



**STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
OFFICE OF CANNABIS REGULATION
560 JEFFERSON BLVD., SUITE 204
WARWICK, RI 02886**

<p>IN THE MATTER OF:</p> <p style="text-align: center;">FIRST LIGHT, LLC</p> <p>RESPONDENT.</p>	<p style="text-align: center;">DBR No. 21MM008</p>
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CONSENT AGREEMENT

Reference is made to the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act, Rhode Island General Laws § 21-28.6-1 *et seq.* (the “Act”) and Rules and Regulations Related to the Medical Marijuana Program Administered by the Office of Cannabis Regulation at the Department of Business Regulation, 230-RICR-80-5-1 *et seq.* (the “Regulations”). The Department of Business Regulation (“Department), Office of Cannabis Regulation (“OCR”) and First Light, LLC a Rhode Island limited liability company (“Respondent”), hereby consent and agree that:

1. On or about March 8, 2017, Respondent submitted its Class B Medical Marijuana Cultivator License Application, Application No. MMP CV 0076 (“Application”). Per Respondent’s LLC Operating Agreement dated April 20, 2017, Respondent is owned collectively by its three members, Andrew Costa and Nicholas Costa (“Messrs. Costa”) and Barbara Bellotti (Ms. Bellotti”).
2. On or about July 27, 2017, the Department issued a letter to Respondent requesting additional details surrounding Respondent’s proposed facility location.
3. On or about February 11, 2018, Respondent informed the Department the location listed in its Application were unsuitable and, therefore, proposed a different location for its facility.
4. On or about June 19, 2019, the Department issued a conditional approval letter for Respondent’s proposed location.
 - A. Pursuant to the conditional approval letter and the Regulations, Applicant had “up to nine (9) months [or until March 19, 2020] to take reasonable and documented efforts to complete the prerequisites for issuance of the Medical Marijuana Cultivator License”

after which Respondent would be required to demonstrate good cause why the conditional application approval should not be rescinded.

5. On or about January 23, 2020, Respondent informed the Department that it would not be moving forward with its proposed facility location and requested conditional approval for a different location in Warwick, Rhode Island.
6. On or about March 23, 2020, the Department issued a second conditional approval letter for Respondent's January 23, 2020 proposed facility location which provided Respondent an additional nine-month period, or until December 23, 2020, to complete the prerequisites to licensure.
7. On or about January 21, 2021, Respondent informed the Department that it did not make sufficient progress to satisfy the Prerequisites for licensure and informed the Department that it could not move forward with its proposed facility at the Warwick location.
8. On or about January 21, 2021, Respondent and Respondent's sole members and owners, Messrs. Costa and Ms. Bellotti, requested the Department's approval of a proposed sale of [REDACTED] of the Respondent's ownership and requested an additional conditional approval letter for a different facility location in North Kingstown, Rhode Island (the "North Kingstown Premises"), and a final facility completion deadline of October 27, 2021.

A. Because the buyers involved in the proposed transaction are two individuals with financial interests in a different Rhode Island Medical Marijuana Cultivator ("Cultivator B") licensee, Respondent understands and agrees that buyers must divest those interests pursuant to § 1.3(F)(5)(a) of the Regulations.

i. Buyer # 1 holds an [REDACTED] ownership interest in Cultivator B and will divest this interest concurrently with the execution of this Agreement as follows:

a. By a sale and transfer to Cultivator B or its Members or a third party in accordance with the terms of Cultivator B's operating agreement.

ii. Buyer # 2 had given a \$ [REDACTED] loan to Cultivator B; Respondent has provided the Department with documentary evidence and affirmation from Buyer # 2 that the loan has been paid in full and discharged effective March 17, 2021, and that there are no other loans to and that Buyer #2 has no other financial interests in Cultivator B as of the date of execution of this Agreement.

iii. Buyer #1 and Buyer # 2 are hereinafter collectively referred to as the "Buyers."

9. In an effort to resolve the aforementioned issues without devoting the state's resources to an administrative hearing, the Department and Respondent enter into this Consent Agreement. The Department agrees to grant Respondent's ownership change, proposed

facility location change and extension request to October 27, 2021 based upon Respondent's representations and agreements contained in this Agreement including Respondent's satisfaction of each of the following terms and conditions:

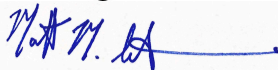
- A. **Within five (5) days of the execution of this Consent Agreement**, Respondent, Messrs. Costa and Ms. Bellotti will (i) consummate the proposed sale and transfer of a collective ■% LLC membership/ownership interests in Respondent to the Buyers, (ii) provide OCR with copies of the executed documents confirming the sale and transfer and a Form 2 disclosure statement confirming all interest holders of the Respondent, (iii) provide OCR with a copy of the Respondent's amended Operating Agreement reflecting the membership/ownership transfer, and (iv) provide OCR with Buyers' written confirmation that Respondent is subject to and responsible to perform the terms and conditions of this Consent Agreement.
- B. **Concurrently with the execution of this Consent Agreement**, Respondent will provide OCR with copies of (i) Respondent's final construction and improvement plans and specifications for the North Kingstown Premises, and (ii) Respondent's application for a special use permit which Respondent must submit to the Town within five (5) business days of the date of this Consent Agreement.
- C. **Concurrently with the execution of this Consent Agreement**, Respondent shall provide OCR with satisfactory evidence that (i) the North Kingstown Premises is not within 1,000 feet of a public or private school, and (ii) evidence of the North Kingstown Premises owner's lease to, and agreement to permit Respondent's licensed medical marijuana cultivator operations at, the North Kingstown Premises.
- D. Respondent will satisfy all Prerequisites for licensure pursuant to Section 1.3(F)(3) of the Regulations by the dates listed below, including but not limited to the delivery to OCR of the following items:
 - i. **No later than October 27, 2021**, Respondent shall provide OCR with:
 - (a) satisfactory documentation that a special use permit has been issued by the Town of North Kingstown as to the North Kingstown property comprising the facility premises ("Premises") and permitting licensed cultivation of medical marijuana; and
 - (b) a zoning official letter of recent date confirming that all terms and conditions in the special use permits (including any planning board requirements) have been satisfied by Respondent and that cultivation of medical marijuana is permitted at the Premises;
 - ii. **No later than October 27, 2021**, Respondent shall provide OCR with copies of its final operations manual including all policies and procedures for training personnel, cultivation, pesticide use, safety and security, recordkeeping and records retention, and all other matters as required under the Regulations;

- iii. **No later than October 27, 2021**, Respondent shall provide OCR with a list of names, addresses, and dates of birth of all persons who will be employees or agents of Respondent at inception;
 - iv. **No later than October 27, 2021**, Respondent shall provide OCR with a copy of its final Fire Marshal approval and Certificate of Occupancy.
 - v. **No later than October 27, 2021**, the Department's final pre-license inspection of the premises shall have occurred with the results of such inspection to be satisfactory to the Department in all respects;
 - vi. **No later than October 27, 2021**, Respondent shall provide OCR with satisfactory evidence of divestiture of any prohibited material financial interests or control, including relinquishment of any caregiver registrations or cooperative cultivation licenses;
 - vii. **No later than October 27, 2021**, Respondent shall provide OCR with satisfactory evidence that national criminal background checks have been completed, and registry identification cards issued, for all officers and directors (or managers/members of the LLC), employees, and agents;
 - viii. **No later than October 27, 2021**, Respondent shall remit its annual license fee of \$35,000 in the form of a cashier's check or money order payable to the General Treasurer, State of Rhode Island.
- E. In addition to the providing evidence of Prerequisite satisfaction on or before the correlating date identified in ¶ 9(D), Respondent will submit **weekly progress updates** via e-mail to OCR Chief Public Protection Inspector Peter Squatrito at Peter.Squatrito@dbr.ri.gov, OCR Senior Economic & Policy Analyst Erica Ferrelli at Erica.Ferrelli@dbr.ri.gov, and OCR Legal Counsel Samuel Kovach-Orr, Esq. at Samuel.KovachOrr@dbr.ri.gov by the close of business every Friday.
- F. Respondent will supply OCR with any and all supplemental materials requested for verification of any representation or assertion made in any weekly progress updates submitted to OCR as a result of Respondent's compliance with paragraph 9(D) of this Consent Agreement.
- G. Respondent acknowledges, understands and agrees that OCR will not issue any further extensions to Respondent for the completion of any pre-requisites for issuance of its License beyond the date of **October 27, 2021**.
10. The parties agree that this Consent Agreement and its terms represent the final determination of this matter.

11. *Waiver of Hearing and Appeal.* By agreeing to resolve this matter through the execution of this Consent Agreement, Respondent knowingly and voluntarily waives any right to an administrative hearing and waives any right to pursue an appeal to the Superior Court under the Rhode Island Administrative Procedures Act, R.I. Gen. Laws § 42-35-1, *et seq.*
12. *Enforcement.* If the Respondent fails to comply with any term or condition of this Consent Agreement within any applicable time period set forth herein, the Respondent will be in violation hereunder and the Department shall be entitled to immediately take enforcement or other action in accordance with applicable law.
13. *Compliance; Laws.* Compliance with the terms of this Consent Agreement does not relieve the Respondent of any obligation to comply with other applicable laws or regulations administered by or through the Department, OCR or any other governmental agency.

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For the Department:



Signature

Name: Matthew Santacroce

Title: Chief

Date: 05/04/2021

Respondent First Light, LLC



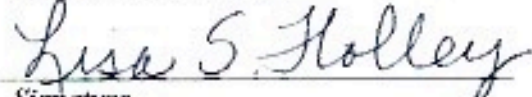
Signature

Name: Andrew Costa

Title: President

Date: 04/27/2021

Respondent's Counsel:



Signature

Name: LISA S. HOLLEY

Date: 4-27-2021