



# Massachusetts Cannabis Control Commission

## Marijuana Cultivator

### General Information:

License Number: MC283474  
Original Issued Date: 03/31/2022  
Issued Date: 05/11/2023  
Expiration Date: 05/11/2024

## ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Milkmen Cultivation LLC

Phone Number: 860-262-4669 Email Address: partners@milkmencannabis.com

Business Address 1: 75 Green St

Business Address 2: 3

Business City: Clinton

Business State: MA

Business Zip Code: 01510

Mailing Address 1: 75 Green St

Mailing Address 2: Suite 3

Mailing City: Clinton

Mailing State: MA

Mailing Zip Code: 01510

## CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

## PRIORITY APPLICANT

Priority Applicant: no

Priority Applicant Type: Not a Priority Applicant

Economic Empowerment Applicant Certification Number:

RMD Priority Certification Number:

## RMD INFORMATION

Name of RMD:

Department of Public Health RMD Registration Number:

Operational and Registration Status:

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

If no, describe the circumstances below:

## PERSONS WITH DIRECT OR INDIRECT AUTHORITY

Person with Direct or Indirect Authority 1

Percentage Of Ownership: 18

Percentage Of Control: 18

Role: Owner / Partner

Other Role:

First Name: Christopher

Last Name: Brown

Suffix:



Percentage Of Ownership: 10      Percentage Of Control: 10  
Role: Owner / Partner      Other Role:  
First Name: Harry      Last Name: Roberts      Suffix:  
Gender: Male      User Defined Gender:  
What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)  
Specify Race or Ethnicity:

Person with Direct or Indirect Authority 8

Percentage Of Ownership: 18      Percentage Of Control: 18  
Role: Owner / Partner      Other Role:  
First Name: Hayes      Last Name: Williams      Suffix:  
Gender: Male      User Defined Gender:  
What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)  
Specify Race or Ethnicity:

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

Entity with Direct or Indirect Authority 1

Percentage of Control: 62      Percentage of Ownership: 62  
Entity Legal Name: MILKMEN MANAGEMENT LLC      Entity DBA:      DBA  
City:      City:  
Entity Description: To act as Manager to MILKMEN CULTIVATION LLC and MILKMEN HOLDINGS LLC.  
Foreign Subsidiary Narrative:  
Entity Phone:      Entity Email:      Entity Website:  
Entity Address 1:      Entity Address 2:  
Entity City:      Entity State:      Entity Zip Code:  
Entity Mailing Address 1:      Entity Mailing Address 2:  
Entity Mailing City:      Entity Mailing State:      Entity Mailing Zip  
Code:  
Relationship Description: This entity will act as the Manager of MILKMEN CULTIVATION LLC and MILKMEN HOLDINGS LLC.

Entity with Direct or Indirect Authority 2

Percentage of Control:      Percentage of Ownership: 100  
Entity Legal Name: MILKMEN HOLDINGS LLC      Entity DBA:      DBA  
City:      City:  
Entity Description: This entity is the holding company of MILKMEN CULTIVATION LLC.  
Foreign Subsidiary Narrative:  
Entity Phone:      Entity Email:      Entity Website:  
Entity Address 1:      Entity Address 2:  
Entity City:      Entity State:      Entity Zip Code:  
Entity Mailing Address 1:      Entity Mailing Address 2:  
Entity Mailing City:      Entity Mailing State:      Entity Mailing Zip Code:  
Relationship Description: This entity is the holding company of MILKMEN CULTIVATION LLC. It will receive all of the distributions from MILKMEN CULTIVATION LLC.

CLOSE ASSOCIATES AND MEMBERS

No records found

### CAPITAL RESOURCES - INDIVIDUALS

#### Individual Contributing Capital 1

First Name: Christopher Last Name: Brown Suffix:

Types of Capital: Monetary/Equity Other Type of Capital: Total Value of the Capital Provided: \$25000 Percentage of Initial Capital: 49

Capital Attestation: Yes

#### Individual Contributing Capital 2

First Name: Russell Last Name: Plumb Suffix:

Types of Capital: Monetary/Equity Other Type of Capital: Total Value of the Capital Provided: \$36000 Percentage of Initial Capital: 7

Capital Attestation: Yes

#### Individual Contributing Capital 3

First Name: Daniel Last Name: Salazar Suffix:

Types of Capital: Monetary/Equity Other Type of Capital: Total Value of the Capital Provided: \$10000 Percentage of Initial Capital: 20

Capital Attestation: Yes

#### Individual Contributing Capital 4

First Name: Conor Last Name: Williams Suffix:

Types of Capital: Monetary/Equity Other Type of Capital: Total Value of the Capital Provided: \$10000 Percentage of Initial Capital: 20

Capital Attestation: Yes

#### Individual Contributing Capital 5

First Name: Casey Last Name: Bachman Suffix:

Types of Capital: Monetary/Equity Other Type of Capital: Total Value of the Capital Provided: \$2000 Percentage of Initial Capital: 4

Capital Attestation: Yes

### CAPITAL RESOURCES - ENTITIES

No records found

### BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

### DISCLOSURE OF INDIVIDUAL INTERESTS

No records found

### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 75 Green St

Establishment Address 2: Suite 3

Establishment City: Clinton Establishment Zip Code: 01510

Approximate square footage of the Establishment: 18488 How many abutters does this property have?:  
20

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

Cultivation Tier: Cultivation Environment:

### FEE QUESTIONS

Cultivation Tier: Tier 02: 5,001 to 10,000 sq. ft. Cultivation Environment: Indoor

### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload
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				Date
Community Outreach Meeting Documentation	04.09.20_Form_COM_Attestation.pdf	pdf	60775f6b5997354560765511	04/14/2021
Community Outreach Meeting Documentation	Attachment B.pdf	pdf	60775f6d86f403457678d1ff	04/14/2021
Certification of Host Community Agreement	Milkmen Cultivation LLC - Clinton Host Community One Pager (Signed).pdf	pdf	60775f7a3a37ef458c0866fb	04/14/2021
Community Outreach Meeting Documentation	Attachment A.pdf	pdf	60887c95e54b280786bae9a0	04/27/2021
Community Outreach Meeting Documentation	Attachment C.pdf	pdf	60887c983bbe600765b4b307	04/27/2021
Community Outreach Meeting Documentation	Additional Notes on Community Outreach Meeting.pdf	pdf	60887da56f8420077bfc54dc	04/27/2021
Plan to Remain Compliant with Local Zoning	OP-001_Plan to Remain Compliant with Local Ordinances.pdf	pdf	60887fca954bd3079c68e338	04/27/2021

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

#### PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Other	Partnership with LPP (LPP Letterhead).pdf	pdf	609ef8043bbe600765b4f5df	05/14/2021
Plan for Positive Impact	OP-002_Plan to Positive Impact Disproportionately Harmed People.pdf	pdf	60fadf32318844086f1f742d	07/23/2021

#### ADDITIONAL INFORMATION NOTIFICATION

Notification:

#### INDIVIDUAL BACKGROUND INFORMATION

##### Individual Background Information 1

**Role:**  
**First Name:** Christopher  
**RMD Association:** Not associated with an RMD  
**Background Question:** no

**Other Role:**  
**Last Name:** Brown **Suffix:**

##### Individual Background Information 2

**Role:**  
**First Name:** Russell  
**RMD Association:** Not associated with an RMD  
**Background Question:** no

**Other Role:**  
**Last Name:** Plumb **Suffix:**

##### Individual Background Information 3

**Role:**  
**First Name:** Daniel  
**Last Name:** Salazar **Suffix:**

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 4

Role: Other Role:

First Name: Conor Last Name: Williams Suffix:

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 5

Role: Other Role:

First Name: Casey Last Name: Bachman Suffix:

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 6

Role: Other Role:

First Name: Anna Last Name: Dorcey Suffix:

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 7

Role: Other Role:

First Name: Harry Last Name: Roberts Suffix:

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 8

Role: Other Role:

First Name: Hayes Last Name: Williams Suffix:

RMD Association: Not associated with an RMD

Background Question: no

ENTITY BACKGROUND CHECK INFORMATION

Entity Background Check Information 1

Role: Parent Company Other Role:

Entity Legal Name: MILKMEN HOLDINGS LLC Entity DBA:

Entity Description: The holding company of MILKMEN CULTIVATION LLC

Phone: 860-262-4669 Email: partners@milkmen cannabis.com

Primary Business Address 1: 75 Green St Primary Business Address 2: Suite 3

Primary Business City: Clinton Primary Business State: MA Principal Business Zip Code: 01510

Additional Information:

Entity Background Check Information 2

Role: Other (specify) Other Role: Management Company

Entity Legal Name: MILKMEN MANAGEMENT LLC Entity DBA:

Entity Description: Management Company of MILKMEN CULTIVATION LLC

Phone: 860-262-4669

Email: partners@milkmencannabis.com

Primary Business Address 1: 75 Green St

Primary Business Address 2: Suite 3

Primary Business City: Clinton

Primary Business State: MA

Principal Business Zip Code: 01510

Additional Information:

### MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	Milkmens Cultivation LLC Certificate of Organization (SEC MA).pdf	pdf	60772d73cefab844e6714805	04/14/2021
Department of Revenue - Certificate of Good standing	2021 03 15 - Certificate of Good Standing.pdf	pdf	60772d743a37ef458c086589	04/14/2021
Bylaws	MILKMEN CULTIVATION LLC Operating Agreement.pdf	pdf	607dff563a37ef458c0875be	04/19/2021
Secretary of Commonwealth - Certificate of Good Standing	Sec of Com Certificate of Good Standing.pdf	pdf	607f3eb37eb80444db469111	04/20/2021
Secretary of Commonwealth - Certificate of Good Standing	Office of Unemployment Assistance - Certificate of Good Standing.pdf	pdf	6088828109011007a03cef6a	04/27/2021

Certificates of Good Standing:

Document Category	Document Name	Type	ID	Upload Date
Department of Revenue - Certificate of Good standing	DoR - Good Standing.pdf	pdf	642f3b8683993900089f510d	04/06/2023
Secretary of Commonwealth - Certificate of Good Standing	SEC - Good Standing.pdf	pdf	642f3b9783993900089f5121	04/06/2023
Department of Unemployment Assistance - Certificate of Good standing	OUA - Good Standing.pdf	pdf	642f3b992c9c310008ba891c	04/06/2023

Massachusetts Business Identification Number: 001493788

Doing-Business-As Name: Milkmen Cannabis

DBA Registration City: Clinton

### BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Business Plan	2021 04 14 - Business Plan.pdf	pdf	607dfa116d4db44ccf591a3	04/19/2021
Plan for Liability Insurance	Complete_with_DocuSign_Insurance_Proposal_-_pdf	pdf	642c8d8e83993900089be1e0	04/04/2023
Proposed Timeline	Projected Timeline 2023.pdf	pdf	642cb57883993900089c0f71	04/04/2023

### OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Restricting Access to age 21 and older	OP-004_Restricting Access to Age 21 and Older.docx.pdf	pdf	642cb0f82c9c310008b74f6d	04/04/2023
Prevention of diversion	OP-006_Prevention of Diversion.docx.pdf	pdf	642cb1f183993900089c0c31	04/04/2023
Storage of marijuana	OP-007_Storage of Marijuana.docx.pdf	pdf	642cb2542c9c310008b752ec	04/04/2023
Transportation of marijuana	OP-008_Transportation of Marijuana.docx.pdf	pdf	642cb2ff83993900089c0cb1	04/04/2023
Inventory procedures	CN-007_Inventory Procedures.docx.pdf	pdf	642cb3e92c9c310008b75348	04/04/2023
Quality control and testing	CN-008_Quality Control and Testing.docx.pdf	pdf	642cb44b83993900089c0d62	04/04/2023
Record Keeping procedures	OP-010_Recordkeeping Procedures.docx.pdf	pdf	642cb4ab2c9c310008b753b3	04/04/2023
Personnel policies including background checks	CN-009_Personnel Policies Including Background Checks.pdf	pdf	642cb50d83993900089c0e1c	04/04/2023
Qualifications and training	OP-013_Qualifications and Training.docx.pdf	pdf	642cb57683993900089c0f5d	04/04/2023
Energy Compliance Plan	CN-014_Energy Compliance Plan.pdf	pdf	642cb5b883993900089c102f	04/04/2023
Storage of marijuana	OP-007_Storage of Marijuana.docx (1).pdf	pdf	642cb6042c9c310008b755dd	04/04/2023
Maintaining of financial records	CN-011_Maintaining of Financial Records.pdf	pdf	642cb6a583993900089c1118	04/04/2023
Policies and Procedures for cultivating.	CN-001_Policies and Procedures for Cultivating.docx.pdf	pdf	642cb73e2c9c310008b7567a	04/04/2023
Security plan	OP-005_Security Plan.docx.pdf	pdf	642cb7912c9c310008b756f6	04/04/2023
Diversity plan	OP-012_Diversity Plan.docx.pdf	pdf	642cb7bf2c9c310008b7573b	04/04/2023

### 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 Agree

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

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

### ADDITIONAL INFORMATION NOTIFICATION

#### Notification:

### COMPLIANCE WITH POSITIVE IMPACT PLAN

#### Progress or Success Goal 1

**Description of Progress or Success:** -Developed relationship with Freedom Grow, including partnership with them in packaging plan/ possible automatic donations with purchases of our product.

-See letter of partnership with Freedom Grow and plan of positive impact below

### COMPLIANCE WITH DIVERSITY PLAN

#### Diversity Progress or Success 1

**Description of Progress or Success:** -Development of DEI training for employees

-Discussions of how to take DEI into account as we look to hire employees

### HOURS OF OPERATION

<b>Monday From: 8:00 AM</b>	<b>Monday To: 8:00 PM</b>
<b>Tuesday From: 8:00 AM</b>	<b>Tuesday To: 8:00 PM</b>
<b>Wednesday From: 8:00 AM</b>	<b>Wednesday To: 8:00 PM</b>
<b>Thursday From: 8:00 AM</b>	<b>Thursday To: 8:00 PM</b>
<b>Friday From: 8:00 AM</b>	<b>Friday To: 8:00 PM</b>
<b>Saturday From: 8:00 AM</b>	<b>Saturday To: 8:00 PM</b>
<b>Sunday From: 8:00 AM</b>	<b>Sunday To: 8:00 PM</b>

# Community Outreach Meeting Attestation Form

## Instructions

Community Outreach Meeting(s) are a requirement of the application to become a Marijuana Establishment (ME) and Medical Marijuana Treatment Center (MTC). 935 CMR 500.101(1), 500.101(2), 501.101(1), and 501.101(2). The applicant must complete each section of this form and attach all required documents as a single PDF document before uploading it into the application. If your application is for a license that will be located at more than one (1) location, and in different municipalities, applicants must complete two (2) attestation forms – one for each municipality. Failure to complete a section will result in the application not being deemed complete. Please note that submission of information that is “misleading, incorrect, false, or fraudulent” is grounds for denial of an application for a license pursuant to 935 CMR 500.400(2) and 501.400(2).

## Attestation

I, the below indicated authorized representative of that the applicant, attest that the applicant has complied with the Community Outreach Meeting requirements of 935 CMR 500.101 and/or 935 CMR 501.101 as outlined below:

1. The Community Outreach Meeting was held on the following date(s):
2. At least one (1) meeting was held within the municipality where the ME is proposed to be located.
3. At least one (1) meeting was held after normal business hours (this requirement can be satisfied along with requirement #2 if the meeting was held within the municipality and after normal business hours).



4. A copy of the community outreach notice containing the time, place, and subject matter of the meeting, including the proposed address of the ME or MTC was published in a newspaper of general circulation in the municipality at least 14 calendar days prior to the meeting. A copy of this publication notice is labeled and attached as “Attachment A.”

a. Date of publication:

b. Name of publication:

5. A copy of the community outreach notice containing the time, place, and subject matter of the meeting, including the proposed address of the ME or MTC was filed with clerk of the municipality. A copy of this filed notice is labeled and attached as “Attachment B.”

a. Date notice filed:

6. A copy of the community outreach notice containing the time, place, and subject matter of the meeting, including the proposed address of the ME or MTC was mailed at least seven (7) calendar days prior to the community outreach meeting to abutters of the proposed address, and residents within 300 feet of the property line of the applicant’s proposed location as they appear on the most recent applicable tax list, notwithstanding that the land of the abutter or resident is located in another municipality. A copy of this mailed notice is labeled and attached as “Attachment C.” Please redact the name of any abutter or resident in this notice.

a. Date notice(s) mailed:

7. The applicant presented information at the Community Outreach Meeting, which at a minimum included the following:

- a. The type(s) of ME or MTC 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 ME or MTC to prevent diversion to minors;
- d. A plan by the ME or MTC to positively impact the community; and
- e. Information adequate to demonstrate that the location will not constitute a nuisance as defined by law.

8. Community members were permitted to ask questions and receive answers from representatives of the ME or MTC.



Name of applicant:

Name of applicant's authorized representative:

Signature of applicant's authorized representative:



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## Notice of Community Outreach Meeting

4 messages

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**Russell Plumb** <russell@milkmen cannabis.com>

Wed, Mar 31, 2021 at 1:16 PM

To: hsargent@clintonma.gov

Cc: Chris Brown <chrisbpbrown@gmail.com>

Hello Holly,

I am writing to inform you of a Community Outreach Meeting that my company Milkmen Cultivation LLC will be holding on April 16th, at 6:00pm.

The meeting will be to inform the public about the operations we are seeking to commence at 75 Green Street, Clinton, MA, 01510. The meeting will be held over zoom due to the ongoing coronavirus pandemic. Details for joining can be found at

<https://www.milkmen cannabis.com/meeting>

Part of our outreach meeting involves notifying the Town Clerk, if there are any additional forms that I need to fill out to make the notification official please let me know.

Best,  
Russell Plumb

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**hsargent** <hsargent@clintonma.gov>

Thu, Apr 1, 2021 at 8:39 AM

Reply-To: hsargent <hsargent@clintonma.gov>

To: Russell Plumb <russell@milkmen cannabis.com>

Hello Russell,

I believe you need to post this in the paper and I will need a copy of the posting to put on my bulletin board.

Thank you  
Holly

[Quoted text hidden]

Holly P. Sargent  
Town Clerk  
978-365-4119

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**Russell Plumb** <russell@milkmen cannabis.com>

Thu, Apr 1, 2021 at 2:58 PM

To: hsargent <hsargent@clintonma.gov>

Hi Holly,

I have attached the digital copy of the ad run in the classifieds section of the telegram.

Best,  
Russell

[Quoted text hidden]

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 **Outreach Ad Placement.pdf**  
110K

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**hsargent** <hsargent@clintonma.gov>

Thu, Apr 1, 2021 at 3:27 PM

Reply-To: hsargent <hsargent@clintonma.gov>

To: Russell Plumb <russell@milkmen cannabis.com>

Thank you

[Quoted text hidden]

# Host Community Agreement Certification Form

## Instructions

Certification of a host community agreement is a requirement of the application to become a Marijuana Establishment (ME) and Medical Marijuana Treatment Center (MTC). Applicants must complete items 1-3. The contracting authority for the municipality must complete items 4-8. Failure to complete a section will result in the application not being deemed complete. This form should be completed and uploaded into your application. Please note that submission of information that is “misleading, incorrect, false, or fraudulent” is grounds for denial of an application for a license pursuant to 935 CMR 500.400(2) and 501.400(2).

## Certification

The parties listed below do certify that the applicant and municipality have executed a host community agreement on the specified date below pursuant to G.L. c. 94G § 3(d):

1. Name of applicant:

Milkmen Cultivation LLC

2. Name of applicant’s authorized representative:

Christopher Brown

3. Signature of applicant’s authorized representative:

*Christopher Brown*

4. Name of municipality:

Town of Clinton, Massachusetts

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

Michael J. Ward - Town Administrator



6. Signature of municipality's contracting authority or authorized representative:

*Michael Ward*

7. Email address of contracting authority or authorized representative of the municipality (*this email address may be used to send municipal notices pursuant to 935 CMR 500.102(1) and 501.102(1).*):

mward@clintonma.gov

8. Host community agreement execution date:

4/7/21





## Milkmen Cultivation Community Outreach Meeting ★

Join us on April 16, at 6:00pm where we will introduce Milkmen Cultivation. We plan to cultivate recreational marijuana at 75 Green Street, Clinton, MA, 01510. To join the meeting visit: [www.milkmencannabis.com/meeting](http://www.milkmencannabis.com/meeting)

Post Date: 04/01 12:00 AM

Refcode: #W0239700 [iPrint](#)

### Respond to this ad

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	Your Email
	Your Phone
	Your Message

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## About Us



## **Milkmen Cultivation LLC**

# **Community Outreach Meeting**

Friday April 16<sup>th</sup>, 6:00pm

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Dear Resident,

At the Community Outreach Meeting we will discuss our intentions to cultivate marijuana and operate as a product manufacturer at 75 Green St, Clinton, MA, 01510.

Join us to learn more about who we are. We will also be providing an opportunity to answer any questions from the community.

The meeting will be held over zoom due to the ongoing Coronavirus Pandemic. To join the zoom meeting you can find additional information at:  
[www.milkmencannabis.com/meeting](http://www.milkmencannabis.com/meeting)

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<p>If you have any concerns about not being able to join please contact us at <a href="mailto:info@milkmencannabis.com">info@milkmencannabis.com</a></p>
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RUSSELL PLUMB  
 Acct. Ending 1887  
 813 PARKER ST UNIT 3, BOSTON, MA, 02120-3024  
 (267)629-0290

## Transaction Details

Trans. Date	Description	Amount	Category
04/01/21	USPS PO 2414620510 CLINTON MA	\$ 11.00	Government Services

### USPS PO 2414620510

320 HIGH ST, MA 01510

<b>Post Date</b>	Thursday, April 01, 2021
<b>Transaction Date</b>	Thursday, April 01, 2021
<b>Merchant Category</b>	POSTAL SERVICES - GOVERNMENT ONLY
<b>Purchase Method</b>	INTEGRATED CIRCUIT CARD READER
<b>Buyer Name</b>	RUSSELL PLUMB
<b>Card Used</b>	

©2014 Discover Bank, Member FDIC.

Copy of purchase receipt for book of stamps to mail to abutters.

# LIST OF "PARTIES IN INTEREST"

SUBJECT PARCEL: MAP 93 BLOCK 3288 ADDRESS 75 Green St

List of all Abutting Towns "Parties in Interest", location, contact name and mailing address

ABUTTING TOWN	MAILING ADDRESS
Location: Bolton	Planning Board 663 Main Street Bolton, MA 01740
Location: Berlin	Planning Board 23 Linden St. Berlin, MA 01503
Location: Sterling	Planning Board 1 Park Square Sterling, MA 01564
Location: Boylston	Planning Board 221 Main Street Boylston, MA 01505
Location: West Boylston	Town of West Boylston Planning Board 127 Hartwell Street, Suite 100 West Boylston, MA 01583
Location: Lancaster	Planning Board 695 Main Street, Suite 1 Lancaster, MA 01523

ORIGINAL

This is a complete and accurate list of abutting Towns.

The Assessors Stamp Certifies that it has been review by the Assessors and found to be accurate.



Russell Plumb

Petitioner's name Milkman Cultivation LLC  
 Street 813 Parker St. Unit #3  
 City Boston St MA Zip 02120  
 Email Russelle.milkman@cannabis.com  
 Telephone 267-629-0290

Signature [Signature] Date 3-26-21

67-3149

[REDACTED]

93-3143

[REDACTED]

67-827

[REDACTED]

93-3141-1

[REDACTED]

93-3141-3

[REDACTED]

93-3288

[REDACTED]

93-3139

[REDACTED]

67-2324

[REDACTED]

94-3950

[REDACTED]

93-3141-2

[REDACTED]

67-2406

[REDACTED]

94-2337

[REDACTED]

94-1291

[REDACTED]

67-826

[REDACTED]

93-3485

[REDACTED]

67-4345

[REDACTED]

67-1948

[REDACTED]

93-4025

[REDACTED]

67-2354

[REDACTED]

94-607

[REDACTED]

ORIGINAL





There were no attendees at the virtual community outreach meeting. There is a video recording of the presentation as well as a download to the meeting presentation listed on <https://www.milkmencannabis.com/meeting>. This url was listed on all notifications of the meeting sent to abutters, listed in the newspaper, and notification with the town clerk. It is also accessible from the homepage of the website. This publicly accessible web page was posted 3 weeks prior to the meeting, and has recently been updated to include the recording of the presentation.

Title	Document ID	Revision
Plan to Remain Compliant with Local Ordinances	OP-001	02
Effective Date	Approved By	Function
11/15/2020	Erin Plumb	Operations

## 1. Document Purpose

The below procedures are to ensure Milkmen Cannabis compliance with all local ordinances.

## 2. Scope

All job applicants, employees, contractors, and part-time employees should abide by the provisions of this policy.

## 3. Background

To ensure Milkmen Cannabis remains in good standing with the local ordinance it operates in..

## 4. Responsibilities

All managers will be responsible for subordinates activity concerning facility security.

## 5. Procedure

### Zoning:

- 75 Green St is zoned as Industrial. According to the Town of Clinton Zoning Bylaws, cannabis can exist in any industrial zone in the town as long as there is also a special permit for the property.

### Special Permit:

- Milkmen Cannabis will meet with the Clinton Board of Appeals in May
- Milkmen Cannabis will officially begin the Special Permit approval process once the provisional license is returned, as required by the Clinton Board of Appeals
- Milkmen Cannabis will renew the Special Permit at minimum every 3 years

### Building Permit:

- [Form](#)

Title	Document ID	Revision
Plan to Remain Compliant with Local Ordinances	OP-001	02
Effective Date	Approved By	Function
11/15/2020	Erin Plumb	Operations

- The building permit will require the submission of the above form which includes the following information:
  - General Agent Information
  - General Property Information
  - Description of Project
  - Zoning Information - Industrial
  - Plot Plans - Architectural spcs, locations of structures, septic information, water supply info, environmental information, proposed dimensions
- Construction Documents, which will include
  - Foundation Plan
  - Floor Plan
  - Exterior Building Elevations
  - Framing Plans
  - Schedules
  - Fire Protection System
  - Energy Conservation Information
- Information on Construction Contractor
- Construction Cost
- Worker's Compensation Affidavit
- Debris Removal Affidavit
- Supplemental Permit Information - Working with municipal utilities

**Occupancy Permit:**

- [Form](#)
- Occupancy Permit will require the above form and general business information such as:
  - Address
  - Hours of Information
  - Owner and Corporate Information
- Along with the above form, architectural drawings will also need to be submitted. There should be 2 drawings included:
  - A building plan to show which space Milkmen Cannabis will occupy
  - A floor plan to show more specifically Milkmen Cannabis' space

**Health Board Approval:**

- The Health Board requires inspection of premises
- The Clinton Health Board does not require anything beyond the CCC's regulation

**Remaining in Compliance:**

- Milkmen Cannabis will consult with Clinton PD prior to finalizing security plans to solicit their recommendations

Title	Document ID	Revision
Plan to Remain Compliant with Local Ordinances	OP-001	02
Effective Date	Approved By	Function
11/15/2020	Erin Plumb	Operations

- Milkmen Cannabis will consult with Clinton PD annually for a security compliance review and will update all Security Plans as necessary
- Milkmen Cannabis will consult with Clinton FD annually to ensure fire safety compliance
- Milkmen Cannabis will regularly engage in a dialogue with the town clerk concerning any updates to cannabis regulations in town
- Milkmen Cannabis will actively seek to exceed all standards set by the municipality
- Upon annual Community Impact payments, Milkmen Cannabis will ensure compliance with all standards
- Milkmen Cannabis will not be a nuisance, as defined by local ordinance
- Milkmen Cannabis will not emit any odors to surrounding areas
- Milkmen Cannabis will secure building permits prior to any buildout or expansion
- Milkmen Cannabis will regularly update town officials to any substantial change to its growing facility or official documentation

## 6. Prerequisites

## 7. References

Title	Link

## 8. Revision History

Revision	Revision Date	Modified By	Description
01	03/24/2021	Conor Williams	Document Initialized
02	04/27/2021	Chris Brown	Included Additional Detail - RFI 1

---

## Fwd: Milkmen Cannabis Municipal Costs Documentation

---

**Conor Williams** <conor@milkmen cannabis.com>  
To: Chris Brown <chris@milkmen cannabis.com>

Wed, Apr 5, 2023 at 8:22 PM

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

From: **Conor Williams** <conor@milkmen cannabis.com>  
Date: Tue, Apr 4, 2023 at 8:25 PM  
Subject: Milkmen Cannabis Municipal Costs Documentation  
To: <mward@clintonma.gov>

Hi Michael,

I work with Milkmen Cannabis, a provisionally licensed cannabis cultivation and product manufacturing company in Clinton.

As part of our license renewal efforts, we are required to request costs that are either incurred or anticipated by the city or town that relate to our operations.

The guidance from the Cannabis Control Commission states 'The licensee's request shall state that, in accordance with M.G.L. c. 94G, § 3(d), any cost to a city or town imposed by the operation of a ME or MTC shall be documented and considered a public record as defined by M.G.L. c. 4, §7, cl. 26. Documentation shall include the request and the substantive response from the city or town that includes the actual and anticipated expenses resulting from the operation.'

We understand that this information may not be readily available, but to the extent any documentation has been kept, would it be possible to forward it to us as soon as possible?

Additionally, as we are not operations yet, can you please confirm that Milkmen Cannabis has not made any payments related to the Host Community yet?

Please let me know if I should reach out to any other department for assistance. Thank you for your help in this matter!

Thank you,  
-Conor Williams  
cell: 973-769-4382

April 6, 2023

Milkmen Cultivation LLC has received no response from the Town of Clinton regarding any actual or anticipated costs that are reasonably related to our upcoming operations of the establishment.

Title	Document ID	Revision
Plan to Positive Impact Disproportionately Harmed People	OP-002	04
Effective Date	Approved By	Function
11/15/2020	Chris Brown	Operations

## 1. Document Purpose

To outline how Milkmen Cannabis plans to positively impact disproportionately harmed people by marijuana legislation.

## 2. Scope

All job applicants, employees, contractors, and part-time employees should abide by the provisions of this policy.

## 3. Background

To provide Milkmen Cannabis with a way to positively affect the community.

## 4. Responsibilities

All managers will be responsible for enacting these initiatives.

## 5. Procedure

We plan to have several initiatives that will have a positive impact on promoting equity within the cannabis industry. These include a partnership with the Last Prisoner Project. Proposed workshops that help disproportionately harmed groups learn business strategy and about the cultivation process, and food donation.

### **Partnership with the *Last Prisoner Project*:**

Goal: The goal of this portion of our company is to help individuals who are or have been incarcerated or arrested for marijuana related crimes. The majority of these individuals are people of color. According to a recent ACLU study that assessed the racial disparity of marijuana arrests from 2010 to present in Massachusetts Black individuals are 4 times more likely to be arrested than White individuals.

Title	Document ID	Revision
Plan to Positive Impact Disproportionately Harmed People	OP-002	04
Effective Date	Approved By	Function
11/15/2020	Chris Brown	Operations

**Strategy:**

- 1) Partnership with the *Last Prisoner Project* (LPP)
  - a) LPP has partnered with other cannabis businesses in the past and has several established programs to aid in their mission of “to free cannabis prisoners and promote restorative justice in the cannabis industry”
- 2) Massachusetts Reentry Programs
  - a) Work with LPP in Massachusetts, specifically focused in Worcester and Clinton, MA, to aid in reentry for formerly incarcerated individuals.
  - b) We will host workshops that build skills that will help individuals maintain gainful employment, as detailed below in goal two (2), strategy (1)(c).
  - c) We plan to have 10% of our hires be individuals who have been charged with non violent marijuana related crimes, as referred to us through the Last Prisoner Project.
- 3) Participation in the *Last Prisoner Projects* Roll it Up for Justice program:
  - a) We plan to donate at least \$5,000 annually in addition to donations collected through our participation in Roll it Up for Justice. As well as post information about tolerance and inclusion as a reminder to employees in the workplace.
  - b) We will begin our annual donations to the Last Prisoner Project upon our first year of operation, we will review the dollar amount we are donating annually, and increase it as our revenue does
  - c) See letter to indicate that LPP will accept our donations.

**Business and Cultivation Workshops:**

Goal: A year after revenue we want our success to have a positive impact on the local community, and wider Massachusetts community. We intend to have workshops that share our business expertise, and cultivation expertise. We believe this can be a benefit to the community as we intend to have these workshops be free and open to the public so people who may not otherwise have access to the training. We will measure success by how many people attend the workshops. We hope to have 15-25 individuals per session.

**Strategy:**

- 1) Workshops open to the local community and Greater Boston Area specifically in Worcester and Clinton, MA, to teach on skills related to opening small business and cultivation
  - a) We believe this can be a benefit to the community as we intend to have these workshops be free and open to the public so people who may not otherwise have access to this information

Title	Document ID	Revision
Plan to Positively Impact Disproportionately Harmed People	OP-002	04
Effective Date	Approved By	Function
11/15/2020	Chris Brown	Operations

- b) We will advertise our workshops in areas where disproportionately harmed people are more likely to view. To ensure we are reaching those disproportionately harmed we will be focusing on the geographic areas outlined by the CCC in Guidance for Identifying Areas of Disproportionate Impact referenced below. These platforms include but are not limited to: Local News Media such as The Worcester Telegram, Social Media Outreach, and through reaching out to organizations such as the Last Prisoner Project to inform members of these organizations. Promotion for these workshops will take place at the start of every financial quarter with campaigns running for at least a week. If engagement levels are not reached at our goal of 15-25 individuals in attendance per session we will reevaluate our engagement methods and frequency. Campaigns will be measured on impressions, we are looking to achieve at minimum 1,000 impressions on social media, 500 on local news, and 50 from organization partnerships.
- c) To keep the information open and easy to access workshops will be hosted virtually with occasional hands on workshop experience at our facility in Clinton, MA to be provided depending on the content covered. The virtual experience will be hosted through a video chat service such as Zoom or Google Meet and will include documentation in the form of Google Docs to aid as supplemental resources. Workshops will be run in the second month of every financial quarter, this will provide a month lead time for advertising campaigns to run prior to a session.
- d) We will use what we learn from our first few years of starting our company to help people learn from our process.

Timeline:

Milkmen Cannabis will provide the CCC with progress of its ongoing plan to positively impact disproportionately harmed people upon its annual renewal.

## 6. Prerequisites

Our plan to positively impact disproportionately harmed people 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 Marijuana Establishments. In addition 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.

Title	Document ID	Revision
Plan to Positive Impact Disproportionately Harmed People	OP-002	04
Effective Date	Approved By	Function
11/15/2020	Chris Brown	Operations

## 7. References

Title	Link
ACLU Graphics & Visualizations. "How Is the U.S. Doing since 2010?" Accessed September 8, 2020.	<a href="https://graphics.aclu.org/marijuana-arrest-report/">https://graphics.aclu.org/marijuana-arrest-report/</a>
Information on Last Prisoner Project Roll it Up for Justice Program	<a href="https://www.milkmencannabis.com/shop">https://www.milkmencannabis.com/shop</a> <a href="https://www.lastprisonerproject.org/roll-it-up-for-justice">https://www.lastprisonerproject.org/roll-it-up-for-justice</a>
Guidance for Identifying Areas of Disproportionate Impact	<a href="https://mass-cannabis-control.com/wp-content/uploads/2018/04/Guidance-for-Identifying-Areas-of-Disproportionate-Impact.pdf">https://mass-cannabis-control.com/wp-content/uploads/2018/04/Guidance-for-Identifying-Areas-of-Disproportionate-Impact.pdf</a>

## 8. Revision History

Revision	Revision Date	Modified By	Description
01	03/24/2021	Casey Bachman	Document Initialized
02	04/27/2021	Casey Bachman	Included Additional Information - RFI 1
03	05/13/2021	Casey Bachman	Included Additional Information - RFI 2
04	07/23/3021	Erin Plumb	Included Additional Information - RFI 3



**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: 001493788

1. The exact name of the limited liability company is: MILKMEN CULTIVATION LLC

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

No. and Street: 813 PARKER ST  
3  
 City or Town: BOSTON State: MA Zip: 02120 Country: USA

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

No. and Street: 813 PARKER ST  
3  
 City or Town: BOSTON State: MA Zip: 02120 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:**

TO APPLY FOR A LICENSE WITH THE CCC AND FOR SUCH OTHER PURPOSES AS ITS MANAGER MAY ELECT.

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

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

Name: RUSSELL PLUMB  
 No. and Street: 813 PARKER ST  
3  
 City or Town: BOSTON State: MA Zip: 02120 Country: USA

I, RUSSELL PLUMB 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	MILKMEN MANAGEMENT LLC	813 PARKER ST BOSTON, MA 02120 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

**9. Additional matters:**

**SIGNED UNDER THE PENALTIES OF PERJURY, this 12 Day of March, 2021,**  
CHRISTOPHER BROWN  
*(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:

March 12, 2021 10:19 AM

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

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



MILKMEN CULTIVATION LLC  
813 PARKER ST APT 3  
BOSTON MA 02120-3024

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

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

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

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

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

If you have questions, call us at (617) 887-6400 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 9:00 a.m. to 4:00 p.m..

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

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

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

Edward W. Coyle, Jr., Chief  
Collections Bureau

OPERATING AGREEMENT FOR  
MILKMEN CULTIVATION LLC

This Operating Agreement (this “Agreement”) of **MILKMEN CULTIVATION LLC** (the “Company”) dated as of is made by and among its Member, as amended from time to time.

## **Explanatory Statement**

The parties have agreed to organize and operate a limited liability company in accordance with the terms of, and subject to the conditions set forth in, this Agreement.

NOW, THEREFORE, for good and valuable consideration, the parties, intending legally to be bound, agree as follows:

## **1. GENERAL INFORMATION**

- 1.1. **Organization.** The Company was organized on March 12, 2021 upon the acceptance of the Certificate of Organization of the Company by the Secretary of the Commonwealth of Massachusetts.
- 1.2. **Name of the Company.** The name of the Company is “Milkmen Cultivation LLC”. The Company may do business under that name or any other name or names as the Manager elects. If the Company does business under a name other than that set forth in its Certificate of Organization, then the Company shall file a “Doing Business As” Certificate as required by law.
- 1.3. **Purpose.** The purpose of the Company is to apply for a license with the Cannabis Control Commission and for such other purposes as its Manager may elect. In furtherance of the Company's purpose and subject to the provisions hereof, the Company will have the power to enter into and perform contracts, own, mortgage, lease, pledge or otherwise deal with assets, exercise all rights, powers, and privileges and other incidents of ownership with respect to assets or investments, borrow money and issue notes, drafts, and bills of exchange, lend any of its assets or funds, issue guaranties and indemnities, invest its liquid assets in short-term money market instruments and certificates of deposit, maintain one or more offices, rent space, engage, and retain personnel and agents and undertake such other activities as may be necessary or desirable to achieve the Company's purpose.
- 1.4. **Powers.** In furtherance of its purposes, but subject to all of the provisions of this Agreement, the Company shall have and may exercise all the powers now or hereafter conferred by law on limited liability companies formed under the Massachusetts Limited Liability Company Act, as amended from time to time (the “Act”). The Company shall have the power to do any and all acts necessary, appropriate, proper, advisable, incidental or convenient to or for the protection

and benefit of the Company, and shall have, without limitation, any and all of the powers that may be exercised on behalf of the Company by the Member.

- 1.5. **Principal Office.** The principal office of the Company shall initially be located at 813 Parker St, #3, Boston, Massachusetts 02120. The principal office may be held at any other place as the Manager selects.
- 1.6. **Resident Agent.** The name of the Company's initial Resident Agent in the Commonwealth of Massachusetts shall be Russell Plumb with a business address at 813 Parker St, #3, Boston, Massachusetts 02120. The Resident Agent may be any other Person as the Manager selects.

## 2. MEMBER

- 2.1. **Member.** The name, mailing address and percentage interest ("Percentage Interests") of the Member is as follows:

Name	Address	Percentage Interest
Milkmen Holdings LLC	813 Parker St, #3, Boston, MA 02120	100%

- 2.2. **Admission of Additional Members.** The Manager shall have the right to admit new Members to the Company on such terms as the Manager shall determine in its sole discretion.
- 2.3. **Limited Liability.** Except as otherwise provided in the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member or Manager shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a member of the Company.

## 3. CAPITAL

- 3.1. **Capital Contributions.** The Member shall contribute \$XXX,XXX in cash, as its initial contribution to the Company.

- 3.2. **Additional Contributions.** The Member may make but will not be required to make any additional capital contributions to the Company. Any decision to make additional capital contributions to the Company will be made as required in the Operating Agreement of the Member.

## 4. PROFITS AND LOSSES

- 4.1. **Allocation of Profits and Losses.** The Company's profits and losses will be allocated to the Member.
- 4.2. **Distributions.** Subject to any limitations set forth in the Act and any other applicable law, distributions shall be made to the Member at the times and in the aggregate amounts determined by the Manager.

## 5. MANAGEMENT

- 5.1. **Manager.** The management of the Company shall be vested in a Manager. Milkmen Management LLC is hereby designated as the initial Manager of the Company.
- 5.2. **Officers.** The Manager may, from time to time as it deems advisable, select natural persons who are employees or agents of the Company and designate them as officers of the Company (the "Officers") and assign titles including, without limitation, Chairman, President, Vice President, Secretary, and Treasurer to any such person. Unless the Manager decides otherwise, if the title is one commonly used for officers of a business corporation formed under the laws of the Commonwealth of Massachusetts, the assignment of such title shall constitute the delegation to such person of the authorities and duties that are normally associated with that office. Any delegation pursuant to this SECTION 5.2 may be revoked at any time by the Manager. An Officer may be removed with or without cause by the Manager.
- 5.3. **Indemnification.** To the fullest extent permitted by the laws of the Commonwealth of Massachusetts and except in the case of bad faith, gross negligence or willful misconduct, no Manager or Officer or Member shall be liable to the Company for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Manager or Officer or Member in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Manager or Officer or Member by this Agreement. Except in the case of bad faith, gross negligence or willful misconduct, each person (and the heirs, executors or administrators of such person) who was or is a party or is threatened to be made a party to, or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is

or was a Manager or Officer or Member, shall be indemnified and held harmless by the Company to the fullest extent permitted by the laws of the state of organization of the Company for directors and officers of corporations organized under the laws of the Commonwealth of Massachusetts. Any indemnity under this SECTION 5.3 shall be provided out of and to the extent of Company assets only, and no manager shall have personal liability on account thereof.

## 6. TRANSFERS

- 6.1. **Assignments.** The Member may not assign in whole or in part its limited liability company interest in the Company except with consent of the Manager. If a Member transfers all of its or his interest in the Company with the consent of the Manager, then the transferee shall be admitted to the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement. Such admission shall be deemed effective immediately prior to the transfer, and, immediately following such admission, the transferor Member shall cease to be a Member of the Company.

## 7. DISSOLUTION; LIQUIDATION

- 7.1. **Dissolution.** The company shall dissolve and its affairs shall be wound up upon the first to occur of:
- 7.1.1. The election of the Manager;
  - 7.1.2. The written consent of the Member; or,
  - 7.1.3. The entry of a decree of judicial dissolution under the Act.
- 7.2. **Winding Up.** In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets or proceeds from the sale of the assets of the Company shall be applied in the manner, and in the order of priority, set forth in the Act.

## 8. GENERAL PROVISIONS

- 8.1. **Separability of Provisions.** If any provision of this Agreement or the application thereof is held by a court of competent jurisdiction or other authority to be invalid, void, or unenforceable to any extent, the remainder of this Agreement and the application of such provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

- 8.2. **Governing Law.** This Agreement shall be governed by, and construed under, the laws of the Commonwealth of Massachusetts (without regard to conflict of laws principles).
- 8.3. **Amendments.** This Agreement may not be modified, altered, supplemented, or amended except pursuant to a written agreement executed and delivered by the Member.
- 8.4. **Sole Benefit of the Member.** Except as specifically set forth in SECTION 5.3, the provisions of this Agreement are intended solely to benefit the Member and, to the fullest extent permitted by applicable law, shall not be construed as conferring any benefit upon any creditor of the Company (and no such creditor shall be a third-party beneficiary of this Agreement), and no Member shall have any duty or obligation to any creditor of the Company to make any contributions or payments to the Company.
- 8.5. **Effectiveness.** This Agreement shall be effective upon execution by the Member and the initial Manager.



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

William Francis Galvin  
Secretary of the  
Commonwealth

April 15, 2021

TO WHOM IT MAY CONCERN:

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

**MILKMEN CULTIVATION LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **March 12, 2021**.

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:  
**MILKMEN MANAGEMENT LLC**

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

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **NONE**



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



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

Charles D. Baker  
GOVERNOR

Karyn E. Polito  
LT. GOVERNOR



342173269

Rosalin Acosta  
SECRETARY

Richard A. Jeffers  
DIRECTOR

Milkmen Cultivation LLC  
813 PARKER ST  
3  
BOSTON, MA 02120

EAN: 22193761  
April 23, 2021

Certificate Id:47326

The Department of Unemployment Assistance certifies that as of 4/23/2021 ,Milkmen Cultivation LLC is current in all its obligations relating to contributions, payments in lieu of contributions, and the employer medical assistance contribution established in G.L.c.149,§189.

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

Richard A. Jeffers, Director

Department of Unemployment Assistance



Business Plan

March 2021

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# Executive Summary

Milkmen Cannabis will be a Tier 2 Marijuana Cultivator and Product Manufacturer with future plans to operate as a dispensary or delivery service. A Tier 2 Cultivation license will allow us to utilize 10,000 sqft of canopy area when growing mature plants. Milkmen Cannabis will operate on a perpetual harvesting hydroponics system. This design will allow us to more accurately control the nutrient intake of plants being grown. Milkmen Cannabis will provide a higher yield at a higher level of quality.

The current US market for cannabis is fragmented between all states that have legal recreational cannabis. It is projected that the total sales of legal cannabis will reach \$30 billion by 2025. The market that Milkmen Cannabis will be entering is Massachusetts. Currently, the proportion of retailers for cultivators is 2.5 to 1. As more licenses continue to be approved this ratio is expected to change. In the event that all pending licenses are accepted by the Cannabis Control Commission the ratio will change to 2.1 to 1. This change is within our comfort level in regards to a shift in the availability of buyers in the market.

Milkmen Cannabis will also be incorporating a proprietary software, *milkbottle*, to handle its seed to sale tracking platform as required by MA law. This software will be another key point in providing a unique value that is not currently matched by cultivators in the Massachusetts market. This software will help in providing a greater level of visibility into the performance of our grow system. The visibility will allow our team to make changes faster and improve upon existing systems at a much faster rate than without.

The interaction between other marijuana establishments will mainly consist of us acting as a supplier of product. We plan on creating partnerships with other marijuana cultivators to improve the overall efficiency of both of our operations. The goal would be to improve the relationships that we have with cultivators to help when we eventually transition into dispensary operations. However, cultivator relationships will be useful to license out limited versions of *milkbottle* software.

To commence operations, Milkmen Cannabis will require an initial investment of \$800,000. This investment will go towards securing the location, equipment, and licensings for operations to begin. If we are able to achieve \$1,000,000+ in initial capital we will be able to implement measures to improve: speed of growth, crop insurance, more efficient grow systems. All of these measures will help to improve the bottom line of the company.

Milkmen Cannabis will also be involved in improving the community that we are operating within. Milkmen Cannabis plans to provide food and partner with non-profit organizations to assist those disproportionately affected by marijuana laws. Community outreach is a priority for us. As Milkmen Cannabis grows we plan to share our success with our neighbors.

# Business Concept

## Purpose of Business

The key directive of Milkmen Cannabis is to grow, harvest, cure, and subsequently sell cannabis products to Marijuana Establishments (ME). The methods by which Milkmen Cannabis will gain a competitive advantage include: increased plant attention, plant growth analytics, and operational optimization through automation. Milkmen Cannabis will also conduct business as a friendly and resourceful partner to other ME. Due to the level of care taken with each plant, Milkmen Cannabis products will satisfy high-end market demand.

## Value Proposition

Milkmen Cannabis will provide its customers with high quality product through in depth monitoring, personal attention, and advanced data analytics.

## Product Description

The product to be sold to other ME will be cannabis. At the start of cultivation operations, flower and trim will be the only product sold. At the start of product manufacturing operations, concentrates, edibles, and tinctures will be sold. The trim would either be sold to other product manufacturers or for use in edible production. The flower is cured and packed by the pound for delivery to dispensaries, product manufacturers, or other wholesalers. The per pound packing of the flower would be housed in metal containers to trap moisture.

Marijuana flower is then sold to consumers by 1/8th of an ounce or 3.5 grams. This process would be handled by the dispensaries in the beginning of operations. There will come a time after expansions when the product sent to other dispensaries will be individually packaged in Milkmen Cannabis branded bottles. The selling of packaged material will allow for Milkmen Cannabis to gain a brand presence among consumers and also charge a higher wholesale price. The higher price would come from the included cost of labor to package the product.

# Market Analysis

## Industry Description

The legal adult-use cannabis industry in Massachusetts involves the cultivation, production, and dispensing of cannabis or cannabis products.<sup>1</sup> Operations are conducted by licensed cannabis establishments that hold one or more licenses in the following areas: cultivation, product manufacturing, retail, or delivery. Separately, there are additional licenses that serve to operate primarily for medical and compliance purposes, including independent testing laboratories, marijuana research facilities, and marijuana treatment centers. A complete description of the mentioned licenses can be found in 935 CMR 500.002. The majority of licenses are unable to sell directly to consumers except for marijuana treatment centers, dispensaries, and licensees with a delivery endorsement, making these establishments the primary target market of cultivators. An additional member of a cultivators target market includes product manufacturers.

The typical journey of cannabis or cannabis products involves the operation of multiple licensed establishments. Cultivators are primarily responsible for propagating, growing, harvesting, and processing, and sometimes packaging cannabis. Cannabis can be sold directly to a dispensary or wholesaler, as the cannabis flower is the most popular product amongst consumers<sup>1</sup>. Additionally, cultivators can sell to product manufacturers, who will manufacture the raw cannabis flower into a cannabis product such as edibles, oils, creams, or tinctures. Before cannabis or a cannabis product can be sold to a consumer, it must be tested by an independent testing laboratory to be compliant with Massachusetts Cannabis Control Commission regulations. Independent testing laboratories will test cannabis for contaminants to determine whether the sample exceeds the stipulated thresholds. Additionally, the cannabis will be tested to evaluate the samples cannabinoid profile, allowing consumers to understand the potency of the product. If the tested cannabis or cannabis product is within an acceptable range for tested contaminants, it can be sold to consumers and other marijuana establishments.

In the legal cannabis industry, there is heavy regulation that is established and enforced by the Massachusetts Cannabis Control Commission. The goal of the Massachusetts Cannabis Control Commission is to establish a safely regulated industry that creates entrepreneurial opportunities, job employment, and state revenue for the Commonwealth and the communities in which marijuana establishments are located.<sup>2</sup> Through the implementation of the regulation, the commission can reduce the sale of recreational cannabis to minors, prevent the diversion of cannabis or cannabis products, and establish opportunities for participation of minorities and communities that have been disproportionately impacted by cannabis prohibition<sup>2</sup>. For deviation from regulation, the commission can levy substantial fines on the offending marijuana establishments. For instance, violation of state marijuana law can result

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<sup>1</sup> Doonan, S., McKenna, D. and Johnson, J., 2020. *A Baseline Review And Assessment Of The Massachusetts Adult-Use Cannabis Industry: Market Data And Industry Participation*. Mass-cannabis-control.com. [https://mass-cannabis-control.com/wp-content/uploads/2020/02/Market\\_Data\\_and\\_Industry\\_Participation\\_February\\_2020.pdf](https://mass-cannabis-control.com/wp-content/uploads/2020/02/Market_Data_and_Industry_Participation_February_2020.pdf).

<sup>2</sup> Cannabis Control Commission. 2020. *About The Commission - Cannabis Control Commission*. <https://mass-cannabis-control.com/about-us-2/>.

in an administrative fine of up to \$50,000.<sup>3</sup> Additionally, there are numerous fees levied throughout the licensing process and for adjustments to any information held by the commission. Overall, the legal adult-use cannabis industry is highly regulated and constitutes a high cost of entry. However, through strict compliance with regulation, it is possible to avoid all penalties.

Milkmen has identified an opportunity to enter the legal adult-use cannabis industry in Massachusetts as a tier 1 indoor marijuana cultivator based on market research indicating a growing industry and a high demand low supply environment for cannabis.

## Federal Legalization, Value, & Opinion

Milkmen Cannabis believes that on a federal level cannabis is approaching legalization. In fact, a vote on the MORE Act, a bill that would remove cannabis as a controlled substance, was passed in the House of Representatives on December 4th, 2020.<sup>4</sup> In relation, the House of Representatives also passed the SAFE act, which will ease banking restrictions on cannabis companies, facilitating financing and establishing deposit accounts with financial institutions.<sup>5</sup> Additionally, a survey conducted by Pew Research indicates that 67% of Americans believe that cannabis should be legal. In a similar survey conducted by Gallup Poll, it was shown that approximately 66% of Americans support legalizing cannabis. Unsurprisingly, the majority of support comes from voters in younger age brackets, these voters are more likely to be consumers of cannabis or cannabis products. Along with the majority of Americans supporting legalization there are also numerous benefits that can be realized through legalization in the economy, social equity, and public safety. The economy can be expected to benefit from the sale of cannabis products through general business development and federal and state tax revenue. In 2018, the total value of the cannabis industry in the United States was \$11.3 billion<sup>6</sup>. It is projected that the total sales of legal cannabis is projected to reach \$35 billion by 2025<sup>7</sup>. Additionally, in 2020 the following states have legalized cannabis to some extent, either medicinal or recreational: New Jersey, Arizona, South Dakota, Montana, and Mississippi<sup>8</sup>. It is interesting to note that the number is only representative of sales in legal states, there are still uncaptured sales to be accounted for in states where cannabis is illegal. Social equity improvements will be seen by decreasing criminal arrests based on old regulations for nonviolent offenses. Finally, safety will also improve with the legalization of cannabis as the market will be highly regulated, lowering the use of illicit cannabis which is associated

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<sup>3</sup> Mass.gov. 2019. <https://www.mass.gov/doc/935-cmr-500-adult-use-of-marijuana/download>.

<sup>4</sup> Walsh, D. (2020, December 04). House Approves Decriminalizing Marijuana; Bill To Stall In Senate. <https://www.npr.org/2020/12/04/942949288/house-approves-decriminalizing-marijuana-bill-to-stall-in-senate>

<sup>5</sup> Perlmutter, E. (2019, September 26). Text - H.R.1595 - 116th Congress (2019-2020): Secure And Fair Enforcement Banking Act of 2019. Retrieved December 20, 2020, from <https://www.congress.gov/bill/116th-congress/house-bill/1595/text>

<sup>6</sup> U.S. Cannabis Market Size, Share, Trends: Industry Report, 2019-2025." U.S. Cannabis Market Size, Share, Trends | Industry Report, 2019-2025, 2019. <https://www.grandviewresearch.com/industry-analysis/us-cannabis-market>.

<sup>7</sup> Data, N. (2020, October 21). U.S. legal cannabis market to reach \$35 billion by 2025. <https://tinyurl.com/yh3fevzz>

<sup>8</sup> Dezenski, L. (2020, December 07). Montana, Arizona, New JERSEY, South Dakota and MISSISSIPPI approve marijuana ballot Measures, Cnn projects. Retrieved March 18, 2021, from <https://www.cnn.com/2020/11/04/politics/marijuana-legalization-2020-states/index.html>

with many dangers. Finally, with the Biden-Harris administration, we anticipate that federal cannabis legalization will be passed and signed into law over the next 4 years.

## Industry Size

The size of the B2C legal adult-use cannabis industry can be anticipated to grow in the future as Generation Z realizes full buying power as they become of legal age to purchase cannabis. Through utilizing the Census it was determined that the population of the total addressable market for the B2C segment is approximately 4,970,305 individuals or 72% of the population of Massachusetts. Total addressable market can be defined as the total population of individuals over 21 years of age that are able to purchase cannabis in Massachusetts.<sup>9</sup> To reduce the size of the market further it is necessary to limit the total addressable market to adults who regularly consume cannabis or cannabis products. A 2018 survey conducted by the Massachusetts Department of Public Health states that approximately 21% of adults have used cannabis in the past 30 days.<sup>10</sup> Therefore, it is likely that the total population of individuals who consume illicit or legal cannabis regularly is approximately 1,043,765 people or 21% of the total addressable market. The market of individuals who use legal adult-use cannabis can be anticipated to be in the range of 400,000 - 600,000 individuals. These numbers were calculated by using an average monthly market basket of \$104.14 in August 2020 and gross sales period for 2019<sup>11 12</sup>. The B2C legal adult-use cannabis market is already a significant portion of the Massachusetts population and is only expected to increase as Generation Z ages.<sup>13</sup>

Similar to the consumer market the B2C legal adult-use cannabis is also expected to grow in the future as more pending applications become approved. Currently, in the B2B legal cannabis industry there are 62 companies that hold 246 finalized licenses in various areas of the industry, such as cultivation, retail, or product manufacturing.<sup>7</sup> In addition to finalized licenses there are 437 provisional licenses and 85 provisionally approved licenses as of 08/26/2020<sup>14</sup>. A provisionally approved license can be defined as a provisional license pending licensure fee payment. Applications for licensees are broken down into 3 categories: general, MTC (RMD) priority, or economic empowerment. General applicants make up 86% of cultivation license applications while economic empowerment and MTC applications account for 14% of cultivation license applications. It is important to be aware that MTC and economic empowerment applicants are given priority treatment in the application review process.<sup>7</sup> Milkmen Cannabis will be

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<sup>9</sup> Census Bureau QuickFacts. 2019. *U.S. Census Bureau Quickfacts: Massachusetts*. <https://www.census.gov/quickfacts/fact/table/MA/PST045219#PST045219>.

<sup>10</sup> Bharel, M., 2018. *Marijuana Baseline Health Study Report Of Findings*. Mass.gov. <https://www.mass.gov/files/documents/2018/06/29/DPH%20Legislative%20Report%20-%20Marijuana%20Baseline%20Health%20Study.pdf>.

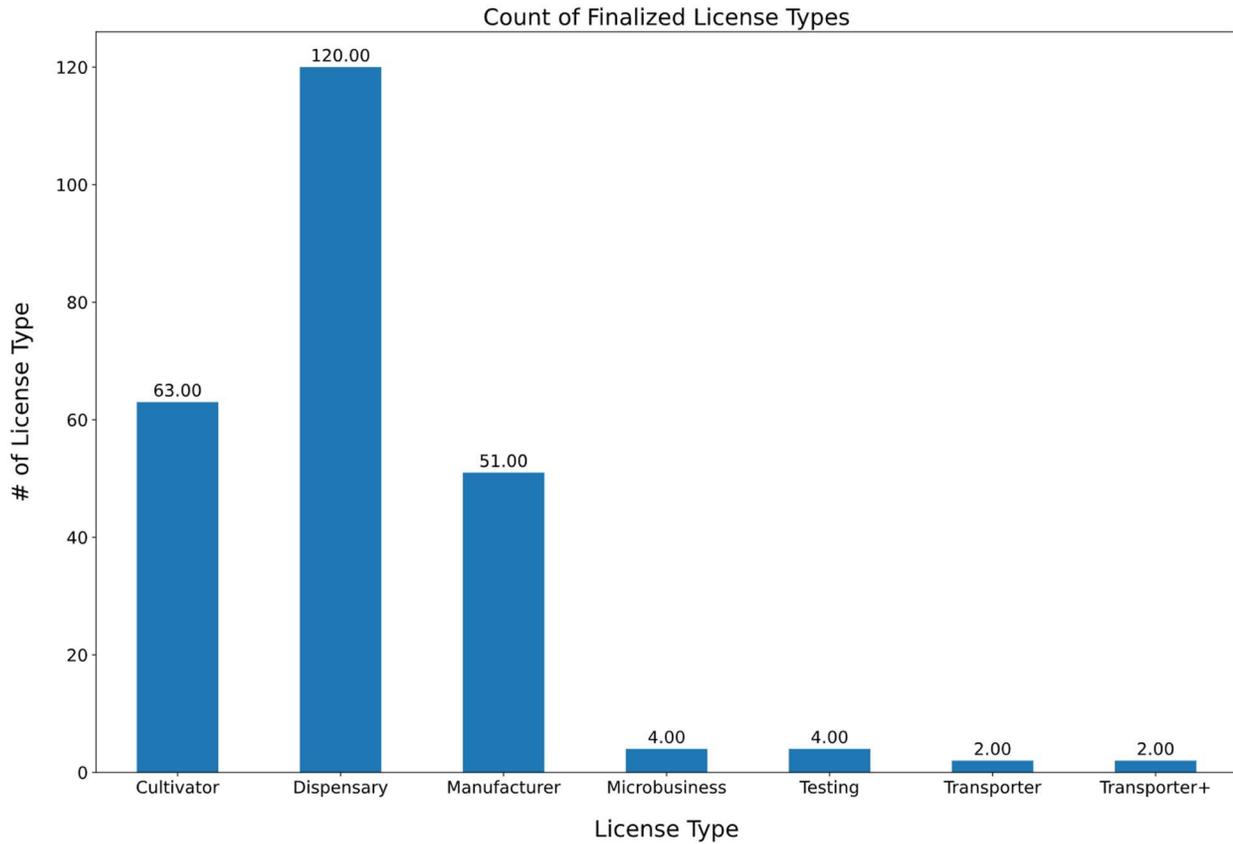
<sup>11</sup> Connors, L., 2020. *Cannabis Market Overview August 2020* Headset.io. <https://www.headset.io/posts/cannabis-market-overview-august-2020>.

<sup>12</sup> Opendata.mass-cannabis-control.com. 2020. *Gross Sales Totals*. <https://opendata.mass-cannabis-control.com/Industry-and-Products/Gross-Sales-Totals-by-Custom-Time-Period-/r555-zfwg>.

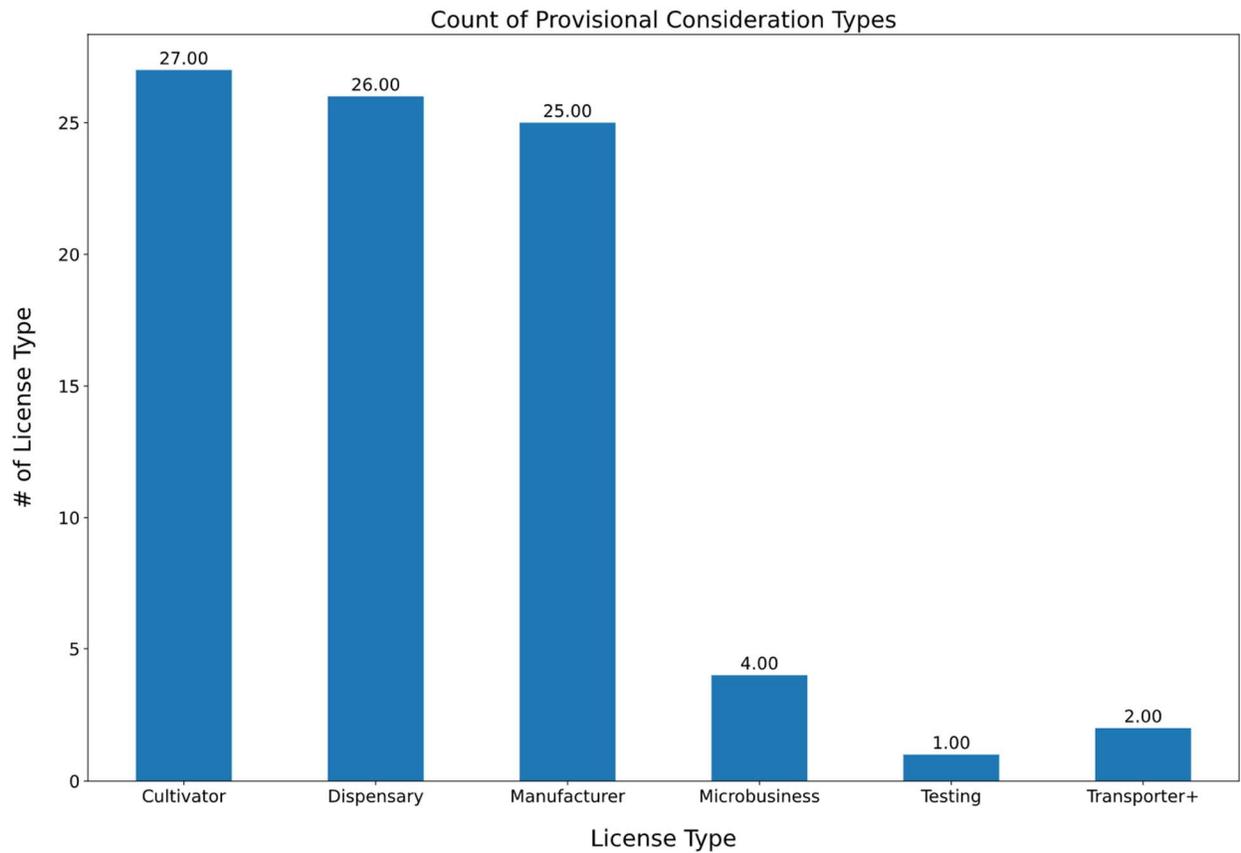
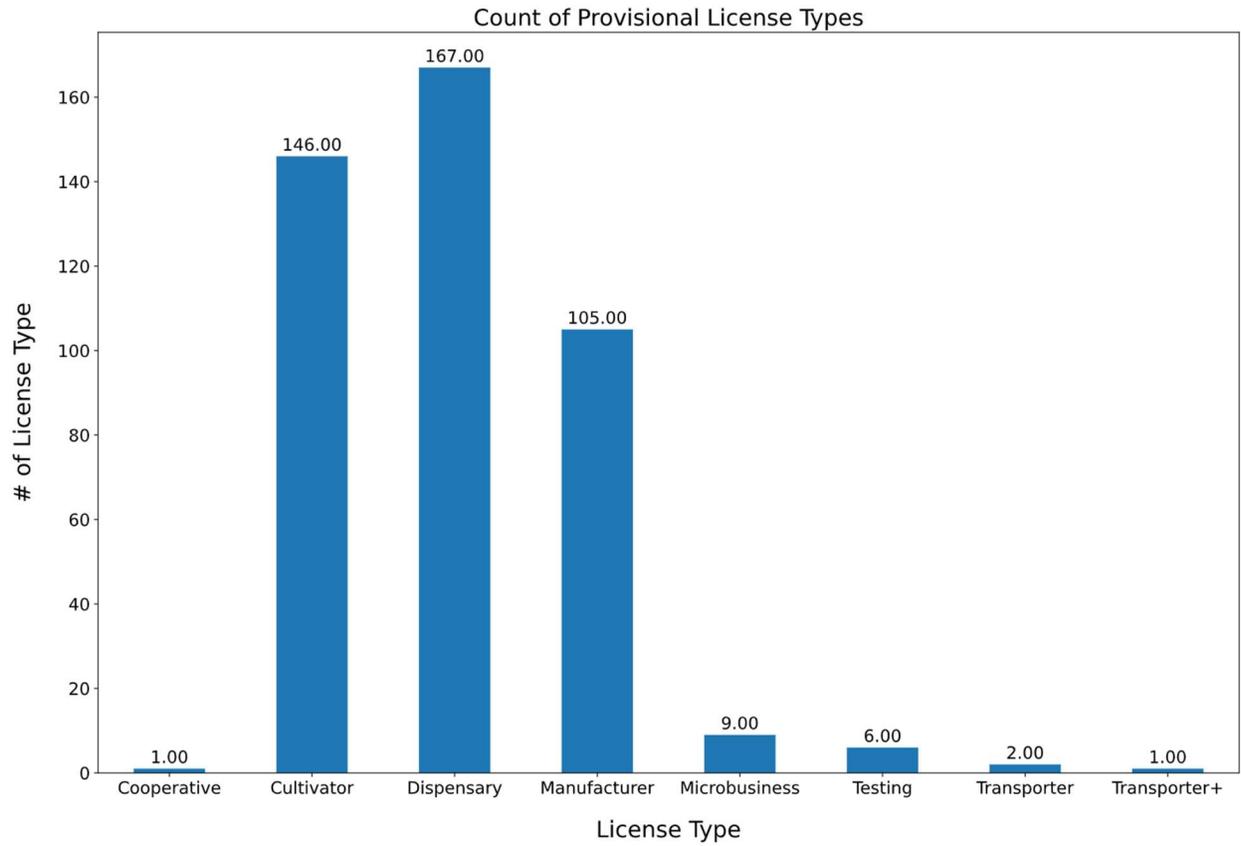
<sup>13</sup> Zorn, J., 2020. *Demographics Of Cannabis Consumers 2019*. *Marijuana Demographics*. Cannabis Training University. <https://cannabistraininguniversity.com/blog/cannabis-industry/demographics-of-cannabis-consumers-2019/>.

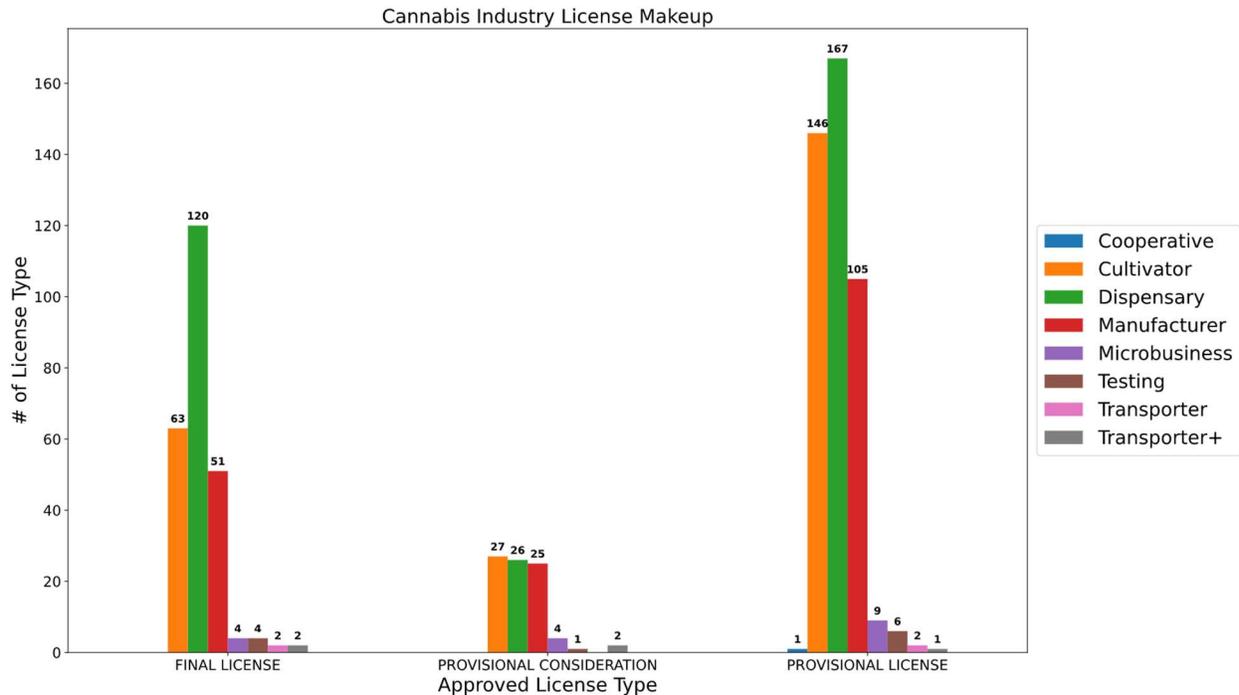
<sup>14</sup> Opendata.mass-cannabis-control.com. 2020. *Adult-Use Applications And Licenses | Open Data - Cannabis Control Commission*. <https://opendata.mass-cannabis-control.com/stories/s/eteq-dp5h>.

considered a general applicant throughout the application and licensure process, providing us with no consideration advantage. Please see below a breakdown of existing finalized licenses.



As a cultivator, Milkmen Cannabis would sell to marijuana retailers and product manufacturers, which accounts for approximately 64% of the market. As more pending applications receive final licensure, we can anticipate that the market will expand further, reducing the ratio of marijuana retailers and product manufacturers to marijuana cultivators. In the current market, there are 2.7 retailers and product manufactures for every 1 cultivator. However, if all pending, provisional, and provisional consideration licenses are approved and receive licensure the ratio will shift to 2.1 retailers and product manufactures for every 1 cultivator. In terms of square footage of canopy space, in the current market there is ~12,801 square feet of canopy available per retailer. In the market's anticipated future state, it is expected that each retailer will have ~13,026 square feet of canopy available per retailer. Similar to the number of retailers per cultivator, square footage of canopy available per retailer is also not expected to increase dramatically in the coming years. Please see below a breakdown of all licenses awarded and pending license applications.





## Industry Trends

According to data compiled by Zion Market Research, the global legal cannabis market was valued at \$16.71 Billion in 2017 and is expected to generate revenue of around \$62.96 Billion. Additionally, the market is expected to register a robust Compound Annual Growth Rate of 21% throughout the forecast period from 2018 to 2024.<sup>15</sup> A cannabis industry market research company, BDS Analytics, headquartered in Boulder, Colorado, predicted that the marijuana market in Massachusetts will reach \$1.35 billion in 2024<sup>16</sup>

With a total sales for the Massachusetts Cannabis market totaling \$1.2 billion there is an expected growth of 72% over four years based on BDS Analytics' projection for the market.

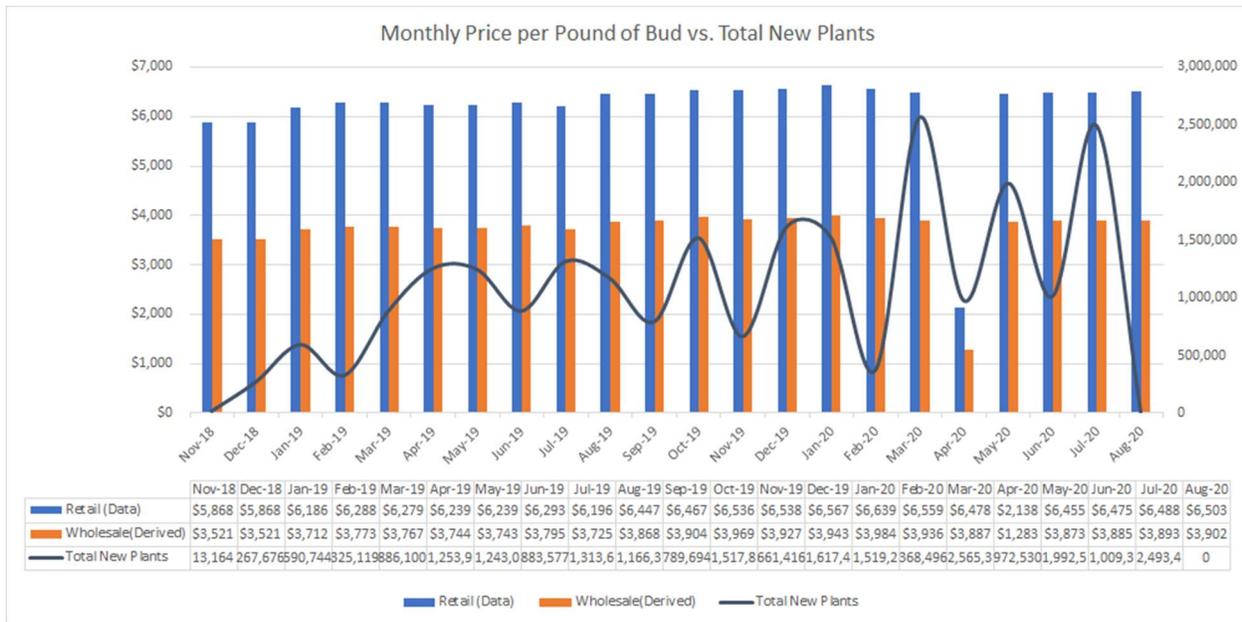
There are currently 236 pending cultivation licenses, either in the 'Provisional Consideration', 'Final License, or 'Provisional License' stage of application. The introduction of cultivation licenses, both pending and applied, will add around 3.4 million square feet of canopy space, which will triple the total canopy space that currently holds a final cultivation license. Based on conversations with current cultivators, it is feasible that an approved cultivator will not utilize the entire canopy space allotted by the licence tier.

Pricing trends for the Massachusetts marijuana flower market, the primary product a cultivator will be selling, have remained relatively stable since the market's inception in 2018. Looking at the table below,

<sup>15</sup> FinancialBuzz.com, February 6, 2019, <https://www.prnewswire.com/news-releases/cannabis-market-begins-slow-shift-towards-recreational-dominance-300790580.html>

<sup>16</sup> Melissa Hanson, Apr 07, 2020, <https://www.masslive.com/marijuana/2020/04/cannabis-analytics-company-predicts-massachusetts-marijuana-market-will-reach-135-billion-in-2024-but-impact-of-retail-shutdown-during-covid-19-remains-unknown.html>

which summarizes sales data from the Cannabis Control Commission, the average monthly price per pound of bud for retailers is \$6,170. Assuming an industry wide retail markup of 40%, the average wholesale price of bud is derived to be \$3,700.



The potential cultivators entering the market do pose a threat to those average prices due to supply increasing a maximum of three-times the current market. This would invite a decrease in the price per pound of flower, but in the current market, as the total plant count rises at a rapid rate, the number of plants harvested would be approximately one-fifth of the total number of plants per month.

The Cannabis Control Commission’s market report<sup>17</sup> illustrates that of the total \$748 million dollar gross sales, the retail sale of bud makes up about 49% of all sales since the inception of the market. This further illustrates the demand for pure flower, the main cultivation product, is very strong.

The Cannabis Control Commission’s market report<sup>14</sup> also provides analysis on the price elasticity of legal cannabis products. MacKillop 2019 report the price elasticity for legal cannabis is 43% lower than the elasticity for illicit cannabis. Although youth typically demonstrate more sensitivity to price in comparison to Adults, the retailer would be more affected by the price sensitivity than the cultivator<sup>15</sup>.

Analyzing other legal cannabis markets, the total supply of the market is a major factor in the price of legal cannabis. In other markets, such as Washington State,<sup>18</sup> the main problem with the reduced prices is the controlling commission licensing up to “10 times” the amount of canopy as they originally stated. Washington State<sup>19</sup> has about 1180 licenses approved and over 4 million square feet of growing space.

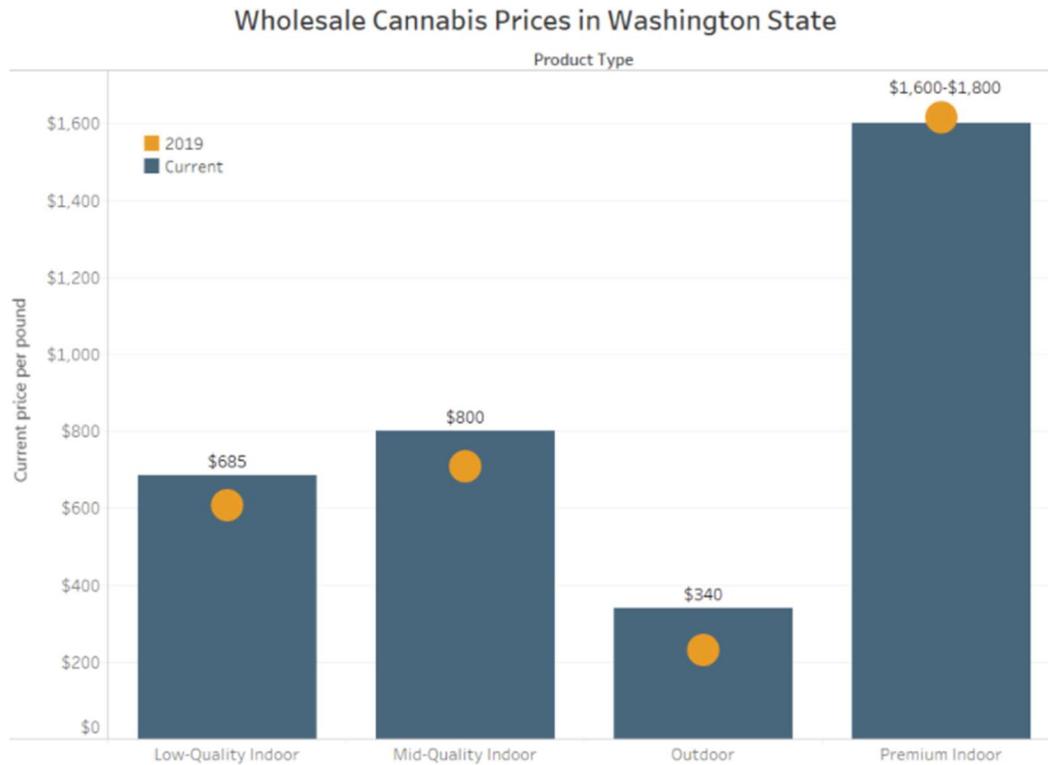
<sup>17</sup> <https://mass-cannabis-control.com/wp-content/uploads/2020/02/Market Data and Industry Participation February 2020.pdf>

<sup>18</sup> <https://mjbizdaily.com/washington-state-wholesale-cannabis-flower-prices/>

<sup>19</sup> [https://lcb.wa.gov/sites/default/files/publications/temp\\_links/Canopy-Report-Year-2-June-2020.pdf](https://lcb.wa.gov/sites/default/files/publications/temp_links/Canopy-Report-Year-2-June-2020.pdf)

Assuming all current applications are approved, Massachusetts will still have around one-third of the licenses and about 1 million square feet less of canopy space as Washington State has licensed.

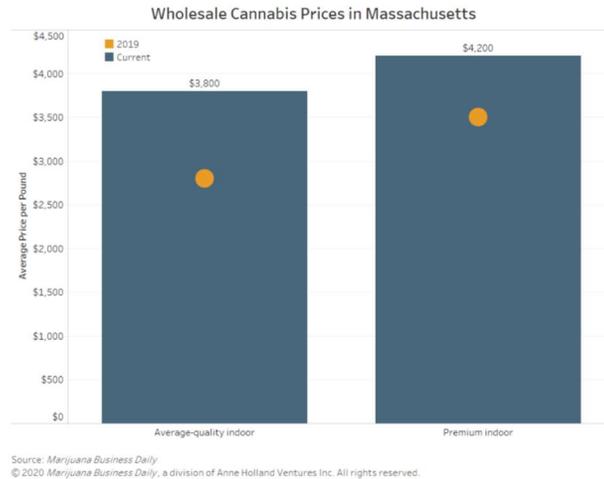
When the cannabis market is flooded with products, there is a tendency for the price per pound of cannabis to drop drastically. When looking at these price trends, there is a less drastic price fluctuation in 'premium, indoor' grown products<sup>15</sup>.



Source: Marijuana Business Daily  
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Massachusetts is also showing the price premium and inelasticity of premium indoor grown product<sup>20</sup>

<sup>20</sup> <https://mjbizdaily.com/wholesale-cannabis-flower-prices-massachusetts-climb-on-mounting-demand/>

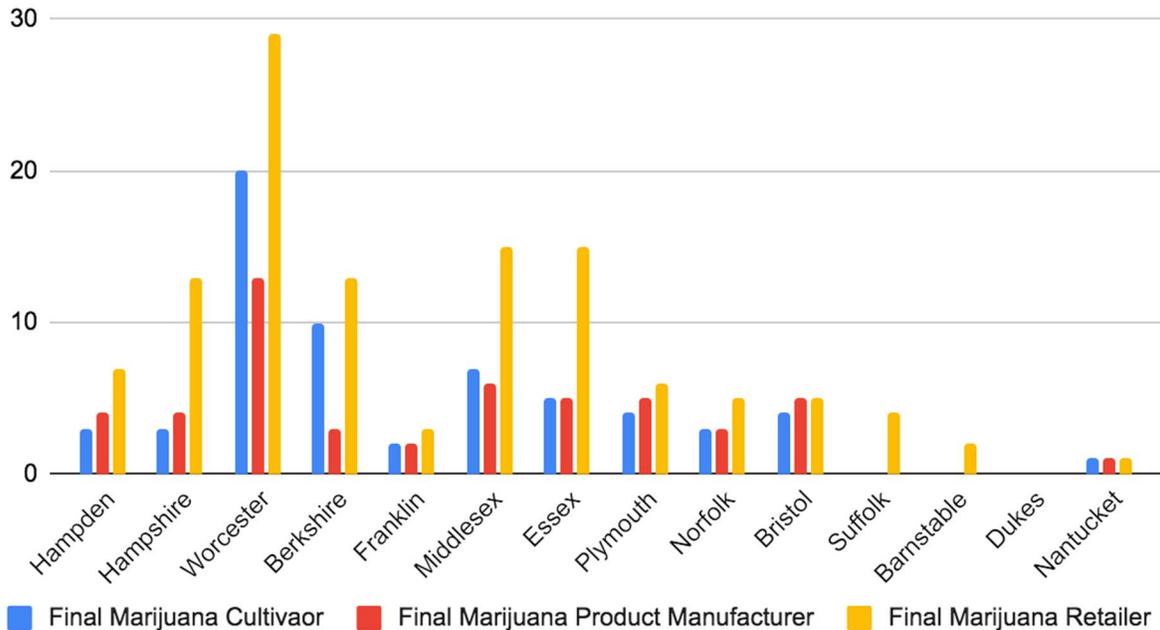


## Target Market

Milkmen Cannabis plans to primarily target cannabis dispensaries, product manufacturers, and wholesalers. As the most popular product in the market is cannabis flower, it will hold the primary share of our sales. Flower will be sold to both retailers and product manufacturers; where it can be sold to consumers or processed into oils, tinctures, or edibles. In the current market there are 171 cannabis product manufacturers and cannabis dispensaries while there are only 63 cultivators to provide cannabis. The ratio between cultivators and clientele will remain similar as more final licenses are to be approved, meaning that Milkmen Cannabis will be well positioned to gain market share. Majority of the cultivators in the market are in the lower license tiers (< 5), indicating that Milkmen Cannabis will be more capable of competing for sales. In the beginning, Milkmen Cannabis will primarily conduct transactions with small dispensaries and product manufacturers given that our starting inventory will not be sufficient to supply larger marijuana establishments.

Milkmen Cannabis expects that the primary target market will be located in Worcester Massachusetts and surrounding areas such as Hampden, Hampshire, Franklin, Norfolk, and Suffolk. As a result of the geographic location of Worcester in the heart of Massachusetts it is anticipated that Milkmen Cannabis will open a tier 2 cultivation in Clinton, Worcester County. Worcester is the most popular county for cultivators to set up facilities in, meaning that competition for market share in the county will be more difficult, however, surrounding counties have less cultivators and a surplus of retailers and product manufacturers that Milkmen Cannabis could potentially supply. Additionally, although there is more competition located in Worcester, expenses for delivery to locations in various parts of the state would be reduced due to the cultivation facility being in the center of Massachusetts. The license mix of the market is expected to remain similar as more marijuana establishments receive final licensure. Please see below for the existing market license mix:

## Current Market License Mix



## Competitive Analysis

Milkmen Cannabis has a competitive advantage in three primary categories: anticipated proprietary software, microgrowery environment, and potential to harness other small cultivators experience.

The to-be developed proprietary software *milkbottle* will provide unmatched management and tracking capabilities. *Milkbottle* will track all information associated with a plant (please see *Data Management* section). Having access to this information will provide the data necessary to perform close analysis of our grow rooms, sales, and expenses. A great opportunity for analyses in the grow rooms involves identifying where healthy high-yield plants are located which will allow the user to mimic the high-performance environment in other areas of the grow space. Additionally, the user will be able to identify and diagnose underperforming growth areas quickly, saving money, time, and plants in the long run. In a different area, the development of a successful proprietary seed-to-sale tracking software can potentially provide additional revenue to Milkmen Cannabis through licensing to other companies, expanding our market presence and helping other companies in the industry ensure quality product.

Currently, in the legal adult-use cannabis cultivation space many companies utilize large open grow rooms, which as an industry standard, can produce high quality cannabis flowers. However, utilizing a large open grow space can introduce unnecessary risk and waste to a grow facility. The primary potential risk with open area grow space is the easy spread and transmission of contaminants, meaning that if a deadly, highly contagious contaminant enters the space it can potentially cause a complete loss of crop. In an open area grow space, not all photons from light are being used efficiently, leading to unharnessed light that could be utilized with the proper structures. Additionally, maintaining the temperature of an entire room can become expensive, especially if some of the space is not being

utilized. Milkmen Cannabis proposes enclosing modular grow rows with reflective and insulating materials, creating a microenvironment for each grow space. The benefit of utilizing this methodology is primarily increasing the quantity of used photons by raising the efficiency of lights and containing contaminants to isolated areas. Unlike an open grow space, if there is a deadly contaminant present in an enclosed area, it will likely only impact the afflicted module, meaning that the majority of the harvest can be saved. Additionally maintaining optimal conditions for cannabis growth will be easier and less expensive in a microenvironment system.

Milkmen Cannabis has a unique opportunity to enter the legal adult-use cannabis industry. First, Milkmen Cannabis will be able to leverage information from small cultivators. Meaning that common mistakes can be more easily avoided, causing us to reach approval and ramp production faster than a standard market entrant. Leveraging information from other cultivators will specifically help Milkmen Cannabis understand the economics of the industry, strategies for adherence to Cannabis Control Commission regulation, contacts for clientele, and strategies for improved cultivation. Additionally, entering the legal adult-use cannabis industry post COVID-19 will allow Milkmen Cannabis to be more competitive in the market, as the market dynamic is new and existing establishments are still developing strategies to navigate the COVID-19 market.

Milkmen Cannabis has identified two competitors to examine which are Gibby's Garden and New England Treatment Access (NETA). Gibby's Garden is classified as a microbusiness, meaning that it has access to cultivation space of up to 5,000 square feet. Gibby's garden is renowned for its high quality product and strict adherence to regulation. However, we believe Milkmen Cannabis has a competitive edge over Gibby's Garden in regards to our hydroponic microgrowery system and proprietary data management software. Through analysis of Gibby's Garden website and social media it was determined that they do not utilize hydroponics or microgrowery space. Instead, Gibby's Garden grows their plants in pots using a certain medium (soil, peat moss, or perlite). Additionally, Gibby's Garden grows their plants in confined spaces with no barriers separating cultivation batches. Milkmen Cannabis has a competitive advantage by applying a microgrowery environment and utilizing hydroponics, an anticipated superior grow system. Additionally, by analyzing a list of seed-to-sale software it is apparent that not many establishments, including Gibby's garden, develop proprietary software that can be tailored to their specifications. By developing *milkbottle*, Milkmen Cannabis will have a system that is well suited to their grow environment, providing more accurate feedback than state-run seed-to-sale systems.

On the other hand, NETA is a tier 6 cultivator, product manufacturer, and retailer. Milkmen Cannabis anticipates not being able to compete with NETA on a financial or inventory production scale, but similar to Gibby's Garden there are competitive advantages that can be seen relating to cultivation and proprietary software. It is believed that NETA does not utilize a microgrowery environment as cultivation is done in large open rooms, creating the potential for easier contaminant transmission. Additionally, it appears the NETA does not use a hydroponics system for cultivating cannabis and instead uses a similar methodology to Gibby's Garden. As for seed-to-sale tracking software it appears that NETA has developed their own system but is not currently licensing the software to others in the Industry. Milkmen Cannabis believes that licensing *milkbottle* to other establishments in the industry will provide a competitive edge to Milkmen Cannabis through adding an additional revenue stream.

# SWOT

<p style="text-align: center;"><b>Strengths</b></p> <ul style="list-style-type: none"> <li>- <i>milkbottle</i> the anticipated proprietary seed-to-sale tracking &amp; data analysis tool</li> <li>- Planned microgrowery environment increasing utilization of photons and preventing the transmission of contaminants</li> <li>- Relationships with existing marijuana establishments that will provide information and guidance throughout licensure</li> </ul>	<p style="text-align: center;"><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>- Low starting capital</li> <li>- Little experience growing cannabis in general and zero experience growing on a commercial level</li> </ul>
<p style="text-align: center;"><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>- The anticipation of a federally legal market, allowing cannabis to be sold in any state</li> <li>- The expansion of the market in Massachusetts increasing the number of potential clientele</li> <li>- More of “Generation Z” coming of age to purchase legal cannabis. Generation Z is the most likely to use cannabis and support its legalization</li> <li>- Developing relationships with small marijuana establishments to establish a support network and be more competitive with larger corporations</li> <li>- Capturing a portion of a potentially large market, anticipated to grow to 1.35 billion in 2024</li> </ul>	<p style="text-align: center;"><b>Threats</b></p> <ul style="list-style-type: none"> <li>- Oversaturation of the market leading to steep declines in cannabis wholesale price</li> <li>- Incapability of growing cannabis with suitable cannabinoid levels</li> <li>- Crop failure and compliance issues could cause a complete loss of a harvest</li> <li>- A currently federally illegal market, which however unlikely could lead to seizure of all assets</li> <li>- Inability to sell cannabis product due to expansion of cultivation market in future years</li> </ul>

## Risks/Shortcomings

The industry that Milkmen Cannabis is entering is federally illegal. This is the primary risk for entering the market. To date there has been no prosecution at the federal level against marijuana corporations located within the legal states that are properly licensed. However, even though this risk has not become a reality yet it is still an ever present risk until such a time where federal restrictions are lifted.

To address this issue we are tracking all legislation at the state and federal level. Recently there has been the first proposed legislation that will remove marijuana from the list of controlled substances<sup>21</sup>. We are also putting in place measures to remove ourselves from the industry in

<sup>21</sup> AXELROD, TAL <https://thehill.com/homenews/house/514237-house-to-vote-on-a-bill-to-remove-cannabis-from-list-of-controlled-substances> 8/28/2020

the event of the federal government prosecuting legal businesses. This exit strategy will convert operations to a legal growing operation such as lettuce or tomatoes.

Milkmen Cannabis also understands the risks in growing cannabis as a crop. For example there are risks of crop failure and compliance issues. These risks will severely impact the business' bottom line and may put the business in the red if they were to happen at inopportune times. These risks are best accounted for in the financial section by allowing for crop loss of 10% at harvest time. This crop lost rate will allow us the flexibility in financial planning to afford a hit in crop yield.

The risks of crop loss will be mitigated through the extensive system we are developing for monitoring plant health and performance. This system will allow us to track the health of a plant at a very granular level. The hope is that this will allow us to catch issues in plant health before they become a risk to the greater crop. The system is also modular in nature, this modular system separates the plants from each other. This separation will prevent the spreading of fungi or bacteria. This reduction in spread will also help to reduce the loss in the event of an outbreak among the plants.

There is also a risk in transport of product to dispensaries or product manufacturers in selling products. The risk appears in the physical transport with potential of theft or loss. And also appears in the financial risk of additional expenditure from improperly counted products. If the product is not counted to the same amount as on the manifest then the dispensary may send the product back to us at our expense. This risk is accounted for in the financial model with a 50% return rate. This is extremely conservative with the industry reporting a 10% return rate.

To mitigate the amount of product that we have sent back to our facilities we will be prioritizing working with companies with a high level of reputation. This will in part hopefully help to reduce the risk of dispensaries sending products back to us. In the event of a company sending a product back to us the company can then be black listed for the time being until such a time where we are certain that we will not experience a repeat of the issue.

There is a risk in regards to the size of the market which can be anticipated to triple in size if all applications and provisional licenses are approved in the coming years. Milkmen Cannabis identified this as a problem because it can drop wholesale prices significantly. Wholesale prices dropping significantly would be a major problem for Milkmen Cannabis as the company does not have sufficient size or starting capital to remain profitable in this market.

To mitigate this we plan on being aggressive in expansion plans to hopefully outpace or keep in pace with the market expansion. We will also be leveraging alternative forms of revenue generation such as licensing software or growing design. We can also incorporate teaching resources for home growers that may also generate a supplemental revenue.

# Legal

There is a significant amount of legal work that needs to be done in order for us to begin operations. We must get municipal agreements and permitting, hold additional funds in escrow, and much more before we even apply for licensure.

We will attempt to do as much as possible on our own with our own research but it is entirely possible that we will have to pay legal fees via retaining a lawyer.

## Entity Structure

Milkmen Cannabis has already filed all Articles of Organization with the Commonwealth of Massachusetts to complete its entity structure. Each Limited Liability Company was filed electronically and paid for with a \$520 application fee. The Limited Liability Companies will provide Milkmen Cannabis' principals with limited personal liability. Everything we now do will be in the name of the business and will put a degree of separation between ourselves as individuals and the actions that are on behalf of the company. Don't interpret this to mean we aren't accountable to our actions, we most certainly are, but this will mitigate personal damages that we might otherwise incur.



Due to Massachusetts requirements, we do not need bylaws at the time of incorporation, however, due to licensing procedure, we will need bylaws by the time of application.

At the time of incorporation we will be eligible to make revenue from marketing operations, such as merchandising sales. Meaning we will also have to keep accounting records for tax purposes. We will also become eligible to get a business bank account to store committed capital, revenue, etc..

All investors will enter into Milkmen Holdings LLC, mostly by way of private placement. Milkmen Holdings will be the substantial owner of Milkmen LLC (*milkbottle*) and Milkmen Cultivation LLC (Milkmen Cannabis). Each of these three LLC's will be separately managed by Milkmen Management LLC who will solely be composed of the 5 principals mentioned in this Business Plan.

## Building Lease and Zoning

Milkmen Cannabis has nearly completed negotiations with MACGREGOR MILLS, LLC to secure a lease at 75 Green St in Clinton, MA. This location has been identified for being zoned correctly for cannabis cultivation as well as being situated in a cannabis friendly municipality. This location also meets additional requirements such as being more than 500 ft away from any public primary or secondary schools.

We must be wary in which town we operate.  $\frac{1}{3}$  of Massachusetts towns have banned Marijuana Establishments from operating within their boundaries, no matter the zoning.

## Municipal Licensing

Under Massachusetts state law, the General Assembly allows for Municipalities to create their own licensing processes in conjunction with the state licensing process. This is another step on which we must remain vigilant. This will make Milkmen Cannabis more selective during the decision on setting up in one town and facility versus another. As of now, Clinton, MA requires a Special Permit to operate after receiving Provisional Licensure.

## Community Outreach

A community outreach meeting is required by the state licensing process. We are not even able to apply for state licensing without first reaching out to the community. After Governor Baker's Executive Order declaring a State of Emergency in Massachusetts, the Executive Director of the CCC issued Administrative Order No. 2, which allows for community outreach meetings to take place virtually.<sup>22</sup> During this meeting, we must present our plans and entertain all concerns of the community and seek to mitigate any form of nuisance we may cause, as defined by law. This Administrative Order will remain in effect so long as Massachusetts remains in a State of Emergency relating to the COVID-19 public health crisis.

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<sup>22</sup> <https://mass-cannabis-control.com/enforcement-administrative-order-allowing-virtual-web-based-community-outreach-meetings-april-27-2020/>

## Community Host Agreement

A Community Host Agreement is an agreement between a Marijuana Establishment and the town within which it operates. The Community Host Agreement may include payments to the town to compensate for increased services the town might need to provide (ie. traffic studies, additional police presence, environmental impact studies, inspections). These payments are limited to 3% of gross annual revenue. The limit of this agreement is a maximum of 5 years. The town may also dictate other terms such as mandatory volunteer days. The Community Host Agreement will lay out the specific terms of agreement to allow the Marijuana Establishment to operate within said community. Milkmen Cannabis has begun this process and will hold several meetings with the Town of Clinton Board of Selectmen before signing the Agreement.

## Special Permitting

A special permit is issued by the planning board of the Town of Clinton and is required to conduct business within the cannabis industry in that town. There are a variety of special permits you can apply for and we will specifically need a Marijuana Cultivator permit. The board of appeals will act as the Special Permit Granting Authority and requires a written determination of how adverse impacts of our business will be superseded by positive impacts considering the following categories (outlined in section 9300 of the Town of Clinton Zoning-by-law)<sup>23</sup>:

- a. Social, economic, or community needs which are served by the proposal;
- b. Traffic flow and safety, including parking and loading;
- c. Adequacy of utilities and other public services;
- d. Neighborhood character and societal structures;
- e. Impacts on the natural environment; and
- f. Potential fiscal impact, including impact on town services, tax base, and employment.

The planning board also requires the following submittals (section 6842 of Town of Clinton Zoning-by-law):

- a. The name and address of each owner of the Marijuana Establishment;
- b. A copy of the license from the Cannabis Control Commission;
- c. Evidence that the applicant has site control and right to use the site for a Marijuana Establishment;
- d. A copy of the security procedures approved by the CCC for the Marijuana Establishment, including location and specification of lighting, fencing, gates, alarms, and other security devices;
- e. A copy of the emergency procedures approved by the CCC
- f. A detailed floor plan identifying the areas available and functional uses (including square footage);
- g. Depictions of all signage being proposed for the facility; and

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<sup>23</sup>

- h. A description of all activities proposed for the site.

## State Licensing

A new applicant seeking licensure for a marijuana establishment must file three primary application sections: application of intent, background check, and management and operations profile. Application materials can be submitted in any order and must be submitted when all sections have been completed.

The application of intent must include the following information:

- 1) Business registration, interest, and other business owned by individuals on the application
- 2) Initial capital and investor information, only if the investor has direct or indirect control
- 3) Documentation of a bond or escrow account
- 4) Proposed address for license and documentation of property interest
- 5) Community outreach meeting documentation and community host agreement
- 6) Plans to ensure the establishment adheres to regulations
- 7) Plans to positively impact areas of disproportionate impact

The background check must include the following information:

- 1) Information of each individual on the application, including fingerprints and CORI form
- 2) Individuals with direct or indirect control must report any criminal, civil, pending, or administrative action against them

The management operations profile must include

- 1) Detailed business registration information, including legal name, by-laws, articles of organization, and any doing-business-as names
- 2) Certificate of good standing from the Secretary of the Commonwealth, the Department of Revenue, and the Department of Unemployment Assistance
- 3) Detailed plan of timeline for achieving operation
- 4) Plan to obtain liability insurance policy
- 5) Summary of the business plan
- 6) Summary of operating policies, including security, prevention of diversion, storage and transportation of marijuana, inventory procedures, quality control and testing procedures, personnel policies, dispensing procedures, record-keeping procedures, maintenance of financial records, and diversity plants
- 7) Description of qualifications and intended training for agents
- 8) Hours of operation and emergency contacts

In addition to the procedures outlined about marijuana cultivators must also submit detailed information regarding operational procedures and policies for cultivation that are consistent with state and local law.

After submission the Cannabis Control Commission evaluates each application to determine whether it is complete or not. The criteria used to evaluate completeness of the application include the following:

- 1) Compliance with regulation and suitability for licensure based on information from the background check
- 2) The applicants thoroughness of response to the previously mentioned application material

Once reviewed, the Cannabis Control Commission will either deem the application as complete or request further information. If the application is not completed in time it will be evaluated in its current state. If the application is deemed complete it will be sent to the respective municipality of operation for review within 60 days. Once the application is approved by the municipality the Cannabis Control Commission will review the application and determine whether or not to grant a provisional license. It is important to note that MTCs and economic empowerment applicants are considered priority applicants and will thus be reviewed before general applicants.

A provisional license will be subsequently granted after payment of license fee. To be eligible final licensure the applicant must provide the following:

- 1) Architectural plans for marijuana establishment building, including floor plan, square footage, and functional areas
- 2) Energy compliance letter provided by a Massachusetts Licensed Professional Engineer or Registered Architect
- 3) Cannabis Control Commission must conduct physical inspections and review all written materials

After completing all inspections and review the establishment is eligible for final licensure subject to the following conditions:

- 1) No operation without a final license
- 2) Licenses may not be transferred without commission approval
- 3) Licenses are void if the marijuana establishment ceases to operate
- 4) Adherence to all policy, regulation, and procedures outline in the application
- 5) Final license must be posted at the location
- 6) Activities are limited to those outlined on the marijuana establishment license
- 7) The marijuana establishment must be operational within the timeline indicated in the application

Once granted a final license the marijuana establishment may begin operations in adherence to Cannabis Control Commission policy. The license must be renewed on an annual basis in compliance with the following:

- 1) The establishment must submit a renewal application at least 60 days prior to the expiration date
- 2) A component of the application must demonstrate progress towards operational, DEI and energy efficiency plans
- 3) Marijuana cultivators must report energy and water usage over the 12-month period preceding the date of application. Additionally must submit an updated energy compliance letter reviewed by a Massachusetts Licensed Engineer or Registered Architect
- 4) Establishment must provide certificates of good standing from the Secretary of the Commonwealth, Department of Revenue, and Department of Unemployment Assistance

- 5) Report any costs the host community incurred in relation to the marijuana establishment. At the minimum include communication records with the municipality inquiring about costs
- 6) Update and ensure application information

If the previously mentioned criteria are met and no new information is added to the application the Cannabis Control Commission will renew the license within 30 days of receipt of renewal application.

Last, if a marijuana establishment seeks to make changes to their license or application, the Cannabis Control Commission must be notified and the applicable fees must be paid. The following are scenarios in which a Marijuana Establishment must notify the Cannabis Control Commission:

- 1) Location changes
- 2) Ownership changes where an equity holder increases ownership to 10% or more or contributes 10% or more of initial capital
- 3) Control changes where a new person or entity is added that has direct or indirect control
- 4) Building structural changes
- 5) Name changes

All of this information must be kept current and must be reported to Cannabis Control Commission within 5 business days of the change or addition

## Compliance

Compliance is an ongoing process in the cannabis industry. Any and all failures in compliance can be penalized by a fine of up to \$XXX daily until the infraction is corrected. The below procedures will be the Company's guide on how to operate daily in compliance with the regulations set forth by the Cannabis Control Commission in CMR 953\_500.105.

1. Security measures in compliance with 935 CMR 500.110;
2. Employee security policies, including personal safety and crime prevention techniques;
3. A description of the Marijuana Establishment's hours of operation and after-hours contact information;
4. Storage and waste disposal of Marijuana in compliance with 935 CMR 500.105(11);
5. Description of the various strains of Marijuana to be cultivated;
6. Price list for Marijuana;
7. Procedures to ensure accurate recordkeeping, including inventory protocols for Transfer and inventory 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)(d);
10. Emergency procedures;
11. Alcohol, smoke, and drug-free workplace policies;
12. A plan describing how Confidential Information and other records required to be maintained confidentially will be maintained;
13. A policy for the immediate dismissal of any Marijuana Establishment Agent who has met any condition of CMR 935\_500.105(1)(m)(1-3);

14. A list of all board of directors, members and Executives of a Marijuana Establishment, and Members, if any, of the Licensee must be made available on request by any individual;
15. Policies and procedure for the handling of cash on Marijuana Establishment Premises to be available on inspection;
16. Policies and procedures to prevent the diversion of Marijuana to individuals younger than 21 years old;
17. Policies and procedures for energy efficiency and conservation CMR 935\_500.105(1)(q)(1-4);
18. Policies and procedures to promote workplace safety consistent with applicable standards set by the Occupational Safety and Health Administration;

In addition to written operational procedures, the Company will also comply with all employee training programs, advertising and product practices, and requirements for the handling of marijuana.

## Escrow Accounts

We will be required to hold a certain amount of money in an escrow account to destroy our products should we be ordered to do so by the CCC. We do not expect this to happen as we will be operating at the highest standard of compliance. However, it is a requirement nonetheless. We are required to have a surety bond of \$1,250 or to hold \$5,000 in escrow.

## Winding Down Operations

As part of our licensing component, we will need a procedure to follow should we choose or be required to wind down operations. See Legal Failsafe Exit Strategy.

## Legal Failsafe Exit Strategy

Due to federal regulation concerning cannabis, Milkmen Cannabis and its principals have developed an exit strategy, should an administration decide to enforce existing federal laws. While we do not think this is likely given that the Biden administration has publicly endorsed decriminalizing marijuana<sup>24</sup>. Previously, Kamala Harris herself has introduced legislation to deschedule marijuana<sup>25</sup>. Therefore, Milkmen Cannabis should be safe to operate for at least another 4 years, but should things take a turn for the worst at any time in the future, we will hold a vote whether the political situation has been drastically altered enough to cease and desist operations.

Should we decide to cease operations, we will either switch over to growing another crop - such as vegetables for retail sale, thus making the operation entirely legal. Otherwise we will likely either allow the company to be acquired by another company willing to continue operating despite the increased risk environment or liquidate all company assets entirely.

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<sup>24</sup> <https://joebiden.com/justice/#>

<sup>25</sup> <https://www.self.com/story/more-act-cannabis>

# Hydroponics System

## Plants

From the perspective of growing, there are two main kinds of cannabis plants: autoflowering and photoperiod. Photoperiods are the typical cannabis plant. They derive their name as they are light dependent. The duration of light during one 24 hour day determines which cycle the plant is. These plants allow the grower additional control. It is up to the grower how tall they want the plant to be and when to begin flowering. The yield of these plants vary greatly depending on how long they stay in the vegetative cycle. Another benefit of photoperiod plants is that they can be cloned. Their genetic line can be preserved through a mother plant. Plus, the clones do not have to be started as a germinating seed, which moves them a little closer to their harvest date. Although, they do have to recover from the cutting and transplant shock.

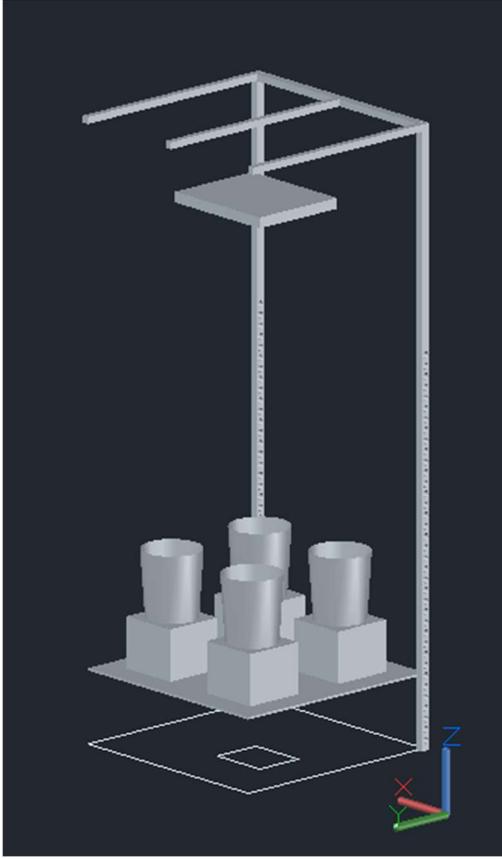
Autoflowering plants have been around since the 1970's. They were specifically bred to not be light dependent. Instead, they have a genetic clock which they will follow very closely, no matter the surrounding circumstances. The benefit of autoflowering plants is that they can receive light nearly constantly. With more direct light comes faster production of biomass. These plants have a much faster seed to harvest timeline. Some species can be harvested in 2 months or less. Although the drawback comes in the form of less control and potentially lower yield.

Milkmen Cannabis will be using photoperiod cannabis plants.

## Hydro Tiles

The hydroponics system is designed to be tile-able. The main tile will be a 4' x 4' section of canopy space. Each tile will have 1 Spider Farmer 4000 LED light per tile that hangs in the center of the square tile. The tile will be subdivided into 4 quadrants and there will be a 5 gallon bucket per quadrant to hold 1 plant. The base of the tile will be a table that is 1.5' tall. On the table will be 2 benches or 4 milk crates that will be 1' tall. On each bench will be 2 buckets that are about 1' tall. On each corner of the table will be a metal pole that has peg holes. The poles will be 11' tall. The poles will each be secured to the base and the top of the table to provide additional structural support. The top will be made of metal poles that trace the perimeter of the table. Running parallel to the benches will be yet another metal pole that will bisect the metal square. From here we will hang the lights on a pulley system to be adjustable in height. The height of lights will range from about 1' from the top of the buckets and about 1' below the very top of the metal poles. In total, the range of height should be 5.5' - 10' off the ground. Allowing for the lights to move up to 3.5' will be crucial in the growing process as the plants age.

Figure X.x: a 4' x 4' single tile

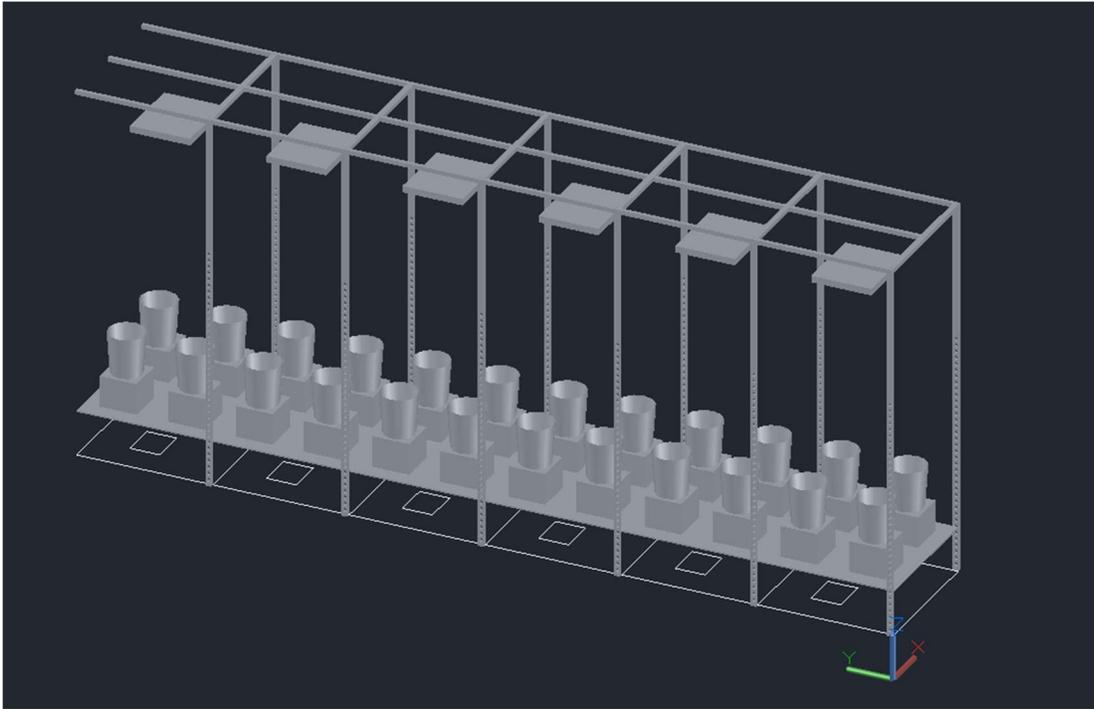


## Grow Rows

With the design being tile-able, we want to form rows with the tiles. Each row will share the same drainage and feeding systems, HVAC (shared across multiple rows), the two raised benches or milk crates, as well as the insulated mylar sheeting enclosure. Milkmen Cannabis aims to reduce the codependency of the tiles, should one tile experience any catastrophic issues. As the main feeding line does not interact with any individual plants as it feeds them, there should be no water contamination between the reservoir to watering each plant. Should it be necessary individual tiles or even individual plants can be removed from the feeding system to allow more specialized care or to minimize a transmission vector.

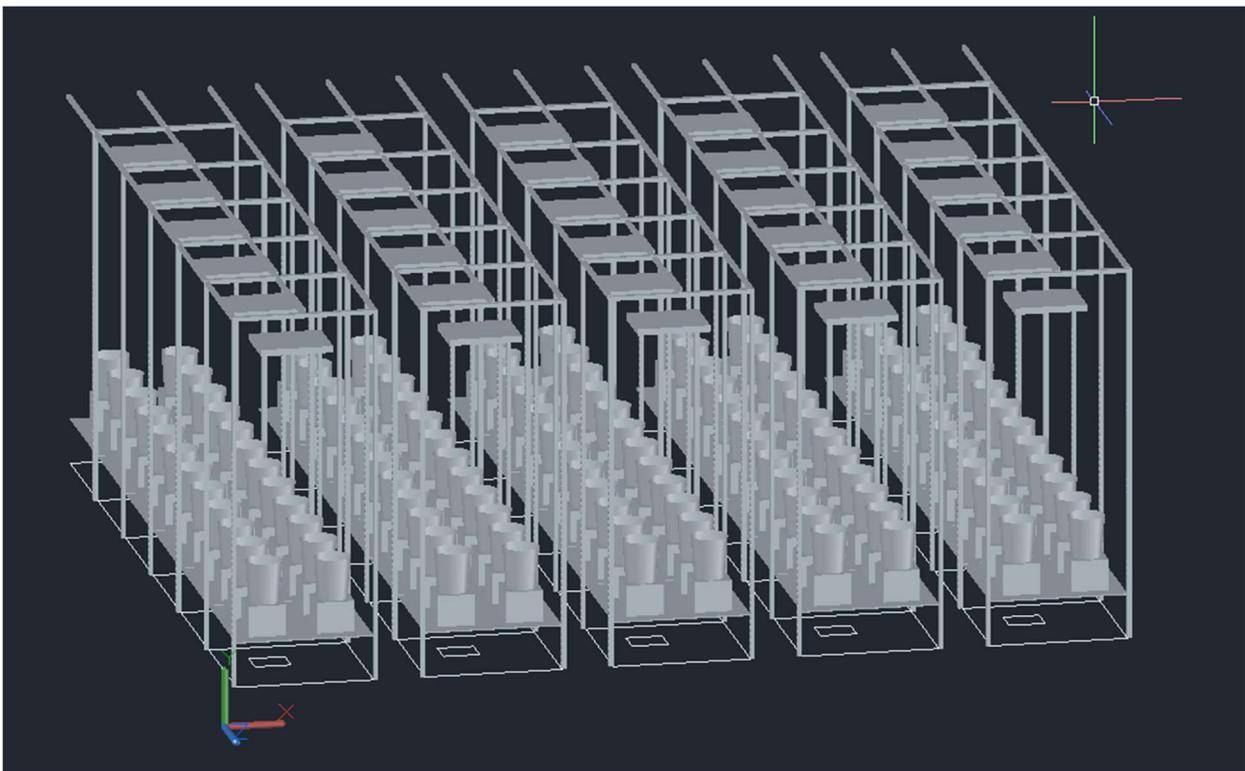
There will be 6 tiles to a row. In the center of the row, between the two lines of buckets, is where both the drainage pipes and feeding tubes will run. The entire design is raised so the drainage pipes can utilize gravity rather than additional water pumps to run all nutrient water back into a reservoir. Therefore, this will be a closed, more controllable system that is less prone to waste and will significantly reduce upkeep costs. There will be 11' tall vertical metal pipes that are secured to the table. At the top of the pipes there will be a network of more pipes to add structural support. From these pipes we will hang all the lights. Between the lights and top of the pipes is where the HVAC hoses will run to feed controlled air, humidity, and CO<sub>2</sub> to enhance our plants photosynthesis. Surrounding all of the metal pipes we are

Figure X.x: 24 foot long row



## Grow “Rooms”

Figure X.x: 500 square feet of canopy space



# Environmental Controls

## Light

For lighting, we will want to control 2 things: the source and intensity of light and the lack thereof. For growing any kind of plant a powerful, adequate light source is crucial. When it comes to cannabis, Professor Bruce Bugbee, one of the nation's leading researchers into cannabis cultivation, describes cannabis as one of the few plants that can photosynthesize with incredibly intense levels of light and continue to increase yield.

For our purposes, it would not be financially feasible to truly maximize yield, especially given that the maximum yield of cannabis has not yet been found even in laboratory conditions. We will however attempt to maximize yield while also limiting financial expenses. To do this, we will be using 720 W LED lights. The lights we have selected produce 1,940  $\mu\text{mol}/\text{m}^2/\text{s}$  at the central point beneath the lights. To put it simply, the unit " $\mu\text{mol}/\text{m}^2/\text{s}$ " measures the density of photons that come from the light over an area of 1  $\text{m}^2$  over the course of 1 second.

While this is significant to us, there is a more important metric. That would be the Daily Light Integral. The Daily Light Integral is a measure of the amount of light and its intensity that a plant will receive over the course of a day. Whereas small crops like lettuce need roughly 12-14  $\text{mol}/\text{m}^2/\text{day}$ , crops such as tomatoes require 22-30  $\text{mol}/\text{m}^2/\text{day}$ . Cannabis, being the rare crop that thrives under high intensity will need as much as 41-50  $\text{mol}/\text{m}^2/\text{day}$ .

The lights we have selected.....

Secondly, we need to control the lack of light. The space will be sealed off well enough to fully block light to allow total darkness for the plants. With photoperiod plants, their cycle is entirely dependent on the amount of light they receive. If there is an unacceptable amount of light penetrating the space then they will either not enter the flowering stage or they will exit the stage entirely and continue to grow vegetatively. As the actual buds and cannabis are produced solely in the flowering stage, we need to be entirely careful on blocking the light in the space.

## Air

We will be controlling 3 main factors when it comes to the air: temperature, relative humidity (RH), and the concentration of CO<sub>2</sub>. The HVAC system that we will use will run along the top of each row and drop the CO<sub>2</sub> down onto the plants.

The HVAC system will be self-regulated. When the temperature changes too much in one area, the HVAC system will activate to return the environment to homeostasis. We will then be pulling the readings from the system to update that SQL tables managed by the technology team. This information will be subsequently used in analysis with the goal to increase plant yield and efficiency. The sensors will be used in automatic control of the HVAC system. This will allow for corrections to occur without human intervention. This control is pivotal in ensuring that the plants maintain optimal temperature, humidity, and carbon dioxide levels.

## Water

All water that is given to plants will be manufactured using reverse osmosis. This process uses applied pressure to push the water against a fine membrane and remove any impurities or chemicals from the water. The remainder of this process is pure water. This will allow Milkmen Cannabis to more precisely control every single nutrient or chemical that is given to the plants.

Measurement of the water will be handled by the sensing equipment installed in-line. The in-line sensors will be connected to the central server. This will be managed by the technology team. The connection to the server will make the data accessible to anyone tending to the water contents. This system will be complemented by hand held sensing units to measure the reservoirs at any given time.

Nutrient adjustments in the water will be calculated and done by hand for the time being. All numbers from the sensors will be double checked using differential equations to ensure that the reservoir readings are accurate and we do not oversaturate on any particular nutrient.

## Generator

Per Massachusetts regulations, Milkmen Cannabis will have a backup generator on site to ensure that we can continue necessary operations for 4 hours in the event of an electrical outage.

# Milkbottle

## Software Purpose

Milkbottle is intended to be a single point of information for operations in a marijuana establishment. Centralizing information in this business will ease regulator compliance, benefit accounting, streamline plant management, and increase interaction points with consumers. These features make the software package an ERP solution in the making. For development on the software each feature set defined as a module will be developed independently from one another to ensure satisfactory function for each business unit. Base development will start with growing operations and plant management, as each other component will use this resource as a master sheet for information.

Milkbottle will interact with METRC, a state level system for managing plant information for regulatory purposes. Integrating with this system will automatically create a net positive in the ability for a company to efficiently operate.

Inventory tracking methods can also be tied back to costing methodologies that allow a business to track cost of goods sold. This is an important metric to track, but especially in the marijuana industry where 280e of federal tax code makes COGS the only feasible way to apply expense to a tax return. This efficient manner of generating a COGS report can save money and time for a business.

Consumer touch points can also be enhanced by providing the end consumer with a portal to look-up information pertaining to the product purchased. This interaction can be customizable to provide more creative input on the plant as well as including information that a consumer would find useful such as a full terpene profile, and reviews.

## Development Timeline

- Stage 1 | Q2 & Q3 2021
  - Testing component
  - Simple structure with basic company structure
- Stage 2 | Q3 2021
  - METRC integration
- Stage 3 | Q4 2021 & Q1 2022
  - Costing/reporting for expenses
  - Working with CPA firm to establish the practices/reporting features that should be implemented
- Stage 4 | Q2 2022
  - Customer-side portal for further brand engagement
  - Development of client base
  - Add features that support the current operational functions
- Stage 5 | Q1 2024
  - POS + inventory management system

# Captured Data

Within the hydroponic system there are a set of challenges that arise concerning data management and storage. In addition to the problems that need to be addressed for the hydroponic system there are Massachusetts state required data practices for the Seed-to-Sale system that need to be addressed. A solution that can address both of these issues would be considered to be the most efficient solution.

The objectives of Milkmen Cannabis for these systems are as follows:

- Capture all data concerned with growing plants
  - Lighting
  - Temperature
  - Humidity
  - Carbon Dioxide concentration
  - Nutrients in the water
  - PH of the water
  - Dissolved Oxygen level of the water
  - Conductivity of the water
- Capture all data concerned with plant issues/growth
  - Plant height
  - Perceived plant problems & prognosis
  - Planting Date
  - Plant room
- Capture all data concerned with plant harvest/testing
  - Yield in grams
  - TAC (Total Active Cannabinoids)
  - CBGA (Cannabigerolic acid)
  - THCA ( $\Delta$ 9-tetrahydrocannabinolic acid)
  - CBDA (Cannabidiolic acid)
  - CBCA (Cannabichromenic acid)
  - CBGVA (Cannabigerovarinic acid)
  - THCVA (Tetrahydrocannabivarinic acid)
  - CBDVA (Cannabidivarinic acid)
  - CBCVA (Cannabichromevarinic acid)
  - Leftover Waste
- Capture information concerning the transfer of product
  - Manifest
    - Onboard contents
    - Receiving Entity
    - Sending Entity
    - Date
- Capture general information concerning plants
  - Strain
  - Heredity
- Capture general information for business uses

- Product price
- Buyers information
- COGS

The capturing of previously mentioned information needs to then also have the capabilities of being analyzed and quickly exported. The commission has the ability to request any and all data, so there is a need for easy exporting of all operations at any given time. The system's ability to generate a dashboard and reports will be necessary for the following departments: Marketing, Sales, Finance, Growers, Security, and Transportation.

## Software Description

The primary solution to manage the data outlined in the section above is a proprietary software branded as "milkbottle." This system would be capable of managing the information needed for business operation in addition to managing the API requests to and from the Seed-to-Sale system for the state of Massachusetts, provided by METRC.

The system would house a dashboard interface accessible through a web browser or a desktop interface. The dashboard will allow for the inclusion of information from any of the departments. This will allow users to interact with correlations between finances and operations. The hope is to then use this insight to gain a competitive advantage in the market. The operational efficiency of the facility will be measured and enhanced using the tool.

The software platform will then need to also interface with the state seed to sale tracking system. This system is accessible through an API. Credentials for which can be obtained through submitting an application, signing an agreement, and acquiring approval from the commission. Once approval is granted the system will then be allowed to interface with the seed to sale tracking system. This interfacing is crucial to the viability of the product, without it the software will only then cause a duplication of work.

The structure of the software will fit the needs of the system. A central database will be responsible for housing all information pertaining to the company. Separate database systems will be implemented in the event of software licensing. The database will be the primary hub for interaction with the seed to sale platform. Jobs running between the database and the seed to sale system will be handled by the processing server. This server will maintain the accuracy of the data held in the database. The server will run jobs as executed by the web system.

The sensors in the facility will be fed into the database through the server. The server in house will be used to batch upload information into the SQL server. This upload will include all plant information gathered automatically by the system.

The web system will act as the primary access point for dashboards, inputting, and exporting information. The interface will allow for multiple users/user groups. This implementation allows for a modular interaction with the database, customizable to the preferences and use cases of the user. The dashboard system will also allow for an overhead view of the plant grow rooms. This can be then used

to visualize data overlaid on top of the room model. The benefits of this system would include: the ability to see yield, find hot-spots in the room, identify points of inefficient operation.

The construction of the system will happen in the period of time while in waiting with the commission. Construction on the system will commence ASAP, while API connection to the seed to sale system will happen in sync with the starting of a lease period.

The system will be composed of a HTML, CSS framework and an Angular JS backend. The server will be a SQL database, managed by the server running functions written in Node.js. The code for the system will be 50% JS, 30% HTML & CSS, and 20% SQL management. This composition allows the platform to be flexible between the different mediums in which the system will operate. The operating system will have to function between desktop, mobile, and tablet.

# Product Journey

## Seed Acquisition

Milkmen Cannabis can acquire seeds from a variety of sources. As a Marijuana Establishment Milkmen Cannabis is legally able to purchase and sell seeds to other Marijuana Establishments. We have two options here to source our seeds: buying in bulk online or buying in bulk from another Cultivator. Milkmen Cannabis will determine exactly where to acquire seeds depending on specific price and satisfaction guarantees. From initial research, it is certain that there are Marijuana Establishments online that offer both an acceptable price and satisfaction guarantees.

Additionally, Milkmen Cannabis can also acquire clones from other cultivators or from the Principals' personal grows.

## Germination

Up to 14 days.

Germinating seeds is relatively simple, space efficient, and cost effective. We will soak seeds in purified water for 14-18 hours. We will then move them from the container and into a moist, absorbent material, such as an absorbent cloth towel. We will cover them on all sides with the cloth and place an opaque cover on top to ensure a dark environment. We will control the temperature to ensure the seeds stay warm, around at least 70-90 degrees Fahrenheit but ideally around 80°F. We will keep the material moist and check semi-regularly over a period of a week. We anticipate the seeds will need a maximum of 2 weeks to germinate. However, most will not require that long of a time period. At this point, should more than 10% of seeds not germinate, Milkmen Cannabis will seek a refund and/or replacement seeds. Should a significant amount of seeds fail to germinate, Milkmen Cannabis will germinate more seeds in time for moving the entire batch into the hydroponic system.

## Cloning

Up to 14 days.

Whenever possible, Milkmen Cannabis will clone its mother plants to begin each next product cycle rather than germinating seeds. Cloning plants will allow for us to expedite the timeline by using established plants rather than seedlings. A cutting will be taken from the mother, dipped into rooting hormone and placed into moist rockwool. The clone should be defoliated to ensure that it is not utilizing too much energy in the upkeep of its leaves. The clone will then be placed in a cloning chamber with similar environmental conditions as the germination chamber: humid and warm with relatively low light intensity. To take root and fully recover, we will allow the clones 14 days before moving them to vegetative growth. This cloning chamber will use aeroponics. The roots of the plant will be misted with diluted nutrient periodically to promote root growth.

## Vegitative

Around 30 - 45days.

Shortly after the seeds germinate and show the tap root - the large central root from which subsidiary roots will grow - we will move them into rockwool. Once the seedlings are placed into rockwool we can either move them into the hydroponic system or, should the hydroponic system not be finished or if it is still down for decontamination from the last harvest we can move them into temporary housing under a weak light. Depending on the duration the plants remain in the temporary housing we may have to manually water them with a weak fertilizer solution, about  $\frac{1}{4}$  strength of the macronutrients. Legally, the plants in temporary housing must be smaller than 8" from stem to tip.

Or rather, this is where we can ideally introduce the clones into the hydroponics system. Legally, the clones must also remain smaller than 8" before they must be tagged and introduced into the seed-to-sale system.

Once they are transplanted we will want to reduce the intensity of the lights that are in the hydroponic system. They are powerful lights and we do not want to overwhelm our plants to the point where they get stressed or burned while they are experiencing transplant shock. We will build our way up to the full intensity of our lights and keep them on 18 hours a day and 6 hours off or just have them on 24/7.

Once they are transplanted, our plants will start needing a lot of water. All the water will first be purified through reverse osmosis. We will add nutrient solution to the RO'd water. All water given to the plants will contain nutrient solution with the exception of the last 2 weeks before harvest. We will give them a watering schedule of 30 minutes of drip feeding every hour for 8 hours. We will give them a maximum of 2 gallons of water per plant per day. These numbers are not and will never be exact. All plants and all batches will be different.. The best way to determine the amount of water and nutrients to be given to the plants will be based off of the runoff. Only 20% of the water should come back in the runoff. The runoff will also measure the electrical conductivity to determine the amount of nutrients that are still in the water. Through both data analysis and visual inspection of the plants it can be determined which nutrients are deficient, if any.

During the vegetative phase, our plants will require high amounts of nitrogen from the macronutrients. They will not need much phosphorus. We will likely be feeding them a 9-4-5 ratio for the majority of the vegetative phase. This will allow them to grow faster and bigger, which will allow for a larger harvest further down the road. Milkmen Cannabis will also be supplementing the macronutrients with micronutrients to ensure that there are no deficiencies. This is the time to measure the electrical conductivity of the returning water. With data, we will be able to more accurately determine what the plants need and tailor a feeding/watering schedule to them.

Towards the end of the vegetative phase, we will start to taper down the nitrogen as it will still be necessary just not in excessive quantities. This is when the phosphorus and potassium will become much more useful. We will begin to use something more along the lines of a 3-8-7 ratio.

## Flowering

Around 60 - 90 days.

As plants begin to flower we will want to make sure that the plants receive the maximum light intensity. This is when we need to get the Daily Light Integral (total amount of photons in a day a plant receives) to just about 50, which will not be an easy feat. During this time we will also have to reduce the duration of light to 12 hours of light and 12 hours of darkness. Therefore, the light given to the plant over 12 hours must be at the highest intensity.

Due to high light levels we will likely have to increase the amount of water that the plants receive per day. Again, this will heavily be dependent on the plants themselves but we anticipate each plant may require up to 2 gallons of water per day.

We will want to maintain the 3-8-7 ratio until about 2 weeks before harvest, at which point we will want to switch to just pure water to flush the nutrient solution out of the plants. This is when the plants will start growing the actual flower that we will eventually be packaging and selling. If we do not flush out the nutrients we risk giving the product a weird tasting flavor.

## Harvesting

Around 1 day.

Once approximately 15-20% of the trichomes are beginning to turn amber - indicating that the THC is starting to degrade into CBN - or are still translucent - indicating that the THC is not yet at peak potency - and 75-80% are a cloudy, opaque white - indicating the THC is at peak potency, the plants will have reached their optimal harvest period. At this point, Milkmen Cannabis will cease growing operations for these plants and begin cutting the plants down. We will cut each plant with clippers at the stem and take the bigger branches off and hang them upside down in the drying room to get the plant to begin drying out. The growing and harvesting operations will be on a rotating basis. Milkmen Cannabis will have 480 sq ft of canopy space per batch.

## Decontamination

Around 1 day.

A significant concern for Milkmen Cannabis' operations is the cleanliness of our workspace. It has a direct correlation to the quality of our product and not to mention is a legal requirement. We will begin this process by flushing the buckets with a diluted hydrogen peroxide solution and pure water. The goal of this is remove any nutrient build up and to remove any bacteria or algae that may have begun to grow. This will be drained to waste rather than being circulated back into the reservoirs. Milkmen Cannabis will then do another flush cycle, but this time with pure water only to remove any traces of chemicals or nutrients.

## Drying and Curing

Up to 14 days.

After an initial drying of a couple days, the branches should now break and snap rather than bend. We will then take the time to trim off the fan leaves and put those aside. The sugar leaves will remain for the curing process as they are natural protectors of the trichomes. We want to keep the trichomes intact as much as possible as they provide a significant portion of the product's potency. We will cut off all stems and branches. We will then jar the buds with 62% RH hydropacks or place them on drying trays in an environmentally controlled section to finish the curing process. During this stage, the product will lose 70-80% of its weight due to evaporation. As we near the end of curing, we will remove the larger sugar leaves and begin to move into the packaging phase.

## Packaging

Once the product has been effectively dried, we will move it to our packaging area. We will weigh out 3.6 gram increments and bottle them for retail sale. Or, depending on the customers' needs, we will weigh them out into pound increments for use by the product manufacturer's or for the dispensary to bottle themselves. The preference of Milkmen Cannabis for the time being would be to do packaging by the pound for more efficient use of labor.

## Sale

Once packaged, we will schedule a delivery with our customer and our third party transporter. We will create a shipment manifest. They will pick it up, drive it, and unload it at the destination Marijuana Establishment. Once the product is received, we will get payment in the form of a direct deposit to Milkmen Cannabis' business account.

# Financial Plan

## Raising Capital

Milkmen Cannabis conservatively estimates that we need approximately \$800,000. This does not necessarily need to be an outright lump sum in the very beginning, but must be accrued in the first 10-12 months. This \$800,000 estimate will cover all accounted-for expenses until revenue. Our goal is to raise \$1,000,000. This goal is to cover all accounted-for expenses until revenue in addition to several months' operating cost as a precautionary measure.

Milkmen Cannabis recognizes that this is a significant, yet achievable sum that must acquire to cover the start-up expenses of the firm. On August 10, 2020, we established that the first attempt to generate capital will come from clothing and other merchandising sales. On our website, we will host our own designs that can be bought from Printiful as part of their drop-ship option. For example, from a \$25 t-shirt purchase with our logo, we will cover \$16 to have the shirt manufactured and shipped to the customer and realize \$9 in profit. Understandably, this alone will not achieve our financial goals but will be just one step in a multi-faceted financial plan.

The next mechanism to raise capital would be to take donations, gifts, exchanges and loans from both friends and family. Additionally, if it would not break terms of service, we will attempt to use GoFundMe or another crowdsourcing platform to raise money. With the expenses relatively finalized, we can actively approach friends and families to seek help in starting this business. With luck, parents and close family will voluntarily be willing to provide capital and lines of credit. As we all approach graduation we will start to get an influx of graduation gifts which can be committed to the business. An alternative to simply asking for capital would be "sell" services. Namely, we could host a nice dinner party with a moderately high charge (~\$100) per plate. Lastly, we could ask for family members to provide lines of credit with stipulation that it would be paid back with interest to entice more people to fund Milkmen Cannabis.

In a similar vein to loans from family, we can attempt to receive a loan from institutions. We will approach several local banks with all of our financial information to persuade them that this is a fiscally sound business. If some banks are not willing to invest we could attempt to solicit loans from private individuals or less common financial institutions. Should we struggle to secure funding, we will offer partnership with existing cannabis businesses that are either in-state or willing to look to Massachusetts for expansion opportunities.

Our last and least desirable method to raise capital would be to seek an angel investor. This is the least desirable option as we are guaranteed to part with a significant amount of equity, which will dilute our own holdings. However, we would much rather have a business with some equity than have no business at all.

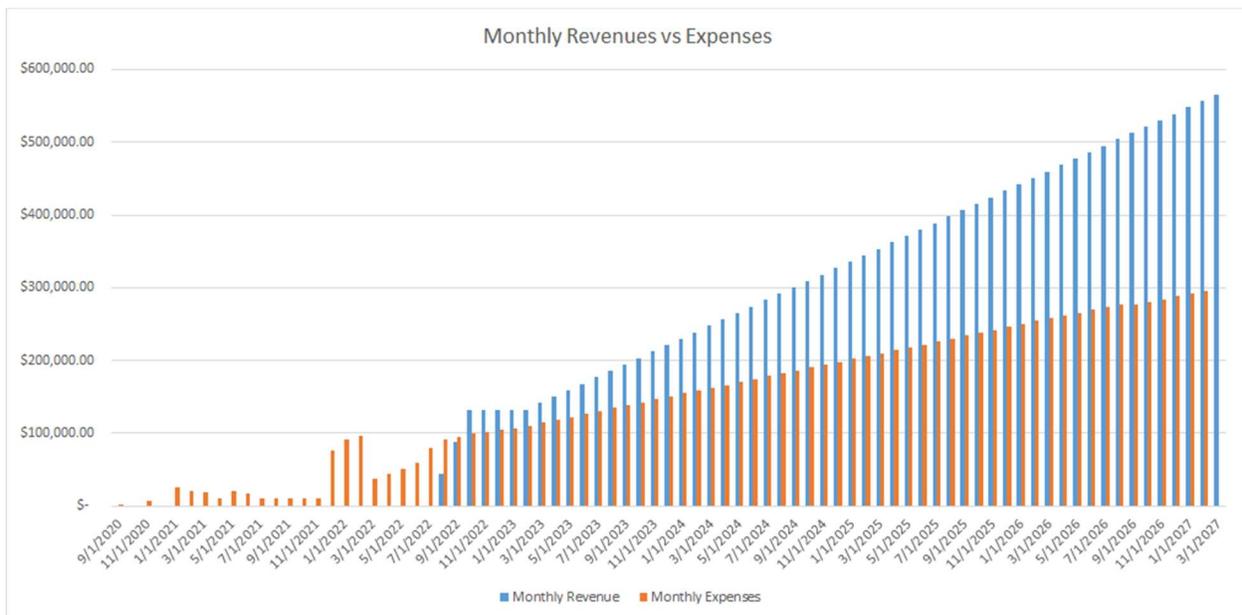
## Revenue Projections

Under current projections, if Milkmen Cannabis applies March 2021, we will receive our provisional license in the month of June 2021 and our final license in the month of January 2022. At this time,

Milkmen Cannabis will be able to begin planting. It will take a minimum of 5 months after licensing to successfully grow any product. Under conservative estimates it will take an additional 1 month to cure and 1 month to package and sell. Milkmen Cannabis will not generate any direct operational revenue until August 2022. From there, monthly revenue will be entirely scalable and dependent on the amount of hydroponic grow space that has come online and is ready for use.

This is the timeline of the first expansion: Milkmen Cannabis will build 500 square feet of grow space per month for 3 months so we will have a total of 1,500 square feet of canopy space. Each 500 square foot section will house 125 plants and will conservatively generate 220 grams of product per plant. However, we must also account for a perpetual harvest: the idea that we will grow and produce cannabis in smaller batches to receive more regular cash flows. In the first month we will plant approximately ¼ of the plants and continue to plant them on bi-weekly intervals. This means that our first revenue will bring in approximately \$45,000 in August 2022. Once operating at our first expansions' capacity, we will bring in \$133,000 per month.

Figure X.x: Monthly Revenues vs Expenses over 7 years



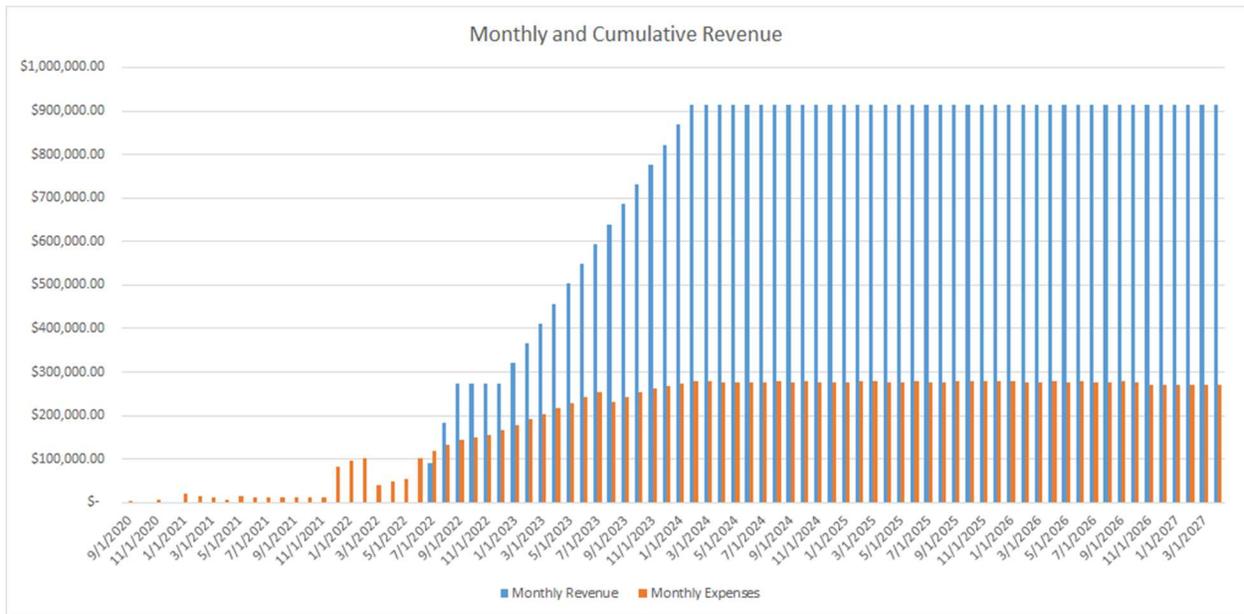
The second expansion will begin August 2022. We will take a slower expansion rate in comparison to our first expansion. We aim to expand by 100 square feet of canopy space per month. This slower expansion will allow us to grow our revenue while carefully balancing the increase in expenses, mainly in part due to the high equipment cost of the hydroponic system.

By growing at a rate of 100 square feet of canopy space, we will increase monthly revenue by nearly \$10,000 every month. However, as we expand our canopy space and therefore our revenue, we will also be growing our monthly free cash flow. After we hit a to be determined target for monthly earnings before interest and taxes, we would feel more comfortable with a more aggressive expansion rate and can expand more exponentially rather than linearly.

Once we reach our tier 1 license capacity of 5,000 square feet of canopy space, we are projected to earn an average of \$442,000 per month in revenue, or \$5.3 million annually.

These, however, are only conservative estimates. Our goal will be a much higher standard. To give an idea of what they might look like: instead of 220 grams of product per plant, we are hoping for 350 grams. This will bring our first expansion revenue to \$275,000 per month. Due to a greater inflow of cash, we hope to increase our expansion rate to 250 feet instead of 100 feet per month and similarly grow exponentially once we are more fiscally secure. At our maximum operational capacity of 5,000 square feet we are hoping for an average monthly revenue of \$914,000 per month, or \$10.9 million annually.

Figure X.x: Monthly Revenue and Expenses over 7 years under goal conditions.



## Expense Projections

### Property

Milkmen Cannabis will be needing a significant amount of space for a hydroponics operation. We estimate the amount of space that we will require for the duration of our Tier 2 Cultivation license will ultimately be 25,000 square feet. Of which, between 10,000-15,000 square feet will be dedicated to our grow systems. We are limited to 10,000 square feet of actual canopy space but we will also need to factor in space for walkways and the equipment to support our growing operations (ie. HVAC, reservoirs, etc). We will also need roughly 4,000-5,000 square feet for a curing room and packaging room. This room is to prepare our product for delivery, depending on our customers' needs. Lastly, we will need about 2,000-3,000 square feet dedicated to office space and data management. We will need a place to conduct operation management and to analyze the data we collect to determine the proper course of action to continue producing high quality products.

Milkmen Cannabis as of April 1, 2021 has secured a lease to a facility in Clinton. Originally the square footage allotted to us is 11,520. Milkmen Cannabis has abated rent until April 1, 2022 or until buildout begins, whichever is first. This abated rent is \$2,304 per month for this facility. After the rent abatement ends, Milkmen Cannabis will be paying approximately \$7,500 per month, including taxes and communal area maintenance fees. There are 2 built in expansions in the lease in 2024 and 2026. These expansions will bring the total square footage and rent to 20,000 sqft with monthly payments of \$11,000 and 25,000 square feet and monthly payments of \$12,000, respectively.

## Expert Fees

We will be operating in a field that is newly introduced to Massachusetts and also heavily regulated, leaving little room for error. Our paperwork will need to be incredibly precise and accurate. As such, we will likely have to depend on experts to review our work prior to submission or to give us advice on whether our numbers are accurate.

We currently have \$38,000 dedicated to hiring experts such as consultants and lawyers.

## Licensing, Insurance, and Escrow

### Licensing

License Types	Application Fees (Indoor/Outdoor)	Annual License Fee (Indoor/Outdoor)
Indoor or Outdoor Cultivator		
Tier 1: up to 5,000 square feet	\$200 (I)/\$100 (O)	\$1,250 (I)/\$625 (O)
Tier 2: 5,001 to 10,000 sq. ft.	\$400 (I)/\$200 (O)	\$2,500 (I)/\$1,250 (O)
Tier 3: 10,001 to 20,000 sq. ft.	\$600 (I)/\$300 (O)	\$5,000 (I)/\$2,500 (O)
Tier 4: 20,001 to 30,000 sq. ft.	\$2,000 (I)/\$1,500 (O)	\$20,000 (I)/\$10,000 (O)
Tier 5: 30,001 to 40,000 sq. ft.	\$2,000 (I)/\$1,500 (O)	\$22,500 (I)/\$11,250 (O)
Tier 6: 40,001 to 50,000 sq. ft.	\$2,000 (I)/\$1,500 (O)	\$25,000 (I)/\$12,500 (O)
Tier 7: 50,001 to 60,000 sq. ft.	\$2,000 (I)/\$1,500 (O)	\$30,000 (I)/\$15,000 (O)
Tier 8: 60,001 to 70,000 sq. ft.	\$2,000 (I)/\$1,500 (O)	\$35,000 (I)/\$17,500 (O)
Tier 9: 70,001 to 80,000 sq. ft.	\$2,000 (I)/\$1,500 (O)	\$40,000 (I)/\$20,000 (O)
Tier 10: 80,001 to 90,000 sq. ft.	\$2,000 (I)/\$1,500 (O)	\$45,000 (I)/\$22,500 (O)
Tier 11: 90,001 to 100,000 sq. ft.	\$2,000 (I)/\$1,500 (O)	\$50,000 (I)/\$25,000 (O)

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We will be getting an indoor Tier 2 Cultivation License and Product Manufacturing License. As such, our licensing fees will be \$2,500 annually with an application fee of \$400. For Product manufacturing, the license fee is \$10,000 annually with an application fee of \$1,500. Total this will be \$14,400 annually.

<sup>26</sup> [https://mass-cannabis-control.com/wp-content/uploads/200825\\_Guidance\\_for\\_Farmers.pdf](https://mass-cannabis-control.com/wp-content/uploads/200825_Guidance_for_Farmers.pdf)

## Insurance

Our license stipulates that we will need “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 ... the deductible for each policy shall be no higher than \$5,000 per occurrence.”<sup>27</sup>

According to Fit Small Business, a small cultivator could pay between \$9,000-\$18,000 annually for general liability insurance and crop coverage.<sup>28</sup> While crop insurance would be beneficial for creating a safety net, it is not legally required. Nonetheless, we will assume that is an expense we will incur.

\$2 million in product liability insurance is slated to cost an additional \$2,000/year.

We have dedicated \$20,000 annually to paying insurance, or \$1,650/month.

Further down the road, the state allows \$250,000 to be kept in escrow instead of maintaining insurance. This is something we may be interested in pursuing to minimize the repeating cost.

## Escrow

Before we are licensed, we would be required to get a surety bond in the amount of our licensure fee payable to the Marijuana Regulation Fund in order to pay for our cannabis products to be destroyed, should we violate the regulations significantly enough. This will be a one time payment of \$1,250. If we are unable to get a bond, we can instead put \$5,000 into escrow.

As of now, we have \$10,000 dedicated towards bonds, escrow, and licensing.

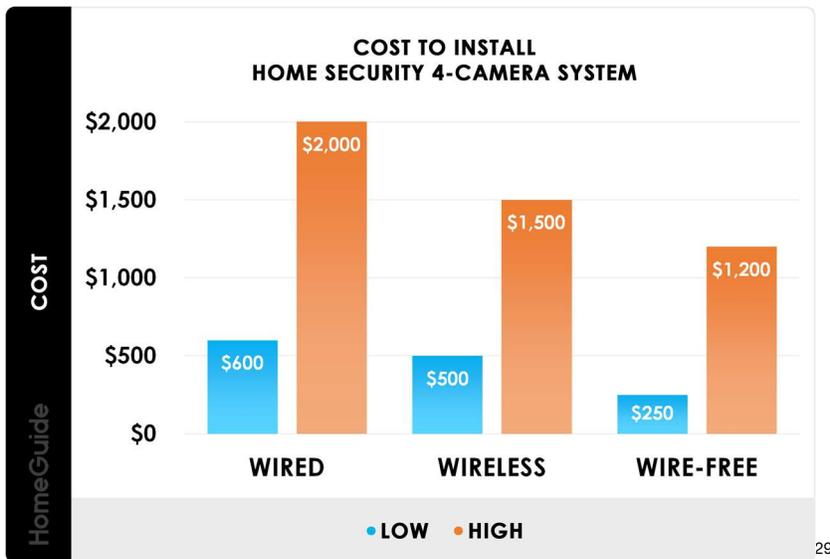
## Security Equipment

A security system with security cameras is required for our licensure. We expect that we will have at least 4 cameras. One each to watch the entrance, loading area, grow room, and the production and storage areas. We have currently budgeted \$3,000 to install this system. We expect it is reasonable that we may need more than 4 cameras, which is why we have added an extra \$1,000 cushion to the highest estimate we found. We are also expecting to pay a security contracting company \$70,000 annually.

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<sup>27</sup> <https://mass-cannabis-control.com/wp-content/uploads/2019/10/2019-10-Adult-Regs-FINAL-filed-with-SoS-Clean.pdf>

<sup>28</sup> <https://fitsmallbusiness.com/cannabis-insurance/>



In addition to our security system, we would also want a positive identification system that would only allow people to access the area that is absolutely necessary for them to access. We have budgeted \$500 to the creation of this system.

## Germination Equipment

Germination Equipment will not be expensive. We will have a very small set up and space dedicated to this. Equipment should cost less than \$1,000 and should consist of cups of water and an area to retain moisture in a relatively dark area.

## Hydroponics Equipment

The hydroponics equipment will be one of our largest, if not the largest expense. The single biggest contributors will be the lights and the HVAC. For a 500 square foot canopy space expansion, the lights alone are ~\$16,500. The HVAC system is \$15,000. For a full breakdown of the cost of a 500 square foot canopy space expansion, please see appendix X.x.

## Direct Growing Operations Upkeep

### Seeds

Until Milkmen Cannabis has a secure facility to produce seeds, we will buy them either online or from another cultivator. Milkmen Cannabis will not produce them because the pollen from the male or hermaphrodite plants are incredibly communicative and could potentially pollinate the entire facility and ruin all harvests. This is a risk that we are not willing to take until we can ensure the safety of the crops dedicated to product. As such, we are expecting to pay roughly \$12/seed with a 20% failure rate. Currently, Milkmen Cannabis can purchase seeds online for \$10/seed with guaranteed refunds or

<sup>29</sup><https://cdn.homeguide.com/assets/images/content/homeguide-cost-to-install-home-security-4-camera-system-chart.jpg>

replacement if there is anything higher than a 10% failure rate. As Milkmen Cannabis will be buying in bulk these prices will decrease. We are estimating that this cost will be \$1,800 per month.

## Nutrients

The base nutrients that all plants need are Nitrogen-Phosphorus-Potassium. All fertilizers have some mixture of the 3 ingredients. The mixture that we use will vary as the life cycle of the plant progresses. We will have to buy a specialized hydroponic solution that can be added to our reservoirs prior to disbursing it through the feeding hoses. Solely utilizing these macronutrients will not be enough to keep the plants perfectly healthy and maximizing yields. Milkmen Cannabis will add additional micronutrients including calcium, boron, and zinc among others. We currently estimate that nutrients will cost \$15/plant per month.

## Water

We will predominantly use water from the City that we are based in. However we will be treating it first to remove products such as chlorine and fluoride that will damage the plant's growth. This process is called reverse osmosis. Reverse osmosis generally utilizes water pressure to filter itself, but we will need to use some electricity to move the water. We are *extremely* conservative on this estimate and believe it will be \$450/month or less in water and electric costs.

## Pest and Disease Management

We will dedicate between .75-1% of revenue that is earned from operations towards pest and disease management. As we are growing all of our products out of this one facility, we must ensure that we mitigate disease and pests from spreading between the rows. During our first expansion, we anticipate this cost to be \$850/month. This expense comes in the form of taking proactive measures to sanitize surfaces and air as much as possible. When it comes to reactive measures, we must be ready to address any problem before it spirals out of control. We will have to ensure that everything entering the facility is monitored and carefully inspected so as not to introduce any foreign contaminants. In Massachusetts it is illegal to use pesticides on marijuana plants. Therefore, we will employ an integrated pest management strategy.

## Quality Control

To ensure the quality of our product we plan to test every plant at a Massachusetts state laboratory. This will cost \$50 per test. During our first expansion, this will be an expense of \$6,250 per month.

## Production

### Curing

Prior to selling our product it will need to be cured. To cure the product, we will need drying racks in a climate controlled area of the facility. Should extending an HVAC system to this area prove too costly, we could instead purchase jars with humidity regulating packets. We currently have \$3,500 dedicated to this equipment.

## Packaging

In order to package our product, we will need a sterile environment to work with. To achieve this, we plan to buy metal tables, a package labeler, and scales. We have \$3,000 dedicated to this equipment.

Should it be necessary, we also have dedicated costs to packing our product before we deliver it to the retailer. Each container will hold 3.6 grams of product despite the actual amount that we need to package is 3.55 grams. Each container will cost \$0.90. With the first expansion, this will cost \$4,400 per month. Assuming we grow 42 pounds of product and lose 10% to testing and other causes, we will be left with 38 pounds of product that we must package. This will fit into just under 4,700 containers.

## Delivery

A marijuana cultivation license comes with the ability to deliver our product to Marijuana Establishments, however, to save on start-up expenses we will contract a third party transporter. From our conversations with a local cultivator, we have heard glowing reviews of Plymouth Armor Group. After discussion with the transporter, they agreed that they will be able to fulfill our needs. They are currently seeking final licensure with the CCC, but have an operating agreement in the meantime to act as a third party transporter.

They charge a \$300 fee per trip. Should the delivery be further than 50 miles, they will charge an additional \$3.75/mile. During our conversation they said it is currently the norm for retailers to reject the shipment due to weight discrepancies about 10% of the time. In the beginning, we are expecting to do anywhere between 1-4 deliveries in a month depending on our customers needs. If 1 retailer wants all of our product, we may very well sell the vast majority to just that 1 retailer. On our plan we are accounting for 4 clients with the trip to each client costing the flat \$300 fee. However, we have increased the amount of rejections to a 50% chance of shipment rejection in any given month. Given this, we are expecting between \$1,500 and \$1,850 in expenses per month depending on the amount of rejections.

## Wages

We are operating under the assumption that we must hire workers to do most positions within the company, except for the high level leadership. That way we are financially prepared if the partners are overwhelmed by the amount of work that must be done to keep operations normal. Plus, should we decide to go more of a passive income route and we only act as the managers, we know that this is a plausible, financially feasible path. There are 4 main types of workers we will need: growers, engineers, security, and packagers. All wages will include all federal and state additions and taxes.

## Growing

We imagine that we will need 2 types of growers: a botanist and farm hands. The botanist, given that they will have a Masters degree in botany or horticulture or have significant experience in cannabis cultivation will need a higher wage. We are predicting that their time will be worth about \$55/hour. They will be on hand for diagnosing problems in plants, catching early warning signs in any of the grow conditions, analyzing the data to determine the best macro and micro nutrient ratios, and generally contributing to increasing the quality of our products. During the start up process, this may be a position

that we will significantly invest our time and money towards to ensure that we have a person on staff with expert knowledge.

The farm hands will be paid a maximum of \$25 an hour. Typically in most farms or cultivation set ups the farm hands will make minimum wage but because we are a socially conscious business we will want our employees to benefit along with us. Also, we are legally required to ensure that anyone around our product during any stage of its production must be over the age of 21. As we naturally have a smaller pool of applicants we may want to raise the wage to entice more applicants. Due to the amount of work, we may need 2 unskilled growers around the time of the second expansion.

We may hire 1 botanist up front and hire an additional 2 farm hands by the time of the second expansion. For the first time period, we will be paying \$55 per hour in growing wages. By the time of the second expansion, this cost will increase to \$105 per hour. In the first 3 months the amount we are expecting to pay towards growing wages are: \$4,000, \$8,000, and \$12,000. During the full implementation of our first expansion, we are expecting that growing wages will amount to \$20,000 per month.

We will however attempt to cut down on this cost by doing as much work ourselves as possible.

## Engineer

With the amount of equipment we are bringing into our facility, we will want a part time professional to set up and maintain our systems. We plan to pay an engineer about \$33/hour. As the engineer would only be part time, we expect the engineer's wages to be approximately \$2,700/month.

We will however attempt to cut down on this cost by doing as much work ourselves as possible.

## Security

We expect that we will need to contract with a security firm and discuss what they recommend as a security solution for our business. At most, we will need a security guard to compliment the security system with cameras that we plan to have. We expect for a package to cover security's wages we will pay \$70,000 a year or \$5,800/month.

## Packing

We assume that it will take slightly more than 2 minutes to complete one package or 25 containers packed per hour. We also will assume that we will pay the packagers \$33/hour including all federal and state additions plus taxes. In our first expansion, they will package just under 4,700 containers a month. Their wages will cost just over \$5,700 per month.

We will however attempt to cut down on this cost by doing as much work ourselves as possible.

## Utilities

Hydroponics is very energy dependent. During our first expansion, our lights will utilize almost 60,000 kWh per month. For simplicity's sake, we calculate the total energy usage of our facility as a percentage of the lights' energy usage. For Milkmen Cannabis' financial model, we are assuming that our total

energy usage will be double of our lights' consumption. Meaning, we are predicting that we will use almost 120,000 kWh of electricity per month.

At Worcester's utility rate of \$.08/kWh, this will come to a cost of \$10,000 per month.

In the future, investing in solar panels or another form of renewable energy would be highly desirable.

## Data Management

### milkbottle

In order to track the plant growth, expenses, revenue, and product transfers we will be building a SAS tool named "milkbottle." The tool will be cloud hosted by google cloud services. Monthly costs are estimated to be between \$500-\$1,000 per month depending on usage. These costs are based on usage for one facility, in the event of multiple facilities expenses will increase linearly. These costs will be going towards a SQL database, server hosting, and API requests.

There will also be one-time expenses for server hardware and components that will have to be on-site. We estimate that we will need \$2,000 for hardware and components that will operate in conjunction with sensors and cameras. For costs on the peripherals see the hydroponic and security sections.

### Seed to Sale

In order to track the plants as they mature we will be required to use the seed to sale system through Metrc. There is a monthly program fee of \$40 for the software, with costs of \$0.45 per plant tag, and \$0.25 per package tag. These expenses are a baseline for the seed to sale system. In addition to the system provided by Metrc we will be building a SAS tool to manage the product and plant growth.

## Community Host Agreement

Part of our Community Host Agreement with the municipality will include Community Host Payments either on an annual or quarterly basis. The Community Host Payments will compensate the town within which we take up residency for the additional services that we may require. This would include additional road traffic and maintenance, inspection services, increased police presence, etc.. The state puts a cap on these payments at 3% of revenue. It is likely that we will have to make payments of the full 3% and potentially even incur additional expenses in the form of paid volunteer days for the employees or another agreed upon method of giving back to the community.

We are expecting the Community Host Payments to cost \$3,400/month or almost \$43,000/year.

## Revenue Share

In order to secure a preferred facility for our operations, lower our actual rent payments, or even appear as a more desirable tenant we would be open to giving 1% of revenue to the landlord. This could help us reach a more desirable agreement to cut down on start up costs but will eventually increase long term repeating costs. This is not a guaranteed expense, but a strategy to utilize should it become the more desirable approach.

On top of our rent payments, this could amount to \$1,100/month or \$13,200 annually during our first expansion. This will be a cost only while Milkmen Cannabis is leasing a facility.

## Taxes

Despite being federally illegal, we will still have to pay federal taxes to the Internal Revenue Service (IRS). Unfortunately, according to U.S.C. § 280E, we will not be able to deduct any expenses as a normal business would except for the cost of goods sold.

We will have to pay state and potentially municipal taxes. As of now, municipalities can levy up to a 3% tax and the state currently has one of the lowest cannabis excise taxes in the nation at 10.75%. Massachusetts originally had the lowest in the nation but voted to raise taxes slightly. However, neither of these would be applicable to us as we are not (yet) a Marijuana Retailer. We will have to still pay the state sales tax of 6.25%.

On our projections we have all taxes set to 35% of profits. Naturally, we will opt to expand as much as possible to avoid having to pay taxes during the beginning of the business' life when the money could instead be reinvested into the business and grow future revenues.

## Payback Period

The bulk of the \$600,000 required in start-up capital will come from lines of credit. These lines of credit will come from various sources, some of which may have to be from a commercial institution. Priority will be placed on loans from family and friends. Ideally, these will be at a decreased interest rate than the commercial institution. If not, we may opt for a commercial loan instead. We also will aim to pay back these loans within 3-5 years.

Milkmen Cannabis will pay back the lines of credit with a 10% annual interest rate with monthly compounding. Milkmen Cannabis would consider paying up to 20% interest.

Milkmen Cannabis will first spend the partners' personal contributions. Milkmen Cannabis will borrow capital from creditors as needed and begin paying interest as the capital is called. Milkmen Cannabis will begin paying back its creditors within 5 months after making first revenue. At a 20% interest rate, Milkmen Cannabis will make monthly payments to creditors in the amount of \$27,000.

See Appendix X.x for the Line of Credit.

# Marketing Plan

## Branding

Milkmen will focus on a select few characteristics to outline the brand, and brand personality. Overall the brand should reflect a welcoming and more whimsical tone. Refer to the table below for adjectives that reflect the brand personality.

General Brand Traits	Communication Brand Traits
Quirky	Personable
Modern	Modern
Friendly	Thoughtful
Organic	Concise
Free-flowing	Structured

In reference to the communication brand traits - this will encompass the relations between other marijuana establishments as well as media outlets. The interaction with consumers will be handled through general brand traits that are more evident in product packaging and website copy. However, the interaction with consumers will be limited while handling only cultivation so the need for consumer communication will be handled in a more case-by-case manner.

The representation of the brand through logos and signage will be handled by the following graphics.



These graphics are flexible to allow for inverse reproductions to be used depending on the medium. The key characteristics of the logo design is the milk bottle. The milk bottle is representing the name of the organization, which is a quirky name reflecting the key characteristic outlined prior.

The name will always be seen in lowercase, never uppercase in graphics. This will allow for the brand to be shown as a more relaxed entity, rather than an authoritative body. The relaxed nature of the brand complements the personality we are looking to achieve.

# Marketing Strategy

## Website

The online presence will be primarily centralized with the online website. The milkmen website will be hosted under the domain name of [milkmen cannabis.com](http://milkmen cannabis.com). The site will be password protected for the time being. It will be launched in September after the business license is acquired. The page structure of the website on launch will be as follows.

- Home Page
- About
  - Mission Statement
  - Leadership
  - DEI
- Shop
  - Apparel
- Contact Us

This structure is the most basic form of communication that will be required to establish ourselves in the industry. The focus will be on providing the other marijuana establishments that we will be working with a point of contact. This point of contact will help to drive sales and brand awareness. There will be little to no expected traffic from direct consumers while we are solely cultivating. This time will be spent to expand the website and branding efforts outlined in the section above to eventually cater to consumers.

One of the pages on the website will be dedicated to apparel. These sales are intended to supplement fundraising efforts in the first 2 years of operation. All revenue generated from these sales will be reinvested into the company for growth. The marketing that will be created by individuals using the apparel will also help in providing minimal brand awareness.

Apparel sold on the website will be constrained by the brand guardrails for consumer communication. The apparel will focus on being whimsical and quirky over professionalism. This professionalism will be more so be reflected in some of the designs, while the copy associated with all apparel will be more whimsical and quirky. This defining feature will set the status quo for future communications with the general public.

## Social Media

Social presence will be limited to the following platforms:

- [Facebook](#)
- [Instagram](#)
- [LinkedIn](#)

This limited selection will allow for the brand to have minimal impact on the social space. This minimal impact is currently desired to allow for a reduced amount of time needing to be spent on maintenance. The social platform that will see the greatest amount of activity will be LinkedIn. The postings on

LinkedIn will primarily be job postings/communication, links to industry articles, and a general resource for the industry. The plan to utilize our LinkedIn page in such a way will allow for us to gain greater credibility with other marijuana establishments, the media, and potential employees.

The social platforms should be handled by the marketing/communications lead. The posting plans are under the direct control of this person. The person will then have the control to make decisions on what should be posted given the current situation, accounting for internal and external factors.

## Paid Channels

There will be no paid marketing in the foreseeable future. There is no need to market to other marijuana establishments while the full list of available buys remains relatively small. This stance is subject to change after a migration to consumer facing sales.

# Personnel

## Leadership

### Russell Plumb

Russell will be in charge of the following departments:

- Marketing
- Technology

Russell will be involved with the following departments:

- Growing and Operations
- Legal and Public Relations
- Customer Relations and Sales
- Compliance
- Security

At the start of the business Russell will be committing full time employment with Milkmen Cannabis. This full time employment will allow Russell to spend a high degree of time in growing the business and building out operational excellence.

Russell's background is in marketing and data analytics, with an expertise in data visualizations and graphic design. This will be leveraged in creating dashboards and reports to be leveraged in all areas of the business. This will be an important part of ensuring that Milkmen Cannabis is operating at a high level of efficiency.

Russell will also be using his knowledge of data analytics and general coding to build out the milkbottle tool. This tool will be one the primary differentiators for Milkmen Cannabis. Russell will be dedicating his time integrating as many areas of the business as possible into "milkbottle." This integration will allow for more streamlined operations within the company.

### Christopher Brown

Chris will be in charge of the following departments:

- Finance
- Growing and Operations

Chris will be involved with the following departments:

- Legal and Public Relations
- Technology
- Customer Relations/Sales
- Compliance

- Security

Chris will be balancing classes with working as much as possible at Milkmen Cannabis and may even graduate early to work at Milkmen Cannabis full time. However, classes should not be problematic because cannabis plants do not conform to a 9-5 workday. Chris will be able to work a significant amount of time to tend to the Growing Operations when he does not have classes.

Chris' background is in Finance and Mathematics, so he will be able to directly apply his finance knowledge towards the business. Math skills will be surprisingly useful for the horticultural applications in implementing the system design as well as using differential equations to determine nutrient concentration based on inflows into the reservoir. It will also play well in performing data analysis.

## Daniel Salazar

Dan will be in charge of the following departments:

- Customer Relations/Sales

Dan will be involved with the following departments:

- Technology
- Growing and Operations
- Legal and Public Relations
- Compliance
- Security

At the start of the business Dan will be balancing both classes and the business, contributing as much to Milkmen Cannabis as he can. Dan is undecided whether he will be graduating and working at Milkmen Cannabis or accepting another Co-op/Full-time employment.

Dan has a background in Finance and Accounting, supplemented with knowledge of database technology and data science practices. Knowledge of database technology will help Dan contribute to the on-going milkbottle software development project while knowledge of finance and accounting will allow him to contribute to the financial compliance aspect of Cannabis Control Commission regulation. Additionally, Dan is particularly interested in learning about the horticulture of cannabis and will likely spend time working with the grow operations team.

Dan's primary responsibility at Milkmen Cannabis will involve the selling of cannabis products to dispensaries, product manufacturers, and other potential clientele. Additionally, Dan will also manage the customer relationships ensuring that Milkmen Cannabis will always have someone to sell to. At the start, Dan plans to cold call establishments and establish contracts, intent to purchase, or orders with clientele to acquire a customer base.

## Conor Williams

Conor will be involved with the following departments:

- Finance

- Legal and Public Relations
- Compliance
- Security

At the start of the business Conor will be balancing both classes and the business, contributing as much to Milkmen Cannabis as he can. Conor plans to seek full-time employment after graduation, but will continue to work at Milkmen to ensure the success of the company.

Conor's background is in Mathematics and Finance. Conor will support Dan, Chris, and Russell with their dedicated tasks when necessary. Conor is interested in learning more about horticulture, legal and procedural compliance, and brand management of the business.

When told what to do, Conor can be an effective tool.

## Casey Bachman

Casey will be in charge of the following departments:

- Diversity, Equity and Inclusion

At the start of the business Casey will be contributing as much to Milkmen Cannabis as she can. Casey plans to seek other full time employment after graduation, but will continue to work on the social justice programs attached to Milkmen Cannabis.

Casey's Background is in Theater and History. She has worked as a community organizer and has held many leadership positions in activist communities. Casey is interested in further developing her skills as an organizer and advocate. She is also interested in the legal portion of the business and has plans to attend law school and maybe be able to aid in legal in the future.

Casey will serve as your resident social justice warrior.

## Positions

### Grower/Operations

The growing of the product will be managed by the grower/operations team. This team will be headed up by Chris Brown. Chris will be responsible for managing the growers involved in the growth and maintenance of plants. Chris will also be responsible for the health of all plants, and seeking to obtain the highest level of product per square foot while also maximizing THC content and overall quality. The grower/operations team will work closely with the technology team to build out dashboards and infrastructure that can improve the quality of product produced.

Grower/operations will be responsible for informing finance of the expenses required for the production of healthy plants. The expenses coming from the growth of the plants will be given one of the highest levels of priorities in spending. It is also the job of the growers to assess whether or not it will cost the company more to save a group of crops that will need more work. This assessment will take into

account the labor and time needed to secure a reasonable yield from a plant. If the financial input into the plant does not make sense it is the ultimate call of the growers to decide whether to scrap the plant and start again or invest time and money into reviving it.

## Finance

The finance department will be in charge of all incoming and outgoing cash flows. The finance department will be headed up by Chris Brown. Chris will be able to direct the flow of funds to projects that provide the greatest level of business benefit. All expenses must be reported to the finance department.

The finance department will also approve budgets, should the General Partners abstain from decision making, for each of the departments. The department heads are in charge of creating the finance presentation outlining the resources needed for operation. Decisions will be based on the expected return on investment per department. It is for this reason that growing and operations will typically receive a majority of the budget.

## Legal/Public Relations

Legal will be handled by a third-party hired by Milkmen Cannabis. The third-party will be managed by all of the partners. Public relations will be legal acting in conjunction with the marketing department. Outward facing articles and interviews will be conducted through the marketing department with the help of legal counsel. The only people that are allowed to comment publicly on the company's behalf are the partners or their chosen representative(s).

## Technology

The organization of data will be exclusively under the control of the technology department and will be done so to maximize utility of all other departments. The technology department will be led by Russell Plumb. Russell will be responsible for managing employees within the technology department. As well as overseeing all technology deployed in the facility and in an online environment.

The milkbottle tool will reside under the direction of the technology department. The tool will be developed and maintained by the technology department. Feature requests will be requested to the technology department, requests will then be handled in order of importance/financial significance and feasibility.

Technology will be responsible for maintaining all of the sensor equipment in use in the facility. The general technology equipment will also be under the control of the technology department. This includes but is not limited to: routers, laptops, tablets, controllers, servers, cameras, timers, etc.

## Marketing

Marketing personnel will be responsible for maintaining the brand image of Milkmen Cannabis. The brand image is outlined in the marketing strategy section of this business plan. Operationally this will be

accomplished through maintaining the relationships with the cannabis community and the general public.

Marketing will be the owner of social channels that the company is a part of. And will manage the interactions/postings on those channels to create a positive message to engage in. The decisions made on who manages the outwards communications will be handled by Russell Plumb. Russell will be the head of the marketing team, and as the company grows and need for marketing increases, Russell will also be responsible for hiring and managing the marketing team.

Marketing will also be involved in all expansion projects that Milkmen Cannabis will undertake. The involvement of marketing will be to ensure that brand presence is maintained. In the event the expansion project introduces a new form of interaction with the community or possible target market the marketing team will be in charge of creating all assets that are needed for the expansion.

The website will be maintained by the marketing team in conjunction with the data team. They will also support the marketing operations for the milkbottle tool that Milkmen Cannabis is developing. The marketing functions associated with milkbottle will be handled in the same manner as general marketing for Milkmen Cannabis is handled.

## Production

Production will currently refer to the end stages of the curing process and packaging before sale to other marijuana establishments. The production of the product will take place after the curing process has completed. This then allows the boxes to be loaded with product of the desired amount. The packaging team will be under the control of the marketing team, customer relations/sales team, and the growers/operations team. This control is split between the departments because of the varying needs that each department will have to impose on the packaging of products.

The production team is the last stop for the product before it is sent out to a different Marijuana Establishment. As a consequence the production team is responsible for all products that leave the facility. Maintaining the stores of products currently in storage. And is also responsible for scheduling all deliveries and pick-ups of product to and from the facility.

## Customer Relations/Sales

The sales team is responsible for answering the phone when calls come in, and managing outward relationships with buyers. The team is managed by Daniel Salazar. Dan is responsible for overseeing any other employees in the sales department. When managing relationships with external vendors and purchasers the sales team will work with the production team to schedule deliveries. The sales team will also work with the growing/operations team to manage an accurate list of products available for sale.

The customer relations side of the team will focus on maintaining the relationships with other establishments. Members of the team will be responsible for being the primary contact point for partnerships with other establishments. For example this would include any potential relationship/partnership between Milkmen Cannabis and Gibby's Garden.

## Compliance

Compliance is the team that is responsible for the maintenance of the relationship with the cannabis control commission. This includes all of the owners having a responsibility to enforce and maintain compliance in the facility. The compliance team may at a later point be modified to allow for a future employee to hold the sole responsibility of maintaining and enforcing compliance. It is of the utmost importance that compliance in the facility is maintained, making this team a crucial one to dedicate resources to as needed.

## Security

Security will be handled by a third-party hired by Milkmen Cannabis. The third-party will be managed by all of the partners. Security protocol will be created in cooperation with the third party to ensure the safety of all products and employees. As part of agreements with the community we will be providing the local law enforcement with all of the necessary information required to ensure a safe facility. The security team will also be in charge of maintaining the badge system, in conjunction with the Technology Department, that will be used to gain access to certain levels of the facility.

# Diversity, Equity and Inclusion

## Community Impact Plan

Goal: The goal of this portion of our company is to help individuals who are or have been incarcerated or arrested for marijuana related crimes. The majority of these individuals are people of color. According to a recent ACLU study that assessed the racial disparity of marijuana arrests from 2010 to present in Massachusetts Black individuals are 4 times more likely to be arrested than white individuals.<sup>30</sup>

Strategy:

- 1) Potential Partnership with the *Last Prisoner Project* (LPP)
  - a) LPP has partnered with other cannabis businesses in the past and has several established programs to aid in their mission of “to free cannabis prisoners and promote restorative justice in the cannabis industry”
  - b) We are currently in talks with them to establish what this partnership would look like
  - c) Their programs include release, reentry, and scholarship opportunities for disproportionately affected groups
  - d) Specific things to consider while working with LPP: MA does not have a high rate of individuals incarcerated for marijuana related convictions, focus more on reentry and arrests, as it is more impactful on the unemployment rate for disproportionately affected individuals
- 2) Massachusetts Reentry Programs
  - a) Work with LPP and other programs that are specifically Massachusetts based to aid in reentry for formerly incarcerated individuals
  - b) This will also be related to our work in promoting diversity as we may hire these individuals or help them with professional development.

Budgeting:

Depending on level of partnership here is cost analysis

- 1) Brand Partnership-\$12,000-\$29,000 a year (preliminary partnership this is baseline level)
  - a) Benefits: Name and Logo listed on LPP website, designated LPP liaison, social media acknowledgement of support
  - b) Donate \$1000 a month and we can use LPP branding on our packaging (could increase sales)
- 2) Our Partnership with LPP will evolve as our business evolves. At first we may just ask for donations on our website, and aid LPP in developing policy change that helps BIPOC in Massachusetts. As we build our capital we may make our own donations and hire individuals who have been impacted by the justice system in relation to marijuana related crimes.

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<sup>30</sup> ACLU Graphics & Visualizations. “How Is the U.S. Doing since 2010?” Accessed September 8, 2020. <https://graphics.aclu.org/marijuana-arrest-report/>.

## Diversity Plan

Goal: We intend to hire individuals in minority groups such as BIPOC, women, veterans, and people with disabilities.

Strategy:

- 1) Advertise employment at Milkmen Cannabis in areas where these individuals are more likely to live
- 2) Specifically hiring individuals going through reentry Massachusetts
- 3) Work with organizations that promote the well being of minority groups to find individuals in need of employment
- 4) Diversity trainings to create an inclusive environment for all individuals working at Milkmen Cannabis

Measurement of Success:

- 1) Reassess diversity of staff monthly after issue of a license
- 2) Number of individuals we have worked with placed in employment after reentry
- 3) Staff surveys assessing if they feel they are working in a safe, diverse environment
- 4) We aim to have a staff that is comprised of 50% women, 25% minorities, 10% LGBTQ+, 5% people with disabilities, 5% veterans. We will evaluate annually to see how far along we are in this goal, we hope to reach it by our 5th year of operation. We will begin evaluating when we have the capital to hire more staff.

## Community Engagement

Interacting with the community will be an important piece of operation at Milkmen Cannabis. There are two primary ways that we are referring to the interaction with the community. The first is local community interaction, the second is interaction within the cannabis establishment community.

Local community interaction will be handled by representation in the community through food donations to local food banks and homeless shelters. The food donated will be produced in the facilities of Milkmen Cannabis, in a section of grow space dedicated to R&D for growing techniques and nutrient testing. The foods grown may consist of but are not limited to: tomatoes, lettuce, basil, etc. The food grown will be healthy options that can be then donated to institutions in the area that are in need. This form of giving back to the community will allow for us to conduct testing in a controlled environment, without adding to our canopy space.

The second interaction being with other marijuana establishments will be handled by all representatives of the company. The official stance of the company is to be open and helpful to other businesses entering the market or already present in the market. We will be seeking to find active partnerships in the community to both improve each other's positions in the market. And to improve the communities that we both serve. The goal in finding partnerships will be to implement systems that improve the overall efficiency of the industry. Examples include but are not limited to: sustainability practices, DEI hiring guidelines, data sharing, and business forums.

Through these interactions we hope to establish a brand presence of being a beneficial force in the overall local and business community.

# Growth Plan

Milkmen Cannabis does not intend to stop with just a 5,000 sq ft canopy space. The company has goals that extend past the initial growth plan outlined in the rest of this business plan. These objectives for growth represent long-term potential plans for the company and not a hard-set plan. Objectives in this section are goals that the company will be working towards after revenue is achieved and profit becomes more reliable.

## Canopy Space

Once the company achieves maximum canopy space that our license allows the plan is to grow the canopy space further through upgrading our license. In order to upgrade the license to a higher level the company must show that it is capable of selling 85% of the product produced over a 6-month time frame utilizing a 5,000 sq ft canopy space. What this means is that in the time once we reach 5,000 sqft there is a minimum amount of time that we must wait to upgrade the license for that location.

This upgrade period does not apply to application for a completely new license. As of right now the thought that Milkmen Cannabis has is to seek to acquire land to build a larger facility capable of expanding up to the maximum allotted canopy grow space. This plan is aggressive to say the least, however would allow for the company to better optimize the utilized space for growing. This optimization would include but is not limited to: energy efficiency, office space, grow rows, location, and yield.

This plan spans out over a stretch of 5-10 years from initial founding of the company in September of 2020. In the interim while the business is growing in the first 5 years the management team plans on building out a more concrete plan for expansion. Deciding between the two opportunities of expanding the current license or repeating the processes with a new location and license. A combination of the two is also considered.

## Licensing

As the company grows, Milkmen Cannabis does not intend to stay in cultivation alone. There are plans to be expanding into product manufacturing and eventually marijuana dispensaries. This expansion plan is expected to run in line with the 5-10 year expansion plan for canopy space. The addition of other licensing will require the company to go through approval processes again with the cannabis control commission. However the process is not dependent on the efficiency of the canopy space. This means that application for the additional licensing can appear at any time in Milkmen Cannabis's growth.

The timing for when expansion into other areas of the marijuana economy will be determined by management. All expansion into other areas will occur when Milkmen Cannabis has the necessary capital and management determines that entering the space will yield greater profits.

## milkbottle

At some point in the future it is a possibility that Milkmen Cannabis will begin licensing the milkbottle software to other marijuana establishments. Assuming that Milkmen Cannabis can build out a proven resultset showing the value of the product management will consider licensing the software to additional establishments. This licensing from Milkmen Cannabis will allow for milkbottle to provide an additional source of revenue. This plan for licensing to other marijuana establishments can appear at any time in the growth of Milkmen Cannabis and does not have a set timeline. The reason for no timeline on the software expansion is due to the unforeseeable effectiveness of the software. There is still a chance that the software will not be as competitively viable to warrant value on the software market. Or it may go the other way in the case where the software becomes too large of an advantage to warrant releasing it to other marijuana establishments.

# Appendix

Table X.x: Hydroponics Cost Breakdown

Per 500 sq ft canopy		Per 500 sq ft canopy
<b>Hydroponics Costs</b>	<b>-</b>	<b>Hydroponic Equipment</b>
150 5 Gallon Buckets	hi	\$ 530.00
18 2 in. x 10 ft. PVC pipe	hi	\$ 99.90
3 300 Gal Water Tank	hi	\$ 990.00
30 3/4" x 10' PVC Pipe	hi	\$ 52.80
2 1/2" x 500 ' Distribution Tubing	hi	\$ 110.00
2 4" x 10' PVC Pipe	hi	\$ 37.00
200 1" Plugs of Rockwool	hi	\$ 20.00
2 Air Pumps	hi	\$ 220.00
5 Water Pumps	hi	\$ 300.00
3 Trellis Netting	hi	\$ 33.00
1 1.2m x 100m Diamond Mylar	hi	\$ 250.00
250 Siphon Elbows	hi	\$ 112.50
7 25 Rubber Grommet	hi	\$ 27.09
60 cu ft Peat Moss	hi	\$ 300.00
60 cu ft Vermiculite	hi	\$ 675.00
5 kg Dolomitic Lime	hi	\$ 16.00
1 kg Gypsum	hi	\$ 25.00
15 8' x 4' Ply Wood	hi	\$ 570.00
130 Milk Crate	hi	\$ 1,040.00
100 2" x 4" Wood Planks	hi	\$ 550.00
8 4" x 4" Wood Post	hi	\$ 92.00
6 HVAC	hi	\$ 8,500.00
10 Ceiling Mount Grow Fans	hi	\$ 1,870.00
1 Reverse Osmosis Machine	hi	\$ 1,650.00
100 lbs Propane Tank	hi	\$ 165.00
1 10 Burner CO2 Generator	hi	\$ 525.00
Air Sensors (CO2, RH, O2, Temp)		\$ 5,000.00
2 Water Sensors (O2, Temperature, I		\$ 2,600.00
Light Pully System		\$ 3,000.00
700 sq ft Room		\$ 5,000.00
<b>\$ -</b>		<b>\$ 34,360.29</b>

per plant

per plant

Lighting Costs	Lighting Links	Lighting System
720 W LED Light	<a href="https://hortiright.en.alibaba.com/product/62594974047-814924847/2020_Best_Led_Grow_Light_180_degree_unfolded_high_efficacy_ETL_listed_720w_Led_Grow_Light_For_Indoor_Plants.html?spm=a2700.icbuShop.37638.13.487b5ad140cwpj">https://hortiright.en.alibaba.com/product/62594974047-814924847/2020_Best_Led_Grow_Light_180_degree_unfolded_high_efficacy_ETL_listed_720w_Led_Grow_Light_For_Indoor_Plants.html?spm=a2700.icbuShop.37638.13.487b5ad140cwpj</a>	\$ 112.50
Cording		\$ 20.00

X.x: Amortization Schedule

Period	Year	Principal	Interest	Total Payment	Total Principal Paid	Balance of Loan
0	0	\$ -	\$ -		\$ -	\$ 360,000.00
1	0.08	\$ 9,346.65	\$ 6,000.00	\$ 15,346.65	\$ 9,346.65	\$ 350,653.35
2	0.17	\$ 9,502.43	\$ 5,844.22	\$ 15,346.65	\$ 18,849.09	\$ 341,150.91
3	0.25	\$ 9,660.81	\$ 5,858.55	\$ 15,346.65	\$ 28,509.89	\$ 331,490.11
4	0.33	\$ 9,821.82	\$ 5,524.84	\$ 15,346.65	\$ 38,331.71	\$ 321,668.29

5	0.42	\$	\$	\$	\$	\$	\$	\$
		9,	5,3	15,34	48,317.22	311,682.		
		985.52	61.14	6.65	78			
6	0.50	\$	\$	\$	\$	\$	\$	\$
		10,151.94	5,1	15,34	58,469.17	301,530.		
			94.71	6.65	83			
7	0.58	\$	\$	\$	\$	\$	\$	\$
		10,321.14	5,0	15,34	68,790.31	291,209.		
			25.51	6.65	69			
8	0.67	\$	\$	\$	\$	\$	\$	\$
		10,493.16	4,8	15,34	79,283.46	280,716.		
			53.49	6.65	54			
9	0.75	\$	\$	\$	\$	\$	\$	\$
		10,668.04	4,6	15,34	89,951.51	270,048.		
			78.61	6.65	49			
10	0.83	\$	\$	\$	\$	\$	\$	\$
		10,845.85	4,5	15,34	100,797.36	259,202.		
			00.81	6.65	64			
11	0.92	\$	\$	\$	\$	\$	\$	\$
		11,026.61	4,3	15,34	111,823.96	248,176.		
			20.04	6.65	04			
12	1.00	\$	\$	\$	\$	\$	\$	\$
		11,210.39	4,1	15,34	123,034.35	236,965.		
			36.27	6.65	65			
13	1.08	\$	\$	\$	\$	\$	\$	\$
		11,397.23	3,9	15,34	134,431.58	225,568.		
			49.43	6.65	42			
14	1.17	\$	\$	\$	\$	\$	\$	\$
		11,587.18	3,7	15,34	146,018.76	213,981.		
			59.47	6.65	24			
15	1.25	\$	\$	\$	\$	\$	\$	\$
		11,780.30	3,5	15,34	157,799.06	202,200.		
			66.35	6.65	94			
16	1.33	\$	\$	\$	\$	\$	\$	\$
		11,976.64	3,3	15,34	169,775.70	190,224.		
			70.02	6.65	30			

17	1.42	\$	\$	\$	\$	\$	\$	\$
		12,176.25	70.41	3,1	6.65	15,34	181,951.94	178,048.
							06	
18	1.50	\$	\$	\$	\$	\$	\$	\$
		12,379.19	67.47	2,9	6.65	15,34	194,331.13	165,668.
							87	
19	1.58	\$	\$	\$	\$	\$	\$	\$
		12,585.51	61.15	2,7	6.65	15,34	206,916.64	153,083.
							36	
20	1.67	\$	\$	\$	\$	\$	\$	\$
		12,795.26	51.39	2,5	6.65	15,34	219,711.90	140,288.
							10	
21	1.75	\$	\$	\$	\$	\$	\$	\$
		13,008.52	38.13	2,3	6.65	15,34	232,720.42	127,279.
							58	
22	1.83	\$	\$	\$	\$	\$	\$	\$
		13,225.33	21.33	2,1	6.65	15,34	245,945.75	114,054.
							25	
23	1.92	\$	\$	\$	\$	\$	\$	\$
		13,445.75	00.90	1,9	6.65	15,34	259,391.50	100,608.
							50	
24	2.00	\$	\$	\$	\$	\$	\$	\$
		13,669.85	76.81	1,6	6.65	15,34	273,061.34	86,938.6
							6	
25	2.08	\$	\$	\$	\$	\$	\$	\$
		13,897.68	48.98	1,4	6.65	15,34	286,959.02	73,040.9
							8	
26	2.17	\$	\$	\$	\$	\$	\$	\$
		14,129.30	17.35	1,2	6.65	15,34	301,088.32	58,911.6
							8	
27	2.25	\$	\$	\$	\$	\$	\$	\$
		14,364.79	.86	981	6.65	15,34	315,453.12	44,546.8
							8	
28	2.33	\$	\$	\$	\$	\$	\$	\$
		14,604.21	.45	742	6.65	15,34	330,057.32	29,942.6
							8	

29	2.42	\$	\$	\$	\$	\$	\$
		14,847.61	.04	499	6.65	15,34	344,904.93
							7
							15,095.0
30	2.50	\$	\$	\$	\$	\$	\$
		15,095.07	.58	251	6.65	15,34	360,000.00
							-

INSURANCE PROPOSAL PREPARED FOR:



**Milkmen Cultivation LLC**

**Presented By:**

Eric McLaughlin | AAI  
*Partner & Executive Vice President*

Anna Seymour | CPCU, CRM, CIC, AAI-M, CISR  
*Senior Account Manager*

Updated 3/7/2023



CAVALLO &  
SIGNORIELLO  
INSURANCE AGENCY

# PREMIUM SUMMARY

## Named Insured: Milkmen Cultivation LLC

Description Of Coverage	Exposure/Limit	Updated Cost
General Liability, including Products Liability (Minimum Premium - \$2.94 /\$1,000 audit rate)	\$1.7M Sales	\$5,700.00
Commercial Property		
Underwriting/Carrier Policy Fees		\$1,225.00
Tenant Improvements & Betterments	\$750,000	\$2,878.72
Crop	To be added	\$0.00
Workers Compensation	\$400K payroll	\$6,447.00

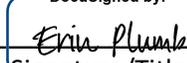
### Optional Coverage:

- Include Terrorism for additional 4% premium **REJECTED**
- General/Products Liability – Higher Limits **REJECTED**
  - \$2M – Additional \$3,150
  - \$3M – Additional \$6,300
  - \$4M – Additional \$9,450
  - \$5M – Additional \$12,600
- Hired & Non-Owned Autos – approximately \$500 **REJECTED**

### Items Needed to Bind:

- Signed and Completed Applications
- Vault Photos (will provide Vault Form with instructions)
- Copy of License(s)
- Website Address, Social Media Address, or Marketing Brochures
- Confirm year of roof update <sup>1990</sup>
- Statement of No Known Losses
- Down Payments:
  - Workers Compensation – 25% down plus 9 monthly installments, or Pay-As-You-Go with payroll cycle reporting
  - Liability and Property: Finance Agreement through Peoples Premium Finance
    - Down Payment of \$3,340.74 plus 10 monthly installments
    - APR 12.25%

Proposal Accepted as Presented:

DocuSigned by:  
  
 Signature/Title...

3/16/2023

Date

# GENERAL LIABILITY

Company: Admiral Insurance Company (non-admitted, A+ rated)

Policy Term: 3/16/2023 – 3/16/2024

Coverages	Limits
Each Occurrence	\$1,000,000
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal/Advertising Injury	\$1,000,000
Damage to Rented Premises	\$300,000
Medical Expense	Excluded
Employee Benefits Liability	\$1,000,000 each claim / \$1,000,000 Aggregate
Limited Product Withdrawal Expense – Government-Ordered	\$250,000 \$2,500 Deductible, plus 10% Participation
Policy Aggregate	\$5,000,000
Deductible	\$2,500 per claim, including Loss Adjusting Expenses

## Additional Features and Endorsements

- Additional Insured, Primary and Non-Contributory Other Insurance Condition, Waiver of Subrogation – Automatic when required by written contract
- Limitation of coverage to described premises, project, or operation
- Auditable, but will not charge extra until you reach 110% of Estimated Exposure (see below)
- Full policy terms and exclusions available upon request
- 25% Minimum Earned Premium

## Hazard/Exposure Schedule

Classification	Rating Basis	Rate/\$1,000	Estimated Exposure
Cultivation, Processing, Manufacturing, Wholesale	Sales	2.94	\$1,700,000

# COMMERCIAL PROPERTY

**Company:** American Federation Insurance Co / CannGen (non-admitted, A rated)  
**Policy Term:** 3/16/2023 – 3/16/2024

Location	Subject of Insurance	Amount	Coins %	Ded	Valuation	Perils
75 Green Street Suite 3 Clinton, MA 01510	Tenant Improvements & Betterments	\$750,000	80%	\$10,000	Replacement Cost	Special
	Business Personal Property	\$0	N/A	N/A	N/A	N/A
	Business Income with Extra Expense	\$0	80%	72 Hours	Actual Loss Sustained	Special / Named
	Cannabis Inventory	\$0	N/A	\$10,000	Wholesale Value	Named
	Building	\$0	80%	\$10,000	Replacement Cost	Special
	Manufacturing Equipment	\$0	80%	\$10,000	Replacement Cost	Special
	Indoor Grow Equipment and Tools	\$0	80%	\$10,000	Replacement Cost	Special
	Indoor Crop Coverage	\$0	80%	\$10,000	Replacement Cost	Named

## Indoor Crop Table\* – COVERAGE TO BE ADDED

Phase	# of Plants	Stated Values
Unplanted/Germinating Seeds	0	-
Immature Seedlings	0	-
Vegetative	0	-
Flowering	1,500	\$200 each
Harvested Plants	1,500	\$750 each
Finished Stock Plants	1,000	\$750 each
<b>TOTAL STATED CROP VALUES</b>		<b>\$2,175,000</b>

This coverage can be added once cultivation has started. The annual premium for this level of crop coverage is \$21,808.80

## Additional Features and Endorsements

- Equipment Breakdown Included for TIB
- Protective Safeguard Warranty: Locked Vehicle, Track and Trace, Central Station Fire Alarm, Burglary & Robbery Safeguards, Security Cameras, Vault Warranty
- 25% Minimum Earned Premium

# WORKERS COMPENSATION

**Company:** Maine Employers Mutual Insurance Company (MEMIC)  
**Policy Term:** 3/16/2023 – 3/16/2024

Workers Compensation	
Policy Features/Coverages	Limit
Employers Liability – Bodily Injury by Accident	\$1,000,000
Employers Liability – Bodily Injury by Disease – Policy Limit	\$1,000,000
Employers Liability – Bodily Injury by Disease – Each Employee	\$1,000,000
Listed States of Operation	MA
Other States Insurance	N/A

Classifications					
State	Loc	Class Code	Description	Estimated Annual Remuneration	Rate
MA	1	0035	Farming/Cultivation Operations	\$400,000	1.41
MA	1	8810	Clerical Office Employees NOC	If Any	.06

Partners, Officers and Relatives				
Name	Title	Incl / Excl	Class Code	Payroll
Coverage not automatic, managers/members of LLC can opt in to coverage				



## ESTIMATED ALLOCATION OF LOAN PROCEEDS AND QUOTE

Statement Date **3/7/2023**

**200 Unity Circle North  
Suite E  
Lee's Summit, MO 64086  
(844) 292-9090  
peoplespf@pebo.com**

Quote Number **945907**  
Customer Name **Milkmen Cannabis LLC**

Agent Name **C&S Insurance Agency, Inc. (PFB)**  
Agent Phone **(508) 594-3936**

We would like to take this opportunity to thank you for choosing Peoples Premium Finance for your insurance financing needs.

In order to assist you in allocating funding proceeds for Quote Number **945907**, we are providing the schedule shown below. Please be advised of these important considerations:

1. **The figures listed below are estimates** based on the information entered into our system. If the default down payment was changed at the time of quoting or if our underwriting department determines that the above allocation is incorrect the figures listed below may change.
2. The figures listed below do not include any broker fees. They are related only to the policy premiums, taxes and fees.
3. Premium proceeds will only be funded after we have accepted the finance agreement.

Should you have any questions, please contact us at (844) 292-9090, Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m. CST.

Sincerely,

Peoples Premium Finance

Policy #	Carrier and GA	Eff Date	Coverage	Total Premium	Down Payment	To Be Funded
TBD	C00870-American Federation Insurance Company G00961-Jencap Specialty Insurance Services Inc	3/16/2023	PROP	4,103.72	1,800.73	2,302.99
tbd	C00041-Admiral Insurance Co G00961-Jencap Specialty Insurance Services Inc	2/6/2023	GL	5,700.00	1,540.01	4,159.99



**Peoples Premium Finance**  
**PREMIUM FINANCE AGREEMENT**

**200 Unity Circle North**  
**Suite E**  
**Lee's Summit, MO 64086(844) 292-9090 Fax (816) 246-2659**

www.peoplespf.com

View your client's account status online

Type of Loan	
<input type="checkbox"/> Personal	
<input checked="" type="checkbox"/> Commercial	
<input type="checkbox"/> Additional Premium	

<b>AGENT / BROKER (NAME AND BUSINESS ADDRESS)</b> (01551475) C&S Insurance Agency, Inc. (PFB) 190 Chauncy St. Mansfield, MA 02048 (508) 594-3936		<b>BORROWER (NAME AND RESIDENCE OR BUSINESS ADDRESS)</b> Milkmen Cannabis LLC 75 Green St, Ste 3 Clinton, MA 01510	
		<b>PRODUCER CODE</b> A01219	

PAYMENT SCHEDULE							
A	TOTAL PREMIUMS	NUMBER OF INSTALLMENTS	AMOUNT OF EACH INSTALLMENT	WHEN PAYMENTS ARE DUE			
				FIRST INSTALLMENT DUE	INSTALLMENT DUE DATES		
	9,803.72	10	683.90	3/6/2023	6th (Monthly)		
SCHEDULE OF POLICIES							
B	DOWN PAYMENT	Policy Prefix and Number	Effective Date	Name of Insurance Carrier and Name of Managing General Agent	Type of Coverage	Policy Term	Gross Premium
C	AMOUNT FINANCED The Amount of Credit Provided on Your Behalf	TBD	3/16/2023	C00870-American Federation Insurance Company G00961-Jencap Specialty Insurance Services Inc	PROP Ernd. Taxes/Fees Fin. Taxes/Fees	12	2,768.00 1,225.00 110.72
		6,462.98					
D	FINANCE CHARGE The Dollar Amount the Credit Will Cost You	tbd	2/6/2023	C00041-Admiral Insurance Co G00961-Jencap Specialty Insurance Services Inc	GL Ernd. Taxes/Fees Fin. Taxes/Fees	12	5,000.00 500.00 200.00
		376.02					
E	TOTAL OF PAYMENTS Amount Paid After Making All Scheduled Payments						
	6,839.00						
F	A.P.R. The Cost of Your Credit as Yearly Rate						
	12.500%						
TOTAL PREMIUMS MUST AGREE WITH BOX "A" ABOVE >>>>							<b>9,803.72</b>

Quote Number: 945907

**NOTICE TO THE BORROWER:**

If you sign below, you acknowledge receipt of a copy of this Agreement and you agree to the provisions BOTH ON THE FIRST AND THE SECOND PAGE OF THIS AGREEMENT. You further agree that you are appointing LENDER your ATTORNEY-IN-FACT to cancel the policies as outlined in this agreement. The Borrower requests LENDER to pay the premiums on the policies shown in the schedule of policies, less the down payment. In order to help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who obtains a loan. What this means for you: When you apply for a loan, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents if you are a business entity.

**IF FOR ANY REASON YOU DO NOT RECEIVE YOUR PAYMENT COUPONS OR INVOICE FOR INSTALLMENTS DUE, YOU MUST STILL MAKE YOUR PAYMENTS ON THE ABOVE DATE TO THE ABOVE ADDRESS.**

DocuSigned by: Erin Plumb 3/16/2023  
 SIGNATURE OF BORROWER(S) OR DULY AUTHORIZED AGENT OF BORROWER(S) DATE

**PRODUCERS WARRANTIES AND REPRESENTATIONS:  
 THE UNDERSIGNED WARRANTS AND GUARANTEES:**

- (1) The Borrower has received a copy of this Agreement, and the Required Federal Truth-In-Lending disclosures for Personal Lines Insurance, if applicable,
- (2) The policies listed herein are in full force and effect and the information in the schedule of policies and the premiums are correct,
- (3) The Borrower has authorized this transaction and recognizes the security interest assigned herein,
- (4) To hold in trust for LENDER any payments made or credited to the Borrower through or to the undersigned, directly, indirectly, actually or constructively by any of the insurance companies and to pay the monies to LENDER upon demand to satisfy the then outstanding indebtedness of the Borrower and that any lien the undersigned now has or hereafter may acquire on any returned premium arising out of the above listed insurance policies is subordinated to LENDER's lien or security interest therein,
- (5) There are no exceptions to the policies other than those indicated and the policies included on this finance agreement are in full force and effect and comply with LENDER's eligibility requirements,
- (6) No direct company bill, audit or reporting form policies, policies subject to retrospective rating, or policies subject to minimum earned premiums are included except as indicated, and that the deposit or provisional premiums are not less than the anticipated premiums to be earned for the full term of the policies if policy is subject to a minimum earned premium, it is \_\_\_\_\_.
- (7) The policies can be cancelled by the Borrower or the Insurance Company on 10 days' notice and the unearned premiums will be computed on the standard short rate or pro rata table except as indicated,
- (8) A proceeding in bankruptcy, receivership or insolvency has not been instituted by or against the named Borrower or if the named Borrower is the subject of such a proceeding, it is noted on this Agreement in the space in which the Borrower's name and address is placed,
- (9) To hold Lender, its successors and assigns harmless against any loss or expense (including attorney fees) resulting from these representation or from errors, omissions or inaccuracies of the agent/broker in preparing this agreement,
- (10) To pay the down payment and any funding amounts received from the Lender under this Agreement to the insurance company or general agent (less commissions),
- (11) No term or provision of any financed policy requires the lender to notify or get the consent of any third party to effect cancellation of such policy.
- (12) To promptly notify Lender in writing of any information on the Agreement becomes inaccurate.

DocuSigned by: [Signature] 3/15/2023  
 SIGNATURE OF AGENT OR BROKER DATE

1. **PROMISE OF PAYMENT:** The Borrower requests LENDER to pay the premiums on the policies shown in the schedule of policies, less the down payment. The Borrower promises to pay to LENDER at its office the amount stated in Block E above, according to the Payment Schedule shown on the reverse, subject the rest of the terms of this Security Agreement.
2. **SECURITY INTEREST:** The Borrower assigns to LENDER as security for the total amount payable in this Agreement any and all unearned premiums and dividends which may become payable under the insurance policies and all loss payments which reduce the unearned premiums, subject to any mortgagee or loss payee interests. The Borrower gives to LENDER a security interest in all items mentioned in this paragraph.
3. **DEFAULT CHARGES:** Borrower agrees that if any installment is more than 10 days past due it will pay to LENDER a delinquency charge in the amount equal 5% of the delinquent installment or the maximum permitted by applicable state law.
4. **FINANCE CHARGE:** The finance charge, shown in Box "D" on the front side of this Agreement, begins to accrue on the earliest policy effective date and continues until all funds are paid in full, notwithstanding any cancellation of coverage.
5. **INSUFFICIENT FUNDS (NSF) CHARGES:** If Borrower's check or electronic funding is dishonored for any reason, the Borrower will pay to Lender a fee of \$20.00 or the maximum amount permitted by law.
6. **THIS AGREEMENT BECOMES A CONTRACT:** This Agreement becomes a binding contract when LENDER mails a written acceptance to the Borrower. Borrower agrees this Agreement may be transmitted by electronic means to LENDER and such agreement, when accepted, becomes a valid contract. Borrower further agrees to and understands that the Agent is receiving a fee of \$38.11 for the preparation of this financing contract.
7. **WARRANTY OF ACCURACY:** The Borrower warrants to LENDER that: (a) the insurance policies listed in the above schedule have been issued to the Borrower and are in full force and effect and that the Borrower has not assigned any interest in the policies except for the interest of mortgagees and loss payees, (b) that the signatory is authorized to sign this Agreement on behalf of the Borrower, and (c) all parties responsible for payment of the premium are named and have authorized this Agreement.
8. **REPRESENTATION OF SOLVENCY:** The Borrower represents that it is not insolvent or presently the subject of any insolvency proceeding.
9. **CANCELLATION:** LENDER may cancel the insurance policies and the unpaid balances due to LENDER shall be immediately payable by the Borrower if any of the following occur: (a) The Borrower does not pay any installment according to the terms of this Agreement; (b) The Borrower does not comply with any of the terms of this Agreement; (c) The Borrower or the insurer voluntarily or involuntarily becomes the subject of a bankruptcy, receivership or any other kind of insolvency proceeding; or (d) If the Borrower is a business and stops doing business or ceases to be qualified to do business. LENDER at its option may enforce payment of this debt without recourse to the security given to LENDER.
10. **CANCELLATION CHARGES:** If insurance policies cancel in accordance with the terms of this agreement, then the insured will pay Lender a cancellation charge equal to \$15.00 or the maximum amount permitted by law.
11. **POWER OF ATTORNEY – COLLECTION EXPENSES:** The Borrower irrevocably appoints LENDER its Attorney-in-Fact with full authority to cancel the insurance policies, receive all sums assigned to LENDER or in which it has granted LENDER a security interest and LENDER may execute and deliver on the Borrower's behalf all documents, instruments of payment, forms and notices of any kind relating to the insurance policies in furtherance of this Agreement. LENDER's liability to any person or corporation on the exercise of its authority to cancel the insurance policies is limited to the amount of the principle balance, except if LENDER willfully fails to mail the notices required by law. When LENDER effects cancellation in accordance with state law, the Borrower will be responsible for attorney's fees and other costs in any collection action as a result thereof to the extent permitted by applicable state law. The insurance company, its agents, and its intermediaries and the agent/broker are authorized to provide LENDER with full information regarding all policies listed herein, including the status and calculation of referenced premiums.
12. **MONEY RECEIVED AFTER NOTICE OF CANCELLATION:** Any payments made to LENDER after LENDER's Notice of Cancellation of the insurance policies has been mailed may be credited to the Borrower's account without affecting the acceleration of this Agreement and without any liability or obligation on LENDER's part to request the reinstatement of the cancelled policies. Any money LENDER receives from an insurance company shall be credited to the amount due LENDER with any surplus being paid over to whomever is entitled to the money. No refund of less than \$1.00 shall be made. If there is a balance due after LENDER receives the unearned premiums, dividends or loss payments from the insurance company then the Borrower will pay the balance to LENDER with interest at the rate shown on this Agreement.
13. **PREPAYMENT:** Borrower has the right to prepay the entire outstanding balance in full at any time before the due date of the final installment Upon prepayment in full, or upon cancellation and full payment to LENDER, Borrower will be entitled to receive a refund of the Finance Charge to be computed by the Rule of 78's ("Sum of the Years Digits") method, or the actuarial method, as required or permitted by applicable law. If cancellation occurs, the Borrower agrees to pay a Finance Charge on the balance due at the rate on the reverse side of this Agreement until it is paid in full, or until such other date as is required by applicable state law. Borrower agrees to pay LENDER reasonable attorney's fees and collections costs under the terms and conditions hereof and to the extent and amount permitted by applicable state law.
14. **INSURANCE AGENT OR BROKER:** The insurance agent or broker named on this Agreement with whom the policies were solicited or issued is the Borrower's agent, not LENDER's and LENDER is not legally bound by anything the agent or broker represents to the Borrower, orally or in writing. The agent or broker named on this Agreement is not authorized by Lender to receive installment payments under this Agreement.
15. **SPECIAL INSURANCE POLICIES:** If the insurance policy issued to the Borrower is auditable or is a reporting form policy or subject to retrospective rating, then the Borrower promises to pay the insurance company the earned premium computed in accordance with the policy provisions which is in excess of the amount of premium advanced by LENDER which the insurance company retains.
16. **SUCCESSORS AND ASSIGNS:** All legal rights given to LENDER shall benefit LENDER's assigns. The Borrower will not assign the policies without LENDER's written consent except for the interest of mortgagees and loss payees.
17. **MISSING AND INCORRECT INFORMATION:** If the policy has not been issued at the time of signing this Agreement, then the Borrower agrees the name of the insurance company, and the policy numbers of the insurance policies may be left blank and may be subsequently inserted in this Agreement. In addition, Borrower authorizes LENDER or the agent or broker to correct on this Agreement at any time, if incorrect, the name of the insurance companies, the policy numbers and the installment due dates. LENDER will notify the Borrower of the corrected and/or inserted information on its written notice of acceptance.
18. **ADDITIONAL PREMIUMS:** The money paid by LENDER is only for the premium as determined at the time the insurance policy is issued. LENDER's payment shall not be applied by the insurance company to pay for any additional premiums owed by the insured as a result of any type of misclassification of this risk. The Borrower agrees to pay the company any additional premiums which become due for any reason. LENDER may assign to the company any rights it has against the Borrower for premiums due the company in excess of the premiums returned to LENDER.
19. **SIGNER'S WARRANTIES:** To convince LENDER to enter this Agreement and accept the security underlying this Agreement, the person executing this Agreement, if not the Borrower, warrants severally and as the duly authorized agent of the Borrower: that he is the duly authorized agent of the Borrower appointed specifically to enter into this transaction on the Borrower's behalf; that he can perform any act the Borrower could or should perform with respect to this transaction; that he will hold in trust for LENDER any payments made or credit to the Borrower through the undersigned or to the undersigned, directly, indirectly, actually or constructively, by any of the insurance companies and that he will pay the monies to LENDER upon demand to satisfy the then outstanding indebtedness of the Borrower.
20. **LIMITATION OF LIABILITY:** The Borrower irrevocably waives and releases LENDER from any claims, lawsuits, causes of action, which may be related to any prior loans between the parties and to any act or failure to act prior to the time this Agreement becomes a binding contract. Lender's liability for breach of any of the terms of this Agreement or the wrongful exercise of any of its powers shall be limited to the amount of the principal balance outstanding, except in the event of gross negligence or willful misconduct. Any claims against LENDER shall be limited exclusively in the Circuit Court of Jackson County, Missouri.
21. **NAMED INSURED:** If the insurance policy provides that the first named insured shall be responsible for payment of premiums and shall act on behalf of all other insureds regarding the policy, the same shall apply to this Agreement, and the insured represents it is authorized to sign on behalf of all insured. If not, then all insureds must be shown in this Agreement unless a separate agreement appoints an insured to act for the others.
22. **DOCUMENT AND GOVERNING LAW:** This document is the entire Agreement between LENDER and the Borrower and can only be changed in writing and signed by both parties. The laws of the state of Borrower's residence as set forth above will govern this Agreement. If any provision of this Agreement is held to be invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be impaired.
23. **DEFINITIONS.** The above-named Borrower is the insured in the policies listed in the Schedule above "LENDER" means Peoples Premium Finance, a division of Peoples Bank, "insurance policy" or "policy" or "premium" refer to those items in the Schedule above. Singular words mean plural and vice-versa as may be required to give this Agreement meaning.



## AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

### BUSINESS AUTHORIZED TO DEBIT/CREDIT ACCOUNT

Authorized Business Name

Peoples Premium Finance (hereinafter called COMPANY)

Authorized Business Address

200 Unity Circle North, Suite E, Lee's Summit, MO 64086

### ACCOUNT HOLDER INFORMATION

Account Holder Name

Milkmen Cannabis LLC

Account Holder DBA (if business account)

Account Holder Phone

Account Holder Address

75 Green St, Ste 3

City

Clinton

State

MA

Zip

01510

Contact Name (if different from above)

Erin Plumb

Relationship

Contact Phone

Quote Number

945907

### ACCOUNT HOLDER'S BANK ACCOUNT INFORMATION

Bank Name

Needham Bank

Branch City

Boston

State

02120

Zip

02120

How to find your Routing and Account Numbers on your check:

123456789  
Bank Routing Code

1234567890123  
Bank Account Number

Bank Account Type

Checking

Savings

Bank Routing Number (9 digits)

211373539

Bank Account Number

591670833

### AUTHORIZATION

I (we) hereby authorize COMPANY to withdraw loan payments from my account with the financial institution I have indicated. The financial institution is authorized, pursuant to the terms of any respective premium finance agreement I may have with the Company, to debit the amount(s) currently due, including any fees or other charges.

The authority remains in effect until I give 30 days written notice of its termination or until the Company or my financial institution provides 10 days notice that this direct debit has been terminated. I understand that I must give advance notice to allow reasonable time for my instructions to be executed. If ever an incorrect amount should be entered into my account, I authorize my financial institution to make the appropriate adjustment.

DocuSigned by:

Erin Plumb

Account Holder Signature

Account Holder Name (please print)

Erin Plumb

Date

3/16/2023



**Package Application**

**OR**

Email To: [cannapp@cannngenins.com](mailto:cannapp@cannngenins.com)

Quote By Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Effective Date: **3** / **16** / **2023**

**Section 1: Account Information**

Legal Business Name: Milkmen Cultivation LLC

DBA: Milkmen Cannabis

Mailing Address: 75 Green St. Suite 3, Clinton, MA 01510

Enterprise Type:  Corporation  Partnership  LLC  Individual  Other: \_\_\_\_\_

Use:  Cannabis-Rec  Cannabis-Med  Cannabis-Both  CBD  Hemp  Non-Cannabis Sales  Other: \_\_\_\_\_

Operations (**Check ALL**):  Cultivation  Processor  Wholesale/Distribution  
 Manufacturer/Extraction  Transportation  Delivery Operations  Retail - Cannabis  
 Retail - CBD  Other: \_\_\_\_\_

Years in Business:  New Venture  1-3 years  4-10 years  Over 10 years

If new venture, do any of the principals have a minimum of 1 year in the cannabis, CBD, or hemp industry?  Yes  No

Is the applicant a member of any cannabis, CBD, or hemp trade associations?  Yes  No

If yes, who?  NCIA  CCIA  CCSE  NORML-NBN  Other: \_\_\_\_\_

Year	Total Sales	State:	State:	State:	State:	State:	State:	Additional
Next 12 Months (Projected)	1,700,000	MA						
Historical Year 1								
Historical Year 2								
Historical Year 3								
Historical Year 4								

**Section 2: Account & Loss/Insurance History** Must answer all questions. Failure to disclose history may invalidate coverage.

- Yes  No Has any application for similar insurance made on behalf of the applicant and/or any principal, partner, owner, officer, director, employee, manager or managing member thereof or any predecessor, subsidiary or affiliated organization thereof ever been declined, cancelled or non-renewed?
- Yes  No Does the applicant currently have commercial insurance coverage?  
*If yes, please provide detailed information below.*

Year	Carrier	Policy Number	Coverage	Limits	Expiration Date	Premium

- Yes  No Has the applicant had any prior liability and/or property claims or losses in the past 5 years?  
*If yes, attach currently valued (within past 90 days) loss runs including details. This includes losses that were denied.*
- Complete the following for any applicant or any principal, partner, owner, officer, director, manager or managing member of the applicant or any person(s) or organization(s) proposed for this insurance or any predecessor, subsidiary, or affiliated organization:
  - Yes  No Have any of the above been convicted of a felony or DUI in the last 10 years?  
*If yes, give details (date/jail time served/felony/misdemeanor):* \_\_\_\_\_
  - Yes  No Is the applicant in compliance with all local & state laws regarding the manufacturing, control and dispensing of cannabis, CBD, or hemp?
  - Yes  No Does the applicant currently hold a cannabis, CBD, or hemp license/permit?  
*If no, when do they expect to be licensed/permitted:* \_\_\_\_\_
- Yes  No Has the applicant had a foreclosure, repossession, lien, or filed for bankruptcy during the last five years? *If yes, give details (occurrence date/explanation/resolution/resolution date).* \_\_\_\_\_

**Section 3: General Liability / Excess / Property Enhancements**

1.  Yes  No Do any locations owned/operated by the application have a pool, pond, or other water exposure?  
*If yes, please describe and provide location/building number: \_\_\_\_\_*
2.  Yes  No Does anyone live at any location that is owned/operated by the applicant?
3.  Yes  No Are there any dogs at any location that is owned/operated by the applicant?
4.  Yes  No Are there any firearms at any location that is owned/operated by the applicant?
5.  Yes  No Does the applicant sub-contract their security guard services?
6.  Yes  No Does the applicant maintain daily written records of all cannabis, CBD, and hemp containing products, including the purchase date, type of product and purchase price?

**General Liability Limits**

- \$1,000,000 occurrence/\$1,000,000 aggregate  \$2,000,000 occurrence/\$2,000,000 aggregate
- \$1,000,000 occurrence/\$2,000,000 aggregate

**General Liability Endorsements - Optional**

1.  Yes  No Include Hired and Non-Owned Auto? *If yes, please complete 1a-1d.*
- a.  Yes  No Do all drivers maintain a personal auto policy, and keep it in force at all times?
- b.  Yes  No Is any driver allowed to drive with any DUI, DWI, or reckless driving violations?
- c.  Yes  No Are MVRs collected by all drivers employed by the applicant?
- d.  Yes  No Does applicant or employees of applicant make any deliveries directly to patients or customers from the retail location?
- \*\* You must answer all questions for HNOA to be considered for this coverage endorsement. Delivery to the consumer and Transportation/Distribution operations are not eligible for the HNOA endorsement. \*\***
2.  Yes  No Include Stop Gap? (WA, OH, & NE Only)
3.  Yes  No Include Pesticide/Herbicide Applicators Endorsement? (WA & MA Only)
- \$50,000 occurrence/aggregate limit
- \$250,000 occurrence/aggregate limit

**Excess Liability Limits** Check box if you want to decline excess coverage at this time

- \$1,000,000  \$2,000,000  \$3,000,000  \$4,000,000

**\*\*NOTE: Excess cannot be applied if \$2,000,000 occurrence was requested under the General Liability Limits section. Each excess layer added will apply to both the occurrence and aggregate limits. This Excess Liability applies to General Liability only and does not apply to Product Liability\*\***

**Property Endorsements – Optional – PLEASE COMPLETE THE CANNGEN SOV FOR LOCATION SPECIFICS**

1.  Yes  No Property Extension Endorsement: Form A - \$1,000 premium/location Form B - \$1,500 premium/location Form C - \$2,000 premium/location  
*If yes, please complete 1a-1j.*
- a.  Yes  No Will the applicant transport marijuana/cannabis living plants to other business?
- b.  Yes  No Will the applicant transport harvested, processed, or finished marijuana/cannabis to other business?
- c.  Yes  No Will the applicant deliver any marijuana/cannabis products directly to the consumer?
- d.  Yes  No Will the vehicles that transport the applicant's property and/or money and securities from the scheduled premises have an active alarm system? **(MUST BE YES TO QUALIFY)**  
*If yes, does it include LoJack or some other tracking service?  Yes  No*
- e.  Yes  No Are drivers allowed to make personal stops when transporting goods?
- f.  Yes  No Are drivers allowed to take any cannabis inventory and/or money home?
- g.  Yes  No Does the applicant screen/collect DMV records from all drivers? **(MUST BE YES TO QUALIFY)**

- h.  Yes  No Does the applicant allow any firearms or weapons in the vehicles?
- i.  Yes  No Does the applicant have a lock box that is bolted to all vehicles? **(MUST BE YES TO QUALIFY)**
- j.  Yes  No Does the applicant provide lifts, ride share or other livery type operations?

2.  Yes  No Equipment Breakdown (excludes plants/marijuana inventory or finished stock) **\*\*SUBJECT TO APPROVAL\*\***

#### Section 4: Product Liability

Check box if you want to decline product liability at this time

1.  Yes  No Does the applicant maintain daily written records of all cannabis, CBD, hemp and inventory of non-cannabis products, including purchase date, type of product, purchase price and who it was purchased from?
2.  Yes  No Does the applicant have a quality assurance/product recall plan in place?
3.  Yes  No Does the applicant test 100% of the cannabis, CBD, and hemp products prior to distribution?  
If yes, does the applicant perform their own testing?  Yes  No  
If no, provide name of the testing laboratory they are contracted with.  
Lab Name: MCR Labs
4.  Yes  No Does the applicant test 100% of all products manufactured for any level of gas/solvent residue?  
If yes, will the applicant destroy 100% of the products found with unsafe gas residue(s)?  Yes  No
5.  Yes  No Does the applicant use software to track sales and pertinent transaction data such as who, when and what was purchased?
6.  Yes  No Will the applicant follow to the best of their abilities all Consumer Product Safety Commission regulations as it would pertain to the withdrawal and/or recall of defective products?
7.  Yes  No Does the applicant have a communication and complaint handling procedure?
8.  Yes  No Does the applicant know of any products that were either voluntarily or mandatory recalled/withdrawn in the past 5 years?  
If yes, please provide the total number of recalls/withdrawals the applicant has had in the past 5 years?  
# \_\_\_\_\_ Voluntarily # \_\_\_\_\_ Mandatory
9. **If there are retail operations for this applicant, please complete 9a-9b.**
- a.  Yes  No Does the applicant require each supplier to have their products tested?
- b.  Yes  No Does the applicant maintain supplier contracts, records, and invoices for 5 years or more?  
If no, how long does the applicant maintain records? \_\_\_\_\_
10. **If there are cultivation operations for this applicant, please complete 10a-10d.**
- a. What form of pest prevention is the applicant using?  Pesticides  Organic  Other: \_\_\_\_\_  N/A
- b.  Yes  No Does the applicant apply their own pesticides?  
If no, does the applicant get a copy of the contracted company's insurance before any work begins?  Yes  No
- c.  Yes  No Does the applicant follow all state and federal laws with regards to the use, storage, and disposal of pesticides?
- d.  Yes  No Is the applicant aware of any past or current pesticide issues that would result in a loss or claim?

#### Product Liability Limits & Endorsements

- \$100,000 occurrence/\$100,000 aggregate  \$2,000,000 occurrence/\$2,000,000 aggregate
- \$1,000,000 occurrence/\$1,000,000 aggregate  \$3,000,000 occurrence/\$3,000,000 aggregate
- \$1,000,000 occurrence/\$2,000,000 aggregate  \$5,000,000 occurrence/\$5,000,000 aggregate

Retro Date (**NOT AUTOMATICALLY INCLUDED**)  Check the box if you want to opt-out of buying retro coverage

- 1 Year Retro Date  2 Year Retro Date  3 Year Retro Date  4 Year Retro Date  5 Year Retro Date

**\*\*If adding retro date, please include the loss runs and premiums for each prior year\*\***

#### Product Withdrawal Coverage Limits & Deductibles

Check the box if you want to opt-out of product withdrawal

- \$100,000 Max Expense Limits **\*\*Default**  \$250,000 Max Expense Limits
- \$1,000 Deductible **\*\*Default**  \$5,000 Deductible
- \$5,000 Deductible  \$10,000 Deductible
- \$25,000 Deductible

Please complete "Products List" attached or attach a document listing types of products.

**CANNABIS PRODUCT LIST BY TYPE**

- |   |                          |
|---|--------------------------|
| <input checked="" type="checkbox"/> Cannabis Flower | Other: <u>Hash Rosin</u> |
| <input checked="" type="checkbox"/> Pre-Rolls       | Other: _____             |
| <input type="checkbox"/> Edibles                    | Other: _____             |
| <input type="checkbox"/> Topical                    | Other: _____             |

**NON-CANNABIS PRODUCT BY TYPE ACCESSORIES OR MERCHANDISE**

- |  |  |  |  |
|--|--|--|--|
| <input type="checkbox"/> Ash Trays           | <input type="checkbox"/> Blunt Wraps     | <input type="checkbox"/> Vape Battery Chargers | <input type="checkbox"/> Cones         |
| <input type="checkbox"/> Dab Rings           | <input type="checkbox"/> Dab Tools       | <input type="checkbox"/> Bong Wash             | <input type="checkbox"/> Grinders      |
| <input type="checkbox"/> Batteries           | <input type="checkbox"/> Joint Paper     | <input type="checkbox"/> Vape Equipment        | <input type="checkbox"/> Joint Rollers |
| <input type="checkbox"/> Joint Rolling Trays | <input type="checkbox"/> Lighter Holders | <input type="checkbox"/> Roach Clips           | <input type="checkbox"/> Screens       |
| <input type="checkbox"/> Torch Lighters      | <input type="checkbox"/> Other: _____    | <input type="checkbox"/> Other: _____          | <input type="checkbox"/> Other: _____  |

Vape cartridges/pens (equipment and accessories) is manufactured or distributed by which kind of vendor:

- Domestic  Foreign

<b>Section 5: Additional Insureds</b> <input type="checkbox"/> Check box if there are NO additional insureds needed at this time and skip section 5			
<input type="checkbox"/> General Liability	<input type="checkbox"/> Property	<input type="checkbox"/> Product Liability	
Additional Insured ( <b>Check ONE</b> )			
<input type="checkbox"/> Landlord	<input type="checkbox"/> Loss Payee	<input type="checkbox"/> Governmental Agency	<input type="checkbox"/> Single Vendor (products)
			<input type="checkbox"/> Blanket Vendor (products)
<input type="checkbox"/> Other: _____			
<input type="checkbox"/> Waiver of Subrogation ( <b>must be required by contract</b> )			
<input type="checkbox"/> Primary/Non-Contributory Wording ( <b>must be required by contract</b> )			
Location/BLDG # ____ / ____		Name: _____	
Mailing Address: _____		City: _____	State: _____ Zip Code: ____
<input type="checkbox"/> General Liability	<input type="checkbox"/> Property	<input type="checkbox"/> Product Liability	
Additional Insured ( <b>Check ONE</b> )			
<input type="checkbox"/> Landlord	<input type="checkbox"/> Loss Payee	<input type="checkbox"/> Governmental Agency	<input type="checkbox"/> Single Vendor (products)
			<input type="checkbox"/> Blanket Vendor (products)
<input type="checkbox"/> Other: _____			
<input type="checkbox"/> Waiver of Subrogation ( <b>must be required by contract</b> )			
<input type="checkbox"/> Primary/Non-Contributory Wording ( <b>must be required by contract</b> )			
Location/BLDG # ____ / ____		Name: _____	
Mailing Address: _____		City: _____	State: _____ Zip Code: ____
<input type="checkbox"/> General Liability	<input type="checkbox"/> Property	<input type="checkbox"/> Product Liability	
Additional Insured ( <b>Check ONE</b> )			
<input type="checkbox"/> Landlord	<input type="checkbox"/> Loss Payee	<input type="checkbox"/> Governmental Agency	<input type="checkbox"/> Single Vendor (products)
			<input type="checkbox"/> Blanket Vendor (products)
<input type="checkbox"/> Other: _____			
<input type="checkbox"/> Waiver of Subrogation ( <b>must be required by contract</b> )			
<input type="checkbox"/> Primary/Non-Contributory Wording ( <b>must be required by contract</b> )			
Location/BLDG # ____ / ____		Name: _____	
Mailing Address: _____		City: _____	State: _____ Zip Code: ____

**Enforcement of the Controlled Substance Act (CANNABIS RISKS ONLY)**

- |    |   |  |
|----|---|--|
| 1. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Does the applicant prevent the distribution of marijuana/cannabis to minors?   |
| 2. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Does the applicant prevent the revenue from sale of marijuana/cannabis from going to criminal enterprises?   |
| 3. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Does the applicant prevent possible diversion of marijuana/cannabis from states where medicinal and/or recreational use of cannabis products is legal under state law to states where medicinal and/or recreational use of cannabis products is not legal under state law? |
| 4. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Does the applicant prevent the use of state-authorized marijuana/cannabis activity as a cover or pretext for the trafficking of other illegal drugs or other illegal activity?   |
| 5. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Does the applicant have a program or safeguards in place to prevent violence and the use of firearms in the cultivation and distribution of marijuana/cannabis?  |
| 6. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Does the applicant prevent drugged driving or other possibly adverse public health consequences associated with marijuana/cannabis use?  |
| 7. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Does the applicant either grow or purchase marijuana/cannabis grown on public lands?   |
| 8. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Does the applicant prevent the possession or use of their product on federal property?   |

**Important Property and Crop Warranties, Safeguards, and Definitions****LOCKED SAFE WARRANTY - "MARIJUANA INVENTORY"**

All "Marijuana Inventory" items are to be kept locked in a safe or a vault room at all times during business and non-business hours except for "Marijuana Inventory" on display during business hours.

It is further warranted that any safe used to house "Marijuana Inventory" will meet the following requirements:

1. All safes must have a 1-hour fire rating
2. For safes under 400 pounds:
  - a. If the "Marijuana Inventory" limit is greater than \$100,000 the safe must be bolted to the floor
  - b. If the "Marijuana Inventory" limit is greater than \$500,000 a Central Station Fire Alarm must be connected and operational to the safe
3. For safes from 400 to 600 pounds:
  - a. If the "Marijuana Inventory" limit is greater than \$250,000 the safe must be bolted to the floor
  - b. If the "Marijuana Inventory" limit is greater than \$500,000 a Central Station Fire Alarm must be connected and operational to the safe
4. For safes over 600 pounds:
  - a. If the "Marijuana Inventory" limit is greater than \$1,000,000 a Central Station Fire Alarm must be connected and operational to the safe

**VAULT WARRANTY - "MARIJUANA INVENTORY"**

It is warranted that if a vault room or steel container is located within the building it will meet the requirements as indicated in MMD 00 00 01 19 Definition of a Vault.

**CENTRAL STATION FIRE ALARM – SAFEGUARD REQUIREMENT**

Protecting the entire building and that is connected to a central station reporting to a public or private fire alarm station.

**CENTRAL STATION BURGLAR ALARM – SAFEGUARD REQUIREMENT**

1. To cover all openings in the insured's premises
2. Motion detectors in all areas with the exception of living plant areas
3. Alarm must be in the "on" position during all non-working hours and/or whenever the insured's premises are unoccupied.

**SECURITY CAMERA'S – SAFEGUARD REQUIREMENT**

1. All security cameras must be recording, and all records must be backed up and retained for a minimum of 14 days
2. Interior Cameras monitoring the following:

- a. All doors and windows providing a means of egress into the building
  - b. Display counters
  - c. Exterior and interior of safe rooms, if on the premises
  - d. Exterior and interior of all vault rooms, if on the premises
  - e. Harvesting and trimming rooms, if on the premises
3. Exterior Cameras monitoring all means of egress to the building and the parking lot unless City Ordinances or laws prohibit monitoring of this are

### **CROP, MARIJUANA INVENTORY, AND STOCK DEFINITIONS**

1. "Crop" means living plants grown for food, drugs, fibers, rubber, wood, or other purpose at any stage of life cycle and includes the following:
  - a. Live cannabaceae plant materials at any stage of life cycle, including but not limited to seeds, immature seedlings, plants in the vegetative growth state, unharvested buds and mature flowering plants rooted in growing medium; and
  - b. Cannabaceae plants, including any part or component of the plant, no longer in the growing medium which are in the process of being dried; or
  - c. Mature cannabaceae plant material, including any part or component of the plant, no longer in the growing medium which has been completed the drying process and is ready for sale.

"Crop" does not include Cannabaceae plants that have completed the drying process but are retained by you for further processing, extracting, refining, or manufacturing operations.

"Crop" also does not include plant material, including any part or component of the plant, no longer in the growing medium which is purchased by you for the purpose of manufacturing.

2. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping. "Stock" does not include "crop" or "marijuana inventory".
3. "Marijuana Inventory" means finished marijuana stock and products containing marijuana and/or its derivatives defined as any component of the cannabaceae family containing a tetrahydrocannabinol (THC) level of more than 0.3 percent on a dry weight basis. "Marijuana inventory" does not include "crop".

### **Disclosures/Warranties/Acknowledgements**

#### **Fire and Theft losses of property may be excluded if:**

- a. The Central Station Alarm System is not active during non-business hours. (All doors and windows must be connected to the central station alarm system).
- b. The Video Surveillance System is not recording and backing up for 14 days prior to the loss.
- c. The seeds, finished marijuana stock/inventory, money and securities are outside the safe during non-business hours.
- d. The minimum safe and or vault requirements have not been met at the time of the loss.
- e. The building is over 20 years old and no updates have been done in the last 20 years.
- f. The safe or vault does not have a 1-hour fire rating. Fire will be excluded unless 100% covered by fire sprinklers.
- g. All Vaults must be approved in writing by the underwriter.

#### **All Cultivation Operations are required to warrant both of the following:**

- I have used, or will use, a licensed, insured contractor for all electrical work at my grow facility.
- I have had, or will have within 30 days of my insurance effective date, all the wiring inspected by a licensed, insured contractor at my grow facility.

FRAUD WARNING: Applicable in CO: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable

from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies. Applicable in AL, AR, DC, LA, MD, NM, RI and WV: Any person who knowingly (or willfully)\* presents a false or fraudulent claim for payment of a loss or benefit or knowingly (or willfully)\* presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. \*Applies in MD Only. Applicable in FL and OK: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (of the third degree) \*. \*Applies in FL Only. Applicable in KS: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act. Applicable in KY, NY, OH and PA: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties (not to exceed five thousand dollars and the stated value of the claim for each such violation)\*. \*Applies in NY Only. Applicable in ME, TN, VA and WA: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties (may)\* include imprisonment, fines and denial of insurance benefits. \*Applies in ME Only. Applicable in NJ: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil Penalties. Applicable in OR: Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law. Applicable in PR: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

**Other Conditions:** Questions and information provided in this application will become part of the policy of insurance if issued. Other Terms, Conditions and Coverages will be included as part of any insurance policy issued by the insurance company. Those Terms, Conditions and Coverages may differ from what is requested in this application.

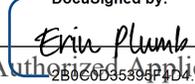
I Erin Plumb am an authorized representative of Milkmen Cultivation LLC understand and agree this application and any supplements attached hereto will be relied upon for issuance of any policy. I further understand and agree that failure to provide a true and accurate response to the foregoing questions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

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

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

**THIS APPLICATION MUST BE SIGNED BY APPLICANT AT BINDING AND DATED WITHIN 10 DAYS OF INCEPTION DATE. SIGNING THIS FORM DOES NOT BIND THE COMPANY TO COMPLETE THE INSURANCE AS COVERAGE BECOMES EFFECTIVE ONLY WHEN ACCEPTED BY THE INSURANCE COMPANY.**

**Applicant Section:**

DocuSigned by:  
  
\_\_\_\_\_  
Authorized Applicant Signature  
Erin Plumb  
\_\_\_\_\_  
Name

3/16/2023  
\_\_\_\_\_  
Date Signed  
267-629-0290  
\_\_\_\_\_  
Phone Number

Manager  
\_\_\_\_\_  
Title  
3/16/2023  
\_\_\_\_\_  
Requested Effective Date

**Broker Section:**

\_\_\_\_\_  
Signature of Broker

\_\_\_\_\_  
Name of Broker

\_\_\_\_\_  
Name of Firm





**Package Application**

**OR**

Email To: [cannapp@cannngenins.com](mailto:cannapp@cannngenins.com)

Quote By Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Effective Date: 3 / 16 / 2023

**Section 1: Account Information**

Legal Business Name: Milkmen Cultivation LLC

DBA: Milkmen Cannabis

Mailing Address: 75 Green St. Suite 3, Clinton, MA 01510

Enterprise Type:  Corporation  Partnership  LLC  Individual  Other: \_\_\_\_\_

Use:  Cannabis-Rec  Cannabis-Med  Cannabis-Both  CBD  Hemp  Non-Cannabis Sales  Other: \_\_\_\_\_

Operations (**Check ALL**):  Cultivation  Processor  Wholesale/Distribution  
 Manufacturer/Extraction  Transportation  Delivery Operations  Retail - Cannabis  
 Retail - CBD  Other: \_\_\_\_\_

Years in Business:  New Venture  1-3 years  4-10 years  Over 10 years

If new venture, do any of the principals have a minimum of 1 year in the cannabis, CBD, or hemp industry?  Yes  No

Is the applicant a member of any cannabis, CBD, or hemp trade associations?  Yes  No

If yes, who?  NCIA  CCIA  CCSE  NORML-NBN  Other: \_\_\_\_\_

Year	Total Sales	State:	State:	State:	State:	State:	State:	Additional
Next 12 Months (Projected)	1,700,000	MA						
Historical Year 1								
Historical Year 2								
Historical Year 3								
Historical Year 4								

**Section 2: Account & Loss/Insurance History** *Must answer all questions. Failure to disclose history may invalidate coverage.*

- Yes  No Has any application for similar insurance made on behalf of the applicant and/or any principal, partner, owner, officer, director, employee, manager or managing member thereof or any predecessor, subsidiary or affiliated organization thereof ever been declined, cancelled or non-renewed?
- Yes  No Does the applicant currently have commercial insurance coverage?  
*If yes, please provide detailed information below.*

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*If yes, attach currently valued (within past 90 days) loss runs including details. This includes losses that were denied.*
- Complete the following for any applicant or any principal, partner, owner, officer, director, manager or managing member of the applicant or any person(s) or organization(s) proposed for this insurance or any predecessor, subsidiary, or affiliated organization:
  - Yes  No Have any of the above been convicted of a felony or DUI in the last 10 years?  
*If yes, give details (date/jail time served/felony/misdemeanor):* \_\_\_\_\_
  - Yes  No Is the applicant in compliance with all local & state laws regarding the manufacturing, control and dispensing of cannabis, CBD, or hemp?
  - Yes  No Does the applicant currently hold a cannabis, CBD, or hemp license/permit?  
*If no, when do they expect to be licensed/permitted:* \_\_\_\_\_
- Yes  No Has the applicant had a foreclosure, repossession, lien, or filed for bankruptcy during the last five years? *If yes, give details (occurrence date/explanation/resolution/resolution date).* \_\_\_\_\_

**Section 3: General Liability / Excess / Property Enhancements**

1.  Yes  No Do any locations owned/operated by the application have a pool, pond, or other water exposure?  
*If yes, please describe and provide location/building number: \_\_\_\_\_*
2.  Yes  No Does anyone live at any location that is owned/operated by the applicant?
3.  Yes  No Are there any dogs at any location that is owned/operated by the applicant?
4.  Yes  No Are there any firearms at any location that is owned/operated by the applicant?
5.  Yes  No Does the applicant sub-contract their security guard services?
6.  Yes  No Does the applicant maintain daily written records of all cannabis, CBD, and hemp containing products, including the purchase date, type of product and purchase price?

**General Liability Limits**

- \$1,000,000 occurrence/\$1,000,000 aggregate  \$2,000,000 occurrence/\$2,000,000 aggregate
- \$1,000,000 occurrence/\$2,000,000 aggregate

**General Liability Endorsements - Optional**

1.  Yes  No Include Hired and Non-Owned Auto? *If yes, please complete 1a-1d.*
  - a.  Yes  No Do all drivers maintain a personal auto policy, and keep it in force at all times?
  - b.  Yes  No Is any driver allowed to drive with any DUI, DWI, or reckless driving violations?
  - c.  Yes  No Are MVRs collected by all drivers employed by the applicant?
  - d.  Yes  No Does applicant or employees of applicant make any deliveries directly to patients or customers from the retail location?

**\*\* You must answer all questions for HNOA to be considered for this coverage endorsement. Delivery to the consumer and Transportation/Distribution operations are not eligible for the HNOA endorsement. \*\***
2.  Yes  No Include Stop Gap? (WA, OH, & NE Only)
3.  Yes  No Include Pesticide/Herbicide Applicators Endorsement? (WA & MA Only)
  - \$50,000 occurrence/aggregate limit
  - \$250,000 occurrence/aggregate limit

**Excess Liability Limits** Check box if you want to decline excess coverage at this time

- \$1,000,000  \$2,000,000  \$3,000,000  \$4,000,000

**\*\*NOTE: Excess cannot be applied if \$2,000,000 occurrence was requested under the General Liability Limits section. Each excess layer added will apply to both the occurrence and aggregate limits. This Excess Liability applies to General Liability only and does not apply to Product Liability\*\***

**Property Endorsements – Optional – PLEASE COMPLETE THE CANNGEN SOV FOR LOCATION SPECIFICS**

1.  Yes  No Property Extension Endorsement:
 

	Form A - \$1,000 premium/location	Form B - \$1,500 premium/location	Form C - \$2,000 premium/location
--	--------------------------------------	--------------------------------------	--------------------------------------

*If yes, please complete 1a-1j.*

  - a.  Yes  No Will the applicant transport marijuana/cannabis living plants to other business?
  - b.  Yes  No Will the applicant transport harvested, processed, or finished marijuana/cannabis to other business?
  - c.  Yes  No Will the applicant deliver any marijuana/cannabis products directly to the consumer?
  - d.  Yes  No Will the vehicles that transport the applicant's property and/or money and securities from the scheduled premises have an active alarm system? **(MUST BE YES TO QUALIFY)**  
*If yes, does it include LoJack or some other tracking service?  Yes  No*
  - e.  Yes  No Are drivers allowed to make personal stops when transporting goods?
  - f.  Yes  No Are drivers allowed to take any cannabis inventory and/or money home?
  - g.  Yes  No Does the applicant screen/collect DMV records from all drivers? **(MUST BE YES TO QUALIFY)**

- h.  Yes  No Does the applicant allow any firearms or weapons in the vehicles?
- i.  Yes  No Does the applicant have a lock box that is bolted to all vehicles? **(MUST BE YES TO QUALIFY)**
- j.  Yes  No Does the applicant provide lifts, ride share or other livery type operations?
2.  Yes  No Equipment Breakdown (excludes plants/marijuana inventory or finished stock) **\*\*SUBJECT TO APPROVAL\*\***

**Section 4: Product Liability** Check box if you want to decline product liability at this time

1.  Yes  No Does the applicant maintain daily written records of all cannabis, CBD, hemp and inventory of non-cannabis products, including purchase date, type of product, purchase price and who it was purchased from?
2.  Yes  No Does the applicant have a quality assurance/product recall plan in place?
3.  Yes  No Does the applicant test 100% of the cannabis, CBD, and hemp products prior to distribution?  
If yes, does the applicant perform their own testing?  Yes  No  
If no, provide name of the testing laboratory they are contracted with.  
Lab Name: MCR Labs
4.  Yes  No Does the applicant test 100% of all products manufactured for any level of gas/solvent residue?  
If yes, will the applicant destroy 100% of the products found with unsafe gas residue(s)?  Yes  No
5.  Yes  No Does the applicant use software to track sales and pertinent transaction data such as who, when and what was purchased?
6.  Yes  No Will the applicant follow to the best of their abilities all Consumer Product Safety Commission regulations as it would pertain to the withdrawal and/or recall of defective products?
7.  Yes  No Does the applicant have a communication and complaint handling procedure?
8.  Yes  No Does the applicant know of any products that were either voluntarily or mandatory recalled/withdrawn in the past 5 years?  
If yes, please provide the total number of recalls/withdrawals the applicant has had in the past 5 years?  
# \_\_\_\_\_ Voluntarily # \_\_\_\_\_ Mandatory
9. **If there are retail operations for this applicant, please complete 9a-9b.**
- a.  Yes  No Does the applicant require each supplier to have their products tested?
- b.  Yes  No Does the applicant maintain supplier contracts, records, and invoices for 5 years or more?  
If no, how long does the applicant maintain records? \_\_\_\_\_
10. **If there are cultivation operations for this applicant, please complete 10a-10d.**
- a. What form of pest prevention is the applicant using?  Pesticides  Organic  Other: \_\_\_\_\_  N/A
- b.  Yes  No Does the applicant apply their own pesticides?  
If no, does the applicant get a copy of the contracted company's insurance before any work begins?  Yes  No
- c.  Yes  No Does the applicant follow all state and federal laws with regards to the use, storage, and disposal of pesticides?
- d.  Yes  No Is the applicant aware of any past or current pesticide issues that would result in a loss or claim?

**Product Liability Limits & Endorsements**

- \$100,000 occurrence/\$100,000 aggregate  \$2,000,000 occurrence/\$2,000,000 aggregate
- \$1,000,000 occurrence/\$1,000,000 aggregate  \$3,000,000 occurrence/\$3,000,000 aggregate
- \$1,000,000 occurrence/\$2,000,000 aggregate  \$5,000,000 occurrence/\$5,000,000 aggregate

**Retro Date (NOT AUTOMATICALLY INCLUDED)** Check the box if you want to opt-out of buying retro coverage

- 1 Year Retro Date  2 Year Retro Date  3 Year Retro Date  4 Year Retro Date  5 Year Retro Date

**\*\*If adding retro date, please include the loss runs and premiums for each prior year\*\*****Product Withdrawal Coverage Limits & Deductibles** Check the box if you want to opt-out of product withdrawal

- \$100,000 Max Expense Limits **\*\*Default**  \$250,000 Max Expense Limits
- \$1,000 Deductible **\*\*Default**  \$5,000 Deductible
- \$5,000 Deductible  \$10,000 Deductible
- \$25,000 Deductible

Please complete "Products List" attached or attach a document listing types of products.

**CANNABIS PRODUCT LIST BY TYPE**

- |   |                          |
|---|--------------------------|
| <input checked="" type="checkbox"/> Cannabis Flower | Other: <u>Hash Rosin</u> |
| <input checked="" type="checkbox"/> Pre-Rolls       | Other: _____             |
| <input type="checkbox"/> Edibles                    | Other: _____             |
| <input type="checkbox"/> Topical                    | Other: _____             |

**NON-CANNABIS PRODUCT BY TYPE ACCESSORIES OR MERCHANDISE**

- |  |  |  |  |
|--|--|--|--|
| <input type="checkbox"/> Ash Trays           | <input type="checkbox"/> Blunt Wraps     | <input type="checkbox"/> Vape Battery Chargers | <input type="checkbox"/> Cones         |
| <input type="checkbox"/> Dab Rings           | <input type="checkbox"/> Dab Tools       | <input type="checkbox"/> Bong Wash             | <input type="checkbox"/> Grinders      |
| <input type="checkbox"/> Batteries           | <input type="checkbox"/> Joint Paper     | <input type="checkbox"/> Vape Equipment        | <input type="checkbox"/> Joint Rollers |
| <input type="checkbox"/> Joint Rolling Trays | <input type="checkbox"/> Lighter Holders | <input type="checkbox"/> Roach Clips           | <input type="checkbox"/> Screens       |
| <input type="checkbox"/> Torch Lighters      | <input type="checkbox"/> Other: _____    | <input type="checkbox"/> Other: _____          | <input type="checkbox"/> Other: _____  |

Vape cartridges/pens (equipment and accessories) is manufactured or distributed by which kind of vendor:

- Domestic  Foreign

Section 5: Additional Insureds		<input type="checkbox"/> Check box if there are NO additional insureds needed at this time and skip section 5
<input type="checkbox"/> General Liability	<input type="checkbox"/> Property	<input type="checkbox"/> Product Liability
Additional Insured ( <b>Check ONE</b> )		
<input type="checkbox"/> Landlord	<input type="checkbox"/> Loss Payee	<input type="checkbox"/> Governmental Agency
<input type="checkbox"/> Single Vendor (products)	<input type="checkbox"/> Blanket Vendor (products)	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Waiver of Subrogation ( <b>must be required by contract</b> )		
<input type="checkbox"/> Primary/Non-Contributory Wording ( <b>must be required by contract</b> )		
Location/BLDG # _____ / _____ Name: _____		
Mailing Address: _____ City: _____ State: _____ Zip Code: _____		
<input type="checkbox"/> General Liability	<input type="checkbox"/> Property	<input type="checkbox"/> Product Liability
Additional Insured ( <b>Check ONE</b> )		
<input type="checkbox"/> Landlord	<input type="checkbox"/> Loss Payee	<input type="checkbox"/> Governmental Agency
<input type="checkbox"/> Single Vendor (products)	<input type="checkbox"/> Blanket Vendor (products)	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Waiver of Subrogation ( <b>must be required by contract</b> )		
<input type="checkbox"/> Primary/Non-Contributory Wording ( <b>must be required by contract</b> )		
Location/BLDG # _____ / _____ Name: _____		
Mailing Address: _____ City: _____ State: _____ Zip Code: _____		
<input type="checkbox"/> General Liability	<input type="checkbox"/> Property	<input type="checkbox"/> Product Liability
Additional Insured ( <b>Check ONE</b> )		
<input type="checkbox"/> Landlord	<input type="checkbox"/> Loss Payee	<input type="checkbox"/> Governmental Agency
<input type="checkbox"/> Single Vendor (products)	<input type="checkbox"/> Blanket Vendor (products)	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Waiver of Subrogation ( <b>must be required by contract</b> )		
<input type="checkbox"/> Primary/Non-Contributory Wording ( <b>must be required by contract</b> )		
Location/BLDG # _____ / _____ Name: _____		
Mailing Address: _____ City: _____ State: _____ Zip Code: _____		

**Enforcement of the Controlled Substance Act (CANNABIS RISKS ONLY)**

- |    |   |  |
|----|---|--|
| 1. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Does the applicant prevent the distribution of marijuana/cannabis to minors?   |
| 2. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Does the applicant prevent the revenue from sale of marijuana/cannabis from going to criminal enterprises?   |
| 3. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Does the applicant prevent possible diversion of marijuana/cannabis from states where medicinal and/or recreational use of cannabis products is legal under state law to states where medicinal and/or recreational use of cannabis products is not legal under state law? |
| 4. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Does the applicant prevent the use of state-authorized marijuana/cannabis activity as a cover or pretext for the trafficking of other illegal drugs or other illegal activity?   |
| 5. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Does the applicant have a program or safeguards in place to prevent violence and the use of firearms in the cultivation and distribution of marijuana/cannabis?  |
| 6. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Does the applicant prevent drugged driving or other possibly adverse public health consequences associated with marijuana/cannabis use?  |
| 7. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Does the applicant either grow or purchase marijuana/cannabis grown on public lands?   |
| 8. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Does the applicant prevent the possession or use of their product on federal property?   |

**Important Property and Crop Warranties, Safeguards, and Definitions****LOCKED SAFE WARRANTY - "MARIJUANA INVENTORY"**

All "Marijuana Inventory" items are to be kept locked in a safe or a vault room at all times during business and non-business hours except for "Marijuana Inventory" on display during business hours.

It is further warranted that any safe used to house "Marijuana Inventory" will meet the following requirements:

1. All safes must have a 1-hour fire rating
2. For safes under 400 pounds:
  - a. If the "Marijuana Inventory" limit is greater than \$100,000 the safe must be bolted to the floor
  - b. If the "Marijuana Inventory" limit is greater than \$500,000 a Central Station Fire Alarm must be connected and operational to the safe
3. For safes from 400 to 600 pounds:
  - a. If the "Marijuana Inventory" limit is greater than \$250,000 the safe must be bolted to the floor
  - b. If the "Marijuana Inventory" limit is greater than \$500,000 a Central Station Fire Alarm must be connected and operational to the safe
4. For safes over 600 pounds:
  - a. If the "Marijuana Inventory" limit is greater than \$1,000,000 a Central Station Fire Alarm must be connected and operational to the safe

**VAULT WARRANTY - "MARIJUANA INVENTORY"**

It is warranted that if a vault room or steel container is located within the building it will meet the requirements as indicated in MMD 00 00 01 19 Definition of a Vault.

**CENTRAL STATION FIRE ALARM – SAFEGUARD REQUIREMENT**

Protecting the entire building and that is connected to a central station reporting to a public or private fire alarm station.

**CENTRAL STATION BURGLAR ALARM – SAFEGUARD REQUIREMENT**

1. To cover all openings in the insured's premises
2. Motion detectors in all areas with the exception of living plant areas
3. Alarm must be in the "on" position during all non-working hours and/or whenever the insured's premises are unoccupied.

**SECURITY CAMERA'S – SAFEGUARD REQUIREMENT**

1. All security cameras must be recording, and all records must be backed up and retained for a minimum of 14 days
2. Interior Cameras monitoring the following:

- a. All doors and windows providing a means of egress into the building
  - b. Display counters
  - c. Exterior and interior of safe rooms, if on the premises
  - d. Exterior and interior of all vault rooms, if on the premises
  - e. Harvesting and trimming rooms, if on the premises
3. Exterior Cameras monitoring all means of egress to the building and the parking lot unless City Ordinances or laws prohibit monitoring of this are

### **CROP, MARIJUANA INVENTORY, AND STOCK DEFINITIONS**

1. "Crop" means living plants grown for food, drugs, fibers, rubber, wood, or other purpose at any stage of life cycle and includes the following:
  - a. Live cannabaceae plant materials at any stage of life cycle, including but not limited to seeds, immature seedlings, plants in the vegetative growth state, unharvested buds and mature flowering plants rooted in growing medium; and
  - b. Cannabaceae plants, including any part or component of the plant, no longer in the growing medium which are in the process of being dried; or
  - c. Mature cannabaceae plant material, including any part or component of the plant, no longer in the growing medium which has been completed the drying process and is ready for sale.

"Crop" does not include Cannabaceae plants that have completed the drying process but are retained by you for further processing, extracting, refining, or manufacturing operations.

"Crop" also does not include plant material, including any part or component of the plant, no longer in the growing medium which is purchased by you for the purpose of manufacturing.

2. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping. "Stock" does not include "crop" or "marijuana inventory".
3. "Marijuana Inventory" means finished marijuana stock and products containing marijuana and/or its derivatives defined as any component of the cannabaceae family containing a tetrahydrocannabinol (THC) level of more than 0.3 percent on a dry weight basis. "Marijuana inventory" does not include "crop".

### **Disclosures/Warranties/Acknowledgements**

#### **Fire and Theft losses of property may be excluded if:**

- a. The Central Station Alarm System is not active during non-business hours. (All doors and windows must be connected to the central station alarm system).
- b. The Video Surveillance System is not recording and backing up for 14 days prior to the loss.
- c. The seeds, finished marijuana stock/inventory, money and securities are outside the safe during non-business hours.
- d. The minimum safe and or vault requirements have not been met at the time of the loss.
- e. The building is over 20 years old and no updates have been done in the last 20 years.
- f. The safe or vault does not have a 1-hour fire rating. Fire will be excluded unless 100% covered by fire sprinklers.
- g. All Vaults must be approved in writing by the underwriter.

#### **All Cultivation Operations are required to warrant both of the following:**

- I have used, or will use, a licensed, insured contractor for all electrical work at my grow facility.
- I have had, or will have within 30 days of my insurance effective date, all the wiring inspected by a licensed, insured contractor at my grow facility.

FRAUD WARNING: Applicable in CO: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable

from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies. Applicable in AL, AR, DC, LA, MD, NM, RI and WV: Any person who knowingly (or willfully)\* presents a false or fraudulent claim for payment of a loss or benefit or knowingly (or willfully)\* presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. \*Applies in MD Only. Applicable in FL and OK: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (of the third degree) \*. \*Applies in FL Only. Applicable in KS: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act. Applicable in KY, NY, OH and PA: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties (not to exceed five thousand dollars and the stated value of the claim for each such violation)\*. \*Applies in NY Only. Applicable in ME, TN, VA and WA: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties (may)\* include imprisonment, fines and denial of insurance benefits. \*Applies in ME Only. Applicable in NJ: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil Penalties. Applicable in OR: Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law. Applicable in PR: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

**Other Conditions:** Questions and information provided in this application will become part of the policy of insurance if issued. Other Terms, Conditions and Coverages will be included as part of any insurance policy issued by the insurance company. Those Terms, Conditions and Coverages may differ from what is requested in this application.

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

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

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

**THIS APPLICATION MUST BE SIGNED BY APPLICANT AT BINDING AND DATED WITHIN 10 DAYS OF INCEPTION DATE. SIGNING THIS FORM DOES NOT BIND THE COMPANY TO COMPLETE THE INSURANCE AS COVERAGE BECOMES EFFECTIVE ONLY WHEN ACCEPTED BY THE INSURANCE COMPANY.**

**Applicant Section:**

DocuSigned by:  
Erin Plumb  
Authorized Applicant Signature

3/16/2023  
Date Signed

Manager  
Title

Erin Plumb  
Name

267-629-0290  
Phone Number

3/16/2023  
Requested Effective Date

**Broker Section:**

\_\_\_\_\_  
Signature of Broker

\_\_\_\_\_  
Name of Broker

\_\_\_\_\_  
Name of Firm



# WORKERS COMPENSATION APPLICATION

DATE (MM/DD/YYYY)  
02/01/2023

<b>AGENCY NAME AND ADDRESS</b> C & S Insurance Agency, Inc. 190 Chauncy St  Mansfield MA 02048		<b>COMPANY:</b> Maine Employers' Mutual Ins Co (MEMIC)	
		<b>UNDERWRITER:</b>	
<b>PRODUCER NAME:</b> Anna Seymour CS REPRESENTATIVE NAME: Anna Seymour OFFICE PHONE (A/C, No, Ext): (508) 339-2951 MOBILE PHONE: FAX (A/C, No): (508) 339-4811 E-MAIL ADDRESS: accounting@candsins.com CODE: SUB CODE: AGENCY CUSTOMER ID: 00039193		<b>APPLICANT NAME:</b> Milkmen Cultivation LLC	
		<b>OFFICE PHONE:</b> <b>MOBILE PHONE:</b>	
MA 02048		<b>MAILING ADDRESS (including ZIP + 4 or Canadian Postal Code)</b> 75 Green Street Suite 3 Clinton MA 01510	
		<b>YRS IN BUS:</b> 2 <b>SIC:</b> 0181 <b>NAICS:</b> 111422 <b>WEBSITE ADDRESS:</b>	
<b>E-MAIL ADDRESS:</b> erin@milkmen cannabis.com		SOLE PROPRIETOR <input type="checkbox"/> CORPORATION <input checked="" type="checkbox"/> LLC <input type="checkbox"/> TRUST <input type="checkbox"/> UNINCORPORATED ASSOCIATION <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> SUBCHAPTER "S" CORP <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> OTHER: <input type="checkbox"/>	
<b>CREDIT BUREAU NAME:</b>		<b>ID NUMBER:</b>	
<b>FEDERAL EMPLOYER ID NUMBER:</b> 86-2585029		<b>NCCI RISK ID NUMBER:</b>	
<b>OTHER RATING BUREAU ID OR STATE EMPLOYER REGISTRATION NUMBER:</b>		FEDERAL EMPLOYER ID NUMBER: 86-2585029	

<b>STATUS OF SUBMISSION</b> <input checked="" type="checkbox"/> QUOTE <input type="checkbox"/> ISSUE POLICY <input type="checkbox"/> BOUND (Give date and/or attach copy) <input type="checkbox"/> ASSIGNED RISK (Attach ACORD 133)		<b>BILLING / AUDIT INFORMATION</b> <b>BILLING PLAN</b> <input type="checkbox"/> AGENCY BILL <input checked="" type="checkbox"/> DIRECT BILL		<b>PAYMENT PLAN</b> <input type="checkbox"/> ANNUAL <input type="checkbox"/> <input type="checkbox"/> SEMI-ANNUAL <input type="checkbox"/> QUARTERLY % DOWN:		<b>AUDIT</b> <input type="checkbox"/> AT EXPIRATION <input type="checkbox"/> MONTHLY <input type="checkbox"/> SEMI-ANNUAL <input type="checkbox"/> <input type="checkbox"/> QUARTERLY	
--	--	--	--	---	--	--	--

LOC #	HIGHEST FLOOR	STREET, CITY, COUNTY, STATE, ZIP CODE
1		75 Green Street Suite 3 Clinton MA 01510

<b>PROPOSED EFF DATE:</b> 03/16/2023		<b>PROPOSED EXP DATE:</b> 03/16/2024		<b>RATING EFFECTIVE DATE (if applicable):</b>		<b>ANNIVERSARY RATING DATE (if applicable):</b>		PARTICIPATING <input type="checkbox"/> NON-PARTICIPATING <input type="checkbox"/>		<b>RETRO PLAN</b>	
<b>PART 1 - WORKERS COMPENSATION (States)</b> MA		<b>PART 2 - EMPLOYER'S LIABILITY</b> \$ 1,000,000 EACH ACCIDENT \$ 1,000,000 DISEASE-POLICY LIMIT \$ 1,000,000 DISEASE-EACH EMPLOYEE		<b>PART 3 - OTHER STATES INS</b>		<b>DEDUCTIBLES (N / A in WI)</b> <input type="checkbox"/> MEDICAL <input type="checkbox"/> INDEMNITY		<b>AMOUNT / % (N / A in WI)</b>		<b>OTHER COVERAGES</b> <input type="checkbox"/> U.S.L. & H. VOLUNTARY COMP <input type="checkbox"/> FOREIGN COV <input type="checkbox"/> MANAGED CARE OPTION	
<b>DIVIDEND PLAN/SAFETY GROUP</b>		<b>ADDITIONAL COMPANY INFORMATION</b>									
SPECIFY ADDITIONAL COVERAGES / ENDORSEMENTS (Attach ACORD 101, Additional Remarks Schedule, if more space is required)											

<b>TOTAL ESTIMATED ANNUAL PREMIUM - ALL STATES</b>		
TOTAL ESTIMATED ANNUAL PREMIUM ALL STATES \$	TOTAL MINIMUM PREMIUM ALL STATES \$	TOTAL DEPOSIT PREMIUM ALL STATES \$

CONTACT INFORMATION				
TYPE	NAME	OFFICE PHONE	MOBILE PHONE	E-MAIL
INSPECTION				
ACCTNG RECORD	Erin Plumb			erin@milkmen cannabis.com
CLAIMS INFO				

INDIVIDUALS INCLUDED / EXCLUDED									
PARTNERS, OFFICERS, RELATIVES ( Must be employed by business operations) TO BE INCLUDED OR EXCLUDED (Remuneration/Payroll to be included must be part of rating information section.) Exclusions in Missouri must meet the requirements of Section 287.090 RSMo.									
STATE	LOC #	NAME	DATE OF BIRTH	TITLE/ RELATIONSHIP	OWNER-SHIP %	DUTIES	INC/EXC	CLASS CODE	REMUNERATION/PAYROLL



**PRIOR CARRIER INFORMATION / LOSS HISTORY**

PROVIDE INFORMATION FOR THE PAST 5 YEARS AND USE THE REMARKS SECTION FOR LOSS DETAILS						LOSS RUN ATTACHED
YEAR	CARRIER & POLICY NUMBER	ANNUAL PREMIUM	MOD	# CLAIMS	AMOUNT PAID	RESERVE
	CO:					
	POL #:					
	CO:					
	POL #:					
	CO:					
	POL #:					
	CO:					
	POL #:					

**NATURE OF BUSINESS / DESCRIPTION OF OPERATIONS**

GIVE COMMENTS AND DESCRIPTIONS OF BUSINESS, OPERATIONS AND PRODUCTS: MANUFACTURING - RAW MATERIALS, PROCESSES, PRODUCT, EQUIPMENT; CONTRACTOR - TYPE OF WORK, SUB-CONTRACTS; MERCANTILE - MERCHANDISE, CUSTOMERS, DELIVERIES; SERVICE - TYPE, LOCATION; FARM - ACREAGE, ANIMALS, MACHINERY, SUB-CONTRACTS.

Cannabis Cultivation and Packaging (no extraction, no manufacturing)

**GENERAL INFORMATION**

EXPLAIN ALL "YES" RESPONSES	Y / N
1. DOES APPLICANT OWN, OPERATE OR LEASE AIRCRAFT / WATERCRAFT?	N
2. DO / HAVE PAST, PRESENT OR DISCONTINUED OPERATIONS INVOLVE(D) STORING, TREATING, DISCHARGING, APPLYING, DISPOSING, OR TRANSPORTING OF HAZARDOUS MATERIAL? (e.g. landfills, wastes, fuel tanks, etc)	N
3. ANY WORK PERFORMED UNDERGROUND OR ABOVE 15 FEET?	N
4. ANY WORK PERFORMED ON BARGES, VESSELS, DOCKS, BRIDGE OVER WATER?	N
5. IS APPLICANT ENGAGED IN ANY OTHER TYPE OF BUSINESS?	N
6. ARE SUB-CONTRACTORS USED? (If "YES", give % of work subcontracted)	N
7. ANY WORK SUBLET WITHOUT CERTIFICATES OF INSURANCE? (If "YES", payroll for this work must be included in the State Rating Worksheet on Page 2)	N
8. IS A WRITTEN SAFETY PROGRAM IN OPERATION?	Y
9. ANY GROUP TRANSPORTATION PROVIDED?	N
10. ANY EMPLOYEES UNDER 16 OR OVER 60 YEARS OF AGE?	N
11. ANY SEASONAL EMPLOYEES?	N
12. IS THERE ANY VOLUNTEER OR DONATED LABOR? (If "YES", please specify)	N
13. ANY EMPLOYEES WITH PHYSICAL HANDICAPS?	N
14. DO EMPLOYEES TRAVEL OUT OF STATE? (If "YES", indicate state(s) of travel and frequency)	N
15. ARE ATHLETIC TEAMS SPONSORED?	N
16. ARE PHYSICALS REQUIRED AFTER OFFERS OF EMPLOYMENT ARE MADE?	N

**GENERAL INFORMATION (continued)**

EXPLAIN ALL "YES" RESPONSES	Y / N
17. ANY OTHER INSURANCE WITH THIS INSURER?	N
18. ANY PRIOR COVERAGE DECLINED / CANCELLED / NON-RENEWED IN THE LAST THREE (3) YEARS? (Missouri Applicants - Do not answer this question)	N
19. ARE EMPLOYEE HEALTH PLANS PROVIDED?	N
20. DO ANY EMPLOYEES PERFORM WORK FOR OTHER BUSINESSES OR SUBSIDIARIES?	N
21. DO YOU LEASE EMPLOYEES TO OR FROM OTHER EMPLOYERS?	N
22. DO ANY EMPLOYEES PREDOMINANTLY WORK AT HOME? If "YES", # of Employees: _____	N
23. ANY TAX LIENS OR BANKRUPTCY WITHIN THE LAST FIVE (5) YEARS? (If "YES", please specify)	N
24. ANY UNDISPUTED AND UNPAID WORKERS COMPENSATION PREMIUM DUE FROM YOU OR ANY COMMONLY MANAGED OR OWNED ENTERPRISES? IF YES, EXPLAIN INCLUDING ENTITY NAME(S) AND POLICY NUMBER(S).	N

**SIGNATURE**

Copy of the Notice of Information Practices (Privacy) has been given to the applicant. (Not required in all states, contact your agent or broker for your state's requirements.)

PERSONAL INFORMATION ABOUT YOU, INCLUDING INFORMATION FROM A CREDIT OR OTHER INVESTIGATIVE REPORT, MAY BE COLLECTED FROM PERSONS OTHER THAN YOU IN CONNECTION WITH THIS APPLICATION FOR INSURANCE AND SUBSEQUENT AMENDMENTS AND RENEWALS. SUCH INFORMATION AS WELL AS OTHER PERSONAL AND PRIVILEGED INFORMATION COLLECTED BY US OR OUR AGENTS MAY IN CERTAIN CIRCUMSTANCES BE DISCLOSED TO THIRD PARTIES WITHOUT YOUR AUTHORIZATION. CREDIT SCORING INFORMATION MAY BE USED TO HELP DETERMINE EITHER YOUR ELIGIBILITY FOR INSURANCE OR THE PREMIUM YOU WILL BE CHARGED. WE MAY USE A THIRD PARTY IN CONNECTION WITH THE DEVELOPMENT OF YOUR SCORE. YOU MAY HAVE THE RIGHT TO REVIEW YOUR PERSONAL INFORMATION IN OUR FILES AND REQUEST CORRECTION OF ANY INACCURACIES. YOU MAY ALSO HAVE THE RIGHT TO REQUEST IN WRITING THAT WE CONSIDER EXTRAORDINARY LIFE CIRCUMSTANCES IN CONNECTION WITH THE DEVELOPMENT OF YOUR CREDIT SCORE. THESE RIGHTS MAY BE LIMITED IN SOME STATES. PLEASE CONTACT YOUR AGENT OR BROKER TO LEARN HOW THESE RIGHTS MAY APPLY IN YOUR STATE OR FOR INSTRUCTIONS ON HOW TO SUBMIT A REQUEST TO US FOR A MORE DETAILED DESCRIPTION OF YOUR RIGHTS AND OUR PRACTICES REGARDING PERSONAL INFORMATION. (Not applicable in AZ, CA, DE, KS, MA, MN, ND, NY, OR, VA, or WV. Specific ACORD 38s are available for applicants in these states.) (Applicant's Initials): \_\_\_\_\_

**Applicable in AL, AR, DC, LA, MD, NM, RI and WV:** Any person who knowingly (or willfully)\* presents a false or fraudulent claim for payment of a loss or benefit or knowingly (or willfully)\* presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. \*Applies in MD Only.

**Applicable in CO:** It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

**Applicable in FL and OK:** Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (of the third degree)\*. \*Applies in FL Only.

**Applicable in KS:** Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

**Applicable in KY, NY, OH and PA:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties (not to exceed five thousand dollars and the stated value of the claim for each such violation)\*. \*Applies in NY Only.

**Applicable in ME, TN, VA and WA:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties (may)\* include imprisonment, fines and denial of insurance benefits. \*Applies in ME Only.

**Applicable in NJ:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**Applicable in OR:** Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

**Applicable in PR:** Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

**Applicable in UT:** Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.

THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF THE APPLICANT AND REPRESENTS THAT REASONABLE INQUIRY HAS BEEN MADE TO OBTAIN THE ANSWERS TO QUESTIONS ON THIS APPLICATION. HE/SHE REPRESENTS THAT THE ANSWERS ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF HIS/HER KNOWLEDGE.

APPLICANT'S SIGNATURE (Must be Officer, Owner or Partner) <i>Erin Plumb</i>	DATE 3/16/2023	PRODUCER'S SIGNATURE <i>[Signature]</i>	NATIONAL PRODUCER NUMBER
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# Comp-As-You-Go Pay Plan



## Insured Intent Form/Agreement

### POLICYHOLDER INFORMATION

**Agent/New Business:** Send this completed/signed form (in lieu of the standard 25% deposit) along with all required submission documents to MEMIC Underwriting per your standard practice.

**Switching to CAYG upon Renewal:** Return completed/signed Insured Intent Form three weeks prior to renewal date.

INSURED NAME Milkmen Cultivation LLC		POLICY EFFECTIVE DATE 3/16/2023	
POLICY OR QUOTE NUMBER Quote # WCV5301629		ESTIMATED ANNUAL PREMIUM \$6,447	
AGENCY C&S Insurance Agency, Inc.		* INSURED CONTACT NAME Erin Plumb	
PAYROLL SYSTEM OR COMPANY wurk	EXT	* INSURED PHONE 267 629 0290	EXT
PAYROLL FREQUENCY (PLEASE CHECK ONE) <input type="checkbox"/> Weekly <input checked="" type="checkbox"/> Bi-Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> 2X Monthly			
FIRST EXPECTED PAYROLL CHECK DATE WITHIN POLICY TERM 4/1/23		(* MANDATORY FIELDS)	

As the authorized representative for the Insured listed above, I choose to enroll in MEMIC's Comp-As-You-Go premium payment plan. By signing this form, under the terms of the Agreement, my company is not required to provide a premium deposit to MEMIC if all conditions outlined below are met. As a participant in this plan, I understand the following:

**NOTE: Participants MUST have access to a computer and email in order to be eligible for this pay plan.**

- In order to participate in the Comp-As-You-Go pay plan, I must complete my account setup with MEMIC within five business days of the requested policy effective date or policy issuance date, whichever is earlier.
- A MEMIC representative will contact person (a) below to complete the account setup process. If (A) cannot be reached in a reasonable period, (B) will be contacted. The following information will be required for setup:

COMPUTER ACCESS  PAYROLL FILE/RECORDS  BANKING INFORMATION  EMPLOYEE LIST  PAYROLL SCHEDULE

<b>A</b>	PRINTED NAME Erin Plumb	<b>B</b>	PRINTED NAME
	TITLE Manager		TITLE
	INSURED PHONE 267 629 0290		INSURED PHONE
	EXT		EXT

- If I do not execute the account setup within the five day time period, my policy will be converted to a standard four-payment plan.
- It is the responsibility of my organization to provide MEMIC with the required payroll information within the designated time periods and failure to provide this information will result in either cancellation of my policy or conversion to a standard four-payment plan, in accordance with the terms of the insurance policy and applicable state law.
- If I do not execute the account setup within the five day time period, my policy will be converted to a standard four-payment plan. It is the responsibility of my organization to provide MEMIC with the required payroll information within the designated time periods and failure to provide this information will result in either cancellation of my policy or conversion to a standard four-payment plan, in accordance with the terms of the insurance policy and applicable state law.
- I understand that nonreporting of payroll information or any nonpayment of expected premium will result in either cancellation of my policy or conversion to a standard four-payment plan, in accordance with the terms of the insurance policy and applicable state law.
- My policy will be subject to premium audit at policy expiration per the policy contract. MEMIC will bill or refund any adjusted premium directly to the named insured (outside of the Comp-As-You-Go system).

**NOTE TO INSURED:** The insurance policy is a contract of insurance between you and MEMIC and you are responsible for all payments of premium. Any communication failure between you and any third party (such as a payroll company if you use one) does not involve MEMIC. If MEMIC does not receive appropriate payment, the policy will be canceled or converted to a standard four-payment plan under the terms of the insurance policy and applicable state law.

INSURED SIGNATURE 	DATE 3/16/2023	PRODUCER SIGNATURE 	DATE 3/15/2023
NAME OF PERSON SIGNING (PLEASE PRINT) Erin Plumb		PRODUCER NAME AND AGENCY (PLEASE PRINT) Anna Seymour / C&S Insurance Agency, Inc.	



# Comp-As-You-Go *Pay Plan*



## Insured Intent Form/Agreement

Welcome to the MEMIC Comp-As-You-Go (CAYG) program! Please expect a welcome call from a MEMIC representative as soon as your policy is issued. The purpose of the call is to customize your CAYG portal and to obtain data regarding your payroll, employees, and their classifications to ensure proper premium payments. In order to make the welcome call as quick and easy as possible, make sure you have the following information available:

### WELCOME CHECKLIST

- Access to a computer and email
- Name and email address for user(s) of the CAYG system, including the person who will provide the Bank Account information and ACH transaction authorization
- A sample of the file you will submit with your payroll data (Excel, QuickBooks, file from your Payroll Company, and so on)
- Owner/Officer/Other – names, titles, and whether they are included or excluded on the policy
- For policies with multiple classification codes - a list of all employees with a brief description of their duties and/or class code.

### IMPORTANT NOTE

Policyholders MUST HAVE access to a computer and email in order to be eligible for this pay plan. Your account set up, all payment notifications, and reminder notices are sent via email. If you do not have computer access and email, you CANNOT participate in this payment plan.

### SUPPORT

For assistance with your plan, contact MEMIC's Toll-Free Helpline (800) 660-1306 and ask for Comp-As-You-Go, call Local Direct at (207) 791-3500, or email [cayg@memic.com](mailto:cayg@memic.com).

**[WWW.MEMIC.COM/CAYG](http://WWW.MEMIC.COM/CAYG)**

## POLICYHOLDERS: KEEP THIS PAGE FOR REFERENCE

### AS A PARTICIPANT I UNDERSTAND

In order to participate in the Comp-As-You-Go pay plan, I must complete my account setup with MEMIC within five business days of the requested policy effective date or policy issuance date, whichever is earlier.

If I do not execute the account setup within the five day time period, my policy will be converted to a standard four-payment plan and a 25% deposit will be payable to MEMIC, due on the policy effective date.

It is the responsibility of my organization to provide MEMIC with the required payroll information within the designated time periods; failure to provide this information will result in cancellation of my policy or conversion to a standard four-payment plan under the terms of the insurance policy and applicable state law.

If my company does not generate payroll during an expected period, my company must notify MEMIC that no payment will be made for the expected period. If we fail to notify MEMIC of the no-payroll pay-period, it will result in cancellation of my policy or conversion to a standard four-payment plan under the terms of the insurance policy and applicable state law.

I understand that nonreporting of payroll information or any nonpayment of expected premium will result in cancellation of my policy or conversion to a standard four-payment plan under the terms of the insurance policy and applicable state law.

**My policy will be subject to premium audit at policy expiration per the policy contract. MEMIC will bill or refund any adjusted premium directly to the named insured (outside of the Comp-As-You-Go system).**

NOTE TO INSURED: The insurance policy is a contract of insurance between you and MEMIC and you are responsible for all payments of premium. Any communication failure between you and any third party (such as a payroll company if you use one) does not involve MEMIC. If MEMIC does not receive appropriate payment, the policy will be canceled or converted to a standard four-payment plan under the terms of the insurance policy and applicable state law.

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM  
INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, (the “Act”), you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*: The term “act of terrorism” means any act that is certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Coverage under your policy may be affected as follows:

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE ACT, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS’ LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

**Acceptance or Rejection of Terrorism Insurance Coverage**

<input type="checkbox"/>	I hereby elect to purchase terrorism coverage, subject to the limitations of the Act, for acts of terrorism as defined in the Act, for a prospective premium of <u>\$250.00</u>
<input checked="" type="checkbox"/>	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

DocuSigned by:  
*Erin Plumb*  
2B0C0D35395F4D4...  
Policyholder/Applicant’s Signature

Admiral Insurance Company  
Insurance Company

Erin Plumb  
Print Name

\_\_\_\_\_  
Policy Number

3/16/2023  
Date

Form BR-7

**AFFIDAVIT BY ASSURED**

Affidavit # 20 \_\_\_\_\_

I/We Milkmen Cannabis of Clinton, MA do hereby state that in March, 2023, I/We directed C & S Insurance Agency Inc 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 Erin Plumb DocuSigned by: 2B0C0D35395F4D4...  
 Date: 3/16/2023

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

Name of Insured Milkmen Cultivation LLC Address \_\_\_\_\_  
 Location of Property 75 Green Street, Suite 3, Clinton, MA 01510  
 Description: \_\_\_\_\_  
 Coverage: Commercial General Liability  
 Limit: 1,000,000/\$2,000,000 Premium \$5,000

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

License # 8166724 Signature  Date 3/15/2023  
DocuSigned by: BA055745C200435...

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**

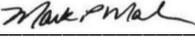
I, Mark Maher of Jencap Specialty Insurance Services Inc. in said county of Nassau, NY depose and say that I was engaged directly by the Assured named herein or informed by the Assured's Insurance licensed Agent/Broker that after diligent efforts, he/she is unable to procure in companies admitted to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

Company	NAIC#	Policy #	Premium
<u>Admiral Insurance Company</u>	<u>24856</u>	_____	<u>\$5,000.00</u>
_____	_____	_____	_____

Amendments to Affidavit: ( ) Increase ( ) Decrease

\_\_\_\_\_  
\_\_\_\_\_

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

License # 18525660 Signature  Date \_\_\_\_\_

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

Form BR-7

AFFIDAVIT BY ASSURED

Affidavit # 20 \_\_\_\_\_

I/We Erin Plumb of Milkmen Cultivation LLC do hereby state that in March, 2023, I/We directed C&S Insurance Agency, Inc. 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.*

DocuSigned by:  
 Signature by Assured Erin Plumb  
 Print Name Erin Plumb 2B0C0D35395F4D4...  
 Date: 3/16/2023

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

Name of Insured Milkmen Cultivation LLC Address 75 Green Street, Suite 3, Clinton, MA 01510  
 Location of Property 75 Green Street, Suite 3, Clinton, MA 01510  
 Description: Cannabis Cultivation and Processing  
 Coverage: Property  
 Limit: \$750,000 Premium \$2,768

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

DocuSigned by:  
 License # 8166724 Signature [Signature] Date 3/15/2023  
 BA055745C200435...

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

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

Amendments to Affidavit: ( ) Increase ( ) Decrease

_____	_____	_____	_____
_____	_____	_____	_____

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

License # 1976837 Signature [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.

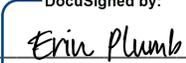
**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM  
INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended (“TRIA”), that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, **as defined in Section 102(1) of the Act, as amended:** The term “act of terrorism” means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, 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. . Any coverage you purchase for “acts of terrorism” shall expire at 12:00 midnight December 31, 2027, the date on which the TRIA Program Extension is scheduled to terminate, or the expiration date of your policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENT. UNDER THIS FORMULA, THE UNITED STATES 80% BEGINNING ON JANUARY 1, 2020; OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A USD100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS’ LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS USD100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED USD100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

	I hereby elect to purchase coverage for acts of terrorism for prospective premium of USD.....
✓	I hereby elect to have coverage for acts of terrorism excluded from my policy. I understand that I will have no coverage for losses arising from acts of terrorism.

DocuSigned by:  
  
2B0C0D35395F4D4...  
Policyholder/Applicant’s Signature

Erin Plumb

Print Name

3/16/2023

Date

\_\_\_\_\_

Policy Number



**SALES AUDIT & PHYSICAL INSPECTION REQUIREMENT/ACKNOWLEDGMENT FORM**

CannGen Insurance Services, through its vendor (Overland Solutions), will conduct an audit for all General and Product Liability policies on an annual basis. Additionally, we will require physical inspections of scheduled locations for which insurance is procured.

**Sales Audit:**

I understand that Overland Solutions will contact me by email and/or by phone to set up a scheduled phone/electronic audit, sometime after the first six (6) months of policy inception, but prior to the expiration of my General and/or Product Liability policy.

**Physical Inspection:**

I understand that Overland Solutions will contact me by email and/or by phone to set up a scheduled time to inspect any/all properties in which insurance is procured. I will comply with the inspector and allow access to any/all properties.

Additionally, I agree to the following:

1. To provide Overland Solutions information on Gross Sales figures, both real and forecasted.
2. To provide any requested supporting documentation regarding Gross Sales by email, phone call, or postal mail.
3. To contact the Overland Solutions to reschedule any audit appointment if I cannot make the agreed date and time.
4. To initiate payment arrangements for any additional premium that may due after the audit is complete.

I authorize Overland Solutions to contact the individual listed below to establish a phone and/or physical appointment for our year-end audit and/or property inspection.

**I understand that a failure to comply with the audit or inspection requirements could result in the cancellation of my insurance policy.**

Contact: Erin Plumb

Title: Manager

Phone: ( 267 ) 629 0290 - \_\_\_\_\_

Email: erin@milkmencannabis.com

Signature:  2B0C0D35395F4D4...

Milkmen Cultivation LLC  
75 Green Street, Suite 3  
Clinton, MA 01510

Date: 3/16/2023

TO: C&S Insurance Insurance Agency / Jencap Specialty Insurance

RE: Property and Liability coverage at 75 Green Street, Suite 3, Clinton, MA 01510

Good Day,

I certify that I am not aware of any claims, losses, accidents, or circumstances that might give risk to a claim for Proerty or General Liability in the past 5 years.

Sincerely,

DocuSigned by:



2B0C0D35395F4D4...

Erin Plumb

Manager, Milkmen Cultivation LLC

Title	Document ID	Revision
Restricting Access to Age 21 and Older	OP-004	01
Effective Date	Approved By	Function
04/14/2021	Erin Plumb	Operations

## 1. Document Purpose

The below policies are to ensure that every person that enters the facility is above the age of 21.

## 2. Scope

All job applicants, employees, contractors, part-time employees, and visitors should abide by the provisions of this policy.

## 3. Background

To prevent unauthorized access to the facility and secure areas within the facility and to ensure the integrity of development of the product.

## 4. Responsibilities

All personnel will be required to be 21 or older. All Managers must ensure all entrants to the facility (personnel and visitors) are positively identified and determined to be 21 or older.

## 5. Procedure

### Maintenance Policy:

During any period security system maintenance that at all compromises its integrity must comply with the following:

1. Full lock down of the facility with no access except for necessary Milkmen employees and security provider's personnel.

### Personnel Policies:

All personnel must abide by the following policies:

1. Any prospective employee must be first interviewed and approved by Managers prior to any governmental processing;

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2. Any approved potential employees must pass a CORI background check;
3. Must be registered through the CCC regulatory process as a Marijuana Agent prior to receiving access credentials to our facility;
1. Personnel must swipe their card and enter their key-code at the exterior door;
2. No personnel may hold the door for another. Each personnel must enter the facility through their own keyswipe and key-code;
3. Personnel may not take any bags, backpacks, purses or other device that may allow theft of product beyond the office or admin area; and,
4. Food or drink may not be taken past the office or admin area.

### Visitor Policy:

All visitors must abide by the following policies:

1. All persons entering the facility must be positively identified with government issued ID;
2. All persons entering must have a purpose for entry and confirmation of age (21+);
3. Any person failing to meet these requirements will be asked to leave and will not be allowed access to the main facility;
4. All persons must sign in and provide the following information regarding their visit: date, name, time of arrival, time of exit, purpose for visit, and organization;
5. The facility personnel escorting the visitor must initial each line as acknowledgement of the above requirements;
6. All persons approved to enter the establishment must be issued a visitors' badge on a lanyard that clearly marks said persons as visitors; and,
7. All persons approved to enter the establishment will be accompanied at all times by personnel of the establishment.

## 6. Prerequisites

No prerequisites

## 7. References

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## 8. Revision History

Revision	Revision Date	Modified By	Description
01	04/14/2021	Chris Brown	Document Initialized
02	04/04/2023	Casey Bachman	Document Reviewed

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Quality Control and Testing	CN-008	01
Effective Date	Approved By	Function
11/15/2020	Erin Plumb	Cultivation

## 1. Document Purpose

The below Quality Control Procedures are to ensure the highest quality of product delivered to our retailers and to comply with all health and safety requirements regarding Marijuana Products.

## 2. Scope

All job applicants, employees, contractors, and part-time employees should abide by the provisions of this policy.

All products leaving the cultivation facility for retail sale should meet or exceed all of the following provisions of this policy.

## 3. Background

To prevent any facility, environmental, surface area, or equipment conditions that would compromise the quality of product and to proactively prevent any compromised product from being sold.

## 4. Responsibilities

Comply with all of the following legal requirements:

[21 CFR Part 110.00](#)

[105 CMR 500](#)

[105 CMR 590](#)

[935 CMR 500:](#)

1. Any Marijuana Establishment Agent whose job includes contact with Marijuana or nonedible Marijuana Products, including cultivation, production, or packaging, is subject to the requirements for food handlers specified in 105 CMR 300.000:

Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements;

2. Any Marijuana Establishment Agent working in direct contact with preparation of Marijuana or nonedible Marijuana Products shall conform to sanitary practices while on duty, including:

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- a. Maintaining adequate personal cleanliness; and
- b. Washing hands thoroughly in an adequate hand-washing area before starting work, and at any other time when hands may have become soiled or contaminated.
3. Hand-washing facilities shall be adequate and convenient and shall be furnished with running water at a suitable temperature. Hand-washing facilities shall be located in the Marijuana Establishment in Production Areas and where good sanitary practices require Employees to wash and sanitize their hands, and shall provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices;
4. There shall be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations;
5. 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);
6. Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately kept clean and in good repair;
7. There shall be adequate safety lighting in all Processing and storage areas, as well as areas where equipment or utensils are cleaned;
8. Buildings, fixtures, and other physical facilities shall be maintained in a sanitary condition;
9. 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 U.S. 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;
10. All toxic items shall be identified, held, and stored in a manner that protects against contamination of Marijuana Products. Toxic items may 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;
11. 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;
12. 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

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the potable and wastewater lines;

13. A Marijuana Establishment shall provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair;

14. Products that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms;

15. 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; and

16. All vehicles and transportation equipment used in the transportation of Marijuana Products or Edibles requiring temperature control for safety shall 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).

Comply with all (employee) hygiene requirements and recommendations per the FDA, CDC: [Disease Prevention](#)

## 5. Procedure

### General Employee Hygiene:

All employees shall conform to sanitary practices while on duty, including:

1. Maintaining adequate personal cleanliness; and
2. Washing hands thoroughly in an adequate hand-washing area before starting work, and at any other time when hands may have become soiled or contaminated.

### Marijuana Handling Requirements:

Our facility shall process the leaves and flowers of the female Marijuana plant only, which shall be:

1. Well cured and free of seeds and stems;
2. Free of dirt, sand, debris, and other foreign matter;
3. Free of contamination by mold, rot, other fungus, pests and bacterial diseases;
4. Prepared and handled on food-grade stainless steel tables with no contact with bare hands; and
5. Packaged in a secure area.

### Marijuana Testing:

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No Marijuana Product, including Marijuana, may be sold or otherwise marketed for adult use that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000. All Marijuana or Marijuana Product to be tested shall comply with 935 CMR 500.160.

All testing shall be handled by a Manager as follows:

1. All finished product of one Batch, plants of the same strain, conditions, and timing, shall be packaged;
2. All handling of the package and product is videotaped and documented;
3. A sample to be tested is taken from each Batch;
4. Batch Samples are documented, labeled, and logged into METRC;
5. A licensed 3rd party transport company will be used in one of our secure loading docks;
6. All Batch Samples are put into a locked container inside the delivery vehicle for transport and be compliant with the Transportation of Marijuana Operating Procedure; and,
7. A licensed 3rd party testing facility will test for everything required under 935 CMR 500.000.
8. Any returned marijuana will be disposed of according to the waste disposal procedure outlined in the security plan.

Procedure for Batch Test Failure:

1. Notification to the Commission of a failed test will occur within 72 hours,
2. Re-test according to the above procedure; and,
3. If secondary test fails we will provide the Commission with a proposed plan of identifying the source of contamination and proposed plan of disposal,
4. Dispose of Marijuana and Marijuana Products according to 935 CMR 500.000.

All testing results must be maintained for a full year.

### Facility Sanitation:

Our facility shall always maintain well-kept, sanitized areas including:

1. Equipment shall be stowed away when not in use;
2. Litter and waste are promptly and properly removed;
3. Floors, walls, and ceilings shall be regularly cleaned;
4. All contact surfaces, including utensils and equipment, shall be frequently cleaned and maintained in sanitary condition.
5. All toxic items will be identified, held, and stored separately from Marijuana Products and in a manner that protects against contamination;

### Product Recalls:

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In the event of distributed product being discovered as hazardous or unsafe to consumers a product recall will be issued. All affected products will be identified plus and minus a 1 week timeframe from the affected batch will be marked as products needing to be recalled. Vendors will be notified of the products purchased that require a recall and there will also be a posting on the company website to alert any consumers that may have purchased the product.

Any product sent to the vendors will be sent back or disposed of at Milkmen Cannabis’s expense.

## 6. Prerequisites

### Facility Requirements:

The facility shall have adequate equipment pursuant to proper sanitation and hygiene, including:

1. Adequate handwashing facilities with potable, suitable temperature, and running water and a sanitary towel service in Production Areas;
2. Readily accessible toilet facilities;
3. Floors, walls, and ceilings shall be washable and moisture resistant;
4. There will be adequate safety lighting throughout the facility;
5. Sufficient space to properly store equipment in a safe and sterile fashion;
6. Controlled air and environmental systems in each product room;
7. A water filtration system; and,
8. Need-based controlled access into each room of the facility.

### Grow Room Quality Control:

The Grow Rooms shall have or use:

1. An exclusive closed loop HVAC system to ensure no outside contaminants;
2. A light and environmental seal to ensure no leaks of light or air;
3. Plants that come from seed or inhouse mothers;
4. Scrubs for employees to use while on duty;
5. Filtered water; and,
6. Sanitized pots and growing equipment for each new grow.

## 7. References

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21 CFR Part 110	<a href="#">Link</a>
105 CMR 500	<a href="#">Link</a>
105 CMR 590	<a href="#">Link</a>
935 CMR 500	<a href="#">Link</a>

## 8. Revision History

Revision	Revision Date	Modified By	Description
01	02/24/2021	Chris Brown	Document Initialized
02	04/04/2023	Casey Bachman	Document Reviewed

Title	Document ID	Revision
Recordkeeping Procedures	OP-010	03
Effective Date	Approved By	Function
11/15/2020	Erin Plumb	Operations

## 1. Document Purpose

This document will outline the information that will be kept and the method by which it will be kept. This document will also include information with respect to the staffing methodology at Milkmen Cannabis.

## 2. Scope

All managers and personnel leaders will use this document for reference in maintaining information.

## 3. Background

To ensure that there is the same level of detail provided to personnel information, and hiring. Also to ensure that information controls are in place to maintain consistency in data storage.

## 4. Responsibilities

It is the responsibility of managers and record keepers to follow the practices outlined here in executing duties related to people management or information keeping.

## 5. Procedure

### Staffing Plan

1. A detailed summary of operating policies and procedures for the Marijuana Establishment which shall include, but not be limited to provisions for:
  - a. Security:
    - i. Visitor logs are kept indefinitely
    - ii. Monthly camera verification forms by the security company are maintained.
    - iii. Camera recordings for 90 days are available at all times.
  - b. Prevention of Diversion;
    - i. Records of personnel hours are kept through the payroll system.
    - ii. Cameras and fob records record movement through the facility.
    - iii. Visitor logs are maintained indefinitely.
  - c. Storage of marijuana;

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- i. METRC records the record of current or past product storage that can be paired to retail sales, etc.
- d. Transportation of marijuana;
  - i. All transport manifests are kept in the business customers' files and can be accessed via METRC.
- e. Inventory procedures – See Storage of Marijuana.
- f. Procedures for quality control and testing of product for potential contaminants, if applicable to license type;
  - i. All test results by strain batch are kept
  - ii. Records of nutrients/additives are in METRC
- g. Personnel policies;
  - i. Personnel reviews, anniversaries, hours/ days worked, compensation, etc. are kept in our payroll records and admin documents.
  - ii. Job positions and Descriptions
  - iii. Org charts will be maintained for each position
  - iv. Actual personnel files are maintained in the secure IT closet.
- h. Maintenance of financial records in accordance with generally accepted accounting principles. See Financial Records SOP

## 2. Maintaining Accuracy

- a. Personnel records will be verified on a yearly basis to ensure that any updates missed are captured.
- b. Product records and financial records will be reconciled on a yearly basis in a comprehensive inventory and financial record audit.

## 3. Record-Keeping

- a. Milkmen’s records are maintained as detailed on the various SOP’s including:
  - i. Operating procedures will be maintained as required by 935 CMR 500.105(1)
  - ii. Marijuana product inventory records will be maintained indefinitely
  - iii. METRC tracking records for all marijuana products as outlined in cultivation procedures.
- b. Personnel records for each marijuana establishment agents shall be maintained for at least 12 months after termination shall at a minimum include the following:
  - i. All materials submitted to the Commission for agent status
  - ii. Documentation of verification of references as applicable
  - iii. Job description or employment contract including the duties, authorities, and supervision
  - iv. Documentation of the required training, including signed statements of the individual indicating the date, time, and place they received said training including name and title of presenters and the topics discussed.

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1. Documentation of periodic performance evaluations
  2. Record of any disciplinary action taken
- c. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions
  - d. Personnel policies and procedures.
  - e. All background check reports
  - f. All information obtained in accordance with 935 CMR 500.030(2).
  - g. Business and financial records, including manual or digital records in Quickbooks or Accounting folders, in accordance with generally accepted accounting principles.
    - i. Assets and liabilities
    - ii. Monetary transactions
    - iii. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices and vouchers
    - iv. Sales records indicating the quantity, form, and cost of marijuana product
    - v. Salary and wages paid to each employee, or item of value paid to any individual affiliated with a Marijuana Establishment
    - vi. Waste disposal records will be kept for at least 3 years as required under 935 CMR 500.105(12)
    - vii. Following closure of the Marijuana Establishment all records will be kept for a minimum of 2 years at a location acceptable to the Commission.

**Confidential information can will be defined as one of the following:**

- Personal Identifying Information (ie: Social Security, Address, Date of Birth)
- Business Marketing Plans
- Company Initiatives
- Customer Information and Lists
- Invention or Patent
- Passwords and IT-related Information
- Information Received from Third Parties
- Company Financial Account Information
- Payroll and Personal Records
- Health Information
- Credit Card Information
- Research Data
- Information Relating to Intellectual Property

**In order to ensure the protection of confidential information employees are expected to adhere to the following guidelines:**

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- **General Safeguarding:** All confidential information of a company should be restricted from the view of the public - i.e., only those that have agreed to keep it confidential should be allowed to view the information. Reasonable efforts should be made to protect trade secrets.
- **Safeguarding of Electronic Information:** Access to computer systems containing confidential information should be restricted to only those that are under an obligation to keep the information confidential. Employees’ logins and passwords should not be shared with others.
- **Restricted Distribution:** The distribution of confidential information should be restricted to those who have a legitimate business need and need to know it whenever feasible.

**Employees are responsible for the confidentiality of information. Each employee has the following responsibilities under this policy:**

- During employment and after the termination of employment, an employee should hold all confidential information in trust and confidence. The employee should only use, access, store or disclose confidential information as appropriate in the performance of their duties for the company. An employee should comply with all applicable state and federal laws and company policies relating to the access, use and disclosure of confidential information.
- An employee should only store or communicate confidential information using a company’s information systems.
- An employee should not remove materials or property containing confidential information from the premises unless it is necessary in the performance of the person’s job duties. If an employee works outside of the office, they should take steps to ensure that confidential information is secure and is protected from theft or disclosure to unauthorized persons.
- An employee should not seek to obtain any confidential information involving any matter which does not involve or relate to the person’s job duties.
- If an employee has any questions relating to the appropriate use of disclosure of confidential information, the employee should consult with appropriate company personnel.
- Each employee should promptly report to their supervisor any known violation of a company’s confidential information policy by the employee or a third party.

## 6. Prerequisites

All job applicants, employees, contractors, and part-time employees should review and agree to this document.

## 7. References

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Recordkeeping Procedures	OP-010	03
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Title	Link

## 8. Revision History

Revision	Revision Date	Modified By	Description
01	9/27/2020	Erin Plumb	Document Initialized
02	3/7/2021	Erin Plumb	Included Staffing Plan
03	04/27/2021	Chris Brown	Included Additional Information - RFI 1
04	04/04/2023	Casey Bachman	Document Reviewed

Title	Document ID	Revision
Personnel Policies Including Background Checks	CN-009	01
Effective Date	Approved By	Function
11/15/2020	Chris Brown	Cultivation

## 1. Document Purpose

Policies to manage interactions with the company that employees will be required to follow. In the event of gross misconduct by an employee, contractor, or part-time employee classified as a Marijuana Establishment Agent there needs to be explicit protocol for the dismissal and termination of said individual. We will establish safeguards against Alcohol, Smoke, and Drug abuse to ensure a safe and healthy working environment.

## 2. Scope

All job applicants, employees, contractors, and part-time employees should abide by the provisions of this policy.

## 3. Background

As defined by the Cannabis Control Commission if any of the following are met by an employee a motion of Dismissal will be required.

1. Diverted Marijuana, which shall be reported to Law Enforcement Authorities and to the Commission;
2. Engaged in unsafe practices with regard to operation of the Marijuana Establishment, which shall be reported to the Commission; or
3. 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 any Other Jurisdiction.

## 4. Responsibilities

All managers will be responsible for subordinates activity concerning substance abuse. In the event of unwanted behavior managers should take action in the form of speaking with offenders, and handing down punishment.

Managing parties are responsible for reporting to Law Enforcement Authorities and to the Commission in applicable situations.

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## 5. Procedure

### Alcohol, Smoke, and Drug-Free Workplace

Illegal drugs, inhalants and prescription as well as over-the-counter drugs fall into the “substances” category. We will also place restrictions on alcohol consumption.

While working, you must not:

- Possess, use or be under the influence of alcohol, inhalants or drugs. You can consume alcohol in moderation while in approved business meetings or social gatherings.
- Sell, buy, transfer or distribute drugs or drug paraphernalia.
- Use prescription drugs while working or being on company premises.

To prevent accidents and productivity losses, we implemented drug and alcohol tests for employees/candidates when:

- The circumstances surrounding a workplace accident are unclear and we want to ensure there was no substance abuse involved

### Dismissal of Marijuana Agent

In the event an employee is discovered to engage in the criteria listed above this will prompt the immediate removal from Milkmen, ending their employment. All active personnel will be notified of the offender’s actions so that they may be aware of any attempt to regain access to the facility. The offender’s access to the facility will be severed, any access cards will be collected (if cards cannot be collected the access capabilities will be disabled.) Local law enforcement and the Commission will be notified of the dismissal of the Marijuana Agent.

### Personal Safety and Crime Prevention

1. Personnel will have private lockers to store valuables in while in the middle of a shift
2. Cameras will be on the lockers to monitor any theft of valuable items
3. Personnel will be required to sanitise their hands prior to working
4. Promote workplace safety consistent with Occupational Safety and Health Act of 1970

### Request for Information

Upon the request by any individual we must produce a list of all Board or Director Members and Executive Members. This information will also be made public on the Milkmen Cannabis website.

### Code of Ethics

Defer to the Diversity Plan for guidance descrimination policy

1. Bribery of employees is strictly forbidden

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2. All employees are expected to act with integrity
3. A mutual respect between employees should be present in the workplace
4. Address and report inappropriate behavior and comments that are discriminatory, harassing, abusive, offensive or unwelcome.
5. Foster teamwork and employee participation, encouraging the representation of different employee perspectives.
6. Seek out insights from employees with different experiences, perspectives and backgrounds.
7. Avoid slang or idioms that might not translate across cultures.
8. Support flexible work arrangements for co-workers with different needs, abilities and/or obligations.
9. Confront the decisions or behaviors of others that are based on conscious or unconscious biases.
10. Be open-minded and listen when given constructive feedback regarding others' perception of your conduct.

## Whistleblowing

Milkmen Cannabis will not retaliate against a whistleblower. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, or poor work assignments and threats of physical harm. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

Whistleblower protections are provided in two important areas: confidentiality and retaliation. In so far as possible, the confidentiality of the whistleblower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law, and to provide accused individuals their legal rights of defense. Milkmen Cannabis may not discharge, threaten, or otherwise discriminate against an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment. Milkmen Cannabis may not disqualify an employee or other person who brings a matter of public concern, or participates in a proceeding connected with a matter of public concern, before a public body or court, because of the report or participation, from eligibility to bid on contracts with Milkmen Cannabis; receive land under a district ordinance; or receive another right, privilege, or benefit.

Individuals protected include:

1. The employee, or a person acting on behalf of the employee, who reports to a public body or is about to report to a public body a matter of public concern
2. The employee who participates in a court action, an investigation, a hearing, or an inquiry held by a public body on a matter of public concern.

The provisions of this policy do not:

1. Require Milkmen Cannabis to compensate an employee for participation in a court action or in an investigation, hearing, or inquiry by a public body
2. Prohibit or require Milkmen Cannabis from compensating an employee for participation in a court action or in an investigation, hearing, or inquiry by a public body
3. Authorize the disclosure of information that is legally required to be kept confidential

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4. Diminish or impair the rights of an employee under a collective bargaining agreement.

**Limitation to protections:**

1. A person is not entitled to the protections under this policy unless he or she reasonably believes that the information reported is, or is about to become, a matter of public concern; and reports the information in good faith
2. A person is entitled to the protections under this policy only if the matter of public concern is not the result of conduct by the individual seeking protection, unless it is the result of conduct by the person that was required by his or her employer.
3. Before an employee initiates a report to a public body on a matter of public concern under this policy, the employee shall submit a written report concerning the matter to a Milkmen Cannabis Manager. However, the employee is not required to submit a written report if they believe with reasonable certainty that the activity, policy, or practice is already known to a Manager; or that an emergency is involved.

**Relief and penalties:**

1. A person who alleges a violation of this policy may bring a civil action and the court may grant appropriate relief
2. A person who violates or attempts to violate this policy is also liable for a civil fine

**Procedures:**

1. If an employee has knowledge of or a concern of illegal or dishonest/fraudulent activity, the employee is to contact his/her immediate supervisor. All reports or concerns of illegal and dishonest activities will be promptly submitted by a Manager who is responsible for investigating and coordinating any necessary corrective action. Any concerns involving a Manager should be reported to another Manager.
2. The whistleblower is not responsible for investigating the alleged illegal or dishonest activity, or for determining fault or corrective measures; appropriate management officials are charged with these responsibilities.
3. Examples of illegal or dishonest activities include violations of federal, state, or local laws; billing for services not performed or for goods not delivered; and other fraudulent financial reporting. The employee must exercise sound judgment to avoid baseless allegations. An employee who intentionally files a false report of wrongdoing will be subject to disciplinary action.

**Notice of Rights for Persons with Disabilities**

All employees will be provided the below link and will be able to discuss freely with Managers and other co-workers.

<https://www.mass.gov/service-details/about-employment-rights>

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### Staffing Plan and Hours of Operation

Milkmen Cannabis will operate daily 8am to 8pm

Personnel will be hired on a as needed basis to ensure we don't have overworked employees and that all tasks, functions, and requirements are being thoroughly met.

### Background Checks

All employees before employment can commence must be subject to a background check that satisfies the requirements outlined in the 935 CMR 500.000.

## 6. Prerequisites

All job applicants, employees, contractors, and part-time employees should review this document.

## 7. References

Title	Link

## 8. Revision History

Revision	Revision Date	Modified By	Description
01	4/15/2021	Erin Plumb	Document Initialized
02	04/04/2023	Casey Bachman	Document Reviewed

Title	Document ID	Revision
Qualifications and Training	OP-013	01
Effective Date	Approved By	Function
4/16/2021	Erin Plumb	Operations

## 1. Document Purpose

We will establish required training for all Milkmen Cannabis employees to create a safe and productive working environment for everyone.

## 2. Scope

All job applicants, employees, contractors, and part-time employees should abide by the provisions of this policy, and will complete this training prior to working in the facility.

## 3. Background

To mitigate risks of security breach, inequity in the workplace, and improper safety measures, we have developed this policy which outlines training that all Milkmen Cannabis employees will undergo. Milkmen Cannabis is committed to creating a safe and productive workplace environment.

## 4. Responsibilities

All managers must undergo this training themselves and are responsible for ensuring that all employees complete this required training before working in the facility, as well as keeping record of employees training. All managers and employees must review this training annually.

## 5. Procedure

All managers and employees must:

- Undergo the necessary 8 hours of training annually
- Complete this training before working in the facility
- Complete diversity training provided by a certified company
- Complete at least 4 hours of Responsible Vendor Training provided by a certified company every year
- Managers can lead basic training on security, safety, and measures specific to the Milkmen Cannabis Cultivation facility
- Read all relevant SOP

Training will include:

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- Diversity, Equity, and Inclusion Training
- Cultivation, production, and packaging training.
- Training on security guidelines
- Specialized training for employees specific role
- Responsible Vendor Training
- METRC Training

Training provided by managers will include:

- Personal hygiene around the plants and protective garb, eye and hearing protection requirements.
- Process in development for detailed tasks as seeds are purchased, planted, and plants are propagated.
- Detailed handling instruction for all aspects of harvesting, drying and packaging
- Related inventory procedures for record keeping.
- Cleaning process of all spaces
- A training process will be developed for record keeping as applicable for the Metrc program.
- Security protocols for the computer and documentation of the product will be trained and supervised.
- All employees will be trained on how to respond to emergency situations include:
  - Fire
  - Theft
  - Robbery
  - Health related emergency
  - Community disaster.

New employees have to complete the basic core curriculum for RVT within 90 days of hire.

## 6. Prerequisites

All employees and part-time employees must undergo proper training annually.

All job applicants, employees, contractors, and part-time employees should review and agree to this document.

## 7. References

Title	Link

Title	Document ID	Revision
Qualifications and Training	OP-013	01
Effective Date	Approved By	Function
4/16/2021	Erin Plumb	Operations

## 8. Revision History

Revision	Revision Date	Modified By	Description
01	04/13/2021	Casey Bachman	Document Initialized
02	04/04/2023	Casey Bachman	Document Reviewed

Title	Document ID	Revision
Energy Compliance Plan	CN-014	01
Effective Date	Approved By	Function
11/15/2020	Chris Brown	Cultivation

## 1. Document Purpose

To provide a plan surrounding energy compliance and initiatives. These procedures also must comply with the 935 CMR 500.000.

## 2. Scope

Managers will be responsible for following the procedure to ensure compliance in energy regulation.

## 3. Background

To maintain a high level of energy efficiency these procedures are created to inform management on decisions to be taken to achieve this.

## 4. Responsibilities

Managers will be responsible for executing the required actions listed in this document.

## 5. Procedure

### Identification of Potential Energy-Use Reduction Opportunities

1. Energy usage will be tracked in the facility allowing for time analysis and optimization of energy usage.
  - a. This usage will be compared against product purchases to verify the energy efficiency of product purchases.
2. Lighting and Cooling solutions will have energy efficiency listed as a high priority involved in management's decisions for purchasing.
3. All equipment upgrades and/or replacements will need to be replaced by equipment that is equal to or greater than in quality of energy efficiency. This protocol ensures that we are never worsening the energy efficiency rating of the facility.
4. In the buildout of the facility insulation will be considered when assessing the energy efficiency potential.

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5. All grow lights selected will be on the approved Design Lights Consortium Solid-state Horticultural Lighting Qualified Products List and compliant with Horticulture Lighting Power Density of 50 watts or less per square foot.

### Consideration of Opportunities for Renewable Energy Generation

1. The location has two potential locations for solar energy, on the roof, and behind the building.
2. Management will evaluate the costs and effect on energy efficiency after the completion of the initial fit-up. Prior to the completion of the initial fit-up there would be no energy consumption data that management could use to calculate the required sustainable solution effectively. This consumption data would be critical in making a qualified decision.
3. On each replacement of equipment alternative forms of energy generation will be considered by the management team. Cost estimates for the renewable energy will be viewed holistically over the span of 10 years.

### Strategies to Reduce Electric Demand

1. Vegetative plant grow schedules will not be using a 24-0 light system, instead they will use an 18-6 light schedule. This lighting method reduces the energy requirements in growing without compromising the quality of the product.
2. All rooms in the facility that do not require specific lighting schedules will be equipped with motion activated lighting solutions that would shut off after a period of time. This should reduce wasted light usage in the facility.

### Engagement with Energy Efficiency Programs

1. Upon the purchase or upgrade of any new equipment management will coordinate with the energy representative. Engagement with the representative is intended to understand the energy efficiency programs that may help in the purchase of more energy efficient machinery.

### Equipment Assessments

1. Equipment assessments will be completed on a yearly basis. All equipment must stay within a reasonable range of the energy efficiency when purchased to be considered fully operational and allowed to continue use. If in the event the efficiency is out of a reasonable range management will seek to repair or replace the equipment.
2. All facility energy usage will be monitored on a daily basis to be aware of any spikes or valleys that could indicate issues with the energy efficiency of the equipment in the facility.

## 6. Prerequisites

The are no prerequisites to this procedure

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Energy Compliance Plan	CN-014	01
Effective Date	Approved By	Function
11/15/2020	Chris Brown	Cultivation

## 7. References

Title	Link

## 8. Revision History

Revision	Revision Date	Modified By	Description
01	4/15/2021	Erin Plumb	Initialized Document
02	04/04/2023	Casey Bachman	Document Reviewed

Title	Document ID	Revision
Maintaining of Financial Records	CN-011	01
Effective Date	Approved By	Function
11/15/2020	Erin Plumb	Cultivation

## 1. Document Purpose

To outline the procedures necessary for accurate and compliant financial recordkeeping, including maintenance of financial records, sales records, and expenditure records.

## 2. Scope

All managers and personnel will adhere to this document in matters relating to sale, expenditure, and financial records.

## 3. Background

This document will be used to outline the procedures necessary for accurately maintaining all financial records. Information held within this document includes, applicable accounting software and its uses, how financial records will be maintained, types of costs that can be expected from different areas of the business, information required to appropriately record a transaction, and expense processes.

## 4. Responsibilities

It is the responsibility of managers and recordkeepers to follow the practices outlined here in executing duties related to financial recordkeeping.

## 5. Procedure

### **Financial Recordkeeping and Sales:**

- a) Milkmen Cannabis uses Quickbooks Online, an approved cloud based accounting software, required for maintaining cultivation and production costs and sales to and from marijuana establishment customers
- b) Periodic audits of inventory from METRC to financial revenue (Quickbooks) will be performed as part of monthly balance sheets.

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- c) All records will be available to the Commission and shall comply to the extent relevant to cultivation operations with 830 CMR 62C.25.1: *Record Retention* and DOR Directive 16-1 regarding recordkeeping requirements. Financial records shall be stored indefinitely.
- d) Milkmen Cannabis will utilize the accrual basis of accounting and follow guidance from GAAP, FASB, and relevant court cases

**Assets and Liabilities:**

- a) Assets and liabilities will regularly be updated and maintained through the use of Quickbooks Online,
  - i) All transactions will be recorded as the relevant business activity occurs
  - ii) Yearly review of long term assets to ensure that correct valuation is represented on balance sheet
  - iii) Monthly review of short term assets to ensure that correct valuations is represented on balance sheet (primarily in regards to ensuring inventory is maintained)
  - iv) Purchase orders, invoices, and receiving documents will be maintained for the amount of time specified under applicable law for substantive asset purchases (not included in day-to-day operations) and all incurred liabilities
  - v) METRC inventory will be matched monthly to current inventory, to ensure proper quantity and specificity of product on hand

**Monetary Transactions:**

- a) All monetary transactions will be regularly updated and maintained through the use of Quickbooks Online
  - i) All transactions will be recorded on Quickbooks as they occur, generating relevant documentation (purchase orders, invoices, receiving documents, manifests)
  - ii) Confirmation of quantity and specificity of all transactions will be the responsibility of the manager
    - 1) Day-to-day purchases will only required the approval of the primary manager
    - 2) Purchases over \$500 will require the approval of a secondary manager
  - iii) All records of monetary transactions, including but not limited to manifests, invoices, purchase orders, and receiving documents with marijuana establishments will be maintained indefinitely

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- iv) Relevant bank accounts will regularly be matched with QuickbooksOnline to ensure that they balance

**Chart of Accounts:**

- a) A book of accounts will be maintained utilizing Quickbooks Online
  - i) Accounts will be generated for all relevant categories (I.e. Inventory, assets, liabilities, revenue, expenses, equity)
  - ii) All journal entries and Quickbooks Online generated general ledger accounts will be reviewed on a monthly basis and matched against relevant documentation
  - iii) On a monthly basis, a trial balance of accounts and adjusted trial balance of accounts will be prepared to ensure that accurate journal entries have been prepared and that accounts have been properly closed, if necessary
  - iv) On a monthly basis amounts from the trial balance will be transferred to official financial statements and be made available to relevant entities
  - v) Chart of accounts will follow a 5 digit numeric naming convention organized by category of account
  - vi) Financial Statements will be stored indefinitely

**Sales Records:**

- a) All sales records will regularly be generated from Quickbooks Online and made available to relevant entities
  - i) All sales records relating to transactions with marijuana establishments will be stored indefinitely
  - ii) All sales records will have relevant documentation confirming the existence of the transaction, including invoices, purchase orders, receiving documents, and manifests
  - iii) Updates to METRIC and Quickbooks Online will only be made once the sale has been confirmed by a manger by matching relevant documentation as specified in the previous point

**Salary and Wages paid to Employees:**

- a) Payroll will be maintained utilizing Quickbooks Online

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- i) Milkmen Cannabis does not plan on hiring salaried employees instead opting for the use of wages and contractors
- ii) Hours worked and pay earned will be maintained and tracked for each Milkmen Cannabis hired employee utilizing Quickbooks Online payroll functionality
- iii) For contracted employees: contracts will be maintained and payments will be made as outlined by the relevant agreements
- iv) Employees will receive weekly payments based on the amount of hours worked
- v) Milkmen Cannabis will maintain accounts for wages payable and wage expense to ensure that proper pay has been received by each employee
- vi) On a monthly basis, payroll will be reviewed to ensure that all employees are currently employed and eligible to receive payments

**Expenditures & Transactions:** All cash receipts or payments will be entered into Milkmen Cannabis Accounting Software (Quickbooks Online)

(a) Milkmen Cannabis operations utilizes Quickbooks Online for recording financial transactions including:

- a. Purchase Orders (typically for non-recurring purchases greater than \$500 [requires approval] – consumables used in production will be purchased on a single PO for volume discounts)
- b. Expense Transactions (used for purchases below \$500 and recurring expenses such as leases, utility bills, insurance, etc.)
- c. Petty Cash (Petty Cash is an account to which funds are added from the business bank account it is used for office supplies, entertainment, and meals)
- d. Sales Transactions
- e. Finished Goods Inventory Loss (this is tracked in METRC)
- f. Payroll Expenses

(b) Expense Transaction – Data Requirements

- a. Vendor
- b. Method of Payment
- c. Bank Account – this will default to Milkmen Cannabis’ primary business checking account or Petty Cash – use of any other account requires CEO approval
- d. Items Purchased

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- e. Total Cost
- f. Milkmen Cannabis PO Number if one was used

(c) Process for Expenses

- a. Invoice received or new requirement?
  - i. Invoice – is it recurring?
    - 1. Yes – enter expense for vendor (apply against open PO as appropriate)
    - 2. No – enter new vendor and enter expense
- b. Is it greater than \$500?
  - i. Yes – get approval from CEO
  - ii. No – use Milkmen Cannabis Debit Card or Petty Cash (if purchase is non-production)
- c. Forward invoice and Bill of Lading as applicable to records administrator upon receipt of items.

**General Provisions:**

- (a) Money Record Keeping: Will use Quickbooks Online for maintaining grow and production costs and monies acquired from marijuana establishment customers.
- (b) Sales will be wholesale and can easily be generated from Quickbooks Online.
- (c) METRC can generate lists of sales by marijuana establishments or specific companies for comparison of weight and costs transferred.
- (d) Cost Records will include: Reports will be generated and maintained with details and summary of:
  - a. Production Record Keeping to correlate with costs records:
    - i. Record management software is METRC.
    - ii. As much as possible, the costs outlined below will be associated with the record keeping batches and movement of plants, viable product and waste products.
  - b. Cultivation and Production costs to include:
    - i. Cultivation materials including soil, nutrients, pots, labels,
    - ii. Material handling costs include packaging, scale components, small tools
    - iii. Waste handling costs to include: Packaging, mulcher equipment and solvent/additives / disposal costs
    - iv. Labor costs for each of the activities will be recorded through payroll

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c. Marketing / Retail costs to include:

- i. Marketing: Notifications to retail environments/ new strain label design/ social media announcement creations, etc...
- ii. Retail costs to include: Labels – standard warning labels and product identification labels.
- iii. Transport costs – either service by licensed transport or fuel / labor costs. Additionally costs of recordkeeping for transport of product from our cultivation site to the marijuana establishment.

(e) Audits of inventory to financial revenue will be performed.

- a. All data outlined above will be entered as the activity occurs.
- b. Monthly reports will be generated and confirmed against invoices of materials and METRC records of activity throughout the month.
- c. An electronic and hardcopy reports will be generated and made available immediately upon request.

(f) Records will be compiled at the end of every quarter and reviewed by managers annually. Records will be kept indefinitely.

(g) All records will be available to the Commission and shall comply to the extent relevant to cultivation operations with 830 CMR 62C.25.1: *Record Retention* and DOR Directive 16-1 regarding recordkeeping requirements.

- a. Financial Records will be generated from Electronic copies as requested and they will be permanently maintained.

Specified financial records will be made available to the commission upon request

## 6. Prerequisites

All managers and recordkeepers must review this document and acknowledge they understand the contents.

## 7. References

Title	Document ID	Revision
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Effective Date	Approved By	Function
11/15/2020	Erin Plumb	Cultivation

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## 8. Revision History

Revision	Revision Date	Modified By	Description
01	03-10-2021	Daniel Salazar	Initialize SOP
02	4/27/2021	Daniel Salazar	Additional Information Included
03	04/04/2023	Casey Bachman	Document Reviewed

Title	Document ID	Revision
Diversity Plan	OP-012	04
Effective Date	Approved By	Function
03/10/2021	Chris Brown	Cultivation

## 1. Document Purpose

We will establish appropriate workplace conduct in regard to Diversity, Equity, and Inclusion, in order to create a safe and healthy environment for all employees, potential employees, and principals of Milkmen Cannabis. Inappropriate behavior can lead to an unsuitable working environment.

## 2. Scope

All job applicants, employees, contractors, and part-time employees should abide by the provisions of this policy.

## 3. Background

To mitigate risks of harmful language, actions, and practices regarding a diverse and inclusive workplace environment, we have developed this policy to guide appropriate conduct in the office. Milkmen Cannabis does not discriminate on the basis of race, gender, gender identity or expression, color, national origin, ancestry, religion, age, mental/physical disability, sex, sexual orientation, veterans status, organizational level, economic status, geographical origin, marital status, communication and learning styles or other characteristics or traits.

## 4. Responsibilities

All managers will be responsible for subordinates' activities concerning exclusivity and harmful language and actions in regard to diversity. In the event of unwanted behaviors managers should report incidents to the DEI coordinator and Human Resources.

## 5. Procedure

Racist, homophobic, transphobic, sexist, ableist and all other forms of exclusive language and action will not be tolerated in the workplace.

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03/10/2021	Chris Brown	Cultivation

Upon expansion and increased revenue we will increase our charitable and community-oriented programs, in regards to partner with Freedom Grow, and efforts in working towards social equity in the Commonwealth of Massachusetts.

In our facilities we must:

- Post information about tolerance and inclusion as a reminder to employees in the workplace.
- Conduct yearly bystander and DEI training.

While working, you must:

- Refrain from making comments that are considered harmful to protected classes
- Be inclusive of all employees, part-time employees, applications, and contractors regardless of race, gender, or sexuality.
- Refrain from using offensive language that has implications of racism, homophobia, transphobia, ableism and/or sexism, or any other discriminatory language.
- Treat all other employees with respect regardless of any differentiating qualities.

In hiring practices you must:

- Consider all applicants equally regardless of race, gender, disability, sexuality, or any other differentiating circumstance.
- Refrain from hiring employees that exhibit behaviors considered, racist, homophobic, transphobic, ableist and/or sexist.
- Once we are able to hire individuals outside of our original team, we will make an active effort to hire individuals that further the social equity of our company.
- Post hiring information in an accessible way on social media platforms, Facebook, Instagram, Twitter etc. As well as posting about positions through Freedom Grow, and posting flyers in lower-income areas of Clinton, MA to bolster the local community. These advertisements will specify that we are looking to hire women, minorities, LGBTQ+, veterans, and people with disabilities.
- We will also advertise for employment on social media platforms including Instagram, Twitter, and Facebook, as well as through Freedom Grow social media and internet presence.
- Upon first revenue we plan to open positions bi-annually and as they are available.
- We will advertise for employment on social media platforms including Instagram, Twitter, and Facebook. We will also advertise in areas of Worcester and Clinton, MA that fall under the categories of affordable housing, and lower-income areas in order to give access to those most in need of sustainable income.

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Hiring Goal: We aim to have a staff that is 50% women, 25% minorities, 10% LGBTQ+, 5% people with disabilities, 5% veterans. We will evaluate annually to see how far along we are in this goal, we hope to reach it by our 5th year of operation. We will begin evaluating when we have the capital to hire more staff.

Measuring:

1. At the end of every year an anonymous survey will be sent to all employees to measure diversity and also gain insight into employee sentiment. We will use these survey results to report on the progress we have made in achieving diversity goals. We will make an annual report to the CCC upon renewal.

## 6. Prerequisites

All employees and part-time employees must undergo DEI training including bystander training once a year to reiterate proper workplace conduct.

All job applicants, employees, contractors, and part-time employees should review and agree to this document.

Our plan to positively impact disproportionately harmed people 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 Marijuana Establishments. In addition 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.

## 7. References

Title	Link

## 8. Revision History

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# STANDARD OPERATING PROCEDURE

<b>Title</b>	<b>Document ID</b>	<b>Revision</b>
Diversity Plan	OP-012	04
<b>Effective Date</b>	<b>Approved By</b>	<b>Function</b>
03/10/2021	Chris Brown	Cultivation

01	01/14/2021	Casey Bachman	Document Initialized
02	04/27/2021	Casey Bachman	Included Additional Information - RFI 1
03	05/13/2021	Casey Bachman	Included Additional Information - RFI 2
04	07/23/2021	Erin Plumb	Included Additional Information - RFI 3
05	03/22/2023	Chris Brown	Updated Freedom Grow Partnership