



Massachusetts Cannabis Control Commission

Marijuana Cultivator

General Information:

License Number: MC283027
Original Issued Date: 07/13/2021
Issued Date: 07/13/2021
Expiration Date: 07/13/2022

ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Sunhouse Mass, LLC

Phone Number: 415-250-8882 Email Address: cory@sunhousecannabis.com

Business Address 1: 428 Merrill Rd.

Business Address 2:

Business City: Pittsfield

Business State: MA

Business Zip Code: 01210

Mailing Address 1: 169 Bolsa Ave

Mailing Address 2:

Mailing City: Mill Valley

Mailing State: CA

Mailing Zip Code: 94941

CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

PRIORITY APPLICANT

Priority Applicant: no

Priority Applicant Type: Not a Priority Applicant

Economic Empowerment Applicant Certification Number:

RMD Priority Certification Number:

RMD INFORMATION

Name of RMD:

Department of Public Health RMD Registration Number:

Operational and Registration Status:

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

If no, describe the circumstances below:

PERSONS WITH DIRECT OR INDIRECT AUTHORITY

Person with Direct or Indirect Authority 1

Percentage Of Ownership: 100

Percentage Of Control: 100

Role: Owner / Partner

Other Role:

First Name: Phillip

Last Name: Roberts

Suffix:

Gender: Male

User Defined Gender:

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

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 2

Percentage Of Ownership:

Percentage Of Control:

Role: Other (specify)

Other Role: My wife - joint bank account holder

First Name: Lily

Last Name: Roberts

Suffix:

Gender: Female

User Defined Gender:

What is this person's race or ethnicity?: Asian (Chinese, Filipino, Asian Indian, Vietnamese, Korean, Japanese)

Specify Race or Ethnicity:

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

No records found

CLOSE ASSOCIATES AND MEMBERS

Close Associates or Member 1

First Name: LILY

Last Name: ROBERTS

Suffix:

Describe the nature of the relationship this person has with the Marijuana Establishment: Lily is the wife of Phillip Cory Roberts. They have a joint bank account from where the initial funding will be provided from. She will not have a managerial, operational roll or any authority over the marijuana establishment.

CAPITAL RESOURCES - INDIVIDUALS

Individual Contributing Capital 1

First Name: PHILLIP

Last Name: ROBERTS

Suffix:

Types of Capital: Monetary/Equity

Other Type of Capital:

Total Value of the Capital Provided: \$10000

Percentage of Initial Capital: 100

Capital Attestation: Yes

Individual Contributing Capital 2

First Name: LILY

Last Name: ROBERTS

Suffix:

Types of Capital: Monetary/Equity

Other Type of Capital:

Total Value of the Capital Provided: \$100000

Percentage of Initial Capital:

Capital Attestation: Yes

CAPITAL RESOURCES - ENTITIES

No records found

BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

Business Interest in Other State 1

Business Interest of an Owner or the Marijuana Establishment: Business Interest of an Owner

Owner First Name: Phillip

Owner Last Name: Roberts

Owner Suffix:

Entity Legal Name: Sunhouse Colorado, LLC

Entity DBA: Sunhouse

Entity Description: Medical and Recreational Cultivation and Manufacturer of Infused Products

Entity Phone:

415-250-8882

Entity Email:

cory@sunhousecannabis.com

Entity Website: www.sunhousecannabis.com

Entity Address 1: 4640 Ironton St

Entity Address 2:

Entity City: Denver

Entity State: CO

Entity Zip Code: 80239

Entity Country: USA

Entity Mailing Address 1: 4640 Ironton St

Entity Mailing Address 2:

Entity Mailing City: Denver

Entity Mailing State: CO

Entity Mailing Zip Code:

Entity Mailing Country:

DISCLOSURE OF INDIVIDUAL INTERESTS

No records found

MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 428 MERRILL RD

Establishment Address 2:

Establishment City: Pittsfield

Establishment Zip Code: 01201

Approximate square footage of the Establishment: 59000

How many abutters does this property have?: 38

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

Cultivation Tier:

Cultivation Environment:

FEE QUESTIONS

Cultivation Tier: Tier 06: 40,001 to 50,000 sq. ft Cultivation Environment: Indoor

HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Community Outreach Meeting Documentation	Community-Outreach-Meeting-Attestation-Form_MASS.pdf	pdf	5f6b9503ac4d5e07c7f9c33f	09/23/2020
Community Outreach Meeting Documentation	FILED CITY CLERK and PLANNING BOARD_Community Outreach Meeting - Notice_Pittsfield MA.pdf	pdf	5f6b9521564e5f07d034a293	09/23/2020
Community Outreach Meeting Documentation	Abutter Mail sent for Community Outreach Meeting - Notice_Pittsfield MA.pdf	pdf	5f6b954073481907b14c7629	09/23/2020
Community Outreach Meeting Documentation	SUNHOUSE_COMMUNITY NEWSPAPER NOTICE.pdf	pdf	5f6b95568012da07a0d92c4e	09/23/2020
Certification of Host Community Agreement	HCA - CERTIFICATION.pdf	pdf	5f6ba56211982107a722fc1e	09/23/2020
Plan to Remain Compliant with Local Zoning	PLAN TO REMAIN COMPLIANT ZONING.pdf	pdf	5fb40962dd2d7407beded894	11/17/2020

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	PLAN TO POSITIVELY IMPACT AREAS OF DISPROPORTIONATE IMPACT.pdf	pdf	5fe2477ee767d307ceee27b7	12/22/2020

ADDITIONAL INFORMATION NOTIFICATION

Notification:

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: Owner / Partner

Other Role:

First Name: PHILLIP

Last Name: ROBERTS Suffix:

RMD Association: Not associated with an RMD

Background Question: yes

Individual Background Information 2

Role: Other (specify)

Other Role: Wife of Phillip Cory Roberts - joint bank account holder

First Name: LILY

Last Name: ROBERTS

Suffix:

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	ARTICLES OF ORGANIZATION.pdf	pdf	5f6cfd2fa54dc507c1f51c0b	09/24/2020
Bylaws	SUNHOUSE MASS OPERATING AGREEMENT.pdf	pdf	5f6d0b53be635707e886c094	09/24/2020
Secretary of Commonwealth - Certificate of Good Standing	CERTIFICATE OF GOOD STANDING.pdf	pdf	5f7362e09bb9f30799288a25	09/29/2020
Department of Revenue - Certificate of Good standing	ATTESTATION FOR THE DEPARTMENT OF UNEMPLOYMENT.pdf	pdf	5fd7cb6fdd0ccd07744900e0	12/14/2020
Department of Revenue - Certificate of Good standing	CERTIFICATE OF GOOD STANDING REVENUE.pdf	pdf	5fd8de24dd0ccd0774490325	12/15/2020

No documents uploaded

Massachusetts Business Identification Number: 001375072

Doing-Business-As Name:

DBA Registration City:

BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	PLAN TO OBTAIN INSURANCE.pdf	pdf	5f6e44f173481907b14c809e	09/25/2020
Business Plan	SUNHOUSE BUSINESS PLAN.pdf	pdf	5fb40b09dfcf9f07cd94679b	11/17/2020
Proposed Timeline	TIMELINE .pdf	pdf	5fdd398836d86207eb966fee	12/18/2020

OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
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Prevention of diversion	PREVENTION OF DIVERSION.pdf	pdf	5f73a14e9193d007a21952fb	09/29/2020
Maintaining of financial records	MAINTAINING FINANCIAL RECORDS.pdf	pdf	5f73a16d8109e507db0400d2	09/29/2020
Inventory procedures	INVENTORY PROCEDURES.pdf	pdf	5f73a17c9bb9f30799288b6d	09/29/2020
Security plan	SECURITY PLAN.pdf	pdf	5fda6d694a175107ac954b62	12/16/2020
Storage of marijuana	STORAGE OF MARIJUANA.pdf	pdf	5fda7a28301ec4074f75735f	12/16/2020
Transportation of marijuana	TRANSPORTATION.pdf	pdf	5fda910d925f52079a1f4bd1	12/16/2020
Restricting Access to age 21 and older	RESTRICTING ACCESS TO AGE 21.pdf	pdf	5fda921caa3b3307861d3169	12/16/2020
Personnel policies including background checks	PERSONNEL POLICIES.pdf	pdf	5fdab723f867b207bbf12071	12/16/2020
Record Keeping procedures	RECORD KEEPING.pdf	pdf	5fdac5f163caf5075a67fb68	12/16/2020
Qualifications and training	QUALIFICATIONS AND TRAINING.pdf	pdf	5fdbbef444f61c07f67fc624	12/17/2020
Policies and Procedures for cultivating.	POLICIES AND PROCEDURES CULTIVATION.pdf	pdf	5fdbf807841ecf07f32a8972	12/17/2020
Energy Compliance Plan	ENERGY COMPLIANCE PLAN.pdf	pdf	5fdbfc0d60fc2607ca6ab0b6	12/17/2020
Quality control and testing	QUALITY TESTING.pdf	pdf	5fdbfe8de826e207c07d93a4	12/17/2020
Diversity plan	DIVERSITY PLAN.pdf	pdf	5fe2492d89d382080d8ec03c	12/22/2020

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

HOURS OF OPERATION

Monday From: 6:00 AM	Monday To: 8:00 PM
Tuesday From: 6:00 AM	Tuesday To: 8:00 PM
Wednesday From: 6:00 AM	Wednesday To: 8:00 PM
Thursday From: 6:00 AM	Thursday To: 8:00 PM
Friday From: 6:00 AM	Friday To: 8:00 PM
Saturday From: 6:00 AM	Saturday To: 8:00 PM
Sunday From: 6:00 AM	Sunday To: 8:00 PM

Community Outreach Meeting Attestation Form

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

I, PHILLIP CORY ROBERTS, (*insert name*) attest as an authorized representative of SUNHOUSE MASS, LLC. (*insert name of applicant*) that the applicant has complied with the requirements of 935 CMR 500 and the guidance for licensed applicants on community outreach, as detailed below.

1. The Community Outreach Meeting was held on 09/04/2019 (*insert date*).
2. A copy of a notice of the time, place, and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was published in a newspaper of general circulation in the city or town on 08/26/2019 (*insert date*), which was at least seven calendar days prior to the meeting. A copy of the newspaper notice is attached as Attachment A (*please clearly label the newspaper notice in the upper right hand corner as Attachment A and upload it as part of this document*).
3. A copy of the meeting notice was also filed on 08/27/2019 (*insert date*) with the city or town clerk, the planning board, the contracting authority for the municipality, and local licensing authority for the adult use of marijuana, if applicable. A copy of the municipal notice is attached as Attachment B (*please clearly label the municipal notice in the upper right-hand corner as Attachment B and upload it as part of this document*).
4. Notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed on 08/26/2019 (*insert date*), which was at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. A copy of one of the notices sent to abutters and parties of interest as described in this section is attached as Attachment C (*please clearly label the municipal notice in the upper right hand corner as Attachment C and upload it as part of this document; please only include a copy of one notice and please black out the name and the address of the addressee*).

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



NOTICE TO:

CITY CLERK OF PITTSFIELD

COMMUNITY OUTREACH MEETING - 428 Merrill Rd Pittsfield, MA 01201

Notice is hereby given that a Community Outreach Meeting for a proposed marijuana cultivation, manufacturing, and processing facility is scheduled for **Wednesday, September 4th, 2019 at 6:00 PM** at the **Pittsfield Library Auditorium**. The proposed marijuana cultivation, manufacturing, and processing facility is anticipated to be located at **428 Merrill Rd Pittsfield, MA 01201**. There will be an opportunity for the public to ask questions.

Thank you!



COMMUNITY OUTREACH MEETING - 428 Merrill Rd Pittsfield, MA 01201

Notice is hereby given that a Community Outreach Meeting for a proposed marijuana cultivation, manufacturing, and processing facility is scheduled for **Wednesday, September 4th, 2019 at 6:00 PM** at the **Pittsfield Library Auditorium**. The proposed marijuana cultivation, manufacturing, and processing facility is anticipated to be located at **428 Merrill Rd Pittsfield, MA 01201**. There will be an opportunity for the public to ask questions.

Thank you!

The Berkshire Eagle

SECTIONS HOME NEWS SPORTS CULTURE OPINION CALENDAR OBITUARIES



Calendar / Community Outreach Meeting

Community Outreach Meeting

Posted Monday, August 26, 2019 3:55 pm by Sean@Blacktruck.net



Pittsfield
Library
Auditorium
1 Wendell Ave.
Pittsfield, MA
01201

Notice is hereby given that a Community Outreach Meeting for a proposed marijuana cultivation, manufacturing, and processing facility is scheduled for Wednesday, Sept. 4, 2019 at 6 p.m. at the Pittsfield Library Auditorium. The proposed marijuana cultivation, manufacturing, and processing facility is anticipated to be located at 428 Merrill Road, Pittsfield. There will be an opportunity for the public to ask questions.

EVENT DATE

Wednesday, September 4, 2019

EVENT TIME

6:00 PM - 7:00 PM

CONTACT

Cory Roberts

CATEGORIES

[Community](#)

Host Community Agreement Certification Form

Instructions

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

Certification

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

1. Name of applicant:

SUNHOUSE MASS, LLC.

2. Name of applicant's authorized representative:

CORY ROBERTS

3. Signature of applicant's authorized representative:

Cory Roberts

Digitally signed by Cory Roberts
Date: 2020.07.24 11:42:16 -07'00'

4. Name of municipality:

City of Pittsfield

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

Linda M. Fyer, Mayor



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

Linda M. Jyp

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

Mayorsoffice@cityofpittsfield.org

8. Host community agreement execution date:

8/5/2020



PLAN TO REMAIN COMPLIANT WITH LOCAL ZONING

Sunhouse has built a strong relationship with the City of Pittsfield through the Host Community Agreement process. We have had multiple meetings with the City Planner and with each department head; including fire department, police department, building department, and health department. Each department has been proactive in assisting Sunhouse in providing information and expectations for compliance with Local Zoning and Ordinances. Through the build-out process and into the operations of the business, we will continue our close interaction with the departments to ensure that we stay compliant with all Local Zoning, including but not limited to;

- Fire and Life Safety; fire alarms, fire extinguishers, CO2 alarms, life-safety evacuation fans, policies and procedures for employees – will all be updated, recalibrated and revised as per local ordinances. We will maintain access roads for fire trucks and lock-box keys for emergency entrance.
- Police and Security; all gated entrances will be code locked and building entrances will be locked with biometrics and monitored 24/7. All alarms will be maintained up checked on a regular basis. Video camera coverage will encompass the entire inside and immediate outside of the building.
- Building permits; all construction will first meet the requirements to attain appropriate building permits. We will install and maintain all filtrations systems to mitigate odors.
- Sunhouse will inform the appropriate departments of any community complaints on an on-going basis
- Sunhouse will stay in compliance with the signed Host Community Agreement



PLAN TO POSITIVELY IMPACT AREAS OF DISPROPORTIONATE IMPACT

Sunhouse deeply values giving back to areas of disproportionate impact, with a focus on the city of Pittsfield. Pittsfield has historically struggled with high opioid use and drug abuse in the community. We aim to make an impact on the community's ability to make change.

We know that our long-term success is directly linked to the success of our employees, customers and the communities we serve. Through a combination of strategic relationships within the cannabis industry, local community training/mentorship programs, networking/job fair programs, and other community investments, we will create solutions that help strengthen the communities and provide opportunities for those residing in the City of Pittsfield that have been most disproportionately impacted.

Cannabis can be a controversial business for some and Sunhouse strongly believes that by integrating into the local community in a supportive manner, a true community partnership can be created. In order to achieve this goal, we set out our plans to positively impact the community. The plans Sunhouse implements will adhere to the requirements set forth in 935 CMR 500.105(4) as per the permitted and prohibited advertising, branding, marketing, and sponsorship practices for a Marijuana Establishment. The actions, plans, and programs implemented by Sunhouse will not violate the Commission's regulations with respects to limitations on ownership or control and will not violate other applicable state laws.

GOALS (POSITIVE IMPACT PLAN)

Sunhouse will be providing priority access to open job opportunities and will utilize our business assets (time, organization skills, finances) on providing specific skill training, mentorships, and employment. Our goal is to have 60% of employees from areas of disproportionate impact, specifically the City of Pittsfield. We will also make efforts to remove the systemic walls for those with past drug convictions by maintaining at least 10% of our employees who have past drug convictions.



PROGRAMS

- We will advertise, in the Berkshire Eagle newspaper, a community training program and job fair event that we will hold every January and July. The advertisement will specifically state the goal of providing job opportunities to those with previous drug convictions and to residents of Berkshire County. Sunhouse will rent a room at the Berkshire Athenaeum to hold the program. The 2-hour program will provide an insight on cannabis employment requirements, teach job specific skills from our management team, and provide access to employment opportunities within Sunhouse. We will partner with other cannabis companies in the Berkshire County to provide job opportunities with other cannabis producers, processors and retail operators.
- We will develop a mentorship program to be held at the Sunhouse facility for our employees with past drug convictions. The program will focus on how to become more engaged in and a valuable participant in the adult-use cannabis industry. The program will be held on a bi-monthly basis.
- We will give priority to local businesses, suppliers, contractors, builders, and vendors in Pittsfield for services to the Marijuana Establishment

MEASUREMENT

We will annually schedule the community training program events to ensure that we hold 2 events each year. We will maintain a log of participants and of those hired through the program. We will assess the success by counting the number of attendees and number of new hires that meet either the area of disproportionate impact or previous drug convictions and adjust our advertising strategies if we receive fewer than 10 participants and no new hires from the event.

We will continuously track our programs and adjust the frequency of training and networking events to ensure that our goal of 60% of our employees from areas of disproportionate impact is maintained. The tracking will include counting the number of employees from areas of disproportionate impact and dividing that number by the total number of Sunhouse employees.

We will continuously track our programs and adjust the frequency of training and networking events to ensure our goal of 10% of our employees with prior drug convictions



is maintained. The tracking will include counting the number of employees with drug convictions and dividing that number by the total number of Sunhouse employees.

We will quarterly audit the number of job fair events and training programs held within the last 12 months and make plans to ensure 2 events a year are held.

TIMELINE

Sunhouse recognizes the potential difficulty in meeting the set forth goals of 60% employees from areas of disproportionate impact and 10% of employees with past drug convictions. Therefore, we have set a timeline to meet those goals below.

Start-Date:

Goal is to have an initial staff made up of at least 25% employees from areas of disproportionate impact and 5% employees with past drug convictions

End of first Quarter immediately preceding Start-Date:

Goal is to have increased staff to at least 40% employees from areas of disproportionate impact and to meet the 10% employees with past drug convictions

6-month preceding Start-Date:

Goals is to fully meet our staffing requirements of at least 60% employees from areas of disproportionate impact and to meet the 10% employees with past drug convictions

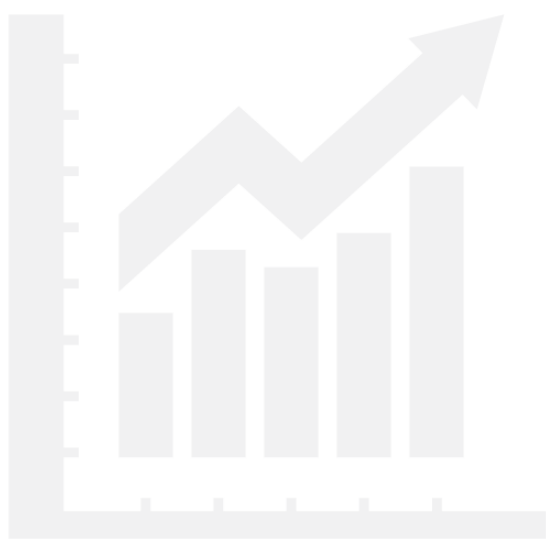
Renewal Acknowledgement

Sunhouse will document progress and success of the plan to positively impact areas of disproportionate impact, specifically the City of Pittsfield, on an annual basis with the renewal of the provisional licenses and do so each year after the initial renewal.

Articles of Organization



A set of formal documents filed with the Secretary of State to legally document the creation of a new business entity.





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: 0013750721. The exact name of the limited liability company is: SUNHOUSE MASS LLC

2a. Location of its principal office:

No. and Street: 428 MERRILL RDCity or Town: PITTSFIELDState: MAZip: 01201Country: USA

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

No. and Street: 428 MERRILL RDCity or Town: PITTSFIELDState: MAZip: 01201Country: USA

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

THE LLC IS ORGANIZING TO APPLY FOR A LICENSE WITH THE CCC

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:

Name: LEGALINC CORPORATE SERVICES INC.No. and Street: 1900 WEST PARK DRIVESUITE 280BCity or Town: WESTBOROUGHState: MAZip: 01581Country: USA

I, **PATTY SCLIMENTI ON BEHALF OF LEGALINC CORPORATE SERVICE** resident agent of the above limited liability company, consent to my appointment as the resident agent of the above limited liability company pursuant to G. L. Chapter 156C Section 12.

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

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

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
SOC SIGNATORY	CORY ROBERTS	169 BOLSA AVE,

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	CORY ROBERTS	169 BOLSA AVE, MILL VALLEY, CA 94941 USA

9. Additional matters:

SIGNED UNDER THE PENALTIES OF PERJURY, this 8 Day of April, 2019,
MARSHA SIHA
(The certificate must be signed by the person forming the LLC.)

THE COMMONWEALTH OF MASSACHUSETTS

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

April 08, 2019 02:46 PM

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

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth

**OPERATING AGREEMENT FOR SUNHOUSE MASS, LLC
A MASSACHUSETTS LIMITED LIABILITY COMPANY**

APRIL 10, 2019

This Operating Agreement of Sunhouse Mass, LLC (the “Company”), is made and entered into April 10, 2019, by Phillip Cory Roberts whose address is 169 Bolsa Ave. Mill Valley, CA. (“PCR”), and may be referred to as “Manager”, “Member” or “Managing Member”.

**ARTICLE 1
DEFINITIONS**

"Articles of Organization" of the Company means the Articles of Organization filed with the Secretary of the Commonwealth of Massachusetts, to form the Company, as originally executed and as amended, modified, supplemented or restated from time to time.

“Capital Account” means, with respect to any Member, the Capital Account maintained for such Person in accordance with the requirements of the Code including (without limitation) § 704(b) thereof and Regulations § 1.704-1(b) thereunder. In the event the Managers determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributions or distributed property or which are assumed by the Company or its Members) are computed in order to comply with such Regulations, the Managers may make such modification. The Managers also shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Regulations § 1.704-1(b)(2)(iv)(g), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Operating Agreement not to comply with Regulations § 1.704-1(b), provided that, to the extent that any such adjustment is inconsistent with other provisions of this Operating Agreement and would have a material adverse effect on any Member, such adjustment shall require the consent of such Member.

“Capital Contribution” shall mean any contribution to the capital of the Company in cash or property by a Member or other holder of an Economic Interest whenever made. “Initial Capital Contribution” shall mean the initial contribution of any Member to the capital of the Company pursuant to this Operating Agreement. “Additional Capital Contribution” shall include all Capital Contributions to the Company not including any Person’s Initial Capital Contribution.

“Class A Member” and “Class B Member” are as defined below.

“Class A Units” and “Class B Units” are as defined in Section 4.3, below.

"Code" means the Internal Revenue Code of 1986, as amended.

“Confidential Information”

(a) shall mean any and all information of or belonging to or developed by the Company (or Persons on behalf of the Company) that is of a confidential, proprietary, or secret nature, whether copyrighted, in paper format, digital format, blueprint, spreadsheet, photograph, or other format capable of conveying information which is or may be either applicable to or related in any way to:

- (i) the Business, operations, assets, financial condition, present or future, of the Company;
- (ii) the Company's prospective or actual debt or equity partners, investors, or participants;
- (iii) the Company's actual and prospective contractual partners;
- (iv) due diligence information that the Company has developed or received from others with respect to actual and prospective business combinations, acquisitions, dispositions, or other business transaction involving or that may involve the Company;
- (v) operational information regarding the products, processes or services that are being offered or that may be offered in the future as a part of the Business;
- (vi) computer programs, technical drawings, algorithms, ideas, schematics, trade secrets, processes, formulas, data, know-how, improvements, inventions (whether patentable or not), techniques, marketing plans, pricing information, forecasts and strategies, and other information concerning the operational information described in the preceding paragraph or any aspect of the Business; and
- (vii) all information of a like nature to the foregoing owned by any other Person and furnished to the Company by such other Person pursuant to an undertaking by the Company to maintain the same in confidence.

(b) shall not include information that a Person can reasonably demonstrate in writing is known to, or becomes generally available to, such Person or to the public without breach of any agreement imposing an obligation of confidentiality.

"Contributing Member" refers to both Class A Members and Class B Members shown on Exhibit A.

"Economic Interest" shall mean a Member's share (as a result of such person's ownership of one or more of outstanding Units) of the Company's Net Profits and Net Losses, capital, and distributions of the Company's assets pursuant to this Operating Agreement, but shall not include any right to participate in the management or affairs of the Company, including, the right to vote on, consent to or otherwise participate in any decision of the Members or Manager unless the owner of the Economic Interest is a Member.

"Generally Accepted Accounting Principles" ("GAAP") means the Generally Accepted Accounting Principles established by the Accounting Principles Board of American Institute of

Certified Public Accountants and the Financial Accounting Standards Boards that are applicable from time to time.

“Majority Interest” shall mean Members holding more than 50% of the Percentage Membership Interests entitled to Vote that are present at a meeting in person or by proxy at which a Quorum is present or, if separate Class votes are expressly required by the Managers with respect to any matter by this Agreement, Members holding more than 50% of the aggregate Percentage Membership Interests attributable to each such Class entitled to Vote separately on such matter.

“Majority Vote” means the affirmative vote of the Class A Members based on their number of units, represented at a valid meeting or by written consent. References to other percentage votes shall mean the affirmative vote of the holders of such percentage or more of the Units represented at a valid meeting or by written consent.

“Manager” or “Managing Member” means PCR, or such subsequent persons or entities to whom is delegated all or part of the management duties of the Company's business as provided in Article 6. References to Manager in the singular shall include the plural as required by context whenever there is more than one Manager.

“Member” shall mean each of the parties who executes this Operating Agreement as a Member either at the effective date of this Operating Agreement or thereafter. Initially there will be two classes of Members.

- a. The initial “Class A” Member are PCR and others as provided in Exhibit A.
- b. The initial “Class B” Members are others as provided in Exhibit A.

c. To the extent a Manager has acquired a Membership Interest in the Company, such Manager will have all the rights of a Member with respect to such Membership Interest, and the term “Member” as used herein shall include a Manager to the extent such Manager has acquired such Membership Interest in the Company. If a Person is a Member immediately prior to the acquisition by such Person of an Economic Interest assigned to such Person by a Member, such Person shall have all the rights of a Member with respect to such acquired Economic Interest. No Member may assign an Economic Interest (or any portion thereof) while retaining the right to Vote associated with such Economic Interest.

“Membership Interest” shall mean a Member’s entire interest in the Company including the Units such Member owns, the Economic Interest associated with such Units, the right to Vote associated with such Units, and such other rights and privileges that the Member may enjoy by being a Member. Class A Members will hold Class A Membership Interests; Class B Members will hold Class B Membership Interests. At the date of this Operating Agreement, there are no subsequent classes of Membership Interests.

- (a) Class A Membership Interests will be entitled to Vote on all matters presented to the Company’s Members for approval. Class B Membership Interests will not be entitled to Vote on matters presented to the Company’s Members for approval.

- (b) Subsequent classes of Membership Interests will be entitled to Vote to the extent provided in the resolutions of the Managers establishing such classes or otherwise, and may dilute the Vote of the other classes then outstanding. A Member's right to participate in the Company as a Member (including the right to exercise the right to Vote on any matter presented to the Members for consideration) shall be void to the extent the Vote exceeds the Member's Percentage Membership Interest.
- (c) The Economic Interests of Class A Membership Interests and Class B Membership Interests shall be equal to their Percentage Economic Interest. Subsequent classes of Membership Interests shall have an Economic Interest as provided in the resolutions of the Managers establishing such classes and may dilute the Economic Interest of the other classes then outstanding.
- (d) With the exception of the right to Vote, it is intended that Class A Membership Interests and Class B Membership Interests will be treated equally.
- (e) Character of Class B Membership Interests. The Class B Membership Interests are intended to constitute "profits interests" as that term (or any term of similar import) is used in Internal Revenue Service Revenue Procedure 93-27, 1993-2 C.B. 343 and Revenue Procedure 2001-43, 2001-2 C.B. 191, and any successor provisions of the Code, Treasury Regulations, IRS Revenue Procedures or Revenue Rulings, or other administrative notices or announcements, with the intended results that: (A) no compensation or other income shall be recognized by an owner of the Class B Membership Interests by reason of the issuance of such Class B Membership Interests; and (B) no compensation expense shall be deducted by the Company by reason of the issuance of such Class B Membership Interests. The Managers shall designate a threshold value applicable to each Class B Membership Interest to the extent necessary to cause such Class B Membership Interest to constitute a "profits interest" as provided in this Section, but not less than zero.
- (f) By executing this Agreement, each Member authorizes and directs the Company to elect to have the "safe harbor" described in the proposed Revenue Procedure set forth in Internal Revenue Service Notice 2005-43, including any similar safe harbor in any finalized revenue procedure, revenue ruling or United States Treasury Regulation, apply to any Interest transferred to a service provider by the Company on or after the effective date of such final pronouncement in connection with services provided to the Company.

"Member Nonrecourse Debt Minimum Gain" has the meaning ascribed to the term "partner nonrecourse debt minimum gain" in Treasury Regulation Section 1.704-2(i)(2).

"Notice" shall mean written notice, actually or deemed given pursuant to Section 16.

"Operating Agreement" or "Agreement" means this Operating Agreement of SUNHOUSE MASS, LLC, as originally executed and as amended, modified, supplemented or restated from time to time.

"Prime Rate" means the prime commercial lending rate as published in the Wall Street Journal.

"Representative" has the meaning set forth in Section 5.7 of this Agreement.

"Units" shall refer to the ownership interests held by Members in the Company, or such ownership interests as may hereafter be issued to Members in the Company. The Units shall not be represented by certificates.

ARTICLE 2 ORGANIZATION AND TERM

Section 2.1 Formation PCR formed the Company by filing Articles of Organization with the office of the Secretary of the Commonwealth of Massachusetts, on April 10th, 2019 with ID number 001375072.

Section 2.2 Name The Company was formed under the name SUNHOUSE MASS, LLC.

Section 2.3 Term The term of the Company commenced on the date of filing the Articles of Organization with the Secretary of the Commonwealth and shall continue until (i) a vote of three-fourths or more of the Units to dissolve the Company, or (ii) termination or cessation of substantially all of the Company's business.

Section 2.4 Registered Agent and Office The Company's registered agent and office, in Massachusetts, is Perri Petricca, 428 Merrill Rd. Pittsfield MA 01201.

Section 2.5 Principal Place of Business The principal place of business of the Company shall be 428 Merrill Rd. Pittsfield, MA. At any time, the Company may change the location of its principal place of business and may establish additional offices. The following items shall at all times be maintained at the Company's principal office:

1. a current list of the full name and last known business, residence, or mailing address of each Member and Manager, both past and present and their Capital Contributions;
2. a copy of the Articles of Organization and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;
3. a copy of the Company's federal, state, and local income tax returns and reports, if any, for the three most recent years;
4. copies of any currently effective written Operating Agreements regarding the obligation of a Member to perform any enforceable promise to contribute cash for such Member's Capital Contribution; and

5. the minutes of every meeting.

Such records are subject to inspection and copying upon reasonable advance notice and at the expense of any Member during ordinary business hours.

Section 2.6 **Other Instruments** Each Member hereby agrees to execute and deliver to the Company within five days after receipt of a written request therefor, such other and further documents and instruments, statements of interest and holdings, designations, powers of attorney and other instruments and to take such other action as the Company deems, in the reasonable discretion of the Manager, necessary, useful or appropriate to comply with any laws, rules or regulations as may be necessary to enable the Company to fulfill its responsibilities under this Operating Agreement.

ARTICLE 3 PURPOSE AND POWERS OF THE COMPANY

Section 3.1 **Purpose** The purpose of the Company's business is to operate a cannabis business under Massachusetts issued licenses and to conduct such business at 428 Merrill Rd, Pittsfield, MA. (the "Project") and to engage in and conduct all business activities authorized by the Massachusetts Cannabis Control Commission, that the Members may from time to time deem to be in the best interest of the Company.

Section 3.2 **Powers of the Company** In furtherance of the purposes of the Company, the Company shall have the power and authority to take all actions necessary, useful or appropriate to accomplish its purpose.

ARTICLE 4 CAPITAL CONTRIBUTIONS AND UNITS

Section 4.1 **Capital Contributions** Upon the formation of the Company, each of the initial Contributing Members contributed cash or provided services in-kind.

Section 4.2 **Contributing Members' Units** The number of Units held by each Contributing Member upon the signing of this Operating Agreement is shown in Exhibit A.

Section 4.3 **Rights of Units** The Members interest in the Company shall be represented by the "Unit" or "Units" held by each Contributing Member. Fractional Units are expressly permitted and fractions of a Unit shall entitle the holder to a like fraction of a vote to the extent permitted with respect to such Unit by this Operating Agreement, in addition to any other rights associated with Units. Each Unit shall entitle the Contributing Member possessing such Unit to a share of the Company's income, gains, losses, deductions, credits and distributions which is equal to the percentage obtained by dividing one by the total number of Units. The interest in the Company represented by Units is personal property and shall not be deemed realty or any interest in the Company's real or personal property or assets of any kind. The Company is not obligated to issue certificates to represent any Units. Only Units owned by Members entitled to Vote may Vote

on any matter as to which this Operating Agreement requires or permits a Vote. A transfer of Units will include a transfer of the Capital Account that is attributable to such Units as of the effective date of such transfer determined in accordance with Section 4.3(a) below, and such will be determined on a proportionate basis if fewer than all of the Units owned by any Member are being transferred by such Member.

- (a) “Class A Units” shall mean Units held by a Class A Member in his or her capacity as a Class A Member and shall be entitled to Vote on matters presented to the Members for approval;
- (b) “Class B Units” shall mean Units held by a Class B Member in his or her capacity as a Class B Member, and **shall not be entitled to Vote.**
- (c) Subsequent classes of Units may be created by the Managers as provided herein and shall be designated by letters or in any other way the Managers may deem appropriate. Such Units, when authorized, shall mean Units held by a Member in such class or classes in his or her capacity as a Member, and shall hold such Economic Interest, right to Vote, and other rights as may be specified by the managers in the resolutions establishing the class.

Section 4.4 Additional Capital Contributions The Contributing Members shall contribute pro rata by number of Units to the Company such amounts as may be required to sustain the Company’s operations. Contributing Members shall contribute to the Company such Members’ proportionate share of the required Capital Contributions. Nothing contained herein shall be construed to grant to any creditor of the Company any right to require Members to make additional Capital Contributions. If Member fails to contribute pro-rata share then other Members will have a right to fund a Demand Loan and/or remove member at the remaining value of their equity stake, to be calculated pursuant to the formula in Section 12.1.1.

Section 4.5 Remedies Upon the failure of a Member (the “Defaulting Member”) to make when due any Capital Contribution required hereunder, any of the other Members (the “Lending Members”) may, but shall not be required, to make the Capital Contribution of the Defaulting Member which shall be deemed and treated as a loan by the Lending Members to the Defaulting Member. Such loan shall be a demand loan (“Demand Loan”) and shall bear interest at the Prime Rate plus ten percentage points or maximum interest rate permitted by State Law. The Defaulting Member hereby grants to the Lending Members a security interest (“Security Interest”) in the Defaulting Member’s Units and grants to the Lending Members a power of attorney to perfect the Security Interest, including execution, delivery and filing of a Uniform Commercial Code financing statement and such other documents and instruments as shall be necessary. Such power of attorney shall be deemed coupled with an interest in the Defaulting Member’s Units and shall be irrevocable. So long as such Demand Loan has not been repaid in full, any distributions which would otherwise be made to the Members shall be made to the Lending Members in payment of the Demand Loan and such distributions shall be applied first to accrued interest on the Demand Loan and then to principal. This distribution provision shall apply to all distributions including, but not limited to, distributions of cash flow from operations and distributions attributable to a refinancing or sale of any Company Property. Finally, in the event of any default, a Member or the Company may assert the remedy set forth above or in addition thereto, any remedy under the UCC or other Massachusetts Law as now or hereafter existing or at law or in equity.

Section 4.6 Withdrawals and Interest No Member shall have the right to:

1. withdraw their Capital Contribution;
2. receive any return or interest on any portion of its Capital Contribution except as otherwise provided herein; or
3. withdraw from the Company except by transfer of its Units to another party in accordance with Article 11, or
4. Resign or fail to perform their agreed upon responsibilities to the Company.

Section 4.7 Return of Capital No Member shall be entitled to the return of all or any part of its Capital Contribution, other than pursuant to Section 8.2.

Section 4.8 [Intentionally left blank]

Section 4.9 Percentage Interest of Member. The membership interest (“**Membership Interest**”) in the Company held by each Member may be divided into a percentage interest to represent, respectively, the voting power, allocation of net profits and allocation of net losses of each Member, as amended from time to time.

Section 4.10 Article 8 Election. The Membership Interests of the Member(s) in the Company shall be deemed 'securities' under Article 8 of the Uniform Commercial Code and shall be governed by Article 8 of the Uniform Commercial Code.

ARTICLE 5 MEMBERS

Section 5.1 Voting Powers

1. Class A Membership Interests will be entitled to Vote on all matters presented to the Company’s Members for approval. Class B Membership Interests will not be entitled to Vote on matters presented to the Company’s Members for approval.

2. Subsequent classes of Membership Interests will be entitled to Vote to the extent provided in the resolutions of the Managers establishing such classes or otherwise, and may dilute the Vote of the other classes then outstanding. A Member’s right to participate in the Company as a Member (including the right to exercise the right to Vote on any matter presented to the Members for consideration) shall be void to the extent the Vote exceeds the Member’s Percentage Membership Interest.

3. The Economic Interests of Class A Membership Interests and Class B Membership Interests shall be equal to their Percentage Economic Interest. Subsequent classes of Membership Interests shall have an Economic Interest as provided in the resolutions of the Managers establishing such classes and may dilute the Economic Interest of the other classes then outstanding.

4. The following actions are vested in Class A Members acting by Majority Vote:

a. to consent to any proposal by the Managing Members to hypothecate, encumber or grant security interests in the assets of the Company to secure payment of borrowed sums;

b. all other actions on which Members are required or permitted to vote except as specifically set forth in the following Subsection 2 of this Section 5.1, and in Subsections 11.2.1 and 11.6.1 of this Agreement;

c. to make final decisions and determinations regarding the annual operating budget and the need for any additional Capital Contributions;

d. to initiate, prosecute, defend, settle, compromise, or dismiss lawsuits or other judicial or administrative proceedings brought on or in behalf of, or against, the Company, the Manager or the Members in connection with the activities arising out of, connected with, or incident to the business of the Company, and to engage counsel or others in connection therewith;

e. to determine the amount of any reserves;

f. to invest any Company funds temporarily (by way of example but not limitation) in time deposits, short-term government obligations, commercial paper or other investments, which such investments shall be in the name of the Company and shall permit withdrawal or investments upon signature of the Manager; and

g. to establish bank accounts for the Company, to designate Persons authorized to sign on the Company's bank accounts, to make, deliver, accept or endorse any commercial paper in connection with the business affairs of the Company and to draw checks upon the bank accounts of the Company.

h. With the exception of the right to Vote, it is intended that Class A Membership Interests and Class B Membership Interests will be treated equally.

5. INTENTIONALLY LEFT BLANK

6. The approval of all decisions and determinations regarding the sale, exchange or other disposition of all or substantially all of the Company's assets or to terminate or cease all or any substantial portion of the Company's business shall require a Majority Vote at a meeting of the Contributing Members called for the purpose of voting on such matter (or by written consent in lieu of such meeting); provided, however, that no such amendment shall amend the voting rights of the Contributing Members without the prior written consent of the holder(s) of all of the Units.

Section 5.2 Transactions Between a Member or Manager and the Company Except as otherwise provided by applicable law, any Member or Manager may, but shall not be obligated to, lend money to the Company, act as surety for the Company and transact other business with the Company and has the same rights and obligations when transacting business with the Company as

a person or entity who is not a Member or a Manager.

Section 5.3 No Restriction of Business Pursuits of Members and Managers The Manager and any Member or any partner, member, owner, officer, director, employee, shareholder or other person holding a legal or beneficial interest in the Manager or a Member may engage in or possess an interest in other business independently or with others, so long as such activities do not directly or indirectly compete with the Company, and neither the Company nor any other Member shall have the right by virtue of this Agreement in or to such independent ventures or to the income or gain derived therefrom. Restrictions on Managers and Members, related to competing activities, is further delineated in Section 6.1.4.

Section 5.4 Reimbursements The Company shall reimburse the Members and Manager for all expenses incurred and paid by any of them in the organization or in the start-up of operations of the Company and, as authorized by the Company, in the conduct of the Company's business.

Section 5.5 INTENTIONALLY OMITTED

Section 5.6 Limitation of Liability of Members and Manager No Member, Manager or agent of the Company shall be liable under a judgment, decree or order of a court, or in any other manner, for the debts, liabilities, or obligations of the Company. A Member, Manager or agent shall have no liability to any other Member or the Company when acting pursuant to authority granted pursuant to the Articles of Organization or this Operating Agreement except to the extent such Member's, Manager's or agent's acts or omissions constituted willful misconduct or gross negligence.

Section 5.7 Member Representative Each Member who is not a natural person hereby designates a Representative, who shall be authorized to act on behalf of that Member and shall be empowered to bind that Member with respect to any and all decisions of that Member under this Agreement, including but not limited to all votes, consents or approvals. The Company, the Managers and the Members shall be entitled to rely on any action of the Representative as the action of the applicable Member.

ARTICLE 6 MANAGING MEMBER

Section 6.1 Certain Obligations of Managing Member

6.1.1 Generally Managing Member shall fully and faithfully discharge its obligations and responsibilities, shall devote such time and attention to affairs of the Company and the Company Subsidiaries as may be reasonably necessary for the proper management and supervision of the business of the Company, the Manager, and the Company Subsidiaries and the discharge of its duties under this Agreement. Notwithstanding anything herein to the contrary, Managing Member shall, at all times, exercise good faith and shall promote and protect the best interests of the

Company and the Company Subsidiaries (without consideration being made to the separate interests of any particular Member, including the effect of any action or omission upon the distributions provided for in Article IV). Managing Member shall diligently and continuously pursue the Business Plans in accordance with its reasonable professional business judgment, available to the Company and the Company Subsidiaries to the extent necessary in order that its obligations may be fully discharged in a timely manner.

Section 6.1.2 [Intentionally left blank]

Section 6.1.3 Books and Records, Reports, Cash Controls, and Bank Account Managing Member, shall maintain books and records for the Company and Company Subsidiaries, provide financial reports and tax returns, to be produced by a third-party accountant, and open and maintain bank accounts. Managing Member will comply with reporting requirements and provide all items in a timely manner.

Section 6.1.4 Anti-Competition Covenant Managers and Members, shall not (and Managers or Members shall not permit any Affiliate to): (a) at any time acquire or lease, or attempt to acquire or lease, any direct or indirect interest (whether as a direct or indirect owner, option holder, lender, developer, service provider or otherwise) in any Competing Project located within the Non-Compete Area, without first offering the opportunity to the other Members. If the other Members decline to participate the Manager or Member may proceed with the involvement with a Project, provided it is at terms materially similar to those offered to other Members and they will still be obligated to adhere to the terms of 6.1.4 (b), and (c); (b) divert to any other Project or attempt to divert any Person that is a then existing or potential customer of the Company or a significant supplier of materials or services to the Company; or (c) enter into an agreement to do any of the foregoing. As used herein, (1) "Competing Project" means any cannabis business, or any property that can reasonably be developed or redeveloped into a competing business with the Company, and (2) "Non-Compete Area" means the area for the respective Project within Massachusetts. Neither the Members or Manager, nor their Affiliates, shall divert or attempt to divert to any other project any Person that is a then existing Member or employee of the Company or a significant supplier of materials or services to the Company. Any Member who breaches the Non-Compete provision will forfeit all of their future rights and benefits including Promoted Interest, Management Fees, and Leasing Commissions, but, not their equity position. It is agreed that prior ownership is not a breach of this provision.

Section 6.2 Liability of Members; No Third Party Rights. Subject to the provisions of any other agreement to which the Members are parties, and except for the obligations to a Member or Members or the Company or any Company Subsidiary imposed under such other agreement, no Member shall be liable, responsible or accountable in damages or otherwise to the Company or any Company Subsidiary or the other Member for any action taken or failure to act by such Member in its business judgment on behalf of the Company within the scope of the authority conferred on it by this Agreement, except with respect to actions or omissions by such Member (or Affiliate of such Member) of the type described in Section 5.6. Unless otherwise agreed upon in writing by the Members, to the fullest extent permitted by the Act: (a) no Member shall be liable for the debts, liabilities, contracts or any other obligations of the Company or a Company Subsidiary; (b) the Members shall be liable to make contributions (or, if applicable, loans) only to the extent required under this Agreement; (c) without limitation on the foregoing, except as

approved by the Members, any indemnification obligation of the Company hereunder shall be limited to the assets of the Company; (d) no Member shall have personal liability for the repayment of the contributions or loans of any other Member, except as may be expressly provided in this Agreement; and (e) any claim by the Company against any Member which may arise under or in connection with this Agreement shall be made only against, and shall be limited to, such Member's Interest, the proceeds of the sale by such Member of its Interest or (without limitation on Section 8.2 below) such Member's undivided interest in any property of the Company distributed to the Members pursuant to Section 8.2 below, and any right of the Company to proceed against (i) any other assets of such Member, or (ii) any direct or indirect owner or manager of such Member, or any of their respective assets (including distributions received directly or indirectly from the Company, except as expressly provided above), as a result of such a claim against such Member arising under this Agreement or otherwise, is hereby irrevocably and unconditionally waived (it being understood that the foregoing provisions of this clause (e) shall not limit the liability of a guarantor under the Joinder or of a Member to another Member). Except as expressly provided in this Agreement, nothing in this Agreement shall confer any rights or remedies under or by reason of this Agreement on any Person other than the Members and their respective successors and assigns, nor shall anything in this Agreement relieve or discharge the obligation or liability of any third person to any party to this Agreement, nor shall any provision of this Agreement give any third person any right of subrogation or action over or against any party to this Agreement. Without limitation on the foregoing, to the fullest extent permitted by the Act, no third party shall have any right to enforce any contribution obligation on a Member. Except as provided in the Joinder attached hereto, no general or limited partner, shareholder, member, manager or other holder of an equity interest in any Member or officer or director of any of the foregoing shall be personally liable for the performance of any such Member's obligations of this Agreement, but the foregoing shall not relieve any partner, shareholder or member of any Member from its obligations to such Member.

Section 6.3 Indemnity of Members The Company shall, to the fullest extent permitted by applicable law, indemnify, defend and hold each Member harmless from and against any Company liabilities for which it is alleged to be responsible (and any Claims resulting from such allegations suffered or sustained by it) by reason of any acts, omissions or alleged acts or omissions by such Member on behalf of the Company within the scope of authority conferred on it by this Agreement or by reason of the fact that such Member is a Member of the Company; provided that the acts or omissions or alleged acts or omissions upon which such actual or threatened action, proceeding or claim is based were in good faith in accordance with its business judgment and did not constitute actions or omissions by such Member (or Affiliate of such Member) of the type described in Section 5.7. Each Member shall retain the foregoing rights on a non-exclusive basis following a voluntary transfer of its Interest in the Company in accordance with this Agreement.

Section 6.4 Indemnification by Members Each Member shall, to the fullest extent permitted by applicable law, indemnify, defend and hold the other Member (and, if the other Member so elects, the Company, each Company Subsidiary and the assets of the Company and each Company Subsidiary), harmless from and against any and all Claims suffered or sustained by it (including such other Member's share of any obligation, liability, loss, damage, cost or expense directly or indirectly incurred by the Company) by reason of any act or omission constituting (a) breach or default by such Member or any Affiliate under this Agreement or any Collateral Agreement (including a breach of any representation or warranty by such Member or any Affiliate

under this Agreement or any Collateral Agreement), or (b) Bad Conduct by such Member or any Affiliate.

Section 6.5 Contractual Duties Prevail To the extent that, at law or in equity, a Member has duties (including fiduciary duties) and liabilities relating thereto to the Company or any Company Subsidiary or to the other Member, a Member acting pursuant to this Agreement shall not be liable to the Company or any Company Subsidiary or to any other Member except to the extent provided in Section 6.1.4. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Member otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of such Member.

Section 6.6 Responsibilities of Manager Managers will be responsible for on-site day to day management, and marketing and sales for the business. Managers will have check writing authority for any working capital bank account.

Section 6.7 [Intentionally left blank]

Section 6.8 [Intentionally left blank]

Section 6.9 Management by Managing Members and Manager

1. The management of the Company's business shall be vested in the Managing Members named herein. Managing Members shall be the Managing Member until he resigns, dies or becomes legally incompetent. In the event of his resignation, the Contributing Members shall elect a successor Manager or Managing Members. The intent of this subsection is that Managing Members in the Company shall have the right to manage the Company until their death. This subsection shall be construed in furtherance of this intent.

2. [Intentionally left blank]

3. The Managing Member shall have the power and authority to take all actions related to the Company other than those actions requiring a vote of the Members in Section 5.1. The Managing Member's authority shall include, but not be limited to, the following:

(i) to designate an officer, employee, or agent to be responsible for the daily and continuing operations of the business affairs of the Company. All decisions affecting the policy and management of the Company, including the control, employment, compensation and discharge of employees, the employment of contractors and subcontractors, and the control and operation of the premises and property, including maintenance and all other matters pertaining to the operation of the assets or property of the Company shall be made by the Manager.

(ii) to purchase liability and other insurance to protect the Company's property and business;

(iii) to sell, lease or otherwise dispose of any personal property owned by the Company in its regular course of business;

(iv) to contract on behalf of the Company for the provision of services or goods by vendors, employees and/or independent contractors, including lawyers and accountants, and to delegate to such Persons the duty to manage or supervise any of the assets or operations of the Company;

(v) to ask for, collect, or receive any profits or income from the assets of the Company, or any part or parts thereof, and to disburse Company funds for Company purposes subject to the provisions of this Agreement;

(vi) to pay out taxes, licenses, or assessments of whatever kind or nature imposed on or against the Company or its property or assets, and for such purposes to make such returns and to do all other such acts or things as may be deemed necessary and advisable in connection therewith;

(vii) to execute for and on behalf of the Company, and with respect to the business of the Company, all applications for permits and licenses as the Managers deem necessary and advisable, and to execute and cause to be filed and recorded documents that the Managers deem advisable;

(viii) to perform all ministerial acts and duties relating to the payment of all indebtedness, taxes and assessments due or to become due with respect to the business of the Company, and to give or receive notices, reports, and other communications arising out of or in connection with the ownership, indebtedness, or maintenance of the business of the Company.

4. A successor Manager shall be elected by a Majority Vote of all Members. A Manager shall hold office for an indefinite term and until his successor has been prequalified and elected by a vote of the A Share members.

5. Any Manager may engage in other business activities but shall be obliged to devote as much of his time to the Company's business as shall be reasonably required to accomplish the Company's business objectives. A Manager shall perform his duties as a Manager in good faith, in a manner he reasonably believes to be in the best interests of the Company, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. A person or entity who so performs his duties shall not have any liability by reason of being or having been a Manager of the Company except for acts or omissions constituting willful misconduct or gross negligence.

6. In performing his duties, a Manager shall be entitled to rely on information, opinions, reports or statements of the following persons or groups unless he has knowledge concerning the matter in question that would cause such reliance to be unwarranted:

(i) one or more employees or other agents of the Company whom the Manager reasonably believes to be reliable and competent in the matters presented; and

(ii) any attorney, public accountant, or other person as to matters which the

Manager reasonably believes to be within such person's professional or expert competence.

The Manager is an agent of the Company for the purpose of its business, and the act of the Manager, including the execution in the Company name of any instrument for apparently carrying on in the usual way the business of the Company, binds the Company, unless such act is in contravention of the Articles of Organization or this Operating Agreement or unless the Manager otherwise lacks the authority to act for the Company and the person with whom it is dealing has knowledge of the fact that he has no such authority.

ARTICLE 7

TERMINATION OF MANAGEMENT RIGHTS

Section 7.1.1 Termination Notice. Contributing Members may deliver a termination notice to a Manager (“**Termination Notice**”) removing said Manager as Managing Member, or Manager, at any time from and after the occurrence of any of the following events (each, a “**Control Event**”); which Termination Notice shall specify in reasonable detail the conduct that is alleged to have occurred giving rise to such Control Event:

1. Any Uncured Bad Conduct by Manager, or any of its Affiliates, such as willful acts of misconduct or gross dereliction of duties in connection with the Company experiencing a significantly material negative financial impact.

2. A material breach of this Agreement or any Collateral Agreement by Manager or any of its Affiliates.

Section 7.1.2 Procedure The Termination Notice shall specifically state the basis for the same and shall become effective ten (10) days after delivery, unless Manager disputes the existence of a Control Event by written notice (“**Dispute Notice**”) to Contributing Members delivered prior to the end of such ten (10) day period. If Manager fails to provide a Dispute Notice within such ten (10) day period, then notwithstanding anything to the contrary herein, Manager shall have no right to dispute occurrence of a Control Event and the effectiveness of the Termination Notice, which shall be conclusive. If a Dispute Notice is given within the period set forth above, then (i) the dispute over whether a Control Event has occurred shall be resolved by as provided in Section 7.2, and (ii) if the grounds for termination are upheld, then the Termination Notice shall thereupon become effective immediately.

Section 7.1.3 Effect of Termination Notice If a Termination Notice becomes effective, then:

1. Contributing Members or their designee shall become the Managing Member with all the power and authority previously possessed by Manager or Managing Member; and Manager shall remain a Member in the Company, but (notwithstanding anything to the contrary in this Agreement) with no power, authority or right to vote, approve or act for or bind the Company with respect to any matter in connection with the Company or its operation (and, without limitation, Manager shall have no further rights.)

2. Any sums distributable or payable to Manager or its Affiliates

shall be offset against any damages due the Company, any Company Subsidiary or Contributing Members from Manager or its Affiliates and shall be paid instead to the Company, such Company Subsidiary or Contributing Member in such order as Contributing Member shall determine (but shall be deemed to have been distributed or paid to Manager or its Affiliates and then paid over to the Company, such Company Subsidiary or Contributing Members, as the case may be, until such damages have been fully offset).

3. Manager shall execute and acknowledge any required amendments to this Agreement reflecting the foregoing, in such form and content as Contributing Members may reasonably prescribe. In addition, Manager hereby constitutes Contributing Members as its true and lawful attorney in fact, on its behalf and in its stead, with full power of substitution, to execute and acknowledge any such amendment. This power of attorney shall be deemed coupled with an interest and shall not be revoked by Manager's dissolution, insolvency or otherwise.

4. Neither Manager nor Manager Guarantor shall be responsible for any obligation of the new Managing Member under this Agreement, first accruing after the Termination Notice becomes effective (other than obligations that would apply to Manager under this Agreement regardless of its status as Managing Member, including contribution obligations).

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6. Managing Member shall promptly: (i) deliver to Members a final accounting; (ii) surrender and deliver to Members, monies of the Company or any Company Subsidiary held by, or under the control of Manager; (iii) deliver to Members, as received, any monies due the Company or any Company Subsidiary received after such removal; (iv) deliver to Members all materials and supplies, keys, leases, contracts and documents, all other accounting papers and records of the Company or any Company Subsidiary, and all books and records in hard copy and electronic format, receipts for deposits, bills and other materials in Manager's possession that relate to the Company, the Company Subsidiaries or their respective assets (including hard and electronic copies of all data files used in any software programs by Managing Member); and (v) execute and deliver to Members a notice to third parties directly involved with the Company in form reasonably satisfactory to Members to the effect that Manager is no longer Managing Member or Manager.

7. Managing Member and Manager, shall cooperate with the Company and each Company Subsidiary to allow the Company and each Company Subsidiary to effectively and productively continue the development of the Company business. Without limitation on the foregoing, Manager shall deliver to the Company such information and documentation in Manager's control or possession at the time of its termination as Contributing Members may reasonably request concerning the Company, including any potential customers or suppliers for the Company known by Manager at the time of removal.

Section 7.1.4 Replacement of Managing Member If a Termination Notice becomes effective, Contributing Members shall have the right to admit a new Member to the Company to function as a replacement Managing Member and for the replacement Managing Member to receive distributions, fees and reimbursements, as determined by Contributing Members, provided

that (a) the distributions to the Members shall be diluted proportionately.

Section 7.2 Arbitration of Disputed Control Event(s) ANY DISPUTE AMONG THE MEMBERS UNDER SECTION 7.1 AS TO THE EFFECTIVENESS OF A TERMINATION NOTICE (INCLUDING WHETHER A CONTROL EVENT HAS OCCURRED) OR AS TO ANY DETERMINATION UNDER SECTION 7.1.5, SHALL BE RESOLVED AND FINALLY DETERMINED BY ARBITRATION AS SET FORTH IN THIS SECTION 7.2. ANY ARBITRATION PURSUANT TO THIS SECTION SHALL, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BE HELD IN MASSACHUSETTS. IF THE PARTIES DO NOT MUTUALLY AGREE UPON AN ARBITRATOR WITHIN FIVE (5) BUSINESS DAYS AFTER NOTICE FROM ONE PARTY TO THE OTHER, THEN ANY PARTY MAY APPLY TO THE SUPERIOR COURT IN MASSACHUSETTS FOR AN ORDER APPOINTING AN ARBITRATOR. IN CONNECTION WITH ANY SUCH APPLICATION, ANY PARTY MAY PROPOSE ONE OR MORE PERSONS TO ACT AS THE ARBITRATOR PROVIDED THAT ANY SUCH PERSON OR PERSONS SHALL BE INDEPENDENT AND SHALL BE (X) A LICENSED ATTORNEY WITH AT LEAST TEN (10) YEARS' EXPERIENCE IN CONNECTION WITH THE OPERATIONS OF A CANNABIS BUSINESS OR OPERATIONS SIMILAR TO THE COMPANY OR (Y) A RETIRED JUDGE OF ANY SUPERIOR COURT, APPELLATE COURT OR UNITED STATES DISTRICT COURT IN MASSACHUSETTS. AFTER THE APPOINTMENT OF THE ARBITRATOR, THE PARTIES SHALL HAVE THE RIGHT TO TAKE DEPOSITIONS AND TO OBTAIN DISCOVERY BY OTHER MEANS REGARDING THE SUBJECT MATTER OF THE ARBITRATION AS IF THE MATTER WERE PENDING IN SUPERIOR COURT IN MASSACHUSETTS, ALTHOUGH THE ARBITRATOR MAY, FOR GOOD CAUSE SHOWN, LIMIT THE NATURE AND EXTENT OF SUCH DISCOVERY AND ESTABLISH OR MODIFY THE SCHEDULE RELATING TO ANY DISCOVERY REQUESTS OR APPLICATIONS RELATING THERETO. THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ALL OTHER PROCEDURAL ISSUES, INCLUDING THE FOLLOWING: THE DATE, TIME AND PLACE OF ANY HEARING; THE FORM, TIMING, AND SUBJECT MATTER OF ANY PRE-HEARING DOCUMENTS TO BE SUBMITTED BY THE PARTIES; AND ANY EVIDENTIARY OR PROCEDURAL ISSUES THAT MAY ARISE AT OR IN CONNECTION WITH ANY ARBITRATION HEARING. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THE ARBITRATOR SHALL BE REQUIRED TO FOLLOW MASSACHUSETTS LAW WITH REGARD TO ALL SUBSTANTIVE AND EVIDENTIARY RULES. THE AWARD OF THE ARBITRATOR SHALL BE CONCLUSIVE AND BINDING, AND ANY PARTY MAY SEEK TO HAVE THE AWARD CONFIRMED BY WAY OF A COURT ORDER. ALL FEES AND EXPENSES OF THE ARBITRATOR AND ALL OTHER EXPENSES OF THE ARBITRATION SHALL BE BORNE INITIALLY BY THE MEMBERS PROPORTIONALLY, ACCORDING TO THEIR MEMBERSHIP INTERESTS, BUT ULTIMATELY SHALL BE BORNE BY THE NON-PREVAILING PARTY IN THE ARBITRATION (WHICH SHALL BE DETERMINED BY THE ARBITRATOR FOR THIS PURPOSE). THE ARBITRATION SHALL BE LIMITED TO THE EFFECTIVENESS OR INEFFECTIVENESS OF A TERMINATION NOTICE (INCLUDING DETERMINING WHETHER A CONTROL EVENT HAS OCCURRED) AND THE DETERMINATIONS UNDER SECTION 7.1.5. NOTHING CONTAINED HEREIN SHALL BE CONSTRUED AS TO PREVENT ANY PARTY FROM SEEKING PROVISIONAL OR EQUITABLE RELIEF FROM A COURT ON THE BASIS THAT, UNLESS SUCH RELIEF IS OBTAINED, ANY

AWARD THAT THE ARBITRATOR MAY MAKE WILL BE INEFFECTUAL.

Section 7.3 Cumulative Remedies Subject to the limitations expressly herein set forth, no remedy conferred upon the Company or any Member in this Agreement is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity or by statute.

Section 7.4 Attorneys' Fees If the Company or any Member obtains a judgment against any other Member in connection with a dispute arising under or in connection with this Agreement, such party shall be entitled to recover from the non-prevailing party its court costs and reasonable attorneys' fees (including the reasonable value of in-house attorney services) and disbursements incurred in connection therewith and in any appeal or enforcement proceeding thereafter, including any bankruptcy proceeding (and any action for relief from the automatic stay of any bankruptcy proceeding), in addition to all other recoverable costs.

Section 7.5 No Waiver No waiver by a Member or the Company of any breach of this Agreement or any Collateral Agreement shall be deemed to be a waiver of any other breach of any kind or nature, and no acceptance of payment or performance by a Member or the Company after any such breach shall be deemed to be a waiver of any breach of this Agreement or any Collateral Agreement, whether or not such Member or the Company knows of such breach at the time it accepts such payment or performance. No failure or delay on the part of a Member or the Company to exercise any right it may have by reason of any breach of this Agreement or any Collateral Agreement shall prevent the exercise thereof by such Member or the Company at any time and no such failure or delay shall operate as a waiver of any such breach.

Section 7.6 No Suretyship Defenses Each Member hereby unconditionally waives any guarantor or surety ship defense that may otherwise apply with respect to this Agreement.

Section 7.7 Limitation of Liability The Manager does not in any way guarantee the return of any Member's Capital Contribution or a profit for the Members from the Company's business. Neither the Company nor any of the Members shall have any rights by virtue of the Articles of Organization, this Operating Agreement or any applicable law in or to the other business ventures of the Manager or to the income, gains, losses, deductions and credits derived therefrom by the Manager.

Section 7.8 Transactions with Affiliates of Manager The Members acknowledge that the Company may enter into certain contracts and arrangements with affiliates of the Members, provided that such contracts and arrangements are fair to the Company and with general market terms.

Section 7.9 Limitation on Powers of the Members Unless authorized to do so by this Operating Agreement or by the Managing Member, no Member, agent, or employee 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.

Section 7.10 Liability of Manager to Members and the Company – Indemnification The

Manager shall not be liable to the Members because any taxing authorities disallow or adjust any deductions or credits in the Company income tax returns. Furthermore, the Manager shall not have any personal liability for the repayment of Capital Contributions of the Members. The doing of any act or the omission to do any act by the Manager, the effect of which may cause or result in loss or damage to the Company, if done in good faith and otherwise in accordance with the terms of this Agreement, shall not subject the Manager or the Manager's heirs or beneficiaries to any liability. The Company will indemnify and hold harmless the Manager and the Manager's heirs or beneficiaries from any claim, loss, expense, liability, action or damage resulting from any act or omission in connection with Company affairs, including, without limitation, reasonable costs and expenses of litigation, except where the same is due to or arising out of the fraud, bad faith or gross negligence of the Manager.

Section 7.11 Insurance The Company shall maintain in force at all times for the protection of the Members insurance as the Manager believes warranted for the operations being conducted.

MEETINGS AND VOTES OF MEMBERS; OFFICERS

Section 7.12 Special Meetings Special meetings of the Members, for any purpose, unless otherwise prescribed by statute, may be called by the Managing Member, and shall be called by the Managing Member at the request of the holders of not less than one tenth of all the outstanding Units of the Company.

Section 7.13 Place of Meeting The Manager may designate any place within Massachusetts as the place for any annual meeting or for any special meeting called by the Manager. A waiver of notice signed by all Members entitled to vote at a meeting may designate any place, either within or outside Massachusetts, as the place for such meeting. If no designation is made, or if a special meeting shall be called other than by the Managing Member, the place of meeting shall be the registered office of the corporation in Massachusetts. Annual meetings may be held but are not required.

Section 7.14 Notice of Meeting Written or printed notice stating the place, day and hour of the meeting, and in case of a special meeting the purposes for which the meeting is called, shall be delivered not less than twenty nor more than sixty days before the date of the meeting, either personally or by mail, private carrier, telegraph, teletype, electronically transmitted facsimile or other form of wire or wireless communication, by or at the direction of the Managing Member or persons calling the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be given and effective when deposited in the United States mail, addressed to the Member at his address as it appears on the books and records of the Company, with postage thereon prepaid. If notice is given other than by mail, the notice is given and effective on the date received by the Member. If requested by the person or persons lawfully calling such meeting, notice thereof shall be at Company expense. In order to be entitled to receive notice of any meeting, a Member shall advise the Company in writing of any change in such Member's mailing address as shown on the Company's books and records.

Section 7.15 Quorum A majority vote by the outstanding Units of the Contributing Members of the Company, represented in person or by proxy, shall constitute a quorum at a

meeting of Members. If less than such majority is represented at a meeting, a majority of the Units so represented may adjourn the meeting from time to time without further notice, for a period not to exceed 120 days for any one adjournment. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 7.16 Proxies At all meetings of Members, a Member may vote by proxy executed in writing by the Member or his duly authorized attorney in fact. Such proxy shall be filed with any Manager of the Company before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

Section 7.17 Voting of Units Except to the extent that the voting rights of the Units of any class or classes are further limited or denied by the Articles of Organization, or any amendments thereto, voting rights of Units shall be solely as provided in this Operating Agreement.

Section 7.18 Informal Action by Members Except as otherwise provided in Section 5.1.2, any action required to be taken at a meeting of the Members, or any other action which may be taken at a meeting of the Members, may be taken without a meeting if a consent (or counterparts thereof) in writing, setting forth the action so taken, shall be signed by Members holding Units sufficient to carry the action. Such consent shall have the same force and effect as a vote of the Members, and may be stated as such in any articles or document filed with the Secretary of the Commonwealth of Massachusetts. Action taken under this Section is effective as of the date the last writing necessary to effect the action is received by the Company, unless all the writings specify a different effective date, in which case such specified date shall be the effective date for such action. Any Member who has signed a writing describing and consenting to action taken pursuant to this Section may revoke such consent by a writing signed by the Member describing the action and stating that the Member's prior consent is revoked, if such writing is received by the Company before the effectiveness of the action. If any consent is not signed by every Member, whether or not every Member is entitled to vote thereon, a copy of such consent shall be promptly mailed or delivered to all Members who have not signed such consent. Failure to give such notice, however, shall not negate or impair the action taken.

ARTICLE 8

CAPITAL ACCOUNTS, ALLOCATIONS AND DISTRIBUTIONS

Section 8.1 Maintenance of Capital Accounts A Capital Account shall be established and maintained for each Member. Capital Accounts shall be established and maintained in accordance with applicable Treasury Regulations, and in particular the regulations under Code Section 704. Each Member's Capital Account:

1. Shall be increased by; (i) the amount of money contributed by that Member to the Company, (ii) the fair market value of property contributed by that Member to the Company (net of liabilities secured by the contributed property that the Company is considered to assume or take subject to under Section 752 of the Code), and (iii) allocations to that Member of Company income and gain (or items thereof), including income and gain exempt from tax and income and gain

described in Treas. Reg. § 1.7041(b)(2)(iv)(g), but excluding income and gain described in Treas. Reg. § 1.7041(b)(4)(i), and

2. Shall be decreased by, (i) the amount of money distributed to that Member by the Company, (ii) the fair market value of property distributed to that Member by the Company (net of liabilities secured by the distributed property that the Member is considered to assume or take subject to under Section 752 of the Code), (iii) allocations to that Member of expenditures of the Company described in Section 705(a)(2)(B) of the Code, and (iv) allocations of Company loss and deduction (or items thereof), including loss and deduction described in Treas. Reg. § 1.7041(b)(2)(iv)(g), but excluding items described in clause (b)(iii) above and loss or deduction described in Treas. Reg. § 1.7041(b)(4)(i) or § 1.7041(b)(4)(iii).

The Members' Capital Accounts also shall be maintained and adjusted as permitted by the provisions of Treas. Reg. § 1.7041(b)(2)(iv)(f) and as required by the other provisions of Treas. Reg. §§ 1.7041(b)(2)(iv) and 1.7041(b)(4), including adjustments to reflect the allocations to the Members of depreciation, depletion, amortization, and gain or loss as computed for book purposes rather than the allocation of the corresponding items as computed for tax purposes, as required by Treas. Reg. § 1.7041(b)(2)(iv)(g). A Member that has more than one Unit shall have a single Capital Account that reflects all his Units regardless of the time or manner in which those Units were acquired. On the transfer of all or part of a Unit, the Capital Account of the transferor that is attributable to the transferred Unit or part thereof shall carry over to the transferee Member in accordance with the provisions of Treas. Reg. § 1.7041(b)(2)(iv)(l).

Section 8.2 Amount of Distributions Distributions of “Distributable Cash” shall be made to the Members in accordance with the number of Units held by each pursuant to the following priority:

1. First, to all member loans, pro-rata according to their loan contribution;
2. Second, to all Contributing Members, pro-rata according to their Membership Interest percentage represented in EXHIBIT A.

For all purposes, Distributable Cash shall be equal to the net income of the Company determined pursuant to GAAP, increased by the amount of depreciation, amortization or other similar non-cash allowances, and decreased by the amount of reserves as determined by the Manager from time to time. Notwithstanding, the Company shall make pro rata distributions to the Members at least equal to the estimated federal and state income taxes attributable to their pro rata share of the Company's net long-term and Section 1231 capital gains and non-separately computed income as provided under the Internal Revenue Code to the extent distributable cash exists in the Company. This estimated tax liability, which shall be computed by the accountant who regularly prepares the Company's tax returns, shall be computed on the basis of the highest marginal rate applicable to individuals on capital gains and other taxable income for the tax year in question. Unless prevented from making any distributions under applicable state law, these minimum, mandatory distributions shall be declared and paid on an annual basis no later than April 1 of the year following the taxable year to which such liability relates. Any pro rata distributions made during the taxable year in question to the Members in excess of the minimum, mandatory annual distributions required by this paragraph, can be taken into account in determining the extent of any future minimum, mandatory annual distributions for that particular tax year.

Notwithstanding the foregoing, as provided in Section 4.5, if at any time there exists outstanding a Demand Loan from the Lending Members to the Defaulting Member, the amount which would otherwise be distributed to the Defaulting Members shall be distributed to the Lending Members in payment of such Demand Loan until it has been paid in full. **If such Demand Loan is outstanding for over 12 months then Lending Members will have the right to seize ownership units of Defaulting Member in exchange for outstanding loan value due to Lending Members.**

Section 8.3 Income Tax Allocation All items of income, gain, loss, deduction and credit shall be allocated to the Members in accordance with the number of Units held by each on the same basis as Distributions are made under Article 8.2 above.

Section 8.4 Timing of Allocations and Distributions.

1. Distributions shall be considered by the Managing Member periodically in accordance with this Article and shall be made at the times and in the manner determined by the Managing Member.
 - (i) If any Unit is transferred, issued or redeemed during any month, every item of Company income, gain, loss, deduction and credit for the fiscal year shall be divided and allocated between the Unit holders before and after such event based upon the Unit Holders' respective proportionate interests. In making such allocation, the Manager may employ any reasonable method including an interim closing of the books or a proportionate daily allocation. Distributions shall be made in accordance with allocations.
 - (ii) No distribution shall be made in violation of law or if the distribution would cause the Company to be unable to pay its debts as they become due in the usual course of business or cause the total assets of the Company to be less than the sum of its liabilities.

Section 8.5 Distribution in Kind A Member shall have no right to demand and receive any distribution from the Company in any form other than cash. The Manager, after approval by a Majority Vote of the Units, the Articles of Organization and this Agreement, may cause the Company to distribute some portion or all of its assets in kind; provided, however, that no Member may be compelled to accept a distribution of an asset in kind from the Company to the extent that the percentage of the asset distributed to such Member exceeds a percentage of that asset which is equal to the percentage in which such Member shares in distributions from the Company.

Section 8.6 Limitations on Distributions A Member may not receive a distribution from the Company to the extent that, after giving effect to the distribution, all liabilities of the Company, other than liability to Members on account of their Capital Contributions would exceed the fair value of the Company's assets.

ARTICLE 9 FISCAL YEAR, BOOKS AND RECORDS

Section 9.1 Inspection All documents required to be maintained at the Company's principal office, as well as true and full information regarding the state of the Company's business, financial condition and other information regarding the affairs of the Company as is fair and reasonable, shall be made available upon reasonable prior notice during ordinary business hours for inspection and copying at the reasonable request and expense of any Member.

Section 9.2 Fiscal Year The fiscal year of the Company shall be the calendar year.

Section 9.3 Accounting The Company's accountant shall be the final authority with regard to any accounting questions that may arise during the course of the business of the Company. The accountant shall be selected by the Managers.

Section 9.4 Reports As soon as practicable after the close of each fiscal year, the Manager shall deliver to each person who was a Member or a transferee at any time during the prior Fiscal Year, all tax information relating to the Company which is necessary for the preparation of such person's federal, state and local income tax returns, and any other information regarding the Company and its operations during the prior fiscal year as determined by the Manager. The Managing Member will also provide monthly reports by the 20th of each month including expenses, income, and upcoming capital expenditures (i.e. profit and loss and balance sheet).

ARTICLE 10 TAX MATTERS

Section 10.1 Tax Matters Manager The sole Manager or, if more than one, the Manager designated by the Managers, shall be the tax matters Member for purposes of federal and state income tax matters. The tax matters Member shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Internal Revenue Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business.

Section 10.2 Basis Adjustment on Transfers of Units In the event of a transfer of all or part of a Member's Units, the Company, at the sole discretion of the Manager, may elect pursuant to Code Section 754 to adjust the basis of the Company Property upon the request of the transferee. If any Member transfers all or part of its Units, any basis adjustment from such transfer, whether made under Code Section 754 or otherwise, shall be allocated solely to the transferee.

ARTICLE 11 TRANSFERS

Section 11.1 General The "transfer" of Units and words of a similar import shall mean the voluntary or involuntary transfer, alienation, sale, assignment, pledge, encumbrance, exchange

or other disposition, by operation of law or otherwise, of all or any part of a Member's Units or any interest therein, and shall include, without limitation, a transfer caused by death, incompetence, bankruptcy, foreclosure and judicial sale.

Section 11.2 Requirements for Voluntary Transfer Subject to any restrictions on transferability required by law or contained in this Agreement, a Member may transfer the whole or any part of his Units only after complying with the conditions of this Section. The conditions precedent for the transfer of any Units are as follows:

1. Approval by Majority Vote exclusive of the vote of the transferring Member. The Members may deny consent for any reason in their sole discretion except that no consent shall be required for a gratuitous transfer of less than all of the transferor's Units to a member of the transferor's immediate family or to a trust solely for the benefit of the transferor and members of the transferor's immediate family. The transferor's immediate family shall include the transferor's spouse (unless the transfer is in connection with a dissolution of marriage), parents and lineal descendants.

2. If the transfer is for value, the Company's right of first refusal contained in Section 11.5 shall not have been exercised;

3. The transferor and transferee file with the Company a duly executed and written instrument of transfer approved by the Manager;

4. The transferor delivers to the Company, if required by the Manager, an unqualified opinion of counsel in form and substance satisfactory to counsel designated by the Manager that neither the transfer nor any offering in connection therewith violates any provision of any federal or state securities law;

5. The transferor and transferee execute, acknowledge and deliver such additional instruments as the Manager reasonably deems necessary or desirable;

6. Determination by counsel designated by the Manager that such transfer will not violate any provision of federal or state securities laws and will not result in the termination of the Company within the meaning of Section 708(b) of the Code; and

7. A fee is paid to the Company sufficient to cover all expenses connected with the transfer.

Section 11.3 Involuntary Transfers Upon the involuntary transfer by a Member ("Transferring Member") of his Units by way of death, adjudication of incompetence, dissolution of marriage, bankruptcy or insolvency, the legal representative or successor-in-interest of the Transferring Member shall succeed to the rights of the Transferring Member as an assignee as provided by Massachusetts law. The transfer of shares related to the dissolution of a marriage shall be considered an involuntary transfer, whether or not such transfer is entered into voluntarily by the Transferring Member. The legal representative or successor-in-interest shall notify the Manager of the involuntary transfer.

Section 11.4 Effect of Transfer The transfer by a Member of all or part of his Units shall become effective on either (i) satisfaction of the requirements set forth in Section 11.2 if the transfer was voluntary or (ii) the date of the notification of the Managing Member pursuant to Section 11.3, if involuntary. A transferee shall be entitled to the allocations and distributions with regard to a Unit only as of the effective date. A transfer of Units shall not entitle the assignee to become or exercise any of the rights of a Member. A transfer of Units shall entitle the transferee to receive, to the extent transferred or assigned, only the distributions to which the transferor or assignor would be entitled. A Member who voluntarily or involuntarily transfers all of his Units shall cease to be a Member upon the date of the transfer.

Section 11.5 Right of First Refusal to Purchase Units to be Voluntarily Transferred A Member proposing to transfer all or any portion of or interest in his Units for value may do so only pursuant to a bona fide offer to purchase. If the Member desires to sell his Units pursuant to such an offer, he shall give the Manager notice which shall contain a description of all of the material terms and conditions of the offer and a copy of it, if any. The Company shall then have a period of 15 days, following receipt by all Members, via certified or overnight mail, or hand delivery, of the material terms and conditions, to determine whether to purchase the Member's Units upon the terms and conditions contained in the offer to purchase. If the Company elects to purchase the Member's Units, it shall consummate the transaction as if it were the party making the purchase offer, but in no event shall the closing date be earlier than thirty days following the date of the Company's notification to the Member of its determination to purchase the Member's Units. If the Company fails to give notice of the exercise of its right of first refusal within such 15-day period, the Member shall be free to transfer his Units, but only in accordance with the offer. The Member shall not otherwise transfer his Units for value without complying with the provisions of this Section. No voting rights will be transferred with the sale of Units under this section.

Section 11.6 Substituted Member An assignee or transferee of Units shall have the right to become a Member in place of his transferor upon meeting all of the following conditions:

1. If the transfer of units for a substitution is approved by a Majority Vote of the Units, exclusive of the Units to be transferred.
2. If the transfer was voluntary, the provisions of Section 11.1 shall have been satisfied. If the transfer was involuntary, notice of the transfer shall have been filed with the Company which shall specify the name of the Member involuntarily transferring his Units and the name and address of the transferee.
3. The assignor and assignee shall have executed and acknowledged such other instruments as the Manager may deem necessary or desirable to effect such substitution, including the written acceptance and adoption by the transferee of the provisions of this Agreement.
4. A transfer fee shall have been paid to the Company which is sufficient to cover all reasonable expenses connected with such substitution as determined by the Manager.

Section 11.7 Admission of New Members At the discretion of the Managers and with

approval of a Majority Vote, one or more persons who are not Members may be permitted to acquire Units from the Company in consideration of contributions of cash, property or services and be admitted as Members. The procedure for admission of an additional Member is as follows:

1. The Contributing Members shall determine the Capital Contribution required of such new Member which determination shall be based upon the fair market value of the Company at such time, or as otherwise subject to definitive written agreements between the Company and such new Member.

2. The new Member shall execute a signature page to this Agreement prepared or approved by the Managers.

3. Within a reasonable time after admission of the new Member, the Managing Member shall provide all other Members with a copy of the signature page referred to in 2 above.

4. The Company's books may be closed at the time additional Units are issued (as though the Company's tax year had ended) or the Company may credit to the additional Units pro rata allocations of the Company's income, gains, losses, deductions, credits and other matters of any kind for that portion of the Company's fiscal year after the effective date of the issuance of the additional Units.

ARTICLE 12

Section 12.1 INTENTIONALLY LEFT BLANK

ARTICLE 13

Section 13.1 INTENTIONALLY LEFT BLANK

ARTICLE 14 DISSOLUTION AND WINDUP

Section 14.1 Cessation of Business Operations Upon termination of the Company under Section 2.3, the Company shall promptly commence to wind up its affairs. The Company shall thereafter cease to carry on its business except insofar as may be necessary for the winding up of its business, but its separate existence shall continue until Articles of Dissolution have been filed with the Secretary of the Commonwealth of Massachusetts or until a decree dissolving the Company has been entered by a court of competent jurisdiction.

Section 14.2 Settlement and Distribution In settling accounts after dissolution, the assets of the Company shall be distributed as follows:

1. First to creditors, including Members who are creditors to the extent otherwise permitted by law, in satisfaction of liabilities of the Company; and then according to Section 8.2.

Section 14.3 Termination Upon completion of the distribution of the Company's Income and Cash Reserves as provided in this Article, the Company shall be terminated, and the Managing Member shall cause the filing of the Articles of Dissolution and shall take all such other actions as may be necessary to terminate the Company.

Section 14.4 Claims of the Members The Members shall look solely to the Company's Income and Cash Reserves for the return of their Capital Contributions, and if the Income and Cash Reserves of the Company remaining after payment or discharge of the debts or liabilities of the Company are insufficient to return such Capital Contribution, the Members shall have no recourse against the Company or any other Member or Manager.

ARTICLE 15 AMENDMENTS

Section 15.1 Proposal of Amendments Amendments to the Articles of Organization and this Operating Agreement may be proposed in writing by Members owning at least ten percent of the Units or by the Managing Member. If requested by the Company, those proposing the amendment must submit with any such proposal an opinion of counsel as to the legality and effect on the Members within ten days after such request. Copies of any amendments proposed pursuant to this Article 15 shall be sent to all the Members.

Section 15.2 Amendments by Members Any proposed amendment shall be voted upon at a meeting of the Contributing Members duly called for the purpose of voting on that amendment, and shall be adopted if approved by a Majority Vote. Upon such approval of any amendment, all Members shall be bound by the terms and provisions of that amendment, as if they had so consented.

Section 15.3 Amendments by Managing Member Notwithstanding any provision of this Agreement, amendments to this Agreement which, in the opinion of counsel to the Company, are necessary to maintain the status of the Company as a tax partnership under federal or state law or for other tax purposes may be made by the Managing Member without the necessity of a vote of the Members so long as such amendments do not change the voting rights provided for in the Agreement and the proposed amendments and such written opinion of counsel are mailed or delivered to the Members at least ten business days prior to adoption of such amendments.

ARTICLE 16 NOTICES

Section 16 Notices Any notice, payment, demand or communication required or permitted to be given hereunder shall be deemed to have been given when delivered personally to

the party to be notified or three business days after it is deposited in the United States mail, postage and charges prepaid, addressed as follows:

1. to the Company, addressed to the Company's principal office;
2. to the Managing Member, addressed to the Managing Member in care of the Company; and
3. to a Member, addressed to such Member's address for purposes of notice which is contained in the Company's list of its Members. Any Member may change its address or representative to be notified by written notice to the Company.

ARTICLE 17

GOVERNING LAW AND INTERPRETATION

Section 17.1 Governing Law This Operating Agreement shall be deemed to be made under and shall be construed in accordance with the laws of the Commonwealth of Massachusetts.

Section 17.2 Severability If any provision of this Operating Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Operating Agreement shall not be affected and the application of such affected provision shall be enforced to the greatest extent permitted by law.

Section 17.3 Headings All section or subsection titles or captions contained in this Operating Agreement are for convenience only and shall not be deemed part of the context of this Operating Agreement.

Section 17.4 Plurals and Pronouns All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons may require.

Section 17.5 Time In computing any period of time pursuant to this Operating Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included, but the time shall begin to run on the next succeeding day. The last day of the period so computed shall be included, unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday or legal holiday.

ARTICLE 18

NO THIRD PARTY BENEFICIARIES

Section 18 Except as may be expressly provided for herein, no person or entity not a party hereto shall have any rights or obligations hereunder.

ARTICLE 19
ENTIRE AGREEMENT

Section 19 The Articles of Organization and this Operating Agreement contain the entire understanding between and among the Members and supersede any prior understandings and agreements between and among them respecting the subjects of the Articles of Organization and this Operating Agreement.

ARTICLE 20
COUNTERPART EXECUTION

Section 20 This Operating Agreement may be executed in counterparts, all of which taken together shall be deemed one original. Each Member shall become bound by this Operating Agreement immediately upon such Member's execution hereof and independently of the execution hereof by any other Member.

This Operating Agreement is executed as of the date first above mentioned.

MEMBERS

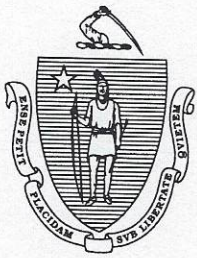
Cory Roberts

Phillip Cory Roberts, Managing Member

EXHIBIT A
SUNHOUSE MASS, LLC
MEMBERSHIP UNIT INTEREST

MEMBER	CONTRIBUTIONS	A UNITS	B UNITS	TOTAL UNITS	PERCENTAGE OF MEMBERSHIP INTEREST
CORY ROBERTS	\$100,000 IN CASH	100			100%
TOTAL EQUITY	\$100,000	100			100%

Contributing Members Subscription Agreements Attached as Exhibit B



William Francis Galvin
Secretary of the
Commonwealth

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

September 22, 2020

TO WHOM IT MAY CONCERN:

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

SUNHOUSE MASS LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **April 8, 2019.**

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

I also certify that the names of all managers listed in the most recent filing are: **PHILLIP CORY ROBERTS**

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

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

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



ATTESTATION FOR THE DEPARTMENT OF UNEMPLOYMENT

I, Phillip Cory Roberts, attest that Sunhouse Mass, LLC. is unable to register with the Department of Unemployment Assistance until Sunhouse Mass, LLC has hired employees. I also attest that as soon as applicable Sunhouse Mass, LLC. will register with the Department of Unemployment Assistance and provide the necessary Certificate Of Good Standing immediately upon receipt.

Sincerely,

A handwritten signature in cursive script that reads "Cory Roberts".

Phillip Cory Roberts
Sunhouse Mass, LLC



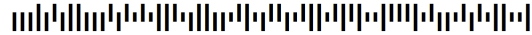
Commonwealth of Massachusetts
Department of Revenue
Geoffrey E. Snyder, Commissioner

mass.gov/dor

Letter ID: L2106601792
Notice Date: December 14, 2020
Case ID: 0-000-985-856



CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



SUNHOUSE MASS LLC
428 MERRILL RD
PITTSFIELD MA 01201-3750

Why did I receive this notice?

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

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

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

What if I have questions?

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

Visit us online!

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

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

Edward W. Coyle, Jr., Chief
Collections Bureau



PLAN TO OBTAIN LIABILITY INSURANCE THAT MEETS OR EXCEEDS REGULATORY REQUIREMENTS

Sunhouse has contacted Cannasure Insurance Services Inc., the leading insurance services provider to the cannabis industry for over 10 years. We have been assured that, once licensed, we will be able to procure liability Insurance coverage of no less than \$1 million per occurrence and \$2 million in aggregate annually with a deductible no higher than \$5,000.

Cory Roberts

Phillip Cory Roberts

Sunhouse Mass, LLC. / Owner



Sunhouse®

MASSACHUSETTS BUSINESS PLAN

Sunhouse Mass LLC. is submitting applications to the Massachusetts Cannabis Control Commission for Marijuana Establishment licenses for the purpose of Cultivation and Manufacturing cannabis products.

Facilities

Sunhouse has entered into an option agreement to purchase a 58,464/SF precast concrete industrial building located at 428 Merrill R. Pittsfield, MA. We will enter into with a "sale-lease back" with a real estate investment firm to convert the building into a turn-key cannabis production facility. We will develop a state-of-the-art cannabis facility utilizing the most advanced commercial agriculture technologies. Sunhouse will enter into a long-term lease agreement with the real estate firm.

Construction is projected to be completed by the end of Q'2 2021. At full capacity, the facility is expected to produce over 25,000 pounds of dry cannabis flower annually.

Sunhouse implements standardized processes, ag-technology and advanced mechanical systems to enable the consistent production of premium cannabis products with the lowest total inputs. Our production strategies provide competitive advantages in mature markets as well as newly developed markets.

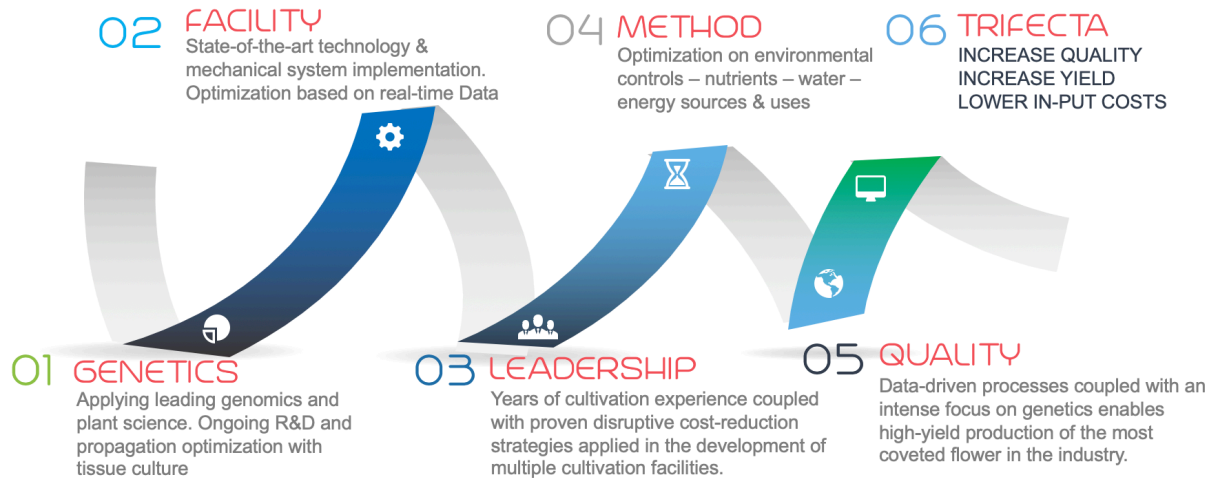
Cultivation

Approximately 40,000 square feet of the building will be converted into a Tier 6 Cultivation space with approximately 45,000 square feet of cannabis canopy. There will be a large vegetative grow room utilizing multi-tier mobile benching for the purpose of growing early-stage plants. There will be 17 flowering rooms with the most advanced agricultural equipment installed:

- 2-Tier mobile benching
- Over 3,000 high efficiency LED lighting
- Panasonic VFD HVAC systems for complete environmental control
- Integrated CO2 supplementation
- Advanced nutrient dosing and automated fertigation
- A complete irrigation system with integrated condensate recapture to reduce the needs for nutrient supplementation and reduce water demands
- Building automation equipment to monitor and control all mechanical and electrical systems
- At full capacity, over 35,000 flowering plants grown hydroponically in a rockwool medium and over 20,000 clones and vegetative plants
- 2 cannabis strains per room for a total of 34 proprietary plant genetics

Our strategies for applying state-of-the-art technologies to cultivation enables us to optimize environmental controls, nutrients, water, and energy sources to become the most efficient cultivator of cannabis flower.

BEST IN CLASS CULTIVATION



Manufacturing

Approximately 5,000 square feet of the building will be converted into the state-of-the-art manufacturing space with a C1D1 certified extraction lab.

Sunhouse will create concentrate products using a proprietary solvent more efficient and safer than traditional methods. Our proprietary process produces oil free of pesticides, free of residual solvents and free of toxic contaminants. We apply molecular distillation to create high quality *THC* and *CBD* distillates and isolates.

Our extraction technology and Quality Control platform, coupled with our control over strain specific cultivation, enables the production of 100% cannabis full spectrum concentrates to exceed the compliance regulations for providing the cleanest oil concentrates to our customers.

Our primary concentrates strategy is producing the Sunhouse premium branded products for wholesale to recreational dispensaries. The standard product lines will include a premium offering that is supported by a relationship with INDOSE, a device that provides consumers with the ability to monitor and control their consumption amounts with increments as low as 0.5 mg.

Sunhouse is dedicated to finding new technologies that increases the consumers ability to measure and control their experience with cannabis.

Staffing

Sunhouse expects to employ at least 75% of the staff from the local Pittsfield area with a focus on those disproportionately harmed by cannabis prohibition. We will be hiring approximately 25% of our initial employees that have prior managerial and cultivation experience in large commercial grows. We will implement an extensive training program to provide opportunities to move from lower levels of responsibility to higher management. Our staff will consist of 4 groups. The Management Team: General Manager, Office Manager, Compliance Manager, Human Resources Manager. The Cultivation Team: Cultivation Lead, Cultivation Assistants, Cleaning Staff. The Post-Harvest Team: Post Lead, Inventory Manager, Dry Trim Assistants, Packaging Assistants, Cleaning Staff. The Processing Team: Lead Processor, Manufacturing Techs, Cleaning Staff.

Once we have reached full production capacity, we expect to run 2 shifts during the hours of 5am – 9pm. Total number of employees will be between 20 and 30 per shift.

Operations

Cultivation harvest scheduling, task management and production forecasting will be managed through the Trym.io software application. Compliance with seed to sale tracking, inventory tracking and product sales will be managed with Massachusetts compliant METRC software. Inventory, customer relations, sales invoicing and sales tracking will be managed with the marketplace software LeafLink.

At full capacity, we expect to harvest between 1,360 to 1,680 plants every four days. Each harvest will be completed during a 2-shift day. Utilizing the most advanced drying technology, Dhydra's Atlas machinery, we will be able to Dry – Trim – Package a full harvest within 1 day of harvest completion. This incredibly fast turn from harvest to packaged product significantly reduces the risk of product contamination, reduces off-gas of terpenes thus mitigating odors and increases production efficiencies.

With an expected production weight per plant of 1.50 pounds and dry-back of 85%, we are forecasting 100 grams of dry flower per plant. At 7.5 harvest per month and an average of 1,500 plants we forecast producing approximately 2,500 pounds of dry flower product monthly. Assuming we recover 20% of that weight in dry trim, we will process 500 pounds of trim into concentrate products. With average 18% yield we will produce 40,000 grams of concentrates monthly.

Grow staff will be divided into teams; Propagation, Vegetation, Flowering and Cleaning/Maintenance. Strict Standard Operating Procedures will be implemented and tracked on a daily basis. Task management will be delivered to each team member through the mobile application Trym.io

Post-harvest staff will be divided into teams: Harvest, Dry Cure, Trimming, Packaging, Inventory Management and Cleaning/Maintenance. Strict Standard Operating Procedures will be implemented and tracked on a daily basis. Task management will be delivered to each team member through the mobile application Trym.io

A Compliance Officer will have oversight for all production methods, plant tracking with METRC, procedures and protocols, to ensure the continued compliance with all local and state regulations.

Sales & Marketing

The Sunhouse brand- strategy is consumer focused to penetrate specific target markets; women, sports & active minded, and recreational consumers. We have developed exclusive flower strains and concentrate formulations, and the production procedures that enable us to roll-out a brand strategy with focused product categories. Product innovation using an advanced scientific team supports the core Sunhouse principals to build state-wide brand awareness and increase market share.

Our ability to bring consumer reliable products to market enables a long-term competitive advantage in established markets. Our sales efforts will be focused on direct to dispensary relationships. Providing dispensaries with point-of-sale support and product marketing material has shown to create strong customer relationships for Sunhouse in the Colorado market. We will also implement a marketplace presence with online B2B platforms such as LeafLink.

Our Sunhouse goal to provide the highest quality *Consumer Reliable* cannabis products is founded on basic principles that will be reinforced through our marketing to support our brand development:

- *Quality – a diligent focus on applying technology to produce the cleanest product for consumers*
- *Product Safety – testing plant material and product along the production cycle*
- *Packaging Safety – child-proof packaging with appropriate branding and full-disclosure ingredient lists*

SUNHOUSE

- *Transparency – Sunhouse will act openly, sharing with our customers, consumers, community, industry and regulatory bodies, the choices we make to bring Consumer Reliable cannabis products to market.*

All child-proof packaging will be designed to comply with local and state regulations with appropriate branding and disclosures.

Flower Packaging template for eighth ounce child-proof pouches:



Pre-roll Packaging template for eighth ounce child-proof tubes:



Revenue Forecast

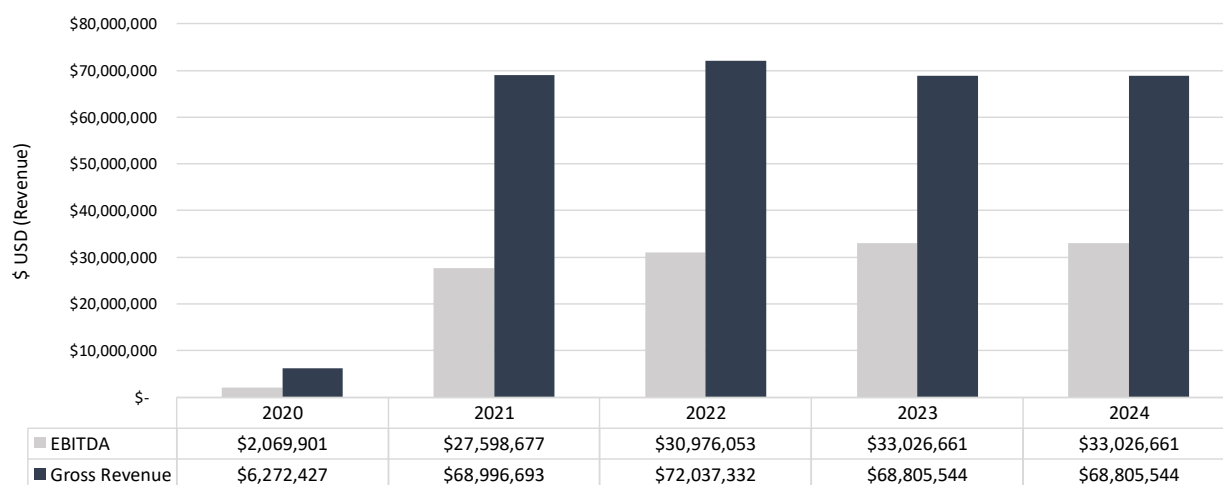
Cultivation will be the primary driver for revenues. The initial start will begin with building the plant count numbers in the vegetative room with 2,000 – 4,000 plants every week for 6 weeks. These plants will populate our flower rooms as well as build out our cloning program and mother plants. Timeline from initial harvest will be; 4 weeks for the vegetative stage, 9 weeks for the flower stage and 1 week for dry, trim package, and testing. Timeline for first revenue is 3 months and to reach full production capacity will be approximately 10 months from the initial start date.

Assumptions:

- Conservative Start Date of September 1 2021
- Price per pound \$2,200 – 2022 and then reducing down to an average of \$2,000
 - Takes into account for higher realized price per pound of pre-roll products
- Price per gram of concentrates \$8
- COGS as a % of Revenue – 42% reducing down to 35%
- SG&A as a % of Revenue – 25% reducing down to 17%

PROJECTIONS

PRODUCTION OPERATIONS	2021	2022	2023	2024	2025
Flower Production (Lbs)	2,693	29,625	32,318	32,318	32,318
Concentrate Production (g)	43,435	477,788	521,223	521,223	521,223
OPERATING RESULTS					
Gross retail revenues	\$ 6,272,427	\$ 68,996,693	\$ 72,037,332	\$ 68,805,544	\$ 68,805,544
Cost of goods sold	2,634,419	27,598,677	27,374,186	24,081,940	24,081,940
Operating expenses	1,568,107	13,799,339	13,687,093	11,696,942	11,696,942
EBITDA	\$ 2,069,901	\$ 27,598,677	\$ 30,976,053	\$ 33,026,661	\$ 33,026,661





MAINTAINING OF FINANCIAL RECORDS

Sunhouse will engage a third-party CPA firm to assist in building a strong financial management platform for operating the business. We will maintain a bank account and Quick Book files for all financial transactions. All sales of product will be in the trace and track system Metrc, as well as recorded in our business software LeafLink. All business records will be maintained in digital format with a reliable cloud-storage provider with appropriate backup copies on the company's internal network.

- Financial records will include but not limited to:
 - Assets and liabilities;
 - Cash flow statements
 - Profit Loss statements
 - Monetary transactions;
 - Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
 - Sales records including the quantity, form, and cost of cannabis products; and
 - All Human Resources information
 - Salary and wages paid to each employee, executive compensation, bonus, benefit.
 - Following closure of Sunhouse, all records will be kept for at least two years and in a form and location acceptable to the Commission.



RESTRICTING ACCESS TO AGE 21 AND OLDER

The Sunhouse facility at 428 Merrill Rd in Pittsfield is a cannabis production facility that is a limited and restricted access facility. There are no retail or wholesale sales activities transacted on-site, therefore the facility is not open to the public.

- No public access. Two security entry doors that will have advanced locking systems programmed and controlled for only employee access
- All employees go through a background check and age verification to determine all employees over the age of 21
- Tours of the facility are restricted to management and compliance officers with protocols that require age verification and sign-in prior to entering the facility.
- All visitors are required to show proof of age of 21 or older.
- Visible signage will be attached to all exterior doors stating the building is restricted access to only those aged 21 and over



PERSONNEL POLICIES

HUMAN RESOURCES DEPARTMENT

It is the responsibility of the Human Resource Department manager to plan, direct, and coordinate the administrative functions for employee oversight. The HR manager will oversee the recruiting, interviewing, and hiring of new staff, and serve as a link between management and staff.

HIRING POLICIES

- HR manager will work with each department manager to create standard interview questionnaire for each designated staff position
- HR manager will maintain filing for each employee containing;
 - Tax information
 - Training courses completed
 - Job duties
 - Work schedule and payment records
 - Performance assessments
 - Background checks
 - HR manager will use a third-party service to initiate, track and manage the results of background checks
 - Identity checks, criminal, candidate experience, verifications
 - Any and all other recommended or required background checks
- HR manager will be responsible for initial training for all new hires
 - Diversity training
 - Misconduct and sexual harassment in the workplace training
 - Security training
 - Cleanliness and sanitation policies
- All new hires will be hired with a 2-month trial period
 - Performance assessment evaluated to bring new hire in as full time
 - Corporate culture fit will be evaluated for full-time employment consideration



PERFORMANCE ASSESSMENT

- HR manager will create a detailed assessment for each staff position
 - A rubric that explains performance considerations and how it is graded to each staff member
 - A rubric that defines actions that will be taken for poor performance; including warnings, additional training, suspension and termination will be provided to each staff member
 - Quarterly assessment and Annual reviews will be performed for each staff member

ANTI-DISCRIMINATORY POLICY

- HR manager will develop and maintain an anti-discriminatory policy to include but not be limited to;
 - Clearly describe acceptable and unacceptable behavior in the workplace as it relates to sexual harassment, sexual orientation, religious and political freedom, and cultural acceptance, and the repercussions for violating company policy;
 - The HR manager will conduct an annual "Diversity Day" to promote inclusiveness.

CONFIDENTIAL INFORMATION POLICY

- HR manager will have each employee sign a Non-Disclosure Non-Circumvention agreement in order to protect company confidential information
- Compliance officer will be tasked with installing security / anti-malware software on all computers and use data encryption for digital correspondence and manage regular data backups to maintain protection of information.
- Compliance officers will be tasked with shredding documents not necessary to maintain in a hard-copy filing system.

STAFFING PLAN

- HR manager will be manage hiring staff in accordance with company policy
- HR manager will be tasked with maintaining personnel records for each employee during employment and for 12 months preceding termination including;
 - All materials submitted to the Commission



- Documentation of verification of references
- Employment contracts with detailed job description and responsibilities, qualifications, and supervision
- 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;
- Documentation of periodic performance evaluations; and
- A record of any disciplinary action taken
- HR manager will be tasked with providing an Employee handbook describing company policies, accessible business hours and a Cultivation guidelines and SOPs for safe cultivation conditions.
- HR manager will maintain at least 75% of the staff from the local Pittsfield area with a focus on those disproportionately harmed by cannabis prohibition.
- Initial we will hire approximately 25% of our employees that have prior managerial and cultivation experience in large commercial grows.
- An extensive training program to provide opportunities to move from lower levels of responsibility to higher management will be implemented.
- Our staff will consist of 4 groups.
 - The Management Team: General Manager, Office Manager, Compliance Manager, Human Resources Manager.
 - The Cultivation Team: Cultivation Lead, Cultivation Assistants, Cleaning Staff.
 - The Post-Harvest Team: Post Lead, Inventory Manager, Dry Trim Assistants, Packaging Assistants, Cleaning Staff.
 - The Processing Team: Lead Processor, Manufacturing Techs, Cleaning Staff.
 - Once we have reached full production capacity, we expect to run 2 shifts during the hours of 5am – 9pm.
 - Total number of employees will be between 20 and 30 per shift.



EMPLOYEE HANDBOOK

Sunhouse will hire an attorney to review and assist in edits to the details of the Company Employee Handbook to more appropriately reflect the operations in Massachusetts, however the Employee Handbook attached below reflects the Personnel Policies and Procedures that will be implemented at Sunhouse Mass, LLC.

Handbook starts on following page



Sunhouse



Welcome to Sunhouse!

This handbook was created to introduce you to Sunhouse Mass, LLC and provide information about working conditions, benefits, and policies essential to your employment here. The information you'll find in this handbook applies to all Sunhouse employees.

Following the policies described in this handbook is a condition of your employment. However, nothing in this handbook alters an employee's status. Nothing in this handbook shall constitute nor be construed as a promise of employment or a contract between the Company and its employees.

The handbook is a summary of our policies, which are presented here for informational purposes. You are responsible for reading, understanding, and adhering to the provisions of this handbook. We hope to provide you with a work environment that is constructive to your personal and professional growth.

1. Employee Handbook Introduction:

Welcome to Sunhouse! We're glad to have you here.

We've been in business since 20__ and since that time have developed the philosophy that our employees are the foundation to the overall success of the Sunhouse brand. Our overriding goal is to produce the highest quality product for customers. Our mission is to go beyond on all that we pursue.

If you're reading this, we think you're a good fit for helping us fulfill our mission and achieve our goals.

1.1 Changes in policy.

This handbook replaces previous employee handbooks, memos, and manuals. We reserve the right to interpret, cancel, change, suspend, or dispute, with or without notice, all or any part of these policies, procedures, and benefits at any point. Employees will be notified of changes.

Changes take effect on dates determined by the Company. After changes take effect previous policies are void. Individual managers and supervisors cannot change policies.

1.2 Employment applications.

We rely on the accuracy of employment application information and any other data candidates provide during the hiring process.



Falsifications, misrepresentations, or material omissions may result in the exclusion of the candidate from consideration for employment. If the candidate has been hired, termination of employment may be considered.

1.3 Employment relationship.

You enter into this employment voluntarily and are free to resign at any time for any reason or no reason. Likewise, Sunhouse Mass, LLC is free to conclude its relationship with any employee at any time for any reason or no reason. Following the probationary period, employees are required to follow the Employment Termination Policy outlined in section 3.

2. Definitions of Employee Status:

An “employee” of Sunhouse Mass, LLC is a person who regularly works for Sunhouse on a wage or salary basis. “Employees” may include exempt, non-exempt temporary, regular full-time, regular part-time employees, and other employees who are subject to the control and supervision of Sunhouse in the performance of their duties.

2.1 Types of Employees:

- Exempt.
- Non-exempt.
- Regular full-time.
- Regular part-time.
- Temporary.
- Contract.

3. Employment Policies:

3.1 New employee orientation.

Human resources provide an orientation for new employees. This includes an overview of the company history, an explanation of company vision, mission, values, goals and objectives. Orientation also includes an explanation of tax and legal issues, benefits, and help completing necessary paperwork.

Employees are presented with onboard training in all the rules and regulations of the MED and after will be presented with codes, keys, procedures, and the guidelines needed to access their workspace. Supervisors introduce new hires to staff, explain company evaluation procedures, review position scope and job description, and help them start working.



3.2 Non-disclosure and confidentiality agreement.

Protecting trade secrets and confidential business information is essential to the success of Sunhouse.

Such confidential information includes (but is not limited to): pending projects and proposals, proprietary production processes, compensation data, personnel/payroll records, financial information, marketing strategies, and conversations with people associated with the company.

As a condition of employment, employees must sign a non-disclosure agreement. Employees improperly disclosing or using confidential business information or trade secrets are subject to disciplinary action, including termination and legal action, even if the disclosure does not benefit them.

3.3 Non-discrimination.

Sunhouse does not discriminate in employment opportunities or practices because of race, sex, national origin, color, religion, age or disability. We make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in undue hardship.

3.4 Probationary period for new employees.

The probationary period for regular employees is for 90 days from hire date. This is a time for management to evaluate new employees, and for new employees to evaluate the company.

During the probationary period, the company and the employee can terminate employment without notice. Upon completion of the probationary period, a review will be given, and benefits will begin as appropriate.

3.5 Work hours.

Sunhouse is open from 5 a.m. to 8 p.m. 7 days a week, except for Holidays (See Section 6.7, Holidays). The standard workweek is 40 hours (see Section 4.3, Overtime).

3.6 Lunch periods.

Employees receive a [55-minute] break for lunch. Lunch breaks generally are taken between the hours of [11:30 a.m. and 2:30 p.m.]

3.7 Break periods.

Sunhouse allows 4 – 10-minute breaks during the day. If employees have unexpected personal business to take care of, they must notify their direct supervisor to discuss time away from work and make provisions as necessary.



3.8 Emergency closings.

Emergencies including fires, severe weather, or power failures can disrupt company operations. Cory Roberts will make the decision to close. Employees will receive an official notification from their supervisors if the company is closed due to emergency.

3.9 Employee personnel files.

Employee personnel files include: [job application, job description, resume, records of training, salary history, records of disciplinary action and documents related to employee performance reviews, coaching, and mentoring.]

Personnel files are Sunhouse's property. Access to information they contain is restricted. Management personnel of Sunhouse who have a legitimate reason to review the file are allowed to. To review their own file employees should contact their supervisor or Human Resources Representative.

3.10 Personnel data changes.

Employees are responsible for notifying their supervisor or Sunhouse Human Resources Department of changes such as: mailing address, telephone number, name, number of dependents, and emergency contacts. An employee's personnel data should always be accurate and current.

3.11 Performance review.

Supervisors give formal performance reviews every [six months]. Informal performance reviews may be conducted more often.

Performance reviews are for employees and supervisors to talk about current tasks and discuss ideas for meeting work goals. Performance is directly tied to wage and salary increases. Performance reviews will have a direct effect on your compensation.

3.12 Outside employment policy.

Employees may hold outside jobs in non-related businesses or professions as long as there is no conflict of interest, performance standards and scheduling demands are met, and Sunhouse resources are not used for outside employment.

3.13 Disciplinary action.

Sunhouse holds each of its employees to certain work rules and standards of conduct (see Section 5). When an employee deviates from these rules and standards, Sunhouse expects the employee's supervisor to take action.



Though committed to a progressive approach to disciplinary action, Sunhouse considers certain rule infractions and violations of standards as grounds for immediate termination of employment.

These include but are not limited to:

- Unauthorized access to company property outside of business hours.
- Using company equipment and/or company vehicles without authorization.
- Theft.
- Insubordination.
- Vandalism or destruction of company property.
- Misrepresentations of Sunhouse Mass, LLC to a customer, a prospective customer, the general public, or an employee.
- Sharing company business practices.

3.14 Employment termination.

Terminations are part of personnel activity at any company.

Grounds for Immediate Termination and reporting to appropriate authorities;

- Diverting any cannabis product (which shall be reported to the Commission and to law enforcement)
- Engaging in any unsafe practices in the operation of the production of cannabis in the facility will be reported to the Commission
- Conviction, or an entry of guilty plea, for a felony charge for distribution of a drug to a minor

Examples and definitions of common termination types:

- Termination – Employment termination initiated by Sunhouse
- [Layoff]/(layoff-letter) – Employment termination initiated by Sunhouse for non-disciplinary reasons.
- Resignation – Employment termination initiated by an employee.

Exempt employees shall give at least [four (4) weeks] written notice. Since employment with Sunhouse is based on mutual consent, both the employee and Sunhouse have the right to terminate employment at will, with or without cause during the Introductory/Probationary Period for New Employees (See Section 3.3, Introductory/Probationary Period for New Employees).

When a non-exempt employee intends to terminate his/her employment with Sunhouse, he/she shall give Sunhouse at least [two weeks] written notice.



Employees who terminate employment with Sunhouse shall return company property. No final employee's payment will be made until all items are returned in appropriate condition. Cost of replacing un-returned items is deducted from the employee's final pay.

Any outstanding financial obligations owed to Sunhouse will also be deducted from the employee's final pay.

Benefits are affected by employment termination in the following manner:

Sunhouse will pay accrued vested benefits due and payable at termination. Some benefits may be continued at employee expense (See Section 4, Benefits). The employee will be informed of benefits that may be continued and how to do so.

3.15 Work safety.

Sunhouse gives information to employees about health issues and workplace safety through:

- Training sessions.
- Meetings.
- Bulletin board posts.
- Memos.
- Other written communications.

Employees must be cautious and obey safety rules. Unsafe conditions should be reported to a supervisor immediately. Disciplinary action, including termination of employment, may result from violating safety standards, creating dangerous situations, or failing to report or remedy such situations.

A supervisor should be notified immediately in case of accident-related injuries, no matter how insignificant. (See Section 3.16, Employee Requiring Medical Attention).

The Sunhouse facility is maintained as an alcohol, smoke and drug-free workplace for the safety, health and wellbeing of all employees. Violations are to be reported and violating employees will be subject to termination as per section 3.14 above.

3.16 Health issues.

Strictly for the protection of employee health, employees should inform supervisors or human resources representatives of health-related issues.

A doctor's note stating whether the employee can perform his/her job duties is required when or shortly after notice has been given.



Employees should notify their supervisor and Human Resources Representative if a health issue requires a leave of absence. These are granted on a case-by-case basis.

3.17 If an employee requires medical attention.

If an employee requires medical attention, the employee's personal physician must be notified immediately. If it is necessary for the employee to be seen by the doctor or go to the hospital, a family member will be called to transport the employee to the appropriate facility.

Due to potential liabilities, Sunhouse's employees will not be responsible for transporting another employee.

The employee will be responsible for transportation charges when an emergency requires Emergency Medical Services to evaluate the employee on-site.

3.18 Building security.

Employees are not allowed on Company property after hours without proper authorization

Employees given the responsibility to close the business at the end of the day assume responsibility for locking doors, arming alarm systems, and performing any additional building care, such as turning off lights or setting thermostats.

Employees issued work keys are responsible for them.

3.19 Company supplies and expenditures.

Employees whose regular duties do not include purchasing shall not make purchases behalf of Sunhouse without written approval.

In order to make purchases in the name of the company, you must be authorized by Cory Roberts

3.20 Expense reimbursement.

Reimbursements under [\$25] will be included in the employee's next regular paycheck. Larger amounts will be processed as an invoice. Reimbursement request forms should be turned in to [Payroll Department/Accounts Payable].

Supervisors must give prior approval of expenses.



3.21 Visitors in the workplace.

To protect the safety and security of employees, visitors, and facilities only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps ensure security, guards confidential information, decreases insurance liability, protects employee welfare, and limits distractions.

3.22 Parking.

Employees must park their cars in parking lots or other areas indicated and provided by the Company.

3.23 Immigration law compliance.

New employees must complete the Employment Eligibility Verification Form I-9 and present documentation verifying employment eligibility and identity.

Sunhouse employs United States citizens and non-U.S. citizens authorized to work in the United States in compliance with the Immigration Reform and Control Act of 1986.

Rehired employees who have not completed an I-9 with Sunhouse in the past three years or whose previous I-9 is no longer retained or valid must complete another.

4. Wage and Salary Policies:

4.1 Wage or salary increases.

[Employee wages are reviewed yearly. The employee's review date is typically on or about the anniversary date of employment or the date of the previous compensation review, although reviews may be conducted more often, depending on the circumstances.]

4.2 Timekeeping.

(The following is for employees using a time clock.) Non-exempt employees are responsible for recording their time worked correctly. Time worked is time actually spent performing assigned duties. [Employees are responsible for recording time spent on individual jobs.]

Sunhouse does not pay for time spent on personal business or extended breaks.

The time clock is a legal instrument. Altering, falsifying, tampering with time records, or recording time on another employee's time record will result in disciplinary action, including termination of employment.

Time records are reviewed weekly. Time record changes must be approved management and they can handle questions about timekeeping.



4.3 Overtime.

Overtime compensation is paid to non-exempt employees in accordance with federal and state wage and hour restrictions.

Overtime is payable for all hours worked over [40] per week at a rate of one and one-half times the nonexempt employee's regular hourly rate. Time off on personal time, holidays, or any leave of absence will not be considered hours worked when calculating overtime. In addition, vacation time does not constitute hours worked.

All overtime work performed by an hourly employee must receive authorization. Overtime worked without authorization from the [supervisor] may result in disciplinary action.

4.4 Paydays.

All employees are paid bi-monthly (on the 15th and last day of the month). In the event that a regularly scheduled payday falls on a weekend or holiday, employees will receive pay on the next day of operation.

Sunhouse provides an automated direct deposit service for employees, which automatically deposits a pay stub in an employee's bank or credit union account(s). To use this service, complete a direct deposit authorization form

5. Code of ethics and code of conduct.

Standards of ethics and conduct for Sunhouse are important, and the Company takes them seriously. Employees are expected to follow codes and standards in conducting the Company's business and doing their jobs.

Deviating from company rules and standards can lead to disciplinary action, including termination of employment (see Section 3.12, Corrective Action).

6. Benefits and Services:

Sunhouse does not currently offer a benefits program for its [regular full-time] and [regular part-time] employees. However, Sunhouse is currently looking into appropriate programs for the employees.

6.1 Vacation.

[Paid vacation is available to regular part-time employees and regular full-time following their first-year anniversary with Sunhouse.

Paid vacation hours are based on the following: Earned vacation can be used after 6 months continuous employment.



Unused earned vacation is paid added to the employee's final paycheck upon termination. One-week paid vacation may be carried over from one calendar year to the next.

The vacation policy applies to all regular full-time [and part-time] employees.

Earned vacation leave cannot be taken before it is accrued and approved. Vacation may be taken in half-day increments of time.

For vacations longer than 1 week, requests should be received in writing at least [60] days before the proposed vacation period.

6.2 Record keeping for vacation hours.

The [Human Resources Department] maintains vacation day records.

6.3 Holidays.

Sunhouse Mass, LLC observes the following [non-]paid holidays per year for all [non-exempt] employees: [New Year's Day] [Memorial Day] [Independence Day] [Labor Day] [Thanksgiving Day] [Day after Thanksgiving Day] [Christmas Day].

6.4 Jury duty and military leave.

Employees will be granted unpaid time off for jury or military leave. Regular employees will be kept on active payroll until civic duties are finished. A copy of the jury duty summons and associated paperwork are required.

7 Employee Communication

7.1 Procedure for handling complaints

Under normal working conditions, employees who have a job-related problem, question or complaint should go to their immediate supervisor first to get the fastest and best solution. If the employee and supervisor do not solve the problem, Sunhouse encourages employees to contact the Human Resources manager.

7.2 Bulletin boards.

Employees are responsible for reading important announcements and information posted on the bulletin boards in [locations].

7.3 Staff meetings.

Staff meetings will be held on Mondays. These meetings allow employees to be informed about company activities and important news. It's also a chance to recognize employee performance.

We are excited for you to join the Sunhouse team!



Thank you,

Cory Roberts

CEO Sunhouse Mass, LLC



RECORD KEEPING PROCEDURES

RECORD KEEPING PRACTICES

Sunhouse will have a network setup for onsite digital storage and cloud-based storage for record keeping, as well as physical file storage for those files necessary to be maintained at the facility.

BUISINESS AND FINANCIAL RECORDS

- Sunhouse will engage a qualified CPA firm for assistance in accounting and tax preparation and filing
- Financial books and records will be maintained to comply with US GAAP standards. Books and records will be managed in QuickBooks and include;
 - Assets and liabilities
 - Banking transactions including all monetary transaction
 - Books of all accounts; journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers
 - Sales records and invoices of cannabis transactions (maintained in LeafLink software)
 - 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 a Marijuana Establishment

STANDARD OPERATING POLICIES & PROCEDURES

- A written hard copy and digital copy of all Standard Operating Policies and Procedures will be maintained on-site and online in cloud-based storage by the Compliance Officer, to include but not limited to;
 - Security Policies
 - Personnel Safety and Crime Prevention
 - Cultivation Practices and Management
 - Storage and Transportation of Cannabis
 - Compliance Policies and Management
 - Quality Control
 - Staffing Policies
 - Emergency Procedures
 - Prevention of Diversion Policies and Procedures



PERSONNEL RECORDS

- HR manager will be responsible for maintaining a file system with all employee records including;
 - Job descriptions
 - Management
 - General manager
 - Office manager
 - Compliance officer
 - Human Resources manager
 - Cultivation Team
 - Cultivation leads
 - Cultivation assistants
 - Cleaning staff
 - Post-Harvest Team
 - Post lead
 - Inventory manager
 - Dry-trim assistants
 - Packaging assistants
 - Cleaning staff
 - Personnel Records as per Sunhouse Personnel Policies dictate
 - Employee Handbook with detailed personnel policies and procedures
- Sunhouse will apply for registration all board members, directors, employees, executives, managers, and volunteers who are associated with Sunhouse and maintain all records for each registration including but not limited to all background checks of each associate individual.

PLANTING RECORDS

- Form of cannabis planted (e.g., seed, clone from mother plant, etc.);
- Date that planting took place;
- Strains and varieties and numbers of each
- Location and size of the cultivation area.

CULTIVATION RECORDS

- Type and size of media
- All IPM measures taken
- Record all nutrient additives applied and date of application



HARVEST RECORDS

- Identity of each strain harvested;
- Date of harvest;
- Gross weight of the cannabis harvested for processing
- Total weight of cannabis waste resulting from the harvest, and
- Net weight of harvested cannabis

PROCESSING RECORDS

- We will maintain records for processed cannabis that include at a minimum:
 - Identity of the strain processed;
 - All track and trace Metrc ID tags
 - Date of processing;
 - Initial weight and total yield post processing; and
 - Total weight of any processing loss

IRRIGATION / FERTIGATION

- Water condition and nutrient additives will be recorded and controlled by a computer-operated analytical fertigation system with multiple ports for custom nutrient solution mixing and other growth additive additions will be utilized. PH, EC, and all nutrient concentrations and flow rates will be continuously monitored and adjusted with feedback loops. All system data will be automatically logged and can be accessed remotely.
- We will record the identity and source of all cannabis propagation material with enough specificity to ensure that the material can be traced to its source. Such records will be created whether the propagation material is obtained off-site or produced on-site.
- For each batch of cannabis, we will maintain cultivation records that include at a minimum:
 - Nutrients added, date of application, and strength of the application;
 - All substances applied to the plant surface or used as a fumigant in the cultivation area and date of application; and
 - Pruning or other physical technique will be recorded in the TRYM.IO



application

PESTICIDE APPLICATION

- We will track all of the following pesticide use records:
 - Pesticide chemical name;
 - Brand name and manufacturer name;
 - Amount of pesticide applied;
 - Date pesticide applied; (v) Cultivation stage at application;
 - Identification or location of plants to which pesticide was applied; and
 - Name of applicator if required.

INVENTORY AND SALE RECORDS

We will maintain records of the sale of cannabis to other manufacturing operations, and to dispensing operations using both real-time compliance software Metrc and business management software LeafLink. We will maintain records for all financial transactions in LeafLink which enables historical reports from the data base of information kept in a cloud-based storage. Invoices, dates of sale and distribution, license numbers, products sold, payment form and dates received ... etc. will be accessible. We will also record at a minimum;

- Number of plants, seeds, clones in any phase as held in the seed-to-sale Metrc system
- Plants and plant material in post-harvest
- Finished and stored cannabis product
- Identity and amount of the batch with strain specifications;
- Total weight of each cannabis product in inventory, reserved and sold with detailed product descriptions
- Date of distribution;
- All customer information including contact information and cannabis license information, and past sales data;
- Amount of and the batch of any product returned due to product spoilage, recalls, etc.
- Monthly inventory audits will be conducted of in-process cannabis



- Annual extensive inventory audits will be conducted of all cannabis plants and products
- All records will include Date of inventory, Summary of inventory, names and signatures and titles of individuals conducting the inventory count.

RECORD RETENTION

- We will retain our required records for a period of three years past date of creation of the record, or one year past the expiration date of the related product.
- Product complaint records will be retained for one year past the expiration date of the batch or lot affected, or for one year past the date of receipt of the complaint, whichever is longer.
- Records for returned products will be retained for one year past the expiration date of the batch or lot affected, or for one year past the date of receipt of the return, whichever is longer.
- ALL records will be available for inspection by the Commission at any point in time.



QUALIFICATIONS AND TRAINING

JOB DESCRIPTION & TASKS

Individual job descriptions have been developed for each position in Sunhouse's organization. The purpose is to ensure that all personnel are clear about their role and responsibilities, and to understand how their position contributes to the safe, efficient operation of the center.

1. FACILITIES MANAGER

The Facilities Manager (FM) reports to the CEO and is responsible for building maintenance, environmental controls, operations and safety, janitorial services, sanitation, storage, and maintenance of chemicals, and non-cannabis/cannabis waste management.

Qualifications include:

- Previous industrial building facilities management required, preferably 2 years of experience
- Experience with basic of mechanical, electrical and plumbing
- Ability to create and maintain task management calendars
- Experience managing a staff of 5 to 10 people
- Preferred at least a high school diploma

Responsibilities include, but are not limited to:

- Maintain lighting, HVAC and mechanical systems in excellent working condition.
- Coordinate with the Security Manager to maintain the function and safety of the facility's hardware and infrastructure.
- Manage a budget associated with facilities functions.
- Hire, manage and train facilities staff.
- Create and implement task-specific SOPs and carry out job risk analyses with the assistance of the Quality Assurance Officer.
- Be aware of federal, state and local regulations related to cannabis business premises requirements.
- Be familiar with local building code and permit regulations.



- Develop a maintenance and inspection schedule for all building and infrastructure systems.
- Conduct or oversee the routine maintenance and inspection of environmental and other major systems critical to the operation of the organization.
- Develop and maintain logs and checklists to simplify maintenance and inspection activities.
- Schedule and facilitate required inspections by outside organizations.
- Determine which types of work can be handled by company personnel and under what circumstances an outside contractor must be called in.
- Serve as the lead responder to critical equipment malfunctions, including the maintenance of a list of critical equipment and phone numbers to call in case of breakdowns.
- Maintain an on-site inventory of selected equipment parts to facilitate rapid repairs in the event of a malfunction.
- Work with the Security Manager to support the maintenance of security systems.
- Manage chemicals, non-cannabis/cannabis waste and other refuse.
- Train facilities employees in the proper procedures for handling and disposing of chemicals, including the Globally Harmonized System of Classification and Labeling of Chemicals (GHS) and the use of Safety Data Sheets (SDSs).
- Keep records of training for each training module related to chemicals and non-cannabis waste management for every facilities employee, including the date training occurred, type of training, the signature of the employee upon completion of training, the signature of an authorized person who can verify completion of training, and the date retraining is due.
- Forward all records and logs to the Record Keeping Manager.
- Become familiar with all company Standard Operating Procedures to identify areas in which the Facilities Department may support other business activities.

2. FACILITIES STAFF

The Facilities Staff report to the Facilities Manager and are responsible for carrying out a subset of scheduled tasks related to maintaining the premises as directed by the Manager.



Qualifications:

- No experience necessary
- Ability to follow strict operating procedures for maintaining cleanliness
- Janitorial service and/or building maintenance experience preferred

Responsibilities may include, but are not limited to:

- Replace equipment that fails or must be changed out on a regular basis, such as light bulbs, filters, etc.
- Carry out inspections and sanitation tasks according to equipment- or location-specific procedures.
- Maintain the cleanliness of restrooms, empty waste containers, and carry out other general janitorial duties.
- Keep indoor and outdoor areas clean and orderly.
- Report malfunctions, safety concerns and other issues to the Facilities Manager.
- Maintain logs and checklists and forward completed documents as directed.
- Participate in all required training according to company policy.
- Follow safety procedures related to the use of chemicals or other potentially hazardous materials.

3. CULTIVATION LEAD

Reports to the Director of Production and manages a team of cultivation staff members in the production of high-quality cannabis plants and plant materials.

Qualifications:

- 2-year minimum experience as a Cultivation Lead or Tech at an industrial sized indoor licensed cultivation business
- Extensive knowledge in cannabis cultivation practices including but not limited to;
 - Propagation
 - Protocols for growth stages
 - Irrigation, fertigation and nutrient recipes
 - Preventative pest management strategies
 - Compliance and use of Metrc software



- Experience in managing a team of Cultivation Assistants
 - Task management
 - Scheduling
 - Organization
- Experience in following detailed Standard Operating Procedures
- High school education or above it preferred

Responsibilities include, but are not limited to:

- Manage a team that handles all aspects of daily cultivation activities in an indoor grow facility.
- Outline specific roles and responsibilities for plant technicians and work with management to build a team.
- Create and implement task-specific SOPs and carry out job risk analyses with the assistance of the Quality Assurance Officer.
- Provide weekly reports to the Director of Production and make suggestions for improving cultivation systems.
- Maintain indoor plant growing protocols, develop and test nutrient regimens, and strive to improve planting techniques and yields.
- Observe the overall health of live plants and execute the pest management program including elimination of all types of mold, powdery mildew, spider mites, root aphids, fungus gnats, etc.
- Work with the Inventory Control Manager to perform all cultivation tracking with the inventory control system in compliance with rules and regulations.
- Manage plant scheduling to accurately project all growing requirements on a daily, weekly, and monthly basis to maximize high-quality yield and provide a steady and consistent supply of product.
- Schedule, manage and oversee cloning processes, achieving a minimum 90% success rate.
- Manage the maintenance of irrigation, climate control systems, cleaning, sanitation, hazard action plans and alert management if there are issues.
- Inspect the facility to identify systems, building components or equipment that may need repairs or adjustments.



- Train employees in task-related processes, problem solving and health and safety issues.
- Participate in manager training and foster a spirit of cooperation, respect and professionalism among employees and other managers.
- Ensure that logs and other records are forwarded to the Record Keeping Manager.
- Work closely with the Quality Assurance Officer on quality control and regulatory issues and on monitoring and improving the implementation of standard operating procedures.
- Collaborate with the Security Manager to ensure the security of the growing area, resulting products and cultivation records.
- Be prepared to meet with state and local regulatory officials to facilitate inspections and audits.
- Maintain records such that requests for information from regulating authorities or law enforcement can be met by required deadlines.

4. CULTIVATION ASSISTANT

Reports to the Cultivation Lead (CL) and participates in the production of high-quality cannabis plants and plant materials by adhering to procedures and proactively reporting potential issues.

Qualifications:

- No prior cannabis experience necessary
- Interest in learning horticulture and working with plants
- Experience working as a part of a team preferred
- Time management and ability to follow tasks assigned are desired

Responsibilities include, but are not limited to:

- Participate in all training related to cultivation, safety, inventory control, regulations, etc.
- Promote all safety and housekeeping activities to ensure a healthy work environment.



- Assist the CL in all aspects associated with indoor cannabis cultivation, such as plant propagation, watering, feeding, pruning and transplanting, according to task-specific procedures.
- Observe and examine vegetative and bloom development according to the inspection checklist and report irregularities.
- Water and fertilize according to the nutrient schedule and report any issues with the irrigation system.
- Identify any pests, diseases, or infestations; maintain related logs and report problems to the CL.
- Identify and report mechanical systems malfunctions.
- Record environmental conditions such as temperature, humidity, and any other pertinent information as requested by the CL.
- Maintain careful records of all activities and forward paperwork as directed.
- Make suggestions to the CL related to improving safety conditions or increasing efficiency.

5. POST-HARVEST MANAGER

Reports to the Director of Production and participates in the production of high-quality harvested product. Applies knowledge of managing, processing, and maintaining the integrity post-harvest flower material.

Qualifications

- 2-year minimum experience as a Cultivation Tech or Post Harvest crew at an industrial sized licensed cannabis cultivation business
- Experience managing a team
- Experience with managing strict protocols for harvesting, drying, and curing
- High school education preferred

Responsibilities include, but are not limited to:

- Manage a team that handles all aspects of daily processing activities in an indoor grow facility.
- Outline specific roles and responsibilities for processing technicians and work with management to build a team.



- Create and implement task-specific SOPs and carry out job risk analyses with the assistance of the Quality Assurance Officer.
- Provide weekly reports to the Director of Production and make suggestions for improving cultivation systems.
- Participate in all training related to processing, safety, inventory control, regulations, etc.
- Manage the Processing Staff in relation to the harvesting and processing of all post-vegetative material.
- Participate in manager training and foster a spirit of cooperation, respect and professionalism among employees and other managers.
- Train employees in task-related processes, problem solving and health and safety issues.
- Work with the Inventory Control Manager to perform all tracking with the inventory control system in compliance with rules and regulations.
- Identify which flower material will be hand or machine trimmed.
- Identify which material will be sent to extraction.
- Manage quality control and consistency of batches.
- Inspect the facility to identify systems, building components or equipment that may need repairs or adjustments.
- Ensure that logs and other records are forwarded to the Record Keeping Manager.
- Work closely with the Quality Assurance Officer on quality control and regulatory issues and on monitoring and improving the implementation of standard operating procedures.
- Collaborate with the Security Manager to ensure the security of the processing area, resulting products and processing records.
- Be prepared to meet with state and local regulatory officials to facilitate inspections and audits.
- Maintain records such that requests for information from regulating authorities or law enforcement can be met by required deadlines.
- Perform additional tasks as may be required by the Director of Production.



6. POST-HARVEST STAFF

Reports to the Post-Harvest Manager (PM) and participates in the production of high-quality harvested products by adhering to procedures and proactively reporting potential issues.

Qualifications:

- No prior cannabis experience necessary
- Timeliness and attention to details

Responsibilities include:

- Participate in all training related to processing, safety, inventory control, regulations, etc.
- Promote all safety and housekeeping activities to ensure a healthy work environment.
- Assist the Processing Manager in maintaining a regular trimming and processing schedule.
- Trim and separate flower material based on batch names and quality levels.
- Identify and report quality problems during the trimming and processing stages.
- Maintain cleanliness and sanitation of all trimming and processing areas.
- Record environmental conditions such as temperature, humidity, and any other pertinent information, for the trimming/processing area.
- Identify and report mechanical systems malfunctions.
- Maintain careful records of all activities and forward paperwork as directed.
- Make suggestions to the PM related to improving safety conditions or increasing efficiency.

7. OFFICE MANAGER / HR MANAGER / COMPLIANCE OFFICER

Qualifications:

- 2-year minimum experience as an Office Manager
- Experience with cannabis compliance management
- Excellent computer skills including competency in excel, word and online applications
- Highly organized and ability to manage and maintain filing systems
- Excellent understanding of basic accounting and QuickBooks



- High school education required
- Great people skills
- High proficiency with Metrc and other cannabis software

Responsibilities include:

- Onboarding and termination processes for all employees
- Personnel training
- Ensuring health and safety in the workplace
- File management
- Ordering and managing all supplies
- Managing budgets
- Creating reports
- Assist managers and leads with Compliance
- Managing and maintaining Metrc

PERSONNEL AND BACKGROUND PROCEDURES

8. HIRING STAFF

- We will perform initial and periodic background checks to ensure that all staff is in compliance with the local and state laws and regulations.
- We will maintain all background checks in employee files.

9. PERSONNEL TRAINING

- We will properly train all staff with a minimum of 8 hours of training per year. Training will be dependent upon the specific staff duties and responsibilities including but not be limited to:
 - Security clearance and protocols for each identified area of the building
 - Cleaning, sanitation and maintenance of equipment staff is responsible for
 - Safety and emergency protocols for all functions including all life-safety protocols and integrated pest management protocols (pesticides)
 - All Standard Operating Procedures as they apply to the staff's duties and responsibilities



- Instructions regarding regulatory inspection preparedness and law enforcement interactions
- Information on applicable local, state, and U.S. federal laws, regulations, and policies relating to individuals employed in these operations, and the implications of these for such employees.
- Implement staff training and protocols on hygiene:
 - prohibit employees who are showing signs of illness, open wounds, sores or skin infections from handling cannabis.
 - How to handle cannabis with specific attention to preventing microbial contamination. Specifically washing of hands and wearing surgical gloves
 - Hand washing requirements including washing hands with soap and hot water before beginning work, after using the bathroom and after meal breaks. Instructive hand washing signage will be in appropriate areas such as bathrooms, kitchens, and lunch areas, and in multiple languages as needed.
- We will ensure that each staff member has the education, training, and/or the experience to properly engage in the operation and ability to perform all assigned duties, tasks and responsibilities prior to performing job functions.
- We will ensure that all owners, managers and employees will complete the Responsible Vendor Program within 90 days of being hired and all documentation for the Responsible Vendor Program will be securely filed and retained for a minimum of 4 years.
- We will maintain records of all training sessions provided to staff members for the performance of all assigned functions.
- We will train staff on maintaining logs, certifications and pesticide logs for all Integrated Pest Management functions.



ENERGY COMPLIANCE PLAN

Sunhouse has experience in building high efficiency cultivation facilities. Sunhouse Colorado LLC, by way of implementing the most efficient lighting and HVAC systems was the first cannabis cultivation facility to qualify for the Energy Efficient Building Rebate Program from Xcel Energy in the City of Denver.

Sunhouse will apply lessons learned and research and development to satisfy or exceed the minimum energy efficiency and equipment standards and reporting requirement as established by the Commission. We will meet or exceed all requirements for environmental laws, regulations, permits and other applicable approvals, including those related to water quality and solid hazardous waste management, prior to obtaining final licensure. Our compliance with the standards will be annually reviewed and continually modified as mechanical and technical upgrades are available or as mandated by the Commission.

We will use best-management-practices to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts, and shall provide energy and water usage reporting to the Commission as required. We will provide energy and water usage data over a preceding 12-month period proceeding the date of application with our renewal application to the Commission.

Prior to final licensure, we will demonstrate compliance with 935 CMR 500.120(11), by submitting an energy compliance letter prepared by a Massachusetts Licensed Professional Engineer with supporting documentation, together with submission of building plans under 935 CMR 500.103.

LIGHTING

The Sunhouse lighting plan will use high efficiency LED and Plasma lighting fixtures with adjustable programmability that provides scheduling and dimming controls. The lighting plan will meet the HLPD 36 watts per gross square foot requirement. Increased efficiency will be realized by the following lighting protocols:

- Sunrise Sunset programming: For vegetative and flowering rooms we use a program that simulates sunrise and sunset that reduces the wattage used for 2



hours when lights turn on and 2 hours before they go out. This significantly reduces energy consumption for lighting

- Vegetative programming: Enables programming a single light on a weekly basis in order to increase light only as needed. Traditionally vegetative plants remain under the same higher wattage lights for the 3-4 week time period. We have also determined through research and development, that traditional vegetative rooms have too high of intensity lighting. We will implement much lower intensity lighting than traditional facilities. Both reduce wattage fixtures and dimming capability significantly reduces energy consumption
- Mother room: We have implemented high efficiency Plasma lighting which provides the ideal spectrum for mother plants at significantly lower wattage (300w) than traditional HPS lighting (600 – 1000w). We also implement a light per square foot larger than typical. This significantly reduces wattage per square foot of canopy.

RENEWABLE ENERGY

- Energy decisions will be made by a comparison of availability, total cost of equipment, efficiencies and practicality
- Solar panels will be used in the VRF Heat pump HVAC system for increased efficiency. Able to qualify for Solar Tax Credits through the Energy Policy Act of 2005 and subsequent Tax Cuts and Jobs Act.

HVAC

- Sunhouse has engaged Grass Roots, a heating and air conditioning specialist that has energy efficiency engineers on staff to assist in evaluating equipment and technologies for increasing energy efficiency for HVAC systems
- We will be installing a high efficiency Panasonic VRF system into the facility
 - We will be implementing both a heat pump and heat recovery system
 - Ductless system to eliminate static pressure and increase efficiency
 - High Efficiency air handler units will be used throughout the facility
 - IEER = 28.6
 - EER = 12.5
 - COP = 3.84



- VRF Heat Pump
 - Suntrac Solar Thermal Smart panels will be installed to act as a re-heat for increased efficiency and energy savings
- VRF Heat Recovery
 - The heat pump will be used to circulate “Free Heat” from cultivation rooms are calling for cooling and redirect the heat to other areas in the facility calling for heating

MONITERING ENERGY SAVINGS

- An annual review of energy options, or at any time there is a facility upgrade, renovation or expansion, or when equipment has failed and needs to be replaced, will be made that includes
 - Solar option reviews
 - Thermal / natural gas powered generation
 - New lighting technologies
- At each opportunity to improve the approach to energy efficiency, management will document options reviewed, results of comparisons of the options, decisions made and why made and the implementation plan for any new energy efficiency equipment.
- We will be applying with MassSave for review of all electrical systems (HVAC, Lighting, Solar) we install and will continually engage with MassSave for potential changes and upgrades to improve efficiency.

BUILDING ENVELOPE

- The facility at 428 Merrill Rd in Pittsfield is constructed of pre-stressed concrete walls and roof. It is highly energy efficient due to the insulation qualities of thick pre-stress concrete
- There are no exterior window which may allow for energy loss
- The roof will be coated with a reflective white EPDM Thermal coating

EQUIPMENT MAINTENANCE



- Sunhouse will have on staff a building operations manager (BOM) that is trained on all maintenance and operations of all electrical and mechanical systems in the facility
- The BOM will be responsible for maintaining all manuals, maintenance procedures and schedule logs for all maintenance and work or replacement of equipment including but not limited to all HVAC, Dehumidification, Irrigation/Fertigation and Lighting.



QUALITY CONTROL AND TESTING

Sunhouse will comply with the Commission's protocols for Quality and Testing as set forth in 935 CMR 500.105(3); 500.160 Testing of Marijuana and Marijuana Products.

All cannabis product, will be sold or otherwise marketed for adult use after passing all required testing by an Independent Testing Laboratory, in compliance with a protocol established in accordance with M.G.L. c. 94G, § 15 and in a form and manner determined by the Commission including, but not limited to, the Protocol for Sampling and Analysis of Finished Medical Marijuana Products. Upon transferring any cannabis products to another cannabis establishment, we will provide all documentation of compliance with the testing requirements as set forth in 935 CMR 500.160.

BATCH ID TRACKING

Sunhouse will track each plant through the cultivation life-cycle with RFID METRC tags and the plants will be registered to batch IDs.

All plants will be cultivated and harvested in traceable batch ID format. All plants in a batch will be from the same plant stock, grown in the same media, feed the same nutrient water, and grown with the same environmental inputs.

Batches will be numbered and traced throughout the cultivation cycle and throughout the post-harvest process and throughout inventory to delivery to the dispensary customer.

These batch IDs will be used to identify for Sampling and Testing Analysis.

TESTING REQUIREMENTS

The cannabinoid, microbial, pesticide and heavy metals for each batch will be test by an Independent lab in accordance with (935 CMR 500.105(5), 935 CMR 501.105(5)).

The cannabinoid profile and ingredient list will be clearly labeled on each cannabis product packaging, along with the usable amount of cannabis in the package.

FAILED TESTING PROCEDURES

Any and all cannabis batches that fails any testing will be transferred to the manufacturing department for processing into a distillate concentrate. Any failed product must follow protocols for remediated product through METRC. All testing procedures will then follow correct protocol for compliance with manufactured product testing.

If the cannabis batch fails due to pesticide or plant growth regulator then the batch must be destroyed in accordance with 935 CMR 500.105(12) and 935 CMR 501.105(11). We will notify the Commission within 72 hours that the batch failed, a plan to destroy the material and possible causes of the failed test and how to remedy the issue.



Individuals shall report any concerns to the Commission by phone: (774) 415-0200;
email: Commission@CCCMass.com; or via Mail to: Cannabis Control Commission
ATTN: DIRECTOR OF INVESTIGATIONS
2 Washington Square
Union Station 2nd Floor
Worcester, MA 01604

SAMPLING AND ANALYSIS

COLLECTION

Cannabis plant material will be harvested and immediately transported to the Dhydra drying equipment. This equipment will reduce the moisture content of the plant material to 10-15% of total weight. The flower will then move to the trim machines to remove excess leaves and prepare the product for sale. All flower will be packaged in air-tight mylar bags and stored in the climate controlled and limited access secured Inventory Vault.

For each cannabis product batch, at least a minimum sample amount will be taken for testing. Varying number and sizes of samples may be required but for all sample plant material should represent a homogenized composition of the whole cannabis batch.

A duplicate sample using the same methods will be taken for a Quality Control Sample, matching the sample that is taken for testing results.

All sample procedures will follow strict sanitary protocols and be documented and held in file for future reviews.

SAMPLE PROTOCOL

Prior to Sample Collection. We will assemble all equipment and information needed before beginning.

Items to assemble before sampling include, but are not limited to, the following:

- Sample collection plan for each product type;
- Logbook or sample collection forms;
- Chain-of-custody forms (COCs); 19
- Disposable gloves;
- Decontaminated tools
- Stainless steel bowl and implement to homogenize the product (chopping, or grinding);
- Clean, decontaminated surface for sample processing;
- Sample containers appropriate for the analyses required;
- Container labels and pen with indelible ink;
- Supplies to thoroughly clean, decontaminated and dry sampling equipment between samples; and



- A container for shipment to the laboratory.

SAMPLE PROCEDURES:

- Prepare sample labels prior to start
- Wear disposable gloves
- Clean sample area and prep with equipment
- Collect sample with clean tools
- Place sample in stainless steel bowl for homogenizing
- Record all necessary collection data
- Place sample in clean air-tight sample container
- Store properly
- Prepare documentation for transfer to ITL
- All transportation of marijuana to and from ITL shall comply with 935 CMR 500.105(13).

SAMPLE COLLECTION DOCUMENTATION

- identify the sample collection date and start time
- sample collecting personnel
- a general description of the product type and batch number
- a description of the sampling procedures used
- a record of batches that would potentially be impacted should analysis results indicate unacceptable contamination levels.
- identify the cultivation batch number, production batch, and number of samples to be collected based on the guidance obtained in consultation with the ITL.
- the number of samples taken from each cultivation and/or production batch
- record the sample cultivation and production batch identifiers (ID) for each sample.

SANITARY CONTROLS

Cleanliness in Operations

Cleanliness in all aspects of the facility is required. Regular cleaning schedules will be kept for all departments. The facility shall have sufficient plumbing of adequate size through-out all parts of the building in order to supply water for maintaining operations and cleanliness. Litter and waste will be removed and cared for as per waste management protocols in order to minimize the development of odor and the potential pests or other contaminants. Maintenance procedures will be enforced by grower/processor management and will be monitored using checklists and documentation that details actions taken to clean, repair, replace, and otherwise maintain garden equipment. Additional provisions regarding sanitation, quality control, testing practices, and worker safety standards will be detailed in company



policies along with detailed environmental monitoring standard operating procedures (SOPs.) All company SOPs and workers will be subject to periodic third-party audits to ensure compliance. Deficiencies discovered during such audits will be recorded and SOPs will be reworked to prevent further deficiencies. This cycle of SOP improvement followed by audit and employee and manager accountability and training will ensure a virtuous cycle of continuously improving procedures and results. Procedures to be included, but limited to, in Sanitary SOPs;

1. Employees shall conform to sanitary SOPs while working with cannabis and inside of the facility including
 - a. All personnel handling any cannabis products are subject to the requirements of food handling specified in 105 CMR 300.00
 - b. Personal cleanliness shall be maintained inside all parts of the facility
 - c. Hand washing prior to entering into the cannabis production areas and prior to handling any cannabis products is required by all employees
 - d. The wearing of appropriate PPE including gloves is required prior to contact with cannabis products
2. All equipment and surface cleanliness shall be maintained in accordance to all SOPs.
 - a. All equipment and surfaces shall be maintained cleaned and sanitized as necessary to protect against any contamination
 - b. The facility will be equipped with adequate locker room and toilet facilities and these facilities must be maintained for cleanliness
 - c. All storage and transportation areas and surfaces for cannabis products must be cleaned, sterilized and maintained cleanliness adequate to protect cannabis products from physical, chemical and microbial contamination

The floors will be finished with an easily cleanable, durable commercial epoxy. All walls will be fitted with fiber reinforced plastic (FRP) panels - a smooth finish that enables easy cleaning. Work areas will be cleaned daily. All floors, walls, grow rooms, doorknobs, door jams, and work area surfaces will be sanitized weekly. As a matter of procedure, any time an employee is finished with an area or tool for the day, they will be required to sanitize it before stowing.

A sufficient space will be designated for equipment and storage of materials to maintain sanitary operations. As well as a designated sufficient space for cleaning so that large equipment can be hand sterilized and power-washed, while small parts can be washed in a stainless steel three-stage industrial sink and dried on a stainless drying bench. This area will be equipped with safety glasses. Employees will be dressed in coveralls and shoe coverings and any additional required Personal Protective Equipment (PPE) for the task they are



performing. A floor drain will also be installed nearby, and a water pusher (squeegee,) will be used to move water toward the drain thereby helping dry the floor after each use.

TOXIC PRODUCTS

Products requiring specialized stowage, such as fertilizers, cleaning products, fungicides, pesticides and additives will be identified and kept in chemical storage closets that meet or exceed OSHA requirements. Every product stored inside the closet will have a safety data sheet (SDS) kept in a folder, attached to the outside of the cabinet. Required and recommended chemical spill kits will be located next to each chemical storage cabinet. All toxic products shall be stored in order to protect against potential contamination of cannabis products.



DIVERSITY PLAN

DIVERSITY AND POSITIVE IMPACT PLAN

Sunhouse is committed to creating a management and staff that is more diverse than the communities in which it serves. We believe that diversity in gender, age, race, cultural background, language, life experiences and sexual orientation enhances employee engagement and retention and creates a more creative problem-solving and decision-making environment that benefits Sunhouse and its employees. Sunhouse will accomplish our goals by implementing plans, actions and programs that do not violate the Commission's regulations with respect to limitations on ownership, control or violate applicable state laws.

DIVERSITY PLAN

- Implement hiring practices to eliminate bias, promote participants in the Commission's Social Equity Program, and advertise positions for hire in ways that reach diverse individuals;
- Institute hiring practices with a goal of having a workforce more racially diverse than the average demographics in Berkshire County; and
- Comprise both a management team and a staff of at least 30% of individuals that are women, 10% veterans, 20% minorities, 10% people with disabilities, and 10% from the LGBTQ+ community.

PROGRAMS

- Sunhouse will make monthly posts, in the Berkshire Eagle newspaper, stating that Sunhouse is actively recruiting women, veterans, people from minority groups, people with disabilities and people from the LGBTQ+ community, for employment in our cannabis facility.
- Sunhouse will make monthly social media posts on Instagram, stating that Sunhouse is actively recruiting women, veterans, people from minority groups, people with disabilities and people from the LGBTQ+ community, for employment in our cannabis facility. Social media has proven to be an effective tool to attract strong applicants from diverse groups.
- Human Resources Quarterly Training will include practices to eliminate bias and promote a racially diverse demographic
- All plans, programs, branding and advertisements will adhere to the advertising and marketing requirements as set forth in 935 CMR 500.105(4).



METRICS

- Human Resources hiring practices will be audited quarterly to determine that the percentage of rejected applicants from any minority group does not exceed those of any other minority group or non-minority applicants.
- On a Quarterly basis, we will count the number of employees from each minority group and divide that number by total average employee count for that quarter to determine each minority group's percentage of the total employee count.
- On a Quarterly basis the HR manager will provide a number breakdown of applicants received, from each minority group, from both newspaper and social media posts to determine the most effective way of recruitment.

TIMELINE

- The Diversity Plan will be implemented for the initial hiring of staff for the facility.
- We will strive to meet or exceed the minority group diversity plan within 3 months of the initial start-up hiring phase
- Success of the plan will be monitored, and a log will be recorded on a Quarterly basis which will be reviewed by management for effectiveness and to monitor the metrics of the programs.
- Sunhouse will document progress and success of its Diversity Plan on an annual basis with the renewal of the provisional licenses and do so each year after the initial renewal.