



## Massachusetts Cannabis Control Commission

### Marijuana Retailer

#### General Information:

License Number: MR282471  
Original Issued Date: 01/23/2020  
Issued Date: 01/23/2020  
Expiration Date: 01/23/2021

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Garden Remedies, Inc.

Phone Number: 774-249-0830  
Email Address: tschlacter@gardenremedies.com

Business Address 1: 732 Newburyport Turnpike	Business Address 2:
Business City: Melrose	Business State: MA
Business Zip Code: 02176	
Mailing Address 1: 732 Newburyport Turnpike	Mailing Address 2:
Mailing City: Melrose	Mailing State: MA
Mailing Zip Code: 02176	

### CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

### PRIORITY APPLICANT

Priority Applicant: yes

Priority Applicant Type: RMD Priority

Economic Empowerment Applicant Certification Number:

RMD Priority Certification Number: RP201820

### RMD INFORMATION

Name of RMD: Garden Remedies, Inc.

Department of Public Health RMD Registration Number: 008

Operational and Registration Status: Obtained Final Certificate of Registration and is open for business in Massachusetts

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

If no, describe the circumstances below:

### PERSONS WITH DIRECT OR INDIRECT AUTHORITY

#### Person with Direct or Indirect Authority 1

Percentage Of Ownership: 30	Percentage Of Control: 51
Role: Owner / Partner	Other Role:
First Name: Karen	Last Name: Munkacy
	Suffix:

**User Defined Gender:**

**Specify Race or Ethnicity:**

Percentage Of Ownership: 3

**Role:** Executive / Officer

**Other Role:**

Last Name: Herold

**Suffix:**

**User Defined Gender:**

Specify Race or Ethnicity:

**Percentage Of Ownership:**

**Role:** Executive / Officer

**Other Role:**

**First Name:** Sean

**Last Name: Mack**

**Suffix:**

**Gender: Male**

**User Defined Gender:**

Specify Race or Ethnicity:

Percentage Of Ownership: 0.22

Percentage Of Control: 5

**Role:** Director

**Other Role:**

First Name: Mike

Last Name: Climo

**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:**

No records found

No records found

No records found

No records found

No records found

No records found

**Establishment Address 1:** 732 Newburyport Turnpike

Establishment Address 2:

Establishment City: Melrose

Establishment Zip Code: 02176

Date generated: 12/03/2020

Approximate square footage of the establishment: 4999

How many abutters does this property have?: 21

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

#### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Community Outreach Meeting Documentation	COM Notice 4-10-19 (newspaper).pdf	pdf	5c9ce64dedbb73122a61b018	03/28/2019
Community Outreach Meeting Documentation	Clerk Stamped Form.pdf	pdf	5ca4f9b35fd63c1b24eba43e	04/03/2019
Community Outreach Meeting Documentation	COM Attestation Form Melrose.pdf	pdf	5ca7aa70eadf341230f6d1cb	04/05/2019
Certification of Host Community Agreement	GRI Executed HCA 4.12.19_20190412_0001.pdf	pdf	5cb0b4856b08e34c76328540	04/12/2019
Certification of Host Community Agreement	GRI HCA Certification Form 4.12.19.pdf	pdf	5cb0de6af25dae4c6c3f0c9c	04/12/2019
Plan to Remain Compliant with Local Zoning	Melrose Plan to Remain Compliant - revised 1.pdf	pdf	5d0aae2a64ca8317f4fcc841	06/19/2019

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

#### PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	Application of Intent - Melrose License App - Positive Impact Plan.pdf	pdf	5d4c6fa354bcfa38af0362e6	08/08/2019

#### ADDITIONAL INFORMATION NOTIFICATION

Notification: I understand

#### INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: Owner / Partner      Other Role:  
First Name: Karen      Last Name: Munkacy      Suffix: M.D  
RMD Association: RMD Owner  
Background Question: no

Individual Background Information 2

Role: Executive / Officer      Other Role:  
First Name: Jeff      Last Name: Herold      Suffix:  
RMD Association: RMD Owner  
Background Question: no

Individual Background Information 3

Date generated: 12/03/2020

**Role:** Executive / Officer      **Other Role:**

**First Name:** Sean      **Last Name:** Mack      **Suffix:**

**RMD Association:** RMD Manager

**Background Question:** no

#### Individual Background Information 4

**Role:** Director      **Other Role:**

**First Name:** Mike      **Last Name:** Climo      **Suffix:**

**RMD Association:** RMD Manager

**Background Question:** no

#### ENTITY BACKGROUND CHECK INFORMATION

No records found

#### MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Secretary of Commonwealth - Certificate of Good Standing	GRI Certificate of Good Standing.pdf	pdf	5c82ccf4c4b7a71b66d146c4	03/08/2019
Department of Revenue - Certificate of Good standing	Certificate of Good Standing DOR.pdf	pdf	5c82cd06635d511b347518e8	03/08/2019
Articles of Organization	GRI Articles of Organization.pdf	pdf	5c82cd558d16491b5c0f9dc6	03/08/2019
Bylaws	GRI ByLaws.pdf	pdf	5c82cd7a9ff0081b4821c167	03/08/2019
Articles of Organization	Kate T.pdf	pdf	5d117c8813edb917cc1ff213	06/24/2019

No documents uploaded

Massachusetts Business Identification Number: 001335628

Doing-Business-As Name:

DBA Registration City:

#### BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Business Plan	GRI Business Plan_Part1.pdf	pdf	5c82cde39ff0081b4821c16b	03/08/2019
Business Plan	GRI Business Plan_Part2.pdf	pdf	5c82cdf73779161b2a874fef	03/08/2019
Business Plan	GRI Business Plan_Part3.pdf	pdf	5c82ce01b411c1126cf0498d	03/08/2019
Proposed Timeline	GRI Timeline.pdf	pdf	5c82ce0eeadf341230f696ba	03/08/2019
Plan for Liability Insurance	Certificate of Liability Insurance.pdf	pdf	5c82ce3a1e71bd126232d180	03/08/2019

#### OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
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Plan for obtaining marijuana or marijuana products	Obtaining Marijuana or Marijuana Projects.pdf	pdf	5c82d1cbc4b7a71b66d146f3	03/08/2019
Separating recreational from medical operations, if applicable	Separating Recreational from Medical Operations.pdf	pdf	5c82d1f23779161b2a875011	03/08/2019
Restricting Access to age 21 and older	Restricting Access to 21 and Older.pdf	pdf	5c82d215eadf341230f696cd	03/08/2019
Prevention of diversion	Prevention of Diversion.pdf	pdf	5c82d2aab411c1126cf049ae	03/08/2019
Storage of marijuana	Storage of Marijuana.pdf	pdf	5c82d2d69ff0081b4821c199	03/08/2019
Transportation of marijuana	Transportation of Marijuana.pdf	pdf	5c82d32d9ff0081b4821c1a2	03/08/2019
Inventory procedures	Inventory Procedures.pdf	pdf	5c82d374293a5312448eaf78	03/08/2019
Quality control and testing	Quality Control and Testing.pdf	pdf	5c82d39fc4b7a71b66d14705	03/08/2019
Dispensing procedures	Dispensing Procedures (Melrose).pdf	pdf	5c82d62eeadf341230f696ef	03/08/2019
Record Keeping procedures	Record Keeping Procedures.pdf	pdf	5c82d76aedbb73122a618861	03/08/2019
Qualifications and training	Qualifications and Training.pdf	pdf	5c82d84aedbb73122a618869	03/08/2019
Security plan	Security Plan with Hours of Operation and Contact - revised.pdf	pdf	5d117750c70e2b132b3171c0	06/24/2019
Maintaining of financial records	Financial Records Procedures - revised.pdf	pdf	5d1177d8acc50017edd64581	06/24/2019
Personnel policies including background checks	Personnel Policies - revised.pdf	pdf	5d11780350e7af1803c213fc	06/24/2019
Diversity plan	Diversity Plan revised 8.30.19.pdf	pdf	5d6927ddd4b61e1ddc08bf11	08/30/2019

#### MARIJUANA RETAILER SPECIFIC REQUIREMENTS

No documents uploaded

No documents uploaded

#### ATTESTATIONS

I certify that no additional entities or individuals meeting the requirement set forth in 935 CMR 500.101(1)(b)(1) or 935 CMR 500.101(2)(c)(1) have been omitted by the applicant from any marijuana establishment application(s) for licensure submitted to the Cannabis Control Commission.: I Agree

I understand that the regulations stated above require an applicant for licensure to list all executives, managers, persons or entities having direct or indirect authority over the management, policies, security operations or cultivation operations of the Marijuana Establishment; close associates and members of the applicant, if any; and a list of all persons or entities contributing 10% or more of the initial capital to operate the Marijuana Establishment including capital that is in the form of land or buildings.: I Agree

I certify that any entities who are required to be listed by the regulations above do not include any omitted individuals, who by themselves, would be required to be listed individually in any marijuana establishment application(s) for licensure submitted to the Cannabis Control Commission.: I Agree

Notification: I Understand

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

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

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

#### ADDITIONAL INFORMATION NOTIFICATION

**Notification:** I Understand

#### COMPLIANCE WITH POSITIVE IMPACT PLAN

No records found

#### COMPLIANCE WITH DIVERSITY PLAN

No records found

#### HOURS OF OPERATION

<b>Monday From:</b> 8:00 AM	<b>Monday To:</b> 10:00 PM
<b>Tuesday From:</b> 8:00 AM	<b>Tuesday To:</b> 10:00 PM
<b>Wednesday From:</b> 8:00 AM	<b>Wednesday To:</b> 10:00 PM
<b>Thursday From:</b> 8:00 AM	<b>Thursday To:</b> 10:00 PM
<b>Friday From:</b> 8:00 AM	<b>Friday To:</b> 10:00 PM
<b>Saturday From:</b> 8:00 AM	<b>Saturday To:</b> 10:00 PM
<b>Sunday From:</b> 12:00 PM	<b>Sunday To:</b> 6:00 PM

3/28/19

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MARIJUANA

**LEGAL NOTICE**

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for Wednesday, April 10, 2019 at 7:00PM at the Knights of Columbus, 23 West Foster Street in Melrose. The proposed retail marijuana establishment is anticipated to be located at 732 Newburyport Turnpike in Melrose. There will be an opportunity for the public to ask questions.

AD#13783159

Melrose Free Press 3/28/19

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CITY CLERK  
2019 MAR 27 P 4: 23  
MELROSE, MA.

March 22, 2019

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for Wednesday, April 10, 2019 at 7:00PM at the Knights of Columbus, 23 West Foster Street in Melrose. The proposed retail marijuana establishment is anticipated to be located at 732 Newburyport Turnpike in Melrose. There will be an opportunity for the public to ask questions.

## Community Outreach Meeting Attestation Form

The applicant must complete each section of this form and initial each page before uploading it to the application. Failure to complete a section will result in the application being deemed incomplete. Instructions to the applicant appear in italics. Please note that submission of information that is “misleading, incorrect, false, or fraudulent” is grounds for denial of an application for a license pursuant to 935 CMR 500.400(1).

I, Karen Munkacy MD., (insert name) attest as an authorized representative of Garden Remedios Inc. (insert name of applicant) that the applicant has complied with the requirements of 935 CMR 500 and the guidance for licensed applicants on community outreach, as detailed below.

1. The Community Outreach Meeting was held on April 10<sup>th</sup>, 2019 (insert date).
2. A copy of a notice of the time, place, and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was published in a newspaper of general circulation in the city or town on March 28<sup>th</sup>, 2019 (insert date), which was at least seven calendar days prior to the meeting. A copy of the newspaper notice is attached as Attachment A (*please clearly label the newspaper notice in the upper right hand corner as Attachment A and upload it as part of this document*).
3. A copy of the meeting notice was also filed on March 22<sup>nd</sup>, 2019 (insert date) with the city or town clerk, the planning board, the contracting authority for the municipality, and local licensing authority for the adult use of marijuana, if applicable. A copy of the municipal notice is attached as Attachment B (*please clearly label the municipal notice in the upper right-hand corner as Attachment B and upload it as part of this document*).
4. Notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed on April 1<sup>st</sup>, 2019 (insert date), which was at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. A copy of one of the notices sent to abutters and parties of interest as described in this section is attached as Attachment C (*please clearly label the municipal notice in the upper right hand corner as Attachment C and upload it as part of this document; please only include a copy of one notice and please black out the name and the address of the addressee*).

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



## HOST COMMUNITY AGREEMENT FOR THE SITING OF AN ADULT USE MARIJUANA ESTABLISHMENT IN THE CITY OF MELROSE

This Host Community Agreement (this “**Agreement**”) is entered into this 12<sup>th</sup> day of April, 2019 (the “**Effective Date**”) by and between the **CITY OF MELROSE**, a Massachusetts municipal corporation acting by and through its Mayor, with a business address of 562 Main Street, Melrose, MA 02176 (the “**City**”) and **GARDEN REMEDIES, INC.**, a Massachusetts for profit corporation with a business address of 307 Airport Road, Fitchburg, MA 01420 (the “**Company**”) (hereinafter, **City** and the **Company** are together the “**Parties**” and individually a “**Party**”).

**WHEREAS**, on or about 11/16/18, the **Company** commenced operations, and is currently operating, a duly licensed and permitted Medical Marijuana Treatment Center (“**MMTC**”), formerly known as “Registered Marijuana Dispensary”, (“**RMD**”) at 732 Newburyport Turnpike, Melrose, MA (“the Site”);

**WHEREAS**, the Melrose Board of Aldermen, in March, 2019, enacted a Zoning Ordinance allowing Marijuana Establishments; and to include Marijuana Retailers licensed to sell Adult-Use Marijuana to consumers in a specific zoning district in the City requiring approval of a Special Permit from the Planning Board (hereinafter the “Special Permit Granting Authority” or “**SPGA**”); and

**WHEREAS**, the **Company** intends to co-locate a licensed Adult-Use Marijuana Establishment (“the **AME**”) for the retail sale of adult use (or recreational) marijuana at the Site in accordance with the laws of the Commonwealth of Massachusetts (“**MA Law**”) and the ordinances, rules, regulations and policies of the **City** (“**Local Law**”);

**WHEREAS**, it is intended by the **Company** and the **City** that this Host Community Agreement and all rights and obligations expressed herein shall govern the terms and conditions of the Parties relative to the **Company**’s licensed and permitted use of the Site for **AME** business purposes, and reaffirming that the **City** shall continue to grant the **Company** first and priority right among any and all **AME** applicants to make such **AME** application as long as the **Company** meets all licensing, permitting and approval requirements under **MA Law** and **Local Law**;

**WHEREAS**, in the event the **Company** receives all state and local licenses and permits necessary under **MA Law** and **Local Law** for the operation of an **AME** at the Site, the **Company** desires to provide community impact fee payments to the **City** pursuant to M.G.L. c. 94G, §3(d) to address any reasonable costs imposed upon the **City** by the direct or secondary impact of the **Company**’s operations; and

**WHEREAS**, the **City** supports the **Company**’s intention to co-locate an **AME** for the retail sale of adult use marijuana at the Site.

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**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and for the mutual promises set forth below, the **Parties** agree as follows:

1. **Community Impacts.** The **Parties** anticipate that, because of the **Company's** operation of an AME, the **City** will incur additional expenses and impacts on its roads, law enforcement, inspectional services, permitting and administrative services, educational and public health services, as well as potential additional unforeseen impacts upon the **City**. To mitigate the financial impact upon the **City** and the use of **City** resources, the **Company** agrees to pay the **City** annual host community impact fees in the amounts and under the terms provided herein.

2. **Host Community Impact Fee Payments.**

In the event the **Company** obtains a License, or its equivalent, from the Cannabis Control Commission ("**CCC**") (hereinafter "the Licensing Authority") for the operation of an AME at the Site, and receives all necessary approvals from the **City** and permit from the SPGA to operate an AME at the Site, then the **Company** agrees to the following:

- i. The **Company** shall make annual community impact fee payments to the **City** of three percent (3%) of the gross sales of the AME (the "**AME Payment**" or the "**AME Payments**"). Such payments shall be in addition to the 3% Local Option Tax authorized by M.G.L. c. 64N, §3 and accepted by the **City**.
- ii. The initial **AME Payment** shall be due within thirty (30) days of the first fiscal quarter following the date that the **Company** commences sales at the Site pursuant to laws and regulation (the "**Initial AME Payment**").
- iii. Subsequent **AME Payments** shall be due within thirty (30) days of each fiscal quarter in any given fiscal year (i.e., January 1<sup>st</sup>; April 1<sup>st</sup>; July 1<sup>st</sup>; October 1<sup>st</sup>) for the term of this Agreement.
- iv. Gross revenue shall include the revenue from sales in the **City** to the maximum extent permitted by law, regardless of whether those products sold contain or facilitate the use, application, ingestion, inhalation, or injection of adult use marijuana.
- v. With respect to any fiscal quarter of operation of the AME which is not a full fiscal quarter, the applicable **AME Payment** shall be pro-rated accordingly.

3. **Failure to Obtain a Special Permit:** The **Company** acknowledges that it must obtain a special permit from the SPGA of the **City** of Melrose for the **Company's** operation of an AME to be co-located at the Site. In the event that the SPGA denies said special permit, this Agreement shall be null and void with respect to the **AME Payment** required hereunder.





4. **Term and Termination.** The Term of this Agreement shall be five (5) years from the date upon which the **Company** first commences AME sales at the Site, pursuant to laws and regulation (the "Term"). At the conclusion of the Term of this Agreement, in the event that the **Company** wishes to continue to operate at the Site, the **Parties** shall renegotiate a new Host Community Agreement in accordance with the current prevailing regulations and laws as such regulations and laws may be amended or replaced. Thereupon, the **City** and the **Company** shall negotiate the amount and calculation of annual payments to the **City**. The **Company** shall not be required to cease operations during the time such negotiations are pending. In the event that the **Company** loses or has its Certificate of Registration, License(s), approvals, and/or permit(s) to operate at the Site revoked by the relevant **Licensing Authority(ies)** or the **City**, with all appeal periods having expired or all appeals being decided against the **Company**, or should the **Company** permanently cease all AME operations within the **City**, then this Agreement shall become null and void, and the **Company** shall pay to the **City** any Payment amounts due upon the termination date, and in no event shall the **City** be responsible for the return of any funds provided to it by the **Company**. Further, this Agreement shall terminate and the **Parties** shall renegotiate as provided herein in the event (a) there is a levy of local, state and/or federal tax on revenue relating to the sales of marijuana for medical use of marijuana; or (b) the **City** executes a Host Community Agreement with any other MMTC and/or AME group that provides for the payment of a community impact fee in amount(s) less than the amount(s) the **Company** is required to pay the **City** under this Agreement.

5. **Payments.** The **Company** shall make the **AME Payments** (a "Payment" or "Payments") to the **City** as set forth in Sections 1 and 2 of this Agreement. While the **City** has the sole discretion for determining how to spend the **Payments**, the **Parties** understand and acknowledge that, as required by M.G.L. c. 94G, §3(d), the **Payments** are reasonably related to the costs imposed upon the **City** by the **Company's** operation of an AME at the Site. Furthermore, the **Parties** understand and acknowledge that, pursuant to M.G.L. c. 94G, §3(d), any cost to the **City** imposed by the **Company's** operation of an AME shall be documented and considered a public record pursuant to MA Law.

6. **Acknowledgements.** The **City** understands and acknowledges that the Payments due pursuant to this Agreement are contingent upon the **Company's** receipt and maintaining of all state and local approvals to operate an AME at the Site, and at the expiration of any and all final appeal periods relating thereto, and said matter not being appealed further.

7. **Local Taxes.** At all times during the **Term** of this Agreement, property, both real and personal, owned or operated by the **Company** shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by the **Company** or by its landlord, and neither the **Company** nor its landlord shall object or otherwise challenge the taxability of such property. Notwithstanding the foregoing, (i) if real or personal property owned, leased or operated by the **Company** is determined to be non-taxable or partially non-taxable, or (ii) if the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at fair cash value as defined in

G.L. c. 59, §38, or (iii) the **Company** is determined to be entitled to or subject to exemption with the effect of eliminating or reducing the tax which would otherwise be due if no so exempted, then the **Company** shall pay the **City** a payment in lieu of taxes equal to an amount which, when added to the taxes actually paid on such property, if any, shall be equal to the taxes which would have been payable on such property at fair cash value and at the otherwise applicable tax rate if there had been no exemption or abatement; this payment shall be in addition to the payment made by the **Company** under Section 2 of this Agreement.

8. **Additional Obligations of the Company.**

a. **Local Vendors.** To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the **Company** shall use good faith efforts in a legal and non-discriminatory manner to give priority to qualified local businesses and vendors in the provision of goods and services called for in the construction, maintenance and continued operation of the AME at the Site.

b. **Local Employment.** Except for senior management, and to the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the **Company** shall use good faith efforts in a legal and non-discriminatory manner to give priority to hire qualified residents of the **City** as employees of the Site if qualifications are otherwise comparable to a non-resident applicant.

c. **Reports on Operations.**

i. The **Company** shall notify the **City** when the **Company** commences AME sales at the Site pursuant to laws and regulation.

ii. The **Company** shall, at least annually, provide the **City** with copies of all reports which are required to be submitted to the Commonwealth, including without limitation the **Licensing Authority(ies)**, regarding the **Company's** operations at the Site.

iii. At the time the **Company** submits each **Payment** to the **City**, the **Company** shall submit financial records (to be treated as **CONFIDENTIAL**) to the **City** with a certification of gross sales with respect to such **Payment**. The report shall specify the **Payment(s)** as calculated under this section and shall be prepared by a Certified Public Accountant in accordance with generally accepted accounting principles ("GAAP"). The **Company** shall maintain its books, financial records, and other compilations of data pertaining to all requirements of this Agreement in accordance with standard GAAP and all applicable state laws and regulations. The **Company** shall retain such records for a period of at least seven (7) years.

*KM*

iv. In addition to the above referenced reports, the **Company** shall also provide to the **City** such other information as may reasonably be requested by the Mayor of the **City**.

v. **Financial Records Compliance with Local Law.** The **Company** shall work cooperatively with all necessary **City** agencies, departments, boards, committees, and officers to ensure that the **Company's** operations are compliant with Local Law. The **Company** shall comply with the conditions of any special permit, licenses or other permits issued by the **City**, including but not limited to conditions concerning security. This Agreement does not waive, limit, control, or in any way affect the legal authority of any **City** agency, board, committee, or official to regulate, authorize, restrict, inspect, investigate, enforce against, or issue, deny, suspend, or revoke any permit, license or other approval with respect to, the **Company** or the Site, nor does it waive, limit, control, or in any way affect the legal authority of the Melrose Police Department to investigate, prevent, or take action against any criminal activity with respect to the **Company** or the Site. Nothing in this Agreement presumes, implies, suggests, or otherwise creates any promise either that the **Company** shall obtain or retain any or all local permits, licenses, and other approvals that are required in order to operate at the Site.

d. **Security.** The **Company** shall maintain security at the Site in accordance with a security plan approved by the **Licensing Authority(ies)**, or other such state licensing and monitoring authority(ies), and presented to the **City**, and such plan shall also be approved by the Chief of the Melrose Police Department. In addition, the **Company** shall at all times comply with MA Law, Local Law and special permit of the **City** Planning Board regarding security of the Site. Further, the **Company** shall coordinate with the **City** Police Department in the development and implementation of required security measures, including without limitation the determination of the placement of security cameras and the sharing of security information. The **Company** will maintain a cooperative relationship with the **City** Police Department, including but not limited to, periodic meetings to review operational concerns and communication with the **City** Police Department of any incidents and suspicious activities at the Site.

9. **Support.** The **City** agrees to submit to the required **Licensing Authority(ies)** all documentation and information required by the **Licensing Authority(ies)** from the **City** for the **Company** to obtain approval to operate an AME at the Site, including but not limited to letters of support/non-opposition. The **City** agrees to support the **Company's** application(s) for an AME with the required **Licensing Authority(ies)**.

10. **Governing Law.** This Agreement shall be governed and construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, without regard to the principals of conflicts of law thereof. The **Parties** expressly waive any defense to enforcement based upon nonconformance with federal law regarding the legality of marijuana.



11. **Priority Right.** The **City** grants the **Company** first and priority right among any and all AME applicants to make such AME application for SPGA approval as long as the **Company** meets all licensing, permitting and approval requirements under Massachusetts Law and Local Law.

12. **Regulations of the Licensing Authority(ies).** The **Parties** shall negotiate in good faith an amendment or amendments to this Agreement to incorporate any terms, provisions, or subjects required to be included in this Agreement by the **Licensing Authority(ies)** or to make any provision of this Agreement consistent with the regulations of the **Licensing Authority(ies)**. By entering into this Agreement, the **City**, including its officials, boards and commissions, does not waive any enforcement rights or regulatory authority, including but not limited to special permit authority, it currently holds in the **City** of Melrose.

13. **Amendments/Waiver.** Amendments or waivers of any term, condition, covenant, duty, or obligation contained in this Agreement may be made only by written amendment executed by all **Parties**, prior to the effective date of the amendment.

14. **Severability.** If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or both Parties would be substantially or materially prejudiced.

15. **Successors/Assigns.** This Agreement is binding upon the Parties hereto, their successors, assigns and legal representatives. The **City** shall not assign or transfer any interest or obligations in this Agreement without the prior written consent of the **Company**, which shall not be unreasonably delayed, conditioned, or withheld. The **Company** shall not assign or transfer any interest or obligation in this Agreement without the prior written consent of the **City**, which shall not be unreasonably delayed, conditioned, or withheld.

16. **Entire Agreement.** This Agreement constitutes the entire integrated agreement between the **Parties** with respect to the matters described herein. This Agreement shall not be modified or amended except by a written document executed by the **Parties** hereto.

17. **Headings.** The article, section and paragraph headings in this Agreement are for convenience only, are no part of the Agreement, and shall not affect the interpretations of this Agreement.

18. **Counterparts.** This Agreement may be signed in any number of counterparts all of which taken together, each of which is an original, and all of which shall constitute one and the same instrument, and any party may execute this Agreement by signing one or more counterparts.



19. **Third Parties.** Nothing contained in this Agreement shall create a contractual relationship with or cause of action in favor of a third party against either the **Company** or the **City**.

20. **Notices.** Except as otherwise provided herein, any notices given under this Agreement shall be addressed as follows:

To the **City**:  
Office of the Mayor  
Melrose **City** Hall  
562 Main Street  
Melrose, MA 02176  
Email:


To the **Company**:

Garden Remedies, Inc.  
c/o Karen Munkacy, MD  
307 Airport Road  
Fitchburg, MA 01420  
Email: [karenm@gardenremedies.com](mailto:karenm@gardenremedies.com)

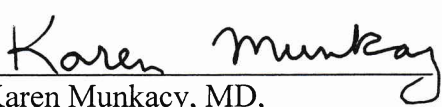
Notice shall be deemed given (a) two (2) business days after the date when it is deposited with the U.S. Post Office, if sent by first class or certified mail, (b) one (1) business day after the date when it is deposited with an overnight courier, if next business day delivery is required, (c) upon the date personal delivery is made, or (d) upon the date when it is sent by e-mail, if the sender receives a reply e-mail confirming such delivery has been successful and the sender mails a copy of such e-mail to the other **Party** by U.S. first-class mail on such date.

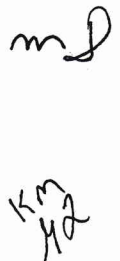
**IN WITNESS WHEREOF**, the **Parties** hereto have duly executed this Host Community Agreement on the date set forth above.

**CITY OF MELROSE**

  
\_\_\_\_\_  
Gail M. Infurna, in her capacity as Mayor

**GARDEN REMEDIES, INC.**

  
\_\_\_\_\_  
Karen Munkacy, MD,  
President and Chief Executive Officer





## Host Community Agreement Certification Form

The applicant and contracting authority for the host community must complete each section of this form before uploading it to the application. Failure to complete a section will result in the application being deemed incomplete. Instructions to the applicant and/or municipality appear in italics. Please note that submission of information that is "misleading, incorrect, false, or fraudulent" is grounds for denial of an application for a license pursuant to 935 CMR 500.400(1).

### Applicant

I, Karen Munkacy MD. (insert name) certify as an authorized representative of Garden Remedies Inc. (insert name of applicant) that the applicant has executed a host community agreement with Melrose. (insert name of host community) pursuant to G.L.c. 94G § 3(d) on April 12<sup>th</sup>, 2019 (insert date).

Karen Munkacy MD  
Signature of Authorized Representative of Applicant

### Host Community

I, Gail M. Infurna (insert name) certify that I am the contracting authority or have been duly authorized by the contracting authority for City of Melrose (insert name of host community) to certify that the applicant and City of Melrose (insert name of host community) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on 4/12/19 (insert date).

Gail M. Infurna - Mayor  
Signature of Contracting Authority or  
Authorized Representative of Host Community

42 K

## Garden Remedies, Inc. Plan to Remain Compliant

Per 935 CMR 500.101(1)(a)(10) and (2)(b)(9), Garden Remedies will be compliant with all local codes, ordinances, and bylaws of the municipality, and has created the plan below to ensure this compliance.

The City of Melrose approved a Special Permit (Case No. 19-002) for Garden Remedies, Inc. on May 20, 2019 because Garden Remedies, Inc. is in compliance with all local zoning, and the Special Permit has created some of the following parameters for Garden Remedies to follow that ensure safety and compliance of this requirements.

### Parking

The proposed AME Operations are permitted as allowed in the Table of Use and Parking Regulations (Section 235-17). The AME Operations shall be located in and conduct all operations within the same building that currently serves the RMD patients.

The existing parking should be more than ample to serve these individuals and to accommodate employees. With respect to the possibility of “wait times”, a qualified individual can access through the Garden Remedies website, and via telephone, monitor “wait times” for service in real time.

### Visibility

No interior part of the Marijuana Establishment, including the retail sales area, is visible from a public place. Only patients/customers permitted entrance into the retail area of the dispensary will be able to observe marijuana products.

### Ventilation

GRI presently employs (and will continue to employ) ventilation systems that prevent pesticides, insecticides or other chemicals or products used in the storage and sale of its marijuana from dispersing into the outside atmosphere.

### Disturbance

GRI will not suffer any level of disorder, disturbance or illegality under state or local law of any kind on the Premises, including all buildings and accessory structures and parking lots, walks and ways located on the same lot – parcel as the Marijuana Establishment.

### Hours of Operation

GRI's hours of operation for the Marijuana Establishment will be between the hours of 8:00 A.M. and 10:00 P.M., seven (7) days a week, as now approved in the Special Permit decision (Case No. 19-002) by the City of Melrose.

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### Location within Schools

GRI's proposed Marijuana Establishment is not sited within a radius of 500 feet from schools that serve kindergarten through twelfth grade, whether public or private.

### Security

All RMD patients and AME clients are required to display use specific government identification forms prior to gaining access to either the waiting or dispensing stations.

The premises contain Limited Access Areas that are clearly posted to prevent unauthorized entry and to limit access to only authorized personnel. These Limited Access Areas are identified on the original Plans and are furthered identified in the filings site plan filings with the CCC.

### Security and Alarm Systems

All security equipment used is commercial grade. Systems are designed to prevent and detect diversion, theft or loss of marijuana or unauthorized intrusion. Security is layered so that entrance to one area, does not allow entrance to the next. The highest level of security precautions is taken in areas containing vaults and safes.

### Detail Officers

Garden Remedies recognizes that a police presence is an excellent deterrent to crime. GRI shall hire detail officers according to a schedule approved by Chief Lyle. The detail schedule shall be reviewed in coordination with Melrose PD and GRI within 90 days of opening and as needed to ensure that public safety needs are being met.

Security Policies and Training the RMD and AME shall have and follow a set of detailed written employee security policies including personal safety and crime prevention techniques. All employees shall be trained in security measures tailored to their roles and responsibilities.

### Incident Reporting to Law Enforcement

A RMD and AME shall immediately notify appropriate law enforcement authorities after discovering any criminal activity, suspicious acts, unauthorized destruction of marijuana, the failure of any security alarm system due to loss of electrical power or mechanical malfunction that is expected to last longer than eight hours; and any other breach of security and in compliance with CCC regulations regarding incident reporting.

### Coordination with Local Law Enforcement



Garden Remedies shall coordinate an on-site visit with Chief Lyle to review the security design and plan as required.

Garden Remedies will coordinate with Melrose PD to schedule details and periodically review the detail schedule and make modifications as necessary in the best interest of public safety.

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Compassionate Relief. Rooted in Medicine.

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## Plan to Positively Impact Areas of Disproportionate Impact

Garden Remedies, Inc. (GRI) ensures that it will have a positive and lasting impact on the Melrose community of which it will be a part. GRI will adhere to the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment. Any actions taken, or programs instituted, by GRI will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

### Goals:

1. Reducing barriers to entry in the commercial adult-use cannabis industry.
2. Providing mentoring and professional services for Economic Priority Applicants and other individuals facing systemic barriers.
3. Providing business assets (time, organization, skills) toward endeavors in a geographical location designated as a disproportionately impacted area that will have a positive impact on the members of the community.

### Programs:

1. GRI gives hiring preference to individuals that fall under the Commission's definition of disproportionately impacted areas.

To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, GRI shall use good faith efforts in a legal and non-discriminatory manner to give priority to hire qualified applicants who are residents of areas identified as areas of disproportionate impact that are relatively close to the City of Melrose such as Lynn, Revere, and Chelsea. Recruiting and outreach efforts to these areas will be documented, and these individuals will be given priority as employees of the Melrose Retail Marijuana Establishment if the applicant shows they have the required qualifications.

2. GRI's Catalyst Program is an accelerator program that gives Economic Priority Applicants access to industry-specific technical training, mentorship from experts, peer industry support groups, and other benefits that do not violate the Commission's regulations with respect to limitations on ownership and control. Hence, GRI will not take equity from an economic empowerment applicant's business in exchange for participation in GRI's accelerator program. There is no fee to participate in this program. Interested participants can learn more and apply at <http://bit.ly/GRICatalyst>.
-

GRI launched its 'Catalyst Mentoring Program' to equip newcomers with Economic Empowerment Status with the skills and knowledge they need to succeed in the fast-evolving and complex cannabis industry. The program is designed to mentor participants who have been approved as Economic Priority Applicants by the Massachusetts Cannabis Control Commission. This program is open to individuals who are 21 years old or older. The mentoring program aims to ensure diversity in the new cannabis market.

The 14-week GRI Catalyst Mentoring Program will have a series of in-person and virtual learning experiences and mentoring sessions aimed at addressing the unique business challenges and opportunities in the cannabis industry. Along the way, participants will be paired with Garden Remedies mentors to offer fresh perspectives and one-on-one feedback. Each class will have access to three learning tracks: processing, cultivation or retail—with access to the knowledge in our high-tech lab, kitchen, cultivation facility or retail dispensary. Meetings are held remotely via video and telephone, with an in-person kick-off session at our corporate office and a tour of our Cultivation and Processing facility. These visits will not include access to designated limited access areas and all participants will be subject to on-site visitor security protocols including presenting a valid photo ID, signing in and wearing a visitor badge, and they will be escorted by a Garden Remedies employee at all times while within the facility. Catalyst program participants have access to all mentors and other program participants via phone, internet and an in-person meeting that creates an industry support group for all participating members of the program.

3. GRI's Expungement Program – GRI will provide support to organizations in Massachusetts that are leading the advocacy and providing assistance on expungement; Greater Boston Legal Services and UTEC/Teens Leading the Way. GRI is in the process of working with the above-named entities in order to develop the details of this program. We may also seek input or additional informative information from other stakeholders such as Citizens for Juvenile Justice, I Have a Future and State Legislators.

#### Measurements:

1. Number of employees hired, retained, or promoted that come from areas of disproportionate impact should be at least 20% of the on-site workforce. GRI will participate in at least 2 job fairs per year, engage with the community for recruiting new employees, i.e. working with local officials and town offices, advertising in local newspapers and social media, and HR will conduct an annual audit to determine if efforts are working by assessing the percentage of workers from areas of disproportionate impact.
  2. At least 60% of GRI Catalyst participants are from areas of disproportionate impact; the involved training and nuances of the particular track or program in which each person participated will be designed to addressing business challenges unique to their market.
  3. Specific financial data and/or employee hours showing donations to or investments by GRI's Expungement Program will be tracked with an intent to expand the program year over year.
-

GRI will conduct continuous and regular evaluations of the implementations of these goals to have a positive impact on communities impacted disproportionately by cannabis prohibition. Metrics will be evaluated for success at the one year mark for renewal.



William Francis Galvin  
Secretary of the  
Commonwealth

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

Date: April 11, 2018

To Whom It May Concern :

I hereby certify that according to the records of this office,  
**GARDEN REMEDIES, INC.**

is a domestic corporation organized on **July 22, 2013**

I further certify that there are no proceedings presently pending under the Massachusetts General Laws Chapter 180 section 26 A, for revocation of the charter of said corporation; that the State Secretary has not received notice of dissolution of the corporation pursuant to Massachusetts General Laws, Chapter 180, Section 11, 11A, or 11B; that said corporation has filed all annual reports, and paid all fees with respect to such reports, and so far as appears of record said corporation has legal existence and is in good standing with this office.



In testimony of which,  
I have hereunto affixed the  
Great Seal of the Commonwealth  
on the date first above written.

A handwritten signature in black ink, reading "William Francis Galvin".

Secretary of the Commonwealth

Certificate Number: 18040256410

Verify this Certificate at: <http://corp.sec.state.ma.us/CorpWeb/Certificates/Verify.aspx>

Processed by:





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

mass.gov/dor

Letter ID: L0818727040  
Notice Date: April 25, 2018  
Case ID: 0-000-569-033



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



GARDEN REMEDIES INC  
116 CHESTNUT HILL RD  
CHESTNUT HILL MA 02467-1310

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

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

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

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

### *What if I have questions?*

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

### *Visit us online!*

Visit [mass.gov/dor](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

Examiner

# The Commonwealth of Massachusetts

William Francis Galvin

Secretary of the Commonwealth

One Ashburton Place, Boston, Massachusetts 02108-1512

## ARTICLES OF ORGANIZATION

(General Laws, Chapter 180)

Name  
Approved

KL

### ARTICLE I

The exact name of the corporation is:

Garden Remedies, Inc.

### ARTICLE II

The purpose of the corporation is to engage in the following activities:

See Attached.

C ☐  
P ☐  
M ☐  
R.A. ☐

7

P.C.

Note: If the space provided under any article or item on this form is insufficient, additions shall be set forth on one side only of separate 8 1/2 x 11 sheets of paper with a left margin of at least 1 inch. Additions to more than one article may be made on a single sheet so long as each article requiring each addition is clearly indicated.

100m 4/500

Garden Remedies, Inc.  
Articles of Organization  
Article II: Purposes

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The corporation is organized for nonprofit purposes including, but not limited to, providing wellness services to patients suffering from debilitating medical conditions; educating patients and community stakeholders about wellness and public health; and engaging in community activities related to wellness and public health. As permitted by law, the corporation may engage in any and all activities in furtherance of, related to, or incidental to these purposes, the activities being lawful for a corporation formed under Chapter 180 of the General Laws of Massachusetts. Any revenue from the corporation shall be used solely in furtherance of the corporation's nonprofit purposes.



### ARTICLE III

A corporation may have one or more classes of members. If it does, the designation of such classes, the manner of election or appointments, the duration of membership and the qualification and rights, including voting rights, of the members of each class, may be set forth in the by-laws of the corporation or may be set forth below:

May Be Set Forth in Bylaws.

### ARTICLE IV

\*\*Other lawful provisions, if any, for the conduct and regulation of the business and affairs of the corporation, for its voluntary dissolution, or for limiting, defining, or regulating the powers of the corporation, or of its directors or members, or of any class of members, are as follows:

See Attached.

### ARTICLE V

The by-laws of the corporation have been duly adopted and the initial directors, president, treasurer and clerk or other presiding, financial or recording officers, whose names are set out on the following page, have been duly elected.

*\*\*If there are no provisions, state "None".*

*Note: The preceding four (4) articles are considered to be permanent and may only be changed by filing appropriate Articles of Amendment.*

Garden Remedies, Inc.  
Articles of Organization  
Article IV: Other Provisions

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The corporation is organized exclusively for nonprofit purposes. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of the corporation.

In the event of dissolution of the corporation, the board of directors shall, after paying or making provisions for the payment of all of the liabilities of the corporation, dispose of all the assets of the corporation exclusively for the purposes of the corporation, as the board of directors shall determine, in accordance with the statutes of the Commonwealth of Massachusetts.

No officer or director of the corporation shall be personally liable to the corporation for monetary damages for or arising out of a breach of fiduciary duty as an officer or director notwithstanding any provision of law imposing such liability; provided, however, that the foregoing shall not eliminate or limit the liability of an officer or director to the extent that such liability is imposed by applicable law (i) for a breach of the officer's or director's duty of loyalty to the corporation or its members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, or (iii) for any transaction from which the officer or director derived an improper personal benefit.

The corporation shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as an officer or director of the corporation against all expenses and liabilities, including, without limitation, counsel fees, judgments, fines, excise taxes, penalties and settlement payments, reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or proceeding in which he or she may become involved by reason of his or her service in such capacity; provided that no indemnification shall be provided for any such person with respect to any matter as to which he or she shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that such action was in the best interests of the corporation; and further provided that any compromise or settlement payment shall be approved by a majority vote of a quorum of directors who are not at that time parties to the proceeding.

The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of persons entitled to indemnification hereunder. The right of indemnification under this Article shall be in addition to and not exclusive of all other rights to which any person may be entitled.

This Article constitutes a contract between the corporation and the indemnified officers and directors. No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified officer or director under this Article shall apply to such officer or director with respect to those acts or omissions which occurred at any time prior to such amendment or repeal.



#### ARTICLE VI

The effective date of organization of the corporation shall be the date approved and filed by the Secretary of the Commonwealth. If a *later* effective date is desired, specify such date which shall not be more than *thirty days* after the date of filing.

#### ARTICLE VII

The information contained in Article VII is not a permanent part of the Articles of Organization.

a. The street address (post office boxes are not acceptable) of the principal office of the corporation in *Massachusetts* is:

60 Kendrick Street  
Needham, MA 02494

b. The name, residential address and post office address of each director and officer of the corporation is as follows:

	NAME	RESIDENTIAL ADDRESS	POST OFFICE ADDRESS
President:			
Treasurer:	See Attached.		
Clerk:			
Directors: (or officers having the powers of directors)			

c. The fiscal year of the corporation shall end on the last day of the month of: December

d. The name and business address of the resident agent, if any, of the corporation is: NA

I/We, the below signed incorporator(s), do hereby certify under the pains and penalties of perjury that I/we have not been convicted of any crimes relating to alcohol or gaming within the past ten years. I/We do hereby further certify that to the best of my/our knowledge the above-named officers have not been similarly convicted. If so convicted, explain.

IN WITNESS WHEREOF AND UNDER THE PAINS AND PENALTIES OF PERJURY, I/we, whose signature(s) appear below as incorporator(s) and whose name(s) and business or residential address(es) are clearly typed or printed beneath each signature, do hereby associate with the intention of forming this corporation under the provisions of General Laws, Chapter 180 and do hereby sign these Articles of Organization as incorporator(s) this 22 day of July, 2013.

  
Tracey Bolotnick  
Hurwit & Associates, 1150 Walnut Street, Newton, MA 02461

*Note: If an existing corporation is acting as incorporator, type in the exact name of the corporation, the state or other jurisdiction where it was incorporated, the name of the person signing on behalf of said corporation and the title he/she holds or other authority by which such action is taken.*

Garden Remedies, Inc.  
Articles of Organization  
Article VII: Officers and Directors

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Officers

Dr. Karen Munkacy, MD, President  
60 Kendrick Street  
Needham, MA 02494

Dr. Karen Munkacy, MD, Treasurer  
60 Kendrick Street  
Needham, MA 02494

Dr. Karen Munkacy, MD, Clerk  
60 Kendrick Street  
Needham, MA 02494

Directors

Dr. Karen Munkacy, MD  
60 Kendrick Street  
Needham, MA 02494

CU#6863

THE COMMONWEALTH OF MASSACHUSETTS

ARTICLES OF ORGANIZATION  
(General Laws, Chapter 180)

I hereby certify that, upon examination of these Articles of Organization, duly submitted to me, it appears that the provisions of the General Laws relative to the organization of corporations have been complied with, and I hereby approve said articles; and the filing fee in the amount of \$65 having been paid, said articles are deemed to have been filed with me this 22 day of July 2013

1202768

Effective date: \_\_\_\_\_

**WILLIAM FRANCIS GALVIN**  
*Secretary of the Commonwealth*

SECRETARY OF THE  
COMMONWEALTH  
2013 JUL 22 PM 12:03  
CORPORATIONS DIVISION

**TO BE FILLED IN BY CORPORATION**  
Contact information:

Adam Fine  
Vicente Sederberg LLC  
77 Franklin Street, Floor 3  
Boston, MA 02110

Telephone: (617) 299-6650

Email: Adam@VicenteSederberg.com

A copy this filing will be available on-line at [www.state.ma.us/sec/cor](http://www.state.ma.us/sec/cor) once the document is filed.

**BYLAWS**  
**of**  
**GARDEN REMEDIES, INC.**

**July 23, 2014**



**BYLAWS**  
**of**  
**GARDEN REMEDIES, INC.**

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BYLAWS  
Of  
GARDEN REMEDIESN

January 4, 2016

ARTICLE 1

General Provisions

**Section 1.1 Name.** The name of this corporation is Garden Remedies, Inc. and shall herein be referred to as "the corporation."

**Section 1.2 Offices.** The principal business office of the corporation shall be at 116 Chestnut Hill Rd., Newton MA 02467. The corporation may also have offices at such other places as the corporation may require.

**Section 1.3 Fiscal Year.** The fiscal year of the corporation shall begin on January 1 and end on the following December 31 of each year.

**Section 1.4 No Voting Members.** The corporation shall have no voting members. All powers of the corporation shall be held by the board of directors. Any action or vote required or permitted by any law, rule, or regulation to be taken by members shall be taken by action or vote of the same percentage of the board of directors of the corporation. No person now or hereafter designated by the corporation as a "member" for fundraising or other purposes shall be or be deemed to be a member for purposes of the Articles of Organization or bylaws of the corporation nor shall such person have any voting or fiduciary rights or responsibilities of the corporation.

ARTICLE 2

Statement of Purposes

The corporation is organized for nonprofit purposes including, but not limited to, providing wellness services to patients suffering from debilitating medical conditions; educating patients and community stakeholders about wellness and public health; and engaging in community activities related to wellness and public health. As permitted by law, the corporation may engage in any and all activities in furtherance of, related to, or incidental to these purposes, the activities being lawful for a corporation formed under Chapter 180 of the General Laws of Massachusetts. All Registered Medical Dispensaries (RMDs) related to the corporation shall at all times operate on a non-profit basis for the benefit of registered qualifying patients, and shall ensure that any revenue from the corporation's RMD(s) shall be used solely in furtherance of the corporation's nonprofit purposes.



## ARTICLE 3

### Board of Directors

**Section 3.1 Authority.** The business and affairs of the corporation shall be controlled and governed by the board of directors, which shall have the right to exercise all powers of the corporation as permitted by law.

**Section 3.2 Composition.** The number of directors and the manner by which new directors are nominated and appointed shall be determined by the directors.

**Section 3.3 Terms of Office.** Except as provided herein, the board of directors shall determine the length and number of terms to be served by directors.

**Section 3.4 Meetings.** The board of directors shall hold annual meetings each year and may select the time and place for annual and other meetings of the board. Other meetings of the board of directors may be called by the president or by a majority of the directors then in office by delivering notice in writing, of the date, time, place, and purpose of such meeting, to all directors at least three (3) days in advance of such meeting.

**Section 3.5 Quorum and Voting.** A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board. At any meeting of the board of directors at which a quorum is present, a majority of those directors present shall decide any matter, unless a different vote is specified by law, the Articles of Organization, or these bylaws.

**Section 3.6 Meetings by Remote Communication.** One or more directors may attend any annual, regular, special, or committee meeting of the board through telephonic, electronic, or other means of communication by which all directors have the ability to fully and equally participate in all discussions and voting on a substantially simultaneous basis. Such participation shall constitute presence in person at such meeting.

**Section 3.7 Action Without a Meeting.** Any action required or permitted to be taken at any board meeting may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the directors with respect to such subject matter. Such consent, which may be signed in counterparts, shall have the same force and effect as a vote of the board of directors.

**Section 3.8 Waiver of Notice for Meetings.** Whenever any notice of a meeting is required to be given to any director under the Articles of Organization, these bylaws, or the laws of Massachusetts, a waiver of notice in writing signed by the director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

**Section 3.9 Committees.** The board of directors may create such standing and special committees as it determines to be in the best interest of the corporation. The board of directors shall determine the duties, powers, and composition of such committees, except that the board shall not delegate to such committees those powers which by law may not be delegated. Each such committee shall submit to the board of directors at such meetings as the board may designate, a report of the actions and recommendations of such committees for consideration and approval by the board of directors. Any committee may be terminated at any time by the board of directors.



**Section 3.10 Compensation.** Directors as such shall not receive any salaries for their services on the board, but directors shall not be precluded from serving the corporation in any other capacity and receiving reasonable compensation.

**Section 3.11 Resignation.** Any director may resign by delivering a written resignation to the corporation at its principal office or to the president or clerk. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time.

**Section 3.12 Removal.** Except as provided herein, any director may be removed, with or without assignment of cause, by a vote of the majority of the entire board of directors at any meeting of the board of directors. No member of the board shall be removed from office unless the notice of the meeting at which removal is to be considered states such purpose and opportunity to be heard at such meeting is given to the director whose removal is sought. Notwithstanding the notice provision of Section 3.4 above, written notice shall be delivered to all directors at least fourteen (14) days in advance of a meeting at which removal is sought. Founding Directors Ken or Karen Munkacy shall be directors in perpetuity and may only be removed for Cause upon a 3/4 vote of the disinterested directors. For the purpose of this Section "Cause" shall mean if any director: (1) fails to qualify as a dispensary agent as determined by the Massachusetts Department of Public Health ("DPH"); (2) is found unsuitable or unqualified to sit as director of a registered marijuana dispensary as determined by DPH pursuant to written notice to the non-profit; (3) engages in any negligent, reckless, or intentional action or inaction that causes substantial financial or reputational injury to the non-profit, or jeopardizes the non-profits ability to receive or a renew a marijuana dispensary permit, as determined in a written opinion of the non-profit's legal counsel; or (4) or disability of the director such that the director cannot perform the director's duties for a period equal to ninety (90) days in any three hundred sixty-five (365) day period.

**Section 3.13 Vacancies.** Any vacancy occurring in the board of directors shall be filled by the board of directors in accordance with Section 3.2. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

## ARTICLE 4

### **Officers**

**Section 4.1 Officers.** The officers of the corporation shall be a president, a treasurer, and a clerk of the board of directors and such other officers as may be elected in accordance with the provisions of this Article.

**Section 4.2 Election.** The officers of the corporation shall be elected annually by the board of directors at the annual meeting. Each officer shall hold office until a successor shall have been elected and qualified.

**Section 4.3 Vacancies.** A vacancy in any office because of death, resignation, disqualification, or otherwise may be filled by the board of directors for the unexpired portion of the term.



**Section 4.4 Removal.** Any officer may be removed, with or without assignment of cause, by a vote of a majority of the entire board of directors at any meeting of the board of directors. No officer shall be removed from office unless the notice of the meeting at which removal is to be considered states such purpose and opportunity to be heard at such meeting is given to the officer whose removal is sought. Notwithstanding the notice provision of Section 3.4 above, written notice shall be delivered to all directors at least fourteen (14) days in advance of a meeting at which removal is sought.

**Section 4.5 President.** The president shall preside at all meetings of the board of directors. The president, or other proper officer or agent of the corporation authorized by the board of directors, may sign any deeds, mortgages, bonds, contracts, or other instruments which the board of directors has authorized to be executed. The president shall perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors from time to time.

**Section 4.7 Treasurer.** The treasurer, or other proper officer or agent of the corporation authorized by the board of directors, shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipt for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the board of directors; and in general perform all of the duties incident to the office of treasurer and such others as may from time to time be assigned by the board of directors.

**Section 4.8 Clerk.** The clerk shall keep the minutes of the meetings of the board of directors in one or more books provided for that purpose; ensure that all notices are given in accordance with the provisions of these bylaws; be custodian of the corporate records; and in general perform all such duties as may from time to time be assigned by the board of directors.

## ARTICLE 5

### **Corporate Transactions**

**Section 5.1 Contracts.** The board of directors may authorize any officer or officers, agent or agents of the corporation in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined by specific instances.

**Section 5.2 Indebtedness.** All checks, drafts, or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the corporation, shall be signed by the president or treasurer, or such other officer or agent of the corporation as from time to time may be determined by the board of directors. In the absence of such determination of the board, such instruments shall be signed by the president or treasurer of the corporation.

**Section 5.3 Deposits.** All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, brokerages, or other depositories as the board of directors shall select.

## **ARTICLE 6**

### **Books and Records**

The corporation shall keep at the principal office of the corporation correct and complete books and records of account; minutes of the proceedings of board of directors; and a register of the names and addresses of the directors of the corporation. All books, and records of the corporation may be inspected by any director, or agent or attorney thereof, for any proper purpose at any reasonable time.

## **ARTICLE 7**

### **Restrictions on Activities**

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of the corporation.

## **ARTICLE 8**

### **Dissolution**

In the event of dissolution of the corporation, the board of directors shall, after paying or making provisions for the payment of all of the liabilities of the corporation, dispose of all the assets of the corporation exclusively for the purposes of the corporation, as the board of directors shall determine, in accordance with the statutes of the Commonwealth of Massachusetts.

## **ARTICLE 9**

### **Conflicts of Interest**

Whenever a director or officer has a financial or personal interest in any matter coming before the board of directors, the affected person shall a) fully disclose the nature of the interest and b) withdraw from discussion, lobbying, and voting on the matter. Any transaction or vote involving a potential conflict of interest shall be approved only when a majority of disinterested directors determine that it is in the best interest of the corporation to do so. The minutes of meetings at which such votes are taken shall record such disclosure, abstention and rationale for approval. This Article may be further defined by the directors in pursuant to a written policy incorporated herein.



## **ARTICLE 10**

### **Personal Liability**

No officer or director of the corporation shall be personally liable to the corporation for monetary damages for or arising out of a breach of fiduciary duty as an officer or director notwithstanding any provision of law imposing such liability; provided, however, that the foregoing shall not eliminate or limit the liability of an officer or director to the extent that such liability is imposed by applicable law (i) for a breach of the officer's or director's duty of loyalty to the corporation or its members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, or (iii) for any transaction from which the officer or director derived an improper personal benefit.

## **ARTICLE 11**

### **Indemnification**

The corporation shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as an officer or director of the corporation against all expenses and liabilities, including, without limitation, counsel fees, judgments, fines, excise taxes, penalties and settlement payments, reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or proceeding in which he or she may become involved by reason of his or her service in such capacity; provided that no indemnification shall be provided for any such person with respect to any matter as to which he or she shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that such action was in the best interests of the corporation; and further provided that any compromise or settlement payment shall be approved by a majority vote of a quorum of directors who are not at that time parties to the proceeding.

The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of persons entitled to indemnification hereunder. The right of indemnification under this Article shall be in addition to and not exclusive of all other rights to which any person may be entitled.

This Article constitutes a contract between the corporation and the indemnified officers and directors. No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified officer or director under this Article shall apply to such officer or director with respect to those acts or omissions which occurred at any time prior to such amendment or repeal.

## **ARTICLE 12**

### **Amendments to Bylaws**

These bylaws may be amended or repealed by a majority vote of the entire board of directors, provided however that amendment or repeal of Sections 3.12 and this Section 12, must also be approved by founding director, Dr. Karen Munkacy.

## **Article 13**

### **Policies**

The Board of Directors may adopt policies that shall be incorporated into these By-Laws. The following policies have been adopted and incorporated herein:

- Appendix 1: Conflict of Interest Policy
- Appendix 2: Whistleblower Policy
- Appendix 3: Document Retention and Destruction Policy
- Appendix 4: Compensation Setting Policy
- Appendix 5: Comprehensive Information Security Policy

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**GARDEN REMEDIES, INC  
CONFLICT OF INTEREST POLICY**

**I. Definitions**

For purposes of this policy, the term "interest" shall include any personal connection or connection as a director, officer, member, stockholder, shareholder, partner, manager, trustee, beneficiary, employee or consultant of any concern on the part of a director, officer or key employee of Garden Remedies, Inc. (the "Non-profit") or his/her immediate family member.

The term "concern" shall mean any corporation, association, trust, partnership, limited liability group, firm, person or entity other than the Non-profit.

**II. Policy**

No director, officer or key employee of the Non-profit shall be disqualified from holding any office or post in the Non-profit by reason of any interest in any concern. A director, officer or key employee of the Non-profit shall not be disqualified from engaging, either as vendor, purchaser or otherwise, or contracting or entering into any transaction with the Non-profit or with any entity of which the Non-profit is an affiliate, provided, however, that the following precautions are undertaken:

1. The interest of such director, officer or key employee is fully disclosed to the board of directors prior to its entering into the transaction.
2. No interested director, officer or key employee may vote or lobby (lobbying shall not include presenting to the board or a director about the benefits of the transaction) on the matter or be counted in determining the existence of a quorum at the meeting of the board of directors at which such matter is voted upon.
3. Any transaction in which a director, officer or key employee has an interest shall be duly approved by the disinterested directors as being in the best interest of the Non-profit. The disinterested directors shall seek and examine comparison data, showing the availability and price of alternative transactions, in making such determination.
4. Payments to the interested director, officer, or key employee shall be reasonable and shall not exceed fair market value.
5. The minutes of the meeting at which the disinterested directors vote on the transaction shall reflect that disclosure of the potential conflict was made, that the interested director(s) abstained from voting, the rationale for approval, and how each disinterested director voted. The minutes shall be prepared and finalized within 30 days of such meeting.

Directors, officers and key employees are required to disclose interests that could give rise to conflicts at least annually.



## Appendix 2

### **GARDEN REMEDIES, INC WHISTLEBLOWER POLICY**

#### **I. Expectation**

Garden Remedies, Inc.. (the "Non-profit") expects directors, officers and employees to observe high ethical standards in carrying out their responsibilities and to comply with all applicable laws and regulations.

#### **II. Open Door Policy**

If any director, officer or employee has complaints, concerns, or questions as to the ethics or legality of a particular action taken by another director, officer or employee, he/she is encouraged to raise such complaints, concerns or questions with the relevant individual. With respect to directors, the relevant individual is the chair of the board of directors or any other director. With respect to officers and employees, the relevant individual is the Executive Director, if there is one in office, and if not, any member of the board. In the event the director, officer or employee believes there may have been a legal transgression, and that it is not reasonable to raise the issue with a board member or the Executive Director, he/she should contact an outside attorney. Anyone filing a complaint concerning a violation or suspected violation of a law, regulation or ethical requirement must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Individuals making baseless or malicious accusations will be disciplined up to and including termination.

#### **III. Requirement of Investigation**

Within a reasonable time of receiving a complaint, concern or question regarding compliance with a law, regulation or ethics requirement, the Executive Director and/or board member shall open an investigation into the matter and pursue it to resolution. Should the Executive Director or board member find that a law, regulation or ethics requirement has been violated, appropriate action should be taken.

#### **IV. Confidentiality**

To the degree possible, the names of the individuals reporting under this Whistleblower Policy shall be kept confidential.

#### **V. Protection from Retaliatory Action**

Neither the Non-profit nor its managers may take any negative employment or other retaliatory action against any director, officer or employee who in good faith reports a violation of a law or regulatory requirement. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline including, but not limited to, termination of employment.

#### **VI. General Policy**

This general policy is not a contract and it may be rescinded or amended at any time by the Non-profit. It is not intended to and does not create any legally enforceable rights whatsoever for any employee.

**GARDEN REMEDIES, INC.**  
**DOCUMENT RETENTION AND DESTRUCTION POLICY**

**I. Retention Policy**

Garden Remedies, Inc. (the "Non-profit") takes seriously its obligations to preserve information relating to litigation, audits, and investigations. The information listed in the retention schedule below is intended as a guideline and may not contain all the records the Non-profit may be required to keep in the future.

From time to time, the Non-profit may suspend the destruction of records due to pending, threatened, or otherwise reasonably foreseeable litigation, audits, government investigations, or similar proceedings.

<b>File Category</b>	<b>Item</b>	<b>Retention Period</b>
<b>Corporate Records</b>	<i>Bylaws and Articles of Incorporation</i>	Permanent
	<i>Corporate resolutions</i>	Permanent
	<i>Board and committee meeting agendas and minutes</i>	Permanent
	<i>Conflict-of-interest disclosure forms</i>	4 years
<b>Finance and Administration</b>	<i>Financial statements (audited)</i>	7 years
	<i>Auditor management letters</i>	7 years
	<i>Payroll records</i>	7 years
	<i>Check register and checks</i>	7 years
	<i>Bank deposits and statements</i>	7 years
	<i>Chart of accounts</i>	7 years
	<i>General ledgers and journals (includes bank reconciliations)</i>	7 years
	<i>Investment performance reports</i>	7 years
	<i>Equipment files and maintenance records</i>	7 years after disposition
	<i>Contracts and agreements</i>	7 years after all obligations end
	<i>Correspondence — general</i>	3 years
<b>Insurance Records</b>	<i>Policies — occurrence type</i>	Permanent
	<i>Policies — claims-made type</i>	Permanent
	<i>Accident reports</i>	7 years
	<i>Safety (OSHA) reports</i>	7 years



	<i>Claims (after settlement)</i>	7 years
	<i>Group disability records</i>	7 years after end of benefits
<b>Real Estate</b>	<i>Deeds</i>	Permanent
	<i>Leases (expired)</i>	7 years after all obligations end
	<i>Mortgages, security agreements</i>	7 years after all obligations end
<b>Tax</b>	<i>IRS Tax returns and related correspondence</i>	Permanent
	<i>IRS Form 1120s</i>	7 years
	<i>State Tax returns</i>	7 years
<b>Human Resources</b>	<i>Employee personnel files</i>	Permanent
	<i>Retirement plan benefits (plan descriptions, plan documents)</i>	Permanent
	<i>Employee handbooks</i>	Permanent
	<i>Workers comp claims (after settlement)</i>	7 years
	<i>Employee orientation and training materials</i>	7 years after use ends
	<i>Employment applications</i>	3 years
	<i>IRS Form I-9 (store separate from personnel file)</i>	Greater of 1 year after end of service, or three years
	<i>Withholding tax statements</i>	7 years
	<i>Timecards</i>	3 years
<b>Technology</b>	<i>Software licenses and support agreements</i>	7 years after all obligations end

## II. Electronic Documents and Records

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an e-mail message, the message should be printed in hard copy and kept in the appropriate file or moved to an "archive" computer file folder. Backup and recovery methods should be tested on a regular basis.

## III. Emergency Planning

The Non-profit's records should be stored in a safe, secure, and accessible manner. Documents and financial files that are essential to keeping the Non-profit operating in an emergency should, if possible, be duplicated or backed up at least weekly and maintained off-site.

#### IV. Document Destruction

Documents should be eliminated at the end of the relevant retention period. Destruction of financial and personnel-related documents should be accomplished by shredding.

Document destruction with respect to relevant documents will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation or lawsuit.

#### V. Compliance

The Non-profit will periodically review these procedures with legal counsel or the Non-profit's certified public accountant to ensure that they are in compliance with new or revised regulations.



## Appendix 4

### **GARDEN REMEDIES, INC COMPENSATION SETTING POLICY**

#### **I. Introduction**

This policy codifies the procedures by which the board of directors of Garden Remedies, Inc. (the "Non-profit") sets the compensation of directors, top management officials, officers and key employees ("executive compensation"). These procedures are designed to comply with the "safe harbor" requirements set forth in the tax regulations on intermediate sanctions to create a rebuttable presumption of reasonableness in compensation levels.

#### **II. Policy**

The board of directors shall oversee the setting of executive compensation and shall (1) determine compensation of all directors, top management officials, officers and key employees, and (2) review, assess and approve the reasonableness of such compensation on a regular basis.

In order to be approved as reasonable, compensation must be an amount that would ordinarily be paid for comparable work by similarly situated organizations under like circumstances. The particular education, experience and skill of the compensated individual may also be taken into account.

#### **III. Guidelines**

Compensation determinations made by the directors will be made in accordance with the following guidelines:

- i. In setting and determining the reasonableness of executive compensation, the board shall obtain and rely upon compensation information for comparable work by similarly situated organizations under like circumstances, as defined in Section II above.
- ii. Board members involved in setting and approving executive compensation, as well as any third parties providing professional advice to the board members in connection with setting and approving executive compensation shall be independent and have no conflicts of interest as to the executive whose compensation is being reviewed. Board members shall have no conflict of interest for these purposes if they (i) will not economically benefit from the compensation arrangement, (ii) are not family members of a person who will economically benefit, (iii) have no material financial interest affected by the compensation arrangement, and (iv) are not family members of a person who has a material financial interest affected by the compensation arrangement.
- iii. Timely and accurate minutes of all final actions by the board regarding the setting and approval of executive compensation will be recorded and held with board records. Such minutes will include (1) the terms of the approved compensation arrangement and the date approved, (2) a list of the board members present during discussion, showing those who approved the arrangement, those who rejected it and those who recused themselves due to conflicts of interest, (3) the comparability data relied upon and how such data was obtained, and (4) the rationale for determining that the arrangement was reasonable if it exceeded the range of the comparability data.



## Appendix 5

# **GARDEN REMEDIES, INC COMPREHENSIVE INFORMATION SECURITY POLICY**

## **I. OBJECTIVE**

It is the objective of JM Farm's Patient Group, Inc. ("Non-profit") in the development and implementation of this comprehensive information security program ("CISP") to create effective administrative, technical and physical safeguards for the protection of personal information, and to comply with obligations under 201 CMR 17.00. This CISP sets forth our procedure for evaluating our electronic and physical methods of accessing, collecting, storing, using, transmitting, and protecting personal information. For purposes of this CISP, "personal information" means an individual's first name and last name or first initial and last name in combination with any one or more of the following data elements that relate to such resident: (a) Social Security number; (b) driver's license number or state-issued identification card number; or (c) financial account number, or credit or debit card number, with or without any required security code, access code, personal identification number or password, that would permit access to an individual's financial account; provided, however, that "personal information" shall not include information that is lawfully obtained from publicly available information, or from federal, state or local government records lawfully made available to the general public. Non-profit generally acquires personal information in connection with hiring employees and payroll, and in connection with sales to the public.

## **II. PURPOSE**

The purpose of the CISP is to:

- Ensure the security and confidentiality of personal information;
- Protect against any anticipated threats or hazards to the security or integrity of such information; and
- Protect against unauthorized access to or use of such information in a manner that creates a substantial risk of identity theft or fraud.

## **III. DATA SECURITY COORDINATOR**

RMD appoints the Treasurer to be its Data Security Coordinator. The Data Security Coordinator will be responsible for:

- Initial implementation of the CISP;
- Regular testing of the CISP's safeguards;
- Evaluating the ability of each of Non-profit's third party service providers to implement and maintain appropriate security measures for the personal information to which Non-



profit permits them access, and requiring such third party service providers to implement and maintain appropriate security measures;

- Reviewing the scope of the security measures in the CISP at least annually, or whenever there is a material change in Non-profit's business practices that may implicate the security or integrity of records containing personal information; and
- Conducting an annual training session for all directors, officers, employees, volunteers and independent contractors, including temporary and contract employees who have access to personal information on the elements of the CISP.

#### **IV. HANDLING PERSONAL INFORMATION**

##### **A. Paper Records**

All paper records containing personal information shall be kept in a locked file cabinet with restricted access. Paper records will be destroyed regularly in accordance with Non-profit's document destruction policy using an office-grade shredder. Records containing personal information may not be taken out of the office and may be accessed only by personnel with a business necessity. Checks that need to be transported from the dispensary to the bank may be sent by US mail or hand delivered by the responsible employee, and if hand delivered, will not be left unattended at any point in the transition.

Checks. When Non-profit receives checks from members of the public, it will make only one hard copy and keep it in a locked file cabinet with restricted access. The checks themselves will also be kept under lock and key until they are deposited.

Paper employment records. Paper employment records must be kept under lock and key and accessed only by staff members responsible for employment issues and/or by the Executive Director.

Confidentiality. Information held about registered qualifying patients, personal caregivers, and dispensary agents is confidential and shall not be disclosed without the written consent of the individual to whom the information applies, or as required under law or pursuant to an order from a court of competent jurisdiction, provided however, the Massachusetts Department of Public Health may access this information to carry out official duties.

##### **B. Electronically Held Records**

Non-profit requires the following security systems with respect to the maintenance of personal information on its computers:

Authentication Protocols. The Data Security Coordinator shall secure user authentication protocols including:

- Control of user IDs and other identifiers;
- A reasonably secure method of assigning and selecting passwords, or use of unique identifier technologies, such as biometrics or token devices;



- Control of data security passwords to ensure that such passwords are kept in a location and/or format that does not compromise the security of the data they protect;
- Restricting access to active users and active user accounts only; and
- Blocking access to user identification after multiple unsuccessful attempts to gain access.

Access Protocols. The Data Security Coordinator shall implement the following secure access control measures:

- Restrict access to records and files containing personal information to those who need such information to perform their job duties; and
- Assign unique identifications plus passwords, which are not vendor supplied default passwords, to each person with computer access, that is reasonably designed to maintain the integrity of the security of the access controls.

Restriction on E-mailing Personal Information. Non-profit will not, as a general rule, send or accept personal information by e-mail. To the extent exceptions must be made, the security measures described in this CISP shall be taken.

Encryption. Should any records and files containing personal information be transmitted across public networks or wirelessly, such records or files shall be encrypted. Personal information stored on laptops and other portable devices shall also be encrypted.

Monitoring. Non-profit shall take all steps necessary to reasonably monitor its computer network for unauthorized use of or access to personal information.

Firewalls. All files containing personal information on a system that is connected to the Internet shall be protected by a reasonably up-to-date firewall protection and operating system security patches designed to maintain the integrity of the personal information.

Virus protection. All computers containing personal information shall be protected by reasonably up-to-date versions of system security agent software, including malware protection and reasonably up-to-date patches and virus definitions, or a version of such software that can still be supported with up-to-date patches and virus definitions, and is set to receive the most current security updates on a regular basis.

Confidentiality. Information held about registered qualifying patients, personal caregivers, and dispensary agents is confidential and shall not be disclosed without the written consent of the individual to whom the information applies, or as required under law or pursuant to an order from a court of competent jurisdiction, provided however, the Massachusetts Department of Public Health may access this information to carry out official duties.

### **C. Vendors**

Non-profit routinely shares personal and financial information with its payroll service, its CPA firm, legal counsel, credit card vendors and Pay Pal. Non-profit requires each of these organizations to send written evidence, signed by an authorized person, confirming that they follow a security plan that fully complies with 201 CMR 17.



## **V. Training**

The Data Security Coordinator shall ensure that all employees, whether full-time, part-time, seasonal or temporary, and independent contractors, consultants and volunteers who have access to personal information are trained on the data security requirements provided in this CISP.

## **VI. PERSONS SEPARATING FROM NON-PROFIT**

All employees, whether full-time, part-time, seasonal or temporary, and independent contractors, consultants and volunteers upon termination or resignation shall immediately be denied access to physical and electronic records containing personal information and will be required to return or destroy all records and files containing personal information in any form that may at the time of such termination or resignation be in their possession or control, including all such information stored on laptops, portable devices, or other media, or in files, records, notes, or papers.

## **VII. SECURITY BREACH AND NOTIFICATION**

All employees, whether full-time, part-time, seasonal or temporary, and independent contractors, consultants and volunteers, shall as soon as practicable and without unreasonable delay notify the Data Security Coordinator when such person knows or has reason to know of a security breach or when the person knows or has reason to know that personal information was acquired or used by an unauthorized person or used for an unauthorized purpose.

A "security breach" is any unauthorized acquisition or unauthorized use of unencrypted data or, encrypted electronic data and the confidential process or key that is capable of compromising the security, confidentiality, or integrity of personal information that creates a substantial risk of identity theft or fraud. A good faith but unauthorized acquisition of personal information by a person or agency, or employee or agent thereof, for lawful purposes, is not a breach of security unless the personal information is used in an unauthorized manner or subject to further unauthorized disclosure.

When the Data Security Coordinator is informed of a security breach, she will (1) notify the individual whose information was compromised, and (2) notify the Massachusetts Attorney General and the Office of Consumer Affairs and Business Regulation.

The notice to the individual will be in writing, possibly by electronic mail, and will include the following information:

- A general description of the incident;
- Identification of the personal information that may be at risk;
- A description of Non-profit's security program;
- A phone number to call within Non-profit for further information;
- Suggestion of extra caution, to review account statements, and to obtain a credit report; and

- Phone numbers and addresses of the Federal Trade Commission, state agencies that may be of assistance, and major consumer reporting agencies. The notice will not be provided if law enforcement personnel advise against it.

The notice to the Office of Consumer Affairs and Business Regulation and to the Attorney General will include the following:

- A detailed description of the nature and circumstances of the breach of security;
- The number of people affected as of the time of notification;
- The steps already taken relative to the incident;
- Any steps intended to be taken relative to the incident subsequent to notification; and
- Information regarding whether law enforcement is engaged investigating the incident.

Non-Retaliation. Non-profit will not retaliate against anyone who reports a security breach or non-compliance with CISP, or who cooperates in an investigation regarding such breach or non-compliance. Any such retaliation will result in disciplinary action by the responsible parties up to and including suspension or termination.

Documentation. Non-profit shall document all responsive actions taken in connection with any incident involving a security breach.

**MANAGEMENT AND OPERATIONS PROFILE PACKET**

1. The business name and business ID number match information with the Secretary of the Commonwealth's office. *935 CMR 500.101(1)(c); 935 CMR 500.101(2)(e) (required)*

**Note: Kate Tenebaum is listed on the articles of organization but not named within your application. Please add her to your application of intent and background check packets or provide documentation explaining why she does not fit the definition of an individual having direct or indirect authority or that of a close associate.**

**RESPONSE TO RFI:**

Kate Tenebaum is no longer a part of GRI in any way. She is no longer a board member.



A photograph of an indoor cannabis cultivation facility. The foreground is filled with rows of green cannabis plants growing in a hydroponic system. In the background, there are more rows of plants and a ceiling with large, rectangular, fluorescent light fixtures. The overall scene is a well-lit, organized indoor grow space.

# Garden Remedies, Inc.

## Business Plan

# DISCLAIMER

## DISCLAIMER

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A photograph of a rooftop garden. In the foreground, there are rows of lush green plants, possibly basil, growing in a raised bed. The garden is situated under a modern building's overhang, which features a glass and steel structure. The background shows more of the garden and the building's facade. The text "EXECUTIVE SUMMARY" is overlaid in white, bold, sans-serif font in the center of the image.

# EXECUTIVE SUMMARY



# NEWTON DISPENSARY

## **GRI is already growing, cultivating, and dispensing Medical Cannabis**

GRI is one of only 18 licensed groups in Massachusetts that have approval to actually grow and dispense medical cannabis for qualifying patients, and is one of only 3 groups approved for home delivery. GRI opened its Newton dispensary on November 15, 2016 and has received top social media patient reviews for strong medical knowledge and a friendly, comfortable atmosphere. GRI's Cultivation Facility in Fitchburg currently has 6 flower rooms (3 recently constructed); with harvests occurring every 10 days. In the original 3 rooms, the first 23 harvests each averaged approx. 120 dry lbs.

**Newton Dispensary:** GRI is currently providing more than 50 medical cannabis products to more than 1,200 MA patients per week. There is ample expansion opportunity in this building to accommodate adult use cannabis sales. In addition, GRI's home delivery service meets medical patients' needs for convenience, now delivering to 6 counties in MA.

GRI's dispensary fulfills its core mission of providing a convenient location to access safe, excellent quality pharmaceutical-grade medical cannabis, grown to the best organic standards, that also meets the rigorous testing standards of the DPH. GRI's Patient Care Advocates (PCAs) encourage and teach patients to use edibles, tinctures or vaporizers rather than through smoking. GRI also educates patients on the proper and medically-safe usage of all forms of medical cannabis and the appropriate dosing techniques.



# NEWTON DISPENSARY OPERATING SUMMARY

**Size:** 1,700 sq. ft., on 2 levels

**Main Floor:** Entrance – secured control area (*Initial patient screening before access*)  
Surveillance cameras throughout (*Netwatch & American Alarm back-up*)  
5 Patient Care Stations (*each with medical product inventory & payment capacity*)  
Patient Consultation room  
Product displayed behind glass-lit shelving wall in patient waiting area  
Restroom (*handicapped access*)  
Exit area (*to internal building lobby*)

**Basement:** Employee break room  
Secured storage and equipment area (*large limited-access secured room*)

**Staff on site:** Approximately 6 employees, depending on time of day

**Hours:** Monday to Saturday: 10:00 am to 8:00 pm

# FITCHBURG CULTIVATION FACILITY

The State of Massachusetts Department of Public Health (“DPH”) issued its Final Certificate of Registration on May 5, 2016, enabling GRI to plant 1,500 seeds. GRI began cultivating in 3 flower rooms of 432 plants each growing in various stages. Construction was just completed to increase growing capacity by 1.3x (from 1,300 plants to more than 3,000), leaving nearly half of the remaining space to accommodate expanding operations. GRI has had 30+ successful crops, and no failed harvests. GRI is now harvesting a new crop every 10 days.

GRI uses a sophisticated, automated “seed-to-sale” inventory tracking system enabling its staff to efficiently manage DPH’s extensive compliance and reporting requirements at both the cultivation facility and in its Newton dispensary as well. GRI works closely with its DPH counterpart to ensure that all compliance directives are properly implemented and monitored.

As the largest cultivation facility in the State (82,045 sq. ft.), GRI’s grow operation is an additional unique and critical competitive advantage over other applicants because it is able to offer a reliably large production volume and diverse cannabis product mix -- both of which are especially well suited for GRI’s initial adult use market entry, while providing the highest-in-quality, consistently-measured doses to its medical patients.





# FITCHBURG CULTIVATION OPERATING SUMMARY

**Size:** 82,045 sq. ft.

Phase 1: Cultivation & Processing: 19,345 sq. ft.

Office: 7,445 sq. ft.

Phase 2: Additional 1.3 X grow room capacity: 17,005 sq. ft. → *completed Dec 2017*

Remainder: 38,250 sq. ft.

**Cultivation:**

Secured Entrance Area

Surveillance cameras throughout (*Netwatch & American Alarm back-up*)

Employee locker rooms (*including showers & restrooms*)

Air Showers before clean room areas

Clone Room, Transplant Room, Mother Room

2 Large Vegetation Rooms, 6 Large Grow Rooms

3 Drying & Cure Rooms

Large Trimming Room, Container Washing Room

Commercial Kitchen for Medically-Infused Products ('MIPS'), with walk-in Refrigerator/Freezer

2 Lab/Extract Rooms for vape pens and concentrate production

Packaging Area, Secured Storage Room, Delivery Area

**Staff on site:**

Currently 50

# DISPENSARY PRODUCT MIX

**Flower:** Multiple strains, pre-rolls, travel packs

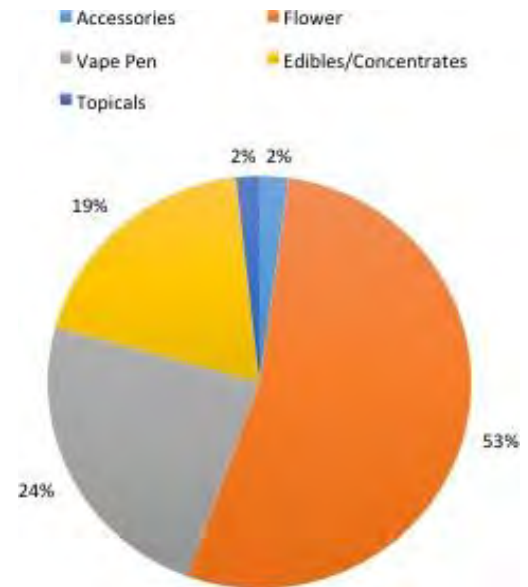
**Vape Pens:** 300mg & 500mg Cartridges, often strain-specific

**Tinctures:** CBD/THC mix and THC

**Capsules:** 10 Packs, including CBD capsules

**Spa Products:** Topical lotions, oils, bath salts, body scrubs, lotion bars and bath bombs

**Marijuana Infused Products (MIPS):** Rosins, sap, kief, Rick Simpson Oil, Terpene Rich Extract, and edible products, including chocolates, hard candies, fruit gummies, caramels, chocolate chip cookies, infused sugar and honey

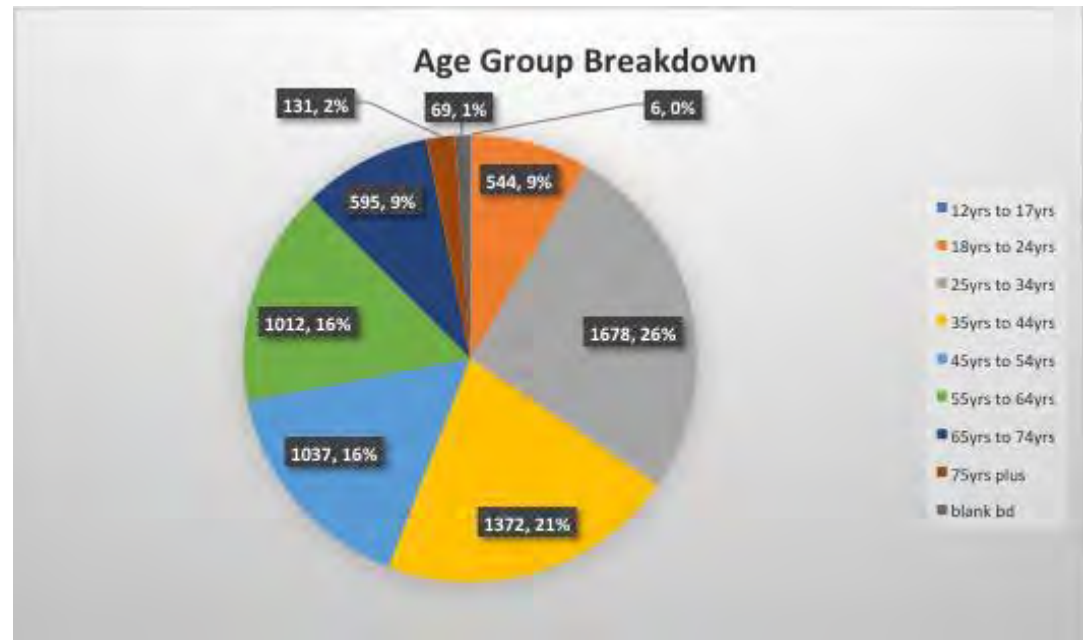


# DISPENSARY PATIENT BREAKDOWN

Gender split is **67% Male** to **33% Female**

As depicted below, GRI's **largest patient demographic is under age 35**

24 years and under	(9%)
25yrs to 34yrs	(26%)
35yrs to 44yrs	(21%)
45yrs to 54yrs	(16%)
55yrs and above	(28%)
Total	(100%)



Despite regulations against “marketing,” GRI continues to carefully balance its social media presence to grow our popularity on Facebook, Instagram and Twitter. In Q3, Garden Remedies’ Facebook page increased its Likes and Follows to 1,022 and 1,110 respectively.

As for direct email, Garden Remedies now has more than 6,100 patients on its email list, which accounts for 13.4% of the state’s total patient count, and 22.2% of patients that purchase in a given month.



# LOOKING BACK, LOOKING AHEAD

## Our path to-date

Garden Remedies continues its rapid growth, reaching an increasingly wide customer base with safe, pure and regulated cannabis products.



**2014:**

### **Vision + Beginnings**

- **GRI founded**
- Political advocacy
- Media whispers about MMJ coming to Newton
- Lenders recruited to lay groundwork for the future



**2015:**

### **Groundwork + Approvals**

- Newton political advocacy
- **GRI in process for legal approvals**
- GRI Brand Launched



**2016:**

### **Business Blossoms**

- First seeds planted **05/05/2016**
- Political initiatives continue, GRI matures
- **11/15/2016: Newton Dispensary Opens**



**2017:**

### **Operations Mature**

- Brand expansion
- Retail sales grow
- Cultivation Phase II planned
- **Home Delivery launches**



**2018:**

### **Adult Use**

- Marketing & PR ramp up for adult use
- Cultivation Phase II
- New retail locations
- Continued brand expansion
- **Looking ahead: Fall 2018 and 2019 - adult use sales**

# LOOKING BACK, LOOKING AHEAD

## What's Next?

Looking ahead to Q3 and Q4 2018, we will embrace the opportunity to serve an expanded base of medical marijuana patients and (once approvals are in place) adult use customers. Expansion across products, geographies, cultivation and marketing/sales will characterize Q3, including:

- ✓ **Melrose Dispensary:** In Q3, we will begin the construction and marketing of our new medical marijuana dispensary location in Melrose, Massachusetts.
- ✓ **Marketing:** We will be focusing on the Melrose dispensary opening, social engagement, paid placements in top tier outlets, storytelling campaigns about the diversity of cannabis users to shed stereotypes, local political efforts, increasing media coverage, supporting outside sales and delivery, and more.
- ✓ **Cultivation:** In Q3, we will move plants into “phase 2B.” Two new beautiful rooms are expected to increase our flowering plant count from 3,000 to over 4,600, a 55% improvement.
- ✓ **Production:** We expect an increase of up to 35% refined oil production in Q3. This projection is based on equipment investments made in Q2; early results suggest positive indications for increased oil production.



# POLITICS, COMPLIANCE & MEDIA

## GRI Expansion Summary

Following is a summary of the status of our expanding operations for medical marijuana (MMJ) and adult use sales.

### **Newton:**

- ✓ MMJ: Currently-operating
- ✓ adult use: Active Special Permit application process

### **Fitchburg:**

- ✓ MMJ Cultivation: Rapidly expanding
- ✓ Adult Use Cultivation: Approved
- ✓ Hemp Cultivation: Approved
- ✓ MMJ Home Delivery: Rapidly expanding
- ✓ MMJ Wholesale: Rapidly expanding

### **Melrose:**

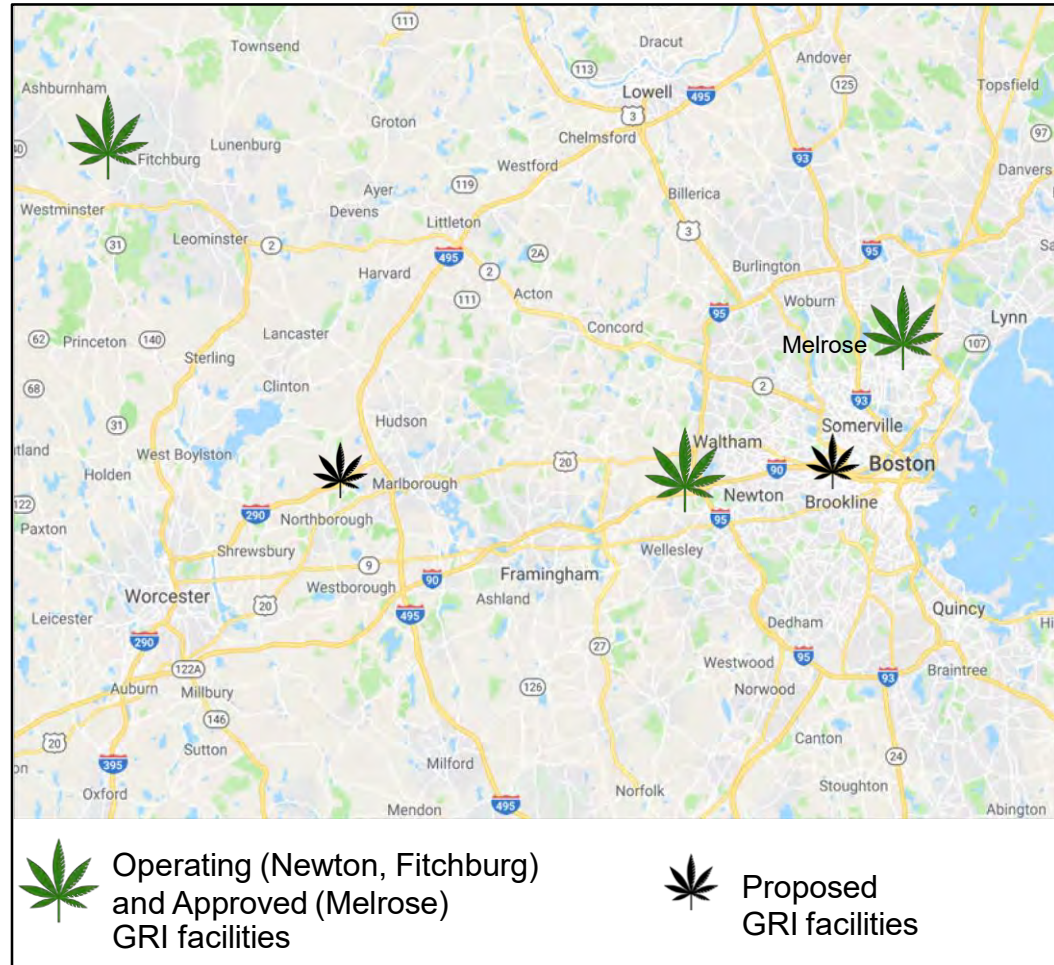
- ✓ MMJ: Approval process advanced for 3Q18 construction start, early October opening

### **Marlborough**

- ✓ MMJ Approval process advanced for 1Q19 anticipated opening

### **Boston**

- ✓ adult use dispensary lease negotiations progressed for early Q3 lease signing, approval process commencement.





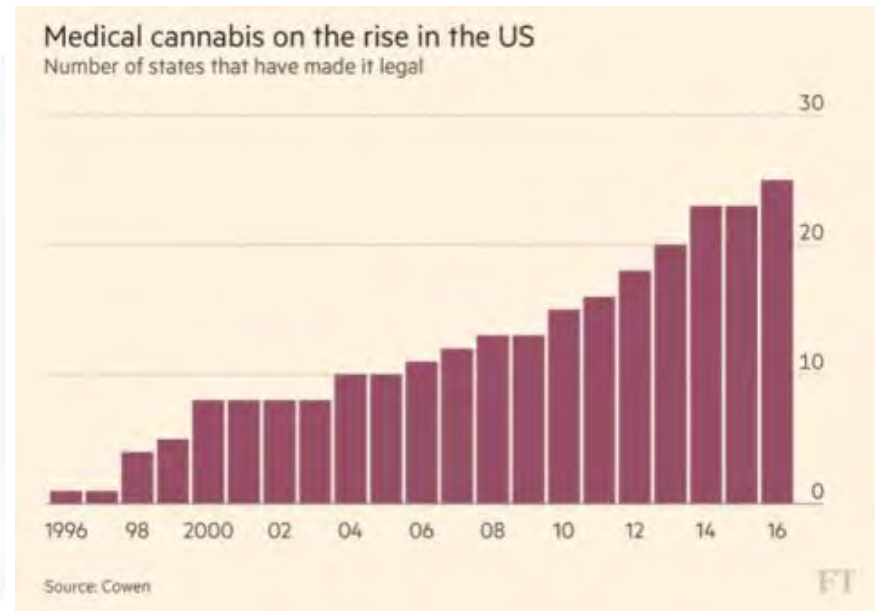
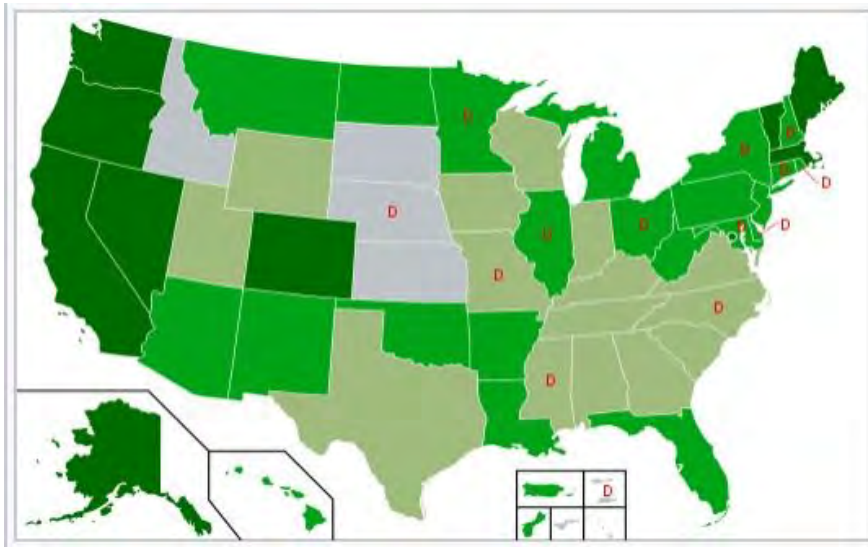


# MARKET ANALYSIS



# CANNABIS IN THE USA

- More than 50% of U.S. population currently have access to some sort of legal cannabis.



- Medical cannabis is legal in 31 states and the District of Columbia; 17 more have cannabis extract laws
- Adult use cannabis is legal in 9 states and the District of Columbia
  - Current \$6B+ market expected to grow to \$50B in 2026
  - Growth Rates: 24%, 10-year revenue compounded annual growth rate (Source: Cowen Research/Bloomberg)

# CANNABIS IN THE USA

- 94% of American voters support support medical access when directed by a physician (*Source: Quinnipiac Poll*)
- 73% of American voters oppose enforcing federal cannabis laws against state laws (*Source: Quinnipiac Poll*)
- More than 70% of U.S. population supports legalizing cannabis; 73% among Millennials (*Source: Pew Research*)
- When medical cannabis is legalized, fewer pills are prescribed:

## Fewer pills prescribed in medical pot states

Difference between annual drug doses prescribed per physician in medical marijuana states, and in states without medical marijuana laws, by drug category





# CANNABIS IN THE USA

U.S. alcohol market size: \$200B

- 70% consume alcohol
- 14% of U.S. adults use cannabis
- 25% smoke cigarettes



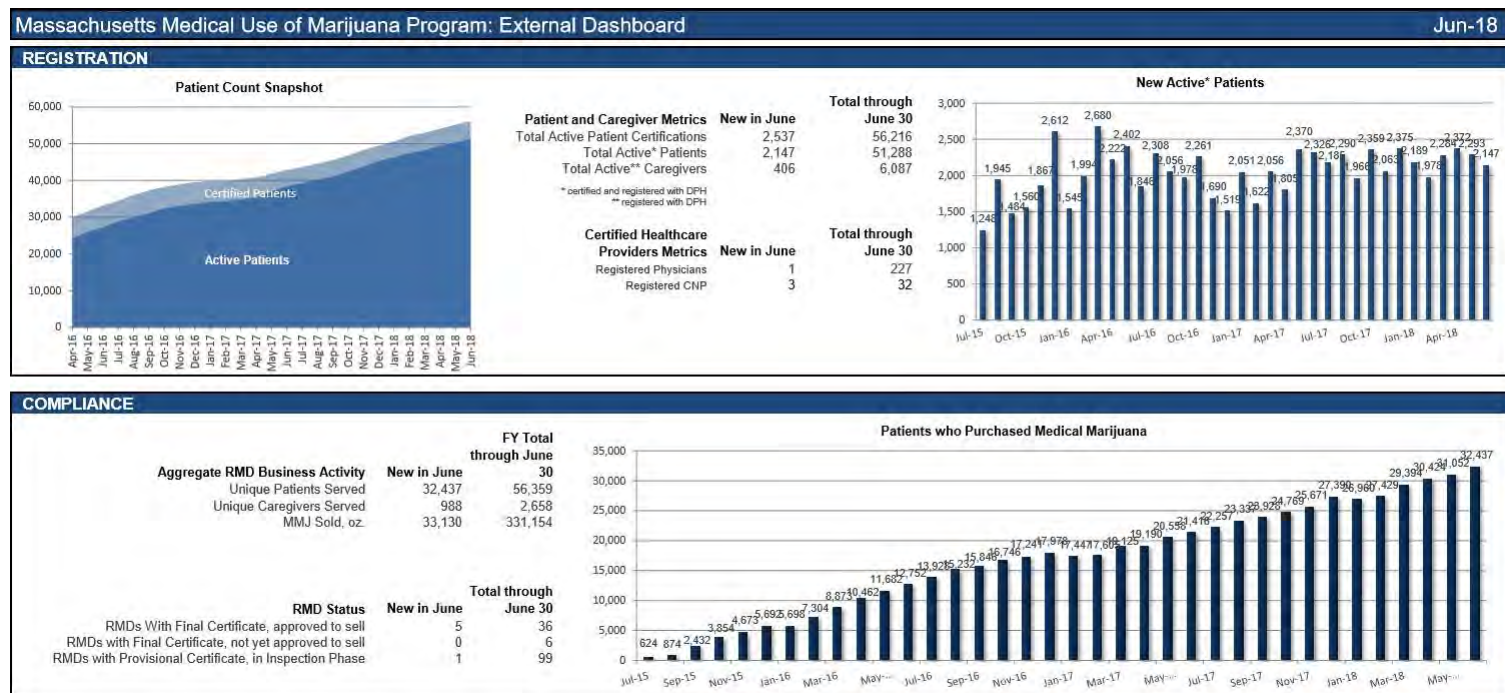
London Survey: 1,006 people

- 45% of cannabis users indicate they believe they drink less alcohol; 55% of women

# DPH REGULATORY & MARKET UPDATE

## Patient Market Demand Status

The cannabis patient market in Massachusetts continues to demonstrate generally consistent patient expansion and demand growth, despite only 30 dispensaries currently open, many in second-tier, inconveniently located markets. As set out below, between June 2015, when the first dispensary opened, and June 30, 2018, when thirty were operating, certified patients grew to 56,216.



# DPH REGULATORY & MARKET UPDATE

## Limited Cannabis Product Mix and Availability

- The overall product mix and cannabis inventory in the current dispensary locations is severely limited and poorly supplied; product quality is inconsistent, as is availability. Each of the dispensaries has a hard time keeping the supply inventory up with the robust pent-up patient demand. There is also little-to-no major brand recognition among the 30 dispensaries.
- In addition, the product mix is extremely limited, with a few strain selections, mostly limited flower-related choices, with only a couple of concentrate pen products. Edible products are provided on a somewhat random and inconsistent basis, ranging from brownies and cookies, to chocolate bars and lotions, to lozenges and tinctures. Product availability and quantity varies tremendously by location.
- Maintaining consistent inventory levels is the single biggest challenge and it has impacted consistent patient visits, customer perception, and greater physician registration.
- Some patients have complained about the limited strain selection, the inconvenient locations in generally secondary and tertiary markets, and poor accessibility of the current dispensaries (few have access to mass transit or other public transportation modes); inconsistent quality (i.e., dryness, seeds, etc.) has also been cited by patients as a reason for inconsistent or infrequent visits to the current dispensary network.
- Finally, only 4 RMD groups have been approved by the State for home delivery service (including Garden Remedies).



# MASSACHUSETTS MEDICAL & ADULT USE MARKETS



For Massachusetts, New Frontier Data projects:

- Overall 2016 sales of medical cannabis to total \$52 million
- Overall 2017 sales of medical cannabis to reach \$101 million
- Passage of legalization measures last fall to open an adult use market in 2018
- Overall 2016-2020 market growth with a compound annual rate of 113%
- Adult use sales to represent 72% of that market by 2020
- Dramatically increased total cannabis sales to reach \$1 billion by 2020

# ADULT USE CANNABIS BALLOT & REGULATIONS

Based on the approved recreational cannabis ballot initiative, followed by the Governor's signing the MA Compromise Bill on July 17, 2017, and March 2018 final regulations, our present understanding is set out below. However, everything is subject to the continued regulations of the Cannabis Control Commission (CCC).

For GRI, one of its most important components is the permission to convert from a non-profit to a for-profit corporation. This is done by a positive vote of 2/3 of the Board of Directors to adopt a plan of entity conversion in accordance with Section 9.51 of Chapter 156D of the General Law. Articles of entity conversion will be submitted to the Secretary of the Commonwealth for approval. This conversion transaction is not subject to entity taxation.

- 1) The new law became effective December 15, 2016, with the earliest date for recreational cannabis sales being January 1, 2018. Governor Baker extended the commencement date to July 1, 2018, which was reflected in the signed Compromise Bill.
- 2) Existing medical cannabis license holders will have the first opportunity to enter the adult use cannabis market.
- 3) Both the medical and recreational cannabis sectors in Massachusetts will be regulated by a five-member Cannabis Control Commission, under the aegis of the Department of Revenue. This Commission will administer the laws governing recreational cannabis sales, distribution and use, and is also responsible for licensing.
- 4) Whereas medical cannabis remains untaxed, adult use cannabis will be taxed up to 20%, calculated as follows: 6.25% MA sales tax + 10.75% excise tax + 3% 'local option' that cities and towns will be able to levy ('local option' tax will only last 5 years).
- 5) An entity can be granted a maximum of 3 licenses in each of the following categories: medical use, adult use, product manufacturer, and cultivator.

# ADULT USE CANNABIS BALLOT & REGULATIONS

- 6) Although the recreational industry will be allowed to have for-profit structures, the regulations that will govern such relationships will be clarified in the coming months.
- 7) Governor Baker has promised to implement the Massachusetts recreational MJ law "briskly" and has vowed to oversee its "responsible and timely" rollout. Note that when Governor Baker came into office in 2014, no medical cannabis dispensaries were open; there are now 27 opened, operated by 18 groups.
- 8) Local communities who voted against legalization (referendum Question 4) will not have to have a voter referendum to impose limits on retail MJ shops; their local officials will have the ability to do that. They have to do it before Dec. 31, 2019. In the rest of the state, where communities voted "yes" on Question 4, there will have to be a voter referendum if local officials want to ban or restrict retail cannabis shops.
- 9) Adult-Use licenses can be bought and sold.
- 10) Adult-Use companies have the ability to grow outdoors and in greenhouses.
- 6) GRI will still have the ability to provide home deliver medical MJ products ANYWHERE in the state (GRI is now one of only 3 groups permitted to provide home deliveries across the State).
- 7) There is a 100,000 sf limit on each operations canopy space.
- 8) Adult-Use licensed entities can sell MJ products to other licensed entities, and
- 9) Vertical integration of production and retail sales is not required.



# MEDICAL APPLICATIONS OF CANNABIS

- Cannabis can be used in the treatment of nausea, vomiting, premenstrual syndrome, insomnia, unintentional weight loss, spasticity, pain, movement disorders, asthma, glaucoma and post-chemotherapy pain
- Cannabis has been found useful in the treatment of inflammatory bowel disease, migraines, adrenal diseases, fibromyalgia, and related diseases
- Cannabis can relieve certain symptoms of multiple sclerosis and spinal cord injuries by exhibiting pain relief, muscle relaxant properties, decreases in anxiety, depression, treatment of insomnia, and appetite stimulation
- Other medical studies indicate cannabis can be used to treat post-traumatic stress disorder (PTSD), diabetes, amyotrophic lateral sclerosis, bi-polar disorder, leukemia, skin tumors, Parkinson's disease, hepatitis, sleep apnea, anorexia nervosa, psoriasis, sickle-cell anemia, depression, epilepsy, colorectal cancer, various digestive diseases, HIV-associated sensory neuropathy and arthritis
- A survey study done in California (Reinarman, 2011) of cannabis and non-cannabis users found that cannabis was used for pain relief, muscle spasms, headaches, anxiety, nausea, vomiting, depression, cramps, panic attacks, diarrhea, and itching. Others use cannabis to improve sleep, relaxation, concentration and energy; it is also used to prevent medication side effects, anger, seizures and involuntary movements; or as a substitute for prescriptions or alcohol. It is increasingly seen as a product to improve health and wellness.



F3

# PRODUCTS OFFERED

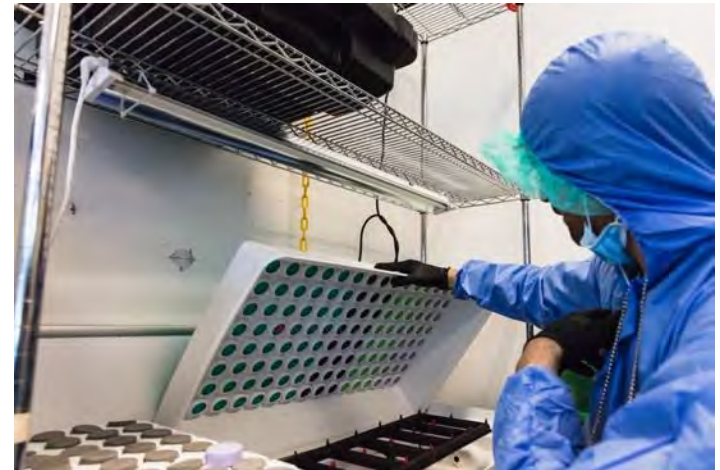


# CULTIVATION & PRODUCTION

## Lab and Processing Highlights

Increased volume and efficiency are permeating our operations, and laboratory, while production and quality departments are leading the way with key advances.

- ✓ In Q2, with the addition of new refinement equipment in the lab, we have increased refined oil (distillate) output by 2%.
- ✓ Updated granulation vessels from 3" to 6" which reduced the granulation process of a harvest by 50%.
- ✓ We in-house engineered automatic extraction skid which has reduced labor and time for extraction setups.
- ✓ We updated our extraction process to a cryogenic extraction which allows the unnecessary plant material such as a fats and waxes to remain out of the final extract. Also, the cryo-extraction reduces the pre-refinement clean-up processing time.
- ✓ We have utilized Pope short-path thin film which further cleans the crude oil pre-refinement, increasing both speed and quality.
- ✓ By replacing the trimming blade in our original trimmer, we have seen a significant decrease in time the buds need to pass through the machine to achieve optimal results increasing efficiency.
- ✓ Edibles are being produced that meet the regulations for adult use, reducing potency of each unit to 5mg; edibles that are more potent are also continuing to be produced, based on patient input.



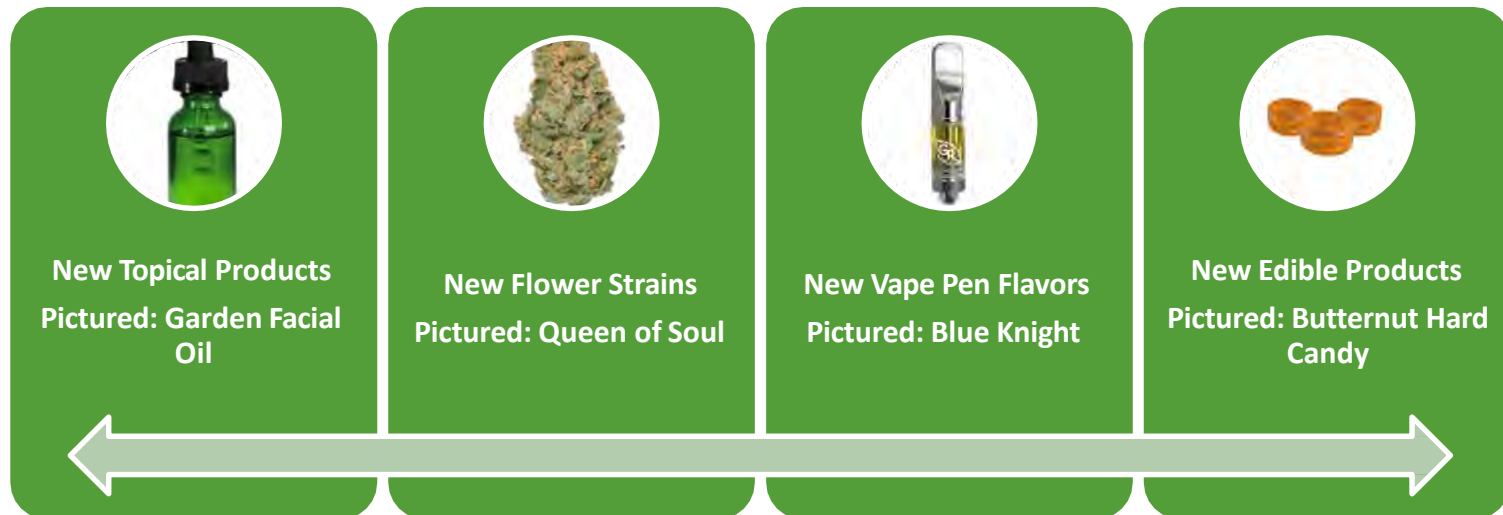


# CULTIVATION & PRODUCTION

## GRI Innovation: New Products

We continue to garner praise for our product innovation and responsiveness to our customers' needs. This quarter we introduced 27 total new products, including new flower varieties, new flavors and new topical products. New products include:

- **Flower:** Rain Maker (pre-rolls, flower); Sour Kosher Flower (pre-rolls); Apollo Haze (flower); Critique (flower, pre-rolls); Queen of Soul (flower); G.O.A.T. #12 (flower, pre-rolls)
- **Vape Pens:** Blue Knight; Perfect Package; Bankers Blend; Chef's Choice; Citrus Sap; Corn Bread; Blue OG; Bio Diesel; Las Vegas Bubba Kush; 1 House Blend
- **Topicals:** lip balm (orange, lime); facial oil (pictured); lotion bar (now available in a push tube)
- **Edibles:** Root Beer Hard Candy; Butternut Hard Candy
- **Concentrates:** Rain Maker Rosin; Critique Rosin



# DEPARTMENT HIGHLIGHTS

## Department Highlights – Cultivation

- ✓ Phase II Cultivation was in full swing in Q2, with preparation for Phase 2B underway. As a result, significant volume increases in cultivation drove increased product availability—and increased sales.
- ✓ This quarter, cultivation saw a 24% increase in oil (resin) production per plant in the phase 2 rooms, we can only attribute this to an overall better design, lighting and HVAC equipment in these new rooms.
- ✓ We invested in more robust IPM protocols and Equipment, such as Dramm Mini Auto Fogger. These units reduce workflow tremendously and help keep our crops free of mold and bacteria.
- ✓ Agriair Purifiers mobile units were deployed around the facility in hallways and other smaller ancillary rooms to keep the air free from mold spores, airborne and surface bacteria using a combination of UV light, HEPA filtration and Ionic Oxidation technology.



**64%**

**Harvest Increase  
in 2Q18  
(compared to  
1Q18)**



# CULTIVATION & PRODUCTION

## Department Highlights: Facilities Management

The Facilities team spent Q2 building new rooms and improving the facilities to be more efficient and to better support high quality growth and expanded production. Key activities included:

- ✓ Facilities for Cultivation Phase 2B are nearly ready; Phase 2C is in the planning and design stage.
- ✓ To control relative humidity, we installed two dry steam units per Phase 2B room.
- ✓ A larger liquid CO2 tank will be installed in early Q3. This will make volume pricing possible, and make tank refills less frequent and therefore significantly less time-consuming.
- ✓ We are making changes to our HVAC controllers to make the systems less vulnerable to low voltage situations of the power grid, commonly known as “brown outs.”
- ✓ 15 new lighting hoists are under construction for Phase 2B based on the successfully-tested prototypes from Phase 2. Each electric hoist is 60 feet long and carries 15 high pressure sodium grow lights which can all be raised or lowered simultaneously.
- ✓ We have a sizable rebate coming to us from Unitil, our electricity provider, awarded to us for the high efficiency environmental equipment installed for Phase II.
- ✓ Many fluorescent bulbs require replacement; alternatively, we are installing LED lighting in the common areas, hallways, offices and some production areas. LED's will provide better lighting, lower operating cost and offer longer life than fluorescent bulbs.





# CULTIVATION & PRODUCTION

## Department Highlights: Security

We are always looking for ways to enhance safety and security, including:

- ✓ **Employee Training:** All employees received training in personal safety and crime prevention techniques per DPH regulation; ongoing employee training was made more efficient with the training and addition of a new Fitchburg Security Coordinator. Topics included Hazardous Communications, CPR and use of Automatic External Defibrillator, and proper use of personal protective equipment.
- ✓ **Upgraded Newton Dispensary Security:** We added security measures to the Newton Dispensary including exterior security personnel, and we continue to collaborate with the police liaison.
- ✓ **Melrose Planning.** We developed security SOP's, an architectural security layout and a security plan narrative, then presented these plans in municipal meetings. We also coordinated with vendors to oversee the installation of a new security system.
- ✓ **Fitchburg Cultivation Facility:** We continued security build out for Cultivation Phase 2B; attended construction meetings, designed the security system, and coordinated with GC and the security company to oversee installation. We established a security committee and implemented weekly safety and security checklists.
- ✓ **Ongoing Diligence.** We updated security assessments to ensure that actual practices reflect policies and regulations; maintained and regularly updated passwords for social media accounts, and performed other ongoing activities.
- ✓ **Brand Building:** We developed and presented best practices for security in the cannabis industry at the Cannabis Market Strategies Conference for the New England area.



# CULTIVATION & PRODUCTION

## Department Highlights: MIPs Kitchen

As we prepare for balancing the needs of medical marijuana patients with the regulations for adult use sales, our edible products are evolving in variety. Key activities this quarter included:

- ✓ Altered cook time of caramel to increase yield
- ✓ Performed R&D on mini chocolates and finalized method to produce chocolate drops to better suit the recreational market.
- ✓ Increased the amount of flavor in the gummy recipe to improve taste.
- ✓ Introduced new hard candies in butterscotch and root beer flavors.
- ✓ Introduced fruit leather products.
- ✓ Continued R&D, experimenting with new products for the future including sour gummies, chewing gum, custom molds and depositors, pretzel bites, infused olive oil, honey straws and other products.
- ✓ Collaborated with the dispensary to ensure the needs of medical patients are being met. As a result, standardized edible products are now available in dosages for adult use and/or for medical marijuana.



# CULTIVATION & PRODUCTION

## Department Highlights: Topicals

Topicals represent a key area of opportunity for future sales growth; we are performing significant R&D and sales testing, and working with Marketing to develop new branded packaging. Key activities this quarter included:

- ✓ Our Garden Salve and Facial Oil are now being sold in the Newton Dispensary and are rising in popularity.
- ✓ Production is up, accommodating new bulk orders.
- ✓ Conducted education onsite at the Dispensary educating patients and PCA's on the wonders of our topicals.
- ✓ Performing significant R&D on new products, keeping them as close to organic standards as possible.
- ✓ Working close with our Scientists on diffusing terpenes derived from our cannabis.
- ✓ Researching better packaging strategies to showcase our wonderful products.
- ✓ A key staff member is applying lessons in real-time, as learned while enrolled in the Diploma in Organic Skincare Formulation and Advanced Diploma in Organic Cosmetic Science.





# CULTIVATION & PRODUCTION

## Department Highlights: Packaging

This quarter, the packaging department focused on formalizing and operationalizing Standard Operating Procedures throughout our Packaging Operations.

- ✓ The purpose for SOPs is to give a detailed outline on each of the processes and procedures in which we use in production of our products that are made or packaged within the department.
- ✓ For example: We have written a step-by-step procedure on how to operate the Futurola Knock-Box Pre-roll machine.
- ✓ We also have Standard Operating Procedures for the vape cartridge filling machine, container sanitation, bottle sanitation and tincture filling, and we are in the process of writing an SOP for the use of personal protective equipment.
- ✓ Each of these documents are drafted, revised and approved by William George, Director of Compliance before they are put to use on the production floor.





# SALES & MARKETING



# SALES CHANNELS

## Sales Highlights

Sales rose again this quarter; cultivation was up 64% in anticipation of expanded sales with new dispensaries and adult use on the horizon. As a result, we sold more product - not only in our Newton dispensary, but with expanded home delivery and wholesale channels. This quarter we sold products via three sales channels: the Newton Dispensary; Home Delivery; and Wholesale.

- ✓ Overall sales **increased by 82%** year-over-year.
- ✓ Overall sales **increased by 26%** quarter-over-quarter.

### RETAIL:

- ✓ Newton dispensary sales **increased by 5%.**
- ✓ With approval of the Melrose medical marijuana dispensary, a new outlet for retail sales will commence in 4Q 2018.

### HOME DELIVERY

- ✓ Home delivery sales **increased by 14%.**
- ✓ The home delivery channel is building our brand in the Melrose area, where we have built a significant patient base.

### WHOLESALE

- ✓ Wholesale sales **increased by 537%.**
- ✓ Cultivation is up, so our wholesale program ensures that as we anticipate adult use approval and new dispensary openings, we profit from our product.

Sales increased across the board in 2Q18.

	4Q17	1Q18	2Q18
<b>Newton</b>	\$1,781,935	\$1,774,038	\$1,857,188
<b>Wholesale</b>	\$25,000	\$78,582	\$500,702
<b>Delivery</b>	\$69,338	\$140,145	\$159,641





## Maturing Sales Channels

We're reaching out to patients to bring marijuana medicine where it is needed the most, expanding outside sales and delivery—in addition to pursuing new retail locations for medical and adult use sales.



# SALES CHANNELS

## Newton Dispensary Highlights

- ✓ Our new patient numbers continue to grow. As we move forward, we find that our constant contact with patients through social media as well as providing a high-quality medicine is where our success has been thus far.
- ✓ Our highlights include the successful “420” weekend in April, when we saw our largest same-day sales number to-date (on 4/20, of course): **\$69,492.12**.
- ✓ In addition to steady sales, we are seeing a rise in our average dollar sale from \$129.00 to \$140.00 per visit.
- ✓ Our patients are enjoying GRI’s signature vape cartridges, now available in 23 options. New blends are in the works, along with 16 flower varieties.
- ✓ Our dispensary team continues to remain strong with retention and further training modules in place.
- ✓ Accessory products are a category that continues to grow. We introduced the newest vape battery, the C-Cell palm and have sold 890 since introducing the batteries to customers on April 25th.
- ✓ We hosted another town of Newton Food Drive in the Dispensary the month of May, donating 24 large containers of food demonstrating the generosity of our patients and staff.

890

New C-cell palm vape batteries  
sold since April 25<sup>th</sup>.

\$140

Average single-visit spend, up  
8% from 1Q 2018 (\$129/visit)

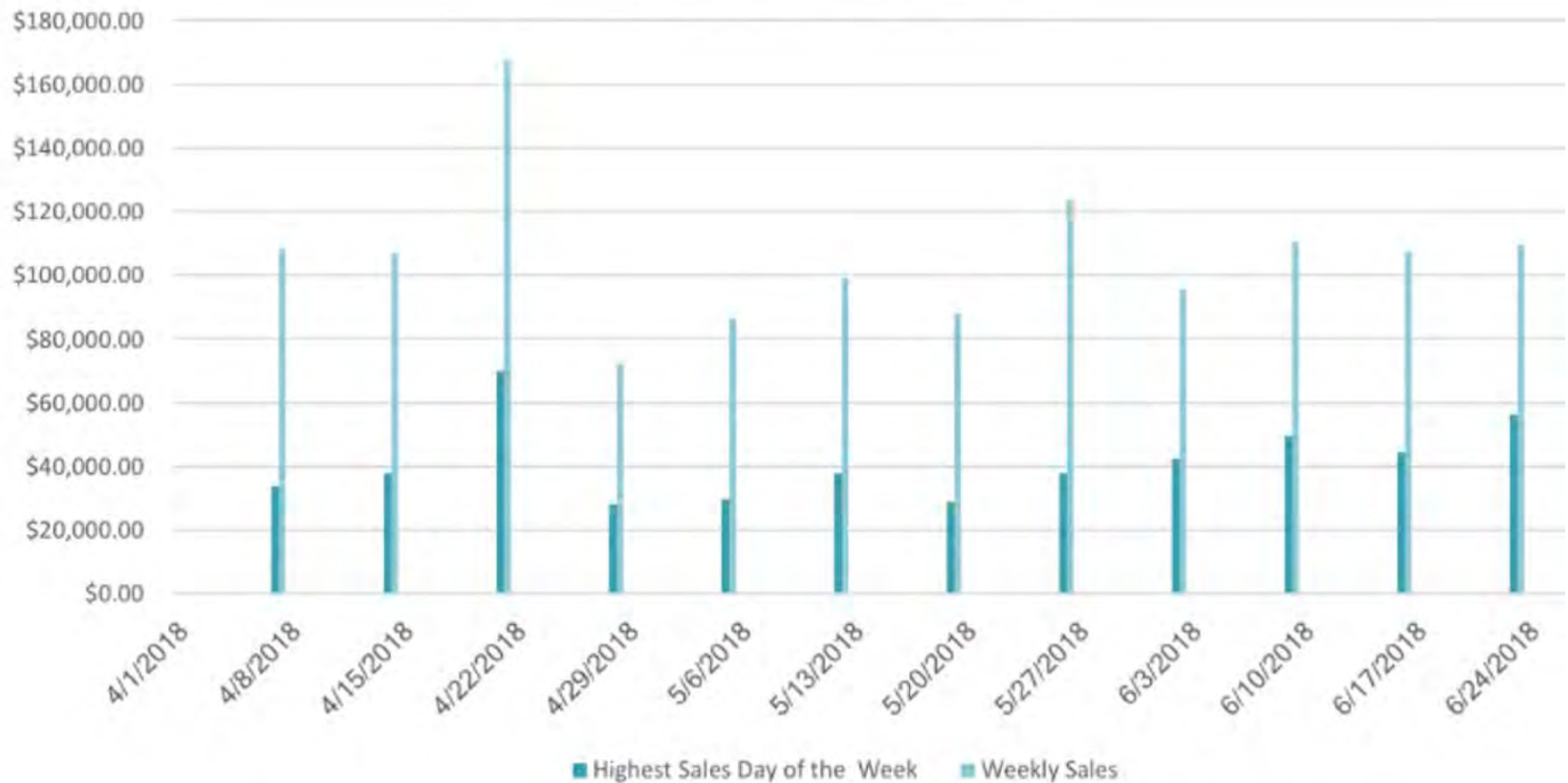
\$69K+

April 20, 2018 (“4/20”): Largest same-day  
sales number to-date

# SALES CHANNELS

## Retail KPIs: Newton Revenue

2018 Year-to-Date Sales Data





# SALES CHANNELS

## Retail KPIs: Newton New Patients



# SALES CHANNELS

## Retail KPIs: Newton Sales Per Labor Hour

Week Ending	Total Sales	Total Labor Hours	Sale/Labor Hour
4/1/18	136,635.37	393.38	347.33
4/8/18	141,902.00	366.85	387.71
4/15/18	144,981.00	385.06	376.51
4/22/18	237,372.00	454.46	522.31
4/29/18	99,727.00	369.16	270.15
5/6/18	115,861.00	356.75	324.76
5/12/18	136,849.00	372.00	367.87
5/19/18	116,963.75	333.58	350.63
5/26/18	161,492.21	448.63	359.96
6/2/18	137,604.29	389.51	353.27
6/9/18	160,395.00	378.21	424.08
6/16/18	152,024.28	353.18	431.66
6/23/18	165,226.80	361.15	457.50
6/30/18	89,076.68	409.34	217.61

# SALES CHANNELS

## Retail KPIs: Newton Return Rate

Week Ending	Total Transactions	Total Returns	Return Rate (Returns/Transactions)
4/1/18	1004	7	0.006
4/8/18	1035	5	0.005
4/15/18	1092	10	0.009
4/22/18	1625	12	0.007
4/29/18	792	9	0.011
5/6/18	891	7	0.007
5/12/18	938	12	0.012
5/19/18	907	5	0.001
5/26/18	1162	16	0.002
6/2/18	1012	16	0.01
6/9/18	1154	11	0.001
6/16/18	1188	8	0.006
6/23/18	1121	8	0.007
6/30/18	701	5	0.00005



# SALES CHANNELS

## Home Delivery Highlights

As we assuage medical marijuana patient concerns about accessing their medicine after adult use sales become a reality in Massachusetts, Home Delivery becomes an increasingly important service that we provide—to our customers and for our brand. It's rapidly become an essential part of our overall revenue mix, and a critical way we are supporting growth. This quarter, our Home Delivery operations milestones included:

- We hired a new driver.
- Our team expanded delivery to 6 days a week and added 3 more Counties on selected days (3 days a week).
- Record deliveries: two days with 25 orders each in a single day
- We delivered to a total of 619 patients in Q2 versus 535 in Q1.
- We also saw 160 new patients use delivery in Q2.
- Sales numbers were up from \$138,544 in Q1 to \$165,561 in Q2.
- While April (\$53,771.2) and May (\$50,851.44) held steady June saw a sales increase to \$60,938.
- The end of June we started a marketing campaign at the dispensary to help promote delivery; results are expected to grow over time.

# 619

Home Delivery patients in Q2,  
up from 535 in Q1

# \$60K+

June revenues from Home  
Delivery rose significantly

# 25

Most orders in a single day; happened  
twice in Q2

## Marketing Highlights

- ✓ We began exploring brand refresh directions with multiple designers to ensure the Garden Remedies brand is optimized for the future, balancing messages for medical marijuana and adult use customer sets.
- ✓ We began a campaign to increase in engagement with the home delivery program.
- ✓ We began working on technology integration with our Information Systems Manager to address POS, labeling, menus and the new website build; a CRM drip campaign e-marketing system is in progress as part of this initiative.
- ✓ We brought on an experienced marketing and communications firm, Akrete Inc., to help us bring visibility and structure to our brand through Public Relations, Social Media and External Communications. Together we are:
  - ✓ Raising the GRI profile in Boston, cannabis and national media;
  - ✓ Training our media spokespeople and patient care advocates in key messages and best practices;
  - ✓ Supporting our political initiatives;
  - ✓ Enriching our social media channels, executing an education and advocacy driven approach to become a voice in the adult use cannabis online community;
  - ✓ Performing proactive community management; and
  - ✓ Working with the dispensary on patient-facing communications strategy, including sales, complicated customer service questions and local political issues.



# SALES CHANNELS

## Inaugural Customer Survey Highlights

We launched our first semi-annual patient-facing survey, gathering input from more than 700 patients. Key findings included:

- ✓ 88% of patients are satisfied with the customer service they have received at GRI.
- ✓ 97% of patients would recommend GRI to others: 37% have done so.
- ✓ Flower, vape pens and edibles are the products patients are most interested in buying.
- ✓ CannaCare Docs, Google and patient recommendations are the top ways people find out about GRI.
- ✓ Customer service, product quality and location convenience are GRI's strongest attributes.

As a result of this survey, we will be launching focus groups to support branding, sales and product development.





# POLITICS, COMPLIANCE & MEDIA

## Media Highlights

We accelerated proactive media and influencer outreach initiatives, led by our new PR partner Akrete. In addition to the published media placements below, we participated in the production of a documentary about women in the Massachusetts cannabis industry. The film is under development by an award-winning documentarist and former *Boston Globe* reporter, Heather MacDonald. A few key placements include:

- ✓ **Boston Herald**, “Medical marijuana outfits getting ready to offer recreational pot.” This article and video discusses two major expansions at the GRI Fitchburg cultivation facility.
- ✓ **Boston Business Journal**, “It takes a village: The Mass. marijuana industry fuels growth across sectors,” This article reports how GRI is preparing for the expected high demand for adult use marijuana.
- ✓ **Boston Business Journal**, “Newton marijuana dispensary plans expansion as recreational market opens, This article continues the reporting on how GRI is preparing for adult use marijuana sales.
- ✓ **Emerald Magazine**, “Garden Remedies; Dispensing Compassionate Relief in Massachusetts,” Featured on the cover of Emerald Magazine, Garden Remedies’ patient service is the subject of a major feature article.
- ✓ **WGBH**, “It’s 420. Here Are 6 Things To Know About Massachusetts’ Legal Marijuana Industry,” Garden Remedies is featured in this 4/20 summary.
- ✓ **In the Weeds with Jimmy Young podcast**, What Happens When Weed Is Legal? Guest: Julia Wentworth Podcast discusses purity of product and preparing for adult use.



\*Please note, if you would like a full copy of any of these articles, we are more than happy to provide them. Please request a copy through [info@gardenremedies.org](mailto:info@gardenremedies.org), or by reaching out to your GRI main point of contact.

# GRI AT A GLANCE



## More Grams per Watt

More product, same investment: efficiency improvement from 724.48 to 875.49 grams per watt

## 82%

Increase, YoY Revenue  
2Q17 v 2Q18

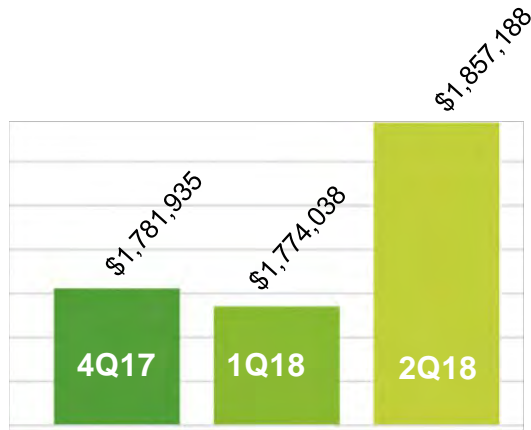


Nearly  
\$5 Million  
2018 YTD Sales

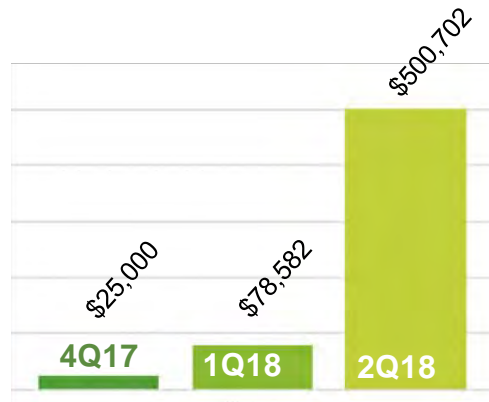


Melrose  
Marlborough  
Boston

Melrose approved (medical);  
Progress in 2 other locations.



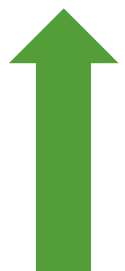
Newton Dispensary Sales



Wholesale Sales



Home Delivery Sales



**64%**  
Increase  
in Harvest  
1Q18 v 2Q18

## 2Q 2018 Overview

Increases in cultivation and other factors drove record revenue growth in the Newton Dispensary, home delivery and wholesale sales as we continued to march toward becoming a cannabis company focused on both medical marijuana and adult use. Additionally this quarter, we made progress toward key regulatory and political approvals both in our current location (Newton) and in three expansion locations: Melrose (confirmed); Marlborough (on-track); and Boston (early-stage). Our product mix of topicals, edibles and vape pens continues to garner praise and attract attention. At mid-year, we are financially strong and poised for the challenges and opportunities of the second half of 2018.

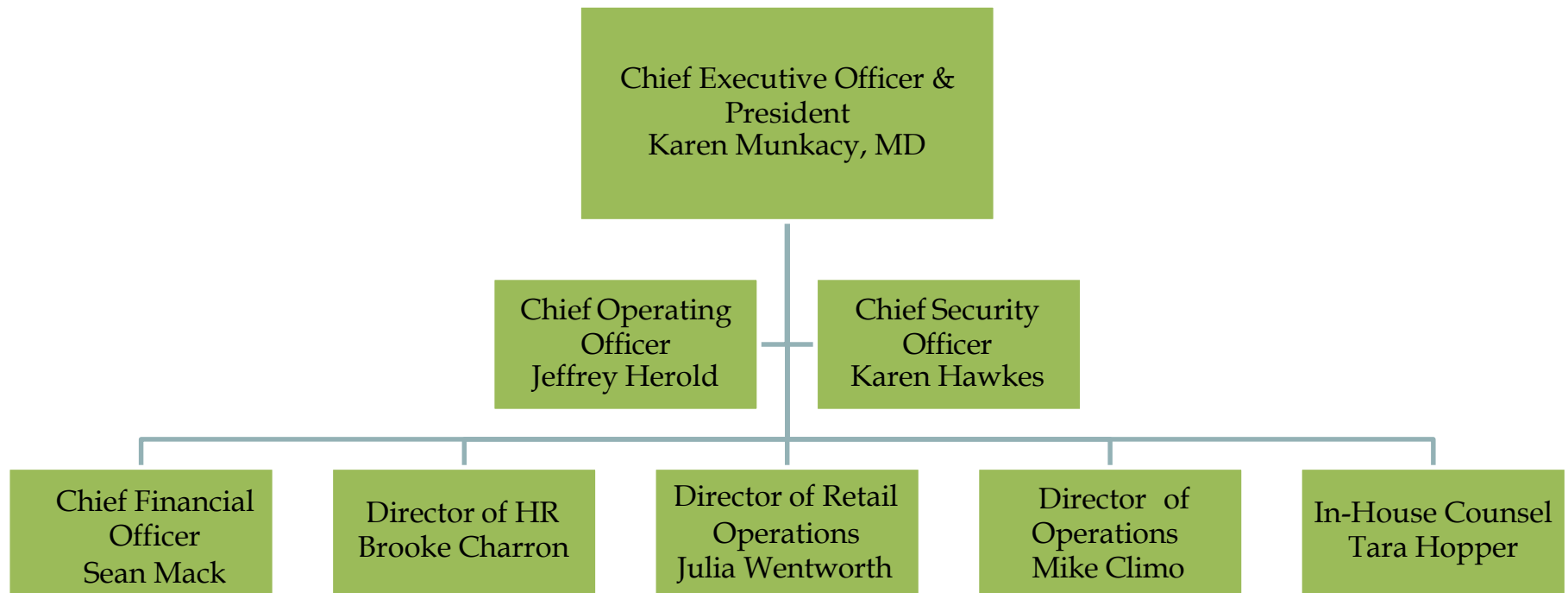
A photograph of two people in a pharmacy or medical setting. On the left, a person with short brown hair and glasses is seen from the back, wearing a light blue shirt. On the right, a woman with long brown hair and glasses is smiling and looking at a document. She is wearing a dark top and a lanyard with several badges. In the background, there are white shelves stocked with various medical supplies and containers. A large green semi-transparent banner is overlaid across the middle of the image, containing the text "ORGANIZATIONAL OVERVIEW" in white capital letters.

# ORGANIZATIONAL OVERVIEW



# MANAGEMENT HIERARCHY

GRI has in place a Board of Directors and Senior Management Team with the experience and expertise needed for the emerging medical cannabis industry; the knowledge, skills and ability to properly manage, direct and control Registered Marijuana Dispensaries (RMDs); and to operate multiple dispensaries and a cultivation facility in the interests of public health and safety.



# KAREN MUNKACY, MD – CEO/PRESIDENT

Dr. Munkacy, is a physician, mother and breast cancer survivor (cured 2005), who began her public health care advocacy with MMJ legalization in June 2011 when she testified in front of the Massachusetts State Legislature's Public Health Committee in favor of MMJ. Ultimately, with funding from the late Peter Lewis (the founder of Progressive Insurance Company, and former Princeton University trustee who financially supported MMJ initiatives nationwide for many years), Dr. Munkacy worked in conjunction with a major Boston-based political/lobbying group and was able to get MMJ legalization on the November 2012 ballot. Dr. Munkacy works for GRI on a full-time basis as its CEO and President.

Prior to her MMJ advocacy work, Dr. Munkacy had more than 30 years' experience in the medical and public health fields. After being diagnosed with breast cancer in 2004 and surviving the debilitating effects of her treatments, Dr. Munkacy knew there had to be a better way to alleviate the pain and suffering that breast cancer victims had endured. During her treatments, medical colleagues reported that MMJ was effective in treating symptoms like hers; because she did not want to break the law, Dr. Munkacy chose not to use the treatment.

Dr. Munkacy extensively researched medical marijuana (MMJ) and learned that the drug had a broad base of scientific evidence, medical support and patient interest. In an effort to spare others suffering, she began to speak about her experience and to encourage lawmakers and health care associations to support compassionate legislation to allow the use of medical marijuana to alleviate patient pain and discomfort across multiple illnesses.

In 2011, Dr. Munkacy became a board member of Americans for Safe Access. As an unpaid medical advisor, Dr. Munkacy has written editorials and has testified in front of lawmakers and administrative committees, medical specialists, law enforcement officials, and community organizations on the efficacy of medical marijuana treatment.

In addition to being an MMJ advocate, Dr. Munkacy is board certified in anesthesiology and fellowship trained in pain medicine; she has worked as a researcher and international medical consultant and advisor. Dr. Munkacy served as an assistant professor at UCLA and USC Medical Centers (Los Angeles, CA). She graduated from the University of Michigan with a B.S. in Biomedical Science and received her medical degree at the University of Michigan Medical School. She also was a Delegate to the Massachusetts Medical Society (which has over 24,000 physician members).

# JEFFREY HEROLD – SENIOR OPERATING OFFICER

Jeffrey Herold started at GRI in January 2017 as the company's Supply Chain Manager, and was promoted to Chief Operating Officer in June 2017. In this role he focuses on managing GRI's Cultivation and Dispensary operations, including connecting patient feedback from the dispensary to GRI's cultivation facility. Jeff's work also impacts everyday patients because it increases medicine availability and variety. Jeff, along with Dr. Munkacy, leads the commercialization process of new products from idea to production.

Jeff began his career by following in his family's footsteps and serving in the United States Navy. While in the Navy, Jeff spent time working in the hangar deck of the USS Abraham Lincoln. From there he attended Aerographers Mate A-School in Biloxi, MS. In A-School Jeff was trained in the sciences of meteorology and physical oceanography. He then was stationed at NAS Key West, FL. It was in Key West that his operations management skills developed. He was a key contributor in the emergency preparedness during both Hurricanes Wilma and Katrina.

Following his honorable discharge, Jeff moved to Boston, MA and began working in Operations at LSG Sky Chefs. LSG Sky Chefs is a \$2B logistics company, with 600 employees, focusing on airline operations. While at LSG Jeff gained expertise in the areas of operations management, supply chain, logistics and LEAN manufacturing. By starting as Safety Supervisor and working his way up to Director of Operations, Jeff has a unique multisided approach to management. This has allowed him to drive improvements in cost and quality with a bottom up approach.

Jeff was then offered a unique opportunity to join Brady Enterprises as Operations Manager of Supply Chain and Logistics. Brady was undergoing dramatic growth and Jeff focused on developing operations that were sustainable. During his time there he was able to increase productivity and reduce costs by reducing line stoppages and stock outs. In addition, he led a \$3M warehouse outsourcing project that allowed for Brady to "grow without growing" in the future.

Jeff graduated from Suffolk University with a BSBA in Management.



# KAREN HAWKES – DIR. OF SECURITY & DIVERSION PREVENTION

Ms. Hawkes is responsible for the planning, programming and management of GRI's Security Operations. As such, she oversees GRI's design and implementation of security systems, security SOPs (creation and implementation), and initial and ongoing employee security training. She also is part of the team ensuring compliance with state and local laws.

Ms. Hawkes previously served for 13 years as a Massachusetts State Trooper, First Class. She held a variety of positions as a narcotics and evidence officer, where she worked closely with the State Police Lab in Sudbury, Massachusetts. She also worked as an undercover agent in conjunction with the Attorney General's Office. Ms. Hawkes received outstanding evaluations for her patrol and investigative abilities, and for her roles in community relations and administrative services.

Ms. Hawkes has also served in various security and safety positions with Plymouth & Brockton Bus Company, where she organized and managed safety/security programs and compliance systems for transportation personnel.

Ms. Hawkes received her BSBA in Finance at Northeastern University, where she graduated cum laude; she earned her Master's in Criminal Justice Administration at Western New England College.

# SEAN MACK – CHIEF FINANCIAL OFFICER

Sean Mack joined GRI on 2018 as an accomplished financial executive with proven leadership and communication skills. Over 25 years of progressive senior financial management experience in the areas of financial reporting, budgeting & planning, and treasury functions within the public and private sectors. Proven track record in new business development, mergers and acquisitions, conducting due diligence as well as developing internal controls and automating business processes. Direct experience in manufacturing, software services, product development and architectural design services for state, federal and foreign governments, retail and financial institutions.

Most recently, Sean was the CFO of MediVector Incorporated, a pharmaceutical company that develops innovative therapeutic agents using streamlined processes to address unmet medical needs and improve public health with the Department of Defense and large pharmaceutical companies. Prior to joining MediVector, he was the CFO of Artel Video Systems, a startup company manufacturing hardware solutions for the video over fiber transport solutions, where he led the acquisition strategy and finance organization.

He is a graduate of Stanford University Business Program, Nichols College with Masters of Business Administration, Fitchburg State University with a Bachelors of Science in Business Administration.

# KATE TENNENBAUM –DIRECTOR OF MARKETING

Kate Tenenbaum is a marketing and brand strategist, product developer and entrepreneur with more than 15 years of experience working with startups, corporations and global executives.

Recently, she has been acting as a consulting CMO and creative director, helping organizations align their marketing objectives, branding and mission with their visual identity and audience-engagement strategy, building teams of PR, communications, digital and branding professionals. She is also in the process of launching her own vertically-integrated e-commerce business, designing products and working with fair trade artisans and makers from the around the world to produce globally-inspired designs for pets and homes.

Prior to this, Kate helped propel a nascent health-food startup from its launch as a Kickstarter product through its first raise, distribution into 150+ stores, including Whole Foods and Wegman's, and entry into the Chobani Food Incubator. Kate managed impact, field marketing, trade shows, retail brand activation and partnerships, which she established with Cycle for Survival, Detroit Red Wings, Soles 4 Souls, Cotopaxi, Daybreaker and Mission U.

In the past Kate acted as a talent development leader, building out new talent development and coaching programs at a privately held, full-service home mortgage lender with more than 600 employees doing nearly \$3 billion in volume each year. Kate was part of the cross-functional team facilitating culture and learning experiences to support organizational change.

For more than eight years, Kate was responsible for leading strategy and operations for more than 16,000 next generation leaders associated with Young Presidents' Organization (YPO). As the founding director of the YPONextGen program, Kate worked closely with an international leadership board to develop learning and career experiences meant to catalyze participants' growth and success. Along the way Kate developed partnerships with McKinsey & Co., HBX at Harvard Business School, London Business School and innovative organizations like Google's SIYLI and Imperative, the leading organization looking at the future of work. She also launched an annual opt-in program, YNG+, achieving an unprecedented 233% membership above target in the first year, scaling staff, budget and programming accordingly. [1][1][1][1] [SEP][SEP]

Kate attended University of Southern California as an undergraduate student and Boston University for graduate school. Along the way she was an honors business student and dabbled in architecture, though both of her degrees are in writing. Kate was mentored by a Nobel Prize winning author and a United States Poet Laureate, and she believes that in order to be able to write, one has to be a master of synthesis and revision. Both skills have served her well in her career.



# MIKE CLIMBO – CULTIVATION MANAGER AND DIRECTOR

Mike Climo is the Cultivation Manager and Director of Cultivation for Garden Remedies since April 2016. He has assisted in launching the GRI Cultivation Facility from inception. He Created day to day operations, SOP's for propagation, vegetation, mother management, flowering cycles and crop rotations. Developed extraction methods including (Rosin, Kief, Hash) and has developed and standardized packaging methods. Mike has implemented best practice standards for the marijuana industry. He has successfully consulted GRI on multiple phase build outs and developed critical strategic business relationships with vendors, sourced and procured supply chain commodities essential for cultivation and all essential ancillary operations.

Mike has experience in a wide array of projects large and small, responsibilities including on site estimating, daily work logs, workers hours, work performed, delegating tasks, ordering, purchasing materials as well quality control. The ability to read and decipher architectural blue prints and complex mathematical equations, operation of laser transit system including septic system installations, sewer and drainage infrastructure, water main services, foundations, additions, finish grading and demolitions.

He has utilized vast knowledge of industry standards and practices related to copper and plastic water mains, open road excavation and underground utility practices.

Mike holds the following certifications:

CDL Class B with Air Brake Endorsement License

Massachusetts Hoisting Engineer 2A License

OSHA Safety Certificate

Valid DOT Medical Card

He has completed the New England Grassroots Institute Basic course along with the New England Grassroots Institute Advanced Grow course to strengthen his skills.

# Human Resources Highlights

- ✓ **Recruiting and Training Plan.** In anticipation of our second dispensary opening in Melrose, we established a recruiting plan, including support for adult use customer needs.
- ✓ **New Hires.** We added five new hires in Q2 and currently plan to hire 30 more employees during Q3 and Q4.
- ✓ **Leadership Training.** All members of GRI leadership, from Assistant Managers to the COO attended an interactive leadership training session. Topics discussed included leadership styles, conflict resolution and labor law.
- ✓ **Dispensary Employee Training.** With multiple locations being added in the next year, we determined a combination of classroom training and hands on experience will provide the best training for our new hires. We are continuing to draft the curriculum and look forward to sharing results in Q3.







# FINANCIALS



## Financial Highlights

Second Quarter 2018 saw sustained financial growth at Garden Remedies. Our investment in our Fitchburg Cultivation facility began to pay off with more grow space, which means more product to sell. As a result, we saw a 42% increase in production between the first and second quarter. To put that in perspective, we grew more than 300 lbs more marijuana than we did in the first quarter of 2018. The production increase led to an overall 26% increase in sales. Product grown in the additional canopy space will ultimately be dedicated to GRI dispensaries. As such, in the future we expect that the wholesale channel sales will decrease, as our retail capabilities increase.

On the quarter, all segments of the business saw an increase in sales. Dispensary sales increased 4.3%, Delivery Sales increased 17.9%, and Wholesale sales increased 537.1%. Production costs were higher, but favorable to budget by \$244,322, and total operating expenses also grew but were favorable to budget by \$315,958. Cash declined and short term liabilities grew on the quarter to fund additional construction and other investments in the future of the business.

The following is a high level summary of our financials:

	Q1 2018		Q2 2018		Change (%)
Total Revenue	\$	1,992,766	\$	2,516,525	26%
Average Purchase / Visit	\$	131.68	\$	133.59	1%
Total Quarter Production (lbs)		732.42		1039.65	42%
Ending Cash Balance	\$	1,972,529	\$	1,146,393	-42%
Current Assts	\$	6,002,150	\$	5,191,420	-14%
PP&E Net of Depreciation	\$	10,825,757	\$	10,833,867	0%
Current Liabilities	\$	1,194,274	\$	2,892,991	142%
Long Term Debt	\$	23,500,000	\$	23,555,327	0%

# Income Statement

Our unaudited Income Statement is presented to the right.

- ✓ Q2 saw sustained growth, with total revenues up 26% on the quarter.
- ✓ Most of the growth occurred in the wholesale segment, as production ramps up anticipating adult use sales.
- ✓ Over \$500,000 was sold in the wholesale channel in Q2. It is expected that adult use sales will shift wholesale back to the dispensary channel later in 2018.
- ✓ Cost of Goods Sold was higher on the quarter, but very positive to budget. Interest expense is higher on the quarter, after closing on \$2.7 million in new long term funding in January 2018 and adding \$500,000 in short term funding in the second quarter.

Statements of Activities and Changes in Net Assets - Unaudited  
for the Quarter vs Quarter ended June 30, 2018

3 mos ended 06/30/18			3 mos ended 03/31/18			
Actual	Budget	Pos (Neg) Variance		Actual	Budget	Pos (Neg) Variance
			Revenue			
\$1,850,590	\$1,860,000	(\$9,410)	Dispensary	\$1,774,038	\$1,750,000	\$24,038
165,233	150,000	15,233	Delivery	140,145	140,000	145
500,702	225,000	275,702	Wholesale	78,583	75,000	3,583
2,516,525	2,235,000	281,525	Net Revenue	1,992,766	1,965,000	27,766
			Cost of Goods Sold			
1,557,903	2,080,360	522,457	Dispensary	1,465,098	1,511,583	46,485
138,796	112,500	(26,296)	Delivery	112,116	105,000	(7,116)
420,590	168,750	(251,840)	Wholesale	62,866	56,250	(6,616)
2,117,288	2,361,610	244,322	Total	1,640,080	1,672,833	32,753
399,237	(126,610)	525,847	Gross Margin (Deficit)	352,686	292,167	60,519
15.9%	-5.7%		Gross Margin %	17.7%	14.9%	
			Operating Expenses			
739,008	795,480	56,472	Dispensary	456,127	535,257	79,130
67,960	33,000	(34,960)	Delivery	37,443	21,666	(15,777)
501,539	795,985	294,446	Administration	329,480	593,568	264,088
1,308,507	1,624,465	315,958	Total Operating Expenses	823,050	1,150,491	327,441
(909,270)	(1,751,075)	841,805	Net Operating Income (Loss)	(470,364)	(858,324)	387,960
			Other Income (Expense)			
(1,518,397)	(1,225,341)	(293,056)	Interest Expense	(1,341,151)	(1,160,376)	(180,775)
0	0	0	Other Expense	(100,000)	(100,000)	0
(1,518,397)	(1,225,341)	(293,056)	Other Income (Expense)	(1,441,151)	(1,260,376)	(180,775)
(2,427,667)	(2,976,416)	548,749	Loss before provision for income taxes	(1,911,515)	(2,118,700)	207,185
0	0	0	Federal Income Taxes	-	-	0
2,000	0	(2,000)	State and Local Taxes	-	0	0
2,000	0	(2,000)	Total Income Taxes	0	0	0
(2,429,667)	(2,976,416)	546,749	Changes in Unrestricted Net Assets	(1,911,515)	(2,118,700)	207,185
(15,549,191)	(15,756,376)	207,185	Beginning of Period	(13,637,676)	(13,637,676)	0
(\$17,978,858)	(\$18,732,792)	\$753,934	End of Period	(\$15,549,191)	(\$15,756,376)	\$207,185

# Cash Flow Statement

Our unaudited Cash Flow Statement is presented to the right.

- ✓ Net cash decreased by \$826,136 on the quarter, as new construction ramped up, increasing by \$1.2 million.
- ✓ To partially offset the cash costs of the construction, GRI took on \$500,000 in short term financing.

## Statement of Cash Flows - Unaudited

### Quarter vs Quarter Comparison

	3 Months ended 06/30/18	3 Months ended 03/31/18
Cash Flows from Operating Activities:		
Changes in Unrestricted Net Assets	<u>(\$2,429,667)</u>	<u>(\$1,911,515)</u>
Adjustments to reconcile changes in unrestricted net assets to net cash used in operating activities:		
Depreciation	338,450	325,408
Accrued interest	1,471,548	1,311,686
Changes in operating assets and liabilities:		
Inventory	(50,000)	(310,500)
Prepaid expenses	(19,555)	(133,583)
Other receivables, net	54,149	(35,550)
Security deposits	(201,525)	(50,000)
Accounts payable	1,170,653	(1,977,296)
Accrued expenses	87,772	290
Customer advances	(111,786)	212,977
Deferred compensation	30,331	(22,389)
Deferred rent	15,327	15,327
Net cash used in operating activities	<u>355,697</u>	<u>(2,575,145)</u>
Cash Flows from Investment Activities:		
Purchase of fixed assets	(346,560)	(469,719)
Construction in progress	(1,335,273)	(69,006)
Net cash used in investing activities	<u>(1,681,833)</u>	<u>(538,725)</u>
Cash Flows from Financing Activities:		
Proceeds from short term debt	500,000	-
Proceeds from long term debt	0	2,730,000
Net cash provided by financing activities	<u>500,000</u>	<u>2,730,000</u>
Net change in cash	<u>(826,136)</u>	<u>(383,870)</u>
Cash & Cash Equivalents, beginning of period	<u>1,972,529</u>	<u>2,356,399</u>
Cash & Cash Equivalents, end of period	<u>\$1,146,393</u>	<u>\$1,972,529</u>



# Balance Sheet

The unaudited balance sheet is presented to the right.

- ✓ GRI currently has \$1.3 million in new construction in progress to support future adult use sales.
- ✓ Inventory levels are increasing as GRI makes preparations for the adult use market.

## Statement of Financial Position - Unaudited

As of June 30, 2018 and March 31, 2018

<u>Assets</u>	<u>6/30/2018</u>	<u>3/31/2018</u>
Current Assets:		
Cash	\$ 1,146,393	\$ 1,972,529
Prepaid Expenses	266,686	247,131
Other Receivables, net	0	54,149
Inventory	3,778,341	3,728,341
Total Current Assets	5,191,420	6,002,150
Property and Equipment:		
Leasehold Improvements	11,073,579	10,803,182
Equipment, Furniture & Fixtures	1,393,297	1,317,134
Vehicles	65,445	65,445
Total Property and Equipment	12,532,321	12,185,761
Less: Accumulated Depreciation	(1,698,454)	(1,360,004)
Property and Equipment, net of Depreciation	10,833,867	10,825,757
Construction in Progress:	1,448,270	112,997
Security Deposits	394,531	193,007
Total Assets	\$ 17,868,088	\$ 17,133,911
<u>Liabilities and Unrestricted Net Assets</u>		
Current Liabilities:		
Accounts Payable	\$ 1,331,315	\$ 160,663
Accrued Payroll & Taxes	176,200	140,037
Accrued Expenses	66,350	14,740
Customer Advances	101,191	212,977
Deferred Compensation	696,187	665,857
Short-term Debt	521,748	-
Total Current Liabilities	2,892,991	1,194,274
Long-term Liabilities:		
Long-term Debt	23,555,327	23,500,000
Accrued Interest on Long-term Debt	8,956,913	7,562,440
Deferred Rent	441,715	426,388
Total Long-term Liabilities	32,953,955	31,488,828
Total Liabilities	35,846,946	32,683,102
Unrestricted Net Assets	(17,978,858)	(15,549,191)
Total Liabilities and Net Assets	\$ 17,868,088	\$ 17,133,911

# CONTACT DETAILS

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**COO**

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GARDREM-01

CAIMOLA

## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

08/22/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> The Corcoran & Havlin Insurance Group 287 Linden Street Wellesley, MA 02482	<b>CONTACT NAME:</b> Beth F McDonough, CIC	
	<b>PHONE (A/C, No, Ext):</b> (781) 235-3100 280	<b>FAX (A/C, No):</b> (781) 235-1622
	<b>E-MAIL ADDRESS:</b> BMcdonough@chinsurance.com	
	<b>INSURER(S) AFFORDING COVERAGE</b>	<b>NAIC #</b>
<b>INSURED</b>  Garden Remedies, Inc. 116 Chestnut Hill Road Chestnut Hill, MA 02467	<b>INSURER A:</b> International Insurance Co of Hanover Se	
	<b>INSURER B:</b> Safety Indemnity Insurance Company	33618
	<b>INSURER C:</b> Protective Insurance Company	12418
	<b>INSURER D:</b> United Specialty Insurance Company	12537
	<b>INSURER E:</b>	
	<b>INSURER F:</b>	

## COVERAGES

## CERTIFICATE NUMBER:

## REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			IK21X001616-01	05/05/2018	05/05/2019	EACH OCCURRENCE \$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
							MED EXP (Any one person) \$ 1,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COMP/OP AGG \$
							\$
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			6238427	05/16/2018	05/16/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
							BODILY INJURY (Per person) \$
							BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
							\$
A	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$			IU21X00161701	05/05/2018	05/05/2019	EACH OCCURRENCE \$ 4,000,000
							AGGREGATE \$ 4,000,000
							\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / N If yes, describe under DESCRIPTION OF OPERATIONS below		N / A	SS230547401	12/04/2017	12/04/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER \$
							E.L. EACH ACCIDENT \$ 500,000
							E.L. DISEASE - EA EMPLOYEE \$ 500,000
							E.L. DISEASE - POLICY LIMIT \$ 500,000
D	Products Liab			ELMMA000632-01	05/05/2018	05/05/2019	Each Occurrence 1,000,000
D	Products Liab			ELMMA000632-01	05/05/2018	05/05/2019	Aggregate 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
Re: 732 Newburyport Turnpike, Melrose, MA 02176

## CERTIFICATE HOLDER

## CANCELLATION

INSURED COPY

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE





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## **Garden Remedies, Inc. Separating Recreational from Medical Operations**

Prior to receiving an adult-use cultivation and processing and manufacturing license from the Commission, and pursuant to 935 CMR 500.105(8), Garden Remedies Inc. (“GRI”) will obtain marijuana and marijuana products from its cultivation and processing facility in Fitchburg, Massachusetts, which has been licensed as an RMD by the Department of Public Health and is compliant with all applicable laws and regulations pursuant to 105 CMR 725.000. GRI will sell marijuana products in its possession when it receives approval from the Commission to commence sales, pursuant to 935 CMR 500.105(8) and subject to the patient supply reserve in 935 CMR 500.140(10). As GRI will be cultivating, processing and selling marijuana products for both medical use and for adult use, GRI will create virtual separation of the products, pursuant to 935 CMR 500.105(8)(g). At the point of sale, GRI will designate whether the marijuana products are intended for sale for adult use or medical use through tracking methodology approved by the Commission under 935 CMR 500.000.

As a co-located adult use and medical use location, and pursuant to 935 CMR 500.140(3), upon entry of GRI premises by an individual, a GRI agent shall immediately inspect the individual's proof of identification. An individual shall not be admitted to the premise unless the retailer has verified that the individual is 21 years of age or older by offering proof of identification. If the individual is younger than 21 but at least 18 years of age, he or she shall not be admitted unless they produce an active medical registration card issued by the DPH. If the person holds an active medical card but is younger than 18, they must be accompanied by a personal caregiver with an active medical registration card. Proof of identification is also required.

A separate point of sale system will be in place for patients (non-taxed) and adult use patrons (taxed). Pursuant to 935 CMR 500.140(7) GRI shall provide for physical separation between medical and adult use sales areas. Separation will be provided by a temporary or semi- permanent physical barrier, such as a stanchion, that, in the opinion of the Commission, adequately separates sales areas of marijuana products for medical use from sales areas of marijuana products for adult use. GRI shall provide for separate lines for sales of marijuana products for medical use from marijuana products for adult use within the sales area, provided, however, that the holder of a medical registration

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card may use either line and shall not be limited only to the medical use line. GRI will provide an area that is separate from the sales floor to allow for confidential consultation.

GRI will ensure access to a sufficient quantity and variety of marijuana products, including marijuana, for patients registered under 105 CMR 725.000, and pursuant to 935 CMR 500.140(10).

### **Garden Remedies, Inc. Restricting Access to Age 21 or Older**

As a co-located adult use and medical use location, and pursuant to 935 CMR 500.140(3), upon entry into the premise of Garden Remedies, Inc. (GRI) by an individual, a GRI agent shall immediately inspect the individual's proof of identification. An individual shall not be admitted to the premise unless the retailer has verified that the individual is 21 years of age or older by offering proof of identification. If the individual is younger than 21 but at least 18 years of age, he or she shall not be admitted unless they produce an active medical registration card issued by the DPH. If the person holds an active medical card but is younger than 18, they must be accompanied by a personal caregiver with an active medical registration card. Proof of identification will also be required of personal caregivers.



## **Garden Remedies, Inc. Quality Control and Testing of Product**

Pursuant to 935 CMR 500.160, Garden Remedies, Inc. (“GRI”) will not sell or market any marijuana product that is not capable of being tested by Independent Testing Laboratories, including testing of marijuana products and environmental media. GRI will implement a written policy for responding to laboratory results that indicate contaminant levels that are above acceptable levels established in DPH protocols identified in 935 CMR 500.160(1) and subsequent notification to the Commission of such results. Results of any tests will be maintained by GRI for at least one year. All transportation of marijuana to or from testing facilities shall comply with 935 CMR 500.105(13) and any marijuana product returned to GRI by the testing facility will be disposed of in accordance with 935 CMR 500.105(12). GRI will never sell or market adult use marijuana products that have not first been tested by an Independent Testing Laboratory and deemed to comply with the standards required under 935 CMR 500.160.

In accordance with 935 CMR 500.130(2), GRI will prepare, handle and store all edible marijuana products in compliance with the sanitation requirements in 105 CMR 500.000: Good Manufacturing Practices for Food, and with the requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements. In addition, GRI’s policies include requirements for handling of marijuana, pursuant to 935 CMR 500.105(3), including sanitary measures that include, but are not limited to: hand washing stations; sufficient space for storage of materials; removal of waste; clean floors, walls and ceilings; sanitary building fixtures; sufficient water supply and plumbing; and storage facilities that prevent contamination.

Pursuant to 935 CMR 500.105(11)(a)-(e), Garden Remedies, Inc. (“GRI”) will provide adequate lighting, ventilation, temperature, humidity, space and equipment, in accordance with applicable provisions of 935 CMR 500.105 and 500.110. GRI will have a separate area for storage of marijuana that is outdated, damaged, deteriorated, mislabeled, or contaminated, or whose containers or packaging have been opened or breached, unless such products are destroyed. GRI storage areas will be kept in a clean and orderly condition, free from infestations by insects, rodents, birds and any other type of pest. The GRI storage areas will be maintained in accordance with the security requirements of 935 CMR 500.110.

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Garden Remedies, Inc. (“GRI”) has a Quality Manager who will oversee the manufacturing at the GRI facility to maintain strict compliance with DPH regulations and protocols for quality control and analytical testing. In accordance with 935 CMR 500.160 GRI grow areas are monitored for temperature, humidity, and CO2 levels this monitoring helps reduce the risk of crop failure. Ethical pest management procedures are utilized to naturally maintain a pest free environment alongside our True Living Organics (‘TLO”) growing method.

All Marijuana Infused Products (“MIPs”) are produced using good manufacturing practices and safe practices for food handling to ensure quality and prevention of contamination.

Our quality assurance manager will ensure all batches of Marijuana and MIPs will be tested, by an Independent Testing Laboratory pursuant to 935 CMR 500.160. All products shall be tested for the cannabinoid profile and for contaminants as specified by the Department, including but not limited to mold, mildew, heavy metals, plant-growth regulators, and the presence of pesticides.

Environmental media will be tested in compliance with the Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Dispensaries published by the Department of Public Health pursuant to 935 CMR 500.160(1). All testing results will be maintained by GRI for no less than one year in accordance with 935 CMR 500.160(3).

Samples that pass testing will be packaged for use or utilized in MIPs.

Samples that fail testing will be reported and destroyed. Pursuant to 935 CMR 500.160(9), no marijuana product shall be sold or marketed for sale that has not first been tested and deemed to comply with the Independent Testing Laboratory standards.



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## **Garden Remedies, Inc. Record Keeping Procedures**

Garden Remedies, Inc.'s (GRI) records will be available to the Cannabis Control Commission ("CCC") upon request pursuant to 935 CMR 500.105(9). The records will be maintained in accordance with generally accepted accounting principles. All written records required in any section of 935 CMR 500.000 are subject to inspection, in addition to written operating procedures as required by 935 CMR 500.105(1), inventory records as required by 935 CMR 500.105(8) and seed-to-sale tracking records for all marijuana products are required by 935 CMR 500.105(8)(e).

Personnel records will also be maintained, in accordance with 935 CMR 500.105(9)(d), including but not limited to, job descriptions for each employee, organizational charts, staffing plans, personnel policies and procedures and background checks obtained in accordance with 935 CMR 500.030. Personnel records will be maintained for at least 12 months after termination of the individual's affiliation with GRI, in accordance with 935 CMR 500.105(9)(d)(2). Additionally, business will be maintained in accordance with 935 CMR 500.104(9)(e) as well as waste disposal records pursuant to 935 CMR 500.104(9)(f), as required under 935 CMR 500.105(12).

Following the closure of the Marijuana Establishment, all records will be kept for at least two years at the expense of GRI and in a form and location acceptable to the Commission, pursuant to 935 CMR 500.105(9)(g).





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## **Garden Remedies, Inc. Qualifications and Training**

Pursuant to 935 CMR 500.105(2)(a) Garden Remedies, Inc. (“GRI”) will ensure all dispensary agents complete training prior to performing job functions. Training will be tailored to the role and responsibilities of the job function. Dispensary agents will be trained for one week before acting as a dispensary agent. At a minimum, staff shall receive eight hours of on-going training annually. New dispensary agents will receive employee orientation prior to beginning work with GRI. Each department managed will provide orientation for dispensary agents assigned to their department. Orientation will include a summary overview of all the training modules.

In accordance with 935 CMR 500.105(2), all current owners, managers and employees of GRI that are involved in the handling and sale of marijuana will successfully complete Responsible Vendor Training Program, and once designated a “responsible vendor” require all new employees involved in handling and sale of marijuana to complete this program within 90 days of hire. This program shall then be completed annually and those not selling or handling marijuana may participate voluntarily. GRI will maintain records of responsible vendor training compliance, pursuant to 935 CMR 500.105(2)(b). Responsible vendor training shall include: discussion concerning marijuana effect on the human body; diversion prevention; compliance with tracking requirements; identifying acceptable forms of ID, including medical patient cards; and key state and local laws.

All employees will be registered as agents, in accordance with 935 CMR 500.030. All GRI employees will be duly registered as marijuana establishment agents and have to complete a background check in accordance with 935 CMR 500.030(1). All registered agents of GRI shall meet suitability standards of 935 CMR 500.800.

Training will be recorded and retained in dispensary agents file. Training records will be retrained by GRI for at least one year after agents’ termination. Dispensary agents will have continuous quality training and a minimum of 8 hours annual on-going training.



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## **Garden Remedies, Inc. Maintaining of Financial Records**

Per 935 CMR 500.101(1)(c) and (2)(e), Garden Remedies, Inc. will provide a detailed summary of all operating policies and procedures as they pertain to Maintenance of Financial Records for the Adult Use Marijuana Establishment.

Garden Remedies Inc.'s ("GRI") policy is to maintain financial records in accordance with 935 CMR 500.105(9)(e). The records will include manual or computerized records of assets and liabilities, monetary transactions; books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices and vouchers; sales records including the quantity, form, and cost of marijuana products; and salary and wages paid to each employee, stipends paid to each board member, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with a Marijuana Establishment, including members of the non-profit corporation.

Following the closure of GRI, all records will be kept for at least two years at the expense of GRI and in a form and location acceptable to the Commission, in accordance with 935 CMR 500.105(9)(g). Financial records shall be kept for a minimum of three years from the date of the filed tax return, in accordance with 830 CMR 62C.25.1(7) and 935 CMR 500.140(6)(e).

Per 935 CMR 500.140(6), GRI acknowledges and will comply with the following regulations for the recording of sales in a Marijuana Retail Establishment:

"(a) A Marijuana Retailer shall only utilize a point-of-sale (POS) system approved by the Commission, in consultation with the DOR. (b) A retailer may utilize a sales recording module approved by the DOR. (c) A retailer is prohibited from utilizing software or other methods to manipulate or alter sales data. (d) A retailer shall conduct a monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data. A Marijuana Retailer shall maintain records that it has performed the monthly analysis and produce it upon request to the Commission. If a retailer determines that software has been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data: 1. it shall immediately disclose the information to the Commission; 2. it shall cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and 3. take such other action directed by the Commission to comply with 935 CMR 500.105. (e) A retailer shall comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements. (f) A retailer shall adopt separate accounting practices at the point-of-sale for marijuana and

marijuana product sales, and non-marijuana sales. (g) The Commission and the DOR may audit and examine the point-of-sale system used by a retailer in order to ensure compliance with Massachusetts tax laws and 935 CMR 500.000; (h) A retailer that is co-located with a medical marijuana treatment center shall maintain and provide to the Commission on a biannual basis accurate sales data collected by the licensee during the six months immediately preceding this application for the purpose of ensuring an adequate supply of marijuana and marijuana products under 935 CMR 500.140(10).”

GRI has plans to be in full compliance within all retail sales regarding the prohibition of software and other methods that can manipulate sales data, and will conduct monthly sales equipment and data software checks. GRI recognizes the seriousness of discovering the manipulation of sales data, and will immediately report this finding to the Cannabis Control Commission if one ever occurs.

GRI also follows the above mentioned record keeping requirements, has separate accounting practices for marijuana and non-marijuana sales, and will provide bi-annual sales data reports to the Cannabis Control Commission for purposes of ensuring adequate marijuana supply.



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## **Garden Remedies, Inc. Personnel Policies**

Per 935 CMR 500.101(1)(c) and (2)(e), Garden Remedies, Inc. will provide a detailed summary of all operating policies and procedures as they pertain to Personnel Records for the Adult Use Marijuana Establishment.

It is Garden Remedies, Inc.'s ("GRI") policy to provide equal opportunity in all areas of employment, including recruitment, hiring, training and development, promotions, transfers, termination, layoff, compensation, benefits, social and recreational programs, and all other conditions and privileges of employment, in accordance with applicable federal, state, and local laws. GRI will make reasonable accommodations for qualified individuals with known disabilities, in accordance with applicable law.

Management is primarily responsible for seeing that equal employment opportunity policies are implemented, but all members of the staff share the responsibility for ensuring that, by their personal actions, the policies are effective and apply uniformly to everyone. Any employee, including managers, determined by GRI to be involved in discriminatory practices are subject to disciplinary action and may be terminated. GRI strives to maintain a work environment that is free from discrimination, intimidation, hostility, or other offenses that might interfere with work performance. In keeping with this desire, we will not tolerate any unlawful harassment of employees by anyone, including any manager, co-worker, vendor or clients.

Per 935 CMR 500.105(1), GRI shall have and follow a set of detailed written operating procedures. GRI's operating procedures include, but are not limited to, a staffing plan and staffing records in compliance with 935 CMR 500.105(9); as required in 935 CMR 500.105(1)(h).

GRI also has and follows written operating procedures on its alcohol, smoke, and drug-free workplace policies; (935 CMR 500.105(1)(j)); A plan describing how confidential information will be maintained; (935 CMR 500.105(1)(k)); and in accordance with 935 CMR 500.105(1)(l), a policy for the immediate dismissal of any marijuana establishment agent who has: 1. Diverted marijuana, which shall be reported to law enforcement officials 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 another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority.

In accordance with 935 CMR 500.105(2), all current owners, managers and employees of GRI that are involved in the handling and sale of marijuana will successfully complete Responsible Vendor Training Program, and once designated a “responsible vendor” require all new employees involved in handling and sale of marijuana to complete this program within 90 days of hire. This program shall then be completed annually and those not selling or handling marijuana may participate voluntarily. GRI will maintain records of responsible vendor training compliance, pursuant to 935 CMR 500.105(2)(b). Responsible vendor training shall include: discussion concerning marijuana effect on the human body; diversion prevention; compliance with tracking requirements; identifying acceptable forms of ID, including medical patient cards; and key state and local laws.

All GRI employees will be duly registered as marijuana establishment agents and have to complete a background check in accordance with 935 CMR 500.030(1). All marijuana establishment agents will complete a training course administered by GRI and complete a Responsible Vendor Program in compliance with 935 CMR 500.105(2)(b). Employees will be required to receive a minimum of eight hours of on-going training annually pursuant to 935 CMR 500.105(2)(a).

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I. Intent

It is Garden Remedies, Inc.'s ("GRI") policy to provide equal opportunity in all areas of employment, including recruitment, hiring, training and development, promotions, transfers, termination, layoff, compensation, benefits, social and recreational programs, and all other conditions and privileges of employment, in accordance with applicable federal, state, and local laws. GRI will make reasonable accommodations for qualified individuals with known disabilities, in accordance with applicable law.

We are dedicated to attracting and supporting a diverse faculty and staff population and enhanced multicultural learning opportunities. We value the opportunity to work, learn, and develop in a community that embraces the diversity of individuals and ideas, including race, ethnicity, religion, spiritual beliefs, national origin, age, gender, marital status, sexual orientation, physical ability, political affiliation, and intellectual perspective.

II. Purpose

A. Review all policies, programs, and offices of Garden Remedies, Inc. in an effort to:

- a. promote and maintain a diverse faculty, and staff population and foster an environment of inclusion and diversity;
  - b. develop and present to the Board of Directors and the President/CEO plans and recommendations to increase diversity, including but not limited to, staffing, budget recommendations, and program changes, if any, and recommendations concerning language to be included in GRI's advertisements, and other materials on the subject of diversity;
  - c. prepare and file with the Board of Directors and the President/CEO, an annual report on diversity initiatives with such recommendations as the committee may deem necessary and advisable; and
  - d. undertake such other activities, studies or initiatives GRI may, from time-to-time, deem necessary or advisable, as well as
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conduct any other matters within GRI as may be requested by the Board of Directors.

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- e. develop a method to track the diversity of new hires and past hires. Take a strategic approach aiming at results over the long- term. Track hires on an on-going basis. If diverse applicants are represented in the applicant pool, being interviewed, and hired into professional level positions.

### III. Goals

- A. GRI actively pursues and seeks to retain a diversified faculty, and staff members;
  - a. Creating as safe, accepting and respectful work environment
  - b. Management being primarily responsible for seeing that equal employment opportunity policies are implemented
  - c. Having all members of the staff share the responsibilities for ensuring the policies are effective and apply uniformly to everyone.
  - d. Provide everyone with the tools and opportunity to succeed and level up within GRI regardless of gender, race or disabilities.
  - e. Each employee is required to have at least 8 hours of training per year based on their positions.
  - f. A record shall be kept of all progress and efforts that were made to achieve said goals.
- B. GRI strives to maintain a work environment that is free from discrimination, intimidation, hostility, or other offenses that might interfere with work performance. We will not tolerate any unlawful harassment of employees by anyone.
  - a. Employees are encouraged to file any and all complaints with Human Resource confidentiality and without fear of retaliation.

- b. All grievances filed shall be recorded and kept in a confidential location and can be only accessed by the Legal Department and Human Resource.

#### IV. Programs and Measurements

GRI is committed to recruit and hire a diverse group of employees while promoting equity and equality among all staff. To achieve this, GRI will:

- a. Make reasonable accommodations for qualified individuals with known disabilities, in accordance with applicable law. While not a complete list, general examples of accommodation may include workstation modifications, extended break times when needed for mobility issues, and any other reasonable accommodation that may be required.
- b. Participate in and least 2 job fairs per year.
- c. Have a full day training session once a year for all senior management to address bias and cultural sensitivity to enable upper management to understand the lives and interest of current and potential employees.
- d. Engage in the community for recruiting new employees. This is accomplished by partnering with municipal agencies including Mayor's offices, Chambers of Commerce, Memorial Halls, and any other local agencies that assist with job placement. Fliers are posted in common areas and ads are placed in local newspapers. When staffing levels require, we host job fairs within the community.
- e. Abide by all terms included in the Community Host Agreement
- f. Acknowledge and respond appropriately and effectively to incidents of discrimination.
- g. A monthly town hall will be held to enable employees to learn about the cultural backgrounds, lives and interests of other employees and customers outside of the workplace.
- h. Recognize and acknowledge special holidays or events.
- i. Permitting flexible schedules so that employees who observe religious practices can arrange their schedules around their beliefs.
- j. Acknowledge all faiths present in the workplace.
- k. A yearly Human Resource audit to determine if the current efforts to employ a diverse employee roster is working. Garden Remedies internal goal is to create an inclusive

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workforce of 50% minorities, persons with disabilities and women.

- l. When asked by the CCC the Head of Human Resource shall provide detailed documentation of all efforts put forth to gain and maintain a diverse working environment. Said documentation shall be made available to the CCC within a reasonable timeframe upon request.
- m. GRI annually assesses and evaluates the status and accomplishments of the implementation of our goals by:
  - i. Evaluating employee attrition rates and reviewing exit interview data to identify any trends or opportunity areas
  - ii. Ensuring workforce satisfaction via confidential annual employee survey
  - iii. Annual diversity study comparing GRI diversity makeup against MA census data
  - iv. Open door policies and practices, encouraging open dialogue and fostering communication from all employees
- n. Garden Remedies, Inc. acknowledges and is aware, and will adhere to, the requirements set forth on 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment; Any actions taken, or programs instituted, by the applicant will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

## V. Inclusion

- A. Diversity Training – GRI has a yearly inclusive diversity training for employees to encompass the following:
  - i. Understanding diversity and its definition
  - ii. Standards for working with and serving people from diverse populations
  - iii. Skills and strategies for dealing with interpersonal conflicts and addressing differences
  - iv. Applicable federal and state laws
  - v. Remedies available to victims of discrimination and hate crimes
  - vi. Understanding their rights, responsibilities and obligations

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- vii. Identifying bias and barriers for diverse applicants in the hiring process.
  - viii. Once identified, work to educate all employees involved in the hiring process on the appearance of those biases and barriers in the recruiting, interviewing, and hiring process. Begin a process to make the changes necessary to eliminate those barriers.