



## Massachusetts Cannabis Control Commission

### Marijuana Cultivator

#### General Information:

License Number: MC282254  
Original Issued Date: 07/09/2020  
Issued Date: 07/09/2020  
Expiration Date: 07/09/2021

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Buudda Brothers 90 Sargeant Street LLC

Phone Number: 917-698-1107 Email Address: buuddabrothers@gmail.com

Business Address 1: 90 Sargeant Street Business Address 2:

Business City: Holyoke Business State: MA Business Zip Code: 01040

Mailing Address 1: 170 Prospect Street Mailing Address 2:

Mailing City: Chicopee Mailing State: MA Mailing Zip Code: 01013

### CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Minority-Owned Business

### 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: 33.3 Percentage Of Control: 30

Role: Owner / Partner Other Role:

First Name: Justin Last Name: Pagan Suffix:

Gender: Male

User Defined Gender:

What is this person's race or ethnicity?: Hispanic, Latino, or Spanish (Mexican or Mexican American, Puerto Rican, Cuban, Salvadoran, Dominican, Colombian), White (German, Irish, English, Italian, Polish, French)

Specify Race or Ethnicity: Puerto Rican/Irish

#### Person with Direct or Indirect Authority 2

Percentage Of Ownership: 33.3

Percentage Of Control:

30

Role: Owner / Partner

Other Role:

First Name: Joshua

Last Name: Pagan

Suffix:

Gender: Male

User Defined Gender:

What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French), Hispanic, Latino, or Spanish (Mexican or Mexican American, Puerto Rican, Cuban, Salvadoran, Dominican, Colombian)

Specify Race or Ethnicity: Puerto Rican/Irish

#### Person with Direct or Indirect Authority 3

Percentage Of Ownership: 33.3

Percentage Of Control:

30

Role: Owner / Partner

Other Role:

First Name: John

Last Name: Toro

Suffix:

Gender: Male

User Defined Gender:

What is this person's race or ethnicity?: Hispanic, Latino, or Spanish (Mexican or Mexican American, Puerto Rican, Cuban, Salvadoran, Dominican, Colombian)

Specify Race or Ethnicity: Puerto Rican

#### Person with Direct or Indirect Authority 4

Percentage Of Ownership:

Percentage Of Control:

10

Role: Employee

Other Role:

First Name: Jason

Last Name: Pagan

Suffix:

Gender: Male

User Defined Gender:

What is this person's race or ethnicity?: Hispanic, Latino, or Spanish (Mexican or Mexican American, Puerto Rican, Cuban, Salvadoran, Dominican, Colombian), White (German, Irish, English, Italian, Polish, French)

Specify Race or Ethnicity: Puerto Rican/Irish

#### ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

No records found

#### CLOSE ASSOCIATES AND MEMBERS

No records found

#### CAPITAL RESOURCES - INDIVIDUALS

No records found

#### CAPITAL RESOURCES - ENTITIES

No records found

#### BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

## DISCLOSURE OF INDIVIDUAL INTERESTS

### Individual 1

<b>First Name:</b> Justin	<b>Last Name:</b> Pagan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Buudda Brothers LLC	<b>Business Type:</b> Marijuana Cultivator	
<b>Marijuana Establishment City:</b> Holyoke	<b>Marijuana Establishment State:</b> MA	

### Individual 2

<b>First Name:</b> Justin Pagan	<b>Last Name:</b> Pagan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Buudda Brothers LLC	<b>Business Type:</b> Marijuana Retailer	
<b>Marijuana Establishment City:</b> Holyoke	<b>Marijuana Establishment State:</b> MA	

### Individual 3

<b>First Name:</b> Justin	<b>Last Name:</b> Pagan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Buudda Brothers LLC	<b>Business Type:</b> Marijuana Product Manufacture	
<b>Marijuana Establishment City:</b> Holyoke	<b>Marijuana Establishment State:</b> MA	

### Individual 4

<b>First Name:</b> Justin	<b>Last Name:</b> Pagan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Buudda Brothers 90 Sargeant Street LLC	<b>Business Type:</b> Marijuana Product Manufacture	
<b>Marijuana Establishment City:</b> Holyoke	<b>Marijuana Establishment State:</b> MA	

### Individual 5

<b>First Name:</b> Joshua	<b>Last Name:</b> Pagan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Buudda Brothers LLC	<b>Business Type:</b> Marijuana Retailer	
<b>Marijuana Establishment City:</b> Holyoke	<b>Marijuana Establishment State:</b> MA	

### Individual 6

<b>First Name:</b> Joshua	<b>Last Name:</b> Pagan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Buudda Brothers LLC	<b>Business Type:</b> Marijuana Cultivator	
<b>Marijuana Establishment City:</b> Holyoke	<b>Marijuana Establishment State:</b> MA	

### Individual 7

<b>First Name:</b> Joshua	<b>Last Name:</b> Pagan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Buudda Brothers LLC	<b>Business Type:</b> Marijuana Product Manufacture	
<b>Marijuana Establishment City:</b> Holyoke	<b>Marijuana Establishment State:</b> MA	

### Individual 8

<b>First Name:</b> Joshua	<b>Last Name:</b> Pagan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Buudda Brothers 90 Sargeant Street LLC	<b>Business Type:</b> Marijuana Product Manufacture	
<b>Marijuana Establishment City:</b> Holyoke	<b>Marijuana Establishment State:</b> MA	

### Individual 9

<b>First Name:</b> Juan	<b>Last Name:</b> Toro	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Buudda Brothers LLC	<b>Business Type:</b> Marijuana Retailer	
<b>Marijuana Establishment City:</b> Holyoke	<b>Marijuana Establishment State:</b> MA	

### Individual 10

<b>First Name:</b> Juan	<b>Last Name:</b> Toro	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Buudda Brothers LLC	<b>Business Type:</b> Marijuana Cultivator	

Marijuana Establishment City: Holyoke

Marijuana Establishment State: MA

#### Individual 11

First Name: Juan

Last Name: Toro

Suffix:

Marijuana Establishment Name: Buudda Brothers LLC

Business Type: Marijuana Product Manufacture

Marijuana Establishment City: Holyoke

Marijuana Establishment State: MA

#### Individual 12

First Name: Juan

Last Name: Toro

Suffix:

Marijuana Establishment Name: Buudda Brothers 90 Sargeant LLC

Business Type: Marijuana Product Manufacture

Marijuana Establishment City: Holyoke

Marijuana Establishment State: MA

#### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 90 Sargeant Street

Establishment Address 2:

Establishment City: Holyoke

Establishment Zip Code: 01040

Approximate square footage of the Establishment: 23000

How many abutters does this property have?: 24

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

Cultivation Tier: Tier 03: 10,001 to 20,000 sq. ft

Cultivation Environment: Indoor

#### FEE QUESTIONS

Cultivation Tier: Tier 03: 10,001 to 20,000 sq. ft    Cultivation Environment: Indoor

#### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Certification of Host Community Agreement	Community Host Agreement.pdf	pdf	5e667a17fd7e6446b62a56e8	03/09/2020
Plan to Remain Compliant with Local Zoning	Plans to remain compliant.pdf	pdf	5e6685ce56474b469c1122ea	03/09/2020
Community Outreach Meeting Documentation	Raul Matta relationship.pdf	pdf	5e993ad29a385038d9d8cfc	04/17/2020
Community Outreach Meeting Documentation	Community-outreach-meeting-attestation-form-copy.pdf	pdf	5ea8b4e65c6c422d41af96d1	04/28/2020

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 5.7.20.pdf	pdf	5eb45745502f482d4898f137	05/07/2020

#### ADDITIONAL INFORMATION NOTIFICATION

Notification:

Date generated: 12/03/2020

Page: 4 of 7

## INDIVIDUAL BACKGROUND INFORMATION

### Individual Background Information 1

**Role:** Owner / Partner **Other Role:**  
**First Name:** Justin **Last Name:** Pagan **Suffix:**  
**RMD Association:** Not associated with an RMD  
**Background Question:** no

### Individual Background Information 2

**Role:** Owner / Partner **Other Role:**  
**First Name:** Joshua **Last Name:** Pagan **Suffix:**  
**RMD Association:** Not associated with an RMD  
**Background Question:** no

### Individual Background Information 3

**Role:** Owner / Partner **Other Role:**  
**First Name:** John **Last Name:** Toro **Suffix:**  
**RMD Association:** Not associated with an RMD  
**Background Question:** no

### Individual Background Information 4

**Role:** Employee **Other Role:**  
**First Name:** Jason **Last Name:** Pagan **Suffix:**  
**RMD Association:** Not associated with an RMD  
**Background Question:** yes

## ENTITY BACKGROUND CHECK INFORMATION

No records found

## MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Bylaws	Buudda Brothers 90 Sargeant Street LLC operating agreement.pdf	pdf	5e67eaf249038b46abf1e0df	03/10/2020
Department of Revenue - Certificate of Good standing	Commonwealth of Massachuetts Department of Revenue 90 Sargeant .pdf	pdf	5e9891a52b97cf38fa378062	04/16/2020
Secretary of Commonwealth - Certificate of Good Standing	Commonwealthth of Massachusetts Se.pdf	pdf	5e9de1739a385038d9d8d57f	04/20/2020
Department of Revenue - Certificate of Good standing	Department of Unemployment.pdf	pdf	5eac5dd2ce51fd2d12e5bdd9	05/01/2020
Articles of Organization	90 Sargeant Street Articles Of Organization.pdf	pdf	5eb3604d1cd17834bad61ae6	05/06/2020

No documents uploaded

**Massachusetts Business Identification Number:** 001391347

**Doing-Business-As Name:**

**DBA Registration City:**

## BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Proposed Timeline	Proposed Timeline 90 Sargeant 3.9.20.pdf	pdf	5e67eb918b5ea5469520f002	03/10/2020
Business Plan	90 Sargeant Business Plan.pdf	pdf	5e9c70ef2eba6d38ef168001	04/19/2020
Plan for Liability Insurance	Plan for Obtaining Liability Insurance.pdf	pdf	5ea869875f1314349d5f69a7	04/28/2020
Plan for Liability Insurance	Qoute Liability Insurance.pdf	pdf	5ea8698f5c6c422d41af95e7	04/28/2020

## OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Storage of marijuana	Storage of marijuana.pdf	pdf	5e66831fb56dea46718f2f36	03/09/2020
Inventory procedures	Inventory Policy and Procedures.pdf	pdf	5e6686554a895743f3a6ba1b	03/09/2020
Transportation of marijuana	Transportation of Marijuana and Marijuana Products.pdf	pdf	5e668816d21b9346780e2115	03/09/2020
Personnel policies including background checks	Personnel policies and background checks.pdf	pdf	5e668b2f4a895743f3a6ba2e	03/09/2020
Record Keeping procedures	Record Keeping Procedures.pdf	pdf	5e668cd9d21b9346780e2126	03/09/2020
Maintaining of financial records	Maintenance of Financial Records.pdf	pdf	5e668dae5a27c34431d19654	03/09/2020
Security plan	90 Sargeant Security Plan.pdf	pdf	5e993b7a2eba6d38ef167c3a	04/17/2020
Prevention of diversion	Prevention of diversion 90 Sargeant Cultivation.pdf	pdf	5e9c71232b97cf38fa3785e6	04/19/2020
Restricting Access to age 21 and older	Restricting access 90 Sargeant.pdf	pdf	5e9c714bbddf0438d21df207	04/19/2020
Policies and Procedures for cultivating.	Policies and Procedures for cultivating (cultivating plan) 5.7.20.pdf	pdf	5eb443f2ddb8c72d53609e68	05/07/2020
Qualifications and training	Qualifications and training 5.7.20.pdf	pdf	5eb44d6c0f96d32d2066f0fb	05/07/2020
Quality control and testing	Quality Control and Testing 5.7.20.pdf	pdf	5eb4517a5f1314349d5f7f36	05/07/2020
Diversity plan	Diversity Plan 5.7.20.pdf	pdf	5eb45b4dcb1edf34af2dd47f	05/07/2020

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

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

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

#### ADDITIONAL INFORMATION NOTIFICATION

Notification:

#### COMPLIANCE WITH POSITIVE IMPACT PLAN

No records found

#### COMPLIANCE WITH DIVERSITY PLAN

No records found

#### HOURS OF OPERATION

Monday From: 8:00 AM	Monday To: 8:00 PM
Tuesday From: 8:00 AM	Tuesday To: 8:00 PM
Wednesday From: 8:00 AM	Wednesday To: 8:00 PM
Thursday From: 8:00 AM	Thursday To: 8:00 PM
Friday From: 8:00 AM	Friday To: 8:00 PM
Saturday From: 8:00 AM	Saturday To: 8:00 PM
Sunday From: 8:00 AM	Sunday To: 8:00 PM



## 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, John Toro, (insert name) certify as an authorized representative of Burda Brothers (insert name of applicant) that the applicant has executed a host community agreement with City of Holyoke (insert name of host community) pursuant to G.L.c. 94G § 3(d) on August 15<sup>th</sup>, 2019 (insert date).

  
Signature of Authorized Representative of Applicant

### Host Community

I, Alex Morse, (insert name) certify that I am the contracting authority or have been duly authorized by the contracting authority for Holyoke (insert name of host community) to certify that the applicant and Holyoke (insert name of host community) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on 8/19/2019 (insert date).

  
Signature of Contracting Authority or  
Authorized Representative of Host Community

"RARE"



# Plans to remain compliant.

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## *Purpose.*

To affirm the commitment of Buudda Brothers Sargent Street Facility, LLC (“BB”) to abide by all federal, state and local Holyoke city laws, regulations, and rules governing its operation, and to conduct business at all times in a manner that is consistent with the highest professional standards for honesty and integrity. All individuals are required to carry out their duties in accordance not only with all applicable laws and regulations, but also in accordance with the Buudda Brothers policies and procedures.

## *Description.*

Buudda Brothers recognizes that conscientious adherence to the highest professional standards is essential to its mission and goals. This commitment is important because a failure to comply with applicable laws and regulations could potentially affect BB’s license to operate a marijuana establishment. We are committed to meeting the highest standards for honesty and integrity in all business practices.

For these reasons, Buudda Brothers intends to establish a Compliance Department to maintain and assist the establishment with the implementation of a Compliance Program. The Compliance Department will be in charge of helping individuals understand their responsibilities in complying with federal, state and local city legal requirements, as well as proper business conduct. This includes the statutes, regulations, and guidelines of federal, state and local Holyoke laws related to marijuana establishments, as well as the policies and procedures of private marijuana establishments, such as, but not limited to, Independent Testing Laboratories.

Although the implementation and enforcement of the Compliance Program will be centrally directed by the Chief Compliance Officer (“CCO”), the responsibility for compliance rests with each department and service. Buudda Brothers may assign responsibility for management and oversight of compliance-related activities to a specific individual, department, or committee as appropriate. Compliance is the responsibility of every individual. In accordance with this policy all individuals are responsible for familiarizing themselves with internal policies and procedures, which are listed within Buudda Brothers Employee Handbook/Policies and Procedures. The seven elements of Buudda Brothers Compliance Program include the following:

1. Chief Compliance Officer and Chief Executive Officer, whose combined roles include the responsibility and authority to direct efforts in maintaining compliance;
2. Written policies and procedures—including the Buudda Brothers Code of Conduct—to guide appropriate business and professional practices.
3. Several different methods for reporting potential noncompliance issues or other areas of concern without fear of retribution such as, but not limited to, quarterly meetings with the City of Holyoke, Holyoke City Police Department, and Holyoke Fire Department to discuss non-compliance issues or areas of concerns;
4. Effective training and education programs to promote an understanding of and adherence to applicable federal, state and local Holyoke city laws, regulations, and rules. Such trainings will be taken place within the City of Holyoke on a quarterly basis;
5. Internal monitoring and auditing to verify compliance, identify the need for corrective action, and/or improve training and educational activities;
6. Responding to detected noncompliance and developing corrective action initiatives, including disciplinary actions, policy changes, or other corrective measures; and
7. Enforcing standards through well-publicized disciplinary guidelines.

## ***Objectives.***

The objectives of the Buudda Brothers Compliance Program are to:

- ❖ Demonstrate the commitment of Buudda Brothers honest and responsible corporate conduct;
- ❖ Increase the likelihood of preventing, detecting, and correcting unlawful or unethical behavior at an early stage;
- ❖ Encourage individuals to report potential problems to allow for appropriate internal inquiry and corrective action; and
- ❖ Minimize any financial loss, through early detection and reporting, to all necessary governmental agencies such as, but not limited to, the Cannabis Control Commission (“CCC”) and/or City of Holyoke, as well as any corresponding financial loss to the Establishment.

## ***Chief Compliance Officer.***

The Buudda Brother Compliance Department will be directed by the Chief Compliance Officer (“CCO”). The Compliance Department will be sited with the Cannabis Control Commission (“CCC”). For administrative needs, the CCO will report to the Cannabis Control Commission and/or City of Holyoke. In addition, the CCO shall have direct access to the Chief Executive Officer (“CEO”) and/or Chief Operational Officer (“COO”) as deemed necessary by the CCO. The CCO will be provided with the necessary resources to effectively implement and operate the Program. The CCO may inquire into any matters within the purview of the Program including, but not limited to: matters involving unethical conduct; billing, claims, or payments; and regulatory compliance in accordance to 935 CMR 500.000. Accounting, legal, and other personnel will be available to assist in these duties.

The CCO is empowered to investigate and report possible recommendations or initiatives to the CEO, COO, CCC and/or City of Holyoke. Such reports may include disciplinary and other corrective measures. The CCO shall have access to all information relevant to compliance activities including, but not limited to, billing records, contacts and written arrangements or agreements with others. The CCO may seek advice of independent legal counsel and retain consultants. The CCO will design and implement an annual compliance work plan to prevent, detect, and correct potential violations of laws, regulations, rules, and/or Buudda Brother policies. The work plan will include any scheduled auditing and monitoring activities for the upcoming year. If a non-scheduled compliance issue is identified through a routine audit, re-audit, or as the result of a reported violation, the Compliance Officer is responsible for prioritizing the matter as appropriate.

The Compliance Officer is responsible for developing, coordinating, and participating in educational and training efforts that focus on the elements of the Compliance Program, and that seek to ensure that individuals are knowledgeable of, and comply with, relevant federal, state, and local Holyoke city laws and regulations. Education and training efforts may include, but are not necessarily limited to mandatory orientation programs, annual on-line training, informational bulletins, newsletter articles, staff meeting presentations, and individual educational sessions.

The CCO and/or CEO administratively reports to the Cannabis Control Commission and/or City of Holyoke on inquiries conducted, recommendations for action, and all related matters. The CCO advises the CEO and/or COO at least quarterly on the status and activities of the Program. As noted above, Buudda Brothers may also assign responsibility for management and oversight of certain compliance-

related activities to a specific individual, and/or department. The CCO will advise and collaborate with members of the workforce to develop and maintain effective compliance controls.

### *Responsibilities.*

Management, individuals and/or departments assigned with the responsibility of certain compliance-related activities may provide input in the following areas:

- ❖ Analysis of industry environment, legal requirements, and specific risk areas;
- ❖ Assessment of existing policies and procedures that address legal requirements and compliance risk areas to determine if they appropriately address the requirements and risks;
- ❖ Development of new policies and procedures that address legal requirements and compliance risk areas as needed.
- ❖ Annual review and updates will be given as needed to the CCC and/or City of Holyoke. Such reviews and updates will include the following:
  - Compliance Program; Compliance Work Plan; Code of Conduct;
  - Internal systems, processes, and controls designed to implement compliance standards, policies, and procedures, as part of daily operations;
  - Protocols for compliance audits to monitor compliance standards, policies, and procedures as part of daily operations;
  - Training to educate employees about the Compliance Program, standards, policies, and procedures;
  - Operations of an Anonymous Compliance Line and other methods of reporting compliance and privacy concerns; and processes to investigate and respond to reported concerns.



## **Disclosure of relationship and interest.**

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Pursuant request for additional information from the Cannabis Control Commission (“CCC”), dated, April 14, 2020, regarding application MCN281939, for the applicant, Buudda Brothers 90 Sargeant Street LLC, the following addresses an inquiry of about individual who signed the Community Outreach Attestation form:

CCC requested documentation explaining Raul Matta’s relationship with Buudda Brothers 90 Sargeant Street LLC to be uploaded to the online application. Specifically, the CCC stated, “If this individual is a consultant for your business and does not have ownership or control, please upload a document to that effect. If he will have ownership or control over the business, he must be added as a Person with Direct or Indirect Control or Close Associate. Documentation may be added to the ‘Host Community Information’ section of the application.”

### ***Response.***

Raul Matta. is counsel for BB. Matta has no ownership in, nor control of BB’s business. Matta is apart of the Law Offices of Marvin Cable in which they are paid to provide legal guidance and legal services relating to BB’s potential Marijuana Establishment. Please feel free to reach out to the Law Offices of Marvin Cable for any more questions.

Marvin Cable, Esq.’s contact information is as follows:

Law Offices of Marvin Cable

P.O. Box 1630

76 Gothic Street

Northampton, MA 01060

law@marvincable.com

+1 (413) 268-6500



## 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, Raul Matta, (*insert name*) attest as an authorized representative of Buudda Brothers 90 Sargeant Street Facility, 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 February 6, 2020 (*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 January 22, 2020 (*insert date*), which was at least 14 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 January 22, 2020 (*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 January 22, 2020 (*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*).

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.
7. Community outreach meeting was held within the municipality where the establishment is proposed to be located (Holyoke, MA).
8. Community outreach meeting was held after normal business hours (6:30 P.M.).



Monday's paper ..... Friday at 9am  
Tuesday's paper ..... Friday at 4pm  
Wednesday's paper .... Monday at Noon  
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Friday's paper ..... Wednesday at Noon  
Saturday's paper ..... Thursday at Noon

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Daily Hampshire Gazette



## Attachment B

HOLYOKE CITY OF  
99 SUFFOLK ST  
HOLYOKE, MA 01040

January 22, 2020

### **Re: NOTICE OF COMMUNITY OUTREACH MEETING REGARDING PROPOSAL FOR A MARIJUANA ESTABLISHMENT**

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for February 6, 2020, at 6:30 P.M., at 250 Chestnut St, Holyoke, MA, 01040. The proposed Marijuana Establishment is anticipated to be located at 90 Sargeant, Holyoke, MA, 01040 and is seeking a license for cultivation. Community members and the public are welcome. There will be an opportunity for the public to ask questions and receive answers from representatives of the proposed Marijuana Establishment.

Respectfully,

Justin Pagan  
Buudda Brothers  
90 Sargeant Street,  
Holyoke, MA 01040  
(917) 698 - 1107

## Attachment C



January 22, 2020

**Re: NOTICE OF COMMUNITY OUTREACH MEETING REGARDING PROPOSAL  
FOR A MARIJUANA ESTABLISHMENT**

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for February 6, 2020, at 6:30 P.M., at 250 Chestnut St, Holyoke, MA, 01040. The proposed Marijuana Establishment is anticipated to be located at 90 Sargeant, Holyoke, MA, 01040 and is seeking a license for cultivation. Community members and the public are welcome. There will be an opportunity for the public to ask questions and receive answers from representatives of the proposed Marijuana Establishment.

Respectfully,

Justin Pagan  
Buudda Brothers  
90 Sargeant Street,  
Holyoke, MA 01040  
(917) 698 - 1107

# **Positive Impact Plan**

We, Buudda Brothers, LLC (“BB”), intend to open our marijuana establishment in Holyoke, Massachusetts, a community designated as an area of disproportionate impact.

Since beginning the process of establishing a marijuana cultivation establishment, we have become volunteers for many different community organizations and participated in a variety of community events focused on supporting the families that live in and around Holyoke. We feel that we have found the issues that we can have the most positive impact upon, along with a great network and community to work with. The following summarizes our positive impact plans.

## **Goals.**

- To create an opportunity via an internship program consisting of two (2) semesters for one (1) Holyoke resident 21 years and older who are interested in entering the legal marijuana industry;
- To create an opportunity via a scholarship to one (1) Holyoke resident 21 years and older who are interested in applying to a Cannabis Education Center (“CEC”)
- To support efforts of sustainable community organizations that have been positively impacting Holyoke for decades by increasing the percentage of community engagement by 10% and helping increase the number of community events hosted annually by a minimum of one (1);
- Direct-giving of up to 0.5% of BB's net profits and charitable efforts of which positively impact current residents of Holyoke.

## **Programs.**

- BB will provide at least one internship per semester to a Cannabis Education Center (“CEC”) student who lives in Holyoke and is 21 years of age or older.
  - BB will partner up with the Cannabis Education Center (“CEC”), a program created by the Holyoke Community College and the Cannabis Community Care and Research Network. This is a workforce development program that provides our employees and/or potential employees a quality education, training, and other business resources. The purpose of partnering with CEC is to create an innovative learning space for those interested in joining the cannabis workforce as an employee or entrepreneur. The program will



include classroom instructions and internship opportunities and provide priority access, training, and technical assistance to those who have been negatively impacted by the war on drugs. BB will support this effort in order to increase the pool of potential employees coming to our facility with real knowledge of the marijuana industry and practical experience.

- By the end of BB's first year, BB will provide one scholarship (a donation up to \$4,000) for a CEC student who lives in Holyoke and is 21 years of age or older.
- BB will positively impact Holyoke through targeted donations and supporting the efforts of local organizations such as, but not limited to, OneHolyoke CDC ("OHCDC"), a non-profit organization whose focus is dedicated to improving housing for low-and moderate-income Holyoke residents.
- BB is committed to volunteering, at a minimum of four OHCDC events annually, and will team up with OHCDC to positively affect and participate in events to help increase community engagement in disproportionate areas. In recent years, OHCDC has expanded its community service outreach efforts and is now known for hosting various community events, e.g., Library mini- golf event, that engages the community.

#### Measurements.

- BB will document how many students applied to intern at BB cultivation facility to gain an understanding of the number of interested parties, fields students are interested in (ex: cultivating, accounting, administrative), and to measure what areas within Holyoke are students applying from;
- After the completion of the students' internship, BB will create a program outcome document. The program outcome document will rate BB experience with each intern from 1-3 (low-moderate-high) in areas such as knowledge, professional skills, various personality attributes, ethics, teamwork, innovative approach, and presentation skills;
- BB will request past interns and recipients of scholarships to submit to a voluntary survey every year, for at least five years, to track success of interns and scholarship recipients. Survey will inquire about current employment, financial, and overall well-being successes;
- BB will document implementation of the BB scholarship and information about the students who receives the financial support;

- BB will keep track of all the OHCDC events BB staff-members and ownership participated in, including a program outcome document describing how their involvement has helped positively impact the community, and disclosing the percentage of increase in community engagement from previous years;
- BB will responsibly maintain all records of donations and sponsorships; and,
- BB will review staff and owner participation on a quarterly basis to ensure that the goals listed above are met each year.

#### Final Comments.

BB is interested in partnering with both the CEC and OHCDC for their efforts to positively impact areas of disproportionate impact. BB plans to continue their efforts and assess how BB's support can be most useful to both the CEC and OHCDC. BB will work with the CEC to promote the work being done to individuals who need this type of training opportunity to open doors to the legal cannabis industry.

BB acknowledges and is aware that progress or success of this plan, in its entirety, is required to be documented annually upon renewal (renewal occurs one year from provisional licensure whether or not the licensee has a final license).

BB acknowledges and is aware, and will adhere to, the requirements set forth in 935 CMR 500.105(4), which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment. Importantly, as some of this positive impact plan might have youth involvement, BB acknowledges, is aware of, and will adhere to 935 CMR 500.105(4)(a)(2) which states that "[s]ponsorship of a charitable, sporting or similar 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." Accordingly, upon implementation of this positive impact plan, BB will tailor all BB's advertising, branding, marketing, and sponsorship practices to be compliant with 935 CMR 500.105(4).

Lastly, BB acknowledges and is aware that any actions taken, or programs instituted, will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.



December 26, 2019

Re: Donation Acceptance Letter from Buudda Brothers

Buudda Brothers  
604-606 Main Street, Holyoke, MA 01040  
Retail, Prod Manufacturing, and Cultivation

Dear Cannabis Control Commission,

It is with great pleasure that we accept a partnership and **\$4,000.00** annual donation from **Buudda Brothers** to open for adult use Retail, Prod Manufacturing, and Cultivation cannabis operations at 604-606 Main Street, Holyoke, MA 01040.

Payments for the Positive Impact Plan will be made to the Cannabis Center of Excellence, INC and will be affected annually upon the anniversary date of obtaining a provisional license for operation.

Cannabis Center of Excellence, INC is a 501c3 that was established Cannabis Community Care and Research Network (C3RN), a registered public benefit corporation (B Corp) based out of Worcester, MA. C3RN hosts a network of dedicated academics, industry, healthcare providers, consumers and patients that aim to end the stigma around medical and adult use cannabis through research and education. C3RN and Holyoke Community College host a Cannabis Education Center workforce and business opportunities for those who have been disadvantaged by the drug war, are unemployed or under employed. Learn more here: [www.cannacenterofexcellence.org](http://www.cannacenterofexcellence.org) and [www.cannabiseducationcenter.org](http://www.cannabiseducationcenter.org). C3RN has established a non-profit 501c3 organization Cannabis Center of Excellence, INC. which will manage a scholarship program for the HCC Cannabis Education Center.

### **C3RN Positive Impact Plan Activities**

**Buudda Brothers** annual donation will be used to support scholarships for students to a certificate workforce training and internship program offered through the Cannabis Education Center at Holyoke Community College and Cannabis Center of Excellence, Inc. Scholarships will be given to students who are unemployed or under-employed, have been disproportionately impacted by the drug war, and/or other criteria identified by the CCC as eligible for social equity program. Certificates of completion can be provided to **Buudda Brothers**, the CCC, and learners.

**Buudda Brothers** agrees to partner in the following ways:

1. Promotion of the training program for the purpose of recruiting participants;
2. Sharing of expertise of company staff as well as offering the opportunity for site visits when permitted by the MA Cannabis Control Commission;



3. Participating in mock interviews and other job readiness components of the training;
4. Participation in internship and job placement activities, including but not limited to job fairs;
5. Provide feedback to HCC and C3RN on a regular basis including but not limited to information regarding best practices.

Internship placement at **Buudda Brothers** facility in Holyoke, MA

- **Buudda Brothers** will provide an internship to one HCC student per semester and comply with the responsibilities in the internship host agreement.
  - **Buudda Brothers** sponsored scholarship for an individual from South Holyoke
- By the end of our first year of operation, **Buudda Brothers** will begin a scholarship fund dedicated to paying the registration fees for one student from the South Holyoke community.
- Sponsored student will be given priority placement at **Buudda Brothers** for their intern

It is \$4,000 to sponsor one student for workforce training and a scholarship.

**Buudda Brothers** commits to participating to the best of its ability in the engagement outlined above.

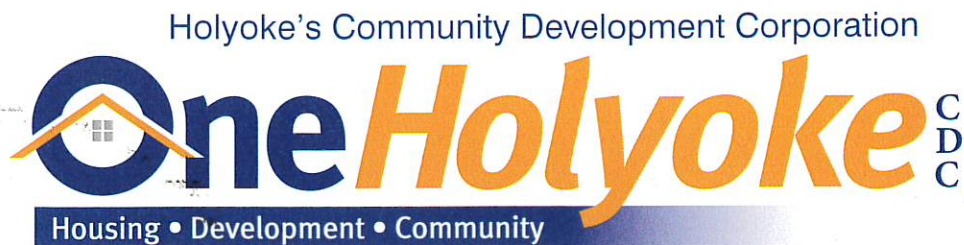
Payment will be made to the 501c3 non-profit Cannabis Center of Excellence INC. This letter and subsequent agreements (MOA) are subject to the laws of the Commonwealth of Massachusetts and the rules and regulations of the MA CCC.

Sincerely,

Marion McNabb, MPH, DrPH  
CEO, Cannabis Community Care and Research Network (C3RN)

President, Cannabis Center of Excellence, INC

[marion@c3researchnetwork.com](mailto:marion@c3researchnetwork.com)



January 6, 2020

Justin Pagan, CEO  
John Toro, COO  
Buudda Brothers, LLC  
604 Main St, Holyoke, MA

RE: Buudda Brothers, LLC  
604 Main St, Holyoke, MA  
Positive Impact and Diversity Plan

Dear Mr. Pagan & Mr. Toro,

We are a community development corporation based in the Flats neighborhood of Holyoke established pursuant to MGL Ch. 180 in 1971. We are certified as a community development corporation pursuant to MGL Ch. 40H by the Massachusetts Department of Housing and Community Development. By this letter please accept my confirmation that we are in active partnership with Buudda Brothers, LLC and have taken active and substantive steps toward developing a community partnership plan that will benefit the residents of the Holyoke neighborhoods we serve.

Please forward this wherever confirmation of our work together may be of assistance to you. Any recipient of this letter is welcome to contact me if any additional information is required.

Very truly yours,



Michael J. Moriarty  
Executive Director

# **LIMITED LIABILITY COMPANY OPERATING AGREEMENT OF Buudda Brothers 90 Sargeant Street Facility, LLC**

A Multi-Member, Manager Managed Limited Liability Company

This Agreement is entered into on November, 12, 2019, by and between Buudda Brothers 90 Sargeant Street Facility, LLC, (the “Company”) and Justin Pagan, of 170 Prospect St, Chicopee, MA 01013, Joshua Pagan, of 170 Prospect St, Chicopee, MA 01013, John Toro, 170 Prospect St, Chicopee, MA 01013, hereinafter known as the “Member(s)”

WHEREAS, the Members desire to create a limited liability company and set forth the terms herein of the Company’s operation and the relationship between Members.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Members and the Company agree as follows:

## **1.1 Formation**

The Company was formed in May on Friday, 2019 pursuant to the statutes governing limited liability companies within the State of Massachusetts (the “Statutes”).

## **2.1 Name and Principal Place of Business**

The name of the Company shall be Buudda Brothers 90 Sargeant Street Facility, LLC with a principal place of business at 90 Sargeant St, Holyoke, MA 01040 or as otherwise selected by the Members.

## **3.1 Purpose**

The Company may conduct any and all lawful business, activity or functions appropriate in carrying out the Company’s objectives as determined by the Members.

## **4.1 Registered Office and Resident Agent.**

The location and name of the registered agent will be as stated in the Company’s formation documents or any amendment thereof.

## **5.1 Term**

The term of the Company shall be perpetual, commencing on the filing of the Articles of Organization of the Company, and continuing until terminated under the provisions set forth herein.

## **6.1 Member Capital Contributions**

Each Member has contributed the following capital amounts to the Company as set forth below and are not obligated to make any additional capital contributions:

<b>Justin Pagan</b>	<b>\$102,623.33</b>
<b>Joshua Pagan</b>	<b>\$0</b>
<b>John Toro</b>	<b>\$50,000</b>



Members shall have no right to withdraw or reduce their contributions to the capital of the Company until the Company has been terminated unless otherwise set forth herein. Members shall have no right to demand and receive any distribution from the Company in any form other than cash and members shall not be entitled to interest on their capital contributions to the Company.

The liability of any Member for the losses, debts, liabilities and obligations of the Company shall be limited to the amount of the capital contribution of each Member plus any distributions paid to such Member, such Member's share of any undistributed assets of the Company; and (only to the extent as might be required by applicable law) any amounts previously distributed to such Member by the Company.

**7.1 Distributions**

For purposes of this Agreement "net profits" and "net losses" mean the profits or losses of the Company resulting from the conduct of the Company's business, after all expenses, including depreciation allowance, incurred in connection with the conduct of its business for which such expenses have been accounted.

The term "cash receipts" shall mean all cash receipts of the Company from whatever source derived, including without limitation capital contributions made by the Member(s); the proceeds of any sale, exchange, condemnation or other disposition of all or any part of the assets of the Company; the proceeds of any loan to the Company; the proceeds of any mortgage or refinancing of any mortgage on all or any part of the assets of the Company; the proceeds of any insurance policy for fire or other casualty damage payable to the Company; and the proceeds from the liquidation of assets of the Company following termination.

The term "capital transactions" shall mean any of the following: the sale of all or any part of the assets of the Company; the refinancing of mortgages or other liabilities of the Company; the receipt of insurance proceeds; and any other receipts or proceeds are attributable to capital.

The "Capital Account" for each Member shall mean the account created and maintained for the Member in accordance with Section 704(b) of the Internal Revenue Code and Treasury Regulation Section 1.704-1(b)(2)(iv).

The term "Members' Percentage Interests" shall mean the percentages set forth opposite the name of each Member Below:

<u>Member</u>	<u>Percentage Interest</u>
<b>Justin Pagan</b>	<b>33.333%</b>
<b>Joshua Pagan</b>	<b>33.333%</b>
<b>John Toro</b>	<b>33.333%</b>

The term "Controlling Interest" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contact or otherwise. The term "Controls", "Controlled by" and "under common control

with” have correlative meanings, irrespective of capitalization. Controlling interest members are found below:

<u>Member</u>	<u>Controlling Interest</u>
<b>Justin Pagan</b>	<b>30%</b>
<b>Joshua Pagan</b>	<b>30%</b>
<b>John Toro</b>	<b>30%</b>
<b>Jason Pagan</b>	<b>10%</b>

During each fiscal year, the net profits and net losses of the Company (other than from capital transactions), and each item of income, gain, loss, deduction or credit entering into the computation thereof, shall be credited or charged, as the case may be, to the capital accounts of each Member in proportion to the Members’ Percentage Interests. The net profits of the Company from capital transactions shall be allocated in the following order of priority: (a) to offset any negative balance in the capital accounts of the Members in proportion to the amounts of the negative balance in their respective capital accounts, until all negative balances in the capital accounts have been eliminated; then (b) to the Members in proportion to the Members’ Percentage Interests. The net losses of the Company from capital transactions shall be allocated in the following order of priority: (a) to the extent that the balance in the capital accounts of any Members are in excess of their original contributions, to such Members in proportion to the excess balances until all such excess balances have been reduced to zero; then (b) to the Members in proportion to the Members’ Percentage Interests.

The cash receipts of the Company shall be applied in the following order of priority: (a) to the payment of interest or amortization on any mortgages on the assets of the Company, amounts due on debts and liabilities of the Company other than those due to any Member, costs of the construction of the improvements to the assets of the Company and operating expenses of the Company; (b) to the payment of interest and establishment of cash reserves determined by the Members to be necessary or appropriate, including without limitation, reserves for the operation of the Company’s business, construction, repairs, replacements, taxes and contingencies; and (d) to the repayment of any loans made to the Company by any Member. Thereafter, the cash receipts of the Company shall be distributed among the Members as hereafter provided.

Except as otherwise provided in this Agreement or otherwise required by law, distributions of cash receipts of the Company, other than from capital transactions, shall be allocated among the Members in proportion to the Members’ Percentage Interests.

Except as otherwise provided in this Agreement or otherwise required by law, distributions of cash receipts from capital transactions shall be allocated in the following order or priority: (a) to the Members in proportion to their respective capital accounts until each Member has received cash distributions equal to any positive balance in their capital account; then (b) to the Members in proportion to the Members’ Percentage Interests.

It is the intention of the Members that the allocations under this Agreement shall be deemed to have “substantial economic effect” within the meaning of Section 704 of the Internal Revenue Code and Treas. Reg. Section 1.704-1. Should the provisions of this Agreement be inconsistent with or in conflict with Section 704 of the Code or the Regulations thereunder, then Section 704 of the Code and the Regulations shall be deemed to override the contrary provisions thereof. If Section 704 or the Regulations at any time

require that limited liability company operating agreements contain provisions which are not expressly set forth herein, such provisions shall be incorporated into this Agreement by reference and shall be deemed a part of this Agreement to the same extent as though they had been expressly set forth herein.

#### 8.1 Books, Records and Tax Returns

The Members, or their designees, shall maintain complete and accurate records and books of the Company's transactions in accordance with generally accepted accounting principles.

The Company shall furnish each Member, within seventy-five days after the end of each fiscal year, an annual report of the Company including a balance sheet, a profit and loss statement a capital account statement; and the amount of such Member's share of the Company's income, gain, losses, deductions and other relevant items for federal income tax purposes.

The Company shall prepare all Federal, State and local income tax and information returns for the Company, and shall cause such tax and information returns to be timely filed. Within seventy-five days after the end of each fiscal year, the Company shall forward to each person who was a Member during the preceding fiscal year a true copy of the Company's information return filed with the Internal Revenue Service for the preceding fiscal year.

All elections required or permitted to be made by the Company under the Internal Revenue Code, and the designation of a tax matters partner pursuant to Section 6231(a)(7) of the Internal Revenue Code for all purposes permitted or required by the Code, shall be made by the Company by the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests.

Upon request, the Company shall furnish to each Member, a current list of the names and addresses of all of the Members of the Company, and any other persons or entities having any financial interest in the Company.

#### 9.1 Bank Accounts

All funds of the Company shall be deposited in the Company's name in a bank account or accounts as chosen by the Member(s). Withdrawals from any bank accounts shall be made only in the regular course of business of the Company and shall be made upon such signature or signatures as the Members from time to time may designate.

#### 10.1 Management of the Company

The business and affairs of the Company shall be conducted and managed by a manager or managers in accordance with this Agreement and the laws of the State of Massachusetts.

Except as expressly provided elsewhere in this Agreement, all decisions respecting the management, operation and control of the business and affairs of the Company and all determinations made in accordance with this Agreement shall be made by a vote of the Members unanimously.

Notwithstanding any other provision of this Agreement, the Members shall not, without the prior authorization of the Member(s) unanimously in favor to sell, exchange, lease, assign or otherwise transfer all or substantially all of the assets of the Company; sell, exchange, lease (other than space leases in the ordinary course of business), assign or transfer the Company's assets; mortgage, pledge or encumber the Company's assets other than is expressly authorized by this Agreement; prepay, refinance, modify, extend or consolidate any existing mortgages or encumbrances; borrow money on behalf of the

Company; lend any Company funds or other assets to any person; establish any reserves for working capital repairs, replacements, improvements or any other purpose; confess a Judgment against the Company; settle, compromise or release, discharge or pay any claim, demand or debt, including claims for insurance; approve a merger or consolidation of the Company with or into any other limited liability company, corporation, partnership or other entity; or change the nature or character of the business of the Company.

The Members shall receive such sums for compensation as Members of the Company as may be determined from time to time by the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests.

#### 11.1 Meetings of Members

The annual meeting of the Members shall be held on 31, of December at the principal office of the Company or at such other time and place as the Members determine, for the purpose of transacting such business as may lawfully come before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.

The Members may by resolution prescribe the time and place for the holding of regular meetings and may provide that the adoption of such resolution shall constitute notice of such regular meetings.

Special meetings of the Members, for any purpose or purposes, may be called by any Member (or such other number of Members as the Members from time to time may specify).

Written or electronic notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose for which the meeting is called, shall be delivered not less than three days before the date of the meeting, either personally or by mail, to each Member of record entitled to vote at such meeting. When all the Members of the Company are present at any meeting, or if those not present sign a written waiver of notice of such meeting, or subsequently ratify all the proceedings thereof, the transactions of such meeting shall be valid as if a meeting had been formally called and notice had been given.

At any meeting of the Members, the presence of Members holding a majority of the Members' Percentage Interests, as determined from the books of the Company, represented in person or by proxy, shall constitute a quorum for the conduct of the general business of the Company. However, if any particular action by the Company shall require the vote or consent of some other number or percentage of Members pursuant to this Agreement, a quorum for the purpose of taking such action shall require such other number or percentage of Members. If a quorum is not present, the meeting may be adjourned from time to time without further notice, and if a quorum is present at the adjourned meeting any business may be transacted which might have been transacted at the meeting as originally notified. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less a quorum.

At all meetings of the Members, a Member may vote by proxy executed in writing by the Member or by a duly authorized attorney-in-fact of the Member. Such proxy shall be filed with the Company before or at the time of the meeting.

A Member of the Company who is present at a meeting of the Members at which action on any matter is taken shall be presumed to have assented to the action taken, unless the dissent of such Member shall be entered in the minutes of the meeting or unless such Member shall file a written dissent to such action

with the person acting as the secretary of the meeting before the meeting's adjournment. Such right to dissent shall not apply to a Member who voted in favor of such action.

Unless otherwise provided by law, any action required to be taken at a meeting of the Members, or any other action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject.

Members of the Company may participate in any meeting of the Members by means of conference telephone or similar communication if all persons participating in such meeting can hear one another for the entire discussion of the matters to be vote upon. Participation in a meeting pursuant to this paragraph shall constitute presence in person at such meeting.

#### 12.1 Assignment of Interests

Except as otherwise provided in this Agreement, no Member or other person holding any interest in the Company may assign, pledge, hypothecate, transfer or otherwise dispose of all or any part of their interest in the Company, including without limitation, the capital, profits or distributions of the Company without the prior written consent of the other Members in each instance.

The Members agree that no Member may voluntarily withdraw from the Company without the unanimous vote or consent of the Members.

A Member may assign all or any part of such Member's interest in the allocations and distributions of the Company to any of the following (collectively the "permitted assignees"): any person, corporation, partnership or other entity as to which the Company has given consent to the assignment of such interest in the allocations and distributions of the Company by the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests. An assignment to a permitted assignee shall only entitle the permitted assignee to the allocations and distributions to which the assigned interest is entitled, unless such permitted assignee applies for admission to the Company and is admitted to the Company as a Member in accordance with this Agreement.

An assignment, pledge, hypothecation, transfer or other disposition of all or any part of the interest of a Member in the Company or other person holding any interest in the Company in violation of the provisions hereof shall be null and void for all purposes.

No assignment, transfer or other disposition of all or any part of the interest of any Member permitted under this Agreement shall be binding upon the Company unless and until a duly executed and acknowledged counterpart of such assignment or instrument of transfer, in form and substance satisfactory to the Company, has been delivered to the Company.

No assignment or other disposition of any interest of any Member may be made if such assignment or disposition, alone or when combine with other transactions, would result in the termination of the Company within the meaning of Section 708 of the Internal Revenue Code or under any other relevant section of the Code or any successor statute. No assignment or other disposition of any interest of any Member may be made without an opinion of counsel satisfactory to the Company that such assignment or disposition is subject to an effective registration under, or exempt from the registration requirements of, the applicable Federal and State securities laws. No interest in the Company may be assigned or given to any person below the age of 21 years or to a person who has been adjudged to be insane or incompetent.

Anything herein contained to the contrary, the Company shall be entitled to treat the record holder of the interest of a Member as the absolute owner thereof, and shall incur no liability by reason of distributions made in good faith to such record holder, unless and until there has been delivered to the Company the assignment or other instrument of transfer and such other evidence as may be reasonably required by the Company to establish to the satisfaction of the Company that an interest has been assigned or transferred in accordance with this Agreement.

## 12.2 Officers

The Managers may designate one or more individuals as officers of the Company, who shall have such title(s) and shall exercise and perform such powers and duties as the Manager may from time to time assign. Any officer may be removed by the Managers at any time and for any or no reason whatsoever. The salary and other compensation, if any, of the officers shall be fixed by the Managers. The Buudda Brothers president shall be the CEO of the Company at the time of incorporation. The CEO and/or COO shall operate the Company on a day-to-day basis and will have the authority to make financial and operational decisions. The CEO may be removed and a new CEO named by a vote of eighty percent (80%) of the Members.

## 13.1 Right of First Refusal

If a Member desires to sell, transfer or otherwise dispose of all or any part of their interest in the Company, such Member (the "Selling Member") shall first offer to sell and convey such interest to the other Members before selling, transferring or otherwise disposing of such interest to any other person, corporation or other entity. Such offer shall be in writing, shall be given to every other Member, and shall set forth the interest to be sold, the purchase price to be paid, the date on which the closing is to take place (which date shall be not less than thirty nor more than sixty days after the delivery of the offer), the location at which the closing is to take place, and all other material terms and conditions of the sale, transfer or other disposition.

Within fifteen days after the delivery of said offer the other Members shall deliver to the Selling Member a written notice either accepting or rejecting the offer. Failure to deliver said notice within said fifteen days conclusively shall be deemed a rejection of the offer. Any or all of the other Members may elect to accept the offer, and if more than one of the other Members elects to accept the offer, the interest being sold and the purchase price therefore shall be allocated among the Members so accepting the offer in proportion to their Members' Percentage Interests, unless they otherwise agree in writing.

If any or all of the other Members elect to accept the offer, then the closing of title shall be held in accordance with the offer and the Selling Member shall deliver to the other Members who have accepted the offer an assignment of the interest being sold by the Selling Member, and said other Members shall pay the purchase price prescribed in the offer.

If no other Member accepts the offer, or if the Members who have accepted such offer default in their obligations to purchase the interest, then the Selling Member within 120 days after the delivery of the offer may sell such interest to any other person or entity at a purchase price which is not less than the purchase price prescribed in the offer and upon the terms and conditions which are substantially the same as the terms and conditions set forth in the offer, provided all other applicable requirements of this Agreement are complied with. An assignment of such interest to a person or entity who is not a Member of the Company shall only entitle such person or entity to the allocations and distributions to which the



assigned interest is entitled, unless such person or entity applies for admission to the Company and is admitted to the Company as a Member in accordance with this Agreement.

If the Selling Member does not sell such interest within said 120 days, then the Selling Member may not thereafter sell such interest without again offering such interest to the other Members in accordance with this Agreement.

#### 14.1 Admission of New Members

The Company may admit new Members (or transferees of any interests of existing Members) into the Company by the unanimous vote or consent of the Members.

As a condition to the admission of a new Member, such Member shall execute and acknowledge such instruments, in form and substance satisfactory to the Company, as the Company may deem necessary or desirable to effectuate such admission and to confirm the agreement of such Member to be bound by all of the terms, covenants and conditions of this Agreement, as the same may have been amended. Such new Member shall pay all reasonable expenses in connection with such admission, including without limitation, reasonable attorneys' fees and the cost of the preparation, filing or publication of any amendment to this Agreement or the Articles of Organization, which the Company may deem necessary or desirable in connection with such admission.

No new Member shall be entitled to any retroactive allocation of income, losses, or expense deductions of the Company. The Company may make pro rata allocations of income, losses or expense deductions to a new Member for that portion of the tax year in which the Member was admitted in accordance with Section 706(d) of the Internal Revenue Code and regulations thereunder.

In no event shall a new Member be admitted to the Company if such admission would be in violation of applicable Federal or State securities laws or would adversely affect the treatment of the Company as a partnership for income tax purposes.

#### 15.1 Withdrawal Events

In the event of the death, retirement, withdrawal, expulsion, or dissolution of a Member, or an event of bankruptcy or insolvency, as hereinafter defined, with respect to a Member, or the occurrence of any other event which terminates the continued membership of a Member in the Company pursuant to the Statutes (each of the foregoing being hereinafter referred to as a "Withdrawal Event"), the Company shall terminate sixty days after notice to the Members of such withdrawal Event unless the business of the Company is continued as hereinafter provided.

Notwithstanding a Withdrawal Event with respect to a Member, the Company shall not terminate, irrespective of applicable law, if within aforesaid sixty-day period the remaining Members, by the unanimous vote or consent of the Members (other than the Member who caused the Withdrawal Event), shall elect to continue the business of the Company.

In the event of a Withdrawal Event with respect to a Member, any successor in interest to such Member (including without limitation any executor, administrator, heir, committee, guardian, or other representative or successor) shall not become entitled to any rights or interests of such Member in the Company, other than the allocations and distributions to which such Member is entitled, unless such successor in interest is admitted as a Member in accordance with this Agreement.

An “event of bankruptcy or insolvency” with respect to a Member shall occur if such Member: (1) applies for or consents to the appointment of a receiver, trustee or liquidator of all or a substantial part of their assets; or (2) makes a general assignment for the benefit of creditors; or (3) is adjudicated a bankrupt or an insolvent; or (4) files a voluntary petition in bankruptcy or a petition or an answer seeking an arrangement with creditors or to take advantage of any bankruptcy, insolvency, readjustment of debt or similar law or statute, or an answer admitting the material allegations of a petition filed against them in any bankruptcy, insolvency, readjustment of debt or similar proceedings; or (5) takes any action for the purpose of effecting any of the foregoing; or (6) an order, judgment or decree shall be entered, with or without the application, approval or consent of such Member, by any court of competent jurisdiction, approving a petition for or appointing a receiver or trustee of all or a substantial part of the assets of such Member, and such order, judgment or decree shall be entered, with or without the application, approval or consent of such Member, by any court of competent jurisdiction, approving a petition for or appointing a receiver or trustee of all or a substantial part of the assets of such Member, and such order, judgment or decree shall continue unstayed and in effect for thirty days.

#### 16.1 Dissolution and Liquidation

The Company shall terminate upon the occurrence of any of the following : (i) the election by the Members to dissolve the Company made by the unanimous vote or consent of the Members; (ii) the occurrence of a Withdrawal Event with respect to a Member and the failure of the remaining Members to elect to continue the business of the Company as provided for in this Agreement above; or (iii) any other event which pursuant to this Agreement, as the same may hereafter be amended, shall cause a termination of the Company.

The liquidation of the Company shall be conducted and supervised by a person designated for such purposes by the affirmative vote or consent of Members holding a majority of the Members’ Percentage Interests (the “Liquidating Agent”). The Liquidating Agent hereby is authorized and empowered to execute any and all documents and to take any and all actions necessary or desirable to effectuate the dissolution and liquidation of the Company in accordance with this Agreement.

Promptly after the termination of the Company, the Liquidating Agent shall cause to be prepared and furnished to the Members a statement setting forth the assets and liabilities of the Company as of the date of termination. The Liquidating Agent, to the extent practicable, shall liquidate the assets of the Company as promptly as possible, but in an orderly and businesslike manner so as not to involve undue sacrifice.

The proceeds of sale and all other assets of the Company shall be applied and distributed in the following order of priority: (1) to the payment of the expenses of liquidation and the debts and liabilities of the Company, other than debts and liabilities to Members; (2) to the payment of debts and liabilities to Members; (3) to the setting up of any reserves which the Liquidating Agent may deem necessary or desirable for any contingent or unforeseen liabilities or obligations of the Company, which reserves shall be paid over to licensed attorney to hold in escrow for a period of two years for the purpose of payment of any liabilities and obligations, at the expiration of which period the balance of such reserves shall be distributed as provided; (4) to the Members in proportion to their respective capital accounts until each Member has received cash distributions equal to any positive balance in their capital account, in accordance with the rules and requirements of Treas. Reg. Section 1.704-1(b)(2)(ii)(b); and (5) to the Members in proportion to the Members’ Percentage Interests.

The liquidation shall be complete within the period required by Treas. Reg. Section 1.704-1(b)(2)(ii)(b).

Upon compliance with the distribution plan, the Members shall no longer be Members, and the Company shall execute, acknowledge and cause to be filed any documents or instruments as may be necessary or appropriate to evidence the dissolution and termination of the Company pursuant to the Statutes.

17.1 Representations of Members

Each of the Members represents, warrants and agrees that the Member is acquiring the interest in the Company for the Member's own account for investment purposes only and not with a view to the sale or distribution thereof; the Member, if an individual, is over the age of 21; if the Member is an organization, such organization is duly organized, validly existing and in good standing under the laws of its State of organization and that it has full power and authority to execute this Agreement and perform its obligations hereunder; the execution and performance of this Agreement by the Member does not conflict with, and will not result in any breach of, any law or any order, writ, injunction or decree of any court or governmental authority against or which binds the Member, or of any agreement or instrument to which the Member is a party; and the Member shall not dispose of such interest or any part thereof in any manner which would constitute a violation of the Securities Act of 1933, the Rules and Regulations of the Securities and Exchange Commission, or any applicable laws, rules or regulations of any State or other governmental authorities, as the same may be amended.

18.1 Certificates Evidencing Membership

Every membership interest in the Company shall be evidenced by a Certificate of Membership issued by the Company. Each Certificate of Membership shall set forth the name of the Member holding the membership interest and the Member's Percentage Interest held by the Member, and shall bear the following legend:

"The membership interest represented by this certificate is subject to, and may not be transferred except in accordance with, the provisions of the Operating Agreement of Buudda Brothers 90 Sargeant Street Facility, LLC, dated effective as of November 12, 2019, as the same from time to time may be amended, a copy of which is on file at the principal office of the Company."

19.1 Notices

All notices, demands, requests or other communications which any of the parties to this Agreement may desire or be required to give hereunder shall be in writing and shall be deemed to have been properly given if sent by courier or by registered or certified mail, return receipt requested, with postage prepaid, addressed as follows: (a) if to the Company, at the principal place of business of the Company designated by the Company; and (b) if to any Member, to the address of said Member first above written, or to such other address as may be designated by said Member by notice to the Company and the other Members pursuant to this Article 13.

20.1 Arbitration

Any dispute, controversy or claim arising out of or in connection with this Agreement or any breach or alleged breach hereof shall, upon the request of any party involved, be submitted to, and settled by, arbitration in the city in which the principal place of business of the Company is then located, pursuant to the commercial arbitration rules then in effect of the American Arbitration Association (or at any other time or place or under any other form of arbitration mutually acceptable to the parties involved). Any award rendered shall be final and conclusive upon the parties and a judgment thereon may be entered in a court of competent jurisdiction. The expenses of the arbitration shall be borne equally by the parties to the arbitration, provided that each party shall pay for and bear the cost of its own experts, evidence and

attorneys' fees, except that in the discretion of the arbitrator any award may include the attorney's fees of a party if the arbitrator expressly determines that the party against whom such award is entered has caused the dispute, controversy or claim to be submitted to arbitration as a dilatory tactic or in bad faith.

#### 21.1 Amendments

This Agreement may not be altered, amended, changed, supplemented, waived or modified in any respect or particular unless the same shall be in writing and agreed to by the affirmative vote or consent of Members holding a majority of the Members' Percentage Interests. No amendment may be made to Articles that apply to the financial interest of the Members, except by the vote or consent of all of the Members. No amendment of any provision of this Agreement relating to the voting requirements of the Members on any specific subject shall be made without the affirmative vote or consent of at least the number or percentage of Members required to vote on such subject.

#### 22.1 Miscellaneous

This Agreement and the rights and liabilities of the parties hereunder shall be governed by and determined in accordance with the laws of the State of Massachusetts. If any provision of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this Agreement, which shall remain in full force and effect.

The captions in this Agreement are for convenience only and are not to be considered in construing this Agreement. All pronouns shall be deemed to be the masculine, feminine, neuter, singular or plural as the identity of the person or persons may require. References to a person or persons shall include partnerships, corporations, limited liability companies, unincorporated associations, trusts, estates and other types of entities.

This Agreement, and any amendments hereto may be executed in counterparts all of which taken together shall constitute one agreement.

This Agreement sets forth the entire agreement of the parties hereto with respect to the subject matter hereof. It is the intention of the Member(s) that this Agreement shall be the sole agreement of the parties, and, except to the extent a provision of this Agreement provides for the incorporation of federal income tax rules or is expressly prohibited or ineffective under the Statutes, this Agreement shall govern even when inconsistent with, or different from, the provisions of any applicable law or rule. To the extent any provision of this Agreement is prohibited or otherwise ineffective under the Statutes, such provision shall be considered to be ineffective to the smallest degree possible in order to make this Agreement effective under the Statutes.

Subject to the limitations on transferability set forth above, this Agreement shall be binding upon and inure to the benefit of the parties hereto and to their respective heirs, executors, administrators, successors and assigns.

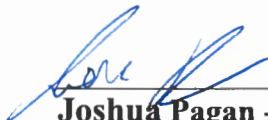
No provision of this Agreement is intended to be for the benefit of or enforceable by any third party.

IN WITNESS WHEREOF, the parties have executed this Agreement November 12, 2019 .

Buudda Brothers, LLC



**Justin Pagan** - Member



**Joshua Pagan** - Member



**John Toro**- Member



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

mass.gov/dor

Letter ID: L1045905984  
Notice Date: April 15, 2020  
Case ID: 0-000-878-900



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



BUUDDA BROTHERS 90 SARGEANT STREE  
90 SARGEANT ST  
HOLYOKE MA 01040-5602

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

The Commissioner of Revenue certifies that, as of the date of this certificate, BUUDDA BROTHERS 90 SARGEANT STREET LLC is in compliance with its tax obligations under Chapter 62C of the Massachusetts General Laws.

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

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

### ***What if I have questions?***

If you have questions, call us at (617) 887-6400 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 8:30 a.m. to 4:30 p.m..

### ***Visit us online!***

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

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

Edward W. Coyle, Jr., Chief  
Collections Bureau



William Francis Galvin  
Secretary of the  
Commonwealth

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

April 15, 2020

TO WHOM IT MAY CONCERN:

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

**BUUDDA BROTHERS 90 SARGEANT STREET LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **July 2, 2019.**

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

I also certify that the names of all managers listed in the most recent filing are: **JOHN TORO, JUSTIN PAGAN, JOSHUA PAGAN, JASON PAGAN**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **JOHN TORO, JUSTIN PAGAN, JOSHUA PAGAN, JASON PAGAN**

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **JOHN TORO, JUSTIN PAGAN**



In testimony of which,

I have hereunto affixed the

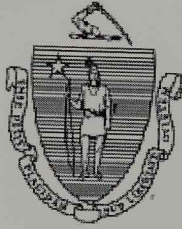
Great Seal of the Commonwealth

on the date first above written.

*William Francis Galvin*

Secretary of the Commonwealth





Charles D. Baker  
GOVERNOR

Karyn E. Polito  
LT. GOVERNOR

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




192580058

Rosalin Acosta  
SECRETARY

Richard A. Jeffers  
DIRECTOR

Buudda Brothers 90 Sargeant Street  
90 SARGEANT ST  
HOLYOKE, MA 01040-5602

EAN: 22163122  
April 17, 2020



On the basis of information submitted regarding employment for Buudda Brothers 90 Sargeant Street, it has been determined that the business is **not subject** at this time to the provision of Section 8(a) of the Massachusetts Unemployment Insurance Law (MGL 151A). The requirements for liability under 8(a) include having a Massachusetts payroll of \$1500.00 or more in any calendar quarter and/or employing one or more individual on some day in any thirteen weeks in a calendar year. The business has been assigned Employer Account Number (EAN) 22163122 which should be used for all contact with this Agency.

Although determined non-subject, **the business is required under MGL 62E Section 2 to submit quarterly Employment and Wage Detail reports.** Please log in to the on-line employer account to review/update profile information and to complete quarterly Employment and Wage Detail reports.

If the business activity changes or meets the above subjectivity requirement(s) at a future date; please contact the employer liability staff at 617-626-5050 in order to update your liability as a new determination will be necessary.

Please do not hesitate to contact us if you require further assistance.



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

Minimum Fee: \$500.00

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

**Certificate of Organization**

(General Laws, Chapter )

**Identification Number:** 001391347

**1. The exact name of the limited liability company is:** BUUDDA BROTHERS 90 SARGEANT STREET LLC

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

No. and Street: 90 SARGEANT ST  
 City or Town: HOLYOKE State: MA Zip: 01040 Country: USA

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

No. and Street: 90 SARGEANT ST  
 City or Town: HOLYOKE State: MA Zip: 01040 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:**  
PROTECTING OUR REAL ESTATE PROPOERTY

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

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

Name: JUSTIN PAGAN  
 No. and Street: 170 PROSPECT STREET  
 City or Town: CHICOPEE State: MA Zip: 01013 Country: USA

**I, JUSTIN PAGAN 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	JOHN TORO	90 SARGEANT ST HOLYOKE, MA 01040 USA
MANAGER	JUSTIN PAGAN	90 SARGEANT ST HOLYOKE, MA 01040 USA
MANAGER	JOSHUA PAGAN	90 SARGEANT ST HOLYOKE, MA 01040 USA
MANAGER	JASON PAGAN	90 SARGEANT ST HOLYOKE, MA 01040 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

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	JOHN TORO	90 SARGEANT ST HOLYOKE, MA 01040 USA
REAL PROPERTY	JUSTIN PAGAN	90 SARGEANT ST HOLYOKE, MA 01040 USA

9. Additional matters:

SIGNED UNDER THE PENALTIES OF PERJURY, this 2 Day of July, 2019,  
JUSTIN PAGAN  
*(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:

July 02, 2019 11:58 AM

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*



## Buudda Brothers 90 Sargeant Street Facility, LLC

*Category:* Tier 3 Marijuana Cultivation  
Establishment

Date Created:

**05/16/ 2019**

### Description

Buudda Brothers 90 Sargeant Street Facility, LLC is striving to open a Marijuana Cultivation (tier 3) Establishment in the State of Massachusetts within the city of Holyoke.

The company will have the ability to vegetate up to 2500 plants and flower concurrently.

Buudda Brothers is dedicated to producing safe, high quality cannabis by using state of the art equipment, nutrients and experienced cultivators that are well versed within the Marijuana industry.



## Executive Summary

### Company Summary

Buudda Brothers 90 Sargeant Street Facility, LLC will have the ability to Cultivate marijuana within a total space of 15,000 Sq feet. A company with plans to vegetate up to 2500 plants and flowers concurrently, with intentions to grow up to 4 unique strains. Buudda Brother's brand will include state of the art equipment to sustain such an operation. Our cultivation facility will be located on one of the quieter streets in Holyoke, Massachusetts. The facility is well positioned, and it matches the ideal picture of an industrial brick and mortar, to keep the distinctiveness that a cultivation facility needs. Buudda Brothers 90 Sargeant Street Facility is to be organized as a Limited Liability Company (LLC) and will be led by Justin Pagan, Joshua Pagan and John Toro whom will serve executive positions such as CEO, CFO, and COO, respectively.

### Main Goals

- ✓ Own and operate cannabis cultivation facilities in the state of Massachusetts.
- ✓ To cultivate various high quality marijuana strains.
- ✓ To be fully compliant with all City, State and local municipalities regulations and laws.
- ✓ To build the Buudda Brothers brand as a well trusted name known for high quality cannabis products including but not limited to cannabis flower, edibles, and concentrations.
- ✓ To educate our customers on the benefits but most importantly value of cannabis related products.

### Mission

- ✓ To offer natural options that enhances quality of life. To inspire personal choice and serve as the first choice to fulfill recreational, spiritual, and social cannabis needs.

### Main Objectives

Year 1: Securing a Marijuana Cultivation Establishment license with the intent on opening our first facility during the month of June of 2021. To net a sufficient annual income to support operational expenses. To target monthly sales and capacity, with the main focus on increasing steadily throughout the first year. Year 3: Continue to build on company reputation, customer loyalty, and prepare for year 5.

Year 5: Plans to expand our facility, and/or merge with local competitors to increase Buudda Brothers footprint within the City of Holyoke.

Year 7: Anticipating cannabis will be legal on a federal level; Buudda Brothers plans on seeking options of selling and or merging with other well-established Marijuana Establishments throughout the region gaining more market share.



Products & Services

Buudda Brothers Marijuana Cultivation facility will offer a wide range of cannabis strains to customers who struggle with traditional methods of ingesting cannabis.

Start-up Summary

The business will be securing funding prior to receiving a provisional license. Such funding will be allocated between the building out of the facility, purchasing inventory, and day-to-day expenses. Buudda Brother’s Marijuana Cultivation facility will be owned and operated it by Buudda Brothers 90 Sargeant Street Facility, LLC.

Table 1. Start-up expenses, \$

\$	Start-Up Expenses
CAPEX (cultivation)	
Space improvements including finishing, painting, cultivation space.	\$50,000
Security system including, but not limited to, multiple camera feeds, motion sensors, duress buttons, ID scanners	\$15,000.00
Growing Equipment	TBD
Cost for computer software (Accounting software, payroll software, CRM software, Microsoft office, Metrcs and Leaflogix)	\$3,500

# Executive Summary

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## **Financial Summary**

Buudda Brothers 90 Sargeant Street Facility, LLC will fund its startup costs largely through private equity and assistance from friends and family members. Buudda Brothers 90 Sargeant Street Facility, LLC is expected to generate nearly \$4,600,000 million in gross revenues with net income of nearly \$2,200,000 million in Year 1, its first full year of operations. Revenues are expected to grow to nearly \$5,760,000 million in Year 2 and \$5,760,000 in Year 3, with net income of nearly \$3,000,000 million and over \$3,700,000 million respectively.

After the first year of operations, it is expected that Buudda Brothers will be able to trim expenses through realizing business efficiencies, gaining operational experience and industry knowledge.

## **Direct and Indirect Social Impacts**

Buudda Brothers 90 Sargeant Street Facility, LLC is expecting to create more than 15-25 new jobs within the City of Holyoke during their first two to three years of operations. Buudda Brothers also intends to allocate 0.5% of sales to schools and different community programs with intentions to increase that percentage as business grows.

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# Marketing & Sales Strategy

## Positioning

Buudda Brothers 90 Sargeant Street Facility, LLC will implement five differentiation strategies:

1. **Product Quality** – Buudda Brothers will cultivate the best strains available to establish its brand and provide the most effective treatment for its clients by utilizing small batch productions produced by our cultivation facility, harvested perpetually to always ensure that our consistently high-quality products are in fresh supply. We will solicit feedback from our customers to continuously improve product selections.
2. **Referral Networks** – We will work closely with various recreational and alternative health clinics across the state. We will establish a referral network that supports product consistency, brand recognition, and reliable delivery.
3. **Pricing** – Buudda Brothers will analyze the industry thoroughly and price our products accordingly.
4. **Personalized Service** – We will train knowledgeable and friendly staff members who will help clients select the best product for their needs. The management team will always be available to talk with customers and potential customers, providing them with years of experience and expertise.

## Marketing Plan

Online advertising platforms are placing strict rules on how companies can market their products. Google, Facebook and Twitter all have advertising policies that restrict the promotion of the sale of cannabis. Google's policy prohibits ads that promote "substances that alter mental state for the purpose of recreation." Facebook restricts any "illegal, prescription, or recreational drugs." And Twitter bans "illegal drugs" as well as substances that cause "legal highs." Instagram and Facebook have decided to go a step further by removing pages of cannabis related businesses.

The most effective marketing strategies for legal marijuana companies are direct marketing at industry conferences and other events, and building communities around marijuana related concerns such as health and wellness. One of the most important marketing and sales strategies of Buudda Brothers will be their focus on generating long-term personalized relationships with wholesale buyers and customers.

**Marketing and advertising campaigns may include but not limited to:**

- **Business and industry associations:** Holyoke Chamber of Commerce.
- **Business events and conferences:** Which may include event sponsorships, health, or related industry events to gain brand exposure and bring the Buudda Brothers name to the forefront of the community.
- **Brand development:** It includes branded products such as shirts, hats, grinders, cases/containers, etc. which will be offered in store and on our website.
- **Brochures:** We will produce high-quality brochures that will be distributed to doctors who issue cannabis prescriptions, clinics and other licensed vendors.
- **Website:** We will have a professionally designed website integrated with a payment system.
- **Search Engine Optimization (SEO)-** Focus on growing visibility in organic search engine results. SEO encompasses both the technical and creative elements required to improve rankings, and drive traffic.
- **Email Marketing-** Email will be a great way to keep our customers informed and engaged with relevant content, keeping our brand at the top of ones mind.
- **Information kits for clients and health practitioners:** Information kits will include registration forms, brochures, and general information on the use of recreational marijuana. Kits will also provide information on how to process orders.
- **Social Media:** Buudda Brothers we will have a significant social media presence. Appropriate forums will be monitored daily, with dedicated staff resources and knowledgeable participants. We will develop a social media content strategy, which will include Twitter, Facebook, Instagram, LinkedIn and YouTube. Our staff will be trained in the legalities of promoting our products.
- **Guerrilla marketing:** Implementing a guerrilla marketing division to focus on low-cost unconventional marketing tactics that yield maximum results.

Table 3. Cannabis business directories

WEEDMAP <a href="https://weedmaps.com/">https://weedmaps.com/</a>	Largest cannabis dispensary/store finder on the planet with over 7,750 listings throughout the U.S., Canada, and Europe.	WeedMaps has 7.96 million total visits each month.
LEAFLY <a href="https://www.leafly.com/">https://www.leafly.com/</a>	Leafly is a cannabis information resource for finding the right strains and products. Services include: cannabis finder, online store, branding, and doctors' portal.	Leafly has 226.27 thousand total visits each month.

# Tier 3 Marijuana Cultivation Establishment

*Business Plan*

## Competition

In every business there is competition, however, we believe we possess several strengths that will allow us to remain visible on North England Treatment Access (NETA) and INSA's radar at all times. The recreational cannabis industry is known to be highly competitive in the U.S and in most parts of the world. As the industry continues to grow, alternative ways through which customers can obtain their recreational cannabis products expands. There are alternative methods like mail-order firms, grocery chains, mass merchants and dollar stores; these are the real competitors in the industry. These competitors ensure that they do all that lies within their power to gain a favorable market share of the available market in any given region.

In this industry, most of the competitive dynamics center around the quality of cannabis cultivated and infused products produced, the services offered, and the location where the dispensing, cultivation and extraction will be taken place. The branding of Buudda Brothers also plays a significant role. Even though competition is stiff especially from the big, well-backed enterprises, smaller enterprises can still gain their fair share of the market if they stay true to the competitive dynamics. It is a fact that small cannabis operations will always struggle against larger based cannabis operations when it comes to pricing power and brand recognition, hence the reason why smaller based operations will always go out of their way to deliver excellent client service. It is through top-notch client service that they can secure a fair share of the available market.

Our nearby competitors who are currently operating are, North England Treatment Access (NETA), who is located in Northhampton, roughly 16 min away from Buudda Brothers facility, and INSA who is located in Easthampton, roughly 18 min away from Buudda Brothers facility. Boston Bud Factory, Canna Provisions and Hothouse Holyoke will be listed as potential competitors. All three businesses have submitted their application to open a recreational marijuana establishment. All three stores will be roughly three minutes away from our location, located at 604 Main St.

## Target Customers

Buudda Brothers cultivation facility intends to only supply Buudda Brothers retail establishment during the first two years of operations. During the third year of operations the executive team may consider reaching a greater market by mass-producing their strains and/or unique genetics and wholesale to licensed retail establishments across the State of Massachusetts.

## Sales Forecast

During the first year, Buudda Brothers intends to launch sales of their own product line within their retail establishment with expectations of generating roughly \$4,600,000 in revenue. During the second

year of operations Buudda Brothers projects to generate a quarterly income of \$1,150,000. From the third year on Buudda Brothers expects a healthy annual increase in revenue based on their plans to mass produce unique strains and offering wholesale opportunities to licensed retail establishments across the State of Massachusetts.

*Table 4. Sales Forecast for the three-years period, \$*

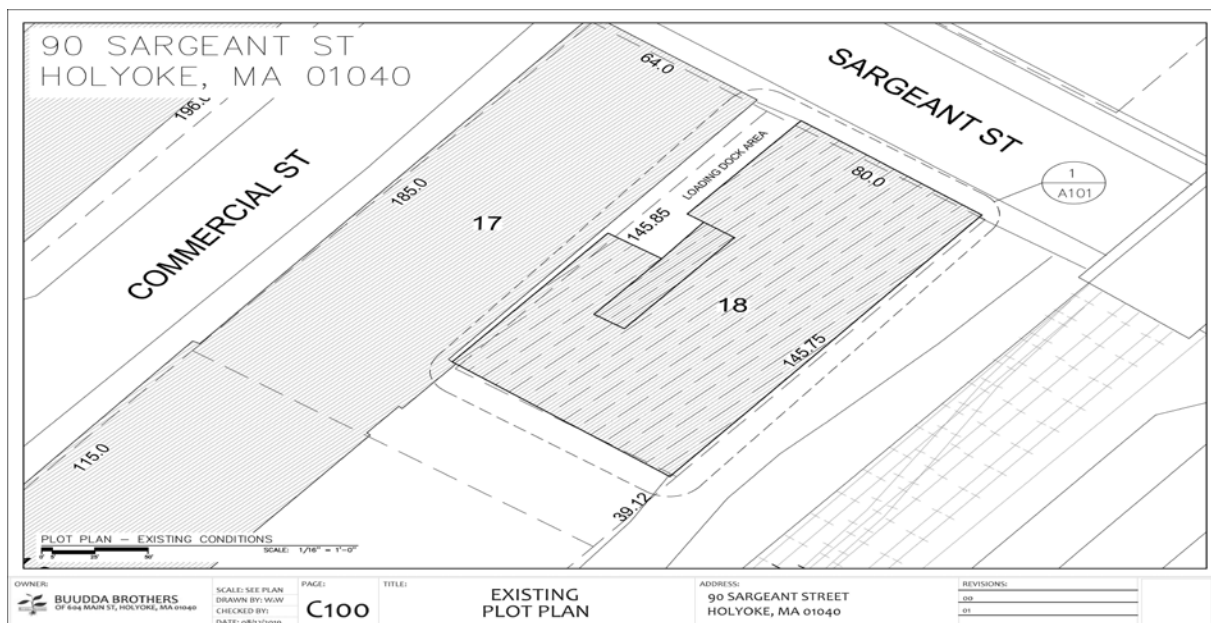


## Business Plan

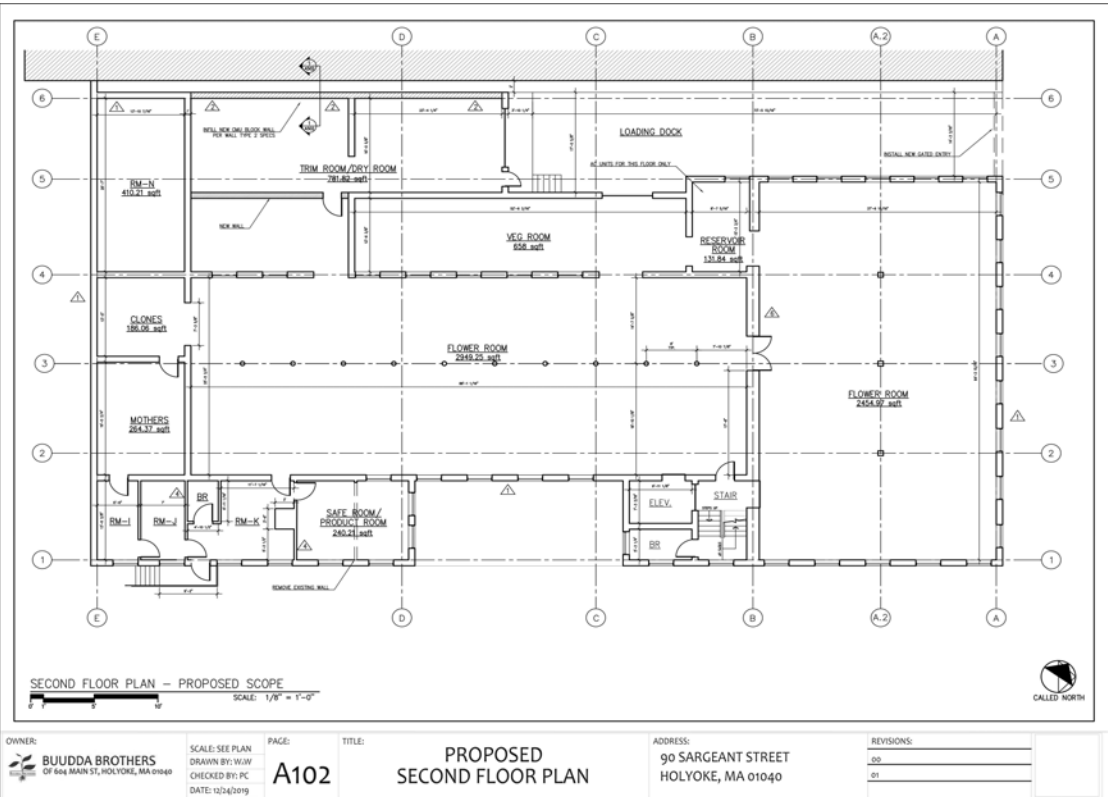
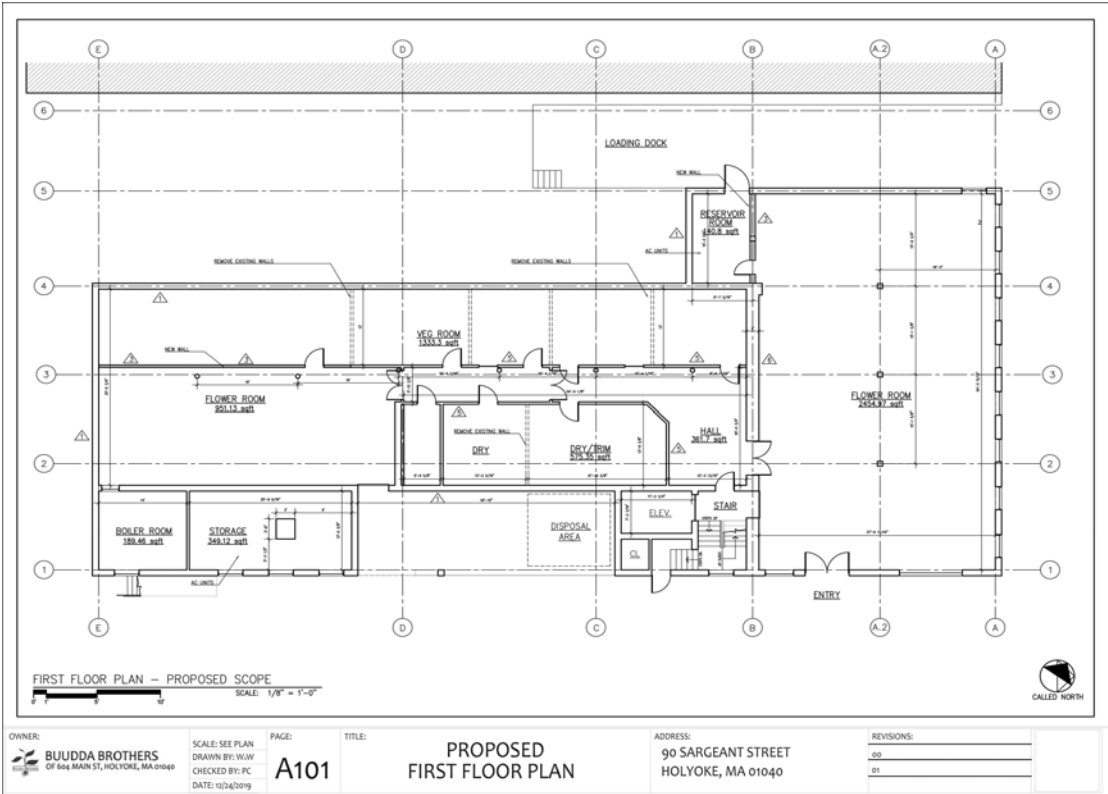
## Cultivation Establishment

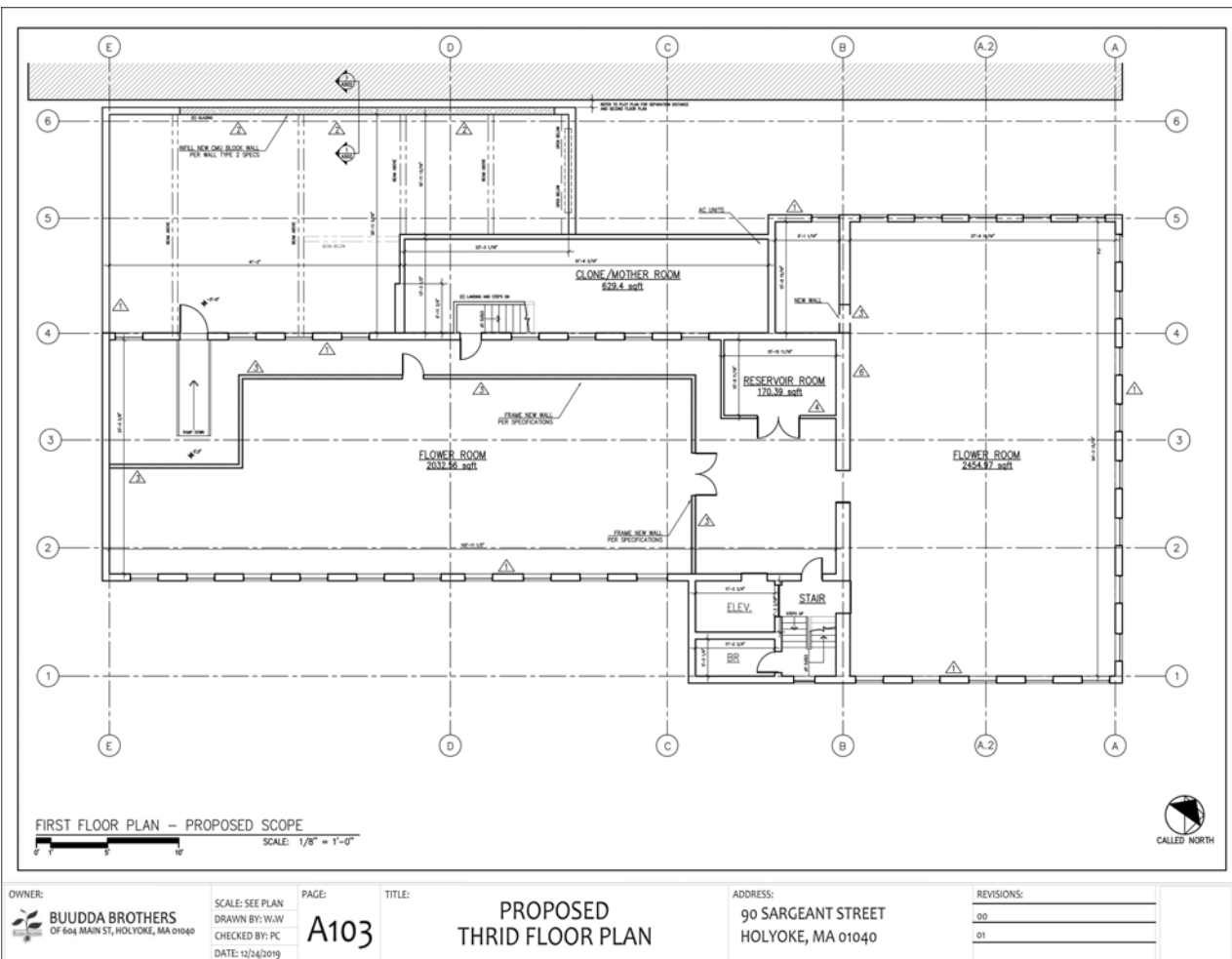
90 Sargeant Street, Holyoke, MA.

An existing plot plan showing the entire structure of our Marijuana cultivation facility, including the street(s) surrounding the facility is shown below:



After the conversion, the internal plan of the facility will have the following configurations:





- ❖ Areas where cannabis will be kept or handled will not have any external doors or windows and can be accessed only from within the facility.
- ❖ Walls separating the lobby from all other limited access areas will consist of 4" steel studded sheetrock walls with solid-steel doors.
- ❖ All main access point door hinges will be equipped with hinge-pin-locking screws to increase security.
- ❖ An exterior sally port will be stationed on the left side of the facility creating more security for the large cultivation area.

## Cultivation Technologies & Schedule

While most businesses in any industry try to keep startup costs as low as possible, that isn't necessarily the best way to proceed when opening a grow. Creating a cost-efficient cultivation site often involves investing in technology and processes that may result in a big near-term hit.

Yields and quality of plants grown under artificial lights mostly depend on:

1. The seed variety;

2. Whether the plants are grown from seeds or clones;
3. After how many days of growing the plants are put into flowering;
4. The optimization of the climatic conditions of the grow-room.

Our company will grow from seeds and or clones of the following strains:

- White widow;
- Sour Diesel;
- Gorilla Glue;
- Various kush's;
- Blue dream

### **Warehouse/Indoor facility Design**

- A. A warehouse environment provides maximum control and therefore the most reliable consistent cannabis crops can be produced in a properly designed warehouse grow-room.
- B. Without natural light, warehouse grow rooms depend on intelligent grow lights which need to replicate the parts of the sunlight spectrum that the marijuana plants need at each stage of growth. Lighting is a key component in an integrated system.
- C. Air filtration and circulation systems are essential for controlling heat buildup, and eliminating exhaust odors. It is critical that the air circulation in a marijuana warehouse is designed in conjunction with the grow lights because lighting systems emit large amounts of heat.
- D. There are various irrigation systems for growing cannabis appropriate for growing in a warehouse: including drip irrigation, hydroponic flood benches, or trough benches.
- E. The irrigation system should be designed in conjunction with a nutrient management system for maximizing the production yield of the cannabis plants.
- F. Environmental computer. A digital control system for a cannabis warehouse should be able to control and monitor all the nutrients, lights, air circulation, and irrigation needs of the plants. Buudda Brothers intends to utilize Titan control systems for all of their needs within their facility.
- G. De-humidification to optimize growing environment.
- H. Computer controlled CO2 injection and monitoring.
- I. Buudda Brothers will have numerous airtight rooms, which will consist of controlled environments being managed by the cultivating team. Our cultivating team is committed to preventing pest and controlling mold.

## Phases of Production

Buudda Brothers will be adopting the Soil Feeding Schedule of CANNA (Cannagardening), a company who is known as the Dutch expert in cultivating one's favorite plants in cocaponics, hydroponics and potting mixes, and is well known for their focus on premium plant nutrients and soil. Buudda Brother's nutrients and soil mixes will also be attained from CANNA (Cannagardening) for they are well known to use only the best ingredients ensuring consistency and quality.

- Germination of seeds, gendering plants, male/female, or feminized plants (10 weeks)
- 1<sup>st</sup> stage: taking and rooting clones (2 weeks)
- 2<sup>nd</sup> stage: clone/vegetation (1 week)
- 3<sup>rd</sup> stage: vegetation (2 weeks)
- 4<sup>th</sup> stage: flowering (8 weeks)
- 5<sup>th</sup> stage: processing/trimming (3 days)
- 6<sup>th</sup> stage: drying and curing (11 days)
- Total elapsed time: approximately 12 weeks

	Weeks	Light pro day (hours)	COCO ml per 756 gallons	RHIZO TONIC ml per 756 gallons	CANNA ZYM ml per 756 gallons	PK 13/14 ml per 756 gallons	CANNA BOOST ml per 756 gallons	PPM (Truncation)+	PPM (Truncation) Total	
Growth	<b>Start / rooting (3 –5 days)</b> Make substrate wet	<1	18	5413(A) 5413(B)	11447	-	-	-	630	1050
	<b>Vegetative phase I</b> Plant develops in volume	0-3 <sup>a</sup>	18	6555(A) 6555(B)	5724	7154	-	-	763	1190
	<b>Vegetative phase II</b> Up to growth stagnation after fructification or appearance of the formation of flowers	2-4 <sup>b</sup>	12	7698(A) 7698(B)	5724	7154	-	5724 - 11447 <sup>e</sup>	896	1330
Flowering	<b>Generative Period I</b> Flowers or fruits develop in length. Growth in height achieved	2-3	12	9743(A) 9743(B)	1431	7154	-	5724 - 11447	1134	1540
	<b>Generative Period II</b> Development of the volume (breadth) of flowers or fruit	1	12	10886(A) 10886(B)	1431	7154	4293	5724 - 11447	1267	1680
	<b>Generative Period III</b> Development of the mass (weight) of flowers or fruit	2-3	12	7157(A) 7157(B)	1431	7154	-	5724 - 11447	833	1260
	<b>Generative Period IV</b> Flowers or fruit ripening process	1-2	10-12 <sup>c</sup>	-	-	7154 - 14309 <sup>d</sup>	-	5724 - 11447	-	420

Product line: COCO  
 Your tanksize: 756 gallons  
 Schedule type: Normal feeding  
 Water EC: 0.6  
 Dosage units: ml/756 gallons  
 Recommended pH: 5.5 - 6.2



The guidelines in the table aren't an iron law, but can help novice growers to develop a sophisticated fertilisation strategy. The optimum fertilisation strategy is further determined by factors such as: temperature, humidity, plant species, root volume, moisture percentage in substrate, water dosage strategy, etc.

- <sup>a</sup>. This period varies depending on the species and number of plants per m<sup>2</sup>.  
Mother plants remain in this phase until the end (6 – 12 months).
- <sup>b</sup>. The changeover from 18 to 12 hours varies depending on the variety. The rule of thumb is to change after 2 weeks.
- <sup>c</sup>. Reduce hours of light if ripening goes too fast. Watch out for increasing Relative Humidity.
- <sup>d</sup>. Double CANNAZYM dosage to 50 ml/10 liters, if substrate is reused.
- <sup>e</sup>. 20 ml/ 10 liters standard. Increase to a maximum of 40 ml/10 liters for extra flowering power.
- EC:
  - EC+ value is based in mS/cm when EC water = 0.0 at 25°C, pH 6.0
- pH:
  - Recommended pH is between 5.5 - 6.2
  - Adding pH- can increase EC
  - Use pH- grow in the vegetative as in the generative phase to lower the pH

Figure 1. Phases of Production - Cultivation

## Packaging and Labeling

Prior to marijuana being sold or transferred, Buudda Brothers cultivation team shall ensure the placement of a legible, firmly affixed label on which the wording is no less than 1/16 inch size on each package of marijuana that it makes available for retail sale, containing at a minimum the following information:

### Labeling of Marijuana and Marijuana Products

1. Ensure the placement of a legible, firmly affixed label on which the wording is no less than 1/16 inch in size on each package of marijuana that it makes available for retail sale, containing at a minimum the following information.
  - a. The name and registration number of the Marijuana Cultivator that produced the marijuana, together with the retail licensee's business telephone number, electronic mail address, and website information, if any;
  - b. The quantity of usable marijuana contained within the package;
  - c. The date that the Marijuana Retailer or Marijuana Cultivator packaged the contents and a statement of which licensee performed the packaging;
  - d. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and processing;
  - e. The full cannabinoid profile of the marijuana contained within the package, including THC and other cannabinoid level;
  - f. A statement and a seal certifying that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L c. 94G. § 15;
  - g. This statement, including capitalization: "This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and here 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.";
  - h. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains marijuana product:



- i. The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:





935 CMR 500.105(5)(a) shall not apply to marijuana packaged by a Marijuana Cultivator for transport to a Marijuana Retailer in compliance with 935 CMR 500.105(13) provided however that the retailer is responsible for compliance with 935 CMR 500.105(5) for all marijuana products sold or displayed for consumers.

#### Packaging and Labeling Pre-approval

Prior to a marijuana product being sold at our facility, as a licensee we may submit an application in a form and manner determined by the Commission, for packaging and label approval to the Commission. The commission may charge a fee for packaging and labeling pre-approval. The packaging and labeling pre-approval shall in no way substitute for compliance with 935 CMR 500.105(4) through (6).

## **Tracking Solution**

Buudda Brothers 90 Sargeant Street Facility, LLC intends to use an extensive seed-to sales tracking solution for every level of the vertically integrated business, which allows us to remain compliant while helping to identify key data points to streamline and optimize inventory management at each phase of the operation: cultivation, destruction and waste, transportation, and lab testing.

**Yield Forecasting** – Monitoring and analyzing the harvest data to optimize for larger yields.

**Grower-Centric** – Customizing workflows to support the weighing of multiple plant by-products (wet or dry), in addition to multiple data collection points and ability to grade product quality upon curing.

**Analyze Efforts** – Monitoring Pesticides and Nutrients applied, log strain notes detailing light and watering cycles, in addition to reviewing past harvest data to optimize future yields.

**Conversion Tracking** – Converting products into single or multiple by-products while maintaining a complete chain of custody, logging cost per gram calculations and product notifications/recalls.

**Transport Manifests** – Creating, submitting, and storing compliant transportation manifests noting vehicle, driver, and cargo contained for regulatory review.

**Product Details** – Product details for the inventory items, printing key information directly on the labels including ingredients, potency results, in addition to a reactive expiration date that can lock a product if it's past its expiration date.

**Inventory Management** – Analyzing the sales data.

**Data Driven CRM** – Out-of-the-Box Customer Relationship Management (CRM) tools to reward loyal customers and referrals. Setup targeted email and text campaigns based on customer's favorite products, last visit date, purchase history, birthdays and more.

# Organizational Structure

Buudda Brothers is a business that will be built on a solid foundation. From the outset, we have decided to recruit only qualified individuals to carry out various job positions within our company. We hope to leverage on their expertise to build our brand to be well accepted in the United States, but most importantly in Massachusetts.

Here are the positions that will be available at Buudda Brothers:

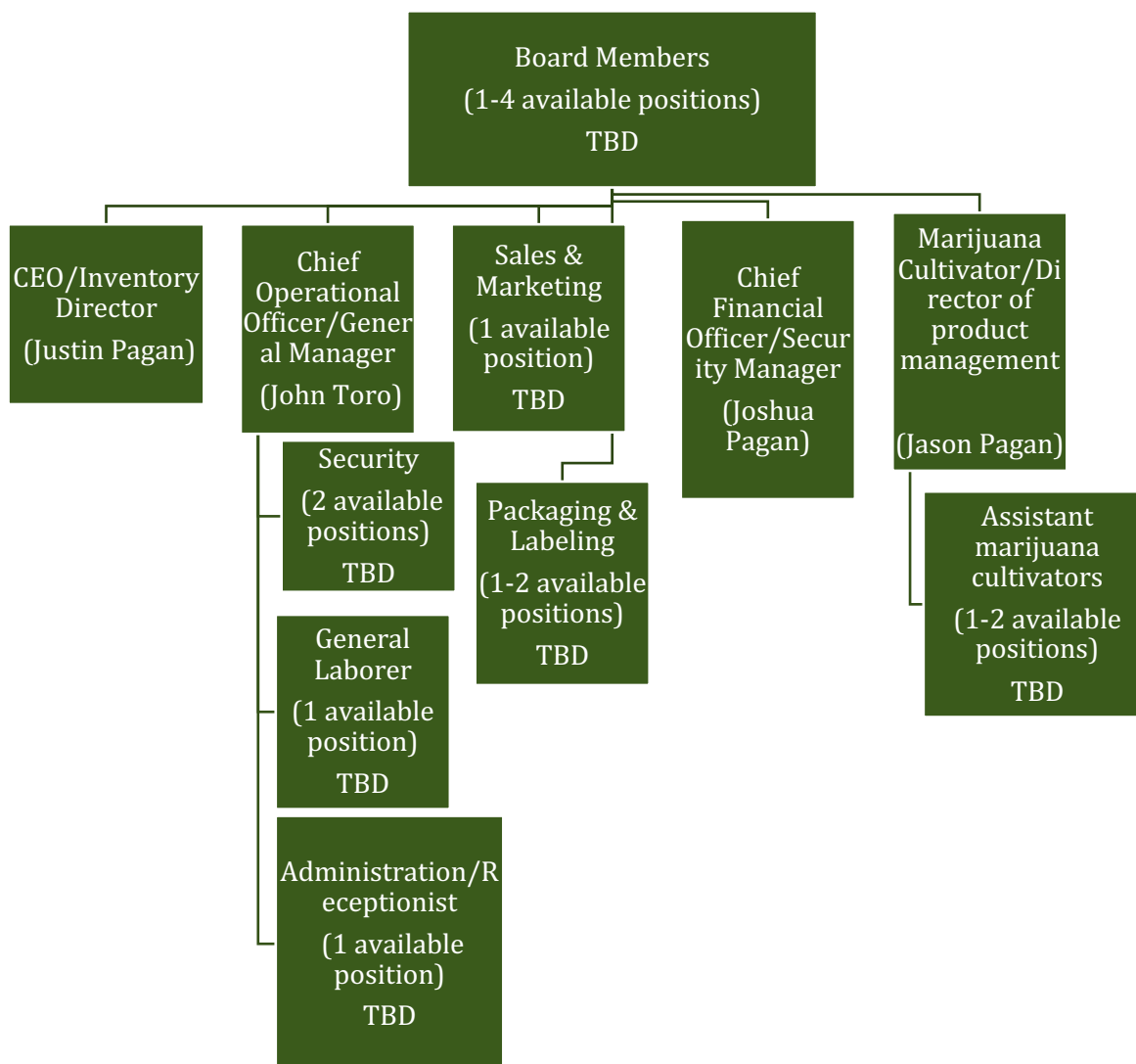


Figure 2. Organizational structure

Table 5. Personnel Plan, \$

<b>Position—Hourly Wages</b>	<b>Year 1 (Annual Salary)</b>	<b>Year 2 (Annual Salary)</b>	<b>Year 3 (Annual Salary)</b>
<b>Chief Executive Officer/Inventory Director</b>  \$20 HR @ 56 Hours a week with annual increase of 10%.	\$80,640	\$88,704	\$97,574
<b>Chief Operational Officer/General Manager</b>  \$20 HR @ 56 Hours a week with annual increase of 10%.	\$80,640	\$88,704	\$97,574
<b>Chief Financial Officer/Security Manager</b>  \$20 HR @ 56 Hours a week with annual increase of 10%	\$80,640	\$88,704	\$97,574
<b>Marijuana Cultivator/Director of product management</b>  \$20 HR @ 56 Hours a week with an annual increase of 10%	\$80,640	\$88,704	\$97,574
<b>Security Personnel (Retired Officer/Auxiliary)</b>  \$16 HR @ 40 Hours a week with an annual increase of 5%	\$30,720	\$32,256	\$33,868
<b>General Labor (Facility Up-keeping)</b>  \$12 HR @ 40 Hours a week with an annual increase of 5%.	\$23,040	\$24,192	\$25,401
<b>Packaging &amp; Labeling</b>  \$12 HR @ 40 hours a week with an annual increase of 5%.	\$23,040	\$24,192	\$25,401
<b>Assistant marijuana cultivators</b>	TBD	TBD	TBD
<b>Administration/Receptionist</b>	TBD	TBD	TBD
<b>Sales &amp; Marketing</b>	TBD	TBD	TBD

### Training Plans

1. Train employees at time of hire on business operations and compliance.
2. Continue to train employees on any new regulations being brought to our attention after one is hired.
3. Customer service training programs that consist of training and teaching employees how to improve customer support and satisfaction. It will be an iterative process, which would involve teaching skills, competencies, and tools needed to better serve customers so they derive more value for Buddha Brother's products.
4. Any person entering data into the Cannabis Tracking System(s) (CTS) will first be trained by the Chief Operational Officer before granting access to enter data into the CTS.

5. All individuals will be required to have a valid Marijuana Worker Permit, complete the required training and maintain their permit while working on behalf of the Licensee.

# Financial Plan

## Funding analysis

Buudda Brothers 90 Sargeant Street Facility, LLC intends to secure funding prior to the launch of their business.

## Direct and Operating Expense Breakdown

### Direct Costs

Table 6. Direct costs, \$

Cultivation, \$	Year 1	Year 2	Year 3
Cultivation Electricity	\$22,570.8	\$22,570.8	\$22,570.8
Assuming we are quoted at \$0.10748/kWh, using 1,680 light hours, and having a 125 W (wattage) system. \$0.10748 x 1,680 x 125			
Cultivation Water	\$9,606.36	\$9,606.36	\$9,606.36
Assuming we are using 1700 gal/ a month Assuming we are quoted \$47.09 per 100 gal.			
Cultivation Labor	\$133,056	\$133,056	\$193,536
Master Grower & assistant cultivators			
Growing Solutions	\$2,333	\$2,333	\$2,333
Seeds/Clones	\$2,000	0	0
Other Costs	TBD	TBD	TBD
Lab testing	\$9,690	\$9,690	\$9,690
Assuming the company grows 5 different strains equating to 5 different batches at \$484.50 per test on a quarterly basis.			
Other Direct Cultivation Costs			
Grow Light Bulbs	\$3,920	\$3,920	\$3,920
Other Supplies	\$600	\$600	\$600
Cultivation Taxes	\$45,855.96	\$74,255.96	\$170,255.96
State Sales Tax 6.25%			
States excise tax 10.75%			
Local City (Holyoke) tax 3%			
Total	\$229,632.12	\$256,032.12	\$412,512.12

# Financial Plan

## Operating Expenses

Table 7. Operational costs, \$

\$	Year 1	Year 2	Year 3
SG&A Expenses			
G&A Expenses - Initial & General Costs			
Legal Fees & Licensing for setting up	\$15,000	TBD	TBD
Website/Ecommerce platform development	\$2,000	TBD	TBD
Other initial expenses	0	0	0
Property Taxes	\$3,000	TBD	TBD
Professional Services, Commercial Insurance	\$5,450	TBD	TBD
Other General Costs	0	0	0
G&A Expenses - Cultivation			
Building Renting	\$2,000	TBD	TBD
Security and Surveillance	\$15,000	0	0
Equipment Maintenance	TBD	TBD	TBD
Administrative expenses, including phone and internet	\$2,400	\$2,400	\$2,400
Inventory Control Systems, Security & Other Software Services	\$15,500	\$15,500	\$15,500
Building Build-out (including, but not limited to, flooring, plumbing, electrical, painting and equipment)	\$50,000	\$50,000	\$50,000
SG&A Expenses - Marketing & Sales Expenses			
Marketing Expenses, including PR, Branding, Online and Offline advertising	TBD	TBD	TBD
Other Marketing & Sales Expenses	0	0	0
Brokers and Sellers Fees	0	0	0
SG&A Expenses - Misc.	0	0	0
Salaries & Benefits	\$133,056	\$133,056	\$133,056
Total	\$243,406	\$200,956	\$200,956

## Profit & Loss Forecast

Business's revenue is projected to grow slightly for the first two years' timeframe. The yearly projections are in the table below:

Table 8. Income Statement, \$

\$	YEAR 1	YEAR 2	YEAR 3
<b>Revenue</b>	\$280,000	\$420,000	\$900,000
<b>COGS - Cost of Goods Sold</b>	\$67,200	\$67,200	\$195,200
<b>*Not including Salaries</b>			
Gross Profit	\$212,800	\$352,800	\$704,800
% of revenue	76%	84%	78%



<b>Operational Cost</b>			
<b>Operating Cost</b> (including, but not limited to, rent, office supplies, legal costs, sales and marketing, insurance costs)	\$23,050	\$23,050	\$23,050
<b>Personnel Cost</b> (Including, but not limited to, Salaries for the executive team, security personnel, General laborers)	\$133,056	\$193,536	\$193,536
<b>Total Operational Cost</b>	\$156,106	\$216,586	\$216,586
Operating Income (EBITDA)	\$56,694	\$136,214	\$488,214
<b>Taxes (Assuming 20%)</b>	\$11,338.8	\$27,242.8	\$97,642.8
Net Profit	\$45,355.2	\$108,971.2	\$390,571.2

## Cash Flow Statement

The cash flow projections show that our business will have sufficient cash to support our activity. The following table presents a view of projected cash flow of our business.

Table 9. Cash Flow Statement, \$

\$	YEAR 1	YEAR 2	YEAR 3
<b>INFLOW</b>			
Sales	\$280,000	\$420,000	\$900,000
<b>Total Cash Inflow</b>	\$280,000	\$420,000	\$900,000
<b>Payment</b>			
Personnel Cost	\$133,056	\$193,536	\$193,536
Operational	\$23,050	\$23,050	\$23,050
<b>Total Payment</b>	\$156,106	\$216,586	\$216,586
<b>Tax</b>	\$11,338.8	\$27,242.8	\$97,642.8
<b>Cash Balance</b>	\$112,555.2	\$176,171.2	\$585,771.2

## Cultivation Premises

### Physical Security Plan

Buudda Brothers will secure the perimeter of our facility to prevent unauthorized intrusion. Within our facility, we plan to use one or more of the following critical elements to secure the perimeter of our building: External sallyport, security fencing, security guards, and electronic surveillance (round-the-clock manned or alarmed camera surveillance and electronic intrusion detection).

Video surveillance and adequate exterior security lighting will secure the perimeter. In addition, during non-operational hours, all entryways, exits and windows will be externally covered by industry leading surveillance systems, which will notify our nearby police station within seconds if any suspicious activity has been detected.

Motion detectors will monitor the inside of all exterior doors; windows and interior limited access areas.

All main access point door hinges will be equipped with hinge-pin-locking screws to increase security.

This configuration yields optimal conditions for surveillance. These existing design elements will not only make unauthorized access extremely unlikely, but also act as a deterrent discouraging theft.

### Customers Access

The property has a total of nine common parking spaces on its premises stationed in the front of the building. These spaces will easily accommodate our daily customers for our potential retail establishment. There will be no customer access into the cultivation facility. Any activity within our cultivation facility will be due to day-to-day operations. An exterior sally port will be built to reduce any entry into the cultivation facility. The exterior sally port will be 8 ft high and will be controlled by the security manager and or executives.

### Internal Access-Point Control

All movement within the facility will be tightly controlled. All main access doors and doors to the cultivation area will require keycards and electronic passcodes.

### Limited Access to Secured Areas and Visitors

Buudda Brothers facility will consist of limited access areas. Buudda Brothers ensures that the secured areas are accessible only to licensee, licensee representatives, and authorized personnel.

## **Electronic Security System**

We will install a comprehensive electronic security system with video surveillance/recording capability, third party monitoring, intrusion detection, and panic buttons.

### **Video Surveillance**

We will employ state-of-the art external and internal cameras, each with a minimum resolution capacity of 1280x720 pixels. All video footage will be stored for a minimum of 90 days. Recordings are subject to inspection. This is sufficient to allow facial identification of anyone in or nearing the facility.

External video surveillance will cover all areas of possible ingress and egress. Internal video surveillance will cover the following:

1. Large cultivation room
2. Rear/small cultivation room
3. The hallways leading into the rear cultivation room and large cultivation room:
  - a. The camera placement must allow for recording of the facial features of any person entering or exiting such areas.
  - b. This covers all areas where cannabis is present or handled
4. Entrances and exits from both indoor and outdoor vantage points
5. Security Rooms
6. All limited access areas
7. Areas where cannabis goods are weighed, packed, stored, loaded, or unloaded for transportation, prepared, or moved within the premises.
8. Areas storing the surveillance system device with at least once camera recording the access points to the secured surveillance recording area
  - a. The physical media or storage device on which surveillance recordings are stored shall be secured in a manner to protect the recording from tampering or theft
9. Video surveillance will cover external and internal areas 24/7 at a minimum of 15 frames per second

A failure notification system will provide both audible and visible notifications if there is any failure in the electronic monitoring system.

### **Third-Party Monitoring**

Buudda Brothers anticipates contracting with Target Securities to help deter, detect, and document security events at each facility from a remote location. Target Securities will monitor for fire and for security breach of doors or windows. Trained professionals from their monitoring centers will be able to access our security surveillance system at all times and will report and document any suspicious activity. Our internal security personnel will work with Target Securities to establish guidelines for what entails suspicious activity and to ensure regulatory compliance.

There will be triggers around the facility to alert our monitoring team of a possible intrusion or unauthorized access. Triggers can be:

- Motion-sensor surveillance cameras
- Motion-sensor laser beams
- Unauthorized electronic access
- Security and fire alarms

## **Intrusion and Motion Detection**

Our alarm system will have motion detectors covering entryways and exits, hallways, the retail sales floor, storage rooms, and windows.

## **Burglary Alarm System**

We shall install, maintain, and use a professionally monitored robbery and burglary alarm system; which meet the following requirements:

- ✓ A test signal shall be transmitted to the central station every twenty-four (24) hours;
- ✓ At a minimum, the system shall provide coverage of all facility entrances and exits, rooms with exterior windows, rooms with exterior walls or walls shared with other facility tenants, roof hatches, skylights, and storage room(s) that contain safe(s);
- ✓ The system shall include at least one (1) holdup alarm for staff use; and
- ✓ The system shall be inspected, and all devices tested annually by a qualified alarm vendor.

## **Panic Buttons and Internal Communications**

Panic buttons will be installed in easily accessible areas within the dispensary, inventory/storage room, and IT/security room.

## **Fire Security**

The Processing Facility will comply with all local fire code requirements. Fire Prevention is a vital aspect of processing safety. As part of Buddha Brothers commitment to the safety of our employees, we have developed a comprehensive Fire Plan to address how fires will be prevented and managed-contained if they do occur. Knowing that people are our most valuable resources, all employees will be trained and required to conduct themselves with consistent due diligence to prevent fires from occurring.

# **Plan for Obtaining Liability Insurance**

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Buudda Brothers, LLC (“BB”) intends to obtain and maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, and product liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, except as provided in 935 CMR 500.105(10)(b) or otherwise approved by the Commission. The deductible for the policy shall be no higher than \$5,000 per occurrence.

BB has already sought out quotes from liability insurance companies. BB intends to start policy shortly after submission of the CCC application. As it stands, BB will be properly insured in July 2020. This might change depending on needs and finances, but that target date of July 2020 is the current goal.



20 Church Street, Suite 1500  
Hartford, CT 06103  
Ph: 860-561-3600  
www.rtspecialty.com

## INSURANCE QUOTATION

The carrier shown below has issued a quotation for insurance, and we are pleased to present this Quotation Confirmation of the carrier's terms, conditions, and limitations for you to review with the Insured. As the broker with the direct relationship with the Insured, it is your responsibility to carefully review with the Insured all of the carrier's terms, conditions, and limitations, and to specifically reconcile with the Insured any differences between those quoted and those you requested. RT Specialty expressly disclaims any responsibility for any failure on your part to review or reconcile any such differences with the Insured.

Any amendments to coverage must be specifically requested in writing or by submitting a policy change request form and then approved by the Insurance Company Underwriters. Coverage cannot be affected, amended, extended or altered through the issuance of certificates of insurance.

This insurance quotation summarizes a proposed policy and is not intended to reflect all the terms and conditions or exclusions of such proposed policy. The insurance to be afforded by the proposed policy will be subject to all the terms, exclusions and conditions of such policy.

<b>QUOTE NUMBER:</b>	20118559C												
<b>DATE ISSUED:</b>	April 2, 2020												
<b>PRODUCER:</b>	Martin J. Clayton Insurance Agency, Inc. : Michael P. Regan												
<b>FROM:</b>	R-T Specialty, LLC / Shawn Morris												
<b>INSURED:</b>	Justin Pagan Buudda Brothers 604 Main Street Holyoke, MA 01040												
<b>INSURER:</b>	James River Insurance Company - Non-Admitted												
<b>COVERAGE:</b>	Commercial General Liability - Primary												
<b>DESCRIPTION:</b>	Marijuana Grower												
<b>POLICY FORM:</b>	Claims Made												
<b>RETRO DATE:</b>	Inception												
<b>POLICY PERIOD:</b>	4/2/2020 to 4/2/2021												
<b>LIMITS OF LIABILITY:</b>	<table><tbody><tr><td>\$2,000,000</td><td>General Aggregate</td></tr><tr><td>\$1,000,000</td><td>Each Occurrence</td></tr><tr><td>\$2,000,000</td><td>Products &amp; Completed Operations Aggregate</td></tr><tr><td>Excluded</td><td>Medical Expense</td></tr><tr><td>\$50,000</td><td>Damage to Premises Rented</td></tr><tr><td>\$1,000,000</td><td>Personal &amp; Advertising Injury</td></tr></tbody></table>	\$2,000,000	General Aggregate	\$1,000,000	Each Occurrence	\$2,000,000	Products & Completed Operations Aggregate	Excluded	Medical Expense	\$50,000	Damage to Premises Rented	\$1,000,000	Personal & Advertising Injury
\$2,000,000	General Aggregate												
\$1,000,000	Each Occurrence												
\$2,000,000	Products & Completed Operations Aggregate												
Excluded	Medical Expense												
\$50,000	Damage to Premises Rented												
\$1,000,000	Personal & Advertising Injury												
<b>DEDUCTIBLE:</b>	\$0 Deductible												



20 Church Street, Suite 1500  
Hartford, CT 06103  
Ph: 860-561-3600  
www.rtspecialty.com

**PREMIUM:** \$3,500.00

**FEES:**

Brokerage Fee	\$350.00
Policy Fee - Carrier	\$350.00

**TAXES:**

Surplus Lines Tax	\$140.00
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**TOTAL:** \$4,340.00

**AGENT COMMISSION:** 10%

**TRIA/TERRORISM:** REJECTED

**TERMS AND CONDITIONS:**

**SUBJECTIVITIES:**

There are subjectivities that: 1) must be complied with or resolved before the contract becomes binding, 2) apply both before or after inception, compliance with which is a condition of all or part of the coverage; and 3) apply after the formation of the contract as conditions of continued coverage.

**SPECIAL CONDITIONS / OTHER COVERAGES:**

25% **MINIMUM EARNED PREMIUM AT INCEPTION**

NO FLAT CANCELLATIONS

ALL FEES ARE FULLY EARNED AT INCEPTION

For R-T Specialty to file the surplus lines taxes on your behalf, please complete the surplus lines tax document (per the applicable state requirements) and return with your request to bind. Due to state regulations, R-T Specialty requires tax documents to be completed within 24 to 48 hours of binding. Please be diligent in returning tax forms.

Quotes are valid for 30 days.

Description: Recreational Marijuana Cultivator

**SCHEDULE OF NAMED INSUREDS:**

Buudda Brothers

**LIST OF LOCATIONS:**

1) 90 Sargeant St, Holyoke, MA 01040

**RATING:**

Class Code: 59774A - Recreational Marijuana - Mfg

Exposure: \$1,000,000 Revenue





**20 Church Street, Suite 1500  
Hartford, CT 06103  
Ph: 860-561-3600  
www.rtspecialty.com**

TRIA is available for and AP of \$175 plus tax

Minimum & Deposit Premium: 100%

**AUDIT INFORMATION:**

Frequency: Annual  
Exposure Base: \$1,000,000 Revenue  
Type: Physical  
Audit Rate: \$2.3390

**OPTIONAL COVERAGE - CYBER LIABILITY**

Coverage Form: Discovery Date

**Limits**

Third Party Cyber Liability Coverage: \$100,000  
Regulatory Proceeding Claim Expense Coverage: \$50,000  
First Party Privacy Breach Expense Coverage: \$50,000  
Cyber Coverage Aggregate: \$100,000

Deductible: \$1,000 per occurrence

Premium: \$223 plus tax

**PRIOR TO BINDING REQUIREMENTS:**

- 1) Written Request to Bind
- 2) Signed MA Affidavit
- 3) Signed and dated No Known Loss Letter. James River form attached
- 4) Cyber Liability Acceptance / Rejection Form
- 5) Are there connecting doors between suites? How are they secured?
- 6) Supplement needs to be completed with sales
- 7) Does the insured have a product recall plan in place? If not, what will they do if they need to recall their products?
- 8) Signed TRIA

**ENDORSEMENTS / EXCLUSIONS**

LS0005US-0416 Commercial General Liability Policy Declarations  
AP0001US-0403 Schedule A  
CG0002-1207 Commercial General Liability Coverage Form -Claims Made  
AP2702US-0107 Extended Reporting Period Endorsement  
AP2704US-0406 Restricted Reporting Endorsement  
AH2307US-1016 Deductible Endorsement - Damages and Expenses  
AP2103US-0607 Minimum Policy Premium  
AP2108US-0811 Supplementary Payments (Defense Costs) within Limits of Insurance  
LS2010US-0505 Non-Stacking Endorsement  
LS2025US-0907 Life Sciences Premium Endorsement



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MC2130US-0403 Specified Products Liability Endorsement  
Recreational marijuana leaves/bud/flower/trim

AP2004US-0403 Additional Insured - Managers or Lessors of Premises  
where required by written contract or written agreement

AP2007US-0307 Additional Insureds - Vendors  
where required by written contract or written agreement

AP2104US-1012 Common Policy Conditions  
AP2107US-0403 Binding Arbitration  
CG0068-0509 Recording and Distribution of Material or Information in Violation of the Law Exclusion

CG2107-0514 Exclusion - Access or Disclosure of Confidential or Pers Info and Data-Related Liability - Limited BI  
Exc not Included

CG2135-1001 Exclusion - Coverage C - Medical Payments  
CG2136-0305 Exclusion - New Entities  
CG2147-1207 Employment-Related Practices Exclusion  
CG2167-1204 Fungi or Bacteria Exclusion  
IL0021-0908 Nuclear Energy Liability Exclusion

AH2309US-1003 Exclusion - Designated Operations  
(1) The furnishing of marijuana for consumption at the Insured's premises  
(2) Any and all participation by the insured in conventions, trade shows, festivals, or other special events where marijuana will be distributed and/or consumed

AP2020US-1206 Exclusion - Occupational Disease  
AP2028US-0505 Exclusion - Electronic Media  
AP2031US-0411 Exclusion - Cross Suits  
AP2032US-0518 Exclusion - Employers Liability  
AP2036US-1105 Absolute Pollution and Pollution Related Liability - Exclusion  
AP2044US-0411 Assault and Battery Exclusion  
AP2111US-1105 Exclusion - Punitive Damages  
AP5040US-1209 Exclusion - Firearms  
AP5054US-0311 Combined Policy Exclusions  
AP5058US-1215 Exclusion - Business Conduct  
GC2131US-0403 Fiduciary Exclusion  
GC2141US-0107 Exclusion - Construction Activities  
LS2005US-1110 Specified Products Exclusion Endorsement

LS2020US-1108 Additional Specific Product Exclusion  
(1) Vitamin E Acetate; (2) Diethyleylene glycol; (3) Pulegone; (4) Acrylonitrile; (5) Acrolein; (6) Diacetyl, (7) Heavy metals

LS2108US-0219 Exclusion - Health Hazards - Tobacco & Cannabis Business  
AP5027R-0115 Rejection of Coverage for Certified Acts of Terrorism Coverage



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CG2175-0115 Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed Outside the United States

ILP001-0104 US Treasury Departments Office of Foreign Assets Control (OFAC) Advisory Notice to Policyholders  
AP0100US-0403 Privacy Policy

**ALL OTHER TERMS AND CONDITIONS APPLY PER FORM**

**BINDING INSTRUCTIONS**

IF COVERAGE IS ELECTED, THE FOLLOWING ITEMS MUST BE SUBMITTED:

Please note that this is a quote only, and the Insurer reserves the right to amend or withdraw the quote if new, corrected or updated information creating a material difference from the previously provided underwriting material is received. This quote summary, the fees quoted and our advice, is confidential. If you need further information about the quote, our fee or the Insurer that is proposing to provide your insurance, please contact us.

**We will need a written request in order to bind coverage.** If the Insurer binds the risk following your written request, the terms of the policy currently in use by the Insurer will govern the Insurer's quote.

**PREMIUM PAYMENT IS DUE WITHIN TWENTY (20) DAYS FROM EFFECTIVE DATE UNLESS OTHERWISE STIPULATED.**

Shawn Morris  
**AUTHORIZED REPRESENTATIVE**



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If coverage is on a non-admitted basis the following will apply:

**TAXES & FEES:**

State Surplus Lines Taxes & Fees must be added to annual premium. **Agent R-T Specialty is responsible for all filings.**

IMPORTANT NOTE: The Home State of the Named Insured shall be determined in accordance with the provisions of the Nonadmitted and Reinsurance Act of 2010, 15. U.S.C §8201, *etc.* ("NRRA"), and the applicable law of the Home State governing cancellation or non-renewal of insurance shall apply to this Policy.

Taxes are provisional based on the insureds acceptance of MA as their home state.

Surplus lines taxes quoted may be subject to change based up on updated risk information or changes to tax rates or governmental fees.

State surcharges and/or fees charged by the Insurer may not be included herein and will be billed at a later date.



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**PREMIUM FINANCE** (If not included in the quote document)

If the insured and the insurer agree to bind coverage and the premium will be financed, we will need the following information and, upon binding, please instruct the premium finance company to send documents to our attention. Premium Finance funds should always be paid to R-T Specialty, LLC:

<b>Name of Premium Finance Company:</b>	
<b>Premium Finance Account Number:</b>	

**PRODUCER COMPENSATION:**

In order to place the insurance requested we may charge a reasonable fee for additional services that may include performing a risk analysis, comparing policies, processing submissions, communication expenses, inspections, working with underwriters on the coverage proposal, issuing policies or servicing the policy after issuance. Third-party inspection or other fees may be separately itemized upon request. If the insured recommends an inspection company, we will endeavor to determine if it is approved by the Insurer. To the extent the insured paid us a fee for services, we represent the insured in performing those services. Our fees are fully earned and nonrefundable, except when required by applicable law. Our fees are applied to new policies, renewal policies, endorsements and certificates. Fees applicable to each renewal, endorsement and certificate will be explained in the quotes. In the event that the premium is adjustable upwards, our fees are adjustable as well and will be collected against any additional premium. The fee charged by us does not obligate the insured to purchase the proposed insurance or the Insurer to bind the proposed insurance. Our fee is not imposed by state law or the Insurer. This fee authorization shall remain operative until terminated by written notice. Depending upon the Insurer involved with your placement, we may also receive a commission from the Insurer.

We may also have an agreement with the Insurer that we are proposing for this placement that may pay us future additional compensation. This compensation is in addition to any fees and/or commissions that we have agreed to accept for placing this insurance. This compensation could be based on formulas that consider the volume of business placed with the Insurer, the profitability of that business, how much of the business is retained for the Insurer's account each year, and potentially other factors. The agreements frequently consider total eligible premium from all clients placed during a calendar year and any incentive or contingent compensation is often received at a future date, including potentially after the end of the following calendar year. Because of variables in these agreements, we often have no accurate way at the time of placement to determine the amount of any additional compensation that might be attributable to any Insured's placement. The broker with the direct relationship with the Insured must comply with all applicable laws and regulations related to disclosure of compensation, including disclosure of potential incentive or contingent compensation and the criteria for receiving such compensation, and informing the Insured that it may request more information about producer or broker compensation that might be paid in connection with the Insured's placement. RSG affiliates may also earn investment income on accounts temporarily held as fiduciary funds, and compensation as a broker, underwriting manager, reinsurance intermediary, premium finance company, claims adjuster, consultant or service provider. If you need additional information about the compensation arrangements for services provided by RSG affiliates, please contact your RSG representative.

R-T Specialty, LLC (RT), a subsidiary of Ryan Specialty Group, LLC, provides wholesale brokerage and other services to agents and brokers. RT is a Delaware limited liability company based in Illinois. As a wholesale broker, RT does not solicit insurance from the public. Some products may only be available in certain states, and some products may only be available from surplus lines Insurers. In California: R-T Specialty Insurance Services, LLC License #0G97516.

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## **GENERAL TERMS**

In all cases, policy and carrier wordings take precedence.

### **DEPOSIT PREMIUM**

The deposit premium is the minimum portion of premium due to the carrier at the inception of the policy. The premium for the policy term will be adjusted according to the provisions stated in the policy.

### **MINIMUM PREMIUM**

The minimum premium is the LEAST amount of premium retained by the carrier if the policy is in effect for the full term.

### **MINIMUM EARNED PREMIUM**

The minimum earned premium is the LEAST amount of premium that will be retained by the carrier in the event of cancellation. The actual amount of earned premium retained will be the GREATER of the actual premium developed based on the time the policy was in effect OR the minimum earned premium as stated in the policy.

### **CERTIFICATES OF INSURANCE**

Any Certificate of Insurance issued by Producer as evidence of insurance must conform to applicable laws. The Certificate must state that it is for information only, confers no rights upon the Certificate holder and the Certificate of Insurance must not extend or alter the coverage provided by the Policy(ies) listed in the Certificate. Producer is not authorized to issue, and R-T Specialty, LLC (RT) will not review, accept or approve, a Certificate of Insurance that modifies policy terms, names any other person/entity as an "additional insured" or states that any other person/entity other than those named in the Policy (ies) may receive notice of cancellation or non-renewal under such policy(ies). A policy cannot be amended by a Certificate of Insurance. If the insured requires endorsements to their policy to comply with certificate holder requirements, you must request these endorsements in writing so that underwriters may evaluate their ability to provide applicable coverage. Producer will be responsible for any error, mistake or negligence in the issuance of a Certificate of Insurance to its client.

I/We \_\_\_\_\_ of \_\_\_\_\_ do hereby state that in

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

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

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

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

Signature by Assured \_\_\_\_\_

Print Name \_\_\_\_\_

Date: \_\_\_\_\_

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

Name of Insured Justin Pagan Address 604 Main Street Holyoke, MA 01040

Location of Property \_\_\_\_\_

Description: \_\_\_\_\_

Coverage: \_\_\_\_\_

Limit: \_\_\_\_\_ Premium \_\_\_\_\_

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

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

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

**AFFIDAVIT BY SPECIAL BROKER**

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

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

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

\_\_\_\_\_

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

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

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





# Quote

Quotes are valid for 30 days from the Quote Date shown below and subject to all conditions listed below. Coverage may not be bound without confirmation in writing from the Company.

## POLICYHOLDER DISCLOSURE NOTICE

### SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act (TRIA), effective November 26, 2002, as extended, you have a right to purchase insurance coverage for losses arising out of certified acts of terrorism. The term "certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. There is a \$100 billion dollar annual cap on losses arising out of acts of terrorism described above.

YOU SHOULD KNOW THAT TERRORISM COVERAGE REQUIRED TO BE OFFERED BY THE ACT FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THIS FORMULA, THE UNITED STATES PAYS A PERCENTAGE OF THAT PORTION OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS TERRORISM COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

You have the right to purchase coverage for losses from certified acts of terrorism as described above. You must elect or reject coverage before the effective date of this policy. If we do not receive notification that you elect coverage, an exclusion for terrorism will be attached to your policy and you will not be covered for terrorist acts.

### YOU MUST SELECT ONE OF THE FOLLOWING BY PLACING AN "X" IN THE APPROPRIATE BOX AND SIGNING THE FORM BELOW

- ☐ ELECT: I hereby elect to purchase the Terrorism Coverage required to be offered under the Act for a premium of Quote option selected.
- ☐ DECLINE: I decline to purchase the Terrorism Coverage required to be offered under the Act. I understand that I will have no coverage for loss or damage resulting from acts of terrorism.

**REMEMBER TO SELECT OR REJECT TERRORISM COVERAGE ABOVE AND SIGN AND DATE THE FORM BELOW. Return this form to your insurance agent. This selection or rejection notice must be received by the Company on or before the effective date of the policy.**

Insured Name

Buudda Brothers

Submission Number

2674103

Policyholder/Applicant's Signature

Insurance Company

James River Insurance Company

Print Name/Date

Policy Number

AP 5001US 01-15



# Quote

Quotes are valid for 30 days from the Quote Date shown below and subject to all conditions listed below. Coverage may not be bound without confirmation in writing from the Company.

## REQUEST FOR TAX PAYING BROKER INFORMATION

**Insured Name:** Buudda Brothers \_\_\_\_\_

**Policy (quote) Number:** \_\_\_\_\_

**Please provide us with the surplus lines tax payment information requested below. IF ANY OF THE INFORMATION BELOW HAS BEEN PRE-FILLED BUT IS INCORRECT, PLEASE PROVIDE THE CORRECT INFORMATION. Pre-filled information on this form will be used by us for state reporting of surplus lines premium unless you advise otherwise.**

**Multi-State Risk (Y/N):** \_\_\_\_\_

**State where taxes are to be paid (This is Home State, if multi-state risk):** \_\_\_\_\_

**Name of Surplus Lines Licensee filing taxes:** \_\_\_\_\_

**Agency Affiliation:** \_\_\_\_\_

**Surplus Lines License Number:** \_\_\_\_\_

**Address of Surplus Lines Licensee:** \_\_\_\_\_

**Telephone Number:** \_\_\_\_\_

**If taxes are payable in New Jersey, you must provide us with the 14 digit New Jersey Transaction Number for this policy as well as other New Jersey specific information for reporting:**

**NJ Transaction Number:** \_\_\_\_\_

**NJ Agency SLA Number\*** \_\_\_\_\_

**NJ Agency License Number\*\*** \_\_\_\_\_

\*This is the number that the Surplus Lines Association has assigned to your agency

\*\*The State of New Jersey requires license number of the agency, not the individual agent who is filing taxes

### PREMIUM ALLOCATION MAY APPLY TO SOME POLICIES

If applicable, please provide the following information for each state where taxes are to be paid.

**State**

**Premium Amount(basis for taxes)**

_____	_____
_____	_____
_____	_____
_____	_____

**As the producing broker, it is your responsibility to comply with state surplus lines regulations. For multi-state risks, broker must designate Home State and comply with Home State surplus lines laws and regulations. Arrangements must be made for the payment of any applicable state tax and stamping fees to appropriate state, stamping office or clearing house.**

# Personnel Policies Including Background Checks.

---

Buudda Brothers Sargent Street Facility, LLC (“BB” or “Company”)’s greatest asset is our team. BB is dedicated to an exceptional customer service experience delivered with a helping hand, a sense of warmth, quality, and safety. BB’s personnel policies, including background checks, are found in BB’s staffing plan, employee handbook, and employment agreements.

## *Staffing Plan.*

The hiring of agents must follow established procedures. The Human Resources Manager will ensure compliance with local, state and federal laws regarding the hiring and employment screening processes. BB retains legal counsel to ensure BB’s employment policies comply with local, state and federal employment laws.

The staffing plan is based on business plan assumptions and best practices and may be adjusted in accordance with actual operating needs. Employees deemed with the responsibility of hiring potential employees will coordinate with the Chief Executive Officer, Chief Operational Officer, and/or General Manager to acquire all staff. The acquisition process may vary depending on the vacant position and special circumstances. The acquisition process will be managed by the Human Resource Manager and/or employee designated with the responsibility to hire staff and will always include performing a criminal background check on the selected candidate to determine their eligibility, new hire orientation and training only upon successful registration and completion of the probationary period.

All managers must comply with all Equal Employment Opportunity Commission (“EEOC”) guidelines. None of our policies or practices discriminate based on or conflict with laws regarding the following: race, height and weight, credit rating or economic status, religious affiliation or beliefs, citizenship, marital status and number of children, gender, arrest and convictions, security/background checks for certain religious or ethnic groups, disability, medical questions and examinations.

Positions will only be filled according to the established protocols.

## *Staff Acquisition Process:*

- ❖ Identification of need;
- ❖ Job classification and job description preparation;
- ❖ Solicitation of the vacant position utilizing the methods that best fit the position;
- ❖ Reviewing resumes on qualified candidate;
- ❖ Performing and recording reference checks on qualified candidates;
- ❖ Scheduling first interviews with the Human Resources Manager;

- ❖ Scheduling second interviews with strong candidate with the Human Resources Manager and department manager;
- ❖ Delivery of an offer letter to the first choice candidate;
- ❖ Performing criminal background check on selected candidate;
- ❖ Send application to the state for registration; and
- ❖ Completion of the probationary period.

## *Applicant Screening and Monitoring.*

### *Pre-screening Potential Candidates*

The Human Resources Manager will pre-screen candidates by stating clearly to potential applicants what items and prerequisites will be needed to properly qualify the employment application. This will streamline BB application process by having applicants review the information and then determine whether or not they meet the qualifications. This is part of the proactive pre-screening process that ensures applicants who submit their information will pre-qualify based on the specific information needed later in the process.

Any applicant who has submitted a complete application for employment will have a professional background check conducted. This investigation will be in addition to a secondary verification and will be noted that he/she will soon be licensed as a cannabis agent and thus allowed to work within the facility. The investigation will be conducted to ensure the potential agent does not have any felony convictions, which would bar them from employment. The investigation will also check for any crimes of moral turpitude, whether it was a misdemeanor or a felony. Any indication of past crimes of moral turpitude will be a bar to employment.

As also stated on page 9, BB will employ a professional background check service, in order to comply with the strict laws of background checks.

### *Adjudication and Alerts*

BB will provide a criminal record(s) adjudication policy as part of the screening process. FCRA-mandated Adverse Action letters for candidates that fail to meet specific criteria set forth by the organization will be delivered to candidates.

### *Drug Screening*

BB will utilize a drug testing service provider who will track results, provide reports and ensure the company stays in compliance with the Cannabis Control Commission (“CCC”) regulations. The Human Resources Manager will develop and update drug-testing policies. A basic DOT Five Panel Drug Test (urine conventional) will be used. Cannabis use by a qualified patient is not a

disqualification for employment. The following drugs will be tested from the applicant's urine sample: amphetamines (amphetamine and methamphetamine), benzoylecgonine (cocaine metabolite), cannabinoids (cannabis metabolite and THC-COOH), Opioids (codeine and morphine) and phencyclidine (PCP).

The Human Resources Manager will request all required criminal and drug screens to be updated every two years. All agents are required to notify the company whenever they have any encounter with law enforcement. The Human Resources Manager will determine if an additional background screening should be performed upon the agents notice. A post-accident drug screening may be performed at the Human Resources Manager's discretion or if required for worker's compensation purposes.

### *1<sup>st</sup> Interview*

The first interview will consist of a face-to-face meeting with the Manager of the department the applicant is interviewing for a position in. No more than 5 applicants will be selected for a first interview. The purpose of this interview will be to help determine:

- ❖ Level of knowledge regarding cannabis operations;
- ❖ Existing skill set relevant to the duties of the job offered;
- ❖ Their capacity to learn new skills and grasp concepts (specifically regulatory concepts); and,
- ❖ Potential to commit theft or fraud.

At least two references will be contacted and details of the interview confirmed. A solid background (or an appropriate level of education/experience relating to the position offered), a clean record and indicia of honesty will be requisites for the second interview.

### *Final Interview*

The Chief Executive Officer, Chief Operational Officer, and/or General Manager may conduct the final interview. No more than three candidates will be selected for the final interview. The interviewer will ask a variety of questions intended to assess the applicant's ability to interact with others and work according to Buudda Brothers policies. The final decision will be made by the interviewer (CEO, COO and/or General Manager) with input from the supervisor and/or manager who conducted the first interview. For management positions, the Executive team along with the General Manager will jointly conduct the final interview with the department manager. All potential agents must go through the entire process.

Each new hire will begin work on a three-month trial period of employment. At the end of the three months, their department manager will conduct an assessment of the agent's performance.

BB also intends to provide training and technical assistance to train minorities and people convicted of drug offenses to work in the industry, and look forward to being able to offer a more fair and equal opportunity for employment.

## *Dispensary Specific Staff*

### *Dispensary Staff Required During Hours of Operations*

Buudda Brothers retail location will have a minimum of four staff member's scheduled during operating hours, which will be between 8 A.M. – 8 P.M. One must be the dispensary agent-in-charge, and the other must be a security officer or receptionist who may also be a licensed security guard. There will be one uniformed security guard and a dispensary agent-in-charge on the premises at all times during operating hours.

### *Necessary Skills and Aptitude:*

- ❖ Empathy;
- ❖ Previous experience in cannabis or healthcare preferred;
- ❖ Accurate data-entry and record keeping;
- ❖ Strong attention to detail;
- ❖ Superior customer service skills;
- ❖ Excellent communication skills;
- ❖ Able to handle emergencies and make sound decisions;
- ❖ Proficiency in Windows-based software and internet navigation; and
- ❖ Knowledge of cannabis policies and law(s).

### *Dispensary Manager*

Responsible for day-to-day dispensary operations, manages all agents, agent training, monitors inventory and reports any loss or irregularities.

### *Assistant Manager*

Works with the Dispensary Manager to ensure dispensary operations are successful and compliant.

### *Agent-in-charge*

The agent-in-charge is a designation, usually held by the Dispensary Manager or Assistant Manager. Responsible for supervising other agents and all duties described in the regulations. May also be a temporarily assigned position to a capable agent.

### *Security and/or Reception*

Gatekeeper to the dispensary. Verify customers. Responsible for regulating the safe flow of customers, and overseeing access to all limited access area(s).

### *Recordkeeping*

All records of Buudda Brothers Marijuana Establishment will be available for inspection by the Commission, on request. In accordance to 935 CMR 500.105(9)(d) Buudda Brothers will maintain the following personnel records;

- ❖ Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
- ❖ 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, at a minimum, the following:
  1. All materials submitted to the commission pursuant to 935 CMR 500.030(2);
  2. Documentation of verification of references;
  3. The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;
  4. 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;
  5. Documentation of periodic performance evaluations;
  6. A record of any disciplinary action taken; and
  7. Notice of completed responsible vendor and eight-hour related duty training.

### ***Plan for maintaining confidential information and records***

In accordance to 935 CMR 500.105 (1)(l), BB will maintain confidential information and other records required to be maintained in a confidential manner. Buudda Brothers has designed a confidentiality policy to explain how we expect our employees to treat confidential information. Employees will unavoidably receive and handle personal and private information about customers, colleagues, partners and our company. Buudda Brothers wants to make sure that all sensitive information is secured and well protected. This policy affects all members of Buudda Brothers, including, but not limited to, board members, investors, executives, employees, contractors and volunteers, and/or anyone working directly and/or indirectly with Buudda Brothers who may have access to confidential information.

Confidential and proprietary information is secret, valuable, expensive and/or easily replicated and must be maintained securely. Below are various examples of confidential information that Buudda Brothers plans on maintaining:

- ❖ Unpublished financial information

- ❖ Data of customers, partners and vendors
- ❖ Patents, formulas and/or new technologies
- ❖ Customer lists (existing and prospective)
- ❖ Data entrusted to our company by external parties
- ❖ Pricing and/or marketing and other undisclosed strategies
- ❖ Documents and processes explicitly marked as confidential
- ❖ Unpublished goals, forecasts and initiatives marked as confidential

Employees of BB may have various levels of authorized access to confidential information.

To properly maintain confidential information and records, employees will be asked to do the following:

- ❖ Store, lock and/or secure confidential information, such as, but not limited to, financial books, records of assets and liabilities, transactions, agreements, checks, invoices, vouchers, personnel records of both employees and/or customers, taxes, and any other records associated with operating our Retail Marijuana Establishment;
- ❖ Encrypt electronic information and safeguard databases;
- ❖ Shred confidential documents when they're no longer needed, or deemed unnecessary.
- ❖ Only view confidential information on secured devices, such as, but not limited to, Buudda Brothers primary system, Metrc and/or secondary system MJ Freeway;
- ❖ Only disclose information to other employees when it is deemed necessary and authorized;
- ❖ Keep confidential documents inside our company's premises, specifically BB's storage room, unless it is absolutely necessary to move them;
- ❖ Sign non-compete and/or non-disclosure agreements ("NDAs"); and,
- ❖ Ask for authorization by senior management to allow access to certain confidential information.

Employees should not, under any circumstance:

- ❖ Use confidential information for any personal benefit or profit;
- ❖ Disclose confidential information to anyone outside of Buudda Brothers; and,
- ❖ Replicate confidential documents and files and store them on unsecured devices.

Executives and/or General managers will take measures to ensure that confidential information is well protected and that employees are following confidentiality procedures.



### *Exceptions*

Confidential information may occasionally have to be disclosed for legitimate reasons, to departments and/or authorities, such as, but not limited to Cannabis Control Commission (“CCC”). In such cases, employees involved should document their disclosure procedure, collect all needed authorizations, and present all necessary documentation upon request.

### *Disciplinary Consequences*

Employees who does not respect or abide by such plans will face disciplinary, and possibly, legal actions. Buudda Brothers will investigate every breach of this policy and will terminate any employee who willfully or regularly breaches our confidentiality guidelines.

### *Employee Handbook.*

BB’s Employee Handbook is subject to the provisions of official company policy documents, including insurance and benefits policies, plan documents, and applicable law. All Company employees are required to abide by the terms of this Employee Handbook as a condition of employment. The manual, which is furnished to all employees upon being hired, addresses:

- ❖ Introduction Employment Policies
- ❖ Employment Policies
- ❖ Payroll Practices
- ❖ Standards of Conduct
- ❖ Employee Benefits
- ❖ Time Off and Leaves of Absence

### *Alcohol & Drug Free Workplace*

BB will enforce an alcohol, smoke, and drug-free workplace policy by having each employee and associated agent sign a Alcohol & Drug Free Workplace Policy Agreement, which explicitly prohibits:

- ❖ The use, possession, solicitation, sale of narcotics or other illegal drugs, alcohol, or prescription medication without a prescription on Company premises;
- ❖ Being impaired or under the influence drugs or alcohol outside of Company premises, if such impairment or influence adversely affects the employee's work performance, the safety of the employee or of others, or puts at risk the Company's reputation;
- ❖ Possession, use, solicitation, sale of legal or illegal drugs, or alcohol away from Company premises, if such activity or involvement adversely affects the employee's work performance, the safety of the employee or of others, or puts at risk the Company's reputation; and,

- ❖ The presence of any detectable amount of prohibited substances in the employee's system while at work, while on the premises of the company, or while on company business. ("Prohibited substances" include illegal drugs, alcohol, or prescription drugs not taken in accordance with a prescription given to the employee.)

Also, BB will conduct drug and/or alcohol testing under any of the following circumstances:

- ❖ FOR-CAUSE TESTING: The Company may ask an employee to submit to a drug and/or alcohol test any time that company feels an employee may be under the influence of drugs or alcohol, including, but not limited to, the following circumstances: evidence of drugs or alcohol on or about the employee's person or in the employee's vicinity, unusual conduct on the employee's part that suggests impairment or influence of drugs or alcohol, negative performance patterns, or excessive and unexplained absenteeism or tardiness.
- ❖ POST-ACCIDENT TESTING: Any employee involved in an on-the-job accident or injury under circumstances that suggest possible use or influence of drugs or alcohol in the accident or injury event may be asked to submit to a drug and/or alcohol test. "Involved in an on-the-job accident or injury" means not only the one who was or could have been injured, but also any employee who potentially contributed to the accident or injury event in any way.

If an employee is tested for drugs or alcohol outside of the employment context and the results indicate a violation of this policy, or if an employee refuses a request to submit to testing under this policy, the employee may be subject to appropriate disciplinary action, up to and possibly including discharge from employment. In such a case, the employee will be given an opportunity to explain the circumstances prior to any final employment action becoming effective.

### *Important employee policies from handbook.*

Employees are prohibited from bringing bags, backpacks, and lunch boxes into the work areas. Any personal belongings such as cellphone or valuables wallets are to be locked in their assigned locker. Lockers will be located where the employees will check in/out of the facility. Check in/out area will be monitored by manager and video recording.

Employees are encouraged to leave all personal belongings and valuables at home, or locked in the trunk of their car parked on our property and under video recording. For personal safety employees are encouraged to exit and enter the building as a group, or even car pool together.

At any time employees are not on company premises, badges and registration cards are required to be kept secure and out of sight from the public.

If an employee has been or feels like they are at risk of injury, or have been harassed, bullied, discriminated or unfairly treated in any manner it is their duty report such incident immediately to management, to be investigated, documented, and follow-up actions will be taken. Managers will also periodically ask employees about any of these risks or items occurring.

## *Disciplinary action and termination of employment.*

If an employee fails to abide by any of the rules in our policies, or employment contract, employees may be subject to disciplinary action, and possibly termination of employment.

*Employee shall be immediately terminated if*

- ❖ Diverted marijuana, which shall be reported to law enforcement officials and to the Commission;
- ❖ Engaged in unsafe practices with regard to operation of the Marijuana Establishment, which shall be reported to the Commission; or
- ❖ Been convicted or entered a guilty plea, plea of nolo contendere, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority.

## *Background checks.*

BB will engage an independent entity to conduct background checks on each potential employee, to the fullest extent of the law. Outsourcing background checks to third-party will provide the greatest benefit, because of third party vendor will have access background databases that BB will not, and are more equipped to do extensive background searches if need be.

## *Wellbeing.*

BB aims to create a workplace culture that values, supports and promotes programs that improve the physical, mental and wellbeing of employees.

BB aspires to create a safe, healthy, cheerful and optimistic work environment through activities underpinned by the guiding principles that wellbeing initiatives should:

- ❖ Promote positive health and wellbeing for all employees
- ❖ Be informed by the World Health Organization
- ❖ Increase the health knowledge and skills of employees
- ❖ Create health promoting environments
- ❖ Promote and facilitate programs that increases ones physical being.

## *Buudda Brothers Code of Ethics*

*Employees shall, in performing his or her duties:*

- ❖ Be timely—arrive on time and notify someone within the company if one is running late;
- ❖ Be respectful of the workplace;
- ❖ Be responsive;
- ❖ Treat members of the public and colleagues with courtesy and sensitivity to their rights, duties and aspirations;
- ❖ Act with the quality of having strong moral principles, honesty and decency;
- ❖ Act in a way that treats all rivals or disputants equally;
- ❖ Comply with any lawful and reasonable direction given by a person having authority to give direction;
- ❖ Not take, or seek to take, improper advantage of his or her position to obtain a benefit for the employee or any other person;
- ❖ Not make improper use of the property of the company;
- ❖ Avoid waste in the use of the property of the company;
- ❖ Be mindful of company procedures and or instructions;
- ❖ Shall never use or disclose, unless authorized, any company confidential information;
- ❖ Disclose conflicts of interests;
- ❖ Not make a comment that he or she is not authorized to make where the comment may be expected to be taken to be an official comment; and,
- ❖ Exercise legitimate care and skills;

## *Resolving Workplace Issues*

- ❖ All employees will be asked to be communicative, clear and friendly;
- ❖ Monitor potential harassment, and or bullying;
- ❖ Provide constructive and positive feedback; and,
- ❖ Implement an open door protocol in which an executive, or manager leaves their door open, figuratively speaking, in order to encourage productive communication within the workplace.

# Record Keeping Procedures.

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Buudda Brothers Sargent Street Facility, LLC (“BB”) recognizes the importance of record keeping and maintenance not only to the operation of its business but as a window of transparency between BB and the Cannabis Control Commission (“Commission”), the City of Holyoke, and the Commonwealth of Massachusetts. The establishment will keep accurate, up-to-date records of all business activities, including operating procedures, inventory records, personnel records, business records, and waste disposal records. As dictated by 935 CMR 500.105(9), all records will be maintained in accordance with the generally accepted accounting principles. Records will be made available for inspection by the Commission upon request. Importantly, BB’s record-keeping procedures will allow for accountability.

## *Inventory*

BB will keep a record of its entire inventory received, stored, dispensed and wasted. Pursuant to 935 CMR 500.105(9)(b), BB will maintain accurate, written records of inventory as required by 935 CMR 500.105(8). Specifically, BB will use the seed-to-sale tracking system Metrc. Metrc will create a verifiable chain of custody and record of activity for each inventory item at BB until the product is dispensed or destroyed.

In addition, Metrc will provide support for, and document and record, the following activities:

1. *Traceability.* In adherence to 935 CMR 500.105(9)(c), all marijuana products will be tagged and tracked using a Commission-approved seed-to-sale methodology. The Metrc system allows for the assignment of identifying information, such as the name of the product and a lot/batch and control number, for each marijuana product at any stage in the process of manufacture or distribution. Inventory Control labels produced by the system will be affixed to each container of marijuana that contain this information making it possible to determine the complete manufacturing history of each package or container of marijuana.
2. *Initial, Monthly, and Annual Inventories.* Consistent with 935 CMR.500.105(8)(c), BB will have a record of initial, monthly, and annual inventory. The system’s reconciliation feature provides support for conducting and maintaining historical records of all inventories conducted by BB to include, at a minimum, the date of the inventory, a summary of the inventory

findings, and the name, signature and title of the individuals who conducted the inventory.

3. *Records of Disposal/Destruction of Marijuana.* The system provides support for and creates and maintains historical records of each disposal of marijuana. The Commission requires, per 935 CMR 500.105(9)(f), that all waste disposal required under 935 CMR 500.105(12) be kept and made available to the Commission. In accordance with 935 CMR 500.105(12)(d), each record of disposal, which will be kept for at least three years unless otherwise extended by an enforcement action or order by the Commission, will contain:
  - a. The date;
  - b. The type and quantity disposed of or handled;
  - c. The manner of disposal or handling;
  - d. The location of the disposal or handling; and
  - e. The names and electronic signatures of the two BB agents present during the disposal or handling.
4. *Test Results.* Since each lot/batch of marijuana or usable marijuana is unique to the system, laboratory test results can be uploaded into the product record. Test results captured by the system include cannabinoid and tetrahydrocannabinol content (potency) and analyses conducted for the purpose of identifying the presence of pests, mold, mildew, heavy metals, and pesticides.
5. *Product Recall.* The system's lot/batch tracking capabilities and integrated sales record management feature allow for the timely identification of any lot or batch of marijuana that is found to be unsafe for use and provide for the prompt identification and notification of customers whom may have received the product.

## ***Business Records***

In addition to the inventory records kept by BB using the Metrc system, BB will also keep an accurate, current accounting of all business records. BB will employ a qualified personal business accountant to manage, on a regular basis, BB's financial and business accounting. The measured contracting of an experienced professional gives BB the confidence that it is complying with all laws and regulations, and that all of its records will be measured, factual and up-to-date. BB will also use the Metrc system to concurrently track sales and transactions.

BB will keep a variety of computerized records, overseen by its accountant. Pursuant to 935 CMR 500.105(9)(e), the business records will include:

1. Assets and liabilities;
2. Monetary transactions;
3. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
4. Sales records including the quantity, form, and cost of marijuana products; and
5. 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.

### ***Operating Procedures.***

BB will also keep a record of its operating procedures as well as other corporate governing documents per 935 CMR 500.105(9)(a). As required by 935 CMR 500.105(1), BB will maintain detailed written operating procedures that include the following:

1. Security measures in compliance with 935 CMR 500.110;
2. Employee security policies, including personal safety and crime prevention techniques;
3. Current operating hours and after-hours contact information, which will be provided to the Commission and made available to law enforcement officials upon request;
4. Storage of marijuana in compliance with 935 CMR 500.105(11);
5. Description of the various form(s) in which marijuana will be sold;
6. Price list for marijuana and marijuana products and any other available products;
7. Procedures to ensure accurate recordkeeping, including inventory protocols in compliance with 935 CMR 500.105(8) and (9);
8. Plans for quality control, including product testing for contaminants in compliance with 935 CMR 500.160;
9. A staffing plan and staffing records in compliance with 935 CMR 500.105(9);

10. Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;
11. Alcohol, smoke, and drug-free workplace policies;
12. A plan describing how confidential information will be maintained;
13. A policy for the immediate dismissal of any marijuana establishment agent who has:
  - a. Diverted marijuana, which shall be reported to law enforcement officials and to the Commission;
  - b. Engaged in unsafe practices with regard to operation of the Marijuana Establishment, which shall be reported to the Commission; or
  - c. Been convicted or entered a guilty plea, plea of nolo contendere, or admission to sufficient facts of a felony drug offense involving distribution to a minor Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority.
14. A list of board members and executives of a Marijuana Establishment, and members, if any, of the licensee must be made available upon request by any individual;
15. Policies and procedures for the handling of cash on Marijuana Establishment premises including but not limited to storage, collection frequency, and transport to financial institution;
16. Policies and procedures to prevent the diversion of marijuana to individuals younger than 21 years old; and
17. Policies and procedures for energy efficiency and conservation that shall include:
  - a. Identification of potential energy use reduction opportunities (including but not limited to natural lighting, heat recovery ventilation and energy efficiency measures), and a plan for implantation of such opportunities;
  - b. Consideration of opportunities for renewable energy generation, including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;



- c. Strategies to reduce electric demand (such as lighting schedules, active load management and energy storage); and
  - d. Engagement with energy efficiency program offered pursuant to M.G.L. c.25, § 21, or through municipal lighting plants; and
18. Policies and procedures to promote workplace safety consistent with applicable standards set by the Occupational Safety and Health Administration, including plans to identify and address any biological, chemical or physical hazards. Such policies and procedures shall include, at a minimum, a hazard communication plan, personal protective equipment assessment, a fire protection plan, and an emergency action plan

Additionally, BB will store copies of corporate governing documents in a secure, fire rated, locking cabinet at an offsite storage location and maintain copies of such records on a cloud based storage/filing system, such as Google Drive or Dropbox for easy retrieval in the event of an incident or disaster. Such records include articles of formation, certificate of good standing, bylaws, amended bylaws, board meeting minutes, and resolutions.

### ***Personnel Records.***

BB will maintain a comprehensive record of personnel currently and formerly employed at the establishment, including paid and non-paid employees. BB will utilize a human resource system capable of digitally storing and organizing all staffing plans, schedules, on-duty reports, employee background check results, performance evaluations, training certifications, and any other personnel records. In accordance with 935 CMR 500.105(9)(d), the system will maintain a personnel record for each employee, principal officer, director, board member, agent or volunteer that includes, at a minimum, the following:

1. The full name, date of birth and address of the individual along with any current or past aliases or maiden names;
2. Copy of individual's verified personal identification documents;
3. Attestation the individual will not engage in the diversion of marijuana products;
4. Any written acknowledgement by individual concerning any limitations on their or dispense marijuana in Massachusetts;

5. Background information, including description and dates of any criminal, civil or administrative actions, or denial, suspension or revocation of any licensing or registration for any type of business or profession or any pending or unresolved complaints;
6. The title held by the individual and a job description, including an organizational chart consistent with the job description (935 CMR 500.105(9)(d)(1);
7. Individual's references and documentation of verification of these references;
8. Employment contract and description of duties, authority, responsibilities, qualifications, supervision;
9. Documentation of all required training, including training regarding privacy and confidentiality requirements, and signed statement of individual indicating date, time and place they received said training and topics discussed, including the name and title of presenters;
10. Documentation of periodic performance evaluations;
11. Record of any disciplinary action taken;
12. Notice of completed responsible vendor and eight-hour related duty training as required by (935 CMR 500.105(2);
13. Jobs descriptions for each agent;
14. A Personnel record for each agent;
15. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;
16. Personnel policies and procedures; and
17. All background check reports obtained in accordance with 935 CMR 500.030 935 CMR 500.105(9)

To guarantee that the establishment is employing upstanding individuals in the community, BB will also run background checks on all employees and maintain such records. In compliance with 935 CMR 500.105(9)(d)(5), all background check reports obtained in accordance with 935 CMR 500.030 will be kept in a secure area. BB will use a comprehensive human resource management system to store background check results with the rest of the personnel records. In addition to the background checks and individual personnel records, BB will also store its personnel policies and procedures in the same location, consistent with 935 CMR 500.105(9)(d)(4).

BB has also developed a policy to maintain its records to build a dependable, comprehensive snapshot of its personnel, past and present. In adherence to 935 CMR 500.105(9)(d)(2), all records for BB employees, agents, and volunteers will be kept for at least 12 months after the termination of the individual's affiliation with the establishment. Further, BB has established a record retention policy that dictates the maintenance of personnel records for five years from the date of termination of affiliation.

### ***Closure of Establishment.***

BB is prepared to face every stage of its business, including its closure. But BB also recognizes that the closure of a business does not mean the ceasing of business activities. Due to the importance of business records, it is imperative to maintain company records post-closure for at least a period of time. The Commission, as set out in 935 CMR 500.105(9)(g), requires an establishment to retain all records for at least two years following the establishment's closure at its own expense and in a form and location acceptable to the Commission. Thus, BB's policy will be to maintain all records for at least two years from the date of the establishment's closure. BB will also keep these records in a form and location approved by the Commission.

BB's unyielding dedication to accurate and current record-keeping and maintenance drives BB to employ the best methods to manage its records. Thus, BB has employed a professional, qualified accountant to manage its financial and business records and has placed the trusted system Metrc at the helm of its product tracking. BB is confident that these measures will elevate its record management and provide appropriate transparency for the Commission.

## **Maintenance of Financial Records.**

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In addition to other records kept by Buudda Brothers Sargent Street Facility, LLC (“BB”) using the Metrc system (e.g. inventory), BB will also maintain financial records using Metrc and a secondary system LeafLogix.

The Commission requires, as set forth in 935 CMR 500.140(5)(e), that a Marijuana Retailer shall comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements. Though BB is a cultivator, BB still intends to ensure all records comply with the Record Retention and DOR Directive. BB will therefore employ a qualified personal business accountant to manage, on a regular basis, BB’s financial and business accounting. The contracting of an experienced professional gives BB the confidence that BB is complying with all laws and regulations and that all of its records will be measured, factual and up-to-date. BB will also use Metrc and their secondary system, LeafLogix, to concurrently track sales and transactions.

The policies and procedures for maintenance of financial records will coincide with BB’s Record Keeping Procedures.

Again, while BB is not classified as a retailer, it still sees value in implementing policies that correspond with the Commission’s requirements for marijuana retailers. Specifically, the Commission requires, per 935 CMR 500.140(5)(d) that a retailer shall conduct a monthly analysis of its equipment and sales data to determine no software has been installed that could manipulate or alter sales data and records should be maintained that confirm the retailer has performed their monthly analysis. BB will maintain computerized records that it has performed its monthly analysis, as overseen by BB’s accountant. Pursuant to 935 CMR 500.105(9)(e), the financial records will include:

1. Assets and liabilities;
2. Monetary transactions;
3. Books of accounts, which shall include journals, ledgers and supporting documents, agreements, checks, invoices, and vouchers;
4. Sales records including the quantity, form and cost of marijuana products;
5. 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.

Metrc will proactively ensure that no software has been installed into its system and no other methodology has been employed to manipulate or alter sales data as the Commission requires of retailers in 935 CMR 500.140(5)(d). If any BB employee or executive determines that a software has been installed for the purpose of manipulation and/or alteration of sales data or other methods have been utilized to manipulate and/or alter sales data the following must be followed:

1. BB shall immediately disclose the information to the Commission;
2. BB shall cooperate with the Commission in any investigation regarding manipulation and/or alteration of sales data; and
3. Take such other action directed by the Commission to comply with 935 CMR 500.105.

In accordance to 935 CMR 500.140(5)(f), BB will adopt separate accounting practices at the point-of-sale for marijuana and/or marijuana products. The CEO and/or COO will sign-off on whether or not such practices are being performed.

Additionally, BB intends to have daily inventory checks to ensure the quantity of marijuana meets the demands indicated by an analysis of sales data collected by BB's vendor system during the preceding six months in accordance to 935 CMR 500.140(5). All sales data analysis will be provided on a bi-annual basis in either paper form or electronically.

Metrc and LeafLogix features password protection and unique codes that will be used as electronic signatures. Records will be kept of all logins and records created or edited during that login time.

Any paper records will be stored in locked cabinets in the BB facility's storage room, only giving access to certain employees. Any hard-copy information that is not filed will be shredded.

BB intends for its maintenance of financial records to be secure, current, and compliant with federal and state laws and regulations. While operating as a cultivation establishment, BB plans to still employ next-level protections such as those outlined for retailers in the Commission regulations. BB's dual systems, Metrc and LeafLogix, will be essential in recordkeeping and maintenance and will be periodically audited and reviewed by BB executives. BB is hopeful these measures will secure BB's records for years to come.

## **Restricting Access to age 21 and Younger.**

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Buudda Brothers Sargent Street Facility, LLC (“BB”) is committed to taking the required steps necessary to restrict access to marijuana to individuals aged 21 and over. BB recognizes it has a responsibility to the community to prevent anyone not of age from taking, buying, or using marijuana that originates from its facility. Therefore, BB has devised a series of policies and protocols designed to restrict access to marijuana to individuals 21 and older and to prevent diversion to minors. These protocols include training for its agents, security measures, appropriate warnings and responsible marketing.

### ***Training Agents.***

First, BB will only hire and employ agents that have the appropriate qualifications and training. As such, as required by the Commission in 935 CMR 500.030(1)(a), all employees and registered agents must be 21 years of age or older. If an individual is not at least 21 years of age, BB will not employ this individual in any capacity.

Training will be given to the security team and employees on preventing any unauthorized persons from entering the marijuana cultivation establishment. Pursuant to 935 CMR 500.105(2)(b)(7)(b), all employees and agents will attend a responsible vendor training program that includes training on the diversion prevention and prevention of sales to minors, including best practices. The training will specifically address compliance with all tracking requirements, how to check for identification, spotting false identifications, provisions for confiscating fraudulent identifications, and common mistakes made in verification in adherence with 935 CMR 500.105(b)(7)(c) and (d). To help apply their training, BB will equip all security personnel with a state-of-the-art ID scanner. BB agents will be trained to check the IDs of anyone who wants to gain entry into the cultivation establishment.

All BB employees will undergo the appropriate training and log the requisite number of hours to complete the training. The Commission requires, as set forth by 935 CMR 500.105(2)(b)(6), that employees complete at least eight hours of real-time training prior to beginning their job with at least two hours pertaining to the responsible vendor training program. Employees must subsequently pass a test with a score of 70% or higher to confirm that the employee has adequately learned the different protocols and regulations. BB will only select a training provider that maintains its training records at

its principal place of business for three years and that agrees to make the records available upon inspection by the Commission or other licensing authority. BB will also keep a copy of each employee's training record for 3 years to be made available upon request.

All BB employees prior to dealing with marijuana will be aware that they may not divert or distribute products to anyone outside of business as a condition of their employment. Pursuant to 935 CMR 500.030(2)(d), employees and agents must sign an attestation that the individual will not engage in the diversion of marijuana products. The purpose of this extra precaution is to stress the importance of the employee's responsibilities and to hold that employee accountable for any wrongdoing that may endanger anyone under the age of 21.

BB's Employee Handbook will provide additional guidance for employees on the consequences of any attempt at supplying underage individuals with marijuana or marijuana products. If an employee is determined to have committed drug diversion, the employee will be subject to corrective action consistent with 935 CMR 500.105(1)(m). In most cases the expected outcome will be termination of employment or dismissal from the applicable training program. Such action may be taken regardless of whether the diversion occurred within the scope of employment or training, or while the employee was off-duty. Termination or dismissal due to drug diversion will be recorded in the employee's employment file. The specific reason for dismissal will be shared with prospective employers who contact BB with appropriate authorization.

## ***Security Measures.***

Due to the nature of BB's cultivation business, BB has no intentions of allowing day-to-day customers to enter its facility. Only employees of BB and potential wholesale buyers will have access to BB's facility. However, when wholesale buyers and customers are permitted inside the facility, these customers will be made aware of the consequences of distributing marijuana or marijuana products to minors. Just as customers at a dispensing establishment must go through the proper channels to purchase marijuana products, customers of BB's cultivation facility must also confirm their age and commitment to preventing sales to minors.

Other security measures will be in place to prevent marijuana products from falling into the hands of individuals under the age of 21. A full set of policies and procedures to prevent the diversion of marijuana to individuals younger than 21 years of age can be found in the Security Plan in compliance with 935 CMR 500.105(1)(o). All information in the security plan is designed and intended to prevent the diversion of marijuana products among other security concerns.

Briefly, the apparent security measures in force to restrict access to individuals aged 21 and over include:

- ✓ Storing all finished marijuana products in a secure, locked safe or vault in a manner to prevent diversion, theft or loss consistent with 935 CMR 500.110(1)(f);
- ✓ Adequate security system to prevent and detect diversion, theft or loss of marijuana or unauthorized intrusion, utilizing commercial grade equipment;
- ✓ Back-up alarm system with all the capabilities of the primary system provided by a company supplying commercial grade equipment that is not the same company supplying the primary system pursuant to 935 CMR 500.110(5)(c);
- ✓ Perimeter alarm on all building entry and exit points and perimeter windows in accordance with 935 CMR 500.110(5)(a)(1); and
- ✓ 24-hour video cameras in all areas that may contain marijuana, at all points of entry and exit and in any parking lot which shall be appropriate for the normal lighting conditions of the area under surveillance in adherence with 935 CMR 500.110(5)(a)(4).

BB is confident that these security measures and diversion prevention policies and procedures will effectively avoid the diversion of its marijuana products. If any of these measures is found to be deficient, BB will take immediate corrective action and conduct an analysis on how best to improve these measures to keep the community safe. BB is also committed to working closely with the Commission and the City of Holyoke to prevent minors from accessing marijuana and marijuana products.

### ***Perimeter Security.***

Buudda Brothers will employ the following perimeter safety features to ensure perimeter safety by proactively preparing for, identifying, and discouraging potential threats to the building and community. Signage will be posted around the facility perimeter warning and notifying persons of company policies and security features. The Commission requires, as set forth in 935 CMR 500.110(4), that limited access areas be identified by the posting of a sign that shall be a minimum of 12" x 12" and which states: "Do Not Enter – Limited Access Area – Access Limited to Authorized Personnel Only" in lettering no smaller than one inch in height. These signs will be posted around the perimeter as access inside BB's premises will be restricted to BB owners, designated employees, agents of the Commission, state and local law enforcement, security



personnel, and escorted authorized visitors in compliance with 935 CMR 500.110(4)(c). A current list of employees with access to limited access areas will be available to law enforcement and the Commission upon request.

Any trespassers must be quickly spotted and easily identified. Pursuant to 935 CMR 500.110(5)(g), any trees, bushes, and other foliage outside of the Marijuana Establishment shall be maintained so as to prevent a Person or Persons from concealing themselves from site. BB plans to limit any unnecessary foliage on its premises for security purposes. Again, BB's facility will be equipped with perimeter sensors in the parking lot that will be integrated with the video surveillance system and notify authorized persons when motion is detected.

BB recognizes the importance of perimeter fencing as an effective deterrent to possible criminal threats. BB will conduct a risk assessment with Target Security noting the facility's high security alert points and installing a perimeter fence to protect against unauthorized access to the facility and other criminal threats. The property line will be secured by an 8' high galvanized chain-link fence with anti-climb features composed of welded wire to make cutting virtually impossible. The fence will feature a cantilever gate and an appropriate high security anti-climbing topping feature. The fence will have a gate for customer entry by foot with an electronic access control feature when needed.

Additionally, BB security personnel, along with the security manager, will conduct constant and random perimeter patrols to secure the facility against any possible threat, to deter loitering, and to protect customers and employees.

### ***Exterior Sally Port for Transportation Services.***

An exterior sally port will be installed on the premises for authorized transportation service providers. The sally port will allow the transporters to drive directly into a secured area. The driver will be asked to stay within the vehicle until the gate automatically closes behind the vehicle.

### ***Additional Prevent of Unauthorized Access to Facility.***

BB will use access control systems to secure each facility entrance and will give access permission only to necessary persons (i.e. owners, security manager). Access control systems will be reviewed with security professionals to ensure optimal and efficient performance that maximizes safety. The security guard will be the first point of contact

BB will use access control systems to secure each facility entrance and will give access permission to only necessary persons (ie. Owners, security manager.) Access control systems will be reviewed with security professionals to ensure optimal and efficient performance that maximizes safety. The security guard will be first point of contact at the main and only entrance for wholesale customers and visitors. Staff will be provided with training in procedures and operations handling. All exterior doors will have electronic access control allowing for entry in authorized areas. All exterior doors will be hardened with high security doors with electronic access control. All exterior windows will have secured interior locks with motion sensor capabilities. All exterior walls will be constructed of CMU blocks with concrete infill and rebars to prevent any entry by crashing a vehicle into the wall.

### ***Employee and Visitor Access.***

Because entry into BB's premises is considered a limited access area, any access must be monitored and traceable. In accordance with 935 CMR 500.110(4)(d), employees of a Marijuana Establishment shall visibly display an employee identification badge issued by the Marijuana Establishment at all times while at the Marijuana Establishment or transporting Marijuana. Before entering BB's premises, all employees and agents must have their identification badge visible on their person.

Additionally, outside visitors, contractors, and vendors must be accounted for. The Commission requires, as set forth in 935 CMR 500.110(4)(e) that all outside vendors, contractors, and visitors shall obtain a Visitor Identification Badge prior to entering a Limited Access Area and shall be escorted at all times by a Marijuana Establishment Agent authorized to enter the Limited Access Area. The Visitor Identification Badge shall be visibly displayed at all times while the Visitor is in any Limited Access Area. All Visitors must be logged in and out and that log shall be available for inspection by the Commission at all times. All Visitor Identification Badges shall be returned to the Marijuana Establishment on exit. Upon entering the premises and allowed further, each vendor, contractor, and visitor will first obtain a Visitor Badge and be logged in. An authorized agent will meet them at the entrance to be their escort for the remaining of their visit.

Employees and visitors will exchange their government issued identification (i.e. driver's license, passport, etc.) for an identification badge. According to 935 CMR 500.029, all employees and registered agents must be 21 years of age or older. Also, per 935 CMR 500.002, all visitors must be 21 years of age or older. All employees and visitors must wear their badge and will be asked to keep the badge visible at all times.

Only authorized personnel will be allowed within access-controlled areas with proper identification/access badge. Staff and visitors only may use authorized display methods for badges such as a clip or necklace.

To be allowed entry and to receive an identification badge, visitors, including vendors and contractors, must be 21 years of age or older, the same as employees and agents as required by 935 CMR 500.002.

Further, visitors will be asked not to leave the facility with identification/access badge so BB can have an accurate head count of visitors within the building in case of an emergency situation. They will also be asked to never loan identification/access badge or access control devices to anyone, even another employee. Identification/access badges should never be left unattended. Employees who resign or are terminated will return badges or access control devices. Their badge will be deactivated and disposed of. All instances of noncompliance or breach of security procedures must be reported to the security manager or security guard on duty immediately. A violation of these procedures will result in disciplinary action or termination.

### ***Appropriate Warnings.***

While educating its employees and wholesale customers on the dangers of underage marijuana use is critical, BB also recognizes its duty to provide sufficient warnings to consumers it never encounters and to the public at large. So, BB will provide warnings on the outside of its facility and on the marijuana products it creates.

Around the cultivation facility, BB will hang clear and visible signs that read in all capital letters, "NO PERSON UNDER 21 ALLOWED." These signs will be brightly colored to catch the attention of any person who tries to enter the facility. The wording will be legible and if the wording becomes illegible at any point, the sign will be promptly replaced with a sign that has legible wording.

BB will adhere to the regulations put in place by the Commission regarding product labeling. In compliance with 935 CMR 500.105(5)(a), BB, as a cultivator, will ensure the placement of a legible, firmly affixed label with wording that is no less than 1/16 inch in size on each package of marijuana. The label will include the all-caps statement, "KEEP THIS PRODUCT AWAY FROM CHILDREN." Accompanying the wording will be the following conspicuous symbol in accordance with 935 CMR 500.105(5)(a)(9):



The labeled marijuana products will also be placed in a tamper and child-resistant container prior to being delivered to BB's customers to prevent accidental ingestion by children. While BB is operating a cultivation facility and does not provide the final packaging for the marijuana products, BB is dedicated to using child-proof containers for its marijuana products in the meantime prior to the stage of final packaging.

### ***Responsible Marketing.***

BB is excited to become part of the marijuana establishment community. Part of that community is providing educational resources to the public and promoting healthy practices. While BB wants to engage with the community and form local ties, it also understands the importance of doing so carefully and intentionally. Engaging in community events and reaching the public is important, but drawing lines during those efforts to prevent any access to minors is even more important.

Therefore, BB has enacted policies and protocols to restrict access to individuals aged 21 and over. Thus, in compliance with 935 CMR 500.105(b), BB will not engage in the following practices that may attract minors and such practices will be considered prohibited:

1. 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, 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;
2. Advertising, marketing, and branding at, or in connection with, a charitable, sporting or similar event, 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. Advertising, marketing, and branding that utilizes statements, designs, representations, pictures or illustrations that portray anyone younger than 21 years old;

4. Advertising, marketing, and branding including, but not limited to, mascots, cartoons, brand sponsorships and celebrity endorsements, that is deemed to appeal to a person younger than 21 years old;
5. Advertising, marketing, and branding through certain identified promotional items as determined by the Commission including, but not limited to, gifts, giveaways, coupons, or “free” or “donated” marijuana; and
6. Operation of any website of a Marijuana Establishment that fails to verify that the entrant is 21 years of age or older.

The company has a zero-tolerance policy with restricting access to individuals 21 and older. BB is hopeful that its practices and policies, including security measures, training, warnings, and responsible marketing will be complete and sufficient. However, if any measures are found to be ineffective in any way, BB will work to correct its policies and to establish alternative safeguards.

# **Qualifications and Training**

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Buudda Brothers Sargent Street Facility, LLC (“BB”) staffing and training policies dictate the processes the company will use to manage human resources to provide the highest quality service and products for consumers while acting in compliance with the Cannabis Control Commission regulations. The Chief Operating Officer in coordination with the Human Resources Manager is responsible for maintaining and updating the policies, which will ensure that BB has sufficient staff possessing the correct skill-sets and experience needed to ensure the success of all operations. BB encourages personal growth, development, and empowerment for its agents. All agents are encouraged to provide input and suggest new policies and processes.

### **FAIR EMPLOYMENT PRACTICES POLICY**

BB is committed to providing all agents with a safe, healthy and beneficial working environment. Workplace safety and environmental standards are of utmost concern to BB, as the welfare of our agents greatly impacts our ability to operate successfully. Fair employment practice including the prohibition against all forms of illegal discrimination, will be prioritized and enforced at all times through BB codes of conduct. All Buudda Brother agents will receive access to generous benefits packages and rates of compensation that exceed state minimum standards. By providing equal access and fair treatment to all agents, we will improve BB success while enhancing the progress of individuals and the community in which our business operates.

### **COMPENSATION STANDARDS AND TIME OFF**

The standard Buudda Brother workweek consists of 40 hours. Overtime compensation is paid to non-exempt agents in accordance with federal and state wage laws. Overtime is payable for all hours worked over 40 per week at a rate of and one and one-half times the non-exempt agents regular hourly rate.

Each agent’s hourly wage or annual salary will be reviewed at least once each year. When the company has the financial ability to provide salary increases, increases will be determined by performance, adherence to laws, policies and procedures and the ability of agents to meet or exceed their duties per job description and achieve performance goals. BB will provide all agents with competitive wages based on position and tenure. Our standard wages range from \$12 per hour to \$75k annually. Bonuses are variable, generally never exceeding 5% of an individual’s total yearly salary. Additionally, all bonuses are at the discretion of the Chief Executive Officer and/or Chief Operating Officer and are not guaranteed. By providing our agents with adequate compensation, we reinforce our commitment to investing in the



progress of individuals and the establishment of a highly capable and experienced team. It is a goal of BB to establish long-term employment opportunities for all agents.

BB will offer its regular full-time agents paid vacation after one year of employment, two weeks after three years and four weeks after five years of service. Additionally, BB will provide unpaid leave opportunities for all agents to care for the agent's child after birth or placement for adoption or foster care, to care for the agent's spouse, son, daughter or parent, who has a serious health condition, for a serious health condition that makes the agent unable to perform the agent's job and/or for a qualifying exigency or military caregiver leave.

### **BENEFITS**

BB is committed to providing a generous benefits program for all agents as allowed by the company's financial performance. When fiscally feasible, all BB agents will have the opportunity to participate in a 401(k) plans and other types of retirement programs with a matching company contribution. Agents will also be presented with access to competitive health insurance programs or a health savings account (HAS) program covering individuals and families. 125 Flexible Spending Accounts will be established for participating agents, allowing participants to set aside pre-tax dollars to pay for certain types of health expenses. BB will establish access to three plans: (1) medical expenses, (2) for dependent care expenses and (3) or certain transportation expenses. BB will additionally provide agents with options for participating in long-term and short-term dental and vision coverage, disability insurance and life insurance programs or provide equivalent salary allowances.

Our community involvement directives allow agents to earn wages while participating in community-based initiatives such as volunteer work, participation in local Big Brother/Big Sister programs, Junior Achievement or other community-based service programs. Additionally, BB may establish tuition reimbursement programs for agents to reimburse for programs that benefit agent advancement.

### **STAFFING PLAN**

The hiring of agents must follow established procedures. The Human Resources Manager will ensure compliance with local, state and federal laws regarding the

hiring and employment screening processes. BB retains legal counsel to ensure our employment policies comply with local, state and federal employment laws.

### **Staff Acquisition Process**

1. Identification of need;
2. Job classification and job description preparation;
3. Solicitation of the vacant position utilizing the methods that best fit the position;
4. Reviewing resumes on qualified candidate;
5. Performing and recording reference checks on qualified candidates;
6. Scheduling first interviews with the Human Resources Manager;
7. Scheduling second interviews with strong candidate with the Human Resources Manager and department manager;
8. Delivery of an offer letter to the first-choice candidate;
9. Performing criminal background check on selected candidate;
10. Send application to the state for registration; and
11. Completion of the probationary period.

The staffing plan is based on business plan assumptions and best practices and may be adjusted in accordance with actual operating needs. BB Human Resource Manager will coordinate with the Chief Executive Officer, Chief Operational Officer, and/or General Manager to acquire all staff. The acquisition process may vary depending on the vacant position and special circumstances. The acquisition process will be managed by the Human Resource Manager and will always include performing a criminal background check on the selected candidate to determine their eligibility, new hire orientation and training only upon successful registration and completion of the probationary period.

All managers must comply with all Equal Employment Opportunity Commission (“EEOC”) guidelines. None of our policies or practices discriminate based on or conflict with laws regarding the following: race, height and weight, credit rating or economic status, religious affiliation or beliefs, citizenship, marital status and number of children, gender, arrest and convictions, security/background checks for certain religious or ethnic groups, disability, medical questions and examinations.

Positions will only be filled according to the established protocols.

### **Applicant Screening and Monitoring**

It is critical for the security of BB that only the most qualified, credible and talented people are hired to help avoid workplace theft, fraud or violence. Its equally important for BB to conduct background screening on the contingent workers, including, but not limited to, cleaning crews, facilities maintenance workers, auditors and other contractors who have access to BB property or represent BB. Knowing the background of these workers is required to protect the integrity of BB, as well as the safety of our customers. Therefore, this workforce needs to be screened with the same due diligence as any other agent.

To help attract, hire and retain the best agents, BB has developed employment screening and monitoring processes to create a candidate experience that benefits potential agents and reduce BB risk by utilizing a fast, scalable and compliant background screening solution. An efficient, thorough employment screening process can, above all else, help reduce BB overall workplace risk. Identifying risk early, before hiring an agent, protects the organization from risk related to physical safety, financial security, organizational image or reputation, and legal compliance issues.

#### *Pre-screening Potential Candidates*

The Human Resources Manager will pre-screen candidates by stating clearly to potential applicants what items and prerequisites will be needed to properly qualify the employment application. This will streamline BB application process by having applicants review the information and then determine whether or not they meet the qualifications. This is part of the proactive pre-screening process that ensures applicants who submit their information will pre-qualify based on the specific information needed later in the process.

Any applicant who has submitted a complete application for employment will have a professional background check conducted. This investigation will be in addition to a secondary verification and will be noted that he/she will soon be licensed as a cannabis agent and thus allowed to work within the facility. The investigation will be conducted to ensure the potential agent does not have any felony convictions, which would bar them from employment. The investigation will also check for any

crimes of moral turpitude, whether it was a misdemeanor or a felony. Any indication of past crimes of moral turpitude will be a bar to employment.

The following searches may be performed depending upon the type of position the candidate is seeking.

**1. *Member-Contributory Theft Information Database***

BB will use a member-based program where companies share agent theft and shoplifting information to identify applicants with a history of internal theft. The database is built from member contributions and will be available exclusively to member organizations. Member contributions are typically proprietary records and not found through traditional public record sources.

**2. *National Crime File Search***

Some vendors can offer access to nationwide database(s) of criminal records gathered from across all 50 states. A variety of sources will be utilized, including, Sex Offender Registries, state and county criminal courts and state-level departments of corrections. This search can provide instant results depending on the provider.

**3. *Felony and Misdemeanor Search***

This county courthouse search includes a search of all felonies and misdemeanors on all indexes available at the main county seat court location.

**4. *Motor Vehicle Report***

A Motor Vehicle Report (“MVR”) reveals the status of an applicant’s driver’s license and any violation history. This search should be conducted on all candidates who will have driving responsibilities, including those who will not only drive a company vehicle but may also drive a personal vehicle during company hours or for business purposes.

*Verification and Qualification Solutions*

The Human Resources Manager will utilize the following solutions depending on the level of security required for the position.

**1. *Social Security Number Verification (“SSNV”)***

This search matches the input information against millions of consumer header credit files contained in the databases of nationwide credit reporting agencies. The SSNV returns other names and addresses associated with the identifying information used to request the report.

## ***2. Credit Check***

This search matches the candidates information to information held by the Credit Bureaus and returns the candidate's credit report.

## ***3. Employment and Education Verification***

BB will integrate instant and automated employment screening products into the hiring process. Instant searches will be used to efficiently move forward in the hiring process by quickly confirming or validating basic information such as a Social Security number or name and address history. Automated searches will provide electronic delivery of process updates and results, eliminating time delays often associated with manual follow-up on important screening components such as employment or education verifications. Once the applicant is determined to have passed a background check, a first interview will be initiated.

## **Adjudication and Alerts**

BB will provide a criminal record(s) adjudication policy as part of the screening process. FCRA-mandated Adverse Action letters for candidates that fail to meet specific criteria set forth by the organization will be delivered to candidates.

## **Drug Screening**

BB will utilize a drug testing service provider who will track results, provide reports and ensure the company stays in compliance with the Cannabis Control Commission ("CCC") regulations. The Human Resources Manager will develop and update drug-testing policies. A basic DOT Five Panel Drug Test (urine conventional) will be used. Cannabis use by a qualified patient is not a disqualification for employment. The following drugs will be tested from the applicant's urine sample: amphetamines (amphetamine and methamphetamine), benzoylecgonine (cocaine metabolite), cannabinoids (cannabis metabolite and THC-COOH), Opioids (codeine and morphine) and phencyclidine (PCP).

The Human Resources Manager will request all required criminal and drug screens to be updated every two years. All agents are required to notify the company

whenever they have any encounter with law enforcement. The Human Resources Manager will determine if an additional background screening should be performed upon the agent's notice. A post-accident drug screening may be performed at the Human Resources Manager's discretion or if required for worker's compensation purposes.

### **1<sup>st</sup> Interview**

The first interview will consist of a face-to-face meeting with the Manager of the department the applicant is interviewing for a position in. No more than 5 applicants will be selected for a first interview. The purpose of this interview will be to help determine:

1. Level of knowledge regarding cannabis operations;
2. Existing skill set relevant to the duties of the job offered;
3. Their capacity to learn new skills and grasp concepts (specifically regulatory concepts); and
4. Potential to commit theft or fraud.

At least two references will be contacted and details of the interview confirmed. A solid background (or an appropriate level of education/experience relating to the position offered), a clean record and indicia of honesty will be requisites for the second interview.

### **Final Interview**

The Chief Executive Officer, Chief Operational Officer, and/or General Manager may conduct the final interview. No more than three candidates will be selected for the final interview. The interviewer will ask a variety of questions intended to assess the applicant's ability to interact with others and work according to BB policies. The final decision will be made by the interviewer (CEO, COO and/or General Manager) with input from the supervisor and/or manager who conducted the first interview. For management positions, the Executive team along with the General Manager will jointly conduct the final interview with the department manager. All potential agents must go through the entire process.

Each new hire will begin work on a three-month trial period of employment. At the end of the three months, their department manager will conduct an assessment of the agent's performance.

### **Training**

All current owners, managers, employees and new hires shall complete the Responsible Vendor Program when deemed available in accordance with 935 CMR 500.105(2). All new employees shall complete the Responsible Vendor Program within 90 days of being hired and must keep the Responsible Vendor program documentation retained for a minimum of four (4) years. Potential agents will be advised of all employment policies, the life cycle of cannabis and its growth process and the proper procedures to employ while performing their duties.

Educational training will consist of presentations given by the Executive team and/or General Manager and department managers. The presentations will be supplemented with hands-on training to demonstrate the material included in the presentations. All agents will go through additional training with their Manager based on their employment role.

Being in an industry that is constantly changing requires companies to be aware of recent market developments and trends throughout the industry. BB takes a proactive approach to continually provide progressive training and interactive learning to our agents. This is conducted both at the individual facilities by certified trainers but also electronically and telephonically, when necessary. By exposing agents to constant training, developments, and expressing how much the company values its agents, BB expects but most importantly aims for high retention rates.

Training allows agents to learn required processes and procedures to take on additional responsibilities throughout the course of their employment with BB. The opportunity for advancement encourages the retention of our agents.

Our collaborative training program is designed to educate agents on best practices for maintaining their personal safety and the safety of BB products, including comprehensive emergency and incident management training. Training sessions may include virtual web collaborations, on-site training in existing operations, Patient Focused Certification training and OSHA Occupational Safety Training.

### **Agent Training**

No agent or consultant may work on-site before receiving orientation training or when any required critical training is four weeks or more past due. The Human Resources Manager will ensure each agent is provided all relevant and adequate training. Training will be tailored to the roles and responsibilities of the job function of each agent and at a minimum must include training on confidentiality, security controls, emergency response protocols and Cannabis Control Commission regulations as well as federal statutes regarding the use of cannabis. Each agent will receive a minimum of eight hours of ongoing training annually or as deemed necessary by the Chief Operating Officer.

### ***Module Based Training***

BB employs a strategy of module-based training. Each module will cover a single topic in-depth. Training modules include:

1. New agent orientation;
2. Train the trainer;
3. Monthly department meetings;
4. Compliance, regulation, and law;
5. Confidentiality;
6. Safety;
7. Security;
8. Emergency and incident management;
9. Inventory management and diversion prevention;
10. Cannabis Science;
11. Community and customer relations;
12. Recordkeeping;
13. Product handling and sanitation; and
14. Transportation.

BB may develop and implement new modules as deemed necessary. General agent training will largely be department focused and relevant to the operational processes each agent will follow on a daily basis. The Human Resources Manager will reassess all modules annually to determine if updated training is necessary to maintain a compliant operation.

### **Evaluation**

To achieve high standards of quality, efficiency, and compliance, the Human Resources Manager shall evaluate the training program annually. Based on the results of this evaluation, the General Manager will implement any necessary changes and determine the need for re-training of staff. The Chief Operating Officer must approve any major training program changes. The Human Resources Manager will solicit and record feedback on the quality and efficacy of a training module from agents that received the training. Feedback may be solicited utilizing post-training group discussions, individual interviews, and anonymous surveys.

### **Agent Manual (Employee Manual)**



Upon licensing and commencement of operations, all staff will undergo a mandatory training period. During the first day of training, an employment manual will be issued to agents. The manual will set forth Buudda Bothers policy regarding administrative matters, including terms of employment, what is expected of agents and procedures for discipline. Each agent must read through the manual and sign a contract acknowledging they have received, read and understands BB policies.

### **Standard Operating Procedures (“SOPs”)**

The second stage of training focuses on cannabis operations and procedures. Training includes a background of commercial cannabis, identifying relevant laws, a break down of BB structure, the roles of agents and the Standard Operating Procedures for each phase of operation(s). Cannabis science training addresses the endocannabinoid system, clinical trial information, efficacy and dosing, strains and genetics, methods of use and types of products, condition management, and side effects.

Standard Operating Procedures will provide a detailed breakdown of the duties (what), methods (how), and schedule (when) by which agent(s) will perform the tasks of their respective positions. The Human Resources Manager will develop a training curriculum to educate new agents. Managers will actively train the new agents on their duties and responsibilities. At the end of the training period, the prospective agents will be given a short test regarding the policies and procedures; a solid demonstration of knowledge is a prerequisite for employment.

### **Systems Training**

The General Manager and department managers will be responsible for developing and conducting training programs for each agent who will be using MJ Freeway and/or Metrcs. MJ Freeway and/or Metrcs representatives will train management on the system and provide training manuals and other materials to assist in training agents. All managers will be responsible for knowing how to properly operate MJ Freeway and/or Metrcs.

### **Emergency Training**

When fully operational, the operating hours of the facility may be 24 hours a day, 7 days per week. A limited number of agents will be necessary for nights and weekends, but operations will continue. At least one Security Officer will be on-site during operating hours. All agents employed by BB will go through a security training/debriefing with security regarding the features of the facility, the role of security in operations and procedures in case of an emergency.

In the case of an emergency, agents will have several methods for contacting local law enforcement. The most common will be an immediate referral to on-site security personnel. Security personnel will be hired to provide such services. In the event security is not immediately reachable, staff will be trained to alert local authorities. In no event should an agent attempt to handle or confront an emergency situation. All matters should be referred to security or local law enforcement.

### **Food Handling**

All agents whose job includes contact with cannabis products (edible or otherwise), including cultivation, production or packaging must be trained in food handling requirements found in applicable laws and Cannabis Control Commission regulations.

### **Anti-Diversion Training**

All agents employed by BB will be trained to prevent drug diversion. It is essential to the safety of BB employees and customers. Employees of BB will be trained by the Executive team, and/or third party Company on how to:

1. Suspect the occurrence of drug diversion;
2. Identify theft of marijuana and/or marijuana related products;
3. Identify fraud (forging);
4. Identify individuals under the influence; and
5. Whom to notify when deemed necessary.

Employees will be required to report known or suspected incidents of drug diversion by employees, customers, and visitors.

### **Professional Development**

The purpose of the professional development stage is to provide continuing education and training to BB agents for new procedures, changes in rules and regulations and innovations in science and technology. BB intends to evolve with the industry, embracing new technologies and processes that increase efficiency. The Human Resources Manager will manage agents' professional development and where necessary, determine if a promotion, raise, demotion or termination is warranted.

Every three months, department managers will evaluate agent performance. A written performance evaluation is performed annually. The results will be reported to the Executive team and/or General Manager. When necessary, the Human

Resources Manager will be consulted to decide if a promotion, raise, demotion or termination is warranted. Re-training will be used as needed to address any deficient performance.

Hands-on instructional training is used to address any problems in technique(s) or method(s). Memos and updated policies and procedures are used to communicate changes made by the Cannabis Control Commission, standard operating procedures or business policies. Department meetings will ensure all agents are aware of operational changes. Third-party trainers may be retained as needed for professional development activities. Each department will hold team meetings on a weekly basis. The entire company will meet as a group at least quarterly to address company-wide issues and events.

### **Retention**

BB takes retention of its staff very seriously. We recognize the value our agents bring to the operation and will work diligently to maintain a positive and supportive work environment. Being in an industry that is constantly changing requires awareness of politics, policy and market trends throughout the industry. BB takes a proactive approach to continually provide progressive training and interactive learning opportunities. This is conducted on-site by certified trainers, but also electronically, when deemed necessary. To increase productivity and retention, agents receive constant training and educational opportunities.

BB training program allows agents to advance in the company and take on additional responsibilities. By proactively and progressively training existing agents, we can ensure a ready pool of internal applicants when we need to staff an existing or new position. Our goal is to quickly staff the position with minimal or no disruption to our customers, facilities and production levels.

### **Reporting Structure**

Each department manager is responsible for ongoing performance evaluations, performance issues and recognition, promotions and disciplinary actions in their department. Managers are required to communicate all necessary information on agent performance to the Human Resources Manager as often as necessary. Managers are required to complete formal performance reviews annually and at the end of any probationary period.

The management structure assigns responsibility for the different aspects of the operation to individual managers and staff so that every agent on every level will be accountable to a supervisor. Each department has defined responsibilities and must report to management on a weekly basis regarding the duties they were assigned and their progress.

### **Job Descriptions**

#### **Chief Operational Officer**

Direct experience managing a cannabis facility with a retail and/or regulatory component; analytically and socially intelligent; able to take responsibility for the company while maintaining a problem-solving, vision-based attitude, legal and financial knowledge, simultaneous focus on short-and-long-term goals and the ability to identify and respond to problems quickly and appropriately.

#### **General Manager**

Direct experience managing a wide variety of staff positions, preferably with a retail and/or manufacturing component; analytically and socially intelligent; able to take responsibility for the company while maintaining a problem-solving, vision-based attitude; legal and financial knowledge; simultaneous focus on short-and long-term goals and ability to identify and respond to problems quickly and appropriately. Responsible for day-to-day operations including, but not limited to, personnel, customer service, facility and equipment and all production activities.

#### **Human Resources Manager**

Prepares BB handbooks and job duties. Keeps all agent(s) files and records and is in charge of all hiring, termination and agent reviews. Ensures operations and staff are compliant with state and local regulations. Must have experience managing agent relations, adhering to compliance and drafting standardize company policies. Ability to draft, and implement measures based on BB needs.

#### **Compliance Officer**

Drafts and monitors all compliance procedures. Continually reconciles and monitors cannabis inventory to maintain full compliance with the Cannabis Control Commissions (“CCC”) regulations. Maintains communication with all state and local law enforcement and regulatory agencies to ensure consistent material compliance. Must have extensive knowledge of CCC regulations and continual compliance training. Has extensive knowledge of all CCC regulations pertaining to cannabis and maintains relationships with local municipalities and enforcement.

Excellent analytical skills and ability to comprehend complex legislature and apply implications on operations as well as strong communication skills which will be required to maintain dialog and relationships with state department officials, law enforcement, landlords, city personnel, and management.

### **Security Officer**

Demonstrated experience in a security management role, able to develop and manage security protocols in accordance with BB policies and able to identify and respond to breaches in dangerous situations. Must have knowledge of cannabis policies and law(s) and be able to provide security for transportation activities.

### **Quality Assurance Manager**

Demonstrated management experience in a quality control program, experience performing laboratory testing and scientific research, demonstrated experience in a position requiring critical-thinking, problem-solving, planning and assessment, experience in a product withdrawal or recall situation, knowledge of cannabis science and testing methods, and knowledge of cannabis policies and law(s).

### **Department Manager**

Demonstrated experience managing agents and basic business operations, demonstrated experience in a position requiring critical-thinking, problem solving, planning and assessment, computer literacy in word processing, MJ Freeway, Metrcs, and database management, and knowledge of cannabis policies and law(s).

### **Cultivation Specific Staff**

#### ***Cultivation Staff required During Hours of Operations***

The cultivation facility will have a minimum of four staff members scheduled during operating hours. One will be the Manager or agent-in-charge and another must be a security officer. There will be one appointed agent-in-charge on the premises at all times during operating hours.

#### ***Necessary Skills or Aptitude***

1. Science training;

2. Previous experience in cannabis, agriculture or science-based field preferred;
3. Accurate data-entry and record keeping;
4. Strong attention to detail;
5. Superior time management skills;
6. Excellent communication skills;
7. Able to handle emergencies and make sound decisions;
8. Proficiency in Windows-based software and internet navigation; and
9. Knowledge of cannabis policies and law(s).

*Cultivation Director/Master Grower*

Responsible for the oversight of cultivation operations with a principal focus on plant health and yields.

*Cultivation Manager*

Responsible for day-to-day operations, manages all agents, agent training, monitors cultivation, inventory, and reports any loss or irregularities.

*Assistant Manager*

Works with the Cultivation Manager to ensure operations are safe, efficient and compliant.

*Agent-in-charge*

The agent-in-charge is a designation, usually held by the Cultivation Manager or Assistant Manager. Responsible for supervising other agents and all duties described in the regulations. May also be a temporarily assigned position to a capable agent.

*Cultivation Assistant*

Staff agent who assists in all cultivation activities. May be assigned to plant care, sanitation or harvesting and processing duties.

# Quality Control and Testing of Marijuana and Marijuana Products.

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## *II. Preface and Introduction.*

One of the most important aspects of producing cannabis is the final product. The final product must adhere to not only legal standards but also to our own. Accordingly, Buudda

Brothers recognizes the importance of quality control. The following text summarizes BB's quality control methods, especially as it relates to testing procedures.

Product safety involves several aspects: testing of the marijuana and marijuana products, the manner in which the product is handled and packaged, the manner in which it is stored, the environment in which all of the foregoing occurs, and information concerning the use of the product. Buudda Brothers, LLC ("BB") policies and procedures address each of these areas in detail.

To assure product quality, all marijuana should be tested before reaching the consumer. The Cannabis Control Commission ("Commission"), pursuant to 935 CMR 500.160(1), dictates that prior to the sale of marijuana and marijuana products to cultivators, product manufacturers, and retailers, all recreational marijuana will have been subjected to testing by an Independent Testing Laboratory in compliance with protocol(s) established in accordance with M.G.L. c. 94G, § 15 and in a form and manner determine by the Commission, including, but not limited to, the Protocol for Sampling and Analysis of Finished Recreational Marijuana Products and Marijuana-infused Products. Testing of environmental media (e.g. soils, growing media, and water) shall also be performed in compliance with the Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Dispensaries and Adult-Use of Marijuana, published by the Cannabis Control Commission.

At the Independent Testing Laboratory, marijuana will be tested for the cannabinoid profile and for contaminants. As set forth by 935 CMR 500.160(2), marijuana will be tested as specified by the Commission for mold, mildew, heavy metals, plant growth regulators, and the presence of pesticides. The specifications of the testing for these contaminants will be explained further in this policy document.

Through its Chief Executive Officer, BB will investigate an appropriate array of certified Testing Laboratories and identify the most qualified facilities. BB will concurrently conduct due diligence of its product suppliers and affiliates to ensure that the marijuana sold has been verified by qualified Independent Testing Laboratories.



### III. *Protocols for Submitting Marijuana and Marijuana Products for Testing.*

BB will ensure that its products are subject to the following protocols and procedures related to the testing of Marijuana and Marijuana-Infused Products:

- ❖ Immediately before any sale of Marijuana or Marijuana Products, BB will segregate all raw harvested cannabis into homogenized batches and select a random sample from each batch for collection and testing by an Independent Testing Laboratory for the compounds and Contaminants set forth in 935 CMR 500.160.
- ❖ No Marijuana Product shall 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.
- ❖ In compliance with 935 CMR 500.160(10), Marijuana and Marijuana Products will not be available for sale or otherwise marketed for adult use until the Independent Testing Laboratory provides the results from its tests and analysis and the marijuana and marijuana products have been deemed to comply with the standards required under 935 CMR 500.160. BB and/or the Independent Testing Laboratory should:
  - Segregate and withhold from use of the entire batch that is currently being tested, except the samples that have been removed from testing;
    - Maintain the batch in a secure location consisting of adequate lighting, ventilation, temperature, and humidity during the period of segregation so as to prevent the marijuana from becoming contaminated or losing its efficacy;
  - The supplier shall ensure that only the leaves and flowers of the female marijuana plant are processed in a safe and sanitary manner, pursuant to 935 CMR 500.105(3)(a), as prescribed below:
    - Well cured and generally free of seeds and stems;
    - Free of dirt, sand, debris, and other foreign matter;
    - Free of contamination of mold, rot, other fungus, pests, and bacterial diseases satisfying the sanitation requirements in 105 CMR 500.000 Good Manufacturing Practices for Food, and if applicable, 105 CMR 590.000: State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments;
    - Prepared and handled on food-grade stainless steel tables with no contact with Licensees' or Establishment Agents' bare hands; and
    - Packaged in a secure area.

- Have separate areas for storage of marijuana that is outdated, damaged, deteriorated, mislabeled, or contaminated, or whose containers or packaging have been opened or breached, until such products are destroyed as dictated by 935 CMR 500.105(11)(b);
- Storage areas shall be maintained in a clean and orderly condition and free from infestation by insects, rodents, birds, and pests of any kind per the storage requirements in 935 CMR 500.105(11)(c) and (d);
- Have storage areas maintained in accordance with the security requirements set forth by the Commission in 935 CMR 500.110 as well as in BB's policies and procedures;
- Under no circumstances sell any marijuana from the withheld batch, before the time that the Independent Laboratory has completed its analysis and provided those results, either in writing or electronically, back to BB whom provided the sample; and,
- Per 935 CMR 500.160(9), all excess Marijuana must be disposed of in compliance with 935 CMR 500.105(12), either by the Independent Testing Laboratory returning excess Marijuana to the source Marijuana Establishment for disposal or by the Independent Testing Laboratory disposing of it directly
- ❖ Where a sample provided to an Independent Testing Laboratory does not pass the required testing parameters, the lot from which it was taken should be immediately disposed of in compliance with 935 CMR 500.105(12).

All marijuana and marijuana products cultivated by BB must be tested for the cannabinoid profile and for contaminants as specified by the Department including mold, mildew, heavy metals, plant-growth regulators, and the presence of non-organic pesticides. Such testing is shown below in more detail.

#### IV. Sample Handling.

Once the marijuana cultivated by BB is properly labeled and the samples prepared, the samples will be transported to an Independent Testing Laboratory as soon as possible. Thus, appropriate storage and transportation policies must be in effect that protect the labeled samples against physical, chemical, and microbial contamination in compliance with the conditions set forth in 935 CMR 500.105(3). BB will adhere to the following protocols to maintain the integrity of the samples:

## A. Concentrates for Marijuana Infused Products.

- ❖ Sample containers both empty and once containing samples should be stored in a contaminant-free environment to the degree possible. Sample containers should not be stored for more than (1) year.
- ❖ Preservatives and pre-preserved sample containers may degrade after several months. BB will contact the laboratory to verify limits on sample container use.
- ❖ All samples should be collected and stored in containers of the appropriate materials based on the analysis method being performed.
- ❖ Until the samples are analyzed, they should be preserved to minimize chemical or physical changes according to the analytical method references.

## B. Sample Storage.

- ❖ Samples should be refrigerated or maintained on ice (4 degree Celsius +/- 2 degree Celsius) until they are shipped to the Independent Testing Laboratory.
- ❖ Placing the sample in airtight containers with minimal headspace preserves samples by minimizing moisture loss and chemical exchange between the sample medium and air. In addition, protect the samples from excessive light exposure to minimize photochemical degradation. Samples can be protected from light by using an amber sample container, storing the samples in a closed box or other amber container, or in a dark storage location.
- ❖ To be considered valid, a designee employee or Chief Operational Officer prior to expiration of the technical holding time must analyze all samples. Some biological components have a holding time that is very short, roughly 24 to 48 hours from the time of collection.
- ❖ Samples should be maintained either under the supervision of the Chief Executive Officer, Chief Operational Officer, or designee employee responsible for the integrity of the samples.
- ❖ Chain of custody seals should be used by sample collection staff to ensure that samples are not tampered with following sample collection.

## C. Packaging and Shipping Samples.

- ❖ Package the samples for shipping in a clean area free of contamination such as the BB Production area.

- ❖ Make sure that sample containers are clean, lids are tight and will not leak, and that all samples are properly labeled as described above. Covering labels with clear tape is recommended for protection in the event of a leak or damage to the package.
- ❖ Conduct, by a designee employee, an inventory of sample ID's against the chain-of-custody documentation form to make sure that all samples and containers are present.
- ❖ Seal sample containers in clear plastic bags with labels visible.
- ❖ If the samples need to be kept cold during transport, a designee employee must pack the samples in a clean waterproof metal or hard plastic ice chest or cooler with double-bagged ice or ice packs.
- ❖ Samples should be maintained at 4 degree Celsius +/- 2 degree Celsius at all times. A designee employee must be sure that the samples are already cool when preparing the package (sample) for shipping.
- ❖ When samples are shipped in a cooler, a designee employee must line the cooler with plastic (e.g. large heavy-duty garbage bag) before packaging. If the cooler has an external drain, make sure it is plugged.
- ❖ A designee employee must include a noncombustible absorbent packing material to protect the samples from damage.
- ❖ Enclose chain-of-custody forms and any other necessary documentation in a sealed waterproof plastic bag. If applicable, include instructions or a shipping label for return of the cooler.
- ❖ Remove the old shipping labels, if any, and seal the cooler or other container, with strapping tape.
- ❖ Use package tracking, if available, from the shipper.

## V. Sanitary Requirements.

All Marijuana agents employed by BB whose job includes contact with Marijuana and Marijuana-related products will be expected to follow certain sanitary requirements for their own safety and for the integrity of the marijuana handled. The Commission requires, as set forth in 935 CMR 500.105(3)(b)(1), that any Marijuana Establishment Agent whose job includes contact with Marijuana or non-edible Marijuana Products, including cultivation, production, or packaging, is subject to the requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements. Additionally, pursuant to 935 CMR 500.105(3)(c), agents

who develop or process edible marijuana must also comply with sanitary requirements. All Edible Marijuana Products shall be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 590.000: State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments. These agents will be appropriately trained, prepared, and monitored in their handling of marijuana and marijuana products.

Specifically, BB agents working in direct contact with the preparation of marijuana or non-edible marijuana products shall confirm to sanitary practices while on duty. Per 935 CMR 500.105(3)(b)(2), these designated agents shall maintain adequate personal cleanliness and wash hands thoroughly and in an adequate hand-washing area before starting work and at any other time when hands may have become soiled or contaminated. Taking these steps will help to keep the product and the area clean and free from unwanted contaminants.

BB will provide the necessary facilities to assist employees and agents in fulfilling their duties. In adherence with 935 CMR 500.105(3)(b)(3), BB will provide employees with readily accessible toilet facilities and washing facilities that are maintained in a sanitary condition and in good repair, furnished with running water at a suitable temperature, located conveniently around its establishment. Hand-washing facilities will be located in areas such as BB's production area and areas where BB deems good sanitary practices require employees to wash their hands. Additionally, BB will provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices.

In addition to requiring employee cleanliness, BB will take other measures in and around its facility to promote a clean and safe environment to handle marijuana and marijuana products. Pursuant to 935 CMR 500.105(3)(b), BB will enact the following protocols:

- ❖ There shall be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations.
- ❖ Litter and waste shall be properly removed, disposed of so as to minimize the development of odor and minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal shall be maintained in an adequate manner pursuant to 935 CMR 500.105(12).
- ❖ Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately kept clean and in good repair.

- ❖ There shall be adequate safety lighting in all Processing and storage areas, as well as areas where equipment or utensils are cleaned.
- ❖ Buildings, fixtures, and other physical facilities shall be maintained in a sanitary condition.
- ❖ All contact surfaces, including utensils and equipment, shall be maintained in a clean and sanitary condition. Such surfaces shall be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the US Environmental Protection Agency (EPA), in accordance with labeled instructions. Equipment and utensils shall be so designed and of such material and workmanship as to be adequately cleanable.
- ❖ All toxic items shall be identified, held, and stored in a manner that protects against contamination of Marijuana Products. Toxic items shall not be stored in an area containing products used in the cultivation of Marijuana. The Commission may require a Marijuana Establishment to demonstrate the intended and actual use of any toxic items found on the Premises.
- ❖ A Marijuana Establishment's water supply shall be sufficient for necessary operations. Any private water source shall be capable of providing a safe, potable, and adequate supply of water to meet the Marijuana Establishment's needs.
- ❖ Plumbing shall be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the Marijuana Establishment. Plumbing shall properly convey sewage and liquid disposable waste from the Marijuana Establishment. There shall be no cross-connections between the potable and wastewater lines.
- ❖ Products that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms.
- ❖ Storage and transportation of finished products shall be under conditions that will protect them against physical, chemical, and microbial contamination as well as against deterioration of finished products or their containers.
- ❖ All vehicles and transportation equipment used in the transportation of Marijuana Products or Edibles requiring temperature control for safety must be designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the Marijuana Products or edibles from becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c).

BB's executive team will be working hand in hand with architects, general contractors, and plumbers to ensure that its establishment is designed in a way and operates in a manner that best facilitates the establishment's purpose of cultivation.

## VI. Metals.

Finished Adult-use marijuana products must be tested for the four metals: Arsenic (inorganic), Cadmium, Lead, and Mercury.

## VII. Pesticides and Plant Growth Regulators.

A production batch of finished plant material may be dispensed to consumers if no individual pesticide or plant growth regulator is detected above 10 ppb. The minimum list of pesticides includes Bifenazate, Bifenthrin (synthetic pyrethroid), Cyfluthrin (synthetic pyrethroid), Etoxazole, Imazalil, Imidacloprid, Myclobutanil, Spiromesifen, and Trifloxystrobin.

## VIII. Microbiological Contaminants and Mycotoxins.

Requirements for total viable aerobic bacteria, total yeast and mold, total coliforms, and bile tolerant gram-negative bacteria are given in colony forming unit (“CFU”) counts per mass of product samples. The requirements for pathogenic E. coli and Salmonella spp. is based on detection in a 1-gram sample and the requirement for mycotoxins is based on the concentration per kilogram of sample. The limits of quantification thresholds for microbiological contaminants and mycotoxins are shown below:

<b>Cannabis Material</b>	<b>Total Viable Aerobic Bacteria</b>	<b>Total Yeast and Mold (CFU/g)</b>	<b>Total Coliforms (CFU/g)</b>	<b>Bile tolerant Gramnegative Bacteria (CFU/g)</b>	<b>E. coli (pathogenic strains) and Salmonella spp.</b>	<b>Mycotoxins (3)</b>
<b>Unprocessed Materials (2)</b>	$10^5$	$10^4$	$10^3$	$10^3$	Not detected in 1 gram	<20 µg of any mycotoxin/kg of material
<b>Processed Materials (2)</b>	$10^5$	$10^4$	$10^3$	$10^3$	Not detected in 1 gram	<20 µg of any mycotoxin/kg of material
<b>CO2 and Solvent-based Extracts</b>	$10^4$	$10^3$	$10^2$	$10^2$	Not detected in 1 gram	<20 µg of any mycotoxin/kg of material

Footnotes:

2CFU: colony forming unit

(1) Except for mycotoxins, analysis requirements are based on AHP (2013).

(2) Unprocessed materials include minimally processed crude cannabis preparations such as inflorescences, accumulated resin glands (kief), and compressed resin glands (hashish). Processed materials include various solid or liquid infused edible preparations, oils, topical preparations, and water-processed resin glands ("bubble hash") (AHP, 2013).

(3) Mycotoxins include aflatoxin B1, aflatoxin B2, aflatoxin G1, aflatoxin G2, and Ochratoxin A.

## ***IX. Residual Solvents.***

Residual solvent testing is required only for marijuana resins and concentrates where solvents have been used within a Marijuana Establishment's production process. A production batch of cannabis oil may be dispensed as a finished adult-use marijuana product if: a laboratory analysis verifies that all solvents used at any stage of marijuana oil production are below the limits described below and if the production batch passes all other applicable testing requirements.

Concentration limits for Residual levels of Propane, n-Butane, or Iso-Butane that may be used in the production of cannabis oil are shown below:

<b>Solvent (1)</b>	<b>Upper Limit (mg/kg)</b>
Propane (CAS 74-98-6)	1
n-Butane (CAS 106-97-8)	1
Iso-Butane (CAS 75-28-5)	1

(1) The ingredients must be of purity suitable for use in food intended for human consumption. At a minimum, the solvent (gas) must be high-purity (>99%) of propane, n-butane, or isobutane, or a blend of these three hydrocarbon gases.

Concentration Limits for Residual Solvents that may be used in the production are shown below:

<b>Solvent</b>	<b>Concentration Limit (mg/kg)</b>
Acetic Acid	5,000
Acetone	5,000
Acetonitrile	410
Anisole	5,000
1-Butanol	5,000
2-Butanol	5,000
Butyl acetate	5,000
Tert-Butylmethyl ether	5,000
Chlorobenzene	360
Chloroform	60
Cumene	70
Cyclohexane	3,880
1,2-Dichloroethene	1,870
Dichloromethane	600
1,2-Dimethoxyethane	100



N,N-Dimethylacetamide	1,090
N,N-Dimethylformamide	880
Dimethyl sulfoxide	5,000
1,4-Dioxane	380
Ethanol	5,000
2-Ethoxyethanol	160
Ethyl acetate	5,000
Ethylene glycol	620

Ethyl ether	5,000
Ethyl formate	5,000
Formamide	220
Formic acid	5,000
Heptane	5,000
Heaxane	290
Isobutyl acetate	5,000
Isopropyl acetate	5,000
Methanol	3,000
2-Methoxyethanol	50
Methyl acetate	5,000
3-Methyl-1-butanol	5,000
Methylbutylketone	50
Methylcyclohexane	1,180
Methylethyl ketone	5,000
Methylisobutyl ketone	5,000
2-Methyl-1-propanol	5,000
N-Methylpyrrolidone	530
Nitromethane	50
Pentane	5,000
1-Pentanol	5,000
1-Propanol	5,000
2-Propanol	5,000
Propyl acetate	5,000
Pyridine	200
Sulfolane	160
Tetrahydrofuran	720
Tetralin	100
Toluene	890
1,1,2-Trichloroethylene	80
Xylene	2,170

#### **X. Laboratory Testing Requirements By Product.**

Various products must meet specific requirements in order for sale and marketing. In adherence with 935 CMR 500.160(11), single-servings of Marijuana Products tested for potency in accordance with 935 CMR 500.150(4)(a) shall be subject to a potency variance of no greater than plus/minus ten percent (+/- 10%). This section outlines for employees what procedural steps should be taken based on the product.

A. Concentrates for Marijuana Infused Products.

Prior to being made available for sale, concentrates will be tested for cannabinoid profiling, heavy metals, microbiological contaminants, and residual solvents. Concentrates must be tested for metals, as well as residual solvents if solvents were used in the establishment's production.

B. Resin for Sale.

Prior to being made available for sale, resins will be tested for cannabinoid profiling, heavy metals, microbiological contaminants, and residual solvents.

C. Marijuana Infused Products

All Marijuana Infused Products will be produced from cannabis concentrates or cannabis resin. Testing of cannabis concentrates and resin will adhere to the testing protocols described above. Prior to being made available for sale, Marijuana Infused Products and batches made from cannabis concentrate will be tested for cannabinoid profiling and microbiological contaminants.

Production batches will be discarded and not dispensed to consumers if any biological contaminant limit is exceeded. Prior to being made available for sale, Marijuana Infused Products will be tested for cannabinoid profiling and heavy metals.

*XI. Protocols for Responding to Laboratory Results.*

If any analysis fails to meet all applicable data quality objectives, then the finished Marijuana or Marijuana products cannot be dispensed.

If the testing from the Independent Testing Laboratory reveals that the contaminant levels are unacceptable in any way, BB will respond accordingly. In accordance with 935 CMR 500.160(3), BB will have a written policy for responding to laboratory results that indicate contaminant levels that are above acceptable limits, including:

- ❖ Notifying the Commission within 72 hours of any laboratory testing results indicating that the contamination cannot be remediated and disposing of the Production Batch; and
- ❖ Notifying the Commission of any information regarding contamination as specified by the Commission or immediately upon request by the Commission.

Additionally, if not already packaged and labeled, products will be examined by a designee employee for visual defects in the packaging for obvious deficiencies in the product. Pursuant to 935 CMR 500.160(3)(b) and (c), any testing results that reveal unacceptable contaminant levels will be reported to the Commission by both BB and by the Independent Testing Laboratory, separately and directly. BB's notification to the Commission will describe a proposed plan of action for both the destruction of the contaminated product and the assessment of the source of contamination.

Further, in the event that marijuana cultivated within BB's facility has unacceptable contaminant levels, BB can also choose to retest the marijuana and/or remediate the problem. Per 935 CMR 500.160(12), Marijuana and Marijuana Products submitted for retesting prior to remediation must be submitted to an Independent Testing Laboratory other than the laboratory which provided the initial failed result. However, Marijuana submitted for retesting after documented remediation may be submitted to the same Independent Testing Laboratory that produced the initial failed testing result prior to remediation.

If a sample has failed the required testing parameters after being re-tested, BB will immediately dispose of the lot from which the same was taken according to the Waste Disposal Regulations in 935 CMR 500.105(12).

The Chief Executive Officer or Chief Operational Officer will be responsible for investigating and assessing the source of any contamination and implementing policy or procedural changes to eliminate the source of contamination and to mitigate the risk of future contamination of any marijuana or marijuana products BB cultivates.

## *XII. Procedures for Investigating and Mitigating Contamination.*

BB has developed a set of procedures for investigating and mitigating contamination based on the kind of contamination. The procedures are set out in detail below.

### A. Pesticides and Plant Growth Regulators Contamination.

- ❖ Analyze and evaluate test results that consist of pesticides, nutrients, and other products used in the BB cultivation process;
- ❖ Analyze and evaluate test results that consist of soils and/or mediums used in the BB cultivation process; and
- ❖ Analyze and evaluate test results that consist of water sources used in the BB cultivation process.

### B. Residual Solvents Contamination.

- ❖ Review and follow BB's general protocols.

### C. Heavy Metals Contamination.

- ❖ Analyze and evaluate test results that consist of pesticides, nutrients, and other product used in the BB cultivation process;
- ❖ Analyze and evaluate test results that consist of soils and/or mediums use in the BB cultivation process;
- ❖ Analyze and evaluate test results that consist of water sources used in the BB cultivation process;
- ❖ Review BB chain of custody and growing protocols for marijuana plants; and
- ❖ Review BB sampling protocols.

### D. Microbiological Contamination and Mycotoxin Contamination.

- ❖ Analyze and evaluate the cleanliness of BB's cultivation areas;
- ❖ Review BB's cultivation protocols and environmental conditions/controls in the cultivation, trim, and curing rooms;

- ❖ Review BB chain of custody and growing protocols for marijuana plants; and
- ❖ Review BB sampling protocols.

### *XIII.       Records.*

As with all of its other records, BB will maintain the results of all testing for a period of time for completeness and accountability. The Commission requires, as set forth in 935 CMR 500.160(4) that an establishment shall maintain the results of all testing for no less than one year. Marijuana or Marijuana Products with testing dates in excess of one year shall be deemed expired and may not be dispensed, sold, transferred, or otherwise conveyed until retested.

Each production batch cultivated by BB, whether it be Marijuana or Marijuana Products (e.g. cannabis resin or concentrates) must be given a sequential identified for product tracking and labeling.

BB will maintain its testing records in a form and manner established by the Commission. In accordance with 935 CMR 500.105(9), BB will maintain written records that will be available for inspection by the Commission upon request. BB will maintain these records for at least two years after BB's closure, if such a closure occurs.

# Diversity Plan.

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Buudda Brothers, LLC (“BB”) aims to assist with the development of the community of Holyoke. is an equal opportunity employer. Regarding hiring and staffing, our goal as a company is to attract and retain qualified individuals regardless of their gender, ethnicity, veteran status, disability, religion, sexual orientation or sexual identity.

Below is an overview of our goals (“Goals”), of how we intend to accomplish our goals (“Programs”), and how we plan to assess the efficacy of our DP (“Measurements”).

## ***Goals.***

- ✓ BB plans to maintain a workforce made up of, at least, 15% minorities , 5% veterans, 3% disabled, and 2% LGBTQ+; and
- ✓ BB plans to maintain a workforce made up of, at least, 25% women (or, those that identify as female)<sup>1</sup>.

## ***Programs.***

Below are the main programs, or methods, that will be used to accomplish the above-mentioned goals:

- ✓ Advertise employment opportunities (i.) internally, (ii.) in the Springfield Republican, and (iii.) in diverse publications, e.g., *El Pueblo*, on a monthly basis until such positions are filled. Both employment opportunities will be published in diverse publications and also general. BB will also (iv.) advertise, on a monthly basis until relevant positions are filled, with local career centers, e.g., MassHire, and local organizations who work with individuals identified as minorities, veterans, women, people with disabilities, and LGBTQ+. Our goal is to see the number of individuals from the above individuals from the above-referenced demographics groups that were hired and to contain the metric of the number of posting we published.
- ✓ Create a promotion process that employs equity principles for current employees to recommend individuals including minorities, women, veterans, people with disabilities, and LGBTQ for employment. BB is committed to creating the internal policies needed for all employees to have opportunities to grow within the company. We will develop a comprehensive process for working with current employees to evaluate

their performance, identify opportunities for advancement (dependent on availability), and support current employees in applying for the available opportunities. BB will advertise all available employment to ideally, the percentage of women (or, those that identify as female) employed by BB would be higher. Our goal only reflects our minimum standard. opportunities internally for one week prior to advertising to the general public BB plans to advertise the following promotion opportunities atleast once a quarter. BB plans to spread the word at every event if possible.

- ✓ Establish relationships with organizations that are diversity-focused for the purposes of providing information about employment and training opportunities. BB has already begun working with Nueva Esperanza, Holyoke Safe Neighborhood Initiative, and other organizations that are willing to work with BB. Accordingly, BB will work closely with these organizations whenever positions are available to recruit new employees. (Note: Every interaction with these organizations will be documented and recorded for potential use in assessing the success of these relationships.)BB will work with this establishment that are diversity-focused to focus on: 1)networking with their constituencies for employment purposes 2)Provide information on employment opportunities 3) Provide information sessions about the marijuana industry. We will collect data of all that attend these workshops/meetings and from those will receive employment or opportunities from marijuana companies.

## ***Measurements.***

Below are specific measurement metrics to be used in measuring the success of its programs:

- ✓ Number of minorities, women, veterans, people with disabilities, and LGBTQ+;
- ✓ Number of promotions for minorities, women, veterans, people with disabilities, and LGBTQ+;
- ✓ Number of positions created since initial licensure;
- ✓ Number of postings in diverse publications or general publications with supporting documentation;
- ✓ For each position that is filled, BB will track and record how each employee found out about position;
- ✓ Records of every employment opportunity made available, and how they are

advertised or communicated; and,

- ▼ Copies of each advertisement for employment and communication to organizations about each employment opportunity.

### ***Final Comments.***

We hope to satisfy our goals with the programs that we have created. Upon renewal, we intend to demonstrate that our programs in our plan led to measurable success of our goals. Monthly, BB will audit progress in relation to our goals. If we find we are not succeeding in our goals, we will examine our measurement metrics, and potentially adjust our plan or take necessary steps to achieve our goals.

BB acknowledges and is aware that progress or success of this plan, in its entirety, is required to be documented annually upon renewal (renewal occurs one year from provisional licensure whether or not the licensee has a final license).

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



