

SETTLEMENT AGREEMENT

Effective June ___, 2024 (the “Effective Date”), the State of Maine Department of Administrative and Financial Services (“DAFS” or “the Department”) and Licensee, Norco Outdoor Cannabis, LLC (ACD114), (collectively, “the Parties”) enter into this Settlement Agreement (the “Agreement”).

The Licensee, Norco Outdoor Cannabis, LLC (“Norco”) owns several adult use cannabis establishments. The members of Norco are Daniel Cellucci, John Emery, Brian Stephano, Steven Shea, Barrett Bilotta, Brendan Duggan, and James Duggan.

On January 31, 2024, Michael W. Field, Director of Licensing, Office of Cannabis Policy (“OCP”), DAFS, issued a Notice of Administrative Action, concerning ACD114 pursuant to the Cannabis Legalization Act, 28-B M.R.S. §§ 101-1102 (the “CLA”), and Maine Adult Use Cannabis Program Rules, 18-691 C.M.R. Ch. 1 (the “AUCPR”).

This action is subject to an administrative hearing pursuant to 28-B M.R.S. §801 and in accordance with the Maine Administrative Procedure Act, 5 M.R.S. §§ 9051-9064, and then potentially to judicial review pursuant to 5 M.R.S. §§ 11001-11002 and M.R. Civ. P. 80C.

NOW THEREFORE, as the Parties wish to settle this matter in consideration of the mutual promises set forth herein, rather than continue the hearing and appeals process, the Parties agree as follows:

1. In September of 2023 OCP investigated Norco. OCP concluded that Norco had made changes to its facility without getting the prior approval of the Department. This included changes to security camera locations, the addition of two shipping containers, and the removal of two hoop houses with cameras. Also, the layout of the cultivation areas was different than that shown on the approved Facility Plan, and the cultivation area exceeded the square footage of the Facility Plan by more than 1,800 square feet. In response, Norco submitted a new Facility Plan to OCP which was approved.
2. The parties agree to a fine of \$1,000 for each minor violation for a total fine of \$2,000 which Norco shall pay by August 30, 2024.
3. This Agreement sets forth the entire agreement of the Parties in relation to the

conduct described above and in the Notice dated January 31, 2024, and any amendment hereof shall be in writing. Representations that are not contained in the Agreement or subsequent written amendment shall have no effect.

4. The Parties agree that once this agreement is signed an administrative hearing on the Notices of Administrative Action is no longer necessary.
5. The Parties acknowledge that this Agreement and its reduction to final written form is the result of good faith negotiations between the Parties. The Parties and their respective counsel (if applicable) have carefully reviewed and examined this Agreement before execution by said Parties. Any statute or rule of construction that requires ambiguities to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.
6. This Agreement shall be governed by the laws of the State of Maine.
7. The Parties agree that this Agreement is binding upon, and inures to the benefit of, the Parties and their successors and assigns.
8. The signatory for DAFS, Vernon W. Malloch, represents that he is duly authorized and empowered to execute this Agreement on behalf of DAFS, and that his signature is enough to legally bind DAFS to the terms of this Agreement.
9. The signatory for the Licensee, Norco, represents that he is duly authorized and empowered to execute this Agreement on behalf of Licensee and that his signature is enough to legally bind Licensee to the terms of this Agreement.

IN WITNESS WHEREOF, the duly authorized representative of DAFS, and Daniel Cellucci, have signed this Agreement below:

NORCO OUTDOOR CANNABIS, LLC



By Daniel Cellucci, Member

6/11/2024
Date: _____

DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES



By Vernon W. Malloch, Deputy Director of Operations,
Office of Cannabis Policy

Date 6/13/2024