be announced once a specific requisition is opened.

## Who is eligible for a Referral Rebate?

- All employees of C3 Industries! You must be a current employee at the time of the referral payout to receive the bonus.
- Exclusions: Executive & Director level team members, Managers hiring direct reports, and Human Resources/Talent Acquisition are not eligible for referral bonuses.

# Employee Relations

## Process & Responsibilities

STEP	PROCESS	COMPLETED BY
Employee Discipline		
Report Issue/Incident	<ul style="list-style-type: none"><li>- Inform HR of any employee issue or incident</li><li>- If possible, complete an employee incident report or describe the incident or issue in writing</li></ul>	Manager
Collect information/Investigate	<ul style="list-style-type: none"><li>- Review any documentation provided</li><li>- Discuss the situation/collect additional feedback from any other involved parties</li></ul>	HR
Review documentation	<ul style="list-style-type: none"><li>- Review provided documentation/details, including HR reports, video and employee statements</li></ul>	Manager + HR
Determine Next Steps & Complete Disciplinary Counseling Report	<ol style="list-style-type: none"><li>1. Counseling and Verbal Warning</li><li>2. Written Warning</li><li>3. Suspension/Final Written Warning</li><li>4. Termination of Employment</li></ol> <ul style="list-style-type: none"><li>- Clearly document the situation, goals/corrective behavior and consequences on the Disciplinary Counseling Report</li></ul>	Manager + HR
Meet with employee	<ul style="list-style-type: none"><li>- Review the situation/incident or the Disciplinary Counseling Report with the employee</li><li>- Ensure that corrective action and next steps are discussed</li><li>- Allow the employee the opportunity to make comments on the Disciplinary Counseling Report</li><li>- Employee, Manager and a witness should sign off on the Disciplinary Counseling Report</li><li>- Should the employee refuse to sign the document, a note to that effect should be made</li></ul>	Manager w/ HR Support
Confirm complete documentation	<ul style="list-style-type: none"><li>- Confirm that all applicable documentation has been collected and saved to the employee's file</li></ul>	HR

## Counseling and Verbal Warning

The verbal warning creates an opportunity for the immediate manager to bring attention to the existing performance, conduct or attendance issue. The manager should discuss with the employee the nature of the problem or the violation of company policies and procedures. The manager is expected to clearly describe expectations and steps the employee must take to improve his or her performance or resolve the problem. Within five business days, the manager will prepare written documentation of the verbal counseling. The employee will be asked to sign this document to demonstrate his or her understanding of the issues and the corrective action.

## Written Warning

The written warning involves more-formal documentation of the performance, conduct or attendance issues and consequences. The immediate manager and HR (or next level up manager) will meet with the employee to review any additional incidents or information about the performance, conduct or attendance issues as well as any prior relevant corrective action plans. Management will outline the consequences for the employee of his or her continued failure to meet performance or conduct expectations. The written warning may also include a statement indicating that the employee may be subject to additional discipline, up to and including termination, if immediate and sustained corrective action is not taken.

## **Suspension/Final Written Warning**

Some performance, conduct or safety incidents are so problematic and harmful that the most effective action may be the temporary removal of the employee from the workplace. When immediate action is necessary to ensure the safety of the employee or others, the immediate manager may suspend the employee pending the results of an investigation. Suspensions are subject to approval from a next-level manager and HR.

Depending on the seriousness of the infraction, the employee may be suspended without pay in full day increments consistent with federal, state and local wage and hour employment laws. Nonexempt/hourly employees may not substitute or use an accrued paid time off in lieu of the unpaid suspension. In compliance with the Fair Labor Standards Act (FLSA), unpaid suspension of salaried/exempt employees is reserved for serious workplace safety or conduct issues. HR will provide guidance to ensure that the discipline is administered without jeopardizing the FLSA exemption status. Pay may be restored to the employee if an investigation of the incident or infraction absolves the employee of wrongdoing.

## **Termination of Employment**

Generally, C3 Industries will try to first provide warnings, issuing a final written warning or suspending the employee from the workplace before proceeding to a recommendation to terminate employment. However, C3 Industries reserves the right to combine and skip steps depending on the circumstances of each situation and the nature of the offense. Furthermore, employees may be terminated without prior notice or disciplinary action.

Management's recommendation to terminate employment must be approved by human resources (HR) and the division director, executive or designate.

## **Performance and Conduct Issues Not Subject to a Disciplinary Process**

Behavior that is illegal is not subject to a disciplinary process and may result in immediate termination. Such behavior may be reported to local law enforcement authorities. Similarly, theft, substance abuse, intoxication, fighting and other acts of violence at work are also not subject to a discipline process and may be grounds for immediate termination.

## **Documentation**

The employee will be provided copies of all discipline documentation. The employee will be asked to sign copies of this documentation attesting to his or her receipt and understanding of the corrective action outlined in these documents. Copies of these documents will be placed in the employee's official personnel file.

## Employee Theft

Theft or dishonesty are examples of unacceptable behavior. If a manager or other employee suspects that an employee is stealing, the following protocol should be followed:

### Process & Responsibilities

STEP	PROCESS	COMPLETED BY
<b>Employee Theft</b>		
Theft is Suspected	<ul style="list-style-type: none"><li>• Notify HR</li><li>• Make note of the following:<ul style="list-style-type: none"><li>• What was stolen?</li><li>• If items are missing, could they have been misplaced by accident?</li><li>• When did the incident occur? Was it a one-shot deal or has it persisted over time?</li><li>• Who do you believe is responsible? Why?</li></ul></li></ul>	Manager
Investigation	<ul style="list-style-type: none"><li>• HR will conduct an investigation if necessary and appropriate</li><li>• Managers will work with HR to gather STRONG evidence; i.e. video/audio surveillance, multiple witnesses, and/or METRC/POS data in order to make a case</li></ul>	Manager w/ Support from HR
Theft Confirmed	<ul style="list-style-type: none"><li>• Employee will be terminated immediately – follow steps as outlined in the “Involuntary Termination SOP”</li><li>• Michigan: Requires that all cases of theft are reported within 24 hours to the following agencies:<ul style="list-style-type: none"><li>• Michigan State Police - Phone: 517-284-3388   Email: <a href="mailto:mti@michigan.gov">mti@michigan.gov</a></li><li>• MRA – Phone: 517-284-8599   <a href="mailto:mra-enforcement@michigan.gov">mra-enforcement@michigan.gov</a></li><li>• Local Police Department</li></ul></li><li>• Oregon: Requires that all cases of theft are reported to the OLCC as soon as possible</li></ul>	Manager w/ Support from HR



## **FMLA Leave Expansion and Emergency Paid Sick Leave Policy (Coronavirus)**

### **Purpose**

To comply with the Families First Coronavirus Response Act and to assist employees affected by the COVID-19 outbreak with job-protected leave and emergency paid sick leave. This policy will be in effect from April 1, 2020, until December 31, 2020. Our existing FMLA leave policy still applies to all other reasons for leave outside of this policy.

### **Expanded FMLA Leave**

#### **Employee Eligibility**

All employees who have been employed with C3 Industries (C3I) for at least 30 days.

#### **Reason for Leave**

Eligible employees who are unable to work (or telework) due to a need to care for their child when the school or place of care has been closed, or the regular childcare provider is unavailable due to a public health emergency with respect to COVID-19.

#### **Duration of Leave**

Employees will have up to 12 weeks of leave to use from April 1, 2020, through December 31, 2020, for the purposes stated above. This time is included in and not in addition to the total FMLA leave entitlement of 12 weeks in a 12-month period.

For example, if an employee has already taken 6 weeks of FMLA leave, that employee would be eligible for another 6 weeks of FMLA leave under this policy.

#### **Pay During Leave**

Leave will be unpaid for the first 10 days of leave; however, employees may use any accrued paid vacation, sick or personal leave during this time. The employee may also elect to use the paid leave provided under the Emergency Paid Sick Leave Act, as further explained below. After the first 10 days, leave will be paid at two-thirds of an employee's regular rate of pay for the number of hours the employee would otherwise be scheduled to work. Pay will not exceed \$200 per day, and \$10,000 in total. Any unused portion of this pay will not carry over to the next year.

For employees with varying hours, one of two methods for computing the number of hours paid will be used:



- The average number of hours that the employee was scheduled per day over the 6-month period ending on the date on which the employee takes leave, including hours for which the employee took leave of any type. Or,
- If the employee has worked less than 6 months, the expected number of hours to be scheduled per day at the time of hire.

## **Employee Status and Benefits During Leave**

While an employee is on leave, the company will continue the employee's health benefits during the leave period at the same level and under the same conditions as if the employee had continued to work. While on paid leave, the employer will continue to make payroll deductions to collect the employee's share of the premium. During any unpaid portions of leave, the employee must continue to make this payment per instructions from the HR department.

## **Procedure for Requesting Leave**

All employees requesting FMLA leave must provide written notice, where possible, of the need for leave to the HR Department as soon as practicable. Verbal notice will otherwise be accepted until written notice can be provided. Within five business days after the employee has provided this notice, HR will complete and provide the employee with any Department of Labor (DOL) required notices.

On a basis that does not discriminate against employees on FMLA leave, the company may require an employee on FMLA leave to report periodically on the employee's status and intent to return to work.

## **Required Documentation**

C3I requires employees to provide documentation in support of their expanded family and medical leave as specified in applicable IRS forms, instructions, and information. In addition to providing appropriate documentation, employees requesting expanded family and medical leave will be asked to include a statement that the employee is unable to work (including telework, if applicable) in order to care for his or her child whose school or place of care is closed due to COVID-19, and note the date(s) for which leave is requested. Failure to provide sufficient documentation may result in delay or denial of leave.

Appropriate documentation includes, but is not limited to:

- A written notice of closure or unavailability from the childcare provider or school that outlines closure is related to COVID-19 concerns.

## **Employee Status After Leave**

Generally, an employee who takes FMLA leave will be able to return to the same position or a position with equivalent status, pay, benefits and other employment terms. The company may choose to exempt certain key employees from this requirement and not return them to the same



or similar position when doing so will cause substantial and grievous economic injury to business operations. Key employees will be given written notice at the time FMLA leave is requested of his or her status as a key employee.

## **Emergency Paid Sick Leave Policy**

### **Eligibility**

All full- and part-time employees unable to work (or telework) due to one of the following reasons for leave:

1. The employee is subject to a federal, state or local quarantine or isolation order related to COVID-19
2. The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19
3. The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis
4. The employee is caring for an individual who is subject to either number 1 or 2 above
5. The employee is caring for his or her child if the school or place of care of the child has been closed, or the childcare provider of such child is unavailable, due to COVID-19 precautions
6. The employee is experiencing any other substantially similar condition specified by the secretary of health and human services in consultation with the secretary of the treasury and the secretary of labor

“Child” means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis, who is:

- under 18 years of age; or
- 18 years of age or older and incapable of self-care because of a mental or physical disability

### **Amount of Paid Sick Leave**

All eligible full-time employees will have up to 80 hours of paid sick leave available to use for the qualifying reasons above. Eligible part-time employees are entitled to the number of hours worked, on average, over a two-week period.

For employees with varying hours, one of two methods for computing the number of hours paid will be used:

- The average number of hours that the employee was scheduled per day over the 6-month period ending on the date on which the employee takes leave, including hours for which the employee took leave of any type. Or,



- If the employee has worked less than 6 months, the expected number of hours to be scheduled per day at the time of hire

## **Rate of Pay**

Paid emergency sick leave will be paid at the employee's regular rate of pay, or minimum wage, whichever is greater, for leave taken for reasons 1-3 above. Employees taking leave for reasons 4-6 will be compensated at two-thirds their regular rate of pay, or minimum wage, whichever is greater. Pay will not exceed:

- \$511 per day and \$5,110 in total for leave taken for reasons 1-3 above
- \$200 per day and \$2,000 in total for leave taken for reasons 4-6 above

## **Interaction with Other Paid Leave**

The employee may use emergency paid sick leave under this policy before using any other accrued paid time off for the qualifying reasons stated above.

Employees on expanded FMLA leave under this policy may use emergency paid sick leave during the first 10 days of normally unpaid FMLA leave.

## **Procedure for Requesting Emergency Paid Sick Leave**

Employees must notify their manager or HR of the need and specific reason for leave under this policy. A Request for Emergency Paid Sick Leave form will be made available to all employees. Verbal notification will be accepted until practicable to provide written notice.

Once emergency paid sick leave has begun, the employee and their manager must determine reasonable procedures for the employee to report periodically on the employee's status and intent to continue to receive paid sick time.

## **Required Documentation**

C3I requires employees to provide documentation in support of their paid sick leave as specified in applicable IRS forms, instructions, and information. In addition to providing appropriate documentation, employees requesting paid sick leave will be asked to identify the reason for requesting leave, include a statement that the employee is unable to work (including telework, if applicable) for that reason, and note the date(s) for which leave is requested. Paid sick leave will not be provided to employees until sufficient documentation and materials have been received.

Appropriate documentation includes, but is not limited to:

- The source of any quarantine or isolation order and may include a copy of the Federal, State or local quarantine or isolation order related to COVID-19 applicable to the employee or the family member the employee is caring for.
- The name of the health care provider who has advised the employee to self-quarantine, including, for example, written documentation by a health care provider





- advising the employee or the family member the employee is caring for to self-quarantine due to concerns related to COVID-19.
- A written notice of closure or unavailability from the childcare provider or school that outlines closure is related to COVID-19 concerns.

## **Carryover**

Paid emergency sick leave under this policy will not be provided beyond December 31, 2020. Any unused paid sick leave will not carry over to the next year or be paid out to employees.

## **Job Protections**

No employee who appropriately utilizes emergency paid sick leave under this policy will be discharged, disciplined or discriminated against for work time missed due to this leave. Employees that fraudulently report or use this leave can be subject to disciplinary action up to and including termination.

Please contact the HR department with any questions.

## Injury and Incidents:

There is a difference between a job-related injury which is considered an accident or incident and needs only to be analyzed and documented, and an injury (or occupational disease) for which a claim must be filed.

If it is anticipated that medical treatment will not be needed, an accident report should be completed and provided to HR for record keeping. This verifies that the employee has met the requirement for promptly notifying us that an accident has occurred.

Note: Please ensure that you react appropriately and timely when notified of an accident or injury, failing to provide appropriate resources or information to the employee can result in downstream impact including, but not limited to: delay of claim approval, delay of benefits, further injury to the employee, ect.

## Process & Responsibilities

STEP	PROCESS	COMPLETED BY
<b>Reporting an Accident/Incident</b>		
Perform first aid, if needed	<ul style="list-style-type: none"><li>Perform basic first aid if needed, seek assistant if required.</li><li>Note: If an Employee is requesting to be seen by a doctor or physician, we cannot deny them their right to be seen – if this is the case follow “Workplace Injuries” process as outlined below</li></ul>	Employee
Notify manager	<ul style="list-style-type: none"><li>Employee should let their manager know if they have suffered an injury at work.</li></ul>	Employee
Complete Accident Report	<ul style="list-style-type: none"><li>Utilize the applicable accident report to document the details of the incident and injury.</li></ul>	Manager
Submit document to HR	<ul style="list-style-type: none"><li>Forward a copy of the accident report to HR for record keeping.</li></ul>	Manager
<b>Workplace Injuries</b>		
Manager notified	<ul style="list-style-type: none"><li>Employee should immediately let their manager know if they have suffered an injury at work and require medical attention.</li></ul>	Employee
Seek medical attention	<ul style="list-style-type: none"><li>Seek appropriate medical attention as permissible in the state worked.</li></ul>	Employee
Notify HR	<ul style="list-style-type: none"><li>If they are not already aware, communicate to HR that an injury requiring medical attention has occurred.</li></ul>	Manager
Complete Injury Report	<ul style="list-style-type: none"><li>Utilize the applicable injury report to document the details of the incident and injury.</li><li>Forward a copy of the report to HR.</li></ul>	Manager/Employee
File a claim	<ul style="list-style-type: none"><li>File a claim with the applicable workers compensation carrier.</li></ul>	HR
Manage claim & return to work	<ul style="list-style-type: none"><li>Work with the insurance carrier to manage the claim process as well as any applicable next steps.</li><li>Communicate regularly with employee regarding return to work, if applicable.</li></ul>	HR
<b>Severe or Fatal Workplace Injuries</b>		
Contact emergency services	<ul style="list-style-type: none"><li>Call 911 or if the employee is responsive and coherent, and it is safe to do so, take the employee to the nearest hospital emergency room.</li></ul>	Manager
Secure the accident scene	<ul style="list-style-type: none"><li>Ensure the safety of others in the area. Only allow access to authorized people. Do not disturb the scene until OSHA investigates, unless a law enforcement officer tells you to do so, or if it's necessary to safely reach victims or to prevent injuries.</li></ul>	Manager

Notify HR	<ul style="list-style-type: none"> <li>• If they are not already aware, communicate to HR that a severe/fatal injury has occurred.</li> </ul>	Manager
Complete Injury Report	<ul style="list-style-type: none"> <li>• Work to collect as much information as possible regarding the situation.</li> <li>• Complete applicable injury reports.</li> </ul>	Manager & HR
Notify OSHA	<ul style="list-style-type: none"> <li>• Within eight hours of a workplace fatality or catastrophe; or within 24 hours of an in-patient hospitalization, amputation, or eye loss.</li> </ul>	HR
File a claim	<ul style="list-style-type: none"> <li>• File a claim with the applicable workers compensation carrier.</li> </ul>	HR
Manage claim process, return to work, etc.	<ul style="list-style-type: none"> <li>• Work with the insurance carrier to manage the claim process as well as any applicable next steps.</li> <li>• Communicate regularly with employee regarding return to work, if applicable.</li> </ul>	HR

**Important** – In the event that we are unable to accommodate the restrictions as outlined by the medical provider do not allow the employee to work outside of the prescribed activity. Contact HR immediately and make them aware that an accommodation cannot be made. HR will make the Worker's Compensation Carrier aware immediately and once the employee has met the designated waiting period, they will start to receive Disability Benefits. The employee will be placed on a Leave of Absence. For specific questions in relation to disability benefits or a Leave of Absence for an employee due to the Employer's inability to accommodate please contact your HR Team.

## Policies

### Oregon

C3 Industries must accept notice of a claim from an employee and report that injury to our insurance company within five days. If the employee needs no medical treatment or is given only first aid, there is no need to notify our insurer. A record of this injury should be maintained for a year. If, however, C3I later learns that the injury has worsened and requires medical attention from a licensed practitioner, C3I must report the injury within five days by using Form 801.

The date C3I is informed of the employee's intent to seek medical treatment is considered the date C3I had knowledge of the claim. When submitting an 801 form, C3I will also include a copy of any related accident report as additional documentation.

Injured employees are allowed their choice of attending physician. They may select an initial attending physician and change physicians two additional times. Approval from the insurer or the Workers' Compensation Division is required when an injured employee wishes to change physicians more than three times.

### Michigan

If a worker is injured on the job, C3 Industries must ensure that reasonable and necessary medical treatment is provided promptly. All claims must be reported to our insurance carrier. Filing form WC-100 with the Workers' Compensation Agency and our insurance carrier is required whenever there is disability exceeding seven consecutive days, death, or specific loss.

Medical benefits should be provided from the day of injury. During the first 28 days of treatment, C3I has the right to choose the doctor. Human resources will provide a list of approved treatment facilities and doctors. After 28 days the employee is free to change doctors providing that a written notification be provided to C3I and the insurance company. Employees do not need authorization from the insurance company or C3I to be medically treated, as long as the treatment is reasonable and necessary, and the claim is not in dispute. Consistent with applicable state law, failure to report an injury and seek treatment within a reasonable period of time could jeopardize the claim.

## **Filing a Worker's Compensation Claim – HR will file claim directly with our Third Party Administrator (TPA)**

1. Provide prompt medical treatment
  - a. In the event of an emergency, Conifer will work with any facility. For non-emergencies, Conifer recommends Concentra Urgent Care centers for treatment
2. Employee completes necessary claim form
3. Ensure the treating facility is aware that it's a Worker's Comp claim and provide the following:
  - a. The address of the carrier (see below)
  - b. The contact for the handling of the claim
3. Promptly notify the WC carrier of the injury
4. File Form 801 with the State of Oregon:
  - a. C3 Industries shared drive > Human Resources – Worker's Comp > Form 801
5. File a Form 100 with the State of Michigan:
  - a. C3 Industries shared drive > Human Resources – Worker's Comp > WC-100
5. Prevent further injuries with corrective action
6. Stay in touch with the injured worker
7. Make accommodations that enable the worker to return to work

### White Pine Insurance Company Workers' Compensation Division

550 W. Merrill St, Suite 200 P.O. Box 14480  
Birmingham, MI 48009 Salem, OR 97309-0405

Contact (248) 559-0840 (503)-947-7585

Email [claims@coniferinsurance.com](mailto:claims@coniferinsurance.com) <http://www.cbs.state.or.us/wcd/index.html> Fax (248) 559-0870

After Hours (877) 263-6468

## Leave of Absence

During an employee's tenure, they may need to take time off for either an extended period of time or intermittently for a qualifying event or condition under federal law (Family Medical Leave Act) or state law (Oregon Family Leave Act). The reason for the time off request may include, but is not limited to, their own serious health condition, a family member's serious health condition, baby bonding (parental leave), maternity, etc. When these events occur in an employee's life, they may be eligible to take protected leave. Please note that there are multiple laws in play when employees request time off due to medical conditions, so contact your HR Team immediately with questions/concerns. Do not promise an employee that time off will be available. Upon notification, HR will determine the employee's eligibility and will follow up with the manager and employee directly to discuss the available leave options. HR will also discuss and review the process with both the employee and the direct manager.

## Process & Responsibilities

STEP	PROCESS	COMPLETED BY
Leave of Absence (LOA)		
Notification that Employee needs time off for Qualifying Leave Reason	<ul style="list-style-type: none"> <li>Employee notifies you that they need to be off for a qualifying reason under FMLA/OFLA</li> <li>Immediately notify HR <ul style="list-style-type: none"> <li>Do not promise the Employee that time is available. Make them aware that you need to notify HR and HR will follow up with them directly regarding processes and responsibilities <ul style="list-style-type: none"> <li>Note: Even if the employee has PTO available, this process <u>must be followed</u>. Failure to follow this process upon notification of a potential FMLA/OFLA qualifying reason will put the employer at risk</li> </ul> </li> <li><b>Important:</b> There are no magic words for requesting leave. Once a manager/supervisor is notified, the company is on notice. An employee does not need to specifically state "I am requesting time off under FMLA" <ul style="list-style-type: none"> <li>A few common examples of potential LOAs include, but are not limited to: <ul style="list-style-type: none"> <li>Employee states they need time off for surgery</li> <li>Employee states they need time off to take care of a family member</li> <li>Employee states they need time off for physical therapy</li> <li>A family member calls and states the employee was involved in a car accident and will not be at work</li> </ul> </li> <li>Immediately contact your HR Team with questions related to a time off request and whether it may qualify as a protected LOA</li> </ul> </li> </ul> </li> </ul>	Manager
HR is Notified of Need for Time Off	<ul style="list-style-type: none"> <li>HR will meet with the Employee directly to discuss the need for time off</li> <li>HR will review Employee's eligibility <ul style="list-style-type: none"> <li>HR will notify the Employee if they are or are not eligible to take leave <ul style="list-style-type: none"> <li>If Eligible: HR will provide a certification packet for employee to complete <ul style="list-style-type: none"> <li>HR will meet with Employee and review leave paperwork (can occur in person or over the phone)</li> </ul> </li> </ul> </li> </ul> </li> </ul>	HR

	<ul style="list-style-type: none"> <li>Note: Employees have 15 days to return completed certification from date it is provided to them. Failure to complete paperwork can cause the leave request to be delayed or denied</li> <li>HR will confirm outcome of the conversation with manager, if leave paperwork was provided and deadline for employee to provide paperwork <ul style="list-style-type: none"> <li>Note: HR cannot share all details in relation to leave as Personal Health Information (PHI) is HIPPA protected. HR will only share necessary information i.e. expected time away from work, if intermittent leave then will provide expected intermittent leave schedule</li> </ul> </li> <li>If Not Eligible: HR will make the employee aware they are not eligible for leave and the reason they are not eligible <ul style="list-style-type: none"> <li>Note: if Employee is not eligible under FMLA/OFLA due to not meeting length of service requirement and leave is requested for own personal health condition, then HR will work to determine if Employee is covered under ADAA (Americans with Disabilities Amendments Act). If this is the case – HR will complete an interactive process with the employee. HR will keep the manager informed as necessary through the process</li> <li>HR will make the manager aware they do not qualify for leave and we are issuing a denial letter</li> <li>HR will send letter for denial to employee for leave under FMLA/OFLA</li> </ul> </li> </ul>	
Employee Returns Completed Medical Certificate	<ul style="list-style-type: none"> <li>Employee turns in completed Medical Certificate to HR Department <ul style="list-style-type: none"> <li>Important: If an employee turns in a completed medical certificate directly to their manager or supervisor, do not review or discuss the information with the employee or others. Immediately send to HR and let the employee know that HR will follow up with them directly (potential for HIPPA violations)</li> </ul> </li> <li>HR will review the Medical Certificate and determine if Certificate is in fact fully completed i.e. no missing information: <ul style="list-style-type: none"> <li>If Medical Certificate is insufficient or unclear: <ul style="list-style-type: none"> <li>HR will make Manager aware that Medical Certificate is incomplete, and they will be following up with the Employee to discuss</li> <li>HR will reach out directly to the Employee and notify them verbally that we cannot accept the</li> </ul> </li> </ul> </li> </ul>	HR

	<p>Medical Certificate due to insufficient or unclear information</p> <ul style="list-style-type: none"> <li>• HR will outline missing information verbally</li> <li>• HR will draft Letter and send Letter to the Employee that outlines what information is needed in order to accept certification</li> <li>• Employee will have 5 days from request of additional/clarifying information to rectify the medical certificate <ul style="list-style-type: none"> <li>• Note: Potential for extension if employee cannot have physician complete by deadline. Employee must contact HR directly to discuss if they are unable to provide certification by requested deadline <ul style="list-style-type: none"> <li>• HR will evaluate if extension is reasonable and confirm yes or no</li> </ul> </li> </ul> </li> <li>• If Medical Certificate is complete: <ul style="list-style-type: none"> <li>• HR will make manager aware that Employee has returned the completed Medical Certificate <ul style="list-style-type: none"> <li>• HR will outline dates employee is necessary to be off for block leave</li> <li>• HR will notify manager of frequency if the employee is requesting an intermittent leave</li> </ul> </li> <li>• HR will send employee approval letter under FMLA/OFLA</li> </ul> </li> </ul>	
Use of Leave - Intermittent	<ul style="list-style-type: none"> <li>• For an intermittent approval under FMLA, the Employee must notify both their Manager and HR for usage <ul style="list-style-type: none"> <li>• HR will track FMLA/OFLA usage</li> <li>• Managers must also keep HR aware of days that an Employee uses OFLA/FMLA once they are on an approved Intermittent Leave <ul style="list-style-type: none"> <li>• Reason for this is to ensure we catch all hours that need to be applied for job protected leave</li> </ul> </li> </ul> </li> </ul>	Employee/Manager/HR
Employee's Return to Work	<ul style="list-style-type: none"> <li>• HR will contact the employee 2 weeks prior to their scheduled return to confirm Return to Work and remind the employee that they will need to provide a note that releases them back to work <ul style="list-style-type: none"> <li>• If Employee notifies HR they are unable to return by the expected Return to Work date, then HR will request additional documentation as applicable</li> <li>• HR will contact the manager directly if the employee is not returning as expected</li> </ul> </li> <li>• Upon Return to Work, the Employee must be returned to their same or equivalent position <ul style="list-style-type: none"> <li>• Note: FMLA/OFLA definition of "equivalent" is very stringent – for any change in an employee's return to work from their initial position, please contact HR to discuss. HR will need to evaluate whether the changes meet the "equivalent" definition as outlined in the law</li> <li>• Note: If a manager updates or changes an employee's job duties upon an employee's return to work without express approval from HR, the manager can be subject</li> </ul> </li> </ul>	

	<p>to disciplinary action due to putting the company at risk and can be held personally liable</p> <ul style="list-style-type: none"> <li>• If the employee is out on Leave due to their own serious health condition, they must present a note upon their return to work that releases them back with or without restrictions <ul style="list-style-type: none"> <li>• Note: If the employee is released back to work with restrictions we will need to evaluate if an accommodation can be made</li> <li>• If the Employee does not provide you a note releasing them to work, please contact HR immediately and let the Employee know they cannot return to work without a note releasing them back</li> <li>• The certification completed by the healthcare provider certifies time off needed – it does not certify that employee can return to work</li> </ul> </li> </ul>	
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Please be aware that this process is highly interactive. Employees that fail to engage or provide necessary documentation are subject to disciplinary action, and leave can be open to denial or delay if they do not participate in the process. HR will keep you apprised if an employee is failing to interact or provide necessary documentation in order to certify their time off. Do not take disciplinary action on an employee requesting leave without reviewing and discussing it with HR first (this could be considered retaliatory).

Employees covered under these laws have legal rights and failure to follow the necessary processes puts the company at risk. FMLA/OFLA are legal processes. Failure to engage with the employee and failure to meet notification requirements can result in legal ramifications. Again, once a Manager or Supervisor is aware of a qualifying situation the company is now legally on notice.

For questions, concerns, or to discuss anything that may be related to LOAs, contact your HR department to discuss in detail.



## Process & Responsibilities

STEP	PROCESS	COMPLETED BY
<b>Reporting an Accident/Incident</b>		
Perform first aid, if needed	- Perform basic first if needed, seek assistant if required.	Employee
Notify manager	- Employee should let their manager know if they have suffered an injury at work.	Employee
Complete Accident Report	- Utilize the applicable accident report to document the details of the incident and injury.	Manager
Submit document to HR	- Forward a copy of the accident report to HR for record keeping.	Manager
<b>Workplace Injuries</b>		
Manager notified	- Employee should immediately let their manager know if they have suffered an injury at work and require medical attention.	Employee
Seek medical attention	- Seek appropriate medical attention as permissible in the state worked.	Employee
Notify HR	- If they are not already aware, communicate to HR that an injury requiring medical attention has occurred.	Manager
Complete Injury Report	- Utilize the applicable injury report to document the details of the incident and injury. - Forward a copy of the report to HR.	Manager/Employee
File a claim	- File a claim with the applicable workers compensation carrier.	HR
Manage claim & return to work	- Work with the insurance carrier to manage the claim process as well as any applicable next steps. - Communicate regularly with employee regarding return to work, if applicable.	HR
<b>Severe or Fatal Workplace Injuries</b>		
Contact emergency services	- Call 911 or if the employee is responsive and coherent, and it is safe to do so, take the employee to the nearest hospital emergency room.	Manager
Secure the accident scene	- Ensure the safety of others in the area. Only allow access to authorized people. Do not disturb the scene until OSHA investigates, unless a law enforcement officer tells you to do so, or if it's necessary to safely reach victims or to prevent injuries.	Manager
Notify HR	- If they are not already aware, communicate to HR that a severe/fatal injury has occurred.	Manager
Complete Injury Report	- Work to collect as much information as possible regarding the situation. - Complete applicable injury reports.	Manager & HR
Notify OSHA	- Within eight hours of a workplace fatality or catastrophe; or within 24 hours of an in-patient hospitalization, amputation, or eye loss.	HR
File a claim	- File a claim with the applicable workers compensation carrier.	HR
Manage claim process, return to work, etc.	- Work with the insurance carrier to manage the claim process as well as any applicable next steps. - Communicate regularly with employee regarding return to work, if applicable.	HR

# Webberville Facility

## For Emergency Situations:

Nearest Emergency Rooms:

**St. Joseph Mercy – Livingston** (16.4 miles via I-96)

620 Byron Rd

Howell, MI 48843

**Sparrow Hospital** (21.8 miles via I-96)

1215 E Michigan Ave

Lansing, MI 48912

In the event of an emergency, our worker's compensation insurance will work with any facility. There are a few other hospitals in the area – feel free to choose whichever you prefer.

Please have the injured party notify hospital staff that this is a worker's compensation claim and provide them with the information at the bottom of this page.

## For Non-Emergency Situations:

Urgent Care:

**Concentra Urgent Care** (25.5 miles via I-96)

7960 Grand River Ave

Ste 100

Brighton, MI 48114

Please have the injured party notify Concentra staff that this is a worker's compensation claim and provide them with the information at the bottom of this page.

## Worker's Compensation Information:

**Conifer Insurance Company**

550 W. Merrill St., Suite 200

Birmingham, MI 48009

Contact: (248) 559-0840

Email: [claims@coniferinsurance.com](mailto:claims@coniferinsurance.com)

After Hours: (877) 263-6468

# High Profile, Ann Arbor

## For Emergency Situations:

Nearest Emergency Rooms:

**University of Michigan Hospital** (2.2 miles via S. Division St)

1500 E Medical Center Dr

Ann Arbor, MI 48109

**St. Joseph Mercy Ann Arbor** (5.5 miles via Washtenaw Ave)

5301 McAuley Dr

Ypsilanti, MI 48197

In the event of an emergency, our worker's compensation insurance will work with any facility, so feel free to choose whichever you prefer.

Please have the injured party notify hospital staff that this is a worker's compensation claim and provide them with the information at the bottom of this page.

## For Non-Emergency Situations:

Urgent Care:

**Concentra Urgent Care** (2.3 miles via State St)

3131 S State St

Ann Arbor, MI 48108

Please have the injured party notify Concentra staff that this is a worker's compensation claim and provide them with the information at the bottom of this page. You may also choose another Concentra location if available.

## Worker's Compensation Information:

**Conifer Insurance Company**

550 W. Merrill St., Suite 200

Birmingham, MI 48009

Contact: (248) 559-0840

Email: [claims@coniferinsurance.com](mailto:claims@coniferinsurance.com)

After Hours: (877) 263-6468

# High Profile, Detroit: Groesbeck Highway

## For Emergency Situations:

Nearest Emergency Rooms:

**Ascension Macomb-Oakland Hospital, Warren Campus** (5 miles via M-97 N and Hoover Rd)  
11800 Twelve Mile Rd  
Warren, MI 48093

**Ascension St. John Hospital** (5.9 miles via 8 Mile and Moross)  
22101 Moross Rd  
Detroit, MI 48236

**Ascension Macomb-Oakland Hospital Madison Heights** (8.9 miles via I-696 W)  
27351 Dequindre Rd  
Madison Heights, MI 48071

In the event of an emergency, our worker's compensation insurance will work with any facility. There are a few other hospitals in the area – feel free to choose whichever you prefer.

Please have the injured party notify hospital staff that this is a worker's compensation claim and provide them with the information at the bottom of this page.

## For Non-Emergency Situations:

Urgent Care:

**Concentra Urgent Care** (5.5 miles via M-97 and Hoover)  
11569 Twelve Mile Rd  
Warren, MI 48093

Please have the injured party notify Concentra staff that this is a worker's compensation claim and provide them with the information at the bottom of this page. You may also choose another Concentra location if available.

## Worker's Compensation Information:

**Conifer Insurance Company**  
550 W. Merrill St., Suite 200  
Birmingham, MI 48009

Contact: (248) 559-0840  
Email: [claims@coniferinsurance.com](mailto:claims@coniferinsurance.com)  
After Hours: (877) 263-6468

## No Call/No Show

An employee failing to show up or call in for a scheduled shift without prior approval may result in termination. If an employee fails to report to work or call in to inform the manager of the absence for 3 consecutive days or more, the employee will be considered to have voluntarily resigned from employment.

## Process & Responsibilities

STEP	PROCESS	COMPLETED BY
<b>No Call No Show – No Response from Employee</b>		
Employee was a No Call No Show	<ul style="list-style-type: none"> <li>• Manager to Call Employee Immediately (note: there could be a legitimate emergency)</li> <li>• Notify HR</li> </ul>	Manager
Determine Action	<ul style="list-style-type: none"> <li>• Discuss with HR any action due to No Call No Show – <b>Important:</b> do not take any further action prior to discussing desired action with HR: <ul style="list-style-type: none"> <li>• Contacting Emergency Contacts (If necessary)</li> <li>• Involuntary Termination (Only if employee is unable to be reached after 24 hours – see protocol for Involuntary Termination)</li> <li>• Voluntary Termination – No Call No Show for 3 consecutive days</li> </ul> </li> </ul>	Manager w/ Support from HR
Act as Decided	<ul style="list-style-type: none"> <li>• If Involuntary: Follow Involuntary Termination SOP.</li> <li>• If Voluntary: Follow Voluntary Termination SOP.</li> <li>• <b>Note:</b> HR will assist in either process as decided</li> </ul>	Manager w/ Support from HR
<b>No Call No Show – Response from Employee</b>		
Employee was a No Call No Show	<ul style="list-style-type: none"> <li>• Manager to Call Employee Immediately (note: there could be a legitimate emergency)</li> <li>• Notify HR</li> </ul>	Manager
Employee Responds to Manager or Shows Up the Following Day	<ul style="list-style-type: none"> <li>• Manager to discuss with Employee reason for the No Call No Show <ul style="list-style-type: none"> <li>• <b>Important:</b> If Employee discloses to the Manager that they are missing work due to a Medical Condition let them know that you need to make HR aware and HR will reach out to them directly with further information/next steps. Make HR aware immediately if this is the case. <ul style="list-style-type: none"> <li>• Employees have protections under different laws – once an employee has notified us of a medical condition we need to evaluate if they are covered. We may need to pursue a different path than disciplinary action.</li> </ul> </li> </ul> </li> </ul>	Manager
Determine Action	<ul style="list-style-type: none"> <li>• Discuss with HR the reason for the No Call No Show and determine next steps, up to and including: <ul style="list-style-type: none"> <li>• Warning (Verbal or Written)</li> <li>• Suspension</li> <li>• Termination</li> </ul> </li> </ul>	Manager w/ Support from HR
Act as Decided	<ul style="list-style-type: none"> <li>• Warning (Verbal or Written)</li> <li>• Suspension</li> <li>• Termination</li> </ul>	Manager w/ Support from HR

## Workplace Violence Prevention

C3I is committed to providing a safe, violence-free workplace for our employees. Threats, threatening language, or any other acts of aggression or violence made toward or by any employee will not be tolerated. A threat may include any verbal or physical harassment or abuse, attempts to intimidate others, menacing gestures, stalking, or any other hostile, aggressive, and/or destructive actions taken for the purposes of intimidation.

### Process & Responsibilities

STEP	PROCESS	COMPLETED BY
<b>Workplace Violence Prevention</b>		
Concerning/Harassing Behavior Occurs	<ul style="list-style-type: none"><li>• Report any concerning behavior to HR immediately</li><li>• If the situation is an emergency, call 911!</li></ul>	Manager
Investigation	<ul style="list-style-type: none"><li>• HR will conduct an investigation if necessary and appropriate</li><li>• Managers will work with HR to gather facts/evidence; i.e. video/audio surveillance, multiple witnesses<ul style="list-style-type: none"><li>• Document actions</li></ul></li></ul>	Manager w/ Support from HR
Next Steps	<ul style="list-style-type: none"><li>• Cases will vary and appropriate action will be taken. Any such act or threatening behavior may result in disciplinary action up to and including termination.</li><li>• Manager and HR will work to determine the most appropriate action to take.</li></ul>	Manager w/ Support from HR

**Diversity Plan**  
**Marijuana Retailer Application**  
**43 Freeport St., Boston, MA 02122**  
**Erba C3 Dorchester LLC**

**Introduction**

Erba C3 Dorchester LLC (the “**Company**”) is seeking to operate a retail Marijuana Establishment (the “**Center**”) at 43 Freeport Street, Boston, Massachusetts (the “**Property**”). The Company is a subsidiary of a large multi-state operator that currently holds cannabis licenses for cultivation, production and retail facilities in several states, including Oregon, Missouri, Massachusetts and Michigan. As a result, the Company has experience developing human resource (“**HR**”) policies and procedures that adhere to all state and local rules and regulations, as amended from time-to-time (the “**Applicable Laws**”), including the rules set forth by the Cannabis Control Commission (the “**Commission**”).

Any actions taken, or programs instituted, will not violate the Commission’s regulations with respect to limitations on ownership or control or other Applicable Laws.

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

**Diversity Plan**

The Company acknowledges the challenge of workplace diversity, stemming from differences of gender, race, age, sexual orientation, disability, religion, class and marital status. The Company commits to the equitable treatment of all prospective and current employees, and will seek to encourage the participation in the cannabis industry by members of diverse groups, including pursuant to the programs outlined below.

The Company has a zero-tolerance policy against discrimination of any kind; occurrences of discrimination or perceived discrimination are investigated on a case-by-case basis. Employees, including management, found to have participated in a discriminatory event will be dismissed immediately.

The Company shall document the progress or success of this plan one year from receiving its final license and each year thereafter.

## **Goal #1: Workplace Diversity**

**Goal:** The Company is committed to recruiting from a diverse, qualified group of candidates to increase diversity of thinking and perspective within the Company's operations. As such, the Company will strive to hire at least 20% of its workforce as women and 30% as people of color, particularly Black, African American, Hispanic, and Latinx (collectively, the "**Identified Groups**").

### **Programs:**

1. The Company will advertise, at least once every six (6) months and on an as needed basis, employment opportunities specifically targeting the Identified Groups through a variety of different publications and media, including, but not limited to, disseminating job postings through local print news outlets, community partners (i.e., word of mouth/referrals), and online mediums such as Diversityjobs.com, Facebook and LinkedIn. The Company will also seek to communicate openings to cannabis organizations in Massachusetts focused on women and minorities.
2. The Company will encourage current employees to recommend individuals from Identified Groups for employment. The Company will create formal programs for incentives for current employees to recommend individuals from Identified Groups that currently work in, or may be interested in entering, the cannabis industry. Employees will receive a bonus for each candidate referred from an Identified Group that is hired by the Company.
3. The Company will conduct at least one (1) job fair per year and advertise any available positions at least twice per year in the local newspaper and other mediums listed in paragraph 1 above. The job fairs hosted by the Company will have a specific focus on targeting and attracting individuals from the Identified Groups.

### **Measurements:**

1. The Company will collect demographic information on its workforce in order to determine the number of individuals from the Identified Groups that are employed at the Center, to ensure that individuals are from the Identified Groups.
2. The Company will track the number of, and record the information related to (i.e., location, participation rate, etc.), job fairs hosted by the Company within each calendar year.
3. The Company will track the number of, and record the information related to (i.e., published medium, job description, etc.), job postings targeted at individuals from the Identified Groups within each calendar year.



## **Goal #2: Accessibility & Training**

**Goals:** The Company is committed to supporting the entrance into the cannabis industry of individuals from the Identified Groups with the goal of helping such individuals establish long-term, rewarding careers in the industry. The Company will host at least one (1) information session related training, education and development of careers in the cannabis industry.

The Company will host at least one (1) information session related to training, education and career opportunities within the cannabis industry that will specifically focus on targeting and attracting applicants that are women and/or a person of color and are interested in pursuing educational adventures.

The Company will host its information session during second quarter of each calendar year (i.e., April, May or June). The informational session will be held online through the Zoom videoconferencing platform or at a local venue to be rented by the Company once the global pandemic has passed. The Company will advertise its information session at least two (2) weeks in advance through both online and print mediums. With respect to online advertising, the Company will promote its information session on its various social media platforms, including, but not limited to Facebook, Instagram and LinkedIn. With respect to print advertising, the Company will advertise its information session in the Dorchester Reporter, a community newspaper that is delivered every Thursday.

### **Programs:**

1. The Company will host at least one (1) information session per year related to training, education and career opportunities within the cannabis industry that will specifically focus on targeting and attracting individuals from the Identified Groups that are interested in pursuing educational adventures.

### **Measurements:**

1. The Company will track the number, and record the subject matter, of information sessions hosted within each calendar year.