



## Massachusetts Cannabis Control Commission

### Marijuana Delivery Operator

#### General Information:

License Number: MD1264  
Original Issued Date: 03/10/2022  
Issued Date: 03/10/2022  
Expiration Date: 03/10/2023

### MARIJUANA DELIVERY OPERATOR PRE-CERTIFICATION NUMBER

Marijuana Delivery Operator Pre-Certification  
Number:

### ABOUT THE MARIJUANA DELIVERY OPERATOR LICENSEE

Business Legal Name: BLUE SKY ORGANICS LLC

Phone Number: 617-201-5704 Email Address: jayjentz@gmail.com

Business Address 1: 16 Maguire Ct. Business Address 2:

Business City: Newton Business State: MA Business Zip Code: 02458

Mailing Address 1: 17 Cortes St. #1 Mailing Address 2:

Mailing City: Boston Mailing State: MA Mailing Zip Code: 02116

### CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

#### DBE Documentation:

Document Category	Document Name	Type	ID	Upload Date
Supplier Diversity Office (SDO) Training	Free Business Class Confirmation.jpg	jpeg	60b50cb3384f2636315c5589	05/31/2021
Other	VBE Affidavit.pdf	pdf	60b50cc3e03d9635ef5bda89	05/31/2021

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

### SOCIAL EQUITY OR ECONOMIC EMPOWERMENT LICENSE

Social Equity or Economic Empowerment License Number: SE303608

### ADDITIONAL SOCIAL EQUITY OR ECONOMIC EMPOWERMENT LICENSE NUMBERS

No records found

### PERSONS HAVING DIRECT OR INDIRECT CONTROL

#### Person with Direct or Indirect Authority 1

Percentage Of Ownership: 51 Percentage Of Control: 51  
Role: Owner / Partner Other Role: Co-owner & Managing Partner  
First Name: John Middle Name: Last Name: Caruso Suffix:  
Gender: Male User Defined Gender:

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

Specify Race or Ethnicity: Argentinian

#### Person with Direct or Indirect Authority 2

Percentage Of Ownership: 49

Percentage Of Control: 49

Role: Owner / Partner

Other Role: Co-owner & managing director

First Name: Jay

Middle Name:

Last Name: Jentz Suffix:

Gender: Male

User Defined Gender:

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

Specify Race or Ethnicity:

#### ENTITIES HAVING DIRECT OR INDIRECT CONTROL

##### Entity with Direct or Indirect Authority 1

Percentage of Control: 100

Percentage of Ownership: 100

Entity Legal Name: BLUE SKY ORGANICS LLC

Entity DBA:

DBA

City:

Newton

Entity Description: Marijuana Delivery Operator & Wholesale Storage & Sale of Consumer Related Products

Entity Website: www.blueskyorganicsllc.com

Foreign Subsidiary Narrative:

Relationship Description: BLUE SKY ORGANICS LLC IS THE LEGAL ENTITY FORMED TO CONDUCT BUSINESS WITHIN THE COMMONWEALTH OF MASSACHUSETTS, IN GOOD STANDING WITH THE SECRETARY OF STATE OFFICE. BLUE SKY ORGANICS LLC IS OWEND BY TWO MANAGERS - JOHN CARUSO AND JAY JENTZ. JOHN CARUSO IS THE BUSINESS' SOCIAL EQUITY CERTIFICATE HOLDER AS PER THE CCC REQUIREMENTS WITHIN INDUSTRY FOR PRIORITY REVIEW AND APPLICATION STATUS WHO OWNS 51% OF THE COMPANY WITH HIS LONG TIME CO-PARTNER, JAY JENTZ, OWNING THE REMAINING MINORITY SHARE OF 49%. THE TWO OWNERS AND PARTNERS ARE THE SOLE DECISION MAKING AUTHORITIES FOR THE BUSINESS AT THIS TIME AND FOR THE PLANNED FUTURE. THE DELIVERY OPERATOR LICENSE AND APPLICATION WILL BE USED UNDER THE UMBRELLA OF THIS CORPORATE ENTITY AND STRUCTURE.

#### 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 DELIVERY OPERATOR LICENSEE PROPERTY DETAILS

Establishment Address 1: 16 Maguire Court

Establishment Address 2:

Establishment City: Newton

Establishment Zip Code: 02458

Approximate square footage of the establishment: 2112

How many abutters does this property have?: 3

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

#### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Certification of Host Community Agreement	Blue Sky HCA Attestation.pdf	pdf	61d3c4e1073d79445b0d784a	01/03/2022
Plan to Remain Compliant with Local Zoning	Plan to Remain Compliant with Local Ordinances PDF.pdf	pdf	61d3cf82bccaf2464fd82be8	01/03/2022
Community Outreach Meeting Documentation	Additional Notes Regarding Community Outreach Meeting.pdf	pdf	61f591e8879c73091c81609f	01/29/2022
Community Outreach Meeting Documentation	Community Outreach Meeting Attestation Form.pdf	pdf	61fb30fe5099080851f37468	02/02/2022
Community Outreach Meeting Documentation	8.2.21.pdf	pdf	61fc4bb48d09e508d6115ccc	02/03/2022

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
Plan for Positive Impact	Positive Impact Plan.pdf	pdf	61fb372035cb3e08f721e7f0	02/02/2022

### INDIVIDUAL BACKGROUND INFORMATION

#### Individual Background Information 1

Role: Owner / Partner Other Role: MANAGING PARTNER & OWNER

First Name: JOHN Last Name: CARUSO Suffix:

RMD Association: Not associated with an RMD

Background Question: no

#### Individual Background Information 2

Role: Owner / Partner Other Role: CO-OWNER & MANAGER

First Name: Jay Last Name: Jentz Suffix:

RMD Association: Not associated with an RMD

Background Question: no

### ENTITY BACKGROUND CHECK INFORMATION

#### Entity Background Check Information 1

Role: Parent Company Other Role:

Entity Legal Name: Blue Sky Organics LLC Entity DBA: Federal Tax Identification Number EIN/TIN: 85-1202656

Entity Description: Massachusetts limited liability company

Phone: 617-281-7800 Email: jcarusocorp@gmail.com

Primary Business Address 1: 16 Maguire Court Primary Business Address 2:

Primary Business City: Newton Primary Business State: MA Principal Business Zip Code: 02458

Additional Information:

## MASSACHUSETTS BUSINESS REGISTRATION

### Certificates of Good Standing:

Document Category	Document Name	Type	ID	Upload Date
Department of Unemployment Assistance - Certificate of Good standing	Certificate of Compliance (Department of Unemployment 29Dec21).pdf	pdf	61cd11d812daf94439385474	12/29/2021
Secretary of Commonwealth - Certificate of Good Standing	Certificate of Good Standing for Blue Sky Organics,LLC # 1 61577440.PDF	pdf	61cd123284fb17447c43f2e9	12/29/2021
Department of Revenue - Certificate of Good standing	Certificate of Good Standing (DOR) (1).pdf	pdf	61d3c166073d79445b0d7844	01/03/2022

### Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	Articles of Organization: Certificate of Organization & Certificate of Amendment Blue Sky Organics LLC Sec of State.pdf	pdf	61cd15f9d3dd284475be6096	12/29/2021
Bylaws	Operating Agreement (Blue Sky Organics LLC).pdf	pdf	61df248c25efbc089300a052	01/12/2022
Department of Revenue - Certificate of Good standing	Certificate of Good Standing (DOR).pdf	pdf	61df24b0a828d708f0509f18	01/12/2022
Secretary of Commonwealth - Certificate of Good Standing	Certificate of Good Standing for Blue Sky Organics,LLC # 1 61577440.PDF	pdf	61df24e7d3dbc608cff9f5b5	01/12/2022

Massachusetts Business Identification Number: 001421681

Doing-Business-As Name:

DBA Registration City:

## BUSINESS PLAN

### Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Business Plan	Blue Sky Organics Marijuana-Business-Plan PDF.pdf	pdf	60b19535d96e5535e0394817	05/28/2021
Plan for Liability Insurance	Blue Sky Organics LLC (Insurance Policy).pdf	pdf	60dfb14a3678b8028bd4276a	07/02/2021
Proposed Timeline	Proposed Timeline for Blue Sky Business Ops PDF.pdf	pdf	61d3b45dab6c7a444890ced9	01/03/2022

## OPERATING POLICIES AND PROCEDURES

### Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Prevention of diversion	Prevention of Diversion Plan.pdf	pdf	60b523a570eb6e3601abdbb8	05/31/2021
Quality control and testing procedures	Quality Control Procedures.pdf	pdf	60b5244c86c10c3617e66bb0	05/31/2021
Dispensing procedures	Dispensing Procedures.pdf	pdf	60b524dd86c10c3617e66bb4	05/31/2021

Delivery procedures (pursuant to 935 CMR 500.145 and 935 CMR 500.146)	Delivery Procedures.pdf	pdf	60b52bc2384f2636315c55f2	05/31/2021
Energy Compliance Plan	Energy Compliance Plan.pdf	pdf	60b53f3a7f6a51360532a4e3	05/31/2021
Storage of marijuana	Storage Plan.pdf	pdf	60dfb6d80bb484027d8bc9d8	07/02/2021
Inventory procedures	Inventory Procedures.pdf	pdf	60dfbb942ea73e036476a153	07/02/2021
Personnel policies	Personnel Policies.pdf	pdf	60dfc05aaa87100331f62b72	07/02/2021
Record-keeping procedures	Record-Keeping Procedures.pdf	pdf	60dfc4332ea73e036476a159	07/02/2021
Maintenance of financial records	Maintenance of Financial Records.pdf	pdf	60dfc73384f3fe0296c402ab	07/02/2021
A detailed plan for White Labeling	White Labeling - Marijuana Delivery.pdf	pdf	60e096ef23f3f9033f374741	07/03/2021
A plan to obtain marijuana and marijuana products	Plan to Obtain Marijuana and Marijuana Products.pdf	pdf	60e0984b23f3f9033f374745	07/03/2021
Security plan	Blue SKy Organics Security Plan.pdf	pdf	60e0ab97ddf0e402a870cdabb	07/03/2021
Transportation of marijuana	Transportation.pdf	pdf	60e0b3c0ddf0e402a870cdabf	07/03/2021
Qualifications and training	Trainings for Agents.pdf	pdf	60e0c98b74b6080359f6f05d	07/03/2021
Diversity plan	diversity plan pdf.pdf	pdf	61fc54f35099080851f37b4a	02/03/2022

#### COMPLIANCE WITH POSITIVE IMPACT PLAN

No records found

#### COMPLIANCE WITH DIVERSITY PLAN

No records found

#### HOURS OF OPERATION

<b>Monday From: 10:00 AM</b>	<b>Monday To: 9:00 PM</b>
<b>Tuesday From: 10:00 AM</b>	<b>Tuesday To: 9:00 PM</b>
<b>Wednesday From: 10:00 AM</b>	<b>Wednesday To: 9:00 PM</b>
<b>Thursday From: 10:00 AM</b>	<b>Thursday To: 9:00 PM</b>
<b>Friday From: 10:00 AM</b>	<b>Friday To: 9:00 PM</b>
<b>Saturday From: 10:00 AM</b>	<b>Saturday To: 9:00 PM</b>
<b>Sunday From: 10:00 AM</b>	<b>Sunday To: 9:00 PM</b>

#### ATTESTATIONS

I certify that no additional entities or individuals meeting the requirement set forth in 935 CMR 500.101 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 Persons and Entities Having Direct or Indirect Control over the Marijuana Delivery Operator Licensee and a list of all persons or entities contributing 10% or more of the initial capital to operate the Marijuana Delivery Operator Licensee 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

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.:

#### AGREEMENTS WITH THIRD-PARTY TECHNOLOGY PLATFORM PROVIDER

No records found

#### THIRD-PARTY TECHNOLOGY PLATFORM PROVIDER DOCUMENTATION

No documents uploaded

## 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:

Blue Sky Organics LLC

2. Name of applicant's authorized representative:

John Canso

3. Signature of applicant's authorized representative:



4. Name of municipality:

NEWTON, MA

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

Ruthanne Fuller





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

**Mayor Ruthanne Fuller**

Digitally signed by Mayor Ruthanne Fuller  
Date: 2021.12.21 14:34:13 -05'00'

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).*):

rfuller@newtonma.gov

8. Host community agreement execution date:

12/15/2021



### **Plan to Remain Compliant with Local Ordinances.**

The location should be in a city or town that allows marijuana retail or delivery operations and is appropriately zoned. The location should have a building that allows for the “back office” operations of a Delivery license from which delivery orders are received, vehicles are dispatched daily, and where employees will monitor delivery vehicles in transport through GPS and reporting requirements.

- **Location of the proposed Marijuana Establishment?**

*16 Maguire Ct. Newton, MA 02458 – Near the corner of Craft Street and Washington Street intersection located behind the Whole Foods Market in an M1 zoned manufacturing area with surrounding commercial properties directly abutting the property and located geographically in an area without residential abutters and no direct on site sales permitted limit traffic and volume of people to a absolute minimum.*

- **What type(s) of Marijuana Establishment will be sited at the location?**

*Delivery Operator & Wholesaler Storage of Cannabis Products for Consumer Dispatch*

- **Is the proposed Marijuana Establishment allowed under current zoning bylaws/ordinances or is a zoning amendment required to allow it to go there?**

*This site is located in an M1 manufacturing zone and the required zoning law for Newton allows for this type of business to reside only in this classification of commercial property of just a handful of sites currently labeled under this specific type.*

- **Is the proposed Marijuana Establishment allowed by right or does it require local zoning permitting? What permits are required?**

*We do not require a special permit or plan to have any work or construction completed on the property and the existing structure that would require additional special permit approval from the city and can be outfitted to our specific compliance needs and proper regulatory rules.*

- **Is there a local licensing regulation pertaining to Marijuana Establishments?**
- **Is there a local Board of Health regulation pertaining to Marijuana Establishments?**
- **Does the proposed location comply with the 500-foot buffer zone from existing public or private school buildings (K-12)? Do local bylaws or ordinance create a smaller buffer zone?**

*We are not located within the stated radius or distance to a school or related child service vendor that violates the above requirement that all business related to cannabis must not be within and operational near schools.*

- **If the applicant is moving into an existing building or building a new one, will its premises comply with the security requirements set forth in 935 CMR 500?**

*The current building and structure is set up to allow us to provide safety measures as required by state law for our business and can be updated to our business needs without*

*violating any permitting or zoning laws within the bounds of the current structure located on site.*

### Additional Notes Regarding Community Outreach Meeting

- “Attachment B” to the Community Outreach Meeting Attestation Form includes email correspondence between Applicant and the City of Newton. Mayor Ruthanne Fuller confirmed the virtual meeting via email dated August 8, 2021.
- There were no meeting materials provided at the meeting.
- There were nine (9) participants in attendance at the virtual meeting

## 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): 8/19/21 @6PM
2. At least one (1) meeting was held within the municipality where the ME is proposed to be located.
3. At least one (1) meeting was held after normal business hours (this requirement can be satisfied along with requirement #2 if the meeting was held within the municipality and after normal business hours).



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

- a. Date of publication:
- b. Name of publication:

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

- a. Date notice filed:

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

- a. Date notice(s) mailed:

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



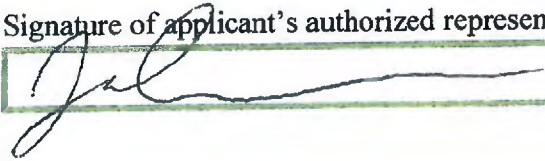
Name of applicant:

BLUE SKY ORGANICS LLC

Name of applicant's authorized representative:

John Caruso

Signature of applicant's authorized representative:



12-22-2021





# ATTACHMENT A

OUTREACH MEETING -  
NEWTON, MA - BLUE SKY  
ORGANICS LLC 8/19

Notice is hereby given that  
BLUE SKY ORGANICS, LLC  
("BLUE SKY ORGANICS") will  
hold a Virtual Community  
Outreach Meeting on  
Thursday August 19th, 2021  
at 6:00 PM.

This Virtual Community  
Outreach Meeting will be  
held in accordance with the  
Massachusetts Cannabis  
Control Commission's  
Administrative Order  
Allowing Virtual Web-Based  
Community Outreach  
Meetings and the applicable  
requirements set forth in  
M.G.L. ch. 94G and 935 CMR  
500.000 et seq.

The Virtual Community  
Outreach Meeting will be  
held as follows:

Join Zoom Meeting: [https://  
zoom.us/j/95668104332?pw  
d=YUJJYVFrWmI2amlCdTFxQ  
m93TGZOUT09](https://zoom.us/j/95668104332?pwd=YUJJYVFrWmI2amlCdTFxQm93TGZOUT09)

Zoom Meeting ID: 956 6810  
4332

Zoom Meeting Passcode:  
vqi2vx

The proposed Marijuana  
Delivery Operator  
Establishment is anticipated  
to be located at 16 Maguire  
Ct. in Newton, MA 02458.

There will be an opportunity  
for the public to ask  
questions







# ATTACHMENT B

**NOTICE OF COMMUNITY OUTREACH MEETING - NEWTON, MA**  
**BLUE SKY ORGANICS LLC 8/19**

Notice is hereby given that BLUE SKY ORGANICS, LLC ("BLUE SKY ORGANICS") will hold a Virtual Community Outreach Meeting on Thursday August 19th, 2021 at 6:00 PM.

This Virtual Community Outreach Meeting will be held in accordance with the Massachusetts Control Administrative Allowing Virtual Web-Based Community Outreach Meetings and the applicable requirements set forth in M.G.L. ch. 94G and 935 CMR 500.000 et seq.

The Virtual Community Outreach Meeting will be held as follows:

Join Zoom Meeting:

[https:// zoom.us/j/95668104332?pwd=YUJJYVFrWmI2amlCdTFxQm93TGZOUT09](https://zoom.us/j/95668104332?pwd=YUJJYVFrWmI2amlCdTFxQm93TGZOUT09)

Zoom Meeting ID: 956 6810 4332

Zoom Meeting Passcode: vqi2vx

The proposed Marijuana Delivery Operator Establishment is anticipated to be located at 16 Maguire Ct. in Newton, MA 02458.

There will be an opportunity for the public to ask questions.

**From:** John Caruso <[john@blueskyorganicsllc.com](mailto:john@blueskyorganicsllc.com)>

**Sent:** Sunday, August 8, 2021 9:04 PM

**To:** Ruthanne Fuller <[rfuller@newtonma.gov](mailto:rfuller@newtonma.gov)>

**Cc:** Christopher Sullivan <[csullivan@newtonma.gov](mailto:csullivan@newtonma.gov)>; Jennifer Caira <[jcaira@newtonma.gov](mailto:jcaira@newtonma.gov)>; Jay Jentz <[jay@blueskyorganicsllc.com](mailto:jay@blueskyorganicsllc.com)>; Nadia Khan <[nkhan@newtonma.gov](mailto:nkhan@newtonma.gov)>

**Subject:** Community Outreach Meeting (Blue Sky Organics LLC)

**[DO NOT OPEN links/attachments unless you are sure the content is safe. ]**

My name is John Caruso and I am a co-owner of Blue Sky Organics LLC, which is a Social Equity Certified and owned cannabis business per the CCC. My partner Jay Jentz and myself were born and raised in Newton and chosen to remain here not only for business but to raise our families. Our Company is seeking a Marijuana Delivery Operator license at 16 Maguire Court located in City of Newton. Our plan is to start with 4 or 5 vehicles and have some of them be fully electric with the remaining being hybrid. Due to COVID, most if not all of our office staff will be working remotely. Only warehouse staff will be working onsite. Our warehouse will be all electric (HVAC) with possible solar panel installation. Under the required Cannabis Control Commission regulations, a notice of the community outreach meeting must be filed with the city's planning board, clerk, contracting authority, and any relevant licensing authority for adult



cannabis use

I would like to inform you of our Community Outreach Meeting for our proposed Marijuana Delivery Operator Establishment that is scheduled for Thursday, August 19th, 2021 at 6:00 p.m.

The meeting will be held virtually as follows:

Zoom Meeting: <https://zoom.us/j/95668104332?pwd=YUJJYVFrWml2amlCdTFxQm93TGZOUT09>

**Meeting ID: 956 6810 4332**

**Password: vqi2vx**

The proposed Marijuana Delivery Operator Establishment is anticipated to be located at 16 Maguire Ct, in Newton, MA 02458.

There will be an opportunity for the public to ask questions. If you have any questions about this meeting, please feel free to contact me directly.

Sincerely,

John

**Jay Jentz**  
**Managing Director & Co-Founder**  
**Mobile:** [617-201-5704](tel:617-201-5704)  
**Email:** [jay@blueskyorganicsllc.com](mailto:jay@blueskyorganicsllc.com)  
**Website:** [www.blueskyorganicsllc.com](http://www.blueskyorganicsllc.com)

**From:** Ruthanne Fuller <[rfuller@newtonma.gov](mailto:rfuller@newtonma.gov)>  
**Sent:** Sunday, August 8, 2021 9:28 PM  
**To:** John Caruso <[john@blueskyorganicsllc.com](mailto:john@blueskyorganicsllc.com)>  
**Cc:** Christopher Sullivan <[csullivan@newtonma.gov](mailto:csullivan@newtonma.gov)>; Jennifer Caira <[jcaira@newtonma.gov](mailto:jcaira@newtonma.gov)>; Jay Jentz <[jay@blueskyorganicsllc.com](mailto:jay@blueskyorganicsllc.com)>; Nadia Khan <[nkhan@newtonma.gov](mailto:nkhan@newtonma.gov)>  
**Subject:** Re: Community Outreach Meeting (Blue Sky Organics LLC)

John and Jay,

Thanks for the information.

Warmly,

**Ruthanne Fuller**

Ruthanne Fuller

Mayor

City of Newton

# ATTACHMENT C

**NOTICE OF COMMUNITY OUTREACH MEETING - NEWTON, MA**  
**BLUE SKY ORGANICS LLC 8/19**

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Zoom Meeting ID: 956 6810 4332

Zoom Meeting Passcode: vqi2vx

The proposed Marijuana Delivery Operator Establishment is anticipated to be located at 16 Maguire Ct. in Newton, MA 02458.

There will be an opportunity for the public to ask questions.

34 ASHMONT AVE  
NEWTONVILLE, MA 02460

3 SHAMROCK ST  
NEWTON, MA 02458

67 CLINTON ST  
NEWTON, MA 02458

65 CLINTON ST  
NEWTON, MA 02458

67 CLINTON ST  
NEWTON, MA 02458

69 CLINTON ST  
NEWTON, MA 02458

88 MANET RD  
CHESTNUT HILL, MA 02467

114 ADAMS AVE  
NEWTON, MA 02465

71 CRAFTS ST  
NEWTON, MA 02458

34 ASHMONT AVE  
NEWTONVILLE, MA 02460

87 CRAFTS ST  
NEWTON, MA 02460

89 CRAFTS ST  
NEWTON, MA 02458

17 SHAMROCK ST  
NEWTON, MA 02458

23 SHAMROCK ST  
NEWTON, MA 02458

49 CRAFTS ST  
NEWTON, MA 02458-1256

59 CRAFTS ST  
NEWTON, MA 02460

76 CLINTON ST  
NEWTON, MA 02458

10 HARVESTMOON DR  
NATICK, MA 01760

43 CRAFTS ST  
NEWTON, MA 02458

43 CRAFTS ST  
NEWTON, MA 02458

68 LINCOLN RD  
NEWTON, MA 02458

271 NEVADA ST  
NEWTON, MA 02460

32 COLONIAL AVE  
NEWTON, MA 02460

24 WILSON CIR  
NEWTON, MA 02461

32 COLONIAL AVE  
NEWTON, MA 02460

32 COLONIAL AVE  
NEWTON, MA 02460

32 COLONIAL AVE  
NEWTON, MA 02460

1000 COMM AVE  
NEWTON, MA 02459

24 WILSON CIR  
NEWTON, MA 02461

24 WILSON CIR  
NEWTON, MA 02461

24 WILSON CIR  
NEWTON, MA 02461

64 CRAFTS ST  
NEWTON, MA 02460

6 HIGH MEADOW RD  
WESTON, MA 02493

275 GROVE ST SUITE 2-150  
NEWTON, MA 02466

275 GROVE ST SUITE 2-150  
NEWTON, MA 02466

P O BOX 81441  
WELLESLEY HILLS, MA 02481

275 GROVE ST SUITE 2-150  
NEWTON, MA 02466

19 COURT ST UN 1  
NEWTON, MA 02460

19 COURT ST UN 2  
NEWTON, MA 02460

19 COURT ST  
NEWTON, MA 02460

21 COURT ST  
NEWTON, MA 02460

81 DONIZETTI ST  
WELLESLEY, MA 02482

81 DONZETTE ST  
WELLESLEY, MA 02482

275 GROVE ST SUITE 2-150  
NEWTON, MA 02466

40 RUANE RD  
NEWTON, MA 02465

105 FAIRWAY DR  
NEWTON, MA 02465

39 COURT ST 4  
NEWTON, MA 02458

39 COURT ST UN 5  
NEWTON, MA 02458

39 COURT ST 6  
NEWTON, MA 02458

39 COURT ST MASTER BEDD  
,

33 COURT ST 33  
NEWTON, MA 02460

77 WASHINGTON ST  
NEWTON, MA 02458

33 33 COURT ST MASTER BEDD  
,

35 LEONARD RD  
OSTERVILLE, MA 02655







## **Positive Impact Plan**

Goal #1: Blue Sky Organics is committed to helping end the ongoing opioid epidemic by hiring individuals who are directly and indirectly affected by this addiction. Our goal is to hire 25% of our staff that are Massachusetts residents who have either personally suffered from an opioid addiction, or who have parents or spouses who have been affected by the opioid epidemic.

Goal #2: Another goal for positive impact will be to provide periodic seminars/educational programs for employees to build skills, such as ethics, business skills, and best industry practices.

Program #1: We will reach out to local rehabilitation facilities and community centers to advertise employment positions for individuals who are in active recovery, or for individuals who have parents or spouses affected by the drug epidemic.

Program #2: We will work in conjunction with a nationwide training company to design and present enrichment programs for our employees, tailored to specifically help the City of Newton and its residents by focusing on local data and current public health trends that exist in the city related to this epidemic. Additional programming will include skill based seminars, such as accounting, advertising, ethics, and technology training.

Metrics #1: We will conduct an annual review of our hiring process and ensure we are achieving our goals with respect to hiring individuals who have been affected by opioids or other drugs. At that time, we will assess whether we have been successful in maintaining 25% of the staff as individuals affected by the drug epidemic. If we have fallen short of our goal, we will reassess our targeting efforts to meet the desired goals through other hiring avenues.

Metrics #2: We will provide the educational seminars three times per year, and will keep a record of all employees' attendance. Seminars will be offered three times a year, but employees will only be required to attend two sessions.

We will conduct a semi-annual assessment as to the progress of our goals. The 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. All actions taken or programs instituted by Blue Sky Organics LLC will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.



## The Commonwealth of Massachusetts William Francis Galvin

Minimum Fee: \$500.00

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

### Certificate of Organization

(General Laws, Chapter )

Identification Number: 0014216811. The exact name of the limited liability company is: KOSHER GROUP LLC

## 2a. Location of its principal office:

No. and Street: 11 NOBLE STREET  
City or Town: NEWTON State: MA Zip: 02465 Country: USA

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

No. and Street: 11 NOBLE STREET  
City or Town: NEWTON State: MA Zip: 02465 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:

APPLICATION IN PROCESS WITH THE CCC.

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

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

Name: JOHN CARUSO  
No. and Street: 11 NOBLE STREET  
City or Town: NEWTON State: MA Zip: 02465 Country: USA

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

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
MANAGER	JOHN CARUSO	11 NOBLE STREET NEWTON, MA 02465 USA

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
SOC SIGNATORY	JOHN CARUSO	11 NOBLE STREET NEWTON, MA 02465 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	JOHN CARUSO	11 NOBLE STREET NEWTON, MA 02465 USA

**9. Additional matters:**

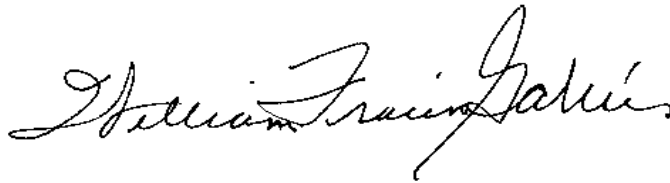
**SIGNED UNDER THE PENALTIES OF PERJURY, this 23 Day of January, 2020,**  
**JOHN CARUSO**

*(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:

January 23, 2020 12:23 PM

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

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*



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

Minimum Fee: \$100.00

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

**Certificate of Amendment**

(General Laws, Chapter )

Identification Number: 001421681

The date of filing of the original certificate of organization: 1/23/2020

1.a. Exact name of the limited liability company: KOSHER GROUP LLC

1.b. The exact name of the limited liability company *as amended*, is: BLUE SKY ORGANICS LLC

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

No. and Street: 11 NOBLE STREET

City or Town: NEWTON State: MA Zip: 02465 Country: USA

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

4. The latest date of dissolution, if specified:

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

Name: JOHN CARUSO

No. and Street: 11 NOBLE STREET

City or Town: NEWTON State: MA Zip: 02465 Country: USA

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
MANAGER	JOHN CARUSO	11 NOBLE STREET NEWTON, MA 02465 USA

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
SOC SIGNATORY	JOHN CARUSO	11 NOBLE STREET NEWTON, MA 02465 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	JOHN CARUSO	11 NOBLE STREET NEWTON, MA 02465 USA

**9. Additional matters:**

**10. State the amendments to the certificate:**

NAME CHANGE

**11. The amendment certificate shall be effective when filed unless a later effective date is specified:**

**SIGNED UNDER THE PENALTIES OF PERJURY, this 2 Day of April, 2021,  
JOHN CARUSO , Signature of Authorized Signatory.**

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:

April 02, 2021 05:03 PM

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

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*

<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	JOHN CARUSO	11 NOBLE STREET NEWTON, MA 02465 USA

**9. Additional matters:**

**10. State the amendments to the certificate:**

NAME CHANGE

**11. The amendment certificate shall be effective when filed unless a later effective date is specified:**

**SIGNED UNDER THE PENALTIES OF PERJURY, this 2 Day of April, 2021,  
JOHN CARUSO , Signature of Authorized Signatory.**

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:

April 02, 2021 05:03 PM

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

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*

## **BLUE SKY ORGANICS LLC**

### **OPERATING AGREEMENT**

This OPERATING AGREEMENT (this “Agreement”) of Blue Sky Organics LLC, a Massachusetts limited liability company (formerly, Kosher Group LLC) (the “Company”), effective as of May \_\_, 2021 is entered into by and among the Company, the Persons listed on Schedule A hereto, as the same may be amended from time to time in accordance with the provisions of this Agreement, individually referred to as a “Member” and collectively as the “Members”, and the Initial Managers, as appointed and set forth in Section 2.2.

WHEREAS, the Company was formed as a limited liability company pursuant to and in accordance with the Massachusetts Limited Liability Company Act, Mass. Gen. Laws ch. 156C (the “Act”) on January 23, 2020;

WHEREAS, the name of the Company was amended on April 2, 2021; and

WHEREAS, the Company, the Members and the Initial Managers desire to enter into this Agreement to set forth their respective rights and obligations, all in accordance with and subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows.

### **ARTICLE I** **Organizational Matters**

1.1. Formation of Limited Liability Company. The Company has been formed by the filing of its Certificate of Organization with the Secretary of the Commonwealth of Massachusetts (the “Certificate of Organization”). The rights and liabilities of the Members shall be determined pursuant to the Act and this Agreement. To the extent that the rights or obligations of any Member are different by reason of any provision in this Agreement than they would be in the absence of such provision, this Agreement shall, if permitted by the Act, control.

1.2. Name. The name of the Company is “Blue Sky Organics LLC”. All contracts of the Company shall be made, all instruments and documents executed, and all acts done, in the name of the Company, and all properties shall be acquired, held and disposed of in the name of the Company or its designated nominee.

1.3. Registered Office and Agent in Massachusetts. The registered office required to be maintained by the Company in the Commonwealth of Massachusetts is 11 Noble Street, Newton, MA 02465. The name of its registered agent at that address is John Caruso. The Company may from time to time have such other place or places of business within or without the Commonwealth of Massachusetts as may be designated by the Board of Managers (as defined in Section 2.1 below).

1.4. Purpose. The purpose of the Company is to carry on any activity that may be lawfully carried on by a limited liability company organized under the Act (collectively, the “Company Business”).

1.5. Term. The term of the Company commenced upon the filing of its Certificate of Organization and shall continue until terminated in accordance with the terms of this Agreement.

1.6. Admission. On the date hereof, each Person listed as a Member on Schedule A shall be admitted to the Company as a Member of the Company upon execution and delivery by or on behalf of such Member of a counterpart of this Agreement. Additional Members shall be admitted only in accordance with the terms and conditions of this Agreement.

## ARTICLE II Managers; Officers

2.1. Board of Managers. The Company shall be governed by a board of managers (the "Board of Managers"). The Board of Managers shall consist of at least two (2) but no more than five (5) members (each a "Manager" and, collectively, the "Managers").

2.2. Appointment of Managers. For as long as John Caruso remains a Member, he shall be entitled to appoint one Manager to the Board of Managers (the "Caruso Manager"). For so long as Jay Jentz remains a Member, he shall be entitled to appoint one Manager (the "Jentz Manager") and together with the Caruso Manager, the "Permanent Managers"). In the event that one of the Permanent Managers resigns, a new Permanent Manager shall be appointed by the Member who originally appointed such resigning Permanent Manager. Any reference to the "Managers" in this Agreement shall mean the Manager or Managers then serving pursuant hereto. The Board of Managers shall be initially comprised of two (2) Managers. The initial Managers shall be John Caruso and Jay Jentz. The number of Managers and any additional Managers shall be appointed by a majority vote of the Percentage Interests.

2.3. Resignation and Removal of a Manager. A Manager may resign at any time by giving written notice to the Company. Any Manager that is not a Permanent Manager may be removed by a majority vote of the Percentage Interests. A Permanent Manager may only be removed without cause by the written request of the respective Member entitled to appoint such Permanent Manager as set forth herein, and in the event of such removal, the successor Permanent Manager may be appointed only by the Member that appointed the removed Permanent Manager.

2.4. Removal of Permanent Manager for Cause. A Permanent Manager may be removed by the unanimous consent of the other Managers for: (a) committing or participating in an act of fraud or embezzlement against the Company; (b) committing or participating in any other injurious act or omission willfully, recklessly or in a manner which was grossly negligent against the Company, monetarily or otherwise; (c) conviction of an act or acts constituting a felony or a crime of violence, fraud or dishonesty under the laws of the United States or any state thereof or any foreign jurisdiction; or (d) committing a material breach of this Agreement by such Manager that causes material harm to the Company and that is not cured (if curable) within ten business days of written notice from the non-appointing Founder of such alleged breach.

2.5. Manager Meetings. Any Manager then serving may call a meeting of the Managers by giving notice specifying the date, time and place thereof to the other Manager not less than three (3) business days prior to each such meeting or such lesser period as may be agreed to by the Managers. Managers may participate in any meeting of the Managers by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.

2.6. Manager Action. Subject to Section 4.3, any actions to be taken by the Managers pursuant to this Agreement may be taken by fifty-one percent (51%) of the voting power of the Managers at a meeting or by written consent (in either context, a "Majority Vote"). The voting power of the Managers is as follows: (a) each Permanent Manager shall have 1.5 votes, and (b) each other Manager shall have 1 vote.

2.7. Officers. The Company may, but need not, have such officers as the Managers shall determine, each officer to serve pursuant to such terms and conditions as the Managers may approve. Each officer shall hold office until the end of the term for which such officer is appointed and until his or her successor shall have been elected, or until such Person's earlier death or resignation, or until such Person's earlier removal with or without cause by the Board of Managers.

### ARTICLE III Classes of Units; Capital Contributions

3.1. Units. The Company initially shall have one class of units (the "Units"). The maximum number of Units that the Company is authorized to issue shall be twenty thousand (20,000). The number of Units, class and designation (if any), and Percentage Interest (as defined below) of each Member is as set forth on Schedule A attached hereto. Each Unit issued and outstanding shall represent one vote in matters to be acted upon by the Members. Additional Units, classes, and designations of Units shall be authorized only in accordance with Section 4.3. Except as expressly stated to the contrary, (a) references to "Members" shall mean all Members, regardless of class of Units held, (b) references to the percentage interest of a Member (each a "Percentage Interest" and, collectively, the "Percentage Interests") shall be determined on the basis of all classes of Units (in each case, on a fully-diluted basis) as a single class; provided that the Percentage Interest of any Member holding restricted Units that vest over time (if any) shall be calculated based on the vesting schedule of those Units. All Members hereby agree that Schedule A attached hereto shall be amended by the Board of Managers from time to time to reflect any updates to the number, class and designation (if any) of Units and Percentage Interests of the Members.

The Company may, at the sole discretion of the Board of Managers, issue certificates representing the Units. If certificates are issued, then each Member shall be entitled to a certificate stating the number and the class and the designation of the series, if any, of the Units held by such Member in a form with legends that conforms to applicable law and this Agreement. Such certificates shall be signed by at least one (1) Manager of the Company. If a Manager who has signed a certificate ceases to be a Manager before such certificate is issued, it may be issued by the Company with the same effect as if he or she was a Manager at the time of its issuance. In the case of the alleged theft, loss, destruction, or mutilation of a certificate, a duplicate certificate may be issued in place thereof, upon such terms, including receipt of a bond sufficient to indemnify the Company against any claim on account thereof, as the Board of Managers may prescribe.

3.2. Vesting. Units may be subject to vesting as determined by the Board of Managers at the time of issuance (any Units subject to vesting are referred to as "Unvested Units"). The vesting schedule for any Units shall be set forth on Schedule A. Any Unvested Units shall be held by the Company and deemed issued only upon vesting as set forth in the applicable vesting schedule set forth on Schedule A. Unvested Units shall not afford the holder of such Unvested Units the right to receive any allocations, dividends and/or distributions with respect to such Unvested Units, and such holder shall not have any right to exercise voting or other equity holder rights with respect to the Unvested Units.

3.3. Capital Contributions of Members. Each Member has paid to the Company a capital contribution in cash or other property valued in accordance with the terms hereof (together with all such contributions by a Member as are permitted or required pursuant to this Agreement, the "Capital Contribution"). No Member shall have the right to require the Company to repurchase any Units, and no Member shall have the right to receive the return of all or any part of the Member's Capital Contribution or Capital Account, or any other distribution, except as expressly provided in this Agreement. No Member shall have any right to demand and receive property of the Company in exchange for all or any portion of the Member's Units, Capital Contribution or Capital Account, except as expressly provided in this Agreement. No interest shall accrue or be paid on any Capital Contribution or Capital Account.

3.4. Additional Capital. No Member shall be obligated or required to make any contribution to the Company in addition to their initial Capital Contribution, except as may be set forth in a separate written agreement with such Member.

#### ARTICLE IV Powers, Duties and Liabilities of the Members and the Managers

4.1. In General. Except for those powers expressly granted to the Members pursuant to the Act or this Agreement, the management, operation and business of the Company shall be vested in the Board of Managers, which shall be authorized and empowered on behalf and in the name of the Company to carry out any and all of the powers, objectives and purposes of the Company and to perform all acts and enter into and perform all contracts and other undertakings and engage in all activities and transactions.

4.2. Limitation on Liability of Members. Except as expressly set forth in this Agreement, the Members shall take no part in the conduct or control of the business of the Company and shall have no authority or power to act for or bind the Company. Unless duly appointed as a Manager and/or an officer pursuant to the terms of this Agreement, no Member shall take any action on behalf of the Company or in any way commit the Company to any agreement or contract, nor shall he or she have the right or authority to do any of the foregoing. Except as explicitly provided herein or in the Act, no Member shall be liable for any debt, liability or other obligation of the Company or any other Member. The liability of each Member is limited to such Member's then current positive Capital Account balance, and nothing set forth elsewhere in this Agreement or in any other document, and nothing arising from any other transaction whatsoever between or among any or all of the Members or the Company, shall have the effect of removing, diminishing, or otherwise affecting such limitation.

4.3. Powers of the Managers. The Board of Managers shall exercise all powers by a Majority Vote of the Managers, except that (i) the affirmative vote of each Permanent Manager shall be required to approve any Significant Transaction, and (ii) the affirmative vote or consent of the Members holding at least sixty-six percent (66%) of the Percentage Interests is required for the Company to:

- (a) acquire, own, hold, manage, capitalize, recapitalize, sell, transfer, convey, assign, exchange, pledge or otherwise dispose of the Company's interest in subsidiaries, Affiliates, or real property in a transaction having a value in excess of \$500,000;
- (b) enter into joint ventures, general or limited partnerships, limited liability companies, and any other combinations or associations;
- (c) make any change to the rights, preferences and privileges of the Units;
- (d) authorize, create or issue any existing or new class of Unit (or options, warrants, derivative securities for, or debt convertible into, any of the foregoing) and admit new Members in connection therewith; and
- (e) authorize a transaction that constitutes a Sale.

4.4. Tax Matters Partner. Jay Jentz is hereby designated by each Member as the initial "Tax Matters Partner" and partnership representative for the Company with sole authority to act on behalf of the Company with respect to tax matters, and with all of the rights and duties provided for in subchapter B, chapter 63 of the Code. The Tax Matters Partners shall cause the Company, to the extent it is eligible, to opt out of the application of Subchapter C, Chapter 63 of the Code by annually making the election under Section 6221(b) filed with the Company's tax return. Each Member agrees to treat its ownership interest in



the Company in a manner consistent with that prescribed by the Tax Matters Partner with respect to all federal, state and local tax matters.

4.5. Liability and Indemnification of Managers. No Manager or Member of the Company (each an “Indemnified Party” and, collectively, “Indemnified Parties”) shall be liable to the Company or any Member for any act or omission suffered or taken by such Indemnified Party in such capacity unless such act or omission has been determined in a final, non-appealable judicial proceeding (a) to constitute fraud, gross negligence or willful misconduct, and (b) with respect to any criminal action or proceeding, to have been taken or suffered with reasonable cause to believe that such Indemnified Party’s conduct was unlawful.

To the maximum extent permitted by applicable law, each Indemnified Party shall be fully protected and indemnified by the Company against all claims, liabilities, damages and expenses (including amounts paid in respect of judgments, fines, penalties or settlement of litigation, and legal fees and expenses reasonably incurred in connection with any pending or threatened litigation or proceeding) (collectively, “Damages”) related to such Indemnified Party serving or having served as a Manager of the Company, with respect to any action or omission suffered or taken that has not been determined in a final judicial proceeding to fall within either (a) or (b) in the immediately preceding paragraph. The Company shall advance indemnification payments to an Indemnified Party upon receipt of an undertaking by such Indemnified Party to repay such advances if it is ultimately determined by a court of competent jurisdiction that indemnification for such expenses is not permitted by law or authorized by this Agreement; provided that the Company shall not advance expenses incurred by an Indemnified Party if the pending or threatened litigation or proceeding giving rise to such expenses is between the Company on the one hand and the Indemnified Party on the other (other than in connection with a claim by an Indemnified Party to enforce its rights under this Section 4.5); and provided, further, that if the Indemnified Party ultimately prevails in such litigation or proceeding, such Indemnified Party shall be entitled to reimbursement of such fees and expenses. Each Indemnified Party may consult with recognized, outside legal counsel, and any action or omission taken or suffered in good faith in reliance and in accordance with the opinion or advice of such counsel shall be conclusive evidence that such action or omission did not materially violate this Agreement, did not constitute fraud, gross negligence or willful misconduct, and with respect to any criminal action or proceeding, was suffered or taken without reasonable cause to believe such Indemnified Party’s conduct was unlawful; provided that such outside counsel has been selected by the Indemnified Party in good faith.

4.6. Information Requested by Managers. Each Member agrees promptly to provide the Managers with information about such Member that the Managers reasonably request to comply with any regulatory, tax or legal requirement related to business of the Company.

## ARTICLE V

### Capital Accounts, Allocations and Distributions

#### 5.1 Profits and Losses.

(a) The Company shall maintain a separate Capital Account for each Member in accordance with the rules of Treasury Regulations Section 1.704-1(b)(2)(iv), and this Section 5.1 shall be interpreted and applied in a manner consistent therewith. Except for the Founders, each Member’s Initial Capital Account balance shall equal the amount set forth in the Subscription Agreement between such Member and the Company. No Member shall be entitled to interest on his Capital Account.

(b) Except as otherwise hereinafter provided, including without limitation the provisions of Section 5.3, the Profit or the Loss, as the case may be, as of the end of any relevant fiscal period of the Company, shall be allocated among the Members as follows.

- i. *Profits.* For any relevant fiscal period in which the Company has a Profit, such Profit shall be allocated among the Members in the following order and priority:
  1. First, among the Members in proportion to and in the reverse order to which any net Losses were allocated to them pursuant to Section 5.1(b)(ii) until the cumulative net Profits allocated pursuant to this Section 5.1(b)(i)(1) equal the cumulative net Losses allocated pursuant to Section 5.1(b)(ii); and
  2. The balance, if any, of the Profit shall be allocated among the Members in proportion to their respective Percentage Interests.
- ii. *Loss.* For any relevant fiscal period in which the Company has a Loss, such Loss shall be allocated among the Members in the following order and priority:
  1. First, among the Members in proportion to and in the reverse order to which any net Profits were allocated to them pursuant to Section 5.1(b)(i) until the cumulative net Losses allocated pursuant to this Section 5.1(b)(ii)(1) equal the cumulative net Profits allocated pursuant to Section 5.1(b)(i); and
  2. The balance, if any, of the Loss shall be allocated among the Members in proportion to their respective Percentage Interests.

## 5.2 Distributions.

(a) *Tax Distributions.* The Managers in their sole discretion may cause the Company to make distributions to the Members on or before the due date of quarterly installment tax payments and in amounts intended to assist the Members in satisfying their income tax liability attributable to allocations of taxable income of the Company allocated to them in any fiscal year (a “Tax Distribution”). In determining the amount of any Tax Distribution, the Managers may assume that the items of taxable income, gain, deduction, loss and credit in respect of the Company are the only such items entering into the computation of tax liability of the Members for the fiscal year and that each Member is subject to tax at the same effective tax rate, which shall be determined by the Board of Managers. In addition, the Board of Managers may take into account prior distributions made to the Members under this Agreement with respect to such fiscal year and prior allocations of net losses (in excess of prior allocations of net income) made to the Members by the Company in any period, and the Board of Managers may make reasonable assumptions regarding the varying tax rate applicable to different categories of taxable income and loss and to different tax years in which taxable income or loss is recognized. Tax Distributions made pursuant to this Section 5.2(a) to any Member shall be treated as advances against future distributions that otherwise would be made to such Member and therefore shall reduce the amount of such future distribution dollar for dollar.

(b) *Net Distributable Cash.* Other than as set forth in Section 5.2(c), the Board of Managers shall cause distribution to be made of Net Distributable Cash at such times, and in such amounts, as the Board of Managers, in their sole discretion, from time to time determine. Distributions of Net Distributable Cash under this Section 5.2(b) shall be made to the Members in proportion to their Percentage Interests.

(c) *Dissolution Transactions.* Proceeds from a Dissolution Transaction, and after payment of, or adequate provision for, the debts and obligations of the Company, and liquidation of any remaining assets of the Company, shall be distributed and applied in the following priority:

i. to fund reserves for liabilities not then due and owing and for contingent liabilities to the extent deemed reasonable by the Board of Managers, provided that, upon the expiration of such period of time as the Board of Managers shall deem advisable, the balance of such reserves remaining after payment of such contingencies shall be distributed in the manner hereinafter set forth in this Section 5.2(c);

ii. the balance to the Members in accordance with the Members' positive Capital Accounts; and

iii. Distribution of cash or property to the Members in accordance with the provisions of this Section 5.2(c) shall constitute a complete return to the Members of their respective interests in the Company assets. Each Member shall look solely to the assets of the Company for the return of its investment in the Company, and it shall have no recourse against any Manager or any Member if the net assets of the Company remaining for distribution as hereinabove provided are insufficient to return its investment.

(d) *Distribution In-Kind.* If any assets of the Company shall be distributed in kind, such assets shall be distributed to the Member(s) entitled thereto as tenants-in-common in the same proportions as such Member(s) would have been entitled to cash distributions as if (i) such assets had been sold for cash by the Company at the fair market value of such property (taking Code Section 7701(g) into account) on the date of distribution; (ii) any unrealized income, gain, loss and deduction inherent in such property (that has not been reflected in the Capital Accounts previously) that would be realized by the Company from such sale were allocated among the Member(s); and (iii) the cash proceeds were distributed to the Member(s) in accordance with this Section 5.2. The Capital Accounts of the Member(s) shall be increased by the amount of any unrealized income or gain inherent in such property or decreased by the amount of any loss or deduction inherent in such property that would be allocable to them, and shall be reduced by the fair market value of the assets distributed to them under the preceding sentence.

### 5.3 Regulatory Allocations.

(a) *Minimum Gain Chargeback.* If there is a net decrease in Company Minimum Gain during a Company fiscal year so that an allocation is required by Treasury Regulations Section 1.704-2(f), then each Member shall be specially allocated items of income and gain for such year (and, if necessary, subsequent fiscal years) equal to such Member's share of the net decrease in Company Minimum Gain as determined by Treasury Regulations Section 1.704-2(g). Such allocations shall be made in a manner and at a time which will satisfy the minimum gain chargeback requirements of Treasury Regulations Section 1.704-2(f) and this Section 5.3(a) shall be interpreted consistently therewith.

(b) *Nonrecourse Deductions.* Nonrecourse Deductions for any fiscal year or other period (not including any Member Nonrecourse Deductions allocated pursuant to Section 5.3(d)) shall be allocated among the Members in proportion to their respective Percentage Interests.

(c) *Excess Nonrecourse Liabilities.* Solely for purposes of determining each Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of

Treasury Regulations Section 1.752-3(a)(3), each Member's interest in Company profits shall be equal to his, her or its Percentage Interest.

(d) *Member Nonrecourse Deductions.* Any Member Nonrecourse Deductions attributable to Member Nonrecourse Debt for any fiscal year or other period shall be allocated to the Member who bears the economic risk of loss with respect to the liability (within the meaning of Treasury Regulations Section 1.752-2) in accordance with Treasury Regulations Section 1.704-2(i)(1).

(e) *Member Minimum Gain Chargeback.* If there is a net decrease in Member Nonrecourse Debt Minimum Gain during any fiscal year, then each Member who has a share of such Member Nonrecourse Debt Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(i)(5), shall be specially allocated items of income and gain of the Company, determined in accordance with Treasury Regulations Section 1.704-2(j)(2)(ii), for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to each such Member's share of the net decrease in such Member Nonrecourse Debt Minimum Gain in the manner and to the extent required by Treasury Regulations Section 1.704-2(i)(4).

(f) *Qualified Income Offset.* If any Member unexpectedly receives an adjustment, allocation, or distribution described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of income and gain shall be specially allocated to all such Members in an amount and manner sufficient to eliminate, as quickly as possible and to the extent required by Treasury Regulations Section 1.704-1(b)(2)(ii)(d), the Adjusted Capital Account Deficit of such Member, provided that an allocation pursuant to this Section 5.3(f) shall be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article 4 have been tentatively made as if this Section 5.3(f) were not included herein.

(g) *Basis Adjustment.* To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to either of Code Sections 734(b) or 743(b) is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Treasury Regulations.

(h) *Limitation on and Reallocation of Losses.* At no time shall any allocations of Losses, or any item of loss or deduction, be made to a Member if and to the extent such allocation would cause such Member to have, or would increase the deficit in, any Adjusted Capital Account Deficit of such Member at the end of any fiscal year. To the extent any Losses or items are not allocated to one or more Members pursuant to the preceding sentence, such Losses shall be allocated to the Members to which such losses or items may be allocated without violation of this Section 5.3(g).

5.4 Curative Allocations. The allocations set forth in Section 5.3 (collectively the "Regulatory Allocations") are intended to comply with certain requirements of Treasury Regulations Sections 1.704-1 and 1.704-2 and shall be interpreted consistently therewith. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other Profits, Losses, and items of Company income, gain, loss, or deduction pursuant to this Section 5.4. Therefore, notwithstanding any other provision of this Article V (other than the Regulatory Allocations), the Board of Managers shall make such offsetting special allocations of Company Profits, Losses and items of income, gain, loss, or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations

were not in effect. In exercising their discretion under this Section 5.4, the Board of Managers shall take into account future Regulatory Allocations that, although not yet made, are likely to offset other Regulatory Allocations previously made.

#### 5.5. Tax and Book Allocations.

(a) Except as otherwise provided in this Section 5.5, for federal income tax purposes, each item of income, gain, loss and deduction shall, to the extent appropriate, be allocated among the Members in the same manner as its correlative item of “book” income, gain, loss or deduction has been allocated as provided in Section 5.1.

(b) Income, gain, loss or deduction with respect to any property contributed by a Member shall, solely for tax purposes, be allocated among the Members, to the extent required by Code Section 704(c) and the related Treasury Regulations under Code Sections 704(b) and 704(c), to take account of the variation between the adjusted tax basis of such property and its Book Value at the time of its contribution to the Company. Such allocation shall be made by the Board of Managers in any manner which is permissible under Code Section 704(c) and the Treasury Regulations thereunder.

(c) If the Book Value of any Company property is adjusted, pursuant to paragraph (ii) or (iv) of the definition of “Book Value” contained in Section 8 hereof, then subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Book Value using any permitted method under Code Section 704(c) and the Treasury Regulations thereunder as determined by the Board of Managers. In the event that the Capital Accounts of the Members are so adjusted to reflect revaluations of the Company’s property, (i) the Capital Accounts of the Members shall be adjusted in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g) for allocations of depreciation, depletion, amortization and gain or loss, as computed for book purposes, with respect to such property, and (ii) the amount of upward and/or downward adjustments to the Book Value of the Company property shall be treated as income, gain, deduction and loss for purposes of applying the allocation provisions of this Article 5. In the event that Code Section 704(c) applies to any property of the Company, the Capital Accounts of the Members shall be adjusted in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g) for allocations of depreciation, depletion, amortization and gain and loss, as computed for book purposes, with respect to such property.

#### 5.6. Other Allocation Rules.

(a) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Board of Managers using any permissible method under Code Section 706 and the Treasury Regulations thereunder. Except as otherwise provided herein, all items of income, gain, loss, and deduction and any other allocations not otherwise provided for shall be divided among the Members in the same proportions as they share Profits or Losses for the fiscal year in question.

(b) If the Percentage Interest of any Member changes during any year, whether by reason of the grant or issuance of additional Units in the Company, transfers of Units in the Company, distributions from Capital Accounts or otherwise, the allocations prescribed by the Article 4 shall be based upon an interim closing of the Company’s books at the time of any such change; provided, however, that the Board of Managers may utilize any other method permitted under Section 706 of the Code and the Treasury Regulations promulgated thereunder if an interim closing of the books with respect to any item of income or expense, or any other item, would be impracticable or inequitable.

### 5.7. Tax Withholding.

(a) The Company shall at all times be entitled to make payments with respect to any Member in amounts required to discharge any obligation of the Company to withhold from a distribution otherwise payable to such Member or with respect to amounts allocable to such Member or to make any other payments to any governmental authority with respect to any foreign, federal, state or local tax or withholding liability arising as a result of such Member's interest in the Company (a "Withholding Payment"). Any Withholding Payment made from funds withheld upon a distribution will be treated as distributed to such Member for all purposes of this Agreement.

(b) Any "imputed underpayment" within the meaning of Code Section 6225 paid (or payable) by the Company as a result of an adjustment with respect to any Company item, including any interest or penalties with respect to any such adjustment (collectively, an "Imputed Underpayment Amount"), shall be treated as if it were paid by the Company as a Withholding Payment with respect to the appropriate Members. The Board of Managers shall reasonably determine the portion of an Imputed Underpayment Amount attributable to each Member or former Member. The portion of the Imputed Underpayment Amount that the Board of Managers attributes to a Member shall be treated as a Withholding Payment with respect to such Member. The portion of the Imputed Underpayment Amount that the Board of Managers attribute to a former Member of the Company shall be treated as a Withholding Payment with respect to both such former Member and such former Member's transferee(s) or assignee(s), as applicable, and the Board of Managers may in their discretion exercise the Company's rights pursuant to this Section in respect of either or both of the former Member and its transferee or assignee. Imputed Underpayment Amounts treated as Withholding Payments also shall include any imputed underpayment within the meaning of Code Section 6225 paid (or payable) by any entity treated as a partnership for U.S. federal income tax purposes in which the Company holds (or has held) a direct or indirect interest other than through entities treated as corporations for U.S. federal income tax purposes to the extent that the Company bears the economic burden of such amounts, whether by law or agreement.

## ARTICLE VI

### Company Expenses and Compensation of the Managers

Subject to Section 7.2 below, the Managers shall not receive a salary from the Company except as may be determined by the Board of Managers. The Company shall pay employees, advisors, independent contractors, consultants, agents and all other Persons performing services for or on behalf of the Company such wages, fees, expenses, reimbursements, equity grants and other compensation as may be determined by the Board of Managers. The Board of Managers may elect to execute written agreements with any of the foregoing people but are not obligated to do so.

## ARTICLE VII

### Relationship of Managers, the Company and Others

7.1. Other Activities of Managers and Members. Except as otherwise specifically provided herein or in any separate written agreement, but subject to Section 13.2 hereof, a Member or a Manager may have business interests and engage in business activities in addition to those connected with the Company, which interests and activities may be in one or more industries similar to or different from those of the Company.

7.2. Business Activities with Affiliates. The Managers may from time to time in the conduct of Company affairs consult with, utilize the services of, or otherwise engage in business activities with a Manager or Member, or one or more Affiliates of a Manager or Member. To the extent the cost of such

services is to be borne by the Company, such engagement shall only be on a basis which is not less favorable than the Company would obtain in an arms' length transaction, if comparable third parties or transactions are reasonably available, or which is reasonably determined by the disinterested Manager to be in the best interests of the Company. The interested Member, Manager or Affiliate shall disclose any such engagement to the Company and the disinterested Managers prior to entering into an agreement in connection therewith and the Members shall have the right, upon written request to the Company, to receive copies of all agreements relating to each such engagement before or after the execution thereof.

## ARTICLE VIII

### Transfers; Involuntary Transfers; Right of First Refusal; Tag Along Rights

8.1. General Restriction on Transfer. Except as otherwise provided in this Article VIII:

(a) Unless otherwise permitted by this Article VIII, no Units may be sold, assigned, encumbered, pledged, mortgaged, exchanged, given away, or in any other way disposed of or transferred, in whole or in part, voluntarily or involuntarily, by operation of law, pursuant to judicial process or otherwise (each a "Transfer"), except with the unanimous approval of the Permanent Managers, such approval to be granted or denied in the Managers' sole and absolute discretion.

(b) Every Transfer of Units as a Member of the Company permitted by this Article VIII, shall nevertheless be subject to the following:

(i) No Transfer of any Units in the Company may be made if such Transfer would cause or result in a breach of any agreement binding upon the Company or of then applicable rules and regulations of any governmental authority having jurisdiction over the Company or such transfer. The Board of Managers may require as a condition of any Transfer that the Transferring Member (as defined in Section 8.5(a)) assume all costs incurred by the Company in connection therewith and furnish an opinion of counsel, satisfactory to the Company both as to counsel and opinion, that the proposed Transfer complies with applicable law, including federal and state securities laws.

(ii) Notwithstanding anything contained herein to the contrary, no Units shall be Transferred if, by reason of such Transfer, the classification of the Company for federal income tax purposes would be adversely affected or jeopardized, or if such Transfer would have any other substantial adverse effect for federal income tax purposes.

(iii) Upon the admission or withdrawal of a Member, this Agreement shall be amended appropriately to reflect the then existing names and addresses of the Members and their respective Units and Percentage Interests.

(c) A Transferring Member shall, if the transferee is a Member hereunder or if the transferee becomes a Member pursuant to the provisions of this Agreement, be relieved of liability under this Agreement with respect to the Transferred Units arising or accruing on or after the effective date of the Transfer.

(d) Any Person who acquires in any manner whatsoever a Unit (or any part thereof) in the Company, whether or not such Person has accepted and assumed in writing the terms and provisions of this Agreement or been admitted into the Company as a Member as provided in Section 8.1(b), shall be deemed, by acceptance of the acquisition thereof, to have agreed to be subject to and bound by all of the obligations of this Agreement with respect to such interest and shall be subject to the provisions of this Agreement with respect to any subsequent Transfer of such Units.

(e) Any Transfer in contravention of the provisions of this Agreement shall be null and void and ineffective to Transfer any interest in the Company, and shall not bind, or be recognized by, or on the books of, the Company, and any transferee or assignee in such transaction shall not be or be treated as or deemed to be a Member for any purpose. In the event any Member shall at any time attempt to Transfer an interest in the Company in contravention of the provisions of this Agreement, then each other Member shall, in addition to all rights and remedies at law and equity, be entitled to a decree or order restraining and enjoining such transaction, and the offending Member shall not plead in defense thereto that there would be an adequate remedy at law; it being expressly hereby acknowledged and agreed that damages at law would be an inadequate remedy for a breach or threatened breach of the violation of the provisions concerning such transactions set forth in this Agreement.

8.2. Permitted Transfers. The following Transfers shall be permitted without the unanimous approval of the Managers otherwise required by this Article VIII:

(a) Units may be Transferred to an Affiliate controlling or controlled by any Transferring Member that is not an individual; and

(b) Units may be Transferred to a trust or similar estate, tax or administrative planning vehicle for the benefit of one or more members of the immediate family of the Transferring Member so long as such Transferring Member retains control of all voting rights related to such trust or other vehicle during such Member's lifetime.

8.3. Involuntary Transfers.

(a) Notwithstanding the foregoing provisions of this Article VIII, but subject to this Section 8.4 below, upon the Transfer of all or part of a Member's Units by operation of law, death, termination, dissolution, bankruptcy, divorce, court order or other judicial proceedings, foreclosure or attachments of a lien or security interest or other Transfer event not initiated by a Member (an "Involuntary Transfer"), the estate or immediate legal successor or representative of such Member or its estate (or the respective beneficiaries), as determined under applicable law, may succeed to such Member's Units, subject to the terms, conditions and restrictions of this Agreement. In the event of an Involuntary Transfer, the Company and, shall the Company not exercise such right, the other Members (on a pro rata basis, unless otherwise agreed) shall first have the right to purchase such Units from the estate or immediate legal successor or representative of such Member under the terms in Section 8.4 below, with the Purchase Price being the appraisal value pursuant to Section 8.8(c) herein, and the payment of the Purchase Price by the Company shall be made pursuant to Section 8.8(d). Without limitation of this Section 8.3, (i) the restrictions of this Article VIII shall apply to any transferee in an Involuntary Transfer to the same extent that, under the circumstances, such restrictions would have applied to the deceased, terminated, dissolved, bankrupt, divorced or foreclosed Member, and (ii) such Person shall, as a condition to holding such Units, within ten (10) days after notice of demand from the Board of Managers, execute a written agreement satisfactory to the Board of Managers acknowledging that such Person shall be bound by, and take the applicable Units subject to, the obligations, conditions and restrictions of this Agreement as same applies to Members and their respective Units. This provision shall not imply or be construed as permitting a Member to pledge or otherwise grant a security interest in or upon Units except by complying with all provisions in this Agreement relating to a Transfer of such Units, and the parties hereto acknowledge and agree that a pledge or grant of a security interest is a type of transaction that falls with the definition of "Transfer" under this Agreement.

(b) The Company may, in the discretion of the Board of Managers, purchase life insurance policies on the lives of any Members, at the Company's expense, with the Company listed as the beneficiary thereunder. Each Member agrees to cooperate with the Company if the Company wishes to obtain any such



life insurance policy, including submission to a customary physical. In the case of an Involuntary Transfer due to death, the net amount of proceeds, if any, received by the Company under all life insurance policies shall be credited towards the purchase price of the deceased Member's Units. In the event the life insurance proceeds exceeds the purchase price for the deceased Member's Units, the Company shall be entitled to keep the surplus.

#### 8.4. Right of First Refusal.

(a) A Member may Transfer the whole or any portion of his or its Units without the unanimous approval of the Managers otherwise required under Section 8.1(a) above (but shall in any event be subject to Sections 8.1(b)-(e) hereof) if such Member (the "Offering Member") first obtains a bona fide offer for the purchase of the entire interest to be transferred (a "Bona Fide Offer") and makes the interest which is the subject of the Bona Fide Offer available, first to the Company, then to the Founders, and then to the other Members, on a first refusal basis upon the same terms and provisions as are set forth in such Bona Fide Offer, in the manner hereinafter provided.

(b) The Offering Member shall furnish a true and complete copy of the Bona Fide Offer to the Company, together with full and fair disclosure of any material information available as to the proposed transaction and the parties thereto. The Company shall have a period of thirty (30) days thereafter within which to elect, by written notice to the Offering Member (the "Exercise Notice"), to purchase all of the Units to be transferred at the price (the "Purchase Price") and upon the terms set forth in the Bona Fide Offer. If the Company does not submit an Exercise Notice, the Offering Member next shall furnish a true and complete copy of the Bona Fide Offer to the then Founders, together with full and fair disclosure of any material information available as to the proposed transaction and the parties thereto. The Founders, individually, shall have a period of thirty (30) days thereafter within which to elect, by written Exercise Notice, to purchase all of the Units to be transferred at the Purchase Price and upon the terms set forth in the Bona Fide Offer. If the Company and the Founders do not submit an Exercise Notice, the Offering Member next shall furnish a true and complete copy of the Bona Fide Offer to the remaining Members, together with full and fair disclosure of any material information available as to the proposed transaction and the parties thereto. The remaining Members, individually, shall have a period of thirty (30) days thereafter within which to elect, by sending an Exercise Notice to the Offering Member, to purchase all of the Units to be transferred at the Purchase Price and upon the terms set forth in the Bona Fide Offer.

(c) If an Exercise Notice is timely submitted, such Units shall be purchased by the Company, the Founders or by the other Member or Members, as applicable (such Founders or other Member(s), as the case may be, the "Purchasing Member(s)") pro rata in proportion to their Percentage Interest listed on Schedule A attached hereto, or as otherwise agreed by the Purchasing Members.

(d) If the interest of the Offering Member is purchased pursuant to this Section 8.4, the closing shall take place at the principal office of the Company on the date specified for such closing, and as otherwise specified, in the Exercise Notice (which date shall not be earlier than ten nor more than thirty days after the delivery of such Exercise Notice to the Offering Member). At the closing, the Purchase Price shall be paid by the Company or the Purchasing Member(s) upon the terms set forth in the Bona Fide Offer and the Offering Member shall execute and deliver such instruments as may be required to vest in the Company or the Purchasing Member(s) the interest to be sold, free and clear of all liens, claims and encumbrances. All names, trade names, confidential information, trade secrets or financial or other data of the Company shall be the property of the Company, and the Offering Member shall not disclose or use to the detriment of the Company or the Purchasing Member(s) any of the foregoing; provided that the Offering Member may make such disclosures as he, she, or it reasonably believes may be required by law, regulation, or rule of any governmental authority or any court order or other legal process. The Board of Managers may require, as a condition to any Transfer pursuant to this Section 8.4 (either to the Company, the

Purchasing Member(s) or to a third party), that the Offering Member execute and deliver to the Company a release of the Company, in form and substance reasonably satisfactory to the Board of Managers.

(e) If the Units of the Offering Member shall not be purchased by the Company or the Purchasing Member(s) as aforesaid, the Offering Member may sell such interest to the maker of the Bona Fide Offer, but only upon the terms and provisions originally set forth in the Bona Fide Offer, provided such sale satisfies the following requirements:

(i) Such sale is concluded within ninety days after the failure of the parties to deliver an Exercise Notice in accordance with Section 8.4(b); and

(ii) The maker of the Bona Fide Offer shall enter into a valid and binding agreement the effect of which will be that any Unit which is so transferred shall continue to remain subject to the provisions of this Agreement with the same force and effect as if such Person had originally been a part hereto.

(f) This Section 8.4 shall be subject and subordinate to Section 8.6.

8.5. Reserved.

8.6 Drag Along Rights.

(a) In the event of a Sale involving a bona fide negotiated transaction with a third party willing to purchase 100% of the Units of the Company (in each case, the “Buyer”) is proposed by the Members owning a majority of the Units (the “Requesting Members”) and approved by the Board of Managers, each Member shall be obligated, upon the written request of the Requesting Members, which request shall set forth the material terms of such Sale, to: (i) Transfer or cause to be Transferred to the Buyer all of such Member’s Units on substantially the same terms applicable to all of the other Members, subject to receipt of the stated consideration; and (ii) execute and deliver such instruments of conveyance and transfer and take such other action, including voting by such Member in favor of any proposed Sale and executing any purchase agreements, indemnity agreements, escrow agreements or related documents, as the Buyer or the Requesting Members may reasonably require in order to carry out the terms and provisions of this Section 8.6; provided that (A) such Member shall not be obligated to make any representation in connection with such Sale other than with respect to his title to the Units to be Transferred and authority to Transfer such Units; (B) the Sale referred to in this Section 8.6 contemplates that each Member will receive the same consideration per Unit owned as the consideration received by any other Member for a Unit of the same class; and (C) such Member shall participate pro rata on a several but not joint basis with all other Members with respect to indemnities and escrows, including any limitation of liability with respect thereto.

(b) Not less than twenty (20) days prior to the date proposed for the closing of any such proposed Sale, the Requesting Members shall give written notice to each Member (other than the Requesting Member(s)), setting forth in reasonable detail the name of the Buyer, the terms and conditions of the proposed Sale, including the purchase price and the proposed closing date.

(c) In furtherance of the provisions of this Section 8.6, each of the Members hereby (i) irrevocably appoints each member of the Board of Managers as his agent and attorney-in-fact (each, an “Agent”) (each with full power of substitution) to execute all agreements, instruments and certificates and take all actions necessary or desirable to effectuate any Sale under this Section 8.6; and (ii) grants to the Agent a proxy (which shall be deemed to be coupled with an interest and to be irrevocable) to vote the Units held by such Member and exercise any consent rights applicable thereto in favor of any Sale under this Section 8.6, in each case in accordance with the provisions and subject to the limitations of this Section 8.6;

provided that no Agent shall exercise such powers-of-attorney or proxies with respect to any Member unless such Member is in breach of his obligations under this Section 8.6.

8.7. Continuation of Restrictions. In the event of a merger, consolidation or other reorganization of the Company that does not result in a change of control of the Company (on the basis of a majority of the Percentage Interests), then the securities or other property received by each Member as a result thereof shall remain subject to the same restrictions as are contained in this Article VIII as if such merger, consolidation or other reorganization had not occurred.

8.8. Optional Repurchase by Company.

(a) *Disability*. In the event of (i) the Permanent Disability (as hereinafter defined) of a Member; (ii) a Member ceasing to exercise, directly or indirectly, sole voting and dispositive power over his Units (unless transferred in accordance with the provisions of Article VIII); or (iii) the termination, whether voluntary or involuntary or with or without Cause, of a Member's employment or advisory relationship with the Company, the Company, by written notice to such Member (the "Dissociated Member") or the personal representative of the Dissociated Member, as the case may be, shall have the option to purchase all of the Units of the Dissociated Member for the purchase price calculated in accordance with Section 8.8(c) hereof. "Permanent Disability" shall mean an injury or sickness which renders such Member incapable, as determined by a physician selected by the Company and the Dissociated Member or his legal representative, as applicable, whether physically or mentally, of performing all or substantially all of such Member's material duties to the Company for a period in excess of 180 consecutive days or 180 days within any 12 month period.

(b) *Cause*. A Member shall become a Dissociated Member if he commits an act or omission that constitutes Cause and the Company shall have the option to purchase all of the Units of such Dissociated Member under the same terms in this Section 8.8. Members holding two-thirds (2/3) of the Units of the Company, excluding the Member whose conduct is being reviewed but including the remaining Founders, must agree in writing whether a Member's actions rise to the level of Cause.

(c) *Value*. Subject to the last sentence of this Section 8.8(c), the aggregate purchase price for a Dissociated Member's Units shall be mutually agreed upon by the Company and the Dissociated Member. In the event that the Company and the Dissociated Member cannot agree on a purchase price within thirty (30) days after the event of dissociation, the Company and the Dissociated Member shall each select an appraiser, and those two appraisers shall select a third appraiser who alone shall determine the purchase price for the Unit. The selection of an appraiser by each party shall be made within ten (10) after the expiration of the thirty (30) day period referred to above, and the selection of the third appraiser shall be made within an additional ten (10) days. The third appraiser shall have thirty (30) days from the date of his or her selection to complete the appraisal of the Dissociated Member's portion of the Unit. The Company and the Dissociated Member agree that the determination of such appraiser shall be final and binding in all respects on all parties. The costs of such appraisal shall be borne equally by the Company and the Dissociated Member. Notwithstanding the foregoing in this Section 8.8(c), if (i) a Member who is also an employee or advisor is terminated for Cause; (ii) a Member becomes a Dissociated Member due to an act or omission that constitutes Cause; or (iii) a Member attempts to transfer his Units in violation of Article VIII, the purchase price for the Units of the Dissociated Members described in the foregoing clauses (i) through (iii) shall be the Book Value.

(d) *Payment*. The purchase price for the Dissociated Member's Units to be purchased by the Company in accordance with the provisions of this Agreement shall be paid twenty-five percent (25%) in cash and seventy-five percent (75%) via a promissory note payable in equal monthly installments over a period of five (5) years, with interest accruing at the applicable federal rate.

ARTICLE IX  
Member Representations

9.1. Securities Laws Representations. The following provisions shall apply in respect of the acquisition of the Units in the Company by the Members:

(a) No registration statement relating to the Units in the Company or otherwise has been or shall be filed with the United States Securities and Exchange Commission under the Federal Securities Act of 1933, as amended, and with any other governmental or regulatory agency under any securities laws or so-called “blue-sky” laws of any state (collectively, the “Securities Laws”).

(b) Each Member represents and warrants to each other Member, to each Manager and to the Company that:

(i) Such Member has the power and authority to execute and comply with the terms and provisions hereof.

(ii) Such Member’s interest in the Company has been or will be acquired solely by and for the account of such Member for investment purposes only.

(iii) Such Member’s interest in the Company has not and will not be registered under the Securities Laws of any state, and cannot be sold or transferred without compliance with the registration provisions of the applicable Securities Laws, or compliance with exemptions, if any, available thereunder. Such Member understands that neither the Company nor any Member nor any Manager has any obligation or intention to register the Units under any Federal or state securities act or law, or to file the reports to make public the information required by Rule 144 under the Securities Act of 1933, as amended.

(iv) Such Member expressly represents that (1) he has such knowledge and experience in financial and business matters in general, and in investments of the type to be made by the Company in particular; (2) he is capable of evaluating the merits and risks of an investment in the Company; (3) his financial condition is such that it has no need for liquidity with respect to its investment in the Company to satisfy any existing or contemplated undertaking or indebtedness; (4) he is able to bear the economic risk of its investment in the Company for an indefinite period of time, including the risk of losing all of such investment, and loss of such investment would not materially adversely affect it; and (5) he has either secured independent tax advice with respect to the investment in the Company, upon which it is solely relying or it is sufficiently familiar with the income taxation of partnerships and limited liability companies that it has deemed such independent advice unnecessary.

9.2. Representations Regarding Cannabis Business. Each Member hereby represents and warrants to the Company that:

(a) None of the Member or any of its Affiliates has been the subject of any criminal action under the laws of Massachusetts, or another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority, whether for a felony or misdemeanor including, but not limited to, action against any health care facility or facility for providing marijuana for medical or recreational purposes, in which it or they either owned shares of stock or served as board member, executive, officer, director or member, and which resulted in conviction, or guilty plea, or plea of nolo contendere, or admission of sufficient facts;

- (b) None of the Member or any of its Affiliates has been a party to any civil action under the laws of Massachusetts, another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority, including, but not limited to a complaint relating to any professional or occupational or fraudulent practices;
- (c) None of the Member or any of its Affiliates has been the subject of any past or pending legal or enforcement actions in any other state related to the cultivation, processing, distribution, or sale of marijuana for medical or recreational purposes;
- (d) None of the Member or any of its Affiliates has been the subject of any administrative action, including any complaint, order or disciplinary action, by the Commonwealth of Massachusetts, or like action by another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority, including, but not limited to any complaint or issuance of an order relating to the denial, suspension, or revocation of a license, registration, or certification;
- (e) None of the Member or any of its Affiliates has been the subject of any administrative action, including any complaint, order or disciplinary action, by the Commonwealth of Massachusetts, or a like action by another state, the United States or foreign jurisdiction, or a military, territorial, Native American tribal authority or foreign jurisdiction, with regard to any professional license, registration, or certification;
- (f) Except as disclosed in writing to the Company, none of the Member or any of its Affiliates has past or present interests in marijuana businesses in other states within the meaning of 935 CMR 500.101(1)(a)(3);
- (g) All the funds used to purchase the Units were lawfully earned or obtained within the meaning of 935 CMR 500.101;
- (h) None of the Member or any of its Affiliates controls the decision-making of another Marijuana Establishment within the meaning of 935 CMR 500.050. For purposes of that regulation, “control” includes, but may not be limited to:
  - (i) actual control of more than 50% of the voting equity or having the power to appoint more than 50% of the directors;
  - (ii) contract rights to control; or
  - (iii) right to veto significant events.

The Member acknowledges that the phrase “contract rights to control” may include, but is not limited to, certain contractual rights that landlords, licensors and persons or entities in other common commercial arrangements often have.

## ARTICLE X Amendments

Except to the extent specifically set forth herein, this Agreement may be altered or amended only by the Majority Vote of the Board of Managers and the approval of holders of Members holding at least sixty-six percent (66%) of the Percentage Interests. Any amendment to this Agreement approved in accordance with the terms of this Article X shall be binding upon all Members, whether or not they consented to or joined in such amendment, and the Managers, or any of them, shall have the right to execute and deliver any amendment to this Agreement approved in accordance with the terms hereof, in the name and on behalf of any such Member. Any amendment so approved shall for all purposes, including, without limitation, the purposes of the Act, have the same force and effect as an amendment manually signed and delivered by all of the Member.

## ARTICLE XI Dissolution. Winding Up and Termination

11.1. Dissolution. Subject to the provisions herein, the Company shall be dissolved and its affairs shall be wound up at any time there are no members of the Company or upon the occurrence of any of the following events:

- (a) the affirmative vote of all the Permanent Managers;
- (b) the unanimous written consent of all of the Members; or
- (c) the entry of a decree of judicial dissolution has occurred under the Act.

11.2. Liquidation. Upon the dissolution of the Company, the Managers, or, in the event that there are no Managers, a Person or Persons approved by a majority of the Percentage Interests as the “Liquidating Trustee” shall immediately commence to wind up the affairs of the Company; provided, however, that a reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of liabilities to creditors so as to enable the Members to minimize the normal losses attendant upon a liquidation. The proceeds of liquidation shall be distributed, as realized, as provided in Section 5.2(c).

Upon dissolution, the Managers or the Liquidating Trustee, as the case may be, may (i) liquidate all or a portion of the assets of the Company and apply the proceeds in accordance with this Section 11.2, and (ii) value the company according to the terms of Section 8.8(c) hereof and distribute such assets in accordance with this Section 11.2 as though such assets had been sold on the date of distribution; provided, however, that the Managers or the Liquidating Trustee shall in good faith attempt to liquidate sufficient Company assets to satisfy in cash the debts and liabilities of the Company.

11.3. Termination. The Company shall terminate when all the assets of the Company, if any, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Members in the manner provided for in this Article XI, and the Certificate of Organization shall have been canceled in the manner required by the Act.



## ARTICLE XII

### Records; Reports; Member Meetings

12.1. Fiscal Year and Records. The fiscal year of the Company shall be the calendar year. The Board of Managers shall keep or cause to be kept complete and accurate books and records reflecting all activities of the Company. Such books and records of the Company shall be kept at its principal office, and the Members and their representatives shall at all reasonable times have access thereto for the purpose of inspecting or copying the same, subject to Section 13.1 below. The books of account of the Company shall be kept on the same basis as that followed by the Company for federal income tax purposes.

12.2. Reports. The Board of Managers shall cause to be prepared the Company's appropriate state and federal income tax returns and shall furnish the appropriate information tax returns to each Member as soon as practicable after the end of each year. The Board of Managers shall prepare or cause to be prepared and shall furnish to each Member such other summary financial information of the Company as the Board of Managers may determine in their discretion.

12.3. Member Meetings. Any Founder or Manager may call a meeting of the Members, each by giving notice specifying the date, time and place thereof to the Members not less than three (3) business days prior to each such meeting.

## ARTICLE XIII

### Miscellaneous

13.1. Confidentiality. Unless otherwise required by law, each Member shall, and shall cause each of its Affiliates to, maintain, at all times from and after the date of such Member's execution of this Agreement (including after any time such Person ceases to be a Member), the confidentiality of all information furnished to it pertaining to the Company, other than information that such Member can demonstrate (a) is generally known to the public (other than as a result of dissemination by such Member or its Affiliates), (b) was obtained by such Member from a third party who is not prohibited from transmitting the information to such Member by a contractual, legal or fiduciary obligation to the Company, or (c) that the Board of Managers have consented to in writing; provided, however, that the prohibitions set forth in this Section 13.1 shall not apply to any information that a Member is required by law to disclose, so long as such Member provides the Company with as much prior notice as is practicable to the extent such notice is legally permissible.

13.2. Non-Competition and Non-Solicitation. Notwithstanding anything contained herein to the contrary, and except as set forth in a separate written agreement with the Company, no Manager or Member shall, while a Manager or Member and for a period of twelve (12) months thereafter, anywhere in the Commonwealth of Massachusetts (or for such smaller area as may be determined by a court of competent jurisdiction to be a reasonable limitation on such persons' competitive activity), directly or indirectly, (i) engage in any activity competitive with the business conducted by the Company; (ii) solicit or attempt to solicit business of any customers of the Company for products or services the same or similar to those offered, sold or produced at any time by the Company; (iii) otherwise divert or attempt to divert from the Company any business whatsoever; (iv) solicit or attempt to solicit for any business endeavor any employee or prior employee of the Company; or (v) interfere with any business relationship between the Company and any other individual or entity.

13.3. Counterparts. This Agreement may be executed in two or more counterparts with the same effect as if the parties executing the several counterparts had all executed one counterpart; provided, however, that the several counterparts, in the aggregate, shall have been executed by all of the Members.

Any Person agreeing in writing to be bound by the provisions of this Agreement shall be deemed to have executed a counterpart of this Agreement for all purposes hereof.

13.4. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts without giving effect to any conflict or choice of law provisions that would make applicable the domestic substantive law of any other jurisdiction. The state courts located in the Commonwealth of Massachusetts shall have exclusive jurisdiction over any disputes arising hereunder, and all Members hereby irrevocably consent to the personal jurisdiction of such venue, and hereby waive any argument that such venue is inappropriate based on forum non convenience.

13.5. WAIVER OF JURY TRIAL. **TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, EACH MEMBER WAIVES, AND COVENANTS THAT SUCH MEMBER WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM OR PROCEEDING ARISING OUT OF THIS AGREEMENT OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH THE DEALINGS OF ANY MEMBER OR THE COMPANY IN CONNECTION WITH ANY OF THE ABOVE, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER IN CONTRACT, TORT OR OTHERWISE.** The Company or any Member may file an original counterpart or a copy of this Section 13.5 with any court as written evidence of the consent of the Members to the waiver of their rights to trial by jury.

13.6. Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (i) if personally delivered, on the date of delivery, (ii) if delivered by express courier service of national standing for next day delivery (with charges prepaid), on the business day following the date of delivery to such courier service, (iii) if deposited in the United States mail, first-class postage prepaid, on the date of delivery, (iv) if delivered by telecopy, provided the relevant transmission report indicates a full and successful transmission, (x) on the date of such transmission, if such transmission is completed at or prior to 5:00 p.m., local time of the recipient party, on the date of such transmission, and (y) on the next business day following the date of transmission, if such transmission is completed after 5:00 p.m., local time of the recipient party, on the date of such transmission, or (v) if delivered by Internet mail, provided the relevant computer record indicates a full and successful transmission or no failure message is generated (x) on the date of such transmission, if such transmission is completed at or prior to 5:00 p.m., local time of the recipient party, on the date of such transmission, and (y) on the next business day following the date of transmission, if such transmission is completed after 5:00 p.m., local time of the recipient party, on the date of such transmission. All notices shall be given: (i) if to the Board of Managers or the Company, to the Board of Managers at the address or telecopy number set forth on Schedule A; and (ii) if to any Member, to it at its, his or her address or telecopy number set forth on Schedule A.

13.7. Waiver of Partition. Each Member hereby waives any rights to partition the property of the Company.

13.8. Successors. This Agreement shall be binding on the executors, administrators, estates, heirs, legal representatives, successors and assigns of each of the Members.

13.9. Non-Waiver. No provision of this Agreement shall be deemed to have been waived unless such waiver is contained in a written notice given to the party claiming such waiver occurred; provided, however, that no such waiver shall be deemed to be a waiver of any other or further obligation or liability of the party or parties in whose favor the waiver is given.

13.10. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

13.11. Severability. If any provision of this Agreement is held to be invalid or unenforceable for any reason, the remaining provisions will continue in full force without being impaired or invalidated in any way. The parties agree to replace any invalid provision with a valid provision which most closely approximates the intent and economic effect of the invalid provision.

#### ARTICLE XIV Additional Definitions

In addition to those terms defined elsewhere in this Agreement, the following terms shall have the meanings specified:

“Adjusted Capital Account Deficit” means, with respect to any Member, the deficit, if any, in such Member’s Capital Account as of the end of the relevant fiscal year or other period, after (i) credit to such Capital Account any amounts which such Member is obligated to restore or is deemed to be obligated to restore as described in the penultimate sentence of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i); and (ii) debit to such Capital Account the items described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5), and (6). The foregoing definition is intended to comply with the provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

“Affiliate” or “Affiliates” means, with respect to any Person, (a) any other Person or Persons of which such Person is an officer, director, advisory board member, member or manager, and (b) any other Person or Persons that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person.

“Book Value” means, with respect to any asset of the Company, such asset’s adjusted basis for federal income tax purposes, except that: (i) the initial Book Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as such value is determined under this Agreement; (ii) the Book Value of all assets of the Company shall be adjusted to equal their respective gross fair market values, as determined by the Board of Managers at and as of the following times: (A) the acquisition of an additional or new interest in the Company by a new or existing Member in exchange for other than a de minimis Capital Contribution by such Member; (B) the distribution by the Company to a Member of more than a de minimis amount of any asset of the Company (including cash or cash equivalents) as consideration for all or any portion of an interest in the Company; (C) the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g); and (D) any other instance in which such adjustment is permitted under Treasury Regulations Section 1.704-1(b)(2)(iv) (e.g., in connection with the grant of an interest in the Company (other than a de minimis interest) as consideration for the provision of services to or for the benefit of the Company; provided, however, that adjustments pursuant to clauses (A), (B), (C), or (D) of this sentence shall be made if the Board of Managers reasonably determine that such adjustment is necessary or appropriate to reflect the relative economic interests of the Members; (iii) the Book Value of any Company asset distributed to any Member shall be the gross fair market value of such asset on the date of distribution; and (iv) the Book Value of the assets of the Company shall be increased (or decreased) to reflect any adjustment to the adjusted basis of such assets pursuant to Section 734(b) or Section 743(b) of the Code, but only to the extent such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m). If the Book Value of an asset has been determined or adjusted pursuant to the preceding clauses (i) or (ii), such Book Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

“Cause” means (1) the failure by a Member, after receiving written notice and failing to cure such failure within seven (7) calendar days, to substantially perform his assigned duties and responsibilities to the Company, which failure materially and adversely affects or threatens to affect the business or reputation of the Company; (2) a Member’s commitment of fraud or participation in a material act or omission involving dishonesty with respect to the Company or gross negligence in connection with his duties and responsibilities to the Company; (3) the commission by the Member of any crime involving moral turpitude or any felony; (4) a material breach by the Member of any employment, confidentiality, non-compete, non-solicit or similar agreement with the Company; (5) a Member’s material violation of any Company rule, regulation, procedure or policy; or (6) conduct which demonstrates a Member’s gross unfitness to serve as an employee of the Company and which has had or is reasonably likely to have a significant adverse effect on the Company.

“Capital Account” means, with respect to any Member, the capital account maintained for such Member in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv).

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

“Depreciation” means, for each fiscal year or other period, an amount equal to the federal income taxation depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such fiscal year or other period, provided, however, that if the Book Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such fiscal year or other period, Depreciation shall be an amount that bears the same ratio to such beginning Book Value as the federal income tax depreciation, amortization or other cost recovery deduction with respect to such assets for such fiscal year or other period bears to such beginning adjusted tax basis; and provided further, that if the federal income tax depreciation, amortization or other cost recovery deduction for such fiscal year or other period is zero, Depreciation shall be determined with reference to such beginning Book Value using any reasonable method selected by the Board of Managers.

“Dissolution Transaction” means a dissolution of the Company, or a distribution of proceeds from (i) the merger or consolidation of the Company into or with a Third Party Entity, or (ii) the sale, conveyance or lease of all or substantially all of the assets of the Company to a Third Party Entity. “Third Party Entity” means another entity except (i) any legal entity (other than a natural person) that directly or indirectly controls, is controlled by, or is under common control with the Company or (ii) any entity which, following the transaction in question, a majority of the voting equity of which is owned directly or indirectly by the Members of the Company prior to the transaction.

“Material Contract” means any contract or other agreement entered into by or on behalf of the Company obligating or committing the Company to (a) expend or otherwise pay in any fiscal year an amount in excess of \$500,000, (b) receive an amount in any fiscal year in excess of \$500,000, (c) restrict its line of business or limit or prevent its competition with any Person, (d) share profits, revenue or cash flows, or (e) indemnify any Person other than in the ordinary course of business.

“Member Nonrecourse Debt” has the meaning set forth for “partner nonrecourse debt” in Treasury Regulations Section 1.704-2(b)(4).

“Member Nonrecourse Debt Minimum Gain” means “partner nonrecourse debt minimum gain” as defined in Treasury Regulation Section 1.704-2(i)(2) and (3).

“Member Nonrecourse Deductions” shall mean “partner nonrecourse deductions” as set forth in Treasury Sections 1.704-2(i)(1) and 1.704-2(i)(2).

“Net Distributable Cash” means, with respect to any period, the sum of all cash receipts of the Company from any and all sources, less the sum of the following expenditures paid out of such cash receipts: (i) payments of rent, insurance, real estate taxes, legal expenses, commissions, management expenses, utilities, repairs and maintenance, accounting and bookkeeping services, equipment, supplies, salaries, advertising and promotion, and any and all other items which are customarily considered to be “operating expenses”; (ii) interest and related expenses with respect to loans or other indebtedness of the Company; (iii) other cash expenditures of the Company, except distributions to Members; (iv) Tax Distributions; and less (v) amounts set aside as reasonable reserves established by the Board of Managers for working capital, contingent liabilities or for any of the expenditures described in Subsections (i) through (iv) above, or as otherwise deemed by the Board of Managers as reasonably necessary to meet the current and anticipated future liabilities, obligations and operating and capital expenditures of the Company.

“Nonrecourse Deductions” has the meaning set forth in Treasury Regulation Section 1.704-2(b)(1).

“Person” means any individual or any business, corporation, company, joint venture, limited liability company, unincorporated association, trust or other enterprise.

“Profits and Losses” means, for each year or other period, an amount equal to the Company’s net taxable income or loss for such fiscal year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments: (a) any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this provision shall be added to such taxable income or loss; (b) any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this provision, shall be subtracted from such taxable income or loss; (c) in the event the Book Value of any Company asset is adjusted in accordance with Paragraph (ii) or Paragraph (iii) of the definition of “Book Value” above, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses (d) gain or loss from a disposition of property of the Company with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Book Value of such property, rather than its adjusted tax basis; (e) in lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing taxable income or loss, there shall be taken into account the Depreciation for such fiscal year or other period; (f) to the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member’s Units, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits and Losses); and (g) any items which are separately allocated pursuant to Section 5.3 shall not be taken into account in calculating Profits and Losses.

“Regulations” or “Treasury Regulations” means the Income Tax Regulations promulgated by the U.S. Department of Treasury under the Code.

“Sale” shall mean (i) a sale of substantially all of the assets of the Company; (ii) a merger, reorganization or consolidation between the Company and another Person as a result of which the holders of the Company’s outstanding voting Units immediately prior to the transaction hold less than a majority of the outstanding Units of the surviving entity immediately after the transaction, or (iii) the direct or indirect sale or exchange in a single or series of related transactions by the Members of the Company of

more than fifty percent (50%) of all of the voting Units of the Company to a Person that is not an Affiliate of the Company nor of a Member as a result of which the holders of the Company's outstanding voting Units immediately prior to the transaction hold less than a majority of the outstanding voting Units of the Company immediately after the transaction.

"Significant Transaction(s)" means: (a) a Sale; (b) an amendment to the Certificate or this Agreement (other than updates to Schedule A as contemplated herein); (c) the addition of new Members (except in connection with a Permitted Transfer); (d) authorization and/or issuance of any Units; (e) entering into or materially amending, assigning or in any effect materially affecting any Material Contract; (f) making expenditures in any one transaction or series of related transactions (or agreements providing for the same) that exceed by fifteen percent (15%) or more of such expenditures (by line item) set forth in the approved budget for the Company; or (g) approve any liquidation, dissolution or winding up, institute any bankruptcy proceedings, consent to the filing of a bankruptcy proceeding against, or file a petition seeking reorganization under the U.S. Bankruptcy Code or any similar applicable federal or state law or consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency, or make an assignment for the benefit of creditors.

"Tax Distribution" has the meaning given it in Section 5.2(a).

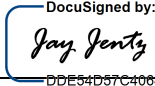
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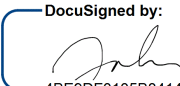
IN WITNESS WHEREOF, the parties have executed this Operating Agreement as of the date first set forth above.

**THE COMPANY:**

BLUE SKY ORGANICS LLC

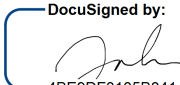
By:  DocuSigned by:  
Name: Jay Jentz  
Title: Co-Founder/Owner,  
Acting Sr. Managing Director


**MEMBERS**

 DocuSigned by:  
05/06/2021  
JOHN CARUSO

 DocuSigned by:  
05/05/2021  
JAY JENTZ

**INITIAL MANAGERS**

 DocuSigned by:  
05/06/2021  
JOHN CARUSO

 DocuSigned by:  
05/05/2021  
JAY JENTZ

**Schedule A****MEMBERS**

<i>Name and Address</i>	<i>Number of Units</i>	<i>Percentage Interest</i>	<i>Unvested Units; Vesting Schedule</i>
John Caruso 11 Noble Street Newton, MA 02465	10,000 Units	51.0%	Not Applicable
Jay Jentz 17 Cortes Street, Unit 1 Boston, MA 02116	10,000 Units	49.0%	Not Applicable
<b>Total</b>	<b>20,000 Units</b>	<b>100%</b>	

**MANAGERS**

John Caruso  
11 Noble Street  
Newton, MA 02465

<sup>DS</sup>  


Jay Jentz  
17 Cortes Street, Unit 1  
Boston, MA 02116

<sup>DS</sup>  




FIRST AMENDMENT TO THE  
OPERATING AGREEMENT  
OF  
BLUE SKY ORGANICS LLC

This First Amendment to the Operating Agreement of Blue Sky Organics LLC, a Massachusetts limited liability company, is made and entered into as of this 12th day of January, 2022 by and between Blue Sky Organics LLC (the “Company”) and each of the persons executing this Agreement as Members and Managers of the Company.

WHEREAS, the Company was formed as a limited liability company on January 23, 2020;

WHEREAS, the name of the Company was amended on April 2, 2021; and

WHEREAS, the Members and Managers of the Company desire to amend the Operating Agreement to add additional Members.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Members and Managers of the Company agree as follows:

1. The Schedule A attached hereto reflects the Members of the Company as of January 12, 2022.
2. David Donahue and Scott A. Singelais (the “Assignee Members”) hereby agree to be bound by terms of the Operating Agreement, as amended.
3. Except as modified herein, the Operating Agreement is hereby ratified, confirmed and approved.

IN WITNESS WHEREOF, the Company and its Members and Managers have executed this First Amendment to the Operating Agreement as of this 12th day of January, 2022.

***[Signature Page Follows]***

**ASSIGNOR MEMBERS:**

  
\_\_\_\_\_  
JOHN CARUSO  
\_\_\_\_\_  
JAY JENTZ

**ASSIGNEE MEMBERS:**

  
\_\_\_\_\_  
DAVID DONAHUE

DocuSigned by:  
*Scott A. Singelais*  
\_\_\_\_\_  
SCOTT A. SINGELAIS

**MANAGERS:**

  
\_\_\_\_\_  
JOHN CARUSO  
\_\_\_\_\_  
JAY JENTZ

Schedule A

<u>Name of Member(s)</u>	<u>Percentage Interest</u>
John Caruso	51%
Jay Jentz	34%
David Donahue	7.5%
Scott Singelais	7.5%





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

mass.gov/dor

Letter ID: L1920365248  
Notice Date: December 30, 2021  
Case ID: 0-001-386-758



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE

1000028

BLUE SKY ORGANICS LLC

17 CORTES ST APT 1  
BOSTON MA 02116-5253

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

The Commissioner of Revenue certifies that, as of the date of this certificate, BLUE SKY ORGANICS 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



William Francis Galvin  
Secretary of the  
Commonwealth

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

December 28, 2021

TO WHOM IT MAY CONCERN:

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

**BLUE SKY ORGANICS LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **January 23, 2020.**

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

I also certify that the names of all managers listed in the most recent filing are: **JOHN CARUSO**

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

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

In testimony of which,

I have hereunto affixed the

Great Seal of the Commonwealth

on the date first above written.

*William Francis Galvin*

Secretary of the Commonwealth



# **BLUE SKY ORGANICS LLC**

Marijuana Transportation Delivery Service

## Business & Marketing Plan Sections:

- 1) Executive Summary
- 2) Market Analysis
- 3) Organization & Management
- 4) Products
- 5) Marketing
- 6) Growth
- 7) Financial Projections

### **Executive Summary**

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Blue Sky Organics will be involved in the rebranding and delivery of marijuana direct to consumers upon receipt of State (CCC) and municipal (City of Newton) approval for the legal right to operate has been secured.

Blue Sky Organics will be have a physical location and site for operation of said business at it pre-identified and site approved use and occupancy attained from the current owner in Middlesex County at 16 Maguire Ct. Newton, Massachusetts.

Address 16 MAGUIRE CT  
Property SBL 23016 0003



Tax Bill Number 2104537  
Land Use 3100  
Land Use Description RTL OIL ST  
Lot Size 5,024 sq  
Frontage 67  
Zoning MAN  
Map ID 032NW  
ID 23016 0003

Blue Sky Organics have been able to enter into s lease agreement for a building that will be utilized as of the processing location for Blue Sky Organics. The current owner is Mr. Schiavone as stated per public record. The lease is for an initial term of 10 years with the option to renew the lease for an additional three period 5-year term thereafter as is stated per the businesses lease agreement. The lease also provides the business the right to exercise the option of acquiring the second piece of property across the street to secure delivery vehicles giving Blue Sky Organics the ability to expand the existing structure in the future. A search of the surrounding area Buffer Zone: "Under state law, a marijuana establishment may not be located within 500 feet of a pre-existing public or private school providing education in

kindergarten or any of grades”. Blue Sky Organics location is safely within this regulation.

The facility is well positioned, in Newton Massachusetts with access to the Massachusetts Turnpike, 128, 95, 93 and 495. This strategically selected location matches the ideal placement for Blue Sky Organics operation. Easy access to all major routes in the commonwealth will allow Blue Sky Organics to support customers throughout all of Massachusetts.

Our location at 16 Maguire Ct. Newton Massachusetts is a preexisting building in a commercial district that is in need of renovations. Blue Sky Organics will be renovating this structure to bring it to meet our operation needs while enhancing the existing block with a fresh new look to this building. Our facility will include a fenced in yard that our empty fleet of delivery vehicles will be stored in at night or while not in use. From that fenced yard our delivery vehicles will access the drive-in sallyport where our delivery vehicles will be loaded with the scheduled deliveries for the day. Once loaded the delivery vehicle will drive directly out of the other end of the sallyport into the secured yard before leaving for the day.

From inside our facility at 16 Maguire Ct Blue Sky Organics will be involved in the rebranding of preexisting packaging of Cannabis products and delivery of cannabis once we are able to secure the required license.

We are in the Cannabis delivery business to retail Cannabis customers as permitted by the law in Massachusetts at a fair and reasonable price. Our employees will be well trained and qualified to handle the wide range of customers that we are positioned to serve.

Blue Sky Organics plans to operate at the facility from 5:00am – 11pm. 7 days a week with delivery schedule from 6am - 8pm Monday thru Saturday and 9am 7pm on Sundays (subject to change as regulated by the CCC). From this Newton location Blue Sky Organics will serve the surrounding Boston area, the North shore as far as Beverly, south Shore as far as Plymouth and the MetroWest area up to Sturbridge. Orders received from customers will be processed and shipped from this location. Our workforce is going to be well trained to operate within Blue Sky Organics corporate culture and the rules and regulation of the CCC while maintaining the needs of all our customers.

Blue Sky Organics is owned and managed by Jay Jentz and John Caruso who both have personal ties to the Newton Area. Jay Jentz, the Executive Managing Director Blue Sky Organics he has a degree in International relations and has worked in the financial services industry including one of the oldest investment companies in the United States, Eaton Vance. While working at Eaton Vance Jay was responsible for bringing in over 450 Million dollars of new fund into the firm asset's accounts from just two states of CT and RI.

## **Our Products**

Our wide variety of products will be purchased directly from a Massachusetts Registered Marijuana Dispensary (RMD) that is approved by the CCC to sell wholesale to Blue Sky Organics. Wholesale products will be rebranded in the existing wholesale packaging from the dispensary and will not be opened or altered in any manner other than the labeling. Blue Sky Organics will then retail these products directly to our clients. Blue Sky Organics will utilize daily retail sales records to maintain inventory for the next day's delivery. Blue Sky Organics will maintain a 2-day supply of purchased wholesale products at our Newton location. This business philosophy will allow Blue Sky Organics the ability to build a name brand that will make Blue Sky Organics known for retailing some of the freshest products available from a non-dispensary delivery service.

## **Business Vision Statement**

Our vision is to become the largest and most reliable cannabis delivery service in Massachusetts. Supplying the freshest and most diverse product line within our industry to meet our clientele's current demand with sufficient supply via our online based platform. BLUE SKY ORGANICS will conduct their operations by promoting best practices in the industry that promote both support to the surrounding local community and ensuring a positive work place environment to its employees.

## **Business Mission Statement**

Our mission is to establish a reliable marijuana delivery service in the Commonwealth of Massachusetts that maintains long term profitability to conduct operations over the long term. Supplying the freshest and most diverse set products to its customers.

## **Business Structure**

Blue Sky Organics is a business that will be built on a solid foundation. From the onset, we have decided to recruit only qualified and reliable people to man various positions within our organization. We are well educated on the rules and regulations set forth by the Massachusetts CCC governing the marijuana industry, which is why we decided to recruit experienced and qualified employees to be the foundational staff of the organization. We hope to leverage on their expertise to build our business brand as the premiere marijuana delivery service in Massachusetts.



When hiring, we will look for applicants from the Newton area who are not just qualified and experienced, but honest, customer centric and willing to put in the hours it takes to help us build a prosperous business that will benefit all stake holders (the owners, workforce, and customers).

## Market Analysis

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“Market Trends In 2008 Massachusetts voters decriminalized the possession of small amounts of cannabis and in 2012 Massachusetts became the 18<sup>th</sup> state to open Massachusetts cannabis market to medical users through a ballot.”

In November 2016, Massachusetts voters approved Question 4, the initiative to legalize the recreational use of cannabis for adults 21 years of age and older. In December 2016, the Massachusetts state legislature voted to delay sales of recreational cannabis for six months. Originally, licensing for cannabis shops was set to begin in January 2018, but the delay moved the date and first retail cannabis business opened in Massachusetts in November 2018.

Under the new law, recreational cannabis is taxed 17 to 20%. The baseline tax is 17%, which is determined from a combination of a 6.25% sales tax and a 10.75% special excise tax on adult use. Cities and towns can choose to add a 3% tax on top of the 17%, tallying up to a 20% tax on retail cannabis.

In September 2019, the Cannabis Control Commission approved new regulations for Massachusetts’ adult and medical use of cannabis programs that introduce new license types – cannabis cafes and home delivery.

As of January 2021, 724 licenses have been awarded, including 298 retailer, 221 cultivator, 170 manufacturer, 17 microbusiness, 9 transporter and 9 testing licenses according to the official data.

The review process includes a background check and a 60-day window during which the municipality in which the business hopes to locate must certify that the applicant has met all local requirements.

Cannabis stores sold about \$9.3 million worth of cannabis products during the first month and in December 2019 total legal cannabis sales exceeded \$460 million, according to figures released by the Cannabis Control Commission. From January 1, 2020 to December 31, 2020, Marijuana Establishments generated about \$700 million in gross sales despite two months of closures. It is expected over 700,000 customers potentially interested in using of a recreational cannabis and

adult-use cannabis market in Massachusetts is projected to become a \$1 billion industry by 2021.

### **Our Target Market**

Some customers of dispensaries have reported trouble accessing a RMD due to limitations of distance, lack a transportation, physical restriction, dispensary location. Blue Sky Organics is looking to serve these people who are unable get to the dispensary or who do not have the time in their busy schedules to go themselves.

### **Our Competitive Advantage**

Blue Sky Organics is part of the Commonwealth of Massachusetts Social Equity partnership. Even with this hardship the marijuana space is known to be highly competitive in Massachusetts the U.S and in most parts of the world. The industry is growing and there are alternative ways through which clients can obtain Marijuana. There are currently over 643 marijuana licenses in Massachusetts with many more over the next year to be approved. These competitors ensure that they do all within their power to gain a favorable market share of the available market in any given area of Massachusetts that they serve.

Building a sustainable business in this already saturated market has to do with a positive customer experience the very first time the customer orders.

In this industry, most of the competitive dynamics center around the quality of cannabis dispensed, the service offered, the location of the dispensary, discounts offered for the products, and to some extent, the branding of the business plays a significant role. Even though competition is stiff especially from the big, well-backed enterprises, smaller enterprises can still get their fair share of the market if they stay true to the competitive dynamics.

It is a fact that small medical marijuana dispensaries will always struggle with larger marijuana dispensaries when it comes to pricing power and brand recognition which is why smaller retail stores always go out of their ways to deliver excellent customer service. It is through top notch customer service that they can secure a fair share of the available market. We plan to make sure our customers experience is well above what they expected from the moment they order until the product is delivered.

### **Organization & Management**

The following positions will be available at Blue Sky Organics

- Chief Executive Officer – CEO
- Compliance Director
- Director of Security
- Transportation coordinator
- Sales Agent
- Information Technologist
- Customer Biller
- Delivery driver
- Security Officers
- Fleet maintenance (Contractor with local garage)

### **Roles and Responsibilities**

The responsibilities of each position within the dispensary will be broken down as detailed below.

#### **Chief Executive Officer – CEO:**

- Responsible for providing business direction.
- Responsible for creating, communicating, and implementing the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy
- Responsible for fixing prices and signing business deals.
- Responsible for recruitment
- Responsible for payment of salaries
- Responsible for signing checks and documents on behalf of the company.
- Evaluates the success of the organization.

#### **Compliance Director:**

- Responsible for managing the daily activities in the company (dispensarystore)
- Responsible for recruiting, training and managing staff.
- Responsible for ordering, selling and controlling the marijuana.
- Responsible for managing the organizations' budgets.
- Responsible for keeping statistical and financial records.
- Responsible for preparing publicity materials and displays.
- Handles marketing services.
- Interfaces with third – party providers (vendors).
- Controls the sales floor inventory.
- Supervises the entire sales staff and workforce.
- Handles any other duty as assigned by the CEO.
- Ensures that the organization operates within stipulated budget.
- Ensures Compliance with the CCC

#### **Director of Security:**

- The Director of Security is responsible for overseeing all security operations within the facility.
- Maintaining a safe and secure premium environment.
- Oversee a team of security associates.
- Maintains security equipment to ensure total compliance with internal SOPs and state regulations including, but not limited to, 935 CMR 500.
- The Director of Security works closely with the General Manager and reports to the Chief Operating Officer.

#### **Transportation Coordinator (Manager)**

- Oversees the transportation of marijuana from the dispensary locations to the Newton location.
- Develops and implements the delivery plan for each customer and coordinates that into a route structure for each delivery vehicle.
- Coordinates with the Director of security and security personnel

**Delivery Driver:**

- Use work app on company phone to process orders.
- Offer EXCELLENT customer service upon each delivery.
- Maintain an average delivery time while maintaining safe operation of motor vehicle.
- Work in an organized and efficient manner while on shift.
- Treat company vehicle with upmost care and respect.
- Keep positive and integrity driven culture with team.
- Manage cash drawer and have accurate deposits at end of shift.
- Maintain a accurate order fulfillment and no inventory discrepancies.
- Follow all rules of the road while driving and doing deliveries.
- Record vehicle in app before and after shift.
- Check ID, Take Signature & follow all required compliance duties.

**Sales Agents:**

- Manages external research and coordinates all the internal sources of information to retain the organizations' best customers and attract new ones.
- Models' demographic information and analyzes the volumes of transactional data generated by customer purchases.
- Sources for clients for the company.
- Responsible for promoting the company's image.
- Responsible for creating marketing and sales strategies, etc.
- Represents the organization in some strategic business meetings.
- Handles any other duty required.

**Information Technologist:**

- Manages the organization website.
- Handles ecommerce aspect of the business.
- Responsible for installing and maintenance of computer software and hardware for

#### Blue Sky Organics

- Manages logistics and supply chain software, Web servers, e-commerce software and POS (point of sale) systems.
- Manages the organization's CCTV in conjunction with the Security Director and Compliance Manager.
- Handles any other technological and IT related duties.

#### **Security Agent:**

- Strictly adhere to SOP's (standard operating procedures).
- Ability to identify potential problems, analyze issues, and propose solutions.
- Knowledge of safety, health and security protocols.
- Monitor gate into parking lot, employees coming and going and security cameras.
- Monitor employee entrance and exit.
- Create visitor passes and follow procedures for visitors.
- Escorting approved visitors around the facility.
- Routine exterior and interior perimeter monitoring on foot several times during shift.
- Create and monitor employee credentialing.
- Manage other security professionals.
- Ability to facilitate problem-solving of stressful situations.
- Computer literacy.
- Documentation and record-keeping.
- Comply with all rules, laws, regulations and industry standards set forth by the Commonwealth of Massachusetts, the Cannabis Control Commission (CCC), the City of Newton.
- Communication and interaction with management.
- Any additional tasks assigned by management.

#### **Customer Biller:**

- Receives payments on behalf of Blue Sky Organics.
- Issues receipt to customers.

- Prepares financial report at the end of every working week.
- Handles financial transaction on behalf of Blue Sky Organics.
- Interfaces with our bankers.
- Responsible for payment of tax, levies and utility bills.
- Handles any other duty as assigned by Compliance Manager.

### **Training:**

General All employees will undergo a minimum two-week training period on job-related skills and operating procedures, as well as a minimum of 8 hours of ongoing annual training. In addition, Employees will undergo orientation on the general procedures and culture of Blue Sky Organics (as outlined in the Employee Handbook). This may include, but is not limited to:

- Human Resources and Employee Benefits
- Safety and Security
- Diversity Training
- Regulations and Compliance
- Diversion Prevention
- Harassment, Bullying
- Incident Reporting
- Communication

### **Products**

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Our core product at Blue Sky Organics will be cannabis which will come in a variety of different strains in various forms including edibles, creams, and vape products. All of these products will contain the Blue Sky Organics labeling. At Blue Sky Organics, we will ensure that we have a wide range of cannabis products. It will be difficult for customers to visit our ecommerce site and not find the product that they are looking for. One of our business goals is to make our marijuana dispensary service a one stop shop experience.

### **Marketing**

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The marketing and sales strategy of Blue Sky Organics will be based on generating long-term personalized relationships with customers. In order to achieve that, we will ensure that we offer cannabis products at lower prices compared to what is obtainable in the retail establishment. We will also ensure that we have a wide range of marijuana products in stock for quick delivery to our customers from our Newton facility.

All of our employees will be well trained and equipped to provide excellent and knowledgeable customer service. We know that if we are consistent with offering high quality marijuana products, and excellent customer service, we will increase the number of our customers by approximately 25% for the first year and then approximately 30% subsequently.

Before choosing a location for our base of operations, we conducted a thorough market survey and feasibility studies in order for us to be able to penetrate the available market and become the preferred choice of cannabis for residence of Massachusetts.

We are working with experts who have a solid understanding of the retail industry to help Blue Sky Organics develop marketing strategies that will allow us to achieve our business goal of winning a larger percentage of the available market in and around Boston area.

In summary, Blue Sky Organics will adopt the following sales and marketing approach to win customers over;

- Advertise our business in local billboards.
- List our business on yellow pages ads (local directories).
- Leverage on the internet to promote our business.
- Engage in direct marketing for those who opt in on our web site.
- Leverage word of mouth marketing (referrals)

We will explore all available conventional and non – conventional means to promote our delivery business.

Blue Sky Organics has a long term plan of opening two delivery locations in Massachusetts which is why we will deliberately build our brand to be well accepted in the Boston area before venturing out. Our publicity and advertising strategy is not solely for winning customers over but to effectively communicate our brand to those who seek a marijuana delivery service.

### **Our Pricing Strategy**

It would be wrong to fix pricing without first determining other factors that surround costing. This is one of the reasons why we will work towards ensuring that all of our products are offered at highly competitive prices compared to what is obtainable in Massachusetts.

### **Payment Options**

At Blue Sky Organics, our payment policy is all inclusive because we are aware that people prefer different payment options. Here are the payment options that will be available.

- Payment by cash
- Payment via Point of Sale (POS) Machine
- Payment via online bank transfer (online payment portal)
- Payment via Mobile money
- Check (only from loyal customers)

### **Growth**

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It is the wish of any business to become so successful that there is a good succession plan to act upon. Having a good succession plan will help you know the direction your business is headed. As such, the future of a business relies on loyal customers, the capacity and competence of the employees, their investment strategy and the business structure. If any of these factors are missing from a business, then it won't be long before the business fails.

One of our major goals in starting Blue Sky Organics is to build a business that will survive off its own cash flow without the need for injecting finances from external sources once the business is up and running. We know that one of the ways of gaining approval and winning customers over is to sell our quality products than what is currently obtainable in the market. We are prepared to survive on lower profit margin in order to build a loyal following for Blue Sky Organics brand products.

Blue Sky Organics will make sure the correct foundation, structures and processes are put in place to ensure that our staff committed to the of the company's. Our company's corporate culture is designed to drive our business to greater heights and training and re-training of our workforce is top of priority. We are considering a profit-sharing arrangement be made available to all our management staff and will be based on their performance for a period of

three years or more. We know that with this policy, we will be able to successfully hire and retain the best hands we can get in the industry.

## **Financial Projections**

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### **Sources of Income**

We know that it is vital to state and act on the ways through which we have decided to raise funds. Our source of income will be primarily in the retailing of cannabis.

### **Sales Forecast**

One of the true marks of an effective entrepreneur is being able to forecast sales based on the magnitude of work that has been put into the business. It is important to state that our sales forecast is at this time not fully studied.

### **Start – Up Expenditure (Budget)**

From research, it can be deduced that starting a cannabis delivery service business isn't something that comes without significant expenditures, The initial set of money to be spent just to produce an application before entering this business is usually non-refundable and is always in thousands of dollars. The start-up cost also depends on the requirements of the state one would be operating in. Some states require that you have a cultivation location while others do not.

The items listed below are the basics that we would need when starting our own marijuana business in the United States, although costs may vary slightly.

- The Total Fee for Registering the Business in Massachusetts – [DollarAmount]
- Legal expenses for obtaining licenses and permits – [Dollar Amount]
- Cost for hiring Consultant – [Dollar Amount]

- Cost for Computer Software (Accounting Software, Payroll Software, CRM Software, Microsoft Office, QuickBooks Pro, Software required by the CCC) – [Dollar Amount]
- Insurance (general liability, workers' compensation and property casualty) coverage, auto insurance, at a total premium – [Dollar Amount]
- Cost for payment of rent for 12 months at [Dollar Amount] per square feet in the total amount of [Dollar Amount]
- Cost for Shop remodeling (construction of racks and shelves, fencing, carport) – [Dollar Amount]
- Other start-up expenses including stationery [Dollar Amount] and phone and utility deposits [Dollar Amount]
- Operational cost for the first 3 months (salaries of employees, payments of bills et al) – [Dollar Amount]
- The cost for Start-up inventory (stocking with a wide range of products) – [Dollar Amount]
- Storage hardware (bins, rack, shelves,) – [Dollar Amount]
- Cost for Supplies (Assorted bottles, boxes, envelopes, etc. for dispensing and shipment) – [Dollar Amount]
- Cost for store equipment (cash register, security, ventilation, signage) – [Dollar Amount]
- Cost of purchase and installation of CCTVs: [Dollar Amount]
- The cost for the purchase of furniture and gadgets (Computers, Printers, Telephone, TVs, tables and chairs et al): [Dollar Amount]
- The cost of Launching a Website: [Dollar Amount]
- The cost for fully equipped delivery vehicles: [Dollar Amount]
- Miscellaneous: [Dollar Amount]

Blue Sky Organics would need an estimate of [Dollar Amount] to successfully set up our marijuana delivery service in Newton, Ma. Please note that this amount includes the salaries of all of the staff for the first month of operation.

### **Funding / Startup Capital for Blue Sky Organics**

Blue Sky Organics is a privately held business that is solely owned and financed by Jay Jentz and John Caruso. They do not intend to welcome any external partners, which they actively decided was in best interests of the business to restrict the sources of the start-up capital to the two initial and sole equity owners and cofounding partners personal savings and liquidity of funds to cover all initial application fees, business accounts, website domain, business

brand marketing materials (logo, i.e.), third party consultants and advisors, etc. are the businesses primary major sources.

These are the areas Blue Sky Organics Intends to generate start – upcapital;

#### **BUILDOUT of PHYSICAL PREMISES & APPLICATION APPROVAL PROCESS PROGRESS:**

- Generate part of the start – up capital from other direct or newly acquired partners, friends and family investment round for participation in new business, potential small business loan from Century Bank or other credit unions or sources of funding/lending within the Commonwealth of Massachusetts as legal sources.
- Source for soft loans from family members and friends.

#### **Positive Impact Plan**

Blue Sky Organics will aim to positively impact the community by providing employment opportunities, training, and education through real-life experience, to residents of Newton, Waltham Watertown and Boston with the overall goal of providing opportunities for advancement in the cannabis industry. More specifically, Blue Sky Organics will advertise for employment opportunities to applicants who come from areas of disproportionate impact who have past marijuana-related drug convictions (to the extent permitted by law and Commission regulations) and/or parents or spouses with drug convictions. Blue Sky Organics recognizes that these classes of individuals may have been stigmatized in past hiring experiences and recognize the importance of empowering and including these individuals in the blossoming cannabis industry.

#### **Positive Impact Plan Acknowledgments**

Blue Sky Organics pledges to adhere to the requirements set forth in 935 CMR 500.105(4)(a) which provides the permitted advertising, branding, marketing and sponsorship practices for all Marijuana Establishments. Blue Sky Organics likewise pledges not to employ any of the prohibited practices articulated in 935 CMR 500.105(4)(b). Finally, none of the actions taken or programs instituted by Blue Sky Organics will violate the Commission’s regulations with respect to limitations on ownership or control or any other applicable state laws.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/4/2021

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

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

PRODUCER  
C&S INSURANCE AGENCY, INC.  
190 Chauncy Street  
Mansfield, MA 02048

CONTACT NAME

PHONE (A/C No, Ext):

FAX (A/C No):

EMAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURED  
BLUE SKY ORGANICS LLC  
17 CORTES STREET  
UNIT #1  
BOSTON, MA 02116

INSURER A: Mount Vernon Fire Insurance Company

26522

INSUREB B:

INSURER C:

INSURER D:

INSURER E:

INSURER F:

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY			GL 2011691	05/04/2021	05/04/2022	EACH OCCURRENCE	\$1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$100,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person)	\$5,000
							PERSONAL & ADV INJURY	\$1,000,000
							GENERAL AGGREGATE	\$2,000,000
							PRODUCTS-COMP/OP AGG	Excluded
	GEN'L AGGREGATE LIMIT APPLIES PER:							
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC							\$
	AUTOMOBILIE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	\$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS						BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	\$
								\$
	UMBRELLA LIAB						EACH OCCURRENCE	\$
	EXCESS LIAB						AGGREGATE	\$
	DED <input type="checkbox"/> RETENTION \$							\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS	OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)		N / A				E.L. EACH ACCIDENT	\$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE-EA EMPLOYEE	\$
							E.L. DISEASE-POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (See attached Acord 101 for additional liability limits)

Location: 16 Maguire Court, Newton, MA 02458

## CERTIFICATE HOLDER

Cannabis Control Commission  
DBA: Commonwealth of Massachusetts  
Union State  
2 Washington Square  
Worcester, MA 01604

## CANCELLATION

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

AUTHORIZED REPRESENTATIVE



# ADDITIONAL REMARKS SCHEDULE

Page 1 of 1

AGENCY C&S INSURANCE AGENCY, INC.		INSURED BLUE SKY ORGANICS LLC 17 CORTES STREET UNIT #1 BOSTON, MA 02116
POLICY NUMBER GL 2011691		
CARRIER Mount Vernon Fire Insurance Company	NAIC CODE 26522	EFFECTIVE DATE: 5/4/2021

## ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: ACORD 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

COVERAGE PART	LIMITS
Commercial Liability	
Each Occurrence Limit	\$1,000,000
Personal & Advertising Injury Limit (Any One Person/Organization)	\$1,000,000
Medical Expense (Any One Person)	\$5,000
Damages To Premises Rented To You (Any One Premises)	\$100,000
Products/Completed Operations Aggregate Limit	Excluded
General Aggregate Limit	\$2,000,000



NEW  
Renewal of Number

POLICY DECLARATIONS

**No. GL 2011691**

**Mount Vernon Fire Insurance Company**  
1190 Devon Park Drive, Wayne, Pennsylvania 19087  
A Member Company of United States Liability Insurance Group

Direct Bill Policy

NAMED INSURED AND ADDRESS:

BLUE SKY ORGANICS LLC  
17 CORTES STREET  
UNIT #1  
BOSTON, MA 02116

POLICY PERIOD: (MO. DAY YR.) From: 05/04/2021 To: 05/04/2022

12:01 A.M. STANDARD TIME AT YOUR  
MAILING ADDRESS SHOWN ABOVE

FORM OF BUSINESS: Limited Liability Company

BUSINESS DESCRIPTION: Vacant without Renovation

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE  
WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED.  
THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

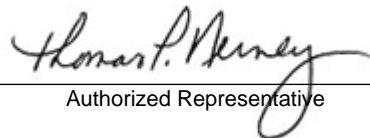
	PREMIUM
Commercial Liability Coverage Part	\$375.00

TOTAL:	\$375.00
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Coverage Form(s) and Endorsement(s) made a part of this policy at time of issue  
See Endorsement EOD (1/95)

Agent: C&S INSURANCE AGENCY, INC. (5050)  
190 Chauncy Street  
Mansfield, MA 02048

Issued: 05/04/2021 11:23 AM

By:   
Authorized Representative

UPD (08-07)

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS,  
COVERAGE PART COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF,  
COMPLETE THE ABOVE NUMBERED POLICY.

# EXTENSION OF DECLARATIONS

Policy No. GL 2011691

Effective Date: 05/04/2021

12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS

## FORMS AND ENDORSEMENTS

The following forms apply to the Commercial Liability coverage part

<i>Endt#</i>	<i>Revised</i>	<i>Description of Endorsements</i>
CG0001	12/07	Commercial General Liability Coverage Form
CG0068	05/09	Recording And Distribution Of Material Or Information In Violation Of Law Exclusion
CG0203	03/08	Massachusetts Changes - Cancellation And Nonrenewal
CG2011	04/13	Additional Insured - Managers or Lessors of Premises
CG2104	11/85	Exclusion - Products-Completed Operations Hazard
CG2107	05/14	Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - Limited Bodily Injury Exception Not Included
CG2109	06/15	Exclusion - Unmanned Aircraft
CG2136	03/05	Exclusion - New Entities
CG2139	10/93	Contractual Liability Limitation
CG2147	12/07	Employment-Related Practices Exclusion
CG2173	01/15	Exclusion Of Certified Acts Of Terrorism
IL0017	11/98	Common Policy Conditions
IL0021	09/08	Nuclear Energy Liability Exclusion Endorsement
Jacket	07/19	Policy Jacket
L 278VAC	12/14	Independent Contractors/Subcontractors Exclusion
L-232s	09/05	Classification Limitation Endorsement
L-395	11/05	Vacant Building Protection Warranty
L-500	12/17	Bodily Injury Exclusion - All Employees, Volunteer Workers, Temporary Workers, Casual Laborers, Contractors and Subcontractors
L-532 VAC	12/14	Exclusion - Construction Operations
L-540	11/09	Exclusion - Exterior Work Over 50 Feet
L-599	10/12	Absolute Exclusion for Pollution, Organic Pathogen, Silica, Asbestos and Lead with a Hostile Fire Exception
L-610	11/04	Expanded Definition Of Bodily Injury
L-685	05/10	Premises Limitation Endorsement
L-783	10/12	Amendment of Liquor Liability Exclusion
LLQ 100 MA	07/06	Who Is An Insured Clarification Endorsement
LLQ368	08/10	Separation Of Insureds Clarification Endorsement
Notice-NewEntitiesGL	06/20	Exclusion - New Entities Endorsement for Commercial General Liability Policy Advisory Notice to Policyholders
NTP MA	01/10	Massachusetts Notice To Policyholders
TRIADN	12/20	Disclosure Notice of Terrorism Insurance Coverage

# COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

Policy No. GL 2011691

Effective Date: 05/04/2021  
12:01 STANDARD TIME

## LIMITS OF INSURANCE

Each Occurrence Limit	\$1,000,000
Personal & Advertising Injury Limit (Any One Person/Organization)	\$1,000,000
Medical Expense (Any One Person)	\$5,000
Damages To Premises Rented To You (Any One Premises)	\$100,000
Products/Completed Operations Aggregate Limit	Excluded
General Aggregate Limit	\$2,000,000

LIABILITY DEDUCTIBLE \$0

## LOCATIONS OF ALL PREMISES YOU OWN, RENT OR OCCUPY

Location	Address	Territory
1	16 Maguire Ct, Newton, MA 02458	016

## PREMIUM COMPUTATION

Loc	Classification	Code No.	Premium Basis	Rate		Advance Premium	
				Pr/Co	All Other	Pr/Co	All Other
1	Vacant Buildings - not factories - Other than Not-For-Profit - Leased	68606	1,152 Per 1,000 Total Area	Excluded	28.350	Excluded	\$275 MP
1	Additional Insured - Managers or Lessors of Premises	49950	1 Per Additional Insured	Excluded	100.000	Excluded	\$100
TOTAL PREMIUM FOR GENERAL LIABILITY COVERAGE PART:							\$375
(This Premium may be subject to adjustment.) MP - minimum premium							

Coverage Form(s)/Part(s) and Endorsement(s) made a part of this policy at time of issue:

See Form EOD (01/95)

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

Name of Person(s) Or Organization(s) (Additional Insured):

Effective Date: 05/04/2021

RALPH SCHIAVONE

24 WILSON CIRCLE

NEWTON, MA 02461

Designation of Premises (Part Leased To You):

16 MAGUIRE CT

NEWTON, MA 02458

Additional Premium: \$

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II - Who is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Section III - Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.

2. Structural alterations, new construction or demolition operations performed by or on behalf of the person (s) or organization(s) shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

## **Personnel Background Checks**

- Prior to submitting the CCC agent registration process, all agents will undergo a background check, issued by certified background investigator or company, whom Blue Sky Organics holds on contractual agreement with or has on staff.
- Background checks will be performed to screen for the following, among others:
  - Past criminal convictions;
  - Past drug-related offenses;
  - Concealed weapon permits;
  - DEA controlled substance registrations;
  - Professional licenses;
  - Driver's license information;
  - Docket search of state and federal criminal & civil actions;
  - Credit check;
  - Bankruptcies, liens & judgments; and
  - Healthcare licenses & sanctions.
- Verification of references provided by the agent at the time of hire
- As deemed necessary, individuals in key positions with unique and sensitive access (e.g. members of the executive management team) will undergo additional screening, which may include interviews with prior employers or colleagues.
- As a condition of their continued employment, agents are required to renew their agent registration cards and submit to other background screening, at a minimum, on an annual basis.
- All background check reports will be obtained in accordance with M.G.L. c. 6 section 172, 935 CMR 500.029, 935 CMR 500.030 and 803 CMR 2.00: Criminal Offender Record Information (CORI), 935 CMR 500.105(9)

## **Agent Personnel Records**

Personnel records will be kept in a secure location to maintain confidentiality and be only accessible to the agent's manager or members of the executive management team. Agent records will include, at minimum, the following security-related information:

- Results of initial background investigation, including CORI reports;
- Documentation that references were checked prior to agent being hired;
- Offer letter from Blue Sky Organics to the new agent, including job title and supervision;
- Materials submitted to the CCC for agent registration purposes;
- Documentation of annual performance reviews;
- Dates of completion of all required initial and recurrent training; including a signed statement by the agent attending the training with the date/time/place the training was received, topics discussed, and the name/title of the presenter(s).

- Documentation of all security related events (including violations) and the results of any investigations and description of remedial actions, restrictions, or additional training required as a result of an incident.
- A personnel record for each Marijuana Establishment Agent shall be maintained for at least 12 months after said Agent's termination. The personnel records shall include all materials which were submitted to the commission pursuant to 935 CMR 500.030(2), documentation of verification of references, and a summary of the job description or employment contract, as applicable, that includes duties, authority, responsibilities, qualifications and supervision.
- Documentation of all required training, including training regarding privacy and confidentiality requirements will be required. Each employee will sign a statement confirming the date, time and place he/she received said training and the topics discussed, including the name and title of the presenters.
- Each employee shall be periodically reviewed and performance evaluations shall be maintained, including any records of disciplinary action taken.
- A staffing plan will be created and will demonstrate accessible business hours.
- The Marijuana Establishment Agents must provide notice of completed Responsible Vendor Training Program and in-house training for Marijuana Establishment Agents.

#### **Additional Personnel Policies**

- All personnel shall be subject to a code of ethics, a whistle-blower policy, and a policy which notifies persons with disabilities of their rights under Massachusetts employment law.
- A staffing plan and policies relating to an alcohol, smoke and drug-free workplace will be readily distributed to all employees and posted on the premises.
- All confidential personnel information will be securely maintained electronically, on a secure password-protected computer system.
- Any employee or agent who has diverted marijuana or engaged in unsafe practices will be immediately dismissed. Any employee or agent who has subsequently been convicted or entered a guilty plea for a felony charge of distribution of a drug to a minor shall also be immediately dismissed.

## SECTION IX — REPORTS & RECORDKEEPING

### **Security Recordkeeping**

The Compliance Manager is responsible for maintaining all security related records and reports. All records will be retained for a minimum of two (2) years.

Waste records shall be maintained for a minimum of three (3) years.

Records shall be maintained in accordance with generally accepted accounting principles.

Seed-to-sale tracking records for all marijuana will be maintained.

Written operating procedures shall be maintained as required by 935 CMR 500.105(9).

Inventory records shall be maintained as required by 935 CMR 500.105(8).

The following business records shall be maintained by a professional bookkeeper:

- assets and liabilities;
- monetary transactions;
- books of accounts;
- sales records; and
- salary and wages paid to each employee.

### **Agent Personnel Records**

Personnel records will be kept in a secure location to maintain confidentiality and be only accessible to the agent's manager or members of the executive management team. Agent records will include, at minimum, the following security-related information:

- Results of initial background investigation, including CORI reports;
- Documentation that references were checked prior to agent being hired;
- Offer letter from Blue Sky Organics to the new agent, including job title and supervision;
- Materials submitted to the CCC for agent registration purposes;
- Documentation of annual performance reviews;
- Dates of completion of all required initial and recurrent training; including a signed statement by the agent attending the training with the date/time/place the training was received, topics discussed, and the name/title of the presenter(s).
- Documentation of all security related events (including violations) and the results of any investigations and description of remedial actions, restrictions, or additional training required as a result of an incident.
- The following personnel records shall be maintained:



- job descriptions for each agent;
- a personnel record for each agent;
- a staffing plan that will demonstrate accessible business hours;
- personnel policies and procedures; and
- all background checks and reports obtained via CORI.

## BLUE SKY ORGANICS LLC

### (Maintenance of Financial Records)

The Compliance Director will be responsible for maintaining the financial records of the business, including, but not limited to the following roles:

#### **Compliance Director:**

- Responsible for managing the daily activities in the company (dispensary store)
- Responsible for recruiting, training and managing staff.
- Responsible for ordering, selling and controlling the marijuana.
- Responsible for managing the organizations' budgets.
- **Responsible for keeping statistical and financial records, including the following:**
  - **assets and liabilities;**
  - **monetary transactions;**
  - **books of account;**
  - **sales records; and**
  - **salary and wages paid to each employee**
- Responsible for preparing publicity materials and displays.
- Handles marketing services.
- Interfaces with third – party providers (vendors).
- Controls the sales floor inventory.
- Supervises the entire sales staff and workforce.
- Handles any other duty as assigned by the CEO.
- Ensures that the organization operates within stipulated budget.
- Ensures Compliance with the CCC

The Compliance Director is responsible for maintaining all security related records and reports. All records will be retained for a minimum of two (2) years. All financial records shall be retained for a minimum of seven years, or as required by an outside CPA.

Blue Sky Organics LLC will retain a third-party CPA, in addition to a bookkeeper, who will assist in maintaining financial records, making appropriate filings with the Commonwealth, municipality, etc.

## **Diversity Plan**

Goal #1: Blue Sky Organics LLC will add a tremendous amount of economic value to the City of Newton by creating new jobs. Our goal is to employ a workforce consisting of an initial staff of 15 people. Our staff will consist of drivers, warehouse workers, and administrative personnel. Our employees will have access to a living wage, comprehensive benefits, and substantial workplace training. Our staff will be made up of at least 50% of individuals who are veterans (10%), minorities (10%), women (20%), persons with disabilities (5%), and LGBTQ+ (5%).

Goal #2: Support cannabis businesses that are minority-owned companies, women-owned companies, social equity program entrepreneurs and certified economic empowerment candidates with a goal of having at least 10% of its wholesale contracts go to these identified businesses at least in proportion to their representation in the MA industry.

Program: We plan on accomplishing Goal #1 by advertising employment opportunities in the Newton Tab and through various social media platforms quarterly, and more frequently as openings become available, stating that Blue Sky Organics is specifically seeking women, veterans, minorities, persons with disabilities, and LGBTQ+. We plan on creating a safe and respectful work environment for all employees of Blue Sky Organics LLC by employing a Diversity, Equity, and Inclusion Manager to promote internal initiatives as developed by the Manager and prioritize action, which will have the largest positive impact to DE&I. Opportunities will be posted on a quarterly basis to ensure all positions are properly exposed for applicants to apply for open positions in frequency.

We plan on accomplishing Goal #2 by ensuring we create working relationships and partnerships for vendor contracts with local minority, veteran, women, persons with disabilities and LGBTQ+ owned businesses by joining local business networking groups that meet on a quarterly, or monthly basis. We plan to actively use our social media and online platforms to our goals of working with businesses that meet these criteria. We will update our online and social media platforms monthly.

Metrics: Blue Sky Organics LLC will conduct an annual review of the hiring make-up of our staff to ensure we are meeting our target hiring goals. With respect to Goal #2, we will conduct an annual review of our vendors and continuing contracts relating to the business, to ensure we are supporting other diversely owned businesses.

We plan to review the progress of our initiatives semi-annually, and at a minimum annually, prior to license renewal. Our Diversity Plan will adhere to the requirements set forth in 935 CMR 500.105(4) and comply with the CCC's requirements for advertising, branding, marketing, and sponsorship practices. Our plan will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.