



Massachusetts Cannabis Control Commission

Marijuana Microbusiness

General Information:

License Number: MB281476
Original Issued Date: 07/01/2019
Issued Date: 10/08/2020
Expiration Date: 10/10/2021

ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Blackstone Valley Naturals, LLC

Phone Number: 973-851-6832 Email Address: kevin@yamna.co

Business Address 1: 660 Douglas Street SUITE 400 Business Address 2:

Business City: Uxbridge Business State: MA Business Zip Code: 01569

Mailing Address 1: 660 Douglas Street SUITE 400 Mailing Address 2:

Mailing City: Uxbridge Mailing State: MA Mailing Zip Code: 01569

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: 40 Percentage Of Control: 50

Role: Director Other Role:

First Name: Timothy Last Name: Phillips Suffix:

Gender: Male	User Defined Gender:
What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)	
Specify Race or Ethnicity:	

Person with Direct or Indirect Authority 2

Percentage Of Ownership: 35	Percentage Of Control: 50
Role: Director	Other Role:
First Name: Kevin	Last Name: MacConnell Suffix:
Gender: Male	User Defined Gender:
What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)	
Specify Race or Ethnicity:	

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

No records found

CLOSE ASSOCIATES AND MEMBERS

No records found

CAPITAL RESOURCES - INDIVIDUALS

Individual Contributing Capital 1

First Name: Brian	Last Name: MacConnell	Suffix:
Types of Capital: Monetary/Equity	Other Type of Capital:	Total Value of the Capital Provided: \$100000
Capital Attestation: Yes		Percentage of Initial Capital: 25

Individual Contributing Capital 2

First Name: Jacquie	Last Name: Fauter-MacConnell	Suffix:
Types of Capital: Monetary/Equity	Other Type of Capital:	Total Value of the Capital Provided: \$100000
Capital Attestation: Yes		Percentage of Initial Capital: 25

Individual Contributing Capital 3

First Name: Arleen	Last Name: Warhola	Suffix:
Types of Capital: Monetary/Equity	Other Type of Capital:	Total Value of the Capital Provided: \$100000
Capital Attestation: Yes		Percentage of Initial Capital: 25

Individual Contributing Capital 4

First Name: Tiana	Last Name: Warhola	Suffix:
Types of Capital: Monetary/Equity	Other Type of Capital:	Total Value of the Capital Provided: \$100000
Capital Attestation: Yes		Percentage of Initial Capital: 25

CAPITAL RESOURCES - ENTITIES

No records found

BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

DISCLOSURE OF INDIVIDUAL INTERESTS

No records found

MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Cultivation Environment: Indoor

Establishment Activities: Both Cultivating and Manufacturing

Establishment Address 1: 660 Douglas Street, Unit 400

Establishment Address 2:

Establishment City: Uxbridge

Establishment Zip Code: 01569

Approximate square footage of the Establishment: 11500 How many abutters does this property have?: 5

Have all property abutters have 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	Host Community Agreement Certification Form (Executed).pdf	pdf	5ba105d5da72283955c62568	09/18/2018
Community Outreach Meeting Documentation	Community Outreach Meeting Attestation Form.pdf	pdf	5ba118775a6f093923e518bf	09/18/2018
Plan to Remain Compliant with Local Zoning	Plan to Remain Compliant with Local Zoning.pdf	pdf	5ba11d7db60ce4391d88059c	09/18/2018
Community Outreach Meeting Documentation	Community Outreach Meeting Ad.pdf	pdf	5c7714613779161b2a873c26	02/27/2019

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	Positive Impact Plan.pdf	pdf	5c7714a5edbb73122a61740c	02/27/2019

ADDITIONAL INFORMATION NOTIFICATION

Notification: I understand

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

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

Individual Background Information 2

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

ENTITY BACKGROUND CHECK INFORMATION

No records found

MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	Certificate of Organization (Blackstone Valley Naturals, LLC) (AS FILED).pdf	pdf	5baaacf3614f16d06bbcbdd	09/25/2018
Department of Revenue - Certificate of Good standing	DOR Certificate of Good Standing.pdf	pdf	5c7707de3d84de123a611bb4	02/27/2019
Secretary of Commonwealth - Certificate of Good Standing	Secretary of Commonwealth Certificate of Good Standing (Blackstone Valley Naturals, LLC).pdf	pdf	5c7707fa9ff0081b4821ad76	02/27/2019
Bylaws	Operating Agreement (Blackstone Valley Naturals, LLC)(Executed) (1).pdf	pdf	5c7708128d16491b5c0f89cb	02/27/2019

Certificates of Good Standing:

Document Category	Document Name	Type	ID	Upload Date
Department of Unemployment Assistance - Certificate of Good standing	COGS Attestation.pdf	pdf	5e89f14a2eba6d38ef16591b	04/05/2020
Department of Revenue - Certificate of Good standing	COGS Department of Revenue.pdf	pdf	5f3d5c2bf6d8f5082e446ce9	08/19/2020
Secretary of Commonwealth - Certificate of Good Standing	COGS Secretary of the Commonwealth.pdf	pdf	5f495e0cb18f5e08358c8660	08/28/2020

Massachusetts Business Identification Number: 001330805

Doing-Business-As Name: Yamna

DBA Registration City: Uxbridge

BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Business Plan	Blackstone Valley Naturals LLC Business Plan.pdf	pdf	5baa7101f081906304afdf3e	09/25/2018

OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Sample of unique identifying marks for branding	B101 Branding.pdf	pdf	5f4a6931b18f5e08358c874d	08/29/2020
Policies and procedures for cultivating	C101 Cultivation.pdf	pdf	5f4a69714fa1b607d3b62167	08/29/2020
Policies and procedures for cultivating	Cloning Manual.pdf	pdf	5f4a69729438190840926230	08/29/2020
Dispensing procedures	DP101 Dispensing Procedures.pdf	pdf	5f4a69951e17f807ff96bb3f	08/29/2020

Security plan	EP101 Emergency Procedures.pdf	pdf	5f4a6a0287ec2b07e9c52ae8	08/29/2020
Security plan	EP102 Disaster Management Plan.pdf	pdf	5f4a6a03233f7b08653837c0	08/29/2020
Energy Compliance Plan	EEC101 Energy Efficiency and Conservation.pdf	pdf	5f4a6a4c971c7c07c0436f72	08/29/2020
Policies and procedures for cultivating	HM101 Handling of Marijuana.pdf	pdf	5f4a6a5d5330a107b966e1d6	08/29/2020
Personnel policies including background checks	Hours of Operation.pdf	pdf	5f4a6a849438190840926234	08/29/2020
Inventory procedures	PI101 Physical Inventory.pdf	pdf	5f4a6ad7cc687b07b261416f	08/29/2020
Qualifications and training	JD0010 Accounting Manager.pdf	pdf	5f4a6b3d3595ff084fed6536	08/29/2020
Qualifications and training	JD101 Job Descriptions.pdf	pdf	5f4a6b3e1e17f807ff96bb44	08/29/2020
Qualifications and training	JD102 Lead Grower.pdf	pdf	5f4a6b3ff6d8f5082e448af9	08/29/2020
Qualifications and training	JD103 PackagerGrammer.pdf	pdf	5f4a6b40cc687b07b2614173	08/29/2020
Qualifications and training	JD104 Trimmer.pdf	pdf	5f4a6b41daa09e087b8a0276	08/29/2020
Qualifications and training	JD0300 Director of Quality.pdf	pdf	5f4a6b6d7116b407de6555f0	08/29/2020
Qualifications and training	JD0650 IT Manager.pdf	pdf	5f4a6b6e3a4447086ca9910f	08/29/2020
Qualifications and training	JD0770 Manufacturing Manager.pdf	pdf	5f4a6b6f971c7c07c0436f76	08/29/2020
Qualifications and training	JD1130 Sales Manager.pdf	pdf	5f4a6b70b18f5e08358c8753	08/29/2020
Qualifications and training	JT101 Sales.pdf	pdf	5f4a6b954fa1b607d3b6216b	08/29/2020
Qualifications and training	JT102 PackagerGrammer.pdf	pdf	5f4a6b96943819084092623a	08/29/2020
Qualifications and training	JT103 Trimmer.pdf	pdf	5f4a6b965fa28707f4582c2b	08/29/2020
Dispensing procedures	PA101 Packaging of Marijuana and Marijuana Products.pdf	pdf	5f4a6cc54fa1b607d3b6216f	08/29/2020
Dispensing procedures	PL101 Product Labeling.pdf	pdf	5f4a6cc6943819084092623e	08/29/2020
Maintaining of financial records	ACT101 Accounts Payable And Cash Disbursements.pdf	pdf	5f4a6cf13595ff084fed653b	08/29/2020
Maintaining of financial records	ACT102 Invoice Billings and Accounts Receivable.pdf	pdf	5f4a6cf21e17f807ff96bb49	08/29/2020
Maintaining of financial records	ACT103 End of Period Review and Closing.pdf	pdf	5f4a6cf3f6d8f5082e448afd	08/29/2020
Maintaining of financial records	FCR101 Weekly Financial and Six-Week Cash Flow.2.pdf	pdf	5f4a6cf4cc687b07b261417b	08/29/2020
Maintaining of financial records	FCR101 Weekly Financial and Six-Week Cash Flow.pdf	pdf	5f4a6cf6daa09e087b8a027e	08/29/2020
Maintaining of financial records	MFR101 Maintaining of Financial Records.pdf	pdf	5f4a6d007116b407de6555f6	08/29/2020
Production methods	PM102 Solvent Hash Oil.pdf	pdf	5f4a6d49b18f5e08358c8758	08/29/2020
Safety Plan for Manufacturing	PM103 Carpet Cleaning.pdf	pdf	5f4a6d4a5330a107b966e1dc	08/29/2020
Production methods	PM104 Cannagars.pdf	pdf	5f4a6d4b9fd04f085a978c71	08/29/2020
Restricting Access to age 21 and older	MA101 Building Marketing Plans.pdf	pdf	5f4a6d785fa28707f4582c2f	08/29/2020
Restricting Access to age 21 and older	MA102 Public Relations.pdf	pdf	5f4a6d793595ff084fed653f	08/29/2020

Restricting Access to age 21 and older	MA103 Trade Shows Exhibits.pdf	pdf	5f4a6d7a1e17f807ff96bb4d	08/29/2020
Diversity plan	DP101 Diversity Plan.pdf	pdf	5f4a6db1daa09e087b8a0282	08/29/2020
Personnel policies including background checks	Employee Manual.pdf	pdf	5f4a6db287ec2b07e9c52af0	08/29/2020
Personnel policies including background checks	PNL101 Employment Policies and Diversity.pdf	pdf	5f4a6db3233f7b08653837c5	08/29/2020
Personnel policies including background checks	PNL102 Employee Hiring and New Employee Orientation.pdf	pdf	5f4a6db47116b407de6555fa	08/29/2020
Personnel policies including background checks	PNL103 Pay and Payroll Matters.pdf	pdf	5f4a6db53a4447086ca99114	08/29/2020
Personnel policies including background checks	PNL104 Resignation and Terminations.pdf	pdf	5f4a6e015330a107b966e1e0	08/29/2020
Personnel policies including background checks	PNL105 Sexual Harassment.pdf	pdf	5f4a6e029fd04f085a978c75	08/29/2020
Personnel policies including background checks	PNL106 Workplace Rules and Guidelines.pdf	pdf	5f4a6e034fa1b607d3b62174	08/29/2020
Safety Plan for Manufacturing	PNL107 Workplace Safety.pdf	pdf	5f4a6e049438190840926242	08/29/2020
Qualifications and training	PNL108 Agent Training.pdf	pdf	5f4a6e055fa28707f4582c33	08/29/2020
Prevention of diversion	PD101 Prevention of Diversion.pdf	pdf	5f4a6e1e1e17f807ff96bb51	08/29/2020
Types of products	PM101 Product Types and Pricing.pdf	pdf	5f4a6e2ddaa09e087b8a0286	08/29/2020
Quality control and testing	QCT101 Quality Control and Testing.pdf	pdf	5f4a6e50b18f5e08358c875c	08/29/2020
Record Keeping procedures	RK101 Record Keeping.pdf	pdf	5f4a6e5f9fd04f085a978c79	08/29/2020
Restricting Access to age 21 and older	RA101 Restricting Access To 21+.pdf	pdf	5f4a6e865fa28707f4582c37	08/29/2020
Security plan	SAO101 Intrusion Protection.pdf	pdf	5f4a6eae6d8f5082e448b03	08/29/2020
Security plan	SAO102 Physical Security.pdf	pdf	5f4a6eafcc687b07b261417f	08/29/2020
Security plan	SAO103 Personnel.pdf	pdf	5f4a6eb0daa09e087b8a028a	08/29/2020
Security plan	SAO104 Guard Force Management.pdf	pdf	5f4a6eb187ec2b07e9c52af4	08/29/2020
Security plan	SAO105 Electronic Countermeasures.pdf	pdf	5f4a6eb2233f7b08653837cb	08/29/2020
Security plan	SAO106 Transfer of Cash.pdf	pdf	5f4a6ed13a4447086ca9911a	08/29/2020
Security plan	SAO107 Internal Procedures.pdf	pdf	5f4a6ed2971c7c07c0436f7d	08/29/2020
Security plan	SAO108 IT Incident Handling.pdf	pdf	5f4a6ed3b18f5e08358c8760	08/29/2020
Security plan	SAO109 Incoming Deliveries.pdf	pdf	5f4a6ed45330a107b966e1e4	08/29/2020
Security plan	BVN COVID-19 Health Program.pdf	pdf	5f4a6ef09438190840926246	08/29/2020
Personnel policies including background checks	Staffing Plan.pdf	pdf	5f4a6f411e17f807ff96bb55	08/29/2020
Storage of marijuana	SM101 Storage of Marijuana Product.pdf	pdf	5f4a6f8f87ec2b07e9c52af8	08/29/2020
Policies and procedures for cultivating	WP101 Waste Disposal.pdf	pdf	5f4a6f90233f7b08653837cf	08/29/2020
Transportation of marijuana	TM101 Transportation of Marijuana.pdf	pdf	5f4a6faa3a4447086ca9911e	08/29/2020

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 Understand

I certify that any changes in ownership or control, location, or name will be made pursuant to a separate process, as required under 935 CMR 500.104(1), and none of those changes have occurred in this application.: I Agree

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

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

ADDITIONAL INFORMATION NOTIFICATION

Notification: I Understand

COMPLIANCE WITH POSITIVE IMPACT PLAN

Progress or Success Goal 1

Description of Progress or Success: There is nothing to report as of now. We do not yet have the capital or resources needed to assist in helping the organizations listed on our plan. We are still working to keep ourselves afloat and all parties are aware that these programs cannot begin until Blackstone Valley Naturals can get up on their feet.

COMPLIANCE WITH DIVERSITY PLAN

Diversity Progress or Success 1

Description of Progress or Success: Blackstone Valley Naturals does not have the money needed to source and conduct a thorough hiring process. The company also does not have money to pay their current listed employees. The current badged individuals on the license include 2 owners plus friends and family that are volunteering to work for free. These individuals have even payed, out of their own pocket, for the badge and background check fees.

PRODUCT MANUFACTURER SPECIFIC REQUIREMENTS

Item 1

Name of Item: Cannagar

Item Type: Flower

Item Description: The Yamna Cannagar is Blackstone Valley Naturals first product line. This is a 2 gram flower/trim pre-rol. It is rolled tightly to smoke slow like a cigar. The cannagar is wrapped in palm leaf and has a cornhusk filter. The strains currently being sold are Power of Haze (Power Africa and Amnesia Haze mix), Power of Africa (Power Africa), Alien OG, Double Grape, MAC 1, Wedding Crashers, and Tropicanna Cookies.

HOURS OF OPERATION

Monday From: 9:00 AM	Monday To: 6:00 PM
Tuesday From: 9:00 AM	Tuesday To: 6:00 PM
Wednesday From: 9:00 AM	Wednesday To: 6:00 PM
Thursday From: 9:00 AM	Thursday To: 6:00 PM
Friday From: 9:00 AM	Friday To: 6:00 PM

Saturday From: 9:00 AM Saturday To: 6:00 PM

Sunday From: Closed Sunday To: Closed

Host Community Agreement Certification Form

The applicant and contracting authority for the host community must complete each section of this form before uploading it to the application. Failure to complete a section will result in the application being deemed incomplete. Instructions to the applicant and/or municipality appear in italics. 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(1).

Applicant

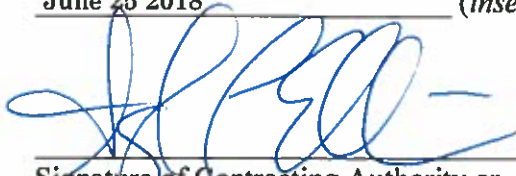
I, Timothy Phillips, (*insert name*) certify as an authorized representative of Blackstone Valley Naturals, LLC (*insert name of applicant*) that the applicant has executed a host community agreement with Town of Uxbridge (*insert name of host community*) pursuant to G.L.c. 94G § 3(d) on June 25, 2018 (*insert date*).



Signature of Authorized Representative of Applicant

Host Community

I, Angeline Ellison, (*insert name*) certify that I am the contracting authority or have been duly authorized by the contracting authority for Town of Uxbridge (*insert name of host community*) to certify that the applicant and Town of Uxbridge (*insert name of host community*) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on June 25 2018 (*insert date*).



Signature of Contracting Authority or
Authorized Representative of Host Community

Community Outreach Meeting Attestation Form

The applicant must complete each section of this form and initial each page before uploading it to the application. Failure to complete a section will result in the application being deemed incomplete. Instructions to the applicant appear in italics. 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(1).

I, Timothy Phillips, (*insert name*) attest as an authorized representative of Blackstone Valley Naturals, LLC (*insert name of applicant*) that the applicant has complied with the requirements of 935 CMR 500 and the guidance for licensed applicants on community outreach, as detailed below.

1. The Community Outreach Meeting was held on June 21, 2018 (*insert date*).
2. A copy of a notice of the time, place, and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was published in a newspaper of general circulation in the city or town on June 14, 2018 (*insert date*), which was at least seven calendar days prior to the meeting. A copy of the newspaper notice is attached as Attachment A (*please clearly label the newspaper notice in the upper right hand corner as Attachment A and upload it as part of this document*).
3. A copy of the meeting notice was also filed on June 13, 2018 (*insert date*) with the city or town clerk, the planning board, the contracting authority for the municipality, and local licensing authority for the adult use of marijuana, if applicable. A copy of the municipal notice is attached as Attachment B (*please clearly label the municipal notice in the upper right-hand corner as Attachment B and upload it as part of this document*).
4. Notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed on June 13, 2018 (*insert date*), which was at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. A copy of one of the notices sent to abutters and parties of interest as described in this section is attached as Attachment C (*please clearly label the municipal notice in the upper right hand corner as Attachment C and upload it as part of this document; please only include a copy of one notice and please black out the name and the address of the addressee*).

**LEGAL NOTICE OF COMMUNITY OUTREACH
MEETING REGARDING AN ADULT-USE MARI-
JUANA ESTABLISHMENT PROPOSED BY
BLACKSTONE VALLEY NATURALS LLC**

Notice is hereby given that a Community Outreach Meeting for Blackstone Valley Naturals LLCs proposed Marijuana Establishment is scheduled for June 21, 2018 at 6:30pm at the Uxbridge Progressive Club, 18 Whitin street, Uxbridge, MA 01569. The proposed Micro-business license is anticipated to be located at 660 Douglas Street- unit 400, Uxbridge, MA 01569. Community members will be permitted, and are encouraged, to ask questions and receive answers from the management team.

A copy of this notice is on file with the Town Clerk, the Board of Selectmen's office, and the Planning Department, and a copy of this Notice was published in a newspaper of general circulation and mailed at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the proposed Marijuana Establishment, owners of land directly opposite on any public or private street or way, and abutters to the abutters within three hundred (300) feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. "

June 14, 2018

TP 9/18

LAW OFFICE OF W. ROBERT KNAPIK, P.C.

1279 Providence Road
Whitinsville, MA 01588

(508) 234-3301
(508) 234-2201 (facsimile)

rob@knapiklaw.com
www.knapiklaw.com

June 13, 2018

BY ELECTRONIC MAIL AND HAND DELIVERY

Kelly J. Dumas, Uxbridge Town Clerk
Uxbridge Town Hall
21 South Main Street
Uxbridge, MA 01569

Re: Blackstone Valley Naturals, LLC Community Outreach Meeting

Dear Ms. Dumas:

Our office represents Blackstone Valley Naturals, LLC in connection with a proposed Marijuana Establishment to be located at 660 Douglas Street in Uxbridge. Blackstone Valley Naturals, LLC will submit an application to the Massachusetts Cannabis Control Commission ("MACCC") pursuant to 935 CMR 500.000 to operate a "Microbusinesses". As you may know, as a prerequisite to the issuance of a Marijuana Establishment license, the applicant must submit to the MACC documentation that the applicant has conducted a community outreach meeting and a "copy of the meeting notice filed with the city or town clerk, the planning board, the contracting authority for the municipality, and local licensing authority for the adult use of marijuana, if applicable".¹ Accordingly, enclosed please find a copy of the Notice of a Community Outreach Meeting for Blackstone Valley Naturals, LLC's proposed Marijuana Establishment scheduled for June 21, 2018 at 6:30 pm at the Uxbridge Progressive Club, 18 Whitin Street, Uxbridge, Massachusetts 01569.

The enclosed Notice has been published in a newspaper of general circulation in the city or town (*Worcester Telegram and Gazette*) at least seven calendar days prior to the Community Outreach Meeting.

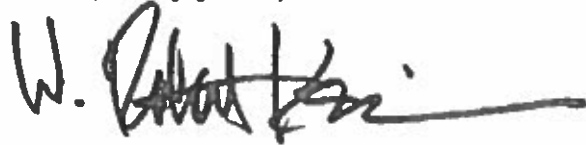
Thank you for attention to this matter. If you should have any questions or require additional information, please do not hesitate to contact me.

¹ See 935 CMR 500.101(1)(a)9.

TP 9/11/18

Kelly J. Dumas, Uxbridge Town Clerk
June 13, 2018
Page 2

Very truly yours,

A handwritten signature in black ink, appearing to read "W. Robert Knapik", with a long horizontal flourish extending to the right.

W. Robert Knapik

cc: Blackstone Valley Naturals, LLC
Uxbridge Planning Board, James Smith, Chairman (by First Class Mail and Hand Delivery)
Uxbridge Board of Selectmen, Justin Piccirillo, Chairman (by First Class Mail and Hand Delivery)

TP 7/17/18

Legal Notice of Community Outreach Meeting Regarding an Adult Use Marijuana Establishment Proposed by Blackstone Valley Naturals, LLC

June 12, 2018

Notice is hereby given that a Community Outreach Meeting for Blackstone Valley Naturals, LLC's proposed Marijuana Establishment is scheduled for June 21, 2018 at 6:30 pm at the Uxbridge Progressive Club, 18 Whitin Street, Uxbridge, MA 01569. The proposed Micro-business license is anticipated to be located at 660 Douglas Road, Unit 400, Uxbridge, MA 01569. Community members will be permitted, and are encouraged, to ask questions and receive answers from the management team.

A copy of this notice is on file with the Town Clerk, the Board of Selectmen's office, and the Planning Department, and a copy of this Notice was published in a newspaper of general circulation and mailed at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the proposed Marijuana Establishment, owners of land directly opposite on any public or private street or way, and abutters to the abutters within three hundred (300) feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town.

Legal Notice of Community Outreach Meeting Regarding an Adult Use Marijuana Establishment Proposed by Blackstone Valley Naturals, LLC

June 12, 2018

Notice is hereby given that a Community Outreach Meeting for Blackstone Valley Naturals, LLC's proposed Marijuana Establishment is scheduled for June 21, 2018 at 6:30 pm at the Uxbridge Progressive Club, 18 Whitin Street, Uxbridge, MA 01569. The proposed Micro-business license is anticipated to be located at 660 Douglas Road, Unit 400, Uxbridge, MA 01569. Community members will be permitted, and are encouraged, to ask questions and receive answers from the management team.

A copy of this notice is on file with the Town Clerk, the Board of Selectmen's office, and the Planning Department, and a copy of this Notice was published in a newspaper of general circulation and mailed at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the proposed Marijuana Establishment, owners of land directly opposite on any public or private street or way, and abutters to the abutters within three hundred (300) feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town.

TP
9/18/18

5. Information was presented at the community outreach meeting including:
 - a. The type(s) of Marijuana Establishment to be located at the proposed address;
 - b. Information adequate to demonstrate that the location will be maintained securely;
 - c. Steps to be taken by the Marijuana Establishment to prevent diversion to minors;
 - d. A plan by the Marijuana Establishment to positively impact the community; and
 - e. Information adequate to demonstrate that the location will not constitute a nuisance as defined by law.
6. Community members were permitted to ask questions and receive answers from representatives of the Marijuana Establishment.

Plan to Remain Compliant with Local Zoning

Blackstone Valley Naturals, LLC shall apply for a license from the Massachusetts Cannabis Control Commission (“MACCC”) to operate a “Microbusinesses” Marijuana Establishment at 660 Douglas Street in Uxbridge, Massachusetts (the Property). The Property is located within the Industrial Zoning District of the Town of Uxbridge. The Uxbridge Zoning Bylaw provides that a Marijuana Establishment is allowed as of right within the Industrial Zoning District (*see* attached §400-23 [Marijuana establishments, and medical marijuana treatment centers] of the Uxbridge Zoning Bylaw).

Upon issuance of a license to operate a Microbusinesses by the MACCC, Blackstone Valley Naturals, LLC will apply for a Building Permit from the Town of Uxbridge. No other permit or relief from the Uxbridge Zoning Bylaw is required to operate a Marijuana Establishment within the Industrial Zoning District. If at any time it should become necessary to obtain any other permit or approval, or relief from the Uxbridge Zoning Bylaw, to operate a Marijuana Establishment within the Industrial Zoning District, then Blackstone Valley Naturals, LLC will apply for any such permit or approval, or relief from the Uxbridge Zoning Bylaw.

Chapter 400

ZONING BYLAWS

**ARTICLE I
Purpose and Authority**

- § 400-1 Purpose
- § 400-2 Authority
- § 400-3 Scope
- § 400-4 Applicability
- § 400-5 Amendments
- § 400-6 Separability

**ARTICLE II
Establishment of Districts**

- § 400-7 Establishment
- § 400-8 Overlay Districts
- § 400-9 Zoning Map

**ARTICLE III
Use Regulations**

- § 400-10 Principal Uses
- § 400-11 Accessory Uses and Structures
- § 400-12 Nonconforming Uses and Structures

**ARTICLE IV
Dimensional and Bulk Requirements**

- § 400-13 General Requirements
- § 400-14 Special Dimensional Requirements

**ARTICLE V
General Regulations**

- § 400-15 Reserved
- § 400-16 Reserved
- § 400-17 Reserved
- § 400-18 Reserved
- § 400-19 Reserved

**ARTICLE VI
Special Nonresidential Regulations**

- § 400-20 Special Permit for Major Nonresidential Project
- § 400-21 Adult Entertainment
- § 400-22 Trailers; Junk Cars
- § 400-23 Marijuana establishments, and medical marijuana treatment centers
- § 400-24 Reserved
- § 400-25 Reserved
- § 400-26 Reserved
- § 400-27 Reserved

**ARTICLE VII
Special Residential Regulations**

- § 400-28 Open Space Development
- § 400-29 Townhouse Development
- § 400-30 Conservation Design Development
- § 400-31 Growth Management
- § 400-32 Retreat Lots
- § 400-33 Reserved
- § 400-34 Reserved
- § 400-35 Reserved
- § 400-36 Reserved

§400-23 Marijuana establishments, and medical marijuana treatment centers

A. Definitions

Under Chapter 400, ZONING BYLAWS, the following definitions shall be provided:

1. Consumer - a person who is at least 21 years of age.
2. Host community – The Town of Uxbridge.
3. Host community agreement – an agreement setting forth the conditions to have a marijuana establishment or medical marijuana treatment center located within the host community which shall include, but not be limited to, all stipulations of responsibilities between the host community and the marijuana establishment or a medical marijuana treatment center.
4. Marijuana - all parts of any plant of the genus Cannabis, not excepted below and whether growing or not; the seeds thereof; and resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin including tetrahydrocannabinol as defined in section 1 of chapter 94C of the Massachusetts General Laws; provided that Marijuana' shall not include:
 - a. The mature stalks of the plant, fiber produced from the stalks, oil, or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks, fiber, oil, or cake made from the seeds of the plant or the sterilized seed of the plant that is incapable of germination;
 - b. Hemp; or
 - c. The weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink or other products.
5. Marijuana cultivator - an entity licensed to cultivate, process and package marijuana, to deliver marijuana to marijuana establishments and to transfer marijuana to other marijuana establishments, but not to consumers.
6. Marijuana establishment - a marijuana cultivator, marijuana testing facility, marijuana research facility, marijuana product manufacturer, marijuana retailer or any other type of licensed marijuana-related business.
7. Medical marijuana treatment center - shall mean an entity, as defined by Massachusetts law only, that acquires, cultivates, possesses, processes (including development of related products such as food, tinctures, aerosols, oils, or ointments), transfers, transports, sells, distributes, dispenses, or administers marijuana, products containing marijuana, related supplies, or educational materials to qualifying patients or their personal caregivers.
8. Marijuana testing facility - an entity licensed to test marijuana and marijuana products, including certification for potency and the presence of contaminants.

9. Marijuana research facility – an entity licensed to cultivate, purchase or acquire marijuana to conduct research regarding marijuana and marijuana products.
10. Marijuana products - products that have been manufactured and contain marijuana or an extract from marijuana, including concentrated forms of marijuana and products composed of marijuana and other ingredients that are intended for use or consumption, including edible products, beverages, topical products, ointments, oils and tinctures.
11. Marijuana product manufacturer - an entity licensed to obtain, manufacture, process and package marijuana and marijuana products, to deliver marijuana and marijuana products to marijuana establishments and to transfer marijuana and marijuana products to other marijuana establishments, but not to consumers.
12. Marijuana retailer - an entity licensed to purchase and deliver marijuana and marijuana products from marijuana establishments and to deliver, sell or otherwise transfer marijuana and marijuana products to marijuana establishments and to consumers.

B. Number of Marijuana Establishments and Medical Marijuana Treatment Centers

1. The maximum number of marijuana retailers shall be no more 20 per cent the total number of licenses which have been issued within Uxbridge for the retail of alcoholic beverages not to be drunk on the premises for the preceding fiscal year, or three in total, whichever the greater.
2. The maximum number of marijuana cultivators, marijuana testing facilities, research facilities, marijuana product manufacturer or any other type of licensed marijuana-related business (exclusive of marijuana retailers or marijuana treatment centers) shall be no more than three in total.
3. The maximum number of medical marijuana treatment centers shall be no more than three.

C. Location and Uses

Marijuana establishments or medical marijuana treatment centers are prohibited in all zoning districts, except as otherwise permitted by these Bylaws, following the standards herein:

1. The Board of Selectman shall negotiate and execute a Host Community Agreement (HCA) with the proposed marijuana establishment or medical marijuana treatment center.
2. Any marijuana establishment or medical marijuana treatment center must be located within whichever district permissible under Appendix A, Table of Use Regulations.
3. Said uses shall additionally not be located within 750 feet from the nearest school providing education for grades K-12

The distances specified above shall measure by straight line from the nearest corner of the building on which the proposed said use is to be located, to the nearest boundary line to the nearest property line of the school.

4. Except during transportation, marijuana or marijuana products held at any marijuana establishment or medical marijuana facility shall be located within a secure indoor facility.

5. No use covered herein shall be allowed to disseminate or offer to disseminate marijuana products or product advertising to minors or to allow minors to view displays or linger on the premises, except for medical marijuana treatment centers.
6. No use covered herein shall be allowed to have a freestanding accessory sign in the Town of Uxbridge.

D. Enforcement and Violations

The Board of Selectmen, or its designee, shall enforce these regulations and may pursue all available remedies for violations, or take any other action relative thereto.

Violations of any provision of this Bylaw may be addressed administratively; by non-criminal disposition as provided in MGL Chapter 40 §21D with fine of \$300 per violation; or prosecuted through criminal complaint procedure.

Each day a violation occurs shall be considered a separate violation hereunder.

E. Municipal Charges Lien

If any fine remains unpaid after six (6) months from its due date, it shall become a municipal charge lien pursuant to the provisions of MGL Chapter 40, Section 58. If the bill(s) remains unpaid when the Assessors are preparing a real estate tax list and warrant to be committee under MGL Chapter 59, Section 53, the Board or officer in charge of the collection of the municipal fee or charge shall certify such charge or fee to the Assessors, who shall add such to the tax bill on the property to which it relates and commit it with their warrant to the Tax Collector as part of such tax bill.

F. Validity and Severability

The invalidity of one or more sections, subsections, clauses or provisions of this bylaw shall not invalidate or impair the bylaw as a whole or any other part thereof

§ 400-24 **Reserved**

§ 400-25 **Reserved**

§ 400-26 **Reserved**

§ 400-27 **Reserved**

Order Confirmation

<u>Ad Order Number</u>	<u>Customer</u>	<u>Payor Customer</u>	<u>PO Number</u>
0000355632	PHILIPS	PHILIPS	
<u>Sales Rep.</u>	<u>Customer Account</u>	<u>Payor Account</u>	<u>Ordered By</u>
tgivins	1000010389	1000010389	Tim Phillips
<u>Order Taker</u>	<u>Customer Address</u>	<u>Payor Address</u>	<u>Customer Fax</u>
tgivins	660 DOUGLAS STREET,UNIT 400 UXBRIDGE MA 01569 USA	660 DOUGLAS STREET,UNIT 400 UXBRIDGE MA 01569 USA	
<u>Order Source</u>	<u>Customer Phone</u>	<u>Payor Phone</u>	<u>Customer EMail</u>
Rep	508-450-1046	508-450-1046	
			<u>Special Pricing</u>
			None

<u>Invoice Text</u>	<u>Ad Order Notes</u>		<u>Materials</u>	<u>Promo Type</u>	<u>Blind Box</u>	
<u>Tear Sheets</u>	<u>Net Amount</u>	<u>Tax Amount</u>	<u>Total Amount</u>	<u>Payment Method</u>	<u>Payment Amount</u>	<u>Amount Due</u>
0	\$110.00	\$0.00	\$110.00	Credit Card - Visa:4332	\$110.00	\$0.00

<u>Ad Number</u>	<u>Ad Type</u>	<u>Ad Size</u>	<u>Color</u>	<u>Production Method</u>	<u>Production Notes</u>
0000355632-01	1Legal	: 1.0 X 2.5000"	<NONE>	AdBooker	
<u>External Ad Number</u>	<u>Ad Attributes</u>	<u>Ad Released</u>	<u>Pick Up</u>	<u>Affidavits</u>	<u>Proofs</u>
		No		0	0

WYSIWYG Content

LEGAL NOTICE OF COMMUNITY OUTREACH
MEETING REGARDING AN ADULT-USE MARI-
JUANA ESTABLISHMENT PROPOSED BY
BLACKSTONE VALLEY NATURALS LLC

"Notice is hereby given that a Community Outreach Meeting for Blackstone Valley Naturals LLC's proposed Marijuana Establishment is scheduled for June 21, 2018 at 6:30pm at the Uxbridge Progressive Club, 18 Whitin street, Uxbridge, MA 01569. The proposed Micro-business license is anticipated to be located at 660 Douglas Street- unit 400, Uxbridge, MA 01569. Community members will be permitted, and are encouraged, to ask questions and receive answers from the management team.

A copy of this notice is on file with the Town Clerk, the Board of Selectmen's office, and the Planning Department, and a copy of this Notice was published in a newspaper of general circulation and mailed at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the proposed Marijuana Establishment, owners of land directly opposite on any public or private street or way, and abutters to the abutters within three hundred (300) feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. "

June 14, 2018

Order Confirmation

<u>Ad Order Number</u>	<u>Customer</u>	<u>Payor Customer</u>	<u>PO Number</u>
0000355632	PHILIPS	PHILIPS	
<u>Sales Rep.</u>	<u>Customer Account</u>	<u>Payor Account</u>	<u>Ordered By</u>
tgivins	1000010389	1000010389	Tim Phillips
<u>Order Taker</u>	<u>Customer Address</u>	<u>Payor Address</u>	<u>Customer Fax</u>
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<u>Order Source</u>	<u>Customer Phone</u>	<u>Payor Phone</u>	<u>Customer EMail</u>
Rep	508-450-1046	508-450-1046	
			<u>Special Pricing</u>
			None

<u>Invoice Text</u>	<u>Ad Order Notes</u>		<u>Materials</u>	<u>Promo Type</u>	<u>Blind Box</u>	
<u>Tear Sheets</u>	<u>Net Amount</u>	<u>Tax Amount</u>	<u>Total Amount</u>	<u>Payment Method</u>	<u>Payment Amount</u>	<u>Amount Due</u>
0	\$110.00	\$0.00	\$110.00	Credit Card - Visa:4332	\$110.00	\$0.00

<u>Ad Number</u>	<u>Ad Type</u>	<u>Ad Size</u>	<u>Color</u>	<u>Production Method</u>	<u>Production Notes</u>
0000355632-01	1Legal	: 1.0 X 2.5000"	<NONE>	AdBooker	
<u>External Ad Number</u>	<u>Ad Attributes</u>	<u>Ad Released</u>	<u>Pick Up</u>	<u>Affidavits</u>	<u>Proofs</u>
		No		0	0

WYSIWYG Content

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June 14, 2018

<u>Product Information</u>	<u>Placement/Classification</u>	<u>Run Dates</u>	<u># Inserts</u>	<u>Cost</u>
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Order Confirmation

<u>Ad Order Number</u> 0000355632	<u>Customer</u> PHILIPS	<u>Payor Customer</u> PHILIPS	<u>PO Number</u>
<u>Sales Rep.</u> tgivins	<u>Customer Account</u> 1000010389	<u>Payor Account</u> 1000010389	<u>Ordered By</u> Tim Phillips
<u>Order Taker</u> tgivins	<u>Customer Address</u> 660 DOUGLAS STREET, UNIT 400 UXBRIDGE MA 01569 USA	<u>Payor Address</u> 660 DOUGLAS STREET, UNIT 400 UXBRIDGE MA 01569 USA	<u>Customer Fax</u>
<u>Order Source</u> Rep	<u>Customer Phone</u> 508-450-1046	<u>Payor Phone</u> 508-450-1046	<u>Customer EMail</u>
			<u>Special Pricing</u> None

<u>Invoice Text</u>	<u>Ad Order Notes</u>	<u>Materials</u>	<u>Promo Type</u>	<u>Blind Box</u>
<u>Tear Sheets</u> 0	<u>Net Amount</u> \$110.00	<u>Tax Amount</u> \$0.00	<u>Total Amount</u> \$110.00	<u>Payment Method</u> Credit Card - Visa:4332
				<u>Payment Amount</u> \$110.00
				<u>Amount Due</u> \$0.00

<u>Ad Number</u> 0000355632-01	<u>Ad Type</u> 1Legal	<u>Ad Size</u> : 1.0 X 2.5000"	<u>Color</u> <NONE>	<u>Production Method</u> AdBooker	<u>Production Notes</u>
<u>External Ad Number</u>	<u>Ad Attributes</u>	<u>Ad Released</u> No	<u>Pick Up</u>	<u>Affidavits</u> 0	<u>Proofs</u> 0

WYSIWYG Content

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June 14, 2018

Run Schedule Invoice Text

Sort Text

1WTG::Full Run	1Legal Notices - CLS	6/14/2018	1	\$110.00
Adult-Use Marijuana Establishment	ADULT-USE MARIJUANA ESTABLISHMENT			
1Legals P2W::Full Run	1Legal Notices - CLS	6/14/2018, 6/15/2018, 6/16/2018, 6/17/2018, 6/18/2018, 6/19/2018, 6/20/2018, 6/21/2018, 6/22/2018, 6/23/2018, 6/24/2018, 6/25/2018, 6/26/2018, 6/27/2018, 6/28/2018, 6/29/2018, 6/30/2018, 7/1/2018, 7/2/2018, 7/3/2018, 7/4/2018, 7/5/2018, 7/6/2018, 7/7/2018	30	\$0.00
Adult-Use Marijuana Establishment	ADULT-USE MARIJUANA ESTABLISHMENT			

Uxbridge Town Hall
21 S Main Street
Uxbridge MA 01569

August 19, 2020

Blackstone Valley Naturals, LLC
660 Douglas Street
Uxbridge, MA 01569

Request of Records

Dear Steve Sette,

As part of Blackstone Valley Naturals, LLC's renewal application process, we are required to request from the town, records of any costs associated to Uxbridge, reasonably related to the operations of our business. Our business received its Commence Operations on July 3rd, 2020, and has only just begun full operations. This request is in accordance with M.G.L. c. 94G, § 3(d), that any cost to a city or town imposed by the operation of a Marijuana Establishment or MTC shall be documented and considered a public record as defined by M.G.L. c. 4, § 7, cl. 26.

Thank you very much for your assistance.

Sincerely,

Kevin MacConnell
Owner
Blackstone Valley Naturals, LLC

A handwritten signature in black ink, appearing to read 'K. MacConnell', with a long horizontal flourish extending to the right.

The Town of Uxbridge has confirmed receipt of my letter and I am in communication with the Town Manager who is still working on getting to me the requested information.

Kevin MacConnell
Owner

Plan to Positively Impact Areas of Disproportionate Impact

The team at Black Stone Valley Naturals has chosen to focus a portion of their time towards working with young adults with limited educational and career opportunities. BVN hopes to help these Massachusetts residents explore, or even discover, their entrepreneurial side and teach them valuable business lessons through shared personal experiences. It is important to provide encouragement and visualized opportunities to this younger generation so that they can begin to dream big and pursue career goals they may not have thought possible.

Goals

- To provide a workshop environment where students can meet real life cannabis entrepreneurs and learn the fundamentals to starting a new business in the industry.
- To encourage and assist students in coming up with their own cannabis business ideas and properly laying out a plan.
- To provide educational lessons in legally growing cannabis and manufacturing products.

Program

BVN is looking to work with a social services organization in Worcester County to set up a cannabis entrepreneurial workshop. Worcester is considered an area of disproportionate impact as defined by the Commission. BVN does not yet have a specific social services organization that has agreed to work with them, but is confident that they will find a group once they are farther along in the license process. The company is targeting social organizations in Worcester County with zip codes and street addresses that qualify as areas of disproportionate impact. The program will be targeted towards young adults 21 and up, who are struggling to find their own path and interested in learning about a career in the cannabis industry. The program will meet for one hour, twice a month, and provide various educational lessons as well as speakers from the industry. All who frequently attend will also be made aware of any possible job openings or internships within the company and given an opportunity to apply/interview.

Measurements

- Number of attendees at each workshop
 - Shows the level of interest in the program and how well the program is growing.
- Number of questions asked throughout each workshop
 - Shows the level of student involvement
- Number of students who set off to start their own business or are hired by the company
 - Reflects the programs ultimate level of success

Each workshop will have a sign-in sheet and BVN will track all attendance records.

Proposed Timeframe

BVN hopes to begin this program at the start of 2020. This is heavily reliant on the company being able to begin production and experience revenue streams in 2019. The proposed start date will be January 11th, 2020. Workshop sessions will follow on the second and third Saturday of each month as well as documentation for the proposed metrics.

Acknowledgments

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



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

Special Filing Instructions

Certificate of Organization

(General Laws, Chapter)

Identification Number: 001330805

1. The exact name of the limited liability company is: BLACKSTONE VALLEY NATURALS, LLC

2a. Location of its principal office:

No. and Street: 660 DOUGLAS STREET, UNIT 400
 City or Town: UXBRIDGE State: MA Zip: 01569 Country: USA

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

No. and Street: 660 DOUGLAS STREET, UNIT 400
 City or Town: UXBRIDGE State: MA Zip: 01569 Country: USA

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

THE GENERAL CHARACTER OF THE BUSINESS OF THE LIMITED LIABILITY COMPANY IS TO MANAGE, MAINTAIN AND/OR OTHERWISE CARRY ON GENERALLY THE ENTERPRISE OF OPERATING A PLANT NURSERY, AND, ENGAGE IN, INVEST IN, AND, TO CARRY ON ANY BUSINESS OR OTHER ACTIVITY IN WHICH A LIMITED LIABILITY COMPANY ORGANIZED UNDER THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS MAY LAWFULLY ENGAGE.

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:

Name: TIMOTHY PHILLIPS
 No. and Street: 660 DOUGLAS STREET, UNIT 400
 City or Town: UXBRIDGE State: MA Zip: 01569 Country: USA

I, TIMOTHY PHILLIPS 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	TIMOTHY PHILLIPS	660 DOUGLAS STREET, UNIT 400 UXBRIDGE, MA 01569 USA
MANAGER	KEVIN MACCONNELL	660 DOUGLAS STREET, UNIT 400 UXBRIDGE, MA 01569 USA

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

managers.

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
SOC SIGNATORY	TIMOTHY PHILLIPS	660 DOUGLAS STREET, UNIT 400 UXBRIDGE, MA 01569 USA
SOC SIGNATORY	KEVIN MACCONNELL	660 DOUGLAS STREET, UNIT 400 UXBRIDGE, MA 01569 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	KEVIN MACCONNELL	660 DOUGLAS STREET, UNIT 400 UXBRIDGE, MA 01569 USA
REAL PROPERTY	TIMOTHY PHILLIPS	660 DOUGLAS STREET, UNIT 400 UXBRIDGE, MA 01569 USA

9. Additional matters:

SIGNED UNDER THE PENALTIES OF PERJURY, this 5 Day of June, 2018,
TIMOTHY PHILLIPS
(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:

June 05, 2018 03:03 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



Commonwealth of Massachusetts
Department of Revenue
Christopher C. Harding, Commissioner

mass.gov/dor

Letter ID: L1073125760
Notice Date: February 21, 2019
Case ID: 0-000-370-820



CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



BLACKSTONE VALLEY NATURALS, LLC
660 DOUGLAS ST UNIT 400
UXBRIDGE MA 01569-2001

Why did I receive this notice?

The Commissioner of Revenue certifies that, as of the date of this certificate, BLACKSTONE VALLEY NATURALS, 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?

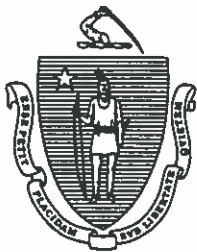
If you have questions, call us at (617) 887-6367 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 8:30 a.m. to 4:30 p.m..

Visit us online!

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

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

Edward W. Coyle, Jr., Chief
Collections Bureau



William Francis Galvin
Secretary of the
Commonwealth

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

February 19, 2019

TO WHOM IT MAY CONCERN:

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

BLACKSTONE VALLEY NATURALS, LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **June 5, 2018.**

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 or withdrawal; 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:
TIMOTHY PHILLIPS, KEVIN MACCONNELL

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

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **TIMOTHY PHILLIPS, KEVIN MACCONNELL**

In testimony of which,

I have hereunto affixed the

Great Seal of the Commonwealth

on the date first above written.

A handwritten signature in cursive script, reading "William Francis Galvin".

Secretary of the Commonwealth



OPERATING AGREEMENT

BLACKSTONE VALLEY NATURALS, LLC

This Operating Agreement ("Agreement") of Blackstone Valley Naturals, LLC, a Massachusetts limited liability company with an address of 660 Douglas Street, Unit 400, Uxbridge, Massachusetts 01569 (the "Company"), is entered into to be effective as of June 5, 2018 (the "Effective Date") by and among the members (each a "Member" or with any other Member, "Members" which terms include any Person subsequently admitted) set out in Schedule A attached hereto and the manager ("Manager" which term includes any Person subsequently appointed) set out in Schedule B attached hereto.

WHEREAS, the Company has been formed as a Massachusetts limited liability company by filing a Certificate of Organization with the Massachusetts Secretary of State pursuant to the Massachusetts Limited Liability Company Act (the "Act");

NOW, THEREFORE, in consideration of the mutual covenants herein expressed and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the undersigned, in their capacities as Manager and as Members, do hereby affirm and agree as follows:

ARTICLE 1.

CERTAIN DEFINED TERMS

1.1 "Act" means the Massachusetts Limited Liability Company Act, as amended from time to time.

1.2 "Affiliates" of a Person in question means any one or more of the following:

(a) any Person which holds or Controls an ownership interest of such Person in question;

(b) any Person an ownership interest of which is held or Controlled by such Person in question;

(c) any Person an ownership interest of which is held or Controlled by a third Person which third Person also holds or Controls an ownership interest of such Person in question.

1.3 "Agreement" means this Operating Agreement as it may be amended, supplemented, or restated from time to time.

1.4 "Certificate" means the Certificate of Organization creating the

Company as it may, from time to time, be amended in accordance with the Act.

1.5 “Capital Account” means, with respect to any Member, such Member’s capital account in the Company maintained in accordance with Section 6.7.

1.6 “Capital Contribution” means, with respect to any Member, the amount of cash and the initial Gross Asset Value of any property (other than money) contributed from time to time to the Company or for the benefit of the Company by such Member.

1.7 “Code” means the Internal Revenue Code of 1986, as amended from time to time.

1.8 “Company” means the limited liability company formed in accordance with this Agreement and by the filing of the Certificate.

1.9 “Controls” or “Controlled”, in respect of any Person (other than a natural person) means (a) the ownership of Eighty Percent (80%) or more of the voting stock or interests of that Person, (b) the right to receive Eighty Percent (80%) or more of the periodic or liquidating dividends or distributions from that Person, or (c) the right to control the management of the Person pursuant to contract, including an operating agreement with respect to a limited liability company, or otherwise.

1.10 “Depreciation” means, for each fiscal year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such fiscal year, 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, 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 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 is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Company.

1.11 “Gross Asset Value” means, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(a) 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 on the date of the contribution.

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values as of the following times:

(i) the acquisition of an additional interest in the Company after the date hereof by a new or existing Member in exchange for more than a de minimis Capital Contribution;

(ii) 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;

(iii) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g);

(iv) the grant of an interest in the Company (other than a de minimis interest) as consideration for the provision of services to or for the benefit of the Company by an existing Member acting in a Member capacity or by a new Member acting in a Member capacity or in anticipation of being a Member; and

(v) upon any other event with respect to which it is necessary or appropriate in order to comply with the Regulations under Code Section 704(b).

(c) The Gross Asset Value of any Company asset distributed to a Member shall be the gross fair market value of such asset on the date of distribution.

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m).

(e) The Gross Asset Value of a Company asset shall be adjusted by the Depreciation, if any, taken into account by the Company with respect to computing Net Profits or Net Losses.

1.12 "Interest" means the entire ownership interest of a Member in the Company at any particular time, including the right of the Member to any and all benefits to which the Member may be entitled as provided in this Agreement, together with the obligation of the Member to comply with all the terms and provisions of this Agreement.

1.13 "Manager" refers to each Person named as a Manager in this Agreement and each of those other Persons, if any, elected and serving, from time to time, as a successor Manager of the Company under the provisions of Article 4 of this Agreement, in each such Person's capacity as a "manager" of the Company under the Act. The Managers shall be identified on Schedule B, as amended from time to time.

1.14 "Member" refers to each of those Persons named as a Member in this Agreement and any Person who becomes an additional or substitute Member as may be permitted by this Agreement, in each such Person's capacity as a "member" of the Company under the Act. All Members shall be identified on Schedule A, as amended from time to time.

1.15 "Net Profits" and "Net Losses" mean the Company's taxable income or loss determined in accordance with Code Section 703(a) and Regulations Section 1.703-1 for each of its fiscal years (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) will be included in taxable income or loss) with the following adjustments:

(a) Net Profits and Net Losses will be computed as if items of tax-exempt income and nondeductible, noncapital expenditures (under Code Section 705(a)(1)(B) and 705(a)(2)(B)) were included in the computation of taxable income or loss;

(b) in the event the Gross Asset Value of any Company property is adjusted pursuant to subparagraph (ii), subparagraph (iii), or subparagraph (iv) of the definition of Gross Asset Value hereof, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Profits or Net Losses;

(c) if any non-cash asset is to be distributed, such asset shall be distributed on the basis of the fair market value thereof and any gain or loss that would have been recognized if such asset had been sold for its fair market value by the Company immediately before its distribution shall be included in Net Profits or Net Losses;

(d) any expenditures of the Company described in Code Section 705(a)(2)(B) for a fiscal year or treated as being so described in Regulations Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in this subsection will be subtracted from the taxable income or loss;

(e) to the extent an adjustment to the adjusted tax basis of any Company property pursuant to Code Section 734(b) is required, pursuant to Regulations Section 1.704-(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the property) or loss (if the adjustment decreases such basis) from the disposition of such property and shall be taken into account for purposes of computing Net Profits or Net Losses; and

(f) 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, computed in accordance with

the definition of "Depreciation".

1.16 "Person" means any individual, partnership, corporation, limited liability company, joint venture, trust, business trust, cooperative, association, or other entity, and, where the context so permits, the legal representatives, successors in interest and assigns of such Person.

1.17 "Regulations" means the U.S. Federal Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

1.18 "Securities Act" means (a) the United States Federal Securities Act of 1933, as amended (the "Federal Securities Act"), (b) the Blue Sky law of any state of the United States of America, and (c) the securities registration law of any other country, state, or governmental subdivision thereof.

1.19 "Triggering Event" means the happening of any one of the following events:

(a) the death or incapacity of Timothy Phillips, in which case Kevin MacConnell shall be the Non-Triggering Member;

(b) the death or incapacity of Kevin MacConnell, in which case Timothy Phillips shall be the Non-Triggering Member;

(c) the voluntary or involuntary Transfer of an Interest that is not in compliance with this Agreement, in which case the non-transferring Member shall be the Non-Triggering Member;

(d) any other material breach of this Agreement by a Member or by the Manager appointed by such Member that has not been cured within 90-days of the breaching Member or Manager having received written notice of such breach from the non-breaching Member or the non-breaching Manager, in which case the Member that did not breach the Agreement and who did not appoint the Manager that breached the Agreement shall be the Non-Triggering Member; or

ARTICLE 2.

ORGANIZATION; BUSINESS; POWERS

2.1 Organization. The Company has been organized as a Massachusetts limited liability company by the filing of the Certificate with the Secretary of the Commonwealth of Massachusetts pursuant to the Act. The Managers shall cause the Company to be qualified or registered under applicable laws of any jurisdiction in which the Company transacts business and shall be authorized to execute, deliver, and file any certificates and documents necessary to effect such qualification or registration. The Company commenced on the date the Certificate

were filed and shall continue perpetually, unless dissolved pursuant to the terms of this Agreement or the Act. The principal office and registered offices of the Company may be located at the place or places specified by the Managers from time to time. The Managers may change the principal office or any place of business of the Company or the registered agent or registered office at any time and may cause the Company to establish other offices or places of business in various jurisdictions and appoint agents for service of process in such jurisdictions. Legal title to all property of the Company will be held and conveyed in the name of the Company or its designee.

2.2 Purposes. The Company shall be permitted to conduct any lawful business or activity which limited liability companies may conduct under the Act, including but not limited to obtaining a license to operate, and upon receipt of such license to operating, a "Microbusiness" pursuant to Chapter 334 of the 2016 Acts and Resolves of the Commonwealth of Massachusetts (The Regulation and Taxation of Marijuana Act), as amended by Chapter 55 of the 2017 Acts and Resolves of the Commonwealth of Massachusetts (An Act to Ensure Safe Access to Marijuana), and regulations of the *Massachusetts Cannabis Control Commission* found at 935 CMR 500.000, *et seq.* The Company may directly carry on any of its business or activities or may do so as a joint venturer or partner with any other Person or Persons.

2.3 Powers. The Company is hereby expressly authorized to possess and exercise all the powers and privileges granted to a limited liability company under the Act or by any other law, to possess and exercise all lawful powers necessary or convenient to effect, or in connection with, any or all of the purposes of the Company, and all lawful powers incidental thereto, and to engage in any activity necessary or convenient to or in connection with the conduct of the Company's business or the accomplishment of its purposes.

ARTICLE 3.

CAPITAL CONTRIBUTIONS; LIABILITIES OF MEMBERS

3.1 Capital Contributions. Each Member has made or has agreed to make a contribution of services or a Capital Contribution to the Company and in consideration therefore shall be entitled to the Percentage Interest set forth opposite the Member's name on Schedule A.

3.2 Additional Capital Contributions. No Member shall be obligated or required to make any contribution to the Company in addition to the Member's Capital Contribution referred to in Section 3.1.

3.3 Loans. At the request, and subject to the unanimous consent, of the Managers, any Member or Members may make loans to the Company on such terms as determined by the mutual agreement of the Managers and the lending Member(s); provided, that, with respect to each such loan, each Member shall be

permitted to advance an amount of such loan equal to its Percentage Interest. If any Member shall advance loan to the Company as a loan, the amount of such advance shall neither increase such Member's Capital Account nor entitle it to any increase in its share of the distributions of the Company. The amount of any such advance shall be a debt obligation of the Company to such Member and shall be repaid to the Member by the Company with interest at a rate and upon such other terms and conditions as set forth in the documents evidencing the loan(s) as agreed upon as set forth above. Any such advance shall be payable and collectible only out of the Company's assets, and, unless personally guaranteed in writing by the other Members contemporaneous with the making of the loan, the other Members shall not be personally obligated to repay any part thereof.

3.4 Liability of Members. The liability of each Member to the Company shall be limited to the Capital Contribution the Member has agreed to make, as provided in Section 3.1. No Member shall have any liability to restore any negative balance in the Member's Capital Account or to contribute to, or in respect of, the liabilities or the obligations of the Company, or to restore any amounts distributed from the Company, except as may be required under the Act. In no event shall any Member be personally liable for any liabilities or obligations of the Company.

3.5 No Withdrawal of Capital. No Member shall have the right to resign and receive any distribution from the Company as a result of such resignation, and no Member shall have the right to receive the return of all or any part of the Member's Capital Contribution or Capital Account, or any other distribution, except as expressly provided in this Agreement. No Member shall have any right to demand and receive property of the Company in exchange for all or any portion of the Member's Capital Contribution or Capital Account, except as expressly provided in this Agreement upon dissolution and liquidation of the Company. No interest shall be paid or accrue on any Capital Contribution.

3.6 Percentage Interests. The Interest of each Member calculated as a percentage of all of the Interests held by all Members (the "Percentage Interest") shall be as set forth on Schedule A, as it may be amended from time to time. The Percentage Interest of the Members shall be determined by dividing each Member's Capital Account by the aggregate Capital Accounts of all of the Members, subject to adjustment in the event of a subsequent capital raise in accordance with Section 7.6. The Percentage Interests of the Members shall be recalculated whenever a new Member is admitted, whenever an existing Member ceases to be a Member, whenever additional capital is contributed to the Company by a Member, whenever money or property is distributed to a Member as consideration for all or part of the Member's Interest, and whenever the Managers determine that such adjustment is otherwise appropriate. Immediately following any such event, the new Percentage Interests shall be determined by dividing (i) each then Member's Capital Account, adjusted as provided in Section 6.7 (including any increase or decrease to reflect a revaluation of the Company's property as provided therein), or as adjusted by

Section 7.6, by (ii) the aggregate Capital Accounts of all of the then Members as so adjusted.

3.7 Investment Representations. Each Member, by executing this Agreement, any counterpart signature page hereto, or any other instrument reflecting such Member's admission to the Company, hereby represents and warrants to the Company the following:

(a) such Member is acquiring an interest in the Company for such Member's own account for investment only, and not with a view to, or for sale in connection with, any distribution thereof in violation of a Securities Act, or any rule or regulation thereunder;

(b) such Member understands that (i) the Interest being acquired has not been registered under any Securities Act and cannot be resold unless subsequently registered under each appropriate Securities Act, or unless an exemption from such registration is available; (ii) such registration under any Securities Act is unlikely at any time in the future and neither the Company nor the Members or the Manager are obligated to file a registration statement under any Securities Act; and (iii) the assignment, sale, transfer, exchange, or other disposition of the Member's Interest is further restricted in accordance with the terms of this Agreement;

(c) such Member has had such opportunity as such Member has deemed adequate to ask questions of and receive answers from representatives of the Company concerning the Company, and to obtain from representatives of the Company such information that the Company possesses or can acquire without unreasonable effort or expense, as is necessary to evaluate the merits and risks of an investment in the Company;

(d) that one of the following applies to such Member:

(i) such Member is an "accredited investor" as that term is defined in the Federal Securities Act;

(ii) such Member has, either alone or with professional advisers, sufficient experience in business, financial, and investment matters to be able to evaluate the merits and risks involved in investing in the Company and to make an informed investment decision with respect to such investment; or

(iii) such Member is not a "U.S. person" as that term is defined in Rule 902(k) of the Federal Securities Act and has no intention of transferring its Interest in such a way as to cause the loss of or to circumvent the registration exemption set forth in Regulation S of the Federal Securities Act;

(e) such Member can afford a complete loss of the value of the investment in the Company and is able to bear the economic risk of holding such investment for an indefinite period; and

(f) such Member is duly organized, validly existing and in good

standing under the laws of its jurisdiction of organization; such Member has full organizational power to execute and deliver this Agreement and to perform its obligations hereunder; the execution, delivery, and performance of this Agreement by such Member have been authorized by all requisite action on behalf of the entity; and such Member has duly executed and delivered this Agreement.

ARTICLE 4. MANAGEMENT; MEMBER SERVICES

4.1 Management of the Company.

(a) Generally. All decisions respecting any matters affecting or arising out of the administration of the business of the Company shall, except as otherwise expressly provided by this Agreement or required by law, be made exclusively by the Managers.

(b) Number and Election. The number of Managers shall initially be two (2). Managers shall serve until their successors are elected and qualified, subject to their earlier resignation or removal.

(c) Removal; Resignation. A Manager may be removed at any time by, but only by, a majority of the Members then holding a majority of the Percentage Interest in the Company. A Manager may resign upon not less than ten (10) days' written notice to the Members.

(d) Vacancies. In the event a Manager shall cease to serve as a Manager for any reason, the Members shall elect a successor.

4.2 Manager's Duties. The Managers shall have the sole authority and discretion, except as otherwise expressly provided by this Agreement or required by law, to exercise all the powers and privileges granted by the Act or any other law or this Agreement, together with any powers incidental thereto, so far as such powers are necessary or convenient to the conduct, promotion, administration or attainment of the business, trade purposes, or activities of the Company. In carrying out their management rights and duties, each Manager shall have one (1) vote. Any matter voted upon by the Managers shall require the unanimous vote of the Managers in order for the Company to take the action subject to the vote of the Managers.

4.3 Member Services.

(a) Timothy Phillips and Kevin MacConnell shall be primarily responsible for managing and supervising the day-to-day operations of the Company, and agree to devote so much of their time as shall be reasonably necessary for the performance of such services, including but not necessarily limited to:

(i) Obtaining a license to operate, and upon receipt of such license to operate, a "Microbusiness" pursuant to Chapter 334 of the 2016 Acts and Resolves of the Commonwealth of Massachusetts (The Regulation and Taxation of Marijuana Act), as amended by Chapter 55 of the 2017 Acts and Resolves of the Commonwealth of Massachusetts (An Act to Ensure Safe Access to Marijuana), and regulations of the *Massachusetts Cannabis Control Commission* found at 935 CMR 500.000, *et seq* (collectively the "Marijuana Act"), the Testing Lab to be operated by the Company, including the equipment to be installed in the Testing Lab; and

(ii) Hiring technical and other personnel to be employed by the Company at the Microbusiness.

(b) W. Robert Knapik shall act as general counsel to the Company and shall, subject to law governing such services including but not limited to Rule 3:07 (Rules of Professional Conduct) of the Massachusetts Supreme Judicial Court, be primarily responsible for advising the Company with respect to legal matters in furtherance of the purpose of the Company, and agrees to devote so much of his time as shall be reasonably necessary for the performance of such services. The Membership Interest of W. Robert Knapik set forth on Schedule A shall vest fully, if at all, only in accordance with a schedule of events set forth in an agreement with the Company.

4.4 General Meeting and Voting Requirements.

(a) Action at Meetings.

(i) Meetings of Members. A meeting of Members may be called by any Manager or by any Member for the purpose of addressing any matter or matters on which Members are entitled by law to vote. The meeting shall be held at such place and at such time as shall be stated in the notice of the meeting. Notice of meetings of the Members shall be given to each Member by the Person calling the meeting. Notice of meetings of Members shall be given to each Member in person or telephonically or by mail, e-mail, fax or telegram sent to the Member's address set forth on Schedule A at least forty-eight (48) hours in advance of the meeting. At any meeting of the Members, presence in person or by proxy of Members holding a majority of the Percentage Interests shall constitute a quorum.

(ii) Meetings of Managers. The Managers shall meet as often as they agree is necessary for the conduct of the business of the Company. Meetings may be conducted at any office of the Company or at any other place within or without the United States of America. Any Manager may call a meeting of Managers by delivering notice of such meeting to all other Managers upon not less than forty-eight (48) hours notice. The Manager calling the meeting shall preside at and chair the meeting. At any meeting of the Managers, presence in person or by proxy of a majority of the Managers shall constitute a quorum.

(iii) Electronic Communications. Any or all of the Members or Managers may participate in any meeting of the Members or Managers, respectively, by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Any Member or Manager so participating shall be treated as having been present in person at such meeting.

(iv) Proxies. At all meetings of Members and Managers, a Member or Manager, as the case may be, may vote by proxy executed in writing by the Member or the Manager, respectively. No proxy shall be valid after three (3) months from the date of execution, unless otherwise provided in the proxy.

(v) Waiver of Notice; Purposes. Notice of a meeting need not be given to any Person if a written waiver of notice, executed by the Person before or after the meeting, is filed with the records of the meeting, or with any Person who attends the meeting. A notice or waiver of notice of a meeting need not specify the purposes of the meeting.

(b) Action by Consent. Any action required or permitted to be taken by the Members or Managers may be taken by the written consent of the Members or Managers, respectively, to the action without a meeting provided that such consent is signed by the same number of Members or Managers, as the case may be, as would have been required to affirmatively vote on such action at a meeting where all Members or Managers, respectively, were present and voting. Any such written consent shall be filed with the records of the Company. Such a written consent of the Members or Managers, as the case may be, shall be treated for all purposes as a vote at a meeting.

4.5 Deadlocks; Buy/Sell Procedure.

(a) In the event that one (1) Manager wishes to cause the Company to take a Major Action (as defined below) that is identified in a reasonably detailed written notice to the other Manager and that is not approved by the other Manager (such disapproval to be evidenced by the written disapproval of the Disapproving Manager, a Manager's failure to vote in favor of the Major Action at a meeting called for the purpose of voting upon such Major Action, or a Manager's failure to attend a meeting the purpose of which is to vote upon such Major Action) a "Deadlock" shall have occurred. At any time following the occurrence and during the continuance of a Deadlock, then either Member shall be entitled to exercise the buy-sell rights set forth in this Section 4.4 by delivering a Buy-Sell Offer Notice (as defined herein). For purposes of this Agreement, a "Major Action" means (i) the sale or other transfer (except for leases in the ordinary course of business) of all or substantially all of the assets of the Company; (ii) the financing or re-financing of any real estate owned by the Company; and/or (iii) the dissolution, liquidation or winding-up of the Company.

(b) If either Member wishes to exercise its buy-sell right, such Member (the "Initiating Member") shall deliver to the other Member (the "Responding Member") written notice (the "Buy-Sell Offer Notice") of such election, which notice shall include (i) a description of the circumstances that triggered the buy-sell right, and (ii) the price (which shall be payable exclusively in cash (unless otherwise agreed) and expressed on a per 1% basis with respect to the Interests and on a per share basis) at which the Initiating Member agrees to (y) purchase all of the Interests owned by the Responding Member (the "Buy-out Price") or (z) sell all of his Interests to the Responding Member (the "Sell-out Price"), which shall be the same exact price per 1% of the Interests regardless of whether the Responding Member elects to sell or buy, without regard to any market discount or premium from differences in the proportionate interests of the Members. Solely for purposes of this Section 4.4, the Buy-Sell Offer Notice shall be sent by overnight delivery service and it shall be deemed to be received on the next Business Day following deposit with such overnight delivery service. If Buy-Sell Offer Notices are received by the Members on the same day, the Member that deposited the Buy-Sell Offer Notice with the overnight carrier service first according to the records of the courier service shall be the Initiating Member and the other Member shall be required to deliver a Response Notice (as defined below) and shall be the Responding Member for all purposes of this Section 4.4. Once a Member receives a Buy Sell Offer Notice under this Agreement, such Member shall not itself be permitted to send a Buy-Sell Offer Notice under either agreement.

(c) Within fifteen (15) days after the Buy-Sell Offer Notice is received by the Responding Member (the "Buy-Sell Election Date"), the Responding Member shall deliver to the Initiating Member a written notice (the "Response Notice") stating whether it elects to (y) sell all of its Interests to the Initiating Member for the Buy-out Price or (z) buy all of the Interests owned by the Initiating Member for the Sell-out Price. The failure of the Responding Member to deliver the Response Notice by the Buy-Sell Election Date shall be deemed to be an election to sell all of its Interests to the Initiating Member at the Buy-out Price.

(d) The closing of any purchase and sale of Interests pursuant to this Agreement shall take place forty-five (45) days after the Response Notice is delivered or deemed to have been delivered or some other date mutually agreed upon by the parties. The purchase price payable at the closing shall be determined by adding the following amounts: (i) an amount determined by multiplying the portion of the Buy-out Price or the Sell-out Price applicable to the Interests, as the case may be, by 100 and then multiplying the result by the Percentage Interest of the selling Member (the "Selling Member") and (ii) the total amount of any outstanding loans owed by the Company or the purchasing Member (the "Purchasing Member") to the Selling Member (the "Buy/Sell Purchase Price").

(e) The Buy/Sell Purchase Price shall be paid at closing by wire transfer of immediately available funds to an account designated in writing by the

Selling Member. At the closing, the Selling Member shall (x) deliver to the Purchasing Member good and marketable title to its Interests, free and clear of all liens and encumbrances, (y) assign any notes or loan documents evidencing any outstanding loans owed by the Company to the Selling Member and that are included in the Buy/Sell Purchase Price and (z) surrender any notes or loan documents held by the Selling Member evidencing the loans owed by the Purchasing Member that are outstanding in favor of the Selling Member and that are included in the Buy/Sell Purchase Price and that are paid in full at the closing. Each Member agrees to cooperate and take all actions and execute all documents reasonably necessary or appropriate to reflect the purchase of the Selling Member's Interest by the Purchasing Member.

(f) If the Purchasing Member defaults in any of its material closing obligations, then the Selling Member shall have the option to purchase the Purchasing Member's entire Interest at a price that reflects a ten percent (10%) discount off of the Buy/Sell Purchase Price that would have been payable to the Purchasing Member if the Purchasing Member were instead the Selling Member at the initial closing. If the Selling Member shall fail to perform his obligations under this Section 4.4, the Purchasing Member shall have all rights and remedies available to it hereunder or at law or equity, including, without limitation, the right to seek specific performance.

4.6 Other Business Interests. Any Manager or Member may have other business interests and may engage in other activities in addition to those relating to the Company; provided that for the period that a Member owns an Interest in the Company, such Member shall not be permitted to own any direct or indirect interest in any Person (other than a Person owned equally by the Members) that operates a business that is competitive with the business of the Company or any of its Affiliates within the same market as the Company or any of its Affiliates, with the "market" being determined by the Members reasonably and in good faith on a case by case basis. Neither the Company nor any Member or Manager shall, by virtue of this Agreement, have any right to or interest in any such other business interests or activities.

4.7 Contracts with Related or Affiliated Persons. The Company may enter into agreements, leases, contracts or other arrangements for the furnishing to or by the Company of goods, services, or property rights with the Manager, any Member, or any Person that is an Affiliate of the Manager or any Member, and may pay or be paid compensation thereunder for such goods, services or rights which is reasonably comparable to that which would be payable to unrelated and unaffiliated Persons under similar circumstances. If the determination of such amounts is made in good faith by the Managers, it shall be conclusive absent manifest error.

ARTICLE 5. ALLOCATIONS AND DISTRIBUTIONS

5.1 Allocation of Net Profits and Losses. Except as otherwise provided hereinbelow, Net Profits and Net Losses (and any items thereof) for each Fiscal Year or other period shall be allocated to the Members in accordance with their respective Percentage Interests.

5.2 Overriding Allocations.

(a) Loss Allocation Limitation: Qualified Income Offset.

(i) Notwithstanding any other provisions of Section 5.1, the amount of Net Loss for any Fiscal Year that would otherwise be allocated to a Member shall not cause or increase a deficit balance in such Member's Capital Account, as adjusted in accordance with Regulation Section 1.704-1(b)(2)(ii)(d) under Code Section 704, in excess of the amount of exposure of such Member, if any, with respect to debt or other obligations or liabilities of the Company (and, for this purpose, a Member shall be considered to have exposure with respect to any loans made by such Member to the Company), plus such Member's share of "partnership minimum gain" or (but without double-counting the amount of exposure of such Member with respect to debt or other obligations or liabilities of the Company) "partner nonrecourse debt minimum gain," as such terms are defined in Regulation Section 1.704-2 under Code Section 704, as of the last day of such Fiscal Year. To the extent the Net Loss for the Fiscal Year cannot be allocated to any Member owing to the restriction in the foregoing sentence, that amount of Net Loss shall be allocated, first, among the other Members in proportion to their respective Percentage Interests, and, if and to the extent there remains an amount of such Net Loss that cannot be allocated owing to the restriction in the foregoing sentence, to Members to whom an allocation of such Net Loss is not so restricted in proportion to their respective Percentage Interests, and so on until all of such amount of Net Loss has been so allocated.

(ii) Notwithstanding the foregoing provisions of this Article 5, if, as of the end of any taxable year of the Company, any Member who is not obligated to restore the entire deficit balance in his Capital Account to the Company unexpectedly receives an adjustment, allocation or distribution described in (4), (5) or (6) of Regulation Section 1.704-1(b)(2)(ii)(d) under Code Section 704 which causes or increases a deficit balance in such Member's Capital Account in excess of the amount of exposure of such Member, if any, with respect to debt or other obligations or liabilities of the Company (and, for this purpose, a Member shall be considered to have exposure with respect to any loans made by such Member to the Company), plus such Member's share of "partnership minimum gain" and (but without double-counting the amount of exposure of such Member with respect to debt or other obligations or liabilities of the Company) "partner nonrecourse debt minimum gain," as such terms are defined in Regulation Section 1.704-2 under Code Section 704,

then such Member shall be allocated items of income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year), in an amount and manner sufficient to eliminate such deficit balance as quickly as possible.

(b) Minimum Gain Chargeback. Notwithstanding the foregoing provisions of this Article 5, if there is a net decrease in “partnership minimum gain,” as defined in Paragraph (b)(2) of Regulation Section 1.704-2 under Code Section 704 and as computed in the manner required under said Regulation Section 1.704-2, during any taxable year of the Company, then each Member shall be allocated, before any other allocation is made under this Article 5 for such taxable year, items of income and gain for such year (and, if necessary, subsequent years) equal in amount to such Member’s share of any net decrease in partnership minimum gain as determined under Regulation Section 1.704-2(g)(2) under Code Section 704, except to the extent, if at all, that (i) such Member’s share of any such net decrease is caused by a guarantee, refinancing, or other change in the debt instrument causing it to become partially or wholly recourse debt or “partner recourse debt” as defined in Paragraph (b)(2) of said Regulation Section 1.704-2, and the Member bears the economic risk of loss (within the meaning of Regulation Section 1.752-2 under Code Section 752) for such converted or refinanced debt; or (ii) the Member contributes capital to the Company that is used to repay the nonrecourse liability or is used to increase the basis of property of the Company that is subject to such liability, and the Member’s share of the net decrease in partnership minimum gain results from such repayment or such basis increase. The allocations provided for in this Paragraph (b) shall be made in accordance with the requirements of Paragraph (j) of said Regulation Section 1.704-2.

(c) Member Nonrecourse Debt. Notwithstanding the foregoing provisions of this Article 5, any “partner nonrecourse deductions,” as defined in Paragraph (i) of Regulation Section 1.704-2 under Code Section 704, attributable to a “partner nonrecourse liability,” as defined in Paragraph (b)(4) of said Regulation Section 1.704-2, and as computed in the manner required under said Regulation Section 1.704-2, shall be allocated to the Member, or to and among the Members, that bear the economic risk of loss for such liability and in the proportions required by Paragraph (i)(1) of said Regulation Section 1.704-2; and if, during any taxable year of the Company, there is a net decrease in “partner nonrecourse debt minimum gain,” as defined in Paragraph (i)(2) of Regulation Section 1.704-2 under Code Section 704 and as computed in the manner required under said Regulation Section 1.704-2, any Member with a share, as determined under Paragraph (i)(5) of said Regulation Section 1.704-2, of that partner nonrecourse debt minimum gain, as of the beginning of the year, shall be allocated items of income and gain for the year (and, if necessary, for succeeding years) equal in amount to such Member’s share of such net decrease as determined in a manner consistent with the requirements of Paragraph (g)(2) of said Regulation Section 1.704-2, to the extent (if at all) that such allocation is required under Paragraph (i)(4) of said Regulation Section 1.704-2.

The allocations provided for in this Paragraph (c) shall be made in accordance with the requirements of Paragraphs (j)(1)(i), (j)(1)(iii), (j)(2)(ii) and (j)(2)(iii) of said Regulation 1.704-2, as appropriate.

5.3 Tax Allocations. Except as otherwise provided in this Article 5, for income tax purposes each Member's distributive share of income, gain, loss, deduction, credit, recapture or tax preference (or item thereof) for any Fiscal Year of the Company shall be allocated in the same proportion that the item or items of the Company's Net Profit or Net Loss to which it corresponds, under applicable income tax accounting rules, is allocated under this Section 5.3. Notwithstanding the foregoing, income, gain, loss and deduction with respect to property contributed to the Company by a Member shall be shared among the Members so as to take account of the variation between the basis of the property to the Company and its fair market value at the time of contribution, to the extent required by Section 704(c) of the Code and regulations thereunder in accordance with any reasonable manner specified in such regulations determined by the Manager.

5.4 Cash Distributions.

(a) Non-Liquidating Distributions. Within one hundred twenty (120) days of the end of each Fiscal Year, or more frequently as the Managers may determine, the Managers shall cause any Available Cash Flow (as defined below) to be distributed to and divided among the Members in proportion to their respective Percentage Interests at the time of such distribution.

(b) Available Cash Flow. "Available Cash Flow" means, as of a particular time, all cash, revenues, and funds received by the Company from any source whatsoever less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders (which shall include Members); (ii) all operating expenditures incurred incident to the normal operation of the Company's business, which expenditures shall include all compensatory payments to Members other than in their capacity as Members and all guaranteed payments made to Members, if any; and (iii) such reserves as the Managers deem reasonably necessary to the proper operation of the Company's business after taking into account the foregoing items.

5.5 In-Kind Distributions. The Managers may at any time cause distribution to be made of any asset of the Company. Any Member entitled to an interest in a distributed asset shall receive such interest therein as a tenant-in-common with all other Members so entitled, the fractional interest of each such Member being equal to the Member's Percentage Interest at the time of the distribution. Notwithstanding the foregoing, with the written consent of all of the Members, stating the agreed-upon then fair market values of the assets to be distributed, the assets and cash distributed to the Members as part of a single

distribution may vary, so long as each Member receives an amount of cash or an interest having an agreed-upon fair market value equal to the amount of cash the Member would have received if such distribution had been a cash distribution and such distribution had been allocated among the Members in proportion to their Percentage Interests on the date of such distribution.

5.6 Distributions upon Dissolution. Upon dissolution of the Company, distributions shall be made as provided in Section 9.3 of this Agreement.

ARTICLE 6. BOOKS AND RECORDS; ACCOUNTING; TAX MATTERS

6.1 Books and Records. The books and records of the Company shall be maintained by the Managers and made available, in addition to the records and documents required to be kept under the Act, at the Company's principal place of business or at such location as otherwise required by the Act. All such books, records and documents shall be available for inspection and copying by any Member or any Member's authorized representative, at any reasonable time during ordinary business hours for any purpose reasonably related to such Member's Interest in the Company.

6.2 Accounting and Fiscal Year. The books of the Company shall be kept on such basis and in accordance with such accounting methods as the Managers shall determine is appropriate. The Company's books shall be closed and balanced at the end of each fiscal year of the Company and at such other times as the Managers may from time to time determine is appropriate. The fiscal year of the Company shall end on December 31 of each year (each a "Fiscal Year").

6.3 Reports. The Managers shall deliver:

(a) to each Person who was a Member at any time during the fiscal year then ended, as soon as practicable but in no event later than the date prescribed by applicable law, such information as shall be necessary for the preparation by such Person of tax returns required to be filed by such Person on account of such Person's Interest; and

(b) to each Member, within one hundred twenty (120) days after the end of each fiscal year of the Company, unaudited annual financial statements, including a statement of assets, liabilities and Members' capital, a statement of income and expenses, and a statement of changes in Members' capital.

(c) to each Member at any time upon reasonable request, summary reports generated by the Company's cannabis tracking software detailing certain information on assets and transactions of the Company, including, without limitation information surrounding current cash on hand, as well as revenues and expenses from Company transactions. Due to the nature of the Company's

contemplated business activities, the Members agree that such software shall be maintained by the Company at all times once operations commence and that the Members have the absolute right to view any reports generated by such software (or capable of being generated by such software) upon reasonable request.

6.4 Interim Closing of the Books. There shall be an interim closing of the Company's books of account at any time a tax year of the Company ends under any provision of the Code, and at such other times as the Managers may determine is required by good accounting practice or may be appropriate under the circumstances.

6.5 Tax Elections. The Managers shall make such tax elections as the Managers may from time to time deem necessary or appropriate, subject to the approval of the Members.

6.6 Tax Matters Partner. Pursuant to Code Section 6231(a)(7)(A), the Members hereby designate the Member identified as such on Schedule A as the "tax matters partner" for purposes of the Code.

6.7 Members' Capital Accounts. The Company shall maintain a separate capital account (a "Capital Account") for each Member, which shall be maintained and adjusted in accordance with Regulations Section 1.704-1(b)(2)(iv). Consistent with Regulations Section 1.704-1(b)(2)(iv)(f), each Member's Capital Account shall be increased or decreased to reflect a revaluation of property of the Company (including intangible assets such as goodwill) in connection with a contribution of money or other property (other than a de minimis amount) to the Company by a new or existing Member, or in connection with the liquidation of the Company or a distribution of money or other property (other than a de minimis amount) by the Company to a Member as consideration for its Interest, but without duplication of any such amounts included in Net Profits or Net Losses. Other adjustments to each Member's Capital Account shall also be made from time to time, in accordance with the rules set forth in Regulations Section 1.704-1(b)(2)(iv) and Code Section 704 or the requirements of any other applicable proposed, final or temporary Regulations thereunder. It is the intent of the Members that the Capital Accounts shall be determined and maintained in accordance with said Code Section and said Regulations, and this Section 6.7 shall be construed in a manner consistent therewith.

ARTICLE 7.

TRANSFERS OF INTERESTS; ADDITIONAL MEMBERS

7.1 Restrictions on Transfer. No Member may transfer, assign, convey, grant a security interest in or pledge ("Transfer") all or any part of such Member's Interest without the unanimous consent of the Managers, provided, however, either Member shall be permitted, without the unanimous consent of the Managers, to

transfer all or any portion of his Interest for *bona fide* estate planning purposes to such transferor's spouse (whether by marriage, by a civil union, or in a "common law" relationship), parent, child, grandchild, sibling, cousin, aunt, uncle, nephew, or niece including any persons so related by adoption (all of the foregoing collectively referred to as "family members"), or to any other individual, trust or entity or any custodian or trustee of any trust, partnership or limited liability company for the benefit of, or the ownership interests of which are owned wholly by, such transferor or any such family members provided that the transferor remains in control of the voting and consensual rights pertaining to such transferred Interest through agreement or otherwise. Any attempt to assign an Interest without complying with this Section 7.1 shall be void and ineffectual and shall not bind the Company.

(a) Right of First Refusal. (i) Notwithstanding requirements of permitted transfers hereunder, if a Member receives a written bona fide third party offer from a person or entity unaffiliated with the Selling Member (defined below), which the Selling Member is willing to accept (a "Bona Fide Offer" and the third party making such Bona Fide Offer shall be referred to herein as the "Offeror"), to purchase all or any portion of the Membership Interest then owned by the Member (the Member receiving the Bona Fide Offer is hereafter referred as a "Selling Member"), then the Selling Member shall deliver written notice of the Bona Fide Offer (along with a copy thereof) within thirty (30) days of receipt of the Bona Fide Offer, to the Managers setting forth the Membership Interest proposed to be purchased (the "Offered Interest") and a true and correct copy of the Bona Fide Offer and copies of any financial or other information about the Offeror that the Selling Member has obtained (the "Sales Notice").

(b) Upon receipt of the Sales Notice, the Managers shall have the first right to purchase all (but not less than all) of the Offered Interest for the price and otherwise on the terms contained in the Sales Notice, exercisable for a period of thirty (30) days (the "First Option Period"), commencing upon the receipt of the Sales Notice by the Managers. The right shall be exercised by the delivery of written notice to the Selling Member by the end of the First Option Period (the "First Exercise Notice"). Failure to duly deliver the First Exercise Notice within the First Option Period shall be deemed to be an election by the Managers to not purchase the Offered Interest.

(c) If the Managers fail or decline to purchase the Offered Interest by delivery of the First Exercise Notice by the end of the First Option Period, then the other Members who are not Managers (the "non-Manager Members") shall have the second right to purchase all (but not less than all) of the Offered Interest for the price and otherwise on the terms contained in the Sales Notice, exercisable for a period of thirty (30) days (the "Second Option Period"), commencing upon the first day after the end of the First Option Period. The right shall be exercised by the delivery of written notice to the Selling Member by the end of the Second Option Period (the "Second Exercise Notice"). Failure to duly deliver the Second Exercise

Notice within the Second Option Period shall be deemed to be an election by the non-Manager Members to not purchase the Offered Interest. The non-Manager Members shall have the right to participate in purchasing the Offered Interest evenly, or in such other percentages as those electing to purchase all of the Offered Interest may agree, in writing. Each non-Manager Member who elects to participate in the purchase shall be liable only for the portion of the purchase price that corresponds to the portion of the Offered Interest.

(d) If the Managers or any of the non-Manager Members timely elect to purchase all of the Offered Interest, the closing of the purchase of the Offered Interest shall be held at the principal office of the Company on the date required in the Bona Fide Offer but in any event no earlier than thirty (30) days after the delivery of the applicable Exercise Notice. At such closing, the Selling Member shall satisfy the closing requirements set forth in the Bona Fide Offer in respect of the Offered Interest. At such closing, all of the parties to the transaction shall execute such additional documents as are otherwise necessary or appropriate to effectuate the intent of the foregoing.

(e) If neither the Managers nor any of the non-Manager Members timely deliver an Exercise Notice, or if having made any such election the Managers or the electing non-Manager Members fail to timely close in accordance with Section 9(b)(iv), then the Selling Member shall have the right, subject to compliance by the Selling Member with all the other provisions of this Agreement, to consummate such transaction on the terms contemplated by the Bona Fide Offer; provided, however, that if the transfer is not completed within one hundred twenty (120) days following the delivery of the Sales Notice or if the purchase price is less than the price set forth in the Sales Notice, the Offered Interest shall once again be subject to all of the terms and conditions of this Agreement to the same extent as if the Sales Notice had not been given.

(f) Upon a transfer pursuant to this Section 9(d), including the requisite consent of the Managers to such transfer, the purchaser of the Offered Interest shall become a Member with respect to the purchased Offered Interest, provided that such purchaser executes an agreement agreeing to be bound by the terms of this Agreement and any other instrument reasonably required by the Managers for purposes of compliance with federal and state securities laws and tax laws, and subject to the Members' consent to purchaser being admitted as an additional Member of the Company as required hereunder.

7.2 Assignees and Substituted Members.

(a) Where an assignment of an Interest has been made, the Company nevertheless need not recognize such assignment for any purpose unless the Managers consent to such Transfer, and unless there shall have been filed with the Company a duly executed and acknowledged counterpart of the instrument

making such assignment, signed by both the assignor and the assignee and unless such instrument evidences the written agreement by the assignee to be bound by all of the terms and provisions of this Agreement and represents that such assignment was made in accordance with all applicable laws and regulations (including without limitation investor suitability requirements).

(b) If a Member assigns all of the Member's Interest, the Member shall cease to be a Member upon the admission of the assignee as a substituted Member in accordance with the provisions of this Section 7.2.

(c) Any assignee of an Interest of a Member shall become a Member when the books and records of the Company reflect that the assignee has been admitted as a Member, the assignee has satisfied all conditions to such admission specified in this Agreement, the assignee has executed a counterpart of this Agreement as then in effect, and (unless waived by the non-transferring Member) the assignee has paid all reasonable legal fees and filing costs of the Company in connection with such assignee's admission as a Member.

(d) In the event an assignee of the Interest of a Member is admitted as a Member in accordance with the provisions of this Section 7.2, Schedule A to this Agreement shall be amended to reflect such admission, and, if applicable, the withdrawal of the assignor as a Member as provided in paragraph (b) of this Section 7.2.

7.3 Admission of Additional Members. Subject to any restrictions expressly set forth in this Agreement or imposed by law, a Person may at any time be admitted as an additional Member with the unanimous approval of the Members. The capital contribution (if any) required as a condition of admission, and any other conditions required to be satisfied prior to the admission of such Person as a Member, shall be upon approval of Members holding a majority of the Membership Interest. Any additional Member shall become a Member when the books and records of the Company reflect that the Person has been admitted as a Member, such Person has satisfied all conditions to such admission specified in this Agreement, and such Person has executed a counterpart of this Agreement as then in effect. Upon the admission of any additional Member, Schedule A shall be amended in all appropriate respects to reflect such admission.

7.4 Allocations Subsequent to Transfer. In the event of the admission or withdrawal of a Member, or in the event all or any part of the Interest of a Member is validly transferred as provided in this Article 7, the Net Profits or Net Losses allocated under Article 5 (and each item thereof) shall be further allocated based upon the ownership of the respective Interests prior to and following the effective date of such admission or withdrawal in a manner determined by the Managers to be consistent with the requirements of Section 706 of the Code and any Regulations thereunder.

7.5 Buyout upon Triggering Event.

(a) Exercise of Option. Upon a Triggering Event, the Member with respect to which a Triggering Event has not occurred (the "Non-Triggering Member") shall have the option or the obligation, as specified in Section 7.5(e) below, to purchase, and the Member with respect to which a Triggering Event has occurred (the "Triggering Member") shall sell and transfer to the Non-Triggering Member, for the Purchase Price (as defined below), all, but not less than all, of the Triggering Member's Interest. The Non-Triggering Member shall initiate the buyout of the Triggering Member's Interest by sending a written notice of the exercise of its option, with respect to optional buyouts, or the initiation of the buyout, with respect to mandatory buyouts, (the "Exercise Notice") within sixty (60) days of the Triggering Event, which 60-day period shall not commence until the Triggering Member has provided written notice to the Non-Triggering Member that the Triggering Event has occurred. The Non-Triggering Member shall have the right to assign its buyout rights and obligations to purchase the Triggering Member's Interest to the Company, in which case the Company shall be permitted to exercise all rights and carry out all obligations of the Non-Triggering Member under this Section 7.5 with respect to the purchase of the Triggering Member's Interest.

(b) Determination of Purchase Price. The "Purchase Price" for the Triggering Member's Interest shall be equal to the appraised fair market value of the Triggering Member's Interest determined as of the date of the Triggering Event by an independent appraiser selected by the Non-Triggering Member in accordance with generally accepted business appraisal principles. The determination of Purchase Price as provided herein shall be binding and conclusive on all parties hereto and their successors or assigns. The Non-Triggering Member shall pay all of the fees, expenses and other costs of the appraiser.

(c) Payment of Purchase Price. In the event that life insurance has been purchased by the Non-Triggering Member or the Company on the life of the Triggering Member for the purpose of providing for the payment of the Purchase Price, then the Purchase Price shall be paid from the proceeds of such life insurance policy in cash within fifteen (15) days of the receipt of such proceeds. In the event that the proceeds from a life insurance policy described in the foregoing sentence are insufficient to pay the full amount of the Purchase Price or if no life insurance policy is in effect or payable at the time of the Triggering Event, then the Non-Triggering Member shall deliver a Promissory Note at the closing of the purchase and sale of the Triggering Member's Interest for the outstanding balance of the Purchase Price, net of any life insurance proceeds applied thereto, that is made payable to the order of the Triggering Member. The term "Promissory Note" as used in this Agreement means a promissory note, in a form mutually acceptable to the holder and maker thereof providing for sixty (60) consecutive equal monthly installments of principal and interest, and bearing interest on unpaid balances at

the "Prime Rate" as specified in the "Money Rates" section of the *Wall Street Journal* published on the first day of each calendar month, which rate shall be adjusted on each such date or the next following publication date thereafter.

(d) Closing. At the time of closing under this Section 7.5, the Triggering Member shall deliver to the Non-Triggering Member a duly executed assignment of the Triggering Member's Interest, which shall be free and clear of all liens and encumbrances. In addition, the Triggering Member shall execute and deliver to the Non-Triggering Member all other documents which may be reasonably required by the Non-Triggering Member or its counsel to transfer good and marketable title to the Triggering Member's Interest unto the Non-Triggering Member, free and clear of any liens and encumbrances except those created by this Agreement. Unless otherwise agreed to by the parties, the closing and the purchase of the Triggering Member's Interest shall take place upon the later of (i) sixty (60) days after the delivery of the Exercise Notice, (ii) thirty (30) days after the Purchase Price is determined in accordance with Section 7.5(b) above or (iii) if life insurance proceeds will be available to apply to the Purchase Price in accordance with this Section 7.5, upon receipt of such life insurance proceeds.

(e) Optional and Mandatory Triggering Events. With respect to the Triggering Events described in Sections (a) and (b) of the definition of "Triggering Event", the obligation of the Non-Triggering Member to purchase the Triggering Member's Interest shall be mandatory. With respect to the Triggering Events described in Sections (c) through (f) of the definition of "Triggering Event", the decision as to whether to purchase the Triggering Member's Interest shall be optional and the Non-Triggering Member may exercise such option in its sole and absolute discretion.

7.6 Subsequent Capital Raises. In the event the Company undergoes a subsequent equity financing raise to outside investors it is agreed that the equity sold pursuant to such raise will come solely from the equity held by the Managers of the Company as of the date hereof on a *pro rata* basis and not from any equity held by the Initial Members, and the Percentage Interest of the Managers will be reduced accordingly in such an event. For purposes of clarity, in the event the Company undergoes such a raise, the investment proceeds will be paid directly to the Company (and not to the Managers) despite the fact that the Managers' Percentage Interest will be collectively reduced by the amount of Percentage Interest sold, and the Capital Account for the Managers will be adjusted accordingly to reflect such lesser Percentage Interest.

ARTICLE 8. INDEMNIFICATION

8.1 Exculpation. None of the Managers, Members or any of their respective officers, directors and/or managers (each an "Indemnified Person") shall be liable,

responsible, or accountable, in damages or otherwise, to any Manager, Member or to the Company for any act performed by such Indemnified Person within the scope of the authority conferred on such Indemnified Person by this Agreement, except for fraud, gross negligence, intentional misconduct, knowing violation of law, or an intentional breach of this Agreement.

8.2 Indemnification. The Company agrees to indemnify each Indemnified Person to the fullest extent permitted by law and to save and hold it harmless from and in respect of all (a) reasonable fees, costs, and expenses, including legal fees, paid in connection with or resulting from any claim, action, or demand against such Indemnified Person, or its properties, business, or affairs and (b) such claims, actions, and demands and any losses or damages resulting from such claims, actions, and demands, including amounts paid in settlement or compromise (if recommended by attorneys for the Company) of any such claim, action or demand in all cases arising out of any act performed or omission in connection with carrying out such Indemnified Person's rights and obligations under this Agreement or otherwise related to such Indemnified Person's status as a Member or Manager of the Company or any director, officer or manager of a Member or Manager of the Company; *provided, however*, that this indemnity shall not extend to conduct not undertaken in good faith to promote the best interests of the Company, nor to any conduct which constitutes fraud, gross negligence, intentional misconduct, knowing violation of law, or an intentional breach of this Agreement. Such indemnity shall be paid from, and only to the extent of, the Company's assets (including the Capital Contributions), and neither Members nor the Managers will have any personal liability arising from such indemnification.

ARTICLE 9. DISSOLUTION AND TERMINATION

9.1 Events Causing Dissolution.

- (a) The Company shall be dissolved and its affairs wound up upon:
 - (i) the sale, condemnation, or other disposition of all or substantially all of the assets and properties of the Company;
 - (ii) the unanimous written election to dissolve the Company by the Managers; or
 - (iii) the occurrence of an event specified under the laws of the Commonwealth of Massachusetts as one requiring dissolution of the Company without regard to the provisions of the Company's written operating agreement, except that where, under the terms of this Agreement, the Company is not to terminate, then the Company shall be immediately reconstituted and reformed on all the applicable terms, conditions, and provisions of this Agreement.

(b) The Company shall not be dissolved, and shall not terminate, as the result of the occurrence of any event not specifically effecting a dissolution under the provisions of paragraph (a) of this Section 9.1. Without limiting the generality of the foregoing:

(i) No time is specified in this Agreement for the Company's dissolution; and

(ii) Neither the resignation, expulsion, death, incapacity, bankruptcy, termination or dissolution of a Member shall automatically cause the Company's dissolution or cause the Member to be disassociated with the Company. Upon any such occurrence, the trustee, guardian, executor, receiver or administrator of the Member shall have all the rights of the Member for the purpose of settling or managing the Member's properties.

9.2 Procedures on Dissolution. Dissolution of the Company shall be effective on the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until the assets of the Company shall have been liquidated and distributed as provided in Section 9.3 hereof and the Company's Certificate shall have been canceled. Notwithstanding the dissolution of the Company, the business and the affairs of the Company shall be conducted so as to maintain the continuous operation of the Company under the provisions of this Agreement. Upon dissolution of the Company, the Managers, or if none, a liquidator selected by the Members, shall liquidate the assets of the Company, shall apply and distribute the proceeds thereof as provided in Section 9.3 hereof, and the Managers shall prepare, execute, and deliver to the Secretary of the Commonwealth of Massachusetts Certificate of Dissolution in accordance with the Act.

9.3 Liquidation. Upon the dissolution of the Company, its affairs shall be wound up and it shall be liquidated and the proceeds of such liquidation and the Company's other assets shall be distributed as follows (and in the following order):

(a) All of the Company's ascertained debts and liabilities to creditors (including any Member who is a creditor of the Company) shall be promptly paid and discharged in the order provided by applicable law. Subject to applicable law, each Member included in Schedule A hereto as of the date hereof, but excluding each Manager as of the date hereof (each an "Initial Member") shall be entitled to *pro rata* preference over all other Members in the distribution of the assets of the Company or the proceeds of liquidation of the Company, it being the intention of the Members to satisfy, to the extent possible, each Initial Member's interest in the Company before satisfying any Member not an Initial Member, in the event of such liquidation and distribution.

(b) A reserve shall be set aside in an amount which the Managers or liquidator determines is reasonably required to provide for contingent or other

liabilities or the Company.

(c) The Company's Net Profits or Net Losses shall be computed and shall be allocated to the Members in accordance with Section 5.1, and the Members' Capital Accounts shall be adjusted in accordance with Section 6.7.

(d) The remainder of the Company's assets shall be distributed, in liquidation of the Interests of all the Members of the Company, to those Members with positive Capital Account balances, after taking into account all Capital Account adjustments provided for in Section 6.7 (other than those made as a result of any such liquidating distributions) in proportion to such positive Capital Account balances, as so adjusted. Each Member shall receive its share of such remaining assets in cash and/or in kind, and the portion of such share that is received in cash may vary from Member to Member, all as the Managers or liquidator may in such Person's sole discretion determine. Notwithstanding the foregoing, if any assets are to be distributed in kind, such assets shall be distributed on the basis of the fair market value thereof and any Member entitled to any interest in such assets shall receive such interest therein as a tenant-in-common with all other Members so entitled. If any asset is to be distributed in kind, the Members' Capital Accounts shall be adjusted as provided for in Section 6.7 before any such distribution is made to reflect the increases or decreases to the Capital Accounts which would have occurred if the asset to be distributed in kind had been sold for its fair market value by the Company immediately prior to such distribution.

(e) As soon as practicable, the remaining balance, if any, of the reserve established in accordance with subsection (b) hereof shall be distributed in the manner set forth in subsection (d) hereof.

(f) Distribution of cash or property to the Members in accordance with the foregoing provisions shall constitute a complete return to the Members of their respective interests in the Company's assets. Each Member shall look solely to the assets of the Company for the return of the Member's investment, and no Member shall have any recourse against any Manager, liquidator or Member if the net assets of the Company remaining for distribution as hereinabove provided are insufficient to return the Member's investment

ARTICLE 10. MISCELLANEOUS

10.1 Notices. All notices, consents, requests, demands, or other communications under or in connection with this Agreement shall be in writing and shall be deemed received for all purposes (i) when received by the recipient if sent by hand delivery or by a prepaid messenger or nationally recognized courier service; (ii) five (5) business days after mailing if sent by prepaid first class mail; (iii) one (1) business day after confirmation of successful transmission has been received by the

sender if sent by facsimile transmission; or (iv) one (1) business day after transmission by electronic mail if no undeliverable notice is received by the sending party, if to the Company to: 660 Douglas Street, Unit 400, Uxbridge, Massachusetts 01569; if to a Member at the address shown in Schedule A as amended from time to time; if to a Manager at the address shown in Schedule B as amended from time to time or to such other Person or at such other address as shall have been specified to the noticing party upon seven (7) days' notice in the manner provided above.

10.2 Successors and Assigns. This Agreement shall, subject to the restrictions on transferability set forth herein, and except to the extent otherwise expressly set forth herein, be binding upon and shall inure to the benefit of the parties hereto and their respective legal representatives, successors and permitted assigns.

10.3 No Waiver. The failure of the Company, any Manager or any Member to insist upon strict performance of any provision hereunder, irrespective of the length of time for which such failure continues, shall not be deemed a waiver of the Company's, such Manager's or such Member's right to demand strict performance at any time in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation or provision hereunder shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation hereunder.

10.4 Entire Agreement. This Agreement constitutes the full and complete agreement of the parties hereto with respect to the subject matter hereof.

10.5 Counterparts. This Agreement may be executed in any number of counterparts, all of which together for all purposes shall constitute one instrument, binding on all the parties hereto notwithstanding that all parties have not signed the same counterpart.

10.6 Applicable Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts (without regard to or application of its provisions regarding conflicts of laws).

10.7 Headings. The headings contained in this Agreement are for reference only and shall not in any way affect the meaning or interpretation of this Agreement.

10.8 Construction. Whenever appropriate in this Agreement, words used in the singular may be read in the plural, words used in the plural may be read in the singular, words imparting the neuter shall include the masculine and feminine genders and words imparting the masculine gender shall include the feminine and neuter. When a reference is made in this Agreement to Sections, Subsections, Certificate or Schedules, such reference is to a Section, Subsection, Article or Schedule to this Agreement unless otherwise indicated. The words "include",

“includes” and “including” when used herein are deemed in each case to be followed by the words “without limitation”. The word “herein” and similar references mean, except where a specific Section, Subsection or Article reference is expressly indicated, the entire Agreement rather than any specific Section, Subsection or Article.

10.9 Severability. If any provision of this Agreement shall be held or deemed to be, or shall in fact be, invalid, inoperative or unenforceable as applied to any particular case in any jurisdiction or jurisdictions or in all cases, because of the conflicting of any provision with any constitution or statute or rule of public policy or for any other reason, such circumstance shall not have the effect of rendering the provision or provisions in question invalid, inoperative or unenforceable in any other jurisdiction or in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to the extent that such other provisions are not themselves actually in conflict with such constitution, statute or rule of public policy; but this Agreement shall be reformed and construed in any such jurisdiction or case as if such invalid, inoperative or unenforceable provision had never been contained herein and such provision reformed so that it would be valid, operative and enforceable to the maximum extent permitted in such jurisdiction or in such case.

10.10 Amendment. This Agreement may be amended only with the unanimous written consent of the Members, except that the Managers may amend Schedules A and B hereto, without the approval or consent of any Member, to reflect changes in the Capital Contribution, Percentage Interest or address of any Member, the assignment of any Member's Interest, the admission or withdrawal of any Member, changes in the address of any Manager or the removal or resignation of any Manager provided such changes, assignments, admissions and/or withdrawals were made in accordance with the terms of this Agreement and a copy of any such amended Schedule is promptly delivered to each Member.

{Remainder of Page Intentionally Left Blank. Signatures Follow.}

IN WITNESS WHEREOF, each of the Members and Managers have executed this Agreement to be effective as of the Effective Date.

Witness

Member



Timothy Phillips


Kevin MacConnell


W. Robert Knapik


Brian MacConnell

dotloop verified
09/13/18 6:43PM EDT
WSPG-59IU-YBR3-YWL2



Jacquie MacConnell


Sean MacConnell

dotloop verified
09/12/18 5:03PM EDT
BPAS-M6TE-EBDD-UBAC


Arleen Warhola

dotloop verified
09/13/18 9:31AM EDT
YIME-PSTE-KH4M-OBRA


Tiana Warhola

dotloop verified
09/13/18 1:23PM EDT
CEBH-KFXV-XFZP-RUAT

IN WITNESS WHEREOF, each of the Members and Managers have executed this Agreement to be effective as of the Effective Date.

Witness

Member

Timothy Phillips

Kevin MacConnell

W. Robert Knapik

Brian MacConnell






 dotloop verified
09/14/18 12:42PM
EDT
NJP-TFSE-T7XT-ZYNG
Jacquie Fauter-MacConnell

Sean MacConnell

Arleen Warhola

Tiana Warhola

Schedule A
Members and Percentage Interest

Name and Address	Capital "Account"	Percentage Interest
Timothy Phillips 35 Church Street Uxbridge, Massachusetts 01569	\$1,037,500	41.5%
Kevin MacConnell 2905 Inca Street, Apartment 2104 Denver, Colorado 80202	\$1,012,500	40.5%
W. Robert Knapik 1279 Providence Road Whitinsville, Massachusetts 01588	\$25,000.00	1%
Brian MacConnell 18608 Ocean Mist Drive Boca Raton, Florida 33498	\$100,000.00	4% 
Jacquie MacConnell 18 Cambridge Road Glen Ridge, New Jersey 07028	\$100,000.00	4% 
Sean MacConnell	\$25,000.00	1% 
Arleen Warhola 50 Central Square Street, Unit 130, Box 158 Daniel Island, South Carolina 29492	\$100,000.00	4% 
Tiana Warhola 6250 Promenade Drive North Apartment 430 Westminster, Colorado 80020	\$100,000.00	4% 

**Schedule B
Managers**

Name and Address
Timothy Phillips 35 Church Street Uxbridge, Massachusetts 01569
Kevin MacConnell 2905 Inca Street, Apartment 2104 Denver, Colorado 80202

Blackstone Valley Naturals, LLC

Business Plan

660 Douglas Street, Uxbridge
MA Suite 400

p. (973) 851-6832
p. (508) 450-1046

kevin@denvernaturals.com
tim@denvernaturals.com

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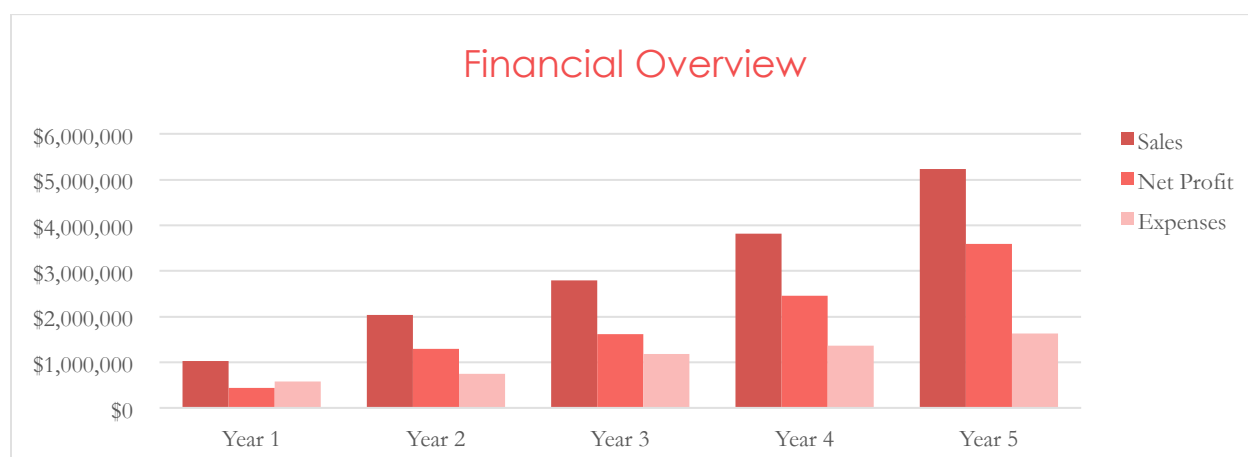
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Executive Summary

Blackstone Valley Naturals, LLC is a management company in the process of applying for a Recreational Cannabis Microbusiness License in the state of Massachusetts. This license consists of a Tier-1 cultivation (up to 5,000 square feet of plant canopy) and a manufacturing license. Blackstone Valley Naturals (BVN) will direct operations for its DBA, Yamna. BVN's focus is to effectively manage this subsidiary in creating and providing the highest quality cannabis products while increasing taxable revenue for the town of Uxbridge and the state of Massachusetts.

As of June 25th, BVN has completed all state preliminary requirements and received final signoff on a Host Community Agreement with the town of Uxbridge, Massachusetts.

Highlights



In year 1, sales aren't expected to begin until month 7. The first 6 months will be focused on purchasing equipment, building the facilities, and planting the first harvest. A full year of sales won't begin until year 2.

Objectives

- June 11th: first meeting with local officials of Uxbridge, MA to discuss Host Community Agreement
- June 14th: publication in local paper announcing pursuit of Host Community Agreement
- June 21th: community outreach meeting to present business plan to town residents
- June 25th: Host Community Agreement granted
- July 1st: property lease began
- July – September: investment capital raised
- September 25th: state application completed and submitted
- December 1st: provisional license granted / facility build-out begins (estimate)
- January 1st: final state license granted / first seeds planted in grow pod #1 (estimate)
- March 15th: first harvest of grow pod #1 (estimate)
- March 20th: extraction to begin on first harvest (estimate)
- April 1st 2019: sales to begin on first round of finished product (estimate)

Mission Statement

BVN is committed to setting the highest standard for cannabis integrity throughout the state of Massachusetts as well as the nation. Its core competencies are creating a safe environment for its community and employees as well as producing the highest quality products on the market. BVN strives to create a model others will seek to emulate.

Management's Keys to Success

- Management holds over five years of combined hands on manufacturing experience within the Colorado Cannabis Industry
- Five+ years' experience of legal Colorado (Medical and Recreational) marijuana sales and market evaluations
- Established grow pod design and dialed in yields with proven equipment and feeding programs
- Extraction SOPs consisting of pre and post extraction safety precautions and product completion
- Proven understanding for compliance and packaging
- Nationwide contacts for advice and wholesale grow/extraction supplies
- Advanced knowledge in cannabis products and market relevance

The Team

- Tim Phillips
 - Graduate from the University of Massachusetts Dartmouth with a degree in Criminal Justice
 - Medical Marijuana Caregiver, cultivating for five patients in Maine
 - Operations Manager for Mindful, one of the largest cannabis companies in Colorado
 - Advanced knowledge and hands on experience with Butane and Solventless extraction
 - Advanced knowledge and hands on experience with large scale grow operations and SOPs
 - Has overseen multiple Class One Division One (the highest fire safety rating) buildouts
 - Advanced knowledge for compliance, sales, product development, and retail operations
- Kevin MacConnell
 - Graduate from Syracuse University with dual degrees in Accounting and Marketing
 - Wholesale and Product Manager for Mindful, one of the largest cannabis companies in Colorado
 - Advanced knowledge and hands on experience in sales and sales operations
 - Previous management experience of sales team averaging \$200K a month in sales of concentrates
 - \$700K+ in individual sales
 - Advanced knowledge for product pricing and product relevance in the market
 - Has overseen the development and launch of multiple product SKU's
 - Advanced knowledge and hands on experience in compliance and packaging
 - Has overseen the development and redesign of entire packaging lines, cutting costs and adhering to Colorado's strict compliance regulations
- Rob Knapik
 - Graduate from New England School of Law
 - Admitted to the Massachusetts Bar, January 2001

- Registered Professional Land Surveyor
- Registered Professional Engineer
- Advanced knowledge and practice in real estate conveying, landlord/tenant law, land use permitting, corporate law, and environmental and land use litigation

Description of Business

BVN will be overseeing the facility build-out and operations for products produced by its subsidiary company, Yamna. Under the Tier 1 cultivation license, Yamna gardens will grow and harvest all plant material to be used within the company for extraction. Harvested flower will be sent to postproduction for trimming, curing, packaging and/or freezing. Following these stages, finished cannabis will be transferred to Yamna extractions for processing, under the manufacturing license. Oils from the plant will be extracted into various product types and wholesaled to licensed retail stores throughout the state. All finished stock-keeping unit's (SKU's) will be packaged and branded in childproof containers labeled to abide by Massachusetts's compliance laws.

Location

660 Douglas Street, Uxbridge MA Suite 400

- 7,000+ square feet
- Additional common area foyer and bathrooms (no additional cost)
- 3 year lease with a potential 5 year extension
- (3N) Triple Net Lease
 - "Real estate taxes and all expenses will be paid by the tenant as part of the Triple Net expense. Tenant will pay their proportional share of taxes, insurance (a commercial package policy), expenses, and any common area expenses. Common area is exempt from taxes and insurance. The triple net will be based on 17% for taxes and insurance. Ground Care such as plowing and any and all snow removal will be prorated based on square footage"

A Lease Intent has been signed, including a \$5,000 deposit, to secure the property. The deposit covers first month's rent in July.

Interior

The layout of the premise is ideal for the long-term growth of the company. With plenty of extra space for future build-outs, it will give BVN the opportunity to expand operations as soon as needed.

- 1,600 square feet of office space (5-6 total rooms)
- 5,400-6,000 square feet of industrial/open space (Extraction, Grow pods, Flower production, Water purification, and ETC)
- 500 square feet of "community foyer" (Bathrooms, Kitchen, Vending machine, and ETC)

The premise comes with existing HVAC for the general space as well as compressed air with 3 separate hook ups. The compressed air will be utilized for growing on various levels and future extraction processes.

Hours of Operation

Monday – Saturday: 6AM – 6PM

Sunday: Grow pod monitoring; on call services for select employees

Products and Services

Products will range from various concentrates to infused tinctures and vapor pens. These products will be produced under the DBA, Yamna. The company's initial focus will be the various SKU's listed below:

- *Sap/shatter*: a thin layer of solid or malleable oil that breaks apart like glass or “pulls and snaps” like “gum”
- *Sugar*: shatter that has begun to crystalize as the terpenes separate due to temperature and or pressure. The process creates a small diamond or sand like consistency while retaining most of the natural terpene content
- *Sauce*: a process very similar to “sugar” but retains a higher level of terpenes creating a “saucy” consistency
- *Budder*: oil is whipped into a “greasy” or “Buttery” consistency that is very aromatic and one of the fastest post processing methods
- *Full Spectrum Diamonds*: a process very similar to “Sugar” and “Sauce” but THC-A diamonds are formulated over a period of time with heat and pressure. These THC-A diamonds can be sold with the original terpenes or without

These products will be given a quality grade from A-C. Quality is based off of color, texture, and smell. Any C-grade product will be used to make additional SKU's such as tinctures and vapor pens. This will create new sources of revenue; e.g. one gram of low-grade oil can be used to produce up to five tinctures.

Services may include third party processing, in which licensed growers in Massachusetts seek out BVN's manufacturing license and hire them to process their cannabis material. BVN's license also allows them to purchase up to 2,000 pounds of material a year from licensed cultivators for personal product lines and packaging.

Manufacturing

BVN's facility will include the appropriate equipment for creating Solvent Less Hash Oil (SHO) by extracting cannabis with ice, water, heat, and pressure. Unlike other extraction methods that require solvents such as butane, ethanol, CO2, etc., BVN's process will be purely mechanical. This process requires two forms of extraction and develops one of the purest and most sought after cannabis products on the market. The first process consists of using ice and water to extract the cannabinoids from the plant material. After the frozen cannabis material is “washed,” the water is poured through various screens to filter the different grades of cannabinoids. Following the screening process, the finished product is placed into a lab grade freeze drier to

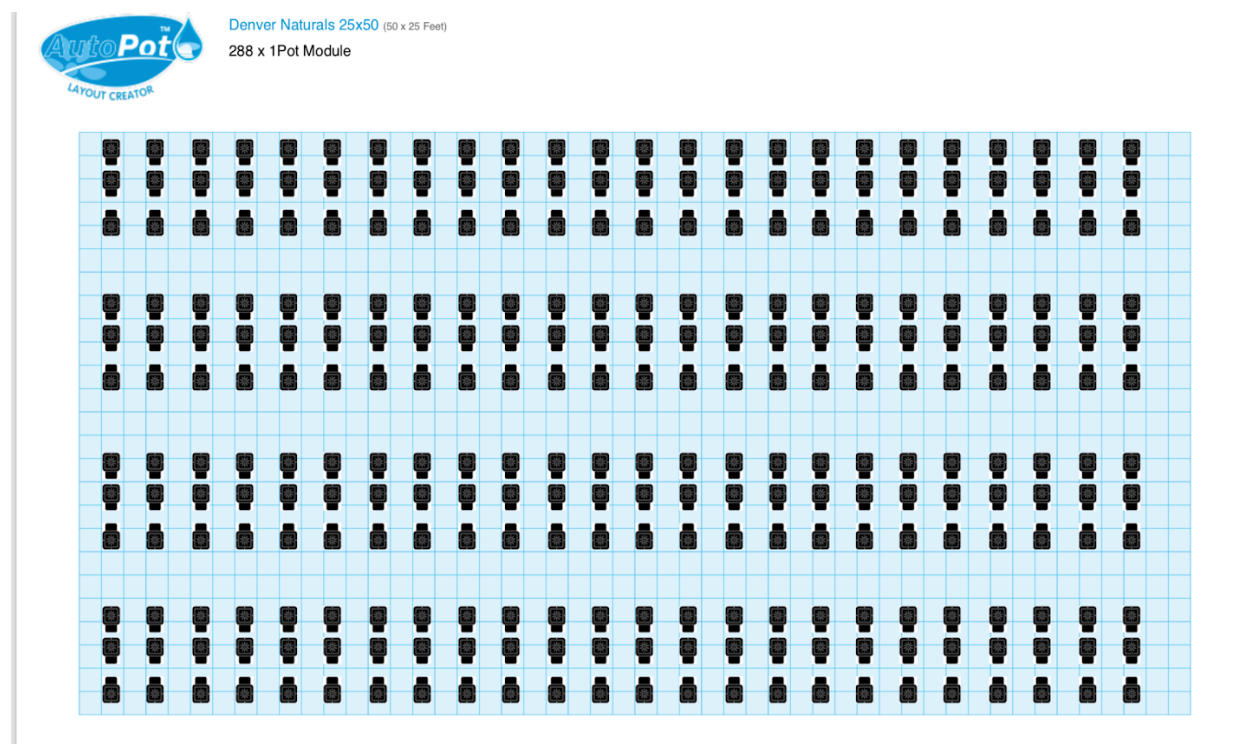
prepare it for final extraction. Once the freeze dry process is completed, the product is grated to a fine “beach sand” consistency and poured into filter pouches. The pouches are placed onto a pneumatic heated press where evenly distributed heat and pressure separates the oil from the plant’s fats, lipids, and other unwanted materials. The purified resin that is extracted from the pouches is collected onto parchment paper and jars for final curing and packaging.

All products will be sold directly to Massachusetts licensed retailers. The product can be picked up by a licensed representative for the retail store that’s ordering, or delivered by one of BVN’s licensed vehicles.

Cultivation

BVN will use a new style of cannabis genetics that finish, seed to harvest, in 65 to 75 days vs. a traditional timeline of 90 to 120 days. Requiring 24 hours of light, these genetics produce high quality flower in a significantly shorter period of time.

BVN will implement a hybrid of soil and hydroponic grow techniques allowing these plants to feed 24/7. The process focuses on smaller plant counts with larger yields, cutting down labor time and maintenance. Air and hydroponic feeding lines will run through each flowerpot, supplying a constant stream of water, air, and nutrients. Below is a diagram of how 288 plants will line up in each 1,250 square foot grow pod.



Safety and Security

BVN will be hiring Eagle Star Security, located in Douglas, MA, to install appropriate security and surveillance measures for the leased space. They have conducted a full walk through of the premise and developed the safest approach to secure the rented space and cannabis products. Every access door in the facility will be equipped with a dead bolt lock and key FOB “small electronic security device.” All FOB’s are

equipped with a built-in authentication mechanism to allow whoever possesses one to enter a secured room or location. All exits, doors, and rooms will have the necessary cameras on each side to prevent possible theft.

All employees will be required to follow strict safety guidelines that have been developed and learned in Colorado.

Management

The two majority shareholders will manage BVN. They will oversee the entire build-out and operations/production for the company's grow pod(s) and lab. After the first harvest of year 1, BVN will be hiring two additional full-time employees. These employees will assist in growing, harvesting, trimming, extracting, packaging, and delivery. They will be trained and monitored by the management team. They will both be on a fixed salary.

Financial Management

BVN will have multiple forms of bookkeeping and a part time secretary for payroll and document filing. The financial advisor will be helping prepare quarterly filings and paperwork. Accurate bookkeeping and documentation will ensure financial stability.

Suppliers

During the first 6 month of the commercial lease, the company's highest priority will be setting up the grow/lab and planting the first harvest. If quality cannabis is available at reasonable pricing at this time, BVN may seek out extraction material. The sourced material will be used to begin manufacturing and sales as soon as possible. However, the Yamna brand is of the utmost importance and BVN will hold back on quickly jumping into the market if the extraction material doesn't meet their strict quality standards. Additional non-cannabis product suppliers will include packaging, labeling, office utilities (Wi-Fi), and security/surveillance all of which will be sourced during the first three months of construction.

Community

BVN's service is to the community and its consumers. The company will be highly active in community events and organizations in order to help promote good business practice and education for the industry. BVN will stay in constant contact with local and state law enforcement ensuring a safe environment for employees and the community. Local citizens and consumers will have the opportunity to reach out with any feedback, suggestions, and concerns through almost all social media outlets and company website. BVN is community driven and community based.

Marketing

BVN's target market is the cannabis consumer that enjoys their cannabis products or "medication" in the most concentrated form. Quality and connection to the brand is everything in this market segment. Consumers can easily lose interest if product consistency is frequently changing or if they don't feel connected to the brand's "Big Picture." Involvement in this industry is identified as support for the

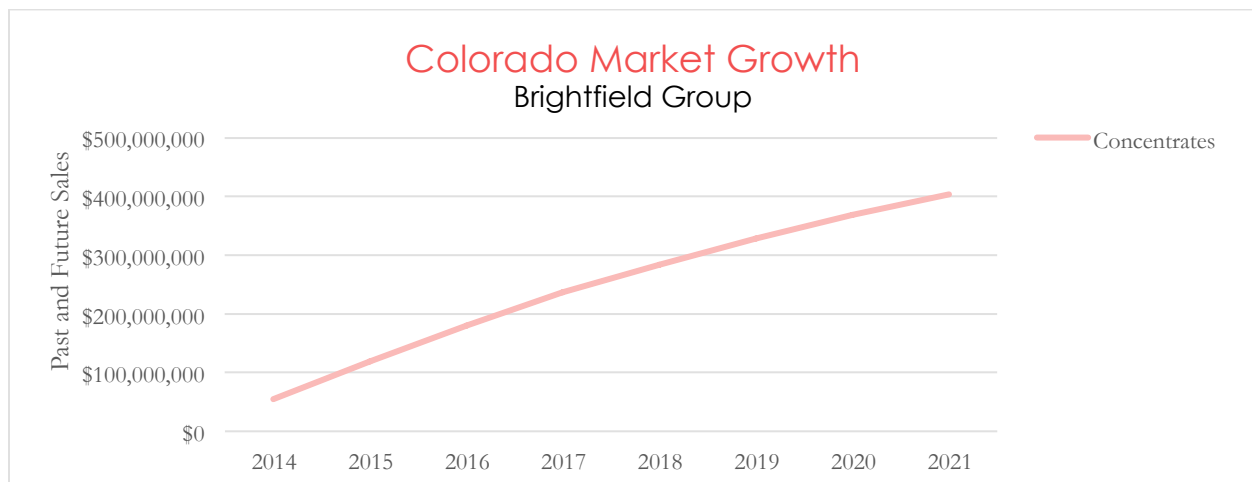
legalization of cannabis and its medicinal benefits. BVN will market Yamna as a leader in product quality, education, and safety that'll set the benchmark for the advancement of East Coast legalization.

Since there is not an established recreational market in Massachusetts to forecast growth, the numbers and graphs chosen for this report reflect the current and projected Colorado market.

Market Analysis

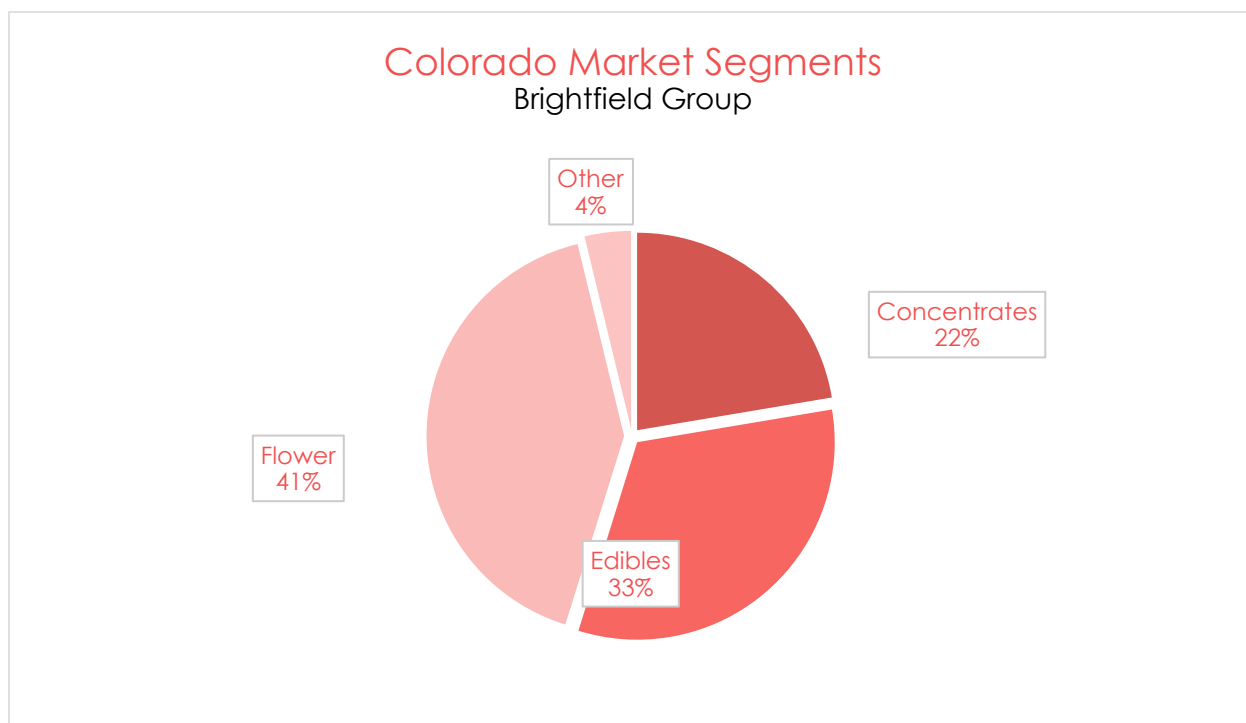
BVN's market is limited to licensed cannabis retailers only in Massachusetts. Using market insight gathered from past experience in Colorado, BVN will apply similar strategies and pricing to Massachusetts.

Concentrates are one of the most profitable segments to the cannabis industry and Yamna will be one of the first suppliers for this newly legalized state. The market size is limitless, as the doors are just now being opened to a legal East Coast. In Colorado, recreational concentrates are projected to reach sales of \$400 million by 2021 and have seen steady growth in the market since 2014.



Market Segmentation

BVN's product line, Yamna, is a boutique high-end line of concentrates simply because they use the whole plant for extraction rather than the cannabis trim used by most companies. Products will be held to a very high standard and customers can expect the best in quality and consistency. There will be other concentrate brands out in the market, but Yamna's small operation and focus to quality will provide a competitive advantage and stand out to consumers in various ways (visual quality, smell, and packaging). In Colorado, concentrates account for 22% of the total market with one of the highest profit margins.



Competition

Competition is TBD as no recreational licenses have been issued or gone into effect.

Pricing

Product pricing is based off the current medical market pricing, “grey market” and “black market,” in the area. This number is then divided in half to account for retail stores “key-stoning” and is the going rate for these types of products in the Massachusetts area. Pricing may vary as the market matures, but for now there are no legal records to compare to.

- *Sap/shatter*: \$40-\$45 wholesale
- *Sugar*: \$40-\$45 wholesale
- *Sauce*: \$40-\$45 wholesale
- *Budder*: \$40-\$45 wholesale
- *Full Spectrum Diamonds*: \$45-\$60 wholesale

Advertising and Promotion

“Boots on the ground” marketing will be applied to first meet and create connections with the new retail business owners. Samples will be provided following initial introductions to allow prospects to experience the quality of a. Social media will be vital for much of this operation as it is a tremendous outlet for BVN to connect with the consumers buying their product from the retail dispensaries they sell to. Instagram will be used to highlight and document new products coming down the pipeline and where/when specific store releases will occur. BVN will participate in any legally registered cannabis events through either sponsorship or booth displays to engage with customers first hand. BVN has multiple social media companies on hand to manage their social media platforms at affordable rates.

Strategy and Implementation

Beginning stages will be focused on building the company's social media presence. A third party has been hired to help increase page traffic and followers by "hacking" Instagram's algorithms. BVN will be documenting and sharing stages of the harvest and extraction process to excite present and future consumers. This platform is by far one of the best marketing strategies for cannabis startups and if properly managed can generate increased monthly sales and revenue.

The Brand

The Yamna Culture was a group of nomadic people dating back to the late Copper Age through early Bronze Age. They are remembered as the pioneers of the Cannabis trade, selling the plant between Europe and Asia while educating societies on its medicinal benefits and strong fibers for manufacturing purposes.

The Yamna brand embodies this ancient culture of education and sale of cannabis.

Appendix

Start-Up Costs

Fixed Costs	
• Grow Cost	123,351.00
• Lab Cost	15,169.00
• Registration/License	5,300.00
• Security/Surveillance (installation)	25,000.00
Variable Costs	
• Labor (6 months)	52,000.00
• Packaging (1 order)	15,000.00
• Utilities (3 months)	24,000.00
• Delivery (4 months)	1,900.00
• Rent (6 months)	25,500.00
• Triple Net Lease (3 months)	2,097.00
• Marketing (4 months)	800.00
• Security/Surveillance (6 months)	1,800.00
Total Start-Up Expenses	291,917.00
Purpose Contingency	108,083.00
TOTAL STARTUP COSTS	400,000.00

- Grow Cost: refer to Initial Outlay (page 12)
- Lab Cost: refer to Initial Outlay (page 12)
- Registration/License: \$300 application fee, \$5,000 yearly license fee
- Security/Surveillance: \$25,000 installation “estimate,” \$300 monthly “estimate”
- Labor: accounts for 6 months of two managerial salaries at fixed yearly rates of \$52,000 each
- Packaging: accounts for initial order for first round of finished goods
- Utilities: account for 3 months of water and electric after first seeds have been planted
- Delivery: accounts for 4 months of company vehicle expenses
- Rent: \$3,500 a month until state license is received. \$5,000 a month afterwards. BVN is anticipating 3 months of rent without a license. The state has upwards of 90 days to approve an application.
- Triple Net Lease: \$699 a month. Refer to Location (page 3)
- Marketing: \$200 a month “estimate”
- Purpose Contingency: covers all smaller expenses that will be encountered during the first 6 months of build-out/operations and larger expenses such as insurance that have not yet been quoted. Also provides a cushion for any unforeseen roadblocks the company may face before first sales begin

Pro Forma

Harvest Variables		Scenario			
Raw Material Yield (oz)	Expected				
Ounce Yield	12				
Harvest Cycle(s) per Year	5				
# Plants per growth cycle	288				
Yield per plant (pounds) 16 oz. in a lb	216				
Market Value of Finished Goods per Pod	2,916,000				
Yield Percentages	10%	15%	20%	25%	
Finished Goods (lb) per Pod	21.60	32.40	43.20	54.00	
Projected Investment in PPE	Year 1	Year 2	Year 3	Year 4	Year 5
Purchase Pod?	Yes	No	Yes	No	No
Active Pods per Year	1	1	2	2	2

Year	Year 1	Year 2	Year 3	Year 4	Year 5
Net Operating Profit After Tax (NOPAT)	442,761.60	1,291,299	1,618,093	2,454,161	3,598,237
Net Operating Profit Margin	97.18%				

Average of DCF and ROPI Valuation	5,373,677				
Discounted Cash Flow Valuation Analysis	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	1,020,600	2,041,200	2,793,178	3,822,185	5,230,278
NOPAT	442,762	1,291,299	1,618,093	2,454,161	3,598,237
NOA	299,970	348,492	720,389	840,106	837,128
Increase in NOA	-	48,521	371,898	119,716	(2,977)
FCFF (NOPAT - Increase in NOA)		1,242,778	1,246,196	2,334,445	3,601,214
Discount Factor		78.73%	69.86%	61.98%	55.00%
Present Value of Horizon FCFF		978,435	870,551	1,446,975	1,980,595
DCF Total Firm Value	5,276,556				

Residual Operating Income Valuation Analysis	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	1,020,600	2,041,200	2,793,178	3,822,185	5,230,278
NOPAT	442,762	1,291,299	1,618,093	2,454,161	3,598,237
NOA	299,970	348,492	720,389	840,106	837,128
Beg NOA * Discount Rate		38,101	44,265	91,502	106,708
Residual Operating Income		1,253,198	1,573,829	2,362,659	3,491,529
Discount Factor		78.73%	69.86%	61.98%	55.00%
Present Value of horizon ROPI		986,639	1,099,425	1,464,463	1,920,270
ROPI Total Firm Value	5,470,797				

Net Present Value Investment Valuation	Year 1	Year 2	Year 3	Year 4	Year 5
Initial Costs					
Capital Invested	(162,520)	-	(162,520)	-	-
Initial working capital	(331,068)				
Cash Flows from Operations					
Net Income	442,762	1,291,299	1,618,093	2,454,161	3,598,237
+ Depreciation	27,704	27,704	55,408	55,408	55,408
Salvage Value of Equipment (PPE, Net : Book Value)				158,816	103,408
Operating Cash Flow	(23,122.10)	1,319,003	1,510,982	2,668,385	3,757,053
Discount Rate (CAPM)	12.70%	Discount rate			
Net Present Value of Future Cash Flows	4,200,863				
Internal Rate of Return	5720%				
Payback Period (years)	1.02				

The expected yields used in this model are based on management's hands on experience at large-scale cannabis companies in Colorado as well as new grow techniques that have been studied and practiced. These numbers are conservative, relative to what the team has experienced. Ounce yields have the potential of reaching upwards of 15 per pant.

BVN's financial model shows that grow pod number 1 will reach maximum capacity during year 3 and the company will be ready to build out grow pod number 2.

The Discounted Cash Flow (DCF) Model

Defines company value as follows:

Firm Value = Present Value of Expected Free Cash Flows to Firm

The expected free cash flows to the firm do not include the cash flows from financing activities. Instead, the free cash flows to the firm (FCFF) are typically defined as net cash flows from operations +/- net cash flows from investing activities. That is, FCFF reflects increases and decreases in net operating working capital and in long-term operating assets.

FCFF = NOPAT - (Increase in NOA)

NOPAT = Net operating profit after tax

NOA = Net operating assets

Stated differently, free cash flows to the firm equal net operating profit that is not used to grow net operating assets. Net operating profit after tax is normally positive and net cash flows from investments (increases) in net operating assets are normally negative. The sum of the two (positive or negative) represents the net cash flows available to financiers of the firm, both creditors and shareholders. Positive FCFF imply funds available for distribution to creditors and shareholders either in the form of debt repayments or dividends. Negative FCFF imply funds are required from creditors and shareholders in the form of new loans or equity investments to support its business activities. The DCF valuation model requires forecasts of all future free cash flows; that is, free cash flows for the remainder of the company's life. Generating such forecasts is not realistic. Consequently, practicing analysts typically estimate FCFF over a horizon period and then make simplifying assumptions about the behavior of those FCFFs subsequent to that horizon period. For our model, we chose the time horizon of five years.

The Residual Operating Income (ROPI) Model

Focuses on net operating profit after tax (NOPAT) and net operating assets (NOA). This means it uses key measures from both the income statement and balance sheet in determining firm value. The ROPI model defines firm value as the sum of two components:

Firm Value = NOA + Present Value of Expected ROPI

NOA Net operating assets

ROPI Residual operating income

Net operating assets (NOA) are the foundation of firm value under the ROPI model. The measure of NOA using the balance sheet is the outcome of accounting procedures, which are unlikely to fully and contemporaneously capture the true (or intrinsic) value of these assets. However, the ROPI model adds an adjustment that corrects for the usual undervaluation (but sometimes overvaluation) of NOA. This amount is the present value of expected residual operating income (ROPI).

Increasing ROPI, therefore, increases firm value. This can be accomplished in two ways:

1. Decrease the NOA required to generate a given level of NOPAT
2. Increase NOPAT with the same level of NOA investment (improve profitability)

These are two very important observations. It means that achieving better performance requires effective management of both the income statement and balance sheet. Most operating managers are accustomed to working with income statements. Further, they are often evaluated on profitability measures, such as achieving desired levels of gross profit or efficiently managing operating expenses. The ROPI model focuses management attention on the balance sheet as well.

Initial Outlay and Inventory Production Costs

Initial Outlay			
Item Description	Cost	Useful Life	Rate/yr
HVAC	1,500	5	300
LED Lights (50 lights)	51,000	5	10,200
Flower Pots	5,000	5	1,000
RO Water System	5,851	5	1,170
Flower Cure and Storage	20,000	5	4,000
Grow Pod Material Cost	20,000	5	4,000
Backup Generator	20,000	5	4,000
Total Grow Cost	123,351		24,670
Pure Pressure Starter Kit	10,585	5	2,117
Scientific Freeze Dryer	4,584	5	917
Total Lab Cost	15,169		3,034
Delivery Truck	24,000	5	4,800
Total PPE Investment	162,520		27,704
Working Capital	331,068.10		
Total Initial Outlay	469,588		

Inventory Production	Year 1	Year 2	Year 3	Year 4	Year 5
Labor	104,000	104,000	208,000	208,000	208,000
Packaging	48,384	48,384	96,768	96,768	96,768
Utilities for Manufacturing	96,000	96,000	192,000	192,000	192,000
Delivery	5,700	5,700	11,400	11,400	11,400
Total Inventory Cost	254,084	254,084	508,168	508,168	508,168
Inventory Cost per lbs	7,842	7,842	15,684	15,684	15,684

The delivery truck highlighted in yellow will be donated to the company by one of its founding members.

The Initial Outlay highlighted in the above chart is higher than the investment needed because it accounts for a full year of inventory production costs. BVN is expecting sales to begin in February 2019. New revenue will be used to start paying off expenses and making the company self-sufficient.

Income Statement (Projected)

Fiscal Year End December 31st, XXXX	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	1,020,600	2,041,200	2,793,178	3,822,185	5,230,278
COGS (Inventory Sold)	88,929	177,859	243,382	333,044	455,737
Gross Profit	931,671	1,863,341	2,549,796	3,489,141	4,774,541
Gross Margin	91%	91%	91%	91%	91%
Taxes on Sales					
State Sales Tax (6.25%)	63,788	127,575	174,574	238,887	326,892
State Excise Tax (10.75%)	109,715	219,429	300,267	410,885	562,255
Local Option to City (1.75%)	17,861	35,721	48,881	66,888	91,530
Total Taxes on Sales	191,363	382,725	523,721	716,660	980,677
Gross Profit Net of Taxes	740,308	1,480,616	2,026,075	2,772,481	3,793,863
Operating Expenses					
Rent	60,000	66,000	66,000	66,000	66,000
Triple Net Lease	8,388	8,388	8,388	8,388	8,388
Depreciation	27,704	27,704	55,408	55,408	55,408
Marketing	2,400	2,400	4,800	4,800	4,800
Registration and License	5,300	5,000	5,000	5,000	5,000
Security and Surveillance	28,600	3,600	3,600	3,600	3,600
Other Operating Expenses, Net of Sales	165,155	76,225	264,786	175,124	52,431
Total Operating Expenses	297,547	189,317	407,982	318,320	195,627
Net Profit	442,762	1,291,299	1,618,093	2,454,161	3,598,237
Net Profit Margin	43.38%	63.26%	57.93%	64.21%	68.80%
Retained Earnings	442,762	1,291,299	1,618,093	2,454,161	3,598,237
Net Profit Margin	43.38%	63.26%	57.93%	64.21%	68.80%

Sales are based on a market demand of 70% and a price per pound of \$18,000 (roughly \$40 a gram)

Balance Sheet (Projected)

Fiscal Year End December 31st, XXXX	Year 1	Year 2	Year 3	Year 4	Year 5
Cash and Cash Equivalents	542,791	1,785,569	3,031,765	5,366,210	8,967,424
Inventory	165,155	241,379.80	506,165.82	681,289.91	733,720.64
Total Current Assets	707,946	2,026,949	3,537,931	6,047,500	9,701,145
PPE	162,520	162,520	325,039	325,039	325,039
Accumulated Depreciation	27,704	55,408	110,816	166,223	221,631
PPE, Net	134,816	107,112	214,223	158,816	103,408
Total Assets	842,762	2,134,061	3,752,154	6,206,316	9,804,552
Stockholder's Equity					
Common Stock	400,000	400,000	400,000	400,000	400,000
Accumulated Retained Earnings/(Deficit)	442,762	1,734,061	3,352,154	5,806,316	9,404,552
Total Stockholder's Equity	842,762	2,134,061	3,752,154	6,206,316	9,804,552
Total Liabilities and Stockholder's Equity	842,762	2,134,061	3,752,154	6,206,316	9,804,552

Investment Summary

Blackstone Valley Naturals, LLC			
Investor	Confirmed	Capital	Equity Rewarded
Investor #1	Yes	\$100,000	4.00%
Investor #2	Yes	\$100,000	4.00%
Remaining Capital	No	\$200,000	8.00%

Total Investment Summary	
Firm Value	\$2,500,000
Total Investment	\$400,000
Total Investor Ownership	16.00%

In order for BVN to complete the state application process, all \$400K needs to be secured in a bank account showing the state that the company has the necessary funds to follow through with the business plan.

Calculated Growth Rate

Growth Rate (Brightfield Group Analytics)								
Market	2015	2016	2017	2018	2019	2020	2021	Average
Colorado (Recreational)	118.00%	51.20%	31.36%	19.46%	15.90%	12.51%	9.42%	36.84%
Massachusetts (Recreational)	N/A	N/A	N/A	N/A	192.11%	46.19%	23.78%	87.36%
						Growth Rate (Averaged)		62.10%

The growth rate used in BVN's model is highlighted in green and sourced from Brightfield Group. It is the average of the recreational concentrate market in Colorado, from past recordings to future expectations.

Beta Analysis

The following cannabis companies were chosen to create an average beta for the marijuana market to better understand BVN's exposure to systematic risk. They cover a broad range of the many services offered in the industry and together reflect the market as a whole.

Company	Ticker	Beta (Yahoo Fin)
Cronos Group	CRON	4.61
Aurora Cannabis	ACBFF	2.37
Canopy Growth Corp	TWMJF	3.07
GW Pharmaceuticals	GWPH	2.64
Aphria	APHQF	3.36
Cannibis Science	CBIS	-1.1
Hemp Inc.	HEMP	3.47
*Americann	ACAN	-2.99
Average Market Beta		1.93
*Growers		

Risk Free Rate (10-yr Treasury)	3.058%
Average Beta (Marijuana Market Bench Mark)	1.93
Market Risk Premium	5.00%
Ke (CAPM)	12.70%

Cronos Group Inc. Inc (CRON)

Beta: 4.61; Market Cap \$1.091 Billion

Cronos Group Inc., formerly known as PharmaCan Capital Corp., is a principal investment firm. The firm seeks to invest in companies either licensed, or actively seeking a license, to produce medical marijuana pursuant to Canada's Marihuana for Medical Purposes Regulations (MMPR). The firm typically invests in companies based in Canada. The firm is primarily an equity investor, may also advance debt as appropriate. It seeks to make minority investments with appropriate governance and shareholder rights. The firm seeks board representation consistent with the size of the investment, but does not need control. Cronos Group Inc. was incorporated in January, 2013 and is based in Toronto, Canada with an additional office in Toronto, Canada.

Aurora Cannabis Inc. (ACBFF)

Beta 2.37; \$3.462 Billion

Aurora Cannabis Inc., together with its subsidiaries, produces and distributes medical marijuana products in Canada. The company's products consist of dried cannabis and cannabis oil. It also operates as a pharmaceutical wholesaler and narcotics dealer of medical marijuana in Germany and the European Union; and produces and sells proprietary systems for the indoor cultivation of cannabis, organic microgreens, vegetables, and herbs. In addition, the company provides counseling and outreach service to help patients learn about how to safely and effectively use medical cannabis; select a strain from the available in Canada; and register with their choice of licensed producer. Further, it engages in the business of consulting on the

design, engineering, and construction oversight for advanced greenhouse cultivation facilities. Aurora Cannabis Inc. is headquartered in Vancouver, Canada.

Canopy Growth Corp (TWMJF)

Beta: 3.07; Market Cap \$5.551 Billion

Canopy Growth Corporation, through its subsidiaries, produces and sells medical marijuana in Canada. The company offers dried, oil, and softgel cannabis products. Canopy Growth Corporation also sells its products through online. The company was formerly known as Tweed Marijuana Inc. and changed its name to Canopy Growth Corporation in September 2015. Canopy Growth Corporation is headquartered in Smiths Falls, Canada.

GW Pharmaceuticals Plc (GWPH)

Beta: 2.64; Market Cap \$4.363

GW Pharmaceuticals plc, a biopharmaceutical company, engages in discovering, developing, and commercializing cannabinoid prescription medicines using botanical extracts derived from the Cannabis plant. The company operates through three segments: Commercial, Sativex Research and Development, and Pipeline Research and Development. Its lead product is Epidiolex, an oral medicine which is in Phase III clinical development for the treatment of refractory childhood epilepsies, as well as for the treatment of Dravet syndrome, Lennox-Gastaut syndrome, tuberous sclerosis complex, and infantile spasms. The company also develops and markets Sativex, an oromucosal spray for the treatment of spasticity due to multiple sclerosis. In addition, it develops various product candidates, which are in Phase I and II clinical development for the treatment of glioma, neonatal hypoxic-ischemic encephalopathy, adult epilepsy, and schizophrenia. Further, the company has license and development agreements with Otsuka Pharmaceutical Co. Ltd.; Almirall S.A.; Bayer HealthCare AG; Ipsen Biopharm Ltd; and Neopharm Group. It primarily operates in Europe, the United States, Canada, and Asia. GW Pharmaceuticals plc was founded in 1998 and is based in Cambridge, the United Kingdom.

Aphria Inc. (APHQF)

Beta: 3.36; Market Cap \$1.986 Billion

Aphria Inc. produces, supplies, and sells medical cannabis in Canada. The company offers sativa, indica, and hybrid medical marijuana products, as well as cannabis oils. It also provides support services in the form of medical consultations, group therapies, and rehabilitation to veteran and first responders. The company sells its products through its online store or phones, as well as engages in the wholesale shipping of medical marijuana plant cuttings and dried buds to other licensed producers. Aphria Inc. is headquartered in Leamington, Canada.

Cannabis Science Inc. (CBIS)

Beta: -1.10; Market Cap \$148 Million

Cannabis Science, Inc., together with its subsidiaries, develops, produces, and commercializes phytocannabinoid-based pharmaceutical products primarily in the United States. The company is developing medicines for autism, blood pressure, cancer, cancer side effects, and other illnesses, as well as for general health maintenance. Its drugs under development include CS-TATI-1 for newly diagnosed and treatment-experienced patients with drug-resistant HIV strains, as well as those intolerant of available therapies; CS-S/BCC-1 to treat basal and squamous cell carcinomas; and a proprietary cannabis-based therapy for neurological conditions. In addition, the company offers an online video-based medical cannabis education system, including courses, such as medical cannabis law, benefits of medical marijuana, cooking, horticulture, and bud tending; and manufactures and distributes specialty horse and pet grooming and topical applications. It has collaboration with IGXBio, Inc. to develop GenePro, a DNA-based immunotherapeutic drug; and a research collaboration agreement with Dana-Farber Cancer Institute, Inc. to develop and investigate the use of cannabinoids to cure various cancers, as well as with Stellenbosch University to treat chronic pelvic pain associated with pelvic inflammatory disease in women, chronic prostatitis in men, and other chronic pain associated with other indications. The company was formerly known as Gulf Onshore, Inc. and changed its name to Cannabis Science, Inc. in April 2009. The company was incorporated in 1996 and is based in Irvine, California. Cannabis Science, Inc. is a subsidiary of Weedmaps Media, Inc.

Hemp Inc. (HEMP)

Beta: 3.47; Market Cap \$7.807 Million

Hemp Inc. produces products made from industrial hemp. The company also offers products and services to the medical and recreational marijuana industries. It also develops and operates a website providing entertainment and news related to medical marijuana industry. The company was formerly known as Marijuana, Inc. and changed its name to Hemp, Inc. in June 2012. Hemp Inc. was founded in 2008 and is headquartered in Las Vegas, Nevada.

AmeriCann Inc. (ACAN)

Beta: -2.99; Market Cap \$79.982 Million

AmeriCann, Inc. focuses on providing consulting, design, construction, and financing to marijuana operators in the United States. The company was formerly known as Nevada Health Scan, Inc. and changed its name to AmeriCann, Inc. in 2014. AmeriCann, Inc. was founded in 2010 and is based in Denver, Colorado.

Document ID EEC101	Title Energy Efficiency and Conservation	Print Date 11/20/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 11/20/2019

Policy: The protection and preservation of the environment is a fundamental concern to this company. The policy of this company will be to protect the physical environment and human health (our employees, our customers, and the general public) and to minimize pollution. The Company will maintain compliance with Environmental Protection Agency (EPA), State, and local environmental regulations and will implement voluntary programs to minimize waste. The Company will not knowingly violate any environmental regulations.

Purpose: To provide methods for the evaluation and prevention of pollution in the workplace.

Scope: This Policy/Procedure applies to all employees and departments of the company.

Responsibilities:

During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company's three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

Policies:

The Company must demonstrate consideration of the following factors as part of its operating plan:

- A. Identification of Potential Energy Use Reduction Opportunities
 - a. Blackstone Valley Naturals (BVN) is operating in a building that uses solar energy and has a roof covered in Solar Panels.
 - b. BVN is operating in a building that provides the company with access to a back-up generator
 - c. BVN is using all LED lights for their grow rooms, which will drastically cut back on power usage and cost.
 - d. BVN has replaced candescent lights throughout frequently trafficked areas in their facility with LEDs to minimize electrical use
- B. Consideration of Opportunities for Renewable Energy Generation
 - a. Refer to message from landlord - attached
 - b. Refer to Solar Production Chart - attached
- C. Strategies to reduce electric demand
 - a. Both owners, Kevin MacConnell and Tim Phillips, will backtrack through the facility at closing hours and assure that all lights not in use are shut off.

Procedure:**Waste Minimization**

- A. The Company will implement waste minimization procedures whenever possible. These procedures will include reuse of paper for note pages, reprinting the backs of pages of less critical documents, avoiding wasteful excess use of materials and supplies, etc. These procedures will result in less material for disposal; thus, significantly reducing the quantity of raw materials needed for company operations.
- B. The Environmental Coordinator will conduct an annual evaluation of the Company operations to identify waste minimization opportunities. This annual evaluation will be completed within thirty days after each calendar year. The Company encourages and supports employee initiatives for the identification of areas to apply waste minimization procedures.

Recycling

- A. The Environmental Coordinator will identify potential opportunities to recycle materials in the local community and will contact the local government to determine the recyclables for the community. Recyclables may include paper, cardboard, aluminum cans, glass, plastics, printer cartridges, etc. An annual review of the recycling program will be conducted to identify additional recycling opportunities.
- B. The Company will recycle solid wastes as appropriate. The following is a list of solid wastes recycled by the company:

Aluminum cans	Aluminum can bins will be placed adjacent to soda dispensing machines.
Paper products	Recycling bins for paper will be placed within the workplace. Paper products to be recycled include standard bond paper, envelopes (with any plastic address windows removed), light manila envelopes, etc.
Glass	Will be segregated as recommended by local recycling centers. Glass must be rinsed prior to segregation. Glass recycling bins will be placed in the break room.
Printer cartridges	Recycled in accordance with instructions listed on the cartridge label or mailing container. The Environmental Coordinator will determine which print cartridges are recyclable.

Energy Conservation

- A. Energy conservation results in reduced air pollution emissions from electrical power plants. The Environmental Coordinator will ensure that energy-efficient lighting is used throughout the company. The EPA, state, or local regulatory agency should be contacted to determine the recommended lighting fixtures for the company.
- B. All employees will reduce electrical consumption by turning off lights when not in use, ensuring that computers and small appliances are turned off before departing the workplace, etc.

- C. The Environmental Coordinator will conduct an annual inspection of the Company to determine areas for energy conservation

Revision History:

Revision	Date	Description of Changes	Requested By

Message From BVN Landlord

BVN,

You requested information relative to solar production and your usage of energy usage within the building. The solar system in 2018 produced 330 MWh. In 2019, year-to-date, the solar system has produced 345 MWh. I have reviewed the equipment installed in your space specifically the Mitsubishi mini splits and dehumidification. The mini splits are energy star compliant and have a seer rating of over 20. The dehumidifiers also are energy compliant. The lighting system both in the grow rooms as well as general area lighting is led. Based on energy calculations, at full production, we would expect your electrical usage to be between 50 MWh and 90 MWh yearly. Based on a review of the energy data, the solar system produces four times the energy that you're business will require. Under separate cover I will forward to you the solar production for 2018 and 2019 year to date. If you have any questions please feel free to reach out to me.

Ron Parsons
Fire Engineer

Meter 1 [Veris - F38238]

Meter 1 [Veris - F38238]



Today

Export Data

Analytics [2019-01-01 - 2019-12-01]

Total Energy generated by Meter 1 [Veris - F38238] = 345.73 MWh



AC Energy

AC Power

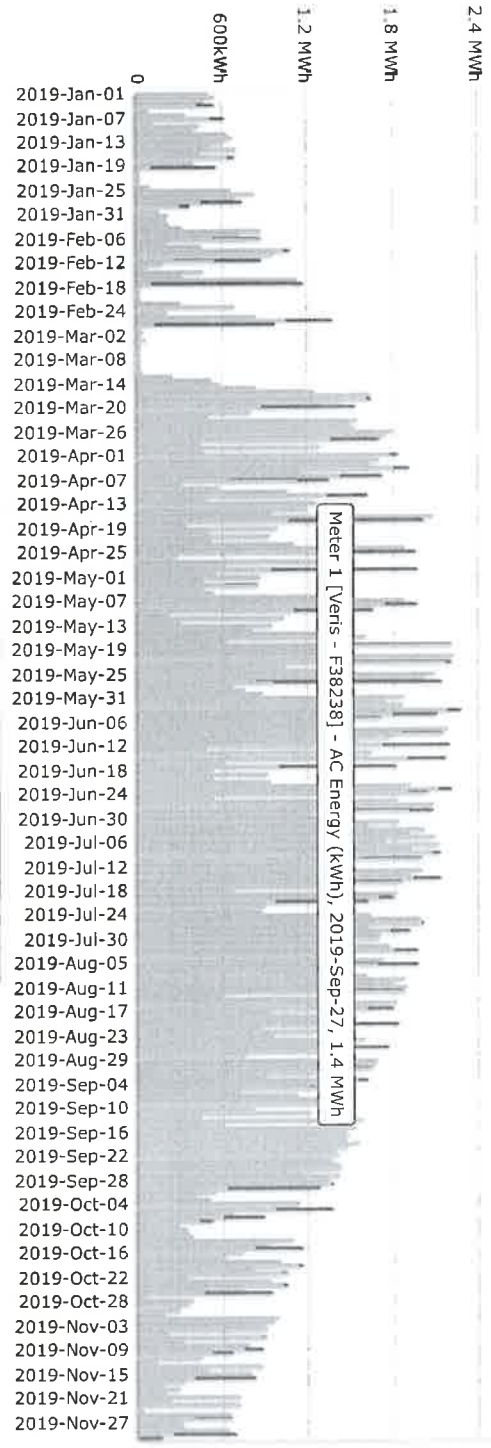
AC Current

AC Voltage

DC Voltage

DC Current

AC Energy (kWh)



Meter 1 [Veris - F38238] - AC Energy (kWh)

Day

Week

Month

Year

Range

UXbridge Pro Storage 660

Animated View

Classic View

Feedback

Site Overview

Environmental Footprint

Project Details

Site Analytics

Sun Dec 1st, 2019 10:24 AM

Meter 1 [Veris - F38238]

Meter 1 [Veris - F38238]



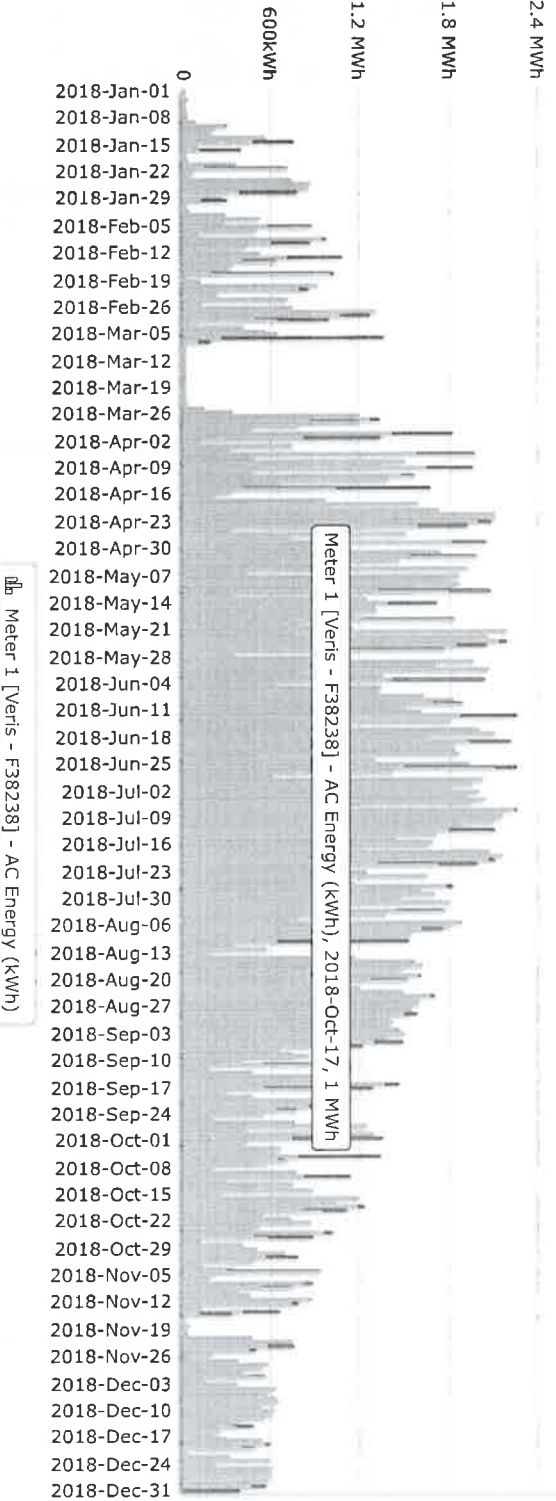
Today

Export Data

Analytics [2018-01-01 - 2018-12-31]

Total Energy generated by Meter 1 [Veris - F38238] = 330.06 MWh

AC Energy (kWh)



db Meter 1 [Veris - F38238] - AC Energy (kWh)

Day

Week

Month

Year

Range

AC Ene

AC Pov

AC Curt

AC Volt

DC Volt

Document ID HO 101	Title Hours of Operation	Print Date 11/20/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 11/20/2019

- Monday: 9am to 6pm
- Tuesday: 9am to 6pm
- Wednesday: 9am to 6pm
- Thursday: 9am to 6pm
- Friday: 9am to 6pm
- Saturday: 9am to 6pm
- Sunday: Off/select employees may be at facility

After Hours Contact Information

- Tim Phillips: (508) 450-1046 / tim@yamna.co
- Kevin MacConnell: (973) 851-6832 / kevin@yamna.co

Document ID JD0010	Title ACCOUNTING MANAGER	Print Date 12/14/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 12/14/2019

SUMMARY OF FUNCTIONS

Directs and organizes all general accounting activities and accounting staff. Prepares accounting and financial reports. Ensures completeness, accuracy, and timeliness of accounting records. Also ensures accounting systems are in control and takes necessary steps to minimize risk to the organization.

ESSENTIAL DUTIES AND RESPONSIBILITIES

- Maintains the general ledger and all related accounts with proper documentation and records of all company transactions; reviews entries to the general and subsidiary ledgers to assure accuracy and compliance with the company's and established accounting principles; controls all changes to chart of accounts. Responsible for monthly and year-end closing of the general ledger including preparation of journal entries.
- Responsible for maintaining computerized accounting system, backup control, assisting other accounting staff with questions and printing of computer generated reports and statements.
- Administers preparation of interim, year-end, and comparative financial reports; performs and provides analysis of current results to prior periods and/or budget. Prepares required government reports as directed by the controller and responds to inquiries as necessary.
- Stays current with developments, practice trends, and promulgations in the accounting profession; monitors accounting systems and recommends new or revised policies and procedures.
- Assists the Controller in training and management of accounting staff.
- Prepares monthly bank reconciliation for all accounts; verifies accuracy of bank statements and resolve questions or problems; maintains integrity of cash balances and cash flow systems.
- Responsible for review and preparation of payroll records and processing of payroll checks and reports by outside payroll service.
- Maintains fixed asset records and control; determines depreciation terms/rates to apply to capitalized items; prepares property tax returns for review by Controller.
- Assists the Controller in coordinating the year-end financial audit and preparing schedules and documents for independent (third-party) auditors.
- Maintain other accounts and performs other accounting duties, as required or requested by the Controller.

ORGANIZATIONAL RELATIONSHIPS

Reports directly to the Controller. Assists in the supervision of Accounts Payable and Accounts Receivable clerks.

QUALIFICATIONS

A college degree is required; a major in Accounting is preferred. Good communication skills and the ability to work well with people are essential, as are good leadership skills. Familiarity with commonly-used accounting and spreadsheet applications (e.g., Quicken, Excel) is required.

PHYSICAL DEMANDS

Ability to communicate orally with board of directors, management, and other co-workers, both individually and in front of a group is crucial. Regular use of the telephone and e-mail for communication is essential.

Sitting for extended periods is common. Hearing, vision, and speaking within normal ranges is essential for normal conversations, to receive ordinary information, and to prepare or inspect documents.

No heavy lifting is expected. Exertion of up to 10 lbs. of force occasionally may be required. Good manual dexterity for the use of common office equipment such as computer terminals, calculator, copiers, and FAX machines. Also included is the ability to open and close common business filing cabinets.

Good reasoning ability is required to solve a wide range of business problems. Must be able to apply statistical calculations, analysis of variance (ANOVA), correlation techniques, and sampling theory, as well as know algebra, linear equations, and other analytics. Must be able to understand and utilize common financial reports and legal documents.

WORK ENVIRONMENT

The job is performed indoors in a traditional office setting. Activities include extended periods of sitting and extensive work at a computer and/or calculator.

REVISION HISTORY

Revision	Date	Description of Changes	Requested By

Document ID JD101	Title JOB DESCRIPTIONS	Print Date 12/14/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 12/14/2019

Policy: The Company shall identify necessary competencies and experience for its employees. Job descriptions will serve as an organizational aid for identifying and delegating responsibilities, coordinating and dividing work, and preventing duplication of efforts.

Purpose: To provide the methods for preparation and format of Job Descriptions. A Job Description should be used as a guide. Job descriptions are not intended to be all-inclusive of a person's abilities, the requirements for fulfilling their position, or as work limitations or restrictions on employee roles. We are all expected to be team players and to help each other and the Company whenever necessary, within reason and workplace safety guidelines.

Scope: Applies to all hiring managers and the Company's Human Resources¹ department.

Responsibilities:

During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company's three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

Definition: Disability – Under the ADA, a disability is defined as a “physical or mental impairment that substantially limits one or more major life activities, such as seeing, hearing, speaking or working, etc.” Illiteracy is a disability under the Act if caused by a physical or mental disorder (e.g., dyslexia).

Procedure:**1.0 JOB DESCRIPTION PREPARATION**

- 1.1 Hiring managers should be responsible for initiating drafts or changes to existing job descriptions. Whenever practical, supervisors should interact with other employees – managerial and non-managerial – when developing or reviewing descriptions in order to better ensure accurate, clear, and meaningful job descriptions.
- 1.2 Job descriptions should be current and appropriately represent the position and the needs of the Company at all times.
 - Job descriptions should be updated whenever positions, reassignment of duties, organizational changes, etc., are required. Job descriptions should mirror the growth and changes of the company. Hiring managers should not fall into a routine of allowing individuals or Company operations to be governed by pre-existing descriptions.
- 1.3 The HR Manager should work in conjunction with hiring managers to finalize job descriptions.

2.0 JOB DESCRIPTION FORMAT AND CONTENT

Job descriptions shall be prepared in accordance with form ADM105-1 JOB DESCRIPTION. Any unusual needs or requirements for the position should be added in a separate section. The job description format is explained in the following paragraphs.

- 2.1 Job Title

The title represents the name of the position. It should be short and simple, yet as descriptive as possible.
- 2.2 Effective Date

This is the latest revision date to the description or the implementation date.
- 2.3 Department

The department name should be clear and accurately identify the department function. Alternatively, it could identify the Department Code along with the Department Name.
- 2.4 Summary of Functions

This should be a one or two sentence statement encompassing the basic function and objectives of this position, so the applicant or employee can grasp at a glance the key reasons why the job exists. It should enable anyone reasonably familiar with the organization to understand the primary purpose of the position. Any constraints, particular emphasis, or shared responsibility can also be mentioned.
- 2.5 Major Duties and Responsibilities

This section should briefly describe specific job tasks with details of the major duties and/or responsibilities for performing the job. Whenever possible use

descriptive terms related to the objectives or action of a particular function rather than to indicate merely what is done. It is very important to note specific deliverables for a task.

It is recommended that job descriptions contain no more than ten duties. Ideally, five to six duties will be included in order to make the responsibilities description easier to understand. Try to describe all the specific aspects of each job in a short space. Related tasks or activities should be grouped together to describe what is to be achieved. Usually, higher level jobs use broader duty statements.

2.6 Organizational Relationships

This section should outline the reporting relationships between this position and other key positions including supervisors and positions supervised. This statement should also include the requirements for coordination with other positions or departments.

2.7 Qualifications

If applicable, indicate the minimum requirements necessary to be able to fill the position. For example, this can include a description of the minimum years of experience or accomplishments in specific job categories; degrees/diplomas from colleges, technical, or trade schools; and/or certifications required to perform the job satisfactorily.

2.8 Physical Demands

Use this section to list the typical demands for applicants. Explain the primary demands that require physical and/or mental activities with enough detail in order to make a reasonable distinction for workers compensation issues that may arise.

The Physical Demands section can assist the company in identifying the most qualified applicant available for a specific job based on reasons unrelated to a disability. The documented demands of a job can be used as a basis for Americans with Disabilities Act (ADA) compliance or workers' compensation claims.

2.9 Work Environment

Describe the environment of the position. Explain any special circumstances involving the physical area that may be important (e.g., Is the work environment noisy or quiet? Indoors or out? Office or factory? Not heated or air conditioned? Does it present physical challenges, like no elevators?)

3.0 JOB DESCRIPTION APPROVAL AND DISTRIBUTION

3.1 The next higher management level approves Job Descriptions prepared by their subordinate hiring managers. For example, the Board of Directors should approve the President's job description and those of his direct reports.

3.2 Human Resources shall be responsible for communicating completed job descriptions to hiring managers and their superiors. Job descriptions should be included with the respective department's organization chart in the Organization Structure section of the Company's policy-and-procedure manual.

- 3.3 Human Resources shall maintain the signed, official hardcopy of all job descriptions in HR files and ensure the availability of job descriptions to all Company employees (e.g., via the Company intranet).

4.0 JOB DESCRIPTION REVIEW

- 4.1 As part of an annual management review, Human Resources shall review job descriptions to aid Top Management in determining if jobs and job descriptions accurately reflect the Company's short- and long-term requirements, as well as meet statutory/regulatory, Company, and customer requirements.
- 4.2 Supervisory personnel create or develop revisions to job descriptions in accordance with the first three sections of this procedure and submit such descriptions to Human Resources for review.
- 4.3 Human Resources, in cooperation with Top Management, shall indicate necessary changes to job descriptions and return to the responsible supervisor.
- 4.4 The responsible supervisor shall incorporate needed changes and resubmit the descriptions to Top Management for final approval. HR shall then file the revised/new descriptions for posting, as those positions become available.

Forms:

- ADM105-1 JOB DESCRIPTION

Additional Resources:

- None

References:

- **AMERICANS WITH DISABILITIES ACT OF 1990, or ADA (USA)**

One regulation that can have an effect on job descriptions is the “Americans with Disabilities Act”, or “ADA”. The ADA affords civil rights protections to persons with disabilities, similar to protections provided on the basis of race, color, sex, national origin, age, and religion. The ADA is designed to guarantee equal opportunity for individuals with disabilities in public accommodations, employment, transportation, state and local government services, and telecommunications.

The ADA prohibits discrimination in all employment practices, including job application procedures, hiring, firing, advancement, compensation, training, and other terms, conditions, and privileges of employment. It applies to recruitment, advertising, tenure, layoff, leave, fringe benefits, and all other employment-related activities.

Title I provisions apply to private employers with 15 or more employees, state and local governments, employment agencies, and labor unions.

Revision History:

Revision	Date	Description of Changes	Requested By

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ADM105-1 JOB DESCRIPTIONTitleEffective DateDepartmentSummary Of FunctionsMajor Duties And ResponsibilitiesOrganizational RelationshipsQualificationsPhysical DemandsWork Environment

Rev. # _____ Effective Date _____

Approved (Dept. Mgr.) _____ Date: _____

Approved (HR) _____ Date: _____

Approved (Top Mgmt.) _____ Date: _____

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Document ID JD102	Title Lead Grower	Print Date 12/14/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 12/14/2019

SUMMARY

The Lead Grower oversees the day-to-day operations of the organization's grow rooms; planning, coordinating, and directing the cultivation process.

ESSENTIAL DUTIES AND RESPONSIBILITIES

- Plan, determine optimal utilization of growers and equipment to meet cultivation goals.
- Determine if new cultivation machines, methods are needed.
- Enter and track products through METRC.
- Ensure that harvests stay on schedule and within budget.
- Coordinate cultivation with Sales, Marketing, Procurement, and Management.
- Help ensure that customer, statutory, standards, and internal requirements are met or exceeded.
- Hire, train, and evaluate growers; monitor workers to ensure they meet performance and safety requirements.
- Analyze harvest data and identify trends, anomalies, and opportunities for improvement; identify and utilize methods of making the growing process more efficient and effective (reducing waste/time).
- Write harvest reports and present to top management.
- Direct corrections (corrective action) of any grow problems that may arise; work with Quality Manager in development and implementation of corrective and preventive actions (CAPA).

ORGANIZATIONAL RELATIONSHIPS

- Reports directly to the organization's President (CEO). Assists and works in conjunction with Sales, Marketing, Logistics (Warehousing), and Procurement management.

QUALIFICATIONS

A bachelor's degree (e.g., business administration, industrial engineering) and five years of experience in a commercial cultivation environment are required.

Must have demonstrated ability to lead a diverse team of workers. Good communication skills and the ability to work well with people at all levels, educational background, etc., are essential. Strong organizational and managerial skills required. Project management experience is a must; candidates with project management certification will be given preference. Some training experience (e.g., manufacturing tools & techniques, standards, regulations) will also be helpful.

PHYSICAL DEMANDS

Ability to communicate orally with management and coworkers is crucial. Regular use of phone and email for communication is essential. Hearing and vision correctable to within normal ranges is essential for normal conversations, receiving ordinary information, and preparing or inspecting documents.

The ability to remain in a stationary position roughly 60% of the time, as well as the ability to move about the cultivation facilities (access files/storage, office equipment, computers and other productivity devices; plan, organize, and attend management meetings; attend to various issues on the cultivation floor; etc.), is required.

Using a computer while sitting for extended periods is common, though most time will be spent in the cultivation area.

Some heavy lifting is expected (e.g., picking up soil and nutrients)

WORK ENVIRONMENT

The job is primarily performed indoors in a commercial cultivation setting.

REVISION HISTORY

Revision	Date	Description of Changes	Requested By

Document ID JD103	Title Packager / Grammer	Print Date 12/14/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 12/14/2019

SUMMARY OF FUNCTIONS

The Packager/Grammer role is labor intensive and involves gamming of flower and concentrates into various metric sizes, as well packaging all finish product.

ESSENTIAL DUTIES AND RESPONSIBILITIES

- Weighing product sizes and understanding of various metric sizes (etc. gram, ounce, pound, etc.)
- Working in a team environment to ensure efficiency and quality
- Maintaining appropriate hygiene (refer to employee manual)

ORGANIZATIONAL RELATIONSHIPS

Reports to the Manufacturing Manager.

QUALIFICATIONS

No degree is required. An eagerness to work in a new industry and learn is a must!

PHYSICAL DEMANDS

Long hours sitting and standing in one spot is guaranteed. Intense focus doing mundane tasks can be mentally taxing.

WORK ENVIRONMENT

The job is performed indoors, in the manufacturing facility.

REVISION HISTORY

Revision	Date	Description of Changes	Requested By

Document ID JD104	Title Trimmer	Print Date 12/14/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 12/14/2019

SUMMARY OF FUNCTIONS

The Trimmer role is labor intensive and involves trimming the fan leaves off of flower that has been recently harvested.

ESSENTIAL DUTIES AND RESPONSIBILITIES

- Using small cutting utensils to remove fan leaves and stems from the Buds of recently harvested plants.
- Working in a team environment to ensure efficiency and quality
- Maintaining appropriate hygiene (refer to employee manual)

ORGANIZATIONAL RELATIONSHIPS

Reports to the Lead Grower.

QUALIFICATIONS

No degree is required. An eagerness to work in a new industry and learn is a must!

PHYSICAL DEMANDS

Long hours sitting and standing in one spot is guaranteed. Intense focus doing mundane tasks can be mentally taxing.

WORK ENVIRONMENT

The job is performed indoors, in the cultivation area.

REVISION HISTORY

Revision	Date	Description of Changes	Requested By

Document ID JD0300	Title DIRECTOR OF QUALITY	Print Date 12/14/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 12/14/2019

SUMMARY OF FUNCTIONS

The Director of Quality¹ ensures that the organization's products and services are in compliance with the company's quality requirements, in addition to complying with customer and regulatory requirements for quality, safety, and reliability.

ESSENTIAL DUTIES AND RESPONSIBILITIES

- Responsible for the development, implementation, and strict adherence to a quality program. Develops and/or reviews standards, policies, and procedures for all functions and departments involved with or related to the production of all products. The Director of Quality has the ultimate authority and decision over the shipment of any product or products and accepts the responsibility for products being in compliance with all regulatory and company standards.
- Reviews and resolves quality control problems/concerns with the Quality Control Manager and others including vendors, customers, quality control personnel, and any personnel related to production. Coordinates and assists with vendor inspections.
- Periodically inspects completed quality control checklists, forms, and other documents; randomly inspects and verifies quality control checks for conformance to prescribed standards.
- Schedules and performs quality audits and reports findings to the President, Quality Control Manager and Vice President of Production and Operations; develops corrective action plans and ensures timely resolution of findings.
- Receives and reviews all customer satisfaction surveys and customer contacts and complaints. Reviews complaint trends and product/component failure analysis; reviews corrective actions with appropriate personnel.
- Prepares reports and other documentation required by regulatory agencies and to support the quality function.

ORGANIZATIONAL RELATIONSHIPS

Reports directly to the President. Supervises, trains, and assists all quality control personnel. Directs quality-related activities in conjunction with Manufacturing, Engineering, Purchasing, Customer Service, and any other department/function that affects the quality of the organization's goods or services.

¹ May be referred to as the Quality Assurance Manager or Quality Control Manager

QUALIFICATIONS

A bachelor's degree in engineering or quality is required, as is 10 years of experience in Quality Assurance/Quality Management. A master's degree in quality or a relevant field of science (e.g., bioengineering degree for a bioengineering company) is preferred.

Must have proven ability to lead a diverse team of technicians. Excellent communication skills and the ability to work well with people at all levels are essential. Must be able to demonstrated strong organizational and managerial skills. Project management experience is a must; prefer someone with strong MS-Project skills.

The ideal candidate is certified in one or more quality-related disciplines (e.g., CQA, CMQ/OE, PMP). Experience with MS-Office and Minitab are extremely helpful.

PHYSICAL DEMANDS

Ability to communicate orally with customers, vendors, management and other co-workers is crucial. Regular use of the telephone and e-mail for communication is essential. Sitting for extended periods is common. Hearing and vision within normal ranges is helpful for normal conversations, to receive ordinary information and to prepare or inspect documents.

No heavy lifting is expected. Exertion of up to 10 lbs. of force occasionally may be required. Good manual dexterity for the use of common office equipment such as computer terminals, calculator, copiers, and fax machines.

Good reasoning ability is required to solve a wide range of business problems. Able to apply statistical calculations, analysis of variance, correlation techniques, and sampling theory as well as algebra, linear equations, and other analytics as required. Able to understand and utilize Internet server and network reports to conduct business.

WORK ENVIRONMENT

The job is performed indoors in a traditional office setting. Activities include extended periods of sitting and extensive work at a computer.

REVISION HISTORY

Revision	Date	Description of Changes	Requested By

Document ID JD0650	Title IT MANAGER	Print Date 12/14/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 12/14/2019

SUMMARY

The Information Technology, or IT, Manager plans, coordinates, and directs the organization's computer systems (information systems) and related activities; helps determine the organization's information technology goals/objectives; helps develop, implements, and manages the organization's information technology plan; and identifies and recommends the appropriate technologies needed to meet the goals of IT.

ESSENTIAL DUTIES AND RESPONSIBILITIES

- Analyze/assess the organization's IT requirements (short- and long-term) and recommend acquisitions and/or upgrades to top management.
- Plan and direct the installation (and upgrading, where needed) of hardware and software tools and technologies.
- With IT Security, help ensure the safety and security of the organization's IT network and electronic documents.
- Perform cost/benefit analyses of IT projects, prepare and present analyses (i.e., justify spending) to the organization's top management.
- Continue to learn about new technologies and look for ways to implement them within the organization.
- Organize, coordinate, and direct IT-management-level personnel (e.g., database manager/administrator, IT security manager, network manager).
- Determine short- and long-term personnel and training needs for IT.
- Plan and direct the work of IT professionals, including computer systems analysts, software developers, information security analysts, and computer support specialists.
- Negotiate with technology vendors, contractors to obtain the highest possible level of services for the organization.

ORGANIZATIONAL RELATIONSHIPS

Reports directly to the organization's Board of Directors; works in conjunction with Accounting, Finance, Operations, Sales/Marketing, and all other core departments / functions.

QUALIFICATIONS

A bachelor's degree in information technology or computer science is required; a Master's degree in business administration is preferred. 10 years of related work experience, with 3 or more in a management position, is also required.

Must have demonstrated the ability to lead a diverse team of programmers, designers, analysts, technicians, etc. Excellent communication skills and the ability to work well with people at every level and in every department are essential. Project management experience is a must-have. Expertise in preparing RFPs (RFQs) and negotiating with top management, vendors, etc., is essential. Also need someone with SDLC knowledge and experience. Should be able to run meetings effectively and efficiently.

Candidates with certifications in project management (PMP), management (CM), information management (CITM), or a comparable designation will be given preference. Experience with Microsoft Project preferred.

PHYSICAL DEMANDS

Ability to communicate orally with customers, vendors, management, and coworkers is crucial. Regular use of phone and email for communication is essential. Hearing and vision correctable to within normal ranges is essential for normal conversations, receiving ordinary information, and preparing or inspecting documents.

The ability to remain in a stationary position roughly 50% of the time, as well as the ability to move about the office occasionally (accessing files/storage, office equipment, computers and other office productivity devices, attending meetings, etc.), is required.

Using a computer while sitting for extended periods is common. Must also be able to position self to maintain equipment, including under tables and desks.

No heavy lifting is expected, though occasional exertion of 20 lbs. or less of force (e.g., picking up and carrying laptops / tablets) may be required. Good manual dexterity required to use common office equipment (e.g., computers, mobile devices, calculators, copiers, scanners).

WORK ENVIRONMENT

The job is performed indoors in a traditional office setting. Extended periods of sitting while using a computer or other devices are common.

REVISION HISTORY

Revision	Date	Description of Changes	Requested By

Document ID JD0770	Title MANUFACTURING MANAGER	Print Date 12/14/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 12/14/2019

SUMMARY

The Manufacturing Manager oversees the day-to-day operations of the organization's manufacturing facility, planning, coordinating, and directing the activities (processes) that result in products (goods).

ESSENTIAL DUTIES AND RESPONSIBILITIES

- Plan, determine optimal utilization of manufacturing workers and equipment to meet manufacturing goals.
- Determine if new manufacturing machines, methods are needed.
- Enter and track products through METRC.
- Ensure that manufacturing stays on schedule and within budget.
- Coordinate manufacturing with Sales, Marketing, Procurement, and other departments, as well as with vendors and shippers.
- Help ensure that customer, statutory, standards, and internal requirements are met or exceeded.
- Hire, train, and evaluate manufacturing workers; monitor workers to ensure they meet performance and safety requirements.
- Analyze manufacturing data and identify trends, anomalies, and opportunities for improvement; identify and utilize methods of making manufacturing process more efficient and effective (reducing waste, using lean).
- Write manufacturing reports and present to top management.
- Direct corrections (corrective action) of any manufacturing problems that may arise; work with Quality Manager in development and implementation of corrective and preventive actions (CAPA).

ORGANIZATIONAL RELATIONSHIPS

- Reports directly to the organization's President (CEO). Assists and works in conjunction with Sales, Marketing, Logistics (Warehousing), and Procurement management.

QUALIFICATIONS

A bachelor's degree (e.g., business administration, industrial engineering) and five years of experience in a cannabis-manufacturing environment are required.

Must have demonstrated ability to lead a diverse team of manufacturing workers. Good communication skills and the ability to work well with people at all levels, educational background, etc., are essential. Strong organizational and managerial skills required. Project management experience is a must; candidates with project management certification will be given preference. Some training experience (e.g., manufacturing tools & techniques, standards, regulations) will also be helpful.

PHYSICAL DEMANDS

Ability to communicate orally with management and coworkers is crucial. Regular use of phone and email for communication is essential. Hearing and vision correctable to within normal ranges is essential for normal conversations, receiving ordinary information, and preparing or inspecting documents.

The ability to remain in a stationary position roughly 60% of the time, as well as the ability to move about the manufacturing facility (access files/storage, office equipment, computers and other productivity devices; plan, organize, and attend manufacturing meetings; attend to various issues on the facility floor; etc.), is required.

Using a computer while sitting for extended periods is common, though most time will be spent in the manufacturing area.

No heavy lifting is expected, though occasional exertion of about 20 lbs. of force (e.g., picking up and carrying binders, blueprints, schematics and other drawings, laptops, packaging) may be required. Good manual dexterity needed to use common office equipment (e.g., computers, mobile devices, copiers/scanners).

WORK ENVIRONMENT

Much time will be spent in the manufacturing facility. Extended periods of sitting while using a computer or other productivity devices are common.

REVISION HISTORY

Revision	Date	Description of Changes	Requested By

Document ID JD1130	Title SALES MANAGER	Print Date 12/14/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 12/14/2019

SUMMARY OF FUNCTIONS

The Sales Manager is responsible for managing the organization's Sales department, including the hiring, training, coordination, and support of Sales personnel. They set short-term and long-term goals/objectives, develop and manage the Sales Plan, and monitor and report on Sales activities and progress.

ESSENTIAL DUTIES AND RESPONSIBILITIES

- Develops and maintains productive sales organization; creates policies and procedures for departmental operations.
- Hires and supervises inside sales personnel and field sales representatives; monitors production and achievement of sales quotas; assists and supports sales personnel and reps as necessary; creates incentive programs.
- Develops initial training programs for new personnel and provides ongoing training for all sales personnel and representatives.
- Assists in development of sales and marketing strategies with Vice President Sales and Marketing and provides appropriate sales programs, promotions, efforts, and events including goal setting.
- Prepares written reports of sales activities including sales orders, backlog, forecasts, lost accounts, actual production to quota, etc.; provides timely briefings to Vice President Sales and Marketing and President as necessary or as requested.

ORGANIZATIONAL RELATIONSHIPS

Reports to the Vice President of Sales & Marketing. Coordinates activities with Marketing, Production and Accounting Departments. Supervises all sales personnel, representatives and clerical staff.

QUALIFICATIONS

A bachelor's degree with a major in business or marketing is required; an MBA in sales management is preferred. 5+ years' experience in retail sales is preferred, with one or more in a leadership position. Good communication skills and the ability to work well with people are essential; good leadership skills are highly prized. Experience with sales, marketing, and spreadsheet applications (e.g., CRM, Excel) is required.

PHYSICAL DEMANDS

Regular travel by automobile in conducting business is required. Ability to communicate orally with customers, management, and other co-workers, both individually and in front of a group is crucial. Regular use of the telephone and e-mail for communication is essential.

Sitting for extended periods is common. Hearing and vision within normal ranges is essential for normal conversations, to receive ordinary information and to prepare or inspect documents.

No heavy lifting is expected. Exertion of up to 10 lbs. of force occasionally may be required. Good manual dexterity for the use of common office equipment such as computer terminals, calculator, copiers, and FAX machines.

Good reasoning ability is required to solve a wide range of business problems. Able to apply statistical calculations, analysis of variance, correlation techniques, and sampling theory as well as algebra, linear equations, and other analytics as required. Able to understand and utilize financial reports and legal documents to conduct business.

WORK ENVIRONMENT

The job is performed both indoors in a traditional office setting and outdoors traveling to and from customer accounts and sales offices (retail locations). Activities include extended periods of sitting and extensive work at a computer or other device.

REVISION HISTORY

Revision	Date	Description of Changes	Requested By

Document ID JT101	Title SALES TRAINING	Print Date 12/14/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 12/14/2019

Policy: To ensure our customers' satisfaction, Company salespeople and customer service representatives will be properly trained on the company's products, product pricing, sales techniques, and service policies.

Purpose: To provide an outline for sales training and content requirements.

Scope: This statement applies to all inside and outside sales representatives and customer service representatives.

The following will take place once an employee has completed the training requirements in PNL108 Agent Training, has been trained on the Company's emergency protocols and procedures, as well as has read and signed the Employee Manual.

Procedure:

1.0 ORIENTATION AND TRAINING

1.1 The Sales Manager will be responsible for planning and coordinating training programs for any new employee or independent sale representative that will be involved in the sales process and for maintaining continual training to all sales representatives on an on-going basis as necessary.

Initial and ongoing training will encompass all pertinent areas and be comprehensive to ensure adequate knowledge by sales representatives in these areas:

- **Products:** Thorough understanding of the industry and the needs/requirements of all market segments, how the company's products function and their different skews, comparison of competitive products with strengths and weaknesses, total familiarity with product literature and specification sheets.
- **Pricing:** Pricing and allowable discounting policies, price catalog, and order forms.
- **Customer Service:** Communication with clients to make sure they are always supplied and orders aren't delayed or timeframes over promised.
- **Sales Lead/Order Processing:** Lead generation, lead follow-up, and sales order entry procedures.

2.0 METRC TRAINING AND SALES TOOLS

2.1 At some point down the roads the Company plans to set up an internal sales tracking software, that links directly to METRC

2.1.1 This may be in year two, when the Company is ready to hire sales employees

2.1.2 There are excellent inventory/sales tracking softwares out there that the Company owners have familiarized themselves with while working in Colorado's cannabis industry

2.2 All sales employees will be trained to view inventory lists and place orders through this software

3.0 PROFESIONAL CONDUCT

2.1 Unfortunately, there are too many sales books that propose high pressure tactics, sales gimmicks, games, and other obvious and insulting sales techniques. These transparent methods are usually geared toward "one-shot" sales and look upon sales as a game in which the customer is the sucker on one side and the salesperson is the master on the other.

These books seem to equate sales to sport fishing in which the customer is "played," then "hooked" and finally "landed." Most times, these approaches border on deceit and unnecessary manipulation – they should never be used by a competent, respectable salesperson.

2.2 Company salespeople and sales representatives should always avoid these approaches for two reasons; one, they simply don't work well as many people in this day and age are too well informed and educated about sales gimmicks; second, this company is in the business of satisfying our customer's needs and earning their repeat business and the only way we can get this repeat business is by working "with" our customers not by playing games with them. Remember, without the customer, we have no company or jobs. The customer is truly our most important boss and should always be treated in that manner. All sales approaches used should be honest, straightforward attempts to answer questions, resolve problems/objections and assist customers with purchasing our products.

3.0 SALES PROCESS

3.1 The term "selling" has often been defined as merely helping the customer to buy. However, every rational human being is filled with built-in sales resistance. If we weren't, we would all be bankrupt. When subjected to a buy-don't-buy decision, it is human nature to resist buying even when we have a "need" for the product or service.

We don't want to buy because we fear that someone will challenge our buying decision, we don't know the consequences involved with a new vendor or an unknown product, we don't want to admit that we are not current with new advancements and techniques, and a host of other reasons that can be valid or invalid. Most of the sales process is simply figuring out a way for the customer to buy our products that he or she needs.

In order to achieve a sale, the salesperson and the customer must mutually proceed through a sales process or decision path to a successful and desirable conclusion. Although the customer is capable of negotiating through the sales process or down the decision path alone, the salesperson on the other hand can neither lead or lag behind the customer through this natural process or the

salesperson will be of little assistance or perhaps even a hindrance to the successful consummation of a sale.

The pathway of each sales process can be identical in many ways and totally unique and different in other ways. The duration and variations of the sales process is dependent on the customer. However most sales processes should contain the following elements:

- 3.2 Creating the Selling Climate - In order to create a good selling/buying climate and begin the sales process, the salesperson must first determine the customer's needs but just as important is assessing the customer's responsibilities, knowledge or experience, abilities, confidence, flexibility, attitudes, moods, rationality, comprehension speed, and purchasing authority. These characteristics will affect and determine the course of the sales process. Whenever practical, the salesperson can use small talk and probing but non-threatening type questions to try and determine as many of these characteristics as necessary.

The next step is to establish the customer's true needs. There often can be three different needs at the beginning of this stage. The customer's needs as the salesperson sees it, the customer's needs as the customer sees it, and the customer's needs as they really exist. It is important that the salesperson and the customer mutually transpose these three images into one need.

This can be accomplished by asking the customer simple, open-ended questions such as, "How are you planning to sell the product?" or "What is your time frame?" These questions should not be fired off in rapid succession but rather phrased in an interactive, conversational style to reveal what the customer is looking for, features and benefits that are important, requirements or uses, diagnosis of problems and/or opportunities, budget constraints, etc.

- 3.3 The **Sales Presentation** - Once the customer's needs have been established, the salesperson can then begin to discuss our products and how they will satisfy these needs. The salesperson should make a complete presentation on the "points the customer wants to hear about." Again it is the customer that determines the sales process, which is why "canned talks" will rarely work well. Many professional salespeople will modularize sales presentations and thoroughly present those modules which are of the greatest interest to the customer. Salespeople should be careful to avoid allowing their sales presentations to turn into a monologue with the customer just listening.

During the presentation, many salespeople will induce the customer into making objections, asking questions, or getting their concerns out on the table. This provides an opportunity for the customer to progress through the decision path faster by allowing the salesperson and the customer to mutually explore and locate the best solutions for the customer.

It is a good idea to transpose the customer's sales resistance into legitimate, definable obstacles early on so that these obstacles can be resolved or overcome and not hamper or sidetrack the sales process.

This question/objection stage will also allow the customer and the salesperson to evaluate how well they established the customer's needs earlier and to adjust accordingly.

3.4 Closing the Sale - Salespeople must learn to recognize when a customer is leaning toward making a purchase. The following can be signs that a customer is ready to buy:

- They reexamine the product or return to a point in the sales agreement with evident interest.
- They say they want to buy but follow with an emotional reason why they can't. For example, "It's a good product, but too expensive."
- Begin to agree with sales points.
- Ask about details of service, such as shipping or delivery times.
- Spar for a concession or start to ask hypothetical questions.

If the customer begins to hesitate, seem to stall, or say they need to consult a third party, they can often be won over by a repetition of the product's strong points and the key reasons to buy.

Although many books on sales techniques provide numerous types and examples of sales closes, if the salesperson and the customer have progressed satisfactorily through the sales process, usually a simple and straightforward close is the best.

The "assumptive close" usually involves no words and transmits the attitude, body language and inner confidence of the salesperson that the company's products are excellent, that the price is just, that the Company and the salesperson are ethical and will meet all commitments and support the customer in every way and that the customer is a rational, intelligent individual who will buy once he or she hears all the aspects and judges them properly. The assumptive close basically assumes the customer wants to buy because he or she probably does and that he or she is going to buy and probably will.

Once the salesperson has answered or resolved all questions/obstacles and determined the order configuration, the salesperson simply follows through with processing of the paperwork to finish the transaction.

Another simple but effective close is to "ask for the order." Studies have shown that 25% of people will give their order to a salesperson who simply asks for it.

Revision History:

Revision	Date	Description of Changes	Requested By

Document ID JT102	Title Packager / Grammer	Print Date 12/14/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 12/14/2019

Policy: To ensure the Company's packagers and grammers are educated in metric measurements and proper sanitation requirements.

Purpose: To provide an outline for packagers and grammers.

Scope: The following will take place once an employee has completed the training requirements in PNL108 Agent Training, has been trained on the Company's emergency protocols and procedures, as well as has read and signed the Employee Manual.

Procedure:

- A. Employees will first learn of the different types of products offered by the company and the different ways to package them
- B. They will then be trained on the different units of measure:
 - a. Gram
 - b. Eighth
 - c. Ounce
 - d. Pound
- C. Each employee must also be trained in the proper use of the Company's certified scales
- D. Lab coats, gloves, hair nets, beard nets, and boot covers will all be provided
 - a. It is important that each employee understand the necessity to the Company's strict cleanliness requirements and maintain their lab coat in a clean manner at all times
 - b. Gloves, hair nets, beard nets, and boot covers are all disposable and new ones will be worn each day

Revision History:

Revision	Date	Description of Changes	Requested By

Document ID JT103	Title Trimmer	Print Date 12/14/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 12/14/2019

Policy: To ensure the Company's trimmers are educated in proper technique and sanitation.

Purpose: To provide an outline for trimmers.

Scope: The following will take place once an employee has completed the training requirements in PNL108 Agent Training, has been trained on the Company's emergency protocols and procedures, as well as has read and signed the Employee Manual.

Procedure:

- A. Employees will learn of the proper technique to trim fan leaves off of the budding plant stem
 - a. This technique will be demonstrated in detail by Tim Phillips during training
- B. Lab coats, gloves, hair nets, beard nets, and boot covers will all be provided
 - a. It is important that each employee understand the necessity to the Company's strict cleanliness requirements and maintain their lab coat in a clean manner at all times
 - b. Gloves, hair nets, beard nets, and boot covers are all disposable and new ones will be worn each day

Revision History:

Revision	Date	Description of Changes	Requested By

Document ID ACT101	Title ACCOUNTS PAYABLE AND CASH DISBURSEMENTS	Print Date 09/24/2018
Revision 0.0	Prepared By Tim Phillips / Kevin MacConnell	Date Prepared 09/24/2018

Policy: Internal controls are required to ensure that only valid and authorized payables are recorded and paid. Accounting procedures should be implemented to ensure the accuracy of amounts, coding of General Ledger accounts and appropriate timing of payments.

Purpose: To explain the practices for documenting, recording, and issuing payments for accounts payable transactions.

Scope: This procedure applies to all purchases including, merchandise, and non-merchandise purchases.

Responsibilities:

During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company's three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

Procedure:

1.0 DOCUMENTING ACCOUNTS PAYABLE

1.1 The following documents will be forwarded to accounts payable for temporary filing and subsequent matching to form an accounts payable voucher package:

- Purchase Order with purchase requisition if applicable
- Packing Slip with receiving report if applicable
- Vendor invoice

1.2 Once the accounts payable department has received all of the above documents, the following steps will be performed to ensure proper authorization, validity of purchase, receipt of purchased items or services and accuracy of amounts.

- The vendor invoice will be stapled on top of the packing slip and receiving report followed by the purchase order and requisition.
- The purchase order should be evaluated for proper authorization and the nature of the purchase and pricing as shown on the invoice reviewed for validity.
- The quantities shown shipped or delivered on the invoice will be compared to the packing slip and/or receiving reports. Any discrepancies must be followed-up and resolved prior to commencing with the voucher process.

- Calculations on the invoice will be recomputed such as quantities received multiplied by unit price and totals.

2.0 RECORDING MERCHANDISE PAYABLES

2.1 Once merchandise has been physically received and all documentation has been reconciled with discrepancies resolved, the accounting system must now be updated to record the received goods. The matched documentation required consists of the original purchase order, receiving report and packing slips.

2.2 If the purchase orders for merchandise purchases originated in the accounting system, then the original purchase order is brought up on screen and the specific items and related quantities received are clicked off or recorded, based on the actual receiving report.

The immediate effect is that inventory is increased for the items received as the payable to the vendor is recorded.

Note that this is accomplished prior to receiving the vendor's invoice. But at this stage, most accounting systems record a "waiting for bill" invoice. This is a pro-forma invoice created by the accounting system, using the costs from the purchase order, including any estimated freight costs.

If the Purchase Orders were prepared manually, record the received status in the Purchase Order Log, then enter the purchase details in the accounting system.

2.3 Upon receipt, compare the actual vendor's invoice to the "waiting for bill" invoice already recorded in the accounting system. This is the final comparison for Accounts Payable accuracy. The vendor's prices or discounts may vary from the Purchase Order, or the vendor's quantities may vary from the actual quantity received per the receiving report, or other variances may exist in freight and other charges. Resolve all discrepancies immediately, if possible, and record the correct amount owed in the Accounting System.

3.0 RECORDING NON-MERCHANDISE PAYABLES

3.1 Non-merchandise expenditures like utilities, rent, insurance, taxes, repairs, professional fees, etc., are generally not recorded through the purchase order routine. However, there may be other documentation, like contracts, requisitions, and other agreements. These should be filed in the applicable vendor file as documentary support. Upon receipt of the invoice, the charges should be entered into the payable system and coded to the appropriate expense account.

3.2 Generally, once invoices (both merchandise and non-merchandise) have been entered, they can be filed in the respective vendor files, ordered by date. To guard against misfiling an un-entered invoice, consider stamping "entered" on each invoice when it's recorded in accounts payable. It is also helpful to note the entered date and initial the entry.

4.0 PAYMENT OF ACCOUNTS PAYABLE

4.1 Accounts Payable systems generally provide an aged report and a "bills to pay" report. Examine the "bills to pay report" on a weekly basis. The controller

should select the current week's bills to be paid based on the funds available and a projection of cash flow or receipts over the coming week. Once complete, process or print the checks for the selected bills to be paid.

Note: Accounts Payable must be paid within seven days of their payment term unless otherwise determined by the Chief Financial Officer.

- 4.2 Any vendor credits which are amounts owed to the company for returns, marketing co-op, or price adjustments, should be applied to amounts currently owed to the vendor when determining payment. These are normally received in the form of a credit memo or adjusting invoice. These should be entered into the system like any other invoice and applied to the next payment being made. There is no reason to "age" a credit memo.
- 4.3 Pull all Invoices to be paid from the files and match them with the printed checks. Present the materials to the CFO for review and signing.
- 4.4 Immediately ensure that all checks signed and approved are correctly recorded in the accounting system. Stamp the invoices "paid" to document they've been paid. Consider using checks that incorporate a two stub plus check form in order to attach one stub to the paid invoice and the other to the remittance copy of the Invoice.

If one check pays several Invoices then either photocopy the stub and attach a copy to each paid Invoice or consider attaching all paid Invoices to the one check stub. File all resulting documentation in the applicable vendor payables file.
- 4.5 Mail the checks as soon as possible once checks have been posted and "paid" by the system. It is not advisable to "hold" checks for additional days after posting. This practice usually occurs when there are insufficient cash flows. However holding checks increases the difficulty of projecting cash flow, reduces cash balance accuracy, and causes confusion when trying to reconcile accounts payable vendor balances. None of these balances will be accurate if printed checks are held back from mailing. If cash flow is insufficient to mail the checks, then it is advisable not to post and print checks in the first place.

5.0 MANUAL CHECKS

- 5.1 The first element of control begins by using pre-numbered blank checks and storing them in a secured area.
- 5.2 Occasionally, it may be necessary to take a blank check and fill it out manually. (This should be strongly discouraged.) Special care must be used to maintain control over blank and manually prepared checks. Make sure to enter all manual checks into the check register and or into the accounting system immediately after use.
- 5.3 Most accounting systems utilize a check form that often has the check and a perforated remittance section. When a check is used manually, it should be taken in sequence with the remittance section (which should contain the preprinted check number) left in the secured area. The controller should write today's date, the payee and purpose, and if known, the amount on the blank remittance area.

- 5.4 After the check is written, the receipt or invoice should be brought back as soon as possible, stapled to the original remittance that was left with the checks, and entered into the accounting system. This stapled documentation should then be filed in the applicable vendor file.

Forms/Records:

- None

References:

- None

Revision History:

Revision	Date	Description of Changes	Requested By

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Document ID ACT102	Title INVOICE BILLINGS AND ACCOUNTS RECEIVABLE	Print Date 09/24/2018
Revision 0.0	Prepared By Tim Phillips / Kevin MacConnell	Date Prepared 09/24/2018

Policy: Accounting is responsible for the timely preparation and distribution of invoices to optimize cash flow and payment promptness by customers. Accounting will also maintain accurate records over accounts receivable and abide by proper internal controls.

Purpose: To explain the methods for preparation of invoices and accounts receivable records processing.

Scope: This procedure applies to all product sales and services provided by the company.

Responsibility:

During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company's three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

Procedure:

1.0 SALES ORDER ROUTING AND REVIEW

- 1.1 Shipping will immediately forward to Billing completed sales orders along with shipping documentation and the customer's purchase order. All sales orders will be routed on a daily basis to ensure prompt billing. Accounts Receivable will then prepare invoices to be mailed by the next business day.
- 1.2 The ACT111-1 SALES ORDER should already contain all pertinent billing information as part of the company's sales order entry and credit approval process. However, as part of proper internal control, Billing will verify the information contained on the customer's purchase order or company order form with the sales order and completed shipping documentation.

As part of this review process, the propriety and accuracy of prices, credit terms, transportation charges, extensions, and footings will be determined.

2.0 INVOICE PREPARATION AND POSTING

- 2.1 The next sequentially numbered ACT111-2 INVOICE will then be prepared from the information from the sales order and will include the invoice date, date of shipment, description of items shipped with model numbers, quantity, selling price, and extended amounts and the customer's shipping and billing addresses.
- 2.2 A/R will post invoice information to the Sales Journal and the Accounts Receivable ledger in batch with other daily invoice information.

3.0 DISTRIBUTION

A sequentially numbered, four part invoice is utilized by the Company and is distributed as follows:

- First and Second Copy: Customer – the Second copy is to be returned by the customer along with their payment to assist in properly applying cash receipts.
- Third Copy: Filed by Invoice number along with supporting sales documentation including, sales order, bill of lading, and customer's purchase order.
- Fourth Copy: After posting to customer's accounts, this copy will be filed by date.

4.0 ACCOUNTS RECEIVABLE

- 4.1 Accounts Receivable will receive and process payments from customers in accordance with the Cash Receipts procedure.
- 4.2 On a monthly basis, Accounts Receivable will generate an aged trial balance of customers' accounts with individual invoice information and days outstanding and will forward to Credit for timely collection activities. Accounts Receivable will also generate monthly statements of outstanding customers' accounts and issue to customers no later than 10 days after each month end.
- 4.3 Accounts Receivable will also be responsible for issuing credit memos to customers upon receipt of approved Returned Goods Authorizations in accordance with that procedure.
- 4.4 An ACT111-3 ACCOUNTS RECEIVABLE WRITE-OFF AUTHORIZATION form will be issued for uncollectible accounts as determined by the Credit Manager. Accounts written off will be transferred from the accounts receivable ledger to a separate write-off ledger and control account for internal control purposes.

Forms:

- ACT111-1 SALES ORDER
- ACT111-2 INVOICE
- ACT111-3 ACCOUNTS RECEIVABLE WRITE-OFF AUTHORIZATION

Revision History:

Revision	Date	Description of Changes	Requested By

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ACT111-1 SALES ORDER

BILL TO:

SHIP TO:

Phone: () _____

Phone: () _____

Contact: _____

Contact: _____

[illegible]

No. _____
 Cartons: _____
 Total Weight: _____

Sub-Total	
Sales Tax	
Shipping	
Total Due	

Credit/Authorization	Date
----------------------	------

INSTRUCTIONS/COMMENTS: _____

Distribution: White-Customer Service, Yellow-Accounting, Pink-Customer

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ACT111-2 INVOICE**INVOICE NO.****INVOICE**

SOLD TO:

SHIP TO:

SALESPERSON NUMBER		PURCHASE ORDER NO.		SHIP VIA	SHIP DATE	TERMS	INVOICE DATE
QTY ORD	QTY SHIP	QTY B/O	ITEM OR MODEL #	DESCRIPTION		UNIT PRICE	EXTENDED PRICE
COMMENTS				SUB TOTAL			
				DEPOSITS/OTHER			
				SALE AMOUNT			
				MISC. CHARGES SALES TAX FREIGHT			
				TOTAL			

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ACT111-3 ACCOUNTS RECEIVABLE WRITE-OFF AUTHORIZATION

Customer: _____

Date: _____

Invoice No's:**Amount of Write-Off**

TOTAL \$ _____

JUSTIFICATION**Summary of Collection Actions To Date:**

(Include brief description of collection actions taken by accounting, other Company departments and outside collection agency or legal, if applicable)

Approvals: _____

Credit Manager: _____

Date: _____

Controller: _____

Date: _____

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Document ID ACT103	Title END-OF-PERIOD REVIEW & CLOSING	Print Date 09/24/2018
Revision 0.0	Prepared By Tim Phillips / Kevin MacConnell	Date Prepared 09/24/2018

Policy: The Organization shall conduct an orderly, timely, and comprehensive review of all general ledger (GL) accounts, directed by the Chief Financial Officer (CFO), at the end of each fiscal period to ensure the company's financial statements accurately represent the Company's fiscal position at that point in time.

These practices are aimed at proving that financial accounts are accurate and, if not, that they are properly adjusted to make them accurate prior to closing.

Purpose: To provide a general overview of the process to be completed for reviewing the accounting records at the end of a period, prior to closing.

Scope: These practices apply to all financial accounts. Typically, all financial accounts are reviewed and then closed out as of the company's year-end. Consequently, the procedures that follow are discussed in reference to year-end review. However, a subset of these procedures is also applicable to month-end reviews. Month-end procedures are identified near the end of this module.

Responsibilities: During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company's three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

Definition: Review- refers to the procedures involved in examining the financial statement balances at any given period to ascertain their accuracy.

Closing- is the process of advancing from one month or period to the next or from one year to the next. In most computerized accounting systems the periods are closed by executing a menu command. Monthly closings usually involve nothing more than entering the next month and responding to the program's suggestion to print various month-end reports. Even after moving to the next month, many accounting systems allow the user to return to previous months to enter or edit transactions.

The yearly closing is more rigorous since it involves resetting all income statement accounts to zero. Once a year is "closed," some accounting systems do not allow the user to go back or open a closed period to make changes. So be careful, once the period is closed, it is official and any adjustments that are required will need to be made in the current or next open period.

Background: The financial statement – comprised of the balance sheet and the income statement – is the most important management tool for the CFO and Controller.

The balance sheet accounts are measured at a moment in time, like a snapshot. They reflect a total of items at any particular time: a total of cash, accounts receivable, inventory, fixed assets, accounts payable, debts, investments, and earnings retained in the company.

The income statement accounts are measured over a period of time, like a movie. They represent the sum total of transactions: sales, purchases, payroll, etc. The difference in sales less all related expenses equals the net income or loss for the period of time being measured.

Accounting is a double-entry system. Thus, each business transaction has two equal sides. For example, paying an expense decreases cash on the balance sheet and increases an expense on the income statement. Getting paid for a service or sale increases cash on the balance sheet and increases revenue on the income statement. Because of this interdependency, the accuracy of the income statement is dependent upon the accuracy of the balance sheet.

It is easier to prove the accuracy of the balance sheet. Adding up how much each customer owes the store or reconciling cash to the bank statement is a much simpler process than attempting to add up each individual sales transaction on the income statement. For this reason, more time is actually spent on proving the accuracy of the balance sheet.

Once the balance sheet is proven, the income statement, in total, must be right! The only errors would be misclassifications (e.g., the phone bill could be incorrectly posted to the rent expense account). The accounts of the income statement are generally reviewed for reasonableness by comparing amounts to prior periods and analyzing ratios. However, the accounts of the balance sheet are compared to actual totals of items counted (cash, receivables, inventory, payables, fixed assets, etc.).

The Controller or Accounting Manager is encouraged to understand these concepts and to take the initiative to keep the financial statements as accurate as possible, regardless of how much an outside accounting service is utilized.

Procedure:

1.0 CLOSING PREPARATIONS

- 1.1 The steps to the actual end-of-period are not all performed at the exact end of the period. Some accounts cannot be “settled,” proved, or reconciled until all third-party information is received.

For instance, monthly bank account statements usually don't arrive until a couple of weeks into the following month. Also, many final payroll tax payments and yearly reconciliation forms aren't due until the end of the following month. Also needed are final bills from vendors, credit card statements, month end statements from vendors, and year-end loan statements from banks and other financial institutions. All of this information is needed before a business can truly "close its books."

Fortunately, most accounting systems allow a business to continue posting transactions into subsequent months of the new year, without actually "closing" the previous year-end. The CFO should be familiar with the specific software procedures for keeping the prior year open until all final closing adjustments have been made. It's not unusual for businesses to continue processing transactions for almost the entire next year before closing the prior year.

1.2 Compile all period-end documents in preparation for closing the accounting period. These documents include:

- Bank statements to all accounts
- Final payroll and tax amounts
- All final bills and month-end statements from vendors
- All credit card statements
- All year-end loan or debt statements
- All asset acquisition and disposition transactions

1.3 Fewer procedures are performed at month-end dates. For example, due to the cost involved, a complete physical inventory is rarely taken each month, although some businesses do take physical inventory every three or six months. At a minimum the following procedures would be expected for monthly closings:

- Reconcile all bank accounts.
- Print and compare the aged receivables and payables to the general ledger. Make appropriate adjustments to balance the accounts.
- Review all balance sheet and income statement accounts for completeness.
- Retain all above reports in a monthly summary file.

2.0 BALANCE SHEET: ASSETS

2.1 Prepare a year-end closing file to store all reconciliation documents and printed reports as described below.

2.2 **Cash accounts** – Prepare the bank reconciliations for year-end balances per the bank statement to the balance per books for each account. The year-end reconciliation is especially important for preparing the final year-end financial statements to ensure that it is completely accurate.

Show origination dates and description of each reconciling item. Prepare the necessary journal entries to adjust to the reconciliations. Prepare a summary of all petty cash and change drawer funds. Totals must agree with the general ledger. File all reconciliation reports in the year-end closing file.

2.3 **Accounts Receivable** – Print a detailed aged accounts receivable report and then reconciles it to the General Ledger. This can be prepared as soon as all invoicing for products sold as of year-end is complete. Calculate possible allowances for uncollectible accounts. Adjust prior allowances to calculated amount. Write off any unlocatable differences. Retain a complete copy of the detailed accounts receivable, along with any reconciling adjustments in the year-end closing file.

2.4 **Inventory** – Once the results of the physical inventory have been compiled and entered into the accounting system, print out a full inventory valuation report showing quantities on hand and cost values, in accordance with practices described in procedure INV102 INVENTORY COUNTS. Review the inventory report for unusual variations and investigate, as appropriate.

In addition to a valuation report, (sorted by item number), the store manager should run two additional reports; one sorted by extended dollar amount and one sorted by quantity. This will facilitate a review “by exception.” The top 100 items of the report, sorted by extended dollar amount, will probably constitute most of the inventory value and will warrant the most investigation.

At the other end of the sorted report there may be some negative valued items. These items should be investigated for possible recording errors. Likewise, investigate any negative quantities on the Quantity Sorted report. Finally, unusual relationships between quantity and value (like a quantity with a zero extended cost, for example) should be examined.

Once all discrepancies have been examined and adjusted, the report totals should agree with the general ledger balance. If not, post the necessary adjustments to the inventory account.

Prepare a schedule of any possibly unreturnable, damaged, spoiled, or obsolete inventory items and adjust them out of inventory. File the sorted inventory reports, of detailed inventory items, and any related adjustment sheets along with the original physical count sheets in the year-end closing file.

2.5 **Capital Assets** - Update the detailed schedule of fixed assets with any additions and deletions and reconcile to the general ledger balances. See procedure ACT110 FIXED ASSET CONTROL for more detail.

2.6 **Other Assets** - Other assets include utility or real estate deposits, prepaid insurance, advances to employees or owners, and intangibles like store pre-opening costs. These should all be identified and documented. For example, a copy of the initial deposit with the utility company, or a list of the store pre-opening costs with a schedule showing how much of those costs are to be amortized each year. File copies of these documents in the year-end closing file.

3.0 **BALANCE SHEET: LIABILITIES AND STOCKHOLDERS' EQUITY**

3.1 Liabilities are shown as the amount to be paid in the subsequent period. If in doubt, record the liability.

3.2 **Accounts Payable** - Print a detailed aged accounts payable report and reconcile it to the general ledger. This is generally completed 2 to 4 weeks after the year-end

to ensure that all vendor invoices relating to services and merchandise purchased have been received and entered.

Compare all month-end vendor statements to balances per accounts payable and investigate any differences. Consider making adjustments for any significant unrecorded liabilities such as work started prior to year-end, but not yet billed by the supplier. Retain a complete copy of the accounts payable detail, along with any reconciling adjustments, in the year-end closing file.

- 3.3 **Accrued Expenses** - Review accruals for sales tax, payroll, payroll tax, payroll deductions payable, interest expense on short-term borrowings, and long-term debt. Determine the cost of tax and legal services through year-end and record.
- 3.4 **Debt** - Verify recorded accuracy of debt by ensuring the general ledger balances agree to year-end statements from lending institutions. Save all year-end statements in year-end closing file.
- 3.5 **Contingent Liabilities and Commitments** - Prepare a schedule of any outstanding litigation and possible losses. Prepare a schedule of all long-term rental agreements with amounts due by year for the next five years. Retain these schedules in the year-end closing file
- 3.6 **Stockholders' Equity** - Record any changes in the capital account, including distributions and additions to equity investments.

4.0 INCOME STATEMENT: REVENUES

- 4.1 **Sales** - Depending on the features of the store's point of sale system there may be a variety of detailed sales reports, including product sales, sales by department, sales by category, or period reports for daily, monthly, and yearly intervals.
- 4.2 Additionally, the CFO should periodically review sales trends, cost of sales, variable expenses and fixed expenses. Consider these values as a percentage of sales or compare to earlier sales periods. Look for patterns, new trends, seasonal variances, or profitable emerging products that may indicate changes in customer behavior.
- 4.3 The CFO should analytically review the sales reports and explain all variances. A detailed marketing/promotions journal can be used to correlate changes in sales to specific promotions. Note all expenses related to advertising, coupons, extended holiday work hours, and alike and identify their affect on sales.

5.0 INCOME STATEMENT: EXPENSES

- 5.1 Each expense total should be compared to expense total from the year before (and budgets if applicable). Attempt to explain any unusual variances. Some expense items are directly related to asset or liability accounts and can be reconciled in conjunction with the related balance sheet account.
- 5.2 **Cost of Goods Sold** - A detailed report should be produced of cost of sales and analyzed in relation to sales and to prior periods. Also analyze the ratios (see 6.0 FINANCIAL RATIO ANALYSIS below) in relation to inventory levels (i.e. inventory turnover). Investigate any unusual variances.

- 5.3 **Payroll** - At year-end, the various payroll expense accounts should agree to total gross payroll per payroll reports. Account for all deductions for W-3 reported to the Social Security Administration, 1099s for vendors, as well as FICA and other taxes reported accordingly.
- 5.4 **Bad Debt Expense** - Prepare a list of all accounts written off during the year. Note specifically any addition to the allowance for uncollectible accounts.
- 5.5 **Interest Expense** - Prepare a schedule of interest expense by source. Reconcile amounts to short-term borrowings and long-term debt.

6.0 FINANCIAL RATIO ANALYSIS

- 6.1 **Inventory Turnover Ratio.** Identifies inventory productivity. Higher inventory turns can lead to higher profits and is a key indicator for any business holding significant inventory, like a retail store for example.
$$= \text{Cost of Goods Sold} / \text{Average Inventories}$$
- 6.2 **Accounts Receivable (AR) Turnover Ratio.** Identifies one element of cash flow productivity. Higher AR turns means more cash is available to meet expenses as a function of sales. Low AR turns in a fast growing business may require additional cash from outside sources to finance the AR or credit offered to customers.
$$= \text{Sales} / \text{Average Accounts Receivable.}$$

Where Average Accounts Receivable =
$$(\text{Beginning Accounts Receivable} + \text{Ending Accounts Receivable}) / 2$$
- 6.3 **Quick Ratio.** Identifies a company's ability to meet its short-term financial obligations. The quick ratio subtracts inventory from current assets because retail inventory can be difficult to liquidate quickly. Creditors will use this ratio to understand a company's ability to pay off debt quickly, under the worst possible conditions. This ratio should equal 1.0 or greater. A higher quick ratio can translate into a better credit rating. Ratios below 1.0 indicate a company in poor economic health.
$$= (\text{Total Current Assets} - \text{Inventory}) / \text{Total Current Liabilities}$$
- 6.4 **Earnings Before Interest Taxes Depreciation & Amortization (EBITDA).** EBITDA identifies the raw earnings power of the business. Earnings alone can be masked by interest, taxes, depreciation and amortization. To determine the raw earnings power add any interest and tax payments as well as depreciation and amortization to the net profit.
$$= \text{Earnings} + \text{Interest} + \text{Taxes} + \text{Depreciation} + \text{Amortization}$$

If the business had no debt and a lot of tax deductions or credits and no assets or fully depreciated assets, the net profit would equal the raw earnings power of the business. "EBITDA" is a significant factor to valuing a business.
- 6.5 **Sales Averages.** A number of sales averages exist to identify the sales and marketing productivity of the business, such as:

- Average Order Size = Sales / number of orders
- Average Order Margin = (Sales – Cost of Goods) / number of orders

Forms:

- None.

References:

- ACT110 FIXED ASSET CONTROL
- INV102 INVENTORY COUNTS

Revision History:

Revision	Date	Description of Changes	Requested By

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FCR110-2 SIX WEEK CASH FLOW REPORT

Description	Week Ended / /	Week Ended / /	Week Ended / /	Week Ended / /	Week Ended / /	Week Ended / /
-------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------

Operating Cash - Beginning

CASH RECEIPTS:

Accounts Receivable
Factored Receivables
Projected Sales
Line of Credit
Equity Infusion
Other

Total Cash Generated

CASH DISBURSEMENTS:

Trade Payables
Loan Payment
Rent Payment
Deposits/Retainers
Payroll - Net
Payroll Tax Deposits
Income Tax Deposits
Other

Total Cash Requirements

Weekly Cash Flow

Operating Cash-Ending

Comments:

Distribution:

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Document ID FCR101	Title WEEKLY FINANCIAL AND SIX WEEK CASH FLOW REPORTS	Print Date 09/24/2018
Revision 0.0	Prepared By Tim Phillips / Kevin MacConnell	Date Prepared 09/24/2018

Policy: The Finance Department will prepare weekly summary reports of vital operating statistics for the company, including sales, current debt, operating cash, accounts receivable and projected short-term cash flows. These reports are to be prepared in brevity and are to supplement detailed monthly and quarterly financial reports and are to be used for timely “hands-on” management.

Purpose: To provide the format and content requirements for preparation of the Weekly Financial Report and the Six-Week Cash Flow Report.

Scope: The procedure applies to Finance and Accounting personnel required for preparation of these reports.

Responsibilities:

During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company’s three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

Procedure:

1.0 PREPARATION GUIDELINES

- 1.1 The FCR110-1 WEEKLY FINANCIAL REPORT is to be prepared and distributed by accounting by 1:00 p.m. on Monday of each week.
- 1.2 The FCR110-2 SIX-WEEK CASH FLOW REPORT is to be prepared and distributed by 1:00 p.m. on Monday of the week it is due. The Chief Financial Officer shall determine the due dates for this report and communicate this schedule and any updates to the Accounting department.
- 1.3 To reduce time requirements for preparation, all reporting should be rounded and/or plugged to the nearest \$100 increment. The preparer should keep in mind that the objective of the report is to provide a quick recap of the financial status of the Company and not a time-consuming detailed financial analysis.

2.0 WEEKLY FINANCIAL REPORT

The FCR110-1 WEEKLY FINANCIAL REPORT should include:

- Sales to-date, sales orders received, and current backlog;
- Operating cash receipts, disbursements, and balance;
- Current receivables generated, received, balance, and aging; and
- Current debt incurred, paid-down, balance, and aging.

3.0 SIX-WEEK CASH FLOW REPORT

The FCR110-2 SIX-WEEK CASH FLOW REPORT should include projected operating cash balances for each week with estimated cash receipts by major classifications and projected disbursements by major account classifications.

Forms:

- FCR110-1 WEEKLY FINANCIAL REPORT
- FCR110-2 SIX-WEEK CASH FLOW REPORT

References:**A. Statutory/Regulatory Requirements**

The Company must be aware of and must comply with all federal, state, and local statutes and regulations governing financial recordkeeping. A notable example is the Public Company Accounting Reform and Investor Protection Act of 2002 (USA), also known as “Sarbanes-Oxley.” Sarbanes-Oxley requires that public companies implement “adequate internal controls” to ensure full and accurate disclosure of Company financial information, where required.

Revision History:

Revision	Date	Description of Changes	Requested By

FCR110-1 WEEKLY FINANCIAL REPORT

Prepared By _____

Week Ended _____

AMOUNT**SALES:**

Sales Orders Received:

Orders Shipped:

Sales Backlog:

Sales Month-To-Date:

OPERATING CASH:

Beginning Balance:

Cash Receipts:

Cash Disbursements:

Ending Balance:

Line of Credit Available:

ACCOUNTS RECEIVABLE:

Beginning Balance:

Invoices Issued:

Payments Received:

Ending Balance:

Aging:

< 30 Days

30 - 60 Days

> 60 Days

ACCOUNTS PAYABLE:

Beginning Balance:

Debt Incurred:

Debt Paid:

Ending Balance:

Aging:

< 30 Days

30 - 60 Days

> 60 Days

Distribution:

FCR110-2 SIX WEEK CASH FLOW REPORT

Description	Week Ended / /	Week Ended / /	Week Ended / /	Week Ended / /	Week Ended / /	Week Ended / /
Operating Cash - Beginning						
CASH RECEIPTS:						
Accounts Receivable						
Factored Receivables						
Projected Sales						
Line of Credit						
Equity Infusion						
Other						
Total Cash Generated						
CASH DISBURSEMENTS:						
Trade Payables						
Loan Payment						
Rent Payment						
Deposits/Retainers						
Payroll - Net						
Payroll Tax Deposits						
Income Tax Deposits						
Other						
Total Cash Requirements						
Weekly Cash Flow						
Operating Cash-Ending						
Comments:						
Distribution:						

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Document # MFR101	Title: MAINTAINING OF FINANCIAL RECORDS	Print Date: 09/19/2018
Revision # 1.0	Prepared By: Tim Phillips / Kevin MacConnell	Date Prepared: 09/19/2018

Policy: The Company will use current available resources to maintain financial records leading up to the successful receipt of a state license. Once the Company begins manufacturing, a third party financial institution will be hired to manage and oversee the Company's financials.

Purpose: To outline the current procedures for maintaining financial records.

Responsibilities:

During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company's three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

Procedure:

1.0 FINANCIAL RECORD KEEPING

- 1.1 The Company has set up an escrow account through their attorney to hold all investment capital, which will be used for the facility build out and completion of the state application process.
- 1.2 During this time, all purchases will be monitored and tracked through the attorney's financial record keeping secretary.
- 1.3 Before any purchases can be made or funds withdrawn, a purchase order must be written and approved by the company's two operating managers.

1.0 FINANCIAL RECORD KEEPING 2.0

- 1.4 The Company has now set up a bank account with Southbridge Credit Union. Financial records will be tracked through monthly bank statements, as well as internal spending reports.
- 1.5 The company will continue to allow all purchases to be monitored and tracked through the attorney's financial record keeping secretary.

Forms

Purchase Request Form

Revision History:

Revision	Date	Description of Changes	Requested By

Managing Partner Approval

Purchase Request Form			
660 Douglas St., Uxbridge, MA 01569			
Supplier Information			
If purchasing equipment, please check appropriate box:		New Equipment	Equipment Replacement
Vendor Name		Date	
Phone Number		Job Name	
Web Site		Requestor	
Fax Number		Ordered By	
Phone Number		Who to Reimburse	
Email:		Approved By	
Supplier Contact			Department Manager

[illegible]

Document ID MA101	Title BUILDING MARKETING PLANS	Print Date 12/14/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 12/14/2019

Policy: The preparation and maintenance of marketing plans for each market segment/customer class is a vital component of the Company's business plan. Marketing plans shall be treated as proprietary and confidential information by all employees.

Purpose: To outline the content and preparation of marketing plans.

Scope: This procedure applies to all identified market segments or customer classes to which the Company markets – or intends to market – its products.

Responsibilities:

During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company's three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

Definitions: Marketing plan – Set of specific tasks, worked out by and for the Company, delineating how market research, product choice and pricing, advertising, promotion, and distribution will be done; overall plan for marketing a product/brand, outlining goals and objectives, and the methods used to reach them.

Primary research – Original research conducted by the Company to collect new data to answer a research problem or solve a marketing information need.

Qualitative analysis – Ascertaining the nature of attributes, behavior, or opinions of the entity being measured; subjective analysis.

Quantitative analysis – Using statistical techniques to understand quantitative data and identify relationships between and among variables; objective, or empirical, analysis.

Secondary research – Published or recorded data that have already been collected for some purpose other than the current study; information already collected for general needs (e.g., census data) and readily available in published form.

Procedure:

1.0 MARKETING PLAN – GENERAL

The Marketing Manager shall prepare and maintain a Marketing Plan (and manual or file for each plan) for each market segment. Marketing plans shall include the following:

- Market analysis;
- Advertising sources;
- Competitive analysis;
- Advertising planning schedule/diary; and
- Customer/reference list.

2.0 MARKET ANALYSIS

2.1 Every market analysis should begin with defining the problem and stating the objectives. The market analyst should be able to answer the following questions:

- Are we trying to market our entire product or service line? Or, are we trying to hone in on a new product or a new service?
- What specific marketing strategies have we utilized in the past 2-3 years?
 - a. How has each strategy affected sales?
 - b. What strategies are we currently using?
 - c. How do our competitors market their products?
- How much money is allocated to marketing?
- When making a sale, do we survey our customers to determine a referral source?
 - a. Do we thank our referral source?
- Why would someone choose our product?
 - a. What differentiates our product from our competitors' products?
 - b. Why do people choose our competitors' products or services?
 - c. Do we need to enhance our current product or service?
- Who are our customers?
 - a. Are they from a specific region or segment of Massachusetts?
 - b. How do we attract new customers?
 - c. How do we increase sales from current customers?

- 2.2 A market analyst should provide the description, size, classes, and other relevant characteristics of the market (e.g., demographics) through *primary* or *secondary research*.
- The analyst should always cite sources of information in detail (e.g., what is the source, how old is the information), to assist with verifying or updating.
 - If factual, current information is unavailable for the segment, the analyst should develop a market estimate based on what information is available and plainly state in the analysis that the “information” is based on estimates.
- 2.3 If primary research is to be conducted, the market analyst should perform a combination of *qualitative* and *quantitative analysis* to ensure the situation has been well researched and to eliminate or reduce bias in the results.
- 2.4 The analysis should state product requirements for the market segment and identify the types of products that already serve that segment. The analyst should recommend the Company’s products, product configurations, or product mix to be promoted to this market, justify those recommendations, and list the potential benefits to customers who would use these products.
- 2.5 Market trends should be analyzed and presented. The analyst should project the impact these trends (e.g., overall growth or decline in the market segment, technological changes) are likely to have on future purchases. Projections shall be summarized and accompanied by supporting information.
- 2.6 Finally, the objective of the research and analysis is to advance or promote ideas and solve marketing problems. The Company’s management should be using research results to make marketing decisions.

3.0 ADVERTISING SOURCES

- 3.1 This section of the Plan should include all relevant forms of possible advertising sources/ideas. These sources should also include all pertinent information including available dates, contacts, addresses with telephone numbers, and costs if applicable. This list of sources should include but not be limited to:
- Trade journals or publications;
 - Trade shows;
 - Mailing lists;
 - Associations or organizations; and
 - Continuing education programs.
- 3.2 A “Comments” section should be added for each source and should include:
- Quantifiable conclusions and/or statements of opinion by the analyst regarding the historical (and/or projected) effectiveness of the marketing source; and
 - Statements regarding use of the advertising source in the future.

4.0 COMPETITIVE ANALYSIS

This section of the Plan should list the primary competitive products and companies that sell in the market segment and should include qualitative remarks or opinions as to why these products are successful or unsuccessful and the advantages/disadvantages these products/companies have compared to our products and our company (i.e., price, features, service, reputation, etc.).

5.0 ADVERTISING PLANNING SCHEDULE/DIARY

- 5.1 This section of the Plan should include a chronological plan of activities, with estimated costs and sales results for each fiscal year. These advertising plans should be broken down into meaningful time periods (i.e., monthly or quarterly), depending on the nature, extent, and frequency of activities planned.
- 5.2 As each activity is completed, the Marketing Manager should document the activity and include it in a diary section of the advertising plan or maintain a record of the activity in a separate file, if necessary.
- Documentation should include hard copies of any advertising (e.g., direct mail, print or online ads). In the case of trade shows or seminars, the person in charge should provide a factual narrative report of activities.
 - A “Comments” section should include qualitative remarks or opinions regarding the success/effectiveness of the advertising activity and reminders or suggestions for future advertising.

6.0 CUSTOMER/REFERENCE LIST

- 6.1 This section of the Marketing Plan should include a current list of the company’s customers for this market; this list should be updated quarterly (semiannually, at a minimum).
- 6.2 The customer list should identify any customer willing to be a reference for the Company or provide product/brand testimonials to prospects.

7.0 STATE REGULATIONS

- 7.1 Any potential marketing or advertising opportunities must first be discussed and agreed upon by Kevin MacConnell and Tim Phillips before action can be taken. Once approved, the Company must follow all state guidelines to assure compliance
- 7.2 For any event sponsorships, the Company must make sure that at least 85% of the audience is reasonably expected to be 21 years of age or older. This can be done by the following:
- a. Familiarizing oneself with the target market of the event host
 - b. Checking ID’s at the door (if necessary)
- 7.3 Any such marketing, advertising and branding created for viewing by the public shall include the statement "Please Consume Responsibly", in a conspicuous manner on the face of the advertisement and shall include a minimum of two of the following warnings in their entirety in a conspicuous manner on the face of the advertisement:

- 7.3.1 "This product may cause impairment and may be habit forming.";
 - 7.3.2 "Marijuana can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of this drug.";
 - 7.3.3 "There may be health risks associated with consumption of this product.";
 - 7.3.4 "For use only by adults 21 years of age or older. Keep out of the reach of children."; or
 - 7.3.5 "Marijuana should not be used by women who are pregnant or breastfeeding."
- 7.4 All marketing, advertising and branding produced by or on behalf of the Company shall include the following warning, including capitalization, in accordance with M.G.L. c. 94G, § 4(a½)(xxvi):
- 7.4.1 "This product has not been analyzed or approved by the Food and Drug Administration (FDA). There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN. There may be health risks associated with consumption of this product. Marijuana can impair concentration, coordination, and judgment. The impairment effects of Edible Marijuana Products may be delayed by two hours or more. In case of accidental ingestion, contact poison control hotline 1-800-222-1222 or 9-1-1. This product may be illegal outside of MA."

Additional Resources:

- A. Automated marketing plans (i.e., planning software) are readily available from a number of sources. Search for "marketing plan software" or similar terms on the Internet.
- B. Marketing plan templates are commonly available through the business schools of many public and private universities. Search for "university" and "marketing plan" or a similar combination of terms on the Internet.

Revision History:

Revision	Date	Description of Changes	Requested By

Document ID MA102	Title PUBLIC RELATIONS	Print Date 12/14/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 12/14/2019

Policy: All public relations activities and media requests will be coordinated and managed to ensure dissemination of only accurate and appropriate information to the public and to provide a positive, professional appearance of the Company and its products and services.

Purpose: To provide guidelines for handling media requests.

Responsibilities:

During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company's three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

Scope: This statement applies specifically applies to the Marketing Department; however, it may indirectly affect all Company employees.

Procedure:

1.0 MEDIA REQUESTS

1.1 When members of the media (e.g., newspapers, radio, television, magazines, trade publications) contact an employee to discuss anything that pertains to the Company, the employee should direct those individuals to the Marketing Director, who will handle all requests in a prompt, courteous manner.

- No employee should answer a question without clearing it with the Marketing Director (or Public Relations Director, if the Company has one).
- When necessary, the Marketing Director may ask other management personnel to respond or assist with an appropriate response. The Marketing Director will review with the Company's legal counsel prior to answering questions that may be of a sensitive nature.
- The President, Vice-President, and Chief Financial Officer may respond directly to the media without coordinating with the Marketing Director.

1.2 The Marketing Director will be responsible for preparing and updating media kits that will include the Company background, approved photographs, and other pertinent information for distribution to the media, when appropriate. The Company's media kit should include, but not be limited to, the following:

- Company contact person's business card;
- Company background (e.g., history, current status);
- Management biographies;
- Black-and-white photographs of key figures, with captions typed on labels and affixed to the back of each photograph;

- Company logos (camera-ready, in assorted sizes);
- Ad slicks and direct mail pieces;
- News releases, reprints, and bylined articles;
- Studies and research reports;
- Company fact sheet; and

References:

- None

Revision History:

Revision	Date	Description of Changes	Requested By

Document ID MA103	Title TRADE SHOWS/EXHIBITS	Print Date 12/14/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 12/14/2019

Policy: All trade shows/exhibits will be planned and organized for maximum effectiveness and to ensure that the company's image is properly presented.

Purpose: To outline the procedures for the planning, exhibiting, and follow-up of product trade shows/exhibits.

Scope: Applies to all trade shows or exhibits where the company's brand is displayed for sales/marketing purposes.

Procedure:

1.0 PLANNING TRADE SHOWS AND EXHIBITS

1.1 The Sales and Marketing departments will be responsible for analyzing and determining which shows the Company will attend. This analysis should include estimating how many contacts, sales leads, and actual sales will be needed to make the show cost effective. The cost per lead/sale should also be compared to other marketing avenues for the Company to determine the best marketing value.

- Trade show research should include past experience, industry knowledge, and contacting trade show industry associations for information.

1.2 Once a show has been selected, a Trade Show Coordinator will be assigned and will complete a SMK110-1 TRADE SHOW WORKSHEET, SMK110-2 TRADE SHOW CHECKLIST, and SMK110-3 TRADE SHOW/EXHIBIT SUPPLY CHECKLIST. These will assist in planning and coordinating the details of the show including booth selection and size, staffing, decorations, products to be displayed, etc.

Booth selection and space considerations by the Trade Show Coordinator should include the following:

- **Storage:** If you will need storage, make sure it is nearby or in the booth itself. Some back-to-back booth arrangements have storage space created by columns, etc.; check with the show manager to be sure.
- **Utilities:** If the display requires utilities (electricity, water, compressed gas, etc.), ensure their availability and arrange for them to be supplied to the booth.
- **Layout and Obstructions:** On most diagrams, heavy lines indicate back wall of exhibits or structural columns, light lines are space limits. Check plans for columns, changes in ceiling height (usually indicated by dotted lines), changes in floor level shown by ramps or stairs, or utility control boxes that cannot be covered by an exhibit.
- **Location:** Traffic pattern is important in picking a show booth location. People with a choice tend to turn right as they enter an exhibit hall. A spot

should be picked that maximizes the booth's visibility to a visitor walking in this counterclockwise pattern. The best corner permits seeing the booth before the visitor turns.

Items to be displayed should be carefully selected to the type of attendance at the show. The booth should not be cluttered or crowded with equipment. Allow space for literature displays, wastebaskets, and for salespeople to mingle with prospects. Prospects are reluctant to stop at a booth if they feel they will be crowded. Once equipment is selected, a SMK110-4 EQUIPMENT REQUEST FROM INVENTORY should be completed with appropriate shipping instructions.

- 1.3 Planning of a show should also include pre-show marketing and/or calling or sending direct mail invitations to attendees. Pre-show promotions include the show dates and our booth number and encourage good prospects to stop and visit the booth and should.

2.0 EXHIBITING

- 2.1 The Trade Show Coordinator should instruct all employees attending the booth on dress codes, expected conduct and professional manners (i.e., avoid eating or drinking, chewing gum, etc., while in the booth) and how to talk with prospects and perform product demonstrations. The Trade Show Coordinator should also schedule and assign staff for setting-up and taking down the booth display and ensuring that the booth is staffed during all exhibit hours.
- 2.2 The Trade Show Coordinator will also be responsible for collecting all SMK110-5 SHOW REGISTRATION forms and for ensuring the prompt follow-up on all contacts and leads made during the show upon returning to the office.

3.0 TRADE SHOW/EXHIBIT EVALUATION

Upon returning from the show, the Trade Show Coordinator shall complete a SMK110-6 TRADE SHOW/EXHIBIT SUMMARY and submit this to the Sales and Marketing managers within five (5) days of the end of the trade show, to assist in evaluating the performance of the show/exhibition and determining if the show/ exhibition served (and will serve) the Company's purposes.

Forms:

- SMK110-1 TRADE SHOW WORKSHEET
- SMK110-2 TRADE SHOW CHECKLIST
- SMK110-3 TRADE SHOW/EXHIBIT SUPPLY CHECKLIST
- SMK110-4 EQUIPMENT REQUEST FROM INVENTORY
- SMK110-5 SHOW REGISTRATION
- SMK110-6 TRADE SHOW/EXHIBIT SUMMARY

Additional Resources:

- A. Bowker, R.R., Trade Show Week Data Book: The Annual Statistical Directory of US and Canadian Tradeshows and Public Shows, R. R. Bowker Press, Dec., 1997.
- B. American Society of Association Executives (ASAE) – www.asaenet.org
ASAE is a professional society of association staff and suppliers of products and services to its members, offering resources on association management such as education and training, publications, technology, research, career information, and networking and professional development.
- C. Center for Exhibition Industry Research (CEIR) – www.ceir.org
CEIR is a not-for-profit organization dedicated to promoting the value of the exhibition industry through verified statistical research and data, information, and communications.
- D. Convention Industry Council (CIC) – www.conventionindustry.org
CIC consists of industry-related associations directly involved in the convention, exposition, trade show meeting, and travel and tourism industries. It offers members tools and programs designed to support the industry, facilitate exchange of information, educate the public, and ensure the highest standards.
- E. Exhibition Services & Contractors Association (ESCA) – www.esca.org
ESCA is a professional organization of firms engaged in the provision of material and/or services for the trade show, convention, exhibition, and meeting business.
- F. Exposition Operations Society (EOS) – www.expoops.com
The Exposition Operations Society is dedicated exclusively to the operations professional who produces trade and consumer shows, private (corporate) shows, and meetings.

G. Healthcare Convention & Exhibitors Association (HCEA) – www.hcea.org

HCEA is a trade association of more than 700 organizations united by a desire to increase the effectiveness and efficiency of healthcare conventions and exhibitions as an educational and marketing medium.

H. International Association for Exhibition Management (IAEM) – www.iaem.org

Organized in 1928 as the National Association of Exposition Managers to represent the interests of tradeshow and exposition managers, IAEM today is the premier association for individuals with business interests in the exhibition industry, representing over 3,000 individuals who conduct and support exhibitions around the world.

I. National Coalition of Black Meeting Planners (NCBMP) – www.ncbmp.com

The National Coalition of Black Meeting Planners, founded in 1983, is a non-profit organization dedicated primarily to the training needs of African-American meeting planners.

J. Professional Convention Management Association (PCMA) – www.pcma.org

Members include convention and exposition managers, association CEO's, meeting planners, and supplier organizations to the convention and exposition business.

K. SISO - Society of Independent Show Organizers (SISO) – www.siso.org

These are owners or top-level executives of *for-profit* producers of shows, conferences, and expositions.

Revision History:

Revision	Date	Description of Changes	Requested By

SMK110-1 TRADE SHOW WORKSHEET

Meeting: _____ Dates: _____
 Sponsor: _____ Contact: _____
 _____ Telephone: _____
 _____ Fax: _____
 Headquarters Hotel: _____ Telephone: _____
 Date Prospectus Requested: _____ Date Prospectus Received: _____
 Date Application Mailed: _____
 Number of Booths Needed: _____ Cost of Booths: _____
 Booth Number(s) Requested: _____ Booth Number(s) Assigned: _____
 Date Confirmation Received: _____

Show Contractor: _____ Contact: _____
 _____ Telephone: _____
 _____ Fax: _____

<u>Services Ordered</u>	<u>Date Ordered</u>	<u>Cost</u>
Electrical	_____	_____
Carpet	_____	_____
Table	_____	_____
Labor	_____	_____
Material Handling	_____	_____
Staffing (Names & Titles): _____	No. of People: _____	

Travel Arrangements:

Travel Agent: _____ Cost per Flight \$ _____
 _____ # of Flights: _____
 _____ Total Cost \$ _____
 Contact: _____
 Telephone: _____
 Fax: _____

Hotel Accommodations:

Hotel: _____ Cost per Room \$ _____
_____ # of Rooms: _____
_____ # of Nights: _____
Contact: _____ Total Cost \$ _____
Telephone: _____
Fax: _____

Total Cost of Show

Estimated \$ _____ Actual \$ _____

Comments: _____

SMK110-2 TRADE SHOW CHECKLIST

Show or Exhibit: _____ Date: _____

Trade Show Coordinator: _____

Duty	Person to Complete	Date Completed
Send for Prospectus	_____	_____
Fill out applications/contracts for exhibit space	_____	_____
Select booth location, size, # of booths	_____	_____
Send deposit for booth	_____	_____
Assignment of personnel attending	_____	_____
Make hotel and travel arrangements	_____	_____
Complete all forms i.e. electrical, labor, etc.	_____	_____
Register exhibitors	_____	_____
Photo copy all check & documents sent	_____	_____
Complete literature request form	_____	_____
Complete equipment request form	_____	_____
Retrieve and pack literature for show	_____	_____
Arrange for installation & dismantling of equipment if needed	_____	_____
Memo to exhibitors regarding arrangements & any special instructions	_____	_____
Complete post show evaluation	_____	_____

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SMK110-3 TRADE SHOW/EXHIBIT SUPPLY CHECKLIST

Show: _____

Large Booth _____

Signs: _____
Banner: _____
Cleaning & Supplies: _____
Lights & Bulbs: _____

Small Booth _____

Signs: _____
Banner: _____
Cleaning & Supplies: _____
Lights & Bulbs: _____

Qty.

Literature		
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____

Extension Cords: _____
Packing Tape: _____
Stapler & Staples: _____
Pens: _____

Shipping Labels: _____
Air Bills (completed): _____

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SMK110-4 EQUIPMENT REQUEST FROM INVENTORY

Requested by: _____ Department: _____ Date: _____

Reason for Request: _____

Date/Time Required at Destination: _____

Date/Time to be Returned or to New Destination: _____

Ship From: _____

Ship To: _____

Telephone:() _____

Telephone:() _____

Contact: _____

Contact: _____

Will Hold for Arrival: o Yes o No

<i>Model No.</i>	<i>Description</i>	<i>Qty. Required</i>	<i>Qty. Issued</i>	<i>Serial Number</i>	<i>Qty. Ret'd</i>

Special Instructions (e.g. mailing labels, shipping forms, etc.): _____

Approved By _____ Date: _____

Issued By: _____ Date: _____

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SMK110-5 SHOW REGISTRATION

Name: _____	Title _____
(staple business card here)	
Company: _____	
Address: _____	

Telephone No(s): _____	
Product Interest/Applications: _____	

Time Frame <input type="radio"/> Immediate <input type="radio"/> 3 to 6 months <input type="radio"/> Other _____	

Show or Meeting: _____ Date: _____

Sales Representative: _____

Notes: _____

_____Marketing Database ☐

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SMK110-6 TRADE SHOW/EXHIBIT SUMMARY

Prepared By _____ Date: _____

Name of Show or Exhibit:_____ Dates:_____

Location: _____

of Registrations: _____ Busiest Day(s): _____

of Estimated Sales: _____ Worth Attending Next Year: ☐ Yes ☐ No

Memos/Notes for Next Time:_____

Comments and/or general impressions of show or exhibit. Include both positive and negatives. Also list any relevant conversation or observations that impact marketing, sales, product development, competition analysis, etc.:

Attach extra sheets if necessary.

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Document # DP101	Title: Diversity Plan	Print Date: 10/23/2019
Revision # 1.0	Prepared By: Tim Phillips / Kevin MacConnell	Date Prepared: 10/23/2019

Policy: Blackstone Valley Naturals will seek out various diversity-focused organizations to provide them with access and recourses to apply for available job openings. The following demographics will be targeted:

- Minorities
- Women
- Veterans
- People with disability
- People of all gender identities and sexual orientation

Purpose: The goal of this plan is to make accessible any and all employment opportunities to diverse groups looking to work in the cannabis industry. BVN hopes to work with diversity-focused organizations to promote job openings through the specific programs listed below.

Program

1. Advertising employment opportunities in diverse publications or mediums.
2. Participating in job fairs with a focus on attracting individuals falling in the above-listed demographic.
3. Establishing relationships with specific organizations that are diversity-focused for the purpose of:
 - a. Networking with their constituencies for employment purposes
 - b. Providing information on employment opportunities

Measurable Goals

1. BVN has set a measurable goal of 30% of it's workforce to include minorities
2. BVN has set a measurable goal of 50% of it's workforce to include women
3. BVN has set a measurable goal of 5% of its workforce to include veterans and people with disability
4. 10 published advertisements annually for new job openings
 - a. When job openings become available, the company will take out ad space in The Bay State Banner to promote the new position(s) as well as provide instructions on how to apply.
5. 2 job fairs attended each year
 - a. As long as the company is hiring, BVN will participate in at least two diversity focused job fairs each year
 - b. Example: Boston Bilingual and Diversity Job Fair

Upon submitting an application, applicants will be asked how and where they learned of the employment opportunity. This data will be tracked and saved to monitor how successful the information regarding new job openings is reaching the targeted demographics.

Proposed Timeframe

- BVN does not plan to hire for their first grow cycle, but it is possible that some full-time employees will be brought on in 2020. This is heavily reliant on the company being able to begin production and experience steady revenue streams that year. Once successfully up and running, BVN hopes to have the capital necessary to begin developing a workforce.

Acknowledgments

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

Revision History:

Revision	Date	Description of Changes	Requested By

Blackstone Valley Naturals, LLC

Employee Manual

Blackstone Valley Naturals, LLC

Employee Manual

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Section 1 Introduction

1.1 Welcome to Blackstone Valley Naturals, LLC

Welcome to Blackstone Valley Naturals! BVN is committed to setting the highest standard for cannabis integrity throughout the state of Massachusetts as well as the nation. Our core competencies are creating a safe environment for our community and employees as well as producing the highest quality products on the market. BVN strives to create a model others will seek to emulate and we are excited that you will be joining our team!

1.2 Employee Manual

This Employee Manual ("Manual") is designed to summarize certain personnel policies and benefits of Blackstone Valley Naturals, LLC (the "Company"), of 660 Douglas Street, Unit 400, Uxbridge, Massachusetts 01569, and to acquaint employees with many of the rules and training protocols concerning employment with the Company. This Manual applies to all employees, and compliance with the Company's policies is a condition of employment. This Manual supersedes all previous employment policies, written and oral, express and implied. The Company reserves the right to modify, rescind, delete, or add to the provisions of this Manual from time to time in its sole and absolute discretion. This Employee Manual is not a binding contract between the Company and its employees, nor is it intended to alter the at-will employment relationship between the Company and its employees. The Company reserves the right to interpret the policies in this Handbook and to deviate from them when, in its discretion, it determines it is appropriate.

1.3 Changes in Policy

Since our business is constantly changing, the Company expressly reserves the right to revise, modify, delete, or add to any and all policies, procedures, work rules, or benefits stated in this handbook or in any other document, except for the policy of at-will employment as described below. No oral statements or representations can in any way alter the provisions of this Manual. Nothing in this employee handbook or in any other document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee. Any changes to your at-will employment status, described below, must be in writing and must be signed by the Company.

If you are uncertain about any policy or procedure, please check with your manager or Human Resources.

1.4 Employment-At-Will

Employment with the Company is on an at-will basis, unless otherwise specified in a written employment agreement. You are free to resign at any time, for any reason, with or without notice. Similarly, the Company is free to conclude the employment relationship at any time for any lawful reason, with or without cause, and with or without notice.

Nothing in this Manual will limit the right of either party to terminate an at-will employment. No section of this Manual is meant to be construed, nor should be construed, as establishing anything other than an employment-at-will relationship. This Manual does not limit management's discretion to make personnel decisions such as reassignment, change of wages and benefits, demotion, etc. No person other than the CEO, President, or CFO has the authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment other than at-will terms. Only the CEO, President, or CFO of the Company has the authority to make any such agreement, which is only binding if it is in writing and signed by the President of the Company.

Section 2 Employment Policies

2.1 Employee Classifications

The following terms are used to describe employees and their employment status:

Exempt Employees - Employees whose positions meet specific tests established by the Federal Labor Standards Act ("FLSA") and Massachusetts state law. In general, exempt employees are those engaged in executive, managerial, high-level administrative and professional jobs who are paid a fixed salary and perform certain duties. In addition, certain commissioned sales employees and highly paid computer professionals are exempt. Exempt employees are not subject to the minimum wage and overtime laws.

Nonexempt Employees - Employees whose positions do not meet specific tests established by the FLSA and Massachusetts state law. All employees who are covered by the federal or state minimum wage and overtime laws are considered nonexempt. Employees working in nonexempt jobs are entitled to be paid at least the minimum wage per hour and a premium for overtime.

Full-Time Employees - Employees who are not temporary employees, independent contractors, or independent consultants and who are regularly scheduled to work a schedule of 40 hours per work week.

Part-Time Employees - Employees who are not temporary employees, independent contractors, or independent consultants and who are regularly scheduled to work less than 40 hours per work week.

Temporary Employees - Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project. Employment assignments in this category are of limited duration and the temporary employee can be let go before the end of the defined period. Short-term assignments generally are periods of three (3) months or less, however, such assignments may be extended. All Temporary employees are at-will regardless of the anticipated duration of the assignment (see Employment-at-Will Policy). Temporary employees retain that status unless and until notified in writing of a change.

Independent Contractor or Consultant - These individuals are not employees of the Company and are self-employed. An independent contractor or consultant is engaged to perform a task according to his/her own methods and is subject to control and direction only as to the results to be accomplished. Independent contractors or consultants are not entitled to benefits.

Each employee will be advised of his or her status at the time of hire and any change in status. Regardless of the employee's status, the employee is employed at-will and the employment relationship can be terminated by the Company or the employee at any time, with or without cause and with or without notice.

2.2 Equal Employment Opportunity & Americans with Disabilities Act

It is the policy of the Company to provide equal employment opportunities to all employees and employment applicants without regard to unlawful considerations of race, religion, creed, color, national origin, sex, pregnancy, sexual orientation, gender identity, age, ancestry, physical or mental disability, genetic information, marital status or any other classification protected by applicable local, state or federal laws. This policy prohibits unlawful discrimination based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. This policy applies to all aspects of employment, including, but not limited to, hiring, job assignment, working conditions, compensation, promotion, benefits, scheduling, training, discipline and termination.

The Company expects all employees to support our equal employment opportunity policy, and to take all steps necessary to maintain a workplace free from unlawful discrimination and harassment and to accommodate others in line with this policy to the fullest extent required by law. For example, the Company will make reasonable accommodations for employees' observance of religious holidays and practices unless the accommodation would cause an undue hardship on the

Company's operations. If you desire a religious accommodation, you are required to make the request in writing to your manager as far in advance as possible. You are expected to strive to find co-workers who can assist in the accommodation (e.g. trade shifts) and cooperate with the Company in seeking and evaluating alternatives.

Moreover, in compliance with the Americans with Disabilities Act (ADA), the Company provides reasonable accommodations to qualified individuals with disabilities to the fullest extent required by law. The Company may require medical certification of both the disability and the need for accommodation. Keep in mind that the Company can only seek to accommodate the known physical or mental limitations of an otherwise qualified individual. Therefore, it is your responsibility to come forward if you are in need of an accommodation. The Company will engage in an interactive process with the employee to identify possible accommodations, if any will help the applicant or employee perform the job.

2.3 Confidentiality

In the course of employment with the Company, employees may have access to "Confidential Information" regarding the Company, which may include its business strategy, future plans, financial information, contracts, suppliers, customers, personnel information or other information that the Company considers proprietary and confidential. Maintaining the confidentiality of this information is vital to the Company's competitive position in the industry and, ultimately, to its ability to achieve financial success and stability. Employees must protect this information by safeguarding it when in use, using it only for the business of the Company and disclosing it only when authorized to do so and to those who have a legitimate business need to know about it. This duty of confidentiality applies whether the employee is on or off the Company's premises, and during and even after the end of the employee's employment with the Company. This duty of confidentiality also applies to communications transmitted by the Company's electronic communications. See also Internet, Email and Computer Use policy, herein.

2.4 Age 21+

As required by the Cannabis Control Commission of Massachusetts, no one under the age of 21 is permitted to work for, or receive access to, a certified cannabis establishment. CORI background checks are conducted on each potential employee before hire, and all who enter the facility must present a valid state issued ID.

2.5 Employment of Relatives

The Company recognizes that the employment of relatives in certain circumstances, such as when they will work in the same department, supervise or manage the other, or have access to confidential or sensitive information regarding the other, can cause problems related to supervision, safety, security or morale, or create

conflicts of interest that materially and substantially disrupt the Company's operations. When the Company determines any of these problems will be present, it will decline to hire an individual to work in the same department as a relative. Relatives subject to this policy include: father, mother, sister, brother, current spouse or domestic partner, child (natural, foster, or adopted), current mother-in-law, current father-in-law, grandparent, or grandchild.

If present employees become relatives during employment, the Company should be notified so that we may determine whether a problem involving supervision, safety, security or morale, or a conflict of interest that would materially and substantially disrupt the Company's operations exists. If the Company determines that such a problem exists, the Company will take appropriate steps to resolve the problem, which may include reassignment of one relative (if feasible) or asking for the resignation of one of the relatives.

2.6 Introductory Period

The first 15 days of employment are considered an introductory period for all newly hired employees. During this time, you will learn your new responsibilities, get acquainted with fellow employees, and determine whether you are happy with the position. Also, during this time, your manager will monitor your performance. Upon completion of the introductory period, your manager will review your performance. If the Company finds your performance satisfactory and decides to continue your employment, you will be advised of any improvements expected. This is also an opportunity for you to make suggestions to improve the Company's efficiency and operations. Completion of the introductory period does not entitle you to remain employed by the Company for any definite period of time, but instead allows both you and the Company to evaluate whether or not you are right for the position. Your status as an at-will employee does not change-the employment relationship may be terminated with or without cause and with or without advance notice, at any time by you or the Company.

In addition, all onboarding employees are required to take a Responsible Vendor Training course. The curriculum must be discussed:

- a) Discussion concerning Marijuana's effect on the human body. Training shall include:
 - a. Scientifically based evidence on the physical and mental health effects based on the type of Marijuana Product;
 - b. The amount of time to feel impairment;
 - c. Visible signs of impairment; and
 - d. Recognizing the signs of impairment.
- b) Diversion prevention and prevention of sales to minors, including best practices.
- c) Compliance with all tracking requirements.
- d) Acceptable forms of identification. Training shall include:

- a. How to check identification;
 - b. Spotting false identification;
 - c. Patient registration cards formerly and validly issued by the DPH or currently and validly issued by the Commission;
 - d. Provisions for confiscating fraudulent identifications; and
 - e. Common mistakes made in verification.
- e) Other key state laws and rules affecting Owners, managers, and employees, which shall include:
- a. Local and state licensing and enforcement;
 - b. Incident and notification requirements;
 - c. Administrative and criminal liability;
 - d. License sanctions;
 - e. Waste disposal;
 - f. Health and safety standards;
 - g. Patrons prohibited from bringing marijuana onto licensed premises;
 - h. Permitted hours of sale;
 - i. Conduct of establishment;
 - j. Permitting inspections by state and local licensing and enforcement authorities;
 - k. Licensee responsibilities for activities occurring within licensed premises;
 - l. Maintenance of records;
 - m. Privacy issues; and
 - n. Prohibited purchases and practices.

2.7 Personnel Records and Employee References

The Company maintains a personnel file and payroll records for each employee as required by law. Personnel files and payroll records are the property of the Company and may not be removed from Company premises without written authorization. Because personnel files and payroll records are confidential, access to the records is restricted. Generally, only those who have a legitimate reason to review information in an employee's file are allowed to do so. Disclosure of personnel information to outside sources will be limited. However, the Company will cooperate with requests from authorized law enforcement or local, state, or federal agencies conducting official investigations and as otherwise legally required.

Employees may contact a Human Resources representative to request a time to review their payroll records and/or personnel file. With reasonable advance notice, an employee may review his or her own records in the Company's offices during regular business hours and in the presence of an individual appointed by the Company to maintain the records. You also have the right to obtain a copy of your personnel files, but you may be required to pay for any such copies. You may add your comments to any disputed item in the file

By policy, the Company will provide only the former or present employee's dates of employment and position(s) held with the Company. Compensation information may also be verified if written authorization is provided by the employee.

2.8 Privacy

The Company is respectful of employee privacy. All employee demographic and personal information will be shared only as required in the normal course of business. Healthcare enrollment information is kept in a separate folder from other human resources forms. Workers' Compensation information is not considered private healthcare information; however, this information will be released only on a need-to-know basis.

The Company does not make or receive any private healthcare information through the course of normal work. If any employee voluntarily shares private healthcare information with a member of management, this information will be kept confidential. If applicable, the Company will set up guidelines for employees and management to follow to ensure that company employees conform to the requirements of the Health Insurance Portability and Accountability Act (HIPAA).

2.9 Immigration Law Compliance

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 on the date of hire and present documentation establishing identity and employment eligibility within three business days of date of hire. Former employees who are rehired must also complete an I-9 form if they have not completed an I-9 form with the Company within the past three years, or if their previous I-9 form is no longer retained or valid. You may raise questions or complaints about immigration law compliance without fear of reprisal.

2.10 Political Neutrality

Maintenance of individual freedom and our political institutions necessitates broad scale participation by citizens concerning the selection, nomination and election of our public office holders. The Company will not discriminate against any employee because of identification with and support of any lawful political activity. Company employees are entitled to their own personal political position. The Company will not discriminate against employees based on their lawful political activity engaged in outside of work. If you are engaging in political activity, however, you should always make it clear that your actions and opinions are your own and not necessarily those of the Company, and that you are not representing the Company.

Section 3

Hours of Work and Payroll Practices

3.1 Pay Periods and Paydays

Employees are paid on a bi-monthly basis. All employees will be paid on the 15th and the last day of the month. All employees are paid by check or direct deposit on the above-mentioned payday. If the regular payday falls on a weekend or Company holiday, employees will be paid on the last business day before the holiday and/or weekend.

3.2 Overtime

Nonexempt employees will be paid in accordance with federal and Massachusetts state law.

In Massachusetts, with many exceptions, the standard work week for employees should not exceed 40 hours per week. Should the Company find it necessary to employ an employee in excess of this standard, overtime hours shall be compensated at the rate of one and one-half times the regular rate of pay.

All overtime work by non-exempt employees must be authorized in advance by their manager. Only hours actually worked will be used to calculate overtime pay.

3.3 Rest and Meal Periods

All rest and meal periods will be in accordance with Massachusetts state law.

Nonexempt employees scheduled to work more than a six hour period will be provided a 30-minute unpaid meal period.

3.4 Time Cards

Nonexempt employees are required to keep an accurate and complete record of their attendance and hours worked. Time cards are official business records and may not be altered without the employee's supervisor's approval and may not be falsified in any way.

3.5 Payroll Deductions

Various payroll deductions are made each payday to comply with federal and state laws pertaining to taxes and insurance. Deductions will be made for the following: Federal and State Income Tax Withholding, Social Security, Medicare, State Disability Insurance & Family Temporary Disability Insurance, and other items designated by you or required by law (including a valid court order). You can adjust

your federal and state income tax withholding by completing the proper federal or state form and submitting it to Accounting or Human Resources. At the start of each calendar year, you will be supplied with your Wage and Tax Statement (W-2) form for the prior year. This statement summarizes your income and deductions for the year.

3.6 Wage Garnishment

A garnishment is a court order requiring an employer to remit part of an employee's wages to a third party to satisfy a just debt. Once the Company receives the legal papers ordering a garnishment, we are required by law to continue making deductions from your check until we have withheld the full amount or until we receive legal papers from the court to stop the garnishment. Even if you have already paid the debt, we still need the legal papers to stop the garnishment.

3.7 Direct Deposit

All employees are encouraged, but not required, to use direct deposit and have their paychecks deposited into a bank account of an accredited participating bank or credit union.

Section 4 Standards of Conduct and Employee Performance

4.1 Anti- Harassment and Discrimination

The Company is committed to providing a work environment free of sexual or any form of unlawful harassment or discrimination. Harassment or unlawful discrimination against individuals on the basis of race, religion, creed, color, national origin, sex, pregnancy, sexual orientation, gender identity, age, ancestry, physical or mental disability, genetic information, marital status or any other classification protected by local, state or federal laws is illegal and prohibited by Company policy. Such conduct by or towards any employee, contract worker, customer, vendor or anyone else who does business with the Company will not be tolerated. Any employee or contract worker who violates this policy will be subject to disciplinary action, up to and including termination of his or her employment or engagement. To the extent a customer, vendor or other person with whom the Company does business engages in unlawful harassment or discrimination, the Company will take appropriate corrective action.

Prohibited Conduct:

Prohibited harassment or discrimination includes any verbal, physical or visual conduct based on sex, race, age, national origin, disability or any other legally protected basis if:

- a) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment or engagement;
- b) submission to or rejection of such conduct by an individual is used as a basis for decisions concerning that individual's employment or engagement; or
- c) it creates a hostile or offensive work environment.

Prohibited harassment includes (but is not limited to) unwelcome sexual advances, requests for sexual favors and lewd, vulgar or obscene remarks, jokes, posters or cartoons, and any unwelcome touching, pinching or other physical contact. Other forms of unlawful harassment or discrimination may include racial epithets, slurs and derogatory remarks, stereotypes, jokes, posters or cartoons based on race, national origin, age, disability, marital status or other legally protected categories. Prohibited harassment might also be transmitted using the Company's electronic communications system, or through other on-line conduct.

Complaint Procedure:

Employees or contract workers who feel that they have been harassed or discriminated against, or who witness any harassment or discrimination by an employee, contract worker, customer, vendor or anyone else who does business with the Company, should immediately report such conduct to their supervisor or any other member of management.

Do not allow an inappropriate situation to continue by not reporting it, regardless of who is creating the situation. No employee, contract worker, customer, vendor or other person who does business with this organization is exempt from the prohibitions in this policy. In response to every complaint, the Company will conduct an investigation which may involve interviewing witnesses if warranted and, if improper conduct is found, take appropriate corrective action.

To the extent that an employee or contract worker is not satisfied with the Company's handling of a harassment or discrimination complaint, he or she may also contact the appropriate state or federal enforcement agency for legal relief.

4.2 Attendance

Punctuality and regular attendance are essential to the successful operation of the Company's business. If an employee is unable to report to work (or to report to work on time) for any reason, the employee must notify his or her supervisor before his or her starting time. If an employee desires to leave work for any reason during the workday, the employee must obtain the approval of his or her supervisor prior to leaving. Excessive absenteeism or tardiness may subject the employee to disciplinary action, up to and including termination.

4.3 Discipline and Standards of Conduct

As an at-will employer, the Company may impose discipline whenever it determines it is necessary or appropriate. Discipline may take various forms, including verbal counseling, written warnings, suspension, demotion, transfer, reassignment or termination. The discipline imposed will depend on the circumstances of each case; therefore, discipline will not necessarily be imposed in any particular sequence. Moreover, at any time the Company determines it is appropriate, an employee may be terminated immediately.

Every organization must have certain standards of conduct to guide the behavior of employees. Although there is no possible way to identify every rule of conduct, the following is an illustrative list (not intended to be comprehensive or to limit the Company's right to impose discipline for any other conduct it deems inappropriate). Keep in mind that these standards of conduct apply to all employees whenever they are on Company property and/or conducting Company business (on or off Company property). Engaging in any conduct the Company deems inappropriate may result in disciplinary action, up to and including termination.

- a) Dishonesty;
- b) Falsification of Company records;
- c) Unauthorized use or possession of property that belongs to the Company, a coworker, or of the public;
- d) Possession or control of illegal drugs, weapons, explosives, or other dangerous or unauthorized materials;
- e) Fighting, engaging in threats of violence or violence, use of vulgar or abusive language, horseplay, practical jokes or other disorderly conduct that may endanger others or damage property;
- f) Insubordination, failure to perform assigned duties or failure to comply with the Company's health, safety or other rule

- g) Unauthorized or careless use of the Company's materials, equipment or property;
- h) Unauthorized and/or excessive absenteeism or tardiness;
- i) Lack of teamwork, poor communication, unsatisfactory performance, unprofessional conduct, or conduct improper for the workplace;
- j) Sexual or other illegal harassment or discrimination;
- k) Unauthorized use or disclosure of the Company's confidential information;
- l) Violation of any Company policy.

4.4 Dress Code

Employees are expected to use their good judgment, common sense, and follow social norms in presenting themselves as “appropriate” for their positions while on duty.

- a) Clothing, hairstyles, or personal hygiene that may pose a safety or health hazard are prohibited.
- b) Clothing, hairstyles, or personal hygiene should not create an unacceptable or offensive appearance to other employees or visitors or otherwise reflect poorly on the Company.

4.5 Safety

The Company is committed to providing a safe workplace. Accordingly, the Company emphasizes "safety first." It is the employee's responsibility to take steps to promote safety in the workplace and work in a safe manner. By remaining safety conscious, employees can protect themselves and their coworkers. Employees are expected to promptly report all unsafe working conditions, accidents and injuries, regardless of how minor so that any potential hazards can be corrected.

4.6 Substance and Abuse

The Company is committed to providing its employees with a safe and productive work environment. In keeping with this commitment, it maintains a strict policy against the use of alcohol and the unlawful use of drugs in the workplace. Consequently, no employee may consume or possess alcohol, or use, possess, sell, purchase or transfer illegal drugs at any time while on the Company's premises or while using the Company vehicles or equipment, or at any location during work time.

No employee may report to work with illegal drugs (or their metabolites) or alcohol in his or her bodily system. The only exception to this rule is that employees may engage in moderate consumption of alcohol that may be served and/or consumed as part of an authorized Company social or business event. "Illegal drug" means any drug that is not legally obtainable or that is legally obtainable but has not been legally obtained. It includes prescription drugs not being used for prescribed purposes or by the person to whom it is prescribed or in prescribed amounts. It also includes any substance a person holds out to another as an illegal drug.

Even cannabis that has been legally obtained from an outside vendor is not allowed on company property.

Any violation of this policy will result in disciplinary action, up to and including termination.

Any employee who feels he or she has developed an addiction to, dependence upon, or problem with alcohol or drugs, legal or illegal, is strongly encouraged to seek assistance before a violation of this policy occurs. Any employee who requests time off to participate in a rehabilitation program will be reasonably accommodated. However, employees may not avoid disciplinary action, up to and including termination, by entering a rehabilitation program after a violation of this policy is suspected or discovered.

4.7 Workplace Searches

All offices, desks, file drawers, cabinets, lockers, Company vehicles, and other Company equipment (including but not limited to computers, e-mail and voice mail) and facilities or any area on Company premises are the property of the Company ("Company Property"), and are intended for business use. Employees should have no expectation of privacy with respect to Company property and/or items stored within Company Property or on Company premises. Inspection may be conducted at any time, without notice, at the discretion of the Company.

In addition, when the Company deems appropriate, employees may be required to submit to searches of their personal vehicles, parcels, purses, handbags, backpacks, brief cases, lunch boxes or any other possessions or articles brought on to the Company's premises.

Persons entering the premises who refuse to cooperate in an inspection conducted pursuant to this policy may not be permitted to enter the premises. All employees must cooperate in an inspection; failure to do so is insubordination and will result in disciplinary action, up to and including termination.

4.8 Internet, Email and Computer Use Policy

The Company uses various forms of electronic communication including, but not limited to: computers, email, telephones, voicemail, instant message, text message, Internet, cell phones and smart phones (hereafter referred to as "electronic communications"). The electronic communications, including all software, databases, hardware, and digital files, remain the sole property of the Company and are to be used only for Company business and not for personal use.

The following rules apply to all forms of electronic communications and media that are: (1) accessed on or from Company premises; (2) accessed using the Company computer or telecommunications equipment, or via Company-paid access methods; and/or (3) used in a manner which identifies the Company. The following list is not exhaustive and the Company may implement additional rules from time to time.

- a) Electronic communication and media may not be used in any manner that would be discriminatory, harassing, or obscene, or for any other purpose that is illegal, against Company policy, or not in the best interest of the Company. Employees who misuse electronic communications and engage in defamation, copyright or trademark infringement, misappropriation of trade secrets, discrimination, harassment, or related actions will be subject to discipline, up to and including termination. Employees may not install personal software on Company computer systems.
- b) Employee's own electronic media may only be used during breaks. All other company policies, including the Company's no tolerance for discrimination, harassment, or retaliation in the workplace apply.
- c) All electronic information created by any employee on Company premises or transmitted to Company property using any means of electronic communication is the property of the Company and remains the property of the Company. You should not assume that any electronic communications are private or confidential and should transmit personal sensitive information in other ways. Personal passwords may be used for purposes of security, but the use of a personal password does not affect the Company's ownership of the electronic information. The Company will override all personal passwords if necessary for any reason.
- d) The Company reserves the right to access and review electronic files, messages, internet use, blogs, "tweets", instant messages, text messages, email, voice mail, and other digital archives, and to monitor the use of electronic communications as necessary to ensure that no misuse or violation of Company policy or any law occurs. All such information may be used and/or disclosed to others, in accordance with business needs and the law. The Company reserves the right to keep a record of all passwords and codes used and/or may be able to override any such password system

- e) Employees are not permitted to access the electronic communications of other employees or third parties unless directed to do so by Company management. No employee may install or use anonymous e-mail transmission programs or encryption of e-mail communications.
- f) Employees who use devices on which information may be received and/or stored, including but not limited to cell phones, cordless phones, portable computers, fax machines, and voice mail communications are required to use these methods in strict compliance with the Confidentiality section of this Manual. These communications tools should not be used for communicating confidential or sensitive information or any trade secrets.
- g) Access to the Internet, websites, and other types of Company-paid computer access are to be used for Company-related business only. Any information about Blackstone Valley Naturals, LLC, its products or services, or other types of information that will appear in the electronic media about the Company must be approved before the information is placed on any electronic information resource that is accessible to others.

4.9 Social Media Policy

Blackstone Valley Naturals, LLC is committed to utilizing social media to enhance its profile and reputation, to listen and respond to customer opinions and feedback, and to drive revenue, loyalty and advocacy. We encourage employees to support our activities through their personal social networking channels while adhering to the guidelines outlined in this section.

For the purpose of this section, social media and networking refers to the use of web-based and mobile applications for social interaction and the exchange of user-generated content. Social media channels can include, but are not limited to: Facebook, Twitter, LinkedIn, YouTube, blogs, review sites, forums, online communities and any similar online platforms.

Employees are not allowed to take pictures or videos of company cultivation/manufacturing to post to their personal social media accounts.

Employees are expected to conduct themselves in a professional manner and to respect the views and opinions of others. The Company and its employees are committed to conducting ourselves in accordance with best industry practices in social networking, to being responsible citizens and community members, to listening and responding to feedback, and to communicating in a courteous and professional manner. Behavior and content that may be deemed disrespectful, dishonest, offensive, harassing or damaging to the company's interests or reputation are not permitted. The use of social media channels on company time for personal purposes is not allowed.

Any social media contacts, including "followers" or "friends," that are acquired through accounts (including but not limited to email addresses, blogs, Twitter, Facebook, YouTube, LinkedIn, or other social media networks) created on behalf of the Company will be the property of the Company.

Employees must not disclose private or confidential information about the Company, its employees, clients, suppliers or customers on social networks. Employees must respect trademarks, copyrights, intellectual property and proprietary information. No third-party content should be published without prior permission from the owner.

The Company maintains the right to monitor company-related employee activity in social networks. Violation of policy guidelines is grounds for discipline, up to and including termination.

4.10 Cell Phone Policy

The use of personal cell phones at work is discouraged because it can interfere with work and be disruptive to others. Therefore, employees who bring personal cell phones to work are required to keep the ringer shut off or placed on vibrate mode when they are in the office, and to keep cell phone use confined to breaks and meal periods. Conversations should be had away from areas where other employees are working. When cell phone use interferes with the satisfactory performance of an employee's duties or disturbs others, the privilege of using a personal cell phone at work may be taken away and other disciplinary action, up to and including termination, may be imposed.

The Company may provide cell phone allowances to employees in certain positions in an effort to improve efficiency and effectiveness. When cell phones are used for Company business, employees must comply with all Company policies governing conduct, including our policies prohibiting discrimination, harassment, and violence in the workplace. When using the cell phone in a public place, please remember to maintain the confidentiality of any private or confidential business information. As a courtesy to others, please shut cell phones off or place on vibrate mode during meetings.

Section 5

Employee Benefits and Services

5.1 General

The Company provides insurance programs as mandated by state and federal regulations for all employees. From time to time, benefits may be added or deleted from the benefits package. The Company reserves the right to make such changes.

This Manual does not contain the complete terms and/or conditions of any of the Company's current benefit plans. It is intended only to provide general explanations. For information regarding employee benefits and services, employees should contact Kevin MacConnell.

5.2 Workers' Compensation

All states have Workers' Compensation laws whose purpose is to promote the general welfare of people by providing compensation for accidental injuries or death suffered in the course of employment. These laws are designed to provide protection to workers suffering occupational disabilities through accidents arising out of, and in the course of employment. Blackstone Valley Naturals, LLC carries Workers' Compensation Insurance for all employees and pays the entire cost of the insurance program. An employee who suffers an injury or illness in connection with the job is usually eligible to receive payment through the insurance company for lost wages. In addition to disability payments, necessary hospital, medical and surgical expenses are covered under Workers' Compensation, with payments being made directly to the hospital or physician. Workers' Compensation benefits to injured workers also include assistance to help qualified injured employees return to suitable employment.

5.3 Social Security Benefits (FICA)

During your employment, you and the Company both contribute funds to the Federal government to support the Social Security Program. This program is intended to provide you with retirement benefit payments and medical coverage once you reach retirement age.

5.4 Unemployment Insurance

The company pays a state and federal tax to provide employees with unemployment insurance coverage in the event they become unemployed through no fault of their own or due to circumstances described by law. This insurance is administered by applicable state agencies, who determine eligibility for benefits, the amount of benefits (if any), and duration of benefits.

Section 6

Employee Leaves of Absence and Time Off

6.1 General

While regular attendance is crucial to maintain business operations, the Company recognizes that, for a variety of reasons, employees may need time off from work. The Company has available a number of types of leaves of absence. Some are governed by law and others are discretionary. For all planned leaves, however, employees must submit a request at least 14 days in advance; in case of emergencies, employees should submit the request as soon as they become aware of the need for leave. All leaves must have the approval of Company management. If, during a leave, an employee accepts another job, engages in other employment or consulting outside of the Company, or applies for unemployment insurance benefits, the employee may be considered to have voluntarily resigned from employment with the Company.

All requests for a leave of absence will be considered in light of their effect on the Company and its work requirements, as determined by Company management, which reserves the right to approve or deny such requests in its sole discretion, unless otherwise required by law. For disability-related leave requests, the Company will engage in an interactive process with the employee to determine if a leave is the most appropriate accommodation. The employee must provide a certification from his or her health care provider to the Company to support a leave for medical reasons. Failure to provide the required certification to the Company in a timely manner will result in delay or denial of leave. If an employee requires an extension of leave, the employee must request such extension and have it approved before the expiration of the currently approved leave.

While the Company will make a reasonable effort to return the employee to his or her former position or a comparable position following an approved leave of absence, there is no guarantee that the employee will be reinstated to his or her position, or any position, except as required by law.

6.2 Family and Medical Leave

Because of the Company's small size, we are not required to comply with the federal Family and Medical Leave Act ("FMLA"). However, we recognize that our employees may occasionally need to take unpaid leave to care for a new child, to care for a seriously ill family member, to handle an employee's own medical issues, or to handle issues relating to a family member's military service, possibly including caring for a family member who is injured while serving in the military.

If you anticipate that you might need time off to deal with family and medical issues, please speak with your supervisor. We will seriously consider every request on a case-by-case basis.

State Family and Medical Leave:

A female employee of a company with at least 6 employees who has completed the initial probationary period set by the terms of her employment may qualify for up to 8 weeks of state maternity leave for the purpose of giving birth or adopting a child under the age of 18 or for adopting a child under the age of 23 if the child is mentally or physically disabled. An additional 24 hours per year may be taken in state leave to accompany a minor child or relative age 60 or older to medical and dental appointments. All time off that qualifies as family and medical leave will be counted against the employee's federal and, if applicable, state family and medical leave entitlement to the fullest extent permitted by law.

6.3 Workers' Compensation Leave

Any employee who is unable to work due to a work related injury or illness and who is eligible for Workers' Compensation benefits will be provided an unpaid leave for the period required. The first 12 weeks will be treated concurrently as a family and medical leave under the federal Family Medical Leave Act ("FMLA") for employees eligible for FMLA leave.

6.4 Jury Duty

U.S. citizens have a civic obligation to provide jury duty service when called.

By state law, all employees (including part-time and temporary employees who were scheduled to work for the three months preceding jury service) are entitled to regular wages for the first three days of jury duty. After the first three days, the state will pay \$40 per day.

The employee must bring in the jury duty notice as soon as it is received so that appropriate arrangements can be made to cover his or her duties. Employees are required to call in or report for work on those days or parts of days when their presence in court is not required.

6.5 Voting Time

Employees who are registered voters and who lack nonwork hours when polls are open to vote in any local, state, and national election may take off the first two hours that polls are open without pay after applying for a leave of absence from their employer.

**At-Will Employment Agreement and
Acknowledgement of Receipt of Employee Manual**

Employee: _____

I acknowledge that I have been provided with a copy of the Blackstone Valley Naturals, LLC (the "Company") Employee Manual, which contains important information on the Company's policies, procedures and benefits, including the policies on Anti-Harassment/Discrimination, Substance Use and Abuse and Confidentiality. I understand that I am responsible for familiarizing myself with the policies in this handbook and agree to comply with all rules applicable to me.

I understand and agree that the policies described in the handbook are intended as a guide only and do not constitute a contract of employment. I specifically understand and agree that the employment relationship between the Company and me is at-will and can be terminated by the Company or me at any time, with or without cause or notice. Furthermore, the Company has the right to modify or alter my position, or impose any form of discipline it deems appropriate at any time. Nothing in this handbook is intended to modify the Company's policy of at-will employment. The at-will employment relationship may not be modified except by a specific written agreement signed by me and an authorized representative of the Company. This is the entire agreement between the Company and me regarding this subject. All prior or contemporaneous inconsistent agreements are superseded.

I understand that the Company reserves the right to make changes to its policies, procedures or benefits at any time at its discretion. However, the at-will employment agreement can be modified only in the manner specified above. I further understand that the Company reserves the right to interpret its policies or to vary its procedures as it deems necessary or appropriate.

I have received the Company Employee Manual. I have read (or will read) and agree to abide by the policies and procedures contained in the Manual.

By: _____ Date: _____

Document ID PNL101	Title EMPLOYMENT POLICIES AND DIVERSITY	Print Date 09/17/2018
Revision 0.0	Prepared By Tim Phillips / Kevin MacConnell	Date Prepared 09/17/2018

Policy: The Company shall develop and maintain a clear, uniformly enforceable set of guidelines for employment.

Purpose: To provide information to employees on the Company policies for employment.

Scope: This statement applies to all employees.

Responsibilities:

During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company's three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

Policies:

1.0 EMPLOYMENT – GENERAL

- 1.1 This and other policies and procedures provided in the company's manuals are provided for employees' use as a reference guide and summary of practices, methods, and benefits. They are not to be construed as legal documents nor used for strict interpretation of the policies and/or procedures provided herein.
- 1.2 Furthermore, policies and procedures provided do in no way, shape, or form create any contract of employment.
- 1.3 All policies and procedures are subject to change at any time without notice.
- 1.4 If employees have questions or require additional information, they should contact their supervisor or management personnel.

2.0 EQUAL EMPLOYMENT OPPORTUNITY

- 2.1 It is the company's policy to abide by all laws pertaining to fair employment practices and to not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, national origin, or ancestry. The same principles apply to the hiring of disabled persons, unless the disability is directly related to job performance.

This policy not to discriminate in employment includes, but is not limited to, the following:

- The Company will employ those applicants who possess necessary skills, education, and experience without discrimination;
- The Company will promote, upgrade, transfer, demote, recruit, advertise, or solicit for employment without discrimination;

- The Company will train during employment and select for training and apprenticeship programs without discrimination;
- The Company will establish rates of pay and terms, conditions, or privileges of employment without discrimination; and
- All employees are expected to not aid, abet, compel, coerce, or conspire to discharge or cause another employee to resign because of discrimination.

3.0 NEPOTISM

Hiring the best-qualified applicants available for all openings is the company's primary objective. However, in order to avoid potential improprieties and conflicts of interest, hiring of close personal friends and/or relatives of present employees within the same department or closely related areas is discouraged. Employees and applicants should use good judgment in evaluating the application of this policy and should be able to justify any potential hiring decision.

4.0 MOONLIGHTING

The Company discourages full-time employees from taking employment outside the Company (i.e., "moonlighting") but understands that it may be necessary for financial or professional reasons. Moonlighting is allowed with the prior approval of the Department Manager and is subject to the following considerations:

- Work requirements, including overtime, will have precedence over any part-time employment elsewhere;
- Employees must be able to safely and effectively maintain their work performance standards at the Company. Employees should not demonstrate signs of undue fatigue, stress, or reduced attention span that would jeopardize theirs or any other worker's performance, health, or safety;
- The Company will not pay medical benefits for injuries or sickness resulting from employment outside the company; and
- Employees cannot be allowed to work for a business that is in direct competition with the company (i.e., pose a conflict of interest).

5.0 ETHICS AND CONFIDENTIAL INFORMATION

Employees are expected to use good judgment, moral character, and common sense in the determination of all acts that could violate good business ethics or cause harm to the Company and/or fellow employees.

Potential ethical conflicts can include, but are not limited to:

- Receiving expensive gifts from suppliers;
- Misappropriation of work time or company property;
- Biased selection of vendors or vendor contracts; or

- Intentional disclosure of confidential company information to others for their use or for one's personal gain.

6.0 EMPLOYEE BEHAVIOR

- 6.1 Employees are expected to perform and dutifully carry out their work assignments at all times to the best of their ability. Employees should conduct themselves so that the safety of both themselves and their fellow workers is preserved.
- 6.2 Employees must not work in a manner that willfully obstructs or hinders another employee from completing his or her assigned duties. Personal problems between employees are not to be pursued at work.
- 6.3 Employees should not engage in subversive activities against the Company or fellow employees (e.g., office politics, malicious gossip, ridicule).

7.0 EMPLOYMENT AT WILL

Involuntary terminations are an uncomfortable and unpleasant situation for everyone involved, but from time to time may be necessary. According to the standard employment contract, the Company may terminate an employee without cause. This is often referred to as "at-will employment," an employment relationship either party can terminate *at will* with no liability if there was no express contract for a definite term governing the employment relationship.

Reasons for at-will termination can include, but may not be limited to:

- Unethical conduct;
- Inappropriate behavior;
- Insubordination;
- Willful neglect of duties;
- Inability to perform job or duties satisfactorily; or
- Conduct adverse to the best interests of the Company.

8.0 PERSONNEL FILES AND RECORDS

- 8.1 The Personnel (Human Resources) Department shall maintain files on all Company personnel, which information shall be kept confidential. Employees have the right to inspect their personal files.
- 8.2 Employees are not allowed access to other employees' files unless:
- Such access is part of their normal job duties (e.g., Personnel, Payroll staff); or
 - They have a special need to know (e.g., Information Security is investigating a network security breach).

This can include personnel staff, present, or potential supervisors, or executive management.

References:

A. Statutory/regulatory requirements

The Company must be aware of – and must observe – *any* Federal, state, and local labor and employment regulations/legislation in any location in which it does business. Notable examples of labor/employment regulation include – but are not limited to:

- Fair Labor Standards Act (FLSA) – <http://www.dol.gov/esa/whd/flsa/>;
- Occupational Safety and Health Act (OSHA) – <http://www.osha.gov/>;
- Family and Medical Leave Act (FMLA) – <http://www.dol.gov/esa/whd/fmla/>;
- Employee Retirement Income Security Act (ERISA) – http://www.dol.gov/ebsa/compliance_assistance.html; and
- Consumer Credit Protection Act (CCPA) – <http://www.dol.gov/compliance/laws/comp-ccpa.htm>.

Additional Resources:

- A. U.S. Department of Labor (USDOL) Office of Compliance Assistance Policy – <http://www.dol.gov/compliance/>.
- B. U.S. Department of Labor Employment Standards Administration (ESA) – <http://www.dol.gov/esa/aboutesa/esaabot.htm>.
- C. Equal Employment Opportunity Commission (EEOC) – <http://www.eeoc.gov/>.
- D. National Labor Relations Board (NLRB) – <http://www.nlr.gov/>.

Revision History:

Revision	Date	Description of Changes	Requested By

Document ID PNL102	Title EMPLOYEE HIRING AND NEW EMPLOYEE ORIENTATION	Print Date 09/17/2018
Revision 0.0	Prepared By Tim Phillips / Kevin MacConnell	Date Prepared 09/17/2018

Policy: Personnel requisitions, interviewing, hiring, and employee orientation should be performed in an effective manner and method, the objective being to fill a position with the best available candidate.

Purpose: These procedures outline the steps that are to be followed in hiring personnel.

Scope: This procedure applies to all hiring of full-time, part-time, or temporary employees of the Company.

Responsibilities:

During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company's three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

Procedure:

1.0 PERSONNEL REQUISITION

1.1 A Department manager or officer of the Company may determine the need for personnel additions or replacements. Either shall complete a PNL104-1 PERSONNEL REQUISITION form.

- A copy of the Job Description for the position shall be attached to the PNL104-1 form. For a *newly created* position, the supervisor should work with Human Resources to draft and approve a Job Description. For replacements of existing positions, the supervisor should reevaluate the requirements of the position and make any changes to the existing Job Description necessary.

1.2 The requisitioning Department manager or Company officer shall obtain the President's signature and route the PNL104-1 to Personnel/Human Resources.

2.0 EMPLOYEE RECRUITMENT

2.1 The Recruiting section of PNL104-1 should be completed with the method deemed most cost effective for filling the position. All costs of want ads, agency fees, etc., should be itemized. The Department Manager may work with Human Resources in drafting want ads or summary job descriptions for use by employment agencies.

2.2 Human Resources shall place ads or select employment agencies for listing the position to be filled.

3.0 INTERVIEWING

- 3.1 The President, Department Manager, and Human Resources Manager will coordinate which individuals will do the initial screening, interviewing, and hiring of an applicant. For positions that receive many applications, applicants should be screened by their resumès, job applications, and/or telephone interviews.
- 3.2 Selected candidates shall be invited into the office for interviewing and, if needed, completion of the company's PNL104-2 EMPLOYMENT APPLICATION.
- 3.3 All employees who will be interviewing applicants should be familiar with suggested interviewing techniques and permissible questions that can be asked of a candidate. Employees should discuss any questions with the Human Resources Manager and review the PNL104-3 EMPLOYMENT INTERVIEW QUESTIONS CHART prior to the interviewing session.
- 3.4 For technical or management positions, the interview team may be required to conduct a second and third interview.

4.0 HIRING AND EMPLOYEE ORIENTATION

- 4.1 The interviewing team will be responsible for selecting the candidate for hire, which must be approved by the President.
 - The hiring manager shall notify the candidate and arrange a start date.
 - Depending on the number of candidates and other factors, the Human Resources Manager should notify candidates that were interviewed but not selected that the Company has filled the position.
- 4.2 The Department manager should complete a PNL104-4 PERSONNEL CHANGE NOTICE and submit (route) it to Human Resources and Payroll (Accounting).
- 4.3 Human Resources and the new employee's supervisor will arrange for orientation and training, preparing an orientation schedule, and coordinating with all affected individuals/departments.
- 4.4 Human Resources shall meet with the new employee to complete any remaining forms or documentation (e.g., health insurance, INS Form I-9, benefits, parking permit, building pass, photo ID).
- 4.5 Human Resources shall briefly review the Company's Policy and Procedure (P&P) manual with the new employee and ensure that the employee:
 - Understands basic policies applicable to all personnel (e.g., discrimination policy); and
 - Knows where copies of the P&P manual are located for reference.

The new employee shall sign and date the PNL104-5 – COMPANY POLICY AND PROCEDURE ACKNOWLEDGMENT; one copy shall go to the employee and the original shall be retained in the employee's Personnel file.

- 4.6 Human Resources shall be responsible for maintaining files with regard to personnel requisitions, interviews, hiring information, Company employees, and related documentation.

Forms:

- PNL104-1 PERSONNEL REQUISITION
- PNL104-2 EMPLOYMENT APPLICATION
- PNL104-3 EMPLOYMENT INTERVIEW QUESTIONS CHART
- PNL104-4 PERSONNEL CHANGE NOTICE
- PNL104-5 COMPANY POLICY AND PROCEDURE ACKNOWLEDGMENT

References:

- None

Revision History:

Revision	Date	Description of Changes	Requested By

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PNL104-1 PERSONNEL REQUISITION

Position/Title _____ Department: _____

Required Position is:

1. ☐ Replacement ☐ New Position
2. ☐ Full-Time ☐ Part-Time ☐ Temporary
3. ☐ Exempt (Salaried) ☐ Non-Exempt (Hourly)

Comments: _____

Requested Start Date: _____ Through (if temporary): _____

Estimated Salary Range: _____

Job Description Attached: ☐**Method(s) of Employee Recruiting:**

- ☐ Internal Company Notification
- ☐ Want Ad(s) Estimated Cost \$ _____
Describe Intended Publications: _____
- ☐ Employee Agency, Estimated Cost or Fees \$ _____
Describe Intended Agencies: _____

- ☐ Other _____

Requested by: _____ Date: _____

Approved By _____ Date: _____

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PNL104-2 EMPLOYMENT APPLICATION

Date of Application:_____

This company is an equal opportunity employer and will not discriminate in the hiring process on the basis of sex, religion, race, color, age, national origin, ancestry, or disability.

PERSONAL INFORMATION

Last Name		First	Middle	Social Security No.
Street Address				Home Phone ()
City, State, Zip				Business Phone ()
Are you 18 years of age or older? o Yes o No		Are you legally eligible for employment in the U.S.? o Yes o No		

EMPLOYMENT INTEREST

Position: _____ Salary Desired: _____

Date you can start?_____ Can you work overtime if necessary? ☐ Yes ☐ No

Have you ever applied for employment with this company before? ☐ Yes ☐ No
If yes, when _____

EDUCATION AND TRAINING

School	Name and Location of School	Course of Study	No. Years Completed	Did you Graduate?	Degree or Diploma
High				<input type="radio"/> Yes <input type="radio"/> No	
Trade or Business				<input type="radio"/> Yes <input type="radio"/> No	
College				<input type="radio"/> Yes <input type="radio"/> No	
Other				<input type="radio"/> Yes <input type="radio"/> No	
Other special training or skills (languages, machine operation, etc.)					

EMPLOYMENT HISTORY (list below last three employers, starting with last one first)

Company Name	Employed (state Month and Year) From To
Address and Telephone	Pay or Salary
State Job Title and Describe Your Work	Reason for Leaving

Company Name	Employed (state Month and Year) From To
Address and Telephone	Pay or Salary
State Job Title and Describe Your Work	Reason for Leaving

Company Name	Employed (state Month and Year) From To
Address and Telephone	Pay or Salary
State Job Title and Describe Your Work	Reason for Leaving

MILITARY SERVICE RECORD

Have you served in the U.S. Armed Forces? o Yes o No

Date of Entry _____ Branch of Service _____

Date of Discharge _____ Final Rank _____

Indicate service school attended or special training received _____

REFERENCES

Name and Address (Do not list Relatives or Former Employers)	Telephone	Years Known	Occupation
1. _____			
2. _____			
3. _____			

PNL104-3 EMPLOYMENT INTERVIEW QUESTIONS CHART

This chart is divided into two sections. The first section provides sample interview questions that may provide more revealing information about a job candidate. In an ideal interview, the applicant should be talking about 75% of the time to reveal as much as possible about the person. The sample questions shown below are only guides, and each interviewer should devise their own unique questions or paraphrasing of the sample questions.

The second section deals with permissible and impermissible questions that can be asked during an interview.

Section I. Questions for job applicants that may reveal certain characteristics

- “Why are you giving up your present job?” Beware of candidates who bad-mouth their current employer or who have frequent job changes without increased responsibility or more sophisticated challenges.
- “What did you like about your last job?” A superficial answer may indicate inability to get beyond the basics of a job.
- “What improvements would you have made in your last job?” A good test of a candidate's creativity and sensitivity.
- “What was your most interesting job or project?” The reasons given are more important than the answer. They indicate, for example, whether the candidate likes challenges.
- “Describe the best person who worked for or with you.” Difficulty with this may show a lack of understanding people.
- “In what way would you like our company to help you if you join us?” Be wary of those who ask a lot of help or suggest they do not need any.

Section II. Permissible and Impermissible Interview Questions.

Topic and Type or Content of Questions

Name:

Permissible - Have you ever used another name? If yes, What?

Impermissible - Question regarding maiden name.

Residence:

Permissible - Place of residence and length of time at that address.

Impermissible - Question regarding whether you own or rent your home.

Age:

Permissible - Asking if a candidate is at least 18 years old

Impermissible - Any question regarding age, birth date, dates of attendance and/or completion of a particular school.

Birthplace or National Origin:

Permissible - Are you a Citizen of the U.S.? Do you read, speak or write any foreign languages?

Impermissible - Any type of questions regarding an applicant, applicant's parents or spouse concerning their birthplace, national origin, whether they are native-born or naturalized citizens or the complexion or color of their skin, eyes and hair.

Marital Status, Family:

Permissible - Are there any personal considerations that would prevent you from doing the traveling this job calls for or working long hours?

Impermissible - Any questions regarding an applicant's marital status or concerning the number or age of children, pregnancy, child bearing or birth control or provisions for child care. For example, illegal questions would be, "Does your husband object to your traveling?" or "Can you arrange for your children's care and still work the hours required?"

Physical Description, Condition or Handicap:

Permissible - May ask questions about an applicant's ability to perform specific job functions.

Impermissible - Questions regarding an applicant's disability, general health, height, weight, treatments for drug addiction or alcoholism, or receipt of workers' compensation.

Religion:

Permissible - Statement of regular work days, hours, or shifts.

Impermissible - Question regarding an applicant's religion.

Arrest, Bonding or Criminal Record:

Permissible - Question regarding "conviction" of crime, which is job-related.

Impermissible - Questions regarding an arrest "without" a conviction or concerning refusal or cancellation of bonding.

Military Service:

Permissible - Relevant skills acquired in military service.

Impermissible - Question regarding type of discharge.

Economic Status:

Permissible - None

Impermissible - Question concerning applicant's bankruptcy or garnishment.

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PNL104-4 PERSONNEL CHANGE NOTICE

Date: _____

Employee Name: _____ SSN: _____

Employment or Change Information**o Employment**

o Full Time
o Part Time: _____
o Temporary: _____
Start Date: _____

o Change

o Rate/Salary: _____
o Employee Data: _____
o Other (specify): _____
o Effective Date _____

Category	Previous	New/Starting
Title		
Department:		
Rate (Hourly/Salary):		
% Increase:		

Termination Information

o Voluntary
o Involuntary

Final Day of Work: _____
Accrued Paid Time Off: _____
Severance Pay Approved: _____

Reason for Termination (attach any supporting documentation): _____

Approvals

Department Mgr.: _____
Pres./CFO: _____

Date: _____
Date: _____

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PNL104-5 COMPANY POLICY AND PROCEDURE ACKNOWLEDGMENT

I have reviewed the Company's policy and procedures (P&P) manual with the Human Resources manager and have received particular instruction in the following policies/procedures:

- (policy one)
- (policy two)
- (policy three)

Also, I have been given a copy of the P&P manual for reference or I have been given ready access to a copy of the P&P manual (in print or online).

I understand I am responsible for adhering to the Company's policies and procedures in carrying out my duties as an employee and that failure to comply with Company policies or procedures may result in disciplinary action.

(Employee signature) Date _____

(Human Resources Manager) Date _____

Original – HR Department

Copy – Employee

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Document ID PNL103	Title PAY AND PAYROLL MATTERS	Print Date 09/17/2018
Revision 0.0	Prepared By Tim Phillips / Kevin MacConnell	Date Prepared 09/17/2018

Policy: The Company will ensure that employee time is accurately accounted for and that payroll (compensation) records are kept up-to-date.

Purpose: To provide policies and procedures relative to payroll matters including employee classifications, pay periods, and recordkeeping.

Scope: This policy applies to all Company employees.

Responsibilities:

During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company's three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

Procedure:

1.0 EMPLOYEE PAY CLASSIFICATIONS

- 1.1 Exempt (Salaried) Employee - An employee exempt from the overtime provisions of the Fair Labor Standards Act. This exemption is based on certain characteristics, such as the type of work performed, amount of compensation and authority and can include officers of the company, managers, professional positions, etc. Exempt employees are compensated for the performance of a job rather than by the hours worked and therefore are not paid overtime for time worked in excess of 40 hours per week. Reasonable overtime can be normal and expected for exempt positions. For situations that require excessive overtime by exempt employees, compensatory time off later may be taken.
- 1.2 Non-Exempt (Hourly) Employee - An employee not exempt from the provisions of the Fair Labor Standards Act. Non-Exempt employees are paid for time worked in excess of 40 hours per week at a rate of one and one-half (1 1/2) times their regular pay rate. Paid Time Off hours used in a workweek do not count as hours "worked" in the calculation of overtime pay.
- 1.3 Full-Time Employee - An employee who normally works at least 40 hours per week. Full-Time employees are eligible for company benefits.
- 1.4 Part-Time Employee - An employee who is hired for less than an eight hour work day or works less than 40 hours per week. Part-time employees will accrue paid time off and holiday pay based on a pro rata formula of their average hours worked compared to a standard 40 hour work week. Part-time employees are not eligible for company medical insurance benefits.
- 1.5 Temporary Employee - An employee who is hired for a job established for a specific, limited period of time or for the duration of a specific assignment or

group of assignments. Normally, temporary jobs do not exceed three months. Temporary employees are not eligible for company benefits.

2.0 PAY PERIODS, PAYDAY, AND HOURS OF WORK

- 2.1 Pay Day - Pay days are every other Friday. Paychecks will be distributed to employees by their supervisor or by the Personnel Manager.
- 2.2 Pay Period - The Company accrues payroll on a bi-weekly basis with the payday on the following Friday (i.e., an employee will work two consecutive 40 hour weeks and will be paid for the total 80 hours on the next Friday after the payroll period ended). Weekly pay periods are recorded from Sunday 12:00 a.m. through Saturday at 12:00 Midnight. If a holiday occurs on a Friday when a payday is due, the Company will pay on the Thursday prior to the Friday.
- 2.3 Hours of Work - The normal workweek for non-exempt employees is 40 hours, Monday through Friday of each week. The normal workday for non-exempt employees consists of 8 hours of work, beginning at 8 a.m. and ending at 5 p.m. with an unpaid hour for lunch. Every employee is expected to start work promptly at their regularly scheduled start time.
- 2.4 Overtime - Periodically, overtime may be required of employees and is a condition of employment at the company. Supervisors are responsible for authorizing any overtime and notifying employees as far in advance as possible.

3.0 TIMESHEETS

- 3.1 All employees will be responsible for preparing and signing a PNL1080-1 BIWEEKLY TIME SHEET for each pay period. The Time Sheet is formatted for a bi-weekly basis and should be used to record hours worked, paid time off, and holidays. Exempt employees are not required to complete the Hours Worked (time) section and can just fill in the Regular Hours worked for that day.
- 3.2 Time Sheets are to be completed at the end of each pay period and approved by each employee's supervisor. Supervisors are responsible for collecting and submitting their department's Time Sheets to Accounting by 2:00 p.m. on the Monday following the pay period. Prior to taking time off, employees are responsible for completing and submitting their Time Sheet to their supervisor. If an employee is absent the day that Time Sheets are due (i.e., illness, injury, etc.), the employee's supervisor should complete and submit the Time Sheet and notify Accounting of any corrections upon the employee's return.

4.0 PAYROLL DEDUCTIONS

By law, the Company is required to deduct, where applicable, federal and state withholding taxes, Social Security taxes, and garnishments. Voluntary deductions may include, group health and life insurance premiums, credit union deductions, etc.

5.0 PAY ADJUSTMENTS

- 5.1 If an employee notices an error in their paycheck, they must review the matter immediately with the Accounting (Payroll) department.

- 5.2 Permanent changes to an employee's withholding (W-4 form) should be submitted with their Time Sheet for the period the change is to become effective.

6.0 PAY ADVANCES

Advance payment of earned wages will be made in an emergency and should be approved by the employee's supervisor. Employees may request an advance on their pay, if the scheduled payday falls within their vacation period or leave of absence.

7.0 GARNISHMENTS

By law, the Company is required to honor legal garnishments of employees' wages. The employee will be notified of any garnishment received by the Company.

8.0 CASHING OF PAYCHECKS

- 8.1 Employees are expected to cash paychecks on their personal time and should not interfere with their scheduled work hours.
- 8.2 The Company cannot be required to cash paychecks. It is up to each employee to handle such matters. The Company can recommend that employees conduct such business through secured, insured, and registered institutions, such as banks; the Company cannot require or recommend that employees deal with a particular institution.

9.0 LOST PAYCHECKS

Employees should report checks lost or otherwise missing to the payroll department immediately so that a stop-payment order may be initiated. The Controller will determine when a replacement check can be issued.

10.0 FINAL PAYCHECKS

The final paycheck for a voluntarily resigning employee will be made available on the regularly scheduled payday for the time accrued. The final paycheck for employees that are involuntarily terminated will generally be issued at the time of termination but by no later than the end of the next business day.

Forms:

- PNL108-1 BIWEEKLY TIMESHEET

References:

A. Statutory/regulatory requirements

The Company must be aware of and must observe all applicable statutes and regulations in any location in which it does business. The Company should seek qualified, registered legal advice in all legal matters.

Regulations/statutes pertaining to payroll matters include:

- The Fair Labor Standards Act (FLSA - USA) – <http://www.dol.gov/esa/whd/flsa/>; and

- The Employee Retirement Security Income Act (ERISA - USA) – http://www.dol.gov/ebsa/compliance_assistance.html.

Revision History:

Revision	Date	Description of Changes	Requested By

PNL108-1 BIWEEKLY TIMESHEET

Name: _____

Department: _____

Pay Period ____ / ____ / ____ through ____ / ____ / ____

Day	Hours Worked				Total Regular Hours	Overtime Hours	Paid Time Off	Holiday Hours	Total Hours
	Time In	Time Out	Time In	Time Out					
SUN									
MON									
TUE									
WED									
THU									
FRI									
SAT									
SUN									
MON									
TUE									
WED									
THU									
FRI									
SAT									

Employee Signature: _____

Date: _____

Supervisor Signature: _____

Date: _____

Document ID PNL104	Title RESIGNATIONS AND TERMINATIONS	Print Date 09/17/2018
Revision 0.0	Prepared By Tim Phillips / Kevin MacConnell	Date Prepared 09/17/2018

Policy: It is the company's policy to handle employee resignations or terminations in a manner that ensures consistent and equitable treatment.

Purpose: To provide the procedures for all facets of an employee resignation or termination.

Scope: This policy applies to all employee resignations or terminations.

Responsibilities:

During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company's three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

Procedure:

1.0 RESIGNATIONS

1.1 All employees are requested to be considerate of company needs and other employees in the event of a resignation and provide the Company with at least two weeks' notice. Employees in management positions are requested to provide up to thirty days notice. This will provide the Company and other employees a minimum amount of time necessary to respond to reassigning or acquiring additional personnel, training, and any other requirements to fill the position and facilitate a smooth transition.

In some situations, the Company may be able to work with resigning employees to expedite this process.

1.2 An employee who intends to resign should notify their immediate supervisor. The Supervisor will coordinate with Human Resources to discuss and review the following matters with the resigning employee:

- Exit interview;
- Review of duties and responsibilities;
- Review and updating of procedures for the position (review and revise the job description, if necessary);
- Submission of final PNL108-1 BIWEEKLY TIME SHEET;
- Determination of accrued pay (e.g., paid time off benefits);
- Health care insurance and other employee benefits continuation/conversion (e.g., COBRA);

- Return of any company property (keys, photo ID, parking pass, etc.); and
- Resolving delivery of final paycheck (i.e., to be mailed or picked-up by employee).

2.0 INVOLUNTARY TERMINATIONS AND LAYOFFS

- 2.1 The Company may lay off/terminate an employee for business or economic reasons, for cause (e.g., misconduct, insubordination, illegal activity), or the inability of the employee to perform satisfactorily the duties of his or her position. See PNL103 – EMPLOYMENT POLICIES for guidance.

The Company may not lay off (terminate) an employee for the following:

- Race;
- Gender;
- National origin;
- Disability;
- Religion;
- Age;
- Pregnancy;
- Asserting his/her rights under antidiscrimination laws;
- Refusal to submit to a lie detector test;
- Alien status, provided the employee is legally eligible to work;
- Complaining about unsafe working conditions;
- Complaining about another employee's illegal conduct;
- Refusing to commit an illegal act; or
- Exercising legal rights (e.g., voting, political activity) that do not interfere with the Company's rights or activities.

Note that the above list is not meant to be all-inclusive; the Company should defer to its legal representative in cases where there may be a question of infringing on employee rights.

- 2.2 The Supervisor will be responsible for notifying employees of their termination and conducting a review in accordance with 1.2 (above).
- 2.3 Employees who are terminated because of layoff or for reasons other than cause will receive termination benefits *in addition to* their accrued pay and paid time off benefits as follows:

Length of Employment	Severance Pay (Weeks)
3 months to 1 year	One
1-5 years	Two
5-10 years	Three
More than 10 years	Four

Forms:

- PNL108-1 BIWEEKLY TIME SHEET

Additional Resources:

- A. Heathfield, Susan, How to Fire With Compassion and Class – http://humanresources.about.com/od/discipline/a/firecompassion_3.htm.
- B. FindLaw for Small Business – <http://smallbusiness.findlaw.com/employment-employer/>.

References:

- A. Statutory/regulatory requirements

The Company must be aware of and must observe *all* Federal, state, and local labor and employment regulations/statutes in every location in which it does business. Note, too, that while there are many opportunities for free advice (see Additional Resource “B”), there is no substitute for qualified, licensed legal representation.

- The U.S. Equal Employment Opportunity Commission (EEOC) is responsible for enforcement of employment regulations that fall under Title VII of the Civil Rights Act of 1964 (Title VII), the Equal Pay Act (EPA), the Age Discrimination in Employment Act (ADEA), and the Americans with Disabilities Act (ADA), among others.

EEOC regulations are published annually in Title 29 of the Code of Federal Regulations (CFR). The CFR is available on-line through the U.S. Government Printing Office (GPO). See the EEOC at <http://www.eeoc.gov> or the GPO at <http://www.gpo.gov/> for information on the EEOC and various employment regulations.

- The U.S. Department of Labor's (DOL) Employee Benefits Security Administration (EBSA) enforces regulations under the Consolidated Omnibus Budget Reconciliation Act (COBRA) and Employee Retirement Income Security Act (ERISA). See the EBSA web site (<http://www.dol.gov/ebsa/>) for information.

Revision History:

Revision	Date	Description of Changes	Requested By

Document ID PNL105	Title SEXUAL HARASSMENT	Print Date 09/17/2018
Revision 0.0	Prepared By Tim Phillips / Kevin MacConnell	Date Prepared 09/17/2018

Policy: In accordance with guidelines issued by the U.S. Equal Employment Opportunity Commission (EEOC) on sexual discrimination, sexual harassment is prohibited by the Company. Employees who are found guilty of sexually harassing others

Purpose: Eliminate all forms of sexual harassment from the workplace.

Scope: The purpose of this section is to define and explain the nature of sexual harassment and appropriate corrective measures.

Responsibilities:

During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company's three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

Definition: Complainant – One who complains (of sexual harassment or offensive language or conduct).

Sexual harassment – Unwanted sexual advances or visual, verbal, or physical conduct of a sexual nature; includes many forms of offensive behavior, including (but not necessarily limited to) the following:

- Unwanted sexual advances;
- Offering employment, compensation, or benefits in exchange for sexual favors;
- Making or threatening reprisals after a negative response to sexual advances;
- Visual conduct (e.g., leering, making sexual gestures, displaying sexually suggestive objects, pictures, cartoons, or posters);
- Verbal conduct (e.g., making or repeating derogatory comments, epithets, slurs, or jokes).
- Verbal sexual advances or propositions;
- Verbal abuse of a sexual nature (e.g., graphic oral commentary about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes, or invitations); and
- Physical conduct (e.g., touching, assaulting, impeding, or blocking movements).

Procedure:**1.0 UNACCEPTABLE BEHAVIOR**

- 1.1 Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of sexual nature constitute sexual harassment when:
- Submission to such conduct is made – explicitly or implicitly – a term or condition of an individual’s employment;
 - Submission to or rejection of such conduct by an individual is used as the basis for an adverse employment decision(s) affecting the individual;
 - Such conduct has the purpose or effect of:
 - a. Substantially interfering with an individual’s work performance; or
 - b. Creating an intimidating, hostile, or offensive work environment.
- 1.2 No supervisor, employee, or non-employee shall threaten or suggest that an employee's refusal to submit to sexual advances will adversely affect the employee's employment, wages, advancement, assigned duties, shifts, or any other condition of employment.
- 1.3 Other types of prohibited conduct by supervisor, co-employees or non-employees include sexual advances, propositions, verbal abuse of a sexual nature, suggestive touching, suggestive gestures and comments, graphic verbal descriptions of an individual's body, and the display in the work place of sexually suggestive objects or pictures.

2.0 COMPLAINT OF SEXUAL HARASSMENT

- 2.1 If an employee believes he/she is being subjected to sexual harassment or is offended by language or behavior of a sexual nature, that employee should personally and immediately notify the general manager.
- 2.2 The general manager shall determine if the complaint is to be handled informally (internally) or if the complaint is serious enough to warrant a formal handling (i.e., notifying the EEOC). The general manager shall seek Company legal counsel where appropriate.
- 2.3 The general manager shall not divulge the identity of a complainant unless that person gives written permission to do so.

3.0 CORRECTIVE MEASURES

- 3.1 The general manager shall initiate an investigation of any allegation of sexual misconduct.
- 3.2 If the general manager feels the employee’s allegations are substantial (i.e., there is a serious allegation and/or there is evidence to support the employee's claims), appropriate sanctions and corrective measures shall be instituted.

Persons who commit acts of sexual intimidation/harassment will be admonished to discontinue such conduct and disciplined according to the severity of the case.

Appropriate discipline may include actions up to and including termination of employment.

- 3.3 Employees are assured that this procedure has been established for their benefit and to allow them the freedom of expressing their feelings and/or complaints. No employee should fear that he or she will be penalized for registering a harassment complaint.

The Company is dedicated to removing all forms of sexual harassment and is committed to a prompt and impartial investigation and resolution of any complaints.

References:**A. Statutory/regulatory requirements**

The Company must be aware of and must observe *all* Federal, state, and local regulations/statutes pertaining to sexual harassment in every location in which it does business.

In the U.S., sexual harassment is a form of sex discrimination that violates Title VII of the Civil Rights Act of 1964. The Equal Employment Opportunity Commission (EEOC) is responsible for enforcing Federal regulations pertaining to the Act (such as 29 CFR 1604).

See the EEOC (<http://www.eeoc.gov>) or GPO web site (<http://www.gpo.gov/>) for information pertaining to sexual harassment regulations and enforcement.

Revision History:

Revision	Date	Description of Changes	Requested By

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Document ID PNL106	Title WORKPLACE RULES AND GUIDELINES	Print Date 12/17/2018
Revision 0.0	Prepared By Tim Phillips / Kevin MacConnell	Date Prepared 12/17/2018

Policy: The Company will, wherever possible and warranted, provide guidelines for employee behavior around the workplace to ensure fair treatment and promote safety.

Purpose: To provide miscellaneous policies and procedures relative to personnel matters and the workplace.

Scope: These policies apply to all Company employees.

Responsibilities:

During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company's three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

Procedure:

1.0 ALCOHOL AND DRUGS

Reporting to work or working under the influence of alcohol or a controlled substance without a medical prescription is strictly prohibited. Any employee with a problem relating to either alcohol or drug abuse is encouraged to contact personnel to discuss counseling or other treatment.

See PNL102 DRUG-FREE WORKPLACE for further guidance.

2.0 BREAKS AND LUNCH TIME

The Company provides two 15-minute rest breaks each day – one in the morning and one in the afternoon – and an unpaid one-hour meal period for a normal (eight-hour) shift. The department manager or company management will establish break times.

The purpose of breaks is to provide a needed rest during work periods; as such, breaks may not be accumulated to reduce working hours or to provide time off for personal business.

3.0 COMPANY PROPERTY

3.1 Employees are expected to exercise reasonable and prudent care in the use of Company property and to use such property only for authorized purposes. Unauthorized personal use or removal of Company property from the premises is prohibited.

3.2 Company property issued to an employee must be returned at the time of resignation or termination. The value of any property issued to the employee and not returned may be deducted from an employee's paycheck or billed to the

employee. If the value of the property is great enough (e.g., a portable computer containing sensitive Company information), the Company may take legal action.

4.0 DRESS CODE

Employees are expected to use their good judgment, common sense, and follow social norms in presenting themselves as “appropriate” for their positions while on duty.

- Clothing, hairstyles, or personal hygiene that may pose a safety or health hazard are prohibited (see PNL114 WORKPLACE SAFETY).
- Clothing, hairstyles, or personal hygiene should not create an unacceptable or offensive appearance to other employees or visitors or otherwise reflect poorly on the Company.

5.0 GRIEVANCES AND COMPLAINTS

- 5.1 Employees with concerns or complaints regarding Company policies or operations should discuss their concerns with their supervisor.

If the employee feels their concern or complaint is unanswered or unresolved by the supervisor, the employee may request a meeting with higher management within the Company.

- 5.2 Grievances between fellow employees should not interfere with their work. Employees are expected to try and work out problems between themselves first. If this is unsuccessful, one or (preferably) both should discuss the problem with their supervisor(s).

6.0 INCLEMENT WEATHER

It is the company’s policy to continue operations despite inclement weather, unless the conditions threaten to make employee transportation to or from work dangerous or difficult. Supervisors will be responsible for notifying all employees that report directly to them if the office will be closed. The following guidelines will be used for inclement weather:

- If the office is open for business, employees who do not report to work will not be paid.
- If the Company declares the office closed prior to commencement of work schedules, all employees will be paid for that day.
- If the office opens but is forced to close early because of poor weather, all employees who reported for work will be paid for that day.
- Employees who miss work time due to weather can use their Paid Time Off benefits or may request to make up time later in the day or week.

7.0 PARKING

- 7.1 Parking facilities are provided on company property for the convenience of employees. The Company assumes no responsibility for damage or loss of automobiles or personal property kept within.
- 7.2 Parking spaces are available on a first-come/first-served basis and may not be reserved.

8.0 PERSONAL TELEPHONE CALLS

- 8.1 The Company recognizes that there may be occasions when personal calls must be made or received during business hours. Such calls must be held to a minimum and cannot interfere with the employee's work.
- Long or "chatty" telephone conversations – especially those involving unimportant matters – are prohibited during working hours.
 - Employees must limit "casual" or "social" calls to breaks or mealtimes.
- 8.2 Outbound personal long-distance calls are prohibited except in certain situations, such as:
- Family emergencies; and
 - Serious injury or death in family.

9.0 SEXUAL HARASSMENT

- 9.1 It is the intent of the Company to provide its employees with a work environment free from harassment. Sexual harassment is defined as:
- Unwelcome physical contact.
 - Sexually explicit language, gestures, or materials.
 - Uninvited or unwanted sexual advances.
- 9.2 Sexual harassment issues/complaints/allegations shall be handled in accordance with PNL111 SEXUAL HARASSMENT.

10.0 SMOKING

- 10.1 The Company prohibits smoking indoors, since smoking presents a potential fire hazard and is considered detrimental to the health of smoking *and* non-smoking employees. Smoking indoors may also be prohibited by local ordinance.
- 10.2 Smoking is permitted during breaks and mealtimes in designated smoking areas.
- 10.3 Employees smoking in other than a designated smoking area may be subject to disciplinary action, up to and including termination (for instance, if smoking in an area where inflammables are dispensed/stored).

11.0 SOLICITATION FOR BUSINESS OR CHARITABLE PURPOSES

- 11.1 Solicitation on the Company's premises is prohibited on the grounds that it is disruptive to normal business practices. Furthermore, solicitors can place undue financial burden and/or cause embarrassment to employees who cannot or do not wish to participate or contribute.
- 11.2 An exception will be made for employees for limited special occasions (e.g., retirements, weddings, births), provided that employees are not unduly harassed, shamed, or coerced into participation.

12.0 SUGGESTIONS

- 12.1 Employees are strongly encouraged to share their constructive and valuable suggestions, ideas, or thoughts with their fellow employees and the company. Employees may submit suggestions for the improvement of company operations or procedures, marketing or product ideas, areas for quality improvement, etc., to their supervisors or officers of the Company.
- 12.2 Suggestions may be signed or anonymous. Employees may use a standardized suggestion form or a typed or handwritten note and submit the suggestion to a supervisor or Company officer via the Company mail or in person.

E-mailed suggestions are discouraged due to the volume of e-mail most supervisors receive, as well as the loss of anonymity.

13.0 VISITORS

- 13.1 All visitors must sign in at the front entrance and wear a visitor badge during their entire stay at the facility. No visitor (including a former employee) is allowed to wander about the premises unescorted.

If an employee has arranged for a visit of any kind, that employee should give the receptionist advance notice of the date and time of visit, the visitor's name, and the purpose of the visit.
- 13.2 Visits by personal friends or family *to work areas* are discouraged.
- 13.3 No visitors are allowed in areas where their presence may compromise individual safety or Company security (e.g., design, production, technology, or storage areas), except where visitors have a clear purpose related to the welfare of the Company and/or its employees (e.g., police/fire, certified third-party auditor, safety inspector).
- 13.4 **COVID Policy:** all visitors must be wearing a mask when entering the facility and the employee accompanying them must fill in the visitor log so that the guest does not touch the pen being used. If the visitor has their own pen, they can use that.

14.0 Heightened Hygiene Practices

Blackstone Valley Naturals, LLC will request that employees and subcontractors escalate their use of healthy habits to limit the spread of disease. Disseminate reminders throughout the work site. Key messages include:

- Wash your hands often with soap or use hand sanitizer.
- Avoid touching eyes, nose, and mouth.
- Cover your cough and sneeze.
- Stay home when sick. Symptoms include:
 - Fever (temperature greater than 100.4° F)
 - Chills, shivering
 - Muscle aches
 - Sore throat
 - Dry cough
 - Headache
 - Fatigue (extreme tiredness)
- Avoid close contact (6 feet or less) with others including skin-to-skin contact (e.g., shaking hands).
- Clean and disinfect commonly used surfaces.
- Minimize close contact with sick persons.
- Avoid using other employees desks, phones, tools, etc.. If required the surface should be disinfected before and after use.

Revision History:

Revision	Date	Description of Changes	Written By
1	11/21/19	Updated Visitor Policy	Kevin MacConnell
2	12/18/29	Added COVID-19 Policies (13.4 and 14.0)	Kevin MacConnell

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Document ID PNL108	Title Marijuana Establishment Agent Training	Print Date 11/20/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 11/20/2019

Policy: The Company shall ensure that all Marijuana Establishment Agents complete training prior to performing job functions. At a minimum, staff shall receive eight hours of on-going training annually.

Purpose: To outline the agent training procedures of the Company.

Scope: This procedure applies to all hiring of full-time, part-time, or temporary employees of the Company.

Responsibilities:

During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company's three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

Procedure:

A. Agent Registration

- a. All potential employees must first apply for an Agent Badge.
- b. The company will cover the cost of the badge and application fee.
- c. Once completed and a temporary badge has been received, company onboarding will begin.

B. Sell Smart Training

- a. Sell-SMaRT™ is now a state approved Responsible Vendor Training (RVT) Program accredited by the Massachusetts Cannabis Control Commission.
- b. Before an employee can begin their job, they must complete the Sell Smart Training course.
- c. Additionally, all employees must retake the course each following year.
- d. Administrative employees who do not handle or sell Marijuana may take the "Responsible Vendor" program on a voluntary basis.
- e. The Company must maintain records of Responsible Vendor Training Program compliance for four years and make them available to inspection by the Commission and any other applicable licensing authority on request during normal business hours.

C. Certification Training Class Core Curriculum.

- a. Discussion concerning Marijuana's effect on the human body. Training shall include:

- i. Scientifically based evidence on the physical and mental health effects based on the type of Marijuana Product;
 - ii. The amount of time to feel impairment;
 - iii. Visible signs of impairment; and
 - iv. Recognizing the signs of impairment.
- b. Diversion prevention and prevention of sales to minors, including best practices.
- c. Compliance with all tracking requirements.
- d. Acceptable forms of identification. Training shall include:
 - i. How to check identification;
 - ii. Spotting false identification;
 - iii. Patient registration cards formerly and validly issued by the DPH or currently and validly issued by the Commission;
 - iv. Provisions for confiscating fraudulent identifications; and
 - v. Common mistakes made in verification.
- e. Other key state laws and rules affecting Owners, managers, and employees, which shall include:
 - i. Local and state licensing and enforcement;
 - ii. Incident and notification requirements;
 - iii. Administrative and criminal liability;
 - iv. License sanctions;
 - v. Waste disposal;
 - vi. Health and safety standards;
 - vii. Patrons prohibited from bringing marijuana onto licensed premises;
 - viii. Permitted hours of sale;
 - ix. Conduct of establishment;
 - x. Permitting inspections by state and local licensing and enforcement authorities;
 - xi. Licensee responsibilities for activities occurring within licensed premises;
 - xii. Maintenance of records;
 - xiii. Privacy issues; and
 - xiv. Prohibited purchases and practices.

D. METRC

- a. Some upper level employees will have access to METRC. These potential employees may include:
 - i. Lead grower
 - ii. Packaging manager
 - iii. Sales manager
- b. During onboarding, they must watch the online METRC seminar and complete/pass the exam.
- c. Employees will also be provided with hands on training by the company managers to show real-time scenarios.

E. Managerial

- a. During onboarding, all upper level employees will spend a day focused on each role in the company to familiarize themselves with the operational process.
- b. Each day may focus on one of the following:
 - i. Growing
 - ii. Manufacturing
 - iii. Gramming
 - iv. Packaging
 - v. Sales

F. Employee Manual

- a. All employees will be required to read and sign the Company's Employee Manual

Revision History:

Revision	Date	Description of Changes	Requested By

Document ID QCT101	Title Quality Control and Testing	Print Date 09/19/2018
Revision 0.0	Prepared By Tim Phillips / Kevin MacConnell	Date Prepared 09/19/2018

Policy: Quality control checks will be performed at various completion levels during production and upon final completion of the product. All finished product will be delivered to state approved testing facilities before they can be sold.

Purpose: To outline the activities and responsibilities for quality control inspections of products and lab testing

Scope: This procedure applies to all products manufactured by the Company.

Responsibilities:

During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company's three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

BVN: Blackstone Valley Naturals, LLC (The Company)

Procedure:

1.0 FINISHED GOODS

1.1 All products grown or manufactured by BVN will be inspected and tested before being sold. Testing for potency, terpenes, microbials, pesticides, heavy metals and any other state mandated test. Please see Testing procedure 3.1-3.2

- All finished product will be locked in the Finished Goods room awaiting approval for legal sale within Massachusetts.
- Any product that fails testing will go into a designated spot in the vault room labeled "Quarantine".
- Any failed product will be retested.
- After two failed tests all quarantined and affected products will be disposed of through a state approved disposal service.

1.2 Finished goods will be in-house tested for appearance, smell, and texture and graded on a scale of A through C, with A being the highest quality product

- All product grades will be marked on METRC.
- If the prices are different between the grades it will be documented through METRC.
- In-house grading improves the overall quality and evolution of our products being produced.

2.0 REJECTION AND DISPOSITION

2.1 If a finished product is rejected for any reason, the product or component will be red-tagged and segregated (placed in separate storage) to await disposition.

- 2.2 Any products that fall within this category will be documented and treated like quarantined products but in a different section of storage.

3.0 TESTING

- 3.1 No Marijuana Product, including Marijuana, will be sold or otherwise marketed for adult use that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000: Adult Use of Marijuana.

Testing of Marijuana Products will be performed by an Independent Testing Laboratory in compliance with a protocol(s) established in accordance with M.G.L. c. 94G, § 15 and in a form and manner determined by the Commission including, but not limited to, the Protocol for Sampling and Analysis of Finished Medical Marijuana Products and Marijuana-infused Products.

- BVN will be using Pro Verde Lab and MCR Lab for all state mandated and company required testing.
 - All testing samples will be pulled and documented through METRC.
 - Sample size will be chosen and documented according to the testing facility requirements.
 - All samples will be placed in sterile glass containers and labeled appropriately for the testing facility and employees.
 - Marijuana will be tested for the cannabinoid profile and for contaminants as specified by the Commission including, but not limited to, mold, mildew, heavy metals, plant growth regulators, and the presence of Pesticides.
 - If the commission requires additional testing BVN will comply and complete any requests.
- 3.2 Testing of environmental media (e.g., soils, solid growing media, and water) will be performed in compliance with the Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Dispensaries published by the Commission.
- BVN will follow all state mandated testing for environmental media to ensure the company is in full compliance.
 - All products being used while cultivating and manufacturing have a solid reputation for following legal cannabis state requirements for heavy metals and banned substances.
- 3.3 BVN will have a written policy for responding to laboratory results that indicate contaminant levels are above acceptable limits established in the protocols identified in 935 CMR 500.160(1). The policy includes:
- notifying the Commission within 72 hours of any laboratory testing results indicating that the contamination cannot be remediated and disposing of the Production Batch.

- notifying the Commission of any information regarding contamination as specified by the Commission or immediately upon request by the Commission.
- notifying the Commission of any possible reasons the samples failed and requesting a retest if we feel the results may be wrong.
- notifications must be from both BVN and the Independent Testing Laboratory, separately and directly.
- notification from BVN will describe a proposed plan of action for both the destruction of the contaminated product or retest and the assessment of the source of contamination.
- any contaminated or possibly contaminated product will be stored separately until being released or legally disposed.
- Marijuana and Marijuana Products submitted for retesting prior to remediation will be submitted to an Independent Testing Laboratory other than the laboratory, which provided the initial failed result.
- Marijuana submitted for retesting after documented remediation will be submitted to the same Independent Testing Laboratory that produced the initial failed testing result prior to remediation.

3.4 BVN will maintain the results of all testing for no less than one year. Testing results will be valid for a period of one year.

- Marijuana or Marijuana Products with testing dates in excess of one year will be deemed expired and may not be dispensed, sold, transferred or otherwise conveyed until retested.
- All products will be stored and sold as “First In, First Out” to avoid any products being stored too long.

3.5 The sale of seeds is not subject to these testing provisions.

- BVN will store, germinate, and potentially sell seeds to other licensed cultivators within the state of Massachusetts.
- BVN will follow all state laws to remain within compliance on all seed related business.

3.6 Clones are subject to these testing provisions, but are exempt from testing for metals.

- BVN will cultivate, store, and potentially sell clones to other licensed cultivators within the state of Massachusetts.
- BVN will follow all state laws to remain within compliance on all clone related business.
- All mandated testing will be performed on any clones that may be sold to other licensed cultivators.

3.7 All transportation of Marijuana to and from Independent Testing Laboratories providing Marijuana testing services will comply with 935 CMR 500.105(13).

- BVN will use the legal testing facility's transport vehicle to pick up the samples.
- Pro Verde Labs and MCR Labs both have certified transport vehicles that have been approved by the Massachusetts Cannabis Control Commission.
- All storage of Marijuana at a laboratory providing Marijuana testing services including transport will comply with 935 CMR 500.105(11).
- All excess Marijuana will be disposed of in compliance with 935 CMR 500.105(12), either by the Independent Testing Laboratory returning excess Marijuana to BVN for disposal or by the Independent Testing Laboratory disposing of it directly.

3.8 No Marijuana Product will be sold or otherwise marketed for adult use that has not first been tested by an Independent Testing Laboratory and deemed to comply with the standards required under 935 CMR 500.160.

- all products will be packaged and placed in the Finished Goods room awaiting testing results.
- all products will be fully labeled with appropriate METRC tags and dates.
- all products will stored "First In, First Out" preventing expired products.
- single-servings of Marijuana Products tested for potency in accordance with 935 CMR 500.150(4)(a) will be subject to a potency variance of no greater than plus/minus ten percent (+/- 10%).

References:

F. 935 CRM 500 -<https://www.mass.gov/files/documents/2018/03/27/935cmr500.pdf>

Revision History:

Revision	Date	Description of Changes	Requested By

Document ID RK101	Title Record Keeping	Print Date 12/14/2019
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 12/14/2019

Policy: The Company will retain records in an orderly fashion for the duration(s) required by legal, regulatory, and governmental authorities for general (common) business functions and services.

Purpose: To outline the methods for filing, retaining, and disposition of Company records.

Scope: This procedure generally applies to all documentation generated by the Company in the course of business.

Responsibilities:

During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company's three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

Procedure:

1.0 CURRENT FILING SYSTEM

- 1.1 To ensure efficient access, filing centers will be established in each department. To reduce the amount of duplicate and unnecessary record retention, individual desk files should be avoided unless they are used in daily operations. All other departmental or company records should be filed in the departmental central filing areas.
- 1.2 Unless necessary, records should usually only be kept by the originator or sender and not by the receiver to avoid duplicate filing systems.
- 1.3 The following filing guidelines should be adhered to optimize filing efficiency and records access (see ADM103-1 MASTER FILE INDEX for guidance):
 - All file cabinets and files will follow recognized rules of order, such as Left to Right, Top to Bottom, Front to Back, and in the case of chronological records, newest to oldest.
 - File markers or label headings will always be placed at the beginning or front of a file or group of files.
 - Alphabetical files should always be filed under broad topical categories. Files should never be filed under individual employee names (except personnel), to avoid confusion and refileing in the event of turnover and to comply with applicable privacy regulations and guidelines.
 - Files should be always filed under the "proper" (or Company) names whenever appropriate. In the case of individuals, files should be maintained according to the person's last name, then first name and middle initial.

- Alphanumeric codes should be attached to colored end tabs of all file sets to show type of file by subject area and sub-category. For instance, all files dealing with accounting will have a green end tab on the lateral file folder with the alpha code of AC followed by a three digit numeric code to designate the sub-category (i.e. Financial Planning is AC 200, General Accounting is AC 300, Payroll is AC 340, etc.). Payroll is a function of Accounting thus the AC, payroll is a function of General Accounting (under Accounting) thus the 300 series numeric, and under General Accounting the Payroll file is series number 40, which translates to a file of AC 340.

2.0 RECORD RETENTION AND LONG-TERM STORAGE

- 2.1 Storage of archived records will be maintained in the locked storage area of the building. Access to this area will be limited to the Controller, officers of the Company, and the File Manager.
- 2.2 Non-permanent files will be stored in cardboard file boxes. Each file box will be labeled on the front with the contents, dates covered, and destruction date if applicable. Permanent records will be maintained in metal fire-resistant file cabinets.
- 2.3 Files should be stored only in boxes with similar items, dates, and retention periods, to allow easier access and purging of records. A general rule to keep in mind is that it is better to only half fill a file box than to file to dissimilar types of files in the same box. The file manager will be responsible for categorizing and maintaining a listing of records maintained and the location (i.e., by room number, wall unit, and shelf row number).
- 2.4 Document retention periods are specified in ADM103-2 RECORDS RETENTION GUIDELINES. Any questions regarding documents not listed in ADM103-2 should be directed to the File Manager.

3.0 RECORD DESTRUCTION

- 3.1 Three to six months after each year-end, the file manager will proceed with destruction of all files that have exceeded their recognized holding period.
- 3.2 A listing of file categories to be destroyed will be circulated to all managers thirty days prior to final disposition of documents, for review and comment. The actual listing of records destroyed will be maintained permanently for reference.
- 3.3 Destruction of the files will be performed by an independent, outside service for shredding and disposal. Disposal of any records into the company's general trash service is not allowed.

4.0 ADDITIONAL GUIDELINES

- 4.1 Written records that must be in hard copy include:
 - a. Written Operating Procedures as required by 935 CMR 500.105(1);
 - b. Inventory Records as required by 935 CMR 500.105(8);

- c. Seed-to-sale Tracking Records for all Marijuana Products as required by 935 CMR 500.105(8)(e);
- d. Waste disposal records as required under 935 CMR 500.105(12);

4.1 The Company must also hold on sight the following personal records:

- a. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
- b. A personnel record for each marijuana establishment agent. Such records shall be maintained for at least 12 months after termination of the individual's affiliation with the marijuana establishment and shall include the following:
 - i. All materials submitted to the commission pursuant to 935 CMR 500.030(2);
 - ii. Documentation of verification of references;
 - iii. The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;
 - iv. 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;
 - v. Documentation of periodic performance evaluations;
 - vi. A record of any disciplinary action taken; and
 - vii. Notice of completed responsible vendor and eight-hour related duty training.
- c. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;
- d. Personnel policies and procedures; and
- e. All background check reports obtained in accordance with M.G.L c. 6 § 172, 935 CMR 500.029, 935 CMR 500.030, and 803 CMR 2.00: Criminal Offender Record Information (CORI).

4.3 All business records must be saved on a Company computer or filed on premise in hard copy. These documents include:

- a. Assets and liabilities;
- b. Monetary transactions;
- c. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
- d. Sales records including the quantity, form, and cost of marijuana products; and

- e. Salary and wages paid to each employee, or stipend, executive compensation, bonus, benefit, or item of value paid to any persons having direct or indirect control over the marijuana establishment.
- 4.3 Following closure of the Company, all records must be kept for at least two years at the expense of the Company and in a form and location acceptable to the Commission

Forms:

- ADM103-1 MASTER FILE INDEX
- ADM103-2 RECORD RETENTION GUIDELINES

References:

- A. Statutory/regulatory requirements.

Statutes and regulations governing which records must be kept by businesses and for how long vary widely by country, state, municipality, type of business, and so forth. The Company must be aware of and comply with applicable laws in every location in which it conducts business.

Additional Resources:

- A. Creel, Ramona, Records Retention Guidelines,
<http://www.onlineorganizing.com/ExpertAdviceToolboxTips.asp?tipsheet=24>.
- B. Florida (State of) Business Recordkeeping and Retention Guidelines,
<http://businessrec.dos.state.fl.us/>.
- C. U.S. Securities and Exchange Commission, <http://www.sec.gov/>.

Revision History:

Revision	Date	Description of Changes	Requested By

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ADM103-1 MASTER FILE INDEX**AC ACCOUNTING**

AC-100	Accounts Administration
AC-200	Financial Planning
AC-300	General Accounting
310	Checking Account Register
320	Accounts Payable
330	Accounts Receivable
340	Payroll
350	Local, State, Federal taxes {FUTA, FICA, etc.}
360	Banking Services
370	Property Inventory/Fixed Assets
380	Corporate Accountant
390	Corporate Tax Information File
AC-400	Employee Benefit Programs
AC-500	Employee Expense Accounts
AC-600	Petty Cash Management
AC-600	Corporate Loan Management
AC-700	Grants Account Management
AC-800	Purchasing
AC-900	Open

AD ADMINISTRATION

AD-100	General
AD-200	Organizational Manual
AD-300	Organizational Charts
AD-400	Corporate Correspondence Manual
AD-500	Policies and Procedures
AD-600	Records Management and Retrieval
AD-700	Chief Executive Officer Administrative Memorandums
AD-800	Interoffice Staff Administrative Memorandums
AD-900	Open

BU BUSINESS

BU-100	Corporate Business Plan
BU-200	Business Project Management
BU-300	Sub-Corp Business Project Management
BU-400	Business Executive Summaries
BU-500	Sub-Corp Business Executive Summaries
BU-600	Domestic Business Development
BU-700	International Business Development - Europe
BU-800	International Business Development - Asia
BU-900	International Business Development - Canada/S. America

CS COMPUTER INFORMATION SYSTEMS

CS-100	General
CS-200	Equipment
CS-300	Operation and Maintenance
CS-400	Training in Systems Operation
CS-500	Open

EN ENGINEERING

EN-100	General Administration
EN-200	Research and Development
EN-300	Chemical Engineering
EN-400	Graphics and Technical Drawings
EN-500	Product Information and Technical Analysis
EN-600	Product Raw Materials Data
EN-700	Engineering Safety Data
EN-800	Product Test Programs
EN-900	Industry Information

IN INSURANCE

IN-100	General Administration of Insurance
IN-200	Plant and Equipment Policies
IN-300	Corporate Officer Policies
IN-400	Product Liability Policies
IN-500	Corporate Vehicles Policies
IN-600	Health Program Policies
IN-700	Life Insurance Programs for Employees
IN-800	Off Site Special Coverage
IN-900	Open

LG LEGAL

LG-100	General
LG-200	Reports
LG-300	Contracts
LG-400	Litigation
LG-500	Disputes
LG-600	Legal Personnel Issues
LG-700	Agreements/Partnerships
LG-800	Product Liability
LG-900	Open

MA MARKETING

MA-100	General
MA-200	Reports/Studies
MA-300	Marketing Plans
MA-400	Customer Relations

OF OFFICE MANAGEMENT

OF-100	General
OF-200	Procedures
OF-300	Equipment/Furnishings/Telecommunications
OF-400	Information Processing/Communications Procedure
OF-500	Property Lease/Management Agreement
OF-600	Fax/Reproduction/Printing Procedures
OF-700	Protocol to Visitors
OF-800	Maintenance
OF-900	Open

OP OPERATIONS

OP-100	General
OP-200	Daily Reports
OP-300	Weekly Reports
OP-400	Monthly Reports
OP-500	Quarterly/Annual Reports
OP-600	Performance Analysis
OP-700	Project Management Charts and Plans
OP-800	Manufacturing and Production
OP-900	Open

PE PERSONNEL

PE-100	General
PE-200	Reports
PE-300	Employee Records
PE-400	Organizational Charts
PE-500	Recruiting
PE-600	Training
PE-700	Benefit Programs
PE-800	Open
PE-900	Open

PP PATENTS, PERMITS, AND PLANS

PP-100	General
PP-200	Reports
PP-300	Licenses/Permits/Plans
PP-400	Open
PP-500	Open

PR PUBLIC RELATIONS

PR-100	General
PR-200	Reports and Studies
PR-300	Corporate Releases
PR-400	List of Clients/Industry Contacts
PR-500	Open

RG REGULATORY DATA

RG-100	General
RG-200	Reports
RG-300	Correspondence
RG-400	Acts/Laws/Bills
RG-500	Regulations
RG-600	Agreements
RG-700	Guidelines/Policies/Resolutions
RG-800	International Regulations
RG-900	Open

SL SALES

SL-100	General
SL-200	Domestic Business Development
SL-300	International Business Development
SL-400	Plans and Budgets
SL-500	Corporate Sales Procedures and Project Management

ADM103-2 RECORD RETENTION GUIDELINES¹

DOCUMENT	DOCUMENT LOCATION	RETENTION PERIOD	DISPOSITION
Accident Reports After Settlement	Legal	8 years (yrs.)	Destroy
Account Payable (Vouchers & Invoices)	Accounting	6 yrs.	Destroy
Bank Statements and Reconciliations	Accounting	6 yrs.	Destroy
Canceled Checks	Accounting	6 yrs.	Destroy
Cash Receipts Books	Accounting	Permanent	
Claim Files (Against Us)	Legal	6 yrs.	Destroy
Claim Files (By Us)	Legal	3 yrs.	Destroy
Contracts, Agreements, and Leases after expiration	Legal	8 yrs.	Destroy
Credit Files	Accounting	6 yrs.	Destroy
Customer Satisfaction Survey	Customer Service	3 yrs.	Archive 2 yrs., then destroy
Employee Records (Active)	Human Resources	3 yrs.	Archive 7 yrs., then destroy
Employee Records (Terminated)	Human Resources	6 yrs.	Destroy
Engineering and Scientific Records	Engineering	5 yrs.	Archive 10 yrs., then destroy
Financial Statements (Internal)	Finance	5 yrs.	Destroy
Financial Statements (External)	Finance	7 yrs.	Archive 3 yrs., then destroy
General Ledgers and Journals	Accounting	3 yrs.	Archive permanently
Income and Other Tax Returns	Accounting	6 yrs.	Destroy
Insurance Claims After Settlement	Legal	10 yrs.	Destroy
Patents and licenses	Legal	17 yrs.	Destroy

DOCUMENT	DOCUMENT LOCATION	RETENTION PERIOD	DISPOSITION
Payroll Registers and Time Sheets	Payroll	6 yrs.	Destroy
Payments and Reports to Government Agencies	Sales	6 yrs.	Destroy
Physical Inventory Records	Inventory Control	6 yrs.	Destroy
Purchasing Correspondence	Purchasing	6 yrs.	Destroy
Sales Correspondence	Sales	2 yrs.	Destroy
Sales Invoices	Accounting	6 yrs.	Destroy
Stock Certificates (Canceled)	Administration	7 yrs.	Archive 10 yrs., then destroy
Travel and Expense Reports	Accounting	6 yrs.	Destroy

Document # RA101	Title: Restricting Access to Age 21+	Print Date: 09/18/2018
Revision # 1.0	Prepared By: Tim Phillips / Kevin MacConnell	Date Prepared: 09/18/2018

Policy: The Company is required by the state to implement rules and regulations that prevent sale and advertisement to anyone under the age of 21.

Purpose: To outline procedures that restricts product access to ages 21 and up.

Scope: This policy applies to all products manufactured and advertised by the company.

Responsibilities:

During the beginning stages of the Company, the procedures and policies that follow will be maintained and enforced by the Company's three managers/owners: Tim Phillips, Kevin MacConnell, and Rob Knapik. They will hold all titles listed, which are subject to change as the Company grows and additional staff is brought on.

Procedure:

1.0 LABELING OF MARIJUANA AND MARIJUANA PRODUCTS

1.1 The following symbol, which has been issued by the CCC, will be placed on all packaging and indicates that the product is harmful to children:



1.2 Finished products must be placed in tamper or child resistant packaging.

2.0 PACKAGING DESIGN

2.1 Packaging for marijuana products sold or displayed for consumers, including any label or imprint affixed to any packaging containing marijuana products or any exit packages shall not be attractive to minors. Packaging is explicitly prohibited from:

- Using bright colors, defined as colors that are "neon" in appearance;
- Imitating or having a semblance to any existing branded consumer products, including foods and beverages, that do not contain marijuana;
- Featuring cartoons;
- Featuring a design, brand or name that resembles a non-cannabis consumer product of the type that is typically marketed to minors;

- Featuring symbols or celebrities that are commonly used to market products to minors;
- Featuring images of minors; or
- Featuring words that refer to products that are commonly associated with minors or marketed to minors.

3.0 Marketing and Advertising

- 3.1 Sponsorship of a charitable, sporting or similar event, except that advertising, marketing, and branding at or in connection with such an event is prohibited unless at least 85% of the audience is reasonably expected to be 21 years of age or older, as determined by reliable, current audience composition data
- 3.2 Advertising, marketing and branding by means of television, radio, internet, mobile applications, social media, or other electronic communication, billboard or other outdoor advertising, or print publication, is prohibited unless at least 85% of the audience is reasonably expected to be 21 years of age or older as determined by reliable and current audience composition data
- 3.2 Website access must confirm the age of any viewer to be 21+ before granting entry.

4.0 Facility Access

- 3.1 No one under the age of 21 will be allowed access to the facility and all ID's will be checked prior to entry.

References:

A. E. 935 CRM 500 -

<https://www.mass.gov/files/documents/2018/03/27/935cmr500.pdf>

Revision History:

Revision	Date	Description of Changes	Requested By

Document ID SP101	Title Staffing Plan	Print Date 6/12/2020
Revision 0.0	Prepared By Kevin MacConnell / Tim Phillips	Date Prepared 6/12/2020

- A. The Company plans to have the funds necessary to begin hiring after the sale of their first large harvest. Currently the Company does not have the funds needed to conduct a hiring search or pay employee wages. All badged employees currently registered with the company are unpaid friends and family who are volunteering their time. They have even used their own money to pay for their badges and background checks. Once able to, the company plans to first provide paid employment to all that have assisted the Company during these difficult financial times. They will be the first presented with full-time or part-time opportunities, as the Company would not have survived the delays caused by COVID-19 without them.
- B. Once successfully up and running, with revenue coming in, and the current unpaid help receiving wages, the Company will then begin taking action towards implementing their Diversity Plan to expand their workforce.