



## Massachusetts Cannabis Control Commission

### Marijuana Microbusiness

#### General Information:

License Number: MB282396  
Original Issued Date: 10/13/2022  
Issued Date: 10/13/2022  
Expiration Date: 10/13/2023

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Aunty Budz LLC

Phone Number: 413-210-9287 Email Address: highflyers413@gmail.com

Business Address 1: 34 North Maple Street, Unit 19 Business Address 2:

Business City: Florence Business State: MA Business Zip Code: 01062

Mailing Address 1: 17 Brookline Avenue Mailing Address 2:

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

### CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

### PRIORITY APPLICANT

Priority Applicant: no

Priority Applicant Type: Not a Priority Applicant

Economic Empowerment Applicant Certification Number:

RMD Priority Certification Number:

### RMD INFORMATION

Name of RMD:

Department of Public Health RMD Registration Number:

Operational and Registration Status:

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

If no, describe the circumstances below:

### PERSONS WITH DIRECT OR INDIRECT AUTHORITY

Person with Direct or Indirect Authority 1

Percentage Of Ownership: 100 Percentage Of Control: 100

Role: Manager Other Role:

First Name: Samantha Last Name: Britt Suffix:

Gender: Female

User Defined Gender:

What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)

Specify Race or Ethnicity:

#### ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

No records found

#### CLOSE ASSOCIATES AND MEMBERS

No records found

#### CAPITAL RESOURCES - INDIVIDUALS

No records found

#### CAPITAL RESOURCES - ENTITIES

No records found

#### BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

#### DISCLOSURE OF INDIVIDUAL INTERESTS

No records found

#### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Cultivation Environment: Indoor

Establishment Activities: Both Cultivating and Manufacturing

Establishment Address 1: 34 North Maple Street

Establishment Address 2: Florence

Establishment City: Northampton

Establishment Zip Code: 01062

Approximate square footage of the Establishment: 8500      How many abutters does this property have?: 38

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

#### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Community Outreach Meeting Documentation	HCA Attestation Form - Aunty Budz LLC.pdf	pdf	62449a30c91bef00094ff5f0	03/30/2022
Plan to Remain Compliant with Local Zoning	Aunty Budz LLC - Plan to remain compliant with local zoning-1.pdf	pdf	62449c10c91bef00094ffe8b	03/30/2022
Community Outreach Meeting Documentation	Attachment A - Public Notice - Aunty Budz LLC.pdf	pdf	62dc006dfad139000864503e	07/23/2022
Community Outreach Meeting Documentation	Aunty Budz - Attachment B - Letter to City Clerk.pdf	pdf	62dc00a0fad1390008645058	07/23/2022
Community Outreach Meeting Documentation	Aunty Budz - Attachment C - Abutters Letter.pdf	pdf	62dc00b7fad139000864506c	07/23/2022
Certification of Host Community Agreement	HCA Certification form Aunty Budz.pdf	pdf	62f7a7ad7deb3b0009041c06	08/13/2022

Total amount of financial benefits accruing to the municipality as a result of the host community agreement. If the total amount is

zero, please enter zero and provide documentation explaining this number.: \$

#### PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Other	GCCF Aunty Budz.pdf	pdf	62449c8c53957f00086eb706	03/30/2022
Plan for Positive Impact	Aunty Budz PIP - 040522.pdf	pdf	624c5f06c91bef0009569cb2	04/05/2022

#### ADDITIONAL INFORMATION NOTIFICATION

Notification:

#### INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: Manager	Other Role:
First Name: Samantha	Last Name: Britt    Suffix:
RMD Association: Not associated with an RMD	
Background Question: yes	

#### ENTITY BACKGROUND CHECK INFORMATION

No records found

#### MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	Certificate of Organization.pdf	pdf	6244a4adc91bef0009501bee	03/30/2022
Secretary of Commonwealth - Certificate of Good Standing	DoUA waiver - Aunty Budz.pdf	pdf	6244a825c91bef0009502e33	03/30/2022
Bylaws	Operating Agreement - Aunty Budz LLC.pdf	pdf	6244acd753957f00086eeae1	03/30/2022
Department of Revenue - Certificate of Good standing	CGS DoR 072322.pdf	pdf	62dc0388fad1390008645137	07/23/2022
Secretary of Commonwealth - Certificate of Good Standing	CGS SoC 072322.pdf	pdf	62dc038ac4bff6000929882a	07/23/2022

No documents uploaded

Massachusetts Business Identification Number: 001487903

Doing-Business-As Name: High Flyers

DBA Registration City: Northampton

#### BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	Insurance Aunty Budz LLC.pdf	pdf	6244ad6bc91bef00095036c2	03/30/2022
Proposed Timeline	Proposed Timeline - Aunty Budz 062922.pdf	pdf	62bc5761f750650008baee29	06/29/2022

## OPERATING POLICIES AND PROCEDURES

### Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Sample of unique identifying marks for branding	HighFlyersDelivery-logo-2.pdf	pdf	6244af9353957f00086ef206	03/30/2022
Restricting Access to age 21 and older	Plan to restrict access 21 - Cultivation - 111220.pdf	pdf	6244b03253957f00086ef481	03/30/2022
Quality control and testing	Quality control and testing - Cultivation - 111220.pdf	pdf	6244b037c91bef0009503f1e	03/30/2022
Record Keeping procedures	Record keeping procedures - Cultivation - 111220.pdf	pdf	6244b05cc91bef0009503f74	03/30/2022
Security plan	Security Plan - Cultivation - 111220.pdf	pdf	6244b05e53957f00086ef502	03/30/2022
Storage of marijuana	Storage of Marijuana - Cultivation - 111220.pdf	pdf	6244b060c91bef0009503f88	03/30/2022
Transportation of marijuana	Transportation of marijuana - Cultivation - 111220.pdf	pdf	6244b06153957f00086ef516	03/30/2022
Inventory procedures	Inventory procedures - Microbusiness - Aunty Budz.pdf	pdf	62dc0ae6fad1390008645680	07/23/2022
Maintaining of financial records	Maintenance of financial records - Microbusiness - Aunty Budz.pdf	pdf	62dc0ae6c4bff60009298db3	07/23/2022
Personnel policies including background checks	Personnel Policies - Microbusiness - Aunty Budz.pdf	pdf	62dc0ae7fad1390008645694	07/23/2022
Prevention of diversion	Prevention of diversion - Microbusiness - Aunty Budz.pdf	pdf	62dc0ae8c4bff60009298dc7	07/23/2022
Qualifications and training	Qualifications and Training - Microbusiness - Aunty Budz.pdf	pdf	62dc0aeafad13900086456a8	07/23/2022
Diversity plan	Diversity Plan - Aunty Budz LLC - 072322.pdf	pdf	62dc0c43fad1390008645764	07/23/2022
Policies and procedures for cultivating	Aunty Budz - Cultivation Plan - Operating Policies and Procedures.pdf	pdf	62dc0df5fad1390008645855	07/23/2022
Types of products	Aunty Budz - Types of products manufactured - Manufacturing - 072322.pdf	pdf	62dc172fc4bff60009299504	07/23/2022
Safety Plan for Manufacturing	Safety Plan - Aunty Budz - 072322.pdf	pdf	62dc177bc4bff60009299571	07/23/2022
Production methods	Methods of production - Aunty Budz - 072322.pdf	pdf	62dc19b6c4bff60009299647	07/23/2022
Energy Compliance Plan	Energy efficiency and conservation - Aunty Budz - 072322.pdf	pdf	62dc1a87fad1390008645e7c	07/23/2022

## ATTESTATIONS

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

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

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

I Agree

Notification:

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

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

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

#### ADDITIONAL INFORMATION NOTIFICATION

Notification:

#### COMPLIANCE WITH POSITIVE IMPACT PLAN

No records found

#### COMPLIANCE WITH DIVERSITY PLAN

No records found

#### PRODUCT MANUFACTURER SPECIFIC REQUIREMENTS

No records found

#### HOURS OF OPERATION

Monday From: 7:00 AM	Monday To: 12:00 AM
Tuesday From: 7:00 AM	Tuesday To: 12:00 AM
Wednesday From: 7:00 AM	Wednesday To: 12:00 AM
Thursday From: 7:00 AM	Thursday To: 12:00 AM
Friday From: 7:00 AM	Friday To: 12:00 AM
Saturday From: 7:00 AM	Saturday To: 12:00 AM
Sunday From: 7:00 AM	Sunday To: 12:00 AM



## Community Outreach Meeting Attestation Form

### Instructions

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

### Attestation

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

1. The Community Outreach Meeting was held on the following date(s): 3/30/2022
2. At least one (1) meeting was held within the municipality where the ME is proposed to be located.
3. At least one (1) meeting was held after normal business hours (this requirement can be satisfied along with requirement #2 if the meeting was held within the municipality and after normal business hours).

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

a. Date of publication: 3/7/2022

b. Name of publication: Hampshire Gazette

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

a. Date notice filed: 3/10/2022

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

a. Date notice(s) mailed: 3/12/2022

7. The applicant presented information at the Community Outreach Meeting, which at a minimum included the following:
- a. The type(s) of ME or MTC to be located at the proposed address;
  - b. Information adequate to demonstrate that the location will be maintained securely;
  - c. Steps to be taken by the ME or MTC to prevent diversion to minors;
  - d. A plan by the ME or MTC to positively impact the community; and
  - e. Information adequate to demonstrate that the location will not constitute a nuisance as defined by law.
8. Community members were permitted to ask questions and receive answers from representatives of the ME or MTC.

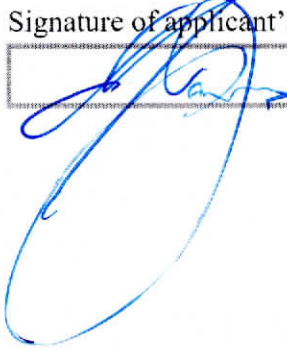
Name of applicant:

Aunty Budz LLC

Name of applicant's authorized representative:

Mark Jarvis

Signature of applicant's authorized representative:





## **Aunty Budz LLC, Northampton; Plan to Remain Compliant with Local Zoning:**

Aunty Budz LLC is located in the GI-zoned district in the village of Florence of the City of Northampton.

- Northampton is a “by right” municipality that allows marijuana cultivation and manufacturing in any industrial district.
- Northampton does not have any local licensing requirements for an adult-use licensed marijuana establishment.
- Northampton does not have a special permit process.
- Northampton does not require zoning approval.
- Northampton building regulations require building permits for general commercial and industrial construction in accordance with Chapter 145 of the City of Northampton Building Regulations, but does not require special, separate, or different processing of building permit applications from licensed marijuana establishments.
- The proposed location possesses a certificate of occupancy. None of the planned construction work will affect this certificate of occupancy. The City of Northampton does not require special, separate, or different processes for the award of certificates of occupancy for licensed marijuana establishments.
- Northampton does not require special health department inspection or approval for licensed marijuana establishments.
- Aunty Budz attests that it will, through its operation of a cultivation and manufacturing establishment in an industrial zone of the City of Northampton, follow and remain compliant with all local zoning requirements, including but not limited to the following sections of the Northampton Zoning Bylaw:
  1. **Building Regulations**, Chapter 145, Articles I-IV, sections § 145-16-30 Building, Electrical, and Plumbing,
  2. **Signage** § 350-7
  3. **Extension and alteration** § 350-9.2
  4. **Minimum parking requirements**, § 350-8.2 thru 8.11
  5. **Site/Parking Lot Landscaping** § 350-6.5, § 350-8.9

# The Daily Hampshire Gazette

115 Conz Street, Northampton, MA

413-584-5000 | Fax: 413-584-5299 | Customer Service 413-586-1925

## Advertising Invoice

CREDIT LEGALS  
115 CONZ ST  
NORTHAMPTON, MA 01060

Cust#:22224  
Ad#:315465  
Phone#:413-586-1700  
Date:03/07/2022

Salesperson: PAM PAQUETTE

Classification: Legals

Ad Size: 1.0 x 2.40

### Advertisement Information:

Description	Start	Stop	Ins.	Cost/Day	Total
Daily Hampshire Gazette	03/10/2022	03/10/2022	1	126.41	126.41

### Payment Information:

Date:	Order#	Type
03/07/2022	315465	BILLED ACCOUNT

Total Amount: 126.41

Tax: 0.00

Amount Due: 126.41

Outreach meeting - Thank you for your business!

Ad Copy

**Community Outreach Meeting  
Date Correction**

Auntie Budz, LLC intends to open a licensed cannabis microbusiness at 24 North Maple Street Florence, MA 01062, unit 19.

A community outreach meeting will take place at the above address on **Wednesday, 30th March, 2022 at 6pm.**

All are welcome. We will respect Covid-19 social distancing recommendations and ask that all attendees wear a face mask. Please direct any questions to: [highflyers413@gmail.com](mailto:highflyers413@gmail.com)

March 10

216485

## ATTACHMENT B

Aunty Budz LLC  
17 Brookline Ave,  
Holyoke, MA 01040

City Clerk's office  
210 Main Street  
Room 4  
Northampton, MA 01060

3/9/2022

### Notice of Community Outreach Meeting

Aunty Budz LLC plans on creating a licensed cannabis microbusiness at unit 19, 34 North Maple Street in Florence. We are hosting a Community Outreach Meeting at this address at 6pm on Wednesday, 30th March, 2022 pertaining to our state application for a microbusiness license, and to provide additional information to interested abutters..

Please find attached a copy of the letter that has been sent to the owners of all abutting properties within 300 ft of the property lines of 34 North Maple Street, Florence, MA 01062.

Many thanks,

Samantha Britt  
Aunty Budz LLC



## ATTACHMENT "C"

Aunty Budz LLC  
17 Brookline Ave,  
Holyoke, MA 01040

3/9/2022

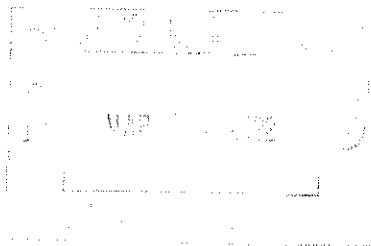
### **Notice of Community Outreach Meeting**

Dear Abutter:

Notice is hereby given that a Community Outreach Meeting for a proposed licensed marijuana microbusiness is scheduled for 30th March at 6pm at unit 19, 34 North Maple Street, Florence, MA 01062. The proposed licensed marijuana microbusiness is anticipated to be located at the same address. There will be an opportunity for the public to ask questions.

Many thanks,

Samantha Britt  
Aunty Budz LLC



## Host Community Agreement Certification Form

### Instructions

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

### Certification

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

1. Name of applicant:

Auntie Bubbz LLC D/B/A High Flyers

2. Name of applicant's authorized representative:

Samantha Britt

3. Signature of applicant's authorized representative:



4. Name of municipality:


City of Northampton

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


Gina-Louise Sciarra



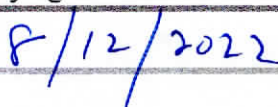
6. Signature of municipality's contracting authority or authorized representative:



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



8. Host community agreement execution date:



# **PLAN TO POSITIVELY IMPACT DISPROPORTIONATELY HARMED INDIVIDUALS AND COMMUNITIES**

## **Overview**

Aunty Budz, LLC (Aunty Budz) is dedicated to serving and supporting the areas near and around its microbusiness facility in Florence, MA, particularly the cities of Greenfield, Amherst, Holyoke, North Adams and West Springfield, all of which are classified as areas of disproportionate impact in the Commission's Guidance for Identifying Areas of Disproportionate Impact.

- It is Aunty Budz' intention to be a positive force in these geographic areas of disproportionate impact and to contribute to educational opportunities and quality-of-life and income improvements for those people who have been disproportionately harmed.
- This plan will adhere to the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of Marijuana Establishments. Accordingly, scholarships shall be awarded to individuals 21 years of age or older.
- Any actions taken, or programs instituted, by Aunty Budz in this regard will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

## **1. Positive Impact Plan Goals**

Aunty Budz plans to positively impact the following groups:

- Past or present residents of the geographic "areas of disproportionate impact," which have been defined by the Commission and identified in its Guidance for Identifying Areas of Disproportionate Impact (ADI). In particular the communities of Greenfield, Amherst, Holyoke, North Adams and West Springfield, communities from which the Greenfield Community College draws many of its students..
- Massachusetts residents who have past drug convictions.
- Massachusetts residents with parents or spouses who have past drug convictions.

Aunty Budz will increase educational opportunities for individuals in the above groups by making a college degree or vocational training more affordable.

## **2. Positive Impact Plan Program**

- Aunty Budz LLC, in cooperation with Greenfield Community College (GCC), will provide two \$2,500 annual scholarships towards tuition at GCC for qualifying individuals as identified in section 1 above.



- This opportunity and application materials will be communicated, promoted, and administered by GCC who will ensure that scholarships are offered to qualified individuals, and that these individuals meet all conditions to maintain their qualification.
- Applicants with a demonstrated track record of community service in an ADI and/or to organizations that serve disproportionately harmed people/groups will receive favorable consideration.
- Final selection of applications will be decided by a member of the GCC Foundation team and a member of senior management of Aunty Budz from among qualified applicants.
- Successful applicants will be announced on GCC and Aunty Budz social media outlets.
- Once awarded, scholarships would be renewable for scholarship recipients for up to four consecutive years provided satisfactory progress towards degree or certification is being made and recipient completes 15 volunteer hours per semester at a non-profit charity that operates in an ADI or benefits people groups who have been disproportionately harmed.
- Those scholarship recipients of appropriate age that declare an interest in pursuing a career in cannabis microbusiness, or cannabis business management, would be given preference to serve as interns or employees at Aunty Budz to learn more about the cannabis field.
- Positive consideration would be given to those students who are enrolled in cannabis related degree or certificate programs or who express an interest in pursuing a career in the cannabis field. However, scholarships may be awarded to qualified applicants from the disproportionately harmed people groups listed above who pursue any degree or certificate.

### **3. Measurement**

Aunty Budz will measure the success of its Plan to Positively Impact Disproportionately Harmed People and Communities as follows:

- The number of scholarships successfully allocated to qualifying individuals.
- The proportion of available funds successfully distributed to qualifying individuals.
- The number of community service hours performed by applicants and scholarship recipients in service to non-profits in Commission-designated ADIs.
- Number of internship hours served and wages paid to intern scholarship recipients at Aunty Budz' microbusiness facility.

The progress or success of this plan will be documented and presented for consideration by the commission upon renewal (one year from provisional licensure, and each year thereafter).



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

Minimum Fee: \$500.00

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

**Certificate of Organization**

(General Laws, Chapter )

Identification Number: 001487903

1. The exact name of the limited liability company is: AUNTY BUDZ LLC

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

No. and Street: 17 BROOKLINE AVE  
 City or Town: HOLYOKE State: MA Zip: 01040 Country: US

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

No. and Street: 17 BROOKLINE AVE  
 City or Town: HOLYOKE State: MA Zip: 01040 Country: USA

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

APPLYING FOR LICENSE WITH CANNIBIS CONTROL COMMISSION

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

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

Name: SAMANTHA BRITT  
 No. and Street: 17 BROOKLINE AVE  
 City or Town: HOLYOKE State: MA Zip: 01040 Country: USA

I, SAMANTHA BRITT resident agent of the above limited liability company, consent to my appointment as the resident agent of the above limited liability company pursuant to G. L. Chapter 156C Section 12.

**6. The name and business address of each manager, if any:**

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
SOC SIGNATORY	SAMANTHA E BRITT	17 BROOKLINE AVE HOLYOKE, MA 01040 USA

**8. The name and business address of the person(s) authorized to execute, acknowledge, deliver and record any recordable instrument purporting to affect an interest in real property:**

<b>Title</b>	<b>Individual Name</b> First, Middle, Last, Suffix	<b>Address</b> (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	SAMANTHA E BRITT	17 BROOKLINE AVE HOLYOKE, MA 01040 US
REAL PROPERTY	SAMANTHA E BRITT	17 BROOKLINE AVE HOLYOKE, MA 01040 USA

**9. Additional matters:**

**SIGNED UNDER THE PENALTIES OF PERJURY, this 17 Day of February, 2021,  
SAMANTHA BRITT**

*(The certificate must be signed by the person forming the LLC.)*

THE COMMONWEALTH OF MASSACHUSETTS

I hereby certify that, upon examination of this document, duly submitted to me, it appears that the provisions of the General Laws relative to corporations have been complied with, and I hereby approve said articles; and the filing fee having been paid, said articles are deemed to have been filed with me on:

February 17, 2021 10:16 AM

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

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*

Aunty Budz, LLC  
17 Brookline Avenue  
Holyoke, MA 01040

3/29/22

**Certificate of Good Standing - DoUA**

Dear Cannabis Control Commission:

This letter is to certify and attest that at the present time Aunty Budz, LLC is unable to obtain a Certificate of Good Standing from the Department of Unemployment Assistance as the Company cannot register with the department until hiring employees.

If you have any questions, please feel free to contact me at the above number.

Sincerely,

*Samantha E. Britt*

Manager,  
Aunty Budz, LLC

**AGREEMENT**

**OF**

Aunty Budz LLC

**A MASSACHUSETTS LIMITED LIABILITY COMPANY**

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## **ARTICLE I**

### **DEFINITIONS**

The following terms used in the Operating Agreement shall have the following meanings (unless otherwise expressly provided herein);

(a) "Certificate of Organization" shall mean the Certificate of Organization of Aunty Budz LLC, as filed with the Secretary of the Commonwealth of Massachusetts, as the same may be amended from time to time. A copy of the Certificate of Organization is attached hereto as Exhibit A.

(b) "Capital Account" as of any given date shall mean the Capital Contribution to the Company by a Member as adjusted up to the date in question pursuant to Article VII.

(c) "Capital Contribution" shall mean any agreed contribution to the capital of the Company in cash, property or services by a Member whenever made. "Initial Capital Contribution" shall mean the initial contribution to the capital of the Company pursuant to this Operating Agreement as set forth on Exhibit B attached hereto.

(d) "Company Interest" shall mean, with respect to each Member, such Member's interest in the profits and losses of the Company as set forth on Exhibit B attached hereto.

(e) "Code" shall mean the Internal Revenue Code of 1986 or corresponding provisions of subsequent superseding federal revenue laws.

(f) "Company" shall refer to Aunty Budz LLC.

(g) "Deficit Capital Account" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the taxable year.

(h) "Distributable Cash" means all cash, revenues and funds received by the Company from Company operations, less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders; (ii) all cash expenditures incurred incident to the normal operation of the Company's business; (iii) such Reserves as the Managers deem reasonably necessary to the proper operation of the Company's business.

(i) "Entity" shall mean a general partnership, a limited partnership, a domestic or foreign limited liability company, a trust, an estate, an association, a corporation or any other legal or commercial entity.

(i) "Event of Dissociation" means the resignation, death or insanity of a Member, as provided in Section 36 and 42 of the Massachusetts Act.

(k) "Fiscal Year" shall mean the Company's fiscal year, which shall be the calendar year.

(1) "Gifting Member" shall mean any Member who gifts, bequeaths or otherwise transfers for no consideration (by operation of law or otherwise, except with respect to bankruptcy) all or any part of its Membership Interest.

(m) "Majority Interest" shall mean one or more Interests of Members which taken together equals or exceeds two-thirds of the aggregate of all Company Interests.

(n) "Managers" shall mean one or more Managers designated in the manner provided in this Agreement.

(o) "Massachusetts Act" shall mean the Massachusetts Limited Liability Company Act (M.G.L. Ch. 156C).

(p) "Member" shall mean each of the parties who executes a counterpart of this Operating Agreement as a Member and each of the parties who may hereafter become Members as permitted herein. To the extent a Manager has acquired a Membership Interest in the Company, he or she will have all rights of a Member with respect to such Membership Interest, and the term "Member" as used herein shall include a Manager to the extent he or she has acquired such Membership Interest in the Company. If a Person is a Member immediately prior to the purchase or other acquisition by such Person, such Person shall have all the rights of a Member with respect to such purchased or otherwise acquired Membership Interest, as the case may be.

(q) "Membership Interest" shall mean, a Member's entire interest in the Company and the right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision or action of or by the Members granted pursuant to this Operating Agreement or the Massachusetts Act.

® "Net Profits" and "Net Losses" shall mean the income, gain, loss, deductions and credits of the Company in the aggregate or separately stated, as appropriate, determined in accordance with the method of accounting selected by the Managers at the close of each fiscal year on the Company's information tax return filed for federal income tax purposes.

(s) "Operating Agreement" shall mean this Operating Agreement as originally executed and as amended from time to time.

(t) "Person" shall mean an individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns or such "Person" where the context so permits.

(u) "Reserves" shall mean, with respect to any fiscal period, funds set aside or amounts allocated during such period to reserves which shall be maintained in amounts deemed sufficient by the Managers for capital expenditures, working capital and to pay taxes, insurance, debt service or other costs or expenses incident to the ownership or operation of the Company's business.

(v) "Selling Member" shall mean any Member which sells, assigns, or otherwise transfers for consideration all or any portion of its Membership Interest.

(w) "Transferring Member" shall collectively mean a Selling Member and a Gifting Member.

(x) "Treasury Regulations" shall include proposed, temporary and final regulations promulgated under the Code in effect as of the date of filing the Certificate of Organization and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

## **ARTICLE II**

### **FORMATION OF COMPANY**

**Section 2.1 - Formation.** The Company whose address is 26 Hadley Mill Road, Holyoke, Massachusetts 01040, was formed as a limited liability company under the Massachusetts Act by the filing of its Certificate of Organization with the Secretary of the Commonwealth of Massachusetts on September 3, 2020.

## **ARTICLE III**

### **BUSINESS OF COMPANY**

**Section 3.1 - Permitted Businesses.** The business of the Company shall be as set forth in its Certificate of Organization.

## **ARTICLE IV**

### **NAMES AND ADDRESSES OF MEMBERS**

The names and addresses of the initial and subsequent Members are as set forth on Exhibit B attached hereto.

## **ARTICLE V**

### **RIGHTS AND DUTIES OF MANAGERS**

**Section 5.1 - Management.** The business and affairs of the Company shall be managed by its Managers. The Managers shall direct, manage and control the business of the Company to the best of their ability. Except for situations in which the approval of the members is expressly required by this Operating Agreement or by non waivable provisions of applicable law, the Managers shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business. At any time when there is more than one Manager, any one Manager may exercise all of the powers delegated to the Managers herein and may take any action permitted to be taken by the Managers, unless the approval of more than one of the Managers is

expressly required pursuant to this Operating Agreement.

**Section 5.2 - Number, Identity, Tenure and Qualifications.** The Company shall have three Managers. The Managers shall be Robert Hinkle, William Farr, and Philip Reich.

The number of Managers of the Company shall be fixed from time to time by the affirmative vote or written consent of Members holding at least two-thirds of all Company Interests, but in no instances shall there be less than one Manager. Each Manager shall hold office until his or her successor shall have been elected and qualified or such earlier time as he or she may resign or be removed as provided herein. Managers shall be elected by the affirmative vote or written consent of Members holding at least a Majority Interest. A Manager need not be a Member.

**Section 5.3 - Certain Powers of Managers.** Without limiting the generality of Section 5.1, the Managers shall have power and authority on behalf of the Company:

- (a) To acquire property from any Person as the Managers may determine;
- (b) To borrow money for the Company from banks, other lending institutions, individuals, the Managers, Members, or affiliates of the Managers or Members on such terms as the Managers deem appropriate, and in connection therewith, to mortgage, hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums;
- (c) To purchase liability and other insurance to protect the Company's property and business;
- (d) To hold and own any Company real and/or personal properties in the name of the Company;
- (e) To invest any company funds temporarily (by way of example but not limitation) in time deposits, short term governmental obligations, commercial paper or other investments;
- (f) Upon the affirmative vote or written consent of Members holding at least two-thirds of all Company Interests, to sell or otherwise dispose of all or substantially all of the assets of the Company as part of a single transaction or plan;
- (g) To execute on behalf of the Company all instruments and documents, including, without limitation, checks; drafts; notes and other negotiable instruments; mortgages or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage or disposition of the Company's property; assignments; bills of sale; leases; partnership agreements, operating agreements of other limited liability companies; and any other instruments or documents necessary or appropriate, in the opinion of the Managers, to the business of the Company;
- (h) To employ accountants, legal counsel, managing agents or other experts to perform services for the Company and to compensate them from Company funds;
- (i) To enter into any and all agreements on behalf of the Company, with any other Person for any purpose, in such forms as the Managers may approve;

(j) To do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business; and

(k) To delegate his, her or their power and authority to another party of his, her or their choice by the use of a valid Power of Attorney.

Unless authorized to so do by the Operating Agreement or by written authorization of a Manager or Managers of the Company, no attorney-in-fact, employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable for any purpose. No Member (other than a Member who is also a Manager) shall have any power or authority to bind the Company unless the Member has been authorized by the Managers to act as an agent of the Company in accordance with the previous sentence.

**Section 5.4 - Manager Has No Exclusive Duty to Company.** The Managers shall not be required to manage the Company as his or her sole and exclusive or their sole and exclusive function and he, she or they may have other business interests and may engage in other activities in addition to those relating to the Company.

**Section 5.5 - Bank Accounts.** The Managers may from time to time open bank accounts in the name of the Company, and the Managers shall be the sole signatory thereon, unless the Managers determine otherwise.

**Section 5.6 - Company Books.** In accordance with Section 9.2 herein, the Managers shall maintain and preserve, during the term of the Company, and for five (5) years thereafter, all accounts, books, and other relevant Company documents. Upon reasonable request, each Member shall have the right, during ordinary business hours, to inspect and copy such Company documents at the requesting Member's expense.

**Section 5.7 - Indemnity of Managers.** The Company shall indemnify the Managers from and against any claim by any third party seeking monetary damages against such Managers arising out of such Managers' performance of their duties in good faith and in accordance with Section 8 of the Massachusetts Act.

**Section 5.8 - Resignation.** Any Manager of the Company may resign at any time by giving written notice to the Members of the Company. The resignation of any Manager shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The resignation of a Manager who is also a Member shall not, by itself, affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

**Section 5.9 - Removal.** Any Manager may be removed at any time, with or without cause, by the affirmative vote or written consent of Members holding a Majority Interest. The removal of a Manager who is also a Member shall not, by itself, affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

**Section 5.10 - Vacancies.** Any vacancy occurring for any reason in the number of Managers of the

Company may be filled by the affirmative vote or written consent of Members holding a Majority Interest.

**Section 5.11 - Compensation of Managers.** The Managers shall receive no compensation for his, her or their services unless voted upon by two-thirds or more of the Members holding Company Interest.

## ARTICLE VI

### RIGHTS AND OBLIGATIONS OF MEMBERS

**Section 6.1 - Limitation of Liability.** Each Member's liability shall be limited as set forth in this Operating Agreement by the Massachusetts Act and other applicable law.

**Section 6.2 - List of Members.** Upon written request of any Member, the Managers shall provide a list showing the names, addresses and Membership Interests of all Members.

**Section 6.3 - Approval of Sale of All Assets.** The Members shall have the right, by the affirmative vote or written consent of Members holding at least two-thirds of all Company Interests, to approve the sale, exchange or other disposition of all or substantially all, of the Company's assets which is to occur as part of a single transaction or plan.

**Section 6.4 - Priority and Return of Capital.** Except as may be expressly provided in Article IX, no Member shall have priority over any other Member, either as to the return of Capital Contributions or as to Net Profits, Net Losses or distributions; provided, however, that this Section shall not apply to repayment of loans (as distinguished from Capital Contributions) which a Member has made to the Company.

**Section 6.5 - Voting Rights.** Each Member will have a pro rata vote commensurate with his or her Interest in the Company.

**Section 6.6 - Arbitration.** In the event each of the Members, after a good faith attempt, cannot agree on how to proceed, each Member shall appoint an arbitrator within seven (7) days of a demand for arbitration by the other Member. Such arbitrators so selected shall appoint a third arbitrator, and the decision of a majority of the arbitrators shall be binding on all Members. Each Member shall be responsible for the fees of the arbitrator so appointed by them and each Member shall share equally in the costs associated with the third arbitrator.

## ARTICLE VII

### CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

**Section 7.1 - Members' Capital Contributions.** Each Member shall contribute such cash, property or services as is set forth in Exhibit B hereto as its share of the Initial Capital Contribution.

**Section 7.2 - Additional Contributions.** Except as set forth in Section 7.1 no Member shall be required to

make any Capital Contribution. The Members may determine from time to time that additional Capital Contributions are necessary or appropriate in connection with the conduct of the Company's business (including without limitation, expansion or diversification or to meet operating deficits). In such event, the Members shall have the opportunity (but not the obligation) to participate in such additional Capital Contributions on a pro rata basis in accordance with their Company Interest.

### **Section 7.3 - Capital Accounts.**

(a) A separate Capital Account will be maintained for each Member. In general, each Member's Capital Account will be: (1) increased by (a) the amount of money contributed by such Member to the Company; (b) the agreed fair market value of property or services contributed by such Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Section 752 of the Code); and (c) allocations to such Member of Net Profits and; (II) decreased by (a) the amount of money distributed to such Member by the Company; (b) the fair market value of property distributed to such Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to under Section 752 of the Code); and (c) allocations to the account of such Member Net Losses. Capital Accounts will be maintained in accordance with the requirements of 704(b) of the Code and the Treasury Regulations promulgated thereunder.

(b) In the event of a permitted sale or exchange of a Membership Interest in the Company, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest in accordance with Section 1.704-1(b)(iv) of the Treasury Regulations.

(c) Upon liquidation of the company (or the Member's Membership Interest), liquidating distributions will be made in accordance with the positive Capital Account balances of the Members, as determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs. Liquidation proceeds will be paid within sixty days of the end of the taxable year (or, if later, within 120 days after the date of the liquidation). The Company may offset damages for breach of this Operating Agreement by a Member whose interest is liquidated (either upon the withdrawal of the Member or the liquidation of the Company) against the amount otherwise distributable to such Member.

(d) Except as otherwise required in the Massachusetts Act (and subject to Section 7.1 and 7.2), no Member shall have any liability to restore all or any portion of a deficit balance in such Member's Capital Account.

## **ARTICLE VIII**

### **ALLOCATIONS, INCOME TAX AND DISTRIBUTIONS**

**Section 8.1 - Allocations of Profit and Losses.** The Net Profits and Net Losses of the Company for each Fiscal Year will be allocated to the Members' interests in accordance with the percentage allocations set forth in Exhibit B attached hereto and in compliance with applicable tax law.



**Section 8.2 - Distributions.** Except as provided in Section 7.3(c), all distributions of cash or other property shall be made to the Members pro rata in proportion to the respective Company Interest of the Members on the record date of such distribution. Except as provided in Section 8.4, all distributions of Distributable Cash and property shall be made at such time as determined by the Managers. No Member shall have the right to demand and receive property other than cash irrespective of the nature of its Capital Contribution. All amounts withheld pursuant to the Code or any provisions of state or local tax law with respect to any payment or distribution to the Members from the Company shall be treated as amounts distributed to the relevant Member or Members pursuant to this Section 8.2.

**Section 8.3 - Limitation Upon Distributions.** No distribution shall be declared and paid unless, after the distribution is made, the assets of the Company are in excess of all liabilities of the Company, except liabilities to Members on account of their contributions.

**Section 8.4 - Interest On and Return of Capital Contributions.** No Member shall be entitled to interest on its Capital Contribution or to return of its Capital Contribution, except as otherwise specifically provided for herein.

**Section 8.5 - Loans to Company.** Nothing in this Operating Agreement shall prevent any Member from making secured or unsecured loans to the Company by agreement with the Company.

**Section 8.6 - No Right to Distribution.** Anything in this Agreement or in Section 32 of the Massachusetts Act to the contrary notwithstanding, no Member shall be entitled to receive any distribution of money or other property in excess of \$1.00 by reason of such persons ceasing to be a Member, except (i) upon dissolution of the Company, or (ii) upon affirmative vote or written consent of Members holding a Majority Interest.

## **ARTICLE IX**

### **ACCOUNTING REPORTS**

**Section 9.1 - Accounting Period.** The Company's accounting period shall be the calendar year.

**Section 9.2 - Records, Audits and Reports.** The Managers shall maintain records and accounts of all operations and expenditures of the Company. At a minimum the Company shall keep at its principal place of business the following records:

- (a) A current and a past list setting forth in alphabetical order the full name and last known business, residence, or mailing address of each Member, both past and present;
- (b) A copy of the Certificate of Organization of the Company and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any articles of amendment have been executed;
- (c) Copies of the Company's federal, state, and local income tax returns and financial statements for

the three most recent years, or if such returns or statements were not prepared for any reason, copies of the information and statements provided to, or which should have been provided to, the members to enable them to prepare their federal, state and local tax returns for such period;

(d) Copies of the Company's current effective written Operating Agreement and all amendments thereto and copies of any written operating agreements no longer in effect;

(e) A writing setting forth the amount of cash, if any, and a statement of the agreed value of other property or services contributed by each member and the times at which or the events upon the happening of which any additional contributions are to be made by each Member;

(f) A writing stating events, if any, upon the happening of which the Company is to be dissolved and its affairs wound up;

(g) Other writings, if any, prepared pursuant to a requirement in this Agreement.

**Section 9.3 - Returns and Other Elections.** The Managers shall cause the preparation and timely filing of all returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Members as soon as practical after the end of the Company's fiscal year but in any event prior to the date upon which Federal and Massachusetts State tax returns are required to be filed by Members.

The "Tax Matters Partner", under Section 6231 of the Internal Revenue Code of 1986, as amended, who will manage administrative tax proceedings with the Internal Revenue Service, will be determined by Members holding a Majority Interest.

All elections permitted to be made by the Company under federal or state laws shall be made by the Managers in their sole discretion, provided that the Managers shall make any tax election requested by Members owning a Majority Interest.

## **ARTICLE X**

### **TRANSFERABILITY**

**Section 10.1 - General.** No Member shall have the right to:

- (a) Sell, assign, transfer, pledge, hypothecate, exchange, or otherwise transfer for consideration (collectively, "sell"), or
- (b) gift, bequeath or otherwise transfer for no consideration (whether or not by operation of law, except in the case of bankruptcy) all or any part of its Membership Interest without the vote or written consent of Members holding a Majority Interest.
- (c) In the event of either the purchase of the Selling Member's interest in the company by a third party purchaser or the gift of an interest in the Company, and as a condition to recognize one or more of the effectiveness and binding nature of any such sales or gift and (subject to Section 10.2, below) substitution of a new Member as against the

Company or otherwise a majority of the remaining Members may require the Selling Member or Gifting Member and the proposed purchaser, donee or successor-in-interest, as the case may be, to execute, acknowledge and deliver to the remaining Members such instruments of transfer, assignment and assumption and such other acts which the remaining majority of the Members may deem necessary or desirable to:

- (i) constitute such purchaser, as a Member, donee or successor-in-interest as such;
  - (ii) confirm that the person desiring to acquire an interest or interests in the Company, or to be admitted as a Member, has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of the Operating Agreement, as the same may have been further amended;
  - (iii) preserve the Company after the completion of such sale, transfer, assignment, or substitution under the laws of each jurisdiction in which the Company is qualified, organized or does business;
  - (iv) maintain the status of the Company as a partnership for federal tax purposes; and
  - (v) assure compliance with any applicable state and federal laws including securities laws and regulations.
- (d) Any sale or gift of a Membership Interest or admission of a Member in compliance with this Article X shall be deemed effective as of the last day of the calendar month in which the remaining Members' consent thereto was given.
- (e) The Selling Member hereby indemnifies the Company and the remaining Members against any and all loss, damage, or expense (including, without limitation, tax liabilities or loss of tax benefits) arising directly or indirectly as a result of any transfer or purported transfer in violation of this Article X.
- (f) A Transferring Member may gift all or any portion of its Membership Interest without regard to Section 10.1(a) and (b) provided that the donee or other successor-in-interest (collectively, "donee") complies with Section 10.1(c) and further provided that the donee is either the Gifting Member's spouse, former spouse, or lineal descendent (including adopted children). In the event of the gift of all or any portion of a Gifting Member's Membership Interest to one or more donees who are under 25 years of age, one or more trusts shall be established to hold the gifted interest(s) for the benefit of such donee(s) until all of the donee(s) reach the age of at least 25 years.

#### **Section 10.2 - Transferee Not Member in Absence of Consent of Holders of Majority Interest.**

Notwithstanding anything contained herein to the contrary (including, without limitation, Section 10.2 hereof), if Members holding a Majority Interest do not approve, by written consent, of the proposed sale or gift of the Transferring Member's Membership Interest to a transferee or donee which is not a Member immediately prior to the sale or gift, then the proposed transferee or donee shall have no right to participate in the management of the business and affairs of the Company or to become a Member. No transfer of a Member's interest in the Company (including any transfer which has not been approved by written consent of the Members holding a Majority Interest) shall be effective

unless and until written notice (including the name and address of the proposed transferee or donee and the date of such transfer) has been provided to the Company and the non transferring Members.

## **ARTICLE XI**

### **ADDITIONAL MEMBERS**

**Section 11.1 - General.** From the date of the formation of the Company, any person or entity acceptable to Members holding a Majority Interest by their written consent may become a Member in the Company either by the issuance by the Company of Membership Interests for such consideration as Members holding Majority Interest by their written consent shall determine, or as a transferee of a Member's Membership Interest or any portion thereof, subject to the terms and conditions of this Operating Agreement. No new Members shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company. The Managers may, at their option, at the time a Member is admitted, close the Company books (as though the Company's tax year had ended) or make pro rata allocations of loss, income and expense deductions to a new Member for that portion of the Company's tax year in which a Member was admitted in accordance with the provisions of Section 706(d) of the Code and the Treasury Regulations promulgated thereunder.

## **ARTICLE XII**

### **DISSOLUTION AND TERMINATION**

#### **Section 12.1 - Dissolution.**

(a) The Company shall be dissolved and its affairs shall be wound up upon the happening of any of first to occur of the following:

- (i) at the time specified in its Certificate of Organization;
- (ii) written consent of Members holding at least a Majority Interest; or
- (iii) an Event of Dissociation of a Member, unless there is at least one remaining Member and the business of the Company is continued by the written consent of remaining Member holding a Majority Interest within 90 days after the Event of Dissociation, and
- (iv) entry of a decree of final dissolution under Section 43 of the Massachusetts Act.

Each of the Members hereby agrees that within 60 days after the occurrence of an Event of Dissociation, he or she will promptly consent, in writing, to continue the business of the Company. Each of the Members further agrees to promptly consent, in writing, to continue the business of the Company upon a sale or gift

of a Transferring Member's entire Membership Interest. Such consents shall be mailed or hand delivered to the principal place of business of the Company set forth in Section 2.3 hereof (or to such other address designated by the Managers) no later than 50 days after each Withdrawal Event or transfer by Member of its entire Membership Interest). The sole remedy for breach of a Member's obligation to consent to continue the business of the Company under this Section shall be money damages (and not specific performance).

(b) As soon as possible following the occurrence of any of the events specified in this Section 12.1 effecting the dissolution of the Company, the Managers shall proceed to wind up the Company's business in accordance with the Section 46 of the Massachusetts Act.

(c) Except as expressly permitted in this Operating Agreement, a Member shall not voluntarily resign or take any other voluntary action which directly causes an Event of Dissociation. Unless otherwise approved in writing by Members owning a Majority Interest, a Member who resigns (a "Resigning Member") or whose Membership Interest is otherwise terminated by virtue of an Event of Dissociation, regardless of whether such Event of Dissociation was the result of a voluntary act by such Member, shall not be entitled to receive any distributions to which such Member would not have been entitled had such Member remained a Member. Damages for breach of this Section 12.1(d) shall be monetary damages only (and not specific performance), and such damages may be offset against distributions by the Company to which the Resigning Member would otherwise be entitled.

## **ARTICLE XIII**

### **MISCELLANEOUS PROVISIONS**

**Section 13.1 - Notices.** Any notice, demand, or communication required or permitted to be given by any provision of this Operating Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the party or to an executive officer of the party to whom the same is directed or, if sent by registered or certified mail, postage and charges prepaid, addressed to the Member's and/or Company's address, as appropriate, which is set forth in this Operating Agreement. Except as otherwise provided herein, any such notice shall be deemed to be given three business days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as aforesaid.

**Section 13.2 - Application of Massachusetts Law.** This Operating Agreement, and the application of interpretation hereof, shall be governed exclusively by its terms and by the laws of the Commonwealth of Massachusetts, and specifically the Massachusetts Act.

**Section 13.3 - Waiver of Action for Partition.** Each Member irrevocably waives during the term of the Company any right that it may have to maintain any action for partition with respect to the property of the Company

**Section 13.4 - Amendments.** This Operating Agreement may not be amended except by the unanimous

written agreement of all of the Members.

**Section 13.5 - Execution of Additional Instruments.** Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

**Section 13.6 - Construction.** Whenever the singular number is used in this Operating Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

**Section 13.7 - Headings.** The headings in this Operating Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

**Section 13.8 - Waivers.** The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

**Section 13.9 - Rights and Remedies Cumulative.** The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

**Section 13.10 - Severability.** If any provision of this Operating Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Operating Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

**Section 13.11 - Heirs, Successor and Assigns.** Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

**Section 13.12 - Creditors.** None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company.

**Section 13.13 - Counterparts.** This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

**Section 13.14 - Rule Against Perpetuities.** The parties hereto intend that the Rule against Perpetuities (and any similar rule of law) not be applicable to any provisions of this Operating Agreement. However, notwithstanding anything to the contrary in this Operating Agreement, if any provision in this Operating Agreement would be invalid or enforceable because of the Rule against Perpetuities or any similar rule of law but for this Section 13.14, the parties hereto hereby agree that any future interest which is created

pursuant to said provision shall cease if it is not vested within twenty-one years after the death of the survivor of the group composed of the initial Members who are individuals and their issue who are living on the date of this Operating Agreement and their issue, if any, who are living on the effective date of this Operating Agreement.

IN WITNESS WHEREOF, the undersigned Members have hereunto set their hands or caused this instrument to be executed as of the 16th day of November, 2020.

---

Witness

---

Samantha E. Britt, Member

**EXHIBIT A**

**CERTIFICATE OF ORGANIZATION**

See Attached Certificate of Organization



**EXHIBIT B**

Initial Members  
of

Aunty Budz LLC

Names and Addresses

Agreed Contribution

Proportional interest in  
Profits, Losses & Distribution

Samantha Elizabeth Britt  
17 Brookline Avenue  
Holyoke, MA 01040

One Hundred Percent





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

mass.gov/dor

Letter ID: L1215757760  
Notice Date: July 12, 2022  
Case ID: 0-001-614-483



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



AUNTY BUDZ LLC  
34 N MAPLE ST # 19  
FLORENCE MA 01062-1497

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

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

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

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

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

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

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

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

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

Edward W. Coyle, Jr., Chief  
Collections Bureau



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

William Francis Galvin  
Secretary of the  
Commonwealth

July 7, 2022

TO WHOM IT MAY CONCERN:

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

**AUNTY BUDZ LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **February 17, 2021**.

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

I also certify that the names of all managers listed in the most recent filing are: **NONE**

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

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **SAMANTHA E BRITT**

In testimony of which,

I have hereunto affixed the

Great Seal of the Commonwealth

on the date first above written.



Secretary of the Commonwealth



Processed By:BOD



2030 Memorial Dr  
Chicopee, MA 01020  
413-536-1491

2/24/202

The Commonwealth of Massachusetts  
Cannabis Control Commission  
Union Station, 2 Washington Square  
Worcester, MA 01064

RE: Aunty Budz, LLC  
34 N Maple St, Unit #19  
Florence, MA 01062

To Whom It May Concern;

The above applicant has approached our agency to obtain at least, the required minimum limits of insurance required under 935 CMR 500.00.

It is my personal statement that I will or have applied to the available markets for the below listed limits:

**General Liability: Premises**

\$1,000,000 per occurrence limit  
\$2,000,000 aggregate limit  
\$100,000 damage to premise  
\$5,000 medical payments

**General Liability: Products and Completed Operations**

\$1,000,000 per occurrence limit  
\$2,000,000 aggregate limit

The deductible for the policy will be no higher than \$5,000 per occurrence.

Sincerely Yours,

*Bruce P Piquette*

Bruce Piquette  
President  
Metras Insurance Agency, Inc.

**BUSINESS PLAN**

**Aunty Budz LLC**

**Db a High Flyers**

**Massachusetts**

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# **Disclaimer**

This business plan summarizes certain information about Aunty Budz LLC, a Massachusetts based, licensed cannabis microbusiness and home delivery company. Except where the context requires otherwise, “High Flyers”, “Company”, “We”, and “Our”, refer to the company Aunty Budz LLC dba High Flyers.

This business plan is confidential and proprietary. It has been furnished by Aunty Budz LLC to prospective partners for the sole purpose of evaluation of the transaction. In accepting and studying this document, the reader agrees that they will not release this document, or make a reproduction of, or use this business plan for any other purpose without the prior written permission of High Flyers,. Prospective partners should not assume that this business plan is complete and should conduct their own analysis and investigation of High Flyers and consult with their own financial, legal, tax and other business advisors before investing in High Flyers. Prospective partners agree that they are responsible for conducting their own due diligence investigation to verify to their satisfaction any information, opinions, or estimates in this document. Prospective partners in High Flyers and any other persons who receive this business plan agree that they will hold its contents, and all related documents in confidence and that they will not utilize such information to the detriment of High Flyers. Distribution or reproduction of this business plan or related materials, whole or in part, is prohibited. High Flyers makes no representations or warranties as to the accuracy or completeness of the information presented herein. Nothing contained herein is, or should be relied on, as a promise or representation as to the future performance of the company.

## **Forward-looking statements**

Certain statements in this business plan constitute forward-looking statements, which may be identified by words such as, will, expect, plan, intend,. Anticipate, and other words indicating that the statements are forward-looking. Such forward-looking statements are expectations only and are subject to known and unknown risks, uncertainties, and other important factors that could cause the actual results, performance or achievements of the company, or industry results, to differ materially from any future results, performance or achievements implied by such forward-looking statements. All of the financial information in this business plan is unaudited.



# Executive Summary

## Company Summary

### Objective

High Flyers will develop a 10,000 SF state-of-the-art, year-round, marijuana microbusiness incorporating an indoor cultivation, and home delivery facility at a location in western Massachusetts providing marijuana products for sale and distribution to legal Massachusetts residents in their homes and licensed cannabis wholesalers and manufacturers throughout the Commonwealth of Massachusetts.

#### Key Objectives

- Secure Capex and Opex investment
- Secure Property
- Secure State and municipality Licensing
- Fit-out and equip cultivation, extraction, and manufacturing facilities
- Commence operations
- Effective management of revenues and working capital
- Reinvestment to maintain competitive edge and market share

### Products and Services

High Flyers will grow and transform a selection of high quality and popular cannabis strains using green production practices and proven genetics that strike a balance between the high yield pricing and outstanding quality that end-users value. Our facility will yield around 1,575 lbs of pure flower (or bud), and a further 675 lbs of grade C flower, shake and trim per year.

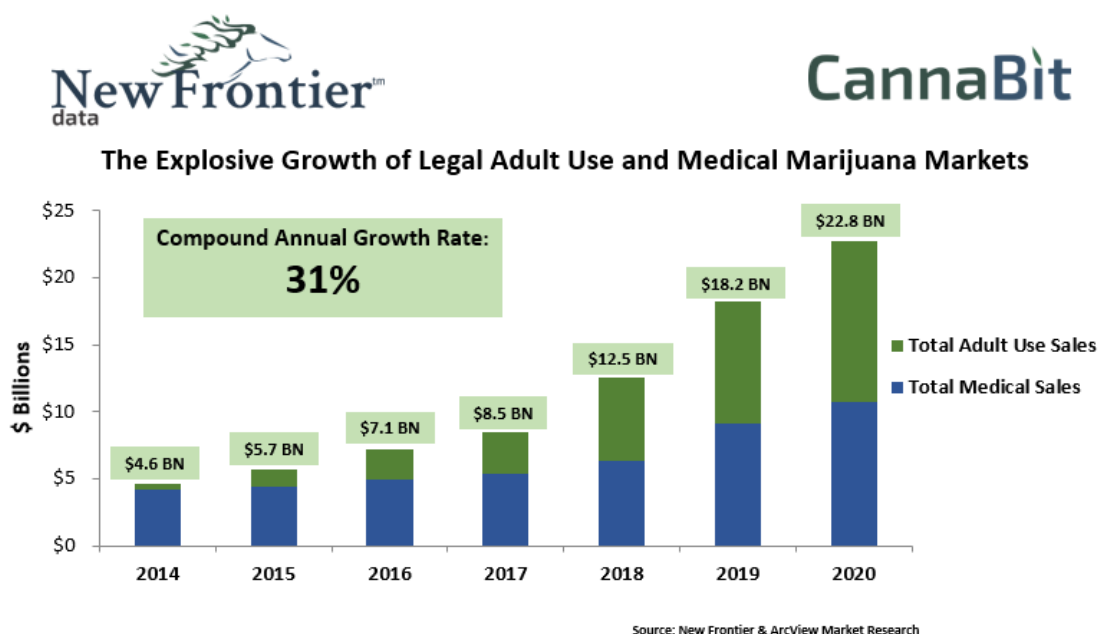
### Product descriptions

**Flower** - While careful strain selection and obsessive cultivation practices will create the ideal plant at the point of harvest, the curing process is a critical determinant of the final quality of the cannabis product. While all cultivators and manufacturers understand the importance of curing it is often the first victim in the battle for speed and convenience. While some cultivators do take the time to cure their product sympathetically, their efforts are often thwarted by woefully inadequate dispensing methods that see the product deteriorating rapidly pre-sale. We address this problem by hand-selecting flower buds, curing them correctly, and creating standardized weight portions that allow retailers to offer them directly to consumers in sealed packages that preserve freshness, quality, and flavor.

**grade C flower, shake and trim** - generally includes a quantity of smaller waste, or popcorn buds, may be processed to create cannabis extract, our bulk extract product, and the THC component of manufactured products.

## Market Opportunities

Over 60% of the U.S. population now lives in states that have legalized cannabis use in some form or another, underscoring the rising acceptance of cannabis nationwide and highlighting the industry's immense potential for future growth. According to the report *The Road Map to a \$57 Billion Worldwide Market*<sup>1</sup>, the overall cannabis market for legal adult-use and other sales in North America to reach 24.5 billion by 2021 with the Compound Annual Growth Rate at almost 28% (31% according to the Women's Cannabis Chamber of Commerce.)



The North America legal cannabis market amounted to \$12 billion in 2018, growing by 30 percent on the year. The largest market was the United States, which totaled \$10.4 billion, followed by Canada with \$1.6 billion. (No data is available for Mexico.) Currently, 33 U.S. states and the District of Columbia have legalized cannabis use in some form (other or adult-use). The majority of these states have allowed sales for other use, and 11 states, including Massachusetts, have legalized recreational or adult-use. Since 60% of the U.S. population resides in states that have legalized the use of cannabis in some form, this indicates immense possibilities for the future. According to New Frontier data, combined other and adult-use sales exceeded \$8 billion in 2017, \$12.5 billion in 2018, with adult-use sales alone estimated to have exceeded \$12.5 billion annually by 2020, making cannabis the fastest growing industry in the U.S.

## Startup Summary

High Flyers is a Massachusetts-registered Limited Liability Corporation, established to achieve the legalized cultivation, and retail home delivery of high-quality cannabis plants and products. The main

<sup>1</sup> <https://arcviewgroup.com/research/reports/>

facility will consist of a 5,000 SF cultivation facility divided into propagation, vegetation and flowering zones, packaging, and administration spaces, and offering a total cannabis canopy of 5,000 sq ft.

This state-of-the-art facility will include advanced, environmentally-focused, and cost-effective technologies using advanced LED technology for the perfect balance of economy and yield. Our automated cultivation system will allow remote, real-time access to all control and diagnostic systems in the facility. The production output will provide licensed retailers and wholesale distributors with high quality flower and grade C flower, shake and trim.

### **Financial Summary**

Capital requirements: The capital requirements for the successful execution of this business plan are \$850,000 as follows:

Construction and Fit-out - Cultivation	80,000
Cultivation Equipment	439,733
Delivery Vehicles	50,000
Working Capital and Soft Costs	280,267
<b>TOTAL</b>	<b>\$850,000</b>

### **Direct and Indirect Community Benefits**

High Flyers hopes to bring a number of benefits to its home community. The host municipality may each receive a state-mandated community impact fee of up to 3% of gross revenues. This fee serves to compensate the municipality for additional costs incurred as a result of High Flyers's operations. As we grow and develop we hope to create numerous well-paid, full-time, job opportunities, to which local residents will be given priority.

In addition, High Flyers, as a condition of our licenses, will execute a Positive Impact Plan, designed to connect our organization with the local community to the benefit of those localities and individuals that were adversely affected by the War on Drugs through personal or parental incarceration, or through residence in the state-defined Area of Disproportionate Impact; and a Diversity Plan, a staffing strategy to ensure mindful hiring practices with regards minorities, veterans, women, and the LGBTQ+ community.

# Market Overview

## Global Cannabis Market

The global legal cannabis market amounted to **\$19.5 billion** in 2017, growing by 37 percent on the year, according to the report *The Road Map to a \$57 Billion Worldwide Market*<sup>2</sup>. Spending on legal cannabis worldwide is expected to hit **\$57 billion** by 2027, with the cannabis market in the United States and Canada estimated to answer for about **\$46.5 billion** and the remaining **\$10.5 billion** going to other markets. The largest growth rate is predicted within the rest-of-world markets with the **\$52 million** spent in 2017 rising to a projected **\$2.5 billion** in 2027. The market as a whole is anticipated to be divided between adult-use and medical, with the recreational cannabis market comprising 67% and the medical market comprising 33% of the total market.

According to a report provided by *Energias Market Research*<sup>3</sup>, the global medical cannabis market is projected to increase in value from **\$8.28 billion** in 2017 to **\$28.07 billion** in 2024, with an estimated Compound Annual Growth Rate of 19% from 2018 to 2024.

### Key Global Trends:

- The initial decision by many U.S. states and Canada to create medical-only cannabis regulations prompted many other countries to act similarly while legalization of adult recreational use in California and Canada triggered a second wave of legalizing laws internationally to increase access to medical cannabis.
- South America countries have the most liberal medical cannabis programs. Led by Brazil, Argentina, Peru and Uruguay, the South American medical cannabis market may grow from \$125 million in 2018 to \$776 million in 2027.
- Germany is ready to become a leader of the European cannabis market, and Italy is expected to be second with \$1.2 billion in sales by 2027. Some form of medical cannabis is now legal in 22 countries in Europe.
- Australia's legal cannabis market is forecast to grow from \$52 million in 2018 to \$200 million in 2027, representing the 5th largest cannabis market in the world.
- Israel has a small population and a long history of legal medical cannabis use. It continues to be a leader over the years in the development of cannabis pharmaceuticals.

## North America Cannabis Market

The North America legal cannabis market amounted to **\$12 billion** in 2018, growing by 30 percent on the year. The largest market was the United States, which totaled **\$10.4 billion**, followed by Canada with **\$1.6 billion**. While little data is available, Mexico saw the possession of small amounts of cannabis decriminalized in 2009, and other use for low-THC cannabis legalized in 2017. The law prohibiting its use

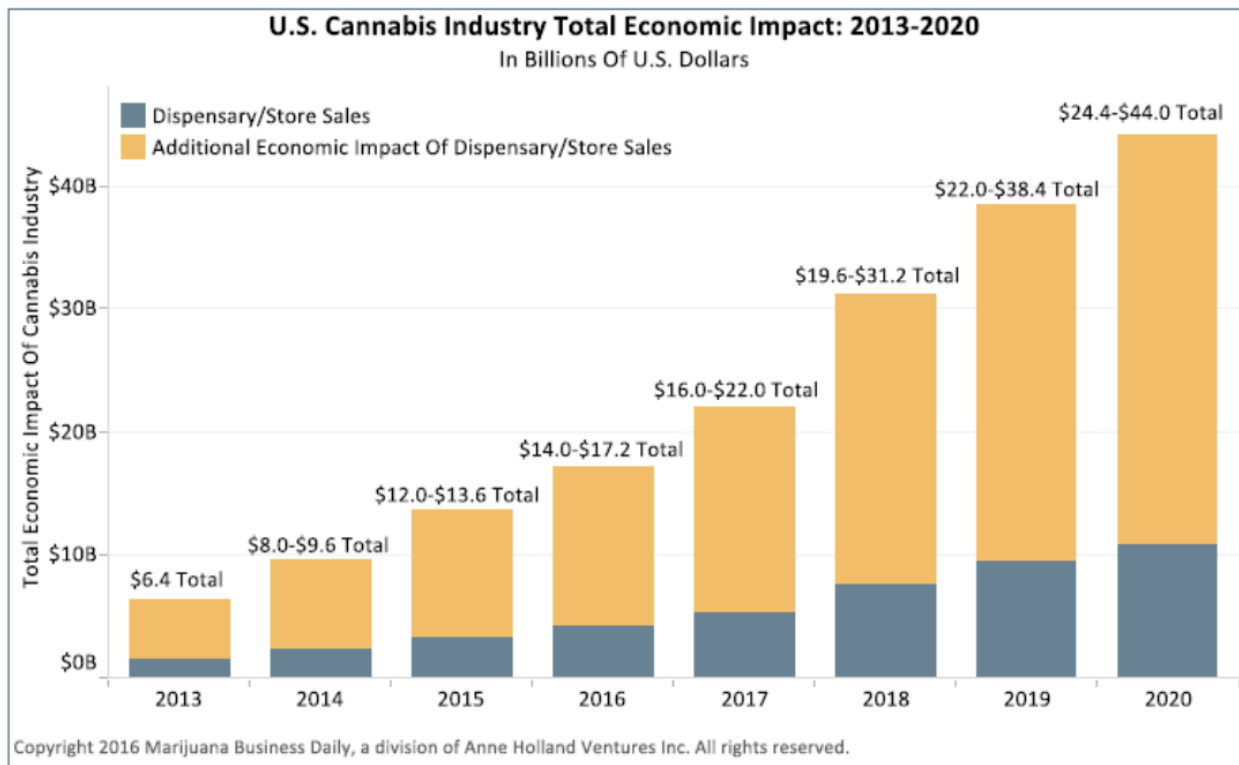
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<sup>2</sup> <https://arcviewgroup.com/research/reports/>

<sup>3</sup> <https://energiasmarketresearch.com/global-medical-marijuana-market-outlook/>

was declared unconstitutional by the Supreme Court of Mexico on October 31, 2018 making this law generally unenforceable.

A report from cannabis industry analysts *Arcview Market Research*, in partnership with *BDS Analytics*<sup>4</sup>, forecast that the entire legal cannabis market in North America will reach **\$24.5 billion** in sales - a 28% annual growth rate by 2021 - as more countries and states legalize cannabis for recreational use and existing markets mature, and will grow to **\$47.3 billion** by 2027.



## U.S. Cannabis Market

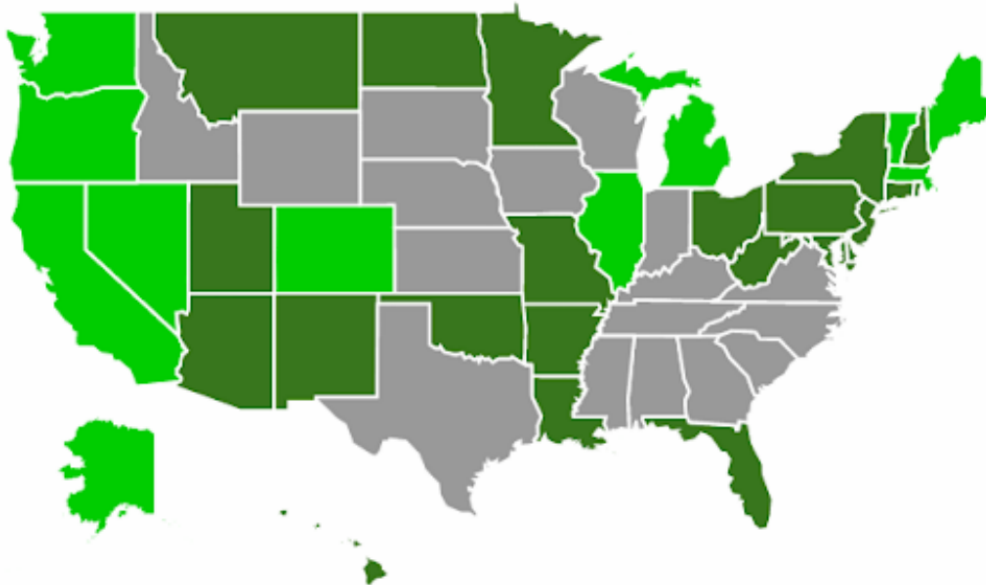
In 2018, 62% of Americans reported supporting cannabis legalization, double the 2000 figure of 31%. Although the use of cannabis is illegal under federal law and the Controlled Substances Act of 1970 which classes cannabis as a schedule I drug, more than 60% of U.S. states have legalized it in some form. Most states legalized it only for other purposes, but eleven states - Alaska, California, Colorado, Illinois, Maine, Massachusetts, Michigan, Nevada, Oregon, Vermont, and Washington - have gone further, legalizing cannabis for recreational use. As a result, 33 states, the District of Columbia, Puerto Rico, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands have effective medical cannabis laws, and 11 states and the District of Columbia now allow cannabis for adult use.

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<sup>4</sup> <https://bdsanalytics.com>

According to *Statista*<sup>5</sup> there are about 10,000 active cannabis business licenses for cannabis businesses in the U.S., including cultivation, extraction, manufacturing, retail, distribution, and testing licenses. The industry employed 121,000 persons in 2017 and 259,000 persons in 2018. If the cannabis market sustains its current growth trend, the number of people engaged in that industry could reach about 500,000 by 2022 according to *New Frontier Data*.

**States where cannabis has been legalized.**



**U.S. Wholesale Pricing Benchmarks**

The U.S. Spot fell by 21.8% from the opening to the closing week of 2018. Additionally, for Q4, the national composite rate averaged \$1,094 per pound, off by 32.8% compared to the quarterly average price of \$1,417 per pound, documented in the same period in 2017. Yet Q4 2018's mean going rate is off by only 2.2% from Q3's quarterly average price of \$1,119 per pound. Rising rates in California, Colorado, and Oregon in the wake of the fall harvest period worked to mitigate the quarter-over-quarter downturn. The current Massachusetts wholesale spot price is estimated to be \$2,000.

- 2016 U.S. Spot Index average = \$1,789
- 2017 U.S. Spot Index average = \$1,562
- 2018 U.S. Spot Index average = \$1,194
- 2019 U.S. Spot Index average = \$1,411
- 2020 U.S. Spot Index average = \$1,422 (YTD)

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<sup>5</sup> <https://www.statista.com/statistics/596641/us-cannabis-number/>

## **Massachusetts Cannabis Market**

With the passing of new legislation, legalized cannabis is the fastest growing U.S. Industry. According to *ArcView Market Research*, the U.S. national legal cannabis market value is now assessed at \$6.7 billion, comprising all states that have active and open sales of cannabis to people legally allowed to possess it under state law. The national market is projected to grow from current levels to \$24.1 billion by 2025 according to *New Frontier Data's* 2017 Executive Summary. On November 8, 2016, Massachusetts voters approved the adult recreational use of cannabis. In 2017, an eight-person Cannabis Control Commission (CCC) was appointed by the Massachusetts state government to write the draft regulations for the law. The final regulations were released in April 2018, outlining the requirements for cultivation, production, security, transport, and retail sale of cannabis to consumers over 21 years of age. The opening and legalization of the Massachusetts adult-use cannabis market have seen a great many players of all sizes looking to claim their share of the market. The initial phases of this liberalization will likely witness much innovation, novelty, and social exploration. Data shows that many retailers have applied for licenses and that successful applicants will naturally need products to sell. The initial "novelty-factor" of legalized cannabis will (if legalization in other states is anything to go by) likely lead to an initial surge in sales leading to shortages of supply, followed by a modest downward trend towards stabilization in sales on the market as a whole.

# **Sales & Marketing Strategy**

## **Marketing Plan**

As cannabis is illegal under federal law, state governments and online advertising platforms are placing strict rules on how companies can market their products. Google, Facebook, and Twitter all have advertising policies that restrict the promotion of the sale of cannabis. Google's policy prohibits ads that promote "substances that alter a person's mental state for the purpose of recreation." And Twitter bans "illegal drugs" as well as substances that cause "legal highs." Instagram and Facebook have decided to go a step further by removing pages of cannabis related businesses. Similarly, local mainstream media and advertising channels are reluctant to expose themselves to the divisiveness that cannabis continues to excite.

The most effective strategies for legal cannabis companies are direct marketing at industry conferences and other events, and building communities around cannabis-related concerns such as health and wellness. Our marketing and sales strategy will be based on generating long-term, personalized relationships with manufacturers and adult-use stores.

Our marketing and advertising campaign activities will include:

- Meeting with distributors and retailers
- Email Marketing
- Advertisements and articles in thematic magazines
- Business events and conferences
- Business and industry associations
- Brand development Brochures and collateral
- Website development with search engine optimization
- Cannabis business directories and platforms such as;
  - WeedMaps offering 7,750 listings throughout the U.S., Canada, and Europe. WeedMaps has 7.96 million visits each month.
  - Leafly is a cannabis information resource that connects consumers with their desired strains and products. Leafly has 10 million monthly visitors.
  - Both Cannasaver and Cannabis Coupon Codes are websites that offer cannabis and cannabis-related coupons. These sites enjoy visitor numbers of 120,000 per month, and an estimated 80,000 per month, respectively.

## **Competitive Landscape**

Companies in the cannabis industry typically compete on product type, quality, volume, and reliability. As a result of the maturity of a once illicit market, price competition, while an important factor, has widely recognized norms and expectations. While these historical conditions may, superficially, appear to make competing on the price a somewhat lower expectation, the volume of potential cultivators makes price point pressures a genuine possibility. We will counter this with a robust pricing strategy that



ensures the Cost of Goods Sold is carefully balanced against a potentially variable sales price providing revenue stability and continued profitability. We will produce a variety of high-quality strains and unique product profiles in a quantity and frequency that will allow us to carve ourselves a substantial niche in the promising pure flower and THC manufacturing markets. While the major players in the market may be expected to exert some form of price pressure, their growing and production techniques are geared towards a mass-market product that many consumers feel does not retain sufficient integrity for sophisticated cannabis use and can strip essential flavors and benefits from the product. We will counter the pressure from the major players with the outstanding quality of our flower and grade C flower, shake and trim products.

## Direct Competition

Our direct competition will, unsurprisingly, come from cultivators that grow, produce and sell similar products with the same (or higher) quality and volume. The exact nature of such competition is difficult to quantify as the state of Massachusetts is in the early stages of issuing adult-use cannabis licenses. At the same time, many towns in Massachusetts have implemented outright bans on the cultivation and sale of cannabis, or have introduced moratoria to keep the cannabis industry at arms length and allow themselves greater time to adopt appropriate bylaws. These actions serve to limit competition and reduce the number of available locations.

### Competitive advantages:

- A well-rounded executive team with extensive business experience
- Sufficient volume to become a market force
- Premium product quality
- Competitive pricing
- Year-round growth
- Timing of entry into the marketplace

## Target Market

The broad thrust of the Massachusetts cannabis market will aim to serve men in the 21-40 years age group primarily. While this is a market our retail and wholesale customers will undoubtedly intend to exploit, anecdotal evidence suggests that the real growth market lies elsewhere. We aim to direct our products, marketing, and branding at three additional groups that we see as the emerging market;

- **Consumers over 40 years old** – Those over 40 years old are statistically the highest earners in the household. They are more likely to have mature, sophisticated tastes, more aches and pains, a greater appreciation for high-quality products, and a willingness to pay for this higher quality.
- **Adult women consumers** – With a tendency for the industry to aim marketing at men in the 21-40 years age group, women struggle to find products with which they can readily identify. Our products will be presented, packaged and branded in a manner that women will find attractive, and that will demonstrate that cannabis is a product for them rather than a male-dominated culture to which they must adapt.

## Target Sales Market

Wholesale sales of cannabis are strictly limited to licensed retail outlets, manufacturers, distributors, and, in the future, cannabis cafes and smoke clubs. The location, presence, and licensing status of these establishments will be publicly available through a single online source. Regulations currently preclude opportunities for online purchases as the transportation of cannabis products is strictly regulated. Similarly, home delivery licenses, once permitted, will be heavily regulated.

As a cultivation and manufacturing facility, our target sales market must include all legitimate sales channels with our focus on the market sectors that offer the greatest opportunities for returns. We intend to sell our products to all of the above groups as appropriate.

Annual Revenues (E)	Year One	Year Two	Year Three	Year Four	Year Five
Wholesale Flower Sales	\$2,450,000	\$5,047,000	\$5,198,410	\$5,354,362	\$5,514,993
Wholesale Trim Sales	\$157,500	\$324,450	\$334,184	\$344,209	\$354,535
<b>TOTAL</b>	<b>\$2,607,500</b>	<b>\$5,371,450</b>	<b>\$5,532,594</b>	<b>\$5,698,571</b>	<b>\$5,869,528</b>

# Operating Plan

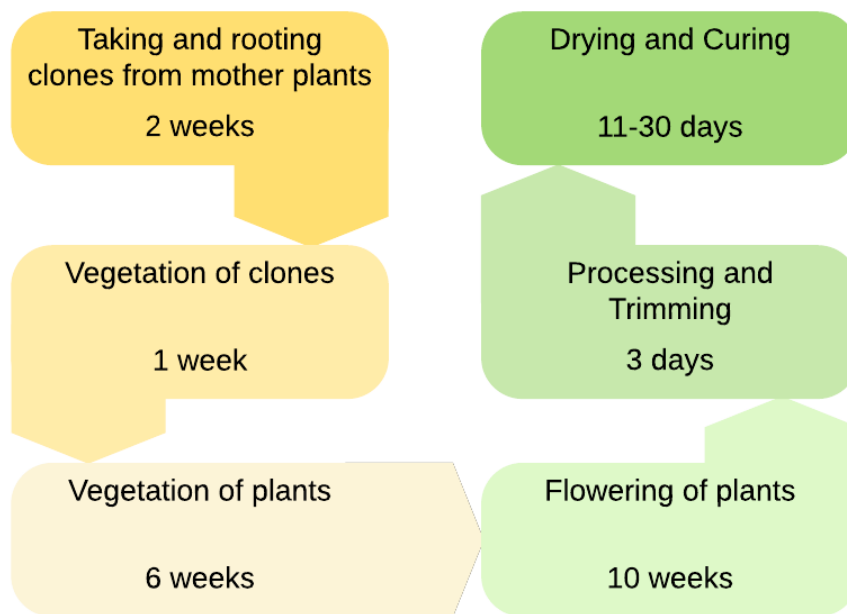
## **Cultivation Facility**

High Flyers LLC will create an indoor cultivation facility with a 5,000 sq/ft of canopy in a multi-level configuration. The facility as a whole will house the cultivation systems for cloning, propagation, vegetative and flower growth. Our cultivation and processing areas will include:

- Mother and Cloning room - This is the space in which “mother” plants are cared for, and from which “cuttings” are derived to create rooted clones.
- Vegetative growth and flowering rooms- It is here that plants will be cultivated, trimmed, and nurtured to develop the optimal size prior to triggering the flowering cycle.
- Drying & trim room - Harvested flowers will be trimmed and hung to dry. Plant waste or “trim” will be passed on to the extraction process. The high-grade flower, once correctly dried, will move on for curing.
- Curing room - The correctly trimmed and dried flower will now be allowed to cure, or mature, in an environment that offers optimal temperature and humidity. Once perfectly cured the flower may be packed, either in bulk packages, or in individual, shelf-ready weights of one eighth, one quarter, and one half ounce.
- Packaging Room - Here the final product will be prepared for transportation and delivery. This room will be equipped with state-of-the-art packaging and labelling equipment.

## **Design and Layout**

The light industrial nature of our requirements demands an ideal space in which to create a properly designed cultivation space. Our choice of cultivation system is ideally-suited and the needs of the plant are to be entirely met from within the space providing the required environment to produce reliable, consistent cannabis crops. Indoor cultivation facilities inherently depend on intelligent grow lights that closely replicate the full spectrum of natural light that the plants require for optimal growth at each stage of their development. Air filtration and circulation systems are essential for controlling exhaust odors. Our grow systems will be fully prepared to provide automated irrigation, CO2, and fertigation. Careful nutrient management helps ensure the maximum production yield. The ideal humidity is achieved and maintained within the grow rooms. CO2 levels are carefully maintained and ensured by a centralized CO2 emission and monitoring system. Environmental automation lies at the heart of the operation. A computerized control system controls and monitors all the nutrient, light, air circulation, humidity, and irrigation needs of the plants.



## Physical Security Plan

### The Buildings

The Cannabis Control Commission requires extensive, remotely-monitored video surveillance and alarm systems. All deliveries and shipments are loaded or unloaded within a secure area that offers additional security for facility staff. Security systems will be provided by a licensed alarm company with direct experience of the challenges of the licensed cannabis industry. All security plans will be approved by the Local Police Department and the Commission prior to execution and following commissioning.

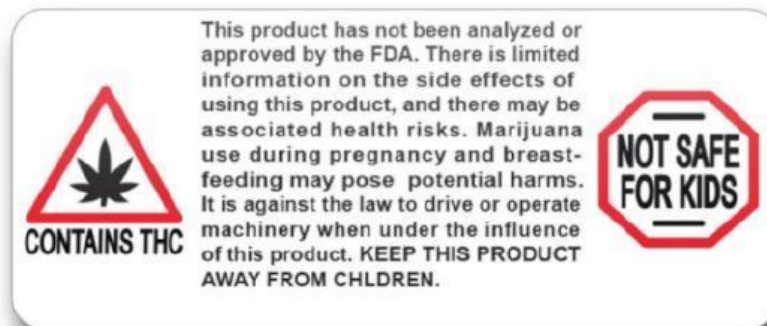
### Transportation

Transportation and delivery of cannabis between licensed Marijuana Establishments and residential locations may only be carried out by registered Marijuana Establishment Agents using specially equipped and inspected vehicles. Each vehicle will have a climate control system which provides adequate temperature and humidity control. For security reasons, all transportation vehicles are unmarked. Each vehicle contains a lockable, purpose built, security cage that is securely fitted to the vehicle. All vehicles are equipped with a permanently mounted GPS tracking device and two, two-way communication systems.

## Packaging and Labeling

The Cannabis Control Commission has outlined strict regulations for packaging and labeling of cannabis products. This labeling includes information that clearly identifies the source, batch, type, and quantity of product together with a number of use warnings including the following statements:

1. Schedule 1 Controlled Substance
2. Keep out of reach of children and animals
3. The intoxicating effects of this product may be delayed by up to two hours
4. The product may impair the ability to drive or operate machinery. Please use extreme caution.



## Testing Requirements

No cannabis product may be sold wholesale, or at retail without first being tested by a CCC-licensed testing laboratory. ProVerde Laboratories, Inc. (PVL) in Medford, MA, will fulfill all laboratory testing requirements for the Company as per state regulations.

PVL can advise on:

- Production Facility design
- Strain selection and blending of strains to meet desired composition of material for production
- Development of delivery systems consistent with the regulations
- Develop a variety of dosing levels for the selected product line
- Develop a staffing plan for the lab and production quality control supervision for products being developed and produced in the facility

# Organizational Structure

## Leadership

**Head Cultivator - Samantha Britt** the quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog.

**Office Manager - Name** the quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog.

**Cultivation Team.** The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog.

**Delivery Team** - the quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog. The quick brown fox jumps over the lazy dog.

## Personnel Plan

Despite the management staff providing the essential knowledge and experience, cannabis cultivation is still relatively labor-intensive. When estimating the number of additional staff certain unknowns have been preemptively accounted for, including taking into account staffing needs against the background of everyday life. We have accordingly made allowances for sickness, personal days, vacations, and the like. The following positions will be filled to meet needs at full operation. The hiring schedule will be timed to meet production needs and is expected to roll out in accordance with the headcount table below:

# **Financial Plan**

## **Licensing**

### **Capex/Opex Capital**

Our business plan demonstrates a need for \$xxxxxxx in capital expenditure for cultivation equipment and, \$xxxxxxx to meet initial operational expenditure and \$xxxxxxx to meet construction and fit-out needs with the expectation of establishing a strategic cash reserve in excess of \$xxxxxxx by the end of year one, rising to \$xxxxxxx by year five

### **License Application**

The process for license application is divided into three "packets." These packets may be submitted simultaneously or sequentially. Each packet must be approved before the next will be considered. However, all packages must be submitted before any review commences. All three packages must be fully approved before a provisional license will be granted. Once a provisional license has been granted the state will verify the approval of the relevant municipality. Subsequently, the state will perform specific inspections before issuing a full license. No cultivation or manufacture may begin before a full license has been granted.

### **Construction, Fit-out and Systems Acquisition**

The state of Massachusetts imposes substantial demands regarding systems and administration for Marijuana Establishment operators. State law provides powers to impose fines for violations of these regulations. Accordingly, it is essential that we ensure that our systems, policies, and administrative routines are robust, compliant and efficient before any state inspection and the subsequent commencement of operations.

High Flyers facilities and equipment will be constructed, installed and commissioned under the supervision of an expert indoor grow system vendor. The "breaking ground" to "ribbon-cutting" timeline is estimated to be 6 months. Order and acquisition of the technical systems must be done as early in the process as possible to mitigate potential lead-time conflicts.

### **First Seed and First Sales**

Once the above steps have been taken propagation of our first batch of cannabis may begin. Initial crops will use selected strains with shorter growing times that will allow us to rapidly harvest and generate revenue. Once harvested, the plants will be divided into flower, popcorn bud, and grade C flower, shake and trim. All of the flower will be trimmed, dried, and cured for use in our pure flower product, while the popcorn bud and grade C flower, shake and trim will be packaged and prepared for direct sale to manufacturers. Finished flower will be packaged

and prepared for delivery to our retail outlets or to be sold wholesale to other vendors in “shelf-ready” packaging.

## Price/Profitability Projections

It’s important to note a few keys to this plan and how pro forma projections have been calculated. Our yields are conservatively based on known standards in the industry which this plan has rounded down by approximately 10-20%. For example, we have calculated a yield of 40g of flower per sq/ft of canopy in the flowering sections of the facility. We know, based on experience, that we can produce closer to 50g per sq/ft., however. We have chosen to adopt a conservative approach to yield estimation as a form of contingency. For the purposes of this business plan, we have chosen to demonstrate projections based on sales of flower and grade C flower, shake and trim alone. This again allows us to demonstrate a conservative default position as a form of contingency.

Sales price points have been estimated following a study of the sales patterns and trends in the states of Colorado, California, Washington, and Oregon. Since these states have a longer cannabis sales history than Massachusetts, their pricing trends over the past 2-3 years are useful and relevant to our projections. We have also considered current black-market pricing in Massachusetts along with the Cannabis Benchmark.

## Assumptions

The following pro forma financial statements are based upon a number of financial assumptions:

- An average Massachusetts wholesale cannabis price of \$xxxxx per lb
- An average Massachusetts retail cannabis price of \$xxxxx per lb
- 3% inflation year-on-year
- 3% increase in market prices year-on-year
- Anticipated yield around xxxx lbs of pure flower (or bud), and a further xxxx lbs of grade C flower, shake and trim.

## IRS Code 280E

High Flyers’ profit and loss projection includes several idiosyncratic factors associated with a cannabis cultivation operation. Firstly, revenue fluctuations are a result of harvest cycle timing. Management will work to refine these cycles to normalize revenues as efficiently as possible. Our corporation tax forecast takes into consideration the impact of IRS 280E on marijuana-related businesses. In summary, certain operating expenses are deemed non-deductible for federal income tax purposes. These expenses are identified as “SG&A” expenses in our forecast (see Assumption Summary). **Our forecast assumes that on average 34% of total operating expenses are deemed “non-deductible”.** If and when the federal government passes legislation such that these expenses become tax-deductible, ABL’s bottom line will improve significantly.



### IMPORTANT NOTE

The cultivation of cannabis products is our reason for existence. We have been licensed by the state and local authorities to provide and sell inspected, quality cannabis products for adult use, and, where appropriate, to educate our clientele on any questions they might have about the safe use of these products.

Inevitably, many customers will seek out cannabis for its perceived medical benefits. **We are not doctors, and consequently, cannot give medical advice.** We can offer guidance and share anecdotal stories of what customers have experienced from some of the different strains and delivery methods (tincture, edibles, etc...) that we offer, but **we cannot give assurances that any cannabis product will work to alleviate any particular ailment or symptom.**

As a licensed cultivation establishment we are mandated to follow the state's requirements for tracking sales. Our license only permits wholesale sales to licensed marijuana retail establishments. The state requires that we track and record all sales transactions including customer details. This is also an essential element of our company policy of rigorous compliance with all state and local legislation and by-laws, and a key component of our strategy to combat diversion. All customers must have their details, including their verified state retail marijuana license entered into the database prior to any sale or transfer. These details, together with a record of their purchases, will be recorded and maintained for the benefit of state inspectors.

**NO** customer may enter our production premises without first presenting a valid, recognized, photo ID to the Duty Manager. Valid ID must be shown before entering the facility and at the Point of Sale for data-entry purposes.

**There are NO EXCEPTIONS, and NO EXCUSES to this rule.**

#### 1. Restricting Access to age 21 and older

- 1.1. All employees and registered agents must be 21 years of age or older.
- 1.2. All visitors must be 21 years of age or older.
- 1.3. In accordance with 935 CMR 500.110 (1) (a) and 935 CMR 500.105 (14), **NO** person may enter our premises without first producing a valid, state or federal, photo ID.
- 1.4. Valid ID must be presented to the Duty Manager prior to entering the facility, and at the Point of Sale for data-entry purposes.
- 1.5. No person under 21 years of age may enter the premises. There are **NO** exceptions to this rule.
- 1.6. Loitering, in accordance with 935 CMR 500.110 (1) (b) is not permitted under any circumstances. Any person suspected of loitering should be politely questioned by a member of staff and, if unable to credibly account for their presence, be asked to leave the vicinity. Should the person refuse, the matter should be elevated to the Operations Manager who may, if necessary, contact local law enforcement for assistance in removing the person from the facility.
- 1.7. All cannabis waste will be rendered unusable and safely disposed of as outlined in **Cannabis Waste Disposal Procedures**, above.
- 1.8. All access to cannabis product will be strictly controlled and monitored as outlined in **Prevention of Diversion**, above.

## 1.1. Quality Control and Testing

### 1.1.1. Incoming marijuana inventory

- 1.1.1.1. In accordance with 935 CMR 500.160 (9), no marijuana product shall be sold or otherwise marketed for adult use that has not first been tested by an independent, state-licensed, testing laboratory and deemed to comply with the standards required under 935 CMR 500.160
- 1.1.1.2. We must ensure that only the leaves and flowers of the female marijuana plant are processed accordingly in a safe and sanitary manner as prescribed below:
  - Well cured and generally free of seeds and stems;
  - Free of dirt, . Sand, debris, and other foreign matter;
  - Free of contamination by mold, rot, other fungus, and bacterial diseases;
  - Prepared and handled on food-grade stainless steel tables; and
  - Packaged in a secure area.
- 1.1.1.3. All of the raw cannabis materials used in our products are tested by our cultivation suppliers. The initial quality control and testing of these raw cannabis materials is the responsibility of these suppliers. That being said, there are certain steps that we can take to ensure that the products entering our inventory are tested, have achieved the correct quality, and are stored and rotated in a manner that best ensures their continued quality throughout their shelf-life.
  - All products must be thoroughly checked upon arrival at our facility in accordance with **Transportation of Marijuana and Inventory Control and Reconciliation** protocols above.
  - Should the accompanying test report indicate contaminant levels in excess of those accepted by DPH protocols identified in 935 CMR 500. 160 (1), the Operations Manager will immediately notify senior management who will notify the commission within 72 hours.
  - Together, the Operations Manager, the testing laboratory, and the original producer will determine whether the product is suitable for remediation or whether the entire batch must be destroyed in accordance with 935 CMR 500.105 (12).
  - Each of the three parties should submit a report on the incident to the Commission.
  - The Operations Manager should check each item and identify any that are outdated, damaged, mislabeled, contaminated or compromised. Any such products should be set aside for disposal.
  - Once the products enter our inventory it is the Operations Manager's responsibility to ensure that:
    - 1.1.1.3.○.1. Stock is efficiently rotated to ensure that older product is used before newer product.

- 1.1.1.3.○.2. All stock is appropriately stored to prevent spoiling and damage to the product.

#### **1.1.2. Outgoing marijuana inventory**

- 1.1.2.1. In accordance with 935 CMR 500.160 (9), no marijuana product shall be sold or otherwise marketed for adult use that has not first been tested by an independent, state-licensed, testing laboratory and deemed to comply with the standards required under 935 CMR 500.160
- 1.1.2.2. All of our products are sold pre-packaged and tested by a state-licensed, marijuana test laboratory. The final quality control and testing of our products is the responsibility of both the test laboratory and CCE CAT, LLC. There are certain steps that we must take to ensure that the products leaving our inventory for delivery to licensed retail establishments are tested, have achieved the correct quality, and are stored and rotated in a manner the best ensures their continued quality throughout their shelf-life.
- 1.1.2.3. All products must be thoroughly checked prior to shipment from our facility in accordance with **Transportation of marijuana and Inventory Control and Reconciliation** protocols above.
- 1.1.2.4. No production batch may be cleared for shipment before a sample has been submitted to the testing lab for analysis and the relevant test report has been received by us and entered into the database.
- 1.1.2.5. Should the test report indicate contaminant levels in excess of those accepted by DPH protocols identified in 935 CMR 500. 160 (1), the Operations Manager will immediately notify senior management who will notify the commission within 72 hours.
- 1.1.2.6. Together, the Operations Manager, the testing laboratory, and the original cultivator will determine whether the product is suitable for remediation or whether the entire production batch must be destroyed in accordance with 935 CMR 500.105 (12).
- 1.1.2.7. Each of the three parties should submit a report on the incident to the Commission.
- 1.1.2.8. The Operations Manager should check each item and identify any that are outdated, damaged, mislabeled, contaminated or compromised. Any such products should be set aside for disposal.
- 1.1.2.9. Whilst our products remain in our inventory it is the Operations Manager's responsibility to ensure that:
  - Stock is efficiently rotated to ensure that older product is sold before newer product.
  - All stock is appropriately stored to prevent spoiling and damage to the product.

#### **1.1.3. Hygiene**

- 1.1.3.1. All agents whose job includes contact with marijuana is subject to the requirements for food handlers specified.
- 1.1.3.2. Any agent working in direct contact with marijuana shall conform to sanitary practices while on duty, including:
  - Maintaining adequate personal cleanliness; and

- Washing hands appropriately.
- 1.1.3.3. Hand-washing facilities shall be located in production areas and where good sanitary practices require employees to wash and sanitize their hands.
- 1.1.3.4. There shall be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations.
- 1.1.3.5. Litter and waste shall be properly removed so as to minimize the development of odor and the potential for the waste attracting and harboring pests.
- 1.1.3.6. Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately kept clean and in good repair.
- 1.1.3.7. All contact surfaces shall be maintained, cleaned, and sanitized as frequently as necessary to protect against contamination.
- 1.1.3.8. All toxic items shall be identified, held, and stored in a manner that protects against contamination of marijuana.
- 1.1.3.9. Water supply shall be sufficient for necessary operations.
- 1.1.3.10. Plumbing shall be of adequate size and design and maintained to carry sufficient quantities of water to required locations throughout the establishment.
- 1.1.3.11. The establishment shall provide its employees with adequate, readily accessible toilet facilities.
- 1.1.3.12. Storage and transportation of finished products shall be under conditions that will protect them against physical, chemical, and microbial contamination.

## **1.1. Record keeping procedures**

1.1.1. Pursuant to 935 CMR 500.000, company records will be available for inspection by the Commission, upon request. We will maintain the following written records that are required and subject to inspection, as well as any additional documentation that it may be directed to record by the Commission:

1.1.1.1. Written Operating Procedures as required by 935 CMR 500.105 (1) The Operations Manager has copies of the company operating procedures.

1.1.1.1.1. It is the responsibility of all employees to carefully read, understand and follow these operating procedures.

1.1.1.1.2. All employees are responsible for ensuring that these operating procedures are followed.

1.1.1.1.3. Any deviation from standard operating procedures must be authorized by the Operations Manager or your immediate supervisor.

1.1.1.1.4. These operating procedures will be revised from time-to-time and minor adjustments will likely be made. All revisions will be carefully noted and the operating procedures manual updated.

1.1.1.1.5. Any material changes will be communicated to the Commission

1.1.1.1.6. Inventory records as required by 935 CMR 500.105(8);

### **1.1.2. Inventory records include:**

Shipping and delivery manifests

Delivery and shipping video recordings

Daily production stock withdrawal and return reports

Weekly inventory reports

Product return reports

1.1.2.1. Shipping manifests - All deliveries and shipments will be accompanied by a shipping manifest. Once this document has been used to verify the delivery or shipment it must be scanned for digital storage and the original placed in the appropriate ringbinder and stored in the records cabinet.

1.1.2.2. Delivery and shipment packing and unpacking video recordings - All deliveries and shipments will be recorded using a video recording device. These recordings will be transferred to digital storage medium, clearly labelled with the date and manifest number(s) and stored in the records cabinet. Any and all variances from the manifest must be reported in accordance with standard operating procedures.

1.1.2.3. Daily production stock withdrawal and return reports - Each day, items will be removed from the main storage vault and placed in the production area for use. These items will be carefully recorded at the time of withdrawal. Unused production stock will be recorded on the same sheet when returned to the storage vault at the end of daily operations.

1.1.2.3.1. If, during the course of the day, additional items must be withdrawn from the storage vault, they too will be added to the withdrawal report and accounted for upon the return of production stock to the storage vault.

- 1.1.2.3.2. Any and all variances must be reported in accordance with standard operating procedures. All inventory records are to be digitized and a hard copy kept in the records cabinet.
- 1.1.2.4. Weekly inventory reports - Each week, the Operations Manager, together with another licensed employee will conduct an inventory of all goods in the storage vault. Any and all variances must be reported in accordance with standard operating procedures. All inventory records are to be digitized and a hard copy kept in the records cabinet.
- 1.1.2.5. Seed-to-sale tracking records for all marijuana products as required by 935 CMR 500.105(8)(e). The company uses a proprietary Seed-to-sale tracking software that allows cultivators, manufacturers, retailers, the Commission and others to quickly and easily track marijuana and marijuana products from propagation to sale.
- 1.1.2.6. Our manufacturing establishment receives raw marijuana, and marijuana products in a variety of forms for use in our range of products .
- 1.1.2.7. Once goods are delivered and manifests verified, all marijuana products must be entered into the Seed-to-sale tracking software in order to maintain an unbroken chain of custody.
- 1.1.2.8. All goods pertaining to a specific manifest will be entered into the system as a batch. Where applicable, a report pertaining to these items will be generated on the seed-to-sale software, printed out, and securely attached to the manifest.

**1.1.3. Personnel records:**

- 1.1.3.1. All personnel files are to be stored in the records cabinet
- 1.1.3.2. The employee handbook contains a job description for each employee and volunteer position in the company. A signed copy of the relevant job description for each employee will also be kept in the individual personnel record of each employee.
- 1.1.3.3. A personnel record for each marijuana establishment agent shall be maintained for at least 12 months after termination of the individual's affiliation with the Marijuana Establishment and shall include, at a minimum, the following:
  - 1.1.3.3.1. all materials submitted to the Commission pursuant to 935 CMR 500.030(2);
  - 1.1.3.3.2. documentation of verification of references; the job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision
  - 1.1.3.3.3. documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;
  - 1.1.3.3.4. documentation of periodic performance evaluations;
  - 1.1.3.3.5. a record of any disciplinary action taken.
  - 1.1.3.3.6. notice of completed responsible vendor and eight-hour related duty training.
  - 1.1.3.3.7. records of any health and safety related incidents

#### **1.1.4. Personnel policies and procedures**

- 1.1.4.1. All personnel policies and procedures are clearly outlined in the employee handbook, a copy of which is available to all employees.
- 1.1.4.2. Certain specialized procedures are contained in the security plan.
- 1.1.4.3. All new employees will be required to read the employee handbook and security plan, undergo basic security training and sign a document acknowledging receipt of each and all of these elements. This acknowledgement will be stored with their individual personnel record.
- 1.1.4.4. All personnel files are to be stored in the records cabinet
- 1.1.4.5. All employees will be subject to a state-mandated background check. Background check reports obtained in accordance with 935 CMR 500.030 will be digitized and a hard copy placed into the individual personnel records
- 1.1.4.6. All records of waste disposal must be maintained pursuant to 935 CMR 500.105(12).
- 1.1.4.7. In the course of normal operations quantities of marijuana waste may be generated from normal processing operations, packaging errors, or customer returns. All marijuana waste must be disposed of in accordance with 935 CMR 500.105 (12).
- 1.1.4.8. All cannabis waste must be handled in accordance with the **Cannabis Waste Disposal Procedures** above.
- 1.1.4.9. The items disposed of and recorded in the inventory reconciliation report must also be entered in the seed-to-sale tracking software to ensure the completion of an unbroken chain of custody.
- 1.1.4.10. At least two licensed marijuana agents must witness and document this process.
- 1.1.4.11. Such documentation shall be retained for a minimum of three years or longer if so directed by the Commission.

#### **1.1.5. Security Device Log**

- 1.1.5.1. The issue and return of all security devices such as swipe cards, keys, codes and combinations must be noted in the security device log.
  - 1.1.5.2. Employees acknowledge the receipt or return of such devices by signing this log.
  - 1.1.5.3. Recording the issue and return of all security devices is the responsibility of the Operations Manager or senior management as required in the security plan.
  - 1.1.5.4. The issue of security devices may only be authorized by the Operations Manager or senior management as required in the security plan.
  - 1.1.5.5. The issue of codes and combinations is acknowledged by signing the relevant entry in the security device log. On NO account may the actual code or combination be noted or written down, either in the security device log or elsewhere. See the security plan for additional details.
- 1.1.6. Following closure of a Marijuana Establishment, all records must be kept for at least two years at the expense of the Marijuana Establishment and in a form and location acceptable to the Commission.

## **1.1. Maintenance of Financial Records Plan**

Pursuant to 935 CMR 500.000, company records will be available for inspection by the Commission, upon request. All financial records will be maintained in accordance with generally accepted accounting principles. The company will maintain the following written records that are required and subject to inspection, as well as any additional documentation that it may be directed to record by the Commission:

- 1.1.1. The company will maintain business financial records, which shall include manual or computerized records of:
  - 1.1.1.1. Assets and liabilities.
  - 1.1.1.2. Monetary transactions.
  - 1.1.1.3. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers
  - 1.1.1.4. Sales records including the quantity, form, and cost of marijuana products; and
  - 1.1.1.5. Inventory records as required by 935 CMR 500.105(8) and as outlined in the General Record Keeping section of our standard operating procedures.
- 1.2. The company shall fully comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.
- 1.3. Our point of sale systems and software are configured to separate accounting practices for marijuana products from non-marijuana products.
- 1.4. Our facility is not co-located with a medical dispensary and has no obligation to maintain an adequate supply of marijuana and marijuana products under 935 CMR 500.140(10) and 935 CMR 500.140(6).
  - 1.4.1. General
    - 1.4.1.1. We are prohibited from utilizing software or other methods to manipulate or alter sales data.
    - 1.4.1.2. We will conduct a monthly analysis of equipment to determine that no software has been installed that could be utilized to manipulate or alter sales data.
    - 1.4.1.3. A record that this monthly analysis has been performed shall be maintained by us and made available to the Commission upon request.
    - 1.4.1.4. Should such analysis determine that software or other methods have been installed or utilized to manipulate or alter sales date, Senior management will immediately disclose this information to the Commission, and cooperate in any investigation, and take such other action directed by the Commission.
  - 1.4.2. Inventory records include:
    - 1.4.2.1. Shipping manifests
    - 1.4.2.2. Delivery and unpacking video recordings
    - 1.4.2.3. Daily sales stock withdrawal and return reports
    - 1.4.2.4. Weekly inventory reports



- 1.4.2.5. Product return reports
- 1.4.3. 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 nonprofit corporation, if any.
- 1.4.4. All financial transactions and accounts will be entered into a proprietary accounting software by a bookkeeper specifically employed for the purpose.
- 1.4.5. The accounting software used will provide security and backup capabilities in accordance with 935 CMR 500.000 and the company security plan.
- 1.4.6. Daily sales reports will be generated by the bookkeeper and stored both digitally and as a hard copy in the records cabinet.
- 1.4.7. The accounts will be reviewed monthly by a licensed CPA.
- 1.4.8. The point of sale system software will automatically transfer all sales transactions to our accounting system for reconciliation by the bookkeeper.
- 1.4.9. The duty manager will generate a sales report from the point of sale system at the conclusion of each day. This report should be digitized and a hard copy stored in the records cabinet
- 1.4.10. Expense records
  - 1.4.10.1. duty managers and senior management may be provided with a company debit card and/or check-signing authorization. A receipt must be obtained and presented to the bookkeeper for all expenses paid through these means
  - 1.4.10.2. Documentation supporting business expenses such as statements and invoices, details of cash payments, receipts and the like must be securely stored in the records cabinet and presented to the bookkeeper for entry into the accounting software.
- 1.4.11. Contracts and Agreements - Green River Cannabis Company, Inc, will likely enter into a number of contracts and agreements with the host municipality, service providers, financial institutions, property owners etc. Such contracts and agreements include, but are not limited to;
  - Sales and Purchase agreements
  - Loan agreements
  - Rental agreements
  - Lease agreements
  - Franchise agreements
  - Sale and lease back agreements
  - Trading agreements with suppliers
  - Insurance policies
  - Legal documentation
  - All such documentation must be digitized and a hard copy stored in the records cabinet.
- 1.4.12. Other documents may include;
  - Deposits with utility companies
  - Contracts with telecommunications companies
  - Business registration documents and certificates
  - Business licensing documents
  - Surety bonds
  - Tax records

All such documentation must be digitized and a hard copy stored in the records cabinet.

## **Personnel Policies and Background Checks**

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- 1.3. Marijuana Establishment Agent

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# 1. Introduction

## 1.1. The Employee Handbook

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

## 1.2. Changes in Policy

- 1.2.1. Since our business is constantly changing, the Company expressly reserves the right to revise, modify, delete, or add to any and all policies, procedures, work rules, or benefits stated in this handbook or in any other document, except for the policy of at-will employment as described below. Nothing in this employee handbook or in any other document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee. Any changes to your at-will employment status, described below, must be in writing and must be signed by the Company.
- 1.2.2. With respect to all other changes to Company policies, we will notify you of these changes in writing. No oral statements or representations can in any way alter the provisions of this Handbook. Changes will be effective on dates determined by High Five. and you may not rely on policies that have been superseded.
- 1.2.3. **If you are uncertain about any policy or procedure, please check with your Supervisor or Human Resources Manager.**

## 1.3. Employment-At-Will

- 1.3.1. Employment with the Company is on an at-will basis, unless otherwise specified in a written employment agreement. You are free to resign at any time, for any reason, with five days notice. Similarly, the Company is free to conclude the employment relationship at any time for any lawful reason, with or without cause, and with five days notice.
- 1.3.2. Nothing in this Handbook will limit the right of either party to terminate an at-will employment. No section of this Handbook is meant to be construed, nor should be construed as establishing anything other than an employment-at-will relationship. This Handbook does not limit management's discretion to make personnel decisions such as reassignment, change of wages and benefits, demotion, etc. No person other than the Executive Director, President, or a member of the Board of Directors has the authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment other than at-will terms. Only the Executive Director, President, or member of the Board of Directors of the Company has the authority to make any such agreement, which is only binding if it is in writing and signed by the President of the Company.

#### **1.4. Marijuana Establishment Agent - Background Checks**

- 1.4.1. The Commonwealth of Massachusetts requires that all board members, directors, employees, executives, managers, or volunteers of a Marijuana Establishment must be 21 years of age or older and in possession of a state-issued Registration Card. Consequently, all those described above are subject to extensive background checks.
- 1.4.2. Executive officers, managers and employees of a Licensed Marijuana Establishment shall apply for registration for all of its board members, directors, employees, executives, managers, and volunteers who are associated with that Marijuana Establishment.
- 1.4.3. The Commission shall issue a registration card to each individual determined to be suitable for registration. All such individuals shall:
  - 1.4.3.1. be 21 years of age or older;
  - 1.4.3.2. not been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority; and
  - 1.4.3.3. be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802.
- 1.4.4. The Commonwealth of Massachusetts requires, as a condition of employment in a Licensed Marijuana Establishment, the possession of a valid marijuana establishment agent Registration Card. No board member, director, employee, executive, manager, or volunteer may be engaged by a Licensed Marijuana Establishment without possession of a valid Registration Card.
- 1.4.5. Consequently, denial or revocation of a registration card by the Commission will render any individual unemployable by a Licensed Marijuana Establishment. This may lead to the withdrawal of offers of employment or appointment in the event of a denial of a registration card, and immediate dismissal in the event of revocation of a registration card.
- 1.4.6. The Company shall notify the Commission no more than one business day after a marijuana establishment agent ceases to be associated with the establishment. The registration shall be immediately void when the agent is no longer associated with the Company..
- 1.4.7. Registration cards are valid for one year from the date of issue, and may be renewed on an annual basis upon a determination by the Commission that the applicant for renewal continues to be suitable for registration.
- 1.4.8. After obtaining a registration card for a marijuana establishment agent, the Company is responsible for notifying the Commission of any changes to the information that the establishment was previously required to submit to the Commission or after discovery that a registration card has been lost or stolen.
- 1.4.9. All marijuana establishment agents shall carry the registration card associated with the appropriate Marijuana Establishment at all times while in possession of marijuana products, including at all times while at the establishment or while transporting marijuana products.
- 1.4.10. A marijuana establishment agent affiliated with multiple Marijuana Establishments shall be registered as a marijuana establishment agent by each Marijuana Establishment and shall be issued a registration card for each establishment.

## 2. Roles, Qualifications, and, Training

### 2.1. Facility Job Classifications and Requirements:

- 2.1.1. **Operations Manager** - The operations manager is the face of the facility. The manager must interface with staff, law enforcement, vendors, and customers. The principal responsibility of the operations manager is to coordinate and facilitate the operations of the facility. They must maintain records, have contact with suppliers and the grow site, embrace customer service and understand marketing. They will train employees and decide which products to process and manufacture, and determine best pricing based on market conditions. They are responsible for keeping up with all changes in local and state law regarding operation of the facility. The most important job of the store manager is to ensure the security and integrity of our inventory.
- 2.1.2. **Wholesale Sales Agent** - The store has a need for retail professionals who can communicate articulately and passionately with customers about a wide range of cannabis products. Desirable backgrounds include previous marijuana vertical experience, sales, pharmacy, education, and customer service. Knowledge of cannabis, the varieties of cannabis, and their effects is highly relevant. They must be keenly aware of the difference between Indica, Sativa and their hybrids. A sales agent will maintain records in accordance with the Operations Manual, serve customers, offer advice and recommendations, be mindful and vigilant in terms of security, and diversion. Sales agents will be trained by the operations manager. This position may be full-, or part-time.
- 2.1.3. **Production Associate** - Our facility has an ongoing need for production associates to process and manufacture our range of cannabis products. This product range includes, but is not limited to:

Edibles  
Extracts  
Pre-rolls  
Tinctures  
Beverages  
Vape pens

Production associates will be required to possess or undergo training in the following manufacturing skills:

Extraction  
Weighing  
Measuring  
Filling cones  
Freezing  
Drying

As with all employees, their duties include ensuring the integrity of the facility's security systems and protecting the facility and its customers from outside criminal disturbance. Desired backgrounds include previous marijuana vertical experience, pharmacy, education, and customer service. Knowledge of cannabis,



the varieties of cannabis, and their effects is highly relevant. They must be keenly aware of the difference of Indica, Sativa and their hybrids. A production associate will maintain records in accordance with the Operations Manual, fulfill production routines, offer advice and recommendations, be mindful and vigilant in terms of security, and diversion. Production associates will be trained by the operations manager. This position may be full-, or part-time.

## **2.2. Employee Training and Selection**

2.2.1. Our production facility is looking for motivated, friendly, articulate and compassionate people to help create our products and provide our customers and consumers with the finest cannabis products available. We look for people with the above attributes and certain preferred core skills. We are willing to train others in order to ensure workforce diversity. Some of the desirable backgrounds we are looking for include sales, pharmacy, and those with previous experience in the cultivation, processing, and sale of cannabis products through various networks. Previous work experience in a medical or production marijuana facility is highly desirable. We generally train all employees in the following subjects, but tailor each course according to their role within our organization.

- 2.2.1.1. Cannabis Science
- 2.2.1.2. Horticultural & Organic Cultivation
- 2.2.1.3. Methods of Extraction
- 2.2.1.4. Methods of Ingestion
- 2.2.1.5. Cooking with Cannabis
- 2.2.1.6. Medical marijuana use
- 2.2.1.7. Massachusetts Cannabis Law

2.2.2. Our company is looking for all types of help for our wholesale manufacturing operation, both operational, and administrative. Typical responsibilities include:

- 2.2.2.1. Production management
- 2.2.2.2. Wholesale Sales
- 2.2.2.3. Production and manufacturing
- 2.2.2.4. Packaging labeling and inventory
- 2.2.2.5. Sanitation and maintenance of the facility
- 2.2.2.6. Security of the facility and deliveries
- 2.2.2.7. Back-office business and management roles such as, account management, administration, etc.

## **3. Employment Policies**

### **3.1. Employee Classifications**

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

- 3.1.3. **Non-exempt Employees** - Employees whose positions do not meet specific tests established by the FLSA and Massachusetts state law. All employees who are covered by the federal or state minimum wage and overtime laws are considered non-exempt. Employees working in non-exempt jobs are entitled to be paid at least the minimum wage per hour and a premium for overtime.
- 3.1.4. **Regular Employee** - Employees who are hired to work on a regular schedule. Such employees can be either full-time or part-time. The distinction between full-time and part-time depends upon the number of hours that an employee works.
- 3.1.5. **Full-Time Employee**- Employees who are not temporary employees, independent contractors, or independent consultants and who are regularly scheduled to work a schedule of 40 hours per work week.
- 3.1.6. **Part-Time Employee** - Employees who are not temporary employees, independent contractors, or independent consultants and who are regularly scheduled to work less than 40 hours per work week.
- 3.1.7. **Temporary Employees** - Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project. Employment assignments in this category are of limited duration and the temporary employee can be let go before the end of the defined period. Short term assignments generally are periods of three (3) months or less, however, such assignments may be extended. All Temporary employees are at-will regardless of the anticipated duration of the assignment [see Employment-at-Will Policy). Temporary employees retain that status unless and until notified in writing of a change.
- 3.1.8. **Independent Contractor or Consultant** - These individuals are not employees of the Company and are self-employed. An independent contractor or consultant is engaged to perform a task according to his/her own methods and is subject to control and direction only as to the results to be accomplished. Independent contractors or consultants are not entitled to benefits.
- 3.1.9. Each employee will be advised of his or her status at the time of hire and any change in status. Regardless of the employee's status, the employee is employed at-will and the employment relationship can be terminated by the Company or the employee at any time, with or without cause.
- 3.2. **Equal Employment Opportunity & American with Disabilities Act.**
  - 3.2.1. It is the policy of the Company to provide equal employment opportunities to all employees and employment applicants without regard to unlawful considerations of race, religion, creed, color, national origin, sex, sexual orientation, gender identity, age, ancestry, physical or mental disability, medical condition including medical characteristics, marital status or any other classification protected by applicable local, state or federal laws. This policy prohibits unlawful discrimination based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. This policy applies to all aspects of employment, including, but not limited to, hiring, job assignment, working conditions, compensation, promotion, benefits, scheduling, training, discipline and

termination. Reasonable accommodation is available for qualified individuals with disabilities, upon request.

- 3.2.2. The Company expects all employees to support our equal employment opportunity policy, and to take all steps necessary to maintain a workplace free from unlawful discrimination and harassment.
- 3.2.3. In compliance with the Americans with Disabilities Act (ADA), the Company provides accommodation to the disabled to the full extent required by law. The Company may require medical certification of both the disability and the need for accommodation. Keep in mind that the Company can only seek to accommodate the known physical or mental limitations of an otherwise qualified disabled individual. Therefore, it is your responsibility to come forward if you are in need of an accommodation. The Company will engage in an interactive process with the employee to identify possible accommodations, if any will help the applicant or employee perform the job. We further recognize that employees with life threatening illnesses, including but not limited to cancer, heart disease and AIDS, may wish to continue engaging in as many of their normal pursuits as their condition allows, including work. As long as these employees are able to meet acceptable performance standards with or without reasonable accommodation, and medical evidence indicates that their working does not present a substantial threat to themselves or others, they will be permitted to do so.

### **3.3. Diversity Plan**

It is the policy of this company to foster equal opportunity for all employees and to promote principles of diversity management that will enhance the level of effectiveness and efficiency of its business operations. The concept of diversity management is a strategic business objective that seeks to increase organizational capacity in a workplace where the contributions of all employees are recognized and valued. Our company's goal is to build a high-performing, diverse workforce based on mutual acceptance and trust. It is also our company's policy to select the best qualified applicant for the job, regardless of race, national origin, gender, age, disability, religion, sexual orientation, or any other non-merit factor.

### **3.4. Confidentiality.**

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

- 3.4.2. As a condition of employment with the Company, all employees must sign a Non-Disclosure Agreement.

### **3.5. Employment of Relatives**

- 3.5.1. The Company recognizes that the employment of relatives in certain circumstances, such as when they will work in the same department, or supervise or manage the other, or have access to confidential or sensitive information regarding the other, can cause problems related to supervision, safety, security or morale, or create conflicts of interest that materially and substantially disrupt the Company's operations. When the Company determines any of these problems will be present, it will decline to hire an individual to work in the same department as a relative of an existing employee. Relatives subject to this policy include: father, mother, sister, brother, current spouse or domestic partner, child (natural, foster, or adopted), current mother-in-law, current father-in-law, grandparent, or grandchild.
- 3.5.2. If present employees become relatives during employment, the Company should be notified so that we may determine whether a problem involving supervision, safety, security or morale, or a conflict of interest that would materially and substantially disrupt the Company's operations exists. If the Company determines that such a problem exists, the Company will take appropriate steps to resolve the problem, which may include reassignment of one relative (if feasible) or asking for the resignation of one of the relatives.

### **3.6. Introductory Period**

- 3.6.1. The first 30 days of employment are considered an introductory period for all newly hired employees. During this time, you will learn your new responsibilities, get acquainted with fellow employees, and determine whether you are happy with the position. Also, during this time, your manager will monitor your performance. Upon completion of the introductory period, your manager will review your performance. If the Company finds your performance satisfactory and decides to continue your employment, you will be advised of any improvements expected. This is also an opportunity for you to make suggestions to improve the Company's efficiency and operations. Completion of the introductory period does not entitle you to remain employed by the Company for any definite period of time, but instead allows both you and the Company to evaluate whether or not you are right for the position. Your status as an at-will employee does not change. The employment relationship may be terminated with or without cause and with or without advance notice, at any time by you or the Company.

### **3.7. Personnel Records and Employee References**

- 3.7.1. The Company maintains a personnel file and payroll records for each employee as required by law. Personnel files and payroll records are the property of the Company and may not be removed from Company premises without written authorization. Because personnel files and payroll records are confidential, access to the records is restricted. Generally, only those who have a legitimate reason to review information in an employee's file are allowed to do so. Disclosure of personnel information to outside sources will be limited. However,

the Company will cooperate with requests from authorized law enforcement or local, state, or federal agencies conducting official investigations and as otherwise legally required.

- 3.7.2. Employees may contact a Human Resources representative to request a time to review their payroll records and/or personnel file. With reasonable advance notice, an employee may review his or her own records in the Company's offices and in the presence of an individual appointed by the Company to maintain the records. No copies of documents in your file may be made, with the exception of documents that you have previously signed, or documents that may be obtained by you subject to state and/or federal law. You may add your comments to any disputed item in the file.
- 3.7.3. By policy, the Company will provide only the former or present employee's dates of employment and position(s) held with the Company and eligibility for rehire, if asked. Compensation information may also be verified if written authorization is provided by the employee.

### **3.8. Privacy**

- 3.8.1. The Company is respectful of employee privacy. All employee demographic and personal information will be shared only as required in the normal course of business. If a healthcare plan becomes available in the future, healthcare enrollment information will be kept in a separate folder from other human resources forms. Workers' Compensation information is not considered private healthcare information; however, this information will be released only on a need-to-know basis.
- 3.8.2. The Company does not make or receive any private healthcare information through the course of normal work. If any employee voluntarily shares private healthcare information with a member of management, this information will be kept confidential. If applicable, the Company will set up guidelines for employees and management to follow to ensure that company employees conform to the requirements of the Health Insurance Portability and Accountability Act (HIPAA).

### **3.9. Immigration Law Compliance**

- 3.9.1. In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form 1-9 on day of hire and present documentation establishing identity and employment eligibility within three business days of date of hire. Former employees who are rehired must also complete an 1-9 form if they have not completed an 1-9 form with the Company within the past three years, or if their previous 1-9 form is no longer retained or valid. You may raise questions or complaints about immigration law compliance without fear of reprisal.

### **3.10. Religious Accommodation**

- 3.10.1. The Company will make reasonable accommodations for employees' observance of religious holidays and practices unless the accommodation would cause an undue hardship on the Company's operations. If you desire a religious accommodation, you are required to make the request in writing to your manager as far in advance as possible. You are expected to strive to find co-workers who

can assist in the accommodation (e.g., trade shifts) and cooperate with the Company in seeking and evaluating alternatives.

### **3.11. Political Neutrality**

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

## **4. Hours of Work and Payroll Practices**

### **4.1. Pay Periods and Paydays**

- 4.1.1. Employees are paid on a weekly basis. All employees will be paid on Friday of each week. All employees are paid by check on the above-mentioned payday. If the regular payday falls on a weekend or Company holiday, employees will be paid on the last business day before the holiday and/or weekend.

### **4.2. Overtime**

- 4.2.1. non-exempt employees will be paid in accordance with Federal and Massachusetts state law. All overtime work by non-exempt employees must be authorized in advance by their manager. Only hours actually worked will be used to calculate overtime pay.

### **4.3. Rest and Meal Periods**

- 4.3.1. All rest and meal periods will be in accordance with Massachusetts state law. To the extent Massachusetts state law does not require rest and meal breaks, non-exempt employees will be provided a 10-minute rest break for every four hour period of work. This time is counted and paid as time worked. Non-exempt employees scheduled to work more than a five hour period will be provided a 30-minute unpaid meal period.

### **4.4. Time Cards**

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

### **4.5. Payroll Deductions**

- 4.5.1. Various payroll deductions are made each payday to comply with federal and state laws pertaining to taxes and insurance. Deductions will be made for the following: Federal and State Income Tax Withholding, Social Security, Medicare, State Disability Insurance & Family Temporary Disability Insurance, and other items designated by you or required by law (including a valid court order). You can adjust your federal and state income tax withholding by completing the proper federal or state form and submitting it to Accounting. At the start of each

calendar year, you will be supplied with your Wage and Tax Statement (W-2) form for the prior year. This statement summarizes your income and deductions for the year.

#### **4.6. Wage Garnishment**

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

## **5. Standards of Conduct and Employee Performance**

### **5.1. Anti-Harassment and Discrimination**

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

### **5.2. Prohibited Conduct**

- 5.2.1. Prohibited harassment or discrimination includes any verbal, physical or visual conduct based on sex, race, age, national origin, disability or any other legally protected basis if:
- 5.2.1.1. submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment or engagement.
  - 5.2.1.2. submission to or rejection of such conduct by an individual is used as a basis for decisions concerning that individual's employment or engagement; or it creates a hostile or offensive work environment.
- 5.2.2. Prohibited harassment includes unwelcome sexual advances, requests for sexual favors and lewd, vulgar or obscene remarks, jokes, posters or cartoons, and any unwelcome touching, pinching or other physical contact. Other forms of unlawful harassment or discrimination may include racial epithets, slurs and derogatory remarks, stereotypes, jokes, posters or cartoons based on race, national origin, age, disability, marital status or other legally protected categories.
- 5.2.3. Prohibited harassment might also be transmitted using the Company's electronic communications system, or through other on-line conduct.

### **5.3. Complaint Procedure**

- 5.3.1. Employees or contract workers who feel that they have been harassed or discriminated against, or who witness any harassment or discrimination by an employee, contract worker, customer, vendor or anyone else who does business with the Company, should immediately report such conduct to their supervisor or any other member of management.
- 5.3.2. Do not allow an inappropriate situation to continue by not reporting it, regardless of who is creating the situation. No employee, contract worker, customer, vendor or other person who does business with this organization is exempt from the prohibitions in this policy. In response to every complaint, the Company will conduct an investigation and, if improper conduct is found, take appropriate corrective action.
- 5.3.3. To the extent that an employee or contract worker is not satisfied with the Company's handling of a harassment or discrimination complaint, he or she may also contact the appropriate state or federal enforcement agency for legal relief.

### **5.4. Attendance**

- 5.4.1. Punctuality and regular attendance are essential to the successful operation of the Company's business. If an employee is unable to report to work (or to report to work on time) for any reason, the employee must notify his or her supervisor before his or her starting time. If an employee desires to leave work for any reason during the workday, the employee must obtain the approval of his or her supervisor prior to leaving. In the event that the employee fails to call his or her supervisor or report for work for 3 consecutive
- 5.4.2. workdays, the employee will be deemed to have voluntarily resigned from his or her employment with the Company and will be removed from the payroll. Excessive absenteeism or tardiness may subject the employee to disciplinary action, up to and including termination.

### **5.5. Discipline and Standards of Conduct**

- 5.5.1. As an at-will employer, the Company may impose discipline whenever it determines it is necessary or appropriate. Discipline may take various forms, including verbal counseling, written warnings, suspension, demotion, transfer, reassignment or termination. The discipline imposed will depend on the circumstances of each case; therefore, discipline will not necessarily be imposed in any particular sequence. Moreover, at any time the Company determines it is appropriate, an employee may be discharged immediately.
- 5.5.2. Every organization must have certain standards of conduct to guide the behavior of employees. Although there is no possible way to identify every rule of conduct, the following is an illustrative list (not intended to be comprehensive or to limit the Company's right to impose discipline for any other conduct it deems inappropriate]. Keep in mind that these standards of conduct apply to all employees whenever they are on Company property and/or conducting Company business (on or off Company property]. Engaging in any conduct the Company deems inappropriate may result in disciplinary action, up to and including termination. Such conduct may include:
  - 5.5.2.1. Dishonesty;
  - 5.5.2.2. Any agent found to have diverted marijuana, engaged in unsafe practices, or been convicted or entered a guilty plea for a felony charge of distribution of a drug to a minor may be subject to immediate dismissal.
  - 5.5.2.3. Falsification of Company records;



- 5.5.2.4. Unauthorized use or possession of property that belongs to the Company, a coworker, or member of the public;
- 5.5.2.5. Possession or control of illegal drugs, weapons, explosives, or other dangerous or unauthorized materials;
- 5.5.2.6. Fighting, engaging in threats of violence or violence, use of vulgar or abusive language, horseplay, practical jokes or other disorderly conduct that may endanger others or damage property;
- 5.5.2.7. Insubordination, failure to perform assigned duties or failure to comply with the Company's health, safety or other rules;
- 5.5.2.8. Unauthorized or careless use of the Company's materials, equipment or property;
- 5.5.2.9. Unauthorized and/or excessive absenteeism or tardiness;
- 5.5.2.10. Lack of teamwork, poor communication, unsatisfactory performance, unprofessional conduct, or conduct improper for the workplace;
- 5.5.2.11. Sexual or other illegal harassment or discrimination;
- 5.5.2.12. Unauthorized use or disclosure of the Company's confidential information;
- 5.5.2.13. Violation of any Company policy.

## 5.6. **Dress Code**

- 5.6.1. What we wear to work is a reflection of the pride we have in our Company, in what we do, and in ourselves. Although dress code requirements will vary according to job responsibilities, we ask that your appearance at all times show discretion, good taste, and not present a hazard in the performance of your job.
- 5.6.2. Approval or disapproval of what constitutes appropriate dress is at the discretion of the duty manager.

## 5.7. **Safety**

- 5.7.1. The Company is committed to providing a safe workplace. Accordingly, the Company emphasizes "safety first." It is the employee's responsibility to take steps to promote safety in the workplace and work in a safe manner. By remaining safety conscious, employees can protect themselves and their coworkers.
- 5.7.2. Employees are expected to promptly report all unsafe working conditions, accidents and injuries, regardless of how minor so that any potential hazards can be corrected.

## 5.8. **Substance and Abuse**

- 5.8.1. The Company is committed to providing its employees with a safe and productive work environment. In keeping with this commitment, it maintains a strict policy against the use of alcohol, smoking, and the unlawful use of drugs in the workplace. Consequently, no employee may consume or possess alcohol, or use, possess, sell, purchase or transfer illegal drugs at any time while on the Company's premises or while using the Company vehicles or equipment, or
- 5.8.2. No employee may report to work with illegal drugs (or their metabolites) or alcohol in his or her bodily system. The only exception to this rule is that employees may engage in moderate consumption of alcohol that may be served and/or consumed as part of an authorized Company social or business event.
- 5.8.3. "Illegal drug" means any drug that is not legally obtainable or that is legally obtainable but has not been legally obtained in accordance with the Laws of the Commonwealth of Massachusetts. It includes prescription drugs not being used for prescribed purposes or by the person to whom it is prescribed or in prescribed

amounts. It also includes any substance a person holds out to another as an illegal drug.

5.8.4. Any violation of this policy will result in disciplinary action, up to and including termination of employment.

5.8.5. Any employee who feels he or she has developed an addiction to, dependence upon, or problem with alcohol or drugs, legal or illegal, is strongly encouraged to seek assistance before a violation of this policy occurs. Any employee who requests time off to participate in a rehabilitation program will be reasonably accommodated. However, employees may not avoid disciplinary action, up to and including termination, by entering a rehabilitation program after a violation of this policy is suspected or discovered. When, in the Company's sole and absolute discretion, the Company determines it is appropriate, an employee may be offered the option of participating in and satisfactorily completing a Company-approved drug and/or alcohol rehabilitation program in lieu of termination.

## **5.9. Workplace Searches**

5.9.1. To protect Company property, prevent diversion, and to ensure the safety of all employees, the Company reserves the right to inspect and search any employee's office, desk, drawers, cabinets, files, locker, equipment, including computers, e-mail and voicemail, Company vehicles, and any area on Company premises. In this regard, it should be noted that all offices, desks, file drawers, cabinets, lockers, and other Company equipment and facilities are the property of the Company, and are intended for business use.

5.9.2. Employees should have no expectation of privacy with respect to items brought onto Company property and/or stored in Company facilities. Inspection may be conducted at any time, without notice, at the discretion of the Company.

5.9.3. In addition, when the Company deems appropriate, employees may be required to submit to searches of their personal vehicles, parcels, purses, handbags, backpacks, briefcases, lunch boxes or any other possessions or articles brought on to the Company's property.

5.9.4. Persons entering the premises who refuse to cooperate in an inspection conducted pursuant to this policy may not be permitted to enter the premises. All employees must cooperate in an inspection; failure to do so is insubordination and will result in disciplinary action, up to and including termination.

## **5.10. Social Media Policy**

5.10.1. High Five. is committed to utilizing social media to enhance its profile and reputation, to listen and respond to customer opinions and feedback, and to drive revenue, loyalty and advocacy. We encourage employees to support our activities through their personal social networking channels while adhering to the guidelines outlined in this section.

5.10.2. For the purpose of this section, social media and networking refers to the use of web-based and mobile applications for social interaction and the exchange of user generated content. Social media channels can include, but are not limited to: Facebook, Twitter, LinkedIn, YouTube, blogs, review sites, forums, online communities and any similar online platforms.

5.10.3. Employees are expected to conduct themselves in a professional manner, to respect the views and opinions of others, and to demonstrate respect for the company, its ownership, clients, guests, vendors, employees and competitors.

5.10.4. The Company and its employees are committed to conducting ourselves in accordance with best industry practices in social networking, to being responsible citizens and community members, to listening and responding to feedback, and

to communicating in a courteous and professional manner. Behavior and content that may be deemed disrespectful, dishonest, offensive, harassing or damaging to the company's interests or reputation are not permitted.

- 5.10.5. The use of social media channels on company time for personal purposes is not allowed.
- 5.10.6. Any social media contacts, including "followers" or "friends," that are acquired through accounts (including but not limited to email addresses, blogs, Twitter, Facebook, YouTube, LinkedIn, or other social media networks) created on behalf of the Company will be the property of the Company.
- 5.10.7. Employees must not disclose private or confidential information about the Company, its employees, clients, suppliers or customers on social networks. Employees must respect trademarks, copyrights, intellectual property and proprietary information. No third-party content should be published without prior permission from the owner.
- 5.10.8. The Company maintains the right to monitor company-related employee activity in social networks. Violation of policy guidelines is grounds for discipline, up to and including termination.

#### **5.11. Cell Phone Policy**

- 5.11.1. The use of personal cell phones at work is discouraged because it can interfere with work and be disruptive to others. Therefore, employees who bring personal cell phones to work are required to keep the ringer shut off or placed on vibrate mode when they are in the facility, and to keep cell phone use confined to breaks and meal periods. Conversations should be had away from areas where other employees are working. When cell phone use interferes with the satisfactory performance of an employee's duties or disturbs others, the privilege of using a personal cell phone at work may be taken away and other disciplinary action, up to and including termination, may be imposed.
- 5.11.2. The Company may provide cell phone allowances to employees in certain positions in an effort to improve efficiency and effectiveness. When cell phones are used for Company business, employees must comply with all Company policies governing conduct, including our policies prohibiting discrimination, harassment, and violence in the workplace. When using the cell phone in a public place, please remember to maintain the confidentiality of any private or confidential business information. As a courtesy to others, please shut cell phones off or place on vibrate mode during meetings.

## **6. Employee Benefits and Services**

### **6.1. General**

- 6.1.1. Aside from those benefits required by state and federal regulations, High Five. also offers additional benefits for its full-time employees.
- 6.1.2. From time to time, benefits may be added or deleted from the benefits package.
- 6.1.3. The Company reserves the right to make such changes. This Handbook does not contain the complete terms and/or conditions of any of the Company's current benefit plans. It is intended only to provide general explanations.
- 6.1.4. For information regarding employee benefits and services, employees should contact Human Resources.

### **6.2. COBRA**

- 6.2.1. Under the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986, if you are covered under the Company's group health

insurance plan(s) you are entitled to continue your coverage in the event that your employment with the Company ends. Under COBRA, the Company must offer each qualified beneficiary (the employee and any covered dependents) who would otherwise lose coverage under the plan as a result of a qualifying event an opportunity to continue their insurance coverage. A qualifying event is defined as termination of employment, a reduction in the number of hours of employment, death of covered employee, divorce or legal separation, a dependent child ceases to be dependent, eligibility of the covered employee for Medicare, or an employer's bankruptcy.

### **6.3. Worker's Compensation**

- 6.3.1. All states have Workers' Compensation laws whose purpose is to promote the general welfare of people by providing compensation for accidental injuries or death suffered in the course of employment. These laws are designed to provide protection to workers suffering occupational disabilities through accidents arising out of, and in the course of employment.
- 6.3.2. High Five. carries Workers' Compensation Insurance for all employees and pays the entire cost of the insurance program.
- 6.3.3. An employee who suffers an injury or illness in connection with the job is usually eligible to receive payment through the insurance company for lost wages.
- 6.3.4. In addition to disability payments, necessary hospital, medical and surgical expenses are covered under Workers' Compensation, with payments being made directly to the hospital or physician.
- 6.3.5. Workers' Compensation benefits to injured workers also includes assistance to help qualified injured employees return to suitable employment.

### **6.4. Social Security Benefits (FICA)**

- 6.4.1. During your employment, you and the Company both contribute funds to the Federal government to support the Social Security Program. This program is intended to provide you with retirement benefit payments and medical coverage once you reach retirement age.

### **6.5. Unemployment Insurance**

- 6.5.1. The company pays a state and federal tax to provide employees with unemployment insurance coverage in the event they become unemployed through no fault of their own or due to circumstances described by law. This insurance is administered by applicable state agencies, who determine eligibility for benefits, the amount of benefits (if any), and duration of benefits.

## **7. Employee Leaves of Absence and Time Off**

### **7.1. General**

- 7.1.1. While regular attendance is crucial to maintain business operations, the Company recognizes that, for a variety of reasons, employees may need time off from work. The Company has available a number of types of leaves of absence. Some are governed by law and others are discretionary. For all planned leaves, however, employees must submit a request at least 14 days in advance; in case of emergencies, employees should submit the request as soon as they become aware of the need for leave. All leaves must have the approval of the Company management. If, during a leave, an employee accepts another job, engages in other employment or consulting outside of the Company, or applies for

unemployment insurance benefits, the employee may be considered to have voluntarily resigned from employment with the Company.

- 7.1.2. All requests for a leave of absence will be considered in light of their effect on the Company and its work requirements, as determined by the Company management, which reserves the right to approve or deny such requests in its sole discretion, unless otherwise required by law. For disability-related leave requests, the Company will engage in an interactive process with the employee to determine if a leave is the most appropriate accommodation.
- 7.1.3. The employee must provide a certification from his or her health care provider to the Company to support a leave for medical reasons. Failure to provide the required certification to the Company in a timely manner will result in delay or denial of leave.
- 7.1.4. If an employee requires an extension of leave, the employee must request such extension and have it approved before the expiration of the currently approved leave.
- 7.1.5. While the Company will make a reasonable effort to return the employee to his or her former position or a comparable position following an approved leave of absence, there is no guarantee that the employee will be reinstated to his or her position, or any position, except as required by law.

## **7.2. Sick Days**

- 7.2.1. Eligible employees are entitled to paid sick days in accordance with Massachusetts law.

## **7.3. Pregnancy-Disability Leave**

- 7.3.1. Employees who are disabled on account of pregnancy, childbirth, or a related medical condition may request an unpaid leave of absence. Such leave will be granted for the period of disability, up to a maximum of four months. Time off may be requested for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, and recovery from childbirth.
- 7.3.2. Leave provided for pregnancy disability is treated separately from leaves required by the state family and medical leave law. However, the first 12 workweeks of a pregnancy disability leave will be treated concurrently as a leave pursuant to the federal Family and Medical Leave Act ("FMLA") for all eligible employees.
- 7.3.3. Employees who wish to take a pregnancy disability leave must notify Human Resources of the date the leave is expected to commence and the estimated duration of the leave. Notice should be given as indicated above. The employee must also provide a medical certification of disability to the Company. Failure to provide the required medical certification to the Company in a timely manner will result in delay or denial of leave. Before returning to work, the employee must provide a medical certification that she is able to resume her original job duties. Appropriate forms may be obtained from Human Resources.
- 7.3.4. Employees who return to work immediately following the expiration of an approved pregnancy disability leave will generally be reemployed in their former position or a comparable job, as required by law.
- 7.3.5. Employees who are affected by pregnancy may also be eligible to transfer to a less strenuous or hazardous position or duties, provided certain prerequisites are met. Reasonable accommodations may be requested with the advice of the employee's health care provider. In addition, lactation accommodation is also available, upon request. For more information on pregnancy disability leave or transfer and its effect on the terms, conditions or benefits of employment, please contact Human Resources.

#### **7.4. Workers' Compensation Leave**

- 7.4.1. Any employee who is unable to work due to a work related injury or illness and who is eligible for Workers' Compensation benefits will be provided an unpaid leave for the period required. The first 12 weeks will be treated concurrently as a family and medical leave under the federal Family Medical Leave Act ("FMLA") for eligible employees.

#### **7.5. Voting Time**

- 7.5.1. Employees who are registered voters and who lack sufficient time outside of work to vote in any local, state, and national election may take up to two hours off work with pay at the beginning or end of the day for this purpose. Employees should provide at least two working days' notice when time off is required.

# 1. Roles, Qualifications, and, Training

## 1.1. General

- 1.1.1. All employees shall receive training on job specific duties prior to performing those job functions.
- 1.1.2. All employees shall receive a minimum of eight (8) hours of ongoing training annually.
- 1.1.3. All current owners, managers, and employees shall complete the Responsible Vendor Program after July 1, 2019 or when available.
- 1.1.4. All new employees shall complete the Responsible Vendor Program within 90 days of being hired.
- 1.1.5. Responsible Vendor Program documentation must be retained for four (4) years.

## 1.2. Facility Job Classifications and Requirements:

- 1.2.1. **Operations Manager** - The operations manager is the face of the facility. The manager must interface with staff, law enforcement, inspectors, vendors, and customers. The principal responsibility of the operations manager is to coordinate and facilitate the operations of the facility. They must maintain records, have contact with suppliers and the grow site, embrace customer service and understand marketing. They will train employees and decide which products to cultivate, process and manufacture, and determine best pricing based on market conditions. They are responsible for keeping up with all changes in local and state law regarding operation of the facility. The most important job of the store manager is to ensure the security and integrity of our inventory.
- 1.2.2. **Duty Manager** - The Duty manager deputizes for the Operations Manager in their absence. The Duty manager must interface with staff, law enforcement, inspectors, vendors, and customers. They must maintain records, have contact with suppliers and the grow site, embrace customer service and understand marketing. They will train and supervise employees. They are responsible for keeping up with all changes in local and state law regarding operation of the facility. The most important job of the store manager is to ensure the security and integrity of our inventory.
- 1.2.3. **Wholesale Sales Agent** - The store has a need for retail professionals who can communicate articulately and passionately with customers about a wide range of cannabis products. Desirable backgrounds include previous marijuana vertical experience, sales, pharmacy, education, and customer service. Knowledge of cannabis, the varieties of cannabis, and their effects is highly relevant. They must be keenly aware of the difference between Indica, Sativa and their hybrids. A sales agent will maintain records in accordance with the Operations Manual, serve customers, offer advice and recommendations, be mindful and vigilant in terms of security, and diversion. Sales agents will be trained by the operations manager. This position may be full-, or part-time.
- 1.2.4. **Production Associate** - Our facility has an ongoing need for production associates to cultivate, process and manufacture our range of cannabis products. This product range includes, but is not limited to:
  - Edibles
  - Extracts
  - Pre-rolls
  - Tinctures

Beverages  
Vape pens

Production associates will be required to possess or undergo training in the following cultivation and manufacturing skills:

Plant care and management  
Extraction  
Weighing  
Measuring  
Filling cones  
Freezing  
Drying

As with all employees, their duties include ensuring the integrity of the facility's security systems and protecting the facility and its customers from outside criminal disturbance. Desired backgrounds include previous marijuana vertical experience, pharmacy, education, and customer service. Knowledge of cannabis, the varieties of cannabis, and their effects is highly relevant. They must be keenly aware of the difference of Indica, Sativa and their hybrids. A production associate will maintain records in accordance with the Operations Manual, fulfill production routines, offering advice and recommendations, be mindful and vigilant in terms of security, and diversion. Production associates will be trained by the operations manager. This position may be full-, or part-time.

### **1.3. Employee Training and Selection**

1.3.1. Our production facility is looking for motivated, friendly, articulate and compassionate people to help create our products and provide our customers and consumers with the finest cannabis products available. We look for people with the above attributes and certain preferred core skills. We are willing to train others in order to ensure workforce diversity. Some of the desirable backgrounds we are looking for include sales, pharmacy, and those with previous experience in the cultivation, processing, and sale of cannabis products through various networks. Previous work experience in a medical or production marijuana facility is highly desirable. We generally train all employees in the following subjects, but tailor each course according to their role within our organization.

- 1.3.1.1. Cannabis Science
- 1.3.1.2. Horticultural & Organic Cultivation
- 1.3.1.3. Methods of Extraction
- 1.3.1.4. Methods of Ingestion
- 1.3.1.5. Cooking with Cannabis
- 1.3.1.6. Medical marijuana use
- 1.3.1.7. Massachusetts Cannabis Law

1.3.2. Our company is looking for all types of help for our wholesale manufacturing operation, both operational, and administrative. Typical responsibilities include:

- 1.3.2.1. Production management
- 1.3.2.2. Wholesale Sales
- 1.3.2.3. Production and manufacturing
- 1.3.2.4. Packaging labeling and inventory
- 1.3.2.5. Sanitation and maintenance of the facility
- 1.3.2.6. Security of the facility and deliveries



- 1.3.2.7. Back-office business and management roles such as, account management, administration, etc.

# **Diversity Plan for Aunty Budz LLC, Florence, MA**

## **Statement of Purpose**

Aunty Budz LLC understands and supports the Cannabis Control Commission in its legislative mandated requirement to create equitable access to the regulated adult-use marijuana industries in the Commonwealth. In order to encourage full participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement we propose to adopt the following diversity plan:

To the extent permissible by law it is the policy of this company to promote equity among the following demographic groups:

1. Minorities;
2. Women;
3. Veterans;
4. People with disabilities; and,
5. People who identify as LGBTQ+

## **Introduction**

The execution of this plan will be documented and reviewed annually. The outcome of this review will be provided by our company to the Commission prior to the annual renewal of our license. Any action taken, or programs instituted, by our company for the execution of this plan will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws. This plan will adhere to the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of Marijuana Establishments.

## **Goal 1**

Our company has established the following diversity goals in associate and management positions to assist those individuals achieve their goal of entering the adult-use marijuana industry. These goals are:

1. To achieve the following diversity goals:

a. Minorities;	30%
b. Women;	30%
c. Veterans;	20%
d. People with disabilities; and,	10%
e. People who identify as LGBTQ+	10%

## **Program activities - Goal 1**

The following programs will help effectuate the above goals:

1. Employment opportunities- when available- will be published no less frequently than annually- in Hampshire Gazette, and The Greenfield Recorder.
2. The distribution of internal workplace information sheets, bi-annually, aimed at encouraging current employees to assist in the attainment of these objectives by recommending potential employees.

## **Metrics and Evaluation - Goal 1**

We intend to focus our efforts on the following metrics:

1. Have five employment positions been created since initial licensure?
2. Have we advertised available positions in diverse media with the objective of more effectively achieving our goals?
3. Are 30% of employees minorities?
4. Are 30% of employees women?
5. Are 20% of employees veterans?
6. Are 10% of employees people with disabilities?
7. Do 10% of employees identify as LGBTQ+?
8. Have 10% of employees been given the opportunity to engage in shadow training?

## **Goal 2**

### **Inclusivity**

Aunty Budz will provide once annual sensitivity training for all employees that will include specific training for those in management roles.

Employees that see diversity in the workplace around them have an overall more positive opinion of their company. Two-thirds of job seekers say that diversity in an organization is an important factor for them. When organizations work to meet those expectations, employees are more satisfied.

Efforts to promote retention of a diverse workforce must be coupled with Inclusivity as a key objective. A lack of diversity in a workplace can unintentionally create a hostile environment and contribute to higher turnover. When employees feel like they don't fit in, or cannot see themselves or their values reflected in the culture of the workplace they're not likely to stick around. By creating a diverse and inclusive company culture, employees will be drawn to our company and want to stay, which will serve to continue the cycle of a diverse, inclusive and positive work culture.

In a 2022 article on Diversity for Foundr Magazine<sup>1</sup> - a major publication for entrepreneurs - Jesse Sumrak emphasizes the fact that the average person spends at least 90,000 hours of

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<sup>1</sup> <https://foundr.com/articles/leadership/promote-diversity-and-inclusion>

their life at work, and couples this with the significance of inclusivity, and the importance of creating a work environment that makes individuals feel comfortable and safe in the place they're spending the majority of their time.

Capita, a major international business process outsourcing and professional service company state in their guide, produced for the Human Resources Directors Summit, titled, "Diversity and Inclusion Best Practice in Recruitment"<sup>2</sup> that, *"If candidate pools and resulting hires are not sufficiently diverse, then the talent management activities which follow will not grow sufficiently diverse leaders for the future. Plus, if an organization's culture is not inclusive to everyone this will limit its ability to retain diverse talent."*

An article for Hult International Business School<sup>3</sup> notes the importance of "...creating a workplace where different perspectives are valued and embraced....This inclusive culture will, in turn, help your company to retain diverse talent and make your workplace an attractive option for...job seekers."

A team of psychologists from George Mason University, Texas A&M, University College Station, and Rice University, in their 2019 paper, "Evidenced-Based Strategies for Improving Diversity and Inclusion in Undergraduate Research Labs"<sup>4</sup> hold inclusivity as a primary factor in the achievement and retention of a diverse workforce. On promoting an inclusive workplace, they say, *"Multiple studies have found that minority students report feeling isolated, unwelcomed, invisible and distant from faculty. Inclusive research lab practices related to recruiting, selecting and retaining diverse student researchers can reduce the effects of these negative experiences."*

Schrita Osborne in her Doctoral Thesis for Walden University published in the International Journal of Applied Management and Technology titled "Effective Employee Engagement in the Workplace"<sup>5</sup>, states, *"...an effective organization does [not] use diversity just to have legitimacy with the customer base, but uses their diverse employee environment to increase cultural awareness and appreciation...understanding various cultures is not easy; leaders must create an environment where all employees feel appreciated and engaged...Leaders must cultivate a workplace culture in which every employee is valued for their unique contributions, as this bond invokes employees to achieve their highest potential."*

## **Program activities - Goal 2**

All employees will be asked to fill out annual engagement surveys to elicit feedback on Aunty Budz's work environment. Furthermore, employees will be encouraged to provide feedback in

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<sup>2</sup> <https://www.hrdsummit.com/wp-content/uploads/sites/6/2017/02/Diversity-and-Inclusion-Best-Practice-in-Recruitment.pdf>

<sup>3</sup> <https://www.hult.edu/blog/promoting-diversity-in-workplace/>

<sup>4</sup> <https://www.frontiersin.org/articles/10.3389/fpsyg.2019.01305/full>

<sup>5</sup> Osborne, Schrita, "Employee Engagement and Organizational Profitability" (2016). *Walden Dissertations and Doctoral Studies*. 3194. <https://scholarworks.waldenu.edu/dissertations/3194>

person, or through an anonymous suggestion box at any time. The suggestion box will be checked at least on a weekly basis by either the CEO, COO, or HR Manager.

All comments and feedback will be documented at the time of receipt, and reviewed by senior management staff. Annual engagement surveys will be reviewed within a month of administering them.

The senior management staff will identify the top 3 areas for improvement and together with Aunty Budz employees, develop goals (short and long term) to address those areas where the need for improvement has been identified.

### **Metrics and Evaluation - Goal 2**

Aunty Budz will gather and consider feedback from annual surveys, in-person interactions, and comments left in the suggestion box on an ongoing, rolling basis, with the goal of having at least 85% of our employees describe Aunty Budz as a safe, accepting, and respectful work environment.

This review of feedback and engagement surveys will enable Aunty Budz to demonstrate to the Commission the success of its progress upon the renewal of its license each year.

**1. Environmental Policies and Procedures -**

- a. We endeavor to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts. These include, but are not limited to;
  - i. In accordance with 935 CMR 500.103(4), we will, at the time of license renewal, provide a report that documents our energy and water usage over the preceding 12-month period.
  - ii. The use of natural light where possible. We use natural light where possible and only utilize supplemental lighting when needed. Our lighting system is LED-based and offers substantial energy savings when compared to HID, or High-Intensity Discharge lights.
  - iii. While not initially feasible, we hope to explore the addition of a photo-voltaic array to supplement and offset electrical demand through a renewable energy source.
  - iv. We will closely follow the development, viability, and availability of energy technology and will incorporate energy-saving systems into their technical operations once their value has been demonstrated. We are committed to the adoption and application of any technology that may practically and reliably reduce our electric demand.
  - v. We will actively pursue engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.
- b. We shall satisfy minimum energy efficiency and equipment standards established by the Commission and meet all applicable environmental laws, regulations, permits and other applicable approvals, including those related to water quality and solid and hazardous waste management under 935 CMR 500.103(2).
- c. We shall adopt and use additional best management practices as determined by the Commission, in consultation with the working group established under St. 2017, c. 55, § 78(b), to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts, and shall provide energy and water usage reporting to the Commission in a form determined by the Commission.
- d. Following the attached mechanical engineers report we have identified potential energy use reduction opportunities and shall implement the engineers and other recommendations in compliance with 935 CMR 500.105(15).
  - i. We shall consider opportunities for renewable energy generation including, where applicable, submission of building plans showing where energy generators may be placed on the site, together with an explanation of why the identified opportunities were not pursued, if applicable, in accordance with 935 CMR 500.105(15)

- ii. We shall engage with energy efficiency programs offered pursuant to M.G.L. c. § 21, or through programs offered by Holyoke Gas and Electric.
- e. We will adhere to the following minimum energy efficiency and equipment standards;
  - i. The building envelope for our facilities except greenhouses, will meet minimum Massachusetts Building Code requirements and all Massachusetts amendments (790 CMR: State Building Code), International Energy Conservation Code (IECC) Section C.402 or The American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE) Chapters 5.4 and 5.5 as applied or incorporated by reference in 780 CMR; State Building Code.
  - ii. The Lighting Power Densities (LPD) for cultivation space will not exceed an average of 36 watts per gross square foot of active and growing space unless otherwise determined in guidelines issued by the Commission.
  - iii. Requirements 935 CMR 500.120(11)(b) and (c) shall not be required if we are generating 100% or more of the onsite load from an onsite clean or renewable resource.
  - iv. Heating Ventilation and Air Conditioning (HVAC) and dehumidification systems will meet Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR: State Building Code, IECC Section C.403 ASHRAE Chapter 67 as applied or incorporated by reference in (780 CMR: State Building Code).
  - v. The Commission may further define these standards, or create reasonable exemptions or modifications, through guidelines issued in consultation with the energy and environmental standards working group established under St. 2017, c. 55 § 78(b), including but not limited to provisions for greenhouses and agricultural buildings.