



## Massachusetts Cannabis Control Commission

### Marijuana Retailer

#### General Information:

License Number: MR285044  
Original Issued Date: 07/12/2024  
Issued Date: 07/12/2024  
Expiration Date: 07/12/2025

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Herbal Logic, LLC

Phone Number: 508-583-1030

Email Address: pnessralla@nessrallalaw.com

Business Address 1: 180 Joseph Warner Boulevard formerly known as (fka) 284R Winthrop Street

Business Address 2:

Business City: Taunton

Business State: MA

Business Zip Code: 02780

Mailing Address 1: 1063 N Main Street

Mailing Address 2:

Mailing City: Brockton

Mailing State: MA

Mailing Zip Code: 02301

### CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

### PRIORITY APPLICANT

Priority Applicant: no

Priority Applicant Type: Not a Priority Applicant

Economic Empowerment Applicant Certification Number:

RMD Priority Certification Number:

### RMD INFORMATION

Name of RMD:

Department of Public Health RMD Registration Number:

Operational and Registration Status:

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

If no, describe the circumstances below:

### PERSONS WITH DIRECT OR INDIRECT AUTHORITY

Person with Direct or Indirect Authority 1

Percentage Of Ownership: 55

Percentage Of Control: 55

Role: Owner / Partner

Other Role:

First Name: Philip

Last Name: Nessralla

Suffix:

Gender: Male

User Defined Gender:

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

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 2

Percentage Of Ownership: 45

Percentage Of Control: 45

Role: Owner / Partner

Other Role:

First Name: Seda

Last Name: Ciampa

Suffix:

Gender: Female

User Defined Gender:

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

Specify Race or Ethnicity:

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

Entity with Direct or Indirect Authority 1

Percentage of Control: 45

Percentage of Ownership: 45

Entity Legal Name: HL Taunton, LLC

Entity DBA:

DBA City: Easton

Entity Description: LLC holding company

Foreign Subsidiary Narrative:

Entity Phone: 508-326-1035

Entity Email: seda.ciampa@yahoo.com

Entity Website:

Entity Address 1: 144 Dean Street

Entity Address 2:

Entity City: Easton

Entity State: MA

Entity Zip Code: 02375

Entity Mailing Address 1: 144 Dean Street

Entity Mailing Address 2:

Entity Mailing City: Easton

Entity Mailing State: MA

Entity Mailing Zip Code: 02375

Relationship Description: Holds 45% interest in Proposed Licensee. HL Taunton, LLC has no direct authority over the Licensee.

CLOSE ASSOCIATES AND MEMBERS

No records found

CAPITAL RESOURCES - INDIVIDUALS

No records found

CAPITAL RESOURCES - ENTITIES

Entity Contributing Capital 1

Entity Legal Name: HL Taunton, LLC

Entity DBA:

Email: seda.ciampa@yahoo.com

Phone: 508-326-1035

Address 1: 115 Dean Street

Address 2:

City: Taunton

State: MA

Zip Code: 02780

Types of Capital: Monetary/Equity

Other Type of Capital:

Total Value of Capital Provided: \$100000

Percentage of Initial Capital: 100

Capital Attestation: Yes

BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

DISCLOSURE OF INDIVIDUAL INTERESTS

Individual 1

First Name: Philip

Last Name: Nessralla

Suffix:

Marijuana Establishment Name: Leaf Relief Inc.

Business Type: Marijuana Retailer

Marijuana Establishment City: Brockton

Marijuana Establishment State: MA

MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 180 Joseph Warner Boulevard fka 284R Winthrop Street

Establishment Address 2:

Establishment City: Taunton

Establishment Zip Code: 02780

Approximate square footage of the establishment: 2100

How many abutters does this property have?: 4

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

HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan to Remain Compliant with Local Zoning	Zoning Compliance - HL.pdf	pdf	6551289e05d57d0007e008b4	11/12/2023
Certification of Host Community Agreement	HOST COMMUNITY AGREEMENT CERTIFICATION FORM - HERBAL LOGIC LLC.pdf	pdf	6553d67356bf530007e9396f	11/14/2023
Community Outreach Meeting Documentation	COM_Attestation - completed_Redacted - Herbal Logic.pdf	pdf	656fca224a8d510008a00f52	12/05/2023
Certification of Host Community Agreement	HERBAL LOGIC, LLC 180 JOSEPH WARNER BOULEVARD TAUNTON, Attestation.pdf	pdf	659c1c790f1a250008aae5e6	01/08/2024

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.: \$

POSITIVE IMPACT PLAN

Positive Impact Plan:

Document Category	Document Name	Type	ID	Upload Date
Other	food pantry hebal logic (1).pdf	pdf	65689e12bc2d0900087acd78	11/30/2023
Plan for Positive Impact	HL - Positive Impact Plan -v2 - RF11 12.28.23.pdf	pdf	65984da4fa86d00008cb63d1	01/05/2024

ADDITIONAL INFORMATION NOTIFICATION

Notification:

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: Owner / Partner

Other Role:

First Name: Philip

Last Name: Nessralla

Suffix: Jr.

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 2

Role: Owner / Partner

Other Role:

Date generated: 08/05/2024

First Name: Seda

Last Name: Ciampa

Suffix:

RMD Association: Not associated with an RMD

Background Question: no

ENTITY BACKGROUND CHECK INFORMATION

Entity Background Check Information 1

Role: Partner

Other Role:

Entity Legal Name: HL Taunton, LLC

Entity DBA:

Entity Description: LLC Holding Co.

Phone: 508-326-1035

Email: seda.ciampa@yahoo.com

Primary Business Address 1: 115 Dean Street

Primary Business Address 2:

Primary Business City: Taunton

Primary Business State: MA

Principal Business Zip Code: 02780

Additional Information: Entity has no direct authority over Licensee as it holds 45% interest in Herbal Logic, LLC.

MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	Cert of Org - Herbal Logic.pdf	pdf	6551348556bf530007e69f7b	11/12/2023
Department of Revenue - Certificate of Good standing	CERTIF OF GOOD STANDING -- DOR.pdf	pdf	656cbe29bc2d0900087d2267	12/03/2023
Secretary of Commonwealth - Certificate of Good Standing	Herbal Logic LLC - MA SOS CGS - 11-14-23.pdf	pdf	656e01843ba78500075e5985	12/04/2023
Bylaws	Herbal Logic signed Operating Agreement.pdf	pdf	656fcb1b4a8d510008a00fb4	12/05/2023
DUA attestation if no employees	HL - DUA Signed Affidavit.pdf	pdf	656fcb2b3ba7850007603122	12/05/2023

No documents uploaded

Massachusetts Business Identification Number: 001376724

Doing-Business-As Name:

DBA Registration City:

BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	HL - FINAL Liability Insurance Plan for - MA (9-28-2023).pdf	pdf	6551366605d57d0007e00c96	11/12/2023
Proposed Timeline	Herbal Logic Proposed Timeline 8.30.23 revised.pdf	pdf	6551398205d57d0007e00e66	11/12/2023
Business Plan	FINAL Business Plan for Herbal Logic.pdf	pdf	655144d556bf530007e6a5d6	11/12/2023

OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload
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				Date
Quality control and testing	HL POLICY on Quality Control and Testing - 9-28-2023 (1).pdf	pdf	655149a405d57d0007e011a3	11/12/2023
Plan for obtaining marijuana or marijuana products	HL POLICY on Plan for Obtaining Marijuana 9-28-2023 (1).pdf	pdf	655149a605d57d0007e011ba	11/12/2023
Qualifications and training	HL POLICY on Qualifications and Training - 9-28-2023 (1).pdf	pdf	655149a756bf530007e6a689	11/12/2023
Maintaining of financial records	HL POLICY Maintenance of Financial Records 9-28-2023 (1).pdf	pdf	655149a805d57d0007e011ce	11/12/2023
Inventory procedures	HL POLICY on Inventory Management Procedures - 9-28-2023 (1).pdf	pdf	655149b656bf530007e6a6a0	11/12/2023
Record Keeping procedures	HL POLICY Record Keeping 9-28-2023 (1).pdf	pdf	655149ba56bf530007e6a6b4	11/12/2023
Storage of marijuana	HL POLICY Regarding Storage of Marijuana and Marijuana Product 9-28-2023 (1).pdf	pdf	655149c056bf530007e6a6c8	11/12/2023
Security plan	HL POLICY Security Plan 9-28-2023 (1).pdf	pdf	655149c905d57d0007e011e5	11/12/2023
Energy Compliance Plan	HL POLICY on Energy - 9-28-2023 (1).pdf	pdf	655149cc56bf530007e6a6dc	11/12/2023
Prevention of diversion	HL POLICY To Prevent Diversion 9-28-2023 (1).pdf	pdf	655149df56bf530007e6a6f0	11/12/2023
Transportation of marijuana	HL POLICY Transportation 9-28-2023 (1).pdf	pdf	655149e456bf530007e6a707	11/12/2023
Restricting Access to age 21 and older	HL POLICY Restricting Access To 21 And Older 11-11-2023.pdf	pdf	65514ad556bf530007e6a740	11/12/2023
Dispensing procedures	HL SOP Dispensing Procedures - 9-29-2023 (1).pdf	pdf	65514b5605d57d0007e01223	11/12/2023
Personnel policies including background checks	HL SOP on Personnel Policy - 9-28-2023 (1).pdf	pdf	65514b9205d57d0007e0123d	11/12/2023
Personnel policies including background checks	HL - Smoke, alcohol and drug free policy - RFI1.pdf	pdf	65c3a65b4e4a6100071626c9	02/07/2024
Diversity plan	HL - Diversity Plan - 2-7-2024 RFI 2.pdf	pdf	65c3ae16f8aae3000974015b	02/07/2024

#### MARIJUANA RETAILER SPECIFIC REQUIREMENTS

No documents uploaded

No documents uploaded

#### ATTESTATIONS

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

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

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

Notification:

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

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

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

ADDITIONAL INFORMATION NOTIFICATION

Notification:

COMPLIANCE WITH POSITIVE IMPACT PLAN - PRE FEBRUARY 27, 2024

No records found

COMPLIANCE WITH DIVERSITY PLAN

No records found

HOURS OF OPERATION

Monday From: 8:00 AM	Monday To: 9:00 PM
Tuesday From: 8:00 AM	Tuesday To: 9:00 PM
Wednesday From: 8:00 AM	Wednesday To: 9:00 PM
Thursday From: 8:00 AM	Thursday To: 9:00 PM
Friday From: 8:00 AM	Friday To: 9:00 PM
Saturday From: 8:00 AM	Saturday To: 9:00 PM
Sunday From: 8:00 AM	Sunday To: 9:00 PM

**HERBAL LOGIC, LLC**

**Plan to Remain Compliant with Local Zoning**

The address for Herbal Logic's ("HL") proposed Marijuana Retail Dispensary is 284R Winthrop Street, Taunton, Massachusetts. The Dispensary will comply with all Taunton Recreational Marijuana zoning requirements.

In accordance with Taunton's Zoning Bylaws, the proposed property is located in Taunton's Highway Business District (HBD). In compliance with 935 CMR 500.110(3), Herbal Logic's retail property is not located within 500 feet of an existing public or private school providing education to children in kindergarten or grades 1 through 12, nor located within 500 feet of another Marijuana Retailer nor 1,000 feet of Marijuana Retailer classified by the Cannabis Control Commission as an Economic Empowerment or Social Equity Program Participant.

Majority owner and principal, Philip C. Nessralla, Jr. is a Massachusetts licensed attorney for more than 45 years. Additionally Attorney Nessralla, Jr. has served a City Solicitor for the City of Brockton, was a member of Brockton's zoning board of appeals, and owns and manages commercial real estate.

Atty. Nessralla, Jr. has extensive first-hand knowledge of state and municipal compliance, and has engaged a licensed Massachusetts architect and general contractor.

As one of five members on the Brockton Zoning Board, Mr. Merian reviewed business applications that required variance for conformity of zoning uses, making sure that any variances strictly adhered to code, and were compliant, as required by the city's and state's pertinent laws and ordinances.

Attorney Nessralla is also a principal in Leaf Relief, Inc., which holds a provisional marijuana retail license in Brockton. Atty. Nessralla's education and experience will ensure Herbal Logic's compliance with local and state regulations and requirements. HL's operational plan is well positioned to ensure its operations will be compliant with the City's local requirements.

HL intends to abide by all local regulations and rules concerning its operation and any improvements or alterations to Herbal Logic' premises.

HL shall provide access to its premises and records at any time requested by local authorities. Herbal Logic will remain compliant at all times with the local zoning requirements set forth in the City of Taunton's Zoning Ordinance.

In accordance with the Zoning Ordinance, HL's proposed retail facility is located in an area that has been designated by the City of Taunton for the aforementioned uses and has received a Special Permit and Site Plan approval from the City of Taunton's Municipal Council and Planning Board, respectively.

HL has attended several meetings with various municipal officials and boards to discuss HL's plans for a proposed Marijuana Establishment and has executed a Host Community Agreement with the City of Taunton.

HL will continue to work closely with Taunton's various municipal departments, boards, and officials to ensure that HL's Marijuana Establishment remains compliant with all local laws, regulations, rules, and codes with respect to design, construction, operation, and security.

In addition, HL has retained the law firm Law Offices of Scott B. Rubin, P.C., which will represent and work in conjunction with HL and the City of Taunton on zoning compliance and related requirements.

At this time, HL has obtained all of its requirements from the City of Taunton including a Special Permit from the Municipal Council.





## 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:

Herbal Logic, LLC

2. Name of applicant's authorized representative:

Philip C. Nessralla, Jr.

3. Signature of applicant's authorized representative:



4. Name of municipality:

City of Taunton


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

Shaunna O'Connell, Mayor

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



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



8. Host community agreement execution date:



First Amendment 9/30/22  
Second Amendment 10/19/23



# Community Outreach Meeting Attestation Form

## Instructions

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

## Attestation

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

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



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

a. Date of publication:

b. Name of publication:

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

a. Date notice filed:

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

a. Date notice(s) mailed:

7. The applicant presented information at the Community Outreach Meeting, which at a minimum included the following:
- The type(s) of ME or MTC to be located at the proposed address;
  - Information adequate to demonstrate that the location will be maintained securely;
  - Steps to be taken by the ME or MTC to prevent diversion to minors;
  - A plan by the ME or MTC to positively impact the community; and
  - 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:

Herbal Logic, LLC

Name of applicant's authorized representative:

Philip C. Nessralla, Jr.

Signature of applicant's authorized representative:





# EXHIBIT "A"

## ORDER DETAILS

PREVIEW FOR AD NUMBER LNEO00293410

**Order Number:**  
LNEO0029341  
**External Order #:**  
9435803  
**Order Status:**  
Approved  
**Classification:**  
Public Notices  
**Package:**  
General Package  
**Final Cost:**  
71.60  
**Payment Type:**  
Mastercard  
**User ID:**  
L0039770

## ACCOUNT INFORMATION

Scott Rubin  
71 Legion Parkway 3rd Floor  
Brockton, MA 02301  
508-631-7106  
srubin@srubinlaw.com  
Law Office of Scott B. Rubin, P.C.  
Contract ID:

## PAYMENT DETAILS

MastercardXXXXXXXXXXXX0153

## TRANSACTION REPORT

**Date**  
October 20, 2023 4:16:24 PM EDT  
**Amount:**  
71.60

## ADDITIONAL OPTIONS

1 Affidavit

## SCHEDULE FOR AD NUMBER LNEO00293410

October 25, 2023  
Taunton Daily Gazette

284R Winthrop Street,  
Taunton

## LEGAL NOTICE

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for November 16, 2023 at 6:30 PM at 284R Winthrop Street, Taunton, MA 02780. The proposed Marijuana Retail Establishment is anticipated to be located at 284R Winthrop Street, Taunton, MA 02780. There will be an opportunity for the public to ask questions.

Publication Dates  
L00000000

[Privacy Policy](#) | [Terms of Service](#)

[Contact Us](#)





## EXHIBIT "B"

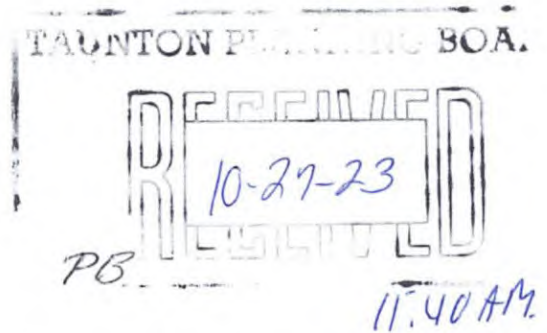
Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for November 16, 2023 at 6:30 PM at 284R Winthrop Street, Taunton, MA 02780. The proposed Marijuana Retail Establishment is anticipated to be located at 284R Winthrop Street, Taunton, MA 02780. There will be an opportunity for the public to ask questions.



RECEIVED



W



Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for November 16, 2023 at 6:30 PM at 284R Winthrop Street, Taunton, MA 02780. The proposed Marijuana Retail Establishment is anticipated to be located at 284R Winthrop Street, Taunton, MA 02780. There will be an opportunity for the public to ask questions.

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for November 16, 2023 at 6:30 PM at 284R Winthrop Street, Taunton, MA 02780. The proposed Marijuana Retail Establishment is anticipated to be located at 284R Winthrop Street, Taunton, MA 02780. There will be an opportunity for the public to ask questions.

RECEIVED  
CITY CLERK'S OFFICE  
2023 OCT 27 A 11:19  
TAUNTON, MA  
CITY CLERK

## **EXHIBIT "C"**

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for November 16, 2023 at 6:30 PM at 284R Winthrop Street, Taunton, MA 02780. The proposed Marijuana Retail Establishment is anticipated to be located at 284R Winthrop Street, Taunton, MA 02780. There will be an opportunity for the public to ask questions.



# City of Taunton, MA Abutters Report

16f2

300ft. Abutters of Property 76-115-0  
at 284 R WINTHROP STREET

Please be aware that the abutters list reflects mailing address for the real estate tax bills as requested by the property owners. Mortgage companies, banks and other financial institutions may be receiving the notification and not the homeowner as required. Please be sure you are complying with notification requirements. Property data updated 7/1/2021

Abutter	Street Address	Account No.	Tax Bill Address
90-40-0 R K TAUNTON LLC	294 WINTHROP STREET	67	[REDACTED] 50 CABOT STREET, SUITE 200 NEEDHAM, MA 02494
76-113-0 AMERCO REAL ESTATE COMPANY	JOSEPH WARNER BOULEVARD	2912	[REDACTED] 2727 N CENTRAL AVENUE PHOENIX, AZ 85004
90-41-0 AMERCO REAL ESTATE COMPANY	280 WINTHROP STREET	69	[REDACTED] 2727 N CENTRAL AVENUE PHOENIX, AZ 85004
76-115-0 BEACON AMORY TAUNTON, LLC	284 WINTHROP STREET	68	[REDACTED] PO BOX 610213 NEWTON, MA 02461



# City of Taunton, MA Abutters Report

Please be aware that the abutters list reflects mailing address for the real estate tax bills as requested by the property owners. Mortgage companies, banks and other financial institutions may be receiving the notification and not the homeowner as required. Please be sure you are complying with notification requirements. Property data updated 7/1/2021.

2 of 2

300ft. Abutters of Property 70.11.00  
at 284 R WINTHROP STREET

I hereby certify that the names and mailing addresses of the persons shown on the above list are the names and addresses of the owners of record as shown on the most recent certified tax list dated \_\_\_\_\_.

Signed,

Not official unless stamped by  
the Board of Assessors

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

OUR CURRENT RECORDS,  
THIS OFFICE CERTIFIES  
THE ABOVE OWNERSHIP IS  
RECT AS OF 9/21/23  
WITHIN 300 FEET.  
BOARD OF ASSESSORS

*Kristi Alencar*



7022 1670 0003 2992 4170

U.S. Postal Service™  
**CERTIFIED MAIL® RECEIPT**  
 Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

Needham Heights, MA 02494

Certified Mail Fee	\$4.35
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$3.55
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$0.66

Total Po

Sent To

Street at

City, State

50 CABOT STREET, SUITE 200  
 NEEDHAM, MA 02494

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

7022 1670 0003 2992 4156

U.S. Postal Service™  
**CERTIFIED MAIL® RECEIPT**  
 Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

Newton Highlands, MA 02461

Certified Mail Fee	\$4.35
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$3.55
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$0.66

Total Po

Sent To

Street at

City, State

PO BOX 610213  
 NEWTON, MA 02461

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

7022 1670 0003 2992 4163

U.S. Postal Service™  
**CERTIFIED MAIL® RECEIPT**  
 Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

Phoenix, AZ 85004

Certified Mail Fee	\$4.35
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$3.55
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage

Total

Sent

Street

City, State

2727 N CENTRAL AVENUE  
 PHOENIX, AZ 85004

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

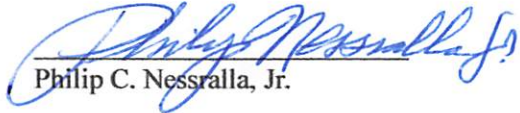


HERBAL LOGIC, LLC  
180 JOSEPH WARNER BOULEVARD  
TAUNTON, MA 02780

ATTESTION REGARDING CHANGE OF ADDRESS

TO: CANNABIS CONTROL COMMISSION

On behalf of Herbal Logic, LLC, proposed licensee states as a result of the approval process with the City of Taunton a condition of its approval as noted in the attached Site Plan Approval, the Department of Public Works/Engineering Department requested the address be changed from 284R Winthrop Street, Taunton to 180 Joseph Warner Boulevard, Taunton, MA 02780 as the building faces Joseph Warner Boulevard and would be easier to identify for emergency service personnel.

  
Philip C. Nessralla, Jr.



## TAUNTON PLANNING BOARD

141 Oak Sreet – office address

15 Summer Street – mailing address

**Taunton, Massachusetts 02780**

Phone 508-821-1051

Fax 508-821-1665

*Denise J. Paiva, Head Administrative Clerk*

[dpaiva@taunton-ma.gov](mailto:dpaiva@taunton-ma.gov)

November 6, 2023

### **RE: Site Plan Review - 284R Winthrop St.**

To Whom It May Concern:

Please find enclosed a copy of the Site Plan Review decision for 284R Winthrop St. Taunton, Ma. This decision was filed with the City Clerk's Office at City Hall at 15 Summer Street on **November 6, 2023.**

Appeals of this decision, if any shall be made pursuant to Massachusetts General Laws, Chapter 40A, Section 17, and said appeal shall be filed within twenty (20) days after the date of filing of such notice with the Office of the City Clerk.

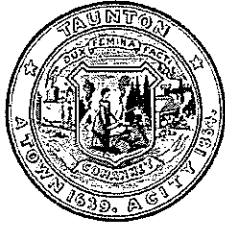
You **MUST** pick up a COPY of this decision at the City Clerk's Office at 15 Summer Street to be certified by the City Clerk after the twenty (20) day appeal period is over and **record the decision at the Taunton Registry of Deeds in order for it to be valid. The Registry of Deeds is located at 11 Court St., Taunton, Ma.**

Please be advised that a RECORDED COPY of the Site Plan Review must be submitted to the Planning Board Office prior to a **building permit being issued.**

Respectfully,

Anthony Abreau, Chairman  
TAUNTON PLANNING BOARD

AA/djp



*Denise J. Paiva, Secretary*  
*[dpaiva@taunton-ma.gov](mailto:dpaiva@taunton-ma.gov)*

## **TAUNTON PLANNING BOARD**

**1298 Cohannet St. – office address**

**15 Summer St. – mailing address**

**Taunton, Massachusetts 02780**

Phone 508-821-1051 Fax 508-821-1665

**November 6, 2023**

### **DECISION OF CITY OF TAUNTON PLANNING BOARD ON THE PETITION FOR SITE PLAN REVIEW**

**Petitioner: Phillip Nessralla, Herbal Logic, LLC**  
**1063 North Main St.**  
**Brockton, Ma. 02301**

**Owner: Dennis Borges**  
**157 Dean St.**  
**Taunton, Ma. 02780**

**FOR: 284R Winthrop St. (to be changed to 180 Joseph Warner Boulevard)**

On September 25, 2023 the petitioner filed with the City of Taunton Planning Board a petition for a Site Plan Review for a 2,100 sq. ft. marijuana establishment at 284R Winthrop St., Taunton, Ma. As required by the Zoning Ordinance, copies of the petition and plans submitted therewith were submitted to the applicable City Boards and Departments. On November 2, 2023 a public meeting was held by the Taunton Planning Board, after proper notice as required by Massachusetts General Laws Chapter 40A, Section 11 and the City's Zoning Ordinance. In considering the petition, the Planning Board familiarized itself with the premises and examined the location, layout and other characteristics. After reviewing the petition, plans and testimony, the Planning Board finds that the petition was formally sufficient and submitted and reviewed in accordance with the procedures set forth in the Zoning Ordinance and that proper notice was given by the Taunton Planning Board, having made motion to Grant the Site Plan Review, based on the submitted plans and accompanying materials and above mentioned reasons, and the Taunton Planning Board having voted hereby Grants the Site Plan Review with the following conditions:

**Condition #1) That the plans dated April 3, 2023 and revised on Oct. 26, 2023 shall govern with the following additional conditions;**

**Condition #2) Lighting shall not illuminate any portion of abutting properties**

**Condition #3) The site shall be kept clean and clear of debris**

**Condition #4) Two sets of as-builts shall be submitted upon occupancy for all work on site and shall include design engineer and land surveyor certification notes stating the development has been built according to the approved plans. Plans will show all construction of buildings, utilities, grades, setbacks etc**

**Condition #5) Two sets of updated plans shall be provided that conforms to this decision prior to Building permit**

**Condition #6) Address shall be changed to 180 Joseph Warner Boulevard**

**Condition #7) The dumpster shall be located on a concrete pad, enclosed with a stockade fence, be kept closed at all times and be emptied regularly**

**Condition #8) The freestanding sign is grandfathered in its current location and can be refaced. Any new sign would trigger compliance with current sign regulations**

**Condition #9) Correct parking that is closest to handicapped ramp by eliminating one parking space.**

#### **Notes**

**Note 1) DPW permits are required including city licensed contractor, road opening and trench permits. Plans shall be submitted to DPW for water services, fire service line, gate valves and curb stops**

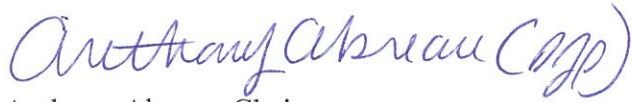
**Note 2) DPW specifications shall apply including backflow devices, pressure testing, materials, installation, inspection and approval and prior notice is required before any city water work is to be performed and inspections are required prior to backfilling**

**Note 3) Compliance with the October 22, 2023 letter from the Taunton Commission for individuals with Disabilities for relevant AAB accessibility requirements.**

**Vote: 7 In favor**

<b>Anthony Abreau</b>	<b>YES</b>
<b>Dennis Ackerman</b>	<b>YES</b>
<b>John Reardon</b>	<b>YES</b>
<b>Manuel Spencer Jr</b>	<b>YES</b>
<b>Michael Monteiro</b>	<b>YES</b>
<b>Robert Campbell</b>	<b>YES</b>
<b>Brian Carr</b>	<b>YES</b>

Respectfully,

A handwritten signature in blue ink that reads "Anthony Abreau (app)".

Anthony Abreau, Chairman  
TAUNTON PLANNING BOARD

AA/djp

CC: Building Commissioner  
DPW Commissioner  
Police Dept.  
Fire Dept.  
Mayor  
Sewer Dept.  
Economic Dev. Dir.  
applicant

City Engineer  
Water Dept.  
Conservation Commission  
Board of Health  
TMLP  
Historic District Commission  
ADA Commission

\_\_\_\_\_  
CITY CLERK

TAUNTON, MA

2023 NOV -6 A 11: 14

RECEIVED  
CITY CLERK'S OFFICE

HERBAL LOGIC, LLC

PLAN TO  
POSITIVELY IMPACT  
AN AREA OF DISPROPORTIONATE IMPACT

## **Introduction**

Herbal Logic, LLC (“HL”) proposed location is 284R Winthrop Street, Taunton, MA 02780. The entire City of Taunton is designated as an area of disproportionate impact per the most recent Massachusetts Cannabis Control Commission’s latest Guidance.

## **Impact Groups**

HL intends to implement programs to assist past or present Taunton, Brockton, Fall River and New Bedford residents as well as Massachusetts residents who have prior marijuana convictions, and residents with parents or spouses who have prior marijuana convictions. As noted above, Taunton, Brockton, Fall River and New Bedford are areas of disproportionate impact and therefore this targeted group complies with the requirements of the Cannabis Control Law.

## **Goals**

HL’s goals are as follows:

- a. to give hiring preferences to present and past Taunton, Brockton, Fall River and New Bedford residents and make the entry to the cannabis industry in Taunton more accessible;
- b. run at least two (2) fundraisers and/or make monetary donations within the City of Taunton to Taunton based charities.

## **Programs**

HL has developed specific programs to employ its goals and positively impact the Taunton community. Programs include but will not be limited to:

1. Remain focused on hiring from the City of Taunton.
2. Hosting at least 2 career fairs throughout the year in Taunton/Brockton/Fall River/New Bedford to meet HL’s goals and to promote access to the cannabis industry. Monthly advertisement in local newspaper (The Herald News) promoting HL’s hiring practices. This includes hiring Taunton/Brockton/Fall River/New Bedford residents and those with prior marijuana convictions.
3. Conducting fundraisers and/or make monetary donations to charities focus on the City of Taunton annually. Planned partnerships are with:
  - a. ***Matthew Mission Food Pantry (MM)*** *MM runs a non-profit providing free food pantry for those in the need and is located across from City Hall in Taunton.* Minimum Annual Donation: \$1,500.00

## **Measurements:**

Herbal Logic’s Manager will measure this plan’s goals bi-annually to ensure the organization is on track to meet its goals. HL is aware that an audit of the Plan’s progress will be submitted to the CCC upon license renewal.

- a. HL will document its employment practices, including the number of such employees hired, retained and promoted that are past or present City of Taunton/Brockton/Fall River/New Bedford residents. HL’s goal is to hire at least 15% of its employees from the City of Taunton/Brockton/Fall River/New Bedford. At the end of the calendar year, if HL has not met plan goals, it will donate \$1,500 to the Social Equity Training and Technical Assistance Fund and will continue to refine its plan in order to meet

plan goals the following year.

- b. HL will provide documentation concerning fundraising activities and donations.

Acknowledgements:

HL acknowledges and is aware, and will adhere to, the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment; and (2) Any actions taken, or programs instituted, will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.





## 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: 0013767241. The exact name of the limited liability company is: HERBAL LOGIC, LLC

## 2a. Location of its principal office:

No. and Street: 1063 NORTH MAIN STREET  
City or Town: BROCKTON State: MA Zip: 02301 Country: USA

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

No. and Street: 1063 NORTH MAIN STREET  
City or Town: BROCKTON State: MA Zip: 02301 Country: USA

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

TO SUBMIT AN APPLICATION TO THE CANNABIS CONTROL COMMISSION AND ANY OTHER REQUIRED GOVERNMENTAL AGENCY FOR PERMISSION TO OBTAIN A LICENSE FOR THE RETAIL SALE OF RECREATIONAL MARIJUANA.

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

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

Name: PHILIP C NESSRALLA  
No. and Street: 1063 NORTH MAIN STREET  
City or Town: BROCKTON State: MA Zip: 02301 Country: USA

I, PHILIP C NESSRALLA 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	PHILIP C NESSRALLA	1063 NORTH MAIN STREET BROCKTON, MA 02301 USA

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

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

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

<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	PHILIP CHARLES NESSRALLA	1063 NORTH MAIN STREET BROCKTON, MA 02301 USA

**9. Additional matters:**

TO SUBMIT AN APPLICATION TO THE CANNABIS CONTROL COMMISSION AND ANY OTHER GOVERNMENTAL AGENCY FOR PERMISSION TO OBTAIN A LICENSE FOR THE RETAIL OPERATION OF RECREATIONAL MARIJUANA.

**SIGNED UNDER THE PENALTIES OF PERJURY, this 2 Day of April, 2019,**

PHILIP C NESSRALLA

*(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:

April 02, 2019 12:39 PM

A handwritten signature in black ink, reading "William Francis Galvin". The signature is written in a cursive style with a large, stylized 'G' at the end.

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*



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

mass.gov/dor

Letter ID: L2011188000  
Notice Date: September 25, 2023  
Case ID: 0-002-157-191



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



HERBAL LOGIC, LLC  
1063 N MAIN ST  
BROCKTON MA 02301-1500

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

The Commissioner of Revenue certifies that, as of the date of this certificate, HERBAL LOGIC, 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..

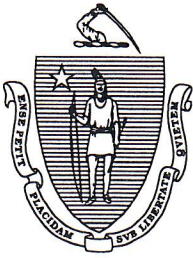
### *Visit us online!*

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

Use the confirmation code below to print another copy of this letter or to review your submission.  
Confirmation Code: tkb7p6



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

William Francis Galvin  
Secretary of the  
Commonwealth

November 14, 2023

TO WHOM IT MAY CONCERN:

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

**HERBAL LOGIC, LLC**

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

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

I also certify that the names of all managers listed in the most recent filing are: **PHILIP C NESSRALLA**

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

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



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

HERBAL LOGIC, LLC  
OPERATING AGREEMENT

THIS OPERATING AGREEMENT, dated as of the **5<sup>th</sup> day of December, 2023**, is by and among the persons identified as Members on *Schedule A* (each such person being individually referred to as a “Member” and all such persons being referred to collectively as the “Members”). Philip C. Nessralla, Jr., also serves as, and is signing this Agreement in his capacity as Manager of the limited liability company formed hereby.

WHEREAS, Herbal Logic LLC (the “LLC”) was formed on April 2, 2019, as a limited liability company under the Massachusetts Limited Liability Company Act (the “Act”) by the filing of a Certificate of Organization (the “Certificate”) in the office of the Secretary of State of the Commonwealth of Massachusetts; and

WHEREAS, the Manager and the Members wish to set out fully their respective rights, obligations and duties with respect to the LLC and its business, management and operations.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I  
Definitions

The following capitalized terms used in this Agreement shall have the respective meanings ascribed to them below:

“*Act*” means the Massachusetts Limited Liability Company Act, in effect at the time of the initial filing of the Certificate with the Office of the Secretary of State of the Commonwealth of Massachusetts, and as thereafter amended from time to time.

“*Adjusted Capital Account*” means, for each Member, such Member’s Capital Account balance increased by such Member’s share of “minimum gain” and of “partner nonrecourse debt minimum gain” (as determined pursuant to Treasury Regulation Sections 1.704-2(g) and 1.704-2(i)(5), respectively).

“*Affiliate*” shall mean, with respect to any specified person or entity, (i) any person or entity that directly or indirectly controls, is controlled by, or is under common control with such specified person or entity; (ii) any person or entity that directly or indirectly controls 10 percent or more of the outstanding equity securities of the specified entity or of which the specified person or entity is directly or indirectly the owner of 10 percent or more of any class of equity securities; (iii) any person or entity that is an officer of, director of, manager of, partner in, or trustee of, or serves in a similar capacity with respect to, the specified person or entity or of which the specified person or entity is an officer, director, partner, manager or trustee, or with respect to which the specified

person or entity serves in a similar capacity; or (iv) any person that is a member of the Immediate Family of the specified person.

*“Agreement”* means this Operating Agreement as it may be amended, supplemented, or restated from time to time.

*“Bankruptcy”* means the occurrence of any of the following events:

- (i) a Member makes an assignment for the benefit of creditors;
- (ii) a Member files a voluntary petition in bankruptcy;
- (iii) a Member is adjudged a bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceeding;
- (iv) a Member files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation;
- (v) a Member files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature;
- (vi) a Member seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Member or of all or any substantial part of his or her properties; or
- (vii) One hundred and twenty days after the commencement of any proceeding against a Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if, within 90 days after the appointment without its consent or acquiescence of a trustee, receiver or liquidator of the Member or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, the appointment is not vacated.

*“Capital Account”* means a separate account maintained for each Member and adjusted in accordance with Treasury Regulations under I.R.C. § 704. To the extent consistent with such Treasury Regulations, the adjustments to such accounts shall include the following:

- (i) There shall be credited to each Member’s Capital Account the amount of any cash (which shall not include imputed or actual interest on any deferred contributions) actually contributed by such Member to the capital of the LLC, the fair market value at the time of contribution (without regard to I.R.C. § 7701(g)) of any property contributed by such Member to the capital of the LLC, the amount of liabilities of the LLC assumed by the Member or to which property distributed to the Member was subject, and such Member’s share of the Net Profits of the LLC and of any items in the nature of income or gain separately allocated to the Members, and there shall be charged against each Member’s Capital Account the amount of all cash distributions to such Member, the fair market value at the time of distribution (without regard to I.R.C. § 7701(g)) of any property distributed to such Member by the LLC, the amount of liabilities of the Member assumed by the LLC or to which property contributed by the Member to the LLC was subject, and such Member’s share of the

Net Losses of the LLC and of any items in the nature of loss or deduction separately allocated to the Members.

(ii) In the event any interest in the LLC is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

“*Capital Transaction*” means a sale or other disposition of all or a portion of the LLC’s property in a single transaction or in a series of related transactions, other than such a sale or disposition in the ordinary course of the LLC’s business and any refinancing.

“*Carrying Value*” means, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, *provided, however*, that (i) the initial Carrying Value of any asset contributed to the LLC shall be adjusted to equal its gross fair market value (as reasonably determined by the **Manager**) at the time of its contribution and (ii) the Carrying Values of all assets held by the LLC shall be adjusted to equal their respective gross fair market values (taking I.R.C. § 7701(g) into account) upon an election by the LLC to revalue its property in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f) and upon liquidation of the LLC. The Carrying Value of any asset whose Carrying Value was adjusted pursuant to the preceding sentence thereafter shall be adjusted in accordance with the provisions of Treasury Regulation Section 1.704-1(b)(2)(iv)(g).

“*Certificate*” means the Certificate of Organization creating the LLC, as it may, from time to time, be amended in accordance with the Act.

“*Consent*” means the written consent or approval of more than 50 percent in interest, based on Percentage Interests, of those Members entitled to participate in giving such Consent, and if more than one class or group of Members is so entitled, then more than 50 percent shall be so required with respect to each such class or group.

“*Distributable Cash*” means, with respect to any fiscal period, the excess of all cash receipts of the LLC from any source whatsoever, including normal operations, sales of assets, proceeds of borrowings, capital contributions of the Members, proceeds from a Capital Transaction, and any and all other sources over the sum of the following amounts, incurred and paid as reasonably necessary and appropriate to the Company's business and operations:

(i) cash disbursements for advertising and promotion expenses, salaries, employee benefits (including profit-sharing, bonus and similar plans), fringe benefits, accounting and bookkeeping services and equipment, costs of sales of assets, utilities, rental payments with respect to equipment or real property, management fees and expenses, insurance, real estate taxes, legal expenses, costs of repairs and maintenance, and any and all other items customarily considered to be “operating expenses”;

(ii) payments of interest, principal and premium, and points and other costs of borrowing under any indebtedness of the LLC, including, without limitation, (A) any mortgages or deeds of trust encumbering the real property or other assets owned or leased by the LLC, and (B) any Voluntary Loans;

(iii) payments made to purchase inventory or capital assets, and for capital construction, rehabilitation, acquisitions, alterations and improvements; and



(iv) amounts set aside as reserves for working capital, contingent liabilities, replacements or for any of the expenditures described in clauses (i), (ii) and (iii), above, deemed by the Manager to be necessary and reasonable to meet the current and anticipated future needs of the LLC.

*“Immediate Family”* (i) with respect to any individual, means his or her ancestors, spouse, issue, spouses of issue, any trustee or trustees, including successor and additional trustees, principally for the benefit of any one or more of such individuals, and any entity or entities, all of the beneficial owners of which are such trusts and/or such individuals, but (ii) with respect to a Legal Representative, means the Immediate Family of the individual for whom such Legal Representative was appointed and (iii) with respect to a trustee, means the Immediate Family of the individuals who are the principal beneficiaries of the trust.

*“Invested Capital”* means, at any point in time, for any Member, the excess of (i) the aggregate amount of the capital contributed to the LLC by such Member over (ii) the aggregate amount distributed (or deemed distributed) to such Member pursuant to Section 4.01(b), below.

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

*“Legal Representative”* means, with respect to any individual, a duly appointed executor, administrator, guardian, conservator, personal representative or other legal representative appointed as a result of the death or incompetency of such individual.

*“LLC”* means the limited liability company formed pursuant to the Certificate and this Agreement, as it may from time to time be constituted and amended.

*“Manager”* shall refer to any person named as a Manager in this Agreement and any person who becomes an additional, substitute or replacement Manager as permitted by this Agreement, in each such person’s capacity as (and for the period during which such person serves as) a Manager of the LLC. “Managers” shall refer collectively to all of such persons in their capacities as (and for the period during which such persons serve as) Managers of the LLC.

*“Member”* shall refer severally to any person named as a Member in this Agreement and any person who becomes an additional, substitute or replacement Member as permitted by this Agreement, in such person’s capacity as a Member of the LLC. “Members” shall refer collectively to all such persons in their such capacities as Members.

*“Net Profits”* and *“Net Losses”* mean the taxable income or loss, as the case may be, for a period as determined in accordance with I.R.C. § 703(a) computed with the following adjustments:

(i) items of gain, loss and deduction shall be computed based upon the Carrying Values of the LLC’s assets (in accordance with Treasury Regulation Sections 1.704-1(b)(2)(iv)(g) and/or 1.704-3(d)) rather than upon the assets’ adjusted bases for federal income tax purposes;

(ii) any tax-exempt income received by the LLC shall be included as an item of gross income;

(iii) the amount of any adjustment to the Carrying Value of any LLC asset pursuant to I.R.C. § 734(b) or I.R.C. § 743(b) that is required to be reflected in the Capital Accounts of the Members pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m) shall be treated as an item of gain

(if the adjustment is positive) or loss (if the adjustment is negative), and only such amount of the adjustment shall thereafter be taken into account in computing items of income and deduction;

(iv) any expenditure of the LLC described in I.R.C. § 705(a)(2)(B) (including any expenditures treated as being described in I.R.C. § 705(a)(2)(B) pursuant to Treasury Regulations under I.R.C. § 704(b)) shall be treated as a deductible expense;

(v) the amount of items of income, gain, loss or deduction specially allocated to any Members pursuant to Section 5.02 shall not be included in the computation;

(vi) the amount of any unrealized gain or unrealized loss attributable to an asset at the time it is distributed in-kind to a Member shall be included in the computation as an item of income or loss, respectively; and

(vii) the amount of any unrealized gain or unrealized loss with respect to the assets of the LLC that is reflected in an adjustment to the Carrying Values of the LLC's assets pursuant to clause (ii) of the definition of "Carrying Value" shall be included in the computation as items of income or loss, respectively.

"*Percentage Interest*" shall be the percentage interest of a Member set forth in *Schedule A*, as amended from time to time *and subject to adjustment pursuant to Section 3.02*.

"*Securities Act*" means the Securities Act of 1933, as amended.

"*Target Balance*" means, for each Member at any point in time, either (i) a positive amount equal to the net amount, if any, the Member would be entitled to receive or (ii) a negative amount equal to the net amount the Member would be required to pay or contribute to the LLC or to any third party, assuming, in each case, that (A) the LLC sold all of its assets for an aggregate purchase price equal to their aggregate Carrying Value (assuming for this purpose only that the Carrying Value of any asset that secures a liability that is treated as "nonrecourse" for purposes of Treasury Regulation Section 1.1001-2 is no less than the amount of such liability that is allocated to such asset in accordance with Treasury Regulation Section 1.704-2(d)(2)); (B) all liabilities of the LLC were paid in accordance with their terms from the amounts specified in clause (A) of this sentence; (C) any Member that was obligated to contribute any amount to the LLC pursuant to this Agreement or otherwise (including the amount a Member would be obligated to pay to any third party pursuant to the terms of any liability or pursuant to any guaranty, indemnity, or similar ancillary agreement or arrangement entered into in connection with any liability of the LLC) contributed such amount to the LLC; (D) all liabilities of the LLC that were not completely repaid pursuant to clause (B) of this sentence were paid in accordance with their terms from the amounts specified in clause (C) of this sentence; and (E) the balance, if any, of any amounts held by the LLC was distributed in accordance with Section 4.01 hereof.

"*Transfer*" and any grammatical variation thereof shall refer to any sale, exchange, issuance, redemption, assignment, distribution, encumbrance, hypothecation, gift, pledge, retirement, resignation, transfer, or other withdrawal, disposition or alienation in any way (whether voluntarily, involuntarily or by operation of law) as to any interest as a Member. Transfer shall specifically, without limitation of the above, include assignments and distributions resulting from death, incompetency, bankruptcy, liquidation and dissolution.

“*Voluntary Loan*” shall mean a loan made pursuant to Section 3.05 of this Agreement.

## ARTICLE II

### General

2.01 *Name of the Limited Liability Company.* The name of the limited liability company formed hereby is **Herbal Logic LLC**. The name of the LLC may be changed at any time, or from time to time, with the approval of the Manager and the Consent of the Members.

2.02 *Office of the Limited Liability Company; Agent for Service of Process.* The address of the registered office of the LLC for purposes of Section 5 of the Act is **1063 Main Street, Brockton, MA 02301**. The name and address of the resident agent for service of process for the LLC is **Philip C. Nessralla, Jr. of 1063 North Main Street, Brockton, MA 02301**. The Manager may establish places of business of the LLC within and without the Commonwealth of Massachusetts, as and when required by the LLC’s business and in furtherance of its purposes set forth in Section 2.04 hereof, and may appoint agents for service of process in all jurisdictions in which the LLC shall conduct business. The Manager may cause the LLC to change from time to time its resident agent for service of process, or the location of its registered office in Massachusetts, *provided, however*, that the Manager shall promptly notify all Members in writing of any such change.

2.03 *Organization.* The Manager shall cause to be filed such certificates and documents as may be necessary or appropriate to comply with the Act and any other applicable requirements for the operation of a limited liability company in accordance with the laws of the Commonwealth of Massachusetts and any other jurisdictions in which the LLC shall conduct business, and shall continue to do so for so long as the LLC conducts business therein.

2.04 *Purposes and Powers.* The general character of the business of the LLC, as set forth in the Certificate, is to engage in the business of **retail cannabis sales**.

Subject to all other provisions of this Agreement, in furtherance of the conduct of its business, and provided that engagement in the below activities does not jeopardize or conflict with the single purpose nature of the LLC, the LLC is hereby authorized:

(a) to enter into, execute, modify, amend, supplement, acknowledge, deliver, perform and carry out contracts of any kind, including operating agreements of limited liability companies (whether as a member or manager), joint venture agreements, limited partnership and general partnership agreements, contracts with Affiliates, including other contracts establishing business arrangements or organizations necessary to, in connection with, or incidental to the accomplishment of, the purposes of the LLC;

(b) to borrow money and issue evidences of indebtedness or guarantees in furtherance of any or all of the purposes of the LLC, and to secure the same by mortgages, pledges or other liens on the property of the LLC;

(c) to the extent that funds of the LLC are available therefor, to pay all expenses, debts and obligations of the LLC;

(d) to enter into or engage in any kind of activity necessary to, in connection with, or incidental to, the accomplishment of the purposes of the LLC, so long as said activities may be lawfully carried on or performed by an LLC under the laws of the Commonwealth of Massachusetts; and

(e) to take any other action not prohibited under the Act or other applicable law.

**2.05 Members.** The Members of the LLC are identified on *Schedule A* hereto. Additional Members may be admitted to the LLC (i) pursuant to and in accordance with *Section 3.02(c)* and Article VIII hereof, or (ii) *with the approval of Members holding not less than 100% of the Percentage Interests held by all Members, which approval shall specify the capital contribution, Percentage Interest, economic interest and any other rights and obligations of such additional Member. Such approval shall bind all Members. In connection with any such admission, this Agreement (including Schedule A) shall be amended to reflect the additional Member, his, her or its capital contribution, if any, his, her or its Percentage Interest, and any other rights and obligations of the additional Member.*

**2.06 Designation of Managers.** **Philip C. Nessralla, Jr. of 1063 North Main Street, Brockton, MA 02301 and HL Taunton, LLC of 144 Dean Street, Easton, MA 02375** is hereby designated as the Managers of the LLC. Any Manager may withdraw or be removed as a manager of the LLC, and other persons may be added or substituted as Managers, only in the manner specified in Sections 8.02 and 8.03.

**2.07 Managers as Members.** Any Manager may hold an interest in the LLC as a Member, and such person's rights and interest as a Manager shall be distinct and separate from such person's rights and interest as a Member.

**2.08 Liability of Members.** The liability of the Members for the losses, debts and obligations of the LLC shall be limited to their capital contributions, *provided, however*, that under applicable law, the Members may under certain circumstances be liable to the LLC to the extent of previous distributions made to them in the event that the LLC does not have sufficient assets to discharge its liabilities. Without limiting the foregoing, (i) no Member, in his, her or its capacity as a Member (or, if applicable, as a Manager) shall have any liability to restore any negative balance in his, her or its Capital Account and (ii) the failure of the LLC to observe any formalities or requirements relating to exercise of its powers or management of its business or affairs under this Agreement or the Act shall not be grounds for imposing personal liability on the Members or Managers for liabilities of the LLC.

**2.09 Notices of Default.** No Member or Manager shall be obliged to give notice of an existing or potential default of any obligation of the LLC to any of the Members, nor *subject to the provisions of Section 3.02(b)* shall any Member or Manager be obligated to make any capital contributions or loans to the LLC or otherwise supply or make available any funds to the LLC, even if the failure to do so would result in a default of any of the LLC's obligations or the loss or termination of all or any part of the LLC's assets or business.

**2.10 Investment Representations.** Each Member, by execution of this Agreement or an amendment hereto reflecting such Member's admission to the LLC, hereby represents and warrants to the LLC the following:

(a) It is acquiring an interest in the LLC for its own account for investment only, and not with a view to, or for sale in connection with, any distribution thereof in violation of the Securities Act, or any rule or regulation thereunder.

(b) It understands that (i) the interest in the LLC it is acquiring has not been registered under the Securities Act or applicable state securities laws and cannot be resold unless subsequently registered under the Securities Act and such laws, or unless an exemption from such registration is available; (ii) such registration under the Securities Act and such laws is unlikely at any time in the future and neither the LLC nor the Members or Managers are obligated to file a registration statement under the Securities Act or such laws; and (iii) the assignment, sale, transfer, exchange or other disposition of the interests in the LLC is restricted in accordance with the terms of this Agreement.

(c) It has had such opportunity as it has deemed adequate to ask questions of and receive answers from the Manager or other representatives of the LLC concerning the LLC, and to obtain from representatives of the LLC such information that the LLC possesses or can acquire without unreasonable effort or expense, as is necessary to evaluate the merits and risks of an investment in the LLC.

(d) It has, either alone or with its professional advisers, sufficient experience in business, financial and investment matters to be able to evaluate the merits and risks involved in investing in the LLC and to make an informed investment decision with respect to such an investment.

(e) It can afford a complete loss of the value of its investment in the LLC and is able to bear the economic risk of holding such investment for an indefinite period.

(f) If it is an entity, (i) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization; (ii) it has full organizational power to both execute and deliver this Agreement and perform its obligations hereunder; (iii) its execution, delivery and performance of this Agreement has been authorized by all requisite action on behalf of the entity; and (iv) it has duly executed and delivered this Agreement.

### ARTICLE III

#### Capital Contributions; Additional Financing

3.01 *Capital Accounts.* For each Member (and each permitted assignee), the LLC shall establish and maintain a separate Capital Account.

3.02 *Capital Contributions.*

(a) Each Member has contributed to the capital of the LLC the amount set forth opposite its name on *Schedule A* attached hereto.

(b) If the Manager determines at any time, or from time to time, that the LLC requires funds to carry out its purposes, conduct its business, meet its obligations, or make any expenditure authorized by this Agreement in excess of the amounts generated from the LLC's operations and the amounts specified on *Schedule A* hereto, and such funds are not available from third-party lenders on terms acceptable to the Manager in its sole discretion, the Members may, but shall not be required to, contribute any such additional funds. Members electing to contribute such additional

funds shall contribute such portions thereof as they may agree upon and the additional funds shall be considered a *Voluntary Loan under Section 3.05*.

(c) If the Members elect not to contribute additional funds pursuant to Section 3.02(b), the Manager shall be permitted to obtain additional equity financing in the amount required on such terms and conditions as it deems appropriate in its sole discretion, from third parties unaffiliated with any Member. In connection with any such admission of additional Members, the Percentage Interests of the Members shall be diluted proportionately, based on their respective Percentage Interests immediately prior to any such dilution. Without in any way limiting the foregoing, the interest of any third party admitted to the LLC pursuant to this Section 3.02(c) in the Net Profits, Net Losses and distributions of cash or property of any nature, may have such priority or priorities in relationship to the interests therein of the Members as the Manager may in its sole discretion determine, provided that the relative priorities of the Manager and the other Members in the Net Profits, Net Losses and cash distributions of any nature of the LLC shall not be altered as a result of the admission of any such investor.

*Each Member, and each person who is hereinafter admitted to the LLC as a Member, hereby (i) consents to the admission of any such third party on such terms as the Manager may determine (subject to the provisions of this Section 3.02(c)), and to any amendment to this Agreement that may be necessary or appropriate to reflect the admission of any such third party and the terms on which it invests in the LLC; and (ii) acknowledges that, in connection with any admission of any such person, such a Member's interest in allocations of Net Profits, Net Losses and distributions of cash and property of the LLC, and net proceeds upon liquidation of the LLC, may be diluted or otherwise altered (subject to the provisions of this Section 3.02(c)).*

(d) Each Member hereby constitutes and appoints the Manager and its partners and officers, if any, and each of them acting singly; any person or entity that becomes a substitute or additional Manager of the LLC, and each partner or officer thereof as such a Member's agent and attorney in fact for the purpose of amending this Agreement, including Schedule A hereto, in such manner as may be necessary or appropriate from time to time to reflect the modifications of the Members' Percentage Interests pursuant to Section 3.02(b) and the admission of any additional Member pursuant to Section 3.02(c). Any such amendment, when prepared by said attorney in fact, shall be deemed a part of this Agreement and incorporated herein by reference, as of the effective date of such amendment, to the same extent as if attached hereto and incorporated herein by this reference on the date hereof. The power of attorney contained in this Section 3.02(d) is coupled with an interest and, therefore, is irrevocable and shall survive the death, dissolution, Bankruptcy or incapacity of any Member.

**3.03 No Withdrawal of or Interest on Capital.** Except as otherwise provided in this Article III, no Member shall be obligated or permitted to contribute any additional capital to the LLC. No interest shall accrue on any contributions to the capital of the LLC, and no Member shall have the right to withdraw or to be repaid any capital contributed by the Member, or to receive any other payment in respect to the Member's interest in the LLC, including, without limitation, payment received as a result of the withdrawal or resignation of such Member from the LLC, except as specifically provided in this Agreement.

**3.04 Third-Party Loans.** In the event that the LLC requires additional funds to carry out its purposes, conduct its business or meet its obligations, or to make any expenditure authorized by this

Agreement, the LLC may borrow funds from such third-party lender(s) on such terms and conditions as may be acceptable to the Manager.

**3.05 Voluntary Loans.** In the event the LLC requires additional funds to carry out its purposes, conduct its business, meet its obligations or make any expenditure authorized by this Agreement, and additional funds are not available from third parties pursuant to Section 3.04 on terms acceptable to the Manager in its sole discretion *or from the Members or a third party pursuant to Section 3.02*, any Member may, but shall not be obligated to, loan such funds to the LLC. Any loan made pursuant to this Section 3.05 (a “Voluntary Loan”) shall be nonrecourse to the Members; shall be evidenced by a promissory note; may be in the discretion of the Manager, *collateralized by such assets of the LLC as the lending Member and the Manager shall determine*; shall not violate the LLC’s other loan or contractual arrangements; shall bear interest, compounded monthly, at a rate of interest equal to the prime rate of interest announced from time to time by *The Wall Street Journal*; shall be repaid out of the first funds available therefor after payment of LLC expenses to third parties and in any event prior to any distribution to any Member of Distributable Cash; and shall become due and payable in full not more than five (5) years after the date such loan is made.

#### ARTICLE IV Cash Distributions

**4.01 Distribution of Distributable Cash.** Except as provided in Section 4.03 and Section 9.02, Distributable Cash shall be distributed to the Members *at such times and in such amounts as the Manager may reasonably and judiciously approve* as follows:

(a) first, to the Members in proportion to their respective amounts of Invested Capital until the Invested Capital of each Member has been reduced to zero; and

(b) second, the balance, if any, to the Members in accordance with their Percentage Interests.

**4.02 Distributions Among Members.** Intentionally Deleted.

**4.03 Tax Distributions.** *Except as provided in Section 9.02, during, or within 90 days following the end of, each fiscal year of the LLC, the LLC shall distribute to each Member in cash an amount equal to the aggregate federal and state income tax liability such Member would have incurred for such year as a result of such Member’s ownership of an interest in the LLC determined as if (i) each Member was a natural person residing in the Commonwealth of Massachusetts; (ii) all taxes were imposed at the maximum potentially applicable marginal rate of tax applicable to income taking into account the nature of the income (e.g., as ordinary income or long term capital gain); (iii) the amount of tax determined with respect to the Commonwealth of Massachusetts was deductible for federal income tax purposes; and (iv) taking into account all carryovers of losses or credits from prior years. Notwithstanding the foregoing, such distributions may be reduced or not made with respect to any fiscal year if the funds of the LLC are not available therefor (and the LLC shall not be obligated to borrow money, call for capital contributions from the Members or sell assets in order to generate sufficient cash to make any such distribution). Amounts otherwise distributable to a Member pursuant to this Section 4.03 with respect to a fiscal year shall be reduced by any amounts distributed to such Member pursuant to any provision of this Agreement during such year (other than amounts distributed pursuant to this Section 4.03 with respect to a prior*

*fiscal year). Amounts distributed to a Member pursuant to this Section 4.03 shall be treated as advances against amounts otherwise distributable to the Member pursuant to this Agreement and, accordingly, shall reduce the amount of any subsequent distribution to the Member.*

4.04 *Withholding and Other Taxes.* If the Manager determines in good faith that there is a material possibility that the LLC may be obligated to pay (or collect and pay over) the amount of any tax with respect to any Member's share of any income or distributions from the LLC, the LLC shall pay (or collect and pay over) the amount of such tax to the appropriate taxing authority. Any amount so paid with respect to a Member shall reduce the amount of any distribution that the Member would otherwise be entitled to receive at the time of the payment. If the amount paid with respect to a Member exceeds the amount of distributions then payable to such Member, such excess shall be treated as a loan to the Member from the LLC, payable with interest at the rate of the prime rate of interest announced from time to time by *The Wall Street Journal* plus three percent (3%) within ten (10) days after such time that the LLC makes payment to the appropriate taxing authority. If for any reason the amount of such loan is not timely paid, then such unpaid amount plus any accrued but unpaid interest thereon shall be set off against any future distributions to which such Member otherwise would have been entitled. For purposes of this Agreement, the amount of any reduction in a distribution that would otherwise be made to a Member pursuant to this Section 4.04 shall be treated as if distributed to such Member at the time it otherwise would have been distributed.

4.05 *Distribution of Assets in Kind.* No Member shall have the right to require any distribution of any assets of the LLC in kind. If any assets of the LLC are distributed in kind, such assets shall be distributed on the basis of their fair market value at the time of distribution as reasonably determined by the Manager. Any Member entitled to any interest in such assets shall, unless otherwise determined by the Manager, receive separate assets of the LLC and not an interest as a tenant in common with other Members entitled to any asset being distributed.

## ARTICLE V

### Allocation of Net Profits and Net Losses

#### 5.01 *Basic Allocations.*

(a) Except as provided in Section 5.02, below (which shall be applied first), the Net Profits and Net Losses of the LLC from operations for any year (or other fiscal period) shall be allocated *equally*.

(b) Except as provided in Section 5.02, below (which shall be applied first), any Net Profits or Net Losses arising from a Capital Transaction or upon liquidation of the LLC shall be allocated to the Members, in such proportions and in such amounts as may be necessary so that following such allocations, the Adjusted Capital Account balance of each Member equals such Member's then Target Balance.

(c) If the amount of Net Profits or Net Losses allocable to the Members pursuant to Section 5.01(b) for a period is insufficient to allow the Adjusted Capital Account balance of each Member to equal such Member's Target Balance, such Net Profits or Net Losses shall be allocated among the Members in such a manner as to decrease the differences between the Members' respective



Adjusted Capital Account balances and their respective Target Balances in proportion to such differences.

**5.02 Regulatory Allocations.** Notwithstanding the provisions of Section 5.01 above, the following allocations shall be made in the following order of priority:

(a) Items of income or gain (computed with the adjustments contained in paragraphs (i), (ii), (iii), (vi) and (vii) of the definition of “Net Profits and Net Losses”) for any taxable period shall be allocated to the Members in the manner and to the minimum extent required by the “minimum gain chargeback” provisions of Treasury Regulation Section 1.704-2(f) and Treasury Regulation Section 1.704-2(i)(4).

(b) All “nonrecourse deductions” (as defined in Treasury Regulation Section 1.704-2(b)(1)) of the LLC for any year shall be allocated to the Members in accordance with their respective Percentage Interests, *provided, however*, that nonrecourse deductions attributable to “partner nonrecourse debt” (as defined in Treasury Regulation Section 1.704-2(b)(4)) shall be allocated to the Members in accordance with the provisions of Treasury Regulation Section 1.704-2(i)(1).

(c) Items of income or gain (computed with the adjustments contained in paragraphs (i), (ii), (iii), (vi) and (vii) of the definition of “Net Profits and Net Losses”) for any taxable period shall be allocated to the Members in the manner and to the extent required by the “qualified income offset” provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d).

(d) In no event shall Net Losses of the LLC be allocated to a Member if such allocation would cause or increase a negative balance in such Member’s Adjusted Capital Account (determined, for purposes of this Section 5.02(d) only, by increasing the Member’s Adjusted Capital Account balance by the amount the Member is obligated to restore to the LLC pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(c) and decreasing it by the amounts specified in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6)).

(e) In the event that items of income, gain, loss or deduction are allocated to one or more Members pursuant to subsections (c) or (d), above, subsequent Net Profits and Net Losses from operations will first be allocated (subject to the provisions of subsections (c) and (d)) to the Members in a manner designed to result in each Member having a Capital Account balance equal to what the balance would have been if the original allocation of items of income, gain, loss or deduction thereof, pursuant to subsections (c) or (d), had not occurred.

(f) For tax purposes, except as otherwise provided herein, or as required by I.R.C. § 704, all items of income, gain, loss, deduction or credit shall be allocated to the Members in the same manner as are Net Profits and Net Losses, *provided, however*, that if the Carrying Value of any property of the LLC differs from its adjusted basis for tax purposes, then items of income, gain, loss, deduction or credit related to such property for tax purposes shall be allocated among the Members so as to take account of the variation between the adjusted basis of the property for tax purposes and its Carrying Value in the manner provided for under I.R.C. § 704(c).

**5.03 Timing of Allocations.** Allocations of Net Profits, Net Losses and other items of income, gain, loss and deduction pursuant to this Article V shall be made for each fiscal year of the LLC as of the end of such fiscal year; *provided, however*, that if the Carrying Values of the assets of the LLC are adjusted in accordance with clause (ii) of the definition of “Carrying Value,” the date of such

adjustment shall be considered to be the end of a fiscal year for purposes of computing and allocating such Net Profits, Net Losses and other items of income, gain, loss and deduction.

## ARTICLE VI Management

6.01 *Management of the LLC.* Subject to the provisions of this Agreement, including, without limitation, Section 6.03, the overall management and control of the business and affairs of the LLC shall be vested in the Manager. If, at any time, there is more than one Manager, all decisions, approvals, actions, consents and matters to be made, granted, withheld, taken or acted upon by the Manager shall require the approval of ***a majority in number of the persons serving as Managers*** unless otherwise specifically provided herein. Any such decision, approval, action, consent or matter shall be taken at a meeting or teleconference of the requisite number of Managers, or by a writing executed by such requisite number of Managers. *Any Manager may delegate its authority to another Manager as to any particular matter, or as to all matters for a specified period of time (not to exceed 45 days), by a writing duly executed by such delegating Manager.*

All management and other responsibilities not specifically reserved to the Members in this Agreement shall be vested in the Managers, and the Members shall have no voting rights except as specifically provided in this Agreement. Each Manager shall devote, *and shall cause its officers and directors, if any, to devote*, such time to the affairs of the LLC as may be reasonably necessary for performance by the Manager of his, her or its duties hereunder, provided such persons shall not be required to devote full time to such affairs.

Specifically, but not by way of limitation, and subject to all other provisions of this Agreement (including without limitation, Sections 6.03 and 6.06), the Manager shall be authorized in the name of and on behalf of the LLC, or in its own name and on its own behalf, as appropriate, to do all things necessary or appropriate to carry on the business and purposes of the LLC, including, without limitation, the following:

(i) to acquire by purchase, lease, exchange or otherwise; and to sell, finance, refinance, encumber and otherwise deal with, any real or personal property;

(ii) to borrow money and issue evidences of indebtedness, or to guarantee loans and to secure the same by mortgage, deed of trust, pledge or other lien on any assets or property of the LLC, and to pay, prepay, extend, amend or otherwise modify the terms of any such borrowings;

(iii) to employ executive, administrative and support personnel in connection with the business of the LLC; to pay salaries, expense reimbursements, employee benefits, fringe benefits, bonuses and any other form of compensation or employee benefit to such persons and entities, at such times and in such amounts as may be determined by the Manager in its sole discretion; and to reimburse the Manager for expenses incurred by it (directly or indirectly) to provide executive, administrative and support services in connection with the business of the LLC;

(iv) to hire or employ such agents, employees, managers, accountants, attorneys, consultants and other persons necessary or appropriate to carry out the business and operations of the LLC; and to pay fees, expenses, salaries, wages and other compensation to such persons;

(v) to pay, extend, renew, modify, adjust, submit to arbitration, prosecute, defend or compromise, upon such terms as it may determine and upon such evidence as it may deem sufficient, any obligation, suit, liability, cause of action or claim, including taxes, either in favor of or against the LLC;

(vi) to determine the appropriate accounting method or methods to be used by the LLC;

(vii) to cause the LLC to make or revoke any of the elections referred to in I.R.C. §§ 108, 704, 709, 754 and 1017 and any similar provisions enacted in lieu thereof, and in any other section of the I.R.C.;

(viii) to establish and maintain reserves for such purposes and in such amounts as it deems appropriate from time to time;

(ix) to pay all organizational expenses and general and administrative expenses of the LLC;

(x) to deal with, or otherwise engage in business with, or provide services to and receive compensation therefor from, any person who has provided or may in the future provide any services to, lend money to, sell property to or purchase property from the LLC, including, without limitation, any Member or Manager;

(xi) to engage in any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to the accomplishment of the purposes of the LLC;

(xii) to pay any and all fees and to make any and all expenditures that the manager, in its reasonable business judgment, deems necessary or appropriate in connection with the organization of the LLC, ***the offering and sale of membership interests in the LLC***, the management of the affairs of the LLC, and the carrying out of the LLC's obligations and responsibilities under this Agreement, including, without limitation, fees, reimbursements and expenditures payable to a Member or Manager;

(xiii) to exercise all powers and authority granted by the Act to managers, except as otherwise provided in this Agreement;

(xiv) to cause the LLC and its properties and assets to be maintained and operated in such a manner as the Manager may determine in the exercise of the Manager's reasonable business judgment; subject, however, to obligations imposed by applicable laws or by any mortgage or security interest encumbering the LLC and such properties and assets from time to time, and by any lease, rental agreement or other agreement pertaining thereto;

(xv) to cause to be obtained and continued in force all policies of insurance required by any mortgage, lease or other agreement relating to the LLC's business or any part thereof, or determined by the Manager to be in the best interests of the LLC;

(xvi) to cause to be paid any and all taxes, charges and assessments that may be levied, assessed or imposed on any of the assets of the LLC unless the same are contested by the Manager; and

(xvii) to perform any other act the Manager may deem necessary, convenient or desirable for the LLC or the conduct of the LLC's business.

Subject to Section 6.03, below, the Manager shall be authorized, in the name and on behalf of the LLC, to hire, employ, deal with, and otherwise engage in business with, itself or any of its Affiliates to the extent the Manager determines to do so in the exercise of its reasonable business judgment.

6.02 *Certain Permitted Transactions.* Intentionally Deleted.

6.03 *Member Approval Requirements.* Notwithstanding the provisions of Section 6.01, without the prior written ***Unanimous Consent*** of the Members, the Manager shall not cause the LLC to (and the LLC shall not) take either of the following actions:

- (i) *to sell all or substantially all of the assets of the LLC*; or
- (ii) to cause the LLC to enter into any agreement or arrangement with any Manager or an Affiliate of any Manager (except for the arrangements described in Section 6.02, above), pursuant to which any Manager or any of such Affiliates is to receive compensation of any kind;
- (iii) enter into any secured or unsecured loan, financing or other repayment obligation on the Company's behalf;
- (iv) admit any additional Member;
- (v) set any salary or other compensation payable by the LLC to any Manager;
- (vi) entry by the LLC into any service or product contract with a Member or an Affiliate of a Member.
- (vii) file any petition for the commencement of any proceedings under the United States Bankruptcy Code;
- (viii) The issuance by the Company of any additional Membership Units or other equity interests (including any interests convertible into equity interests) of the Company, or the admission of a new Member to the Company (except when transferred pursuant to a bona fide offer and offered to Members pursuant to this Agreement;
- (ix) make any assignment or trust mortgage arrangements, so called, for the benefit of creditors;
- (x) amend this Agreement; confess a judgment against the Company or execute or deliver any assignment for the benefit of creditors of the Company;
- (xi) enter into any partnership, joint venture or similar arrangement with any Person or entity;
- (xii) sell or otherwise dispose of all or substantially all of the assets of the Company as part of a single transaction or plan or to merge or consolidate the Company with or into another Person; or
- (xiii) institute, prosecute or defend any legal action, arbitration proceeding or mediation involving the Company or any of its assets or than routine collection matters.

**6.04 Binding the LLC. The signature of one Manager on any agreement, contract, instrument or other document shall be sufficient to bind the LLC in respect thereof, and conclusively evidence the authority of such Manager and the LLC with respect thereto, and no third party need look to any other evidence or require the joinder or consent of any other party.**

**6.05 Compensation of Managers and Members. No payment shall be made by the LLC to any Manager or Member for such Manager or Member's services as a Manager or Member, except as provided in this Agreement.** Each Manager shall be entitled to reimbursement from the LLC for all expenses incurred by such Manager in managing and conducting the business and affairs of the LLC.

The Manager shall determine which expenses, if any, are allocable to the LLC in a manner that is fair and reasonable to the Manager and the LLC, **and, if such allocation is made in good faith, it shall be conclusive in the absence of manifest error.**

**6.06 Contracts with Members. Subject to the provisions of Section 6.03(ii),** with the approval of the Manager in each case, the LLC may engage in business with, or enter into one or more agreements, leases, contracts or other arrangements for the furnishing to or by the LLC, of goods, services or space with any Member or Affiliate of a Member, and may pay compensation in connection with such business, goods, services or space, provided in each case the amounts payable thereunder are reasonably comparable to those that would be payable to unaffiliated persons under similar agreements, **and, if the Manager determines in good faith that such amounts are so comparable, such determination shall be conclusive absent manifest error.**

**6.07 Exculpation and Indemnification; Fiduciary Duty.**

(a) The Members' respective obligations to each other are limited to the express obligations described in this Agreement, which obligations the Members shall carry out with ordinary prudence and in a manner characteristic of businesspersons in similar circumstances. No Member shall be a fiduciary of, or have any fiduciary obligations to, the other Members in connection with the LLC, this Agreement, or such Member's performance of its obligations under this Agreement; and each Member hereby waives to the fullest extent permitted by applicable law any rights it may have to claim any breach of fiduciary obligation under this Agreement or in connection with the LLC.

(b) No Manager or its Affiliates shall have any liability to the LLC or to any Member for any loss suffered by the LLC that arises out of any action or inaction of any Manager or its Affiliates, if such Manager or its Affiliates, as the case may be, in good faith, determined that such course of conduct was in the best interests of the LLC, and such course of conduct did not constitute gross negligence or *willful* misconduct of such Manager or its Affiliates.

(c) Each Manager and its Affiliates shall be indemnified by the LLC against any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by it with respect to actions taken by such Manager or its Affiliates on behalf of the LLC, provided that no indemnification shall be provided for any person with respect to any matter as to which he or she shall have been adjudicated in any proceeding not to have acted in good faith, in the reasonable belief that his or her action was in the best interests of the LLC.

Without limiting the foregoing, the LLC *shall cause* such indemnification to include payment by the LLC of expenses incurred in defending a civil or criminal action or proceeding in advance

of the final disposition of such action or proceeding, upon receipt of an undertaking by the person indemnified to repay such payment if he or she shall be adjudicated not to be entitled to indemnification under this Section 6.07, which undertaking may be accepted without reference to the financial ability of such person to make repayment. Any indemnification to be provided hereunder *shall* be provided even if the person to be indemnified is no longer a Manager or an Affiliate of a Manager.

(d) Any indemnity under this Section 6.07 shall be paid from, and only to the extent of, LLC assets, and no Member shall have any personal liability on account thereof.

#### *6.08 Other Activities.*

(a) Managers and any of their Affiliates may engage in and possess interests in other business ventures and investment opportunities of every kind and description, independently or with others, including serving as directors, officers, stockholders, managers, members and general or limited partners of corporations, partnerships or other LLCs with purposes similar to or the same as those of the LLC. Neither the LLC nor any other Member or Manager shall have any rights in or to such ventures or opportunities or the income or profits therefrom.

### ARTICLE VII Fiscal Matters

#### *7.01 Books and Records.*

The Manager shall keep or cause to be kept complete and accurate books and records of the LLC in accordance with federal income tax principles and otherwise in accordance with generally accepted accounting principles consistently applied, which shall be maintained and be available, in addition to any documents and information required to be furnished to the Members under the Act, at the office of the LLC for examination and copying by any Member or Manager, or his, her or its duly authorized representative, at its reasonable request and at its expense during ordinary business hours. A current list of the full name and last known address of each Member and Manager, a copy of this Agreement, any amendments thereto, the Certificate, including all certificates of amendment thereto, executed copies of all powers of attorney, if any, pursuant to which this Agreement, any amendment, the Certificate, or any certificate of amendment, has been executed, copies of the LLC's financial statements, and federal, state and local income tax returns and reports, if any, for the three most recent fiscal years, shall be maintained at the registered office of the LLC required by Section 5 of the Act.

The LLC shall have no obligation to deliver or mail a copy of the Certificate or any amendment thereto to the Members.

*7.02 Reports.* Within 120 days after the end of each fiscal year, the Manager shall cause to be prepared and sent to all Members a financial report of the LLC, including a balance sheet and a profit and loss statement, and, if such profit and loss statement is not prepared on a cash basis, a statement of changes in financial position, *all of which shall be reviewed by an independent certified public accountant.* Within 90 days after the end of each fiscal year, the Manager shall furnish all Members with such information as may be needed to enable the Members to file their federal income tax returns and any required state income tax return. The cost of all such reporting shall be

paid by the LLC as an LLC expense. Any Member may, at any time, at its own expense, cause an audit of the LLC books to be made by a certified public accountant of its own selection. All expenses incurred by such accountant shall be borne by such Member.

*7.03 Bank Accounts.* The Manager shall be responsible for causing one or more accounts to be maintained in a bank (or banks) that is a member of the F.D.I.C., which accounts shall be used for the payment of the expenditures incurred by the Manager in connection with the business of the LLC, and in which shall be deposited any and all cash receipts of the LLC. All deposits and funds not needed for the operations of the LLC may be invested in short-term investments, including securities issued or fully guaranteed by U.S. government agencies, certificates of deposit of banks, bank repurchase agreements covering the securities of the U.S. government, commercial paper rated A or better by Moody's Investors Services, Inc., money market funds, interest-bearing time deposits in banks and thrift institutions and such other similar investments as the Manager may approve. All such amounts shall be and remain the property of the LLC, and shall be received, held and disbursed by the Manager for the purposes specified in this Agreement. There shall not be deposited in any of said accounts any funds other than funds belonging to the LLC, and no other funds shall in any way be commingled with such funds. Withdrawals from any LLC bank or similar account shall be made and other activity conducted on such signature or signatures as shall be approved by the Manager.

*7.04 Fiscal Year.* The fiscal year of the LLC shall end on December 31 of each year unless I.R.C. § 706 requires the use of a different taxable year in which case the fiscal year shall be the same as such taxable year; provided, however, that the last fiscal year of the LLC shall end on the date the LLC liquidates.

*7.05 Tax Matters Partner.* The Manager is hereby designated as the "tax matters partner" of the LLC. If at any time such person is not eligible under the I.R.C. to serve, or refuses to serve, as the tax matters partner, another Member shall be designated by the Manager to serve as the tax matters partner. The tax matters partner is hereby authorized to and shall perform all duties of a tax matters partner under the I.R.C., and shall serve as tax matters partner until his, her or its resignation or until the designation of his, her or its successor, whichever occurs sooner.

## ARTICLE VIII Transfers of Interests

*8.01 General Restrictions on Transfer of Interests by Members.*

(a) Except as provided in Section 8.05, below, no Member may Transfer his, her or its interest in the LLC (including without limitation, by resignation as a member of the LLC) unless:

(i) in the case of a Member that is not a Manager, the Manager shall have previously approved such Transfer in writing, the granting or denying of which approval shall be in the Manager's absolute discretion; and

(ii) in the case of a Member that is a Manager, unless such Transfer shall have been previously Consented to by the other Members, which Consent may be granted or denied in the other Members' absolute discretion.

No assignment of the interest of a Member shall be made if, in the opinion of counsel to the LLC, such assignment (i) may not be effected without registration under the Securities Act; (ii) would result in the violation of any applicable state securities laws; (iii) unless approved by the Manager (or, in the case of a transfer by a Member which is a Manager, unless Consented to by the other Members), would result in a termination of the LLC under I.R.C. § 708; or (iv) unless Consented to by the Manager (or, in the case of a transfer by a Member which is a Manager, unless Consented to by the other Members), would result in the treatment of the LLC as an association taxable as a corporation or as a “publicly-traded limited partnership” for tax purposes. The LLC shall not be required to recognize any such assignment until the instrument conveying such interest has been delivered to the Manager for recordation on the books of the LLC. Unless an assignee becomes a substituted Member in accordance with the provisions of Section 8.01(b), the assignee shall not be entitled to any of the rights granted to a Member hereunder, other than the right to receive all or part of the share of the Net Profits, Net Losses and any items in the nature of income, gain, loss or deduction separately allocated to the Members, and distributions of cash or property or returns of capital to which its assignor would otherwise be entitled in respect of the interest assigned.

(b) An assignee of the interest of a Member, or any portion thereof, shall become a substituted Member entitled to all the rights of a Member if, and only if:

(i) the assignor gives the assignee such right;

(ii) in the case of a Transfer by a Member which is not a Manager, the Manager approves such substitution, the granting or denying of which consent shall be in the Manager’s absolute discretion;

(iii) in the case of a Transfer by a Member that is a Manager, the other Members, acting by Consent, shall have approved such substitution, which approval shall specify whether such assignee shall assume the role and duties of Manager in respect of the assigned interest, and, if such assignee is not to assume such role and duties, that there is at least one remaining Manager; or, if there is no remaining Manager, the Members, acting by Consent, shall have elected to continue the LLC and, if they so desire, have selected a new Manager or Managers and entered into an agreement with such new Manager(s) as to their economic interests, if any, in the LLC, and their other rights, duties and responsibilities;

(iv) the assignee pays to the LLC all costs and expenses incurred in connection with such substitution, including, specifically, without limitation, costs incurred in the review and processing of the assignment and in amending the LLC’s current Certificate and/or Operating Agreement, if required; and

(v) the assignee executes and delivers an Amendment to this Agreement (and to the Certificate, if required), which Amendment shall be executed by the Manager and such assignee, and such other instruments, in form and substance satisfactory to the Manager (or, if clause (iii) above is applicable, to the Members acting by Consent in connection with such substitution), as may be necessary, appropriate or desirable to effect such substitution and to confirm the agreement of the assignee to be bound by the terms and provisions of this Agreement.

(c) The LLC and the Manager shall be entitled to treat the record owner of any LLC interest as the absolute owner thereof in all respects, and shall incur no liability for distributions of cash or other



property made in good faith to such owner until such time as a written assignment of such interest has been received and accepted by the Manager and recorded in the books of the LLC. The Manager may refuse to accept an assignment until the end of the next successive quarterly accounting period. In no event shall any membership interest, or any portion thereof, be sold, transferred or assigned to a minor or incompetent, and any such attempted sale, transfer or assignment shall be void and ineffectual and shall not bind the LLC or the Manager.

*8.02 Withdrawal or Termination of the Manager.* Without the prior written Consent of the Members, no Manager may voluntarily resign, withdraw or retire as Manager from the LLC. Without limiting the foregoing, no Manager may resign from, retire from, abandon or otherwise terminate his, her or its status as a Manager except after 60 days' written notice to all Members.

If a Manager has given such notice, such Manager shall not unreasonably withhold his, her or its approval of any proposed new Manager who has the Consent of the other Members.

*8.03 Additional or Substituted Manager.* Additional or substituted Managers may be selected from among the Members (or may be admitted, as both Managers and Members, to the LLC) at any time upon the written approval of, and with such rights, obligations, responsibilities and economic interest as may be approved by *all other Managers, if any, with the unanimous approval* of the Members.

*8.04 Restrictions as to Certain Matters.* Every Transfer of an interest of a Member of the LLC permitted by this Article VIII shall be subject to the following restrictions:

(a) No Transfer of any interest in the LLC may be made if such Transfer would cause or result in a breach of any agreement binding upon the LLC or of then applicable rules and regulations of any governmental authority having jurisdiction over such Transfer. The Manager may require as a condition of any Transfer that the transferor furnish an opinion of counsel, satisfactory to the LLC (both as to counsel and as to the substance of the opinion), that the proposed Transfer complies with applicable law, including federal and state securities laws, and does not cause the LLC to be an investment company as such term is defined in the Investment Company Act of 1940, as amended.

(b) Intentionally Deleted.

(c) Intentionally Deleted.

(d) Any person who acquires in any manner whatsoever an interest (or any part thereof) in the LLC, whether or not such person has accepted and assumed in writing the terms and provisions of this Agreement or been admitted into the LLC as a Member as provided in Section 8.01(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 interest.

(e) Any Transfer in contravention of any of the provisions of this Agreement shall be null and void and ineffective to transfer any interest in the LLC, and shall not bind, or be recognized by, or be on the books of the LLC, 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 Transfer an interest in the LLC in contravention of any 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 provisions of this Agreement concerning such transactions.

8.05 *Permitted Transfers*. The following Transfers shall be permitted without the approval of the Manager or Members otherwise required under Section 8.01(a), above, but such permitted Transfers shall in any event be subject to Sections 8.01(b) and 8.04 hereof:

(a) An interest as a Member of the LLC may be Transferred from time to time to any Legal Representative(s) and/or Affiliate(s) and/or member(s) of the Immediate Family of the transferring Member.

## ARTICLE IX Miscellaneous

9.01 *Events Causing Dissolution*. The LLC shall be dissolved and its affairs wound up upon the following:

(a) the sale or other disposition of all or substantially all of the assets of the LLC, unless the disposition is a transfer of assets of the LLC in return for consideration other than cash, and the Manager decides not to distribute all or substantially all of such noncash items to the Members;

(b) subject to the provisions of Section 9.02, the death, insanity, retirement, resignation, expulsion, Bankruptcy, dissolution or occurrence of any other event that terminates the membership of a Member who is also a Manager;

(c) the election to dissolve the LLC made in writing by the Manager *with the Consent of the Members*;

(d) any consolidation or merger of the LLC with or into any entity, following which the LLC is not the resulting or surviving entity; or

(e) upon the occurrence of an event specified under the laws of the Commonwealth of Massachusetts as one effecting dissolution; except that where, under the terms of this Agreement or the Act, the LLC is not to terminate, the LLC shall immediately be reconstituted and reformed on all the applicable terms, conditions and provisions of this Agreement. The LLC shall not be dissolved upon the death, insanity, retirement, resignation, expulsion, Bankruptcy, dissolution or occurrence of any other event that terminates the membership of a Member, except as provided in Section 9.01(b).

9.02 *Continuation of the LLC*. Notwithstanding the occurrence of an event specified in Section 9.01(b), the LLC shall not be dissolved, and its business and affairs shall not be discontinued, and the LLC shall remain in existence as a limited liability company under the laws of the Commonwealth of Massachusetts, if the remaining Members, acting by Consent, elect within 90 days after such occurrence to continue the LLC and the LLC's business, and designate from among the Members one or more Managers.

9.03 *Procedures on Dissolution*. Dissolution of the LLC shall be effective on the day on which occurs the event giving rise to the dissolution, but the LLC shall not terminate until its Certificate

shall have been canceled and the assets of the LLC shall have been distributed as provided herein. Notwithstanding the dissolution of the LLC, prior to the termination of the LLC, as aforesaid, the business of the LLC and the affairs of the Members, as such, shall continue to be governed by this Agreement. The remaining Manager or, if there be none, a liquidator appointed with the Consent of the Members, shall liquidate the assets of the LLC, apply and distribute the proceeds thereof as contemplated by this Agreement and cause the cancellation of the Certificate.

#### *9.04 Distributions upon Liquidation.*

(a) After paying liabilities owed to creditors, the Manager or such liquidator shall set up such reserves as it deems reasonably necessary for any contingent or unforeseen liabilities or obligations of the LLC. Said reserves may be paid over by such Manager or such liquidator to a bank, to be held in escrow for the purpose of paying any such contingent or unforeseen liabilities or obligations and, at the expiration of such period as such Manager or such liquidator may deem advisable, such reserves shall be distributed to the Members or their assigns in the manner set forth in paragraph (b), below.

(b) After paying such liabilities and providing for such reserves, the liquidator shall cause the remaining net assets of the LLC to be distributed to all Members with positive Capital Account balances (after such balances have been adjusted to reflect all debits and credits required by applicable Treasury Regulations under I.R.C. § 704(b) for all events through and including the distribution in liquidation of the LLC), in proportion to and to the extent of such positive balances. In the event that any part of such net assets consists of notes or accounts receivable or other non-cash assets, the liquidator may take whatever steps it deems appropriate to convert such assets into cash or into any other form which would facilitate the distribution thereof. If any assets of the LLC are to be distributed in kind, such assets shall be distributed on the basis of their fair market value net of any liabilities.

### ARTICLE X General Provisions

10.01 *Notices.* Any and all notices under this Agreement shall be given in writing, and shall be effective (a) on the fourth business day after being sent by registered or certified mail, return receipt requested, postage prepaid; (b) on the first business day after being sent by express mail, *receipt confirmed facsimile or electronic transmission* or commercial overnight delivery service providing a receipt for delivery; (c) on the date of hand delivery; or (d) on the date actually received, if sent by any other method. To be effective, all such notices shall be addressed, if to the LLC, at its registered office under the Act, and if to a Member or Manager, at the last address of record on the LLC books, *and copies of such notices shall also be sent to the last address known to the sender for the recipient, if different from the address so specified.*

10.02 *Word Meanings.* Words such as “herein,” “hereinafter,” “hereof” and “hereunder” refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The singular shall include the plural, and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires.

10.03 *Binding Provisions*. Subject to the restrictions on transfers set forth herein, the covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the parties hereto, their heirs, Legal Representatives, successors and assigns.

10.04 *Applicable Law*. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, including the Act, as interpreted by the courts of the Commonwealth of Massachusetts, notwithstanding any rules regarding choice of law to the contrary.

10.05 *Counterparts*. This Agreement may be executed in several counterparts, and, as so executed, shall constitute one agreement binding on all parties hereto, notwithstanding that all of the parties have not signed the same counterpart.

10.06 *Separability of Provisions*. Each provision of this Agreement shall be considered separable. To the extent that any provision of this Agreement is prohibited or ineffective under the Act, this Agreement shall be considered amended to the smallest degree possible to make the Agreement effective under the Act (and, if the Act is subsequently amended or interpreted in such manner as to make effective any provision of this Agreement that was formerly rendered invalid, such provision shall automatically be considered valid from the effective date of such amendment or interpretation).

10.07 *Section Titles*. Section titles are for descriptive purposes only and shall not control or alter the meaning of this Agreement as set forth in the text.

10.08 *Amendments*. Except as otherwise specifically provided in this Agreement, including, without limitation, in Sections 2.05, 3.02 and Article VIII, this Agreement may be amended or modified only as follows.

(a) *By the Manager* With the Consent of the Members, and any such amendment may include, without limitation, an amendment providing for capital contributions from, distributions to, and allocations of Net Profits and Net Losses (and items thereof) to one or more additional classes of Members, provided that (x) no such amendment shall increase the liability of, increase the obligations of, or disproportionately adversely affect the interest of any Member without the specific approval of such Member (except that an amendment adopted pursuant to Section 2.05 or Section 3.02 may reduce a Member's interest in the LLC without such Member's specific approval); (y) if any provision of this Agreement provides for the approval or consent of a greater number of Members or of Members holding a higher percentage of the total Percentage Interests of the Members, any amendment effectuated pursuant to such provision, and any amendment to such provision, shall require the approval or consent of such greater number of Members or of Members holding such higher percentage of Percentage Interests; and (z) subject to clauses (x) and (y), above, any amendment to this Section 10.08 shall require the approval of Members holding not less than *two-thirds* of all Percentage Interests.

(b) By the Manager acting alone, to add to the LLC's duties or obligations or surrender any right or power granted to it herein; to cure any ambiguity, to correct or supplement any provision herein that may be inconsistent with any other provision herein; or to make any other provisions with respect to matters or questions arising under this Agreement consistent with the provisions of this Agreement; and to delete or add any provision of this Agreement required to be so deleted or

added by any federal agency or state “blue-sky” commissioner or similar such official, which addition or deletion is deemed by such agency or official to be for the benefit or protection of the Members.

(c) By the Manager acting alone, to modify appropriate provisions of this Agreement, if the LLC is advised at any time by its legal counsel that the allocations of profits and losses and similar items provided for in Article V hereof are unlikely to be respected for federal income tax purposes, either because of the promulgation and adoption of Treasury Regulations under I.R.C. § 704 or other developments in applicable law. In making any such amendment, the Manager shall use its best efforts to effect as little change in the economic and tax arrangements among the Members as it shall determine in its sole discretion to be necessary to provide for allocations of profits and losses to the Members that it believes will be respected for federal income tax purposes. No such amendment shall give rise to any claim or cause of action by any Member or the LLC.

**10.09 *Third-Party Beneficiaries.*** The provisions of this Agreement, including Article III, are not intended to be for the benefit of any creditor (other than a Member or Manager, in his, her or its capacity as such, who is a creditor) or other person (other than a Member or Manager in his, her or its capacity as such) to whom any debts, liabilities or obligations are owed by (or who otherwise has any claim against) the LLC or any of the Members. Moreover, notwithstanding anything contained in this Agreement, including, without limitation, Article III, no such creditor or other person shall obtain any rights under this Agreement or shall, by reason of this Agreement, make any claim in respect of any debt, liability or obligation (or otherwise) against the LLC or any Member or Manager.

**10.10 *Entire Agreement.*** This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter. The Members and Managers hereby agree that each Member and each Manager shall be entitled to rely on the provisions of this Agreement, and no Member or Manager shall be liable to the LLC or any other Member or Manager for any action or refusal to act taken in good faith reliance on the terms of this Agreement.

**10.11 *Waiver of Partition.*** Each Member agrees that irreparable damage would be done to the LLC if any Member brought an action in court to dissolve the LLC. Accordingly, each Member agrees that he, she or it shall not, either directly or indirectly, take any action to require partition or appraisal of the LLC or of any of the assets or properties of the LLC, and notwithstanding any provisions of this Agreement to the contrary, each Member (and his, her or its successors and assigns) accepts the provisions of the Agreement as his, her or its sole entitlement on termination, dissolution and/or liquidation of the LLC, and hereby irrevocably waives any and all rights to maintain any action for partition or to compel any sale or other liquidation with respect to his, her or its interest, in or with respect to any assets or properties of the LLC. Each Member agrees that he, she or it will not petition a court for the dissolution, termination or liquidation of the LLC.

**10.12 *Member Designation.*** *In the event a Membership interest is held by more than one person, such Member shall designate in writing to the LLC one representative who shall be authorized to act under this Agreement for and on behalf of such Member. Any act, approval, consent or vote of any representative of a Member that is so designated shall be deemed to be the act, approval, consent or vote of said Member and no Person, including, without limitation, the LLC and the other Members, shall be required to inquire into the authority of such representative as to such act, approval, consent or vote on behalf of the Member who has designated said*

*representative. Any representative may be replaced by a successor representative by written notice to the Company and designation of a substitute for such representative. Until written notice of any change is given pursuant to Section 10.01, the designated representatives ("Designated Representative(s)") of the Members shall be as provided on Exhibit B attached hereto.*

*[Signature Page to Follow]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

MANAGER:

By:   
Philip C. Nessralla, Jr.

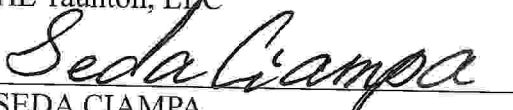
HL Taunton, LLC

By:   
Seda Ciampa

MEMBERS

  
PHILIP C. NESSRALLA, JR.  
Member

HL Taunton, LLC

  
SEDA CIAMPA  
Member

SCHEDULE A TO OPERATING AGREEMENT OF Herbal Logic LLC

MEMBERS

Names and Addresses of Members	Percentage Interest	Capital Contribution
Philip C. Nessralla, Jr. 1063 North Main Street Brockton, MA 02301	55%	\$
HL Taunton, LLC Mrs. Seda Ciampa 144 Dean Street Easton, MA 02375	45%	<u>\$</u>



HERBAL LOGIC, LLC

**PLAN FOR LIABILITY INSURANCE**

## **I. Insurance**

No later than at the commencement of operations Herbal Logic, LLC. will have and maintain a policies of insurance requiring the following coverage and limits: general liability and products liability of no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate annually and such deductible on this policy shall be no higher than \$5,000 per occurrence. 935 CMR 500.101(1); 935 CMR 500.105(10).

**Business Plan for  
Herbal Logic, LLC**

**November 11, 2023**

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## **I. Executive Summary**

Herbal Logic LLC aspires to be one of the preeminent marijuana dispensaries in the Commonwealth of Massachusetts. Philip C. Nessralla, who has holds a provisional license in Brockton, MA under the name of Leaf Relief, Inc. is one of the two members and owners of Herbal Logic LLC. Mr. Nessralla's valuable experience, understanding and success as an attorney, City Solicitor and property manager is an important asset in Herbal Logic, LLC.

The business model of Herbal Logic LLC is simple. It seeks to minimize initial capital expenditures and capture efficiencies by limiting the scope of its business to a Retail Marijuana operation and not a production facility. By focusing solely on the sale of Marijuana, Herbal Logic LLC believes that it can specialize in creating an optimal customer experience without having to worry about the variables and risks associated with operating a cultivation facility. In essence, by foregoing a retail marijuana production facility, Herbal Logic, LLC is seeking to capitalize on the large scale ramp up in marijuana production which Massachusetts is currently experiencing, and simply mark up the price of marijuana and marijuana related products purchased on the wholesale market. Herbal Logic intends to operate a first class retail establishment. This strategy allows the operation to offer the very best product to its customers while also, and very importantly, insulating that operation from the supply chain risks that are present when you attempt to produce your own product. Quite simply, sourcing product from the open market will allow Herbal Logic to obtain the best quality for the lowest price.

While there exists competition in the field of marijuana sales, Herbal Logic LLC expects its owners and the local contacts of its Brockton location will help develop a network of producers, and current market trends will outweigh any competition present in the external environment. Herbal Logic will build relationships in the legal marijuana business, and will quickly and efficiently determine who the best potential trade partners.

Herbal Logic LLC aims to give back to the Commonwealth by being a model retail marijuana center and an active member of the surrounding community.

## **II. The Team**

Philip C. Nessralla

One of the two members of Herbal Logic LLC and majority owner, also is the majority owner in Leaf Relief Inc. Leaf Relief is about 6 months ahead of Herbal Logic on its Time Line to Final License and therefore Mr. Nessralla will gain valuable experience overseeing the Brockton location which will be applied to the Taunton location, for additional efficiencies.

#### Compliance Officer

Herbal Logic LLC will hire a Compliance Officer. Herbal Logic LLC understands from experience that compliance is a full-time job, and compliance will be the Compliance Officer's primary responsibility. Herbal Logic LLC understands that compliance is the most important job that Herbal Logic LLC employees must perform. That job must be performed perfectly, every day, and without fail. Herbal Logic LLC knows that the most important hire they make will be filling the Compliance Officers' position.

Herbal Logic LLC will look for a person who has significant experience handling compliance (whether that experience involves marijuana or not). Herbal Logic LLC will look for a person who has a working knowledge of Massachusetts current laws and regulations pertaining to the marijuana business. Herbal Logic LLC understands that compliance is ever evolving, and a major part of the Compliance Officer's duties it to remain current with all changes in law and regulations.

The person selected by Herbal Logic LLC to be its Compliance Officer will work closely with outside counsel in establishing the policies and procedures necessary to ensure compliance with all applicable laws and regulations. Once those policies and procedures are established the Compliance Officer will assist Herbal Logic LLC in keeping those policies and procedures current and ensuring that Herbal Logic LLC staff is properly applying and adhering to its policies and procedures. The Compliance Officer will run regular checks and audits to enforce the policies and procedures, and will communicate with upper management to improve any deficiencies in the policies and procedures.

#### Store Managers

Store Managers will be persons with previous experience managing a retail business, and preferably a marijuana business. Store Managers will have backgrounds that will comply with Massachusetts regulations.

Store Managers will be trained and supervised, who will in turn, train sale and support staff.

The Daily Duties of the Store Manager will include:

- Opening the store
- Staffing the dispensary
- Training the staff
- Handling customer complaints
- Ensuring quality service and products
- Overseeing product inventory
- Handling compliance violations
- Overseeing incoming and outgoing cash
- Assisting all employees with daily operations
- Closing the store
- Check in all incoming products and ensure they meet compliance regulations as well as quality standards
- Reject non-compliant products and accept all compliant products
- Organize marijuana products in the tracking system and prepare them to go on the sales floor
- Ensure all inventory is accurately tracked and no product is missing
- Report all inconsistencies in inventory as well as any compliance violations
- Perform inventory checks weekly to ensure accuracy and compliance
- Pull and destroy any old or poor-quality products
- Stock shelves with excess products
- Purchase marijuana products for the shop based on inventory needs

### Staff

Herbal Logic LLC will prefer to hire persons with previous experience in the marijuana industry and those with a sales background. Herbal Logic LLC hopes to foster a positive work environment and will take significant steps to promote a team atmosphere. As with store managers, all store employees will be subject to a background check and ensuring that they have the requisite occupational licenses, in addition to not having felony convictions in the past ten years or drug related felony convictions ever. Consistent with Herbal Logic's Diversity Plan and its program to positively impact the City of Taunton – an area designated an area of disproportionate impact – Herbal Logic seeks to hire a range of individuals including, minorities, women, veterans, people with disabilities and including those of all gender identification and sexual orientation.

### **Legal Counsel**

Herbal Logic LLC has retained a law firm experienced in compliance and marijuana law to provide ongoing representation and will provide training and support to 's team to ensure that Herbal Logic LLC maintains compliance and is kept apprised of changes with the laws, rules and regulations of Massachusetts and local jurisdictions.

### **III. The Business Model**

### Vision, Mission and Values

The general concept of Herbal Logic LLC is simple: purchase the best possible marijuana and marijuana products and then focus on selling that marijuana and marijuana related products utilizing an optimal customer experience. By not having to spend time, capital, labor and other assets on production of Marijuana, Herbal Logic LLC can focus on generating revenue through sales of Marijuana. Herbal Logic LLC seeks to create an optimal customer experience by having an attractive and alluring interior environment, a smart and efficient method of product selection, and a simple and easy to use point of sale system. As in many successful businesses, strict adherence to regulatory compliance and prevention of negative consequences to the surrounding community is what will underlie the success of Herbal Logic LLC

### How our Business Model Works

Herbal Logic LLC, does not seek to become a Marijuana conglomerate as many other dispensary chains aspire to be. Rather, Herbal Logic LLC wants to focus on the customer. By concentrating on selling actual marijuana and marijuana related products, instead of selling its stock or investment opportunities, Herbal Logic LLC can better serve its customers. Similarly, Herbal Logic LLC can avoid the expensive and time consuming aspect of growing marijuana or infusing other products with marijuana concentrate, and instead, invest its time and energy where it will be best invested – in creating a first class retail customer experience.

Herbal Logic is prepared and able to invest significant capital in construction/rehabilitation of the store, security systems, and the equipment necessary to create an enjoyable customer environment and experience. When the building and other pre-opening necessities are completed, and upon permission and receipt of full licensure from the CCC and the City of Taunton, Herbal Logic LLC will purchase inventory for sale.

It is expected Herbal Logic LLC's sales may start off slowly, and gradually grow. Herbal Logic is prepared to weather this period of growth, and has sufficient capital reserves to continue operations until such time as the store becomes profitable. Upon realizing profitability, Herbal Logic LLC will

then be able to recapture capital investment. Even as the operation becomes profitable, there will still be a need for capital reserves to be held in anticipation of unexpected capital needs.

### Value Proposition

Herbal Logic LLC believes that its customers will realize value in their transactions at the dispensary because of its simple, classy and convenient *and tested* customer experience model. First and foremost, the store will be modeled using a minimalist and modern design reminiscent of technology stores in the modern era. Upon entering the store, the customer will be able to view and examine the product prior to its purchase. The customer will be provided educational materials about the available products including the type, potency, benefits and potential drawbacks, if any, of each individual product on one of several personal tablets which will be accessible to the customer while they are shopping.

Because Herbal Logic LLC will not need to invest significant capital in a grow facility, it believes that it will be able to sell product at or below current market value. Herbal Logic LLC believes that this customer experience will assist in branding efforts which will also be reinforced by significant investment in advertising. Ultimately, it will be the ease, accessibility, convenience and above all – low cost, which will create value in the eyes of the customer.

### Target Markets

Herbal Logic LLC does not have a specific target market as consumers of marijuana span nearly all demographic categories. Rather, Herbal Logic LLC seeks to promote a tasteful image which is inviting to people of all ages, genders, and backgrounds. Whether the customer is a college or graduate student, a middle-aged couple, or retiree, Herbal Logic wants that business. That being said, Herbal Logic understands that marijuana is not something that should be advertised in a way that makes marijuana appealing to children, or in a way that is offensive to those who do not support legal marijuana. Herbal Logic LLC's advertising will be compliant, tasteful and effective.

### Marketing Plan

Herbal Logic intends to allocate *a portion of sales and initial capital* on advertising, as well as additional capital expenditure from Herbal Logic LLC's capital reserves as necessary.



Herbal Logic's Marketing Plan has three aspects. First and foremost, Herbal Logic LLC will create a storefront which attracts customers through maximizing the attractiveness of signage without being ostentatious. Second, will create a website which is attractive to its customer base and explanatory of the products which Herbal Logic LLC sells. Third, Herbal Logic LLC will focus on print media. To the extent there are significant restrictions on print media, Herbal Logic will focus on several local area magazines dedicated to adults to ensure that at least eight-five percent (85%) of the audience Herbal Logic LLC's advertising is reaching is over the age of twenty-one.

#### **IV. Financial Analysis**

As part of the business plan, Herbal Logic LLC developed a 12-month cash flow projection. The projection used assumptions to estimate the revenue, capital investment and capital expenditures, which are detailed in the following paragraphs. Those 12 month projections will allow Herbal Logic LLC to recognize an ending cash balance of **\$839,000** that is available for distribution or reinvestment in future marijuana businesses.

##### Revenue Strategy

Herbal Logic LLC has one source of revenue; retail customers. Revenue is recognized at the point of sale when a customer purchases products at the retail facility. Customers can purchase product with cash, and an ATM will be located at the premises. Assuming that federal banking standards are eventually relaxed, Herbal Logic LLC hopes to be able to offer related bank merchant services to its customers in order to allow for greater ease in generating revenues.

##### Revenue Forecast

The cash projection illustrates the forecasted earnings for Herbal Logic LLC and revenue is expected to be driven by the availability of wholesale product in the marketplace. Revenues are forecast to increase at a higher rate in the beginning months as new customers visit the store and more product is available for sale. Overall revenues are expected to increase 67% within the first 12-months.

### Capital Investment

Herbal Logic LLC expects an initial cash investment of at least \$400,000 by its owners. Based on the cash projection, the cash investment will be sufficient to provide for the construction of the building, start-up costs and capital expenditures, and the first month of business. After that, the cash from the sale of product should sustain the purchase of product for sale, operating costs, and growth. Herbal Logic LLC expects to maintain a minimum cash balance of \$10,000 at all times.

### Capital Expenditures

Herbal Logic LLC expects to outlay significant capital expenditures at the onset in order to attract a solid customer base. These expenditures include, but are not limited to, construction/rehabilitation of the building, equipment, signage, and security system for the new Taunton facility. Other start-up costs include consulting fees, security, odor control, professional fees, and license costs. All expenditures over \$1,000 with an estimated life of greater than one year will be capitalized and depreciated over the useful life. Based on Herbal Logic LLC's relatively conservative forecasts regarding sales, it is assumed that the initial large capital expenditures will be recouped within 12 months after opening.

### Cost of Goods Sold

Initial estimated costs for flower are substantially lower from the commencement of sales in Massachusetts and while wholesale market is volatile and will fluctuate depending on the quality and supply, Herbal Logic has a business plan to operate with these lower costs and lower retail sales. Herbal Logic LLC's non-flower product will have a 33% mark-up, which is consistent with the industry.

### Operating Costs

The cash projection assumes the company will employ a store manager/compliance officer, 3-4 assistant managers and the equivalent of twelve sales associates for 12 hours day. The managers will be paid \$25 per hour while assistant managers will be paid between \$18 - \$20 per hour, and sales associates will be paid \$15 per hour. Other operating costs include advertising, insurance, professional fees, security, telecom, rent, supplies, repairs, real estate taxes and maintenance, and other general and administrative expenses such as office supplies. Herbal Logic expects that it will

not necessarily have full employment of all individuals at the outset of licensure but will have sufficient employees to cover all expected hours of operation.

## **V. External Environment**

### Current Economy

The current economy is one of expansion. When considered locally however, Taunton, Massachusetts has been designated as an area of disproportionate impact in terms of economic growth. Taunton has a strong residential real estate market, which due to competitive pricing, draws a diverse group from the surrounding communities including Boston and Brockton. Despite the strong residential real estate market, the City of Taunton's demographics reveal a diverse community -- but one with well below the state's average household income. Therefore, Herbal Logic LLC investment will serve a growing, diverse customer base sensitive to pricing.

### Market Analysis and Key Trends

While Herbal Logic has not conducted a comprehensive study of current retail marijuana sales trends Taunton dispensaries have been slow to open providing Herbal Logic a unique opportunity to capture a large share of the retail market and will provide Herbal Logic LLC with ample room to grow its customer base.

### Competitor Analysis and Competitive Advantage

Herbal Logic LLC expects some competition in the market as other marijuana businesses obtain licensure and open retail stores in the Taunton Area. Zoning regulations have been finalized, and a limit of 9 Retail licenses will be available for issuance. With limited in city competition, and with zoning providing a wide range of location opportunities, Herbal Logic has several advantages which will allow it to overcome the obstacle of competition. First and foremost, the location is in the heart of a retail center in Taunton with large volumes of existing customer traffic already in the area and with a location easily accessible and visible to attract the existing flow through traffic it should be easier to attract customers rather than having to draw customers to a remote, out of the

way location. The location is also serviced by public transportation providing a convenient nearby bus stop.

## **VI. Implementation Road Map**

The first hurdle which Herbal Logic LLC must overcome is obtaining licensure. Secondly, Herbal Logic will need to commence the constriction/rehabilitation of its facility as well as installing computers, alarms, security equipment and other miscellaneous items. Once Herbal Logic LLC has completed these tasks it will need to begin to purchase inventory and start advertising to attract its customer base. Once Herbal Logic has established a significantly large customer base, Herbal Logic desires to run a simple, safe and convenient dispensary which will allow for consistent and ample revenues.

## **VII. Risk Analysis**

### Specific Limiting Factors and Obstacles

One limiting factor which could potentially affect Herbal Logic is the potential fluctuations in wholesale price of marijuana and marijuana infused products. Despite this, Herbal Logic LLC believes that the time and resource savings it will realize from not having to focus on production will allow it to make up for any lost revenues associated with its exposure to market forces regarding the price of inventory.

Competition may also be an obstacle to its success, however Herbal Logic believes the Taunton retail market remains open to competition with the limited retail stores currently open and is poised to meet and drive customers to its location due to price and experience.

Another obstacle which Herbal Logic LLC may experience is the problem marijuana businesses experience with banking. Hopefully federal banking regulations will eventually be relaxed, but at this point nothing can be assured. Herbal Logic LLC intends to avoid this difficulty by focusing on its cash business, and by providing customers with an ATM. Of course, dealing with cash requires significant security measures as set forth above, to prevent theft of cash.

Last, there is always the threat of enforcement of federal drug laws by federal authorities. However, given the increasingly accepted attitude of marijuana use by the general public and what appears to be an increasing number of states adopting marijuana policy, this risk seems minimal.

## **VIII. Conclusion**

While there certainly exist significant obstacles for the success of Herbal Logic LLC, the potential for success appears to greatly outweigh the risk of failure. Marijuana tax revenues are steadily increasing, while state regulations have been relaxed to allow for less restrictive access to inventory. Also, given the fact that the model of a retail center without a production facility significantly reduces the time and resources necessary to operate a marijuana center, Herbal Logic LLC will be able to focus on what it does best; selling marijuana. Most importantly, the experience of its ownership will allow for Herbal Logic LLC to grow and prosper as a model dispensary for the Commonwealth of Massachusetts.

HERBAL LOGIC, LLC

**POLICY CONCERNING**  
**QUALITY CONTROL AND TESTING**

## **Quality Control and Testing**

Herbal Logic does not sell any marijuana and marijuana products unless that marijuana or marijuana product has passed testing, and Herbal Logic keeps a record of test results for each batch of marijuana and marijuana products.

Herbal Logic inspects all marijuana and marijuana products for any sign of contamination. Any marijuana that appears contaminated is REJECTED by Herbal Logic and RETURNED to the vendor – regardless of testing results. Herbal Logic understands that vendors can cheat on the tests, and accordingly, Herbal Logic's first line of defense is a visual inspection.

Herbal Logic only purchase from trusted vendors, and from vendors who strictly comply with the regulations pertaining to testing of marijuana and marijuana product.

Herbal Logic ensures that all marijuana product, including marijuana, offered for sale or otherwise marketed for adult use has been tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000.

Herbal Logic maintains a Test Log for all marijuana product, including marijuana, offered for sale or otherwise marketed for adult use by Herbal Logic.

The Test Log and Herbal Logic's policy describes the acceptable contaminant levels established in the DPH protocols identified in 935 CMR 500.160(1).

Herbal Logic's policy requires that the Commission is notified within seventy-two (72) hours of any laboratory testing results indicating that contamination cannot be remediated, and Herbal Logic requires disposing of the contaminated marijuana product.

Herbal Logic's policy recognizes that the notification to the Commission must come from Herbal Logic AND from both the Independent Testing Laboratory, separately and directly. Herbal Logic understands that the notification from Herbal Logic must describe a proposed plan of action for both the destruction of the contaminated product and the assessment of the source of contamination.

Herbal Logic maintains all test records and the Test Log for no less than one (1) year.

In addition, Herbal Logic establishes the additional policies and procedures concerning Quality Control and Testing Procedures:

To the extent Herbal Logic receives marijuana product requiring further processing and packaging Herbal Logic shall only utilize the leaves and flowers of the female marijuana plant to be processed accordingly in a safe and sanitary manner in that all product shall be:

- Well cured and generally free of seeds and stems;
- Free of dirt, sand, debris, and other foreign matter;
- Free of contamination by mold, rot, other fungus, and bacterial diseases;
- Prepared and handled on food-grade stainless steel tables; and
- Packaged in a secure area as applicable to HL's operations

Herbal Logic requires all agents whose job includes contact with marijuana be compliant with the requirements for food handlers specified in 105 CMR 300.000.

Herbal Logic's policy requires any agent working in direct contact with marijuana shall conform to sanitary practices while on duty, including:

- Maintaining adequate personal cleanliness; and
- Washing hands appropriately.

Herbal Logic supervisors shall ensure all agents are properly trained and monitored for compliance with all such requirements.

Herbal Logic's dispensary shall have hand-washing facilities located in production areas and where good sanitary practices require employees to wash and sanitize their hands. HL will work with the local board of health and CCC for proper placement of such facilities.

Herbal Logic's policy requires it shall always provide sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations.

Herbal Logic's waste disposal policy requires all litter and waste shall be properly removed in appropriate bins who are located so as to minimize the development of odor and the potential for the waste attracting and harboring pests.

Herbal Logic's facility shall be constructed in such a manner that they may be adequately kept clean and in good repair, this includes all flooring, walls, and ceilings.

Herbal Logic's policy requires all contact surfaces, shall be maintained, cleaned, and sanitized as frequently as necessary to protect against contamination. Herbal Logic will maintain a log ensuring proper opening and closing procedures and daily maintenance to ensure all such surfaces are properly maintained and cleaned.

Herbal Logic's policy maintains that all toxic items shall be identified, held, stored and disposed of in a manner that protects against contamination of marijuana.

Herbal Logic's proposed location has sufficient water supply for necessary operations but hereby



establishes a policy that the water supply shall be maintained such that it will always be sufficient for operations.

Herbal Logic's policy ensures that the plumbing equipment will be of adequate size and design and maintained to carry sufficient quantities of water to required locations throughout the establishment. Herbal Logic will maintain a maintenance log of inspections and repairs completed to the plumbing service to ensure the system is maintained as required.

Herbal Logic's policy requires it provide and maintain for its employees adequate and readily accessible toilet facilities. Such facilities are part of the proposed location's final plans.

Herbal Logic's policy requires the storage and transportation of finished products to be held and maintained under conditions that protect them against physical, chemical, and microbial contamination.

HERBAL LOGIC, LLC

**POLICY CONCERNING**  
**QUALIFICATIONS AND TRAINING**

### **Qualifications and Training**

Herbal Logic (“HL”) only hires Staff who comport with HL’S background check. HL’s staff meet minimum age requirements of being twenty-one (21) years of age or older and have completed and shall maintain Responsible Vendor Training Program certification, all as promulgated by the Commission under 935 CMR 500.105(2)(b).

HL requires that all Staff shall, at a minimum, receive eight (8) hours of on-going training each year.

HL policy requires that all new employees involved in the handling and sale of cannabis for adult use shall successfully complete a Responsible Vendor Program within ninety (90) days of hire.

HL maintains records of responsible vendor training program compliance for four (4) years and can make them available to inspection by the Commission and any other applicable licensing authority upon request during normal business hours.

All HL staff will have a working knowledge of the related cannabis law, rules and regulations, including local regulations. Managers (assistant and supervisor level) will be responsible for ensuring all HL Staff follow such obligations.

HL will employ a Compliance Officer who will oversee hiring and training of all Staff and will conduct periodic compliance checks to ensure Staff has retained such knowledge.

Managers and the Compliance Officer are expected to have some post high school education. Staff are expected to have attained a high school diploma or its equivalent.

In accordance with 935 CMR 500.030, HL candidates for employment as a marijuana establishment agent cannot have been convicted of a criminal offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of another state, the United States, or foreign jurisdiction, or a military, territorial, or Native American tribal authority.

HL will also ensure that all of its employees are suitable for registration consistent with the provisions of 935 CMR 500.802.

#### *Marijuana Establishment Agent Training*

(a) Marijuana Establishments shall ensure that all marijuana establishment agents complete training prior to performing job functions. Training shall be tailored to the roles and responsibilities of the job function of each marijuana establishment agent, and at a minimum must include a Responsible Vendor Program under 935 CMR 500.105(2)(b). At a minimum, staff shall receive eight (8) hours of on-going training annually.

### *Responsible Vendor Training*

1. On or after July 1, 2019, all current owners, managers and employees of a Marijuana Establishment that are involved in the handling and sale of marijuana for adult use at the time of licensure or renewal of licensure, as applicable, shall have attended and successfully completed a responsible vendor program to be designated a “responsible vendor.”
2. Once a licensee is designated a “responsible vendor,” all new employees involved in the handling and sale of marijuana for adult use shall successfully complete a responsible vendor program within ninety (90) days of hire.
3. After initial successful completion of a responsible vendor program, each owner, manager, and employee involved in the handling and sale of marijuana for adult use shall successfully complete the program once every year thereafter to maintain designation as a “responsible vendor.”
4. Administrative employees who do not handle or sell marijuana may take the “responsible vendor” program on a voluntary basis.
5. Marijuana establishments must maintain records of responsible vendor training program compliance for four (4) years and make them available to inspection by the Commission and any other applicable licensing authority upon request during normal business hours.

### *Certification Training Program Standards*

- a. No owner or employee of a responsible vendor program shall have an interest in a licensed Marijuana Establishment;
- b. Program providers shall submit their programs to the Commission every two years for approval as a responsible vendor program;
- c. The program shall include at least two (2) hours of instruction time;
- d. The program shall be taught in a real-time, interactive classroom setting where the instructor is able to verify the identification of each individual attending the program and certify completion of the program by the individual identified;
- e. The program provider shall maintain its training records at its principal place of business during the applicable year and for the following three (3) years;
- f. The provider shall make the records available for inspection by the Commission and any other applicable licensing authority upon request during normal business hours;
- g. The program shall provide written documentation of attendance and successful passage of a test on the knowledge of the required curriculum for each attendee;
- h. Attendees who can speak and write English must successfully pass a written test with a score of 70% or better;
- i. Attendees who cannot speak or write English may be offered a verbal test, provided that the same questions are given as are on the written test and the results of the verbal test are documented with a passing score of 70% or better; and
- j. Program providers shall solicit effectiveness evaluations from individuals who have completed their program. Certification Training Class Core Curriculum.
  - a. Discussion concerning marijuana’s effect on the human body. Training shall include:
    - i. Marijuana’s physical effects based on type of marijuana product;
    - ii. The amount of time to feel impairment;
    - iii. Visible signs of impairment; and
    - iv. Recognizing the signs of impairment.
  - b. Diversion prevention and prevention of sales to minors, including best practices;

- c. Compliance with all tracking requirements; and
- d. Acceptable forms of identification. Training shall include:
  - i. How to check identification;
  - ii. Spotting false identification;
  - iii. Medical registration cards issued by the DPH;
  - iv. Provisions for confiscating fraudulent identifications; and
  - v. Common mistakes made in verification.
- e. Other key state laws and rules affecting owners, managers, and employees, which shall include:
  - i. Local and state licensing and enforcement;
  - ii. Incident and notification requirements;
  - iii. Administrative and criminal liability;
  - iv. License sanctions and court sanctions;
  - v. Waste disposal;
  - vi. Health and safety standards;
  - vii. Patrons prohibited from bringing marijuana onto licensed premises;
  - viii. Permitted hours of sale;
  - ix. Conduct of establishment;
  - x. Permitting inspections by state and local licensing and enforcement authorities;
  - xi. Licensee responsibilities for activities occurring within licensed premises;
  - xii. Maintenance of records;
  - xiii. Privacy issues; and
  - xix. Prohibited purchases and practices.
- f. Such other areas of training determined by the Commission to be included in a responsible vendor training program.

HERBAL LOGIC, LLC

**POLICY CONCERNING**  
**MAINTENANCE OF FINANCIAL RECORDS**

## **Maintenance of Financial Records**

Herbal Logic (“HL”) maintains all records onsite, available for inspection by the Commission, upon request.

HL’s records are maintained in accordance with generally accepted accounting principles.

Herbal Logic maintains all Business Records required in any section of 935 CMR 500.000, in addition to the following which shall include manual or computerized records of:

Written business records, available for inspection, and in accordance with generally accepted accounting principles, which will include manual or computerized records of:

- Assets and liabilities;
- Monetary transactions;
- Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
- Sales records including the quantity, form, and cost of marijuana products; and
- Salary and wages paid to each employee, stipend paid to each board member, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with HL, including members of the nonprofit corporation, if any.

Cash management will be developed within the Security Plan and shall remain confidential to HL’s management and staff. Frequency and timing of cash deposits to be made to financial institutions shall be randomized for security purposes.

Seed to sale tracking systems as approved by the Commission shall be implemented which will support HL’s payment of state and local sales tax and other obligations.

HL’s confidential information will be kept in a secure location, separate from all other records, and will not be disclosed without the written consent of the individual to whom the information applies, or as required under law or pursuant to an order from a court of competent jurisdiction; provided however, the Commission may access this information to carry out its official duties.

All sales recording requirements under 935 CMR 500.140(6) are followed, including:

- Utilizing a point-of-sale (POS) system approved by the Commission, in consultation with the DOR, and a sales recording module approved by DOR;
- Conducting a monthly analysis of its equipment and sales date, and maintaining records, available to the Commission upon request, that the monthly analysis has been performed;
- Complying with 830 CMR 62C.25.1: *Record Retention* and DOR Directive 16-1 regarding recordkeeping requirements;
- Adopting separate accounting practices at the point-of-sale for cannabis and cannabis product sales, and non-cannabis sales; and

- Maintaining such records that would allow for the Commission and the DOR to audit and examine the point-of-sale system used in order to ensure compliance with Massachusetts tax laws and 935 CMR 500.

Additional written business records will be kept, including, but not limited to, records of:

- Compliance with liability insurance coverage or maintenance of escrow requirements under 935 CMR 500.105(10) and all bond or escrow requirements under 935 CMR 500.105(16); and
- Fines or penalties, if any, paid under 935 CMR 500.550 or any other section of the Commission's regulations.



HERBAL LOGIC, LLC

**POLICY CONCERNING**  
**RECORD KEEPING PROCEDURES**

## **Record Keeping Procedures**

Herbal Logic's ("HL") policies and procedures for recordkeeping and record retention will comply with all CCC regulations to safeguard and maintain vital documents. Upon request or by audit, the Company will provide written records to the CCC. Under supervision of the Chief Compliance Officer, working with the HR Manager and Inventory Manager, HL will file records in a secure, limited access area.

HL will employ a quarterly review of all retained records to ensure compliance. This review will include corporate, employee and business documents.

Under direct supervision of the Chief Compliance Officer, the procedures will also be kept current and internally inspected by the executive management team as a part of Herbal Logic's overall facility maintenance, conducted annually.

### *Corporate Records*

Corporate records are defined as records that require, at a minimum, regularly scheduled annual reviews, updates, and renewals. These records include the Cannabis Control Commission's annual compliance requirements for marijuana establishment registration, agent registration, and employee background check documentation. Herbal Logic will comply with all corporate governance requirements: Secretary of State filings and annual reports. HL will ensure its business operations with policies for general liability, directors & officers (D&O), product liability, workers compensation, employer professional liability and umbrella coverage. Herbal Logic's host community local compliance will include any and all variances, as-built drawings, site plan approvals, special permits and certificate of occupancy.

HL will maintain all records required in any section of 935 CMR 500.000, in addition to the following: Written operating procedures as required by 935 CMR 500.105(1); inventory records as required by 935 CMR 500.105(8); and seed-to-sale tracking records for all cannabis products as required by 935 CMR 500.105(8)(e).

### *Personnel Records*

HL will maintain detailed personnel records, which will include the following:

- Job descriptions for each employee and volunteer position, along with organizational charts consistent with the job descriptions;
- A personnel record for each HL Staff member. These records will be maintained by HL for at least twelve (12) months after termination of the individual's affiliation with HL and shall include, at a minimum, the following:
  - all materials submitted to the Commission pursuant to 935 CMR 500.030(2);
  - the job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision for that position;
  - documentation of periodic, regular performance evaluations;
  - documentation of verification of references;
  - documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;

- a record of any disciplinary action taken; and
- notice of completed responsible vendor and eight (8) hour related duty training.

HL maintains a staffing plan that demonstrates accessible business hours and safe working conditions.

HL maintains personnel policies and procedures; and all background check reports obtained in accordance with 935 CMR 500.030.

#### *Business Records*

HL will maintain detailed Business Records, which shall include electronic or hard copies of, at a minimum:

- Salary and wages paid to each employee, any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with any HL vendors, including members, if any;
- Assets and liabilities;
- Books of accounts, which shall include ledgers, journals, and supporting documents, invoices, checks, agreements, and vouchers;
- Monetary transactions;
- Sales records including the quantity, form, and cost of cannabis products; and
- Waste disposal records as required under 935 CMR 500.105(12).

#### *Handling and Testing of Marijuana Records*

HL will maintain the results of all cannabis testing a minimum of one (1) year.

#### *Inventory Records*

HL's record of each inventory will include, at a minimum, the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the agents who conducted the inventory.

#### *Seed-to-Sale Tracking Records*

- HL will use seed to sale software to maintain real-time inventory. HL's seed-to-sale inventory reporting will meet the requirements specified by the Commission and 935 CMR 500.105(8)(c) and (d), including, at a minimum, an inventory of all cannabis and cannabis-related products ready for dispensing; as well as all damaged, defective, expired, or contaminated cannabis and cannabis products awaiting disposal.
- Inventory records will include, at a minimum, the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the individuals who conducted the inventory.

#### *Incident Reporting Records*

- Within ten (10) calendar days, HL will provide written notice to the Commission of any incident described in 935 CMR 500.110(7)(a). HL will do this by submitting an incident report, detailing the incident, the investigation, the findings, resolution (if any),

confirmation that the Police Department and Commission were notified within twenty-four (24) hours of discovering the breach, along with any other relevant information.

#### *Visitor Records*

All visitors must be logged in and out and that log shall be available for inspection by the Commission at all times. A visitor sign-in and sign-out record will be maintained at the security office. The record will include the visitor's name, address, organization or firm, date, time in and out, and the name of the authorized agent who will be accompanying the visitor.

#### *Security Records*

- HL will make a current list of authorized agents and service personnel that have access to the surveillance room available to the Commission upon request.
- HL will make available for immediate viewing by the Commission upon request all twenty-four (24) hour recordings from all video cameras that are kept for a minimum of ninety (90) calendar days.

#### *Transportation Records*

HL will retain all shipping manifests for no less than one (1) year. These records will be made available to the Commission upon request.

#### *Agent Training Records*

Documentation of all required training, including training regarding privacy and confidentiality requirements, and a signed statement of the individual indicating the date, time, and location where they were trained, the topics discussed and the name(s) and title(s) of the presenter(s).

#### *Records Closure Policy*

In the event HL closes its operations, all records will be kept for at least two (2) years at HL's expense in a form (electronic, hard copies, etc.) and location acceptable to the Commission. In addition, the Company will communicate with the CCC during the closure process and accommodate any additional requests the CCC or other agencies may have.

#### *Policies and Procedures Records*

Written Operating Policies and Procedures: Policies and Procedures related to the Company's operations will be updated on an ongoing basis as needed and undergo an annual review by the executive management team. Policies and Procedures include the following:

- A list of all executives of the Company, and members, if any, of the licensee must be made available upon request by any individual. 935 CMR 500.105(1)(m) requirement may be fulfilled by placing this information on the Company's website;
- Description of the various strains of marijuana to be cultivated, sold, or processed, as applicable, as well as the form(s) in which marijuana will be dispensed;
- A staffing records and staffing plan in compliance with 935 CMR 500.105(9);

- A description of the Company's hours of operation and after-hours contact information, which will be provided to the CCC, made available to law enforcement officials upon request, and updated pursuant to 935 CMR 500.000;
- Policies and procedures for the handling of cash on Company premises including but not limited to storage, collection frequency and transport to financial institution(s);
- Storage of marijuana in compliance with 935 CMR 500.105(11);
- Agent security policies, including crime prevention and personal safety techniques; Security measures in compliance with 935 CMR 500.110;
- Policies and procedures to prevent the diversion of marijuana to individuals younger than twenty-one (21) years old;
- Policies for an alcohol, smoke, and drug-free workplace;
- Quality control plans, including product testing for contaminants in compliance with 935 CMR 500.160;
- Procedures to ensure accurate recordkeeping, including inventory protocols in compliance with 935 CMR 500.160;
- Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;
- A plan describing how confidential information will be maintained; and
- Policy for the immediate dismissal of any dispensary agent who has:
  - Been convicted, entered a guilty plea, plea of nolo contendere, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority;
  - Diverted marijuana, which will be reported the Police Department and to the CCC; or
  - Engaged in unsafe practices with regard to Company operations, which will be reported to the CCC.

#### *Record Retention*

As a retailer, HL will comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.

#### *Personnel Policies, Including Background Checks*

HL will maintain personnel records as a separate category of records due to the sensitivity and importance of information concerning agents, including registration status and background check records. HL will keep, at a minimum, the following personnel records:

- A staffing plan that shows accessible business hours and safe conditions;
- A personnel record for each marijuana establishment agent;
- Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
- Written personnel policies and procedures; and
- All background check reports obtained in accordance with 935 CMR 500.030.

For more detailed information about HL's personnel policies, including procedures related to background checks, please refer to the section titled *Personnel Policies Including Background Checks*.

HL only hires Staff who comport with the background regulations promulgated by the Commission.

HL policy requires the IMMEDIATE DISMISSAL any Staff member who: 1. Diverted marijuana, which shall be reported to law enforcement officials and to the Commission; 2. Engaged in unsafe practices with regard to operation of HL, which shall be reported to the Commission; or 3. Been convicted or entered a guilty plea, plea of nolo contendere, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority.

HL policy requires that HL obtain certification as a Responsible Vendor.

HL requires that all Staff take and complete a Responsible Vendor Training under 935 CMR 500.105(2)(b). At a minimum, HL Staff shall receive eight (8) hours of on-going training annually.

HL policy requires that all new employees involved in the handling and sale of marijuana for adult use shall successfully complete a responsible vendor program within ninety (90) days of hire.

HL maintains records of responsible vendor training program compliance for four (4) years and can make these records available to inspection by the Commission and any other applicable licensing authority upon request during normal business hours.

**HERBAL LOGIC, LLC**

**OPERATIONS PROCEDURE ON ENERGY COMPLIANCE**

## Overview

Herbal Logic(“HL”) will employ various strategies to reduce energy consumption where available and in compliance with CCC regulations.

HL will employ a Compliance Officer to review energy consumption on a quarterly basis. HL’s Compliance Officer will report such findings in monthly team meetings with management and staff and discuss existing energy usage and ways to reduce energy usage. Managers and staff will be trained to report to the Compliance Officer any strategies developed to reduce energy usage and the Compliance Officer and the Management shall be responsible to approve and implement such strategies.

In the event the facility requires any further upgrades, renovations or expansions, HL will hire the necessary design, construction and engineering professionals to identify potential energy savings opportunities and implement such opportunities as available and cost effective. HL policy requires HL to identify and document any renewable or alternative energy opportunities as part of any upgrades, renovations or expansions.

In the event of an equipment failure requiring replacement, HL policy requires a review by HL’s Compliance Officer and management to identify and document potential energy savings available prior to replacement. HL will maintain documentation energy savings was considered and information justifying the final decision concerning such replacement.

Within the first 12 months of operation and no less than annually thereafter, HL will document its consideration of opportunities for renewable energy generation, including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable and its consideration of energy supply decisions and regularly (no less than annually) evaluate renewable options;

HL’s Compliance Officer shall conduct an ongoing review of HL’s energy demand and report to management any inefficiencies in current energy usage identified and to research solutions to reduce electric demand (such as lighting schedules, active load management, and energy storage); The Compliance Officer shall implement a method of energy monitoring and reporting to management and in consultation with management to implement such adjustments to operations based on such compiled data; The Compliance Office shall review and implement procedures for participation in load curtailment, energy storage, or other active demand management programs (as applicable). As part of such reviews and reporting, the Compliance Officer shall communicate with existing and proposed utilities to identify and implement any available energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants. The Compliance Officer shall provide a quarterly report to management regarding his/her research of available programs.



HERBAL LOGIC, LLC

**POLICY CONCERNING**  
**RESTRICTION OF ACCESS TO PERSONS**  
**AGED 21 AND OLDER**

### **Restricting Access to 21 and Over**

As per 935 CMR 500.140 (2) On-premises Verification of Identification for Adult Use Only Locations, upon entry into HL's retail premises by an individual, a HL agent shall immediately inspect the individual's proof of identification and determine the person's age. No one shall be admitted to the premises unless the retailer has verified that the person is 21 years of age or older by an individual's proof of identification.

Herbal Logic's ("HL's") retail store's layout is designed to enable access to consumers with a verified and valid, government-issued photo ID.

Upon entry into the premises of HL's retail marijuana establishment by an individual, a HL security agent will immediately inspect the individual's proof of identification and determine the individual's age, in accordance with 935 CMR 500.140(2).

HL will stop all persons entering the store to determine whether that person may legally enter the premises. All persons must first be verified in the Entry Room. The Entry Room is physically separated from the Store by a closed, and locked door.

Any persons who cannot provide the required legal proof that they are aged **21 years or older** shall be DENIED ENTRY and politely turned away, with an explanation that the law requires all persons entering HL be **21 years or older**.

In the event HL discovers any of its agents intentionally or negligently sold marijuana to an individual under the age of 21, the agent will be immediately terminated, and the Commission will be promptly notified, pursuant to 935 CMR 500.105(1).

Furthermore, HL will not hire any individuals who are under the age of 21 or who have been convicted of distribution of controlled substances to minors, pursuant to 935 CMR 500.030(1).

Pursuant to 935 CMR 500.105(4), HL will not engage in any marketing, advertising or branding practices that are targeted to, deemed to appeal to or portray minors under the age of 21.

HL will not engage in any advertising, marketing and branding via television, radio, internet, mobile applications, social media, or other electronic communication, billboard or other outdoor advertising, including charitable, sporting or similar events, unless at least 85% of the audience is reasonably expected to be 21 years of age or older as determined by reliable and current audience composition data.

In accordance with 935 CMR 500.105(4)(a)(5), any marketing, advertising and branding materials for public viewing will include a warning stating, "For use only by adults 21 years of

age or older. Keep out of the reach of children. Marijuana can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of marijuana.”

Pursuant to 935 CMR 500.105(6)(b), HL’s packaging for any cannabis or cannabis products will not use bright colors, resemble existing branded products, feature cartoons or celebrities commonly used to market products to minors, feature images of minors or other words that refer to products commonly associated with minors or otherwise be attractive to minors.

HL’s website will require all online visitors to verify they are 21 years of age or older prior to accessing the website, in accordance with 935 CMR 500.105(4)(b)(13).

HL will contract with a third-party security company for provision of trained security personnel.

HL’s security personnel will require verification that the individual desiring to enter HL are aged **21 years or older**.

HL’s security personnel will use the electronic card reader to verify the identification offered by the individual desiring to enter HL.

HL’s security personnel will use the Blacklight to examine and verify the identification offered by the individual desiring to enter HL. The Blacklight will often illuminate evidence that the identification has been altered. In the event that an offered identification displays obvious signs of tampering HL staff shall not honor the identification. HL staff shall DENY ENTRY and politely turn that person away, with an explanation that the law requires all persons entering HL to provide acceptable proof that the individual is **21 years or older**.

Customers are only to be allowed entry into the door exiting the Entry Room once they have satisfactorily proved that they are **21 years or older**.

Further, HL Staff shall DENY ENTRY and shall REFUSE to sell cannabis products to a consumer if, in the opinion of the Staff, and based on the information available to the agent at that time, the consumer or the public would be placed at risk.

Clearly intoxicated or impaired persons shall be DENIED ENTRY.

# **HERBAL LOGIC, LLC**

## **PERSONNEL POLICY**

## **Overview**

Herbal Logic (“HL”) will only hire Staff (a/k/a “Agents” and/or “Employees”) who comply with background regulations disseminated by the Commission.

## **Agent Personnel Records**

HL will maintain employee records for each agent for at least twelve (12) months after termination of the agent’s affiliation with HL and records will include, but not limited to:

- All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
- The job description or employment contract that includes descriptions of the agent’s duties, authority, responsibilities, qualifications, and supervision;
- Required training, including training regarding privacy and confidentiality requirements, and the signed statement of the person indicating the date, time, and place the agent received said training;
- Performance evaluations;
- Records of any disciplinary action taken;
- Background investigation, including CORI reports;
- 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.

HL’s personnel records will be kept in a secure location to maintain confidentiality. Personnel records will only be accessible to the agent’s manager or members of HL’s executive management team.

HL policy requires the IMMEDIATE DISMISSAL any Staff member who:

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

HL policy requires that it obtain certification as a Responsible Vendor.

HL requires all Staff take and complete a Responsible Vendor Training under 935 CMR 500.105(2)(b). At a minimum, HL Staff shall receive eight (8) hours of on-going training annually.

HL policy requires that all new employees involved in the handling and sale of marijuana for adult use shall successfully complete a responsible vendor program within ninety (90) days of hire.

HL will maintain records of responsible vendor training program compliance for four (4) years and can make them available to inspection by the Commission and any other applicable licensing authority upon request during normal business hours.

### **Job Descriptions**

Chief Executive Officer/Chief Financial Officer: The CEO/CFO shall provide overall leadership and vision for Herbal Logic. The CEO/CFO will work with and support the executive management team and employees to assure that HL sets reasonable business and community benchmarks, in order to achieve its goals and fulfill its mission. CEO/CFO duties will include but are not limited to the following:

- Work as the team leader with other executives and employees to review HL's business and community objectives, and implement plans to achieve those objectives;
- Lead HL's interactions with state regulators and municipal officials;
- Oversee the company's financial operations and associated responsibilities related to Herbal Logic's Certified Tax Accountants;
- With the Chief Operating Officer/Chief Compliance Officer (COO/CCO), oversee compliance with Massachusetts law and regulations, including 935 CMR 500.000 et seq.;
- With the COO/CCO, oversee compliance with 935 CMR 500.105(2)(b), including all Responsible Vendor Training requirements for employees;
- Develop, oversee and execute a staffing plan and certain hiring protocols;
- Develop and implement personnel policies and procedures;
- Develop protocols to attract, hire, advance, discipline and terminate employees and volunteers as needed to support HL's operations;
- Ensure compliance with all workplace policy laws and requirements;
- With the COO/CCO to oversee ongoing compliance with the provisions of 935 CMR 500.101(2)(e)(8);
- With the COO/CCO, oversee operating procedures to assure ongoing compliance with the provisions of 935 CMR 500.105(1);
- Work with the executive management team and the COO/CCO to implement a plan to prevent the diversion of product in accordance with the applicable regulations, including 935 CMR 500.101 and 935 CMR 500.105;
- Work with the executive management team and the COO/CCO to implement a diversity plan that promotes equity among minorities, women, veterans, people with disabilities, and people of all gender identities and sexual orientations;
- Work with HL's HR Manager and department managers, ensure the Diversity Plan and Community Initiatives; and
- Work with HL's HR Manager and department managers to implement HL's Plan to Positively Impact Areas of Disproportionate Impact.

Chief Operating Officer/Chief Compliance Officer: In this combined role, the COO/CCO shall operate and be responsible for the maintenance, staffing and ongoing operation of the retail facility. COO/CCO duties shall include:

- Work with the CEO/CFO to manage financial reporting and budgeting;
- Oversee policies and procedures relating to the retail facility;

- Work with the Security Director to oversee background check process on all employees in a manner consistent with Massachusetts law and regulation, including 935 CMR 500.000;
- Coordinate all staff work hours, assignments and collaborations;
- Develop plan to meet the demands of the business;
- Manage HL's human resources team;
- Manage payroll administration;
- Supervise accounting and payables functions;
- Oversee tax preparation and auditing in conjunction with the CEO/CFO and Certified Tax Accountant;
- Ensure quality control and testing of marijuana flower in compliance with 935 CMR 500.160;
- With the CEO/CFO to uphold company and facility compliance with Massachusetts law and regulations, including 935 CMR 500.000 et seq.;
- With the CEO/CFO to facilitate HL's interactions with state regulators and municipal officials;
- Ensure compliance with 935 CMR 500.105(2)(b), including all Responsible Vendor Training requirements for employees;
- Prepare and amend as needed a HL plan to assure ongoing compliance with the provisions of 935 CMR 500.101 et seq.;
- Prepare and amend as needed a set of detailed written operating procedures to assure ongoing compliance with the provisions of 935 CMR 500.105(1);
- Keep and maintain all HL records, making them available for inspection by the Commission, upon its request, in accordance with 935 CMR 500.105(9);
- In collaboration with the Director of Security, implement and administer background checks and suitability determinations on all HL employees in a manner consistent with Massachusetts law and regulation, including 935 CMR 500.000;
- Review background checks prior to any employee start date, and before any employee is granted access to any HL facility in a manner consistent with Massachusetts law and regulation, including 935 CMR 500.100; and
- Register each employee with DCJIS pursuant to 803 CMR 2.04 to determine suitability.

Security Director: Under the supervision of the CEO/CFO, the Security Director will be responsible for the development and overall management of the Security Policies and Procedures for HL, while implementing, administering, and revising the policies as needed.

To further ensure employee suitability, HL's Security Director will:

- Review any and all conditions, offenses, and violations occurring in Massachusetts or any other state, whether under state law or under the laws of the United States, or the law of any military, territorial or Native American tribal authority, or any other jurisdiction.
- Review any and all criminal disqualifying conditions, offenses, and violations, including the crimes of attempt, accessory, conspiracy, and solicitation.

- Where applicable, review all look back periods for criminal conditions, offenses, and violations included in 935 CMR 500.802 commence upon the date of disposition; provided, however, that if disposition results in incarceration in any institution, the look back period will commence upon release from incarceration.
- Not consider juvenile dispositions as a factor for determining suitability.
- Ensure compliance with all provisions of 935 CMR 500.110;
- Train and supervise security agents;
- Provide staffing, shift change and general oversight of security operations;
- Review and ensure proper maintenance of all security apparatus, including
- physical, human and technological security methods and equipment;
- Ensure that all required background checks have been completed and documented prior to an agent performing job functions; ensure agent is granted appropriate level of access to the facility necessary to complete his/her job functions;
- Review and approve incident reports and other reports written by Security Agents prior to submitting to the executive management team—follow up with security agent if needed;
- Provide training specific for Security Agents prior to commencing job functions;
- Maintain frequent contact with state inspectors and local law enforcement authorities;
- Maintain lists of agents authorized to access designated areas of the HL facility, including cash and product storage vaults, the surveillance and network equipment room, and other highly sensitive areas of the HL facility;
- Lead a management team to ensure policies and procedures are properly implemented, integrated, effective, and relevant to ensure the safety of HL agents and assets;
- Maintain all security-related records, incident reports and other reports written by security agents; and
- Evaluate and determine the number of security agents assigned to each shift and proper shift change times.

Security Agent: Security Agents will monitor HL's security systems including alarms, video surveillance, and motion detectors. Security Agents will ensure only authorized people are permitted access to the HL facility. Security Agents will verify appropriate ID cards and other forms of identification. Security Agents will also perform the following duties and other duties as needed:

- Respond and investigate security situations and alarm calls; clearly document the incident and details surrounding the incident in a written report for the Director of Security;
- Oversee the entrance to the facility;
- Escort HL agents from the facility during non-business hours and perform security checks at designated intervals;
- Verify credentials of each person seeking access to the HL facility;
- Investigate, communicate, and provide leadership in the event of an emergency such as an intrusion, fire, or other threat that endangers customers, authorized visitors, and HL agents;
- Answer routine inquiries;
- Log entries, and maintain visitor log; and
- Escort authorized visitors in HL's restricted access areas.



Human Resources Manager: HL's HR Manager will support the executive management team. The HR Manager will implement all personnel policies and procedures for HL, including hiring processes. The Human Resources Manager will also:

- Oversee hiring and release of HL agents;
- Ensure compliance with any and all workplace policy laws and requirements;
- Review and revise HL personnel policies and procedures in consultation with the executive management team and department managers;
- Handle any and all agent discipline as needed;
- Develop training schedules and policies for HL agents under the supervision of the executive management team and department managers; and
- Be responsible for additional human resources tasks decided by HL's executive management team.
- Oversee HL's Diversity Plan and Community Initiatives;
- Oversee HL's Plan to Positively Impact Areas of Disproportionate Impact;
- Comply with State anti-discrimination statutes and Equal Employment Opportunity Commission (EEOC) requirements;
- Working with the Chief Compliance Officer, employ reporting of criminal convictions (and termination if necessary);
- Comply with the State and Federal Family Leave Act;
- Comply with Workplace Safety Laws;
- Instate Workers' Compensation;
- Working with the Chief Compliance Officer, employ the Background Check process for all employees;
- Comply with State and Federal Minimum Wage Requirements; and
- Comply with any other applicable local, state, or federal employment laws, rules, or regulations.

Inventory Manager: The Inventory Manager will oversee HL's inventory on a day-to-day basis. The Inventory Manager will be responsible for weekly and monthly inventory counts and waste disposal requirements. The Inventory Manager will perform a yearly comprehensive inventory together with the executive management team. Additional duties include, but are not limited to:

- Maintaining records, including operating procedures, inventory records, audit records, storage and transfer records;
- Implementing inventory controls to track and account for dispensary inventory;
- Maintaining documents with each day's beginning, acquisitions, sales, disposal, and ending inventory;
- Implementing procedures and notification policies for proper disposal; and
- Storing, labeling, tracking, and reporting of inventory.

Inventory Associate: Inventory Associates support the Inventory Manager during HL's daily operations. Responsibilities will include:

- Ensuring all products are properly stored, labeled, and recorded in HL inventory system;
- Maintaining records, including operating procedures, inventory records, audit records, storage and transfer records;

- Ensuring waste is properly stored;
- Maintaining documents with each day's beginning, acquisitions, sales, disposal and ending inventory; and
- Coordinating the waste disposal schedule and ensuring HL's policies and procedures for waste disposal are followed.

**Retail Manager:** Manages all HL Member Services Agents and oversees day-to-day operations of HL's retail facility. Other responsibilities and duties will include:

- Training retail staff;
- Reporting any incidents and complaints to the executive team;
- Working with bookkeeping to ensure precise data flow;
- Ensuring customer satisfaction through feedback tools; and
- Implementing inventory tracking.

**Retail Agent:** Ensures that each HL customer is treated with respect while at a HL facility. Responsible for making sure that each customer receives the appropriate amount of individualized attention in order to address their specific needs and questions. Job responsibilities include:

- Being knowledgeable of the various products that HL offers;
- Understanding and acknowledging individual customer goals;
- Maintaining a clean, safe, healthy, and productive environment so that customers have a positive experience;
- Answering customer questions related to products including flowers, concentrates, tinctures, and edibles;
- Enforcing and executing compliance with Commission regulations and HL policies and procedures;
- Setting up product displays based on HL policies and procedures;
- Understanding sales transactions using HL systems;
- Participating in ongoing education and professional development; and
- Reconciling cash from daily sales transactions, sales reports, and other forms of day-to-day task management.

HL will follow 935 CMR 500.030(2) regarding agent personnel records during the application process, including any requirements and other information required by the Commission, and in compliance with state and federal laws related to all HR-related activities.

### **Standards of Conduct**

HL will not tolerate harassment or discrimination on the basis of sex, race, color, national origin, age, religion, disability, sexual orientation, gender identity, gender expression, or any other trait or characteristic protected by any applicable federal, state, or local law or ordinance.

All HL managers and employees will be expected to maintain the highest degree of professional behavior and standards.

### *Workplace Attire*

HL's new hire training and the onboarding process will discuss specific workplace attire for each role. The HR Manager and department managers will ensure compliance with all requirements related to workplace attire.

### *At-Will Employment*

HL's policy is to support is at-will unless otherwise stated, as consistent within the Commonwealth of Massachusetts.

### *Violence and Weapons*

Weapons are not allowed on site by employees, customers, or visitors. In the case of a violent event or threat, law enforcement will be contacted immediately. Any employee found carrying a weapon on the premises of a HL facility will be immediately terminated.

## **Hours of Operation**

*Monday: 8:00 a.m. – 9:00 p.m.*

*Tuesday: 8:00 a.m. – 9:00 p.m.*

*Wednesday: 8:00 a.m. – 9:00 p.m.*

*Thursday: 8:00 a.m. – 9:00 p.m.*

*Friday: 8:00 a.m. – 9:00 p.m.*

*Saturday: 8:00 a.m. – 9:00 p.m.*

*Sunday: 8:00 a.m. – 9:00 p.m.*

## **Personnel Policies and Procedures**

### *Standard Employment Practices*

HL believes that it can attract a better workforce and increase employee retention by employing workplace satisfaction by offering highly competitive wage and benefits packages and developing a culture that values a proper work-life balance. HL is committed to hiring a management team that works one on one with their subordinates to foster a work ethic that focuses on the mission of the company and spirit of the adult-use marijuana program in Massachusetts.

### *Investigations*

The HR Manager, working with the Chief Operating Officer/Chief Compliance Officer, will create and implement policies and procedures to investigate any complaints or concerns identified or raised internally or externally in order to stay compliant with 935 CMR 500.000 et. seq.

### *Compliance with Law and Regulation*

TM's written policies shall adhere to applicable federal and state laws, including but not limited to the Family and Medical Leave Act, the Consolidated Omnibus Budget Reconciliation Act, the Equal Employment Opportunity Act, the Employee Retirement Income Security Act, the

Americans with Disabilities Act, 935 CMR 500.000 et. seq., and with laws pertaining to holidays, work hours, personal time, paid time off, confidentiality and workplace safety. The executive management team oversees company compliance, and the CEO/CFO shall implement company policies and procedures.

### *Job Classifications*

Positions at HL are categorized by rank and department. HL's executive management team will be responsible for the overall success of the company's mission. The CEO/CFO shall be responsible for implementing HL's vision and mission. The entire executive management team will work closely together to ensure that each HL department executes its functions and responsibilities in a proper and professional manner. Job classification will consist of three tiers: Executive Management, Management, and Non-Management Employee.

### *Work Schedules*

Work schedules will be either part-time, full-time, or salaried, depending on the specific position. Schedules will be set according to the needs of each department and will be determined by the respective department manager and the executive manager to whom they report. It will be the department manager's responsibility to develop and implement a work schedule that provides necessary duty and personnel coverage while not exceeding each role's requirements for full execution of HL day-to-day operations. The department manager must also make sure that adequate coverage occurs on a daily basis and does not lead to abuse or unnecessary use of overtime.

### *Performance Reviews*

Performance reviews will be conducted by executive or department managers. Reviews will be conducted at three-month intervals for new employees during the first year. After the initial three-month period, reviews will occur at six-month intervals. Employees under review will receive a written summary of their performance. Reviews must be kept in each employee's employment file. Performance reviews must highlight both positive performance factors as well as areas that need improvement. HL may use scoring systems to determine an employee's overall performance.

### *Advancement & Compensation*

Employee participation in training and bi-annual performance evaluations will be required for any promotions or pay increases. Compensation shall be negotiated on an individual basis. HL shall determine compensation based on the prevailing wage in the marketplace. Compensation shall account for skill, experience, education, work history and other lawful criteria as determined by HL. The CEO/CFO and the executive management team shall determine compensation rates. HL shall at all times comply with applicable state and federal law in determining employee compensation.

### *Mandatory Meetings and Community Service Days*

Each month, HL will conduct mandatory, repeating company-wide meetings. Certain personnel, such as housekeeping staff, may not be required to attend every meeting. Department managers will determine employee attendance. Department managers will also

schedule and conduct mandatory weekly meetings. Department managers will provide agendas for all meetings and will report in writing to their executive manager on the results and progress of each meeting.

#### *Breaks*

HL employees will be allowed to take daily breaks, including lunch breaks, according to the laws of the Commonwealth.

#### *Leave Policies*

HL leave policies will comply with all applicable state and federal statutes. All full-time employees will receive two (2) 40-hour weeks of paid vacation annually. Leave must be requested at least two (2) weeks in advance and approved by the CEO/CFO or designee. HL anticipates observing all national holidays and will elect on an annual basis whether to observe state holidays.

#### **Disciplinary Policy**

HL has adopted a disciplinary policy designed to provide a graduated series of corrective actions. This policy, called the “Steps” policy, is intended to improve employee performance, promote the maintenance of a cohesive and productive workplace, and prevent recurring adverse behaviors. In addressing disciplinary matters, HL shall apply the steps described below:

##### **Step 1: Individual Advice and Counsel**

A member of the executive management team shall individually discuss the subject conduct with the employee. The executive shall identify the offending conduct, and clearly outline company expectations for resolution.

##### **Step 2: Written Warning**

Within seven (7) days of the discussion described in Step 1, the executive will prepare a document characterizing the discussion, and will provide a copy of the document to the employee. The employee will sign the document, a copy of which HL will maintain in the personnel file.

##### **Step 3: Final Written Warning**

Should the offending conduct persist or reoccur, a member of the executive management team will prepare a document characterizing the offending conduct, and will provide a copy of the document to the employee. The document may include witness statements or reference other evidence. The document will state “Final Warning” in prominent text. The employee will sign the document, a copy of which will maintain in the HL personnel file. If the executive finds the offending conduct problematic, disruptive and/or harmful, or implicants the health or safety of other employees, the executive may recommend to the CEO/CFO that the employee be removed from the workplace. The CEO/CFO shall act on any such recommendation within forty-eight (48) hours.

##### **Step 4: Termination of Employment**

The last step is termination of employment. HL reserves the right to terminate if, notwithstanding the steps set forth above, employee conduct fails to comport with HL policies and procedures. HL reserves the right to terminate without prior notice or

disciplinary action. The CEO/CFO must approve termination in writing, a copy of which HL will maintain in the personnel file.

Nothing in this policy provides any contractual rights regarding employee discipline or counseling. Nor should anything outlined in this policy should be read or understood as modifying or changing the employment-at-will relationship between HL and its employees.

#### *Conduct Issues Not Subject to Progressive Discipline*

Illegal behavior is not subject to progressive discipline and may be reported to local law enforcement. Examples of behavior that are not subject to progressive discipline and may be grounds for immediate termination include: theft, intoxication at work, fighting and other acts of violence.

#### *Documentation*

Any employee subject to progressive discipline will receive copies of all relevant documentation related to the progressive discipline process, including all PIPs. The employee will be asked to sign copies of this documentation to indicate their receipt and understanding of the corrective action outlined in these documents. Copies will also be placed in the employee's official personnel file.

#### *Separation of Employment*

A separating employee may contact the CEO/CFO or other supervising authority to schedule an exit interview. HL reserves the right to refuse any such interview. The interview, if any, shall occur on or after the employee's last day of work.

#### *Return of Property*

At the time of separation, HL employees must return all company property, examples of which can include cell phones, keys and key cards, identification cards, computers and/or laptops and uniforms. Failure to return certain items may result in deductions from that employee's final paycheck. All separating employees must also sign a Wage Deduction Authorization Agreement, which allows HL to deduct the costs of such items from their final paycheck.

#### *Termination of Benefits*

An employee separating from HL is eligible to receive benefits as long as the appropriate procedures are followed as outlined in this document. The employee must give two weeks' notice. The employee must work those final two work weeks in full. Any accrued vacation time will be paid in the last paycheck. Accrued sick leave will also be paid out in the last paycheck.

#### *Health Insurance*

Health insurance terminates on the last day of the month of employment, unless employee requests immediate termination of benefits. HL shall provide information about employee rights under the Consolidated Omnibus Budget Reconciliation Act (COBRA) relative to the continuation of health insurance coverage.

**Agent Background Checks**

In addition to completing the Commission's agent registration process, all agents hired to work for HL will undergo an extensive, detailed background investigation process before being allowed access inside HL or prior to beginning work duties, performed in accordance with 935 CMR 500.101(1).

Suitability determinations will be made in accordance with the procedures set forth in 935 CMR 500.800.

Upon adverse determination, HL will provide each applicant with a copy of their background screening report and a pre-adverse determination letter. This report and letter will provide the applicant with a copy of their right to dispute the contents of the report, who to contact HL to do so. Applications will also have the opportunity to provide a supplemental statement.

As a condition of their continued employment, agents, volunteers, contractors, and subcontractors are required to renew their Program ID cards annually and submit to other background screening as may be required by HL or the Commission.

HERBAL LOGIC, LLC

**POLICY CONCERNING**  
**ALCHOLOL, DRUGS, and SMOKING**



Herbal Logic, LLC is committed to providing a safe work environment and to promoting and protecting the health, safety and well-being of our employees. In order to maintain a drug, alcohol and tobacco-free workplace, and to provide for safe and responsible work environment, no employee shall engage in the unlawful manufacture, distribution, dispensation, possession, or use of illegal drugs, use of prescription drugs that are not used as prescribed, or use of any other substance that causes intoxication or results in mind or mood alterations, including deliberate use of over-the-counter or unregulated substances for this purpose.

Use or possession of drugs or alcohol as described in this policy is prohibited on the property. Therefore, the following activities and conduct by employees shall be prohibited:

- The unlawful use, possession, solicitation for, distribution of, or sale of narcotics or other illegal drugs, alcohol, tobacco, or prescription medication at work without a prescription and at employer-sponsored activities
- Being impaired by legal drugs or under the influence of illegal drugs or alcohol while performing workplace duties.

Violations of this drug, alcohol and tobacco-free workplace policy are subject to disciplinary sanctions up to and including the termination of employment. Appropriate remedies for violations may include, but are not limited to, substance abuse counseling, treatment program, referral to law enforcement, discipline or discharge from employment. Compliance with these policies and rules is mandatory and is a condition of employment. Employees shall promptly notify their Manager of any citation, arrest and/or conviction related to alcohol or drug use no later than five days after such citation, arrest, and/or conviction.

#### Tobacco Specific Policy:

A tobacco-free environment helps create a safe and healthy workplace. Smoking and secondhand smoke are known to cause serious lung diseases, heart disease and cancer. HERBAL LOGIC, LLC recognizes the hazards caused by tobacco use and exposure to secondhand tobacco smoke. Our policy to provide a tobacco-free environment for all employees and visitors was established to keep a safe and healthy workplace environment. This policy covers the smoking and vaping of any tobacco or nicotine product and the use of oral tobacco products, "spit" tobacco and e-cigarettes, cigars or pipes of any kind and it applies to both employees and non-employee visitors of HERBAL LOGIC, LLC.

## **Policies**

### ***TOBACCO-FREE IN DESIGNATED OUTDOOR AREAS ONLY POLICY***

No use of tobacco or nicotine products including cigarettes, e-cigarettes and “spit tobacco”, e-cigarettes, cigars or pipes will be allowed within the facilities or vehicles of HERBAL LOGIC, LLC at any time.

Smoking or tobacco use shall be permitted only in designated smoking areas located at least 25 feet outside the building entrance, operable windows, and ventilation systems of enclosed areas to prevent tobacco smoke from entering those areas. All materials used for smoking in designated smoking areas, including cigarette butts and matches, will be extinguished and disposed of in appropriate containers.

## **Procedure**

1. Employees will be informed of HERBAL LOGIC, LLC Tobacco-free Policy through signs posted throughout properties owned and operated by HERBAL LOGIC, LLC, including company owned vehicles.
2. Visitors will be informed of HERBAL LOGIC, LLC Tobacco-free Policy by their hosts, the meeting invite, email correspondences and signs posted throughout the property.
3. HERBAL LOGIC, LLC will help employees who want to quit smoking by helping them access recommended smoking cessation programs and materials. (Visit [www.lung.org/stop-smoking](http://www.lung.org/stop-smoking) for more information.)
4. Any violations of this policy will be handled through the standard disciplinary procedure.

HERBAL LOGIC, LLC

**DIVERSITY PLAN**

**(FEBRUARY, 2024)**

### Introduction

Herbal Logic (“HL”) believes in creating and sustaining a robust policy of inclusivity and diversity. HL recognizes that workforce diversity plays a vital part of its commitment to its community. Herbal Logic is dedicated to creating a diverse culture. HL’s diversity plan is designed to promote equity among people of color, particularly, Black, African , women, veterans, people with disabilities, and LGBTQ+ people. HL will make every effort to employ and advance in employment qualified and diverse people at all levels within the company.

### Impact Groups

Herbal Logic intends to hire those individuals who meet the criteria set forth in the Commission’s requirements for diversity, namely:

- Black, African American, Hispanic, Latinx, Indigenous;
- Women;
- Veterans;
- People with disabilities; and
- LGBTQ+ .

### Goals

#1. Herbal Logic’s Diversity Plan will hire and retain promote a diverse and inclusive group of employees with the following specific goals:

- Black, African American, Hispanic, Latinx, Indigenous (15%);
- Women (30%);
- Veterans (5%);
- People with disabilities (5%); and
- LGBTQ+ (5%).

#2. Contract with diverse businesses for the purchase of wholesale marijuana product and other services required for the operation and maintenance of the Company’s marijuana establishment with the following specific goals:

- 25% of all contracts with businesses that are majority-owned or managed by women, minorities, veterans, persons with disabilities or who identify as LGBTQ+.

### Programs

#### #1. Diversity Recruitment and Sourcing

Herbal Logic will build and maintain a workforce that is inclusive and diverse by actively recruiting members of underrepresented and minority communities. Herbal Logic’s recruitment efforts will maintain the number of qualified diverse applicants by:

- Employee (peer-to-peer for employment) referral program from diverse groups providing monetary benefit determined by the Company for successful referral;
  - *Program is capped at \$500 per referral but final amount to be determined by Licensee.*
  - *This program will be ongoing until Licensee determines its goals have been satisfied or terminated as unsuccessful.*
  - *Program will pay Employees for every successful referral upon hired employee successfully completing orientation and maintaining employment for 6 months.*
- Participating in 2 career fairs annually as necessary to fulfill diversity goals;
- Advertising employment opportunities bi-monthly in a range of publications, such as bilingual media,
- Posting open jobs on online public boards;
- Updating recruiters and employment agencies that work with diverse candidates;
- Using social media and online platforms such as Zip Recruiter to reach online career and job websites; and
- Annually reach out to Taunton's Veterans Agent to identify interested veterans seeking employment in the cannabis industry.
- Work with established recruiters who specialize in or are familiar with qualified candidates who are women, minorities, people with disabilities and/or LGBTQ+ people.

Herbal Logic expects to train its talent on a rolling basis, so that there will always be staff training for management positions. This will enable the business to be prepared for the inevitable employee turnover that affects every business, regardless of industry. Herbal Logic will also provide management training for employees seeking advancement through education credits or benefits.

#### Employee Retention, Training and Development

Herbal Logic will maintain a diverse and inclusive workforce by mentoring, training, and creating robust professional development programs that recruit, encourage, and promote a diverse workplace.

Awareness of Diversity Plan goals and Herbal Logic's efforts to create a workplace culture with zero tolerance for harassment, or retaliation is crucial to Herbal Logic's success.

Herbal Logic's diversity awareness training will emphasize its zero-tolerance commitment of harassment along with HL's strict adherence to take corrective action should any issues, concerns, or complaints arise. All Herbal Logic employees will be required to complete the diversity awareness training program during their new employee orientation.

HL's new hires will complete a general orientation program and be able to describe, discuss, and respect the tenets outlined in the Diversity Plan. HL will also require all Herbal Logic employees and management to complete ongoing diversity training on an annual basis. This will enable all levels of HL management and staff to stay up-to-date on best practices and policies and foster a deep understanding and compliance with HL's Diversity Plan.

Herbal Logic will share information to the company and vendors related to its Diversity Plan by:

- Implementing mandatory diversity training programs for all HL employees;

- Communicating HL's zero-tolerance policies for harassment, and bullying;
- Holding bi-monthly managerial meetings during HL's first year to evaluate the Diversity Plan; over time move to quarterly with successful adoption and adherence to program;
- Employing an effective communications strategy to employees consisting of electronic and print media to support diversity initiatives.

HL will ensure that all employees have access to opportunities for promotion by communicating opportunities, training programs, and clearly defined job descriptions.

#### Awareness

Awareness of Diversity Plan goals and Herbal Logic's efforts to create a workplace culture with zero tolerance for harassment, or retaliation is crucial to Herbal Logic's success.

Herbal Logic's diversity awareness training will emphasize its zero-tolerance commitment of harassment along with HL's strict adherence to take corrective action should any issues, concerns, or complaints arise. All Herbal Logic employees will be required to complete the diversity awareness training program during their new employee orientation.

HL's new hires will complete a general orientation program and be able to describe, discuss, and respect the tenets outlined in the Diversity Plan. Established employees will take additional diversity training tailored to their specific job functions. HL will also require all Herbal Logic employees and management to complete ongoing diversity training on an annual basis. This will enable all levels of HL management and staff to stay up-to-date on best practices and policies and foster a deep understanding and compliance with HL's Diversity Plan.

Herbal Logic will share information to the company and vendors related to its Diversity Plan by:

- Implementing mandatory diversity training programs for all HL employees;
- Communicating HL's zero-tolerance policies for harassment, and bullying;
- Holding bi-monthly managerial meetings during HL's first year to evaluate the Diversity Plan; over time move to quarterly with successful adoption and adherence to program;
- Employing an effective communications strategy to employees consisting of electronic and print media to support diversity initiatives.

HL also plans to work with the Human Resources Manager and Chief Executive Officer to design an employee retention plan that offers promotions through industry training and education. Furthermore, HL will ensure that all employees have access to opportunities for promotion by communicating opportunities, training programs, and clearly defined job descriptions.

#2. Diversity in Supplier and Services. Utilize the Massachusetts Supplier Diversity Office and other available resources, including the CCC's public documents, to find and prioritize the engagement of qualified wholesale suppliers, vendors and other contractors that are majority owned and controlled by diverse individuals.

### Measurements

HL will documents the number of diverse employees hired per demographic.

HL will document its advertisement.

HL will document the number of diverse suppliers, vendors and contractors contracted for services or products and the number of diverse companies that are engaged to determine if the percentage of goals for contracts is achieved.

The progress and success of this plan shall be documented upon renewal and each year thereafter.

HL will adhere to the requirements set forth in 935 CMR 500.105(4) concerning the permitting and prohibited advertising, branding, marketing, and sponsorship practices of Marijuana Establishments.

In furtherance of this diversity plan HL will not take any action, or institute any programs in violation of the Commission's regulations with respect to limitations on ownership, control or other applicable laws.