



## Massachusetts Cannabis Control Commission

### Marijuana Microbusiness

#### General Information:

License Number: MB282221  
Original Issued Date: 08/04/2022  
Issued Date: 08/04/2022  
Expiration Date: 08/04/2023

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: NAKED NATURE, LLC

Phone Number: 781-367-6690  
Email Address: TPSOLUTIONS1@VERIZON.NET

Business Address 1: 75 GREEN STREET  
Business City: CLINTON Business State: MA Business Zip Code: 01510  
Business Address 2: SUITE 2  
Mailing Address 1: 237 BRIGHAM STREET  
Mailing City: MARLBOROUGH Mailing State: MA Mailing Zip Code: 01752  
Mailing Address 2:

### CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

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

### PRIORITY APPLICANT

Priority Applicant: no  
Priority Applicant Type: Not a Priority Applicant  
Economic Empowerment Applicant Certification Number:  
RMD Priority Certification Number:

### RMD INFORMATION

Name of RMD:  
Department of Public Health RMD Registration Number:  
Operational and Registration Status:  
To your knowledge, is the existing RMD certificate of registration in good standing?:  
If no, describe the circumstances below:

### PERSONS WITH DIRECT OR INDIRECT AUTHORITY

#### Person with Direct or Indirect Authority 1

Percentage Of Ownership: 100  
Percentage Of Control: 100  
Role: Owner / Partner  
Other Role:

First Name: ELEAZER Last Name: DUMMETT Suffix: II

Gender: Male User Defined Gender:

What is this person's race or ethnicity?: Black or African American (of African Descent, African American, Nigerian, Jamaican, Ethiopian, Haitian, Somali)

Specify Race or Ethnicity:

#### ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

No records found

#### CLOSE ASSOCIATES AND MEMBERS

No records found

#### CAPITAL RESOURCES - INDIVIDUALS

Individual Contributing Capital 1

First Name: Eleazer Last Name: Dummett Suffix: II

Types of Capital: Monetary/ Other Type of Total Value of the Capital Provided: Percentage of Initial Capital:  
Equity Capital: \$9216.11 100

Capital Attestation: Yes

#### CAPITAL RESOURCES - ENTITIES

No records found

#### BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

#### DISCLOSURE OF INDIVIDUAL INTERESTS

No records found

#### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Cultivation Environment: Indoor Establishment Activities: Both Cultivating and Manufacturing

Establishment Address 1: 75 GREEN STREET

Establishment Address 2: SUITE 2

Establishment City: Clinton Establishment Zip Code: 01510

Approximate square footage of the Establishment: 10000 How many abutters does this property have?: 13

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

#### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Certification of Host Community Agreement	Signed Clinton HCA.pdf	pdf	620c42f07c2bdd089a1f9217	02/15/2022
Certification of Host Community Agreement	Naked Nature HCA Certification Form_Clinton MA.pdf	pdf	620ff397dc96b108e551f0e0	02/18/2022
Community Outreach Meeting Documentation	COMMUNITY OUTREACH VIDEO RECORDING.pdf	pdf	62100b89dc96b108e551f254	02/18/2022
Community Outreach Meeting Documentation	ATTACHEMENT A.pdf	pdf	62168bb143c5a40747314d21	02/23/2022

Community Outreach Meeting Documentation	Community Outreach Meeting Attestation FINAL.pdf	pdf	62168d270d00f5077626810a	02/23/2022
Community Outreach Meeting Documentation	ATTACHEMENT B COMMUNITY OUTREACH TOWN ADMIN NOTIFICATION.png	png	62168d38440815076f411b23	02/23/2022
Community Outreach Meeting Documentation	ATTACHMENT C.pdf	pdf	621692ee2882b60773c194e7	02/23/2022
Community Outreach Meeting Documentation	Abutters Letter Clinton.pdf	pdf	6216941743c5a40747314d7c	02/23/2022
Community Outreach Meeting Documentation	Number of Attendees to Community Outreach Meeting..pdf	pdf	62169937440815076f411b9a	02/23/2022
Plan to Remain Compliant with Local Zoning	Plan to Remain Compliant Zoning Clinton Final.pdf	pdf	62169ed7e449f407967d79d5	02/23/2022
Community Outreach Meeting Documentation	Town Administrator Approval for Virtual Outreach Mtg.png	png	6238cb2994e8800009868a63	03/21/2022

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

#### PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	2022-03-31 Naked Nature LLC - Updated Positive Impact Plan.pdf	pdf	6245f266c91bef0009518b78	03/31/2022

#### ADDITIONAL INFORMATION NOTIFICATION

Notification:

#### INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

**Role:** Owner / Partner      **Other Role:**  
**First Name:** Eleazer      **Last Name:** Dummett      **Suffix:** II  
**RMD Association:** Not associated with an RMD  
**Background Question:** no

#### ENTITY BACKGROUND CHECK INFORMATION

No records found

#### MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	Cert of Organization.pdf	pdf	608c158f8f80610756a10e03	04/30/2021
Bylaws	BYLAWS AND SHAREHOLDER AGREEMENT.pdf	pdf	608c16223bbe600765b4bdaf	04/30/2021
Secretary of Commonwealth - Certificate	Good Standing 2022.pdf	pdf	620e718871cb790879594f46	02/17/2022

## of Good Standing

Department of Revenue - Certificate of Good standing	Dept of Unemployment Good Standing.pdf	pdf	6217c8b46670b20768e79afc	02/24/2022
Department of Revenue - Certificate of Good standing	Attestation for DOR -UI.pdf	pdf	62191c7ae938dd07a5f4de31	02/25/2022

No documents uploaded

Massachusetts Business Identification Number: 001484993

Doing-Business-As Name:

DBA Registration City: Marlborough

## BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Business Plan	Summary of Naked Nature LLC Business Plan FINAL.pdf	pdf	620e781e8d09e508d611a519	02/17/2022
Plan for Liability Insurance	Plan to Obtain Insurance.pdf	pdf	620e9abd8dbcc30906641ec6	02/17/2022
Proposed Timeline	Proposed Timeline Clinton.pdf	pdf	6228aaf30034de07b094858e	03/09/2022

## OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Restricting Access to age 21 and older	Restricting Access to age 21 and older Clinton.pdf	pdf	620e7acdd3dbc608cffab553	02/17/2022
Record Keeping procedures	Record keeping procedures Clinton.pdf	pdf	620e7c0bd04772090d5a883d	02/17/2022
Quality control and testing	Quality Control and Testing Clinton.pdf	pdf	620e7c56d04772090d5a8847	02/17/2022
Inventory procedures	Inventory Policy Clinton.pdf	pdf	620e7cae5099080851f3c3ff	02/17/2022
Personnel policies including background checks	Personal Policys Final Clinton.pdf	pdf	620e7d74879c73091c81c730	02/17/2022
Maintaining of financial records	MAINTENANCE OF FINANCIAL RECORDS Clinton.pdf	pdf	620e7f207c2bdd089a1f9e54	02/17/2022
Energy Compliance Plan	Energy Efficiency and Conservation Clinton.pdf	pdf	620e7f708dbcc30906641d13	02/17/2022
Prevention of diversion	PREVENTION OF DIVERSION Clinton.pdf	pdf	620e8061e95b8c088881b587	02/17/2022
Qualifications and training	EMPLOYEE QUALIFICATIONS AND TRAINING PLAN SUMMARY Clinton.pdf	pdf	620e8152e95b8c088881b595	02/17/2022
Security plan	SECURITY PLAN.pdf	pdf	6216c457e449f407967d7aed	02/23/2022
Storage of marijuana	Storage of Marijuana Clinton.pdf	pdf	621791416670b20768e7989d	02/24/2022
Sample of unique identifying marks for branding	Unique Identifying Mark.pdf	pdf	621ce98709efaa0768b8d2a6	02/28/2022
Safety Plan for Manufacturing	Safety Plan.pdf	pdf	621d07617641f907553e74d0	02/28/2022



Transportation of marijuana	Transportation Plan Clinton.pdf	pdf	6220f99309efaa0768b8eab9	03/03/2022
Plan to Obtain Marijuana	PLAN ON OBTAINING MARIJUANA.pdf	pdf	6220fa8309efaa0768b8ead0	03/03/2022
Production methods	Cultivation Plan.pdf	pdf	6220fcd7e449f407967da19c	03/03/2022
Types of products	Types of Products Manufactured.pdf	pdf	6220fe8f0d00f5077626aa1f	03/03/2022
Production methods	Production Method.pdf	pdf	6220ff5e9ca34b074e79e638	03/03/2022
Diversity plan	2022-03-31 Naked Nature LLC - Updated Diversity Plan.pdf	pdf	6245f2ac53957f00087046a2	03/31/2022

## ATTESTATIONS

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

Commission.: I Agree

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

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

I Agree

Notification:

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

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

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

## ADDITIONAL INFORMATION NOTIFICATION

Notification:

## COMPLIANCE WITH POSITIVE IMPACT PLAN

No records found

## COMPLIANCE WITH DIVERSITY PLAN

No records found

## PRODUCT MANUFACTURER SPECIFIC REQUIREMENTS

No records found

## HOURS OF OPERATION

Monday From: Open 24 Hours	Monday To: Open 24 Hours
Tuesday From: Open 24 Hours	Tuesday To: Open 24 Hours
Wednesday From: Open 24 Hours	Wednesday To: Open 24 Hours
Thursday From: Open 24 Hours	Thursday To: Open 24 Hours
Friday From: Open 24 Hours	Friday To: Open 24 Hours
Saturday From: Open 24 Hours	Saturday To: Open 24 Hours
Sunday From: Open 24 Hours	Sunday To: Open 24 Hours

**HOST COMMUNITY AGREEMENT FOR THE SITING OF A LICENSED  
MARIJUANA ESTABLISHMENT IN THE TOWN OF CLINTON**

THIS AGREEMENT (this "Agreement") is entered into this 2<sup>nd</sup> day of February 2022 (the "**Effective Date**") by and between the TOWN OF CLINTON, a Massachusetts municipal corporation acting by and through its Town Administrator, as authorized by vote of the Board of Selectmen, with a principal address of 242 Church Street, Clinton, Massachusetts 01510 (the "**Town**") and NAKED NATURE LLC, a Massachusetts limited liability company with a principal office address of 237 Brigham Street, Marlborough, Massachusetts 01752 (the "**Company**"). The Town and the Company are together the "**Parties**" and individually a "**Party**".

**Recitals**

WHEREAS, the Company wishes to locate a licensed Marijuana Establishment, specifically a "Marijuana Microbusiness" that is both a Marijuana Cultivator and Marijuana Product Manufacturer as those terms are defined and used in M.G.L. c. 94G and 935 CMR 500.00 *et seq.*, and the Zoning Bylaw of the Town of Clinton (the "ME"), at 75 Green Street, Clinton, Massachusetts (the "Facility") in accordance with the laws of the Commonwealth of Massachusetts and the Town;

WHEREAS, in accordance with M.G.L. c. 94G, § 3(d), a marijuana establishment seeking to operate in a municipality must execute an agreement with the host municipality setting forth the conditions to have the marijuana establishment located within the municipality and including the stipulations of responsibilities between the municipality and the marijuana establishment;

WHEREAS, the Company agrees to provide community impact fee payments to the Town pursuant to M.G.L. c. 94G, § 3(d) in order to address any reasonable costs imposed upon the Town as a result of the Facility; and

WHEREAS, the Town believes that the Company's operation of the Facility, coupled with its payments and contributions to the Town, as set forth herein, would advance the public good.

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

**Agreement**

1. **Community Impact Fee:** The Parties stipulate and agree that the Facility will impact the Town's resources in ways unique to such businesses and will uniquely draw upon the Town's resources such as the Town's road system, law enforcement, fire protection

services, inspectional and permitting services, and public health services in a manner not shared by the general population and may cause additional unforeseen impacts upon the Town. Accordingly, in order to mitigate any such impacts upon the Town and the use of Town resources, the Company shall make certain payments to the Town (together, the "Community Impact Fee") as follows:

- a. **ME Payments:** Effective on the date that the Company commences the operation of the ME, having received a "commence operations" status from the Cannabis Control Commission for one or more portions of the ME (the "ME Opening Date"), the Company agrees to the following:
  - i. The Company shall make annual payments to the Town in the amount of three percent (3%) of the gross sales of the ME (the "ME Annual Payment").
  - ii. The initial ME Annual Payment (the "Initial ME Annual Payment") shall be due on the first day of the fourteenth (14th) month following the ME Opening Date.
  - iii. Subsequent ME Annual Payments shall be due on each anniversary date of the Initial ME Annual Payment for the term of the Agreement.

## **2. Payments:**

- a. The Company shall make each Annual ME Payment (together, the "Annual Payments" and individually an "Annual Payment") to the Town as set forth in Section 1 of this Agreement.
- b. Pursuant to M.G.L. c. 94G, §3(d), a "community impact fee shall be reasonably related to the costs imposed upon the Town by the operation of the marijuana establishment..." ("Town Costs"). Notwithstanding the foregoing, the Parties acknowledge the difficulty of computing actual Town Costs and have agreed to the Community Impact Fee in lieu of attempting to determine actual Town Costs incurred. The Company acknowledges that the impacts of the Facility may be impracticable to ascertain and assess as impacts may result in budgetary increases though not separately identified, and consequently, the Company acknowledges that the payments due under this Agreement are reasonably related to Town Costs.
- c. The Town may expend the Community Impact Fee at the Town's sole and absolute discretion.
- d. Notwithstanding the Annual Payments, nothing shall prevent the Company from making additional donations from time to time to causes that will support the Town,

including but not limited to local drug abuse prevention/treatment/education programs.

- e. The Community Impact Fee is expressly included as “other municipal charges” pursuant to M.G.L. c. 40, § 57. A Town licensing authority may deny, revoke or suspend any license or permit, including renewals and transfers, of the Company or agent thereof if the Company’s name appears on a list furnished to the licensing authority from the Town’s Tax Collector of individuals delinquent on their taxes and/or water bills. Written notice must be given to the Company by the Tax Collector, as required by applicable provision of law, and The Company must be given the opportunity for a hearing not earlier than fourteen (14) days after said notice.

- 3. **Other Payments:** The Company anticipates that it will obtain and pay for water and wastewater disposal services from the Town. The Company will pay any and all fees associated with the local permitting of the Facility.

- 4. **Local Taxes:** At all times during the Term of this Agreement, property, both real and personal, owned or operated by the Company shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by the Company or by its landlord, and neither the Company nor its landlord shall object or otherwise challenge the taxability of such property.

- 5. **Payments and Compliance with Agreement as Condition of Operation, Default and Remedy:**

- a. All payments required of the Company under this Agreement, including but not limited to the Community Impact Fee and taxes, are necessary for the Company’s continued operation of the Facility. Failure to make any required payments shall constitute a default of this Agreement and may serve as cause for the Town’s immediate review, upon ten (10) business days’ notice to the Company by the Town. The Company shall be in default of this Agreement if any of the following occur:
  - i. The Company fails to make any payments required pursuant to this Agreement and such failure is not cured within ten (10) business days of written notification from Town; or
  - ii. The Company breaches any other provision of this Agreement and such failure is not cured within thirty (30) days of written notification from Town.
- b. As a remedy for any such default, the Town may, among other remedies, revoke or limit the permission of the Company to operate in the Town and issue an order to

cease and desist with all operations associated with the Facility upon such written notice from the Town. The Town's costs of enforcing against any such default, including the Town's attorneys' fees, shall be paid by the Company.

**6. Community Support and Additional Obligations:**

- a. Local Vendors. To the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company will make every effort in a legal and non-discriminatory manner to give priority to qualified local businesses and vendors in the provision of goods and services called for in the construction, maintenance and continued operation of the Facility. The Company shall use good faith efforts to ensure that at least fifty percent (50%) of the vendors and/or contractors utilized by the Facility will be based in the Town.
- b. Employment/Salaries. Except for senior management, and to the extent such practice and its implementation are consistent with federal, state, and municipal laws and regulations, the Company shall use good faith efforts to ensure local hiring.
- c. Reports on Vendors and Employment. The Company shall provide the Town with annual reports indicating the percentages of vendors and employees in accordance with paragraphs (a) and (b) above.
- d. Annual Reports. The Company shall, at least annually, provide the Town with copies of all reports submitted to the Cannabis Control Commission regarding operations at the Facility.
- e. Product Testing. The Company will work with the Town's Board of Health to ensure that all Company products are tested to the satisfaction of the Town, but in no event shall the Town's standards be more burdensome than those set forth by the Cannabis Control Commission.
- f. Financial Records.
  - i. At the time the Company submits each Annual Payment to the Town, the Company shall submit financial records to the Town with a certification of gross sales with respect to such Annual Payment. The Town may submit copies of any of the forgoing documents to the Cannabis Control Commission at any time. The Company shall also submit to the Town copies of any additional financial records the Company must submit to the Cannabis Control Commission. The Company shall maintain its books, financial records, and other compilations of data pertaining to the requirements of this Agreement

in accordance with standard accounting practices and any applicable regulations or guidelines of the Cannabis Control Commission. All such records shall be kept for a period of at least seven (7) years. The provisions of this section shall survive the termination or expiration of this Agreement.

- ii. During the term of this Agreement and for three (3) years following termination of this Agreement, the Town shall have the right to examine, audit and copy (at its sole cost and expense), those parts of the Company's books and financial records which relate to the determination of each Annual Payment. Such examinations may be made upon not less than thirty (30) days prior written notice from the Town and shall occur only during normal business hours at such place where said books, financial records and accounts are maintained. The Town's examination, copying or audit of such records shall be conducted in such manner as not to interfere with the Company's normal business activities. The provisions of this section shall survive the termination or expiration of this Agreement.
- iii. For purposes of this Agreement, "gross sales" shall mean (i) actual wholesale sales to third parties for products produced at the Facility, and (ii) the market value of any products produced at the Facility and transferred to a marijuana establishment located in another municipality owned or controlled by the Company or an affiliated entity of the Company. The financial records provided to the Town by the Company shall demonstrate that the gross sales of the Facility for purposes of calculating the Community Impact Fee are based upon market values regardless of whether products are sold to third parties or transferred to a marijuana establishment located in another municipality owned or controlled by the Company or an affiliated entity of the Company.
- g. Compliance with Local Law. The Company shall work cooperatively with all necessary boards, commissions, committees, officers, or officials of the Town to ensure that the Company's operations are compliant with the bylaws, regulations, policies, and other legal requirements of the Town of Clinton. This Agreement does not waive, limit, control, or in any way affect the legal authority of any board, commission, committee, officer, or official of the Town to regulate, authorize, restrict, inspect, investigate, enforce against, or issue, deny, suspend, or revoke any permit, license or other approval with respect to, the Company or the Facility, nor does it waive, limit, control, or in any way affect the legal authority of the Clinton Police Department to investigate, prevent, or take action against any criminal activity with respect to the Company or the Facility. Nothing in this Agreement presumes, implies, suggests, or otherwise creates any promise either that the Company shall obtain or retain any or all local permits, licenses, and other approvals that are required in order to operate at the Facility.

- h. Processing Payment. The Company agrees to make a one-time payment to the Town of Three Thousand Dollars (\$3,000) to cover the Town's expenses relating to the negotiation and approval of this Agreement. The Processing Fee shall be paid contemporaneous with the execution of this Agreement.
  - i. Indemnification. Upon the Effective Date, the Company shall defend, indemnify, and hold harmless the Town, its officers, employees, and agents ("Indemnified Parties") against any claims, actions, demands, fines, penalties, costs, expenses, damages, losses, obligations, judgments, liabilities, and suits against or involving the Indemnified Parties, including reasonable attorneys' fees, reasonable experts' fees, and associated court costs ("Liabilities") that arise from or relate in any way to (i) this Agreement, or (ii) the Facility. The foregoing express obligation of indemnification shall not be construed to negate or abridge any other obligation of indemnification running to the Town which would exist at common law or under other provisions of this Agreement. This indemnification shall survive the termination or expiration of this Agreement for a period equal to the applicable statute of limitations period. If any action or proceeding is brought against the Town arising out of any occurrence described in this section, upon notice from the Town the Company shall, at its expense, defend such action or proceeding using legal counsel approved by the Town which such approval shall not be unreasonably withheld, conditioned, or delayed, and provided that no such action or proceeding shall be settled without the approval of the Town which such approval shall not unreasonably withheld, conditioned, or delayed.
7. Support: The Town agrees to submit to the Cannabis Control Commission all documentation and information required by the Cannabis Control Commission from the Town for the Company to obtain approval to operate the ME at the Facility. The Town agrees to support the Company's applications with the Cannabis Control Commission but makes no representation or promise that it will act on any other license or permit request in any particular way other than by the Town's normal and regular course of conduct and in accordance with their rules and regulations and any statutory guidelines governing them. The Town agrees to use best efforts to work with the Company, if approved, to help advise the Company on their community support and employee outreach programs.
8. Security:
- a. The Company shall maintain security at the Facility at least in accordance the security plan presented to the Town and approved by the Cannabis Control Commission. In addition, the Company shall at all times comply with all applicable laws and regulations regarding the operations of the Facility and the security thereof.

Such compliance shall include, but will not be limited to: providing hours of operation, after-hours contact information, and access to surveillance operations to the Clinton Police Department; and requiring dispensary agents to produce their Program ID Card to law enforcement upon request.

- b. The Company shall promptly report the discovery of any of the following activity related to the Company's cannabis business to the Clinton Police Department within twenty-four (24) hours: unusual discrepancies identified during inventory, theft, loss and any criminal action related to Company's marijuana products; unusual discrepancy in weight or inventory during transportation; any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport of Company's marijuana products; any suspicious act involving the sale, distribution, and delivery of Company's marijuana products by any person; unauthorized destruction of Company's marijuana products; any loss or unauthorized alteration of records related to Company's marijuana products, registered qualifying patients, personal caregivers, or Company's dispensary agents; an alarm activation or other event that requires response by public safety personnel to Company's Facility or transport vehicles; failure of any security alarm system due to a loss of electrical power or mechanical malfunction at Company's Facilities that is expected to last longer than eight hours; and any other breach of Company's security.
  - c. The Company shall coordinate with the Clinton Police Department in the development and implementation of required security measures, including the determination of the placement of security cameras, and the sharing of security information. The Company will maintain a cooperative relationship with the Clinton Police Department, including but not limited to, periodic meetings to review operational concerns and communication with the Clinton Police Department of any suspicious activities at the Facility.
9. **Odor Control:** The Company agrees to contain all marijuana-related odors onsite through use of odor control technologies, including but not limited to appropriate ventilation and air handling equipment and odor resistant packaging. Any complaints received by the Town concerning odors that are detectable off of the Facility property must be addressed thoroughly and expediently by the Company. The Company shall provide the Town with an odor control plan during the application process at a time mutually agreed to by both parties. Said odor control plan shall be reviewed and approved by an expert selected by the Town at its sole discretion, with the cost of said review borne by the Company.
10. **Approval of Manager:** If requested by the Town, the Company shall provide to the Town, for review and approval, the name and relevant information, including but not limited to the information set forth in 105 CMR 725.030 and any other relevant



regulations, of the person proposed to act as on-site manager of the Facility. The submittal shall include authorization to perform a criminal history (CORI) check. Town shall consider such request for approval within thirty (30) days following submittal to determine, in consultation with the Chief of Police, if the person proposed is of suitable character to act as on-site manager. Such approval shall not be unreasonably denied, conditioned or delayed. In the event that Town does not provide confirmation or rejection of the proposed on-site manager within thirty (30) days, that manager shall be deemed approved by Town. This approval process shall also apply to any change of on-site manager.

**11. Term and Termination:**

- a. This Agreement shall take effect on the Effective Date and shall continue in effect until a final Annual Payment is accepted by the Town for the Company's fifth (5<sup>th</sup>) year of operation of the ME, such that the Company's obligation to make the Annual Payments shall not be effective for more than five (5) years (the "Term").
- b. Upon the fourth (4<sup>th</sup>) anniversary of the ME Opening Date, the Parties shall negotiate in good faith a new host community agreement to succeed this Agreement, unless such a successor agreement is prohibited by law. Absent a successor host community agreement, the Company must cease operations at the Facility upon expiration of the Term.
- c. Notwithstanding the default remedies of the Town set forth in Section 6 of this Agreement, in the event the Company (i) permanently ceases operation of the Facility, (ii) in any way loses or has its license(s) permanently revoked by the Cannabis Control Commission, or (iii) fails to comply with the terms of this Agreement and such failure is not cured within thirty (30) days of the Company receiving written notice from the Town of the Company's failure to comply, the Town may terminate this Agreement upon (10) days written notice to the Company.

**12. Limitation on Operations:** This Agreement authorizes and governs the operation of an ME at the Facility only. The Company shall not seek licensure for or seek to operate another ME and/or medical marijuana operation at any other location within the geographic boundaries of the Town without first entering into a separate host community agreement with the Town.

**13. Governing Law:** This Agreement shall be governed and construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, without regard to the principles of conflicts of law, and the Company submits to the jurisdiction of a court of competent jurisdiction in Worcester County for the adjudication of disputes arising out

of this Agreement. The Parties expressly waive any defense to enforcement based upon nonconformance with federal law regarding the illegality of marijuana.

14. **No Joint Venture:** The Parties agree that nothing contained in this Agreement or any other documents executed in connection herewith is intended or shall be construed to establish the Town, or the Town and any other successor, affiliate or corporate entity as joint ventures or partners.
15. **Amendments/Waiver:** Amendments, or waivers of any term, condition, covenant, duty or obligation contained in this Agreement may be made only by written amendment executed by all signatories to the original Agreement, prior to the effective date of the amendment.
16. **Severability:** If any term or condition of the Agreement or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or both Parties would be substantially or materially prejudiced.
17. **Right to Reopen:** If under applicable Massachusetts law the terms of this Agreement are determined to any extent to be illegal, otherwise invalid, or incapable of being enforced, which unenforceability would materially and adversely affect the economic substance of the transactions contemplated by this Agreement, the Town and the Company shall negotiate in good faith amendments to this Agreement so as to result in neutral economic impact to either the Town or the Company.
18. **Successors/Assigns:** The qualifications and identity of the Company is of particular concern to the Town and it is because of the Company's qualifications and identity that the Town has entered into this Agreement with the Company. The Company shall not assign or otherwise transfer this Agreement, in whole or in part, without the prior written consent of the Town, said consent not to be unreasonably withheld. No voluntary or involuntary successor in interest of the Company shall acquire any rights or powers under this Agreement without the prior written consent of the Town. Any change in control of the Company resulting from a merger, consolidation, stock transfer, or asset sale, or a change in the name of the Company, shall be deemed an assignment or transfer for purposes of this Agreement that requires the Town's prior written consent.
19. **Entire Agreement:** This Agreement constitutes the entire integrated agreement between the Parties with respect to the matters described. This Agreement supersedes all prior agreements, negotiations and representations, either written or oral, and it shall not be modified or amended except by a written document executed by the Parties hereto.

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

To Town: Town of Clinton  
c/o Town Administrator  
242 Church Street  
Clinton, MA 01510

To Company: Naked Nature LLC  
237 Brigham Street  
Marlborough, MA 01752

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

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

**TOWN OF CLINTON**



Michael Ward,  
Town Administrator  
Duly Authorized by Vote of the Town of  
Clinton Board of Selectmen on

**NAKED NATURE LLC**



By: Eleazer B. Dummett II  
Its: Manager



## Host Community Agreement Certification Form

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

### Applicant

I, Eleazer B. Dummett II, (*insert name*) certify as an authorized representative of Naked Nature LLC (*insert name of applicant*) that the applicant has executed a host community agreement with Town of Clinton (*insert name of host community*) pursuant to G.L.c. 94G § 3(d) on 2/2/2022 (*insert date*).

Signature of Authorized Representative of Applicant

### Host Community

I, Michael Ward, Town Administrator, (*insert name*) certify that I am the contracting authority or have been duly authorized by the contracting authority for Town of Clinton (*insert name of host community*) to certify that the applicant and Town of Clinton (*insert name of host community*) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on 2/2/2022 (*insert date*).

Signature of Contracting Authority or  
Authorized Representative of Host Community

## COMMUNITY OUTREACH VIDEO RECORDING

<https://youtu.be/eV5c5vjvHto>

# ATTACHEMENT A

## LEGAL NOTICE

\*Notice is hereby given that a Community Outreach Meeting for proposed Marijuana Establishment is scheduled for Monday Feb 15, 2022 06:00 PM Eastern Time via ZOOM. The proposed Micro-Business will include cultivation and manufacturing is anticipated to be located at 75 Green Street, Clinton, MA 01510. There will be an opportunity for the public to ask questions.

Meeting link:  
<https://us02web.zoom.us/j/82403474551?pwd=THdQSlUzK0VRUjVKTHTS2t0ZG5rZz09>

Meeting ID/Call in #: 824 347 4551 Passcode:  
743344

January 28, 2022

# 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:

Name of applicant's authorized representative:

Signature of applicant's authorized representative:



Community Outreach Meeting Scheduled 2/15/2022 6:00 PM



ELLIE DUMMETT tpsolutions1@verizon.net [Hide ▾](#)

Tue, Feb 1, 2022 9:27 am

To **mward@clintonma.gov** mward@clintonma.gov

Cc **blake@mensinggroup.com** blake@mensinggroup.com,  
**quinn@mensinggroup.com** quinn@mensinggroup.com

Michael,

Happy New Year! It is hard to believe the we are into February already. I have scheduled the community outreach meeting and attached the letter sent to the addresses provided by the Assessor's office. The meeting will be conducted over Zoom. It is also my understanding that the HCA is in the hands of the town's council for the final review. Please advise when I can start the process with the zoning and planning and the process which I need to follow.

Thanks in advance.

Sincerely,

Ellie Dummett  
Naked Nature, LLC  
75 Green Street, Suite 2  
Clinton, MA 01510  
Cell: 781-367-6690

 Reply  Reply All  Forward

## LIST OF "PARTIES IN INTEREST"

SUBJECT PARCEL: MAP 93 BLOCK 3288 ADDRESS 75 GREEN ST

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

ABUTTING TOWN

MAILING ADDRESS

Location: Bolton

Planning Board  
663 Main Street  
Bolton, MA 01740

Location: Berlin

Planning Board  
23 Linden St.  
Berlin, MA 01503

Location: Sterling

Planning Board  
1 Park Square  
Sterling, MA 01564

Location: Boylston

Planning Board  
221 Main Street  
Boylston, MA 01505

Location: West Boylston

Town of West Boylston  
Planning Board  
127 Hartwell Street, Suite 100  
West Boylston, MA 01583

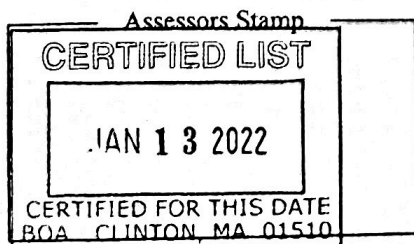
Location: Lancaster

Planning Board  
695 Main Street, Suite 1  
Lancaster, MA 01523

ORIGINAL

This is a complete and accurate list of abutting Towns.

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



Petitioner's name \_\_\_\_\_

Street \_\_\_\_\_

City \_\_\_\_\_ St \_\_\_\_\_ Zip \_\_\_\_\_

Email \_\_\_\_\_

Telephone \_\_\_\_\_

Signature [Signature] Date 1-13-22

PARTIES IN INTEREST TO 75 GREEN STREET - MAP 93 BLOCK 3288

PARCEL ID	ADDRESS	OWNER	OWNER ADDRESS	COMMUNITY STATE ZIP
94-3950	<del>75</del> GREEN ST	<del>CLINTON TOWN</del>	<del>75</del> GREEN ST	CLINTON, MA 01510
67-2406	<del>75</del> GREEN ST	<del>CLINTON TOWN</del>	<del>75</del> GREEN ST SUITE 1	CLINTON, MA 01510
94-1291	<del>75</del> GREEN ST	<del>CLINTON TOWN</del>	<del>75</del> HIGH ST	CLINTON, MA 01510
67-2354	<del>75</del> GREEN ST	<del>CLINTON TOWN</del>	<del>75</del> GREEN ST	CLINTON, MA 01510
67-826	<del>75</del> GREEN ST	<del>CLINTON TOWN</del>	<del>75</del> GREEN ST	CLINTON, MA 01510
67-827	<del>75</del> GREEN ST	<del>CLINTON TOWN</del>	<del>75</del> GREEN ST	CLINTON, MA 01510
93-3139	<del>75</del> GREEN ST	<del>CLINTON TOWN</del>	<del>75</del> CAMERON ST	FITCHBURG, MA 01420
93-3143	<del>75</del> GREEN ST	<del>CLINTON TOWN</del>	<del>75</del> NEWPORT ST	FITCHBURG, MA 01420
93-4025	<del>75</del> GREEN ST	<del>CLINTON TOWN</del>	<del>75</del> NEWPORT ST	MANCHESTER, NH 03101
93-3141-1	<del>75</del> GREEN ST #1	<del>CLINTON TOWN</del>	<del>75</del> N COMMERCIAL ST	MANCHESTER, NH 03101
93-3141-2	<del>75</del> GREEN ST #2	<del>CLINTON TOWN</del>	<del>75</del> N COMMERCIAL ST	MANCHESTER, NH 03101
93-3141-3	<del>75</del> GREEN ST #3	<del>CLINTON TOWN</del>	<del>75</del> N COMMERCIAL ST	MANCHESTER, NH 03101
67-3149	<del>75</del> GREEN ST	<del>CLINTON TOWN</del>	<del>75</del> N COMMERCIAL ST	MANCHESTER, NH 03101

CERTIFIED LIST  
JAN 13 2022  
CERTIFIED FOR THIS DATE  
BOA - CLINTON, MA 01510

ORIGINAL

Naked Nature, LLC  
75 Green Street, Suite 2  
Clinton, MA 01510  
Ellie Dummett, Owner

Date: 01/28/2022

Dear Abutting Property Owner,

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for **6:00 PM EST**, via ZOOM. Details are below:

**Topic: Community Outreach Meeting**

**Time: Feb 15, 2022 06:00 PM Eastern Time (US and Canada)**

**Join Zoom Meeting**

**<https://us02web.zoom.us/j/82403474551?pwd=THdQSjUzK0VRUjVKTHFTS2t0ZG5rZz09>**

**Meeting ID/Call in #: 824 0347 4551**

**Passcode: 743344**

The proposed Microbusiness Marijuana Establishment is anticipated to be located at 75 Green Street, Suite 2, Clinton, MA 01510. There will be an opportunity for the public to ask questions.

Please note that this "Marijuana Establishment" will engage only in "cultivation", which is defined by the Town of Clinton zoning ordinance to include cultivation and manufacturing of marijuana and marijuana products by a Microbusiness. The proposed Marijuana Establishment is NOT A RETAIL location and there will never be any direct-to-consumer sales from this location. This notice pertains to the Community Outreach meeting for this proposed location for the reason of 1) in order to satisfy the municipal notification provisions of the applicable Cannabis Commission Control regulations, 935 CMR 500.101 (9)(b); and 2) to provide an opportunity for abutters and other members of the community to attend and ask questions.

Thank you for your time.

Sincerely,

Ellie Dummett  
Founder/CEO  
Naked Nature, LLC  
[Tpsolutions1@verizon.net](mailto:Tpsolutions1@verizon.net)

NUMBER OF PEOPLE WHO ATTENDED THE COMMUNITY OUTREACH MEEETING WAS 1  
WHICH WAS MY LANDLORD WHO SHOWED UP TO SUPPORT MY CAUSE.

### **Plan to Remain Compliant with Local Zoning**

Naked Nature, LLC will remain compliant with local codes, ordinances and bylaws for the physical address of the cultivation and processing at 75 Green Street, Clinton, MA 01510 which shall include, but not be limited to, the identification of any local licensing requirements for the adult use of marijuana.


Naked Nature, LLC is in the process of getting at 75 Green Street, Clinton, MA which is located in the Industrial (I) District and properly zoned pursuant to the Town of Clinton Zoning Bylaws for Recreational Marijuana Establishments. The town of Clinton has established local licensing requirements of adult-use marijuana establishments that Naked Nature, LLC will fulfill. The first requirement is obtaining a Special Permit which we are in the process of now with the Clinton Planning Board.

After obtaining a Special Permit from the Planning Board and following approval of a provisional license from the Cannabis Control Commission, Naked Nature, LLC will then be required to obtain a local final license from the Cannabis Control Commission.

In addition to completing the local licensing requirements outlined above, Naked Nature, LLC will continue to monitor changes in local codes and zoning ordinances through communication with elected officials and local licensing boards.

Confirmation of Municipal Approval for Community Outreach Meeting held by Naked Nature LLC



 **mward@clintonma.gov** (mward@clintonma.gov)

Mon, Mar 21, 2022 2:51 pm

To: you [Details ▾](#)

Mr. Dummett -

Please accept this message as confirmation that the Town of Clinton approved the request from Naked Nature LLC to conduct a virtual Community Outreach Meeting to receive input on a proposed marijuana cultivation establishment to be located at 75 Green Street in Clinton, Massachusetts. In addition, the Town of Clinton was provided with a copy of the notice sent to abutting property owners that stated this public meeting was to be held on Tuesday, February 15, 2022 at 6:00 PM via Zoom.

Let me know if you need any additional information relative to this matter. Thank you.

Michael --

**Michael J. Ward**

Town Administrator  
Clinton Town Hall  
242 Church Street  
Clinton, MA 01510  
[mward@clintonma.gov](mailto:mward@clintonma.gov)  
(978) 365-4120 - phone  
(978) 365-4130 - fax



## **POSITIVE IMPACT PLAN**

Naked Nature LLC (“Naked Nature” or “the Company”) is dedicated to serving and supporting those disproportionately harmed by cannabis prohibition. Naked Nature’s Positive Impact Plan consists of policies and procedures to respond to evidence which demonstrates that certain populations have been disproportionately impacted by high rates of arrest and incarceration for marijuana and other drug crimes as a result of state and federal drug policy

The Cannabis Control Commission has identified the following Groups as those that should be targeted and supported:

1. Certified Economic Empowerment recipients;
2. Social Equity Program participants;
3. Past or present residents of the geographic areas of disproportionate impact (“ADI”), which have been defined by the Commission and identified in its Guidance for Identifying Areas of Disproportionate Impact;
4. Massachusetts residents who have past drug convictions; and
5. Massachusetts residents with parents or spouses who have past drug convictions.

To support such populations, Naked Nature has created the goal below, to be implemented through the programs and measured through the metrics described herein.

### **Goal #1:**

Provide at least 5 Massachusetts residents per year who have past drug convictions or who have parents or spouses who have had drug convictions with education and support relating to sealing criminal records to reduce barriers to entry in the cannabis industry and the workforce in general.

### **Programs to Achieve Goal #1:**

To implement the Goal above, Naked Nature shall:

- Host an annual record sealing workshop teaching which criminal records can be sealed and how to seal them. The workshop will also assist individuals through the sealing process with the courts or probation department. The workshop will be advertised in print and online sources to include ADI and local newspapers. Specific sources for advertising utilized will include: *The Worcester Telegram and Gazette*. The workshop will be held at Naked Nature’s facilities or other location to be determined by Naked Nature management and will have a capacity of at least 5 participants. The topics for the workshops will include practical training and information that will assist Massachusetts

## Naked Nature LLC

residents to identify and seal eligible drug convictions.

### Measurements and Metrics for Goal #1:

To measure success towards the Goal listed above, Naked Nature shall: Document the record sealing workshop date, the topics discussed, the number of attendees, to which targeted group the attendees belong and referral sources. Participating individuals or businesses will be asked to complete an assessment of the program which will provide insight into the demographics of the attendees, the helpfulness and clarity of the topics presented as well as suggestions for future programs.

### Affirmative Disclosures

Naked Nature acknowledges 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.

Any actions taken, or programs instituted, by Naked Nature will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

Naked Nature understands that the progress or success of this plan must be demonstrated upon each annual license renewal period in conformity with 935 CMR 500.103(4)(b).



**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: 001484993

1. The exact name of the limited liability company is: NAKED NATURE, LLC

2a. Location of its principal office:

No. and Street: 237 BRIGHAM STREET

City or Town: MARLBOROUGH

State: MA

Zip: 01752

Country: USA

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

No. and Street: 237 BRIGHAM STREET

City or Town: MARLBOROUGH

State: MA

Zip: 01752

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 PRODUCE, MANUFACTURE AND DISTRIBUTE GOODS AND PRODUCTS AS A WHOLESALE R, FOR SALE AND DISTRIBUTION TO THIRD PARTY RETAIL OUTLETS; TO PROVIDE CONSULTING AND ADVISORY SERVICES TO OTHER MANUFACTURERS, PRODUCERS AND WHOLESALERS ENGAGED IN SIMILAR BUSINESS; AND TO UNDERTAKE SUCH OTHER BUSINESSES AND ACTIVITIES AS A MASSACHUSETTS LIMITED LIABILITY COMPANY MAY LAWFULLY CONDUCT.

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:

Name: ELEAZER B DUMMETT II

No. and Street: 237 BRIGHAM ST

City or Town: MARLBOROUGH

State: MA

Zip: 01752

Country: USA

I, ELEAZER B DUMMETT II 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	ELEAZER B DUMMETT II	237 BRIGHAM STREET MARLBOROUGH, MA 01752 USA

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

managers.

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
SOC SIGNATORY	HEATHER L DUMMETT	237 BRIGHAM STREET MARLBOROUGH, MA 01752 USA

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	ELEAZER B DUMMETT II	237 BRIGHAM STREET MARLBOROUGH, MA 01752 USA

9. Additional matters:

IN ADDITION TO THE MANAGER, THE LLC MAY HAVE SUCH OFFICERS AS THE MANAGER MAY, FROM TIME TO TIME, DESIGNATE, WITH SUCH AUTHORITIES AND RESPONSIBILITIES AS MAY BE DETERMINED BY THE MANAGER, INCLUDING BUT NOT LIMITED TO, A CHIEF EXECUTIVE OFFICER, AS THE MANAGER MAY, FROM TIME TO TIME, DESIGNATE, TRANSFER OF ANY OWNERSHIP INTEREST IN THE COMPANY IS SUBJECT TO RESTRICTIONS AS SET FORTH IN THE COMPANY OPERATING AGREEMENT.

**SIGNED UNDER THE PENALTIES OF PERJURY, this 1 Day of February, 2021,  
ELEAZER B DUMMETT II**

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

**BYLAWS AND SHAREHOLDER AGREEMENT**  
**OF**  
**NAKED NATURE, LLC**  
(a Massachusetts limited liability company)  
**Effective as of May [\_\_\_], 2019**

THE SHARES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (“1933 ACT”), OR THE SECURITIES LAWS OF ANY STATE AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT AND SUCH LAWS. THE SHARES ARE SUBJECT TO RESTRICTION ON TRANSFERABILITY AND RESALE CONTAINED IN THIS BYLAWS AND SHAREHOLDER AGREEMENT AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY THIS BYLAWS AND SHAREHOLDER AGREEMENT AND UNDER THE 1933 ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE SECURITIES BEING SOLD HEREUNDER OR THE ACCURACY OR ADEQUACY OF THE INFORMATION HEREIN. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

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**BYLAWS AND SHAREHOLDER AGREEMENT  
OF  
NAKED NATURE, LLC**  
(a Massachusetts limited liability company)

This SHAREHOLDER AGREEMENT (this “*Agreement*”) of NAKED NATURE, LLC, a limited liability company organized under the laws of Massachusetts (the “*Company*”), is entered into and made effective as of March 8th, 2019 by and among the Company, Eleazer B. Dummett, II (Ellie), a domiciliary of the commonwealth of Massachusetts, and all other persons or entities who shall execute and deliver this Agreement or authorized counterparts or facsimiles of the same pursuant to the provisions hereof.

WHEREAS, the Company was organized by the filing of the Articles of Organization of the Company with the Secretary of the Commonwealth of Massachusetts on January 30, 2021 (hereafter, “the Articles of Organization”);

WHEREAS, the Shareholders and the Company intend that this Agreement shall set forth the understanding between them with respect to the terms and conditions of their respective interests, rights and obligations with respect to the Company, the management and operation of the Company and the economic arrangement between them with respect to the Company; and NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

**ARTICLE 1: GENERAL**

§1.1 Definitions. Certain capitalized terms used in this Agreement shall have the respective meanings set forth on **Schedule B** attached hereto and made a part hereof, unless otherwise expressly provided herein or unless the context otherwise requires. Certain capitalized terms not defined herein may be defined by the provisions of the Massachusetts Business Company Act.

§1.2 Overview. This Agreement sets forth the terms and conditions of certain rights and obligations regarding ownership of the Shares, including restrictions on transfer and buy-sell provisions.

§1.3 Principal Office. The principal office of the Company shall be at 237 Brigham Street, Marlborough, Massachusetts, 01752 or at such other place or places as the Shareholders may determine from time to time.

§1.4 Registered Office. The registered office of the Company shall be the office of the initial registered agent named in the Certificate of Incorporation or such other office (which need not be a place of business of the Company) as the Shareholders may designate from time to time in the manner provided by the Act and applicable law.

§1.5 Term. The Company commenced on January 30, 2021, the date that the Articles of Organization of the Company was filed with the Massachusetts Secretary of Commonwealth and shall continue in existence in perpetuity or until earlier dissolved in accordance with the provisions of this Agreement and the Act.



§1.6 Purposes. The purposes of the Company shall be (i) to pursue the Business and (ii) any other lawful business.

§1.7 Names and Addresses of Shareholders. The names and addresses of the Shareholders, along with the number of Shares owned by such Shareholders and their respective Capital Contributions and Percentage Interests, are as set forth on **Schedule A**, attached hereto and made a part hereof. The Board of Directors shall cause **Schedule A** to be updated as necessary from time to time.

§1.8 Bylaws and the Act. This Agreement shall constitute the “bylaws” (as that term is used in the Act) of the Company. The rights, powers, duties, obligations and liabilities of the Shareholders shall be determined pursuant to the Act and this Agreement. To the extent that the rights, powers, duties, obligations and liabilities of any Shareholder are different by reason of any provision of this Agreement than they would be under the Act in the absence of such provision, this Agreement shall, to the extent permitted by the Act, control.

## **ARTICLE 2: SHAREHOLDERS**

§2.1 Meetings of the Shareholders. The Shareholders shall meet at least once each Fiscal Year at the principal office of the Company or at such other place within or outside of the State of Massachusetts as the Shareholders may agree on such date and at such time as may be fixed by the Shareholders for the transaction of such lawful business as may come before the meeting. Special meetings of the Shareholders may be called by any Shareholder upon written notice to the other Shareholders or by telephone or facsimile, which notice must be given no fewer than two (2) business days and no more than sixty (60) days prior to the date of the meeting. No business shall be acted upon at a special meeting that is not stated in the notice of the meeting. Meetings of Shareholders may be held by telephone or any other communications equipment by means of which all participating Shareholders can simultaneously hear each other during the meeting. Special meetings shall be held at the principal office of the Company or at such other place within or outside of the State of Massachusetts as the Shareholders may agree. All meetings of the Shareholders shall be called to order and presided over by such Person or Persons as may be designated by the Shareholders.

§2.2 Quorum. No action may be taken at a meeting of Shareholders unless a quorum consisting of at least a Majority of the Shareholders is present in person or by proxy.

§2.3 Action by Written Consent. Any action that may be taken at a meeting of the Shareholders may be taken without a meeting, if a consent or consents in writing, setting forth the action so taken, shall be signed by Shareholders whose percentage of Shares would be sufficient to approve the action at a meeting of the Shareholders. All Shareholders who do not participate in taking the action by written consent shall be given written notice thereof by the Company promptly after such action has been taken.

§2.4 Voting Rights; Required Vote. Each Shareholder shall be entitled to vote his, her or its Shares with respect to any action required or permitted to be taken by the Shareholders under this Agreement. All such actions that require the vote, consent or approval of the Shareholders shall require the affirmative vote, consent or approval of a Majority of the Shareholders, unless the question or matter is one upon which, by express provision of applicable law or of the Certificate of Incorporation or this Agreement, a different vote is required, and in which case, such express provision shall govern and control the decision of such question or matter.

§2.5 Deadlock. In the event that a proposed action of the Shareholders does not receive the vote, consent or approval of a Majority of the Shareholders pursuant to this Agreement and results in a deadlock of the Shareholders (a “Deadlock”), the Deadlock shall be resolved as follows: The Shareholders shall mutually agree upon an independent third party of relevant experience and competence to resolve the matter by mediation.

§2.6 Proxies. Every Shareholder entitled to a vote may vote either in person or by proxy. Every proxy shall be executed in writing by the Shareholder or by his, her or its duly authorized attorney-in-fact and filed with the corporate records of the Company. A proxy, unless coupled with an interest, shall be revocable at will by the Shareholder authorizing the proxy, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until written notice thereof has been received by the Company.

### **ARTICLE 3: MANAGEMENT**

§3.1 Management by Manager. The business and affairs of the Company will be managed by the Manager. The Manager shall conduct the business of the Company consistent with its purposes as set forth in herein in a prudent and businesslike manner. The Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company’s business, except for decisions expressly requiring a vote of the Shareholders as provided herein.

The initial Manager of the Company shall be Eleazer B. Dummett II (Ellie). A replacement manager may be appointed by a majority vote of the Shareholders; failure to reach such a majority vote in the event of any replacement of the Manager shall constitute a Deadlock. The Manager may only be dismissed by the unanimous consent of all Shareholders who are not also the Manager to be dismissed. There may be multiple Managers of the Company.

§3.2 Specific Rights and Powers of the Manager. Without limiting the generality of this Section, the Manager shall have the power and authority on behalf of the Company to do the following:

Execute any and all documents or instruments of any kind that the Managers deem necessary or appropriate to achieve the purposes of the Company, including, without limitation, contracts, agreements, leases, subleases, easements, deeds, notes, mortgages and other documents or instruments of any kind or character or amendments of any such documents or instruments;

Borrow money from individuals, banks and other lending institutions on the general credit of the Company for use in the Company business, all upon such terms and containing such features as the Managers may determine to be necessary or desirable in its absolute discretion;

Confess judgment against the Company and to execute any document granting to any Person the right to confess judgment against the Company in the event of the Company’s default in the performance of its obligations under any loan agreement, note, or other agreement or instrument;

Incur, secure, renew, replace, refinance, modify, extend, repay or otherwise discharge any indebtedness of the Company;

Subject to the other terms of this Agreement, sell and issue New Shares, and in connection therewith, determine the amount, nature, timing, and all other terms and conditions of any such issuances;

Sell, exchange, lease, mortgage, pledge, assign, or otherwise transfer, dispose of or encumber all or a portion of the Company Property or any interest therein;

Procure and maintain, at the expense of the Company and with responsible companies, such insurance as may be available in such amounts and covering such risks as the Managers shall deem necessary or desirable in the Managers' absolute discretion, including insurance policies insuring the Managers against liability arising as a result of any action they may take or fail to take in their capacity as Managers of the Company;

Employ and dismiss from employment any and all Company employees, agents, independent contractors, attorneys and accountants;

Supervise the preparation and filing of all Company tax returns;

Open, maintain and close bank and investment accounts and arrangements, draw checks and other orders for the payment of money, and designate individuals with authority to sign or give instructions with respect to those accounts and arrangements;

Engage in correspondence with any regulatory or governmental body, including the Internal Revenue Service and the Securities and Exchange Commission;

Delegate any or all of the administrative and managerial powers conferred upon the Managers to officers, employees or agents of the Company, as selected by the Managers;

Bring, defend or settle actions at law or equity; and

Retain and compensate on behalf of the Company such accountants, attorneys, realtors, tax specialists, management companies, consultants or other professionals as the Managers shall deem necessary or desirable in the Managers' absolute discretion in order to carry out the purposes and business of the Company.

§3.3 Authority of Attorneys-In-Fact, Employees, Agents and Manager(s). Unless authorized to do so by this Agreement or by the Managers, no attorney-in-fact, employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit, or to render it liable for any purpose.

§3.4 Records, Audits and Reports. Proper and complete records and books of account shall be kept by the Company. The books and records shall at all times be maintained at the principal office of the Company and shall be open to the reasonable inspection and examination of the Shareholders or their duly authorized representatives for any proper purpose relating to the Company during normal business hours.

§3.5 Returns and Other Elections. The Manager shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such

returns or pertinent information therefrom, will be furnished to the Shareholders within a reasonable time after the end of the Company's Fiscal Year as required by law or upon a Shareholders written request. All elections permitted to be made by the Company under federal or state laws will be made by the Shareholders in their sole discretion. Each of the Shareholders acknowledges and agrees that in no event shall another Shareholder, a Manager, or the Company be liable or otherwise responsible for the tax treatment or tax-related aspects of any investment or other activity of the Shareholders or the Company, it being understood that each Shareholder should consult his or her own tax advisors regarding such matters.

§3.6 Officers. The Manager may from time to time elect or appoint one or more officers of the Company, and such officers shall have such titles, powers, duties and tenure as the Manager shall from time to time determine. Vacancies may be filled or new offices created and filled by resolution of the Manager. Any officer or agent elected or appointed by the Manager may be removed by the Manager whenever in their judgment the best interests of the Company would be served; provided, however, that such removal shall be without prejudice to the contract rights, if any, of the person so removed. An officer is not required to be a Shareholder. No officer shall be delegated the authority to take any action requiring the approval of a Manager without the prior consent of the Manager as is required to approve such actions.

§3.7 Checks, Notes, Etc. The Manager shall from time to time designate the officers or agents of the Company who shall have power, in its name, to sign and endorse checks and other negotiable instruments and to borrow money for the Company, and in its name, to make notes or other evidences of indebtedness.

## **ARTICLE 4: CONFIDENTIALITY**

§4.1 Mandatory Referral of Identified Opportunities. It is understood that the Manager(s), Shareholders and Officers are expected to protect information they receive from the Company pursuant to this §4. It is further understood that Officers and Manager(s) are expected to devote their time and efforts (as may be further specified in other agreement(s)) to the Company and refer all Identified Opportunities to the Company. For the avoidance of doubt, this paragraph is in addition to any obligations under any employment agreement with the Company or its Affiliates.

§4.2 Confidentiality and Restricted Use of Presented Opportunities. None of the Officers, Manager(s), any Shareholders or their respective Affiliates shall use any information with respect to any Presented Opportunity for any purpose other than to enable them to evaluate such Presented Opportunity for their own account or the account of any Person other than the Company unless and until the Presented Opportunity has been rejected by the Manager(s) in good faith. Notwithstanding the foregoing sentence, the Company and each of the Shareholders acknowledge that the Shareholders and their respective Affiliates have, and may continue to acquire, interests in various businesses and investments, including cannabis-related businesses, and the Company and the Shareholders hereby agree and confirm that nothing in this Agreement will prevent such Persons from conducting their regular business and investment activities, including, without limitation, (a) evaluation of businesses for investment, (b) reporting to investors, partners, and counterparties as to the status of various investments and businesses, and (c) serving as members of boards of directors and other governing bodies with respect to various investments and businesses. Each Shareholder shall promptly disclose to the Manager all interests such Shareholder or its Affiliates acquire while a Shareholder.

§4.3 Non-Solicitation. None of the Officers, Manager(s), any Shareholders or their respective Affiliates shall, directly or indirectly, for so long as the Company is actively pursuing the Business, (i) solicit, entice away or in any other manner persuade or attempt to persuade any employees, contractors or vendors of the Company to alter his, her or its relationship with the Company or its business or (ii) engage or employ any former employees, contractors, vendors of the Company for a period of three (3) years after such persons or entities have severed their relationship with the Company (except (y) if such employee is terminated by the Company or (z) if such employee is responding to a newspaper advertisement, job posting or other general solicitation not targeted at such employee). For purposes of clarification, the parties agree that the limitations contained in clause (ii) of the preceding sentence shall not apply to any regional, national, or international firms engaged by the Company.

## **ARTICLE 5: EXCULPATION AND INDEMNIFICATION**

Exculpation of Covered Persons.

Covered Persons. As used herein, the term “Covered Person” shall mean (i) the Manager, and (ii) each Officer, employee, agent or representative of the Company.

Standard of Care. No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any action taken or omitted to be taken by such Covered Person in good faith and with the belief that such action or omission is in, or not opposed to, the best interest of the Company, so long as such action or omission does not constitute fraud, gross negligence or willful misconduct by such Covered Person.

Good Faith Reliance. A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, Profits or Losses of the Company or any facts pertinent to the existence and amount of assets from which distributions might properly be paid) of the following Persons or groups: (i) another Manager; (ii) one or more Officers or employees of the Company; (iii) any attorney, independent accountant, appraiser or other expert or professional employed or engaged by or on behalf of the Company; or (iv) any other Person selected in good faith by or on behalf of the Company, in each case as to matters that such relying Person reasonably believes to be within such other Person’s professional or expert competence. The preceding sentence shall in no way limit any Person’s right to rely on information to the extent provided in Section 1-141 of the Act.

## **ARTICLE 6: TRANSFER OF SHARES**

§6.1 Restrictions on Transfer. No Shareholder shall transfer, give, donate, bequeath, pledge, deposit or in any way alienate, encumber, hypothecate, or dispose of (collectively, “**Transfer**”) all or any portion of such Shareholder’s Shares now owned or hereafter acquired by such Shareholder, except for a Transfer (i) pursuant to a Bona Fide Offer, subject to the options to purchase as provided below, (ii) upon an involuntary transfer, subject to the options to purchase as provided below, or (iii) pursuant to a mandatory purchase as provided below. Transfer by Shareholders owning a majority of the Shares is subject to the provisions of the subsection Tag-Along and Drag-Along Rights. Notwithstanding anything to the contrary set forth herein, any purported Transfer or other disposition of Shares of the Company that (i) violates the terms of this Agreement or (ii) violates the provisions of the Massachusetts Adult Use Law shall be void and ineffectual and shall not operate to transfer any interest or title to the purported transferee.

(a) Options to Purchase. Upon the occurrence of any of the Triggering Events, all of that Shareholder's Shares shall be subject to the options to purchase set out below for the purchase price and upon the payment terms provided in this Agreement. For purposes of this subsection, "Triggering Events" shall mean any of the following: (i) a Shareholder desires to sell any portion or all of his or her Shares upon receipt of a Bona Fide Offer, or (ii) a Shareholder's Shares are subject to an involuntary Transfer by operation of law by reason of (A) bankruptcy or insolvency proceedings, whether voluntary or involuntary, (B) distribution of marital property following divorce, or (C) distraint, levy, execution or other involuntary Transfer.

The Shareholder desiring to sell all or part of his Shares pursuant to a Bona Fide Offer (hereinafter referred to as "Transferring Shareholder") shall serve notice upon all other parties to this Agreement at their last known address by certified mail, return receipt requested, indicating the number of shares the Transferring Shareholder desires to sell, and the name and address of the third party desiring to purchase the Shares, with a copy of the Bona Fide Offer attached to it ("Notice").

If the Transfer is an involuntary transfer, "Notice" shall be deemed received on the date any other Shareholder or one or more members of the Board receives actual notice that an involuntary Transfer of Shares has or will take place, and that person shall in turn promptly send notice of such to the other parties to this Agreement.

(b) Option Periods. The Company shall have an option for a period of 30 days from the Company's receipt of Notice to purchase all, but not less than all, of the Shares proposed to be Transferred. The Company shall exercise such option by giving written notice of such exercise to both the Transferring Shareholder and the other Shareholders within such 30-day period. Should the Company fail to give written notice within such 30-day period, the Company shall be deemed to have waived such option. If the Company does not elect to purchase all of the Shares to be transferred, the other Shareholders shall have an option for a period of 60 days from the Company's receipt of such Notice to purchase all, but not less than all, of the remaining Shares proposed to be transferred. The other Shareholders shall exercise this option by sending written notice of such exercise to the Transferring Shareholder and the Company within such 60-day period. Should the other Shareholders fail to give written notice within such 60-day period, the other Shareholders shall be deemed to have waived such option.

(c) Failure to Exercise Options. In the event the other Shareholders and the Company shall fail to exercise their options to purchase all, but not less than all, of the Shares proposed to be Transferred, the Transferring Shareholder may sell the shares in accordance with the Bona Fide Offer if the closing on that purchase occurs within 60 days of the expiration of the option periods. Any transferee takes the Shares subject to the provisions of this Agreement.

§6.2 Mandatory Purchases. Upon the occurrence of any of the Mandatory Purchase Triggering Events, all of the Shares of that Shareholder shall be purchased by the Company or other Shareholders for the purchase price and upon the payment terms provided in this Agreement. For purposes of this subsection, the term "Mandatory Purchase Triggering Events" shall mean any of the following: (i) death of the Shareholder; (ii) if the Shareholder is also an employee of the Company, involuntary termination of employment of a Shareholder with the Company.

§6.3 Tag-Along and Drag-Along Rights. No Shareholder or group of Shareholders (collectively, the "Transfer Group") shall transfer any Shares, directly or indirectly, in a single transaction or series of related transactions, to any person (the "Offeror"), if as a result of such

transfer(s) more than 50% of the outstanding Shares would be owned by the Offeror, unless such Offeror gives the parties to this Agreement who are not included in the Transfer Group (the “Minority Shareholders”) the option to sell to the Offeror, at the same price and on the same terms and conditions as offered to the Transfer Group, all or any portion of the Shares held by the Minority Shareholders.

At the option of the Transfer Group, all Shareholders who have not tendered their Shares pursuant to the prior paragraph shall be required to transfer their Shares to the Offeror at the same price and on the same terms and conditions as offered to the Transfer Group.

**§6.4 Purchase Price.** The price for any Shares subject to a Transfer pursuant to a Bona Fide Offer shall be the fair market value of any Shares at issue as determined by the terms of such Bona Fide Offer. The price for any Shares subject to a Mandatory Purchase shall be the Shares’ issue price. In the event of any other type of Transfer of Shares permitted under this Agreement, the price for any such Shares shall be determined in the following manner:

Each party will obtain its own appraiser to conduct an appraisal, the cost of which will be borne by such party. If the two appraisals are within 10% of each other, the average of those appraisals will be the fair market value. If the two appraisals are more than 10% apart, then the two appraisers will hire a third appraiser, the cost of which will be split equally between the two parties, to obtain a third appraisal and the average of the two appraisals that are closest in amount will be the fair market value. Any appraisal will be based upon the value of the entire Company sold to a single buyer in a single transaction for cash and shall include applicable discounts for illiquidity or lack of control as well as any premium for control.

In the event of the Transfer of Shares as a result of the death of a Shareholder, in arriving at their determination of fair market value of the Shares the appraiser(s) shall exclude any proceeds received or receivable by the Company from any insurance policies on the life of the deceased Shareholder to the extent those proceeds exceed the value of the policies on the day prior to death.

In the event of a purchase of Shares pursuant to a Bona Fide Offer, the purchasing Shareholders or the Company, as the case may be, shall have the option of paying either the price calculated above or the price contained in the Bona Fide Offer.

**§6.5 Restrictions Applicable to All Transfers.** Except as may be otherwise set forth herein, all Transfers of Shares will be subject to the following condition: prior to any Transfer, the Transferor will cause the prospective transferee, if not already a Shareholder, to execute and deliver to the Company and the other Shareholders a joinder to this Agreement.

**§6.6 Exception for Estate Planning.** A Transfer to an Affiliate of a Shareholder or the Family of such Shareholder of the right to receive distributions with respect to such Shareholder’s Shares shall be permitted and shall not constitute a Transfer subject to the right of first refusal provisions of herein. Further, the assignee of financial rights with respect to Shares shall not become a Shareholder or be treated as a holder of such Shares, and the Company shall continue to treat the Shareholder making such assignment as a Shareholder and holder of such Shares for all purposes under this Agreement.

## **ARTICLE 7: ISSUANCE OF SHARES**

**§7.1 Issuance of Additional Shares.** The Company may not sell or issue additional Shares or other equity interests in the Company (“New Shares”) without the affirmative vote, consent, or approval of a Majority of the Shareholders. Dilution, whether or not pro rata, shall be determined at the time of issuance of such

Shares by a majority vote of the Shares. Notwithstanding anything to the contrary set forth herein, any sale or issuance of New Shares by the Company in violation of the Massachusetts Adult Use Law shall be void and ineffectual.

§7.2 Preemptive Rights of Shareholders. Any sale and issuance of New Shares shall be subject to the following preemptive rights of the Shareholders (the “Preemptive Rights”):

(a) The Company must first offer each Shareholder the opportunity to purchase up to a percentage of the New Shares equal to such Shareholder’s Percentage Interest of Shares at the time of the proposed offering, so that, after the issuance of all such proposed New Shares, such Shareholder’s Percentage Interest of Shares will be the same as the Percentage Interest of Shares maintained by such Shareholder immediately prior to the issuance of any such New Shares.

(b) The Company shall give written notice (the “Offer Notice”) to each Shareholder of the proposed offer to sell and issue any New Shares, which Offer Notice shall contain the terms of such proposed sale and issuance in reasonable detail. The Company shall deliver such Offer Notice to each Shareholder at least thirty (30) days prior to the date on which the first of such New Shares are proposed to be sold and issued (the period from the delivery of the Offer Notice to the date of issue of such first New Shares, the “Notice Period”). Each Shareholder may exercise its Preemptive Rights by (i) giving written notice to the Company prior to the end of the Notice Period, specifying the amount of New Shares that such Shareholder desires to purchase (the “Preemptive Shares”), (ii) executing such reasonable documentation as may be provided by the Company to effect the issuance of the New Shares and (iii) delivering to the Company, pursuant to instructions provided by the Company in the Offer Notice, the full purchase price for the Preemptive Shares, in readily available cash, within five (5) business days following the end of the Notice Period. If a Shareholder does not pay the full purchase price for the Preemptive Shares within such five (5) day period, then such Shareholder’s Preemptive Rights with respect to such Preemptive Shares shall, at the option of the Company, be deemed to not have been exercised by such Shareholder and such Preemptive Shares shall be subject to issuance and sale by the Company.

## **ARTICLE 8: MISCELLANEOUS PROVISIONS**

§8.1 Notices. All notices and communications required or permitted to be given hereunder (a) shall be in writing; (b) shall be sent by messenger, certified or registered U.S. mail, a reliable express delivery service, or electronic mail, charges prepaid as applicable, to the appropriate address(es) or number(s) set forth on Schedule A to this Agreement (or such other address as such party may designate by notice to all other parties hereto); and (c) shall be deemed to have been given on the date of receipt by the addressee (or, if the date of receipt is not a business day, on the first business day after the date of receipt), as evidenced by (A) a receipt executed by the addressee (or a responsible person in his or her office or member of his or her household) or a notice to the effect that such addressee refused to accept such communication, if sent by messenger, U.S. mail or express delivery service, (B) confirmation of a facsimile transmission (either orally or by written confirmation) or (C) a receipt of such e-mail confirmed by reply message or read receipt. All parties shall act in good faith to promptly confirm receipt of communications where confirmation of receipt is required to effect notice pursuant to this subsection and is requested by the notifying party.

§8.2 Further Assurances. Each of the Shareholders shall hereafter execute and deliver such further instruments and do such further acts and things consistent with the provisions of this 13 Agreement as may be required or useful to carry out the full intent and purpose of this Agreement or as may be necessary to comply with any laws, rules or regulations.



§8.3 Waivers. No party's undertakings or agreements contained in this Agreement shall be deemed to have been waived unless such waiver is made by an instrument in writing signed by an authorized representative of such Shareholder. Failure of a party to insist on strict compliance with the provisions of this Agreement shall not constitute waiver of that party's right to demand later compliance with the same or other provisions of this Agreement. A waiver of a breach of this Agreement will not constitute a waiver of the provision itself or of any subsequent breach, or of any other provision of this Agreement.

§8.4 Rights and Remedies Cumulative; Creditors. The rights and remedies provided by this Agreement are cumulative, and the use of any one right or remedy by any party shall not preclude or waive the right to use any other remedy. Said rights and remedies are given in addition to any other legal rights the parties may have. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company or of the Shareholders.

§8.5 Construction. The headings in this Agreement are inserted solely for convenience of reference and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provision hereof. When the context in which words are used in this Agreement indicates that such is the intent, singular words shall include the plural and vice versa and masculine words shall include the feminine and the neuter genders and vice versa.

§8.6 Amendment. This Agreement may be altered or amended only by the unanimous consent of the Shareholders.

§8.7 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

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

§8.9 Governing Law. This Agreement is made under and shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without regard to its rules on conflicts of laws, and specifically the Act.

§8.10 Dispute Resolution. The parties hereto agree that any suit or proceeding arising out of this Agreement shall be brought only in the courts of the Commonwealth of Massachusetts; provided, however, that no party waives its right to request removal of such action or proceeding from the state court to a federal court. Each party hereto consents to the personal jurisdiction of such courts and agrees that service of process in any such suit or proceeding will be sufficiently 14 accomplished if accomplished in accordance with the notice provisions set forth in the Agreement.

§8.11 No Prior Operating Agreements. This Agreement shall expressly supersede and replace any and all prior operating agreements. The signatures of the Manager and Shareholders to this Agreement shall constitute an action by unanimous written consent authorizing the repeal and replacement of any prior operating agreements to the extent that such an action is required pursuant to any such agreements' own terms.

§8.12 Code and Treasury Regulation References. Any reference to a section of the Code or a Treasury Regulation in this Agreement shall be deemed to refer to corresponding provisions of subsequent superseding federal revenue laws and regulations in the event that the section of the Code or Treasury Regulation so referenced has been so superseded.

§8.13 Counterparts. This Agreement may be executed in any number of counterparts and may be executed and delivered by facsimile or other electronic transmission. Each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute one agreement.  
[Signature Page Follows]

**SCHEDULE A**  
**BYLAWS AND SHAREHOLDER AGREEMENT**  
**OF**  
**NAKED NATURE, LLC.**  
**CAPITALIZATION TABLE**

Name	Number of Shares	% of Equity Held
Eleazer B. Dummett, II	1000	100

**SCHEDULE B**  
**BYLAWS AND SHAREHOLDER AGREEMENT**  
**OF**  
**NAKED NATURE, LLC.**

**DEFINITIONS**

The following terms shall have the following meanings when used in this Agreement:

**“Act”** means the applicable law of the Commonwealth of Massachusetts governing corporations organized in Massachusetts, the Massachusetts Business Company Act, et seq, and any successor statute, as it may be amended from time to time.

**“Affiliate”** shall mean any other Person which directly or indirectly Controls or is Controlled by or is under common Control with such Person, or any Person that is an employee of or an officer of or partner in or serves in a similar capacity or relationship with respect to a Person.

**“Articles of Organization”** shall mean the Articles of Organization of the Company as filed with the Massachusetts Secretary of the Commonwealth on January 30, 2021 and as further amended from time to time.

**“Business”** means providing financing to Naked Nature, LLC as well as a variety of management and consulting services related to Naked Nature, LLC adult-use marijuana Microbusiness (as defined in the Massachusetts Adult Use Law), funding the build-out of Naked Nature, LLC’s cultivation facilities, all solely within the Commonwealth of Massachusetts.

**“Bona Fide Offer”** shall mean a legally binding written agreement with a non-Shareholder to purchase all or a portion of the Shares owned by a Shareholder, which written agreement must be contingent upon the options to purchase or participate in a sale as provided herein.

**“Capital Contribution”** shall mean any contribution to the capital of the Company in cash or property by a Shareholder or predecessor thereof whenever made.

**“Code”** shall mean the Internal Revenue Code of 1986, as amended from time to time, or corresponding provisions of subsequent superseding federal revenue laws.

**“Control”** means the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of voting securities, contract or otherwise. 18

**“Entity”** shall mean any general partnership, limited partnership, limited liability partnership, limited liability company, company, joint venture, trust, business trust, cooperative, association, foreign trust, foreign business organization or other business entity.

**“Family”**, as applied to any individual, shall mean (a) the children of such individual (by birth or adoption), (b) the parents, spouse and siblings of such individual, (c) the children of the siblings of such individual, (d) any trust solely for the benefit of, or any partnership, limited liability company or other entity owned solely by, any one or more of such aforementioned individuals (so long as such individuals have the exclusive right to Control such trust or other entity) and (e) the estate of such individual.

**“Identified Opportunity”** means any opportunity to pursue the Business.

**“Massachusetts Adult Use Law”** means the provisions of Mass. General Laws Ch. 55 of the Acts of 2017, An Act to Ensure Safe Access to Marijuana, including the Cannabis Control Commission’s implementing regulations at 935 CMR 500.000, Adult Use of Marijuana, et seq. and any other laws pertaining to the lawful cultivation, purchase, sale, or distribution of adult-use marijuana.

**“Shareholder”** shall mean each of the parties who executes a counterpart of this Agreement as a Shareholder, and each of the parties who may hereafter become a Shareholder pursuant to the terms and conditions of this Agreement.

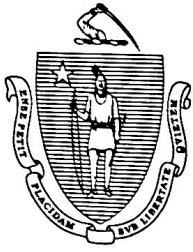
**“Percentage Interest”** of Shares shall mean the number of Shares of a given class held at a particular time by such Shareholder, divided by the total number of all Shares of the same class then held by all Shareholders, expressed as a percentage.

**“Person”** shall mean any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person, where the context so permits.

**“Presented Opportunity”** means any Identified Opportunity that is brought to the attention of the Company for possible pursuit or exploitation by the Company.

**“Shares”** shall mean the capital stock of the corporation. The Company shall initially have a single class of Common Stock.

**“Transferring Shareholder”** is the Shareholder desiring to sell or, in the case of an involuntary Transfer, is the Shareholder whose Shares are subject to an involuntary Transfer and also the potential transferee if that person has provided information to the Company and other Shareholders of his/her name, address, and potential claim to the Shares.



William Francis Galvin  
Secretary of the  
Commonwealth

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

November 16, 2021

TO WHOM IT MAY CONCERN:

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

**NAKED NATURE, LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **January 30, 2021.**

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

I also certify that the names of all managers listed in the most recent filing are:  
**ELEAZER B DUMMETT II**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **ELEAZER B DUMMETT II, HEATHER L DUMMETT**

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **ELEAZER B DUMMETT II**

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



Processed By: BOD



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

Charles D. Baker  
GOVERNOR

Karyn E. Polito  
LT. GOVERNOR



388481958

Rosalin Acosta  
SECRETARY

Richard A. Jeffers  
DIRECTOR

Naked Nature, LLC  
237 BRIGHAM ST  
MARLBOROUGH, MA 01752-3100

EAN: 22223114  
February 24, 2022

Certificate Id:56579

The Department of Unemployment Assistance certifies that as of 2/24/2022 ,Naked Nature, LLC is current in all its obligations relating to contributions, payments in lieu of contributions, and the employer medical assistance contribution established in G.L.c.149,§189.

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

Richard A. Jeffers, Director

Department of Unemployment Assistance

Naked Nature, LLC

75 Green Street, Suite 2

Clinton, MA 01752

To: Cannabis Control Commission,

This letter serves as an attestation that Naked Nature, LLC is unable to obtain a certificate of good standing from the department of Unemployment Assistance as the company is unable to register with the department of Unemployment Assistance until hiring employees, after final License. The document I provided in addition to this one is only good for 30 days.

Ellie Dummett

02/25/2022



# 2021

## NAKED NATURE BUSINESS



75 Green Street

Clinton, MA

Phone: 781-367-6690

Email: [tpsolutions1@verizon.net](mailto:tpsolutions1@verizon.net)

ELLIE DUMMETT | OWNER & CEO

NAKED NATURE LLC

12/31/2021

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# 1. EXECUTIVE SUMMARY

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## 1.1 Mission Statement and Messages from the CEO

Naked Nature, Inc. (“Naked Nature”) is a Cannabis Microbusiness (“MM”) applicant committed to cultivating, processing, and packaging the highest quality cannabis and cannabis products in a safe secure and fully compliant facility. In addition, we will personally introduce tangible, accessible, community focused social initiatives that help those that need it the most.

## 1.2 License Types

Naked Nature is applying for a MM license from the Massachusetts Cannabis Control Commission (the “Commission”) to operate a Cannabis Microbusiness in Clinton, MA.

## 1.3 The Products

In addition to cultivating traditional sativa, indica, and hybrid cannabis flower, Naked Nature will manufacture a wide range of products that will allow cannabis retail establishments purchasing Naked Nature’s products to serve customers with a variety of needs and preferences. Products that Naked Nature intends to offer include, but will not be limited to:

1. Flower
2. Concentrates

## 1.4 Customers

Naked Nature intends to sell its products to licensed cannabis establishments throughout Massachusetts who seek to buy wholesale cannabis and cannabis products. Those will include retail cannabis establishments or product manufacturers. In addition to wholesale clients we will also sell direct to consumers where allowed through a delivery endorsement that is permissible under the MM license for Social Equity companies.

## 1.5 What Makes Us Do What We Do

Naked Nature’s goals include but are not limited to:

1. Cultivating and processing a wide variety of high quality, consistent, laboratory-tested cannabis, and derivatives.
2. Implementing social programs which help those that need it the most.
3. Hiring employees and contractors from Clinton and from communities that have been historically have been harmed by the war on drugs.
4. Hiring employees from economically distressed communities and giving them the space and knowledge to flourish professionally within Naked Nature and the cannabis industry.
5. Having a diverse and representative pool of employees.

6. Empowering the next generation of entrepreneurs and leaders through hiring, training, and teaching.
7. Running an environmentally friendly facility using efficient cultivation methods; and
8. Creating branded cannabis products that are tested, consistent, and high quality.
9. Educating the local community on cannabis and creating social awareness to local initiatives which exemplifies we are more than just a cannabis business but also a contributor for the betterment of the community.

## **2. COMPANY DESCRIPTION**

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### **2.1 Structure**

Naked Nature is a Massachusetts limited liability company applying for Cannabis Microbusiness licenses to cultivate and manufacture cannabis and cannabis products from the Massachusetts Cannabis Control Commission (the “Commission”).

For each license type, Naked Nature will file, in a form and manner specified by the Commission, an application for licensure as a MM consisting of three packets: an Application of Intent packet; a Background Check packet; and a Management and Operations Profile packet.

### **2.2 Operations**

Naked Nature seeks to locate its facility at 75 Green Street in Clinton, Massachusetts. Naked Nature has executed an option agreement for the property located at the proposed site and will upgrade the facility for cultivation and product manufacturing. The proposed facility will be adequately buffered from the streetscape and surrounding residential parcels. There will be no direct retail sales at said location and therefore no foot traffic to the location other than employees or agents of the industry.

Naked Nature will establish inventory controls and procedures for reviewing comprehensive inventories of cannabis products in the process of cultivation and finished, stored cannabis; conduct a monthly inventory review and a comprehensive annual inventory at least once every year after the date of the previous comprehensive inventory; and promptly transcribe inventories if taken by use of an oral recording device.

Naked Nature will tag and track all cannabis seeds, clones, plants, and cannabis products using a seed-to-sale methodology in a form and manner approved by the Commission.

No cannabis or cannabis products will be sold or otherwise marketed that is not tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000.

Naked Nature will maintain records which will be available for inspection by the Commission upon request. The records will be maintained in accordance with generally accepted accounting principles (GAAP). Records will be maintained for at least 12 months.

Naked Nature will obtain and maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, and product liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, except as provided for in 935 CMR 500.105(10)(b) or otherwise approved by the Commission. The deductible for each policy will be no higher than \$5,000 per occurrence.

Naked Nature will provide adequate lighting, ventilation, temperature, humidity, space, and equipment, in accordance with applicable provisions of 935 CMR 500.105 and 500.110.

All recyclables and waste, including organic waste composed of or containing finished cannabis and cannabis products, will be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations. Organic material, recyclable material, solid waste, and liquid waste containing cannabis or by-products of cannabis processing will be disposed of in compliance with all applicable state and federal requirements.

Naked Nature will demonstrate consideration of the factors for Energy Efficiency and Conservation outlined in 935 CMR 500.105(15) as part of its operating plan and application for licensure.

Prior to commencing operations, Naked Nature will provide proof of having obtained a surety bond in an amount equal to its licensure fee payable to the Cannabis Regulation Fund or an escrow account with at least \$5,000 in escrow per license. The bond will ensure payment of the cost incurred for the destruction of cannabis goods necessitated by a violation of applicable statutes or regulations, or the cessation of operation of Naked Nature.

Naked Nature and Naked Nature's agents will comply with all local rules, regulations, ordinances, and bylaws.

## **2.2 Operations**

Naked Nature will contract with a professional security and alarm company to design, implement, and monitor a comprehensive security plan to ensure that the facility is a safe and secure environment for employees and the local community.

Naked Nature's state-of-the-art security system will consist of perimeter window sensors, as well as duress, panic, and holdup alarms connected to local law enforcement for efficient notification and response in the event of a security threat. The system will also include a failure notification system that will immediately alert the executive management team if a system failure occurs.

A redundant alarm system will be installed to ensure that active alarms remain operational if the primary system is compromised.

Interior and exterior HD video surveillance of all areas that contain cannabis, entrances, exits, and parking lots will be operational 24/7 and available to the Clinton Police Department. These surveillance cameras will remain operational even in the event of a power outage.

The exterior of the facility and surrounding area will be sufficiently lit, and foliage will always be minimized to ensure clear visibility of the area. Only Naked Nature's registered agents and other authorized visitors (e.g. contractors, vendors) will be allowed access to the facility, and a visitor log will be maintained in perpetuity.

All agents and visitors will be required to visibly display an ID badge, and Naked Nature will maintain a current list of individuals with access.

On-site consumption of cannabis by Naked Nature's employees and visitors will be prohibited.

## **2.3 Benefits to the Municipality**

Naked Nature looks forward to working cooperatively with the Town of Clinton to ensure that it operates as a responsible, contributing member of the Clinton community. The Town stands to benefit in various ways, including but not limited to the following:

## **JOBS:**

Naked Nature's facility will add 3 full-time executive jobs and approximately 10 cultivation jobs, in addition to hiring qualified, local contractors and vendors. Employees will receive a above living wage, benefits, and extensive training.

## **MONETARY BENEFITS:**

A Host Community Agreement will provide the Town with additional financial benefits beyond local property taxes.

## **ACCESS TO QUALITY, LEGAL PRODUCT:**

Naked Nature will allow qualified consumers in the Commonwealth to have access to high quality cannabis and cannabis products that are tested for cannabinoid content and contaminants.

## **CONTROL:**

In addition to the Commission, the Clinton Police Department and other municipal departments will have oversight over Naked Nature's security systems and processes.

## **RESPONSIBILITY:**

Naked Nature is comprised of experienced cultivators and professionals who will be thoroughly background checked and scrutinized by the Commission.

## **2.5 Zoning**

The proposed location for Naked Nature is in an industrial cannabis permissible zone which cannabis related business are approved to operate in Clinton. A special permit will be applied for and granted prior to purchase of the property.

The facility is not located within 100' of any residential lot line and will have a 25' wide buffered screen no more than 60' from the edge of the structure to allow the facility to blend in with the landscape. In accordance with the Commission's regulations, the property is not located within 500 feet of an existing public or private school that provides education to children in kindergarten or grades 1 through 12.

## **2.6 Cultivation Operations**

Naked Nature will cultivate, process and package cannabis, and transfer cannabis to other Cannabis Establishments and direct to consumers where



allowed. All phases of the cultivation, processing, and packaging of cannabis by Naked Nature will take place in a designated area that is not visible from a public place.

Application of pesticides by Naked Nature will be performed in compliance with M.G.L. c. 132B and the regulations promulgated at 333 CMR 2.00 through 333 CMR 14.00. Any testing results indicating noncompliance will be immediately reported to the Commission, who may refer any such result to the Massachusetts Department of Agricultural Resources. If Naked Nature sells or otherwise transfers cannabis to another Cannabis Establishment, Naked Nature will provide documentation of its compliance with the testing requirements of 935 CMR 500.160. Naked Nature will only label cannabis with the word “organic” if all cultivation is consistent with US Department of Agriculture organic requirements at 7 CFR 205. Soil for cultivation will meet federal standards identified by the Commission.

Naked Nature’s cultivation process will use best practices to limit contamination including, but not limited to, mold, fungus, bacterial diseases, rot, pests, pesticides not in compliance with 500.120(5) for use on cannabis, mildew, and any other contaminant identified as posing potential harm. Any application of plant nutrient used for the cultivation of cannabis will comply with St. 2012, c. 262, as amended by St. 2013, c. 118, § 26, and 330 CMR 31.00: Plant Nutrient Application Requirements for Agricultural Land and Non-agricultural Turf and Lawns.

Naked Nature using inventory tracking software approved by the Commission, will assign and record a unique, sequential alphanumeric identifier to each cultivation batch for the purposes of production tracking, product labeling, and product recalls.

## Cultivation Rooms and Facilities

### Cultivation Rooms

- Clone Room
- Vegetative Room
- Flowering Rooms

### Support Rooms

- Supply Storage Room (i.e. organic pesticides, fertilizers)
- General (non-plant) Trash Room
- Plant Trash Room
- Locker Rooms
- Mechanical Room
- Electrical room
- Trim Room
- Dry Room
- Product Storage Room

## **Technical Specifications**

Naked Nature's facility utilizes HVAC to control temperature and humidity levels. Cultivation rooms are individually controlled and monitored through automated controls of a condition or process by a digital device. Adjustable environmental parameters include heat, humidity, and light control. Cultivation rooms that house plant material will be under video surveillance—as outlined in the Naked Nature Security Policies and Procedures.

## **Overview of Cultivation Rooms**

***Clone Room:*** The Clone Room is initially dedicated to the germination of seeds/clones during ramp up, and then will be used to house clones from mother plants, which will be chosen from initial seed stock. Cloning, the act of taking a genetically identical specimen from mother stock, takes place in the clone room. The Cultivation Technician that oversees the Mother Room and Clone Room propagates plant material and is responsible for the plants' life cycle from cutting to vegetative phase.

***Vegetative Room:*** The Vegetative Room houses all plants that are in between the Clone Room and Flowering Rooms. LED lights will be used to encourage vegetative growth and proper root establishment. Plant material will also be transitioned from low intensity lighting to high intensity to prevent transplant/light shock. The Vegetative Room light cycle varies between eighteen to twenty-four (18-24) hours of light.

**Flowering Rooms:** The Flowering Rooms consist of cannabis plants fed from the vegetative room. Cannabis plants are placed under a twelve/twelve (12/12) light cycle to initiate flowering. With the use of LED lights, the flowering cannabis plants receive the correct amount of red/orange wavelengths of light to promote proper flowering behavior. The Flowering Rooms are where the plants' life cycles end; this period can vary from eight to twelve (8-12) weeks.

## **Safety**

All agents will complete mandatory safety training sessions. Naked Nature agents and Naked Nature management will have specific responsibilities to ensure health and safety at the Naked Nature facility:

### **Health and Safety Responsibilities for Naked Nature Management:**

- Ensure the health and safety of all employees.
- Correct any workplace conditions that are hazardous to the health and safety of all employees.
- Inform employees about any remaining hazards.
- Make copies of the Workers Compensation Act and OSHA Regulations available by posting throughout the Facility.
- Ensure agents know their rights and responsibilities under OSHA Regulations and the Act and that they comply with them.
- Provide and maintain protective devices, equipment, and clothing, and ensure that agents use them.
- Provide employees with education, supervision, and training specific to the operation and equipment used to cultivate; and
- Perform ongoing reviews of policies and procedures and update as needed.

### **Health and Safety Responsibilities for Naked Nature Agents:**

- Take care to protect individual health and safety and the health and safety of others who may be affected by individual's actions.
- Comply with all regulations and other legal requirements.
- Follow established safe work procedures.
- Use the required personal protective equipment.
- Refrain from unprofessional or similar conduct that may endanger others.

- Ensure individual ability to work safely is not impaired by drugs or alcohol.
- Report accidents and other incidents (including near misses) to the Director of Cultivation; and
- Report the following to the Director of Cultivation:
  - A hazard that might endanger Naked Nature agents.
  - A problem with personal protective equipment or clothing; and
  - Any suggestions to improve workplace safety.

**Cultivation Agent Health and Safety Program:** Eight basic components have been identified to help prevent accidents and injuries from occurring within the facility, as well as to help deal effectively with any incidents that do occur. These components are:

- Hazard Identification & Risk Control—determine which hazards are present in the workplace and take steps to eliminate or minimize such hazard.
- Safe Work Procedures:
  - Dealing with wet surfaces.
  - Wearing proper personal protective equipment and clothing.
  - Handling solvents with use of protective gloves and proper ventilation.
  - Using proper body mechanics when lifting heavy objects.
- Orientation, Education, Training & Supervision—properly prepare agents for job duties and ensure policies and procedures are consistently followed.
- Safety Inspections—regular safety inspections throughout Cultivation Facility, which will help identify workplace hazards so that they can be eliminated or controlled.
- Incident Investigation—determine cause of accident or injury and implement preventive measures.
- Health and Safety Meetings—regular meetings to provide an opportunity for agents and managers to communicate any concerns about health and safety.
- First Aid—determine what level of first aid is necessary on-site.
- Records & Statistics—maintain documentation to help identify recurring problems and ensure that hazardous conditions are corrected.

An annual Health and Safety Program review will be carried out to address current concerns. Smoking is prohibited on Naked Nature property.

### **Plant Care:**

Employees will be responsible for all plant maintenance in their assigned cultivation rooms. Responsibilities may include watering/irrigation, potting/re-potting, pruning and Integrated Pest Management (IPM). The IPM Program is designed to control and limit pests and other pathogens using pesticides/fungicides. Employees will maintain appropriate levels of sanitation in all cultivation areas and keep assigned cultivation rooms clean and free from hazards. Toxic items will be labeled, identified appropriately, held, and stored in the cultivation supply room to protect cannabis and MIPs from being contaminated.

### **Irrigation:**

All plants will be fed via a deep-water culture system from a centralized feeding system containing organic nutrients that will be adjusted to the proper ppm/EC levels that are required for the different stages of the cannabis plant cycle. The irrigation water will also be adjusted to the proper pH level to ensure proper nutrient uptake. Employees are responsible for managing the system. Employees will monitor the flow of irrigation through the system to ensure that all plants are receiving adequate amounts of water. Employees will consult with the Cultivation Manager and Director of Cultivation with regards to irrigation frequency and duration.

### **Potting/Re-Potting:**

All plants will be using clay pebbles to support the plants in baskets suspended in flowing water. Employees are responsible for potting up plants in their assigned cultivation rooms. Cultivation Staff will consult with the Cultivation Manager/Director of Cultivation regarding the timing of re-potting in order to maximize plant potential. All Cultivation Technicians will be trained by the Director of Cultivation on proper potting techniques during initial training.

### **Pruning:**

Cannabis plants will be pruned regularly to encourage adequate growth traits and to maximize flowering sites on the plant. Pruning will also be used to maximize the yield potential of individual plants and to eliminate flowering sites that do not receive adequate light due to full canopy. Cultivation Staff will undergo training in

this procedure by the Director of Cultivation during initial training to ensure proper techniques.

### **Pest Control Prevention:**

Pests and pathogens will be managed and controlled to the greatest extent possible. Pests include insects, diseases, or any unwanted organism that directly or indirectly damages plants. Naked Nature will implement an Integrated Pest Management (IPM) Program to manage and control pest problems. IPM is a systematic approach to managing pests that focuses on long term prevention or suppression with minimal impact on human health, the environment, and non-target organisms. A successful IPM Program consists of five (5) main categories: sanitation, monitoring, identification of pest problems, control methods, and evaluation.

### **Sanitation:**

Maintaining a clean and sterile environment is the most important phase of the IPM program. Agents will be responsible for ensuring assigned cultivation rooms are properly maintained, floors remain free from debris, and that tables on which plants are being grown are clean. Between harvests, Flowering Rooms, including floors, tables, and walls, will be treated with a greenhouse disinfectant. All irrigation systems and lines will be cleaned between harvests. Cultivation Staff will be required to wear one-piece work jumpsuits during shifts to limit the introduction of unwanted pests/pathogens.

### **Monitoring:**

IPM requires a thorough assessment of plants and their overall appearance. Cultivation Staff will perform visual assessments for their dedicated areas and report any findings to the Cultivation Manager and Director of Cultivation.

### **Identification of Pest Problems:**

Visual inspections are the primary method for determining if pest problems exist in the facility. Sticky traps will be used throughout cultivation rooms to allow agents to consistently monitor pests that may be present. When a pest/pathogen is identified, Cultivation Staff will immediately notify the Cultivation Manager and Director of Cultivation to minimize the risk of the pest/pathogen from spreading. In conjunction with the Director of Cultivation, the Cultivation Manager will create a remedial plan to eliminate the pest or pathogen.

### **Control Methods:**

The goal of the IPM Program is to create and maintain a well-organized and sanitized facility. The use of cultural control methods places a focus on proper environmental conditions and is critical to maintaining them. Biological control methods will be used throughout the cultivation facility. Biological agents (plant, animal, or microbe) will be used to control pests. When necessary, Cultivation Staff will use mechanical controls (i.e. hands-on and exclusion techniques) such as handpicking and destroying pests/or pathogens or destroying plants that are heavily infected to prevent other plants from becoming contaminated. Cultivation staff will also utilize exclusion methods, such as making sure cultivation room doors remain closed, prohibiting non-essential agents from entering cultivation rooms, and requiring agents to change into uniforms when their shift begins.

Pesticides/fungicides will be applied under the supervision of the Director of Cultivation. There will be no application of any pesticide not in compliance with 935 CMR 500.120(5) in the cultivation of cannabis. To the extent required, the Director of Cultivation will follow all guidelines set forth in Naked Nature's IPM and cultivation will be consistent with U.S. Department of Agriculture organic requirements at 7 CFR Part 205. Pesticide/ fungicide applications by agents are to be discussed in advance with the Director of Cultivation. All applicable pesticide/fungicide label instructions and EPA Worker Protection Standards (WPS) guidelines will be followed. This includes applying the pesticide(s)/ fungicide(s) correctly, using appropriate rates, wearing proper personal protective equipment, posting warning signs, respecting restricted entry levels (REI) and documenting all pesticide/fungicide application information in the cultivation facilities records. EPA Worker Protection Standards Warning Signs will be posted in cultivation rooms where pesticide/fungicide application occurs. Toxic items will be labeled and identified appropriately, held, and stored in the cultivation supply room to protect cannabis from being contaminated.

The cultivation process will use best practices to limit contamination, including but not limited to mold, fungus, bacterial diseases, rot, pests, pesticides not in compliance with 935 CMR 500.120(5) for use on cannabis, mildew, and any other contaminant identified as posing potential harm.

### **Evaluation:**

All aspects of the IPM Program will be thoroughly documented, including frequency, rates, methodology, and time/date when applied. Such records will be utilized to determine any necessary changes in the IPM Program and will be retained as part of Naked Nature's recordkeeping requirements.

### **Cultivation Agent Entrance Procedures:**

All Cultivation Technicians will enter the Cultivation Facility using the main exterior door. Upon entry, employees will proceed directly to the locker rooms to change into Naked Nature's issued uniforms and will then report to their assigned task(s).

## **Cultivation Flow**

**Clone Room:** Initial ramp up begins with the germination of seeds in the Clone Room. Seeds will be germinated and housed in the clone room for up to 3-4 weeks. All viable plants will continue to be grown under fluorescent lighting in the Clone Room until determined by the Director of Cultivation that plants are ready to be transitioned into the Vegetative Room.

**Vegetative Room:** After plants leave the Clone Room they will be transported directly to the Vegetative Room, where they are introduced to high intensity light, which encourages rapid growth. All seeds/clones are repotted into a clay pebbles media upon entering the Vegetative Room. Cannabis plants will be housed in the Vegetative Room for 2-4 weeks depending on individual, strain-specific characteristics. During the initial ramp up phase, some plants will be diverted into the Mother Room for the purpose of creating mother stock from which future propagation from clone/cuttings will be taken. The Vegetative Room will house plants before they transition into Flowering Rooms.

**Flowering Rooms:** After plants are grown in the Vegetative Room, they will be transported directly into Flowering Rooms. In the Flowering Rooms a 12 hour on/12 hour off light cycle flowering will be initiated. Cannabis plants finish their life cycle in the Flowering Rooms and can spend anywhere from 8-12 weeks in the flowering phase. Flowering Rooms may house multiple varieties and different stages of the cannabis flowering phase. All plants will remain properly labeled and tracked using [POS Software] throughout the process. Naked Nature anticipates harvests on a weekly or bi-weekly schedule to ensure a steady flow of cannabis is available.

## **Production Plan**

All initial plant stock will come from the germination of seeds or clones. After initial seed germination, all subsequent plants will be propagated via cutting/clone from vegetative stock. Under the supervision of the Director of Cultivation, Cultivation Staff will use a variety of techniques to encourage rapid, vigorous growth in Vegetative Rooms to ensure a sufficient number of plants to feed the Flowering Rooms.

## **Harvest**



When cannabis plants reach full maturity, as determined by the Director of Cultivation or Cultivation Manager by examining the trichomes of the plant, plants will be cut down in the Flowering Room and transferred to the Trim Room. Initial trimming will be conducted either by hand or automated process while the flowers are wet/green to remove the bulk of the fan leaves without trimming the cannabis flowers. Cultivation Staff engaged in the harvest process will wear appropriate personal protective equipment (PPE) to prevent contamination. After cannabis flowers are initially trimmed and processed, they will be moved to the Dry Room. The environmental conditions in the Dry Room will be maintained to ensure the even drying of cannabis flowers. Once dried for 14 days, cannabis flowers will be trimmed for final package. After final trim is completed the cannabis flowers will be cured for a minimum of 14 days prior to final packaging in sealed containers in compliance with Commission regulations. Samples of batches are sent out for third-party testing.

## **Testing**

- a. No cannabis product, including cannabis, may be sold, or otherwise marketed for adult use that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000. Testing of cannabis products will be performed by an Independent Testing Laboratory in compliance with the Protocol for Sampling and Analysis of Finished Medical Cannabis Products and Cannabis infused Products, as amended in November 2016, published by the DPH. Testing of environmental media (e.g., soils, solid growing media, and water) will be performed in compliance with the Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Cannabis Dispensaries published by the DPH.
- b. Naked Nature will have a written policy for responding to laboratory results that indicate contaminant levels are above acceptable limits established in the DPH protocols identified in 935 CMR 500.160(1). Any such policy will include notifying the Commission within 72 hours of any laboratory testing results indicating that the contamination cannot be remediated and disposing of the production batch. The notification must be from both Naked Nature and the Independent Testing Laboratory, separately and directly. The notification from Naked Nature must describe a proposed plan of action for both the destruction of the contaminated product and the assessment of the source of contamination.
- c. Naked Nature will maintain the results of all testing for no less than one year.
- d. The sale of seeds is not subject to these testing provisions;

- e. Clones are subject to these testing provisions but are exempt from testing for metals;
- f. All transportation of cannabis to and from Independent Testing Laboratories providing cannabis testing services will comply with 935 CMR 500.105(13);
- g. All storage of cannabis at a laboratory providing cannabis testing services will comply with 935 CMR 500.105(11);
- h. All excess cannabis will be disposed of in compliance with 935 CMR 500.105(12), either by the Independent Testing Laboratory returning excess cannabis to Naked Nature for disposal or by the Independent Testing Laboratory disposing of it directly; and
- i. No cannabis product will be sold or otherwise marketed for adult use that has not first been tested by an Independent Testing Laboratory and deemed to comply with the standards required under 935 CMR 500.160.

### **Water Samples**

Naked Nature's water supply will be sufficient for necessary operations. Water will not be sampled because water is from a Public Water Source (PWS) used in solids-based cultivation. Public water analysis records will be maintained by Naked Nature and available to inspectors to demonstrate adequate analysis of the water and exemption from analysis.

### **Recalls**

Naked Nature's policies and procedures for handling voluntary and mandatory recalls of cannabis will be adequate to deal with recalls due to any action initiated at the request or order of the Commission, and any voluntary action by Naked Nature to remove defective or potentially defective cannabis from the market, as well as any action undertaken to promote public health and safety. Product recalls may be initiated by the Commission or by Naked Nature. In the event of a product recall, the following will transpire to ensure that all impacted consumers are promptly notified, and such recalled product is destroyed:

- Knowing the product in question, determine the beginning and end dates in which product needs to be recalled (i.e. establish the recall period);
- Naked Nature will then publicly post the nature of the recall on its website and at its facilities; and
- The recall will clearly explain the situation and instructions on returning the recalled product.

Consumers will return the recalled product to Naked Nature and will be given the option of a refund or credit to be used during that visit. Destruction of the recalled product will occur pursuant to waste disposal requirements.

## **Waste Disposal**

**a)** All recyclables and waste, including organic waste composed of or containing finished cannabis and cannabis products, will be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations.

**b)** Liquid waste containing cannabis or by-products of cannabis processing will be disposed of in compliance with all applicable state and federal requirements, including but not limited to, for discharge of pollutants into surface water or groundwater (Massachusetts Clean Waters Act, M.G.L. c. 21 §§ 26 through 53; 314 CMR 3.00: Surface Water Discharge Permit Program; 314 CMR 5.00: Groundwater Discharge Program; 314 CMR 12.00: Operation Maintenance and Pretreatment Standards for Wastewater Treatment Works and Indirect Dischargers; the Federal Clean Water Act, 33 U.S.C. 1251 et seq., the National Pollutant Discharge Elimination System Permit Regulations at 40 CFR Part 122, 314 CMR 7.00: Sewer System Extension and Connection Permit Program), or stored pending disposal in an industrial wastewater holding tank in accordance with 314 CMR 18.00: Industrial Wastewater Holding Tanks and Containers.

**c)** Organic material, recyclable material, and solid waste generated at a Naked Nature facility be redirected or disposed of as follows:

1. Organic material and recyclable material will be redirected from disposal in accordance with the waste disposal bans described at 310 CMR 19.017: Waste Bans.
2. To the greatest extent feasible:
  - a. Any recyclable material as defined in 310 CMR 16.02: Definitions will be recycled in a manner approved by the Commission; and
  - b. Any remaining cannabis waste will be ground and mixed with other organic material as defined in 310 CMR 16.02: Definitions such that the resulting mixture renders the cannabis unusable for its original purpose. Once such cannabis waste has been rendered unusable, the mixture may be composted or digested at an aerobic or anaerobic digester at an operation that is in compliance with the requirements of 310 CMR 16.00: Site Assignment Regulations for Solid Waste Facilities.
  - c. Solid waste containing cannabis waste generated at a Naked Nature's facility may be ground up and mixed with solid wastes such that the resulting mixture renders the cannabis unusable for its original purposes. Once such cannabis waste has been rendered unusable, it may be brought to a solid waste transfer facility or a solid waste

- disposal facility (e.g., landfill or incinerator) that holds a valid permit issued by the Department of Environmental Protection or by the appropriate state agency in the state in which the facility is located; or
- d. No fewer than two Naked Nature agents must witness and document how the cannabis waste is disposed or otherwise handled (recycled, composted, etc.) in accordance with 935 CMR 500.105(12). When cannabis products or waste is disposed or handled, Naked Nature will create and maintain a written or electronic record of the date, the type and quantity disposed or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two Naked Nature agents present during the disposal or other handling, with their signatures. Naked Nature will keep these records for at least three years. This period will automatically be extended for the duration of any enforcement action and may be extended by an order of the Commission.

### **Energy Efficiency and Conservation**

Naked Nature will demonstrate consideration of the following factors:

- a) Identification of potential energy use reduction opportunities (such as natural lighting and energy efficiency measures), and a plan for implementation of such opportunities.
- b) 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.
- c) Strategies to reduce electric demand (such as lighting schedules, active load management, and energy storage); and d) Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.

Naked Nature will satisfy minimum energy efficiency and equipment standards established by the Commission and meet all applicable environmental laws, regulations, permits and other applicable approvals, including those related to water quality and solid and hazardous waste management, prior to obtaining a final license under 935 CMR 500.103(2). Naked Nature will adopt and use additional best management practices as determined by the Commission, in

consultation with the working group established under St. 2017, c. 55, § 78(b), to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts, and will provide energy and water usage reporting to the Commission in a form determined by the Commission. Naked Nature will be subject to the following minimum energy efficiency and equipment standards:

- a)** The building envelope for all facilities, except greenhouses, must meet minimum Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR: State Building Code), International Energy Conservation Code (IECC) Section C.402 or The American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE) Chapters 5.4 and 5.5 as applied or incorporated by reference in 780 CMR: State Building Code, except that facilities using existing buildings may demonstrate compliance by showing that the envelope insulation complies with code minimum standards for Type Factory Industrial F-1, as further defined in guidelines issued by the Commission.
- b)** The Lighting Power Densities (LPD) for cultivation space must not exceed an average of 36 watts per gross square foot of active and growing space canopy, but for Tier 1 and Tier 2 a requirement of 50 watts per gross square foot of active canopy or growing unless otherwise determined in guidelines issued by the Commission.
- c)** Heating Ventilation and Air Condition (HVAC) and dehumidification systems must meet Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR: State Building Code), IECC Section C.403 or ASHRAE Chapter 6 as applied or incorporated by reference in (780 CMR: State Building Code).
- d)** Safety protocols must be established and documented to protect workers and consumers (e.g., eye protection near operating grow light).
- e)** Requirements 935 CMR 500.120(11)(b) and (c) will not be required if an indoor cannabis cultivator is generating 100% or more of the onsite load from an onsite clean or renewable resource.
- f)** The Commission may further define these standards, or create reasonable exemptions or modifications, through guidelines issued in consultation with the energy and environmental standards working group established under St. 2017, c. 55, § 78(b), including but not limited to provisions for greenhouses and agricultural buildings.

### **3. MARKET RESEARCH**

### **3.1 Competitors**

Naked Nature's competitors include other licensed Cannabis Cultivators, Cannabis Microbusinesses and Product Manufacturers throughout the Commonwealth of Massachusetts.

### **3.2 Competitive Advantage**

In every business, there is competition. However, the cannabis industry is known to be highly competitive. Naked Nature possesses several strengths which will separate it from the competition. The industry is rapidly growing, and customers are scrutinizing the quality, variety, price and branding of cannabis and cannabis products offered for sale. Naked Nature's competitive advantages over its competition include the strength of its team; quality of its products; efficiencies in cultivation and product manufacturing; and commitment to running a locally-owned and independently-operated business. Naked Nature will maintain a laser focus on efficient and compliant operations; the cultivation and manufacturing of market-appropriate products; continued research and development; and growing and empowering a knowledgeable, passionate staff.

## **4 Regulations**

Naked Nature is a Cannabis Microbusiness applicant, consistent with the objectives of St. 2016, c. 334, as amended by St. 2017, c. 55 and 935 CMR 500.000.

Naked Nature is registered to do business in the Commonwealth as a limited liability company. The company will maintain the corporate entity in good standing with the Massachusetts Secretary of the Commonwealth and the Department of Revenue.

Naked Nature will apply for all state and local permits and approvals required to renovate and operate the facility, including but not limited to those required by the Town of Clinton.

Naked Nature will also work cooperatively with various municipal departments to ensure that the proposed facility complies with all state and local codes, rules and regulations with respect to design, renovation, operation, and security.

### **4.1 Product & Service**

In addition to cultivating traditional sativa, indica, and hybrid cannabis flower, Naked Nature will manufacture a wide range of products that will allow cannabis retail establishments purchasing Naked Nature's products to serve customers with a variety of needs and preferences. Products that Naked Nature intends to offer include, but will not be limited to:

1. Flower
2. Concentrates

## **4.2 Pricing Structure**

Naked Nature's pricing structure will vary based on market conditions. The company plans to produce products of superior quality and will price its products accordingly.

## **4.3 Research & Development**

Naked Nature intends to engage in a variety of research and development initiatives to ensure product quality, operational efficiency, and ability to compete.

# **5. Marketing & Sales**

## **5.1 Growth Strategy**

Naked Nature's plan to grow the company includes:

1. Consistently producing the highest quality products possible.
2. Strong and consistent branding.
3. Intelligent, targeted, and compliant marketing programs.
4. Continued networking and relationship building with licensed cannabis establishments; and
5. A caring and thoughtful staff made of consummate professionals.
6. Establishing Naked Nature's presence in the community as a pillar of commitment to the community through action.

## **5.2 Communication**

Naked Nature will engage in reasonable marketing, advertising, and branding practices that do not jeopardize the public health, welfare, or safety of the general public, or promote the diversion of cannabis or cannabis use in

individuals younger than 21 years old. Any such marketing, advertising, and branding created for viewing by the public will include the statement: "Please Consume Responsibly," in a conspicuous manner on the face of the advertisement and will include a minimum of two of the warnings, located at 935 CMR 500.105(4)(a), in their entirety in a conspicuous manner on the advertisement.

All marketing, advertising, and branding produced by or on behalf of Naked Nature will include the following warning, including capitalization, in accordance with M.G.L. c. 94G, § 4(a½)(xxvi): "This product has not been analyzed or approved by the Food and Drug Administration (FDA). There is limited information on the side effects of using this product, and there may be associated health risks. Cannabis use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN. There may be health risks associated with consumption of this product. Cannabis can impair concentration, coordination, and judgment. The impairment effects of edible cannabis may be delayed by two hours or more. In case of accidental ingestion, contact poison control hotline 1-800-222-1222 or 9-1-1. This product may be illegal outside of MA."

### **5.3 Packaging**

Naked Nature will ensure that all cannabis products that are provided for sale to consumers are packaged in tamper or child-resistant packaging. Packaging, including any label or imprint affixed to any packaging containing cannabis products, will not be attractive to minors.

Packaging for cannabis products sold in multiple servings will allow a consumer to easily perform the division into single servings and include the following statement on the exterior of the package in a printed font that is no smaller than ten-point Times New Roman, Helvetica, or Arial, including capitalization: "INCLUDES MULTIPLE SERVINGS." Naked Nature will not produce multiple serving beverages and each single serving of an edible cannabis product contained in a multiple-serving package will be marked, stamped, or otherwise imprinted with the symbol issued by the Commission under 935 CMR 500.105(5) that indicates that the single serving is a cannabis product. At no point will an individual serving size of any cannabis product contain more than five (5) milligrams of delta-nine tetrahydrocannabinol.



## 5.4 Logo

Naked Nature has developed a logo to be used in labeling, signage, and other materials such as letterhead and distributed materials. The logo is discreet, unassuming, and does not use medical symbols, images of cannabis, related paraphernalia, or colloquial references to cannabis or cannabis.



## 6. Sales Forecast

Naked Nature expects a strong rate of growth at the start of operations. Below are the expected financials over the next five years.

*Table: Profit & Loss (yearly)*

	Year 1	Year 2	Year 3
<b>Total Expenses</b>	<b>\$321,397</b>	<b>\$670,403</b>	<b>\$702,155</b>
<b>Net Income</b>	<b>\$292,043</b>	<b>\$3,010,238</b>	<b>\$2,978,485</b>
Retained Earnings Opening	\$0	<b>\$179,893</b>	<b>\$2,690,131</b>
Owner's Distribution	\$0	\$500.000	\$0
<b>Retained Earnings Closing</b>	<b>\$179,893</b>	<b>\$2,690,131</b>	<b>\$5,668,616</b>

## 7. Expansion Plan

The Founder expects that the business's product line will aggressively expand during the first few years of operation. The initial product offering will be cannabis flower and then we will roll

out a line of concentrates. Concentrates have a higher profit margin; however we will need to build out a room to produce concentrates, subject to local and state approvals.

The biggest expectation for expansion will hinge on growing direct sales channels to consumers via a local delivery model with a backup revenue generator by providing wholesale sales to dispensaries relationships that we have in place now. Naked Nature intends to implement approved marketing campaigns that will effectively target individuals within the Massachusetts.

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Aside from the manufacturing cannabis flower and concentrates which is our core product,

## **8. Why Now? / The Problem**

The cannabis industry is still in its infancy here in MA. With the slow roll-out of approved licensed cultivators, cannabis flower is in short supply. In addition to low supply, the flower which is available is grown to produce volume versus quality. So what consumers are paying on average of \$60 (per 1/8<sup>th</sup>) is of poor quality and taste. Those who know quality can easily differentiate good vs bad cannabis and with those prices, I am sure the taste is far worse with those prices.

Another big “why” for (me) the legalization of recreational here in MA was from the efforts of grass roots advocates. Despite their legislative achievements, the efforts to provide an environment for those effected by the War on Drug an opportunity to offset the wrong doings of the past are still persistent today. Even though it has been 4 plus years there is a segment of the industry which is being excluded all together and those who are trying to participate are lagging in access and resources to compete effectively.

Due to the lack of quality products and an overwhelming effort of being committed to helping those in need, I plan on using the cannabis industry as a vehicle to strengthen and support the underserved in the community through several personal initiatives.

## **9. The Solution**

Naked Nature will use all their experience and ongoing innovations in the industry to produce one of the best products on the market. We replicate the best of outdoor cultivation indoors , providing the cleanest and essential nutrients for our plants to consume at their discretion. With the type of license, we are pursuing, our canopy can be a max of 5k sq ft. which allows us to spend more time and attention per plant. The end results produce a better yield and a much better taste and experience for our consumers.

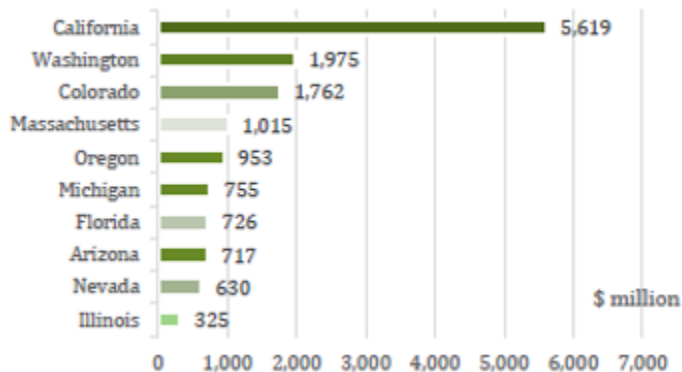
In addition to consuming our excellent cannabis products for the first time, it will feel like they are coming home for holidays. Because we plan on implementing our client acquisition strategy right away once we get the property under agreement. This will consist of utilizing social media to bring our potential clients and supporters along on our journey and embody our messaging of community first. The objective to educate both consumers and non-consumers and show actual commitment through our actions and implementation.

We will also implement efficiencies from the initial buildout for future changes in regulations to conserve on energy inputs. (i.e. LED lighting and water reclamation just to name a few)

## STRATEGIC & MARKET ANALYSIS

### Market Opportunities

Over 60% of the U.S. population now lives in states that have legalized some form of cannabis use and sales.



The North America legal cannabis market amounted to \$12 billion in 2018, growing by 30 percent on the year. The largest market was the United States, which totaled \$10.4 billion. It was followed by Canada with \$1.6 billion. According to the report “The Road Map to a \$57 Billion Worldwide Market”<sup>1</sup> the overall cannabis market for legal adult-use and medical sales in North America to reach \$24.5 billion by 2021 with a compound annual growth rate (CAGR) of almost 28%.

### Global Cannabis Industry

The global legal cannabis market amounted to \$9.5 billion in 2017, growing by 37 percent on the year, according to the report “The Road Map to a \$57 Billion Worldwide Market”.

Spending on legal cannabis worldwide is expected to hit \$57 billion by 2027, while the cannabis market in the United States and Canada is estimated to be about \$46.5 billion and the other \$10.5 billion would go to other markets.

The largest growth rate is predicted within the rest-of-world markets, from \$52 million spent in 2017 to a projected \$2.5 billion in 2027.

The recreational cannabis market will cover about 67% of the spending while medical cannabis will take up the remaining 33%.

According to a report provided by Energies Market Research, the global medical cannabis market is projected to increase in value from \$8.28 billion in 2017 to \$28.07 billion in 2024 and at a CAGR of 19% from 2018 to 2024.

The initial decision by many U.S. states and Canada to create medical-only cannabis regulations prompted many other countries to act similarly while legalization of adult recreational use in California and Canada triggered a second wave of legalizing laws internationally to increase access to medical cannabis.

South American countries have the most liberal medical cannabis programs. Led by Brazil, Argentina, Peru, and Uruguay, the South American medical cannabis market may grow from \$125 million in 2018 to \$776 million in 2027.

Germany is ready to become the leader of the European cannabis market, and Italy is expected to be second with \$1.2 billion in sales by 2027. Some form of medical cannabis is now legal in 22 countries in Europe.

Australia's legal cannabis market is forecast to grow from \$52 million in 2018 to \$1.2 billion in 2027, the 5th largest in the world.

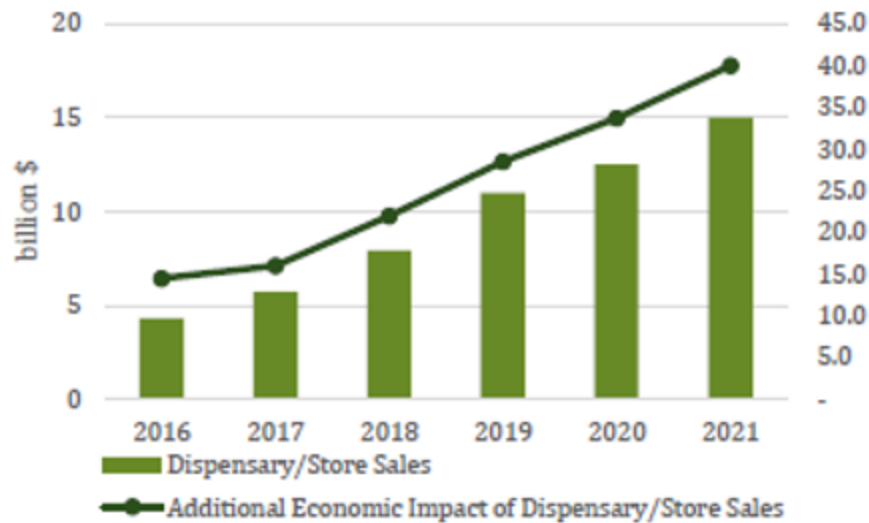
Israel has a small population and a long history of legal medical cannabis use. It continues to be a leader over the years in the development of cannabis pharmaceuticals.

### **North America Cannabis Market**

The North America legal cannabis market amounted to \$12 billion in 2018, growing by 30 percent on the year. The largest market was the United States, which totaled \$10.4 billion. It was followed by Canada with \$1.6 billion.

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

The expected growth came after a solid 2016 when recreational cannabis sales increased by 80% to reach \$1.8 billion. Colorado and Washington led the charge, while Oregon's adult-use market posted strong sales gains in its first full calendar year of operation. The industry also saw a spike in medical cannabis sales, as patient counts rose in new states and continued climbing in mature markets.



According to a BDS Analytics report, the retail sector owed \$1 billion in state taxes in 2016 and another \$1.4 billion in 2017.

In 2017, overall cannabis sales in the United States at the retail level to soar by 31.5%, hitting \$5.7 billion on the back of continued growth in existing recreational cannabis markets.

Recreational sales are expected to surpass medical this year for the first time ever. Medical cannabis sales also are expected to sustain the industry. The cannabis retail market is growing at a high rate in the United States alone, with their currently being over 3,000 open and operating dispensaries and retail stores throughout the country according to data from Statista<sup>7</sup>. The growing numbers of dispensaries a large part of why New Frontier projects the industry to top \$25 billion in revenue by 2025.

The increase in retail sales over the next five years will provide a substantial economic boost for the United States. The total economic output from legal cannabis will grow 150% from \$16 billion in 2017 to \$40 billion by 2021, according to the “US Legal cannabis: Driving \$40 Billion Economic Output” report released by ArcView Market Research, in partnership with BDS Analytics.

### **Massachusetts Cannabis Industry**

The Massachusetts cannabis industry is on course to increase sales by 27% year-on-year in 2021, according to market research firm BDS Analytics. The firm believes the potential for Massachusetts is vast, and it predicts the market will exceed \$1.35 billion in annual sales by 2024. Currently, Massachusetts consumers are spending an average of \$140 per month on cannabis products.

## **Legalization History**

Cannabis use is legal for both medical users and recreational users in Massachusetts, even though there are some limitation of use in recreational use on federal grounds.

Voters approved the Massachusetts Medical Cannabis Ballot Initiative, or Question 3, in November 2012. Question 3 established the Massachusetts Medical Use of Cannabis Program, initially administered by the Massachusetts Department of Public Health (DPH), to regulate medical cannabis across the Commonwealth.

The Massachusetts Cannabis Legalization Initiative, or Question 4, passed by voters in November 2016, legalized cannabis use for adults 21 and older and created the Cannabis Control Commission (the Commission) to regulate cannabis statewide. Retail sales began in November 2018.

When it was time for legislators to enact Question 4 into law, the two houses had differing approaches, but a compromise bill was eventually approved. H 3818 was signed by Gov. Charlie Baker in July 2017 and became Chapter 55 of the General Laws of the Commonwealth of Massachusetts.

The bill added two more members to the Commission and made the cannabis excise tax 10.75% on top of the state sales tax of 6.25% while also allowing cities to add 3%, for a total of 20% tax on adult-use cannabis. Medical cannabis remained tax-free. The bill also allowed jurisdictions that had voted against legalization to ban retail sales by unilateral action of the municipal government while jurisdictions that voted for it would need a ballot question referendum vote to ban sales via zoning amendment.

Cannabis sales in Massachusetts tallied \$444.9 million for 2019 and in 2021 has generated over 1 billion in revenue.

Since Jan. 1, 2020, cannabis companies have already surpassed that total, generating \$539 million in gross sales despite two months of closures as a result of the COVID-19 pandemic.

Since Massachusetts' first two cannabis stores opened in 2018, almost 170 more have received notices from the CCC to begin operations statewide and are in the process of opening.

Another 201 stores with provisional or final license approval are completing the CCC's inspection and compliance procedures.

## **SWOT Analysis**

### **Strengths**

- The building of dependable relationships with dispensaries who can consume our flowers and concentrates across Massachusetts & the rest of the US.
- Diversified, Strategic Partnerships
- Cultivation of Higher Quality Flower
- Community Focused Results

### **Weaknesses**

- Enhanced risk of banking / financial / IRS scrutiny
- Lack of professional workforce for a cannabis industry
- High starting capital.

### **Opportunities**

- High growth industry
- Growing interest and demand for natural, alternative medicine
- The trend toward greater cannabis legalization, including the use of cannabis for recreational purposes
- A significant drop in wholesale pricing
- Delivery Direct to Consumer & Wholesale

### **Threats**

- Enforcement of federal law
- Possible cannabis law changing
- Indicators of a slowed global economy
- Large companies entering the market

## **MARKETING STRATEGY AND IMPLEMENTATION**

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### **Marketing Strategy**

Because cannabis is illegal under federal law, state governments and online advertising platforms are placing strict rules on how companies can market their products.

Google, Facebook, and Twitter all have advertising policies that restrict the promotion of the sale of cannabis. Google's policy prohibits ads that promote "substances that alter mental state for the purpose of recreation." Facebook restricts any "illegal, prescription, or recreational drugs." And Twitter bans "illegal drugs" as well as substances that cause "legal highs." Instagram and Facebook have decided to go a step further by removing pages of cannabis-related businesses.

The most effective strategies for legal cannabis companies are direct marketing at industry conferences and other events, building communities around cannabis-related concerns such as



health and wellness. The marketing and sales strategy of the Naked Nature LLC will be based on generating long-term personalized relationships with dispensaries/stores and end consumers.

**Marketing and advertising campaign include:**

- Meeting with dispensary owners, Retail stores, etc....
- Advertising and articles in the thematic Magazines, including:
  - Cannabis Now
  - 420 Magazine
  - Cannabis Venture
  - MG Magazine
- Business events and conferences
- Business and industry associations
- Brand development
- Brochures
- Website development with search engine optimization
  - Keywords
  - Fresh content
- Cannabis business directories and platforms.

WEEDMAPS <a href="https://weedmaps.com/">https://weedmaps.com/</a>	cannabis dispensary/store finder on the planet. With over 7,750 listings throughout the U.S., Canada, and Europe.	WeedMaps has 7.96 million total visits each month.
LEAFLY <a href="https://www.leafly.com/">https://www.leafly.com/</a>	Leafly is a cannabis information resource for finding the right strains and products. Services include cannabis finder, online store, branding, doctors' portal.	Leafly has 226.27 thousand total visits each month.
<a href="https://www.cannasaver.com/">https://www.cannasaver.com/</a>	Canna-Saver is a website for cannabis and related coupons, devoted to cannabis deals and savings. Offers a constant flow of deals and savings from the top cannabis and cannabis retailers.	Cannasaver has 310.04 thousand total visits each month.

**Plan for Obtaining Liability Insurance:**

Naked Nature, LLC (the “Company”) will work with an insurance broker licensed in the Commonwealth of Massachusetts to obtain insurance that meets or exceeds the requirements set forth in 935 CMR 500.105 (10).

Pursuant to 935 CMR 500.105(10) the Company shall obtain and maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, and product liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, or such amount as otherwise approved by the Commission. The deductible for each policy shall be no higher than \$5,000 per occurrence.

Pursuant to 935 CMR 500.105(10)(b) if the Company is unable to obtain minimum liability insurance coverage as required by 935 CMR 500.105(10)(a) the Company will place in escrow (the “Liability Insurance Escrow Account”) a sum of no less than Two Hundred and Fifty Thousand and 00/100 (\$250,000.00) or such other amount approved by the Commission, to be expended for coverage of liabilities. If the Company is unable to obtain minimum liability insurance coverage as required by 935 CMR 500.105(10)(a) the Company will properly document such inability through written records that will be retained in accordance with the Company’s Record Retention Policy (incorporated herein by reference). If the Liability Insurance Escrow Account is used to cover such liabilities, it will be replenished within ten (10) business days of such expenditure.

The Company will submit reports documenting compliance with 935 CMR 500.105(10) in a manner and form determined by the Commission pursuant to 935 CMR 500.000.

This policy may also be referred to by the Company as the “Liability Insurance Policy”.

## **NAKED NATURE LLC PLAN**

### **SUMMARY FOR RESTRICTING ACCESS TO AGE 21 & OLDER**

The purpose of this policy is to ensure compliance with 935 CMR 500 et al, as amended, in order to prevent access to any person under 21 years old, or any other unauthorized person, as well as to protect employees, consumers, and the general public in connection with NAKED NATURE, LLC (the “Company”) marijuana establishment (“ME”) operations.

All Company Agents shall be responsible for following these policies and procedures. As required by law, All Company Agents shall be at least 21 years or older. All Company Agents shall carry on their persons current Agent Cards issued by the Commission.

At a minimum, the Company shall require:

1. All visitors to Naked Nature premises carry a visitor pass at all times while on the premises.
2. Only designated specific Company Agents shall be authorized to issue any visitor passes.
3. The Agent issuing a visitor pass shall positively identify each person entering the establishment using only state or federally issued photo-ID. No person shall be permitted to enter the Naked Nature premises before first presenting such ID by a Company Agent who is authorized to issue a visitor pass.
4. Verify the age of the customer using the state or federally issued photo-ID at the point of sales before processing the sales transaction.
5. All visitors to be accompanied by a Company Agent at all times the visitor is on the premises.

In accordance with 935 CMR 500.105(4), the Company shall only use marketing, advertising and branding practices that are not otherwise prohibited in 935 CMR 500.105(4)(b) and that do not jeopardize the public health, welfare or safety of the general public or promote the diversion of marijuana or marijuana use in individuals younger than 21 years old.

## **Naked Nature, LLC**

### **Record keeping procedures**

Naked Nature will implement recordkeeping policies and procedures as required by

935 CMR 500.105, including appropriate tracking, storage, retention and confidentiality. In addition, Naked Nature will implement recordkeeping policies and procedures to ensure that records are maintained as required in any section of 935 CMR 500.000. At a minimum, Naked Nature will maintain the following records:

- Operating procedures including security measures, storage of marijuana, recordkeeping, quality control, staff planning, emergency procedures, cash handling protocols and policies and procedures to prevent the diversion of marijuana to individuals younger than 21 years old.
- Inventory records as required by 935 CMR 500.105(8)
- Seed-to-sale tracking records for all marijuana products as required by 935 CMR 500.105(8)(e);
- Personnel records including policies and procedures, job descriptions, organizational charts, employee contracts, reference checks, completed training, performance evaluations, disciplinary actions, and performed background checks
- Business records (manual or computerized) of assets and liabilities, monetary transactions, books of accounts, sales records including the quantity, form, and cost of marijuana products; and Salary and wages information, stipend paid to each board members, and any executive compensation of value paid to any individual affiliated with a Marijuana Establishment.
- Business records including assets and liabilities, monetary transactions, books of account, sales records, and salary and wage information
- Waste disposal records as required under 935 CMR 500.105(12) All systems accessed by dispensary agents will be password protected. In addition, each authorized dispensary agent will be assigned a unique username and access code. A record will be kept of all logins and records created or edited during login time. Naked Nature will rely on electronic record keeping whenever possible, and ensure data is backed up at regular intervals to prevent any loss of information. Any paper documents that require retention will be stored in a locked cabinet with access limited to authorized personnel. Any hard-copy information not stored will be shredded and disposed of in a secure receptacle.

Naked Nature shall make records available for inspection by the Commission and any other applicable licensing authority.

## **QUALITY CONTROL AND TESTING NAKED NATURE, LLC**

### **A. Safe and Sanitary Facility**

Safe and sanitary practices are vital in ensuring high quality marijuana and marijuana products that are free of contaminants, and NAKED NATURE, LLC's (NAKED NATURE) SOP's in this regard will meet or exceed the requirements of 935 CMR 500.105(3). Only food grade stainless steel tables will be used for processing and all ingredients used will be of the highest food-grade quality. NAKED NATURE will process only the leaves and flowers of the female marijuana plant, which 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; and
- Packaged in a secure Limited Access Area.

Anyone who is shown to have or appears to have an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination will be excluded from access to any area containing marijuana or marijuana products until the condition is corrected and the employee has been given supervisory approval to return to their position. Any employee whose job includes contact with marijuana or non-edible marijuana products, including cultivation production or packaging, will be subject to the requirements for food handlers specified in 105 CMR 300.000: *Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements*. In cases where staff are exiting a room with a pest outbreak, proper decontamination procedures are followed in order to prevent contamination of other rooms. In cases where powdery mildew may be present, staff must wear protective clothing while treating the plants and must remove the clothing upon exiting. Contaminated clothing is placed in a covered collection bin to prevent mildew spores from becoming airborne.

All staff working in direct contact with marijuana or marijuana products will be required to wash hands thoroughly before starting work and ensure best sanitary practices while in the facility. Hand-washing facilities will be located in the production areas as well as any other areas of the facility that where good sanitary practices require employees to wash and sanitize their hands, will be adequate and convenient, and furnished with running water at a suitable temperature. NAKED NATURE will provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices.

Staff will be required to wear freshly laundered uniforms and protective gear and must wear gloves when handling marijuana. Effective hair restraints and beard nets will be worn whenever marijuana or marijuana products are being handled. Jewelry shall be limited to a watch or wedding band. Employee restrooms will be readily available and maintained in safe and sanitary condition with OSHA compliant hand washing instruction signs.

All contact surfaces will be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the US Environmental Protection Agency in accordance with labeled instructions. Laboratory staff will be in charge of daily cleaning/sanitization of equipment, surfaces, and walls in processing environment.

All equipment/tools used will be of food grade materials and easily sanitized. A three-bay sink will be properly set up for washing of utensils and tools and the sink bay for soaking will be free of contaminants at all times.

NAKED NATURE will ensure that the facility's water supply is safe, potable, adequate, and sufficient for necessary operations. Plumbing will be of adequate size and design and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the facility. Plumbing will properly convey sewage and liquid disposable waste from the facility and there will be no cross-connections between potable and wastewater lines.

All floors will be kept free of cracks and in good repair for safety reasons and to inhibit growth of mold or mildew. Litter and waste, including dead and/or unusable plant parts, is properly removed daily and operating systems for waste disposal are maintained in an adequate manner so that they do not constitute a source of contamination. Rubbish is disposed of so as to minimize the development of odor and minimize the potential for the waste becoming an attractant, harborage, or breeding place for pests. All stored products, including waste, are stored in a manner to avoid infestation of insects, rodents, birds and other pests, and are stored in locked, limited-access areas separate from the grow and processing areas. The operating systems for waste disposal will be maintained in an adequate manner pursuant to 935 CMR 500.105(12).

NAKED NATURE will ensure that products that can support the rapid growth of undesirable microorganisms are held in a manner that prevents growth of these microorganisms. Appropriate refrigeration equipment will be utilized for storage of products that require refrigeration, and products will be stored in air-tight, sealed containers. Storage and transportation of finished products will be under conditions that will protect them against physical, chemical, and microbial contamination as well as against deterioration of finished products or their containers.

NAKED NATURE is not currently developing or processing edible marijuana products. Should NAKED NATURE do so in the future, NAKED NATURE will ensure that all products are prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 590.000: *Minimum Sanitation Standards for Food Establishments*.

## **B. Cultivation and Manufacturing Quality Control**

**General:** All rooms where marijuana is cultivated and processed are modeled after a clean room environment. Grow rooms are completely separated from one another by floor to ceiling dividing walls and completely sealed doors. Precise computerized climate control will minimize the risk of plant disease or insect infestation, and all environmental equipment and controls will be specific to each room, eliminating cross contamination between rooms. Each crop is kept in its own separate room for the entire life cycle following cloning to prevent cross contamination and stress on the plants.

Seeds and cuttings (if applicable) that are brought into the facility as initial inventory are inspected immediately upon receipt in order to identify any possible contaminants or pathogens. All equipment, including grow containers, is sterilized prior to use. Creating an environmentally

friendly and user-safe product means avoiding as much as possible the use of chemical fertilizers and pesticides. This can be best achieved by using preventive measures and growing conditions:

- ☐ limiting amount of human traffic and equipment brought into the facility that can be used as vehicles for pests and contaminants;
- ☐ isolation of compromised plants and quarantining them in designated mitigation area;
- ☐ adherence to site cleanliness and sanitary practices;
- ☐ environmental control to minimize introduction and growth of pests through a closed growing environment;
- ☐ production of products free of heavy metals;
- ☐ systematic pruning to prevent accumulation of decaying plant matter that could provide favorable growth conditions for pests;
- ☐ introduction of predator species that naturally prey on unwanted pests; and
- ☐ selecting pest resistant strains.

There are also remediation methods that can avoid or minimize the need for harsh pesticides:

- ☐ application of botanically-based, organic pesticides, fungicides, miticides and insecticides of low toxicity and short environmental persistence;
- ☐ remediation methods that include eradicating mold, bacteria, pests and diseases;
- ☐ ultraviolet disinfection to control biological contaminants; and
- ☐ alternative methods of remediation including CO<sub>2</sub> overdose and Radionics.

In short, we will prefer using non-pesticidal methods of pest control such as natural predators, organic miticides, and CO<sub>2</sub> enrichment. When we do resort to pesticides, we will use only organic compounds that are safe for use on products intended for human consumption. We will keep strict records of the cultivation history of every batch, including any pest or disease control measures taken.

Every batch of cannabis is tested for pests, molds, and other contaminants by a duly licensed independent testing laboratory in the Commonwealth. We will also analyze its cannabinoid profile and determine its potency. Any cannabis found to be unusable, whether because of compromised quality, excess THC, or any other reason, will be segregated for disposal or, where this is possible, for alternate use in processing cannabis-infused products.

The Cultivation facility will maintain these quality control records in its secure database for five (5) years and make them available for review by the Commission upon request. We will also provide the Commission upon request with samples of the Cultivation facility's cannabis inventory in sufficient quantities to enable the Commission to conduct its own analyses.

**Limited Access:** Access to the cultivation rooms are limited to authorized personnel only. Any visitors to the cultivation rooms must be accompanied by an authorized employee at all times and are strictly prohibited from touching the plants unless it is necessary for the purpose of the visit, i.e. authorized Commission representatives removing samples for testing. Visitors are required to wear protective foot covers upon entry into the facility. Any visitor showing signs of illness or other microbial contamination will be denied access.

**Chemical Storage:** Cleaning compounds, sanitizing agents, solvents, and any other chemicals used in the facility will be identified, properly labeled, held, and stored in secure areas outside of

the cultivation areas and in a manner that protects against contamination of any marijuana products as well as in accordance with any applicable local, state, or federal law, rule, regulation, or ordinance. Only chemicals, cleaning solutions, and other required sanitizing agents that are approved for use around vegetables, fruits, or medicinal plants will be utilized.

**Inspection and Testing of Plants:** Safe production of marijuana requires plants that are free from any pests or pathogens that could destroy or affect the integrity of the marijuana we produce. NAKED NATURE's SOP's require ongoing visual inspections of plants to be conducted daily during all stages of cultivation.

Our Cultivation Director trains our cultivation staff in the importance of early detection of plant pests and pathogens and to recognize the signs and likely locations of the various types of plant pests and pathogens affecting marijuana. Whenever an employee enters a grow room, the employee is trained to look for obvious signs of unhealthy plants and report the location and condition to the Cultivation Director. This triggers implementation of detailed plant inspection protocols in order to determine the extent of any infestation or pathogenic spread and establish the appropriate course of action, whether that entails quarantine, treatment or destruction of the plant(s).

Routine inspection of plants takes place at the beginning of each work day and entails a walk-through of each aisle, starting with the canopy, and then moving to the underside of the canopy and the pots. Staff are instructed to look for obvious signs of unhealthy plants and to note their location, and to closely examine any unhealthy-looking plants, noting any issues that are found. Weekly detailed inspections are conducted by groups of cultivation staff members forming an Integrated Pest Management team and includes the following:

- Inspection of traps which are strategically placed to capture any pests that are not found during routine inspection.
- Visual inspection of growing plants and plant material utilizing 30x eye loops and microscopes to detect fungus, rot, mold, mildew, and other pests and pathogens.
  - Detailed inspections will be documented in an inspection log which will include:
  - Date of inspection.
  - Name and employee ID of inspecting employee.
  - Location inspected.
  - Result of inspection.
  - If an infection is suspected:
    - Description of potential infection observed.
    - Specific location and number of affected plants.

Any discovery of potential infections will be reported to the Cultivation Director immediately, who will be responsible for implementing appropriate protocols to address the potential infection, including implementing quarantine and/or destruction of infected plants.

**Inspection of Flower for Extraction:** Upon the receipt of any material from the Drying Room to be processed by the lab, processing staff members will perform a visual inspection of the accompanying documentation and materials and will confirm that the weight received matches the documentation. The flowers are tested for potency, residual mold and fungus. Inspection for mold and fungus are performed using eye loops and microscopes. All accepted materials will be



checked into the Flourish seed-to-sale tracking system prior to handling by any other employee.

**Testing Protocols:** After extraction, marijuana concentrates are tested for cannabinoid profile, residual solvents, and contaminants, including but not limited to mold, mildew, heavy metals, plant-growth regulators, and non-organic pesticides. All testing records shall be maintained for at least one year. In the event that testing reveals unacceptable levels of solvents, contaminants or undesirable cannabinoid profiles, the Laboratory Manager will be responsible for establishing corrective procedures in response to such test results.

Pursuant to 935 CMR 500.160, with the exception of the sale of seeds, NAKED NATURE will ensure that none of our marijuana products, including marijuana, will be sold or otherwise marketed for adult use that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000. Testing of marijuana products shall be performed by an Independent Testing Laboratory in compliance with the *Protocol for Sampling and Analysis of Finished Medical Marijuana Products and Marijuana-infused Products*, as amended in November, 2016, published by the DPH. Testing of environmental media (e.g., soils, solid growing media, and water) will be performed in compliance with the *Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Retailers* published by the DPH.

NAKED NATURE's Operations Director will ensure that written policies are in place for responding to laboratory results that indicate contaminant levels are above acceptable limits established in the DPH protocols identified in 935 CMR 500.160(1). Standard Operating Procedures will include:

- Quarantining the affected batch.
- Assessing the source of the contamination.
- Establishing specific protocols for preventing future contamination.
- Determining whether product can be remediated.
- Entering into a designated log information including the date, name of laboratory, production batch, form of product, test results, whether contamination can be remediated, disposition, and name and ID number of NAKED NATURE agent(s) overseeing the process.
- Identifying remediation method and documenting results, if applicable, and arranging for re-testing of production batch.
- Destruction of product, if applicable, pursuant to 935 CMR 500.105(13).

NAKED NATURE will notify the Commission within 72 hours of any laboratory testing results indicating that the contamination cannot be remediated and will properly dispose of the production batch. We will include our proposed plan of action for both the destruction of the contaminated product and the assessment of the source of contamination. We will maintain the results of all testing for no less than one year.

All transportation of marijuana to and from the Independent Testing Laboratories providing marijuana testing services will comply with 935 CMR 500.105(13). Any excess marijuana returned to NAKED NATURE by the Independent Testing Laboratory will be disposed of in compliance with 935 CMR 500.105(12). NAKED NATURE will ensure that no marijuana product shall be sold or otherwise marketed for adult use that has not first been tested by an

Independent Testing Laboratory and deemed to comply with the standards required under 935 CMR 500.160.

### **C. Packaging Quality Control**

**Scale Operations:** Scales and proper quantity are essential to packaging. Packaging staff ensures scales are on a level surface and capable of zeroing out. Before weighing any product, the scale surface is cleaned with solvent and covered with parchment paper. Once parchment settles, the scale is zero/tare and the is ready for use. All scales, balances, or other weight and/or mass measuring device will be routinely calibrated using National Institute of Standards and Technology (NIST)-traceable reference weights, at least once each calendar year.

**Packaging and Label Requirements:** Packaging is conducted under video surveillance in a limited access area with restricted entry protocols. Products are individually wrapped and packaged at the original point of preparation within the packaging areas. All plant material sent to retailers is in tamper-proof, tamper-evident packages that are light-resistant and approved by the Department so that the integrity and stability of the plant material is maintained. All packaging is “safeguarded” and designed to protect contents from contamination. These containers do not impart any toxic or deleterious substance to the usable marijuana. If original seal of any marijuana packaged for sale is found damaged, staff will notify their supervisor so the loss can be entered into the inventory system and the product can be disposed of properly.

We track specific information for each package, keeping meticulous records. Prior to any package being approved for shipment, the packaging agent will check all documentation and labeling to ensure accuracy. When a batched lot of marijuana product is ready to be packaged and labeled, packaging employees physically and electronically log the inventory into the packaging room ensuring all product is properly transferred physically and within the inventory system. The employees will sign-off on a packaging log which will show what was shipped within the packaging room; this will ensure accountability. The packaging employee will properly package the marijuana and ensure that the labeling meets the requirements of 935 CMR 500.105(5).

QA personnel inspect all product prior to shipping to retailers. These personnel are provided with compliance checklists based upon 935 CMR 500.105(5) and are trained in detecting any product packaging errors, incorrect labelling, and defective and/or open containers. Product containers are meticulously inspected to ensure that they conform with Commission regulations prior to being inserted into the final tamper-proof, sealed, labelled packaging prior to delivery. Labels are meticulously inspected for regulatory compliance, and any packages with missing or incorrect information are rejected as non-conforming. No product leaves the facility for transport to a retailer without first being inspected.

Any packages that are found to be non-conforming by a production employee or by QA personnel will result in a supervisor being notified and appropriate notation will be made in the inventory tracking system. Depending on the reason for rejection, the non-conformance will either be remedied, and the product put back into the production line, or the product will be labeled for destruction.

#### **D. Recalls**

NAKED NATURE will maintain separate, locked, limited access areas for the storage of marijuana that is expired, damaged, deteriorated, mislabeled, contaminated, or recalled or whose containers or packaging have been opened or breached, until the items are destroyed or otherwise disposed of pursuant to 935 CMR 500.105(12). Marijuana products that are expired, damaged, deteriorated, mislabeled, contaminated, recalled or whose containers have been opened or breached will be quarantined into sealed and secured containers and stored in a separate area of the vault pending being rendered unusable and unrecognizable and ready for disposal.

In the event NAKED NATURE receives a complaint from a retailer regarding our marijuana or marijuana products, NAKED NATURE will investigate the complaint to determine if a voluntary or mandatory recall is necessary.

#### **No Action Required**

If NAKED NATURE determines that no action is required, NAKED NATURE will document the decision within 24 hours in a written report stating the rationale for taking no further action.

#### **Voluntary Recalls**

NAKED NATURE may voluntarily recall marijuana for reasons that do not pose a risk to health or safety. If a voluntary recall is initiated, NAKED NATURE will notify the Commission regarding the time the recall begins and the reason for the recall.

#### **Mandatory Recalls**

If NAKED NATURE discovers a condition related to marijuana cultivated and processed by NAKED NATURE that presents a public health and/or safety risk, NAKED NATURE will:

- Immediately contact the Commission by phone.
- Secure, isolate, and prevent further distribution of the respective product and quarantine what is currently in possession.
- Immediately contact retailers who have purchased the recalled product in order to ensure that the retailer quarantines any recalled product in its inventory until it can be appropriately destroyed.
- Ensure that the inventory tracking system is updated to include the amount of recalled product and the method and date of destruction.
- NAKED NATURE will conform to Commission instructions regarding further reports with regard to recalled product.

NAKED NATURE's recall plan will include the following:

- Designation of one or more employees to serve as recall coordinators, who will accept the recalled marijuana products.
- NAKED NATURE will quarantine all affected products and keep them in a separate locked area away from all other marijuana.
- NAKED NATURE will use our inventory tracking software and transport information to track all distribution channels for the respective recalled product.
- Immediately contact the laboratory in receipt of any of the recalled product.
- All contaminated products will be rendered useless with proper precaution used

when destroying products pursuant to 935 CMR 500.105(12).

NAKED NATURE will have an immediate communication plan for situations of recalls and will include the following:

- Phone calls will be placed immediately to all laboratories in receipt of recalled product.
- Updates will be made on social media and press releases will be made through the Commission.
- The Commission will be made aware immediately via phone call followed by a written statement.
- Our inventory tracking system and retailer alerts will be updated to reflect all recalls.

#### **E. Quarantine**

Marijuana products that are expired, damaged, deteriorated, mislabeled, contaminated, recalled or whose containers have been opened or breached will be quarantined into sealed and secured containers and stored in secure designated limited access areas in the highest security area of the facility. The products will be stored in a separate area of the storage vault pending being disposed of and will be recorded in the inventory tracking system. Access will be by authorized personnel only and will require two unique combinations for entry into the vault.

## **PERSONNEL POLICIES**

### **NAKED NATURE, LLC**

NAKED NATURE, LLC (NAKED NATURE) has adopted detailed personnel policies, the goals of which are to create a workplace that fosters an environment of inclusion, diversity, safety, and employee growth. A detailed description of Naked Nature's policies can be found in our Employee Handbook, a copy of which is provided to each employee prior to their official start date. For the purposes of this Application, the following is a brief overview of Naked Nature's personnel policies.

#### **A. Registration of Marijuana Establishment Agents/Background Checks**

Pursuant to 935 CMR 500.030, NAKED NATURE will apply to the Cannabis Control Commission (Commission) for registration of all employees. In keeping with those requirements, NAKED NATURE will only hire individuals who are 21 years of age or older and who have not been convicted in any jurisdiction inside or outside of the Commonwealth of an offense involving the distribution of controlled substances to minors or any other mandatory disqualifying conviction.

NAKED NATURE will notify prospective employees that they will be required to undergo a background check obtained through the Massachusetts Criminal Offender Record Information system (CORI) prior to commencing employment. The prospective employee will be required to verify their identity with NAKED NATURE by providing a valid government-issued photo identification, such as a state-issued driver's license, a state-issued identification card with a photograph, a passport, or a military identification. In addition, the employee will be required to sign a CORI Acknowledgment Form, evidencing their consent to the CORI check and affirming that the identification information which they provided is true and accurate.

Prospective employees will also be required to provide the following information to be submitted to the Commission in the application for registration:

- Full name, date of birth, and address;
- All aliases used or previously in use, including maiden name if applicable;
- A copy of driver's license, government-issued identification card, or other verifiable identity document acceptable to the Commission;
- An attestation that the employee will not engage in the diversion of marijuana products;
- Written acknowledgement of any limitations of his or her authorization to cultivate, harvest,

prepare, package, possess, transport, and dispense marijuana in the Commonwealth; and

- Background information including, criminal actions, civil or administrative actions, past or pending denial, suspension, or revocation of a professional or business license or registration, and/or past or pending disciplinary action or unresolved complaint with regard to any professional license or registration, pursuant to 935 CMR 500.030(2)(f).

Upon receipt of the registration card, the employee will be required to carry the card at all times when in possession of marijuana products, including at all times while at the establishment or while transporting marijuana products. Employees will receive a written copy of the grounds for revocation of a registration card as detailed in 935 CMR 500.032. Employees will be required to inform NAKED NATURE within 24 hours of any event that may constitute grounds for revocation of their registration card, if there are any changes to information that NAKED NATURE was previously required to submit to the Commission on their behalf, or if their registration card is lost or stolen.

## **B. General Employment Policies**

**Equal Employment Opportunity:** NAKED NATURE is an equal opportunity employer. We will extend equal opportunity to all individuals without regard to race, religion, color, sex (including pregnancy, sexual orientation and gender identity), national origin, disability, age, genetic information, or any other status protected under applicable federal, state, or local laws. Our policy reflects and affirms the Company's commitment to the principles of fair employment and the elimination of all discriminatory practices.

**Anti-Discrimination and Harassment:** This policy applies to all terms and conditions of employment, including but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, benefits, compensation and training. We seek to comply with all applicable federal, state and local laws related to discrimination and will not tolerate the interference with the ability of any of the Company's employees to perform their job duties. The Company makes decisions concerning employment based strictly on an individual's qualifications and ability to perform the job under consideration, the comparative qualifications and abilities of other applicants or employees, and the individual's past performance within the organization. The Company is committed to providing a work environment that provides employees equality, respect, and dignity. In keeping with this commitment, the Company has adopted a policy of "zero tolerance" about employee harassment. Harassment is defined under federal law as unwelcome conduct that is based on race, color, religion, sex (including pregnancy, sexual orientation, and gender identity), national origin, age (40 or older), disability or genetic information. Harassment becomes unlawful where: (1) enduring the offensive conduct becomes a condition of continued employment; or (2) the conduct is severe or pervasive enough to create a work environment that a reasonable person would consider intimidating, hostile, or abusive. This policy applies to all terms and conditions of employment. Harassment of any other person, including,

without limitation, fellow employees, contractors, visitors, clients, or customers, whether at work or outside of work, is grounds for immediate termination. The Company will make every reasonable effort to ensure that its entire community is familiar with this policy and that all employees are aware that every complaint received will be promptly, thoroughly, and impartially investigated and resolved appropriately. The Company will not tolerate retaliation against anyone who complains of harassment or who participates in an investigation.

Sexual harassment is prohibited by federal, state and local laws, and applies equally to men and women. Federal law defines sexual harassment as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when the conduct: (1) explicitly or implicitly affects a term or condition of an employee's employment; (2) is used as the basis for employment decisions affecting the employee; or (3) unreasonably interferes with an employee's work performance or creates an intimidating, hostile or offensive working environment. Such conduct may include but is not limited to: subtle or overt pressure for sexual favors; inappropriate touching; lewd, sexually oriented comments or jokes; foul or obscene language; posting of suggestive or sexually explicit posters, calendars, photographs, graffiti, or cartoons; and repeated requests for dates.

Company policy further prohibits harassment and discrimination based on sex stereotyping. (Sex stereotyping occurs when one person perceives a man to be unduly effeminate or a woman to be unduly masculine and harasses or discriminates against that person because he or she does not fit the stereotype of being male or female.) The Company encourages reporting of all perceived incidents of sexual harassment, regardless of who the offender may be. Every employee is encouraged to raise any questions or concerns with his or her immediate supervisor, designated manager, or CEO.

If it is determined that inappropriate conduct has occurred, the Company will act promptly to eliminate the offending conduct, and take such action as is appropriate under the circumstances.

Such action may range from counseling to termination of employment, and may include such other forms of disciplinary action, as the Company deems appropriate under the circumstances and in accordance with applicable law.

**Americans with Disabilities Act:** The federal Americans with Disabilities Act (ADA) prohibits discrimination against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, fringe benefits, job training and other terms, conditions and privileges of employment. The ADA does not alter the Company's right to hire the best-qualified applicant, but it does prohibit discrimination against a qualified applicant or employee because of his or her disability, or because of a perceived disability. As a matter of Company policy, the Company prohibits discrimination of any kind against people with disabilities. A reasonable accommodation

is any change in the work environment (or in the way things are usually done) to help a person with a disability apply for a job, perform the duties of a job, or enjoy the benefits and privileges of employment. Qualified applicants or employees who are disabled should request reasonable accommodation from the Company in order to allow them to perform a particular job.

**Immigration Law:** NAKED NATURE complies with the Immigration Reform and Control Act of 1986 by employing only U.S. citizens and non-citizens who are authorized to work in the United States. All employees are asked on their first day of work to provide original documents verifying the right to work in the United States and to sign a verification form required by federal law (Form 1-9). Employees who are unable to verify their right to work in the United States within three (3) days of hire, shall have their employment terminated as required by law.

**Dress Code:** Employees who do not have direct contact with marijuana or marijuana products are expected to present a clean and professional appearance. All staff working in direct contact with marijuana or marijuana products will be required to wear freshly laundered uniforms and protective gear and must wear gloves when handling marijuana. Effective hair restraints and beard nets will be worn whenever marijuana or marijuana products are being handled. Jewelry shall be limited to a watch or wedding band. All staff working in direct contact with marijuana or marijuana products will be required to wash hands thoroughly before starting work and ensure best sanitary practices while in the facility. Anyone who is shown to have or appears to have an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination will be excluded from access to any area containing marijuana or marijuana products until the condition is corrected and the employee has been given supervisory approval to return to their position.

**Performance/Salary Reviews:** Performance reviews are performed on an annual basis on or before July 1st. Within the course of the year, there may be additional reviews depending on performance and the supervisor. All performance reviews will be completed in writing by supervisor or manager on the form designated by the Company and reviewed during a conference with employee. Factors considered in the review include the quality of job performance, attendance, meeting the requirements of job description, dependability, attitude, cooperation, compliance with Company employment policies, any disciplinary actions, and year-to-year improvement in overall performance. Compensation increases are given by the Company at its discretion in consideration of various factors, including performance review.

**Internet Policy:** The Company email and Internet system is at all times the property of the Company. By accessing the Internet, Intranet and electronic mail services through facilities provided by the Company, employee acknowledges that the Company (by itself or through its Internet Service Provider) may from time to time monitor, log and gather statistics on employee Internet activity and may examine all individual connections and communications. The Company uses email filters to block spam and computer viruses.



The Company email system is Company property, and as such, is subject to monitoring. Electronic mail is like any other form of Company communication and may not be used for harassment or other unlawful purposes.

**Drug, Smoke, and Alcohol-Free Workplace:** All employees are prohibited from engaging in the unlawful manufacture, possession, use, distribution or purchase of illicit drugs, alcohol or other intoxicants, as well as the misuse of prescription drugs on Company premises or at any time and any place during working hours. All employees are required to report to their jobs in appropriate mental and physical condition, ready to work. Employees who have an alcohol or drug abuse problem are encouraged to seek appropriate professional assistance and may inform immediate supervisor, designated manager, Operations Director, or CEO for assistance in seeking help to address substance abuse. When work performance is impaired, admission to or use of a treatment or other program does not preclude appropriate action by the Company. Any violator of this substance abuse policy will be subject to disciplinary action up to and including termination of employment.

NAKED NATURE is a smoke-free workplace. Smoking of tobacco is permitted outside of the building only, and only in designated smoking areas. No smoking of cannabis shall be permitted on the premises at any time.

The following actions will result in immediate dismissal:

- Diverting marijuana, which shall be reported immediately to law enforcement and to the Cannabis Control Commission.
- Engaging in unsafe practices with regard to Naked Nature operations, which shall be reported to the Commission.
- Being convicted or entering 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 any other jurisdiction.

**Drug and Alcohol Testing Policy for Drivers (Pre-Employment, Reasonable Suspicion, Random Screening):** NAKED NATURE is a drug-free workplace. All current and prospective Drivers must abide by our drug testing policy. Prospective Drivers will only be asked to submit to a test once a conditional offer of employment has been extended and accepted. An offer of employment is conditioned on the prospective employee testing negative for illegal substances.

NAKED NATURE's policy is intended to comply with FMCSR, DOT and all state laws governing drug testing and is designed to safeguard employee privacy rights to the fullest extent of the law.

If there is reason to suspect that the employee is working while under the influence of an illegal drug or alcohol, the employee will be suspended until the results of a drug and alcohol test are made available to the Company by the testing laboratory. Where drug

or alcohol testing is part of a routine physical or random screening, there will be no adverse employment action taken until the test results are in.

Before being asked to submit to a drug test, the employee will receive written notice of the request or requirements. The employee must also sign a testing authorization and acknowledgement form confirming that he or she is aware of the policy and employee's rights.

Any drug testing required or requested the Company will be conducted by a laboratory licensed to do business in the state. All expenses related to the test will be incurred by the company. If the employee receives notice that the employee's test results were confirmed positive, the employee will be given the opportunity to explain the positive result. In addition, the employee may have the same sample retested at a laboratory of the employee's choice. All testing results will remain confidential. Employee must sign a consent form prior to the release of results. Test results may be used in arbitration, administrative hearings and court cases arising as a result of the employee's drug testing. Results will be sent to federal agencies as required by federal law. If the employee is to be referred to a treatment facility for evaluation, the employee's test results will also be made available to the employee's counselor.

**Safety and Accident Rules:** NAKED NATURE will provide a clean, hazard-free, healthy, safe environment in which to work and make every effort to comply with all relevant federal, state, and local occupational health and safety laws, including the federal Occupational Safety and Health Act. Employees are required to comply with the safety rules of the Company and are expected to take an active part in maintaining this hazard-free environment. Employees should observe all posted safety rules, adhere to all safety instructions provided by supervisor and use safety equipment where required. Workspace should be kept neat, clean and orderly. Employees are required to report any accidents or injuries –including any breaches of safety – and to promptly report any unsafe equipment, working condition, process or procedure to a supervisor.

If an employee becomes ill or is injured while at work, the employee must notify the supervisor immediately. Failure to do so may result in a loss of benefits under the state workers' compensation law. In the event of a work-related injury, the Company will endeavor to provide a light duty/modified work position to accommodate the physical limitations imposed by the injury. Employees are expected to cooperate in the accident investigation process and injury management plan. Failure to abide by the Company's safety and accident rules may result in disciplinary action, up to and including termination.

**Compensation:** Employees will be paid bi-weekly. Federal, state, and local taxes will be withheld as required by law, as well as the required FICA payments.

**Benefits:** NAKED NATURE will provide a full benefits package to employees that will include medical insurance, dental insurance, long-term disability plan, life insurance, and 401k. Employees are responsible for a portion of the premium for benefits, which

contribution will be deducted from the employee's paycheck. The Company will also provide workers' compensation insurance based on state regulations.

**Holidays, Vacation, Other Leave:** NAKED NATURE will provide one (1) day of paid leave to employees who, for religious reasons, must be away from the office on days of normal operation; otherwise the employee must use vacation and/or personal days.

Vacation time is available to full-time employees based on length of employment. Vacation accrual is capped at one and one half times an employee's annual vacation accrual rate. Full-time employees are also eligible for the following paid holidays:

- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day
- New Year's Day

One Floating holiday to be taken on one of the following holidays:

- President's Day
- Columbus Day
- Day after Thanksgiving
- Christmas Eve

Employees also accrue one hour of personal/sick leave each month for every 30 hours of work, up to a total of 40 hours per calendar year.

NAKED NATURE also provides up to three days of paid time off for bereavement leave in the event of the death of a member of immediate family and one day of paid time off in the event of the death of an extended family member. Employees serving in the uniformed services, including the Army, Navy, Marine Corps, Air Force, Coast Guard and Public Health Service commissioned corps, as well as the reserves, may take unpaid military leave as needed, but must provide advance written or verbal notice to the Company unless giving notice is impossible, unreasonable, or precluded by military necessity.

**Break Time for Nursing Mothers:** The federal Fair Labor Standards Act (FLSA) allows employees to take reasonable, unpaid break time to express breast milk as needed for up to one (1) year after the birth of a child. The Company will provide a place for the employee to express breast milk, other than a bathroom, that is shielded from view and

free from intrusion from coworkers and the public. Employees will not be discharged or in any other manner discriminated against in exercising their rights under this policy.

**Civic Duty Leave:** Employees will be allowed to leave to serve on a jury, if summoned.

NAKED NATURE will pay employees their regular wages for any work missed for the first three days of service as required by Massachusetts law. Employees called to appear as a witness will be permitted to appear, but without pay.

### **C. Training**

Pursuant to 935 CMR 500.105(2), all of NAKED NATURE's employees will be required to complete training prior to performing their job functions. Training will be tailored to the roles and responsibilities of the job function of each employee, and, at a minimum, must include a Responsible Vendor Program under 935 CMR 500.105(2)(b). Staff will receive no less than eight hours of on-going training annually. The core curriculum will include marijuana's effect on the human body, diversion prevention, compliance with tracking requirements, and key state laws and regulations. Employees will be tested on training content and must pass the test by their third attempt in order to remain employed. In addition to these requirements, employees will also receive continuing education related to their specific job functions and training in personal safety, crime prevention, building security, use of personal protective equipment, proper sanitation practices, workplace diversity and tolerance, sexual harassment, and incident reporting.

### **D. Termination of Employment**

Prior to leaving the premises on their final day of employment, employees will be required to surrender to the Company their registration card, their ID badge, any keys or keycards, and any other Company property that may have been issued to the employee by NAKED NATURE. The Operations Director will ensure that all systems to which the employee had password access will have new passwords assigned no later than 24 hours after close of business on the employee's last day of employment. NAKED NATURE will notify the Commission of the employee's change of status no more than one business day after the employee ceases to be associated with the Company.

### **E. Record Keeping Compliance**

NAKED NATURE will maintain staffing and business records to ensure full transparency and recorded accountability. These records will be maintained in accordance with generally accepted accounting principles.

Records will be maintained in a manner so that they are ready for inspection by the Commission upon request. During all business hours there will be at least one staff member present who is able to provide the records adequately and thoroughly for inspection by the Commission.

Records will be maintained both digitally and physically. Digital records will be password protected while physical records are locked. A log will be maintained that must be

initialed by authorized employees to sign out physical records for inspection or updates. Inventory records and Seed-to-Sale records will be updated daily. All employees will be required to report any activity during their shift that warrants updates in the records at the end of their shift. A staffing plan will be put in place that will demonstrate accessible business hours and safe cultivation conditions.

In accordance with 935 CMR 500.105 (9), General Operational Requirements for Marijuana Establishments, Record Keeping, NAKED NATURE's personnel records will be available for inspection by the Commission, upon request. Naked Nature's records shall be maintained in accordance with generally accepted accounting principles. Written records that are required and are subject to inspection include, but are not necessarily limited to, all records required in any section of 935 CMR 500.000, in addition to the following:

The following NAKED NATURE personnel records:

1. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
2. A personnel record for each of NAKED NATURE's marijuana establishment agents.

Such records shall be maintained for at least 12 months after termination of the individual's affiliation with NAKED NATURE and shall include, at a minimum, the following:

- a. all materials submitted to the Commission pursuant to 935 CMR 500.030(2);
  - b. documentation of verification of references;
  - c. the job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision
  - d. 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;
  - e. documentation of periodic performance evaluations;
  - f. a record of any disciplinary action taken; and
  - g. notice of completed responsible vendor and eight-hour related duty training.
3. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;
  4. Personnel policies and procedures; and

5. All background check reports obtained in accordance with 935 CMR 500.030. Records that contain confidential information, both of employees and customers, will be password protected if digital and locked if kept physically. Only authorized upper-level employees will have access to this information. Employees at all levels will be trained on how to maintain confidential information if they receive any during their working hours.

## **NAKED NATURE, LLC**

### **MAINTENANCE OF FINANCIAL RECORDS PLAN SUMMARY**

The purpose of this policy to ensure that NAKED NATURE, LLC (the “Company”) is fully compliant with relevant state and local law, including but not limited to 935 CMR 500.105(9), regulating Company records in a manner that does not endanger the Company’s proprietary and private information, or public health and safety.

Each Agent of the Company Cultivation Team (“CT”) shall be required to follow these policies and procedures.

The Company will meticulously maintain financial records in accordance with generally accepted accounting principles (“GAAP”) when appropriate and in a confidential and secure fashion. The documentation and financial record-keeping SOPs will satisfy all statutory compliance requirements and enable the Company to report required information to the Cannabis Control Commission (the “Commission”) and maintain complete transparency to anyone with a financial interest in the Company while maintaining privacy and security of proprietary information.

As required by 935 CMR 500.105(9), all records will be accessible to the Commission and local law enforcement upon request.

Records will be stored on a secure server in the limited-access security room in the cultivation facility; additionally, records shall be securely backed up on an encrypted remote cloud-based server. A backup will be possible over cellular connections in case of internet failure.

The Company will scan paper documents daily and upload them to the secure servers; all paper records containing sensitive or confidential information will be stored in a limited access area in locked file cabinets. Actions taken by agents to access and/or modify records will be tracked and accessible to management and the Commission.

The Company’s inventory control software will keep detailed, encrypted and remotely backed-up records for all aspects of inventory movement, including testing, transport, and distribution.

Written records that are required and are subject to inspection include, but are not necessarily limited to:

1. Inventory records as required by 935 CMR 500.105(8);
2. Seed-to-sale tracking records for all marijuana products as required by 935 CMR

500.105(8)(e);

3. Business records, which shall include manual or computerized records of:

- a. Assets and liabilities;
- b. Detailed Profit and Loss statements;
- c. Monetary transactions;
- d. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
- e. Sales records including the quantity, form, and cost of marijuana products; and
- f. 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 the Company.

4. In the event the Company ceases business operations, the Company shall keep all records for at least two years at the expense of the Company and in a form and location acceptable to the Commission.

The Company shall maintain financial records according to the following timelines:

Record Type Retention Period

Accounts Payable ledgers and schedules 7 years

Accounts Receivable ledgers and schedules 7 years

Annual Audit Reports and Financial Statements Permanent

Annual Audit Records, including work papers and other documents that relate to the audit 7 years after completion of audit

Annual Plans and Budgets 2 years

Bank Statements and Canceled Checks 7 years

Employee Expense Reports 7 years

General Ledgers Permanent

Interim Financial Statements 7 years

Notes Receivable ledgers and schedules 7 years

Investment Records 7 years after the sale of investment

Credit card records (documents showing customer



credit card number) 2 years

Employee Deduction Authorizations 4 years after termination

Payroll Deductions Termination + 7 years

W-2 and W-4 Forms Termination + 7 years

Garnishments, Assignments, Attachments Termination + 7 years

Labor Distribution Cost Records 7 years

Payroll Registers (gross and net) 7 years

Time Cards/Sheets 2 years

Unclaimed Wage Records 6 years

## **Energy Efficiency and Conservation**

Naked Nature will demonstrate and consider the following factors:

- a) Identification of potential energy use reduction opportunities (such energy efficiency measures), and a plan for implementation of such opportunities.
- b) 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.
- c) Strategies to reduce electric demand (such as lighting schedules, active load management, and energy storage); and d) Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.

Naked Nature will satisfy minimum energy efficiency and equipment standards established by the Commission and meet all applicable environmental laws, regulations, permits and other applicable approvals, including those related to water quality and solid and hazardous waste management, prior to obtaining a final license under 935 CMR 500.103(2). Naked Nature will adopt and use additional best management practices as determined by the Commission, in consultation with the working group established under St. 2017, c. 55, § 78(b), to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts, and will provide energy and water usage reporting to the Commission in a form determined by the Commission. Naked Nature will be subject to the following minimum energy efficiency and equipment standards:

- a)** The building envelope for all facilities, except greenhouses, must meet minimum Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR: State Building Code), International Energy Conservation Code (IECC) Section C.402 or The American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE) Chapters 5.4 and 5.5 as applied or incorporated by reference in 780 CMR: State Building Code, except that facilities using existing buildings may demonstrate compliance by showing that the envelope insulation complies with code minimum standards for Type Factory Industrial F-1, as further defined in guidelines issued by the Commission.

**b)** The Lighting Power Densities (LPD) for cultivation space must not exceed an average of 36 watts per gross square foot of active and growing space canopy, but for Tier 1 and Tier 2 a requirement of 50 watts per gross square foot of active canopy or growing unless otherwise determined in guidelines issued by the Commission. Naked Nature will operate at 18.4 watts per sqft with our LED lighting technology.

**c)** Heating Ventilation and Air Condition (HVAC) and dehumidification systems must meet Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR: State Building Code), IECC Section C.403 or ASHRAE Chapter 6 as applied or incorporated by reference in (780 CMR: State Building Code).

**d)** Safety protocols must be established and documented to protect workers and consumers (e.g., eye protection near operating grow light).

**e)** Requirements 935 CMR 500.120(11)(b) and (c) will not be required if an indoor cannabis cultivator is generating 100% or more of the onsite load from an onsite clean or renewable resource.

**f)** The Commission may further define these standards, or create reasonable exemptions or modifications, through guidelines issued in consultation with the energy and environmental standards working group established under St. 2017, c. 55, § 78(b), including but not limited to provisions for greenhouses and agricultural buildings.

## **NAKED NATURE EMPLOYEE QUALIFICATIONS AND TRAINING PLAN SUMMARY**

NAKED NATURE LLC (the “Company”) has developed a cultivation methodology based on over 75 years of organic and sustainable agricultural experience. The Company’s goal is to hire individuals with the requisite character traits and to train them in this cultivation method.

All marijuana establishment agents shall 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 (“Agent”), and at a minimum, every Agent shall complete within 90 days of hiring the Responsible Vendor Program under 935 CMR 500.105(2)(b). At a minimum, Agents shall receive eight hours of on-going training annually.

### **Employee Qualifications.**

The Company intends to hire and train all the necessary staff for the cultivation facility, including, but not limited to the following:

#### **(1) Master Grower.**

The Master Grower oversees the overall grow operation for all indoor cultivation. He/she maintains the environment for the indoor grow room and trains others to do the job while he/she is away. The Master Grower is responsible for maintaining the schedule and ensuring the method is followed according to specs and protocols as set forth by NAKED NATURE. The Master Grower shall be responsible for maintaining daily detailed records that document changes in nutrients, environmental conditions, pests, disease, and lighting, for future reference, guidance, and consistency. The Master Grower shall manage and responsible for all day-to-day cultivation operations, including daily monitoring and management for cultivation, nutrition, irrigation, pests, and disease. The Company prefers but does not require 3 years of industry cultivation experience.

#### **(2) Assistant Grower/Cultivation Supervisor**

The Assistant Grower/Cultivation Supervisor oversees the cultivation staff. He/She acts as head grower whenever the Master Grower is unavailable. He/She is the equivalent of an understudy he/she must know everything the Master Grower knows, maintain the day-to-day operations of

the cultivation site and train the remainder of the crew.

### **(3) Inventory Manager**

The Inventory Manager oversees keeping an accurate inventory of all cannabis products in the cultivation facility as well as setting up orders for materials and purchasing or selling marijuana and marijuana products. The Company prefers but does not require inventory experience from another industry, usually food service or retail.

### **(4) General Cultivation Staff**

The General Cultivation Staff ("GCS") shall be trained to do everything from potting plants, cloning, pruning, trellising, harvesting, and watering plants, disposing of waste material, to trimming harvested flower, packaging it for sale, and recording inventory and waste for the Company's marijuana tracking and reporting system required by the Adult Use Regs. The GCS is also responsible for preparing raw material for curing. This entails cutting the buds off the branches and getting them ready for the Master Grower to cure.

#### **The Company will look for the following qualifications:**

1. Honesty, Integrity, and Growth-mindset.
2. Self-motivated and able to work in a team.
3. Organizational Skills.
4. Ability to perform rigorous and repetitive manual labor.
5. 21 years of age or older.
6. Ability to pass a background check with no prohibited criminal offenses 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;
7. Suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802. However, no one shall be excluded from employment solely on the basis of offenses related to possession of controlled substances under M.G.L. c. 94C Section 34, or an equivalent conviction in another jurisdiction.
8. Some horticulture, gardening, and/or farming experience preferred, but not required.

**Training Upon Hiring.**

1. Orientation to company culture and policies.
2. Within 90 days of hiring, Responsible Vendor Program as required by 935 CMR 500.105(2)(b).
3. Security and workplace safety training.
4. Record keeping and compliance training.
5. Technical training
  - a. Planting
  - b. Trellising
  - c. Pruning
  - d. Harvesting
  - e. Trimming
  - f. Packaging & inventory
  - g. Waste disposal and Composting plant: health, pest, disease monitoring

**On-going Training.**

6. Annual Responsible Vendor Program as required by 935 CMR 500.105(2)(b) prior to each employee's hiring anniversary date.
7. Quarterly record keeping and compliance training.
8. Quarterly Security training.
9. Quarterly Technical training.
  - a. Soil science and microbiology
  - b. Nutrient balancing
  - c. Irrigation
  - d. Botany/Horticulture
  - e. Composting

## **DIVERSITY PLAN**

Naked Nature, LLC (“Naked Nature” or the “Company”) is committed to actively promoting diversity, inclusion, and cultural competency, by implementing programmatic and operational procedures and policies that will help to make Naked Nature a leader and champion of diversity, both locally and throughout the broader Massachusetts cannabis industry. Naked Nature’s commitment to diversity is reflected in the following Goals, which shall be pursued through the Programs outlined herein, and the progress of which shall be judged by the Measurements/ Metrics as stated below, and adjusted as needed if necessary:

### **Goal One:**

Achieve at least the following goals for our staffing needs from individuals from the following groups:

<i>Veterans -</i>	15%
<i>People with Disabilities -</i>	15%
<i>LGBTQ+ individuals -</i>	15%
<i>Women -</i>	15%
<i>People of color, particularly Black, African American, Hispanic, Latinx, and Indigenous people -</i>	15%

### **Programs to Achieve Diversity Goal One:**

Increase diversity of the make-up of our staff by actively seeking out people who are members of the groups listed in Goal One, through both in-house hiring initiatives and annual advertisements in the *Worcester Telegram & Gazette* at least once a year and as frequently as needed as staffing needs dictate.

### **Metrics and Measurements for Diversity Goal One:**

Naked Nature shall evaluate its personnel files on a semi-annual basis to determine how many employees are members of the groups listed in Goal One occupy positions within the company and that number shall be divided by Naked Nature’s total staffing at its facility to determine the percentage achieved.

**Goal Two:**

Enhance workforce diversity by contracting with diverse businesses, by striving to meet the below percentages of contractors, suppliers, and subcontractors from the groups specified:

*Minority Business Enterprise - 5%*

*Women Business Enterprise - 5%*

*Veteran Business Enterprise - 5%*

*LGBT Business Enterprise - 5%*

*Disability-Owned Business Enterprise - 5%*

**Programs to Achieve Diversity Goal Two:**

Naked Nature will make good faith efforts to employ contractors, subcontractors, and suppliers who are listed in the Commonwealth of Massachusetts Directory of Certified Businesses as being a business from the categories above, with particular consideration given to businesses classified as Disadvantaged Business Enterprises.

Naked Nature will seek to have diversity across the listed demographic groups and measure those against the primary ownership of all of our contracted partners. We will strive to not limit our contractual relationships to a single disadvantaged business entity ("DBE") category and will instead seek a variety of qualifying businesses to contract with and will judge the mix of those relationships:

**Metrics and Measurements for Diversity Goal Two:**

Naked Nature shall maintain a list of active contractors, subcontractors, and suppliers and compare that list annually to the Massachusetts Directory of Certified Businesses to determine progress towards the goals listed above.

**Our goals are objectively reasonable.**

Naked Nature' staffing goals at our Establishment are objectively reasonable because of the facts (the demographics listed in the paragraph above) and our ability to advertise job positions in the *Worcester Telegram & Gazette*.

Naked Nature acknowledges that the progress or success of our plan will be documented upon renewal (one year from provisional licensure, and each year thereafter).



## Naked Nature LLC

Naked Nature will adhere to the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of Marijuana Establishments.

Naked Nature acknowledges that 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.